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Research into the impact of short-term lets on communities across Scotland

PEOPLE, COMMUNITIES AND PLACES

social research

Research into the impact of short-term lets on communities across Scotland

Scottish Government

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in association with IBP Strategy and Research

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Executive Summary

The aim of this research was to assess the impact, positive and negative, of short-term lets (STLs) in Scotland, with a focus on communities, particularly on neighbourhoods and housing. It explores the impacts of STLs from the perspective of residents, hosts, community actors, and local businesses. The Scottish Government appointed The Indigo House Group (Indigo House) to undertake this independent research. A case study approach was adopted with five areas selected to demonstrate different types of communities including urban and rural, and different experiences of STLs. In the urban context these were Edinburgh's City Centre ward including the world heritage site (Old Town, New Town and Tollcross), and Glasgow's City Centre including the central business district and residential areas close to the Scottish Exhibition Centre (Merchant City, Anderston and Yorkhill). In the rural context the areas explored were the East Neuk of Fife (excluding St Andrews) as an established coastal holiday home area, Fort William with its expanding Highland tourism centred around outdoor activities, and Eilean a' Chèo (Skye)[1] as an established tourism area based around its landscape and island experience. The research involved a mixed method approach of secondary data analysis, short surveys of residents and hosts, and in-depth interviews involving residents, hosts, community actors and local businesses.

The amount and increase of short-term lets

According to the secondary data analysis, as of May 2019, across Scotland as a whole there were 31,884 active Airbnb listings based on analysis of Airbnb listings data provided by Inside Airbnb[2]. The research showed that STLs have continued to increase, with a three-fold growth in Scotland between April 2016, when there were just under 10,500 Airbnb listings in Scotland, and approximately 32,000 as at May 2019.

It was also found that STLs were geographically focused, illustrated by the fact that the City of Edinburgh and Highland accounted for 50.5% of all Airbnb listings in Scotland and the top seven local authority areas accounted for 75% of all listings. At the opposite end of the scale, five local authority areas had fewer than 100 Airbnbs.

Geographic concentration was also illustrated by penetration rates of Airbnbs relative to amount of dwellings: in Scotland overall Airbnb listings were found to account for only 1.2% of dwellings, but in Skye this rose to 18.6% (the highest penetration rate by ward in Scotland), Edinburgh's City Centre ward 16.7%, Fort William 9.7%, the East Neuk of Fife 5.6%, and Glasgow City Centre was 3.2%.

The secondary data analysis also showed that the type of Airbnb listings varied considerably by area. Across Scotland as a whole, 69.2% of active Airbnb listings were for

[1] Throughout the report 'Skye' has been used to refer to the Highland Council ward of Eilean a' Chèo.
[2] The secondary data analysis undertaken for this research relates to Airbnb listings only. Airbnb does not constitute the entire STLs market, since some landlords do not use this platform. However, the combined qualitative and quantitative research undertaken for this study suggests that Airbnb comprises a very substantial part of the STLs market. The data used in research was sourced from Airbnb.co.uk, based on listings online as of May 2019, and provided to the research team by Inside Airbnb, and then cleaned and filtered. Full details are provided in Appendix 1.

entire homes or apartments. The highest figure by local authority was in Dumfries and Galloway (83.5%) and the lowest in Midlothian (47.8%) – the only area in Scotland where private rooms were the main type of Airbnb listing. At ward levels the picture was very different with the highest proportion of entire homes in Scotland being in the East Neuk of Fife (88.8% STLs were entire properties).

The primary research undertaken confirmed the secondary data analysis, showing that in all areas, the amount of STLs had increased. Research participants were most likely to say (with the exception of some hosts) that STLs had increased significantly over the last three years in Edinburgh, Fort William and Skye. All participants saw the increase in STLs as being associated with the increase in tourism, albeit the type of tourism varied slightly by area. Increasing international tourist numbers were identified in Edinburgh, Fort William and Skye, and to a lesser extent in the East Neuk of Fife combined with its traditional Scottish and UK visitor base. There was increasing Scottish and UK event tourism in Glasgow. The experience of most participants suggested that STLs have served to extend the tourism season, and change the type of stays to short (one to three night stays) compared to the more traditional one-week self-catering offer.

Financial drivers were found to be the key reason for offering STLs. Nearly half of all host survey respondents (49%) saw STLs as a good business opportunity, and 11% also indicated that STLs were a better commercial prospect than long-term lets. Most research participants also saw the ease of entry, and lack of regulation of the STLs sector when compared to long-term residential rented housing and traditional visitor accommodation, as a key incentive to enter this market.

The extent of home sharing

When contemplating the impacts of STLs on neighbourhoods and housing it is critical to understand what type of STLs are actually being offered. The key question here is whether STLs are home shared (private rooms or shared rooms) with a resident present, home shared entire properties with a resident occasionally absent, or entire property STLs with an absentee landlord.

The secondary data analysis presented in Chapter 3, confirms that the majority of Scottish Airbnb listings are entire properties (69.2%) with most of the balance being private rooms (30.3%) and only 0.4% being shared rooms. Of the five study areas, the highest proportion of entire property lets is not surprisingly in the established holiday home area of the East Neuk of Fife (89%). This is followed by the two city areas of Edinburgh and Glasgow (79% and 78% respectively). The rural areas of Fort William and Skye show higher proportions of private rooms (33% and 38% respectively, compared to 30% for Scotland as a whole).

While this does not provide evidence on the extent to which entire properties are being removed from residential markets, the survey results from host respondents indicated that a notable proportion of the listings had previously been occupied by an owner-occupier (21%) or had been on a long-term lease in the private rented sector (15%)[3]. A higher proportion of hosts also indicated that they let out homes that were not their primary

[3] Multiple choice survey question

residence (62%), and a smaller proportion stated that they let out a room or their home when they lived there, or were away for short or extended periods (47%)[4]. The vast majority of hosts also indicated that they let their property or rooms for more than 90 days (81%).

Most hosts (76%) had only one Airbnb listing, but these listings accounted for less than half (45%) of the total listings in Scotland. A very small proportion of hosts (0.3% of hosts) owned, or acted as agents for a much larger proportion of total listings (13% of listings), with larger STLs portfolios ranging from 16 to over 100 properties. Four hosts with portfolios of more than 100 properties accounted approximately 8% of all listings (nearly 2,500 listings in total).

The qualitative research gave further insights based on the experience of participants. In the established holiday home area of the East Neuk of Fife, the indication from most participants was that the majority of the STLs were secondary lets rather than a room or property being shared. In both Edinburgh and Glasgow city centres, qualitative evidence supported the quantitative evidence on the profile of STLs where most are entire properties, and in Edinburgh City Centre most participants also suggested that the STLs were mainly full-time entire property lets, rather than shared private rooms or shared entire properties. Many participants in Edinburgh referred to their experience of shifts from the residential market to the STLs market, with an emphasis of business STLs in Edinburgh which was greater than found in Glasgow. In the rural areas of Fort William and Skye, again there was evidence provided by participants of properties moving from the residential sector to STLs with opinions that there were increasing shortages of housing for incoming and key workers in both these areas. The qualitative research supported the quantitative evidence that most STLs were entire properties, but also indicated the importance of shared rooms or properties appeared to be greater here than in the cities and in the East Neuk of Fife.

Taking all these quantitative and qualitative findings together, the evidence appeared to suggest a higher prevalence of secondary letting of entire-property STLs rather than sharing rooms or homes. The survey and qualitative evidence also suggested a shift of housing accommodation from the residential sector to STLs. From the qualitative interviews, this was mainly identified from the private rented and housing for sale sectors in all areas, but also with some illegal STLs lets in the social and affordable sectors in Edinburgh, Glasgow and Skye.

[4] Multiple choice survey question.

The impacts of short-term lets on communities

Five key impacts were found:

1. Local economic benefits

On average, each Airbnb listing generated 52 visitors per year in Scotland (Airbnb 2018[5]). For the nation, as a whole, this equated to over 1.6 million guests in 2018. For Edinburgh's City Centre ward (population 32,000) this would equate to about 140,000 visitors per year (about 4.5 times the local resident population) and in the Eilean a' Chèo ward (Skye) (population 10,500) this would equate to around 56,000 annual visitors, or around 5.4 times the local resident population[6]. This tied to the key positive impacts of STLs, as identified by most research participants, that tourism supports local economic benefits. These positive impacts appeared to be greatest in Edinburgh, Fort William and Skye. The benefits were related to increased spend, increased availability of jobs, often all year round, and direct jobs and trade for the STLs supply chain including property managers, cleaners and the property maintenance industry. These benefits were seen to be less significant in East Neuk of Fife due to lower visitor volume, and the direct economic impact of STLs was much less clear in inner-city Glasgow.

2. Increased household income and STLs business earnings

Apart from the prospects of potential jobs and therefore income, the potential for increased household income for STLs hosts was also identified by most research participants. Many participants made distinctions between the type of host income – whether it was 'amateur' host household income, or 'business' income. The distinction of the different type of hosts was also clear from the secondary data analysis which showed that there was a mix of amateur hosts and professional hosts/managing agents using STLs platforms. The in-depth interviews with hosts confirmed that there were a range of different types of hosts including amateur home sharers, individual small investors, and STLs businesses with varying sizes of portfolios. These differences were also reflected across the different areas as identified by many participants. Edinburgh city centre was associated with small investors and STLs businesses, and the East Neuk of Fife was associated with holiday home owners and small investors/STLs businesses. In the other three study areas, the picture was much more nuanced including a mix of hosts sharing their properties and private rooms, individual small investors letting one or two properties, and businesses running portfolios of properties, sometimes with a mix of short-term and long-term lets.

[5] Based on figures published by Airbnb in the "Airbnb UK Insights Report", in 2018 there were 31,000 active listings in Scotland and over 1.6 million guests, which means approximately 52 guests per active listing. To access the full report: https://www.airbnbcitizen.com/wp-content/uploads/2018/10/AirbnbUKInsightsReport_2018.pdf

[6] Like all average values, the visitors per listing figure can mask considerable sub-national variation and in many areas of Scotland the figure will be below or above 52. From data recently published data by Airbnb, a figure of 831,000 Airbnb visitors was reported for Edinburgh in 2018 (approximately 63 visitors per listing), 51,000 in Fort William (94 per listing) and 70,000 in Skye (70 per listing).

3. **Reduced availability of residential housing with the negative impact on affordability, sustaining communities, and the negative impact on the wider local economy and local public services**

There were indications from the survey and recurring themes from the qualitative research, from all types of participants except for some hosts, that properties were changing from long-term private lets and owner-occupation into STLs. This was voiced as a major area of concern in Edinburgh, Fort William and Skye due to the impact this was considered to be having on shortage of housing supply and affordability. In Edinburgh and the East Neuk of Fife the rise in STLs was associated with the fall in resident population and school rolls, with fears about the long term sustainability of the community. A related negative impact in the rural areas of Fort William and Skye was identified by many community and business participants on availability of labour supply and on wider local economic development due to housing shortages.

4. **Negative impact on quality of life and well-being**

A key negative impact related to disturbance of residents, quality of life and well-being was evident in the two cities in particular, but also some other areas depending on the property type. This related particularly to tenemental, but also other types of high-density properties with shared space and common stairs/closes. Concentrations of entire property STLs let full-time as holiday lets in common stairs often resulted in daily disruption and stress caused by constant ‘visitor use’, rather than residential use – noise, disturbance, buzzers, door knocking, littering, anti-social behaviour, the loss of a sense of community and security where the majority in both the close, and within the wider local community, were constantly changing strangers. The change of use also brought issues around common repairs and property maintenance although this was refuted by some hosts who considered there was more investment in STLs properties compared to other types of letting or ownership. Concerns around health and safety, and building insurance was particularly acute in these more densely built environments, but were relevant across all types of communities to protect guests, neighbouring residents and hosts.

The social and lifestyle benefits of hosting were identified by many hosts, with the positive impact this had on their general wellbeing, and work-life balance.

5. **Congestion and changing communities**

While the increase in tourism was associated with local economic benefits, it was also identified with bringing some disbenefits of congestion, significant demands on the local infrastructure, and changes to communities. For many participants the growth of tourism was seen to be supported by the growth in STLs. The negative congestion effects were identified in Edinburgh, Fort William and Skye where the level of tourism was the greatest amongst the five case study areas. They were also seen to be changing the nature of the communities with 39% of resident survey respondents stating that there were too many short-term lets in their neighbourhood (compared to 10% of hosts). The negative effects were associated with traffic congestion, people congestion, litter, waste, noise, lack of amenities for locals including local shops, and higher demand for and impact on local public services. This view was also associated with perceptions around lack of tax contribution from STLs[7].

Increasing the vibrancy and investment in local areas was identified by some resident, host and community participants in all areas as a positive impact of STLs, and spreading the benefits of tourism to areas out of the traditional tourist areas was identified by some businesses and hosts participants in Edinburgh.

[7] As with all non-domestic premises, self-catering accommodation may benefit from zero or reduced rates through the Small Business Bonus Scheme (SBBS) providing that it has a rateable value that does not exceed the eligibility thresholds

1. Introduction and research aims

Background

The Scottish Government appointed The Indigo House Group (Indigo House) to undertake independent research on short-term lets (STLs) in Scotland. This work complements other work led by the Scottish Government's Short-Term Lets Delivery Group (STLDG). This Group was established in 2018 in its response[8] to the Scottish Expert Advisory Panel on the Collaborative Economy[9]. The STLDG membership includes representatives from across the Scottish Government including housing, planning and tourism, and reflects the cross-sectoral interest in STLs. The first stage of the work undertaken by STLDG was to publish a consultation on proposals for a regulatory framework for STLs which closed in July 2019. The consultation was informed by a rapid literature and evidence review, undertaken by the Scottish Government, which identified some gaps in knowledge and led to the commissioning of this independent research. Findings from this research, together with the outcome of the Scottish Government consultation on STLs, will support an evidence-informed approach for the regulation of STLs in Scotland.

Research aims and questions

The aims of this research, set by the Scottish Government are to:

- Assess the impact (positive and/or negative) of STLs in Scotland, with a focus on the communities' aspect, in particular, neighbourhoods and housing.
- Explore how people across different locations (urban and rural) in Scotland are affected by STLs.
- Explore the experiences of the following groups: local residents, STLs hosts, as well as other community actors, such as local businesses.

In commissioning the research, the Scottish Government expected the research to answer the following questions:

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

[8] 'Collaborative economy report response: June 2018' https://www.gov.scot/publications/scottish-government-response-scottish-expert-advisory-panel-collaborative-economy-report/

[9] 'Scottish expert advisory panel on the collaborative economy: report', January 2018 https://www.gov.scot/publications/scottish-expert-advisory-panel-collaborative-economy-report/

Structure of the report

The methodology used for this research project, as well as the limitations of the research, is outlined in Chapter 2. Chapter 3 discusses the findings of the secondary data analysis, including the incidence and growth of STLs and their location. Findings from the primary research (both surveys and in-depth interviews) are detailed in Chapters 4 and 5, with the former focusing on the use and amount of STLs and the latter on the impacts of STLs, as well as potential regulations. The research is then summarised in Chapter 6.

Appendix 1 discussed in more detail the data used in the secondary data analysis, while in Appendix 2 the profile of residents and hosts who participated in the quantitative surveys is described. The research material used by Indigo House, including survey questionnaires and discussion guides are published separately.

2. Research methodology

Summary of research methodology

The research has been designed around a case study approach to understand the impacts of short-term lets (STLs) across different types of communities in Scotland. Five case study areas were selected to reflect different types of areas and experiences. The research was mainly exploratory, undertaken through qualitative methods with residents, hosts, community actors and local businesses. This was combined with short quantitative surveys of residents and hosts, primarily used to recruit participants for qualitative in-depth interviews, but also to provide insights into the possible scale of impacts. Secondary data analysis provided contextual information on the incidence of STLs across Scotland.

The research fieldwork was undertaken between June and September 2019. The methodology, and number of responses achieved are set out below.

Case study area selection

Drawing on secondary data analysis, five different areas were identified to represent types of communities and experiences of STLs. Selection was based on the diversity of communities, incidence and growth of STLs, rural and urban context, and the socio-economic profile of the area using the Scottish Index of Multiple Deprivation (SIMD). The study areas are not necessarily typical of Scotland as a whole, but they are likely to be representative of those areas where STLs are concentrated. The areas are as follows:

- Edinburgh (Central ward comprising the Old Town, New Town and Tollcross) – established world heritage site, city-centre tourism;
- The East Neuk of Fife (East Neuk and Landward ward coastal towns excluding St Andrews) – established coastal second home location;
- Fort William – rural expanding tourism;
- Glasgow (City Centre ward including Merchant City, Anderston and Yorkhill) – inner-city centre event tourism;
- Eilean a' Chèo (Skye)[10] – remote rural established tourism.

Chapter 6 includes the profile of these areas and summary of key findings for each.

Scotland-wide analysis of Airbnb listings - secondary data analysis

The secondary data analysis undertaken for this research relates to Airbnb listings only. Airbnb does not constitute the entire STLs market, since some landlords do not use this platform to advertise their properties. However, the combined qualitative and quantitative research undertaken for this study suggests that Airbnb comprises a very substantial part of the STLs market.

[10] Throughout the report we have used ‘Skye’ to refer to the Highland Council ward of Eilean a' Chèo.

Secondary data analysis of STLs in this report is based on Scotland's Airbnb listings from 19 May 2019. Data used in this project was sourced from Inside Airbnb[11], and then cleaned and filtered i.e. to ensure as far as possible only active listings were considered. The raw data file was filtered so that only 'active listings' were included in the analysis. For the purposes of this research, 'active listings' were considered to be those where the host had updated their availability calendar in the past six months. Full details of the methodology can be found in Appendix 1.

The analysis resulted in a total figure of 31,884 active listings for the whole of Scotland. By way of comparison, this figure is close to the total of 31,000 active listings for Scotland reported by Airbnb in their UK Insights Report from 2018[12]. The distribution of the cleaned data was then examined, revealing significant geographic clustering. The presence of STLs was also compared to the total dwelling stock in Scotland, in order to derive an estimated penetration rate for individual locations. An analysis of hosts was also undertaken including the category of hosts and the number of listings by host.

Chapter 3 sets out the context of the incidence of STLs across Scotland.

Resident household survey and qualitative research

Small household surveys were undertaken with residents in the 5 case study areas. The survey served two purposes; to collect indicative quantitative information relating to the perceived positive and negative impacts of STLs and to identify potential interviewees for the residents strand of the qualitative research. The resident survey questionnaire is published separately. It is important to note that this feedback is not a representative sample of the population as a whole, but rather is reflective of views within the specific wards in the five case study areas. The survey was primarily conducted on a face-to-face basis, with a small amount of additional telephone-based recruitment being undertaken where required to augment the sample (12 out of the 197 surveys). A target was set to recruit 40 participants from each area, with quotas on specific case study location (by specific post code), gender and limits on the number of surveys in any one street or stair. The number of resident surveys achieved were 197 completed surveys broken down as 40 each in Glasgow and Skye, and 39 each in Edinburgh, Fife and Fort William. The profile of respondents is included in Appendix 2.

Residents recruited from the surveys were contacted for semi-structured telephone interviews. The discussion guide for these interviews is published separately. There was a target of 100 resident interviews with 20 in each of the five areas. A total of 100 resident interviews were achieved with a breakdown of 24 in Edinburgh, and 19 each in of the East Neuk of Fife, Fort William, Glasgow and Skye.

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[11] Inside Airbnb provides publicly available information about Airbnb listings across the world based on scraped data.

[12] To access the full report: https://www.airbnbcitizen.com/wp-content/uploads/2018/10/AirbnbUKInsightsReport_2018.pdf

Host online survey and qualitative research

As with the residents, the host survey also served two purposes and was conducted online, with the survey questionnaire included in Appendix 3. Direct invitations to participate in the survey were issued in each of the case study areas by Airbnb, with two invitations issued. This was the main source of responses, representing 183 (81%) of the 227 responses. The balance of responses came from promotion of the survey on social media platforms in areas where initial response levels were lower (Airbnb host clubs, Skye rooms, Skye free ads) and responses to direct invitations issued by the consultancy team, where contact details for potential hosts could be accessed from publicly available sources. The profile of respondents, and summary of responses is included in Appendix 2.

Like the resident survey, hosts were recruited for semi-structured telephone interviews. The discussion guide for these interviews is published separately. There was a target of 100 host interviews with 20 in each of the five areas. A total of 77 host interviews were achieved with a breakdown of 22 in Edinburgh, 17 in Glasgow, 15 in the East Neuk of Fife, 12 in Skye, and 11 in Fort William.

Community actors and local businesses qualitative research

Community actors were recruited through direct approach via email and telephone. The types of actors interviewed included local councillors, community councils, local development trusts, residents' associations and other local representative groups. A total of 55 individual community actors were interviewed through a combination of individual and small group interviews, undertaken by telephone and face-to-face.

Local businesses were recruited through direct approach, i.e. through email, telephone and a walk-in direct approach. The types of local businesses interviewed included private landlords, residential and STLs letting agents, social and affordable landlords, self-caterers, cafés, restaurants, gift shops, domestic and STLs cleaning businesses, traditional guesthouses and B&B owners, chambers of commerce, tour operators, housing developers and other businesses involved in the construction sector, and a social care business. A total of 56 local business representatives were interviewed through a combination of individual and small group interview, undertaken by telephone and face-to-face. It should be noted that in the rural areas, many participants often had overlapping interests so the distinction specified between community and business interests was often blurred. The discussion guide has been published separately.

Qualitative research description

The purpose of qualitative research was to provide in-depth understanding into particular issues, by exploring experiences, characteristics or behaviours. As is typical, the sample sizes were smaller than those used for the quantitative surveys. Reporting of qualitative data has been done through analysis and description of opinion, rather than counts or measures. The following descriptions are used here in reporting qualitative findings:

- All – everyone participating in the research made this point
- Most – more than half of participants

- Many – more than some but less than most
- Some – less than half but more than three participants
- A few – two or three participants
- One/an individual – just one person.

In this research quotes are used to illustrate key points, and may be drawn from the four different types of participants – residents, hosts, community actors and local businesses. They may also be drawn from the five different areas and all quotes are annotated with the place and type of respondent, e.g. (East Neuk of Fife, community). The use of quotes by particular places or type of respondent does not infer any weight of response by that area, rather it serves to illustrate a point which may be made by many different participants, and in several areas.

The main research findings are set out in Chapters 4 and 5. Conclusions and area summaries are provided in Chapter 6.

Limitations of the research

The research has been designed around a case study approach and was mainly exploratory in nature, undertaken through qualitative methods. The qualitative research was combined with small quantitative surveys in each of the five case study areas.

Qualitative research

The qualitative research approach allows for intensive exploration and description of key issues, thus allowing for insights into participants' views. It still allows the researcher to make reasonable judgements as to the prevalence of such views, although the nature of qualitative research (i.e. the number of interviews typically achieved, the free-form nature of responses, etc.) means that it is not possible to generalise the findings of the qualitative research in a statistical sense to that of the wider population. The qualitative approach allows us, given the number of interviews involved in this research and the recurring themes found, to summarize and develop general propositions and conclusions on the basis of these specific case studies. Whilst the numbers of qualitative interviews at a local level are obviously lower, they are still sufficient for the researchers to make judgements as to any notable characteristics of a particular area or distinctions between those areas.

Quantitative research

In relation to the quantitative surveys, the target number of responses was achieved for the residents survey (197 responses) and the hosts survey (227 responses to the online survey). However due to the respective methodologies, we cannot calculate a response rate for either and so it is not appropriate to quote a level of statistical significance to these surveys. As such the survey results should be treated as indicative only. In the case of the resident survey, the sample is based on the selected wards of the case study areas only and not on the population of Scotland as a whole. Other than measures to attain a geographic spread within each area, no specific quotas were set based on the population of these case study areas and no weighting has been applied. The research does not therefore claim to be based on a random sample and nor were detailed quotas set to reflect the population breakdown (and thus reflect the characteristics of a random sample). This said, the profile information set out elsewhere in this report and appendices suggests that a broad range of respondents was achieved across a range of demographic and other descriptive respondent criteria.

The host survey was again conducted within the case study areas; in this case on a self-completion basis with invitations being issued by Airbnb and through different social media platforms. We are not therefore able to quote a response rate for this survey or to identify how the respondent profile compares to the profile of those invited to respond. However, the profile information provided illustrates that a broad range of host types participated in the survey.

The report comments on survey results at a local level where we believe these suggest a notable variation in views across areas. However, the limitations described above also apply at the local level. The small number of responses at a local level means that again statistical significance at area level is not appropriate.

3. The incidence of short-term lets in Scotland

As explained in Chapter 2, the secondary data analysis in this section relates to Airbnb listings only. Airbnb does not constitute the entire short-term lets (STLs) market, since some landlords do not use this platform, yet the total volume of listings suggests that it accounts for a significant proportion of short-term let stock currently available in Scotland. The data used in this section was sourced from Airbnb.co.uk, based on listings online as of May 2019, and provided to the research team by Inside Airbnb, and then cleaned and filtered. Full details are provided in Appendix 1. Unless otherwise stated all figures below come from data provided by Inside Airbnb. Publicly available data published by Airbnb, where available, have been used to corroborate the figures presented here.

The national picture

The secondary data analysis conducted as part of this research demonstrated that there were just under 32,000 active Airbnb listings in Scotland as of May 2019 (Inside Airbnb data). By way of comparison, this figure is close to the total of 31,000 active listings for Scotland reported by Airbnb in their UK Insights Report from 2018[13]. Just over half of all active Airbnb listing in Scotland were in the City of Edinburgh or Highland Council areas. For the purposes of this research, 'active listings' are considered to be those where the host has updated their availability calendar in the past six months. Further details on the methodology can be found in Appendix 1.

Based on Inside Airbnb data, and as of May 2019, across Scotland as a whole:

- there were 31,884 active Airbnb listings
- from which 69.2% were entire properties, 30.3% were private rooms and 0.5% were shared rooms.

In 2018, according to Airbnb's report, Scotland's listings generated 1.60 million visitors, for an average of 52 people per listing. Therefore, for a figure of just under 32,000 Airbnb listings in Scotland in, 2019, this would equate to approximately 1.66 million visitors per year in this part of the STLs sector.

Continued growth

In addition to data from May 2019, Scotland's Airbnb listings data for April 2016 were also provided by Inside Airbnb and compared to data released by Airbnb in 2017[14]. This showed:

- In April 2016, there were just under 10,500 Airbnb listings in Scotland.
- By July 2017, according to Airbnb, there were 21,900.
- As of May 2019, there were almost 32,000.

[13] Source: https://www.airbnbcitizen.com/wp-content/uploads/2018/10/AirbnbUKInsightsReport_2018.pdf

[14] Source: Airbnb Position Paper, 2017

This three-fold increase in Scotland since 2016 is consistent with growth in the sector, although over the past 12 months the rate of growth appears to have slowed.

From data reported in an Airbnb position paper, as part of the evidence provided to the Scottish Government's Collaborative Economy Expert Panel in 2017[15], similar growth rates were observed. For example, according to the Airbnb paper, in July 2014 Edinburgh had 1,900 Airbnb listings and three years later in July 2017 this figure had risen to 9,000.

The extent to which this growth represents additional dwellings in the STLs sector, across Scotland as a whole, cannot be discerned from secondary data alone, but it appears that Airbnb is one of the main routes to market for those wishing to let their property in this way. The qualitative research elsewhere in this research (Chapter 4) indicates that the scale of change is not simply a case of 'digital switch', where existing STLs are now being advertised on a different platform. The growth in numbers over the past five years would appear to represent substantial additional growth in the sector as a whole.

