

Scale of the Short-Let market in central London

Savills Research draft report to Central London Forward

January 2025



Purpose of this report

Central London Forward (CLF) is a partnership of the 12 central London boroughs, with an aim of supporting inclusive and sustainable growth in central London.

CLF are keen to understand the scale of the short-term let (STL) market in central London, and the impact on the local housing market

This report shows the results of Savills' investigation into the STL market, using data provided by AirDNA

Key takeaways

- There were **117k** homes listed for short-let across London last year
- **67%** of these were in Central London Forward member boroughs
- Just over half (**52%**) were let for over 90 days
- Almost a quarter (**24%**) of short-let homes are part of larger portfolios of 21+ homes
- The City of London, Westminster and K&C have the greatest proportion of short-let homes, equating to **18%-21%** of PRS stock in the borough
- Across CLF members, the income from listed Short-Lets is equal to **8%** of PRS income
- But this is as high as **19.8%** in the City of London, which has the highest proportion of Short-Lets compared to PRS stock

Structure of this report

1. Overview of the data & methodology
2. Profiling the growth and distribution of the short-let market
3. Characterising short-lets
4. Understanding the impact on the wider housing market

1. Overview of the data

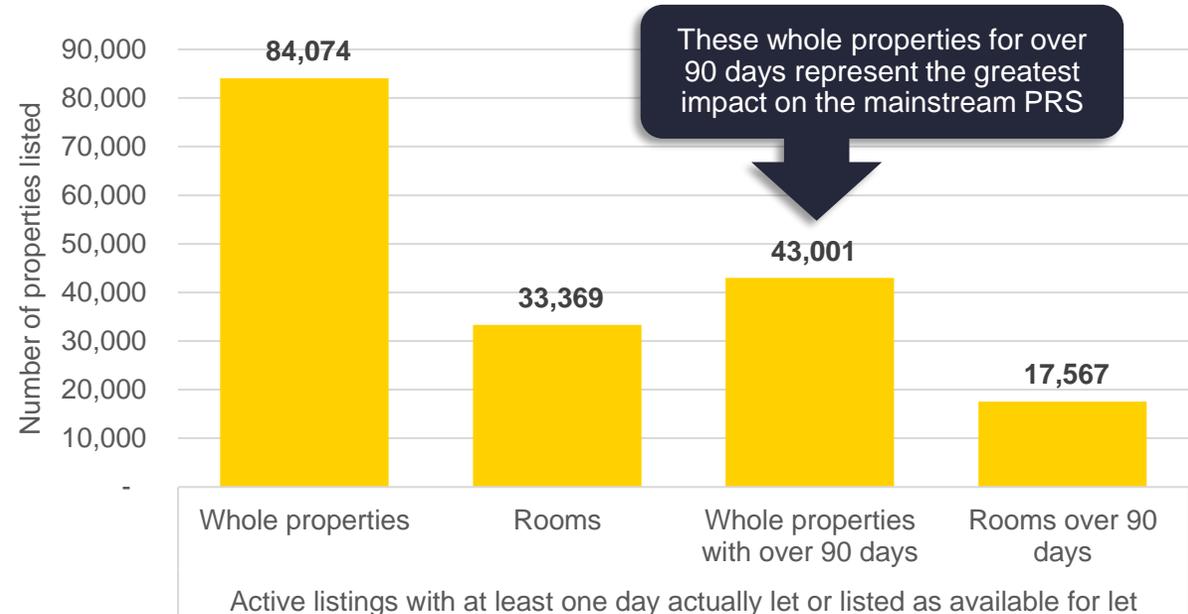
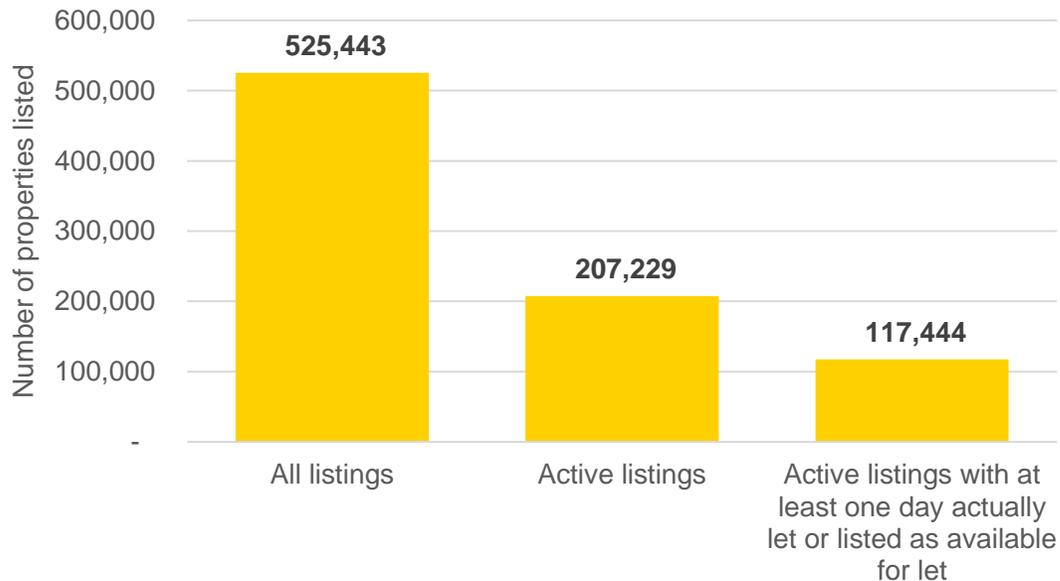
Explanation of the data and methodology

The analysis in this report is based on data provided by AirDNA. This data covers listings on the AirBnB and VRBO websites for the 12 months to 12/12/2024.

The full data extract for this period covered approximately half a million records. Over half of them were inactive for the time period however, and have therefore been excluded from all the analysis in this report.

