

Routledge
Taylor & Francis Group

Tourism Geographies

An International Journal of Tourism Space, Place and Environment

ISSN: 1461-6688 (Print) 1470-1340 (Online) Journal homepage: www.tandfonline.com/journals/rtxg20

Rural touristification and short-term rentals reshaping tourism geographies: Algarve's spatial transformations

Ana Rita Cruz & Maria Assunção Gato

To cite this article: Ana Rita Cruz & Maria Assunção Gato (2026) Rural touristification and short-term rentals reshaping tourism geographies: Algarve's spatial transformations, Tourism Geographies, 28:3, 590-616, DOI: 10.1080/14616688.2026.2659062

To link to this article: https://doi.org/10.1080/14616688.2026.2659062

© 2026 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group

Published online: 03 May 2026.

Submit your article to this journal

Article views: 367

View related articles

View Crossmark data

Full Terms & Conditions of access and use can be found at
https://www.tandfonline.com/action/journalInformation?journalCode=rtxg20

TOURISM GEOGRAPHIES
2026, VOL. 28, NO. 3, 590–616
https://doi.org/10.1080/14616688.2026.2659062

Routledge
Taylor & Francis Group

RESEARCH ARTICLE

OPEN ACCESS

Check for updates

Rural touristification and short-term rentals reshaping tourism geographies: Algarve's spatial transformations

Ana Rita Cruz[a,b] and Maria Assunção Gato[b,c]

[a]CinTurs - Research Centre for Tourism, Sustainability and Well-being, University of Algarve – Faculty of Economics, Faro, Portugal; [b]DINÂMIA'CET-Iscte, Centre for Socioeconomic and Territorial Studies, Iscte-Instituto Universitário de Lisboa, Lisbon, Portugal; [c]CIAUD - Research Centre for Architecture, Urbanism and Design, Lisbon School of Architecture, Universidade de Lisboa, Lisbon, Portugal

ABSTRACT

Tourification led by the expansion of short-term rentals (STR) has become a major driver of spatial and social transformation within contemporary tourism geographies. While scholarship has largely concentrated on urban contexts, little is known about how these dynamics unfold in rural and lowdensity territories. This article examines the diffusion of STR and associated processes of touristification in the Algarve, Portugal, a region historically shaped by coastal mass tourism but now experiencing a reconfiguration of its rural hinterland. Employing a mixed-methods approach that integrates STR registry data (2000–2024), housing and labour market indicators, policy analysis, and field observations, the study identifies the emergence of a dispersed, platform-mediated form of rural touristification. The results reveal increasing housing pressure, rising property values, and a pronounced tertiarisation of rural economies, accompanied by governance challenges from limited institutional capacity and weak regulatory enforcement. By contrasting these findings with evidence from urban STR research, the article argues that rural touristification represents a distinct process—marked less by direct physical displacement and more by the gradual transformation of everyday life, social practices, and community structures. These insights extend understandings of tourism-led spatial change and underscore the necessity of place-sensitive regulatory frameworks that reconcile tourism development with sustainability.

ARTICLE HISTORY
Received 7 August 2025
Accepted 7 April 2026

HANDLING EDITOR
Yang Xu, Hong Kong Polytechnic University, Hong Kong SAR, China

KEYWORDS
Rural touristification; short-term rentals; spatial transformation; low-density territories; housing financialisation; spatial inequality; public policy; Algarve

1. Introduction

Tourism has undergone profound transformations over the past two decades, shifting away from traditional models of mass tourism towards more flexible and decentralised forms of accommodation. Among these, short-term rentals (STR) have

CONTACT Ana Rita Cruz arcruz@ualg.pt CinTurs - Research Centre for Tourism Sustainability and Well-being, University of Algarve – Faculty of Economics, Faro, Portugal; DINÂMIA'CET-Iscte, Centre for Socioeconomic and Territorial Studies, Iscte-Instituto Universitário de Lisboa, Lisbon, Portugal.
© 2026 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group
This is an Open Access article distributed under the terms of the Creative Commons Attribution License (http://creativecommons.org/licenses/by/4.0/), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. The terms on which this article has been published allow the posting of the Accepted Manuscript in a repository by the author(s) or with their consent.

emerged as a dominant force, reshaping tourism geographies through the expansion of peer-to-peer (P2P) accommodation platform-mediators such as *Airbnb*, *HomeStay*, and *Booking* (Gutiérrez et al., 2017; Ioannides et al., 2019; Kourkouridis et al., 2024). This shift has contributed to what scholars describe as touristification (Lanfant, 1992), a process of tourism intensification in which urban and rural areas become restructured to accommodate the needs of transient visitors, often at the expense of long-term residents (Cocola-Gant, 2023; Milano et al., 2023; Ojeda & Kieffer, 2020; Sequera & Nofre, 2020).

While much of the debate on STR-driven transformations has centred on large metropolitan areas, the rise of STR in rural regions exposes a qualitatively distinct form of touristification. Unlike urban environments, where STR tend to accelerate processes of housing commodification, neighbourhood change, and competition for scarce residential stock, rural areas face transformations shaped by their specific socio-ecological and demographic conditions (Almeida-García et al., 2025; Lorenzen, 2021). In many rural territories, STR intersect with pre-existing patterns of depopulation, agricultural decline, seasonal labour shortages, and limited housing availability, often intensifying rather than originating structural vulnerabilities. Moreover, the symbolic and material value attributed to landscapes, heritage, and perceived "authenticity" renders rural spaces especially attractive to amenity-seekers, lifestyle migrants, and investors seeking lower-cost and higher-return tourism assets (Benson & O'reilly, 2009; Hayes, 2021; Lane & Kastenholz, 2015). As a result, rural touristification frequently manifests not only as pressure on housing markets but also as shifts in land use, transformations in local labour structures, and the reorientation of community life towards visitor-oriented services, producing a form of socio-territorial reconfiguration that is less spatially concentrated but often more pervasive in its impact. This distinctiveness underscores the need to conceptualise STR expansion in rural areas beyond the analytical frameworks developed for urban tourism, recognising the uneven geographies and differentiated vulnerabilities shaping these territories.

The proliferation of STR has reconfigured traditional tourism dynamics, extending beyond urban cores into previously less-affected rural and coastal territories. This second wave of tourism-driven spatial transformation raises critical questions about housing affordability, community displacement, and local economic dependencies (Garcia-López et al., 2020; Nieuwland & van Melik, 2020). The Algarve, Portugal's most renowned tourist region, serves as a compelling case study, illustrating the dual impact of urban intensification and rural tourism expansion (Torkington et al., 2025). Recent legislative and fiscal incentives have further accelerated this trend, leading to unintended socio-economic consequences for local communities (Cruz & Gato, 2023).

Despite its economic benefits, the unregulated expansion of STR has generated significant socio-spatial tensions. Increased housing demand has driven rising property values and rental prices, contributing to the displacement of long-term residents and the erosion of local identities (Cócola Gant & Gago, 2021; Marques Pereira, 2022; Wachsmuth & Weisler, 2018). Furthermore, the shift from residential to tourist-oriented land use has raised concerns about sustainability, particularly regarding resource consumption, environmental degradation, and economic resilience (Gurran et al., 2020; Gurran & Phibbs, 2017; Pinkster & Boterman, 2017).

This article examines the drivers and impacts of this new wave of touristification in the Algarve, with a particular focus on the role of STR in shaping new tourism geographies. Specifically, it reflects on the spatial and socio-economic consequences of STR expansion by analysing data from national accommodation registers (2000–2024) and by implementing a content analysis of the public policies which drove and responded to the impacts of the extended use of STR in the Algarve. The article concludes with a discussion on the role of public policies in regulating tourism growth, highlighting the need for a more sustainable and balanced approach to managing short-term rental accommodation.

2. Touristification, short-term rentals, and spatial transformation: extending the urban paradigm to low-density territories

Touristification, long conceptualised as an outcome of urban restructuring under neoliberal governance, is increasingly expanding into rural and low-density territories. While most of the literature has examined it as part of urban transformations intertwined with gentrification, global capital circulation, and platform-mediated economies, its diffusion beyond metropolitan areas requires conceptual revision (Lorenzen, 2021). In these contexts, the diffusion of short-term rentals (STR), and tourism-led valorisation processes, reshape territories historically marked by demographic decline, agricultural restructuring, and uneven development. Touristification, thus, operates not only as a driver of urban spatial reorganisation, but also as a mechanism of peripheral revalorisation, through which housing, landscape, and lifestyle become assets for temporary consumption and speculative investment.

By contrasting established urban dynamics—such as rent extraction, displacement, and commodified authenticity—with emerging low-density transformations, this section seeks to clarify what is new about the spatial, social, and symbolic effects of STR expansion in peripheral territories and rural areas.

2.1. Touristification, revalorisation, and peripheral displacement

Touristification and gentrification share structural parallels in how they contribute to the revalorisation of space and the displacement of lower-income or less mobile groups. In urban contexts, these processes unfold through the reconversion of disinvested areas, where housing and amenities are upgraded for more affluent users (Atkinson & Bridge, 2005; Lees et al., 2015; Smith, 1996). The emergence of tourism-driven gentrification has extended these dynamics by incorporating transient actors—tourists, digital nomads, expatriates—who compete for residential resources despite their temporary presence (Cocola Gant, 2018; Estevens et al., 2023; Gotham, 2018; Milano et al., 2023; Ojeda & Kieffer, 2020).

Directly or indirectly linked to tourism, gentrification generates various forms of displacement, here understood as the erosion of residents' capacity to remain, thrive, or sustain place-based practices within a particular space or neighbourhood. Displacement is a multidimensional process that unfolds across different time frames and intensities (Newman & Wyly, 2006). The most extreme form is physical displacement, in which lower-income groups lose access to housing, land, or livelihoods as

a result of economic restructuring, urban renewal, or rising rents (Atkinson, 2000; Lees et al., 2008). Sociocultural and symbolic displacement may also occur when local identities, everyday practices, and value systems are marginalized, overwritten, or eroded (Davidson, 2009; Marcuse, 1986).

In rural and low-density territories, displacement rarely takes the form of direct eviction or straightforward physical substitution. Instead, it tends to emerge as a process of symbolic and sociocultural reconfiguration, as observed in the Algarve inland. Traditional livelihoods are reinterpreted through the lens of amenity consumption, while the meanings attached to dwelling and place become commodified within a lifestyle economy.

Drawing on a robust theoretical and empirical framework, Lorenzen (2021) examines processes of rural gentrification, touristification, and displacement in a case study from Mexico. The study identifies multiple forms of gentrification and concludes that direct residential displacement is not the principal driver of rural change. Instead, indirect forms of displacement - sociocultural, commercial, and exclusionary—play a central role, intertwined with transformations in the housing market, including those triggered by STR.