Geographic variation

Rapid growth is a feature of the STLs market, evidenced by the proliferation of Airbnb listings in Scotland. Another key feature is geographic concentration, as shown in Table 1 below. City of Edinburgh and Highland accounted for 50.5% of all Airbnb listings in Scotland and the top seven local authority areas accounted for 75% of all listings. At the opposite end of the scale, five local authority areas had fewer than 100 Airbnbs.

Table 1: Active Airbnb listings by local authority area, May 2019

Local authority area	Entire home/apt	Private room	Shared room	Total (May 2019)	% of Total
City of Edinburgh	6,622	3,314	58	9,994	31.38
Highland	3,959	2,086	43	6,088	19.12
Glasgow City	1,537	788	7	2,332	7.32
Argyll and Bute	1,468	450	14	1,932	6.07
Fife	1,005	295	2	1,302	4.09
Perth and Kinross	968	249	4	1,221	3.83
Dumfries and Galloway	914	179	2	1,095	3.44
Stirling	591	261	4	856	2.69
Aberdeenshire	613	216	0	829	2.60
Scottish Borders	570	173	2	745	2.34
Moray	443	188	3	634	1.99
Aberdeen City	399	217	7	623	1.96
East Lothian	397	117	0	514	1.61
Na h-Eileanan Siar	397	113	3	513	1.61
South Ayrshire	321	87	0	408	1.28
Angus	246	84	0	330	1.04
North Ayrshire	247	80	0	327	1.03
Orkney Islands	198	98	0	296	0.93
Dundee City	143	104	5	252	0.79

[15] Source: Airbnb Position Paper, 2017

Local authority area	Entire home/apt	Private room	Shared room	Total (May 2019)	% of Total
Shetland Islands	163	62	0	225	0.71
South Lanarkshire	140	68	1	209	0.66
Renfrewshire	101	59	0	160	0.50
West Lothian	89	65	0	154	0.48
North Lanarkshire	103	50	0	153	0.48
Midlothian	65	71	0	136	0.43
West Dunbartonshire	79	49	0	128	0.40
Falkirk	71	42	0	113	0.35
East Ayrshire	53	24	0	77	0.24
Inverclyde	54	23	0	77	0.24
Clackmannanshire	50	17	0	67	0.21
East Dunbartonshire	35	23	0	58	0.18
East Renfrewshire	22	14	0	36	0.11
Scotland	**22,063**	**9,666**	**155**	**31,884**	**100.00**

Source: Inside Airbnb, May 2019

Looking at the raw numbers alone is useful in several respects, yet it overlooks a crucial contextual element: how the presence of STLs relates to the total dwelling stock. The latest household estimates published by the Scottish Government (2017)[16] indicated that there are just over 2.6 million dwellings in Scotland, compared to 31,884 active Airbnb listings (Inside Airbnb data May 2019). If each Airbnb listing were in a separate dwelling, then this would represent a penetration rate of 1.2% - i.e. one could infer that STLs were available in 1.2% of all Scottish dwellings. For entire properties the figure was 0.9%, yet owing to the highly uneven distribution of Airbnbs across Scotland, this is a case where the average figure is not a particularly useful representation of the situation in most areas. For this reason, it is more helpful to look locally at the distribution of Airbnbs, as discussed below.

The local picture

Previous academic work by Rae (2018)[17] highlighted the extent to which the growth of STLs and Airbnb, in particular, is a highly localised phenomenon. Even at the scale of individual local authority areas, such as the City of Edinburgh, some neighbourhoods have very few STLs. Yet a small group of ultra-desirable localities are part of a newly globalised market for STLs in which the barriers to entry for hosts and visitors have been lowered by the arrival of multi-lingual platforms such as Airbnb, TripAdvisor, Booking.com and others. These so-called 'globalhoods' are at the epicentre of the short-term rental boom world-wide and in Scotland one can also see evidence of this (Rae 2018).

When the distribution of Airbnb listings across Scotland is examined at a national level, Edinburgh and Highland clearly stood out. However, if the analysis moves down to a more

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[16] https://statistics.gov.scot/data/household-estimates

[17] Rae, A. (2018) From neighbourhood to 'globalhood'? Three propositions on the rapid rise of short-term rentals http://eprints.whiterose.ac.uk/137426/

local scale, it is clear that these kinds of STLs were concentrated in a relatively small number of locations within individual local authority areas. As of May 2019, just over half (51%) of all Airbnb listings in Scotland were located in one of 24 wards (out of 354). Edinburgh was home to 10 of these wards, followed by Highland (7), Argyll and Bute, and Fife (both 2), Glasgow, Perth and Kinross, and Stirling (all 1 ward).

The City Centre ward in Edinburgh had 2,710 active Airbnb listings, or 8.5% of the Scottish total (Inside Airbnb data May 2019). This was followed by Leith Walk with 1,449 (4.6%) and Skye with 1,083 (3.4%). The seven most popular wards, all in the City of Edinburgh, or Highland, accounted for a quarter of Scotland's active Airbnb listings in May 2019.

Edinburgh's City Centre ward had more Airbnb listings than the whole of Glasgow and more than every other local authority area apart from Highland. This is presented in Table 2 below, which shows that the vast majority of listings in some locations were for entire properties (e.g. 79% in City Centre ward in Edinburgh, 89% in East Neuk and Landward ward in Fife). These figures were notably lower in Highland wards, at 61% in Skye and 58% in Wester Ross, Strathpeffer & Lochalsh. Table 2 also includes an estimated 'penetration rate' comparing the amount of Airbnb listings compared to dwellings (both all listings and entire property Airbnb), explained in more detail in the footnote below.

Table 2: Type of Active Airbnb listing by ward, May 2019[18]

Ward	Entire home	Private room	Shared room	Total	% of Total	Penetration rates		Dwellings (2017)
						All listings	Entire homes	
City Centre (City of Edinburgh)	2,142	531	37	2,710	8.51	16.17	12.78	16,759
Leith Walk (City of Edinburgh)	996	449	4	1,449	4.55	7.46	5.13	19,433
Skye (Highland)	663	412	8	1,083	3.40	18.63	11.41	5,813
Southside/Newington (City of Edinburgh)	515	326	1	842	2.64	5.19	3.17	16,231
Inverleith (City of Edinburgh)	526	238	0	764	2.40	4.42	3.05	17,274
Wester Ross, Strathpeffer and Lochalsh (Highland)	421	303	1	725	2.28	10.73	6.23	6,756
Morningside (City of Edinburgh)	424	244	0	668	2.10	4.63	2.94	14,432
Leith (City of Edinburgh)	420	224	1	645	2.03	5.02	3.27	12,856
Anderston/City/Yorkhill (Glasgow City)	486	141	0	627	1.97	3.23	2.51	19,401
Fort William and Ardnamurchan (Highland)	408	203	7	618	1.94	9.74	6.43	6,344
Craigentinny/Duddingston (City of Edinburgh)	373	197	1	571	1.79	3.64	2.38	15,682
Badenoch and Strathspey (Highland)	451	100	0	551	1.73	7.56	6.19	7,290
Aird and Loch Ness (Highland)	350	192	0	542	1.70	9.87	6.37	5,493
Sighthill/Gorgie (City of Edinburgh)	331	169	5	505	1.59	2.94	1.93	17,189
Highland (Perth and Kinross)	351	91	4	446	1.40	8.46	6.66	5,270
Oban North and Lorn (Argyll and Bute)	332	108	1	441	1.38	8.53	6.42	5,171
Fountainbridge/Craiglockhart (City of Edinburgh)	285	142	2	429	1.35	3.52	2.34	12,202
Caol and Mallaig (Highland)	244	172	9	425	1.33	10.70	6.14	3,971
East Neuk and Landward (Fife)	375	47	0	422	1.33	5.66	5.03	7,450
Trossachs and Teith (Stirling)	308	100	2	410	1.29	7.32	5.50	5,603
Oban South and the Isles (Argyll and Bute)	263	116	12	391	1.23	6.63	4.46	5,894
Forth (City of Edinburgh)	155	173	1	329	1.03	2.17	1.02	15,142
Inverness Central (Highland)	212	101	1	314	0.99	4.62	3.12	6,798
St Andrews (Fife)	254	41	2	297	0.93	3.98	3.40	7,471

Source for Airbnb listings data: Inside Airbnb May 2019

[18] The penetration rates in the table above relate to the percentage of all dwellings in an area that have an Airbnb listing in them. The 'All listings' figure relates to the percentage of dwellings with any kind of listing (e.g. a spare room, or the entire property), and the 'Entire homes' figure relates to the percentage of dwellings where the entire property is listed for short-term rent.
Source for dwellings data: Scottish Government, Household Estimates, https://statistics.gov.scot/data/household-estimates

When the total volume of Airbnb listings was considered, Edinburgh's City Centre ward was something of an outlier, since it had more than double the total number of entire property listings compared to any other ward in Scotland. The penetration rate, expressed in relation to the total number of dwellings in each area, demonstrates a different picture.

In Skye (Eilean a' Chèo ward) there were 5,813 dwellings and 1,083 Airbnb listings. This gives a penetration rate of 18.6% for all listings and 11.4% for entire property listings. In Edinburgh's City Centre Ward, the overall penetration rate was 16.2% and 12.8% for entire properties. Wester Ross, Strathpeffer & Lochalsh and Caol & Mallaig were the two other Scottish wards with penetration rates above 10% (i.e. areas where one in ten dwellings provide short-term letting through Airbnb). In Glasgow's Anderston/City/Yorkhill ward, the overall penetration rate was 3.2% for all listings, and 2.5% for entire properties.

Even within wards, however, there is geographic clustering and it is important to remember that wards vary considerably in size. For example, the whole Isle of Skye, plus Raasay, is a single ward (Eilean a' Cheo), covering nearly 1,800 square kilometres, and has a population of around 10,500[19]. At the other end of the scale are areas like the City Centre ward in Edinburgh, which covers about five square kilometres and has a population of around 32,000 (as of 2018[20]). The characteristics of these areas also vary considerably, so in the next section the distribution of Airbnb listings is explored with respect to the socio-economic context of individual areas, based on the Scottish Index of Multiple Deprivation (SIMD) 2016.

Airbnb areas – by deprivation level

Across Scotland as a whole, there were proportionally more Airbnb listings in less deprived areas, particularly those in the middle of the SIMD 2016 rankings[21]. There were more Airbnb listings (11.9% of the Scottish total) in the least deprived decile than there were in the three most deprived deciles in total (10.3%). The single biggest clustering of Airbnb listings was found in decile 6 areas, which are typically neither very deprived nor particularly affluent (e.g. Fountainbridge in Edinburgh, Garnethill in Glasgow). These areas accounted for 19.4% of all Scottish Airbnb listings, as shown in Figure 1.

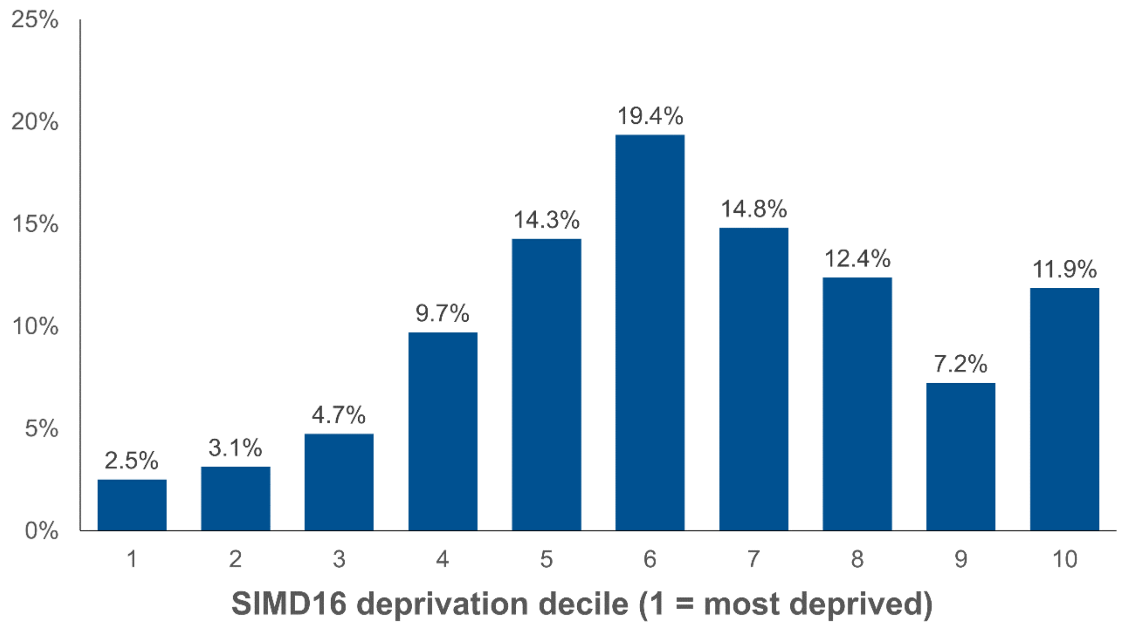
More information on the location of Airbnb listings by deprivation decile is provided in Appendix 1.

[19] Source: https://statistics.gov.scot/data/household-estimates

[20] Source: https://statistics.gov.scot/data/household-estimates

[21] Source: Scottish Index of Multiple Deprivation 2016, Scottish Government

Figure 1: Scottish Airbnb listings (%) by SIMD decile (where decile 1 is most deprived)



Source: Inside Airbnb, May 2019, Scottish Government for SIMD 2016

STLs hosts

Qualitative research elsewhere in the report focuses on the views of STLs hosts, so it is useful to provide some commentary and brief analysis on what a 'host' is in the context of STLs. This was done using the dataset provided by Inside Airbnb because each individual listing contains the web address of the host's profile on Airbnb, which can then be followed up on (manual checking was conducted on 400 of these: see Appendix 1 for more details).

Many different categories of STLs host emerged from the analysis:

- individual hosts who rent out single rooms in conventional 'sharing economy' fashion.
- couples, or families who rent out their entire home.
- established self-catering holiday firms who use Airbnb as a route to market for their holiday home portfolio.
- hosts who specialise in Festival lets in Edinburgh.
- specialist Airbnb management companies who manage STL holiday lets on behalf of individual clients.
- a small number of hosts who rent out multiple rooms in single houses within individual cities, such as Edinburgh and Inverness.
- several hosts are based outside Scotland within the UK, or overseas (including 340 in London, 95 in the United States and 9 in China), but the vast majority appear to be located in Scotland. Overall, 7% of the all listings had hosts who were listed as

living outside Scotland, with the majority of these listings being owned by hosts living in England, the United States and France.

In short, a diversity of different hosting situations exist across Scotland. Based on the analysis conducted here, it appears that the majority of Airbnbs in Scotland were operated by hosts who had more than one active Airbnb listing. An important qualifier to this is that where a single host advertises hundreds of properties (there were four hosts operating in Scotland, with more than 100 listings) the individual properties may be owned by individuals, but they have an agent involved in their marketing and management.

Number of listings per host

In order to shed more light on the topic of how many properties each host advertised, all 31,884 active Airbnb listings for Scotland were cross-referenced with the number of individual hosts in the Inside Airbnb dataset. This analysis showed that there were 18,902 Airbnb hosts in Scotland in May 2019. There are two different ways of looking at this:

- The first is that hosts with one listing (of which there were 14,373) accounted for 45.1% of all Airbnbs in Scotland (Table 3).
- The second is that 76% of all hosts had only one listing (i.e. 14,373 out of 18,902 hosts had one Airbnb).

A very small proportion of hosts (0.3%) owned, or acted as agents for a much larger proportion of total listings (13%), with larger STLs portfolios ranging from 16 to over 100 properties. Four hosts with portfolios of more than 100 properties accounted for nearly 2,500 listings, approximately 8% of all listings.

Table 3: Analysis of hosts by number of Airbnb listings, May 2019

Number of listings per host	Total listings	% of listings by individual host	Number of hosts	% of hosts
1	14,373	45.1	14,373	76.0
2	5,220	16.4	2,610	13.8
3 to 5	5,295	16.6	1,507	8.0
6 to 15	2,828	8.9	350	1.9
16 to 25	619	1.9	32	0.2
26 to 35	378	1.2	13	0.1
36 to 45	315	1.0	8	0.0
46 to 100	360	1.1	5	0.0
More than 100	2,496	7.8	4	0.0
Total	**31,884**	**100.0**	**18,902**	**100.0**

Source: Inside Airbnb, May 2019

Key findings – Chapter 3

The figures presented above correspond closely with published data on Airbnb's presence in Scotland, and in individual locations across the country. There are several other STLs platforms, but Airbnb is so widespread that an analysis of their presence provides useful insights into the sector as a whole. Based on this analysis and as of May 2019, seven key points are worth highlighting.

1. **STLs are geographically concentrated with localised intensity.** Two local authority areas (City of Edinburgh and Highland) accounted for more than half of all active Airbnb listings in Scotland. Three-quarters of all listings were found in seven of Scotland's 32 local authority areas. A total of 24 wards in Scotland (out of 354) accounted for more than half of all active Airbnb listings. City Centre ward in Edinburgh was home to 8.5% of all Scottish Airbnb listings.
2. **About 1% of all dwellings in Scotland are STLs.** Based on the secondary data analysis conducted here, it appears that STLs were present in around 1.2% of dwellings in Scotland and 'Entire home/apartment' equated to about 0.9% (22,000) of all dwellings in Scotland.
3. **The majority of STLs are entire properties**. Across Scotland as a whole, 69% of all listings were for entire properties. It is not possible to tell from the data whether whole property listings are occasionally shared, or permanently available on a short-term basis, or whether they are permanently removed from the long-term rental market. Rather, the secondary data analysis indicates the percentage of dwelling stock that STLs had a presence in, with particularly high rates in Edinburgh, Skye and other key Scottish tourist locations.
4. **STLs penetration rates above 10%.** The overall estimated penetration rate of these kind of STLs was highest in Highland (5.2%) at the Local Authority area level, and Skye (Eilean a' Chèo) at the ward level (18.6%). In four areas in Scotland (one in Edinburgh and three in Highland), the estimated penetration rate was over 10%. In these locations, STLs were present in one in ten dwellings.
5. **STLs are concentrated in less deprived areas.** There were more Airbnb listings (11.9% of the Scottish total) in the least deprived decile than there were in the three most deprived deciles in total (10.3%).
6. **STLs hosts are a mix of the private and professional.** Over three quarters of hosts offered one listing (45% of listings). A very small proportion of hosts (0.3%) owned, or acted as agents for a much more significant proportion of total listings (13%), with large STL portfolios ranging from 16 to over 100 properties. This would appear to confirm that platforms are used as a route to market for professional as well as amateur hosts. It is not possible to infer from this data whether these listings are occasionally shared/swapped, or permanently available on a short-term basis without individual investigation, but this is explored in the qualitative research below.
7. **In 2018, each of Scotland's Airbnb listing generated on average 52 visitors.** Based on figures previously published by Airbnb, it appears that each Airbnb listing in Scotland generated just over 50 visitors per year. For the nation as a whole, this equated to over 1.6 million visitors in 2018. For Edinburgh's City Centre ward (population 32,000) this would equate to about 140,000 visitors per year (about 4.5 times the local resident population) and in Skye (population 10,500) this would equate to around 56,000 annual visitors, or 5.4 times Skye's resident population[22].

[22] Like all average values, the visitors per listing figure can mask considerable sub-national variation and in many areas of Scotland the figure will be below or above 52. From data recently published data by Airbnb, a figure of 831,000 Airbnb visitors was reported for Edinburgh in 2018 (approximately 63 visitors per listing), 51,000 in Fort William (94 per listing) and 70,000 in Skye (70 per listing).

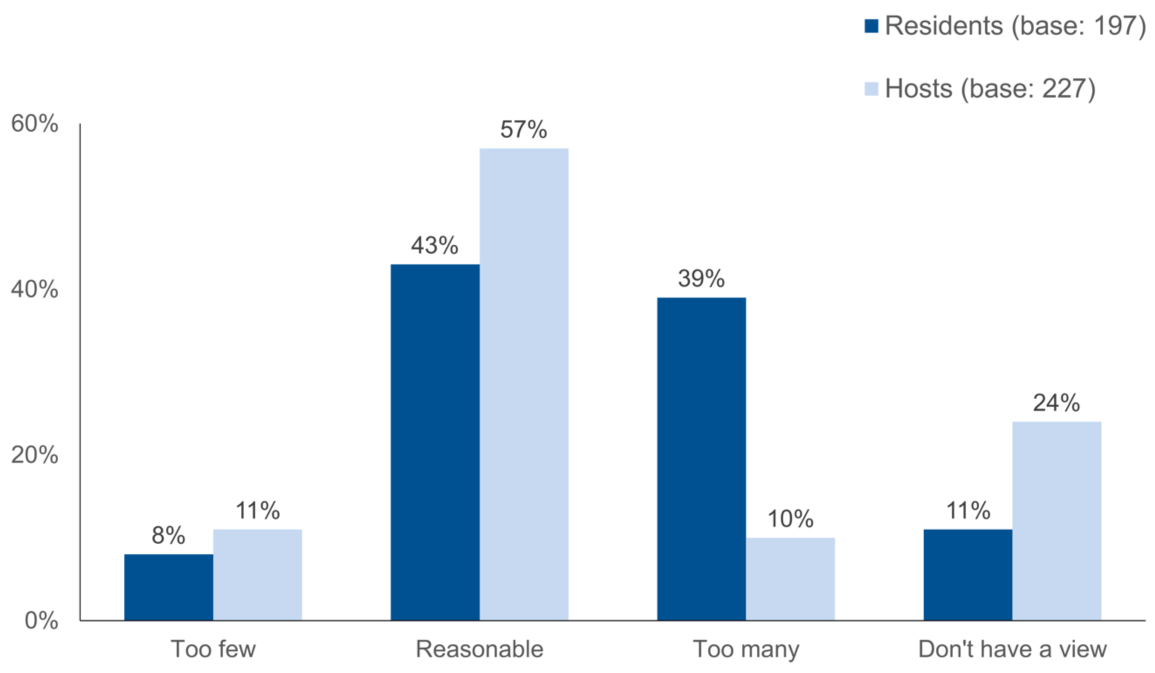
4. The use of short-term lets

This chapter outlines perceptions about the amount and use of short-term lets (STLs) established through the resident and host surveys, and from qualitative research with the residents, hosts, community actors and local businesses across the five case study areas. The case study areas are Edinburgh City Centre (referred to as Edinburgh), East Neuk of Fife, Glasgow City Centre (referred to as Glasgow), Fort William and Skye.

Perceptions of the amount of short-term lets

Resident and host survey respondents were asked about their perceptions of the amount of STLs in their neighbourhood. As shown in Figure 2, a similar proportion of residents considered that there were a 'reasonable' amount and 'too many' STLs in their neighbourhood (43% and 39% respectively), with 8% stating there to be 'too few' and 11% stating that they did not have a view. Hosts were more likely to say there was a reasonable amount (57%) and much less likely to say there were 'too many' (10%). A further 11% of hosts thought there were 'too few' and nearly a quarter (24%) said that they didn't have a view.

Figure 2: Resident and hosts survey - *Which of the following best describes the amount of short-term lets in your neighbourhood / the neighbourhood(s) where you offer such let(s)?*



The breakdown of the resident responses by area is shown in Table 4 below.

Table 4: Residents survey - *Which of the following best describes the amount of short-term lets in your neighbourhood?*

Area	Too few	Reasonable	Too many	Don't have a view	Base
All residents	8%	43%	39%	11%	**197**
Edinburgh	3%	38%	49%	10%	**39**
East Neuk	0%	44%	46%	10%	**39**
Glasgow	5%	48%	28%	20%	**40**
Fort William	15%	41%	36%	8%	**39**
Skye	15%	43%	35%	8%	**40**

Whilst it should be noted that the base number of respondents at an area level is small, it can be seen that resident respondents from each of Edinburgh and the East Neuk of Fife were most likely to consider there to be too many short-term lets in their neighbourhood (49% and 46% respectively).

The breakdown of host responses by area is shown in Table 5 below[23].

Table 5: Host survey - *Which of the following best describes the amount of short-term lets in the neighbourhood(s) where you offer such let(s)?*

Area	Too few	Reasonable	Too many	Don't have a view	Base
All hosts	11%	57%	10%	24%	**227**
Edinburgh	11%	64%	6%	19%	**47**
East Neuk	7%	73%	9%	11%	**45**
Glasgow	15%	50%	4%	30%	**46**
Fort William	18%	48%	13%	23%	**40**
Skye	7%	53%	18%	23%	**57**

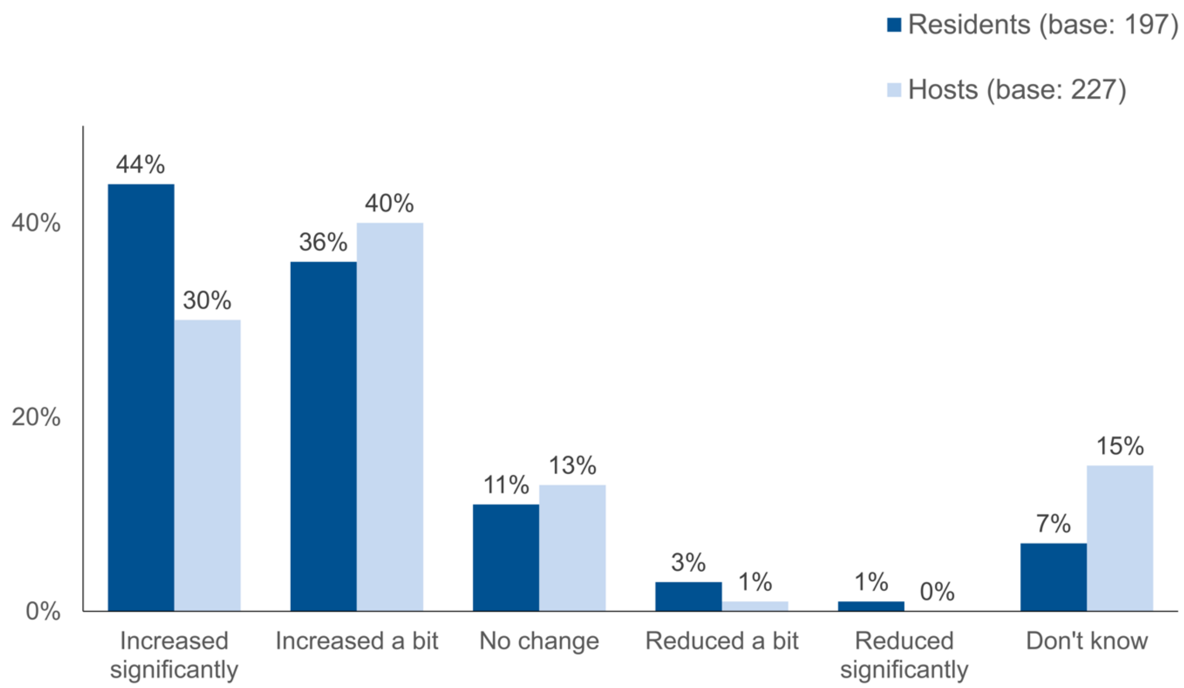
It should again be noted that the base number of respondents at an area level is small, but it can be seen that host respondents from Fort William and Skye were more likely than the average to consider there to be too many STLs in the neighbourhood, and those in Glasgow and Edinburgh were less likely to consider this to be the case (the figure in the East Neuk of Fife being very close to the overall average).

Whilst there was a divergence in views between resident and host respondents generally, this was particularly evident in Edinburgh where the proportion of residents that considered there to be too many STLs was highest and the proportion of hosts that considered this was lowest. There was also a high level of divergence between residents and hosts on whether there were too many STLs in the East Neuk of Fife.

