SYKES HOLIDAY COTTAGES

Holiday Letting Outlook Report 2026

A review of the UK's short term accommodation industry
– brought to you by Sykes Holiday Cottages

Welcome to the Holiday Letting Outlook Report 2026

The UK holiday let market continues to evolve at pace, shaped by changing travel habits, economic pressures and new opportunities for owners willing to adapt. At Sykes, we work with thousands of holiday let owners across the country, giving us a unique view of how the sector is performing and where it's heading next.

This report brings together our latest booking and revenue data with owner and consumer research to highlight the trends driving demand, the regions delivering the strongest returns and the steps owners are taking to futureproof their investments.

Whether you're an established holiday let owner or considering entering the market, we hope these insights help you make confident, informed decisions in the year ahead.

James Shaw,
Chief Commercial Officer

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The market at a glance

From income growth and booking demand to owner costs and property performance, this snapshot highlights how the market is evolving and where opportunities are strongest. The headline figures below offer a clear view of owner behaviour, guest preferences and the financial realities of running a successful holiday let in 2026 and beyond.

£25,600 average gross income for a holiday let owner in 2025 (compared with £24,700 in 2024)

The number of new properties joining Sykes was up **61%** year-on-year in 2025 – as second home owners looked to make their properties work harder for them

Cornwall, East Anglia and North Wales were the most popular locations for new owner enquiries in 2025

Most popular property types:

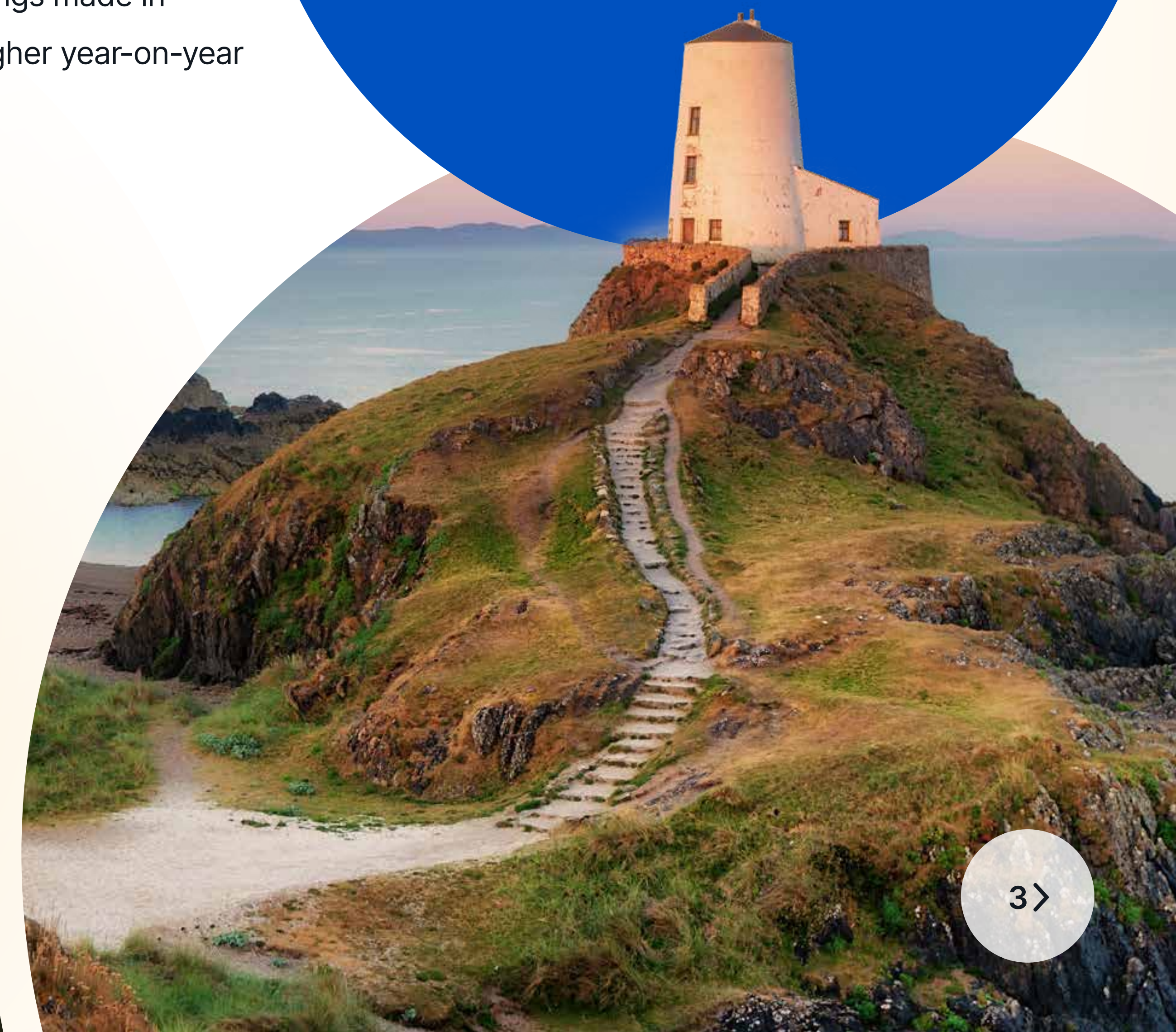
1. Detached house **£32,700**
2. Unique property **£31,800**
3. Farm stay **£28,900**

