



Holiday Letting Outlook Report 2025

An in-depth review of the UK's short-term accommodation industry, brought to you by Sykes Holiday Cottages

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Welcome to the Holiday Letting Outlook Report 2025

Our Holiday Letting Outlook Report returns for its fourth year, offering an in-depth and thorough analysis of the UK's holiday letting industry.

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Welcome

What's happening in the holiday let sector?

Our fourth annual Holiday Letting Outlook Report analyses the current state of the sector with predictions for the years ahead.

Despite significant change in the industry, the findings throughout the report show the resilience and continued profitability of the holiday let market, with UK owners earning an average of £24,700 per property in 2024. We had our biggest-ever year for bookings, despite tougher economic conditions. Last year, our owners were able to withstand the policy decisions thrown their way, with our guidance, and all signs show that their small businesses will continue to thrive and that holiday letting remains a good investment.

This report will explore the factors contributing to this success, from popular amenities to top-performing locations, and provide actionable ways to maximise income. The report also delves into the latest trends and emerging opportunities within the sector, equipping holiday let owners with the tools and knowledge to succeed.

Whether you're a seasoned holiday let owner or considering starting a business, the report is an essential guide to understanding – and capitalising on – the opportunities within the UK holiday rental industry.

As an industry leader, it's important to help holiday home owners navigate the journey ahead, while ensuring that their contribution to communities throughout the country is widely acknowledged and understood.

James Shaw, Chief Commercial Officer Group
& Managing Director Agency Division



Key stats

Owners earned an average of **£24,700 in 2024 – up from £24,500 in 2023**

Year-round destinations in the Lake District and the Cotswolds generate the most income overall, with **owners in the Cotswolds earning £29,000 – a £500 increase on 2023**

There are 3.4 times more long-term empty homes than holiday lets in England, which contribute nothing to local economies

45% of UK owners say they've been affected by regulation changes. This increases to 63% of those in Wales. Higher rates of council tax are having the most impact on their businesses

The sector at a glance

Here we share key insight on holiday home owner demographics and recent earnings, based on both a survey of 500 UK holiday let owners and our own booking and revenue data.

£24,700 average turnover of a holiday let owner in 2024 (compared with £24,500 in 2023)

2.2% increase in UK holiday let bookings in 2024 versus 2023. Our biggest-ever year for bookings

£7,500 average annual cost of running a holiday let reported, including maintenance, marketing, bills, taxes etc.

44% of holiday let owners in the UK live within 10 miles of their property

39 is the average age of a holiday let owner

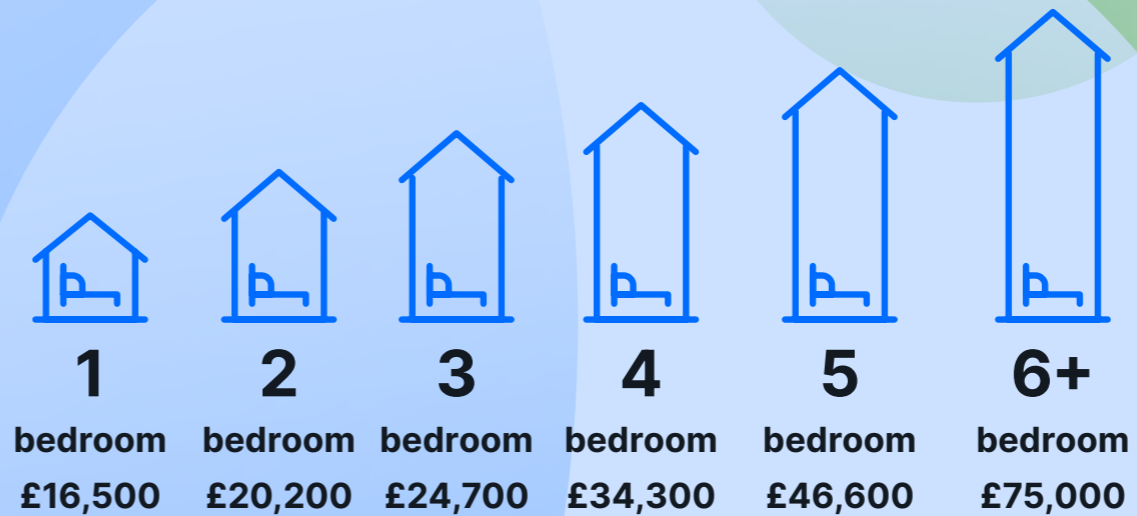
93% of owners also have a full or part-time job

