

THE SYKES SCOTLAND STAYCATION INDEX

2021



**An in-depth review of the current
staycation sector in Scotland**

brought to you by Sykes Holiday Cottages





WELCOME TO THE SYKES SCOTLAND STAYCATION INDEX

Our report paints a picture of the growing popularity of staycations in Scotland, reviewing everything from the trending holiday hotspots and activities, to how holiday let owners across the country can make the most of their investment.



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Welcome

At Sykes Holiday Cottages, we're able to paint a clear picture of the UK's staycation habits.

Here we bring you our insight into the growing trend of holidaying in Scotland.

In our inaugural Scotland Staycation Index, we wanted to lift a lid on the tourism boom that Scotland is witnessing.

After an undoubtedly difficult year, the Scotland staycation market came back fighting – and there's no sign of demand slowing anytime soon.

As a proud Scot myself, it's easy to see why Scotland is fast becoming a firm favourite amongst holidaymakers. With stretches of deserted beaches, panoramic mountain views and expanses of national parks – there are plenty of reasons to opt for a staycation in Scotland.

According to our research, almost a third (31%) of UK adults will holiday in Scotland this year – with three quarters (76%) of Scots planning to holiday in their own country during 2021.

And although this staycation boom in Scotland has undoubtedly been fuelled by international travel restrictions this year, our research suggests that even beyond the pandemic Scotland will remain a first-choice travel destination for many.

In this report, we reveal the travel trends driving a surge in demand for staycations in Scotland – including this year's most popular hotspots, preferred types of trip, and the most sought-after holiday home features.

Separately, we also explore how a surge in staycations has prompted second homeowners in Scotland to consider letting their property as a new investment opportunity – jumping at the chance to generate an additional income.

With 30 years' experience in holiday letting, we're in a unique position to provide fresh insight into the staycation sector in Scotland in 2021 – as well as providing predictions of what's to come.

“As a proud Scot myself, it's easy to see why Scotland is fast becoming a firm favourite amongst holidaymakers. With stretches of deserted beaches, panoramic mountain views and expanses of national parks – there are plenty of reasons to opt for a staycation in Scotland.”

Graham Donoghue,
CEO, Sykes Holiday Cottages



The Scotland staycation market

Shining a spotlight on Scotland's staycation market and the rising demand in 2021 and beyond

We reveal how the past year affected holiday let bookings in Scotland, motivations for travel, and the estimated impact on Scotland's economy in 2021.

Our research includes the key findings from our booking data, as well as insights from consumer research we conducted with UK adults.

The Scottish Highlands was voted the fourth most popular holiday destination within the UK this year

British holidaymakers are set to **boost Scotland's economy by £16 billion in 2021**

British holidaymakers' main motivations for opting for Scotland over other UK destinations:

1. Beautiful scenery
2. Amazing wildlife
3. Friendly people

A third (31%)

of UK adults plan to travel to Scotland in 2021 – and three quarters (76%) of Scots will holiday in Scotland

Bookings for our cottages in Scotland were up 22% over the summer period, and are currently up 46% during autumn and winter 2021

- compared to 2019

Almost a quarter (24%)

of Scottish adults said they are more likely to consider setting up a holiday let now compared to before the pandemic

After the UK and Scottish governments released their Covid-19 roadmaps in February, we witnessed a 52%

increase in bookings for Scotland compared to the same week in 2019

July 2021 was the busiest month for staycations in Scotland so far this year - with a

70%

increase in bookings compared to July 2019



Destination hotspots in Scotland – where's popular?

The most in-demand staycation destinations revealed

From the iconic cities of Glasgow and Edinburgh to the many Areas of Outstanding Beauty and national parks, Scotland really holds its own when it comes to being a staycation destination.

Here we reveal the most sought-after areas to visit throughout Scotland this year, as well as the emerging hotspots rising in popularity.