Across different territorial contexts and temporalities, it is often difficult to discern whether rural gentrification follows a period of abandonment marked by the long-term devaluation of the countryside and the neglect of rural properties, or whether it directly catalyses the displacement of long-standing residents by altering local lifestyles and increasing everyday living costs (Almeida-García et al., 2025; Lorenzen, 2021).

The influx of mobile residents and STR users intensifies the conversion of dwellings into flexible financial assets, generating competition for limited housing stocks in territories where residential supply is already constrained by ageing demographics and second-home ownership. Concomitant with broader shifts in local socio-territorial configurations, these dynamics drives the upscaling of property values and the gradual decline in housing affordability, disproportionately affecting younger populations and local wage earners, who are progressively excluded from access to rural housing.

The dynamics of revalorisation thus differ in form but not in function: while urban touristification transforms neighbourhoods into consumer-oriented enclaves (Romera et al., 2025), rural and low-density touristification converts villages, hamlets, and dispersed settlements into spaces of temporary habitation and experiential authenticity, and the case of the Algarve is a good example to illustrate this process. What is displaced is not necessarily population, but continuity—the everyday rhythms, intergenerational attachments, identity values, and socio-material practices that once sustained these territories. The right to inhabit, in Lefebvrian terms (Lefebvre, 2000) becomes conditioned by the market value of dwelling and landscape (Lestegás et al., 2019; Marques Pereira, 2022; Perles-Ribes et al., 2025; Salerno & Russo, 2022), subordinating local reproduction to external consumption.

2.2. From sharing to extracting: platform-mediated rentals in peripheral territories

The rise of STR across a wide range of countries, cities and regions exemplifies the transition from an allegedly collaborative "sharing economy" to a financialised,

extractive model of platform capitalism (Srnicek, 2017). Platforms such as Airbnb have moved beyond their original peer-to-peer narrative to act as algorithmic intermediaries that manage housing supply, pricing, and visibility, transforming homes into globally accessible investment assets. In urban settings, this has led to the concentration of value among professionalised hosts and real-estate investors (Aalbers, 2016; van Doorn, 2017; Wachsmuth & Weisler, 2018; Wijburg et al., 2018). In rural territories, similar mechanisms operate but within a markedly different regulatory and socio-economic landscape.

Local governance in low-density areas is often marked by weak institutional capacity and fragmented oversight (Almeida & Daniel, 2023; Chamusca, 2025). Many municipalities lack the tools or personnel required to monitor STR proliferation or to enforce registration systems, leading to underreported activity and informal markets (Colomb & Moreira de Souza, 2021). This institutional asymmetry amplifies the extractive dynamics of STR expansion: while such rentals may offer new income streams for rural homeowners and small operators, a portion of the generated value is channelled into external intermediaries and transnational capital circuits rather than remaining in the local economy (Cócola Gant & Gago, 2021; Demir & Emekli, 2021). Moreover, the dependence on digital visibility reshapes the spatial hierarchies of rural tourism. Villages with better connectivity or Instagram appeal attract more attention, visitors and investment, while others remain invisible, reproducing uneven development within the rural fabric itself (Fatanti & Suyadnya, 2015; Palazzo et al., 2021).

Evidence from a recent study on the impact of local tourism accommodations in five low-density municipalities in the Algarve suggests that digital platforms and local regulation can indeed stimulate micro-entrepreneurship, expand accommodation supply, and revitalise complementary services (Machado et al., 2020). This is a process that appears, at first glance, to reinvigorate sparsely populated areas.

Yet the expansion of STR into rural and low-density territories exposes a paradox. On the one hand, platform-mediated tourism seems to revitalise stagnant economies and diversify livelihoods; on the other, it embeds those same territories in volatile and externally controlled markets. Research highlighting full-time STR in rural contexts further underscores the need not only for more regulation, but also for greater caution in licensing practices, as the reduction in housing availability for permanent residents and the inflation of property values are direct consequences of this trend (Choi & Won, 2023).

What is often framed as local empowerment thus translates into heightened dependency on digital infrastructures, speculative investment, and opaque forms of external governance (Gurran & Phibbs, 2017; Rogers & Koh, 2017). The commodification of dwelling and landscape thus unfolds under the rhetoric of sustainability and inclusion, while in practice it may intensify the asymmetries and vulnerabilities that rural development policies claim to address.

2.3. Tourism-led spatial transformation and the reconfiguration of peripheral geographies

The spatial effects of touristification in rural and low-density territories extend far beyond the housing market. They involve a broader reconfiguration of landscapes,

imaginaries, and socio-spatial relations. In cities, touristification tends to concentrate around heritage districts and cultural quarters (Colomb & Novy, 2017), producing polarised geographies between overexposed cores and neglected peripheries (Wachsmuth & Weisler, 2018). In contrast, rural touristification operates through the selective activation of dispersed spaces—picturesque villages, scenic routes, coastal hinterlands—into nodal points of consumption. As Lorenzen (2021) illustrates, tourism-related properties such as guesthouses, second homes and restaurants, are central to processes of rural gentrification. They contribute to exclusionary dynamics by inflating both the economic value of real estate and the symbolic value of localities, often pushing out lower-income residents. STR platforms play a crucial mediating role in this process: by rendering certain locations visible and desirable, they effectively redraw the geography of rural attractiveness.

The commodification of rural authenticity follows similar symbolic logics to those observed in urban contexts (Törnberg, 2022), but its material consequences differ. What is consumed in rural settings is not the density of cultural activity, but the perceived truth of cultural meanings, the promise of tranquility, landscape, and retreat. However, this valorisation of uniqueness and scarcity risks eroding the qualities it seeks to promote. As short-term occupation intensifies, local infrastructures become strained, seasonal volatility increases, and community cohesion weakens. This dynamic may represent a new form of spatial inequality, where the divide no longer lies between urban cores and peripheries, but between territories absorbed into circuits of tourism consumption and those left outside them.

These transformations underscore the need to reconceptualise touristification beyond its urban origins. The same mechanisms—platformisation, commodification, and accumulation by dispossession (Harvey, 2003)—operate across scales, but their expressions are territorially distinct. In low-density settings, touristification unfolds without urbanity, producing hybrid geographies of extraction and selective revitalisation. Understanding these dynamics requires an analytical shift from the "right to the city" towards a "right to remain", focused on improving living conditions while negotiating a fragile balance between economic opportunity, environmental stewardship, and cultural continuity. Achieving such balance is increasingly difficult, as tourism economies expand faster than rural communities can sustain their livelihoods, identities, and social fabrics. In this context, the Algarve region offers a particularly revealing terrain for examining these tensions, as its long-standing dependence on tourism intersects with processes of rural revalorisation and demographic change.

3. Materials & methods

3.1. Research design

This study aims to analyse the evolution of short-term rentals (STR) in the Algarve region, with particular emphasis on low-density rural areas, as well as disaggregated data for its individual municipalities, between 2000 and 2024, and to examine the influence of public policies on this phenomenon. The analysis adopts a regional perspective while paying special attention to the dynamics and challenges faced by rural

territories with lower population density, to better understand the socio-economic impacts of STR development in these areas.

In this sense, the study adopts a case study approach focused on the Algarve, with particular emphasis on tourism and its interaction with rural territories. The research integrates multiple sources of evidence—official registration data, secondary statistical data, and exploratory field observations—to capture both quantitative and qualitative dimensions.

A schematic overview of the research design is presented in Figure 1, illustrating the steps of data collection, triangulation, and analysis.

3.2. Data collection and analysis

3.2.1. Official STR data

Secondary data from the National Registry of Short-Term Rentals (RNAL), managed by Turismo de Portugal IP, were used (Table 1). The analysis covers a total of 44,048 STR registrations in the Algarve, based on data consulted in February 2025. It is important to note that the dataset only includes active units, excluding inactive records, and therefore presents significant limitations regarding the total stock of STR.

Additionally, descriptive statistics were employed to process the registry data and to present proportions and growth rates over time, enabling a clearer understanding of the spatial and temporal evolution of short-term rentals in the Algarve.

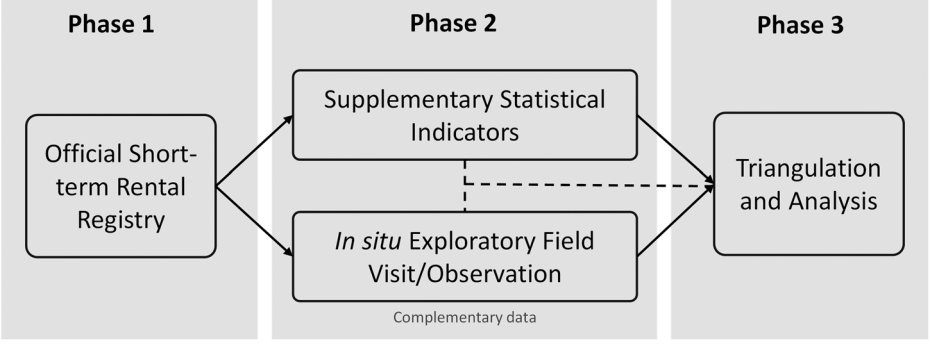


Figure 1. Schematic overview of the research design.
Source: own elaboration.

Table 1. Secondary data sources.

Source	Data Indicators	Year	Unit
National Registry of Short-Term Rentals (RNAL)	STR registrations STR capacity (beds) STR by location STR by type	01 January 2000 – 31 December 2024	Number
National Statistics Institute (INE)	Tourist accommodation capacity (beds) Classic family housing Average rental values of classic family housing Average sale values of classic family housing	2023	Number €/m^2

Source: Own elaboration.

Territorial classification criteria were applied to identify rural and non-rural areas, based on the Rural Development Programme 2020 (PDR2020, n.d.). Additionally, low-density municipalities were identified following the classification defined under Portugal 2030 (PT2030,2030, 2023). Descriptive statistics were employed to present proportions and growth rates over time, enabling the analysis of spatial and temporal trends.

3.2.2. Supplementary statistical indicators and field observations

An exploratory *in situ* field visit was conducted to the rural parish of *União de Freguesias Querença-Tôr-Benafim* in *Loulé* municipality, and to the rural parish of *São Marcos da Serra* in *Silves* municipality. These allowed the direct observation of the study area and informal discussions with residents regarding the current situation. These qualitative insights provided a valuable contextual understanding of local dynamics.

To complement these observations, additional statistical indicators across multiple domains, such as population, employment, and tourism, were incorporated. These data were used to triangulate the STR records, which exhibit certain gaps and inconsistencies, thereby enhancing the robustness and credibility of the analysis. The full data set is presented in Appendix A.

