

Vail Transient Inventory Study 2015
Executive Summary

Overview

- From May – July, 2015, DestiMetrics conducted a Transient Inventory Study of Units available for rent in the Vail area (see geographic description, page 1), the intent of which was:
 - To define the total number of professionally-managed units available for transient, short-term rental and timeshare stays in the Town of Vail
 - To organize these units by geographic location, unit type, unit size, Lodging Quality Assurance rating and ownership type
 - To define the total number of fractional units available for timeshare stays and/or available for short term rental the Town of Vail
 - To estimate the number of rent-by-owner units available for rental directly to consumers from homeowners
 - To understand the evolution of the inventory details above in relation to prior, similar studies conducted by DestiMetrics (then MTRiP) in 2011 and 2009
 - To understand the Vail inventory in the context of inventory in Aspen/Snowmass and Breckenridge

Findings

Professionally Managed

- **Units & Pillows - overall**
 - There are 3,823 units representing 17,849 pillows in the geographic region
 - This is a decline of 131 units (-3.3%) from 2011
 - This is a decline of 616 pillows (-3.3%) from 2011
- **Unit & Pillows – by type**
 - 53% of units and 64% of pillows are Condominium units
 - 45% of units and 31% of pillows are Hotel / Lodge units
 - 2% of units and 5% of pillows are Private Home units

 - Hotel / Lodge units declined by -11.45% from 2011 to 2015
 - Hotel / Lodge pillows declined by -9.1% from 2011 to 2015
 - Condominium units increased by 4.6% from 2011 to 2015
 - Condominium pillows decreased by -1.3% from 2011 to 2015
 - Private Home units increased by 6.4% from 2011 to 2015
 - Private Home pillows increased by 10.7% from 2011 to 2015

- 2 bedroom condominiums are the most prevalent condominium size in the study area, with 792 units and 4,467 pillows
- 4 bedroom private homes are the most prevalent private home size in the study area, with 40 units and 392 pillows
- **Unit & Pillows – Lodging Quality Rating**
 - 1,843 units and 9,179 pillows are rated Gold
 - 1,173 of these units are condominium units
 - 1,781 units and 7,671 pillows are rated Platinum
 - 1,076 of these units are Hotel / Lodge units
 - 199 units and 999 pillows are rated Silver
 - 162 of these units are condominium units
 - There are no Bronze units or pillows
- **Units & Pillows – fractional ownership**
 - There are 523 fractional units and 3,128 fractional pillows
 - This is a 19.1% increase from 2011
 - There are 3,300 wholly-owned units and 14,721 wholly-owned pillows
 - This is a 19.2% increase from 2011

Rent by Owner

- **Units & Pillows**
 - Rent by owner units and pillows are estimates based on publicly-available data
 - Rent by owner units and pillows represented in the study may also be professionally managed.
 - Rent by owner units and pillows should not be considered inventory in addition to the professionally managed inventory. Many rent by owner units counted in the study are professionally managed and included in the professionally managed data
 - No attempt has been made to reconcile and isolate rent-by-owner units that are not professionally-managed
 - Current systems do not exist that would allow such an isolation of the data set
 - **VRBO (www.vrbo.com)**
 - There are 1,036 units and 5,793 pillows available for rent on vrbo.com
 - An unknown percentage of these units are professionally managed
 - An unknown percentage of these units may be available for rent on Homeaway or AirBnB portals
 - **Homeaway (www.homeaway.com)**
 - There are 957 units and 5,548 pillows available for rent on homeaway.com
 - An unknown percentage of these units are professionally managed

- An unknown percentage of these units may be available for rent on VRBO or AirBnB portals
- **AirBnB (www.airbnb.com)**
 - There are 407 units and 2,291 pillows available for rent on AirBnB.com
 - These units are broken into Entire Home (383 / 2,229), Private Room (22 / 58) and Share Room (2 / 4) categories
 - An unknown percentage of these units are professionally managed
 - An unknown percentage of these units may be available for rent on VRBO or Homeaway portals
- The number of rent by owner units in Vail has grown 87.3% since 2011

INTRODUCTION

An analysis of the number and type of rental units and pillows available for short-term rental in Vail, Colorado as of May 31, 2015 was conducted on behalf of Vail by DestiMetrics, LLC. In short,

Vail short-term transient bed base is comprised of 3,823 professionally managed units, which can accommodate up to 17,849 persons at their total theoretical capacity. A further breakdown by location is provided in the accompanying report.

