Hostaway

2024 REPORT:

AI in the Short-Term Rental Industry

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EXECUTIVE SUMMARY

How much difference can a few months make? In the age of artificial intelligence (AI), a lot.

In late 2023 we surveyed property owners and managers asking if they were using AI for business. **Fifty-seven percent (57%)** of all respondents said they **did not** or **were unsure** if they had.

Today, **70.1%** of property owners and managers we surveyed for this report said they **are using AI**, with **61.8%** believing AI represents a **competitive advantage** in the marketplace.

Much more than simple research, PMs are using AI for critical operational tasks. **Forty-one percent (41.4%)** of respondents are leveraging AI for p**rice optimization.** Nearly one-third (**30.1%**) say they're using AI to help in **marketing** efforts, **29.7%** are using AI-driven **chatbots**.

While adoption of AI has grown considerably, respondents aren't entirely sure how to measure the benefits.

Thirty percent (30.7%) say they have **not noticed any cost savings** thanks to using AI. They echo a similar sentiment regarding occupancy rates, with **30.6%** reporting no change.

Respondents are much more bullish when it comes to time savings, however. More than **one-third (35%)** say they're on track to **save an equivalent** of **four work days** this year (at least two hours/week). That number jumps to nearly half **(46.6%)** for respondents managing at least 26 properties.

Adoption of artificial intelligence is not without its doubts. **Sixty-four percent (64.8%)** don't believe AI will help **create genuine human connections**; a further **54.4%** don't believe AI will help with **complex, nuanced customer complaints.**

Yet overall, **75.6%** of respondents say they are highly or cautiously optimistic about AI. And **34.9%** said they had '**no concerns**' with regard to using AI
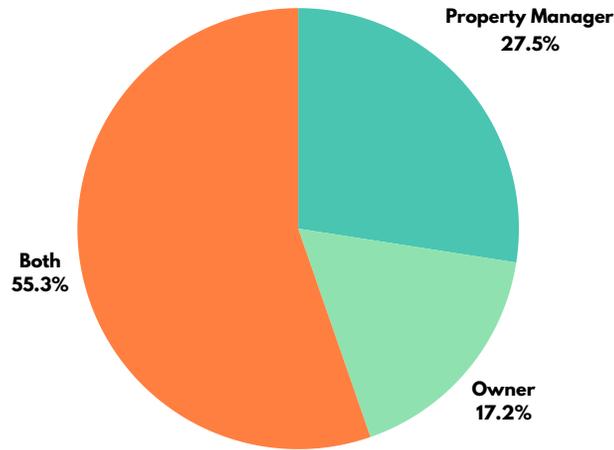
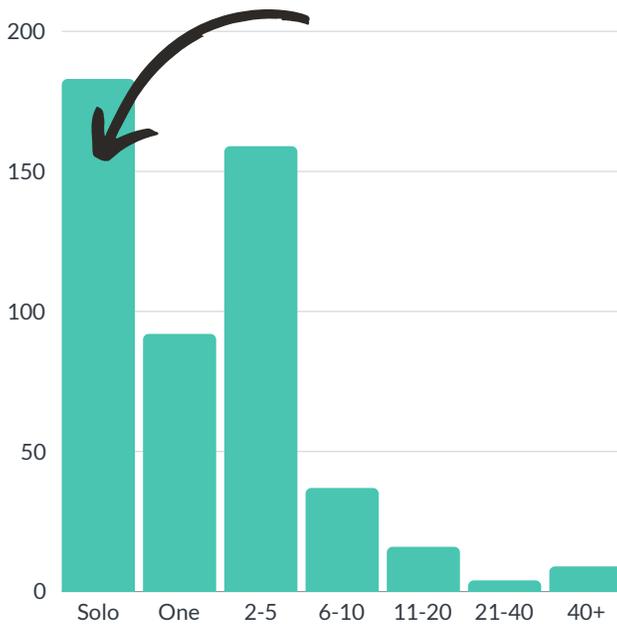Host away

PART ONE

WHO WE SURVEYED

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Five hundred (500!) short-term rental property owners and managers responded to our survey. Before getting into the fun stuff, here's a quick look at some demographic data on our respondents.
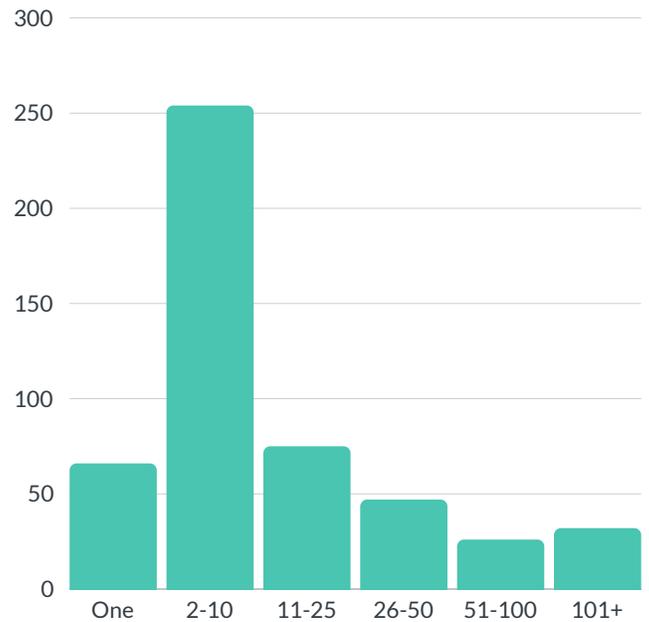
Owner vs manager

Property Manager
27.5%

Both
55.3%

Owner
17.2%

Number of employees

Solo | One | 2-5 | 6-10 | 11-20 | 21-40 | 40+

Number of properties

One | 2-10 | 11-25 | 26-50 | 51-100 | 101+

More than half (55%) have either one or no full-time employees on staff, with 36.6% doing it all on their own.

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PART TWO

FROM THE 2023 STR REPORT

DID YOUR BUSINESS LEVERAGE AI IN 2023?

Last year we released the first-ever Short-Term Rental Report by Hostaway. In it, we asked two questions about AI.

Back then, **56.8%** of respondents **had not**, or **were unsure if**, they used AI for business. How much has that changed in the six months since we released the report? Spoiler alert: **it's changed A LOT.**

