



Research Report 2019:

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# The State of Long-Term European Business Travel

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An analysis of the evolving business trip and how it is being influenced by the socio-economic trends currently affecting the UK, Germany, France and Spain

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## Foreword

*As the world becomes increasingly global, travel is evolving into an even more important part of business strategy, whether that is because it helps build new relationships in different parts of the world, maintains existing relationships or enables firms to expand into new countries. On top of that, more people (especially younger generations) consider travel to be an essential benefit when looking for new roles. As communications improve and it gets easier to stay in touch with loved ones while abroad, many are also revelling in the opportunity to move to different cities and countries long-term for work, establishing a “home away from home” for themselves in new places.*

*I've been in this position myself (and still am, splitting my time between my hometown of Cologne and Barcelona) and it brings a whole wealth of benefits: new life and business experiences, and - of course - a lot of excitement. However, for many, this experience can be ruined by staying in inappropriate accommodation. I can speak from personal experience - having lived in the US, China, and Spain during extended business trips, and being cooped up in tiny, cramped, and often uninspiring hotel rooms for weeks on end, without your own kitchen to make a home cooked meal or other amenities that make you feel at home. The fact is, that standard of living just isn't acceptable to be the default for business travel anymore.*

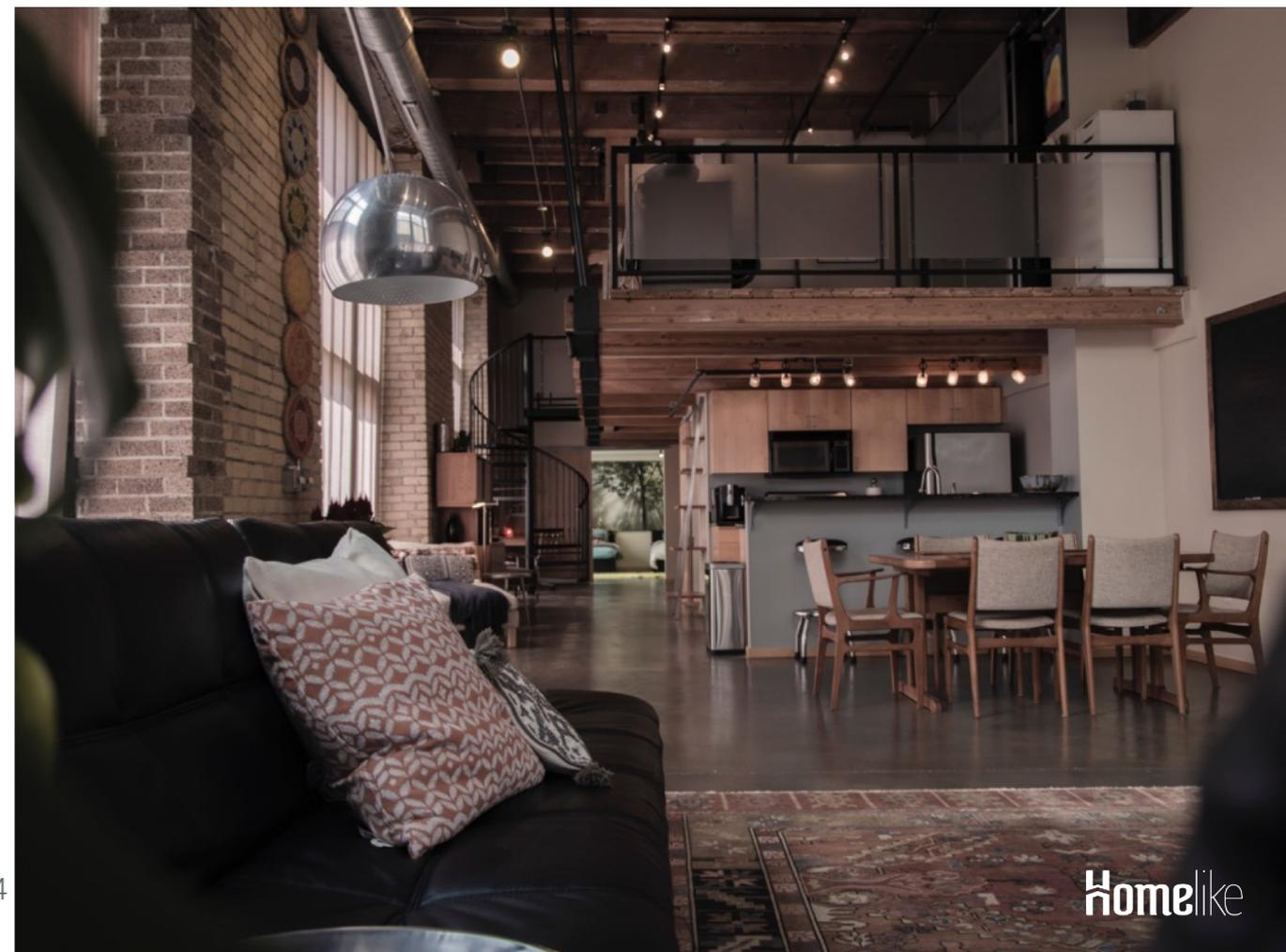
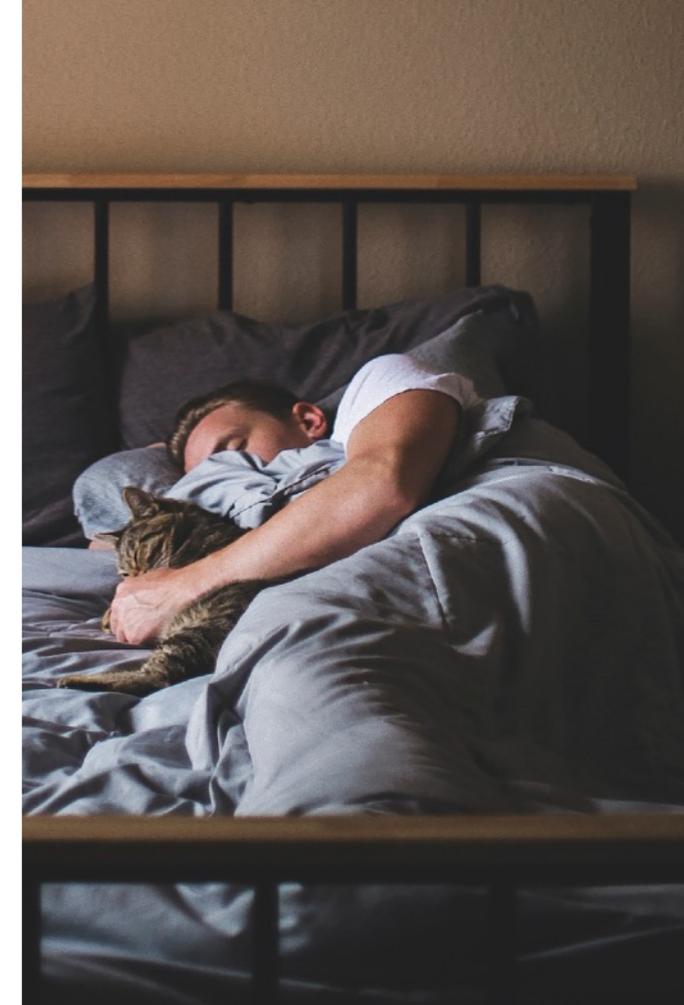
*We founded Homelike to connect travel managers and business travellers at organisations with landlords, professional apartment suppliers, and real estate professionals who want to rent out furnished apartments and homes longer term (for over a month). Up until now these audiences have been disconnected, mainly because much of the real-estate industry, and many corporate organisations, are yet to go through a digital transformation that addresses this. With Homelike, people booking long-term business accommodation can now do so on a platform that gives them a sleek, and truly modern digital experience. We help travellers find the accommodation that suits them best, whether they have their kids with them and need to be near a school, have a dog they're inseparable from or they are a fitness junkie that needs to be near a park or gym.*

*This is the first large-scale piece of research we've developed at Homelike and it is crammed full of insight (some surprising, some confirming what we thought already) that will be fascinating and helpful to you, whether you are a travel manager, business traveller, real-estate professional or if you're just fascinated in this evolving industry. Enjoy!*

**- Dustin Figge, CEO and co-founder of Homelike**

## Who is this report for?

- ✔ **Business Travellers**
- ✔ **Travel Managers**
- ✔ **HR Managers**
- ✔ **Recruiters**
- ✔ **Business Owners**
- ✔ **Landlords**
- ✔ **Real-Estate Professionals**





## Introduction: why read this report?

Business travel is a massive industry. It was worth \$1.3 trillion in 2017 and is predicted to grow by 4.1% to \$1.7 trillion in 2023. Furthermore, the sector that Homelike operates in - long-term business travel accommodation - is worth \$160bn globally and growing. What this means is that business travel is an important sector to have an understanding of as it contributes a large sum to the entire world's economy and, on a micro scale, has a positive effect on the local areas that travellers visit.

To gain a better understanding of what this industry looks like today in Europe, we have surveyed 2,000 business travellers from the UK, Germany, France and Spain about their business travel habits and how socio-economic trends are affecting their organisations' business travel.

### The objectives of this report are to:

1. Give readers an understanding of what European business travel looks like in 2019
2. Highlight the value that business travel (particularly long-term business travel) brings to the local economies that business travellers visit
3. Explore the effects of recent relevant socio-economic shifts in Europe on business travel, namely: Brexit, economic volatility and a clampdown on tourism in some countries

# Key Findings: Short on time? Here's what you need to know

1

The average business traveller is a **36 to 40 year old man who lives in their country's capital city** (unless if they are German, where they are more likely to hail from West or South Germany).

2

**Brits most likely to be long-term travellers**, and also are most likely to have stayed abroad for over 6 months or to travel for over a month twice a year. The average European business trip is a short 2 to 6 days.

3

**Over a third (35.5%) of business travellers would now rather stay in a furnished apartment than a hotel** when travelling over a month for business. Spanish business travellers are the biggest lovers of the furnished apartment, with almost half preferring an apartment to a hotel.

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4

**Europeans would rather stay in one location long-term for business over travelling back-and-forth frequently.** This is mainly because they find long-term travel less stressful, are more productive when staying long-term and like to make other countries "a home" when travelling for business. French men are the only demographic that prefer frequent travel.

5

Per person, **French business travellers contribute the most to local economies when travelling abroad**, spending €628.26 a week - €128.52 more than the average of €499.74. We have estimated that **the yearly spend of people from the countries we surveyed when travelling for business is €102.4billion.**

6

Uncertainty reigns in Europe as **most business travellers aren't sure how Brexit will affect their business** or aren't feeling an affect yet. All respondents are travelling more outside of Europe, although some British, French and Spanish firms have stopped business travel altogether since Brexit was announced.

