



# Global Short Term Rental Sustainability Initiative White Paper



# Introduction

**The short-term accommodation rentals market has experienced significant growth in recent years, driven by the rise of online platforms and changing consumer preferences.**

This market offers travellers a wide range of accommodation options, from private homes and apartments to specific vacation rentals, providing flexibility, affordability, and a unique local experience. However, as the demand for short holiday lets continues to increase, it becomes crucial to consider the sustainability of this sector and explore ways to adapt it accordingly.

Sustainability has become a pressing global issue, with concerns about climate change, resource depletion, and environmental impact at the forefront of public consciousness. As a result, industries across the board are facing mounting pressure to incorporate sustainable practices into their operations. The short holiday let market is no exception. While the focus on sustainability has traditionally centred around hotels and resorts, it is equally important to address the impact and sustainability of short-term rentals.

This raises important questions: How does the short holiday let market consider sustainability? What steps can be taken to mitigate its environmental footprint? Where does the industry source its sustainability guidance from? What role should accreditations play within this?

In this discussion, we will delve into these questions, exploring the various aspects of sustainability within the short holiday let market and examining the environmental, social, and economic dimensions of sustainability, whilst considering the potential challenges and opportunities for the industry.

By identifying key areas of focus and proposing actionable strategies, we can envision a more sustainable future for the short holiday let market that aligns with the evolving needs and values of travellers, local communities, and the planet as a whole.



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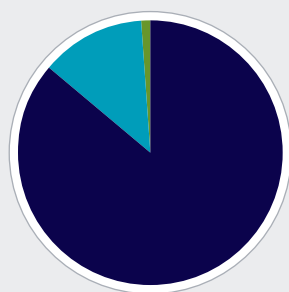


# The Current Situation within the Short-Term Rental Market

Earlier this year, a global survey was undertaken to try and understand the importance of sustainability to the short-term rental sector, the level of understanding of sustainability amongst property owners and managers, the role of accreditation, and the identification areas where further support was required.

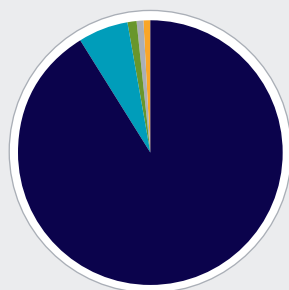
The survey had over 3,300 responses from all over the world. Whilst the survey was global in nature, the vast majority of responses came from English speaking countries notably the US and the UK.

As the table below demonstrates, the majority of respondents were property owners, whilst there was also a significant response from property managers.

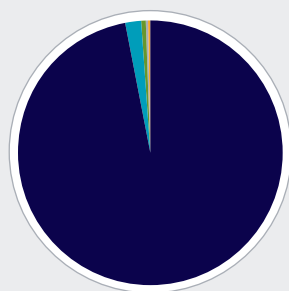


| Role                                                                                                                                                     | Total         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Property Owner - Holiday Home, Short Term Rental, Self-Catering Accommodation, Serviced Apartment, Holiday Cottage, Guest House, Vacation Rental - Other | 2,844 (86.3%) |
| Property Manager                                                                                                                                         | 416 (12.6%)   |
| Industry Supplier                                                                                                                                        | 35 (1.1%)     |

The response is also weighted heavily in favour of smaller property owners as can be seen from the tables below.



| No. of Properties | Total         |
|-------------------|---------------|
| 1-10              | 3,008 (91.4%) |
| 10-50             | 201 (6.1%)    |
| 50-100            | 31 (0.9%)     |
| 100-500           | 30 (0.9%)     |
| 1,000+            | 22 (0.7%)     |



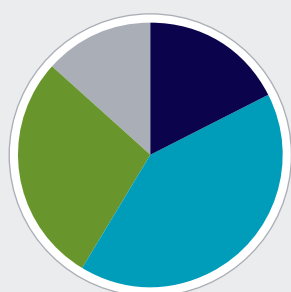
| No. of Staff Employed | Total         |
|-----------------------|---------------|
| 1-10                  | 2,943 (97.1%) |
| 10-50                 | 63 (2%)       |
| 50-100                | 17 (0.6%)     |
| 100-500               | 5 (0.2%)      |
| 1,000+                | 4 (0.1%)      |

## Perceptions of Sustainability within the Short-Term Rental Market

Having established the type of organisation that responded to the survey, the focus will now switch to the current situation in more detail in terms of attitudes, beliefs, accreditation, and where recognised information gaps exist.

