

Increasing demand for holiday apartments in Europe

The market for holiday apartments in Europe is expected to continue its growth, with annual increases of 2 percent to 6 percent in both turnover and guests likely up until 2013. This is the key finding of a European survey conducted by US-based travel industry research authority PhoCusWright. The study reports that while the tourism industry in general has been in decline, the holiday apartments sector has been experiencing a boom. The PhoCusWright study – the first of its kind – was commissioned by leading holiday rental providers in Europe, including the market leader Interhome. Switzerland itself was not a specific focus of the research, but the results reflect general trends in the Swiss market. The report states that a new clientele is being attracted not only by the advantageous price/performance ratio offered by holiday rentals, but also the ease of booking in the Internet.

Prospects for the holiday apartment market in Europe remain positive. That is the main finding of a representative survey conducted by the leading US-based travel industry research authority, PhoCusWright. The survey was conducted in close cooperation with the most important holiday rental providers in Britain, Denmark, France, Germany, the Netherlands and Spain. It reveals that the demand for holiday homes and apartments has increased consistently over the years, whereas the hotel industry has been in decline. Even during the global economic crisis in 2008/2009, Europe's holiday rental market was hardly affected. Up until 2013, PhoCusWright predicts a continued annual growth rate of between 2 percent and 6 percent.

Families, young adults and the Internet generation

The growth in the holiday rental sector is being generated above all by families and young adults. The study cites the 33-to-44 age group as the most important target group. A key factor for this age group is the price/performance ratio offered by the holiday rental market compared with the hotel industry. Another advantage is the individuality and more generous spatial dimensions offered by rented accommodation. These factors ensure greater privacy and a more authentic holiday experience.

Another positive aspect is the increasing affinity to online business. According to the study, online bookings currently account for some 21 percent – 4.1 billion Euros – of turnover in the holiday rental industry. In the organized market, this share is considerably higher. For Interhome, some 60 percent of turnover is already achieved via the Internet. Interhome CEO Simon Lehmann is convinced: "In Switzerland and Europe in general, online business will continue to develop at a rapid pace. But a pre-condition for the sustained growth of the holiday rental sector will remain the availability of a diverse range of quality properties. The client does not necessarily differentiate so much between brands – his or her main concern is to find the right property."

Promising potential for winter holidays

Of particular significance for the holiday rental market is the promising potential seen by PhoCusWright for winter sports regions. Currently well over 50 percent of European turnover is accounted for by summer beach holiday destinations, followed by the spring season. Interestingly, the most popular season for Swiss

holidaymakers in this market is not summer but winter. "This season accounts for some 50 percent of Interhome bookings", says Simon Lehmann.

In the European holiday rental market in general, winter business (skiing holidays) accounts for less than 10 percent of total turnover. A reason for this is that many owners have not yet rented out their properties to winter vacationers. In this respect too, the market could develop over the coming years and generate a higher volume of bookings. The PhoCusWright report states that more than 80 percent of the owners of holiday homes and apartments in Europe have considered renting out their properties through professional management companies. Here too, Interhome CEO Simon Lehmann sees a parallel with Switzerland: "In Switzerland there is a clear trend among vacationers towards the rental of holiday homes and apartments."

Switzerland-based **Interhome** specializes in the rental of more than 32,000 quality holiday apartments, homes and chalets in 29 countries worldwide. In 2010, the company welcomed 560,000 holiday guests and recorded a net yield of CHF 206.9 million. Interhome is headquartered in Glattbrugg/Zurich and is a 100% subsidiary of Hotelplan Holding. In turn, Hotelplan Holding is a 100% subsidiary of Migros, Switzerland's largest retail supermarket chain, based in Zurich.

Further information:

Primus Communications, Vanessa Bay
Tel. +41 44 387 57 37, vanessa.bay@primuscommunications.ch