3.2.3. Public policy analysis

Complementarily, a documentary analysis of public policies related to this issue in Portugal was conducted. This analysis was divided into two distinct timeframes. The first covers the period between 2009 and 2014, preceding the rapid and intense expansion of STR units. During this phase, public policy documents created and/or amended with the purpose of direct or indirectly influencing the growth of STR were identified. The second timeframe relates to the period after the consolidation of the STR explosion, the intensification of tourism, and the resulting negative impacts, particularly in terms of housing. In this context, policy documents aiming to mitigate or limit the problem were identified.

As the issuance of STR licenses in Portugal is exclusively managed at the municipal level, the management of their development must also be ensured locally. Therefore, the documentary analysis included a review of relevant municipal public policies regulating STR in the Algarve. Given that the national government intervened directly at certain points, national-level legislative and regulatory documents impacting the evolution of STR were also considered.

3.3. Case study context: Algarve

The Algarve was selected as the research case study due to its distinctive tourism profile and the significant role that tourism plays in the region's economy. As Portugal's southernmost region, the Algarve experiences high tourist inflows, both in urban and rural municipalities, which shape local housing markets, employment patterns, and demographic trends. This context makes the Algarve particularly suitable for examining the impacts of short-term rentals and the progressive touristification of rural areas, providing a clear rationale for its selection in the study.

Although the rural territory of the Algarve is more extensive, encompassing several parishes within municipalities classified as urban, the analysis focuses primarily on municipalities that are entirely rural (*Alcoutim, Aljezur, Castro Marim, Monchique, São Brás de Alportel* and *Vila do Bispo*) due to the lack of data at the parish level. Excepting *São Brás de Alportel*, all of these municipalities are also low-density areas, characterised by low population densities, dispersed settlements, and an ageing population, often accompanied by outmigration of younger residents. Seasonal fluctuations due to tourism are particularly pronounced in these areas, leading to temporary increases in population that place additional pressure on local infrastructure and services (OECD, 2023; Torkington et al., 2025).

In recent years, the rural touristification of the Algarve has emerged as an extension of the urban tourism intensification that has long characterised the region. This shift has been marked by a significant increase in STR (Pinto et al., 2025) which have become a key driver of change in rural municipalities. Rural areas, traditionally focused on agriculture or residential use, are now increasingly accommodating tourism-related activities. This transformation has profound impacts on local lifestyles, cultural practices, and the availability of services for permanent residents. The growth of STR, particularly driven by peer-to-peer platforms like Airbnb, has further accelerated this process, influencing rural housing markets and contributing to the intensification of tourism in areas that once maintained a more stable, residential character. These dynamics, while fostering a tourism-driven local economy, also place considerable pressure on already limited infrastructure and services, exacerbating seasonal population fluctuations. This expansion has contributed to increased property prices and competition with long-term residential housing (Franco & Santos, 2021). In response, Portuguese legislation has granted municipalities greater authority to regulate STR, allowing them to define Contention Areas to mitigate pressures on housing affordability.

Nevertheless, the socioeconomic implications of STR expansion and touristification are multifaceted and remain less studied in the Algarve's rural context. While STR may provide supplementary income for homeowners and support local businesses, they can also exacerbate housing scarcity, alter community composition, and lead to the physical displacement of long-term residents (Almeida-García et al., 2025). This context makes the Algarve an appropriate case study for examining the cumulative impacts of short-term rentals and rural touristification, as well as the sociocultural and symbolic forms of displacement already in place.

4. Results

4.1. The evolution and expansion of short-term rentals in the Algarve: 2000–2024

This section is based on the analysis of short-term rental (STR) establishments in the Algarve region between January 1, 2000, and December 31, 2024, using data from the National Registry of Local Accommodation (*Registo Nacional de Alojamento Local—RNAL*).

It is important to emphasise that, although this dataset is publicly available and official, it presents significant limitations. The most notable is the exclusion of all STR

registrations that, for any reason, have been cancelled or are no longer active. As a result, the database reflects only currently active listings, thereby omitting those that were withdrawn voluntarily, deactivated for administrative reasons, or ceased operations permanently. Thus, the analysis presented should be understood as an approximation of reality and not as a fully accurate representation.

The growth of short-term rentals in the Algarve, although subject to some fluctuations, has followed a marked upward trend since 2014. This development was largely driven by the regulatory framework introduced through Decree-Law No. 128/2014, which formally recognised and simplified the licensing of short-term rentals in Portugal (discussed in detail in Section 4.3). The trend was abruptly interrupted during the period corresponding to the COVID-19 pandemic but began to recover from 2022 onwards, reaching its highest peak in 2023. In 2024, however, a significant decline in new STR registrations was recorded, largely because of government-imposed legislative restrictions (Figure 2), which came into force in October 2023. The public policy dimensions underlying these developments are further examined in Section 4.3.

At the national level, the Algarve is currently the region with the highest concentration of STR, accounting for 36.2% of all registered units (RNAL, 2025). When analysed on a per capita basis, this figure reveals even more clearly the intensity of the phenomenon in the region: 93 STR establishments per 1,000 inhabitants, compared to a national average of just 11 per 1,000.

The rapid growth of STR establishments—having quadrupled in just ten years—has resulted in a spatial distribution that largely reflects the region's established tourism logic. This pattern is predominantly shaped by a mass tourism model centred on sun and beach experiences, with a strong concentration along the coastal strip, particularly in municipalities such as Albufeira (22.3%), Loulé (15,7%), Portimão (13.2%), and Lagos (13.1%). Nevertheless, recent data reveal a gradual dispersion of STR activity towards inland and low-density rural areas (Figure 3), traditionally less touristic, which have based their tourism development on products complementary to sun and beach tourism. These include cultural and creative tourism as well as urban tourism, closely aligned with major international trends in tourist demand.

Another noteworthy aspect concerns the paradigm shift in tourism accommodation in the Algarve, driven by the rapid growth of STR. This subsector has come to dominate the region's accommodation capacity (Figure 4). During the COVID-19 pandemic, the number of beds available in STR surpassed that of traditional tourist

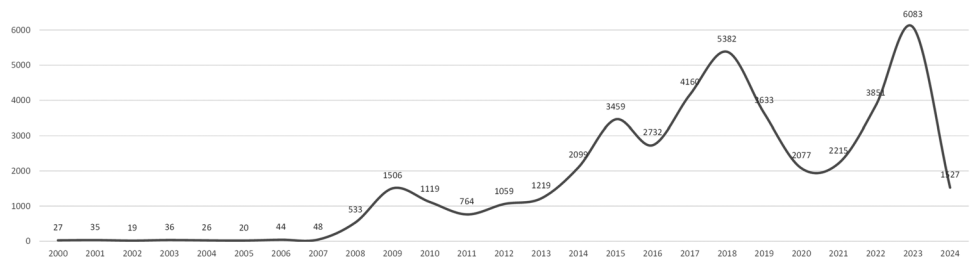


Figure 2. Evolution of the short-term rentals registration in the Algarve, 2000–2024.
Source: own elaboration with data from RNAL (2025).

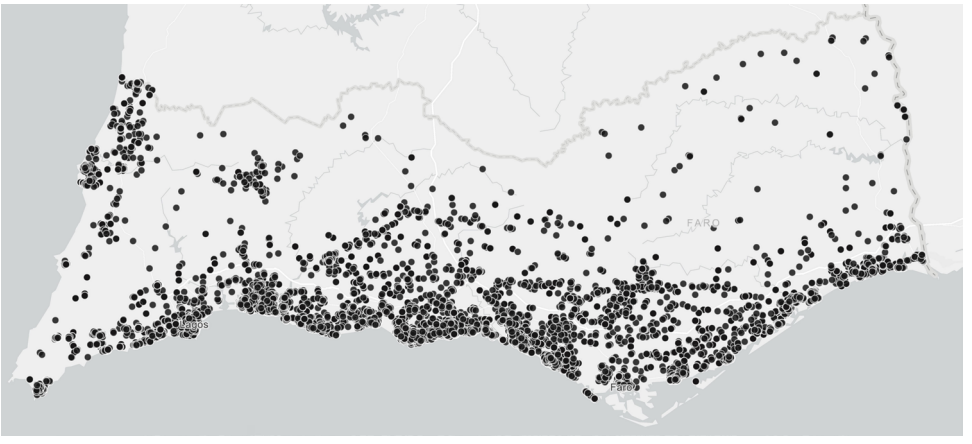


Figure 3. Map of the spatial distribution of active short-term rental establishments in the Algarve. Source: RNAL (2025), trough travel BI.

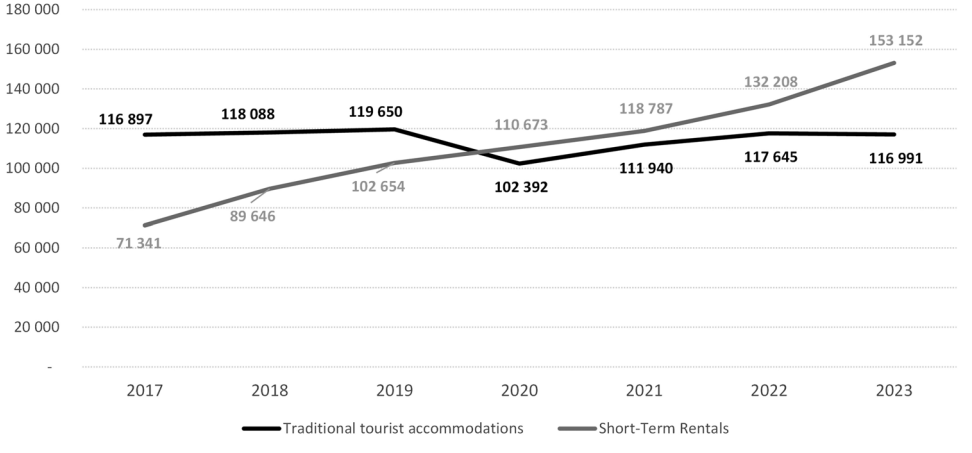


Figure 4. Total number of beds in the Algarve, by accommodation Type (2017–2023). Source: own elaboration with data from RNAL (2025) and INE (2025).

accommodations such as hotels and resorts. Following the pandemic, not only did this trend persist, but it also intensified. Over the course of six years, the bed capacity of short-term rentals more than doubled, reflecting a profound transformation in the regional tourism landscape and the increasing preference for alternative lodging options. By the end of 2024, the average capacity per STR establishment in the Algarve was 2.1 bedrooms, 3.6 beds, and 5.3 guests.

