STATE OF THE STR INDUSTRY

The Great Reset

M&A Multiples, Deal Trends, and Market Outlook for STR Companies

THE GREAT RESET

29 Deals | $403M+ EV | 40 Valuations

Landmark STR Transactions That Defined 2025/2026

C2G ADVISORS, LLC®

C2G-ADVISED TRANSACTIONS

Seller A — $67M EV
Eastern US
3,800 units | 7x multiple

Seller B — $110M EV
Western US
1,200 units | 10x multiple

Seller C — $54M EV
Mountain Markets
850 units | 9.25x multiple

Seller D — $15M EV
Midwest
225 units | 8x multiple

Seller E — $15M EV
Western US
250 units | 8x multiple

Seller F — $4M EV
Pacific Northwest
75 units | 5x multiple

ENTERPRISE DEALS RESHAPING THE INDUSTRY

Q4 2024	**Garnett Station Partners → Stayterra / Prime Vacations**	Largest independent VRM in the Southeast acquired; new institutional platform launched
Mar 2025	**Nocturne / Calera Capital**	Strategic partnership bringing PE capital to a leading luxury provider
Mar 2025	**Vtrips Recapitalization Announced**	Signaled recapitalization of one of the largest multi-market operators
May 2025	**Casago / Vacasa Merger**	Largest U.S. franchisor merged with the largest public STR operator. C2G won the mandate to represent Casago in the market resells
May 2025	**Awayday / Ares Management**	Largest PE-backed provider partnered with Ares
Fall 2025	**Monarch Minority Investment**	One of the largest PE-backed platforms recapitalized
Q1 2026	**Towne Vacations / Alpine Investors**	Alpine Investors acquired Towne Vacations for $250M

The bottom is in. Institutional capital is back. The next 3–5 years will bring the most compelling M&A cycle this industry has seen.

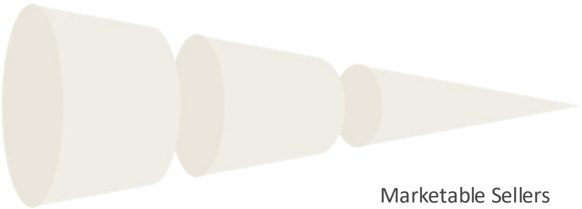
MARKET SCARCITY DRIVES SELLER LEVERAGE

Addressing the Property Management Total Addressable Market

The market dynamics of the property management industry create a unique and powerful advantage for sellers. With approximately **30,000 property managers** in the United States, only a fraction—roughly 300—manage portfolios exceeding 300 properties. This represents just 1% of the total market.

Of these 300 larger operators, only **3-5 companies generating above $2M in EBITDA** come to market each year. Meanwhile, there is substantial buyer demand from strategic acquirers, PE-backed consolidators, and independent sponsors—all competing for limited high-quality acquisition opportunities.

The result: Aggressive valuation multiples, competitive bidding dynamics, and significant seller leverage throughout the transaction process.



30K	300	6K	$2M
Total Property Managers	**Large Portfolios**	**Average Profit per Property**	**Annual EBITDA**
in the US	Only 300 managers operate portfolios of 300+ properties (~1% of market)	Per Year	Approximate EBITDA for a ~300-unit company

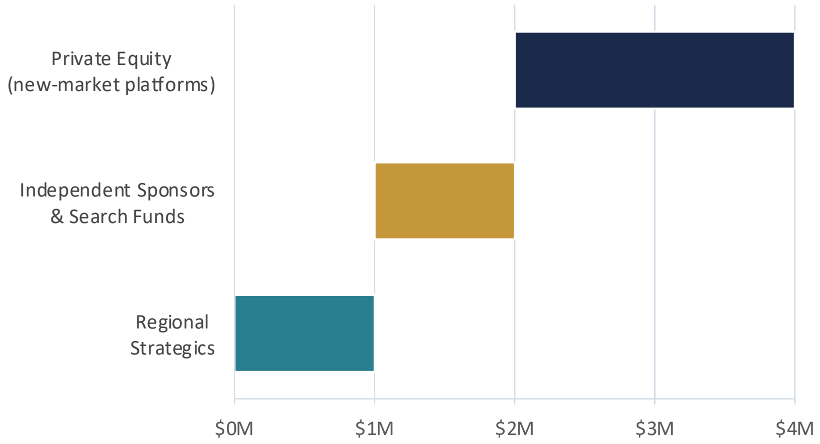
***The Scarcity Premium:** Limited supply at $2M+ EBITDA creates intense competition among buyers, resulting in premium multiples and favorable transacton terms for quality sellers.*

THE BUYER LANDSCAPE BY EBITDA

Who Acquires at Each Scale — and How Multiples Are Moving

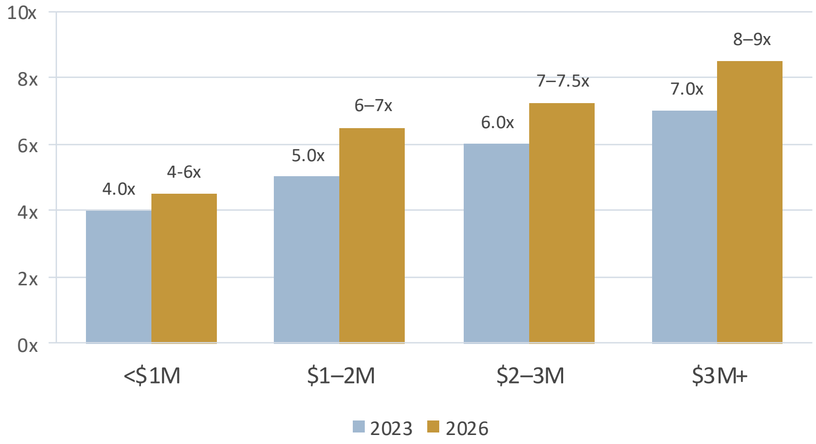
ADVISORS, LLC®

WHERE EACH BUYER COMPETES



Regional strategics typically cap out near ~$1M EBITDA. **Private equity** enters at **$2–3M+** to build new-market platforms.