7

**A third of UK business travellers believe they are travelling less because of the volatile pound.**

[Click to tweet](#)



8

**Short-term letting in France has both negative and positive effects on French communities:** a third believe it has upped rent making it difficult for locals to continue to live in certain areas but others say that it has injected money into local economies.

9

**Germans see massive value in encouraging more business travel to their country** and see it as one way to help boost the faltering economy in the country. Respondents particularly see value in developing new trade relationships, especially with Chinese businesses.

10

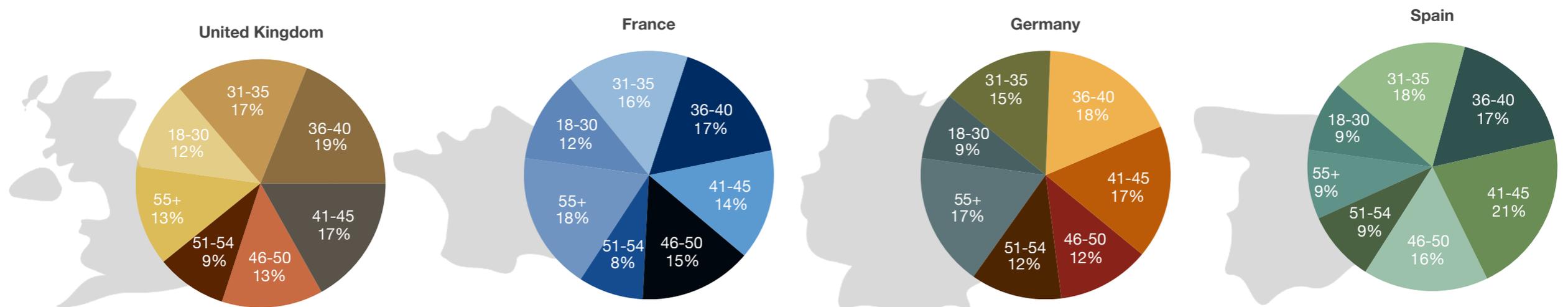
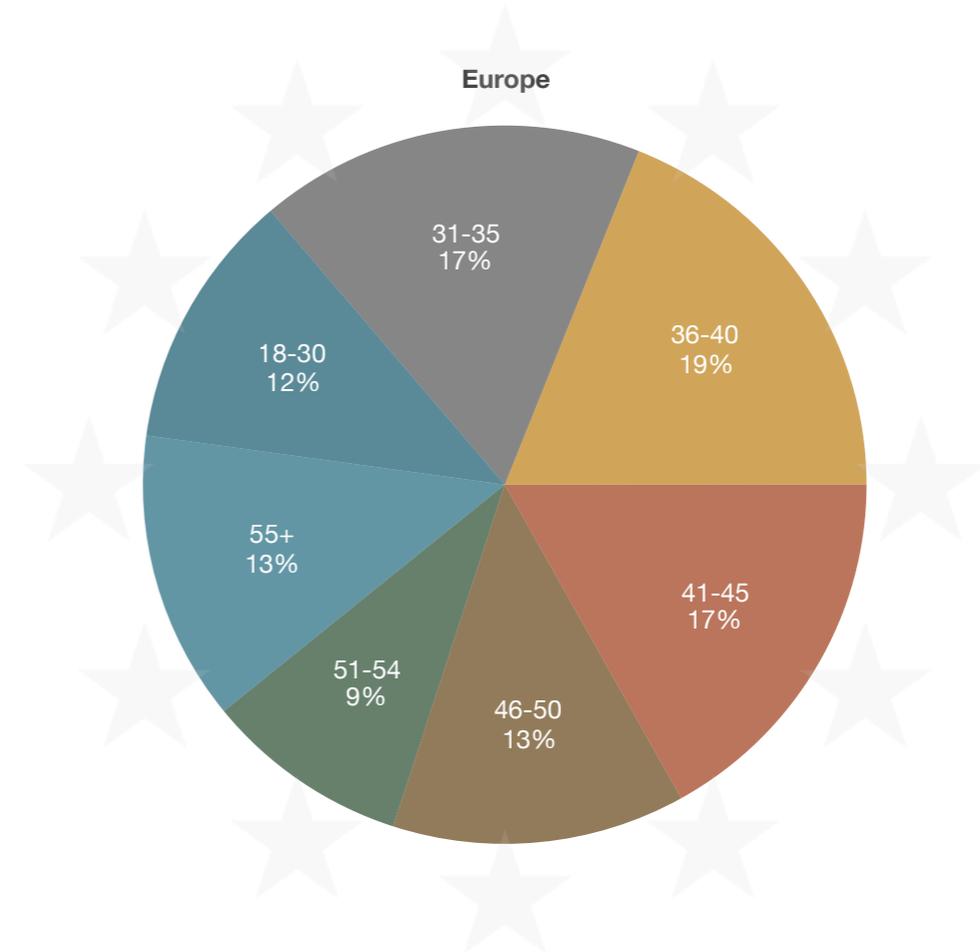
**The majority of Spanish business travellers wouldn't end the tourist tax**, which is in place in certain parts of the country, because of the troubling effects of mass tourism. However 2 in 10 believe that it stops businesses from visiting Spain.

## Section 1: Who is the average European business traveller?

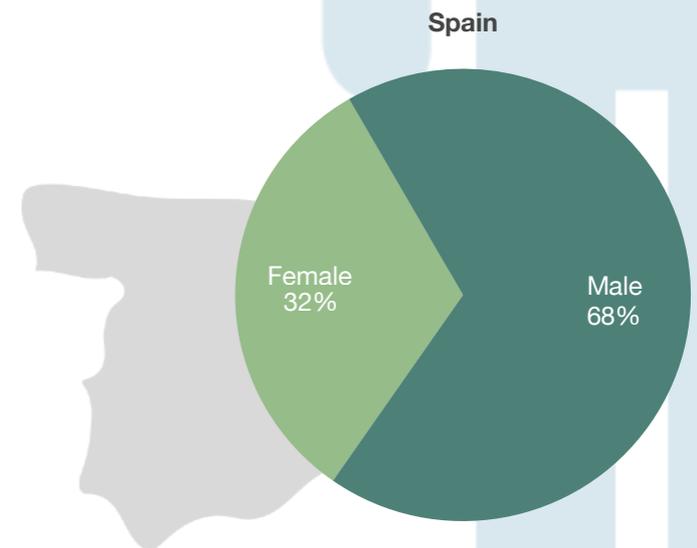
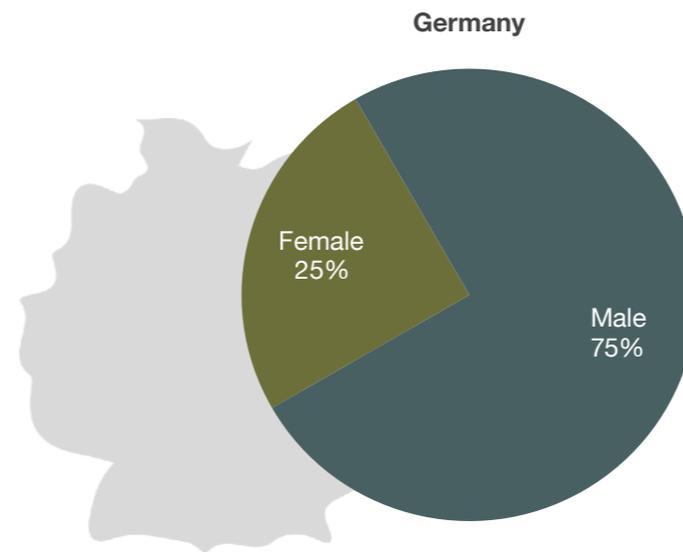
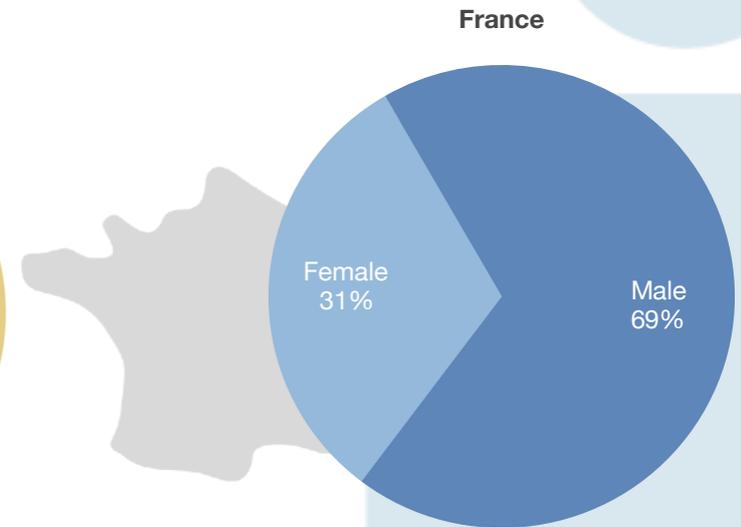
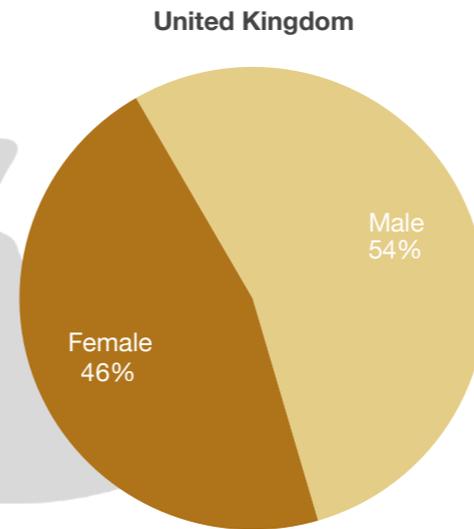
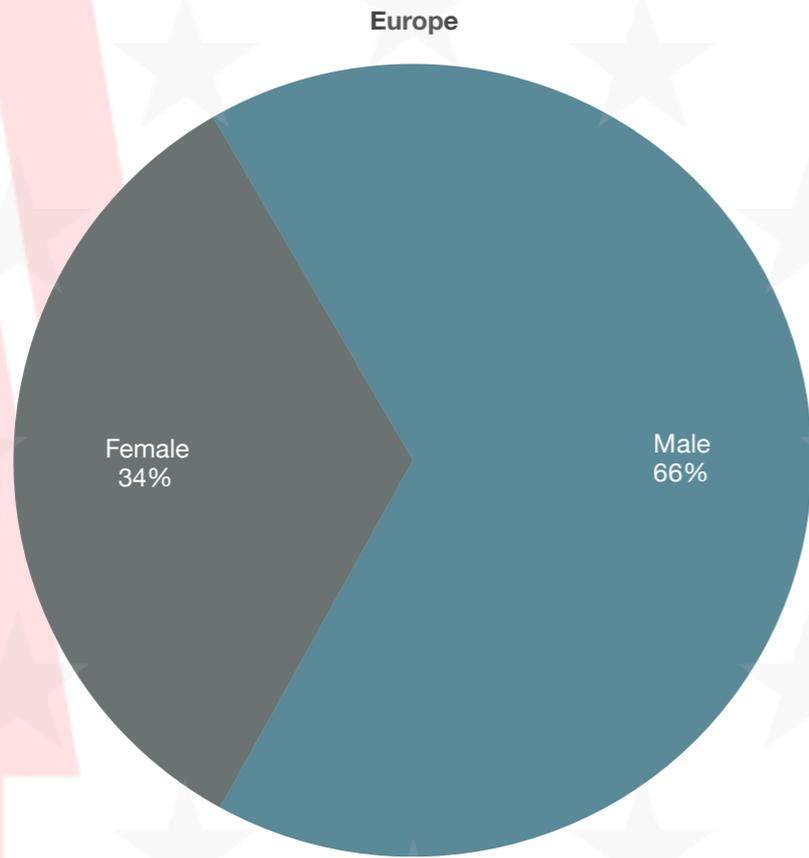
We surveyed 2000 European business travellers in order to get an in-depth understanding of who the average traveller is, what they like and dislike about business travel, how they interact with the places they travel to and how their travel is impacted by socio-political themes in their regions.

