



Council Tax for Second and Empty Homes, and Non-Domestic Rates Thresholds Consultation **July 2023**

Founded in 1978, the Association of Scotland's Self-Caterers (ASSC) represents over 1,700 members, operating self-catering properties throughout Scotland, from city centre apartments to rural cottages, to lodges and chalets, to castles. **Our vision** is that the ASSC takes the leading role in advancing a vibrant and prosperous self-catering sector recognised as pivotal to the future of Scotland's tourism economy. **Our purpose** is to empower our diverse and professional membership, enabling them to deliver exceptional experiences to guests. **Our focus** is on supporting businesses and communities in the promotion of Scottish self-catering as a sustainable, inclusive and responsible form of accommodation.

Introduction

The ASSC welcomes the opportunity to respond to the Scottish Government's consultation. The Scottish Government has launched this, ostensibly on the issue of second homes and empty homes, yet it brings in an entirely separate property type into the debate: self-catering. The consultation asks if there should be changes to the definition of when a property offering self-catered accommodation becomes liable for non-domestic rates, which has been dealt with by recent regulations. We have integrated the answers to the consultation questions into our response in this paper which also provides some badly needed context and background information.

Executive Summary

Overall, our response sets out three main themes:

- 1. Underlying the whole consultation process is the crucial need to differentiate between second homes, empty homes and self-catering properties.** The ASSC is concerned about the conflation between the three types of property and that self-catering may once again be unfairly targeted for longstanding housing challenges when a more holistic approach is required.
- 2. The ASSC do not believe that the thresholds for self-catering accommodation for non-domestic rates should be changed.** We believe there is an insufficient evidence base to make further changes to the Non-Domestic Rates (NDR) regime for self-catering. We supported the Barclay Review process and its recommendations and do not understand the rationale for seeking further changes at this time when The Council Tax (Dwellings and Part Residential Subjects) (Scotland) Amendment Regulations 2021 were introduced in April 2023 and the first audit of NDR subjects is underway. It is premature to make further regulatory changes prior to the outcome of this review.
- 3. Self-catering faces a disproportionate regulatory burden,** from issues including short-term let licensing to planning policy, and is often used as a convenience scapegoat for longstanding challenges relating to housing. We would support measures that tackle the increase in empty homes and second homes, which unlike self-catering, do not provide an economic and social boost to local communities through visitor spend.

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i. The Importance of Accurate Definitions

The importance of accurate definitions is central to this consultation. The issue of second homes and self-catering holiday lets should not be conflated. They are different types of property and should be treated as such. Clear definitions are therefore imperative. Below we have set out some key definitions which should help to distinguish between the three types of property in this consultation.

Self-Catering Accommodation is defined in legislation as:

“2. 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.” (Source: Scottish Assessors Association).

In order to be classed as a non-domestic property and liable for Non-Domestic Rates instead of Council Tax, a self-catering property will be required to provide evidence of 70 days of actual letting as well as 140 days of intention to let from 2022-23 onwards. This is part of the [The Council Tax \(Dwellings and Part Residential Subjects\) \(Scotland\) Amendment Regulations 2021 \(legislation.gov.uk\)](#), dealt with recently by the Scottish Parliament.

Self-catering units are covered by the Furnished Holiday Taxation (FHL) regime. Currently, Furnished Holiday Lets (FHLs) are treated differently by HMRC for general taxation, with qualifying FHL businesses treated as trading businesses.

In contrast, **empty properties** are those which have been empty for more than 6 months and are liable for council tax, while **second homes** are defined as properties that are furnished and lived in for at least 25 days in a 12-month period but not as someone’s main residence.

It is worth noting that some people let their second homes out as holiday lets on a commercial basis. If they let them out for over 140 days, they come under the definition of a self-catering unit above. These properties provide economic benefits for local communities.

ii. Evidence-Based Policy: The Need for Robust Data

The ASSC has longstanding concerns about how the self-catering sector is often viewed as a convenient scapegoat for wider housing challenges, even when the number of self-catering units make up a small proportion of total housing stock, or when compared to the numbers of other types of property.

In January 2023, there were **42,865 long-term empty homes** in Scotland. These empty homes could be utilised for far more productive purposes and provide homes for those who need. There were 2.67 million dwellings in Scotland in 2021. Of these, **88,300 dwellings (3%) were vacant and 24,000 (1%) were second homes**¹. There are **18,048 Self-catering Units** on Non-Domestic Rates in Scotland².

