

The State of Confidence in the Short-Term Rental Ecosystem

A forecast of travel recovery, shaped by the predictions of over 500 players within the global travel, hospitality and home-sharing space.



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Introduction & Overview

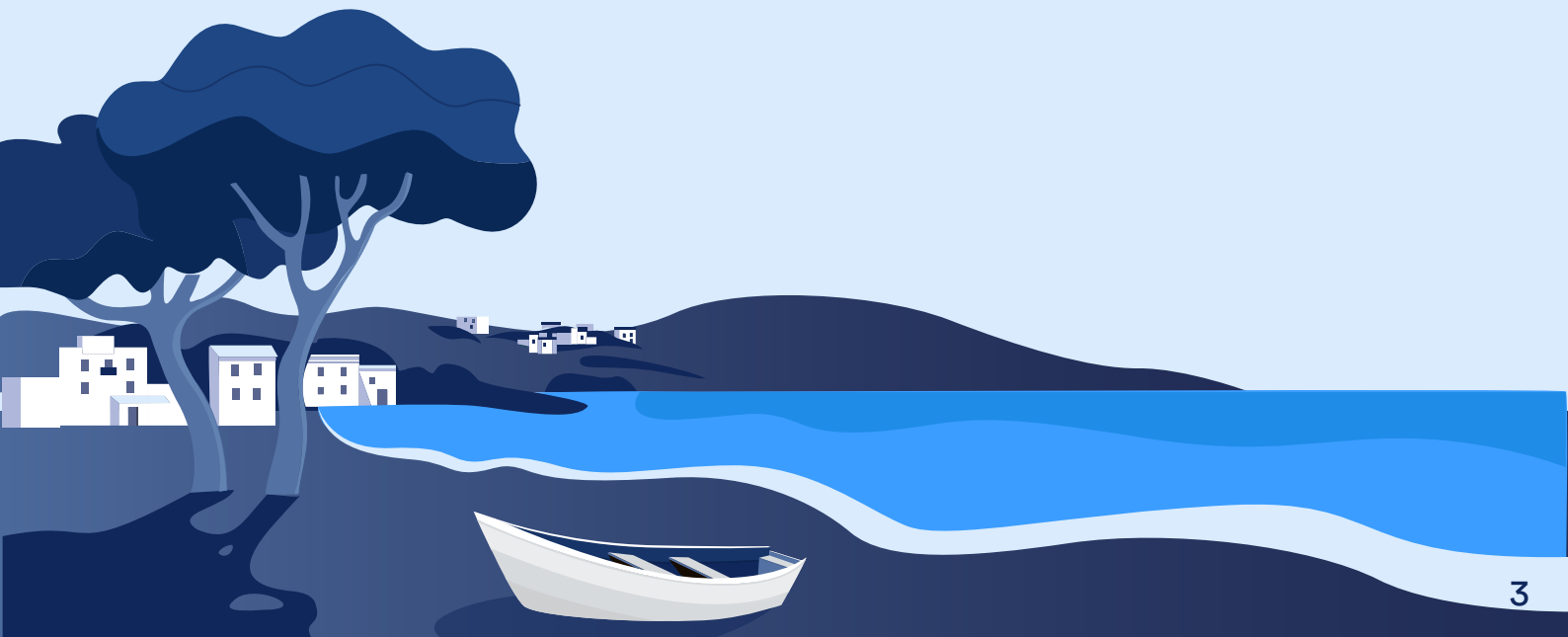
Throughout what can only be defined as the most challenging year in recent history - for both the world at large and the economic sectors impacted by the abrupt deceleration of business - the short-term rental industry has demonstrated exceptional tenacity.

Property management companies across the spectrum - from individual, professional hosts to major hospitality brands - have creatively pivoted their businesses to accommodate changing consumer needs in an unprecedented period for travel. In the process, they've not only kept their own enterprises alive, but also propelled private rentals into the mainstream of short-term accommodations, as an increasingly popular alternative to hotels and more traditional temporary lodging options.

While much of the coming year remains unknown, we do know that the industry has been forever changed, and many argue for the better. The pandemic both accelerated a technological revolution that has equipped management companies with the tools needed to meet rising guest expectations while automating operations, and provided private short-term rentals with a unique opportunity to prove themselves as a reputable and reliable choice for travelers.

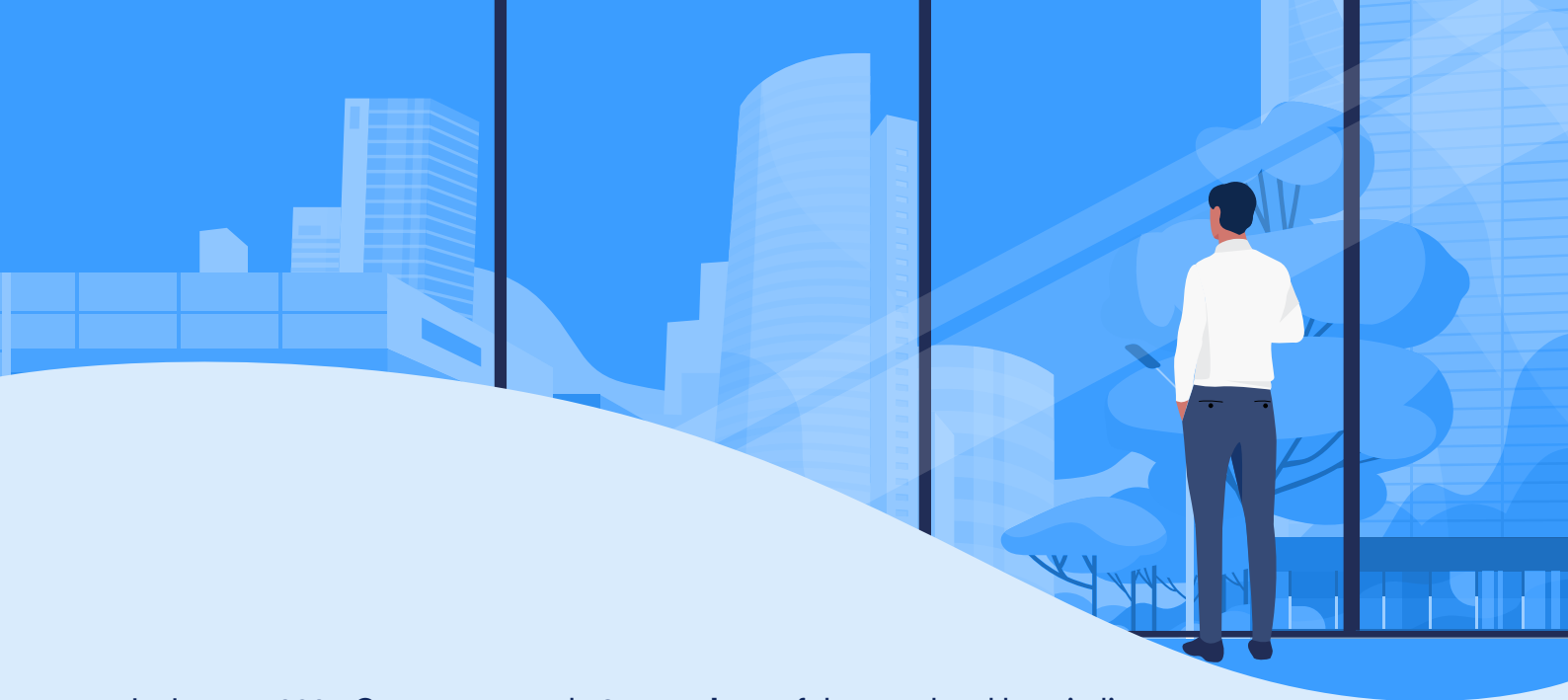
To build an informed forecast of the recovery of travel and how it will blend with an evolved short-term rental industry once it arrives, we turned to the very same people who've been keeping their fingers on the pulse of travel in order to best position their businesses for success. Players across the sector weighed in, contributing predictions on everything from timing of recovery and the shape recovery will take, to strategies property management companies will implement in the face of rising demand, and finally, the destinations and people that will be the first to experience travel in a post-pandemic world.

Read on to enjoy our report on the State Of Confidence In The Short-Term Rental Ecosystem.



Methodology

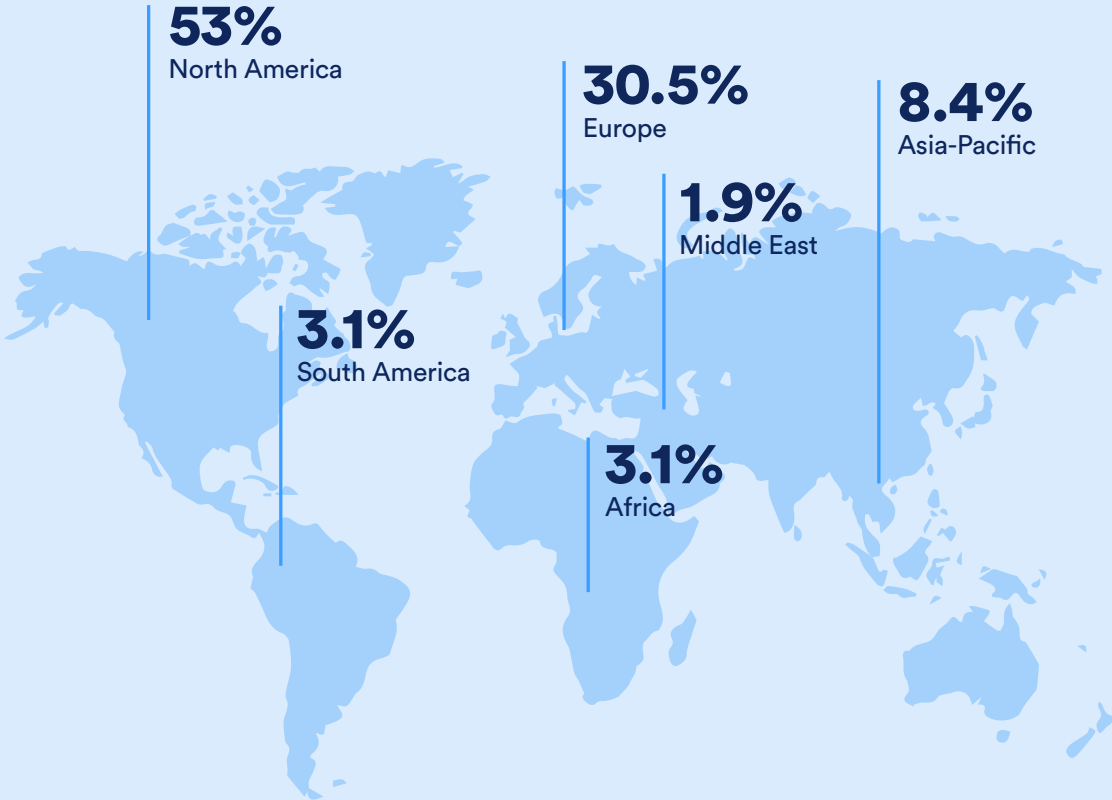




In January 2021, Guesty surveyed **523 members** of the travel and hospitality ecosystem, including investors, tech suppliers and **328 professional hosts and property management companies** with tens of thousands of listings between them worldwide.

