

Transparent: Short Term Rentals trends

February 2023

VisitBritain/VisitEngland Research



February 2023 | Four key insights

- The data suggests **strong recovery** in the UK short term rentals sector, with demand for nights in short term rental properties exceeding 2019 levels throughout 2022 and into early 2023, and growing at a **faster rate than supply**. Hotel occupancy rates at the England level remain stable in early 2023 vs. 2019, suggesting a shift in the total accommodation market towards short term rentals.
- Recovery is **generally strong across the UK**, however **London's supply** of short term rental properties is still 20% below 2019 levels in February 2023, with Scotland's supply 1% below. Top cities booked in 2022 were **London, Edinburgh, and Glasgow**; with Birmingham, York, and Norwich entering the top 10 post-COVID.
- Recovery in the sector may be associated with **boosted inbound travel within 2022**. The share of international guests (vs. domestic) leaving reviews for short term rental properties gained 14 percentage points from the start to the end of the year. As of February 2023, **top international origin markets** are the US, France, and Spain, with Saudi Arabia and India seeing the strongest growth among key markets when it comes to reviews vs. the same period in 2019.
- Stays in short term rental properties are **longer and larger post COVID**. The average length of stay gained three nights in 2022 vs. 2019, with the average property size being reserved also increasing in kind.

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 17-19, 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](#).

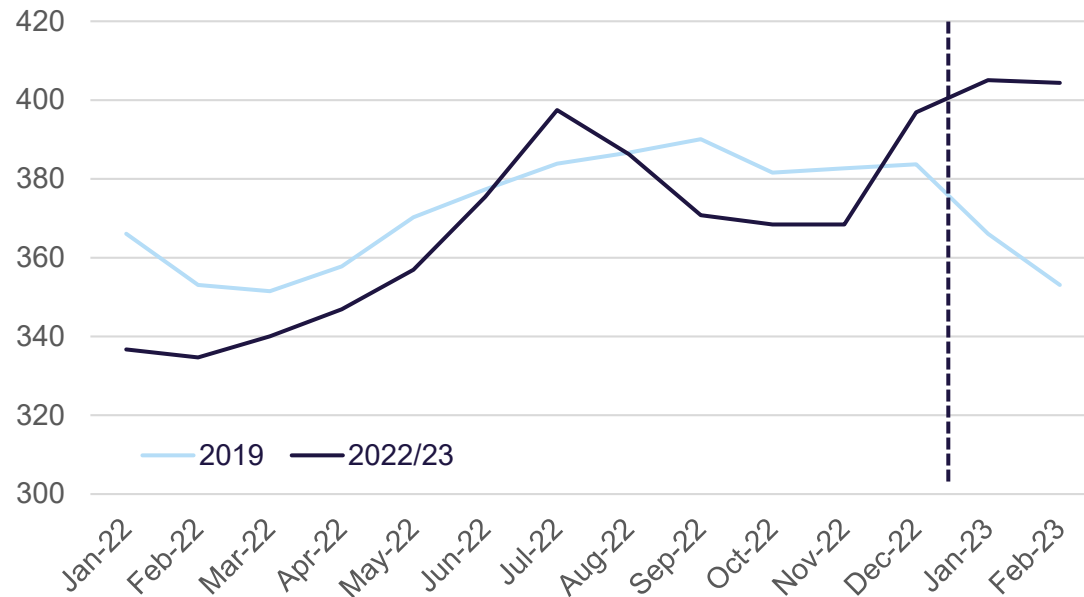
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Latest trends

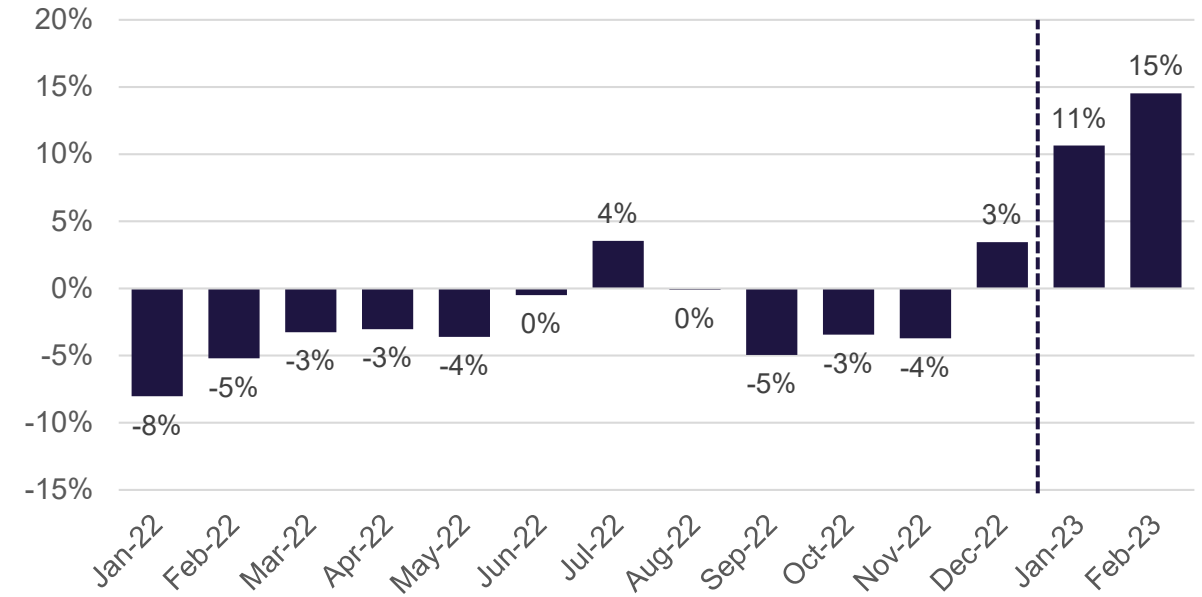


Supply | Volume of short term rental properties exceeding 2019 levels in early 2023