[23] It should be noted that the combined base number of hosts in each area is higher than the figure for all hosts due to there being a small number of hosts with STLs in more than one of these areas; hosts were not asked to distinguish between these areas in answering this question.

Residents and hosts were asked whether they felt the number of STLs had increased, had remained stable or had reduced over the past three years. As shown in Figure 3, the vast majority of resident and host respondents (80% and 70% respectively) considered that the number of STLs had increased in their neighbourhood. The proportion of residents who felt that the amount had increased significantly was larger than for hosts (44% and 30% respectively). .

Figure 3: Resident and host surveys - *How would you say the number of short-term lets in your neighbourhood / the neighbourhood(s) where you offer such let(s) has changed over the last three years?*



The breakdown of the resident responses by area is shown in Table 6 below.

Table 6: Resident survey - *How would you say that the number of short-term lets in your neighbourhood has changed over the past three years or so?*

Area	Increased significantly	Increased a bit	No change	Reduced a bit	Reduced significantly	Don’t know	Base
All residents	44%	36%	11%	3%	1%	7%	**197**
Edinburgh	54%	31%	5%	3%	0%	8%	**39**
Fife	38%	38%	10%	3%	0%	10%	**39**
Glasgow	18%	55%	13%	3%	0%	13%	**40**
Fort William	62%	21%	8%	5%	3%	3%	**39**
Skye	48%	35%	18%	0%	0%	0%	**40**

The relatively small number of respondents at an area level should be noted. It can be seen that in each of Fort William (62%), Edinburgh (54%) and Skye (48%) resident respondents were more likely to suggest that the number of STLs in their neighbourhood had increased significantly. Glasgow residents were much less likely than others to indicate that the number of STLs in their area had increased significantly (18%), although a further 55% of Glasgow residents indicated that this number had grown 'a bit'.

The breakdown of host responses by area is shown in Table 7 below[24].

Table 7: Host survey: *How would you say that the number of short-term lets in the neighbourhood(s) where you offer such let(s) has changed over the past three years or so?*

Area	Increased significantly	Increased a bit	No change	Reduced a bit	Reduced significantly	Don't know	Base
All residents	30%	40%	13%	1%	0%	15%	**227**
Edinburgh	32%	32%	19%	0%	2%	15%	**47**
Fife	9%	49%	20%	2%	0%	20%	**45**
Glasgow	11%	39%	17%	2%	0%	30%	**46**
Fort William	45%	43%	5%	3%	0%	5%	**40**
Skye	51%	39%	5%	0%	0%	5%	**57**

Whilst the relatively low base number of respondents at an area level should again be noted, it can be seen that host respondents in each of Skye (51%) and Fort William (45%) were more likely than the average to consider that the number of STLs in the neighbourhoods where they offered such lets had increased significantly (with an average figure of 30%). Conversely, hosts offering properties in each of East Neuk of Fife and Glasgow were less likely to consider that this figure had increased significantly (9% and 11% respectively), whilst the figure in Edinburgh was slightly above average at 32%.

Qualitative findings generally reflected the survey findings about the amount and change of STLs. All resident, host, community and business participants stated they were aware of STLs in their neighbourhood and had noticed an increase across all areas. There were differences in perceptions and experiences by area.

The amount of STLs - differences by area

In the Edinburgh case study area, all qualitative participants were keenly aware of the scale, intensity and rate of increase. In particular, most resident and community participants saw the increases as excessive, with some participants using descriptions such as 'exponential', 'meteoric', and 'insanely excessive'. As one resident stated:

> *"It's been increasing. Three years ago there was one in my stair, then a year ago one other and now another one, all within three years. Things are changing and fast. There is a student next to me, one other resident and me; the rest are tourists." (Edinburgh, resident)*

There was a common view from most Edinburgh host participants that there were a lot of STLs, and that there had been a meaningful increase over the last few years. While hosts

[24] It should be noted that the combined base number of hosts in each area is higher than the figure for all hosts due to there being a small number of hosts with STLs in more than one of these areas; hosts were not asked to distinguish between these areas in answering this question.

did not discuss the intensity, or the scale, of increase in the same way as all other participants, some of them did talk about the amount of STLs reaching saturation point, particularly in the Old Town. Examples of this perceived saturation included reduced takings, and reduced occupancy rates due to increased competition. Some hosts discussed the fact that location is critical to ensure optimum property occupancy rates, even more so with increased competition.

Many Edinburgh business participants noted that short-term, or holiday/festival lets had always been a feature of Edinburgh's city centre, but remarked on the change in volume and concentration, and the extended nature of the tourism season increasing demand for accommodation all year round.

Three social/affordable housing providers had been made aware of the presence of STLs in their rented stock (both whole flats and private rooms), alerted to these through complaints from tenants which have been increasing rapidly over the last three years. One landlord had an awareness campaign in 2018 to encourage information from tenants about STLs in their stock, and another landlord had evicted a mid-market rent tenant for sub-letting their whole flat to tourists, using platform adverts as evidence.

For private letting agents in the businesses participant group the increase was associated with landlords shifting from long-term residential lets to STLs. For cafés and restaurants their measurement of growth was associated with the positive increase of trade from tourists, and the visibility of tourists on certain days of the week arriving or leaving with their trolley bags. Self-caterers and a property manager noted particular concentrations in the Old Town, with two identifying enormous growth, and more competition, suggesting it has impacted on prices and occupancy levels in quieter times:

> *"It's pretty prolific… the closes that we go into that we manage, every property you pass has a keysafe. Looking at the number of properties now, it kind of feels like it has reached saturation." (Edinburgh, business)*

In the East Neuk of Fife, all participants were aware of holiday lets in the various coastal towns, this having been a popular holiday destination for a considerable time, mainly from Scottish families and golfing tourists. These participants generally did not make a distinction between existing holiday homes and new types of STLs, including Airbnb. Here, the message coming from participants was around the increasing utilisation of existing second holiday homes, combined with the spread of tourist accommodation to some of the coastal towns and villages that have historically not been as popular for holiday homes. For most hosts, it was clear that online platforms were simply a new route to market for existing holiday let properties, and to provide increased occupancy by offering shorter term lets (often in the quieter times) in addition to the traditional minimum one week rental offered in the busy summer months.

Like Edinburgh, a key concern for many of the East Neuk of Fife community participants was the prevalence and concentration of accommodation used by non-residents, whether second homes or holiday rentals, and the impact this had on community sustainability.

In Fort William, all participants remarked that the area had long been popular for tourists; some community participants suggested that local residents had opened their homes to travellers and lodgers on an ad hoc basis for many years. There was consensus from all participants that the volume had increased significantly over the last few years, with a proliferation of pods[25], sheds and tents on people's property which were used as STLs. Some community and business participants mentioned long-term lets now being moved over to STLs, and many of these participants found this concerning. Most hosts also agreed that there were significant, and growing number of STLs. In some instances this had been driven by specific tourism opportunities of visitors travelling across the Highlands and Islands:

> *"There are enough one week properties in the area but not enough one night properties. We are picking up people going to and from Skye and the islands and doing the North Coast 500 route". (Fort William, host)*

Similar volume increases were described in Skye from all participants, with reports of every possible residential space being used for tourism accommodation in some form or another. One Skye business suggested STLs had transformed the Skye tourism market, describing the rapid growth as a 'tsunami' with suggestions that almost all of the island's tourism accommodation reported to be available on the Airbnb platform: STLs, long established self-catering accommodation, rooms in private houses, hostels, hotels, B&Bs, as well as shepherds huts, caravans, bothies, pods, static caravans and tents in people's gardens. Again, many residents and community participants also highlighted the use of potential residential accommodation for STLs:

> *"There has been a real tourist boom in the last four years or so. People are renting out rooms but I have also noticed a lot of first time buyer type properties being bought". (Skye, resident).*

There was a different sense from Glasgow city centre. There was a general perception that STLs had increased from all participants, especially in the seasonal peaks and around particular music events at the Scottish Exhibition Centre (SEC) and Hydro area. However, there was not the same feeling regarding the volume and concentration of STLs as in other case study areas, particularly compared to Edinburgh's city centre. Some resident and community participants were beginning to notice a difference over the last couple of years, with greater awareness in areas of residential tenemental flats (in Finnieston, closer to the Hydro area), but less so about the STLs in modern blocks in the city centre area, associated with a more transient population. Some hosts suggested there has been some growth, but there remained capacity in the market:

> *"If you go on supply and demand, I have been full so we could do with more". (Glasgow, host)*

[25] Pods are usually timber built huts designed to be used just like a tent but unlike a tent it is already set up on the site.

Reasons why short-term lets are offered

All participants were asked what they considered to be the main reasons for hosts offering their homes or properties for STLs. Hosts were asked about this through a set of pre-coded questions in the survey, and this topic was also explored with all participants through the in-depth interviews.

Financial drivers

Financial drivers was found to be the key driver from the host survey, and was unanimously seen as the main motivation from residents, hosts, community and businesses in the qualitative research.

The host survey showed that the most common reason for becoming a STLs host was because they saw it as a good business opportunity (49% - Figure 4). In addition, 11% of all hosts also indicated that they had previously let their property on a longer-term residential basis and felt that STLs would be a better commercial prospect. In 24% of cases, host respondents indicated that having a spare room or rooms available was a reason for becoming a host, and 21% said that they had an existing property that was not being fully utilised. In addition, 16% said that wanting to meet new people was a reason for becoming a host, and 3% said that they were asked to do it by someone else.

19% of hosts in the survey (44 respondents) cited other reasons for becoming a STLs host and 42 of these provided details of these reasons. Given the relatively high number of these other reasons they have been coded to common categories as follows[26] :

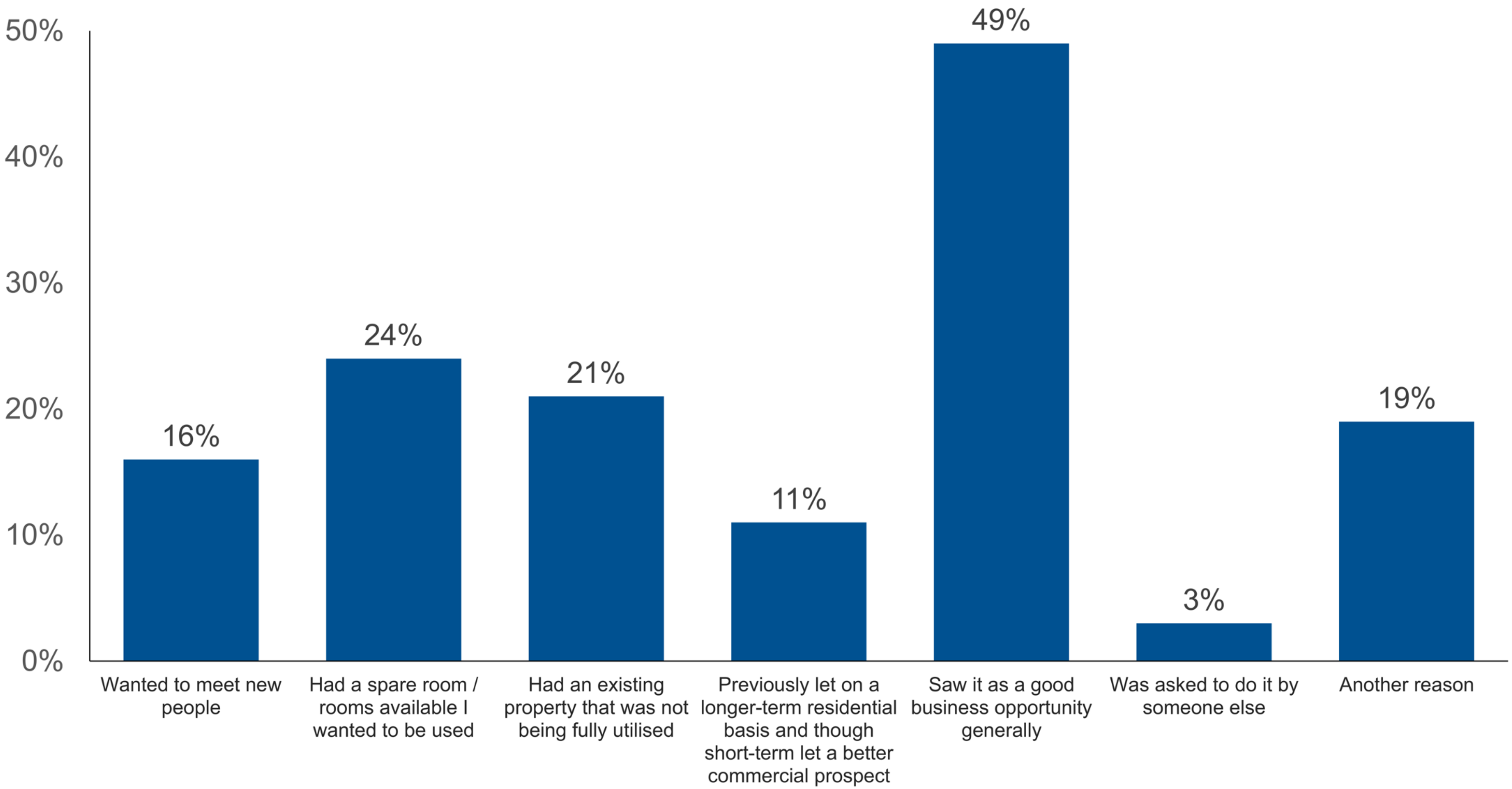
- In 23 of these cases the other reason was a specific financial driver (for example, paying for University fees, planning for retirement or fund raising for a particular purpose).
- In 9 cases the other reason related to being able to retain ownership of the property for future use and let it out in the meantime.
- In 7 cases the other reason related to flexible working, work-life balance or other lifestyle reasons.
- In 2 cases the other reason related to letting on a short-term basis due to being unable to sell the property.
- Also in 2 cases the other reason was described as STLs being their existing business.

The in-depth interviews showed that most resident, community and business participants made a clear distinction between the type of financial benefits that could be gained from STLs. They saw a difference between the potential increase in individual household income that could be achieved through sharing a room or an entire home when it was

[26] In one instance the response was coded to more than one category so the total of the following number of "other" comments sums to 43 rather than 42.

occasionally empty, and ‘business’ income that could be gained if letting entire STLs on a full-time basis. Hosts presented a more nuanced picture between individual home sharing, self-employed (often part-time) small scale professional STLs letting (not home sharing), and larger commercial STLs businesses of which there were only a few interviewed (though with many properties).

Figure 4: Host survey – *Why did you become a short-term let host?*



Host survey base: 227 (multiple choice)

Supplementing household income

The supplementary income aspect of hosting was identified in the host survey with 33% of host respondents indicating that their STLs were their main source of income, whereas 63% indicated that their STLs supplemented their main source of income[27].

The in-depth interviews confirmed that many hosts saw the use of STLs as a means of either supplementing their income generally, or generating income for a particular reason such as a return to university, to be able to fund a move, holiday or property improvements and in one specific instance, to support a charitable activity. Many hosts mentioned the flexibility of being able to act as a host whilst undertaking other work, being semi-retired or having other personal activities or family commitments:

> *"It's given me something to do and given me some extra income. We spend that money going to other places and stay in Airbnbs there!" (Edinburgh, host)*

Supplementing household income - differences by area

In Edinburgh, Fort William and Skye, many of the resident, community and business participants noted that there had traditionally been 'amateur' hosting opportunities for residents to let out their property and gain income for short periods in the peak season, whether residents' whole properties or rooms. In Edinburgh, most of the participants said there was now very little of this type of amateur letting. In Fort William and Skye this type of home sharing had increased, to almost all year round, with many hosts describing spare accommodation (whether whole or part properties) that they let out as a means of enhancing their property and/or to bring parts of the property back into use.

Many Glasgow resident and community participants also observed this relatively recent phenomenon in the city centre, mainly centred around event tourism near the Hydro area with examples from hosts of using the supplementary income to fund their mortgages. In all these areas the resident and community participants could positively identify with the benefits of financial gain for individual households through home sharing, but much less so with the income gained from whole property rentals.

Short-term lets as businesses

In all the areas, there was a strong sense from most resident and community participants, and some business participants, that the supply of STLs was not about amateur home sharing, but was predominantly a commercially and investment driven endeavour. In some places this was seen as external business interests buying into certain high-demand areas purchasing whole properties for STLs. This was especially the case in Edinburgh and to a lesser extent in the East Neuk of Fife and Skye. This was illustrated by community participants in Edinburgh:

> *"No one knows of a single flat in the Old Town sold to a resident in the last year. They're going to investors. As the elderly have died off, flats have been inherited and then sold off. This Court was a community haven, but not now." (Edinburgh, community)*

[27] The balance of 4% preferred not to say, base of 227.

One Fort William resident described how there was a perceived shift from the amateur to professional market:

> *"People here have always rented out rooms. Nine years ago I rented out a room in my house to nursing students to get me over a rough patch. Now there are just far too many people doing it as a business; there is nothing residential about it." (Fort William, resident)*

Many host participants were running STLs businesses, whether on a self-employed small scale basis with a few rental properties, or as a larger commercial business venture with significant portfolios. Some of the hosts with larger portfolios also talked about being able to fit their STLs business around other commitments, for example, having a family. Some hosts also suggested that more people had been moving into the 'whole property STLs business' over the last three to four years.

The host survey showed that a small proportion (10%) of host respondents pointed to the better returns that could be made from shifting from long-term to short-term letting. Across all areas many resident, community and business participants remarked upon the scale of the returns that can be made from STLs compared to long-term residential lets, with many examples provided of three or four times the amount that can be achieved by STLs rents compared to residential lets. Many hosts, mostly in Edinburgh, also mentioned that STLs were not only a better financial option, but had other advantages over private renting with some suggesting that STLs renters treated the properties with more respect.

Ease of entry and lack of regulation

In addition to the financial benefits, some resident, and many community and business participants noted the ease of entry and lack of regulation as an attraction to this sector. This was associated with low costs, low risk, low tax, and higher profits. This aspect was also discussed by a few of the host participants. There were no discernible difference by area on this issue.

Many businesses compared the STLs sector to the long-term rented sector where there is a requirement for landlord registration and compliance with health and safety standards, and where regulation has recently increased including a new tenancy regime. Several private landlords stated that they had made the choice to move from long-term lets to STLs due to the increased regulation and their requirement for flexibility. Other business participants drew comparisons with the traditional guesthouses claiming that Airbnb type STLs are not subject to comparable regulation or licensing fees. A few community organisations also spoke about the lack of responsibility and anonymity that comes with STLs as there is no need to register and so it makes it difficult to trace landlords, with no formal route for making complaints or sanctions:

> *"The system offers freedom for them with no need to interact with anyone." (Edinburgh, community)*

The tax treatment of STLs was also seen as attractive[28]. There were perceptions from many residents that hosts were not, but should be paying tax, as in their opinion hosts were running a business. Many community and business participants also spoke about tax incentives - the eligibility of STLs to claim the Small Business Bonus Scheme (SBBS) combined with no liability for Council Tax if letting for a minimum number of days. Some professional hosts with portfolios of properties identified tax disincentives in long-term letting (associated with the removal of mortgage interest tax relief) which had, in their opinion, provided an incentive to move to STLs.

In addition to the community and business participants' views around lack of regulation in STLs compared to long-term residential lets, one professional host also spoke about the choice he had made between long-term and STLs noting that the location had to be right for STLs:

> *"Ever since legislation has changed and removal of the mortgage interest tax relief. This has meant there is greater incentive for landlords to move to STLs. That combined with PRT [private residential tenancy] due to the increase in tenants' rights. We used to be able to let out a property on long-term basis for 9 months, then 3 months for holiday let, but can't do that anymore so that has turned things over the STLs." (Edinburgh, host)*

One host described the ease of letting their property through the platforms, including the wider support that some platforms provide, such as marketing tools, dynamic pricing and control over lead-in times.

Types of visitors and the attraction of short-term lets

Types of visitors

Participants were asked what type of visitors they considered were attracted most to STLs. All participants suggested that a wide range of different types of visitors were using STLs and that the type of visitors had not changed, rather it was the volume that had increased. Many participants across all groups highlighted the increasing amount of tourism over the last three years which some businesses put down to Brexit, the linked devaluation of the pound and successful VisitScotland campaigns, such as the North Coast 500. It was noted in Edinburgh and Skye that the tourism season was now all year long and in Fort William and the East Neuk of Fife the season was also stretching. Some community and business participants also referred to business visitors in Edinburgh and Glasgow, and to a lesser extent university related visitors in Glasgow.

In terms of the demographics of people using STLs, these were suggested to be wide ranging including single people, couples, and families across all areas.

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[28] Self-catering properties, including STLs, may be eligible to switch from council tax to non-domestic rates providing that they are made available for commercial letting for at least 140 nights per financial year. Depending on the rateable value of the property, the rateable occupier may be able to claim rates relief through the Small Business Bonus Scheme (SBBS). The SBBS provides 100% relief where the total rateable value of all non-domestic premises does not exceed £15,000; 25% relief is available for premises with a cumulated rateable value between £15,001 to £18,000; where the combined rateable values of all premises does not exceed £35,000 then 25% relief is available to each premises with a value not exceeding £18,000.

Types of visitors – differences by area

In Edinburgh, Fort William and Skye all participants said that the predominant type of visitors using STLs were tourists. This included people from Scotland and elsewhere in the UK, but with an increasing proportion of international visitors beyond the traditional Europeans and Americans. Some business participants in Edinburgh also identified demand from corporate visitors.

All participants in the East Neuk of Fife suggested similar themes around increasing numbers of visitors, but still mainly from the UK with a core of holiday home owners and regular Scottish visitors that some participants saw as part of the community. As well as general tourist visitors, it was said to be quite common for people to be visiting for weddings, golf or to walk the Fife Coastal Path.

All the resident, host and local business participants in Glasgow discussed a variety of visitors, most of these being connected to the SEC, and Hydro, but also business visitors and those associated with the universities (including lets to students whilst seeking longer-term accommodation, parents visiting their children, and university staff).

In Edinburgh and Glasgow, many resident and community participants stated that groups of young men and women (including older teenagers, and stag and hen parties) used STLs for various events and parties, particularly in Glasgow. In Fort William the demographic was identified as younger people (for outdoor pursuits), whereas in the East Neuk of Fife demand included an older demographic.

The attraction of short-term lets

Participants were asked what they considered to be the main attraction of staying in STLs, compared to more traditional visitor accommodation. For most participants, the key attraction of STLs was seen as the convenience of whole property holiday accommodation, good location, and the availability of wider and more flexible options, including the ability to have shorter and cheaper stays.

The attraction of STLs was discussed by most participants in the context of whole property lets. These types of STLs were considered to be a lifestyle choice with visitors valuing the space and flexibility that come with having a whole property - space to relax, offers a 'home from home', experiencing a home that is typical for the area, combined with the convenience of having the ability to cook in and eat out less, and do laundry. In most areas it was suggested that STLs cost less for families or small groups compared to using several hotel rooms.

The attraction of short-term lets – differences by area

In Edinburgh, some businesses suggested that STLs are not necessarily always cheaper, but demand was driven by the location and type of property:

> *"It's not a budget thing now – it's much more about a lifestyle trip – people want their own private space and clients want to be able to work in their flats. People are now more particular. It's about lifestyle, cooking, and private and flexible space." (Edinburgh, business)*

In the East Neuk of Fife, many participants considered that demand was again around convenience of location, in this case, proximity to St Andrews without having to pay the higher prices there. In Skye, most participants gave the clear sense of high and unabated demand relative to supply, with STLs being somewhere (anywhere) to stay, whether whole property or a range of other options including rooms, caravans, sheds, huts, pods and tents. In Fort William, the demand and supply picture appeared to be similar, with many participants discussing the proliferation of pods and sheds, but where some of the local hotels were said to have vacancies with the reasons for this muted around the type and quality of that accommodation. In Edinburgh and Glasgow, the key difference compared to the other areas was that some resident and community participants also suggested that STLs were used as (sometimes over-occupied) party flats, often for one night only.

In Edinburgh, the East Neuk of Fife, Fort William and Skye there was also the suggestion from across all participant groups of STLs supply driving a change in the tourism market. This was discussed in terms of demographics (increase of younger people including single people and couples), the length of stay (shorter stays rather than the traditional standard week), and the volume of tourists (increased). Some resident and community participants did not know whether it was supply or demand driving the change:

> *"It's a bit like the chicken and the egg, are more people coming here because there is more homes available for them to stay in, or are more people getting into hosting and letting out property to meet the demand for people to stay here?" (Fort William, community).*

Distinctions were also made by many Edinburgh businesses and hosts between the type of STLs, i.e. those that are very short-term holiday lets (for two to three days, also identified to be the most profitable), and corporate STLs. The corporate STLs were identified as those used by business or contract workers often let on a rolling month-to-month basis, including festival performers and staff supporting the tourism industry in Edinburgh. For corporate and contract worker clients the attraction of STLs were similar; they preferred the space and flexibility of staying in self-catering accommodation compared to a hotel room. The majority of visitors using STLs in the city centre were considered to be tourists, on very short-term visits and pushing the longer term STLs competition out of the city centre.

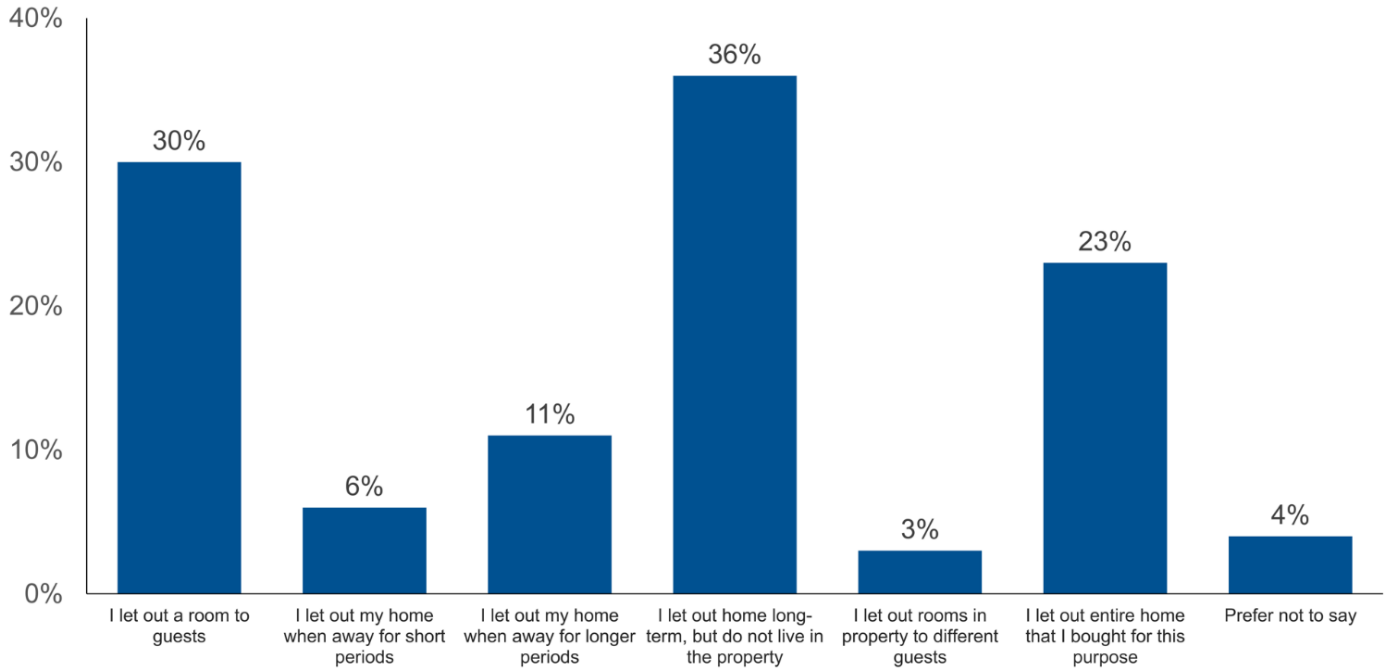
Nature of short-term lets offered, and platforms used

The host survey asked a number of questions about the nature of the STLs offered. Again it should be noted that the survey provides an indication of lets offered by these hosts, in these areas, rather than being representative of all STLs across Scotland.

