



Association of Scotland's Self-Caterers (ASSC) Survey: Business Barometer

Background

ASSC Barometer Survey was reinstated during the month of April 2024. This is a very important survey that will continue on a bi-annual basis.

Feedback gathered from ASSC members and the wider self-catering community in Scotland is vital shaping the future of the sector. It provides significant insights for the ASSC and key stakeholders like The Scottish Tourism Alliance, VisitScotland, and the Scottish Government.

Feedback gathered helps us to understand booking trends, anticipate future developments, and adapt to changing consumer behaviours; thoughts on challenges and future outlook, especially concerning recent changes such as the abolition of the Furnish Holiday Let Regime and Non-Domestic Rates, are highly valuable.

Summary

The survey results highlight the significant contribution from the self-catering sector directly to the Scottish economy (survey respondents alone represent over 1800 properties equating to over 7000 bed spaces), particularly in rural and island regions where over 60% of these businesses are situated.

This sector not only provides essential services for tourists but also injects substantial economic value into local communities. By remaining operational year-round (75% operate all year and over 80% operate 11 months), with high occupancy rates during peak seasons, self-catering businesses play a vital role in sustaining and stimulating local economies. The revenue generated from these businesses helps support local businesses 51% of businesses spend more than 75% on operational expenditure locally (within 30 miles), create employment opportunities, and enhance infrastructure in these areas, ultimately supporting economic growth and resilience in Scotland's rural and island regions.

Areas for support have been identified in the survey and include a need for assistance in marketing their business to attract bookings and reach new audiences, support with legislation and regulation. A significant number of respondents expressed interest in support with sustainability measures and there were a number of comments relating to ongoing challenges with infrastructure such as ferry services and accessibility to their locations.

- 622 respondents.
- 60% are in a rural location or on an island, while 55% represent just 1 property (74% between 1-2 properties).
- This survey represents 7,264 bed spaces and over 1889 properties (units).
- 50% respondents have been operating for 10 years or more.
- 55% of respondents say that their business is their primary source of income.
- 96% have applied for a STL licence.
- 45% are still waiting for their full licence.
- When comparing 2023 visitors to 2022 30% say guest numbers were down and 29% say their turnover was down.

- During Jan – March 2023, 50% say their occupancy was below 25% during 2024 between Jan and March 61% say their occupancy was below 25% this is a drop of 11% on this time last year.
- 47% say their anticipated season for 2024 is looking worse so far against 2023.
- 45% say bookings are down compared to last year.
- Barriers to growth: introduction of the visitor levy, with 55% saying they are very concerned and that this significantly impact on their business; whilst STL licensing, the FHL abolition and general increase to the cost of doing business are also a significant concern.
- 9% (44) of businesses do not intend to stay in business beyond 2024 and a further 30% (148) businesses do not know. A further 7% (33) intend to down scale their business. That's a potential loss of 192 businesses and 39% with a further 33 businesses downscaling.
- The survey highlights that even during the quietest month, a substantial portion of self-catering accommodation remain open, with only 25% closed and 75% operational. As the year progresses from February onwards, there's a gradual increase in business activity leading into the summer peak season. This pattern underscores the resilience of the industry and its ability to maintain operational continuity throughout the year.
- The following challenges influencing bookings and in relation to the business have been frequently referenced in the survey: cost of living and economy, more last-minute and short stay bookings, challenges with ferries, bad press about Scotland putting people off visiting, people returning to holidaying abroad, increase in prices and uncertainty. Whilst very few having anything positive to say.
- The main barriers to growth revealed in the survey are: cost of living, increasing regulations, tax, barriers to business development, ferry issues, politics relating to licensing, planning, FHL taxation and impending visitor levy.
- 88% of respondents are concerned about the impact of the cost of living, 84% of respondents are concerned about the impact of The Visitor Levy, 75% are concerned about the impact of FHL Abolition, 73% concerned about STL Licensing. Whilst 55% are significantly concerned about the introduction of The Visitor Levy Bill (Scotland), STL Licensing (45%) and the Abolition of the FHL Regime (45%).
- The survey reveals a notable decline in confidence among respondents regarding the next 24 months, with 47% expressing little optimism about their business performance compared to 34% for the next 3-6 months. This trend signals a genuine apprehension about the future trajectory of self-catering in Scotland, indicating growing concerns within the industry about forthcoming challenges and uncertainties.
- In terms of operation expenditure 51% of businesses spend more than 75% locally (within 30 miles) with a further 24% spending between 50% and 75% within 30 miles of their business. This highlights a significant contribution to local economies / local supply chain.

FHL Abolition

- In light of the FHL abolition and the elimination of tax deductions for improvements, 81% of self-catering operators in Scotland will be less likely to invest further in their properties, with 50% reporting a significant decrease in likelihood. This trend raises concerns about the potential decline in the quality of self-catering accommodation across Scotland (and UK wide), which could ultimately tarnish its reputation as a top tier tourism destination. Such repercussions may also undermine marketing efforts, diminishing Scotland's appeal on the global stage in the long run.
- 60% of businesses say that the abolition of the FHL regime will have a detrimental impact on their business with a further 10% saying it will be devastating.

Non-Domestic Rates

- The survey reveals that a significant majority, 78%, believe that removing the Small Business Bonus Scheme would have a detrimental impact. Within this majority, 31% go as far as to describe the potential impact as devastating. These findings

underscore the critical role the scheme plays in supporting small businesses, highlighting its importance for economic stability and growth.

