

SPECIAL REPORT

IMPACT OF COVID-19 ON U.S. SHORT-TERM RENTALS

*Findings from the April 2020 Survey of U.S.
Short-Term Rental Owners, Hosts and Managers*

MAY 18, 2020

RENT
RESPONSIBLY

VRMA 

AIRDNA

A LOOK THROUGH THE COVID-19 PERISCOPE

Thank you for downloading the Covid-19 Impact Report, the first survey of its kind to dive deeper into the pandemic's effects on the short-term and vacation rental industry. In these pages we explore the survey findings in raw data paired with analyses from our industry's leading experts, whom we thank immensely for participating in this report.

Produced by Rent Responsibly together with our esteemed partners Vacation Rental Management Association (VRMA) and AirDNA, this survey gathered input from more than 1,400 short-term rental owners, hosts and managers around the U.S. to unearth data on the rippling effects of this unprecedented disruption.

One thing is certain: our industry has changed dramatically. Many of the trends and innovations that were predicted to emerge over the next five or 10 years, like more flexible renting terms and a touch-free end-to-end guest experience, have arrived overnight. Now is our opportunity to take the best policies, practices and amenities unique to short-term rentals and set the standard in hospitality for all. This report is here to help all stakeholders in that process.

HOW TO USE THIS REPORT

We designed the Covid-19 Impact Report to serve all members of the short-term and vacation rental ecosystem.

We invite owners, hosts and managers to use this report to adjust your resource allocation, cleaning, marketing, advocacy and other business practices for the post-pandemic tourism economy.

We encourage tourism organizations and policymakers to use this as a resource in creating informed and balanced rules and regulations for the benefit of your communities.

For industry vendors, we think you'll uncover ideas for new or adapted products and services.

To use the phrase of the moment that will – and must – ring true long past our collective recovery, **we are in this together**. Just as a periscope is used to survey the horizon to chart a path forward, we hope this report helps you navigate to calmer waters on the other side.

Thank you for reading and sharing,

David Krauss

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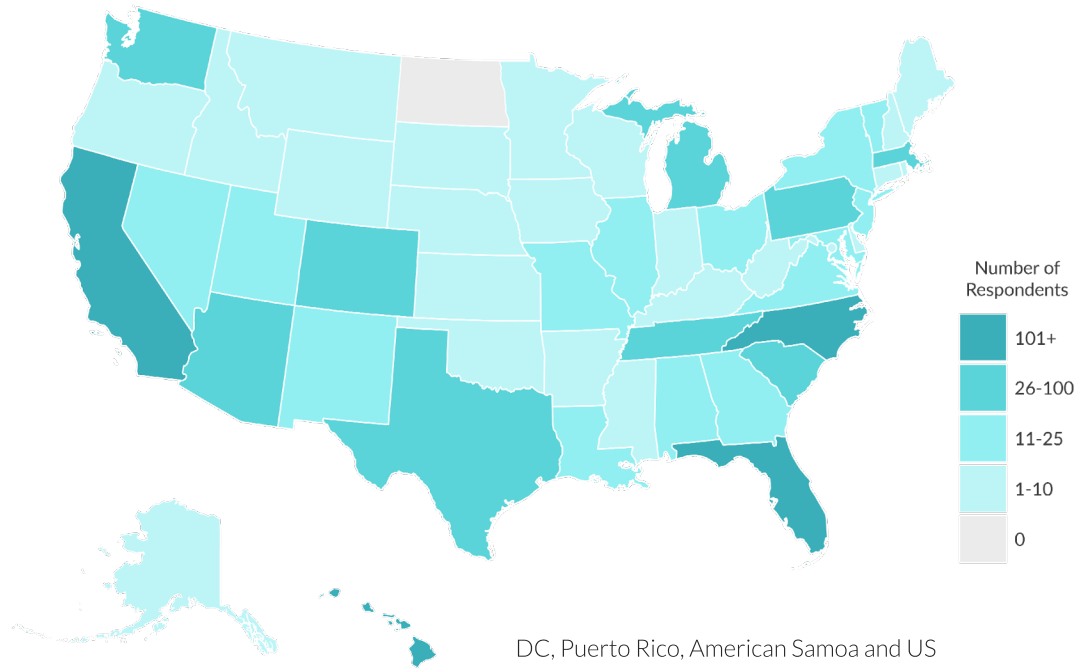
Matt Landau
Founder
VRMB



