

Caravan rentals sustained by continued 'staycation' trend 2016



Leisure caravan hire sustained by continued 'staycation' trend

Figures from the 2015 Great Britain Tourism Survey (GBTS)¹ and statistics published by VisitEngland² reinforce a continuing British preference for holidaying at home, referred to in the industry as the staycation trend. As part of this picture, the UK caravanning and camping sector continues to benefit from the greatest overall increase in spending on accommodation. For example, the trade body for the UK caravan industry, the National Caravan Council (NCC), recently announced a 10.3% increase in the sale of touring caravans, motorhomes and caravan holiday homes in the UK during 2015, compared to the previous year³. This figure reflects VisitBritain's research showing a 7% increase in holiday trips within Great Britain last year, totalling 105 million trips overall⁴.

The staycation trend and the UK holiday industry

This staycation trend emerged following the significant economic downturn in 2009, and continues to exert significant influence on the UK tourism industry. Research commissioned by VisitEngland revealed that 91% of respondents had taken, or expected to take, a UK holiday in 2015 (as opposed to 51% for foreign holidays), with little difference in these figures predicted for 2016⁵. And of the overnight trips in the UK in 2013, 19% were taken in motorhomes, holiday cottages and static caravans⁶. Most consumers holidaying in the UK are satisfied with their experience, despite the variability of the British climate.

Parents overcome concerns about the weather by choosing family centred destinations where children can be occupied with activities on-site or nearby⁷, commonly taking advantage of self-catering holiday options, including static caravans. The UK certainly has plenty offer to meet these needs with an estimated 5000 -7000 visitor attractions and sites of interest in England alone.

Financial considerations remain the most important factor in consumers' choice of holiday destination. This may be because, although economic growth is projected at a rate of 3.5% over the next five years⁸, consumers remain cautious about UK's economic stability. There are, however, two other significant criteria that influence destination choice.

- 1. Ease of booking** - The VisitEngland survey reports that 24% of respondents chose to take their holiday in the UK because booking was straightforward⁹. The increased availability of online booking offered by independent rental booking platforms may be one reason why this is the case. Typically, online booking platforms offer rapid, easy booking of a range of self-catered accommodation including holiday lodges, cottages, motorhomes and static caravans, directly with the owners.
- 2. Convenience** - For 38% of respondents to the VisitEngland survey convenience was a key reason why they chose to enjoy a staycation rather than travel abroad. The ability to remain close to home, and the greater accessibility of UK holiday destinations for short breaks, were both important motivating factors. Routine also features strongly as a reason to remain in the UK: for example, many people are keen to maintain their group or family traditions by visiting the same location, even the same accommodation, with friends and family on a regular basis¹⁰.

The benefits of static caravan rental and ownership

One of the attractions of static caravans for UK holidaymakers may be that the majority available for hire are located in holiday parks. There are over 750 of these in the UK, offering a wide range of facilities, entertainment and activities on-site, with a high proportion located in popular seaside resorts. Additionally, most rental static caravans sleep up to 8 people, and on large holiday parks, are available adapted for those with individual needs including wheelchair access. Overall, the popularity of static caravan rental reflects its many advantages that include:

- Freedom from towing and parking a touring caravan
- Convenience
- Choice of location
- Ability to holiday as a family or group under one roof
- Privacy
- Home from home comfort
- An easy way to minimise the cost of family or group holidays.

For some people static caravan ownership is therefore an attractive option. It offers an easy way to secure a favoured holiday destination every year and maintain routine: 1 in 3 respondents to the 2015 GBTS stated that they had returned to a favoured UK destination for their 2014 holiday. Other reasons to buy a static caravan include: easy storage of possessions; the ability to enjoy home from home comfort; the scope to personalise the décor; and the option to bring the family pet. Financial considerations are also important; owning a static caravan can be a cost effective way of enjoying family holidays without rental fees, and by letting the static caravan for part of the year, it's possible to offset added costs such as site fees.

As well as reducing personal holiday costs, letting their static caravan provides a business opportunity for many owners. The GBTS and NCC state that the UK caravan industry contributes over £6 billion to the UK economy. According to the 2014 GBTS survey, over £1.8 billion was spent on UK caravan holidays in 2013, amounting to 51 million nights spent annually in caravan hire.

Static caravan ownership as a business opportunity

Buying a static caravan to let as a business is supported by the NCC through their new Approved Holiday Park Holiday Home Ownership Scheme. Launched recently, in recognition of the increasing numbers of privately owned static caravans being offered by owners for holiday rental, the scheme incorporates a Consumer Code of Practice and defines minimum standards that must be adhered to by NCC member parks. The NCC and the Camping and Caravanning Club are both important sources of advice to potential buy-to-let static caravan owners, offering impartial advice and statistics that enable owners to make informed decisions and minimise business risks.

