

Short Term Rentals trends from Lighthouse

May 2024

VisitBritain/VisitEngland Research





May 2024 | Month on month growth re-established across performance metrics, with occupancy trend now moving closer to 2019 levels

- In May 2024, we can see growth in the supply of short term rental properties remain strong across the UK. After dips from January to February, we can see month on month **growth re-established** for nights reserved, occupancy, ADR and average revenue per property.
- Occupancy rates and average revenue per property **remain down year on year**, although in May, occupancy rates moved closer to 2019 levels compared to what was seen in April.
- Looking across the UK, the **North East** and **West Midlands** saw the strongest growth in reserved nights and supply of properties vs. 2019, however only Scotland saw post-COVID growth in occupancy rates.
- **Birmingham** and **Bristol** gained popularity between April and May, with **Brazil** and **India** leading year on year growth in the number of reviews left for short term rental properties.

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.

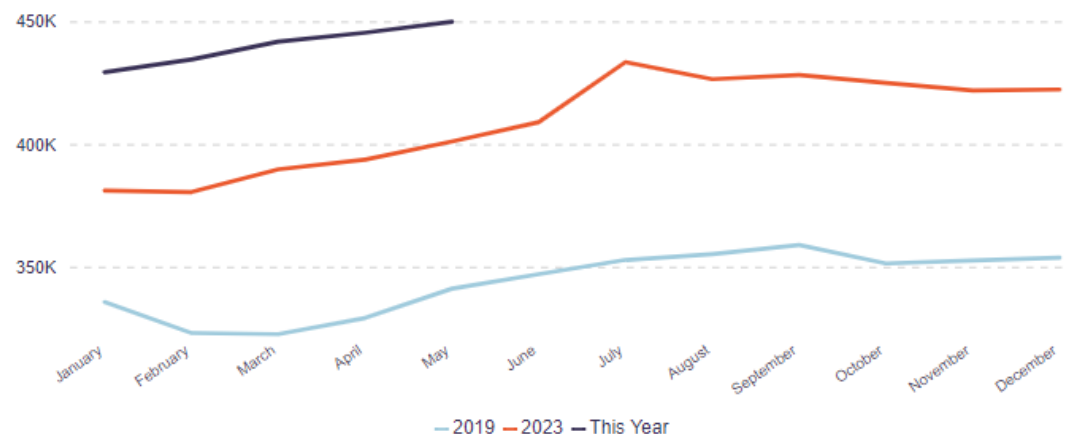
This report is based on data which is up to date as of the end of May 2024.

Latest trends

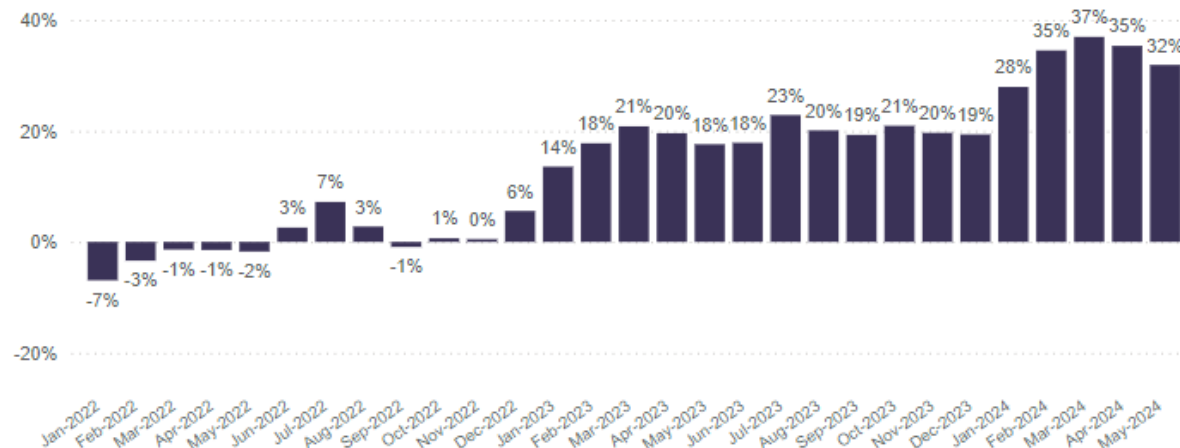


Supply | Overall volumes continue to increase in Q2

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



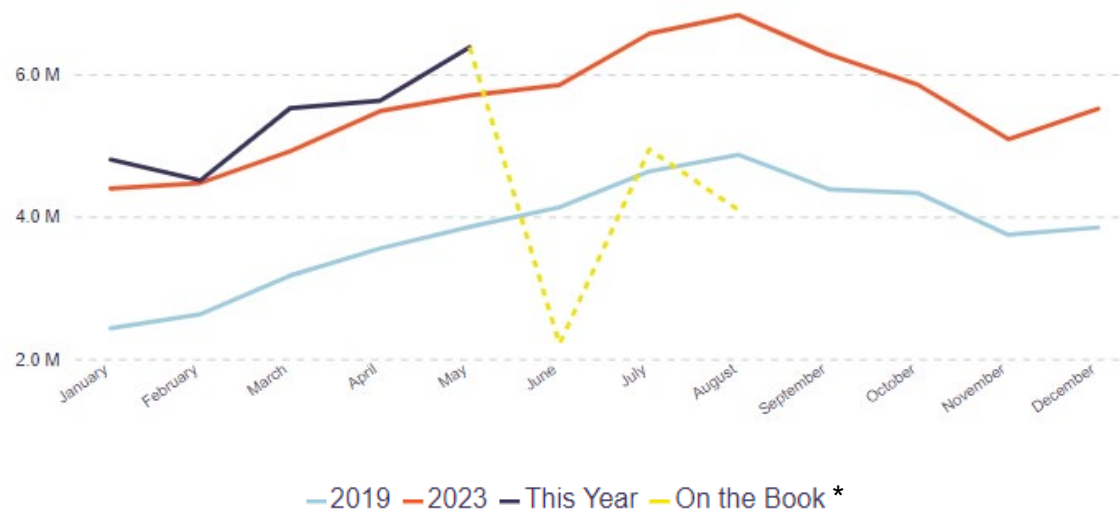
Percentage change in supply of short term rental
properties vs. 2019