ABOUT THE SURVEY

1,406 RESPONDENTS | SURVEYED APRIL 22 - MAY 1, 2020

U.S. STATES AND TERRITORIES



DC, Puerto Rico, American Samoa and US Virgin Islands combined: 22 respondents

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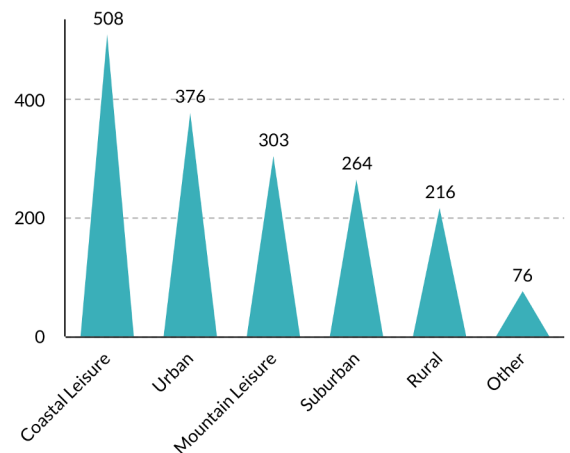
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Respondent Type



- Owner (36.42%)
- Host/Manager (20.77%)
- Owner & Host/Manager (42.82%)

Market Type



Note: Respondents could select multiple options

MEET THE OWNERS & MANAGERS

OF RESPONDENTS WHO OWN SHORT-TERM RENTALS:

29% RENT THEIR PRIMARY RESIDENCE

89% OWN 5 OR FEWER PROPERTIES



TOBY BABICH
PRESIDENT,
VRMA

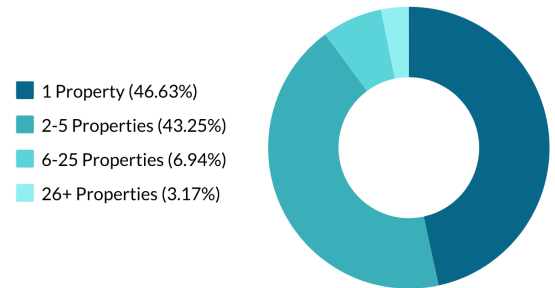
The survey data highlights

some key facts that those outside of this industry don't always get to see. Short-term rental operators, owners, and property managers are small businesses that are quickly adjusting operations for a post-COVID world. These small business owners were severely impacted by travel restrictions, government regulation, and general market forces during the pandemic. They are moving quickly to implement new cleaning and safety guidelines, such as the VRMA/VRHP SafeHome initiative, and to address communities' concerns for reopening safely.

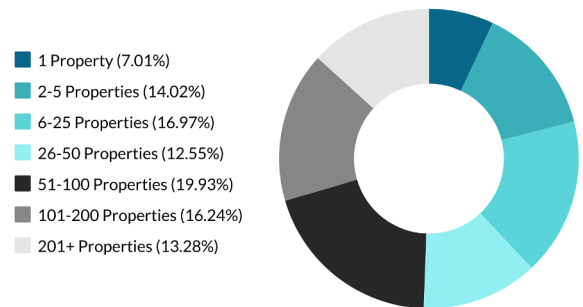
Social distancing will become even more commonplace, especially in travel and tourism. Short-term rentals are the only true social distancing lodging option.

The short-term rental community is a resilient group, but overreaching regulation and unfair treatment of the industry could have profound effects on communities nationwide. Communities are facing lost tax revenues, declines in tourism numbers, and potential decreases in property values. It is critical for communities to embrace short-term rentals, and work to find a path forward that balances the needs of residents, small businesses, and their local tourism economy.

