

Short Term Rentals trends from Lighthouse

February 2024

VisitBritain/VisitEngland Research



February 2024 | Despite accelerating growth in supply, other performance metrics see some softening from January to February

- February 2024 saw growth in the supply of short term rental properties **further accelerate** compared with 2019 and 2023, with London seeing further growth vs. last month.
- However, other metrics were **not so strong**, with nights reserved, ADR and average revenue per property dropping month on month, with occupancy also falling further below 2019 levels in February.
- **Brighton** and **York** gained popularity between January and February, with **India**, **Qatar**, and **Saudi Arabia** leading year on year growth in the number of reviews left for short term rental properties.
- As seen last month, the origin of travellers **remained very similar** year on year in February, with stability in the share of inbound vs. domestic travellers, as well as volumes from each global region.

About this data

Lighthouse (formerly 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 Lighthouse.

Caveats for Lighthouse data:

- Lighthouse 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](#), and the soon to be established registration scheme [across England](#).

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

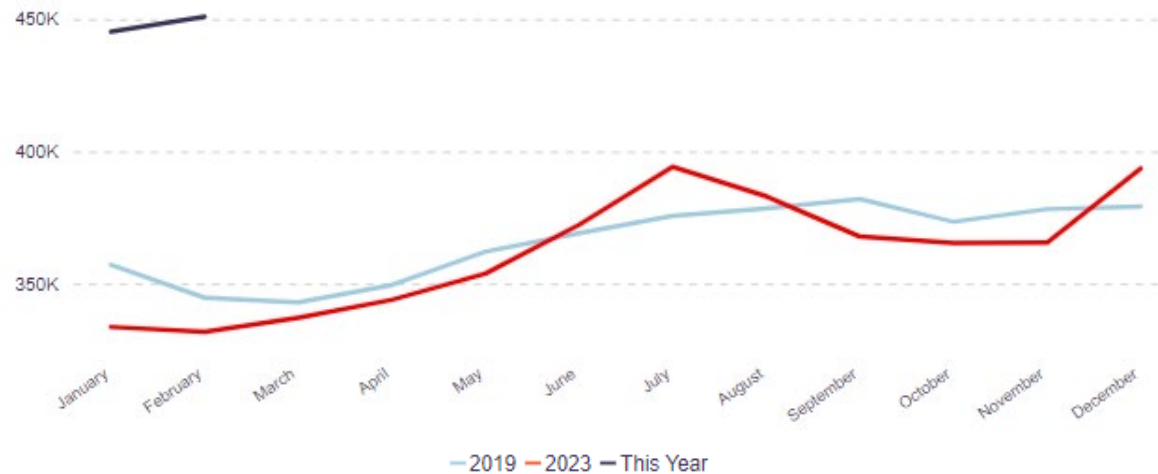
This report is based on data which is up to date as of the end of February 2024.

Latest trends

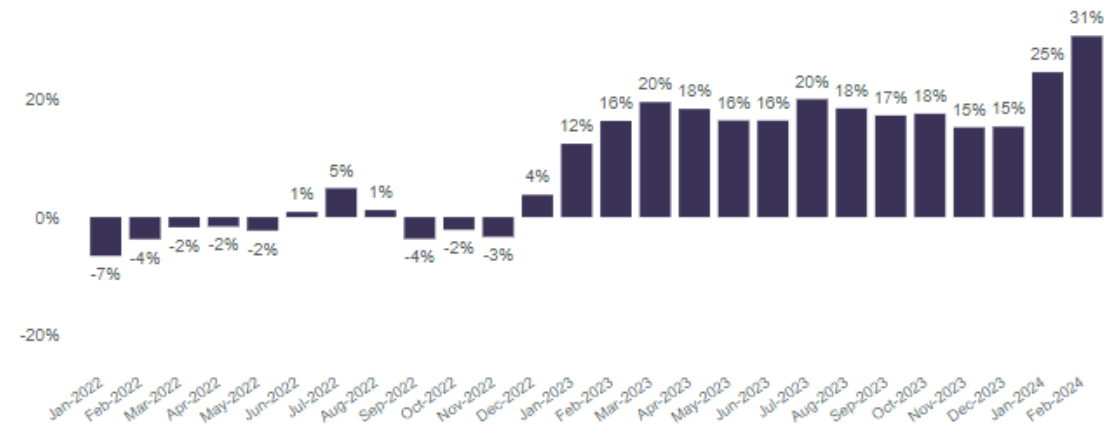


Supply | Growth in supply of short term rental properties continues to accelerate in February

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



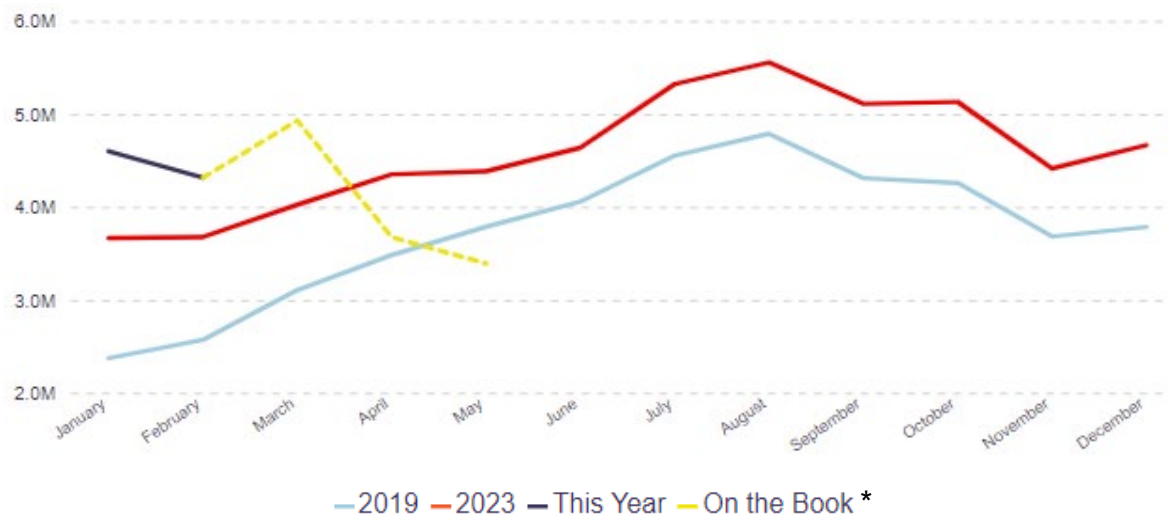
Percentage change in supply of short term rental properties vs. 2019