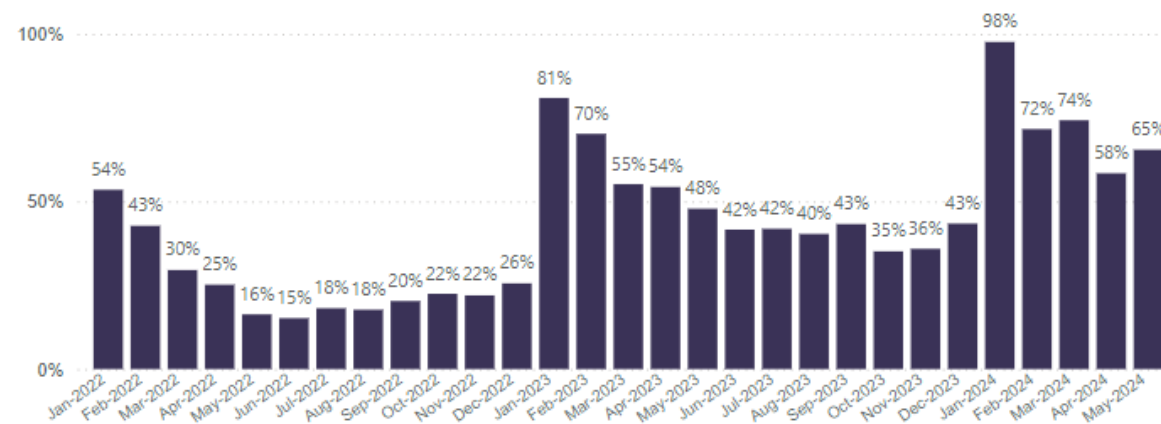
- The supply of short term rental properties across the UK has remained above 2019 levels from late 2022 onwards, with an acceleration in volumes throughout 2024 so far.
- In April and May 2024, growth vs. 2019 dipped slightly compared to March (35% and 32% vs. 37% in March) with over 449,000 short term rental properties across the UK in May.

Reserved nights | Volume of nights reserved continues to grow in 2024

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



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



- January 2024 saw a particularly strong boost in the volume of nights reserved, at 98% growth vs. 2019, but slower growth has been seen in subsequent months within 2024.
- 6.4 million nights were reserved in short term rental properties in May. Looking to the months ahead, 4.1 million nights have been reserved for August 2024 as of the end of May 2024.

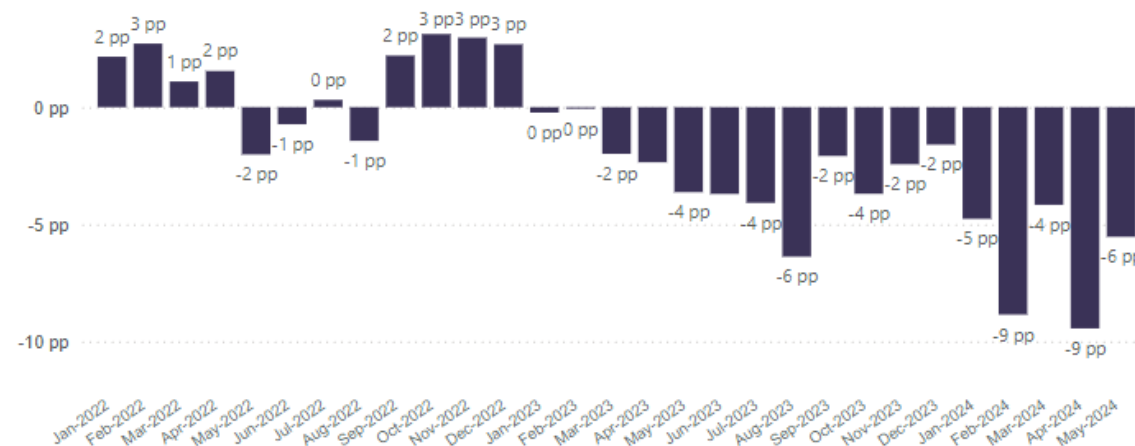
*Nights already reserved for future months as of May 2024. We can expect volumes to increase in the future as more bookings are made.

