

breezeway

2022

Property Operations *Report*



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Introduction

The vacation rental industry has changed tremendously since we authored our first Property Operations Report in 2020. For starters, market supply and demand have grown significantly. The number of nights booked has increased 22% over this time, driven by high consumer demand and flexibility of remote workers. Occupancy has also reached an all-time high and the average length of stay continues to increase. According to Airbnb, the number of bookings over 28 days now represents 21% of gross nights booked in Q1 2022.

More choices translate to more consumer power, which continues to create new meaning around quality and service across vacation rentals. Heavier workloads and smaller margins for error aren't easing up as the pandemic travel landscape normalizes.

Property cleanliness and timely service stood out as key areas in previous surveys, and have now become the mainstay of a quality vacation rental experience. What's different this year are the ways in which hospitality providers are unblocking themselves to drive more efficiency. Managers are embracing the 'hospitality professional' moniker; building operational machinery to provide pristine properties and experiences.

As you'll see from this report, operators are placing extra effort on empowering staff, delivering guest experiences and amenities, and ensuring connectivity of tools and processes. These are opportunities for vacation rental professionals, and if capitalized on, will clear the path towards showcasing inventory among a sea of accommodation options.

We hope our 2022 Property Operations Report serves as a valuable resource for you, and we encourage you to reach out with any questions about professionalizing your vacation rental product.

Jeremy Gall

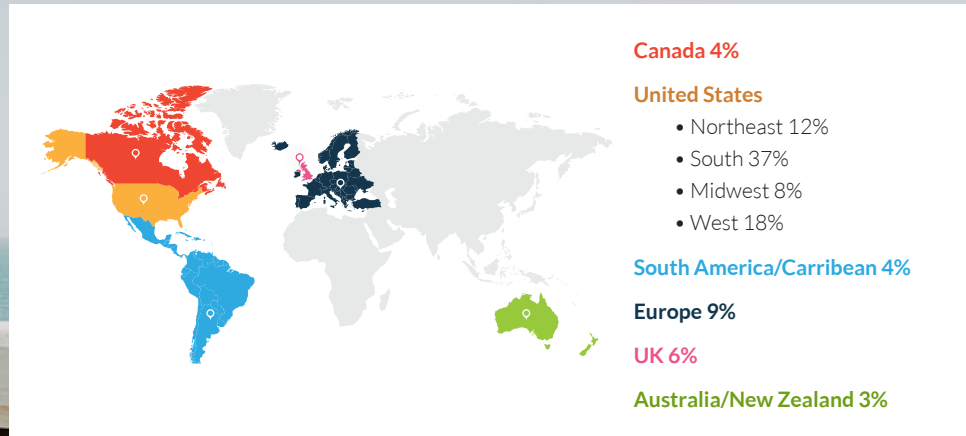
CEO, Breezeway



Methodology

Breezeway surveyed 700 property management companies and over 4,000 travelers about vacation rental operations in creating this report.

In creating this report, Breezeway surveyed over 700 short-term rental managers on several topics; including managing guest expectations, facilitating staff and guest communication, preparing properties for each reservation, and using technology to automate manual effort and deliver more client service. We also surveyed over 5,000 travelers to get their take on what makes the best vacation rental experiences.





Findings

Guest Behavior & Expectations

It's no surprise that the pandemic unveiled the importance of running air-tight and quality property operations. Guests coveted safe vacation rental environments, and looked to operators to deliver them.

"Nobody was really that interested in just how clean our homes were until we had a pandemic," said Robin Craigen, CEO of Moving Mountains. "Travelers needed that reassurance in a time of great uncertainty." According to last year's survey, 93% of managers believed these heightened guest expectations around cleaning and safety would remain.

Fast forward to 2022, and this prediction has held true — over half of travelers and property managers agree that property cleanliness and safety is the number one factor contributing to a five-star vacation rental experience.

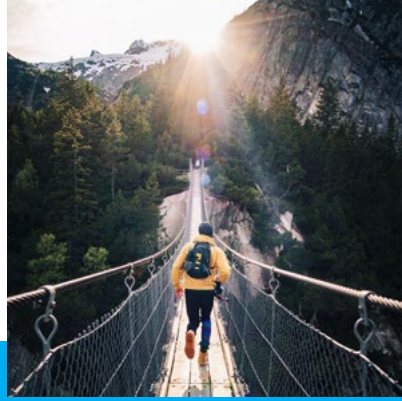
The hard work of property managers and their staff has paid off in this regard, as 71% of travelers who had booked a vacation rental home in 2021 plan to do so again in 2022. But operationally, property managers are concerned that meeting these expectations poses one of the biggest challenges to their business as they strive to respond to guest demands while honing their brand.

