Guesty

2025 STR pulse report

Insights, challenges, and competitive strategies from Guesty's global survey



Tools, tech, and the state of play

The baseline for success in short term rentals (STR) is shifting as industry health becomes less predictable and the global economy more erratic. As tech adoption accelerates, operators in this space are exploring new, AI-bolstered ways to address age-old challenges like fluctuating demand, stiff competition, and unpredictable guest behavior. Guesty's recent survey of 655 global STR operators found that while most report their revenue last year had gone up (51%) or remained steady (23%), they are increasingly sensitive to the mounting threats to the continuous health of their business.

External concerns like inflation (54% of respondents), market saturation (51%), and rising costs (39%) dominate operators' outlooks, reinforcing the need for agile pricing, diversified channels, and proactive cost management.

In short: technology may be streamlining the mechanics of hosting, but success still hinges on adaptability — the ability to respond quickly to changing guest behaviors, competitive pressures, and economic headwinds.



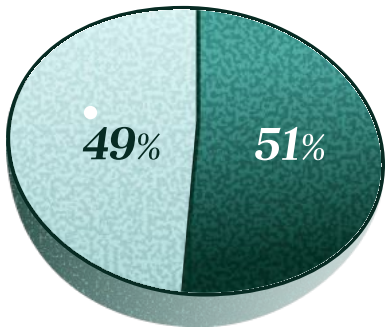
76%

The majority of operators now use a property management system

Three-quarters of respondents have now implemented a property management system (PMS), signaling a clear industry shift toward operational maturity. This tech backbone enables automation, multi-channel listing management, and integration with AI-powered tools. These advantages are no longer "nice to have," but essential enablers of competitive businesses of all sizes.

The guest profile is also evolving under macroeconomic and political pressures. Nearly half of operators say guests are booking closer to check-in, and many report shorter stays, reduced spending, and fewer international visitors. This *shorter, later, leaner* travel trend speaks to consumer caution and is already reshaping how hosts market, price, and prepare their properties.

How important are international travelers to your business?



Not very.
I mostly host domestic guests

Critical.
A significant portion of my guests are international

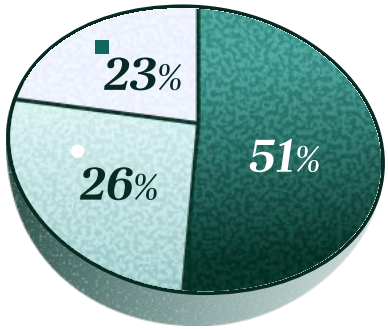
The majority of operators who recorded revenue growth last year reported leaning on strategies like accelerated portfolio expansion, broader channel distribution, and a laser focus on obtaining 5-star reviews. Those who saw declines (26%) reported occupancy loss as the number one culprit, often caused by poor OTA visibility, as well as rising operational costs.

Revenue in the last 12 months

Increased

Decreased

Remained steady



Overlay these trends with a near-even split between businesses that depend on international guests and those focused on domestic travel, and you have a market where flexibility is everything.

STR professionals' top concerns



Occupancy is still the make-or-break metric. Positive reviews, better visibility, and multi-channel listing correlate strongly with growth, while high local competition and weak online placement are the most common drags. This suggests discoverability could surpass competitive pricing as the more critical differentiator in many markets.

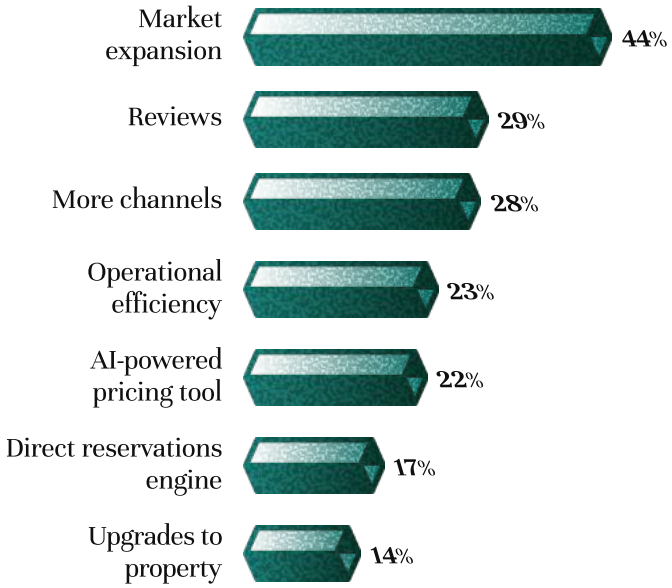
Health of the industry

Revenue performance in 2024 and early 2025 was far from uniform. Growth-oriented hosts credited expansion into new markets (44%), better reviews (29%), and broader channel listings (28%) for their gains. AI-powered dynamic pricing (22%) and operational efficiency (23%) also made the list, highlighting the growing role of technology in revenue management.