49 unique participating property management companies, representing a variety of property types, are included in the study including 27 Hotel/Lodge, 14 Condominium Properties and 8 Private Home Management Companies (based on a subjective interpretation of the naming conventions used by the respondents).

In cases where property management companies represent both Condominium and Private Home units, the management company was asked to self-describe based on their primary business and marketing efforts.

Included in this study but not in the inventory counts are:

An analysis of rent-by-owner (RBO) units/properties. RBO units/properties are units that are sold through non-conventional means by the unit owner directly, usually through such portals as AirBnB.com, VRBO.com and HomeAway.com. More information on RBO units in this study can be found below.

Fractional ownership units and pillows are also included in the unit and pillows counts and have been analyzed separately. Based on feedback from timeshare property managers in Vail, timeshare ownership occupancy ranges from 20%-30% annually.

This study has been created as a benchmark, from which periodic updates can be provided, the results of which would show the evolution of transient bed base inventory, going forward.

I. METHODOLOGY

Participation: The data were obtained by soliciting information from properties and property management companies that manage and rent units to transient guests for periods of time less than 30 consecutive nights. A list of potential participants was provided by Vail Valley Partnership. Research was conducted to determine viable participants from which a master list was created, along with sufficient contact information to be useful both now and in the future.

Data Collection: Participants were sent the Vail Bed Base Data Collection Form (see Attachment B) via email and asked to include their property name, property management company, property type, location, Lodging Quality Assurance rating, timeshare/fractional ownership, unit count, pillow count (maximum occupancy) and data submitter information. Follow up calls were made as appropriate in order to accomplish full participation. When there was no participation from a property/property management company an estimate, where data were extracted from their website was included.

Locations: Participants were given the choice of 5 locations; Cascade, East Vail, Lionshead, Vail Village or West Vail. Properties/units that are located outside the Vail limits were not included in the study.

Ratings: The property quality rating was also obtained from the properties using the Vail Lodging Quality Assurance system. Vail Valley Partnership must conduct a detailed interior inspection from which properties are assigned a Lodging Quality Assurance rating of Platinum, Gold, Silver or Bronze.

Unit Inclusions/Exclusions: Data were collected on units that are available for rental in increments of less than 30 days. Units that are only available for the duration of one season, winter or summer, were

included. All Fractional Ownership units/pillows were included, not just units/pillows that are available for short-term rental.

Metrics and Definitions: Data on the number of short-term units and their maximum occupancies in each property type category, location and quality rating were collected. The following terms are defined in the “Glossary of Terms” (see Attachment A) in order to provide consistency in reporting: Property Management Company, Property Name, Property Type, Lodging Quality Assurance Rating, Ownership (wholly owned or fractional ownership), Location and Maximum Occupancy. Other terms were addressed and defined to accommodate all types of rental situations including Time-share/Fractional Ownership and Lock-offs. Prior to the commencement of the study, Property Types were categorized and defined into the following: Bed & Breakfast, Hotel/Lodge, Condominium and Private Home.

Rent by Owner (RBO): RBO units are defined as short-term rental units that are sold to transient guests directly by the owner through one of several direct channels, but where no professional lodging or property management company is involved in the rental process. This market segment was measured by counting the number of rental units and pillows available on www.VRBO.com, www.Homeaway.com and www.AirBnB.com, the most prevalent avenue for owner-direct rentals. While by no means a complete sampling, it does provide some indication of the transient inventory that is not otherwise evident, but should be considered with the following caveats:

- AirBnB individual rooms are not included.
- The analysis of these data does account for the duplication of units/pillows where a unit may be listed for rental by both the owner and by a property management company.
- A historical RBO comparison is available in section G and represents a significant increase in the last four years.
- All units that are classified as being in the geographical region of “Vail” are included but does not account for units that are actually located outside of the Town of Vail and are incorrectly classified.

Practical Capacity: Data were collected and reported based on a unit’s theoretical capacity (or maximum occupancy), also known as “total pillows”, but it is understood that theoretical capacity at the destination level is never achieved. For those wishing to extrapolate a practical capacity we suggest:

- Peak Times including holidays and family based high-season: 90%* of theoretical capacity
- All other times: 80%* of theoretical capacity

*Practical capacity figures are estimates (based on educated but informal calculations) pending further/better substantiated data.