TRAVELERS

71%

of travelers who booked a vacation rental in 2021 plan on doing so again in 2022

(21% of these have already made a reservation)



Most important guest considerations at booking:

Price (39%)



Location (26%)



Cleanliness & safety (24%)



Reviews & reputation (6%)



Amenities & service (5%)



56%

of travelers find cleanliness and safety to be the number one factor contributing to a five-star experience

OPERATORS

Factors that managers think contribute most to delivering VIP guest experiences:

Luxurious, clean, and safe properties (61%)



Easy communication (21%)



Property amenities (18%)



54% of managers are seeing **higher demands from guests** over the last 2 years



31% of managers feel that **rising guest expectations have made it harder** to deliver service





“Vacations are a very personal experience for guests, and the more we treat them as such, **the more guests will feel like VIPs.”**

- Max Farley, CEO of sojo





Findings

Staffing & Team Communication

The summers of 2020 and 2021 were two of the busiest peak seasons ever recorded for the vacation rental industry. This placed a significant amount of pressure on those working within it to keep up with an influx of bookings while still delivering seamless and memorable guest experiences. Behind the scenes, housekeepers, maintenance technicians, and other field staff, in particular, played a critical roles during this period.

Motivating and empowering employees will be vital for successful property management companies this year. It's a clear area of focus, as 47% of managers agree that retaining staff has become more challenging over the past two years, and 25% feel that filling staff shortages is the biggest risk to their business.

"Managers should invest serious time and effort into choosing the optimal team structure for their business," said Koryn Okey, VP of Client Experience at Breezeway. This includes "offering the right tools to support day-to-day work, providing ongoing training, and remembering to celebrate team and individual success at every opportunity."

Effective internal communication helps achieve top functionality in the above areas, and is a significant determinant of high-performing property care teams and culture. This takeaway was supported by our survey data, as 59% of operators saw downstream operational benefits and higher quality property care from clear staff communication. These benefits included time savings coordinating issues, assigning work, and answering internal and external questions about property readiness.





What benefits are you seeing through efficient staff communication?



of managers plan on **changing the mix of internal/external staff** in 2022



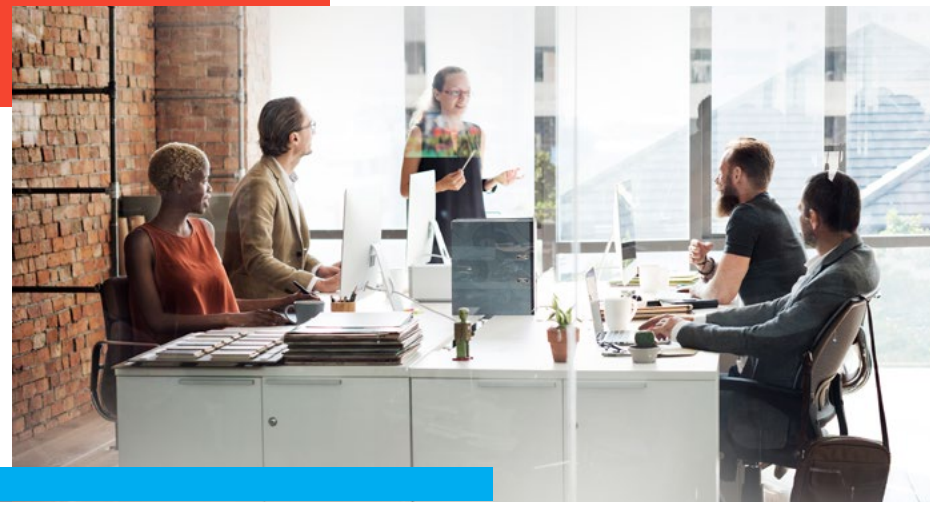
of managers feel that **staffing teams has been more challenging** the last 2 years



of managers feel that **staffing shortages are the biggest risk** to their business in 2022



of managers use a combination of in-house and contract staff for turnovers and property preparation (39% in-house, and 18% outsourced)





Findings

Property Preparation & Readiness

While expectations for cleanliness and safety are still major pressure points for operators to professionalize, supply management continues to emerge as an area where managers can further differentiate their brand across their portfolio.