In the Algarve, between 2011 and 2024, accommodation capacity in traditional lodging establishments, measured in number of beds, declined by 16.5%, while STR experienced a remarkable increase of 950.5%. It is worth noting that the growth trend of STR was even more pronounced in the region's rural municipalities, where in several cases the pace of growth was substantially higher, reaching variation rates of up to 7,200% over the same period (Table A2). This shift has significant implications for local economies, urban development, and housing markets, as STR reshape demand

patterns and spatial distribution of tourists, often challenging traditional accommodation sectors and raising new regulatory and social issues, as detailed in the following section.

4.2. Socio-economic and spatial impacts of the rural touristification in the Algarve

4.2.1. The touristification of rural areas

The rapid growth of STR in the Algarve signals a new and distinct phase of touristification in this touristic region, marked by the recent expansion of tourism activity into rural and low-density areas that were previously less exposed to sustained tourist stays. While such territories may have historically attracted visitors, they were not traditionally sites of overnight tourism. Figure 5 illustrates the annual progression of STR registrations, broken down by territorial typology: non-rural, rural, and low-density areas. While STR in the Algarve remain predominantly concentrated in non-rural territories, especially along the coastal strip, the data reveal that from 2023 onwards, there is a visible intensification of STR growth in rural areas, with low-density territories showing the most marked increase.

By the end of 2024, 34% of all STR establishments in the Algarve were in rural areas, with 22% of these found in low-density territories, indicating a growing dispersion of tourist accommodation beyond the traditional coastal zones.

The grow rate of STR registrations, particularly between 2012 and 2024, (Figure 6) also highlights this trend of expansion in less tourist-centric areas. The map clearly shows that growth has been more pronounced in traditionally less touristy areas. *Castro Marim, São Brás de Alportel, Faro* and *Alcoutim* stand out with the darkest shading, indicating a significant increase in short-term rentals. These regions have typically been less visited compared to more popular destinations like Lagos or Albufeira.

This shift extends the geography of tourism beyond the conventional coastal hotspots, intensifying pressures on housing, infrastructure, and local communities in areas once considered peripheral to the mainstream tourism economy.

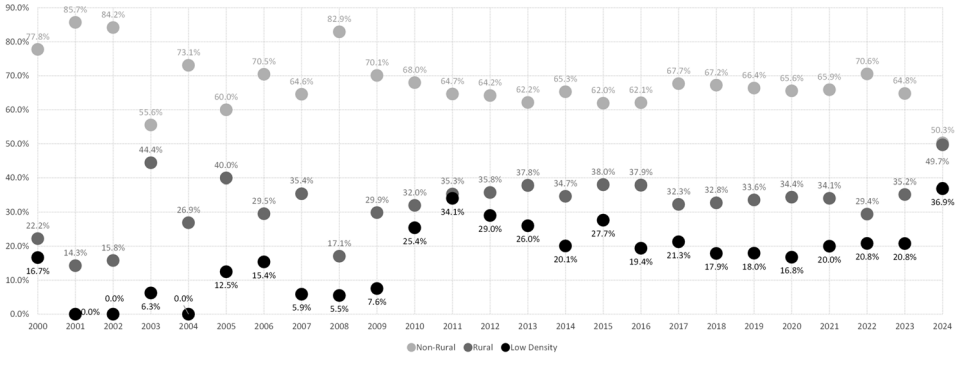


Figure 5. Evolution of new STR registrations by type of territory, 2000–2024 (%).
Source: own elaboration with data from RNAL (2025).

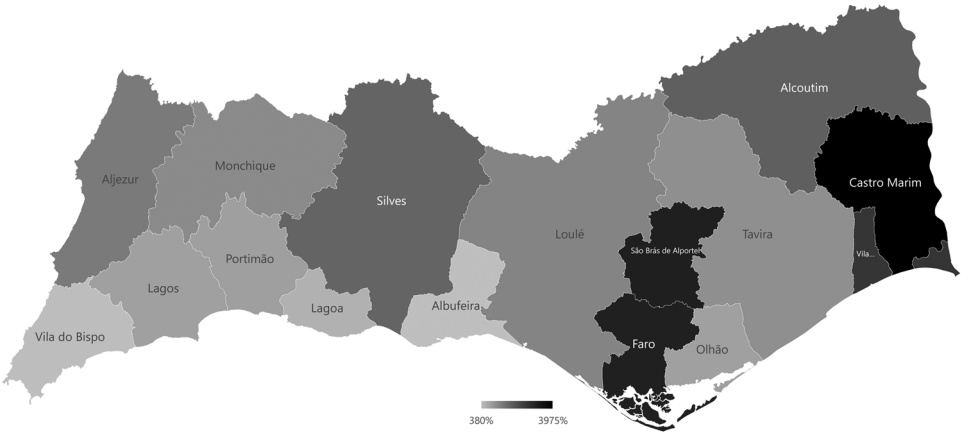


Figure 6. Growth rate of STR registrations between 2012 and 2024.
Source: own elaboration with data from RNAL (2025).

When examining the population data (Table A1), we can see that, between 2011 and 2021, three out of the six rural municipalities analysed experienced population changes significantly above the regional average (3.6%): Castro Marim saw a growth of 97.1%, Vila do Bispo 8.7%, and São Brás de Alportel 5.5%. It is worth highlighting that during the same period, there was also a notable increase in the proportion of foreign residents in these areas: Vila do Bispo (70.5%), Monchique (52%), Castro Marim (27.4%), Aljezur (18.6%), and São Brás de Alportel (17.6%). As a result, touristification is no longer confined to urban centres or resort zones but increasingly manifests in dispersed, everyday rural landscapes, reshaping local identities, land use patterns, and socio-economic relations.

On one hand, this trend may contribute to economic diversification in regions historically marginalised from the dominant tourism economy and might support rural revitalisation and help counterbalance demographic decline. On the other hand, the rapid and often unregulated growth of STR in these areas also raises cultural and social tensions, especially when it disrupts traditional ways of life or accelerates the seasonal character of the local economy. Unlike hotels or licensed rural tourism enterprises, STR often operate outside structured planning or sustainability frameworks, raising questions about land use conflicts, enforcement capacity, and the long-term coherence of rural development strategies.

Recent data from the Algarve Sustainable Tourism Observatory reveals a growing dissatisfaction among residents regarding tourism. Between 2022 and 2024, there was an increase in the proportion of residents advocating for fewer tourists, rising from 13.2% to 19.6%, respectively (Silva et al., 2023, 2025).

Exploratory *in situ* visits to some of these locations allowed for informal conversations with residents and local business owners, and it became clear that, while there is recognition of the economic benefits brought by the recent increase in tourism activity, there is also concern about the distribution of these gains among residents. There is significant apprehension regarding the possible replication of the intensive coastal tourism model in rural areas, raising concerns about the long-term sustainability of the region. It is widely recognized that the typical mass tourism profile

should not define rural visitation patterns, which ought to attract visitors who are more appreciative of and respectful toward nature. At the same time, issues of scale must be carefully managed by setting visitor capacity limits and clearly defining zones for new construction, to avoid the mistake of urbanizing rural landscapes and threatening local fauna and flora. A further underlying concern lies in the perception among residents and business owners that they should be heard and involved in shaping the tourism offer and management models, something that has not yet taken place.

While the spread of STR into low-density areas may appear to offer new opportunities, it also signals a form of dispersed touristification that requires careful regulation and community engagement. Without it, these territories risk replicating the same unsustainable patterns observed in high-density tourist hotspots, only with fewer resources to manage the consequences.

4.2.2. The rural touristification of housing

The phenomenon of touristification of housing has become increasingly evident in several touristic areas worldwide. This process refers to the transformation of residential dwellings into tourist-oriented accommodation (short-term rentals), leading to a structural shift in the function of housing stock: from serving as permanent homes for local residents to becoming assets for short-term rental markets. As STR expand, especially in their most lucrative forms (entire houses or apartments), it fuels dynamics of tourist gentrification, whereby traditional neighbourhoods are reshaped to cater to visitors rather than communities. In addition to socio-cultural and symbolic reconfigurations, this also contributes to the physical displacement of lower-income and long-term residents, who are increasingly priced out of their own towns due to rising rents, housing scarcity, and speculative property investment. The Algarve, with its strong tourism economy, presents a clear case of how these pressures manifest spatially and socially, calling for a critical assessment of housing policies and the sustainability of tourism-led urban development.

In Portugal, there are five categories of STR registration: Apartment, Lodging Establishment, and Lodging Establishment: Hostel, Villa, and Room. In the Algarve, the vast majority of STR are either apartments (63.7%) or villas (32.5%), meaning that at least 96.2% of STR establishments in the region involve the exclusive use of residential buildings for tourism accommodation purposes. Figure 7 illustrates the intensity of occupation of classic family dwellings by STR in the Algarve, specifically focusing on entire properties classified as villas or apartments. This excludes hospitality-type establishments (such as guesthouses and hostels) and individual rooms, as these do not involve the exclusive occupation of residential units.

At the national level, the share of housing units occupied by STR remains relatively low, standing at just 1.8%. However, this figure rises sharply in the Algarve region, where 10.7% of classic family dwellings are registered as STR, a rate nearly six times higher than the national average.

This regional average already reflects significant pressure from STR on the local housing market. Yet, several municipalities within the Algarve far exceed even this elevated regional benchmark. In Albufeira, more than 21% of dwellings are occupied by STR, making it the most saturated municipality in the region. Particularly

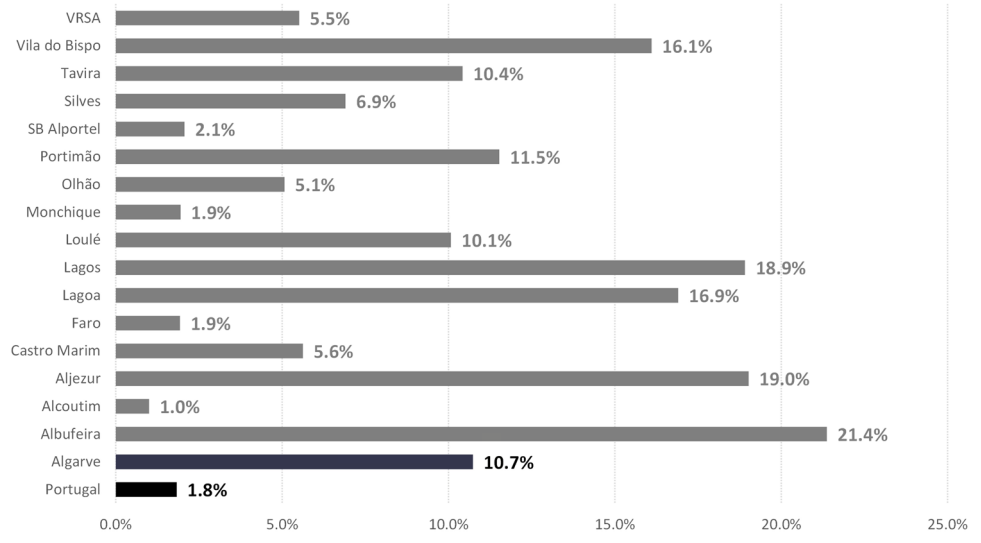


Figure 7. Intensity of occupation of classic family dwellings by STR in the Algarve (%).
Source: own elaboration with data from RNAL (2025) and INE (2025).

