

CHANNEL STRATEGY

Vrbo's commission is moving to 12%. Here is our plan.

Our starting recommendation is a **14% markup** on Vrbo nightly rates and commissionable fees.

A 12% markup falls short because Vrbo calculates the commission on the marked-up amount. The true breakeven is 13.64%. We round to 14% to build in a small buffer for fees.

We will not lock it in. We will watch booking velocity closely and adjust to keep momentum.

THE MATH • \$100 BASE RATE

Base rate	\$100.00
Breakeven at 13.64% markup	nets \$100.00
Vrbo rate with 14% markup	\$114.00
Vrbo's 12% commission	-\$13.68

Net revenue **\$100.32**

Breakeven markup = $1 \div (1 - 0.12) - 1 = 13.64\%$. Vrbo's 12% includes payment processing on rent and guest fees.

Will bookings drop?

- It may, with a short dip in booking velocity. Not every property manager will add the full markup, so properties that do may be overpriced against part of the market, as we saw when Airbnb moved its fee to property managers.
- The commission itself is not the issue. At 12%, it is below Airbnb's 15.5%.
- Vrbo keeps a smaller traveler fee in most cases, so the total guest price is what matters.

What about rate parity?

Vrbo says parity is not an immediate enforcement concern, so we are not recommending broad direct-channel changes. We will keep monitoring.

What Pacer will monitor

- ✓ Booking velocity, adjusting the markup as needed
- ✓ All-in guest price vs. Airbnb, direct, and Vrbo
- ✓ Discounts and promotions
- ✓ PMS-specific fee handling

How it gets implemented

Setup depends on your PMS. If it supports a separate Vrbo markup for rates and fees, we apply it to both. If not, we will calculate a higher temporary rate markup that covers rent and fees combined.

When it takes effect

The new 12% commission starts **October 29 at 5 p.m. Central**.

Subscription hosts stay on their current model until their term ends.