LAST YEAR'S RESULTS

**Not sure
5%**

**Yes
43.2%**

**No
51.8%**

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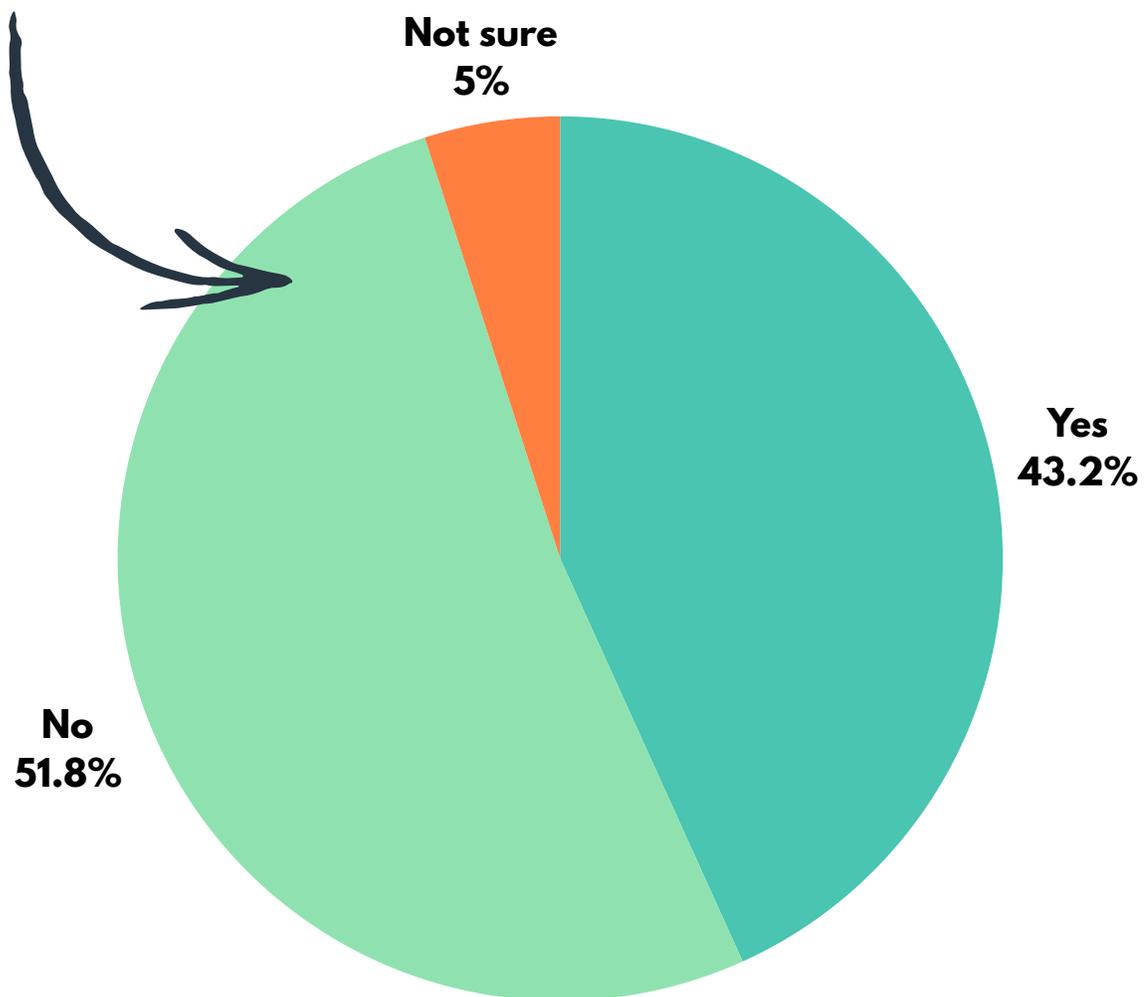
From 2023:
Where AI Can Have The Biggest Impact

Respondents were also asked which areas of the business they thought AI could impact most. Only **12% answered "pricing"**. As you'll see later on in the report, **pricing** has turned out to be the **number one use case for AI** among short-term rental professionals

And while **43.7%** of large-portfolio respondents (26 or more properties) are using **AI for guest communications**, only **26% of** small-portfolio managers & owners reported doing the same.
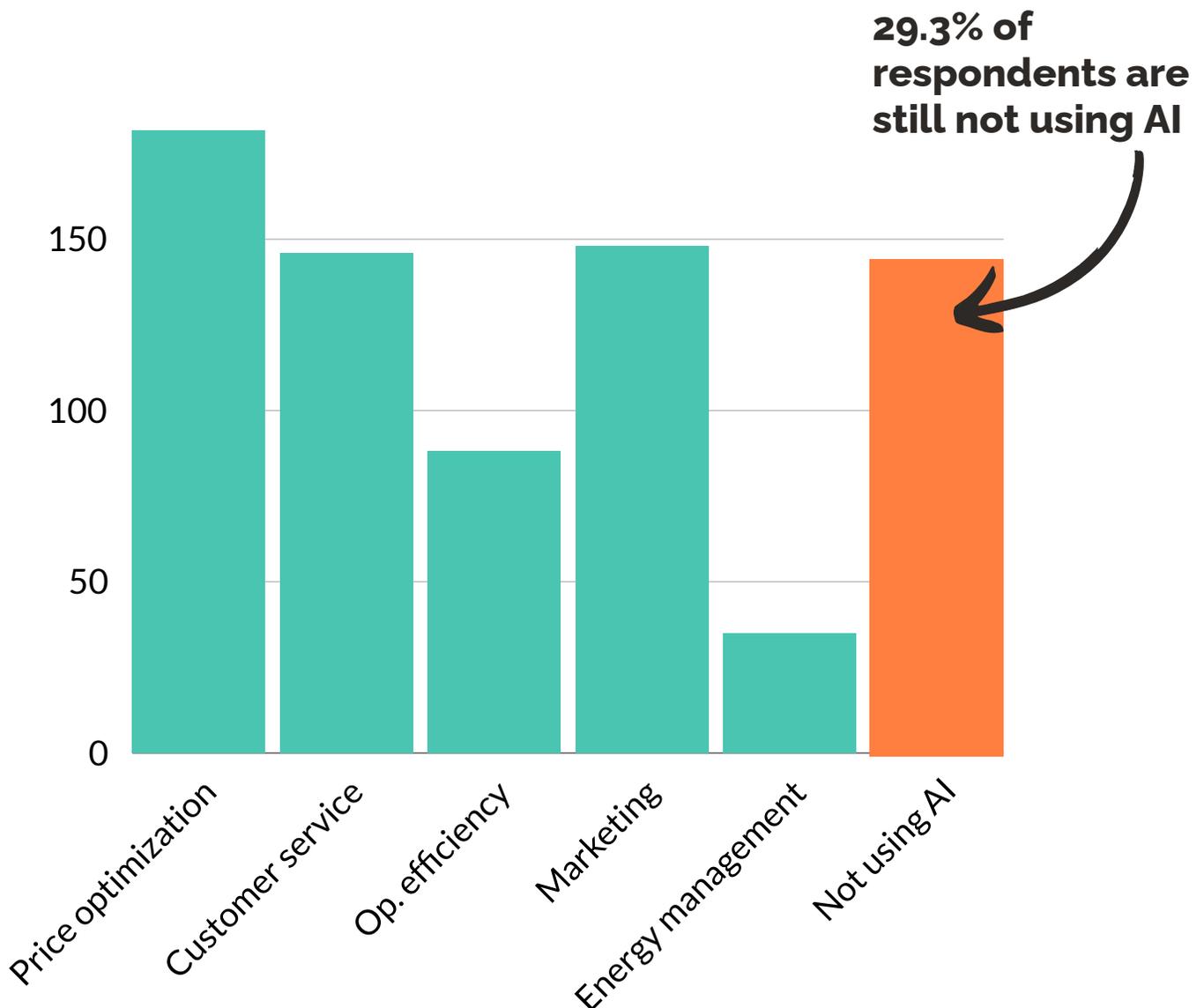
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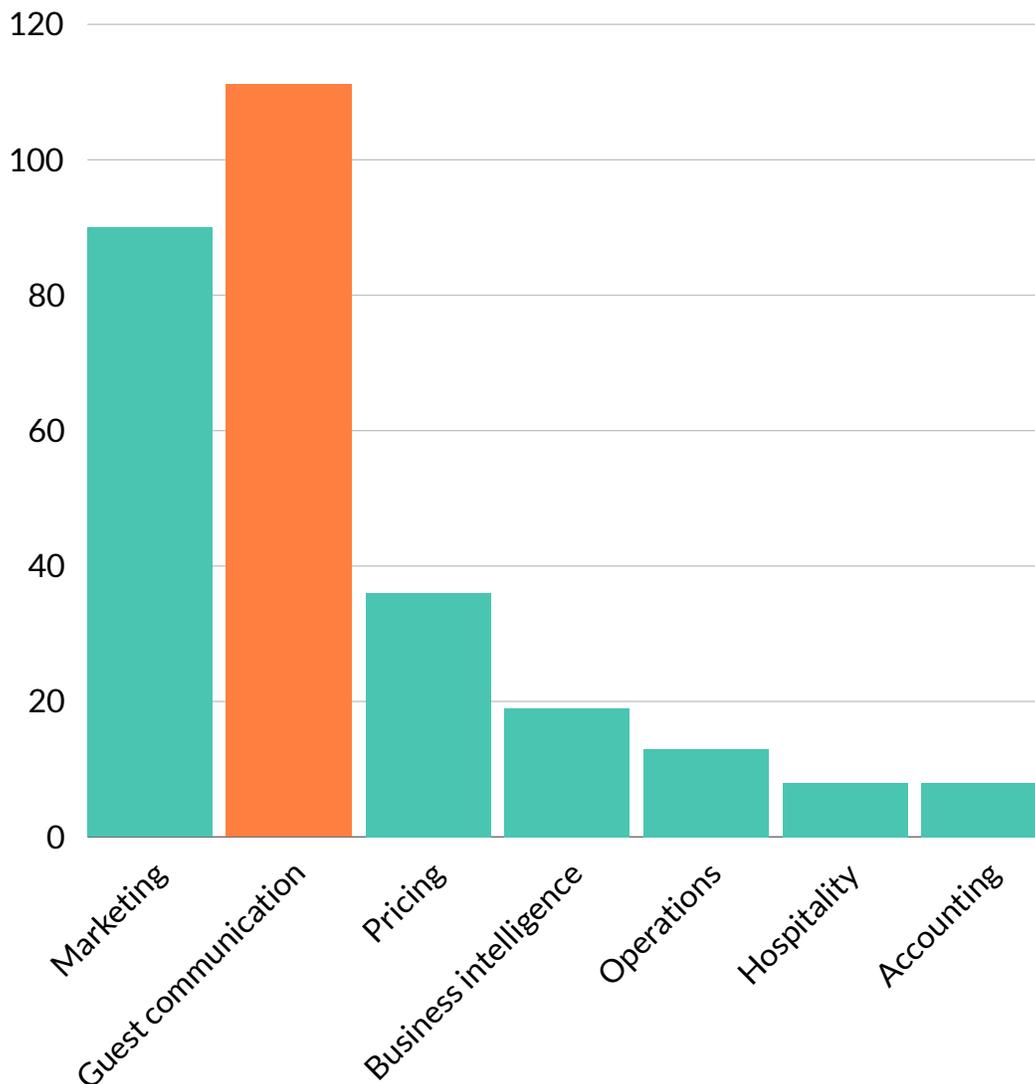
PART THREE

