

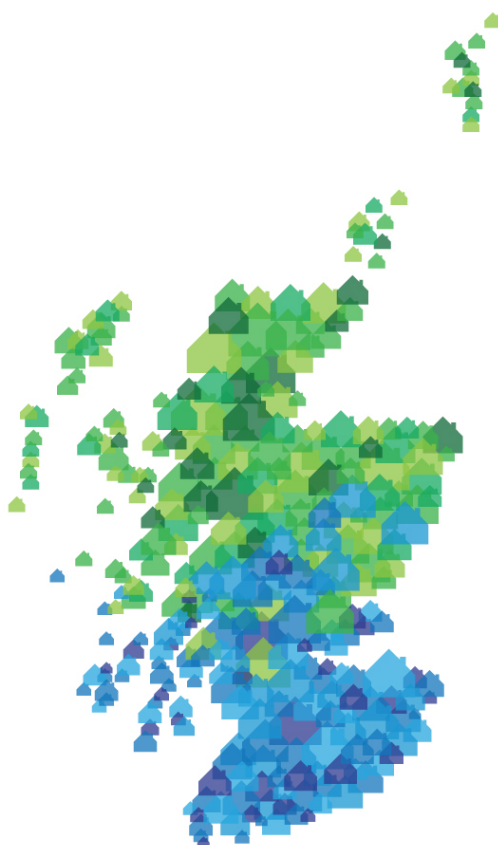


ASSC

Supporting self-catering in Scotland

Barometer

February 2017





## Summary

There were 176 respondents to the survey and 145 told us how long they have been running a self-catering business: 7 were new to self-catering in the last year, 11 have been self-catering for 1- 3 years, 52 for 4-10 years, 44 for 11-20 years and 31 for over 20 years. 58.6% are rural and/or coastal self-catering businesses, 7.3% semi-rural and 6.8% urban.

In overall terms 52% of respondents said that the 2016 season was better or the same as 2015, with 11.9% saying it was worse than 2015. Many respondents described an increase in last minute short breaks and there were a number of comments about tourism in the Aberdeen area being affected by the downturn in oil and gas.

67% said turnover was up on or similar to 2015, and 11.9% said it was down.

30.6% said that guest numbers were up in 2016 compared to 2015, with 29.5% saying they were similar. 10.2% said guest numbers were down on 2015.

Many respondents cited an increase in competition, OTAs and costs as barriers to growth in 2016.

The majority of respondents felt positive about the performance of their business in the coming months: 53% of respondents said they feel quite/very optimistic about the performance of their business in the next 3 months; 67% were quite/very optimistic about the next 12 months; and 57% felt quite/very optimistic about the performance of their business in the next 24 months.

49.3% of respondents said that their bookings for the next 6 months were substantially better, slightly better or about the same compared to last year, with 19.3% saying slightly lower.

The Living Wage has had an impact on 3.9% of respondents' businesses (68.7% said there had been no impact).

A number of respondents cited VAT as a potential barrier for growth in 2017, as well as the dominance of the big booking agents, increasing competition, increase in costs, the economy, Brexit and a second Independence Referendum.

The majority (55.1%) said that the guest demographic has not changed in the last year but there were a number of comments about an increase in EU visitors.

44.3% feel that Brexit will affect Scottish tourism (28.4% think it won't). When asked about the potential threats or opportunities following Brexit, comments included uncertainty, and the possibility of more staycations. There were comments both on a potential loss and increase of EU visitors.

*It is too early to say as we don't know what Brexit means let alone its aftermath. People will always want to come to Scotland and we need to continue to make it easy and attractive for them to do so. I expect we will have our work cut out.*

*The people in this industry are adaptable, resilient and imaginative so hopefully they will be able to transcend the potential difficulties.*



4 Region where your property(ies) is/are located.

Answer	0%	100%	Number of Responses	Response Ratio
Aberdeen, Grampian & Moray	<div></div>		11	7.4%
Argyll, Isles, Stirlingshire	<div></div>		28	18.9%
Ayrshire & Arran	<div></div>		6	4.0%
Dumfries & Galloway	<div></div>		7	4.7%
Edinburgh & Lothians	<div></div>		12	8.1%
Glasgow & Clyde Valley	<div></div>		3	2.0%
Highlands & Skye	<div></div>		34	22.9%
Perthshire, Dundee & Angus	<div></div>		26	17.5%
Kingdom of Fife	<div></div>		9	6.0%
Scottish Borders	<div></div>		14	9.4%
Shetland, Orkney & Hebrides	<div></div>		6	4.0%
Totals			148	100%

6 \* In overall terms, how would you describe your 2016 season?