1. Where is your business based?

Aberdeen City	2/ 0.32%
Aberdeenshire	19/3%
Angus	14/2%
Argyll and Bute	64/ 10%
Clackmannanshire	0
Dumfries and Galloway	29/ 5%
Dundee City	2/ 0.32%
East Ayrshire	0
East Dunbartonshire	2/0.32%
East Lothian	14/ 2.25%
East Renfrewshire	1/0.16%
Edinburgh City	65/10%
Eilean Siar	25/4%
Falkirk	0
Fife	21/3%
Glasgow City	11 / 2%
Highland	184 / 30%
Inverclyde	0
Midlothian	2/ 0.32%
Moray	11 / 2 %
North Ayrshire	13/ 2%
North Lanarkshire	0
Orkney	28/ 4.5%
Perth and Kinross	46 / 7%
Renfrewshire	1/0.16%
Scottish Borders	22/ 4%
Shetland	4/ 1%
South Ayrshire	8/ 1%
South Lanarkshire	5/ 1%
Stirling	22/ 4%
West Dunbartonshire	2/0.32%
West Lothian	4/ 0.64%
Pan Scotland	1 / 0.16%

2. How would you describe the location of your property?

Urban	107/17%
Suburban	33/5%
Semi-Rural	110/18%
Rural	281/45%
Island	91/15%

3. How many years have you been operating?

- Respondents have been operating for an average of 14 years – ranging from 1 year to 50 years. **Over 50% have been operating for 10 years or more.**

4. Do you operate any of the following?

Self-Catering	586 / 94%
B&B / Guest House	33 / 5%
Farm / Agritourism Accommodation Business	22/ 4%
Glamping / Shepherds Hut	26/ 4%
Caravan	5/ 1%
Home Share (in primary residence)	17/ 3%
Serviced apartment (5 or more self-catering apartments within one building with concierge)	3/0.48%%
Property Management Agency	4 / 1%
I have closed my STL business	11/ 2%
Other	14/ 2% See Below

Others include exclusive use castle, bunkhouse, self-catering as part of outdoor recreation, chalet park/ chalets.

5. How many properties (units do you own manage?)

1	343/ 55%
2	119 / 19%
3-5	104/ 17%
6-10	29/ 5%
11-20	16/ 3%
21-50	7/ 1%
51-100	1/ 0.16%
101 +	1/ 0.16%

6. Is your property your primary source of income (e.g. 1/3rd or more of your income)

- 55% responded that it is their primary source of income.

7. How many nights is your accommodation available for? (per annum)

210 nights plus	89% (554)
140-209 nights	7% (45)
105-139 nights	1.77% (11)
70-104 nights	1.77% (11)
69 nights and under	0.16% (1)

8. How many bed spaces do you have in total?

- Total number of bed spaces 7,264
- Average number of bed spaces 12
- **Those owning one property/ unit have an average number of 5 bed spaces and a total of 1787**

9. Have you applied for a STL licence?

- **96% (594) have applied for a Full Licence**

- 1% for a Temporary License
- 3% (21) have not applied for a licence

10. Has your STL Licence been granted?

- 51% say yes their licence has been granted
- 22% say no
- 23% have a provisional licence number
- **45% are still waiting for a full licence**

11. If you answered no, what is the reason for not having a licence?

- Examples responses as to why a license has not been granted/ received:
 - *Applied Sept 202. Highland council confirmed that application is one of 8000 and still at validation stage.*
 - *The council have apparently not reviewed it yet (submitted Sept 23).*
 - *Still waiting since August.*
 - *Still waiting as held in a queue for 20 weeks.*
 - *No response from Highland council.*
 - *Applied last September and haven't heard back from PKC yet.*
 - *Awaiting Council hearing due to neighbour objection to application*
 - *I have not heard anything from Argyll and Bute council other than acknowledging they had received my application.*
 - *Argyll and Bute haven't processed it yet (applied Aug '23).*
 - *Two responses from Orkney asking for them to now apply for planning permission.*
 - *Still under consideration. 30 weeks delay currently.*
 - *In dispute with the council who won't recognise the original licence & want a whole new application & fee & as said won't refund the fee already paid only 6 months in.*
- In total there are 194 responses most of which are still waiting for licence approval having submitted months ago, including disputes, planning approval and COL

12. Have you applied for Planning Permission (PP) or a Certificate of Lawfulness (COL)?

- 161 / 26% say **yes**, they have

13. If the answer is yes, which have you applied for?

Planning permission	10% 64
Certificate of Lawfulness (COL) under 10 yrs trading	9% 53
Certificate of Lawfulness (COL) over 10 years of trading	7% 44
I have withdrawn my application	1% 4
N/A	74% 457

14. What is the reason for applying for Planning Permission or a Certificate of Lawfulness?

I was told that I had to as part of my STL Licence application	103 / 64% of those that applied
I am a new operator in a Planning Control Area (PCA)	4 / 2% of those that applied
I am an existing operator (pre designation date of PCA) and I was told I had to	7 / 22% of those that applied
I have been served an enforcement order	2 / 1% of those that have applied
I want to regularise my planning status	20 / 12% of those applied
N/A I have not applied for either	73%

15. Has your PP / COL application been granted or refused?

- 53 % say their application is pending (86) of those that have applied
- 48% say their application has been granted (77) of those that have applied
- 7 % have had their application refused (11) out of those that have applied

16. If you are able to, please can you share your overall expenditure associated with running your self-catering business for the tax year 2022-2023:

- 290 answered this question with a total of eleven million, two hundred two thousand, five hundred ninety-eight pounds and ninety-three pence which is an average of over thirty-eight thousand £38k spend per respondent.
- **163 respondents owning one property: average spend per property is £15,090.15**

17. If you are able to, please can you share your overall turnover associated with running your self-catering business for the tax year 2022-2023

- 305 properties responded – total turnover spend £17,824,091.01 (17 million +) average turnover £59,812.39.
- 164 respondents owning one property: average turnover per property £26,770.16
- This is an average profit of £11,680 for owners with one property

18. Overall, how were your guest numbers in 2023 compared to the previous year (2022)?

Up	23% say up (117)
Down	30% say down (154)
Similar	42% similar (213)
Business was closed	1%
Business is newly established	4%

19. How was your turnover in 2023 compared to the previous year (2022)?

Up	30% say up (151)
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Down	29% say down (150)
Similar	39% similar (183)
Business was closed	1%
Business is newly established	4%