2025 was Sykes' biggest year for bookings - **up 3%** year-on-year

And 2026 is set to be record breaking, with bookings made in January up to **9%** higher year-on-year

Average gross income by property size:

1-bed	2-bed	3-bed	4-bed	5-bed
£16,800	**£21,000**	**£25,600**	**£36,000**	**£48,200**



Highest earning regions

Here, we take a look at the top 10 regions to own a holiday let in the UK based on income, alongside the most popular locations in each area.

The Cotswolds has held onto its number one title for the second-year running, while Cumbria and the Lake District has stolen the runners up spot from the Highlands and Islands in 2025.

3. Highlands & Islands | £28,000

Aviemore | £34,100
Inverness | £31,700
Fort William | £31,200

5. Central Scotland | £26,600

Aberfeldy | £34,100
Pitlochry | £32,400
Perth | £30,200

2. Cumbria & The Lake District | £28,400

Grasmere | £45,900
Bowness-On-Windermere | £36,200
Coniston | £35,700

7. Northumberland | £25,800

Bamburgh | £34,400
Beadnell | £33,400
Seahouses | £32,600

8. North Wales | £24,800

Denbigh | £36,000
Amlwch | £32,100
Red Wharf Bay | £32,000

4. Peak District | £26,900

Castleton | £38,200
Matlock | £34,000
Buxton | £26,000

1. Cotswolds | £30,600

Stow-on-the-Wold | £41,600
Bourton-on-the-Water | £37,500
Burford | £34,100

10. East Anglia | £24,000

Southwold | £36,700
Aldeburgh | £33,600
Woodbridge | £29,700

9. Cornwall | £24,600

Carbis Bay | £36,100
Polzeath | £34,700
Crantock | £33,900

6. Dorset | £26,600

Lyme Regis | £31,800
Bournemouth | £30,000
Dorchester | £29,100

Holiday let hotspots

To identify our top 10 hotspots, we analysed holiday let performance across hundreds of locations nationwide. Our analysis considered average annual income, occupancy rates and recent booking trends, alongside local market dynamics and emerging regulatory changes.

The result is a data-led view of the destinations best positioned for current and future demand – and the places to watch if you're considering entering the holiday let market.

No 1

Matlock, Derbyshire: As a gateway to the Peak District, Matlock continues to attract strong demand from walkers and families, supporting healthy occupancy levels. An increase in bookings per property (+14%) and solid average incomes (£34,000) reflect its appeal as an accessible, year-round base.

No 2

Warkworth, Northumberland: Warkworth's blend of historic charm, riverside setting and nearby coastline has helped drive strong growth in bookings per holiday let (+15%) and steady average revenues (£29,500). As interest increases in quieter coastal villages, the area is seeing growing momentum.