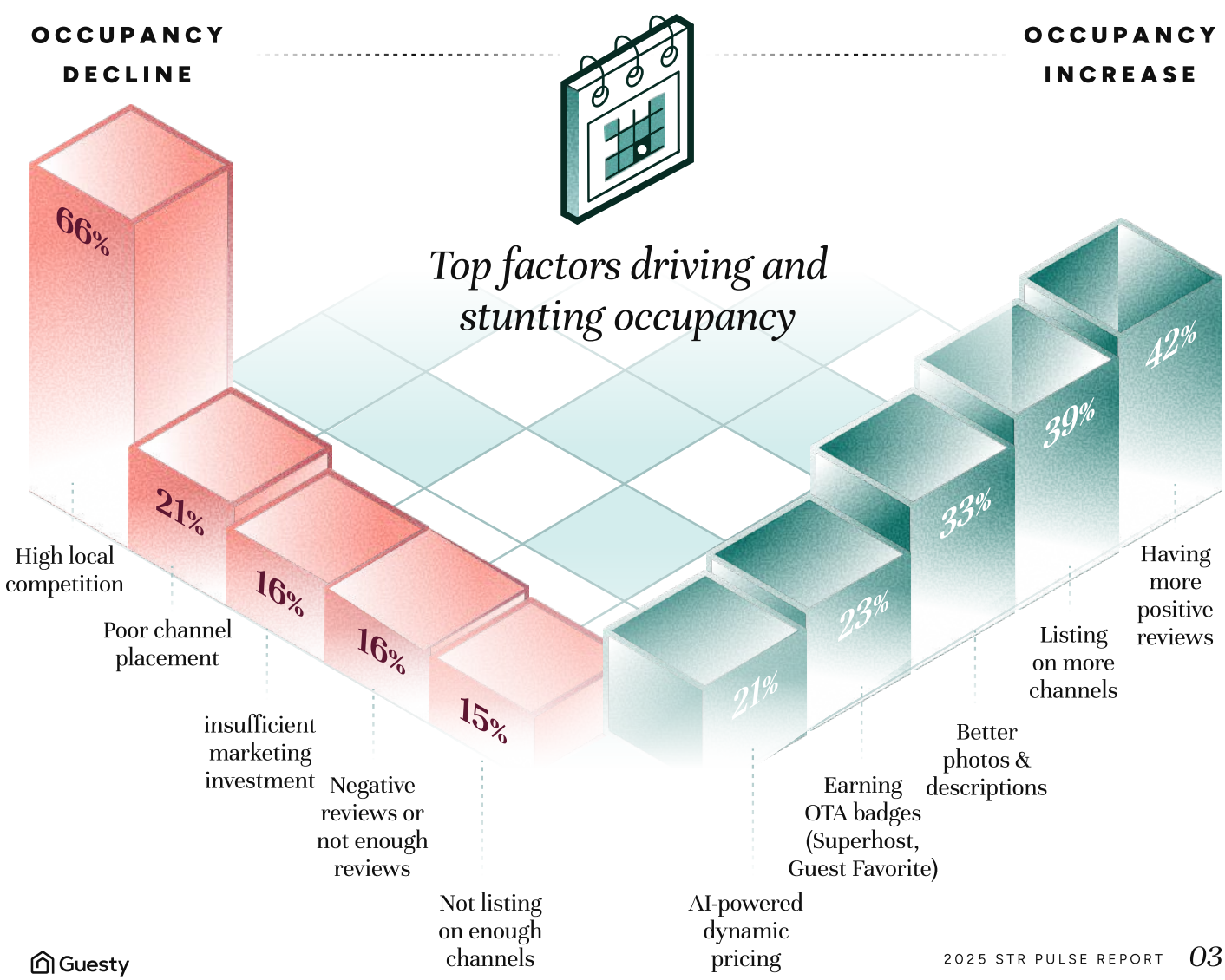
Reviews emerge as the second-largest revenue driver, ahead of channel diversification and operational efficiency.

By contrast, declining operators most often report low occupancy (62%), a signal that supply in many markets may be outpacing demand. Rising operational costs (28%) and poor OTA placement (26%) further eroded performance. While these invite action, both factors require strategic intervention rather than quick fixes.