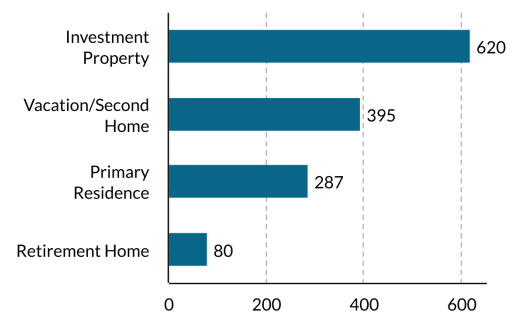
Non-Managers: Properties Owned



Managers (Excluding Owner-Managers): Number of Properties Managed



Owners & Owner-Managers: Property Type



Note: Respondents could select multiple options

MONEY MATTERS

Non-Manager Owners: Dependence on STR Revenue



- Not Dependent (11.11%)
- Somewhat Dependent (43.45%)
- Very Dependent (45.44%)

Have you received financial support from the CARES Act?



- No, but I have applied and am waiting. (33.16%)
- No, and I won't be applying. (29.26%)
- Yes (16.55%)
- No, but I plan to apply. (14.81%)
- I applied but was denied funding. (6.21%)

88%

OF OWNERS ARE AT LEAST SOMEWHAT DEPENDENT ON THEIR STR REVENUE.



CLIFF JOHNSON,
CHIEF COMMERCIAL OFFICER,
RENTED.COM

The data confirms that our industry is largely made up of small businesses that do not have a lot of additional resources to tap into financially or from a human resources perspective. The Payroll Protection Program (PPP) program excluded a lot of small managers both intentionally and unintentionally as it was largely based on reimbursing payroll expenses, rent and mortgages.

These numbers also show that many are unlikely to survive as a business if revenue does not come back by the summer. That will likely have a ripple effect of a surge in foreclosures in vacation rental destinations.

If adequate financial support and regulatory support is not provided, we could see more than half of the small businesses that make up the professional manager industry close their doors permanently. The ramifications will be felt in almost every state.

JOBS & LABOR IMPACTS

76% OF RESPONDENTS EMPLOY AT LEAST ONE STAFF MEMBER OR CONTRACTOR. 85% REDUCED STAFFING, HOURS OR SALARIES IN SOME WAY DURING COVID-19.



SUE JONES
FOUNDER, HR4VR

It is clear that small business owners in our industry have been struggling mightily to stay afloat through the pandemic.

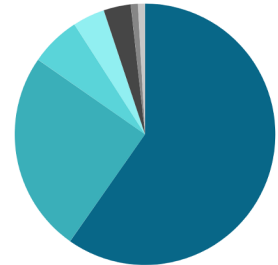
While 55% of respondents temporarily shut down operations, no one was immune from implementing layoffs or furloughs, or reducing hours and pay rates.

As companies receive funding from the Paycheck Protection Program, it is becoming increasingly difficult to recall workers back to full-time employment given health risks and Covid-19 concerns, childcare, and high rates of unemployment compensation.

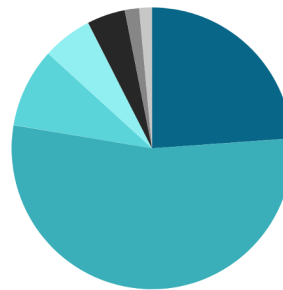
The unintended consequence of individuals earning more on unemployment has employers focusing on financial incentives to entice workers to come off of unemployment and return to the workforce. Things such as temporary hazard pay, return-to-work incentives, attendance and retention bonuses are the trend. Taking time to have interactive dialogue with your employees who are laid off or furloughed about their return to work is a key strategy. Find out what they need so that you can determine how best to retain their knowledge, skills and abilities in your business.

Full-Time Employees Pre-Pandemic

- 0 FT Employees (59.75%)
- 1-5 FT Employees (24.93%)
- 6-10 FT Employees (6.21%)
- 11-20 FT Employees (3.97%)
- 21-50 FT Employees (3.4%)
- 51-99 FT Employees (0.87%)
- 100+ FT Employees (0.87%)

