

# ASSC Submission to Scottish Parliament Local Government & Communities Committee

## Appendices



January 2021

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1. Forward Together: A Collaborative Approach to Short-Term Letting
2. The Booking Problem
3. The Impacts of Short-Term Lets on Communities in Scotland
4. Local Authority Resource Implications Responses
5. Sectoral Survey into the Impact of the Proposed Licensing Scheme for Short-Term Lets Across Scotland
6. Licensing or Registration for Short-Term Lets in Scotland
7. Short-Term Letting & The Housing Crisis
8. ASSC Code of Conduct for Members
9. Notes on Drafting of Licensing SSI
10. The Economic Impact of Short-term Letting on the Scottish Economy



## Appendix 1

# Forward Together: A Collaborative Approach to Short-Term Letting





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# Forward Together: A Collaborative Approach to Short-Term Letting

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Covid Overlay - September 2020



Association of  
Scotland's Self-Caterers

Supporting self-catering in Scotland



## Overview

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- Short-term letting has had a positive impact for locals and visitors alike but it is considered to require regulation and a collaborative approach between providers, government and affected stakeholders to mitigate any issues.
  - Following the recent consultation on establishing a regulatory framework for short-term lets, the Scottish Government has set out their preferred means to regulate: the introduction of a licensing system.
  - Building on previous policy recommendations and engagement with the Scottish Government, the Association of Scotland's Self-Caterers has set out a series of solutions to the main issues identified in the consultation process and which can assist the Scottish Government as they take forward the details of the scheme and help inform the regulations.
  - If adopted, it would address several of the concerns that have been raised about short-term lets by balancing the rights and interest of local communities with those of the short-term letting industry.
  - Covid-19 underlines the need for regulation of the short-term lets and the ASSC intend to replicate the responsible and industry-leading approach taken with sectoral reopening to the issue of regulation overall.
  - The ASSC developed a comprehensive and robust set of policy recommendations that was shared with the Scottish Government back in January 2020. These policy recommendations on licensing and planning control areas provide a proportionate, evidence-based and future-proofed solution for national and local government in Scotland.
  - Furthermore, due to Covid-19, this takes on even more relevance due to the economic consequences for cash-strapped local authorities – who will have to take on the burden of licensing – and the impact any disproportionate system could have on the recovery of the Scottish tourism. The ASSC therefore wish to work with policymakers to make the regulations work for communities and the tourism industry.
  - It is the aspiration of the Scottish Government to lay the regulations in December 2020 in order that they can become law by Spring 2021; and prior to that, there will be a short period of stakeholder engagement commencing in Autumn 2020.
  - **This engagement provides an opportunity to properly assess and refine the detail of the regulations to ensure that there is an appropriate balance between the needs of local communities and Scotland's important tourist economy.**
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## Introduction

Contrary to the current media narrative, short-term lets are not a new phenomenon. Given that the ASSC has acted as the trusted voice of the self-catering sector for over forty years, we are well aware that short-term lets have always formed a crucial supportive part of Scotland's rich tourism offering.

Today, the self-catering sector brings around £723m of economic activity to Scotland each year.<sup>1</sup> With such figures in mind, it is little wonder that the Scottish Government has welcomed the economic benefits of our sector, as well as the development of new models of short-term letting to Scotland.

Nonetheless, despite the success of short-term lets in Scotland, we cannot be complacent and nor can we ignore those who remain concerned about the impact of the sector on some communities in Scotland. The ASSC has always worked in an open and constructive manner with local and national stakeholders and has provided recommendations for the Scottish Government as they have taken forward their work to establish a regulatory framework in Scotland.

The ASSC has worked hard to engage with those

concerned about the impact of short-term lets across Scotland, listening to the concerns raised regarding housing pressure and anti-social behaviour. As a result, the ASSC:

- Commissioned an evidence-based report, produced by Frontline, to investigate and address these concerns, entitled *Far More Than Just Houses*.
- Introduced a Code of Conduct in 2017 for all its members, aimed at improving standards in the industry and encouraging best practice.
- Unveiled a policy paper on holiday let regulation that would see short-term rental properties come under a mandatory registration scheme in order to provide local authorities with as much information as possible. The paper also outlines the ASSC's support for the introduction of rent-pressure zones which would allow local councils to limit the number of holiday lets in areas that meet certain conditions.

We remain committed to working with policymakers to ensure the sustainability of the self-catering sector and the responsible growth of the market in Scotland, while also protecting local communities in which our dedicated and hardworking members operate. In addition to our evidence supplied to the Scottish Government's consultation on short-term lets, as well as our policy recommendations on establishing short-term let control areas, we have provided some additional solutions in this paper for the Scottish Government and local authorities to support best practice and embed partnership working.

**To this end, the ASSC is delighted to be working in collaboration with the UK Short-Term Accommodation Association (STAA), NoiseAware and Quality in Tourism to deliver robust initiatives to respond to problems highlighted by local communities in Scotland.**

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This paper seeks to support the Scottish Government's commitment to regulate the short-term rental sector in Scotland. Overall, it aims to:

- Ensure the responsible growth and sustainability of the self-catering industry
  - Strike an appropriate balance for the tourist economy, visitors and local residents
  - Provide a proportionate, evidence-based and future proofed solution for national and local government
  - Provide consumer protection for visitors using short-term lets in Scotland.
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<sup>1</sup> ASSC., *Self-Catering in Scotland: The Economic Impact of Short-term Letting on the Scottish Economy*. Url: [http://assc.co.uk/wp-content/uploads/2017/09/ASSC\\_Economic\\_Impact\\_Assessment\\_of\\_Short\\_Term\\_Lettings\\_on\\_the\\_Scottish\\_Economy\\_-\\_Final\\_Report\\_v1.2.pdf](http://assc.co.uk/wp-content/uploads/2017/09/ASSC_Economic_Impact_Assessment_of_Short_Term_Lettings_on_the_Scottish_Economy_-_Final_Report_v1.2.pdf)

## Policy Background

In January 2020, the Minister for Local Government, Housing and Planning, Kevin Stewart MSP provided a Ministerial Statement to parliament setting out the Scottish Government's response to their consultation on establishing a regulatory framework for short-term lets. This consultation was preceded by the work and recommendations of the Scottish Expert Advisory Panel on the Collaborative Economy.

The Minister announced that the Scottish Government would take action in the following three areas:

- Establish a licensing scheme for short-term lets in Scotland under the 1982 Civic Government Act Scotland. This will include a mandatory element for all short-term let properties on health and safety requirements but local authorities will have a discretionary power to introduce other conditions to the licensing regime on issues such as anti-social behaviour and littering.

## Impact of Licensing

The Minister's recent statement outlined that licensing of short-term lets would enable local authorities to monitor and enforce safety requirements, as well as impose additional conditions on licences to tackle issues like over-crowding and littering. Details on the licensing scheme are still to be provided, but it is likely to share similarities with the HMO licensing regime, commonly used to control the use and operation of properties as student accommodation. HMO licence requirements often require landlords to make significant internal alterations to properties in order to raise them to the required standard (e.g. installing fire-proof doors). Compliance with licence conditions has cost implications for owners.

The ASSC remain committed to working with the Scottish Government as they take forward their plans but we do hold profound concerns as to the impact of licensing for our members, the wider tourism economy and for already resource-stretched local authorities.

Scottish legal experts have already cautioned that licensing could lead to an inundation of short-term let licenses across Scotland, perhaps reaching into tens of thousands. Stephen McGowan, partner and head of licensing in Scotland at UK law firm TLT, explained the costs involved:

*"The government has made it clear that safety will be a mandatory consideration, which I take to mean that the properties will have to undergo a HMO style inspection. This means costs for landlords in ensuring their properties meet these regulations as well as the costs associated with compliance."*

<sup>2</sup> Scottish Legal News, 'Licensing expert warns of 'flood' of short-term let licenses', Scottish Legal News, 10/01/19. Url: <https://www.scottishlegal.com/article/licensing-expert-warns-of-flood-of-short-term-let-licenses-1>

<sup>3</sup> Ibid.

<sup>4</sup> Law Society of Scotland, 'Feedback from pilot scheme essential for new short-term lets licensing', 10/01/19. Url: <https://www.lawscot.org.uk/news-and-events/law-society-news/feedback-from-pilot-scheme-essential-for-new-short-term-lets-licensing/>

<sup>5</sup> Law Society of Scotland, Consultation Response: Short-Term Lets. Url: <https://www.lawscot.org.uk/media/363183/19-07-19-plan-lic-short-term-lets.pdf>

- Empower local authorities to introduce short-term let control areas to tackle short-term letting "hotspots", under the 2019 Planning (Scotland) Act.
- Review the tax treatment of short-term lets. This will complement the approach taken with the forthcoming TVL Bill, albeit this process has been put on hold in light of Covid-19.

Despite pausing work on the regulations due to Covid-19 back in Easter 2020, and then resuming in July 2020, the Scottish Government are working to their original timescale of having a licensing scheme in place by Spring 2021, albeit with a truncated and accelerated stakeholder engagement process over Autumn 2020. Spring 2021 was an ambitious target when the proposals were unveiled earlier this year, notwithstanding the pause to the regulations.

*"Beyond that, there are no "grandfather rights" proposed and each new application will go through the same process as other civic licences. This means possible objections, hearings for all applications, and the ability to refuse applications not just on the fitness of the property but also the person who wishes to hold the licence, such as having regard to convictions."*<sup>2</sup>

McGowan, who is an authority on the Civic Government (Scotland) Act 1982 under which the new licensing schemes will be adopted, then highlighted the real and pressing consequences for local authorities:

*"Provision will need to be made to deal with the impact of such a magnitude of applications on local authority resources. A massive rush of applications of this order could bring licensing administration to a halt, and have a knock-on effect on reporting obligations with Police Scotland and other authorities such as Fire and Building Standards, who will likely have to comment on each application. This could impact on processing times for other types of civic licence."*<sup>3</sup>

Due to the real step change in regulation, other stakeholders such the Law Society of Scotland has emphasised the importance of piloting the new licensing scheme ahead of implementation.<sup>4</sup> The Society's consultation response had also warned that increased regulation would place additional burdens on local authority planning and licensing teams to manage the requirements of a new scheme.<sup>5</sup>

## The ASSC's Response

Common with legal experts, the ASSC hold severe reservations about the need for a licensing system in Scotland but await the policy detail. Nonetheless, building on our previous research, policy recommendations and engagement, the ASSC has provided a robust and cost-effective package of solutions to address the main issues of concern that were highlighted in the Scottish Government's consultation document, as well as the independent analysis of responses, which will minimise the administrative burden.

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Taken together, the ASSC's support for a registration scheme for all short-term let accommodation providers, our backing for short-term let control zones, as well as continuing our robust self-regulation provides a truly holistic approach to address the following:

- Concerns that the growth of short-term lets are impacting on local housing markets.
  - Enhance consumer protection and health and safety in all STRs.
  - That all STR operators across the sector follow the ASSC's lead to ensure best practice and a regulatory level-playing field.
  - Responds to resident concerns regarding noise and anti-social behaviour.
  - Respond to community concerns over loss of residential amenity.
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### (i) Concerns that the growth of short-term lets are impacting on local housing markets.

**Solution: A data and evidence-based planning policy**

The truth is that the short-term rental market actually accounts for a tiny percentage of housing stock. The ASSC published a report (Far More Than Just Houses) which shows that there are five times as many empty properties in Scotland than there are self-catering properties. There are only 16,692 professional STR units across Scotland, a wholly insignificant number in housing stock terms compared to 37,000 empty homes according to the Scottish Government.<sup>6</sup>

As noted in the recent Ministerial Statement, the Scottish Government will prioritise the devolution of powers to local authorities to introduce short-term let control areas contained in the Planning (Scotland) Act 2019. In these designated areas, use of a dwelling for short-term lets would constitute a 'material change of use', thereby meaning that planning permission would always be required. City of Edinburgh Council has

already announced its intention to designate all or part of Edinburgh as a short term let control area once these powers come into fruition.

The introduction of Short-Term Let Control Zones, in areas of housing stock pressure, is in line with the **ASSC's Long-Term Approach to Short-Term Letting Policy**, published in February 2019.<sup>7</sup> This gives local authorities the ability to use data derived from a registration scheme to establish in real time what properties are being used for across certain localities. If there is a demonstrable link between short-term lets and loss of housing stock, a Short-Term Let Control Zone could be introduced and planning restrictions enforced for properties operating for over 140 days, limiting the number of short-term lets in specific localities. A registration scheme is vital in order to gather accurate data, and will be required should a tourist tax be introduced.

**The ASSC maintain that planning restrictions or a licensing scheme should only be implemented where empirical data indicates a demonstrated link between short-term letting and loss of housing stock.**

### (ii) Enhance consumer protection and health and safety in all short-term rentals.

**Solution: Quality in Tourism Accreditation**

Health and safety requirements will form the basis of the mandatory licensing aspect of the Scottish Government's plans. The ASSC has always believed that

the health and safety of visitors and guests in short-term let accommodation is paramount and our members in the traditional self-catering sector are already subject

<sup>6</sup> ASSC., Far More Than Just Houses: The Benefits of the Short-Term Rental Sector to Scotland. Url: <https://www.assc.co.uk/wp-content/uploads/2018/06/MoreThanJustHouses.pdf>

<sup>7</sup> ASSC., The Long-Term Approach to Short-Term Letting. Url: <https://www.assc.co.uk/wp-content/uploads/2019/02/ASSC-Policy-Paper.pdf>

to regulation. Nonetheless, the ASSC support the introduction of registration scheme for short-term lets which could achieve the same policy goals but without the costs typically associated with licensing schemes elsewhere.

A registration scheme will provide local authorities with real time data as to what properties are being used for what purpose in the local area. As a primary authority, Quality in Tourism has the technological infrastructure to implement a registration scheme for all accommodation models in Scotland if required; and this could underpin a tourist levy, as well as any short-term let regulation. Quality in Tourism has offered over 15 years of delivery hospitality accreditation across the UK and the world. A dedicated team with over 200 years hospitality experience both operationally and in assessments provides unrivalled market knowledge across accreditation and is supported by effective relationships with industry.

Using this registration system, consumers could check if any accommodation is properly covered by the accreditation scheme. If any accommodation is not covered, a local authority could prohibit the operator from continuing. Quality in Tourism provide Safe, Clean & Legal Accreditation and his is focused on consumer

confidence, including:

- Fire Risk Assessments
- Gas certification
- Appropriate carbon monoxide detectors
- Cleanliness
- Transparency of description
- Health & Safety compliance
- Environmental compliance.

This accreditation ensures consumer protection as well as best practice. Quality in Tourism is a Primary Authority in Tourism in conjunction with the Department of Business Energy and Industrial Strategy. They revolutionised the hospitality accreditation market with new fit for purpose schemes offering innovation and unique solutions to modern questions. They offer 'Safe, Clean and Legal' for entry level accreditation: a transparent and trustworthy scheme supporting owners and consumers. They can also offer star ratings, agency accreditation, and 'Responsible, Ethical, Sustainable Tourism (REST) accreditation.

### (iii) That all STR operators across the sector follow the ASSC's lead to ensure best practice and ensure a regulatory level playing field

**Solution: The wider adoption of the ASSC Code of Conduct and signposting to it from national and local government**

The Association of Scotland's Self-Caterers launched its Code of Conduct in 2017, aimed at improving standards in the industry and encouraging best practice and we would strongly recommend a wider adoption of this Code of Conduct by short-term letting agencies, owners, managers and online platforms.<sup>8</sup>

All ASSC members abide by the Code of Conduct, which signposts to legal compliance as well as best practice. It is a self-regulatory code in the same sense that the Highway Code is a self-regulatory framework for road users. The ASSC's Code of Conduct was developed alongside a Scottish Government study into the collaborative economy and comes with a Policy Recommendation

Paper, which sets out how the vital self-catering sector in Scotland can be improved for customers, hosts, and all others involved.<sup>9</sup>

**ASSC launched its Code of Conduct in association with the Short-Term Accommodation Association (STAA)**, which has also developed a policy paper looking into improving working life for platform hosts. During the process of drafting both the policy document and the Code of Conduct, ASSC and STAA worked together in close collaboration, in association with key collaborative economy platforms such as Airbnb, for the benefit of all parts of the industry.

### (iv) Responds to resident concerns regarding noise and anti-social behaviour

**Solution: Noise management services to support existing anti-social behaviour legislation**

There are technological solutions which can help underpin the Scottish Government's proposed short-term let regulations, including in relation to tackling anti-social behaviour. At the present time, some short-term letting owners do not have the resources to effectively deal with night-time incidents. Potential problems, if left

unattended, can quickly escalate.

While there are a number of providers in the market, the ASSC has worked with NoiseAware.<sup>10</sup> They offer evidence based, privacy safe noise monitoring designed specifically for short term lets. Each holiday let is

<sup>8</sup> ASSC., Code of Conduct. Url: <https://www.assc.co.uk/wp-content/uploads/2017/04/ASSC-Code-of-Conduct.docx>

<sup>9</sup> ASSC., Policy Paper. Url: <https://www.assc.co.uk/wp-content/uploads/2017/04/POLICY-PAPER-Scotland.docx>

<sup>10</sup> Url: <https://noiseaware.io/>



different and loud is location-based. NoiseAware sends real-time alerts to the operator when noise levels are becoming risky, allowing for a timely response for de-escalation. Their inclusion in this paper should not be taken as an endorsement but merely as an example of one of the companies available who could provide noise management solutions in Scotland.

NoiseAware invented the category of noise monitoring and has protected nearly 3 million guest nights. They've been vetted and promoted by Airbnb, Booking.com and Expedia/Vrbo because the evidence they provide for mediation and dispute resolution reinforces trust in neighbourhoods and encourages responsible rental practices.

NoiseAware does not record audio, it only monitors decibel levels within a property similar to how a smart thermostat measures temperature within a home. Those measurements are inserted into the patented algorithm designed to gauge Noise Risk Score, which accounts for decibel level, duration, and acceleration. Acceptable noise levels are customizable by time of day, acceptable noise levels, property type and sensitivity. Alerts for tampering and disconnections will also be sent to the operators, should those instances arise.

How does their system work?

- Easily install NoiseAware with any standard wifi, no tools or expertise required
- Setup in fewer than 5 minutes
- When noise levels exceed the operators customized thresholds, an alert will be sent to the operator.

- NoiseAware provides recommended messaging to guests to avert noise issues, which can be used by the operators directly.
- NoiseAware also offers NightAgent™ to handle after hours alerts and messaging to guests for operators. Some restrictions may apply to qualify.

#### NoiseAware by numbers:

800,000: Number of reservations (roughly 3 million nights) NoiseAware has protected

40,000: Number of noise complaints averted (approx)

15 minutes: 80% of noise events are solved in sooner than 15 minutes by a single text

12 months: Length of time a user can access their noise data

4: Number of parties NoiseAware aids; operator, neighbor, authorities, and guests

This will provide an evidence base **to support existing anti-social behaviour legislation**, enabling enforcement of existing powers available to local authorities. This includes Part 7 of the Antisocial Behaviour etc. (Scotland) Act 2004, which enables local authorities to serve an Antisocial Behaviour Notice on a private landlord when an occupant or visitor engages in antisocial behavior at, or in the locality, of the property. The Scottish Government introduced the Antisocial Behaviour Notices (Houses Used for Holiday Purposes) (Scotland) Order 2011 that granted local authorities the power to deal specifically with the problem of antisocial behaviour in properties let for holiday use.

## (v) Respond to community concerns over loss of residential amenity

### Solution: Certification and mediation services

Certification and mediation are two tools to combat concerns over loss of residential amenity. The object of the certification is to minimise and/or eliminate the negative impact on residential amenity, ensuring the sustainability of the operation in a residential setting.

One provider, Rent Responsibly, provides certified best practices for short-term let operations, "good neighbour" procedures and business practices.<sup>11</sup> UKSTAA has worked closely with Rent Responsibly. There are other providers of certification and mediation services and their inclusion is to illustrate how the system could work in tandem with the proposed regulatory regime in Scotland.

Rent Responsibly has developed certification processes of an owners' operating procedures and business practices. The object of the certification is to minimise and / or eliminate the negative impact on residential amenity, ensuring the sustainability of the operation in a residential setting.

Rent Responsibly objectives include:

- Improvement of coexistence between neighbours and users of short-term lets

- Improvement in communication between neighbours and short-term lets owners / property managers
- Ensuring compliance of all operators to expectations, rules and regulations
- Education programs for new providers of short-term lets and continuing education for veteran operators
- Connecting travellers and the tourism economy to locally owned small businesses outside of core tourist areas
- Improvement of image of tourism in the local economy
- Improvement of the coexistence of tourism with communities
- Self-regulation of the sector with measures in favour of neighbourhood coexistence.

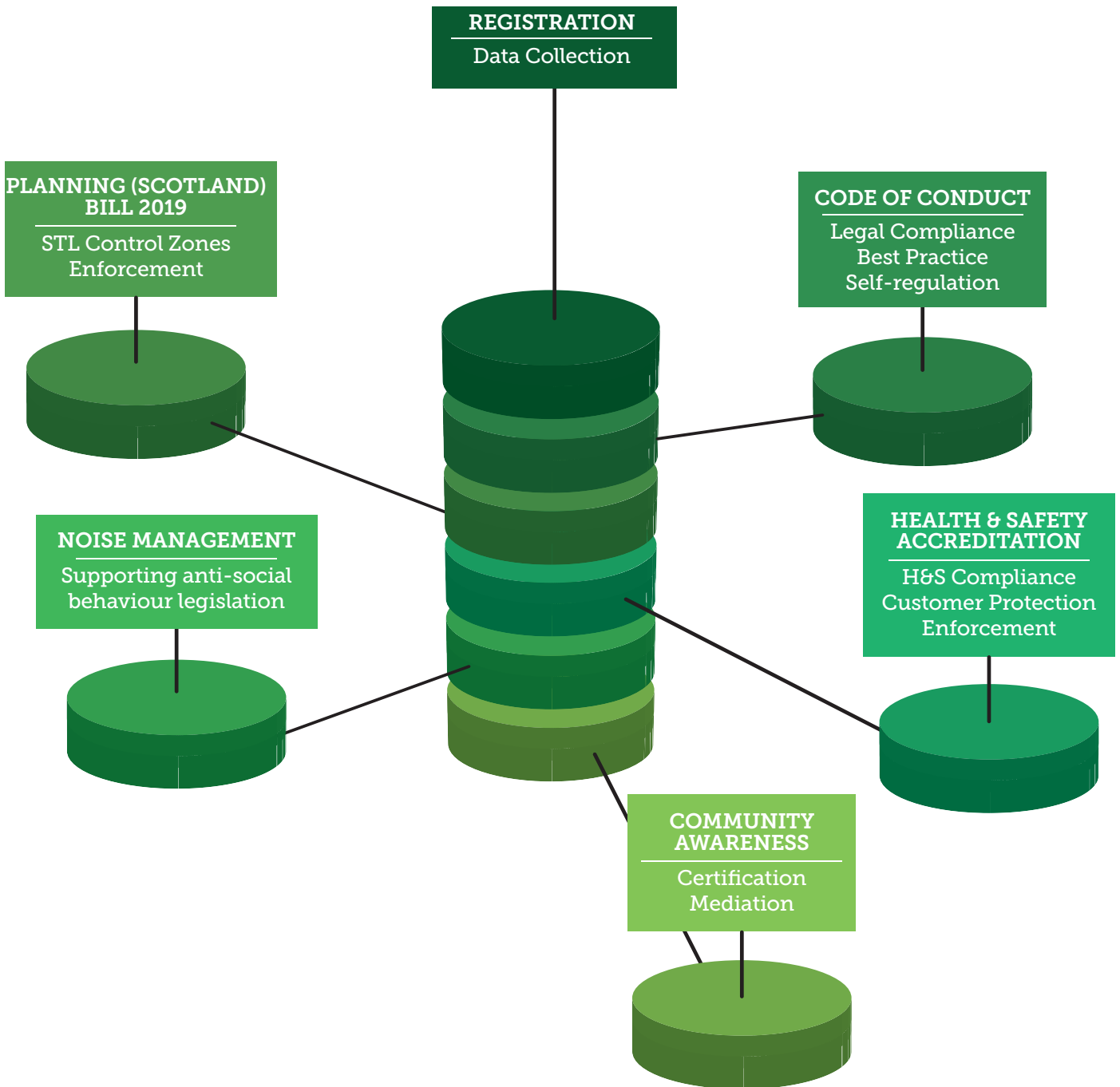
How does it work?

- Creating local Alliances in each major city to build community, foster improved community relations

<sup>11</sup> Url: <https://www.rentresponsibly.org/>

- National level organization provides connectivity between the local alliances to ensure each individual operator quickly and efficiently when necessary
- All short-term let operators will have access to

- online resources for education, certification and to connect with the peer-to-peer community
- Registration of the property in RentResponsibly.org (2021)



## Conclusion

Over the past three years, from the work of the Expert Panel right through to the Scottish Government's consultation process, the ASSC has been proactive in terms of its engagement and policy recommendations to government. We remain absolutely committed to constructively seeking solutions to ensure the responsible growth of our sector.

In order to support Scottish tourism, whilst protecting communities, visitor and local authorities, the ASSC has developed proposals to ensure the sustainability of the sector and one which balances stakeholder needs. Having assessed the main issues associated with short-term lets, we have identified solutions – and we believe that the package of measures provided is proportionate, evidence-based, fair and achievable, and limits the administrative and financial burden to local authorities.

**We look forward to entering into a discussion with Scottish Government and local authorities on delivering this solution to ensure a sustainable future for visitors, communities and businesses.**





## Appendix 2

# The Booking Problem





## **“The Booking Problem” The Scottish Government’s Short-Term Let Regulations**

**Why the licensing provisions of The Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2021 (the ‘Order’)** will seriously damage the Scottish Tourist Industry, and local economies, through closure of self-catering businesses.

### **1 OVERVIEW**

Councils have 12 months to grant or a refuse an initial licence, and 6 months for a licence renewal. Given the resource implications and other pressures on Councils, holiday let operators will assume that Council’s will need most of that time. For busy times, many guests book up to 12 months in advance. So there will be significant extended periods (shown visually in a diagram below) when operators will not be able to guarantee the booked property will be available. So bookings will have to be conditional as there is a very real risk that a licence might be refused.

But the commercial reality is that guests will simply not book if their bookings are conditional and subject to a term between owner and guest that says the owner can cancel the booking if they cannot either obtain or renew a licence. Why would they? Many will simply vote with their feet: booking accommodation in the North oof England where no such conditions will apply.

The Scottish Government don’t seem to think this is a problem: Kevin Stewart MSP, Minster for Local Government, Housing and Planning, outlined in a letter of 11 Dec 2020 letter to Willie Rennie MSP: *“With regard to the handling of bookings, please see paragraph 7.15 of the consultation report. We would expect the position in respect of refunds etc. for future bookings affected by refusal, suspension or revocation of a licence to be covered by booking terms and conditions in the same way as any other scenario in which the accommodation becomes unexpectedly unavailable, such as through fire damage or flood”*.

This is equivalent to a supermarket saying to a customer: *“you can put all your shopping in the basket, but we might decide we are not going to be able to sell it to you when you reach the check-out”*.

**This shows a complete lack of practical understanding of commercial contracts in the tourism sector and will be one of the key reasons why many owners will simply close..**

### **2 INTRODUCTION**

In a response to an October 2020 survey of property owners by the Association of Scotland’s Self-Caterers (ASSC), of the 1184 respondents **nearly half (49%) would leave the self-catering sector if the proposed licensing scheme was introduced and of those 33% would leave the property empty or use it for family & friends<sup>1</sup>**.

The self-catering industry is the backbone of the Scottish Tourism Industry. It goes without saying how damaging business closures will be to tourism in Scotland, its supply chain and the local businesses that only tourism makes viable. And this, at a time when **the Scottish Government should be encouraging staycations both to help with post-Covid economic recovery and to help minimise climate change**.

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<sup>1</sup> <https://www.assc.co.uk/wp-content/uploads/2021/01/ASSC-licensing-survey.pdf>

There are many reasons, particularly in the context of small single property businesses which the majority are, why businesses will close: concerns with the bureaucracy involved in applying, licence conditions which may be impractical or unworkable and unknown, open ended application costs, uncertainty over recouping investment in the property (repairs, new boilers etc).

**This note explains a further and very specific key concern that will further fuel business closures: the damage and uncertainty around future bookings that the licensing procedure itself creates.**

### **3 BASIC LICENSING REQUIREMENTS (ARTICLES 3,4 & 5)**

Under article 3 of the Order as read with article 4 “short-term lets” (defined in article 2(2)) after 1 April 2022 require a licence under Part 1 of the Civic Government (Scotland) Act 1982, as amended by Schedule 2 of the Order (and also the further amendments in article 6 where the transitional provisions apply).

A licence is to be subject to the conditions in schedule 3 to the Order and to other conditions the Council may impose.

#### *Period of licence*

This is provided for by Par 8 of Sch 1 to the 1982 Act as amended by Para 7 of Sch 1 to the Order. This gives complete flexibility to the Council to decide the period before renewal is required –

- 3 years (the default)
- “such *SHORTER* period as the licensing authority may decide” (NOT disapplied by the Order)
- “such *longer* period as the licensing authority may decide” (introduced by the Order)

### **4 TRANSITIONAL PROVISION FOR EXISTING OPERATORS (ARTICLE 6)**

Article 6 provides that a person who provides a short-term let without a licence after 1 April 2022 does NOT commit an offence if –

- they carried on the business before 1 April 2022, and
- they apply for a licence before 1 April 2023, and
- the licence application has not been determined (this includes determination an appeal made to a sheriff within 28 days of a licence refusal - see para 18(4) of sch 1 to the 1982 Act)

Article 6(2) requires the Council to reach a final decision with 12 months of the application. This does not appear to apply to licence renewal: so assumption is that 6 month limit applies for renewals.

### **5 THE PROBLEM**

When an owner applies for a licence (or a renewal) they will not know –

- if it will be granted or refused
- how long the application will take

**Refusal is a real not theoretical risk** – explored below.

So that means that for a significant period before, and after, the date of the licence application either –

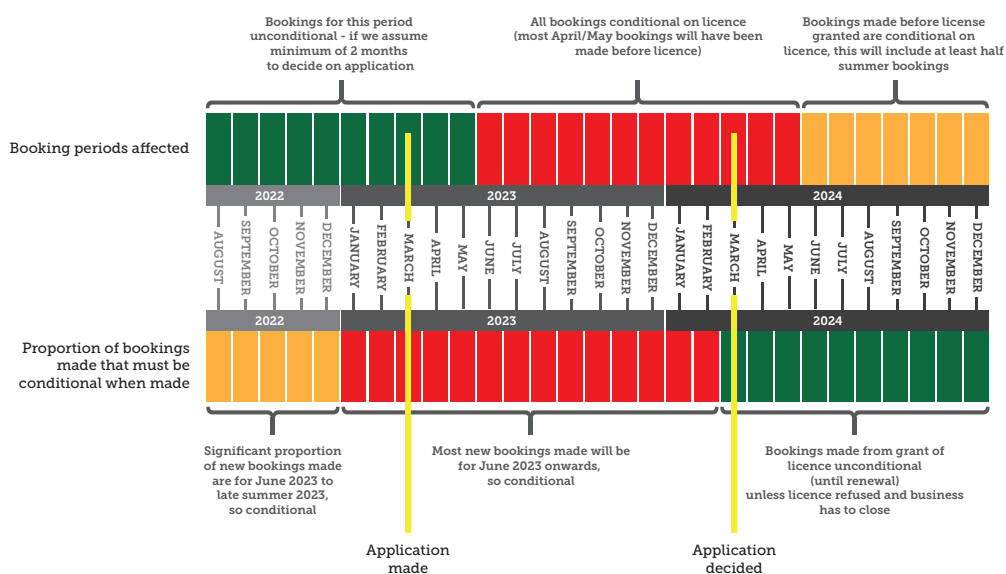
- Future bookings will need to be conditional on a licence being obtained, failing which the owner can cancel without penalty
- Owners will have to take the risk of cancellation

Owners taking the risk would be quite unacceptable: it would be dishonest, it would lead to potential legal claims for breach of contract and would do serious reputational damage to the Scottish tourist industry.

That leaves making bookings conditional on a licence being granted. This is the solution suggested by the Scottish Government –

*“With regard to the handling of bookings, please see paragraph 7.15 of the consultation report. We would expect the position in respect of refunds etc. for future bookings affected by refusal, suspension or revocation of a licence to be covered by booking terms and conditions in the same way as any other scenario in which the accommodation becomes unexpectedly unavailable, such as through fire damage or flood.”* Kevin Stewart MSP, Minister for Local Government, Housing and Planning. 11 Dec 2020 letter to Willie Rennie MSP

**This is contractually perfectly possible but commercially totally impractical and unfortunately betrays the lack of practical understanding by the team working on the Order of the way in which the self-catering industry operates in the real world.** Fire damage and flood are statistically very unlikely and are risks potential guest are well aware of. Why would anyone book a holiday at a key time of year that the owner can cancel without penalty, leaving them potentially too late to find an alternative, if they don't get a licence? **How can potential guest be in a position to take view on untested risk that the business owner can't even quantify?** Much easier surely to cross the border in nearby Northumberland and the Lake District where no such conditions apply.



## Worked Example<sup>2</sup>

If an initial licence application is made in March 2023 (the prudent time to apply given that licence granting is not automatic and owners will wish to minimise their losses by running their, Covid damaged, businesses as long as they can), this period of uncertainty could last until March 2024. The reality is many guests book up to 12 months in advance, especially for the summer, Christmas and Easter. That means that bookings would for post 1 April 2023 bookings would start from summer 2022, and would all have to be legally conditional on a licence being granted. This uncertainty could continue until March 2024 by which time many bookings would normally be made for summer 2024 and even Christmas/New Year

<sup>2</sup> This diagram, which assumes a licence application is made in March 2023 and takes up to 12 months to grant or refuse, shows the effect on bookings.

2024/5. So, for a period of up to, potentially, 20 months from summer 2022 the owner would have to make some bookings (those made before March 2023 but for post 1 April stays), then eventually all bookings (post 1 April) conditional on a licence being granted. Unless (highly unlikely) the licence is granted within a couple of months this would have implications for not just for one summer season but for 2 summer seasons (2023 and 2024) and potentially the next Christmas/New Year.

**This is not a once and for all problem.** Licences will be for a fixed period and then have to be renewed (see above), albeit the maximum period of uncertainty is reduced by 6 months as the local authority will have to decide within 6 months of the application submission date, not 12 months as in the case of the initial application.

## **6 RISK OF REFUSAL**

This is a very real risk, as there are many reasons a licence could be refused:

- Breach of planning control (1982 Act amended by Para 5 of Sch 2 of the Order)
- Applicant would not be able to “secure compliance” with conditions (1982 Act amended by Para 6(b) of Sch 2 of the Order). That includes standard conditions the local authority may choose to apply to licences
- The Council “considers” there will be a resulting over provision of short-term lets (1982 Act amended by Para 6(c) of Sch 2 of the Order) -

*3A) A licensing authority may refuse an application for a licence for secondary letting if it considers that there is (or, as a result of granting the licence, would be) overprovision of short-term lets, or a specific type of short-term let of the same type as that to which the application relates, in the locality in which the premises is situated.*

*(3B) It is for the licensing authority to determine the localities within its area for the purpose of sub-paragraph (3A).*

*(3C) In considering whether there is or would be overprovision for the purposes of sub-paragraph (3A) in any locality, the licensing authority must have regard to—*

*(a) the number and capacity of licensed short-term lets in the locality, and*

*(b) the need for housing accommodation in the locality and the extent to which short-term let accommodation is required to meet that need, and*

*(c) such other matters as they consider relevant.”.*

It is impossible for a business owner to quantify this risk.

Additionally, a licence may be granted but with conditions attached that are unacceptable to the owner.

***With thanks to David Nash. David is a recently retired Scottish solicitor, having split his professional career between the public and private sector, in a particular as a Scottish Office legal adviser and as a partner in Shepherd & Wedderburn and as a consultant with Pinsent Masons and DWF. Until a few years ago he was also a panel member of the Scottish Parliament’s Non-Executive Bills Unit.***



## Appendix 3

# The Impacts of Short-Term Lets on Communities in Scotland





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# The Impacts of Short-Term Lets on Communities in Scotland

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Association of  
Scotland's Self-Caterers

Supporting self-catering in Scotland

## Foreword

The Scottish Government's consultation on short-term lets will be used to inform their regulatory approach on the matter.

**The Association of Scotland's Self-Caterers (ASSC) welcomes the opportunity to share data about the holiday and short-term let sector which we believe will contribute to a more informed conversation about the appropriate regulatory framework. We are committed to creating an environment for the responsible growth of the short-term letting sector in Scotland.**

In addition to our existing programme of political engagement, the ASSC has issued its own substantive response to this consultation. However, it is also vitally

important that individual ASSC members take part in the policy process to ensure that the Scottish Government hears all perspectives when considering regulations for our sector.

**The ASSC is therefore helping to contribute towards Scottish Government research on which is being led by Indigo House consultants.**

Fiona Campbell, CEO says: "The Scottish Government needs to hear and understand the views of hardworking and responsible holiday let operators, such as ASSC members, who make such a positive contribution to the success of Scotland's tourist economy".

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*The Scottish Government has commissioned Indigo House to undertake research to find out more about the impacts of short-term lets – both positive and negative - on communities, with a focus on neighbourhoods and housing. It will involve short-term lets hosts, residents, local businesses and other community actors, such as local development organisations and neighbourhood groups.*

*It is important to recognise that this is not just an issue that affects operators of self-catering units in Edinburgh, where the political and media debate on short-term lets has focused, but one that could have consequences for operators the length and breadth of Scotland, both urban and rural.*

*The Scottish Government's research questions are:*

- *How do short-term lets and their growth affect communities across Scotland?*
- *Do people perceive an increase in short-term lets in their local area and in what ways?*
- *Who is affected by short-term lets and in what ways?*
- *How does the short-term lets experience differ for each of the following groups: local residents, people who host short-term lets, as well as other community actors, such as local businesses?*
- *What, if any, are the differences between the impact of short-term lets in urban and rural Scotland?*

*Source: Indigo House (2019).*

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The responses from the ASSC Survey are detailed within this report, and reflect the questions set by Indigo House on behalf of Scottish Government.