20. What was your occupancy % in 2023 between Jan and March?

- 511 responded.
- **472 were operational during this period of which 50% had under 25% occupancy rate**

Between 0% and 10%	29% (139) (of those open)
Between 11% and 25%	21% (98) (of those open)
Between 26% and 50%	19% (90) (of those open)
Over 75% occupancy	13% (60) (of those open)
I don't know	15
N/A not operational	39

21. What was your occupancy % in 2024 between Jan and March:

- 511 responded.
- **466 where operational during this period of which 61% had under 25% occupancy that is 11% reduction in a year.**

Between 0% and 10%	40% (185) (of those open)
Between 11% and 25%	20% (100) of those open)
Between 26% and 50%	17% (81) (of those open)
Over 75% occupancy	10% (47) (of those open)
I don't know	12
N/A not operational	45

22. How would you describe your occupancy rates between Jan and March this year 2024 in comparison to Jan to March last year 2023:

- 511 responded of which 453 were open
- % below is calculated based on those open
- **41% say their occupancy rates have been worse this year in comparison to last year**

Much better	5% (21)
Better	14% (63)
About the same	41% (185)
Worse than 2023	28% (126)
Much worse than 2023	13% (58)
NA	

23. In overall terms, how would you describe your anticipated 2024 season is looking so far against 2023:

- 511 responded of which 489 were open last year, so are able to compare
- % below is calculated based on those open
- **47% say their anticipated season is looking worse than last year**

Much better	3% (15)
Better	16% (79)
About the same	34%(167)
Worse than 2023	31% (152)

Much worse than 2023	16% (76)
NA	

24. How satisfied are you with the current level of bookings for the upcoming season?

- 36% say they are dissatisfied and a further 24% remain neutral**

Very satisfied	13.5 % (69)
Satisfied	26% (133)
Neutral	24% (122)
Dissatisfied	25% (130)
Very dissatisfied	11% (57)

25. How are your bookings looking for 2024 compared to this time last year:

- 511 respondents**
- Answers based on 485 and do not include those closed last year, new businesses and those closing**
- Only 16% of businesses overall say bookings are up with 48% saying they are down compared to last year**

Up	16% (76)
Down	48% (232)
Similar	36% (177)
Business Closed	9 businesses
Business Newly established	10 businesses
I am closing	7 businesses

26. For which months of 2024 have you, or do you plan to be open? (please tick any that apply):

- The % below are based only on those that are open this year which is a total of 493 businesses
- 4% of businesses (18) are not opening at all this year
- These figures highlight that even during the quietest month, a substantial portion of self-catering accommodation remain open, with only 25% closed and 75% operational. As the year progresses from February onwards, there's a gradual increase in business activity leading into the summer peak season. This pattern underscores the resilience of the industry and its ability to maintain operational continuity throughout the year.**

January	75%
February	81%
March	87%
April	97%
May	99%
June	99%
July	98%
August	97%
September	97%
October	95%
November	83%
December	81%

27. What factors do you believe have influenced changes in your occupancy rates over the past year?

A number of respondents mention, cost of living and economy, more last-minute and short stay bookings, challenges with ferries, bad press about Scotland putting people off visiting, people returning to holidaying abroad, increase in prices and uncertainty. Whilst very few having anything positive to say.

Example answers:

- *There are now a lot less Short Term Let properties in the area and it is possible we will have an increase in bookings through lack of choice.*
- *Great reviews and superhost status*
- *We have done improvements which helps with returning trade. Changing wants of clients and we are trying to adapt to that*
- *Fewer people booking in the Highlands*
- *More foreign guests but far fewer UK guests*
- *Weather and state of roads*
- *competition perhaps, and pricing. We are VAT registered though (part of a larger business) and struggle to keep our prices competitive and also viable*
- *Uncertainty in tourism in Scotland*
- *People booking last minute and not as many enquiries*
- *People have less money. Fewer bookings of more than 2/3 nights. More changeovers and more work for us.*
- *Cost of living for guests. Forced to increase our prices because of huge increase in running costs.*
- *Easter and October are looking quieter and I think families are opting to go abroad rather than come to Orkney, where it is expensive for travel.*
- *No licence. Negative news about Scotland. Would you be keen to visit a country where you weren't welcome?*
- *Cost of living crisis has reduced disposable income spending power on luxuries such as staycations at premium accommodation options. Totally failing and unreliable CalMac ferry service is directly impacting us now, in terms of rescheduling missed bookings, and discouraging return visitation to the island in the future.*
- *Bad press over Calmac Ferries, especially the Hebridean routes and unreliable ferrys on the Lewis/Harris services compared to a few years ago.*
- *Reduction in available accommodation in Edinburgh as a result of the STL legislation*
- *A combination of: The eye watering increases in the costs of accommodation on Skye, which is way beyond what inflation has caused. The impact of the cost of living increases. The 'staycation' ending as people gain confidence to travel after covid and the desire for holidays with better weather. General cost of living. People are booking much later and usually within a month or less of arrival. Booking for less nights. Average stay is 4 nights so far this year*
- *Lack of money people can't afford to holiday or visit relatives or even afford to travel for work Cost have increased so more unaffordable to people*
- *Later and less consistent booking patterns*

28. What do you consider to be the main barriers to growth / obstacles to success in 2024?

- **Answers relate to cost of living, increasing regulations, tax, barriers to business development, ferry issues, politics relating to licensing, planning, FHL taxation and impending visitor levy.**
- **446 responded to this question, some examples below:**