Respondents by Location

The majority of responses came from North America and the European Union








Respondents by Occupation

Property management companies & professional hosts	62.7%
Breakdown:	
Property management companies	32.9%
Professional hosts	19.3%
Aparthotel/boutique hotel management companies	10.5%
Members of the overarching travel industry	10.7%
Investors	6.7%
Travel tech suppliers	5.5%
Former members of the overarching travel industry	4.2%
Members of the press	1.1%
Thought leaders	1.1%
Other	8%

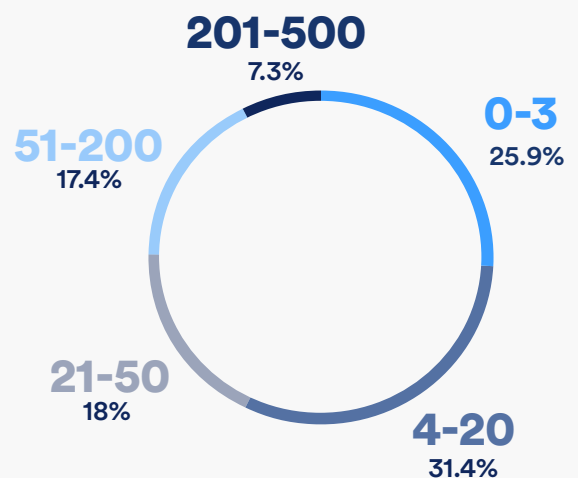
Destination types

of property management companies and professional hosts surveyed

	Urban/metropolitan cities	43.6%
	Oceanside/tropical locations	23.2%
	Countryside/rural areas	18.6%
	Attraction-adjacent destinations	7.6%
	Mountainous areas	7%

Portfolio sizes

of property management companies and professional hosts surveyed



*Listing breakdown

The Impact of Vaccines On Travel & Consumer Confidence



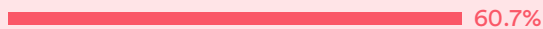
The First Signs of Recovery

The development of COVID-19 vaccines has inspired hope for the short-term rental industry and the entire travel ecosystem.

Following various announcements regarding vaccine efficacy and the beginning of gradual vaccine distribution, over a third (**35%**) of the property management companies and professional hosts who responded to our survey have **already seen an increase in reservation volume for 2021**.

Have you already seen an increase in reservation volume for 2021 following the various vaccine efficacy announcements?

No



Up to 10% increase



10 - 25% increase



25 - 50% increase



50 - 75% increase



75 - 100% increase








Decrease



Almost half (**45.3%**) of those who haven't yet seen increases in reservation volume manage listings in urban areas, perhaps signaling that travelers aren't quite ready to make plans to vacation in densely populated cities.

Is Destination A Factor?

Those who have seen no increase in 2021 reservation volume following vaccine efficacy announcements, broken down by destination type:

	Urban	45.3%
	Oceanside	22.1%
	Countryside	21.1%
	Attraction-Adjacent	6%
	Mountainous	5.5%



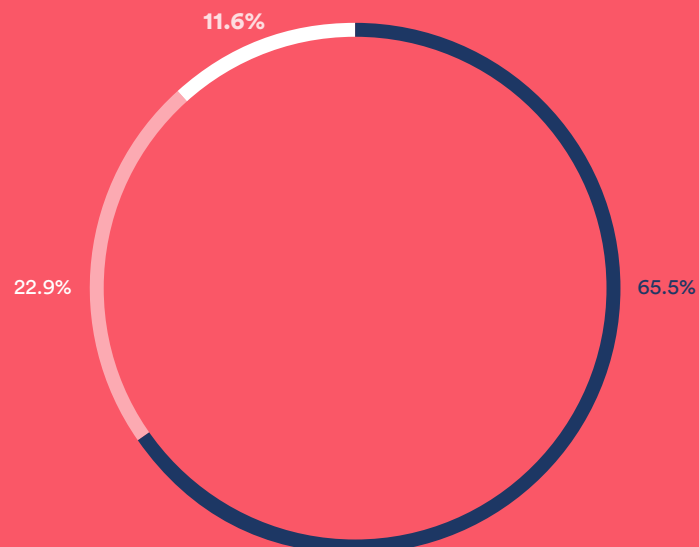
Even among those who have yet to see a boost in reservation volume, anticipation is high and **the majority (65.5%) of property management companies and hosts project they will earn more revenue in 2021** than they earned in 2020, with some even expecting an increase of as much as **75-100%**.

Relative to 2020, your projected revenue for 2021 is:

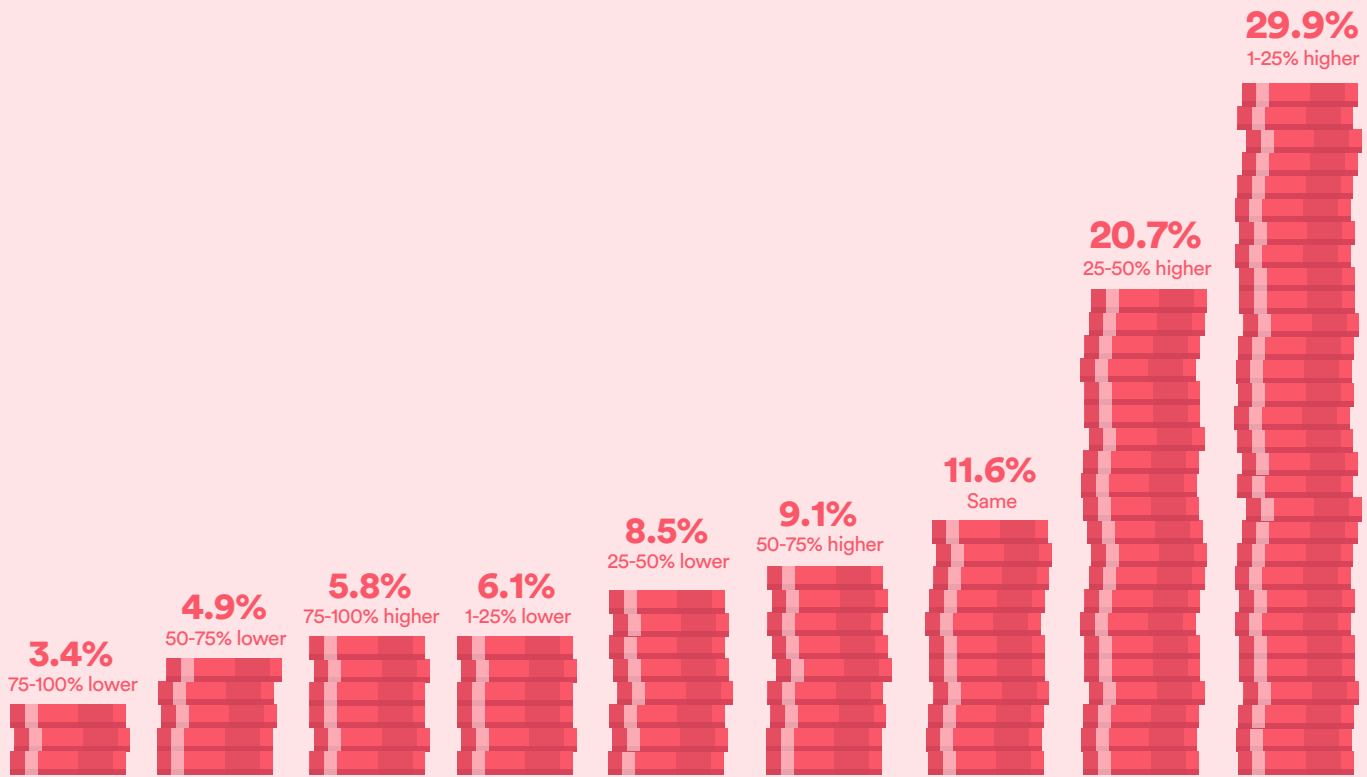
■ Higher: 65.5%

■ Lower: 22.9%

■ The same: 11.6%



Breakdown of how projected revenue for 2021 compares to that of 2020:



Trend Watch

When we broke down revenue projections according to destination types, we noticed that, while 67% of hosts in urban areas projected higher revenues for 2021, those in rural locations were slightly less confident, with 59% expecting a revenue increase this year. This may be due to the understanding that the redistribution of travel brought about by the pandemic has benefited hosts with listings in less populated, touristic areas, and that a return to normalcy may send travelers back to high-traffic destinations.

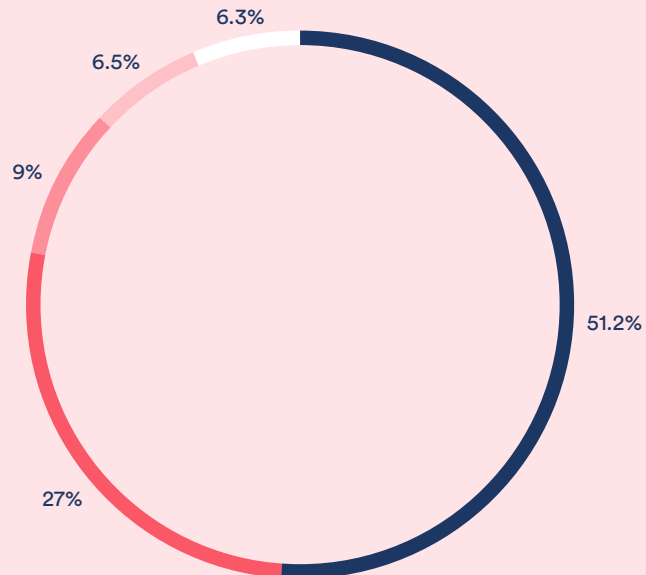
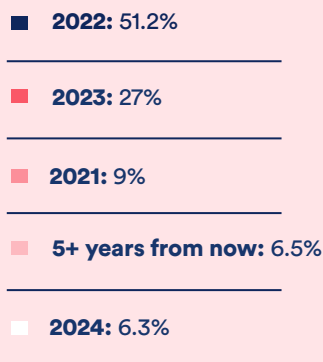
Rural
59%

Urban
67%

The Timing of Recovery

Though few believe recovery will happen as early as this year, **most of our respondents think a full recovery for the industry isn't too far off**, with the majority placing it in 2022 and nearly a third in 2023.

