



Quarterly Market Report



Topics:

Year-End Momentum

Leading in 2025

Reviews & Experiences

Licensing Prep

Industry Shifts

Owner Earning Perks

Q1 2026 Forecast

Year-End Momentum: Holding Strong in a Softer Market

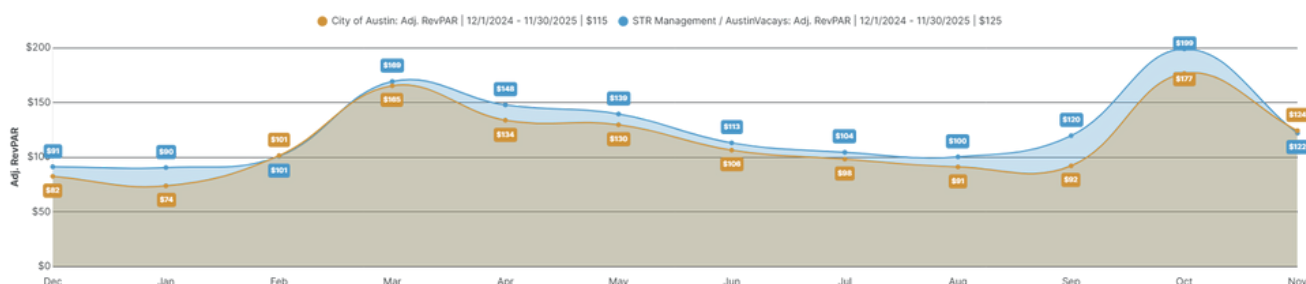
As we approach the end of 2025, Austin's short-term rental market continues to reflect the same trends we've seen throughout the year. Supply remains high, booking behavior is unpredictable, and overall occupancy has softened across the city. Even with those headwinds, Q4 is closing on a positive note for STR Management (STRM). Our portfolio continues to outperform the market, and early 2026 demand is already showing encouraging strength.

Where We Outperformed in 2025

While the market faced pressure, our portfolio continued to stand out. Across 2025 to date, average daily rate (ADR) is up 5.7% while occupancy is down 6.7%, resulting in a 1.4% dip in revenue per available room (RevPAR).

Competitors saw a deeper 6% decline over the same period, which highlights the advantage our portfolio held this year. We finished with roughly 13% higher RevPAR compared with Greater Austin and 9% higher RevPAR than the City of Austin. This lead was supported by steady pricing decisions, strong listing quality, and consistent guest satisfaction.

Q4 reinforced that performance. October delivered our strongest spread of the quarter, with STRM outperforming the city by more than 12% in adjusted RevPAR. November held steady even as citywide performance cooled. This momentum positions our owners well as we move into the first quarter of 2026, when traveler activity typically begins to climb.



KeyData, Adj. RevPAR for the City of Austin (12/01/2024–11/30/2025). STRM homes are shown in blue; competitors in orange. The chart highlights STRM's steady performance advantage.

Guest Experience & Review Quality

Guest satisfaction remained a bright spot throughout Q4. Our average star rating across major platforms stayed high, and a large share of reviews were five stars. Many eligible properties maintained Airbnb Superhost or Guest Favorite badges, which strengthen listing visibility and guest confidence.

These recognitions matter even more as travelers become more selective. Strong guest feedback directly supports pricing power and conversion, helping homes perform well even when the broader market experiences fluctuations.



Preparing for Austin's 2026 Licensing Changes

Austin plans to increase STR enforcement beginning July 2026. While final details are still in progress, comparisons from similar cities suggest that as supply tightens, licensed and professionally operated homes often see improved occupancy and ADR over time.

To stay ahead, we've continued strengthening our internal compliance processes, including permitting support, reinforced tax workflows, and clear occupancy-limit guidance, helping keep every home well-positioned as regulations evolve.

A quick note on renewal reminders: the City sends automated emails before a license expires, and these notices may still go out even if we've already submitted your renewal. With recent regulatory updates, insurance is no longer required for STR license renewals. You may still see insurance referenced in the City's emails, but we can confirm it's no longer needed.

Most owners already have us handle renewals end to end, and that will stay the same. We'll simply send a brief note around the 30-day mark confirming your renewal is in progress, and the renewal fee will appear on your next statement as usual.

If you have questions about current regulations, upcoming changes, or your property's license, please reach out to licensing@strmanagement.com.

STRM's
Current Average
Occupancy Rate: 52%



Austin's Current
Average Occupancy
Rate: 44%



Changes Across the STR Landscape

One of the biggest advantages in Austin's STR market is working with a team that is truly local. Guest expectations, regulatory shifts, and neighborhood trends move quickly here, and success often comes down to hands-on operations and daily oversight. Companies built to scale nationally can struggle to adapt to those nuances.