As shown in Figure 5, 30% of host respondents indicated that they let out a room or rooms to guests whilst they or other family members lived in the property. A further 11% indicated that they let out their home for long periods, and 6% indicated that they let out their home when away for short periods (for example, on holiday).

Slightly less than 4 out of 10 host respondents (36%) indicated that they let out their entire home or homes to guests but did not live in the property, 23% said that they let out an entire home or homes bought specifically to let out on an ongoing basis, and 3% that they did so on the basis of rooms being booked out separately by different guests. Bringing these different response categories together shows that a larger proportion of hosts were letting out entire homes where the host is not living in the property (62%) compared to those that are home sharing properties (47%). Multiple responses were allowed for this question and so there is some crossover, but 60% of host respondents classified themselves within at least one of these three categories (letting an entire home but not living in the property, letting an entire property bought specifically to let out and letting a whole property on a room-by-room basis).

Figure 5: Host survey – *How were the room(s) or property/properties that you offer for short-term lets previously used?* [29]

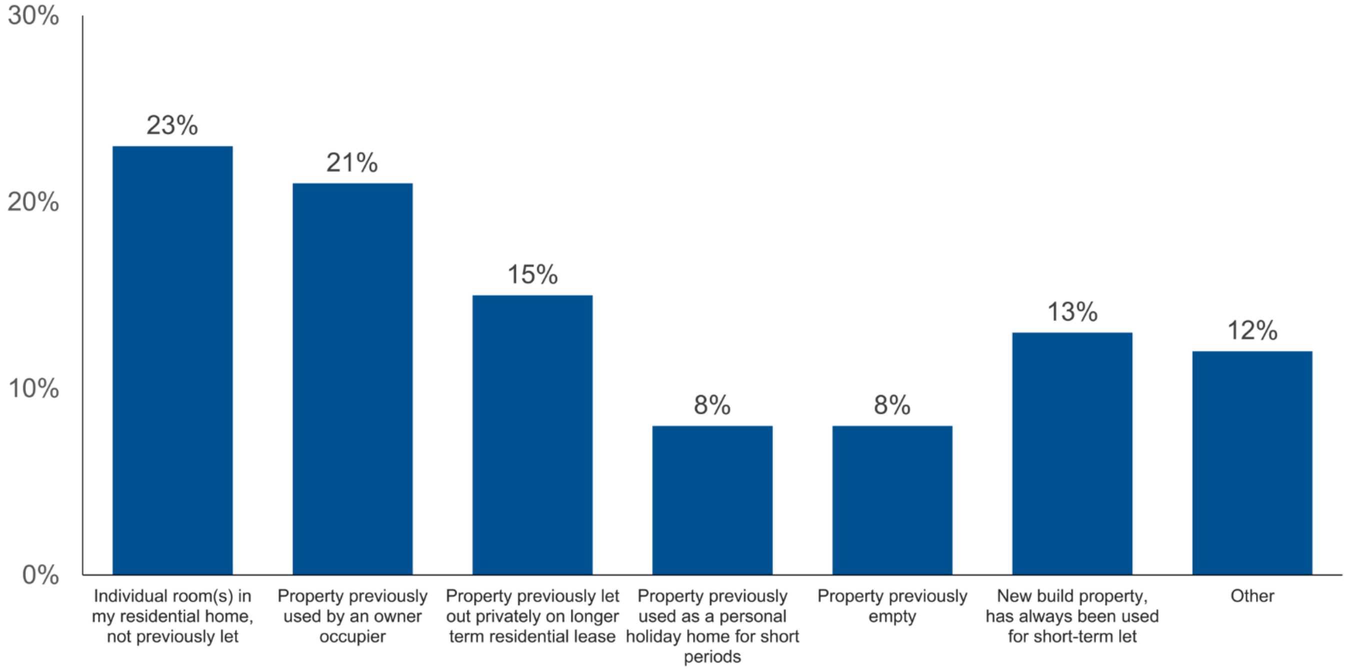


Host survey base: 227

Host respondents were asked to indicate the previous use for properties for STLs that they offered. Where they had more than one listing, then they were asked to provide this information for up to three listings that they let most frequently. These responses have been analysed on the basis of listings (as opposed to individual respondents), there being 303 such listings for which information was provided. As shown in Figure 6, the survey indicated that a substantial minority of the listings from respondents had previously been occupied by an owner-occupier (21%) or on a long-term lease in the private rented sector (15%). An additional 13% of listings were new build properties, which had always been used as STLs.

[29] Percentages in Figure 5 do not sum to 100 because the question was multiple choice.

Figure 6: Host surveys - *Which of the following best describes the short-term let(s) that you offer?*



Host survey base: 303 individual listings

Host respondents were asked how many days in a typical year they let out their STLs property (where they had multiple STLs properties they were asked to comment on the property they let out most often). A substantial majority of hosts (81%) indicated that in a typical year they let out their short-term let property for 90 days or more, 15% that they did so for fewer than 90 days, 3% gave a “don’t know” response and 1% indicated that they preferred not to say (Table 8).

Table 8: Host survey: *For approximately how many days in total in a typical year do you let out your short-term let property?*

Period for which short-term lets offered in a typical year	%
Let out for 90 days or more in total	81%
Let out for fewer than 90 days in total	15%
Don’t know	3%
Prefer not to say	1%
Base	**227**

Host survey respondents were asked which platforms they used to let their property. The vast majority of host respondents (95%) indicated that they let properties on Airbnb, reflecting the method of gathering responses which relied heavily on invitations from Airbnb to their hosts. One quarter of these host respondents (25%) indicated that they also marketed properties on their own website. Other platforms commonly used included

Booking.com (15%), HomeAway.co.uk (13%), TripAdvisor.co.uk (13%) and Holidaylettings.co.uk (11%).

Hosts were also asked whether they used their STLs property as a personal holiday home for short periods. The majority of hosts (54%) did not use their STL as a personal holiday home, whilst 30% did do so. For a further 15% this was not applicable as they only let out a room or rooms (base: 227 host respondents).

Key findings – Chapter 4

Drawing on the quantitative and qualitative research, the overall key findings in relation to the use of STLs are summarised below.

- In all areas, the amount of STLs had increased, with research participants most likely to say (with the exception of hosts) that STLs had increased significantly over the last three years in Edinburgh, Fort William and Skye. Hosts were less likely to consider that STLs had increased significantly, or that there were too many.
- Financial drivers were the key reasons for offering STLs. Nearly half of all host survey respondents (49%) saw STLs as a good business opportunity, with 11% also indicating that short-term letting was a better commercial prospect than long-term lets. It was unanimously seen as the key motivation by all the types of participants in the qualitative research. Ease of entry, and lack of regulation when compared to long-term residential rented housing and traditional visitor accommodation, was also seen as a key incentive to enter this market.
- Most visitors that use STLs were tourists, with increasing numbers of international visitors from beyond the traditional European and American visitors. In Glasgow, tourists tended to be event tourism focused around the SEC and Hydro.
- The attraction of STLs were seen as the convenience of whole property accommodation, good location, and the availability of wider and more flexible options, including the ability to have shorter and more affordable stays.
- A larger proportion of host survey respondents stated that they were not resident when letting out their property compared to those that stated they were home sharing. Host respondents also stated that over a third of STL properties listed (36%) were previously either long-term lets, or owner-occupied homes.

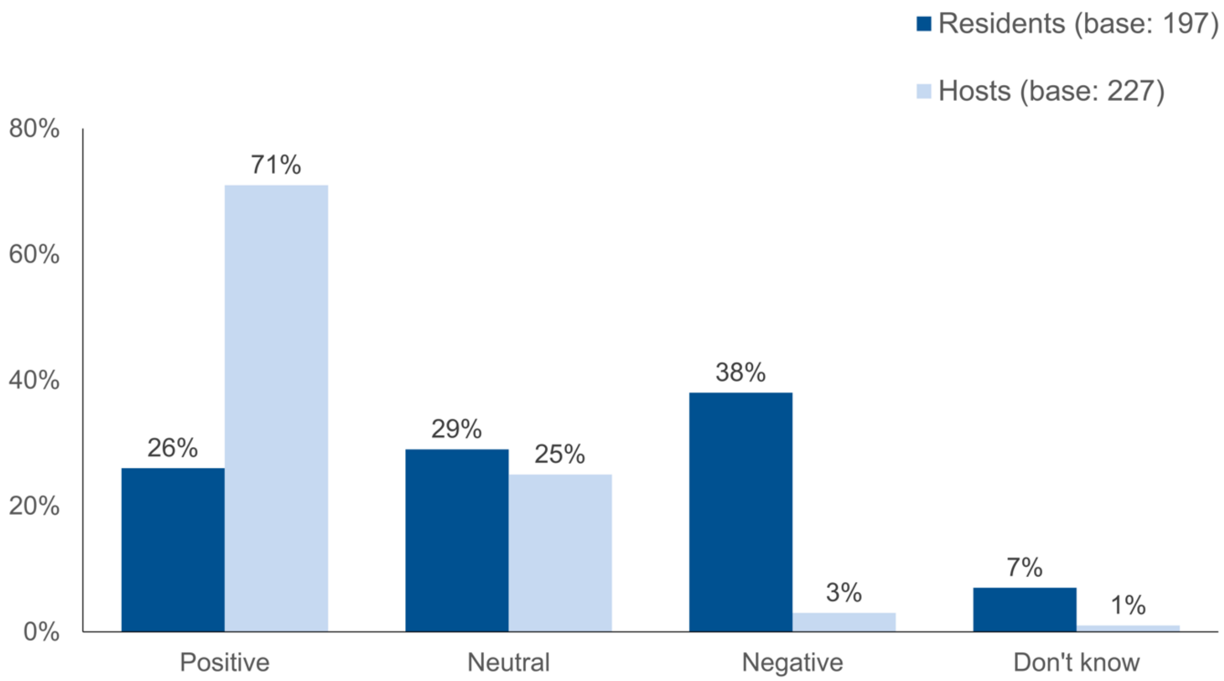
5. The impact of short-term lets

This chapter outlines perceptions about the impacts of short-term lets (STLs) from residents, hosts, community actors and local businesses across the five case study areas. The case study areas are Edinburgh City Centre (referred to as Edinburgh), East Neuk of Fife, Glasgow City Centre (referred to as Glasgow), Fort William and Skye.

Overall opinion of the impacts of short-term lets

Resident and host survey respondents were asked about their overall view of the impact of STLs on their neighbourhood. Figure 7 shows that there was a spread of opinion from resident respondents, although they were most likely to have a negative view of STLs (38%), 29% were neutral, and just over a quarter (26%) thought there were positive impacts. A different view was held by host respondents, with the majority (71%) considering the impact to be positive and only 3% negative, whilst 25% took a neutral position.

Figure 7: Resident and host surveys - *Which of the following best describes your overall view of the impact that short term lets have on your neighbourhood?*



Overall opinion of the impacts of short-term lets - differences by area

The small number of respondents at an area level should be noted. The extent to which resident respondents viewed STLs to be positive varied by area. Skye residents were most likely to be positive (45%) followed by Fort William residents (31%), Glasgow residents (23%), Fife residents (18%) and Edinburgh residents (13%). Edinburgh residents were most likely to express a negative view (49%) followed by Glasgow residents (38%), Fort William residents (36%), Skye residents (35%) and Fife residents (33%).

A more consistent view was held by host respondents, although positive opinion also varied by area: 80% of host respondents in Glasgow city centre compared to 56% in Skye. Negative opinion from hosts was low in all the areas – no areas suggested negative opinion higher than 5%.

Positive impacts of short-term lets

Residents and hosts were asked about potential positive impacts of STLs through the survey, and positive impacts were then explored with all participant groups in the qualitative research.

Overview of positive impacts

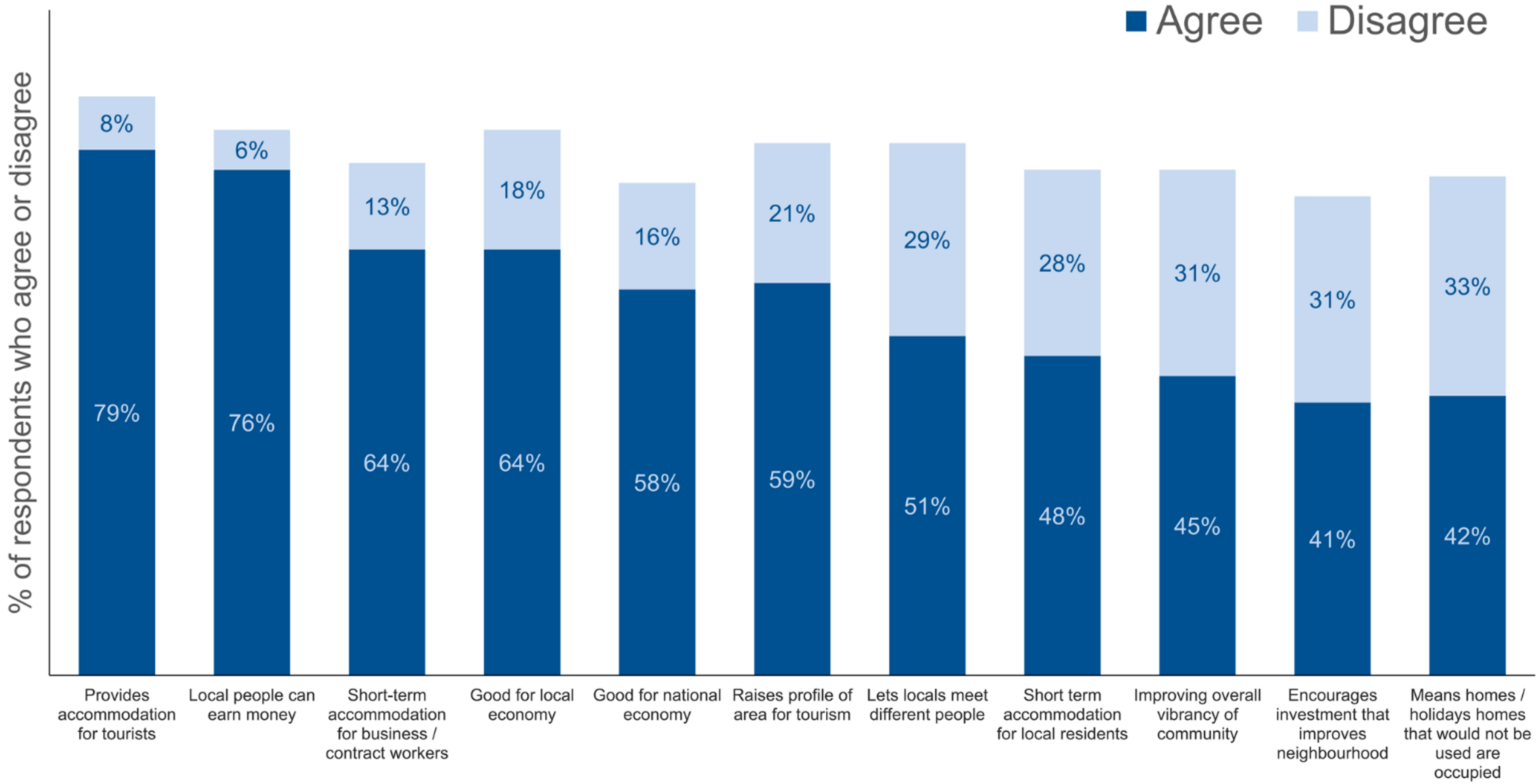
Resident and host respondents were shown a list of potential positive impacts of STLs, and asked to what extent they agreed with each. It should be noted there were very little differences by area in these findings.

In relation to these positive impacts of having STLs in their neighbourhood, resident respondents were most likely to agree with the following positive impacts (Figure 8):

- Provided accommodation for tourists visiting the area (79% agree)
- Allowed local people to earn money by letting out their home or part of it (76% agree)
- Provided short-term accommodation for contract workers coming to the area (64% agree)
- Were good for the local economy (64% agree)
- Raised the profile of the area for tourism (59% agree)
- Were good for the national economy (58% agree)
- Let local people meet different people / visitors (51% agree).

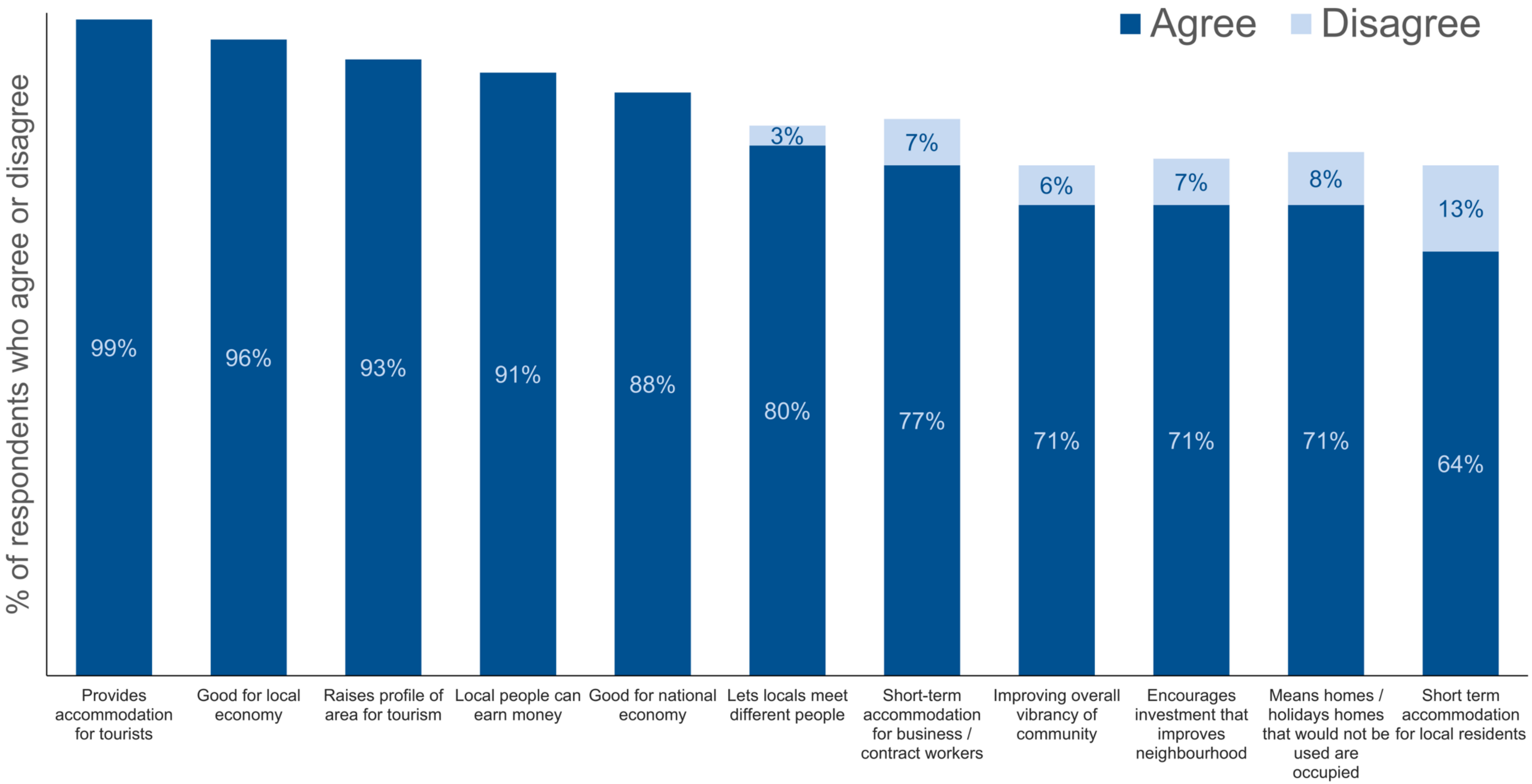
Even when outright agreement was below 50%, more residents agreed than disagreed that each of the options listed was a positive impact (the balance being made up by ‘Don’t know’ responses).

Figure 8: Resident survey - *To what extent do you agree or disagree that the following are positive impacts of having short-term lets in your neighbourhood?* [30]



[30] Base is 197 in each case. The balance of 100% is “Don’t know” in each case.

Figure 9: Host survey - *To what extent do you agree or disagree that the following are positive impacts of having short-term lets in your neighbourhood?* [31]



[31] Base is 227 in each case. The balance of 100% is "Don't know" in each case.

The majority of host respondents indicated that there was overall a positive impact of having STLs in the neighbourhoods where they offered them. Hosts were most likely to consider each of the following as positive impacts of STLs (Figure 9):

- Provision of accommodation for tourists visiting the area (99% agree)
- Being good for the local economy (96% agree)
- Raising the profile of the area for tourism (93% agree)
- Local people earning money by letting out their home or part of it (91% agree)
- Being good for the national economy (88% agree).

In the qualitative interviews, the most common positive impacts identified by residents, hosts, community actors, and local businesses were similar to the survey findings - around the local economy, increased household income for people sharing their homes, and the added vibrancy that the visitor population brings to some areas. Some community and host participants also identified the social benefits of home sharing.

However, some resident and community participants across all areas, and many in Edinburgh and Fort William in particular, found it very difficult to see any positive impacts at all. For them, strong views were held that the negative impacts far outweighed the potential positive impacts, discussed further below.

The qualitative interviews explored a range of positive impacts in more detail, the findings of which are discussed in turn below.

Local economic impacts

In all areas, all participant groups identified that there was a potential positive local economic impact driven by the increased number of visitors. Most participants considered there were positive impacts for the hospitality and wider tourism sector (particularly restaurants, pubs, cafés, gift shops and tour operators), and some also identified benefits for the STLs supply chain, for example cleaners and trades-people involved with property maintenance.

Professional host participants also cited the benefits for the STLs supply chain, with one host saying that she employed more staff, including plumbers and cleaners and as she was a registered business payed tax she also contributed to the wider economy. These aspects were seen as beneficial to both the local economy and from an individual business and personal perspective.

Local economic impacts – differences by area

In Edinburgh, most resident participants could see the potential economic benefits, although none said that they benefited directly.

Many host participants in Edinburgh expressed the view that the provision of visitor capacity through STLs brought wider economic impacts:

> *"They bring in people into Edinburgh and if they are paying £50 a night instead of £200 they have money to spend with local businesses, restaurants and bars." (Edinburgh, host)*

Most of the community participants in Edinburgh found it very difficult to identify with any potential benefits from STLs, for them as individuals or for the community as a whole. Those that did perceive a benefit, thought that more jobs may be created for those servicing STLs. STLs would also serve to increase capacity and flexibility of accommodation in periods of high tourism demand, which in turn could benefit the local economy.

There was a clear difference in opinion between local Edinburgh businesses that serve the tourism industry and those that serve the private residential, affordable housing and corporate STLs sector (businesses and contract workers). All these accommodation based business participants found it more difficult to identify positive impacts of STLs. They could see the potential benefits of tourism to the local economy, but for them this was outweighed by the negative impacts on the residential sector and competition to the corporate, longer term STLs market. Participants from local businesses involved in tourism could see the tangible benefits of increased trade. One café noted that STLs in their area (Tollcross) were a good thing as it spread the tourists and the trade that came with them to their part of town which is slightly off the beaten track:

> *"It's about the tourism industry – driving and growing it, people spending money in the economy. The volume of people cannot be supported by hotels. There has to be more accommodation if tourism is going to continue to grow and it's great for the local economy." (Edinburgh, business)*

In the East Neuk of Fife, again all participants identified with the positive local economic impacts (shops and restaurants, local trades and cleaners). Some participants mentioned busier summer and extended tourism season over the winter months which they thought benefitted some local businesses who previously may have struggled in the off-season. A few community participants referred to the increased accommodation supply enabling increased tourism which otherwise would not have occurred due to otherwise limited alternatives in terms of quantity and quality. They also discussed the increasing competition giving greater choice and having the effect of improving quality.

In Fort William, some resident, host and community participants identified with the local economic benefits of bringing more people into the area to spend money. It was suggested that shorter stays offered by the more recent type of STLs provided through platforms encouraged more people to stop and stay in Fort William who otherwise might not have been interested in visiting if only weekly rentals were available. However, there was also a sense of scepticism from some Fort William residents, and businesses in particular, as to the real extent of these economic benefits, with some suggesting that STLs were simply taking business away from existing providers:

"It is not even positive for tourists. There's hotels with rooms galore available. I don't see the need." (Fort William, resident)

Most business participants in Fort William were reluctant to highlight any benefits as all were largely opposed to STLs operating at the existing scale in the area. They felt that any benefit from tourism was outweighed by the fact that local businesses and other organisations struggled to recruit staff due to the lack of residential options.

In Glasgow, many residents and hosts thought there may be benefits associated with the increase in visitor numbers, which was seen to help local bars and restaurants. From the local businesses perspectives (bars and restaurants), while STLs were assumed to contribute to the city's economy overall, none were able to say whether STLs directly helped their business. They could not say whether customers came from STLs, whether they were other visitors not staying in the city overnight, or were Glasgow residents. Two restaurant owners considered whether they might have actually lost some business as they did not have the same referral relationships with STL owners as they did with hotels. They also reflected on the fact that people make their own meals in STLs which might affect trade. However, the general assumption was that with more people in town their business probably did benefit in some way. In Edinburgh the sense of intensity was quite different and all business participants were fully aware that the majority of trade in some parts came from visitors, many of whom are staying in STLs.

Many Skye resident participants had similar views to all other participants on the local economic benefits, but with the added suggestion that STLs enabled higher number of overnight visitors which brought more economic benefits than day-trippers who were considered to bring no real benefit to the area. In Skye, more host participants than elsewhere stressed the importance of the direct employment made possible through the STLs supply chain within the local community. In particular, they commented on the year-round sustainability of such jobs, which historically had not been the case before the increase in tourism and STLs:

"It provides a lot of people with income and this feeds back into the community in various ways. Our local shop gets a lot of income from our visitors. It adds diversification too. We live in a bubble here in Skye. It's nice to forge links with people from other countries." (Skye, host)

However, while there were similarities about the positive impacts associated with tourism in Fort William and Skye, in both of these areas there were also mixed views about the amenities and services offered as a result of increased visitors. Many participants across participant groups discussed the impact on local shops no longer being relevant for local people, with residents having to travel further for regular shopping such as food and clothing.

"I don't have an issue with tourists nor Airbnb. It provides incomes for many local people and for the local shops. That said, shops now sell hardly anything that's useful, unless you're a tourist or visitor." (Skye, community)

Increasing household income

The second most common positive impact of STLs identified by participants in the qualitative research was around increasing household income from home sharing.

All host participants in all the case study areas identified the positive financial impact of acting as a STLs host. Some noted the better financial return from STLs compared to private renting and others stressed the benefits that the additional income brought to them in terms of their ability to meet mortgage obligations, to improve their property or to sustain themselves in retirement. For some, home sharing was an important element of supplementing their part-time (sometimes relatively low paid) jobs.

> *“Financially it's been great. I live alone and covering a mortgage on one salary is hard. I'm a nurse. Even if it's just a few nights a month for some months it really helps. The flexibility to block it off for friends is great.” (Glasgow, host)*

Generally, some resident and business participants in each area could see the benefits of increased household income for hosts.

