Association of Scotland's Self-Caterers (ASSC) Business Barometer Survey November 2025

Background

The **ASSC Barometer Survey** serves as a vital tool in capturing the realities faced by Scotland's self-catering sector. Conducted bi-annually, the survey gathers critical data and insights from self-catering operators across Scotland, shedding light on booking trends, business performance, regulatory impacts, and economic pressures.

In an ever-evolving tourism landscape, **data-driven policymaking is essential**. The findings from the Barometer help inform key stakeholders, including **the Scottish Government, VisitScotland, local authorities, and industry partners**. By providing clear, evidence-based insights, the survey ensures that decisions affecting the sector are rooted in **real-world business experiences**, rather than assumptions.

This year's autumn Barometer reflects responses from operators across Scotland, with the **Highlands again the most represented region (29.5%)**, followed by **Edinburgh (14.4%)**, **Argyll & Bute (9.5%)** and **Perth & Kinross (7%)**. As in previous years, the sample balances rural and urban perspectives but remains weighted towards the north and west, where short-term letting is a significant part of the visitor economy.

The sector continues to be dominated by **micro and early-stage enterprises**, with **79% of respondents not VAT-registered**, reinforcing that the majority operate below the VAT threshold and have limited capacity to absorb rising costs or new regulatory requirements.

Most operators continue to run high-availability businesses: **84% of properties were available for 210+ nights**, consistent with 2024 and confirming that respondents are overwhelmingly full-time commercial operators rather than occasional hosts.

- Survey closed 1st December 2025
- 444 respondants

Executive Summary

Occupancy Trends

Spring 2025 (April–June) showed modest improvement:

• The proportion achieving **over 76% occupancy rose to 38%** (from 33% in 2024).
• Very low occupancy (0–10%) fell significantly.
• However, overall sentiment was more cautious: only **19% reported occupancy better than last year**, down from 23% in 2024.

Summer 2025 (July–September) recorded broadly stable performance:
• **42% achieved over 76% occupancy**, slightly below 2024 but with a notable rise in operators achieving **100% occupancy** (12%, up from 10%).
• Mid-range occupancy (51–75%) strengthened, suggesting improved resilience for a wider group of businesses.

Forward Bookings

Looking ahead, operators express **deep concern for winter 2025–26**:

- Only **7%** report better forward bookings than last year.
- Nearly **47%** say bookings are worse or much worse, with comments describing demand as "**dropped off a cliff**" and the "**market dead**"
- Shorter booking windows continue to distort early-season demand insights, but operators highlight record numbers of empty winter weeks, prolonged gaps between stays and heightened uncertainty due to unresolved licensing or planning decisions.

Business Confidence

Confidence levels for the next **3–6 months** remain subdued. Around **27% feel optimistic**, similar to 2024, but with fewer describing themselves as "very optimistic". Negative sentiment has edged higher, reflecting increasing caution.

Across a **12-month horizon**, optimism (34%) is broadly unchanged from last year. However, looking **24 months ahead**, pessimism has grown:
• **43%** are not optimistic about the medium term (up from 39% last year).
• Optimism remains low at **26%**, indicating continued unease about long-term viability.

Intentions to stay in business are also softening. **62% plan to remain in operation beyond 2025** (down from 66% last year), while **10% intend to downscale**, reflecting mounting financial and regulatory strain. This has increased from 6.31% last year (2024)

Challenges Affecting the Industry

Operators continue to face **intense structural and financial pressures**:

Key pressure points include:

- **Rising cost of doing business -** 91% say this is a moderate to major challenge (55.52% major) with only 1.62% saying this is not a challenge

- **Increasing regulatory pressures -** 86.42% say this is a moderate to major challenge (60% saying major) with only 3% saying not a challenge
- **Overall profitability pressures -** 86% say this is a moderate to major challenge, 46% seeing as a major challenge – with only 3% saying this is not a challenge
- **Visitor affordability and competitiveness** concerns - 87% say this is a moderate to major challenge (44% seeing as a major challenge)
- **Uncertainty about future Scottish Government policy** – 79% say this is a modertate to major challenge (57% seeing as a major challenge)
- **Visitor Levy implementation** – 75% say this is a moderate to major challenge (48% seeing as a major challenge)
- **Mental health pressures have become a defining challenge:** 76% report wellbeing impacts, with 50% reporting moderate to major challenge (reflecting prolonged uncertainty, rising costs, and administrative overload.
- **Transport infrastructure remains critical in rural and island areas.** Ferry reliability, already a major theme in 2024, continues to disrupt the visitor economy and undermine confidence.**In Argyll and Bute 38% report** this as a major challenge with a further 22% a moderate challenge.

Regulation: STL Licensing, Planning and Policy

STL licensing remains one of the most dominant issues for operators. The 2025 results show:

Perceived Impacts of STL Licensing

- **Community cohesion shows the strongest negative impact**, with nearly 40% reporting a negative or very negative impact.
- Across housing availability, affordability and prices, around **two-thirds report no change**, reinforcing that licensing is **not perceived to be delivering housing outcomes**.
- **Basic health and safety** is the only area with modest positive sentiment (34% positive), though most see no change.