9% of owners started holiday letting within the last 12 months

East Anglia was the most popular location for new holiday home owner enquiries for the first time in 2024



Average income by property size



Top-earning types of property

Unique property
£32,200

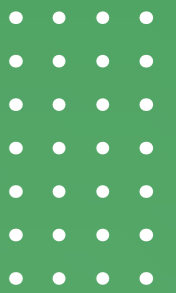
Detached house
£31,400

Farm stay
£29,800



Regional spotlight

Where are the highest-earning regions to own a holiday let? We unveil the top locations, alongside taking a look at the hotspots that have helped the Cotswolds maintain its crown.



No. 1
Cotswolds
£29,000



No. 2
Highlands and
Islands £28,200

New addition
in the top 5
for 2024



No. 3
Cumbria &
The Lake District
£27,000



No. 4
Dorset
£25,900



No. 5
Peak District
£25,500

Cotswolds spotlight

The Cotswolds has retained its spot at number one for earnings for the second year running. Within the Cotswolds, owner revenue is highest in:

£1	Bourton-on-the-Water	£40,400
£2	Stow-on-the-Wold	£40,000
£3	Burford	£34,600

Tickmorend Farm - Nailsworth, The Cotswolds

When Prama Bhardwaj, 49, and her partner Matt, 50, struggled to find a large enough holiday let to fit their extended family for a staycation back in 2017, they realised there was a real gap in the market. The couple decided to take matters into their own hands, investing in Tickmorend Farm and setting their sights on creating a spacious holiday let in the beautiful market town of Nailsworth in the Cotswolds.



Prama Bhardwaj, Sykes Owner

"We didn't know what to expect from holiday letting when we started our journey, but it has been an overwhelmingly positive experience. We enjoy sharing the history of the farmhouse with those who come to stay, and the region has proven to be incredibly popular with guests.

As well as all the amenities the property offers, including the wild swimming pool and resident greenhouses, guests can enjoy everything the Cotswolds has to offer. The pretty villages, boutique shops and many castles, cathedrals and wildlife parks draw guests from near and far, and we love sharing our favourite places with them."

Regional spotlight

From the charming villages of the Cotswolds to the stunning landscapes of the Lake District, certain locations consistently outperform others on rental income.

Many of these top-earning locations are in ever-popular destinations such as the Cotswolds, the Lake District and Cornwall. Although there are a few seaside spots, the list is dominated by destinations with the strongest year-round holiday appeal.

Top 10 locations in 2024 for average turnover

NO. 1	Grasmere, Cumbria	£43,200
NO. 2	Bourton-on-the-Water, Cotswolds	£40,400
NO. 3	Stow-on-the-Wold, Cotswolds	£40,000
NO. 4	Coniston, Cumbria	£36,100
NO. 5	Crantock, Cornwall	£35,600
NO. 6	Southwold, Suffolk	£35,400
NO. 7	Burford, Cotswolds	£34,600
NO. 8	Castleton, Derbyshire	£34,500
NO. 9	Bowness-on-Windermere, Cumbria	£34,450
NO. 10	Carbis Bay, Cornwall	£34,200



Chris Jackson,
Lead for Cotswolds Tourism

"The Cotswolds has always been a popular place for staycationers, due to its central location, good travel links and the experiences available for all types of traveller. However, in recent years the area has attracted even more visitors, thanks in part to the success of Jeremy Clarkson's Diddy Squat, which is based near the Cotswolds town of Chipping Norton.