- *increased fees from booking platforms, uncertainty about granting of a licence, continued bad press about short terms lets particularly in Edinburgh, where we are seen as money grabbing or home stealing. cheaper holidays in Europe.*
- *The ever rising costs associated with running the business.*
- *Poor transport links to Highlands/no local public transport or taxis. Real unpopularity of Scottish government and its divisive and xenophobic policies are putting off visitors from rest of UK*
- *Costs of necessary renovations and other costs. Low booking rates. Anxiety over tax changes for FHL.*
- *Unreliability of the ferries*
- *Increased regulation and fees*
- *Looking to grow the business by building pods, however waiting nearly 2 years now for a decision on our planning application.*
- *Uncertainty about what further (needless) legislation might be applied to the self-catering sector.*
- *The infrastructure in the Highlands (state of roads, amenities such as public toilets. Restaurants struggling to find staff and cost of food, petrol and heating has impacted hospitality and tourism. More folk are visiting in campervans and clogging the roads and not using the self catering/bnb facilities.*
- *regulation, tax, business rates, and general increases in costs.*

29. Respondents were asked how concerned they are about the following:

- **Insurance Price Increase**
- **General increase to the cost of doing business**
- **STL Licensing**
- **Planning control areas**
- **Planning out with planning control areas**
- **Lack of bookings in relation to cost of living**
- **UK Travellers holidaying abroad**
- **Booking trends becoming more last minute**
- **Booking cancellations becoming more common**
- **The abolition of FHL (tax allowances)**
- **The introduction of a Visitor Levy (Scotland Bill)**
- **The removal of VS quality assurance scheme**
 - Answers highlighted that 88% of respondents are concerned about the impact of the cost of living
 - 84% of respondents are concerned about the impact of The Visitor Levy
 - 75% are concerned about the impact of FHL Abolition
 - 73% concerned about STL Licensing
 - **There is significant concern relating to The Visitor Levy introduction (55%), STL Licensing (45%) and the Abolition of the FHL Regime (45%)**

30. Respondents were asked to comment on the above- there are multiple comments relating to the introduction of the Visitor Levy Bill (Scotland):

- *Under the energy refs for the STL we will not be able to operate after 2028. Our house is old and it is not cost effective to make the energy saving improvements in order to gain a C energy grading. Also, the debacle of the CalMac ferries means people are reluctant to travel so far when the ferry may be cancelled at short notice. There are very few places to stay near Uig ferry*

terminal if there is a cancellation. Is the Scottish Government trying to kill Scottish tourism?

- There is a general feeling in the industry that we are disliked and greedy for providing guests accommodation and somehow we are all the blame for the housing crisis across Scotland it's all not true and this nasty polarising of one side to be bad and the other good is not healthy and doesn't help anyone anywhere.*
- I can't operate at a profit. The Government wants to wipe out tourism and it's succeeding.*
- Impact of campervan/motorhome rental has seen holiday makers shift from 1 week in a place to 1 day in a place - they expect to see more and relax less.*
- Our planned expansion is dependant on securing planning permission. A visitor levy would simply either reduce already tight operating margins, or need to be passed on to customers, increasing our already high price point.*
- Planning Approval in Glasgow is very problematic, as mentioned earlier we are about to get refusal for a change of use application despite us addressing all the issues that are identified in the respective policy documents. The STL process is very slow, there is a 9 month time limit set by the SG. Any allocation made just before the deadline has to be determined by the end of June. I suspect that Highland Council will miss that deadline. The abolition of the Furnished holiday let scheme is a barrier to investment. It may suit long term rentals to have old furniture but this does not apply to STLs. It is important to maintain a high standard.*
- Increasing cost of operating, increased legislative burden, combined with huge drop in bookings due to cost of living crisis has created a perfect storm of negative impact on the industry. We are making the decision to close parts of the business and change other parts as a result. This will result in 2 of our members of staff being made redundant. If these changes are not successful we will close the business, with all 6 members of staff losing their jobs.*
- I have been operating under a cloud of uncertainty for a few years now, as if Covid wasn't bad enough. New properties I cannot take on as simply they won't be granted a license in Glasgow. My general investment into the business has been stopped by all this uncertainty. Other issues such as Low Emission Zone, Parking charges in the city at night, non domestic rates changes. Possible visitor levy. All these elements to me suggest this government and city council don't want this industry to have a role in the local economy and in general terms I believe this SNP is robbing people of their opportunity to prosper in life.*
- With regards to FHL as a purpose built holiday park we feel like cannon fodder for this. Our lodges can never be used as residential properties but yet the Government threaten to remove our tax benefits. We feel constantly attacked with yet more policies, regulations and tax burdens the government don't fully understand the impact of.*
- Very concerned that the Visitor Levy may be something that I will have to oversee as the owner of a self-catering property. If that is the case, that will be the final straw - I will cease to trade. There should be a system that includes 1) cruise ship passengers and 2) motorhome visitors as Orkney is swamped by them at times and they do not necessarily spend much money in the county.*
- If the sector undergoes any more blows then it will collapse and I don't think the Scottish economy will recover*
- Key concern is the licensing and planning hurdles to enable me to continue to remain in business. Visitor levy collection / payment would also be a big concern unless there is an automated way to do this through the booking platform (Airbnb).*

