

10 THINGS

Vacation-Rental Sites Won't Tell You

By Linda Lacina

"We're growing so fast..."

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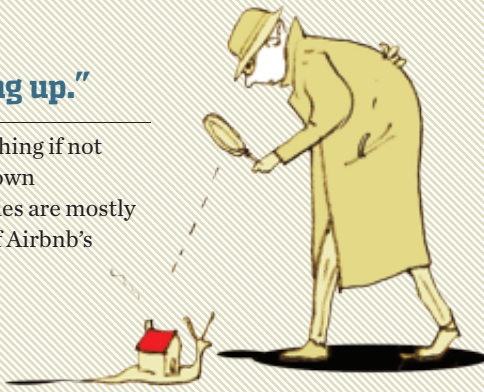
Since 2008, when Americans spent \$24 billion on vacation rentals, the industry has undergone a veritable sea change, thanks to a new breed of travel-booking websites, like Airbnb, Roomorama, FlipKey and VRBO. These DIY-style rental marketplaces help travelers find hotel alternatives like houses, condos, even a couch to crash on. How fast is the insurgency—er, industry—growing? Airbnb has booked upwards of 2 million stays since it started in 2008, with an estimated 600 percent increase in bookings from 2010 to 2011; Roomorama reports a 215 percent jump in the same period. Once designed to match the young and intrepid with inexpensive, sometimes unconventional lodging, these sites now court mainstream business travelers and vacationing families, says William

May, executive director of the Vacation Rental Industry Association, a nonprofit trade group. How do the sites make their money? Often on service fees, which get charged either to hosts or to renters. It's no surprise, then, that a number of more-conventional travel sites want to rewrite the online-booking book: Gilt's Jetsetter, for example, now offers "flash sales" on luxury home stays.



“...you may have trouble keeping up.”

2 The rental-by-owner market is nothing if not quirky; each site seems to have its own personality. Roomorama’s properties are mostly private, for example, while many of Airbnb’s offerings have the owner present during the rental. Roomorama’s listings tilt international, while VRBO offers many second homes in domestic getaways like Cape Cod and Destin, Fla. And contact info is shared before booking on VRBO but not until after on Roomorama and Airbnb. What’s more, every rental offers different amenities—even those posted on the same site. Some places provide linens; many do not. As the industry expands and evolves, so do most of its policies. How to keep up? Learn the pros and cons of any booking service you want to use before you reserve a stay, says Emily Joffrion, Airbnb’s PR manager.



was in Turkey and couldn’t help her. After one cold shower too many, Dennis says, she contacted Airbnb, which offered her a nicer flat and refunded her stay, though it took several days. Misrepresented properties can range from rentals that don’t have what’s promised to ones that don’t exist.

Sites stress that truthful representation is the host’s responsibility, but they still offer some safeguards. HomeAway says it has a team that reviews property details before they’re posted. Travel-industry research firm PhoCusWright says most travelers are satisfied with their rentals. Still, one in 20 rental-by-owner properties has some kind of issue, according to May. Regarding Dennis’s experience, Airbnb says its customer-service line “is available across the globe, 24 hours a day” and urges users to look for profiles with verified photos taken by an Airbnb photographer.

“All the comforts and hassles of home.”

3 Rental travelers tend to enjoy avoiding the commercial-hotel experience, but it can turn tourists into temporary homeowners. If the dead bolt doesn’t lock or the Wi-Fi’s down, you might need to wait for the locksmith or the cable guy. In some homes or apartments, posted rules state when not to use appliances like the air conditioner and what can be recycled. Sabrina Parsons, a software exec in Oregon, says she once stayed in a home so dusty she cleaned it herself. Now she avoids listings for primary residences since, she says, they can be cluttered with knickknacks and she might have to compete with the homeowners for closet space. Before booking, quiz owners on whether they have a plumber, a heating and cooling specialist, or someone who “can get to the house in 30 minutes” in case of a problem, says May. “If they don’t have the answers, they don’t pass the quiz.”

“You’ll need to play detective.”