Revenue performance drivers



Top factors driving and stunting occupancy



Occupancy trends mirror this divide: 70% held steady or grew, with gains tied to review quality, channel reach, and visual presentation. Declines were most often rooted in hyper-competitive markets (66%) and visibility issues, underscoring the fact that in crowded marketplaces, being found is half the battle.

Guest behavior shifts, particularly shorter booking windows and reduced international travel, demand tactical changes. Operators may need to optimize for domestic demand, promote last-minute booking with highly adaptable pricing strategies, and address traveler caution with targeted marketing, investment in loyalty programs, and stellar guest relations.

Measuring concern over macroeconomic changes: tariffs, inflation, and spending cuts.

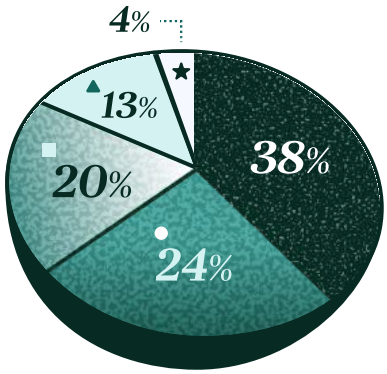
Somewhat concerned: I anticipate moderate challenges

Very concerned: I expect major impacts on my operations

Slightly concerned: only minor adjustments expected

Not concerned

Not sure



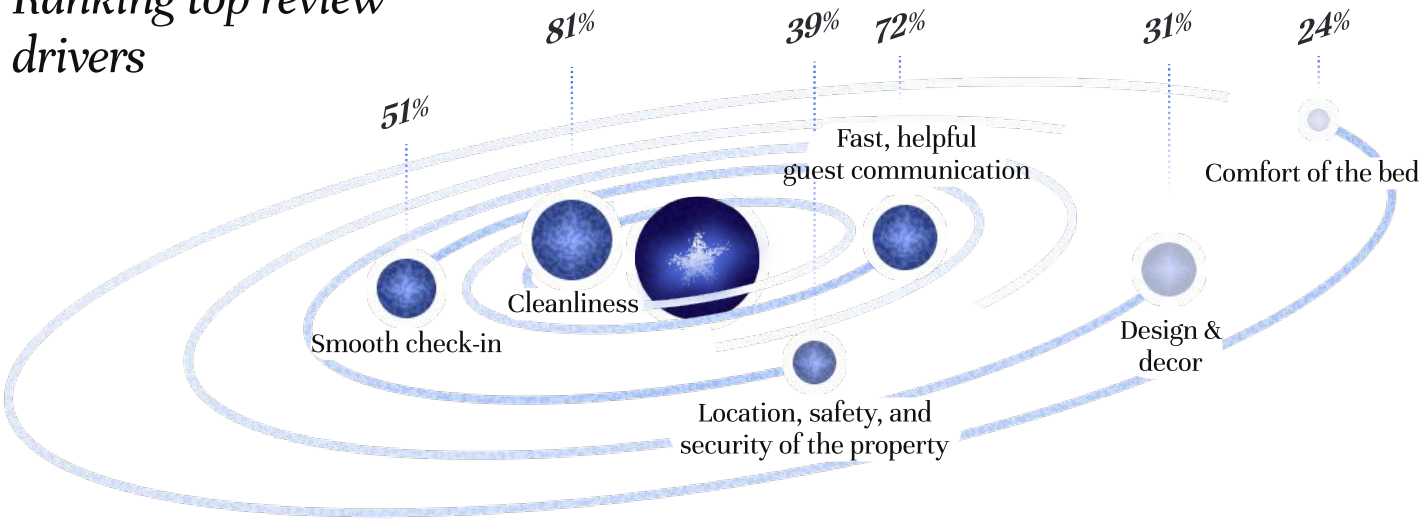
The evolving business of hospitality

Guest experience remains the cornerstone of competitiveness, with 51% of operators saying that reviews are the most impactful factor in securing new bookings. But the path to 5-star reviews has narrowed, with 57% saying they struggle with the fact that just a few bad reviews can undo months of effort. Cleanliness (81%) and rapid, helpful communication (72%) are non-negotiables; smooth check-ins (51%) and property safety and location (39%) follow. Operators who slip on these basics see it reflected in reviews — cleanliness issues were reported as the top cause of negative feedback by 74% of operators. Yet the real challenge is the volatility of review culture.

Over a third of respondents note that the coveted 5 stars are becoming increasingly evasive, as guests often leave 4 stars even for excellent stays. This creates a high-stakes environment where the very definition of great service is consistently being updated.



