Short Term Rentals trends from Lighthouse

March 2024

VisitBritain/VisitEngland Research

March 2024 | The volume of supply continues to accelerate, with other metrics seeing some uplift between February and March, but occupancy still down year on year

- March 2024 saw growth in the supply of short term rental properties **continue to accelerate** compared with 2019 and 2023, with London seeing further growth vs. last month and Scotland now meeting pre-COVID volumes.

- After dips from January to February, we now see **some uplift** in the volume of nights reserved, occupancy rates, and average revenue per property between February and March. However, occupancy rates and average revenue per property **remain down year on year**.

- **Birmingham** and **Glasgow** gained popularity between February and March, with **Saudi Arabia** and **Brazil** leading year on year growth in the number of reviews left for short term rental properties.

- As seen throughout Q1, the origin of travellers **remained very similar** year on year in March, 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.

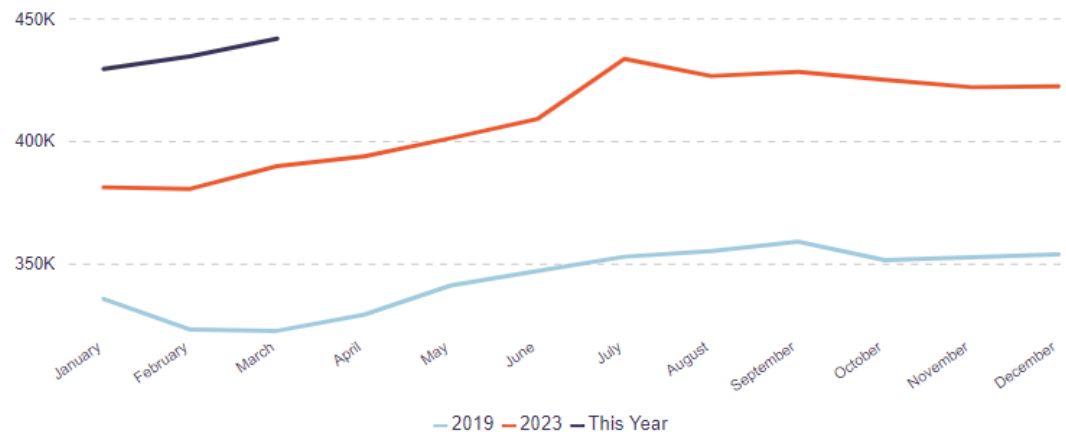This report can be freely shared, as long as Lighthouse is cited as the source.

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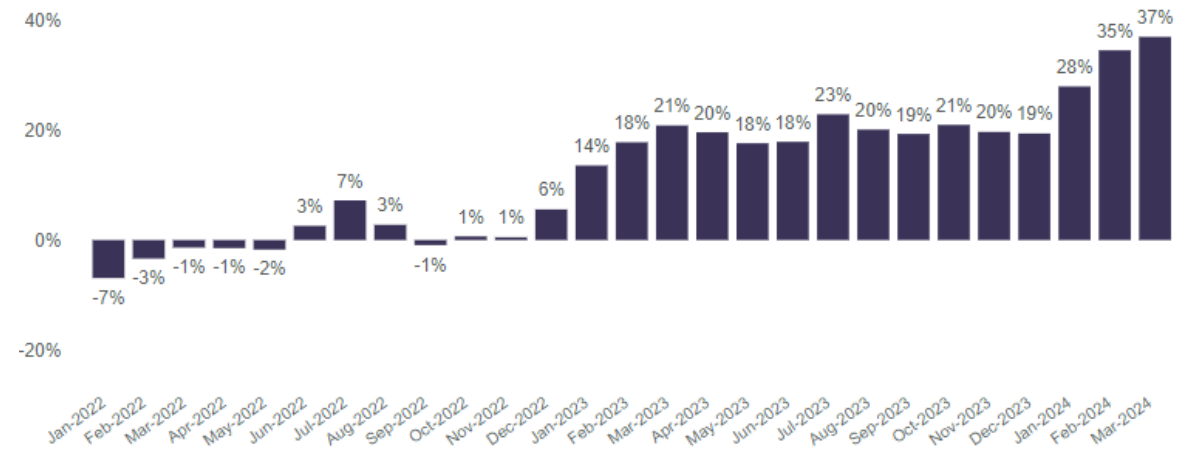
Latest trends

Supply | Growth in supply of short term rental properties accelerated throughout Q1

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

— 2019 — 2023 — This Year

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 in the first quarter of 2024.
- In March 2024, we see a further acceleration of growth (37% vs. 35% in February) with over 441,000 short term rental properties across the UK.

Please note: Lighthouse recently identified an issue with the supply data caused by an error in their algorithms. All historical data has now been re-issued with this error fixed, which means that supply data may differ slightly compared to previous publications.

