



Market Report

A Snapshot of your Market Sector

Holiday Homes

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

This market report was updated by Business Gateway in **August 2024**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

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

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

- ◆ Volumes are forecast to **rise 2% in 2024**. However, the impact of the cost-of-living crisis and a sluggish economy will slow growth and the market is not expected to fully recover to pre-pandemic volumes until the second half of the decade. Spending on domestic holidays is estimated to have fallen by 2% in 2023, reaching an estimated £13.8 billion. However, market value is still 17% ahead of pre-COVID-19 levels in 2019. Value is **forecast to reach £15.9 billion by 2028**. Key areas of strength for domestic tourism include its varied offer to suit all budgets, including lower cost breaks such as camping and holiday parks, alongside the growth of higher value sectors such as cottage holidays, wellness and special interest breaks. (Mintel, *Domestic Tourism*, December 2023).
- ◆ Accommodation providers go the extra mile to draw in guests. Some are introducing smart home technology, while others are becoming more pet-friendly and introducing sustainable practices. These features enhance the customer experience and allow providers to charge more, boosting revenue. The weak pound, COVID-19 and the cost-of-living crisis have encouraged Britons to holiday in the UK rather than travel abroad. However, there's been a slowdown in staycations recently. (IBISWorld, *Holiday Accommodation in the UK*, July 2024).
- ◆ 64% of potential guests would be most likely to stay in a holiday rental property with their partner, 42% would travel with their children/stepchildren and 35% with friends. Of those planning to travel with three generations, 70% are open to booking local activities and experiences through a holiday rental property provider. As such, providers who are able to offer more than a place to stay will appeal to multigenerational travellers. (Mintel, *Holiday Rental Property*, July 2024).
- ◆ Despite consumer concern about the state of the economy, 25% of UK adults intended to take a domestic overnight trip in the second quarter of 2024, this is an increase compared with May 2023, with 76% of UK adults intending to take a domestic overnight trip in the following 12 months. However, the key three barriers to taking an overnight UK trip in the next six months are the rising cost of living, UK weather and Personal finances. (Visit Scotland, [Self-Catering Occupancy Survey](#), May 2024).
- ◆ The national organisation for this industry is the [Association of Scotland's Self-Caterers](#). Other industry bodies include [Holiday Homes Association](#), [British Holiday & Home Parks Association](#) and the [UK Short Term Accommodation Association](#).

Where can I find more information on my market?

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

- ◆ **Mintel – Holiday Rental Property (July 2024).** 68% of potential holiday rental property guests are most likely to choose holiday rental properties in the mid-range scale. This is followed by budget and luxury properties, at 19% and 10% respectively. Over-45s are more likely to opt for mid-range properties (76%). 16-44 year olds are an important segment to budget properties, with 26% most likely to be staying in such accommodation. 16-34 year olds are also more likely to opt for luxury properties (14%) than other age groups.
- ◆ **Mintel – Holiday Review (February 2024).** The Scottish tourism board, VisitScotland, is eager to inspire travellers to visit Scotland through its Scotland is Calling campaign, which has a key focus on sustainability. As such, Scotland is often promoted as a 'slow travel' destination. The purpose of such holidays being to encourage travellers to adopt a more relaxed pace of the trip and explore a greater breadth of a destination. Both the Kirkpatrick Coast-to-Coast cycle route and the Fife 191 self-drive route tap into this campaign's ethos, and encourage travellers to adopt a slower pace of travel within varying Scottish regions.
- ◆ **Statista – Regions for Summer Staycations UK (April 2024).** An April 2024 survey revealed that the South West was the leading destination for upcoming overnight domestic trips during summer in the United Kingdom, with 18 percent of respondents stating that this was the case. Meanwhile, 12 percent of respondents said that they intended to visit Scotland during their summer holiday while only three percent stated that they would like to visit Northern Ireland.

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

- ◆ [The Sykes Staycation Index 2024](#), June 2024. This report looks at the popularity of staycations in the UK and reviews trending holiday hotspots and activities. *"Bookings to pods, yurts, and shepherd's huts have been steadily increasing over the last few years, with people attracted by the different – and back to basics – experience this type of break offers. There's a 'glamping gap' at the moment as this growth lies in a smaller base of younger travellers".*
- ◆ **Visit Scotland - [Research & Insights](#).** The corporate section of the Visit Scotland website provides information and statistics on Scotland's tourism industry.

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How can I find out about my competitors?

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

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

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

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

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

To learn about your competitors:

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

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



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What about suppliers?

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

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

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

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

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

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

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

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

Accountancy

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

Funding

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

Insurance

[Business insurance guide](#)

Legal Help

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

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

Pricing

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

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

Promotion

[BG guides to Marketing](#)

Training

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

[Funding for training](#)

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

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

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

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