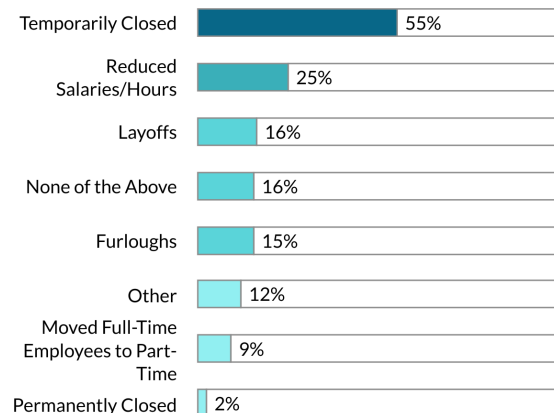


Part-Time Employees/Contractors Pre-Pandemic



- 0 PT Employees/Contractors (23.88%)
- 1-5 PT Employees/Contractors (53.76%)
- 6-10 PT Employees/Contractors (9.12%)
- 11-20 PT Employees/Contractors (5.72%)
- 21-50 PT Employees/Contractors (4.41%)
- 51-99 PT Employees/Contractors (1.66%)
- 100+ PT Employees/Contractors (1.45%)

Staff Adjustments



Note: Respondents could select multiple options

A RAPIDLY-CHANGED MARKETPLACE



SCOTT SHATFORD
FOUNDER & CEO, AIRDNA

At a high level, we're seeing a real trend towards what we would call "isolation tourism." The only consumer demand that we've seen over the last month has been for almost immediate stays for over two weeks in length.

The average length of stay has nearly doubled mid-March to mid-May – and that is monumental. We've never seen this move by more than 0.1 day over the last four years.

The average person is discounting a monthly stay about 25 percent, but most people who are getting these monthly stays are discounting by over 50 percent. They're not trying to make profits, just trying to weather the storm.

One narrative is out there is true, that drive-to destinations, classic vacation rental destinations – the mountains, the lakes, the beaches – seem to be very resilient.

Cities, on the other hand, are decimated. **Occupancy is down 70+ percent** with no signs of recovery as they get into summer, and that likely means a multi-year recovery for these tourism markets.



THE AVERAGE LENGTH OF STAY HAS NEARLY DOUBLED

3.76 DAYS PRIOR TO MARCH 10
TO 6.4 DAYS MARCH 10 - MAY 18



ACTIVE LISTINGS ARE DOWN 6% YEAR OVER YEAR

8.4M IN APRIL 2019
VS. 7.9M IN APRIL 2020



BOOKINGS MADE ON AIRBNB IN APRIL ARE DOWN 70% FROM 2019

4.7M BOOKINGS MADE IN APRIL 2020 VS.
15.7M BOOKINGS MADE IN APRIL 2019



MATT LANDAU
FOUNDER,
VRMB

One of the gradual trends that

the pandemic has accelerated to behavioral change is the art of repurposing. From reused clothing in fashion to upcycled produce in food, the new market rewards people and products who can adapt to different needs based on momentary demand.

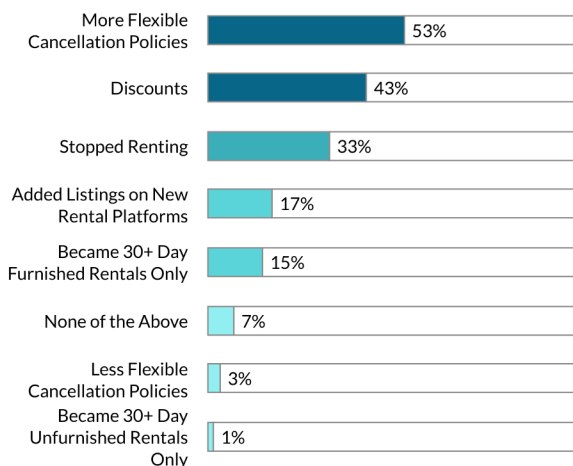
The data from this survey tells us that the healthiest short-term rental businesses – due to their asset-light

models and relatively low overhead – are able to overhaul pricing to fit consumer needs, pivot to new extended stays, and even put their operations on temporary pause: all without actually going out of business.

This kind of resilience can be extremely valuable to communities looking to kickstart their economies in the coming months.

I expect to see STR professionals stepping up to flex this resilience at a time when the world needs it most.

Marketing & Reservation Adjustments



Note: Respondents could select multiple options

FLEXIBLE RENTING & CRISIS HOUSING

1 IN 2

RESPONDENTS HOSTED NON-LEISURE GUESTS DIRECTLY IMPACTED BY COVID-19, INCLUDING FIRST RESPONDERS, ESSENTIAL WORKERS, ISOLATIONS, STRANDED STUDENTS, AND FAMILIES OF PATIENTS.