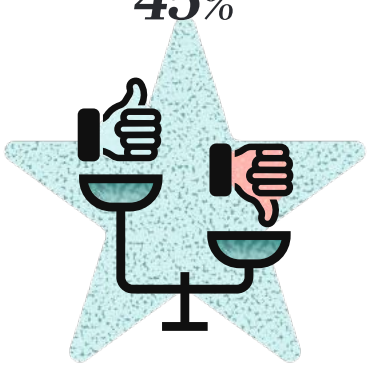
The path to 5-stars: Ranking top review drivers



Review blockers

OPERATORS STRUGGLE WITH THESE TOP CHALLENGES

45%



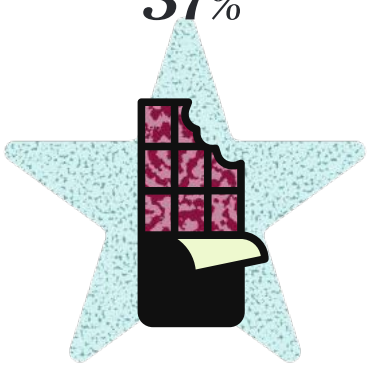
A single bad review outweighs dozens of positive ones

39%



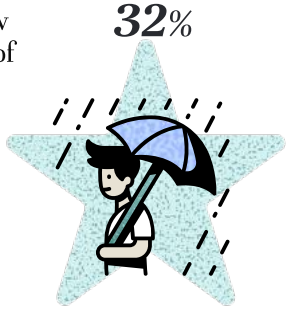
Getting more guests to leave reviews

37%



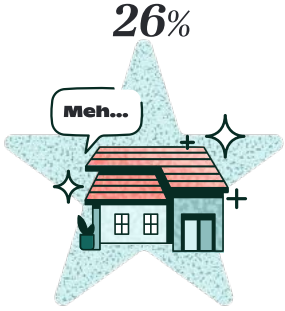
Receiving 4-star reviews instead of 5-stars

32%



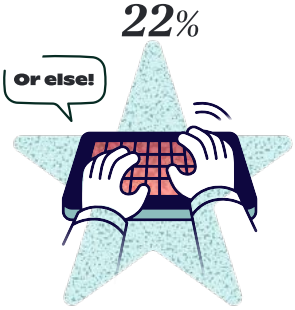
Receiving bad reviews due to elements outside of operator's control

26%



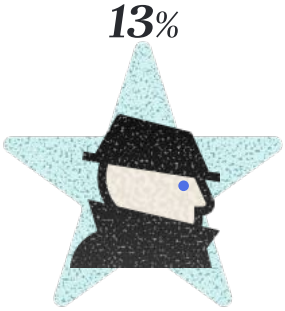
Receiving review scores that don't reflect the actual quality of the property

22%



Dealing with misuse of reviews by guests

13%



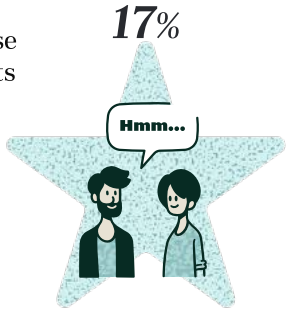
Hosting guests who are not always verified or trustworthy

8%



Managing reviews is too time - consuming

17%



Avoiding difficult conversations with guests for fear of a bad review

9%



Lacking context in reviews about guest behavior

Operational efficiency is being redefined by automation. Automated guest communications (61%), calendar sync (57%), and contactless check-in (35%) dominate time-saving measures. AI is becoming a meaningful player: while 33% of respondents are just starting to adopt AI into their daily operations,

18% report significant use across multiple layers of operation, and 31% already see time savings. Top AI applications including guest communications, listing optimization, and dynamic pricing point to a future where technology shapes both guest relations and revenue strategy.

Top AI use cases



65%
Communications

58%
Listing descriptions

While AI is broadly used for content creation and communication, its potential in revenue and operational optimization remains largely untapped.

AI use in short-term rentals is strongest in guest communications (65%) and listing descriptions (58%), with some adoption in dynamic pricing (38%), reviews (23%), and SEO (23%). Operational uses like competitive analysis (15%), data processing (14%), and property visuals (10%) remain limited, while functions such as upselling, housekeeping, team management, and design see minimal adoption. Overall, AI is widely applied to visibility and guest experience but has yet to reshape core operations.

Operators equate efficiency with automation rather than simple cost-cutting. As their portfolios expand, the priority shifts toward maintaining consistency, not just increasing speed.

