

Short Term Rentals trends from Transparent

August 2023

VisitBritain/VisitEngland Research



August 2023 | Four key insights

- August saw relatively **stable post-COVID growth** in both the supply of UK short term rentals, and the volume of nights being reserved (18% and 36% respectively). The value of the sector also continues to accelerate, with strong growth seen in average daily rates charged, and average revenue per property.
- Performance continues to be generally strong across the UK, with **London and Scotland** the only destinations whose supply of properties fell below 2019 levels in August 2023 (-3% and -6%), however London has been moving closer to 2019 levels each month. The strongest post-COVID growth in supply of properties in this month was seen from the **East Midlands**, with this region also seeing strong growth in reserved nights.
- Share of international travellers in the number of reviews left for short term rental properties appears relatively stable since May (with 34% in August), with top inbound source markets being the **US, Germany, and France**. The **APAC region** gained 3 percentage points of share in August compared to the previous year, with the Americas losing 3 points in kind.
- Stays in short term rental properties continue to be **longer in 2023** compared to 2019 (7.1 nights in August 2023 vs. 5.1 nights in August 2019), with the average property size being reserved also increasing.

About this data



Transparent Intelligence track over 35 million vacation rental listings worldwide and maintain a proprietary database of hundreds of thousands of reservations tracked by month. Listings on the four major short term rental platforms are tracked: Airbnb, Booking.com, Vrbo and TripAdvisor. Listings data is deduplicated when the same property is being advertised on more than one platform.

The UK Government defines a short term rental property as *‘a dwelling, or part of a dwelling, provided by a host to a guest, for use as accommodation other than the guest’s only or principal residence, in return for payment, in the course of a trade or business carried on by the host’*.

VisitBritain/VisitEngland receives this data on a monthly level, with metrics covering the overall supply of short term rental properties across the UK, as well as a selection of performance metrics. We are also able to gather some learnings about the types of trips taking place. Historical data is available back to 2019, with future performance also available for up to 1 year in the future. We have limited future performance data shown in this report to three months in the future in order to ensure reliability, based on guidance from Transparent.

Caveats for Transparent Intelligence data:

- Transparent estimates that roughly 20% of the global demand for accommodation in 2021 was driven by short-term rentals, meaning that the data in this report should ideally be considered in tandem with insights that VisitBritain/VisitEngland receives from STR on the [performance of serviced accommodation](#) in England in order to gain a fuller picture.
- Please note that all data in this report is based on listings from Airbnb, Booking.com, Vrbo, and TripAdvisor, apart from guest origin data from slides 16-19, which is from Airbnb only.
- Patterns in supply and performance may be impacted by existing regulations relevant to the short term rental sector which currently differ across the UK. Read more on regulations in [Scotland](#) and [London](#).

This report can be freely shared, as long as Transparent Intelligence is cited as the source.

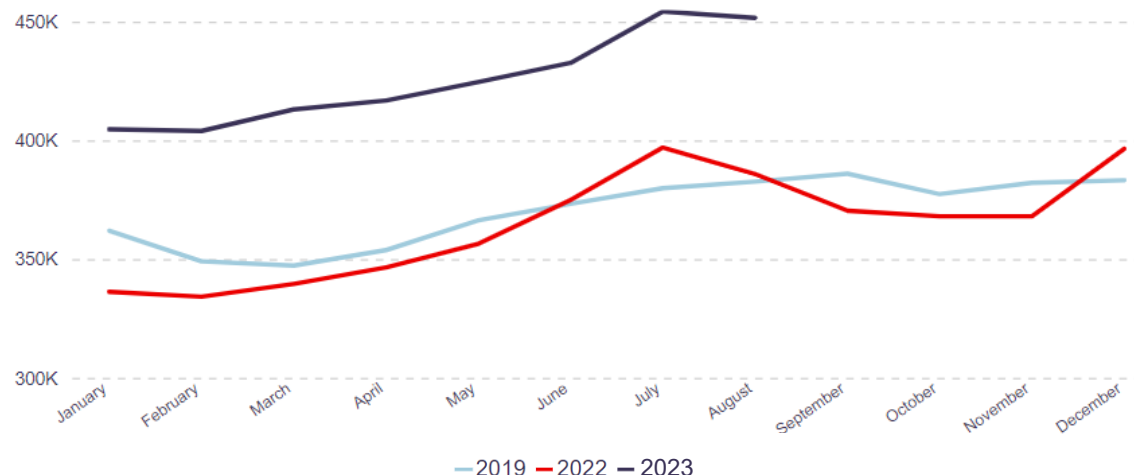
This report is based on data which is up to date as of the end of August 2023.

Latest trends

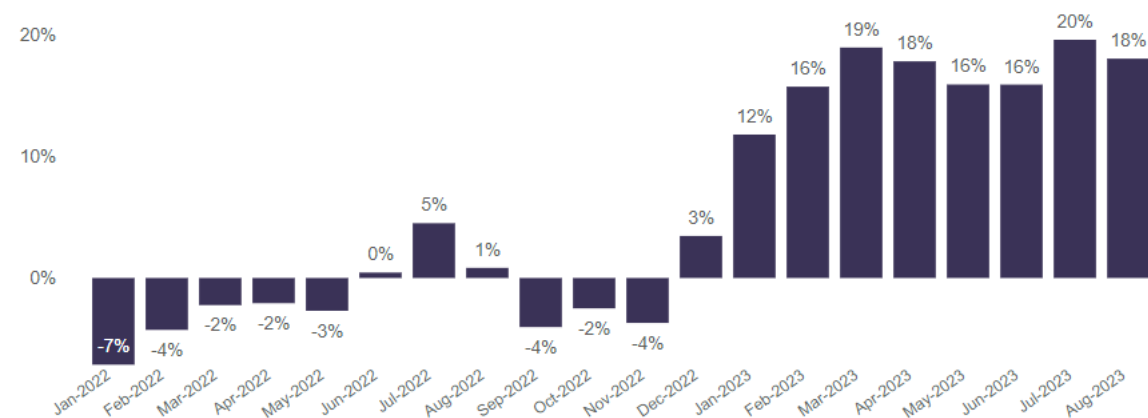


Supply | Growth in supply of short term rental properties relatively stable in August

Total supply of short term rental properties in the UK (000s)