The visuals below give you a representation of our respondents. We can infer that the average business traveller is 36 to 40 years old (the so-called Xennial generation that harbours both Gen X cynicism and Millennial optimism) and more likely to be a man. In each European country, business travellers are also more likely to live in their country's capital city (so, London, Madrid, Paris) unless they are German. German business travellers are more likely to live in the West or South of the country and likely hail from the likes of Cologne, Frankfurt and Munich.

## How old is the average European business traveller?



# Are European business travellers more likely to be women or men?

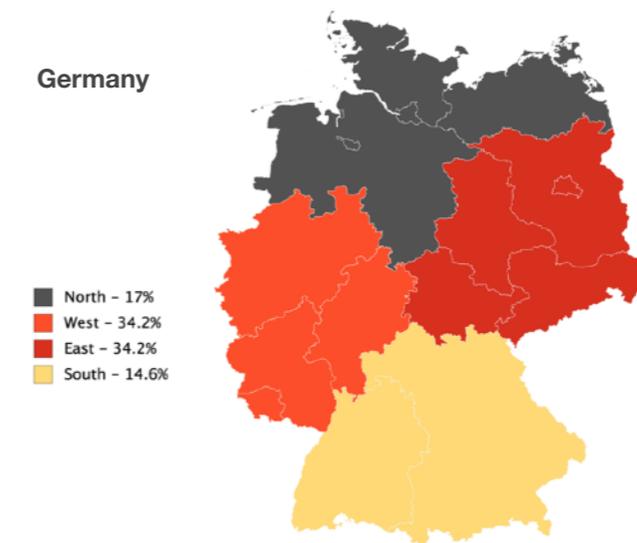
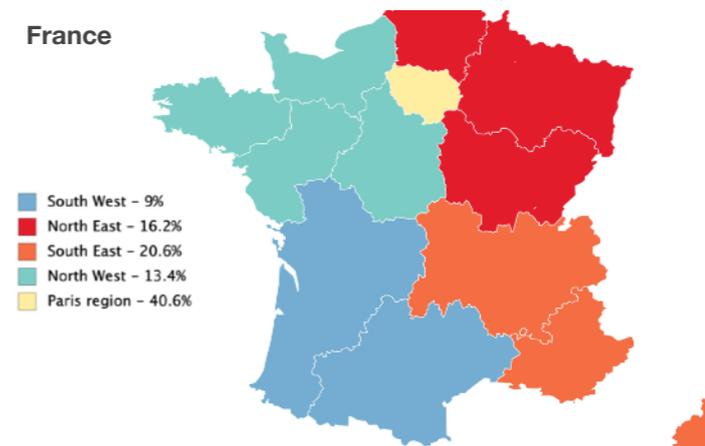
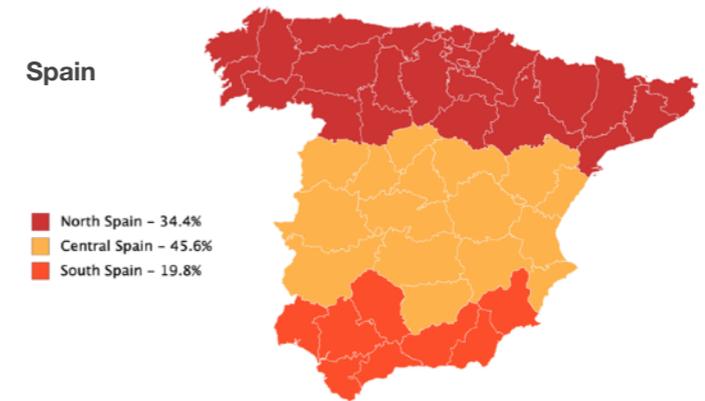
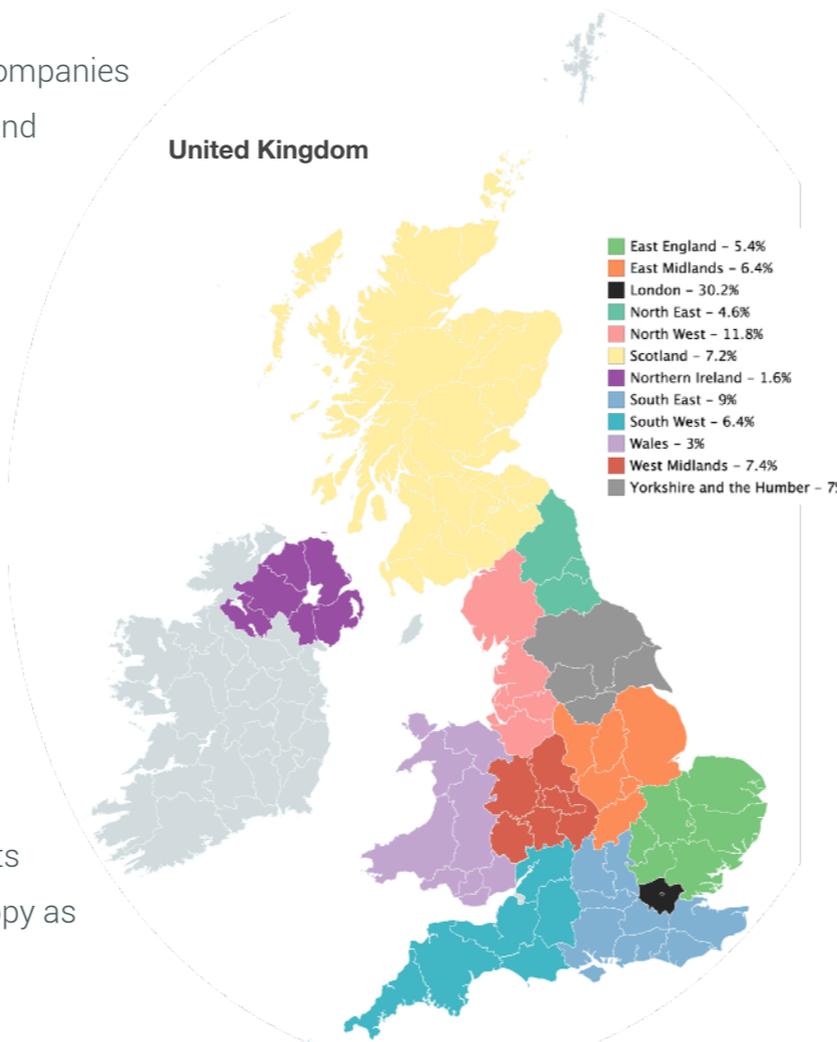


# Whereabouts in their countries do European business travellers live?

We want to conclude this section with a more general note on business travel. While the data shows that certain demographics are more likely to travel than others, the ongoing globalisation of the business world means that all businesspeople are travelling more than they did a decade ago. In fact, American Express Global Business Travel (GBT) released insight this year that said there was a 3.6% rise in the number of Europeans travelling for work between May 2018 and May 2019. Business travel expenditure is also set to increase by 4.3% this year.

This isn't a case of people being forced by their companies to travel either. Globally, nearly 40% of Millennial and Gen Z workers wouldn't accept a job that doesn't include travel and 30% of workers would even accept lower salaries in exchange for more business trips.

As the years go on, no doubt more people will find themselves travelling for business. It's key for organisations to identify on the macro scale how they can ensure their business travel is making a positive impact on local economies and is done in as environmentally friendly way as possible. Additionally, on a micro scale, business travel must be catered to the specific requirements of staff so that they can be as productive and happy as possible when travelling.



