THE LODGING GAP REPORT

The State of America's Two Lodging Economies

With sentiment research from DMO leaders and STR operators across 13 states.

Reported by: Destination Innovate's Hosts & Home Teams Lab

Volume One · 2026

FOR THE READER WITH SEVEN MINUTES

THE REPORT IN 90 SECONDS

Every destination in America now runs on two lodging economies. The first, hotels and resorts, is counted, taxed, benchmarked, seated on boards, and marketed. The second, short-term rentals, has grown into a projected $72 billion U.S. industry that destinations can now count but still cannot contact: visible in dashboards, anonymous in person, unrepresented in governance, and misunderstood in policy debates.

The space between them is **the Lodging Gap**: a structural disconnect across four dimensions. Data. Funding. Policy. Alignment. This year, for the first time, we can show it from the inside, with sentiment research from DMO leaders and STR operators across 13 states.

1.77M	85%	1 in 7	43%
U.S. STR LISTINGS PROJECTED IN 2026	DMO LEADERS SURVEYED: REACTIVE, FRAGMENTED, OR OUT OF CONTROL ON STRS	DMOS SURVEYED REPORT A CLEAR STR ALIGNMENT STRATEGY	OPERATORS SURVEYED: STRS SEEN AS CONTROVERSIAL YET ECONOMICALLY VITAL

And one finding worth the price of admission: both sides of the gap, surveyed separately, asked for the same three things. Shared data. A communication channel. An organized relationship. Nobody is asking for the other side to lose. There is simply no room in which to ask each other.

HOW TO READ THIS REPORT

The argument: Chapters 1 and 2.
The evidence: Chapters 3 through 6, one gap per chapter, each ending with a Monday Morning action.
The research: Chapter 7, what both sides told us.
The to-do list: Chapters 8 and 9, the Alignment Agenda and a 12-question self-assessment.

FROM THE ALIGNMENT ARCHITECTS

WHY WE PUBLISH THIS REPORT

For most of the modern destination-marketing era, the word "lodging" was shorthand for hotels. Hotel occupancy funded the DMO through bed taxes. Hotel general managers sat on the DMO board. Hotel benchmarks defined how a destination measured success. The system was coherent because the supply was coherent.

That world is gone. Over the past decade, the short-term rental sector scaled from a fringe behavior into a permanent, professionalizing pillar of the visitor economy. But the institutions of destination management were never redesigned around that fact. Funding formulas, data contracts, board seats, partnership programs: almost all of it still assumes a lodging economy that no longer exists.

We started Destination Innovate to work inside the divides, not to write about it from a distance. Through Hosts & Home Teams, our working lab, we put destination leaders and STR operators in the same room. This report is what that room has taught us, backed by public research and by our own sentiment study of the people living the gap.

We are publishing it annually because the gap will move every year, and someone should be measuring it. Consider this Volume One: the baseline.

Jenn Barbee & Kristen Cruz

Co-founders, Destination Innovate

CHAPTER 01

TWO LODGING ECONOMIES

The second lodging economy is no longer small, no longer fringe, and no longer optional to understand. Here is its actual size.

Start with the numbers, because most destination leaders have never seen them side by side. The U.S. short-term rental market was estimated at $72 billion in 2025 and is projected to reach $125 billion by 2033 [5]. Phocuswright sizes global STR gross bookings at $219.9 billion in 2025, on their way to $270.6 billion by 2029, with North America at $78 billion in 2025, growing 4% while U.S. hotels grew 1% [20].

THE TWO LODGING ECONOMIES, BY SUPPLY

5.6M
U.S. hotel rooms

1.77M
STR listings projected, 2026

One STR listing for every three hotel rooms

In mountain, coastal, lake, and rural destinations, STRs are routinely 50 to 80% bed base.

$78B	30%	+5% vs +3%	Every Region
North America STR gross bookings, 2025 (+4% YoY)	of U.S. leisure travelers used an STR on their last trip, up from 24%	2026 growth forecast: NA STRs vs. U.S. hotels	STR RevPAR growth beat hotels, Q2 2025

Sources: AirDNA [3][4], industry estimates [7], Key Data [8], Phocuswright [20].

Two things are true at once. Hotels remain the larger sector, and the stated preference for a majority of travelers: 62% of U.S. leisure travelers still say they prefer hotels [10]. And yet 30% of U.S. leisure travelers used a short-term rental on their most recent trip, up from 24% a year earlier: the largest single-period jump Phocuswright has ever recorded, and the first time the figure has cleared 28% since 2019 [20]. Preference is stated. Usage is structural. Longer trips are driving the shift: average U.S. trip length stretched from 6.2 nights in 2022/23 to 7.2 nights in 2024/25, and trips of 14 nights or more climbed from 16% to 21% of the total, exactly the territory where rentals compete best [20].

Nor is this an American quirk. STR usage runs 44% in France, 31% in the UK, and 26% in Germany, evidence of the structural role rentals already play in mature leisure markets [20]. The STR sector has reached a scale at which any destination strategy that ignores it is, by definition, a partial strategy.

The distribution matters more than the national average. In urban convention markets, STRs may be 10 to 15% of the bed base. In mountain, coastal, lake, and rural destinations, they are routinely 50 to 80%. And then there's this: the destinations most dependent on STRs are frequently the ones with the smallest DMO staff, the least data coverage, and the most volatile politics. The gap does its greatest damage exactly where destinations are least equipped to fight it.

WHY 2026 IS THE STRESS TEST

Industry forecasts project U.S. lodging demand growth of roughly 3.2% against supply growth of 2.3%, a healthier balance than recent years, while mega-events like the FIFA World Cup concentrate unprecedented demand in host regions [1]. At the same time, performance is bifurcating: luxury properties are pulling away from economy segments, some ski and drive-market destinations are posting double-digit occupancy declines, and international inbound softness is pressuring gateway markets [2]. In an environment this uneven, no destination can afford to fly blind on a quarter or more of its bed base. The gap was tolerable in the boom. It is not tolerable now.

THE TAKEAWAY

The lodging economy restructured itself. The destination ecosystem has not. The Lodging Gap is the distance between those two facts.