In addition, the ASSC has repeatedly expressed concerns regarding the lack of robust data to justify various policy interventions in the short-term letting market – and the same flawed data keeps being used time and time again. There has been a tendency to focus on scraped data – based on inaccurate information and flawed methodologies – which culminates in misleading conclusions about the nature of the short-term letting landscape. For instance, the Scottish Government’s draft BRIA for short-term let licensing referenced research noting that there were approximately 32,000 active listings on Airbnb in May 2019.³ However, this does not mean that there are 32,000 short-term lets which would be readily available on the long-term housing market as many have erroneously claimed.

The number of listings on online platforms in any given area is not necessarily an indication of impact on long-term housing. For example: (a) many of these properties are already the primary residences of individuals involved in ‘homesharing’ who share a room(s), or their entire home while away; (b) each listing does not represent a single housing unit. A property can have multiple listings; and (c) marketing platforms like Airbnb contain a diverse range of accommodation including hotels and B&Bs, as well as unconventional accommodation like yurts, barns, boats, and campervans and one train, which cannot be seen as housing stock.

The Scottish Government has confirmed that the **BRIA figures were from scraped data provided by InsideAirbnb** (not from Airbnb directly) and that they **could not break this down by property type** – be it a single/shared room, entire property, or unconventional accommodation.⁴ This means the estimation there are 32,000 “short-term lets” is wholly unreliable. It is also based on pre-pandemic 2019 figures. Moreover, they admitted “***we do not have an estimate of how many short-term lets will return to the long-term housing market.***”⁵

172,170 houses were built between 2010-2019⁶ – and we need many more. Homes for Scotland have argued that Scotland has amassed a housing shortfall of 85,000 homes and that **we need to build at least**

¹ [National Records of Scotland](#), 2021

² [Scottish Assessors Association](#), 3rd July 2023

³ <https://www.gov.scot/binaries/content/documents/govscot/publications/impact-assessment/2021/06/short-term-lets-licensing-scheme-planning-control-area-legislation-draft-business-regulatory-impact-assessment-bria/documents/short-term-lets-licensing-scheme-planning-control-area-legislation-draft-business-regulatory-impact-assessment-bria-consultation/short-term-lets-licensing-scheme-planning-control-area-legislation-draft-business-regulatory-impact-assessment-bria-consultation/govscot%3Adocument/short-term-lets-licensing-scheme-planning-control-area-legislation-draft-business-regulatory-impact-assessment-bria-consultation.pdf>

⁴ Parliamentary answer to S6W-02111. Url: <https://www.parliament.scot/chamber-and-committees/written-questions-and-answers/question?ref=S6W-02111>

⁵ Parliamentary answer to S6W-02109. Url: <https://www.parliament.scot/chamber-and-committees/written-questions-and-answers/question?ref=S6W-02109>

⁶ <https://www.gov.scot/publications/housing-statistics-for-scotland-new-house-building/>

25,000 per year to meet the demands of our population.⁷ Furthermore, progress on housebuilding is not fast enough. For instance, the Scottish Government have only spent half of their £25m Rural Housing Fund which aims to build affordable homes in rural areas.⁸

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.

Ultimately, building too few homes remains the core cause of Scotland's housing problems, not the holiday let sector.

Deficiencies with current consultation data

The Partial BRIA (p16) associated with this consultation refers to *“anecdotal evidence from councils”* that *“indicates that self-catering accommodation, though they may be liable for non-domestic rates, do not always face other non-domestic charges.”* Anecdote cannot form a reliable basis for public policy. Properties on NDR are liable for water and refuse collection charges over and above the business rates themselves. Further, the self-catering sector is already recognised by HMRC with its own tax regime.

Under the heading *“rationale for government intervention”*, the BRIA also highlights changes made to the thresholds in Wales that apply to self-catering accommodation. This is also referenced in the consultation paper itself (p14). **Scotland cannot and should not be compared to Wales: demographically and geographically, the two countries are different and our visitor markets are incomparable.** Our membership surveys have demonstrated that many operators in rural, remote and island areas barely meet the 140-day criteria so extending it to that seen in Wales would have a deleterious impact on Scottish businesses in these places.