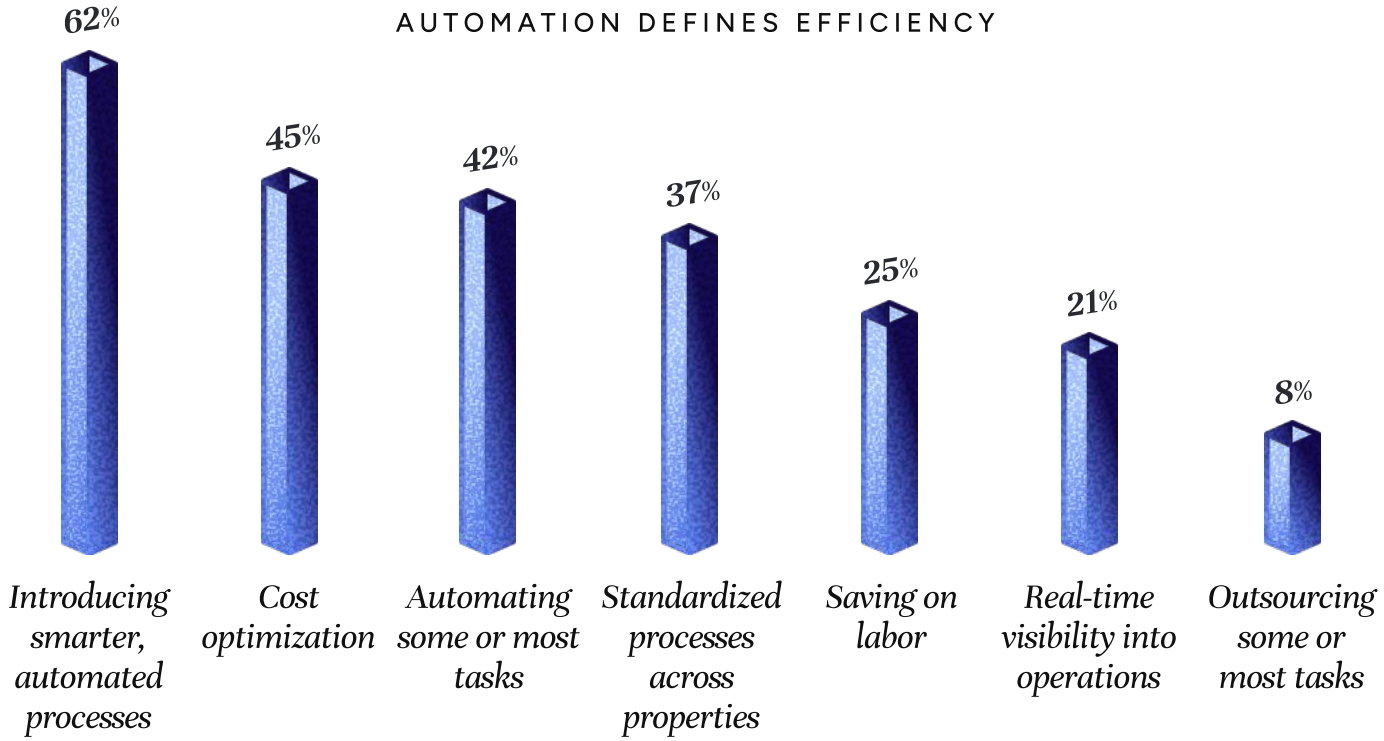


8X

Operators value smarter processes over outsourcing

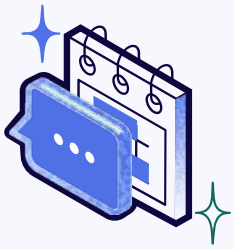
How STR pros see operational efficiency

AUTOMATION DEFINES EFFICIENCY



When asked what saves them the most time, operators pointed overwhelmingly to basic automation rather than advanced AI. The top two drivers were automated guest communications (61%) and calendar and reservation syncs (57%), highlighting that the biggest efficiency gains still come from eliminating repetitive, daily tasks. Mid-level time savers included contactless check-in (35%) and back-office functions such as automated accounting and housekeeping management (20% each). By contrast, AI tools ranked far lower (12%), and advanced solutions like AI-powered CRM (2%) or smart analytics (3%) barely register.

This gap shows that while AI adoption is growing, operators continue to realize the strongest ROI from foundational automations that directly reduce manual workload and streamline guest interactions.



