



REVENUE MANAGEMENT MADE SIMPLE

7 Easy Tips for Competitively Pricing Your Rentals



Curated with care by the pros at Guesty

www.guesty.com

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Don't miss out on valuable income

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More tools to help your business grow



Get Strategic

Short-term property managers are some of the busiest people on the planet. With multiple rentals to market and maintain, a (hopefully) never-ending stream of guests to tend to and teams of cleaners, staff and outside contractors to manage, “business as usual” can be so challenging that you don’t have the time or energy to focus on strategy.



It would be a shame, though, to put in all that work without ensuring your efforts yield the greatest possible rewards. Income varies hugely between property management companies, even those with the same number of listings, and that’s because some are simply doing what they must to keep their businesses afloat while others are taking active measures to launch theirs to new heights.

Prominent among those measures is the art of dynamic pricing, which involves adjusting the prices of your listings to reflect changes in supply and demand.

Not sure how to go about it? Here are seven tips to live by when competitively pricing your rentals. Because with the right price tags, your properties can collect as much as [40% more profit!](#)

7 Easy Tips to Competitively Price Your Rentals

01.

Account for Seasonality

As a property manager, you're well aware that there are certain times of the year that people travel, and certain times they don't.

When vacation rentals are in high demand, usually during the summer months and winter break, you can pump up your prices a bit and collect more revenue per guest. Think of it like setting up a lemonade stand at the end of a particularly difficult hiking trail or on a super hot summer day. Travelers are willing to pay more for your product because they want it so badly.

On the flip side, you'll need to reduce your prices when demand is low, which generally happens between November and March for those in the Northern Hemisphere and between June and August for those further south. If competing properties in your area are offering more attractive rates to encourage bookings during slower months, you'll have to do the same to stay in the game.



You should also pay attention to how each season affects demand during specific days of the week. While during some seasons, it may be strategic to lower your rates between Monday and Thursday and inflate them for the weekends, peak travel periods, such as summer, one of the most popular times to vacation, may render weekdays just as profitable as weekends.

Be careful when identifying your high and low seasons as they don't always follow hard and fast rules and demand can often rise and fall at unexpected times.

Our suggestion: considering high and low seasons vary from place to place, you must pay attention to the demand in your specific location throughout the year and note whether it fluctuates during specific seasons.

02.

Note Holidays and Local Events

Seasonality isn't the only factor affecting demand. If there's an annual event in your location that draws in thousands of tourists - think major concerts, sports games, county fairs or well-known holiday markets - it doesn't matter whether it falls in August or smack dab in the middle of February. When travelers are pouring into your city, it's time to boost your prices.

Make sure to base your price increases on real data rather than just your perceptions about demand. The fact that it gets a lot of publicity or buzz doesn't make a particular event the most profitable for your short-term rental business. Look at your city's trends throughout previous years to determine when occupancy rates actually peak.

Our suggestion: plan ahead and make a calendar of events in your area that have caused big spikes in demand in previous years. Then price your rentals accordingly.



03.

Pay Attention to Supply

When your target guests have lots of accommodation options to choose from, you have to keep your prices competitive in order to encourage bookings. If there are hundreds of listings in one location, travelers are likely to book those with the best prices.

This also means that those in cities or neighborhoods with less short-term rental availability are able to price their rentals a bit higher.

While sneaking a peek at your competition is important, data has proven that mirroring your neighbors' prices isn't a fool-proof strategy. Property managers can have inaccurate perceptions about demand and often fail to correctly identify the most opportune times of the year in their areas.

This is even true for hotel managers; with [only one in 10 hotels](#) utilizing sophisticated pricing software, their rates may not invite the most bookings and revenue possible. Moreover, demand actually works differently for hotels and doesn't necessarily hold true for short-term rentals.

Our suggestion: search online for vacation rentals in your area to get an assessment of how concentrated the market is. Then combine this data with trends you've noticed in previous years to formulate your pricing.



04.

Adjust Prices in Advance

Just because people tend to visit your rental locations in July, it doesn't mean they're booking those stays in July. In fact, [61% of people](#) book their holidays between 3 to 12 months in advance, so you definitely shouldn't be waiting until high season to inflate your prices. Use a [calendar tool](#) to increase prices for your high season at least a year in advance.

Prices for event dates should be determined on an annual basis, though in some instances more frequently seeing as events are created and scheduled throughout the year.

Our suggestion: in your haste to set optimal prices ahead of time, don't resort to replicating your prices from the previous year. While major holidays and seasons always fall on the same dates, local events and other considerations hop around the calendar from year to year.



05.

Support Extended Stays

If you're willing and able to incorporate [extended stays](#) and [mid-term stays](#) into your business model, you'll enjoy occupied rentals with no turnover for weeks at a time. To encourage travelers looking for [extended stays](#) of one month or longer to book with you, offer discounted rates for reservations lasting 30 days or more.

Unless you believe you can capture enough short-term bookings to earn a greater revenue than one discounted extended stay, encouraging longer stays - even at lower prices - is a great way to ensure an uninterrupted revenue stream for your property management business.



