

# Short Term Rentals trends from Transparent

June 2023

VisitBritain/VisitEngland Research



# June 2023 | Four key insights

- The data suggests that **strong recovery** in the UK short term rentals sector is being maintained as 2023 continues, with demand for nights in short term rental properties exceeding 2019 levels by 38% in June, and growing at a faster rate than supply.
- 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 June 2023 (-12% and -5% respectively). Top **cities** booked in June 2023 were London, Edinburgh, Bristol, and Liverpool.
- **Domestic travellers** remain the source of most reviews left for short term rental properties in early 2023, with **Europe** the most prominent global region, followed by the Americas. Examining origin trends, the **APAC region** has gained 6 percentage points of share when comparing June 2023 with the same month in 2022.
- Stays in short term rental properties continue to be **longer in 2023** compared to 2019 (7.9 nights in June 2023 vs. 4.8 nights in June 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 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.

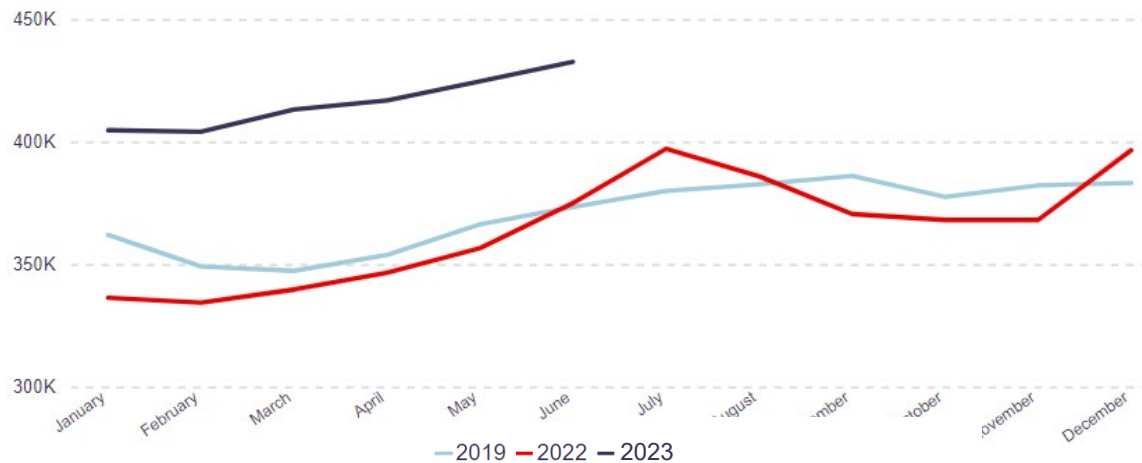
*This report is based on data which is up to date as of the end of June 2023.*

# Latest trends

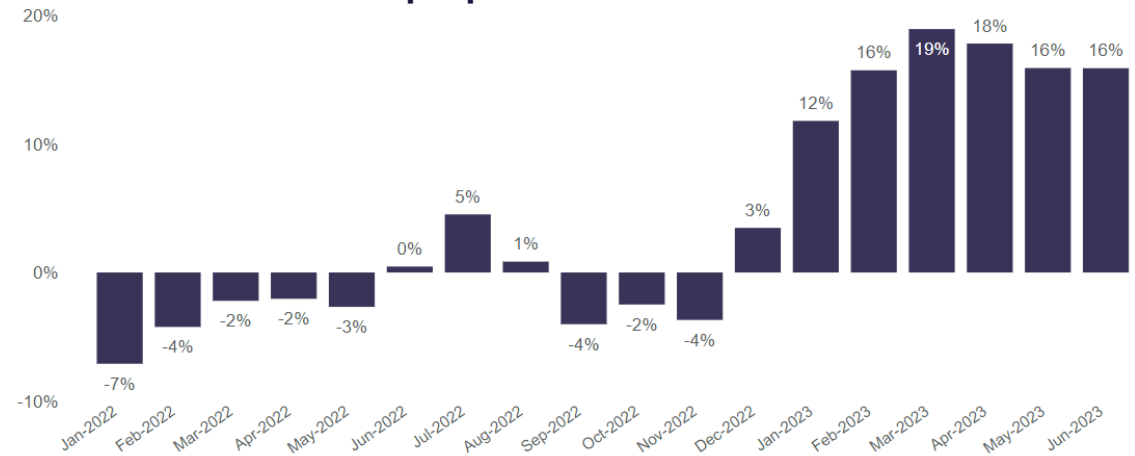


# Supply | Volume of short term rental properties exceeding 2019 levels throughout 2023 so far

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



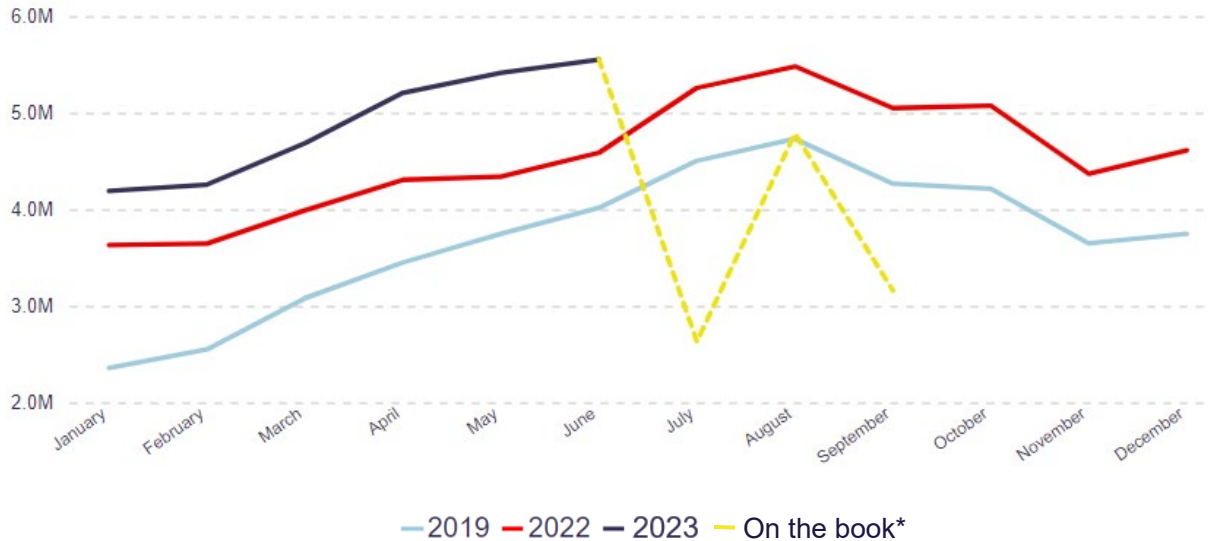
Percentage change in supply of short term rental properties vs. 2019