Bourton-on-the-Water and Stow-on-the-Wold have enduring and year-round appeal to both families and couples alike, boasting popular tourism attractions, easy access to the countryside, and great independently run places to eat and shop. Booking a holiday cottage in either location means you can explore these areas when the day trippers have gone home."



One to watch?

Suffolk spot, Southwold, appears in the top 10 for the first time. With East Anglia the most popular location for new holiday home enquiries in 2024 and Lonely Planet naming the region as a place to visit in 2025, East Anglia could be a destination to watch in subsequent years.

Running a successful holiday let

There are lots of different ways holiday let businesses can increase their turnover, while maximising profitability in the context of changes in the sector and cost pressures.

Ways UK holiday let owners are mitigating the impact of recent policy changes:



Top five most-searched features on the Sykes website:

-  Pet-friendly
-  Hot tubs
-  Large properties
-  Sea views
-  Swimming pools

Hot tubs
21% more
in predicted
revenue

Pet-friendly
9% more
bookings
per year

**Flexible,
short stays**
29% more
bookings
per year

7% of the owners surveyed got into holiday letting to diversify their farmland

Sentiment amongst owners

Curious about how other holiday let owners are feeling about the market? This section captures attitudes and confidence levels across the industry.

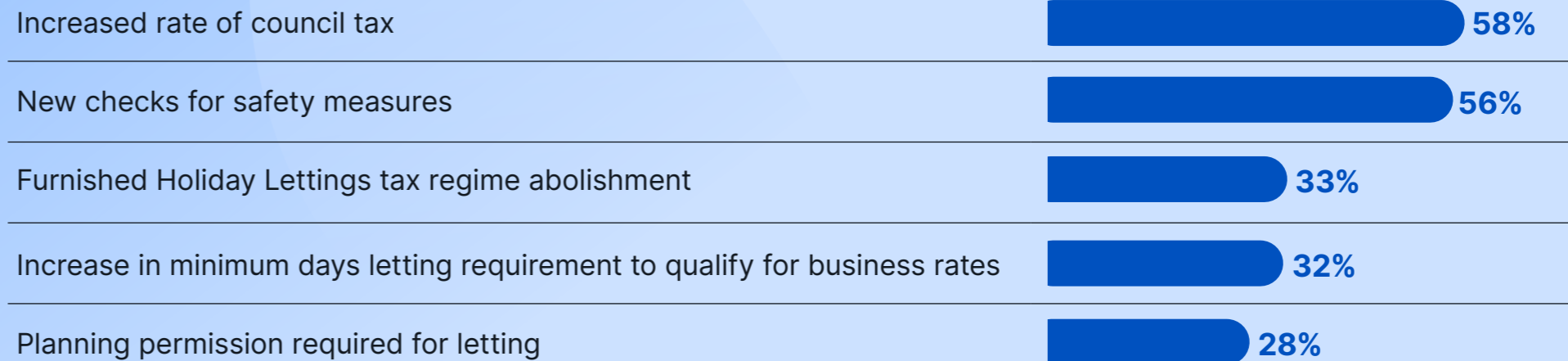
45% of holiday let owners in the UK say they have been impacted by changes in the holiday let sector in recent years

74% of holiday let owners believe the Government's crackdown on the short-term rental sector risks impacting the local economies where their holiday let operates

The changes holiday let owners are most worried about:

- 1** Higher rates of council tax
- 2** A tourism levy
- 3** A statutory licencing scheme