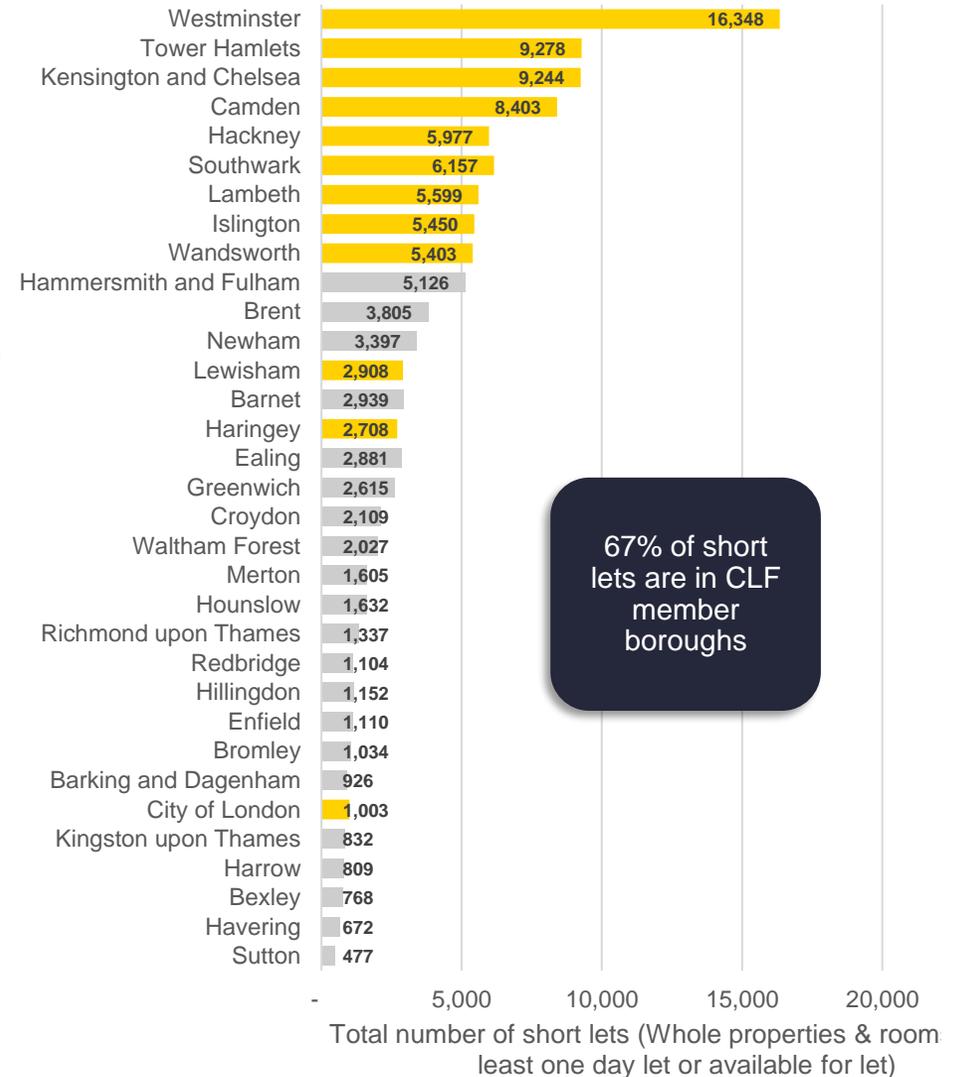
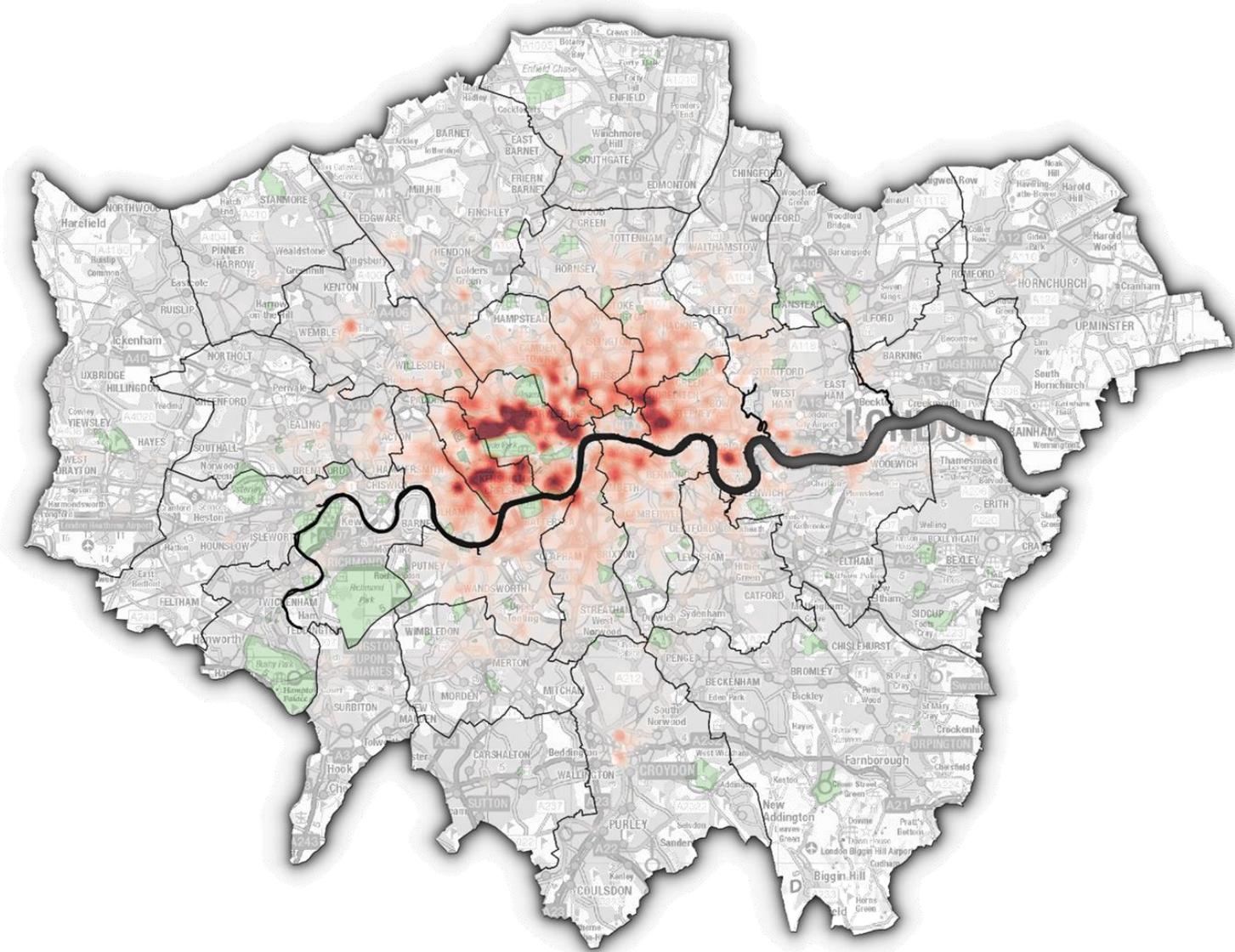
This resulted in a sample size of 207k listings. Of these, 89k were listed as active, but had zero days registered as actually let or available for let. These listings have also been excluded in the majority of analysis in this report, unless explicitly stated.

