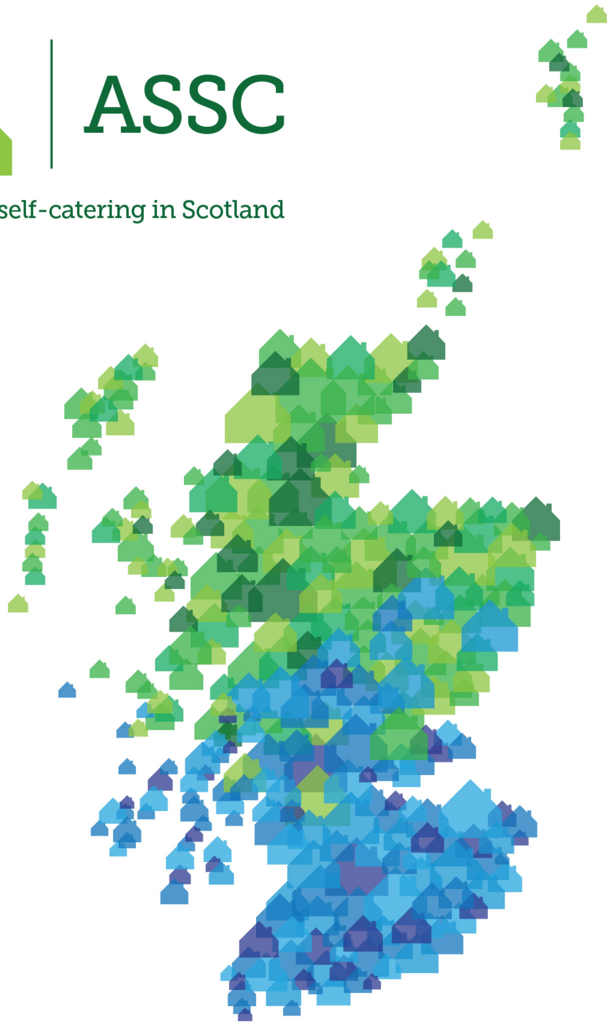
ASSC

Supporting self-catering in Scotland



Self-Catering in Scotland: The Economic Impact of Short-term Letting on the Scottish Economy

Report for

Association of Scotland's Self-Caterers

Frontline 2017

1 Introduction

This research presents the findings from the *Economic Impact Assessment of Short Term Lettings on the Scottish Economy,* which was commissioned by the Association of Scotland's Self Caterers (ASSC) in June 2016, and was conducted by Frontline between July 2016 and March 2017.

1.1 About the ASSC

The ASSC, formed in 1978, committed its members to maintaining the principles of "comfort, cleanliness, courtesy and efficiency" and to offering visitors to Scotland consistently high standards within their self-catering properties.

More than 30 years later, and now with a vastly increased membership, these ASSC ideals continue. As does its emphasis on understanding and providing a quality experience to visitors and guests. It is still an independent Association run by and for owners and operators, which is funded entirely by annual subscriptions and services to members.

Its members own and manage over 3,000 rural and city properties throughout Scotland, ranging from cottages and chalets to flats, lodges and castles. Owners with just a single property, up to operators of large self-catering complexes, all enjoy unique benefits of membership.

The ASSC does not run a booking agency, but helps to market its members properties via its visitor facing website, EmbraceScotland, which encourages visitors to deal directly with its members, to benefit from the personal touch and enjoy an authentic experience of the real Scotland, its local people, events, landscape and food.

1.2 Purpose and objectives of this research

The purpose of this research is to:

- obtain key data to accurately reflect the current situation in the Scottish self-catering industry; and
- assess the impact of self-catering on the Scottish tourist industry as a whole, and on the wider Scottish economy."

The specific objectives of the research are to:

- provide an independent, evidence-based, understanding of the direct and indirect economic impact/contribution of the self-catering sector to the Scottish economy
- understand the type of spend by the sector, e.g. make some estimates as to how much tourism spend, both direct and indirect is made and how much income remains in the domestic (Scottish) economy (e.g. remove VAT and duty and imported goods)
- understand the number of full-time equivalent jobs supported by the sector, both those employed directly and indirectly (e.g. attractions, restaurants, plumbers, builders, etc), as well as seasonal and part-time jobs. An estimate of the scale of hidden jobs e.g. family members, should also be provided
- provide, where possible, a regional breakdown of impacts, as well as a national one
- look at expenditure by the operators and by visitors to self-catering properties

1.3 Defining the sector

To ensure consistency and comparability with other sources, we have adopted a similar definition of what constitutes a self-catering property to that used in the *International Passenger Survey* and the Great Britain Tourism Survey, namely any property that meets the following two criteria:

- a property that is available to rent by visitors on a short-term basis for the purposes of a holiday or a short break
- a self-contained unit with its own cooking facilities, which may form part of a larger property, or be grouped with other units on the same site

However, while our analysis includes non-serviced short term rental properties, it does not include any of the following:

- sharing economy short-term letting via online platforms (Airbnb, HomeAway, HouseTrip etc)
- serviced apartments (furnished apartments available for short-term or long-term stays, which provides amenities along the same lines as a traditional hotel)
- apartment hotels

1.4 Methodological approach

Our survey draws evidence from the following sources:

- information provided by the Scottish Assessors Association from their Valuation Rolls
- anonymised *Supercontrol* booking records, relating to 111,014 bookings made across 1,928 Scottish self-catering properties
- an online survey of 669 visitors who stayed in a self-catering property in Scotland during 2016
- additional supporting data from 183 self-catering property owners in Scotland

We then drew together all of this evidence to develop an economic impact model, following the principles outlined in HM Treasury's *Green Book* appraisal and evaluation guidance.

2 Sector Overview

Tourism forms an important part of Scotland's economy., employing 11% of its workforce , and contributing to 5% of Scottish GVA[1]. It is one of the six 'Growth Sectors' identified in Scotland's Economic Strategy.

Self-catering is an important component of Scotland's tourism sector and estimates from *Scotland's Visitor Survey 2015* show that approximately 23% of all tourist visitors to Scotland stay in self-catering accommodation.

Figures from the Scottish Assessors Association show that there are approximately 16,162 self-catering properties in Scotland, which can be broken down as follows:

Table 2.1: Self-catering properties by VisitScotland region

VisitScotland region	No. of properties
The Highlands	3,982
The Kingdom of Fife	2,356
Edinburgh & The Lothians	2,045
Argyll & The Isles	1,584
Perthshire	1,568
Scottish Borders	1,433
Dumfries & Galloway	964
Loch Lomond, Trossachs, Stirling and Forth Valley	746
Greater Glasgow & The Clyde Valley	394
Outer Hebrides	293
Ayrshire & Arran	268
Aberdeen City and Shire	260
Shetland	117
Dundee & Angus	101
Orkney	50

Source: Frontline 2017, based on Scottish Assessors' Association 2016

As these figures are based on Scottish Assessors Association Rolls, they do not include properties that have not been assessed for business rates purposes, including, for example, some properties listed on AirbnB.

The data also shows that the 15 most popular visit locations for self-catering businesses are:

Table 2.2: Top 10 locations for self-catering in Scotland *

Rank	Visitor locations	No. of properties
1	Edinburgh	1,351
2	Isle of Arran	369
3	Isle of Skye (exc. Portree)	360
4	Isle of Mull	345
5	Inverness	330
6	Oban	303
7	North Berwick	265
8	Portree	256
9	Aberfeldy	227
10	Castle Douglas	222
11	Isle of Islay	217
12=	Glasgow	214
12=	Lairg	214
14	Newton Stewart	213
15	Aviemore	186

[1] *Source: Scottish Annual Business Statistics, 2017*

[2] As the data did not include bookings made on 'property closed' days, all of these stays are genuine bookings, and not dates taken by owners or where properties were closed.

[3] These definitions are based on the Scottish Government's 6 Category Rural-Urban Classification System. Under this system every Scottish postcode is

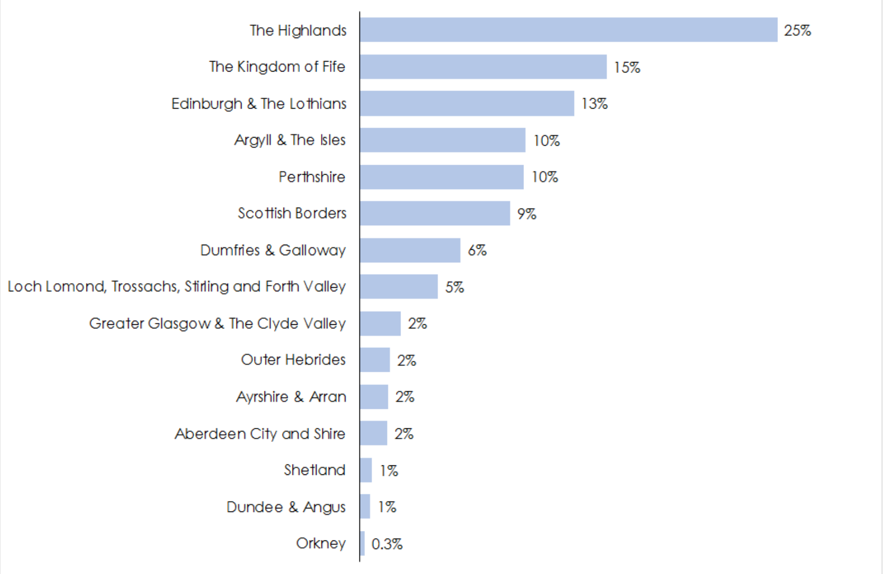
Source: Frontline 2017, based on Scottish Assessors Association 2016
** excludes locations in Fife, where no town-by-town breakdown of properties was available*

2.1 Profile of Supercontrol registered businesses

To help gain a further understanding of the characteristics of Scottish self-catering properties, we analysed a database of 111,014 bookings made for stays in 2016, across 1,928 unique properties using Supercontrol, a specialist online booking system for self-catering websites.

Just over half (52%) of all properties were located in the Highlands, the Kingdom of Fife and Edinburgh and the Lothians. A further 20% were located in Argyll and the Isles and Perthshire. Orkney had the lowest number of properties representing 0.3% of all properties.

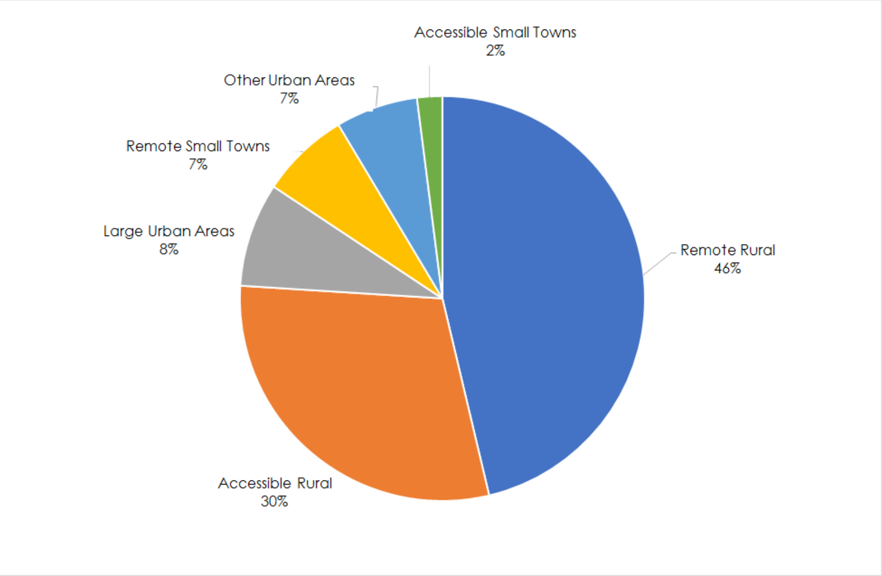
Figure 2.1: Location of properties by VisitScotland region



Source: Supercontrol, 2016

The majority of properties (76%) were based in rural areas with just under half (46%) of all properties located in remote rural areas and a further 30% located in accessible rural areas.

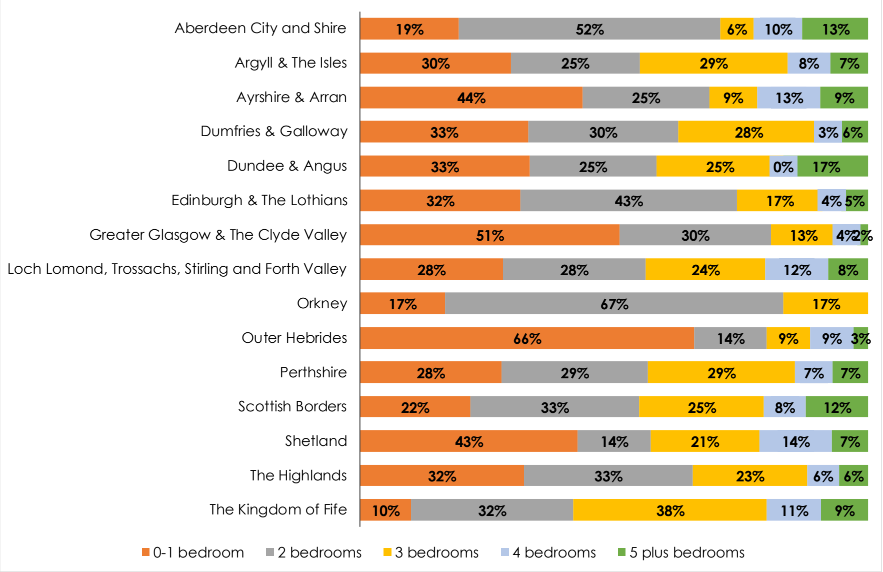
Figure 2.2: Location of properties by rural/urban classification



Source: Supercontrol, 2016

Nearly all properties across all regions (93%) have less than five bedrooms. Orkney has no properties with five or more bedrooms. Dundee and Angus has the most properties with five bedrooms or more closely followed by Aberdeen City and Shire and the Scottish Borders.