## ASSC Member Survey – Executive Summary

- The majority of responses (60%) were from businesses based in Edinburgh, followed by 22% in Fife and 10% in Glasgow. The largest VisitScotland regions overall represented were Lothian with 27%, Highlands 19% and Argyll, Isles and Stirlingshire 14%.
- Nearly half (48%) of ASSC Members responding were operating rural properties, with 70% describing their business as 'holiday cottages or houses' and 24% as 'self-catering apartments'.
- ASSC Members have been operating over a number of years with 38% operating between 1-5 years, 16% 6-10 years and 15% 11-15 years. However, it is worth highlighting that 5% have been operating for over 40 years!
- 96% of respondents live in the same area that their business/property is operating, with 21% having lived in that area for over 40 years, demonstrating that operators are part of their local community.
- 96% of respondents use online platforms to market their business with their own website (16%) and Airbnb (18%) being the most specified.
- Over half (52%) of respondents specifically stated that they were aware or very aware of short-term lets in their area. Many felt they were very aware of traditional self-catering businesses but were not aware of the newer business models. 47% felt there had been an increase in the amount of short-term lets in their area over the past 3 years, with more than two-thirds (67%) citing income as the main reason for people offering out a room/property on a short-term basis.
- 68% of respondents felt that tourists were the main type of visitors using short-term lets, with 70% feeling there had been no change to the type of visitor. Local economy spend (67%) was considered the biggest positive impact to community and income (68%) the biggest positive impact to individual businesses. The vast majority felt that there were no negative impacts on community or individual businesses.
- There are several areas identified by the responses for the role of Scottish Government in regulating short-term lets, mainly recognising the difference



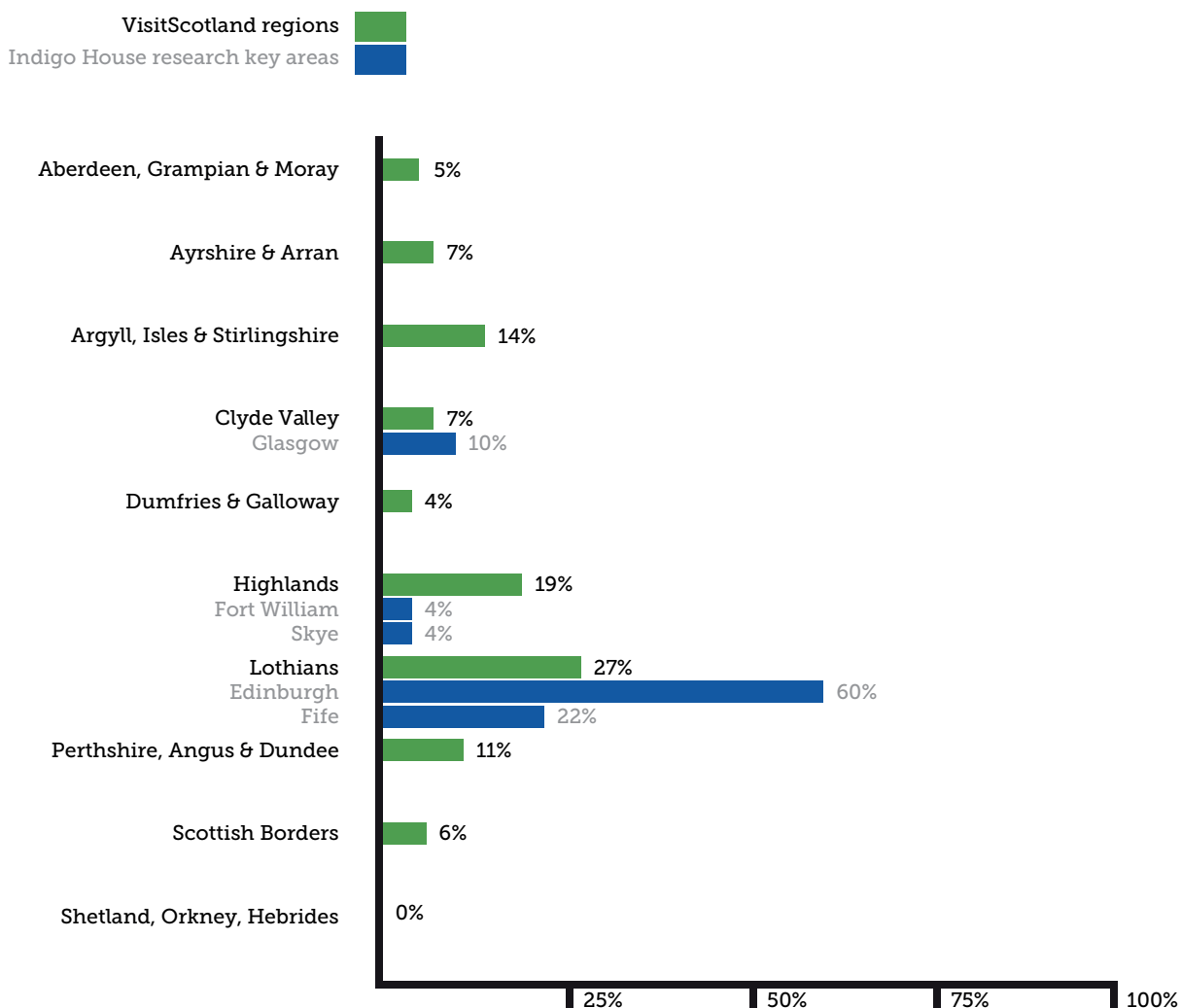
between professional operators and amateur hosts & ensuring a level playing field (29%) between the two. Defining a regulatory framework and minimum standards for amateur hosts was also deemed important (28%).

- Responses also showed that short-term lets are vital to the economy and support local businesses, and it was also widely felt that the sector should be supported more by Scottish Government. It was

felt that the differentiation between professional operators and amateur hosts should be recognised.

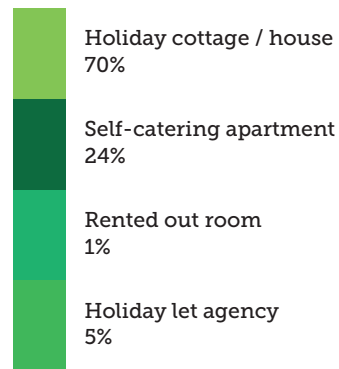
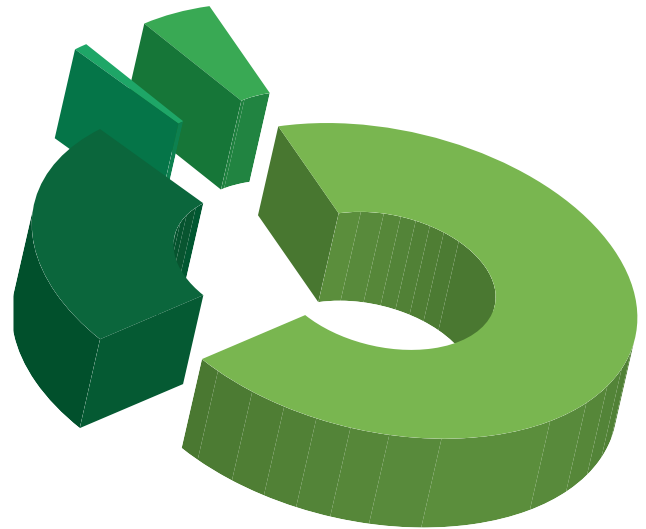
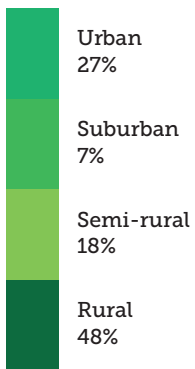
- 39% of respondents confirmed they had responded to the Scottish Government consultation and of those not already responded, a further 63%, intended to do so by the deadline. However, many of those who had not responded found the questions very confusing, difficult to understand or the consultation too long.

## Q1 Where is your business based?

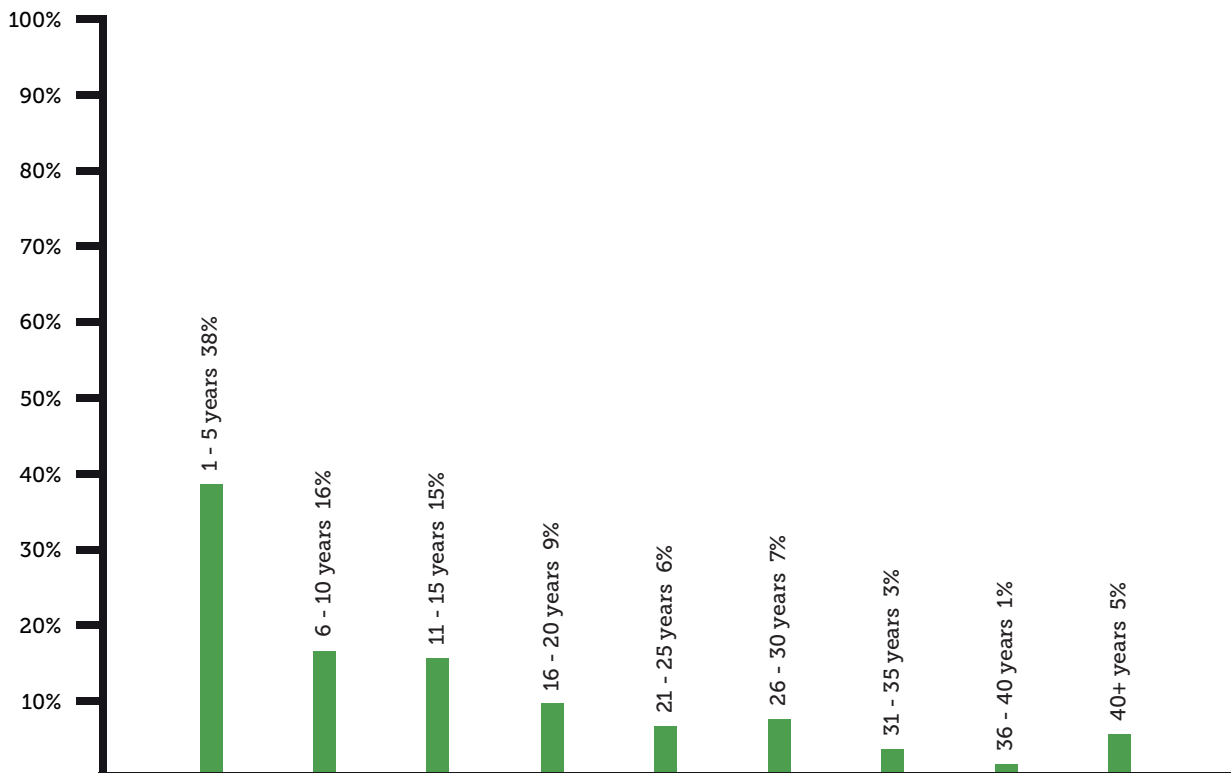


**Q2 How would you describe the location of your property/properties?**

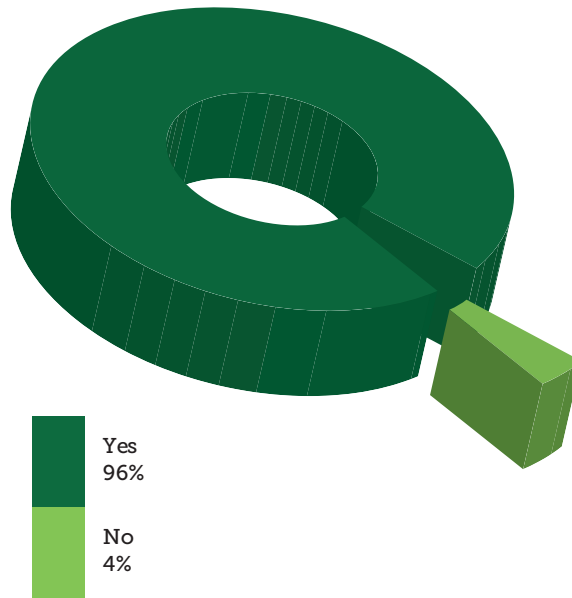
**Q3 Please describe your business**



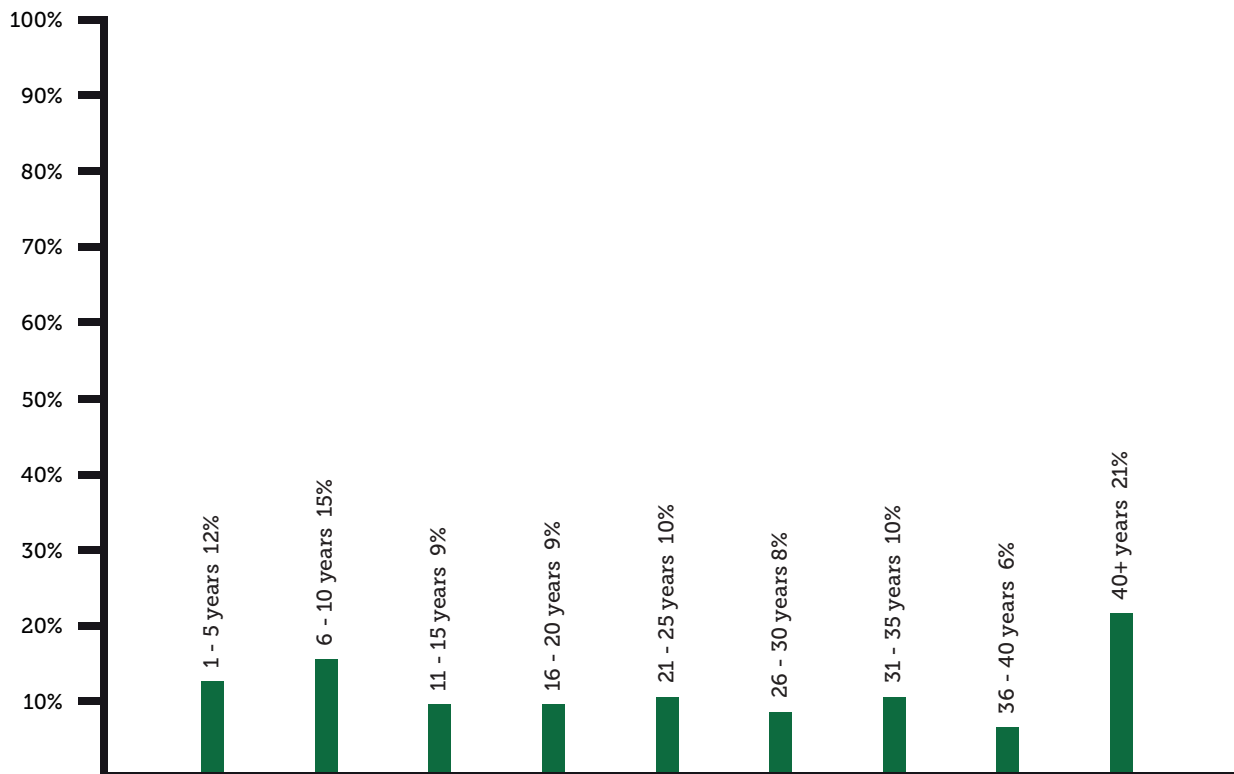
**Q4 How long have you done business in this area?**



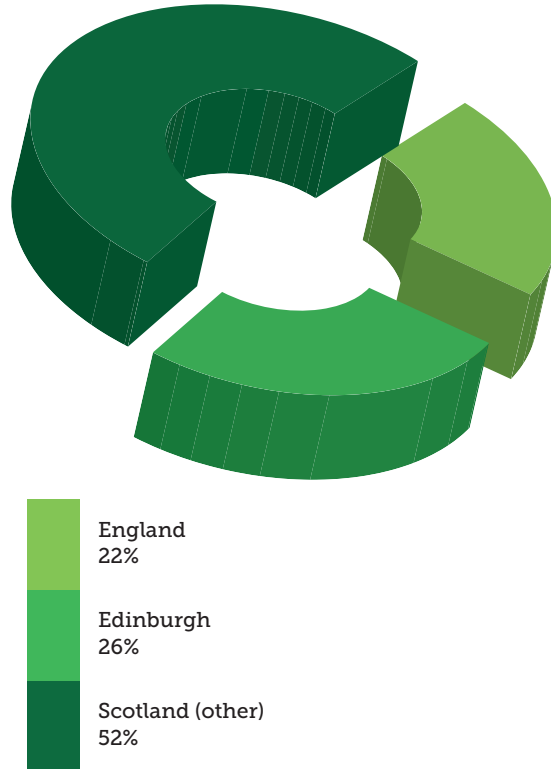
## Q5 Do you live in this area?



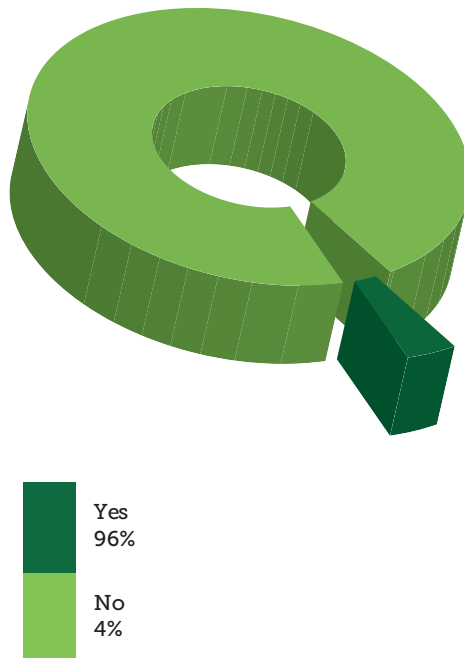
## Q6 If yes, how long?



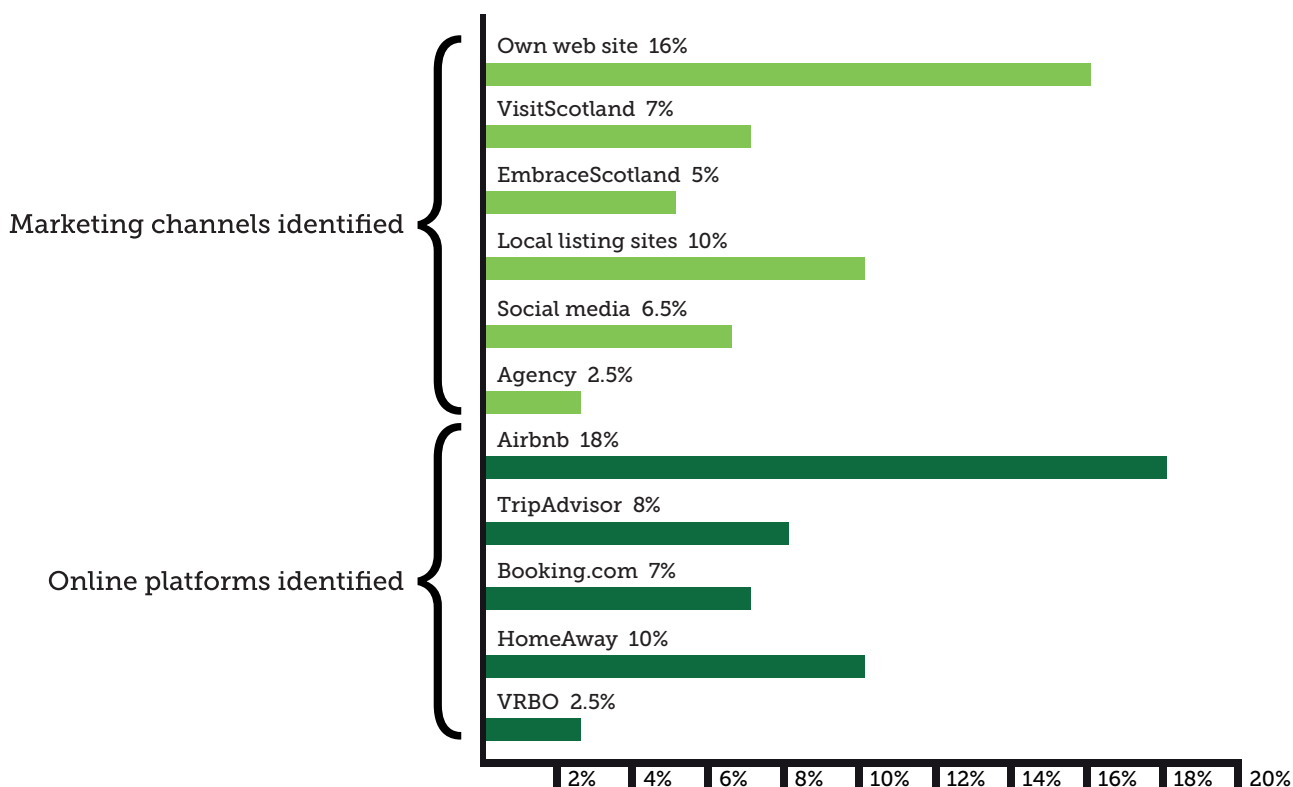
Q7 If no, where do you live?



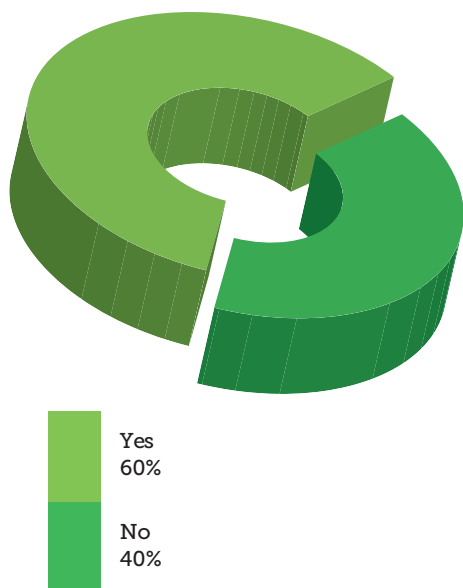
Q8 Do you use online platforms to market your business?



Q8 cont.d...



Q9 - By short-term lets, Scottish Government means: Letting of a room or rooms to the guest with the host in residence – “sharing”; letting of a room or rooms or the entire property where the host normally lives, when the host is absent (frequently this is when the host is on holiday in another person’s home) – “swapping”; or letting of a room or rooms or the entire property, where the host does not normally live and the host is absent – “secondary letting”. Traditional self-caterers are considered to be “businesses”, part of the ‘secondary letting’ definition, and will be covered by the consultation into short-term lets. Question: Do you believe these definitions to be sufficient in terms of the consultation?



**For those that responded no, key themes included:**

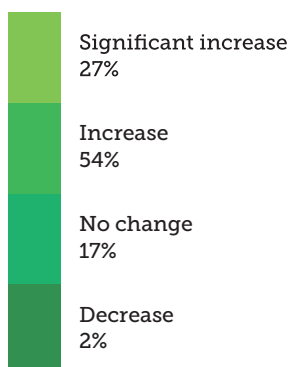
- ‘Secondary letting’ as a definition does not adequately represent the activity of professional operators
- Many professional operators live on site or near-by, and are not ‘absent’
- Professional / full-time operators of self-catering businesses (part of the vital tourism industry, alongside hotels and B&Bs) should be categorised differently from amateur / part-time / absentee hosts
- Professional businesses are not ‘secondary lets’
- Self-catering businesses are already defined according to Furnished Holiday Let taxation, Business Rates, etc
- ‘Host’ is considered inappropriate for traditional self-catering businesses, who consider themselves to be owners / business managers
- Self-catering accommodation that has been purpose built should be recognised
- Some self-catering properties are prohibited from being used as long-term rental according to planning restrictions.

## Q10 Prior to participating in this research, how aware were you of the use of short-term lets in this area (state which area in particular)?

### Key themes:

- 52% of respondents specifically stated that they were aware or very aware of short-term lets in their area
- Many felt they were very aware of traditional self-catering businesses, but were not aware of the newer business models
- Broad range of areas mentioned from Ayr to Borders, Inverness to Perthshire.
- Some individual responses:
- "Very aware. Traditionally, Millport has always been an area which is dominated by holiday lets. Indeed, many of the tenement buildings were constructed purely as second homes, or to be let, from Victorian times onwards, as the popularity of steamers going up and down the Clyde exploded in late Victorian era."
- "I had some awareness of short-term lets in Edinburgh city centre before I entered it mainly through some negative media reports (that related more to Old Town than West End) and a friend at church had rented a room in his flat out for a few years to assist his income (he could no longer work due to ill health). Some of my owner/occupier neighbours in my communal stair (my home in Edinburgh's West End) have recently moved to short term rentals when moved away /travelled abroad and I have had absolutely no negative experiences with either of those 2 properties (both being operated by agent)."
- "Very aware. I've become increasingly concerned of Edinburgh Council's heavy handedness in bashing legitimate business interests, the Green Party's shameful scare campaign (in particular Mr Andy Wightman's opinions, reliance on untrustworthy scraped data & airing of falsehoods/half-truths via twitter / Edinburgh Evening News) & the Scottish Government's apparent indifference to the negative impact of all this on their tourism strategy & (alleged) pro-business stance."
- "I knew that there must be some but the number of rooms on offer is very small when compared to the number of hotel and B & B rooms. There is also a Holiday Park (Mobile Homes) and a site for touring caravans. The property is in Moffat, Dumfriesshire."
- "Very aware. There is significant demand in this area for short stay accommodation and many people prefer the independence of staying in an apartment compared to a B&B or hotel."
- "Speyside, Moray is a popular visitor destination. My research concluded that there was a need for more short-term accommodation."

## Q11 Thinking about your particular area specifically, how do you think the amount of short-term lets has changed (if at all) over the last 3 years?



### Key themes:

- Growth of online travel agents and introduction of online platforms
- Numbers have increased in the form of rooms to let and properties that used to be long-term lets
- Ability to supplement household income via amateur short-term letting
- Duplicate listings result in more bookings, which skews the numbers
- Introduction of the Private Residential Tenancy legislation has led to people moving from long-term to short-term rental, with private landlords being de-incentivised
- Further de-incentivisation for private landlords with changes to economic policy, such as offsetting of mortgage interest relief in private rented sector
- Consumer behaviour has changed – people want to move around, staying in places for a couple of nights and then moving on
- Market demand has increased for short-term rental, especially in specific locations (e.g. North Coast 500)
- Number of listings has been misjudged by many due to media reporting
- Competition has risen due to the number of home swappers and student accommodation being used as short-term letting
- The majority noticed an increase in amateur hosts rather than professional businesses
- Concern was raised over the increase in unregulated amateurs who do not comply with the same health and safety regulations as professional operators.

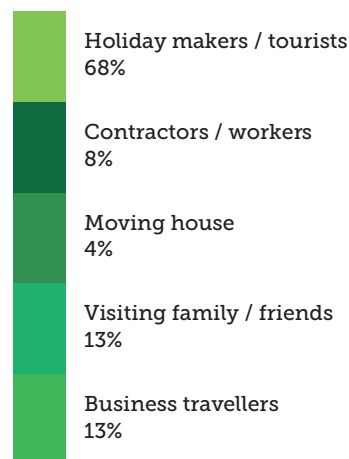
**Q12 What do you think are the main reasons for people offering their room / property out on a short-term basis?**



**Key themes identified:**

- Professional self-catering operators for their livelihood
- Amateur hosts to supplement household income
- Supplementing pensions /military retirement incomes
- Changes in legislation and regulation for private landlords (PRT / taxation)
- Better return on investment than long-term lets
- Changes in market demand and consumer behaviour
- Second homes: avoiding them lying empty & contributing to maintenance costs
- Flexibility of using the property when desired, alongside income generated
- Reduction in barriers to entry with online platforms
- Desire to be involved in tourism industry, showcasing their locality and welcoming visitors
- Lack of job opportunities in rural areas.

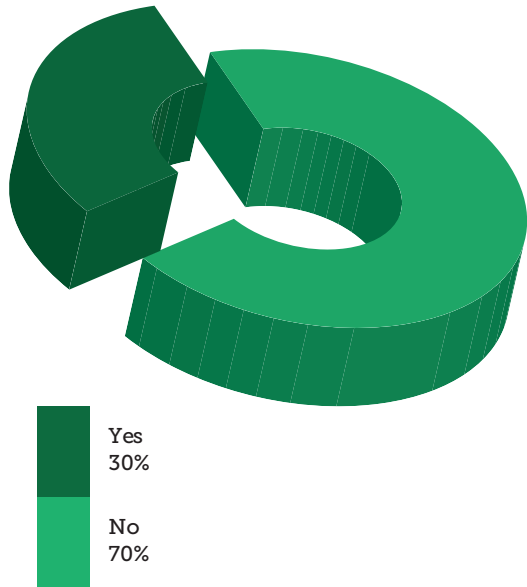
**Q13 How would you describe the main types of visitors who use short- term lets in your area?**



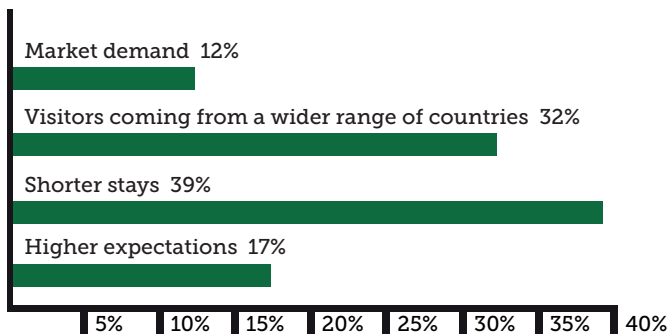
**Key themes identified:**

- Many types of visitor, with differing reasons to travel from family gatherings and events to holiday makers. People looking for outdoor pursuits, scenery, visiting family and friends, contractors preferring the flexibility of self-catering accommodation and business travellers
- A range of age groups from mid-twenties to older guests, with families and couples mentioned frequently
- A Wide range of nationalities mentioned: from early twenties to older guests
- Better value than staying in a hotel.

Q14 Do you think the type of visitors has changed (if at all) over the last 3 years?



For those that said yes, the principle reasons for change include:



Q15 What do you think attracts visitors to your area to use short term lets in particular?

Scenery  
 Draw of the destination  
 Heritage  
 Freedom  
 Local attractions  
 Better value  
 Only accomodation in the area  
 Flexibility

Q16 What would you say are the good things about short-term lets for your area (community as per the case study area), if any? Firstly, the positive impacts on the community in this area?

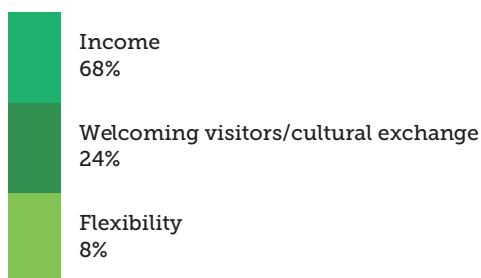


**Key themes:**

- The vast majority of respondents commented on the benefits to local businesses, service providers, and attractions, with the spend contributing to the local economy. They also referenced the associated employment contribution.
- "It helps boost the local economy and supports other businesses in the hospitality sector (restaurants, inns, visitor attractions) as well as other services businesses such as cleaning contractors, laundries and of course local retailers."
- "Also good for people to meet people from other cultures."
- "More small business owners sharing the profits better with staff than large multi-national brands paying minimum wage."
- "Promoting our strengths of quality, caring, friendly people. Working together to support lots of other small businesses and events."



## Q17 Secondly the positive impacts on your business / you personally



### Various benefits were highlighted. These included

- The ability to earn a livelihood from the full-time occupation of operating a self-catering property. For many it is their sole source of income.
- Offering supplementary income following retirement / leaving military service
- Offering income when the property is unable to be sold
- Diversification, making farming businesses viable
- Enabling affording to put children through education / university
- Enabling people to work whilst bringing up a young family
- Supplementing household income for treats / holidays
- Allow maintenance / improvements to properties
- Flexibility of control over property (no longer possible with PRT legislation).

### Some individual comments:

- "Developing a family business for the future of my family. Sense of satisfaction that we are contributing to the economic growth of the area and job creation. Pride in helping develop a quality experience for visitors to the Highlands."
- "Ability to make significant improvements aesthetically to the area transforming a disused ruin to a renovated property which is now run successfully as a holiday cottage."
- "We derive a small income from holiday letting, allowing my family to stay in Millport more days than elsewhere. Personally, it allows me to keep in touch with island of my birth and stay in touch with holiday makers. Remember I was born into a local hotel and have stayed here my whole 62 years."
- "Flexibility. Can quickly accommodate staff/long term tenants if required. Unlike many other areas, we find great difficulty in identifying permanent tenants, and have waited over a year to re-let

some permanent-let dwellings. If a suitable tenant appears, putting them into what was a holiday let can strike while the iron is hot. Management wise I prefer permanent lets, income wise over the long term there is maybe not too much difference to me due to high labour costs (there is, of course, a difference to the employees, and few other sources of income in the immediate locality)."

- "Allows me to earn a living while looking after my kids and being a housewife. Brings a lot of flexibility to my work that I did not have when I worked in the 9-5 office environment."

## Q18 What would you say are the bad things about short term lets for your area (community as per the case study area) if any? Firstly, the negative impacts on the community in this area?

- Vast majority of respondents replied that there are no negatives
- Negatives are outweighed by the benefits
- Comments were made about a lack of level playing field in terms of health and safety between professional operators and amateur hosts

### A few individual comments:

- "All short term lets are not monitored, inspected, don't pay rates as a traditional self-catering business does. For example, someone renting out their garage as a unit does not necessarily have the planning permission for this, waste etc is not paid for in the form of council tax or business rates."
- "Due to the removal of short term assured tenancies many property owners who previously let to seasonal workers have now turned to short term lets. This has had some small impact on the availability of seasonal accommodation for workers.
- I'm not aware of any negative impacts. The whole city benefits greatly from the increased number of visitors."
- "Personally, I don't see any negative impacts as a great deal of money is brought into the area because of my business."
- "I have heard the argument for neighbourhoods being decimated by Airbnb however I have not come across this at all. Neighbourhoods in Glasgow have been closed for years. There are not many neighbours in city centre apartment buildings that are not renting and transient. This means that neighbourhoods were already on the decline before nightly rents were introduced. Gone are the days when you would see people out the back doing their washing and catching up. Most people don't even know their neighbours name even though they have lived there blocks for a few years so I do not personally think that a few rental apartments within a city centre has any impact on "Neighbourhoods". However, I do feel that there are lot of naive hosts out there who are renting properties without doing any checks on renters. We check all our guests ID etc. We also know that if we receive a booking from anyone "local" then we have to be extra vigilant as locals quite often book apartments to "have a party" so they do not need to do the clean-up. We are very stringent on this. As soon as a local makes a reservation, we call them immediately to explain

the situation and 9 out of 10 times they cancel. If the 4 years where we have operated in the city we have had 3 issues where guests have not behaved appropriately. In all of these cases it was local person that had booked the flat. In the past year we have had no complaints as we have tightened up every aspect of our check in process."

- "In our own neighbourhood we do not see anything bad, we are surrounded by guest houses and apartments."

## Q19 Secondly the negative impacts on your business / you personally?

### 45% of respondents stated that there were no negative impacts on them personally.

- "Impacts on my business: I operate in fear, which means I refuse business now, although this is not often. The biggest impact is personal, I operate in fear of the council, the Evening News, the Scotsman, the STV Evening News repeatedly telling residents of Edinburgh that this is bad...Very rarely do we hear anything good, in the interest of balance it is not fair...Feeling a victim of a smear campaign that I can't do anything about I am now on Fluoxetine to try to rebalance my mental state while I operate with more than the required safety checks, all the correct fire equipment and meet and greet each guest to avoid any unpleasant situations. But still I dread any mums in the playground asking what I do for a living."
- "Worry about further costs and charges from government which will kill the business."
- "Edinburgh Council seriously stress me out, as their one size fits all approach to closing down short-term let businesses is so random. It's very stressful waiting for a neighbour with an unjustified grievance, being empowered by the Council to settle a score. We all know people like this, however the Council doesn't even investigate the alleged offence, they just fire of a cease & desist type of notice as it serves their current agenda... this agenda may well of course change in a few years' time, in the mean time you're put out of business and the neighbour moves on to find another gripe/victim! I wouldn't have a problem getting closed down for a genuine issue, but without even looking into the issue its a charter for bully boys."
- "I am deeply concerned about my livelihood and being able to support myself and my 2-year old in the future."
- "None other than the 'negative press reports' tarring all short-term holiday lets as nuisance / bad landlords and you hear people (who have no experience of it personally) reciting this urban myth as fact."
- "I have no negatives, visitors to the area generate business for other outlets and I have a positive regard for and feedback from my guests."
- "None. We enjoy it. It's a lovely house and an interesting business, bringing people from all over the world."
- "...many of the newer listings are for properties without minimum safety measures in place. As the owners don't need to cover such costs and checks, they don't have the same overheads a responsible

owner does. This means they can charge less per night for their accommodation. I realise that a city such as Edinburgh appeals to every budget (and, of course, we should ensure there are places to stay that will accommodate visitors with different budgets), yet this should NOT come at the expense of guest safety! There needs to be minimum health and safety measures in place. I will never be able to compete with cut-price, cheap/basic accommodation, and the larger hen/stag focused properties, as that's not my target guest; I prefer to rent to families and quiet groups who will both respect my neighbours and look after my property."

## Q20 What role, if any, do you think local or national government should play in regulating the sorts of short-term lets that we have discussed?