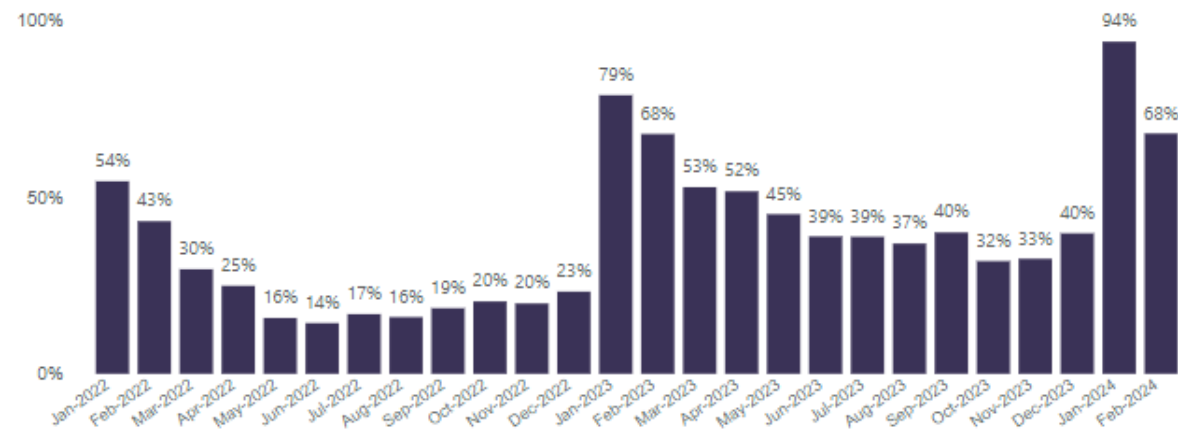
- The supply of short term rental properties across the UK remained well above 2019 levels throughout 2023, and that trend has continued at the start of 2024.
- In February 2024, we see a further acceleration of growth (31% vs. 25% in January) with over 450,000 short term rental properties across the UK.

Reserved nights | Slight drop in nights reserved between January and February

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



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

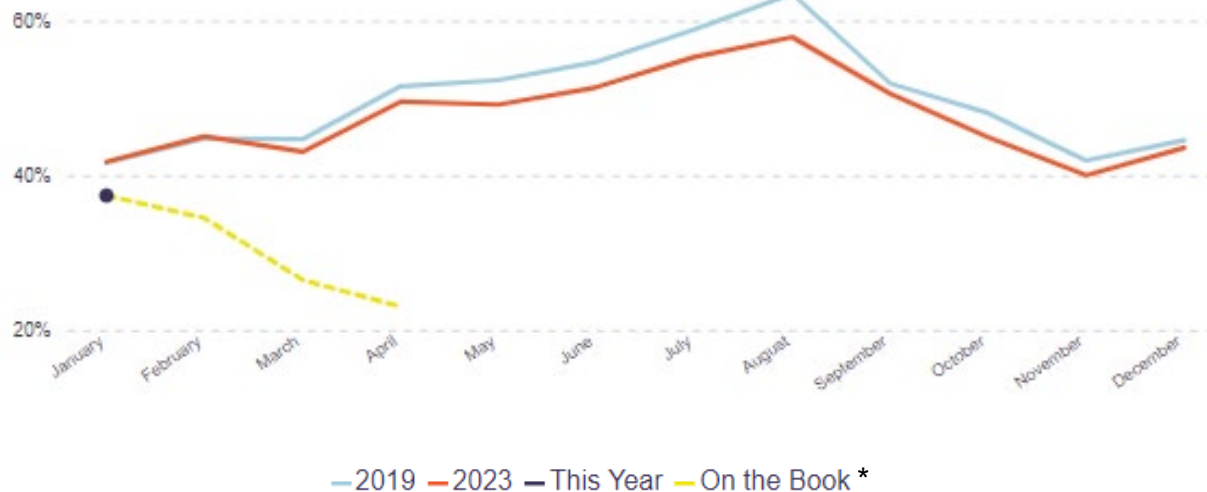


- January 2023 saw a particularly strong boost in the volume of nights reserved, with a drop in February. This pattern has been repeated in early 2024, with growth of 94% seen in January, and 68% in February.
- 4.3 million nights were reserved in short term rental properties in February. Looking into the months ahead, 3.4 million nights have been reserved for May 2024 as of the end of February 2024.

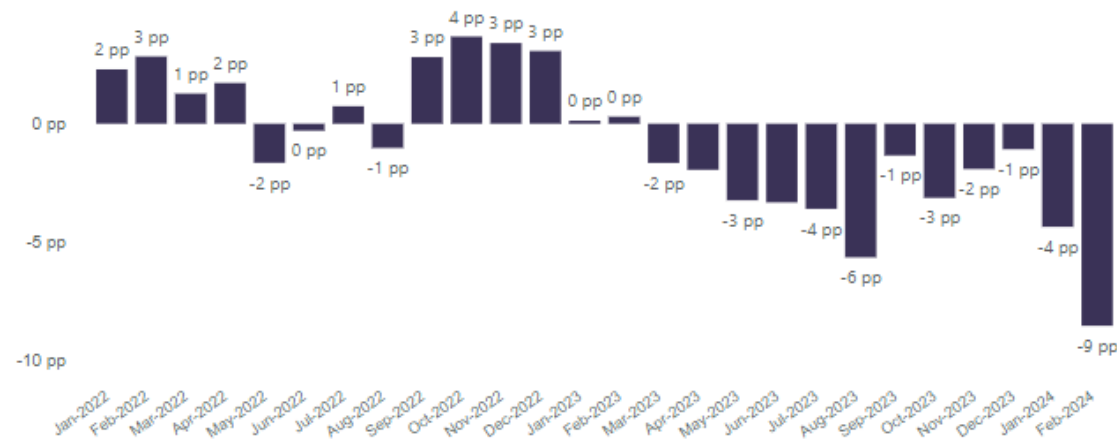
*Nights already reserved for future months as of February 2024. We can expect volumes to increase in the future as more bookings are made.