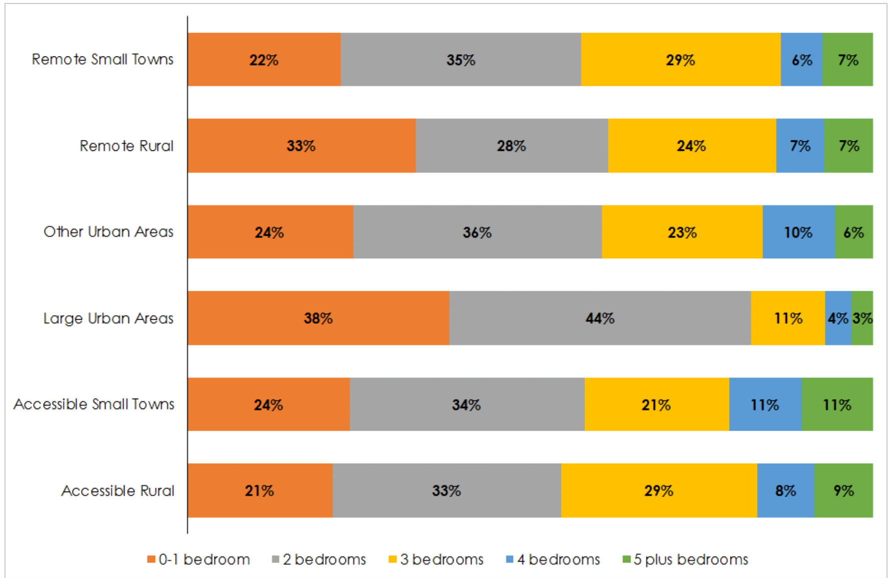
Figure 2.3: Number of bedrooms by VisitScotland region



Source: Supercontrol, 2016

Properties located in urban areas typically had less bedrooms than those in small towns and rural areas. For example, 82% of properties within large urban areas and 60% of properties within other urban areas had less than 2 bedrooms. Accessible small towns had the largest percentage of properties (11%) with five bedrooms or more closely followed by accessible rural areas with 9% of properties having five bedrooms or more.

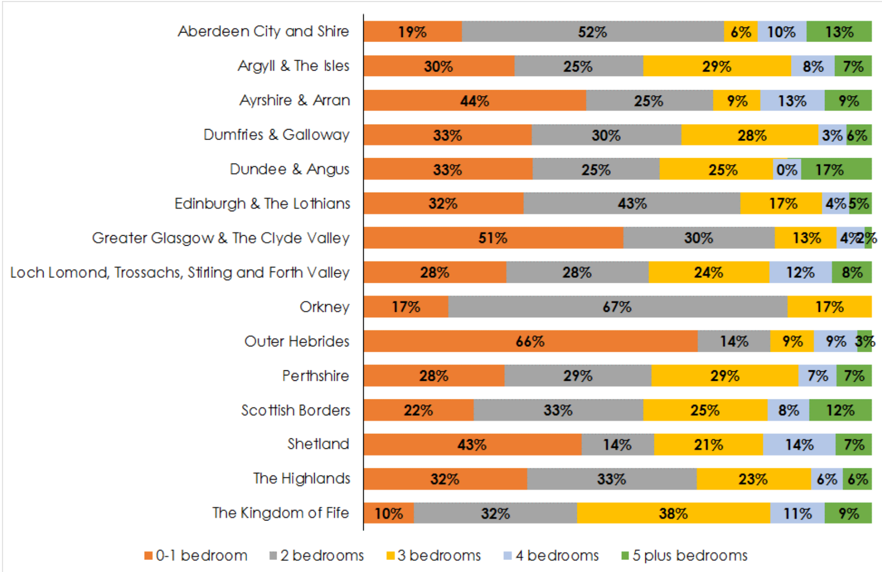
Figure 2.4: Number of bedrooms by urban/rural classification



Source: Supercontrol, 2016

Just over half of all properties across all regions have capacity for up to five people. The Outer Hebrides has the greatest percentage (37%) of properties for 1 – 2 people. Greater Glasgow and the Clyde Valley, Edinburgh and the Lothians and Orkney have the most capacity for up to five people with 72% and 67% of properties having capacity for up to five people. However, while Orkney has capacity for 3 to 5 people there is no provision for 1 to 2 people.

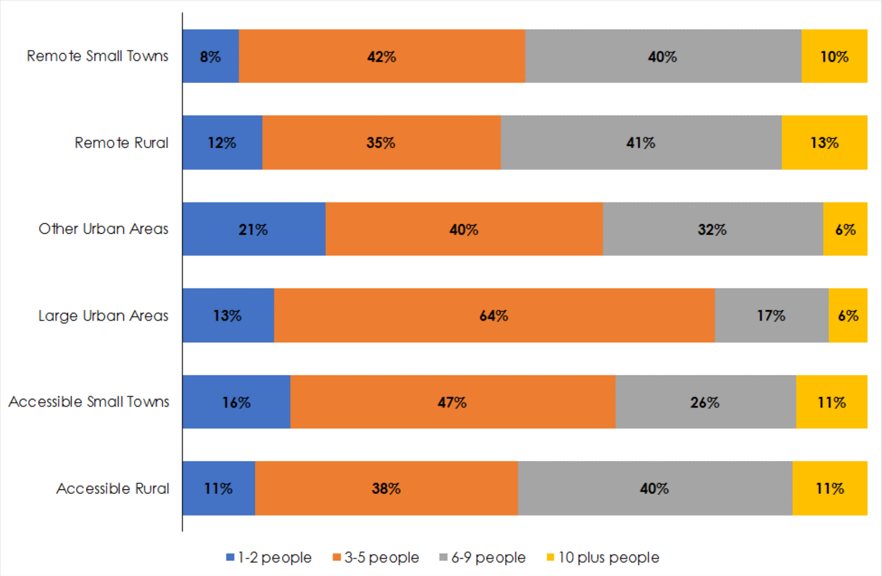
Figure 2.5: Capacity by VisitScotland region



Source: Supercontrol, 2016

Urban areas had the most capacity for up five people with 77% of properties in large urban areas 63% of accessible small towns and 61% in other urban areas catering for up to five people. Rural areas had the most properties catering for six people or more with 54% of remote rural, 51% of accessible rural and 50% of remote small towns having properties with capacity for more than 6 people.

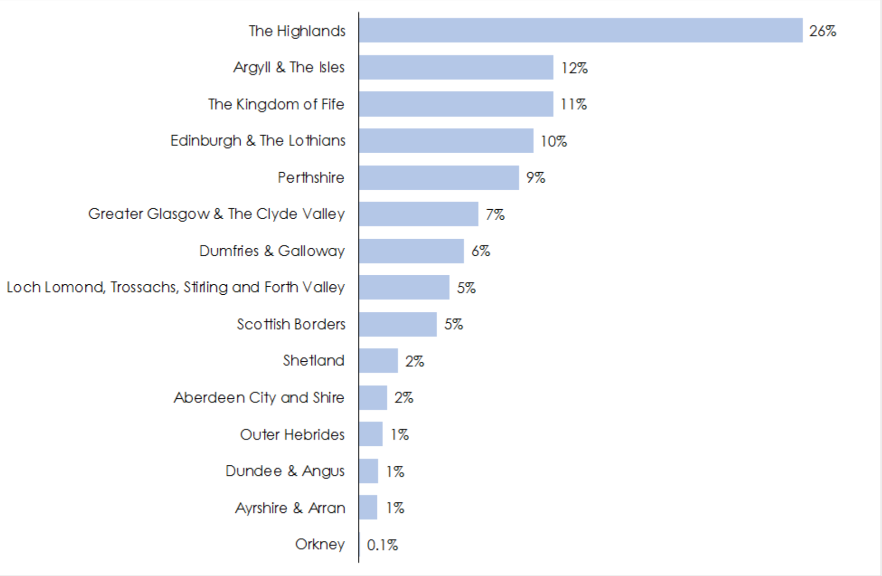
Figure 2.6: Capacity by Urban/Rural classification



Source: Supercontrol, 2016

The 111,014 bookings were dispersed across all VisitScotland regions with the Highlands taking 26% of all bookings, this is followed by Argyll % the Isles (12%), Kingdom of Fife (11%) and Edinburgh and the Lothians (10%). Collectively these areas count for Just over half (59%) of all bookings. Orkney had the least number of bookings at 0.1%[2].

Figure 2.7: Number of bookings by VisitScotland region

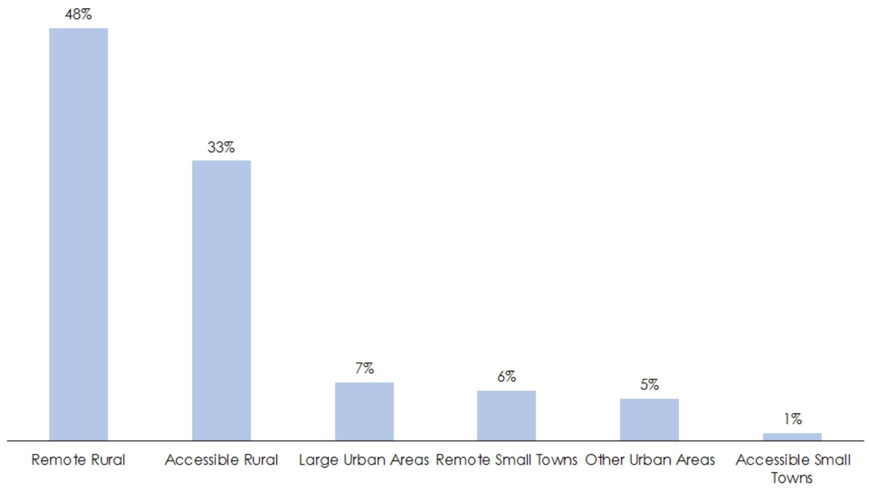


Source: Supercontrol, 2016

[2] As the data did not include bookings made on 'property closed' days, all of these stays are genuine bookings, and not dates taken by owners or where properties were closed.

Rural areas had the greatest number of bookings with 81% of all bookings being made for Remote rural (48%) or accessible rural areas (33%). Accessible small towns had the least number of bookings at 1%.

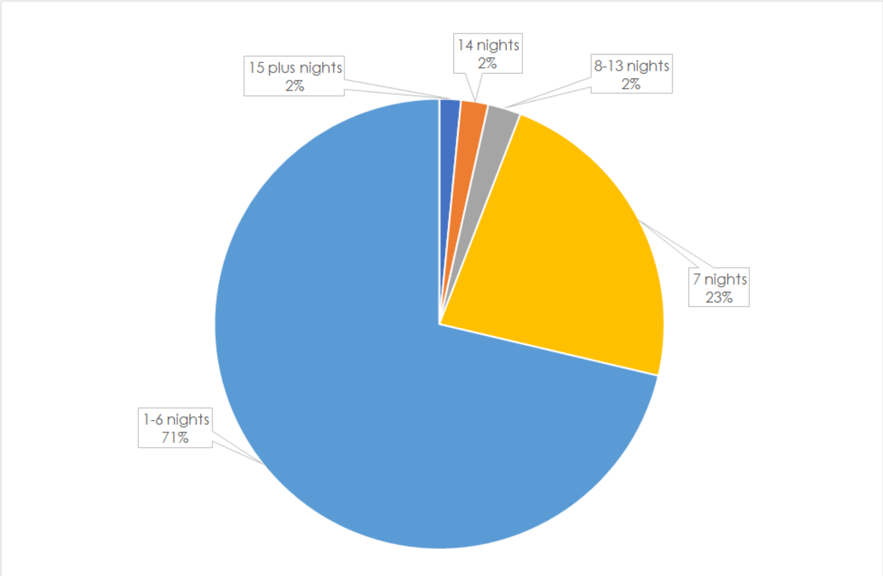
Figure 2.8: Number of bookings by rural/urban split[3]



Source: Supercontrol, 2016

Most bookings 71% were for 1-6 nights with a further 23% being for 7 nights. Only 6% of bookings were for 8 nights or more.

Figure 2.9: Number of nights per booking

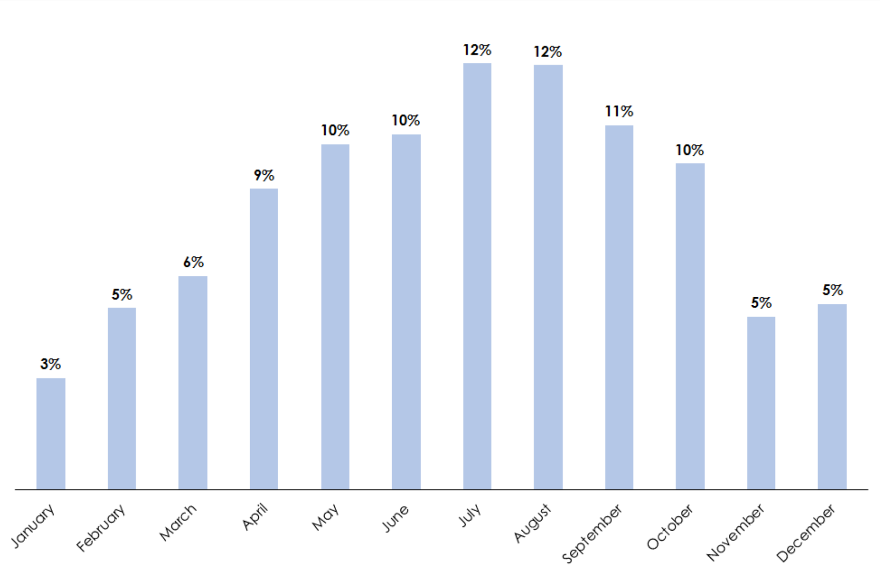


Source: Supercontrol, 2016

[3] These definitions are based on the Scottish Government's 6 Category Rural-Urban Classification System. Under this system every Scottish postcode is allocated into one of these six categories based on the number of people who live in the settlement, and its distance from other settlements.

The summer months were the busiest with 34% of all booking taking places between June, July and August. Both the Spring and autumn were almost evenly split taking 25% and 26% of the bookings respectively.

Figure 2.10: Number of bookings per month of arrival



Source: Supercontrol, 2016

Edinburgh attracted the highest number of non-UK bookings, both in terms of total numbers of bookings made, and in terms of the proportion of the area's total bookings that were from non-UK residents. Non-UK visits accounted for a significant proportion of visits to the Highlands, Shetland and Orkney, while the accounted for only a small percent of visits made to Fife, the Scottish Borders and Dumfries and Galloway.