Answer	0%	100%	Number of Responses	Response Ratio
much better than 2015	<div></div>		14	7.9%
better than 2015	<div></div>		46	26.1%
about the same as 2015	<div></div>		46	26.1%
worse than 2015	<div></div>		21	11.9%
much worse than 2015	<div></div>		1	<1%
not applicable - I set up as a new business in 2016	<div></div>		9	5.1%
No Responses	<div></div>		39	22.1%
Totals			176	100%

## Comments

Properties in Edinburgh and Fife were much better, but properties in Aberdeen were much worse

Bookings really slow especially for larger houses

Very quiet start to the year but a busier Autumn winter

From November 2016 we have seen a remarkable drop in enquiries and bookings

We are benefiting from return business and have to advertise on many publications

It seems that most people want to be able to book online these days. We prefer to have had a brief exchange of messages, which gives us some sort of impression of how they might look after our house. Letting as many weeks as possible is not on our agenda

Bit of a mixed bag with some properties slightly up on the previous year but others down. However overall up by 2% and we brought on a new property at the end of the year

The downturn in oil and gas industry along with the increasing number of new hotels build in Aberdeen did have a negative effect on outlying visitors to the region.

The bookings were poor in the beginning of the summer in particular. I went on to airbnb in early July and got more bookings

Very slow and mainly last minute. A couple of long lets disguises the much lower occupancy lets for weekly lettings.

People were wanting to come throughout November and most of December which is fairly new.



7 \*How was your turnover in 2016 compared to 2015?

Answer	0%	100%	Number of Responses	Response Ratio
up			63	35.7%
down			21	11.9%
similar			44	25.0%
business closed			1	<1%
business established			8	4.5%
No Responses			39	22.1%
Totals			176	100%

8 \*What was the percentage increase / decrease?

Answer	0%	100%	Number of Responses	Response Ratio
0-5%			44	25.0%
6-10%			28	15.9%
11-15%			17	9.6%
16 and above			17	9.6%
not applicable			29	16.4%
No Responses			41	23.2%
Totals			176	100%

9 \*How were your guest numbers in 2016 compared to 2015?

Answer	0%	100%	Number of Responses	Response Ratio
up			54	30.6%
down			18	10.2%
similar			52	29.5%
business closed			0	0.0%
business established			2	1.1%
non applicable			9	5.1%
No Responses			41	23.2%
Totals			176	100%

*Barriers to growth comments:*

Later bookings and competing with agencies advertising on google

Not having enough time to update website and do marketing work for my business

People keep booking later, for more varied periods, and expecting more rapid responses from us

Increasing demand for weekend short breaks

No increase/decline in mid week demand

Not sure where to advertise properties

Possibly worry over Brexit

Increased competition with in the local market coming from AirBnb self hosters, new serviced apartment units & hotels. Rise in guest expectations in quality, amenities and services provided.

Oil industry under pressure, maybe also Brexit, possibly the lower value of the Pound.

Increase in local self-catering supply. Possibly AirBnB. Also economic factors

Market seems to have moved to short breaks in place of week occupancy.



Big increase in alternative self-catering accommodation in nearby Edinburgh and our rural area. Plus the popularity of OTAS making booking easy for time-strapped enquirers. Drop in enquiries via Embrace as I don't offer any day booking. Being pushed down the search engines by OTAS (used always to be on Page 1 for key search phrases.

12 \* How confident do you feel about the performance of your business in the next:

1 = Very optimistic, 2 = Quite optimistic, 3 = Neutral, 4 = Not very optimistic, 5 = Not optimistic at all

Answer	1	2	3	4	5	Number of Responses	Rating Score*
3 months						130	2.4
12 months						130	2.2
24 months						130	2.3

\*The Rating Score is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.

Comments:

Think in the medium term the weaker pound may increase visitor numbers, but am pessimistic about the longer term outlook following the reality of Brexit.

Brexit makes longer term outlook harder to predict

PLUS: Staycations and incoming travel should (in theory) rise, all things considered. VS budget held which is good news. Scotland seen as safe.