The following tables reflect the current attitudes of the respondents towards the importance of sustainability, where they perceive the industry to be at.

Is incurring short term cost increases in exchange of having a more positive long term sustainable impact on the environment something you're happy to accept?



| Response                 | Total         |
|--------------------------|---------------|
| Absolutely               | 577 (17.6%)   |
| Yes - Open to it         | 1,346 (43.8%) |
| Not really at the moment | 919 (28.1%)   |
| No                       | 433 (13.2%)   |

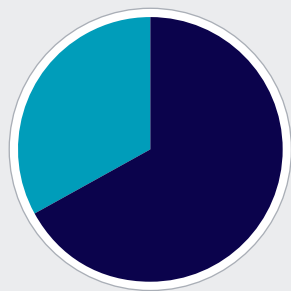
As the above table reflects, when considering sustainability as a cost, without relating it to any economic benefit, generates a mixed response. When the sustainability is linked to positive economic benefits, we can see a greater enthusiasm for change. This is covered in more detail below in the interviews with Sykes and New Forest Escapes.

Whilst the response to the above was mixed, there was a 60:40 split between respondents that are either open to incur in the cost or would absolutely welcome any sustainability suggestions.

Given the mixed responses in the table above, it is perhaps surprising that 67% of respondents think that the short-term rental industry is taking the right action to improve sustainability.

What this response could indicate is that property owners and managers are happy with an autonomous approach without any imposition of requirements by industry bodies.

Do you think the STR industry is taking the right action to improve sustainability?



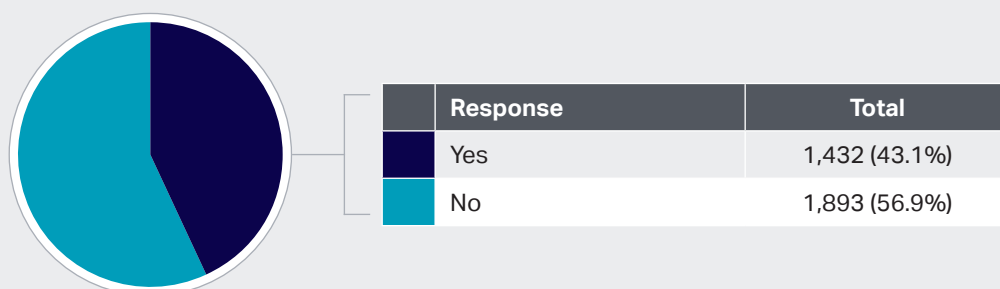
| Response | Total         |
|----------|---------------|
| Yes      | 2,015 (67.2%) |
| No       | 984 (32.8%)   |



What is interesting is that travellers are increasingly looking for more sustainable options as indicated by the annual booking.com survey which in turn may influence property owners and managers to consider more sustainable options going forward to preserve the economic value of their properties.

When property owners and managers were asked what evidence they have of sustainable approaches to their properties, it was interesting that most of the respondents didn't have a policy or a strategy in place. This suggests that whilst the majority of property owners and managers have a positive view of making sustainable changes (1,923 respondents), there is a high proportion of those (25% of 1,923 respondents) that have not formalised that thinking.

### Does your business have an environmental sustainability policy / strategy?

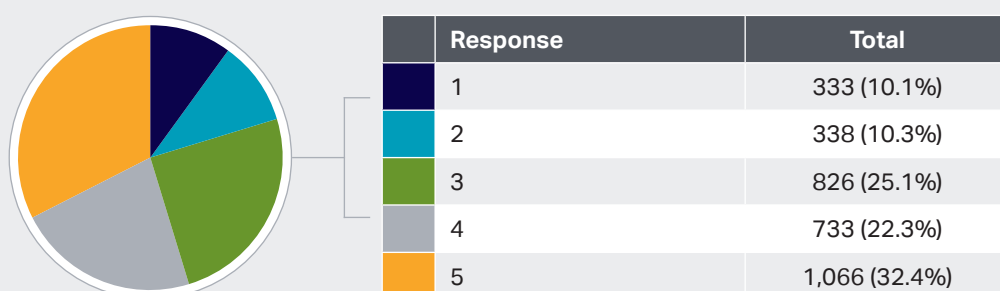


The survey assessed how self-aware respondents were with respect to carbon neutrality and the concept of carbon offsetting. The respondents could grade themselves on a sliding scale from 1 (lowest) to 5 (highest).