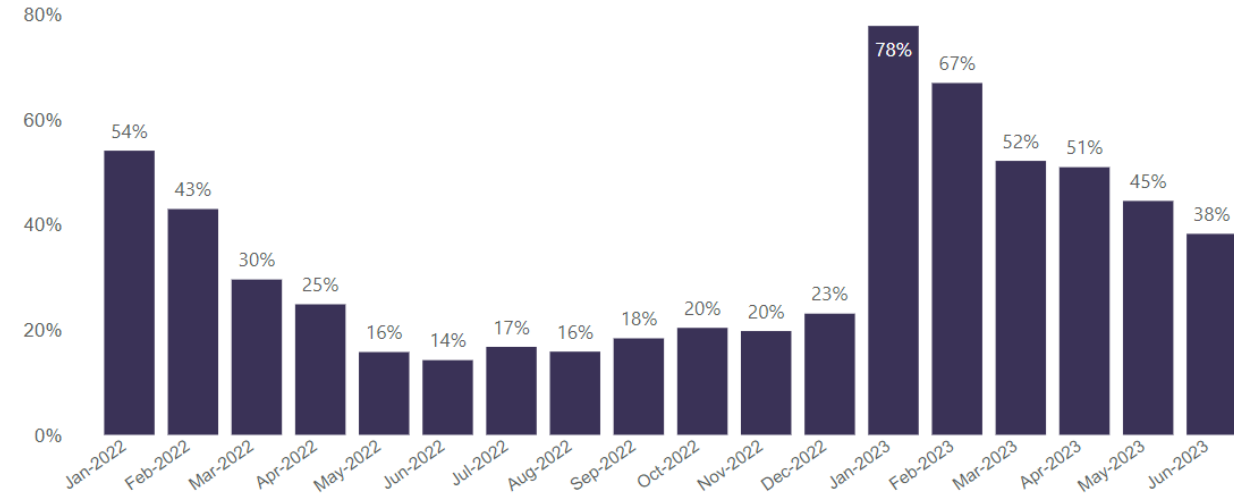
- The supply of short term rental properties across the UK started to show growth vs. 2019 within 2022, and consistent growth has been seen in early 2023. In June 2023, there were over 432,000 short term rental properties across the UK.
- Growth within 2023 so far peaked in March at 19%, with growth rates slowing by June 2023 at 16%.

# Reserved nights | Demand for nights in short term rental properties growing at a faster rate than supply, but growth rates calming as the year continues

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



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

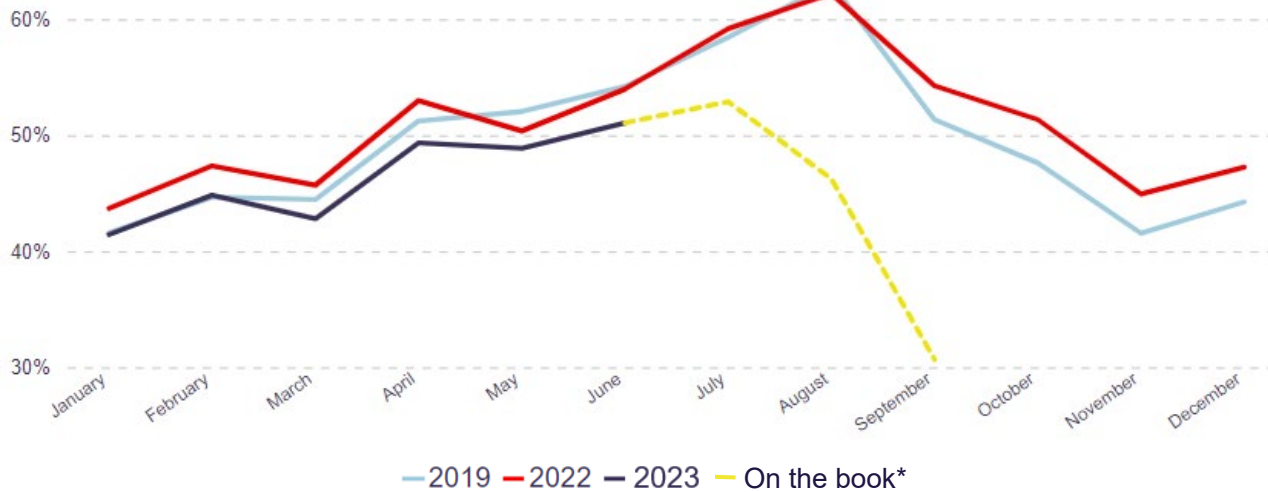


- Early 2023 has seen a particularly strong boost in the volume of nights reserved: exceeding 2019 levels by 78% in January, and 67% in February. Since then, we have seen growth rates reduce, to rest at 38% in June. 5.6 million nights were reserved in short term rental properties for the month of June 2023.
- Reservations made for the next three months are, so far, below June's peak, however, 4.8 million nights have already been reserved for August 2023 as of the end of June (please see note in footer regarding July data).