Occupancy | Occupancy rates falling further below 2019 levels in February

Occupancy rates for short term rental properties



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

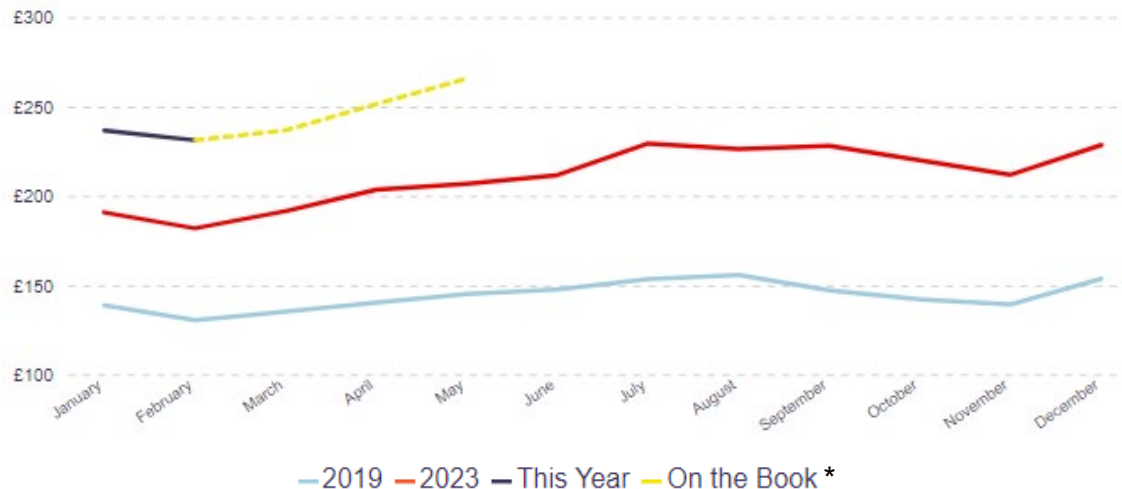


- After most months in 2022 seeing the occupancy rate of short term rental properties exceed 2019 levels, most of 2023 saw occupancy rates decline. The largest decline was seen in August at -5 percentage points. However, this dip was exceeded in February 2024, with occupancy declining by 9 percentage points.
- Occupancy rates were lower in February 2024 compared with a year earlier, at 36% (vs. 48%), with 29% occupancy achieved so far for May 2024 from bookings made before the end of February 2024.

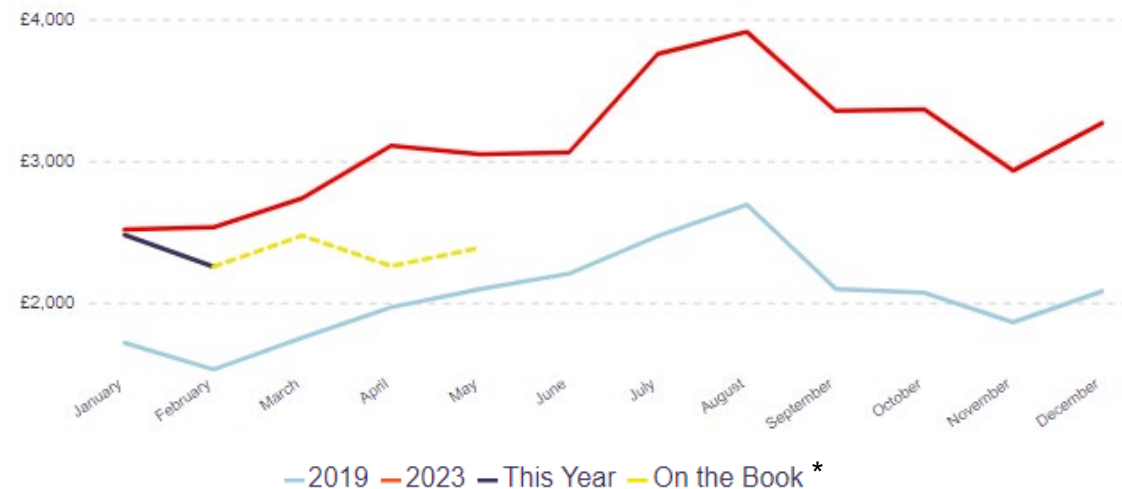
*Occupancy rates based on bookings in future months as of February 2024. We can expect occupancy to increase in the future as more bookings are made.

Average daily rate and revenue per property | Both metrics declining slightly vs. January

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



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



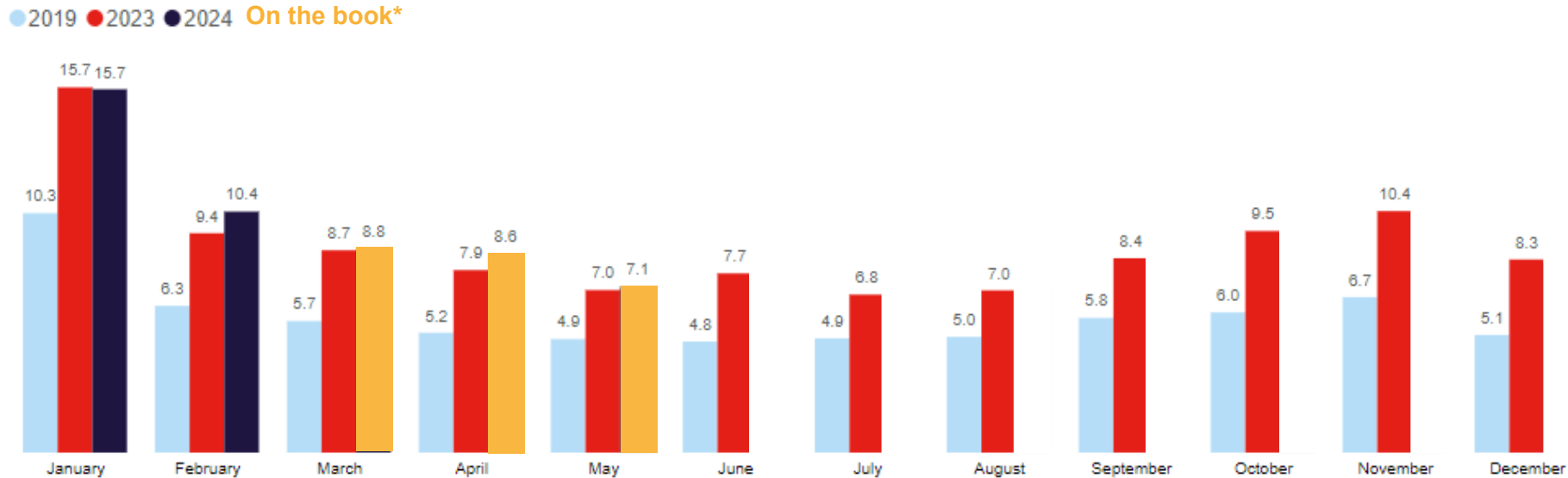
- ADR and average revenue for short term rental properties exceeded 2019 levels throughout 2023, and this has continued into early 2024. ADR grew by 77% in February 2024 vs. the same month in 2019, with average revenue growing by 47% in that time. This growth outpaced the rate of inflation during the same period (24%). However, both metrics declined slightly between January and February.
- ADR in February 2024 was £231, with ADR associated with bookings in future months set to increase.
- Average revenue per property in February 2024 was £2,254. Average revenue associated with stays 'on the book' in the upcoming months as of February 2024 is quite volatile.