This results in 117k listings. Of these, we have typically split the analysis to show results for whole properties or for rooms to let. In some situations (where stated) we have filtered to properties that are let or available for more than 90 days. The aim of this is to identify properties that have been genuinely taken out of the mainstream rental market, compared to owners who may just opportunistically let out a single room on occasion, or perhaps an entire property while they themselves are temporarily not using the home for a short period. The 90 day threshold is significant as homes that let for more than 90 days require specific planning permission.



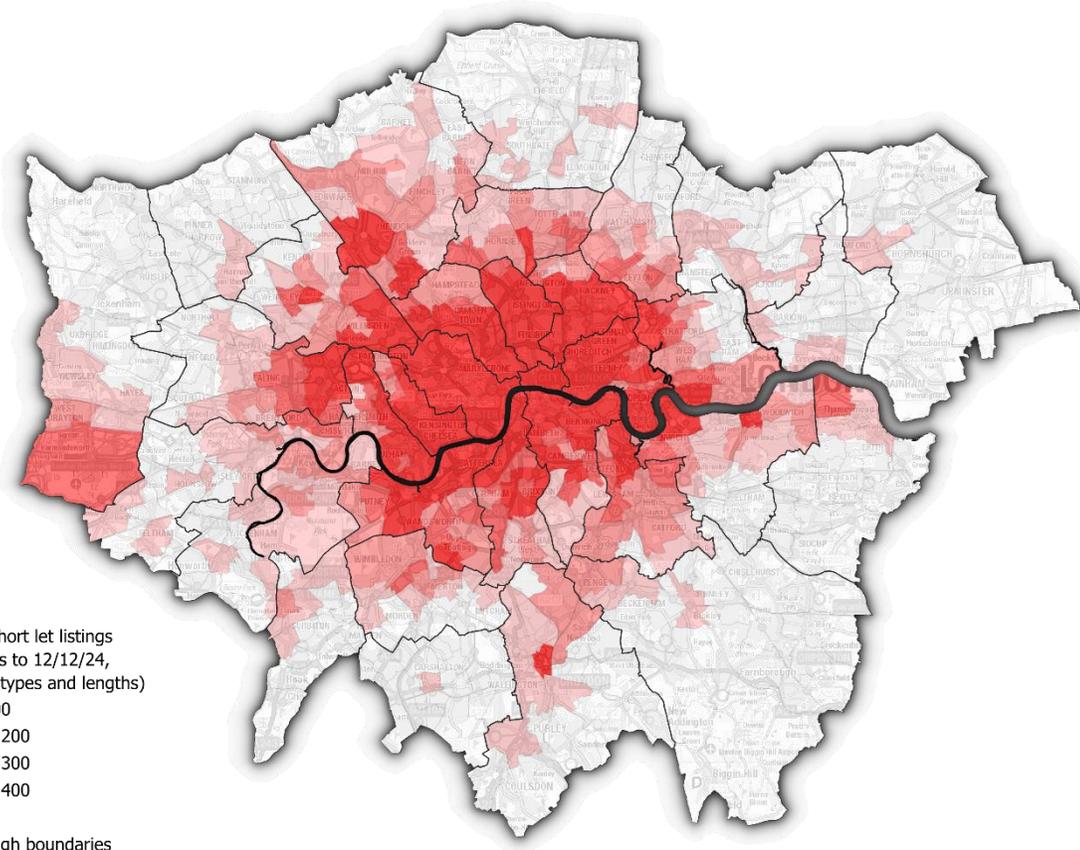
2. Profiling the growth and distribution of the short-let market

