



ASSC Barometer Survey - May 2018

Background to the ASSC Barometer Survey

We regularly ask our members how things are going, and if there are any significant issues impacting on the sector. It is important information, which we use anonymously, to inform the Tourism Industry and Scottish Government about the professional self-catering sector, as well as helping the Association to tackle key issues.

Headline Findings

- **The 2017 Season was overall thought better than 2017, with increases in both turnover and guest numbers.**
- **For 2018, Several barriers to growth/obstacles to success were identified.**
These include:
 - rising costs of business
 - poor connectivity
 - seasonal & poor weather
 - increased competition
 - a rise in digital marketing channels
- **Generally, there is an optimism for 2018 where bookings are looking about the same as 2017 or slightly better, although there is some concern about an increase in last minute bookings.**
- **65.4% of Members have not experienced a change in guest demographic but where a change has been experienced, it is thought that more EU and international guests are visiting.**
- **Nearly 40% of Members thought that the majority of their guests are visiting from England, Wales and Northern Ireland.**
- **Over 70% of Members have not applied for a change of use for their self-catering property.**
- **Nearly 60% of Members do not accept bookings for longer than 31 consecutive days.**
- **45% of Members are aware of the new Private Residential Tenancy Agreement Legislation.**
- **53.5% of Members have concerns for the self-catering sector in Scotland.**
The main concerns include:
 - Legislation & Regulation (Tourist Tax, Small Business Bonus Scheme, Energy Performance Certificatess, Restrictions to number of nights)

- Over-tourism
- Online Travel Agencies
- **Nearly 80% of Members are aware of the new GDPR Legislation & many took steps to prepare for the deadline.**
- **45% of Members have implemented changes to their Marketing Strategy in the past 2 years.**
- There seems to be an increase in online, targeted marketing with some members creating a marketing strategy, employing marketing professionals or undertaking training themselves.

Q1. Region where your property(ies) is/are located:

Aberdeen, Grampian & Moray	10.8%
Argyll, Isles, Stirlingshire	14.8%
Ayrshire & Arran	2.7%
Dumfries & Galloway	2.7%
Edinburgh & Lothians	12.1%
Glasgow & Clyde Valley	4.0%
Highlands & Skye	22.9%
Perthshire, Dundee & Angus	13.5%
Kingdom of Fife	2.7%
Scottish Borders	9.4%
Shetland, Orkney & Hebrides	6.7%

Q2. How would you describe the location of your property(ies)?

Urban	15.4%
Suburban	0.0%
Semi Rural	17.8%
Rural	54.7%
No Responses	11.9%

Q3. In overall terms, how would you describe your 2017 season?

Much better than 2016	9.5%
Better than 2016	34.5%
About the same as 2016	30.9%
Worse than 2016	3.5%
Much worse than 2016	3.5%
Not applicable: not trading in 2016/2017	5.9%
No Response	11.9%

Q4. Any particular comments you would like to make about the 2017 season?

- 'We are noticing a much sharper contrast between high and low season, both for bookings taken and bookings stayed.'
- 'Increase seen in booking volume & average spend.'
- 'We have four properties in differing types of locations. 3 increased their turnover and guest number and 1 remained static.'
- 'Although it was a good season I had to work hard to get bookings.'
- 'Shorter holidays. More work for us. Last minute bookings.'
- 'More tourists, I think because of the exchange rate.'
- 'We had a large increase in Chinese visitors who now appear to be travelling independently.'

- 'We had more international guests / more European and North American visitors.'

Q5. How was your turnover in 2017 compared to 2016?

Up	45.2%
Down	13.0%
Similar	22.6%
Not applicable	7.1%
No Response	11.9%

Comments:

- 'I bought a second property in late 2016, so my overall turnover is up. The turnover on my original property (just on its own) is much the same as in 2016.'
- 'Up due to an increase in bookings in newest property.'
- 'We are advertising on more platforms.'
- 'A modest increase'

Q6. Following on from question 5, what was the percentage increase / decrease?

0-5%	26.1%
6-10%	17.8%
11-15%	7.1%
16% and above	15.4%
Not applicable	20.2%
No Responses	13.0%

Comments:

- 'Expenses up too!'
- 'have lost business by making 5 nights the minimum stay'
- '18% drop in sales year on year.'
- 'Not applicable - as we were not fully open in 2016'

Q7. How were your guest numbers in 2017 compared to 2016?

Up	47.6%
Down	11.9%
Similar	20.2%
Not applicable	8.3%
No Response	11.9%

Comments:

- 'More winter bookings.'
- 'Because of last minute bookings.'
- 'I bought a second property in late 2016, my overall guest numbers were up. My guest numbers for my original property were much the same.'