Occupancy | Occupancy rates still down year on year

Occupancy rates for short term rental properties



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

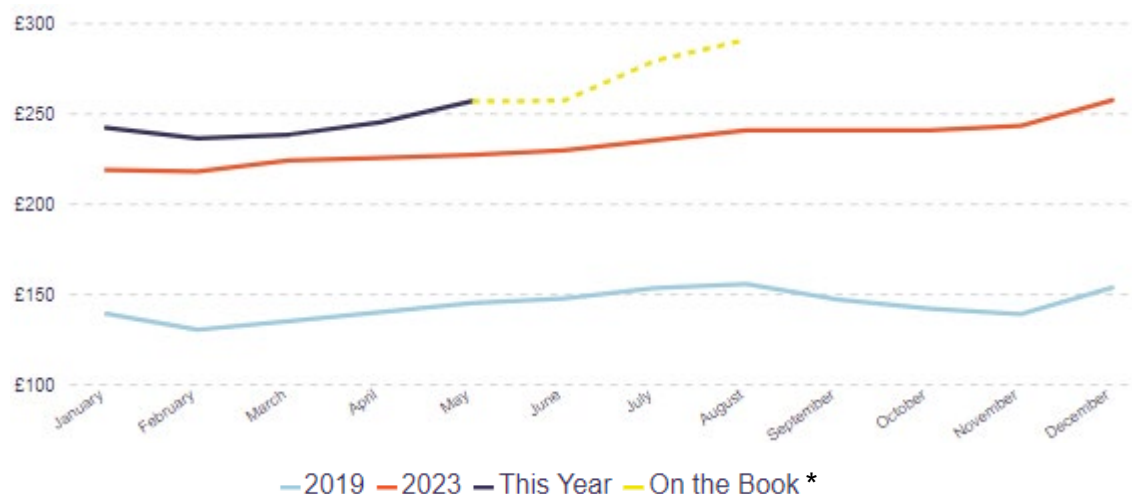


- Most of 2023 saw occupancy rates decline, with the largest decline was seen in August at -6 percentage points. This dip was exceeded in February 2024, and once again in April 2024 (-9 percentage points in both months).
- Occupancy rates were lower in May 2024 compared with a year earlier, at 47% (vs. 49%), with 36% occupancy achieved so far for August 2024 from bookings made before the end of May 2024.

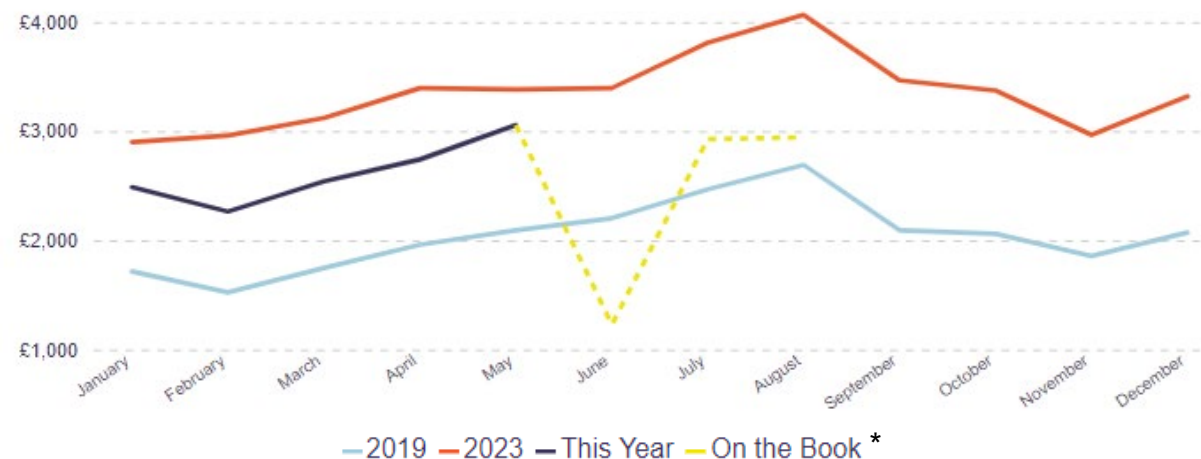
*Occupancy rates based on bookings in future months as of May 2024. We can expect occupancy to increase in the future as more bookings are made. Occupancy rates are calculated based on the sum of booked nights divided by the sum of available nights, accounting for nights which are not available for check in because of cleaning/maintenance/property owner occupying the property.

Average daily rate and revenue per property | Both metrics seeing growth between April and May

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



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



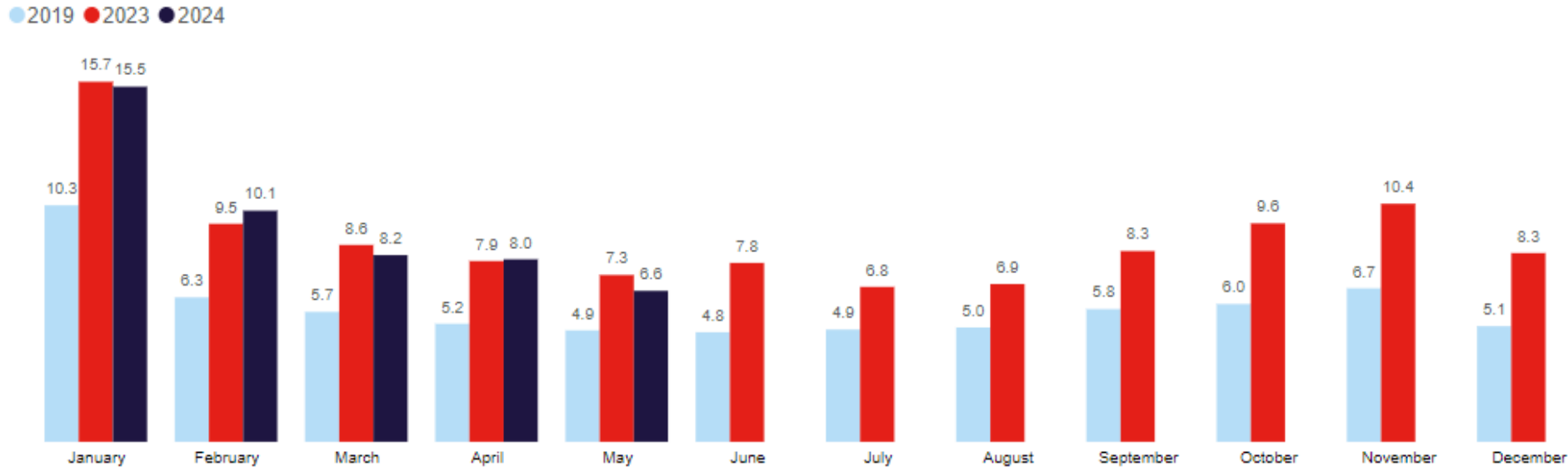
- ADR and average revenue for short term rental properties exceeded 2019 levels throughout 2023, and this has continued within 2024. ADR grew by 77% in May 2024 vs. the same month in 2019, with average revenue growing by 46% in that time. This growth outpaced the rate of inflation during the same period (24%). Both metrics saw improvements between April and May.
- ADR in May 2024 was £257, with ADR associated with bookings in future months set to increase.
- Average revenue per property in May 2024 was £3,056. Average revenue associated with stays 'on the book' in the upcoming months as of May 2024 continues to be 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.