When do you think the industry will make a full recovery?



Those concerned about delays in recovery attribute this mostly to extended vaccine distribution periods in certain areas (**27%**), followed by reduced travel budgets due to the economic toll of the pandemic (**24.3%**) and a lingering hesitation to travel even after vaccines have been distributed (**21.8%**).

What do you believe will be the most significant factor in delaying the recovery of the travel industry?

Longer vaccine distribution times in certain countries & populations



Delayed return of business travel



Reduced ability to spend on travel due to economic hits resulting from the pandemic



COVID-19 strains being resistant to existing vaccines



Lingering consumer hesitation to travel despite the vaccine



Hesitancy to take the vaccine



**Respondents were able to select up to two factors.*

The Shape of Recovery

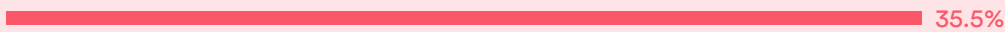
The majority of respondents anticipate that **recovery will take shape as a gradual increase in both international and domestic travel**, though nearly half (**48.1%**) of those surveyed predict a rapid surge is likely to follow successful vaccine distribution in one of three categories: domestic, international and business travel.

Which do you believe will most likely happen following successful vaccine distribution?

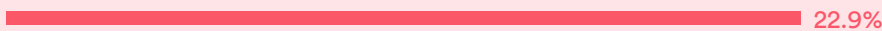
A gradual increase in international travel over the span of several months



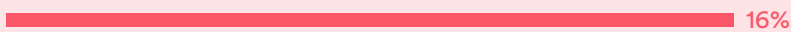
A gradual increase in domestic travel over the span of several months



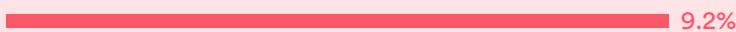
A rapid surge in domestic travel



A rapid surge in international travel



A rapid surge in business travel

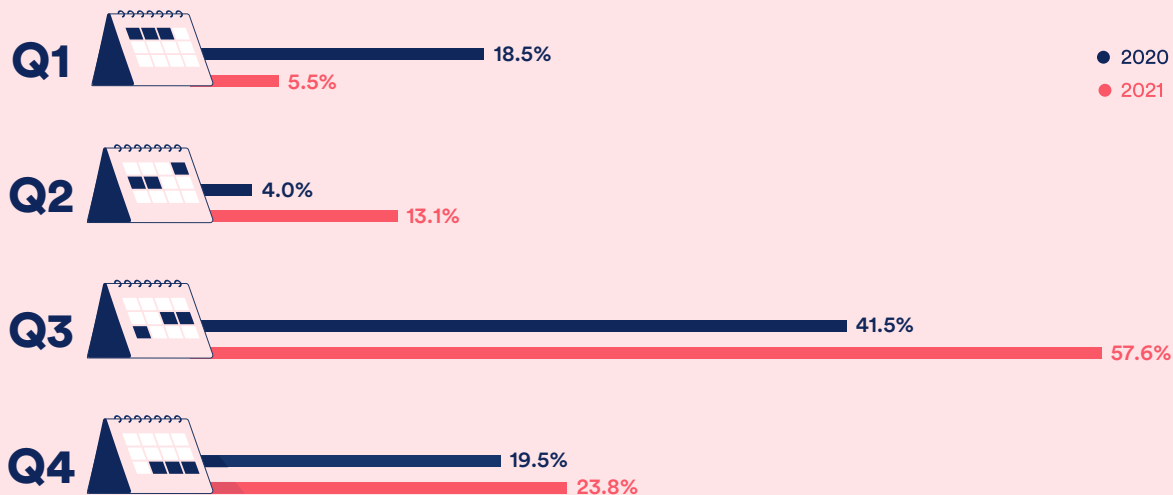


**Respondents were able to select up to two predictions.*



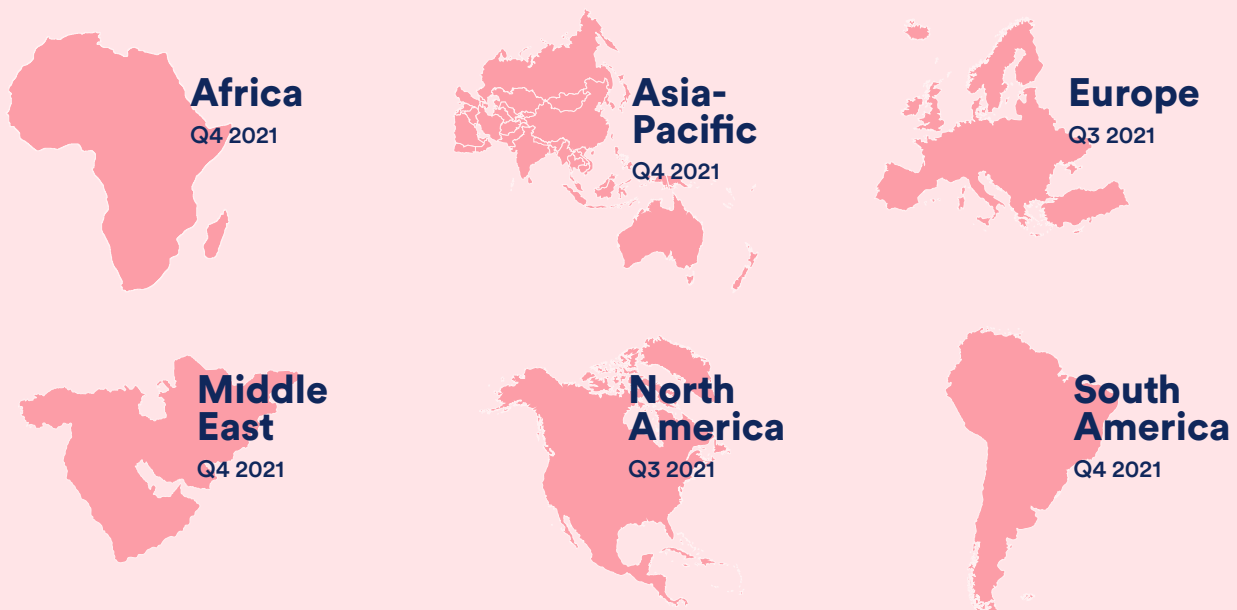
With a gradual increase in travel as the most anticipated route to travel's recovery, it's no surprise that most professional hosts and property management companies designated later periods in the year as their projected profit highs. Though it's true that Q3 is almost always the most profitable month for hospitality brands across the Northern Hemisphere as it's summer, their counterparts down south who usually enjoy high season during Q1 seem aligned on the expectation that **reservation volume is only going to grow as the year progresses**. In fact, the Southern Hemisphere is even demonstrating more confidence in Q3 than in their summer months of 2021.

Most profitable quarter in 2020 vs. Projected most profitable quarter for 2021:



**16.5% say they were not profitable in 2020.*

Most profitable projected quarter, broken down by region:



Pricing & Flexibility In The Wake of COVID-19



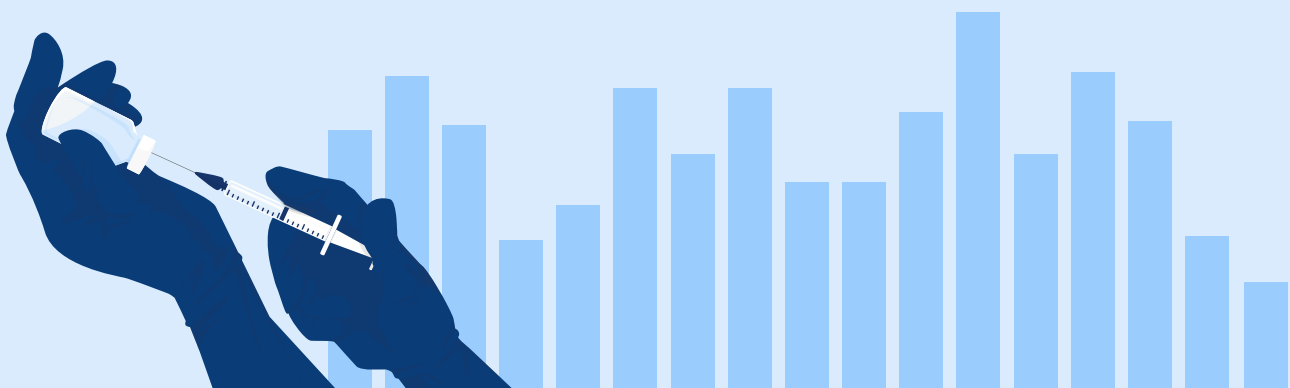
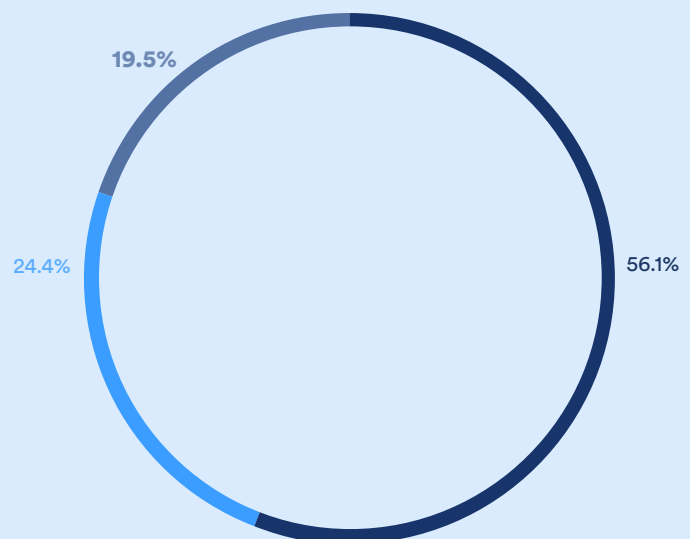
The Rate Divide

In the face of unprecedented circumstances, traditional pricing strategies went out the window during the majority of 2020. Whereas factors such as seasonality and major local events typically determine nightly rates, we saw constant fluctuation amid COVID-19. After witnessing short-term rental property management companies defying traditional pricing rules, we wondered which pricing strategies survey-takers believe will be reinstated as travel normalizes.