HOW YOU'RE USING AI TODAY

What Are You Currently Using AI For?

My my how things have changed. **Over 40% of respondents** say they leverage AI to set **dynamic, optimized pricing. Thirty-percent (30%)** say they're using **AI for customer service** like chatbots, and for **marketing purposes**.

Despite AI becoming nearly ubiquitous for businesses in 2024, **29.3% of respondent**s say they're still **not using AI for business** purposes.

29.3% of respondents are still not using AI

150

100

50

0

Price optimization

Customer service

Op. efficiency
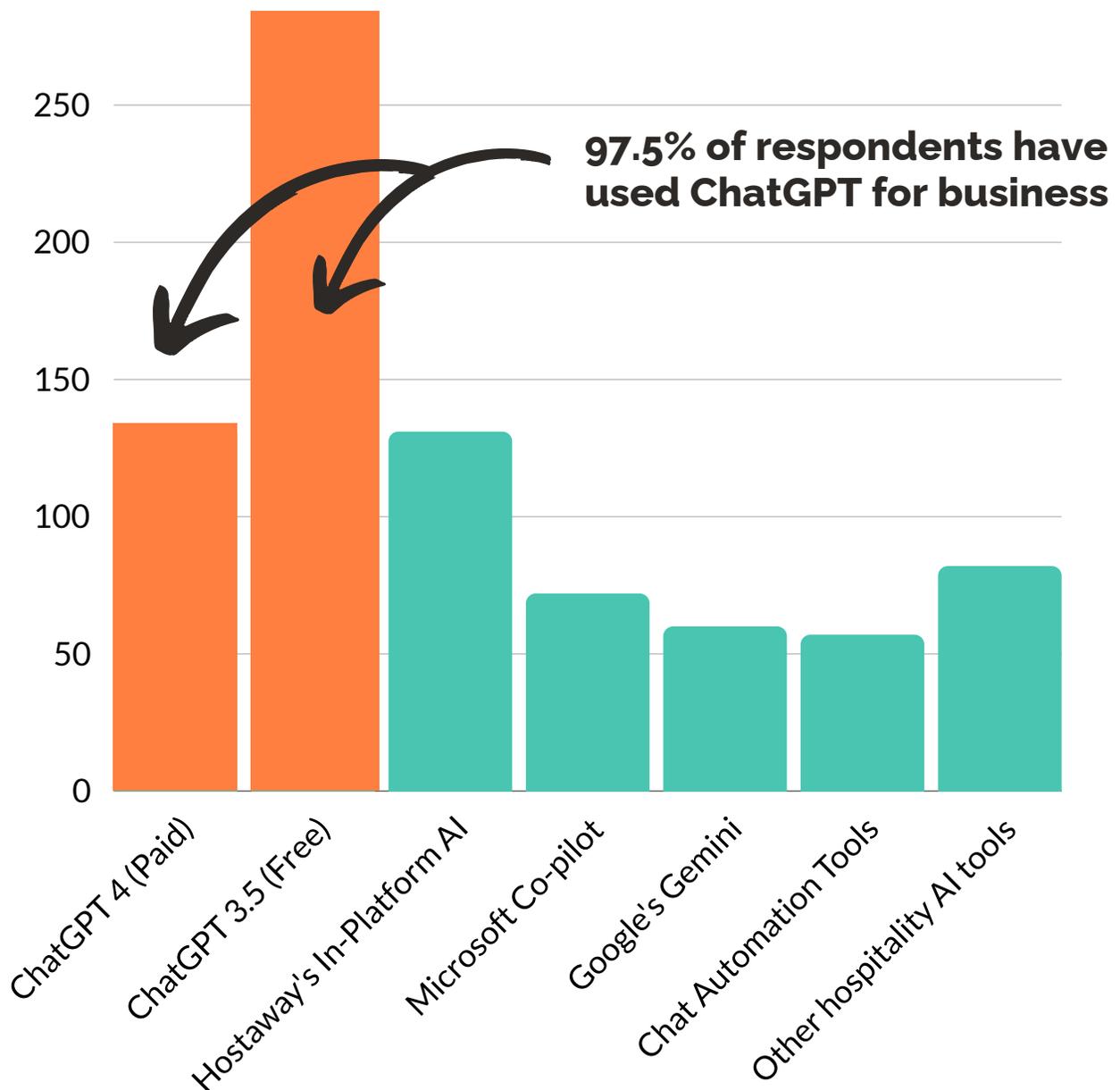
Marketing

Energy management

Not using AI

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Which of the following AI tools have you used?

The first-mover advantage is a very real thing in tech. That's why OpenAI's pioneering **ChatGPT** was reported as the most commonly used tool. **Two-thirds (66.7%)** of respondents said they used **ChatGPT 3.5** (free version), with **30%** saying they used the paid tool. Look for that **18% number** related to using hospitality-specific tools to increase dramatically as new tools come online.

