Report for Property Managers

U.K. Key Data Index

Winter 2025: Industry Performance Analysis

Comprehensive Analysis of Short-Term Rental Performance, Regional & Local Markets, and Strategic Outlook

SUMMARY

The U.K. short-term rental market is closing out 2025 with a mixed blend of stabilising performance and renewed signs of softening demand, and continued behavioural shifts among travellers. After several months of modest improvement, the Key Data Demand Index slipped to –0.01 in November, reflecting a slight pullback in booking activity and a month-over-month decline of –0.08. This shift interrupts the moderate upward trend observed through early autumn and reinforces a pattern of uneven traveller confidence.

ADR remains a key driver of revenue growth, with strong late-year gains of +4–7% year-over-year supporting RevPAR even where occupancy is soft.

Guest behaviour trends show continued compression, including shorter booking windows and slightly shorter stays.

Short-term rentals continue outperforming hotels, with Q3 STR RevPAR up across most regions while hotels remain in decline.

The overall outlook suggests a more price-driven market, where ADR discipline and channel strategy will be essential for operators as travellers maintain late-booking habits and shorter trip durations.

Market Overview

The U.K. short-term rental market is closing out 2025 with a mixed blend of stabilising performance and renewed signs of softening demand,

and continued behavioural shifts among travellers. After several months of modest improvement, the Key Data Demand Index slipped to –0.01 in November, reflecting a slight pullback in booking activity and a month-over-month decline of –0.08. This shift interrupts the moderate upward trend observed through early autumn and reinforces a pattern of uneven traveller confidence.

Key Data Demand Index *= year-over-year change in reservations per property made in a given period*

Booking activity in November softened slightly compared to October, with the Key Data Demand Index registering –0.01 and a month-over-month decline of –0.08. This marks a pullback after the modest gains observed in late summer and early autumn, suggesting travellers have become more hesitant as the year closes.

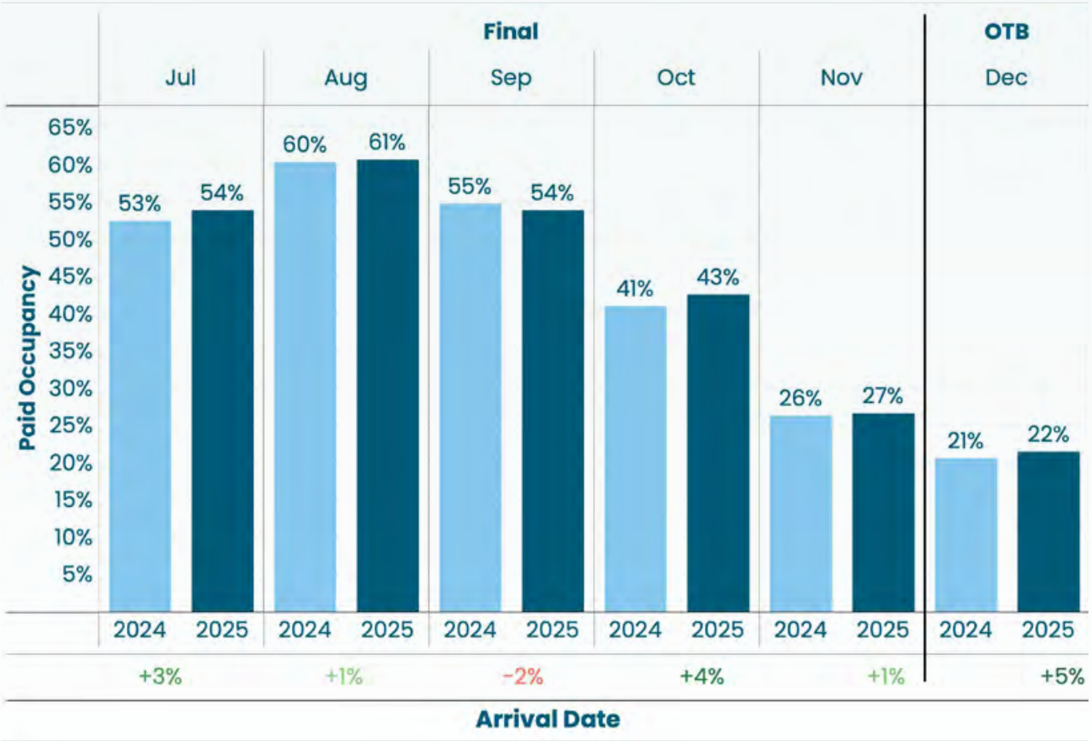
While November's reading remains close to zero—indicating relatively stable underlying demand—the negative month-to-month movement highlights a cooling period following the brief resurgence seen in October. Despite this dip, the broader trend still reflects a more stable environment than the deeper negative swings seen throughout 2022–2024.

