



WHITEPAPER

SHORT-TERM RENTALS MARKET IN EUROPE: UNDERSTANDING THE STR TRAVELLER



MABRIAN
A DATA APPEAL COMPANY



**DATA
APPEAL**

ALMAWAVE GROUP

IN PARTNERSHIP WITH AND PARTLY BASED ON
PHOCUSWRIGHT RESEARCH



Short-term rentals (STRs), also known as vacation rentals or tourist rentals, have become a transformative force in the global travel and tourism industry.

Fuelled by the rise of digital platforms like Airbnb, Vrbo, and Booking.com, STRs have evolved from niche accommodations into a mainstream lodging option, catering to both leisure and business travellers. Their appeal lies in offering more personalised, flexible, and often value-for-money alternatives to traditional hotels—especially for longer stays, families, or remote workers.

STRs' popularity is further underscored by high occupancy rates in renowned tourist regions and increasing integration into multi-channel travel booking systems. Travellers from key source markets, including the United States, the United Kingdom, and Germany, routinely consider short-term rentals as part of their accommodation options when planning trips, and short-term rentals serve diverse purposes, as varied as travel motivations are.

Despite short-term rentals market size and relevance, destinations around the world are dealing with a wide array of challenges.

The challenges that the American STR market face are similar to Europe's, and in both continents, these challenges should be addressed to ensure the lodging mix balances tourism growth, local well-being and sustainability.

"Short-term rentals have cemented their place as a global travel mainstay, with \$201.6 billion in gross bookings in 2024 alone. While growth is set to moderate in mature markets like North America and Europe, the real momentum is shifting to emerging regions—particularly Asia Pacific and Latin America—where double-digit expansion is redefining the competitive landscape. With 87% of bookings now flowing through online channels, and that share expected to climb further, success in the STR market hinges on digital fluency, localised strategies, and the ability to capture demand across diverse, fast-evolving markets."

Stan Pawlow, data analyst at Phocuswright, citing "Global Short-Term Rentals 2025"



Compliance and Quality: The Dual Challenge of the STR Market for Tourist Destinations

Regulatory frameworks vary widely across European member states, but, major cities such as Paris, Barcelona, and Berlin have implemented tailored STR regulations to balance tourism demand with housing availability. **This remains key challenges for many European destinations that are studying several formulas to integrate and reorganise housing and lodging markets more seamlessly, putting residents at the core of the strategies.**

But beyond their impact on the housing market, short-term rentals are also a concern for administrations and authorities at multiple levels. **Destinations and public bodies face two key challenges: ensuring regulatory compliance and maintaining the overall quality of the lodging offering—both of which are essential to preserving a destination's reputation.**

"The short-term rental market is at a crossroads. Nearly one in four U.S. hosts have exited at least one property in the past year, driven by tightening regulations and financial strain. At the same time, guest expectations are rising—60% of hosts say travellers are more demanding than they used to be, and nearly two-thirds of STR guests report that stories of bad experiences have made them think twice. In this climate, success will depend on how quickly operators adapt—by professionalising operations, investing in guest experience, and aligning with evolving platform standards."

Mike Coletta, senior manager, research and innovation at Phocuswright

On the other hand, **regulation is complex and enforcement is often undermined by fragmented data and the limited resources of public administrations**: many cities and regions struggle to identify non-compliant listings, leading to “shadow” markets operating outside formal licensing or taxation systems, affecting the travellers’ experience, the residents’ welfare and the overall quality of the destinations’ value proposition.

“Striking a balance between the STR market’s role as a local economic driver—often supported by local ownership—and residents’ concerns over quality of life is more complex than it may initially appear. As market trends clearly show, short-term rentals now represent a substantial segment of the lodging mix in destinations worldwide.

Short-term rentals are not just an accommodation alternative, they are a central pillar of tourism value proposition in any destination, because they enhance travellers’ choice, support local economies, and are appealing options to travellers seeking autonomy and flexibility.”

Carlos Cendra, Partner and Director of Marketing and Communications at Mabrian



North America and Europe Dominate Global Short-Term Rental Bookings

Europe, historically a stronghold for holiday rentals, remains a cornerstone of global STR activity, with countries like France, Spain, and Italy dominating listings and bookings.

Mabrian's recent analysis of Spain's short-term rental (STR) market structure and the influence of property management dynamics highlights the country as a representative example within Europe for this lodging category.

One of the most revealing insights from Mabrian's study is that **the short-term rental market in Spain is predominantly in the hands of individuals (74.1% of the properties) and small-scale owners or managers (23.9%), who together represent 98% of hosts.**

Such challenges are especially relevant given that the STR market continues to grow year over year in both supply and market share.

At the same time, governments and regulators across key European and North American markets are increasingly moving toward limiting

and capping STR offerings, even as demand and bookings continue to rise.

In 2024, North America and Europe together accounted for nearly three quarters of global STR gross bookings, generating \$74.8 billion and \$73.3 billion, respectively. While these mature markets continue to lead in absolute value, their share of the global market is slowly declining as APAC and Latin America gain ground (see Figure 1: Phocuswright's report "Global Short-Term Rentals 2025").

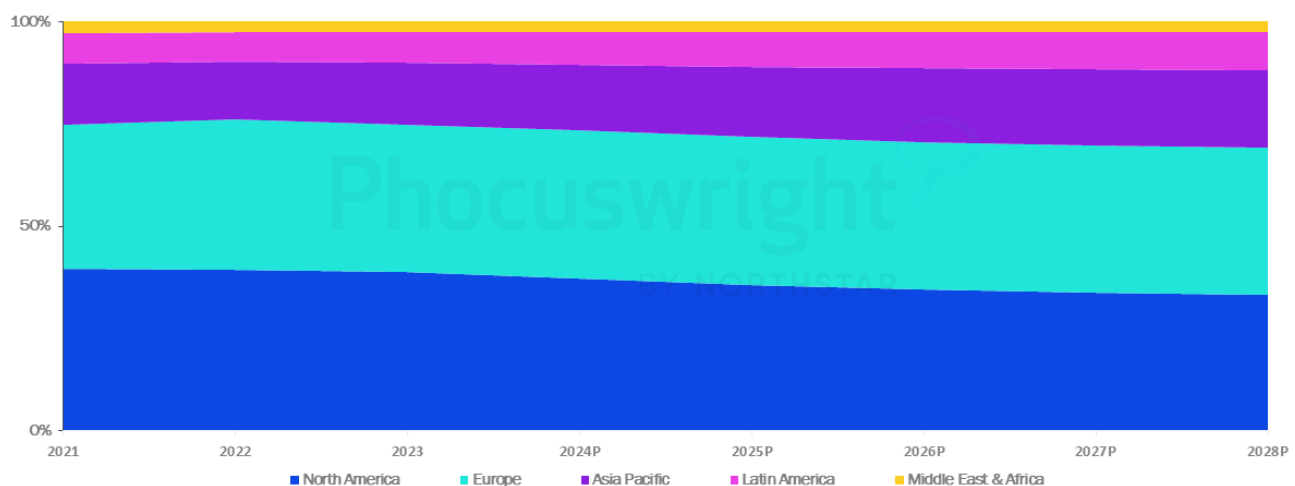
North America and Europe are settling into normalised growth, expanding at slower rates of 4% and 8%, respectively, in 2025.