Q8. Following on from question 7, what was the percentage increase / decrease?

0-5%	26.1%
6-10%	20.2%
11-15%	3.5%
16% and above	13.0%
Not applicable	25.0%
No Responses	11.9%

Q9. What do you consider to be the main barriers to growth / obstacles to success in 2018?

- 'Increased Costs'
- 'Business rates revaluation and increase (+150% in our case)'
- 'The necessity to trade within the VAT threshold'
- 'Increase in business rates means less to reinvest into more self-catering units. This increase although providing additional revenue to the council in the short term will mean a longer run up to overall increase in revenue from tourists visiting the area.'
- 'Increased charges for Rates which will increase Water Charges. EPC an unnecessary burden because visitors do not select a property on the efficiency of the property, but on the cost, location, availability, star rating and suitability.'
- 'Increased competition from other new holiday home owners in this area. Also everything we buy for cottages is more expensive, but unable to put prices up as guests wages / income has not increased.'
- 'Rising costs and increase in demand for cheaper short-breaks as opposed to weekly stays, which used to be the norm.'
- 'Squeeze on personal discretionary income limiting spending on holidays'
- 'Winter season is difficult due to poor weather conditions and ferry cancellations so people do not want to take the risk of travelling'
- 'Bad Weather. People now want to go to the sun'
- 'Brexit, currency, terrorism, perceived overtourism, OTAs, higher energy costs, increased government implemented taxes.'
- 'Lack of mobile coverage and poor broadband speed'
- 'Infrastructure - busy roads and poor internet/mobile signal - very important these days'
- 'Digital tourism - lack of understanding how to tackle it'
- 'The growing hostility to the sector in Edinburgh'
- 'The proliferation of self catering properties in the area'
- 'Too many marketing channels competing for attention. Rise of Air bnb numbers'
- 'Competition from the large companies perhaps which knock the independents off the radar'
- 'Competition from casual hosts, ones that let out their flats to make a bit of money on the side, undercut us and don't rely on the income.'

Q10. How confident do you feel about the performance of your business in the next:

	3 months	12 months	24 months
Very optimistic	20%	17%	14%
Quite optimistic	37%	46%	44%
Neutral	33%	24%	31%
Not very optimistic	10%	13%	7%
Not optimistic at all	0%	0%	3%

Comments:

- 'Slow start to year, partly weather and partly economy'
- 'Summer is fully booked, shoulder months limited'
- 'Worried about potential losses in local markets due to expendable family income shrinkage'
- 'The 2018 summer season is almost upon us; business should be good in the short-term. Any local/council changes made now will take some time to implement, so

I'm fairly confident about the next 12 months. I'm unsure of the next 24 months, as there are many worrying concerns within the self-catering industry.'

- 'If things do not improve in relation to burdens on the sector we will probably close'
- '2018 has been a much slower start than 2017 and booking volumes and average spend is lower than 2017 so far'
- 'Bookings slower than 2017 for this period.'
- 'Booking are much better this year and to date we are ahead of where we usually are at this time of year.'
- 'Bookings looking positive for next few months however Brexit may affect bookings in longer term.'
- 'As I have just commenced trading I am hopeful about establishing a customer base and building my business.'

Q11. Compared to last year, how are your bookings looking for the next six months?

Substantially better	7.1%
Slightly better	23.8%
About the same	22.6%
Slightly lower	14.2%
Substantially lower	10.7%
Not applicable	4.7%
No Response	16.6%

Comments:

- 'First time in 24 years that we have spaces in July and August'
- 'Seems to be an increase in last minute bookings plus early Easter always means less bookings for this time of year'
- 'Disappointed in level of bookings to date compared with this point last year'
- 'Regulars returning keeps my numbers up'
- 'Although I have fewer bookings for this coming summer season, I've noticed that many guests are booking their accommodation closer to their holidays than before. Guests used to book 6-9 months in advance but they're now booking 2-3 months in advance (and I'm seeing quite a few guests booking only 4-6 weeks before their arrival than ever before).'
- 'Volume etc around about the same, but the quality of bookings significantly better'
- '2018 has been a much slower start than 2017 and booking volumes and average spend is lower than 2017 so far.'

Q12. Is there a specific facility or benefit that you are unable to offer, which you feel affects your bookings? If so, please comment:

Yes	31.8%
No	66.6%
Other	4.3%

Comments:

- Broadband / Superfast Broadband not available
- Self Check-in
- Hot tub / outdoor sauna
- Bus from outside the site
- Swimming / Gym facilities
- Would like to offer Champagne without licencing issues & cost

Q13. Has your guest demographic changed in the last year in terms of age, group size, or nationality?