Key observations:

- Demand momentum eased in November, reversing the positive trajectory built through late Q3 and early Q4.
- The month-over-month decline (–0.08) suggests softening traveller intent heading into early winter, after several months of modest upward movement.
- Year-over-year performance remains near flat, reinforcing a market that continues to operate within a narrow band of demand fluctuation rather than exhibiting strong highs or lows.
- Although November represents a slowdown, the overall pattern still points to greater stability compared to the more volatile periods earlier in the cycle.

Autumn and Winter Occupancy Looking Strong

Paid Occupancy % = *Nights Sold / Total Nights*



Final Data

Across July–November, occupancy performance is largely steady year-over-year, with modest gains in October and November helping offset mild softness in September.

On The Books Data

December is pacing +5% year-over-year, with occupancy rising from 21% (2024) to 22% (2025). This marks one of the strongest months of 2025 and signals healthier winter demand compared to September weakness.

Average Daily Rate Growth Strengthens Into Winter

Average Daily Rate (ADR) = *Total Unit Revenue / Nights Sold*

Final Data

ADR trends demonstrate consistent resilience, with year-over-year increases across Summer and Autumn.

On The Books Data

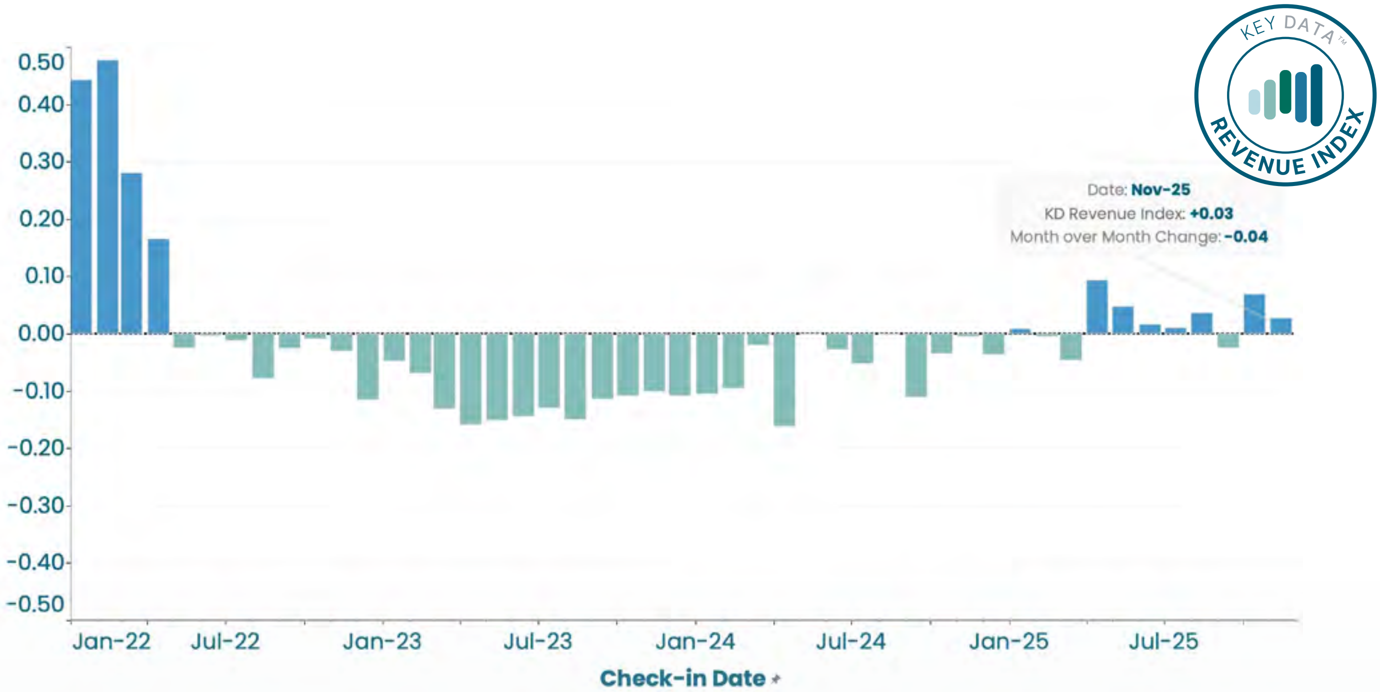
Forward pricing trends are strong, with December up 3% year-over-year during a strong holiday season.

