



Fall 2024

U.K. Short-term Rental Quarterly Report

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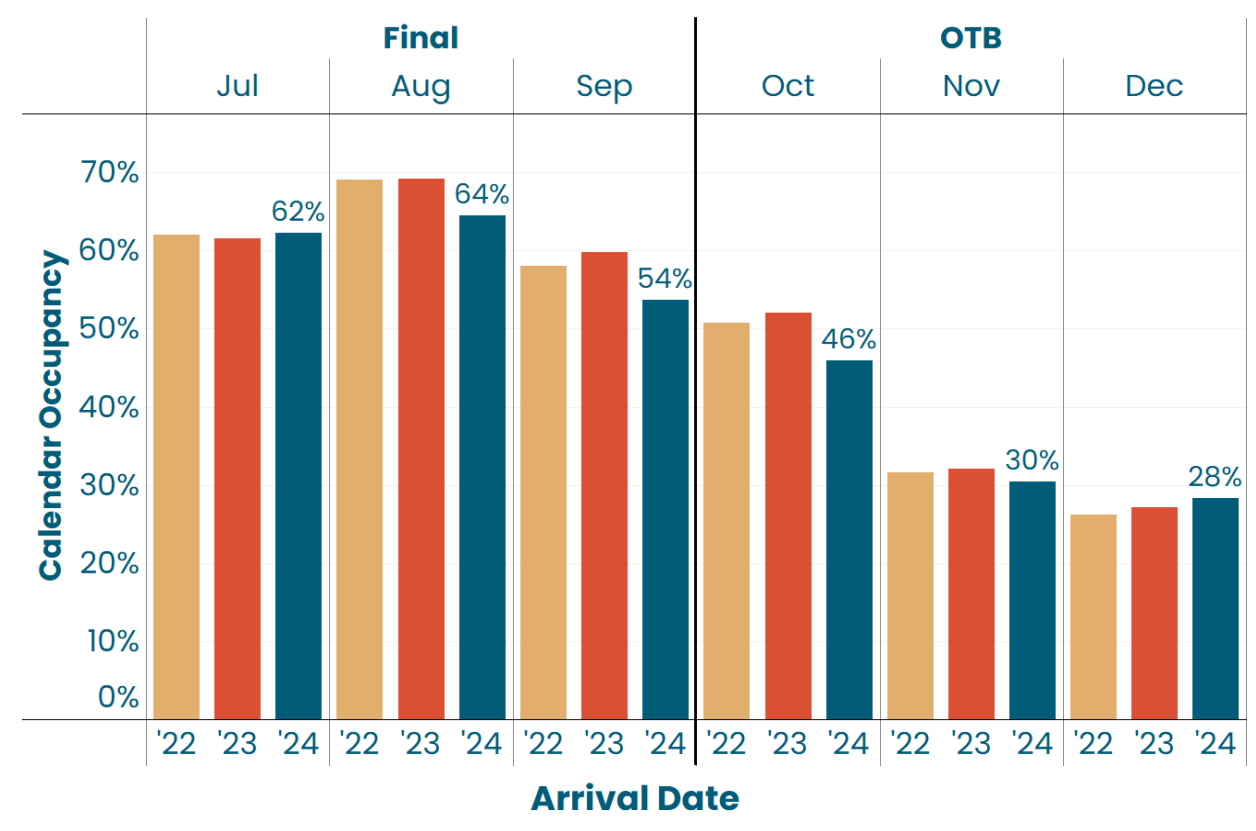
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**Occupancy is starting to soften
but rates are still looking strong.**

Summary

- Vacation Rental calendar occupancy is starting to soften.
- Daily Rates are higher than in 2023 or 2022.
- RevPAR is declining alongside occupancy rates.
- Average stay lengths lengthen while booking windows remain steady.

U.K. Short-term Rental Performance for the Last Three/Next Three Months



Calendar Occupancy %

Vacation Rental calendar occupancy is starting to soften.