11% of respondents to our April 2020 Sectoral Survey into Self-Caterer Access to Covid-19 Business Support (Week 3) did not feel that they would be eligible for a Covid-19 Grant as they could not evidence 140 nights occupancy, but nonetheless it represented a significant part of overall income. Reaching 140 nights occupancy appeared to be impossible in some rural areas: Banffshire, Sutherland, Islands⁹. Results from the Sectoral Survey into Financial Support & Recovery (Week 5), June 2020, highlighted that evidencing 140 days occupancy particularly impacted on the ability to secure financial support, especially in rural and island communities¹⁰:

- *“Nights occupied vary from 112 to 175! Depends on yearly trade.”*
- *“Our bookings were under 140 days due to the nature of our self-catered property which is rented to groups of 18 for weekend breaks.”*
- *“I could evidence one third or more of earnings but during 2019/20 season, I only had 123 occupied nights in our cottage.”*

This reality was accepted by the Scottish Government in correspondence from the former Cabinet Secretary for Rural Economy and Tourism, Fergus Ewing MSP on 3rd July 2020: *“We are aware that some*

⁷ https://yourviews.parliament.scot/session-5/local-gov-sustainability-covid/consultation/download_public_attachment?sqliid=question-2020-06-10-3171498657-publishablefilesquestion&uuld=866941340

⁸ <https://www.thecourier.co.uk/fp/politics/scottish-politics/2493715/snp-ministers-under-fire-over-failure-to-spend-25-million-rural-housing-fund/>

⁹ <https://www.assc.co.uk/covid-19/covid-19-assc-business-support-surveys>

¹⁰ Ibid

of your members, and other self-catering businesses in some parts of the country may have found it impossible to meet the 140 day criteria. There may be reasons for that particular to their local area - e.g. a poor skiing season or bad weather or limited ferry connections or so forth." It would seem remarkable, with this knowledge, that the threshold would be increased.

The Partial Impact Assessments state there are "evidence gaps" (p15), with "limited data" on the number and type of short-term let data and that the "Scottish Government expect to have a better understanding of numbers of short-term lets by January 2024." [NB: this is now January 2025 according to the new STL guidance published by the Scottish Government in late June 2023]. It goes onto cite a number of flawed studies, including that provided by Indigo House (p24). The ASSC have challenged the use of this research from previous consultation exercises and our rebuttal of it can be accessed here:

<https://www.assc.co.uk/legislation/fundamental-flaws-in-the-underpinning-research-indigo-house-group-2017-2019>

When discussing the number of short-term lets on the islands of Skye, Na h-Eileanan Siar, Orkney Islands, and the Shetland Islands, the Partial Impact Assessment mentions outdated, pre-pandemic data from 2019 (p25). It is also from InsideAirbnb which uses unreliable scraped data.

At 6.40 in the Partial Impact Assessment, there is a worrying conflation on the "negative impacts of second homes, empty homes and short-term lets on access to housing". There is no empirical evidence to validate claims about the impact of holiday letting, or self-catering on the housing market.

Finally, we look forward to the Scottish Government's Remote, Rural and Island Action Plan for Housing being published in due course. Before any further regulatory decisions are made, a holistic discussion must be had and robust data collected.

iii. **Negative Impacts of Second Homes and Empty Homes**

The ASSC appreciates the opportunity to input our perspective regarding the negative and positive impacts of second homes and empty homes, as it touches upon significant social and economic aspects of our communities.

It is evident that the growing number of second homes in many areas has led to various challenges, including:

- **Housing Affordability:** Second homes can contribute to housing shortages, especially in popular tourist destinations or areas with limited housing stock. This increased demand often drives up property prices, making it difficult for local residents to find affordable housing options.
- **Displacement of Local Communities:** The proliferation of second homes can result in the displacement of local communities, as property prices rise beyond the reach of residents with lower incomes. This phenomenon can disrupt the social fabric of neighbourhoods, affecting the sense of community and local culture.
- **Economic Imbalance:** Concentration of second homes in certain areas can lead to an imbalance in the local economy. Local businesses may become reliant on seasonal occupancy of second homes, making them vulnerable to fluctuations and potentially affecting long-term economic sustainability.