Reserved nights | Volume of nights reserved moves up again in March

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

— 2019 — 2023 — This Year — On the Book *
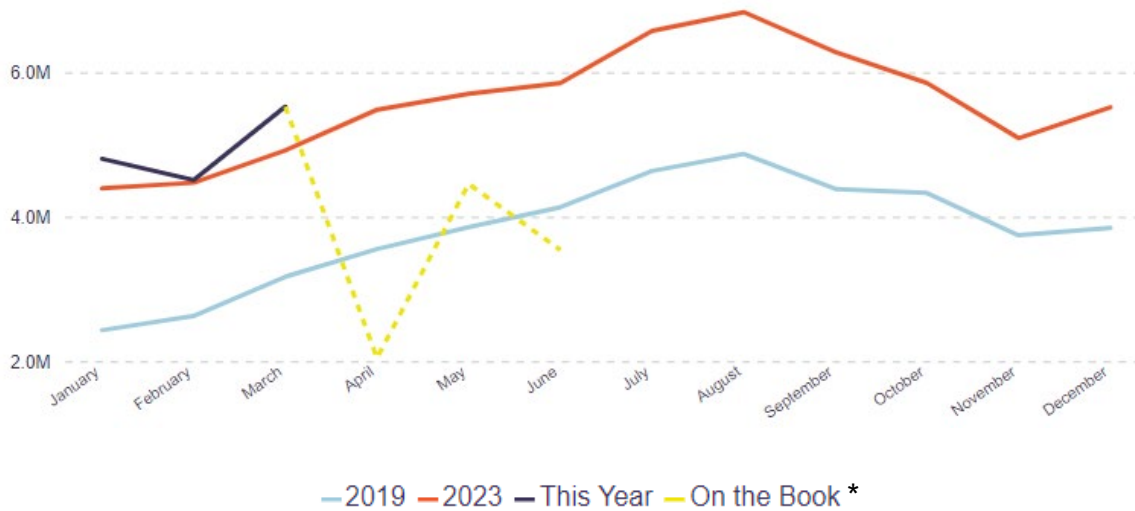
Growth in nights reserved in short term rental properties vs. 2019
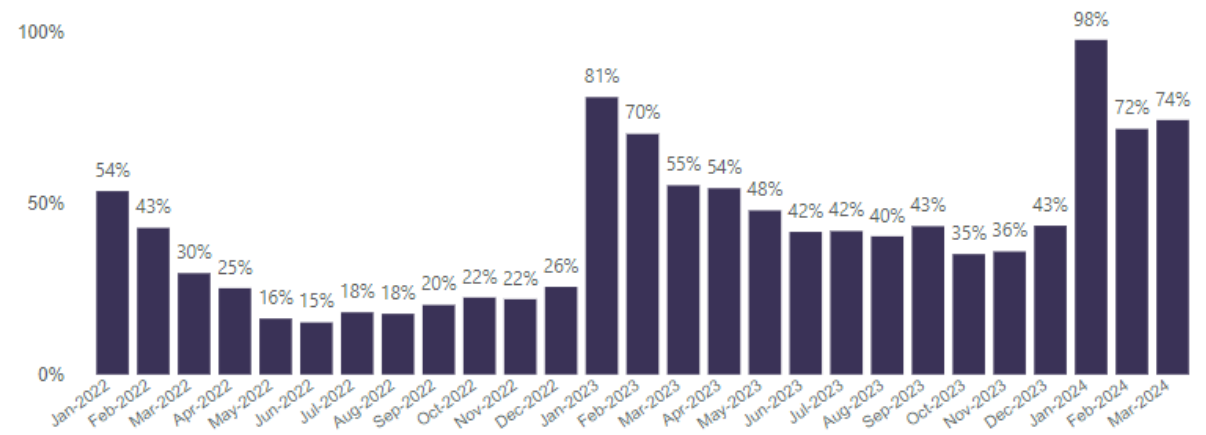
- January 2024 saw a particularly strong boost in the volume of nights reserved at 98%, with a drop in February which was maintained in March.
- 5.5 million nights were reserved in short term rental properties in March. Looking into the months ahead, 3.5 million nights have been reserved for June 2024 as of the end of March 2024.

*Nights already reserved for future months as of March 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

Legend: —2019 —2023 —This Year —On the Book *
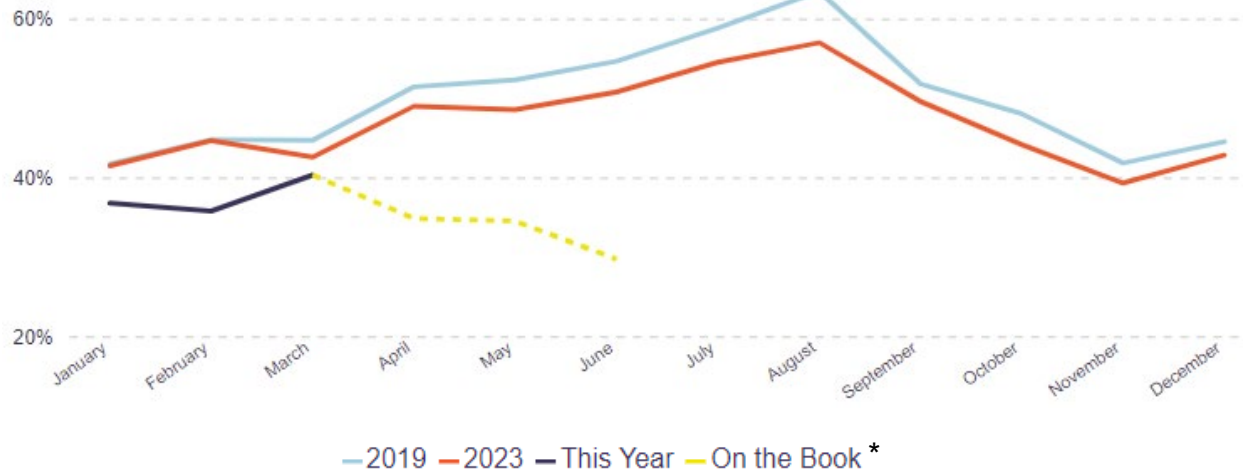
Percentage point change in occupancy rates for short term rental properties vs. 2019

- 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 (-9 percentage points), but we see some improvements in March (-4 percentage points).
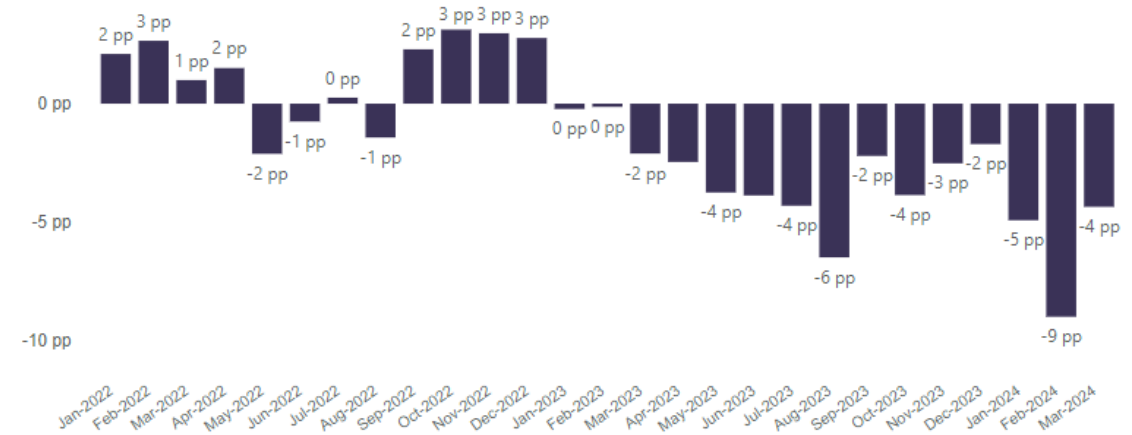- Occupancy rates were lower in March 2024 compared with a year earlier, at 40% (vs. 43%), with 30% occupancy achieved so far for June 2024 from bookings made before the end of March 2024.

