



# Market Report

A Snapshot of your Market Sector

## Holiday Homes

This pack has been designed to provide information on setting up a business in the **Holiday Homes** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website ([www.bgateway.com/businessplan](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **July 2019**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

## What do I need to know about the Holiday Homes market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ The number of domestic holiday property rentals **fell by 5% in 2018** but the long-term trend is upwards, **increasing by 16%** over the past four years. The market reached **7.4 million trips** and **£2.7 billion expenditure** (on the total holiday stay) in 2018. There were also an estimated **4.7 million** overseas holiday rentals in 2018. (Mintel, *Holiday Homes*, June 2019).
- ◆ Over the five years through 2023-24, industry revenue is forecast to grow at a compound annual rate of **2.5% to reach £2.9 billion**. The rapid growth of the sharing economy and the higher National Living Wage threaten to constrain margins over the next five years, though expansion among the industry's major players is expected to benefit the overall profitability of the industry. (IBISWorld, *Holiday Accommodation in the UK*, February 2019).
- ◆ Research from Visit England in September 2018, based on 300 domestic holiday accommodation providers, showed that **50%** reported an increase in visitor numbers during the peak period between mid-July and the end of August compared with 2017; **28%** reported a similar level of bookings and **22%** reported a decline. (Mintel, *Domestic Tourism*, October 2018).
- ◆ **Visit Scotland, Scottish Accommodation Occupancy Survey: Annual Report 2018** ([tinyurl.com/yxkflslg](http://tinyurl.com/yxkflslg)). This survey is a detailed source of monitoring the performance of the tourism industry in Scotland. It provides key themes and data on the five main accommodation sectors, namely hostels, guest houses and B&Bs, caravan and camping parks and self-catering accommodation.
- ◆ The national organisation for this industry is the [Association of Scotland's Self-Caterers](#). Other associations include the [Holiday Homes Association](#) and [British Holiday & Home Parks Association](#).



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## Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email [info@bgateway.com](mailto:info@bgateway.com).

- ◆ **IBISWorld – Holiday Accommodation in the UK (February 2019)**. Over the coming five-year period, the industry is expected to be sensitive to the economic and political changes that will arise from the outcome of the EU referendum. The weak pound will continue to create a favourable environment for holiday accommodation operators, as it makes the United Kingdom a cheaper and more attractive destination for both domestic and foreign tourists. However, low consumer confidence over the next five years could weigh on expenditure on accommodation by UK households.
- ◆ **Mintel – Holiday Rental Property (June 2019)**. The average duration of a holiday rental property stay is 6.8 nights. This has decreased from 8.5 nights in April 2017. The proportion of stays under one week in duration (1-6 nights) has risen by 10 percentage points from 38% to 48%. Holiday rental periods are becoming more flexible in response to changing consumer demand but need to go further, especially outside of the city break segment where countryside and coastal properties are still often only available in seven-night blocks.

There are also a number of online resources you may find helpful:

- ◆ **Visit Scotland Research and Insights** section ([tinyurl.com/yayn7jb4](http://tinyurl.com/yayn7jb4)) provides information and statistics on tourism industry.
- ◆ **ABTA** published a report ([tinyurl.com/y4f6b9vd](http://tinyurl.com/y4f6b9vd)) on **Holiday Habits** (2018). This report provides insights on British holidaymakers' booking behaviour in the last 12 months and their attitudes to planning and booking holidays.
- ◆ Statistics on **Tourism Trends** from **Office for National Statistics** ([tinyurl.com/y5rar398](http://tinyurl.com/y5rar398)). According to ONS there were fewer overseas residents' visits to the UK in 2018 than in 2017 and also a fall in the number of visits abroad by UK residents. A total of 37.9 million visits were made by overseas residents to the UK in 2018, which was 3% fewer than in 2017.

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## How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no



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expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**



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## What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**.

## Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Retaining and Grow Your Customer Base](#) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

## How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

### Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

### Funding

[Practical information](#) on finance and funding for starting and growing your business

### Insurance

[Business insurance guide](#)

### Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

### Pricing

Business Companion [Pricing & payment guide](#).

**Please note:** the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

### Promotion

[BG guides to Marketing](#)

### Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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