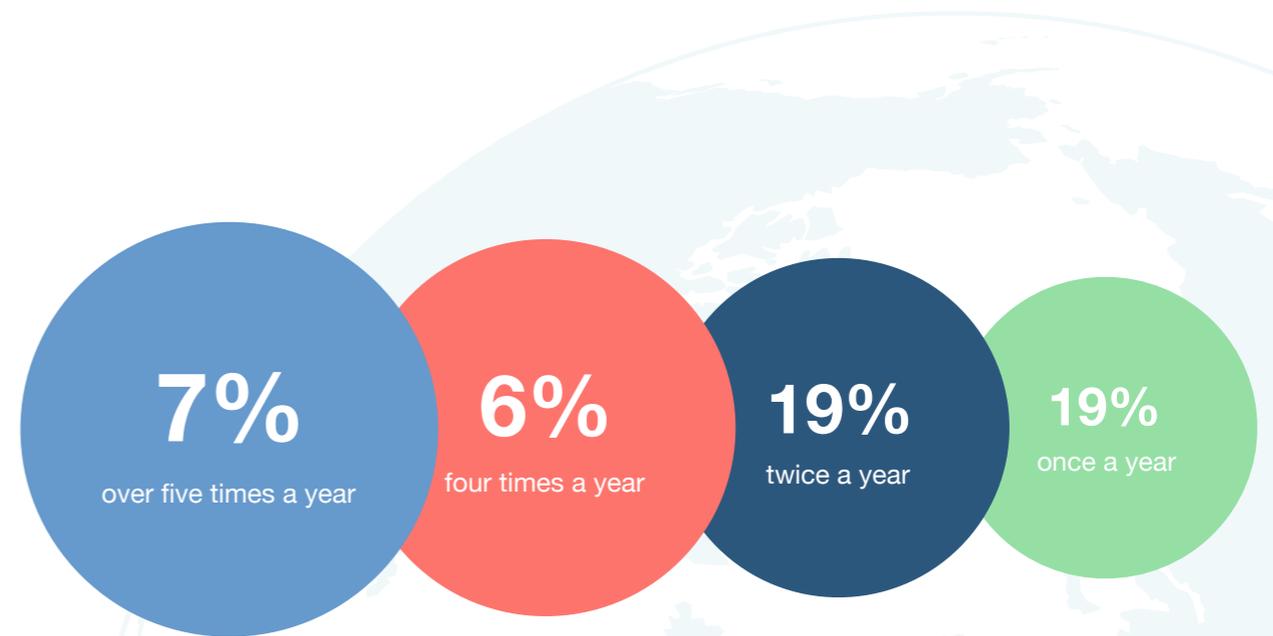
## Section 2:

# The average business trip is changing

The stereotype of "the business trip" likely brings up images of stuffy hotel rooms, corporate lunches and lots of alcohol and unhealthy food. However, as consumer travel is moving away from the package vacation towards more "living like a local" type experiences, this is being reflected in business travel.

This is known as the 'bleisure' travel phenomenon, where people extend their business trips to have more time to experience the local culture in the countries they visit. It's safe to say that business trips where visitors are stuck in a conference hall or hotel meeting room without time to explore the country they have travelled to are no longer accepted by business travellers.

## How many times a year do European business travellers stay abroad for 30+ days?



## So, how long are people travelling for - and how often do they travel?

1 Most European business travellers have stayed a **maximum of 2 - 6 days** abroad for business

2 Generally, men are more likely to travel long-term, for **1 month to 6+ months**, but women are more likely to work abroad for **2-3 months** specifically

3 Travellers from the UK are most likely to have stayed abroad for over **6 months**

4 Brits are much more likely than other countries to travel for 30+ days **twice a year**

5 Spaniards are most likely to go for **over 5 business trips** a year that last 30+ days

6 Business travellers aged 18-30 are travelling for 30+ days **more than all other age groups**

## How do they get there?

Despite rising concerns about the environmental effects of air travel, its convenience and speed means it is still by far the most popular way to travel for business. However, some other interesting trends we identified are that:

- **Spaniards** are the biggest plane travellers, with 76.4% saying they use a plane for business travel
- **Brits** prefer to mix it up and are the Europeans most likely to travel by car (32.6%) or train (21.2%) suggesting they travel more domestically or take more trips via the channel tunnel
- **Germans** clearly love the AutoBahn as nearly a third (30.42%) prefer to travel for business by car
- **Younger people** (aged 18 to 30) are more likely to favour travelling via train or driving over plane travel compared to older people, especially those approaching their fifties



62%



22%



14%



1%

## Where do they stay?

We asked business travellers what kind of accommodation they'd prefer if staying away for business for over a month and we found that the preference for staying in a furnished apartment over a hotel continues to grow.

The novelty of hotel stays are wearing thin as the luxury they used to be associated with is being replaced with a sentiment seeing them as expensive, cramped and uninspiring.

The desire for more of a 'home away from home' when travelling both short and long term as well as a need for a better cost and an easier booking processes is seeing the furnished apartment continue to rise towards the top spot.

In terms of what business travellers want from their accommodation, research we conducted earlier in the year identified that young people in particular expect "home away from home" features when travelling for business. This includes being close to green spaces (29%), having their partner and family live with them (23%) and having their pets live with them (21%).

### The top features that all business travellers wanted from their accommodation were:

1. Central City Location
2. Quality of Property (that it is well kept, modern and has high quality furnishings)
3. Cost

## If you were to stay in another country for business for a month or longer, which type of accommodation would you prefer?

**36%** Over a third (35.5%) of European business travellers would rather stay in a furnished apartment

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**6%** 6.2% of European business travellers have no preference for where they stay when travelling

**41%** Almost half (41.2%) of Spaniards would rather stay in a furnished apartment when travelling

[Click to tweet](#) 

**70%** Germans are the biggest hotel lovers, with 70.2% preferring a hotel over a serviced apartment

**58%** 58.4% of European business travellers would rather stay in a hotel

**18-30** However, young Germans (aged 18 to 30) have more of a preference for staying in a furnished apartment compared to their elders

## Section 3:

# Why are people choosing to stay long-term?

One of the most interesting findings of our research is that the majority of European business travellers would now rather stay in one location longer term (for over a week at a time) rather than frequently have to travel for short trips.

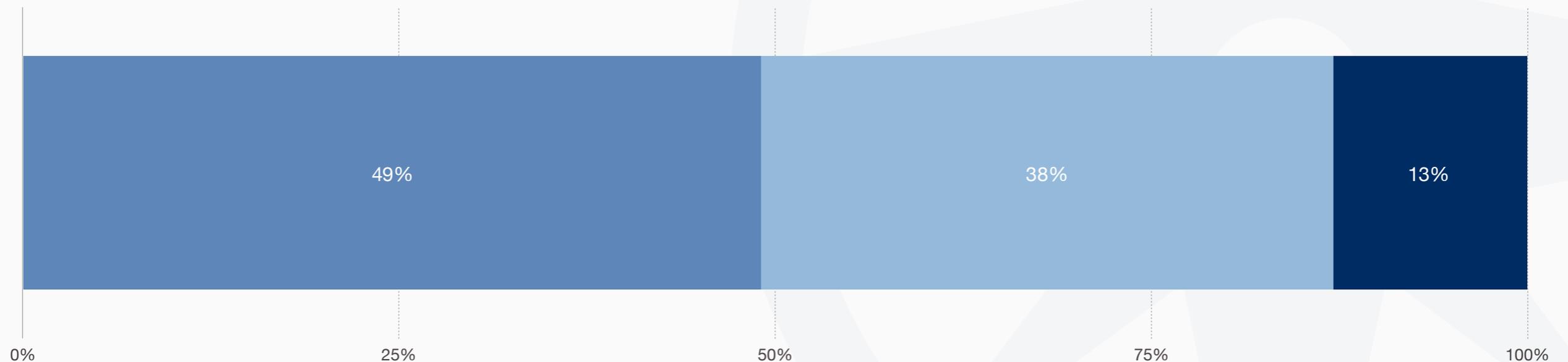
### On a more granular level, we found that:

- Brits and Spaniards are more likely to prefer long-term travel
- The French have the biggest preference for short term travel, but the majority still prefer to travel long-term
- French men are the outlier here, with more French men preferring short-term travel over long-term travel
- Young people in Germany and France stand out from their elders with the vast majority preferring long-term to short-term travel
- 72.73% of German 18 to 30 year olds prefer long-term travel, as do 65% of French people the same age

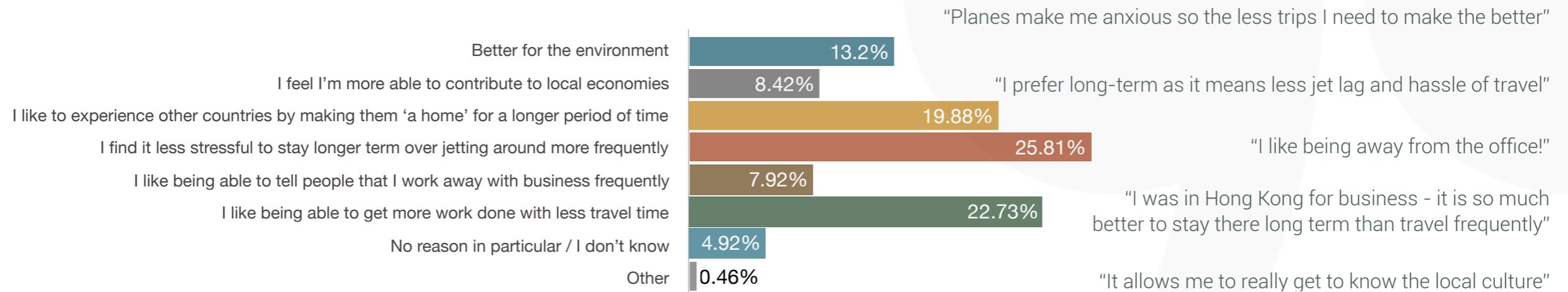
So, why do some people prefer long-term travel and others prefer short-term travel? Our research identified that there are a number of factors at play.

## When staying for business, would you rather stay in a location longer term (a week plus) or travel back-and-forth frequently (short term travel)?

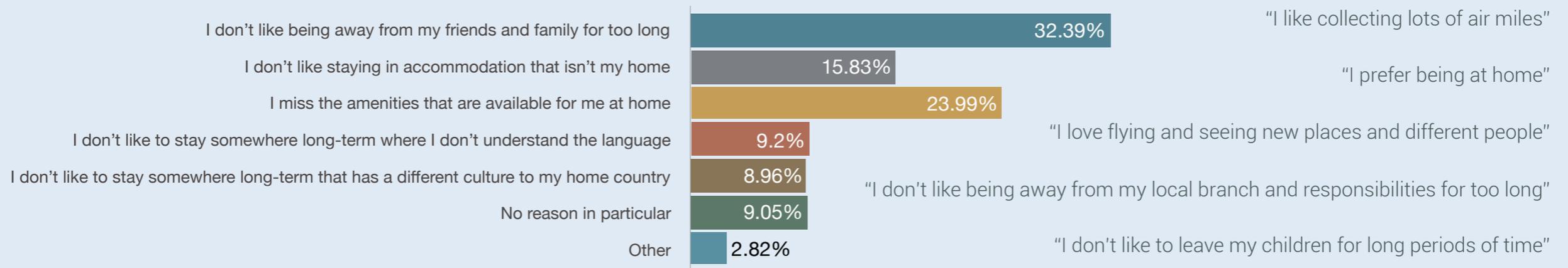
- Stay in one location longer term (a week plus)
- Travel back-and-forth frequently (short term travel)
- No preference