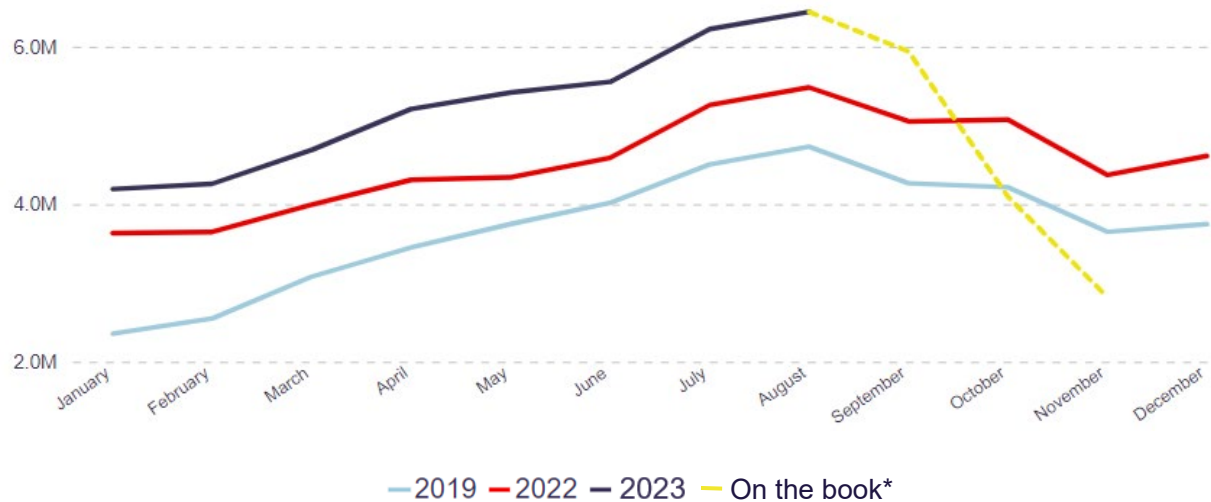
Percentage change in supply of short term rental properties vs. 2019



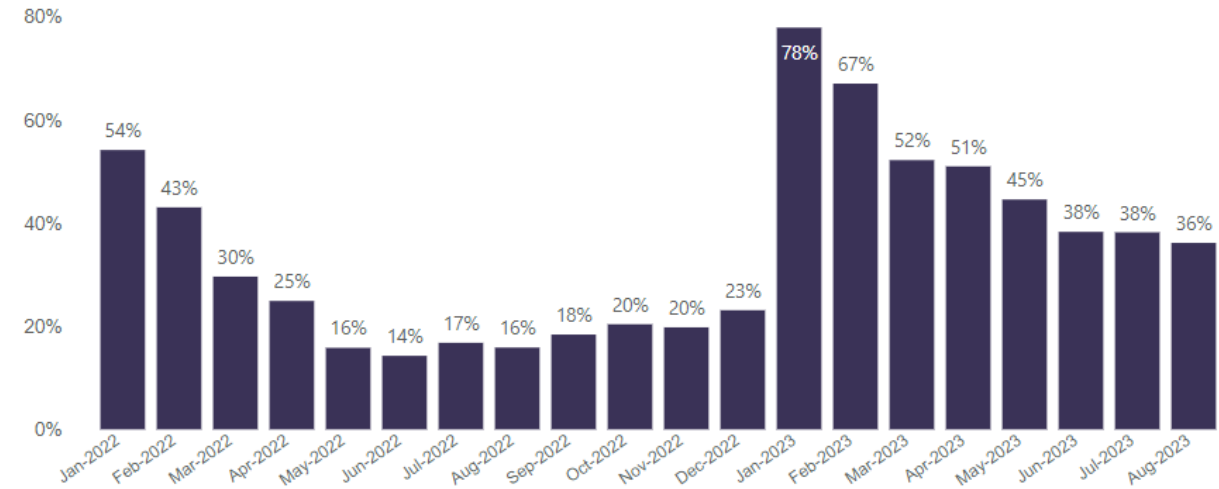
- The supply of short term rental properties across the UK started to show growth vs. 2019 within 2022, and consistent growth has been seen in 2023 so far. In August 2023, there were over 451,000 short term rental properties across the UK.
- Growth within 2023 stayed relatively stable in August compared to July (18% vs. 20%).

Reserved nights | Demand for nights in short term rental properties growing at a faster rate than supply, but growth rates have stabilised

Total nights reserved in short term rental properties in the UK (millions)



Growth in nights reserved in short term rental properties vs. 2019

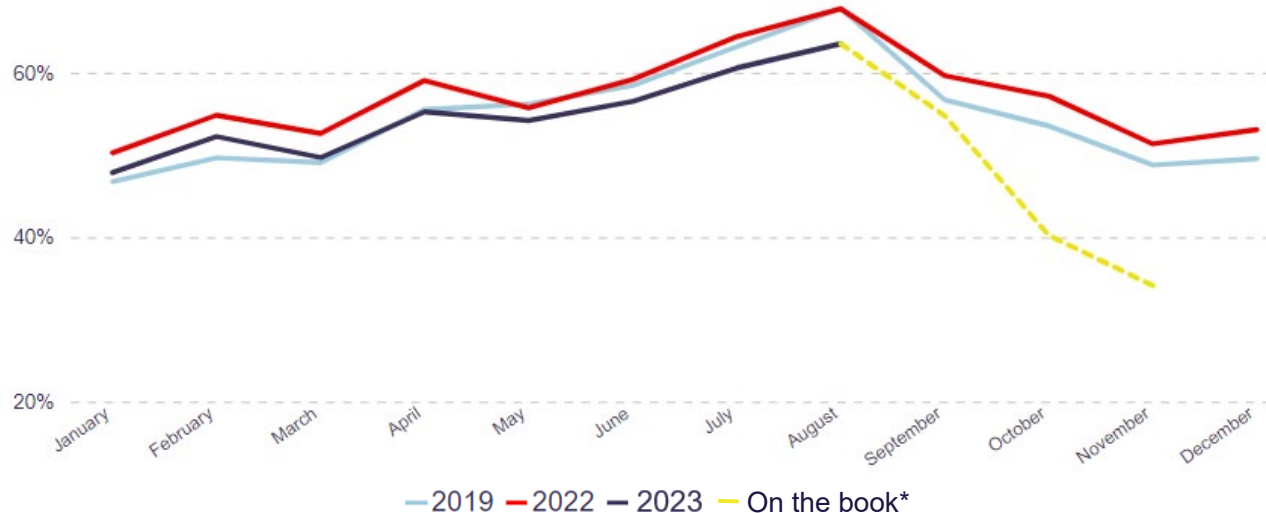


- Early 2023 saw a particularly strong boost in the volume of nights reserved: exceeding 2019 levels by 78% in January, and 67% in February. Since then, we have seen growth rates reduce, to rest at 36% in August. 6.4 million nights were reserved in short term rental properties for the month of August 2023.
- Reservations made for the next three months are, so far, below August's peak, however, 4.1 million nights have already been reserved for October 2023 as of the end of August.