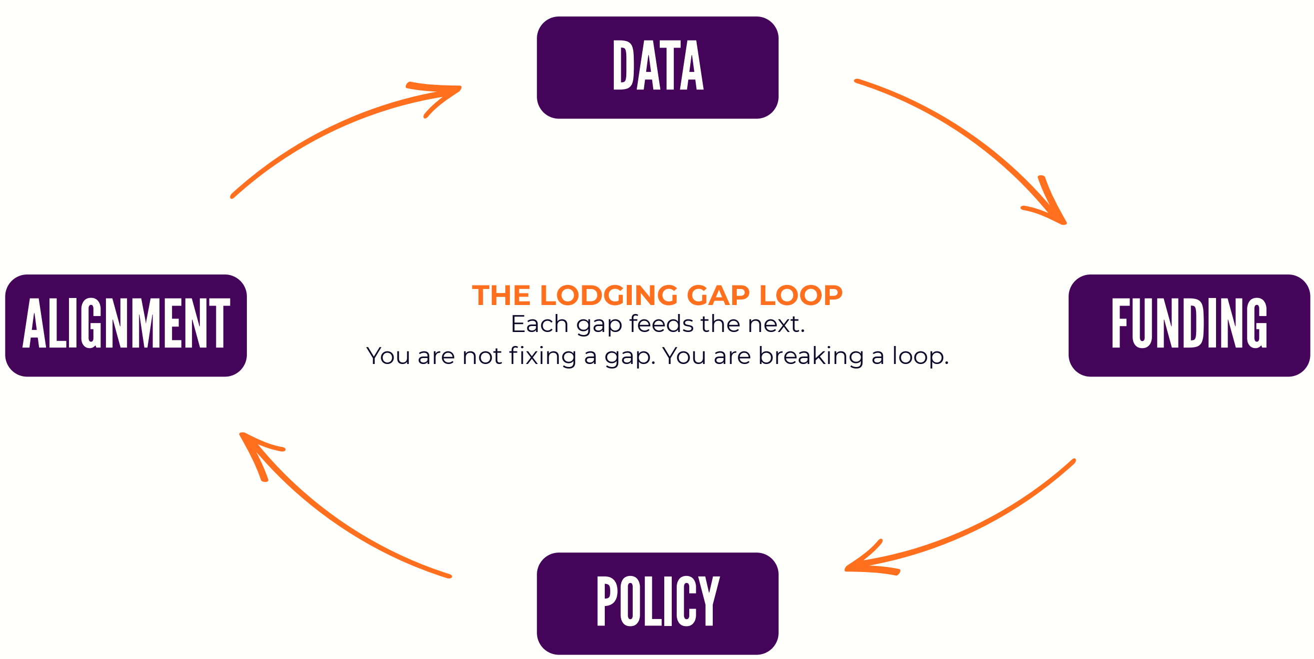
CHAPTER 02

THE FOUR GAPS

The Lodging Gap is not one failure. It is four, and they feed each other.

The Lodging Gap is the structural disconnect between destination organizations and the short-term rental economy. It shows up in four places. The right-hand column is not hypothetical; every quote is a verbatim response from our 2026 sentiment research.

DIMENSION	THE GAP	IN THEIR OWN WORDS
The Data Gap	DMOs can see STR performance in dashboards. They cannot see the people behind it: no ownership identity, no contact layer, and little of it integrated into official reporting.	"I have to pay AirDNA to find them, and still don't know who owns them."
The Funding Gap	STR guests generate lodging-tax revenue that increasingly bypasses, or is diverted away from, destination promotion.	"We are not receiving HOT payments from STR companies."
The Policy Gap	STR regulation is written in reaction to housing and nuisance pressure, without destination strategy or visitor-economy data in the room.	"Regulations need to be thoughtfully crafted, not cut and paste."
The Alignment Gap	Hosts and managers shape the visitor experience daily but have no pathway into the destination ecosystem.	"No centralized system to communicate with different types of ownership."



PATTERN WE KEEP SEEING

The four gaps run in a loop. Without data, DMOs cannot make the funding case. Without funding influence, they are absent from policy. Without a policy role, they have nothing to offer hosts. Without host relationships, they cannot get the data. This is why piecemeal fixes rarely stick, whether a one-off STR data subscription or a single host mixer. You are not fixing a gap. You are breaking a loop.

What the Lodging Gap is not

- **A hotels-versus-STRs argument**. Both sectors are permanent. Destinations need both to perform, and the visitor does not experience them as rivals, only as options.
- **A deregulation agenda**. Thoughtful STR policy is legitimate and often necessary. The gap is destinations being absent from that policymaking, not the existence of policy.
- **Solvable by marketing alone**. Listing STRs on a destination website is cosmetic. The gap lives in data contracts, funding formulas, governance seats, and host infrastructure.

CHAPTER 03

THE DATA GAPS

Most destination leaders can pull STR occupancy from a dashboard. Almost none can tell you who owns the units. The gap was never the numbers. It's the names.

Let's be precise here, because the industry version of this complaint is usually wrong. Most DMOs do see short-term rentals. They subscribe to AirDNA or Key Data, some commission a Granicus/GIS pull. They can quote listing counts, occupancy, and ADR for their market. The performance data exists, and destinations buy it.

What they cannot do is give you a profile behind the listings. A dashboard shows units: pins on a map, anonymized and aggregated. It may not show owners, operators, or a single phone number. Ask a DMO how many STRs operate in their destination, and you will usually get an answer. Ask them how many they could reach by name and the room goes quiet. Our research says leaders know exactly where the hole is:

IN THEIR OWN WORDS

"An accurate inventory with contact information."
"I have to pay AirDNA to find them, and still don't know who owns them."
"No centralized system to communicate with different types of ownership."

DMO leaders, asked what feels most unresolved about STRs in their destination.

Numbers without names

Even data providers concede that STRs remain the biggest blind spot in official destination reporting [16]. But notice what kind of blindness it is. It is selective. The numbers are available; what stays dark is everything you can only learn from people. That costs destinations in four ways:

- **The dashboard never becomes the official story.** STR data lives in a parallel report, on a separate vendor's definitions, rarely reconciled with hotel benchmarks. Impact studies still exclude STR guest spending, so the destination systematically understates its own value: the worst possible position from which to defend a budget.

- **You can't build relationships with pins on a map**. Invitations, convening, credentialing, coalitions: all of it requires names. A destination that knows its units but not its operators can analyze the sector forever without ever engaging it.

- **Crisis response has no one to call**. When occupancy craters, as it did in several Colorado ski markets in early 2026 with Breckenridge down 17 points and Telluride down 19 points year-over-year in February [6], leaders need the full lodging picture and the people behind it. A dashboard can tell you demand fell. It cannot tell you why guests canceled, or rally operators around a response.

- **A hollow policy voice**. In regulatory debates, the party who actually knows the operators frames the discussion. A DMO that can quote occupancy but cannot say who owns the inventory, or verify who is complying, forfeits the role of honest broker to platforms on one side and opposition groups on the other.

The hornet's nest problem

Here is why the contact layer stays unbuilt: it is not because building it is impossible. Permit records, lodging-tax registrations, property-manager relationships, and plain old outreach can assemble an operator directory in most markets. It stays unbuilt because building it means engaging, and engaging means wading into a hornet's nest: resident complaints, hotel-funded board politics, compliance fights, and ownership that changes hands constantly. It is easier to keep STRs as an anonymous line on a dashboard than to turn them into a constituency with faces and phone numbers.

That is not a data problem. That is an avoidance problem, and it should be named as one. The destinations that have done the work report the payoff quickly: unified reporting that hotels trust too [17], operators who answer the phone, and a DMO that walks into policy debates as the only party who actually knows everyone in the room.