- Key concern is the significantly increased cost of running the cottages (including licensing) combined with agency discounting rates and lower occupancy meaning much reduced income. Struggling to break even.
- Not being able to claim capital allowances for the business would have quite an impact as we already can only claim the interest on our mortgages. If the visitor levy is introduced (I'm sure it will be!) this then gets passed onto the customer making holiday in Scotland even more expensive so will impact visitor numbers.
- Higher costs for businesses. Lack of support. Highland council do not want to encourage tourism or outdoor business based on tourism and attracting customers. They charge tourism businesses additional to any other
- We are running a legitimate business, employ local people, support local charities, pay our taxes yet get undermined at every opportunity by our governments. It is very dispiriting
- We maintain a high-quality holiday let which receives 5* reviews. This is maintained by investment in quality f&f. **Currently can't think about investing.**
- FHL tax changes and Tourist Tax Levy will kill my business
- Tourism tax. Poor roads. No Internet
- In mentally and emotionally exhausted by this. Main point are above. I'm beyond shocked by the council and government's approach and what I've seen on social media has left me genuinely upset and worried for Edinburgh
- Scotland has so much to offer and its a real scandal how small operators are being thrown to the wolves through lack of accurate information around self catering properties and their impact on accommodation in Edinburgh. Agreed there needs to be regulations but these draconian and arbitrary laws are going to cripple our important tourist industry - Edinburgh and Scotlands biggest employers. We are being scapegoated on the alter of local government 's total inability to deal with the present housing crisis. We're the easy target while government knowingly ignore the multiple interconnected reasons for this - it's a real disservice to the hard working small businesses to put the blame on this one sector - especially as its seems our local government have their own hidden agendas to remove (as they have indicated) around 80% of STL lets from the market - all the while negotiating with foreign investors around numerous aparthotels. They are at best misguided and at worst disingenuous laying blame for housing shortage at the SLTs doors. We seem to be a soft target and merely a beard for the real reasons behind our city's housing problems. Why is this one sector being held responsible when according to housing charities there are over 1800 empty properties in Edinburgh which could be renovating and made available to people in need of housing. There is also a complete lack of political will or seems to commit to building enough social housing to address the local government's housing shortage. These small businesses are often peoples pensions but there seems to be little regard or foresight for the probable devastation these councils measures are about to cause.
- I am honestly just so exhausted with the battle of trying to run a decent and honest business. Just feel like we lurch from one crisis to the next. Feeling of pessimism for the future of self catering in Scotland.

31. How confident do you feel about the performance of your business in the next 3-6 months:

Very optimistic	10%
Quite optimistic	30%
Remain neutral	25%
Not very optimistic	25%
Not optimistic at all	9%

32. In the next 12 months:

Very optimistic	6%
Quite optimistic	27%
Remain neutral	25%
Not very optimistic	29%
Not optimistic at all	13%

33. In the next 24 months:

Very optimistic	4%
Quite optimistic	22%
Remain neutral	27%
Not very optimistic	31%
Not optimistic at all	16%

The three questions above reveal a notable decline in confidence among respondents regarding the next 24 months, with 47% expressing little optimism about their business performance compared to 34% for the next 3-6 months. This trend signals a genuine apprehension about the future trajectory of self-catering in Scotland, indicating growing concerns within the industry about forthcoming challenges and uncertainties.

34. Do you intend to stay in business beyond 2024 as a self-catering operator:

Yes	54% (266)
No	9% (44)
I intend to downscale my business	7% (33)
I do not know	30% (148)

Abolition of FHL Tax Regime**35. Do you qualify for furnished holiday let tax relief:**

Yes	53% (248)
No	17% (79)
I do not know	30% (137)

36. Have you claimed capital allowances (claimed relief on items known as 'embedded fixtures' that were already in the property when it was purchased, even if the property purchased a long time ago and if it was purchased as a residential dwelling)?

Yes	26% (121)
No	55% (255)
I do not know	19% (88)

37. What is more important to you in terms of financial returns from your holiday let?

Maximising annual income	81% (376)
Maximising long term investment gain	15% (70)
I do not know	4% (18)

38. Please rank the following elements of the FHL regime in order of preference to you:

- 86% ranked "The ability to deduct costs incurred in improving the property, including new furniture and new equipment (i.e claim capital allowances)" as the highest and second highest (63% ranking as the highest) – scoring significantly above other options. Full results above.

	1	2	3	4	5	6	TOTAL	SCORE
▼ The ability to deduct costs incurred in improving the property, including new furniture and new equipment (i.e claim capital allowances)	63.13% 274	22.58% 98	6.91% 30	5.07% 22	1.61% 7	0.69% 3	434	5.38
▼ The ability to deduct interest payments from your taxable profit at the higher rate of tax as opposed to the basic rate only	13.82% 60	23.73% 103	14.75% 64	17.28% 75	14.06% 61	16.36% 71	434	3.57
▼ The ability to allocate the profits of your property to your joint owners on a flexible basis	5.53% 24	11.29% 49	25.35% 110	16.59% 72	17.74% 77	23.50% 102	434	3.00
▼ The ability to pay 10%, rather than 24% capital gains tax on the sale of your property	9.68% 42	20.74% 90	25.35% 110	25.58% 111	8.99% 39	9.68% 42	434	3.68
▼ The ability to contribute your earnings from your property into your pension	3.69% 16	6.45% 28	10.60% 46	14.75% 64	37.10% 161	27.42% 119	434	2.43
▼ The ability to carry forward tax losses for future offset	4.15% 18	15.21% 66	17.05% 74	20.74% 90	20.51% 89	22.35% 97	434	2.95

39. If you no longer receive a tax deduction for improvements you make to your property/ properties i.e claim capital allowances, how will that impact your future investment decisions?

Significantly less likely to make further investment	50% (229)
Slightly less likely to make further investment	31% (141)
No impact on further investment	9% (43)
I don't know	10% (48)

- In light of the FHL Abolition and the elimination of tax deductions for improvements, 81% of self-catering operators in Scotland will be less likely to invest further in their properties, with 50% reporting a significant decrease in likelihood. This trend raises concerns about the potential decline in the quality of self-catering accommodation across Scotland (and UK wide), which could ultimately tarnish its reputation as a top tier tourism destination. Such

repercussions may also undermine marketing efforts, diminishing Scotland's appeal on the global stage in the long run.

40. Will the abolition of the FHL regime have an impact on your business?

Devastating	10% (48)
Significantly Detrimental	27% (126)
Detrimental	33% (126)
Neutral	11% (52)
No impact at all	6% (30)
I don't know	12% (54)

- 60% of businesses say that the abolition of the FHL Regime will have a detrimental impact on their business with a further 10% saying it will be devastating.