RESULTS – as of May 31, 2015

Study Results are provided in brief narrative, with charts and tables. Supporting documents are provided in the Appendices.

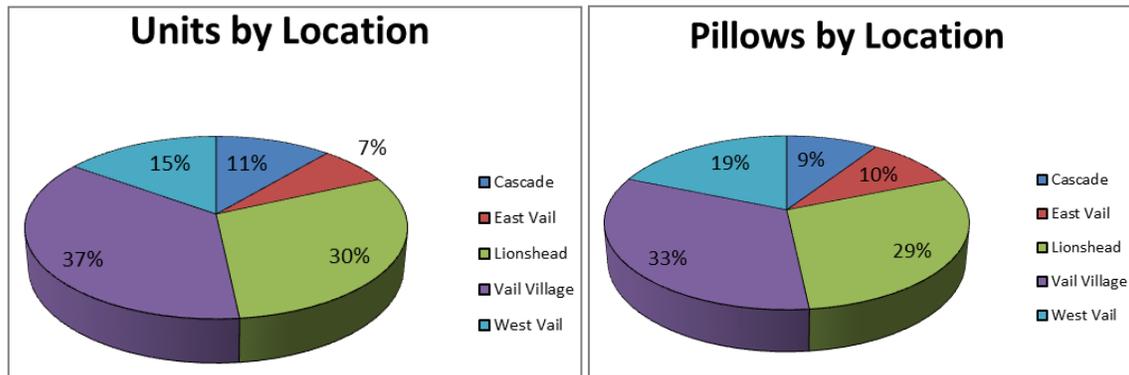
- A. Units/Pillows by Region:** There are a total of 3,823 units, which can accommodate up to 17,849 persons at their theoretical capacity. Units and pillows were designated into several Vail regions. Vail Village accounts for 1,396 units (37% of total inventory), Lionshead accounts for 1,150 units (30% of total inventory), West Vail accounts for 580 units (15% of total inventory), Cascade accounts for 432 units (11% of total inventory), and East Vail accounts for 265 units (7% of total inventory). The following tables and graphs represent the total number of units and pillows in Vail including, the combined total of each. Overall the transient inventory in Vail decreased in available units by -3.31% (131 units) and decreased in pillows by -3.34% (-616 pillows) from 2011 to 2015.

Unit and Pillows by Location	Cascade	East Vail	Lionshead	Vail Village	West Vail	All
Units by Location	432	265	1,150	1,396	580	3,823
Pillows by Location	1,672	1,693	5,255	5,877	3,352	17,849

Above tables include Fractional Ownership units but not RBO units/pillows

Unit and Pillows Comparison	2009	2011	2015	% Change '11 v '09	% Change '15 v '11	% Change Trend	Absolute Trend
Units	3,706	3,954	3,823	6.69%	-3.31%		
Pillows	17,347	18,465	17,849	6.44%	-3.34%		