The vast majority of short-lets are concentrated in Central London

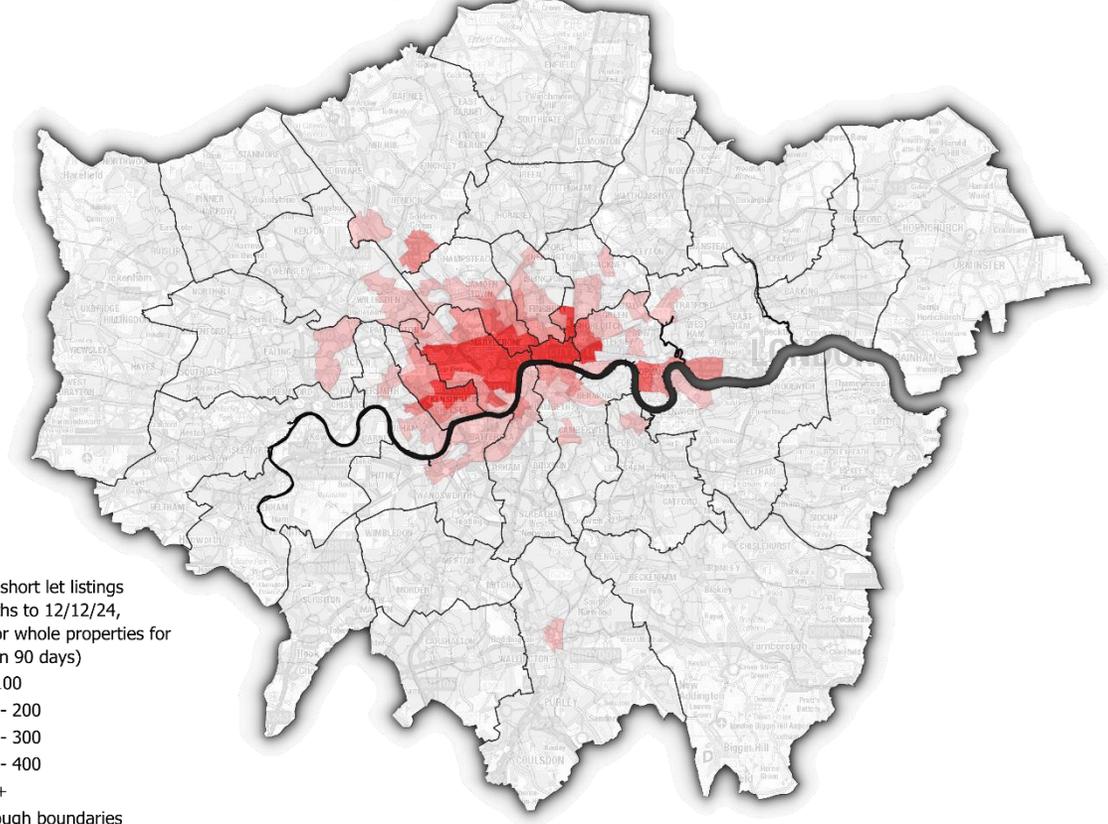


Short-let listings are concentrated in central London – and longer term/whole property lets are almost exclusively central London