41. Does your planning status mean you can only operate your premises as a self-catering unit?

Yes	30% (137)
no	40% (180)
I don't know	30% (133)

42. Is your accommodation unconventional, in other words cannot be deemed a residential dwelling?

Yes	15% (66)
no	80% (363)
I don't know	5% (24)

Non-Domestic Rates

43. Do you benefit from the Small Business Bonus Scheme?

Yes	76% (342)
no	19% (86)
I don't know	4% (20)

44. If the Small Business Bonus Scheme is removed, how would it impact on your business?

Devastating	31% (140)
Significantly Detrimental	35% (157)
Detrimental	12% (54)
Neutral	4% (20)
No impact at all	7% (31)
I don't know	10% (44)

- The survey reveals that a significant majority, 78%, believe that removing the Small Business Bonus Scheme would have a detrimental impact. Within this majority, 31% go as far as to describe the potential impact as devastating. These findings underscore the critical role the scheme plays in supporting small businesses, highlighting its importance for economic stability and growth.

45. If you benefit from the Small Business Bonus Scheme, what would your non-domestic rates bill be without the Relief?

- Examples below highlighting the significant cost to the self-catering operator:

Association of Scotland's Self-Caterers (ASSC) Bi-Annual Barometer Survey 2024

133	2700
134	£2,700
135	£9835.50
136	5000
137	Xxxxx
138	9500
139	£3500
140	900
141	1800
142	£5,500 (subject to appeal reducing it to £4,000)
143	About £4.5k for two properties
144	we are closing
145	8,000
146	£4500
147	£3436.20
148	£5-6k
149	2400
150	not sure
151	£13,500
152	£14K pa
153	5000
154	Around £6,000
155	3000.00
156	Yes, I guess so
157	2100
158	Approx £2.5k/y
159	£510
160	£2500 p a approx

46. If you benefit from Transitional Rates Relief, what would your non-domestic rates bill be without the Relief?

- There were 165 responses, many said they do not know what this will be and some shared a figure which has been saved for further analysis when required. Figures range from £548 to £16,000

47. If you know, what do you pay in water rates or metered water per annum?

- 312 responses ranging from £100's to £1000's. Results will be used to prepare case-studies.

48. If you know, what do you pay for commercial waste uplift per annum?

- 277 responses ranging from £100's to £1000's. Results will be used to prepare case-studies.

49. Do you support the devolution of Non-Domestic Rates to local authorities?

Yes	11% (48)
No	32% (142)
I am not sure	57% (25)

50. Do you have any comments that you would like to add?

- *Adding Rates to my business will be the last straw.*
- *I appreciate that paying my fair share of Tax is appropriate and I don't mind paying more, but it's the combination of this and the significant additional costs of insurance and licence associated fees that will be very compromising.*
- *Our two properties generate quite significant local employment income for cleaners, laundry, gardeners, maintenance services. All of the income tax and employment benefits to the local community would be lost if our Highland houses were to become second homes for someone.*
- *Fed up with giving my profit to everyone else. This is not happening to other tourism related businesses, I feel victimised*
- *My holiday let property has a planning condition that prevents it being used as residential. After receiving a letter from the Assessors Office stating that if I failed to meet occupancy levels, the property would be delisted from non-domestic rates and placed on the domestic rates list. I informed them of the planning condition and their response was they didn't know what to do in that situation!*
- *The loss of rate support as a "small" business would kill the business as it would enforce a substantial rise in holiday costs.*
- *There has been a rapid erosion of all commercial benefits. Many - eg. Waste collection are ill conceived. Water companies acting as agencies only are profiting as middle men. Water costs have doubled. Rateable values have also greatly increased*
- *I would not encourage anyone to go into self-catering and I now feel trapped with properties I'm not able to sell easily or quickly. Everything is just pay out with more payments and then quality assurance is then removed. Just feel disillusioned and unsupported.*

Marketing and Sustainable Tourism

51. In 2023 where did the majority of your guests come from, in terms of percentage share?

- 46% report that over 50% of their guests come from rest of the UK (England, Wales and NI)
- 29% say that over 50% of their guests come from Scotland
- 16% say that over 50% of guests come from Europe.
- 42% say they have no guests from further afield internationally
- 34% say they have no guests from North America.
- 12% say they have no guests from Europe with a further 49% saying that they have less than 20% from Europe.

Presenting an opportunity for wider international promotion of self-catering.

52. How do you market your property/ies? (tick any which apply)

Own website with online booking	42% (178)
Own website with no online booking	20% (84)
Regional Destination Marketing Organisation	15% (64)
EmbraceScotland	14% (57)
VisitScotland	40% (170)
Agent such as Cottages.com, Sykes, Unique Cottages	23% (95)
Independent agency	10% (41)
Airbnb	59% (249)
Booking.com	25% (105)
VRBO/ Expedia	24% (99)
Fairbnb	1% (4)
Facebook, Instagram, X	29% (120)
Other:	20% (82) examples below (and include independent agencies)
	• <i>Walk Highlands</i>
	• <i>PR</i>
	• <i>Word of mouth</i>
	• <i>Tiktok</i>
	• <i>Trip Advisor/ Holiday Lettings</i>
	• <i>Walking companies</i>

- Results above indicate a significant number of operators market their property through their own website, Airbnb and VisitScotland.