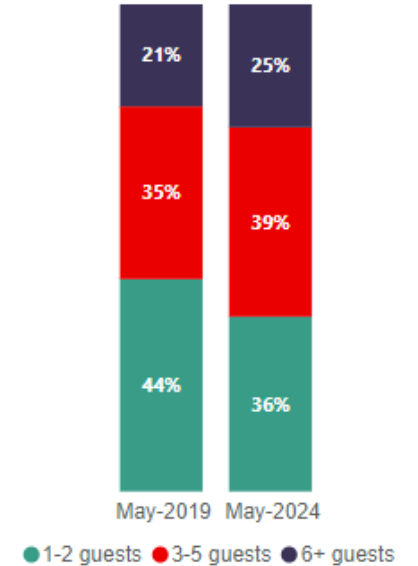
**Average daily rate for bookings in future months as of May 2024. Metrics may change in the future as more bookings are made.*

Trip characteristics | Average length of stay reduced in May, 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 has continued in 2024, with an average stay of 6.6 nights in May. 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 May 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 8 percentage points compared to 2019.

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

**According to number of nights reserved.

UK destination trends

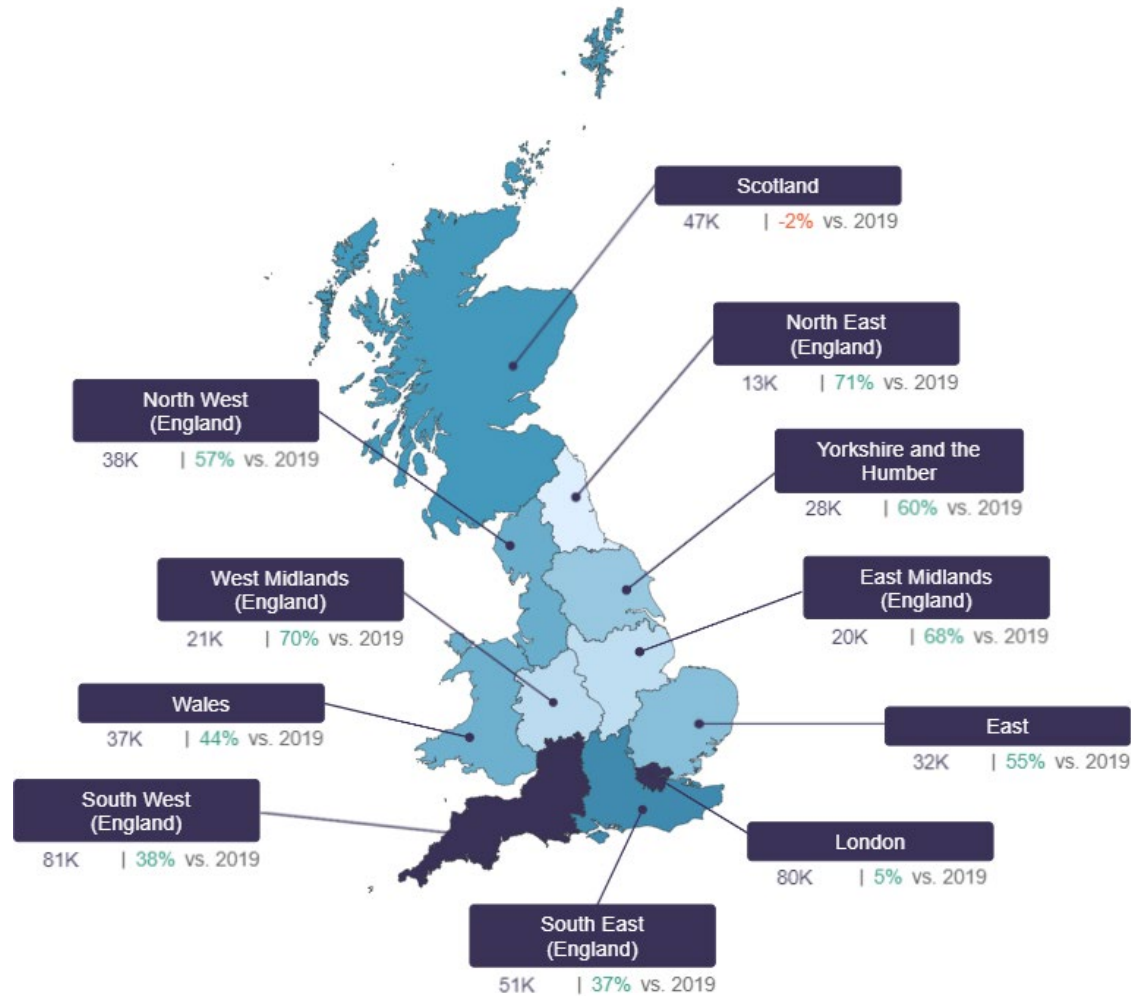


Supply | Growth vs. 2019 seen across UK regions apart from Scotland

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

Region	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024	May-2024
East Midlands	35%	38%	42%	38%	37%	39%	38%	39%	51%	56%	60%	59%	55%
East of England	46%	49%	55%	52%	51%	53%	51%	51%	67%	71%	73%	71%	68%
London	-17%	-13%	-5%	-4%	-6%	-3%	-3%	-3%	3%	12%	18%	14%	5%