No 3

Castleton, Derbyshire: Castleton benefits from consistently high occupancy, underpinned by its position at the heart of the Peak District's most popular walking routes. Strong income performance (£38,200) also highlights continued demand for well-located, experience-led stays.

No 4

Chester, Cheshire: Chester's combination of heritage, retail and dining in a compact city centre supports reliable income throughout the year (£25,500), and a recent increase in bookings per property (+13%) points to its strength as a short-break destination with broad appeal across different visitor groups.

NO 5

Durham, County Durham: Durham's historic centre and cultural draw continues to attract city-break visitors, supporting strong average income levels (£34,100). Growth in bookings per holiday let (+19%) suggests increasing interest in smaller cities offering heritage-led experiences.

NO 6

Grasmere, Cumbria: Grasmere stands out for its high-income potential (£45,900) and consistently strong occupancy, reflecting its status as one of the Lake District's most sought-after villages.

NO 7

Ambleside, Cumbria: As another central Lake District hub, Ambleside benefits from reliable occupancy and its mix of amenities and access to the lakes and fells supports sustained income potential for holiday let owners (£34,800).

NO 8

Bowness-on-Windermere, Cumbria: Bowness-on-Windermere's lakeside location and visitor attractions continue to underpin solid occupancy, and consistent income levels (£36,200) reflect its enduring popularity with first-time and repeat visitors alike.

NO 9

Hunstanton, Norfolk: Hunstanton's traditional seaside appeal supports dependable occupancy, particularly during peak holiday periods. Recent growth in bookings per property (+12%) reflects renewed interest in UK coastal breaks and family-friendly destinations, while it also boasts strong average incomes (£27,200).

NO 10

Aldeburgh, Suffolk: Aldeburgh combines strong income potential (£33,600) with rising bookings per holiday let (+12%), driven by its reputation for food, culture and coastal charm. Its appeal beyond the peak summer season supports its position as a resilient and increasingly attractive holiday let market.

Driving year-round bookings

Amid the rising cost of living and various changes for holiday let owners in recent years, maximising bookings has become a key way to protect profits.

We've explored our bookings data to uncover the locations that offer strong year-round appeal, along with the amenities owners could invest in to attract more guests and increase income.

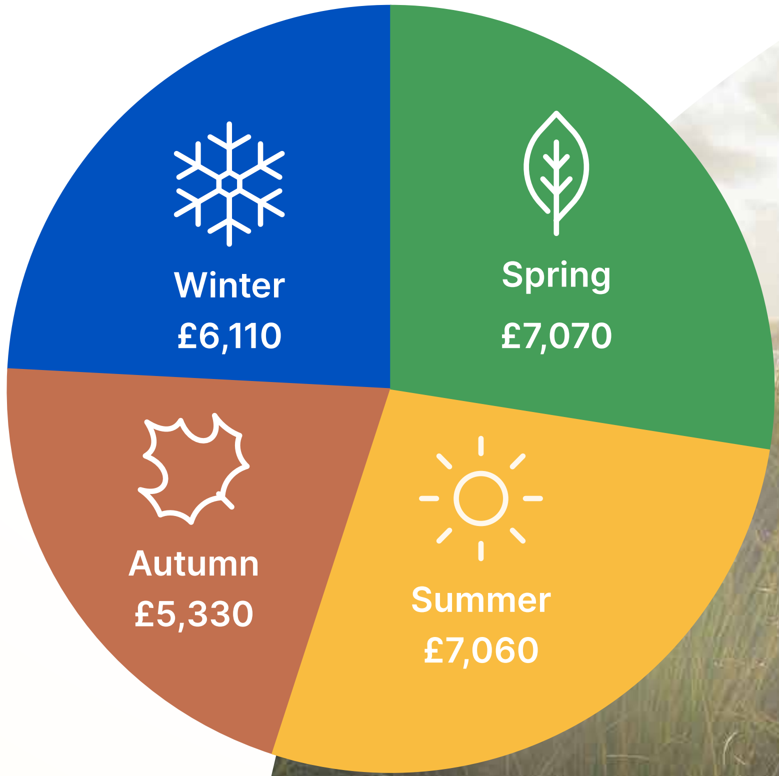
Top things owners do to drive bookings and revenue during off-season