According to Julia Herrington, Market Manager at Airbnb, this trend has been shaped by remote work and flexible travel dates. “People are traveling with their families and they’re traveling for longer and working remotely,” said Julia. “When they’re looking to book properties, they want Wi-Fi, dedicated workspace, and pet-friendly listings. The longer people are staying, the more demands there are for well-equipped homes and specific amenities.”

The hospitality providers we surveyed have noticed the pressure longer stays are placing on ensuring every property is well-stocked with bath, kitchen, and laundry products. In fact, over two thirds of managers think that curating premium supplies and amenities create consistent and reliable experiences, and over half think these guest essentials directly contribute to guest reviews.

Ensuring properties are well-stocked with necessities and amenities is of course easier said than done. Many steps and details are involved; including sourcing, kitting, and storing supplies, making sure items are replenished after each reservation, and tracking counts and associated costs for owner billing. Those managers who solve these operational challenges stand to be rewarded with increased respect, reputation and revenue.

What is your biggest priority in 2022?

Improving my property care to maintain higher-quality units **19%**

Increasing my portfolio size **19%**

Optimizing the technology I currently use **18%**

Providing better service to my guests and owners **17%**

Deploying more marketing resources to increase bookings **16%**

Adopting new software to run my business **8%**

Aligning with local governments and municipalities **3%**



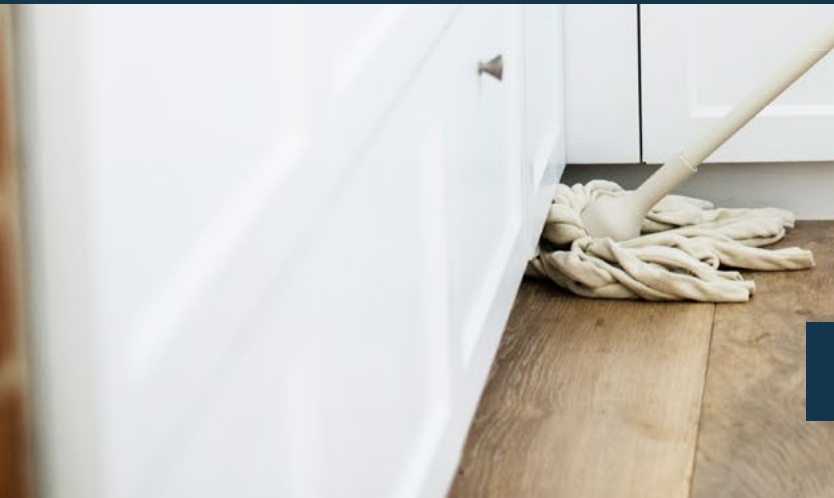
What factors help you decide which guest essentials and amenities to provide for each reservation?

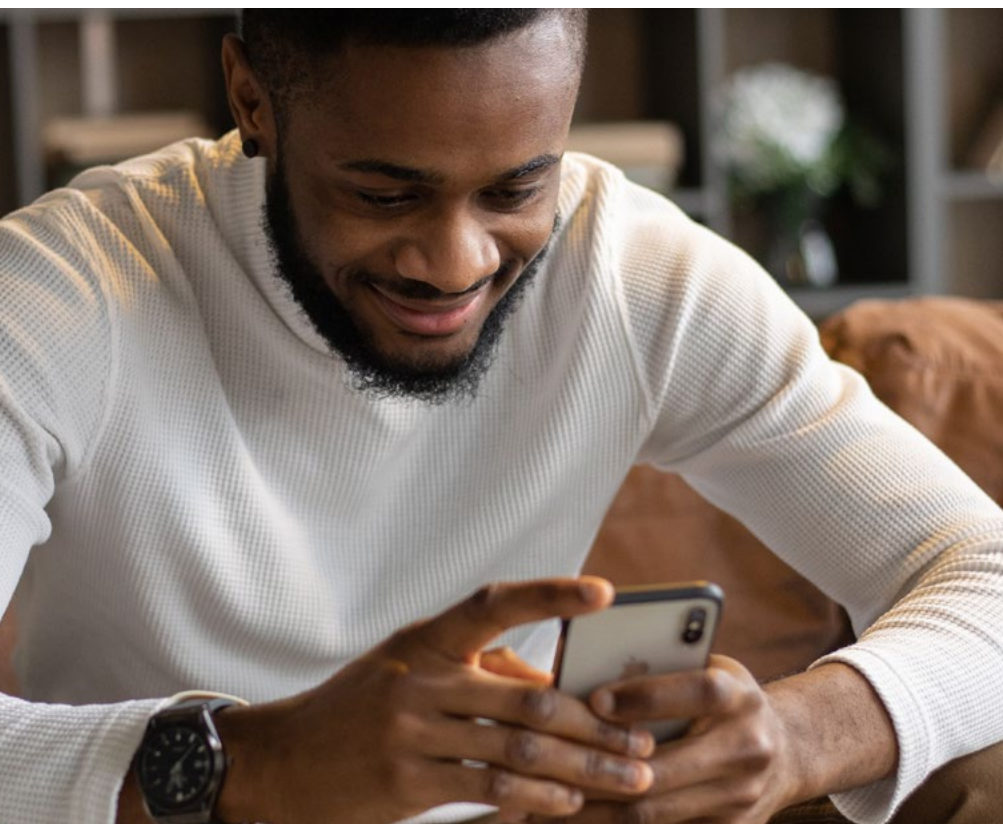
68% Providing a consistent and predictable experience across properties