Occupancy rates based on bookings in future months as of March 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 avoid further decline in March

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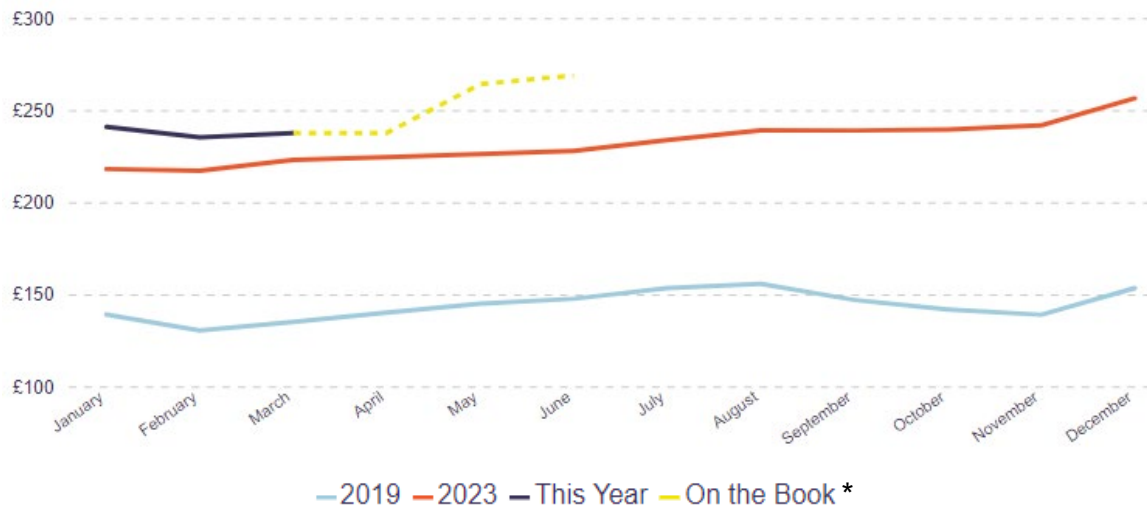
Average revenue per short term rental property in the UK (£)

- ADR and average revenue for short term rental properties exceeded 2019 levels throughout 2023, and this has continued throughout Q1 2024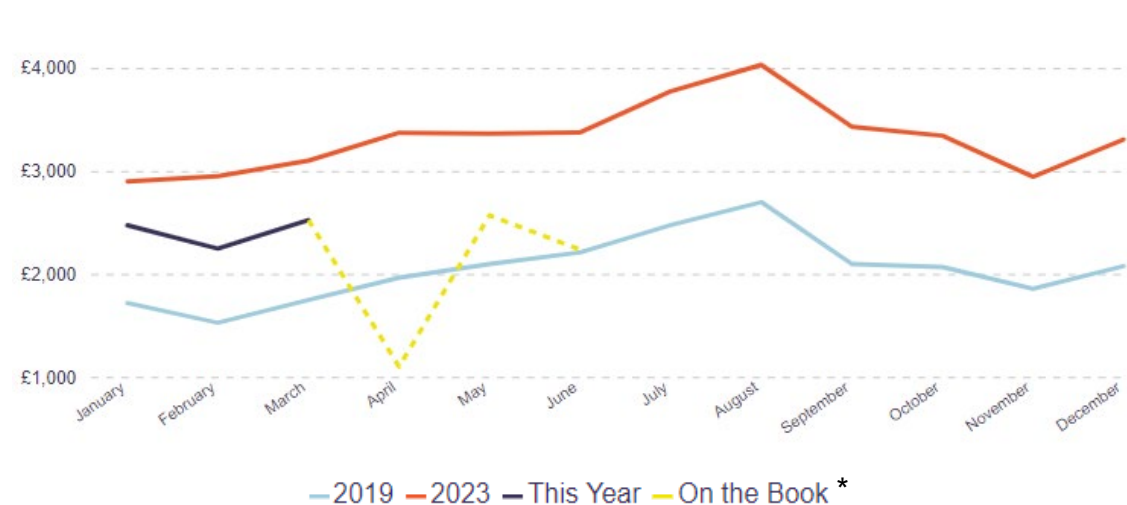. ADR grew by 76% in March 2024 vs. the same month in 2019, with average revenue growing by 44% in that time. This growth outpaced the rate of inflation during the same period (24%). Both metrics saw a dip between January and February, but improved in March.
- ADR in March 2024 was £238, with ADR associated with bookings in future months set to increase.
- Average revenue per property in March 2024 was £2,523. Average revenue associated with stays 'on the book' in the upcoming months as of March 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 March 2024. Metrics may change in the future as more bookings are made.

Trip characteristics | Average length of stay continues to drop in March, following seasonal pattern

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

● 2019 ● 2023 ● 2024

	2019	2023	2024
January	10.3	15.7	15.7
February	6.3	9.5	10.2
March	5.7	8.6	8.4
April	5.2	7.9	
May	4.9	7.0	
June	4.8	7.7	
July	4.9	6.8	
August	5.0	6.9	
September	5.8	8.4	
October	6.1	9.6	
November	6.7	10.4	
December	5.1	8.3	