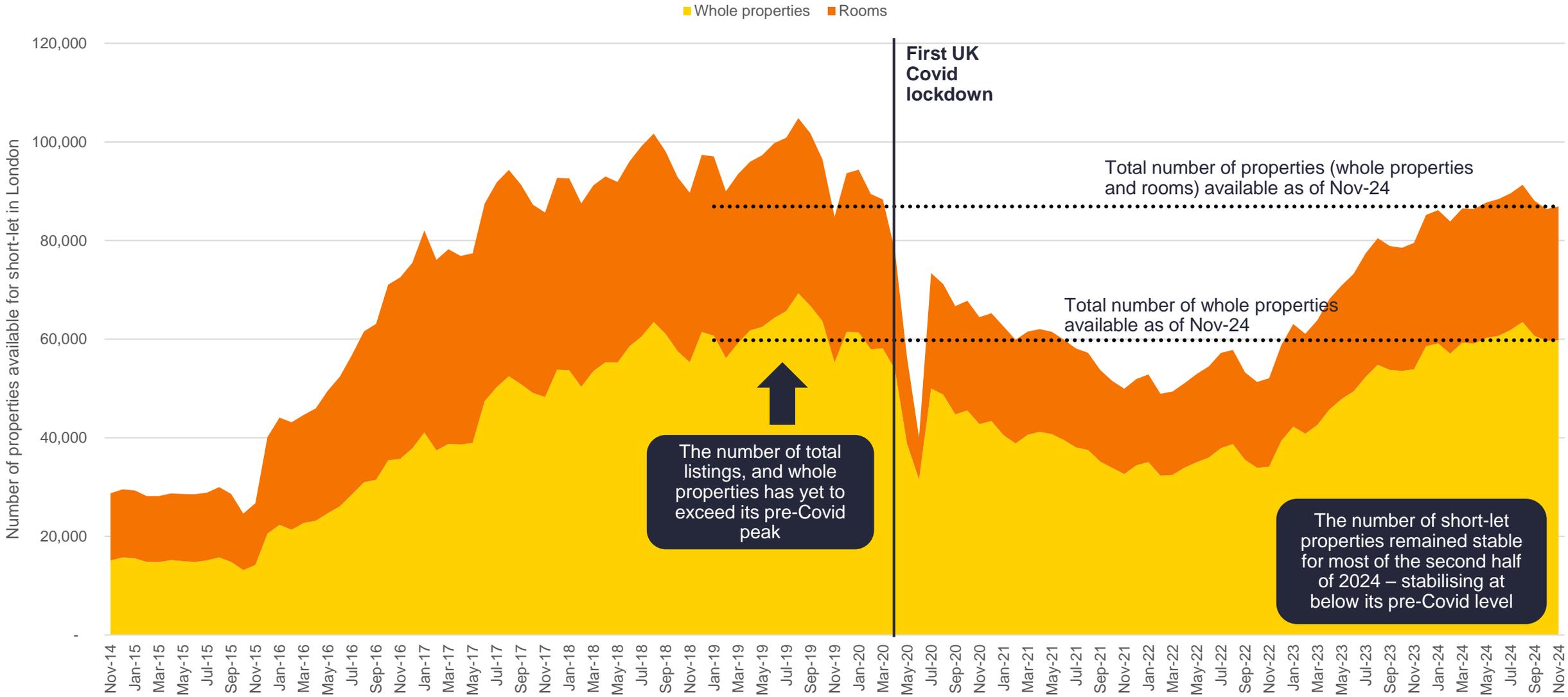
All Short-Let listed properties



Short-Let listed properties of whole properties for more than 90 days

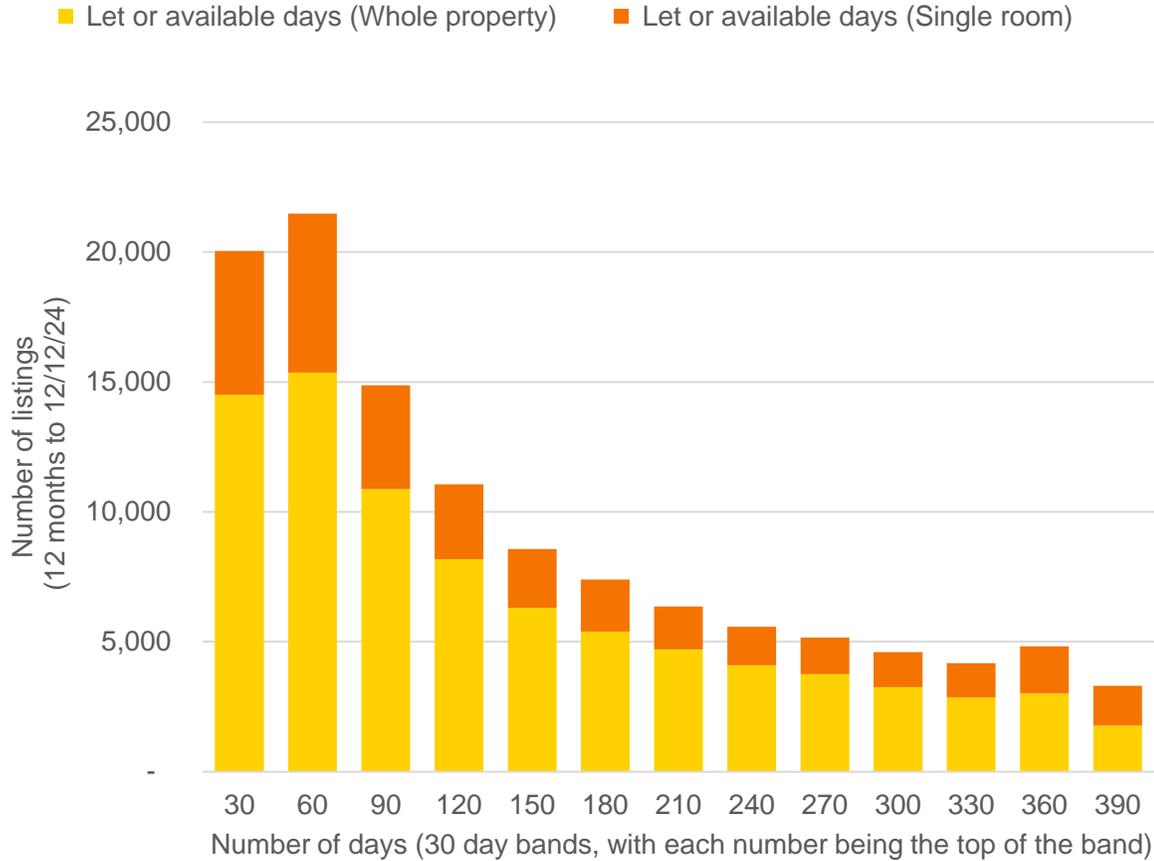


The short-let market remains smaller than it was pre-Covid levels



3. Characterising the short-let market

How long are properties being let for?

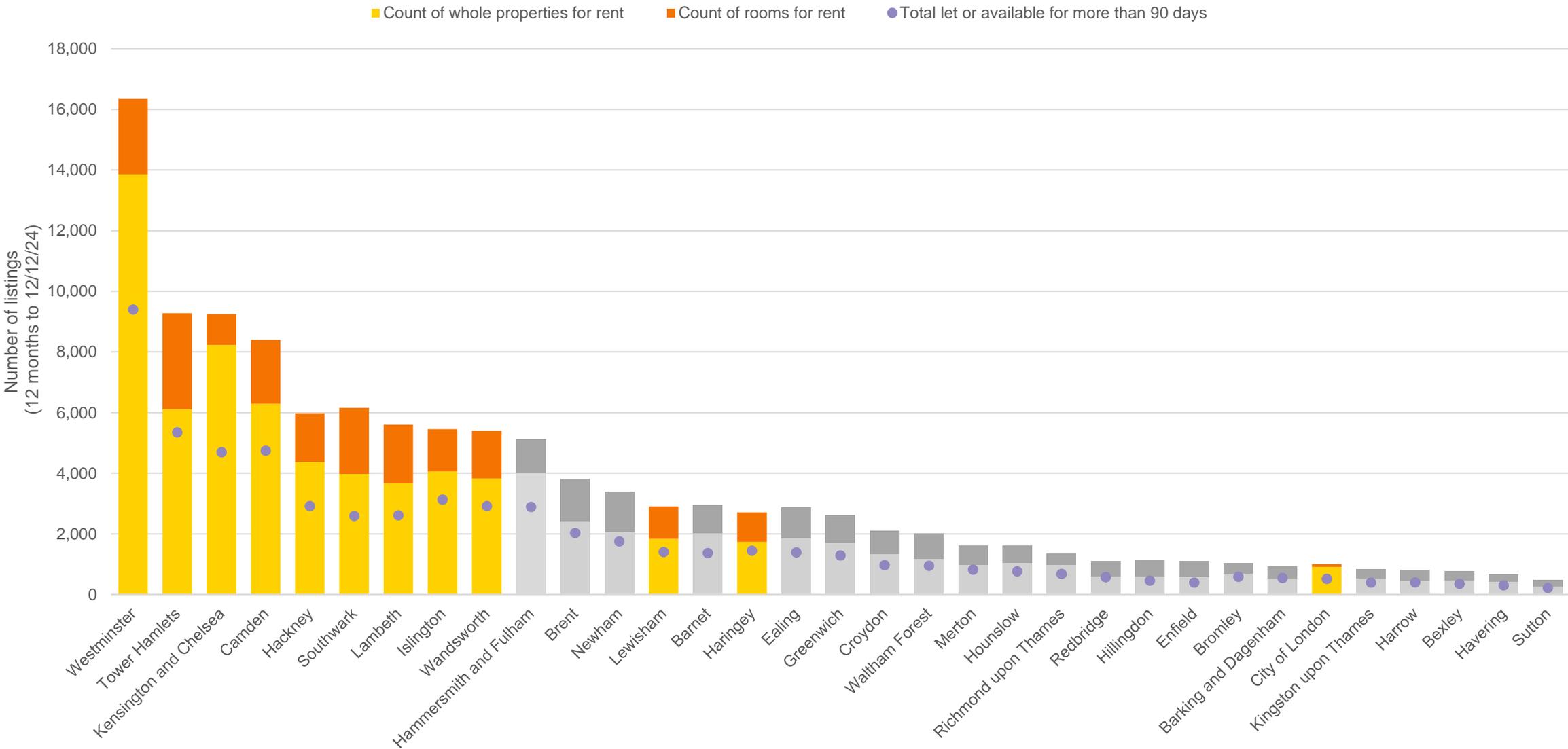


Over half (52%) of listings are let or available for more than 90 days per year.