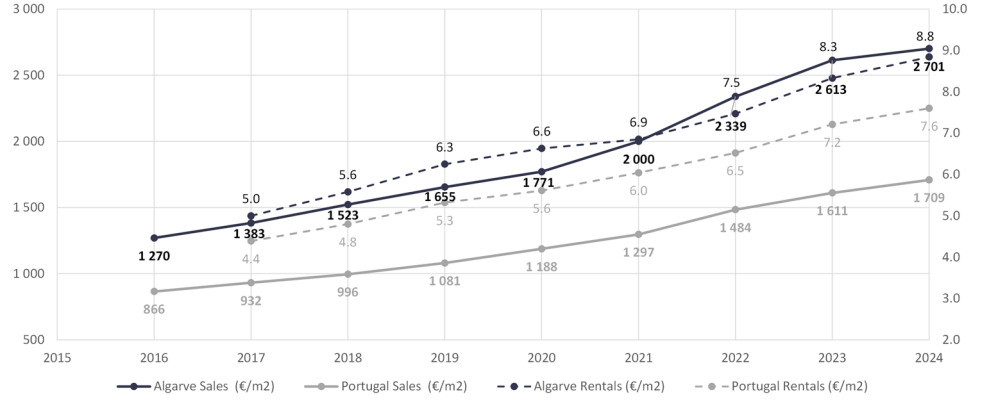


Figure 8. Average sale and rental prices of classic family housing (€/m^2).
Source: own elaboration with data from INE (2025).

concerning are some of the rural municipalities included in the analysis, where housing markets are especially vulnerable due to their low population density. In Aljezur, STR occupy around 19% of the housing stock, while in Vila do Bispo the figure reaches 16%, illustrating the intensity of this phenomenon even in sparsely populated areas.

This growing interest in the tourist exploitation of the housing stock is clearly reflected in the rising cost of housing, both in terms of property purchases and long-term rentals. Figure 8 illustrates the evolution of housing prices per square metre, for both sales and rentals, in Portugal and specifically in the Algarve. From the outset of the time series in 2016, a consistent upward trend is evident in both indicators, reflecting a sustained increase in housing costs.

The Algarve has continually recorded prices above the national average, but the gap becomes particularly pronounced from 2021 onwards, especially in property sales. By 2024, purchasing a 150 m^2 apartment in the region cost approximately €400,000 on average, while renting a similar property required around €1,300 per month, in a context where the average salary remained significantly lower (around €1,600 per month in 2024 - INE).

This mismatch between local incomes and housing costs generates several critical implications. First, residential exclusion has become a growing concern, as local residents, particularly younger adults and lower-income households, are increasingly priced out of both rental and ownership markets. The conversion of housing units into STR reduces the availability of long-term housing, contributing to scarcity and further inflating prices. Between 2011 and 2024, the rural municipalities of the Algarve underwent marked changes in their housing dynamics, reflecting patterns of tourism-led gentrification widely discussed in the literature. The share of owner-occupied dwellings declined across almost all municipalities, most notably in *Aljezur* (from 79.9% to 71.3%, −8.6%) and *Alcoutim* (from 93.9% to 86.2%, −7.7%), indicating a progressive shift away from traditional ownership structures (Table A3).

Secondly, and beyond socio-cultural and symbolic reconfigurations, physical displacement is also occurring even in rural and low-density areas, which have traditionally offered more affordable housing options. The escalation of housing costs in these territories is accelerating the erosion of permanent populations, resulting in demographic imbalances and the weakening of local communities. Between 2011 and 2024, bank appraisal values almost doubled regionally, rising from €1,151/m^2 in 2011 to €2,229/m^2 in 2024 (+93.7%), with *São Brás de Alportel* showing a similar surge (+94.8%). These increases were mirrored in the average sale prices of dwellings, which rose from €1,270/m^2 in 2016 to €2,752/m^2 in 2024 across the Algarve (+116.7%), with particularly dramatic growth in *Aljezur* (+142.8%), *Monchique* (+135.8%), and *Vila do Bispo* (+137.5%) (Table A3).

Meanwhile, rental prices followed the same trajectory, climbing from €5.00/m^2 in 2017 to €9.41/m^2 in 2024 across the region (+88.2%), with *São Brás de Alportel* (+74.8%) and *Aljezur* (+71.0%) among the municipalities most affected. Together, these trends demonstrate a profound revalorisation of rural housing markets, driven by the influx of tourism-oriented investment, lifestyle migration, and the expansion of short-term rental activity.

A third consequence relates to labour market distortion, most clearly reflected in the changing pattern of economic activity in rural areas, where a marked shift towards the service and tourism sectors is taking place. This growing tertiarization of the rural economy is reshaping traditional employment structures, reducing the weight of primary activities and increasing dependence on seasonal and low-paid service jobs. In the rural municipalities analysed, it was also possible to identify, between 2011 and 2021, an increase in the population working in the tertiary sector (Table A1), indicating a clear shift in the socioeconomic dynamics of these areas.

Finally, the growing profitability of STR letting has fostered speculative investment in housing. This often leads to the prioritisation of tourist revenue over residential use, thereby undermining the core housing function of many areas and injecting volatility into local property markets.

The rapid expansion of STR, especially in areas lacking robust regulatory frameworks or affordable housing strategies, risks exacerbating social inequalities and weakening territorial cohesion. Without timely and targeted intervention, this trend may consolidate a tourism-led urban model that prioritises external consumption at the expense of local livelihoods and long-term community resilience.

4.3. The role of public policies: promoting and responding to STR boom

This process, observable in numerous urban contexts, such as the paradigmatic cases like Barcelona and Venice, developed relatively late in Portugal. It did not occur spontaneously or through simple spillover effects. Instead, it was the 2008 Subprime financial crisis that accelerated this process in Portugal, driven by a clear strategy from the then-government and the Troika, which intervened in the country to overcome the crisis by increasing revenues from tourism.

Accordingly, regulatory conditions were created to foster this economic development model, aligning with international tourism trends, which largely relied on the growth of STR. This led to the establishment of legislative and regulatory frameworks that enabled the rapid development of this model and its capacity to generate tourism income. Key milestones in this process include:

2009—The Tax Benefits Regime for Non-Habitual Residents (Decree Law No. 249/2009 | DR, 2009) was introduced to attract 'high value' residents from both inside and outside the EU, offering reduced tax rates and exemptions on certain taxes for the first ten years living in Portugal (e.g. benefit from a flat 20% income tax rate, instead of the usual progressive rates that can reach up to 48%).

2012—The Residence Permit for Investment Activity (ARI) (Act No. 29/2012 | DR, 4191, 2012), or Golden Visa scheme, was introduced to attract foreign investment by granting residence permits to non-EU nationals who make qualifying investments in Portugal, particularly in real estate.

2012—The New Urban Lease Regime (NRAU) (Lei n.o 31/2012, de 14 de Agosto) to revitalise the rental market, update outdated rents, and simplify procedures such as eviction for non-compliance.

2012—The Legal Framework for Urban Rehabilitation (Portuguese Law No. 32/2012 of 14 August) attracted global financial capital and increased investor interest, for the requalification of degraded urban areas by simplifying administrative procedures and offering tax incentives to investors.

2014—The Legal Framework for the Operation of Short-term Rental Establishments in Portugal (Decree Law No. 128/2014 | DR, 2014) defining the rules for this type of accommodation. This regime resulted in greater regulatory freedom and significant tax advantages compared to long-term rentals (e.g. 22% tax reduction for landlords).

This set of legislative and fiscal measures introduced in Portugal from 2009 onwards played a decisive role in attracting foreign capital and investors, particularly through real estate. As the analysis has shown, these policies had a direct impact on the growth of tourism, especially urban tourism linked to short-term rentals. This led to a clear intensification of tourism in specific cities such as Lisbon, Porto, and several cities in the Algarve, transforming their urban fabric and economic dynamics.

Table 2. Regulatory responses to STR boom in Lisbon and Porto.

City	Year	Measures
Lisbon	2015	The *Lojas com História* (Shops with History) programme was launched to support and preserve traditional and historic businesses, particularly in touristic city centres affected by commercial displacement.
	2019	Four containment zones (*zonas de contenção*) were defined, where new short-term rental licences were restricted in order to limit their proliferation in areas under housing pressure.
	2020	The *Programa Renda Segura* (Secure Rent Programme) was introduced to encourage the transfer of properties from the short-term rental market to the long-term rental sector through financial incentives and guaranteed rental income for landlords.
	2021	Total limitation of new short-term rental licences in areas identified as suffering from housing scarcity and tourist saturation.
	2022	Containment zones were expanded from 4 to 14, reflecting the continued need to curb the growth of short-term rentals and respond to concerns over housing affordability and overtourism.
	2024	Registration suspension of new STR units in city parishes where the ratio of STR units to total dwellings is equal to or greater than 2.5%, and as long as the municipal-level ratio remains above 5%.
	2025	A new regulation is currently under discussion and is expected to bring further changes to the governance and licensing of short-term rentals
Porto	2019	Regulation for restricted tourist zones (*zonas turísticas condicionadas*), particularly in the Historic Centre and Bonfim. It also created the role of Short-Term Rental Mediator and introduced a Code of Conduct and Best Practices for STR operators, although this initiative was suspended in April 2020.
	2020	The *Porto com Sentido* programme was launched to promote the shift from short-term to long-term rentals by offering incentives to property owners who made their homes available for residential leasing.
	2023	The city finally established official containment zones (*zonas de contenção*) to restrict the issuance of new STR licences in areas experiencing high housing pressure - *Regulamento Municipal para o Crescimento Sustentável do Alojamento Local do Porto*.

Source: Own elaboration.

The effects were so significant that, at a certain point, some municipal councils felt the need to create or update their STR regulations to control its expansion and mitigate the negative impacts on housing availability and overtourism. These regulatory responses sought to strike a balance between promoting economic activity and safeguarding residents' right to affordable housing and quality of life in increasingly saturated urban areas.

The municipalities of Lisbon and Porto introduced specific measures, present in Table 2.

