

# AIRBNB MARKET REPORT LISBON

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*August 2016*



Whilst Airbnb's growth is being stunted in Berlin and questioned in Paris, in other European capitals the new-age online rental accommodation company is growing fast and with it, the approach to everything from property rentals to sustainable tourism management is changing.

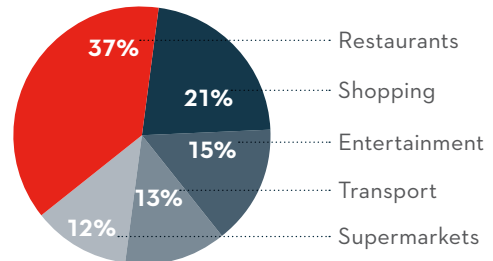
Lisbon's low cost of living, rich cultural offering and upbeat atmosphere stemming from a city that's undergoing continued regeneration is elevating its position as a European tourism heavyweight. A buoyant property market is both a cause and an effect of this trend, with old period buildings being carefully regenerated across the city to a standard synonymous with an increasingly demanding international tourism market.

## Airbnb economic contribution

In 2015 Airbnb brought €268 million to the Lisbon economy, acting as the accommodation solution for 433,000 visitors throughout the year, according data from the company itself. Of the €268 million €43 million was generated through hosts, with €225 million spent by the guests in the city. Of this the majority was spent in restaurants (37%), shopping (21%), entertainment (15%), transport (13%) and supermarkets (12%).

### WHERE AIRBNB VISITORS SPEND THEIR MONEY

€225m



Source: Airbnb

## No of listings increases

According to data from Airdna\* in June 2015 there were 7,011 advertised listings on Airbnb. This number rose to 10,547 by the end of May 2016 indicating a 15% increase overall, supported by higher tourism demand.

According to figures collected by Lisbon's tourist board, the number of visitors to the city increased by 18% from 2013-2015. Flight access is also improving; in July 2016 Monarch launched flights from Manchester, Birmingham and London to the Portuguese capital.

The trend is also continued across the country within the more traditional hotel market, with a record number of foreign tourists visiting Portuguese hotels last year. Total visitor numbers passed 10 million visitors for the first time boosting hotel revenues to nearly €2.5 billion.

### NUMBER OF LISTINGS ON AIRBNB



\*Source: Airdna - data tracking for rental businesses

## Occupancy rates high

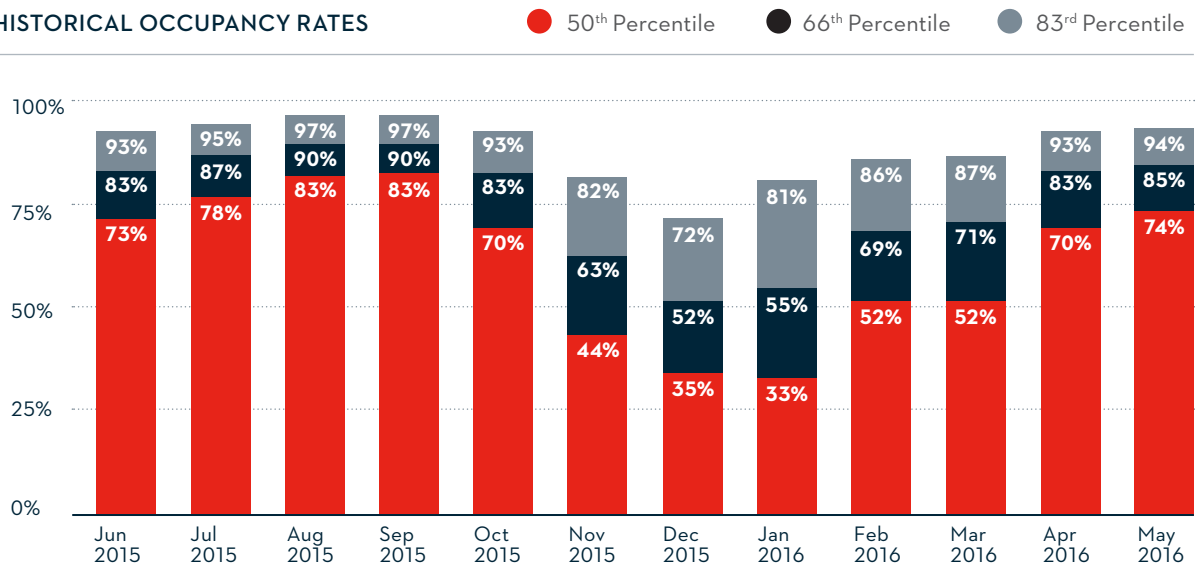
Airdna data also indicates that due to the continued demand occupancy rates for well-performing areas remains high.