Properties let for longer than 90 days are unlikely to play a role in the mainstream rental market

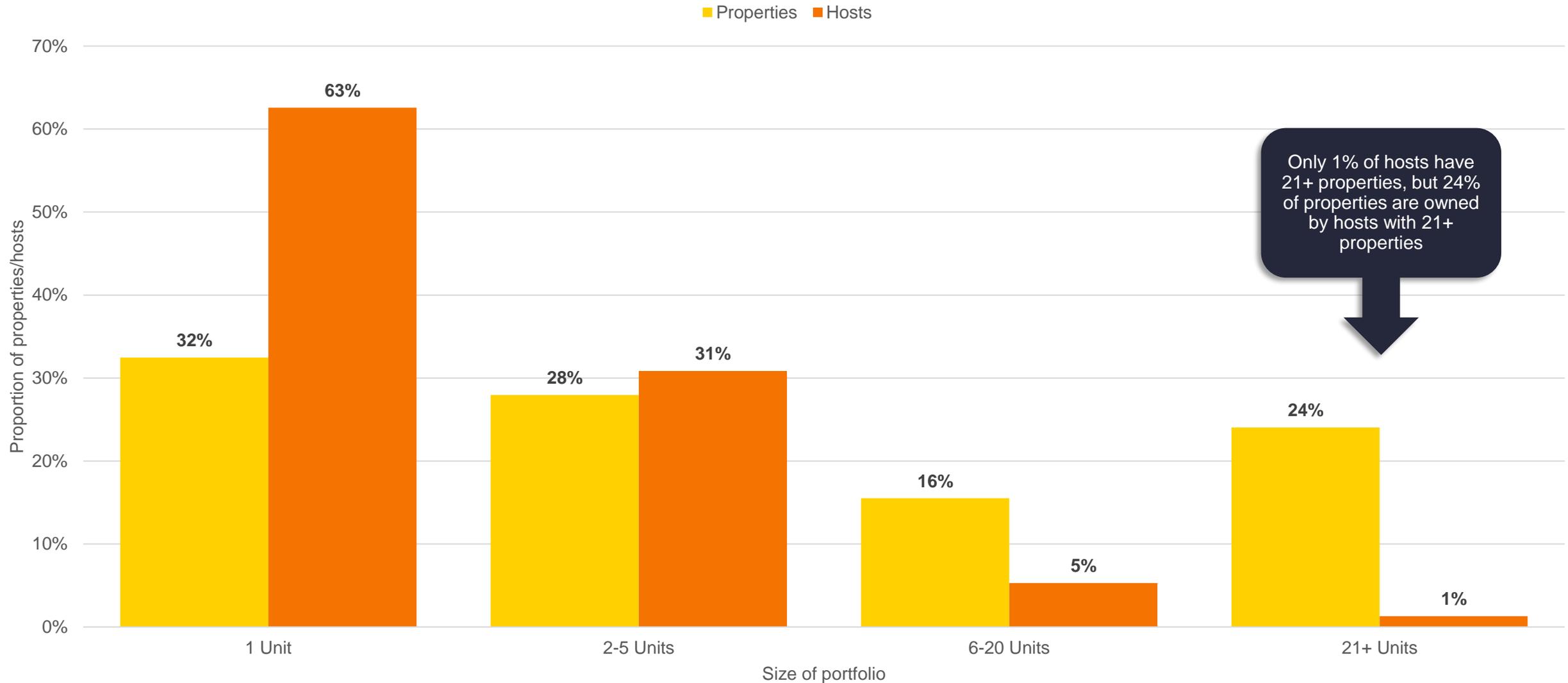


Central London boroughs have the greatest number of short lets for longer periods – representing a greater impact on local housing



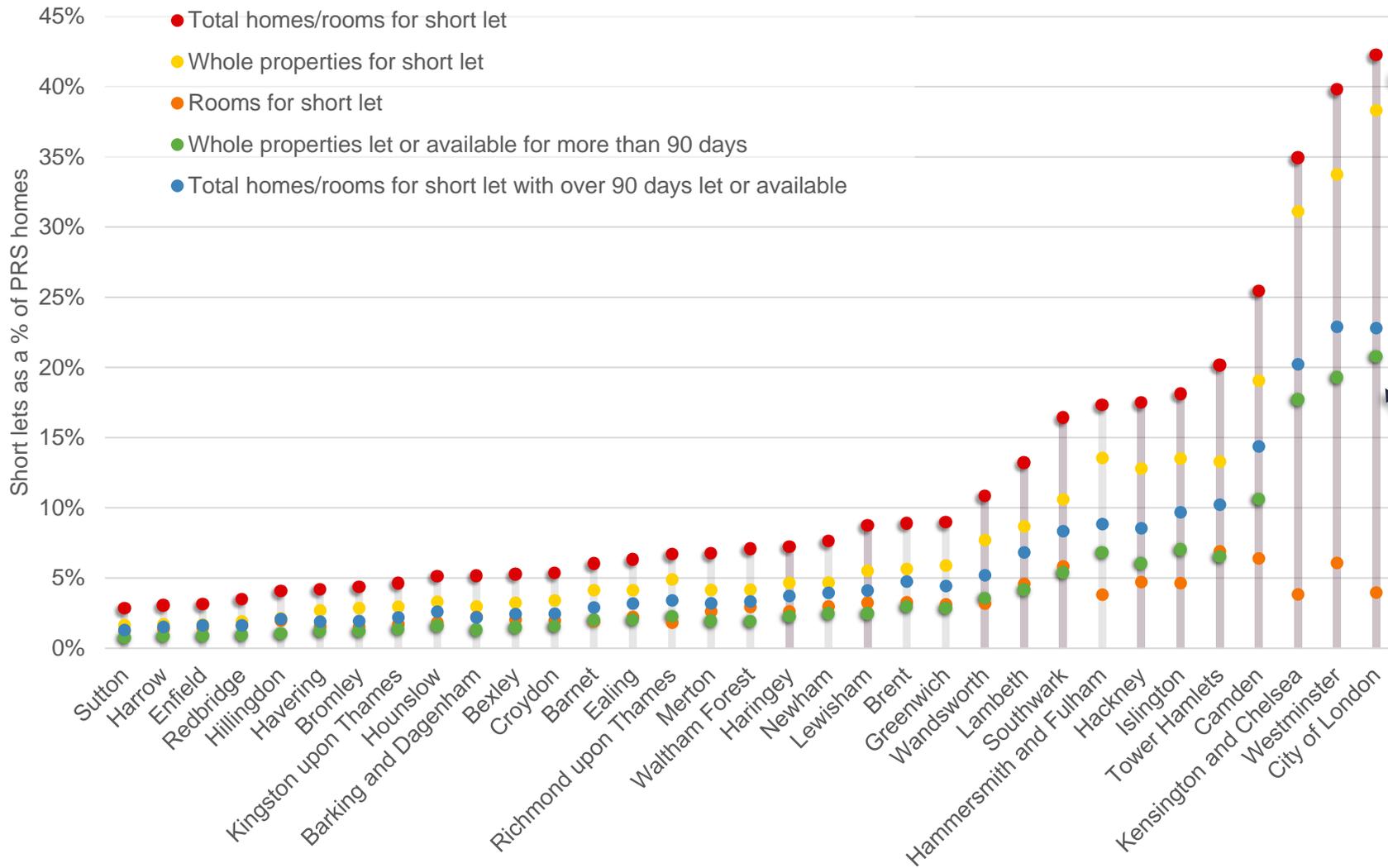
Source: Savills using AirDNA (12 months to 12/12/24)

