

Holiday Rental Property - UK - June 2016

Report Price: £1750.00 | \$2834.04 | €2223.04

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



“The holiday rental property corporate landscape saw further change during 2015 and into 2016 as major industry players jockeyed for position. The scramble for scale among these companies is not unconnected with the continued surge in usage of industry disrupter Airbnb. The company now offers substantially more rental properties around the world than any other player in the market.”
– Michael Oliver, Senior Leisure and Media

This report looks at the following areas:

- What does the growing influence of TripAdvisor mean for the industry?
- How can owners and agents optimise the appeal of rental properties?

After several difficult years, the holiday rental property market saw strong growth in 2015. Factors driving this growth have included lower oil prices (which have fed through in the form of reduced air fares and cheaper petrol), growth in the UK economy and the improved financial situation of many consumers.

Looking ahead, headwinds may emerge in terms of a weaker Pound, depending on the outcome of the EU referendum, while the overseas market is also being affected by rebalancing on the part of airlines towards old favourite resorts in the Western Mediterranean which are seen as safer in the wake of a run of terrorist attacks targeting tourists in countries including Turkey, Tunisia and Egypt.

At a corporate level, the year was characterised by major operators making acquisitions and striking distribution deals with TripAdvisor in their attempts to try to scale up their operations and counter the growing threat from Airbnb.

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

DID YOU KNOW?

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

Holiday Rental Property - UK - June 2016

Report Price: £1750.00 | \$2834.04 | €2223.04

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
- Products covered in this Report

Executive Summary

The market

Domestic holiday rentals sector recovers from 2012 trough

Overseas holiday property rental market value slightly larger than UK

Figure 1: Volume forecast for the domestic holiday rental property market, 2011-21

Figure 2: Value forecast for the domestic holiday rental property market, 2011-21

Companies and brands

Further consolidation as industry giants jockey for position

TripAdvisor shifts from reviewer/referrer to booking site

Airbnb continues to disrupt the industry

Figure 3: Leading holiday rental property agents, by number of properties offered, May 2016

The consumer

Holiday rentals biased towards younger age groups

Scope to tempt back over-55s

Figure 4: Use of holiday rental property in the UK and abroad, March 2016

Majority hadn't booked for 2016 by mid-March

Figure 5: Holiday rental property booking behaviour for 2016, UK and abroad, March 2016

Third-party reviewers/referrers muddying the waters

Figure 6: Methods used to book most recent holiday rental property, March 2016

Seaside locations are most popular for holiday property rentals

Figure 7: Location of most recent holiday at rental property, March 2016

Majority of holiday rentals are of four to seven nights

Figure 8: Number of nights stayed on most recent holiday at rental property, March 2016

Most 'undecideds' use travel review sites to research country/location

Figure 9: Sources used to research country and/or destination for most recent holiday in a rental property, March 2016

Rise of the review

Figure 10: Attitudes towards holiday rental property, March 2016

What we think

Issues and Insights

What does the growing influence of TripAdvisor mean for the industry?

The facts

The implications

How can owners and agents optimise the appeal of rental properties?

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

Holiday Rental Property - UK - June 2016

Report Price: £1750.00 | \$2834.04 | €2223.04

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

The facts

The implications

The Market – What You Need to Know

Domestic holiday rentals sector recovers from 2012 trough

Rental property second most popular type of domestic holiday

Overseas holiday property rental market value slightly larger than UK

Flats/apartments lose share in domestic market

Holiday market bounces back

Terrorist threat drives tourists back to old favourites

Market Size and Forecast

Domestic holiday rentals sector recovers from 2012 trough

Figure 11: Trends in the volume and value of the market for domestic holiday rental property, 2011-21

Rental property second most popular type of domestic holiday

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

Forecast methodology

Figure 13: Volume forecast for the domestic holiday rental property market, 2011-21

Figure 14: Value forecast for the domestic holiday rental property market, 2011-21

Overseas holiday property rental market value slightly larger than UK

Hotels more dominant in overseas holiday market

Figure 15: Type of accommodation stayed at on holiday abroad in past 12 months, March 2016

Segment Performance

Flats/apartments lose share in domestic market

Figure 16: Volume of trips taken in domestic holiday rental property, by segment, 2011-15

Figure 17: Expenditure* on trips taken in domestic holiday rental property, by segment**, 2011-15

Figure 18: Trends in spend* per trip for holidays taken in domestic rental property, by segment**, 2011-15

Figure 19: Trends in nights per trip for holidays taken in domestic rental property, by segment, 2014 and 2015

Figure 20: Trends in spend* per night for holidays taken in domestic rental property, by segment**, 2014 and 2015

Market Drivers

Holiday market bounces back

Figure 21: Holidays taken in the past year, March 2016

Figure 22: Trends in the number and value of overseas holidays taken by UK residents, 2010-15

Figure 23: Trends in the number and value of domestic holidays taken by UK residents, 2010-15

Overseas holidays becoming more expensive again

Figure 24: Trends in average annual exchange rates, Sterling versus euro and US Dollar, 2010-16

Growth in UK economy shows signs of slowing

Figure 25: UK average weekly earnings (excluding bonuses)* vs CPI inflation, percentage change year on year, June 2013-March 2016