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 Lighthouse data are in US dollars, which have been converted here using exchange rates from the Bank of England.

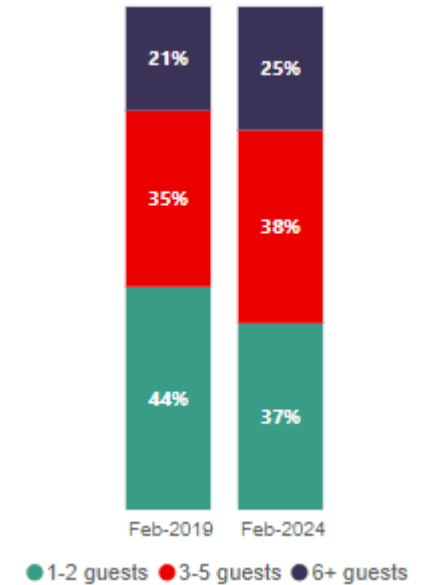
*Average daily rate for bookings in future months as of February 2024. Metrics may change in the future as more bookings are made.

Trip characteristics | Average length of stay drops significantly in February, following seasonal pattern

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 exceeded what was seen in 2019 throughout 2023, and this continued in early 2024, with an average stay of 10.4 nights in February. The longest length of stay each year tends to be seen in January, with declines over the summer and some growth again in the latter months.
- The average property capacity booked by guests in February 2024 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 7 percentage points compared to 2019.

*Average length of stay based on bookings in future months as of February 2024. Length of stay may change in the future as more bookings are made

