

Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



"There are significant opportunities for the incorporation of value-added products beyond basic bricks-and-mortar accommodation, and better integration of property rental within a more holistic holiday experience — in the shape of extra services within the property as well as activities (provided by professionals or peer-to-peer networks) within the destination itself."

- John Worthington, Senior Analyst

# This report looks at the following areas:

- Premium property potential
- Room for specialist seniors brand
- Budget families book four- to six-day breaks
- Cross-selling/long-haul opportunities
- Mixed-location, high-contrast holidays
- Local food can help build bonds

Holiday rental property refers to holiday lettings includes cottages, houses, villas, gites, chalets, lodges, town/city apartments, flats or just rooms in a house. Self-catering apartments on holiday resort complexes (eg Butlins or package resorts abroad) or other types of self-catering property such as camping and caravanning or boat hire are excluded here.

Data on the size and segmentation of the domestic market is for Great Britain rather than the United Kingdom (ie Northern Ireland is not included), sourced from GBTS (Great Britain Tourism Survey). Equivalent data for the overseas rental market is not available, but rentals abroad are covered in Mintel's consumer research for this Report.

# BUY THIS REPORT NOW

**VISIT:** store.mintel.com

**CALL:**EMEA
+44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

+86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

**EMAIL:** reports@mintel.com

**DID YOU KNOW?** 

This report is part of a series of reports, produced to provide you with a more holistic view of this market



Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## **Table of Contents**

#### **Overview**

What you need to know

Covered in this Report

#### **Executive Summary**

#### 7 million domestic holiday rentals in 2016

Figure 1: Volume forecast for the domestic holiday rental property market, 2012-22

# Overseas rentals spending up 15% in 2016 but slowdown expected

Figure 2: Annual percentage change in the total number of overseas holidays taken by UK residents, 2011-Q1 2017

#### Big brands consolidate market power

Figure 3: Leading holiday rental property providers in the UK market, by number of listings, May 2017

#### One in four adults rent holiday property

Figure 4: Types of holiday accommodation used in the past three years, April 2017

#### Airbnb surge takes market share to 17%

Figure 5: Sources used for booking last holiday rental property, April 2017

#### Visuals are the biggest influence on booking

# Outdoor space, pool and 'localism' are key extras

Figure 6: Popular extras when booking holiday rental property, April 2017

What we think

#### **Issues and Insights**

Premium property potential

The facts

The implications

Room for specialist seniors brand

The facts

The implications

Budget families book four- to six-day breaks

The facts

The implications

Cross-selling/long-haul opportunities

The facts

The implications

Mixed-location, high-contrast holidays

The facts

The implications

Local food can help build bonds

The facts



VISIT: store.mintel.com

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 | **EMAIL:** reports@mintel.com



Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

#### The Market - What You Need to Know

Both domestic and overseas segments rise in 2016...

...but flatter outlook for 2017, particularly for rentals abroad

Independence day...

...but security concerns are affecting travel flows

South West/Spain dominate UK/overseas segments

Sharing economy faces tighter scrutiny

#### **Market Size, Forecast and Segment Performance**

#### UK domestic rentals up by 3% in 2016

Figure 7: Type of accommodation stayed at on holiday in the UK in the past 12 months, May 2017 versus March 2016

Figure 8: Trends in the volume and value of the market for domestic holiday rental property, 2012-22

Figure 9: Volume forecast for the domestic holiday rental property market, 2012-22

Figure 10: Value\* forecast for the domestic holiday rental property market, 2012-22

#### Overseas rentals up 6% in 2016

Figure 11: Type of accommodation stayed at on holiday abroad in the past 12 months, May 2017 versus March 2016

#### Long-term growth prospects stronger in overseas segment

#### South West accounts for one in four domestic holiday rentals

Figure 12: Number of domestic holidays taken in holiday self-catering\* property, by region, 2012-16

#### **Market Background**

#### Households begin to feel the squeeze

Figure 13: UK average weekly earnings (excluding bonuses)\* vs CPI inflation, percentage change year on year, January 2014-April

2017

Figure 14: Expected impact of UK vote to leave the EU on wider economy and personal finances, February 2017

# Pound's fall has had little impact on travel patterns

Figure 15: Spot exchange rate, Pound Sterling versus selected currencies, May 2016-May 2017