Table 2.3: Non-UK visits to Scotland by area

	Number of non-UK booking	**% of total bookings**
Edinburgh & The Lothians	3,057	43%
The Highlands	2,774	27%
Shetland	212	26%
Orkney	21	20%
Loch Lomond, Trossachs, Stirling and Forth Valley	583	22%
Perthshire	3,848	18%
Outer Hebrides	233	18%
Aberdeen City and Shire	252	15%
Argyll & The Isles	1,727	15%
Greater Glasgow & The Clyde Valley	989	13%
Ayrshire & Arran	75	8%
Dundee & Angus	102	8%
The Kingdom of Fife	846	8%
Scottish Borders	271	6%
Dumfries & Galloway	161	3%

Source: Supercontrol, 2016

Non-UK visitors were more likely to travel in large groups, travel without children, stay for 14 days or more, and visit between June and August than other visitors.

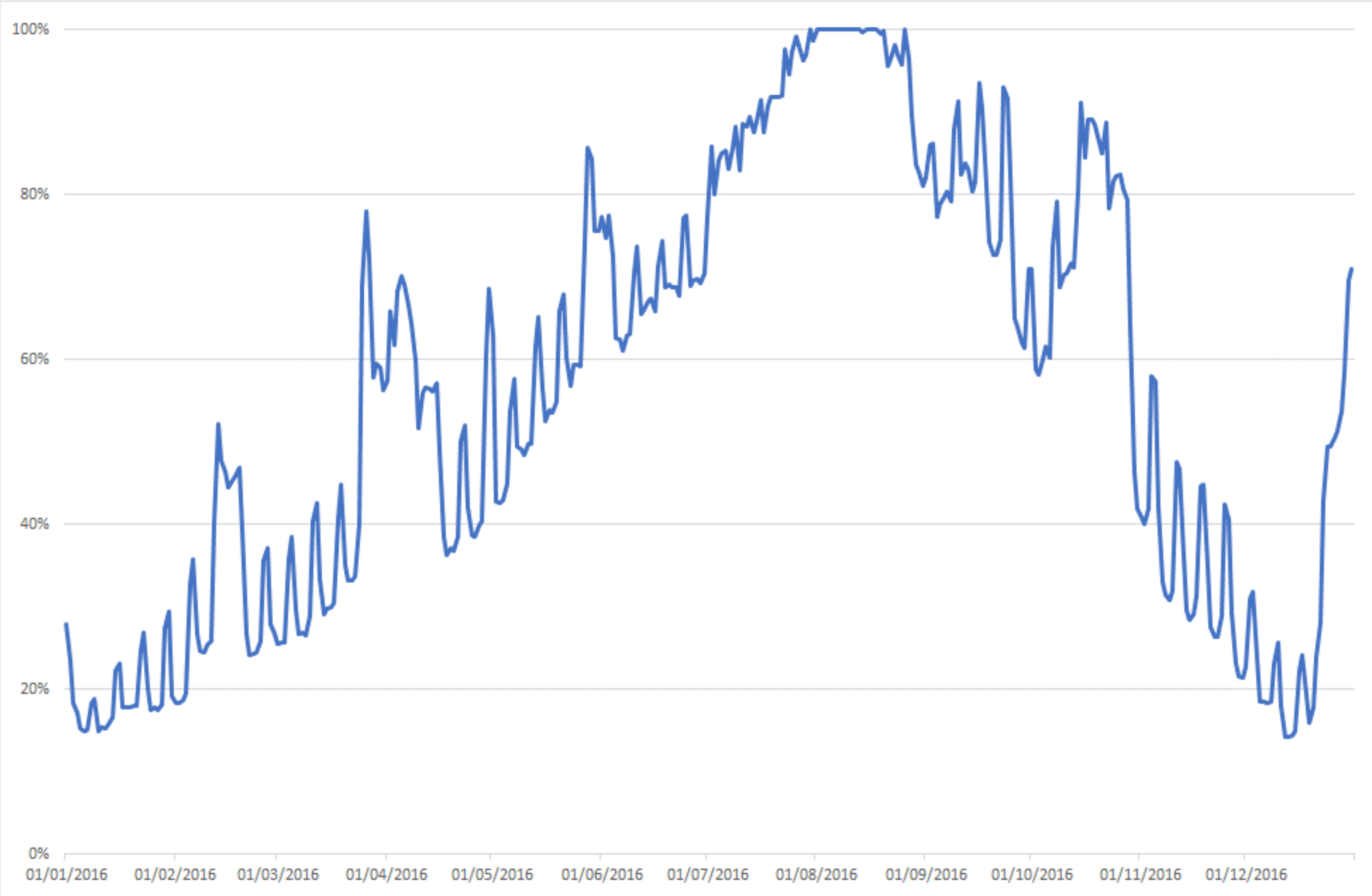
Table 2.4: Characteristics of non UK visitors to Scotland

	% of overseas self-catering visitors	% of all self-catering visitors
Traveling in groups of 3 or more	56%	40%
Traveling without children	76%	70%
Staying for 14 days or more	30%	7%
Visiting in June, July or August	70%	41%

Source: Supercontrol, 2016

Occupancy rates varied substantially by day of the week and by time of year. Occupancy rates exceeded 80% on 74 occasions, and reached 100% on 20 occasions, but fell as low as 14% on some quiet weekdays during mid-winter. The average occupancy rate for the year as a whole was 57%.

Figure 2.11: Occupancy rate by day



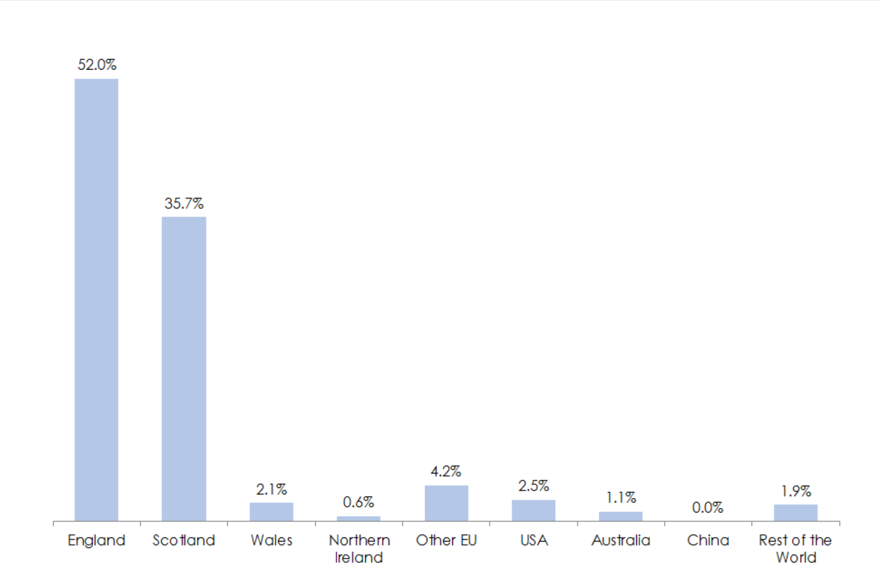
Source: Supercontrol, 2016

3 Analysis of Survey Findings

The finding below are based on a survey of 669 visitors who took a self-catering trip to Scotland in 2016.

Just over half (52%) of all visitors taking a self-catering holiday in Scotland were from England with a further 36% of visitors coming from Scotland. Just under 10% of visitors were from overseas including other EU countries, the US, Australia and rest of the world.

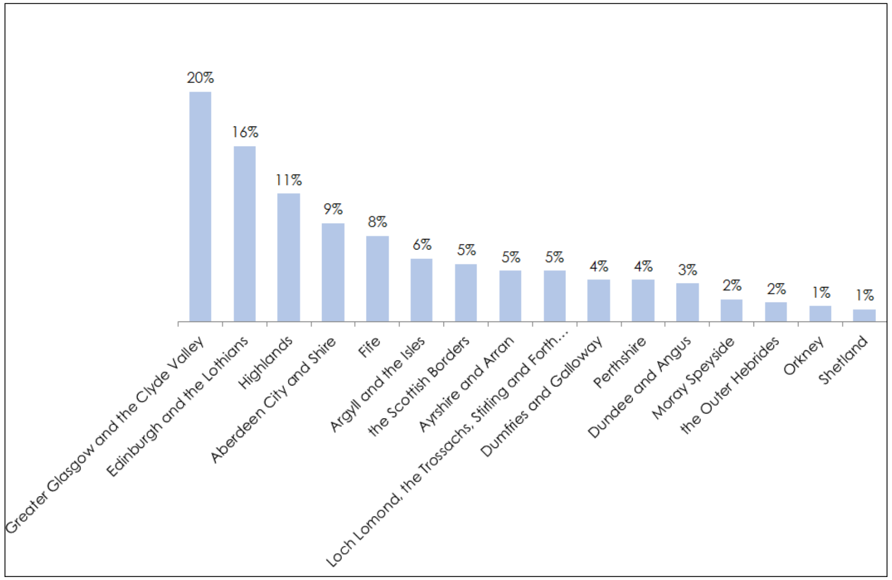
Figure 3.1: Home location of visitors[4]



Source: Frontline, 2017

Of the 36% of visitors whose home location was in Scotland, 20% were from Greater Glasgow and the Clyde Valley, 16% were from Edinburgh and the Lothians and a further 11% were from the Highlands. Those in Orkney and Shetland accounted for the fewest number of self-catering holidays in Scotland representing only 2% of Scottish visitors.

Figure 3.2: Home location of visitors from Scotland



Source: Frontline, 2017

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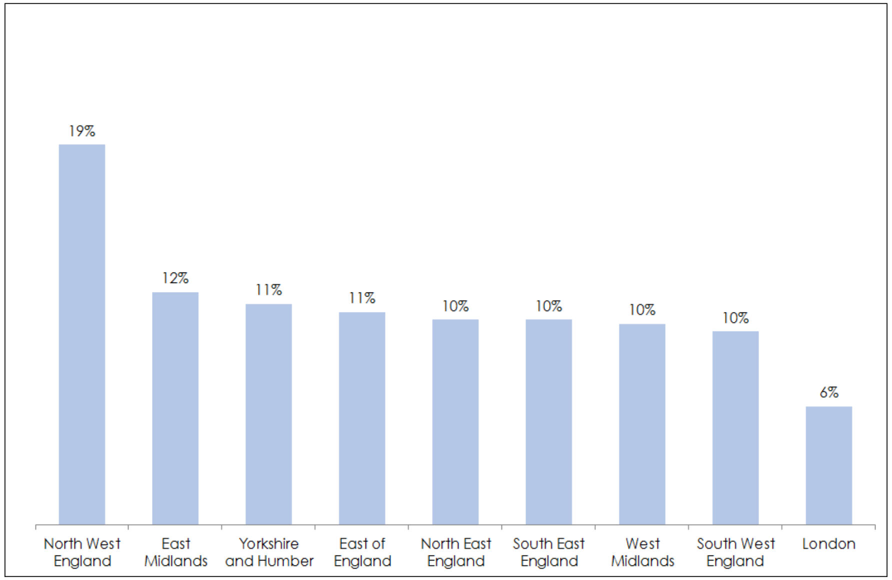
4 Figures sum to 100.1% rather than 100% due to effects of rounding

Of the 52% of visitors that were from England, 19% were from the North West, 12% were from the East Midlands and 11% were from Yorkshire and Humber and the East of England. Visitors from London accounted for the smallest number of visits to Scotland.

Figure 3.3: Home location of visitors from England



Source: Frontline, 2017

Of the 10% of visitors to Scotland that were from overseas, the EU countries of the Netherlands, Germany and France had the greatest number of visitors.

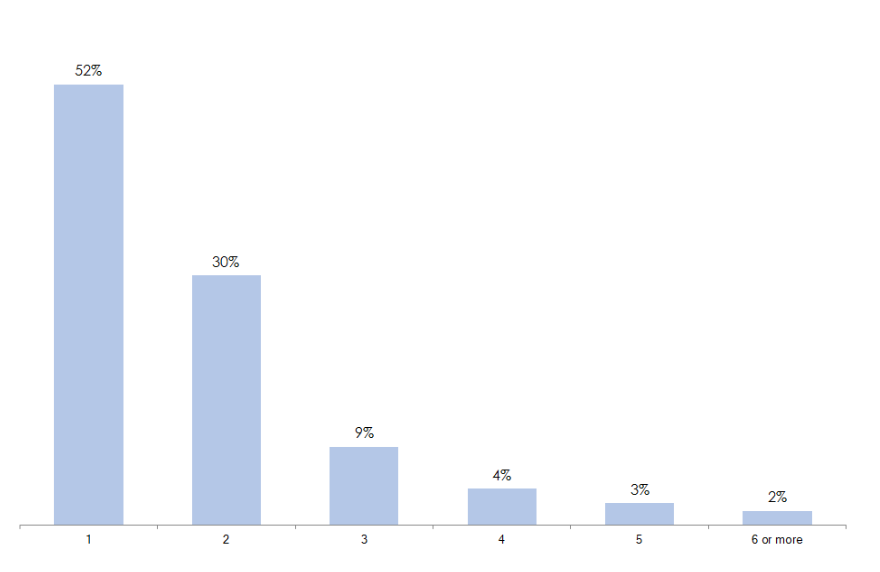
Figure 3.4: Home locations of overseas visitors

Country of origin	Number of visitors
Netherlands	10
Germany	9
France	8
Canada	5
Belgium	4
Ireland	4
Italy	4
South Africa	2
United Arab Emirates	2
Bulgaria	1
Denmark	1
Finland	1
Malta	1
Slovakia	1
Spain	1
Israel	1
New Zealand	1
Pakistan	1

Source: Frontline, 2017

Most people 82% made one or two self-catering visits to Scotland with 52% making one visit and 30% making 2 visits. A further 16% made between three and five visits and 2% made six or more visits.