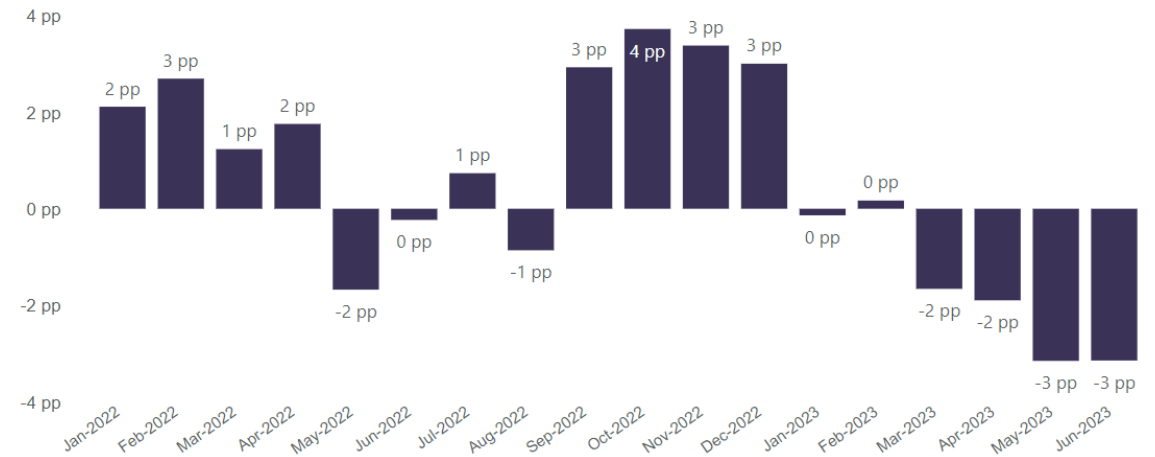
\*Nights already reserved for future months as of June 2023. We can expect volumes to increase in the future as more bookings are made.  
Metrics for July look low due to data being accessed mid way through that month, reducing the number of days eligible as the source of 'future performance'

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

Occupancy rates for short term rental properties



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

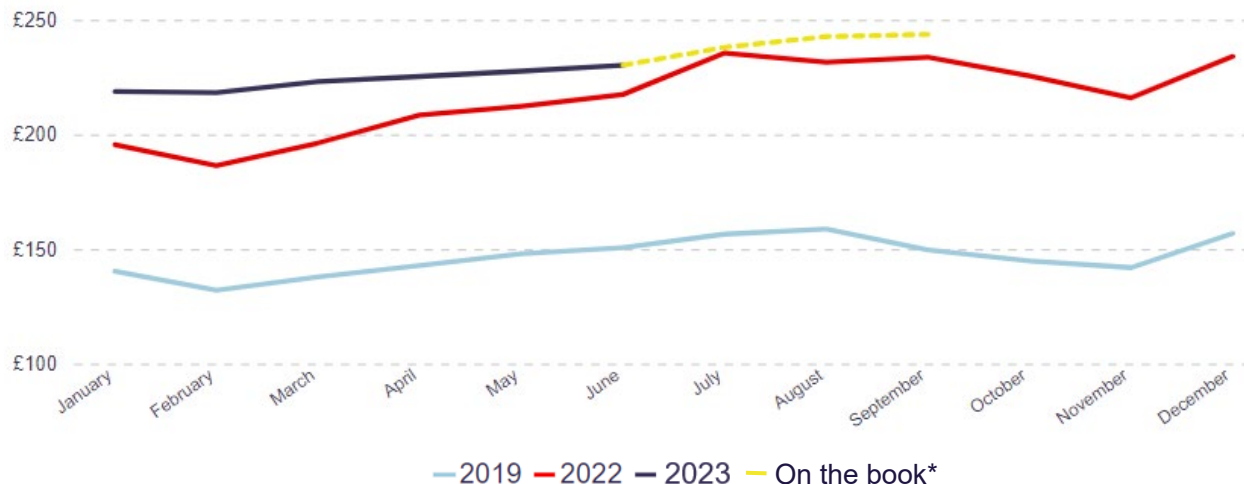


- Occupancy rates of short term rental properties exceeded 2019 levels in most months throughout 2022. However, in early 2023, occupancy rates have been either on par with or slightly below 2019 levels.
- Occupancy rates have been increasing as the year continues – with 41% occupancy seen in January, but 51% seen in June. Looking at bookings for the future, 31% occupancy has already been achieved for September as of bookings made before the end of June 2023.

\*Occupancy rates based on bookings in future months as of June 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 53% in June 2023 vs. the same month in 2019, and average revenue growing by 54% in that time. This growth outpaced the rate of inflation during the same period (22%).
- ADR in June 2023 was £230, with ADR associated with bookings in future months set to exceed this.
- Average revenue per property in June 2023 was £3,467. Average revenue associated with stays 'on the book' in the upcoming months as of June 2023 is lower than in previous months, however this is likely to change as more bookings are made (please see note in footer regarding July data).

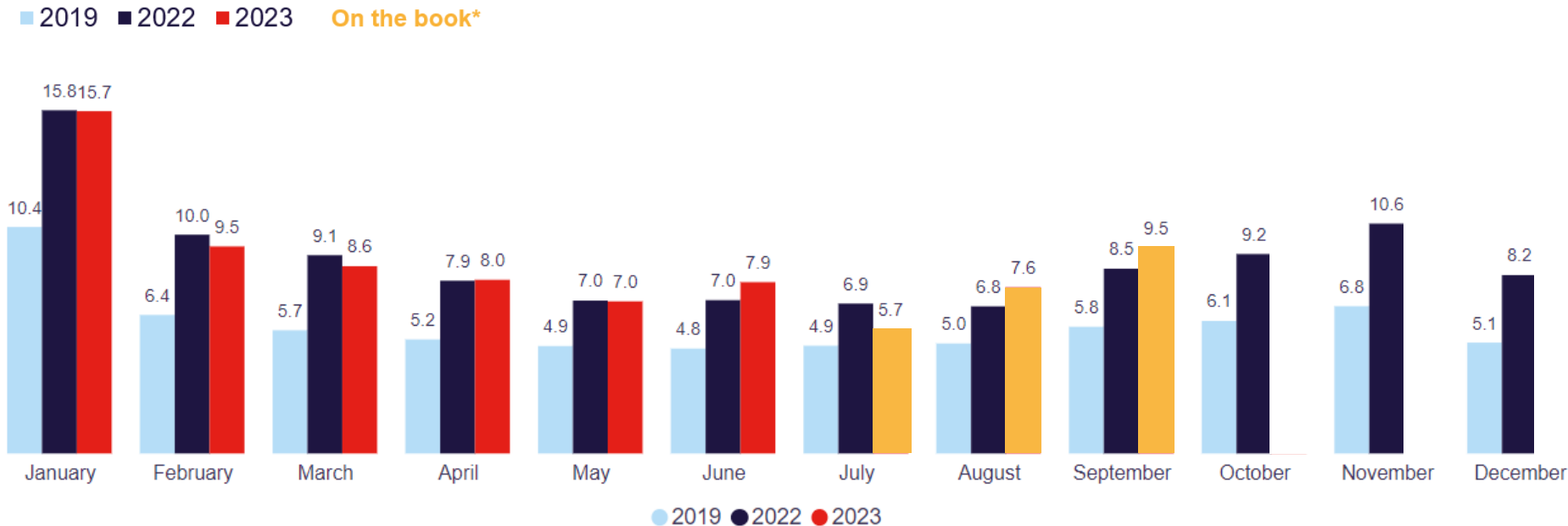
Note: ADR = average daily rate, representing the average nightly price when the data was flagged as booked, not including fees or discounts. Average revenue per property = the sum nightly price per property when booked, not including fees or discounts. Both metrics from Transparent data are in US dollars,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