Increasing household income - differences by area

Area specific perceptions around this impact were only notable in Edinburgh, Fort William and Skye.

In Edinburgh, many resident and community participants mentioned the financial benefits for hosts, from the perspective of letting out whole properties, rather than home sharing. In addition, a few community participants identified increasing housing property values as a potential positive financial impact from STLs for residents. However, these participants did not see this as outweighing the considerable negative impacts which they associated with STLs.

In Fort William, a few community participants could see the benefits of STLs supplementing household income. One participant explained the context that incomes in Fort William are lower than the Scottish average and work is often seasonal; STLs were said to give local residents an income opportunity that would not otherwise be available. Another respondent discussed the ability to earn income through STLs and balance this with wider responsibilities:

> *“Many hosts are individuals with caring responsibilities and Airbnb fits well with both looking after elderly relatives and children.” (Fort William, community)*

In Skye, most resident, host, community and business participants noted the financial benefits to local people from letting out a room or a whole property for part of the year, with people generally considered to have a lot more money in their pockets compared to a few years ago.

Increasing vibrancy and investment in the area

Some resident, host and community participants suggested that STLs had added to the vibrancy and diversity of the community, and contributed to more investment into the area and into specific properties that required physical improvement.

Increasing vibrancy and investment in the area – differences by area

In Edinburgh, a few resident participants remarked on the enhanced vibrancy and diversity that came with the visitors using STLs, with some businesses and hosts also mentioning stretching of tourism benefits to areas slightly off the beaten track. A few community participants in Glasgow felt that the STLs investment had helped regenerate part of the city's West End and brought more visitors and tourists into the city. A few hosts also related to the positive impacts of new people and cultures coming into the cities.

In the East Neuk of Fife, Fort William and Skye, a few hosts also highlighted the visual amenity brought to an area when they had invested in properties and brought them back into use:

> *"I feel strongly that we bought a very run down cottage and have completely renovated it. It's a 'C' listed building. It makes the town look great. It's investing in the housing stock of the area. We know our neighbours. We have made a positive impact." (East Neuk of Fife, host)*

Social and lifestyle benefits

The social benefit of home sharing was also highlighted by some host participants across all areas, including the positive impact on their general wellbeing. They commonly commented on the flexibility and work-life balance that the hosting role gave them (whether as home sharers or part-time professional hosts) combined with increased income. Examples included those who were semi-retired and had invested in one or two whole properties, those that were working part-time and also letting out a whole property or a room, and others that had left their jobs to set up their own STLs business. A few hosts commented on the specific benefits, such as the chance to enhance their language skills or generally to get to meet new and interesting people. One Edinburgh home sharer (letting a room) explained that as well as additional income, guests also provided company for him:

> *"In my home there's a sense of community and sometimes we share a glass of wine together." (Edinburgh, host)*

> *"With my poor health I couldn't keep working the hours I was and needed a job I could do from home and do this 7 days/ week. I don't have to travel as much which is much better. It's given me a good work/life balance. I work 7am to 1pm and have the afternoons to myself." (Fort William, host)*

Only one community participant in one area mentioned this benefit, and no residents or businesses discussed this aspect.

Negative impacts of short-term lets

Residents and hosts were asked about potential negative impacts of STLs through the survey, and negative impacts were then explored with all participant groups in the qualitative research.

Overview of negative impacts

Resident and host survey respondents were each shown a list of potential negative impacts of STLs, and asked to what extent they agreed with each. Figures 10 and 11 show the results for each of residents and hosts.

Resident respondents were most likely to consider the following as negative impacts of having STLs in their neighbourhood:

- Reduction in homes available for general residential use (62% agree)
- Reduced affordability of housing for local people (57% agree)
- Negative impact on parking available in the area (53% agree)
- Increased amount of littering / waste (52% agree)
- More traffic problems (47% agree).

Opinions were more divided in relation to a number of other potential negative impacts of STLs, with a number of resident respondents disagreeing that certain of these things were actually negative impacts of STLs. For example:

- 21% of resident respondents agreed that threats or abuse and other types of anti-social behaviour was a negative impact of STLs but 55% disagreed
- 27% agreed that damage to homes or common areas (e.g. graffiti or vandalism) was a negative impact but 48% disagreed
- 35% agreed that a negative impact on the overall character of the area was a negative impact of STLs but 45% disagreed.

Figure 11 shows the responses for the same question for hosts. For each element, a majority of hosts disagreed that these were negative impacts of STLs. The areas where hosts were most likely to perceive negative impacts were broadly similar to residents:

- 37% agreed that a reduction in homes available for general residential use was a negative impact (although 38% disagreed)
- 32% agreed that reduced affordability of housing for local people was a negative impact (42% disagreed)
- 26% agreed that more traffic problems was a negative impact (56% disagreed).

For each of the other elements, a majority (usually a large majority) of hosts disagreed that these were negative impacts.

From the qualitative research the most common negative impacts identified by many of the resident, host, community, and business participants were similar to those identified in the surveys:

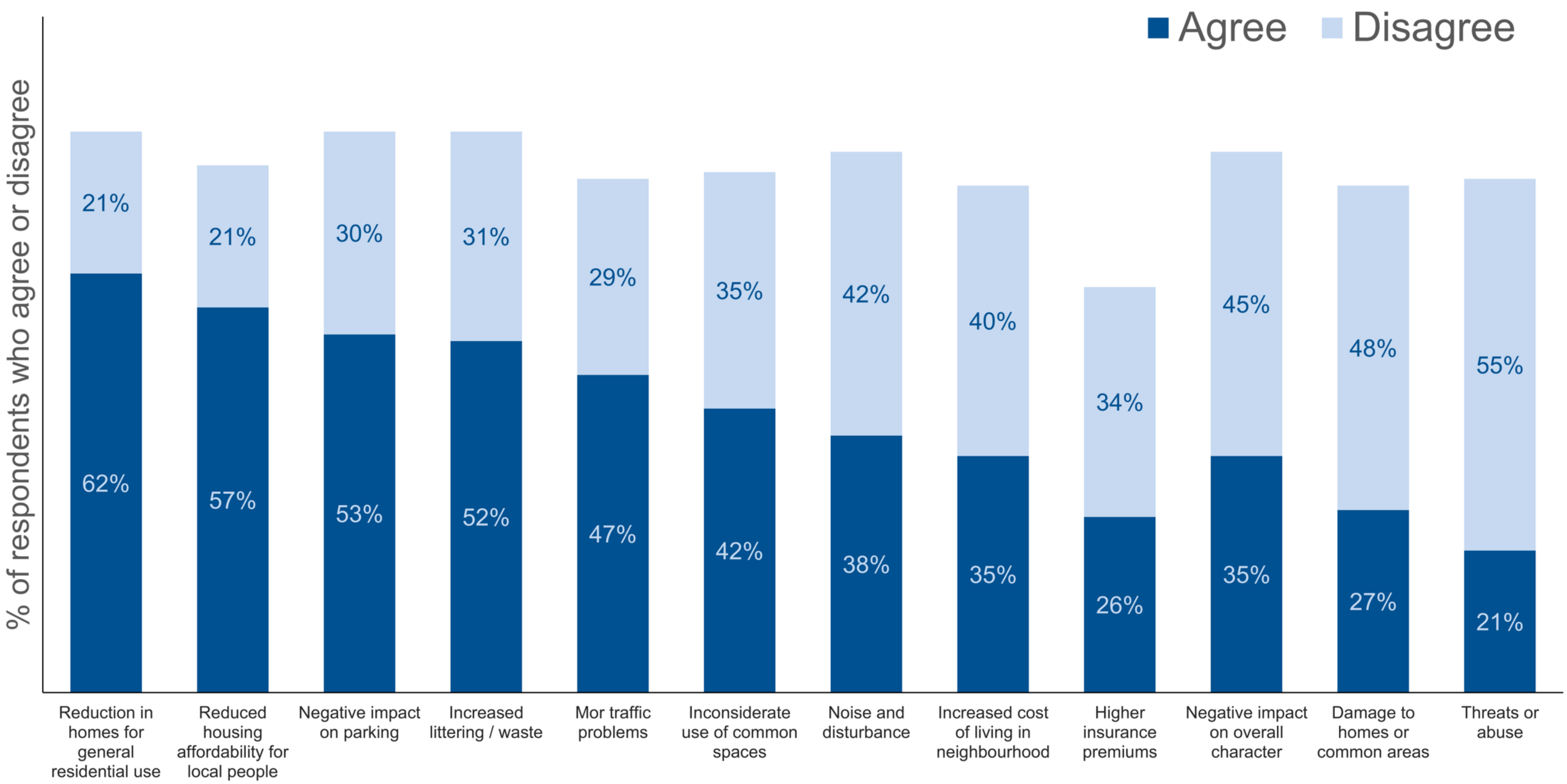
- residential accommodation and housing market impacts - with negative impacts on other parts of the local economy and public services due to the inability to get workers / key workers
- congestion problems - traffic and parking problems, litter and waste, and demand on infrastructure - varied by areas, with many referring to 'over-tourism', quality of tourism services and provision, and potential impact on the 'Scottish brand'.

In addition to these common concerns, many residents, community and some types of business participants (but not hosts) also identified problems relating to:

- changing communities - in some areas – including lack of amenities for locals, threatening the sense of community, sustainability of communities
- disturbance to local residents including security and well-being concerns - in some areas depending on property type and housing density
- lack of financial contribution to local and national services through taxes
- property / common repair concerns in some areas depending on property type.

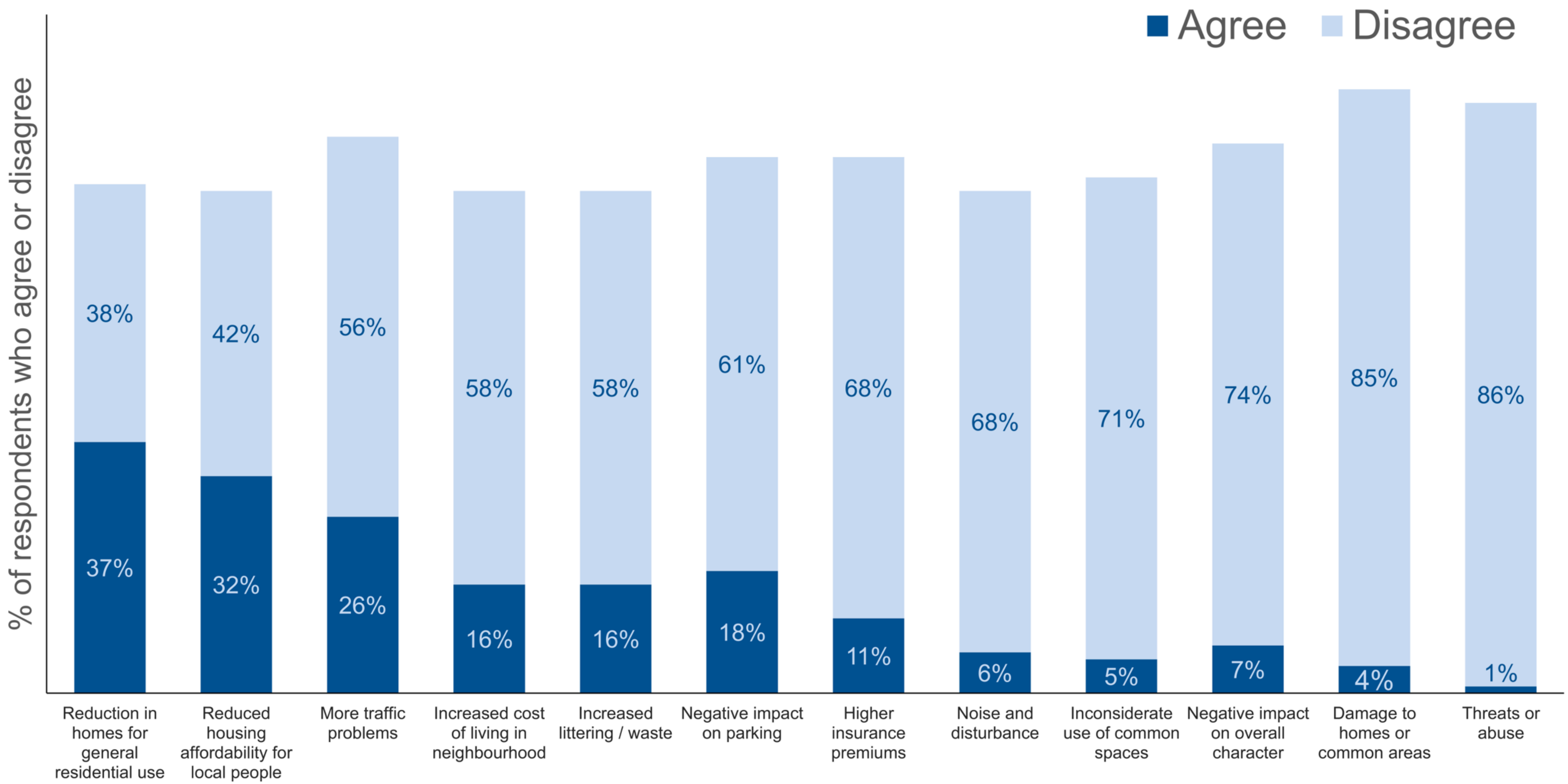
Additional negative impacts identified by a small number of host participants related to the stress of operating their STLs businesses, particularly in the very busy summer period. However, it was generally still something that they considered to be worthwhile.

Figure 10: Resident survey - *To what extent do you agree or disagree that the following are negative impacts of having short-term lets in your neighbourhood?* [32]



[32] Base is 197 in each case. The balance of 100% is 'Don't know' in each case.

Figure 11: Host survey - *To what extent do you agree or disagree that the following are negative impacts of having short-term lets in your neighbourhood?* [33]



[33] Base is 227 in each case. The balance of 100% is 'Don't know' in each case.

The qualitative interviews explored a range of negative impacts in more detail, the findings of which are discussed in turn below.

Impact on residential housing

The most common concern across resident, community and business participants, and in all areas, was the impact that STLs was perceived to have on the availability of residential accommodation, whether for long-term let or ownership. This impact on supply was also associated with impact on affordability of housing. This was also often mentioned by hosts, but with much less strength of opinion than other participants. The dynamics of different housing markets means there are specific findings for each area.

Impact on residential housing – differences by area

The impacts of STLs on supply and cost of residential housing appeared to be the strongest in Edinburgh, Fort William and Skye as discussed by most resident, community and business participants, and hosts to a lesser extent.

In Edinburgh, most resident, community and business participants highlighted the reduced supply of housing caused by STLs in the city centre, and the impact they felt this was having on housing costs. This was usually expressed as cost of rents in the private rented sector, although some community participants also highlighted local house sales being out of reach for residents, with properties invariably sold to STLs investors. It was claimed by many community participants that this has resulted in a 'spiralling decline' for the sustainability of the local community as there was no way of attracting residents due to increasing prices combined with 'over-tourism' in the area. Residential letting agents discussed the rapid shift in properties from the private rented sector to STLs which they attributed to the recent increase in regulation in the residential sector, alongside lack of regulation and higher profitability of the STLs market.

All social and affordable landlord business participants in Edinburgh gave examples of STLs in their housing stock with illegal letting through online platforms. They also described a lack of control and powerlessness as they felt the problem was getting out of control with inadequate resources to manage the problem. Illegal sub-letting in private rented housing was also noted by letting agents.

A few businesses in Edinburgh talked about the lack of availability of residential housing for workers, with examples of evictions as landlords moved over from long-term to STLs. For the businesses involved, this caused issues related to higher turnover of workers:

> *"The main problem is displacement of people. My staff and other people can't afford to live here. They are moving further out of town or staying shorter periods of time working for me or the students now go home in the summer because there is nowhere to stay that they can afford." (Edinburgh, business)*

Some host participants in Edinburgh also referred to the housing problem, with a few choosing to make the distinction between home sharing (with no negative impact) and whole property letting (with more negative impacts). Other hosts mentioned that they were aware of the widely discussed negative impact on the housing sector, but were sceptical, and considered the housing problems to be overstated, or unrelated to STLs. A few suggested housing problems were caused by lack of investment in affordable housing in the area, and a few others stated there was too much emphasis on development of student housing.

In Fort William and Skye, the suggestion from many business and community participants was that there was a considerable problem in sourcing workers due to lack of available residential housing. This was related to workers for the tourism industry, property construction and maintenance, other local industry, public services including health and education, and the university in Fort William. Some participants in each area explained that the lack of residential housing was exacerbated by the fact that there are very few housing alternatives in these rural areas due to the travel distances involved.

A body representing local business interests in Fort William explained that several businesses were arranging to directly provide accommodation for workers. For example, an industrial plant had recently received planning permission for a caravan site on their property to house factory workers, and a local businessman had purchased a house for accommodation for trades-people working on the local cinema renovation project. Some resident and community participants in Fort William pointed to properties on the housing market being specifically advertised as suitable for STLs investment, and also identified an increasing number of private long-term rentals converting to STLs.

> *"Our problem is strangled development opportunities. It used to be a seasonal problem where you can do (development work) in the winter when the tourists are away and you can find accommodation, but that's now wiped away because STLs are year-round business." (Fort William, business)*

> *"It affects people's ability to rent properties long term. I've read in local papers that some long term lets have been asked to vacate so that they could be changed to STL. So that's not good." (Fort William, host)*

There were parallels with Skye. Some hosts were keenly aware of the housing issue and the impact on the ability to get staff to work in their STLs business:

> *"We want to strip out Airbnb booking fees to put money back into local housing because we recognise there's a shortage of long-term accommodation. We are trying to create salaried roles and be as ethical as possible." (Skye, host)*

Skye business participants working in the housing sector suggested that there are no private lets available for residents. Examples were provided of households evicted from private lets that were being converted to STLs, and one who had to register as homeless due to lack of market housing options. Rehousing resulted in very long journeys to work due the lack of more local alternatives. Similar frustrations were shared by some other business and community participants working in the health and social care sectors. One person suggested that operating a safe health service had now become almost an everyday challenge due to the difficulty of filling healthcare posts caused by the lack of housing options. It was also said by these business participants to be difficult for the health service to recruit and retain cleaning staff due to higher earnings available for cleaning STLs. There were similar problems identified in the wider social care sector. This recurring theme about housing for key workers was expanded by some other community and business participants in Skye who provided more examples of difficulties in filling posts due to lack of accommodation across the public and private sector - fire officers, teachers, IT staff, staff for an outdoor sports company and within the wider hospitality sector. One business participant mentioned that tourism-based companies are building their own staff accommodation, or buying property to provide temporary accommodation. Other participants also stated that it is difficult to secure building and maintenance services with prices being much higher as a result. The response from one housing association has been to create its own building services team, which is also able to generate an income contracting for others such as NHS Highland and Highland Council.

> *"Some local workers just cannot find accommodation. We need accommodation in Portree, within walking distance of the project. The bus service here is particularly poor, so shift work is challenging. We have a member of staff who lives in Staffin, and if he does not leave exactly at 6 o'clock he then has to fork out £25 for a taxi, so clearly you can't do that very often. But again, in this job, sometimes it's difficult to be able to leave right on time. But despite it all we are still working through and still able to deliver the service, but it has been exceptionally challenging." (Skye, business)*

In the East Neuk of Fife, there were also concerns from some resident, community and business participants, as well as a few hosts. This has always been a holiday home strong hold and so the impacts of the 'new' STLs phenomenon was less clear, but nevertheless these participants had significant concerns about the lack of affordability of housing for locals (across all housing tenures), and the impact this may have on long-term sustainability of communities. One businessman commented on the positive impacts for businesses, but negative impacts for housing and the wider community:

> *"As a businessman I would say yes, Airbnb has been positive, but as a human being I'd say no, it's not." (East Neuk of Fife, business)*

Finally, in Glasgow, STLs appeared to have had the least impact on residential supply compared to the other areas, although a few hosts highlighted this problem. There was a distinction made between the city centre which has perhaps had a more transient population, compared to Finnieston where STLs are moving into more traditional residential tenemental areas. There were also examples here of eviction of social tenants for illegally sub-letting for STLs purposes, in the same way as was found in Edinburgh.

Congestion and 'over-tourism'

Many participants across all groups commented on wider environmental nuisance and infrastructure concerns. While this was also related to wider tourism, there were suggestions that the volume of tourism and nuisance caused is supported by the rise in STLs. These impacts were felt most keenly in Edinburgh, Fort William and Skye where participants referred to 'over-tourism'. This was also mentioned in the East Neuk of Fife, but to a lesser extent. In Glasgow, noise, litter and parking problems were discussed in relation to event tourism, but was less directly attributed to STLs.

Negative impacts associated with tourism and congestion by many participants across all groups, and particularly in Edinburgh, Fort William and Skye included the reduction of local amenities and local shops for residents, crowded streets, limited parking, traffic, increase in noise, rubbish and litter, and overall diminished quality of life for residents living in the area.

> *"This year the crowding in the streets is greater. By March it's difficult to walk down the street. The Council is delighted by this; more tourists, but it's 'feeding the beast'. Tourism has become too much. It's so crowded and expensive. What are tourists getting out of it now?" (Edinburgh, community)*

There were also concerns in these popular tourist areas that the prevalence of an unregulated STLs sector would damage the 'Scotland brand' and could negatively impact on the tourism experience. A few business participants also expressed concerns that amateur hosts run STLs without the level of care and hospitality that professional self-caterers tend to take in their business, which could damage the sector's reputation and become a drag on standards overall.

Congestion and 'over-tourism' - differences by area

In Fort William and Skye, concerns were raised by some community and business participants about public safety and building control owing to the number of camping pods, sheds and caravans being made available for tourist accommodation. The same participants raised some doubts that planning permission had been gained for some of these temporary units, and concerns were expressed around lack of regulation and health and safety. However, it was clear from these comments that these were issues about 'over-tourism' generally rather than STLs and a few hosts suggested that camper vans were a much more significant cause of nuisances (including road safety, parking and littering) than STLs. Many viewed this as an unintended consequence of the highly successful NC500 tourism initiative.

> *"Parts of Skye have masses of tourists and the infrastructure can't cope, Camper vans throw chemical waste into the rivers and streams." (Skye, host)*

In Skye, there were specific concerns raised about infrastructure problems by many host participants who perceived failings on certain aspects including roads and wider tourism infrastructure, particularly in relation to travel congestion and its impacts:

> *"Roads are taking a real hit though, and the north is a lot worse for patching. That impacts on the tourism experience, especially if you bust a tyre, and the time and hassle that it takes to sort out on a single track road miles from anywhere" (Skye, host).*

Changes to communities

Many resident, community and a few business participants, raised concerns about the impact that STLs have on the character of areas, and sustainability of communities. The most common issues related to the availability of local services, shops for local people, and the impact on falling primary school rolls due to falling residential population. These issues were raised in all areas apart from Glasgow.

The reduction of local services and shops for local people was raised by many community participants across all areas except Glasgow. These participants often made a direct link between the growth of STLs and tourism to the closure of local amenities such as a post office, a bank, and library. They also noted that many retailers in these areas now concentrate on the tourists for trade, with examples of local shops such as the local butcher, green grocer and newsagent closing over recent years. Some participants in rural areas were concerned about the continued 'liveability' of the community for local people, with useful local shops closing for 'tourist twee' shops. They highlighted that people now have to travel long distances for shopping due to local shop closures - one resident explained that a 70 mile trip to Inverness was required to buy 'basic stuff'. Another example was provided from the East Neuk of Fife where some community representatives are trying to retain local amenities through a 'use or lose it' campaign. This type of impact was discussed by community participants in Edinburgh's city centre where the Old Town was now said to have no local shops left for residents since the last newsagent recently closed. Some resident and community participants perceived STLs to have had a negative impact on the character of their community.

> *"I used to live in a neighbourhood where I knew my neighbours but now as people are dying all the properties are becoming Airbnb. I just want to know who I'm living next to and who I'm sharing my drive with." (Fort William, resident)*

> *"The local shops have gone. The retail offering wasn't good for locals before the short-term lets but it's worse now. We have the Sainsbury's but goods are now targeted to tourists e.g. crisps and pizzas and fast convenience food." (Edinburgh, community)*

Some community participants in Edinburgh, the East Neuk of Fife and Skye raised concerns over the population of family households and in turn, the falling rolls in local primary schools. The key concern here was that as soon as a local primary closes it becomes very difficult to attract families and sustain the local community.

Changes to communities – differences by area

In Edinburgh, many residents and community participants spoke about the loss of sense of community relating to less residents in the area, and for many, the loss of community was also associated with not knowing people living in your tenement:

> *"I have no problem with people letting out a room when they are still living there, making ends meet, that's okay. It's the number of whole flats that are being let out that is the problem. It used to be all residents around here but now it is about half. This is a city where people live and work but slowly that is being eroded and in time there will be no residents. It feels like it is being taken over by companies for holiday lets." (Edinburgh, community)*

> *"The community of the stair is no longer effective. So many visitors don't know anything about it, and they don't care." (Edinburgh, resident)*

A few hosts talked about this issue in Edinburgh, refuting any claims about the loss of community, or potential sustainability, specifically regarding the Old Town. One host participant argued that the Old Town had not been a community for some time, and few people wanted to live there anyway:

> *"You could argue that people are deprived of choice to live, and reducing residential space in the Old Town and people don't want to live in the Old Town. People talk about meeting strangers in the stairwell, but this is perceived problem, not an actual one. There is no community and neighbours in these areas, people don't talk to each other – there is no actual problem, just perceived." (Edinburgh, host)*

Disturbance to local residents, impact on quality of life and well-being

Many resident and community participants, and a few businesses were very concerned about the disturbance and anti-social behaviour caused by STLs on a daily basis with the impact this had on quality of life and well-being for residents. This related to disturbance in the immediate residential vicinity, and the lack of sense of, and actual security caused. This impact was mainly related to higher density urban areas, property types with common space, and tenements in particular and so this impact was particularly prevalent in Edinburgh and Glasgow, with a few complaints also in the East Neuk of Fife in properties with common space.

Concerns were also raised by many participants resident, community and business participants in all case study locations over the lack of health and safety regulations in STLs when compared to the residential letting market, or traditional B&B and hotel sectors. This was often raised by resident and community participants in the context of disturbance, security, and concern over health and safety. This was also linked to concerns about building insurance - one community participant explained that insurance could be invalidated under certain circumstances if there are too many STLs in a common stair, presenting considerable risk to all residents, and property owners including hosts.

Disturbance to local residents and impact of quality of life – differences by area

In Edinburgh, one of the most prevalent concerns and negative impacts of STLs raised by many resident and community participants was around the daily disruption caused by STLs. This included noise caused by the constant stream and volume of visitors and cleaners in common stairs; the noise of suitcases being wheeled about and bumping up and down two or three times every week; continual buzzing at the common entry doors at anti-social hours; visitors not understanding how to use the local refuse system; visitors not recycling; taxis arriving and departing often using their horns to indicate their arrival, and smoking in the common areas. The same participants discussed the fact that this could be ignored occasionally, but it was the incessant nature of the disruption which caused unhappiness. There was a sense of powerlessness to do anything about the problem due to the transient nature of tourists, the anonymity of hosts and no-one 'centrally in the council' to go to. This often related to visitors not understanding the etiquette of living in tenements.