- Recognise difference between professional operators and amateur hosts
- Define a regulatory framework for amateur hosts
- Ensure a level playing field between amateurs and professionals
- Define minimum safety standards for amateurs
- Ensure a fair, proportionate light touch approach
- Don't deliver nation-wide regulation to tackle issues in small localities

### Key themes:

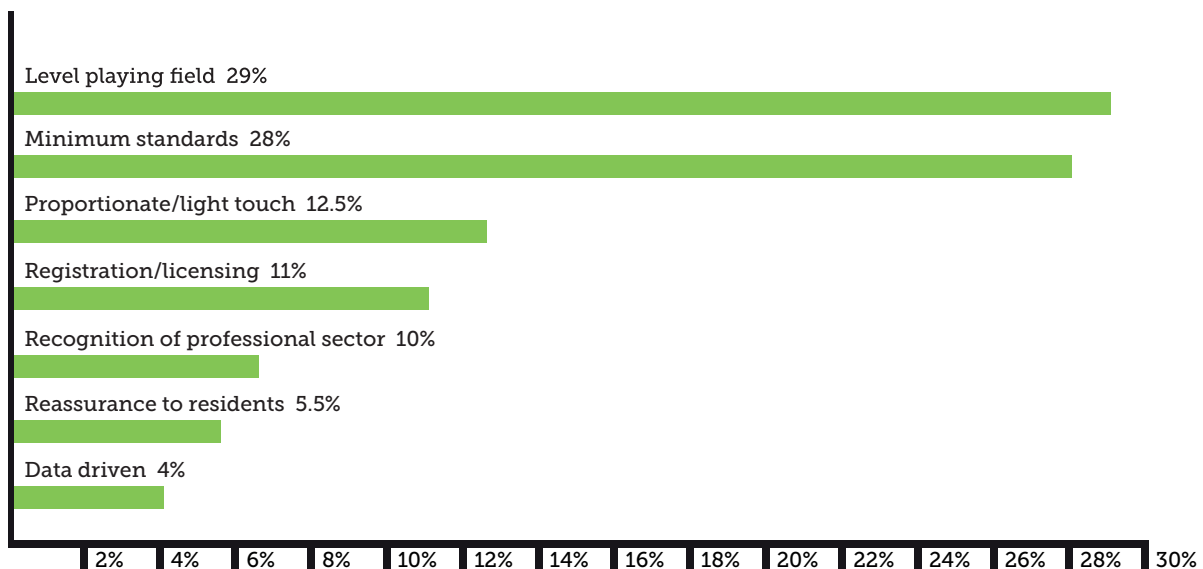
- General consensus that there should be a level playing field between professional self-caterers and amateurs, which is fair and proportionate
- There should be a regulatory framework for amateurs, as there already is for professionals
- Amateurs should adhere to the same health and safety standards as professionals
- Amateurs should declare all income and pay tax on it, as professionals do
- Regulation should be light touch and proportionate
- A registration scheme is key to having accurate data on who is operating STL, whether professional or amateur
- Additional regulation should avoid damaging a key sector in tourism, increasing costs to the detriment of small businesses who cannot increase prices to visitors
- Scottish Government should signpost STL hosts, OTAs and online platforms to ASSC Code of Conduct and ensure compliance
- Respondents were not averse to a registration scheme to attain data, and a licence if deemed essential.

### Comments:

- "I think that there should be some kind of register for all short term lets, and controls to prevent the overcrowding and renting beds out like a hostel which is a very different kind of use of the property to sharing a room, secondary letting or swapping your home. Furthermore, to prevent loss of permanent lodger space in sharing type rentals, the 'rent-a-room' scheme which was designed to increase long term rental space should only apply to long term lodgers and short-term rental income should be a taxable income the same as it is for

- everyone else.”
- “If anything, local not national. A lot of the problem in urban areas may have already been caused by national govt making feudal conditions unenforceable (e.g. no commercial use in flats/tenements etc). There may be a case, as with rent control, to declare action areas, subject to local consultation, where some control over change of use is imposed. But it’s all part of a much bigger picture of security of tenure, tourism, housing shortage, and antisocial behaviour. Positive measure such as more housing, better control/redress of antisocial behaviour, and restoring the rights of flat/tenement/housing development owners to enforce mutual covenants, would be far preferable.”
- “There is probably a role for both, however the starting point should be collating the facts not knee jerking to a bunch of Scottish Green Party stories. Give the industry a chance to put its case forward, be aware that traditional businesses (i.e. hotels) are incentivised to close us down & above all don’t be swayed by sensationalist stories which aren’t backed up by the economic facts.”
- “The market is self-correcting and local and national government should allow more time for this to occur as owners are already returning to long term lets now that the new tenancy laws have settled in. A light touch to regulation is all that is required and all properties should be safe and legal.”
- “They should undertake proper research prior to implementing regulations. They should clearly define who the regulation affects. Any regulation to be simple to understand/ follow.”
- “I think that non-traditional holiday lets, in primarily residential areas of cities may benefit from some regulation to ensure that all residents can co-exist. But in rural, secluded areas well established, purpose built self-catering accommodation is likely to decline if city orientated regulation is imposed. Please do not use a sledgehammer to crack a nut, ultimately tourism suffers and hence a loss of significant revenue for the Scottish economy.”
- “Anything exceeding the “rent-a-room” definition and threshold set by HMRC should be deemed a commercial operation and required to demonstrate compliance with all associated regulations, e.g. fire safety, water quality and commercial waste collection. They should also be required to carry appropriate commercial insurance, which booking platforms, including Visit Scotland, should be required to see evidence of as a condition of listing.”
- “Traditional self-catering is already regulated. No further regulation required. All short-term lets should comply with the same health and safety legislation / fire regs / insurance / tax system etc as professional operators.”
- “We are inspected by Visit Scotland graded and taxed at 20% our water is tested annually. No further regulation is needed in rural Scotland.”

## Q21 What would your desired outcomes of such regulation be?



### Key themes:

- “That established and new entrant self-catering businesses are able to run their “businesses” with a minimum of red tape and in the efforts to regulate the Airbnb phenomena the government doesn’t adversely affect the self-catering industry”
- “Pay the fees to operate and unless there is a substantial issue with my business operating inappropriately, to be left to make a living to support my family.”
- “That there is a level playing field & any regulation is based on proper research rather than data scraping. That it’s not open to abuse (by councils or the public).”
- “All short-term lets should all conform to the same safety and graded standards.”
- “A balanced outcome with recognition given to the continuing importance of this sector in the national economy.”

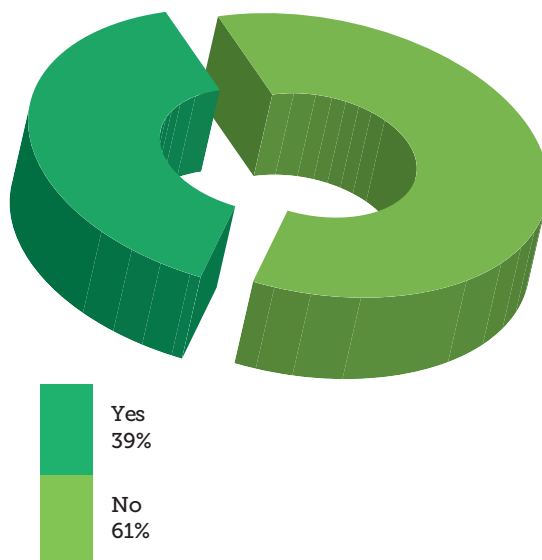
Q22 Is there anything else that you would like to say about short-term lets in your area?

Vital to the local economy Supports local businesses  
Not a nation-wide problem  
Don't use a sledge hammer to crack a nut"  
Sector should be supported Flexibility  
Provides choice of accommodation  
Market demand Property Maintenance  
Opportunities  
"Don't throw the baby out with the bath water"

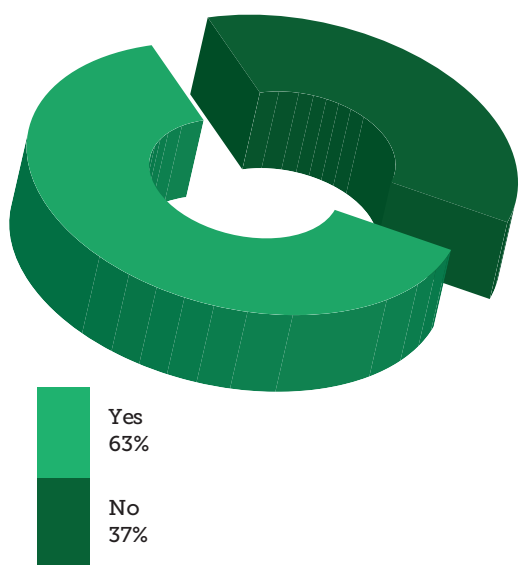
Some comments:

- "Short-term lets in our area provide vital business to the local economy. Without providing short term flexible accommodation, these guests would go elsewhere."
- "Short-term lets provide choice to visitors and they contribute hugely to the local economy."
- "Through agritourism, continue to educate the public about farming and try to bridge the gap between urban and rural populations."
- "Small businesses should be supported and not eradicated - more recognition for the work of hard-working small-scale entrepreneurs and the benefits they bring to the local community & businesses."
- "We actually need more STLs to encourage more visitors into the area, so much to see and do and there is so much capacity available."
- "We are slightly outside the central zone and the number of holiday lets is limited. I understand the need to regulate and balance the social needs, however this won't address the overall housing issues in Scotland."
- "We have operated for more than 11 years in this sector with no registered complaints or issues. Don't let issues specific to certain Edinburgh areas (and driven by misguided government policy) overregulate the sector for others who are giving no cause for any concern."
- "I think it very much boosts the local economy. I think if apartments with common entrances are specifically targeted then it penalises smaller operators & gives tourists less option for those on lower budgets as standalone properties often cost much more than apartments. A range of accommodation choices must still be offered."
- "Short-term lets are the lifeblood of the local economy, which is significantly tourist based. Any restrictions placed on the ability of tourists to access properly managed accommodation in the area would create another wave of economic decline and depopulation."
- "Short-term lets are very important for the rural economy. It should not detract from the responsibility of our local authorities to ensure an adequate housing supply. More investment is urgently needed to provide affordable housing - not expensive private housing, mass-produced by private developers!"

## Q23 Finally, have you submitted a response to the Scottish Government Consultation into Short-Term Let's?



## Q24 If the answer is no, do you intend to submit a response to the Scottish Government Consultation into Short-Term Lets? If not, why not?



### Comments:

- "Had a look at the consultation and found the questions very confusing and not really relevant to my area."
- "I feel there is a political agenda by vested interested to push the narrative against the short-let business."
- "It is a very long survey and I find some of the questions difficult to understand and answer."
- "We did open up the consultation link but it was incredibly lengthy."
- "Many of the questions and issues raised are foggy and seem to indicate that the whole paper has been drafted by somebody with little or no grounding in the hospitality industry. In order to give complete and well-considered input, it would take more of my time than I am willing to sacrifice. Added to that, this government shows little or no desire to do what any person, population or industry advises."
- "I'm concerned my name will be handed over to the Council & made an example of. I realise this sounds paranoid; however you just have to look at the short-term let operators that paid for advertising features in local papers & within a couple of weeks the Council are on them. It's frankly ridiculous!...I would like to stand up & be counted, however living through the stress of watching the daily enforcement notices on the Council's planning portal has made me very distrustful of my local politicians...My only hope is that decision makers will listen to the ASSC, Airbnb & others and not the baying mob."



# Appendix 4

## Local Authority Resource Implications Responses





## LOCAL AUTHORITY RESOURCE IMPLICATIONS RESPONSES

### COSLA

*"It will be necessary to understand the administrative burden that this [STL regulations] may place on local authorities and how this will be resourced."*<sup>1</sup>

### Aberdeen City Council

*"We believe that the 12-month lead-in time to establish our Short-term Let regime will be resource intensive and there will be no ability to recruit additional staff when resources aren't available until licence applications are submitted and fees paid. This poses staffing issues for the council. Consequently, we believe that the Scottish Government should fund the start-up costs."*<sup>2</sup>

### Borders Council

*"...it is considered essential that Scottish Government provide specific funding for additional resources required by LA's to cover the initial set up costs, including the transitional and compliance elements of the new legislation."*<sup>3</sup>

### Comhairle nan Eilean Siar

*"The evidence gathering, consultation and mechanism to set up a control area will require resourcing, finance and additional staff time to deal with retrospective planning applications where these are required during the transitional period. This legislation will have significant implications for both Development Plans & Development Management, ever diminishing teams against a background of annual budget cuts. The issue of enforcing regulations and the extra work this will entail is likely to fall on Planning and Licencing staff. In the current climate, the Comhairle is undergoing consultations on cuts that will need to be made to balance support given during lockdown. There is no budget available currently for the recruiting and training of staff and although it is anticipated that potential fees will pay for any staff, there is an initial outlay required, which has not been planned for in budgets. We propose an initial start-up grant or loan from Scottish Government.*

*Each application would require due consideration and income from planning fees for Change of Use, at current levels, would be unlikely to cover additional staff time for this work."*

*"Paragraph 6.4 all local authorities must have a live licencing scheme open to receive licensing applications by 1 April 2022.*

- There are 18 months until this needs to be in place, and probably about 12 months once we know the outcome of this consultation and see guidance in the spring. There are policies to be written, consultations to be carried out with public and stakeholders, committees to seek approval from, staff to be employed and trained etc. We are still working from home and under restriction, and with the best will in the world, 18 (or 12) months to get everything underway, when we don't know what is happening with our workplace, or indeed the way we are working, seems ambitious. We propose the deadline is pushed back by one year."*<sup>4</sup>

### Glasgow City Council

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<sup>1</sup> COSLA, *STL Consultation Response* (2020): [https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view\\_respondent? b\\_index=900&uuld=552786991](https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view_respondent? b_index=900&uuld=552786991)

<sup>2</sup> Aberdeen City Council, *STL Consultation Response* (2020): [https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view\\_respondent? b\\_index=480&uuld=738532527](https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view_respondent? b_index=480&uuld=738532527)

<sup>3</sup> Borders Council, *STL Consultation Response* (2020): [https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view\\_respondent?show\\_all\\_questions=0&sort=submitted&order=ascending& q\\_text=borders&uuld=648059965](https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view_respondent?show_all_questions=0&sort=submitted&order=ascending& q_text=borders&uuld=648059965)

<sup>4</sup> Comhairle nan Eilean Siar, *STL Consultation Response* (2020): [https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view\\_respondent? b\\_index=780&uuld=458288928](https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view_respondent? b_index=780&uuld=458288928)

*“It is anticipated that there will be significant resourcing issues for the Local Authority in setting up a licensing scheme. Significant staff resourcing for set of scheme/verification process/carrying out inspections/enforcement etc. would be required.”<sup>5</sup>*

### **Highland Council**

*“The new regulatory responsibility of both licensing and control areas are anticipated to have significant, budgetary and regulatory impacts on the Highland Council; invoking responsibilities in relation to the status and safety of a very large number of properties across a dispersed geographical area...”*

*Highland Council also estimate that they could receive as much as “10,000 potential applications” on licensing and that while the “scheme permits a phased approach over a 3-year period but this will still present considerable administrative and operational undertaking for dealing with the initial applications. Ongoing resource will then be needed for renewals and new premises.*

*The workload will necessitate additional staff for the following teams:*

- Licensing team - additional administrative licensing staff*
- Planning team – additional full-time posts (professional support officers) for a two-year period. There would still be resource required after this two-year period to cover new and renewed licence enquiries, however this is anticipated to be at a much lower level.*
- Environmental Health additional full-time posts (technical officers) for a two-year period. There would still be resource required after this two-year period to cover new and renewed licence enquiries, however this is anticipated to be at a much lower level.*
- ICT systems – a review of the on-line tools to enable self-service and on-line payments to streamline the application and payment process.”<sup>6</sup>*

### **North Ayrshire Council**

*“Councils are to set up a new system, complete with new conditions and an inspection system involving Housing, Protective Services and Planning by 1 April 2022 at the latest. This would be a substantial task at any time, but it is particularly onerous when Council staff, working remotely, are facing increased demands to provide services to the public due to the coronavirus pandemic and Councils are facing unprecedented challenges, particularly with regard to licensing due to the coronavirus pandemic.*

*(a) if premises are to be inspected, Council staff must be available for this;*

*(b) Council staff are already having to work under pressure as the Coronavirus restrictions are regularly changed. In the case of STLs, where there are objections or representations to Licence Applications, delegated powers are not available to Council officers and the Application must be considered by the Licensing Committee. If there are to be around 327 Applications in North Ayrshire, then a portion of them will need a 'virtual hearing' compliant with ECHR 6. This would place a burden on Licensing Authorities at a time when they are least able to bear it.*

*2.2. Although Councils will be able to choose when the licensing scheme will start locally, it must be within 12 months after 1 April 2021.*

*2.3. The new STL system commences at most 18 months away, and Councils have not seen the secondary legislation on which the new system will be based. It will be laid in Parliament in December 2020 and has not been issued in draft. It has not been stated whether Application forms*

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<sup>5</sup> Glasgow City Council, STL Consultation Response (2020): [https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view\\_respondent? b\\_index=900&uuld=52867059](https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view_respondent? b_index=900&uuld=52867059)

<sup>6</sup> Highland Council, STL Consultation Response (2020): [https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view\\_respondent? b\\_index=840&uuld=880423694](https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view_respondent? b_index=840&uuld=880423694)



and other documentation will be prescribed, or whether they are to be drafted by individual Councils.”<sup>7</sup>

#### **South Ayrshire Council**

“...there is an element of concern regarding the proposed lead in time for implementation of a robust licencing regime, the resources this will require and the added pressure to workloads required of staff and services.”<sup>8</sup>

#### **Stirling Council**

“The implementation, management and enforcement of the [licensing] process is considered particularly resource intensive for local authorities, with little guidance given around who would be expected to lead the process.”<sup>9</sup>

#### **West Dunbartonshire Council**

“For smaller authorities with fewer short term let premises it may be difficult to fully resource an effective and efficient service without the fees being very high and thereby creating a wide and varying fee structure across the country. There is a concern about the level of Fees that a smaller Local Authority may charge where they are not dealing with a large volume of applications and have limited resources to deal with such applications. The fee structure may not be of a sufficient level to meet resource concerns and the adverse comparisons by the public as to differing fee structures around the country as can happen in Civic Government Licensing.”<sup>10</sup>

**THE ROYAL TOWN PLANNING INSTITUTE** identified concerns with -

“resource implications of changes to the regulatory framework”; “the related impacts associated with the additional duties for local councils set out within the Planning (Scotland) Act 2019 which remain uncosted”; “the overall financial context of diminishing resources in Councils, both staff levels and fee income streams”; and “the need for effective enforcement measures and joint working across several Council services.”<sup>11</sup>

Research carried out by the **RTPI** in connection with the implementation of the Planning (Scotland) Act 2019 estimated the costs of a planning authority designating all or part of its area as a short-term let control area between **£640,710 (lower estimate) and £14,756,800 (higher estimate)**.<sup>12</sup>

## **LEGAL COMMENTS**

The **Law Society of Scotland** warned that local authorities may not be ready from a resourcing perspective: “There are unlikely to be resources in place at present in local authority licensing or planning departments to cover such additional and in certain areas, extensive work.”<sup>13</sup> The policy intention is that the fee levels should cover adequately the staff and administrative costs. However,

<sup>7</sup> North Ayrshire Council, *STL Consultation Response* (2020): [https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view\\_respondent?b\\_index=780&uuld=560815682](https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view_respondent?b_index=780&uuld=560815682)

<sup>8</sup> South Ayrshire Council, *STL Consultation Response* (2020): [https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view\\_respondent?b\\_index=900&uuld=900902345](https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view_respondent?b_index=900&uuld=900902345)

<sup>9</sup> Stirling Council, *STL Consultation Response* (2020): [https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view\\_respondent?b\\_index=900&uuld=465853950](https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view_respondent?b_index=900&uuld=465853950)

<sup>10</sup> West Dunbartonshire Council, *STL Consultation Response* (2020): [https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view\\_respondent?show\\_all\\_questions=0&sort=submitted&order=ascending&q\\_text=West+Dunbartonshire+Council&uuld=12467012](https://consult.gov.scot/housing-services-policy-unit/short-term-lets-licensing-scheme/consultation/view_respondent?show_all_questions=0&sort=submitted&order=ascending&q_text=West+Dunbartonshire+Council&uuld=12467012)

<sup>11</sup> Royal Town Planning Institute, ‘Short Term Lets: RTPI Scotland’s response to the Scottish Government’s Consultation on a licensing scheme and planning control areas in Scotland’, 06/10/20. Url: <https://www.rtpi.org.uk/consultations/2020/october/short-term-lets/>

<sup>12</sup> Royal Town Planning Institute, *Financial Implications of Implementing the Planning (Scotland) Act 2019* (2019), p10. Url: <https://www.rtpi.org.uk/media/1211/rtpi-scotland-financial-implications-of-implementing-the-planning-scotland-act-2019.pdf>

<sup>13</sup> Law Society of Scotland, *Consultation Response: Short-Term Lets* (2019), p13. Url: <https://www.lawsocot.org.uk/media/363183/19-07-19-plan-lic-short-term-lets.pdf>

that ignores the considerable cost of establishing the scheme, as the Law Society of Scotland also assert: *“There are often significant infrastructure costs in introducing new schemes, for example new IT systems, which cannot always be fully recovered...We question whether it is proportionate for applicants to be fully liable for costs of establishing a system, including preparing staff to run the scheme. We suggest that it is appropriate to consider this question in the context of balancing the extent of the mischief which the scheme aims to regulate with the potential gain to the wider public of regulation. In addition, there are likely to be practical challenges with this approach. How may each local authority calculate expected numbers of applications be quantified to be able to work out what the costs should be per application? What is the approach to be by local authorities to differing circumstances, for example, those undertaking home sharing versus those undertaking secondary letting? The omission of a BRIA, or partial BRIA, from this consultation make these questions particularly pertinent.”*<sup>14</sup>

**Stephen McGowan, head of Licensing (Scotland) at TLT LLP and an authority on the 1982 Civic Government Act on which the Scottish Government’s plans are based,** said: *“Provision will need to be made to deal with the impact of such a magnitude of applications on local authority resources. A massive rush of applications of this order could bring licensing administration to a halt, and have a knock-on effect on reporting obligations with Police Scotland and other authorities such as Fire and Building Standards, who will likely have to comment on each application. This could impact on processing times for other types of civic licence.”*<sup>15</sup>

This was echoed by the legal firm **Shepherd and Wedderburn LLP**: *“In addition to any increased workload for licensing departments, there will likely be an impact on the Police, Fire Service, Building Standards and others who may be required to comment on applications. It will therefore be vital that the Scottish Government ensures the necessary resources are in place together with sufficient publicity to facilitate a smooth transition to the new licensed regime.”*<sup>16</sup>

The **Law Society of Scotland** said: *“...this licensing regime is imposing on local authorities additional requirement for staff. The number of applications and the need for this process could impact other areas of work such as e.g. liquor, street traders, public entertainment, and taxi licences. This licensing scheme is introducing additional requirements when authorities are already hard-pressed. In certain areas there will be a flood of applications which will require immediate short-term staffing issues, the implications of which should be considered now.”*<sup>17</sup>

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<sup>14</sup> Law Society of Scotland, *Consultation Response - Short Term Lets: Consultation on a licensing scheme and planning control areas in Scotland* (October 2020), p7.

<sup>15</sup> <https://www.scottishlegal.com/article/licensing-expert-warns-of-flood-of-short-term-let-licences-1>

<sup>16</sup> Shepherd & Wedderburn LLP, ‘Short-Term Letting: Greater regulation, licensing and control in Scotland in a post Covid-19 world?’, 07/05/20. Url: <https://shepwedd.com/knowledge/short-term-letting-greater-regulation-licensing-and-control-scotland-post-covid-19-world>

<sup>17</sup> Law Society of Scotland, *Consultation Response - Short Term Lets: Consultation on a licensing scheme and planning control areas in Scotland* (October 2020), p7-8.



## Appendix 5

# Sectoral Survey into the Impact of the Proposed Licensing Scheme for Short-Term Lets Across Scotland





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# Sectoral Survey into the Impact of the Proposed Licensing Scheme for Short-Term Lets Across Scotland

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October 2020



Association of  
Scotland's Self-Caterers

Supporting self-catering in Scotland

## ASSC Sectoral Survey into the Impact of the Proposed Licensing Scheme for Short-Term Lets Across Scotland

### Introduction

Founded in 1978, the Association of Scotland's Self-Caterers (ASSC) is the leading source of knowledge on short-term letting and holiday homes in Scotland. The ASSC is the only trade body representing the interests of the traditional self-catering sector. It has more than 1000 Members, operating in excess of 10,000 self-catering properties throughout Scotland, from city centre apartments, to rural cottages, to lodges and chalets, to castles. The ASSC commits its members to maintaining the principles of "quality, integrity, cleanliness, comfort, courtesy and efficiency" and to offering visitors to Scotland consistently high standards within their self-catering properties.

### Background

- The Scottish Government is consulting on the introduction of a licensing scheme and planning control areas for short-term lets in Scotland. The consultation will close on 16th October 2020.
- The Scottish Government's consultation, which was only open for one-month rather than the standard three-month process, is taking place at a time when the self-catering industry is experiencing severe difficulties due to the impact of Covid-19 and its associated restrictions.
- The ASSC believes the proposed licensing system is a blunt tool to fix a perceived and localised problem of amateur operators in Edinburgh, rather than being a solution that is appropriate for the whole of the Scotland, particularly when so many established professional operators are based in rural areas.
- The ASSC also remains concerned that little differentiation is made between different types of operator in what is a diverse short-term letting landscape, with potentially dire unintended consequences to the professional self-catering sector that contributes £723m to Scotland.
- In response to the consultation and the proposed licensing scheme, the ASSC launched a survey to ascertain views on what the impact of the proposals will mean for those involved in a key part of Scotland's tourism offering.

### Survey Overview

- The ASSC conducted an online survey over the course of five days, ending on 9<sup>th</sup> October 2020. This was publicised via ASSC newsletters, as well as on the ASSC's social media pages on Twitter, LinkedIn and Facebook.
- The online survey elicited an impressive **1,184 responses from self-caterers in Scotland**, from both ASSC members (47%) and non-ASSC members alike (53%), in nearly all local authorities.
- This survey provides valuable insights from the ground level from those who will be most affected by the impact of the proposed licensing scheme.

### **Key Findings – The Impact of the Proposed Licensing Scheme**

- **95% believe that the regulations should be delayed** whilst the sector recovers from Covid-19 and the same number believe the regulations **require greater parliamentary scrutiny**.
- **83% oppose the proposed licensing scheme for short-term lets, while 68% are not supportive of short-term let control zones.**
- **Around a third (31%) of businesses would be rendered unviable** if the current proposals for a licensing were introduced, while **two-thirds (64%) felt it would have a negative impact**.
- **Nearly half (49%) would leave the self-catering sector** if the proposed licensing scheme was introduced and of those **33%** would leave the property empty or use it for family & friends.
- **Respondents maintained that the impact of the regulations would not be limited to self-catering.** Respondents were of the view that the impact of the proposed licensing scheme would also entail negative knock-on effects for supply chains, such as hospitality (**89%**), local activity providers (**83%**) and local attractions (**85%**). **66%** feel that it would have a detrimental impact on guests.
- **89%** would be supportive of the ASSC's policy recommendations for short-term lets.
- **The short-term let consultation takes place at a precarious time for self-caterers in Scotland.** **94%** of respondents have stated an estimated negative financial impact of Covid-19 to their business, while **63%** are feeling pessimistic about their business right now.

### **Survey Questions & Commentary**

The full list of questions and responses are outlined below in the following pages.

Alongside the main findings on the impact of licensing, the survey also highlighted useful background into the nature and makeup of self-catering in Scotland:

- **Self-catering is mainly rural, not urban:** 63% of properties are rural or semi-rural, with a further 19% situated on an island (only 18% urban or suburban)
- **Self-catering mainly provides managed, independent properties:** 91% are operating conventional, independent properties with no shared facilities
- **Self-catering is reliant on tourists and holidaymakers:** 99% of operators' primary business is from holiday makers and 77% are reliant on tourism for guests
- **Self-catering is not a new phenomenon and operators are a longstanding presence in local communities:** 41% have been operating for over 6 years (65% over 3 years, 8% for over 15 years, with some over 50 years)
- **Self-caterers are professional operators, not 'hosts' as per the Scottish Government's consultation definition:** 82% consider they are a 'professional operator', with 75% achieving over 140 nights occupancy
- **Self-caterers already comply with safety awareness:** that includes smoke detectors, electrical & carbon monoxide safety, legionella risk assessments, insurance, paying taxes, maximum occupancy & planning permission & conditions.
- **Self-catering properties are not driving anti-social behaviour:** over 91% have no experience of any anti-social behaviour from guests, with 94% having received no complaints from neighbours.

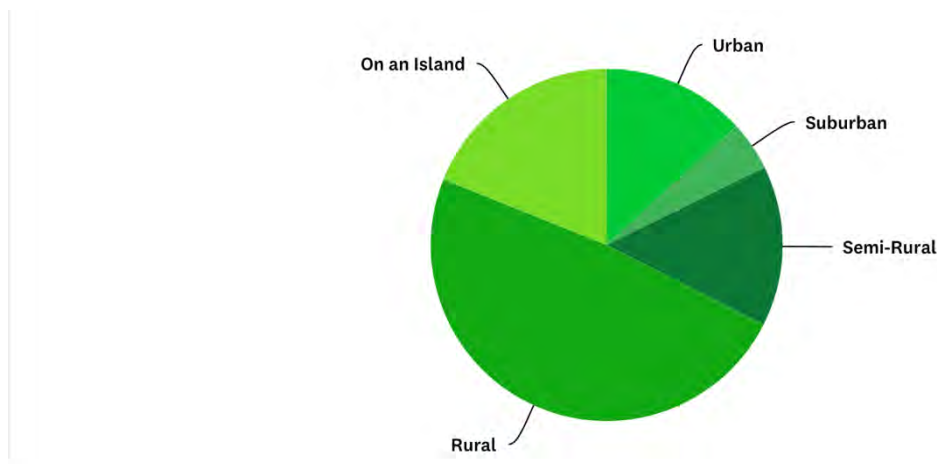
### Q1. Where is your business based?

The survey elicited responses from 31 of the 32 local authorities. We separated Highlands into two segments, so that some of the key issues raised in Skye can be addressed. It is worth noting that the areas that are under strictest restrictions have the least self-catering provision.

Local Authority	Number of Respondents
Aberdeen City	5
Aberdeenshire	43
Angus	13
Argyll & Bute	139
Clackmannanshire	4
Dumfries & Galloway	84
Dundee City	2
East Ayrshire	2
East Dunbartonshire	1
East Lothian	10
East Renfrewshire	0
Edinburgh City	89
Eilean Siar	36
Falkirk	3
Fife	58
Glasgow City	9
Highland - Skye / Lochalsh	154

Local Authority	Number of Respondents
Highland - other	268
Inverclyde	1
Midlothian	2
Moray	33
North Ayrshire	44
North Lanarkshire	4
Orkney	33
Perth & Kinross	88
Renfrewshire	1
Scottish Borders	43
Shetland	7
South Ayrshire	10
South Lanarkshire	12
Stirling	30
West Dunbartonshire	1
West Lothian	8

### Q2. How would you describe the location of your property/properties



	% of respondents	Number of respondents
Urban	13.26	157
Suburban	4.48	53
Semi-Rural	14.78	175
<b>Rural</b>	<b>48.56</b>	<b>575</b>
On an Island	18.92	224

**Q3. How are you involved in the short-term rental / self-catering sector?**

	% of respondents	Number of respondents
Owner occupier / operator of one property	13.26	157
Owner occupier / operator of multiple properties	4.48	53
Property Manager / Agency for multiple properties	14.78	175

**Q4. According to the consultation, what category would you identify yourself to be part of:**

\* The first three options are defined in the Scottish Government's consultation.

	% of respondents	Number of respondents
'Home Sharing': a type of STL involving the letting of a room or rooms where the host normally lives (their primary residence) with the host in residence	5.74	68
'Home Letting': a type of STL involving the letting of a room or rooms or the entire property where the host normally lives (their primary residence) when the host is absent (on holiday or away on business)	3.38	40
<b>'Secondary Letting': a type of STL involving the letting of a room or rooms or the entire property where the host does not normally live</b>	<b>63.34</b>	<b>750</b>
Other: commercial business premises, where the host never lives (not defined in the consultation)	27.53	326

**Q5. How would you identify yourself:**

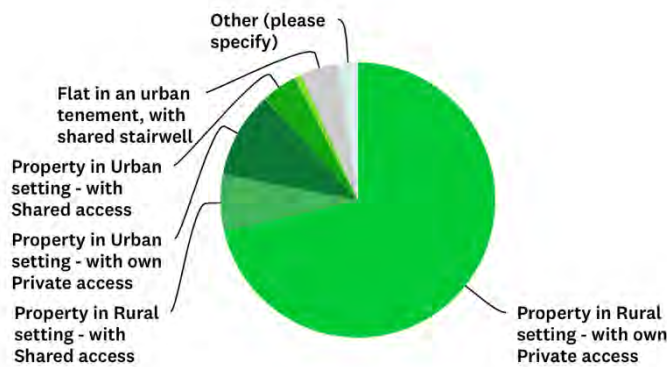
	% of respondents	Number of respondents
<b>Owner occupier / operator</b>	<b>69.26</b>	<b>818</b>
Host (Airbnb Partner)	12.53	148
Homeowner (Expedia Partner)	3.56	42
Property Manager	6.18	73
Letting Agent	0.93	11
Other	7.54	89

**Q6. Does your STL operation include\*:** \*These definitions are specifically referred to in the consultation.

	% of respondents	Number of respondents
<b>Conventional, independent (no shared facilities or concierge) and static homes, such as houses, flats and cottages (typically principal homes, second homes and holiday cottages)</b>	<b>90.68</b>	<b>1070</b>
Less conventional static accommodation (which may be independent or rely on shared facilities, such as park homes, static caravans, chalets, huts and pods)	4.75	56
Quasi-hotel accommodation (also static) comprising multiple properties in a tailored building, such as apart hotels and serviced apartments	1.10	13
Mobile accommodation, primarily boats, such as canal boats and yachts.	0	0
Other	3.47	41

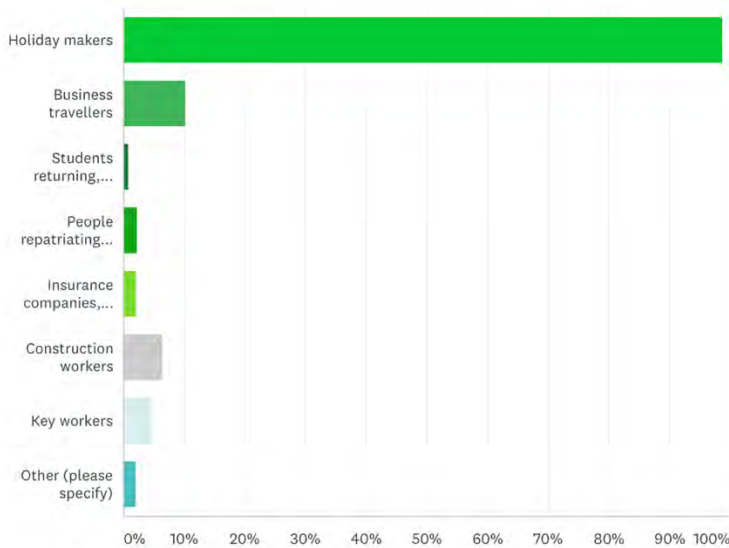


**Q7. What best describes your business?**



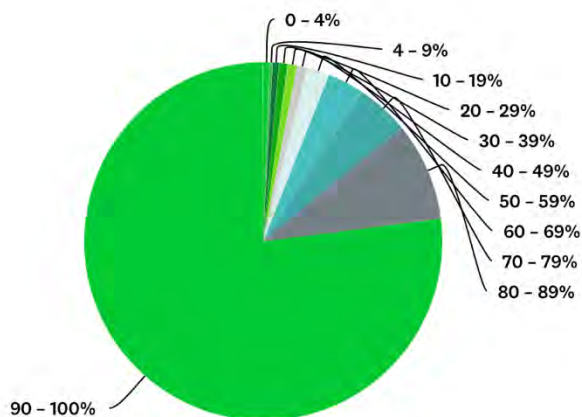
	% of respondents	Number of respondents
<b>Property in Rural setting - with own Private access</b>	<b>71.4</b>	<b>844</b>
Property in Rural setting - with Shared access	6.51	77
Property in Urban setting - with own Private access	10.24	121
Property in Urban setting - with Shared access	4.23	50
Flat in an urban tenement, with own entrance	0.85	10
Flat in an urban tenement, with shared stairwell	4.48	53
Other (please specify)	2.28	27

**Q8. What makes up your primary clientele?**



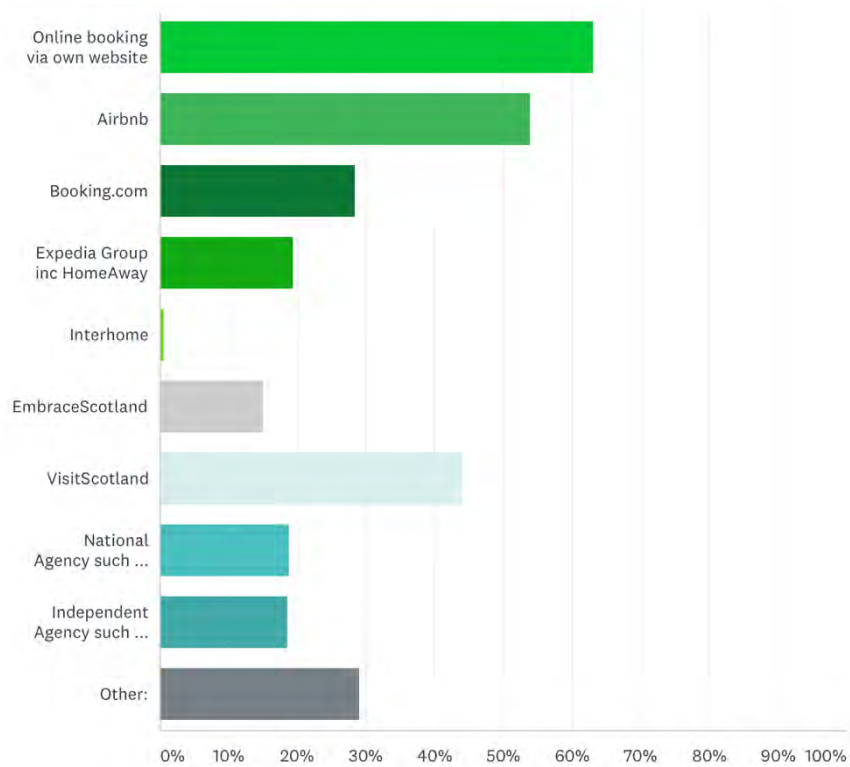
	% of respondents	Number of respondents
<b>Holiday makers</b>	<b>98.63</b>	<b>1168</b>
Business travellers	10.22	121
Students returning, looking for longer-term accommodation	0.76	9
People repatriating, looking for longer-term accommodation	2.36	28
Insurance companies, accommodating clients between premises	2.03	24
Construction workers	6.59	78
Key workers	4.33	56
Other	2.03	24