North East	48%	44%	57%	46%	47%	50%	49%	48%	59%	67%	70%	71%	71%
North West	41%	40%	46%	42%	42%	43%	42%	42%	49%	56%	57%	57%	57%
Scotland	1%	-3%	-1%	-3%	-5%	-4%	-8%	-9%	-6%	-1%	-0%	-0%	-2%
South East	24%	24%	29%	26%	24%	26%	26%	25%	32%	40%	40%	39%	37%
South West	28%	25%	27%	24%	24%	25%	23%	23%	34%	39%	38%	36%	38%
Wales	30%	31%	33%	30%	32%	30%	29%	30%	38%	44%	48%	48%	44%
West Midlands	46%	46%	52%	49%	48%	50%	48%	50%	74%	78%	81%	79%	70%
Yorkshire and The Humber	42%	46%	50%	43%	43%	45%	42%	44%	60%	60%	64%	62%	60%

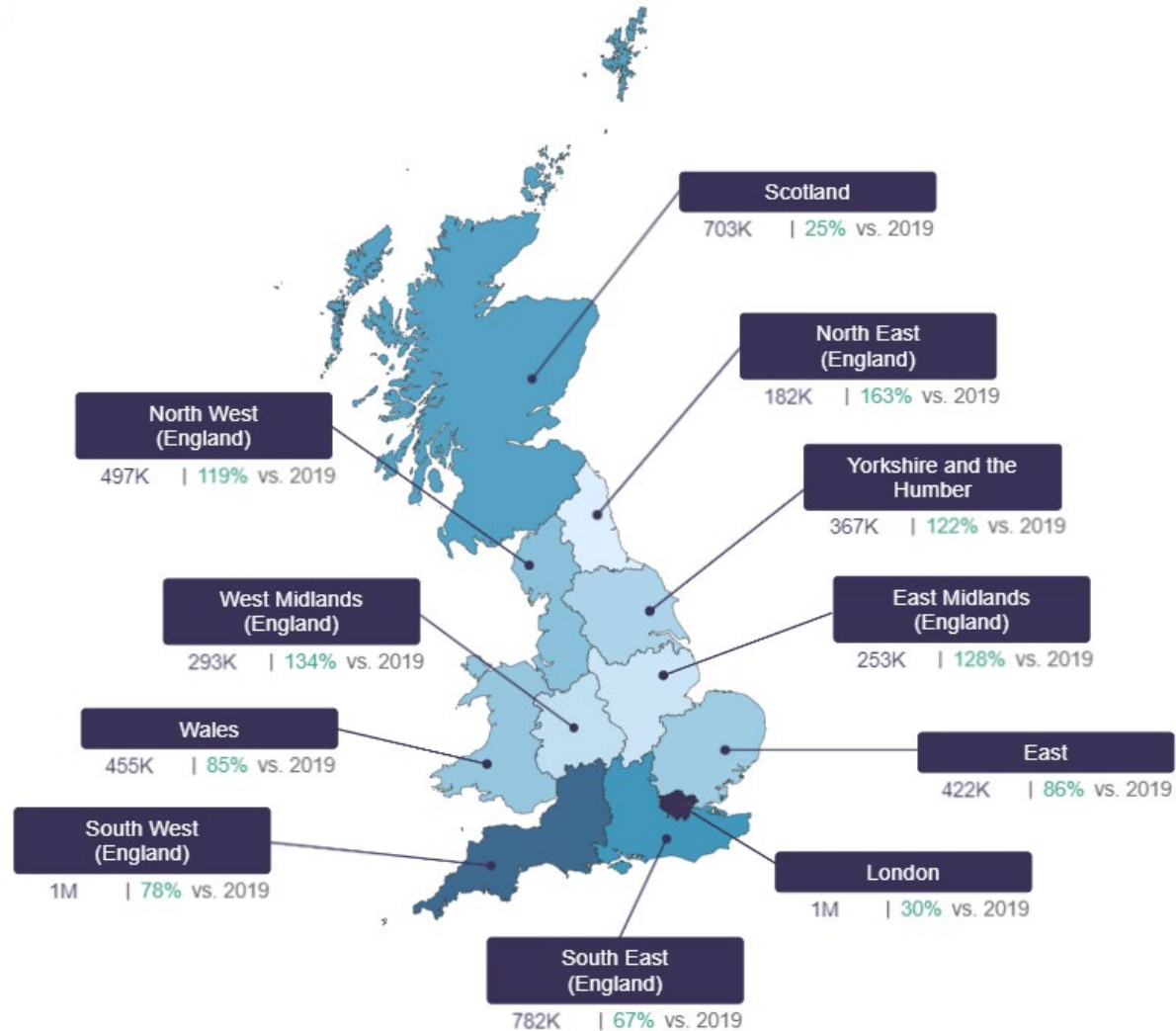
Supply in May 24 | Strongest growth in supply vs. 2019 seen from the North East and West Midlands



- Looking across the UK in May 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 80,000 properties respectively.
- The lowest number of short term rental properties are found in the North East, East Midlands, and West Midlands.
- In May 2024, all UK destinations apart from Scotland (-2%) are seeing growth in supply vs. the same month in 2019. The most growth is seen in the North East (+71%) and West Midlands (+70%).