The occupancy rate is the number of days that a property had a reservation divided by the total number of days it was available for rent in the month. Properties were sorted into percentiles: properties

in a high performing area, namely the 90<sup>th</sup> Percentile will have a greater median occupancy.

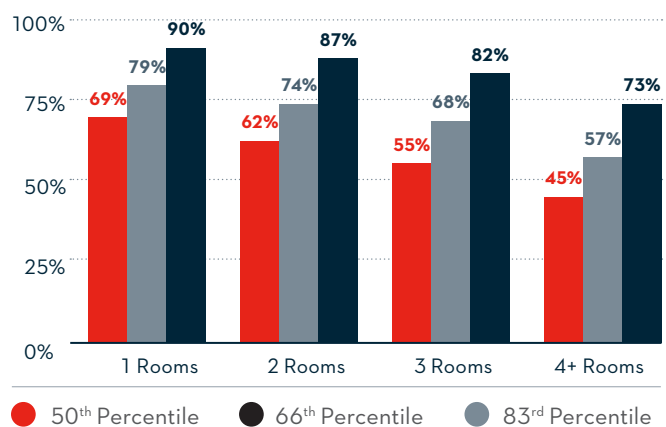
Properties in the high percentile areas, such as the historic centre of Lisbon have strong occupancy rates between 80% and 90% regardless of the size of the rental property.

### HISTORICAL OCCUPANCY RATES



Recent figures from PWC support this trend, showing that hotel accommodation in Lisbon has seen an increase in RevPar (Revenue per available room) of 13% from €66.7 in 2015 to a €75.3 RevPar in 2017.

### OCCUPANCY RATE BY RENTAL SIZE (LTM)

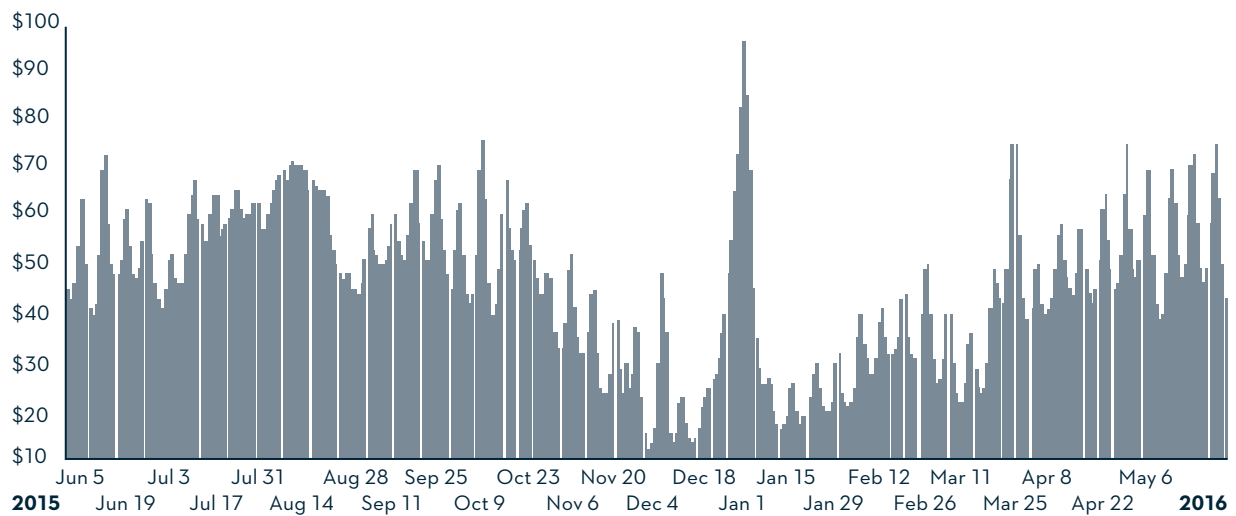


## Evolution of Annual Revenues - Seasonality

As with many European capitals, demand follows a seasonal pattern, but one that has interesting spikes. Airdna showing that room rates are high during the summer months, falling from September to November and then starting back up again in April.

Many European capitals also see a spike in room rates during the winter. Cities like Paris and Berlin both have a strong tourism base during these colder months. However contrary to Paris, whose highest room rate is seen during summer, Lisbon's

highest room rate peaks in December. This is due to a combined domestic and international tourism effect, with return of native Portuguese for the traditional and religious family break plus foreign tourism demand. The temperate climate and festive atmosphere that reigns in the city attracts tourists seeking milder weather, far from the low temperatures of Paris or Berlin.