46% Optimizing guest retention & reviews

62% Meeting my guest's expectations

36% Simplicity for my cleaners & inspectors





Findings

Guest Communication & Service

Advancing technology and heightened guest communications have both diversified and intensified guest communication. It's no surprise that in 2021, communication was the highest-rated operational pain-point for professional short-term rental managers. Operators have needed to effectively facilitate concierge services during stays, offering things like local activity recommendations, late check-outs, mid-stay cleans, and in addition to responding to on-site issues.

The number of managers who are proactively (and frequently) communicating with their guests has now jumped from 40% last year to 75% in 2022. Purposeful communication with guests, particularly via texting, is helping managers save time and manpower, and reduce guest complaints.

"A lot of our guests are preferring to communicate via text as opposed to email," said Lance and Elaine Sticher, owners of Seaside Vacations. "If there's an issue with the coffee, power, appliance, or any other type of maintenance ticket, we're getting notified more quickly, which in turn means we're solving these problems faster, and our guests are happier because of it."

Property managers are also using guest communication in more creative ways. 25% of survey respondents are generating additional revenue from extending guest stays, with 35% reporting an increase in repeat bookings and owner referrals as a result of using a messaging solution.



“Professionalism has always been very important in our industry. In the past couple of years, it has taken a front stage position and has become more important than anything else. Billions and billions of dollars are pouring into the vacation rental industry.”

- Miller Hawkins, VRMA



What benefits are you seeing through guest communication?



57%

Faster resolution times



49%

Fewer guest complaints and questions



33%

More five-star reviews



24%

More repeat bookings



23%

More revenue from extended stays



15%

More referrals and interest from owners

40% of managers frequently communicated with guests in 2021. This percentage has quickly jumped, with over 75% actively communicating with guests in 2022.



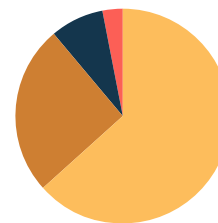
76% of managers **proactively message guests throughout the stay**

15% of managers **don't proactively message guests**

9% of managers **only message guests pre-arrival**

How often do you communicate with owners?

- Monthly 64%
- Annually 8%
- Quarterly 27%
- Never 3%





Findings

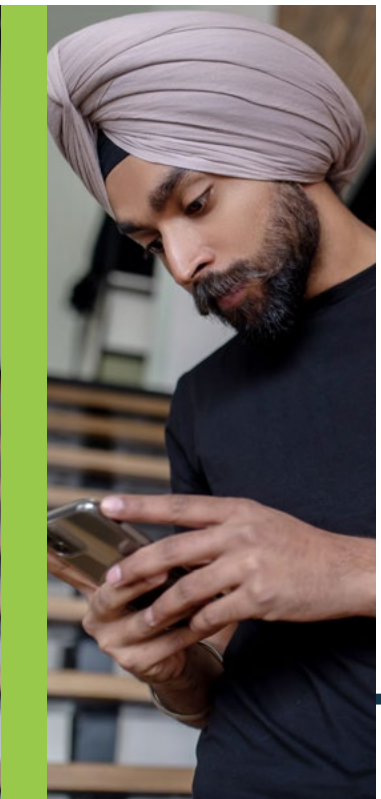
Technological Advantages & Strategies

Property managers now have a wealth of different technology solutions available to run their business, from operations tools, channel managers, revenue managers, smart-home monitoring devices, and more. Aside from a PMS, property care and operations tools were the most used by respondents in 2021 (by 51% of managers surveyed). Optimizing technology continues to be a heavily discussed topic as the power of automation and data continue to help industry professionals increase their bottom line.