97.5% of respondents have used ChatGPT for business

Bar chart categories: ChatGPT 4 (Paid), ChatGPT 3.5 (Free), Hostaway's In-Platform AI, Microsoft Co-pilot, Google's Gemini, Chat Automation Tools, Other hospitality AI tools
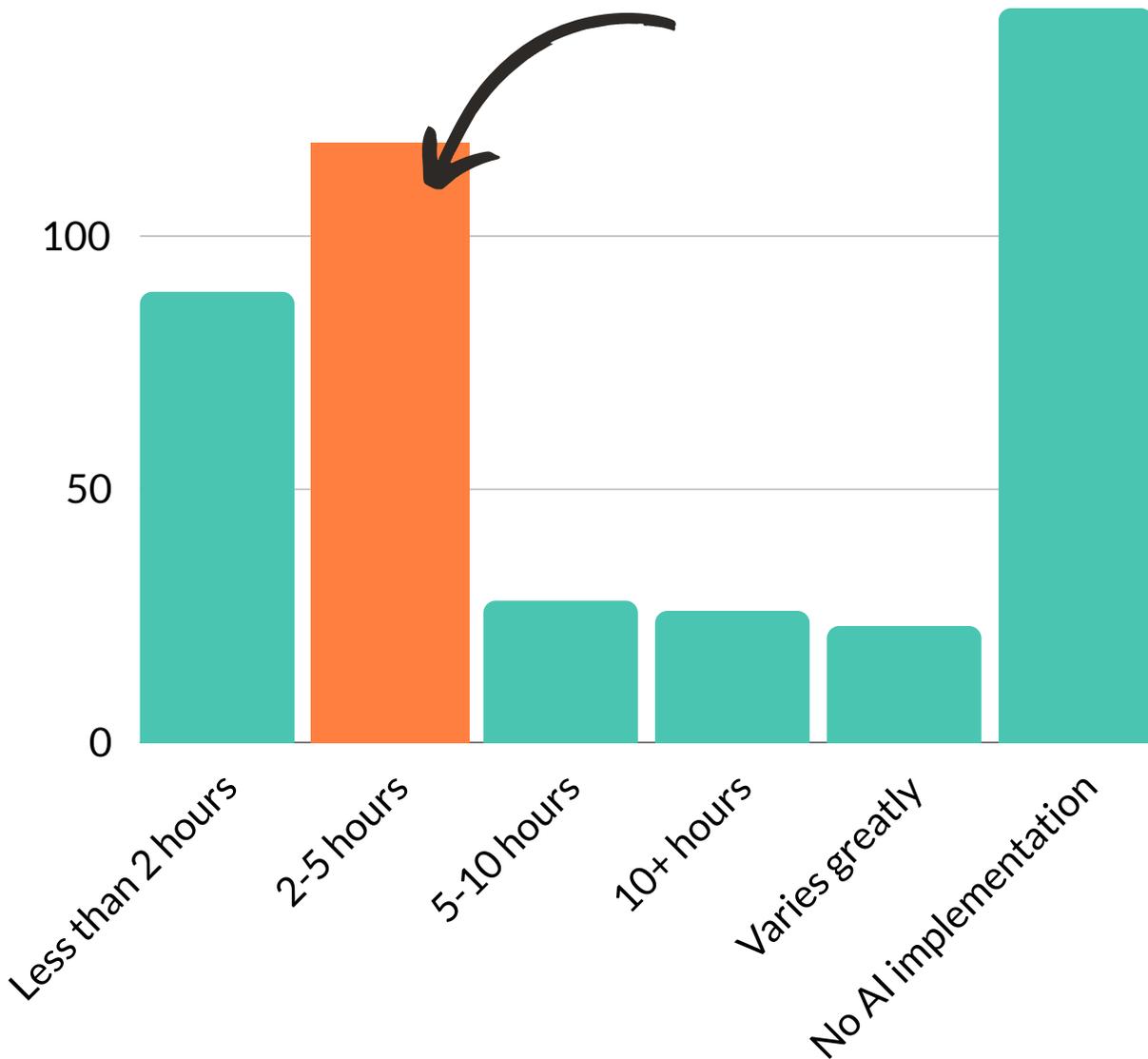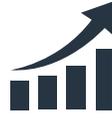
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PART FOUR

THE IMPACT OF AI

How much time has AI saved you?

AI might seem like magic. But move past the flash and it all comes down to two questions: how **is AI saving you time and mone**y? For **58%** of our respondents, AI has saved them time — more than half said it saved them **two-hours or more per week**. This works out to at least **four workdays'** worth of time saved every year.

How have you spent that reclaimed time?

Time saved is time you can allot to other valuable tasks and activities. Whether that's freeing up some **extra personal time (28.5%)**, **growing the business (37.6%)** or **improving guest experience (24.9%)**, time savings thanks to artificial intelligence is very real.
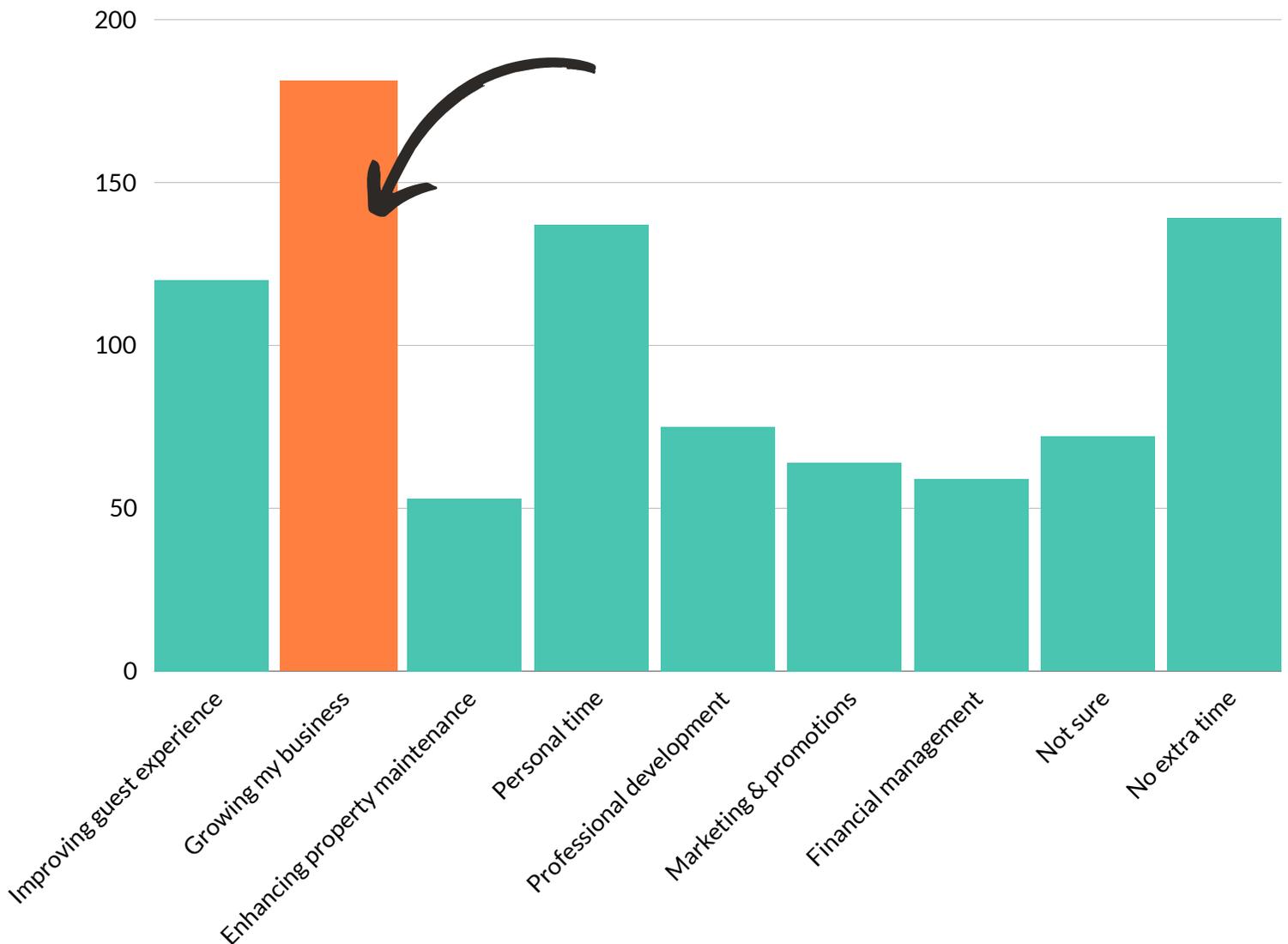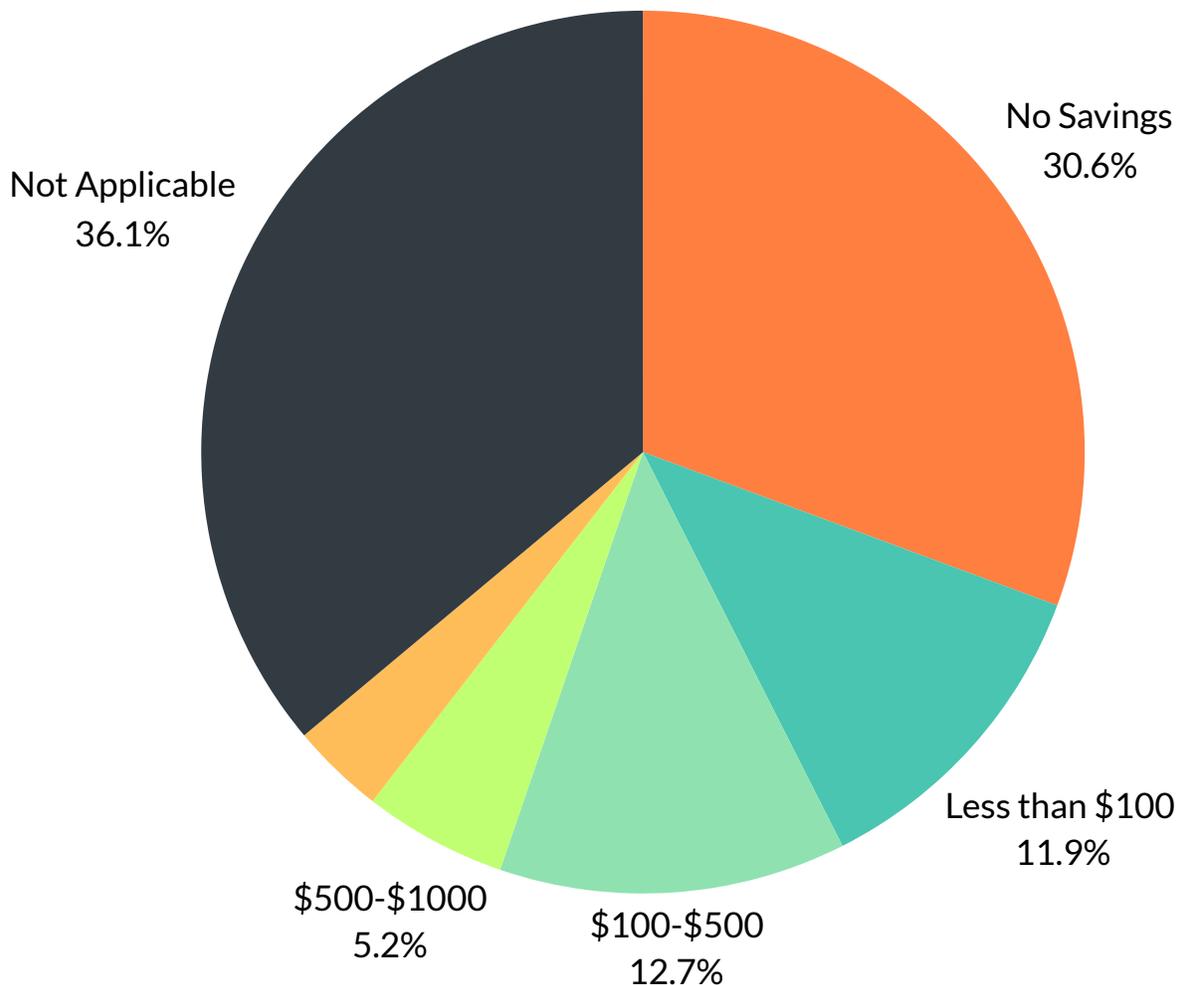
Has AI Saved You Money in Your Day-to-Day Operations (monthly savings)?