The 10 most popular regions for travel in Scotland in 2021

1. The Highlands
2. Dumfries and Galloway
3. Scottish Borders
4. Aberdeenshire
5. Argyll and Bute
6. Perth and Kinross
7. Moray
8. Fife
9. South Ayrshire
10. Angus



The Highlands

is a particularly popular choice amongst Scots, with more than two in five (41%) planning to travel there this year

The top three most popular destinations in Scotland for autumn 2021 are:

1. **Southernness**
2. **Newtonmore**
3. **Grantown-On-Spey**

The most popular regions for short breaks (2 – 3 nights) in winter 2021:

1. **The Highlands**
2. **Perth and Kinross**
3. **Aberdeenshire**



East Lothian, South Ayrshire and Stirling have seen the **biggest increases in bookings** during the 2021 winter period compared to 2019

The 10 most popular locations in 2021 (from 2019)

1. Southernness
2. Kirkcudbright
3. Grantown-On-Spey
4. Tomintoul
5. Whithorn
6. Gatehouse of Fleet
7. Portknockie
8. Isle of Whithorn
9. Newtonmore
10. Moffat



Southernness, Palnackie and Tomintoul are the three most popular destinations for pet-friendly holidays in Scotland

The most popular destinations for large group bookings in 2021:

1. **West Lothian** – up 200% compared to 2019
2. **South Ayrshire** – up 122% compared to 2019
3. **Dumfries and Galloway** – up 76% compared to 2019

The most popular destinations for bookings in Scotland over October half-term 2021:

1. **Southernness** – up 225% compared to 2019
2. **Newtonmore**
3. **Portuairk** – up 120% compared to 2019

The top three fastest-growing locations in Scotland for 2021 are:

1. **Moffat**
2. **Thornhill**
3. **Dumfries**

Scotland travel choices – what's trending?

What do people want from a holiday in Scotland and how has the pandemic impacted this?

At Sykes, we've observed a number of changes in how Brits are holidaying in recent months – most notably when it comes to their priorities for accommodation.

In the absence of jetting off abroad, more people are opting for staycations that provide easy access to walking routes or things to see and do. And our larger Scottish properties have also seen greater demand as families and friends reunite post lockdown.








increase for family bookings at our Scottish properties compared to 2019

Top three property types growing in demand in Scotland, based on Sykes' bookings in 2021

1. Annex
2. Terraced house
3. Shepherd hut or glamping pod

The top five things influencing choice of staycation accommodation in Scotland are proximity to

- 1  Walking routes
- 2  Restaurants
- 3  Lochs
- 4  Rural wildlife
- 5  Shops

A third (31%)

of UK adults say Scotland is on their travel bucket list for the future



The top five types of staycation accommodation in Scotland, according to UK respondents



Cottage-style holiday home



Lake & mountain retreat



Countryside B&B



City break



Beachfront holiday home

Most popular lifestyle trends that have led more people to consider staycations in Scotland



Walking and exploring the outdoors **(29%)**



Cooking **(21%)**



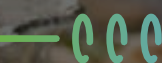
Cycling **(16%)**



Spending more time with family **(23%)**



Investing more in self-care and wellbeing **(18%)**



The top three most coveted events in Scotland:
Edinburgh Fringe
Burns Night
Highland Games

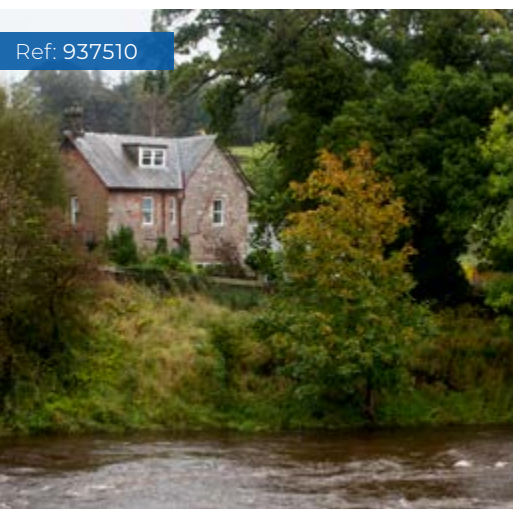


Scotland has year-round appeal, as our research shows a
25% increase in winter
staycations compared to 2019

Almost a quarter

24%

of respondents would now consider a skiing holiday in Scotland this winter



The holiday let owners in Scotland – where and what to invest in?