Average property capacity**

	Mar-2019	Mar-2024
6+ guests	21%	25%
3-5 guests	35%	39%
1-2 guests	44%	36%

● 1-2 guests ● 3-5 guests ● 6+ guests
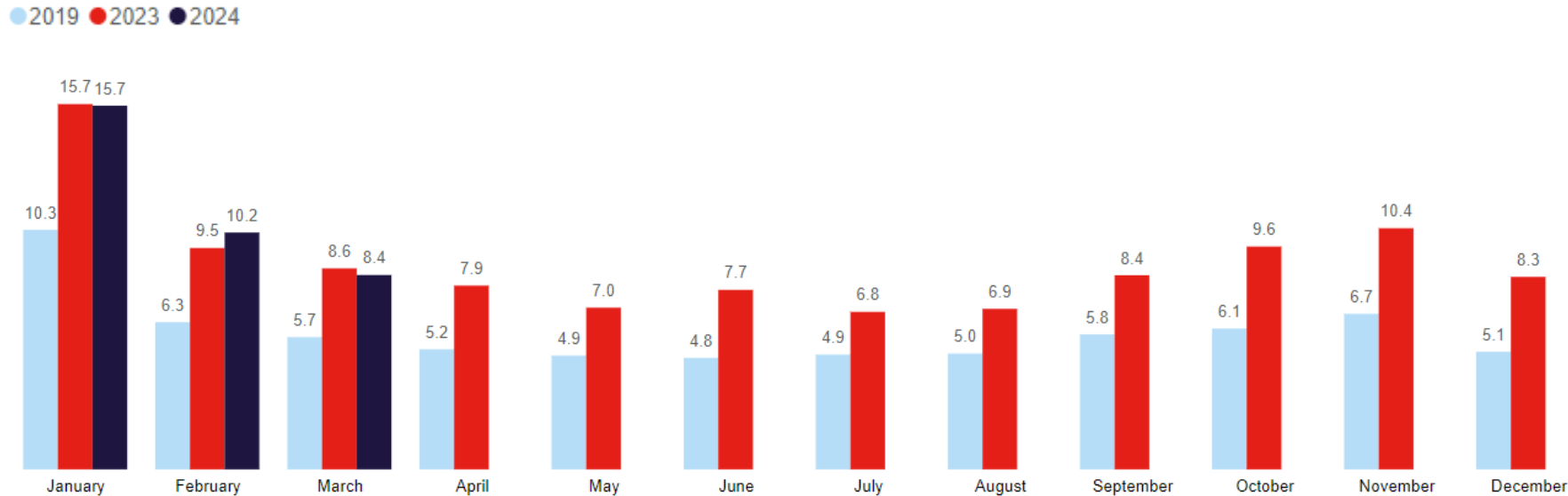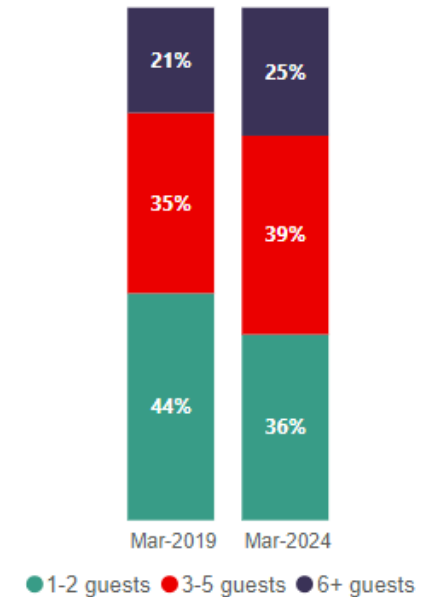
- The average length of stay in short term rental properties exceeded what was seen in 2019 throughout 2023, and this continued in early 2024, with an average stay of 8.4 nights in March. The longest length of stay each year tends to be seen in January, with declines over the summer and some growth again in the latter months.
- The average property capacity booked by guests in March 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 February 2024. Length of stay may change in the future as more bookings are made
**According to number of nights reserved.*

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UK destination trends

Supply | London seeing stronger growth vs. 2019 compared to January and February, with Scotland now meeting 2019 volumes

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

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

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

Scotland
46K | -0% vs. 2019

North East (England)
13K | 70% vs. 2019

North West (England)
38K | 57% vs. 2019

Yorkshire and the Humber
28K | 64% vs. 2019

West Midlands (England)
21K | 81% vs. 2019

East Midlands (England)
19K | 74% vs. 2019

Wales
37K | 48% vs. 2019

East
31K | 60% vs. 2019

South West (England)
80K | 38% vs. 2019

London
80K | 18% vs. 2019

South East (England)
50K | 40% vs. 2019
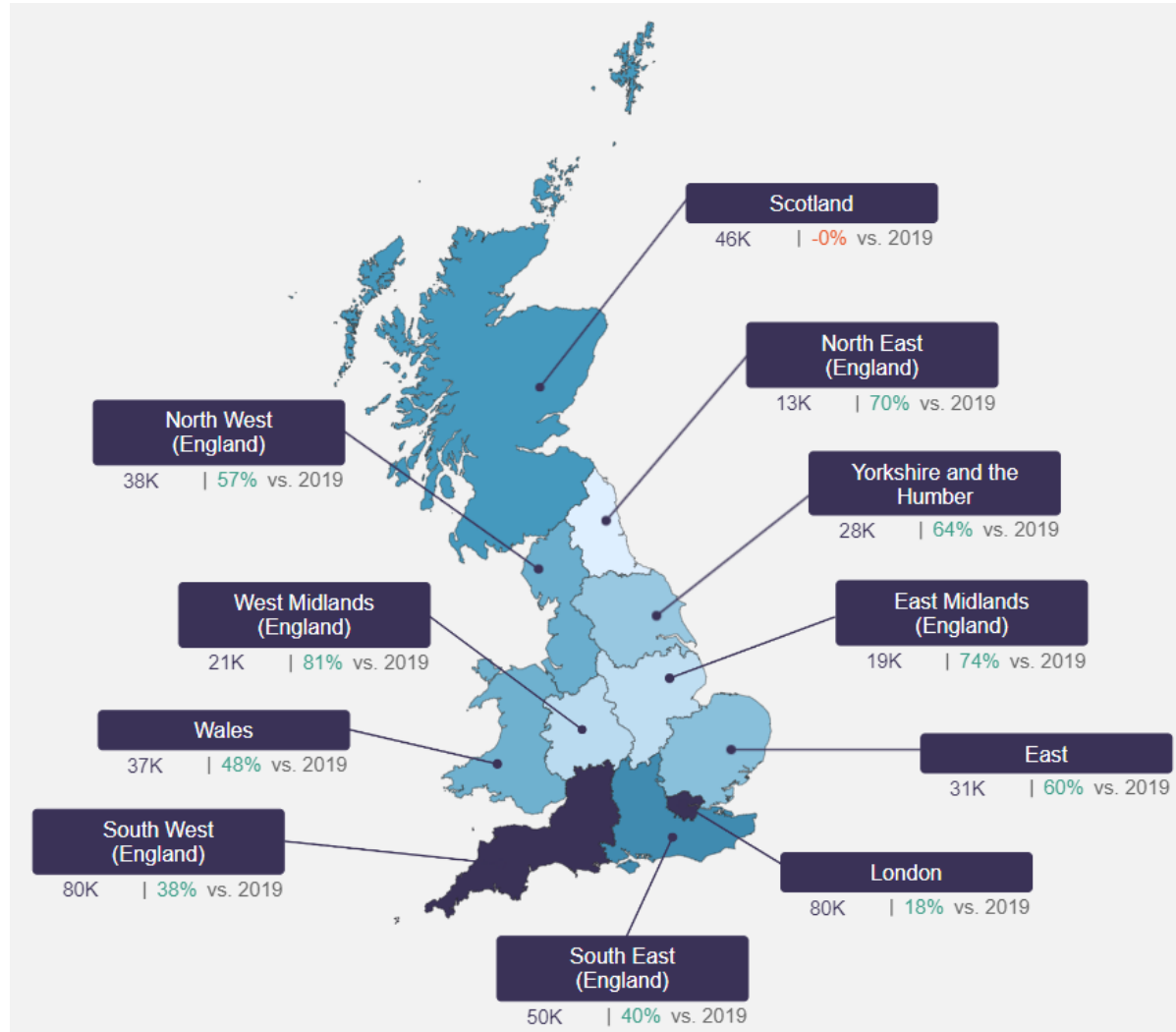
- Looking across the UK in March 2024, supply of short term rental properties is most likely to be clustered in the South West and London. These destinations hold 80,000 properties each.
- The lowest number of short term rental properties are found in the North East, East Midlands, and West Midlands.
- In March 2024, most UK destinations are seeing growth in supply vs. the same month in 2019. The most growth is seen in the West Midlands (81%), East Midlands (74%), and North East (70%).
- London is now exceeding pre-COVID levels by 18%, with Scotland meeting 2019 levels.