Revenue and Pricing Dynamics

November 2025 Revenue Index Softens but Remains Positive, Highlighting a Moderated Late-Year Trajectory

RevPAR = *Occupancy x ADR or Total Unit Revenue / Total Nights in a given period*

Key Data Revenue Index = *Year-over-year change in revenue per property collected in a given period*



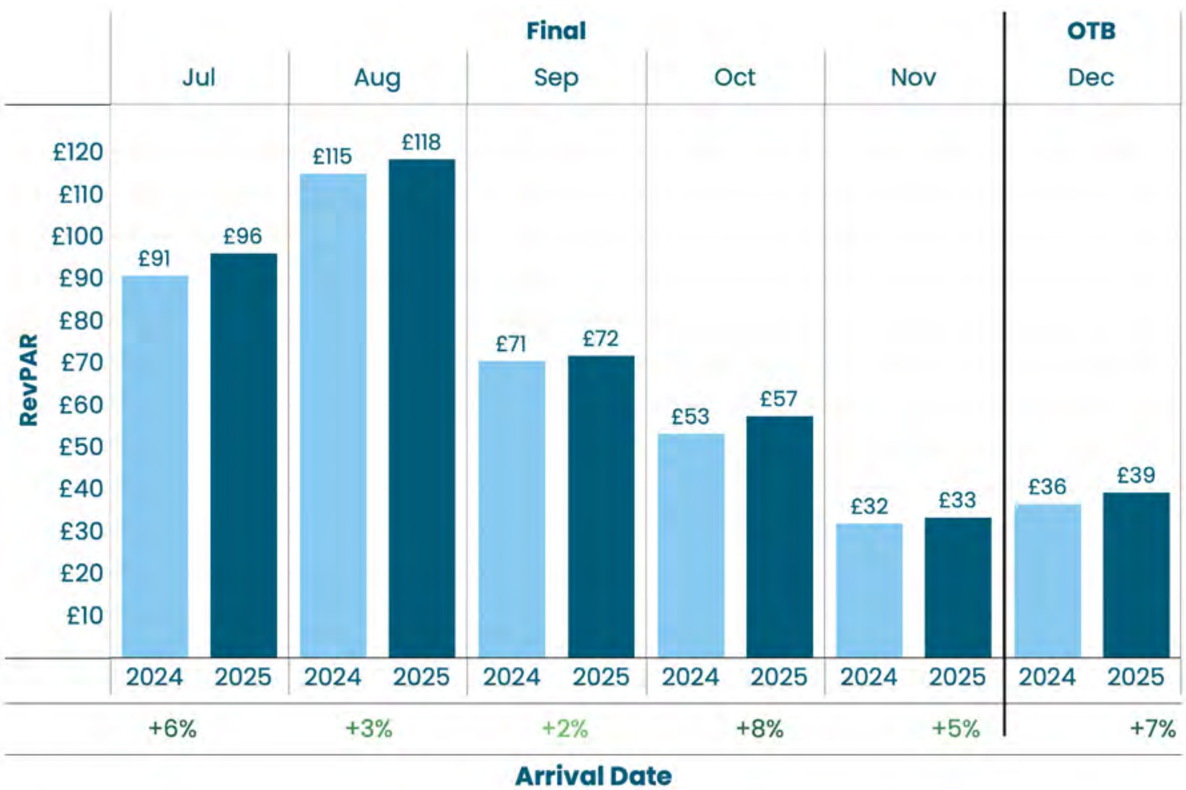
+0.03 ↑

November
2025

The latest Revenue Index reading shows that revenue performance remained positive in November, though at a slower pace than in October. The Key Data Revenue Index registered +0.03, with a month-over-month decline of −0.04, signalling a modest cooling in revenue momentum as the market heads into winter.

Despite the slight pullback, November marks the third consecutive positive month, reinforcing a broader stabilisation trend following extended periods of negative or near-zero revenue growth across 2023–2024.