**Q9. What percentage of your business is reliant on tourism?**



	% of respondents	Number of respondents
0-4%	0.59	7
4-9%	0.25	3
10-19%	0.59	7
20-29%	0.76	9
30-39%	0.84	10
40-49%	0.93	11
50-59%	2.03	24
60-69%	3.29	39
70-79%	4.81	57
80-89%	8.87	105
<b>90-100%</b>	<b>77.03</b>	<b>912</b>

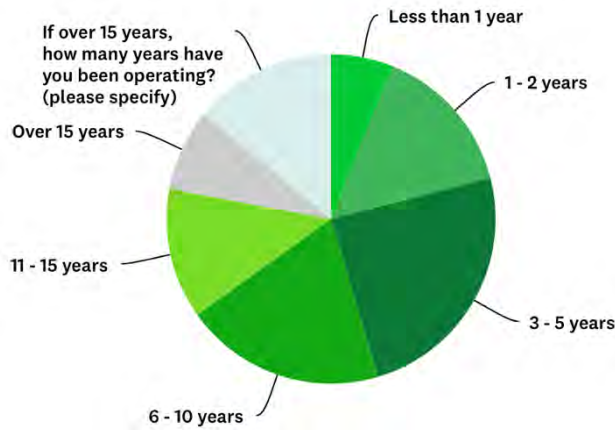
**Q10. How do you market your properties?**



	% of respondents	Number of respondents
<b>Online booking via own website</b>	<b>63.09</b>	<b>747</b>
Airbnb	54.05	640
Booking.com	28.46	337
Expedia Group inc. HomeAway	19.43	230
Interhome	0.68	8
EmbraceScotland	15.12	179
VisitScotland	44.17	523
National Agency such as Scottish Cottages/Sykes/Cottages.com/Cottages & Castles	18.92	224
Independent Agency such as Discover Scotland	18.58	220
Other:	29.14	345

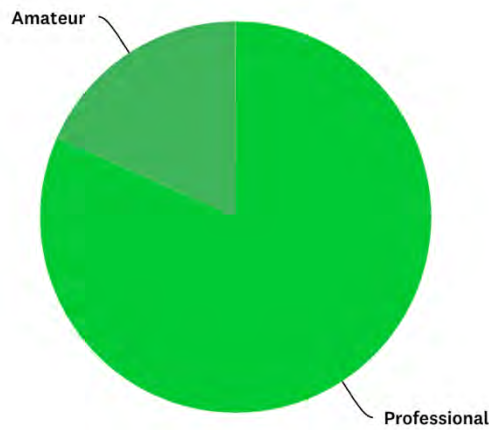
**Q11. How long have you been operating?**

- 35% of respondents have operated for over 11 years
- **14% have operated for over 15 years (representing 4,427 years of trading)**
- Of those, the average number of years operating is 27 years
- The oldest business has been operating for 72 years
- **46 businesses have operated for over 30 years**
- **21 businesses have operated for over 40 years**



	% of respondents	Number of respondents
Less than 1 year	6.18	73
1 - 2 years	14.81	175
<b>3 - 5 years</b>	<b>24.45</b>	<b>289</b>
<b>6 - 10 years</b>	<b>19.71</b>	<b>233</b>
11 - 15 years	12.77	151
Over 15 years	8.04	95
If over 15 years, how many years have you been operating?	14.04	166

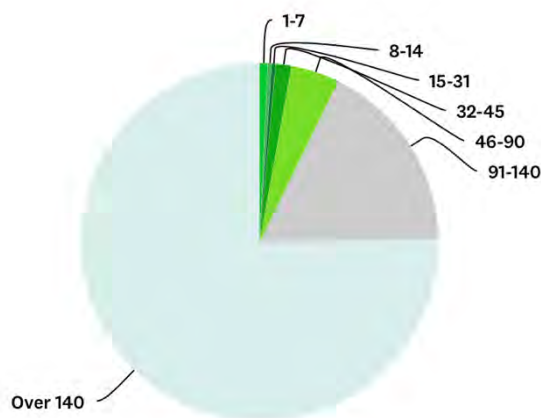
**Q12. Do you consider your activity to be professional or amateur?**



	% of respondents	Number of respondents
<b>Professional</b>	<b>81.67</b>	<b>967</b>
Amateur	18.33	217

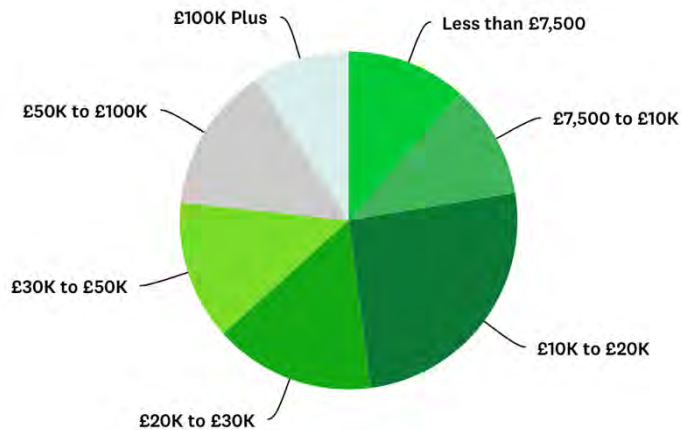
**Q13. How many nights (on average) are you occupied annually?\***

\*If your property is available for let for under 140 days it means the property is in the Council Tax system; if it is available for let for over 140 days, it places the property in the Non-Domestic Rates / Business Rates system.



	% of respondents	Number of respondents
1-7	0.76	9
8-14	0.34	4
15-31	0.34	4
32-45	1.44	17
46-90	4.40	52
91-140	17.44	206
<b>Over 140</b>	<b>75.28</b>	<b>889</b>

**Q14. What was your approximate annual turnover for the last financial year?**



	% of respondents	Number of respondents
Less than £7,500	11.57	137
£7,500 to £10K	10.81	128
<b>£10K to £20K</b>	<b>25.59</b>	<b>303</b>
£20K to £30K	15.37	182
£30K to £50K	13.34	158
£50K to £100K	14.02	166
£100K Plus	9.29	110

**Q15. If the cost of a licence were £1000 per property, what would the total cost of fees be to your business?\***

\*this is an indicative cost, based on alcohol licensing fees which range from £800-£2000, since the consultation document does not propose any fee structure.

Based on an indicative cost of £1,000 to apply for a licence per property (not including any associated professional fees that may be incurred in order to apply), the **cost to the sector across the 1184 respondents would be £1,798,000.**

	Number of respondents
£1,000	309
£2,000	112
£3,000	66
£4,000	31
£5,000	23
£6,000	16
£7,000	9
£8,000	8
£9,000	5
£10,000	7

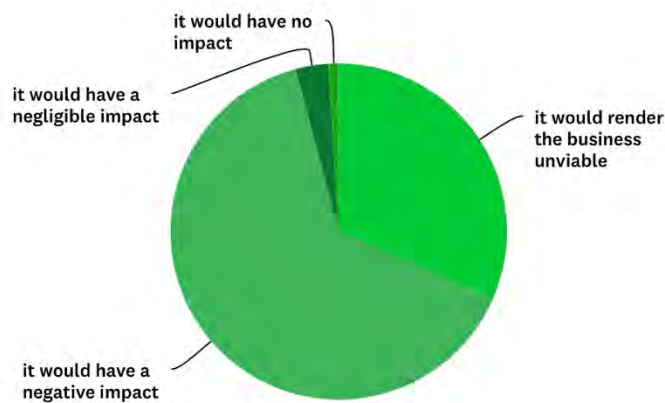
	Number of respondents
£11,000	2
£13,000	3
£14,000	1
£15,000	5
£16,000	2
£20,000	5
£24,000	1
£25,000	2
£27,000	2
£40,000	2

**Q16. If an 'oversight' or monitoring fee (akin to Council Tax) was £1000 per property what would the total oversight fee be for your business?\***

\*this is an indicative cost, based on alcohol licensing fees which range from £800-£2000, since the consultation document does not propose any fee structure.

- It should be noted that no other licensing scheme includes a 'monitoring fee', and there appears to be no explanation in the consultation document as to why this ongoing fee would be imposed on the sector.
- There is an additional potential cost for visits to properties, which is not detailed, and is not imposed on other licenced premises.
- Based on an indicative annual cost of £1,000 per licence per property, the **cost to the sector across the 1184 respondents would be £1,798,000.**

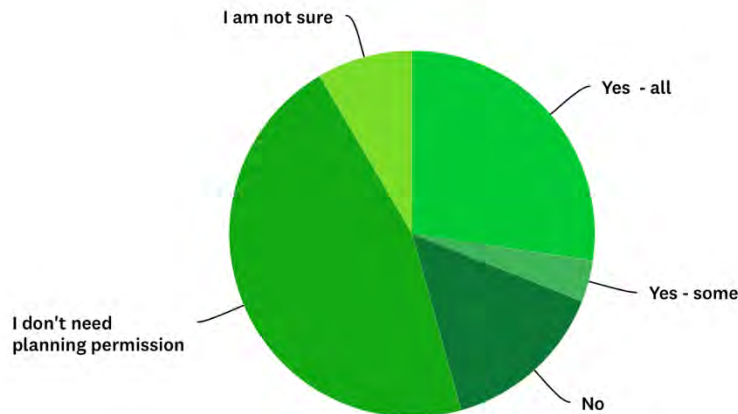
**Q17. How would these licensing fees impact on your future margins and business viability?**



	% of respondents	Number of respondents
<b>It would render the business unviable</b>	<b>31.58</b>	<b>372</b>
It would have a negative impact	64.26	757
It would have a negligible impact	3.23	38
It would have no impact	0.93	11

**Q18. Do you have planning permission for your property/ies?\***

\*‘Secondary letting’ is not a Use Class Order. It does not therefore require planning permission for change of use unless a local authority has specifically stated that it does.



	% of respondents	Number of respondents
Yes - all	27.36	324
Yes - some	3.63	43
No	14.70	174
I don't need planning permission	45.80	543
I am not sure	8.45	100

**Q19. If your local authority introduced a Planning Control Zone and you had to apply for a change of use planning permission, what would the cost to your business be?\***

\*A standard planning application, with no complications, costs £401

- **Of 815 respondents, the impact was estimated to be £823,708, with an average burden of £1010 per property.**
- 205 felt that planning permission would not be required, with the majority already having planning permission, or having been built specifically as self-catering accommodation.

**Comments:**

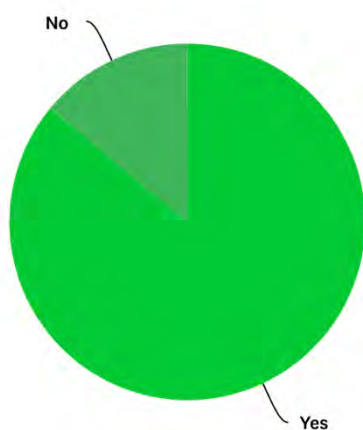
- *There is no such thing as a standard planning application with PKC. My last one cost over £10,000 because of ridiculous conditions - phase 1 desk studies etc, contribution to infrastructure (even though the building had previously been given permission for a house and work was started). On a good wind it would cost £2005 (same probability of a Covid vaccine this month!) but honestly I have never submitted for planning without drawings. Assuming drawings required think I would be unlikely to be under £10,000.*
- *It's all extra cost to make the business profitable, it's creeping costs and totally unnecessary*
- *Heavy impact. Upkeep costs mean any extra costs tip the business into questionable viability.*
- *zero - the planning permission specifies STL as the primary purpose of the buildings.*
- *Our properties were purpose built as Holiday Accommodation and plans approved as such for this purpose only - business rate code as Chalets. They have been in situ since early 1980's The irony is that we bought our business in 2014 - the business was for 5 Lodges. The original business is in fact 10 lodges, which are all still*



there, but 5 were sold off to other owners in years past. Last October we bought one of these Lodges which had been in private hands for over 10 hands and we had to pay the extra tax for second home!!!! Despite the fact that the business bought the Lodge, and it can never be in the private letting market as purpose built for holiday home purpose only and cannot be lived in 12 months of a year.

- It would be ridiculous that after all the years in business that now it would be expected that it would now have to apply for planning permission.
- Cost would need to be passed on to guests.
- I have applied for planning permission but Glasgow City Council refuse all applications.
- My cottage was purpose built for Self-Catering so has planning permission
- It's been a Holiday Cottage for at least 10 years, possibly 15-20. So applying for a 'change of use' would be nonsense. Anything extra I had to pay would just affect my turnover by that amount.

**Q20. Are your properties registered on the Non-Domestic Rates Roll (Business Rates)?**

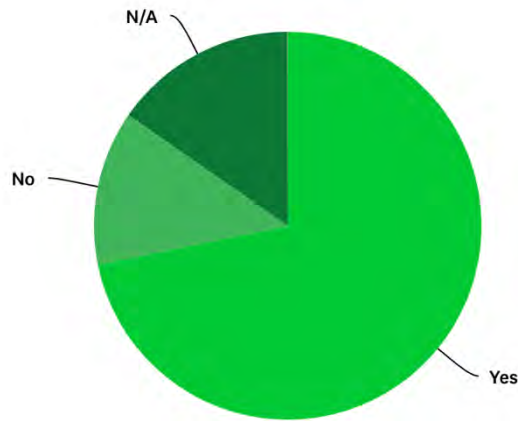


	% of respondents	Number of respondents
<b>Yes</b>	<b>86.05</b>	<b>1018</b>
No	13.95	165

**Q21. If the answer is no, why not?**

The vast majority of respondents stated that they let their property for less than 140 days. Others were not aware that they ought to be registered on Non-Domestic Rates, whilst a minority had “not got round to it”.

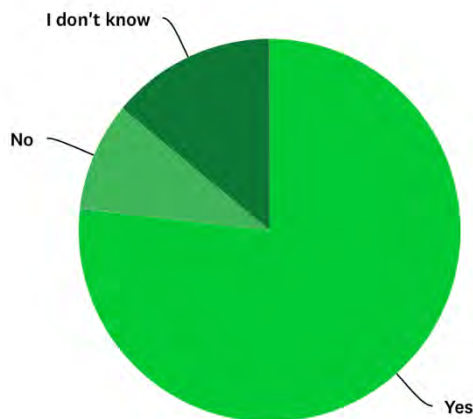
**Q22. If you are on Business Rates, do you benefit from the Small Business Bonus Scheme?**



	% of respondents	Number of respondents
<b>Yes</b>	<b>71.82</b>	<b>841</b>
No	12.81	150
Not Applicable	15.37	180

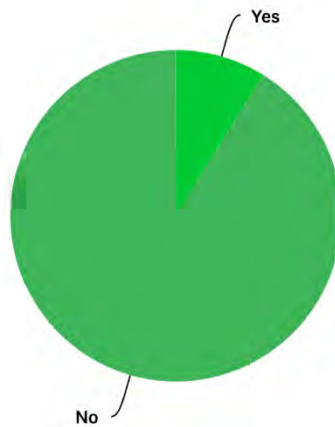
**Q23. Is your property considered to be a 'Furnished Holiday Let' by HMRC?\***

\*To qualify as trading businesses under the Furnished Holiday Let (FHL) tax rules, a property must be available for let for 210 days and actually let for 105 days.



	% of respondents	Number of respondents
<b>Yes</b>	<b>76.86</b>	<b>910</b>
No	9.12	108
Don't Know	14.02	166

**Q. 24 Have you encountered anti-social behaviour from guests?**

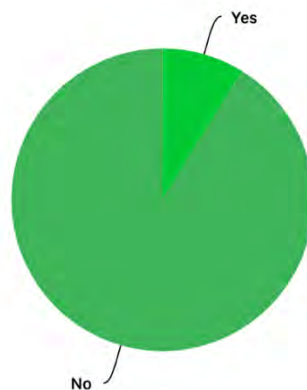


	% of respondents	Number of respondents
Yes	8.89	105
<b>No</b>	<b>91.11</b>	<b>1076</b>

**Comments:**

- *Never in 30 years*
- *Just once and nothing too serious*

**Q25. Have you encountered anti-social behaviour from neighbours?**

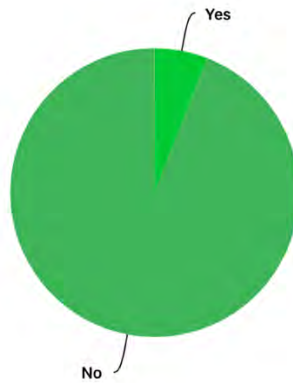


	% of respondents	Number of respondents
Yes	6.68	79
<b>No</b>	<b>93.32</b>	<b>1104</b>

**Comments:**

- *From a full time tenant from the flat above*
- *We have no close neighbours*
- *Some properties are adjacent to properties occupied by students*
- *Photographing visitors and telling them not to park where they are permitted*
- *3 times in 19 years*

**Q26. Have you ever received complaints from neighbours?**

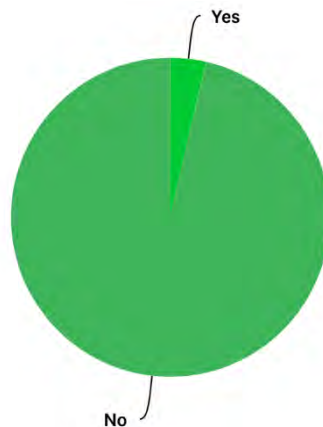


	% of respondents	Number of respondents
Yes	6.03	71
<b>No</b>	<b>93.97</b>	<b>1107</b>

**Comments:**

- *No close neighbours and no problems*
- *Unwarranted complaints because they do not accept the restrictions within their own deeds and therefore just seek to make trouble when our guests are wishing to quietly enjoy their stay within our small holding where we have one neighbour with a ground floor flat who share an access road and parking for one car on land they do not own.*
- *Apart from once when our guests dogs were barking but that was once in approx. 200 guests over 5yrs*

**Q27. Have you transferred from STL to long-term letting in light of the Covid-19 pandemic?**



	% of respondents	Number of Respondents
Yes	3.64	43
<b>No</b>	<b>96.36</b>	<b>1137</b>

**Q28. If the answer is yes, what percentage of your portfolio has reverted to long-term let?**

**Comments:**

- *Approximately 5% have decided to Long Let or sell to become a home. About 20% are still waiting to see what will happen in the long term with Coronavirus and are not currently open.*
- *Even if we wanted to we cannot do long term lets as planning permission for the cottagers was for STL only*
- *Long term let is impossible due to tenant laws to stay in the property.*
- *I transferred from long term let due to the inadequacies of the private residential tenancy & the difficulty in getting control of your own property from a bad tenant - this is more secure for landlords/hosts.*
- *We are considering putting it on 100% long term. It's not possible under new laws to only rent for 6months, so we would be forced to switch permanently*
- 100%
- 60%

**Q29 Has your business been impacted by the Private Housing (Tenancies) (Scotland) Act 2016?\***

\*Considering the Private Residential Tenancy agreements, an owner looking to accept holiday lets and a portion of lets of over 31 days (generally in low season) now has to be a registered landlord and the guest has to sign a tenancy agreement for stays over 31 days.



	% of respondents	Number of respondents
Yes	6.5	77
No	93.5	1107

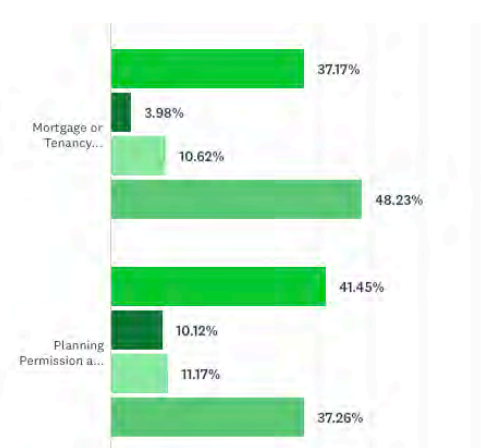
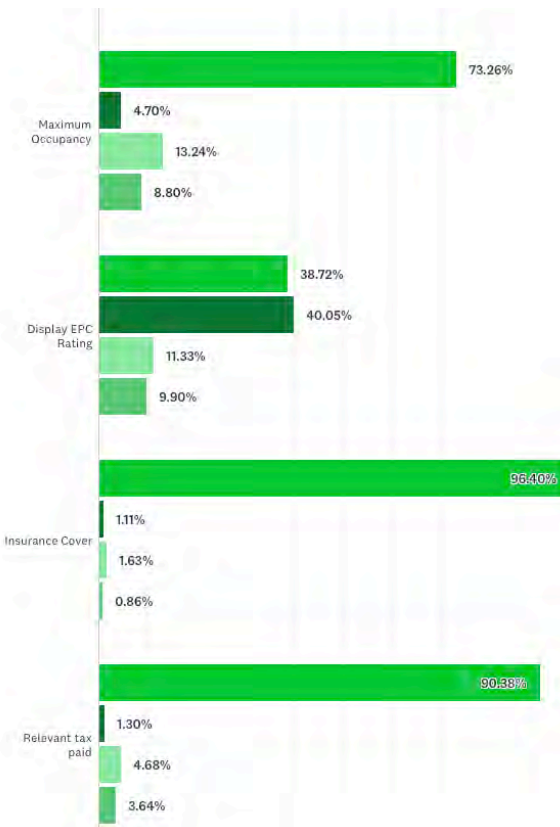
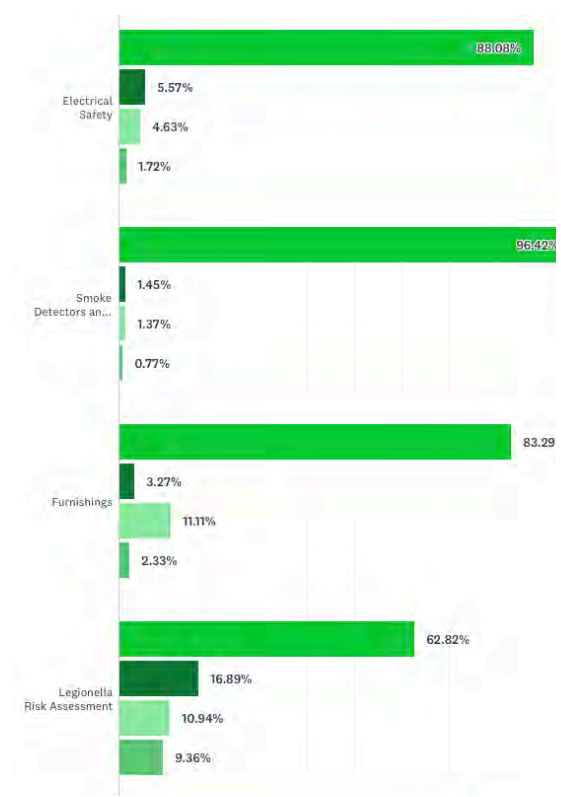
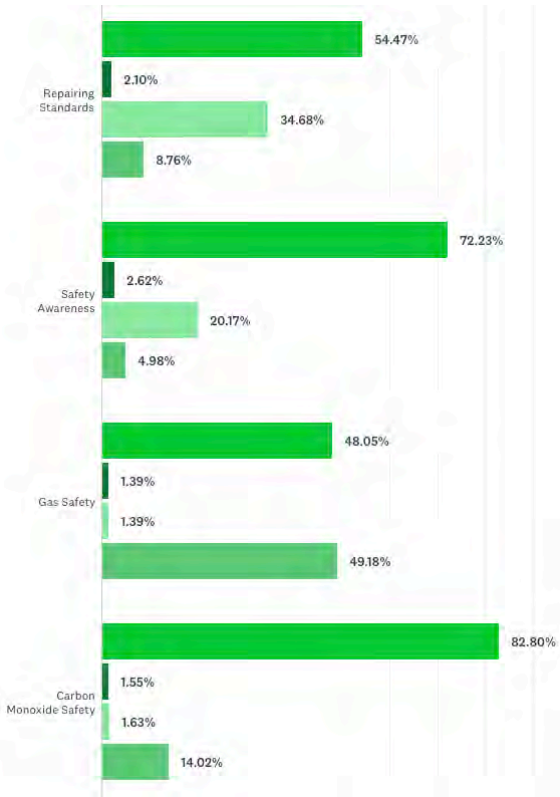
**Q30 Are you, or have you ever been, concerned about putting your head above the parapet in case you are served with an enforcement notice by City of Edinburgh Council / Glasgow City Council?**

	% of respondents	Number of respondents
Yes	6	66
No	28	331
n/a	66	780

**Q31 Which of the following proposed mandatory licence conditions do you currently comply with?**

\* As per Annex C of the consultation document

■ Yes 
 ■ No 
 ■ I dont know what that means 
 ■ n/a

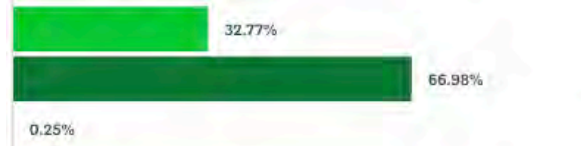


**Q32 Local authorities will have discretionary powers to add licence conditions to address local needs and concerns. Would you be comfortable with the following conditions being applied to your business?\***

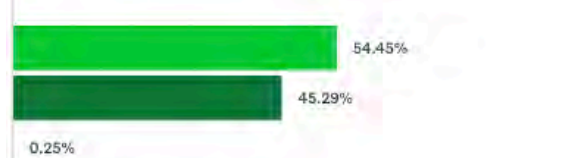
\*The conditions listed are proposed as part of the licensing scheme

Yes  
  No  
  I dont know what that means  
  n/a

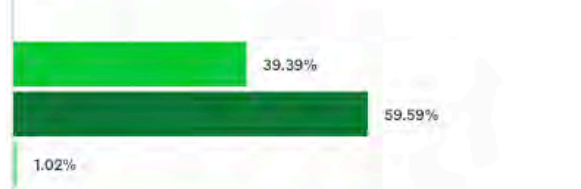
Meet and greet every guest:



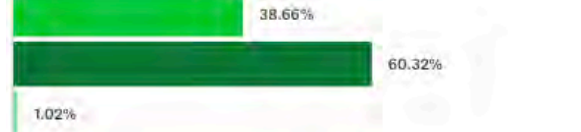
Arrival and departure curfews (e.g. not between 11pm and 7am "without a reasonable excuse"):



Local authority would need to be notified of any alterations to the layout to the property (including the number of beds or introducing bunk beds):



Local authority setting occupancy limits:



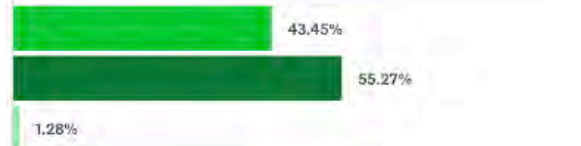
Requirement to provide 'adequate' facilities for storage and disposal of refuse and recycling:



Minimising noise: replacing wood floors with carpeted or vinyl flooring / installing door closers / noise monitoring kits:



Local authority requiring visits to inspect conditions have been met:



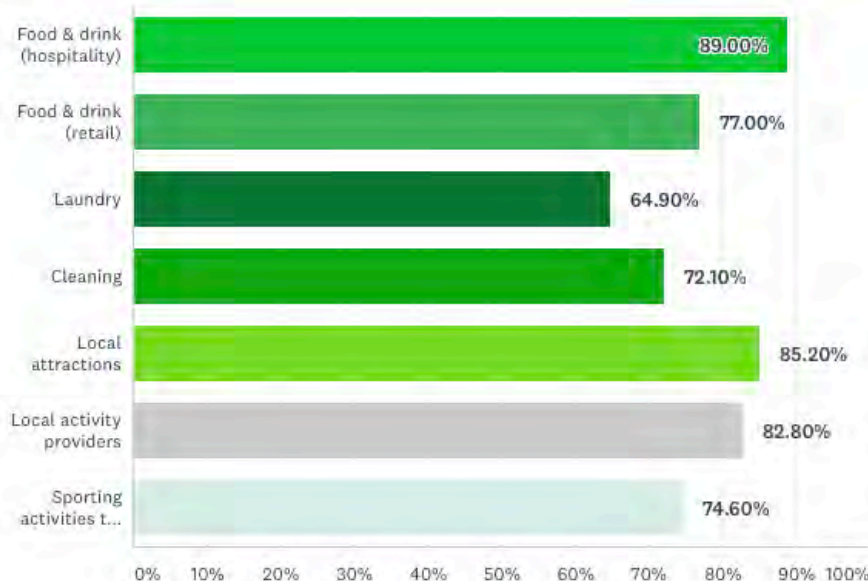
Data to be provided to local authorities on number of nights let (including number of persons per night):





### **Q33 What activities do you believe the licensing proposals may negatively impact in the wider supply chain?**

The majority of respondents feel that there is going to be a significant negative impact to businesses in the wider supply chain. This emphasises the value that STL provides to the wider economy from the operators themselves.



### **Q34 Any other comments about how STL impacts the local community?**

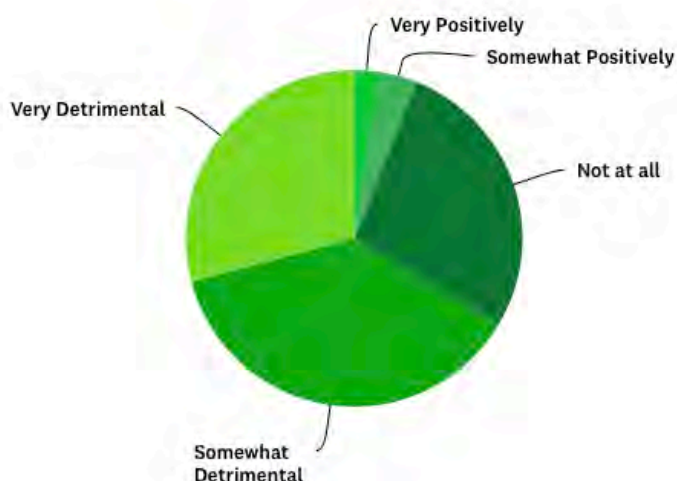
#### **Comments:**

- *"STL helps shops in the locality, taxi drivers and so much more. It also encourages more than normal upkeep of old buildings which might otherwise be less well maintained and attractive."*
- *"The impact of Covid has been devastating. We don't need more regulation to put us out of business."*
- *"It will impact all retailers and suppliers and destroy the rural economy that is fragile as best."*
- *"I built a house from scratch. I put over 100k into the local economy and employ at least 2 local people full time. I can't see any negatives for most people. They say there is a housing shortage and houses are overpriced. This is a country wide problem and is not down to self-catering properties in my opinion. I think putting these restrictions in place right now is madness for the highland economy after Covid."*
- *"Yes, it's totally unnecessary in this day an ages people are perfectly aware of standards and will soon give a place bad reviews which would reflect on there bookings. It's micro management gone mad. Already the trade waste and payment system is so overly complicated and time consuming. If the new STL are anything like the way North Ayrshire council runs there waste dept it would possible drive me to stop letting the cottage out and invest somewhere else, in England where there are less draconian rules. A higher rate will have to be charged to cover the extra costs which will deter holiday makers to come to Orkney which is already more costly than other areas."*
- *"Our island depends on tourism. All of it. STL restrictions are a blanket approach to an issue that requires precision. Not just a blatant tax levy because the government want more of a piece of the action and a cover up for the shocking way the housing has been run in the past so now we, hard working people, as usual will foot the bill."*
- *"We will see a huge rise in the already burgeoning numbers of pods and mobile accommodation - some of which is lovely (e.g. - we also have one non-standard construction holiday cabin which fully meets all safety requirements) but people will without doubt want to do more of this solely to avoid prohibitive licencing costs."*

- *“STL impacts positively on most communities. If there is a local problem, a local solution should be found. In Stirling we need more tourists and regulations like these will mean less.”*
- *“Example- our rural privately run local village shop is very seldom used by villagers as they commute to local town so use supermarkets. The little shop has been on the brink of closure but my guests buy local produce (meat packs, veg bags) as well as alcohol and other perishables and this is how they keep going as they make more of a profit on these. The locals just buy the odd pint of milk or newspaper and make no money on these. They said that they were only weeks away from closure during lockdown before guests started coming back. Further to this, our local Rural hotel with restaurant had closed its doors shortly after I started the self-catering. Major loss to us! The next hotel with restaurant is 3.5 miles away and I know for a fact that most of my guests visit there for a meal at least once during their stay. This restaurant would also suffer greatly.”*
- *“Skye depends on tourism from its shops, cafes, activities and all the new facilities that are being built, new houses, architects, artists all benefit from visitors. I remember coming as a child to Skye and my parents wanted to move up (as a dentist and a nurse they would have found jobs quickly) but you couldn't get fresh fruit and veg easily, you had to come by ferry, very expensive petrol, and lack of so much, made it unfeasible. Now Skye thrives because of the money brought in by visitors. Do we want to return to the dark ages with all the young families and people leaving? And there is no way the Highland Council can be trusted to handle this. They'll make it one big paperwork nightmare with unfair decisions made if you are not local and living on the island. Nationalism will rise and the racist comments (that peaked in Covid lockdown) will drive out so many. I think the government is wrong and turning into a draconian medieval period of council management. Shame on them.”*
- *“Tourism already at vulnerable stage of development in this area, and further destabilised by Covid. Can't believe they want to hit us when we are down. It's the extra admin that isn't mentioned...huge.”*

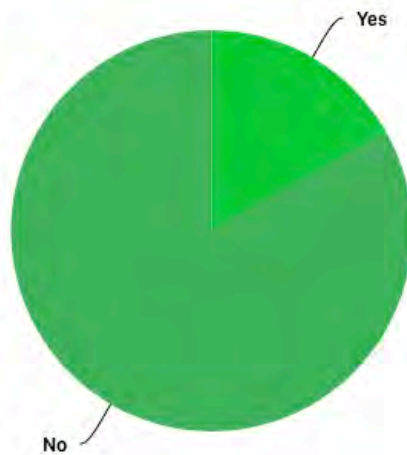
**Q35 If licensing were introduced, how would it potentially impact on your clients / guests?**

Over 66% (769) respondents feel that the introduction of licensing would have a detrimental impact on their guests.