The most common changes owners say are affecting them



Within the next 5 years, owners plan to

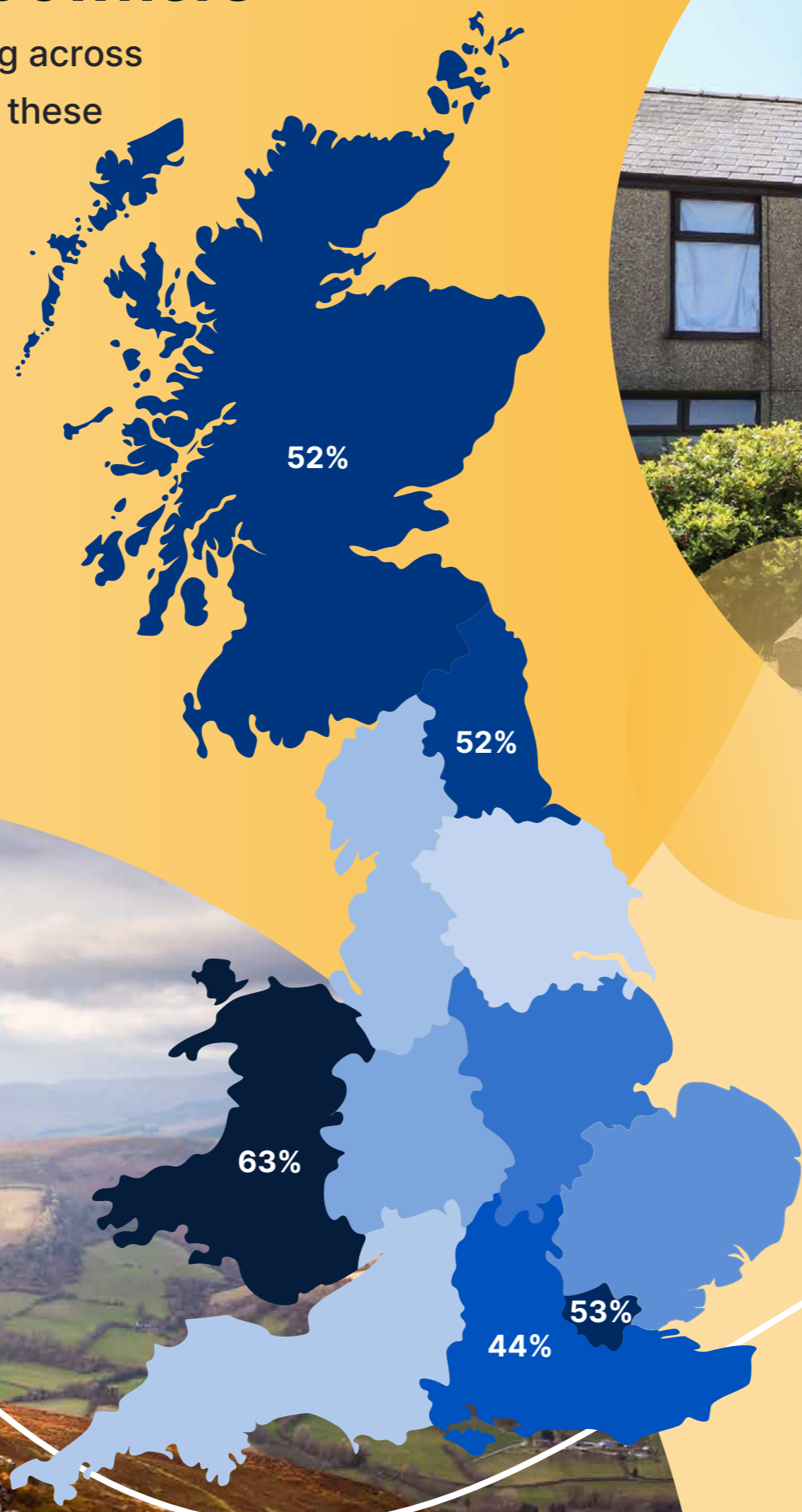


Sentiment amongst owners

With changes to the sector differing across the UK, sentiment on the impact of these varies up and down the country.