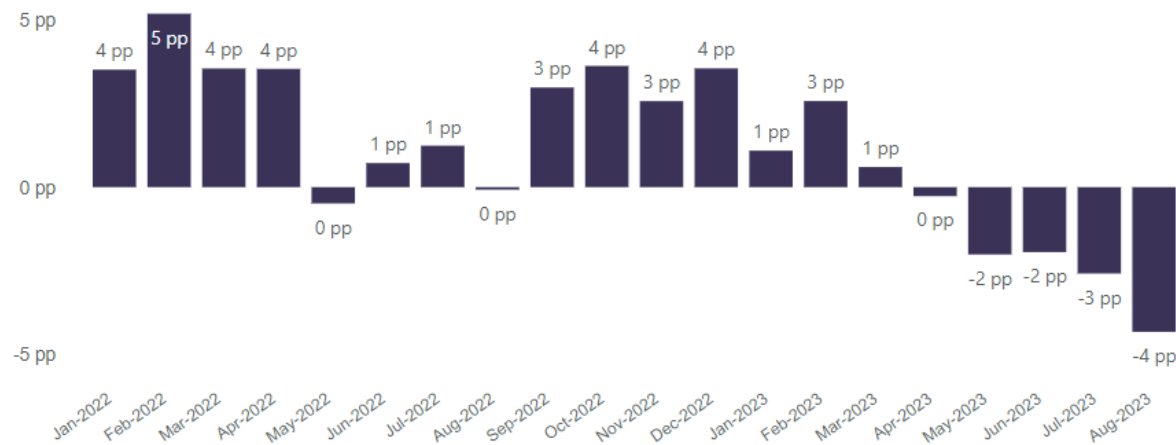
*Nights already reserved for future months as of August 2023. We can expect volumes to increase in the future as more bookings are made.

Occupancy | Occupancy rates increasing as the year continues, but falling below 2019 trends

Occupancy rates for short term rental properties



Percentage point change in occupancy rates for short term rental properties vs. 2019

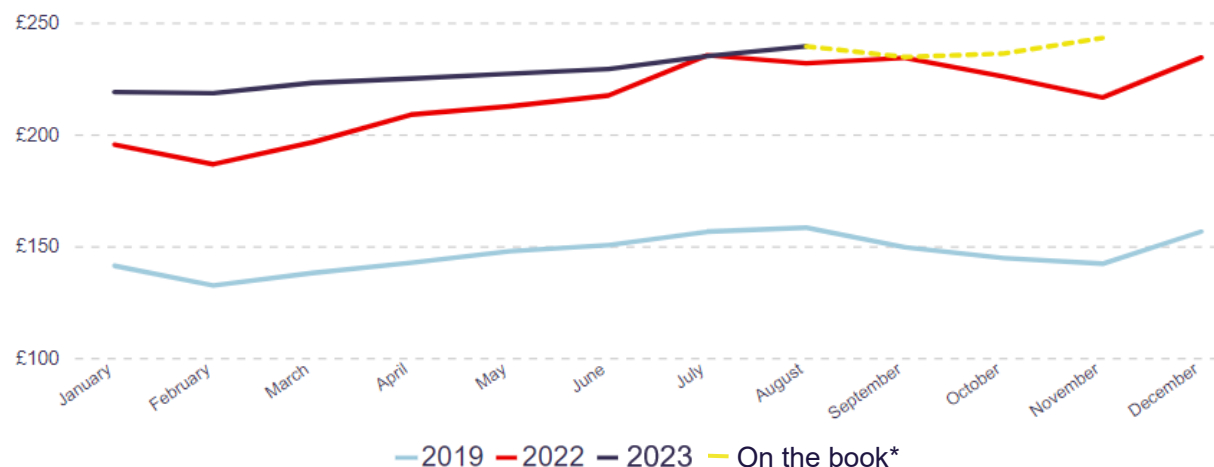


- Occupancy rates of short term rental properties exceeded 2019 levels in most months throughout 2022. However, in early 2023, occupancy rates have started to decline vs. 2019, and this gap is increasing as the year progresses.
- Occupancy rates have been increasing as the year continues – with 48% occupancy seen in January, but 64% seen in August. Looking at bookings for the future, 34% occupancy has already been achieved for November as of bookings made before the end of August 2023.

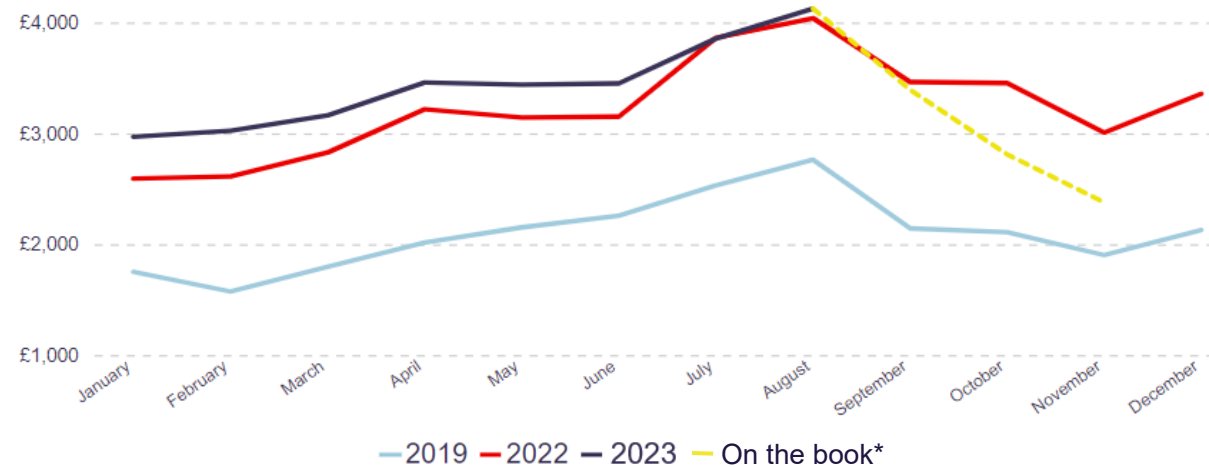
*Occupancy rates based on bookings in future months as of August 2023. We can expect occupancy to increase in the future as more bookings are made.