As explained before, both regions face regulatory headwinds in key cities and increased competition from hotels and new STR entrants. Nonetheless, they remain critical STR markets, with high average daily rates, advanced tech adoption and deeply embedded OTA distribution.

*"This structure reflects a unique dynamic where many property owners are leveraging their assets to generate supplemental income, while also helping diversify accommodation options in tourist destinations. However, as stated before, **this atomised landscape presents a clear challenge for destinations—not only in terms of enforcing regulations, but also regarding the consistency, quality, and long-term image of the destination.**"*

Carlos Cendra, Partner and Director of Marketing and Communications at Mabrian

Short-Term Rental Share of Gross Bookings by Region, 2021-2028



Note: 2024-2028 projected.
Source: Phocuswright's Global Short-Term Rentals 2025
© 2025 Phocuswright Inc. All Rights Reserved.

Phocuswright
BY NORTHSTAR

Figure 1

Profiling STR Guests in European Destinations: Debunking Myths and Unveiling Opportunities

To better understand the evolving role of STRs in key European destinations, **this white paper profiles STR guests across six major cities—Mallorca, Dubrovnik, Prague, Lisbon, Paris, and Rome—using Mabrian’s Short-Term Rental User Profiling tool**, based on consolidated data from the full year 2024. These insights are further enriched with data from The Data Appeal Company and research by Phocuswright to provide a comprehensive view of traveller trends in the tourist rental market.

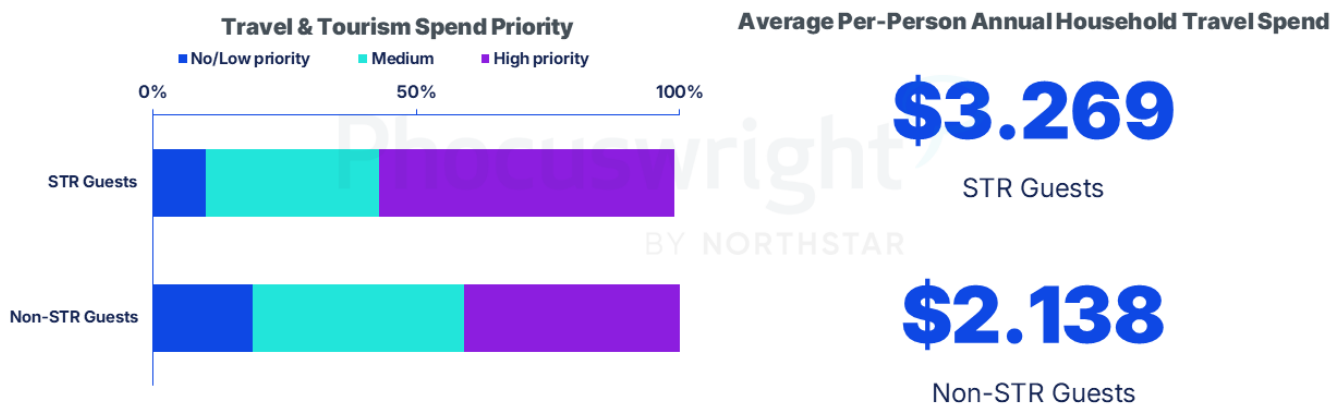
Focusing on the three key source markets (per guest origin), the analysis dives into a variety of factors, including income, seasonality, preferences for capacity size and property type, number of guests, and employment status. Data reveals five valuable insights that can help destinations to better manage and cater to the diverse and growing STR market.

I. The Income Myth: STRs Not Only Appeal to Budget Travellers

Contrary to common assumptions, short-term rentals in major European destinations attract a broad range of income groups—not just cost-conscious travellers. In fact, across the six destinations analysed, high-income STR users represent the majority². The only exception is French travellers visiting Mallorca, where 39.2% report moderate income and 37.7% report high income, according to Mabrian’s Short-Term Rental User Profiling tool.

In fact, as depicted in Phocuswright’s study “*U.S. Short-Term Rentals 2025: Guest Attitudes and Decision Making*”³, **rental guests are far more likely to place a high priority (56%) on tourism spend compared to those with no rental stays in the past 12 months (41%),** and report significantly higher leisure travel spend on average. (Figure 2)

Travel and tourism spend priority and annual spend, STR guests vs. non-guests



Question: Travel and tourism: When deciding how to spend your discretionary income (after covering everyday living expenses), how much of a priority do you place on the following goods or services? What was the total amount your household spent for your [] leisure trips.
Base: STR Guests (N=907); Non-STR Guests (N=1,619)
Source: Phocuswright’s U.S. Short-Term Rentals 2025
© 2025 Phocuswright Inc. All Rights Reserved.

Figure 2

Overall, **Mabrian data reveals a strong presence of high- and very high-income travellers, who collectively account for between 50% and 70% of the market share among the most relevant source markets for these cities.** Many of these travellers choose STRs for the space, flexibility, and location they offer, rather than for lower prices—positioning STRs as a lifestyle-driven alternative to hotels, not merely a budget choice.

Moderate-income travellers make up roughly one-third of demand among key source markets across the six destinations. French STR users have the largest share of moderate-income travellers, ranging from 37.2% in Rome to 40% in Lisbon, highlighting a relatively balanced income distribution among this nationality (Figure 3).