MINUS: prices will rise due to Brexit making Scotland even more expensive. The rise and rise of the sharing economy.

13 \* Compared to last year, how are your bookings looking for the next six months?

Answer	0%	100%	Number of Responses	Response Ratio
substantially better			19	10.7%
slightly better			34	19.3%
about the same			34	19.3%
slightly lower			34	19.3%
substantially lower			3	1.7%
not applicable			6	3.4%
No Responses			46	26.1%
Totals			176	100%

Comments on barriers to growth in 2017:

The ever-changing holiday-booking culture. It's hard to know how habits will change next. We've had Trip Advisor and Airbnb, what's coming next?

How important is Facebook? We find hard to keep it alive and current.

Being found on the internet

The dominance of the big booking agents

Increasing high quality competition

The Economy

The continued downturn in oil.

Brexit and second independence referendum rumblings.



Uncertainty related to prospect of Independent ref.

Continued depression of oil business. Stiffer competition in Aberdeen. General fall in tourism in area.

Un-regulated / unchecked self hosting competition

The new Scottish Tennancy agreement potentially stopping holiday letters from accepting 31 day + bookings unless they are registered as landlords.

High commission fees charged by large OTA's.

The UK economy.....wage growth v inflation

Brexit and increasing costs

Independence referendum and Brexit

15 \* Do you provide any of the following 'services' (free or paid for) to your self-catering customers (tick all that apply)?

Answer	0%	100%	Number of Responses	Response Ratio
Daily newspapers	<div></div>		3	2.3%
Magazines or books	<div></div>		65	50.0%
Provisioning service - either advance or whilst at the property	<div></div>		33	25.3%
Catering - either pre-cooked meals for the customer to reheat or a professional caterer arranged and booked by you for the customer.	<div></div>		25	19.2%
Pet sitting or walking	<div></div>		8	6.1%
Baby sitting or listening	<div></div>		6	4.6%
Transfers from airport/station/bus	<div></div>		12	9.2%
Other <a href="#">(View all)</a>	<div></div>		52	40.0%
Totals			130	100%

16 \* Do you charge separately for electricity?

Answer	0%	100%	Number of Responses	Response Ratio
Yes	<div></div>		13	7.3%
No	<div></div>		117	66.4%
No Responses	<div></div>		46	26.1%
Totals			176	100%

20 \* Has your guest demographic changed in the last year in terms of age, group size, or nationality?

Answer	0%	100%	Number of Responses	Response Ratio
Yes	<div></div>		33	18.7%
No	<div></div>		97	55.1%
No Responses	<div></div>		46	26.1%
Totals			176	100%

Comments



More EU visitors.
Different nationalities - Spanish, and American
More from abroad
Increase in young professionals staying for weekend breaks.
with the addition of a hot tub I have seen an increase in bigger groups booking all 3 cottages
Few overseas visitors and larger groups due to extension completion
Slight increase in guests from abroad
There is a growing interest in 'interest' groups, as word spreads
More business rentals
2016 saw more europeans
larger groups,less out of season retired couple
Much fewer small children, Larger groups, less overseas visitors
More from Europe probably due to drop in sterling
More British people "staycationing"
We seem to have lost early retired couples who took low season bookings
More foreign visitors
more foreigners
more overseas guests
very small groups staying fewer days
I have had more portuguese an romanians in the back end building windmills.
I am getting more people from outside the UK and fewer English clients.
More from abroad
More Middle Eastern, Asian and Antipodean guests booking.
More Europeans visiting
We were given a 4-star rating by AA Hotel Services, and as a result I think we now attract slightly older, more affluent guests. Also, since Brexit we've had record numbers of foreign guests.
No onlifers

24 \* Please select yes or no for the following questions and use the comment box to give any further information.

1 = Yes , 2 = No				
Answer	1	2	Number of Responses	Rating Score*
Do you pay Business Rates?			129	1.6
Have you checked your draft Rateable Value?			129	1.3
Do you know how to check your rateable value?			129	1.2
Has your business been eligible for the Small Business Bonus Scheme until now?			129	1.2
Is your business now outwith the Small Business Bonus Scheme?			129	1.9
Do you plan to appeal?			129	1.9
Do you know how to appeal?			129	1.6

\*The Rating Score is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.