Property Management Companies & Professional Hosts on Pricing Strategies in 2021

In light of the vaccines, have you made any price adjustments for dates in 2021?

- No: 56.1%
- Yes, I've raised my prices in anticipation of greater demand: 24.4%
- Yes, I've lowered my prices to be more competitive in anticipation of greater demand: 19.5%



In terms of making price adjustments in 2021 in anticipation of travel's recovery, the property management companies and professional hosts we surveyed are split, with just under half (**43.9%**), having already shifted their prices (either up or down) following the emergence of effective vaccines.

There was no overtly preferred strategy among this group, with only **4.9%** more opting to raise prices rather than lower them in the year ahead. Though utilizing opposing tactics, both those **who have increased and decreased their prices have done so in expectation of greater demand, in hopes of capitalizing on it.**



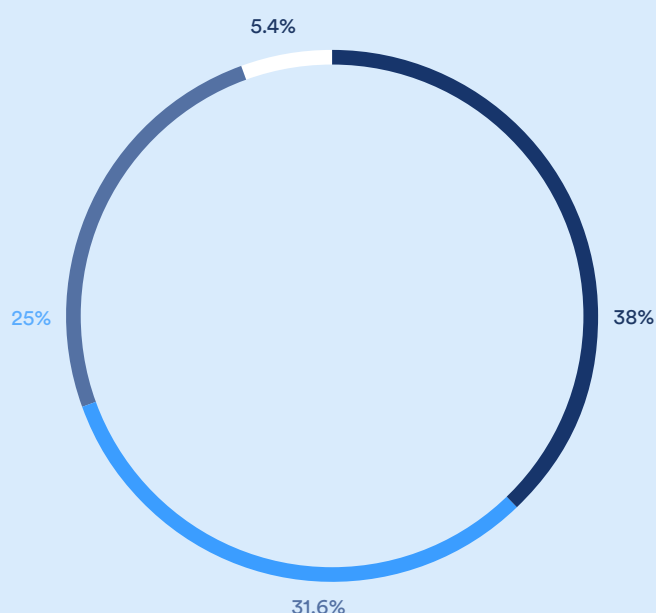
Moreover, we noticed no uniformity in rate strategies within individual regions, indicating **that the departure from traditional pricing tactics is widespread**, with hosts all across the globe employing different methods in the face of an unprecedented and unpredictable era for travel.

The Larger Hospitality Ecosystem on Pricing Strategies in 2021

When we posed a similar question to a larger pool of industry players, including investors, homeowners and tech suppliers, we saw a similar divide between those anticipating price increases (**31.6%**) and those expecting more competitive pricing (**38%**), the latter prediction drawing marginally more support. Regardless of what short-term rental pricing will look like at the start of recovery, **a quarter of respondents foresee a gradual return to traditional pricing tactics as travel normalizes.**

How do you think the return of travel will affect short-term rental prices in 2021?

- Prices will be more competitive as property management companies and hosts try to attract a growing consumer base to their properties: 38%
- Prices will remain high as demand grows: 31.6%
- Prices will steadily decrease as travel normalizes and will ultimately reflect demand and seasonality as they did pre-COVID: 25%
- Prices will remain high until property management companies and hosts have recouped their losses from 2020: 5.4%



Useful Tech To Navigate During COVID-19 & Beyond

With so much uncertainty around finding the right price, revenue management software was voted as one of the most useful tools to property management companies and professional hosts throughout the pandemic, coming in just under property management software in a list of tech solutions that proved most valuable during this unique time period.

Which tech solutions were most valuable to your business during the pandemic?



*Respondents were able to select up to two solutions.



“Operationally, our team is much more efficient now than they were before Guesty, and the customer experience we are delivering is better because of it.”

*Upstay, **650% growth** in a year and half a million dollars saved since working with Guesty*



“We are running with 33% of the workforce we’d need if we didn’t use software such as Guesty’s.”

*Innkeeper, **900% growth** and tripled projections since working with Guesty*

The Right Price Tag

Guesty’s [Marketplace](#) features integrations with sophisticated revenue management solutions, including Wheelhouse, Pricelabs, RoomPriceGenie and Buoy.



The Forecast for Flexibility

In order to drive bookings, property management companies and professional hosts implemented looser cancellation policies to attract guests who might have been forced to cancel bookings for reasons outside of their control.

Flexibility In The Absence Of Predictability



“ Given varying lockdowns and changing city restrictions, travelers are going to continue to expect flexible cancellation policies that allow them to nix their reservations at the very last moment, at least until some level of predictability is restored. ”

Amiad Soto
Co-Founder & CEO, Guesty



As with the future of pricing strategies, the industry is almost perfectly divided on what will become of that flexibility as travel conditions stabilize, with just over half (**50.7%**) asserting that hosts must now cater to a permanently changed consumer base that expects flexible cancellation policies in the aftermath of the pandemic.

Do you think hosts will continue offering flexible cancellation policies as travel normalizes?



It Doesn't Have To Be All Or Nothing



“As travel normalizes, we expect hosts and hospitality brands to continue to offer cancelable bookings, while also providing guests with the option to make non-refundable bookings at discounted rates.”

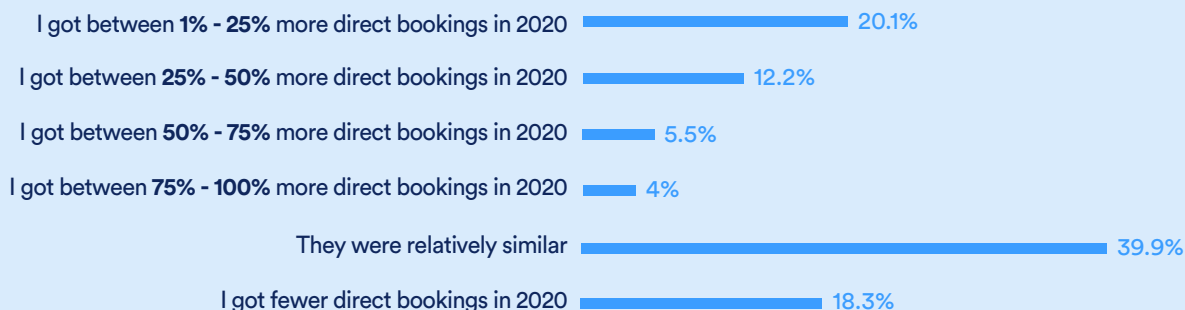
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Co-Founder & CEO, Guesty



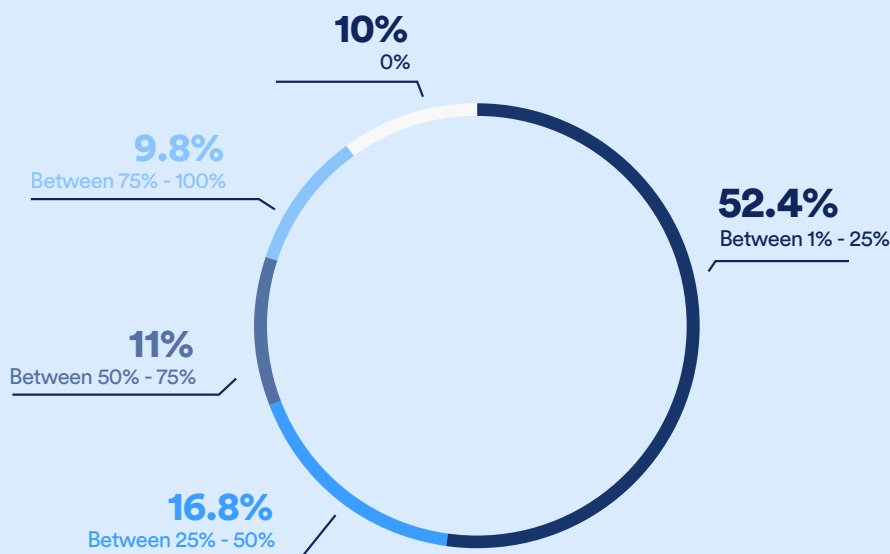
A New Direction

To diversify distribution and maintain control over booking conditions like cancellation policies, **property management companies and professional hosts increasingly focused on direct bookings alongside listing on OTAs during the pandemic.** Just under half of those surveyed (**41.8%**) received more direct bookings in 2020 than they did in 2019. And for over **20%** of respondents, direct bookings accounted for more than half of their 2020 reservations.

How did your number of direct bookings in 2020 compare to your number of direct bookings in 2019?



What percentage of your bookings in 2020 were direct bookings?



This increased emphasis on control coupled with guests' growing interest in booking directly with reputable brands may explain why marketing & distribution is highest on the list of priorities for 2021, with **37.2%** of hosts listing it as the area in which they want to invest most in tech.

In which areas do you plan to invest the most in tech in 2021?



Diversify Distribution

With Guesty's website builder, you can create your own commission-free, customized [booking website](#) complete with effective marketing tools to further promote your brand and drive direct bookings.



Must-Have Tech

“A property management software is essential to property management companies' operations as it enables them to function with a lean team, boost revenue, as well as automate and streamline processes without sacrificing quality and efficiency.”

Gil Wasserman
CTO, Guesty

**Respondents were able to select up to two areas.*

The Choice of Rentals vs. Hotels



Though the fact people kept traveling during the pandemic was somewhat unexpected, what was far less surprising was their preference for short-term rentals, as they enable travelers to avoid common areas associated with hotels, such as lobbies, elevators and dining halls. Short-term rental properties also have less guest turnover, which significantly reduces the risk of exposure between guests as does their naturally lower count of “high-touch” surface areas. These selling points, along with Airbnb’s IPO, acted as the catalyst to short-term rentals going mainstream.