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

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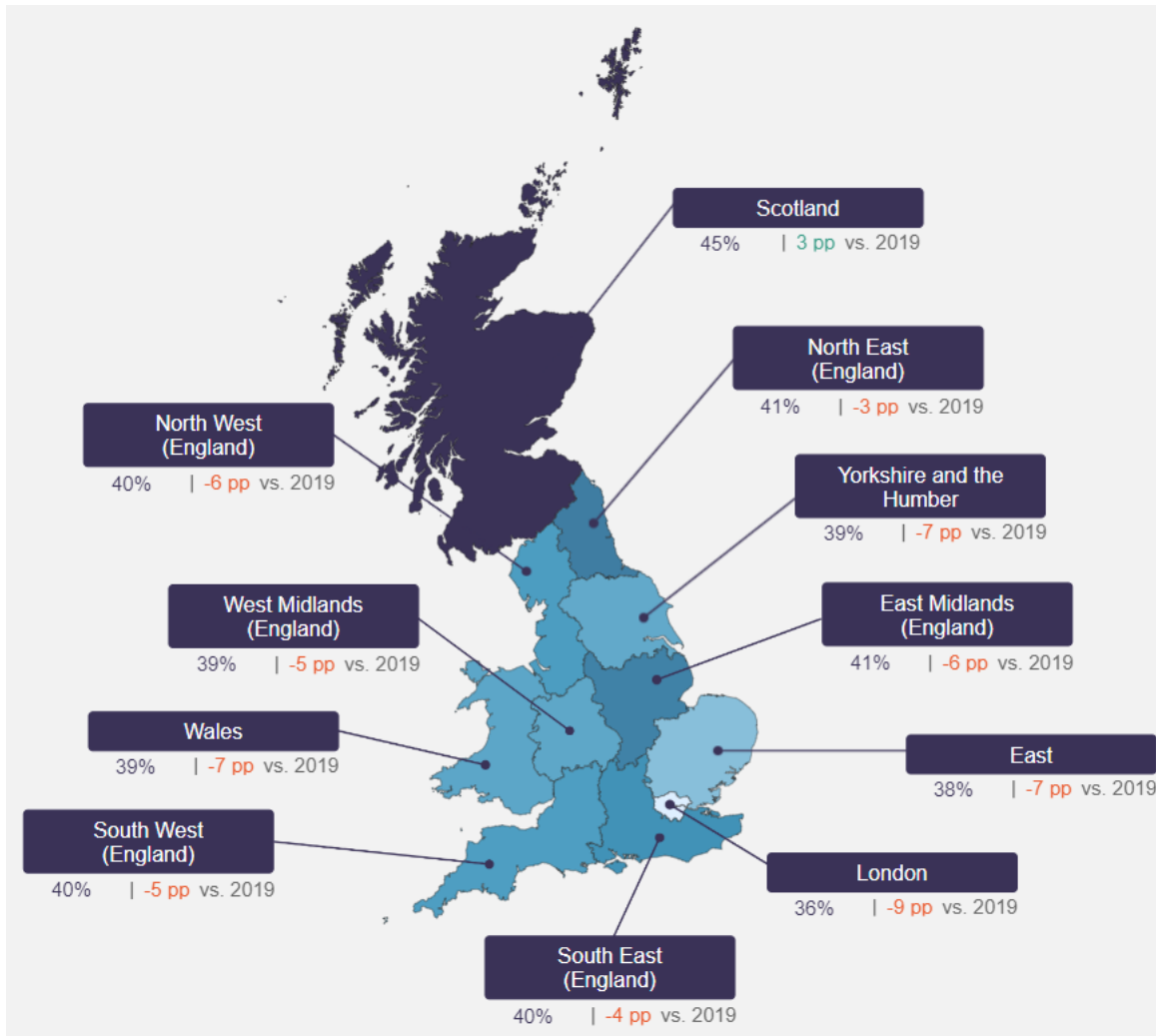