**According to number of nights reserved.

UK destination trends

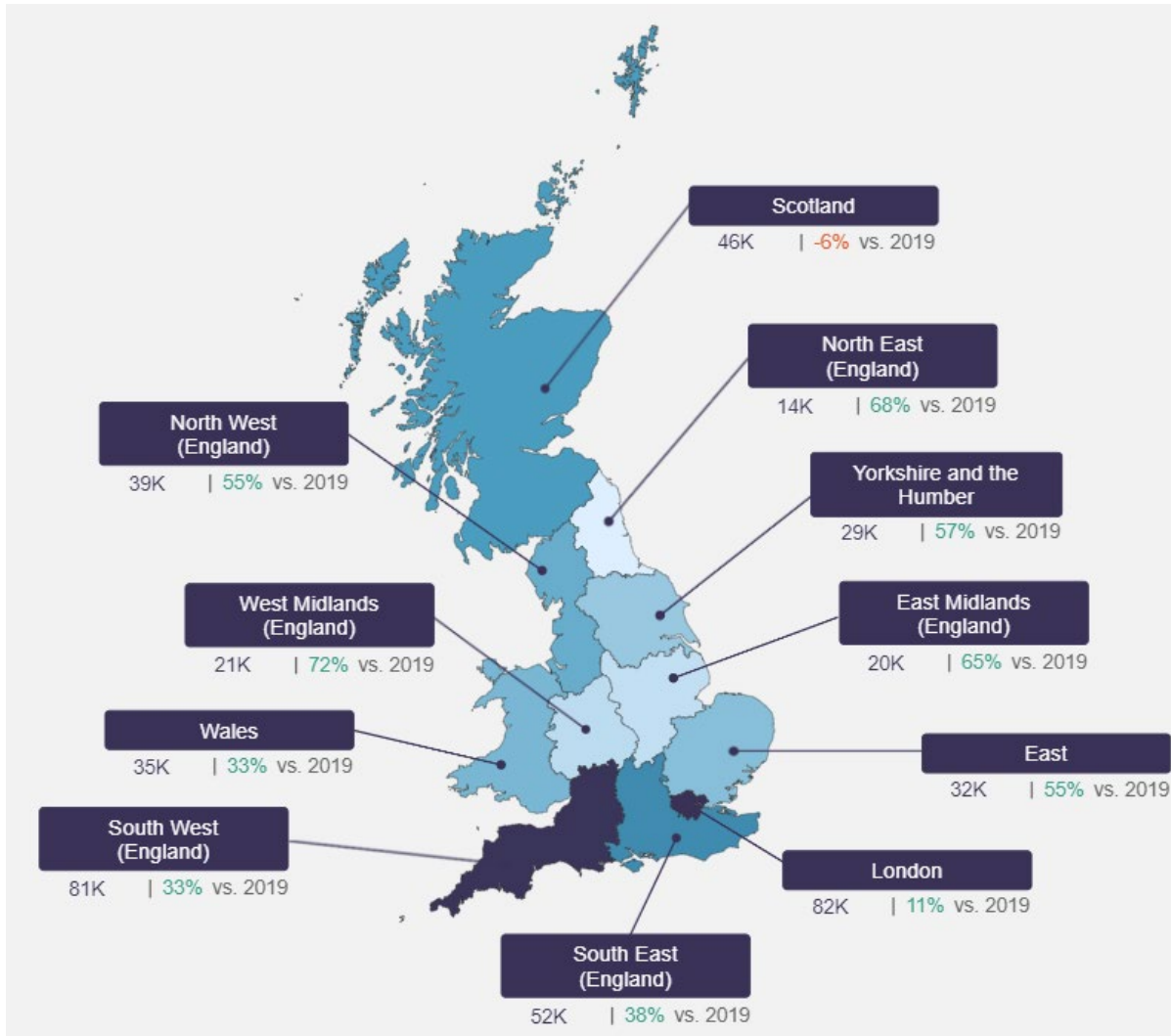


Supply | London seeing stronger growth vs. 2019 compared to January

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

Region	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024
East Midlands	33%	37%	37%	35%	37%	39%	38%	36%	37%	35%	35%	50%	55%
East of England	46%	48%	47%	44%	47%	50%	49%	48%	48%	45%	44%	63%	65%
London	-20%	-13%	-12%	-16%	-12%	-4%	-3%	-5%	-3%	-3%	-3%	2%	11%
North East	47%	48%	48%	49%	45%	54%	46%	46%	49%	46%	46%	60%	68%
North West	35%	40%	43%	42%	40%	46%	42%	42%	42%	37%	38%	49%	55%
Scotland	0%	1%	0%	-2%	-5%	-4%	-6%	-8%	-9%	-13%	-14%	-11%	-6%
South East	24%	25%	24%	24%	23%	26%	25%	23%	23%	22%	22%	30%	38%
South West	27%	27%	23%	25%	21%	22%	20%	19%	19%	16%	16%	29%	33%
Wales	26%	29%	26%	23%	24%	24%	22%	23%	21%	18%	19%	29%	33%
West Midlands	46%	49%	48%	43%	44%	47%	46%	45%	45%	42%	43%	68%	72%
Yorkshire and The Humber	41%	44%	43%	42%	46%	47%	42%	43%	43%	38%	40%	58%	57%

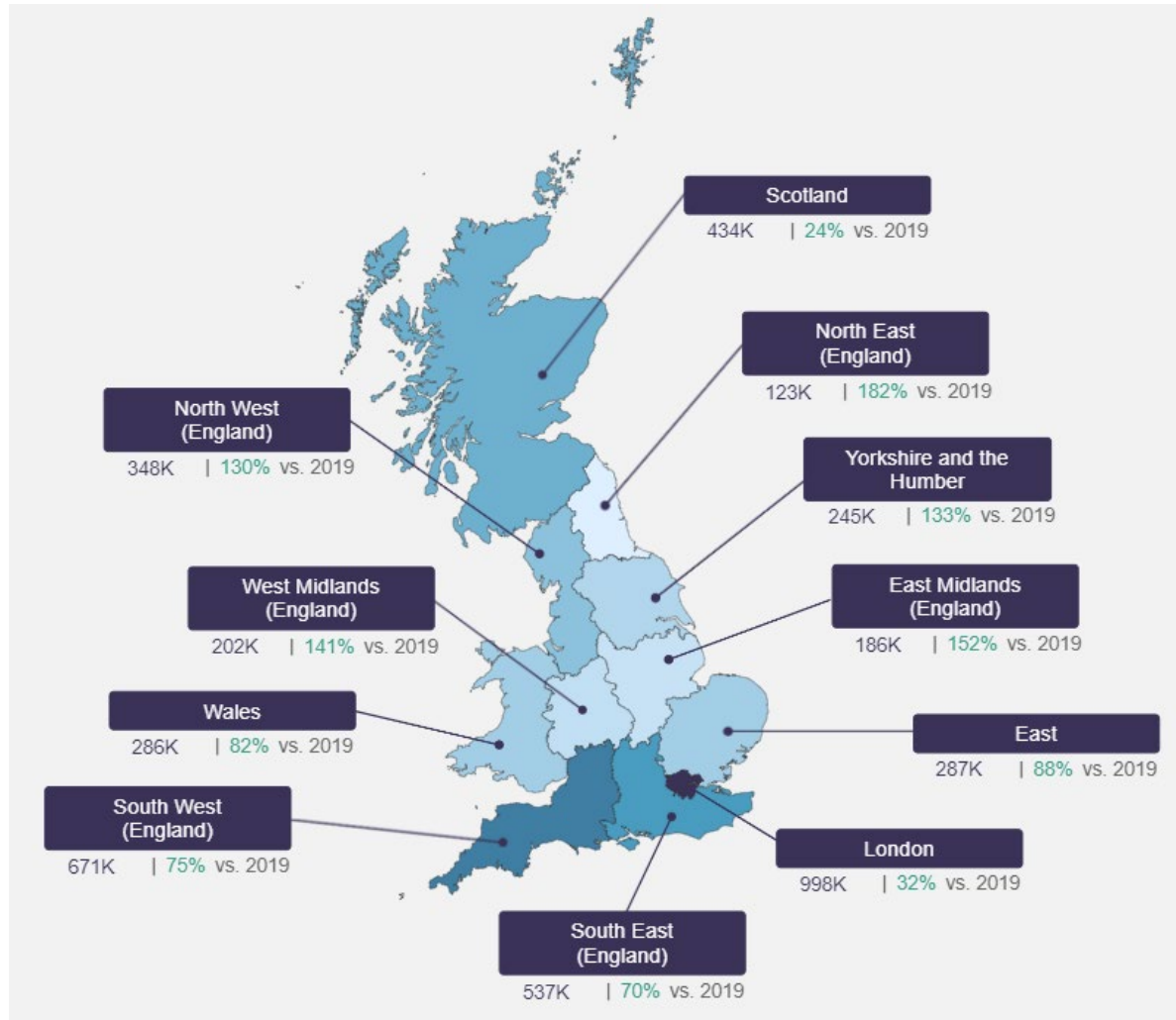
Supply in Feb 24 | Strongest growth in supply vs. 2019 seen from the West Midlands and North East



- Looking across the UK in February 2024, supply of short term rental properties is most likely to be clustered in the South West and London. These destinations hold 81,000 and 82,000 properties respectively.
- The lowest number of short term rental properties are found in the North East, East Midlands, and West Midlands.
- In February 2024, most UK destinations are seeing growth in supply vs. the same month in 2019. The most growth is seen in the West Midlands (72%), North East (68%), and East Midlands (65%).
- London is now exceeding pre-COVID levels by 11%, but Scotland remains behind by 6%.