Quantifying that time savings isn't always evident, however. Taking **more personal time** can free your brain up to make better decisions, but putting a dollar figure on that is near impossible.

Sixty-six **(66.2%)** of respondents said they'd **seen no monetary savings** thanks to AI. Whereas **one-third (33.2%)** said they had seen some bottom line results. Although, that number jumps to **46%** for large-portfolio managers and owners.
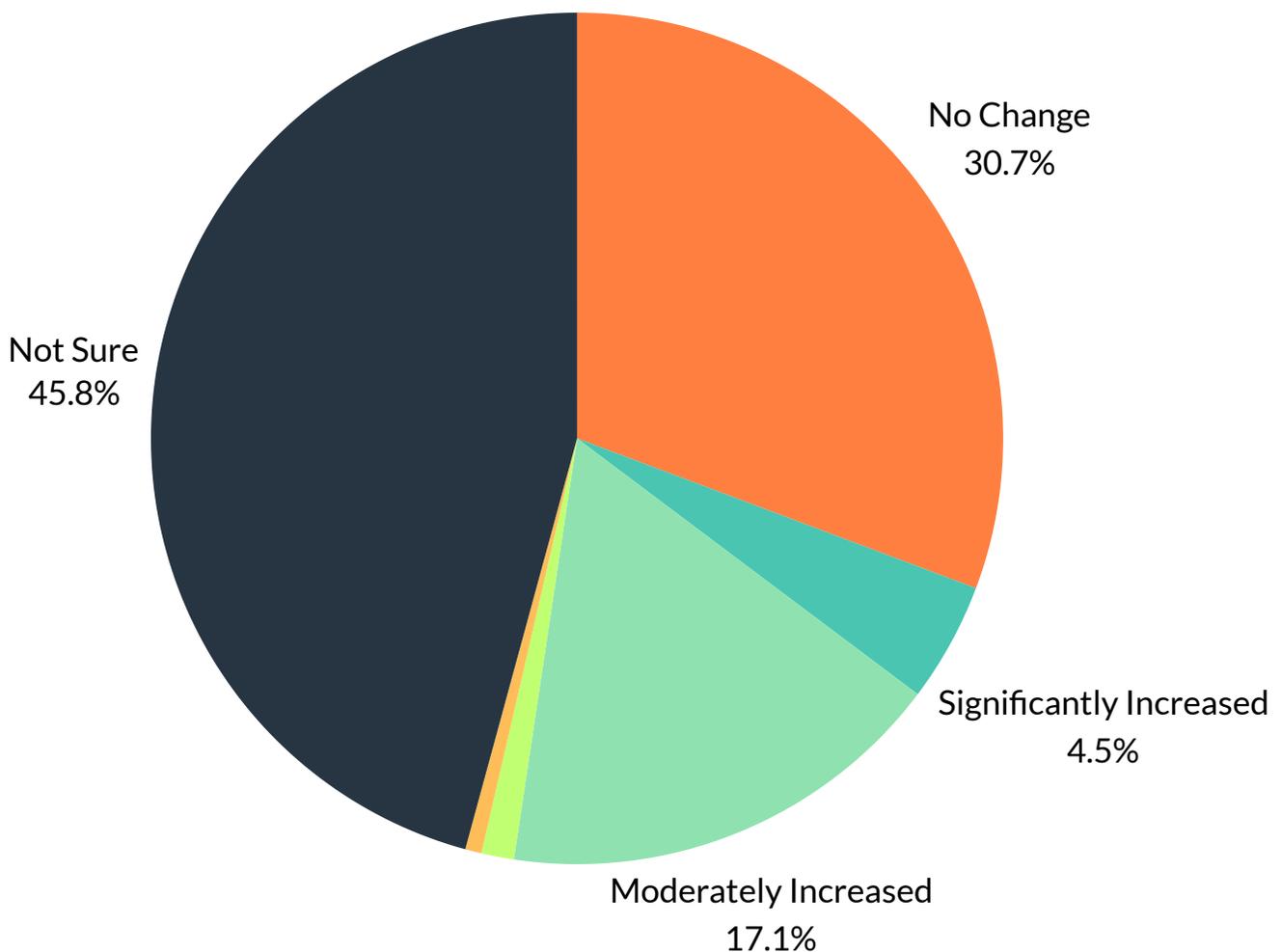
Not Applicable
36.1%

No Savings
30.6%

Less than $100
11.9%

$100-$500
12.7%

$500-$1000
5.2%

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Has AI affected your booking and occupancy rates?

Understanding AI's direct impact on **booking and occupancy rates** is also a bit of a mystery. **Three-quarters (76.8%)** of respondents said they **weren't sure** or saw **no change** attributable to AI.

Interestingly, **38% of large-portfolio manager**s and owners said there was no difference in occupancy rates, versus just 2**1.7% of smaller-portfolio owners** and managers.