As can be seen from the tables below, the respondents were fairly confident around these terms, 54.7% scoring at least a 4 on carbon neutrality and 49.2% at least a 4 on carbon offsetting.

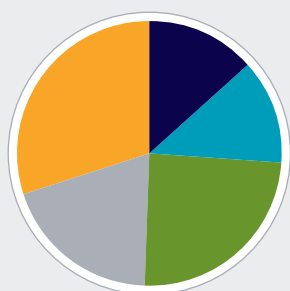
Given the complexity of these issues, the relatively high percentage scores are positive although the caveat is that they were self-assessed measures. Of the two terms measured carbon offsetting was the term that respondents were less confident about. This is reasonable as carbon offsetting is not too prevalent within the short-term rental sector.

### On a scale of 1-5, how confident are you with your understanding of what it means to be Carbon Neutral? (1 is lowest, 5 is highest)





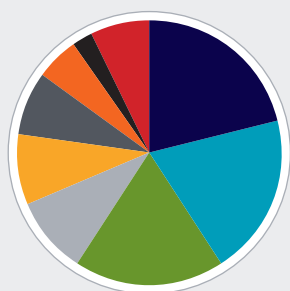
On a scale of 1-5 how confident are you with your understanding of what it means to offset your carbon? (1 is lowest, 5 is highest)



|   | Response | Total       |
|---|----------|-------------|
| 1 | 1        | 430 (13.4%) |
| 2 | 2        | 411 (12.8%) |
| 3 | 3        | 789 (24.6%) |
| 4 | 4        | 616 (19.2%) |
| 5 | 5        | 962 (30%)   |

Based on their experience, property owners and managers believe that the most important environmental sustainability issues for travellers were energy conservation, water conservation and waste management. This is shown in the table below.

What, in your opinion, are the main environmental sustainability concerns in your business, from your guests / customers perspective? (Multiple choice question).



|                                                                        | Response                                                               | Total         |
|------------------------------------------------------------------------|------------------------------------------------------------------------|---------------|
| Energy Conservation                                                    | Energy Conservation                                                    | 2,100 (21.1%) |
| Water Conservation                                                     | Water Conservation                                                     | 1,978 (19.9%) |
| Waste Management                                                       | Waste Management                                                       | 1,824 (18.3%) |
| Pollution from Washing and Cleaning Products                           | Pollution from Washing and Cleaning Products                           | 948 (9.5%)    |
| Green Procurement (Buying Organic, Recycled, Eco Labelled Products)    | Green Procurement (Buying Organic, Recycled, Eco Labelled Products)    | 842 (8.5%)    |
| Food Waste                                                             | Food Waste                                                             | 768 (7.7%)    |
| Staff Awareness and Skills on Making Sustainable Choices               | Staff Awareness and Skills on Making Sustainable Choices               | 536 (5.4%)    |
| Adopting a more Holistic Approach to Corporate Social Responsibilities | Adopting a more Holistic Approach to Corporate Social Responsibilities | 242 (2.4%)    |
| Don't Know                                                             | Don't Know                                                             | 706 (7.1%)    |

When asked what were the main environmental concerns for their business, property owners and managers also selected the same top three concerns.