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

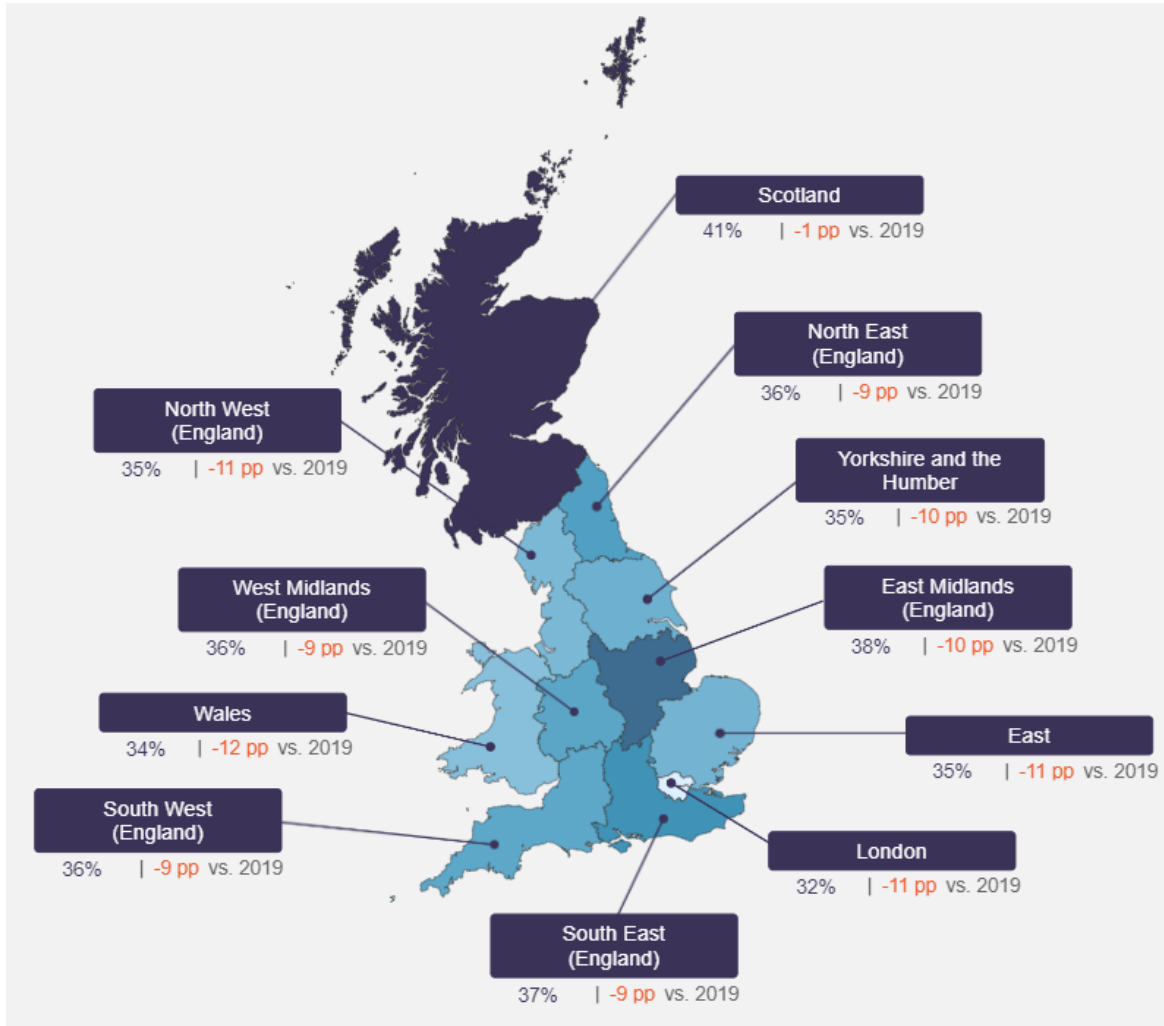
Reserved nights in Feb 24 | North East and East Midlands seeing strongest growth in reserved nights vs. 2019



- 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 February 2024 (998,000 and 671,000 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 February 2024 compared to the same month in 2019, with the most growth being seen from the North East (182%) and East Midlands (152%).

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

Occupancy in Feb 24 | Highest occupancy rates in Scotland, but no destinations seeing growth vs. 2019



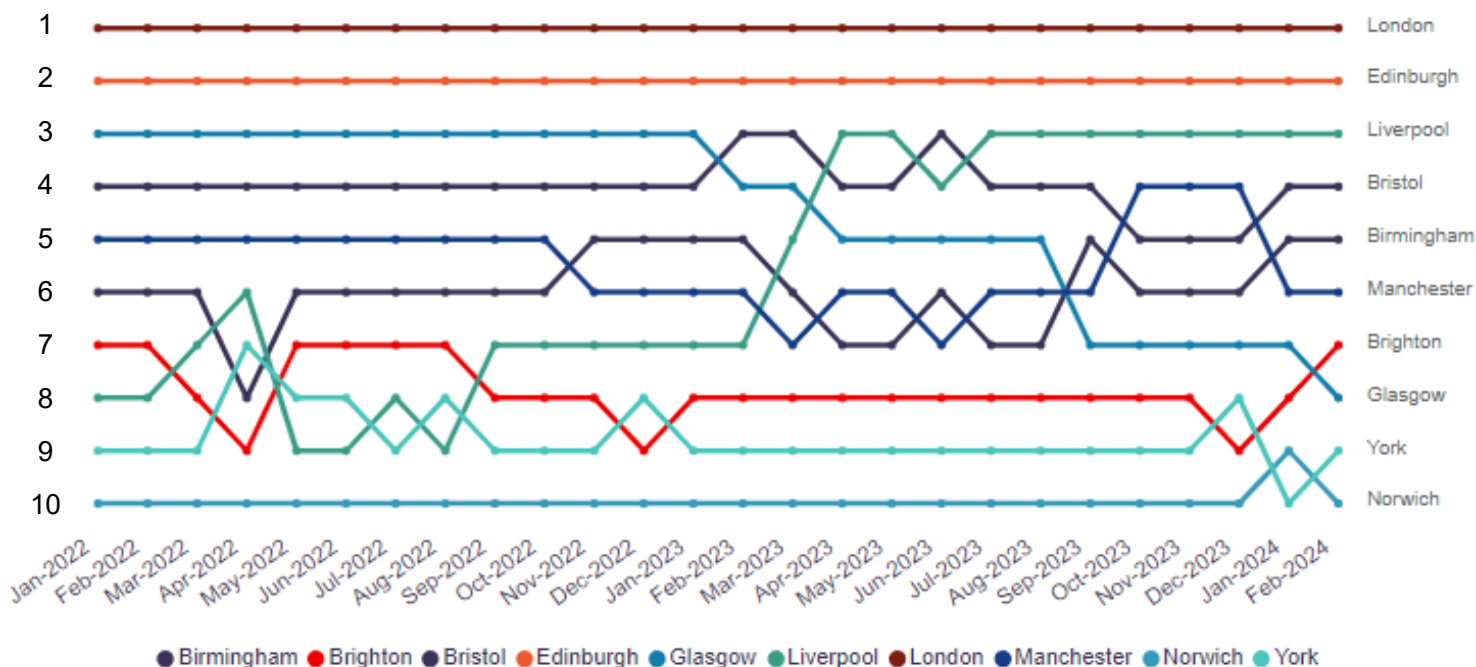
- Trends in occupancy rates across UK destinations in February differ compared to those seen for supply and nights reserved.
- The highest rates of occupancy are seen in Scotland, followed by the East Midlands and South East.
- The lowest rates of occupancy are seen in London and Wales.
- No UK destinations saw an increase in occupancy rates when comparing February 2024 with the same month in 2019, with Wales seeing the most drastic declines (-12 percentage points).