## Why would you prefer to stay in one location longer term (a week plus) when travelling for business?



## Why would you prefer to travel back-and-forth frequently (short term travel) when travelling for business?



## Some more interesting insights...

- Brits are the most likely to prefer long-term travel because they see it as better for the environment - but they are also most likely to prefer it because they like boasting about how much business travel they do in their role!
- Germans love staying long-term in another country to immerse themselves in a new culture and create a "home away from home"
- The Spanish and French are more likely to prefer short term travel because they miss their family and friends
- Brits and Germans are most likely to prefer short-term travel because they prefer their culture back home and don't like speaking another language
- Men are more likely to prefer short term travel because they miss their family and friends - women miss local amenities and their house
- Women are more likely to prefer long-term travel because they don't like the stress that frequent travel causes
- The main reason that younger travellers (aged 18 to 30) prefer long-term travel is because they like making different countries "a home" for a longer period of time



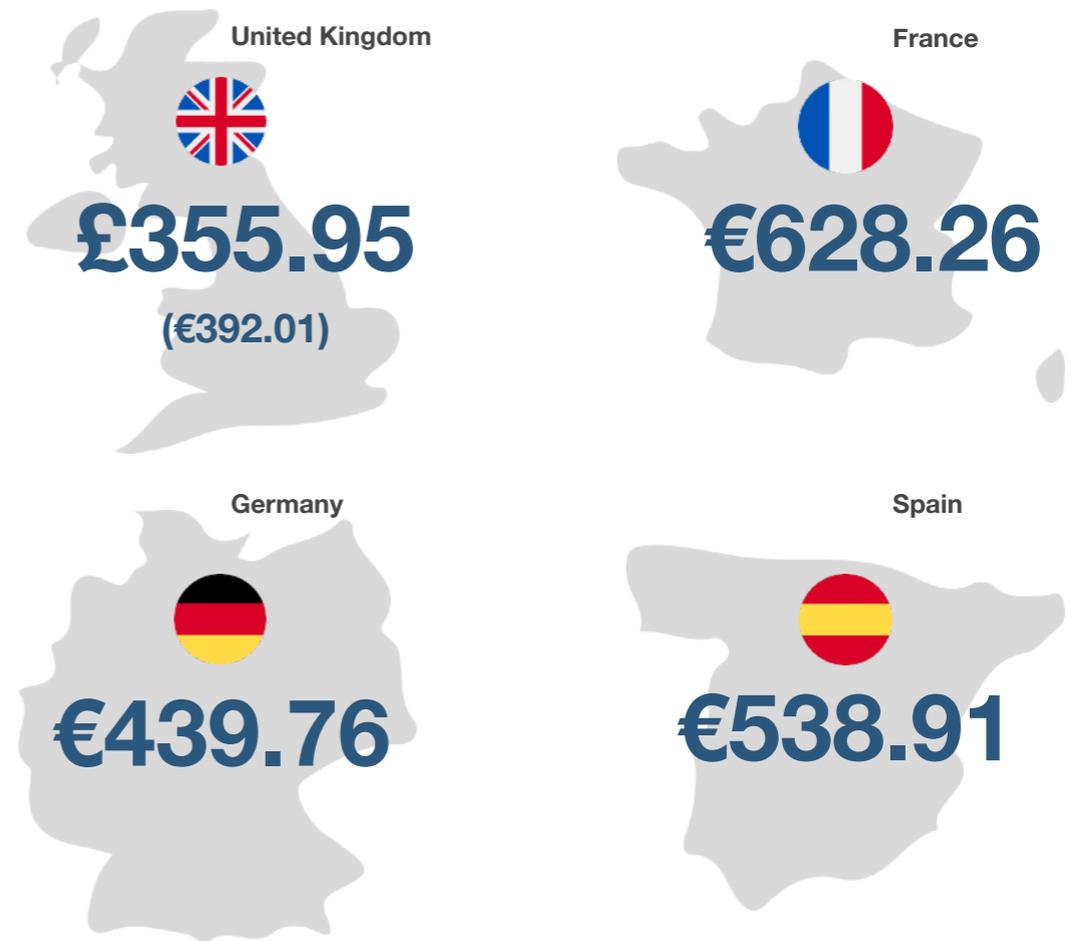
## Section 4: Do business travellers contribute to local economies?

A key takeaway of this report so far is that - whether they travel short term or long term - business travellers love experiencing local cultures when travelling for business. For many, this means creating a "home away from home" in the country they are visiting. This doesn't just include staying in homely accommodation, but also frequenting local amenities like restaurants, bakeries and other stores - contributing billions to local economies.

We asked business travellers how much they spent per week in the local area where they stay when travelling for domestic and foreign business...

**NB: The Pound Sterling to Euro exchange rate on the date of analysis (3rd September, 2019) is £1 = €1.10**

## Amount spent per week on average



## Digging a little deeper...

1

This means the average weekly spend for Europeans travelling for business is €499.74

2

Europe's biggest spenders are French people aged 55+ who spend an average of €809.12 per week when travelling for business

3

Europe's lowest spenders are people aged 46 to 50 from the UK who spend an average of £310.92 (€341.67) per week when travelling for business

## What does this mean for local economies around the world?



German business travellers contribute around **€82.45billion** to local economies per year.<sup>1</sup>



French business travellers contribute around **€15.4billion** to local economies per year.<sup>2</sup>



Business travellers from the UK contribute around **£2.42billion** (€2.67billion) to local economies per year.<sup>3</sup>



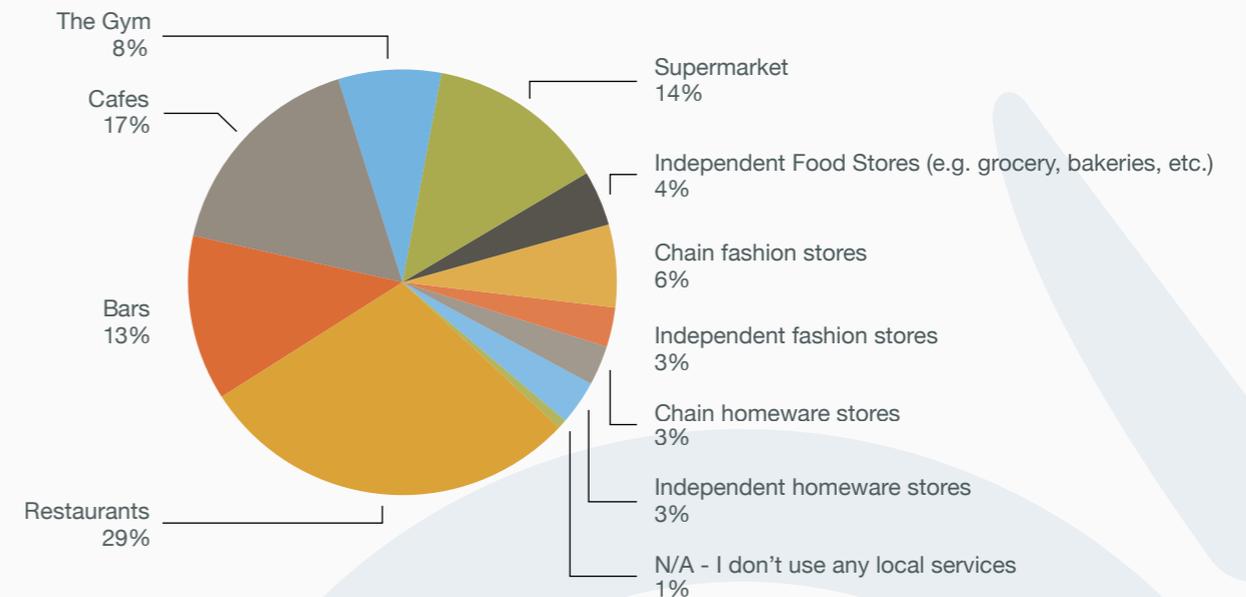
Business travellers from Spain contribute around **€2.13billion** to local economies per year.<sup>4</sup>



This means all up Europeans (from the UK, France, Germany and Spain) contribute **€102.4billion** to local economies per year when travelling for business.

## Where are they spending their money?

We asked respondents which local services they use the most when travelling for business and, unsurprisingly, restaurants came out top. Local food and atmosphere is clearly one of the highlights of business travellers' stays in other cities, as the second most popular amenity is the humble cafe.



1. According to the [German Business Travel Association](#), Germans travel 187.5million times for business per year - as per our findings in the first section of this report, if we assume that all of these trips lasted a week we can argue that Germans are spending an average of €439.76, 187.5million times a year.

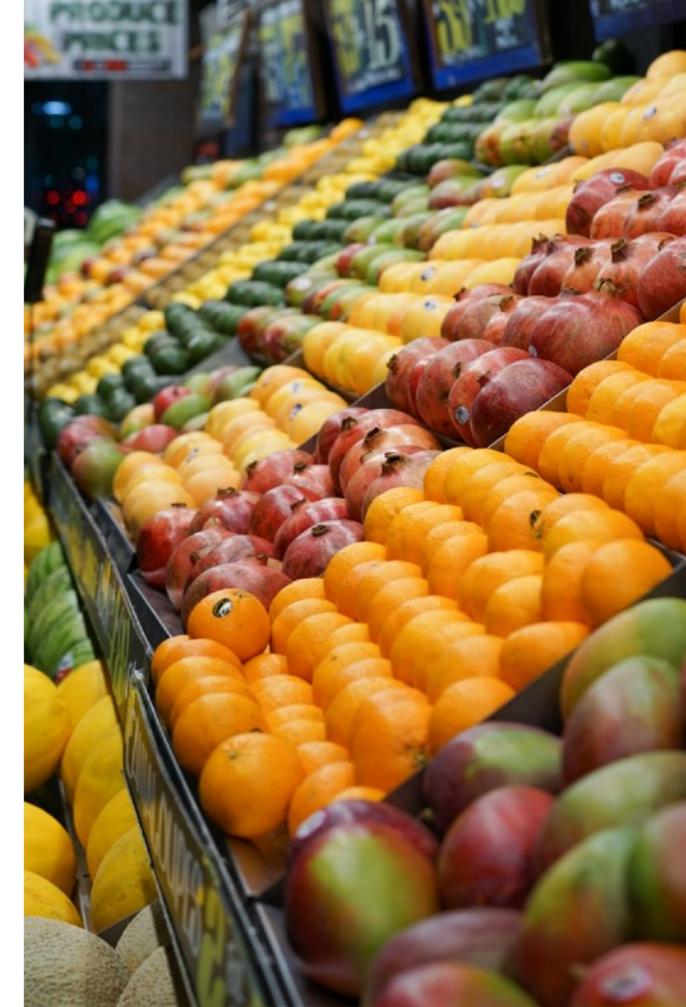
2. According to [Statista](#), French residents travel 24.6million times for business per year - as per our findings in the first section of this report, if we assume that all of these trips lasted a week we can argue that French people are spending an average of €628.26, 24.6million times a year.