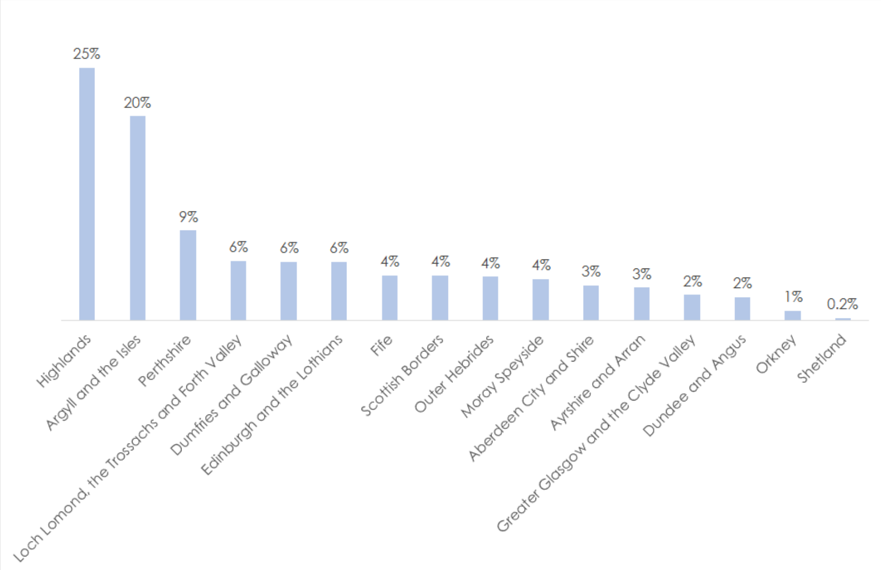
Figure 3.5: Number of self-catering visits made to Scotland in the past year



Source: Frontline, 2017

The Highlands and Argyll and the Isles were the most visited areas, accounting for just under half 45% of all visits to Scotland with 25% and 20% respectively. A further 9% of visitors stayed in Perthshire, and Dumfries and Galloway, Edinburgh and the Lothians and Loch Lomond, the Trossachs and Forth Valley all had 6% of visitors each.

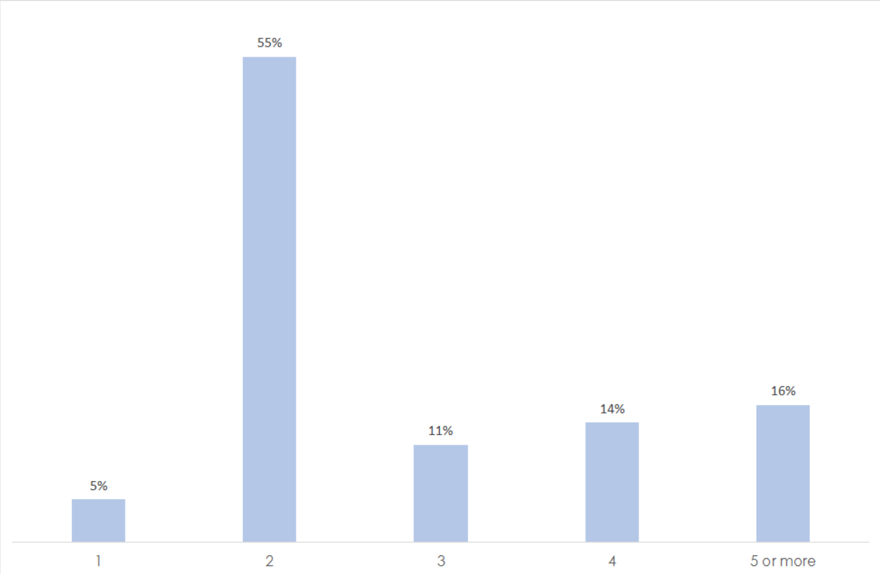
Figure 3.6: Area visited



Source: Frontline, 2017

The majority (84%) of all visits to Scotland had fewer than 5 adults in their party with just over half (55%) of all visits having 2 adults in the party.

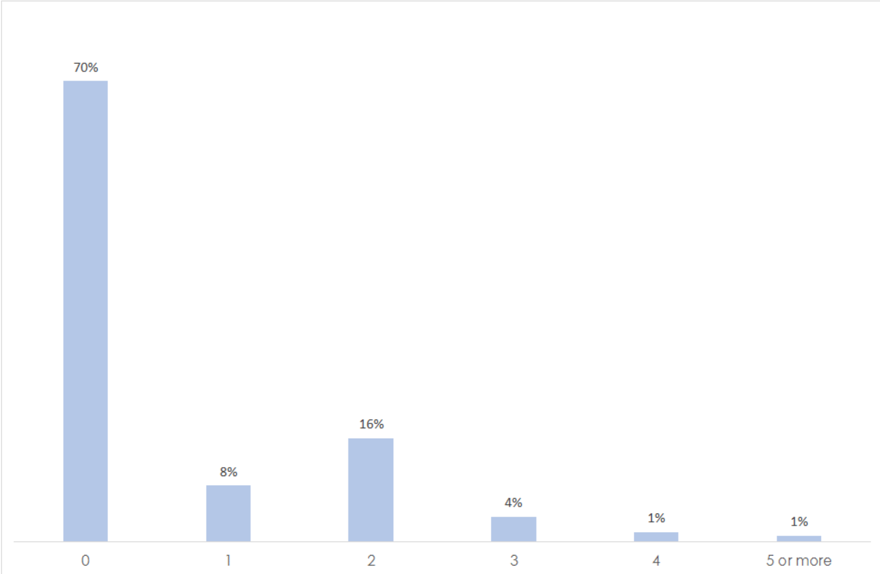
Figure 3.7: Number of adults in party



Source: Frontline, 2017

Most visits (70%) to Scotland were by adults only and a further 29% had less than four children in the party.

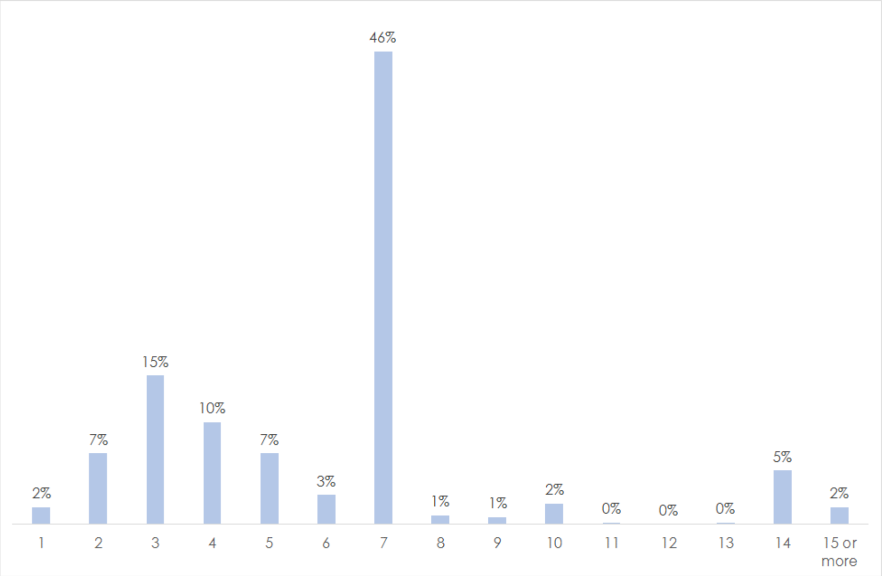
Figure 3.8: Number of children in party



Source: Frontline, 2017

Most visitors (90%) stayed for a week or less with just under half (46%) of all visitors staying for 7 nights. Only 5% stayed for 14 nights and 2% 15 nights or more.

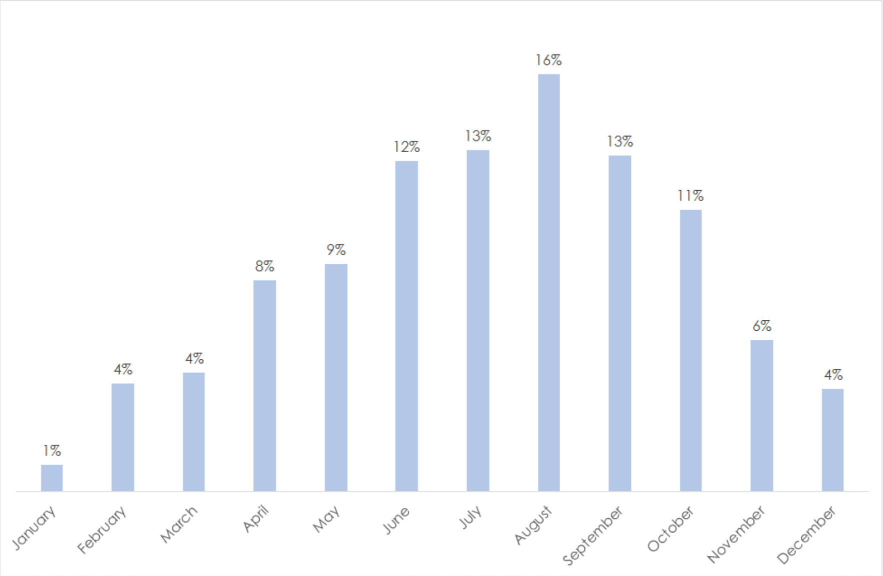
Figure 3.9: Length of visit (nights)



Source: Frontline, 2017

The summer months were most popular with 41% of all visitors taking their visit between June and August. Autumn was also popular with 30% of visitors visiting between September and November.

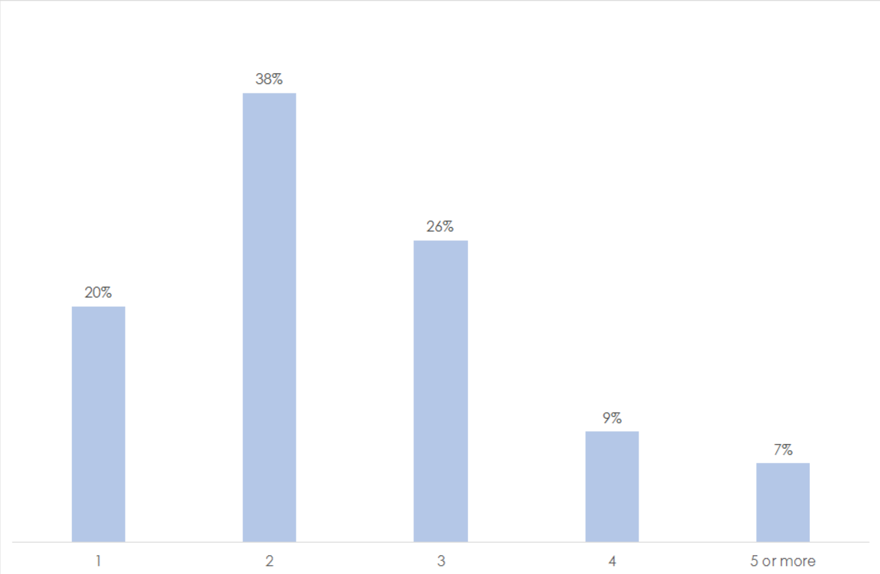
Figure 3.10: Month of visit



Source: Frontline, 2017

Almost all 93% of visitors reported that the self-catering property they stayed in had four bedrooms or fewer. Only 7% of visitors reported staying in a property with five or more bedrooms.

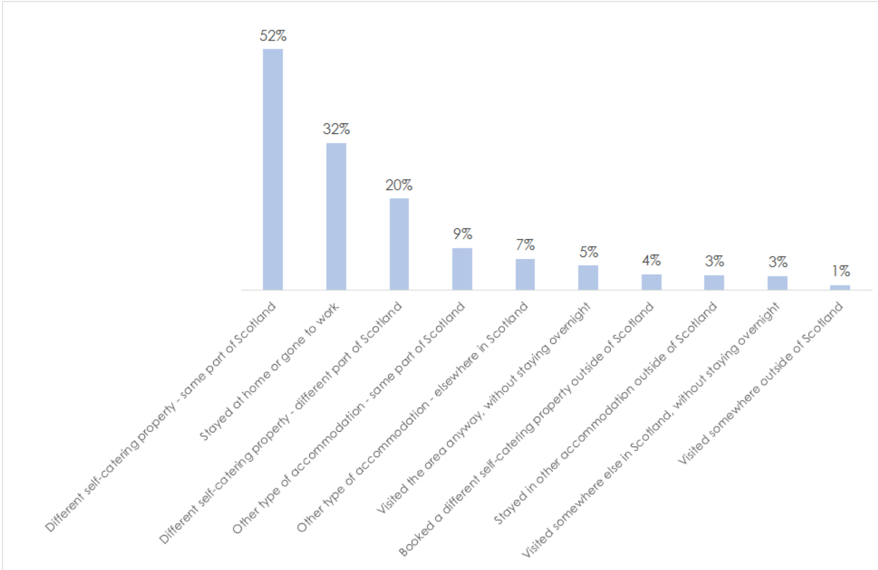
Figure 3.11: Number of bedrooms in property



Source: Frontline, 2017

Just over half of all visitors (52%) indicated that they would have booked a different self-catering property in the same part of Scotland if the property they wanted to stay in had not been available. Some visitors (32%) would have stayed at home or gone to work, while a further 20% would have booked a different self-catering property somewhere else in Scotland.

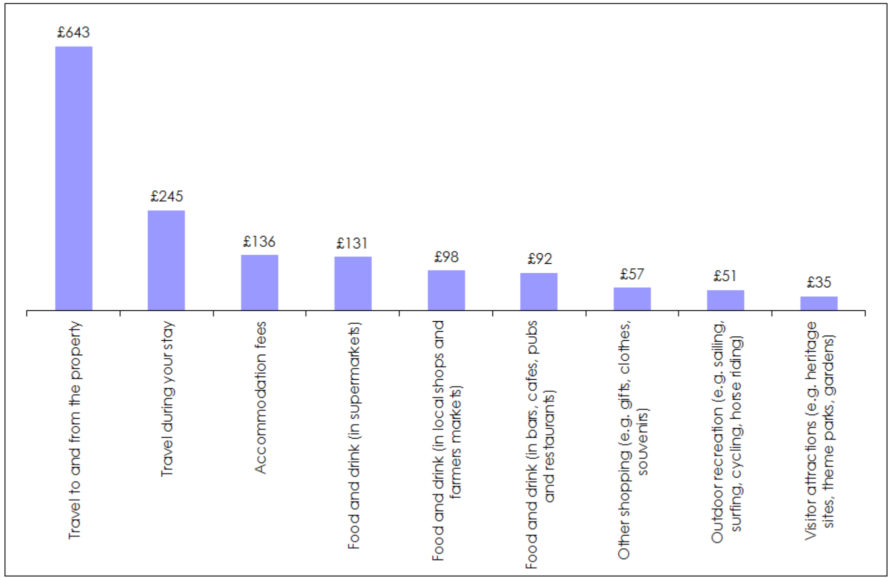
Figure 3.12: What visitors would have done if the property was not available



Source: Frontline, 2017

The largest expenditure item for visitors was accommodation fees with visitors spending on average £643 per group per visit. A further £245 on average was spent on travel to and from the property by visitors.

