

The STR Pacing Playbook

Stop Guessing.
Start Knowing.

Why 95% of Operators Leave 10-40% Revenue on the Table

After analyzing over 2,000 short-term rental portfolios and talking to thousands of operators, we found the same pattern: most operators are leaving significant revenue uncaptured. Not because they have bad properties or weak markets, but because they are making pricing decisions reactively instead of proactively.

95%

of operators have
fixable pricing gaps

10-40%

revenue left on the table
by the average portfolio

35%

RevPAR increase from
pacing strategy alone

The biggest skill gap we see? **Pacing**. Most operators have never heard of it, and those who have rarely know how to use it to make better pricing decisions. This playbook changes that.

The Pricing Paradox

Airlines and hotels charge **more** as dates get closer. Short-term rental operators do the opposite: they drop prices last minute. Why?

Airlines and hotels have hundreds of rooms or seats. One empty unit barely dents their financials. They have massive brand recognition that protects premium pricing. They can afford to hold rates and let the last few units sell at peak prices.

STR operators have one property, or maybe 20-30 for different owners. Every empty night is unrecoverable lost revenue. There is no brand recognition to protect premium pricing. And owner pressure creates a constant push toward "just get it booked."

This creates an industry-wide pattern: **operators price high far out, then panic-drop prices last minute.** The result? You are competing in a discount war with every other operator during the final booking window, crushing your average daily rate.

The Shift

Instead of reacting at the last minute, the best operators look at **pacing data 30, 60, and 90 days out** to make pricing decisions early, when they have the most leverage.

What Is Pacing?

Pacing is comparing your future bookings to similar properties in your market. The key metric is **Market Penetration Index (MPI)**, which tells you if you are booking ahead of, behind, or in line with your competition.

MARKET PENETRATION INDEX

Your Future Occupancy ÷ Market Future Occupancy

= MPI

67%

Pacing Behind

Your 20% occ. vs. market's 30%. You are losing demand to competitors.

100%

Pacing With Market

You are matching the market. Default target for most seasons.

133%

Pacing Ahead

Your 40% occ. vs. market's 30%. You may have pricing power.

MPI + Pickup Rate

MPI shows **where you are**. Pickup rate shows **where you are heading**. If your MPI is 60% but you got more bookings than expected last week, you are catching up. Always combine both metrics for the complete picture.

Understanding Booking Windows

A booking window is the period when most reservations happen for a given check-in date. It is different for every market, season, and property type.

Here is the critical insight: If you are not priced competitively during your booking window, guests book your competitors. You end up filling last-minute at discounted rates.

THE MATH OF BOOKING WINDOWS

Early Booking Strategy

60% of bookings at \$225 = \$135

40% of bookings at \$100 = \$40

Average ADR: \$175

Last-Minute Trap

20% of bookings at \$225 = \$45

80% of bookings at \$100 = \$80

Average ADR: \$125

Same occupancy. \$50/night more. That is 40% higher ADR.

The key: Use median (not average) booking lead time. Averages get skewed by a few far-out bookings. The median reveals your true booking window.

The 3 Pacing Strategies

Your pacing strategy should change based on expected market demand. Here is when to use each approach:

01

RARE / HIGH-DEMAND EVENTS

Pace Behind the Market

The "Last Man Standing" strategy. Only use when you expect the market to completely sell out. Hold premium pricing while competitors fill their inventory at lower rates. You become the scarce final option.

02

DEFAULT FOR PEAK SEASON

Pace With the Market

When expecting 80-90% market occupancy but not a guaranteed sellout. Match the market's booking pace. Balanced risk, balanced reward. This is your default for most high-season periods.

03

LOW & SHOULDER SEASONS

Pace Ahead of the Market

When market occupancy is expected at 40-50% or lower. Price aggressively early to capture the full booking window. Get heads in beds, maintain OTA momentum, and protect your summer visibility.

01 Pace Behind the Market

The "Last Man Standing" strategy only works when you are confident the entire market will sell out. This is rare, but when it works, the returns are massive.

How it works: Set premium pricing and hold while other properties fill at lower rates. As available inventory shrinks, your property becomes one of the few remaining options for desperate buyers willing to pay top dollar.

Real examples:

- **Taylor Swift concert in a small town** with 100 Airbnbs: The first 80 units book at normal rates because hosts underpriced. If you held premium pricing, you are now one of 20 remaining units with sky-high demand.
- **Christmas in Australia:** One client knows their market hits 100% occupancy every year. Local operators underprice. They pace behind every December and capture premium bookings consistently.
- **Solar eclipse events:** Once-in-a-century demand. People paid extraordinary premiums because supply was genuinely fixed.

High Risk Warning

Supply can shift unexpectedly. When locals hear about high prices, they suddenly list their homes, flooding the market. **Only use this strategy when sellout is near-certain** based on historical data, not speculation.

02 Pace With the Market

Your default strategy for peak season. When you expect strong demand (80-90% occupancy) but not a guaranteed sellout, match the market's booking pace.

The goal: If the market is at 60% occupancy for a future month, target 55-70% yourself. You run the same risk as competitors. If the market softens, everyone adjusts proportionally.

Why this works: Pacing with the market protects you from having to heavily discount in the final booking window. You capture the bulk of demand at competitive rates without leaving upside on the table.

When to use:

- Summer in most vacation markets (strong but not sold-out demand)
- Holiday weekends with consistent year-over-year patterns
- Periods where your market data shows 80-90% historical final occupancy
- Any time you are unsure: this is the safest default

Weekly Check-In

Review your MPI weekly during peak season. If you are pacing more than 10% behind the market, lower prices by 5-10%. If pacing ahead, you likely have room to increase. **Small adjustments weekly beat big changes monthly.**

03

Pace Ahead of the Market

When market occupancy is expected at 40-50% or lower, the game changes. This is not about rate optimization. It is an occupancy game.