Faced with the worsening effects of STR on housing and the inaction of many municipalities across the country, the national government decided to intervene. This led to the introduction of the well-known *Pacote Mais Habitação* (More Housing Package) (Act No. 56/2023 | DR, 2023) by António Costa's government, which came into force in October 2023. The package was broad in scope and included a specific section targeting the regulation of STR. The implementation of this law helps explain the sharp drop in new STR registrations in 2024 (seen in Figure 2), as well as the growth of such activity in rural areas, where restrictions were less severe. This included nationwide measures like:

- An Extraordinary Contribution on Short-Term Rentals (CEAL), a new fiscal measure applied to STR operations.
- Restrictions on new STR registrations in coastal areas, where tourism pressure is high.
- Expiry of licences after five years, unless renewed under updated conditions.

- New registrations in residential buildings require unanimous approval from the condominium, and existing licences may be cancelled by a two-thirds majority vote of condominium owners.
- Licences are non-transferable, preventing their sale or inheritance.
- An incentive to shift to the long-term rental market, including full tax exemption on rental income until 2030 for owners who convert their properties from STR to residential renting.

However, following the fall of this government, in November 2023, and the appointment a new right-wing administration in April 2024, many of the STR restrictions, imposed by the previous legislation, were swiftly rolled back, just one year after being enacted (Decree Law No. 76/2024 | DR, 2024). At present, there are no national-level restrictions on STR, and the responsibility to regulate and implement measures in this area now lies solely with the municipalities, which have the autonomy to introduce, or not, policies they consider necessary to better regulate and manage STR in their own territories.

5. Discussion

The findings presented in this study confirm and deepen the understanding of touristification as a powerful force reshaping contemporary urban and territorial dynamics, not only in global cities but increasingly in peripheral and rural areas, as can be seen in the Algarve region. In Portugal, the interplay between short-term rentals (STR), state-led fiscal incentives, and international capital flows has produced a marked reconfiguration of housing markets, exacerbating exclusionary pressures that are widely documented in the literature (e.g., Cocola Gant, 2018; Lorenzen, 2021; Milano et al., 2023; Perles-Ribes et al., 2025; Romera et al., 2025, among others; Törnberg, 2022).

What distinguishes the Portuguese trajectory is the temporal and institutional specificity of this transformation. Unlike earlier paradigmatic cases such as Barcelona or Venice, Portugal's turn to a tourism-led development model was catalysed by the 2008 financial crisis and reinforced by the intervention of the Troika. The state actively restructured the regulatory framework to attract foreign investment and promote urban tourism, positioning STR as a core vehicle of economic recovery across both urban and rural territories.

Policies such as the Non-Habitual Resident tax regime, the Golden Visa programme, and the liberalisation of the rental market under the NRAU effectively aligned national urban policy with the platform extractive logic (Srnicek, 2017; Wijburg et al., 2018). These interventions, while boosting tourism revenues and urban regeneration, also intensified the financialisation of housing and contributed to socio-economic, symbolic and physical displacements, confirming the pattern of "accumulation by dispossession" theorised by Harvey (2003).

The commodification of housing as a high-yield investment asset—facilitated by STR platforms—has produced a structural mismatch between local incomes and housing costs. In cities, this has generated multiple layers of exclusion: residential (through the scarcity and unaffordability of housing), social (*via* the erosion of long-term residents and community life), and economic (through the distortion of local labour markets and forced commuting). These effects are no longer confined to metropolitan centres. STR expansion increasingly reaches low-density and rural areas, traditionally perceived as

affordable, stable, and socially cohesive. In regions such as the Algarve, interior Alentejo, or Douro Valley, STR-driven transformations intersect with rural depopulation and seasonal dependency, reshaping local property markets and redefining community relations.

In rural contexts, the penetration of digital platform mediators entails distinct dynamics. Rather than concentrating around heritage cores or cultural quarters, rural touristification operates through the selective activation of dispersed places, converted into spots of transient consumption. Here, STR contribute not only to the inflation of property values but also to the redefinition of "rural authenticity" as a commodified experience. This process may exacerbate seasonal imbalances and create governance challenges for maintaining rural social and environmental sustainability, as evidenced by the data and exploratory fieldwork.

This spatial diffusion of touristification challenges conventional assumptions about urban peripherality and demands a rethinking of how territorial cohesion and housing justice are conceptualised in policy and planning. Crucially, the findings show that STR reshape not only housing markets but also the symbolic and functional dimensions of space. The conversion of everyday life into a spectacle—through the aestheticisation and commodification of the "typical"—alters both urban neighbourhoods and rural landscapes, reducing them to backdrops for transient consumption (Cruz & Gato, 2023; Richards, 2022). This undermines communities' liveability and paradoxically jeopardises the long-term sustainability of tourism itself, as cities, peripheral territories and rural areas risk losing the very authenticity they market to global audiences.

Moreover, the platformisation of housing markets introduces new asymmetries between local governance and transnational economic actors. As several studies have shown (e.g., Gurran & Phibbs, 2017; Rogers & Koh, 2017), municipalities struggle to regulate STR platforms effectively due to legal gaps, limited enforcement capacity, and conflicting economic interests. While Lisbon and Porto have attempted to control the expansion of STR in central areas, rural municipalities often lack comparable tools or resources, making them particularly vulnerable to speculative pressures. The trajectory unfolding in the Algarve region, where coastal tourism and rural revalorization increasingly converge, highlights the urgency of proactive measures to prevent the consolidation of unsustainable dynamics across the urban-rural continuum.

In this context, Portugal and the Algarve region specifically exemplify a broader shift in spatial governance towards a model that privileges external consumption and speculative investment over the rights and needs of local populations. The stratification of access to housing, services, and liveable environments reflects a broader transformation in the political economy of territory, where the right to inhabit is increasingly subordinated to the imperative of rent extraction (Colomb & Novy, 2017; Lefebvre, 2000). Without reorientation of housing policy, spatial planning and platform regulation, the consolidation of a tourism-led development model risks deepening structural inequalities and threatening the social fabric not only in large cities, but also in peripheral towns, low-density regions and rural landscapes now drawn into the circuits of tourism capitalism.

6. Conclusion, limits and policy recommendations

The rapid growth of short-term rentals (STR) in the Algarve represents not just a transformation in the accommodation sector but a broader reconfiguration of territorial

dynamics driven by platform-mediated rentals and state-enabled financialisation. Unlike earlier phases of tourism development, centred on coastal resorts and mass tourism infrastructure, the current wave of touristification is more dispersed, digitally mediated, and embedded in residential landscapes. This has intensified housing scarcity, speculative investment, and community forms of displacements, producing new spatial inequalities that now extend into low-density rural territories traditionally seen as marginal to tourism flows.

This article has demonstrated how national policies—particularly the Golden Visa programme, the Non-Habitual Resident tax regime, and liberal STR licensing frameworks—have created a favourable environment for the commodification of housing and the extraction of value from territory *via* tourism. The 2023 "*Mais Habitação*" law marked a turning point by introducing restrictions on STR, but its rollback in 2024 following political change revealed the vulnerability of such regulatory reforms in the face of market forces and shifting political priorities.

Considering these findings, there is an urgent need for stronger, more proactive public regulation. STR licenses should be limited in number per holder and restricted to individual residents rather than commercial operators. License caps must be defined geographically in response to housing pressure, and municipal governments must be empowered to regulate STR in accordance with local needs. Residency requirements for operators could help reconnect the STR market with community interests, while progressive taxation on STR income in saturated areas could help fund affordable housing initiatives. Data transparency must also be improved through a national STR registry that includes inactive or cancelled registrations, allowing for more accurate trend analysis and policy design. Such measures should not operate in isolation but be integrated into national housing strategies and territorial planning frameworks aimed at promoting long-term residential stability, balanced tourism development and the regeneration of territories through integrated and sustainable development approaches.

While the study offers a robust analysis of STR expansion and its socio-spatial impacts in the Algarve, several limitations must be acknowledged. The official database used only includes active STR listings, excluding those that were deactivated or withdrawn, which may distort long-term trend assessments. Additionally, while this article provides an overview of key national and local policy responses, a deeper institutional analysis could further illuminate the political economy of tourism governance and regulation.

Despite these limitations, the Algarve case underscores a critical lesson: left unregulated, tourism expansion *via* STR can profoundly reshape not only urban spaces but also rural geographies, often at the expense of housing rights, social cohesion, and territorial equity. The challenge ahead lies in designing regulatory frameworks that acknowledge the multifaceted impacts of tourism and embed principles of housing justice, community resilience, and spatial sustainability into the core of tourism policy.

Ethics declaration – generative artificial intelligence use

The authors acknowledge the use of artificial intelligence tools (OpenAI's ChatGPT-4 and Grammarly v.7.1.0) to assist in the English translation and linguistic refinement of the manuscript. All ideas, arguments, and interpretations are the author's own.

Author contributions

CRediT: **Ana Rita Cruz**: Conceptualisation, Data curation, Formal analysis, Funding acquisition, Investigation, Methodology, Supervision, Validation, Visualisation, Writing – original draft, Writing – review & editing; **Maria Assunção Gato**: Conceptualisation, Formal analysis, Funding acquisition, Methodology, Writing – review & editing.

Disclosure statement

No potential conflict of interest was reported by the author(s).

Funding

Ana Rita Cruz's work is supported by the Fundação para a Ciência e a Tecnologia [Foundation for Science and Technology, Portugal], awarded through the University of Algarve [CEEC Institucional, 2.ª edição; DOI: https://doi.org/10.54499/CEECINST/00052/2021/CP2792/CT0003] and by CinTurs—Research Centre for Tourism, Sustainability and Well-being (UIDB/04020). Maria Assunção Gato's work was supported by the Fundação para a Ciência e a Tecnologia [Foundation for Science and Technology, Portugal], awarded through Iscte—Instituto Universitário de Lisboa [transitional rule of DL57/2016, amended by Law 57/2017], and by DINÂMIA'CET-Iscte—Centre for Socioeconomic and Territorial Studies (UIDB/03127/2020).

Notes on contributors

Ana Rita Cruz is an Assistant Professor of Sociology at the University of the Algarve and Co-coordinator of the "Tourism, Leisure and Society" research area at Research Centre for Tourism, Sustainability and Well-being (CinTurs). Her research focuses on the interdependencies between tourism and cultural/creative dynamics, urban touristification, and the social impacts of tourism. Holding a PhD in Tourism Studies, she also works as an external consultant for projects involving local, regional, and national authorities in the areas of culture and tourism. She is also a collaborator researcher at DINÂMIA'CET-Iscte.

