Q2 2025 • Vol 4

Quarterly Market Report

Topics:

- *YoY*
- *International Travel*
- *Booking Windows*
- *Tarrifs*
- *Platform Trends*
- *Looking Ahead*
- *Recognized Leadership*

STR Management's Current Average Occupancy Rate: 68%

Austin's Current Average Occupancy Rate: 52%

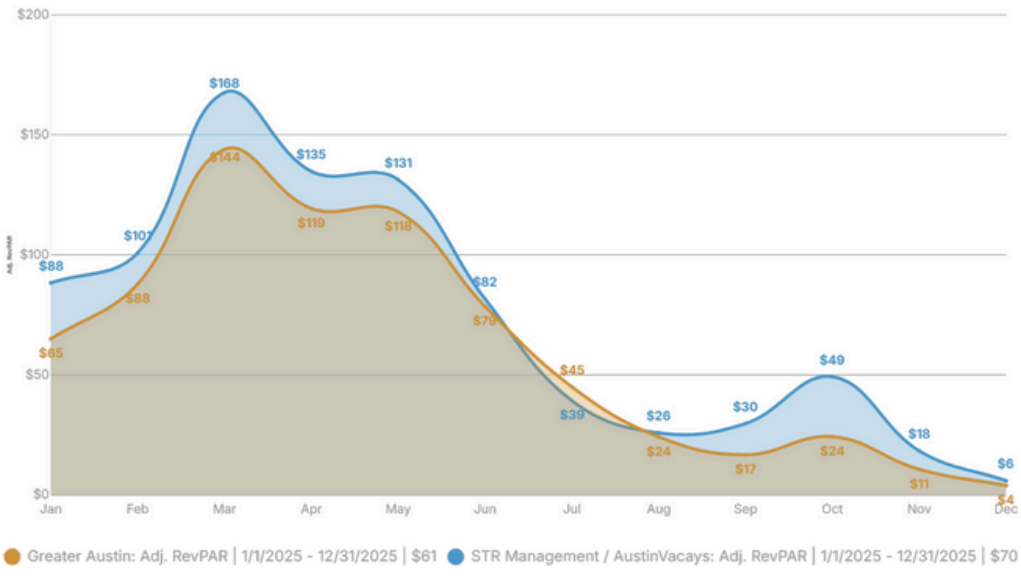
Year-over-Year: Gaining Ground Despite One Outlier

Austin's short-term rental market is always evolving and 2025 has already shown how quickly dynamics can shift. While not without its challenges, the first half of the year is trending positively, and many of the shifts we anticipated in 2024 are now materializing in a way that works to our advantage.

The early part of 2025 has outpaced 2024 in key performance areas. Q1 showed clear improvement, and May also delivered stronger results than the same time last year.

The one exception? April. That month faced a very tough comparison because of 2024's total solar eclipse - a one-time event that brought an outsized spike in travel. So while April underperformed compared to the previous year, it appears to be the only month this year that will.

In every other way, we're seeing healthy growth. So far in 2025, we've outperformed the broader Greater Austin market by **15%** in Adjusted RevPAR, which reflects how well we're optimizing both occupancy and nightly rate.



Austin Isn't an International Destination - That Works In Our Favor

In the broader U.S. travel market, reduced international tourism is becoming a concern. Visa delays and uncertainty around immigration policy have discouraged international travelers from booking trips to the U.S.

But here's the upside: Austin isn't heavily reliant on international travel. While it might be known globally, it's still primarily a drive-to market, especially for in-state travelers from Texas.

There are two times a year when we do see a noticeable international presence - F1 and (historically) SXSW. The latter has seen diminished impact due to its smaller scale. As for F1, early bookings suggest that it's still attracting a strong international crowd, and we haven't seen signs of slowdown yet.

Shorter Booking Windows, Longer Strategy

"Uncertainty" is the word of the year - not just in travel, but across nearly every consumer-driven industry. In Austin's short-term rental market, this shows up as shortened booking windows and shorter stays. People are still traveling - they're just waiting longer to book and opting for more flexible, bite-sized getaways.

But while the broader Austin market has seen their booking window shrink, ours has expanded. That's a powerful indicator of trust, reputation, and positioning. We've also leaned into demand for shorter stays to maximize listing visibility and boost conversions - both of which ultimately improve RevPAR.

The uncertainty is real. But our performance under that pressure speaks volumes.