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



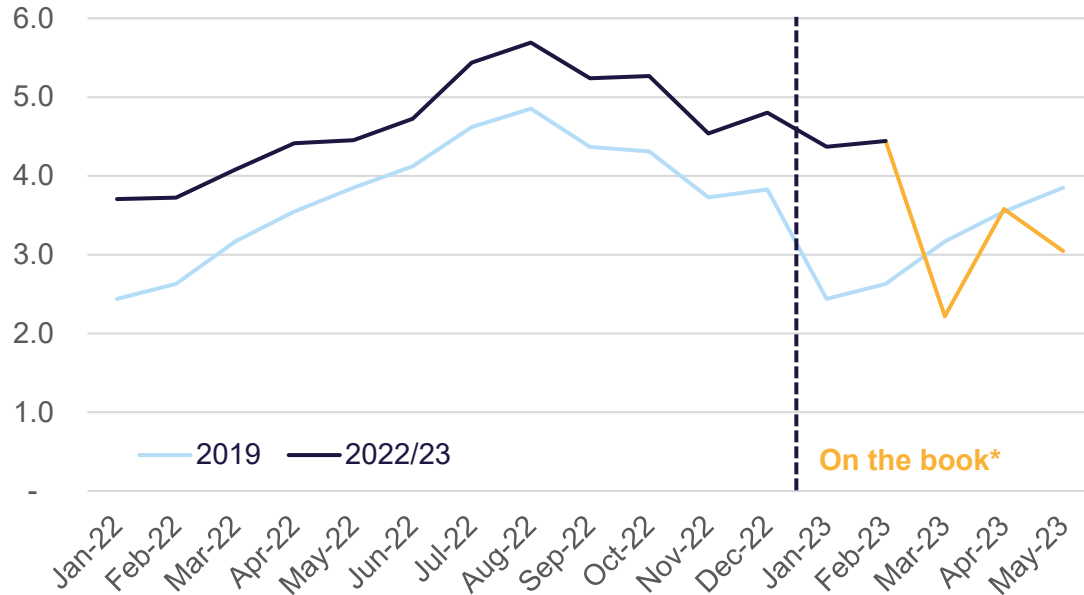
Percentage change in supply of short term rental properties vs. 2019



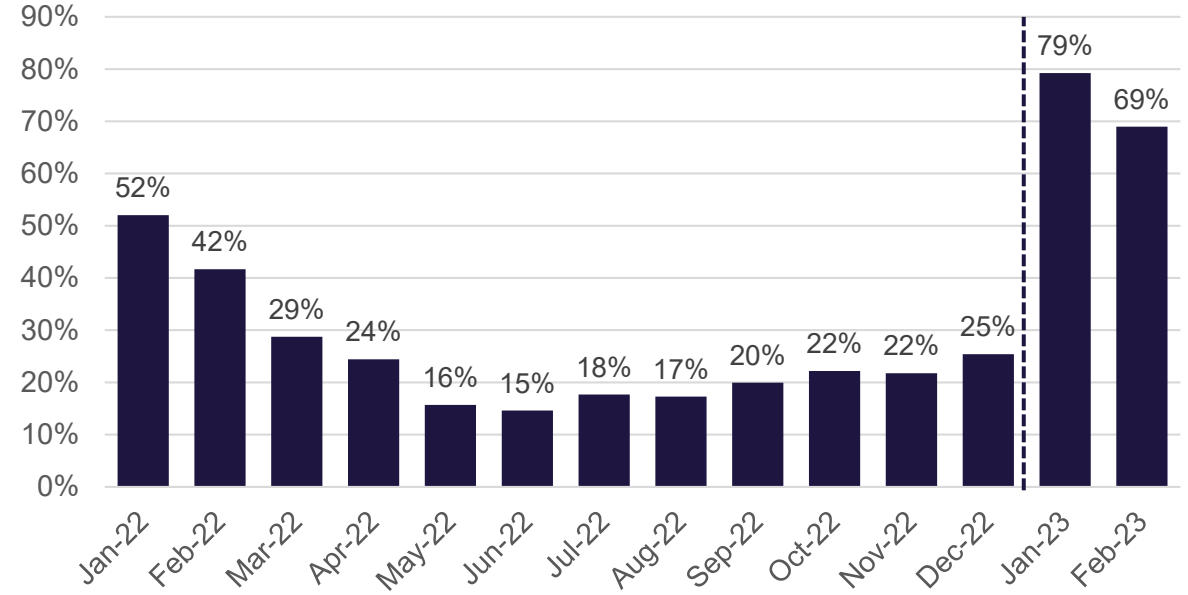
- The supply of short term rental properties across the UK saw a positive growth trajectory throughout 2022 and into the first two months of 2023, with a total of 404,000 properties in February 2023.
- The number of properties first reached 2019 levels in June 2022, and also exceeded 2019 levels in July and December 2022.
- Early 2023 has seen strong growth in supply, with the volume of properties exceeding 2019 levels by 11% in January, and 15% in February.