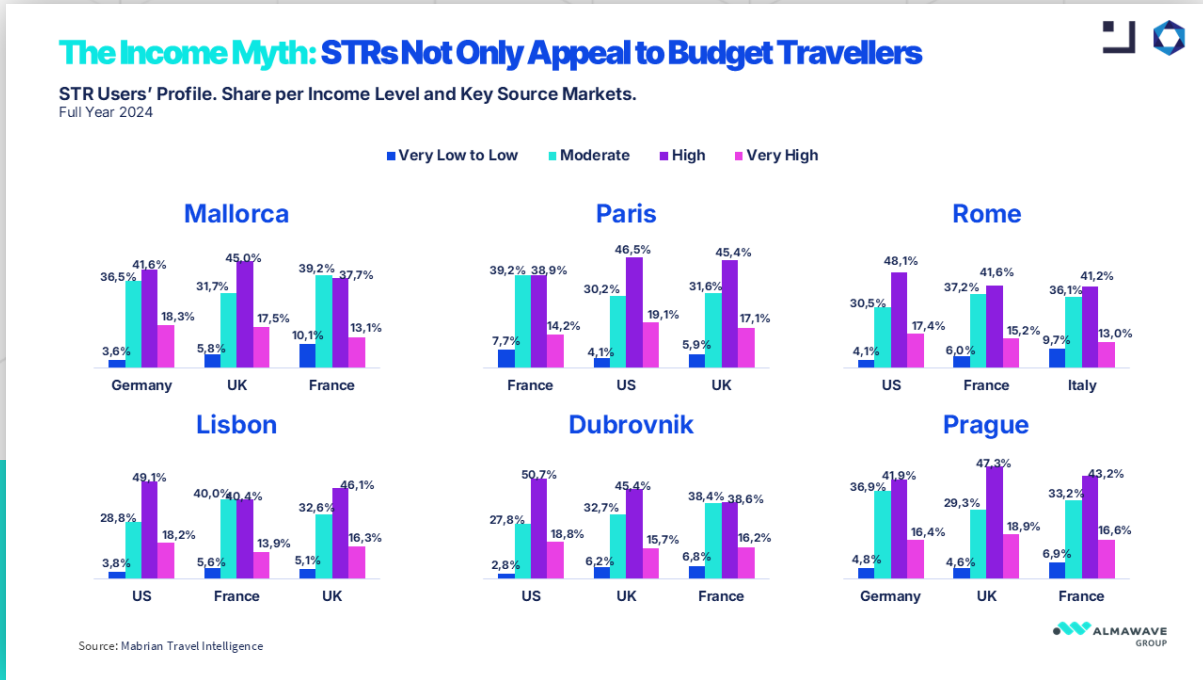


Figure 3

In contrast, US travellers choosing holiday rentals in these cities overwhelmingly belong to higher income brackets. Between 65.5% (in Rome) and 69.5% (in Dubrovnik) of American STR guests report high or very high incomes. Notably, US

travellers show the highest proportion of very high-income users, averaging 18.6%, with an additional 48.1% falling into the high-income category across all destinations analysed (Figure 4).

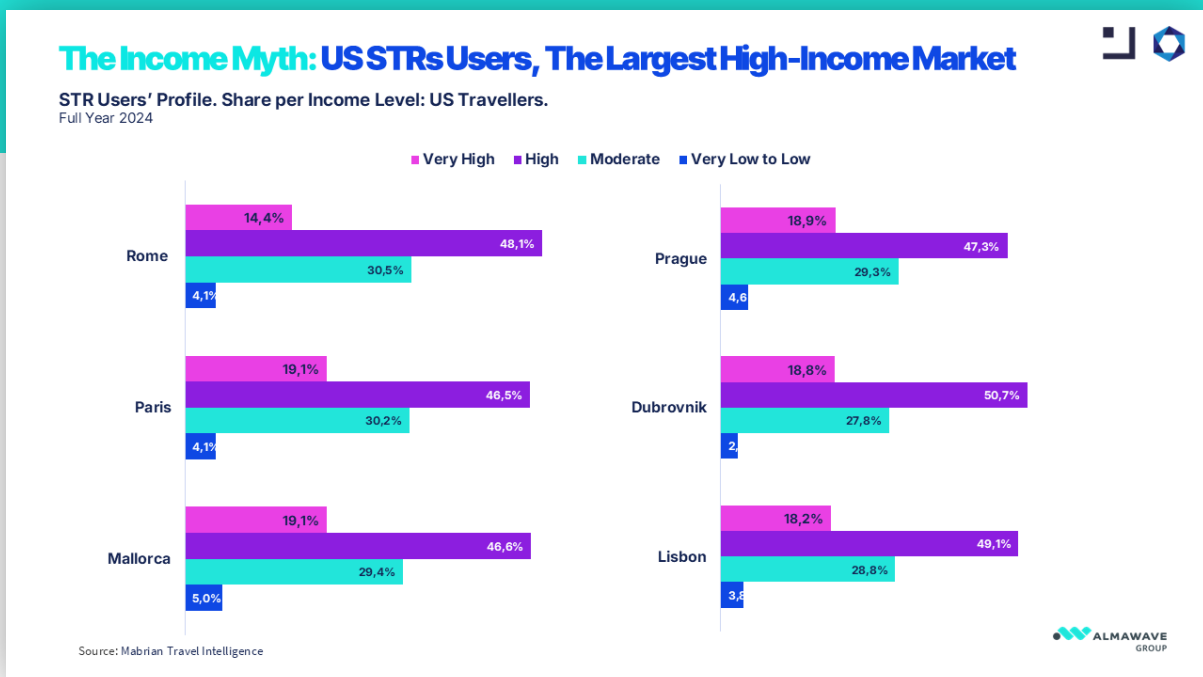


Figure 4

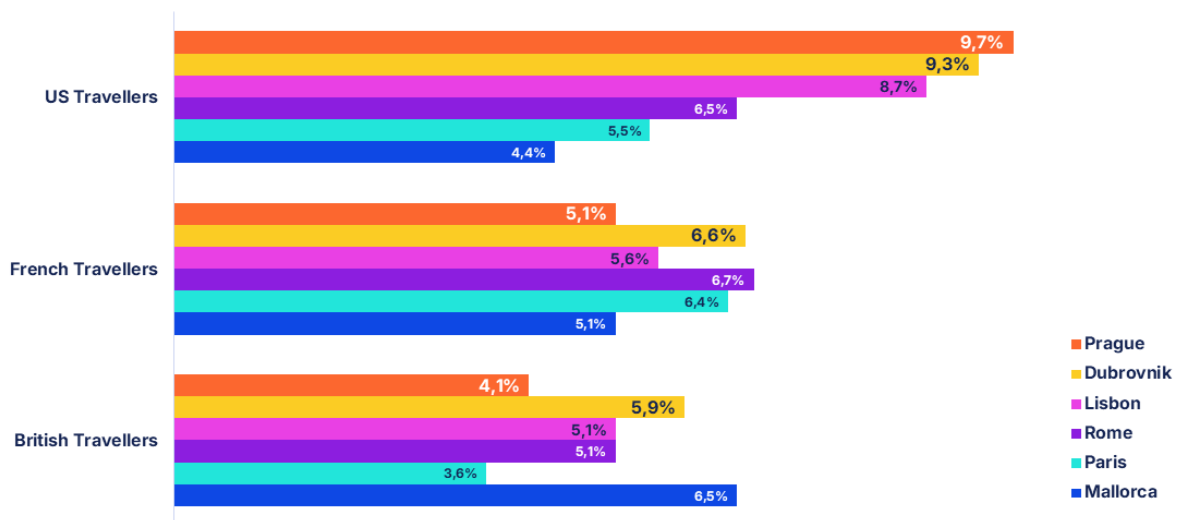
II. A Niche with Potential: STRs Appeal to the Silver Traveller Demand

The 55 and up traveller segment is increasingly visible in STR booking data, especially in culturally rich and walkable cities like Paris, Lisbon, and Rome. These silver travellers often

seek longer stays, home comforts, and quieter residential areas—needs well-matched by STRs. According to Mabrian data (Figure 5), for some source markets in the destinations analysed, this segment represents 5,5% to almost 10% of the STR demand in key nationalities, particularly Americans and Frenchs.