Above tables include Fractional Ownership units but not RBO units/pillows

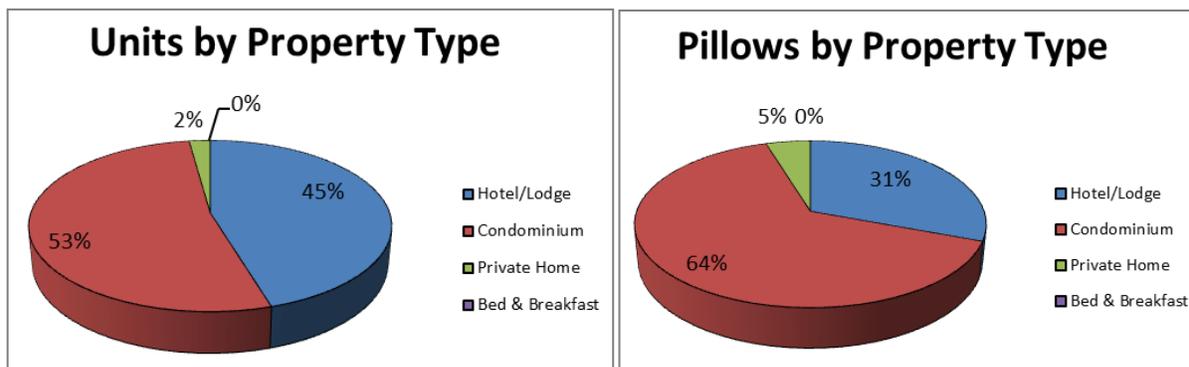


Above tables include Fractional Ownership units but not RBO units/pillows

B. Units & Pillows by Property Type: Units and pillows were classified into one of four categories: Hotel/Lodge, Condominium, Private Homes and Bed & Breakfast. It was found that Condominiums units were the most prevalent property type in Vail and account for 2,008 units (53% of total inventory) and 11,527 pillows (64% of total inventory), while Hotel/Lodge account for 1,732 units (45% of total inventory) and 5,476 pillows (31% of total inventory). Vail can accommodate significantly more guests in the Condominium category and can also accommodate approximately 5.74 guests per Condominium unit.

Units/Pillows by Property Type	Hotel/Lodge	Condominium	Private Home	Bed & Breakfast	All
Units	1,732	2,008	83	0	3,823
Pillows	5,476	11,527	846	0	17,849

Above tables include Fractional Ownership units but not RBO units/pillows



Above tables include Fractional Ownership units but not RBO units/pillows

Units by Type Comparison	Hotel/Lodge	Condominium	Private Home	Bed & Breakfast	All
2009	1,835	1,793	78	0	3,706
2011	1,956	1,920	78	0	3,954
2015	1,732	2,008	83	0	3,823
% Change '11 v '09	6.59%	7.08%	0.00%	0.00%	6.69%
% change '15 v '11	-11.45%	4.58%	6.41%	0.00%	-3.31%
% Change Trend					
Absolute Trend					

Above tables include Fractional Ownership units but not RBO units/pillows

Pillows by Type Comparison	Hotel/Lodge	Condominium	Private Home	Bed & Breakfast	All
2009	5,697	10,886	764	0	17,347
2011	6,027	11,674	764	0	18,465
2015	5,476	11,527	846	0	17,849
% Change '11 v '09	5.79%	7.24%	0.00%	0.00%	6.44%
% change '15 v '11	-9.14%	-1.26%	10.73%	0.00%	-3.34%
% Change Trend					
Absolute Trend					

Above tables include Fractional Ownership units but not RBO units/pillows

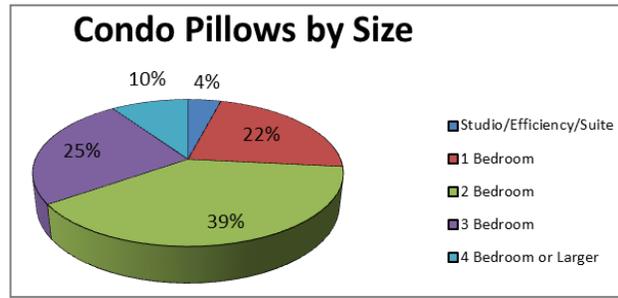
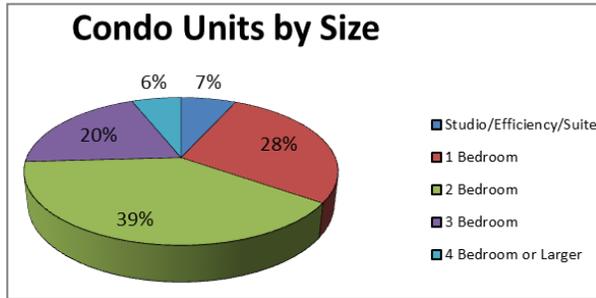
C. Units and Pillows by Unit Size: Condominium and Private Homes were further separated by unit size. It was found that 2 bedroom Condominiums were the most prevalent Condominium unit size in Vail and account for 792 units (39%) and 4,467 pillows (39%), while 4 bedroom Private Homes were the most prevalent Private Home unit size and account for 40 units (48%) and 392 pillows (46%). On average, Vail can accommodate approximately 5.64 people per 2-bedroom Condominium while 4-bedroom Private Home can accommodate almost twice as many people at 9.8 people per unit.