The NCC and National Association of Caravan Owners (NACO) suggest various strategies to achieve a return of investment on static caravan purchase and gain revenue by letting. This varies depending upon the buyer's objectives, for example whether these include simply enjoying cheaper family holidays in the same location, offsetting additional costs, or wanting to make a profit. In the latter case, for example, the NACO recommend that prospective owners:

- Buy a new static caravan as large as most people require (6 berth)
- Let the static caravan throughout both low and high seasons
- Only use the static caravan occasionally when it's not being rented
- Manage their bookings through online booking platforms
- Do as much maintenance as possible in person or using their own choice of contractors.

The recent emergence of online booking platforms outlined earlier in this report has significant advantages for static caravan owners. They benefit from extremely low cost advertising, hassle free letting, and publication and dissemination of customer reviews, all of which increase booking rates. Online booking is equally popular with holidaymakers, with 39% choosing to book online and 31% directly with the owner, as facilitated by online booking platforms¹¹.

By using established, safe, payment systems, consumers using online booking platforms can reserve their holiday accommodation immediately with the peace of mind that their payment is secure, and are able to contact the owner directly if they have any questions or specific needs.

Leisure Industry Forecast for 2016- 2017

The data available for accommodation bookings so far this year appears to reinforce the upward staycation trend. A 232% increase in bookings in March 2016, compared to the same month last year, is reported by one online specialist holiday accommodation rental platform, including a 300% increase in static caravan bookings from December 2015 – March 2016¹². These figures suggest that holidaymakers are booking early to secure their first choice of location and accommodation. In response, many holiday parks are lengthening their seasons, widening the window for booking opportunities and increasing owners' subletting capacity.

The enduring staycation trend isn't the only positive influence likely to support UK tourism industry in future. VisitBritain's growth strategy "Delivering a Golden Legacy", designed to support inbound tourism to the UK from 2012 to 2020, envisages the UK welcoming 40 million overseas visitors by 2020, spending £31.5 billion and supporting an additional 200000 related jobs¹³.

Taking ongoing investment in the tourist industry into account, together with the enduring popularity of rental static caravan holidays, subletting a static caravan appears to be a recession resistant way of covering static caravan related costs, or even running a business. Consumers also look set to benefit as growing static caravan sales, leading to more static caravans available to rent, increases the choice available to UK holidaymakers.

References

- Great Britain Tourism Survey 2014 [online] Available from <https://www.visitengland.com/...tourism.../great-britain-tourism-survey-2>. Accessed 4th April 2016
- VisitEngland Beyond Staycation, October 2015 [online] Available from https://www.visitengland.com/sites/.../staycation_sept_2015_v191015.pdf Accessed 5th April 2016
- National Caravan Council (NCC) Press release, February 2016 [online] Available from http://www.thencc.org.uk/News_Press/news_detail.aspx?NewsID=460 Accessed 4th April 2016
- Visit England, Great Britain Tourism Survey October 2015, [online] Available from https://www.visitengland.com/sites/default/files/downloads/gbts_october_2015_summary_to_publishv2.pdf Accessed 7th April 2016
- VisitEngland Beyond Staycation, op.cit.
- Visit England, Great Britain Tourism Survey October 2015, [online] Available from https://www.visitengland.com/sites/default/files/downloads/gbts_october_2015_summary_to_publishv2.pdf Accessed 7th April 2016
- VisitEngland Qual Debrief, January 2014 [online] Available from https://www.visitengland.com/.../jan_qual_debrief_090115_final_0.pdf Accessed 30th March 2016
- Deloitte and Oxford Economics Tourism: Jobs and Growth 2013 [online] Available from https://www.visitbritain.org/sites/.../Tourism_Jobs_and_Growth_2013.pdf Accessed 3rd April 2016
- VisitEngland Beyond Staycation, op.cit. GBTS, op. cit.
- Visit England, Great Britain Tourism Survey October 2014, [online] Available from https://www.visitengland.com/sites/default/files/downloads/gbts_october_2015_summary_to_publishv2.pdf Accessed 11th April 2016
- LeisureRentalsDirect.com (<https://www.leisurerentalsdirect.com>) internal data (unpublished), 2016
- VisitBritain Delivering a Golden Legacy 2012 [online] Available from https://www.visitengland.com/sites/.../launch_presentation_joss_croft.pdf Accessed 2nd April 2016