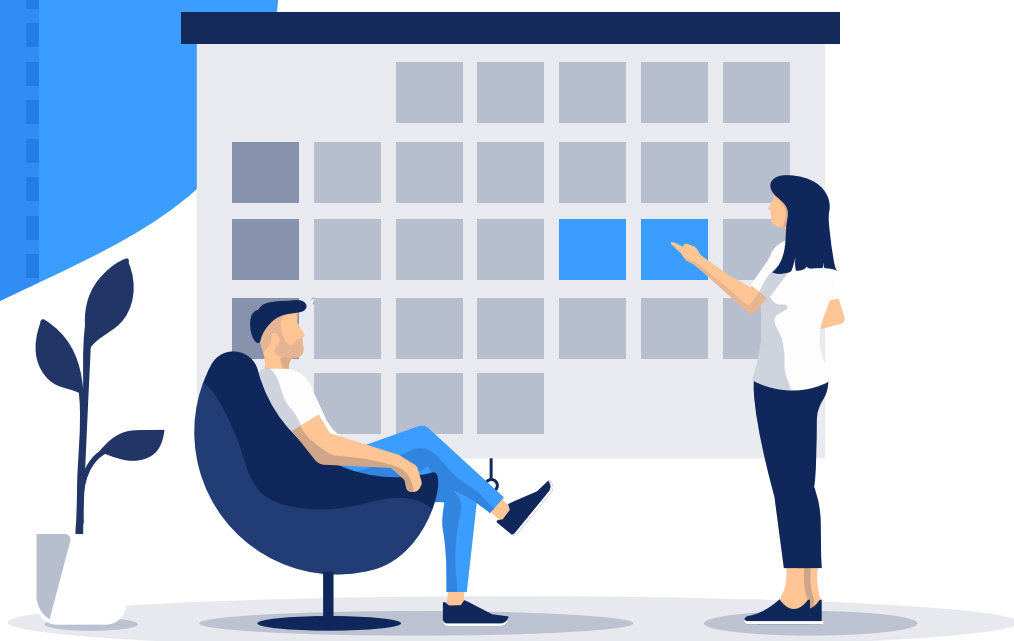
06.

Fill Occupancy Gaps With Price Dips

Notice an occupancy gap in your calendar? Significant vacancies don't only come around during low season, so it's on you to pay attention to your reservation calendar to ensure you're aware of any booking-free periods. Address them by lowering the prices for those specific days to attract last-minute bookers with a hard-to-resist deal.

You'll likely see that weekends tend to draw in more bookings than weekdays (unless, of course, it's business travelers you're appealing to), so you can capitalize on that by increasing your weekend prices and leaving the weekdays more budget-friendly.

Our suggestion: utilize an [auto-pricing tool](#) that allows you to automate price adjustments based on specific rules. For instance, you can set a price drop of 10% to go into effect 10 days prior to a gap of three or more days.



07.

Make it Easy

All of that's a lot to implement, especially when you've got a thousand other things to keep track of. Fortunately, the emergence of revenue management solutions designed specifically for the needs of short-term rental managers means that you can get strategic without adding hours to your workload.

You've got your fair share of options when it comes to delegating your pricing operations. If you feel confident in your ability to predict changing patterns in demand, you can create your own [rate strategies](#), to be automatically applied to your listings by a capable software solution.

If you'd prefer to outsource the task completely, platforms like [Wheelhouse](#), [Buoy](#), [RoomPriceGenie](#) and [PriceLabs](#) account for every single factor that may impact your occupancy rates, including changes in supply, seasonality, day of the week and local events. The solutions then use this data to calculate the most ideal price points to maximize revenue and occupancy - all in real time.

In other words, these tools ensure your prices are as high as they can possibly be without discouraging travelers from booking.

So quit the challenging pricing game and go about the rest of your business knowing your properties are perfectly priced to collect the highest occupancy and revenue rates possible.

Our suggestion: sync your dynamic pricing solution with your property management software so it can access your calendar and automatically make the necessary adjustments on your behalf, without requiring you to lift a finger. Property management software solutions like Guesty offer direct integrations with these tools to completely automate the pricing process.



About Guesty: More Tools to Help Your Business Grow

[Guesty](#) provides property managers and management companies with an end-to-end solution to simplify the complex operational needs of short term rentals. With Guesty, users can manage listings from multiple online travel agencies like Airbnb, Booking.com, Agoda, TripAdvisor Rentals and more, as well as utilize the company's guest-centric tools such as: Revenue Management, Unified Inbox, Automation Tools, 24/7 Guest Communication Services, Payment Processing and more.

With these features, along with the useful resources you can find on [Guestyversity](#), our online educational hub chock-full of guides, webinars, best practices and more, you'll have everything you need to succeed and take your business to the next level.

Not a Guesty user? [Request a free demo](#) to learn more about the ultimate end-to-end platform for short-term property management.



Clients who use guesty report...

 **100%**
Increase in
Listings Annually

 **150%**
Increase in
Annual Revenue

 **100+**
Hours Saved Weekly
On Average