There are various ways to address the challenges associated with second homes, including:

- **Local Planning Policies:** Local authorities should adopt comprehensive planning policies that take into account the specific needs and characteristics of their communities. These policies should consider factors such as housing demand, affordability, and sustainable development goals to strike a balance between second home ownership and primary housing needs. Planning Control Areas are not the way to deal with this issue as they cannot and will not address issues regarding second homes.
- **Affordable Housing Strategies:** Implementing affordable housing strategies can help mitigate the negative impact of second homes on housing affordability. This would ensure that local residents have access to suitable and affordable housing options.
- **Taxation and Regulation:** Introducing targeted taxes and regulations on the purchase of second homes, such as increased property taxes or local planning policies can discourage speculative buying and excessive numbers of second homes. This should not be deemed retrospective, where people take on a family property.
- **Community Engagement:** Encouraging community involvement and consultation in decision-making processes related to second homes (not self-catering units) and empty homes can ensure that local perspectives are considered. This collaborative approach can lead to more inclusive and sustainable solutions.

In addition, empty homes also have negative impacts on communities, including:

- **Decreased Housing Supply:** Empty homes represent wasted resources and reduce the available housing stock in a community. This scarcity can exacerbate housing shortages and contribute to increased competition and rising property prices, making it more challenging for individuals and families to find suitable and affordable housing options.
- **Neglected Properties:** Empty homes that are not properly maintained can become dilapidated, creating an eyesore and detracting from the overall appearance of a neighbourhood. Neglected properties may attract vandalism, illegal activities, and squatting, which can further deteriorate the community's safety and liveability.
- **Economic Decline:** Empty homes can have a detrimental impact on the local economy. These properties are often untapped assets that could be generating rental income or contributing to the local housing market. Their vacancy deprives the community of potential revenue and economic activity, affecting local businesses and services that rely on a stable population base.
- **Social Disruption:** A concentration of empty homes can disrupt the social fabric of a community. When neighbourhoods experience high levels of vacancy, there is a decreased sense of community cohesion and interaction among residents. This can lead to a decline in community engagement, weakened social networks, and reduced support systems.
- **Increased Strain on Infrastructure:** Empty homes place an additional burden on local infrastructure and services. Despite not being occupied, these properties still require utilities, waste management, and maintenance services. The costs associated with providing these services to vacant homes are often borne by the community, putting pressure on limited resources and potentially leading to inefficiencies.
- **Gentrification and Displacement:** In certain contexts, empty homes can contribute to gentrification, which can result in the displacement of existing residents. Developers may acquire vacant properties for redevelopment, leading to an influx of higher-income individuals or businesses that cater to their needs. This can drive up property values and rental prices, making it difficult for long-time residents, particularly those with lower incomes, to remain in their homes and communities.

Addressing the negative impacts of empty homes requires proactive measures, such as:

- **Property Taxation and Incentives:** Implementing higher property taxes on long-term vacant properties can encourage owners to either sell or make their homes available for rent. Conversely, providing incentives, such as tax breaks or grants, for renovating and occupying empty homes can stimulate their reuse.
- **Regulation and Enforcement:** Local authorities can enact regulations to discourage long-term vacancies, such as imposing fines or penalties for owners who keep their properties empty for extended periods without a legitimate reason. Strict enforcement of these regulations is crucial to ensure compliance and promote responsible property management.
- **Rehabilitation and Revitalisation Programmes:** Investing in programs that facilitate the rehabilitation and repurposing of empty homes can bring these properties back into productive use. This can involve partnerships between local governments, community organisations, and housing developers to convert vacant properties into affordable housing units or community spaces.
- **Community Engagement and Collaboration:** Engaging with the community and involving residents in decision-making processes related to empty homes can help identify local needs and concerns. Collaborative efforts can lead to innovative solutions, such as community land trusts or cooperative housing models, that address housing affordability and promote community ownership.

By addressing the negative impacts of empty homes, communities can revitalise neighbourhoods, increase housing availability, and promote sustainable and inclusive growth. It is crucial to strike a balance that prioritizes the long-term welfare of local communities. Through effective planning, affordable housing strategies, appropriate taxation, and community engagement, we can mitigate the negative consequences of second homes and maximise their potential benefits.

iv. Benefits of the £867m Scottish Self-Catering Sector

Unlike second and empty homes, **self-catering properties provide multiple benefits for local communities**, with the industry providing a **£867m** annual boost to the Scottish economy, generating 2.4 million visitor nights per year and supporting 23,979 jobs. In Scotland, our guests spent:

- £21m in visitor attractions
- £110m on food & drink in local shops
- £129m in bars, cafes and restaurants
- £44m on other shopping and
- £33m on outdoor recreation and other sport.