\*Average daily rate for bookings in future months as of June 2023. Metrics may change in the future as more bookings are made. Metrics for July may look low due to data being accessed mid way through that month, reducing the number of days eligible as the source of 'future performance'

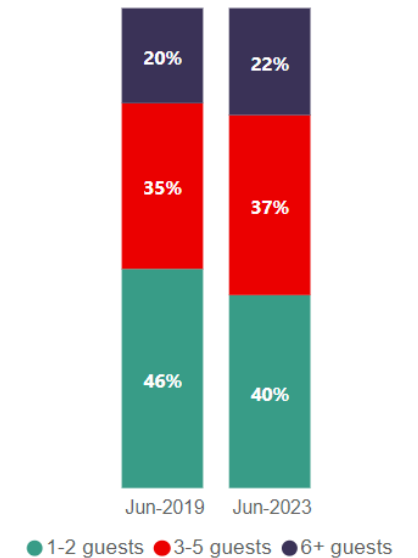


# Trip characteristics | Average length of stay and party size continue to exceed 2019 levels

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. Average length of stay has generally shortened as the year has continued, however we do see a boost when comparing May and June (7.0 nights vs. 7.9 nights).
- The average property capacity booked by guests in June 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 June 2023. Length of stay may change in the future as more bookings are made

\*\*According to number of nights reserved.

# UK destination trends

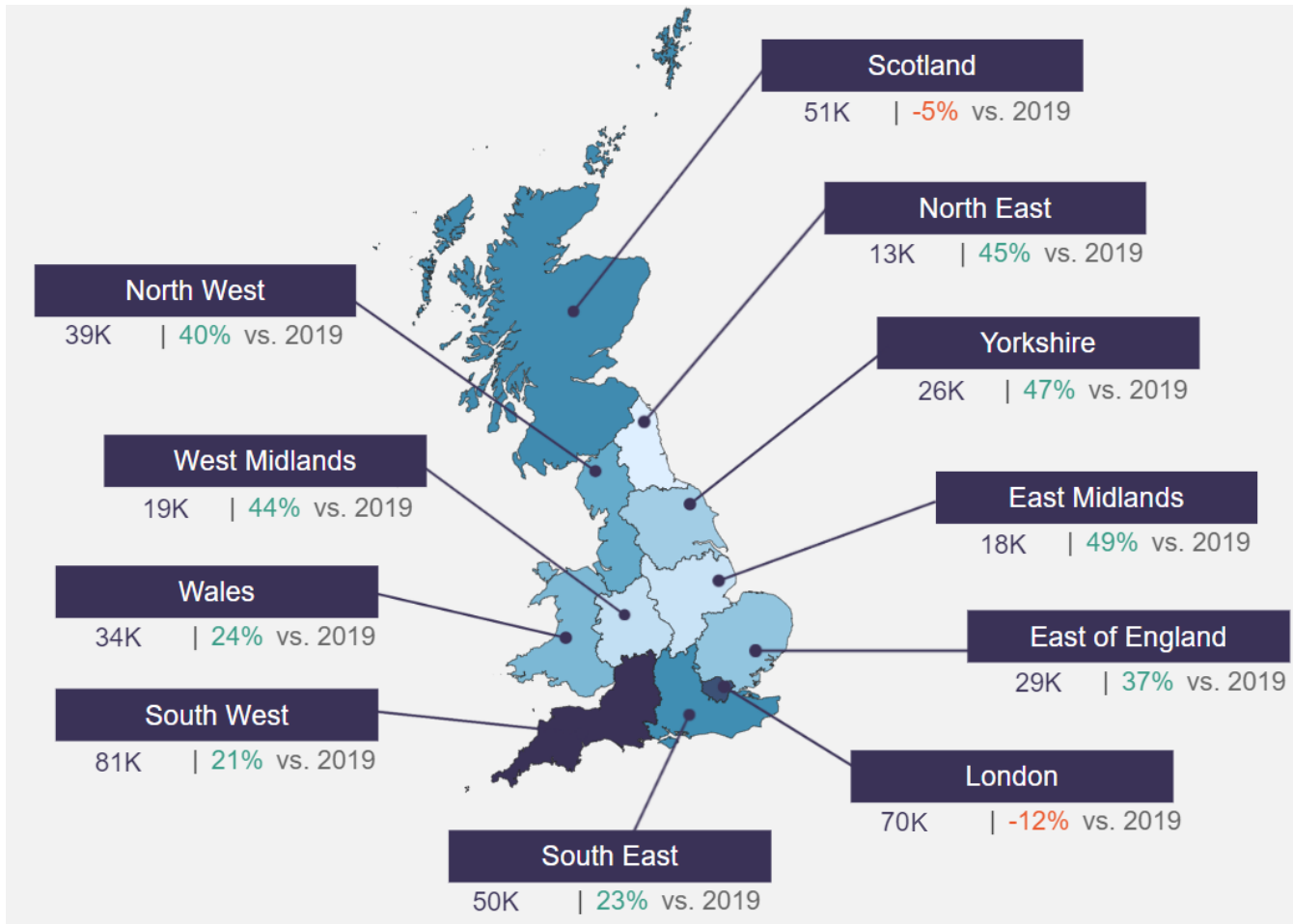


# Supply | London yet to regain pre-COVID volumes of supply, with Scotland also slightly below, but all other destinations significantly exceeding 2019 levels in early 2023