- Discounts and price promotions **42%**
- Improving amenities or the property **41%**
- Increasing marketing activity **36%**
- Targeting new types of guests **35%**
- Accepting short breaks **32%**

Locations with the highest number of average bookings per property in 2025

1. Castleton, Derbyshire **51** bookings /yr
2. Matlock, Derbyshire **46** bookings /yr
3. Haworth, West Yorkshire **46** bookings /yr
4. Stow-on-the-Wold, Gloucestershire **44** bookings /yr
5. Llangollen, Denbighshire **43** bookings /yr
6. Buxton, Derbyshire **43** bookings /yr
7. Stratford-upon-Avon, Warwickshire **42** bookings /yr
8. Bourton-on-the-Water, Gloucestershire **41** bookings /yr
9. Cartmel, Cumbria **40** bookings /yr
10. Grassington, North Yorkshire **40** bookings /yr

How much can owners expect to make throughout the year?



Simple ways to boost bookings and income

Properties with a hot tub can earn an average of **40%** more per year

Owners get on average 8 more bookings and **25%** more revenue by accepting short breaks and multiple bookings in a week

By accepting pets owners get on average 8 more bookings and earn **16%** more revenue

Futureproofing holiday lets

The past year has brought about changes for holiday let owners – from tax reforms and registration schemes to the prospect of local tourism levies.

As a result, owners are increasingly focused on futureproofing their properties, finding practical ways to protect income, stay compliant and continue delivering great guest experiences. Here we delve into how owners are responding to this based on findings of our research among holiday let owners.

Changes to the sector worrying owners the most

1. Rising operational costs
2. Rising cost of living impacting tourists
3. Higher council taxes
4. A statutory licencing scheme
5. A tourism levy

Most common holiday let improvements to drive more bookings

Upgraded tech or entertainment
32%

Refreshing the interiors
29%

Improved outdoor spaces
25%

How owners are adapting to futureproof their lets:

Making their property available for more days to increase income
37%

Investing in improvements to their holiday let
37%

Switching energy suppliers or installing energy saving tech
27%

Turning to agencies or platforms to drive more bookings
26%

Registering their holiday let for business rates
24%

83%

of UK holiday let owners remain confident in the future profitability of their holiday let, with 60% predicting increased demand next year

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

“It’s impossible to ignore that the nation’s holiday let owners have faced some hurdles in recent years, but UK holiday lets still command high occupancy and competitive weekly rates. Through expert guidance and proven income-boosting strategies, owners can unlock the full potential of their holiday let investment."

"New council tax premiums have probably received the most attention in the media, which might be why our research found this to be causing a lot of worry among owners. However, these are intended for second homes rather than holiday lets, because the former contribute far less to local tourist economies. So most of our holiday let owners have not been affected by this change as they qualify for business rates. By law, a property is eligible to pay business rates if it meets a certain threshold of days let and available."

Evolving owner profiles

Holiday letting continues to be a strategic investment, attracting a new generation of confident, career-driven owners. Here, we take a look at who is investing in holiday lets, what's driving them, and which property types are experiencing the biggest surge in popularity.