Average daily rate and revenue per property | Strong growth in rates paid for, and revenue from, short term rental properties continues in 2023

Average daily rate of short term rental properties in the UK (£)



Average revenue per short term rental property in the UK (£)



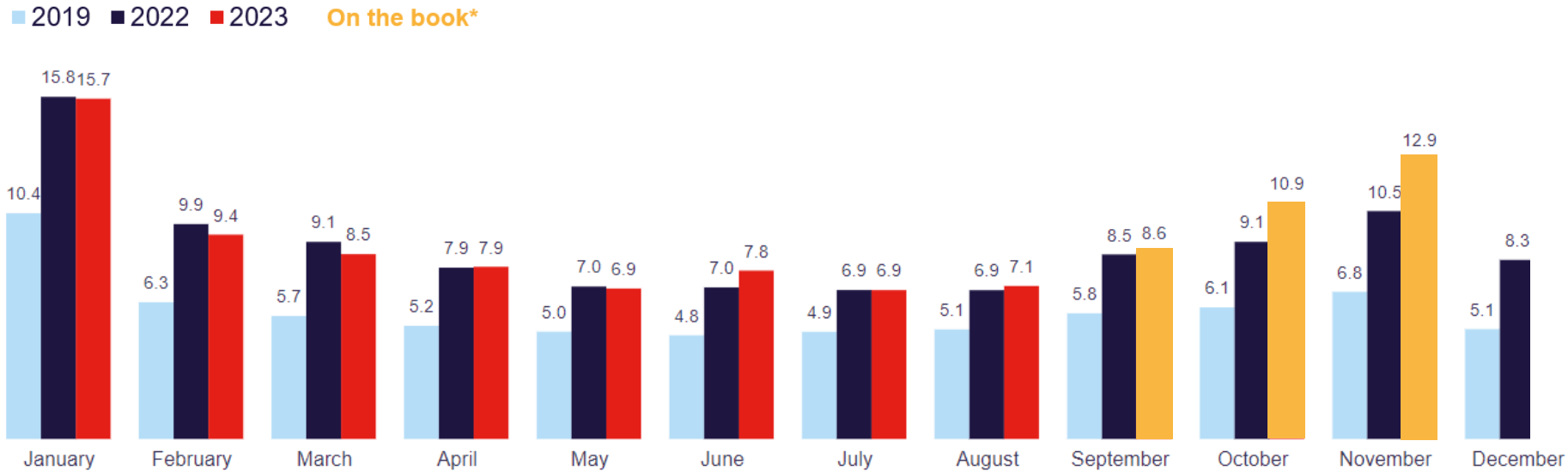
- ADR and average revenue for short term rental properties have exceeded 2019 levels throughout 2023 so far, with ADR growing by 51% in August 2023 vs. the same month in 2019, and average revenue growing by 50% in that time. This growth outpaced the rate of inflation during the same period (21%).
- ADR in August 2023 was £239, with ADR associated with bookings in future months set to stay close to this.
- Average revenue per property in August 2023 was £4,125. Average revenue associated with stays 'on the book' in the upcoming months as of August 2023 is lower than in previous months, however this is likely to change as more bookings are made.

Note: ADR = average daily rate, representing the average nightly price when the data was flagged as booked, not including fees or discounts. Average revenue per property = the sum nightly price per property when booked, not including fees or discounts. Both metrics from Transparent data are in US dollars, which have been converted here using exchange rates from the Bank of England.

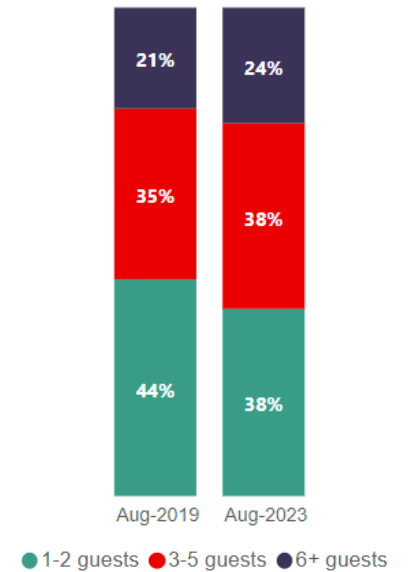
**Average daily rate for bookings in future months as of August 2023. Metrics may change in the future as more bookings are made.*

Trip characteristics | Average length of stay and party size continue to exceed 2019 levels

Average length of stay in short term rental properties in the UK (nights)



Average property capacity**



- The average length of stay in short term rental properties has exceeded what was seen in 2019 throughout 2023 so far. The longest average length of stay in 2023 so far was in January, at 15.7 nights, and length of stay has been relatively volatile throughout summer.
- The average property capacity booked by guests in August 2023 is larger compared to the same month in 2019, which may suggest a boost in party size. The proportion of properties booked which cater for 1-2 guests decreased by 6 percentage points compared to 2019.

*Average length of stay based on bookings in future months as of August 2023. Length of stay may change in the future as more bookings are made