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

Region	Jun-2022	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023
East Midlands	26%	29%	25%	20%	22%	21%	29%	46%	48%	50%	49%	46%	49%
East of England	16%	21%	15%	8%	7%	6%	17%	30%	33%	37%	37%	35%	37%
London	-38%	-34%	-34%	-38%	-35%	-34%	-29%	-25%	-20%	-13%	-12%	-16%	-12%
North East	22%	27%	21%	18%	17%	13%	28%	43%	48%	48%	49%	49%	45%
North West	13%	20%	15%	11%	14%	15%	21%	31%	35%	40%	42%	41%	40%
Scotland	-5%	-1%	-5%	-7%	-5%	-7%	-6%	-3%	1%	2%	0%	-1%	-5%
South East	9%	15%	11%	4%	4%	3%	10%	19%	24%	25%	24%	24%	23%
South West	13%	15%	10%	4%	4%	1%	12%	24%	27%	27%	24%	25%	21%
Wales	14%	15%	11%	6%	6%	4%	15%	25%	26%	29%	27%	23%	24%
West Midlands	22%	31%	24%	17%	18%	17%	26%	47%	46%	49%	48%	44%	44%
Yorkshire and The Humber	28%	29%	24%	19%	21%	18%	27%	45%	41%	45%	43%	43%	47%

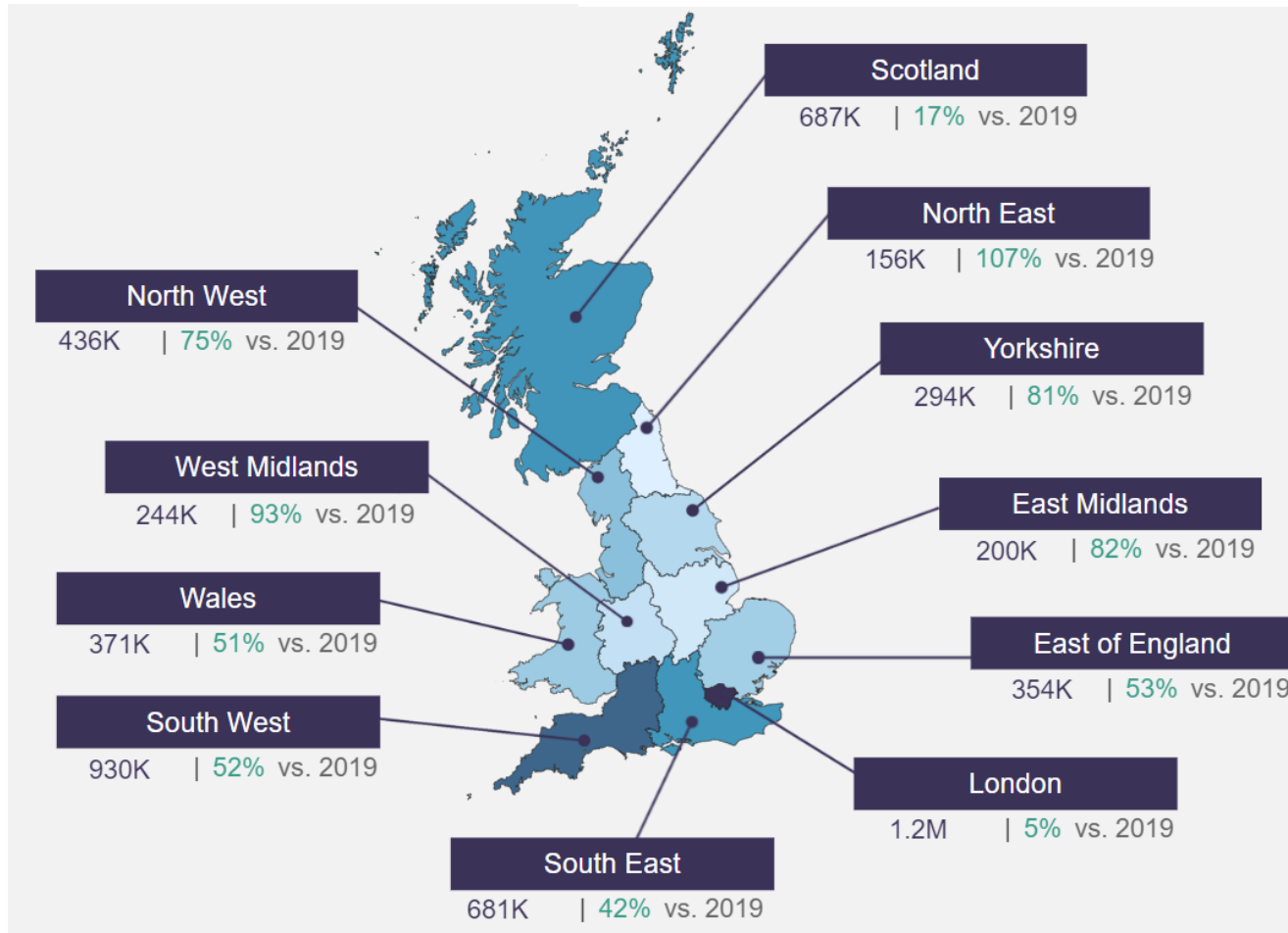
# Supply in June 23 | Destinations with low base of supply more likely to see growth vs. 2019, with South West as an exception which combines high volumes and growth



- Looking across the UK in June 2023, supply of short term rental properties is most likely to be clustered in the South West and London. These destinations hold 81,000 properties and 70,000 properties respectively.
- The lowest number of short term rental properties are found in the North East, East Midlands, and West Midlands.
- In June 2023, most UK destinations are seeing growth in supply vs. the same month in 2023. The most growth is seen in the East Midlands (49%) and Yorkshire (47%).
- In contrast, one of the destinations holding the highest volumes of properties; London, is the furthest behind 2019 levels (-12%), and Scotland is also 5% behind 2019 levels.
- 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.