Travellers who normally may have opted for traditional hotels as their choice for travel accommodations have increasingly made the switch to rentals during this unique time period in order to limit contact with others as much as possible. This same reasoning has led those who live in densely populated metropolitan areas to become ‘city scapers’ - escaping cities in pursuit of isolated rental properties. Short-term rental converts represent a previously untapped audience within the market and have led to a considerably bolstered user base. And according to our report’s findings, the majority of respondents assert that the gain is permanent.

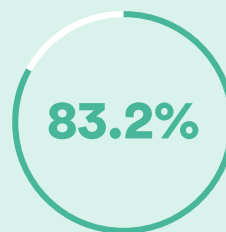


The Shift From Hotels To Rentals

In a time when social distancing has never been more essential, the isolated nature of rentals made them emerge as the obvious choice for those seeking accommodations during the pandemic - whether for business, leisure, or quarantine. As a result of this growing demand, short-term rentals saw an entirely new user base surface - and it looks like our survey-takers believe this new user base will stick with rentals for good.

An overwhelming majority of respondents (**83.2%**) said they believe the travelers who have booked short-term rentals since the start of the pandemic will continue to choose rentals over hotels as their preferred accommodations, even post-COVID-19.

Throughout the pandemic, we've seen an increase in travelers opting for private rentals over hotels (primarily to maintain social distancing). Do you think these travelers will continue to book private rentals rather than traditional hotel stays post-COVID-19?



Yes



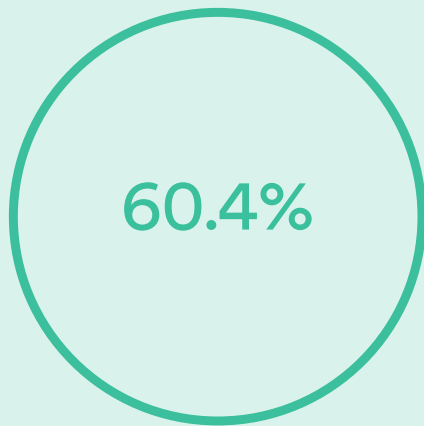
No

(They will go back to booking hotels)



When asked what shift is anticipated in hotel business models as a result of the popularity of short-term rentals during the pandemic, **60.4%** of those surveyed said they believe hotels will increasingly incorporate alternative accommodation options (such as short-term rentals) into their business models. Alternatively, **22.6%** of those surveyed believe hotel chains will purchase property management companies to expand their offerings. These predictions point to hotels exploring routes of ways in which they can cash in on the success of rentals.

What shift in hotel business models do you anticipate as a result of short-term rentals' strong performance throughout the pandemic?



Hotels will increasingly incorporate alternative accommodation options (such as short-term rentals) into their business models.



Hotel chains will purchase property management companies to expand their offerings.



None, booking patterns will return to normal and the majority of hotels' business models will remain the same.

An Evolving Industry

In April of 2019, pre-pandemic, we saw Marriott [announce their entrance](#) into the rental space with their launch of Homes & Villas by Marriott International - including 2,000 rental properties in over 100 global markets. Their offering provides guests with the unique combination of a brand name they trust, as well as the extra layer of utilizing their loyalty program to book rentals with points.



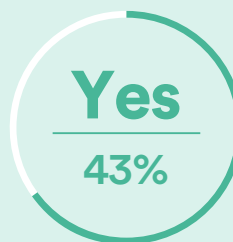
Reexamining Legislation

Regulations surrounding short-term rentals across the world frequently make headlines, with cities enforcing their own restrictions to varying degrees. Large scale hotel chains and hotel lobbyists have been vocal with their objections, many times focusing on the risk private rentals potentially pose to the success of major hotel players.

But with private rentals being the largely safer accommodation choice amid a global pandemic, with many short-term rental hosts across the globe housing frontline workers, it appears the narrative might be shifting. Nearly half of our survey respondents (**43%**) believe lawmakers and local authorities took note of the proven benefits short-term rentals offered during the pandemic.



Do you believe that the local authorities took note of the value short-term rentals provided during the pandemic as safe accommodations for both travelers and frontline workers?



Even more (**65.2%**) believe the upsides of short-term rentals' have been so apparent during the pandemic, that it could result in the adjusting of regulations on the short-term rental industry. Only time will tell, but one thing is for sure, short-term rentals are here to stay.



Do you believe that the upsides of booking private rentals during the pandemic will ultimately result in the adjusting of regulations on short-term rentals?



Housing Frontline Workers

Guesty user Great Dwellings launched an [initiative](#) in April 2020 dedicated to providing medical and healthcare professionals with safe accommodations discounted anywhere from 50-100% off. Efforts like these that have had a positive impact on local communities are hard to ignore.



The Age of Remote Workers & Digital Nomadism



Perhaps the most common change that people around the world had to adjust to during the pandemic was working remotely from home, rather than physically going to an office every day. This saved employees time commuting, and financially paid off for companies that could save on office space.

But remote work hasn't just affected company culture - it's also significantly impacted travel, with many capitalizing on the opportunity to not just work from home, but work from *any* home. As a result, the digital nomad travel persona has become increasingly apparent to professional hosts and property management companies in the past year as they were tasked with catering to this guest type by offering great connectivity, even in remote properties in the great outdoors.



Destination Isolation

Guesty user [D. Alexander](#) launched *Destination Isolation*, a campaign that offers retreats of two weeks to three months in beach, desert or mountain area properties, providing a rare combination of quality, comfort and open space to anyone looking to isolate or work remotely. This is ideal for those looking for a change of scenery for extended periods of time, while simultaneously scratching that travel itch by staying in a new and exciting location.

Digital Nomads Are On The Rise

Digital nomads have existed for quite some time, defined as remote workers who have embraced a nomadic lifestyle to take advantage of their ability to work from anywhere - free from the confines of home or traditional office spaces. During COVID-19, this arguably became more mainstream with a wider audience being able to adopt this lifestyle, and short-term rentals benefited as a larger community of digital nomads sought unique accommodations to utilize as remote working sites. Whether escaping their cramped city apartments or simply seeking a change of scenery, digital nomads have been a vital stream of revenue for the short-term rental industry during the pandemic.

And it looks like they are expected to stick around. Our survey respondents believe **digital nomads will be the second most active group of travelers in 2021**, suggesting that as travel normalizes, work-from-home patterns and policies might endure, offering employees the freedom to work and travel simultaneously. Also taking into account the 'redistribution of travel' trend - where folks are increasingly avoiding hotspot tourist destinations - we'll likely see digital nomads heading to off-the-beaten-track destinations to make their experiences that much more new and exotic.

In 2021 we'll not just see digital nomads work from all sorts of locales, but we'll also see them go "life shopping" as the ability to work remotely has enabled individuals to consider living elsewhere, especially outside of major metropolitan cities that were once the epicenters of career opportunity. As such, stays of one month or longer will become increasingly normal as many, especially digital nomads, experiment with extended bookings in order to test drive various cities to see where they might want to settle during the pandemic and after.



Work-From-Anywhere

“ In 2021 we will see a widespread allergy towards the concept of commitment, with more and more individuals gravitating towards flexibility and a work/life balance. ”

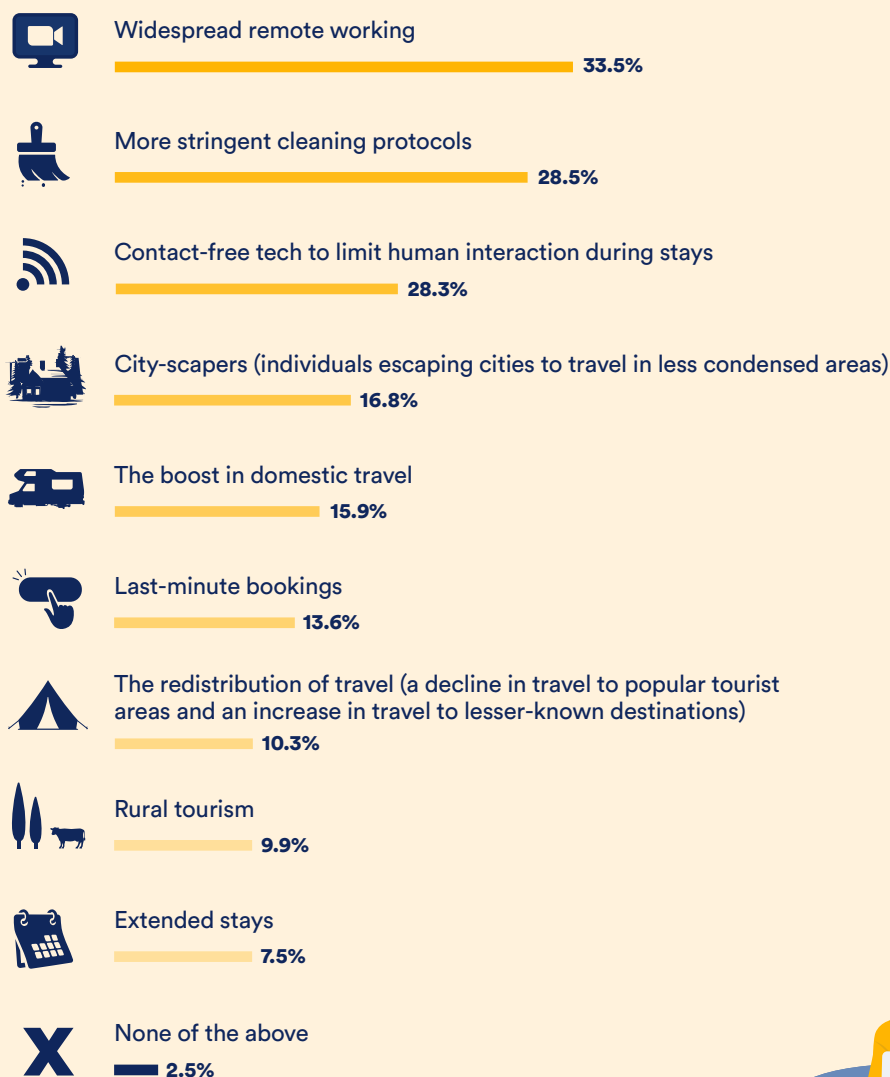


Vered Raviv Schwarz
President & COO, Guesty

A Trend That's Here To Stay

Companies big and small have announced their plans to remain remote even after the pandemic, including the likes of [Facebook](#) and [Twitter](#). This suggests that there is no end in sight for this growing group of travelers. Our survey-takers agree - when asked which COVID-19 trend is most likely to endure even once the pandemic is history, **33.5%** voted widespread remote working.