- November's positive reading (+0.03) confirms that year-over-year revenue performance remains slightly ahead of 2024, even as the rate of improvement tapers.
- The MoM decline (–0.04) suggests a softening of October's stronger uplift, consistent with seasonal patterns and moderating demand signals.
- Summer performance remained steady and rate-driven, supported by incremental ADR gains amid flat occupancy.
- Autumn RevPAR trends showed meaningful improvement—particularly in October, which posted one of the strongest gains of the season (+8%).
- November's result indicates a more measured close to Q4, yet still reflects improved conditions compared to earlier in the year.



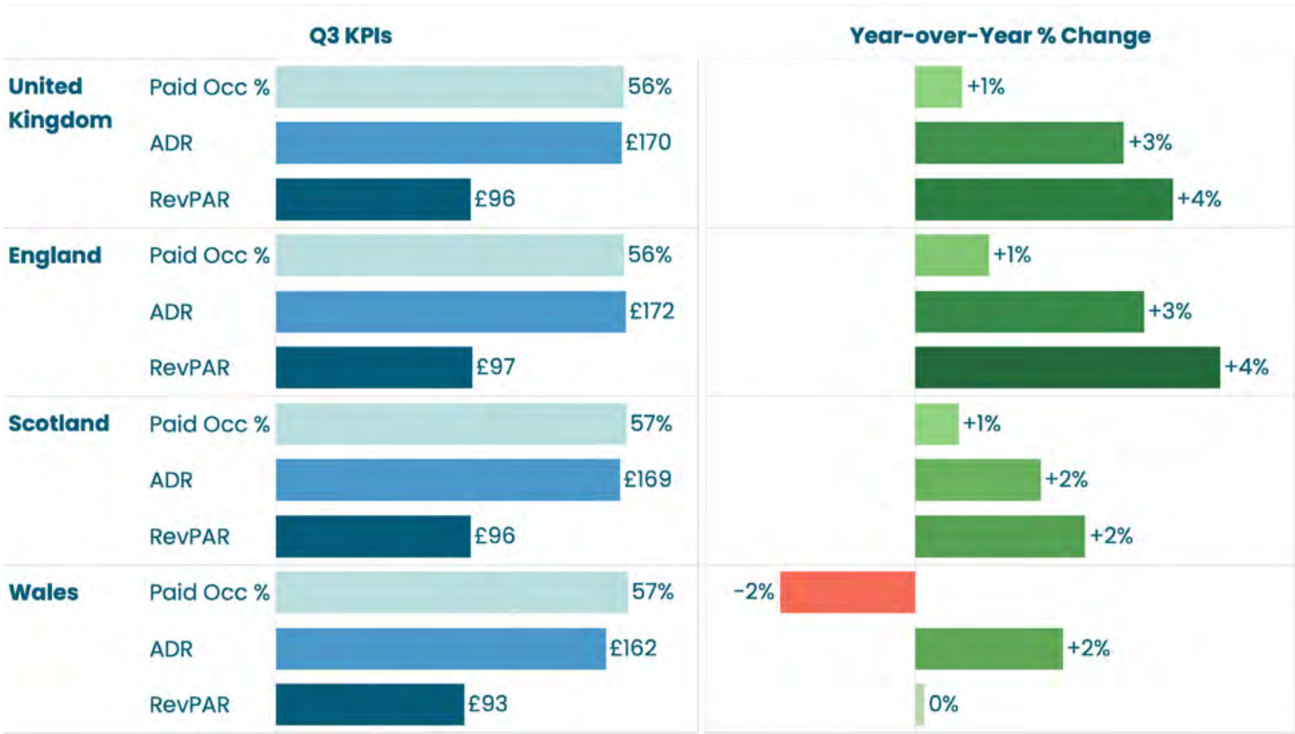
Final Data

RevPAR posted year-over-year gains with October up +8% and November up +5%, reflecting performance growth in Autumn. Growth was driven by both increases in rates and occupancy.

On The Books Data

Forward performance shows early growth in December (+7% year-over-year), highlighting growing booking momentum, indicating that stronger pricing and revenue management strategies are helping to lift early Winter results.

Regional Market Performance



United Kingdom

1% ↑
Paid Occupancy

3% ↑
ADR

4% ↑
RevPAR

A modest +1% occupancy increase paired with +3% ADR growth delivered a steady +4% RevPAR gain, reflecting broad-based but moderate improvements across the national short-term rental market.