We explore the ingredients for a successful holiday let

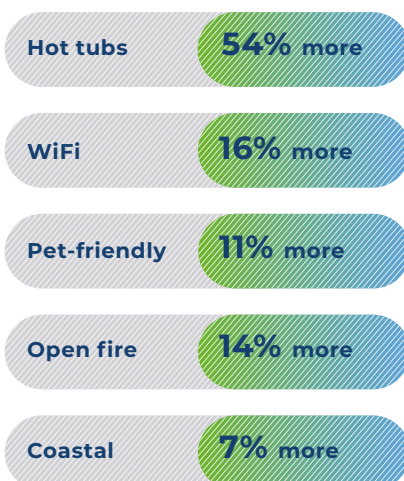
It has undoubtedly been a hard year for holiday let owners, but the silver lining is that they will benefit from increased staycation demand this summer. Sykes has reported a significant uplift in owner enquiries in Scotland this year, with second homeowners clearly recognising the revenue opportunity that lies ahead. With an average income of £16,000 a year for a holiday let in Scotland, the rewards are substantial – and this year is set to be more fruitful than ever.



The average income of a holiday let owner in Scotland is £16,000

(based on pre-pandemic income figures)

Money-earning property features include:



Sykes has seen a 65% year-on-year increase in new property enquiries since the start of the year

A quarter (24%) of Scots say the pandemic has made them more likely to consider holiday letting as a means to providing extra income moving forward

More than a third (34%)

of Scots say they would pick the Highlands as their first-choice location if they were to buy a second home

Holiday let owners in Scotland will earn an estimated 6% more this summer versus summer 2019 (June, July and August)



Top 5 earning regions

1	Highlands & Islands
	2 bedroom £15,300
	3 bedroom £18,700
2	Perth & Kinross
	2 bedroom £14,000
	3 bedroom £16,300
3	Aberdeenshire
	2 bedroom £12,500
	3 bedroom £21,600
4	Argyll and Bute
	2 bedroom £12,400
	3 bedroom £16,600
5	Angus
	2 bedroom £12,100
	3 bedroom £12,300

Investment hotspots

Analysis of the return of investment (ROI) for holiday homes in Scotland vs. buy-to-lets

After welcoming record numbers of tourists to Scotland this summer, buy-to-let investors across the country may now be tempted to cash in on the boom in tourism. With stringent tax rules on buy-to-lets making it increasingly difficult to turn a profit, who could really blame them for exploring short-term letting as an alternative?

We analysed the ROI of buy-to-lets and holiday lets in regions across the country to identify the top holiday home investment hotspots. This analysis is based on Sykes rental income and Scottish government rental figures, along with house price data from Home.co.uk.



$$\text{ROI} = \frac{\text{Average long or short-term rental income}}{\text{Average house price}} \times 100$$

Top 5 hotspots are

1. Ayrshires

2 bedroom 17% 4 bedroom 6%

2. Fife

2 bedroom 16% 4 bedroom 6%

3. Scottish Borders

2 bedroom 15% 4 bedroom 8%

4. Highland and Islands

2 bedroom 14% 4 bedroom 9%

5. Dumfries & Galloway

2 bedroom 13% 4 bedroom 8%

The ROI of a **2-bedroom holiday let** is twice that of an equivalent buy-to let

4-bedroom holiday let ROI is 1.6 times the value of a buy-to let ROI

Comparison to long-term ROI in these areas				
Top 5 hotspots	2-bedroom property		4-bedroom property	
	Holiday let ROI	Buy-to-let ROI	Holiday let ROI	Buy-to-let ROI
Ayrshires	17.1%	6.7%	6.3%	3.9%
Fife	15.9%	6.0%	6.1%	4.4%
Scottish Borders	15.2%	5.4%	8.3%	4.0%
Highland and Islands	13.9%	5.9%	8.5%	4.0%
Dumfries & Galloway	13.4%	6.5%	7.9%	4.4%

Couple climb to success with Highland holiday home

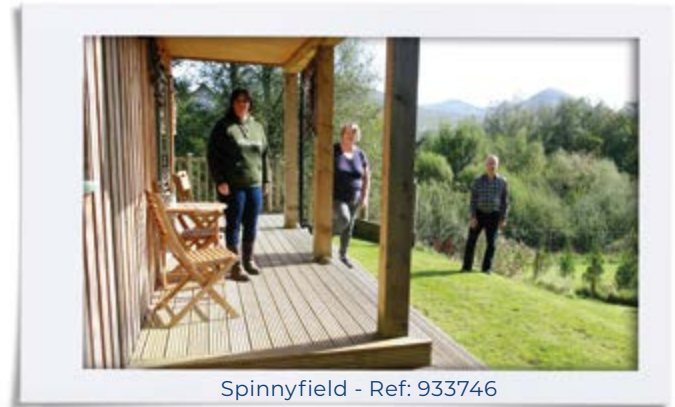
Susan Hunt, 62, has been renting out her property in the Scottish Highlands for five years now – but this year bookings are busier than ever.