25 \* In light of recent press and TV coverage about the use of self-catering properties being booked as party flats or properties being used inappropriately have you experienced any similar issues?

Answer	0%	100%	Number of Responses	Response Ratio
Yes			16	9.0%
No			112	63.6%
No Responses			48	27.2%
Totals			176	100%

[View comments \(27\)](#)

19 \* What's your best guesstimate as to the value of the self-catering industry in Scotland?

Answer	0%	100%	Number of Responses	Response Ratio
£1-3 million			3	1.7%
£3-6 million			5	2.8%
£6-10 million			25	14.2%
£10-15million			26	14.7%
£15-20 million			24	13.6%
More than that			45	25.5%
No Responses			48	27.2%
Totals			176	100%

*Opportunities and threats of Brexit*



OPPORTUNITY- weak pound
THREAT- Bad press, tighter tourist controls, seen as less desirable place to visit
The fall out and cost when it all goes belly up in a year or two
Lower pound may give opportunity to raise prices, but I believe the outcome will be overwhelmingly negative with the threat of a recession.
Uncertainty may stop people spending.
The ease of travel from the continent to the UK.
Threats mainly isolationism and protectionism Opportunities rate of exchange
None
Everything will continue as normal.
More staycations as value of sterling will be low against other currencies.
I don't think it will stop people coming here. and I think they will get better value for their money once here.
All threats generally. Only positive is that Scots might stay at home more.
Lack of bookings from Europe
A second independence referendum is likely to damage our business there were signs of it during the first campaign.
Potential negative perception of Scotland in European markets. Threat of 2nd independence ref creating uncertainty.
Uncertainty
Loss of European guests. Deterioration of British economy.
More opportunities for international travellers instead
Probably have to concentrate on the home market for a few years
In short to medium term I think people will continue as normal in terms of holiday destinations in Scotland
Fuel costs for heating and petrol/driving will push up prices for everything
The £ - eurp rate may encourage travelers from Europe and also discourage Brits from travelling abroad so often so looking to holiday in UK
Xenophobia
The threat of the possibility of Scottish independence
Scottish Government being negative and putting English visitors off coming to Scotland.
None can only be positive.
More staycations.
none

none from Brexit but the devaluation of the £ compared to the Euro should make us more attractive to UK clients. we get no clients from mainland Europe.
see above
Depends how deal is structured - too soon to answer
The Scottish independence referendum perhaps will be the next step and after a drop in EU guests we might see a drop in English guests.
as above
reasonably optimistic
A good chance of attracting those who would normally go abroad.
If sterling stays low less people will go abroad but more non British based tourists will see Scotland as a viable destination so this is an opportunity in both cases to increase our client base.
Decline in foreign visitors?
Initially more overseas visitors and more British visitors staying at home. But after we leave, the adverse effects on the British economy may reduce the number of domestic visitors.
I think with the fall in Sterling a lot more Europeans may come to Scotland
Hopefully a "staycation" situation will arise again.
Unfortunately politics does play a part and threats of another Independence Ref puts people off from visiting - its a very hostile signal.
level of bureaucracy for visitors from Europe may increase
I think that Airbnb is the biggest impact. good for some bad for others maybe good generally for the business as a whole
Independence Referendum.
No idea.
Great opportunities if can take advantage of cheaper GBP relative to other currencies, encourage people to come here
Too soon yet
We will be a better stronger country so more will want to visit
none

Scottish Tourism will probably not suffer as a result of Brexit. We will continue to be seen as a good destination in terms of value, authentic experience and safety.

Increase in costs

I expect to welcome more visitors from around the world.

It is too early to say as we don't know what Brexit means let alone its aftermath. People will always want to come to Scotland and we need to continue to make it easy and attractive for them to do so. I expect we will have our work cut out.

The people in this industry are adaptable, resilient and imaginative so hopefully they will be able to transcend the potential difficulties.



Possible threat if EU visitors had to comply with onerous visa regulations but there is the opportunity of the more favourable exchange rate (from the EU visitors' point of view); UK visitor could increase if travel to Europe was made more difficult and the exchange rate continued to make holidays abroad more expensive than in the past.

Both. A threat because of the poor exchange rates experienced by the Brits and equally the poor exchange rates are a bonus for those wishing to travel to the UK.