Regional owners who say they're most impacted by the changes

- 1 Wales 63%
- 2 London 53%
- 3 Scotland 52%
- 4 North East 52%
- 5 South East 44%



The owner of Bwthyn Defaid, based in Nefyn, said:
“Currently, the council tax premium introduced for second homes in Wales hasn’t affected me, as I’ve been able to qualify for business rates. I’m able to let it for the minimum of 182 days a year fairly easily, although if I had a larger property I think I would struggle to secure as many bookings.”

A potential tourism levy being introduced is a bit of a worry, but ultimately I don’t feel it’ll put holidaymakers off visiting Wales in large numbers – my guests often cite its beautiful countryside, coastline, and activities as its main draws, and these will remain.”



Responding to changes in the sector

From licensing schemes to tourism levies and registers, Governments across the UK have introduced numerous changes over the past few years, with these varying from country to country.

2022

5th September 2022

Edinburgh introduced Short-Term Let Control Area, requiring all new short-term lets to obtain planning permission.

1st October 2022

Scotland introduced a mandatory licensing scheme for short-term lets.

20th October 2022

Welsh law changed to put main homes, second homes and holiday lets into separate planning use classes. A council can require planning permission for movement of a property from a main home to a second home or holiday let by introducing what's called an "Article 4 direction."

2023

19th February 2023

The UK Government announced they would introduce a national register for short-term lets across England. We hope it will be introduced in 2025.

1st April 2023

The Welsh Government increased the number of days a short-term let must be let (to 182 days a year) to qualify for business rates. They also allowed councils to increase council tax premiums for holiday lets by up to 300 per cent.

2024

9th January 2024

Wales announced plans for a mandatory registration and licensing scheme for all visitor accommodation.

4th March 2024

The Highlands Council introduced a Short-Term Let Control Area for Badenoch and Strathspey, requiring all new short-term lets in that area to obtain planning permission.

6th March 2024

The UK Government announced that the Furnished Holiday Lettings (FHLs) tax regime will be abolished.

5th July 2024

Scotland's new visitor levy bill became law. Councils have to consult and then give 18 months' notice before introducing it. Edinburgh look to be introducing one in July 2026.

25th November 2024

Wales announced its intention to bring forward a tourism tax. This is likely to be introduced on overnight stays in some council areas from 2027.

2025

6th April 2025

Furnished Holiday Lettings tax regime (FHLs) set to be abolished.

Responding to changes in the sector

Other industry experts give their views on some of the recent changes and advice to holiday let businesses on successfully navigating these.



Alistair Handyside,
Chair of the Professional Association
of Self-Caterers (PASC)

“The 182-day threshold to qualify for Business Rates in Wales is a clumsy mechanism to try and define a business. It takes no account of location, quality or price and has resulted in many owners being driven to discount to achieve the threshold. A one size fits all measure was never going to work for such a diverse sector.

PASC UK Cymru along with many key partners, including significant support from Sykes, continues to campaign for a fundamental review of the threshold through extensive lobbying. While the Welsh Government is resistant to change, our lobbying efforts will be maintained until the threshold comes down significantly.”



Matt Jeffery, Tax Director at Zeal

“From April 2025, new holiday let tax rules will mean that holiday lets are generally (except for VAT) taxed in the same way as long-term residential lets. The main implications will be restrictions of finance cost deductions and the removal of Capital Gains Tax reliefs and capital allowances.

It’s important for owners to understand the changes and how they may affect them. Owners should consider bringing forward investment in their property or properties before April 2025 and contact a tax advisor to see if they can make any capital allowance claims on previous expenditure.

[This eBook](#) explains the new rules in detail and ways owners can mitigate the impact on them.”



Distinguishing between holiday let businesses and empty second homes

In lieu of Government data on short-term lets, we analyse AirDNA and ONS figures to show that the number of long-term empty second homes far exceed holiday let businesses.