53. Which one of the below did you receive MOST of your bookings from in 2023?

Own website with online booking	23% (96)
Own website with no online booking	7% (29)
Regional Destination Marketing Organisation	1% (5)
EmbraceScotland	0.24% (1)
VisitScotland	0.48% (2)
Agent such as Cottages.com, Sykes, Unique Cottages	17% (70)
Airbnb	32% (134)
Booking.com	9% (39)
VRBO/ Expedia	3% (14)
Fairbnb	0
Facebook, Instagram, X	1% (5)
Over the phone	1% (3)
Other:	• <i>Returning guests</i>
	• <i>Walking companies</i>
	• <i>Independent agents</i>

54. Thinking about your marketing activity, how often do you undertake the following?

- When evaluating marketing practices, it's essential to consider the frequency of various activities. The survey respondents shed light on the following practices:
 - Refurbish or Renew Your Website
 - Update Your Website Content
 - Update Your Website Photos
 - Update your web listings (e.g., VisitScotland/EmbraceScotland/Regional DMO)
 - Update your OTA listing or Marketing Agent Listing
 - Post on Social Media
 - Create reels and videos showcasing your business
 - Write & Share a Blog
 - Send out a Newsletter to Guests or Subscribers

The findings underscore areas that demand attention and improvement. Notably, a significant portion of respondents reported infrequent engagement in key marketing activities:

- Posting on Social Media: 36% never engage in this activity.
- Writing & Sharing a Blog: A staggering 78% never partake in this practice.
- Updating Web Listings: 28% neglect to update their listings on platforms such as VisitScotland and EmbraceScotland, with 32% failing to update OTA or marketing agency listings.
- Updating Website Photos: While 21% rarely update their website images, 11% never do so.

These insights emphasise the need for strategic adjustments and additional support in these areas to enhance marketing effectiveness.

55. Which, if any, Destination Management or Marketing Organisation (DMO) are you a Member of or affiliated with? (Please provide name of DMO & email contact details)

- 177 responded with 92 saying N/A or that they do not know what a DMO is. Under 100 mention being affiliated to a DMO. Indicating some education on DMO's is needed and how they can support in addition to VS and ASSC.

56. Which accreditation schemes are you part of. (Tick any that apply)

VisitScotland Quality Assurance (please note the scheme is now closed to new entrants and will end 31st March 2025)	22% (93)
ASSC Committed to Quality Scheme	22% (93)
Green Tourism	7% (28)
Quality in Tourism (Tourism Society)	0
AA	0.24% (1)
I am not accredited	62% (259)
Other: 23 responses including -	
	• Unique Cottages verified
	• Safe Travel
	• Othia
	• Cottages.com
	• Property Mark

	<ul style="list-style-type: none"> Airbnb Superhost
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- The findings suggest a notable lack of participation within the sector regarding accreditation schemes. This underscores a clear opportunity for growth in this domain, presenting a potential area of expansion for the ASSC Committed to Quality Scheme.

57. Which Booking System / Channel Manager / Property Management System do you use:

Supercontrol	18% (73)
Bookster	1% (6)
Free to book	14% (57)
Free online booking	1% (6)
Eviivo	0.49% (2)
Sykes	3% (11)
I don't use a booking system	45% (181)
Other: 20% use other (82) and mention the following in their answer -	Wix, Cottages.com, Schboo, Travelnest, Glampmanager, Travel Chapter Travelnest, Inn Style, Discover Scotland, Avantio, Bookalet, VRBO, Host Away, Hbook, Avantio, Awaze, Wilderness Cottages, Airbnb, Booking Tracker, Little Hotelier, Smooby, Newbook, Uplisting.

- The findings indicate that 45% of businesses do not utilise a booking system, signalling a significant need for support from the ASSC. Additionally, the provision of booking calendars by EmbraceScotland underscores the importance of such support initiatives.

58. Which payment processor do you use?

WorldPay	7% (28)
Stripe	18% (74)
Paypal	19% (78)
I do not take payments online	40% (164)
Other: 20% say other (80) and mention some of the following. Most of the comments relate to an agency/ OTA	Opayo, Netpay, Resolut, Elavon, Square,

- Similar to the question above, 40% do not take payments online signalling a significant need for support from the ASSC.

59. Do you use a Digital Welcome Book in your Property?

Yes	10% (40)
No	69% (287)
No, but I would like to	17% (69)
Examples of who they use (if answered yes)	Airbnb, Hostfully, Supercontrol, Make own and then Touchstay mentioned a few times.

60. Is your property listed?

Grade A	4% (17)
Grade B	11% (46)
Grade C	3% (14)
No	72% (300)
I don't know	6% (25)
N/A	4% (16)

61. If you have an Energy Performance Certificate (EPC), what rating is it?

A	2 % (8)
B	6% (26)
C	28% (114)
D	26% (105)
E	20% (79)
F	8% (31)
G	3% (11)
I don't know	7% (29)

62. Are you planning on making changes to your property to make it more energy efficient?

Yes	21% (87)
No	49% (203)
Maybe	29% (121)

Comments:

- *It is listed and we have made all improvements that were acceptable any further changes like double glazing or PV are not allowed on a listed building*
- *Considering Solar PV - but support and current uncertainty around STL/tax etc make it a risky investment.*
- *Traditional Croft House - solar panels/wind turbine would be detrimental to aesthetics and Ground/Air source heat pumps are prohibitively expensive*
- *No options logically possible. Feedback from assessment included installing a wind turbine (property located in a valley with little in the way of regular wind). Solar panels (in Scotland?) I did investigate but pay-back estimated at over 10 years and solar panel company did not recommend proceeding.*
- *Let's see what the FHL new rules allow. Less inclined to do so at present*
- *We have investigated both solar and hydro options in the past but neither are financially viable*
- *I'm in a conservation area and keen to conserve its character so there is limited scope*
- *Property built in 1780 put insulation in no gas in the village so all electric. Conservation village so can't put in solar panels etc.*

63. How important to you is operating your business sustainably?

Very important	28% (117)
Quite important	45% (190)
Neutral	20% (83)
Not very important	6% (24)
Not important at all	1% (5)

64. Do you have any of the following?

Sustainability Policy	14% (57)
Climate Action Plan	3% (12)
Green Tourism Award	7% (28)
None of the above	83% (339)

- As part of the ASSC Strategy the ASSC aims to support members on their sustainability journey and the results above evidence the need for support.

65. How important to you is operating your business in collaboration with local businesses and service providers - supporting your local community?