MONDAY MORNING

You already know how many STRs you have; the dashboard told you. This week, find out how many you could reach by name. Cross-reference permit records and lodging-tax registrations, then call your two largest property managers and ask who else you should know. The first number is a subscription. The second number is the relationship.

THE TAKEAWAY

Dashboards give you numbers. Alignment takes names. You can't build a coalition out of anonymous pins on a map.

CHAPTER 04

THE FUNDING GAP

Lodging taxes have never collected more.
Tourism has rarely kept less.

Destination organizations remain overwhelmingly publicly funded. Roughly 93% of DMO funding comes from public sources, dominated by lodging and occupancy taxes [11]. STR guests now pay a substantial and growing share of those taxes. In principle, a broader lodging base should have made DMO funding more secure. In practice, the opposite is happening. The very first unresolved issue a DMO leader named in our research was not marketing or data. It was this: "We are not receiving HOT payments from STR companies."

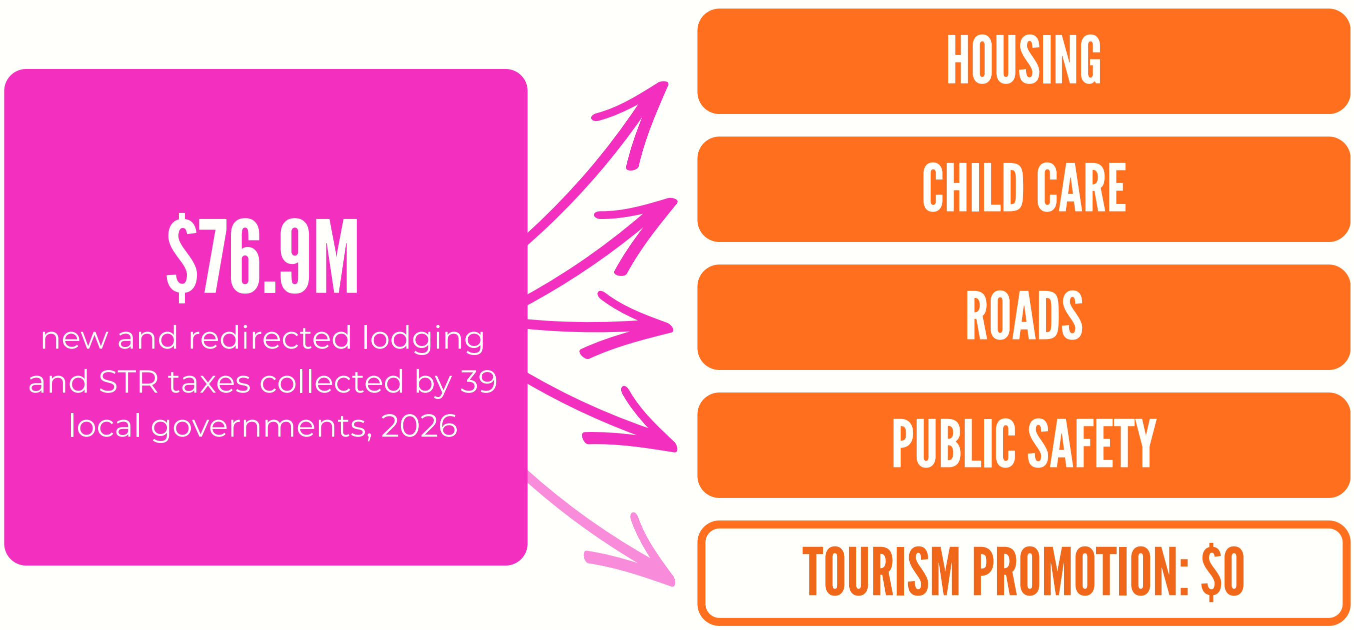
$256M+

Lodging taxes redirected away from tourism promotion in Colorado since 2022. [6]

The Colorado warning

Colorado has become the national leading indicator. Following state legislation (House Bills 1117 and 1247) allowing communities to raise or divert lodging taxes beyond tourism marketing, more than $256 million has been redirected to non-tourism purposes since 2022. Lodging taxes on Colorado vacationers have never been higher; tourism promotion spending is falling. And this is unfolding exactly as the state's tourism economy slumps, with flat spending and double-digit occupancy declines in marquee ski markets [6].

WHERE COLORADO'S 2026 LODGING-TAX DOLLARS GO



More than $256M has been redirected away from tourism promotion since 2022. [6]

Every dollar of Colorado's new and redirected 2026 collections flows to non-tourism purposes. [6]

Housing and child care are real crises, and visitor-economy revenue legitimately supports visitor-impacted services. But the structural lesson is stark: the lodging tax is no longer a protected tourism funding stream. It is a general-purpose revenue source that tourism must now compete for, year after year, against sympathetic and politically potent alternatives.

Why this is a Lodging Gap problem

Much of the new taxing energy targets STRs specifically, because they are the politically easiest lodging class to tax: the least organized and least represented. A destination with no relationship to its STR sector has no coalition when the diversion debate arrives. Hotels defend hotel interests. Platforms defend platform interests. The DMO stands alone, defending a marketing budget with incomplete data. Destinations that treat STR operators as funding-coalition partners, proving with unified data what visitor spending funds, enter those debates with a fundamentally stronger hand.

MONDAY MORNING

Pull your lodging-tax ordinance. Find out what share of collections comes from STRs, and who could legally divert the revenue tomorrow. If you don't know either answer, that is the assignment. Colorado is a preview, not an anomaly.