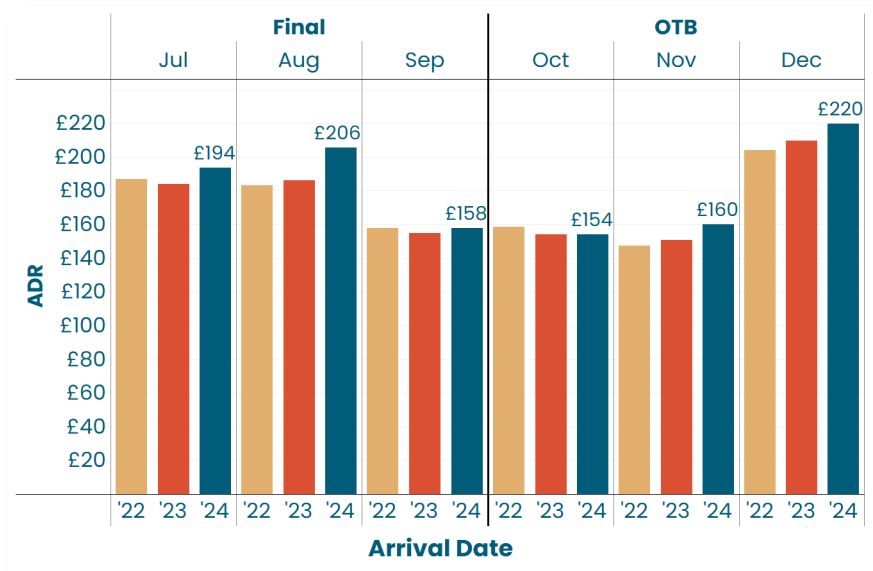
$$\text{Calendar Occupancy \%} = (\text{Nights Sold} + \text{Owner Nights} + \text{Hold Nights}) / (\text{Total Nights})$$

In September, calendar occupancy was lower than in 2023 (-6%), and 2022 (-4%), following a year-over-year decrease in August. Looking forward, October and November are also pacing behind, at -6% and -2% respectively. This may indicate that demand is softening in addition to supply increases. However, December is pacing 1% ahead, signaling a lucrative holiday period.

Average Daily Rate

Daily Rates are higher than in 2023 or 2022.

$$ADR = \frac{\text{Total Unit Revenue}}{\text{Nights Sold}}$$



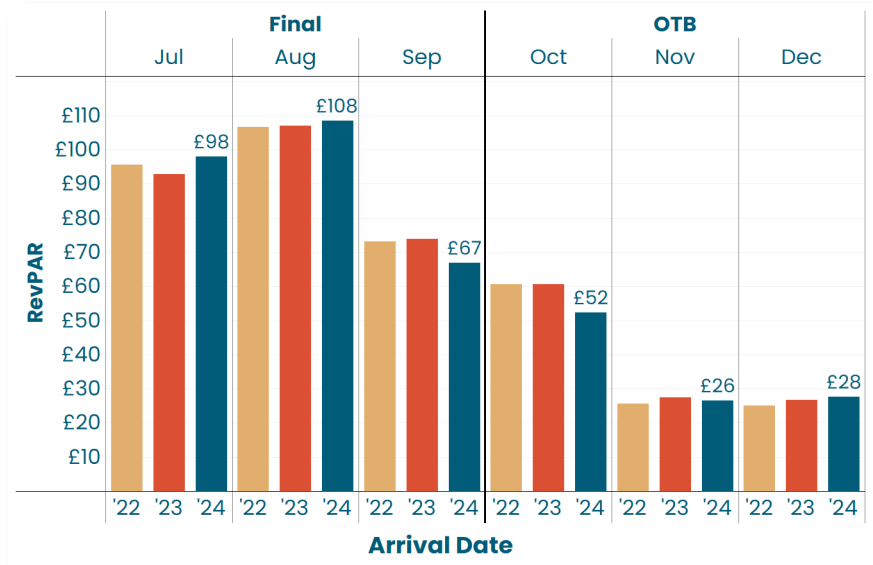
In September 2024, daily rates were £158, £3 higher than last year. For November through December, rates are pacing much higher than last year, but expect to see average rates decrease as you move through the booking window. Bookings made early tend to be for larger units at higher prices. However, your properties can command higher rates for a high-demand period, like the holidays so make sure to keep your rates higher while keeping an eye on occupancy.

RevPAR

RevPAR is declining alongside occupancy rates.