Figure 3.13: Average spend per expenditure item



Source: Frontline, 2017

4 Findings from Economic Impact Assessment

The section highlights some of the headline findings from our work to assess the economic impacts that have occurred as a result of visits to self-catering properties in Scotland during 2016.

This assessment was conducted in accordance with HM Treasury *Green Book* appraisal and evaluation guidance and the Scottish Enterprise and Highlands and Islands Enterprise economic impact assessment methodologies.

As part of this analysis, we have measured the economic value of the sector in each of Scotland's 15 *VisitScotland* regions, and across Scotland as a whole, using the following 6 key indicators to illustrate the sectors economic value:

1. **Number of properties:** the number of self-catering properties that are available to visitors in each region
2. **Visitor nights per year:** the total number of overnight stays that took place in self-catering properties each area over the course of 2016
3. **Annual visitor nights per head of population:** the number of visitor nights spent in the region in 2016, divided by the region's population
4. **Total visitor spend:** the total combined value of all expenditure made by visitors to the region during the course of 2016, including the money that they spent on accommodation fees, travel to and from the properties, travel during their stay, food and drink (in shops, supermarkets pubs and bars), other shopping, outdoor recreation and trips to visitor attractions
5. **Total full time equivalent (FTE) jobs supported:** the total number of full time equivalent jobs that the self-catering sector support in the local economy, through money spent in the region by visitors to self-catering properties who live outside of Scotland[5]. A full time equivalent job can be defined as the number of full time (35 hour per week) permanent (52 week per year) jobs that this expenditure supports[6].
6. **Total economic contribution:** the total amount of Gross Value Added (GVA) in each area that can be attributed to expenditure by visitors to self-catering properties by people who live outside of Scotland. The term GVA can be defined as the total amount of extra value that visitor expenditure contributes to the Scottish economy. This is broadly equivalent to either wages plus profit (i.e. the proportion of value added that goes to the company's employees and the proportion that goes to the company's owners) or to turnover minus cost of sale. For example, if a company were to buy enough coffee beans to make 100 cups of coffee for £40, and sell each cup for £1 each, the turnover impact of these transactions would be £100, the cost of sale would be £40, and the value added would be £60.

In the case of FTE jobs supported, and total economic contribution, the analysis includes indirect and induced expenditure that has occurred as a result of the multiplier effect, such as money spent by the employees of self-catering businesses, and by the business itself in the local economy.

[5] Note that, in line with Government guidance, we have based our assessments of the sector's FTE employment impact and economic contribution solely on expenditure by visitors who live outside of Scotland. This is because we have assumed that all expenditure by Scottish residents will be offset by a reduction in expenditure elsewhere in the Scottish economy. In other words, as the income of Scottish residents is finite, every £1 that a visit spends during their holiday will leave them with £1 less in their bank account to spend on other things in businesses close to their house (this is referred to as the displacement effect)

[6] As some people work part time or seasonally, and as some Scottish workers spend part of their time providing services to tourist visitors and some of their time providing services to local residents, the total number of workers who jobs are at least partially dependent on self-catering visitors will be higher than this figure.

We begin our presentation of findings with a series of 16 area infographics, that present these impact figures for Scotland as a whole, and for each individual VisitScotland region.

We then provide a ‘headline findings’ infographic to summarise the FTE employment impacts and total economic contribution for each of these areas.

We provide detailed results tables in Appendix 1, a glossary of technical terms in Appendix 2, and a description of the economic impact calculation methodology in Appendix 3.

SCOTLAND

16,949 properties

3.4 million visitor nights per year

0.3 annual visitor nights per head of population

Total visitor spend
£723.3 million

Total FTE jobs
15,271

Total economic contribution
£293.1m

<u>Top five areas</u>
<u>(by number of properties):</u>

1. Edinburgh (1,351)
2. Isle of Arran (369)
3. Isle of Skye (exc. Portree) (3
4. Isle of Mull (345)
5. Inverness (330)

Source: Frontline, 201

GROSS VISITOR EXPENDITURE BY ITEM (SCOTLAND)

Accommodation fees
£312.8m

Travel to and from property
£118.5m

Travel during stay
£45.1m

Food and drink (in local shops)
£27.5m

Food and drink (in supermarkets)
£63.1m

Food & drink (bars, cafes & restaurants)
£66.3m

Other shopping
£48.0m

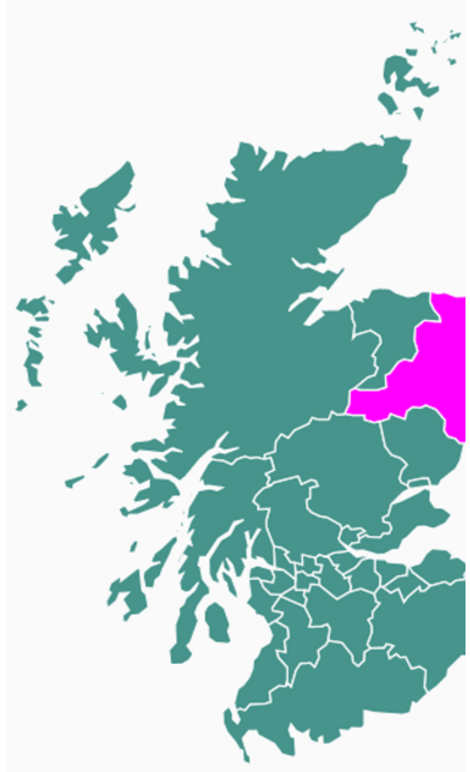
Outdoor recreation
£17.1m

Visitor attractions
£24.8m

Source: Frontline, 201

ABERDEEN CITY AND SHIRE

Local authorities included: Aberdeen, Aberdeenshire



606 properties

53,969 visitor nights per year

0.1 annual visitor nights per head of population

Total visitor spend
£11.6 million

Total FTE jobs
232

Total economic contribution
£4.4m

<u>Top five areas</u>
<u>(by number of properties):</u>

1. Banff (131)
2. Ballater (81)
3. Banchory (70)
4. Aberdeen (46)
5. Braemar (29)

Source: Frontline, 201

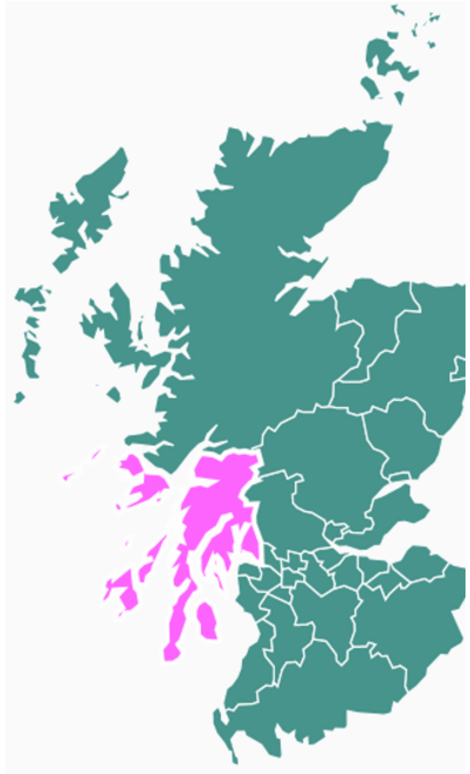
ARGYLL AND THE ISLES

Local authorities included: Argyll and Bute

2,159 properties

329,034 visitor nights per year

3.8 annual visitor nights per head of population



Total visitor spend £72.0 million

Total FTE jobs 1,403

Total economic contribution £26.9m

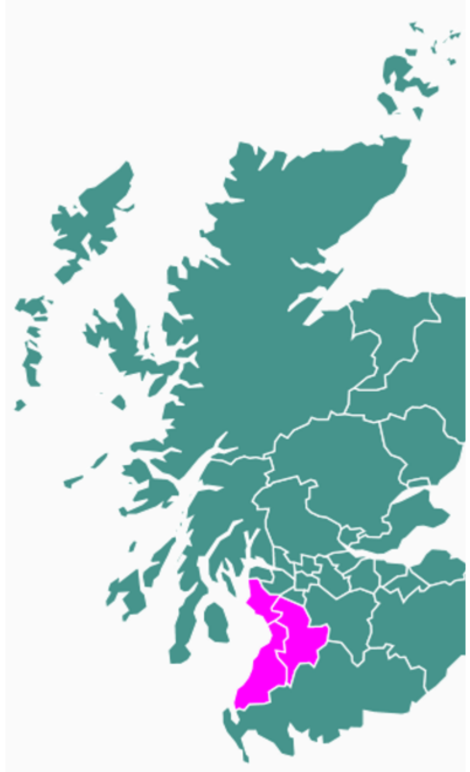
<u>Top five areas (by number of properties):</u>

1. Isle of Mull (345)
2. Oban (303)
3. Islay of Islay (217)
4. Lochgilphead (133)
5. Dunoon (128)

Source: Frontline, 201

AYRSHIRE AND ARRAN

Local authorities included: East Ayrshire, North Ayrshire, South Ayrshire



810 properties

55,710 visitor nights per year

0.2 annual visitor nights
per head of population

Total visitor spend
£11.9 million

Total FTE jobs
222

Total economic
contribution
£4.3m

<u>Top five areas</u>
<u>(by number of properties):</u>

1. Isle of Arran (369)
2. Girvan (90)
3=. Ayr (62)
3=. Largs (62)
5. Isle of Cumbrae (53)

Source: Frontline, 201

DUMFRIES AND GALLOWAY

Local authorities included: Dumfries and Galloway

1,048 properties

200,206 visitor nights per year

1.3 annual visitor nights per head of population

Total visitor spend £42.4 million

Total FTE jobs 926

Total economic contribution £17.8m

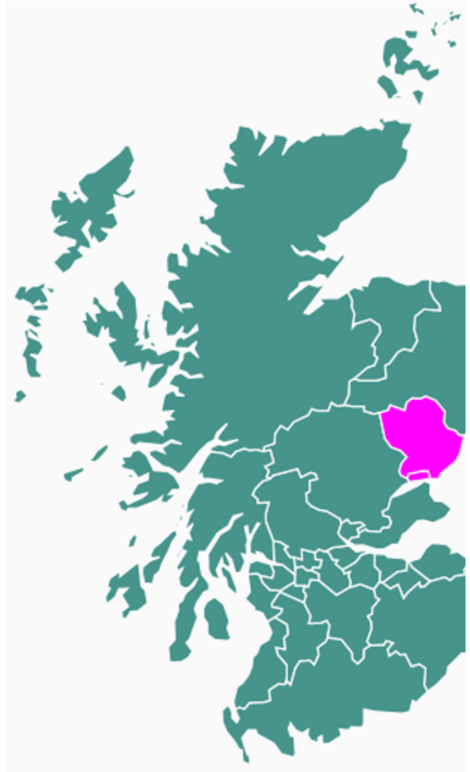
<u>Top five areas (by number of properties):</u>

1. Castle Douglas (222)
2. Newton Stewart (213)
3. Dalbeattie (156)
4. Stranraer (133)
5. Dumfries (124)

Source: Frontline, 201

DUNDEE AND ANGUS

Local authorities included: Angus, Dundee



261 properties

17,409 visitor nights per year

0.1 annual visitor nights per head of population

Total visitor spend
£3.5 million

Total FTE jobs
40

Total economic contribution
£0.8m

<u>Top five areas</u>
<u>(by number of properties):</u>

1. Kirriemuir (65)
2. Montrose (39)
3. Forfar (36)
4. Dundee (32)
5. Arbroath (31)

Source: Frontline, 201

EDINBURGH & LOTHIANS

Local authorities included: East Lothian, Edinburgh, Midlothian
West Lothian

1,671 properties

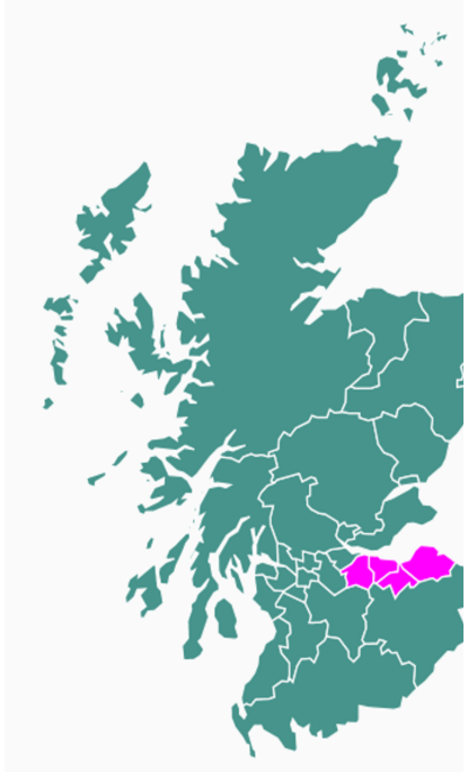
424,785 visitor nights per year

0.5 annual visitor nights per head of population

Total visitor spend
£87.7 million

Total FTE jobs
2,534

Total economic contribution
£48.6m



Top five areas
(by number of properties):

1. Edinburgh (1,351)
2. North Berwick (133)
3. Gullane (32)
4. Dunbar (24)
5. Haddington (18)

Source: Frontline, 201

GLASGOW & CLYDE

Local authorities included: E. Dunbartonshire, E. Renfrewshire, Glasgow, Inverclyde, N. Lanarkshire, Renfrewshire, S. Lanarkshire, W. Dunbartonshire

364 properties

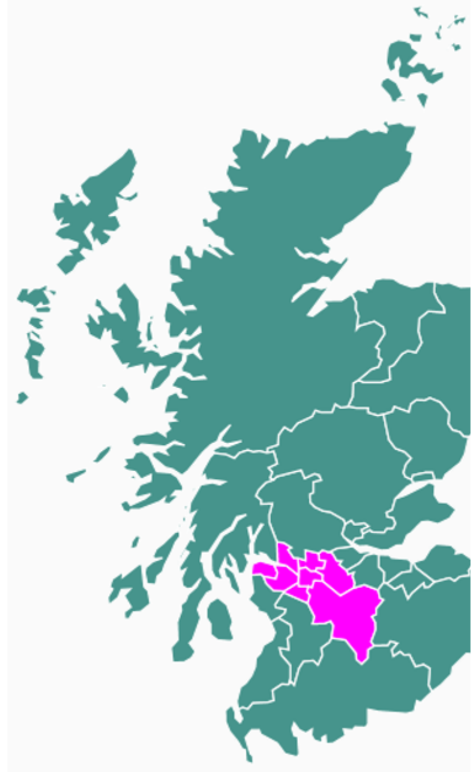
81,823 visitor nights per year

0.05 annual visitor nights per head of population

Total visitor spend
£16.3 million

Total FTE jobs
328

Total economic contribution
£6.3m



Top five areas
(by number of properties):