MULTIPLES ARE RISING — MOST AT THE TOP



Multiples are climbing across every band. The **$3M+ tier now commands 8–9x**; the $1–2M sweet spot has risen to 6–7x — still an attractive entry versus the top of the market.

Illustrative; multiple ranges are directional and reflect typical buyer behavior by EBITDA scale.

The $1M–$2M sweet spot: an attractive entry point for independent sponsors and search funds — quality assets with the start of a management team.

DUE DILIGENCE PRIORITIES

What Buyers Should Focus On — Six Levers That Separate a Good Deal From a Great One

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1 Booking Pace & Forward Demand

Compare this peak season's pace to last year's — on the books and current. You buy on trailing-12, but if forward-12 is pacing +15%, you're in the money on day one.

2 Churn, Retention & Concentration

Benchmark against the ~15% industry-average annual churn. Flag any single homeowner who controls a material share of the units.

3 Owner Role & Relationships

If the founder is the primary homeowner contact, plan for a ~12-month transition or meaningful rollover to protect retention.

4 Inventory Quality (GBV / Property)

Gross booking value per property signals portfolio caliber — higher GBV means more desirable homes and more durable revenue.

5 Take Rate & Fee Structure

Commissions run ~50% of revenue; review all guest and owner fees for the true take rate — plus headroom to add fees post-close.

6 Regulatory Climate

Review local and state STR ordinances for pending bans, and confirm no material share of the portfolio operates non-compliantly.

HOW DEALS GET DONE

Purchase Price Structures: From Cash at Close to Contingencies

C2G ADVISORS, LLC®

Typical Structure: 50–75% cash at close + 25–50% in holdbacks, seller notes, or earnouts. Structures vary by deal size, buyer type, and risk profile.

CASH AT CLOSE

- Primary purchase price paid on closing day
- Typically 50–75% of total enterprise value
- SBA loans fund sub-$1M EBITDA deals (10–20% buyer equity)
- PE-backed buyers typically all-cash or majority-cash

HOLDBACKS & NOTES

- Retention holdback: 10–25% held for 12–24 months tied to contract retention
- Seller notes: Deferred payment at agreed interest rate over 2–5 years
- Working capital adjustment: True-up within 60–90 days post-close
- Indemnity escrow: Protects buyer against rep & warranty breaches

EARNOUTS & CONTINGENCIES

- Performance-based payments tied to post-close EBITDA or unit count
- Measurement period: typically 12–24 months
- Churn adjustments reduce holdback if homeowners leave post-close
- Rollover equity: Seller retains 10–25% stake for future upside

Sellers should expect 50–75% cash at close with the balance in holdbacks, notes, or earnouts tied to retention and performance.

KPI BENCHMARKING

Companies with strong KPI performance typically gain greater leverage during negotiations

Metric	Industry Average
Net Revenue ($)	N/A
Revenue Growth YoY (%)	3–5%
Adjusted EBITDA ($)	N/A
Adjusted EBITDA Margin (%)	20–25%
Payroll Margin (%)	20–25%
Software Spend Ratio (%)	3–5%
Churn Rate (%)	10-15%
Net Growth Rate – Properties (%)	5–10%
Adj. EBITDA as % Gross Rents (%)	8–12%
Adj. EBITDA per Property ($)	$5,000–$7,500
Take Rate (%)	35%–45%
Gross Rents per Property ($)	N/A
Gross Bookings – Pacing YoY (%)	+/– 5%

KPI DEFINITIONS

Definitions and calculation methodology for all KPI benchmarks

Metric	Definition
Net Revenue	Commissions plus ancillary guest and owner fees
Revenue Growth YoY	(Revenue at end of year – Revenue at start of year) / Revenue at start of year
Adjusted EBITDA	Earnings (Net Income) Before Interest, Taxes, Depreciation, and Amortization, adjusted for non-recurring or owner-specific expenses
Adjusted EBITDA Margin	Adjusted EBITDA / Net Revenue
Payroll Margin	Payroll / Net Revenue
Software Spend Ratio	Total Software Cost / Net Revenue
Churn Rate	Properties lost throughout year / Total properties at start of year
Net Growth Rate (Properties)	(Properties at end of year – Properties at start of year) / Properties at start of year
Adjusted EBITDA as % Gross Rents	Adjusted EBITDA / Gross Rents
Adjusted EBITDA per Property	Adjusted EBITDA / Average properties managed during the period
Take Rate	Commissions plus guest fees / Gross rents plus guest fees (GBV)
Gross Rents per Property	Gross rents / Average properties managed during the period
Gross Bookings – Pacing YoY	Bookings, as of today, vs. as of today, last year