Furthermore, such self-catering properties are **legitimate, bona fide businesses** whose owners depend on the money generated for their livelihood – it is not a hobby or a way to supplement their income. **Self-catering properties have been a longstanding presence in communities for generations**, especially in rural/remote communities, and provide an economic boost for local areas and enhance Scotland's tourist accommodation offering.

In an ASSC snap survey in June 2023, which garnered responses from 1225 short-term let operators:

- A concerning 61% of respondents are contemplating leaving the sector.
- Astonishingly, 93% of those considering leaving attribute short-term let legislation as a factor, with 56% citing it as the primary reason for their potential exit.

- In the event that businesses decide to leave the sector, 24% of them plan to sell their properties. 93% of these properties would not be available as affordable housing.¹¹

This is a problem for tourism *and* housing. Tourism is a force for good, especially in rural areas, and vital to the economy, to the wellbeing of our country and the **development of a sustainable future. Self-catering is a vital component of that tourism offering.**

It is essential to consider the positive impacts of self-catering units:

- **Economic Benefits:** Self-catering units contribute to local economies by generating tourism-related revenue and creating job opportunities in sectors like hospitality, leisure, and services. This income can support the development of community infrastructure and public services.
- **Property Maintenance:** Self-catering units, when properly maintained, can enhance the aesthetic appeal of a neighbourhood and preserve architectural heritage. Regular upkeep ensures that properties remain in good condition, contributing to the overall attractiveness and desirability of an area.
- **Cultural Exchange:** Self-catering units offer an opportunity for individuals from different regions and backgrounds to experience different communities and cultures. This exchange can foster a sense of understanding and promote cultural diversity.

Disproportionate Regulatory Burden

The ASSC is not against regulation; in fact, we were supportive of the Barclay process and the introduction of a 70 minimum occupancy threshold for NDR. The resultant changes that apply to self-catering accommodation for NDR have only been in effect since 1 April 2022, and declarations for occupancy have only been implemented since 1st April 2023. Given that implementation of this new regulatory regime has been in place for such a short time, and the review is still underway, why are the Scottish Government looking to alter the system again, especially at a time when the sector is facing an increased regulatory burden?

Overall, on the proposed changes:

- **We do not believe that the thresholds for self-catering accommodation for non-domestic rates should be changed.** We believe there is an insufficient evidence base to make further changes to the NDR regime for self-catering. It is premature to make further regulatory changes prior to the outcome of the aforesaid review.
- **Councils should not have discretion to change the self-catering accommodation ‘days actually let’ threshold, for their local area.** NDR are set nationally and should continue to be administered in this way to ensure parity and consistency. The 70-day threshold is relative to eligibility of the Small Business Bonus Scheme, which is a national regime. The thresholds have been set recently, following the Barclay Review. This implementation must be allowed to be assessed with robust data prior to any further review of the system.
- **Purpose-built holiday accommodation should be on non-domestic rates, not council tax, if it is available for let for over 140 days per annum and can evidence that it is let for over 70 days.** Should they not meet this criteria, a 50% discount should continue to be applied.

¹¹ <https://www.assc.co.uk/news-items/snap-survey-assessing-the-impact-of-short-term-let-licensing-in-the-self-catering-sector-2>

The potential changes to the thresholds for self-catering take place within a context of an increased regulatory burden due to short-term let licensing and planning policies, not to mention the impact of the cost-of-living crisis. This should be seen alongside the 2023 rates revaluation, which saw an across Scotland average increase of 50%, at the same time as a decrease in the Small Business Bonus Scheme threshold for 100% relief from £15,000 to £12,000. This has seen many businesses facing an additional tax burden at a time that they can least afford it. Aside from this, small tourist accommodation providers may also be soon subject to local visitor levies. **The self-catering sector provides a £867m annual boost to the Scottish economy and these small businesses need to be supported for a sustainable recovery.** Underpinning any decision to regulate the short-term letting and self-catering sector is the need for robust, empirical data.

Imposing barriers or further regulating self-catering units will not ameliorate housing challenges in Scotland. While moves to tackle second homes and bring empty homes back into more productive use should be welcomed, we need a much more holistic approach: that is, developing robust policies to address empty homes, second homes, housebuilding and affordable housing without creating the unintended consequences that have been thrown up by recent regulation.