Condo Units/Pillows by Unit Size	Studio/Efficiency/Suite	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom or Larger	All
Units	136	560	792	398	122	2,008
Pillows	472	2,594	4,467	2,888	1,106	11,527

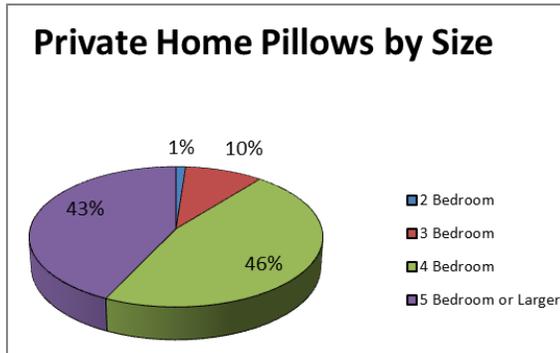
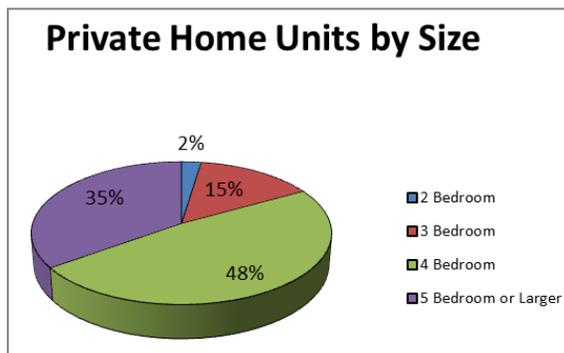
Above tables include Fractional Ownership units but not RBO units/pillows

Private Home Units/Pillows by Unit Size	2 Bedroom	3 Bedroom	4 Bedroom	5 Bedroom or Larger	All
Units	2	12	40	29	83
Pillows	10	81	392	363	846

Above tables include Fractional Ownership units but not RBO units/pillows



Above tables include Fractional Ownership units but not RBO units/pillows

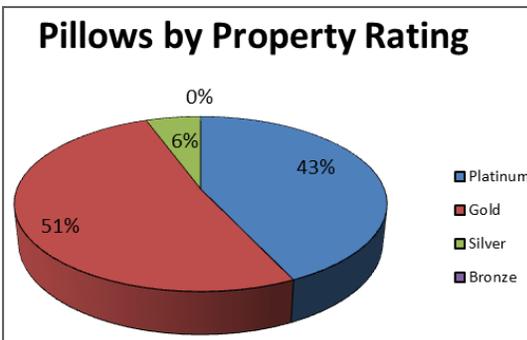
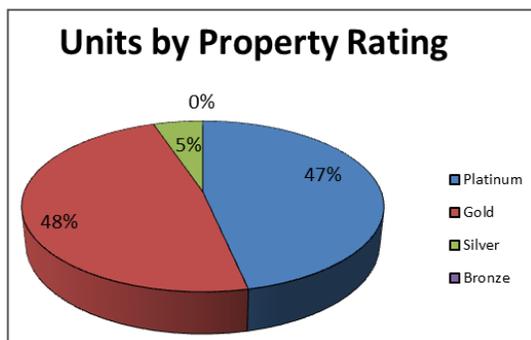


Above tables include Fractional Ownership units but not RBO units/pillows

D. Units/Pillows by Rating: It was found that the majority of the properties in Vail 1,843 units (48%) and 9,179 pillows (51%) are rated Gold. Platinum rated units account for 1,781 units (47%) and 7,671 pillows (43%). The following tables and graphs represent the units and pillows by location and property quality rating.

Units/Pillows by Rating	Platinum	Gold	Silver	Bronze	All
Units	1,781	1,843	199	0	3,823
Pillows	7,671	9,179	999	0	17,849

Above tables include Fractional Ownership units but not RBO units/pillows



Above tables include Fractional Ownership units but not RBO units/pillows

E. Units/Pillows Rating and Property Type: The below tables provide a breakdown of each Property Type and Rating.

Units by Type and Rating	Platinum	Gold	Silver	Bronze	All
Hotel/Motel/Resort	1,076	623	33	0	1,732
Condominium	673	1,173	162	0	2,008
Private Home	32	47	4	0	83
Bed & Breakfast	0	0	0	0	0
Total	1,781	1,843	199	0	3,823

Above tables include Fractional Ownership units but not RBO units/pillows

Pillows by Type and Rating	Platinum	Gold	Silver	Bronze	All
Hotel/Motel/Resort	3,430	1,958	88	0	5,476
Condominium	3,928	6,726	873	0	11,527
Private Home	313	495	38	0	846
Bed & Breakfast	0	0	0	0	0
Total	7,671	9,179	999	0	17,849

