

# Economy to Motivate Second Homes Owners to Rent Their Vacation Homes



With the vacation rental market estimated at \$24B, the growing and popular lodging sector motivated PhocusWright - a leading travel research firm - to conduct the industry's first ever dedicated market study. Co-sponsored by 14 industry players including FlipKey.com - a leading vacation rental site featuring the industry's largest collection of verified guest reviews - the study estimates 1.26M second homes are available for rent in the U.S. for families looking for an alternative to hotels and other lodging options.

The study identified that 56% of the vacation rental market is represented by rent-by-owners with the remaining 44% of vacation rental homes managed by professional property managers. Encouraging for the growth of the industry, the study highlights 50% of rent-by-owners are casual renters, offering their units primarily to friends, family and through word-of-mouth. As the economy continues to place additional financial burdens on second homes owners, FlipKey expects more of these casual renters to become increasingly active, working independently or through a property manager to offer their home more frequently and to travelers beyond family and friends.



“Although there are 1.26M vacation homes that have been rented, it doesn’t mean they were made available to the general traveler,” stated TJ Mahony, CEO of FlipKey.com. “When we peeled back the layers of the study we estimated there are 350K casual renters that don’t necessarily make their home available beyond their immediate friend and family network. It’s reasonable to assume the current economic environment will help motivate many casual vacation rental owners to become more active.”

FlipKey defined an ‘active’ renter as an owner that markets their home to travelers beyond their family and friends network. Mahony summarized, “if an owner actively markets their property online and rents their unit to two or more people completely outside their personal network each year we consider them active.”



When renting a vacation home its imperative vacationers feel comfortable and confident in the home and manager/owner of the property. Vacation homes overseen by property managers and active owners often provide strong customer support, clear check-in / check-out processes and other support services consumers value. Mahony concluded, “Given the economy and growing support and marketing services available, there is a clear opportunity for more of these casual participants to become more active, renting their homes more often, yielding increased rental income.”

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