3. According to the [UK Office of National Statistics](#), UK residents travel 6.8million times for business per year - as per our findings in the first section of this report, if we assume that all of these trips lasted a week we can argue that Brits are spending an average of £355.95, 6.8 million times a year.

According to the Spanish [Instituto Nacional de Estadística](#), Spanish residents travel 3.96million times for business per year - as per our findings in the first section of this report, if we assume that all of these trips lasted a week we can argue that Spanish people are spending an average of €538.91, 3.96million times a year.

## Some more interesting insights...

- **Germans** are the biggest users of chain fashion stores - they also are the travellers who use supermarkets the most
- **Brits** are the biggest gym bunnies but are also the most likely to not use any local services at all
- In contrast to people from the UK, the **French** are least likely to use a gym, but they are most likely to be shopping at chain and independent homeware stores
- **Spanish** people are the European business travellers with the biggest love of the cafe
- **French and English** men love to visit local bars while all European women enjoy spending their money in cafes
- **English and Spanish** young people (aged 18 to 30) like visiting bars and cafes but **French and German** business travellers of the same ages prefer spending money in supermarkets, cafes and independent food shops

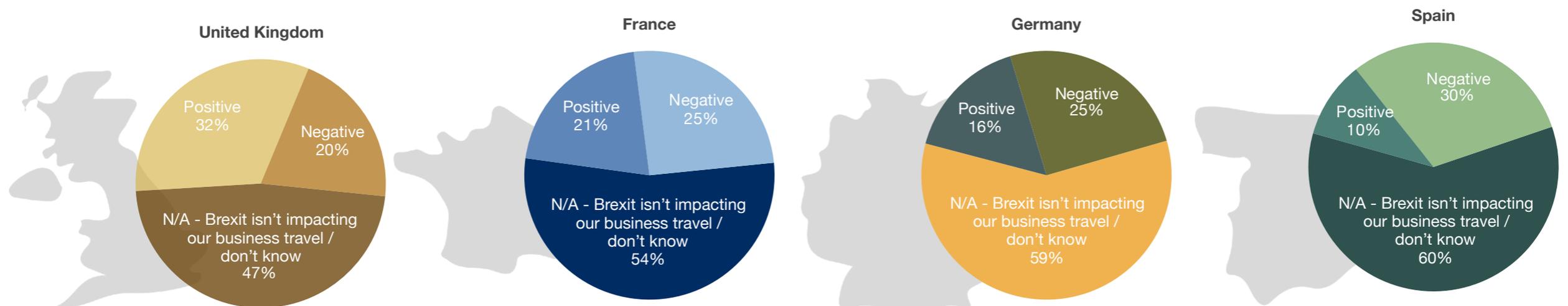
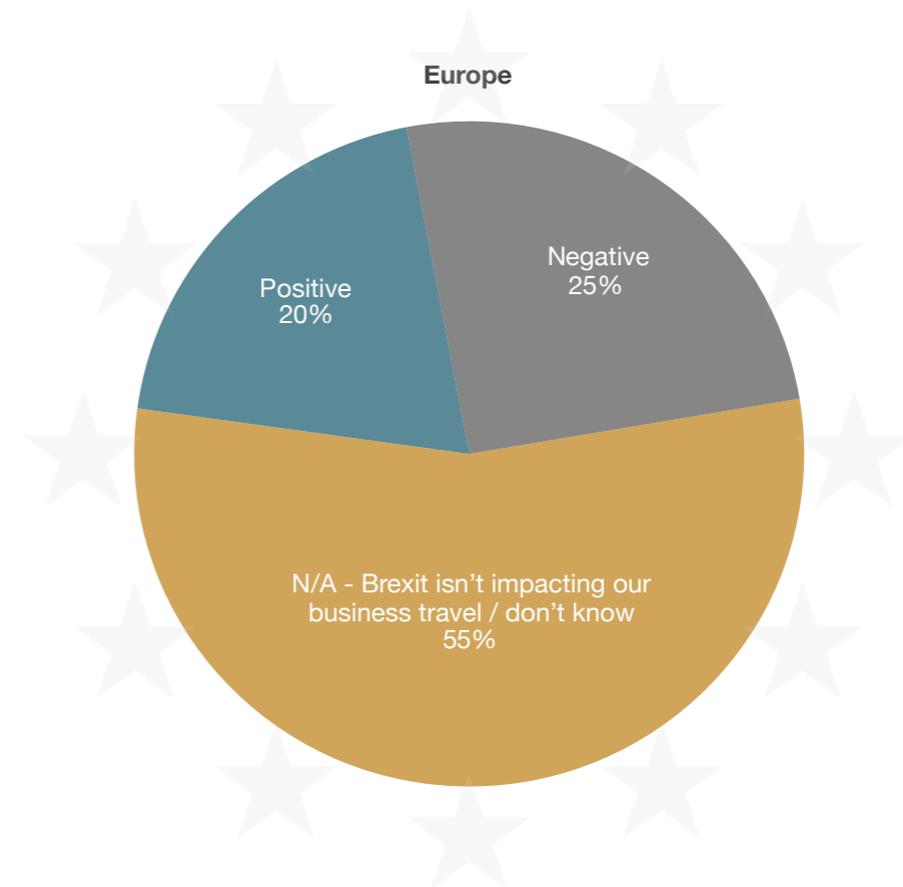


## Section 5: How is Brexit impacting European business travel?

The UK's impending departure from the EU has been dominating headlines for years, but as it approaches it is starting to visibly shake all of Europe in different ways. A no deal Brexit in particular is predicted to be damaging for Europe, with the UK government saying that Britain could lose 9.3% of its GDP and Germany, the Netherlands, Brussels, the Czech Republic, France and Northern Spain will be heavily impacted economically. We took a look into how it is affecting European business travel right now, a few months before the UK is set to leave the EU.

Europeans generally believe that Brexit is impacting their business travel in more of a negative than a positive way, but the overwhelming result is that people either don't know how Brexit is impacting their business or don't believe it is impacting it. This is likely due to the uncertainty around when Brexit will happen - and what will happen when the UK leaves the EU.

## Is Brexit impacting your company's business travel in a positive or negative way?



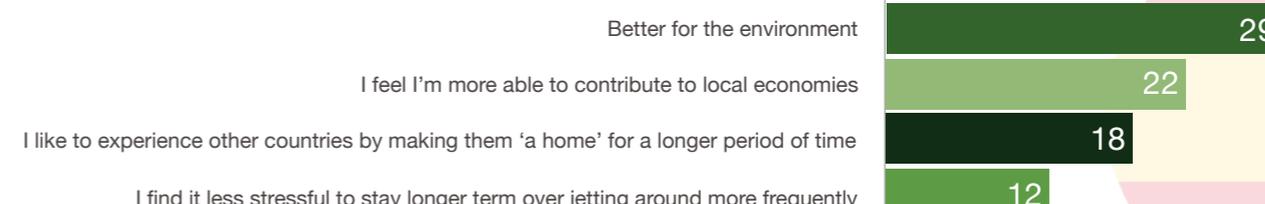
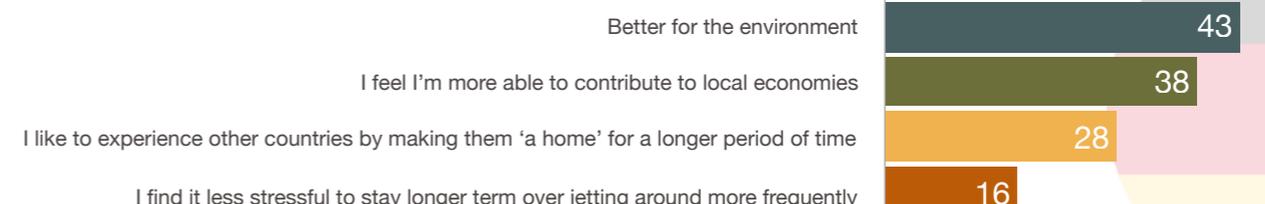
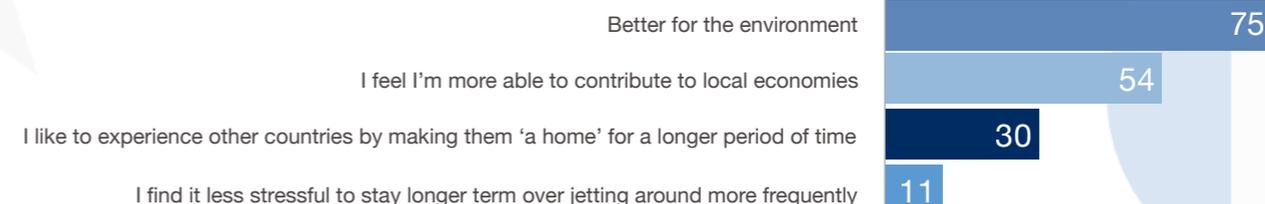
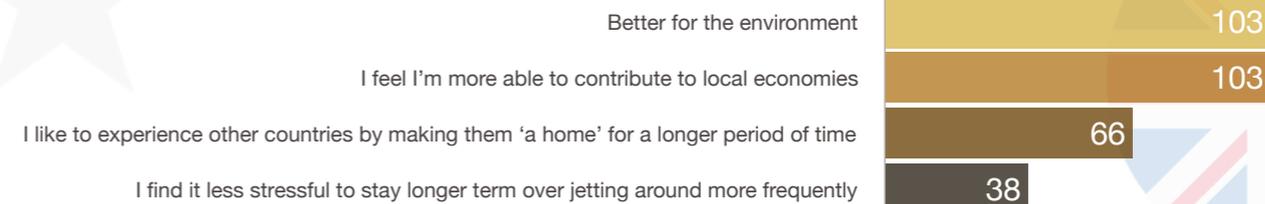
# What effect is Brexit having on European business travel ahead of the UK leaving the EU?

To understand the physical effects that Brexit is having on European businesses, we asked our respondents about both the positive and negative effects that it is having on their business travel. Results varied hugely per country which links to the finding that there is a lot of uncertainty surrounding how Brexit will affect business travel, but it also showcases the unique impact that the UK being in (and out) of the EU has on every individual nation state.