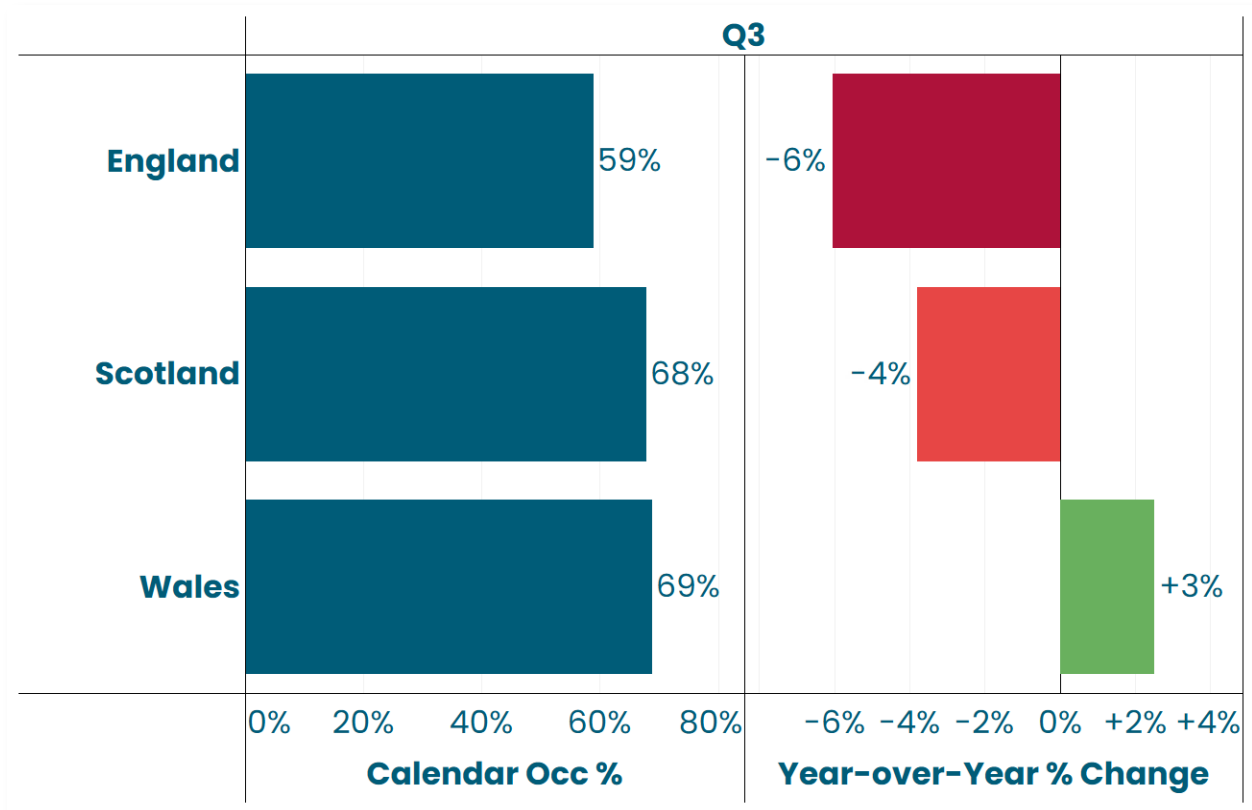
$$RevPAR = \text{Occupancy} \times ADR$$

or $RevPAR = \frac{\text{Total Unit Revenue}}{\text{Total Nights in a given period}}$



September 2024 RevPAR was down £7 from September 2023 due to decreased occupancy and rates that couldn't offset the decrease. RevPAR is also pacing down in October, but there is time to capture last-minute bookings to drive revenues up. RevPAR is the best indicator of the balance between supply and demand, so let RevPAR drive your Q4 revenue strategy!

U.K. Country Short-term Rental Performance



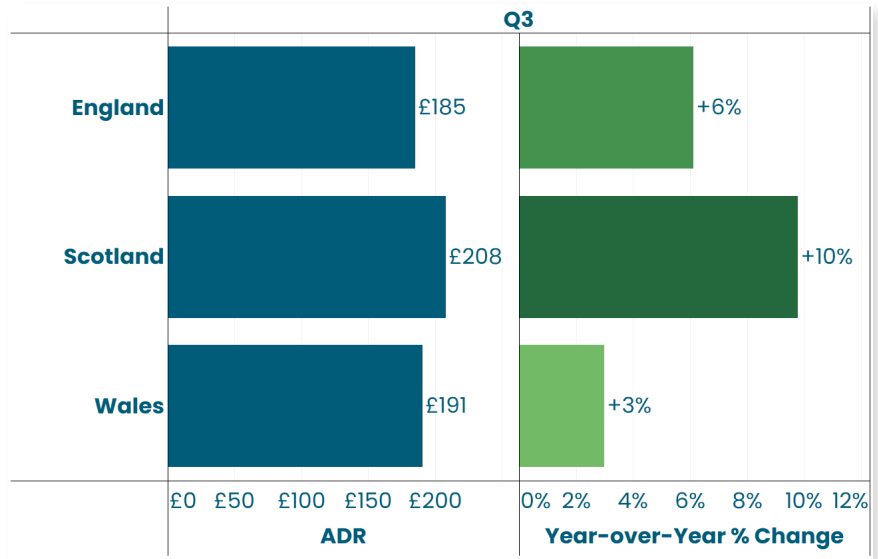
Calendar Occupancy %

$$\text{Calendar Occupancy \%} = (\text{Nights Sold} + \text{Owner Nights} + \text{Hold Nights}) / (\text{Total Nights})$$