That pattern became clear this year. Sonder's abrupt bankruptcy highlighted how difficult it can be for large nationwide operators to localize effectively across multiple cities. Portoro faced similar challenges, losing roughly 40% of its Austin portfolio since the beginning of the year as market conditions shifted. These exits and contractions reinforce a simple truth: Austin rewards operators who understand the city at a neighborhood level and can respond quickly to changing conditions.

We saw that reflected in the owners who joined our portfolio this year from Vacasa, Portoro, Grand Welcome, Evolve, Upstay, Cribis, and AvantStay. Many were looking for more stability, stronger communication, and better performance. Their decision to transition to STRM speaks to the strength of our local model and the services we offer.

If supply tightens as national operators scale back, demand typically shifts toward listings that are stable, well-managed, and fully compliant - exactly the type we operate. For owners, this creates a meaningful advantage: fewer competing listings from national brands, stronger guest trust in locally operated homes, and long-term performance supported by more than twelve years of Austin-specific expertise.

Expanding Guest Perks to Strengthen Owner Earnings

Growing Local Partnerships That Boost Demand

This quarter brought several updates designed to add value for both guests and owners. Our Perks & Upgrades program expanded with more curated local experiences, giving travelers reasons to choose STRM-managed homes over other listings. These offerings help increase listing visibility and support stronger booking performance throughout the year. You can explore the current lineup here: [Perks & Upgrades • Exclusive Extras for Austin Vacay Guests](#). More partnerships are already in the pipeline and will roll out across the city soon.



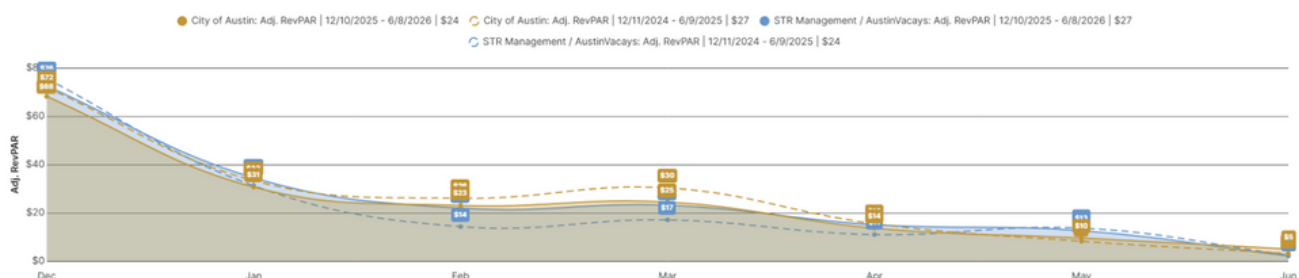
Introducing Our Cowboy Pools Partnership

We also launched a new partnership with Cowboy Pools that includes a nominal installation discount for owners using our promo code. It's a light price break that helps minimize costs at the start, and our team coordinates all vendor aspects and final setup to keep the upgrade seamless from start to finish.

Pools remain one of the most searched-for amenities on Airbnb. [Airbnb's 2024 global data](#) ranks them at number one, with hot tubs ranked sixth. Properties offering these amenities typically generate 20% or more in rental income compared to similar homes without them, especially during Austin's warmer months. This partnership gives owners a cost-effective way to elevate property appeal, attract more high-intent travelers, and strengthen earning potential heading into the spring and summer seasons. If you're interested in exploring whether a cowboy pool could be a good fit for your property, please reach out to your Owner Success Manager for assistance.

Forecasting the First Quarter of 2026

We're heading into 2026 with a solid foundation. Regional travel demand remains healthy, and vacation rentals across the market continue to outperform hotels by a wide margin. That momentum aligns with what we're seeing in our own early pacing. January is tracking steadily, and February through April are already showing meaningful lifts compared with this time last year.



KeyData. Adj. RevPAR pacing from 12/10/2025–6/8/2026 compared with the same period last year. STRM-managed homes (blue) track ahead of or in line with market trends, showing steadier performance through the winter slowdown and into early spring.

Two factors that will shape performance in the year ahead: agile pricing and consistent guest quality. Both continue to be core strengths for STRM. Our revenue strategy adjusts in real time as booking windows shift, and our on-the-ground teams help ensure that guests have reliable, comfortable, and well-supported stays. These elements work together to keep our listings competitive as traveler patterns evolve.

If you'd like to walk through your home's pacing or talk about opportunities to optimize for the first quarter, we're here and happy to help.