Above tables include Fractional Ownership units but not RBO units/pillows

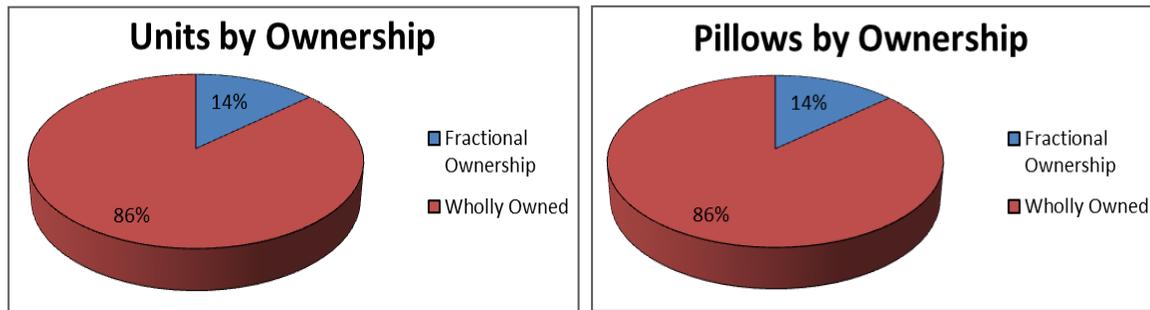
F. Timeshare/Fractional Owner and Wholly Owned Units and Pillows: 523 units (14%) and 3,128 pillows (14%) are fractionally owned, while 3,300 units (86%) and 14,721 pillows (86%) are wholly (conventionally) owned. The following tables and graphs represent the total number fractional ownership units and pillows in comparison to wholly owned units and pillows. Based on feedback from timeshare property managers in Vail, timeshare ownership occupancy ranges from 20%-30% annually.

Fractional Ownership Units and Pillows	Units	Pillows
Fractional Ownership	523	3,128
Wholly Owned	3,300	14,721

Does not include RBO units/pillows

Fractional Ownership Comparison	Units	Pillows
2009	439	2,624
2011	439	2,624
2015	523	3,128
% Change '11 v '09	0.00%	0.00%
% change '15 v '11	19.13%	19.21%
% Change Trend		
Absolute Trend		

Does not include RBO units/pillows



Does not include RBO units/pillows

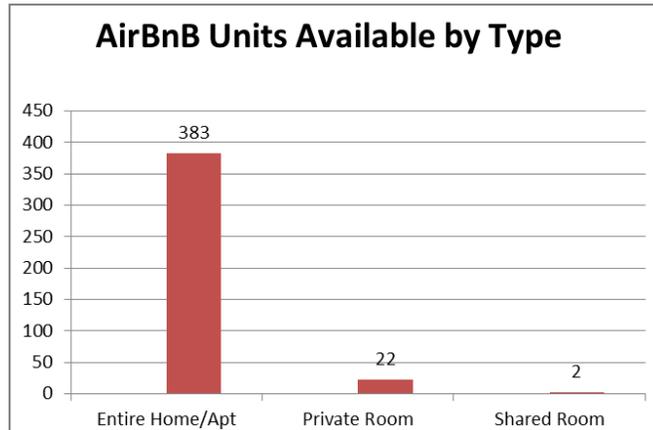
G. Rent by Owner (RBO) Units and Pillows by Location through www.VRBO.com, www.Homeaway.com and www.AirBnB.com: Included are RBO units available for rent in Vail through the respective RBO web channels are geographically classified as Vail. The data below organize the RBO units and pillows using such geographic information as was available through the respective RBO channel. The total Vail units available through VRBO are 1,036 units and 5,793 pillows. The total Vail units available through Homeaway are 957 and 5,548 pillows. The total Vail units available through AirBnB are 407 and 2,291 pillows. The following tables represent the total number of RBO units and pillows. **NOTE:** The RBO numbers below should not be considered wholly additional inventory to the professionally managed inventory accounted above. RBO units may or may not also be professionally managed and accounted for in the previous sections of this study. Additionally, units available through one RBO channel may be available through one or more additional RBO channel. The scope of this study does not include an attempt to reconcile RBO channel overlap or RBO vs professionally-managed inventory overlap.