England

1% Paid Occupancy

3% ADR

4% RevPAR

Balanced performance continued, with occupancy up +1% and ADR rising +3%, resulting in a solid +4% RevPAR lift that underscores stable demand and sustained pricing resilience.

Scotland

1% Paid Occupancy

2% ADR

2% RevPAR

Strong regional demand supported a +1% occupancy uptick and +2% ADR growth, producing a +2% RevPAR increase.

Wales

2% Paid Occupancy

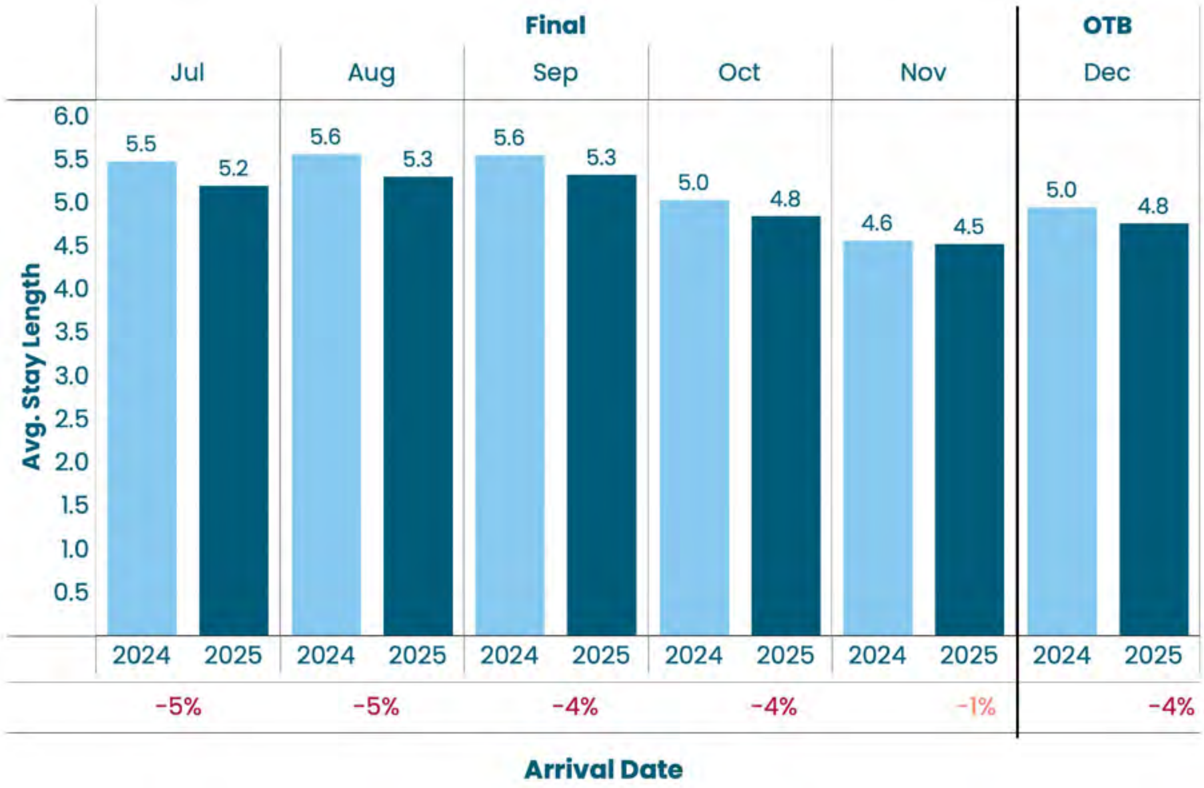
2% ADR

0% RevPAR

A -2% occupancy decline offset ADR gains of +2%, leaving RevPAR flat year-over-year at 0%. Despite rate strength, softer demand limited overall revenue growth for the region.

