

Scottish & Local Tourism Economic Impact Assessment

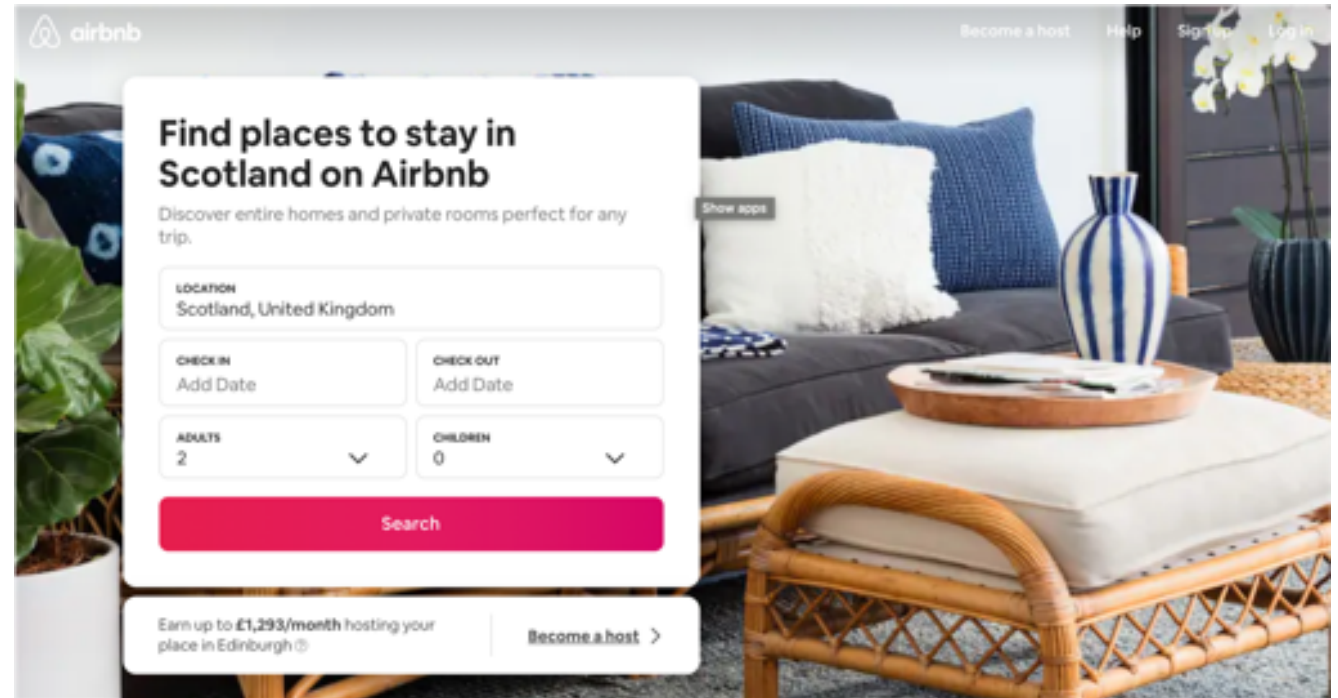
October 2020





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Key Findings

Airbnb: Scottish & Local Tourism
Economic Impact Assessment





Total GVA Impact Connected with Airbnb Platform

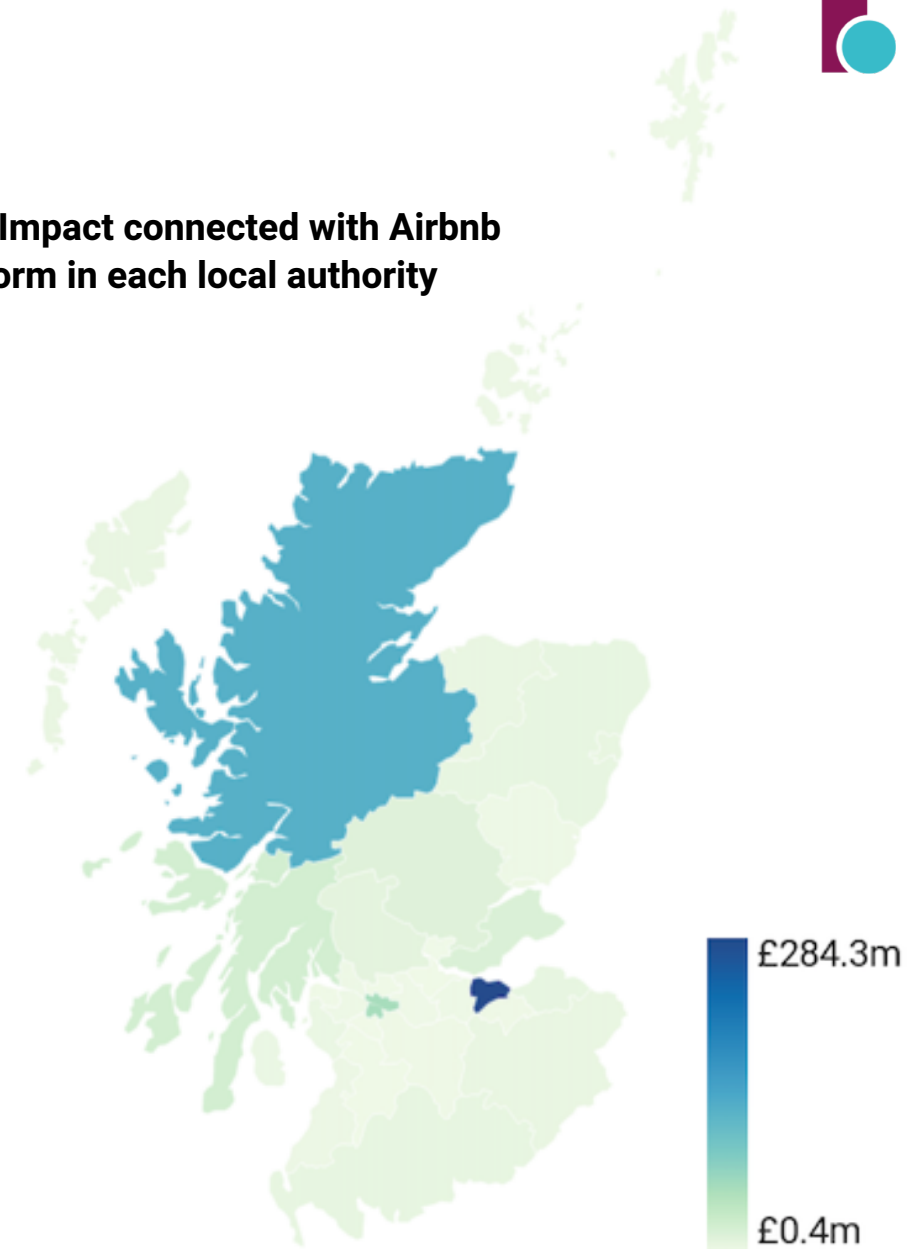
Gross Value Added (GVA) impact is the economic activity connected to the Airbnb platform, from spending by both hosts and guests in local communities

In Scotland, economic activity connected to the Airbnb platform generate a total of **£676.9 million GVA per annum**.

Large disparities in GVA impact across local authorities in Scotland:

- Highest:
 - City of Edinburgh: £284.3 million per annum
 - Highland: £129.9 million per annum
- Lowest
 - East Renfrewshire: £0.4 million per annum