pp = percentage point change

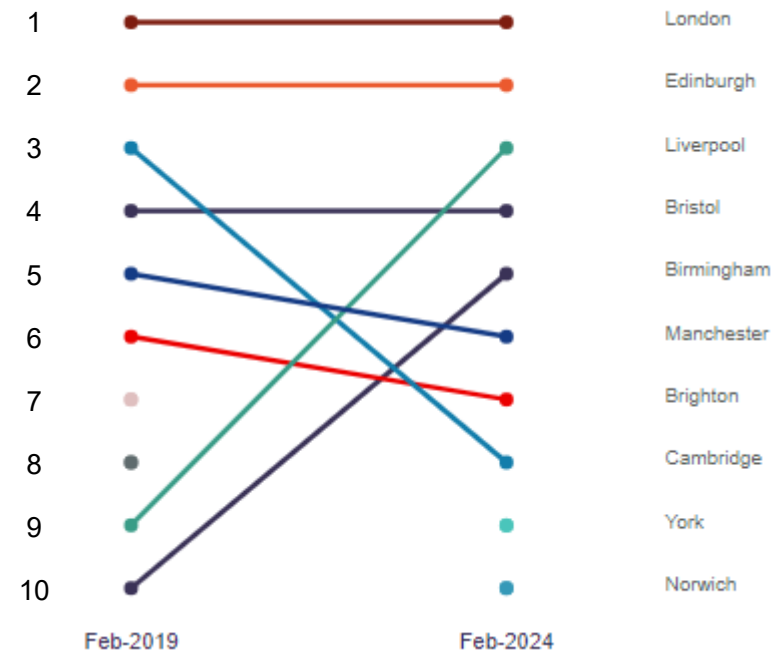
Note: map colour coding is based on occupancy rates between regions

Top cities | Brighton and York gaining popularity between January and February

Ranking of cities by nights reserved



Top ranked by year



- In February 2024, the most popular UK cities when it comes to nights reserved in short term rental properties were London, Edinburgh, and Liverpool. From January to February, Brighton and York both gained 1 rank, with Glasgow and Norwich dropping the same.
- When comparing the top 10 UK cities in February 2024 with the same month pre-COVID, Liverpool gained 7 ranks, alongside Birmingham (5 ranks), however Cambridge, Manchester, and Brighton all lost ranks.

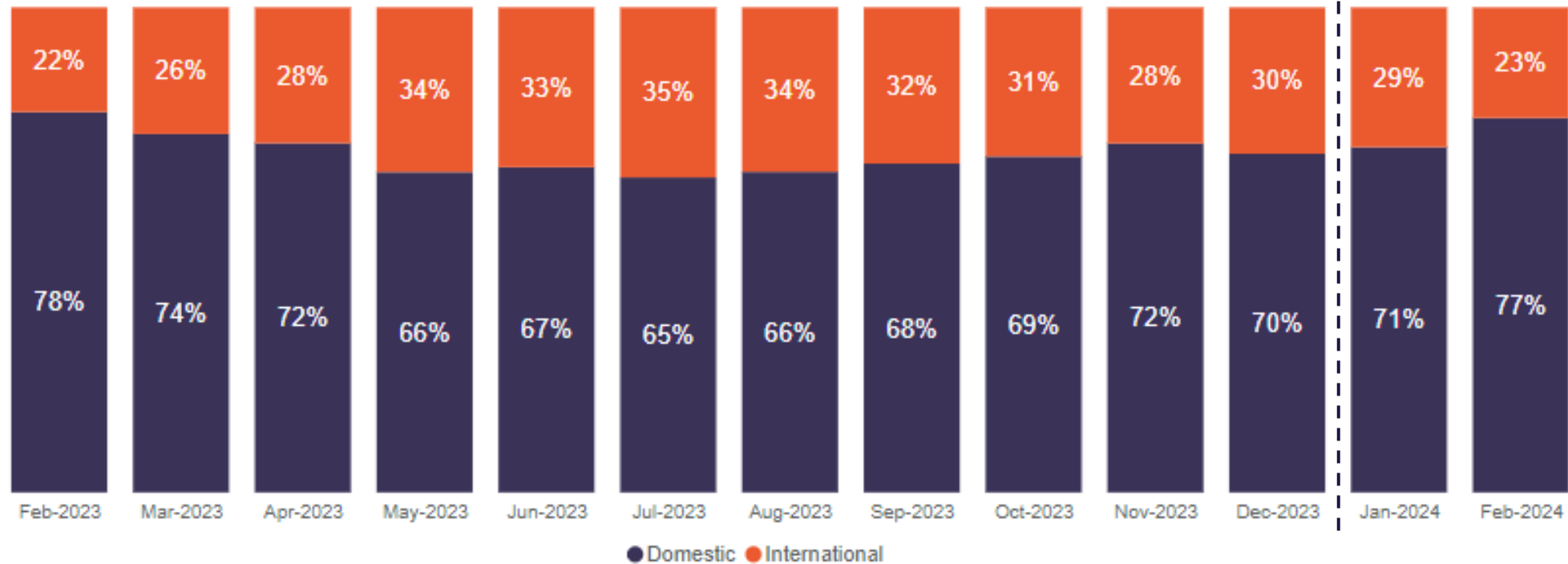
Guest origin trends

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 | Share of inbound traveller reviews almost identical to a year previous