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

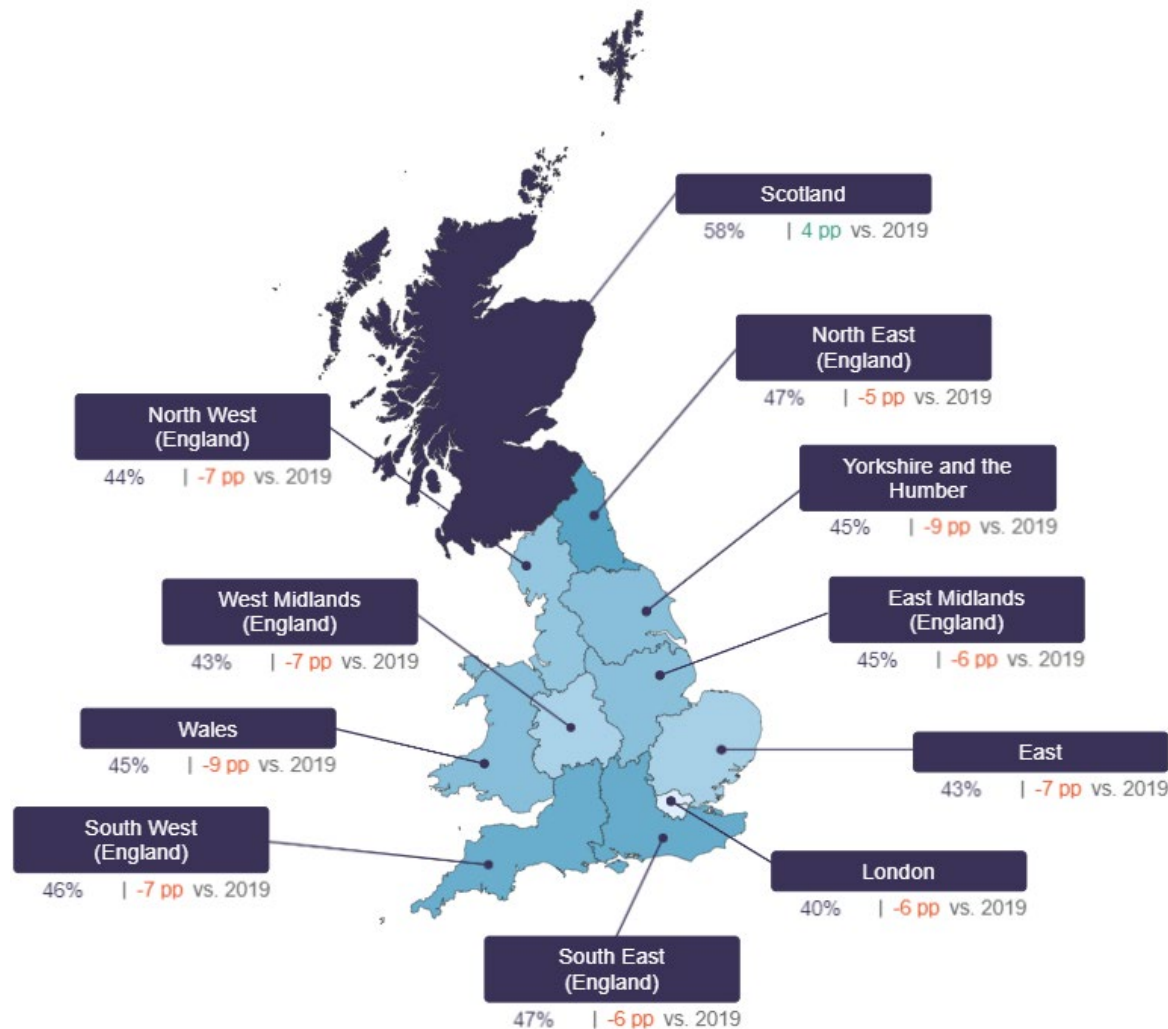
Reserved nights in May 24 | North East and West Midlands seeing strongest growth in reserved nights vs. 2019



- 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 May 2024 (1 million for both).
- 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 May 2024 compared to the same month in 2019, with the most growth being seen from the North East (163%) and West Midlands (134%).