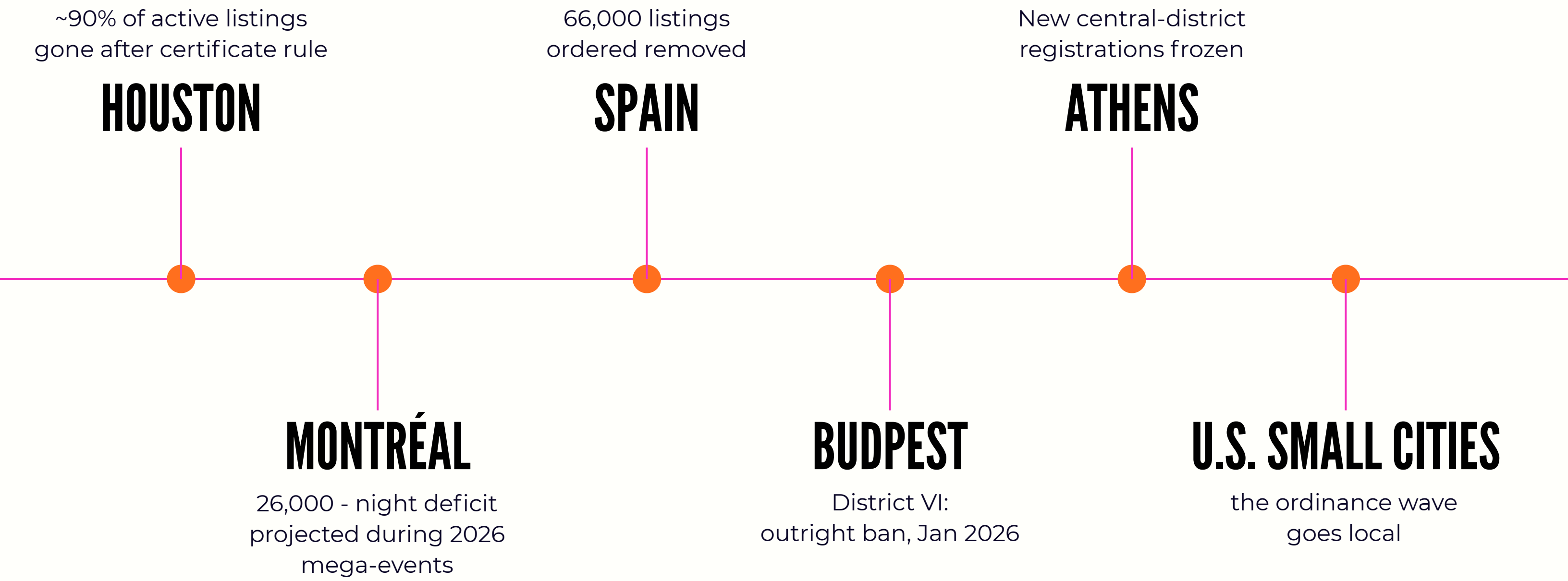
CHAPTER 05

THE POLICY GAP

STR regulation is accelerating everywhere. The problem isn't that the rules exist. It's who isn't in the room when they're written.

Short-term rental regulation is driven by legitimate pressure on housing affordability and neighborhood quality of life. This is no longer a local story: Phocuswright names the sector's shift from lightly regulated expansion to enforcement and scrutiny as one of the three themes anchoring its entire 2026 global outlook [20]. The Lodging Gap is not that regulation exists. It is that regulation is being designed, passed, and implemented largely without destination strategy, visitor-economy data, or DMO leadership in the room, and destinations are absorbing the unintended consequences.

2026: THE YEAR REGULATION OUTRAN STRATEGY



Sources: AirROI [12] Airbnb-commissioned analysis (directional) [13], Minut and press reporting [14].

What 2026 looks like

- **Houston** implemented a certificate requirement that cut active STR listings from more than 22,000 to a few thousand, a roughly 90% contraction in lodging supply executed with little visitor-economy modeling [12].
- **Montréal's** seasonal STR restrictions are projected (in an Airbnb-commissioned analysis) to create a deficit of more than 26,000 accommodation nights during two major 2026 events, at a cost of over $19 million in economic activity: a supply squeeze colliding head-on with mega-event demand [13].
- **Across Europe**, Spain ordered roughly 66,000 non-compliant listings removed, Barcelona plans to phase out tourist flats by 2028, Budapest's District VI banned STRs outright in January 2026, and Athens froze new registrations in central districts: a preview of the regulatory ceiling U.S. destinations may face [14].
- **In the U.S. heartland**, the ordinance wave has moved from gateway cities to small and mid-sized markets, often the destinations most dependent on STR supply and least equipped to model the consequences [12].

The cost of an empty chair

The research shows real trade-offs in both directions. European analysis links STR density to measurable housing-price pressure [15], while restriction studies document lost accommodation capacity, displaced visitor spending, and demand leakage to neighboring jurisdictions. These are exactly the trade-offs a destination organization exists to help its community navigate: with data, with visitor-economy expertise, and with a mandate that spans residents and visitors.

IN THEIR OWN WORDS

"STRs are pretty much ignored by municipalities. Residents don't like them."
"The most fundamental need is a fair regulatory framework that lets STRs thrive without threatening quality of life."
"No alignment between our 9 cities and the county."

DMO leaders on the policy environment, 2026 sentiment research.

When the DMO is absent, the debate defaults to its loudest poles: platforms arguing against any restriction, housing advocates arguing for maximal restriction. The result is policy that swings between extremes, invites litigation, and gets rewritten every cycle. Destinations that have earned a policy seat, through credible data and standing host relationships, consistently land in more durable middle ground: registration and standards rather than bans, caps calibrated to neighborhood context, and tax structures that fund both community needs and destination competitiveness.

MONDAY MORNING

Ask your city and county clerks to automatically flag any STR agenda item to your office. Being in the room starts with knowing when the room meets.

THE TAKEAWAY

Empty chairs don't write policy. If the destination isn't at the table, the visitor economy is represented by whoever shouts loudest.

CHAPTER 06

THE ALIGNMENT GAP

The people already doing your job would like to meet you.

This gap is the most human, and the one we encounter most often in the field. Short-term rental hosts and property managers are, functionally, front-line destination ambassadors. They recommend restaurants, build itineraries, answer pre-arrival questions, and shape first impressions. For millions of visitors, a host is the first and most trusted local voice they encounter, before any visitor center, guide, or campaign. Industry surveys consistently show STR guests reporting higher satisfaction than hotel guests (82% vs. 68%), driven by space, value, kitchens, and location, and mediated by hosts [9]. This is an enormous, unpaid, distributed hospitality workforce already carrying the destination's brand.

FIELD NOTE

Our fieldwork keeps surfacing the same pattern: hosts want to connect. They ask for official visitor guides, event calendars, brand messaging, partnership pathways. And they cannot find a door. No named contact. No host resource page. No invitation. So they improvise, and the visitor experience fragments: mixed recommendations, outdated information, disconnected messaging. The question we now put to every destination team we work with: if a host wanted to connect with you tomorrow, would they know where to go?

The asymmetry no one talks about

Hotels inherited a century of infrastructure for alignment: brand standards, associations, board seats, sales relationships, credentialing. The STR sector, for all its scale, has none of that scaffolding. Our operator research counted five distinct operator types among a small respondent pool, from individual hosts to franchise management brands: a fragmented ecosystem with no unified voice [19]. The sector's public voice defaults to platforms whose interests are global, not local.

This is not an argument for destinations to keep their distance. It is the argument for the opposite. The sector's institutional immaturity is precisely why destination organizations have an outsized opportunity, and we would argue an obligation, to convene, credential, and align it locally, before someone else defines the relationship adversarially.
The destinations that have built the door report compounding returns: better data sharing from managers, calmer regulatory politics, more consistent guest messaging, and a broader advocacy coalition when funding fights arrive. Alignment is the gap that unlocks the other three.

MONDAY MORNING

Publish one page on your website: who hosts should contact, plus three resources they can use today. Then send it to five property managers and ask what's missing. That is a host program, version one.

