

Potential tourism influx over festive season good news for short-term market

Following south Africa's removal from the red list, Google reported a notably visible spike in flight searches to the country, particularly from UK residents. This uptick in interest could spell a tourism influx over the festive season and good news for the embattled short-term rental market which has struggled since the onset of the Covid-19 pandemic, says Grant Smee, CEO of Frankie Bells Real Estate and property entrepreneur.



Source: Gallo/Getty

“Airbnbs and other short-term rentals have seen a significant decrease in demand over the past 18 months and the sector sees the reopening of leisure travel as a much-needed lifeline,” says Smee.

Areas in demand

Coastal areas such as George, Knysna, Mossel Bay, Ballito and the Atlantic Seaboard are expected to “score big”.

“At this stage, flights out of the UK are still limited and expensive but we are seeing a demand for large coastal homes to accommodate families over the festive season,” he adds. “We also can’t rule out Mpumalanga as a sought-after tourist destination with easy access to the Kruger Park and other private reserves.”

Trends observed in this space

Important to remember is the exchange rate and the price that many are willing to pay to see their loved ones after almost two years. “Rather than opting for a short trip, many visitors have their sights set on rentals of around one month in coastal areas. These rental properties are three-bedrooms-plus to accommodate large family reunions.”

And while local lockdowns over the festive season can't be ruled out, Smee believes that the hospitality and tourism sector will be accommodated over this period. "The sector has faced fatal blows since the onset of the pandemic and the reopening of borders for leisure travel to South Africa is vital."

Adding to this, Smee anticipates a demand for coastal home purchases by international investors. "Home prices are at an all-time low and investors visiting the country will be looking around for great deals on a holiday home or home to rent out."

Australia, home to many South African expats, will also be opening international borders for residents to travel from next month. Smee says that this too could generate great demand for residential property.



PROPERTY

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How to attract international tourists

Smee shares his three top tips for landlords looking to attract tourists to their short-term rentals:

- To Airbnb or not to Airbnb: Listing a short-term, luxury rental on Airbnb is a great way to ensure property exposure, however, you might not want to get lost in the clutter over the festive period. "Partnering with a reputable estate agent in the luxury rental space is your best way of securing a vetted international tenant."
- If the price is right: "Working with an agent gives you access to data. Knowing what other properties are renting for is the best way to ensure that you remain competitive and can secure a tenant. Over or under pricing could spell disaster over this period."
- Put your property on the map: "Make sure that your estate agent has access to a large database and can run a marketing campaign to expose your property to a host of international tourists," Smee concludes.

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