A significant proportion of short lets are held by owners with large (21+ units) portfolios



4. Understanding the impact of short lets on the wider housing market

Short-lets represent a significant proportion of the rental stock in central boroughs

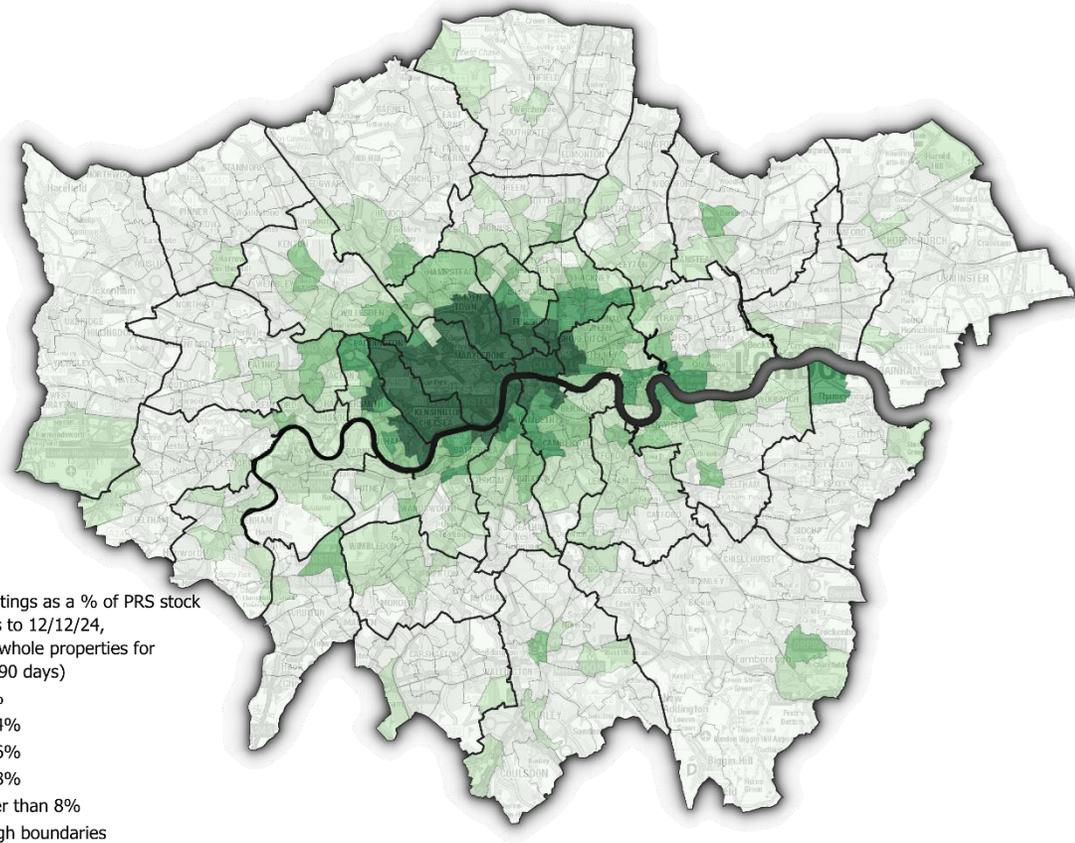


There are enough total short let listings in the City of London to represent 42% of all PRS homes. Many of these are single rooms, or let for just short periods...

...if we look just at listings that are whole properties and for more than 90 ,that is 21% - still a substantial proportion of PRS homes in the borough

These short-lets constitute a significant portion of the housing stock in the most central areas

Short-let listings of whole properties for more than 90 days across all of London