The strategy: Price aggressively early. Undercut competition to take advantage of the full booking window. Get as many bookings as possible, as early as possible.

Why this matters beyond revenue:

- **OTA momentum:** Booking activity sends signals to Airbnb's algorithm that your property is attractive. Empty winter inventory kills your summer visibility.
- **Review volume:** More bookings generate more reviews, improving your conversion rate for future guests.
- **Reduced stress:** A mostly-booked calendar 60 days out feels very different from a mostly-empty one.
- **Repeat guests:** Budget-conscious winter guests often return (or refer friends) for peak season at full rates.

Pricing approach: Start close to your minimum acceptable rate. Use aggressive early-bird pricing and longer minimum stay flexibility. Target an MPI of 150-200% ahead of market during shoulder and low seasons.

The Visibility Trap

Operators who sit empty through winter wondering why their summer bookings are slow: **the algorithm remembers.** Get heads in beds during low season to protect your peak-season performance.

The Metrics That Matter

Track these four metrics weekly. Together, they give you the complete revenue picture.

YOUR NORTH STAR

RevPAR

Revenue ÷ Available Nights

The only metric that captures both pricing effectiveness and occupancy. Cannot be gamed: high rates with low occupancy still shows low RevPAR.

USE WITH CAUTION

Average Daily Rate

Revenue ÷ Booked Nights

Looks inflated when you block dates. A \$300 ADR feels great until you realize only 15 of 30 nights sold. Always pair with occupancy.

DO NOT OBSESS

Occupancy Rate

Booked Nights ÷ Available Nights

The most misleading metric. 75% occupancy at \$140 = \$105 RevPAR. 95% occupancy at \$100 = \$95 RevPAR. Higher occupancy, lower revenue.

USE MEDIAN, NOT AVERAGE

Booking Lead Time

Days: Booking → Check-in

Tells you when to start discounting. One far-out booking skews the average. Median reveals your true booking window.

CASE STUDY

35% RevPAR Increase From Pacing Alone

This client came to us with 80% occupancy and an in-house revenue manager. On the surface, things looked fine. But when we analyzed their booking patterns, we found the problem: over 80% of their bookings were arriving in the final 2-3 weeks before check-in.

80%

SAME OCCUPANCY

+35%

REVPAR INCREASE

2x

BOOKING WINDOW

What we changed: We lowered far-out prices to shift their booking window earlier. Instead of waiting for last-minute demand, we captured bookings 30-60 days in advance at stronger rates.

The result: Their booking window expanded from 16 days to 32 days. Same properties, same markets, same occupancy. Just 35% more revenue from better booking window timing.

"We thought high occupancy meant our pricing was working. We had no idea we were leaving 35% on the table by ignoring our booking window."

Results based on same-store comparison, same units year-over-year, in a flat market.

Your Weekly Pacing Review

Spend 30-60 minutes each week on this checklist. This is the same process our team runs for 2,000+ listings.

- Check MPI for the next 30, 60, and 90 days**
Compare your future occupancy to your comp set or market average

- Review pickup rate from the past 7 days**
How many bookings came in? More or fewer than typical?

- Set your MPI target based on expected final occupancy**
Low season: pace ahead (150%+). Peak: pace with (100%). Sellout events: pace behind

- Adjust prices 5-10% based on pacing vs. target**
Behind target? Lower prices. Ahead? You may have room to increase

- Check for orphan gaps and unbookable nights**
Minimum stay settings can create 1-night gaps nobody can book

- Review upcoming events that could shift demand**
Concerts, conferences, sports, weather changes, local festivals

- Verify seasonal minimum prices are set correctly**
Peak dates need elevated price floors to prevent cancellation-driven discounts

- Log your MPI and RevPAR for historical comparison**
Track weekly so you can compare month-over-month and year-over-year

5 Common Pacing Mistakes

Each of these is fixable in under 30 minutes. We find them in 75% of the portfolios we review.

- 1 Maximum price caps that limit your upside**

Caps prevent your pricing tool from capturing peak demand you have not anticipated. Remove them and let the market tell you what guests will pay.

- 2 Hidden unbookable nights from minimum stays**

A 3-night minimum can create 1-night gaps between bookings that nobody can fill. Enable orphan gap management in your pricing tool.

- 3 One minimum price for the entire year**

Your New Year's Eve cancellation should not sell at your January midweek floor. Set elevated minimum prices for peak dates to protect your revenue.

- 4 Ignoring the early booking window**

Most operators focus on the next 7-14 days. But 30-50% of your highest-ADR bookings happen 60-90+ days out. If you are not priced for that window, competitors capture that demand.

- 5 Overpricing far out, then panic-dropping last minute**

The most common pattern we see. Start with realistic pricing based on your market position, then make small weekly adjustments based on pacing data. Never drop more than 10% at once.

Ready to Unlock Your Revenue?

We offer a free Revenue Report for qualified operators. Our team will analyze your pricing strategy, pacing data, and booking windows to identify exactly where you are leaving money on the table.

\$1M+ ANNUAL REVENUE

Free Revenue Report

Our experts analyze your portfolio and show you the specific opportunities in your pricing strategy. No obligation, real insights you can act on immediately.

GROWING YOUR PORTFOLIO

Cashflow Mastery Course

Learn our complete revenue management system yourself. The same frameworks and strategies we use across 2,000+ listings, built for operators ready to do it themselves.

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