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

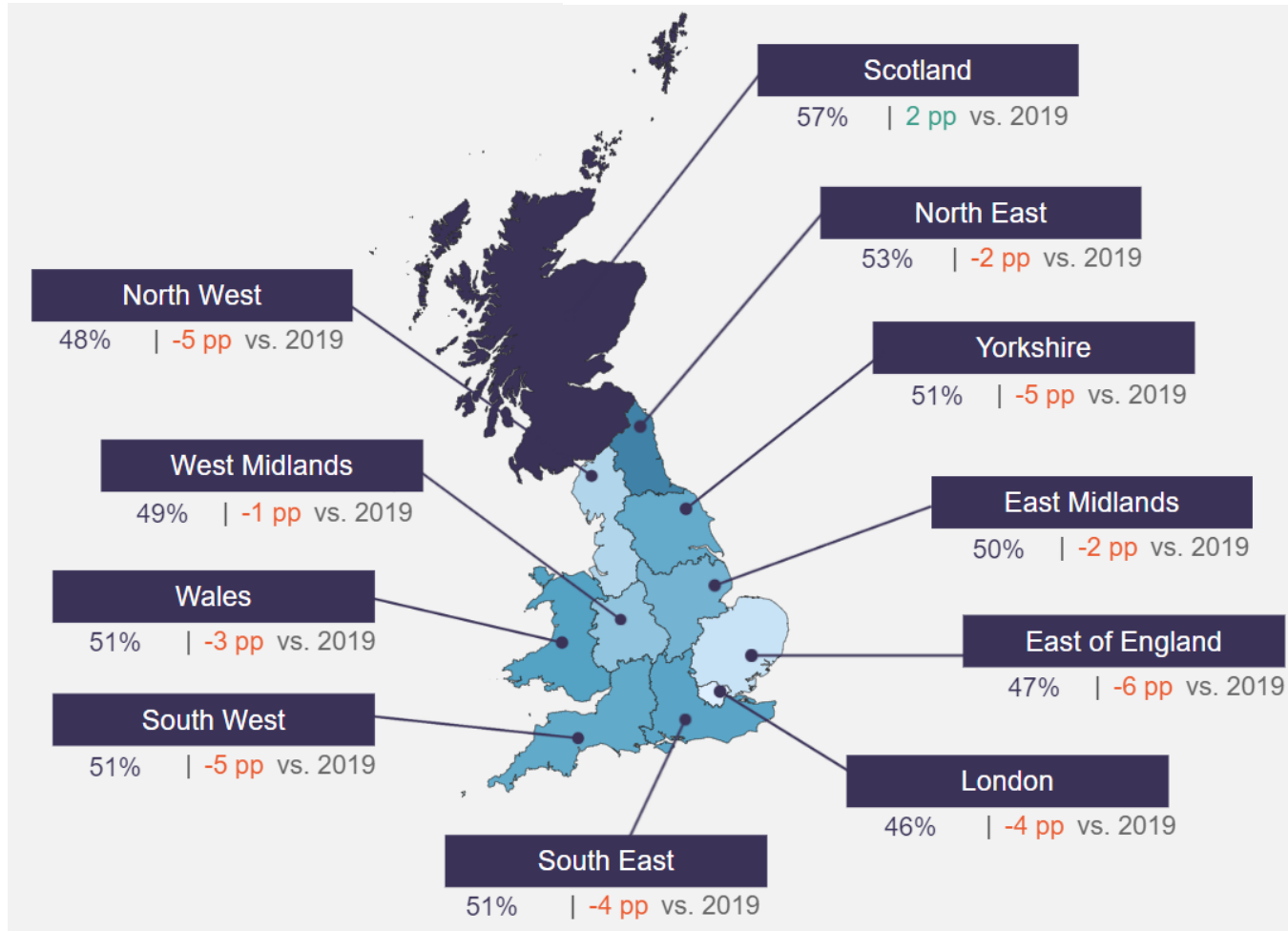
# Reserved nights in June 23 | Reservations clustering in London and the South West, with all destinations seeing growth vs. 2019



- 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 May 2023 (1.2 million and 930,000 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 June 2023 compared to the same month in 2019.
- 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 9 for insights on length of stay).

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

# Occupancy in June 23 | Highest occupancy rates in Scotland and the North East, with Scotland the only destination seeing growth vs. 2019



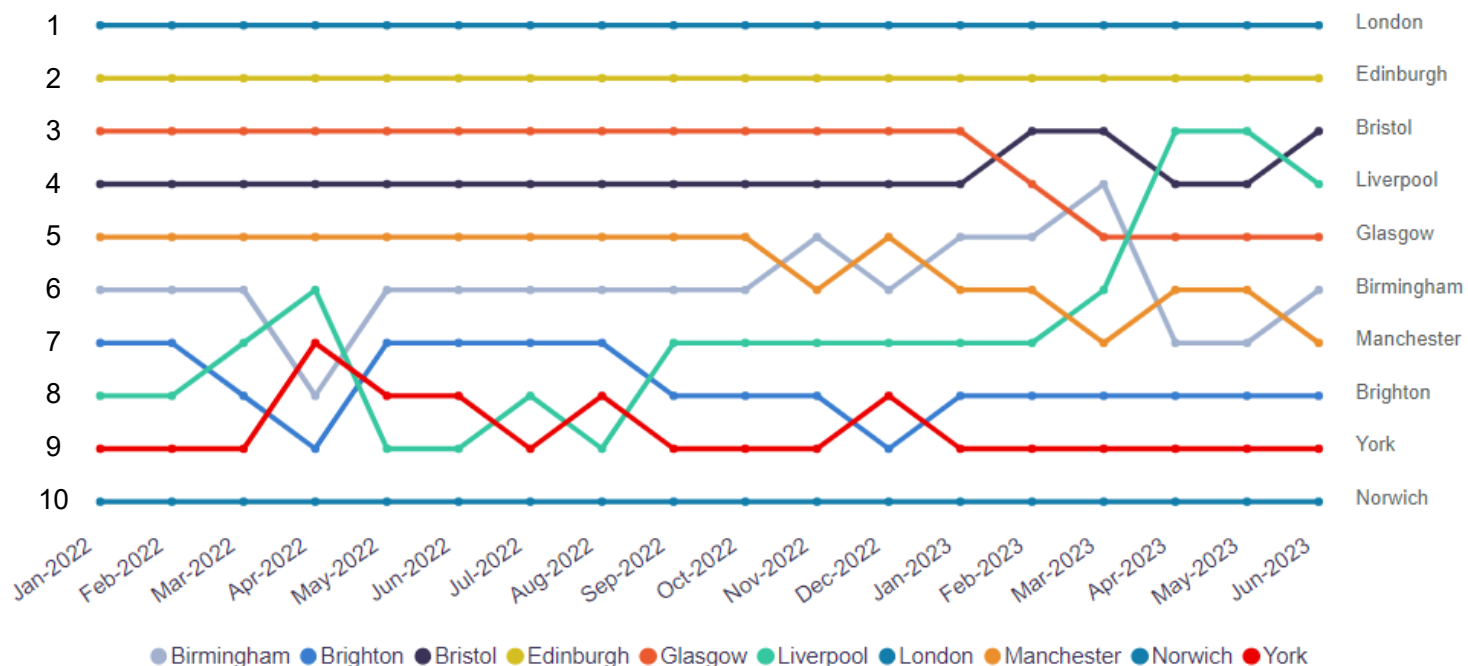
- Trends in occupancy rates across UK destinations in June differ compared to those seen for supply and nights reserved.
- The highest rates of occupancy are seen in Scotland and the North East, with the lowest rates seen in London, the East of England, and the North West.
- The majority of UK destinations see a decline in occupancy rates when comparing June 2023 with June 2019, with the East of England seeing the steepest declines at -6 percentage points.
- In contrast, Scotland is the only UK destination seeing a growth in occupancy in the same period (2 percentage points).