## Length of stay

Airdna figures on the length of stay in Lisbon of Airbnb users indicate that Lisbon is a preferred destination for a weekend trip. For all three types of hosts (Super, Experienced & Novice) visits of two or three nights were the most popular.

	MINIMUM STAY					
	1 night	2 night	3 night	4 night	5-6 night	7+ night
Super Hosts	16%	44%	35%	4%	1%	0%
Experienced Hosts	17%	42%	34%	4%	2%	0%
Hovice Hosts	27%	38%	29%	4%	3%	1%

## Top 10 performing listings

Looking at the top ten performing listings from the period of June 2015 to July 2016, the most profitable Airbnb properties were in the historic centre of Lisbon. Overall the highest annual revenue generated through renting a property on Airbnb reached €52,452 for a two-bedroom apartment (Chiado) and €77,096 for a four-bedroom apartment (Lapa).

Using the data of the top ten performing listings we can highlight the three most demanded locations in Lisbon, which all are in the historic centre of the city, well known for its network of cobbled streets, its colourful buildings and vibrant nightlife.

The most demanded location was Chiado, which was the location for five of the top ten list of one bedroom apartments. As a collective, the top ten one bedroom apartments had an average annual revenue of €29,398.

### 1 bed

Location	Estimated Annual Revenue (€)	Average Daily Revenue (€)
Baixa	€ 39,894	195
Alfama	€ 36,146	126
Chiado	€ 30,631	96
Chiado	€ 29,880	93
Bairro Alto	€ 29,171	97
Chiado	€ 29,081	85
Chiado	€ 29,054	96
Baixa-Chiado	€ 28,657	96
Chiado	€ 28,456	103
Graça	€ 28,383	94

### 3 bed

Location	Estimated Annual Revenue (€)	Average Daily Revenue (€)
Chiado	€ 45,952	228
Chiado	€ 45,026	235
Chiado	€ 42,425	153
Alfama	€ 41,792	211
Chiado	€ 41,216	202
Principe Real	€ 40,938	293
Santa Justa	€ 38,930	170
Graça	€ 37,545	195
Alfama	€ 37,414	163
Sao José	€ 36,612	154

### 1. Chiado

The annual revenue for the most highest performing two bedroom apartment of Chiado was €38,615, with €44,991 being generated for highest performing three bedroom apartment and €55,932 for the best four bedroom apartment.

### 2. Bairro Alto

A 4+ bedroom apartment in Bairro Alto can yield an annual revenue of €52,976 and €45,916 for a 3 bedroom apartment.

### 3. Baixa

The highest performing one bedroom apartment in Lisbon was located in Baixa, with an annual revenue of €39,862. The highest performing two bedroom apartment in Baixa generated €42,344.

### 2 bed

Location	Estimated Annual Revenue	Average Daily Revenue (€)
Chiado Station	€ 52,493	160
Lapa	€ 46,475	198
Baixa	€ 42,377	164
Baixa	€ 40,133	128
Chiado	€ 38,645	119
Graça	€ 37,978	133
Baixa	€ 37,904	129
Alfama	€ 34,740	115
Bairro Alto	€ 32,999	137
Liberdade	€ 31,851	119

### 4 bed

Location	Estimated Annual Revenue (€)	Average Daily Revenue (€)
Lapa	€ 77,156	918
Pena	€ 57,401	233
São Mamede	€ 56,119	284
Chiado	€ 55,975	229
Bairro Alto	€ 53,017	229
Lapa	€ 51,837	308
Chiado	€ 51,665	233
Bairro Alto	€ 51,475	263
Sao Pedro	€ 47,524	689
Bairro Alto	€ 47,053	253

Source: Airdna

Data from Airdna was provided in USD (\$) and has been converted to EUR (€) at a rate of USD \$1.1 to EUR €1.



## Athena Advisers

Established in 2003 and today led by three partners, Athena Advisers is an international sales network and property investment advisory that specialises in attracting new-build and renovation development projects in key prime markets.

From alpine chalets to sleek town houses, beach houses and everything in between in France, London, Lisbon and soon other destinations, we handpick our product portfolio very carefully, considering profitability but also lifestyle appeal.

With multiples consultants on the ground in every destination, we are both an advisory and a concierge specialising in property and lifestyles, simplifying access to property investments and providing local insights.

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