GVA Impact connected with Airbnb platform in each local authority



Source: BiGGAR Economics Analysis
Created with Datawrapper



Total Jobs Impact Connected with Airbnb Platform

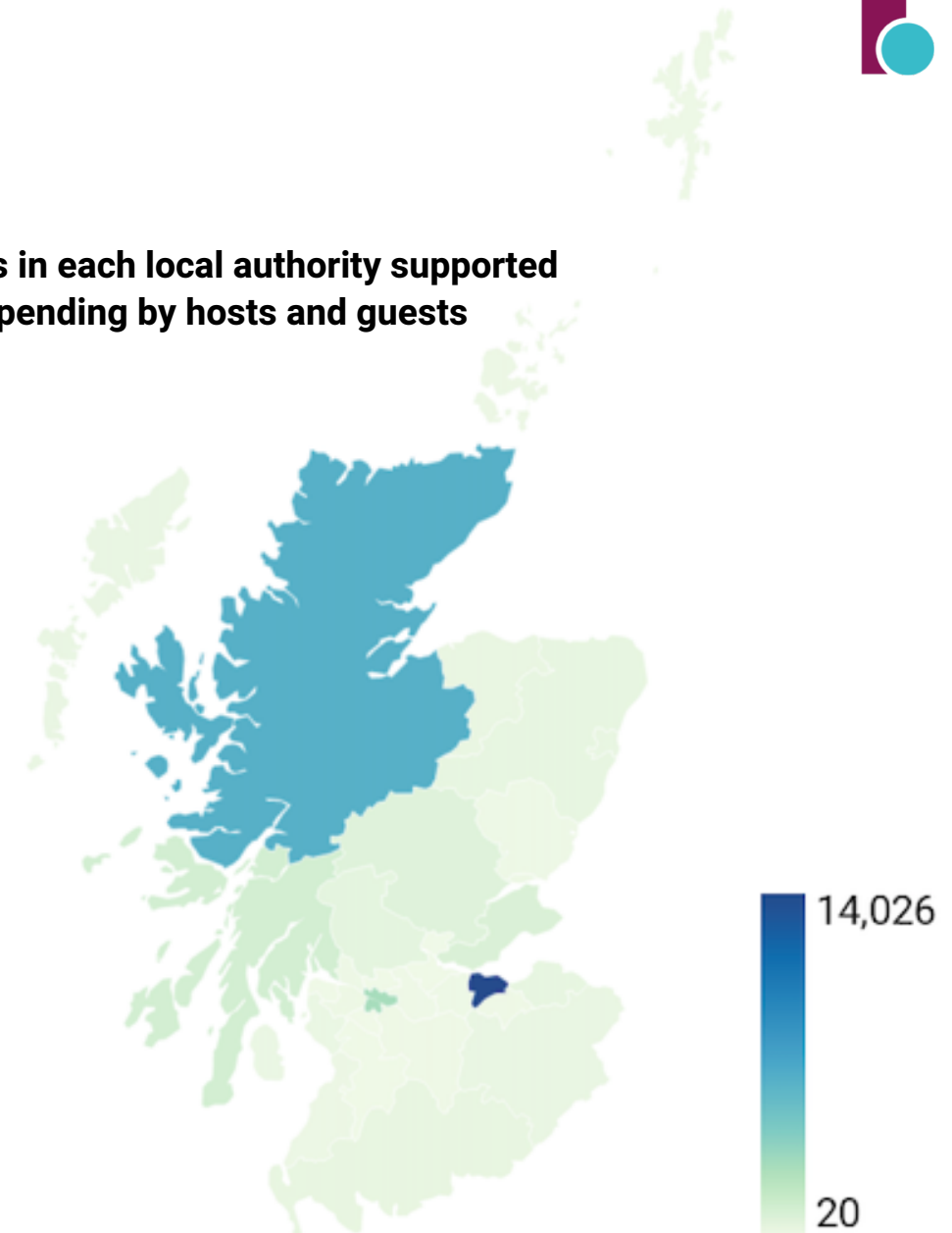
Jobs are supported by spending by both hosts and guests in local communities

In Scotland, spending activity connected to the Airbnb platform supports a total of **33,549 jobs**.

Large disparities in jobs supported across local authorities in Scotland:

- Highest:
 - City of Edinburgh: 14,026 jobs
 - Highland: 6,453 jobs
- Lowest
 - East Renfrewshire: 20 jobs

Jobs in each local authority supported by spending by hosts and guests



Source: BiGGAR Economics Analysis
Created with Datawrapper



Economic Impact of Airbnb in Scotland

Headline Findings: Economic Impact in Scotland connected to the Airbnb platform

- Airbnb platform generates economic benefits as a result of:
 - Listings on Airbnb, guests spending in the wider tourism economy
 - Hosts on Airbnb spending in local communities
- Economic impact in Scotland:
 - **£676.9 million per year in GVA** (a measure of economic output), **supporting 33,549 jobs**, including:
 - £579.9 million GVA and 31,381 jobs in the tourism economy
 - £97.0 million GVA and 2,168 jobs in the wider economy





Economic Impact in Local Authority Areas

Economic Impact connected to Airbnb platform varies significantly across Scotland

- Edinburgh
 - £284.3 million per year GVA, supporting 14,026 jobs
 - 42% of total economic activity connected to Airbnb platform in Scotland (*i.e. 42% of £676.9 million per year in GVA, supporting 33,549 jobs*)
- Highland
 - £129.9 million per year GVA, supporting 6,453 jobs
 - 19% of total economic activity connected to Airbnb platform in Scotland
- East Renfrewshire
 - £0.4 million per year GVA, supporting 20 jobs
 - <0.1% of total economic activity connected to Airbnb platform in Scotland





Impact of Reduced Airbnb Listings: Scotland

Reduction in Airbnb nights* could have impact across Scotland, on economic output (GVA) and employment.