> *"A new [long term] tenant or owner that hasn't lived in a tenement before might make a noise, but then gradually they learn the unwritten rules, and we all get along – that can't be done with three-day visitors."* (Edinburgh, community)

There was a strong sense from many of the Edinburgh resident participants that visitors used tenements as apart-hotels and did not understand that tenements, including the common stair, are part of people's homes. For some resident and community participants there was a clear sense that STLs in their close were affecting their well-being:

> *"We're really upset about it, we are feeling not in control, it's a huge loss, I get depressed about it." (Edinburgh, community)*

Some Edinburgh and Glasgow resident and community participants also discussed this in the context of tenement closes which many people consider as their own small communities. They discussed the lack of security with strangers coming in and out of the common door, knocking on owners' doors and sometimes trying to get into them in error when looking for their STLs.

These arguments were refuted by some hosts in Edinburgh who claimed that STLs were actually easier to manage than long-term lets, comparing respectful short-term visitors to student residents who were said to commonly cause leaks, noise and parties. One host gave an example of a property being converted from a long-term let with students to STLs with three out of five residents in the stair telling him the noise situation was now much better. Another host also argued that noise problems are caused by students not STLs. Some hosts stressed how they instilled the rules to the guests on how to behave in tenements.

In Glasgow, the major concern from resident and community participants related to anti-social behaviour and noise nuisance within residential common spaces. They mentioned serious damage to property and disturbances in both residential closes and streets, involving domestic rubbish, broken bottles, urination and defecation. Although it was acknowledged not all of this was the directly resulted from STLs and was often associated with music events at the Hydro, 'party flat' damage was directly attributable. The various disturbances in the common close was felt to leave residents feeling unsafe and in fear, especially given the high proportion of elderly living in the area. Again, concerns about local people sharing the close with strangers was discussed by community participants:

> *"For me it's primarily about having a non-resident issue within residential properties. The residents are annoyed not with the visitors, or tourists, but by the landlords who have put them in this situation. They do not like having strange people constantly moving in and out". (Glasgow, community)*

A common problem cited by resident and community participants in Glasgow, and to a lesser extent in Edinburgh was related to party flats or 'crash pads' (groups of older teenagers, hen and stag groups, and other groups of men and women) where the various disturbances in the common close was felt to leave residents feeling unsafe:

> *"I now spend less time in my own home and have actually booked a hotel away to get peace. It's a mixture of constant strangers being about and the noise affecting me all night. When you walk out of the door and there are 6 males drinking in the corridor it can be a bit scary. This has a real effect on my life. My family used to visit me a lot; now I actually go and visit them." (Glasgow, resident)*

There were a few mentions from the East Neuk of Fife relating to noise and disturbance from STLs, and again this related to properties with an element of communal living space. Despite this, the East Neuk of Fife still appeared to retain a strong sense of community, and does not seem to be affected by feelings of strangers around the place. This may be due to the core of second home owners who are regular visitors and seen as part of the 'part-time' community.

Complaints were also made by some resident, community and business participants in Fort William, but this mainly related to disturbances from 'parties in pods'.

Lack of tax contribution to services

Some resident, but predominantly community and business participants in all areas raised concern over the perceived non-payment of taxes by STL owners. The common view from these participants was that while STLs are often in effect businesses they are not paying their fair share of taxes to contribute to local services. However, at the same time the STLs businesses were said to be creating significant infrastructure demand including water, sewage, roads, car parking, public toilets and waste disposal. It was highlighted that even if STLs are registered as businesses for letting purposes (and many participants suspected that most were not) they could potentially benefit from reduced or zero domestic rates. Some community and business participants in both Skye and the East Neuk of Fife were concerned that where second homes chose to become businesses, then the Council tax charge was lost, and was not replenished through other local taxes[34].

Hosts did not raise this subject, although some did discuss taxes under potential regulation which is detailed at the end of this chapter.

Lack of regulation and competition impacts

Another issue cited by all participants - resident, community, business and host participants - was the lack of regulation in the STLs market. While lack of regulation was

[34] Self-catering properties, including STLs, may be eligible to switch from council tax to non-domestic rates providing that they are made available for commercial letting for at least 140 nights per financial year. Depending on the rateable value of the property, the rateable occupier may be able to claim rates relief through the Small Business Bonus Scheme (SBBS). The SBBS provides 100% relief where the total rateable value of all non-domestic premises does not exceed £15,000; 25% relief is available for premises with a cumulated rateable value between £15,001 to £18,000; where the combined rateable values of all premises does not exceed £35,000 then 25% relief is available to each premises with a value not exceeding £18,000.

raised by most hosts, it was not discussed as a negative impact, but rather as an area that needed to be addressed particularly around the need for health and safety regulations.

Lack of regulation and competition impacts – differences by area

In Edinburgh, all participant groups raised the lack of health and safety and registration regulations compared to the residential market. For many resident, community and business participants this was also linked to difficulties with getting common repairs done due the absence of a landlord register for STLs and therefore the inability to trace owners. A number of examples were provided around leaks, and residents being unable to find the owners/hosts to resolve issues. While many host participants agreed with the need for health and safety regulations they did not agree that STLs contributed to common repair issues, and a few hosts claimed the opposite - that they invested in common repairs when other long term rental landlords did not.

Some Edinburgh businesses working in the STLs market (property agents, self-caterers) also raised the increased competition from the change in the STLs market as a problem for their business. Their concern was the ability to keep pace with the shift in the market and change of business model for STLs, while the new form of STLs has very little regulation and ease of entry to the market compared to traditional visitor accommodation models.

Similar views from business participants were shared in the East Neuk of Fife, Fort William and Glasgow. These participants emphasised that they did not fear competition but stressed that it should be fair. They felt that STLs are in practice no different from theirs - competing for the same market and yet were not subject to the same degree of regulatory oversight or tax liability. Some hosts said they would welcome more regulation in the STLs market to spread good practice which they believed already existed, and to provide credibility and reputation for this sector. This is discussed further below.

Potential regulation

All participant groups were asked whether they saw a role for local or national government in regulating STLs, and if so what outcomes they would wish see achieved through such regulation. There were generally common views from resident and community participants, with some similarity from hosts and businesses.

Many resident and community participants suggested:

- rebalancing housing supply back towards residential
- limiting the numbers of STLs in specific areas
- limiting the number of times a property could be let
- ensuring health and safety
- ensuring compensation for damage and disturbance (more common in Edinburgh and Glasgow)
- ensuring STLs pay tax and contribute to local services

- increasing accountability for the behaviour of guests.

There was a split in opinion amongst host participants between those that felt there was no need for any regulation at all, and those that suggested a number of different possible dimensions of a potential regulatory response. Some hosts also stated they were quite surprised that there was not already some regulation. This was not something that varied particularly by area, with all areas having a range of different opinions from hosts.

Those hosts that did agree with potential regulation made similar suggestions to resident and community participants – minimum safety standards and compliance with specific regulations like the private rented residential sector; ensuring consistency of taxation treatment and effective and consistent implementation of this; ensuring STLs businesses are appropriately insured[35]; measures to address any overcrowding; regulations to address anti-social behaviour where it occurs; and, potential limits on number of STLs in any one area where this was identified as a particular problem.

Regardless of the specific regulations that could be brought in, many hosts drew a clear distinction across all areas between individuals sharing their accommodation (both those that share rooms, and whole properties) and more professional operations run on a commercial basis:

> *"There needs to be a clear distinction made between letting out a room in your home by making a business out of it by buying up whole properties and renting them out. It would put me off if I had to pay fees to do it." (Fort William, community)*

These comments highlighted the concerns expressed by some hosts about a 'blanket law' that could apply across the country, where the impact of STLs in different areas might vary. Some hosts also highlighted what they saw as significant practical difficulties and associated costs in fairly and consistently applying any scheme of regulation, and some hosts were sceptical that the rationale for any type of regulation was a means of getting additional income for the authorities.

There was a split in opinion amongst business participants. Many non-residential based businesses could not see the need for regulation, but residential and tourist accommodation based businesses[36] were more likely to see the need for regulation. Again, their opinions were similar to those identified by resident, community and host participants – restoring the balance between residential accommodation and STLs, controlling numbers of STLs by area, implementing health and safety regulations, requiring adequate building insurance cover, and ensuring that all taxes are paid. For business participants working in the self-catering industry regulation was seen as important for credibility of the sector. One established self-caterer (who did not consider herself a host) stated:

[35] As identified above, one community participant claimed that if there are a certain number of STLs in a stair building insurance may be invalidated.

[36] Residential and tourist accommodation businesses include residential letting agents, social and affordable landlords, self-catering businesses, STLs agents.

"When I was researching this market I was baffled that there isn't regulation, no health and safety. Anyone can buy a house and just let it out and do nothing with it to make it safe. Local authorities need the power to regulate and limit the numbers. I'm all for regulation as long as it is fair and transparent." (Edinburgh, business)

Potential regulation - differences by area

In Edinburgh, most resident and community participants wanted limits on the number of STLs per stair, number of days and to control the type of accommodation that could be used for very short STLs (less than one week). Glasgow resident participants wanted hosts to be more accountable for guest behaviour. In Skye, many resident, host and community participants were more cautious about potential regulation and were concerned about any loss of income for resident hosts.

Differences by area also related to the strength of feeling where in Edinburgh, some resident, and all community participants were outraged by the current STLs situation and stated their extreme frustration that action was long overdue by Scottish Government and local government. One community council representative stated*:*

"We have watched with increasing dismay and puzzlement as to why it has been allowed to increase in this way. We know it has been discussed but no action has been taken." (Edinburgh, community)

In Skye, there was a sense of bemusement from many community and business participants as to exactly how regulation could work and perhaps that the situation had gone too far already. Questions were raised by these participants as to whether regulation would be relating to registration of the property, or number of guests that could stay or both, and would it be the owner/landlord, or property manager that would be made accountable.

In the East Neuk of Fife, some business participants suggested a proportionate regulatory approach which ensured fair competition, as well as health and safety. Some businesses in Fort William suggested an appetite to review the lodgers allowance to encourage letting to workers rather than tourists, and to introduce other mechanisms to encourage key worker housing. In Skye, many business participants wanted a level playing field across the tourism accommodation market and mechanisms to help social landlords with reducing STLs in their rented stock and shared ownership/shared equity properties[37]. Community and business participants in both Fort William and Skye questioned whether any tourist tax (if there was one) would actually be reinvested by Highland Council locally.

Overall, most participants were more interested in discussing outcomes rather than the actual specific mechanisms of regulation. A few host, community and business participants had some suggestions which included the introduction of a register, licensing scheme, planning controls, deed conditions, and a tourist tax.

[37] Funding for shared equity is underwritten by the Scottish Government and its lending regulations which prohibit certain types of subletting.

Key findings – Chapter 5

The overall key findings on the positive and negative impacts of STLs, as well as on potential regulation, are summarised below.

Positive impacts

- The positive impacts of STLs most commonly identified related to the local economic impacts associated with the tourism sector. This was identified across all areas, although many participants at the same time pointed to the negative impacts of tourism on their community and neighbourhood.
- Another common positive impact identified was the potential for local people earning income as hosts, with a high proportion of residents and hosts seeing this potential. The qualitative research suggested this was more likely to be business income, rather than increasing income for individual households through home sharing. Home sharing and the associated income appeared to be more important in the rural and remote areas (excluding the traditional holiday home area of East Neuk).
- Increasing the vibrancy and investment in local areas was identified by some participants in all areas, and spreading the benefits of tourism to areas out of the traditional tourist areas was identified in Edinburgh.
- The social and lifestyle benefits of hosting were identified by many hosts across all areas, with the positive impact this had on their general wellbeing, work-life balance, and meeting new and interesting people for those that were home sharing.

Negative impacts

- The most common negative impact identified was around the availability and affordability of residential accommodation, across all housing tenures. There were strongly held views on this negative impact from residents, community actors and businesses in all areas, although less so in Glasgow (whilst this impact was identified by some hosts, it was also considered to be overstated or unrelated to STLs). Negative impacts were also identified for the wider local economy due to the inability to attract incoming and key workers for key industries and public services due lack of housing.
- Another commonly identified negative impact of STLs was congestion. This was associated with the rise in STLs caused by the increase in tourism across all areas causing problems with traffic, parking problems, litter and waste, and demand on infrastructure related to ‘over-tourism’. The experience of reduced access to housing combined with this congestion was considered to be changing the nature of specific communities in all areas (with the exception of Glasgow) which included impacts on lack of amenities for locals, and threatening the sustainability of local communities.
- There were considerable concerns regarding the disturbance to local residents including the negative impact on their security and well-being, particularly in the higher density urban environments of Edinburgh and Glasgow, and particularly in property types with common space e.g. tenements. Related to this property type were concerns over the ability to have common repairs undertaken, although this

was strongly refuted by some hosts. This was found to a lesser extent in the East Neuk of Fife, and not in the other rural areas.

- In all areas, there were concerns from most participants (apart from hosts) about the lack of financial contribution to local and national taxes and services, but at the same time higher demand on local services caused by the increase in STLs.

Potential regulation

- In all areas, across all types of participants there was general agreement (with a few exceptions from hosts) around the need for regulation for STLs to safeguard health and safety of residents and guests. Many participants (except hosts) also suggested using regulation as a means of rebalancing housing supply back towards residential housing. Many of these participants wanted to see the introduction of registration to enable better management of damage and disturbance caused by STLs, and to ensure business taxes were paid.

6. Conclusions and area summaries

The following chapter sets out conclusions and area summaries for each of the case study areas.

Aims and objectives of the research

The Scottish Government's overall aim for this research was to assess the impact (positive and/or negative) of STLs in Scotland, with a focus on the communities aspect, in particular neighbourhoods and housing. The following research questions were set by Scottish Government at the beginning of the research:

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

This research has considered these questions in the context of examining the amount and impacts of STLs in five different types of urban and rural based communities:

- In the urban context – Edinburgh's tourism hotspot of the world heritage site, and in Glasgow's city centre including the central business district and area close to the SEC;
- In the rural context – the East Neuk of Fife's established coastal holiday home area, Fort William with its expanding Highland tourism centred around outdoor activities, and Skye as a long-established tourism hotspot based around its island experience.

Conclusions

The increase in short-term lets

The secondary data analysis showed that STLs have grown over the last three years, with a three-fold increase from 10,500 to just under 32,000 across Scotland between 2016 and 2019. STLs are geographically concentrated; as of May 2019, just over half (51%) of all Airbnb listings in Scotland were located in one of 24 wards (out of 354). Edinburgh was home to 10 of these wards, followed by Highland (7), Argyll and Bute, and Fife (both 2), Glasgow, Perth and Kinross, and Stirling (all 1 ward). This concentration is further illustrated by penetration rates of Airbnbs relative to amount of dwellings: in Skye 18.6%, Edinburgh's city centre 16.7%, Fort William 9.7%, the East Neuk of Fife 5.6%, Glasgow city 3.23% compared to 1.2% for Scotland overall.

Experiences of the increase in STLs

Based on their experience, most research participants confirmed the growth of STLs, and concentration in some areas, as identified by the secondary data analysis. They associated the growth in STLs with growth in tourism, but with different experiences in the different areas. According to most of the research participants in Edinburgh, Fort William and Skye, growth had been significant with continued demand. In Edinburgh, the Airbnb data[38] showed Old Town and part of the New Town as the most dense one square kilometre of Airbnbs in Scotland. Many participants suggested STLs provided a more convenient and affordable self-catering alternative compared to expensive hotel accommodation in the city, but with intense concentration in some parts of the City Centre and in tenements stairs. In Fort William, STLs were also said to be challenging some traditional visitor accommodation, but in Skye, STLs were providing accommodation where there was very little traditional alternatives for tourists for over-night stays. In both Fort William and Skye, STLs continued to increase the offering of any type of supply – whole properties, rooms, and a range of non-housing forms of STLs (including pods, caravans, tents, etc.) which added to the volume of visitors and congestion for local communities.

In inner-city Glasgow, most research participants' experience of the growth, and concentration of STLs was found to be very different. Here the use of STLs was associated with music and sporting event tourism and to a lesser extent business visitors. Comparing cities, Glasgow did not have as great a concentration of STLs that was found in Edinburgh's city centre. The change in STLs in Glasgow's city centre was associated with the growth of STLs in the traditional tenemental area in the Finnieston area. This was where there were strong parallels with Edinburgh, in terms of residents' often negative experiences of STLs where there was shared common space and stairs/closes.

The experience of growth and concentration was again different in the East Neuk of Fife. This area was found to be quite different to the other four areas, as a traditional holiday home area for indigenous Scottish and other UK visitors. The growth here was mainly associated with the shift in model of self-catering from the traditional one-week to shorter stays. This meant that occupancy could increase in holiday homes, but a key feature of the apparent increase in STLs (when examining Airbnb trends) was that many of the existing holiday homes appeared to have moved to using platforms as a route to market, representing more of a digital marketing shift.

Motivations for offering and using STLs

Financial drivers were the key reasons for offering STLs. Nearly half of all host survey respondents (49%) saw STLs as a good business opportunity, and 11% also indicated that STLs were a better commercial prospect than long-term lets. Ease of entry, and lack of regulation when compared to long-term residential rented housing and traditional visitor accommodation, was also seen as a key incentive to enter this market.

Most visitors that use STLs were tourists, with increasing numbers of international visitors from beyond the traditional European and American visitors. The attraction of STLs were seen as the convenience of whole property accommodation, good locations, and the availability of wider and more flexible options including the ability to have shorter and more affordable stays.

[38] Analysis of Airbnb listings provided by Inside Airbnb

The extent of home sharing

When contemplating the impacts of STLs on neighbourhoods and housing it is critical to understand what type of STLs are actually being offered. The key question here is whether STLs are home shared entire properties with a resident occasionally swapping, home shared private rooms (or shared rooms) with a resident present, or entire property STLs with an absentee landlords.

The secondary data analysis presented in Chapter 3, confirms that the majority of Scottish Airbnb listings were entire properties (69.2%) with most of the balance being private rooms (30.3%), with only 0.4% being shared rooms. Of the five study areas, the community with the highest proportion of entire property lets was not surprisingly in the established holiday home area of the East Neuk of Fife (89%). This was followed by the two city areas of Edinburgh and Glasgow (79% and 78% respectively). The rural areas of Fort William and Skye showed higher proportions of sharing of private rooms (33% and 38% respectively, compared to 30% for Scotland as a whole).

While this does not provide evidence on the extent to which entire properties are being removed from residential markets, the survey results indicated that a notable proportion of the listings from respondents had previously been occupied by an owner-occupier (21%) or had been on a long-term lease in the private rented sector (15%)[39]. A higher proportion of hosts also indicated that they let out homes where they do not live in the property (62%), and a smaller proportion stated that they let out a room or their home when they lived there, or were away for short or extended periods (47%)[40]. The vast majority of hosts also indicated that they let their property or rooms for more than 90 days (81%).

Most hosts (76%) had only one Airbnb listing, but these listings accounted for less than half (45%) of the total listings in Scotland. A very small proportion of hosts (0.3% of hosts) owned, or acted as agents for a much larger proportion of total listings (13% of listings), with larger STLs portfolios ranging from 16 to over 100 properties. Four hosts with portfolios of more than 100 properties accounted approximately 8% of all listings (nearly 2,500 listings in total).

The qualitative research gave further insights based on the experience of participants. In the established holiday home area of the East Neuk of Fife, the indication from most participants was that the majority of the STLs were secondary lets rather than a room or property being shared. In both Edinburgh and Glasgow city centres, qualitative evidence supported the quantitative evidence on the profile of STLs where most are entire properties, and in Edinburgh City Centre most participants also suggested that the STLs were mainly full-time entire property lets, rather than shared private rooms or shared entire properties. Many participants in Edinburgh referred to their experience of shifts from the residential market to the STLs market, with an emphasis of business STLs in Edinburgh which was greater than found in Glasgow. In the rural areas of Fort William and Skye, again there was evidence provided by participants of properties moving from the residential sector to STLs with opinion of increasing shortages of housing for incoming and

[39] Multiple choice survey question

[40] Multiple choice survey question.

key workers in both these areas; again, the qualitative research supported the quantitative evidence that most STLs were entire properties, but also indicated the importance of shared rooms or properties appeared to be greater here than in the cities and in the East Neuk of Fife.

Taking all these quantitative and qualitative findings together, the evidence appeared to suggest a higher prevalence of secondary letting of entire-property STLs rather than sharing rooms or homes. The survey and qualitative evidence also suggested a shift of housing accommodation from the residential sector. From the qualitative interviews, this was mainly identified from the private rented and housing for sale sectors in all areas, but also with some illegal STLs lets in the social and affordable sectors in Edinburgh, Glasgow and Skye.

The impacts of short-term lets on communities

Five key impacts were found:

Local economic benefits

On average, each Airbnb listing generated 52 visitors per year in Scotland (Airbnb 2018). For the nation, as a whole, this equated to over 1.6 million visitors. For Edinburgh's City Centre ward (population 32,000) this would equate to about 140,000 visitors per year (about 4.5 times the local resident population) and in the Eilean a' Chèo ward (Skye) (population 10,500) this would equate to around 56,000 annual visitors, or around 5.4 times the local resident population[41]. This tied to the key positive impacts of STLs, as identified by most research participants, that tourism supports local economic benefits. These appeared to be greatest in Edinburgh, Fort William and Skye. The benefits were related to increased spend, increased availability of jobs, often all year round, and direct jobs and trade for the STLs supply chain including property managers, cleaners and the property maintenance industry. These benefits were seen to be less significant in East Neuk of Fife due to lower visitor volume, and the direct economic impact of STLs was much less clear in inner-city Glasgow.

Due to the concentrated nature of STLs, the local economic benefits are unlikely to be evenly distributed. The secondary data analysis found that STLs are concentrated in less deprived areas, with more Airbnb listings (11.9% of the Scottish total) in the least deprived SIMD decile than in the three most deprived deciles in total (10.3%).

Increased household income and STLs business earnings

Apart from the prospects of potential jobs and therefore income, the potential for increased household income for STLs hosts was also identified by most research participants. Many participants made distinctions between the type of host income – whether it was 'amateur' host household income, or 'business' income. The distinction of this different type of host was also made in the secondary data analysis which showed that there was a mix of

[41] Like all average values, the visitors per listing figure can mask considerable sub-national variation and in many areas of Scotland the figure will be below or above 52. From data recently published data by Airbnb, a figure of 831,000 Airbnb visitors was reported for Edinburgh in 2018 (approximately 63 visitors per listing), 51,000 in Fort William (94 per listing) and 70,000 in Skye (70 per listing).

amateur hosts and professional hosts/managing agents using STL platforms. The in-depth interviews with hosts confirmed that there were a range of different types of hosts including amateur home sharers, individual small investors, and STL businesses with varying sizes of portfolios. These differences were also reflected across the different areas as identified by many participants. Edinburgh city centre was clearly associated with small investors and STLs businesses, and the East Neuk of Fife was associated with holiday home owners and small investors/STL businesses. In the other three areas the picture was much more nuanced including a mix of hosts sharing their properties and private rooms, individual small investors letting one or two properties, and businesses running portfolios of properties, sometimes with a mix of short-term and long-term lets.

Reduced availability of residential housing with the negative impact on affordability, sustaining communities and the negative impact on the wider local economy and local public services

There were indications from the survey and recurring themes coming through the qualitative research across all areas, from all types of participants except for some hosts, that properties were moving from long-term private lets and owner-occupation into STLs. This was voiced as a major area of concern in Edinburgh, Fort William and Skye due to the impact this was considered to be having on shortage of housing supply and affordability. In Edinburgh and the East Neuk of Fife the rise in STLs was associated with the fall in resident population and school rolls, with fears about the long term sustainability of the community. A related negative impact in the rural areas of Fort William and Skye was identified as availability of labour supply and on wider local economic development due to housing shortages. Many community and business participants in Fort William and Skye commented on the inability to attract incoming and key workers for key industries and public services due lack of housing.

Negative impact on quality of life and well-being

A key negative impact related to disturbance of residents, quality of life and well-being which was evident in the two cities in particular, but also in some other areas depending on the property type. This related particularly to tenemental, but also other types of high-density properties with shared space and common stairs/closes. Concentrations of entire property STLs let full-time as holiday lets in common stairs often resulted in daily disruption and stress caused by constant ‘visitor use’, rather than residential use – noise, disturbance, buzzers, door knocking, littering, anti-social behaviour, the loss of a sense of community and security where the majority in both the close, and within the wider local community, were constantly changing strangers. The change of use also brought issues around common repairs and property maintenance although this was refuted by some hosts who considered there was more investment in STLs properties compared to other types of letting or ownership. Concerns around health and safety, and building insurance was particularly acute in these more densely built environments, but were relevant across all types of communities to protect guests, neighbouring residents and hosts.

The social and lifestyle benefits of hosting were identified by many hosts, with the positive impact this had on their general wellbeing, and work-life balance.

Congestion and changing communities

While the increase in tourism was associated with local economic benefits, it was also identified with bringing some disbenefits of congestion, significant demands on the local infrastructure, and changes to communities. For many participants the growth of tourism was seen to be supported by the growth in STLs. The negative congestion effects were identified in Edinburgh, Fort William and Skye where the level of tourism was the greatest amongst the five case study areas. They were also seen to be changing the nature of the communities, with residents more likely than hosts to say 39% of resident survey respondents to the survey stating that there were too many short-term lets in their neighbourhood (compared to 10% of hosts). This was associated with traffic congestion, people congestion, litter, waste, noise, lack of amenities for locals including local shops, and higher demand for and impact on local public services. This view was also associated with perceptions around lack of tax contribution from STLs[42].

Increasing the vibrancy and investment in local areas was identified by some resident, host and community participants in all areas as a positive impact of STLs, and spreading the benefits of tourism to areas out of the traditional tourist areas was identified by some businesses and hosts participants in Edinburgh.

Different impacts for different people

While STLs are, in many respects, a localised issue it is possible to generalise about the overall impacts on different groups of people. In concluding on the key themes for residents, hosts, community actors and businesses the research has found the following impacts.

Residents

Impacts vary considerably for residents with the key positive impacts relating to the opportunities in the local economy. These are more likely to be directly relevant for residents in the rural and remote communities where the range of work opportunities are more limited and/or tourism-related work is more important. However, this positive impact is outweighed for some by the difficulties in securing residential accommodation in all the pressured housing market areas of Edinburgh, the East Neuk of Fife and, in particular, in the rural areas of Fort William, and Skye, where the negative impact of sourcing accommodation for incoming and key workers is proving particularly acute. Residents in the cities also experience the negative impacts of STLs located in high density properties. These include the daily disruption and stress caused by constant ‘visitor use’, rather than residential use – noise, disturbance, buzzers, door knocking, littering, anti-social behaviour, the loss of a sense of community and security where the majority in both the close, and within the wider local community.

[42] As with all non-domestic premises, self-catering accommodation may benefit from zero or reduced rates through the Small Business Bonus Scheme providing that it has a rateable value that does not exceed the eligibility thresholds

Hosts

The common and clear positive impacts for hosts is the financial benefits that accrue whether this is from amateur home sharing, small scale investment income, or business income as a professional host. STLs also provide opportunities for flexible working patterns which often suits those that want to supplement their income, and/or combine this with other work, semi-retirement or wider family or other commitments. For the amateur type of host there are also social and lifestyle benefits associated with home sharing.

Communities

Impacts for communities vary by area due to the location specific nature of STLs. As discussed above in all the tourism hotspots of Edinburgh, Fort William and Skye, and to a much lesser extent in the East Neuk of Fife there are positive economic impacts associated with tourism. However, the negative impacts of litter, noise, congestion and infrastructure concerns, combined with the lack of available residential housing threaten the sustainability of these communities. These impacts are not as evident in Glasgow although there are litter, noise and congestion concerns. In both cities communities experience the negative impacts of STLs in high density areas. This is associated with the loss of sense of community and security in the wider community as a result of constantly changing visitors.

