
FREE GUIDE

Rent vs. Own: The Hotel Operator's PMS Cost Guide

Most hotel companies rent their property management system. The monthly bill looks manageable, so few operators ever add up what it costs over the years they'll actually use it. This guide walks through that math, explains what owning a PMS involves, and gives you a checklist and vendor questions to use whichever way you decide.

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1. What renting a PMS really costs

The headline subscription is only one line on the bill. When you total your PMS cost, include every recurring and one-time charge:

- Per-room fees: a monthly charge for every room, which grows each time you add rooms.
- Per-property fees: a flat monthly charge per location, on top of per-room pricing.
- Add-on modules: features like housekeeping, reporting, or guest messaging that are billed separately.
- Integrations: channel manager, payment gateway, accounting, or door-lock connections with their own fees.
- Setup and onboarding: one-time charges to configure, migrate, and train.
- Price increases at renewal: subscription prices can change when your contract renews.
- Switching costs: the time and money it takes to export your data and move if you ever leave.

Pull your last three PMS invoices and list every line. That number, not the advertised price, is what you're actually paying.

2. Your 5-year cost worksheet

Fill in your own numbers. Five years is a useful horizon because it's roughly how long many operators stay on a system before they consider switching.

Line item	Your numbers	Example: 300 rooms
Per-room fee × rooms (monthly)	\$_____	$\$10 \times 300 = \$3,000$
Per-property fees (monthly)	\$_____	\$0
Add-ons and integrations (monthly)	\$_____	\$0
Total monthly PMS cost	\$_____	\$3,000
× 12 = yearly cost	\$_____	\$36,000
× 60 = 5-year cost	\$_____	\$180,000

The example is illustrative. Use your own invoices. Payment processing fees are separate because you pay them whether you rent or own.

You can also run these numbers with the free calculator at occupancy-labs.com/pms-cost-calculator.

3. What owning a PMS involves

Owning means your company has the code and the data, and there's no license fee. It does not mean the system is free to run. Plan for:

- A one-time build price for the agreed scope.
- Hosting, paid directly to the cloud provider. For most hotel companies this is a small monthly cost compared with a per-room subscription.
- Payment processing fees, the same as with any PMS.

- Maintenance: security updates, changes when third-party services update their APIs, and new features. You can handle this with a maintenance plan, your own developer, or both.

The trade is a one-time investment and modest running costs in exchange for no per-room fees, a system shaped around how you operate, and full control of your data.

4. When owning makes sense, and when it doesn't

Owning tends to pay off when:

- You run enough rooms that per-room fees add up quickly.
- You plan to grow, and don't want software costs to grow with every property.
- Your workflows (billing, reporting, permissions) don't fit off-the-shelf software.
- Owning your data and avoiding lock-in matters to your company.

Renting may be the better choice when you run a small number of rooms with a low monthly bill, or when your current system already fits your operation well. Run your own numbers before deciding.

5. PMS migration checklist

1. Confirm what your current contract says about notice periods, renewal dates, and data export.
2. Export rooms, rates, guest profiles, reservations (past and future), and open balances.
3. List every integration: channel manager, payments, door locks, accounting, messaging.
4. Write down the workflows your team relies on daily, including the workarounds.
5. Agree on a cutover date that avoids your busiest days.
6. Run the new system against real data and reconcile balances before go-live.
7. Train front desk, housekeeping, and managers before cutover, not after.
8. Keep read-only access to your old system until you've confirmed everything moved over.

6. Questions to ask any PMS vendor

- Who owns our data, and in what format can we export all of it?
- What is the full monthly cost at our room count, including every add-on we'd need?
- How much can the price increase at renewal, and is that written into the contract?
- What are the notice period and fees if we decide to leave?
- Which integrations are included, and which cost extra?
- Can we access our data through an API?
- What security certifications does your infrastructure hold, and how is card data handled?
- What support is included, and what are the response times?

If you'd like a fixed-price quote for a PMS your company owns, book a 30-minute build call at occupancy-labs.com. We'll review your current PMS and bill, map your must-haves, and give you a price, scope, and launch date in writing.