

Lake Tahoe vacation rentals stabilize; short stays the new norm

By Rob Sabo, Northern Nevada Business Weekly

The market for vacation rentals at Lake Tahoe is strengthening and consumers aren't demanding deep price discounts as they did in recent years, property managers say.

However, shorter stays are still the norm.

The market for high-priced rental homes in Lake Tahoe tanked with the national economy as cost-conscious vacationers opted against weeklong trips to the lake, and revenues for property owners fell as price-minded property managers slashed costs in hopes of luring more customers. However, several of Lake Tahoe's largest property management firms say business is on the rise this summer over last year, and customers are unlikely to see further price cuts.

NAVIS, a Bend, Ore. firm that helps vacation property managers track market statistics, says check-ins at Lake Tahoe properties rose 84 percent in the second quarter versus the same period in 2010, but revenues increased just 38 percent in the same time frame.

Susan Grigoleit, accounting manager with the Hauserman Rental Group in Tahoe City, which manages more than 160 properties on the west and north shores of Lake Tahoe, says business is up 30 percent over last summer. The past three years were stagnant for the 45-year-old company.

"It was a real break-even scenario," Grigoleit says. "Our company has been very productive in the Tahoe area for many years, and we have seen growth every year, but the last three

years we were barely breaking even. It wasn't what we had gotten used to. We definitely felt the change in the economy and people not spending money like they used to."

In the midst of the recession, Hauserman Rental Group dropped its pricing on rental homes to match its competitors, and Grigoleit says the company gave further discounts to savvy consumers in order to rent properties. However, this season the company is holding firm on most quoted prices. Last-minute and "shoulder-season" bookings – reservations made after the ski season and before summer kicked off – still enjoyed additional discounts.

"We made price adjustments and had no problem doing that the last couple of years," Grigoleit says. "But we were definitely losing ground, and we decided our rates are still very competitive. Prime time, we are sticking to our rates."

Chuck Maas, marketing consultant to Lake Tahoe Accommodations, the largest property management firm at Lake Tahoe with more than 300 properties and four offices, says bookings are up about 15 percent this year over last. Reservations typically lag in late April, May and early June, and in late September, October and part of November. The typical vacation rental is only occupied between 16 and 24 weeks per year, Maas says.

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