

# Holiday Rental Property - UK - 2023

Report Price: £2195 | \$2995 | €2600

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## This report looks at the following areas:

- How the rising cost of living will impact the recovery of the holiday rental property market
- Participation and future interest in holiday rental property stays
- Decisive factors when choosing a property
- Main benefits of holiday rental properties versus hotels
- Barriers to staying in holiday rental properties.

52% of UK adults express interest in staying in a holiday rental property in future, compared to 29% who have stayed in one in the past three years. Holiday rental properties continue to show the highest growth potential of any accommodation type. The segment is benefiting from a larger pool of new customers as a result of holidaymakers wanting more personal space during the pandemic, while its affordable image and self-catering facilities help it to appeal amid the rising cost of living.

Consumers' confidence in their financial situation has improved in recent months, as inflation finally starts to ease. Nevertheless, it remains significantly above the Bank of England's target rate and as such, many travellers will continue to adjust their behaviour to control costs. City-based apartments are expected to grow at a slower pace as consumers prioritise their main holiday and cut back on 'top-up breaks'.

Regulatory changes are on the horizon that will enable governments to better manage the holiday rental property market. On the one hand, this should help to address some consumer concerns about staying in such accommodation, but on the other hand, it could affect the willingness or ability of hosts to rent out their property.

Usage of holiday rental properties is currently highest among 16-44 year olds. However, the rising population of older adults represents a big opportunity to the holiday rental property market. Over-65s are most likely to say that a lack



"Holiday rental properties continue to show the highest growth potential of any accommodation type. The segment is benefiting from a larger pool of new customers as a result of holidaymakers wanting more personal space during the pandemic, while its affordable image and self-catering facilities help it to appeal amid the rising cost of living."

- Marloes de Vries, Associate Director – Travel, July 2023

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of services, such as a reception or housekeeping, puts them off booking, and as such, promoting properties that offer similar services to a hotel will help the market to appeal to this age group.

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