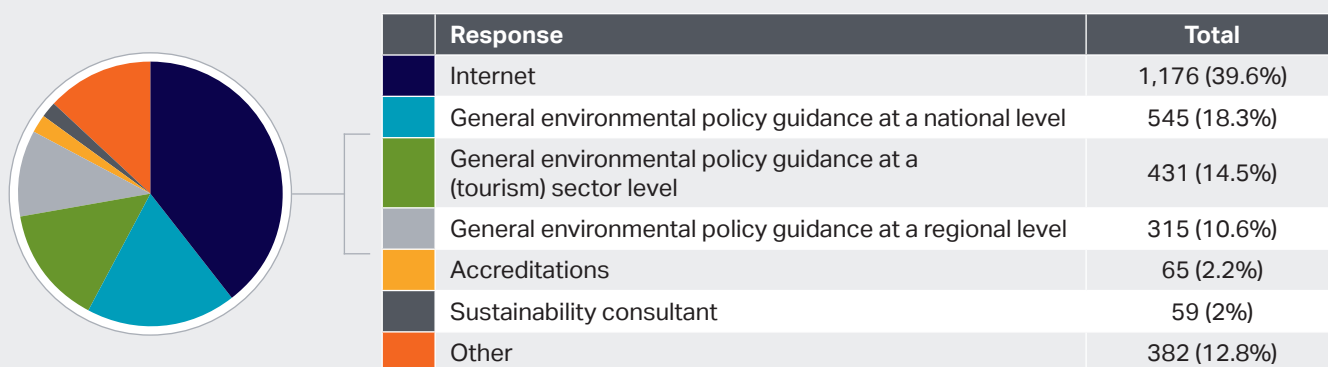
It is important to note that biodiversity concerns were not part of this survey and as such have not appeared as a major concern for both travellers or property owners and managers.

## Where do Property Owners and Managers source their Sustainability Guidance from?

With relatively positive response on the recognition of the terms carbon neutral and carbon offset, we set about discovering how property owners and managers sourced their information regarding sustainability.

The results in the table below show that the sources are not mutually exclusive, and that the Internet is the prime source of sustainability information.

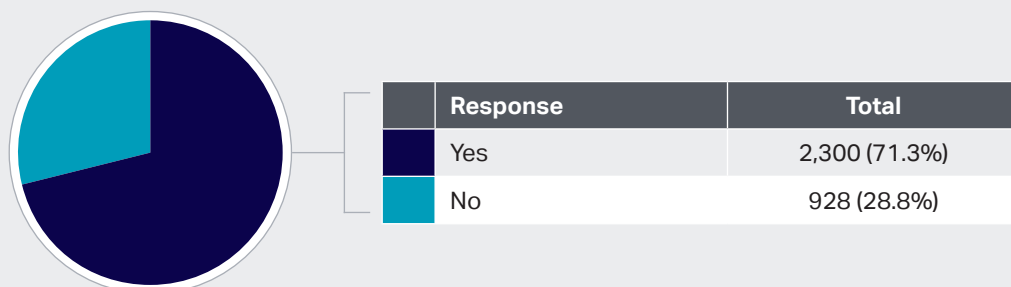
### Where are you getting your guidance from at present?



General environmental policy at a National and sector level is also important along with regional guidance. Respondents were not asked to judge the quality of the guidance they had found. It is likely, however, that the national and sector guidance is to be of good quality once the Internet is of variable quality.

On the theme of quality information, we took the opportunity to ask respondents as to whether industry led guidance would be welcomed as an authoritative source of information.

### Would you feel encouraged to embrace best practices if tailor-made guidance on how to be more sustainable as a STR business was guided by the leading Short Term Rental Associations?



The response to this question is significant given the high degree of self-confidence the property owners and managers have regarding their abilities in terms of sustainability information. It also demonstrates that whilst respondents are comfortable gathering information from the Internet there is also a demonstrable need for information from a reputable source, upon which they can place reliance.

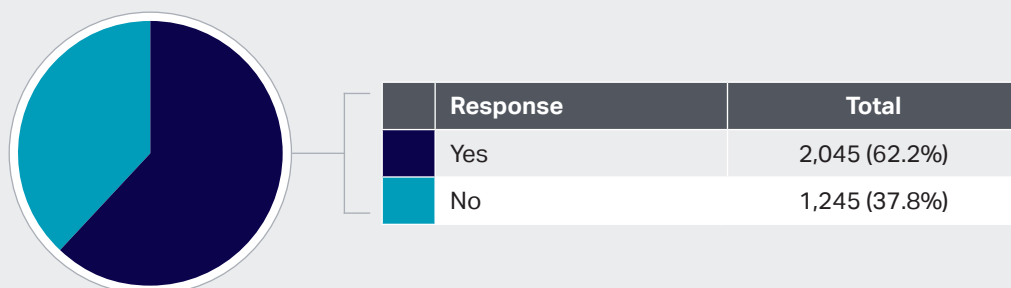


## The Role of Accreditations

Interestingly, property owners and managers did not place much reliance upon certifications when sourcing their sustainable guidance. This may be down to a number of factors, for example, the certification merely checks the current status of the property without offering a path for improvement. Although when asked directly about the efficacy of certifications, respondents have a different perspective.