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

Occupancy in May 24 | Highest occupancy rates in Scotland and the North East

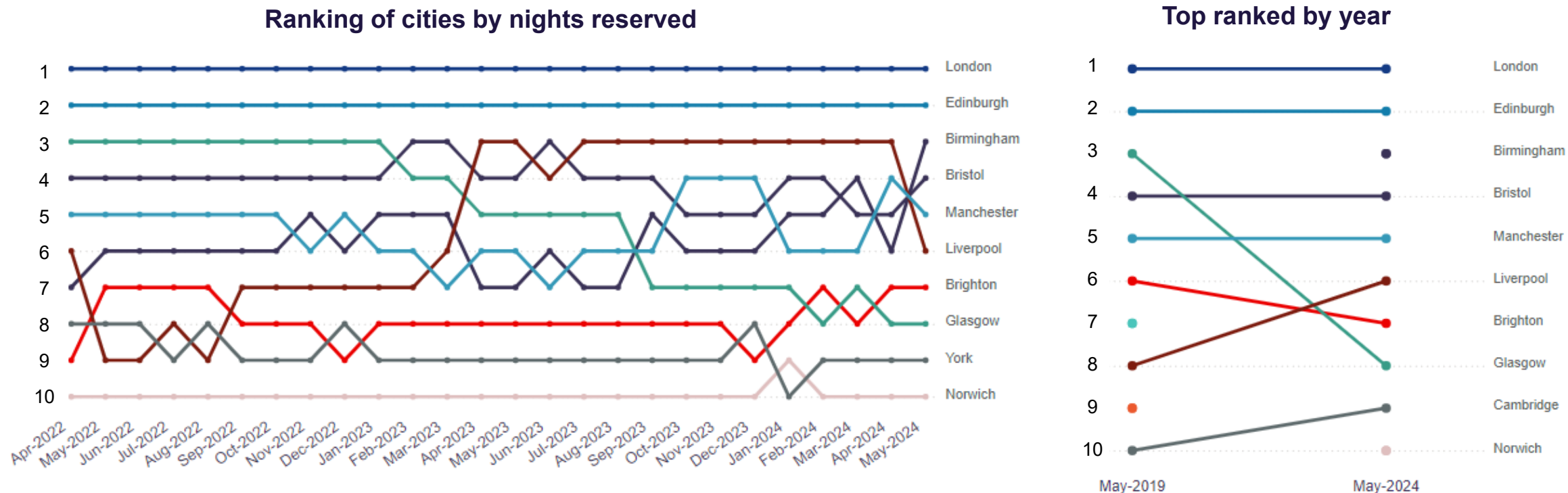


- Trends in occupancy rates across UK destinations in May differ compared to those seen for supply and nights reserved.
- The highest rates of occupancy are seen in Scotland, followed by the North East and South East.
- The lowest rates of occupancy are seen in London and the West Midlands.
- Only Scotland saw an increase in occupancy rates vs. 2019 at +4 percentage points, with Wales and Yorkshire and the Humber seeing the steepest declines (-9 percentage points each).

pp = percentage point change

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

Top cities | Birmingham and Bristol gaining popularity between April and May



- In May 2024, the most popular UK cities when it comes to nights reserved in short term rental properties were London, Edinburgh, and Birmingham. From April to May, Birmingham and Bristol gained ranks, with Liverpool and Manchester losing ranks in kind.
- When comparing the top 10 UK cities in May 2024 with the same month pre-COVID, Liverpool gained 2 ranks, alongside Cambridge (1 rank), with Brighton losing 1 rank.

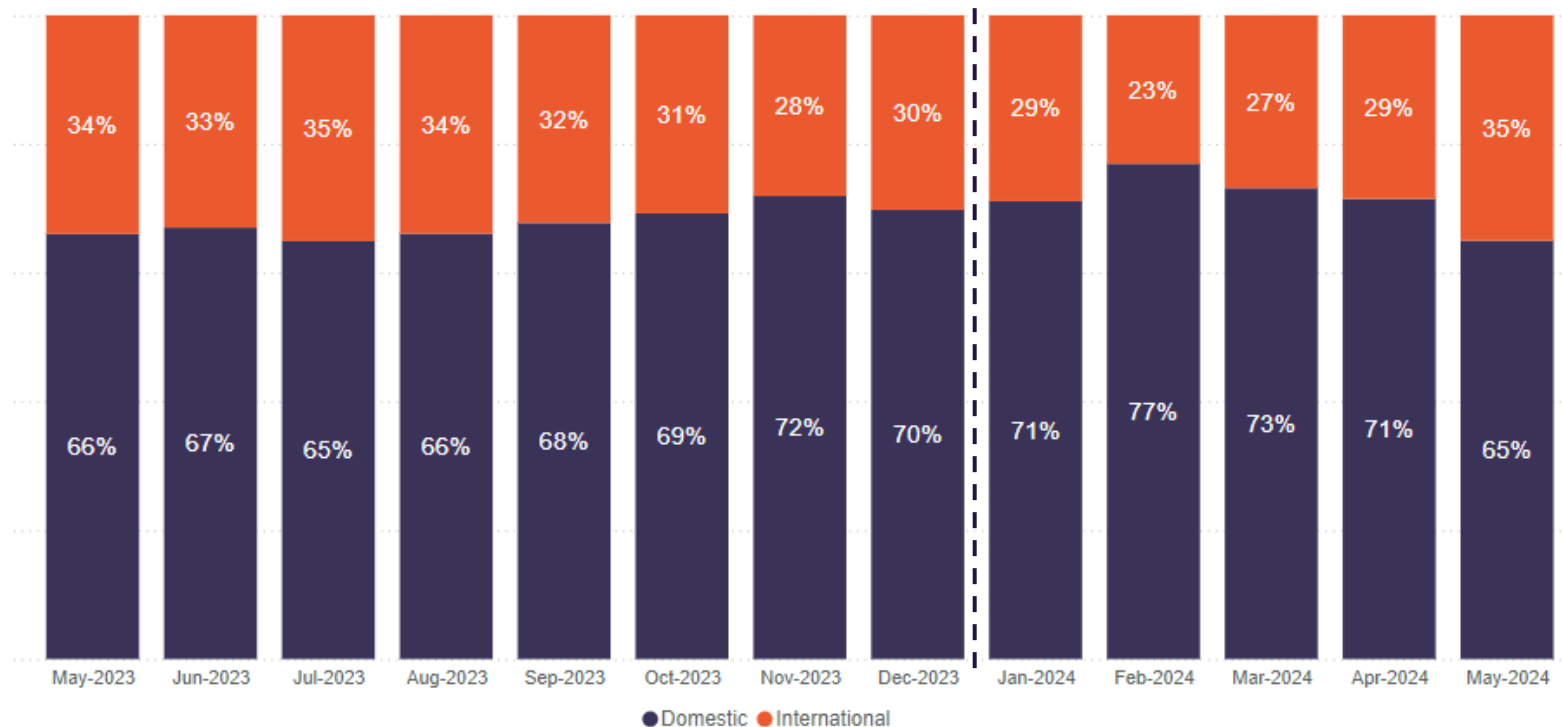
Guest origin trends

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 increasing through late spring