**According to number of nights reserved.

UK destination trends

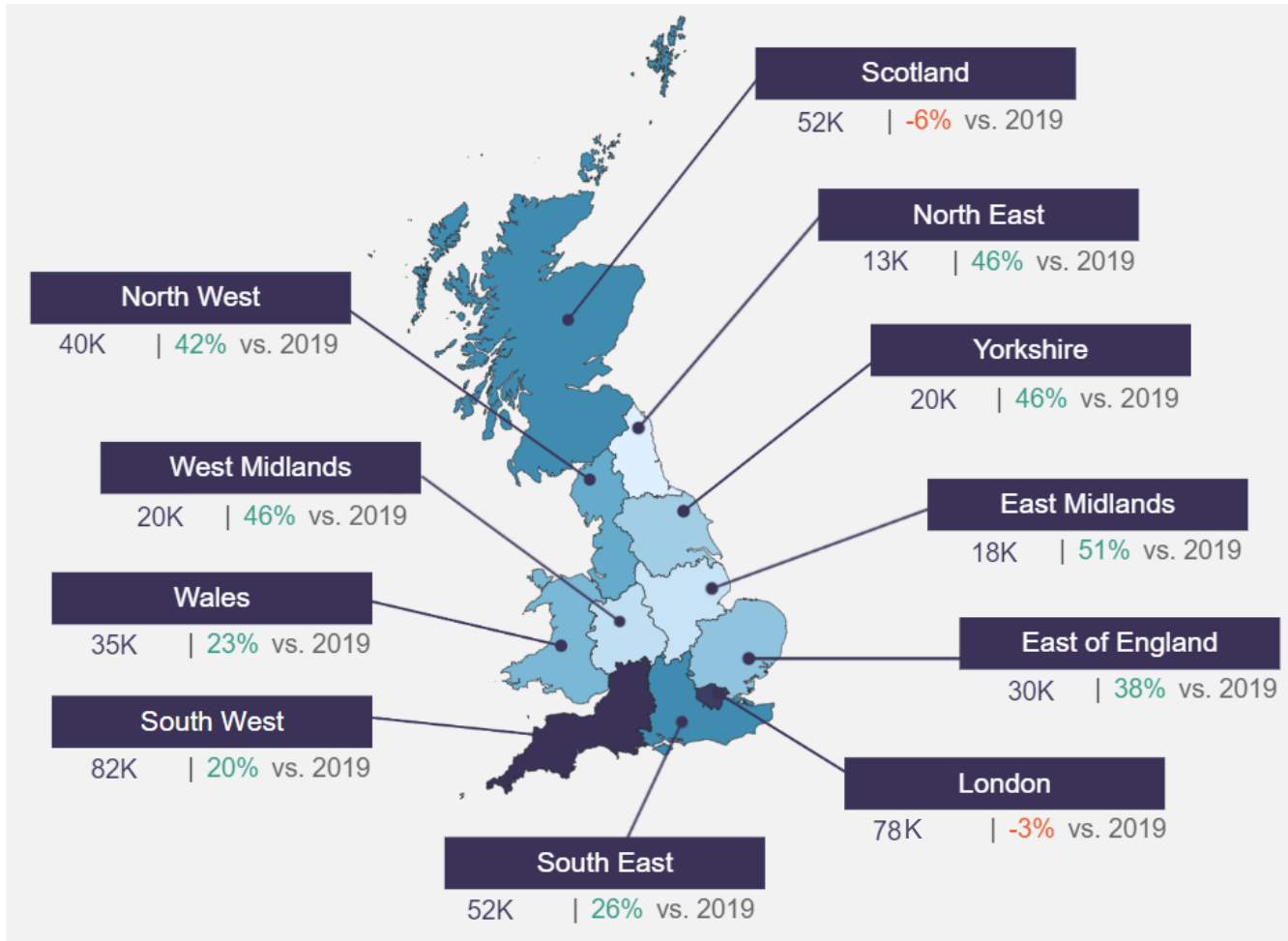


Supply | London yet to regain pre-COVID volumes of supply, with Scotland also seeing declines since spring, but all other destinations significantly exceeding 2019 levels

Change in total volumes of properties vs. the same months in 2019

Region	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023
East Midlands	25%	20%	22%	21%	29%	46%	47%	49%	49%	46%	49%	52%	51%
East of England	15%	8%	7%	6%	17%	30%	33%	37%	37%	35%	37%	39%	38%
London	-34%	-38%	-35%	-34%	-29%	-25%	-20%	-13%	-12%	-16%	-12%	-4%	-3%
North East	21%	18%	17%	13%	28%	43%	48%	48%	49%	49%	45%	54%	46%
North West	15%	11%	14%	15%	21%	30%	35%	40%	42%	41%	40%	46%	42%
Scotland	-5%	-7%	-5%	-7%	-6%	-3%	1%	2%	0%	-1%	-5%	-4%	-6%
South East	11%	4%	4%	3%	10%	19%	24%	25%	24%	24%	23%	26%	26%
South West	10%	4%	4%	1%	12%	24%	27%	27%	23%	25%	21%	22%	20%
Wales	11%	6%	6%	4%	15%	25%	26%	29%	27%	23%	24%	24%	23%
West Midlands	24%	17%	18%	17%	26%	47%	46%	49%	48%	44%	44%	48%	46%
Yorkshire & the Humber	24%	19%	21%	18%	27%	45%	41%	45%	43%	43%	47%	48%	44%

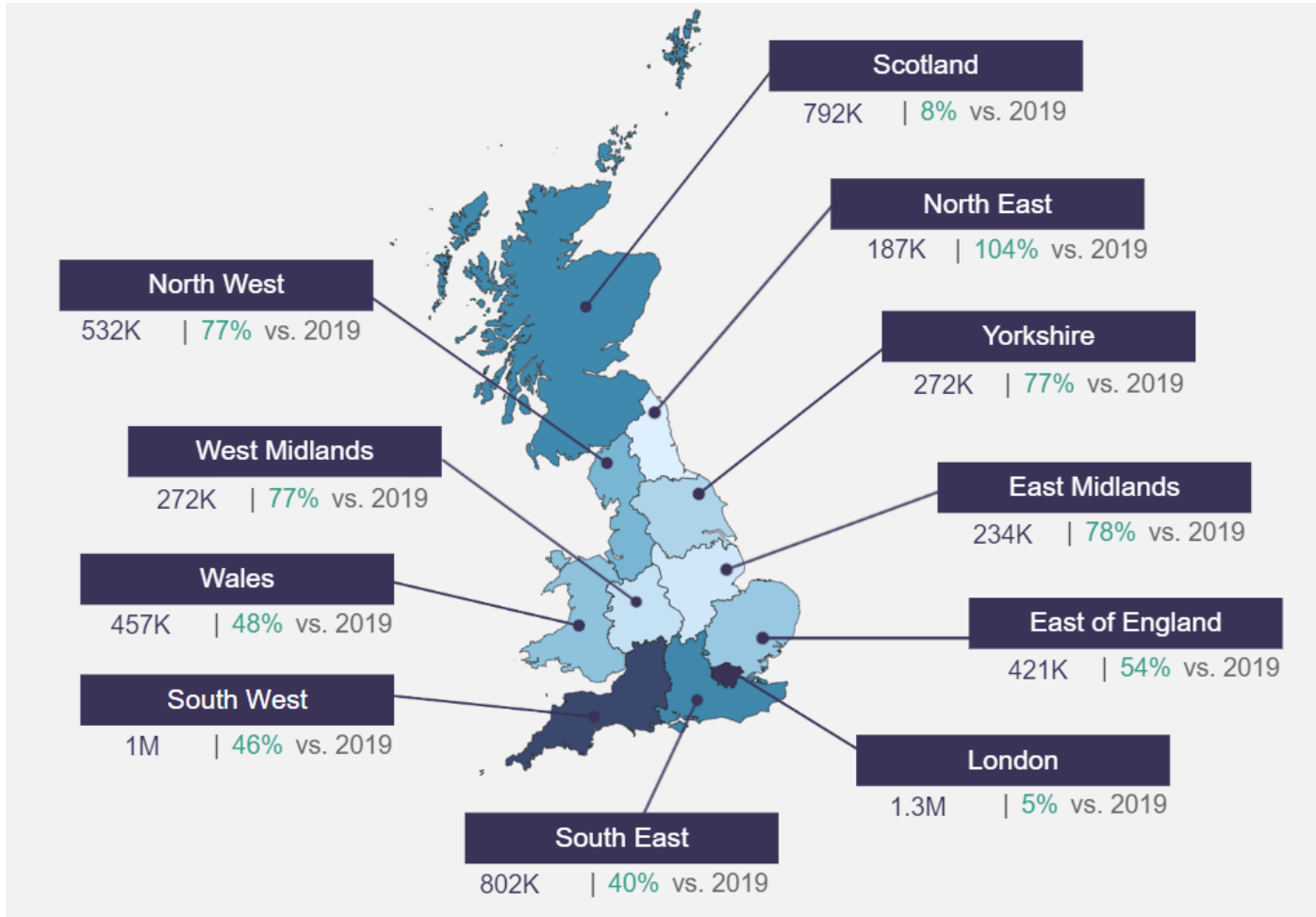
Supply in August 23 | Strongest growth in supply vs. 2019 seen from the East Midlands