Which trends do you believe will endure post-COVID-19?



*Respondents were able to select up to two trends.



The other top trends that our survey respondents believe will endure post-COVID-19 are stringent cleaning protocols **(28.5%)** and contact-free tech **(28.3%)**. We have seen a number of property management companies adopting stricter cleaning policies alongside the expectations from guests that rental providers make cleanliness a top priority. Practices we have seen go a long way include marketing your properties as following government-recommended cleaning protocols, letting guests know your team is tested regularly, and implementing thorough checklists for your cleaning staff to follow.

Utilizing different tech solutions to make the guest experience as contact-free as possible has also become a measure that short-term rental hosts have taken, and will be expected to continue to implement post-pandemic. Guesty's [Marketplace](#) offers our users a range of partners with solutions aimed at just that, from keyless entry tools, to home automation platforms that act as a virtual concierge for guests.

Contact-Free Hospitality

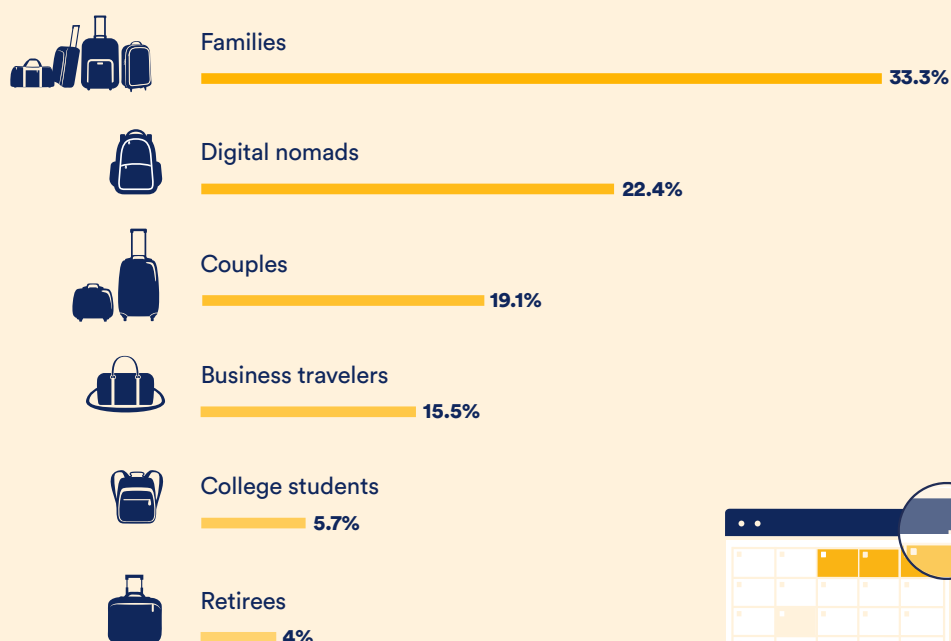
Guesty user [Mint House](#) offers high-end, short-term rentals for business travelers, and was acknowledged by [Forbes](#) for adapting to COVID-19 with their 'light-touch model' to limit in-person interactions wherever possible. This includes providing guests with fully contactless, tech-enabled experiences in their rentals.



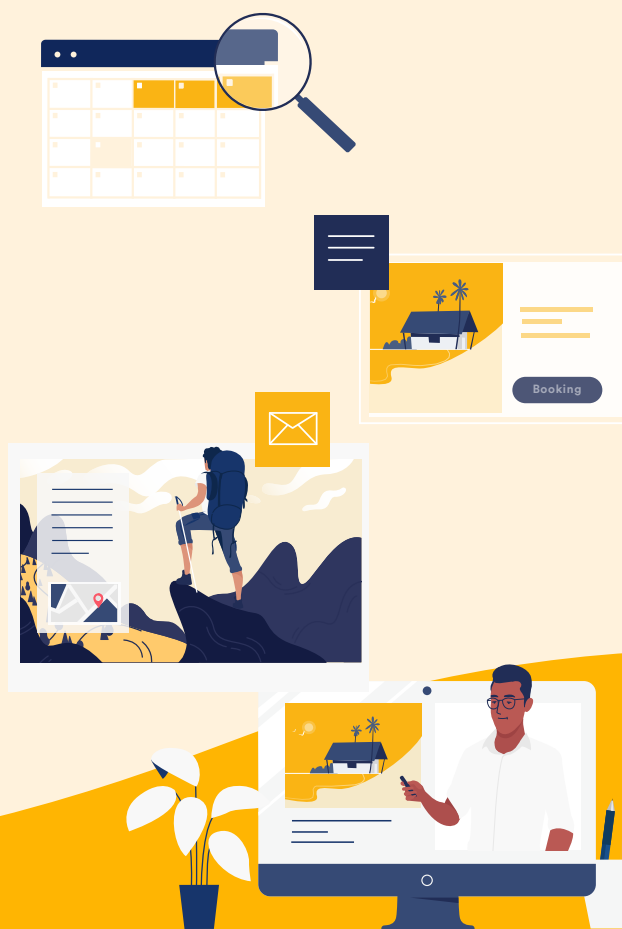
2021 Will See More Than Nomads

Families were voted as the #1 group expected to travel in 2021. This isn't a surprise considering many have found themselves cooped up with kids while working with barely any breaks or down time in between. With many moments missed to celebrate - birthdays, graduations, milestones and more - the demand for family travel will become ever apparent in new bookings.

Which persona do you predict will travel most in 2021?



No matter the persona, we predict **2021 will be the year of the travel agent**. Because of the pandemic's unpredictable impact on travel plans, people will increasingly turn to professional travel agencies or agents when arranging their trips. Agents keep their fingers on the pulse of travel and have the latest information, and they can easily facilitate refunds and cancellations.



The Future of the Industry

Predictions & Insights on Recovery



What Comes Next?

It's the question that's been on everyone's mind since pharmaceutical companies debuted their COVID-19 vaccines and we first began to see the light at the end of this long, winding tunnel.

Theories about vaccine passports and revenge travel have circulated through the travel community and the truth is, no one can say with certainty what awaits the hospitality sector or which of the pandemic's ripples will leave a lasting impact on the industry. To ready ourselves and our businesses for the much-anticipated recovery of travel, we must shape our strategies according to predictions grounded in logic, experience and an intimate understanding of the short-term rental ecosystem.

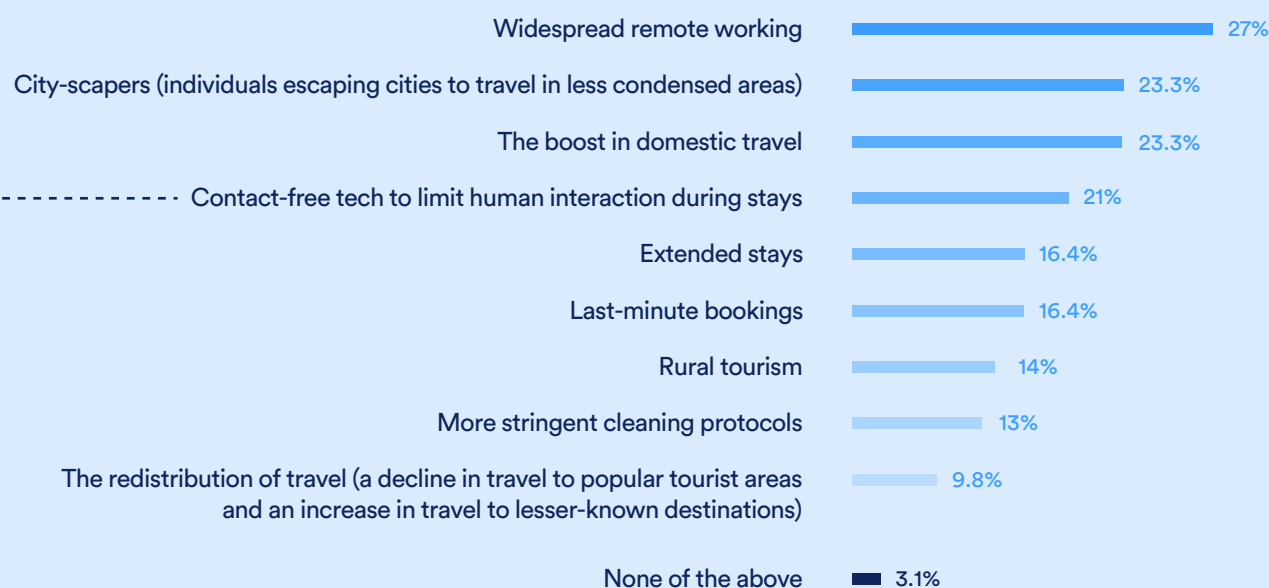
For that reason, we asked our survey-takers who know the industry best to share their forecast of what's to come. Here's what they had to say.



On Trends

Though the pandemic itself largely wrought havoc upon the travel industry, some of the trends it set in motion have stood to benefit the sector. **Of the trends that emerged from COVID-19, respondents named widespread remote working, city-scaping (fleeing cities for more rural destinations) and the boost in domestic travel as those most likely to advance the interests of the short-term rental community.**

Of the following trends that emerged from COVID-19, which do you think will benefit the short-term rental industry?