Figure 16: Trends in the number and value of domestic holidays taken by UK residents, 2011-16

#### Overseas growth curve likely to flatten in 2017

Figure 17: Trends in the number and value of overseas holidays taken by UK residents, 2011-16

## Independent travel to Spain surges by 14% in 2016

Figure 18: Trends in the number of independent overseas holidays, 2011-16

#### Security concerns could affect city break apartment sector

Figure 19: Top 10 independently booked overseas holiday destinations, by number of trips, 2011-16

## Pressure mounting to regulate P2P property

Urban listings could decline

Tax relief also under threat

Airbnb's 'buydeology' stance

# Companies and Launch Activity - What You Need to Know

Consolidation and globalisation

Airbnb hits 3 million listings and launches Trips product

BUY THIS REPORT NOW VISIT: store.mintel.com

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

**EMAIL:** reports@mintel.com



Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

HomeAway given marketing push

TripAdvisor makes fifth rental property purchase in nine years

Booking.com rental property listings up 48% in past 12 months

Wyndham stakes out territory in urban and premium sectors

Tour operators ramp up presence in property rental space

# **Market Share**

#### Market continues to consolidate

Figure 20: Leading holiday rental property providers in the UK market, by number of listings, May 2017

Airbnb hits 3 million listings

HomeAway benefiting from Expedia marketing clout

TripAdvisor growing incrementally through acquisition

Booking.com has instant booking advantage

TUI launches new villa site

Wyndham dominates UK cottage and lodge sectors

Other domestic companies

#### **Product Innovation**

Airbnb evolving into full travel provider

Luxury rentals and P2P-plus

P2P future possibilities

Wyndham lodge brands go back to nature

New villa package focus from leading tour operators

# The Consumer - What You Need to Know

Rentals is second-largest commercial accommodation sector

AB bias supports industry move towards premium rentals

Airbnb is single largest booking channel

Flexibility of duration is key

Power of images

Outdoor space, pool and localism are key incentives

# **Use of Holiday Rental Property**

#### One in four adults have stayed in rental property in past three years

Figure 21: Types of holiday accommodation used in the past three years, April 2017

#### Holiday property has higher AB proportion than hotels

Figure 22: Demographic profile of holiday rental property customers versus hotel leisure guests in the past three years, April 2017

# Room-only accounts for 7% of rentals

Figure 23: Type of property stayed in for last holiday, April 2017

## **Holiday Rental Property Booking**

Airbnb accounts for 17% of all holiday rentals

Data points to sharp rise in use of third-party brands

BUY THIS REPORT NOW

VISIT: store.mintel.com

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100 | **EMAIL:** reports@mintel.com



Report Price: £1995.00 | \$2583.33 | €2370.86

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 24: Sources used for booking last holiday rental property, April 2017

Potential for third-party senior brand

One-week booking still most popular but sector is adopting greater flexibility

Figure 25: Duration of last holiday property rental, April 2017

Four- to six-night breaks for families on tighter budget

Over one in three short break rentals made via Airbnb

**Holiday Rental Property Locations** 

One in five renters have been beyond Europe

Strong UK/overseas crossover

Figure 26: Holiday property rentals in the past three years, UK and overseas, April 2017

Clean air breaks

**Dual-location opportunities** 

Figure 27: Location type of last holiday rental property, April 2017

Almost one in four rentals are in Spain

Figure 28: Destination of last holiday rental property abroad, April 2017

**Holiday Rental Property Influential Factors** 

Photo/video is critical selling factor

Figure 29: Important factors when booking a holiday rental property, April 2017

Figure 30: Factors rated as 'very important' when booking a holiday rental property, April 2017

Customer review is king but official ratings are still of value

Women prioritise local amenities, men prioritise indoor tech

**Holiday Rental Property Features and Services** 

Outdoor space is most popular feature

Importance of localism

Figure 31: Popular extras when booking holiday rental property, April 2017

Urban professionals under 35 keenest on activities

Family explorers

Breaks for burn-out parents

21% of customers offer huge added-value opportunity

Figure 32: Number of extra features/services selected, April 2017

Staycation food packs

Pet-plus properties

Figure 33: Popular extras when booking holiday rental property, by domestic versus overseas renters, April 2017

**Appendix** 

Definitions

Abbreviations



VISIT: store.mintel.com

**CALL:** EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

**EMAIL:** reports@mintel.com