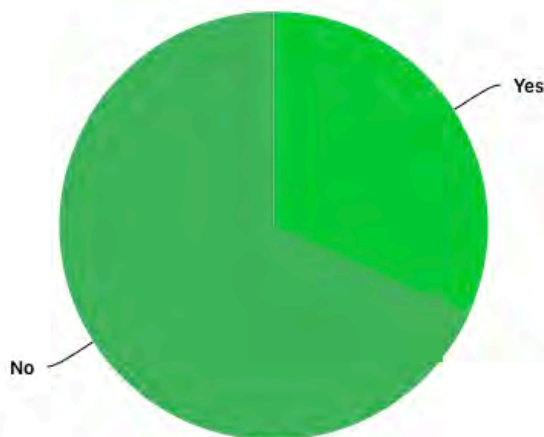
	% of respondents	Number of respondents
Very positively	2.42	28
Somewhat positively	3.63	42
Not at all	27.55	319
<b>Somewhat detrimental</b>	<b>37.31</b>	<b>432</b>
Very detrimental	29.10	337

**Q36 Are you supportive of the proposed licensing scheme for short-term let operators?**



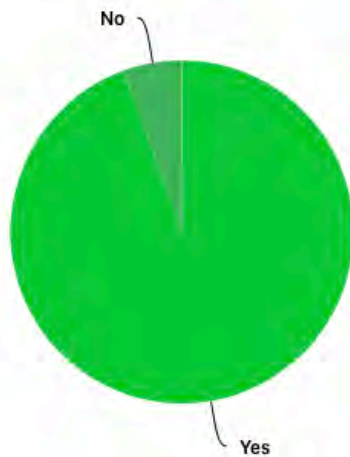
	% of respondents	Number of respondents
Yes	17	193
<b>No</b>	<b>83</b>	<b>957</b>

**Q37 Are you supportive of STL Control Zones?**



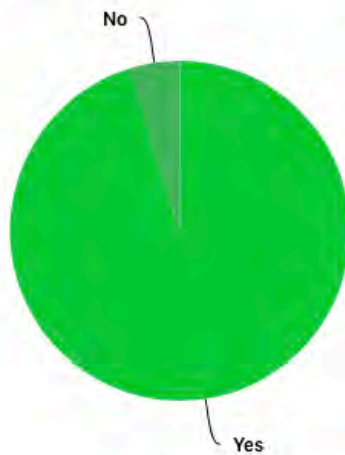
	% of respondents	Number of respondents
Yes	32	349
<b>No</b>	<b>68</b>	<b>748</b>

**Q38 Do you believe that this legislation should be delayed while the sector recovers from the Covid-19 pandemic, in line with other legislation?**



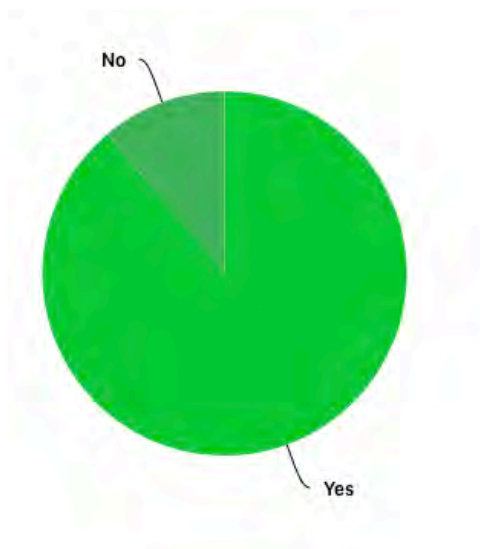
	% of respondents	Number of respondents
Yes	<b>95</b>	<b>1114</b>
No	5	64

**Q39 Do you believe that this legislation requires greater parliamentary scrutiny?**



	% of respondents	Number of respondents
Yes	<b>95</b>	<b>1107</b>
No	5	56

**Q40 Would you be supportive of a simple online registration scheme, with mandatory health and safety, (akin to Private Landlord Registration) as proposed but the ASSC?\*** [\\*https://bit.ly/2Ggndxf](https://bit.ly/2Ggndxf)



	% of respondents	Number of respondents
<b>Yes</b>	<b>89</b>	<b>1023</b>
No	11	128

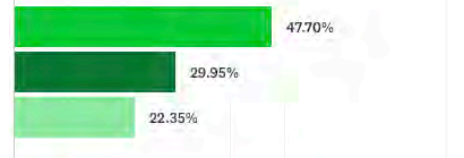
**Q41 According to Annex A of the consultation do you believe the proposed regulatory framework will be:**

Yes
  No
  I dont know what that means
  n/a

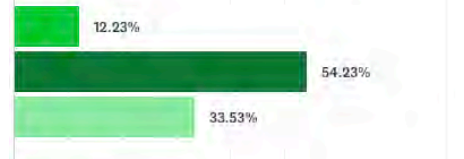
Proportionate: minimising bureaucracy and barriers to innovation or tourism and encouraging high-tech entrepreneurship, to benefit the Scottish economy



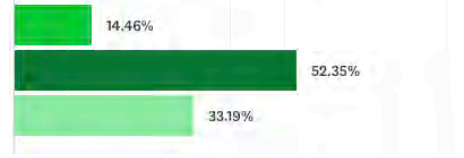
Promoting Safe Practice: for hosts, guests and local residents - includes health, fire safety and prevention of nuisance or crime



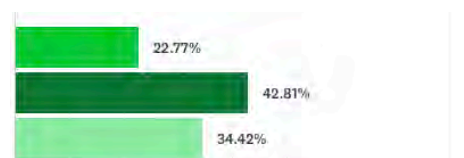
Robust: with no loopholes in regulation and taxation



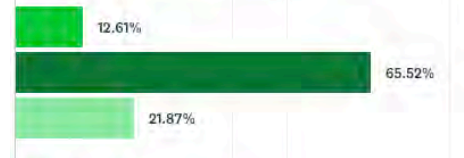
Responsive: councils are empowered to implement the regime that responds to local needs, of both residents and businesses (e.g. new festivals starting up)



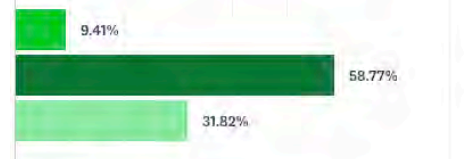
Built on existing powers and solutions as much as possible, e.g. existing noise and nuisance powers



Fair across the hospitality sector, maintaining a level playing field both between new entrants and established operators and between STL and other parts of the hospitality sector



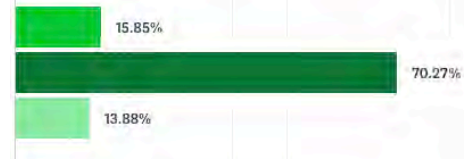
Flexible and future-proofed: not assuming that today's approaches or platforms will be the approach taken in the future



Easy to understand by all: visitors, hosts and platforms, this will aid enforcement as different participants will be able to identify compliance failures



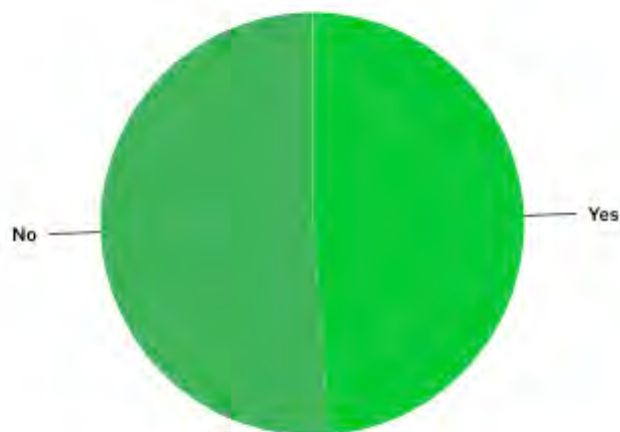
Cost effective: the approach should seek to minimise administrative costs to all participants



Straightforward and effective to enforce: making good use of existing enforcement mechanisms and data that is easy to obtain



**Q42 Would you leave the self-catering sector if this licensing scheme was introduced?**



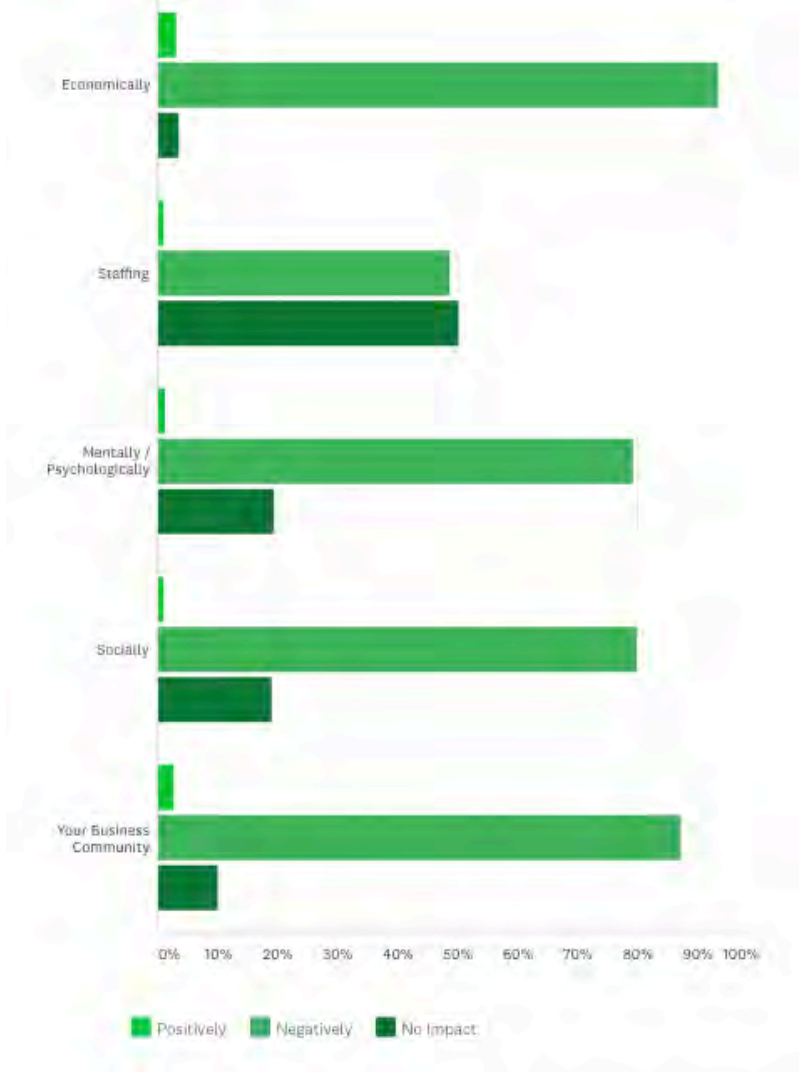
	% of respondents	Number of respondents
<b>Yes</b>	<b>49</b>	<b>531</b>
No	51	558

**Q43 If the answer is yes, what would you do with the property?**

	% of respondents	Number of respondents
Sell it	27	253
<b>Leave it empty / use for family &amp; friends</b>	<b>33</b>	<b>306</b>

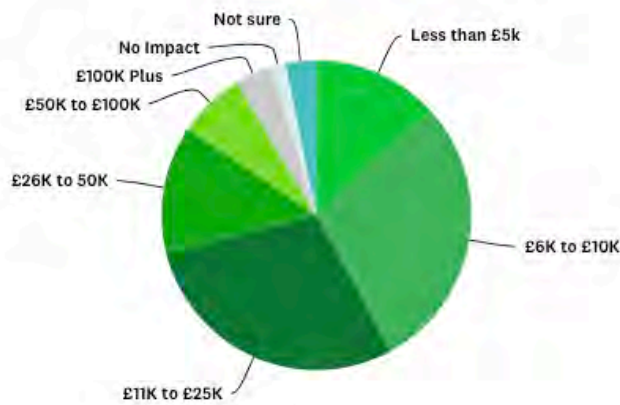
**Q44 How has your business been impacted by the Covid-19 pandemic?**

The majority of respondents confirmed a negative impact on them economically, mentally, socially and within their business community due to Covid.



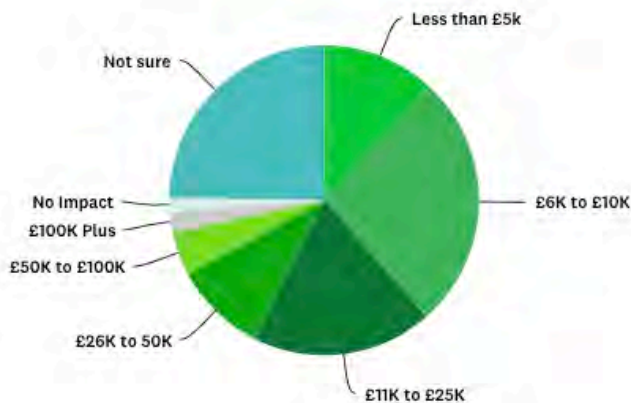


**Q45. What would you estimate the impact of Covid-19 will be to your Business for this financial year (2020/21)?**



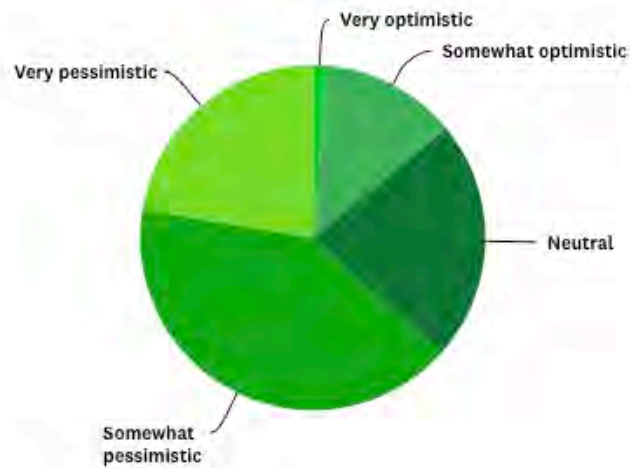
	% of respondents	Number of respondents
Less than £5k	13.26	157
£6K to £10K	28.72	340
<b>£11K to £25K</b>	<b>29.14</b>	<b>345</b>
£26K to 50K	13.34	158
£50K to £100K	6.93	82
£100K Plus	3.89	46
No Impact	1.52	18
Not sure	3.21	38

**Q46. What would you estimate the impact of Covid-19 will be to your Business for the next financial year (2021/22)?**



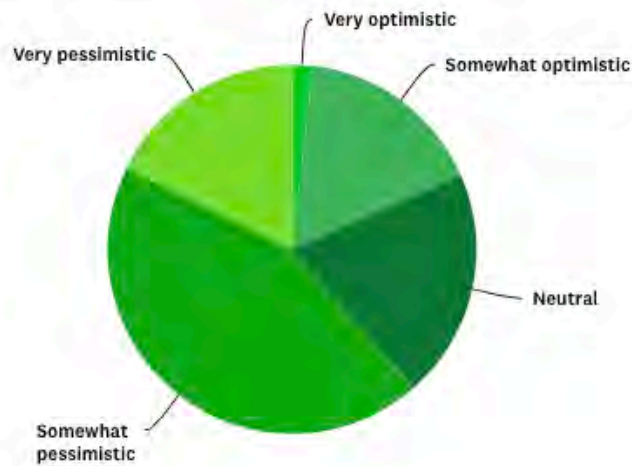
	% of respondents	Number of respondents
Less than £5k	11.99	142
<b>£6K to £10K</b>	<b>26.44</b>	<b>313</b>
£11K to £25K	19	225
£26K to 50K	9.71	115
£50K to £100K	4.56	54
£100K Plus	2.03	24
No Impact	1.52	18
Not sure	24.75	293

**Q47. How are you feeling about your business right now?**



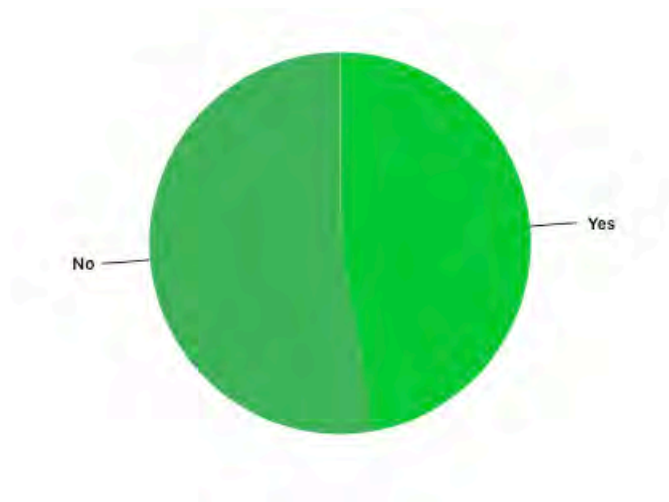
	% of respondents	Number of respondents
Very optimistic	1.44	17
Somewhat optimistic	12.67	150
Neutral	22.55	267
<b>Somewhat pessimistic</b>	<b>40.96</b>	<b>485</b>
Very pessimistic	22.38	265

**Q48. How are you feeling about your business for the next 12 to 24 months?**



	% of respondents	Number of respondents
Very optimistic	1.86	22
Somewhat optimistic	16.55	196
Neutral	20.19	239
<b>Somewhat pessimistic</b>	<b>43.67</b>	<b>517</b>
Very pessimistic	17.74	210

**Q49. Are you a Member of ASSC?**



47% of responses were from ASSC Members



# Appendix 6

## Licensing or Registration for Short-Term Lets in Scotland





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# Licensing or Registration for Short-Term Lets in Scotland

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August 2020



Association of  
Scotland's Self-Caterers

Supporting self-catering in Scotland

## Overview

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- The Association of Scotland's Self-Caterers (ASSC) welcomes the constructive and collaborative approach being taken by the Scottish Government's Short-Term Let Delivery Group. This engagement provides an opportunity to properly assess and refine the detail of the proposed short-term let regulations to ensure that there is an appropriate balance between the needs of local communities and Scotland's important tourist economy.
  - We believe that a licensing system is a blunt tool to fix a perceived and localised problem of amateur operators in Edinburgh, rather than being a solution that is appropriate for the whole of the Scotland, nor is it one that makes a necessary distinction between different types of visitor accommodation providers.
  - The ASSC remains concerned that little differentiation is made between different types of operator in what is a diverse short-term letting landscape, with potentially dire unintended consequences to the professional self-catering sector that contributes £723m to Scotland.
  - The ASSC also believe that, due to the impact of Covid-19, the potential pitfalls and shortcomings of licensing come into sharper focus in two main respects: (a) the impact for resource stretched local authorities having to deal with an influx of tens of thousands of licensing applications; and (b) the impact any disproportionate licensing system could have on the recovery of Scottish tourism.
  - The ASSC have already developed a comprehensive and robust set of policy recommendations, as set out in our Forward Together paper, which should be read in conjunction with this document.<sup>1</sup> This provides a proportionate, evidence-based and future-proofed solution for national and local government in Scotland in terms of short-term regulation.
  - Overall, the ASSC wish to work with policymakers to make the regulations work for communities and the tourism industry, recognising the Scottish Government's strength of intent to regulate, but also to ensure that anything taken forward is not disproportionate and which would threaten the fragile recovery of Scottish tourism in these challenging times.
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<sup>1</sup> ASSC, Forward Together: A Collaborative Approach to Short-Term Letting (2020).  
Url: <https://www.assc.co.uk/wp-content/uploads/2020/02/Forward-Together.pdf>

## Main Recommendations

In place of a disproportionate and blanket licensing regime in Scotland, the ASSC propose a more targeted and bespoke response as set out below:

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- The introduction of a registration scheme, with mandatory health and safety criteria, rather than licensing, as the most proportionate and achievable for local authorities in Scotland.
  - This approach recognises the Scottish Government's intention to regulate short-term lets but achieves the same policy objectives in a more proportionate and cost-effective manner.
  - Registration for letting agents and private landlords is an established and evidence-based system that encourages best practice and offers a legal framework for enforcement.
  - The Isle of Man's registration system for short-term lets also provides a useful benchmark and case study for consideration.
  - A registration scheme can also provide the data required by local authorities who may wish to consider introducing a short-term let control zone within their locality.
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## What this paper provides

1. A discussion of the intended policy objectives from short-term let regulation
2. An outline of the existing thresholds and definitions for short-term lets
3. An explanation of the diversity of short-term letting
4. A discussion of short-term let licensing if applied through the 1982 Civic Government (Scotland) Act
5. A discussion of short-term let registration, using a case study from the Isle of Man regulatory regime, as well as similar registration schemes for letting agents and landlords in Scotland.

## Short-Term Lets: What are the Regulations Trying to Achieve?

In July 2020, the Scottish Government announced that they were resuming their plans first unveiled back in January 2020 for the introduction of a licensing system, planning control areas and a review of the tax treatment of short-term lets. It is critical is to understand what the intended policy outcomes are from this and how they interrelate:

- **If the proposed licencing scheme is to deliver mandatory health and safety standards**, ASSC would state that professional operators are already heavily regulated with regard to H&S, with dedicated Fire Regulations, Anti-Social Behaviour legislation etc. These are covered as part of the ASSC's Code of Conduct.<sup>2</sup> We would be supportive of amateurs having to reach the same standards for the safety of guests to ensure a level playing field. However, we maintain that a licensing scheme is a disproportionate and heavy-handed approach.
  - Quality in Tourism (QIT) already deliver a Safe Clean and Legal accreditation scheme. They are adding a Covid overlay informed by the cleaning protocols developed for the UK wide self-catering sector by the ASSC. This could easily be mandatory and would be underpinned by a registration scheme that QIT can deliver. This would take the financial and administrative burden away from local authorities or licensing bodies and offer an independent professional accreditation body to deliver the scheme. The online registration system would be available for both Local Authorities and potential guests to check a properties compliance.
- **If the aim is to control the number of short-term lets due to pressure on housing stock**, the ASSC maintain that this has to be properly evidenced using robust data and not rely on anecdote or unreliable 'scrapings' of data using third-party websites. The ASSC have previously argued that there is a lack of data showing an empirical link between short-term lets and housing shortages and that a more holistic approach needs to be taken to the issue. Housing challenges are multifaceted and the growth of short-term lets should not be used as a convenient scapegoat. Indeed, it is worth noting that there are 5 times more empty homes than self-catering units in Scotland.<sup>3</sup>
  - The ASSC would suggest that a registration scheme would provide the data required to establish if there is a problem with short-term lets negatively impacting upon housing stock. **In order to bring in a licensing scheme, there has to be an evidenced problem (not an anecdotal one).**
  - If empirical data illustrates a negative impact on housing stock, we support the introduction of short-term let control areas under powers in the Planning (Scotland) Act 2019. Indeed, we suggested that approach <sup>4</sup>.

**In regard to the review of taxation**, the ASSC affirms that professional self-catering operators already fall within a strict regulatory framework in terms of taxation, paying business rates (with a 63% across Scotland average increase in business rates at the last revaluation, the highest increase in the hospitality sector), income tax, VAT etc. The fact that we fall within Furnished Holiday Let taxation has evidenced that the income derived from STL has led to the technical exclusion of self-caterers from the Self-Employed Income Support Scheme during Covid-19. Naturally, we believe anyone benefiting from an income from their property should follow the same existing regulatory framework. **Reviewing taxation should not be seen as part of a licensing scheme but very much a matter for both HMRC and Scottish Government to ensure is appropriate.**

## Short-Term Lets: Definitions and Thresholds

*The Importance of a Definition of Short-Term Let*

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**First and foremost, the Scottish Government need to define what is meant by a short-term let. An appropriate definition of a short-term let is necessary before any discussion of how short-lets can be regulated – this applies to both licensing and planning aspects of the Scottish Government's proposals. Moreover, a clear distinction needs to be made between professional and non-professional activity.**

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Some of the existing thresholds and definition of self-catering accommodation outlined below can help inform the discussion.

<sup>2</sup> <https://www.assc.co.uk/policy/code-of-conduct/>

<sup>3</sup> <https://www.assc.co.uk/policy/short-term-letting-and-the-housing-crisis/>

<sup>4</sup> <https://www.assc.co.uk/policy/policy-paper-the-long-term-future-for-short-term-letting/>



## Self-Catering Accommodation is defined as<sup>5</sup>:

Any lands and heritages –

a) which are not the sole or main residence of any person; and b) which either

i) are made available by a relevant person for letting, on a commercial basis and with a view to the realisation of profit, as self-catering accommodation for short periods amounting in the aggregate to 140 days or more in the financial year; or

ii) if they have not been made so available for letting in that year, are intended by a relevant person to be made so available for letting in that year and the interest of the relevant person in the lands and heritages is such as to enable him to let them for such periods.”

## Non-Domestic Rates

If the property is Available for let for under 140 days, it means the property is in the Council Tax system; if it is available for let for over 140 days, it places the property in the non-domestic rates system (Business Rates). The business applies to the Scottish Assessors Association as a Self-Catering Unit (SCU) and is given a rateable value.

## Furnished Holiday Lets

If you let your property for over 105 days, and are available for 210 days, then you are considered by HMRC to be a Furnished Holiday Let (FHL) and your income is taxed on a business basis, rather than investment income (as long term lets are). If you let a property out for 5x31 days continuously (155 days), that excludes you from FHL. FHL income is like any other business with income minus expenditure producing profit, or loss. FHL income is not submitted on your tax return as self-employed income, which had a significant impact on owners who found them ineligible for Self-Employed Income Support during Covid-19.

## HMRC

Lets of over 35 days have different VAT treatment (for VAT registered businesses).

## Short-Term Letting: A Diverse Sector

The short-term let and holiday let sector has a long history in Scotland and should not be considered to be the same as the emerging collaborative economy model of short-term lets that is perceived by some to be causing problems in city centres and a few localised rural areas.

Moreover, the current debate how to regulate short-term lets often focuses on the prevalence of 'Airbnbs' in certain parts of Edinburgh. 'Airbnb' is unhelpfully used as a shorthand and catch-all term for the entire short-term let and holiday let market. Airbnb as a company does not own or manage any properties, but merely allows individuals to share their space and market their properties to visitors.

Indeed, many misconceptions surrounding short-term lets have appeared as a direct result of the exponential growth of online platforms such as Airbnb. However, the lines can be blurred with many traditional operators now using the collaborative model as part of their route to market. The ASSC's report, Far More Than Just Houses: The Benefits of the Short-Term Rental Sector to Scotland, goes into detail<sup>6</sup>.

### The Four Models of Short-Term Lets

Overall, there are four different models of short-term letting operation, running alongside each other:



1. Traditional self-catering short-term letting (non-serviced accommodation)
2. Collaborative Economy STL via online platforms (Airbnb, Booking.com, HomeAway, HouseTrip etc) (largely non-serviced accommodation)
3. Serviced apartments (a type of furnished apartment available for short-term or long-term stays, which provide amenities along the same lines as a traditional hotel) (serviced accommodation)
4. Apart hotels (serviced accommodation).

**It is also critical to understand the difference between professional, full time operators of short-term lets and the amateur or peer-to-peer, part-time players when assessing this diverse sector.** Moreover, traditional short-term lets often have 7-day minimum stay with same day turnovers (though this has become more flexible due to market demand) and collaborative economy hosts often accept 2- or 3-night minimum stays.

<sup>5</sup> <https://www.legislation.gov.uk/ukxi/1992/2955/schedule/2/made>

<sup>6</sup> <https://www.assc.co.uk/policy/the-benefits-of-short-term-rental-in-scotland/>

## Short-Term Let Licensing

### Background

- The ASSC understands that the Scottish Government's preferred means of introducing short-term let licensing is via the Civic Government (Scotland) Act 1982 <sup>7</sup>.
- As announced in January 2020, the proposed licensing scheme will incorporate a compulsory element, underpinning safety standards for short-term lets, and additional, optional, powers for local authorities to impose further conditions or requirements where that is appropriate for their areas.
- Precise details on the licensing scheme are still to be provided by the Scottish Government.
- When the licensing scheme proposals were first announced by the Scottish Government, they were criticised by one of the country's leading licensing law experts, Stephen McGowan, who claimed that it would lead to a flood of applications that could overwhelm local authorities <sup>8</sup>. McGowan has also drawn a useful comparison with changes in the liquor licensing regime that changed in 2009 – and subsequently lead to a huge strain on council resources – and we should take cognisance of such warnings given the pressure already faced by local authorities in Scotland.

### The 1982 Act – and how could it apply to short-term lets?

- The Civic Government (Scotland) Act 1982 introduced a uniform code of law and procedure to regulate the issuing of licences by Scottish local authorities. The licensing scheme for short-term lets could therefore be another form of civic licence under the 1982 Act, and will therefore sit alongside licence variants from taxis, private hire and street traders to late hours catering, tattoo parlours amongst other things.
- The scheme of the 1982 Act is that the licensable activities are either optional or mandatory – for example, for some licence types, it is up to the local authority to decide whether a licence is needed for that activity or not.
- On the face of the Scottish Government proposals from January 2020, the safety element of the licence will be mandatory – and will be something akin to the sort of safety checks that local councils deal with HMO applications.
- However, the licence process may be the 1982 Act process – that is, requiring public site notices, consultation with police and other responsible authorities, potential objections and hearings.
- Using the 1982 Act template, there would be a holder of a license which would be subject to renewal processes and suspension processes. The licensing authority could be able to attach conditions to these licences and would be able to refuse them on grounds like suitability of location as well as a 'fit and proper person' test.
- There could be an appeal process by way of summary application to the relevant sheriff court. The renewal process would require public consultation, a site notice, the possibility of objection and a hearing.
- Once in place, the licence holder would be subject to a number of processes such as intimation of change of details, convictions and so on. A number of licensing offences would apply including, unlicensed use, which would become a criminal offence.

**The resource and financial implications of introducing licensing are therefore stark.** Stephen McGowan, partner and head of licensing in Scotland at UK law firm TLT, has outlined the potential issues with the introduction of a licensing scheme in terms of processing applications:

*"Provision will need to be made to deal with the impact of such a magnitude of applications on local authority resources. A massive rush of applications of this order could bring licensing administration to a halt, and have a knock-on effect on reporting obligations with Police Scotland and other authorities such as Fire and Building Standards, who will likely have to comment on each application. This could impact on processing times for other types of civic licence."*<sup>9</sup>

## Registration: How Does It Work in Related Sectors in Scotland?

As previously stated, the ASSC believe that a registration scheme would be preferable to short-term let licensing. Letting agents registration and the Scottish Landlords Register are two example registration schemes from the housing sector that could be used as a template for registration of short-term let operators.

### Letting Agents Registration

The Scottish Government introduced a framework for the regulation of letting agents through Part 4 of the Housing (Scotland) Act 2014<sup>10</sup> to help improve service and professionalism within the industry. This framework includes:

- Mandatory registration of letting agents<sup>11</sup>: applicants will be required to be assessed as 'fit and proper' to undertake letting agency work and meet minimum training standards to be admitted to the letting agent register.

<sup>7</sup> <http://www.legislation.gov.uk/ukpga/1982/45/contents>

<sup>8</sup> <https://www.tltsolicitors.com/insights-and-events/news/tlt-partner-warns-of-flood-of-short-term-let-licences-in-scotland/>

<sup>9</sup> <https://www.scottishlegal.com/article/licensing-expert-warns-of-flood-of-short-term-let-licences-1>

<sup>10</sup> <https://www.legislation.gov.uk/asp/2014/14/part/4>

<sup>11</sup> <https://www.mygov.scot/letting-agent-registration/>

- A statutory letting agent code of practice<sup>12</sup> which came into force on 31 January 2018. It sets out the service standards that letting agents must meet and will give tenants and landlords the ability to challenge poor practice.
- A new means of redress to the First-tier Tribunal for Scotland (Housing and Property Chamber) . Landlords, tenants and Scottish Ministers will be able to go to the tribunal where there has been a breach of the code of practice. Where an agent has failed to comply with the code, the tribunal must issue an enforcement order setting out the steps the letting agent must take to rectify the problem.
- Powers for Scottish Ministers to obtain information and of inspection, to monitor compliance and support enforcement.

Letting agents must undertake mandatory training and professional membership is required. These measures give landlords and tenants confidence in the standard of service they should expect from a letting agent and give them the means to challenge poor practice where this arises.

### *Scottish Landlords Register*

The Scottish Landlords Register is the official register of landlords of private rental properties in Scotland. It is a registration portal for all 32 local authorities in Scotland.

Private landlords are required to apply for registration with their local authority under Part 8 of the Antisocial Behaviour etc. (Scotland) Act 2004.<sup>14</sup> Operating as an unregistered landlord is a criminal offence which may be subject to a penalty on conviction of up to £50k and a ban on letting properties of up to 5 years. Enforcement of landlords can also be achieved via Fire (Scotland) Act 2005, Planning (Scotland) Act 2019, etc.

Registering before you rent out your property makes sure you meet the minimum legal requirements. Local authorities are responsible for enforcing landlord registration. All private landlords must display a current landlord registration number on any adverts to rent a property. A registration number shows that a landlord is approved by the local authority to let property. Where an application for registration has been submitted but not yet approved landlords must include the words "landlord registration pending". If you own or manage a property you are required to renew your application every 3 years.

The Scottish Landlord Register is fully accessible. It allows:

- the public to search the public register of registered landlords in Scotland
- private landlords (or anyone managing rental property on their behalf) to apply for, manage and renew their registration in one place
- Scotland's 32 local authorities to maintain the register in their area

To complete your application or renew your registration you will need information about:

- Any criminal convictions and court or tribunal judgements
- Any licences or registrations you hold, or have had refused or revoked, relating to letting or managing property
- Any accreditations you hold or have had refused or revoked, relating to letting or managing property
- Repairing standards enforcements orders (RSEOs), issued to you or your tenants
- Your addresses for the past 5 years
- Addresses of all your rental properties
- Details managing your property on your behalf
- Phone number
- Email address
- Details of all owners, including their contact details and landlord registration numbers
- Gas safety certificate
- Electrical installation condition report or a current electrical installation certificate
- Electrical appliance test details
- Fire, smoke and heat detection details
- Carbon monoxide
- Public water supply
- Energy performance certificate
- Legionella risk assessment
- Rental property insurance
- Common repairs
- Tenancy deposit

<sup>12</sup> <https://www.legislation.gov.uk/ssi/2016/133/contents/made>

<sup>13</sup> <https://www.housingandpropertychamber.scot>

<sup>14</sup> <https://www.legislation.gov.uk/asp/2004/8/contents>

You can Search the landlord register for a rental property registration by postcode to find out:

- who owns the property
- if anyone manages the property on their behalf
- which local authority the property is in
- contact address for that property
- if the landlord has a valid registration
- who that registration number belongs to
- which local authority the landlord is registered with

There are three types of landlord registration fee:

- Principal Fee: £65, increasing to £66 from 1 April 2020
- Property Fee: £15 (per let property)
- Late Application Fee: £130, increasing to £132 from 1 April 2020.

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**It remains to be seen why it is appropriate for letting agents and landlords to be subject to a registration scheme, while professional self-catering operators would have to adhere to a stricter and more onerous form of regulation through licensing. There are numerous examples of short-term let registration schemes globally but the ASSC has chosen to highlight the case study of the Isle of Man.**

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## Case Study: Isle of Man Registration System

The Isle of Man has a well-functioning system of short-term let regulation that should be considered as part of the Scottish Government's regulatory approach. The Isle of Man Tourist Act 1975<sup>15</sup> states the compulsory Registration & Grading of all tourism accommodation.

### *How it Works*

**Registration Certificate:** Once the property has met all of the pre-requisites (Public Liability Insurance, Accessibility Statement and Fire Risk Assessment) and from other Government agencies including planning, building control, fire safety, and environmental health, the property can be officially registered with the Enterprise Department. An operator can then start trading and will be issued a registration certificate which should be displayed in the property at all times.

There are two types of visitor accommodation registrations:

1. Permanent Visitor Accommodation: operating anytime across 12 months of the year
2. Homestay Visitor Accommodation: operating TT and MGP and Classic TT only.

Operating Homestay Visitor Accommodation entails registering with MiQuando<sup>16</sup> who will then come and visit a property to ensure quality and fire safety, they will then confirm registration and you will be permitted to operate for those festival periods.

If an operator wishes to operate permanent visitor accommodation, then a registration process must be followed. The registration process ensures that all legal, health and safety and accommodation quality standards have been adhered to so that the safety and wellbeing of visitors is ensured during their stay. The process differs slightly for each type of accommodation but typically requires permission is sought from Planning, Building Control, Fire Safety and Environmental Health. An operator will then be asked to complete a Fire Risk Assessment and ensure Public Liability Insurance is in place to protect visitors staying in the accommodation. Finally, an operator will be required to create an 'Accessibility Statement'. This is a clear description of how visitors are to get in and around the accommodation so that they can decide if it meets their requirements.

When the registration process is complete, the Visit Isle of Man team will send a link leading to an online form to register visitor accommodation and the operator will be required to submit the registration payment. Under the Tourist Act 1975, it is a legal requirement for all types of visitor accommodation to be registered with the Department for Enterprise. Operators are required to complete the form and submit the payment annually. Registering accommodation with the Department authorises an individual to operate 12 months of the year. It also applies to

<sup>15</sup> <https://www.visitisleofman.com/trade/business-resources/legislation/tourist-act>

<sup>16</sup> <http://www.miquando.com>

individuals looking to list rooms or properties on websites such as Airbnb and Hotels.com etc.

## The Registration Process:

The following information is taken from the Visit Isle of Man website.

- Visit Isle of Man Advisory Visit – the team will take an initial look at your property or development and provide guidance.
- Planning Permission to be sought to use your property for ‘tourist use’
- Building Control – regulation application to authorise the property to operate as a tourist premises
- Fire Safety Advice – to be followed, please see the link below in the Useful Links and Documents
- Fire Risk Assessment – to be completed
- Insurance – prior to registration confirmation of public liability insurance is required (minimum £2 million)
- Access Statement – to be created
- Complete the Registration Form and submit along with the Registration Fee
- Display the Registration Certificate provided in the accommodation
- Create your accommodation profile on visitisleofman.com
- Advertise your property and welcome your first visitors!
- Your details will be passed to an independent assessment team to organise your Star Rating Assessment visit.

There is a registration fee of £50 for an individual Self-Catering property and £100 if you wish to register more than one self-Catering property in the same location. If you wish to register more than one property in separate locations the cost will be £50 per property. You are required to complete a registration form and submit payment for your accommodation every year, by February.

Once the accommodation is registered and you have received your certificate which is to be displayed in the accommodation for visitors to see, you can advertise your property on your choice of platforms (Booking.com, Expedia, Airbnb, websites, social media, magazines). You will receive a log in for the official tourism website visitisleofman.com to advertise your accommodation free of charge. This is the ‘shop window’ to the Isle of Man and we would encourage you to create your profile. Please remember to use high quality images and include all of the information you can to showcase your accommodation.

The Visit Isle of Man team sends a list of all registered accommodation to the independent accommodation assessors (a company Quality in Tourism (QIT)). The assessors will contact you to arrange a visit to your accommodation and will provide you with a star rating. You will also receive a report from the assessors. This visit will be repeated every 2 years to ensure the quality levels and standard of the accommodation is operating at the correct star level <sup>17</sup>. **A step by step guide to the registration scheme can be downloaded from the Visit Isle of Man website <sup>18</sup>, as can quality standards for self-catering properties <sup>19</sup>.**

## Conclusion

*Overall, there are three crucial points from this paper:*

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- 1. That the Scottish Government needs to provide a legal definition of a short-term let and distinguish between professional and non-professional activity. This underpins the entire regulatory discussion.**
  - 2. To consider what we – industry, communities and government – wish to achieve through the regulations and to strike an appropriate and proportionate balance between all parties, especially in the context of the impact of Covid-19.**
  - 3. To consider whether the policy objectives of the Scottish Government can be secured through short-term let registration rather than a licensing regime.**
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<sup>17</sup> <https://www.visitisleofman.com/trade/getting-started/accommodation/self-catering>

<sup>18</sup> [https://www.visitisleofman.com/dbimngs/Self%20Catering\\_ProcessMap\\_141119.pdf](https://www.visitisleofman.com/dbimngs/Self%20Catering_ProcessMap_141119.pdf)

<sup>19</sup> [https://www.visitisleofman.com/dbimngs/Common%20Standards%20Self%20Catering\\_311019.pdf](https://www.visitisleofman.com/dbimngs/Common%20Standards%20Self%20Catering_311019.pdf)

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# Appendix 7

## Short-Term Letting & The Housing Crisis

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# Short-Term Letting and The Housing Crisis

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Association of  
Scotland's Self-Caterers

Supporting self-catering in Scotland



## Introduction

Contrary to the current media narrative, short-term lets in recent times, the self-catering and short-term letting sector has been used as a convenient scapegoat for longstanding failures in housing policy. However, the challenges facing Scotland are far more multifaceted than the existence and growth of short-term and holiday lets alone.

There have been concerns raised over the impact of increasing tourism and the growth of short-term lets on the housing market, particularly on some communities within City of Edinburgh Council and Highland Council areas. In response, the Scottish Government has recently announced proposals to regulate short-term lets, including the introduction of a licensing regime.

In taking forward measures to regulate the sector, the Association of Scotland's Self-Caterers argue that any policies must be based on accurate, reliable and empirical data. That has always guided our approach, from the written evidence submitted to the Scottish Expert Advisory Panel on the Collaborative Economy, through to our evidence supplied to the recent short-term lets consultation.