Guest Behavior Trends

Shorter Stays Continue Through 2025



***Average Length of Stay** = Total Nights Sold / # of Guest Check-ins*

Final Data

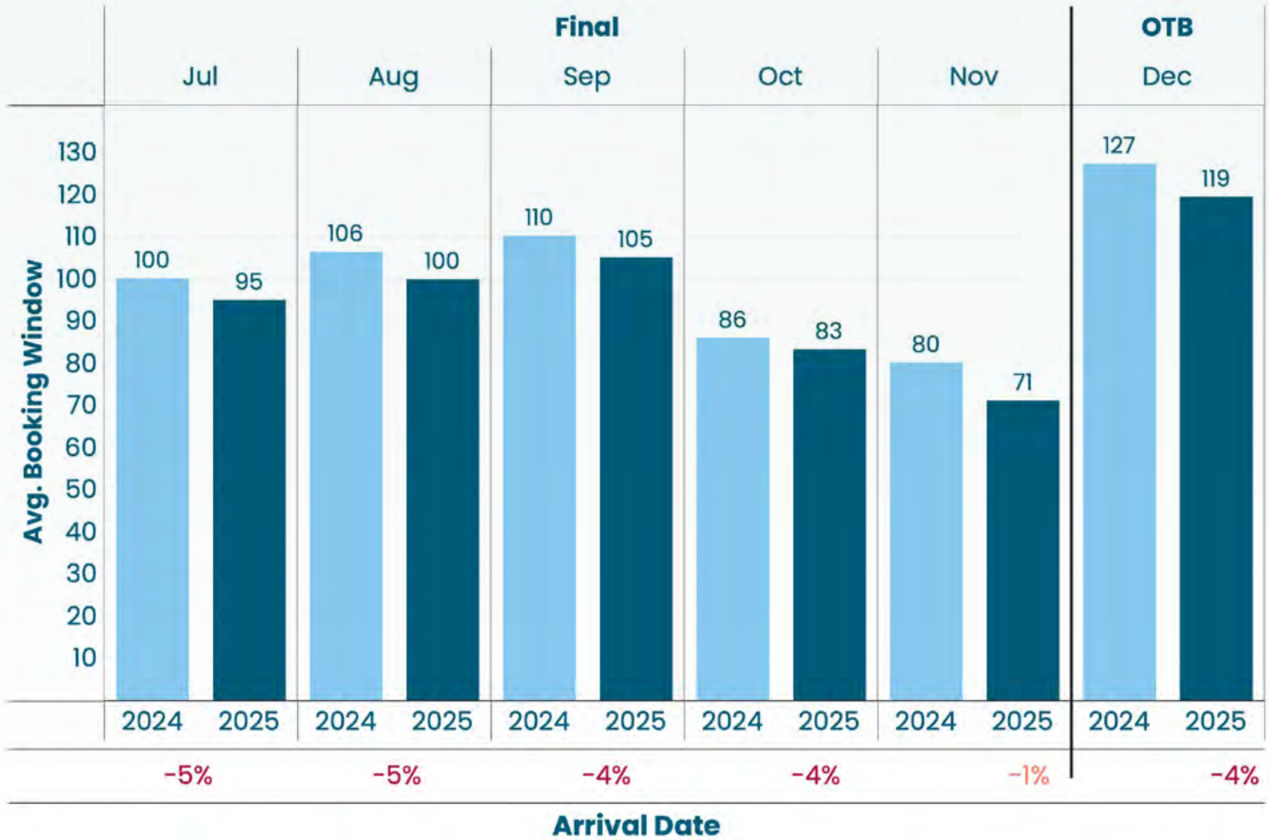
Average stay lengths shortened slightly year-over-year, with September, October, and November all showing declines of about -0.1 to -0.3 nights. This signals travellers opting for shorter visits during autumn compared to 2024.

On The Books Data

Travellers continue opting for slightly shorter stays, compressing peak and shoulder-season trip lengths. This trend is now well-established across 2024–2025.

