



# HomeAway® Vacation Rental Marketplace Report First Quarter 2010

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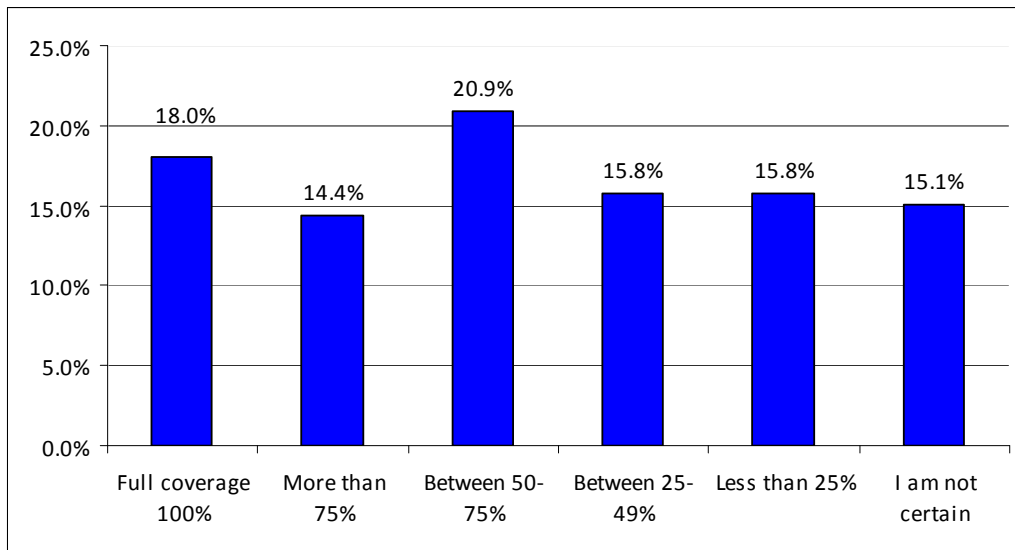
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## Return on Investment

On average, second home owners are renting their properties to travelers 17 weeks a year, and the rental income generated is helping many owners offset mortgage and upkeep costs. **In fact, the HomeAway report found 32 percent of owners generate enough rental income to cover 75 to 100 percent of their mortgage. Nearly two-thirds (63 percent) of owners earn enough to cover at least 50 percent of their mortgage.**

**What percentage of your second home’s mortgage is covered through renting to vacation travelers?**



According to HomeAway, second home owners who rent their homes to travelers generate more than \$35,000 in rental income each year.

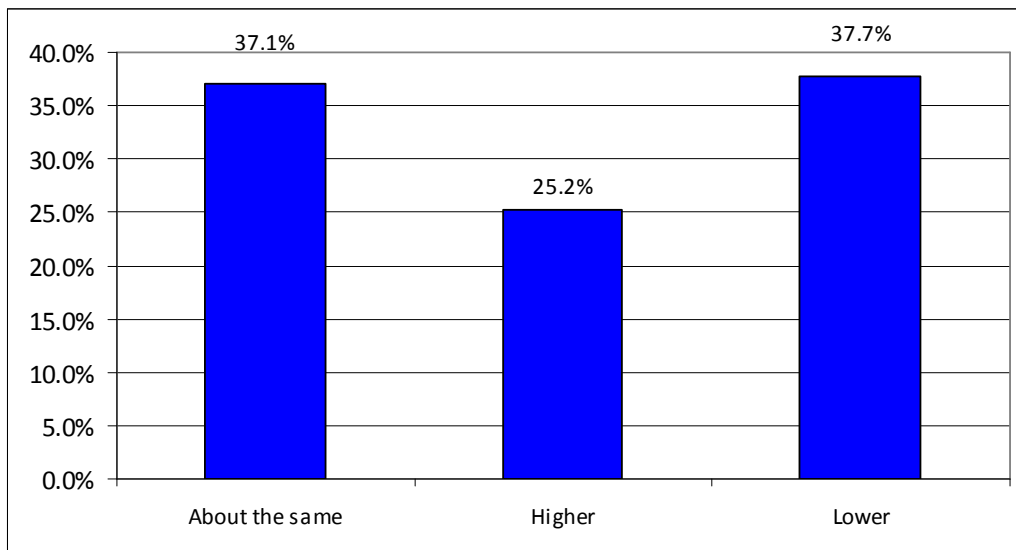


## Return on Investment (cont'd)

### Bookings in the Summer

And despite the sluggish economy, approximately **62 percent of second home owners report their bookings for this summer are about the same or higher than last summer.**

**How do your bookings for [June, July and August] compare to the same time last year?**



### Now's the Time to Buy Vacation Real Estate

Given the success second home owners have renting their homes to travelers, some are considering buying additional properties. **Of the owners who cover 50 percent or more of their second home's mortgage with rental income, 38 percent of them say they had considered buying an additional vacation home** within the past year.

"There's never been a better time in the past seven years to 'buy low' with the prospect of eventually 'selling high,'" says Tom Kelly, Real Estate expert and author of "How a Second Home Can Be Your Best Investment." "Prices are down in just about every location, and mortgage interest rates are hovering at some of the lowest levels in history. At HomeAwayRealEstate.com, prospective buyers can check out a variety of unique vacation homes that are for sale and get a sense of the potential rental income they can generate."