Terrorist threat drives tourists back to old favourites

Independent travel recovers

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

Holiday Rental Property - UK - June 2016

Report Price: £1750.00 | \$2834.04 | €2223.04

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

Figure 26: Trends in the number of independent overseas holidays, 2010-15

Figure 27: Top 10 independently booked overseas holiday destinations, by number of trips, 2010-15

Shifts in driving and car ownership have longer-term implications for industry

Key Players – What You Need to Know

- Further consolidation as industry giants jockey for position
- TripAdvisor shifts from reviewer/referrer to booking site
- Airbnb continues to disrupt the industry
- Wyndham Vacation Rentals partners with booking.com
- Desire for authenticity tempts travellers away from traditional sources
- Overnight taps into desire for spontaneity

Market Share

- Further consolidation as industry giants jockey for position
 - TripAdvisor shifts from reviewer/referrer to booking site
 - Priceline increases its presence
 - Airbnb continues to disrupt the industry
 - Wyndham Vacation Rentals partners with booking.com
- Figure 28: Leading holiday rental property agents, by number of properties offered, May 2016

Launch Activity and Innovation

- Desire for authenticity tempts travellers away from traditional sources
- Passion Search encourages destination discovery based on passions
- Overnight taps into desire for spontaneity
- Best Western partners with Google Street View for virtual reality tours
- Facebook video comments open up alternative feedback channel

The Consumer – What You Need to Know

- Holiday rentals biased towards younger age groups
- Majority hadn't booked for 2016 by mid-March
- Third-party reviewers/referrers muddying the waters
- Operators have choice between fighting back or partnerships/distribution deals
- Seaside locations are most popular for holiday property rentals
- Majority of holiday rentals are of four to seven nights
- Half need to do research to decide destination
- Most 'undecideds' use travel review sites to research country/location
- Rise of the review

Use of Holiday Rental Property in the UK and Abroad

- UK slightly more popular for holiday rentals
- Figure 29: Use of holiday rental property in the UK and abroad, March 2016
- Holiday rentals are biased towards younger age groups
- Figure 30: Use of holiday rental property in the UK and abroad in the past three years, by age, March 2016

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

Holiday Rental Property - UK - June 2016

Report Price: £1750.00 | \$2834.04 | €2223.04

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

Over-55s most likely to be lapsed holiday property renters

Figure 31: People who have used holiday rental property in the UK and abroad but not in the past three years and those who have never used it, by age, March 2016

Holiday Rental Property Booking Behaviour for 2016

Majority hadn't booked for 2016 by mid-March

Figure 32: Holiday rental property booking behaviour for 2016, UK and abroad, March 2016

Certainty most important to parents

Figure 33: Holiday rental property booking behaviour for 2016, UK, by presence of children in household, March 2016

Figure 34: Holiday rental property booking behaviour for 2016, abroad, by presence of children in household, March 2016

Methods Used to Book Holiday Rental Property

Third-party reviewers/referrers muddying the waters

Operators have choice between fighting back or partnerships/distribution deals

Figure 35: Methods used to book most recent holiday rental property, March 2016

Airbnb-style services most popular among younger consumers

Figure 36: Methods used to book most recent holiday rental property, by age, March 2016

Location of Most Recent Holiday at Rental Property

Seaside locations are most popular for holiday property rentals

Figure 37: Location of most recent holiday at rental property, March 2016

Women value escapism offered by rural properties

Figure 38: Location of most recent holiday at rental property, by gender, March 2016

Marketing targeting young should focus on experience and authenticity

Figure 39: Location of most recent holiday at rental property, by age, March 2016

Nights Stayed on Most Recent Holiday at Rental Property

Majority of holiday rentals are of four to seven nights

Figure 40: Number of nights stayed on most recent holiday at rental property, March 2016

Scope for upselling to different audiences

Figure 41: Number of nights stayed on most recent holiday at rental property, by location stayed at, March 2016

Researching the Destination for a Holiday in a Rental Property

Parents have most involvement in researching rental destinations

Figure 42: Personal involvement in researching the destination for a holiday in a rental property, March 2016

Half need to do research to decide destination

Figure 43: Knowledge of destinations people wanted to visit for most recent holiday in a rental property, March 2016

Most 'undecideds' use travel review sites to research country/location

Figure 44: Sources used to research country and/or destination for most recent holiday in a rental property, March 2016

Growing importance of social and familial connections

Figure 45: Sources used to research country and/or destination for most recent holiday in a rental property, by age, March 2016

Attitudes towards Holiday Rental Property

Rise of the review

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

Holiday Rental Property - UK - June 2016

Report Price: £1750.00 | \$2834.04 | €2223.04

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

One price and no nasty surprises

Picture this

Get away and switch off

Figure 46: Attitudes towards holiday rental property, March 2016

Women more likely to book in UK to avoid terrorism threat

Figure 47: Agreement with statement 'The threat of terrorism in overseas locations means I'm more likely to book a holiday rental property in the UK this year', by gender, March 2016

Women more likely than men to be influenced by reviews

Figure 48: Agreement with statement 'Reviews written by other people are an important influence on my decision as to which holiday rental property to book', by gender, March 2016

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

Appendix – Market Size and Forecast

Forecast scenarios

Figure 49: Volume forecast for the domestic holiday rental property market, 2011-21

Figure 50: Value forecast for the domestic holiday rental property market, 2011-21

Forecast methodology

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