Keen to turn their hand to holiday letting, Susan and her husband Nick, a former dental nurse and policeman, decided to make the move from Bristol to the Scottish Highlands back in 2015, along with their two children and Susan's mother.

Eager to embrace a whole new lifestyle and a change of scenery in their retirement, the couple purchased the perfect plot of land in picturesque Roy Bridge, Inverness-shire, investing £140k in building and furnishing Spinnyfield, a two-bedroom holiday home.

Offering stunning mountain views, as well as a garden and covered patio area, the cottage provides the perfect year-round retreat. It's a stone's throw away from Fort William and only a 15-minute drive away from the Nevis Range Mountain Experience, where lovers of the outdoors can ski, hike, play golf, or even canoe and kayak.

The success of the holiday home has far surpassed the family's expectations, with the cottage generating an average of £24,000 in annual gross earnings prior to the pandemic.



This year, bookings have been busier than ever, with the property fully booked right up until the end of 2021 and already starting to see bookings roll in for 2022.

With its sprawling, unbridled landscape, incorporating rugged mountains and deep-blue lochs, the Scottish Highlands is proving to be an increasingly sought-after destination for UK breaks, ranking the fourth most popular location across the UK overall.

“Taking the leap and ploughing our savings into Spinnyfield was a nail-biting experience, but it was a risk that has really paid off. Holiday letting has changed our lives for the better and enabled us to take on a new challenge after retirement.”

What we've found – our conclusion

A stronger staycation market in Scotland is here to stay

The travel industry has changed shape over the past 18 months, but Scotland's staycation sector has emerged stronger than ever in 2021.

Staycations continue to provide welcome respite for many holidaymakers looking for an escape this year, and the appetite for Scotland as a first-choice travel destination has reached new highs.

With stretches of dramatic coastlines, world-renowned mountain peaks and freshwater lochs, it's easy to see why Scotland is a firm favourite for UK holidaymakers this year.

And encouragingly, our data shows the appetite for staycations in Scotland is expected to grow even beyond the pandemic, with bookings for 2022 already rolling in.

Holiday letting has become an increasingly attractive investment opportunity to Scots as a result of this growing demand – with a quarter saying they're now more likely to consider it as a means to providing extra income.

Our data also shows a significant number have already jumped at the opportunity to invest in holiday lets over the past year, with the difference in return of investment potential compared to buy-to-lets likely to be a big driver of this decision.

A big thank you to all our hard-working property owners, guests, and the full Sykes Holiday Cottages family who have worked incredibly hard over the past year. After another successful summer in Scotland, we look forward to a busy autumn and winter ahead.

Graham Donoghue,
CEO, Sykes Holiday Cottages



About Sykes Holiday Cottages

Sykes Holiday Cottages is an independent holiday cottage rental agency with 30 years' experience in the industry.

We now have almost 20,000 properties available across the UK, Ireland and New Zealand and have been awarded 'Best Large UK Holiday Cottage Booking Company' at the British Travel Awards for eight consecutive years.

While the business has grown significantly over the years, our commitment to offering quality accommodation to travellers – and being the best choice for holiday homeowners – remains unchanged.

Headquartered in Chester and with regional offices around the country, our team of over 800 employees work with customers and owners to deliver the best British breaks available.

Each and every property has been handpicked, personally inspected and approved by us – whether that's cosy cottages for two or larger properties that sleep 20 or more.

Methodology:

Bookings data for the year ahead was used to provide a snapshot of the staycation market, while comparisons with full-year data from 2014, 2015, 2016, 2017, 2018, 2019 and 2021 were used to identify market trends.

Supporting consumer research of 2,000 UK adults and 1,000 Scottish adults was carried out by Censuswide in July 2021.

ROI analysis based on i) Sykes' internal data showing annual rental earnings for 2019 ii) Scottish government private sector rent statistics and iii) average house price data from Home.co.uk.

For further information on the report findings, methodology or press enquiries please contact **sykescottages@citypress.co.uk**

To book a holiday, visit **www.sykescottages.co.uk** or follow us on Facebook, Twitter, Instagram and LinkedIn.

To find out more about becoming a holiday let owner, please visit **www.sykescottages.co.uk/letyourcottage**



www.sykescottages.co.uk