A Niche with Potential: STRs Appeal to the Silver Traveller Demand

STR Users' Profile. Employment Status Data. Retired Travellers Using STRs Per Destination and Nationality. Full Year 2024



Source: Mabrian Travel Intelligence

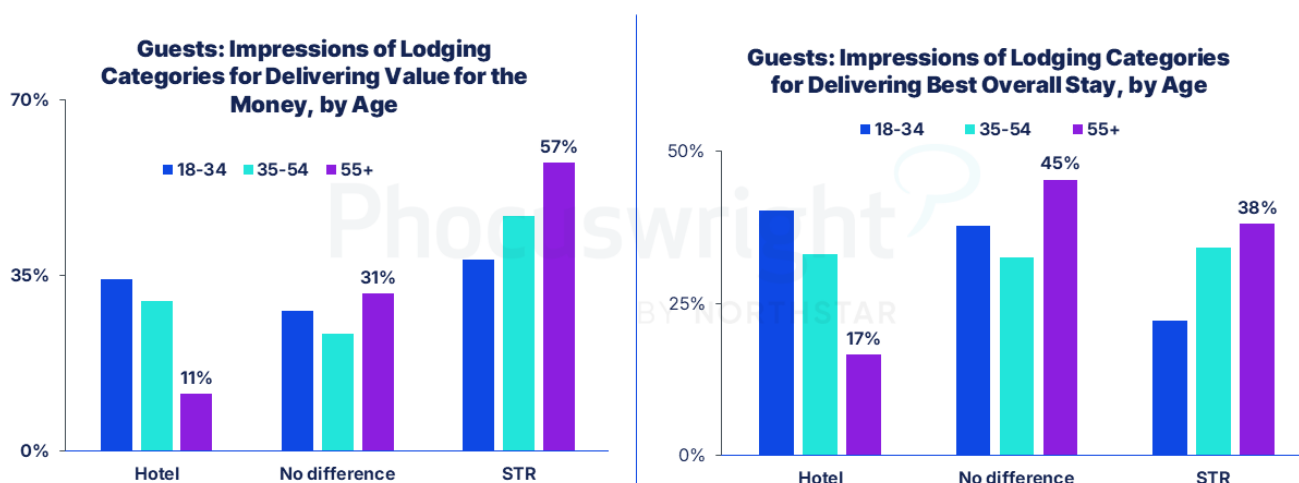
ALMAWAVE GROUP

Figure 5

When examining the employment status of short-term rental (STR) users, certain nationalities tend to have a higher proportion of retired travellers. For instance, travellers aged 55 and over account for 5.1% of French STR users in Mallorca, 5.6% in Lisbon, 6.4% in Paris, 6.6% in Dubrovnik, and 6.7% in Rome. American STR users show an even greater share of retired travellers in some destinations: 4.4% in Mallorca, 5.5% in Paris, 6.5% in Rome, 8.7% in Lisbon, and 9.3% in Dubrovnik. Similarly, UK retirees using STRs represent 3.6% in Paris, 5.1% in Lisbon, 5.9% in Dubrovnik, and 6.5% in Mallorca.

As mentioned before, **value for money is an area in which STRs score strongly among the overall population, and particularly among guests aged 55 and over**, who are more likely to feel STRs delivers strong comparative value (57% believe it is better). (Figure 6: Phocuswright's "U.S. Short-Term Rentals 2025: Guest Attitudes and Decision Making")

Guests: Key STR perception differences, by age



Question: Based on your personal experiences, which type of accommodations do the best job in each of the following aspects of the guest experience?
 Base: STR Guests with recent hotel experience (N=617)
 Source: Phocuswright's U.S. Short-Term Rentals 2025
 © 2025 Phocuswright Inc. All Rights Reserved.

Phocuswright
BY NORTHSTAR

Figure 6

This growing demographic presents a strategic opportunity for destinations and hosts to design age-friendly offerings that tap into high-value, off-peak travel demand.

In contrast, STR guests under 55 report they are more likely to reconsider staying in a rental due to negative PR, a problematic indicator as the traveling population ages (69% 18-34, 62% 35-54, 40% 55+). This could affect future category performance if left unchecked.

III. The Role of Destination Experience in Shaping Capacity Needs

The distinctive attributes and overall character of the destination experience exert a substantial influence on the specific types of STRs that are sought after by travellers. This influence extends beyond mere accommodation preferences, serving as a **valuable indicator of the broader role that tourist rentals play within a destination's overall lodging ecosystem.**

The specific features and characteristics of the desired STRs, such as size, amenities, design aesthetic, and proximity to key attractions, are all intrinsically linked to the overarching destination experience that travellers are seeking. Therefore, it is imperative to align the short-term rental inventory with traveller motivations and the local context, ensuring that tourist accommodations effectively and equitably meet traveller needs while also respecting the unique characteristics of the territory and its local communities.

Even within the European city getaway markets, **diverse needs are observed across different geographical segments.** In destinations such as Paris or Dubrovnik, characterised by a focus on historical heritage and authentic cultural experiences, travellers predominantly favour

centrally located, smaller accommodation units with limited capacity, particularly suited for couples. Indeed, Mabrian data (Figure 7) reveals that over 48% of short-term rental users in Dubrovnik and more than 44% in Paris demonstrate a preference for rental properties tailored to couples.