	Apr 2025	Mar 2025	Apr 2024
Avg Booked Lead Time	31.4	29.3	19.24

Apr MoM	Apr YoY	Apr Comp Set	Apr MoM Comp Set	Apr YoY Comp Set
+7%	+63%	30.8	-2%	-16%

Hidden Cost Pressures - And How We're Navigating Them

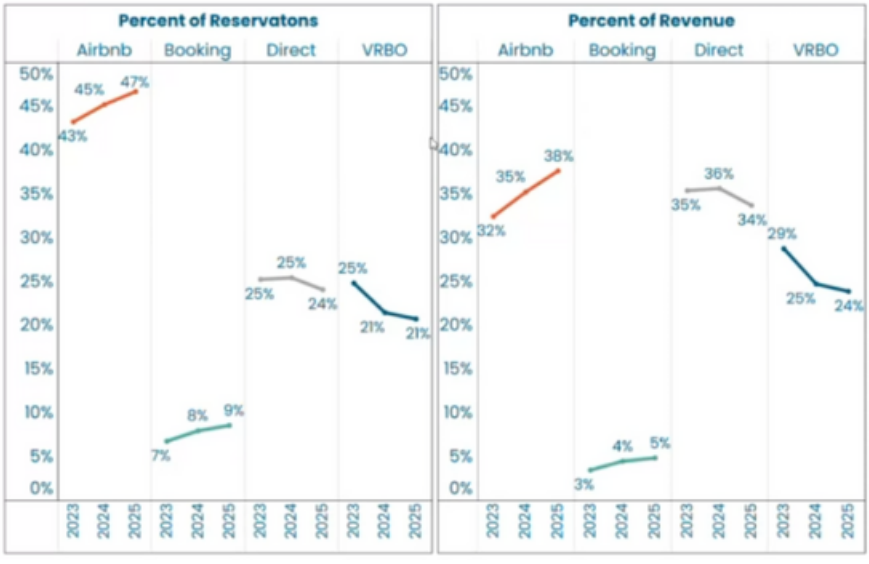
There's one topic that doesn't always get attention in vacation rental circles, but it's important: tariffs. Linens and towels - which are essential to every guest stay - are largely manufactured overseas, and pricing is expected to rise soon due to changes in tariffs and supply chain dynamics.

The good news? We've planned ahead. Because we work directly with our own suppliers to manufacture these items, we've avoided the worst of the disruptions. That said, even our costs will increase somewhat - and we're keeping a close eye on how to manage that without impacting guest experience.

Platform Trends - Airbnb Dominates, But We Stay Flexible

Our approach has always been platform-agnostic. We optimize for performance across Airbnb, Vrbo, Booking.com, and drive as much traffic as possible through our direct booking site: AustinVacay.com

Airbnb remains the dominant platform in our space - despite industry hesitation around it. Booking.com has carved out a modest share of the market, but Airbnb still drives the lion's share of bookings, and we continue to outperform on that platform thanks to our dynamic pricing, fast response times, and consistent quality standards.



Platform Performance - Diving Deeper

The data backs this up. Across every step of the booking journey - from search results to the listing page, and from listing views to confirmed bookings - we're converting guests at higher rates than the broader market:

Search to Listing Page: Our click-through rate averaged well above the market, peaking at 5.2% in November 2024 and remaining consistently ahead through Q1 2025.

Search to Booking: Even with a smaller percentage overall (as expected in this funnel step), we saw a notable advantage. Our rate hit 0.078% in November 2024 compared to 0.060% for the broader market - a meaningful difference in high-volume search traffic.

Listing to Booking: Here too, our performance stands out. We hit a 1.50% conversion in November, with a sustained lead throughout the year into Q2 2025.

These gains aren't by chance. They reflect careful listing optimization, strategic pricing, and the operational consistency that builds trust with platforms and guests alike.

Looking Ahead - Realism & Readiness

There's no sugarcoating it: this year is full of economic unknowns. But what we're seeing so far is a market that's adapting - and one where we've continued to stay not just competitive, but ahead.

While we expect some pricing pressure and continued volatility in how guests book, we're entering the second half of 2025 with a stronger foundation than we've had in years. The big-picture trends are in our favor, and our team is well-positioned to keep adjusting quickly and staying ahead of the curve.

Top 1% U.S. Vacation Rental Manager

Our commitment to navigating change with agility and focus has not gone unnoticed. STR Management was named Austin's Market Leader by Comparent for Spring 2025, placing us in the top 1% of vacation rental managers nationwide. Out of more than 5,000 companies evaluated, only 45 made the list - and we're proud to be the only Austin-based company recognized.

As always, we're here to talk specifics if you'd like to dive into your property's performance or identify opportunities for the months ahead.