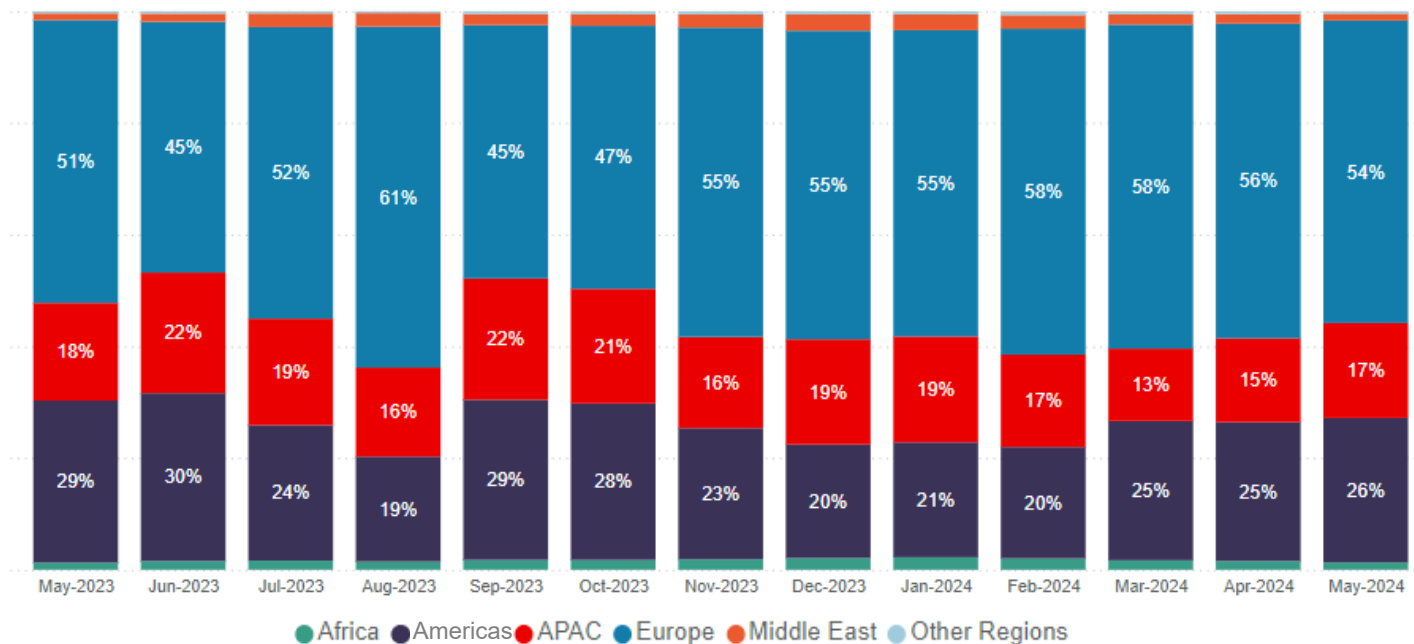
Domestic vs. international origin by month



- After seeing the proportion of domestic travellers staying in UK short term rental properties reduce throughout 2022 in favour of inbound travellers, we now see the establishment of seasonal trends in the share of domestic vs. international travellers each month.
- Moving from winter into spring 2024, we can see the share of international travellers increase, with this higher share likely to be maintained into the summer season.

Overview | Europe gaining share year on year, with the Americas losing three percentage points

International origin region by month (excludes domestic origin)



Top origin markets (May 24)*

1	United Kingdom
2	United States
3	France
4	Germany
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 in 2024 so far, with this region holding a slightly lower share when comparing April and May (56% vs. 54%).
- When comparing origin trends in May 2024 with the same month in 2023, we can see Europe gaining 3 percentage points of share, and the Americas losing 3 percentage points.
- In May 2024, the top five international origin markets who left reviews for short term rental properties were the United States, France, Germany, Australia, and Spain.

*Ranking according to reserved nights

In detail | In April, Brazil and India led growth in reviews

Number of reviews vs. same period in 2019

- The growth seen in the number of reviews left by domestic travellers declined between March and April (7% vs. 3%).
- In April 2024, the inbound markets seeing the strongest growth in the volume of reviews left were Brazil, India, and the UAE.
- Many markets saw declines vs. 2019, with this being most marked from Russia (-60%), and China (-64%).

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	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024	Apr-2024
Australia	8%	11%	1%	-13%	-5%	7%	-4%
Austria	-10%	-5%	29%	-4%	-11%	13%	-22%
Belgium	-22%	-10%	-2%	-4%	-6%	-28%	-12%
Brazil	16%	18%	27%	25%	40%	26%	32%
Canada	-1%	-16%	-15%	-16%	-24%	-18%	-11%
China	-51%	-52%	-69%	-59%	-55%	-51%	-64%
Denmark	-12%	-23%	-0%	-35%	-28%	-17%	-39%
France	-26%	-18%	1%	-12%	-17%	-12%	-6%
Germany	-12%	-9%	5%	-11%	-28%	-22%	-15%
Hong Kong	26%	5%	-16%	-17%	-19%	10%	-5%
India	10%	-10%	6%	35%	20%	23%	20%
Italy	-30%	-25%	-6%	-7%	-18%	-21%	-12%
Japan	-18%	-38%	-40%	-28%	-36%	-33%	-29%
Netherlands	-4%	-9%	4%	2%	-3%	-23%	-13%
New Zealand	14%	9%	5%	12%	9%	8%	-2%
Norway	-11%	-23%	-20%	-35%	-34%	-21%	-20%
Qatar	-5%	-18%	-18%	34%	20%	-1%	-26%
Russia	-78%	-82%	-75%	-71%	-70%	-66%	-60%
Saudi Arabia	25%	37%	63%	30%	56%	14%	-3%
South Korea	-7%	-38%	-40%	-56%	-48%	-44%	-31%
Spain	-14%	-17%	12%	-4%	-5%	-5%	-24%
Sweden	-22%	-25%	-11%	-31%	-34%	-36%	-24%
Switzerland	-7%	-18%	-5%	-12%	-15%	-17%	-1%
United Arab Emirates	23%	-13%	6%	-1%	11%	2%	6%
United Kingdom	7%	-5%	2%	11%	8%	7%	3%
United States	-6%	-14%	-18%	-27%	-24%	-24%	-8%