## Key Takeaways

- Interestingly, **Brits** believe they are actually travelling more within and out of Europe than before Brexit - local travel also appears to be on the up for some businesses
- The **French** are largely travelling more out of Europe signifying that they may be seeing EU business as slightly unpredictable and are looking elsewhere for relationships - this is echoed by Germans and the Spanish, but more are seeing negative impacts which we explore below

# “Brexit is impacting my company’s business travel in a positive way”



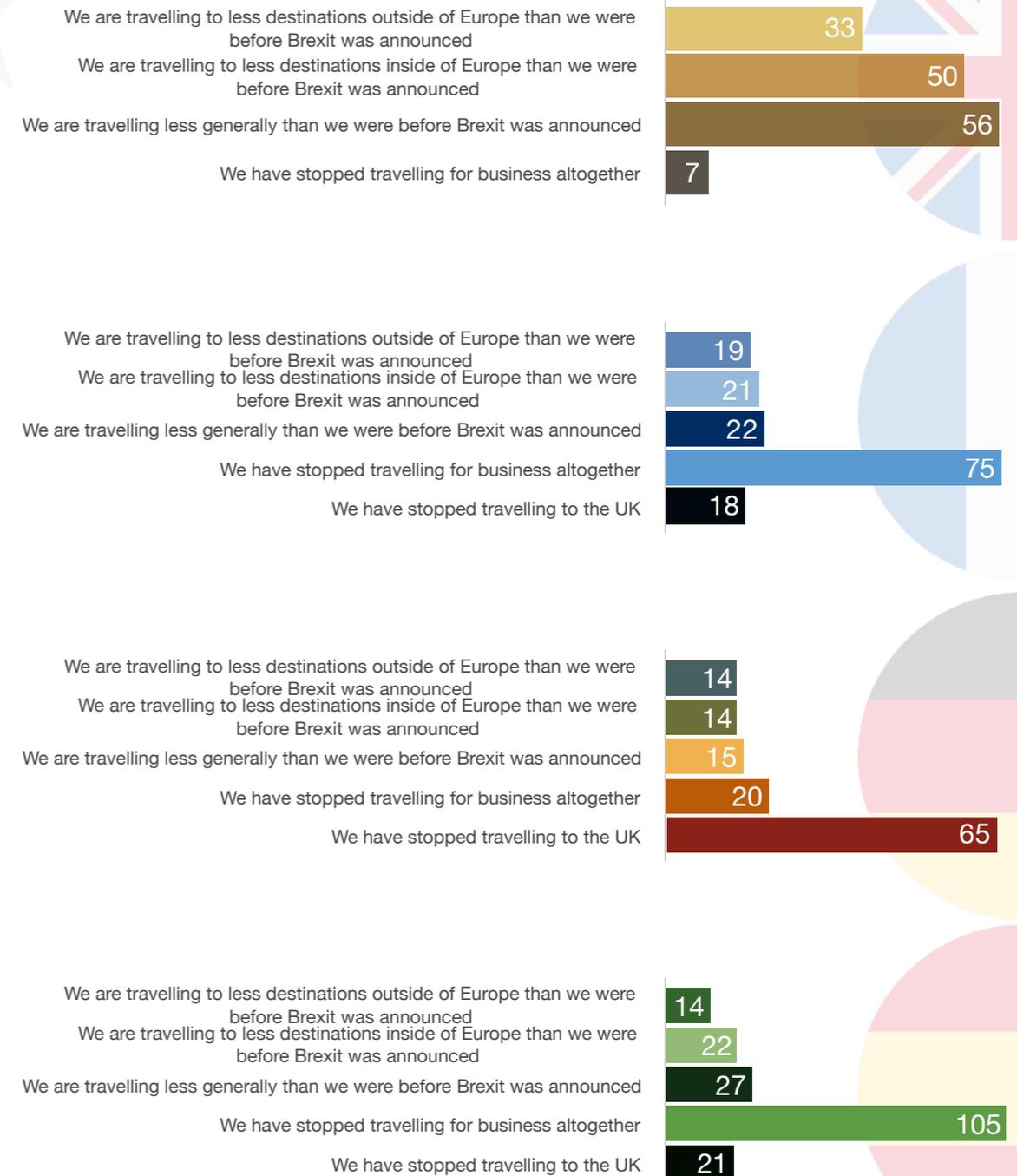
## Key Takeaways

- It appears that **British** businesses are preparing for a slowdown in European relationships once Brexit has come into play as they are travelling less within the continent than before - an equal amount also say that their firms have stopped travelling for business altogether
- The **French and Spanish** are feeling the negative effect of Brexit and most have stopped travelling all together
- **German** businesses appear to still be travelling frequently for business, but many have stopped coming to the UK

## So, how is Brexit impacting business travel?

The long and short of it is that most organisations aren't sure how Brexit will affect their business travel or aren't feeling the impact yet - this will likely change once the UK has left the EU at the end of October. However, those that are affected are predominantly experiencing negative effects with Brits travelling less to Europe, French and Spanish lessening travel altogether and Germans avoiding the UK. A very interesting result is that the UK appears to be feeling most positive about Brexit's impact on their business travel, with many reporting that they are travelling more to the continent and beyond than they were before the referendum in 2016.

## “Brexit is impacting my company’s business travel in a negative way”



## Local Issues

The next few pages of this report will delve into pertinent local issues that are affecting business travel in each of the countries that we surveyed.

- In the **UK** we asked if the weakened pound is affecting business travel expenditure
- In **France** we asked if short-term letting to tourists is affecting the local community in business travellers' local areas
- In **Germany** we asked what needs to be done to enable business travel to help boost Germany's economy
- In **Spain**, we asked if business travellers thought that dropping the tourist tax would increase business travel and foreign investment in the country



## Section 6:

# UK Local Issue: Has the weakened pound affected business travel expenditure?

In 2019, the British pound has seen extraordinary volatility. [Audrey Childe-Freeman at Bloomberg Intelligence](#) has summarised that, "... the pound remains highly Brexit-headline-driven and binary..." and the country has seen highs and lows along with previous Prime Minister Theresa May stepping down from the leadership position, Boris Johnson being elected in by the ruling Conservative Party and the country seemingly committing to a hard Brexit. The situation changes on a daily basis however so the country could have taken a completely different turn by the time you're reading this report. In summary, the UK is currently characterised by uncertainty.

Business confidence has been damaged by the volatile economy, with - for example - trading reports from leading firms Micro Focus and Hays at the end of August 2019 admitting that customers are putting off spending until after Brexit. Significant also is that for much of the year the UK experienced a trade deficit as companies rushed to stockpile goods from abroad.

So how has this affected business travel expenditure in the country? Our respondents were divided, with our survey generating the following results...

**37.4%** said they are travelling **less frequently than before**

**14.6%** said they are travelling **more than before**

**48%** said they are travelling **as frequently as before**

While it is reassuring that the majority are unaffected by the volatile pound, we still need to take into consideration that **over a third are travelling less frequently than before because of this**. What is for certain is that British business is currently in an *uncertain* period. If we ask the same respondents the same question in September 2020 - or even at the end of 2019 - we may generate completely different results.

## Section 7:

# French Local Issue: How does short-term letting to tourists affect the local communities in France?

Paris has recently seen over 26,000 permanent homes switch into short-lets for travellers looking to stay in the city for a couple of days, some of the population isn't happy about this change. The city has reflected this by tightening regulations around short-term rentals - especially those promoted by a popular holiday rental app - so as to encourage more longer-term renting in the city. Many landlords are flouting these rules and operating underground however and this year Paris has threatened to sue the rental app €12.5m over 1,000 rentals which they claim are listed illegally.

The main reason behind these attitudes in the city is that cheap, short-term rentals are seen as encouraging too much tourism (with many citing Venice in Italy as an example of how tourism can change a city for the worse). Some city council members want to take this one step further and ban short-term holiday lettings altogether in the 1st, 2nd, 3rd and 4th arrondissements of Paris (which houses many of the capital's most popular tourist sites) to avoid the city becoming "...an open-air museum." The city is still welcoming to those who abide by the rules and those who want to stay longer, contributing to the local economy and making a 'home away from home' for themselves in Paris.

An interesting point is that most of the people speaking out about this issue are politicians, so we wanted to ask locals - namely local business travellers in France (predominantly based in Paris) - about their views on the issue. Their view is also interesting because, as business travellers, they are likely to sometimes use short-term lets in other cities around the world.

So, how does short-term letting to tourists affect the local communities in the areas where our business travellers are based? We asked travellers to select all options that they believed are true.

**36.4%** said that it has upped rent in the area making it difficult for locals to continue to live there

**34.3%** said that it injects money into the local economy

**25.6%** said that it brings different cultures into the local area which makes it more diverse and interesting

**23.8%** said that it has upped costs in restaurants and shops making it challenging for locals to continue to live there

**17.2%** said that it is bad for the environment

**15.8%** said that it doesn't bring any value to the local economy

**12.8%** said that it ruins the local culture

## French Local Issue continued...

It appears this is a very divisive issue. 36.4% responded negatively, saying that it has upped rent making it difficult for locals to live there but only a few percent less believe that it injects money into the local economy. This shows that short-term tourist letting may have both negative and positive effects on French communities.

What isn't disputed is the fact that while Paris may be growing sensitive to very short stays in the city, it **is still welcoming to those staying longer - for business or otherwise - who make themselves at home in the city, contribute to the local economy and bring diversity to a place proud of its varied, exciting culture.**



## Section 8:

# German Local Issue: What do you think needs to be done to enable business travel to help boost Germany's economy?

Like the UK, Germany has in recent decades been seen as one of the strongest, most stable economies in the world. The German economy looks to be speeding towards recession, contracting by 0.1% in Q2 and looking to do similar in Q3 of 2019. Researchers have suggested that this is because consumer spending is faltering and Germany has been hit especially hard by the manufacturing downturn caused by the US-China trade wars. Brexit has also impacted the country as the UK stockpiled German goods at the start of the year and then suddenly stopped doing so after the Brexit deadline passed in March.

As we discussed earlier in this report, Germans are one of the biggest business traveller populations in Europe and are spending a vast sum of money when travelling - but how is business travel into the country impacting its economy?

37 million tourists from all around the world come to Germany every year because of the many trade fairs it hosts as well as having numerous business hub cities while many European countries just have one. The travel industry as a whole is said to contribute towards 3.9% of Germany's gross value added - this is more than the entire country's retail trade which contributes 3.3%.

The close business relationship between the UK and Germany is at risk for many reasons due to the implications of Brexit, including in regards to business travel. Europe-wide, the European Commission has proposed visa-free travel for stays up to 90 days in any 180-day period following Brexit. Germany has already prepared waivers for UK workers on stays of up to 3 months, but this all may change if the UK doesn't reciprocate.

So, when we asked German business travellers what they think needs to be done to enable business travel to help boost Germany's economy, we discovered the following. We asked respondents to select all options that they believed were true.