Planning & PCA Concerns

Planning requirements continue to be inconsistent and costly:

- 45% of those who applied for Planning Permission/COL have been granted it.
- 43% remain in prolonged appeals or are still awaiting decisions.
- **A quarter of respondents operate in a proposed or confirmed Planning Control Area**, amplifying uncertainty.

Comments point to **long delays, inconsistent decision-making and rising costs**, with several operators reporting that planning or COL requirements may force closure.

Non-Domestic Rates (NDR), SBBS & Financial Viability

The sector remains heavily exposed to changes in NDR and the Small Business Bonus Scheme (SBBS):

• **68% currently receive SBBS**.
• **45% say a threshold reduction would have a negative impact**, with **31% citing "significantly negative" impact**.

• If SBBS were removed entirely, **68% expect negative or significantly negative consequences**, using comments like “final nail” .

Occupancy-based NDR compliance has become more demanding, and inconsistency between Assessors continues to create uncertainty around rate liability and eligibility.

Minimum Energy Standards

EPC ratings reveal significant exposure to proposed minimum energy standards:

- **62% of properties are below EPC C (D–G)** and would require upgrades to comply with any future minimum threshold.
- Only **38%** of properties currently meet EPC C or above.
- **35%** fall into the lowest-rated bands (E–G), where upgrades are most likely to involve significant or prohibitive investment.

The business impact assessment reinforces this challenge. While **32%** already meet EPC C, the majority face substantial financial and operational risk if higher standards are introduced:

- **37%** report that achieving EPC C would require **major investment or is financially unviable**.
- **18.43%** believe meeting EPC C **could force them to close**.
- Only **5%** expect that compliance would require minor, manageable improvements.

Taken together, the findings show that **over half of operators (55%) face either unviable upgrade costs or potential business closure** under a mandatory EPC C requirement. This risk is especially acute for traditional, rural and heritage buildings, where EPC methodology and retrofit options are often constrained. Operators emphasise that without targeted funding, realistic timescales and exemptions for hard-to-treat properties, EPC reform could lead to significant loss of capacity within Scotland’s self-catering sector.

Opportunities for Growth

Despite the pressures, several opportunity themes continue to emerge:

1. **Experience-based, nature, wellbeing and slow tourism**
   Demand is strengthening for outdoor, meaningful and wellness-led stays.
2. **Sustainability & Scotland’s green brand**
   Operators report rising interest in low-impact travel and eco-conscious choices.
3. **Local collaboration and destination-led promotion**
   Partnerships are seen as essential to strengthening shoulder-season demand.
4. **International markets & improved connectivity**
   Particularly European and North American visitors.
5. **Digital skills, AI adoption and direct-booking strategies**
   Seen as critical tools for reducing reliance on OTAs and improving margins.

ASSC Membership & Sector Representation

Membership satisfaction is exceptionally strong, mirroring 2024:

• **87% of members are satisfied or very satisfied**.
• **96% say ASSC represents the sector well at national level**, with over 80% selecting "very well".

Members continue to prioritise:

1. **Advocacy and lobbying**,
2. **Access to guidance**, toolkits and business resources and
3. **Consistent communication**.

Marketing Membership feedback shows mixed commercial outcomes, with EmbraceScotland valued for visibility, but many operators feeling unable to fully utilise marketing resources due to regulatory and financial strain.

Wellbeing Impacts

The pressures facing the sector are now taking a clear personal toll.
More than three in five operators (61.5%) report that running their business has negatively affected their mental health or wellbeing in the past year, with 15% experiencing significant impact. This represents one of the starkest indicators of strain across the entire Barometer.

When asked which factors were driving this pressure, the findings are unequivocal: **Regulatory uncertainty is the single most dominant source of stress, cited by 73% of respondents.** This far outweighs all other contributors and aligns closely with the wider evidence of unclear policy direction, inconsistent local authority approaches and ongoing requirements around licensing, planning and EPC compliance.

Financial pressure is the second major driver (41%), followed by operational realities such as seasonality (28%) and difficulties securing staff or contractors (26%). Although reported by a smaller proportion, isolation (8%) remains a notable theme, particularly in rural and island areas where operators often work alone and without local support networks.

Taken together, these results show that wellbeing is no longer a peripheral concern, **it has become a material business issue affecting resilience, decision-making and long-term confidence across the sector.**

Final Sentiment

The 2025 Barometer reflects a sector still under significant pressure. While occupancy has held steady and some growth opportunities exist, financial strain, policy uncertainty and administrative burden dominate business sentiment. Forward bookings for winter 2025–26 are particularly weak, and medium-term confidence continues to erode.

Crucially, this year's findings show that these pressures are no longer confined to business performance alone. **Over 61% of operators now report a negative impact on their mental health or wellbeing, underscoring that the cumulative strain is affecting both the resilience of businesses and the people who run them.** As regulatory uncertainty remains the leading driver of stress, confidence and capacity for long-term planning are being directly undermined.

Many operators remain committed to Scotland's visitor economy, but a growing number are considering downscaling or exiting. The sector's resilience is increasingly tied to regulatory stability, supportive fiscal policy, transport infrastructure, and recognition of the economic, cultural and human contribution made by Scotland's self-catering businesses.