

# STRONG GROWTH, INCREASED COMPETITION AND HIGHER CUSTOMER EXPECTATIONS IN APAC VILLA RENTAL MARKET



Comparing to 2017, [Villa Finder](#) found that the villa rental market in the Asia Pacific has grown by 12%, reaching US\$440m. More villas are being built across markets like Bali, Thailand, New Zealand, Australia, Goa and more.

Being the largest villa market in the [Asia Pacific](#), Bali saw a strong growth of 18%, totaling US\$162.5m. There are over 4000 villas available full-time for short term rentals, a +34% increase of an already oversupply market. The competition is getting higher than ever, driving the average price down by 10%.

Goa sees the strongest growth of +23%. According to Aakash Kochar, Sales Director of Luxurystays.in, the market is also getting more competitive with more players entering and customers demanding more personalisation and service.

Similarly, in Australia, there are more holiday villas for rent and “a dozen new players compared to only two years ago,” said Mat Lewis, Co-Founder & CEO of View Retreats. He also noted that while the main market for villas is families, he has seen an uptrend of younger travellers (18-24 years old) renting villas to celebrate special occasions as well as businesses using villas for functions and meetings.

Sri Lanka applauded as the number 1 place to visit in 2019, saw a + 25% increase in the number of villas, and the market grew by +20%. The tourism industry was brought to a halt by terrorist attacks in April. However, the impact won't be long-lasting as visitors are starting to come back.

Overall, the occupancy rate has gone down across markets, which is an early sign of an oversupply.

In contrast, the Thailand villa market is struggling. “The number of villas being built for rent has saturated the market, the choice is now endless but demand is down.” – shared Stuart Burt, Property Manager at Sunshine Samui Villas. Hua Hin market went down by 38%, Samui by 15%, Pattaya by 1.5% and Phuket by 2%. The lack of Chinese tourists due to the Phuket boat accident in 2018, the strong Thai baht and the impending world recession have contributed to the downward trend in Thailand.

[Villa Finder's research](#) has also found new potential markets for villa rentals. In New Zealand, the demand for holiday villa is going up, noted by David Compton, Managing Director of Twizel Holiday Homes. Our experts from Japan also confirmed that the market is growing in Japan, with Niseko being the top market for ski chalets and Hakuba and Nozawa Onsen the following suit. Vietnam and

Malaysia both have over 100 villas and plenty of new developments: NovaBeach Cam Ranh Resort & Villas, Sonasea Villas Resort, Ha Tien Venice Villas (Vietnam), Forest Estate in Langkawi and Forest City Coastal Villas in Johor Bahru.

Experts across markets have also noted that customers' expectations are getting higher. With increased competition, villa owners are trying to find a unique edge to their properties, offering more personalised services and better inclusions to attract customers.

Date: 2019-12-03

Article link: <https://www.tourism-review.com/growth-of-villa-rental-market-in-asia-news11307>