Reserved nights | Demand for nights in short term rental properties growing at a faster rate than supply, with future peak in April

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



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



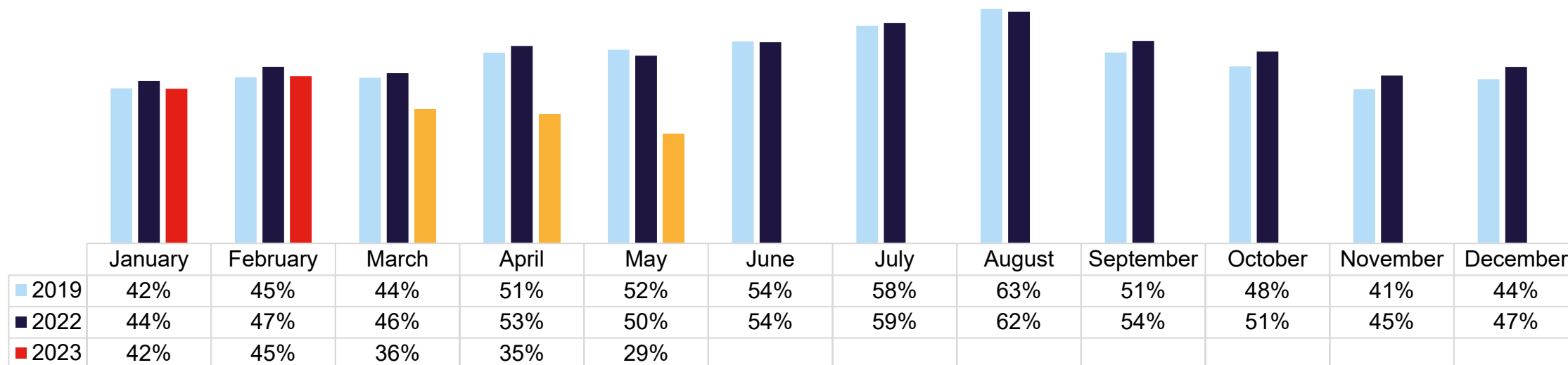
- The number of nights reserved in short term rental properties exceeded 2019 levels throughout 2022, suggesting both a strong level of demand, and relatively longer stays being booked (see slide 10 for insights on length of stay).
- Early 2023 has seen a particularly strong boost in nights reserved – exceeding 2019 levels by 79% in January, and 69% in February. February 2023 saw 4.4 million nights in short term rental accommodation across the UK.
- Reservations made for the next three months suggests particularly high demand for April, perhaps linked to the Easter holiday. 3.6 million nights in short term rental accommodation have already been made for that month.

*Nights already reserved for future months as of February 2023. Volumes are likely to be lower for more distant months due to bookings maturity.

Occupancy | Rates exceeded pre-COVID levels for most of 2022, with early 2023 on par with 2019

Occupancy rates for short term rental properties

On the book*



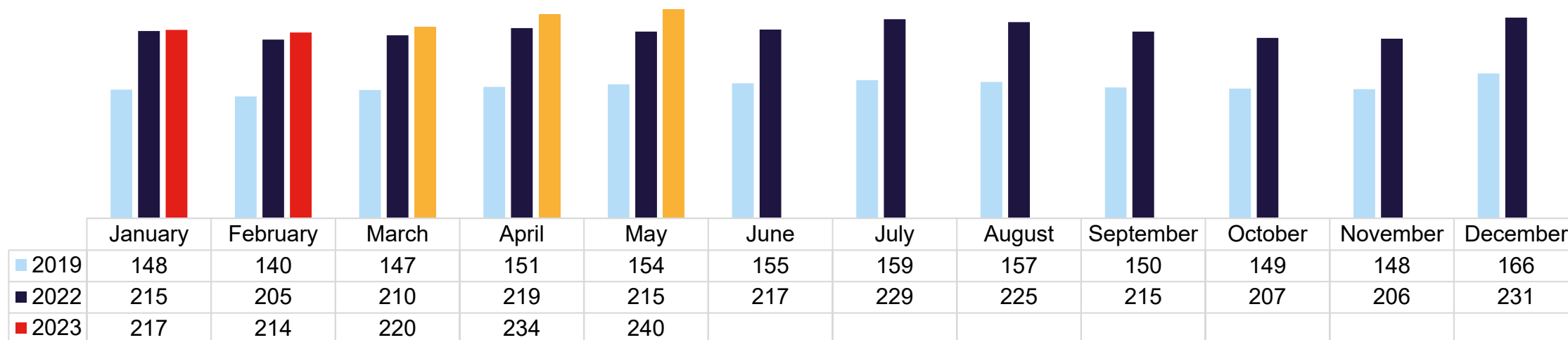
- Occupancy rates of short term rental properties exceeded 2019 levels in most months throughout 2022. The strongest growth was seen in the latter part of the year, with occupancy from September-December 2022 exceeding 2019 levels by an average of 4 percentage points.
- Moving into 2023, we see occupancy in January and February on par with 2019 levels. 36% occupancy was already achieved for March, 35% for April, and 29% for May as of bookings made in February 2023.

*Occupancy rates based on bookings in future months as of February 2023. Occupancy is likely to be lower for more distant months due to bookings maturity.

Average daily rate | Strong growth seen in rates paid for short term rental rooms in 2022 and early 2023

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

On the book*



- ADR for short term rental properties saw strong growth in 2022; exceeding 2019 levels by an average of 42% in that year. The highest ADR within 2022 was seen in December, at £231, with the lowest ADR seen in February, at £205.
- ADR is set to continue to grow in 2023. ADR in February 2023 exceeded that of February 2019 by 53%, and February 2022 by 4%.
- ADR for bookings in future months is set to grow to further heights, with a peak so far of £240 in May.