Yes	17.8%
No	65.4%
No Response	16.6%

Q14. If the answer is yes, in what way?

- 'More EU visitors'
- 'More international visitors, especially American'
- 'A lot of guests from Iceland at the latter part of the year.'
- 'More Chinese guests.'
- 'More aggressive/complaining guests with threats of bad reviews if they don't get money off.'
- 'Slightly younger age group (50s -60s).'
- 'Less older people and more young families.'

Q15. Where do the majority of your guests come from, in terms of percentage share?

Local (within 1 hour)	0.0%
Other Scotland	26.1%
England, Wales & NI	39.2%
Near neighbours (Europe)	13.0%
Distant cousins (USA, Australia)	3.5%
Emerging markets (China)	1.1%
No Response	16.6%

Comments:

- '50% Scotland, majority of English are from northern England, although an increase in the numbers from further south.'
- 'Scotland, England and Wales with some visitors from Australia, Canada and America.'
- 'European visitors are mainly from Germany.'
- '32% Scots, 47% Rest of UK, 21% overseas'
- 'Foreign visitors are mostly Dutch and German with occasional French and American. Otherwise mostly from UK.'
- 'Around 40% of my guests are from the US or Canada, around 30% are from within the UK (mainly England and Wales, but some are from Scotland), and the remaining 30% are from Europe.'
- 'Europe, USA, Canada, New Zealand, Australia & UAE provide the rest.'

Q16. Have you applied for a change of use, via your Local Planning Authority for your self-catering unit/s

Yes	9.5%
No	72.6%
No Responses	17.8%

Comments:

- 'Purpose built so had to have planning permission.'
- 'we pay non domestic rates so they are aware of what we do, but we have not applied for a change of use.'
- 'I stopped doing winter lets two years ago.'

- 'It is my understanding that planning permission/change of use is not required. Both my solicitors (I used a different one for each of my two properties) confirmed this isn't required. When I spoke to my local council in 2013, they also assured me this wasn't required.'
- 'Was not aware I had to we pay business rates not council tax.'
- 'Was already trading for 30 years before we purchased the properties.'
- 'Have applied for Business rates but the planning department is so slow it doesn't seem worthwhile applying for change of use.'
- 'Was told by planning in Skye that I didn't need to, also applied for certificate of lawfulness for Skye but was told this was not needed as there was no such thing for a holiday let!'
- 'Have done so in Edinburgh and am waiting on the decision.'

Q17. If Yes, was this voluntary or were you informed you had to do so?

Voluntary	57.1%
Informed to do so	7.1%
Other	28.5%

Q18. Do you accept bookings longer than 31 consecutive days?

Yes	21.4%
No	59.5%
Other	0.0%
No Response	19.0%

Comments:

- 'I would but this is never requested.'
- 'I take up to 3 month lets over the winter period.'
- 'Only on a month by month basis.'
- 'If someone can find that long a gap and wishes to come to, perhaps, finish writing a book then we will take the booking but it almost never happens.'
- 'With the introduction of the PRT in December 2017, I do not accept reservations which would fall within the scope of the PRT. I only accept bookings that fall short of this timeframe.'
- 'We know there are several schools of thought for this but we are sticking to the definition of a holiday let as provided by the tax rules on FHL income until such time as there is a more clear definition of where the line between a holiday let and a residential let is set.'
- 'Would invalidate insurance and made the booking move into short assured tenancy territory (under previous legislation).'
- 'Longer stays may give guests tenants rights'
- 'We used to but not since Private Residential Tenancy Agreement Legislation.'

Q19. Are you aware of the new Private Residential Tenancy Agreement Legislation?

Yes	45.2%
No	35.7%
No Response	19.0%

Q20. Do you have any concerns for the self-catering sector in Scotland? Please comment:

Yes	53.5%
No	27.3%
No Responses	19.0%

Comments

- 'Domination by OTAs and Platforms. Short term lets and long term lets being out of balance. Threat of tourism tax. Perceived over-tourism, and consequent focus on highest spending visitors by tourist board and DMOs. Tourism Minister who fails to understand threats from other parts of government. Response of Government to the sharing economy. Reduction of the 100% relief of SBBS. Planning Bill. EPC nonsense. GDPR threats. Brexit and how Europe feels about us.'
- 'Possible increase in rates or other legislation that may make the self catering sector unsustainable.'
- 'Legislation -Tourist Tax, Small Business Rates at present we don't have to pay them but sure that will change, Energy Performance Certificates, Electric Car Charging, Fire regulations all seem to becoming more important and costly we are being driven down the same regulatory path as private residential letting - but we are a completely different animal and can't match the legislative requirements.'
- 'Continual legislation, which can seem over the top for a small business operational for about 8 months of the year maximum.'
- 'Legislation that is not adding any value to either guests or the business.'
- 'Inconsistencies in Visit Scotland grading of properties.'
- 'Edinburgh No - Scotland yes.'
- 'If they bring in a bed tax it will damage the industry.'
- 'I am concerned we will be not be differentiated from second homes which sit empty for most of the year as opposed to ours which generates business for the local economy.'
- 'Any pending regulation to restrict occupancy.'
- 'I'm worried that too many people from buy to let may be abusing the term holiday lets especially in cities which is going to make the government sit up and maybe legislate which would be another burden on those of us who are doing genuine holiday business.'
- 'Whilst I feel that anyone who lets out their property must either be a member of the ASSC or the person who markets their property (i.e me) should be a member so as its not one rule for one type scenario, I would also like to not be working my ass off to provide quality self catering properties for nice people to find that people in council properties are letting out their front rooms via AirBnB- so we are out priced constantly.'
- 'Regulations, maximum number of nights allowed etc is going to kill our income and therefore my life. This is my only income and I would not know what to do if I could not let it out as a holiday let anymore (and manage other people's flats for them).'

Q21. GDPR: Are you aware of the new Data Protection Legislation?

Yes	77.9%
No	22.0%

Q22. What action have you taken to prepare your business for GDPR?

- 'Working my way through the do's and dont's'
- 'Don't have a Privacy Statement and don't use mailing lists.'
- 'Lots of work a head.'

- 'I've spent around 150 hours (so far) attending courses (most of which were free, but one of them was a paid course, and it was by far the most helpful of them all), auditing my processes, drawing up my GDPR plan, and then implementing it to ensure I'll be GDPR compliant before the 25th May deadline. I'm not 100% there yet, but I absolutely will be, as I started my preparations in late 2017.'
- 'I do not use mailing lists but intend to do so and will check with people if they want to opt in.'
- 'My agent handles this.'
- 'Done nothing so far.'
- 'I am aware of GDPR being introduced but need to find out more as I'm not sure of the changes I need to make.'
- 'Work in progress with SuperControl.'
- 'Further guidance would be welcomed, especially auditing existing customer data. I do not use mailing lists or advertising to contact previous clients.'
- 'I don't have a mailing list. Most of my bookings come through bigger sites, and the information comes from them. I have yet to audit my customer data.'
- 'Work in progress as we develop a new website.'

Q23. Has your marketing strategy changed in the last 2 years? If so please comment:

Yes	45.2%
No	35.7%
No Response	19.0%

Comments:

- 'More online marketing, Google Adwords, Facebook ads, etc.'
- 'More data driven targeted and focused advertising based on web analytics and previous booking data.'
- 'Increased advertising online and offline'
- 'No longer use any print advertising'
- 'Reduced expenditure on conventional marketing by around 50%.'
- 'Not sure it has changed as such but endeavouring to find out what is changing and trying to keep up. All seems to be getting harder and more complicated.'
- 'More online & commission based as this is where the bookings seem to come from.'
- 'We have created a marketing strategy for our new business.'
- 'I have swerved away from the big companies to try to be more independent - but it is proving more difficult than expected.'
- 'I have taken up offers of training on marketing and am currently doing a marketing qualification as I felt I was not sufficiently up to speed on social media etc'
- 'We are using more booking channels and we are using social media lot more. We have also employed a PR company to help raise our profile.'
- 'We advertise on more platforms as there are fewer companies that you can advertise on who only take a one off fee to advertise on their site. More want a % of your bookings and pay after the guests have arrived.'

Q24 On a scale of 1-5 (with 1 being not valuable and 5 being extremely valuable), how valuable are the following to you and your business?

	1	2	3	4	5
Representation	7%	3%	21%	18%	51%
Member	10%	13%	42%	21%	13%

Benefits					
Advice & Support	1%	4%	27%	22%	45%
Newsletters	6%	6%	31%	33%	24%
Marketing	12%	12%	21%	24%	31%

Comments:

- 'I appreciate the services offered and usually read and digest everything.'
- 'Still getting bookings from Embrace. Would like to see it promoted more as a direct booking facility.'
- 'Keep going. Support appreciated.'
- 'Thank you!'
- 'I appreciate all the work done on our behalf lobbying etc.'
- 'ASSC do a great job and is very valuable to my business'