## Destination Details

### Seeking Sunshine and the Beach

Whether looking to buy a vacation home or just rent one for a personal vacation, finding the right destination is important. Miami and New York, again, rank in the top five most popular destinations to rent a vacation home this summer, based on traveler inquiries made on HomeAway.com between February and April 2010.

#### Top Five Most Popular Destinations on HomeAway.com

1. Orlando, Fla.
2. New York, N.Y.
3. Cape Cod, Mass.
4. Miami, Fla.
5. Myrtle Beach, S.C.

Similar to last year, New York stands as the notable outlier – representing the urban destination getaway.

### Fastest-Growing Destinations Among Travelers

However, when it comes to the fastest growing destinations among travelers, Cambridge, Md. and Windham, N.Y. appear for the first time as emerging hot spots, growing 128% and 108% respectively.

#### Top 10 Destinations with the Largest Percentage Increase in Traveler Interest from Q1 2009 to Q1 2010

- |                           |      |
|---------------------------|------|
| 1. Telluride, Colo.       | 270% |
| 2. Marina del Rey, Calif. | 267% |
| 3. New Orleans            | 220% |
| 4. West Hollywood, Calif. | 130% |
| 5. Boca Raton, Fla.       | 129% |
| 6. Cambridge, Md.         | 128% |
| 7. South Yarmouth, Mass.  | 121% |
| 8. Beverly Hills, Calif.  | 119% |
| 9. Windham, N.Y.          | 108% |
| 10. Flagstaff, Ariz.      | 107% |

### Fastest Growing Destinations Among Owners

Several markets around the country have seen significant increases in new vacation rental listings. For the fourth consecutive quarter, both New Orleans and Austin, Texas appear in the top 10 destinations with the largest increase in new listings. Sunset Beach, N.C., retains its top position from the last quarter, and Telluride, Colo., drops a spot from second to third.

#### Top 10 Destinations with the Largest Percentage Increase in New Vacation Home Listings from Q1 2009 to Q1 2010

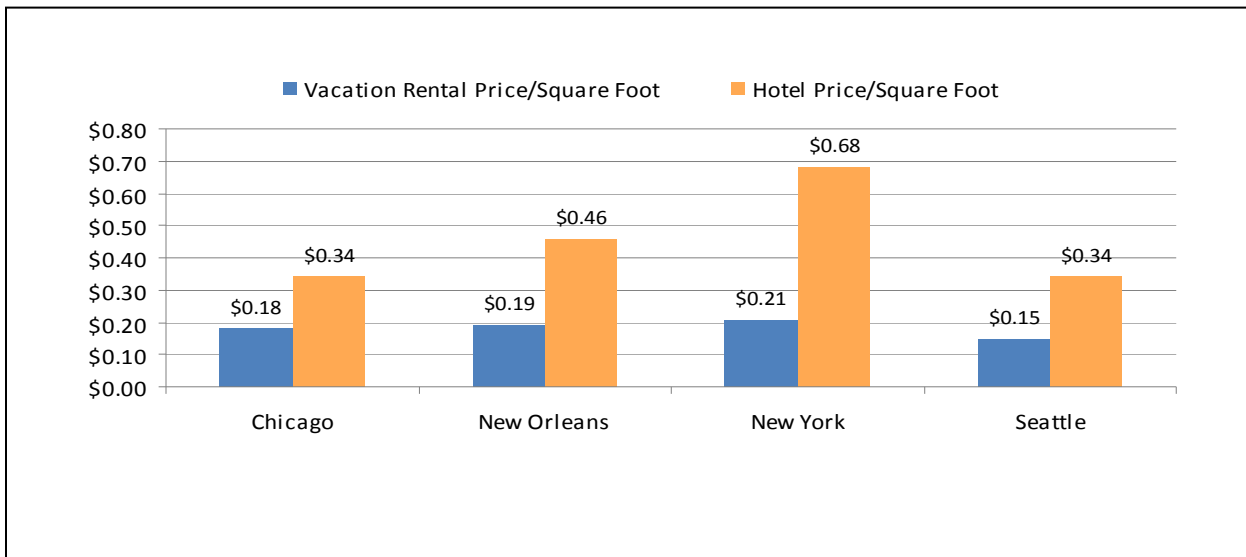
1. Sunset Beach, N.C.
2. Austin, Texas
3. Telluride, Colo.
4. New Orleans
5. Sevierville, Tenn.
6. Jackson Hole, Wyo.
7. West Hollywood, Calif.
8. Truckee, Calif.
9. Whitefish, Montana
10. Eden, Utah



## Deals and Discounts on Top of Value Provided by Vacation Rentals

On average, the price per square foot for a U.S. hotel is more than twice the price per square foot of a vacation rental, but hotels in New York cost more than three times the price per square foot. The HomeAway report looked at four cities in the month of May where vacation rentals provide particularly good value for travelers compared with hotels.