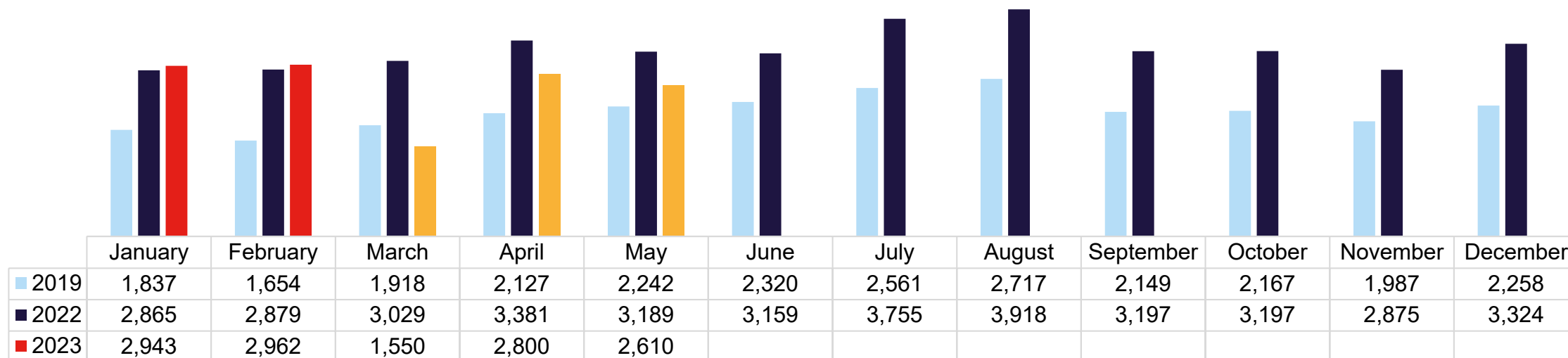
Note: ADR growth vs. 2019 outpaces the rate of inflation.

Note: ADR = average daily rate, representing the average nightly price when the data was flagged as booked, not including fees or discounts. Average daily rate from Transparent data is in US dollars, which has been converted here using exchange rates as of 04/04/23. *Average daily rate for bookings in future months as of February 2023

Average revenue per property | Stronger revenue in 2022 vs. 2019, with highest revenue seen in August

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

On the book*



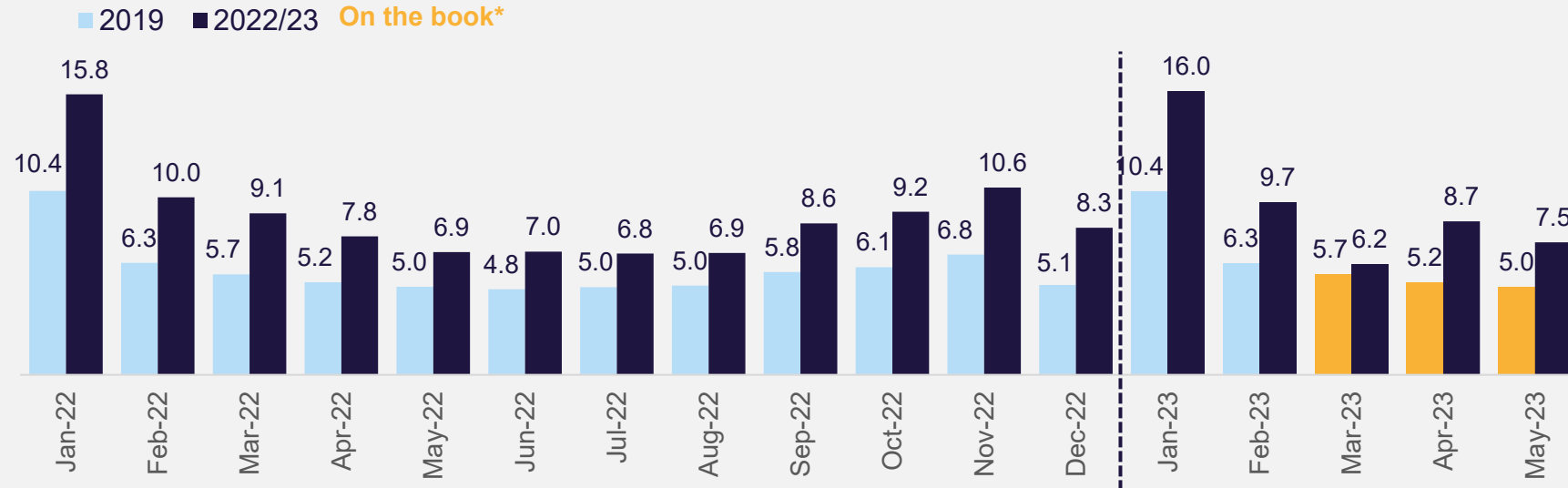
- Average revenue for short term rental properties saw strong growth in 2022; exceeding 2019 levels by an average of 49% in that year. The highest average revenue within 2022 was seen in August, at £3,918, with the lowest seen in January, at £2,865.
- Average revenue in January and February 2023 exceeded what was seen in the same months in 2022. Average revenue associated with stays 'on the book' in the next three months as of February 2023 is lower than in previous months.

Note: ADR growth vs. 2019 outpaces the rate of inflation.

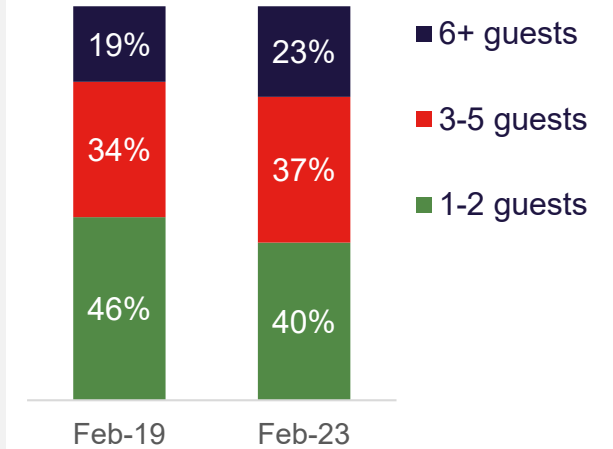
*Note: Average revenue per property is the sum nightly price per property when booked, not including fees or discounts. Average revenue from Transparent data is in US dollars, which has been converted here using exchange rates as of 04/04/23. *Average revenue for bookings in future months as of February 2023. Revenue is likely to be lower for more distant months due to bookings maturity.*

