Vacation Rentals Market, Trends, Share, Future Growth, and competition Analysis 2031

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Vacation Rentals Market, 2031

WILMINGTON, DE, UNITED STATES, May 22, 2026 /EINPresswire.com/ -- According to the report, the global vacation rentals market generated $91.2 billion in 2021, and is anticipated to generate $315.0 billion by 2031, witnessing a CAGR of 12.4% from 2022 to 2031.

Expansion of the travel industry, change in consumers' spending pattern, the desire of travelers to explore and learn new things or take a break from their busy schedules, and innovative concepts such as hyper-personalized hotel rooms, smart rooms, reality in-room experience through artificial intelligence drive the growth of the global vacation rentals market. However, political unrest and terrorist attacks restrict the market growth. Moreover, consumers today prefer digital channels for making online accommodation bookings due to increased convenience and flexibility which presents new opportunities in the coming years.

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Development in vacation rental industry and service providers that offer critical aspects and priorities to travelers during their stays is expected to ensure growth and sustainability for the players in this business sector. Innovative concepts such as hyper-personalized hotel rooms, smart rooms, reality in-room experience through artificial intelligence are a few advancements that are trending and can garner maximum attraction of most travelers today.

Vacation rental refers to transient public lodging property let out on rent to tourists as an alternative to hotels. Typically, vacation rentals stays are shorter than 30 days. They consist of furnished apartments and professionally managed resorts or houses. Some popular vacation rentals worldwide include Airbnb, Expedia, HomeAway, VRBO, and others.

Tourism is one of the fastest growing industries in the world and the vacation rental business is one of the most important sectors driving the growth. The mainstream vacation rental market has opened up a whole new way of traveling that appeals to multiple generations and travellers from all walks of life.

The diversity of the target audience is matched by the broad spectrum of those operating vacation rentals. Everyone has the ability to become part statistic of the vacation rental industry and there is no shortage of individuals, local and regional property management companies, and even multi-million dollar businesses taking advantage of this 21st century spin on lodging. With single room rentals, stately manors, and everything in between there is literally a seat for every bottom.

The vacation rental industry is changing as quickly as it is growing and keeping up with the latest Vacation Rentals Market Trends can be a daunting task. The days of guests being satisfied with the amenities of the traditional motor lodge, motel, or hotel are long gone. A more personalized service is rising to maintain high occupancy rates, and the wants and needs of guests seem to change by the minute.

In addition, consumers are shifting their spending pattern from durable goods to recreation and travel. Experiential value refers to people’s satisfaction through the experience of using a product or service. There has been a fundamental change in consumer values toward experience, since the spending on experiences such as travel and leisure has increased. Therefore, the travel industry has witnessed exponential growth, which has consequently shown a positive effect on the accommodation sector.

However, fraud attacks on travel accommodation are rampant and frauds have increased with continuous evolution in fraudulent techniques. Consumers today turn toward digital channels for making online accommodation bookings, due to increased convenience and flexibility. However, the online booking scams have also witnessed a manifold increase. This has created an inexplicable challenge not only for the e-commerce merchants, but also for the industry.

However, political unrest and terrorist attacks hampers the overall market growth. Political unrest and terrorism have affected the overall volume of foreign trips and choice of destination. Terrorism risk tends to profoundly intimidate the tourist affecting tourist perceptions of destinations and travel behaviour. A mismanaged disaster results in tarnishing the destination’s image, thereby impacting the revenues negatively in local tourism industry.

For instance, Sri Lanka endured a long tourist slump in wake of the recent terror attacks in past couple of years. Aftermath of terror attacks in the country has resulted in cancelling of bookings to Sri Lanka by various tour operators. A similar catastrophic effect has been endured by the tourism industry of France after the Paris attacks, resulting in a loss of more than $787 million.

The trend of solo travellers has risen significantly over the past few years. It is driven by the desire of travellers to explore and learn new things or take a break from busy schedules, which is boosting Vacation Rentals Market Demand. According to Hostelworld, the bookings by solo travellers increased by 42% between 2015 and 2020. It has gradually become one of the fastest growing travel subsets. For this reason, accommodations that enable consumers to reside in simple-affordable vacation rentals such as Airbnb, and Tripping have gained traction in the market. Hence, this trend can be regarded as an opportunity for the global vacation rental market.

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Artificial intelligence has become a great innovation in the vacation rental sector. For instance, the use of voice commands for a human-like interaction and room assistance. Likewise, the use of chatbots to enable travellers to use text or voice commands to book a reservation makes vacation rental booking convenient.

The Vacation Rentals Market is segmented into accommodation, price point, booking, location type, end user generation and region. The accommodation segment home, condos, hometown and villas. On the basis of price point, the market is categorized into economy, mid-range, and luxury. Depending on mode of booking, it is segregated into online travel agency, hotel website, and others. The location type covered in the study include resort area, rural area, small towns and others.

Based on region, Europe held the highest market share in terms of revenue in 2021, accounting for more than one-third of the global vacation rentals market, and is likely to dominate the market during the forecast period. Increase in air connectivity, growth in intraregional travel, surge in affordable travel options, and rise in implementation of digital platforms led to robust travel and tourism growth in the European countries. However, the Asia-Pacific region is expected to witness the fastest CAGR of 13.4% from 2022 to 2031. Locations such as Himalayan foothills of Yunnan, Mission Hills Volcanic Mineral Springs & Spa, and Indonesian islands are gaining huge potential. The expanding middle-class households and rapid development of road and rail networks fuel the development of mid-range accommodations in this region; thereby, boosting the market growth.

Leading Market Players: -

MakeMyTrip Pvt. Ltd.
Airbnb Inc.
Tripping.com
TripAdvisor Inc.
Extra Holidays
HomeToGo
9flats.com
Expedia, Inc.
Vrbo, Booking.com
Hotels.com
Hotels Combined
Hotwire, Inc.
Yatra Online Private Limited
Homestay.com

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