Scotland
556K | 32% vs. 2019

North East (England)
156K | 179% vs. 2019

North West (England)
453K | 139% vs. 2019

Yorkshire and the Humber
317K | 141% vs. 2019

West Midlands (England)
269K | 155% vs. 2019

East Midlands (England)
233K | 156% vs. 2019

Wales
396K | 102% vs. 2019

East
367K | 97% vs. 2019

South West (England)
885K | 92% vs. 2019

London
1M | 29% vs. 2019

South East (England)
666K | 76% vs. 2019
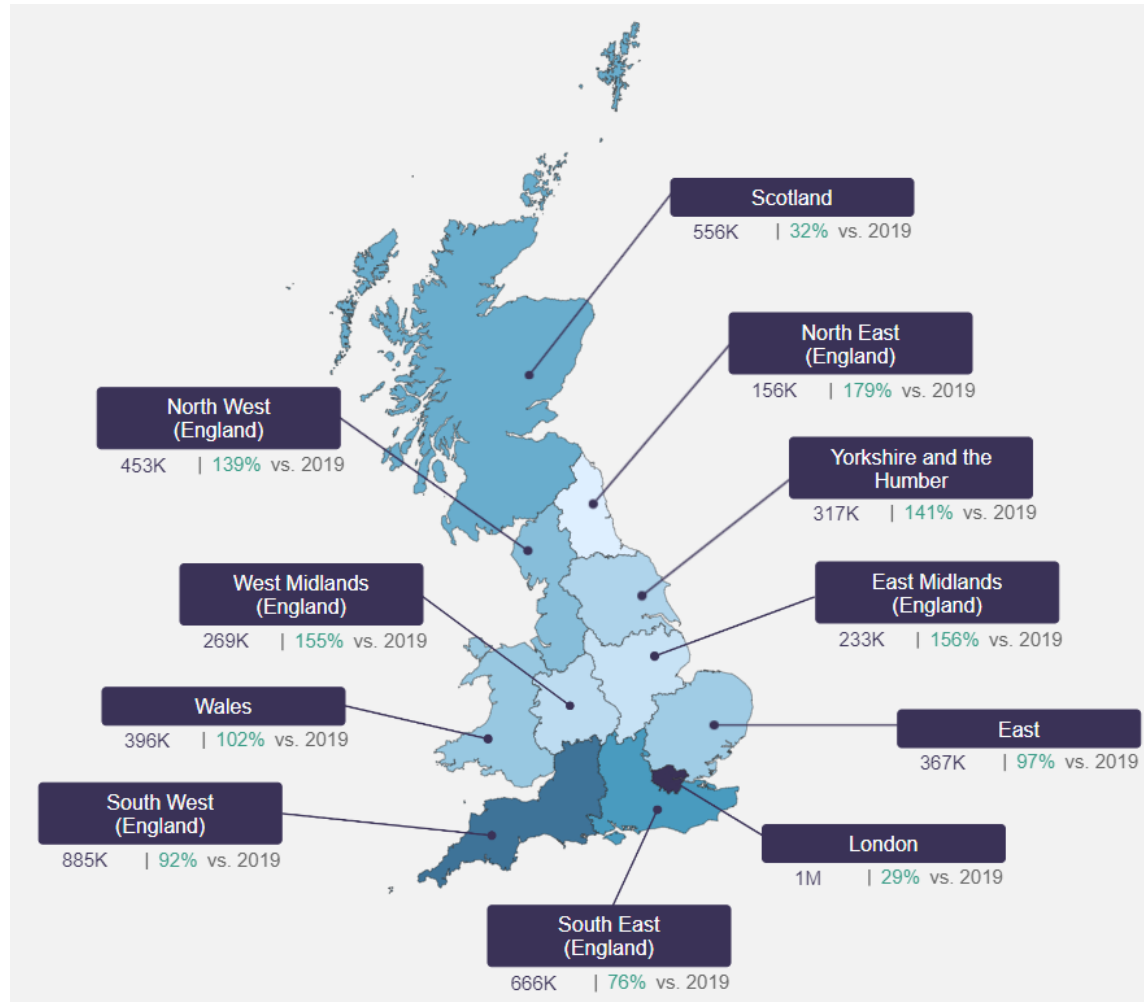
- The spread of nights reserved across the UK follows a similar trend to that of supply, with the most nights being reserved in London and the South West in March 2024 (1 million and 885,000 respectively).
- The lowest number of nights were reserved in the North East, East Midlands and West Midlands in that month.
- The volume of nights reserved was significantly higher across the UK in March 2024 compared to the same month in 2019, with the most growth being seen from the North East (179%) and East Midlands (156%).

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

Occupancy in Mar 24 | Highest occupancy rates in Scotland, with this destination also seeing growth vs. 2019

Scotland
45% | 3 pp vs. 2019

North East (England)
41% | -3 pp vs. 2019

Yorkshire and the Humber
39% | -7 pp vs. 2019

North West (England)
40% | -6 pp vs. 2019

West Midlands (England)
39% | -5 pp vs. 2019

East Midlands (England)
41% | -6 pp vs. 2019

Wales
39% | -7 pp vs. 2019

East
38% | -7 pp vs. 2019

South West (England)
40% | -5 pp vs. 2019

London
36% | -9 pp vs. 2019

**South East (England)**
40% | -4 pp vs. 2019

- Trends in occupancy rates across UK destinations in March 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 East Midlands.
- The lowest rates of occupancy are seen in London and the East of England.
- Scotland was the only UK destination to see an increase in occupancy levels compared with 2019 (+3 percentage points).
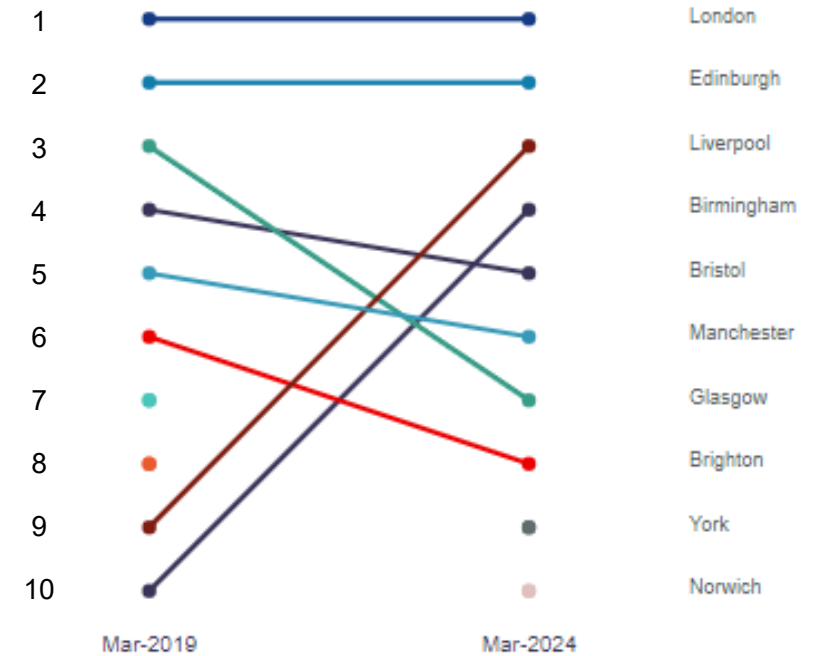
pp = percentage point change

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

Top cities | Birmingham and Glasgow gaining popularity between February and March