**Average nightly rate per square foot?**



While fewer vacation home owners are offering deals or discounts this summer (55 percent) compared with last summer (66 percent), there are still plenty of deals to be had. Of those owners who are offering deals this summer:

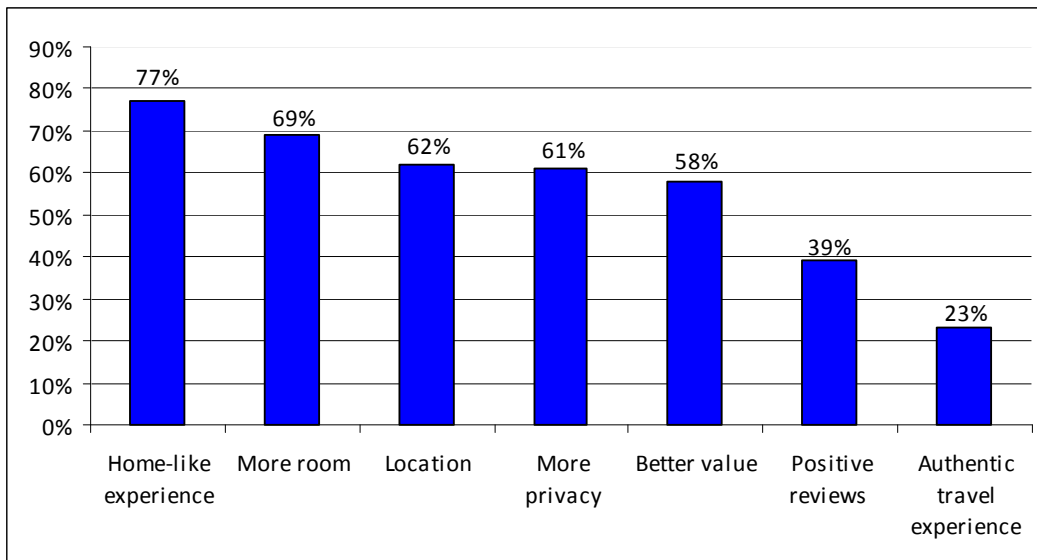
- 43 percent plan to offer a specific percentage off the rental rate
- 44 percent plan to offer a specific dollar amount off the rental rate
- 31 percent plan to offer a free night with the purchase of a specific number of nights
- 24 percent plan to offer free cleaning services
- 11 percent plan to offer complimentary products/services, such as free tickets to a theme park
- 10 percent do not plan to require a minimum-night stay



## Vacation Home Benefits Beyond Price

If choosing between a vacation rental and a similarly-priced hotel, 77 percent of travelers say they would choose a vacation rental over a hotel because of the home-like experience.

**Which of the following reasons would encourage you to choose a vacation rental over a similarly priced hotel?**



Additionally, travelers say they are more likely to do the following when staying in a hotel versus a vacation rental:

- Hang out with family or friends (74%)
- Play board games (61%)
- Watch movies (48%)
- Have sex (25%)

**About the HomeAway Vacation Rental Marketplace Report**

Data for the HomeAway Vacation Rental Marketplace report was collected via surveys that poll travelers and homeowners on vacation rental-related issues. Based on HomeAway, Inc. internal customer satisfaction research, traveler results are compiled from 1,927 responses between April 23 and May 6, 2010. Owner results are based on 235 responses between April 20 and May 6, 2010. Smith Travel Research was also utilized for hotel research into specific markets. Average daily rates for HomeAway vacation rentals were measured on a random sampling of properties for each respective city.

**About HomeAway, Inc.**

HomeAway, Inc., based in Austin, Texas, is the worldwide leader in online vacation rentals, representing more than 480,000 paid vacation rental home listings throughout 120 countries. HomeAway offers an extensive selection of vacation homes that provide travelers with memorable experiences and benefits, including more room to relax and added privacy, for less than the cost of traditional hotel accommodations. The company also makes it easy for vacation rental owners and property managers to advertise their properties and manage bookings online. The HomeAway portfolio includes the leading vacation rental websites [HomeAway.com](http://HomeAway.com), [VRBO.com](http://VRBO.com) and [VacationRentals.com](http://VacationRentals.com) in the United States; [HomeAway.co.uk](http://HomeAway.co.uk) and [OwnersDirect.co.uk](http://OwnersDirect.co.uk) in the United Kingdom; [HomeAway.de](http://HomeAway.de) in Germany; [Aritel.fr](http://Aritel.fr) and [Homelidays.com](http://Homelidays.com) in France; [HomeAway.es](http://HomeAway.es) in Spain; and [AlugueTemporada.com.br](http://AlugueTemporada.com.br) in Brazil. The company's portfolio also includes [HomeAwayRealEstate.com](http://HomeAwayRealEstate.com), which offers unique real estate information that highlights a vacation rental's income potential and destination-specific characteristics.

In addition, HomeAway operates [BedandBreakfast.com](http://BedandBreakfast.com), the most comprehensive global site for finding bed-and-breakfast properties, providing travelers with another source for unique lodging alternatives to chain hotels. For more information about HomeAway, please visit [www.HomeAway.com](http://www.HomeAway.com).