ALEXA NOTA,
RENT RESPONSIBLY

This data spotlights what the STR community has long recognized:

short-term rentals afford incredible adaptability for guests, property owners, residents, and our communities.

31% hosted front line medical personnel, quarantines, patients and/or their families.

28% of respondents pivoted to mid-term stays.

23% hosted a local who couldn't access their own home or guests who simply wanted a quiet place for remote work.

This flexible use of these homes and the need for them are not new. People have always sought isolated, private home-like spaces

with kitchens, laundry rooms and other features other lodging options don't provide.

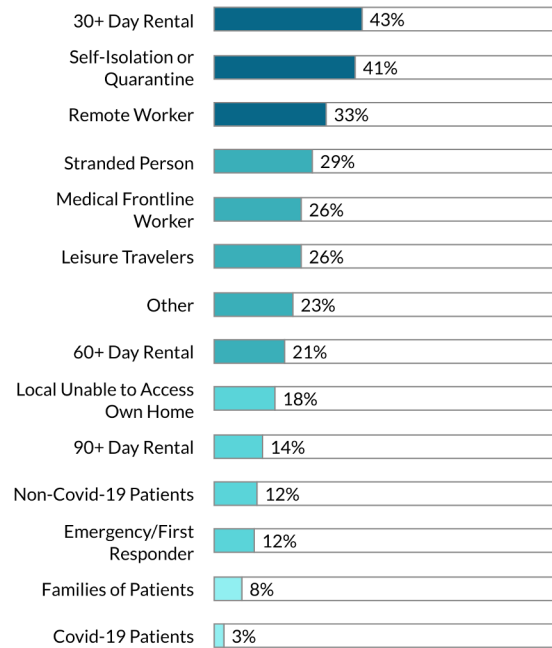
Public health crisis or not, to say this option is lifesaving is not an exaggeration. Take [Daniele Parker](#) in Philadelphia whose recovery from leukemia treatment requires strict isolation and home-cooked meals. Or Bloomington ER nurse [Jordan Garvey](#), who stayed in an STR so he doesn't risk exposure to his high-risk housemate.

This value doesn't disappear when the pandemic subsides and tourism recovers.

Nor does the demand for STRs for leisure and business travel, even as the *how, when and why* we travel changes.

Nor does the need or desire of tax-paying property owners to rent

Guest Types Hosted During Covid-19 by Respondents Who Rented



Note: Respondents could select multiple options

their homes short-term for income, financial safety nets, or because they simply love to host. (As noted on page 6, only 1% of respondents had switched their properties to monthly unfurnished rentals.)

Covid-19 has only cemented short-term and flexible rentals as **essential** to communities now and in the future. Municipalities and destination marketing organizations (DMOs) can simultaneously rev their tourism engines at a reduced risk of viral outbreaks by pointing travelers to isolated short-term rentals where their dollars go to local residents and businesses and circulate within the community.

CLEANING & DISINFECTION

80%

OF RESPONDENTS HAD ALREADY SELF-IMPOSED ADDITIONAL OR MORE STRINGENT CLEANING PRACTICES.



DURK JOHNSON
EXECUTIVE DIRECTOR,
VACATION RENTAL HOUSEKEEPING PROFESSIONALS

It is encouraging to see that eight in 10 respondents took it upon themselves to strengthen their cleaning practices in some way even before industry-wide guidelines began rolling out. Other highlights here are the two most widely adopted practices: 1. deeper cleans, and 2. implementing guidelines from the CDC, EPA, OSHA, and other official sources for guidance.

But this data also shows that we as an industry must make it possible for hosts and managers everywhere to adopt all necessary Covid-19 cleaning practices. This is done through education and access to commercial-rated hospitality products.