The ASSC welcomes the opportunity to share data about the holiday and short-term let sector which we believe will contribute to a more informed conversation about the appropriate regulatory framework. We are committed to creating an environment for the responsible growth of the short-term letting sector in Scotland and we hope that you find this information useful.

To take one example, back in 2018, the ASSC commissioned Frontline Consultants – a specialist research agency – to obtain more evidence about the short-term letting sector and its impact across Scotland.<sup>1</sup> This continued the ASSC's commitment to ensuring that the most accurate and reliable data is used to inform decision-making on short-term lets, an important part of Scotland's tourist economy.

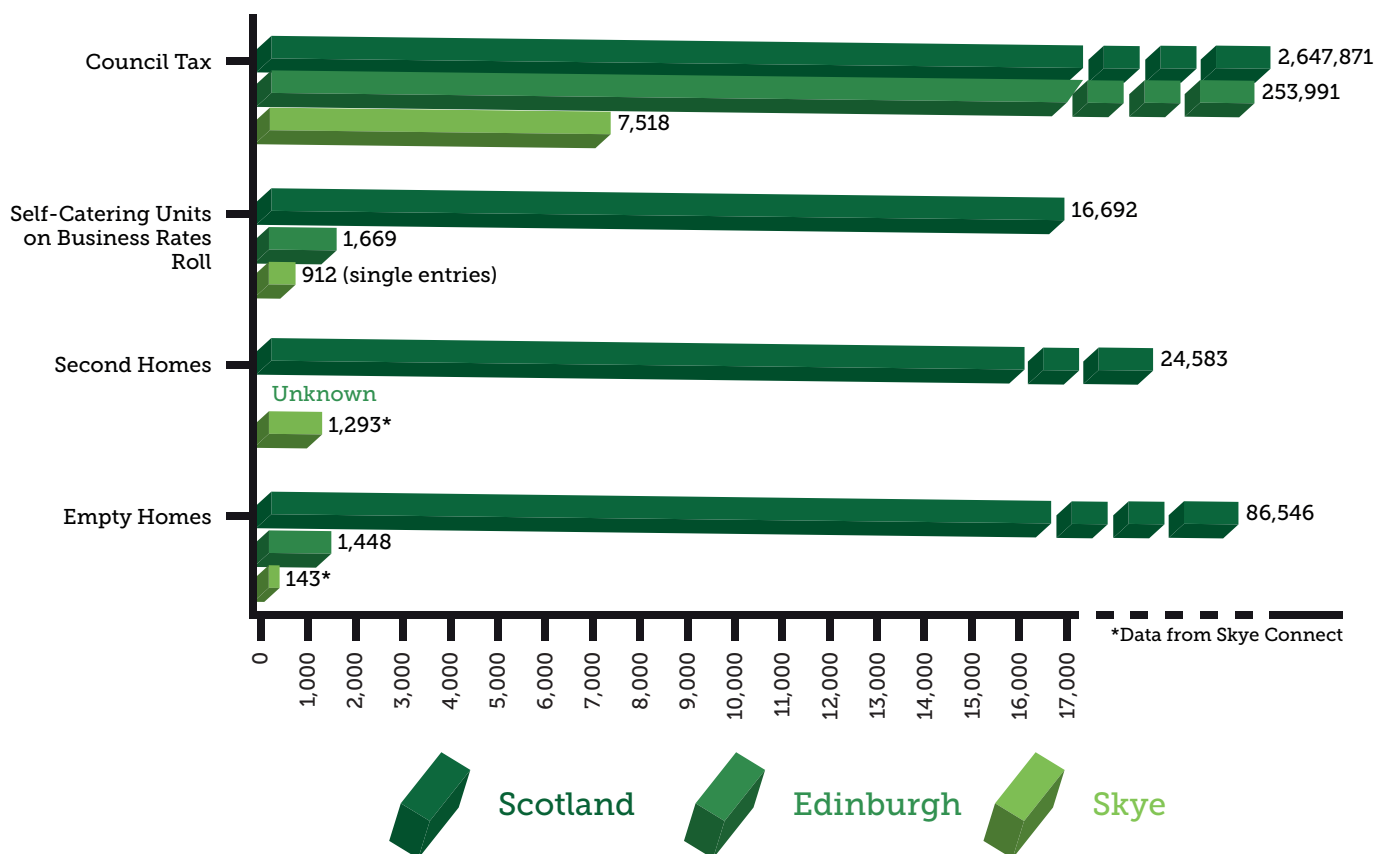
This new paper builds on that commitment, ensuring that housing challenges are viewed in a balanced and holistic context, highlighting the following:

- The number of self-catering units registered on the Business Rates Roll in two key areas: Edinburgh and Skye.
- Data from Airbnb, the industry leader in terms of accommodation platforms in Scotland, which provides background on their number of listings.
- Information on the number of second and empty homes in Scotland.

<sup>1</sup> Frontline/ASSC., Far More Than Just Houses: The Benefits of the Short-Term Rental Sector to Scotland A report by Frontline for The Association of Scotland's Self-Caterers (June 2018). Url: <https://www.assc.co.uk/wp-content/uploads/2018/06/MoreThanJustHouses.pdf>



## Council Tax / Self-Catering Units



### Edinburgh:

High level Council Tax statistics show that there are 253,991 Council Tax entries<sup>2</sup> in Edinburgh.

There are 1,669 Self-Catering Units registered on the Business Rates Roll.<sup>3</sup>

### Skye & Lochalsh:

Council Tax entries 7,518

SCU entries single 912

SCU entries multiple 30 (holiday chalets)

Robert Shepherd, Assistant Assessor and Electoral Registration Officer, Highland & Western Isles Valuation Joint Board, January 2020

### Skye Data

According to research by SkyeConnect in 2019, the total dwelling stock in Skye and Lochalsh is 7,103 of which 5,746 are permanently occupied. It is estimated that 17.2% of the dwellings are second/holiday homes and vacant dwellings account for 1.9% of the stock. There are 1089 social rented stock and 438 applications held on the housing lists. It is projected that an additional

350 housing units of all tenures are required by 2022.

There is high demand for affordable rented housing. The housing list and transfer list of The Highland Housing Register (HHR) for Skye and Lochalsh contains more than 400 applicants consistently throughout the year. Approximately 19% (85) of Council and Association re-lets occur each year. Access to home ownership is difficult due to high prices, high living costs and relatively low incomes.

The abolition of the priority need test and the requirement to provide settled accommodation for homeless applicants presents significant challenges on Skye & Raasay. There is growing evidence that private rented sector solutions may be constrained by the considerable recent increase in properties being used for tourism purposes and by the new requirements of the Private Residential Tenancy legislation which may deter private owners from making properties available for homelessness purposes

There is a lack of supported accommodation for frail older people, people with mental illness, vulnerable homeless people, people recovering from substance abuse and young people.

*SkyeConnect, in association with Lochalsh and Skye Housing Assn, 2019*

<sup>2</sup> Url: [https://www.saa.gov.uk/general-statistics/?REPORT\\_NAME=ct\\_band-report\\_list](https://www.saa.gov.uk/general-statistics/?REPORT_NAME=ct_band-report_list)

<sup>3</sup> Url: [https://www.saa.gov.uk/search/?SEARCHED=1&ST=advanced&SEARCH\\_TABLE=valuation\\_roll\\_cpsplit&TYPE\\_FLAG=C&STREET=&TPTLA=Edinburgh&POSTCODE=&ASSESSOR\\_ID=lothian&CLASS=&CORE=SELF+CATERING&CORE2=Self+catering&FEFFECTIVE\\_DATE=&TEFFECTIVE\\_DATE=&MIN\\_RV=0&MAX\\_RV=5000&AS\\_UARN=&DISPLAY\\_COUNT=10#results](https://www.saa.gov.uk/search/?SEARCHED=1&ST=advanced&SEARCH_TABLE=valuation_roll_cpsplit&TYPE_FLAG=C&STREET=&TPTLA=Edinburgh&POSTCODE=&ASSESSOR_ID=lothian&CLASS=&CORE=SELF+CATERING&CORE2=Self+catering&FEFFECTIVE_DATE=&TEFFECTIVE_DATE=&MIN_RV=0&MAX_RV=5000&AS_UARN=&DISPLAY_COUNT=10#results)

## Airbnb Data

As part of the platform's global commitment to transparency with local governments, Airbnb's submission to Scottish Government Consultation into Short-Term Lets included data about Airbnb's economic impact and host and guest community in Scotland, including that:

- There are 35,000 listings on Airbnb across Scotland
- Entire homes in Scotland listed on the Airbnb platform account for less than 1 percent of local housing stock
- 84 percent of host accounts in Scotland have one listing on the platform
- 51 percent of hosts in Edinburgh said they used the income from hosting on Airbnb to make ends meet
- 77 percent of guests who stayed with Airbnb in Scotland said they use the platform for a more local, authentic experience.

While guests using Airbnb accounted for just 3% of visitors to Scotland, the Airbnb community boosted the Scottish economy by over £693 million in 2018.

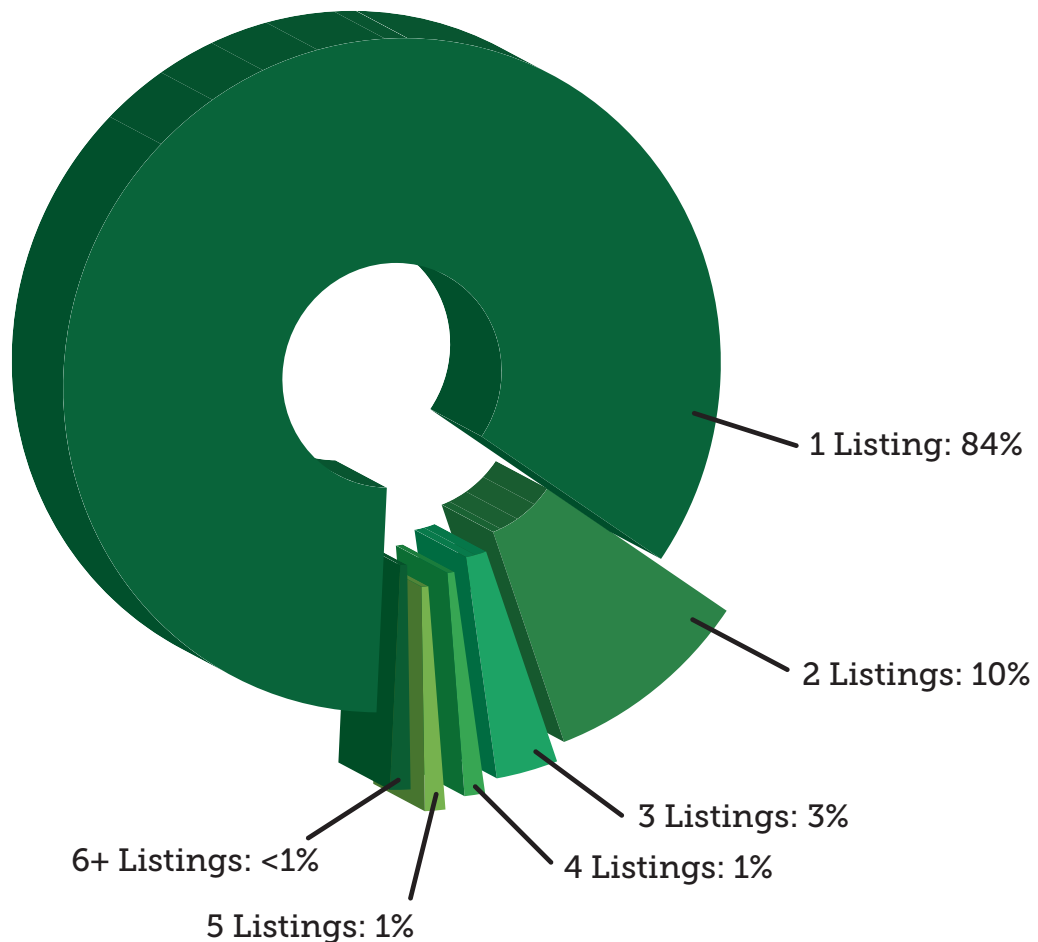
Most hosts on Airbnb in Scotland are ordinary people who want – for a variety of reasons – to use their space to host visitors and generate some extra income. Hosts

have told us this income typically helps contribute to their household costs, to passions and interests, and to support themselves and their families in small but very meaningful ways over and above their existing employment or business income.

- The vast majority (84 percent) of host accounts in Scotland have one listing on the platform, with 94 percent of hosts sharing space in one or two homes. The proportion of hosts with one or two listings on the platform (compared to hosts with three or more listings) has increased since we last provided evidence in 2017.
- **Host accounts with multiple listings are in the absolute minority of our platform. Hosts accounts with more than five properties account for just 1 percent of our total host community in Scotland.** These are typically more traditional commercial holiday letting businesses and hotels who are reaching new consumers by using Airbnb in addition to their usual marketing channels.
- Almost 80 percent of hosts surveyed in Scotland said they had no plans to change the number of listings on Airbnb in the next year.

## Number of host accounts per number of listings in Scotland

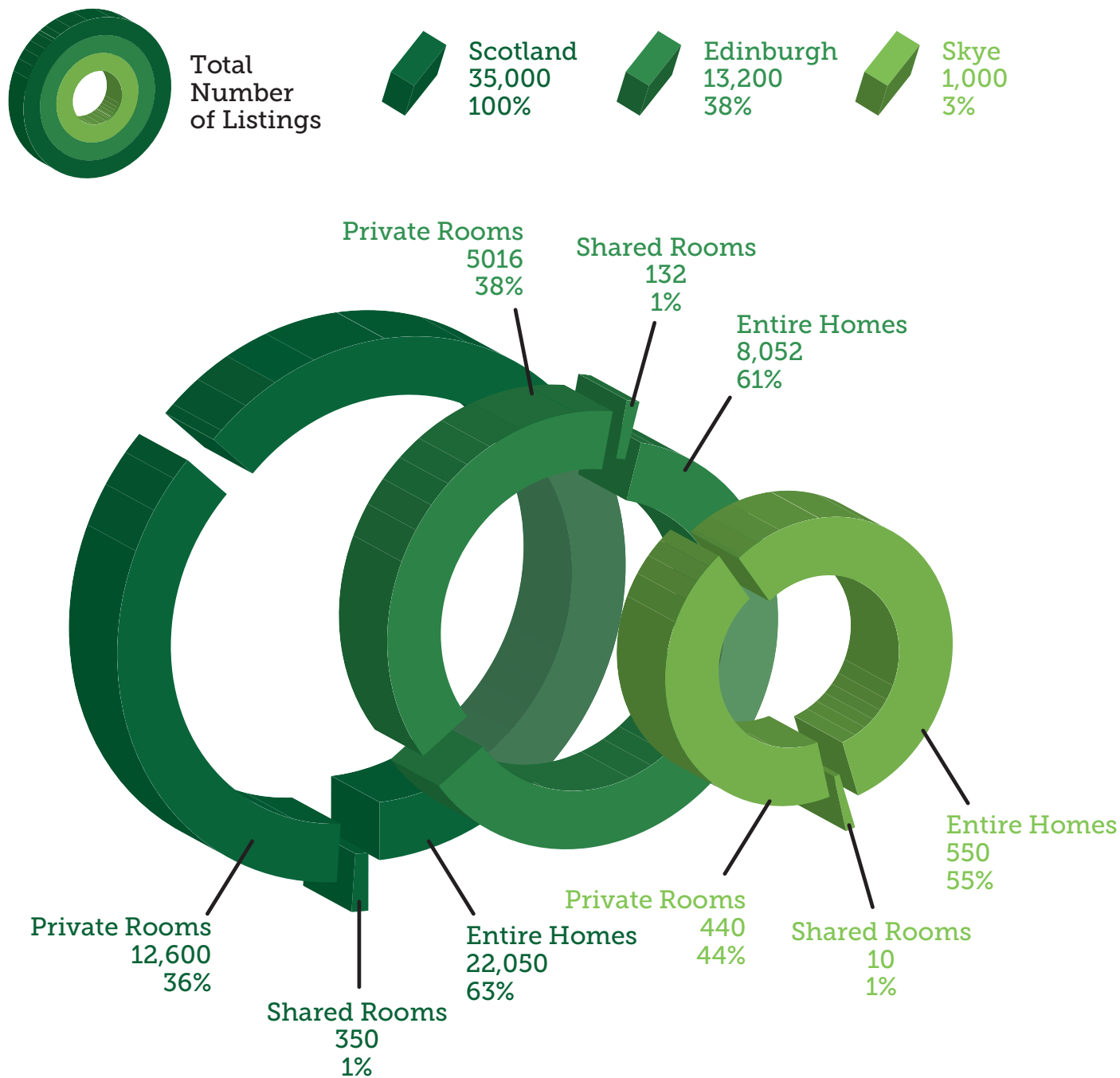
(as of 1st January 2019 in Scotland)



For absolute clarity, a single property may relate to more than one listing. For instance, some hosts choose to offer both their home as an entire home when they are away, and also offer a private room (or rooms) when they are there. This would result in that host's account displaying more than one listing on the Airbnb website. Equally, a host who appears to have multiple listings may be managing these on behalf of individual home-sharers who have only one listing each. There are a number of management companies who offer services to individual hosts, such as check-in, cleaning and account management, so while that business may be

commercially motivated, the underlying listings may still be primary homes rented occasionally. This is one of the main reasons why attempts to "scrape" the data from our platform often result in misleading conclusions.

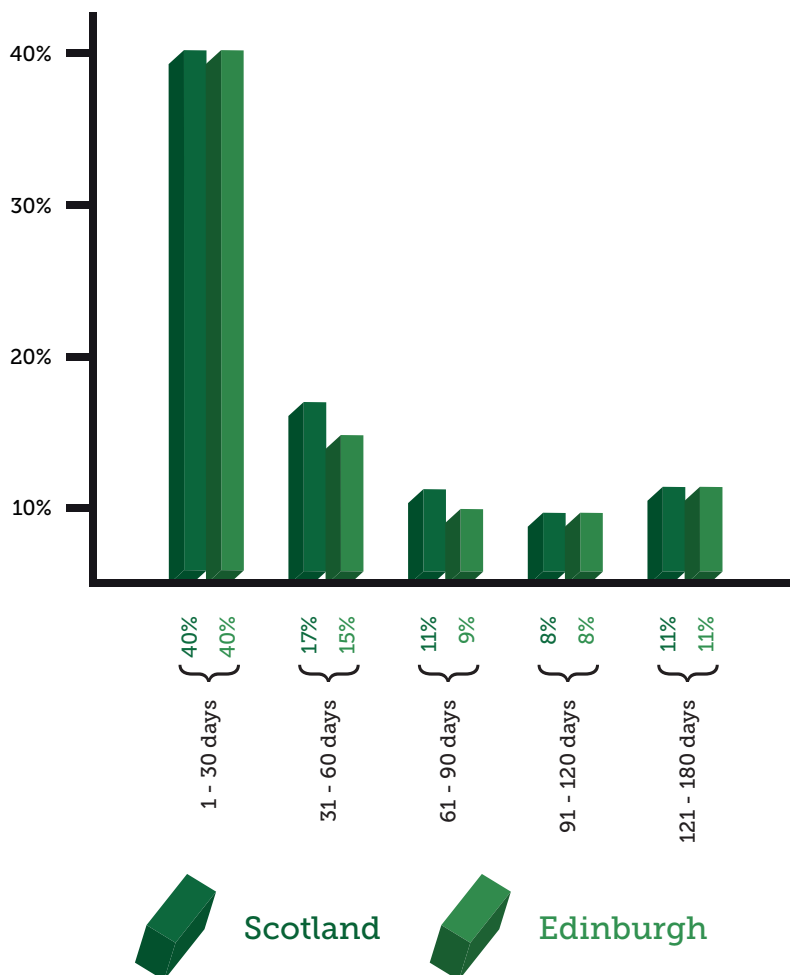
- As of January 1st 2019, there are 35,000 active listings across Scotland, out of a total 255,700 in the UK.
- The majority (63 percent) of listings in Scotland are entire homes. However, a large percentage (36 percent) of listings in Scotland are spare rooms.



On 1st January 2019, there were 13,200 listings on Airbnb in Edinburgh. 61% are entire homes, 38% are private rooms and 1% are shared rooms. 40% of all listings hosted for under 30 days per annum. 15% under 60 days. 37% over 90 days and just 18% over 180 days. 51 percent of hosts in Edinburgh have said they used the income from hosting on Airbnb to make ends meet. The Isle of Skye has 1,000 listings on Airbnb, 44% of

which are private rooms and 52% of all listings are booked for under 90 nights a year. As a historic holiday destination, many listings on Skye are classed as traditional hospitality such as B&Bs and holiday homes. Airbnb guest arrivals only make up 3% of the total tourism arrivals to the Isle of Skye, meaning 97% of guest arrivals are from other accommodation providers or day visitors.<sup>4</sup>

### Listings by nights booked (as of 1st January 2019 in Scotland)



On 1st January 2019, there were 13,200 listings on Airbnb in Edinburgh. 61% are entire homes, 38% are private rooms and 1% are shared rooms. 40% of all listings hosted for under 30 days per annum. 15% under 60 days. 37% over 90 days and just 18% over 180 days. 51 percent of hosts in Edinburgh have said they used the income from hosting on Airbnb to make ends meet. The Isle of Skye has 1,000 listings on Airbnb, 44% of which are private rooms and 52% of all listings are booked for under 90 nights a year. As a historic holiday destination, many listings on Skye are classed as traditional hospitality such as B&Bs and holiday homes. Airbnb guest arrivals only make up 3% of the total tourism arrivals to the Isle of Skye, meaning 97% of guest arrivals are from other accommodation providers or day visitors.<sup>4</sup>

For many hosts, the flexibility provided by Airbnb works for them. Sharing their space on a short-term basis allows family and friends to visit and to accommodate for busy work schedules. In addition, many hosts have told us they do not have the facilities available to let long-term tenants, they value their privacy and it is costly to find and vet long-term tenants.

- The vast majority of typical listings across Scotland (88 percent) were booked for less than half of the year. A similar pattern is visible in Scotland’s cities - for instance, 40 percent of listings in Edinburgh were booked for fewer than 30 nights
- In Edinburgh, the majority of typical listings on Airbnb are booked for under 90 nights a year (64 percent).

<sup>4</sup> Airbnb submission to Scottish Government Consultation into Short-Term Lets: Airbnb\_ Indigo House Response - November 2019.pdf

## Long-Term Empty Properties and Second Homes: Across Scotland Context

Councils classify some properties in their area as long-term empty, unoccupied, or second homes for the purposes of calculating council tax liabilities. These statuses impact on the council tax through exemptions for unoccupied properties, discounts for second homes and some long-term empty properties, or a levy for some long-term empty properties. As a result, information on the numbers of such properties is sourced from council tax statistics. It is collected annually from local authorities and is available for:

- **Unoccupied Exemptions:** generally properties which are empty and unfurnished for less than 6 months and exempt from paying council tax.
- **Long-Term Empty Properties:** properties which have been empty for more than 6 months and are liable for council tax.
- **Second Homes:** homes which are furnished and lived in for at least 25 days in a 12 month period but not as someone's main residence.\*

\*Trends over time within each of these categories should be interpreted with some caution, given that increases and decreases can be caused in part by reclassification exercises which local authorities carry out from time to time, or issues with management information systems, rather than being real changes in the numbers of properties.

Empty properties are of particular interest as they can help increase the supply of occupied housing in Scotland when brought back into use.

For 2019-20, 25 out of the 32 local authorities have removed the council tax discount on second homes, 6 will retain the 10% discount and in one local authority from 1 October 2019 a second home discount of 10% will only apply for a period of 12 months from the date the property was last occupied as a sole or main residence, following the 12 month period the discount will be removed.

The latest figures, for September 2019, show that there were 24,314 second homes, 45,583 unoccupied exemptions which have generally been empty and unfurnished for less than 6 months, and 40,963 long term empty properties that had been empty for more than 6 months. Of those that had been empty for more than 6 months, around two-thirds (27,146 or 66%) had been empty for over 12 months, and of those 17,546 had a council tax discount below 10% or a council tax increase applied under the new powers described above.<sup>5</sup>

The Scottish Empty Homes Partnership is funded by the

Scottish Government and hosted by Shelter Scotland. SEHP exists to encourage Scotland's privately-owned long-term empty homes back into use. The partnership was formed in 2010, after a review of the private rented sector identified that empty homes can play an important part in meeting Scotland's housing challenges. In 2018/19 1,128 homes were brought back into use across Scotland.<sup>6</sup>

For more information see the *SEHP annual report*<sup>7</sup>

A Housing Officer has only recently been appointed in Edinburgh, after it was revealed almost 1,500 properties have been left vacant in the Capital for more than a year. The council's own analysis shows that 1,448 homes have remained empty for at least 12 months, including 206 in the city centre, 141 in Southside/Newington, 105 in Leith and 103 in Morningside. A total of 548 empty properties have been classed as owing council tax.<sup>8</sup>

Councillor Kate Campbell, Edinburgh's housing, homelessness and fair work convener, said: "We face incredible pressure on housing supply in Edinburgh which is one of the key factors causing high rents. That's why we have committed to building 20,000 affordable homes by 2027, why we've worked so hard to bring about regulation of short term lets and why we are continuing to work on building the case for a rent pressure zone.

"While less than 1% of homes in Edinburgh are empty for more than a year, we still have close to 100 cases where we know vacant properties could be providing safe, warm and much-needed homes. Returning these homes to their proper use will be the priority of our empty homes officer and will be another important tool for increasing the number of homes available for residents to live in."<sup>9</sup>

The Herald reported that "The number of long-term empty properties and second homes in Scotland has risen for the third straight year" on 17th December 2019:

"According to official statistics published by the Scottish Government, the figure rose by 1,260 properties (2%) from 64,017 in September 2018 to 65,277.

"It is the third consecutive annual increase, although the number is 776 (1%) lower than the 66,053 properties recorded at September 2012.

"While there was a rise in the number of long-term empty properties and second homes, the number of new build homes completed rose by 18% in the year to the end of June 2019.

"A total of 21,403 homes were completed in 2019 – 3,210 more than the number of homes completed in 2018.

<sup>5</sup> Url: <https://www.gov.scot/publications/housing-statistics-scotland-quarterly-update-published-17-december-2019/pages/7/>

<sup>6</sup> Url: [http://scotland.shelter.org.uk/housing\\_policy/empty\\_homes/scottish\\_empty\\_homes\\_partnership](http://scotland.shelter.org.uk/housing_policy/empty_homes/scottish_empty_homes_partnership)

<sup>7</sup> Url: [https://1uqnv612hw1j3a0l32274f7k-wpengine.netdna-ssl.com/wp-content/uploads/2019/11/Shelter\\_Empty\\_Homes\\_Annual\\_Report\\_1819.pdf](https://1uqnv612hw1j3a0l32274f7k-wpengine.netdna-ssl.com/wp-content/uploads/2019/11/Shelter_Empty_Homes_Annual_Report_1819.pdf)

<sup>8</sup> Url: <https://www.edinburghnews.scotsman.com/news/edinburgh-council-told-get-its-act-together-over-empty-homes-150867>, 21st January

<sup>9</sup> Url: <https://www.scottishhousingnews.com/article/edinburgh-appoints-empty-homes-officer>

“It is the highest level for completions since 2008”.<sup>10</sup>

With over 80,000 empty homes in Scotland compared to 16,692 traditional short-term lets on the business rates roll. That means that there are almost five times as many empty homes in Scotland as there are self-catering units; and in light of this, the ASSC believes that more attention should be given to occupying vacant homes than suggesting self-catering units alone are adversely affecting local housing markets.

The ASSC believes building too few homes and not the impact of the STR market that is the cause of the country’s housing crisis and that decision-makers should focus on its primary drivers: the undersupply of land, the complexity of the planning process, lack of investment and capacity challenges in construction.

- A report was produced in response to the enquiry<sup>11</sup>

	Second Homes	Empty properties			Unoccupied Exemptions
		6 months or more	12 months or more	12 months or more and where a discount below 10% or an increase has been applied	
<b>SCOTLAND</b>	<b>24,314</b>	<b>40,963</b>	<b>27,146</b>	<b>17,546</b>	<b>45,485</b>
Aberdeen City	905	3,790	1,919	1,181	2,096
Aberdeenshire	1,244	2,975	2,227	1,478	2,718
Angus	439	1,351	1,041	369	1,258
Argyll and Bute	3,131	1,330	707	571	905
Clackmannanshire	50	153	73	61	460
Dumfries and Galloway	1,437	1,773	1,370	1,370	1,455
Dundee City	365	1,209	551	376	1,764
East Ayrshire	132	768	535	530	1,375
East Dunbartonshire	72	225	225	132	420
East Lothian	513	376	241	135	575
East Renfrewshire	67	120	120	0	385
Edinburgh, City of	1,809	5,608	2,972	1,361	3,009
Falkirk	2	774	644	327	1,006
Fife	2,392	2,690	2,007	1,149	2,950
Glasgow City	615	2,751	2,731	1,263	5,526
Highland	3,829	2,107	2,039	1,486	2,001
Inverclyde	121	674	541	462	1,188
Midlothian	55	306	306	132	488
Moray	810	921	549	439	940
Na h-Eileanan Siar	829	553	448	280	664
North Ayrshire	1,538	1,010	459	429	1,188
North Lanarkshire	84	1,637	1,028	609	1,599
Orkney Islands	395	287	0	0	397
Perth and Kinross	1,081	1,308	745	688	1,463
Renfrewshire	164	625	251	192	1,725
Scottish Borders	968	1,443	845	760	1,463
Shetland Islands	165	524	389	0	246
South Ayrshire	473	749	243	243	968
South Lanarkshire	203	1,266	1,099	725	2,707
Stirling	342	589	477	477	710
West Dunbartonshire	2	439	141	98	803
West Lothian	82	632	223	223	1,033

Source: CTAXBASE for each year.

This information was first collected in 2013.

The introduction of discretionary powers in 2013, along with associated improvements in the data held by local authorities, have led to the re- A return of '0' can mean that the local authority was not able to derive the figures from their IT system.

<sup>10</sup> Url: <https://www.heraldsotland.com/news/18106450.rise-number-long-term-empty-properties-second-homes-scotland/>

<sup>11</sup> Url: <https://sp-bpr-en-prod-cdnep.azureedge.net/published/LGC/2019/11/10/Empty-Homes-in-Scotland/LGCS052019R10.pdf>

<sup>12</sup> Url: <https://www2.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/HSfS/LTEmpysecondhomes/EmptySecondhometables>



Long term empty <sup>1</sup> properties, 2005 - 2019															
	2005	2006	2007	2008	2009	2010	2011	2012	2013 <sup>a</sup>	2014 <sup>a</sup>	2015 <sup>a</sup>	2016 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>a</sup>
<b>Scotland</b>	<b>16,313</b>	<b>16,666</b>	<b>20,328</b>	<b>22,784</b>	<b>22,169</b>	<b>24,598</b>	<b>25,366</b>	<b>25,454</b>	<b>27,327</b>	<b>31,884</b>	<b>36,419</b>	<b>35,725</b>	<b>37,135</b>	<b>39,110</b>	<b>40,963</b>
Aberdeen City	626	1,177	1,207	990	909	825	944	849	369	691	2,914	1,896	2,609	2,989	3,790
Aberdeenshire	1,375	1,545	1,541	1,639	1,850	1,980	2,101	2,364	2,392	2,012	1,597	1,992	2,427	2,856	2,975
Angus <sup>2</sup>	0	0	18	1,357	1,385	1,449	1,506	1,035	847	726	1,113	1,253	1,184	1,309	1,351
Argyll & Bute	392	573	590	571	578	631	718	759	1,422	1,358	1,385	1,466	1,195	1,277	1,330
Clackmannanshire <sup>3</sup>	0	0	0	0	0	0	0	0	0	294	159	127	111	167	153
Dumfries & Galloway	708	686	673	695	765	767	823	904	1,009	1,166	899	1,649	1,643	1,702	1,773
Dundee City	0	0	1,114	942	762	837	570	568	520	599	1,546	1,503	1,389	1,305	1,209
East Ayrshire	425	480	593	523	447	479	486	640	618	735	862	973	861	765	768
East Dunbartonshire	0	173	185	169	233	148	150	119	118	120	164	164	175	213	225
East Lothian <sup>4</sup>	589	547	560	619	670	341	340	286	413	384	357	364	375	386	376
East Renfrewshire <sup>5</sup>	241	209	231	240	64	57	73	72	44	28	129	110	125	136	120
Edinburgh, City of	1,239	1,437	2,356	2,393	2,434	2,552	2,244	2,141	2,471	1,770	4,922	4,997	5,046	5,332	5,608
Falkirk	606	355	364	374	386	346	391	384	536	693	639	762	816	794	774
Fife <sup>6</sup>	669	1,114	722	1,483	599	1,689	1,724	1,657	1,831	4,931	4,063	2,792	2,837	2,914	2,690
Glasgow City	4,571	1,245	1,501	1,740	1,621	1,805	2,153	2,535	2,702	2,685	2,437	2,669	2,844	2,630	2,751
Highland	0	0	999	1,119	1,321	1,345	1,402	1,512	1,322	1,159	624	1,317	1,539	1,857	2,107
Inverclyde	0	802	787	763	784	784	626	597	592	566	613	692	647	623	674
Midlothian <sup>4</sup>	40	45	53	64	71	309	382	361	413	406	441	358	285	297	306
Moray	638	640	628	753	778	999	1,134	1,141	1,035	911	831	830	867	911	921
Na h-Eileanan Siar	0	224	301	301	298	295	288	258	88	259	291	273	522	507	553
North Ayrshire	0	677	989	1,013	1,043	1,170	1,230	1,285	1,379	1,412	1,349	646	1,049	956	1,010
North Lanarkshire	608	721	508	438	568	500	510	543	914	647	902	929	979	1,545	1,637
Orkney Islands	293	181	161	163	155	142	144	162	186	316	306	329	303	301	287
Perth & Kinross	0	489	577	577	671	797	903	898	845	1,631	1,405	1,343	1,290	1,308	1,308
Renfrewshire <sup>3</sup>	0	0	0	0	0	0	0	0	1,150	1,172	1,148	1,040	813	676	625
Scottish Borders	0	1,028	1,088	1,111	1,266	1,342	1,422	1,488	1,379	1,421	1,362	1,379	1,419	1,469	1,443
Shetland Islands	336	234	389	399	379	385	384	385	378	425	476	504	507	526	524
South Ayrshire	336	400	324	309	515	549	537	502	492	509	545	710	776	762	749
South Lanarkshire	511	428	520	757	948	1,004	883	755	666	941	845	858	853	928	1,266
Stirling	245	160	165	176	353	399	494	550	401	633	593	589	588	600	589
West Dunbartonshire	696	563	551	397	395	288	389	363	361	530	606	370	378	383	439
West Lothian <sup>7</sup>	169	523	633	709	501	384	425	281	434	754	896	841	683	686	632

## Conclusion

As the leading trade association for the traditional holiday and short-term let sector, the ASSC values the opportunity to engage in holistic and evidence-based discussions about housing in Scotland.

The ASSC supports sustainable tourism and the managed growth of the short-term letting sector in Scotland. Short term rentals are not new and have a long history in Scotland but recent political and media scrutiny has been almost exclusively negative in tone and does not provide an accurate picture of our sector and the role it plays in the tourist economy.

As our research has demonstrated, there are almost five times as many empty homes than self-catering units across Scotland and Airbnb represents only 1% if the

housing stock in Scotland. There is a lack of quantitative evidence demonstrating that short-term lets are a significant or primary driver of increased rents, are affecting housing supply, or are pushing up house prices. When housing demand and the level of empty housing is set against the number of self-catering units, it suggests self-catering activity is not of a scale sufficient to affect housing supply issues in Scotland.

Overall, the ASSC maintains that more needs to be done to address the problem of empty homes in Scotland when policymakers focus on tackling Scotland's housing challenges. Ultimately, building too few homes remains the core cause of Scotland's housing problems, not the holiday let sector.

### ASSC is grateful for data and advice from:

- **Robert McDonald**, Divisional Assessor, Dunbartonshire and Argyll & Bute Valuation Joint Board, Scottish Assessors Association
- **Robert Shepherd**, Assistant Assessor and Electoral Registration Officer, Highland & Western Isles Valuation Joint Board
- **Nick Chapman**, Assistant Assessor, Lothian Valuation Joint Board
- **Marie Lorimer**, UK Policy Advisor, Airbnb
- **Paul Stewart**, Empty Homes Advisor, Scottish Empty Homes Partnership
- **Alistair Danter**, SkyeConnect
- **Suzanne Hamilton**, Frontline Consultants

<sup>13</sup> Url: <https://www2.gov.scot/Topics/Statistics/Browse/Housing-Regeneration/HSfS/LTemptysecondhomes/EmptySecondhometables>

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## Appendix 8

### ASSC Code of Conduct for Members

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## **Code of Conduct for Short-Term Letting Operators and/or their Agents**

### **Protecting Short-term let operators and their guests**

#### **Short-term let operators or their agents will:**

- ensure that contact information is clearly visible on their websites;
- provide guests with dedicated contact details to register complaints or report any issues during their stay;
- ensure that terms and conditions are easily available on their websites, including cancellation policy and security or housekeeping deposits;
- protect the personal data of guests in accordance with data protection and privacy law;
- undertake regular Fire Risk Assessments and show due diligence with regards to fire safety;
- comply with all health and safety standards which apply to short-term letting in the relevant jurisdiction, and to show a duty of care;
- provide guests with information on how to exit the building safely in case of emergency and emergency services numbers;
- delist guests who have been proven to be in serious breach of their terms and conditions, for example committing fraud or causing major damage;
- have in place relevant insurance protection including public liability;
- Ensure that the booking process covers terms of rental, to include:
  - Maximum number of occupants
  - Minimum age for lead guest
  - The lead guest to be responsible for any nuisance or damage
  - The apartment rental is for holiday (or business) purposes only and any other use, including parties, is by prior permission only
  - Visitors are not permitted to the apartment without prior permission

### **Supporting enforcement**

#### **Short-term let operators or their agents will:**

- Ensure that they are aware of local planning guidelines and assess if Change of Use planning permission is required.
- Ensure that accommodation adheres to the appropriate Building Standards regulations.
- seek guidance from the relevant local authority on any local rules that may apply to short-term letting which are specific to their area;
- understand obligations to landlords and/or mortgage/insurance providers before a property is used for short-term letting.