Guest Behavior Trends

Shorter Lead Times Persist, Reinforcing Last-Minute Booking Behaviour



Average Booking Window *= (Arrival Date - Booked Date) / # of Guest Check-ins*

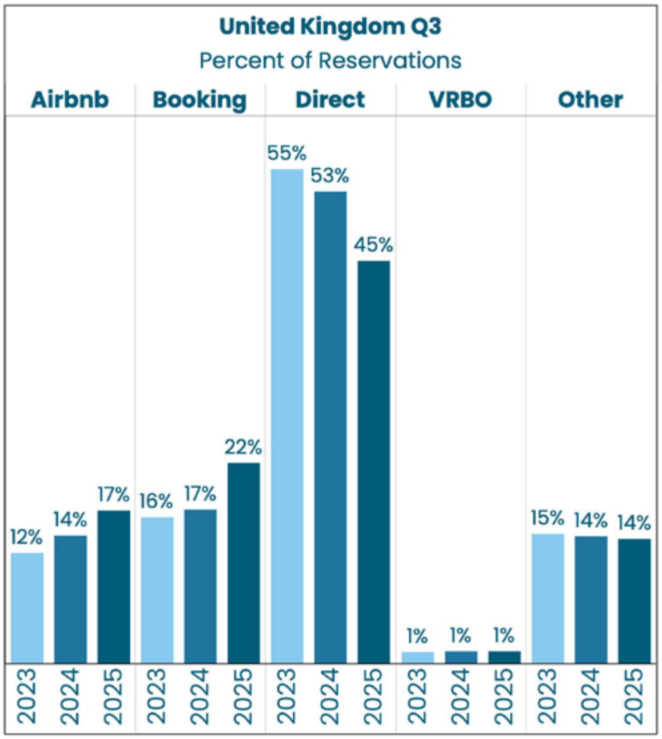
Final Data

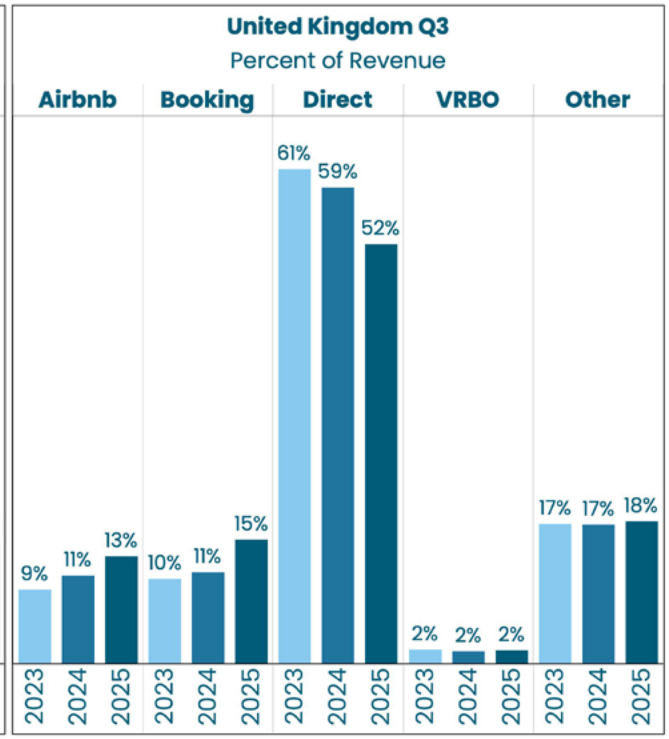
Year-over-year shifts are consistently negative, with September down -4%, October down -4%, and November down -1%, signaling guests are booking closer to arrival compared to last year.

On The Books Data

Lead times are compressing consistently, showing guests continue to favor short-notice planning. For operators, this limits forecasting visibility but provides opportunities for dynamic, late-booking revenue strategies.

U.K. Q3 Booking Sources





- Direct booking share continues to erode, dropping from 53% to 45% of Q3 reservations and from 59% to 52% of revenue. This marks the second consecutive year of meaningful decline and underscores a structural shift in traveller behaviour.
- Airbnb and Booking.com both show notable gains, with Booking.com increasing reservation share from 17% to 22% and Booking.com rising in revenue share from 11% to 15%. These platforms continue to expand their influence on both booking volume and guest spend.
- Direct remains the most profitable channel, still accounting for the majority of revenue despite declining share. However, the widening gap between OTA growth and Direct contraction highlights the need for renewed investment in loyalty, SEO, guest retention, and conversion strategies to reduce long-term dependency on third-party platforms.

Hotel Market Comparison

U.K. Hotel Performance

United Kingdom

2%↓ Paid Occupancy

3%↑ ADR

1%↑ RevPAR

A decline of -2% in occupancy combined with a +3% increase in ADR resulted in a +1% RevPAR increase, reflecting slight strengthening across the hotel sector.

England

4%↓
Paid Occupancy

1%↑
ADR

4%↓
RevPAR

Hotels experienced slight weakness, with occupancy down -4% and ADR increasing a modest +1%, producing a -4% RevPAR contraction and underscoring continued pressure on demand.