Maria Assunção Gato is an anthropologist and Assistant Professor in the Department of Social Sciences and Territory at the Faculty of Architecture, University of Lisbon. She is also a research collaborator at the Centre for Research in Architecture, Urbanism and Design (CIAUD) and an integrated researcher at DINÂMIA'CET-Iscte, Instituto Universitário de Lisboa. She holds an MSc in Geography (Territorial Management) and a PhD in Cultural and Social Anthropology from NOVA University of Lisbon.

ORCID

Ana Rita Cruz http://orcid.org/0000-0002-3723-4682
Maria Assunção Gato http://orcid.org/0000-0001-6362-0942

Data availability statement

All data used in this study are publicly available from official sources, including the National Registry of Short-Term Rentals (RNAL) and the Portuguese National Statistics Institute (INE). Aggregated datasets were accessed and processed for analytical purposes. No proprietary or confidential data was used.

References

Aalbers, M. B. (2016). *The financialization of housing: A political economy approach*. Routledge.

Act No. 29/2012 | DR, 4191. (2012). https://diariodarepublica.pt/dr/en/detail/act/29-2012-175291

Act No. 56/2023 | DR. (2023). Retrieved October 13, 2025, from https://diariodarepublica.pt/dr/en/detail/act/56-2023-222477692

Almeida, J., & Daniel, A. (2023). Local governance of evolutionary entrepreneurial ecosystems: A case study in a low-density territory. *Local Economy: The Journal of the Local Economy Policy Unit*, *38*(8), 735–754. https://doi.org/10.1177/02690942241278637

Almeida-García, F., Monserrat-Febrer, A., Cortés-Macías, R., & Coll-Ramis, M. A. (2025). Touristification and expansion of short-term rentals in mediterranean destinations: The case of rural areas. *Land*, *14*(4), 881. https://www.mdpi.com/2073-445X/14/4/881

Atkinson, R. (2000). The hidden costs of gentrification: Displacement in central London. *Journal of Housing and the Built Environment*, *15*(4), 307–326. https://doi.org/10.1023/A:1010128901782

Atkinson, R., & Bridge, G. (2005). *Gentrification in a global context: The new urban colonialism*. Routledge.

Benson, M., & O'reilly, K. (2009). Migration and the search for a better way of life: A critical exploration of lifestyle migration. *The Sociological Review*, *57*(4), 608–625. https://doi.org/10.1111/j.1467-954X.2009.01864.x

Chamusca, P. (2025). Governance, participation, and development: Local power's perspective in Portugal. *International Planning Studies*, *30*(3), 292–318. https://doi.org/10.1080/13563475.2025.2457656

Choi, S., & Won, J. (2023). Exploring the survival mechanisms of short-term rentals in Virginia: A comparative analysis of rural versus non-rural markets. *Sustainability*, *15*(16), 12651. https://doi.org/10.3390/su151612651

Cocola Gant, A. (2015). Tourism and commercial gentrification. *RC21 International Conference on "the Ideal City: Between Myth and Reality. Representations, Policies, Contradictions and Challenges for Tomorrow's Urban Life*, 27–29. http://www.rc21.org/en/conferences/urbino2015/

Cocola Gant, A. (2018). Tourism gentrification. In M. Lees, & L. Phillips (Ed.), *Handbook of gentrification studies* (pp. 281–293). Edward Elgar Publishing.

Cócola Gant, A., & Gago, A. (2021). Airbnb, buy-to-let investment and tourism-driven displacement: A case study in Lisbon. *EPA: Economy and Space*, *53*(7), 1671–1688. https://doi.org/10.1177/0308518X19869012

Cocola-Gant, A. (2023). Place-based displacement: Touristification and neighborhood change. *Geoforum*, *138*, 103665. https://doi.org/10.1016/j.geoforum.2022.103665

Colomb, C., & Moreira de Souza, T. (2021). *Regulating short-term rentals. Platform-Based property rentals in European Cities: The policy debates*. Property Research Trust. https://www.propertyresearchtrust.org/short_term_rentals.html

Colomb, C., & Novy, J. (2017). *Protest and resistance in the tourist city*. Routledge.

Cruz, A. R., & Gato, M. A. (2023). "Living like a local": Turistificação do espaço urbano em Portugal, alojamento local e resposta das políticas públicas. *Anais Brasileiros de Estudos Turísticos*, *13*(Special Issue), 1–11. https://doi.org/10.5281/zenodo.10403084

Davidson, M. (2009). Displacement, space and dwelling: Placing gentrification debate. *Ethics, Place & Environment*, *12*(2), 219–234. https://doi.org/10.1080/13668790902863465

Decree Law No. 76/2024 | DR. (2024). Retrieved October 13, 2025, from https://diariodarepublica.pt/dr/en/detail/decree-law/76-2024-892301177

Decree Law No. 128/2014 | DR. (2014). Retrieved October 13, 2025, from https://diariodarepublica.pt/dr/en/detail/decree-law/128-2014-56384880

Decree Law No. 249/2009 | DR. (2009). Retrieved October 13, 2025, from https://diariodarepublica.pt/dr/en/detail/decree-law/249-2009-490420

Demir, E., & Emekli, G. (2021). Is Airbnb no longer a sharing economy platform? Evidence from Europe's top 10 Airbnb destinations. *Anatolia*, *32*(3), 470–488. https://doi.org/10.1080/13032917.2021.1890626

Estevens, A., Cocola-Gant, A., López-Gay, A., & Pavel, F. (2023). The role of the state in the touristification of Lisbon. *Cities*, *137*(February), 104275. https://doi.org/10.1016/j.cities.2023.104275

Fatanti, M. N., & Suyadnya, I. W. (2015). Beyond user gaze: How Instagram creates tourism destination brand? *Procedia - Social and Behavioral Sciences*, *211*, 1089–1095. https://doi.org/10.1016/j.sbspro.2015.11.145

Franco, S. F., & Santos, C. D. (2021). The impact of Airbnb on residential property values and rents: Evidence from Portugal. *Regional Science and Urban Economics*, *88*, 103667. https://doi.org/10.1016/j.sbspro.2015.11.145

Garcia-López, M. À., Jofre-Monseny, J., Martínez-Mazza, R., & Segú, M. (2020). Do short-term rental platforms affect housing markets? Evidence from Airbnb in Barcelona. *Journal of Urban Economics*, *119*, 103278. https://doi.org/10.1016/j.jue.2020.103278

Gotham, K. F. (2018). Assessing and advancing research on tourism gentrification. *Via Tourism Review*, *13*, 1–11. https://doi.org/10.4000/viatourism.2169

Gurran, N., & Phibbs, P. (2017). When tourists move in: How should urban planners respond to Airbnb? *Journal of the American Planning Association*, *83*(1), 80–92. https://doi.org/10.1080/01944363.2016.1249011

Gurran, N., Zhang, Y., & Shrestha, P. (2020). 'Pop-up' tourism or 'invasion'? Airbnb in coastal Australia. *Annals of Tourism Research*, *81*, 102845. https://doi.org/10.1016/j.annals.2019.102845

Gutiérrez, J., García-Palomares, J. C., Romanillos, G., & Salas-Olmedo, M. H. (2017). The eruption of Airbnb in tourist cities: Comparing spatial patterns of hotels and peer-to-peer accommodation in Barcelona. *Tourism Management*, *62*, 278–291. https://doi.org/10.1016/j.tourman.2017.05.003

Harvey, D. (2003). *The new imperialism*. Oxford University Press. https://doi.org/10.1093/oso/9780199264315.001.0001

Hayes, M. (2021). A global sociology on lifestyle migrations. In J. Dominguez-Mujica, J. McGarrigle, & J. M. Parreño-Castellano (Eds.), *International residential mobilities. Geographies of tourism and global change* (pp. 3–18). Springer. https://doi.org/10.1007/978-3-030-77466-0_1

INE. (2025). *Instituto Nacional de Estatítica*. Base de Dados Online. https://www.ine.pt/xportal/xmain?xpgid=ine_main&xpid=INE

Ioannides, D., Röslmaier, M., & van der Zee, E. (2019). Airbnb as an instigator of 'tourism bubble' expansion in Utrecht's Lombok neighbourhood. *Tourism Geographies*, *21*(5), 822–840. https://doi.org/10.1080/14616688.2018.1454505

Kourkouridis, D., Rizos, A., Frangopoulos, I., & Salepaki, A. (2024). Airbnb and urban housing dynamics: economic and social impacts in Greece. *Urban Science*, *8*(3), 148. https://doi.org/10.3390/urbansci8030148

Lane, B., & Kastenholz, E. (2015). Rural tourism: The evolution of practice and research approaches–towards a new generation concept? *Journal of Sustainable Tourism*, *23*(8-9), 1133–1156. https://doi.org/10.1080/09669582.2015.1083997

Lanfant, F. (1992). Identité, mémoire et la «touristification» de nos sociétés. *Revue Des Sciences Humaines et Sociales*, *46*, 433–439.

Lees, L., Slater, T., & Wyly, E. (2008). *Gentrification*. Routledge. https://doi.org/10.4324/9780203940877

Lees, L., Shin, H. B., & López-Morales, E. (2015). Conclusion: Global gentrifications. In: Lees, L., Shin, H. B., & López-Moráles, E. (eds). Global Gentrifications: Uneven Development and Displacement. London: Policy Press, pp. 441–452. https://doi.org/10.51952/9781447313496.ch022

Lefebvre, H. (2000). *Le Droit à la Ville* (3a). Editions Economica.