5 When it comes to sussing out the specifics of a given rental, be prepared to do some legwork. Read rental descriptions carefully; perks like complimentary beach tags and parking stickers (or lack thereof) may be hidden in a barrage of other details. And be prepared to pose some additional questions like: Can you use the pool? Should you bring sheets? Frequent renter Parsons admits she’s picky but says she spends upwards of 10 hours researching potential rentals and cross-checking properties on sites like Google Earth and Bing. Parsons says she makes sure to ask hosts detailed questions about bed configurations and the property, adding that travelers who use these sites “get out of the process what they put into it.”

“What you see may not be what you rent.”

4 Lisette Dennis of St. Louis saw the Airbnb profile for a Parisian studio and imagined a cozy space for entertaining friends. That dream disappeared when, on arrival, she discovered a disheveled flat with no hot water or Wi-Fi access, useless light fixtures and missing doorknobs. Dennis e-mailed her host from a remote hot spot, but the person

“Cancellations can be tricky.”

6 Cancellations of marketplace bookings aren’t always as straightforward as with traditional hotels. Sites don’t rent listed properties, only advertise them. That means you may be on your own if your flight gets canceled, somebody gets sick—or the home you’re planning to spend your vacation in goes into foreclosure. Like so much



else in this burgeoning industry, policies aren't standard and vary by host and site. Sometimes one-time fees charged by owners, like for cleaning or pool heat, aren't recoverable. Sites encourage guests who need to make a change to try to resolve issues with hosts first, though they say they'll do what's necessary to help, including rebooking at the last minute. Indeed, refunds to unhappy customers are rare—about one for every 50 guests, estimates Roomorama, which credits its 24-hour customer service and policing of unreliable hosts. To abate fears, many sites withhold payment from hosts until after check-in. HomeAway offers cancellation protection through independent insurer Access America.

“We can get a little fee-happy.”

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A big draw of the rental-marketplace sites is the potential for savings, though accommodations can be difficult to compare. A family of six staying at a beach house in Cape Cod rented through one of these sites can expect to pay around one-third as much per person as at a local B&B, according to Steve Trover, president of the Vacation Rental Managers Association. But there are some additional costs with these rentals, which may not be on the radar of those new to the scene. Fees, which aren't standard across sites or even hosts, may be charged for each additional guest, to replenish sheets and towels, or to replace a lost key. Some hosts also (wisely) ask for a security deposit. Despite these extra charges, they're still often a better value, says May—especially for larger parties.

“If it's not legal, it's not our problem.”

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A word to the wise: Certain short-term home and apartment rentals may violate homeowners association rules, leases or even local ordinances.

So how do the marketplace sites screen for these legalities? For the most part, they don't. Alexis de Belloy, a VP for HomeAway, which operates more than 30 sites, including VRBO, says there's no way for HomeAway to keep up with all the rules and regulations in 145 countries. That means renters probably won't know them either—unless they're tipped off by an angry neighbor or suddenly asked to vacate by a city inspector. Fortunately, industry insiders say, such checks are extremely rare. But as rental-marketplace sites continue to grow, says Douglas Quinby, senior director at PhoCusWright, more municipalities might start to restrict rentals.

“Last-minute isn't always our forte.”

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Making last-minute plans for a getaway? It may not be easy. DIY hosts aren't full-time hoteliers and “don't have a staff of 10 manning their e-mails,” says Jia En Teo, a Roomorama cofounder. Calendars might not be updated, and calls aren't always promptly returned. Still, sites do what they can to help last-minute travelers. Airbnb, for one, publishes host response times so users can gauge their chances. Traveler Jereme Monteau, a Web entrepreneur in Oakland, Calif., saves time by booking in familiar places to minimize research. Says Monteau, “The ones who get back fastest get my booking.”

“We have trust issues—so should you.”

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Vacation rentals require a leap of faith. Indeed, trust is an issue the industry continues to address. Roomorama asks guests and hosts for a scanned photo ID and assigns “certified host” icons to profiles of well-reviewed hosts. California-based Inhabit says it screens listings through host interviews and background research. And linking profiles to LinkedIn and Facebook allows users to search properties reviewed by mutual friends and networks. After one San Francisco host's well-publicized rental nightmare, in which guests vandalized her home and stole her property, Airbnb beefed up its support measures, including verifying property addresses and adding a 24-hour hotline and e-mail for emergencies. As Airbnb cofounder Brian Chesky posted on the site in response to the incident, “our job's not done yet; we're still evolving.”