## **Maintaining residential amenity**

### **Short-term let operators or their agents will:**

- communicate to guests that use of the property is for holiday or business only and any other use, including parties, is by prior permission only;
- communicate to guests that visitors to the property are not permitted without prior permission;
- communication to guests that the number of persons booked may not be exceeded;
- encourage all guests to be mindful of neighbours when coming in late, to not make excessive noise and to read the 'house rules' which should be provided;
- ensure cleaners or other service providers show respect to neighbours when such services are being performed;
- display a notice in the property or guest handbook asking guests to respect neighbours;
- have clear instructions for rubbish and recycling which meet the local guidelines for collection and responsible removal or ensure that rubbish is removed and uplifted at each changeover;
- provide dedicated contact details for members of the public or local authorities to register complaints.

## **Supporting tourism and local business**

### **Short-term let operators or their agents will:**

- share information with guests about local businesses they can visit, to help promote local businesses and tourism.
- Be a member of a trade body representing the sector, the local tourism group or Destination Management Organisation (DMO); Chamber of Commerce or Federation of Small Businesses (FSB).
- Be registered as commercial, paying Business Rates rather than Council Tax, paying for commercial refuse uplift and water rates if applicable on any property that is available for letting for more than 140 days per year.
- Be committed to quality and register with a recognised online review site.

### **Agents acting for short-term let operators will:**

- Provide the businesses they represent with a copy of this code, and encourage its use.
- have processes in place to remove fake listings once notified by the appropriate authorities;
- delist any short term let operator found to be acting in a discriminatory way to potential guests once notified by the appropriate authorities;
- have processes in place to help prevent fraud such as identity verification of short term let operators and guests;
- provide short term let operators with guidance on how to protect themselves against fraud;
- protect the personal data of short term let operators and guests in accordance with data protection and privacy law;

- always promote responsible short term letting and compliance with local regulations, including in all public advertising campaigns; and remove any listing proven to be in breach of applicable regulations once notified by the appropriate authorities.

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## Appendix 9

### Notes on Drafting of Licensing SSI

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## Note re the Civic Government (Scotland) 1982 (Licensing of Short-term Lets) Order 2021

1. At section 2(2)(b) – this refers to “the agreement”. There is an issue here with identifying who the agreement is made with. This may already be an issue for short-term lets if someone were to make a booking as a surprise or gift. In any event this needs to be clarified. This is perhaps for the written guidance.
2. Section 2(4) and (5) defines immediate family member for the purposes of determining whether an agreement, and therefore a licence, is necessary. This refers to qualifying relationships and qualifying relatives. A qualifying relationship is defined as people who are married, in a civil partnership or living together as though they were married. This misses reference at (3) to those living together as though they were married or “as though they were in a civil partnership”. This also does not take into account those who are partners but do not live together. Qualifying relative refers to a parent, grandparent, child, grandchild or sibling and confirms at sub section (5)(d) that a step child is regarded as a child. The section also confirms that someone as to be regarded as a child if they are being treated by that person as a child and step siblings are to be regarded as siblings but they must have one parent in common so siblings “in law” are not included which seems remiss.
3. Section 3(3) defines the designation of activity and confirms that separately bookable accommodation is a single activity if all the accommodation is located in a single site and it has shared facilities such as toilet, washing facilities or kitchen. This is going to have to be clarified in the written guidance. There is no information on whether a site with static caravans which all have their own kitchens and bathroom facilities but which share on site facilities such as reception, restaurant/takeaway, laundry facilities and similar are then one unit.
4. Schedule 1 at clause 1 defines excluded accommodation which again will require some clarification within the written guidance. While all premises holding a premises licence (alcohol licence) under the current liquor licensing legislation are excluded, there is no additional definition of hotel, boarding house or guest house. Aparthotel, hostel, serviced apartment, student accommodation and static are all defined in the schedule.
5. Schedule 2 amends section 5 of the current Civic Government (Scotland) Act 1982 (“the 1982 Act”). Schedule 2 modifies warrants authorising entry. At present, section 5 of the 1982 Act gives powers of inspection to “an authorised officer of the licensing authority, an authorised civilian employee or a constable”. This is currently restricted to the situation where a licence is in force or has been applied for. The section further defines that the purposes must directly relate, where a licence is in force, to establishing whether the terms of the licence are being complied with and if they are not, obtaining information in respect of the non-compliance and obtaining any information in relation to the issue of whether the terms of the licence should be varied, whether the licence should be renewed or whether it should be suspended or revoked. Where a licence application is pending then the purpose must be to obtain information relevant to the question of whether the application should be granted. Schedule 2 extends this by providing that a Sheriff or Justice of the Peace may authorise any person entitled to exercise a right already stated in section 5 (that being the authorised officer of a licensing authority, an authorised civilian employee or a constable), to enter premises and the warrant can be granted if, by evidence on oath, there are reasonable grounds for exercise of

the right of access. The reasons are concerning. These are contained at Schedule 2, clause 1 which inserts a new section 5A(2)(b) to the 1982 Act. The reasons are extended to include where: the exercise of the right of access in relation to the premises has been refused; that such a refusal is reasonably expected; that the land or premises are unoccupied; that the occupier is temporarily absent; that the case is of urgency; or that an application for admission would defeat the object of the proposed entry. This may require clarification in the written guidance but also will come down to individual court hearings. There is a great potential for breach of Natural Justice here. If the access has been refused, the circumstances of that would have to be narrated clearly to establish why. If a refusal is reasonably expected, again that is very subjective and information would have to be given to establish why the refusal is reasonably expected. Surely subsection (i) and subsection (vi) deal with this – in this section circumstances are that entry has either been sought and refused or applying for entry would defeat the object of the proposed entry (it may be those seeking access are concerned evidence of wrong doing would be hidden if the operators knew they were coming to obtain entry). Whether something is “reasonably expected” is very difficult to establish and even more so if the hearing is taking place without the operators’ or occupiers’ knowledge and attendance. There is a requirement that at Schedule 2, clause 1(3) that the Sheriff or Justice may not be satisfied that the condition specified in (i) to (vi) has been met unless they are also satisfied that a notice of intention to apply for the warrant has been given to the occupier of the premises concerned. This does not mean notice has to be given – the section says “may not be satisfied”. This means if (vi) refers to the fact an application for admission would defeat the object of the proposed entry, there would be unlikely to then be a necessity to show notice. Where the land or premises are unoccupied is also a concern as they may simply be unoccupied because they are between tenants. This also refers to the occupier being temporarily absent. Does this also cover overnight or being closed due to circumstances out with their control such as at present with the coronavirus pandemic? Again written guidance is going to have to cover this.

6. Notice referred to at Schedule 2, clause 1(3) also refers to the occupier of the premises. How can notice be given to the occupier? Is notice served on the premises? If the premises are unoccupied or the occupier is temporarily absent that is not going to assist and does not allow the owner of the premises any say in this matter. A landlord and owner would then not know that access is being required to their premises because someone in authority believe there is wrongdoing. It may be the application is in the name of the owner, not the occupier, but this section of the Act makes no provision for that. This section should be extended to include reference to owner as owners can be identified easily from the Land Register or the Register of Sasines.
7. At Schedule 2, clause 2 in relation to the information required on applications, the definition of owner and joint owners will require to be clarified in the written guidance. If an owner is a partnership, the legal entity which owns that property is the partnership not the individual partners. This is something which would be useful to clarify not only to applicants but also to licensing board members and those processing applications. It is important they are not seeking consent from each individual in a partnership but recognising that a partnership is a legal entity and anyone giving consent on behalf of the partnership, even if that is a representative such as a solicitor, accountant or business advisor, that should be acceptable. Authorisation to act on behalf of the owners should also be something which can be taken as read if the person is a professional such as a solicitor or accountant as they would already

require to have engaged that person/entity and assure themselves of their instructions. If the individual purports to act for someone else in a non-professional capacity there may require to be some reference in the written guidance as to how that is established. For example, if an objector at an application being heard at a licensing committee is unable to attend and sends a lay person to attend on their behalf, is they require to have written authority from the original objector to attend.

8. Schedule 2, clause 3 refers to a temporary exemption for the requirement to have a licence but does not address temporarily exemption from sections of property. It may be this can be covered in the written guidance. Clearly if a property is unable to function because of damage, renovation or similar, it can be exempted for the requirement to have a licence. This can also be for a particular occasion. This may be if the operator is having a large group to the premises for a family event, where there will be individuals staying who do not meet the definition of immediate family member. The written guidance should refer to situations where certain sections of the premises are not able to be operated such as bedrooms damaged or being repainted. This should then confirm that there would not be a requirement to seek temporary exemption but that the operator would need to consider any restriction to the use of the premises, identify any health and safety risks and secure that area of the premises, identify if the premises could still be used (for example, are there sufficient sanitary facilities, kitchen facilities etc) and also identify if the issue was in relation to bedrooms or other facilities what effect this has on the occupant capacity of the premises. This should be something which is left to the good management of the licence holder and should not require specific intervention by the licensing committee, the council or a temporary exemption.
9. Schedule 2, clause 4 modifies Schedule 1 of the 1982 Act. Schedule 1, clause 2 of the 1982 Act refers to advertising and notices regarding an application. This amends the requirement and gives the licensing authority the right to either send a notice to neighbours or display a notice. This is very unusual as the notice requires to be displayed at the premises and also gives the right not to publish a notice where the licensing authority has given or published a planning notice. This is a departure from the current procedure of the 1982 Act re applications for licences but with no explanation for that departure. This does not clarify that the licensing authority does not require to issue a licensing notice if it has issued a combined licensing and planning notice, as referred to at Schedule 1 at clause 4(b) where a new clause 2C of the 1982 Act is added, or just a planning notice. That would mean no specific licensing notice was needed. It is unusual for the licensing authority to put the notice up. This will require a significant Council employee work for applications and could cause delays during the transition year due to the weight of applications. The procedure in the 1982 Act requires the applicant to display the notice and then to send a confirmation to the licensing section of the relevant Council that the notice has been displayed for the required period. This has worked well for nearly 40 years and to change this seems to place an undue burden on the Council's licensing staff and potential delays.
10. The combined notice is an issue as the two regimes – planning and licensing – have different considerations, different methods of considering and granting applications and different reasons behind refusals, as well as completely separate appeal procedures. A joint notice will undoubtedly cause confusion and infers the two types of application will be considered together, which they will not. This creates an issue as potential local objectors may reply to one with planning and making licensing objections to planning, and vice versa. In relation to

the process for considering planning application, it differs substantially and materially from the equivalent licensing process and procedures. If a planning officer processing a planning application receives an objection which has no planning relevance and relates only to licensing, he is able to discount it. The licensing process is not as simple as only the Licensing Committee members can determine if an objection is competent or not. While the members will take advice from their Clerk and legal advisers at the licensing committee, the committee has to be convened and parties have to attend. An objection on a purely planning basis put to a licensing committee would likely be deemed not competent. Confusion caused by linking the regimes in the notice process could result in a significant number of such objections. That in turn leads to large numbers of applications which then require to be heard by a committee. The objectors, applicant and any representatives are cited and attend the committee. This means objectors taking time off work and spending a day waiting for their case to be called. Planning committees do not always allow applicants and objectors to address the committee. If they do, they can restrict them to specific time slots and they must not overrun. In licensing committees, everyone must be given a fair hearing and cannot be restricted to a time slot. It is impossible to know how long each application will take. For that reason, the agenda is not divided into time slots – the committee starts at (usually) 10am and runs until it is finished which can be after 5pm if necessary. Objectors, applicant and agents could be at a committee hearing all day for an application with objections where those objections are then deemed not competent because they relate only to planning issues and the hearing was unnecessary. If licence applications are otherwise in order and there are no objections, they can be granted by “delegated powers” with no need for a hearing. Confusion caused by joint notices could see increased incompetent objections, resulting in more hearings, which in turn is cost to licensing authorities, objectors and applicants and could cause a backlog of applications for licensing authorities. The notices and the objections arising from them should follow the current format of the 1982 Act and should remain separate.

11. Clause 5 introduces the issue of planning and which must be applied for first. If the licensing authority believes that the application for licence will breach planning regulations/control then the licence application need not be considered. This means planning will have to be applied for urgently for all short-term let properties which require it now or will require planning consent under the proposed control areas. There is then a question of when those control areas will be defined and agreed so licence applications are not delayed by lack of planning information.
12. Clause 6 refers to reasons for refusal of grants and renewal of licences. 6(b) is concerning as it suggests if the licensing committee believe that the applicant could not secure compliance with mandatory conditions, standards or other conditions, then it would not grant the licence. The manner in which the licensing board (dealing with liquor applications) address mandatory conditions in place under the 2005 Act is by presumption the holder of a premises licence (alcohol) will comply with the mandatory conditions. Failure to comply means the licensing board, Police Scotland and the Licensing Standards Officers are able to exercise control and oversight to ensure compliance with these mandatory conditions. If a premises are not complying they are then brought back before the licensing board for a Review or Police Scotland may decide to carry out an intervention which is dealt with between police and the licence holder rather than being a formal procedure before the board. How licensing committee members will therefore establish that someone would not be able to secure compliance with mandatory conditions must be very carefully referred to in the written



guidance. This cannot be just in the opinion of a councillor that someone might not be able to comply with a mandatory condition. There must be fact laid before the committee and put to the applicant where the applicant admits they would not be able to comply with mandatory conditions. In terms of the standard conditions and further conditions these must be put to the applicant and should be available for the applicant to consider prior to the application being heard at committee. It also raises the question of delegated powers and how it can be established that an application could not meet the mandatory and standard/further conditions unless every application is heard by the committee. All of this needs to be carefully embodied in written guidance to avoid lack of clear information or different interpretation by committee's throughout Scotland.

13. In relation to over provision, there is no requirement for licensing committee's to have a statement of policy and therefore no requirement for them to have written over provision policy. This is different for liquor licensing as licensing boards require to have a statement of licensing policy which must embody an Over Provision Statement. Even if there is no deemed over provision in that Council area that must be stated in the Policy. The other reason a Policy Statement regarding over provision is absolutely necessary is to give fair notice to applicants what will be considered. This must be emulated here but there is no requirement on Licensing Authorities to produce a statement of licensing and/or an over provision policy. The new sub section (3C) to be inserted in the 1982 Act gives the licensing committee the ability to consider "such other matters as they consider relevant" which is extremely wide. There should also be included in the written guidance reference to how applicants can obtain information about the need for housing accommodation in the locality and the extent to which existing short-term let accommodation is required to meet that need. This is a consideration but this information must either be made available prior to the board sitting or should be available from the licensing authority through its website and without need for an FOI request. FOI requests can take some time and when information is received it is often redacted. A standard form for this information should be referred to in the written guidance.
14. Clause 8, deals with enforcement and causes real concern as it allows the licensing authority to serve an enforcement notice for an anticipated breach. The holder of the licence need not have done anything wrong but because the authority believes that a condition "is likely to be breached", an enforcement notice can be served. While the view of the Scottish Government or the licensing authority may be that if the operator is not doing anything wrong the enforcement notice has no effect so should not cause an issue, operators in general find enforcement notices very stressful and concerning. Most operators who believe they are operating to a good standard will take legal advice if served with an enforcement notice and so incur a cost. Allowing an enforcement to be served because they believe something is likely to be breached is extremely wide and in doing so with no guidance nor other limitations within the legislation opens the door to different interpretation by all 32 Councils in Scotland which should be avoided.
15. In addition, clause 8(4) deems that "a condition of a enforcement notice is deemed to be a condition of the licence". This means even if an operator has not breached the licence conditions and has been given no fair notice to answer allegations of a likely breach, an enforcement notice can be served and that automatically becomes a condition of their licence. This appears to be a breach of Natural Justice as there is no hearing nor appeal provisions in relation to this. Appeal provisions stem directly from the enforcement notice, however, the

enforcement notice itself is not expanded upon. Is this an existing enforcement notice used by environmental services for noise (a noise abatement notice) or the Scottish Fire and Rescue enforcement notice governed by current Fire legislation or is this a specific and new enforcement notice under this new SSI? If it is a new form of enforcement notice it needs a format and an appeal procedure and there is neither.

16. At clause 10, modification is proposed to Schedule 1, clause 14 of the 1982 Act, public registers. The contact details for the manager of the premises are referred to. What are these contact details? In an HMO application there requires to be management details and a 24 hour contact. That is perfectly reasonable as both of these can be office address and office telephone numbers. The 24 hour contact if an office number must be diverted to another number or a call centre where it will answered and where somebody can respond 24 hours per day. This should be referred to in the written guidance as it is imperative manager's home address, home phone numbers, mobile numbers or personal email addressed are not required. Individuals should not be under an obligation to disclose these.
17. The new clause 15 of Schedule 1 of the 1982 Act, included by clause 11 of the SSI refers to potential fees for production of duplicate licence documentation and similar which is not dissimilar to other licensing regime, however, one of the concerning aspects here is the ability for licensing authorities to charge for an inspection of premises falling failure to comply with the licensing conditions or a complaint relating to the premises unless the complaint is frivolous or vexatious. This is extremely concerning as it may result in very expensive inspection fees to operators where a complaint may not be frivolous but it may be baseless. The two are very different. Just because a complainer genuinely believes there is an issue and when the inspecting authority attends and find the complaint is baseless, baseless may not mean frivolous or vexatious. This results in cost to the operator which is not anticipated, not provided for and not detailed. These inspection fees should be capped throughout Scotland by the written guidance or by amendment to the SSI and the wording should be changed or removed completely. No other regime charges for inspections where the inspection is a result of a statutory obligation or a complaint/review.
18. Schedule 3, mandatory licence conditions – many of these certificates are not currently required which makes the additional requirement costly and onerous on the operators and applicants.
19. BRIA – the Bria does not address the fact a licensing regime is not required and there are alternatives – see the conclusion below.

## **IN CONCLUSION:**

The current planning policies in place throughout Scotland already allow for enforcement and prohibition notices to be served on premises operating without the necessary planning consent and this has already been done in areas where the planning policy is contrary to housing being used as short term lets. Property being used as a short term let without planning consent can be served with a prohibition notice and have to stop operating. As, in those areas, an application for planning will not be granted as it is directly contrary to the planning City, Local or other plans in place or in draft, the operation is ceased and can be used for general housing. As such, setting aside housing requirements, and looking at alleged safety and disturbance concerns, a registration scheme similar

to the Landlord Registration Scheme should have been applied. It allows bad landlords or those not meeting the required safety and other standards within rented properties to have their registration restricted, suspended or revoked and obliges them not to charge rent until issues in rented accommodation are resolved. Any safety or disturbance issues arising in short term lets could easily be addressed by a very similar regime which would have achieved the same standards and safety goals as the proposed licensing system but would have avoided the additional costs to applicants, operators, objectors and licensing authorities. As it is, the proposed regime purports to use the existing licensing regime found in the 1982 Act, but then seeks to make changes to the inherent structure and procedures successfully operated by that 1982 Act for nearly 40 years.



## Appendix 10

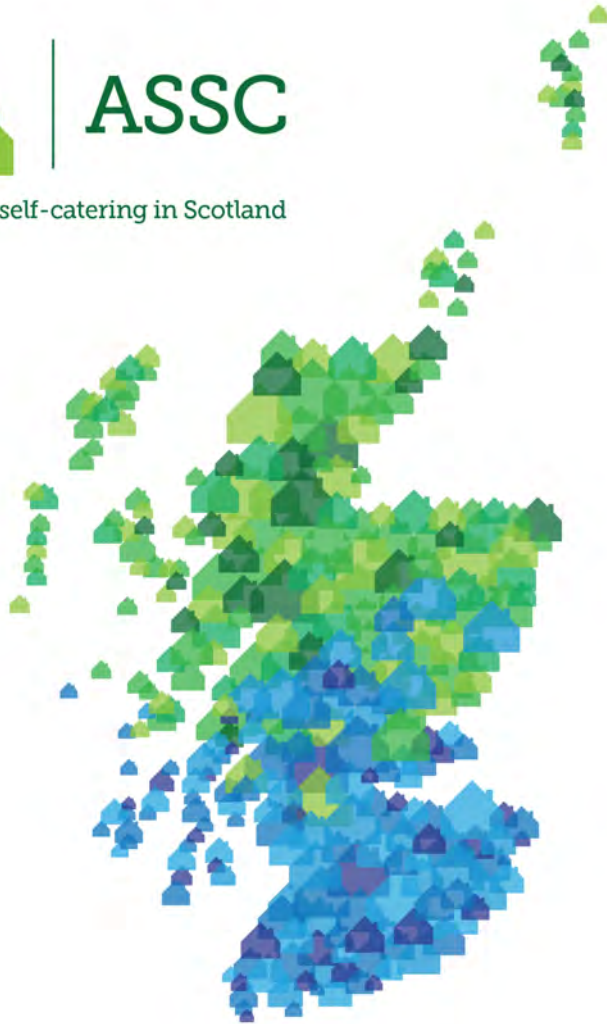
# The Economic Impact of Short-term Letting on the Scottish Economy





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<sup>1</sup>. 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

<sup>1</sup> *Source: Scottish Annual Business Statistics, 2017*

<sup>2</sup> 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.

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

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



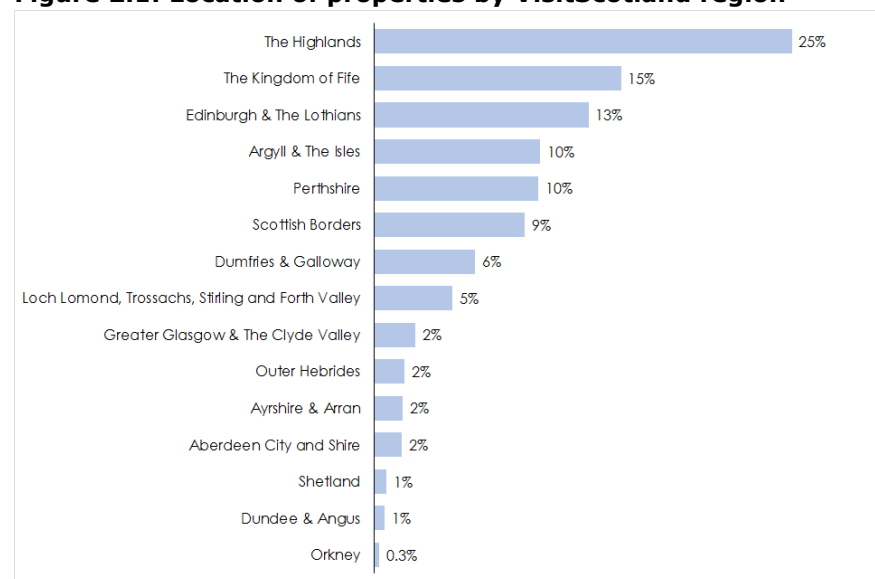
Source: Frontline 2017, based on Scottish Assessors Association 2016  
\* excludes locations in Fife, where no town-by-town breakdown of properties was available

## 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.

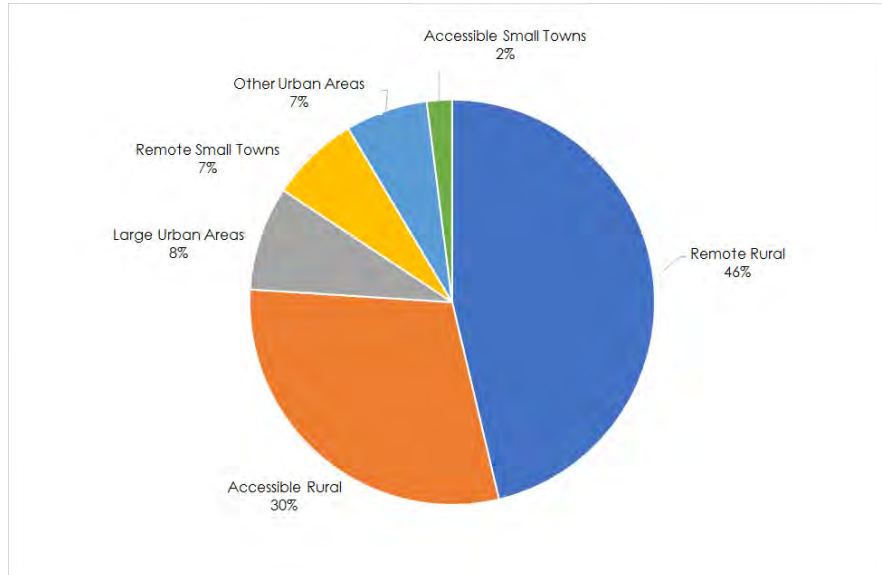
**Figure 2.1: Location of properties by VisitScotland region**



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.

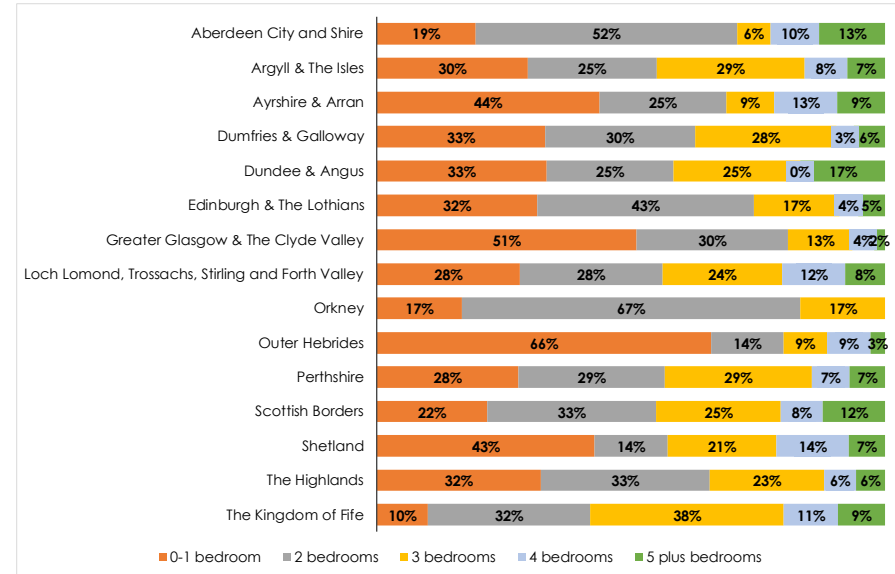
**Figure 2.2: Location of properties by rural/urban classification**



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.

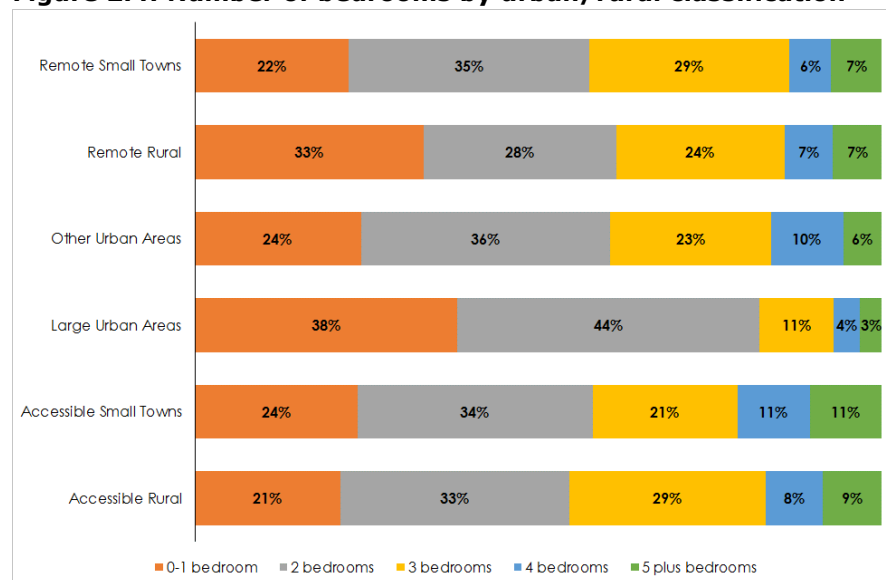
**Figure 2.3: Number of bedrooms by VisitScotland region**



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.

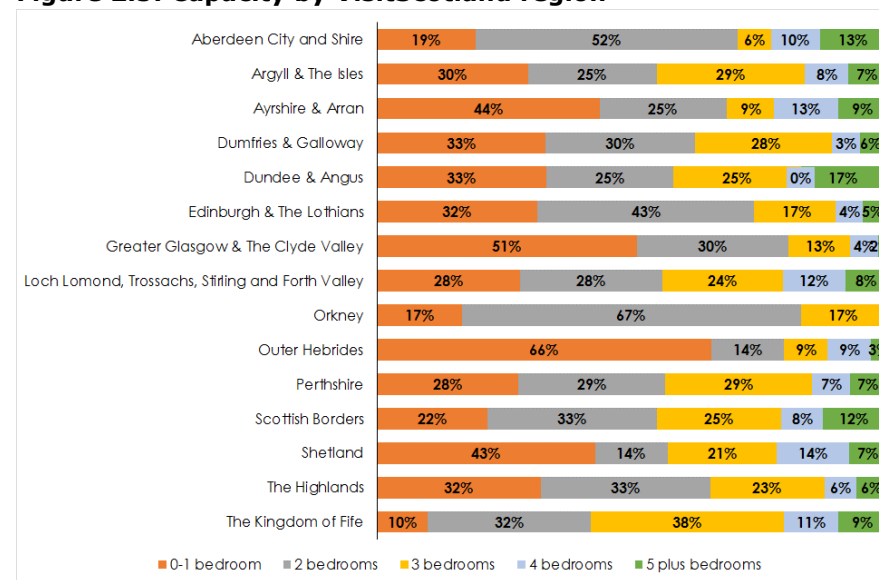
**Figure 2.4: Number of bedrooms by urban/rural classification**



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.

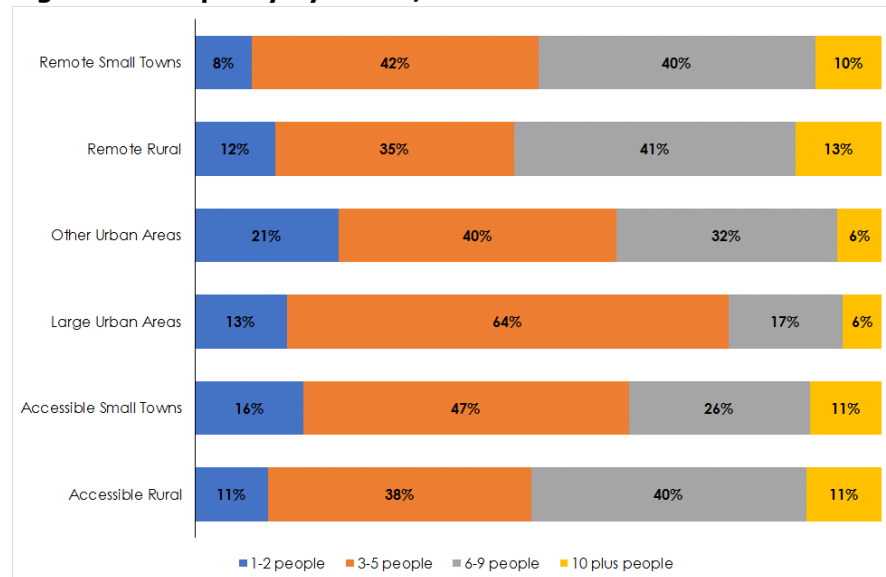
**Figure 2.5: Capacity by VisitScotland region**



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.

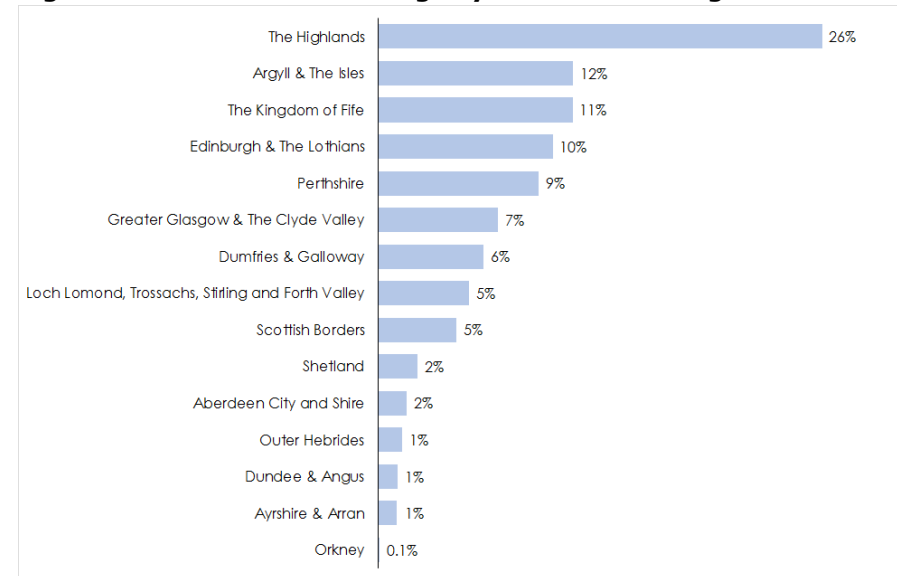
**Figure 2.6: Capacity by Urban/Rural classification**



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%<sup>2</sup>.

**Figure 2.7: Number of bookings by VisitScotland region**

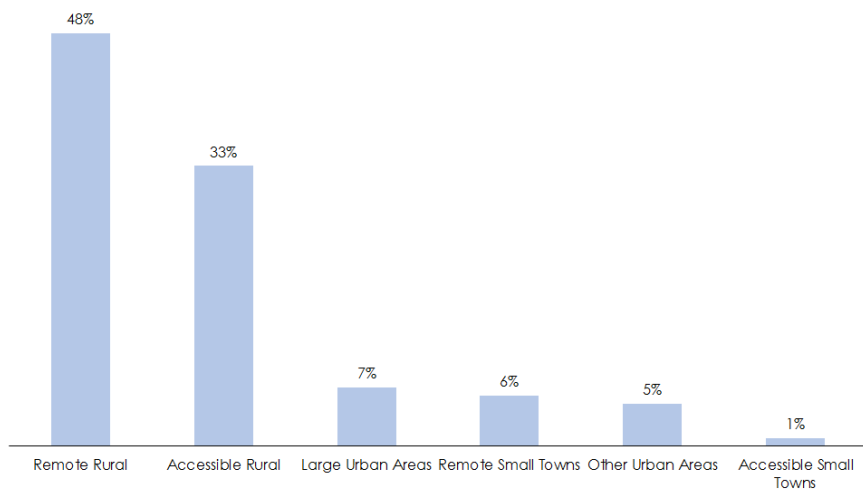


Source: Supercontrol, 2016

<sup>2</sup> 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%.

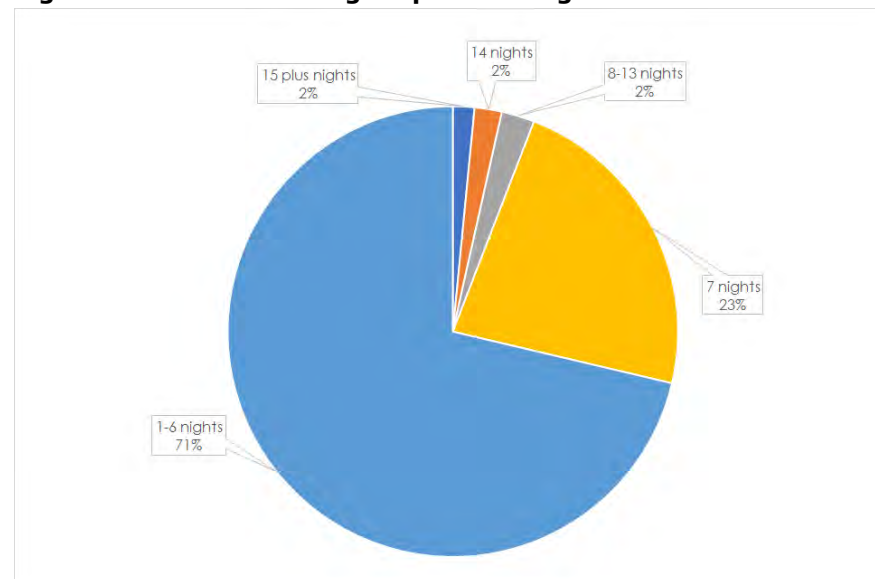
**Figure 2.8: Number of bookings by rural/urban split<sup>3</sup>**



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**

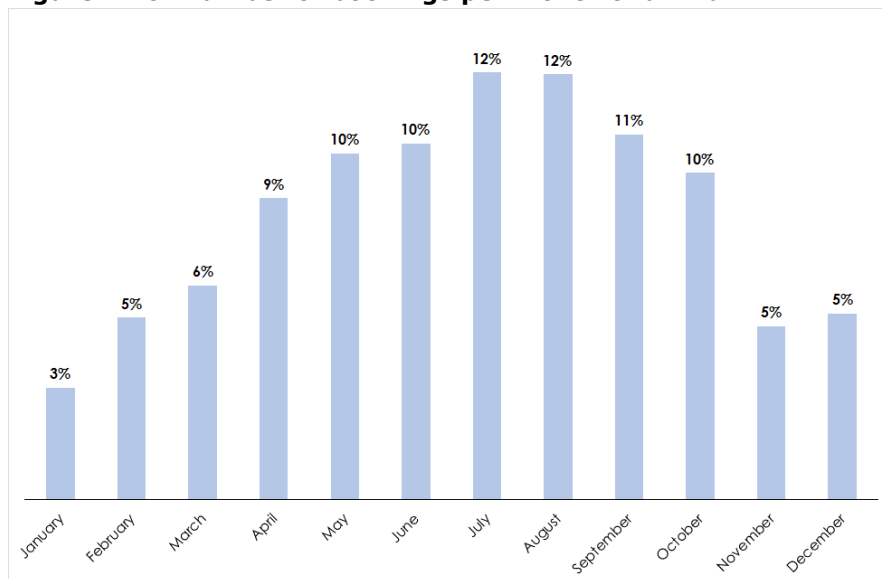


Source: Supercontrol, 2016

<sup>3</sup> 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.