Not Sure
45.8%

No Change
30.7%

Significantly Increased
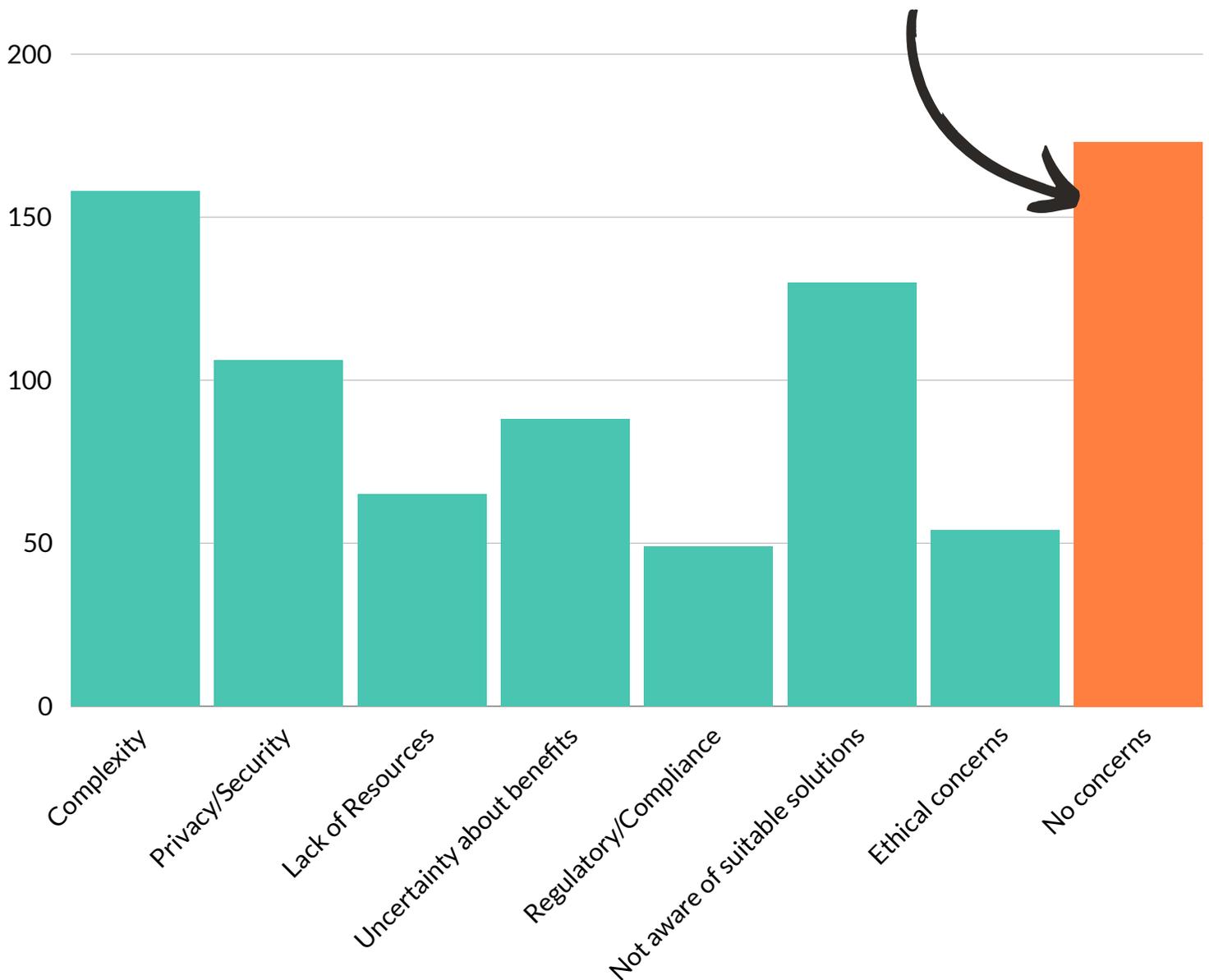4.5%

Moderately Increased
17.1%

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PART FIVE

OPTIMISM AND CAUTION AROUND AI

What concerns do you have about using AI?

You can't talk about ground-breaking technological advancements like AI without discussing the potential downsides. Fears of a robot-led takeover are overblown, but **32.5% of respondents** say they have **ethical** or **security concerns** about AI, while another **32%** are concerned about its **complexity**. That said, **35%** say they have **no concerns about the future of AI**.

Category	Value
Complexity	~158
Privacy/Security	~106
Lack of Resources	~65
Uncertainty about benefits	~88
Regulatory/Compliance	~49
Not aware of suitable solutions	~130
Ethical concerns	~54
No concerns	~172

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Are you more optimistic or pessimistic about the use of AI in the STR Sector?

Concerns notwithstanding, the overwhelming sentiment from our survey is positive. **Three-quarters (75.9%)** answered they are **highly** or **cautiously optimistic** about the use of AI in the short-term rental sector. With only **7.2%** expressing a **pessimistic** view.