Local businesses

Impacts on local businesses depend on the type of business and the location. Again in the tourism hotspots, and to a lesser extent in the East Neuk of Fife, broadly speaking those involved in tourism see benefits of increased turnover. In Edinburgh the residential based businesses see negative impacts, and Fort William businesses working in the wider local economy also see disadvantages associated with the shortage of residential accommodation. In Skye, as most business is based around tourism, they see many positive impacts associated with STLs. Finally in Glasgow businesses do not clearly see the direct economic impacts associated with STLs.

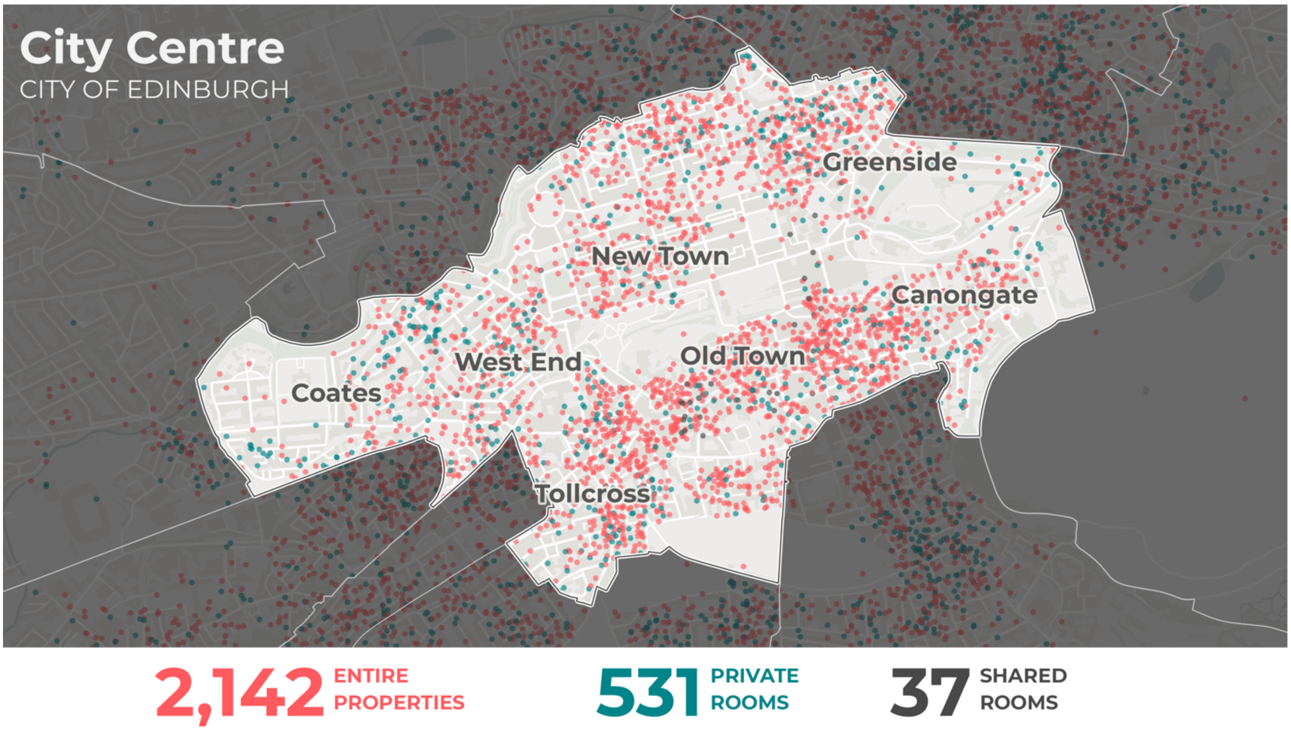
Potential regulation

There was general agreement (with a few exceptions from hosts) around the need for regulation for STLs to safeguard health and safety of residents and guests. Many participants (except hosts) also suggested using regulation as a means of rebalancing housing supply back towards residential housing. Many of these participants also wanted to see the introduction of registration to enable better management of damage and disturbance caused by STLs, and to ensure business taxes were paid.

Area summaries

The area summaries below bring together the data analysis on Airbnb listings, other published data on population and dwellings, and the survey and qualitative research findings by case study area.

Edinburgh City Centre – Established world heritage site tourism



Edinburgh's World Heritage site had the highest density 1km^2 of Airbnb listings in Scotland in May 2019 with:

- A population of 31,634[43], 16,759 dwellings and 2,710 Airbnbs
- A very high penetration rate of Airbnbs to dwellings of 16% (Scotland 1.2%)
- A higher proportion of entire dwelling Airbnbs at 79% (Scotland 69%), and more than double the total number of entire property listings compared to any other ward in Scotland.

Amount and use - There has been a significant increase in the amount and intensity of STLs with signs of saturation in the Old Town area. The attraction of entire property STLs was seen as convenience for groups and families, well located, a more economic accommodation option than hotels and also allow for shorter-stays than traditional self-catering. Participants suggested that STLs in Edinburgh's city centre were mainly entire homes let full-time, and were not home sharing.

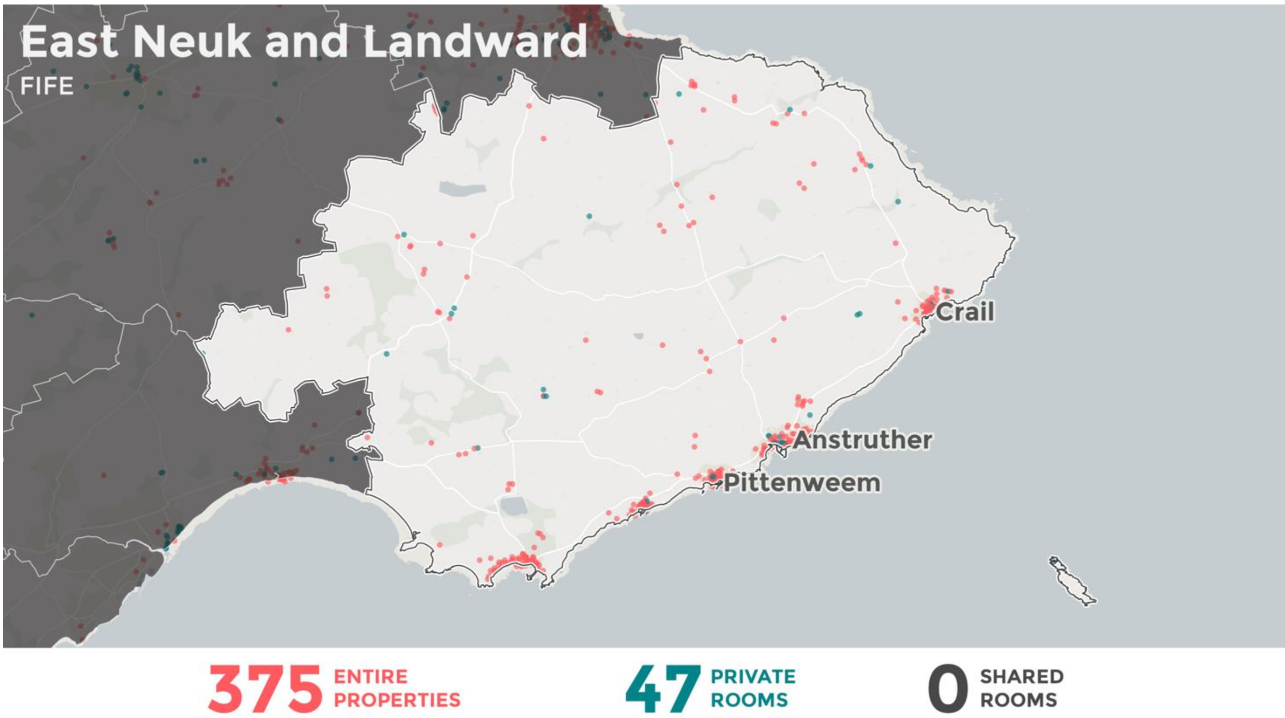
Positive impacts – Positive impacts were seen as the increase in tourism, supported by STLs, and impact on the local economy. Other impacts identified included the increased vibrancy, and stretching tourism out of traditional hotspots including Tollcross and the

[43] Source for residents and dwellings in this chapter is https://statistics.gov.scot/data/household-estimates. Source for Airbnb listings and maps is Inside Airbnb dataset as of May 2019 as set out in Chapter 3.

West End. Participants also identified income for professional business hosts, and a minority of hosts that home share who benefitted from increased household income. However, for many participants in this case study area, the positives derived from increased tourism supported by STLs were outweighed by the negatives, as outlined below.

Negative impacts – In Edinburgh's city centre there was common and strong[44] concern about the impact of reduced residential housing, including shifts from long-term lets and sales to STLs based on the experience of resident, community and business participants. This has included STLs in social and affordable housing. There has been ongoing disturbance for residents, with the negative impact on quality of life and well-being identified generally for the community, but particularly for those living in tenemental properties where concentrations of STLs in stairs have effectively created a change from residential to visitor accommodation. There were negative impacts identified on the sustainability of local communities as the resident population falls, including impact on the falling school roll. Generally, there was outrage from the community participants about the STLs situation and lack of action from authorities.

East Neuk of Fife – Established coastal holiday home area



This coastal area of north east Fife is an established holiday home area with:

- A population of 12,286, 7,450 dwellings and 422 Airbnbs
- A medium penetration rate of Airbnbs to dwellings of 5.6% compared to other case study areas (Scotland 1.2%)

[44] Residents, community actors and businesses had strong opinions. Hosts identified this impact but with much less strength of opinion.

- A very high proportion of entire dwelling Airbnbs at 89% (Scotland 69%) and very low proportion of home sharing of private rooms (11%, Scotland 30%).

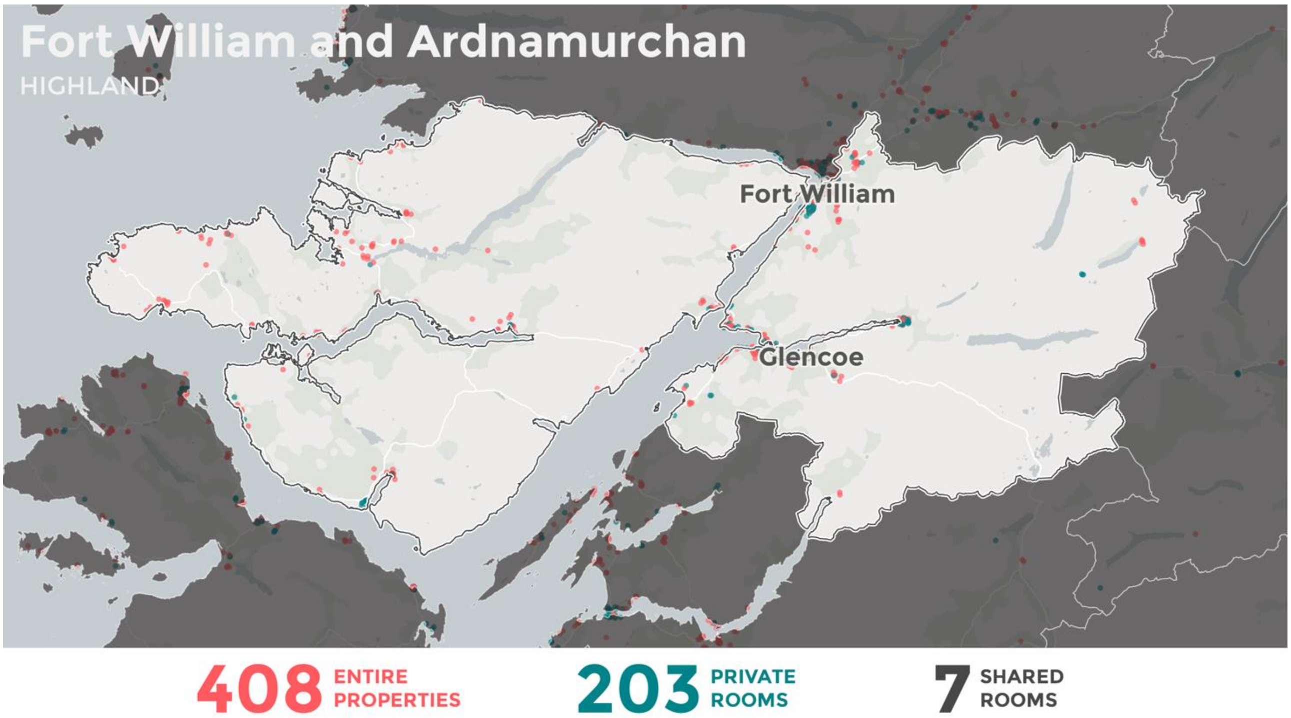
Amount and use – There has been some increases of STLs to the supply of existing holiday homes, but the platforms have provided a new route to market to increase occupancy of existing holiday homes, and have extended the areas of STLs out to areas not traditionally known for holiday homes in this area. The attraction of entire property STLs was convenience for groups and families, which has been the predominant demand for visitor accommodation in this area. There has been an increase in tourism for coastal and golf holidays, including from some international visitors. There has been a shift in the self-catering market from traditional one-week to shorter stays which has helped to stretch the tourism season and has increased occupancy in the quieter times.

Positive impacts – Positive impacts were seen as tourism and impact on the local economy, and jobs. There has been an extension of the tourism season with benefits for tourism based industries and the STLs supply chain - cleaners and property trades. There has been an increased offer and vibrancy from local shops. Participants also identified income for professional hosts and holiday home owners, but there was little evidence of home sharing income benefits for individual households due to the small proportion of home sharing in this area, other than increased income for holiday home owners.

Negative impacts – The negative impacts were mainly seen as exacerbating the existing impact[45] of lack of residential homes and impact on housing affordability. Increased congestion was also identified and associated impacts for local residents associated with traffic. There were some concerns about impacts on sustainability of communities, especially where STLs have moved into new areas, with community action to maintain local amenities, shops and public services and concerns for the falling school roll.

[45] This established holiday home area has experienced problems to do with lack of residential housing and affordability in specific areas for some time.

Fort William – rural expanding tourism



Fort William is a town in the western Highlands, known as the gateway to Ben Nevis with:

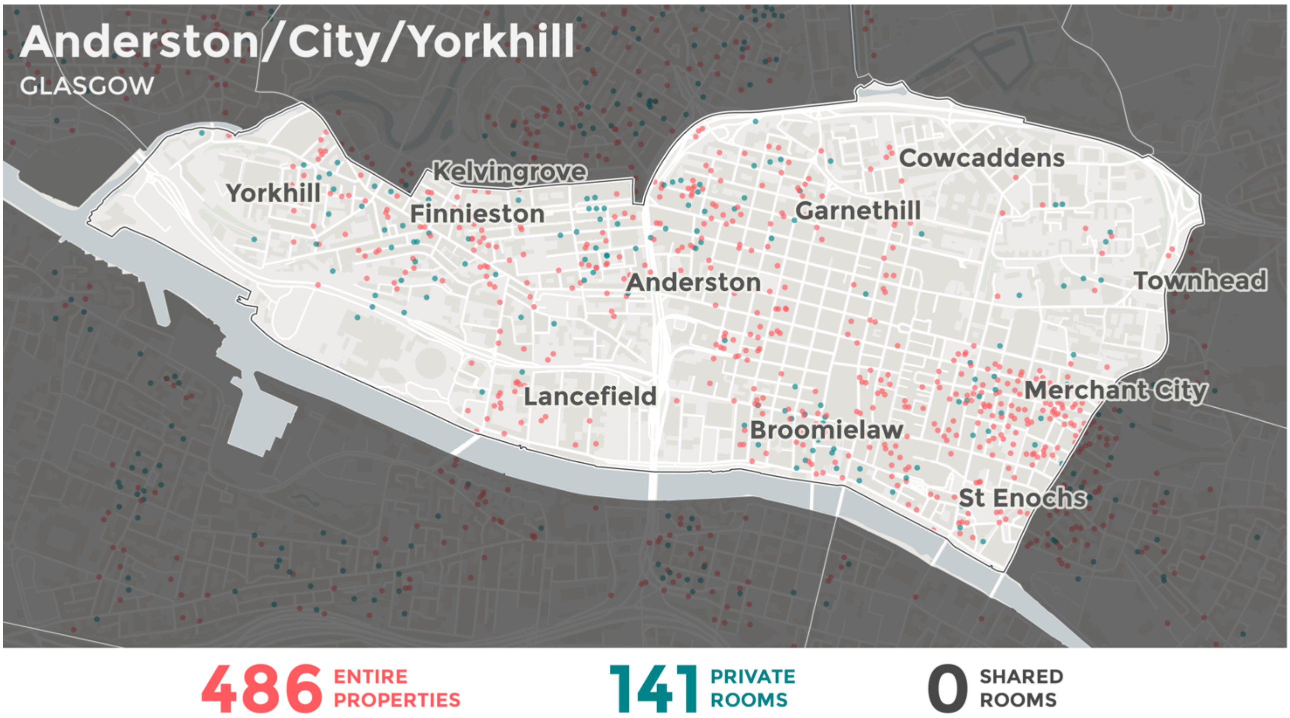
- A population of 11,633, 6,344 dwellings and 618 Airbnbs
- A high penetration rate of Airbnbs to dwellings of 9.7% (Scotland 1.2%)
- Two thirds (66%) of Airbnbs are entire homes (Scotland 69%) and one third shared private rooms (Scotland 30%).

Amount and use – There have been significant increases of STLs, adding to existing holiday accommodation, with a range of different types of STLs supply including homes, pods, sheds, caravans and tents. There was evidence of STLs use rather than traditional hotel accommodation, which some participants said held vacancies while STLs grew in number. The attraction of STLs was that it provides flexible and cheaper accommodation, often for younger travellers enjoying the outdoors with an increasing number of international visitors, looking for shorter stays for those touring the Highlands in a week or two.

Positive impacts – The positive impacts identified were tourism and impact on the local economy and jobs. This included extending the tourist season with benefits for tourism based industries and those working in STLs supply chain – cleaners, and property maintenance. Income for professional hosts was also identified as a benefit, as were the benefits for individual household income as a good proportion of STLs was home sharing in this area. But for many participants in this area, these benefits were outweighed by the negatives outlined below.

Negative impacts – The most common negative impact identified was the impact of availability on residential accommodation. Shifts from long-term lets and sales for STLs were identified with impacts on housing affordability. Many participants identified the difficulty for incoming workers for local industry, key workers, university staff and students to secure accommodation. Increased levels of congestion caused by tourism was considered a negative impact, along with concerns about the stress placed on infrastructure as a result of the increased tourism, supported by the increase in STLs. There were high levels of concern about impacts on sustainability of the community especially stifling economic development due to lack of labour caused by housing shortages.

Glasgow City Centre – Inner-city event tourism



This ward of Glasgow includes the central business district and the SEC, Scotland's largest exhibition centre, located in the district of Finnieston on the north bank of the River Clyde. It has:

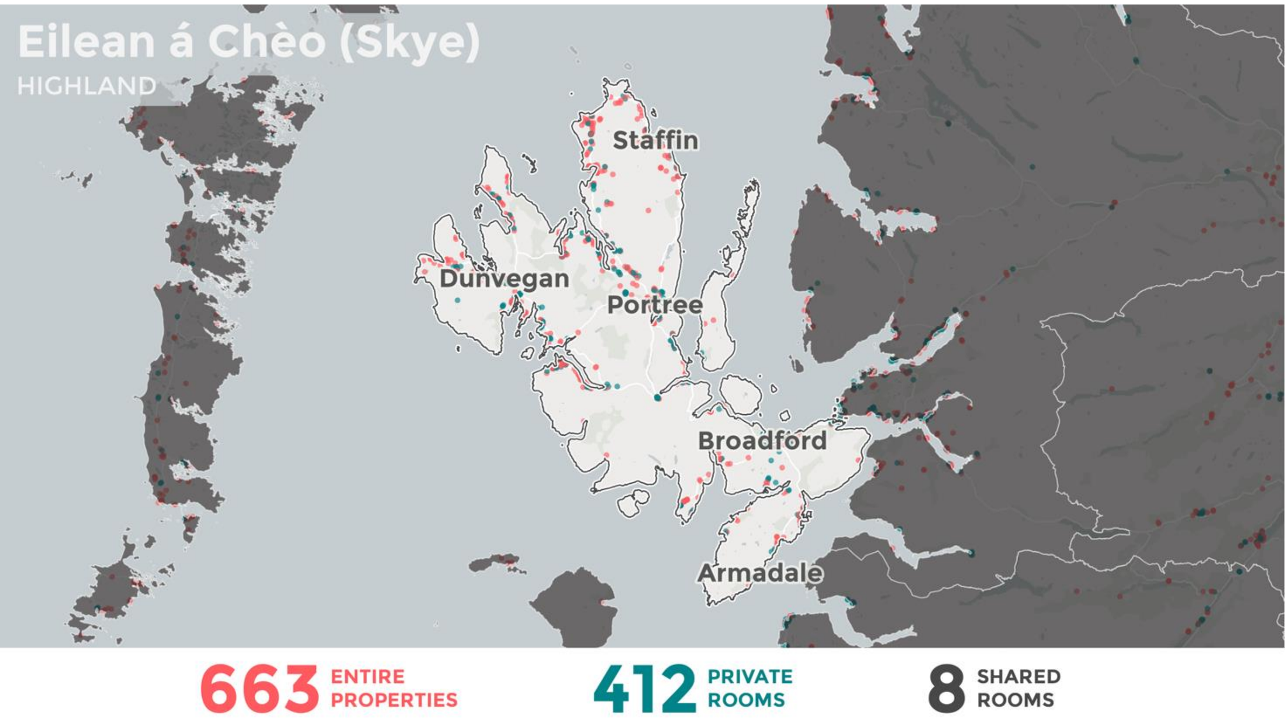
- A population of 32,633, 19,401 dwellings and 627 Airbnbs
- A lower penetration rate of Airbnbs to dwellings of 3.2% compared to other case study areas (Scotland 1.2%)
- A high proportion of entire dwelling Airbnbs at 78% (Scotland 69%) and lower proportion of home sharing of private rooms (23%, Scotland 30%).

Amount and use – There were some increases of STLs identified with mature areas of STLs in the modern new build flats in the central business district, compared to new growth areas in traditional tenemental residential areas close to the Scottish Exhibition Centre (SEC) such as Kelvingrove, Finnieston and Yorkhill. The attraction of STLs was seen as convenient, cheaper whole flat accommodation especially for groups, families and friends attending music and other events. The visitors using STLs tended to be Scottish and UK event tourists for one or two nights, or business visitors for longer periods.

Positive impacts – The positive impacts were identified as increased trade for the hospitality sector from event tourists and STLs supply chain. Other benefits included income for professional hosts, and benefits for individual household income for the minority of STLs that home share in this area

Negative impacts – The main negative impact identified was concern from residents, communities and businesses about the impact of anti-social behaviour from over-night stays and party flats associated with event tourism experienced especially within tenements with common space, resulting in negative impacts of disturbance and quality of life and well-being for residents. Some shifts from long-term lets and sales to STLs were also identified as a negative impact for availability of residential accommodation.

Skye – remote rural established tourism



Skye is the largest island in the Inner Hebrides known for its stunning island scenery with:

- A population of 10,462, 5,813 dwellings and 1,083 Airbnbs
- The highest penetration rate in Scotland Airbnbs to dwellings 18.6% (Scotland 1.2%)
- A lower than average proportion of entire dwelling Airbnbs 61% (Scotland 69%) and higher proportion of home sharing of private rooms (38%, Scotland 30%).

Amount and use – There were significant increases of STLs identified, with continuing demand relative to supply. Supply included whole homes, shared homes, pods, caravans and tents on people's property. The attraction of STLs in Skye is visitor accommodation supply of whatever type, due to the high level of demand. International visitors have increased, visiting different Scottish locations in one to two weeks through short-stays.

Positive impacts – The positive impact identified was tourism which has long been the major industry in Skye but with its further growth facilitated by STLs which has positive financial benefits to a large proportion of households in Skye whether as hosts, STLs supply chain or part of the wider tourism sector. The tourist season was said to now to be all year round. The benefits identified was income for professional STLs providers, and individual household income for home sharers who are a notable proportion of STLs providers in Skye.

Negative impacts – The common theme from all participants was the lack of residential homes and housing affordability with shift from long-term lets and sales for STLs, including STLs in the social housing sector. There was very little, if any, available supply of residential private rented housing, with difficulty for incoming workers to secure accommodation, especially key workers working in essential public services in health and social care, and education. There were concerns about the impacts on the long-term sustainability of the community due to lack of housing for incoming workers, including the impacts on ability to implement infrastructure works, and resource public services due to a lack of housing accommodation for workers.

Appendix 1 – Data and supplementary analysis

This Appendix presents further information about the secondary data used in the main report. It provides details of the data source used, how it was validated and filtered, and how the research team interpreted it. Potential limitations of the data are also discussed. In addition, a number of important questions arising from the secondary data analysis are answered, in relation to technical questions such as ‘what is a listing?’ and analytical questions such as ‘where is the greatest concentration of Airbnbs in Scotland?’. An additional breakdown of Airbnb listings by individual council area is provided. This is followed by more detail on the location of Airbnb listings in the four council areas within which the case studies are located, with respect to socio-economic composition.

1. Data

Data source

In May 2019 Murray Cox, of Inside Airbnb[46], was commissioned by Indigo House to provide the research team with Airbnb data for the whole of Scotland. This process involved collecting information for each Airbnb listing in Scotland using a well-established automated collection process. This is typically referred to as ‘web scraping’, ‘web harvesting’, or ‘web data extraction’, and it is the process whereby live data is collected from a website and collated, often for further analysis. The data were therefore provided by a third party, but sourced directly from Airbnb’s website.

For each Airbnb listing the research team had the full URL, the property type (e.g. ‘Cottage’, ‘House’, ‘Apartment’, ‘Tent’, ‘Campervan’, ‘Castle’), the room type (e.g. ‘Entire home/apt’, ‘Private room’) and a large number of other variables including the advertised price per night, when the calendar was last updated, full text descriptions of each listing and many more. The latitude and longitude of each listing were also included, so that each listing could be located. The raw data was provided as an aggregated text file (in csv format) of online Airbnb listings from Scotland as advertised online in May 2019.

Validation and filtering of data

The dataset used in this research covers the whole of Scotland. It is important when attempting to understand the rise of short-term lets (STLs) in Scotland (or elsewhere) to be as objective as possible when analysing and interpreting data. An important part of this is filtering and validating the data. The veracity of data used to explore the rise of STLs has been challenged in the past[47] and for this reason a deliberately cautious approach was taken here.

Previous research by members of the research team[48] demonstrates that this kind of data closely resembles data published by Airbnb already in the public domain[49]. That being

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[46] Source: http://insideairbnb.com/

47 See this CaCHE blog on STLs: https://housingevidence.ac.uk/short-term-lets-the-need-for-balance-regulation-and-better-data/

[48] e.g. Rae, A. (2019) ‘The rapid rise of short-term lets and the implications for the housing market’, Chapter 3 in UK Housing Review, 2019, Chartered Institute of Housing, Coventry.

[49] e.g. https://www.airbnbcitizen.com/wp-content/uploads/2018/10/AirbnbUKInsightsReport_2018.pdf

said, the secondary data analysis in this report covers only volume and locations of STLs across Scotland, while the qualitative analysis conducted by the research team seeks to understand their impact and provides richer insights in relation to the experiences of local residents, STLs hosts, community actors and businesses in five locations.