60%

Save the most time by automating guest communications and calendar syncs

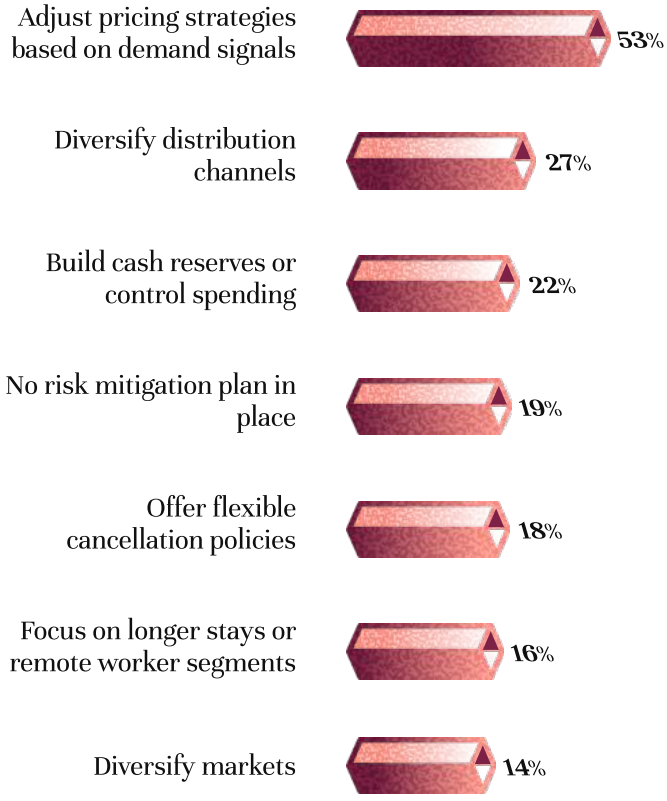
Competition & future-proofing

With macroeconomic pressures, shifting guest behaviors, and the ever-present threat of disruption, STR professionals are leaning into a mix of technology, analytics, and operational agility to safeguard their businesses and capture future growth.

Nearly ***1/5*** of operators have no plan for external shocks



How STR pros prepare for risks



ANTICIPATING & MITIGATING RISKS

From guest-related property damage to last-minute cancellations, and increasingly, severe weather and natural disasters affecting both property and travel plans, the operational risks of hosting seem to be on the rise. Accidental guest damage (36%), rule-breaking (30%), and last-minute cancellations (30%) all caused financial or operational disruption in the past year. Scaling is hampered by owner acquisition challenges (33%), process inconsistency (20%), and market uncertainty (20%).

Risk preparedness remains uneven: while most adjust pricing dynamically (53%) or diversify channels (27%), nearly one in five have no concrete plan for external shocks.

In a market where the margin for error is shrinking, operators that systematize processes, anticipate risks, and balance tech adoption with guest experience are most likely to sustain growth.

Risk is rising, but preparedness is patchy. A vulnerability that stands out in an increasingly volatile market.

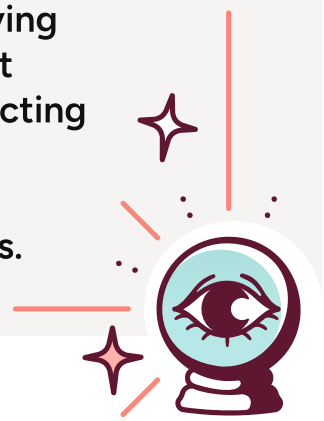


SMART, DATA-BACKED OPERATIONS

Data analytics is no longer the preserve of large hotel chains. These days, STR hosts are making it part of their competitive toolkit. Beyond tracking core performance metrics like occupancy and ADR (45%), operators are mining guest reviews for property improvement insights (42%), and benchmarking against local competitors (28%).

More advanced operators are moving into predictive analytics to forecast demand (16%) and using booking pattern analysis to refine cancellation policies, length-of-stay offers, and rate fences. In a market where booking windows are shrinking and guest behavior is evolving, having these insights on tap allows operators to respond in hours, not weeks.

Operators are moving from tracking what happened to predicting what's next. Those who do can act in hours, not weeks.