Trip characteristics | Average length of stay and party size boosted post-COVID

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 is significantly higher post-COVID – with an average of 5.9 nights in 2019, vs. 8.9 nights in 2022.
- In 2022, the highest length of stay was seen in January, at 15.8 nights, with the lowest seen in July, at 6.8 nights. January 2023 has also seen a particularly high average length of stay, at 16.0 nights. This perhaps suggests differing journey purposes depending on the time of year. For example, IPS data has shown that inbound travellers visiting friends and relatives demonstrate significantly longer lengths of stay compared to Holiday and Business travellers.
- The average property capacity booked by guests has also grown post-COVID, which may suggest a boost in party size. The proportion of properties booked which cater for 6+ guests increased by 4 percentage points compared to 2019.

*Average length of stay based on bookings in future months as of February 2023. **According to number of nights reserved.

UK destination trends

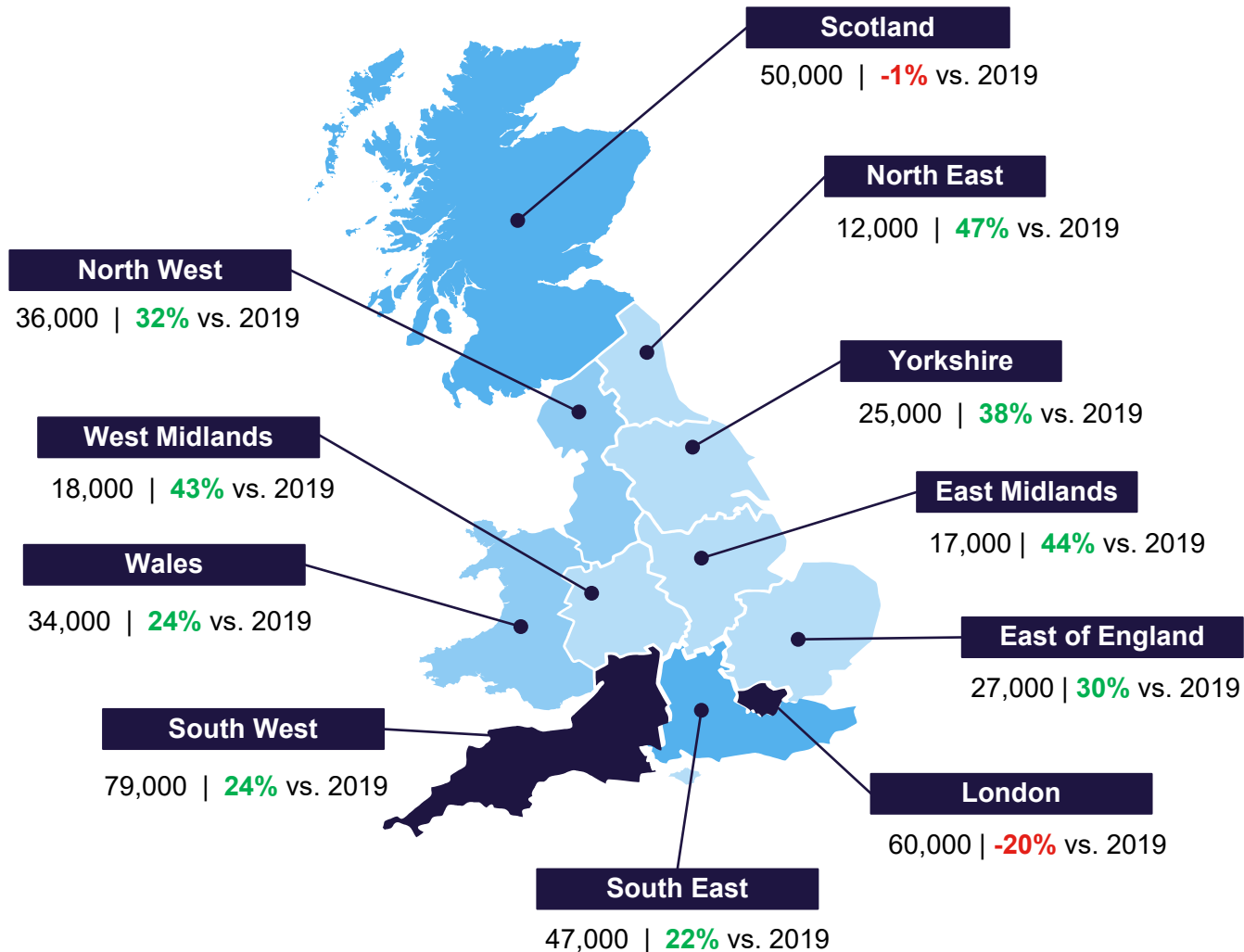


Supply | London and Scotland yet to regain pre-COVID volumes of supply, with most other destinations significantly exceeding 2019 levels in early 2023