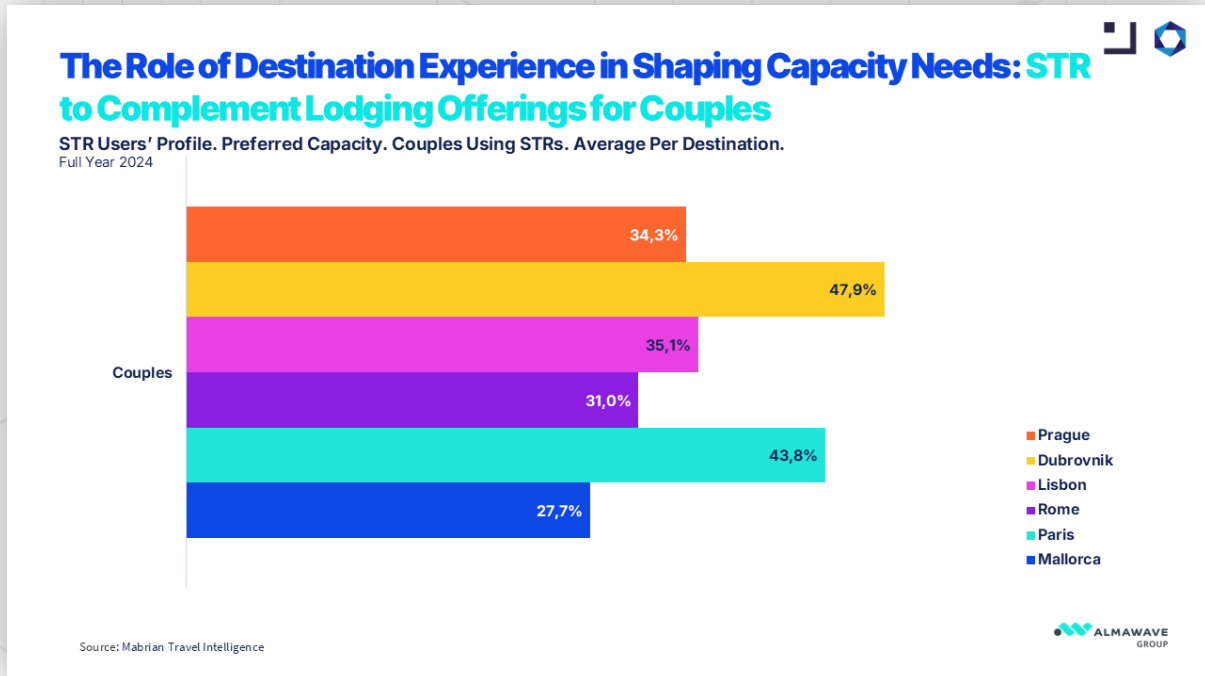


Figure 7

Meanwhile, leisure-heavy summer spots like Mallorca or Lisbon, or urban destinations like Rome or Prague see greater demand for larger-property STRs suited to families or groups. Specifically (Figure 8), between 37% and 50% of STR users originating from these destinations' primary source markets express a preference for rental properties capable of accommodating 3 to 5 guests. Notably, 50% of visitors opting for STRs in Rome seek accommodations for 3 to 5 individuals, while 45% demonstrate the same trend in Lisbon, 41% in Prague, and 37% in Mallorca.

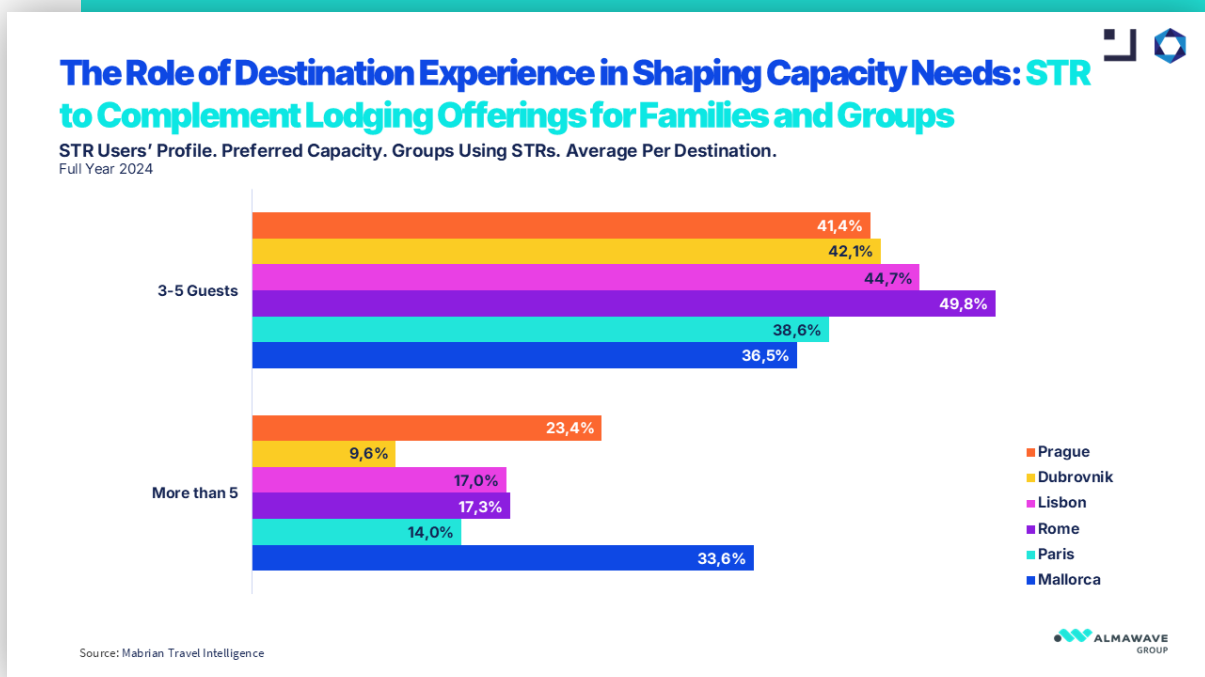


Figure 8

Among the analysed destinations, Mallorca exhibits the largest proportion of visitors utilising STRs capable of accommodating groups exceeding five people, constituting one-third of the tourist rental demand. Prague demonstrates a comparable trend, although with a lower share of demand for properties for over five guests (23%), coupled with a substantial demand for double occupancy (34%).

Figures further indicate that **American visitors to Europe frequently travel in larger groups, necessitating larger properties to accommodate groups or families.** Specifically, the proportion of American STR users requiring a property for more than five individuals consistently surpasses the average across all analysed destinations: in Mallorca, this segment comprises 44% of STR demand, 24% in Rome, 21% in Lisbon, 19% in Paris, and 14% in Dubrovnik.

IV. The Convenience Factor. The Full Property Effect

Across all six destinations analysed, **full-property STRs (meaning an entire unit with at least two bedrooms and common areas such as kitchen or living room) consistently outperform smaller units and shared accommodations in both occupancy and guest satisfaction.** (Figure 9)