According to our estimation, there are **3.4x more long-term empty second homes in England than short-term rentals**

There are **estimated to be 212,500 holiday lets throughout England** – representing less than 0.85% of total residential properties

In all regions in England, long-term empty second homes outnumber holiday lets

Region	Total number of residential dwellings (ONS, 2021) ¹	Short-term rentals (AirDNA) ²	Long-term vacant homes (ONS, 2024) ³	Times more long-term vacant homes than short-term rentals	Short-term rentals as % of total dwellings
West Midlands	2.55m	12.7k	74.9k	5.9	0.50%
East Midlands	2.16m	11.4k	64.6k	5.7	0.53%
East of England	2.76m	17.2k	78.5k	4.6	0.62%
North East	1.25m	8.0k	42.6k	5.3	0.64%
South East	4.03m	25.6k	109.4k	4.3	0.64%
North West	3.36m	22.9k	104.0k	4.5	0.68%
Yorkshire and the Humber	2.48m	19.3k	79.4k	4.1	0.78%
London	3.72m	46.1k	93.6k	2	1.24%
South West	2.63m	49.3k	72.5k	1.5	1.87%
England total	24.93m	212.5k	719.5k	3.4	0.85%

Sources:

¹ Office for National Statistics (ONS) figures, 2021

² Data provided exclusively by AirDNA. An average of the monthly available listings (entire properties) between December 2023 – November 2024. You can find more details on their methodology here: www.airdna.co/airdna-data-how-it-works

³ Office for National Statistics (ONS) figures, 2024. Long-term empty vacant dwellings assessed for tax discounts or premiums (which typically only applies when a property has been empty over a longer period)

Distinguishing between holiday let businesses and empty second homes

The terms 'second home' and 'holiday let' are often used synonymously, but the two are very different and a distinction should be drawn.



Ben Spier,
Head of Regulation and Policy,
Sykes Holiday Cottages

“Unfortunately, over the last two years, small holiday let businesses have been caught up in policies aimed at reducing the number of second homes in specific parts of the country.

That’s why we’re working hard to lobby the Government to distinguish between holiday lets, that bring tourism to the area and generate local income, and second homes that sit empty for most of the year, contributing very little.

Without data on the number of holiday lets that a registration scheme would provide we’ve conducted our own analysis which estimates that there are just under 212,500 short-term lets across England – only 0.85% of total residential properties.”

An Oxford Economics study showed that short term let-linked spending was worth £27.7 billion to UK GDP and supported nearly half a million jobs in 2021⁴. Second homes are believed to contribute six times less to local economies⁵



Sources:

⁴ Oxford Economics analysis, 2021: www.sykescottages.co.uk/blog/short-term-lets-economic-impact-report

⁵ Finest Retreats analysis

About Sykes Holiday Cottages

Sykes Holiday Cottages is a B Corp certified, holiday cottage rental agency with more than 30 years' experience in the industry.

Owned by parent company Forge Holiday Group, who manage over 30,000 accommodation units, Sykes now has more than 22,500 properties available across the UK and Ireland, taking over three million people on holiday each year.

While the business has grown significantly over the years, Sykes' commitment to offering quality accommodation to travellers – and being the best choice for holiday homeowners – remains unchanged. Sykes has been awarded 'Best Large UK Holiday Cottage Booking Company' at the British Travel Awards for 11 consecutive years.

Headquartered in Chester and with regional offices around the country, its team work with customers and owners to deliver the best British breaks available.

Data: Based on Sykes Holiday Cottages' internal bookings, revenue, website and owner data from 2019 to 2024.

Supporting consumer research of 500 holiday let owners was carried out by 3Gem in December 2024.

Further insights were provided by the Professional Association of Self-Caterers (PASC), UK Short Term Accommodation Association (STAA), Zeal and AirDNA.

Contact us: For further information on the report findings, methodology or press enquiries please contact sykescottages@citypress.co.uk

To explore the data in this report via chat GPT, click [here](#).

To find out more about becoming a holiday let owner, please visit www.sykescottages.co.uk/letyourcottage