No single global accreditation is fully cognisant of local factors that affect a specific place or region, so property owners and managers are faced with a myriad of choices that may only be partly applicable.

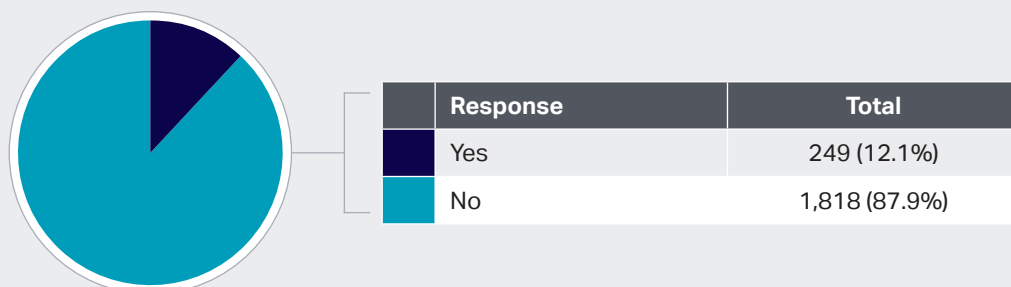
**Do you think these Eco-Certification schemes are useful in helping businesses / you to understand and implement environmental sustainability practices better?**



It should be noted that only 65 respondents listed accreditation as a source of information regarding sustainability. This compares starkly to 2045 respondents who think certification schemes would be useful to implement environmental sustainability practices better full stop.

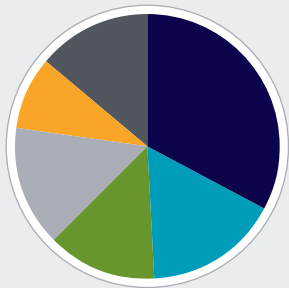
With such a high percentage of respondents with these views, it is quite surprising that the level of participation in accreditation schemes is so low, as reflected in the table below.

**Is your company / you already participating in any Eco-Certification scheme?**



The low participation rate was explored further in the follow up question with the results shown the table below.

## Could you please provide reasons why, in your opinion, Eco-Certifications are not helpful?



| Response                                                                                      | Total       |
|-----------------------------------------------------------------------------------------------|-------------|
| I don't see any value in them                                                                 | 517 (32.9%) |
| They cost too much                                                                            | 256 (16.3%) |
| Existing Eco-Certification doesn't tackle the specifics of my business                        | 213 (13.6%) |
| I find them difficult to understand / comply with them                                        | 228 (14.5%) |
| There are too many Eco-Certifications, and I don't know which one is the best for my business | 143 (9.5%)  |
| Other                                                                                         | 214 (13.6%) |

The largest single factor from the respondents was that there was no perceived value in the accreditation. This view may be temporary as the booking.com survey shows that travellers are increasingly interested in travelling more sustainably and as a consequence will be booking accommodation on that basis going forward.

Given the importance of online travel agents (OTA's) to the short-term rental industry, their chosen direction of travel will have a profound influence upon the short-term rental market. To emphasise this point by and large, the short-term rental market is a rule taker rather than a rule setter in terms of trends.

In conclusion, there is a need for an accreditation system that provides useful guidance and allows properties, property owners and managers to build upon their sustainability knowledge. Anecdotally, property owners and managers have expressed concerns with accreditation methodologies that are simply tick box exercises and do not encourage or promote a venue to grow and develop in terms of sustainability.





## Sustainability in Practice

**As part of the work in preparation for this paper, we conducted interviews with some of the largest property managers. A number of these organisations have formal recognition for their sustainability efforts as companies. This is, however, potentially misleading for consumers as whilst the property manager may have a sustainability credential this does not necessarily mean that the properties they manage are also recognised for sustainability.**



One property agency, New Forest Escapes, we looked at as a case study does, however, promote sustainability at all levels. They previously included property management as a service, and now support owners to engage with sustainability as a core business driver.

New Forest Escapes are very active in supporting owners to adopt to sustainability for business reasons (and not altruism), in particular, around reducing running costs and gaining competitive advantage against other stays. They share their approach with the property owners, property managers and other key teams involved in house delivery whose properties they manage.