Very important	51% (212)
Quite important	32% (133)
Neutral	12% (52)
Not very important	4% (17)
Not important at all	1% (4)

66. In terms of your business operations expenditure, what percentage is spent:

	MORE THAN 75%	50-75%	25-50%	LESS THAN 25%	NO SPEND IN THIS AREA	TOTAL
Locally (Within 30 miles)	50.74% 205	23.51% 95	16.83% 68	8.66% 35	0.25% 1	404
Across the rest of the region	3.39% 10	7.12% 21	25.76% 76	52.20% 154	11.53% 34	295
Across Scotland	5.61% 18	6.23% 20	19.31% 62	47.98% 154	20.87% 67	321
The rest of the UK	2.15% 7	7.08% 23	15.38% 50	47.08% 153	28.31% 92	325
Internationally	0.35% 1	0.00% 0	0.69% 2	12.15% 35	86.81% 250	288

- In terms of operation expenditure 51% of businesses spend more than 75% locally within 30 miles with a further 24% spending between 50% and 75% within 30 miles of their business. This highlights a significant contribution to local economies / local supply chain.

67. Do you provide local produce in your welcome pack to your guests?

- 53% provide local produce in their welcome packs whilst 23% do not provide a welcome pack at all.

68. Have you implemented any new amenities or services in your self-catering cottages in the past year? If yes, please specify:

171 responses including the below examples indicating the upkeep required in running a successful and sustainable self-catering tourist accommodation.

- New sustainable bath products, additional furnishings Better showers and a new kitchen in one*

- *larger tv, new sofa, new central heating (ASHP), plus other gradual improvements*
- *smart tv's towels by request - free Kiddie welcome packs dog welcome packs*
- *Introduced free city centre parking*
- *Electric bike charge point in nearby barn*
- *Proper Superfast broadband and workation facilities*
- *Nespresso coffee machine and a highland cow footstool*
- *Bicycle storage area.*
- *Decking area with view in garden*
- *New bathrooms and downstairs toilet; washer/dryer; TV*
- *EV Charger, shower assistance for elderly or infirm, bike storage*
- *fire pit*
- *Upgraded kitchen appliances plus introduced an Airfryer*
- *Added an accessible wet room. Made all entrances accessible, added grab rail in bedroom, put shower stool in second wet room.*
- *Firepit patio and bar*
- *Fishing tours*
- *garden pods and fire pits*
- *EV Chargers.*
- *In progress - restaurant & spa*
- *A few Books, Local information and board games*
- *Built an activity cabin*

69. Do you provide alcohol in your welcome pack to your guests?

Yes	16% (67)
No	69% (289)
N/A I don't provide a welcome pack	14% (60)

70. If you answered yes, do you have a personal licence to sell alcohol?

Yes	2% (7)
No	25% (86)
No I didn't know I needed one	4% (15)
N/A	69% (240)

71. Do you have a PPL/PRS Licence to cover the playing of music on either a radio or TV?

Yes	8% (33)
No	70% (287)
I didn't know I needed one	22% (91)

72. Do you currently provide an electric vehicle (EV) charging point?

Yes	12% (50)
No	75% (313)
No, but I would like to	13% (55)

73. Do you currently use renewable energy systems?

Yes	25% (103)
No	61% (256)
No, but I would like to	14% (58)

74. Which renewable energy systems do you currently employ in your self-catering operations? Please select all that apply:

Solar panels	62% (58)
Wind turbines	5% (5)
Geothermal heating/ cooling	8% (8)
Hydroelectric systems	6% (6)
Biomass energy	18% (17)

Comments:

- Air source heat pumps mentioned a few times
- Ultra-efficient slimline electric boiler
- MVHR, ASHP, Solar PV and Solar hot water.
- Logs for fires - renewable in my view but not the governments!
- We buy our Electricity from Octopus and their energy is wholly from renewable resources.
- Solar PV, Solar hot water, biomass district heating and 2 wind turbines

75. Overall, what are the top 3 areas you feel you need help and support with for your business in 2024-2025?

Analysing the no 1 (TOP) responses, the most common themes and areas requiring support can be summarised as follows, in order of frequency:

- **Marketing and Advertising:** Numerous respondents expressed a need for assistance in marketing their businesses, attracting bookings, improving online presence, and reaching new audiences through various channels including social media.
- **Legislation and Regulation:** Many respondents cited concerns about the impact of government regulations and licensing requirements on their businesses. They seek clarity, reduction in red tape, and lobbying efforts to mitigate adverse legislation.
- **Taxation and Financial Assistance:** Several respondents highlighted challenges related to taxation, including changes in tax regimes, business rates, and the financial burden of operating costs. They seek tax relief, grants for renewable energy installations, and support in navigating financial implications.
- **Licensing and Planning:** Numerous respondents expressed frustrations with licensing processes, planning permissions, and the time-consuming nature of obtaining approvals. They desire streamlined procedures and clearer guidelines.
- **Sustainability and Energy Efficiency:** A significant number of respondents expressed interest in sustainability measures such as installing solar panels, improving energy efficiency, and accessing grants for renewable energy projects.
- **Booking and Occupancy Improvement:** Many respondents seek assistance in increasing bookings, improving occupancy rates, and reducing reliance on booking websites by enhancing their own online booking systems.
- **Transportation and Accessibility:** Some respondents mentioned challenges related to transportation, ferry services, and accessibility to their locations, highlighting the importance of reliable infrastructure for attracting visitors.
- **Positive Publicity and Perception:** A few respondents expressed a desire for more positive publicity about Scotland as a tourist destination and a need to change negative perceptions surrounding self-catering accommodation.
- **Support from Industry Associations:** Several respondents mentioned the need for support from industry associations like the Association of Scotland's Self-Caterers (ASSC) in various areas including marketing, compliance, and lobbying efforts.

- **Miscellaneous:** Other areas of concern include concerns about the potential abolition of FHL tax relief, opposition to tourist taxes, dealing with vexatious neighbours, and general assistance in staying open and surviving amidst challenges.
- These themes highlight the multifaceted challenges faced by self-catering businesses in Scotland and underscore the diverse support needs within the industry.