“

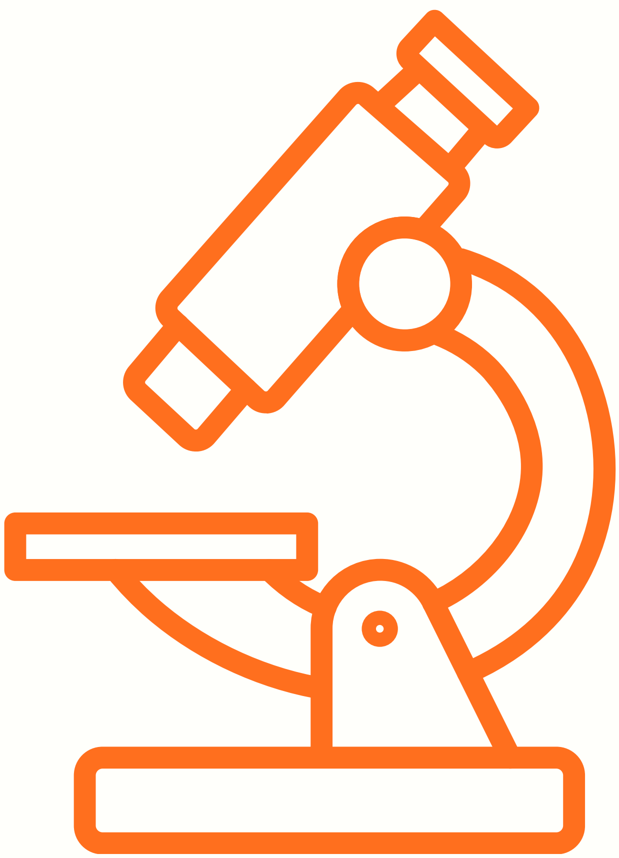
Hosts aren’t asking for money. They’re asking for a door.

CHAPTER 07

INSIDE THE GAP

We stopped guessing what both sides think. We asked them.
Here is what came back.

Most industry reports describe the Lodging Gap from the outside, through listing counts and tax receipts. Through Hosts & Home Teams, our working lab bridging destination organizations and the STR market, we measured it from the inside: an ongoing alignment sentiment study fielded to DMO leaders and STR operators, with respondents across 13 states and growing. The sample is early-wave and directional rather than statistical, but it is unusually senior. On the destination side, 77% of respondents are CEOs, presidents, or senior executives: the decision makers in the room. On the operator side, 57% are professional property managers or operators running rentals as their business, spanning five distinct operator types.



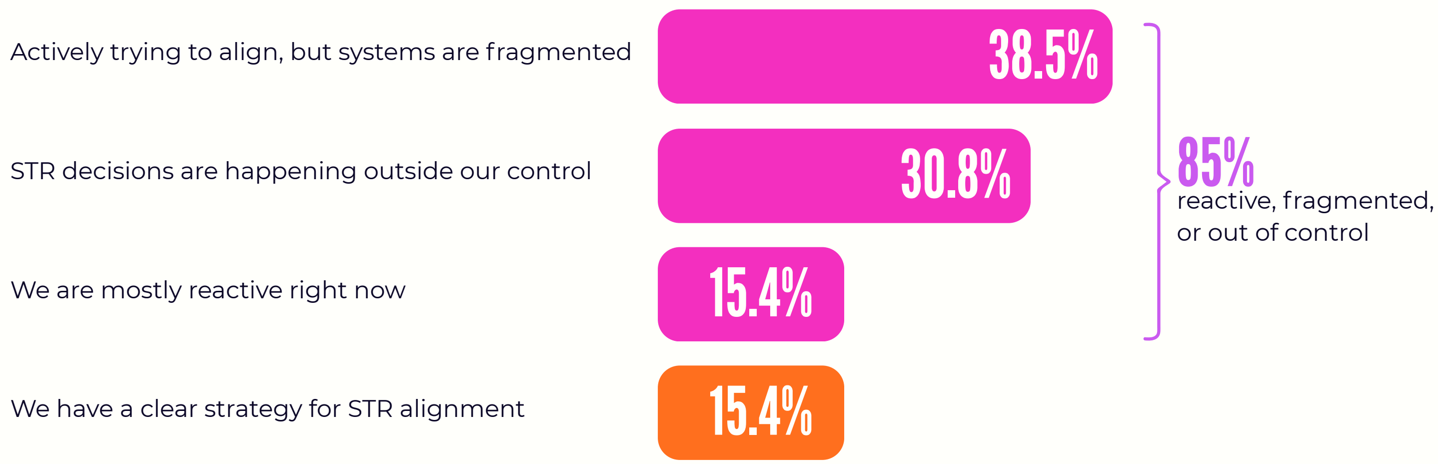
85%

of DMO leaders surveyed describe their STR posture as reactive, fragmented, or outside their control. Only about 1 in 7 has a clear alignment strategy. [19]

What DMO leaders said

WHICH STATEMENT FEELS CLOSEST TO YOUR CURRENT REALITY?

DMO Leaders · 2026 Alignment Sentiment Study [19]



Only about 1 in 7 DMO leaders reports a clear STR alignment strategy.

The gap this report describes is not our diagnosis imposed on an industry. It is the industry's self-diagnosis, acknowledged at the top. Asked what feels most unresolved, leaders pointed at every one of the four gaps, unprompted:

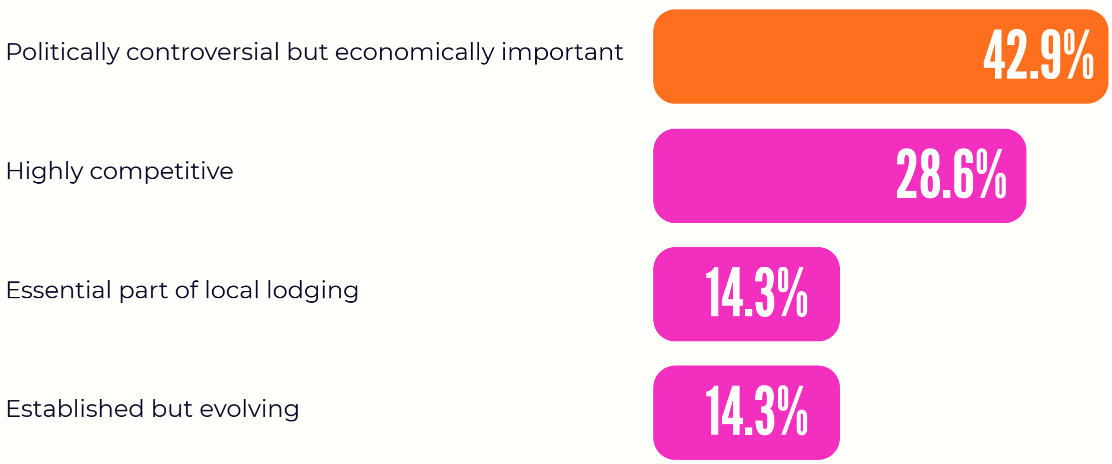
IN THEIR OWN WORDS · DMO LEADERS

"We are not receiving HOT payments from STR companies."
"I have to pay AirDNA to find them, and still don't know who owns them."
"An accurate inventory with contact information."
"No centralized system to communicate with different types of ownership."
"No alignment between our 9 cities and the county."
"Regulations need to be thoughtfully crafted, not cut and paste."
"STRs are pretty much ignored by municipalities. Residents don't like them."
"The most fundamental need is a fair regulatory framework that lets STRs thrive without threatening quality of life."