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

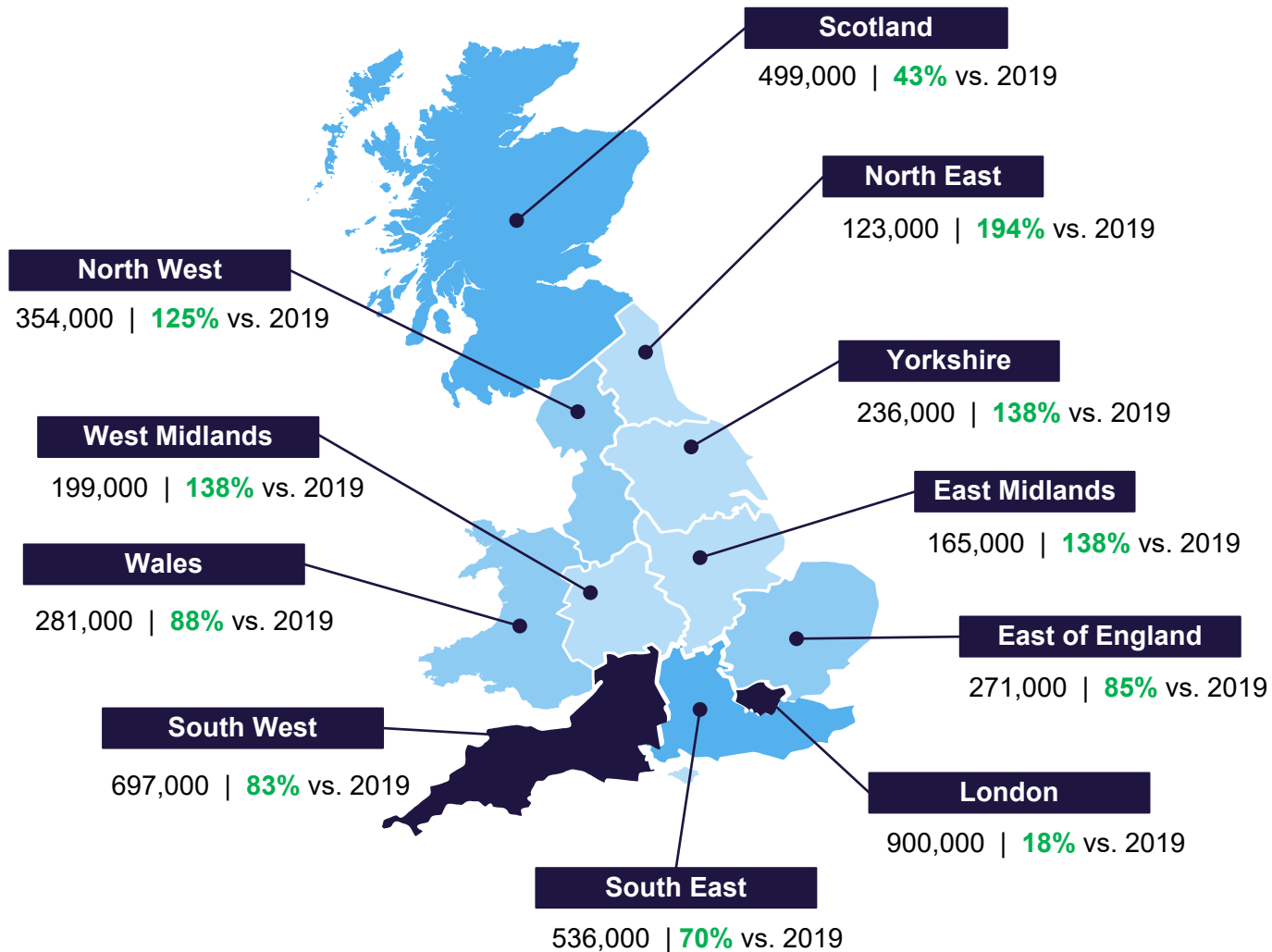
	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23
London	-45%	-41%	-37%	-38%	-41%	-38%	-34%	-35%	-38%	-36%	-34%	-29%	-25%	-20%
North East	14%	14%	15%	19%	20%	22%	27%	21%	18%	17%	14%	29%	43%	47%
North West	1%	4%	6%	6%	7%	11%	17%	13%	9%	12%	14%	20%	27%	32%
Yorkshire	16%	10%	11%	13%	15%	25%	26%	22%	17%	19%	17%	27%	41%	38%
West Midlands	19%	17%	19%	18%	15%	21%	29%	22%	15%	16%	16%	25%	44%	43%
East Midlands	18%	14%	15%	15%	15%	23%	27%	23%	18%	20%	20%	28%	42%	44%
East of England	6%	5%	7%	9%	8%	14%	18%	13%	5%	5%	5%	16%	27%	30%
South East	-1%	3%	2%	3%	5%	8%	13%	10%	2%	3%	3%	10%	17%	22%
South West	3%	7%	8%	7%	10%	11%	12%	8%	2%	2%	0%	11%	22%	24%
Scotland	-11%	-8%	-7%	-6%	-7%	-7%	-3%	-7%	-8%	-6%	-7%	-6%	-5%	-1%
Wales	4%	7%	9%	9%	8%	12%	13%	9%	5%	4%	3%	14%	22%	24%
All regions	-8%	-5%	-3%	-3%	-4%	0%	4%	0%	-5%	-3%	-4%	3%	11%	15%

Supply in Feb 23 | Destinations with low base of supply more likely to see growth vs. 2019, with South West as an exception which combines high volumes and growth