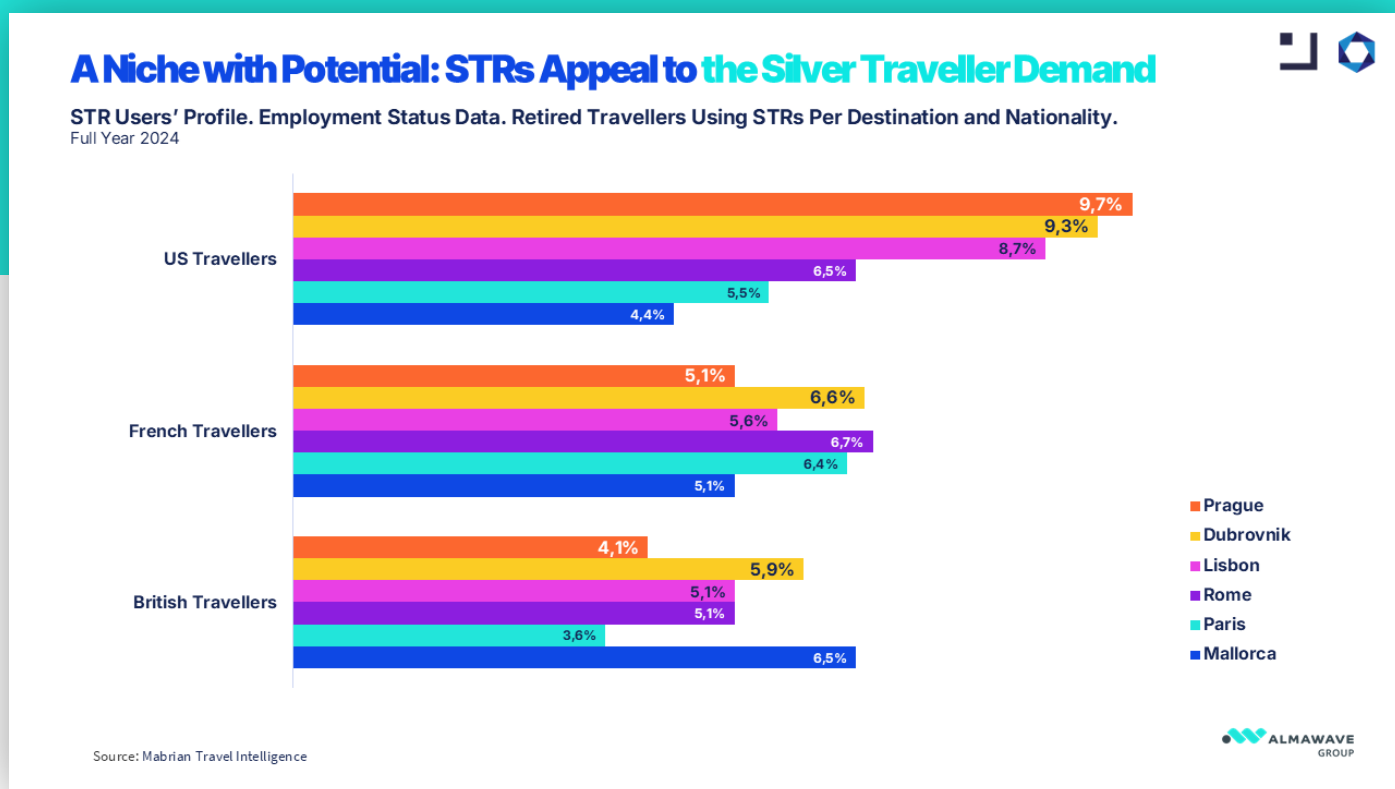


Figure 9

In all destinations studied, data on STR user profiles reveals a strong preference for full properties among key source markets. At least 8 out of 10 travellers staying in tourist rentals opt for an entire property. This preference is even more pronounced in certain cities, with approximately 88% of average STR demand from key source markets being for full properties in Paris, 87% in Rome, and 85% in Lisbon.

The propensity to rent an entire property within short-term rentals is quite pronounced among American travellers. In five of the destinations studied, a significant majority of U.S. visitors utilising STRs demonstrate a preference for full property rentals, surpassing other nationalities: 89.4% in Paris, 89.1% in Dubrovnik, 87.6% in Lisbon, 87% in Rome, and 81.7% in Prague. Mallorca is the only exception, wherein 85.7% of British travellers in STR accommodations opt for full properties, compared to 81.1% of American STR occupants.

The “Full Property Effect” is particularly prominent among families, digital nomads, and guests with extended stays, as they prioritise privacy, kitchen facilities, and the independence afforded by an entire property. The availability of additional living space represents a significant competitive advantage for tourist rentals, enhancing the willingness to pay among specific traveller segments, such as those previously noted.

The rationale underlying this “Full Property Effect” is substantiated by Phocuswright’s study, *“U.S. Short-Term Rentals 2025: Guest Attitudes and Decision Making,”* which highlights the **competitive superiority of tourist rentals when it comes to living space, as well as the inclination toward selecting a full property when journeying to holiday destinations.**

When asked about which major lodging categories have performed better across different aspects of the stay, guests with recent experience in both major lodging categories list several areas where rentals are viewed strongly. These include privacy (48%), value for money (47%), personalized/non-generic experience (46%), and superior design offerings (45%). (Figure 10)

Guests: Key STR perception differences, by age



Question: Based on your personal experiences, which type of accommodations do the best job in each of the following aspects of the guest experience?
 Base: STR Guests with recent hotel experience (N=617)
 Source: Phocuswright’s U.S. Short-Term Rentals 2025
 © 2025 Phocuswright Inc. All Rights Reserved.

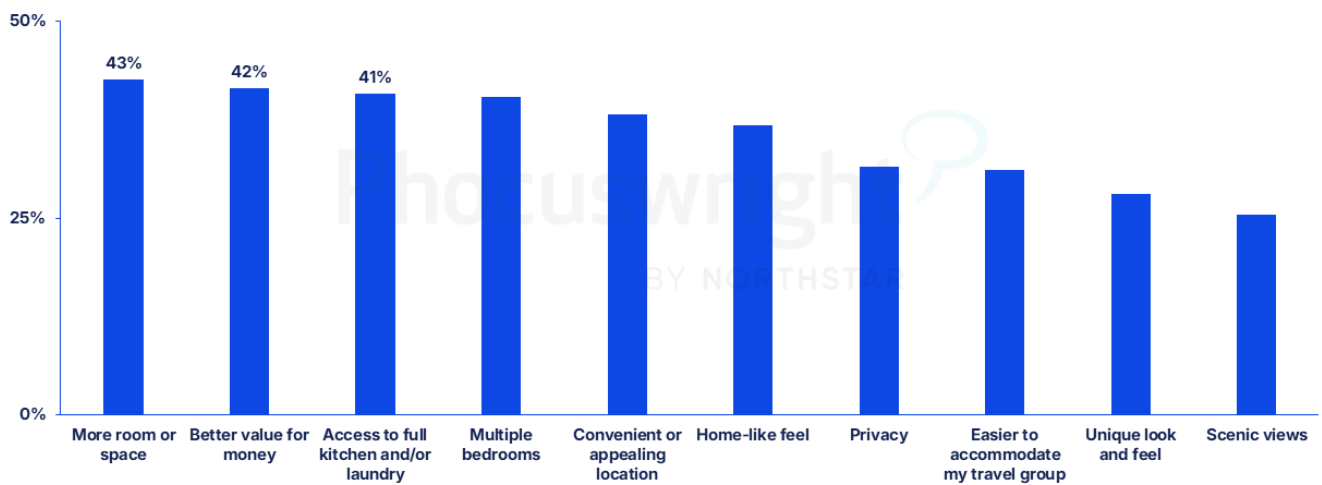
Phocuswright
 BY NORTHSTAR

Figure 10

When guests opt for an STR, the top reason they choose the category is for additional space (43%), followed closely by better value for the money (42%) and access to a full kitchen or laundry (41%) (Figure 11). Guests prioritise these needs for space, value and

facilities more often than they choose a property for the location itself. This strengthens the existing perceptions that STRs are chosen for trip occasions when space is particularly important and that rental locations are not as competitive as those of hotels.