pp = percentage point change

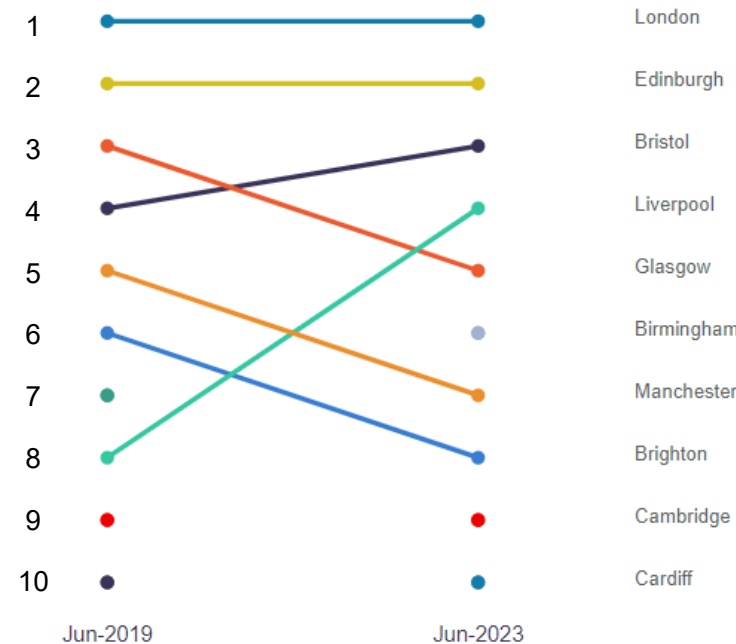
Note: map colour coding is based on occupancy rates between regions

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

Ranking of cities by nights reserved



Top ranked by year



- In June 2023, the most popular UK cities when it comes to nights reserved in short term rental properties were London, Edinburgh, and Bristol. Liverpool is ranked 4<sup>th</sup>, and has seen a significant increase in ranking when compared to starting 2022 at 8<sup>th</sup>.
- When comparing the top 10 UK cities in June 2023 with the same month pre-COVID, we can see Liverpool climbing 4 ranks, and Bristol 1 rank, with Birmingham, York, and Norwich as new entrants. In that time, Oxford, Cambridge, and Cardiff dropped out of the top 10.

\*Ranking according to reserved nights

# Guest origin trends

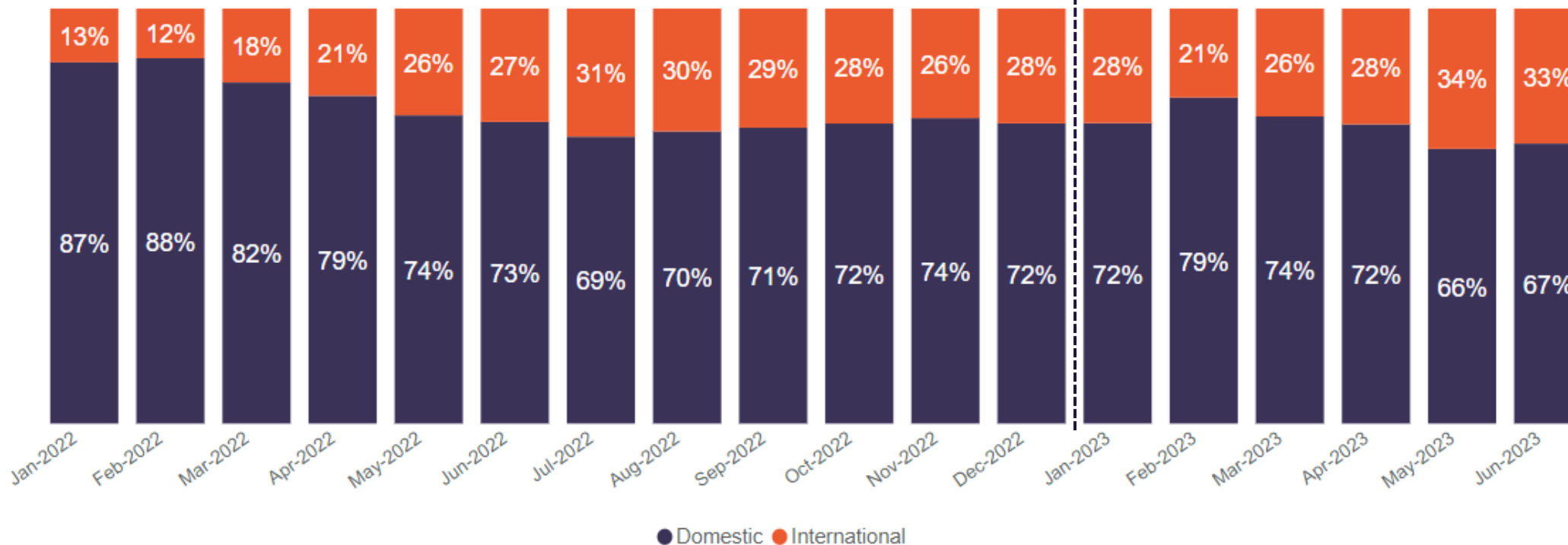
**Note:** Guest origin data is extracted from information on the public profile of guests who review their stays on Airbnb. The dates included in the data are relevant to the dates of the stay being reviewed. This data can help us estimate the prominence of different origin markets among those booking 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 | A third of reviews left by inbound travellers in June 2023