Most countries in the United Kingdom saw decreases in Q3 calendar occupancy over 2023. Wales saw a year-over-year increase (+3%), while Scotland saw a 4% decrease in calendar occupancy, and England saw a 6% decrease. Annually, England ended 2023 with an increase in calendar occupancy of 2% over 2022, while Scotland saw a 1% increase and Wales saw a 1% decrease.

Average Daily Rate

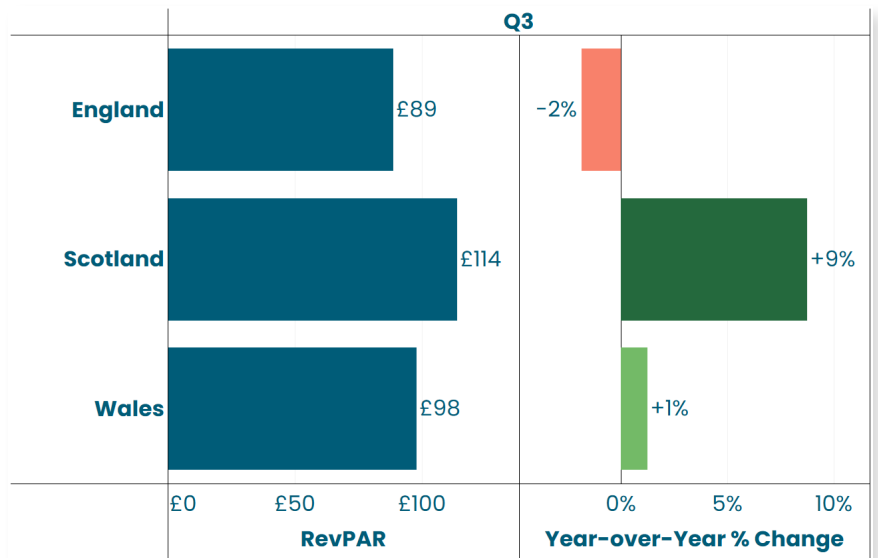
ADR = Total Unit Revenue / Nights Sold



England, Scotland, and Wales all booked higher Q3 rates in 2024 than in 2023. At £208, Scotland’s rates were 10% higher than last year, and England commanded rates 6% higher than last year at £185. Wales’ daily rates increased by 3% over Q3 the previous year. High-demand periods (such as holidays or large events) and peak seasons can command higher rates, so optimize your RevPAR by capitalizing on those high-demand periods in the coming quarter.