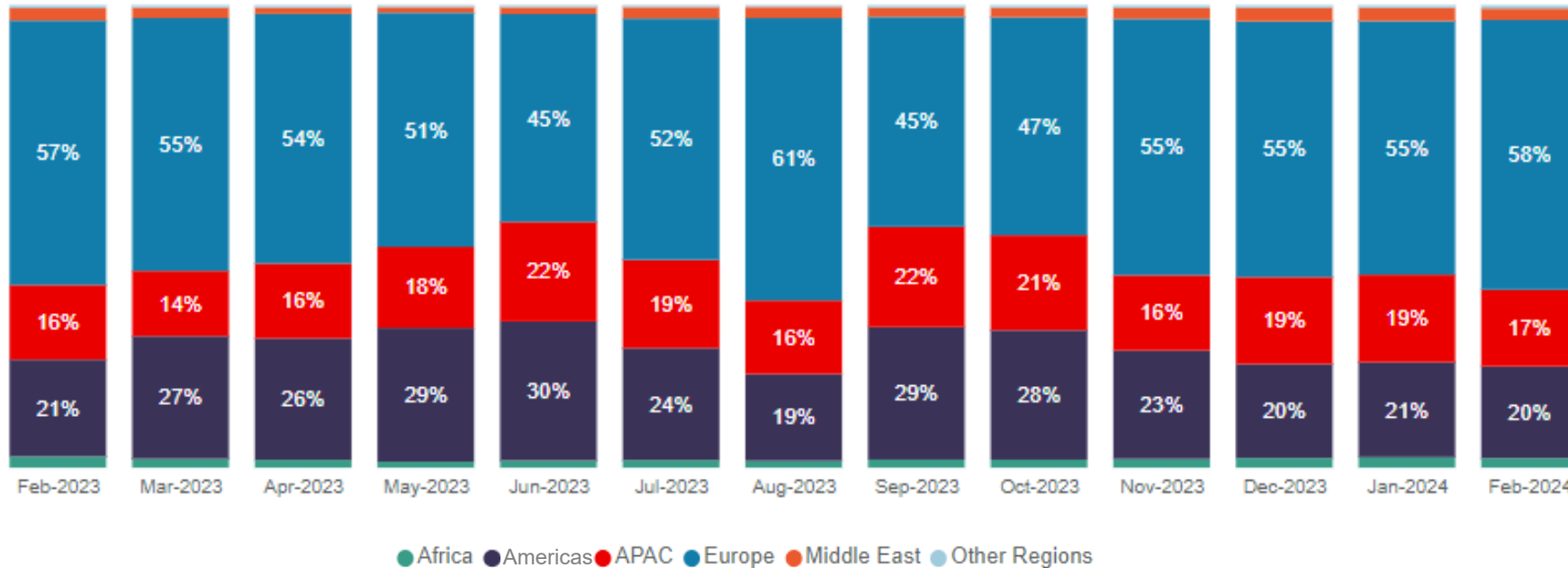
Domestic vs. international origin by month



- After seeing the proportion of domestic travellers staying in UK short term rental properties reduce throughout 2022 in favour of inbound travellers, these shares increased once again in the latter parts of 2023, and the start of 2024.
- Seasonal trends may now be holding larger sway compared with post-COVID recovery, with the share of inbound travellers almost identical to a year earlier in February 2024.

Overview | February seeing very similar spread of global travellers vs. a year before

International origin region by month (excludes domestic origin)



Top origin markets (Feb 24)*

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

- Information from guest reviews suggests that inbound travellers from Europe (excluding the UK) were the most dominant in 2023 and into 2024, with this region gaining share when comparing January and February (55% to 58%).
- When comparing origin trends in February 2024 with the same month in 2023, we can see a very similar spread of global regions.
- In February 2024, the top five international origin markets who left reviews for short term rental properties were the United States, Germany, France, Australia, and Spain.

*Ranking according to reserved nights

In detail | In January, India, Qatar and Saudi Arabia led growth in reviews

Number of reviews vs. same period in 2019

- The growth seen in the number of reviews left by domestic travellers increased further in January vs. December (11% vs. 2%).
- In January 2023, the inbound markets seeing the strongest growth in the volume of reviews left were India, Qatar, Saudi Arabia, and Brazil.
- Many markets saw declines vs. 2019, with this being most marked from Russia (-71%), and China (-59%).

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	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024
Australia	5%	1%	-4%	7%	11%	0%	-13%
Austria	-15%	-4%	-13%	-11%	-5%	28%	-4%
Belgium	-2%	-0%	-28%	-22%	-10%	-2%	-5%
Brazil	-1%	10%	4%	15%	17%	26%	24%
Canada	-17%	-22%	-13%	-1%	-17%	-16%	-16%
China	-58%	-63%	-64%	-51%	-52%	-69%	-59%
Denmark	-11%	-9%	-20%	-12%	-23%	-0%	-35%
France	-11%	-12%	-21%	-26%	-18%	1%	-13%
Germany	-4%	4%	-8%	-13%	-10%	4%	-12%
Hong Kong	-3%	39%	-1%	25%	5%	-16%	-17%
India	-1%	22%	10%	10%	-10%	5%	35%
Italy	-20%	-25%	-28%	-30%	-25%	-6%	-8%
Japan	-29%	-30%	-37%	-18%	-38%	-40%	-28%
Netherlands	5%	9%	7%	-4%	-9%	4%	2%
New Zealand	-2%	1%	1%	14%	9%	5%	11%
Norway	1%	5%	-12%	-11%	-23%	-20%	-35%
Qatar	23%	-12%	-2%	-6%	-19%	-19%	33%
Russia	-72%	-70%	-72%	-78%	-83%	-75%	-71%
Saudi Arabia	17%	2%	-19%	24%	37%	62%	29%
South Korea	-45%	-48%	-32%	-8%	-39%	-40%	-56%
Spain	-25%	-25%	-30%	-15%	-17%	12%	-4%
Sweden	-22%	-28%	-29%	-22%	-25%	-11%	-31%
Switzerland	1%	-4%	-5%	-7%	-18%	-6%	-12%
United Arab Emirates	15%	-12%	9%	23%	-13%	5%	-1%
United Kingdom	13%	6%	2%	7%	-5%	2%	11%
United States	-7%	-20%	-5%	-6%	-14%	-19%	-28%