The average profile of a holiday let owner in 2025 *

38 years old

Male

Three years experience

Owns a cottage

The top motivations for holiday letting

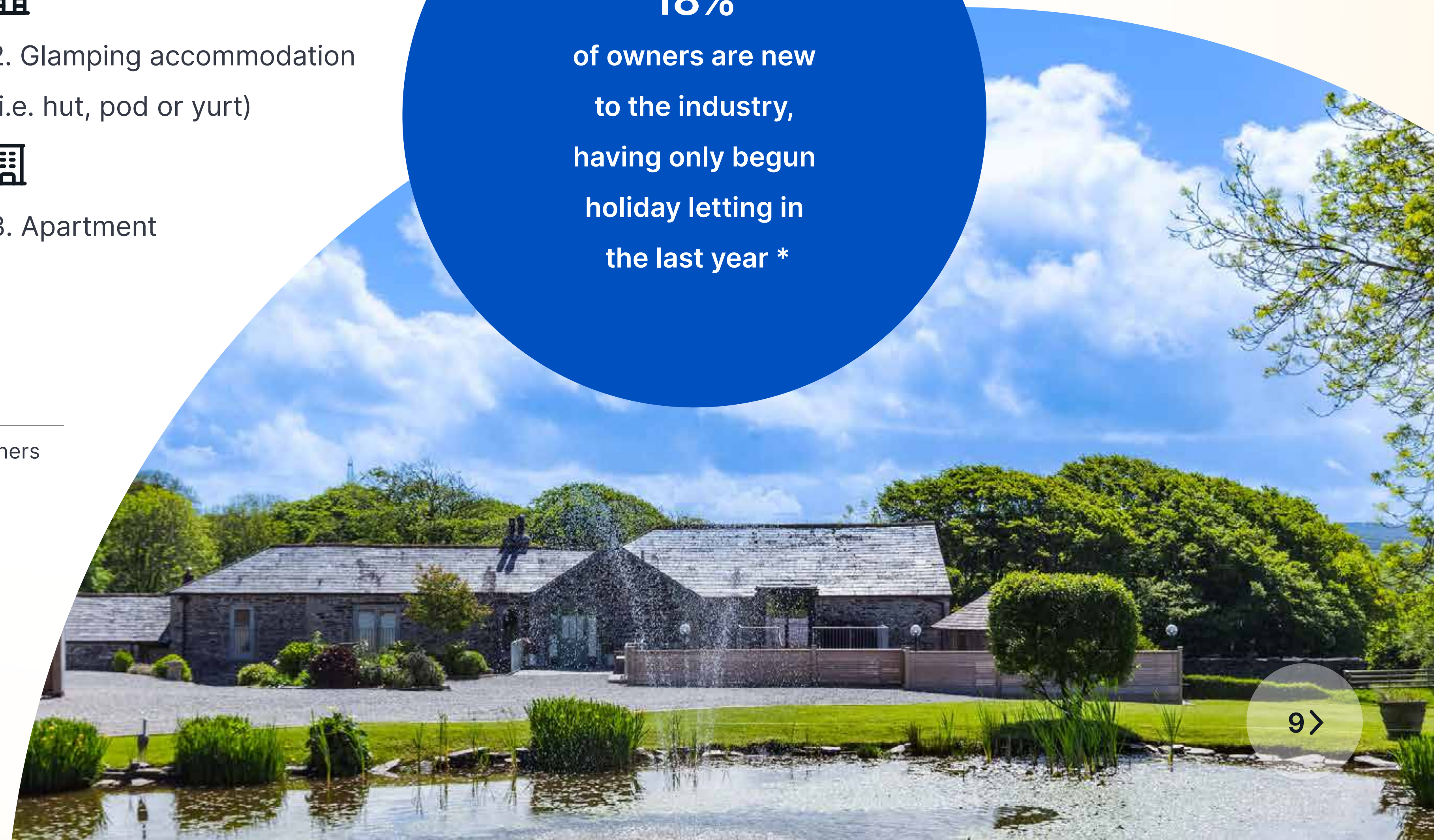
1. An investment for future finances
2. To generate income during retirement
3. To share where I live with others and encourage more visitors to the area

Fastest growing property types available with Sykes in 2025

1. Unique property (i.e. castle, lighthouse)
2. Glamping accommodation (i.e. hut, pod or yurt)
3. Apartment

76%
of owners have a full-time job alongside holiday letting*

18%
of owners are new to the industry, having only begun holiday letting in the last year *



*Based on consumer research of holiday let owners

About Sykes Holiday Cottages

Sykes Holiday Cottages is a holiday cottage rental agency with over 35 years' experience in the industry.

Owned by parent company Forge Holiday Group, Sykes now has more than 23,500 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 recognised in the 'Best Large UK Holiday Cottage Booking Company' category at the British Travel Awards for 12 years running.

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

Explanation of methodology

Based on Sykes Holiday Cottages' internal bookings, revenue, website and owner data from 2022 to 2025.

Supporting consumer research of 500 holiday let owners was carried out by 3Gem in December 2025.

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: sykescottages.co.uk/letyourcottage/