What operators said

HOW ARE STRS PERCEIVED IN YOUR LOCAL MARKET TODAY?

STR operators · 2026 Alignment Sentiment Study [19]



They know their value. The politics have not caught up.

Operators know exactly where they stand: valued economically, contested politically, and rarely treated as an essential, legitimate part of the lodging ecosystem. Their unresolved issues read like the mirror image of the DMO list:

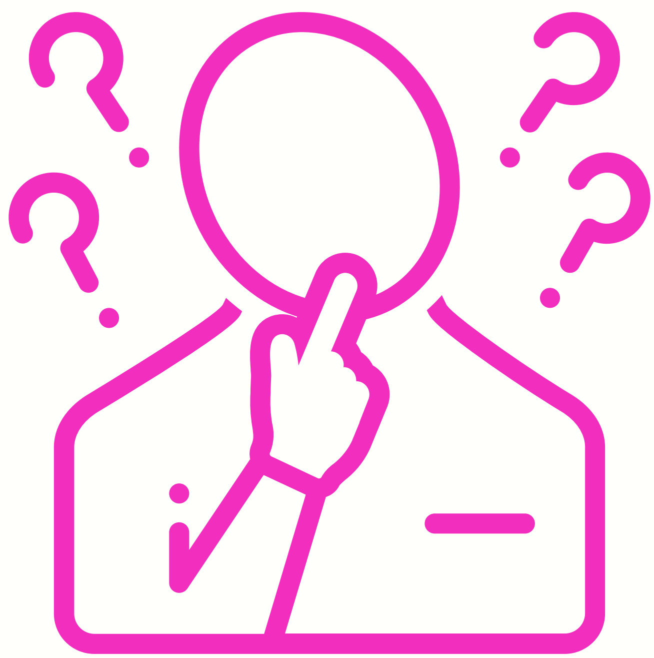
IN THEIR OWN WORDS · OPERATORS

"We need more organization to promote short-term rentals and respond to misinformation."
"The lack of appreciation for our contribution to the economy, and respect for my personal property rights."
"OTAs don't seem to care about us anymore. They have so many customers."
"Lack of accountability for guests."
"Addressing the consumer confidence decline."
"Workforce."

The convergence

Put the two lists side by side and something remarkable appears. Neither side is asking for the other to lose. DMO leaders are not asking for fewer rentals; they are asking for inventory, contacts, communication channels, and thoughtful rules. Operators are not asking for marketing handouts; they are asking for organization, legitimacy, standards, and a voice. Both sides, surveyed separately, describe the same three missing pieces of infrastructure: shared data, a communication channel, and an organized relationship.

That is the most hopeful finding in this report, and the reason Hosts & Home Teams exists. The Lodging Gap persists not because the two sides want different futures, but because no one has been standing in the middle building the connective tissue.



“

Both sides of the Lodging Gap are asking for the same thing. They just have no room in which to ask each other.

ABOUT THIS RESEARCH

The Hosts & Home Teams Alignment Sentiment Study is an ongoing survey fielded by Destination Innovate to destination organization leaders and short-term rental operators, with respondents across 13 states as of August 2026 and collection continuing. Early-wave findings are directional and reported as shares of respondents; verbatim quotes are unedited except for length. Updated waves will be published in future volumes. To add your destination or company to the study, visit destinationinnovate.com.

INTERLUDE

WHAT THE GAP COSTS

Assembled, the evidence describes a single compounding liability. The Lodging Gap costs destinations:

- **Money**: undercounted economic impact weakening funding cases; lodging-tax diversion proceeding without a tourism coalition; visitor spending displaced by blunt regulation.
- **Intelligence**: strategy, forecasting, and crisis response built on a fraction of the lodging base.
- **Influence**: an empty chair in policy debates that reshape lodging supply, the destination's core asset.
- **Experience**: a fragmented visitor journey in which the destination's most numerous front-line ambassadors operate disconnected from destination strategy.
- **Legitimacy**: the quiet erosion of the DMO's claim to speak for the whole visitor economy, when a visible share of that economy has never heard from it.

None of these costs appear as a line item, which is why the gap has been easy to defer. They appear instead as a budget cut here, a surprise ordinance there, an impact study that fails to persuade, a slump no one saw coming in the data. 2026 is making the invisible visible.

CHAPTER 08

THE ALIGNMENT AGENDA

Closing the gap doesn't take a moonshot budget. It takes treating the STR sector like the permanent constituency it already is.

Five moves, in rough sequence. Readers will recognize the Monday Morning items from earlier chapters; these are their full versions.

Count every bed. Commission or license unified lodging data that integrates hotel and STR inventory and performance into one official destination picture. Publish it. Use it in every impact study, board report, and funding conversation. This is the keystone move: every other gap closes faster once the destination owns the full number.