Last year, 53% of operators also used four or more tools and platforms to run their vacation rental business, with 40% having plans to get more out of the software they use. More than half of managers are still using at

least four software solutions in 2022, with many evaluating the agility and connectivity between the systems they use. “You want to build your tech stack for what you’ll need tomorrow so that it will suit you as you expand,” said Jed Stevens, co-founder of Koloa Kai. “You need the tech you’re adopting to grow with you and keep up with the industry.”

An emerging trend for 2022 is the increase in managers who want to leverage technology to trigger operational workflows. More platforms integrate more seamlessly with each other in today’s ecosystem of tools, and being able to trigger cleaning assignments from smart locks, and guest texts from noise alerts, will help drive deeper business efficiencies.



What is your biggest operational challenge?

Scheduling and assigning property care tasks **29%**

Performing customized work at the property **17%**

Tracking supplies and guest essentials **15%**

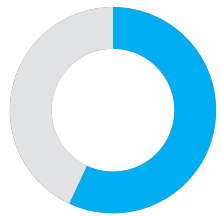
Coordinating work and issues with teams **12%**

Sharing service value with owners **11%**

Ensuring compliance with service and safety standards **9%**

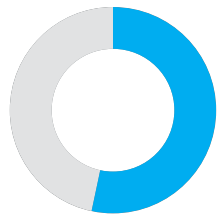
Communicating with guests **7%**

Which automations can help you eliminate manual effort?



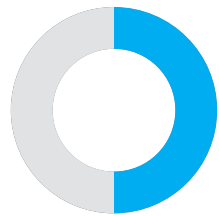
57%

Automatically notifying issues to the right staff



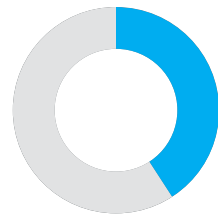
54%

Proactively texting info on check-in stay details



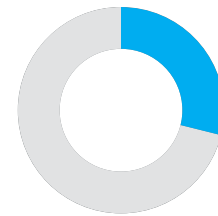
50%

Capturing work done to create and share owner reports



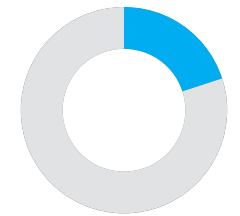
41%

Using staff availability and historical tasks to schedule work



29%

Using smart lock signals to trigger cleaning assignments



20%

Using noise monitoring systems to send guest alerts



“Vacation rentals have catapulted in popularity over the last several years, and many individuals are now staying in short-term rentals as opposed to hotels. There’s been a lot more eyeballs on our industry, and we’ve seen more investment and regulatory involvement because of it.”

- Tiffany Edwards, Coletta Consulting





Findings

Industry Headwinds & Tailwinds

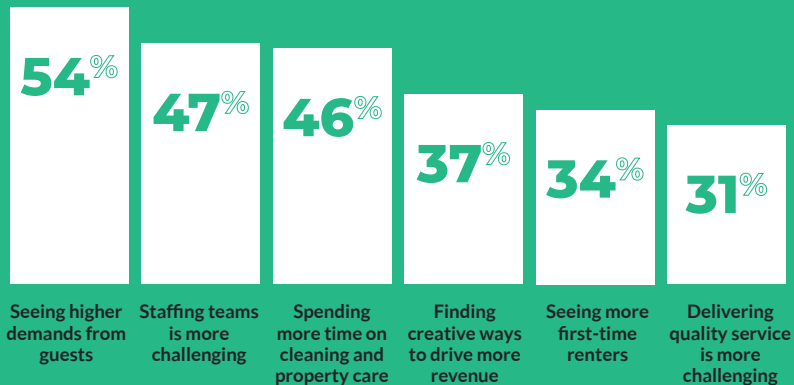
As supply and demand for vacation rentals continues to boom, the spotlight on the industry has started to shine more harshly in some areas. One of these areas is industry regulations, which 55% of managers believe will impact the sector in the coming months and years.