New Forest Escapes seek to lead by example and share best practice with their property owners. This enables the majority of the research and problem-solving thinking to be lead by the agency, with the benefits passed on directly to property owners without them bearing any additional costs or requiring them to join specific schemes or programs.

This includes helping property owners with utilities management, signage, introducing and sharing emission reduction strategies, such as educational / cost-reducing innovations across stakeholders (cleaners / PMs / owners) to reduce plastics, chemicals, through cleaner cleaning.

They also encourage owners to work with guests around sustainability; educating owners that people are very unlikely to choose to 'do the right thing' unless it's made easier / better than the wrong thing - primarily due to 'holiday exceptionalism' behaviours.

Additionally, property owners are encouraged to compost (which reduces bin smells, and increases recycling weights) and to ensure their gardens support rather than damage nature in particular by planting and renaturing gardens.

### Some of the benefits noted by owners of adopting a more sustainable approach include the following:

- Lowering waste which in turns lower costs.
- Using innovative solutions which in turn reduces costs further.
- Adopting circular solutions such as re-purposing.
- Engagement with the local community.
- Adopting a more effective governance strategy.

New Forest Escapes encourages its property owners to undertake carbon literacy training.

Other property managers encourage local community participation and also work towards lowering their environmental impact through the use of recycling reducing waste, using circular solutions, and switching to renewable power where possible.

# Conclusions

**The importance of sustainability to the short-term rental sector is undeniable.**

Properties with a recognised accreditation achieve a **28% increase in click through rate**. This statistic alone should be sufficient to persuade most property owners to adopt an accreditation strategy.

It is important to note, however, there remains some scepticism regarding accreditations.

Based on the work done for this paper, any accreditation should be structured in a way that helps guide property owners and managers in their sustainability journey and shouldn't just be a simple standalone assessment tool i.e. a tick box exercise, with no independent assessment that provides guidance on where and how to improve.

Furthermore, climate anxiety in younger generations is raising the demand for sustainable travel, and this will only increase.

The online travel agencies recognise this trend and have become a part of Travalyst accordingly. It's insightful and empowering that the STR industry's leading global associations have come together to continue to work on a united approach to ESG goals and guidance for the industry.

"Guests are already voting with their feet and rewarding those hosts and property managers who understand sustainability and its significance to the future of our planet.

"However, this research clearly shows that, even among those in the short term rental industry who want to do something about sustainability, the route to doing so isn't always clear. We support all measures designed to help holiday let operators get ahead of the industry's shift to net zero and beyond, which is one of the most important challenges the sector faces in this decade and the next."

**Andy Fenner, CEO of the Short Term Accommodation Association**

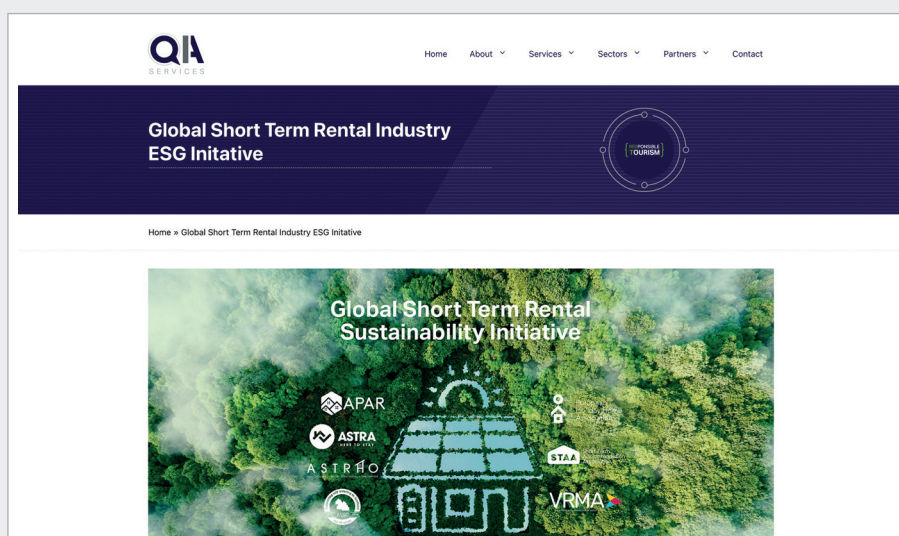


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