1. Glasgow (214)
2. Alexandria (77)
3. Lanark (12)
4. Dumbarton (9)
5. Old Kirkpatrick (6)

Source: Frontline, 201

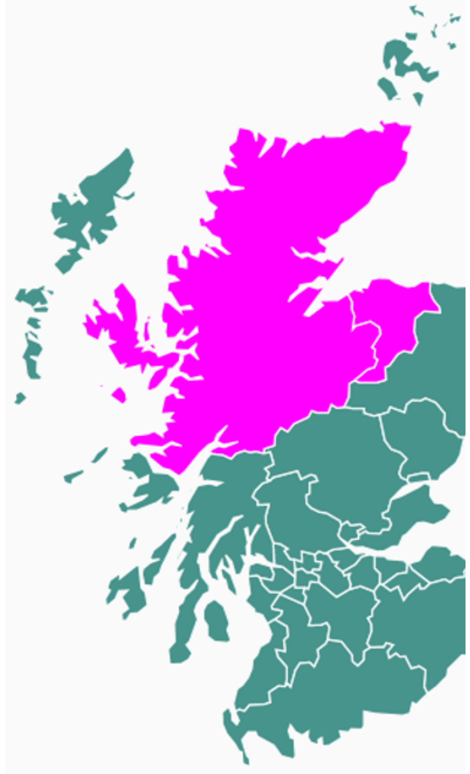
THE HIGHLANDS

Local authorities included: Highland, Moray

4,152 properties

826,938 visitor nights per year

2.5 annual visitor nights per head of population



Total visitor spend
£175.1 million

Total FTE jobs
4,124

Total economic contribution
£79.1m

Top five areas
(by number of properties):

1. Isle of Skye (exc Portree) (
2. Inverness (330)
3. Portree (256)
4. Lairg (214)
5. Aviemore (186)

Source: Frontline, 201

KINGDOM OF FIFE

Local authorities included: Fife

2,461 * properties

489,199 visitor nights per year

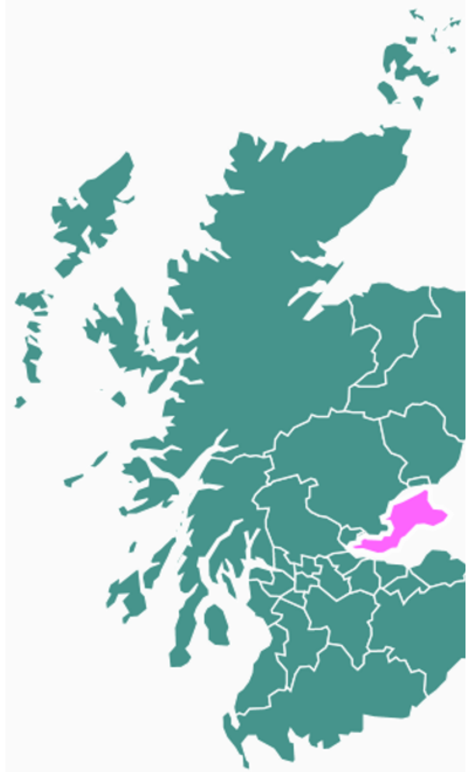
1.3 annual visitor nights per head of population

Total visitor spend
£112.1 million

Total FTE jobs
1,304

Total economic contribution
£25.0m

* Modelled estimate based on Supercontrol database
** Supercontrol properties only



<u>Top five areas (by number of properties):</u> **

1. Elie (111)
2. St. Andrews (80)
3. Pittenweem (16)
4. Crail (13)
5. St. Monans (11)

Source: Frontline, 201

LOCH LOMOND & TROSSACHS

Local authorities included: Clackmannanshire, Falkirk, Stirling

503 properties

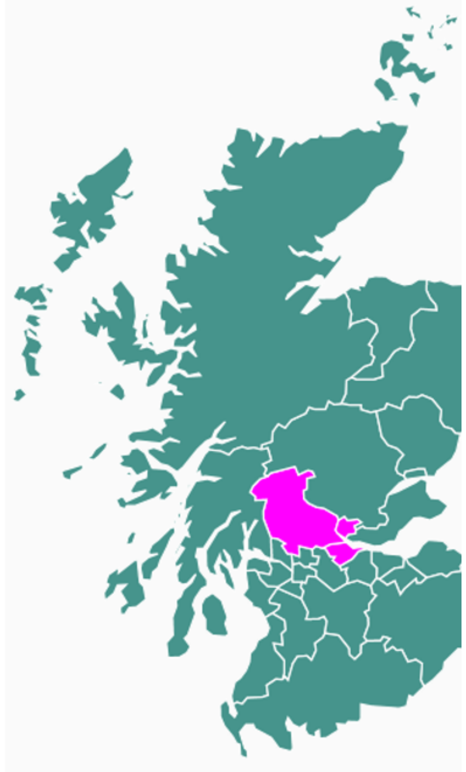
154,942 visitor nights per year

0.5 annual visitor nights per head of population

Total visitor spend £34.1 million

Total FTE jobs 621

Total economic contribution £11.9m



Top five areas (by number of properties):

1. Stirling (132)
2. Killin (92)
3. Dunkeld (83)
4. Callander (55)
5. Crianlarich (31)

Source: Frontline, 201

ORKNEY

Local authorities included: Orkney Islands

503 properties

10,446 visitor nights per year

0.5 annual visitor nights per head of population

Total visitor spend
£2.1million

Total FTE jobs
51

Total economic contribution
£1.0m

<u>Top five areas (by number of properties):</u>

1. Stromness (93)
2. Kirkwall (70)
3. St Ola (41)
4. St Margaret's Hope (31)
5. Orphir (27)

Source: Frontline, 201

OUTER HEBRIDES

Local authorities included: Eilean Siar

479 properties

60,932 visitor nights per year

2.2 annual visitor nights
per head of population

Total visitor spend
£12.2 million

Total FTE jobs
265

Total economic
contribution
£5.1m

<u>Top five areas</u>
<u>(by number of properties):</u>

1. Uig (33)
2. Stornoway (32)
3. Lochs (26)
4. Ness (15)
5. Castlebay (14)

Source: Frontline, 201

PERTHSHIRE

Local authorities included: Perth and Kinross

950 properties

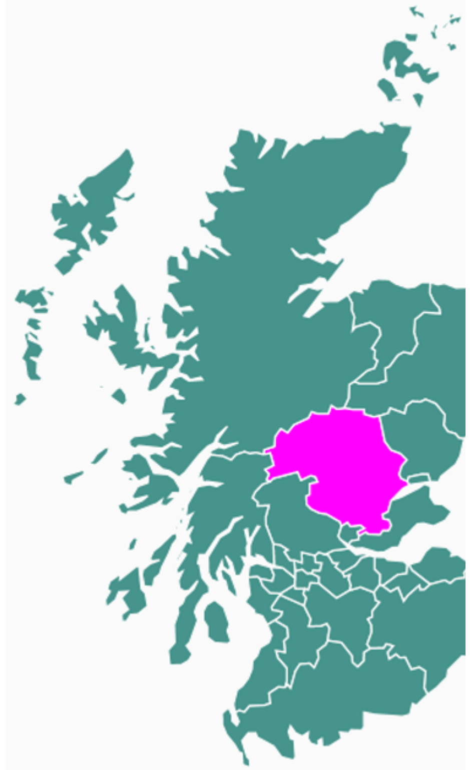
325,553 visitor nights per year

2.2 annual visitor nights per head of population

Total visitor spend £70.8 million

Total FTE jobs 1,288

Total economic contribution £24.7m



<u>Top five areas (by number of properties):</u>

1. Aberfeldy (227)
2. Pitlochry (183)
3. Crieff (130)
4. Blairgowrie (113)
5. Perth (63)

Source: Frontline, 201

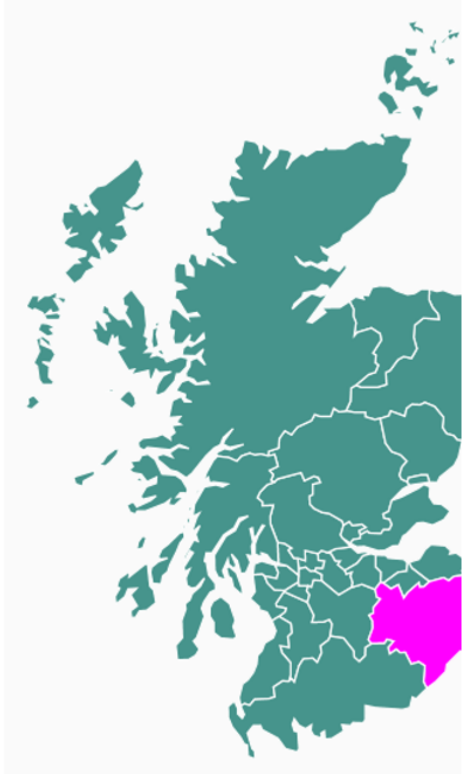
SCOTTISH BORDERS

Local authorities included: Scottish Borders

674 properties

297,698 visitor nights per year

2.6 annual visitor nights per head of population



Total visitor spend
£66.0 million

Total FTE jobs
1,824

Total economic contribution
£35.0m

Top five areas
(by number of properties):

1. Kelso (79)
2. Eyemouth (69)
3. Melrose (57)
4. Duns (55)
5. Hawick (46)

Source: Frontline, 201

SHETLAND

Local authorities included: Shetland Islands

308 properties

24,373 visitor nights per year

1.1 annual visitor nights per head of population

Total visitor spend £5.3 million

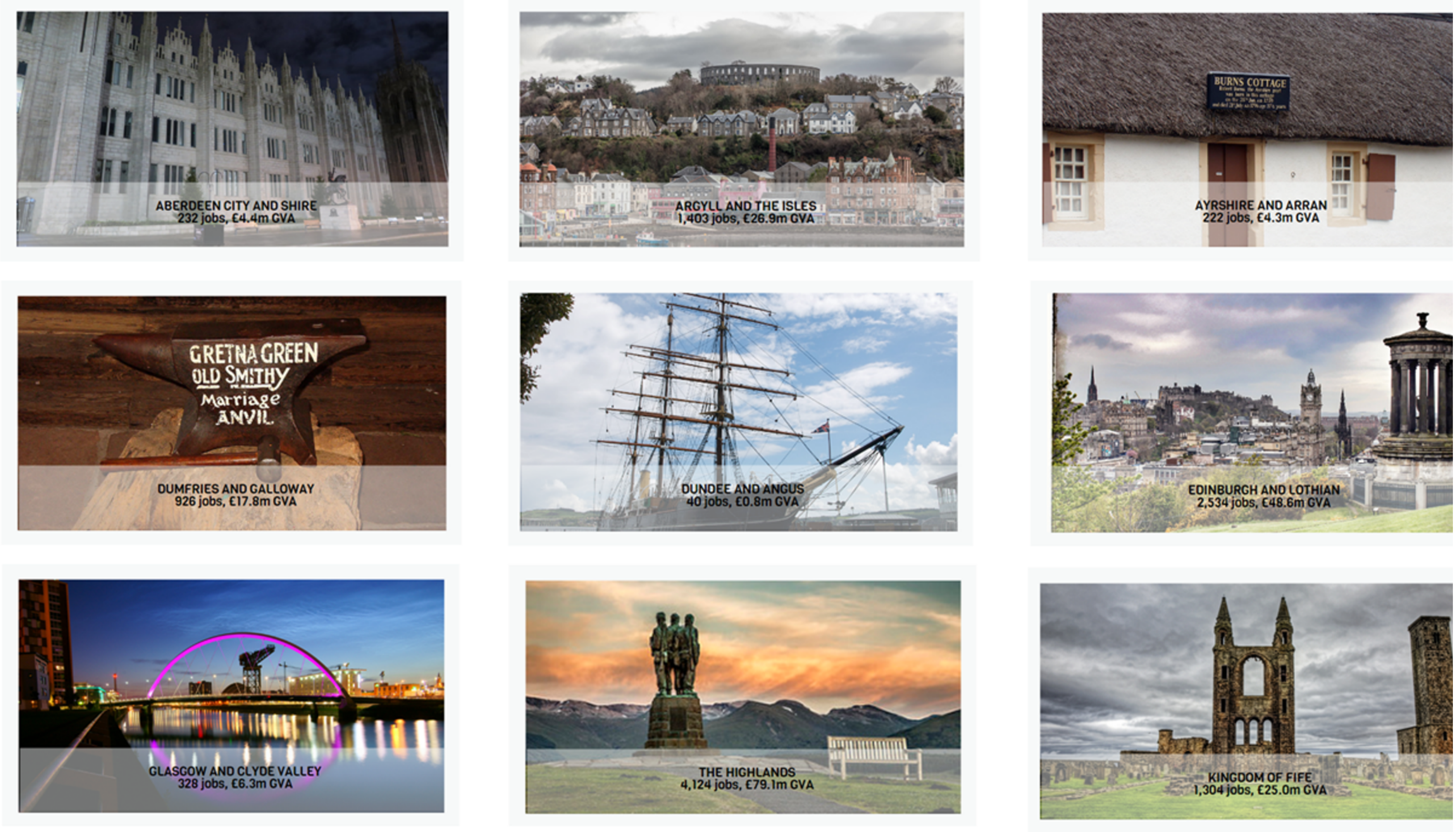
Total FTE jobs 108

Total economic contribution £2.1m

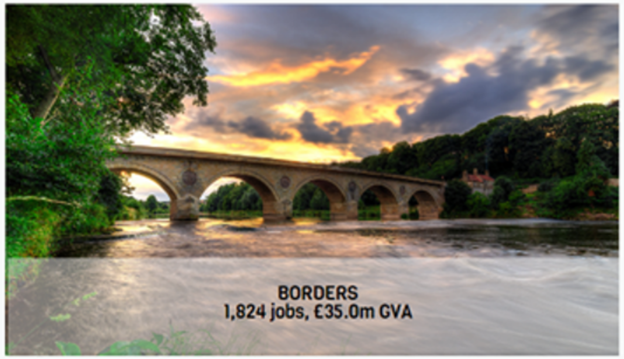
<u>Top five areas (by number of properties):</u>