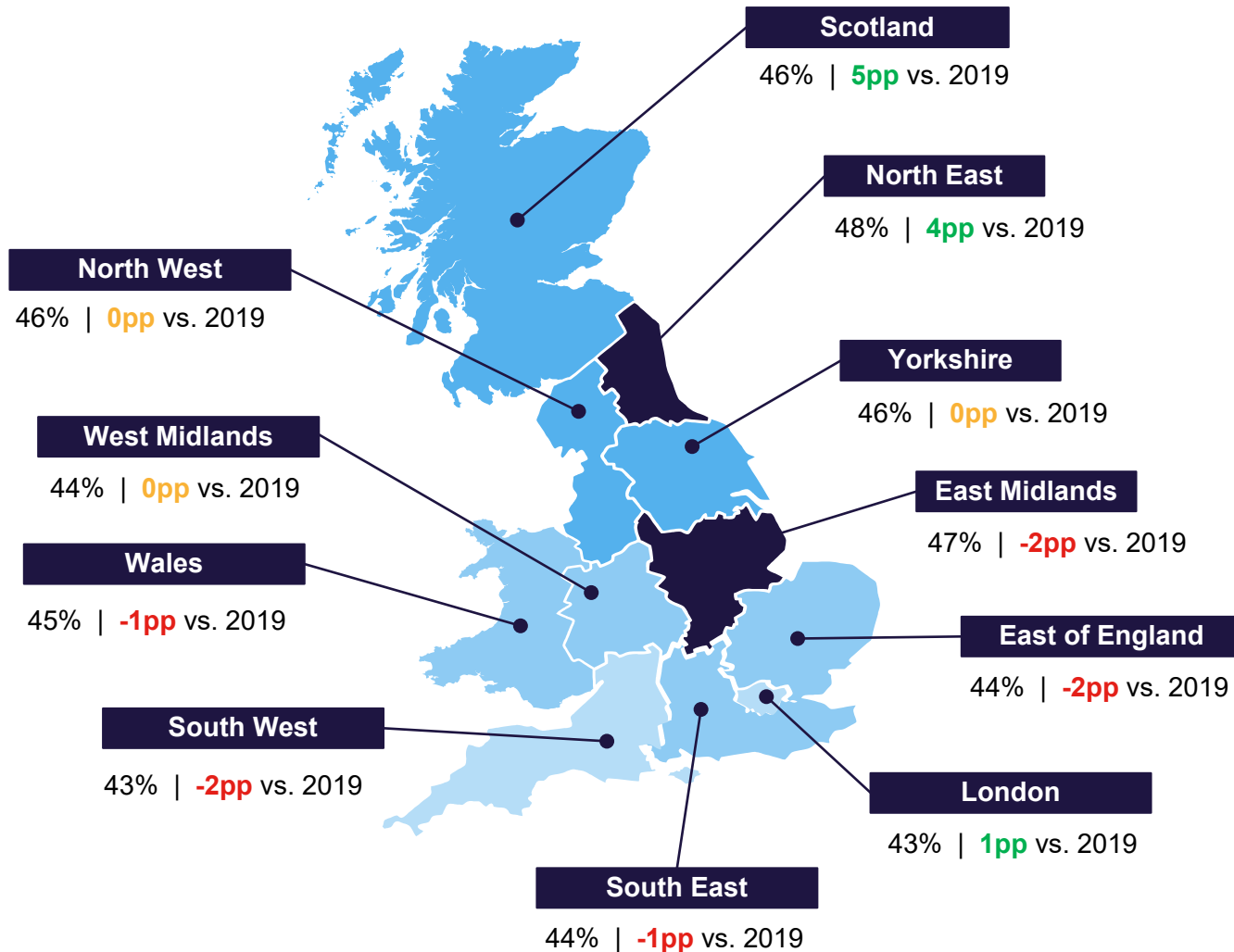
- Looking across the UK in February 2023, supply of short term rental properties is most likely to be clustered in the South West and London. These destinations hold 79,000 properties and 60,000 properties respectively.
- The lowest number of short term rental properties are found in the North East, East Midlands, and West Midlands.
- In February 2023, most UK destinations are seeing growth in supply vs. the same month in 2019. The most growth is seen by the North East, at 47%.
- In contrast, one of the destinations holding the highest volumes of properties; London, is the furthest behind 2019 levels (-20%).
- The South West appears exceptional in holding the highest volume of properties across the UK, while also achieving a strong rate of growth vs. 2019.

Reserved nights in Feb 23 | Reservations clustering in London and the South West, with all destinations seeing significant growth 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 2023 (900,000 and 697,000 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 were significantly higher across the UK in February 2023 compared to the same month in 2019.
- In fact, the volume of nights reserved in the North East almost tripled when comparing the two months, with most other destinations also seeing around double the number of nights reserved.
- This may be due to both a growth in demand for short term rental properties, and an increase in the average length of stay (see slide 10 for insights on length of stay).

Occupancy in Feb 23 | High occupancy rates for destinations with low supply, with Scotland, North East and London seeing higher occupancy vs. 2019



- Occupancy rates are relatively stable across UK destinations, with the maximum difference in occupancy being 5 percentage points.
- However, examining these small differences, we can see a reverse in the trend seen for supply and nights reserved. The highest rates of occupancy are seen in the North East and East Midlands, with the lowest seen in London and the South West.
- UK destinations see a variable rate of change in occupancy when comparing February 2023 with February 2019. The North East, Scotland, and London see some growth, with all other destinations remaining stable or losing some percentage points in occupancy since pre-pandemic.

pp = percentage point change

Top cities | London and Edinburgh dominant, with Birmingham, York and Norwich gaining favour post-COVID

Current year*

Ranking	Full year 2022	Q4 2022	January 2023	February 2023
1	London	London	London	London
2	Edinburgh	Edinburgh	Edinburgh	Edinburgh
3	Glasgow	Glasgow	Glasgow	Bristol
4	Bristol	Bristol	Bristol	Glasgow
5	Manchester	Birmingham	Birmingham	Birmingham
6	Birmingham	Manchester	Manchester	Manchester
7	Liverpool	Liverpool	Liverpool	Liverpool
8	Brighton	Brighton	Brighton	Brighton
9	York	York	York	York
10	Norwich	Norwich	Norwich	Norwich

2019 comparison*

Ranking	Full year 2019	Q4 2019	January 2019	February 2019
1	London	London	London	London
2	Edinburgh	Edinburgh	Edinburgh	Edinburgh
3	Glasgow	Glasgow	Glasgow	Glasgow
4	Bristol	Bristol	Bristol	Bristol
5	Manchester	Manchester	Brighton	Manchester
6	Brighton	Brighton	Manchester	Brighton
7	Liverpool	Liverpool	Oxford	Oxford
8	Oxford	Birmingham	Cambridge	Cambridge
9	Cambridge	Oxford	Liverpool	Liverpool
10	Birmingham	York	Cardiff	Birmingham

- When comparing the full year 2019 and 2022, the five most popular cities when it comes to nights reserved in short term rental properties are consistent – London, Edinburgh, Glasgow, Bristol, and Manchester. Birmingham climbed 4 ranks in 2022 (the year of the Commonwealth Games), with York and Norwich new entries in the top 10 in that year.
- The top 10 cities in January and February 2023 are identical to those seen in 2022, with some minor changes in rank.