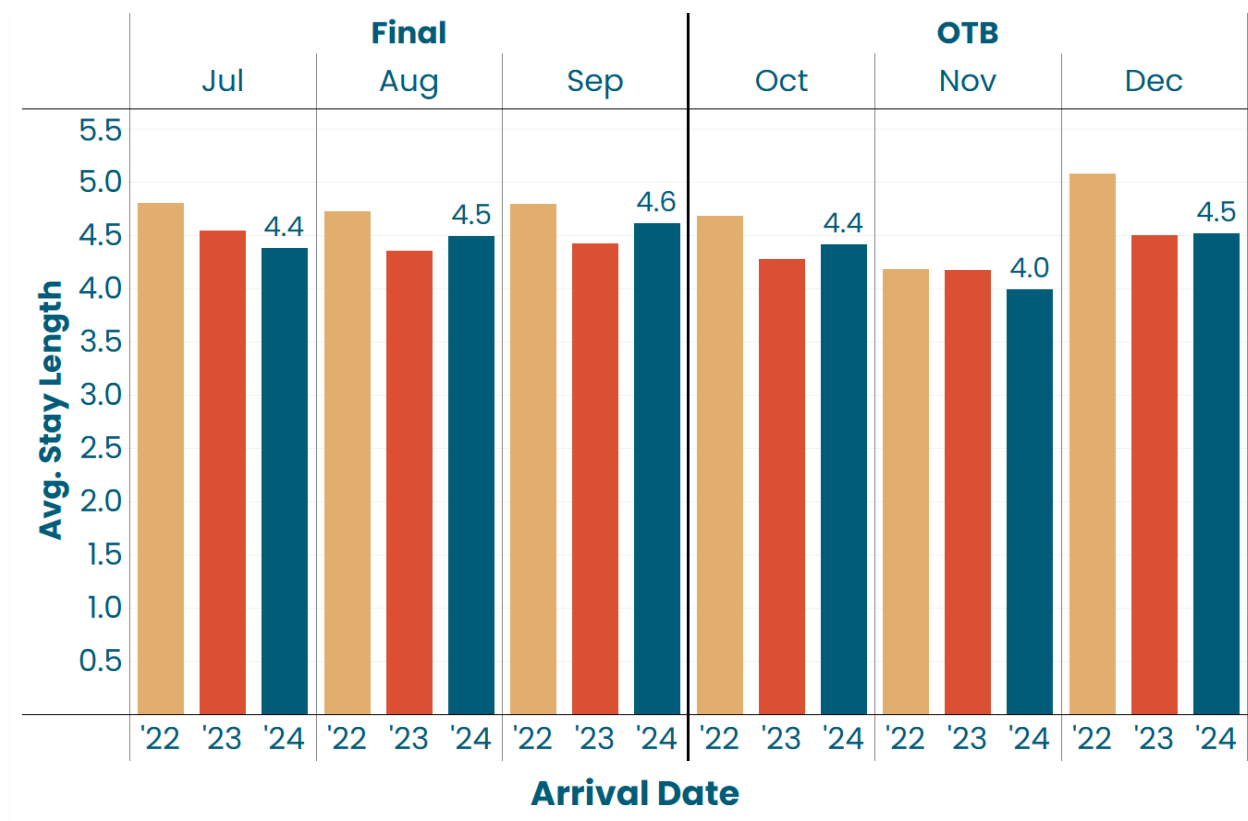
RevPAR

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



Scotland was the winner in Q3, with a 9% increase in RevPAR over Q3 2023. Wales saw a 1% increase in RevPAR, while England experienced a 2% decrease in RevPAR. Favorable RevPAR indicates that occupancy and rates are well-balanced.

U.K. Short-term Rental Performance: Booking Activity



Average Length of Stay

Average stay lengths are slightly longer than in 2023.

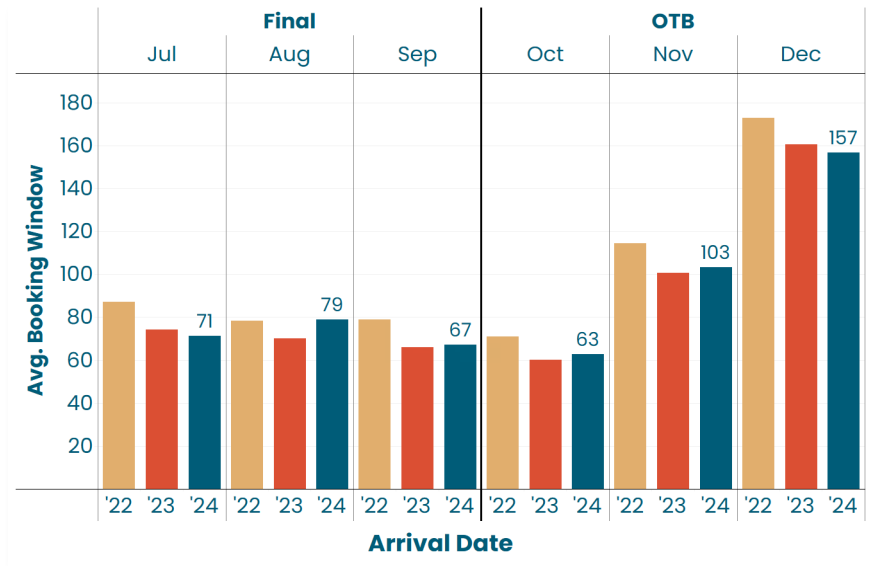
Average Length of Stay = Total Nights Sold / # of Guest Check-ins

At 4.6 days in September 2024, stay lengths were slightly longer than last year but shorter than in 2022. And though the change from 2022 may seem slight, the decrease in occupancy paired with the decrease in length of stay means that property managers need to work harder to book stays just to keep occupancy consistent year-over-year. Additionally, stay lengths are pacing longer than last year in October, but shorter than last year for stays in November. With nightly rates increasing and stays becoming shorter, these changes are an important indicator of changing consumer behaviors.