1. Lerwick (86)
2. Unst (34)
3. Cunningsburgh (14)
4. Brae (9)
5. Burra (8)

Source: Frontline, 201



Source: Frontline, 2017



Source: Frontline, 201

Appendix 1: Detailed Impact Findings

Total visitor nights

Property size	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms	Total
Aberdeen City & Shire	10,446	27,855	3,482	5,223	6,964	**53,969**
Argyll & The Isles	97,492	83,564	95,751	27,855	24,373	**329,034**
Ayrshire & Arran	24,373	13,927	5,223	6,964	5,223	**55,710**
Dumfries & Galloway	66,155	59,191	55,710	6,964	12,186	**200,206**
Dundee & Angus	6,964	5,223	5,223	0	0	**17,409**
Edinburgh & Lothians	134,051	181,056	71,378	15,668	22,632	**424,785**
Glasgow & Clyde	41,782	24,373	10,446	3,482	1,741	**81,823**
Highlands	266,361	275,066	186,279	52,228	47,005	**826,938**
Kingdom of Fife	48,746	156,683	186,279	52,228	45,264	**489,199**
Loch Lomond & Trossachs	43,523	43,523	36,559	19,150	12,186	**154,942**
Orkney	1,741	6,964	1,741	0	0	**10,446**
Outer Hebrides	40,041	8,705	5,223	5,223	1,741	**60,932**
Perthshire	90,528	94,010	94,010	24,373	22,632	**325,553**
Scottish Borders	64,414	99,233	73,119	24,373	36,559	**297,698**
Shetland	10,446	3,482	5,223	3,482	1,741	**24,373**
Total	**947,062**	**1,082,854**	**835,643**	**247,211**	**240,247**	**3,353,017**

Source: Frontline, 2017

Non-local visitor nights

Property size	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms	Total
Aberdeen City & Shire	8,993	23,982	2,998	4,497	5,996	**46,466**
Argyll & The Isles	91,552	78,473	89,917	26,158	22,888	**308,987**
Ayrshire & Arran	22,032	12,590	4,721	6,295	4,721	**50,360**
Dumfries & Galloway	63,517	56,831	53,488	6,686	11,700	**192,221**
Dundee & Angus	5,122	3,841	3,841	0	0	**12,804**
Edinburgh & Lothians	125,036	168,879	66,577	14,615	21,110	**396,217**
Glasgow & Clyde	34,663	20,220	8,666	2,889	1,444	**67,881**
Highlands	248,309	256,424	173,654	48,688	43,819	**770,895**
Kingdom of Fife	44,893	144,299	171,556	48,100	41,686	**450,534**
Loch Lomond & Trossachs	42,239	42,239	35,481	18,585	11,827	**150,371**
Orkney	1,724	6,898	1,724	0	0	**10,347**
Outer Hebrides	38,834	8,442	5,065	5,065	1,688	**59,096**
Perthshire	87,857	91,236	91,236	23,654	21,964	**315,948**
Scottish Borders	63,298	97,512	71,851	23,950	35,926	**292,537**
Shetland	7,682	2,561	3,841	2,561	1,280	**17,926**
Total	**885,752**	**1,014,429**	**784,617**	**231,742**	**226,051**	**3,142,591**

Source: Frontline, 201

Non-Scottish visitor nights

Property size	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms	Total
Aberdeen City & Shire	5,255	14,012	1,752	2,627	3,503	**27,149**
Argyll & The Isles	47,363	40,597	46,517	13,532	11,841	**159,849**
Ayrshire & Arran	11,353	6,487	2,433	3,244	2,433	**25,949**
Dumfries & Galloway	36,006	32,216	30,321	3,790	6,633	**108,967**
Dundee & Angus	1,988	1,491	1,491	0	0	**4,970**
Edinburgh & Lothians	97,933	132,273	52,146	11,447	16,534	**310,332**
Glasgow & Clyde	21,211	12,373	5,303	1,768	884	**41,538**
Highlands	156,330	161,438	109,329	30,653	27,588	**485,337**
Kingdom of Fife	14,134	45,431	54,013	15,144	13,125	**141,847**
Loch Lomond & Trossachs	19,727	19,727	16,571	8,680	5,524	**70,229**
Orkney	1,117	4,467	1,117	0	0	**6,701**
Outer Hebrides	22,744	4,944	2,967	2,967	989	**34,610**
Perthshire	41,033	42,611	42,611	11,047	10,258	**147,560**
Scottish Borders	44,331	68,294	50,322	16,774	25,161	**204,881**
Shetland	5,539	1,846	2,770	1,846	923	**12,925**
Total	**526,062**	**588,208**	**419,660**	**123,518**	**125,394**	**1,782,842**

Source: Frontline, 201

Total spend

Property size	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms	Total
Aberdeen City & Shire	1.9	5.4	0.8	1.5	2.0	**11.6**
Argyll & The Isles	17.7	16.2	23.1	8.0	7.0	**72.0**
Ayrshire & Arran	4.4	2.7	1.3	2.0	1.5	**11.9**
Dumfries & Galloway	12.0	11.5	13.4	2.0	3.5	**42.4**
Dundee & Angus	1.3	1.0	1.3	0.0	0.0	**3.5**
Edinburgh & Lothians	24.3	35.2	17.2	4.5	6.5	**87.7**
Glasgow & Clyde	7.6	4.7	2.5	1.0	0.5	**16.3**
Highlands	48.4	53.4	44.9	15.0	13.5	**175.1**
Kingdom of Fife	8.9	30.4	44.9	15.0	13.0	**112.1**
Loch Lomond & Trossachs	7.9	8.5	8.8	5.5	3.5	**34.1**
Orkney	0.3	1.4	0.4	0.0	0.0	**2.1**
Outer Hebrides	7.3	1.7	1.3	1.5	0.5	**12.2**
Perthshire	16.4	18.3	22.6	7.0	6.5	**70.8**
Scottish Borders	11.7	19.3	17.6	7.0	10.5	**66.0**
Shetland	1.9	0.7	1.3	1.0	0.5	**5.3**
Total	**172.0**	**210.3**	**201.3**	**70.8**	**68.9**	**723.3**

Source: Frontline, 201

Total non-local spend

Property size	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms	Total
Aberdeen City & Shire	1.6	4.7	0.7	1.3	1.7	**10.0**
Argyll & The Isles	16.6	15.2	21.7	7.5	6.6	**67.6**
Ayrshire & Arran	4.0	2.4	1.1	1.8	1.4	**10.7**
Dumfries & Galloway	11.5	11.0	12.9	1.9	3.4	**40.7**
Dundee & Angus	0.9	0.7	0.9	0.0	0.0	**2.6**
Edinburgh & Lothians	22.7	32.8	16.0	4.2	6.0	**81.8**
Glasgow & Clyde	6.3	3.9	2.1	0.8	0.4	**13.6**
Highlands	45.1	49.8	41.8	14.0	12.6	**163.2**
Kingdom of Fife	8.2	28.0	41.3	13.8	11.9	**103.2**
Loch Lomond & Trossachs	7.7	8.2	8.5	5.3	3.4	**33.1**
Orkney	0.3	1.3	0.4	0.0	0.0	**2.1**
Outer Hebrides	7.1	1.6	1.2	1.5	0.5	**11.8**
Perthshire	16.0	17.7	22.0	6.8	6.3	**68.7**
Scottish Borders	11.5	18.9	17.3	6.9	10.3	**64.9**
Shetland	1.4	0.5	0.9	0.7	0.4	**3.9**
Total	**160.9**	**197.0**	**189.0**	**66.4**	**64.8**	**678.1**

Source: Frontline, 20

Total non-Scottish spend

Property size	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms	Total
Aberdeen City & Shire	1.0	2.7	0.7	0.8	1.0	**6.2**
Argyll & The Isles	8.6	7.9	21.7	3.9	3.4	**45.4**
Ayrshire & Arran	2.1	1.3	1.1	0.9	0.7	**6.1**
Dumfries & Galloway	6.5	6.3	12.9	1.1	1.9	**28.7**
Dundee & Angus	0.4	0.3	0.9	0.0	0.0	**1.6**
Edinburgh & Lothians	17.8	25.7	16.0	3.3	4.7	**67.5**
Glasgow & Clyde	3.9	2.4	2.1	0.5	0.3	**9.1**
Highlands	28.4	31.3	41.8	8.8	7.9	**118.3**
Kingdom of Fife	2.6	8.8	41.3	4.3	3.8	**60.8**
Loch Lomond & Trossachs	3.6	3.8	8.5	2.5	1.6	**20.0**
Orkney	0.2	0.9	0.4	0.0	0.0	**1.5**
Outer Hebrides	4.1	1.0	1.2	0.9	0.3	**7.4**
Perthshire	7.5	8.3	22.0	3.2	2.9	**43.8**
Scottish Borders	8.1	13.3	17.3	4.8	7.2	**50.6**
Shetland	1.0	0.4	0.9	0.5	0.3	**3.1**
Total	**95.6**	**114.2**	**189.0**	**35.4**	**35.9**	**470.1**

Source: Frontline, 201

Total non-Scottish visitor spend

Property size	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms	Total
Aberdeen City & Shire	1.0	2.7	0.7	0.8	1.0	**6.2**
Argyll & The Isles	8.6	7.9	21.7	3.9	3.4	**45.4**
Ayrshire & Arran	2.1	1.3	1.1	0.9	0.7	**6.1**
Dumfries & Galloway	6.5	6.3	12.9	1.1	1.9	**28.7**
Dundee & Angus	0.4	0.3	0.9	0.0	0.0	**1.6**
Edinburgh & Lothians	17.8	25.7	16.0	3.3	4.7	**67.5**
Glasgow & Clyde	3.9	2.4	2.1	0.5	0.3	**9.1**
Highlands	28.4	31.3	41.8	8.8	7.9	**118.3**
Kingdom of Fife	2.6	8.8	41.3	4.3	3.8	**60.8**
Loch Lomond & Trossachs	3.6	3.8	8.5	2.5	1.6	**20.0**
Orkney	0.2	0.9	0.4	0.0	0.0	**1.5**
Outer Hebrides	4.1	1.0	1.2	0.9	0.3	**7.4**
Perthshire	7.5	8.3	22.0	3.2	2.9	**43.8**
Scottish Borders	8.1	13.3	17.3	4.8	7.2	**50.6**
Shetland	1.0	0.4	0.9	0.5	0.3	**3.1**
Total	**95.6**	**114.2**	**189.0**	**35.4**	**35.9**	**470.1**

Source: Frontline, 201

Total non-UK visitor spend

Property size	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms	Total
Aberdeen City & Shire	0.3	0.8	0.4	0.2	0.3	**2.0**
Argyll & The Isles	2.7	2.4	11.2	1.2	1.0	**18.5**
Ayrshire & Arran	0.4	0.2	0.6	0.2	0.1	**1.4**
Dumfries & Galloway	0.4	0.3	7.3	0.1	0.1	**8.2**
Dundee & Angus	0.1	0.1	0.4	0.0	0.0	**0.5**
Edinburgh & Lothians	10.5	15.1	12.6	1.9	2.8	**42.9**
Glasgow & Clyde	1.0	0.6	1.3	0.1	0.1	**3.1**
Highlands	11.1	12.3	26.3	3.4	3.1	**56.3**
Kingdom of Fife	0.7	2.4	13.0	1.2	1.0	**18.4**
Loch Lomond & Trossachs	1.7	1.9	4.0	1.2	0.8	**9.6**
Orkney	0.1	0.3	0.3	0.0	0.0	**0.6**
Outer Hebrides	1.3	0.3	0.7	0.3	0.1	**2.7**
Perthshire	7.5	8.3	10.3	3.2	2.9	**32.1**
Scottish Borders	8.1	13.3	12.1	4.8	7.2	**45.5**
Shetland	0.5	0.2	0.7	0.3	0.1	**1.7**
Total	**46.2**	**58.5**	**101.1**	**18.1**	**19.7**	**243.5**

Source: Frontline, 201

Direct GVA

Property size	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms	Total
Aberdeen City & Shire	0.5	1.5	0.2	0.4	0.5	**3.2**
Argyll & The Isles	4.6	4.2	6.0	2.1	1.8	**18.8**
Ayrshire & Arran	1.1	0.7	0.3	0.5	0.4	**3.0**
Dumfries & Galloway	3.5	3.4	3.9	0.6	1.0	**12.4**
Dundee & Angus	0.2	0.2	0.2	0.0	0.0	**0.5**
Edinburgh & Lothians	9.6	13.8	6.8	1.8	2.6	**34.5**
Glasgow & Clyde	2.1	1.3	0.7	0.3	0.1	**4.5**
Highlands	15.3	16.9	14.2	4.7	4.3	**55.3**
Kingdom of Fife	1.4	4.8	7.0	2.3	2.0	**17.5**
Loch Lomond & Trossachs	1.9	2.1	2.1	1.3	0.9	**8.3**
Orkney	0.1	0.5	0.1	0.0	0.0	**0.7**
Outer Hebrides	2.2	0.5	0.4	0.5	0.2	**3.7**
Perthshire	4.0	4.5	5.5	1.7	1.6	**17.3**
Scottish Borders	4.3	7.1	6.5	2.6	3.9	**24.5**
Shetland	0.5	0.2	0.4	0.3	0.1	**1.5**
Total	**51.5**	**61.5**	**54.4**	**19.1**	**19.4**	**205.8**