- Looking across the UK in August 2023, supply of short term rental properties is most likely to be clustered in the South West and London. These destinations hold 82,000 properties and 78,000 properties respectively.
- The lowest number of short term rental properties are found in the North East, East Midlands, and West Midlands.
- In August 2023, most UK destinations are seeing growth in supply vs. the same month in 2019. The most growth is seen in the East Midlands (51%), North East, West Midlands, and Yorkshire (all 46%).
- In contrast, London and Scotland are behind 2019 levels by 3% and 6% in August.

Note: map colour coding is based on volumes of supply between regions

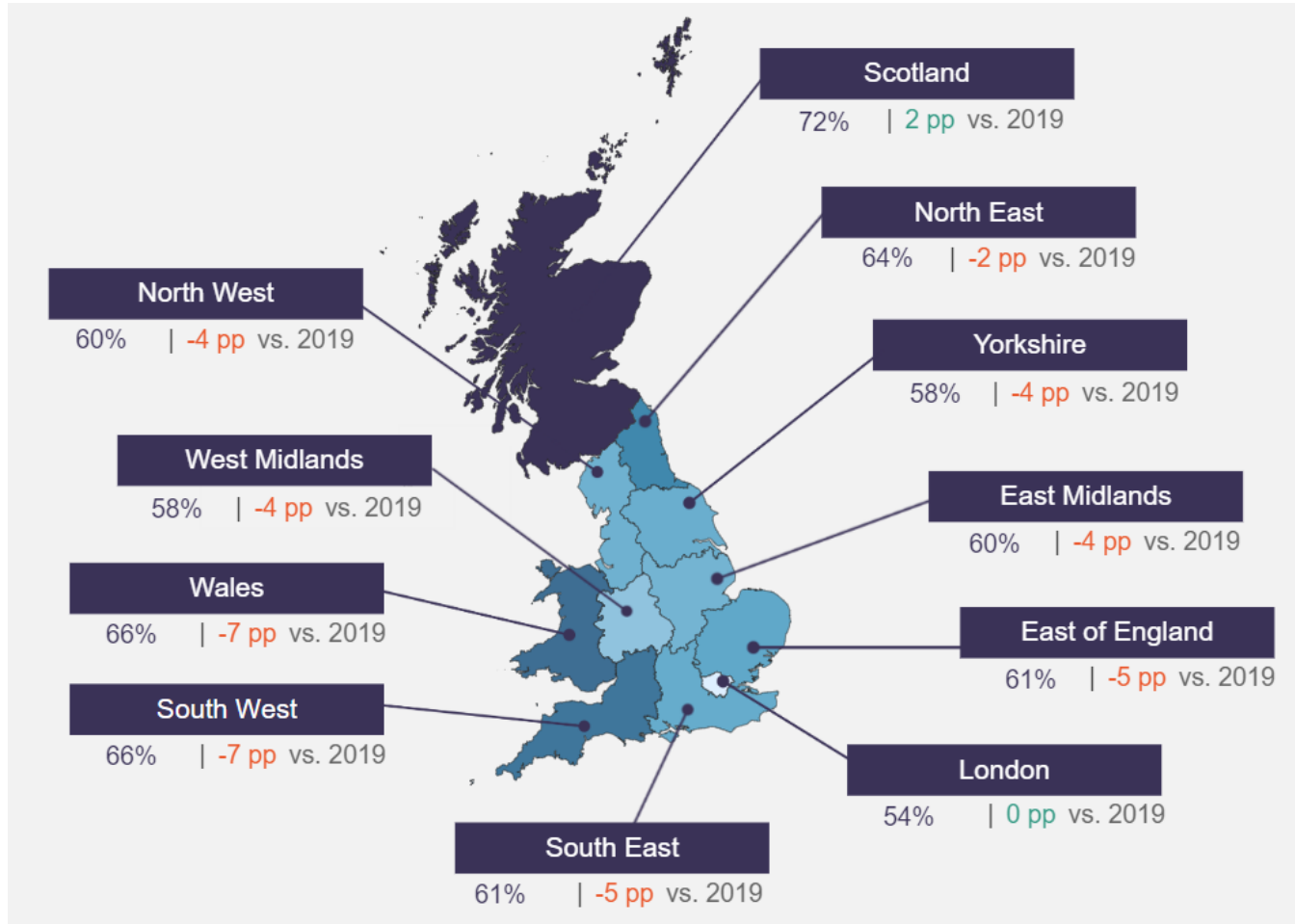
Reserved nights in August 23 | North East and East Midlands seeing strongest growth in reserved nights vs. 2019



- The spread of nights reserved across the UK follows a similar trend to that of supply, with the most nights being reserved in London and the South West in August 2023 (1.3 million and 1 million respectively).
- The lowest number of nights were reserved in the North East, East Midlands and West Midlands in that month.
- The volume of nights reserved was significantly higher across the UK in August 2023 compared to the same month in 2019, with the most growth being seen from the North East (104%) and East Midlands (78%).