Average Booking Window

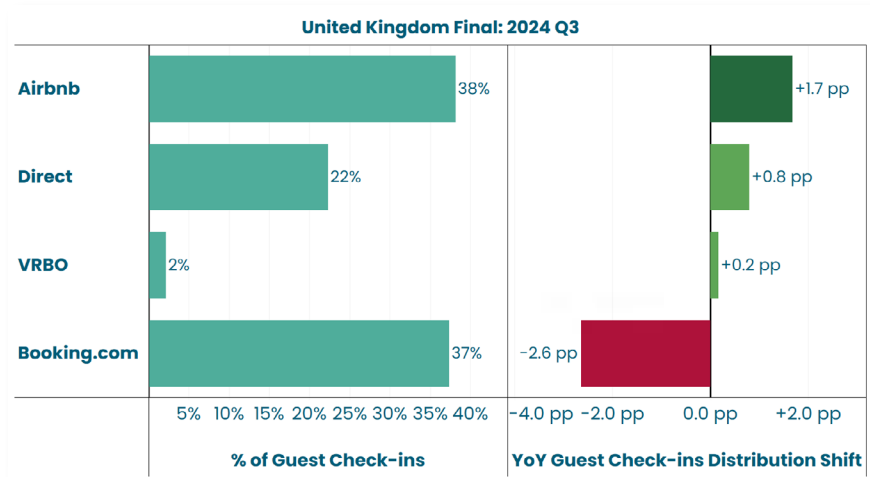
Booking windows remain steady from 2023.

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



September’s average booking window in 2024 was roughly 67 days; one day longer than in 2023, and 11 days shorter than in 2022. The United Kingdom’s annual booking windows in 2022 and 2023 were 52 and 49 days, respectively. This trend was similar to the U.S., where booking windows decreased from 61 days to 57 days. As we move into the winter months, booking windows are pacing closely with last year, though much shorter than in 2022. With shortened booking windows, ensure you have an appropriate pricing strategy to capture last-minute bookings. Closely manage rate strategies at least 90 days in advance, and focus on marketing properties outside of your popular booking windows and adjusting rates accordingly.

Guest Check-ins by Booking Source



According to our direct data, Airbnb and Booking.com made up 75% of the guest check-ins in Q3 2024. With Airbnb gaining a portion of the market share that Booking.com lost, Airbnb accounted for most of the bookings in Q3, but both of these channels account for over one-third of reservations. Direct bookings gained almost one percentage of the share of reservations, while Vrbo stayed consistent with last year.

State of the U.K. Economy

The Consumer Price Index was 1.7% in September 2024; the lowest rate since September 2021, and down from 2.2% in August 2024. The average price of petrol fell by 5.5 pence per litre between August and September 2024 to stand at 136.8 pence per litre, down from 153.6 pence per litre in September 2023. Domestic, European, and long-haul flights saw a fall in monthly price in September 2024, leading to the airfares index falling by 34.8% on the month. This is a lower rate than the 23.2% fall in monthly price in September 2023. Fares usually reduce in price between August and September, but this was the fifth largest fall since the monthly collection of prices began in 2001. This brought the September 2024 index below where it was in September 2023.

Key Data's Shoulder Season Tips

Shoulder seasons can be one of the most lucrative periods for property managers, if properly capitalized on. The potential for occupancy and revenue increases are numerous if planned for correctly, especially during the holiday season. Here are three of our tips to successfully navigating the Q4 off-season.

Adjust Minimum Stay Requirements

One way to increase occupancy is to increase your minimum stay lengths during high-demand periods. This can help drive your nights sold higher while decreasing turnover time and costs. However, remaining flexible can also work to your advantage. As the stay date approaches and you have properties available, consider allowing exceptions for last-minute bookings.

Stay on top of your Pricing Strategy

During high-demand periods like holidays, rates should be increased to help drive RevPAR, especially during off-season periods. Keep an eye on market data to help set a baseline for competitive prices. You can offer discounts to try to drive the stay lengths and booking windows you want to see. Properties booked further out tend to collect higher rates, so consider offering discounted rates further out instead of waiting until the last minute, or discounts to book mid-length stays instead of short stays.

Leverage Marketing Strategies

It's important to keep your marketing strategy alive during off-season periods. Segment your audience, and target the guests that best suit your inventory. Highlight off-season activities and