Somewhat Pessimistic
4.7%

Neutral
17%

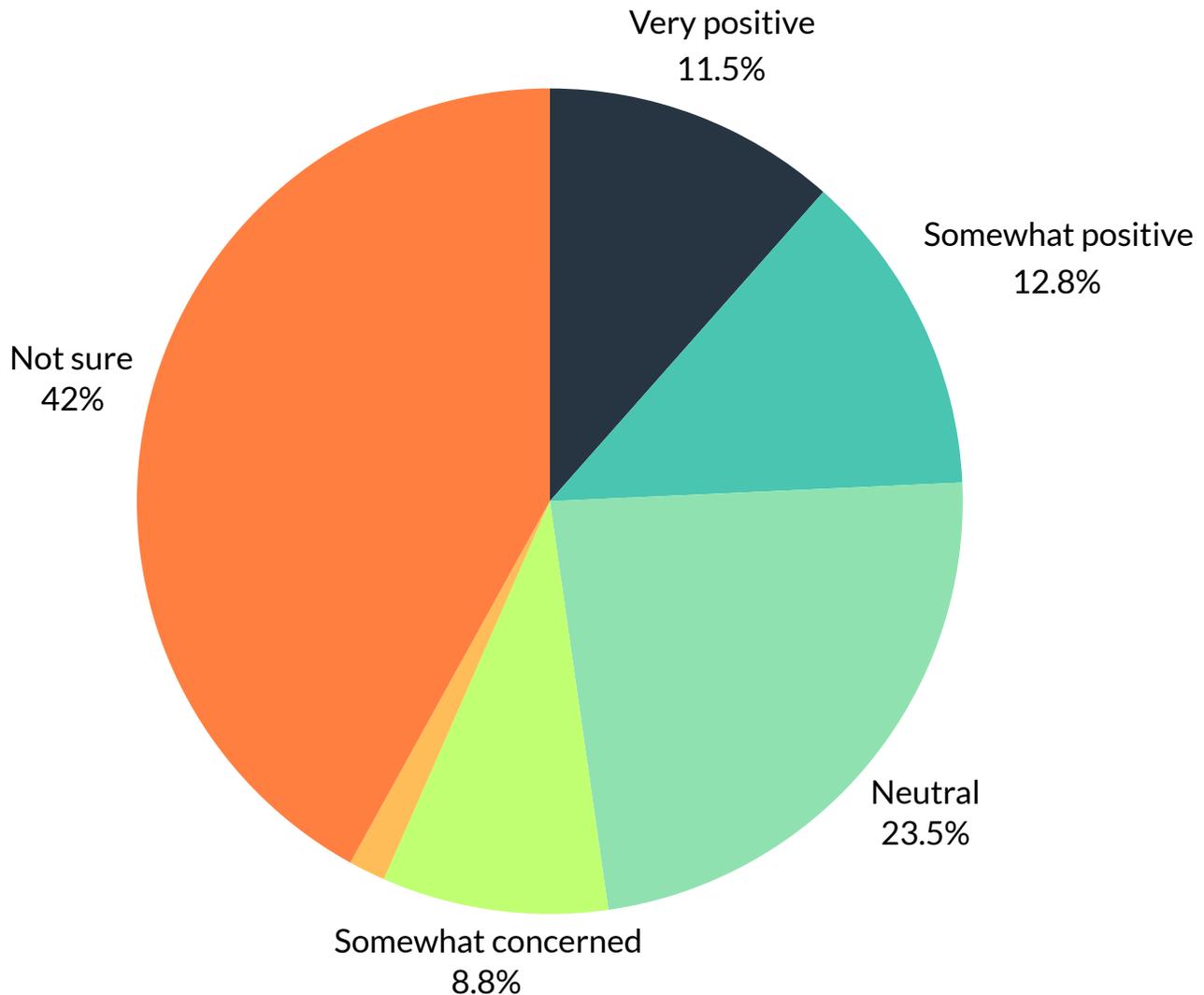Highly Optimistic
36.8%

Cautiously Optimistic
39.1%

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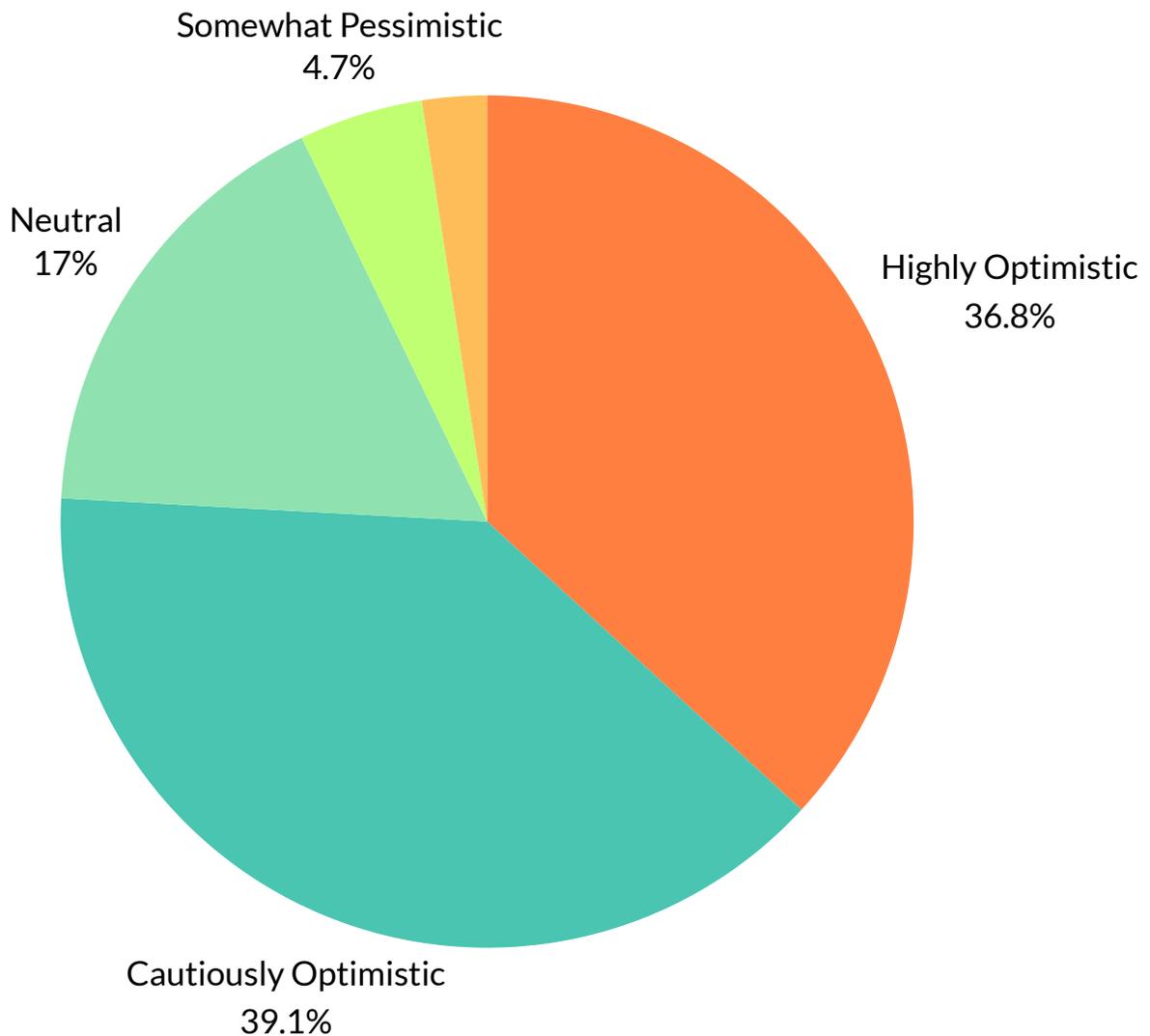
How do you think guests feel about leveraging AI as part of the vacation experience?

But what about the guests? It's natural for businesses to weigh potential concerns against the incredible upside of AI. For guests, those efficiencies aren't necessarily as obvious.

Forty-two percent (42%) answered they simply weren't sure how guests felt about AI. (Maybe that's a topic we can explore for our next AI Survey…)

Very positive
11.5%

Somewhat positive
12.8%

Not sure
42%

Neutral
23.5%

Somewhat concerned
8.8%

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A LOOK TOWARD THE FUTURE

In what areas do you think AI will NOT help?

With all the well-deserved hype surrounding AI, it's worth taking a step back and realizing it's still in its infancy. **Two-thirds (64.5%)** of respondents say they **don't believe** AI will **help with creating genuine human connections**, **nuanced customer issues (54.1%)** and **understanding local market nuances (38.7%)**. As of today, they may be right. But no one knows for sure what the future holds for AI.

**Will AI ever be able to build genuine human connections?**

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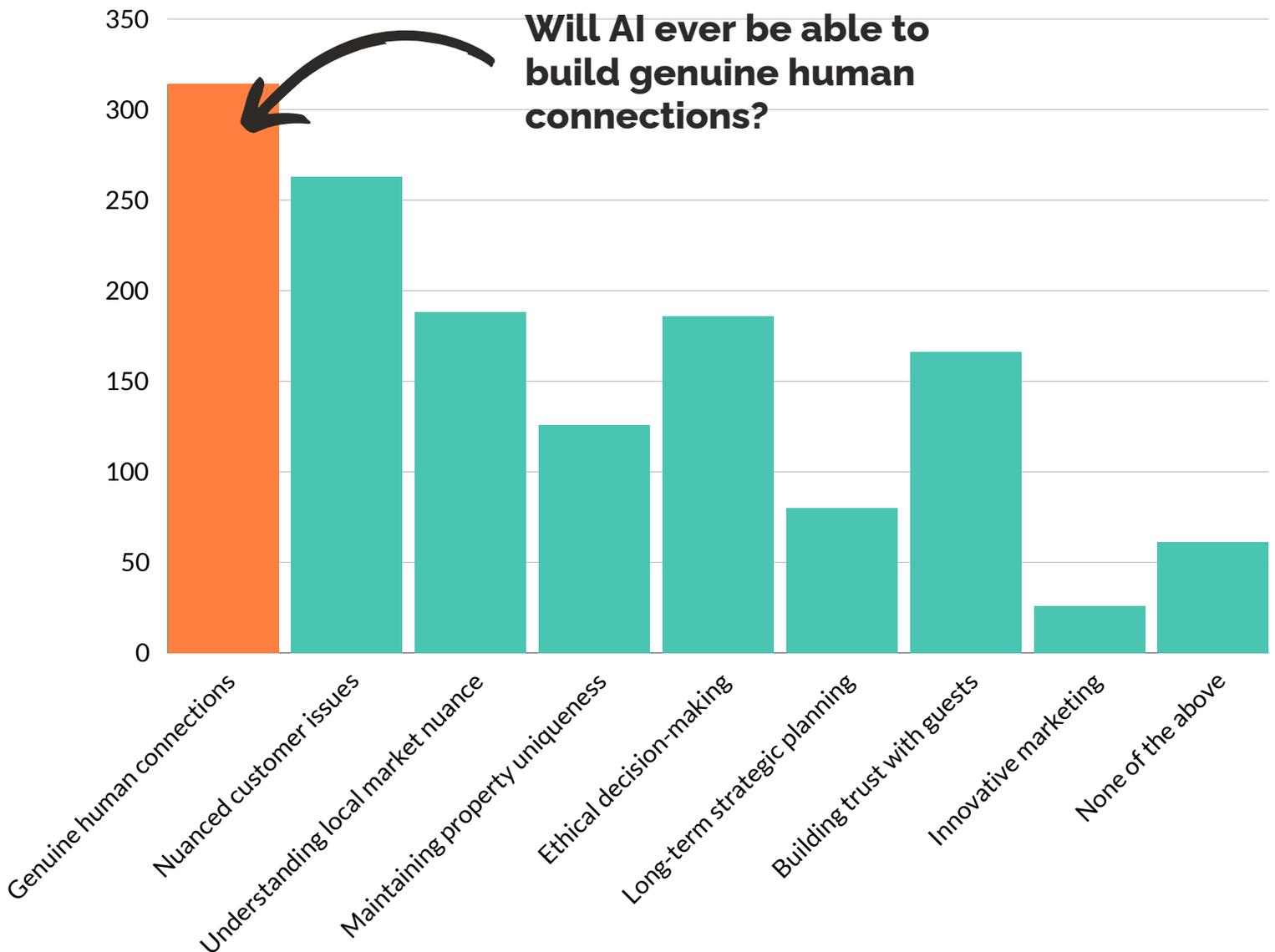
Do you believe that using AI provides a competitive advantage in your market?