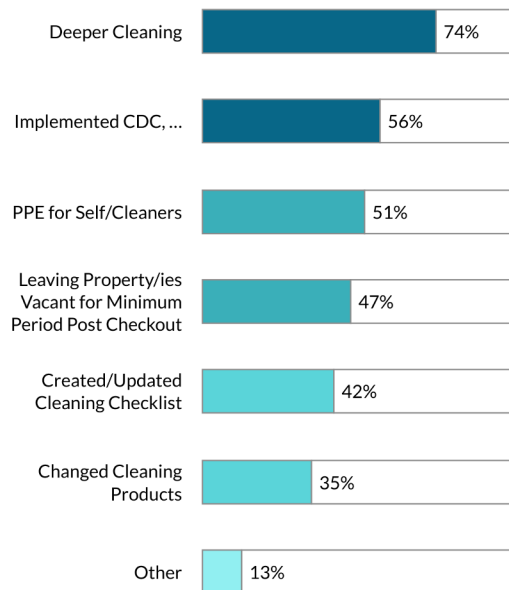
Since this survey, multiple tourism entities have released federal-agency guided Covid-19 cleaning guidelines, including

[SafeHome by VRMA and Vacation Rental Housekeeping Professionals](#). These recommendations include:

- ▶ Proper disinfecting agents (which are different from cleaning and sanitizing agents)
- ▶ Adequate time after departures to allow airborne respiratory droplets to settle
- ▶ Adequate time for cleaners to complete added tasks and allow disinfecting agents their specified dwell times
- ▶ Proper PPE usage
- ▶ Safe linen care
- ▶ Adjusted guest policies, such as no early check-ins or late check-outs

The recommendations also don't include practices we can't set until researchers know more about the virus, like how long it lives on soft surfaces, and what other tools we may be able to use for disinfection. Hosts and managers will have to continue looking to officials sources and implementing further

Actions Taken by Respondents Who Adjusted Their Cleaning Practices



Note: Respondents could select multiple options

guidelines as they are released.

For policymakers deeming one type of accommodations less likely to have proper cleaning than the other, I invite you to travel with me. I stay in countless hotels and STRs every year and train the cleaning teams of both lodging types. They have the same standards, the same use of cleaning chemicals and PPE, the same challenges.

What matters in cleanliness is not the lodging type. It is the re-training of cleaning staff, the pattern of tasks that ensure every surface is properly treated now with Covid-19 specific products, and the mechanisms for verifying standards have been met.

>> SEE PAGE 11 FOR ADDITIONAL CLEANING RESOURCE LINKS

GOVERNMENT ACTION & RESPONSE

#1 MOST REPORTED GOVERNMENT ACTION: BANNING ONLY STRS

How Have Your Local STR Regulations Changed During Covid-19?



- ONLY STRs are temporarily banned (36.4%)
- ALL lodging is temporarily banned (23.11%)
- Some additional rules (17.82%)
- I'm unsure (11.03%)
- Other (6.72%)
- None of the above (4.91%)

1 IN 2

RESPONDENTS ARE WILLING TO PARTICIPATE IN FUTURE ADVOCACY



GREG HOLCOMB
GOVERNMENT RELATIONS DIRECTOR, VRMA

Many states and localities unfairly looked at vacation rentals and other short-term rentals as a threat to the health and well-being of the community with no data to back up their assertions. Business closure guidelines from the federal government expressed a need for residential lodging options throughout the pandemic, to house medical staff, those with travel disruptions, or families affected by small emergencies. Short-term rentals are the only lodging option that allows for true social distancing.

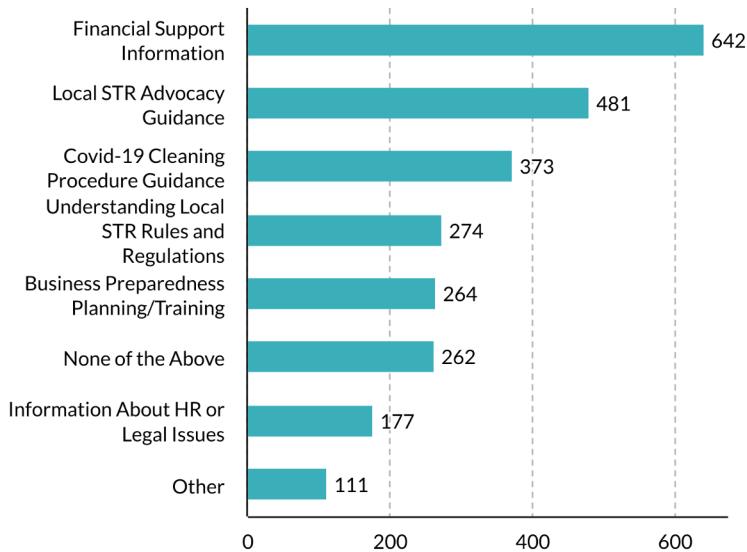
Over half the respondents were affected by business closures, and in some cases, unable to accept a reservation into the next year or beyond. These policies were overreaching and will have a dramatic ripple effect on communities in the long run.