Source: Frontline, 201

GVA multiplier

Property size	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms	Total
Aberdeen City & Shire	0.2	0.6	0.1	0.2	0.2	**1.3**
Argyll & The Isles	2.0	1.8	2.6	0.9	0.8	**8.1**
Ayrshire & Arran	0.5	0.3	0.1	0.2	0.2	**1.3**
Dumfries & Galloway	1.5	1.4	1.7	0.3	0.4	**5.3**
Dundee & Angus	0.1	0.1	0.1	0.0	0.0	**0.2**
Edinburgh & Lothians	3.9	5.7	2.8	0.7	1.0	**14.1**
Glasgow & Clyde	0.9	0.5	0.3	0.1	0.1	**1.8**
Highlands	6.6	7.3	6.1	2.0	1.8	**23.8**
Kingdom of Fife	0.6	2.0	3.0	1.0	0.9	**7.5**
Loch Lomond & Trossachs	0.8	0.9	0.9	0.6	0.4	**3.6**
Orkney	0.0	0.2	0.1	0.0	0.0	**0.3**
Outer Hebrides	0.8	0.2	0.1	0.2	0.1	**1.3**
Perthshire	1.7	1.9	2.4	0.7	0.7	**7.4**
Scottish Borders	1.9	3.1	2.8	1.1	1.7	**10.5**
Shetland	0.2	0.1	0.1	0.1	0.1	**0.5**
Total	**21.7**	**26.0**	**23.2**	**8.1**	**8.2**	**87.2**

Source: Frontline, 201

Direct, Indirect and Induced GVA

Property size	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms	Total
Aberdeen City & Shire	0.7	2.1	0.3	0.6	0.8	**4.4**
Argyll & The Isles	6.6	6.1	8.6	3.0	2.6	**26.9**
Ayrshire & Arran	1.6	1.0	0.5	0.7	0.5	**4.3**
Dumfries & Galloway	5.0	4.8	5.6	0.8	1.5	**17.8**
Dundee & Angus	0.3	0.2	0.3	0.0	0.0	**0.8**
Edinburgh & Lothians	13.5	19.5	9.5	2.5	3.6	**48.6**
Glasgow & Clyde	2.9	1.8	1.0	0.4	0.2	**6.3**
Highlands	21.9	24.1	20.3	6.8	6.1	**79.1**
Kingdom of Fife	2.0	6.8	10.0	3.3	2.9	**25.0**
Loch Lomond & Trossachs	2.8	2.9	3.1	1.9	1.2	**11.9**
Orkney	0.1	0.6	0.2	0.0	0.0	**1.0**
Outer Hebrides	3.0	0.7	0.5	0.6	0.2	**5.1**
Perthshire	5.7	6.4	7.9	2.4	2.3	**24.7**
Scottish Borders	6.2	10.2	9.3	3.7	5.6	**35.0**
Shetland	0.7	0.3	0.5	0.4	0.2	**2.1**
Total	**73.1**	**87.5**	**77.6**	**27.2**	**27.6**	**293.1**

Source: Frontline, 201

Direct full time equivalent employment

Property size	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms	Total
Aberdeen City & Shire	27	76	12	21	28	**164**
Argyll & The Isles	241	221	314	109	95	**981**
Ayrshire & Arran	58	35	16	26	20	**155**
Dumfries & Galloway	184	176	205	30	53	**648**
Dundee & Angus	10	8	10	0	0	**28**
Edinburgh & Lothians	499	721	352	92	133	**1,797**
Glasgow & Clyde	108	67	36	14	7	**233**
Highlands	797	880	739	247	222	**2,884**
Kingdom of Fife	72	248	365	122	106	**912**
Loch Lomond & Trossachs	101	107	112	70	44	**434**
Orkney	6	24	8	0	0	**38**
Outer Hebrides	116	27	20	24	8	**195**
Perthshire	209	232	288	89	82	**901**
Scottish Borders	226	372	340	135	202	**1,276**
Shetland	28	10	19	15	7	**79**
Total	**2,682**	**3,205**	**2,837**	**993**	**1,008**	**10,725**

Source: Frontline, 201

FTE employment multiplier

Property size	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms	5 bedrooms	Total
Aberdeen City & Shire	11	31	5	9	12	**67**
Argyll & The Isles	104	95	135	47	41	**422**
Ayrshire & Arran	25	15	7	11	8	**67**
Dumfries & Galloway	79	75	88	13	23	**279**
Dundee & Angus	4	3	4	0	0	**12**
Edinburgh & Lothians	205	296	145	38	55	**737**
Glasgow & Clyde	44	28	15	6	3	**95**
Highlands	343	378	318	106	95	**1,240**
Kingdom of Fife	31	106	157	52	45	**392**
Loch Lomond & Trossachs	43	46	48	30	19	**187**
Orkney	2	9	3	0	0	**14**
Outer Hebrides	42	10	7	9	3	**70**
Perthshire	90	100	124	38	35	**387**
Scottish Borders	97	160	146	58	87	**548**
Shetland	10	4	7	5	3	**29**
Total	**1,130**	**1,356**	**1,208**	**422**	**429**	**4,546**

Source: Frontline, 201

Direct, indirect and induced FTE employment impact

Property size	**1 bedroom**	**2 bedrooms**	**3 bedrooms**	**4 bedrooms**	**5 bedrooms**	**Total**
Aberdeen City & Shire	38	108	17	30	40	**232**
Argyll & The Isles	345	316	450	156	136	**1,403**
Ayrshire & Arran	83	51	24	37	28	**222**
Dumfries & Galloway	262	251	293	44	76	**926**
Dundee & Angus	14	11	14	0	0	**40**
Edinburgh & Lothians	704	1,016	497	130	187	**2,534**
Glasgow & Clyde	152	95	51	20	10	**328**
Highlands	1,140	1,258	1,057	353	317	**4,124**
Kingdom of Fife	103	354	522	174	151	**1,304**
Loch Lomond & Trossachs	144	154	160	100	64	**621**
Orkney	8	33	10	0	0	**51**
Outer Hebrides	158	37	27	32	11	**265**
Perthshire	299	332	412	127	118	**1,288**
Scottish Borders	323	532	486	193	289	**1,824**
Shetland	38	14	25	20	10	**108**
Total	**3,811**	**4,562**	**4,045**	**1,415**	**1,438**	**15,271**

Source: Frontline, 201

Appendix 2: Glossary of Technical Terms

Direct expenditure: money spent by visitors to the area (this does not include any money spent further down the supply chain through multiplier effects)

Full time equivalent (FTE) employment impacts: the number of full time (35 hour per week) permanent (52 week per year) jobs that this expenditure supports. Note that as some people work part time or seasonally, and as some Scottish workers spend part of their time providing services to tourist visitors and some of their time providing services to local residents, the total number of workers who jobs are at least partially dependent on self-catering visitors will be higher than this figure.

Gross value added (GVA): the total amount of extra value that visitor expenditure contributes to the Scottish economy. This is broadly equivalent to either wages plus profit (i.e. the proportion of value added that goes to the company's employees and the proportion that goes to the company's owners) or to turnover minus cost of sale. For example, if a company were to buy enough coffee beans to make 100 cups of coffee for £40, and sell each cup for £1 each, the turnover impact of these transactions would be £100, the cost of sale would be £40, and the value added would be £60.

Indirect multiplier (or Type I multiplier): additional knock-on benefits that take place as a result of payments made further down the supply chain. Examples may include money that the owner pays to a local accountant to do produce their accounts, or to a local tradesperson to fix any plumbing or electrical problems that might occur in the property

Induced multiplier: additional knock on benefits caused by the expenditure of salaries by property owners and staff. An example may include the expenditure of people who work at the property in a local shop

(the) Multiplier effect (or Type II multiplier): this term relates to the combined impacts of the indirect and induced multipliers

Non-local visitors: visitors who either live outside of Scotland, or who live in a different VisitScotland region to the one that they visited

Non-local expenditure: expenditure made in an area by non-local visitors

Non-Scottish visitors: visitors who live outside of Scotland

Non-Scottish expenditure: expenditure made by non-Scottish visitors

Occupancy rate: the proportion off properties that have a paying visitor staying in them on any particular day of the year

Turnover: the total value of all sales made by a business

Appendix 3: Economic impact methodology

As part of the economic impact model, a net economic impact figure was calculated for every possible combination of:

- **days of the year**: we applied different occupancy rate assumptions to each of the 366 days of the year, based on evidence from our analysis of Supercontrol data
- **property sizeband**: we applied different average expenditure per visitor group per day assumptions to 1 bedroom, 2

bedroom, 3 bedroom and 4+ bedroom properties, based on evidence from our visitor survey

- **VisitScotland region**: we applied different assumptions to each of the 15 regions for the proportion of visitors who were non-Scottish, based again on Supercontrol data.

In other words, the model includes 21,960 separate economic impact calculations, which were then reaggregated to produce as accurate as possible an estimate of the true economic impact of the sector.

For clarity, an in-line with government guidance, all of the employment and Gross Value Added (GVA) impact figures reported in this report relate to 'non-Scottish' impacts, in other words, to impacts that occurred as a result of expenditure by non-Scottish visitors to the area in question.

For each of these combinations of date, region, and property size, we calculate our impact based on the following equation:

Economic impact calculation summary

	Total number of visitor nights
Minus	Visits by Scottish residents
Equals	Non-Scottish visitor nights
Times	Average expenditure per head per night
Equals	Non-Scottish direct visitor spend
Times	Type II Multiplier (source: Scottish Tourism Multiplier Study)
Equals	Non-Scottish direct, indirect and induced visitor spend
Divided by	Turnover per FTE member of staff in accommodation sector *(Source: Scottish Annual Business Statistics)*
Equals	Non-Scottish, direct, indirect & induced employment impact
Multiplied by	GVA per FTE employee in accommodation sector *(Source: Scottish Annual Business Statistics)*
Equals	Non-Scottish, direct, indirect and induced GVA impacts

Additional note 1 - Comparing the economic impact of the self-catering sector with sectors of the rural economy

The table overleaf compares the economic impact findings from the following source:

- *Economic Impact Assessment on the Value of Short Term Lettings on the Scottish Economy* (conducted by Frontline in 2016)
- *The Economic Impact of the Holiday Park Sector in Scotland* (conducted by Frontline in 2014)
- *Economic Report on Scottish Agriculture (*published by the Scottish Government in 2016, and relating to 2015)
- *Scottish Annual Business Statistics* (published by the Scottish Government in 2016, and relating to 2014)

The purpose of this table is to provide an indicative assessment of the relative value of the self-catering sector in relation to other sources of rural employment. It should, however, be noted that the figures relate to different years and follow different methodological approaches, and therefore any direct comparisons between these numbers should be treated with caution.

Industry	Employment ('000s)	Turnover (£m)	GVA (£m)
Agriculture *	**65,000**	**2,898**	**1,088**
Fishing and Aquaculture	5,600	869	345
Manufacture of Food Products	35,000	6,296	1,732
Manufacture of Beverages	11,300	4,172	2,082
TOTAL - Food and drink	**51,900**	**11,336**	**4,158**
Hotels and similar accommodation (exc spend by visitors in other Scottish businesses)	47,000	1,997	1,206
Holiday and other short-stay accommodation (exc spend by visitors in other Scottish businesses)	2,800	115	66
Camping grounds, recreational vehicle parks and trailer parks (exc spend by visitors in other Scottish businesses)	2,200	122	70
Restaurants and mobile food service activities	81,600	2,366	1,275
Beverage serving activities	28,800	1,222	634
Tour operator activities	1,600	268	108
Other reservation service and related activities	1,300	102	54
Museum activities	4,000	74	9
Operation of historical sites and buildings and similar visitor attractions	2,400	51	12
Botanical and zoological gardens and nature reserve activities	1,800	47	15
Operation of sports facilities	11,600	253	124
Other sports activities (not including activities of racehorse owners) nec	4,200	88	39
Activities of amusement parks and theme parks	500	19	12
Other amusement and recreation activities	1,800	99	52
TOTAL - Tourism	**191,500**	**6,824**	**3,675**
Self catering (including spend by visitors in other Scottish businesses) **	**15,271**	**723**	**293**
Holiday Parks (including spend by visitors in other Scottish businesses) ***	**12,977**	**701**	**356**

* Source: Economic Report of Scottish Agricuture, 2016 - Figures represent 2015, and are net of subsidies

** Source: Economic Impact Assessment on the Value of Short Term Lettings on the Scottish Economy - Figures relate to 2016

*** Source: The Economic Impact of the Holiday Park Sector in Scotland - Figures relate to 2014

Source of all other figures is Scottish Annual Business Statistics, 2014

Additional note 2 – Explanation of the differences between the Scottish and English impact studies

The purpose of this paper is to explain the differences between the impact figures reported in Frontline's report *Economic Impact of Short-Term Lettings on the Scottish Economy*, and those reported in *The Economic Impact of the Rural and Coastal Self-Catering Sector in England, 2016*

The two main differences between the £312.8 million total rent figure in the Frontline study and the £3.04 billion figure from the England study are:

- **Multipliers:** the £3.04 billion figure in the England study includes knock-on expenditure caused by the multiplier effect (based on a multiplier of 1.8). This adjustment effectively assumes that every £100 of rent a self-catering provider spends will create an additional impact of £180 in the local economy, after adding in the induced benefits caused by staff salaries (for example, when the cleaner spends some of his/her income in the local shop) and indirect impacts (for example money that the owner pays to the local accountant to do their books, or to the local tradesperson to fix any plumbing or electrical problems that might occur in the property). In the Scotland study, the report accounts for the multiplier impact elsewhere in the report, basing these on a far more conservative set of multiplier assumptions, using the Scottish Tourism Multipliers Study as its source (0.41 in urban areas, 0.43 in rural areas and 0.36 in remote rural areas). When these knock-on effects are stripped out from the figure in the English study, the number falls to £1.085 bn.

- **Property numbers:** The Scottish impact figures are based on the 16,949 property figure in the Scottish Valuation Rolls database. The figures in the England study are based on an assumption of 60,000 properties, which they source from an LSE report, and is based on an extrapolation of the 29,242 properties in the VisitEngland database, to account for non-listed properties, including rooms available through Air B&B. If the analysis were based solely on the 29,242 properties instead, and the multipliers are excluded as above, the £1.085 bn figure would fall further to £528.8 million.

Therefore, if a direct comparison is to be made between the Scotland and England studies, then the most like-for-like numbers to compare would be the figure of £312.8 million total rent in the Frontline report and the £528.8 million figure calculated above. This equates to an average rent per property per year of £18,084 in England, and £18,455 in Scotland, meaning that Scotland performs marginally better on this measure.

If one were to compare the two figures on a total self-catering rental spend per head of population basis, this would produce a figure of £59.02 in Scotland and £9.98 in England.