Guests: Top reasons for booking recent STR stay



Question: Why did you choose to stay in a short-term rental for this that trip? Select all that apply.
 Base: STR Guests (N=907)
 Source: Phocuswright's U.S. Short-Term Rentals 2025
 © 2025 Phocuswright Inc. All Rights Reserved.

Phocuswright
 BY NORTHSTAR

Figure 11



This convenience factor is key for overall satisfaction with STR experience, as The Data Appeal Company data reveals (Figures 12 and 13). Analysis of D/AI Destinations Sentiment Score, measuring satisfaction with hotel and

STR stays in Rome, Paris, Lisbon, and Mallorca, indicates consistently positive ratings for both accommodation types, exceeding 80 points out of 100. Notably, STRs demonstrate superior performance in highly sought-after destinations such as Lisbon and Rome.

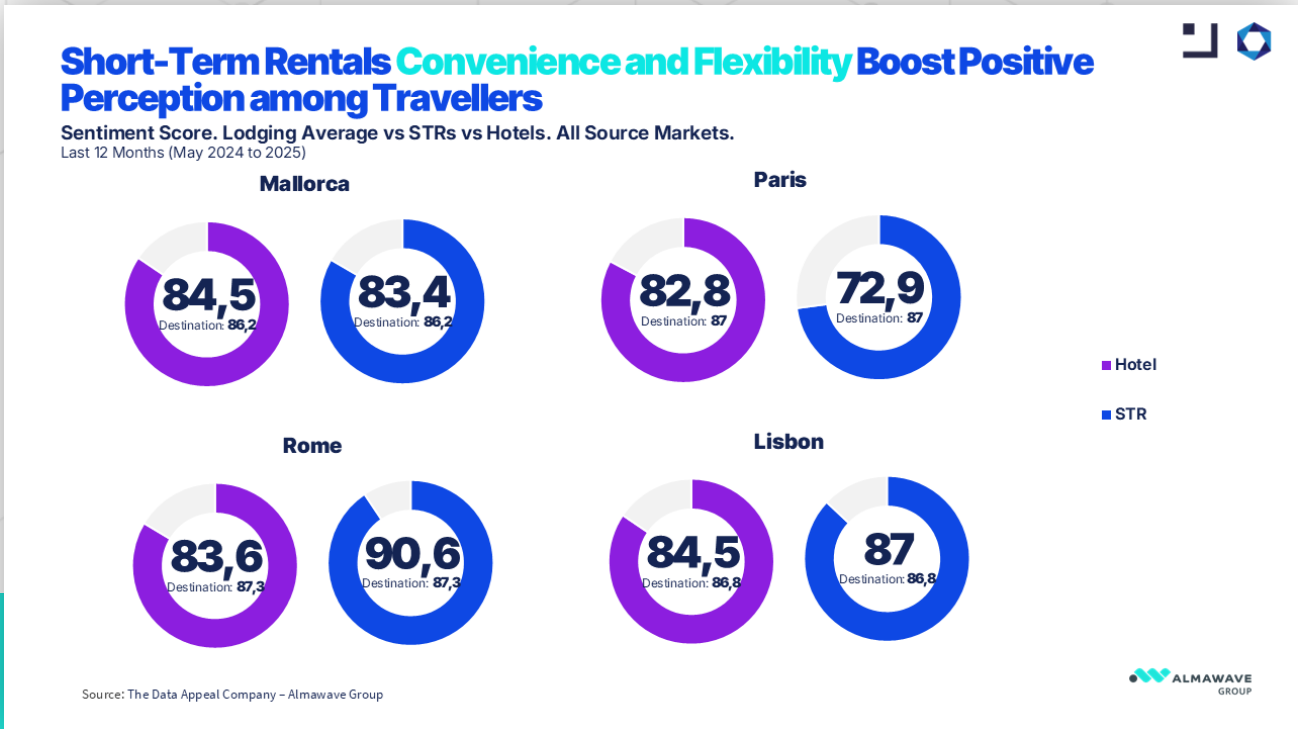


Figure 12

This trend is further accentuated among American travellers, where the Sentiment Score for short-term rentals surpasses that of hotels, or is quite close. These Sentiment

Score results suggest that STRs represent an accommodation alternative that effectively aligns with the requirements and expectations of travellers from the United States.

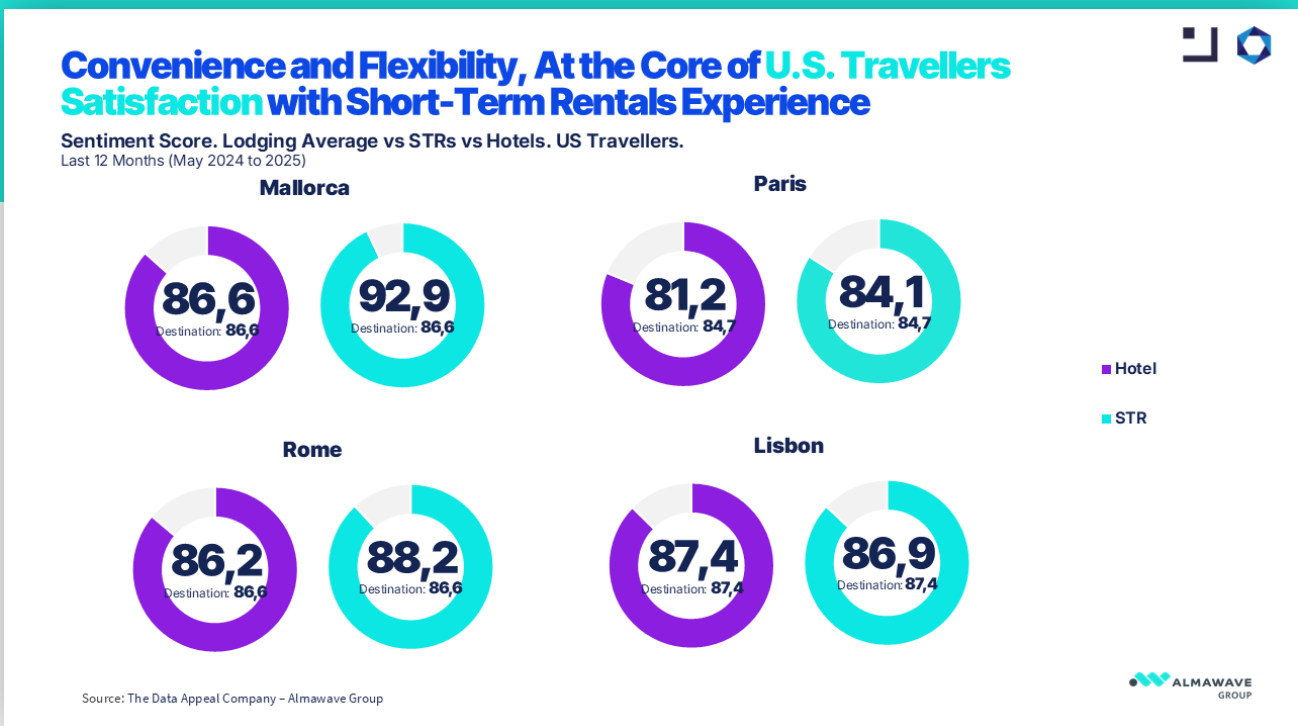


Figure 13

Even though STRs hold an experiential advantage among U.S. travellers, challenges arise within specific age segments, whose rapidly evolving needs and interests increasingly include considerations related to sustainability and responsible consumption.