**39.8%** said that it must strengthen trade relationships with new countries to stimulate more business travel to the country

**29.4%** said that it must strengthen trade relationships with China to stimulate more business travel to Germany

**28%** said that there must be more investment in airports and roads

**24.8%** said that UK business traveller waivers must be extended beyond the current offer of three months in the case of a no deal Brexit

**24.6%** said that it must strengthen trade relationships with the US to stimulate more business travel to Germany

**17.4%** said that they didn't think that business travel could help to revive Germany's economy

## German Local Issue continued...

These results show that the vast majority of respondents see the value of business travel in contributing to Germany's economy.

**Germans believe that the country must broaden its trading horizons,** looking further than its existing close relationships by working with new countries, particularly China, to stimulate more business travel to the country.

Interestingly, despite Germany's airports and roads being seen as some of the best in the world, respondents also believe that better infrastructure will help to improve the economy.

Finally, a quarter each see value in increasing trade relationships with the US and extending the UK business travel waiver to over three months to continue the country's flow of business.



## Section 9: Spanish Local Issues: Will dropping the tourist tax increase business travel and foreign investment into Spain?

Spain is one of the most popular tourist destinations in the world and recently topped the World Economic Forum's list of countries best equipped to welcome tourists in 2019. Tourism is a critical part of the country's economy, with more than 75 million visitors coming to Spain annually. This provides jobs to 13% of the country's workforce and contributes 11% of the country's GDP.

However, it's not all positive. Mass tourism at some locations at certain times of the year have had a troubling effect on cities and natural areas - spaces that previously catered to locals are now full of tourist stores, prices have hiked up and there has been some ecological damage, especially on the coast. Illegal short-term renting (short-term is defined as less than 31 days) has also caused an issue recently, particularly in Barcelona where a few years ago it was reported that 40% of Barcelona's holiday apartments were being rented out illegally without proper licensing.

This affects short-term business travellers in certain parts of the country, but all business travellers staying in major cities or more touristy areas (i.e. Ibiza or Majorca) will be hit if staying in hotels or apartments for less than a month.

Aside from stringent licensing rules, Ibiza, Majorca and Catalonia (the region that houses Barcelona) also charge visitors a tourist tax, reducing or stopping the tax if the visitor stays in a hotel or rental for over seven days. If they move to another property, the tax restarts. There is an impact on business travellers regardless of how long they stay but both the licensing and tourist tax appear to encourage people to stay for longer and "become locals" in the areas where they are enforced.

The tourist tax in particular is constantly debated, so we turned to our Spanish business traveller respondents to ask if they thought that it was negatively affecting business travel and foreign investment into Spain.

**56%**

of Spanish business travellers believe that dropping the tourist tax won't increase business travel or investment into Spain

**21%**

of Spanish business travellers believe that the Spanish tourist tax stops businesses from visiting Spain

**19.6%**

of Spanish business travellers believe that the Spanish tourist tax stops tourists from visiting Spain

So, while 2 in 10 Spanish business travellers believe that the tourist tax stops the flow of business travellers into Spain, over half don't think that it will increase business travel or investment into Spain. The negative impact of mass tourism is large enough for the majority to see these laws as a good thing and **the rules are formatted in a way that longer term business travel - where people stay for over a month and create a "home away from home" - is in a way encouraged.**

# Conclusion

And there you have it! We've taken you on quite the journey throughout this report...

We took a microscope to the average European business traveller, how often and how long they travel versus how often they want to travel, how they travel and where they stay. We then looked at the impact that business travellers have on the local economies that they visit, how much money they spend and where they spend it. After that we looked into whether Brexit was having a positive or negative impact on European business travel and looked at the specific effects it was having. Finally, we delved into how business travellers thought that local issues were affecting their home countries, looking into the volatile pound in the UK; short-term tourist letting in France; economic recession in Germany; and the tourist tax in Spain.

## So, if you read this report and only take one thing away...

If you're a business traveller or are just interested in this space: *"If you travel frequently for business consider asking your firm if you can rather stay in a location long-term, this will be better for your mental health, is less damaging to the environment and enables you to make a significant contribution to the local communities you visit."*

Book a furnished apartment perfectly suited to your needs with Homelike here: [www.thehomelike.com](http://www.thehomelike.com)

If you're a travel manager, HR manager, recruiter or business owner: *"Consider allowing more staff to stay in other locations long-term, it will mean they are less stressed out, more productive and could even encourage more top talent to apply to work for your organisation."*

Find out more about Homelike's booking platform for businesses here: [www.thehomelike.com/en/business](http://www.thehomelike.com/en/business)

If you're a landlord or real-estate professional: *"If you rent your properties out short-term, consider shifting to mid-term lets. This will mean less vacancies and a more steady stream of income for you - and it is more beneficial to the local areas you're renting in. Also, consider what this audience wants before renting your property - they'll want a clean, modern space with room to both work and host guests."*

Find out how to list your properties on Homelike here: [www.thehomelike.com/en/landlord](http://www.thehomelike.com/en/landlord)

If you have any questions or thoughts about the content of this report, or would like to find out more about Homelike, contact a member of the team on **+49 221 988 611 88** or visit [\*\*thehomelike.com\*\*](http://thehomelike.com)

# How can Homelike help?

Homelike is the first organisation to make booking long-term furnished apartments for business travellers as simple as booking a hotel.

**We have the biggest portfolio of furnished apartments in Europe** (50,000 apartments in 7 countries) and travellers, HR and Travel Managers can choose apartments that suit the tenant individually.

Our solution is cheaper than booking a hotel because of our close partnerships with the **professional landlords** we work with.

We have even created a booking platform that you can incorporate **into your existing systems** with all of your company branding - you can use the platform to manage invoicing (from several billing addresses if need be) and keep an eye on employees, travel policies and expenses.

Everything is online as well, meaning your staff can sign contracts and view apartments from their home countries before they move over to join their new team.

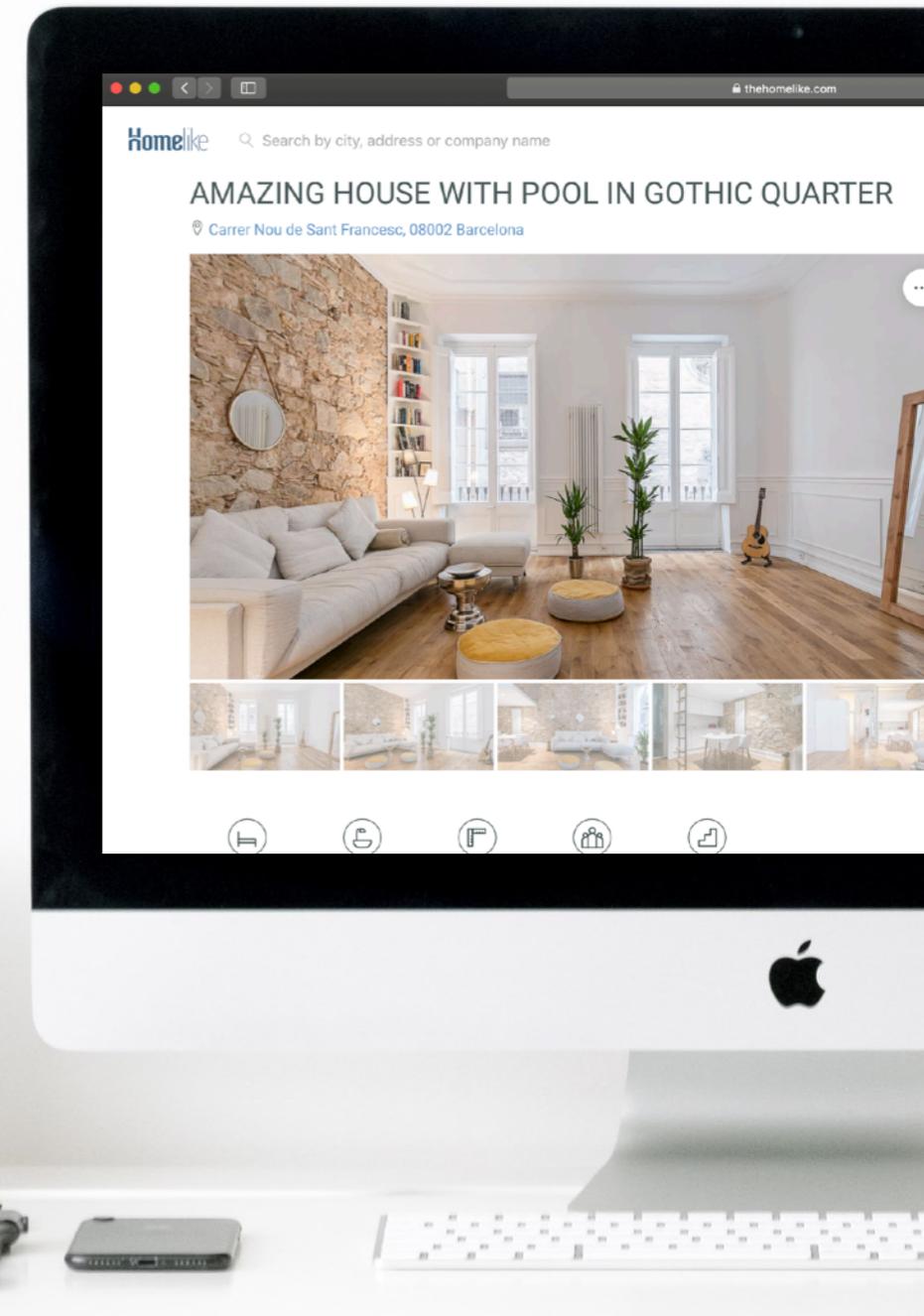
Ask any expat or business traveller - knowing you have a nice apartment waiting for you takes away a lot of the stress associated with moving country or relocating temporarily!

7 countries

50,000+ apartments

450+ cities

[www.thehomelike.com](http://www.thehomelike.com)





## Methodology

This report is based on data gathered via an online and mobile survey of 2,000 employed, European adults - 500 each from the UK, Spain, Germany and France - who have travelled for business once or more in the last 12 months. The data was gathered via OnePoll, a research agency who are members of ESOMAR (a membership organisation representing the interests of the data, research and insights profession at an international level) and employ members of the MRS (Market Research Society).

## About Homelike

Homelike currently offers a portfolio of 50,000 furnished business apartments in seven countries and more than 450 cities. The end-to-end booking process makes renting furnished housing for 30 days+ as easy as booking a hotel room. This allows executives to give their employees the comfort and privacy of living in their own apartment on long-term business trips. At the same time, companies save an average of 40% compared to hotel rates.

[thomelike.com](https://www.thomelike.com)



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