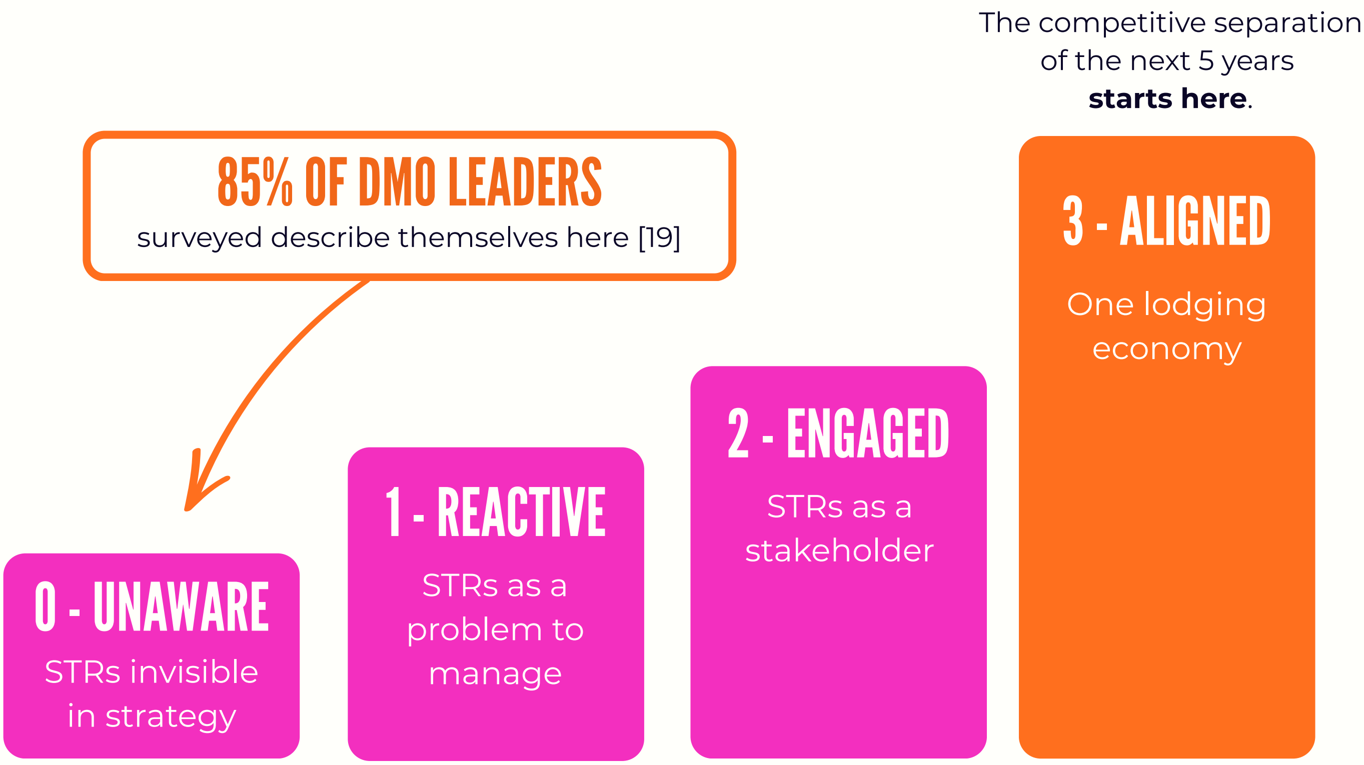
Build the front door for hosts. A named point of contact. A host resource hub with visitor guides, itineraries, event calendars, and brand assets. QR-ready, shareable content hosts can put in their properties. An explicit invitation. The cheapest, fastest-payback item on this list: most of the assets already exist and simply have no pathway to the people who would use them daily.

Formalize the seat at the table, in both directions. Bring STR representation into destination governance (board or advisory seats, standing working groups), and insert the destination into lodging policymaking before ordinances are drafted. Offer local government the thing only a DMO can: neutral data and a mandate that spans residents and visitors.

Rebuild the funding coalition. Assume diversion pressure is coming. Prepare the case now: unified data proving what visitor spending funds, a coalition that includes STR operators and managers alongside hotels, and a proactive position on how visitor revenue can support both community needs and destination competitiveness rather than being framed as either/or.

Raise the standard together. Move the local STR sector toward the professionalism hotels institutionalized decades ago: quality expectations, good-neighbor practices, safety basics, brand alignment. Destinations are the natural conveners of local standards, and credentialing hosts converts a regulatory liability into a marketable asset. This is not just civic hygiene; it is market share. Phocuswright identifies traveler expectations around trust, consistency, and value as one of the forces now rebalancing demand between rentals and hotels [20]. The destinations whose STR product earns trust will win that rebalancing.

THE DESTINATION ALIGNMENT MATURITY MODEL



STAGE	POSTURE	MARKERS
0: Unaware	STRs invisible in strategy	Hotel-only data; no host contact; learns of ordinances after passage; impact studies exclude STR spending.
1: Reactive	STRs as a problem to manage	Engages only during regulatory flashpoints; anecdote-driven; hosts viewed as compliance risk.
2: Engaged	STRs as a stakeholder	STR data subscription in place; host outreach begun; occasional convening; still parallel to core strategy.
3: Aligned	One lodging economy	Unified lodging reporting; host infrastructure and standards program; STR voice in governance; DMO seated in policy design; shared funding advocacy.

The competitive separation of the next five years will come from the destinations that reach Stage 3 first, because alignment compounds: data earns policy credibility, policy credibility earns host trust, host trust earns better data.

CHAPTER 09

WHERE DO YOU STAND?

A destination's Lodging Gap can be measured in an afternoon. Twelve questions. Answer honestly.

DATA

- ◯ Can you state, today, how many active short-term rentals operate in your destination?
- ◯ Does your official occupancy and performance reporting integrate STR and hotel data into one picture?
- ◯ Did your most recent economic impact study include STR guest spending outside of lodging?

FUNDING

- ◯ Do you know what share of your lodging-tax collections comes from STRs?
- ◯ If a diversion measure reached the ballot next year, could you show, with data, what tourism promotion returns to the community?
- ◯ Would any STR operators stand with you in that fight?

POLICY

- ◯ Were you consulted before your community's most recent STR ordinance?
- ◯ Can you model the visitor-economy effect of a proposed cap or ban?
- ◯ Does local government treat your organization as the neutral data source on lodging?

ALIGNMENT

- ◯ If an STR host wanted to connect with your destination, would they know exactly who to contact?
- ◯ Do hosts have access to your visitor guides, event calendars, and brand assets in shareable form?
- ◯ Is the STR sector represented anywhere in your governance structure?

SCORING

10 to 12 yes: You are approaching Stage 3. Publish your model; the industry needs it.
6 to 9 yes: Stage 2. The foundations exist; formalize them before the next funding or policy fight.
3 to 5 yes: Stage 1. You are exposed on at least two gap dimensions.
0 to 2 yes: Stage 0. The gap is running your destination, and you are one ordinance or ballot measure from finding out how much.

CHAPTER 10

THE GAP IS A CHOICE

Unlike demand cycles, air service, and exchange rates, this one is entirely within a destination's control.

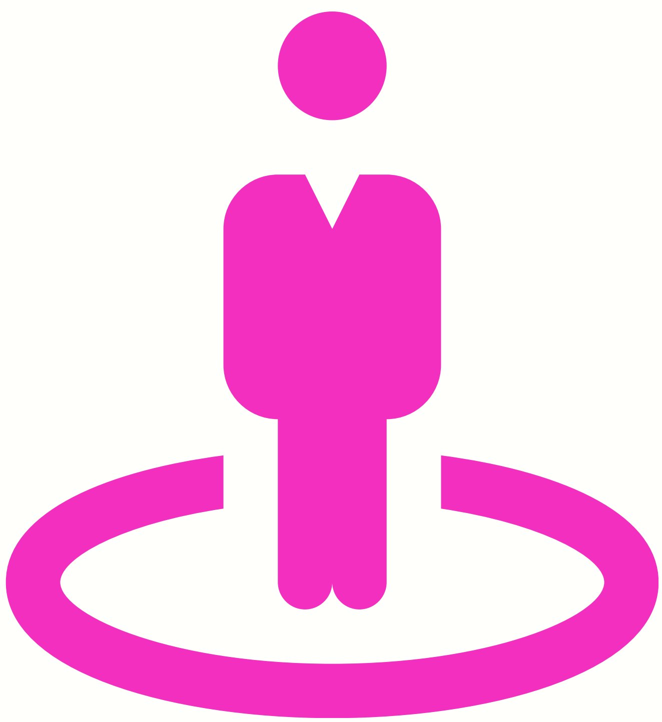
Every argument in this report reduces to one observation: the short-term rental economy became a permanent pillar of the visitor economy, and the institutions of destination management have not yet been rebuilt around that fact. The data contracts, the funding formulas, the board seats, the host relationships: all still assume a lodging economy that no longer exists.