The Scottish Government must also evaluate whether existing policies, such as the onerous short-term let licensing scheme, and ill-considered planning policies such as NPF4 which leave businesses facing an existential threat, may actually exacerbate some of the very issues they are trying to solve¹². On any reasonable analysis, this legislation will have a far greater negative impact on Scottish tourism than any potential positive impact on housing.

To repeat: the ASSC is not against regulation, but it is against poorly considered legislation which has far reaching negative impacts on people's livelihoods and the tourism industry.

A Holistic Approach to Housing Policy

With just 18,048 Self-catering Units on Non-Domestic Rates in Scotland¹³, it is clear that the sector accounts for a tiny percentage of housing stock. As we have argued, the housing challenges facing Scotland are far more multifaceted than the existence and growth of short-term and holiday lets alone. Imposing barriers, further regulating self-catering units and tinkering with NDR thresholds will not ameliorate housing challenges in Scotland. While moves to tackle second homes and bring empty homes back into more productive use should be welcomed, we need a much more holistic approach: that is, empty homes, second homes, housebuilding and affordable housing.

Many self-catering properties could not be classified as 'affordable housing' and if more operators leave the market due to the regulatory burden, there is nothing to stop an owner from using their property as a second home for themselves, or to sell it to an individual who will then use it as a second home.

Furthermore, second home ownership may replace short-term let ownership because without wealth generation and economic recovery and growth – particularly in rural areas – house prices remain out of reach for most. The median house price in Scotland £166,000 and median income £30,300 which is a ratio

¹² <https://www.assc.co.uk/news-items/snap-survey-assessing-the-impact-of-short-term-let-licensing-in-the-self-catering-sector-2>

¹³ [Scottish Assessors Association](#), 3rd July 2023

of 5.5 years income. Ratios are higher in rural Highlands where house prices higher and respective income lower. The FCA recommends house price to income ratio of no more than 4.5.

These are the issues for Scottish Government on housing, as opposed to shrinking short term lets in rural Highlands and Islands where hard pressed tourism is the number one driver of the economy and short term lets are owned by the local population whose household income is dependent on the revenue from their short term lets.

Empty and second homes are concentrated in different parts of the country. For example, remote rural areas have a higher percentage of empty and second homes than urban areas. However, City of Edinburgh is a hotspot for empty homes in Scotland.

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. Ultimately, building too few homes remains the core cause of Scotland's housing problems, not the holiday let sector.

Conclusion

- The Scottish Government should not amend NDR thresholds for self-catering accommodation as this is premature and lacks an evidence-base. Councils should not have discretion to change the self-catering accommodation 'days actually let' threshold as this should continue to be administered nationally to ensure parity and consistency.
- Self-catering provides a valuable economic boost to Scottish communities, and is a lynchpin of our tourism sector, and should be treated differently to empty and second homes which offer little to no benefit.
- Self-catering is already facing a disproportionate regulatory burden even prior to the proposed changes, which would mark another unwelcome intervention on a beleaguered sector where operators are leaving due to onerous licensing policies.
- Housing challenges will not be solved by regulating self-catering to the hilt and will only entail damaging consequences: be it harming Scottish tourism overall, or increasing the number of second homes.
- The Scottish Government needs a more balanced and holistic approach to housing, focusing on addressing the negative impacts of second and empty homes, while protecting small businesses like self-catering who do so much to contribute to our economy.

Owners of self-catering properties are already grappling with the changes associated with licensing and planning regimes during extremely challenging times for Scottish tourism and the imposition of further changes, such as amending thresholds, which may further impede recovery, is the last thing the sector needs.

Short-term lets are often presented as being a leading cause of Scotland's housing crisis. However, it is important to place the debate in a holistic context, while recognising the value of tourist accommodation to the Scottish economy and local communities. Policymakers should not use holiday accommodation as a means to solve housing challenges in Scotland, instead focusing on building more affordable homes and

tackling the scourge of empty properties. Small businesses like self-catering, present in communities for decades, should not be used as a convenient scapegoat for wider failures in housing policy.

While seeking to clamp down on second and empty homes, the Scottish Government must be mindful of any unintended consequences for the self-catering sector and the thousands of small businesses which form an integral part of our tourism offering, particularly in rural and remote areas.