RBO Market – VRBO Vail	All
Units	1,036
Pillows	5,793

RBO Market - Homeaway Vail	All
Units by Location	957
Pillows by Location	5,548

RBO Market – AirBnB Vail	Entire Home/Apt	Private Room	Shared Room	Total
Units	383	22	2	407
Pillows	2,229	58	4	2,291

RBO Market Comparison	Units
2009	410
2011	553
2015	1,036
% Change '12 v '09	34.88%
% change '15 v '12	87.34%
% Change Trend	
Absolute Trend	



H. Forthcoming Inventory Projections: The below tables provide a breakdown of forthcoming inventory projections.

Property Name	Location	Ownership	Units	Pillows	Opening Date
The Lion	Lionshead	Mix	79	422	Unknown
Roost Lodge Redevelopment	West Vail	Unknown	Unknown	Unknown	Unknown

III. APPENDIX

- Attachment A – Glossary of Term
- Attachment B – Vail Data Collection Form

Glossary of Terms	
Short term	Available for rental in increments of less than 30 days. Units that are only available for month long rentals should be excluded.
Property Management Company	A property management company is the parent company that is responsible for the short term rental program for the property/unit. In the situation of a hotel, the Property Management Company may be the same name as the property name.
Property Name	The property name is the name of the physical property such as the name of a hotel or condominium complex. The property name is not required for private homes especially if several homes are reported on together.
Property Type	The property type category describes the majority of the type of units in one building available for short term rental.
Hotel/Lodge	A hotel, motel or resort is a property where the majority of available unit types are hotel/lodge rooms, suites or efficiencies and are in all the same location. Some condos may be present but the main inventory should be the previously mentioned unit types.
Condominium Property	A condominium property is where the majority of available unit types available at the same location are condo units.
Private Home	A free standing house that is not connected to other units and does not have a common area shared with other units. Duplexes would also fall in to this category.
Bed & Breakfast	Rooms are part of a larger home and share a living room area and sometimes bathrooms.
Property Quality Rating	General Info: A property's quality rating should fall in to one of the following categories. If a property management company manages units in several rating categories, please include separate unit and pillow counts for each rating.
	Vail Lodging Quality Assurance Provide the given rating from the Vail Valley Partnership Lodging Quality Assurance program. Utilizing the Platinum, Gold, Silver or Bronze property/unit ratings.
Lock-offs	If a property has a lock-off situation where a larger condo may be sold as multiple smaller units, each individual smaller unit that could be booked independent of the whole condo should be counted (a.k.a. "keys") instead of the largest possible unit. For example, if a three bedroom condo may be booked as several different configurations down to two hotel rooms and one one bedroom condo, the unit should be counted as three units and not as one unit.
Timeshare/Fractional Ownership Unit/Pillow Counts	It is understood that fractional ownership units are often available for short term rental. Please include the total number of units/pillows that may be in the rental pool at any given time (usually entire inventory).
*Maximum Occupancy	The total number of people that can be accommodated in a unit (a.k.a. "pillows") which means two people per king, queen and full size beds, one person per twin bed, etc. Please include bedding in a loft or den and all sofa sleepers and murphy beds.

All submitted specific property/Property Management Company data will be kept confidential

Transient Bed Base Data Collection Form							
Instructions: Please fill out the below worksheet with your short term (available for less than 30 days) inventory by property. Please see "Glossary of Terms" tab on this spreadsheet for definitions for all data requested below. See "Sample Data" tab for examples. Please report your inventory as of May 31, 2015. If you require more space, please insert rows in to this form.							
Only units in Vail should be listed							
Property Management Company	Property Name	Property Type <small>(Select from drop-down)</small>	Property Quality Rating <small>(select from drop-down menu)</small>	Timeshare/Fractional Ownership? <small>(select from drop down menu)</small>	Location <small>(select from drop down menu)</small>	# of Units	Total Maximum Occupancy* <small>Please refer to the Glossary of Terms</small>
Totals:						0	0
Are you contracted to manage any newly constructed properties/units in the future? <small>so, please include the name(s) of property, location, number of units and opening date here:</small>				If			
Do you anticipate your inventory to change much from June 1, 2015 to Jan. 1, 2016? If so, please explain how and why.							
Data Submitted by (Name):			Notes: Please include any additional information about your property that might be helpful to this process.				
Job Title:							
Phone:							
Email Address:							
Date:							
Questions? Contact Jeremy Dreiling at 303-722-7346 and send completed forms to jdreiling@destimetrics.com or fax to 303-745-7380.							