Ranking of cities by nights reserved

Birmingham ● Brighton ● Bristol ● Edinburgh ● Glasgow ● Liverpool ● London ● Manchester ● Norwich ● York
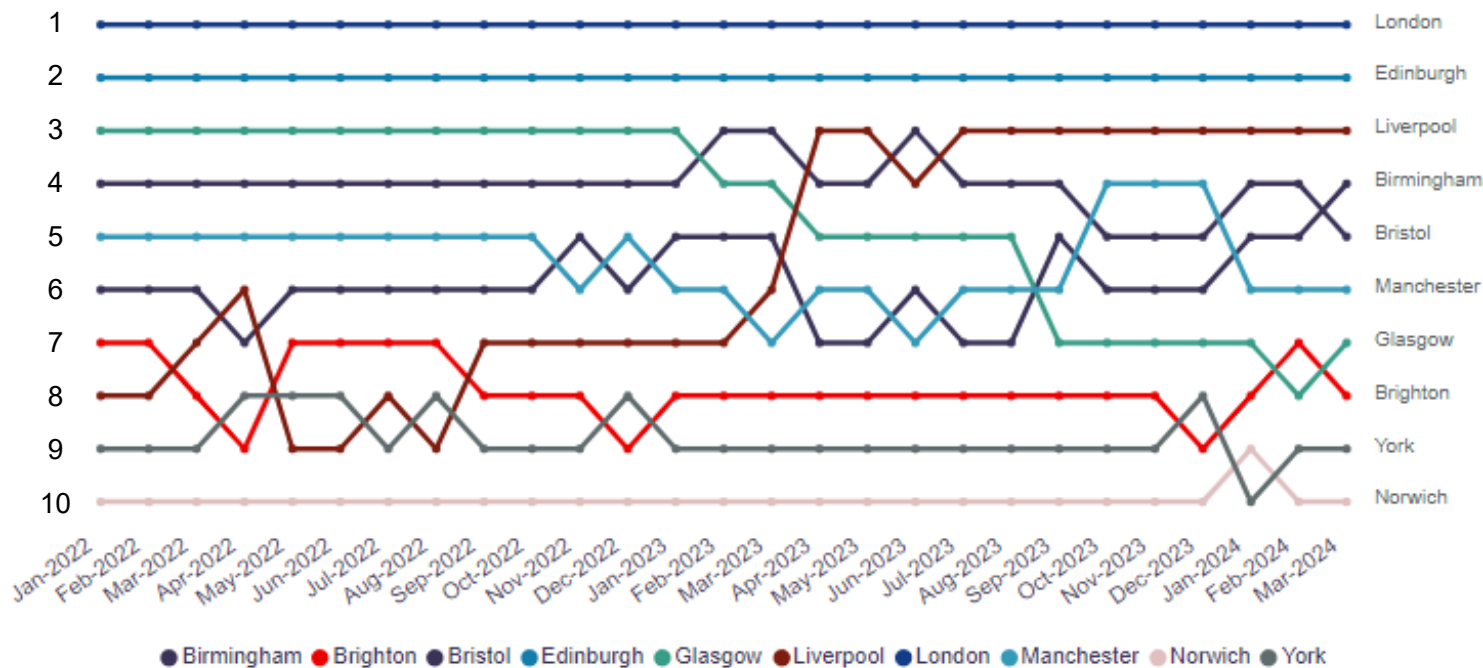
Top ranked by year

- In March 2024, the most popular UK cities when it comes to nights reserved in short term rental properties were London, Edinburgh, and Liverpool. From February to March, Birmingham and Glasgow gained 1 rank each, with Bristol and Brighton losing 1 rank each in kind.
- When comparing the top 10 UK cities in March 2024 with the same month pre-COVID, Liverpool gained 6 ranks, alongside Birmingham (6 ranks), however Glasgow, Bristol, Manchester, and Brighton all lost ranks.
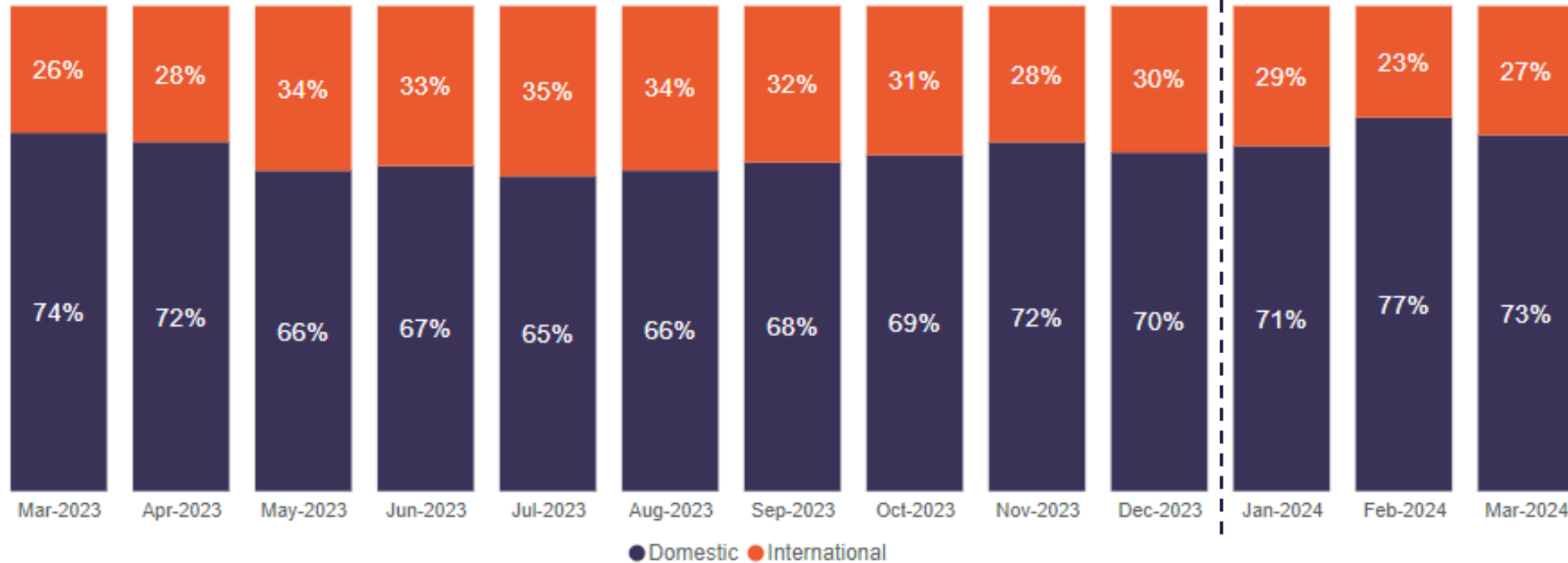
Guest origin trends

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.