But what it all comes down to with AI, just like any other technology, is how it can be used to give you an edge over the competition. Our respondents are clear on the potential, with **63.8%** saying they believe AI will prove to be **a competitive advantage** in their market. For large portfolio companies, that number jumps to **69%**

Not sure
14.2%

Disagree
1.4%

Strongly agree
25.2%

Neutral
19.9%

Agree
38.6%
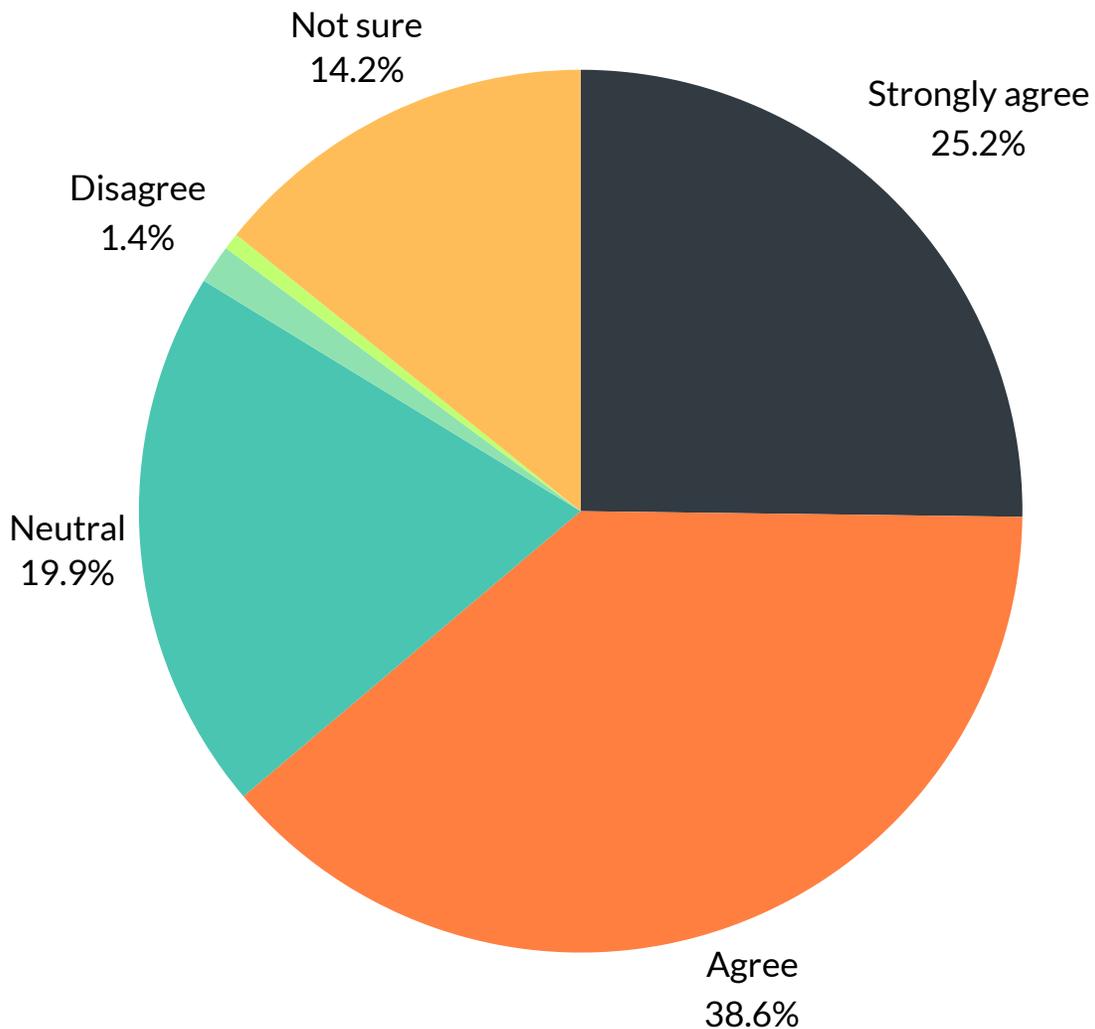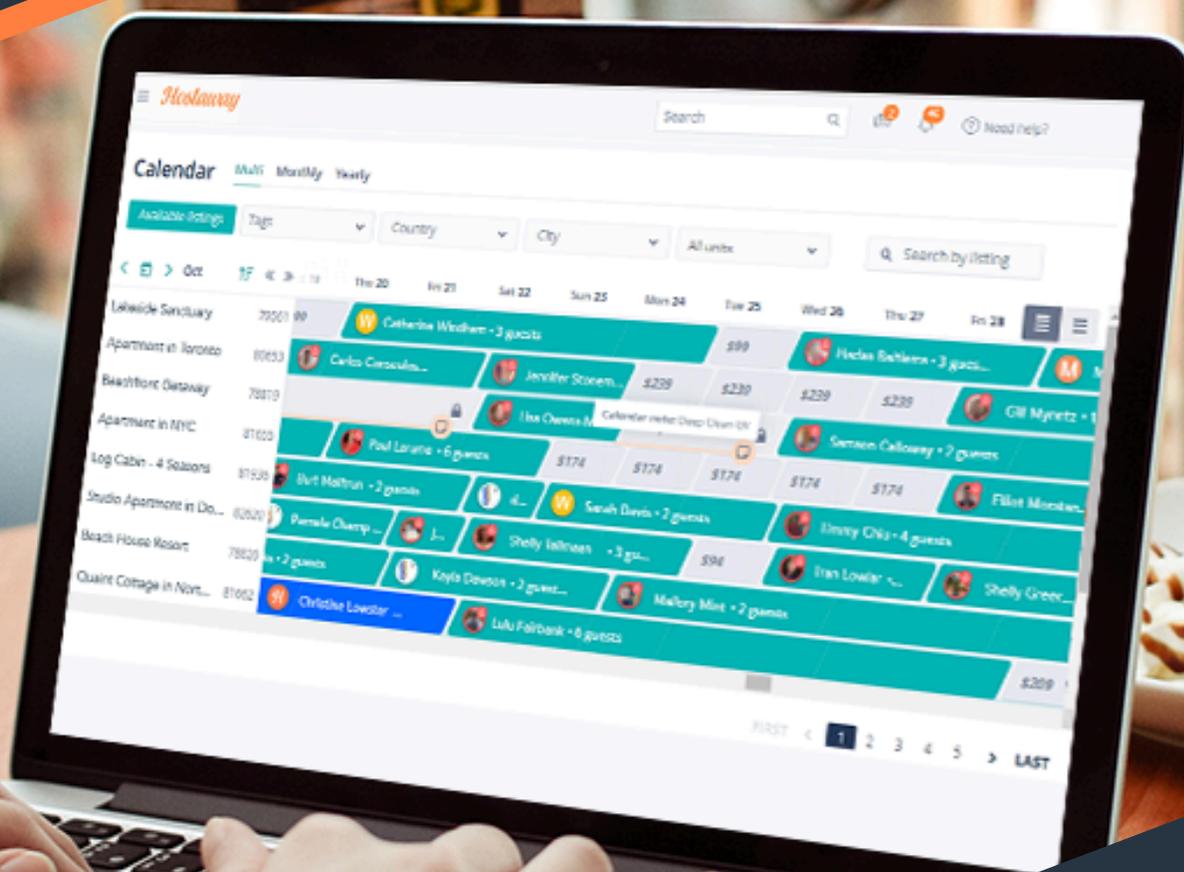
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