Throughout the pandemic most industries saw a need to voice their concerns over business closure orders, travel restrictions, and other guidelines. The short-term rental industry was no different. However, unlike many other industries, short-term rentals are still a fragmented group of small businesses. This led to a less cohesive voice when communicating with policymakers, not having a seat at the table for policy discussions, and being overshadowed by other sectors of the travel and tourism industry.

There are many efforts underway that show positive signs that this will not happen again, including safe reopening guidelines, new operational standards, and widespread realization that advocating for short-term rentals as one voice is the only way to move the industry forward.

THE EVOLVING CONVERSATION

Types of Assistance Respondents Would Find Helpful Now



Note: Respondents could select multiple options

TOP 3 NEEDS:

1. FINANCIAL SUPPORT INFORMATION
2. GUIDANCE ON LOCAL STR ADVOCACY
3. COVID-19 CLEANING PROCEDURE GUIDANCE



SCOTT SHATFORD
FOUNDER & CEO,
AIRDNA

On a regulatory front, there are a lot of interesting things happening. The conversation is going to be about economic vitality. How do we inject more tourism into the marketplace? How do we create more economic opportunity for our residents?

This is going to be an interesting time where local legislators will be much more in tune with the woes of their local residents. With the unemployment rate now at 15

percent, and with people trying to try to pay the bills and do so creatively, policymakers can no longer ignore their short-term rental host and manager constituency – at least not as much as they could in a 3 percent unemployment environment. As we get through these lockdowns and the knee-jerk “stranger danger” reactions and get into the rebuilding phase, short-term rentals will be central to these discussions.

It’s important to differentiate hosts and property managers from the online platforms they use. Airbnb and Vrbo simply facilitate reservations.

It’s these 3.5 million people who are the ones who own and operate short-term rentals, those local residents who invest in their communities and welcome visitors to them. That money stays local, getting reinvested in local employees and recycled throughout the local economy.

FORGING THE FUTURE

“The best way to predict the future is to create it.”

- Abraham Lincoln



DAVID KRAUSS
FOUNDER & CEO, RENT RESPONSIBLY

Thank you for reading this report. In uncertain times, we naturally seek clarity. With our partners at VRMA and AirDNA, we recognized that this survey would uncover much needed data to help us do so. It is our sincere hope that our fellow short-term rental community members, our compatriots in hospitality, and our friends in government benefit from this information. The decisions on all of our plates will, individually and collectively, create the one thing we all have in common: a shared future.

Rent Responsibly helps build a sustainable future for responsible short-term rental operators and, by extension, every community on the planet. In

this context, sustainability means that incentives are aligned for **all** participants – owners, hosts, managers, guests, neighbors, local small businesses, and local government.

The future of the short-term rental community is being forged right now. The Covid-19 crisis has forced us to take a collective pause, to evolve with the daily news and, ultimately, to step up to the challenges of the day in sharing our homes with those who have needed them throughout the crisis.

Rent Responsibly was founded on the principle that **it is our responsibility** as short-term rental stakeholders to ensure that we are building a sustainable future for ourselves and our communities. We look forward to creating a bright future with each of you.

WHAT YOU CAN DO NEXT

EXPLORE COVID-19
CLEANING GUIDELINES

[VRMA SafeHome Guidelines >](#)

[VRMA.org](#)

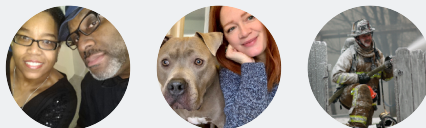
[Vrbo Cleaning Guidelines >](#)

[Vrbo.com/DiscoveryHub](#)

[USTA Guidelines >](#)

[UStavel.org](#)

MEET THE FACES
BEHIND THE DATA



[READ THEIR STORIES >](#)

[RentResponsibly.org/Media](#)

CITIES, COUNTIES AND
OTHER POLICYMAKERS:

[ASK US ABOUT
RENT RESPONSIBLY
FOR REGULATORS](#)



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