REVENUE AND GROWTH

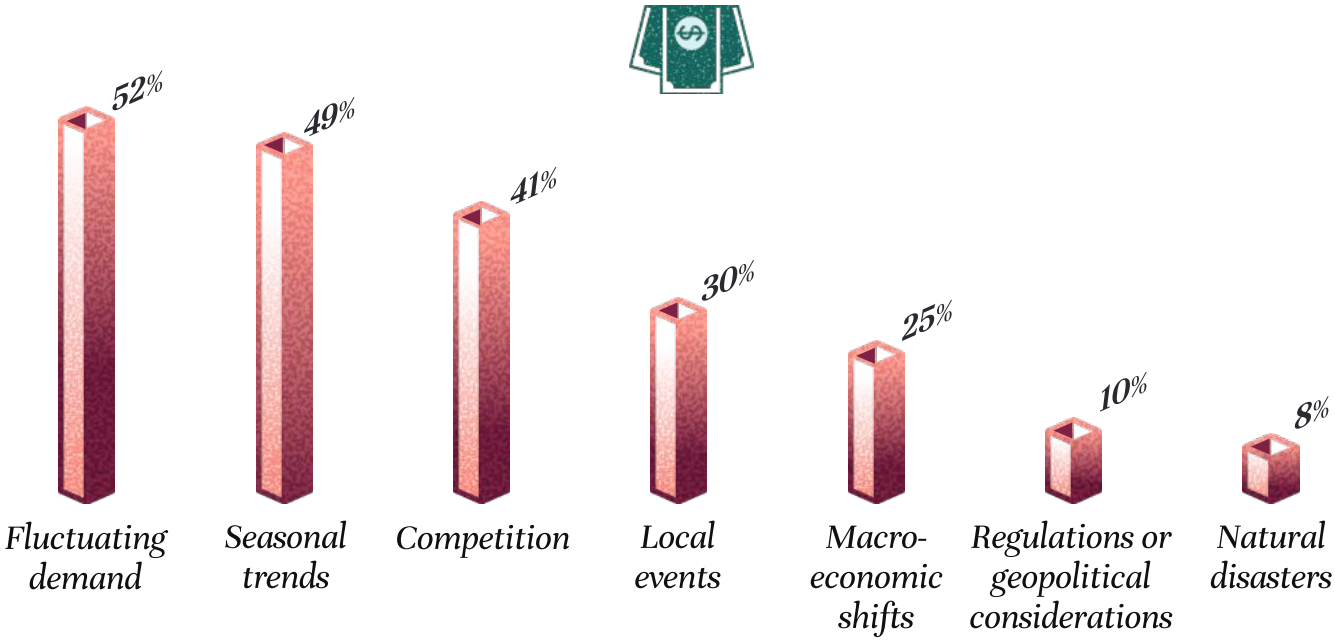
Operators aren't just investing in technology for efficiency, they're using it to differentiate. Tech-enabled guest journeys (20%) and streamlined services are now cited as competitive advantages alongside traditional levers like pricing (59%) and property upgrades (36%).

The pricing playbook is being rewritten under the influence of fluctuating demand, seasonal shifts, and competitive pressure. Local events and macroeconomic changes also factor in, though to a lesser degree. For growth-minded operators, the ability to build relationships and instill trust in owners is key to portfolio expansion. But what do property owners most value in a property management company?

Our survey found that owners value managers who can deliver occupancy and revenue growth (68%) and maintain their assets (55%), with transparency (38%) rounding out the top three priorities. This aligns closely with operators' own competitive strategies: competitive pricing (59%), upgraded design/decor (36%), and building brand recognition (32%).

For owners, essentials matter most: revenue, asset care, and transparency. Advanced features like predictive analytics or self-serve access barely register.

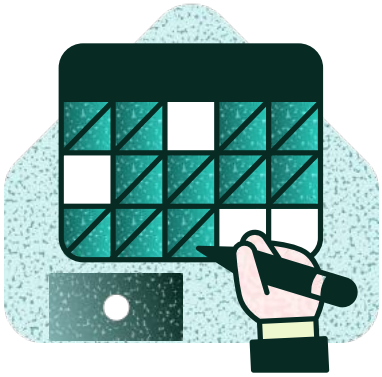
Factors Impacting Pricing Strategy



How owners assess and choose property managers

REVENUE GROWTH ABOVE ALL ELSE

68%



Increasing occupancy rates and revenue

55%



Maintenance and property care

38%



Transparency and detailed reporting

27%



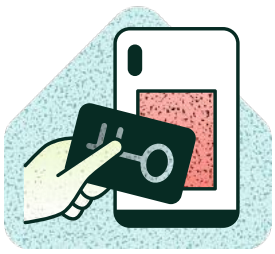
Word of mouth and recommendations

14%



Hospitality approach

12%



Access to own properties

11%



Current property reviews

9%



Existing portfolio

7%



Damage protection and liability insurance

3%



Access to predictive analytics / Self-serve actions and access to documents



2026 playbook

With travel patterns and demand becoming less predictable, STR operators are adopting more sophisticated and adaptable pricing strategies to compete and capture event-based and last minute bookings.

We know that large-scale events can send travel demand surging, but only the operators who adjust pricing dynamically in real time capture the full upside. The 2024 Paris Olympics is a good case study. It proved that overpricing too early risks missing the sweet spot, but under-pricing leaves money on the table.