Note: map colour coding is based on volumes of reserved nights between regions

Occupancy in August 23 | Highest occupancy rates in Scotland and Wales, with Scotland the only destination seeing growth vs. 2019

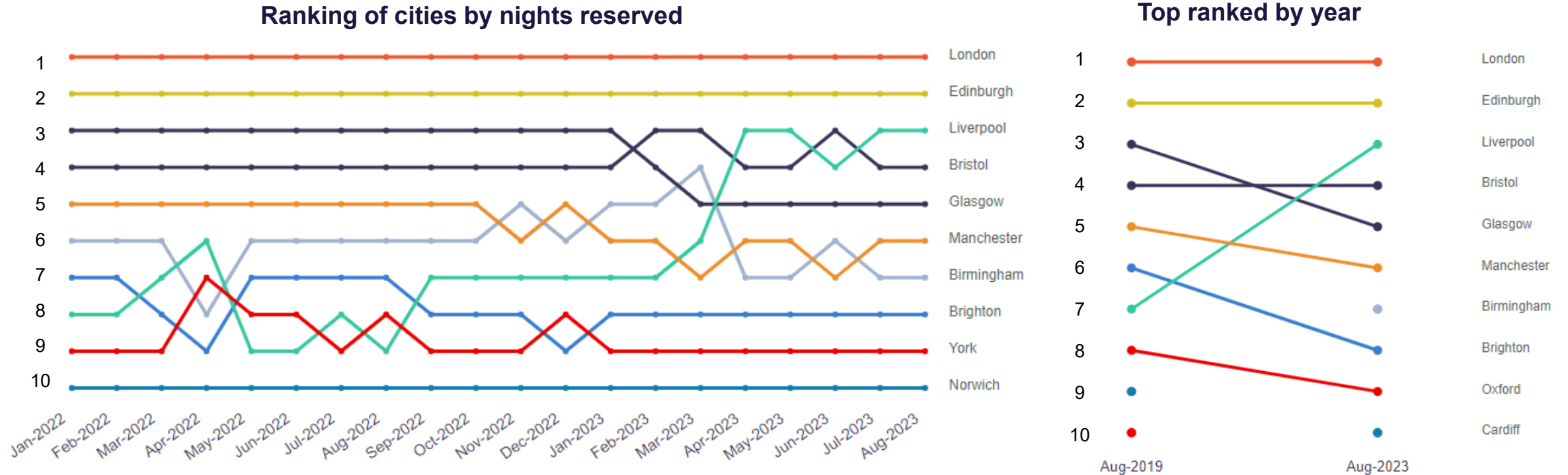


- Trends in occupancy rates across UK destinations in August differ compared to those seen for supply and nights reserved.
- The highest rates of occupancy are seen in Scotland and Wales, with the lowest rates seen in London, the West Midlands, and the East Midlands.
- The majority of UK destinations saw a decline in occupancy rates when comparing August 2023 with August 2019, with the South West and Wales seeing the steepest declines at -7 percentage points each.
- In contrast, Scotland is the only UK destination seeing a growth in occupancy in the same period (2 percentage points), with London's occupancy rate matching the same month in 2019.

pp = percentage point change

Note: map colour coding is based on occupancy rates between regions

Top cities | London and Edinburgh dominant, with Liverpool, Bristol, and Glasgow next most popular



- In August 2023, the most popular UK cities when it comes to nights reserved in short term rental properties were London, Edinburgh, and Liverpool. Liverpool has seen a significant increase in ranking when compared to starting 2022 at 8th.
- When comparing the top 10 UK cities in August 2023 with the same month pre-COVID, we can see Liverpool climbing 4 ranks, whereas Glasgow, Manchester, Brighton, and Oxford have lost ranks.

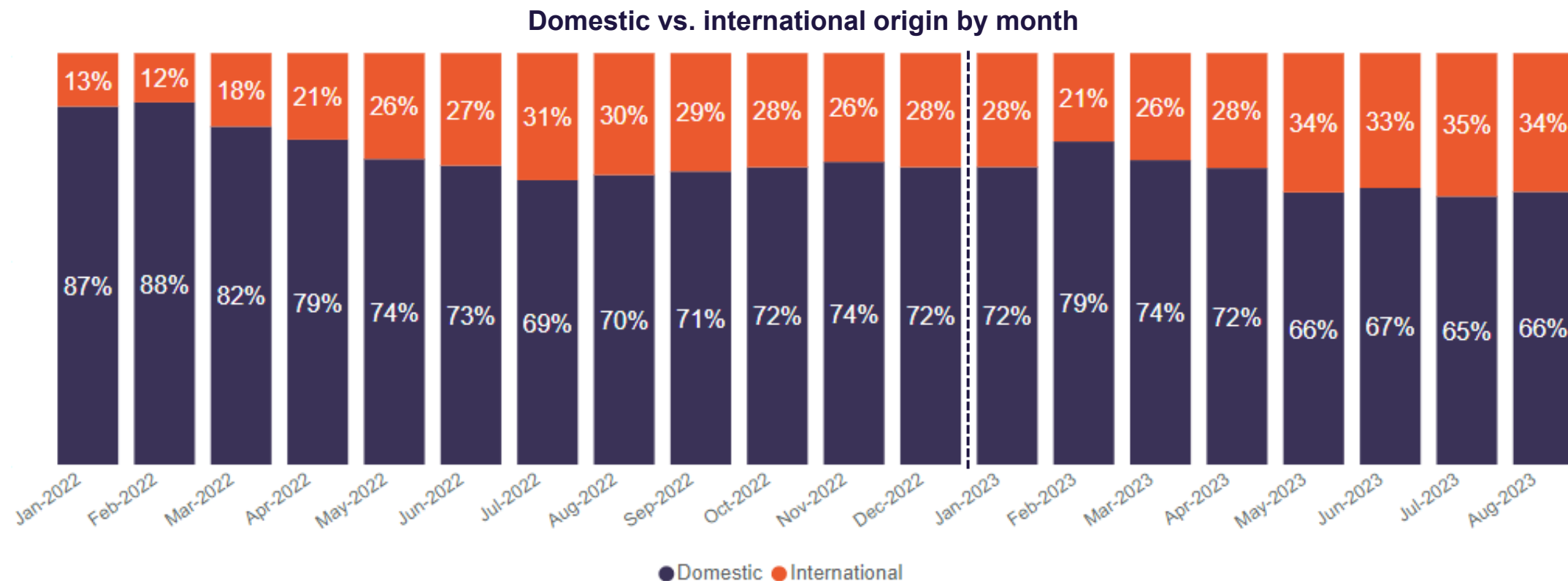
*Ranking according to reserved nights

Guest origin trends

Note: Guest origin data is extracted from information on the public profile of guests who review their stays on Airbnb. The dates included in the data are relevant to the dates of the stay being reviewed. This data can help us estimate the prominence of different origin markets among those booking short term rental properties. Airbnb estimates that two thirds of guests leave reviews, however there is no data available on whether certain origin markets are more likely to leave reviews than others. We also cannot control whether origin information included on a guest's profile is inaccurate or out of date.