That is uncomfortable. It is also the best strategic news available to destination leaders in 2026. No destination can vote itself more visitors. Any destination can decide to count every bed, build the door for hosts, take the policy seat, rebuild the coalition, and raise the standard. The gap persists only where it is tolerated.

The destinations that move first will own the fullest data in their competitive set, the broadest funding coalition in their statehouse, the most credible voice in their council chambers, and the most cohesive visitor experience in their category. Those advantages compound while competitors are still debating whether STRs are their problem.

Where Destination Innovate stands

A closing note on standing, because it matters. Plenty of firms will sell a destination an STR data feed and call the gap addressed. That is delivering data and leaving, and it is not this work. Destination Innovate is the first firm built to operate inside the Lodging Gap itself: convening DMO leaders and STR operators in the same room through Hosts & Home Teams, fielding the sentiment research in this report, building host engagement infrastructure with destination teams, and staying through implementation. We are boots on the ground in this gap every week, in destinations across the country, doing the alignment work this report prescribes.



“

One destination. One lodging economy. One aligned strategy. That is the whole agenda, and 2026 is the year to start.

ABOUT DESTINATION INNOVATE

Destination Innovate is a tourism strategy firm helping destinations navigate the future of travel. Founded by industry leaders Jenn Barbee and Kristen Cruz, we work at the intersection of destinations, communities, and the short-term rental economy: destination assessments, the Host Alignment Framework, and Hosts & Home Teams, our industry-first working lab bridging destination organizations and the STR market. We call ourselves the Alignment Architects because that is the work: replacing outdated tourism models with strategic clarity, and staying on the ground until alignment is real.

Ready to measure, and close, your destination’s Lodging Gap? Start with a Destination Assessment or bring the Host Alignment Framework to your team: destinationinnovate.com, hostsandhometeams.com, or text 602-834-4993

METHODOLOGY & SOURCES

NOTES AND SOURCES

This report synthesizes publicly available industry research, government and press reporting, Destination Innovate's field work with destination organizations and short-term rental communities, and proprietary findings from the Hosts & Home Teams Alignment Sentiment Study (respondents across 13 states as of August 2026; early-wave results are directional and collection is ongoing). Market statistics reflect the most recent available data as of August 2026; figures drawn from third-party forecasts are labeled as projections. Where a cited analysis was commissioned by an interested party (e.g., platform-commissioned economic studies), that provenance is noted in the text. Nothing in this report constitutes legal or financial advice.

1. Hotel & Leisure Advisors / Hospitality Net, "What's Next for Hospitality in 2026": 2026 U.S. lodging demand vs. supply growth projections. hospitalitynet.org/opinion/4130373

2. PwC, Emerging Trends in Real Estate / U.S. Hospitality Directions (2026): segment bifurcation and hospitality outlook. pwc.com/us/en/industries/consumer-markets/hospitality-leisure/us-hospitality-directions.html

3. AirDNA, U.S. market reviews and 2026 Outlook: demand, occupancy, and RevPAR forecasts. airdna.co/outlook-report

4. AirDNA via PR Newswire, "Steady Demand and Slower New Supply Define U.S. Short-Term Rentals in 2026": listings projections. prnewswire.com

5. Grand View Research, U.S. Short-Term Vacation Rental Market report: market size and forecast. grandviewresearch.com/industry-analysis/us-short-term-vacation-rental-market-report

6. Colorado Sun, "Taxes have never been higher for Colorado vacationers. But little of that revenue is supporting tourism." (Feb. 2026): lodging-tax diversion figures and ski-market occupancy declines. coloradosun.com/2026/02/25/lodging-taxes-tourism-spending

7. Industry estimates of U.S. hotel room supply (~5.6M rooms); see also Lodging Econometrics pipeline reporting. hotelmanagement.net; hotelinteractive.com

8. Key Data via ShortTermRentalz, "US short-term rentals beat hotels in Q2": regional RevPAR comparison. shorttermrentalz.com

9. StayFi / industry survey roundups, Vacation Rental Statistics (2026): guest satisfaction comparisons. stayfi.com

10. Upgraded Points traveler survey: stated lodging preferences among U.S. leisure travelers. upgradedpoints.com/news/airbnb-vs-hotels-traveler-survey

11. Destinations International Futures Study: DMO funding composition (93% public sources). destinationsinternational.org

12. AirROI, "Short-Term Rental Ordinance 2026: The Small-City Wave" and related reporting: Houston ordinance impact on active listings. airroi.com

113. Airbnb-commissioned analysis, "Montréal seasonal short-term rental ban risks millions in tourism revenue": projected 2026 accommodation deficit. (Platform-commissioned; treated as directional.) news.airbnb.com

14. Minut, "A 2026 guide to short-term rental regulations"; press reporting on Spain, Barcelona, Budapest, and Athens measures. minut.com/blog/short-term-rental-regulations

15. FEDEA working paper, "The economic impacts of short-term rentals and regulations" (2026): STR density and housing-price effects in France. documentos.fedea.net/pubs/dt/2026/dt2026-02.pdf

16. Lighthouse, "Short-term rental destination data: success stories from real DMOs": STRs as DMOs' largest data blind spot. mylighthouse.com

17. Key Data, "Collaboration Strategies for Destinations and Property Managers"; Simpleview, "Inform, influence, engage": DMO and STR collaboration practice. keydatadashboard.com; simpleviewinc.com

18. Destination Innovate, "The Host Gap" series, incl. "If a Short-Term Rental Host Wanted to Connect With Your Destination… Would They Know Where to Go?" (Apr. 2026) and "The Standard Was Never Neutral" (May 2026). destinationinnovate.com/blog

19. Destination Innovate / Hosts & Home Teams, Alignment Sentiment Study (2026): DMO leader and STR operator survey findings and verbatims cited throughout. Respondents across 13 states; collection ongoing. destinationinnovate.com

20. Phocuswright, Global Short-Term Rentals 2026; U.S. Consumer Travel Report 2025; Europe Consumer Travel Report 2026; U.S. Hotel and Lodging Market Essentials 2026: global and regional STR gross bookings and forecasts, usage incidence, trip-length trends, and STR-vs-hotel growth comparisons. phocuswright.com

85%

**of DMO leaders surveyed say their STR posture is reactive,
fragmented, or out of their control.**

Only 1 in 7 has a clear alignment strategy.

Volume Two will report who moved.

THE LODGING GAP REPORT · VOLUME ONE · 2026
destinationinnovate.com

PRESS INQUIRIES: jbarbee@destinationinnovate.com

DESTINATION INNOVATE