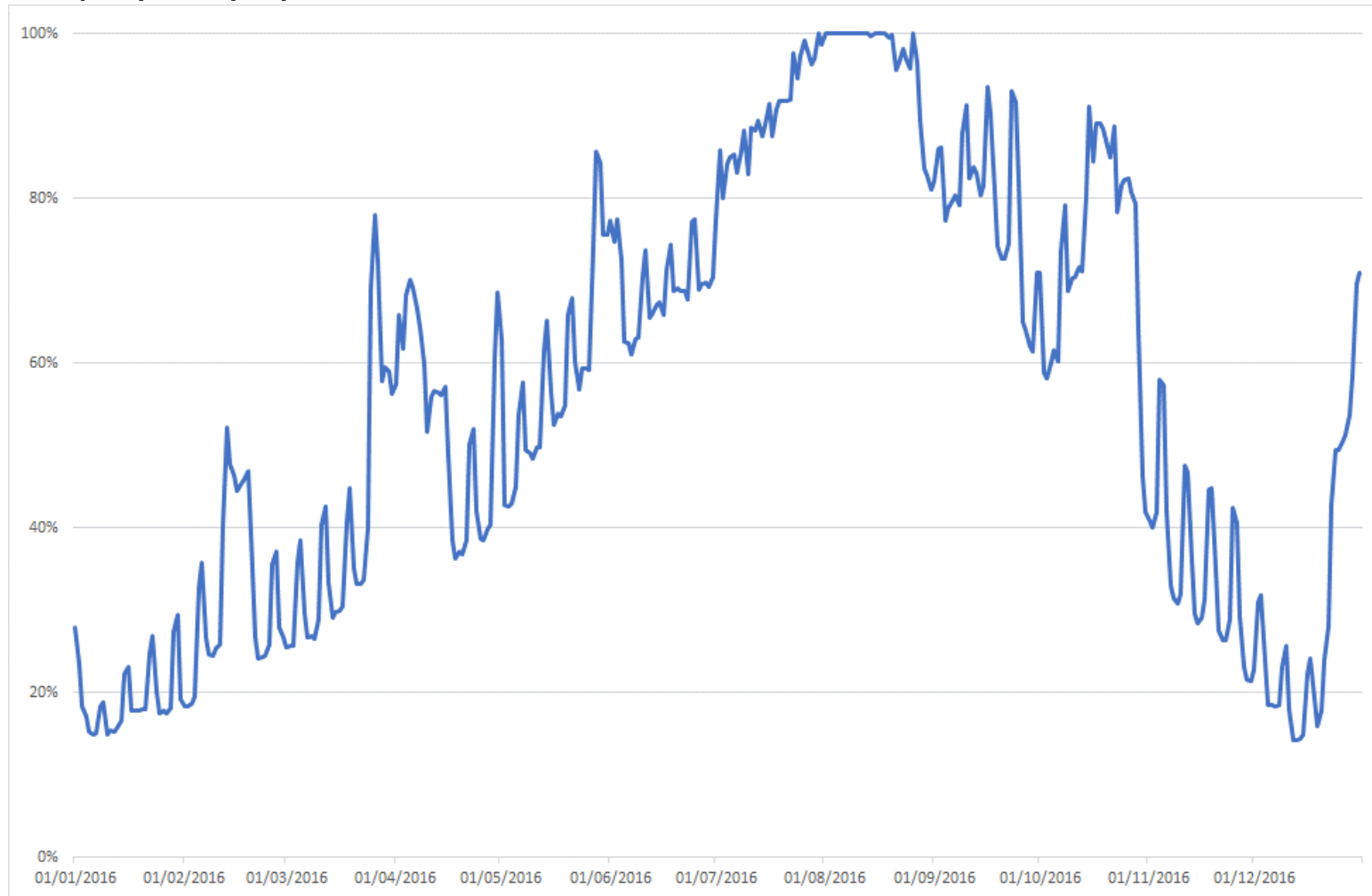
**Table 2.4: Characteristics of non UK visitors to Scotland**

	<b>% of overseas self-catering visitors</b>	<b>% of all self-catering visitors</b>
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

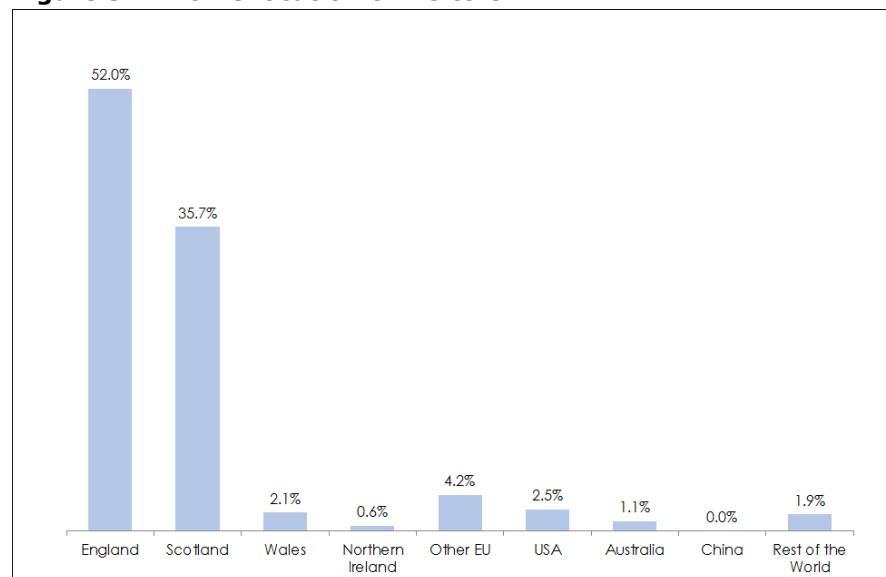


### 3 Analysis of Survey Findings

The findings 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.

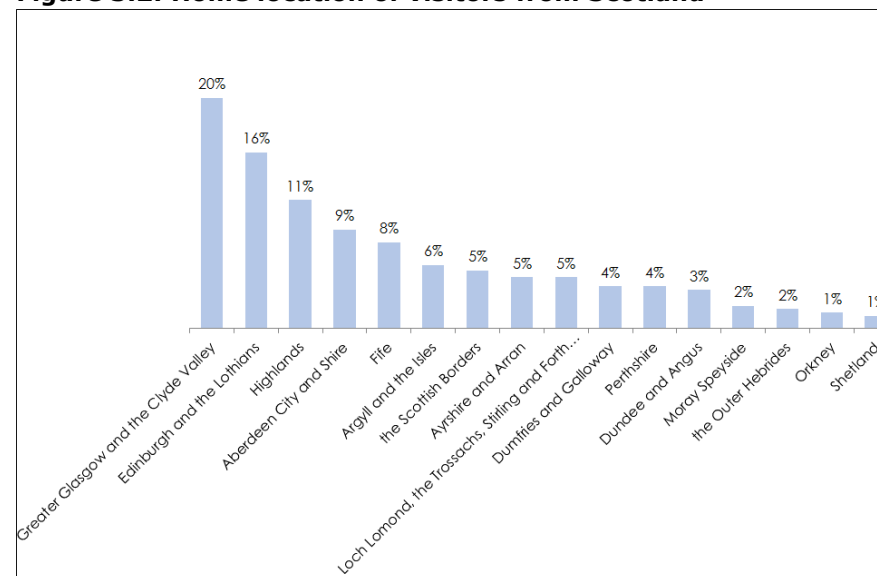
**Figure 3.1: Home location of visitors<sup>4</sup>**



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**

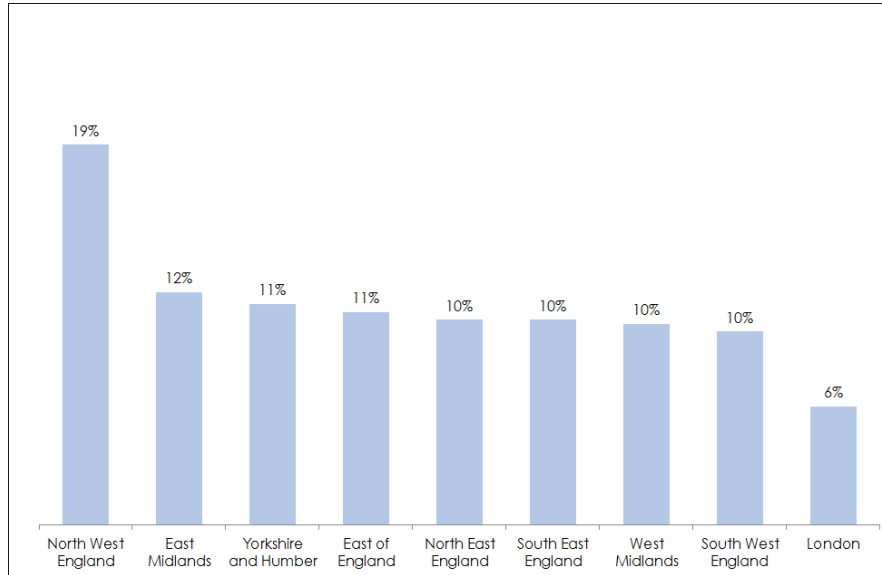


Source: Frontline, 2017

<sup>4</sup> 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.

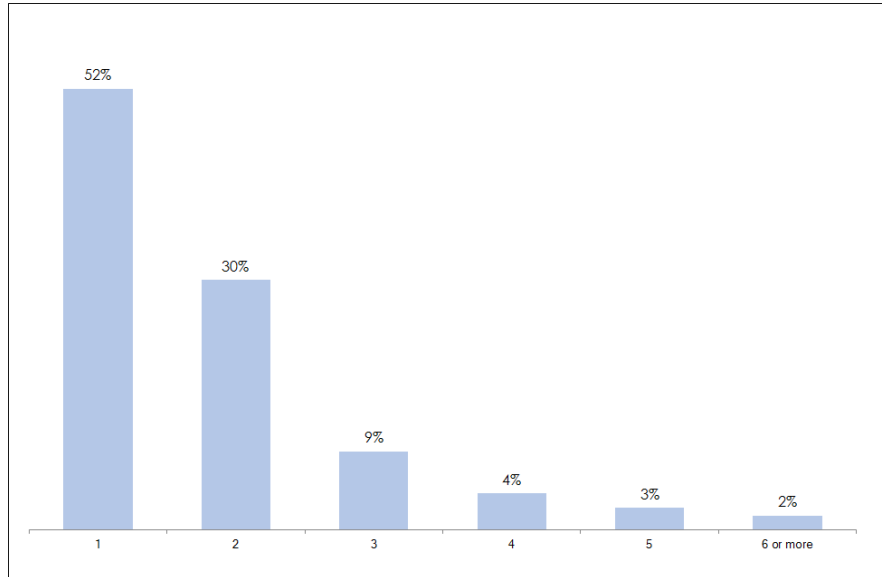
**Figure 3.4: Home locations of overseas visitors**

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.

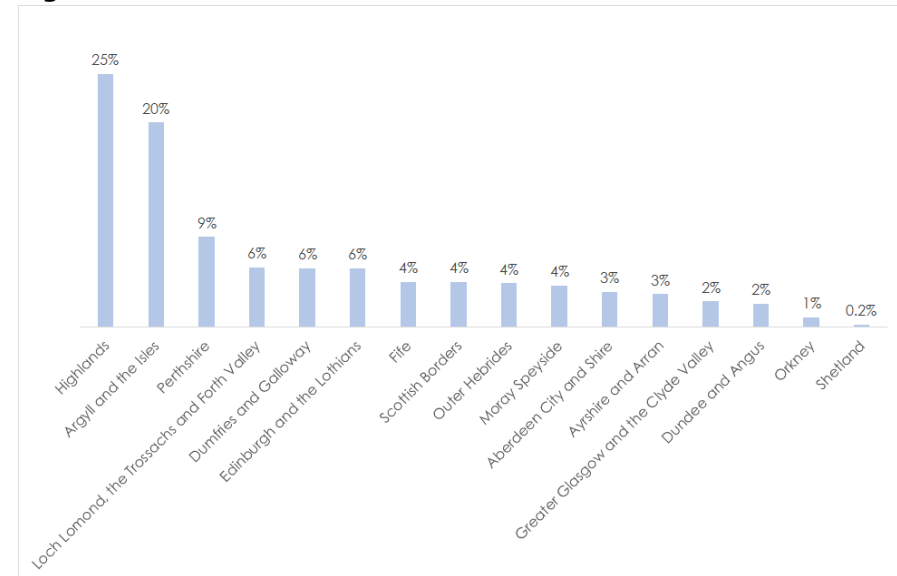
**Figure 3.5: Number of self-catering visits made to Scotland in the past year**



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.

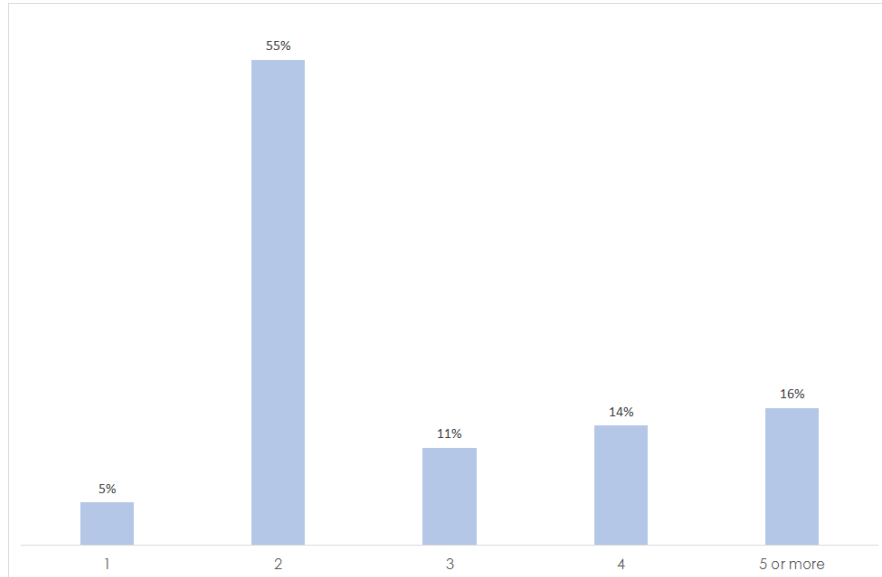
**Figure 3.6: Area visited**



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.

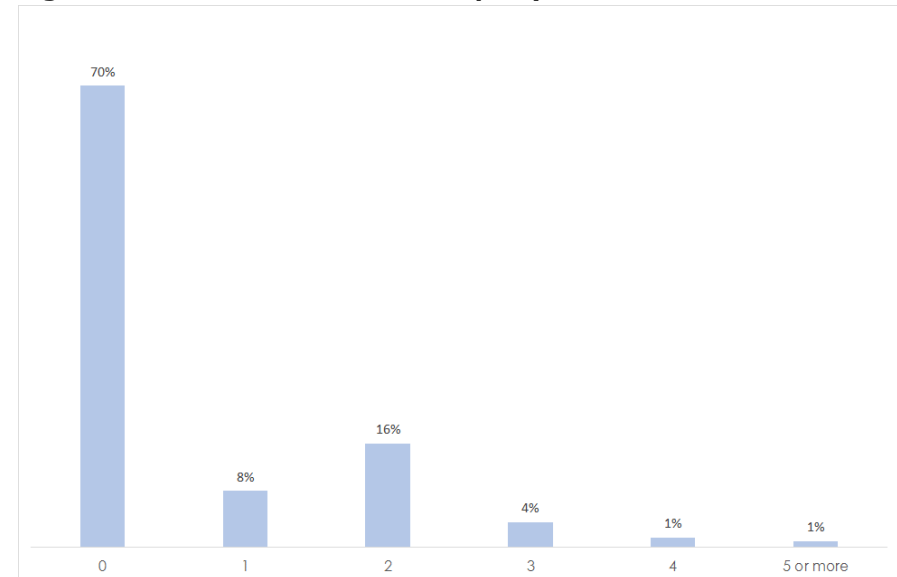
**Figure 3.7: Number of adults in party**



Source: Frontline, 2017

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

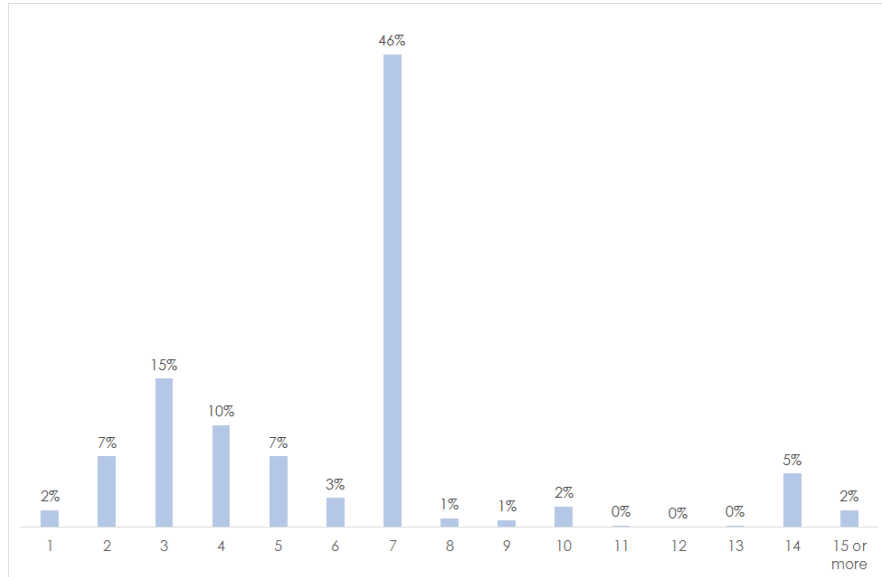
**Figure 3.8: Number of children in party**



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.

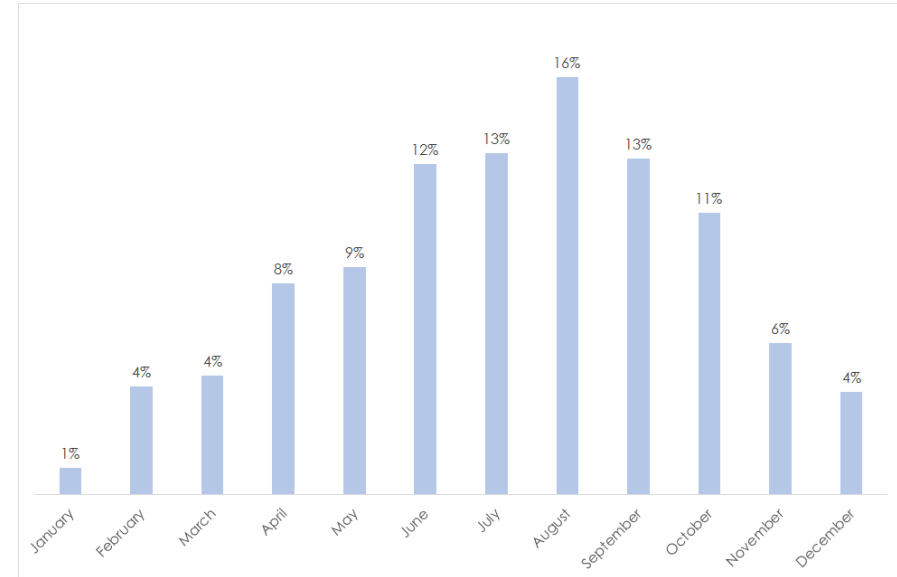
**Figure 3.9: Length of visit (nights)**



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.

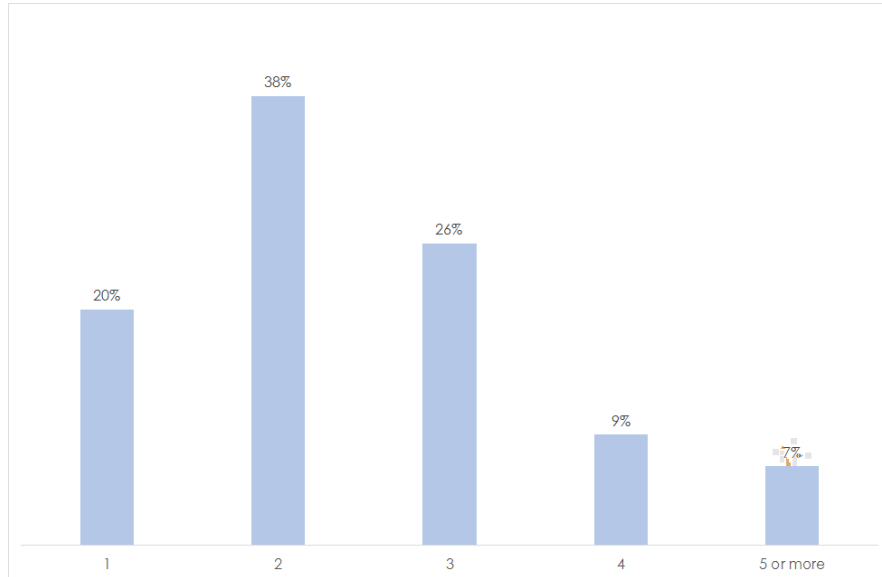
**Figure 3.10: Month of visit**



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.

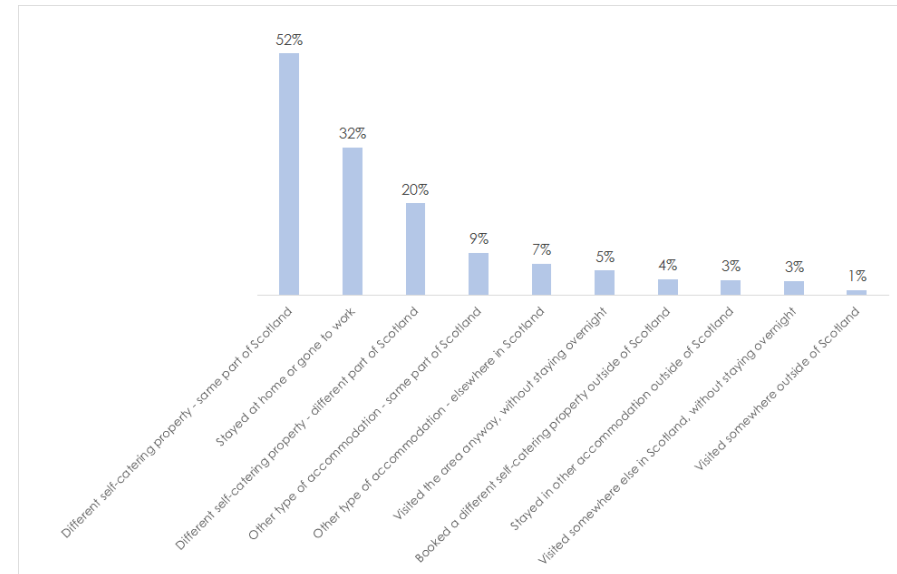
**Figure 3.11: Number of bedrooms in property**



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.

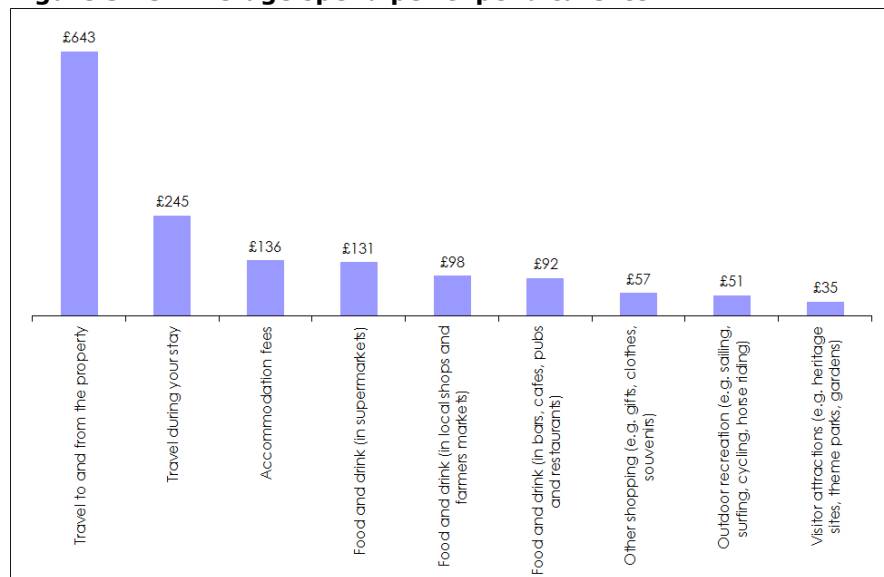
**Figure 3.12: What visitors would have done if the property was not available**



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<sup>5</sup>. 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<sup>6</sup>.

- 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.

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<sup>5</sup> 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)

<sup>6</sup> 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

Top five areas  
(by number of properties):

1. Edinburgh (1,351)
2. Isle of Arran (369)
3. Isle of Skye (exc. Portree) (330)
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

Top five areas  
(by number of properties):

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

Top five areas  
(by number of properties):

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



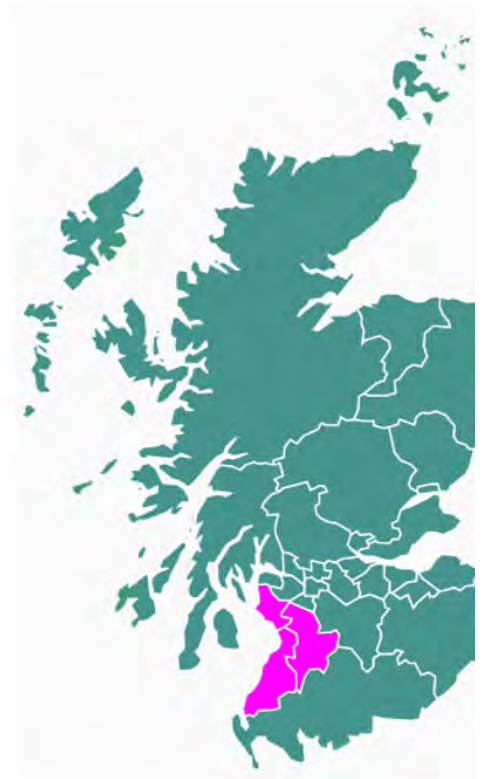
810 properties



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

Top five areas  
(by number of properties):

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



Top five areas  
(by number of properties):

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

Top five areas  
(by number of properties):

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

*Source: Frontline, 201*



# EDINBURGH & LOTHIANS

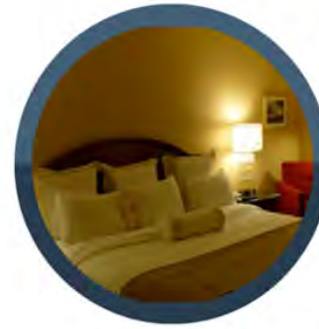
Local authorities included: East Lothian, Edinburgh, Midlothian  
West Lothian



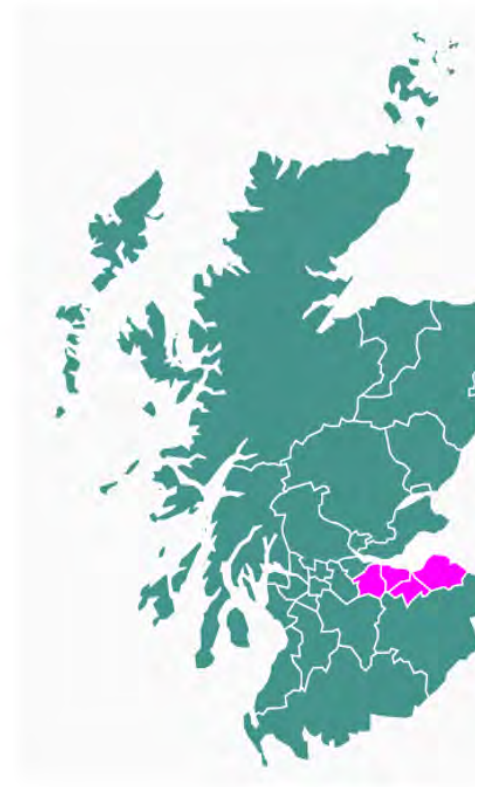
1,671 properties



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



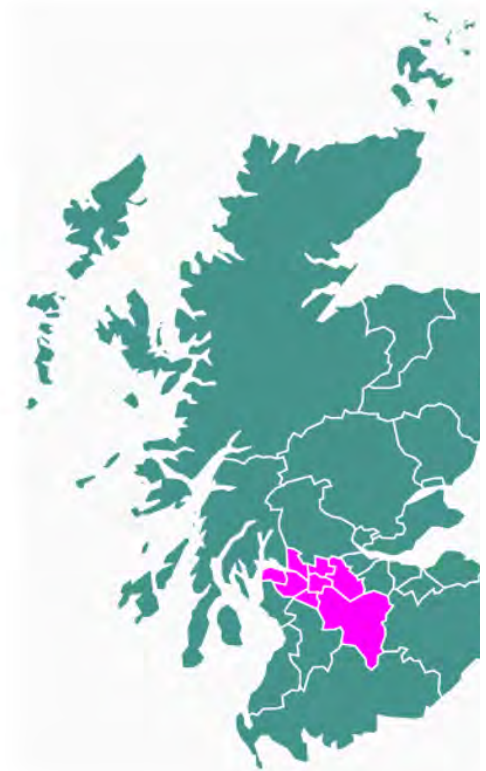
364 properties



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



Top five areas  
(by number of properties): \*\*

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

\* Modelled estimate based on Supercontrol database

\*\* Supercontrol properties only

*Source: Frontline, 201*



# LOCH LOMOND & TROSSACHS

Local authorities included: Clackmannanshire, Falkirk, Stirling



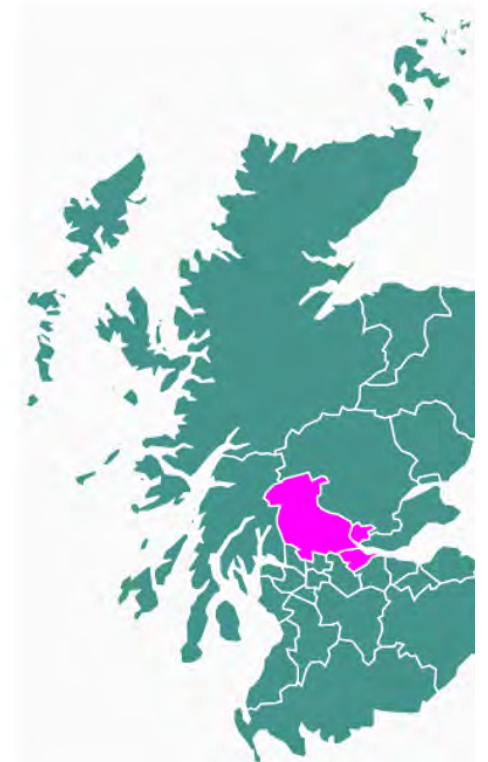
503 properties



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

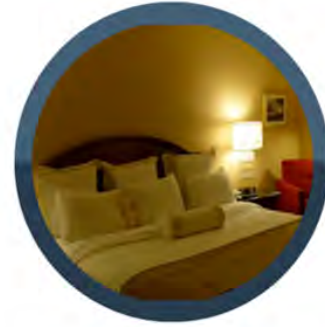
Local authorities included: Orkney Islands



503 properties



10,446 visitor nights per year



0.5 annual visitor nights per head of population



Total visitor spend  
£2.1 million



Total FTE jobs  
51



Total economic contribution  
£1.0m

Top five areas  
(by number of properties):

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

Top five areas  
(by number of properties):

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

*Source: Frontline, 201*

# PERTSHIRE

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



Top five areas  
(by number of properties):

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



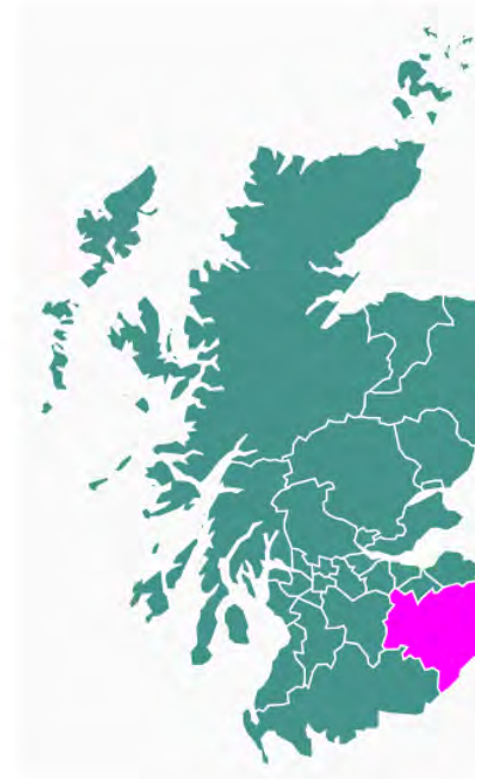
674 properties



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



Top five areas  
(by number of properties):

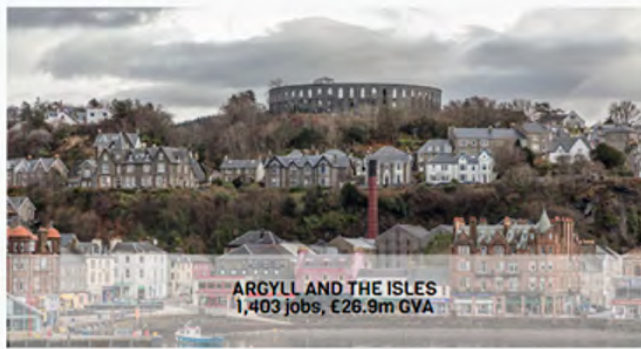
1. Lerwick (86)
2. Unst (34)
3. Cunningsburgh (14)
4. Brae (9)
5. Burra (8)

*Source: Frontline, 201*

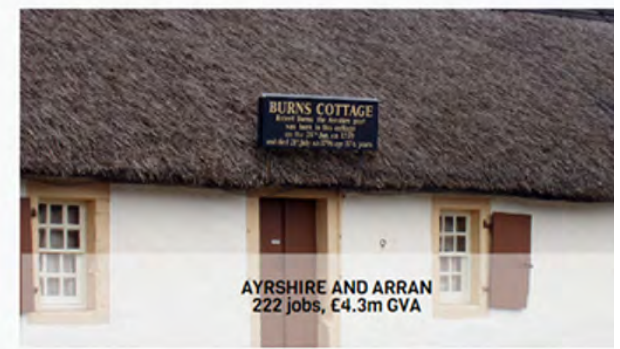




**ABERDEEN CITY AND SHIRE**  
232 jobs, €4.4m GVA



**ARGYLL AND THE ISLES**  
1,403 jobs, €26.9m GVA



**AYRSHIRE AND ARRAN**  
222 jobs, €4.3m GVA



**DUMFRIES AND GALLOWAY**  
926 jobs, €17.8m GVA



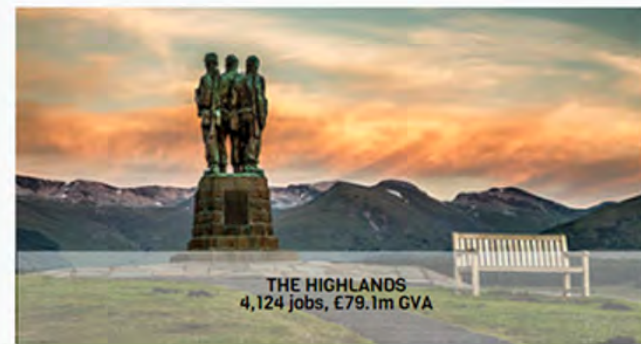
**DUNDEE AND ANGUS**  
40 jobs, €0.8m GVA



**EDINBURGH AND LoTHIAN**  
2,534 jobs, €48.6m GVA



**GLASGOW AND CLYDE VALLEY**  
328 jobs, €6.3m GVA



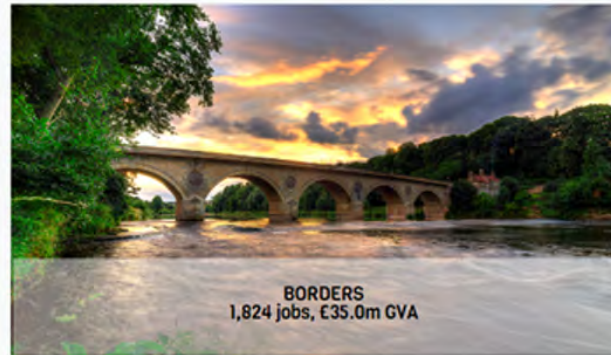
**THE HIGHLANDS**  
4,124 jobs, €79.1m GVA



**KINGDOM OF FIFE**  
1,304 jobs, €25.0m GVA

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

Source: Frontline, 2017

### Non-local visitor nights

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

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

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

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

Source: Frontline, 20

### Total non-Scottish spend

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

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

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

Source: Frontline, 2017

## Direct GVA

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

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

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

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

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

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

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

	(Source: Scottish Annual Business Statistics)
<i>Equals</i>	Non-Scottish, direct, indirect and induced GVA
<i>impacts</i>	

### 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)
<b>Agriculture *</b>	<b>65,000</b>	<b>2,898</b>	<b>1,088</b>
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
<b>TOTAL - Food and drink</b>	<b>51,900</b>	<b>11,336</b>	<b>4,158</b>
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
<b>TOTAL - Tourism</b>	<b>191,500</b>	<b>6,824</b>	<b>3,675</b>
<b>Self catering (including spend by visitors in other Scottish businesses) **</b>	<b>15,271</b>	<b>723</b>	<b>293</b>
<b>Holiday Parks (including spend by visitors in other Scottish businesses) ***</b>	<b>12,977</b>	<b>701</b>	<b>356</b>

\* Source: Economic Report of Scottish Agriculture, 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.