Lei n.º 31/. (2012). de 14 de Agosto. Retrieved October 13, 2025, from https://www.pgdlisboa.pt/leis/lei_mostra_articulado.php?nid=1779&tabela=leis

Lestegás, I., Seixas, J., & Lois-González, R.-C. (2019). Commodifying Lisbon: A study on the spatial concentration of short-term rentals. *Social Sciences*, *8*(2), 33. https://doi.org/10.3390/socsci8020033

Lorenzen, M. (2021). Rural gentrification, touristification, and displacement: Analysing evidence from Mexico. *Journal of Rural Studies*, *86*, 62–75. https://doi.org/10.1016/j.jrurstud.2021.05.015

Machado, V., Contreiras, J., & Duarte, A. P. (2020). Local tourism accommodations and institutional strengthening in the interior of the Algarve, Portugal: The role of legislation and technology. *Journal of Place Management and Development*, *13*(3), 255–272. https://doi.org/10.1108/JPMD-12-2018-0107

Marcuse, P. (1986). Abandonment, gentrification, and displacement: The linkages in New York City. In N. Smith, & P. Williams (Eds.), *Gentrification of the city* (pp. 153–177). Routledge. https://doi.org/10.4324/9781315889092

Marques Pereira, S. (2022). Regulation of short-term rentals in Lisbon: Strike a balance between tourism dependence and urban life. *Urban Research & Practice*, *15*(4), 477–504. https://doi.org/10.1080/17535069.2020.1842901

Milano, C., González-Reverté, F., & Benet Mòdico, A. (2023). The social construction of touristification. Residents' perspectives on mobilities and moorings. *Tourism Geographies*, *25*(4), 1273–1291. https://doi.org/10.1080/14616688.2022.2150785

Newman, K., & Wyly, E. K. (2006). The right to stay put, revisited: Gentrification and resistance to displacement in New York City. *Urban Studies*, *43*(1), 23–57. https://doi.org/10.1080/00420980500388710

Nieuwland, S., & van Melik, R. (2020). Regulating Airbnb: How cities deal with perceived negative externalities of short-term rentals. *Current Issues in Tourism*, *23*(7), 811–825. https://doi.org/10.1080/13683500.2018.1504899

OECD. (2023). Rethinking regional attractiveness in the Algarve region of Portugal. In *OECD Regional Development Papers, 113 | OECD*. OECD Publishing. https://doi.org/10.1787/0444839c-en

Ojeda, A. B., & Kieffer, M. (2020). Touristification. Empty concept or element of analysis in tourism geography? *Geoforum; Journal of Physical, Human, and Regional Geosciences*, *115*, 143–145. https://doi.org/10.1016/j.geoforum.2020.06.021

Palazzo, M., Vollero, A., Vitale, P., & Siano, A. (2021). Urban and rural destinations on Instagram: Exploring the influencers' role in #sustainabletourism. *Land Use Policy*, *100*, 104915. https://doi.org/10.1016/j.landusepol.2020.104915

PDR2020. (n.d.). *Lista de Freguesias Rurais PDR 2020*. http://www.pdr-2020.pt/content/download/1175/11879/version/1/file/Territorios+Rurais.pdf

Perles-Ribes, J. F., Ramón-Rodríguez, A., Torregrosa-Martí, T., & Ivars-Baidal, J. (2025). The relationship among short-term rentals, house prices and rental prices in consolidated tourism destinations. *Journal of Policy Research in Tourism, Leisure and Events*, 1–16. https://doi.org/10.1080/19407963.2025.2490245

Pinkster, F. M., & Boterman, W. R. (2017). When the spell is broken: Gentrification, urban tourism and privileged discontent in the Amsterdam canal district. *Cultural Geographies*, *24*(3), 457–472. https://doi.org/10.1177/1474474017706176

Pinto, H., Marzano, M., Cruz, A. R., & Elston, J. (2025). Overtourism and short-term rental effects in Florence and Lisbon: The perspective of residents' associations. In C. Ribeiro de Almeida, A. I. Renda, & J. Echavarri (Eds.), *Short-term rentals and their impact on destinations* (pp. 201–236). IGI Global. https://doi.org/10.4018/979-8-3693-6050-7

PT2030. (2023). *Deliberação n.º 31/2023/PL: Classificação de Municípios e Freguesias de Baixa Densidade*. https://portugal2030.pt/wp-content/uploads/sites/3/2023/09/31_2023_PL_BaixaDensidade.pdf

Richards, G. (2022). Urban tourism as a special type of cultural tourism. In J. van der Borg (Ed.), *Research agenda for urban tourism* (pp. 31–50). Edward Elgar Publishing.

Rogers, D., & Koh, S. Y. (2017). The globalisation of real estate: The politics and practice of foreign real estate investment. *International Journal of Housing Policy*, *17*(1), 1–14. https://doi.org/10.1080/19491247.2016.1270618

Romera, A. R., Lama, A. V., Ruiz, M. C. P., & Tabales, A. F. (2025). Making the city uninhabitable. The impacts of touristification on the commercial environment. *Cities*, *165*. https://doi.org/10.1016/j.cities.2025.106080

Salerno, G.-M. M., & Russo, A. P. (2022). Venice as a short-term city. Between global trends and local lock-ins. *Journal of Sustainable Tourism*, *30*(5), 1040–1059. https://doi.org/10.1080/09669582.2020.1860068

Sequera, J., & Nofre, J. (2020). Touristification, transnational gentrification and urban change in Lisbon: The neighbourhood of Alfama. *Urban Studies*, *57*(15), 3169–3189. https://doi.org/10.1177/0042098019883734

Silva, J. A., Pereira, L., Andraz, J., & Nunes, R. (2023). *Observatório para o Turismo Sustentável do Algarve - Relatório Global 2022*. https://monitur.ualg.pt/wp-content/uploads/2023/11/RELATORIO-RESIDENTES-EA-2022-3.pdf

Silva, J. A., Pereira, L., Andraz, J., & Nunes, R. (2025). *Observatório para o Turismo Sustentável do Algarve - Resultados Residentes 2024*. https://monitur.ualg.pt/wp-content/uploads/2025/06/RELATORIO-DO-INQUERITO-AOS-RESIDENTES-2024-1.pdf

Smith, N. (1996). *The new urban frontier: Gentrification and the Revanchist City*. Routledge.

Srnicek, N. (2017). *Platform capitalism*. Polity Press.

Torkington, K., Eimermann, M., Ribeiro, F. P., & Conceição, S. (2025). Challenges for tourism-related lifestyle migrant entrepreneurship in rural areas of the Algarve, Portugal. *Journal of Rural Studies*, *115*, 103562. https://doi.org/10.1016/j.jrurstud.2025.103562

Torkington, K., Rebelo, S., & Ribeiro, F. P. (2025). The potential for and of short-term rental accommodation in rural areas of the Algarve. In C. Ribeiro de Almeida, A. I. Renda, & J. Echavarri (Eds.), *Short-term rentals and their impact on destinations* (pp. 301–332). IGI Global. https://doi.org/10.4018/979-8-3693-6050-7.ch010

Törnberg, P. (2022). Platform placemaking and the digital urban culture of Airbnbification. *Urban Transformations*, *4*(1). https://doi.org/10.1186/s42854-022-00032-w

van Doorn, N. (2017). Platform labor: On the gendered and racialized exploitation of low-income service work in the 'ondemand' economy. *Information, Communication & Society*, *20*(6), 898–914. https://doi.org/10.1080/1369118X.2017.1294194

Wachsmuth, D., & Weisler, A. (2018). Airbnb and the rent gap: Gentrification through the sharing economy. *Environment and Planning A: Economy and Space*, *50*(6), 1147–1170. https://doi.org/10.1177/0308518X18778038

Wijburg, G., Aalbers, M. B., & Heeg, S. (2018). The financialisation of rental housing 2.0: Releasing housing into the privatised mainstream of capital accumulation. *Antipode*, *50*(4), 1098–1119. https://doi.org/10.1111/anti.12382

Appendix A

Table A1. Population and labour indicators.

Rural Municipalities of the Algarve	Inhabitants (No)			Share of Foreign Resident Population (%)			Share of Employed Population in the Tertiary Sector Share of Employed Population on the Tertiary Sector (%)		
	2011	2021	ΔX	2011	2021	ΔX	2011	2021	ΔX
Alcoutim	2,917	2,523	**−13.5%**	5.2%	1.9%	**−64.6%**	74.4%	76.1%	**2.3%**
Aljezur	5,884	6,045	**2.7%**	21.6%	25.7%	**18.6%**	69.7%	73.9%	**6.0%**
Castro Marim	3,267	6,439	**97.1%**	7.0%	8.9%	**27.4%**	77.2%	81.5%	**5.6%**
Monchique	6,045	5,462	**−9.6%**	8.6%	13.1%	**52.0%**	72.0%	74.1%	**2.9%**
SB Alportel	10,662	11,248	**5.5%**	10.2%	11.9%	**17.6%**	76.5%	79.9%	**4.4%**
Vila do Bispo	5,258	5,717	**8.7%**	15.2%	25.9%	**70.5%**	81.2%	83.6%	**3.0%**
Algarve	**451,006**	**467,343**	**3.6%**	**11.5%**	**14.5%**	**25.9%**	**80.6%**	**81.4%**	**1.0%**

Source: Own elaboration with data from INE (2025).

Table A2. Tourism accommodation capacity (beds).

Rural Municipalities of the Algarve	Accommodation Capacity of STR (No Beds)			Accommodation Capacity of Tourism Establishments (No Beds)		
	2011	2024	ΔX	2011	2024	ΔX
Alcoutim	0	171	_	8	114	**1325.0%**
Aljezur	311	5,106	**1,541.8%**	1,876	2,284	**21.7%**
Castro Marim	27	1,971	**7,200.0%**	533	1,344	**152.2%**
Monchique	52	445	**755.8%**	495	580	**17.2%**
SB Alportel	38	702	**1,747.4%**	0	60	_
Vila do Bispo	527	4,242	**704.9%**	2,747	3,229	**17.5%**
Algarve	**15,202**	**15,9697**	**950.5%**	**10,8145**	**90,264**	**−16.5%**

Source: Own elaboration with data from INE (2025).

Table A3. Housing indicators.

Rural Municipalities of the Algarve	Share of Owner-Occupied Residential Dwellings (%)			Bank Appraisal Values (€/m²)			Average Sale Price of Residential Dwellings (€/m²)			Average Rental Price of Residential Dwellings (€/m²)		
	2011	2021	ΔX	2011	2024	ΔX	2016	2024	ΔX	2017	2024	ΔX
Alcoutim	93.9%	86.2%	**−7.7%**	_	_	_	€ 555	€ 769	**38.6%**	_	_	_
Aljezur	79.9%	71.3%	**−8.6%**	_	€ 2,654	_	€ 1,260	€ 3,059	**14.,8%**	€ 4.42	€ 7.56	**71.0%**
Castro Marim	81.0%	76.8%	**−4.2%**	€ 1,157	€ 1,960	**69.4%**	€ 1,105	€ 2,078	**88.1%**	€ 4.86	€ 7.51	**54.5%**
Monchique	71.7%	72.2%	**0.5%**	_	_	_	€ 530	€ 1,250	**135.8%**	_	_	_
SB Alportel	76.8%	72.3%	**−4.5%**	€ 949	€ 1,849	**94.8%**	€ 843	€ 1,997	**136.9%**	€ 3.45	€ 6.03	**74.8%**
Vila do Bispo	74.0%	67.7%	**−6.3%**	€ 2,262	€ 2,693	**19.1%**	€ 1,276	€ 3,030	**137.5%**	_	€ 8.02	_
Algarve	**70.6%**	**66.9%**	**−3.7%**	**€ 1,151**	**€ 2,229**	**93.7%**	**€ 1,270**	**€ 2,752**	**116.7%**	**€ 5.00**	**€ 9.41**	**88.2%**

Source: Own elaboration with data from INE (2025). | Legend: _ (data not available).