“U.S. travellers continue to see short-term rentals as a strong value proposition—especially for privacy, character and value for money — but the category still trails hotels in areas like service and support. While satisfaction remains high among rental users, further growth hinges on shifting both perception and product. Younger travellers under 35, in particular, are less enthusiastic about STRs, signaling a need for evolution—not just in amenities and service delivery, but in how the category demonstrates greater accountability and care for its public image and reputation.”

Madeline List, manager, research & special projects at Phocuswright

V. How STRs Sustain Tourism Through Peak and Shoulder Seasons

STRs play a critical role in absorbing tourist demand during peak periods and extending tourism into shoulder seasons. This behaviour is also relevant to specific inbound markets for the destinations analysed.

In destinations like Mallorca, Lisbon, or Dubrovnik, STRs act as a vital release valve, catering to specific segments that need special lodging arrangements, especially families and large groups, and providing an alternative for longer stays for the end of summer and early shoulder season.

Insights from The Data Appeal Company - Almwave Group D/AI Destinations platform reveals that average hotel room night prices are at least 15% higher than short-term rental (STR) prices across Paris, Rome, Lisbon, and Mallorca. STRs’ more affordable pricing, especially when considering capacity preferences, makes them particularly attractive in high-demand destinations during peak season when prices are elevated. (Figure 14)

Affordability, the Edge of Short-Term Rentals in Highly Demanded Destinations in Europe

Average Daily Rate. Full STR Property vs Hotel Stay. Price Available in OTAs (Euro).
Last 12 Months (May 2024 to 2025)



Source: The Data Appeal Company – Almwave Group

ALMAWAVE GROUP

Figure 14

The behaviours of key inbound markets for popular European urban destinations such as Paris, Rome, and Prague demonstrate the significant role that short-term rentals play in accommodating tourism demand. **During peak tourist seasons, STRs effectively supplement the capacity of traditional hotels, providing crucial additional lodging options when demand is highest. Furthermore, in the shoulder seasons, STRs often emerge as the preferred accommodation choice for specific traveller segments, particularly for long stays.** This preference could be attributed to various factors, including cost-effectiveness, the desire for more spacious or self-catering options, or a preference for experiencing a destination from a more local perspective offered by residential-style accommodations.

The data from these key markets highlights the dynamic relationship between STRs and traditional hotels, showcasing how STRs not only provide a flexible supply of accommodation but also cater to evolving traveller preferences throughout the year.

Mabrian's analysis of seasonal demand (Figure 15) for STRs reveals **distinct preferences among key international source markets, indicating a notable trend of off-season travel within this accommodation sector.**

How STRs Sustain Tourism Through Peak and Shoulder Seasons



STR Users' Profile. Seasonality Preferences per Destination. Main Source Markets.
Full Year 2024

	April	May	June	July	August	September	October
Mallorca							
Paris							
Rome							
Lisbon							
Dubrovnik							
Prague							

Source: Mabrian Travel Intelligence



Figure 15



Specifically, data highlights that **certain inbound markets exhibiting a preference for tourist rentals during their stays are also more inclined to travel outside the traditional peak seasons.**

For instance, in Mallorca, American and German travellers show a tendency to opt for STRs during the shoulder and off-seasons. Similarly, the domestic market in Paris demonstrates a preference for tourist rentals in October, including periods outside the typical high-demand summer months. Furthermore, Dubrovnik attracts American and British visitors to its STR offerings during the less crowded parts of the year, while Prague sees significant off-season STR demand from German and British travellers.

Still, the challenge for all these destinations remains leveraging this seasonal adaptability while reducing concentration and easing pressure on the most sought-after neighbourhoods.

Technical Notes

1. The report presents market sizing and projections by Phocuswright for the global short-term rental (STR) market by region and distribution channel, and is based in desk research and third-party data.

2. Short-Term Rentals Users Profile: Income Level Brackets Dataset

- Obtaining Reference Data

Before drawing any inferences, it is essential to establish a reference source for average income by profession. To ensure a representative dataset for the types of professions commonly found in Airbnb-related fields, the following sources were analyzed: Official salary surveys, Job portals (Glassdoor, InfoJobs, and LinkedIn Salary), and Academic studies and consulting reports

- Processing and Normalising User-Linked Professions

A comprehensive list of all observed professions is compiled into a single dataset. Each profession is translated and normalised, with relative values assigned based on the absolute values obtained from the reference data. Similar professions are grouped into broader categories—for example, “Software Engineer” and “Backend Developer” are merged into the same group, as would roles within the broader engineering category.

- Inferring Income Levels Using GenAI

Given the volume and diversity of professions, the list is divided into homogeneous batches, each processed using the same prompt and parameters to ensure consistency and additive results. This process is automated, and outputs are consolidated into a centralised lookup table.

A key component of the prompt is the inclusion of a confidence factor; only results exceeding a threshold of 85% confidence are retained for further use.

- Validation and Iteration

The results are validated using both known professions and a random sample. Any inconsistencies or unexpected outcomes are addressed through iterative refinement. This validation process is conducted annually to capture new professions that may not have been previously detected.

- Presence of Data in the Dataset

Initially, profession-related income data was available for over 20% of users. However, after applying multiple rounds of filtering, data sanitisation, and safeguard protocols, the final dataset contains income information for 14% of Airbnb users.

3. Phocuswright fielded an online survey between August 26 and September 11, 2024 through a Dynata consumer panel, targeting U.S. travellers who stayed in paid short-term rentals at least once in the past year for leisure travel purposes. Phocuswright received 907 qualified responses and the respondent pool can be projected with confidence to the U.S. short-term rental traveller population with internet access. The error interval for analysis is $\pm 3.3\%$ at a 95% confidence level.



MABRIAN
A DATA APPEAL COMPANY



**DATA
APPEAL**
ALMAWAVE GROUP

IN PARTNERSHIP WITH AND PARTLY BASED ON
PHOCUSWRIGHT RESEARCH