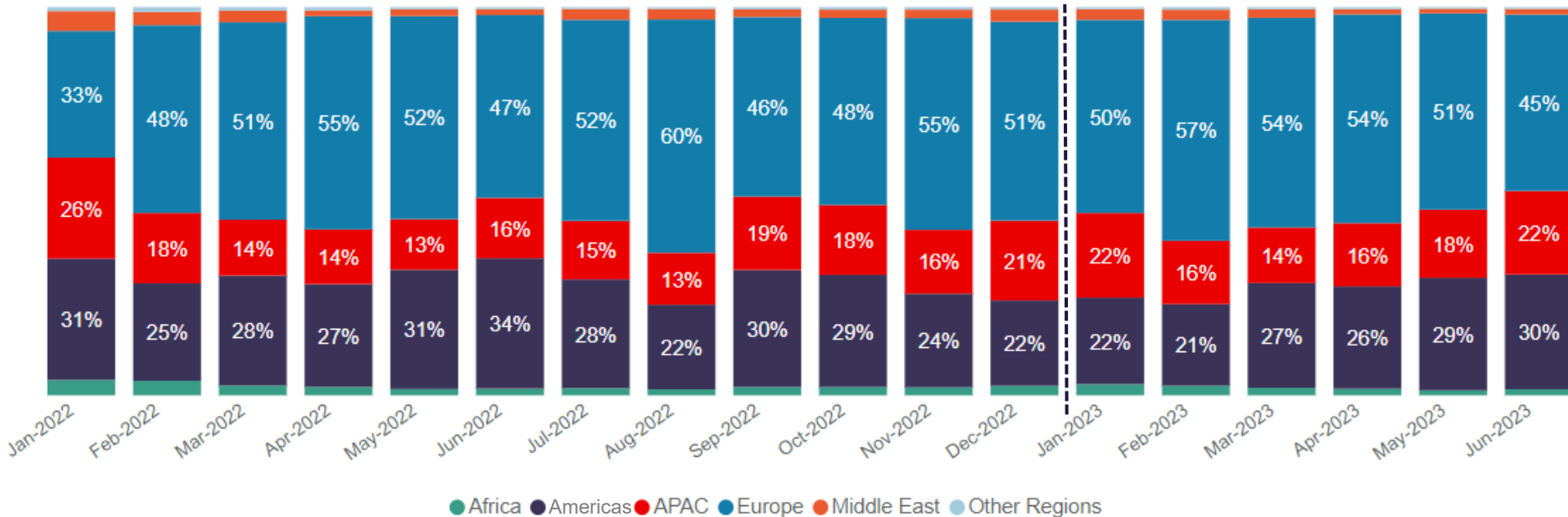
Domestic vs. international origin by month



- 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, and December 2022 saw a 28% share for international travellers.
- The share of international travellers has increased further in 2023, with June 2023 seeing a 33% share for this segment, and May seeing the highest so far since the start of 2022 at 34%.

# 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 (June 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) were most dominant throughout 2022, and also when moving into 2023. Following this came travellers from the Americas, then APAC, the Middle East, Africa, and finally other regions.
- When comparing origin trends in June 2023 with the same month in 2022, we can see APAC gaining 6 percentage points of share, and Europe losing 2 percentage points.
- In June 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 | Saudi Arabia, Qatar and Belgium seeing strongest growth in reviews left in May 2023

## Number of reviews vs. same period in 2019

- The growth seen in the number of reviews left by domestic travellers has remained relatively stable when comparing January 2023 with May 2023 (10% and 9%).
- In May 2023, the inbound markets seeing the largest growth in the volume of reviews left are Saudi Arabia, Qatar, and Belgium.
- Fluctuations in performance from Saudi Arabia and Qatar over the last few months may be linked to the Eid holiday's placement in the year: taking place earlier in 2023 compared to 2019.
- Hong Kong\* and India's performance dropped between April and May 2023, from 54% and 35% respectively, to 10% and 13%.

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  
\*Hong Kong trends may be influenced by residents moving to the UK and securing short term accommodation while they buy property, linked to the BN(O) visa

Market	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023
Australia	-12%	-4%	5%	0%	9%
Austria	-17%	-25%	-14%	-6%	16%
Belgium	-12%	3%	-36%	-15%	50%
Brazil	10%	16%	23%	29%	30%
Canada	-15%	-23%	-18%	-9%	-15%
China	-61%	-80%	-55%	-60%	-51%
Denmark	-31%	-21%	-33%	-19%	-6%
France	-40%	-26%	-35%	-21%	-2%
Germany	-23%	-29%	-34%	-2%	15%
Hong Kong	47%	19%	39%	54%	10%
India	63%	36%	5%	35%	13%
Italy	-25%	-36%	-31%	-32%	-31%
Japan	-30%	-36%	-31%	-31%	-35%
Netherlands	-5%	-18%	-7%	2%	28%
New Zealand	6%	0%	1%	-5%	-9%
Norway	-39%	-29%	-27%	-14%	22%
Qatar	32%	15%	33%	-3%	68%
Russia	-68%	-62%	-68%	-61%	-79%
Saudi Arabia	16%	52%	49%	-40%	122%
South Korea	-49%	-44%	-36%	-20%	-17%
Spain	-14%	-13%	-19%	-20%	-21%
Sweden	-25%	-39%	-33%	-21%	-15%
Switzerland	-19%	-16%	-24%	-1%	19%
United Arab Emirates	-4%	12%	12%	-6%	20%
United Kingdom	10%	11%	4%	9%	9%
United States	-23%	-23%	-23%	1%	-8%