The reporting of secondary data above (Chapter 3) relates to location (where listings are located), volume (the number of listings in each location), type (full property, shared property, shared room), and a comparison of these elements to the number of dwellings in any given area. The complete Inside Airbnb dataset for 2019 had 35,474 listings for Scotland (see Table 1). However, there is no way to be completely sure that a listing on Airbnb is 'active' in the sense that it is currently available for STLs or is likely to be in the near future. The approach to identifying an 'active' listing involved including only those listings where the host had updated their property availability calendar in the last six months. This resulted in a figure of 31,887 for Scotland. Upon further analysis it was found that three of these listings were actually just across the border in England, so the final figure for the total number of Airbnb listings in Scotland as of 19 May 2019 was 31,884.

Table 1: Analysis of Airbnb listings by last calendar update

Calendar updated	Listings (19 May 2019)	Cumulative total	% of all active	% of all listings
Today	13,659	13,659	42.8	38.5
Yesterday	1,805	15,464	48.5	43.6
2 days ago	640	16,104	50.5	45.4
3 days ago	1,059	17,163	53.8	48.4
4 days ago	950	18,113	56.8	51.1
5 days ago	836	18,949	59.4	53.4
6 days ago	384	19,333	60.6	54.5
1 week ago	2,411	21,744	68.2	61.3
2 weeks ago	2,467	24,211	75.9	68.2
3 weeks ago	1,563	25,774	80.8	72.7
4 weeks ago	1,053	26,827	84.1	75.6
5 weeks ago	790	27,617	86.6	77.9
6 weeks ago	665	28,282	88.7	79.7
7 weeks ago	366	28,648	89.8	80.8
2 months ago	1,143	29,791	93.4	84.0
3 months ago	851	30,642	96.1	86.4
4 months ago	583	31,225	97.9	88.0
5 months ago	365	31,590	99.1	89.1
6 months ago	***297***	***31,887***	***100.0***	***89.9***
More than 6 months ago	**3,587**	**35,474**	**111.2**	**100.0**

Source: Inside Airbnb, May 2019

The figure of 31,884 was then compared to data in the public domain published by Airbnb. According to Airbnb's UK Insights Report 2018[50] (p. 30) there were 31,000 'active' listings in Scotland in 2018 so, taking into account continued growth since 2018, the research team are confident that the final figure is a fair reflection of the current state of the sector in Scotland. Individual figures for Scottish council areas published by Airbnb in their UK

[50] Source: https://www.airbnbcitizen.com/wp-content/uploads/2018/10/AirbnbUKInsightsReport_2018.pdf

Insights Report 2018 state that there were 2,700 'active' listings in Glasgow and 10,500 in Edinburgh in 2018, so at the local level it also appears the data used here are accurate. It must be borne in mind, however, that it is likely to be some seasonal variation in the number of listings, hence the figure of just under 10,000 for Edinburgh reported by the research team may not reflect listings which came online after May 2019, ahead of the annual Fringe Festival.

The veracity of 'scraped' data in particular has come under scrutiny, possibly because the term implies a lack of rigour or due process. This may be the case if one were seeking to make inferences on money generated per host, occupancy rates or other information not in the public domain. However, in this analysis the research team mainly looked at volume (number of listings) and location of listings (where active listings are located). Part of the secondary data analysis also involved validating the data by batch checking listing URLs to make sure they were still active at the time of analysis (July 2019). The research team also conducted some validation of the data as part of the secondary data analysis phase of the study. This involved manually checking 400 listing URLs, 100% of which were exactly as described in the raw data file. For this, a random sampling method was then used to investigate listing URLs in more detail to check the veracity of the information contained for each listing. This process confirmed that the data provided matched live listings advertised on the Airbnb platform.

Another part of the process involved geographic validation. Each listing has a location attached (latitude and longitude), but these are known to be randomly displaced by up to 200 metres by Airbnb[51]. However, the analysis demonstrated that in the majority of cases the geographic displacement was in fact much less than this, particularly in densely populated urban areas like central Edinburgh and Glasgow. In many cases the displacement was less than 20 metres. The research team found that in rural locations (particularly in Skye) the level of geographic displacement was sometimes greater, and in some cases exceeded 200 metres.

However, since wards were used as the lowest level of analysis and all listings fell within individual wards, this did not give rise to concern at the national level. At ward boundaries in Edinburgh or Glasgow, and other dense urban areas, a small proportion of listings were likely to have been displaced in or out of individual wards, but on the whole this analysis suggests the impact of such displacement is minimal. Based on further investigation, a figure of up to 5% for geographic displacement was arrived at. Further analysis using smaller geographic areas would be less reliable and that is why it has not been attempted here.

Some further manual checking was conducted in relation to the accuracy of room type, property type, location and availability data. This involved inspecting a random sample of 150 listing URLs to make sure the data matched the original spreadsheet. In every case, it did.

As a final piece of validation, and particularly for properties with multiple listings within them (e.g. as with one house in the Highlands) the team compared the location of a listing (from the URL provided with from Inside Airbnb) to its location on Google Street View, plus

[51] Source: https://upgo.lab.mcgill.ca/publication/short-term-cities/short-term-cities.pdf

external photographs of the listing. This Google Street View survey also confirmed other important local details, such as the emergence of key boxes in Edinburgh. This was achieved by comparing historic Google Street View images from when it was first captured in 2008, to the most recent imagery online today.

Limitations of the data

It is important to be clear on three crucial points of interpretation in relation to the secondary data. Fundamental to these points is that an individual Airbnb listing does not necessarily equate to an entire property and, even where it does, more information on its *availability* would be required in order to fully understand the impact on the wider property market.

First, the analysis presented here allows one to say something about the percentage of dwelling stock in Scotland that STLs have a presence in. The question of whether this represents an overall net loss of longer-term rental stock is not possible to discern from this data alone since it is impossible to tell whether properties are let occasionally, or permanently as STLs.

The second point is that some private rooms, listed separately on Airbnb, may be located in the same dwelling, though it appears that this is the case for 6% of listings at most. The research team arrived at this figure by identifying all active Airbnb listings with exactly the same geographic coordinates and then looking at individual property characteristics for these 1,900 listings in order to estimate how many listings were in the same building. However, without access to raw data from Airbnb or other platforms it is impossible to say for certain which of the listings in the same geographic location are in the same dwelling (and not just in the same building with identical coordinates).

The third issue relates to entire homes or apartments and the fact that some listings do not relate to traditional dwellings and include tents, camper vans, caravans, yurts, boats and pods. Based on the analysis presented above, it appears that these account for just under 2% of all listings across Scotland. This figure was arrived at after conducting a more in-depth analysis of property type (e.g. ‘house’, ‘apartment’, ’tent’, ’yurt’, ’camper van’), which is one of the fields included in the secondary data provided to the research team by Inside Airbnb. The research team has not excluded these from the analysis on the basis that it is impossible to be certain which of them would qualify as a ‘dwelling’ from a statistical point of view. Such a decision would require further qualitative analysis on a listing-by-listing basis.

Further questions arising from secondary data analysis

It is important when looking at secondary data on the subject of STLs to be as careful as possible, with respect to interpretation. After thorough analysis of the most recent data for Scotland, it is useful to consider what the data does, and does not, allow one to infer. These are presented here as a short series of questions and answers.

Where is the greatest concentration of Airbnbs in Scotland?

By total volume, the answer to this question is Edinburgh City Centre ward (2,710 listings), and in particular the Old Town. By rate of penetration (i.e. compared to dwelling count), the answer is Skye (18.6% penetration rate for all listings, 11.4% for whole properties). If one looks at individual square kilometres, the highest density is in an area of the Old Town in Edinburgh, in which one single square kilometre area has 812 active Airbnb listings. It is not possible to derive a penetration rate for individual square kilometres because data on dwellings are not available at this level of granularity.

What is a 'listing'?

It is important to understand that there are many different types of property listed on Airbnb. A 'listing' refers to a single web address which advertises accommodation for visitors. This may be a full property, a shared property or a shared room. In this sense, the word 'listing' is a different term for what people may refer to as 'an Airbnb' or a 'short-term let'. So, a listing *may* be an entire property, but it could also be a single room in a shared house. It would be wrong to assume all listings are individual properties. But it is also important to remember that some listings are not in traditional dwellings at all, with a small number of listings being for pods, tents, camper vans or boats. However, the vast majority of listings are in traditional dwellings such as flats or houses and the majority (69%) of these are for entire properties.

Do many hosts have multiple properties?

The simple answer to this question is that, according to the analysis presented above, 45% of Airbnb hosts appear to have more than one listing. However, there are some complicating factors here. Typically, a 'host' might be thought of as being an individual with a spare room or property that they rent out for part of the year. Based on the qualitative and quantitative analysis conducted here, this is sometimes true, and is an important part of the sharing economy. Yet it is also the case that some Airbnb listings are advertised not by individual hosts but by intermediaries acting on behalf of individual owners. For example, some large holiday cottage companies use Airbnb to advertise listings, from which many are likely to be owned by individuals. Thus, the proportion of Airbnb listings owned and operated by individual hosts as opposed to property professional cannot be definitively calculated.

How long are properties available for?

This is an important question but it is not possible to provide a definitive answer based on the data available. However, it should be noted that even if a property is only listed on Airbnb for a fixed number of days per year (e.g. 180) it may be available for short-term let on other platforms.

Does the presence of an Airbnb listing mean that a property has been permanently removed from the private rented sector?

The intensity of Airbnbs in some areas of Scotland, combined with the qualitative data presented elsewhere in this report, suggests that there has been some switching from long-term to short-term rentals. In Skye and in central Edinburgh, this switch appears to have been quite profound. However, a more precise answer to this question cannot be determined from the analysis of secondary data currently available.

How many Airbnbs are there in Edinburgh?

The secondary data analysis conducted here has arrived at a figure of just under 10,000 **active** Airbnb listings for the City of Edinburgh, as of May 2019. If all listings are included, even those with no calendar updates in the past 6 months, or recent reviews, the figure is 12,600 exactly for May 2019. However, the analysis of *active* listings suggests a figure of 6,622 entire properties, 3,314 private rooms and 58 shared rooms on Airbnb within the boundaries of the City of Edinburgh – a total of 9,994. The Edinburgh data from May 2019 forms part of the wider Scotland dataset on Airbnb listings used in this report, but there is also a more recent set of data for the City of Edinburgh alone, published in June 2019[52].

If one looks at more recent data for Edinburgh on Inside Airbnb (25 June 2019), there are a total of 13,245 listings. This raw figure includes all listings, regardless of availability or calendar updates. There are a number of ways to filter the data, including:

- Excluding those listings with zero calendar availability in the next 365 days
- Excluding those listings with no reviews: a) from 1 January 2018 to May 2019, b) in the past 12 months, or c) ever
- Including only those listings where the calendar has been updated in the last 6 or 12 months.

It is also possible to use a combination of the above criteria to filter the data, yet no matter what approach is taken the number of listings deemed to be active is always substantially lower than the headline figure.

The table below shows the effect of using these different filtering methods. The analysis presented in this report uses calendar update in the last six months as a proxy for identifying an 'active' listing, but of course it is possible to use other methods, each of which has its own merits. The highest figure in the table relates to listings with a calendar update in the past 12 months, but once listings with no availability in the next 365 days are removed the figure drops from 11,734 to 9,592 for Edinburgh. So, even if as of June 2019 there were more than 13,000 Airbnb listings for Edinburgh, it appears that the figure for active listings remains substantially lower, and likely to be in the region of 10,000.

[52] Source: http://insideairbnb.com/get-the-data.html

Table 2: Different filtering methods for identifying 'active listings'

Filter criteria	Number when filtered	Total unfiltered listings	% of listings retained
Exclude listings with zero availability in next 365 days	9,714	13,245	73.3%
Include only those listings reviewed in 2019 or 2018	9,787	13,245	73.9%
Include only listings with a calendar update in the last 12 months	11,734	13,245	88.4%
Include only listings with calendar update in the last 6 months	10,713	13,245	80.9%
When listings with no reviews, ever, are removed	11,213	13,245	84.7%
When listings with no reviews in the past 12 months are removed	9,414	13,245	71.1%
Calendar updated in the last 12 months + removing zero availability in next 365 days	9,587	13,245	72.4%
Calendar updated in the last 6 months + removing zero availability in next 365 days	9,385	13,245	70.9%
When listings with no reviews, ever, are removed, but including only those with calendar availability over the next 12 months	10,081	13,245	76.1%

Source: Inside Airbnb, May 2019

2. Additional analysis

Analysis of Active Airbnbs by type and Local Authority area

A breakdown of active Airbnb listings is provided here on a council-by-council basis. Given the potential importance of local authorities in the administration of STLs, it is useful to understand any differences in relation to the mix of entire home versus individual room listings. The highest figure for entire homes or apartments was in Dumfries and Galloway (83.5%) and the lowest was in Midlothian (47.8%) – the only area in Scotland where private rooms are the main type of Airbnb listing.

Table 3: Active Airbnb listings by council area, May 2019

Council Area	Entire home/apt	Private room	Shared room	Total	Max category
City of Edinburgh	66.3	33.2	0.6	100	Entire home/apt
Highland	65.0	34.3	0.7	100	Entire home/apt
Glasgow City	65.9	33.8	0.3	100	Entire home/apt
Argyll and Bute	76.0	23.3	0.7	100	Entire home/apt
Fife	77.2	22.7	0.2	100	Entire home/apt
Perth and Kinross	79.3	20.4	0.3	100	Entire home/apt
Dumfries and Galloway	83.5	16.3	0.2	100	Entire home/apt
Stirling	69.0	30.5	0.5	100	Entire home/apt
Aberdeenshire	73.9	26.1	0.0	100	Entire home/apt
Scottish Borders	76.5	23.2	0.3	100	Entire home/apt
Moray	69.9	29.7	0.5	100	Entire home/apt
Aberdeen City	64.0	34.8	1.1	100	Entire home/apt
East Lothian	77.2	22.8	0.0	100	Entire home/apt
Na h-Eileanan Siar	77.4	22.0	0.6	100	Entire home/apt
South Ayrshire	78.7	21.3	0.0	100	Entire home/apt
Angus	74.5	25.5	0.0	100	Entire home/apt
North Ayrshire	75.5	24.5	0.0	100	Entire home/apt
Orkney Islands	66.9	33.1	0.0	100	Entire home/apt
Dundee City	56.7	41.3	2.0	100	Entire home/apt
Shetland Islands	72.4	27.6	0.0	100	Entire home/apt
South Lanarkshire	67.0	32.5	0.5	100	Entire home/apt
Renfrewshire	63.1	36.9	0.0	100	Entire home/apt
West Lothian	57.8	42.2	0.0	100	Entire home/apt
North Lanarkshire	67.3	32.7	0.0	100	Entire home/apt
Midlothian	47.8	52.2	0.0	100	Private room
West Dunbartonshire	61.7	38.3	0.0	100	Entire home/apt
Falkirk	62.8	37.2	0.0	100	Entire home/apt
East Ayrshire	68.8	31.2	0.0	100	Entire home/apt
Inverclyde	70.1	29.9	0.0	100	Entire home/apt
Clackmannanshire	74.6	25.4	0.0	100	Entire home/apt
East Dunbartonshire	60.3	39.7	0.0	100	Entire home/apt
East Renfrewshire	61.1	38.9	0.0	100	Entire home/apt
Scotland	**69.2**	**30.3**	**0.5**	**100**	**Entire home/apt**

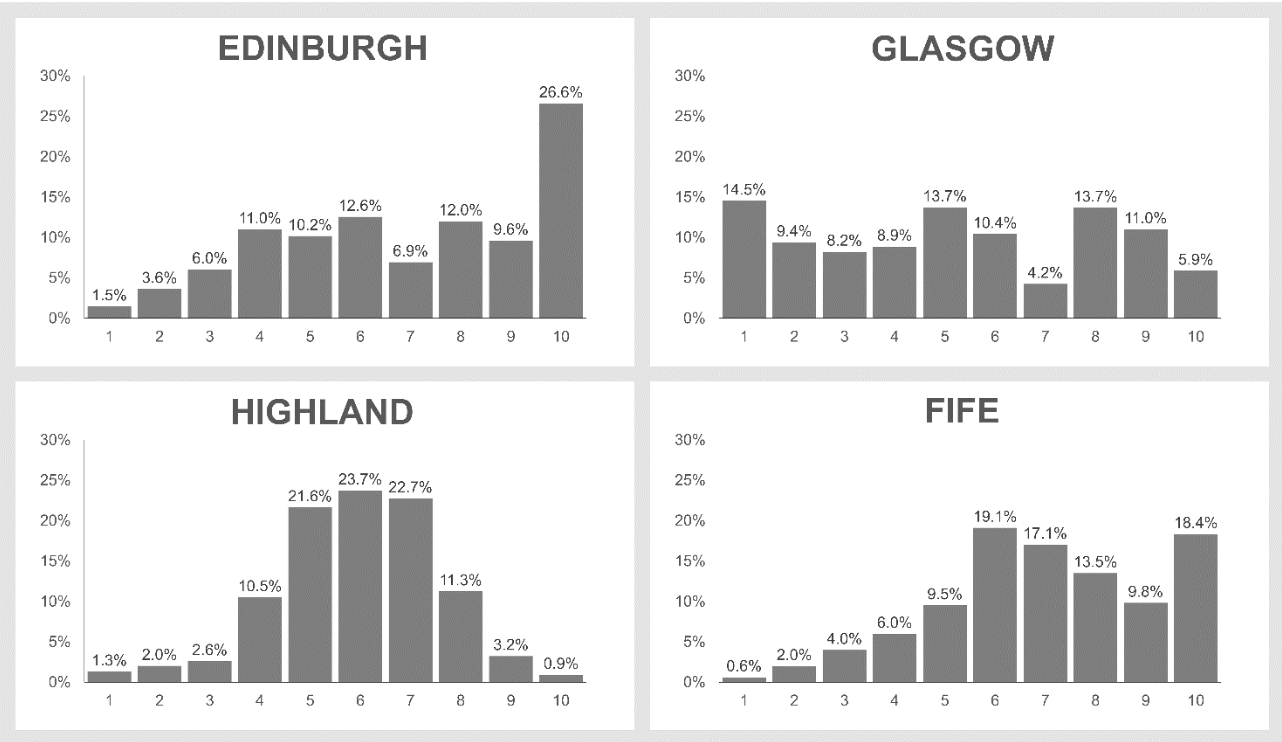
Source: Inside Airbnb, May 2019

Airbnb listings by SIMD16 decile

An important question about the presence of STLs, and their recent rapid growth, is where they are located. On the one hand, the data show that there is significant concentration of a high number of Airbnb listings in a relatively small number of areas. Yet this does not say anything about the characteristics of the areas themselves. In order to shed more light on this issue, the location of all 31,884 Airbnb listings from May 2019 was cross-referenced with data from the Scottish Index of Multiple Deprivation (SIMD) 2016[53] in order to understand the extent to which they are clustered in more or less deprived neighbourhoods.

In the four local authority areas within which the five case studies are located, there is some variation (Figure 1). In Edinburgh, more than a quarter (26.6%) of all active Airbnb listings are located in the least deprived decile. Edinburgh's most deprived decile contains 1.5% of all listings (a total of 146). In Glasgow, the most deprived decile has more Airbnb listings (14.5%) than any other individual SIMD decile. In Highland, most Airbnbs are somewhere in the middle of the SIMD rankings, with very few in either the most or least deprived decile or quintile. In Fife, the pattern is more similar to Edinburgh, with the least deprived areas having the majority of these kinds of STLs.

Figure 1: Airbnb active listings by SIMD decile in case study council areas (where decile 1 is most deprived and decile 10 for the least deprived)



53 Scottish Index of Multiple Deprivation 2016, Scottish Government. https://www.gov.scot/publications/scottish-index-multiple-deprivation-2016/.

3. Data from other online accommodation platforms

This secondary data analysis, which forms only one part of this research, is based on data regarding the Airbnb platform. Airbnb are the leading online provider of STLs, but of course they are not the only online accommodation platform to offer this: Booking.com, TripAdvisor, tripping.com, FlipKey, HomeAway, and a range of other similar websites also offer STLs. Researchers have no way of knowing what proportion of the short-term lettings sector Airbnb accounts for but at the very least it would appear from the data analysed here, in addition to the results of the qualitative research, that it accounts for a very high proportion of it across Scotland.

Traditional self-catering accommodation also forms part of the sector as the analysis of hosts from the Airbnb data demonstrates that several traditional holiday companies use Airbnb as a route to market. For example, analysis of secondary data by the research team showed that 950 Airbnb listings (3.0% of the total) were advertised by Cottages.com on Airbnb, and 743 by Sykes Holiday Cottages (2.3%).

Appendix 2 – Resident and host survey profiles

This appendix outlines the profile of the resident and host respondents in the surveys, with some additional information on the type of property and ownership of short-term lets (STLs).

Profile of residents in the survey

Age

Resident respondents came from a broad range of ages, with 40% being in the 16 to 44 age bands, 35% in the 45 to 64 age bands and 26% aged 65+[54].

Table 4: Profile of resident respondents by age

Age	%
16 to 24	11%
25 to 34	16%
35 to 44	13%
45 to 54	15%
55 to 64	20%
65+	26%
Base	**197**

Gender

49% of respondents identified their gender as Woman / Girl, 48% as Man / Boy and with the remaining 3% preferred not to say.

Table 5: Profile of resident respondents by gender

Gender	%
Man / Boy	48%
Woman / Girl	49%
Prefer not to say	3%
Base	**197**

Household type

A broad range of household types were included in the survey, with the most common being small adult households (34%), single adult households (16%), small family households (12%) and older smaller households (12%)[55].

[54] Numbers throughout may not sum to 100% due to rounding.
[55] Household types are based on those in the Scottish Household Survey and are derived from analysis of the number of children aged under 16 and over 16, the number of adults aged 18 to 64 and the number of adults aged 65+, within each household.

Table 6: Profile of resident respondents by household type

Household type	%
Single adult	16%
Single parent	4%
Single older household	9%
Small family	12%
Older smaller household	12%
Large adult household	9%
Small adult household	34%
Large family	1%
Other	4%
Prefer not to say	1%
Base	**197**

Working status

In 51% of cases the head of household was in full-time employment and in a further 10% of cases was in part-time employment. In 26% of cases the head of household was retired. Other respondents were either unemployed, looking after family/home, in full-time education or preferred not to provide this information.

Table 7: Profile of resident respondents by working status of head of household

Working status of head of household	%
Full-time employment (30+ hours per week)	51%
Part-time employment (fewer than 30 hours per week)	10%
Unemployed	3%
Looking after family / the home full-time	4%
Retired	26%
Full-time education	4%
Other	1%
Prefer not to say	2%
Base	**197**

Type of home

42% of respondents indicated that they lived in a flat, maisonette or apartment, 27% in a semi-detached home (house or bungalow), 14% in a detached home (house or bungalow), 12% in a terraced home with the remainder living in a variety of other housing types. The small number of ‘other’ responses included responses that could not directly be classified to the above categories (such as cottage, croft, farmhouse or similar).

Table 8: Profile of resident respondents by type of home

Type of home	%
Detached house	9%
Detached bungalow	5%
Semi-detached house	22%
Semi-detached bungalow	5%
Terraced / end-of-terrace house	12%
A flat, maisonette or apartment (including four-in-a-block or conversion)	42%
A room or rooms	1%
A caravan, mobile home or a houseboat	1%
Some other kind of accommodation	4%
Base	**197**

Housing tenure

39% of respondents indicated that they owned their home outright and a further 21% that they were buying their home with a mortgage/loan, 23% were renting privately and 16% were living in social rented accommodation with 1% paying part rent, part mortgage.

Table 9: Profile of resident respondents by tenure

Tenure	%
Buying with mortgage /loan	21%
Own it outright	39%
Rent privately	23%
Rent from local authority / council / housing association / housing cooperative or charity	16%
Pay part-rent / part-mortgage	1%
Base	**197**

Profile of hosts in the survey

Age

Host respondents tended to be in the older age categories, with 53% in the 45 to 64 age bands, 16% in the 65+ age band, and the remaining 29% in the 16 to 44 age bands[56].

Table 10: Profile of host respondents by age

Age	%
16 to 24	2%
25 to 34	9%
35 to 44	18%
45 to 54	23%
55 to 64	30%
65+	16%
Prefer not to say	2%
Base	**227**

Gender

60% of host respondents identified their gender as Woman / Girl, and 38% as Man / Boy and with the remaining 2% indicating that they preferred not to say.

Table 11: Profile of host respondents by gender

Gender	%
Man / Boy	38%
Woman / Girl	60%
Prefer not to say	2%
Base	**227**

Working status

42% of host respondents were in full-time employment and a further 17% were in part-time employment. 21% of hosts were retired. Other respondents were either unemployed, looking after family/home, in full-time education or preferred not to provide this information. For the ‘other’ responses almost all comprised respondents that described themselves as self-employed.

[56] Numbers may not sum to 100% due to rounding.

Table 12: Profile of host respondents by working status

Working status	%
Full-time employment (30+ hours per week)	42%
Part-time employment (fewer than 30 hours per week)	17%
Unemployed	2%
Looking after family / the home full-time	4%
Retired	21%
Full-time education	2%
Other	9%
Prefer not to say	3%
Base	**227**

Numbers of short-term let properties

Host respondents were asked to indicate the number of properties that they offered as STLs lets, this being broken down into private rooms and entire properties (224 respondents answered this question). As shown below, over half of hosts offered a single property and a further 23% offered 2 properties. Those offering 10 or more properties represented 2% of respondents (though it is noted that this equates to 26% of properties listed due to the larger number of short-term lets offered by each of these respondents).

Overall, these respondents represented a total of 530 STLs listings, of which 29% were private rooms and 71% entire properties.

Table 13: Numbers of short-term lets offered

Number of short-term lets offered	%
1	56%
2	23%
3	12%
4 to 10	7%
More than 10	2%
Base	**224**

Types of property used as short-term lets

Host respondents were asked to categorise their STLs properties in terms of type of home (multiple responses were allowed for this, given that some respondents had more than one listing).

50% of host respondents stated they let out some type of flat - 33% of respondents let a flat, maisonette or apartment with a shared entrance, and a further 17% let a flat, maisonette or apartment with a private entrance. Nearly a quarter, 24% of respondents indicated that they let a detached house, 15% a semi-detached or terraced house, 10% a room or rooms and 8% some other kind of accommodation.

Table 14: Profile of types of property used by hosts as short-term lets

Types of property used as short-term lets	%
Detached house	24%
Semi-detached or terraced house	15%
A flat, maisonette or apartment with shared entrance	33%
A flat, maisonette or apartment with private entrance	17%
A room or rooms	10%
Some other kind of accommodation	8%
Prefer not to say	1%
Base	**227**

Ownership situation of short-term lets

In the vast majority of instances (96%) respondents indicated that they had a STL that was owned by themselves or a close family member. 2% indicated that they rented the property themselves from someone else and 2% that they acted for someone else. 1% of respondents indicated that they preferred not to say. Multiple responses were allowed for this question and generally included a small number of individuals that owned a STL whilst also acting as an agent for others.

Table 15: Profile of ownership situation of short-term lets

Ownership situation of short-term lets	%
Owned by myself or a close family member	96%
Rented by myself from another owner	2%
Owned by someone else, with myself acting as their agent for the short-term let	2%
Prefer not to say	1%
Base	**227**

Period of time being a host

A total of 60% of respondents stated they had been offering their property or properties for let through online accommodation platforms for less than 3 years - 41% of hosts for approximately 1 to 3 years and 19% for less than a year. 22% stated they had been letting in this way for more than 5 years and a further 18% indicated that they had been doing letting approximately 3 to 5 years.

Table 16: Profile of period for which hosts have been offering short-term lets

Period of time offering short-term lets	%
Less than a year	19%
Between approximately 1 to 3 years	41%
Between approximately 3 to 5 years	18%
More than 5 years	22%
Prefer not to say	1%
Base	**227**

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