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

Domestic vs. international origin by month

	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024	Mar-2024
International	26%	28%	34%	33%	35%	34%	32%	31%	28%	30%	29%	23%	27%
Domestic	74%	72%	66%	67%	65%	66%	68%	69%	72%	70%	71%	77%	73%

● Domestic ● International

- 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 March 2024.

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

International origin region by month (excludes domestic origin)
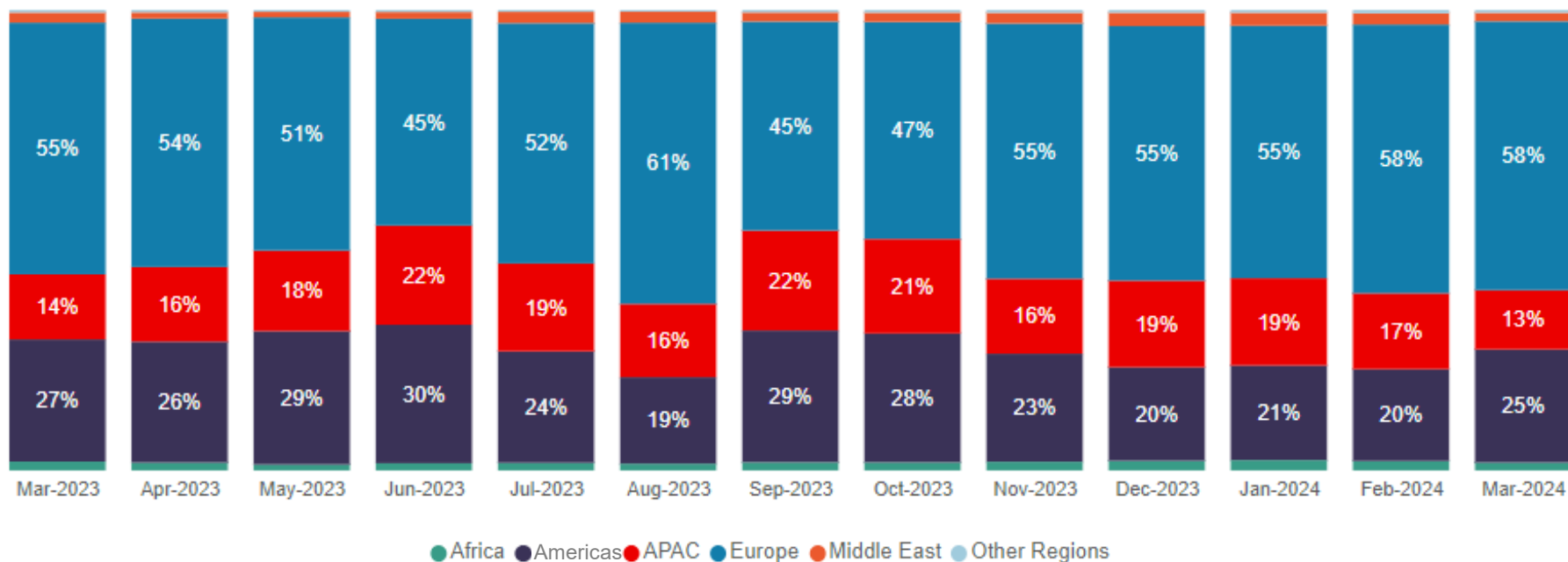
Top origin markets (Mar 24)*

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

● Africa ● Americas ● APAC ● Europe ● Middle East ● Other Regions

- 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 maintaining share when comparing February and March (58%).
- When comparing origin trends in March 2024 with the same month in 2023, we can see a very similar spread of global regions.
- In March 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 February, Saudi Arabia and Brazil led growth in reviews

Number of reviews vs. same period in 2019

- The growth seen in the number of reviews decreased slightly in February vs. January (7% vs. 11%).
- In February 2024, the inbound markets seeing the strongest growth in the volume of reviews left were Saudi Arabia, Brazil, India, and Qatar.
- Many markets saw declines vs. 2019, with this being most marked from Russia (-70%), and China (-55%).

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	Aug-2023	Sep-2023	Oct-2023	Nov-2023	Dec-2023	Jan-2024	Feb-2024
Australia	1%	-4%	7%	11%	1%	-13%	-5%
Austria	-4%	-12%	-10%	-5%	29%	-4%	-11%
Belgium	-0%	-28%	-22%	-10%	-2%	-5%	-7%
Brazil	10%	4%	15%	17%	27%	25%	40%
Canada	-22%	-13%	-1%	-16%	-15%	-16%	-24%
China	-63%	-64%	-51%	-52%	-69%	-59%	-55%
Denmark	-9%	-20%	-12%	-23%	-0%	-35%	-29%
France	-12%	-21%	-26%	-18%	1%	-13%	-17%
Germany	4%	-8%	-13%	-10%	4%	-11%	-28%
Hong Kong	39%	-1%	26%	5%	-16%	-17%	-19%
India	22%	10%	10%	-10%	5%	35%	20%
Italy	-24%	-28%	-30%	-25%	-6%	-8%	-18%
Japan	-29%	-37%	-18%	-38%	-40%	-28%	-36%
Netherlands	9%	7%	-4%	-9%	4%	2%	-3%
New Zealand	1%	1%	14%	9%	5%	12%	9%
Norway	5%	-12%	-11%	-23%	-20%	-35%	-34%
Qatar	-12%	-2%	-5%	-19%	-18%	33%	20%
Russia	-70%	-72%	-78%	-83%	-75%	-71%	-70%
Saudi Arabia	2%	-19%	24%	37%	63%	30%	56%
South Korea	-48%	-32%	-7%	-38%	-40%	-56%	-48%
Spain	-25%	-30%	-15%	-17%	12%	-4%	-5%
Sweden	-28%	-29%	-22%	-25%	-11%	-31%	-34%
Switzerland	-4%	-4%	-7%	-18%	-5%	-12%	-15%
United Arab Emirates	-12%	9%	23%	-13%	5%	-1%	11%
United Kingdom	6%	2%	7%	-5%	2%	11%	7%
United States	-20%	-5%	-6%	-14%	-19%	-28%	-24%