**Respondents were able to select up to two trends.*

Safety First



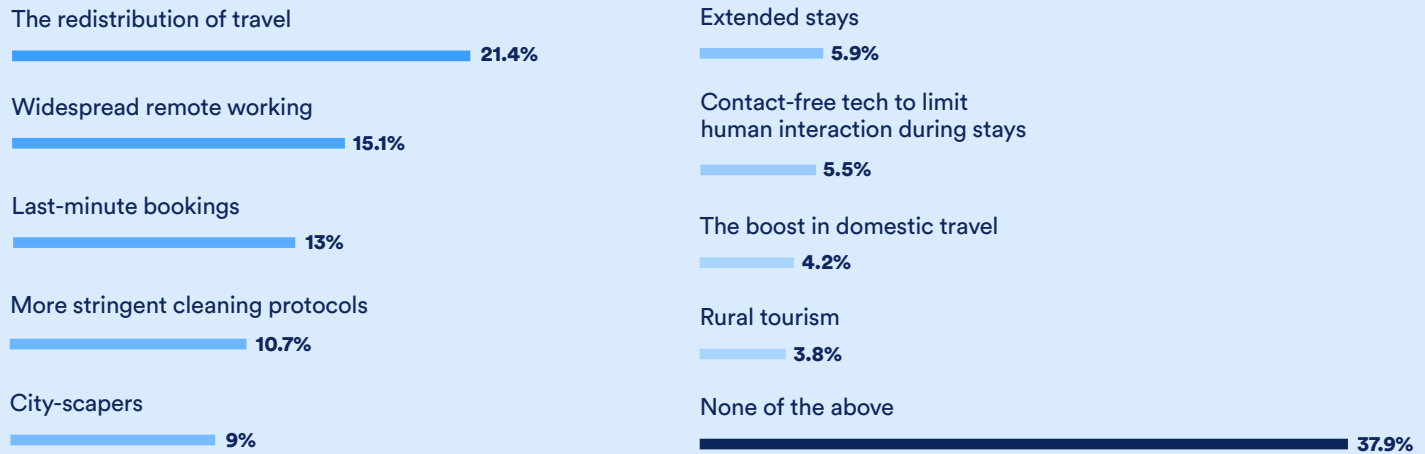
“As social distancing is now synonymous with safety, light-touch stays have become a priority for travelers, and hospitality brands that implement solutions that limit human interaction - like keyless entry systems and digital concierges - will come out on top.”

Gil Wasserman
CTO, Guesty



In parallel, as far as which of the aforementioned trends respondents felt would hurt the industry, ‘none,’ was the most popular choice, earning the support of **37.9%** of survey-takers. The runner up was the redistribution of travel from popular tourist areas to lesser-known destinations, with **21.4%** suspecting this could hurt the industry. This is no surprise, as many hosts and property management companies build rental businesses nearby popular sites and destinations that are frequented by travelers annually.

Which do you think will hurt the short-term rental industry?









*Respondents were able to select up to two trends.

Squeaky Clean

With solutions geared toward simplifying cleaning management, such as Breezeway, Doinn, Flexkeeping, Properly, Roomchecking & TurnoverBnB (all of which are in the Guesty [Marketplace](#)), meeting rising guest expectations in terms of cleanliness doesn't have to be a challenge.

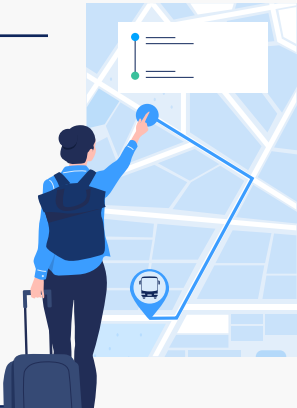
When we broke the responses down by destination type, we did, in fact, find that **about a third (34.8%) of those who see the redistribution of travel as a threat to the industry manage listings in urban and metropolitan areas**, which have arguably been hit hardest by the pandemic and this trend. That said, we found **even more support for this claim (39.2%) from other players within the industry, such as tech suppliers, thought leaders and members of the press**, who represent the most objective group among our respondents. As these non-hosts comprise **37.1%** of our total respondent pool, their perception of travel redistribution as a threat to the industry is quite noteworthy.

Breakdown of who believes the redistribution of travel will hurt the industry:

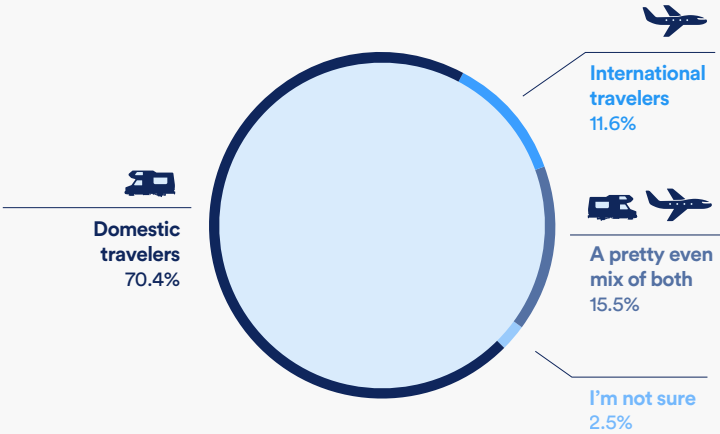
	Non-hosts	39.2%
	Urban hosts	34.8%
	Countryside hosts	12.6%
	Oceanside hosts	8.9%
	Mountainous area hosts	2.7%
	Attraction-adjacent hosts	1.8%

Close to Home

It's a good thing that the boost in domestic travel is perceived as a beneficial trend, as the overwhelming majority (70.4%) of the property management companies and professional hosts surveyed describe their 2020 guests as domestic travelers.



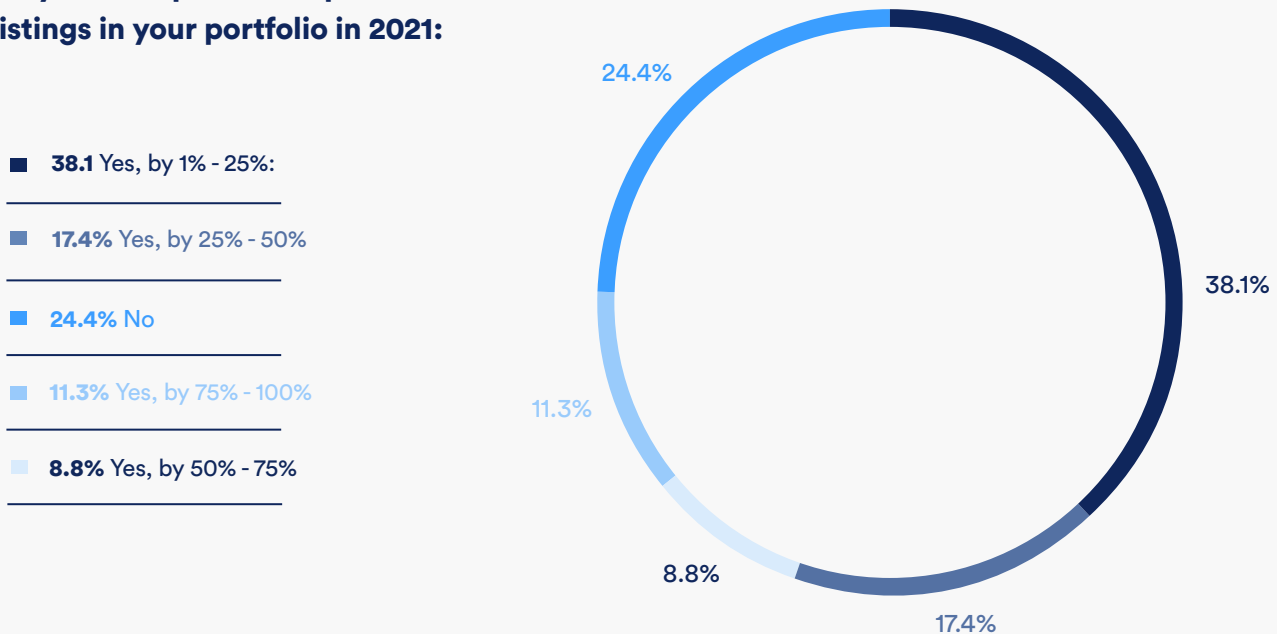
Choose which best describes your guests in 2020:



On Expansion & Consolidation

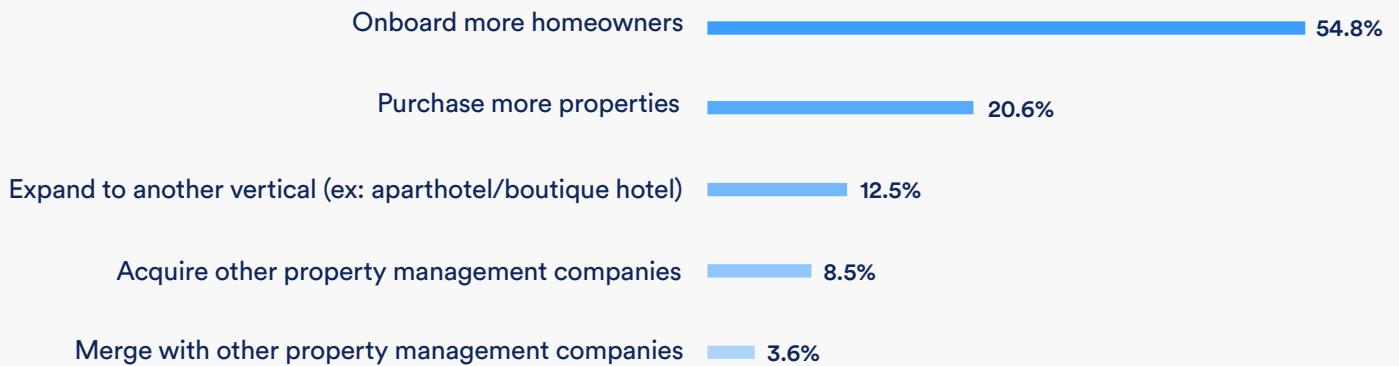
As evidence of the industry's resilience, **property management companies are already making plans for expansion following one of the most grueling years for the entire travel economy.** An overwhelming majority of property management company/host survey respondents (**75.6%**) hope to grow their listings this year, with a sizeable portion of them (**20.1%**) planning to by more than **50%**.

Do you have plans to expand the number of listings in your portfolio in 2021:



In terms of how property management companies and professional hosts plan to achieve growth, over half (**54.8%**) are opting to onboard new homeowners, and **20.6% are confident enough in the industry's future to invest in new properties.**

How do you plan to expand your portfolio?



New Frontiers

Colorado-based Guesty user [High Rocky Homes](#) recently expanded into aparthotels, opening Old Tale Inn, which combines modern comforts with an interior inspired by the Old West.

A bit further west Guesty user [Kasa](#) has just added a boutique hotel in San Francisco to its portfolio.



As travel companies across the globe assess their positions post-pandemic, **most of our respondents foresee consolidation of the industry**, with just over half (**51.6%**) believing this will materialize with the acquisitions of smaller companies by larger hospitality brands.

Do you think the short-term rental ecosystem will face more consolidation in 2021? If so, in what ways?

Yes, larger property management companies will acquire smaller competitors

51.2%

Yes, travel tech startups will receive more funding to fuel growth

24.5%

Yes, travel tech solutions will acquire smaller competitors

23.9%

No

22.4%

**Respondents were able to select up to two predictions.*

Empowering Tech Tools

In the middle of 2020, Guesty Marketplace partner and operations platform [Breezeway](#) secured \$8M in Series A funding after demonstrating its enablement of property management companies to work with leaner teams and still implement safe, detail-oriented hosting practices.