Northern Ireland

3%↓
Paid Occupancy

5%↑
ADR

2%↑
RevPAR

Northern Ireland experienced a -3% drop in occupancy with a +5% jup in ADR, leading to a modest +2% RevPAR increase, making Northern Ireland one of the most resilient hotel markets in the UK during Q3.

Scotland

2%↓
Paid Occupancy

4%↑
ADR

2%↑
RevPAR

A -2% drop in occupancy was met with a +4% increase in ADR, creating a 2% increase in RevPAR, making Scotland the other most resilient hotel market in the UK during Q3.

Wales

22% ↓
Paid Occupancy

15% ↑
ADR

9% ↓
RevPAR

Severe occupancy declines of -22% overwhelmed a +15% ADR increase, resulting in a -9% RevPAR decline, indicating significant demand challenges despite strong rate performance.

Insights for Property Managers

Property managers are finishing 2025 in an environment shaped by stabilising but uneven demand, firm winter pricing, and ongoing shifts in guest planning behaviour. After several months of modest improvement, the slight softening in both the Demand Index (–0.01) and the Revenue Index (+0.03) in November highlights a market that remains steady overall but still subject to short-term fluctuations. While conditions are more stable than the volatility seen earlier in the cycle, demand continues to be more compressed, later-booking, and less predictable than pre-2023 norms.

Shorter lead times (–4% to –7% YoY across most months) mean operators must lean heavily on real-time channel management and flexible promotional strategies. At the same time, shorter stays mean greater turnover and operational complexity, placing a premium on efficient housekeeping coordination and automated workflows.

Occupancy trends are stable overall, with late-year gains in October, November, and December helping to offset a soft September. ADR strength remains a defining feature of the 2025 market: operators are successfully leveraging rate to protect revenue, as evidenced by strong RevPAR gains (+6% to +8% in key months).

However, the continued erosion of the direct booking channel highlights a strategic risk. With Airbnb and Booking.com increasing share, managers must reinvest in owned channels to preserve margin and long-term customer relationships.

Overall, the STR market remains resilient, but revenue success is now more dependent on pricing sophistication, channel optimisation, and maintaining visibility in an increasingly OTA-dominated landscape.

Glossary

Calendar Occupancy %

Formula: (Nights Sold + Owner Nights + Hold Nights) / Total Nights

Definition: Percentage of all nights in the calendar year (including blocked and unavailable nights) that were booked. This metric reflects overall utilisation of the property's calendar, incorporating both paid demand and owner/ maintenance blocks.

Paid Occupancy %

Formula: Nights Sold / Total Nights

Definition: Percentage of available nights that were booked. A core measure of demand and property utilisation.

ADR (Average Daily Rate)

Formula: Total Unit Revenue / Nights Sold

Definition: Average income earned per sold night. Indicates pricing strength and rate management effectiveness.

RevPAR (Revenue per Available 'Rental' [or 'Room' for Hotels])

Formula: Occupancy x ADR or Total Unit Revenue / Total Nights

Definition: Blends occupancy and pricing to assess revenue efficiency across all available nights.

Average Length of Stay (ALOS)

Formula: Total Nights Sold / # of Guest Check-ins

Definition: Shows the average duration of guest stays. Helps assess trip type and market behaviour.

Average Booking Window (ABW)

Formula:(Arrival Date - Booked Date) / # of Guest Check-ins

Definition:Average number of days between booking and arrival. A leading indicator of guest planning behaviour.

Key Data Demand Index

Formula: Reservations per property (year-over-year indexed)

Definition: Tracks demand strength across properties. Positive index growth signals higher reservation activity.

Key Data Revenue Index

Formula: Year-over-year revenue per property (indexed)

Definition: Measures changes in revenue performance per unit over time.

Direct Bookings

Definition: Bookings made directly through a manager's own channels (e.g., website). Typically yield longer stays, higher ADR, and more lead time.

OTA (Online Travel Agency)

Examples: Airbnb, Vrbo, Booking.com

Definition: Third-party platforms facilitating short-term rental bookings. Useful for guest acquisition but include commission costs.

Orphan Nights

Definition: Single nights stranded between two bookings that are hard to fill due to stay restrictions or unattractive timing.

Pacing / On the Books (OTB)

Definition: A performance comparison between future bookings and prior-year benchmarks. Helps forecast trends and identify early signals.