One avenue where regulation should positively impact hospitality managers is by driving greater awareness for safety and quality. Showcasing safe properties is yet another way that hosts and managers can stand out at booking and impress guests. However, Breezeway’s research found that

20% of property managers are not currently conducting regular safety inspections to check fire extinguishers, CO2 and smoke detectors. Safety has shown to be a key part of delivering a five-star service, and operators will likely invest more time and effort into improving this for 2022.

“Professionalism has always been very important in our industry” said Miller Hawkins, President of VRMA. In the past couple of years it has taken a front stage position and has become more important than anything else. Billions and billions of dollars are pouring into the vacation rental industry.”

How have changes in the last two years impacted your business?

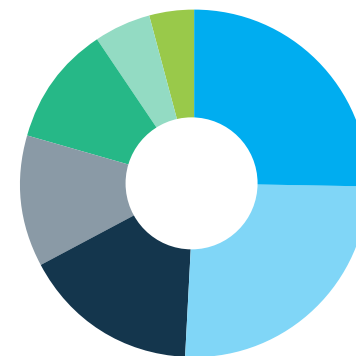


51% Of managers think regulation will impact their market in 2022 by increasing the focus and attention placed on safety procedures

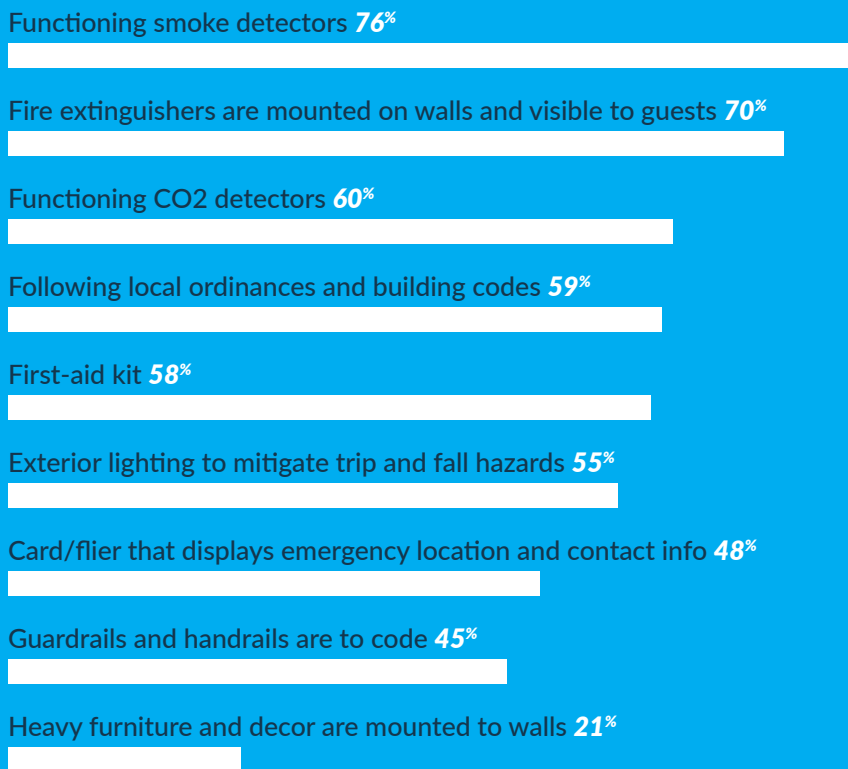
- 30% think it will **reduce the number of vacation rental licenses** in the short term
- 30% think it will **increase application fees** for licenses
- 25% think it will **reduce the number of vacation rental licenses** in the long term
- 7% think it **will reduce the demand** to book vacation rentals

What is the biggest risk to your business in 2022?

- 25% Meeting increased guest expectations
- 25% Filling staff shortages
- 16% Competition from national property managers
- 12% Competition from OTAs
- 11% Complying with vacation rental regulation
- 5% Retaining owners
- 4% Adhering to safety requirements



Which safety measures do you have in place?





About Breezeway

Property Care, Operations & Messaging Platform

10M Property care tasks facilitated

5M Guest messages powered

35+ PMS and IoT integrations

Breezeway's property operations platform helps coordinate, communicate, and verify detailed work at properties, and deliver the best service experience. With tools for property care and guest messaging, Breezeway helps thousands of hospitality operators increase operational efficiency, eliminate manual work, and boost service revenue.

To learn more, visit breezeway.io