*Ranking according to reserved nights

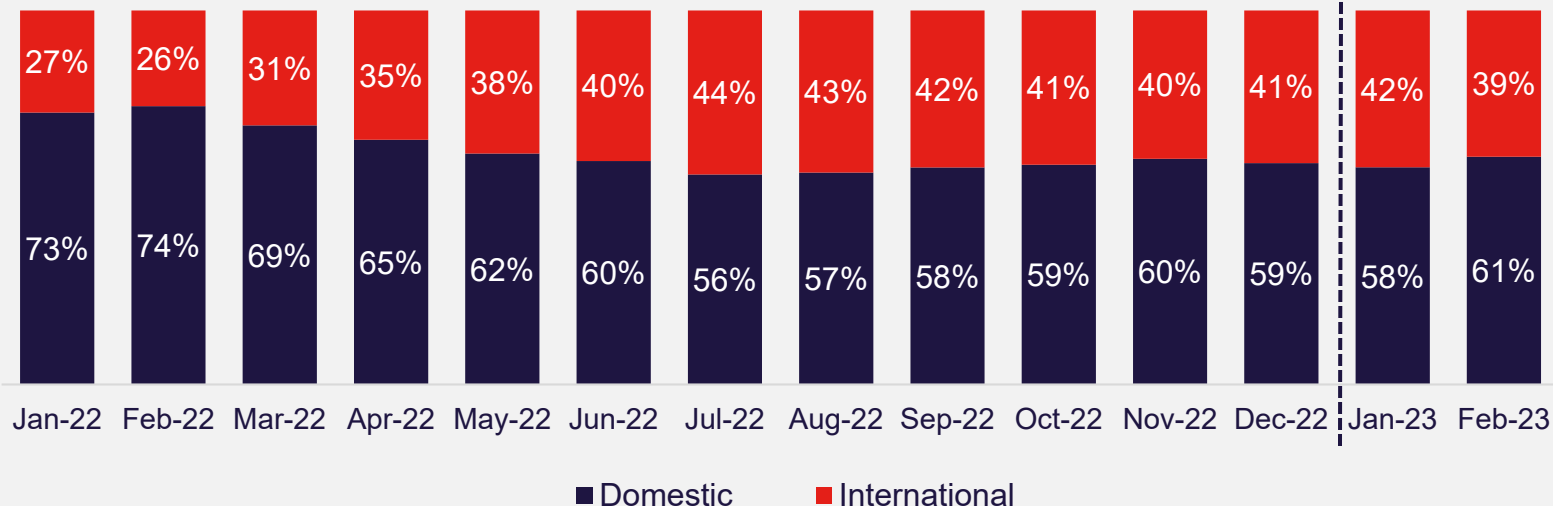
Guest origin trends

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 | Growth in inbound travel in 2022, with US, France, and Spain top international origins in Feb 23

Domestic vs. international origin by month



Top origin markets (Feb 23)

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

- 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. In fact, the year ended with international travellers having gained 14 percentage points of share compared with what was seen in January.
- In February 2023, the top five international origin markets who left reviews for short term rental properties were the United States, France, Spain, Germany, and Australia.

In detail | UK reviews fully recovered in 2022, with India, Hong Kong, and Saudi Arabia seeing strongest growth in early 2023

Number of reviews vs. same period in 2019

- Domestic travellers left 5% more reviews for short term rental properties in 2022 compared to 2019, suggesting a corresponding growth in the number of stays.
- Among our key inbound markets, Saudi Arabia, Hong Kong, and India came closest to 2019 levels of reviews in 2022. Strong recovery was also seen from the Netherlands, Brazil, and the United Arab Emirates.
- Recovery in the number of reviews from China and Russia was weakest in 2022, but some thawing is seen for Russia in January and February 2023. India sees the strongest growth in early 2023, alongside Hong Kong and Saudi Arabia.

Market	Full year 2022	Q4 2022	Jan-23	Feb-23
Australia	-44%	-26%	-17%	-23%
Austria	-31%	-21%	-21%	-43%
Belgium	-33%	-27%	-17%	-23%
Brazil	-15%	-7%	2%	-8%
Canada	-28%	-17%	-19%	-37%
China	-77%	-73%	-64%	-83%
Denmark	-33%	-26%	-34%	-41%
France	-43%	-36%	-44%	-44%
Germany	-31%	-26%	-28%	-46%
Hong Kong	-6%	25%	40%	-1%
India	-10%	12%	52%	8%
Italy	-49%	-40%	-30%	-53%
Japan	-58%	-50%	-33%	-51%
Netherlands	-12%	-14%	-10%	-38%
New Zealand	-46%	-22%	2%	-19%
Norway	-26%	-22%	-43%	-49%
Qatar	-18%	-32%	27%	*-6%
Russia	-78%	-78%	-69%	-69%
Saudi Arabia	-4%	8%	8%	9%
Spain	-39%	-25%	-20%	-37%
Sweden	-40%	-31%	-28%	-54%
Switzerland	-24%	-21%	-23%	-36%
UAE	-16%	-9%	-11%	-17%
UK	5%	-3%	6%	-12%
United States	-25%	-23%	-28%	-36%

*Sample size below 100, please treat with caution