A Strong Future



“As the smoke clears, we’re going to see a large portion of the industry divided into two groups - the consolidated and the consolidators. Property management companies and tech/software solutions that have kept their fingers on the pulse of the travel community, monitored changing trends and guest expectations, and pivoted their businesses accordingly, will be among the latter.”

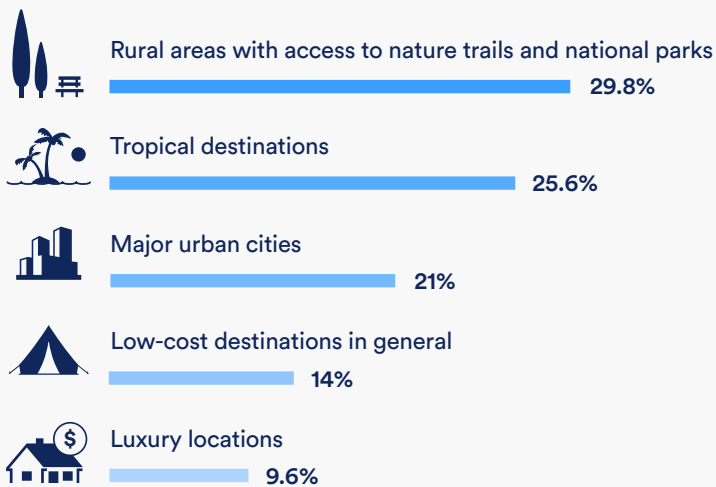
Amiad Soto
Co-Founder & CEO, Guesty

On Travel Preferences

The Where

According to our respondent pool, the popularity rural areas saw during the pandemic will endure. When asked which destinations will draw the most bookings post-COVID, rural areas garnered the most confidence, earning **29.8%** of the votes. Following close behind were tropical locations (**25.6%**) and major urban cities (**21%**), perhaps due to the theory that, once safe, travelers will want to visit the more densely populated, touristic destinations they avoided during the pandemic.

Once COVID-19 is a thing of the past, which destinations do you predict will see the most bookings?

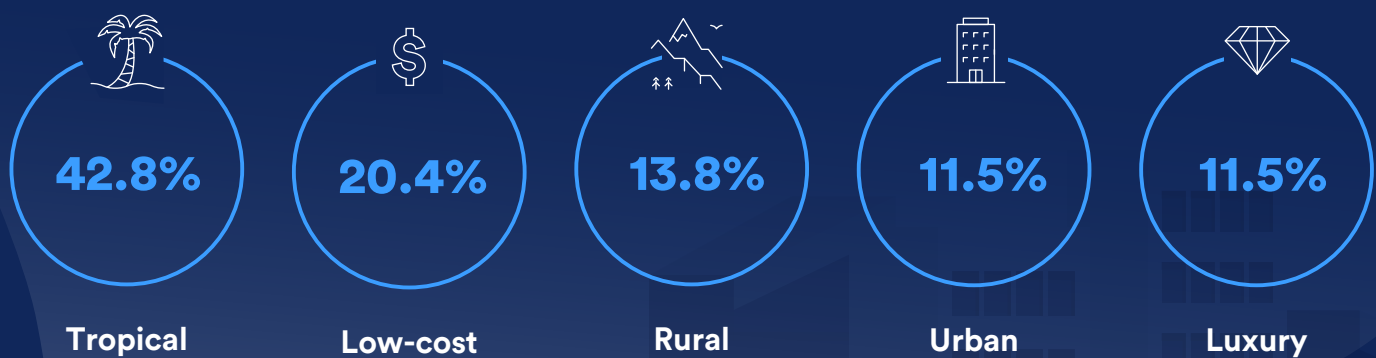


Naturally, every property management company wants to believe their destination will be first on everyone's travel itinerary, so we expected a little bias when we asked which locations would draw the most bookings post-COVID.

Analyzing each response according to the location of the host, we did, indeed, find that over half (**55%**) of the property management companies and hosts with listings in rural areas selected rural areas as the top destination. Similarly, urban hosts make up exactly half of the respondents who chose major urban cities as the destination that would be most popular after the pandemic. And just under half (**47.3%**) of those with oceanside listings selected tropical locations. Still, both groups account for less than a third of those who chose their respective locations.

To get a more objective perspective, we narrowed down the response pool to those who do not manage listings. Among this group, tropical locations is the clear victor (**42.5%**), followed by low-cost destinations (**20.4%**), possibly anticipated to be popular due to the economic losses suffered during the pandemic.

Popular destinations post-COVID, as anticipated by non-host survey respondents:



The Why

In addition to knowing where people are going to want to head to once travel normalizes, in order to properly prepare for their arrival, it's important to know why.

Over half of those surveyed (**54.1%**) believe reuniting with friends and family will be a primary motivator for travel and nearly as many (**53%**) predict that people will travel simply because they finally can, a phenomenon that has been dubbed by the industry as “revenge travel.”

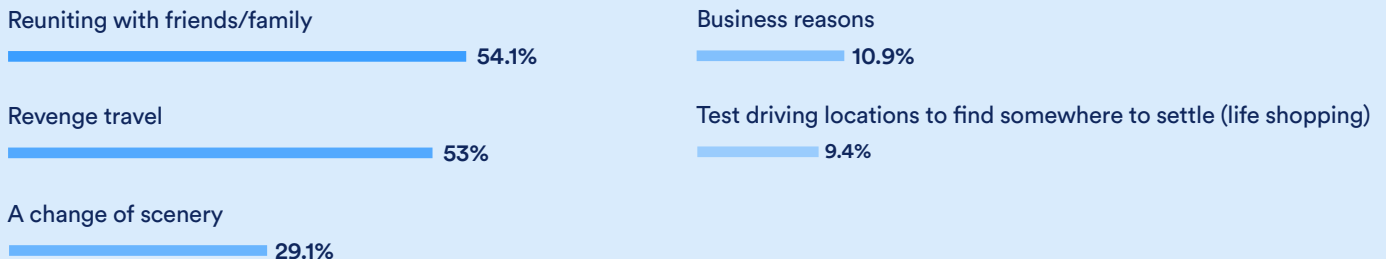
Prepare For A Future Surge In Bookings



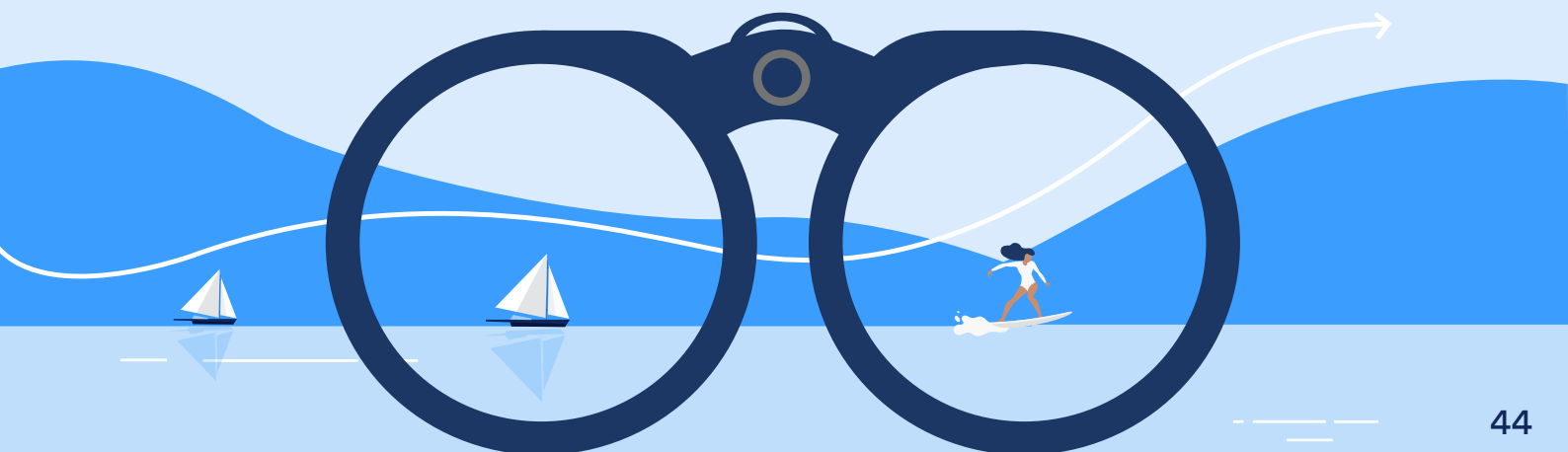
“Revenge travel - the surge in travel we predict once COVID-19 is behind us, sparked by the widespread cabin fever experienced during the pandemic. Whether it happens gradually or the moment enough people are inoculated against the virus, hosts should prepare their businesses for an influx in bookings.”

Vered Raviv Schwarz
President & COO, Guesty

What do you predict will be the primary motivators for travel after COVID-19?



**Respondents were able to select up to two motivators.*



Travel Is A Necessity

2021 is dotted with question marks. As vaccines are distributed and we attempt to pick ourselves up after an unprecedented year for both the travel industry and the world at large, we can only make educated speculations about the form travel recovery will take.

What we do know is that, largely due to the accessibility provided by the short-term rental industry, travel has lived on throughout COVID-19, proving the resilience of the alternative accommodation ecosystem as a whole.

Though, at one point, the pandemic almost brought travel to a halt, it has not nearly quelled the need for it, and, as those who know the industry best predict, the last year of travel deprivation has only served to illuminate just how much consumers crave it.



About Guesty

Guesty's property management platform provides short-term rental and independent hotel property management companies with an end-to-end solution to simplify and automate the complex operational needs of managing flexible inventory.

With Guesty, users can manage properties across multiple online travel agencies including Airbnb, Booking.com, Vrbo, Agoda and TripAdvisor, and utilize the platform's guest-centric tools including: Unified Inbox, Automation Tools, 24/7 Guest Communication Services, Payment Processing, Accounting and more. For more information visit www.guesty.com.

Guesty Helps Customers...

Increase Their Listings by

100%
Annually

Boost Their Revenue by

150%
Annually

Save an Average of

100+
Hours Weekly

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