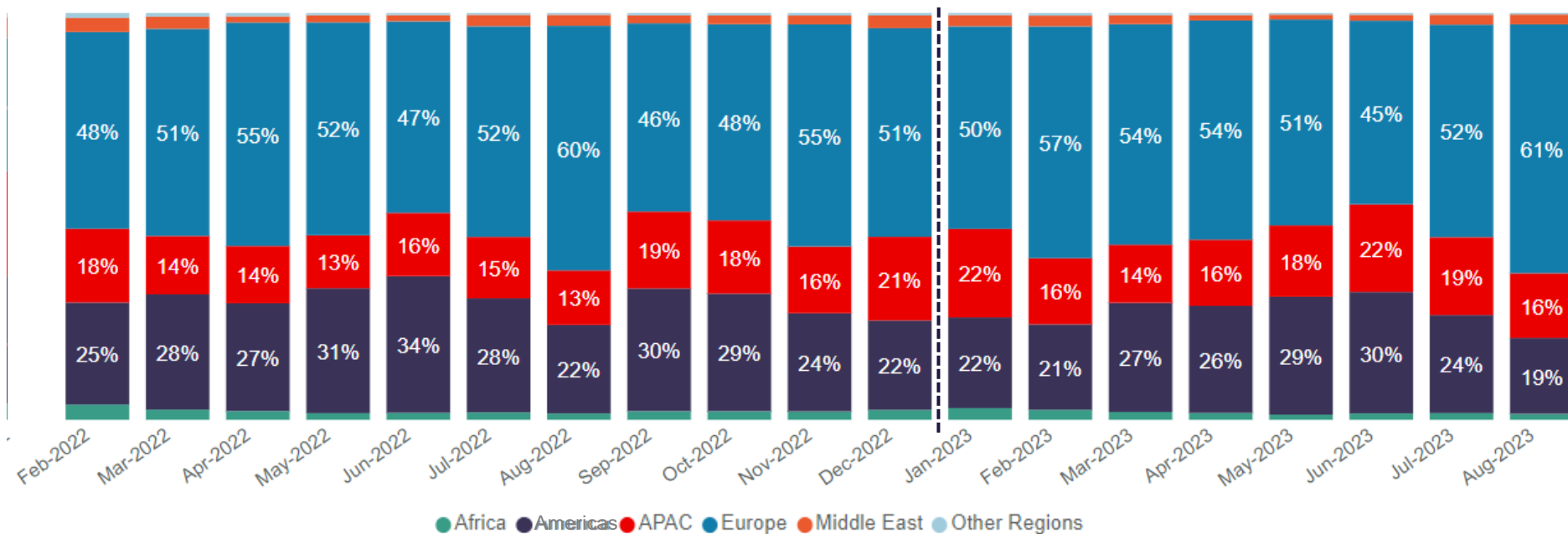
Overview | Over a third of reviews left by inbound travellers in August 2023



- Information from guest reviews suggests that the proportion of domestic travellers staying in UK short term rental properties reduced throughout 2022, with an increase in kind in the number of international travellers coming to the UK.
- The share of international travellers has increased further in 2023, with August 2023 seeing a 34% share for this segment, which is relatively stable compared to the last few months.

Overview | Europe is the leading origin region for inbound travel, with the US, Germany, and France top individual markets

International origin region by month (excludes domestic origin)



Top origin markets (Aug 23)*

1	United Kingdom
2	United States
3	Germany
4	France
5	Australia
6	Netherlands
7	Spain
8	Canada
9	Italy
10	Switzerland

- Information from guest reviews suggests that inbound travellers from Europe (excluding the UK) have been the most dominant in 2023 so far. Following this comes travellers from the Americas, then APAC, the Middle East, Africa, and finally other regions.
- When comparing origin trends in August 2023 with the same month in 2022, we can see APAC gaining 3 percentage points of share, with the Americas losing 3 percentage points in kind.
- In August 2023, the top five international origin markets who left reviews for short term rental properties were the United States, Germany, France, Australia, and the Netherlands.

*Ranking according to reserved nights

In detail | In July, the GCC markets saw the strongest growth vs. 2019

Number of reviews vs. same period in 2019

- The growth seen in the number of reviews left by domestic travellers has remained increased somewhat between June and July (9% to 13%).
- In July 2023, the inbound markets seeing the strongest growth in the volume of reviews left were from the GCC region (Qatar, Saudi Arabia, and the United Arab Emirates). The Netherlands and Australia also saw growth.
- Most markets saw declines vs. 2019, with this being most marked from Russia (-72%), and China (-58%).

Please note: due to an expected lag in travellers leaving reviews after their trips are over, this report will show market level reviews one month behind the data available in order to showcase a more robust trend

Market	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023
Australia	-12%	-4%	5%	1%	10%	4%	4%
Austria	-17%	-24%	-14%	-6%	16%	-13%	-17%
Belgium	-12%	3%	-36%	-15%	51%	-27%	-3%
Brazil	11%	16%	24%	29%	31%	9%	-2%
Canada	-15%	-23%	-18%	-9%	-15%	-19%	-19%
China	-61%	-80%	-55%	-60%	-51%	-65%	-58%
Denmark	-30%	-20%	-33%	-19%	-6%	-25%	-12%
France	-40%	-26%	-35%	-21%	-1%	-28%	-13%
Germany	-23%	-29%	-34%	-2%	16%	-7%	-4%
Hong Kong	48%	20%	39%	54%	10%	1%	-4%
India	63%	36%	6%	35%	13%	-9%	-2%
Italy	-24%	-35%	-30%	-32%	-30%	-22%	-22%
Japan	-29%	-36%	-31%	-31%	-35%	-32%	-30%
Netherlands	-5%	-18%	-6%	2%	29%	0%	5%
New Zealand	6%	1%	2%	-5%	-8%	-14%	-3%
Norway	-38%	-28%	-27%	-14%	23%	-16%	-0%
Qatar	32%	15%	33%	-3%	69%	-17%	22%
Russia	-67%	-62%	-68%	-60%	-79%	-68%	-72%
Saudi Arabia	17%	52%	49%	-40%	123%	-16%	16%
South Korea	-49%	-44%	-36%	-20%	-17%	-39%	-46%
Spain	-13%	-12%	-18%	-20%	-21%	-29%	-26%
Sweden	-25%	-38%	-33%	-21%	-14%	-33%	-24%
Switzerland	-18%	-16%	-24%	-1%	20%	-10%	-0%
United Arab Emirates	-3%	12%	12%	-5%	21%	-16%	15%
United Kingdom	10%	11%	4%	9%	9%	9%	13%
United States	-23%	-23%	-23%	1%	-8%	-8%	-9%