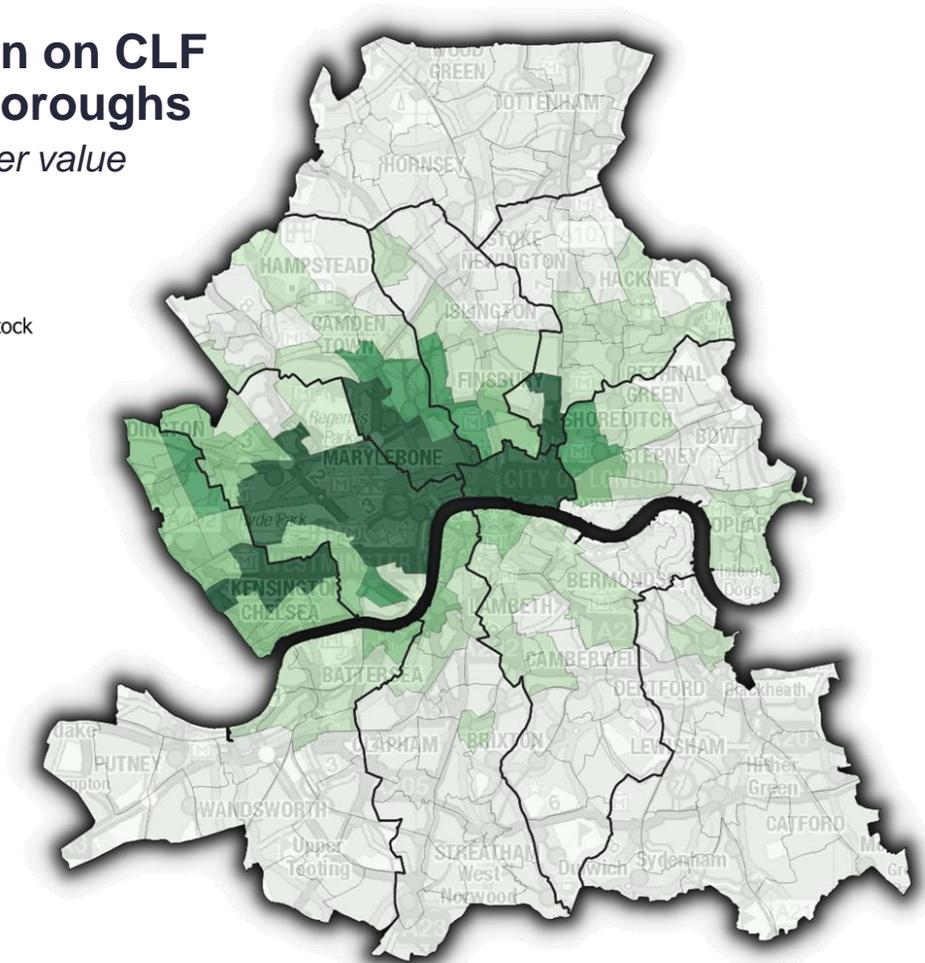


Zooming in on CLF member boroughs

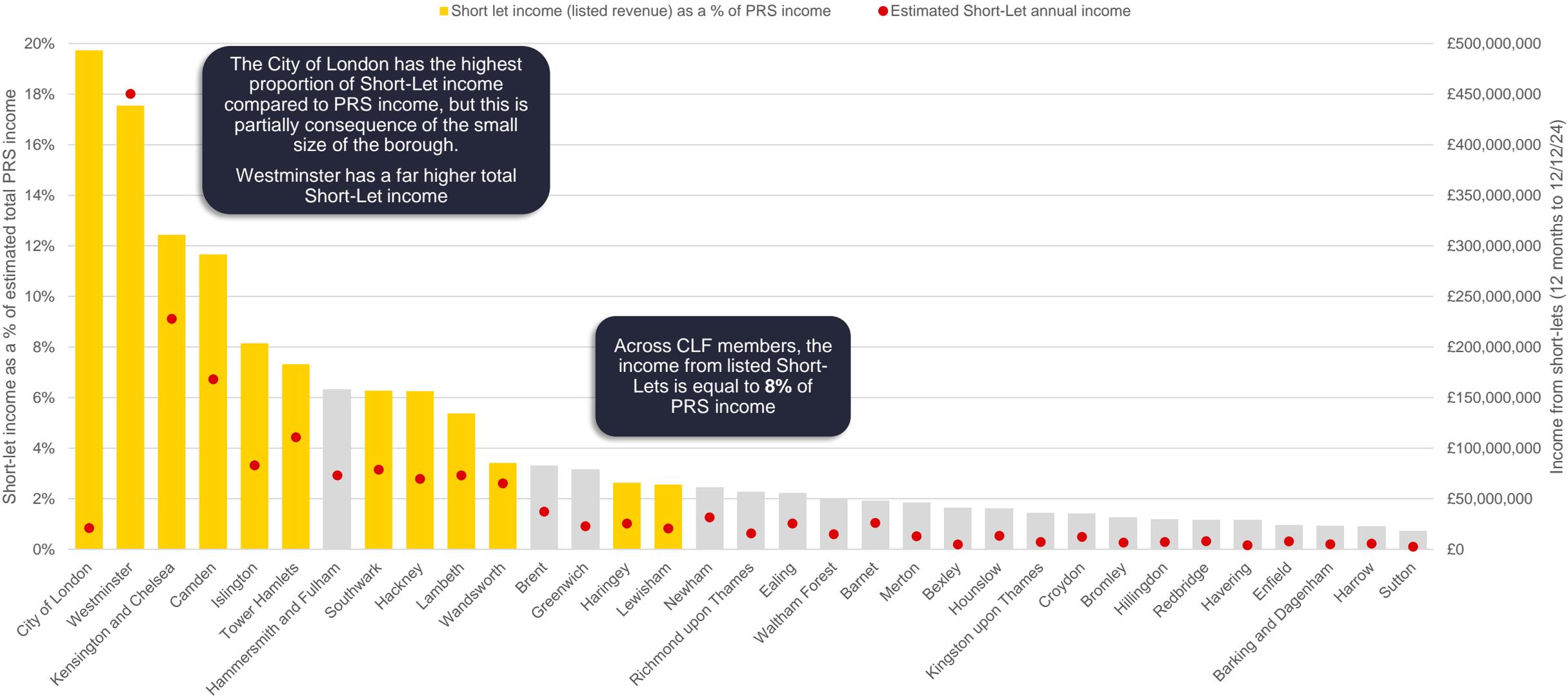
Note the higher value bandings

Short let listings as a % of PRS stock (12 months to 12/12/24, listings for whole properties for more than 90 days)

- 0 - 5%
- 5% - 10%
- 10% - 15%
- 15% - 20%
- Greater than 20%
- Borough boundaries



Income from short lets is a significant proportion of the estimated rental income from the mainstream PRS in some central boroughs



Source: Savills using AirDNA (12 months to 12/12/24), Zoopla – Powered by Hometrack, 2021 Census

Important Note

Finally, in accordance with our normal practice, we would state that this report is for general informative purposes only and does not constitute a formal valuation, appraisal or recommendation. It is only for the use of the persons to whom it is addressed and no responsibility can be accepted to any third party for the whole or any part of its contents. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent, which will not be unreasonably withheld.

Our findings are based on the assumptions given. As is customary with market studies, our findings should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.

Whilst every effort has been made to ensure that the data contained in it is correct, no responsibility can be taken for omissions or erroneous data provided by a third party or due to information being unavailable or inaccessible during the research period. The estimates and conclusions contained in this report have been conscientiously prepared in the light of our experience in the property market and information that we were able to collect, but their accuracy is in no way guaranteed.