Last year, over 500,000 guests stayed in Airbnb properties during the solar eclipse in North America, doubling the number of nights booked compared to the previous year along the eclipse's direct path. On August 12, 2026, the solar eclipse's path of totality will run through Iceland, northern Spain, and Portugal. Rural and small-city markets there can expect sky-high occupancy and early sellouts.

Operator tip: Build detailed event calendars into your PMS or revenue management tools to better capture market shifts and maximize bookings.

In 2026, the defining advantage won't be simply having great properties. It will be the ability to adjust quickly to changing market conditions.

Other global tentpoles expected to create concentrated spikes in demand are the Winter Olympics in northern Italy in February, the FIFA World Cup games taking place in the U.S., Canada, and Mexico in July, and the U.S. Semiquincentennial, expected to inspire domestic travel in heritage cities (Philadelphia, Boston, NYC, D.C.) and small-town Americana road-trip hubs.

Notable events ahead 2026

FIFA World Cup

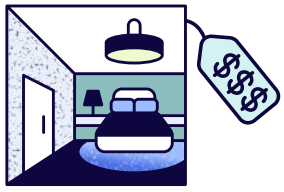
U.S. Semiquincentennial

Winter Olympics

Boost revenue with event-driven strategies



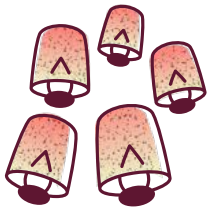
1 **Dynamic minimum stays** (e.g., 4-night min for Olympics, 3-night for Super Bowl)



2 **Staggered rate ladders** that escalate as availability shrinks



3 **Late-release inventory** held back for premium last-minute bookings



4 **Event-specific marketing** on OTA and direct booking pages (keywords, local guides, relevant amenities)

— The defining advantage in 2026 won't be simply having great properties, but the ability to adjust quickly as market conditions change. Shorter booking windows, evolving guest behaviors, and sharper competition are reshaping how STR professionals plan, price, and protect their businesses.

A



Build pricing agility into every season

1

Use your PMS to set dynamic minimum stays, rate ladders, and same-day pricing adjustments.

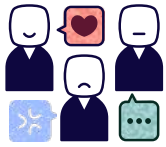
2

Review pacing and market data daily, not weekly, to respond to sudden shifts in demand.

3

Respond to changing booking patterns by placing last-minute pricing rules that protect ADR.

B



Keep review management proactive

1

Higher guest volumes minimize the impact of a single negative review. Drive more bookings with strategic pricing, by eliminating deposits, and offering loyalty programs.

2

Use proactive in-stay communication and post-checkout follow-up to resolve issues before they reach public platforms.

3

Use friction-reducing tools along your guest journey: smart locks enable smooth check-ins, while the right damage protection plan can eliminate difficult guest conversations and confrontation.

C



Strengthen risk preparedness

1

Review cancellation policies, deposits, and damage coverage for high-demand or high-risk periods.

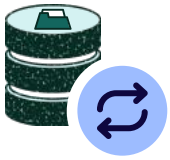
2

Build clear processes for guest screening and house rule enforcement and add payment protections to avoid costly chargebacks.

3

Diversify revenue protection strategies by building cash reserves and preparing contingency plans for external shocks.

D



Use data & AI for continuous optimization

1

Use analytics to make informed, near-real-time decisions: track performance, benchmark competitors, predict demand, and analyze reviews to address issues and understand guest expectations.

2

Integrate AI tools to monitor competitor pricing in real time and adjust your own rates accordingly.

3

Post-period analysis, whether after a major event or just a strong weekend, helps refine future strategies.

BOTTOM LINE

The most resilient operators in 2026 will be those who treat adaptability not as an event-driven tactic, but as a year-round mindset, blending pricing flexibility, data-led decision making, and proactive guest and risk management into every aspect of their operations.

Guesty

ABOUT GUESTY

Guesty is the ultimate all-in-one property management solution, automating and optimizing operations for short-term rental professionals. Developed by a team of 250+ engineers and product experts, our technology streamlines processes, drives growth, and enhances guest experiences. With a comprehensive suite of features and partnerships with 150+ sector leaders, including major platforms like Airbnb and Booking.com, Guesty serves diverse hospitality ventures. Dedicated to transforming the industry with effective solutions, our 800+ team members work across 15 global offices. To learn more about how we can support your business, visit guesty.com.

Illustrations by Tomas Knopp, Amethyst Studio, Maxicons
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