- A 10% reduction in Airbnb nights, could
 - reduce Scottish GVA by £67.7 million
 - support 3,355 fewer jobs
 - be equivalent to increasing the unemployment rate by 0.1% (from 4.5% to 4.6%)
- A 50% reduction in Airbnb nights, could
 - reduce Scottish GVA by £338.5 million
 - support 16,775 fewer jobs
 - be equivalent to increasing the unemployment rate by 0.6% (from 4.5% to 5.1%)
- A 75% reduction in Airbnb nights, could
 - reduce Scottish GVA by £507.7 million
 - support 25,162 fewer jobs
 - be equivalent to increasing the unemployment rate by 1.0% (from 4.5% to 5.5%)

Note: Scottish unemployment rate based on 4.5% recorded for September 2020 (which excludes employees on furlough)

**"Airbnb nights" means the total number of nights spent by guests staying at listings booked on Airbnb*



Impact of Reduced Airbnb Listings: Edinburgh

Reduction in Airbnb nights could have differential impact across Scotland, reflecting the differences in relative importance to each local economy

For example, in **Edinburgh**:

- A 10% reduction in Airbnb nights, could
 - reduce GVA by £28.4 million
 - support 1,403 fewer jobs
 - be equivalent to increasing the unemployment rate by 0.5% (from 2.7% to 3.2%)
- A 50% reduction in Airbnb nights, could
 - reduce GVA by £142.1 million
 - support 7,031 fewer jobs
 - be equivalent to increasing the unemployment rate by 2.6% (from 2.7% to 5.3%)
- A 75% reduction in Airbnb nights, could
 - reduce GVA by £213.2 million
 - support 10,520 fewer jobs
 - be equivalent to increasing the unemployment rate by 3.9% (from 2.7% to 6.6%)

Note: Edinburgh unemployment rate based on 2.7% average in year to June 2020 (which excludes employees on furlough and does not take account of economic impact of Covid)



Impact of Reduced Airbnb Listings: Highland

Reduction in Airbnb nights could have differential impact across Scotland, reflecting the differences in relative importance to each local economy

For example, in **Highland**:

- A 10% reduction in Airbnb nights, could
 - reduce GVA by £13.0 million
 - support 645 fewer jobs
 - be equivalent to increasing the unemployment rate by 0.5% (from 2.2% to 2.7%)
- A 50% reduction in Airbnb nights, could
 - reduce GVA by £65.0 million
 - support 3,227 fewer jobs
 - be equivalent to increasing the unemployment rate by 2.7% (from 2.2% to 4.9%)
- A 75% reduction in Airbnb nights, could
 - reduce GVA by £97.5 million
 - support 4,840 fewer jobs
 - be equivalent to increasing the unemployment rate by 4.0% (from 2.2% to 6.2%)

Note: Highland unemployment rate based on 2.2% average in year to June 2020 (which excludes employees on furlough and does not take account of economic impact of Covid)



Context

Sustainable Tourism in Scotland





Scotland's Outlook 2030 (Tourism Strategy)

Following on from the Tourism Scotland 2020 strategy, a collaborative network of industry experts created Scotland's Outlook 2030, which is focused on creating a world-leading tourism sector in Scotland that is sustainable in the long-term. The strategy is focused on four key priorities: people, places, businesses and experiences.

There are six conditions that the strategy has highlighted as being crucial for success:

- using technological advancements and information to understand changes and trends in tourist behaviours;
- ensuring policies are in place that support the vision;
- enabling investment opportunities into Scotland's tourism market;
- improving transport and digital infrastructure;
- greater collaboration between businesses in the industry; and
- positioning Scotland as a great place to live and visit locally and globally.

A main commitment of the strategy is to address the effects of energy demand associated with tourism and make the sector commit fully to Scotland's ambition of becoming a net-zero society by 2045.



Sustainable Tourism

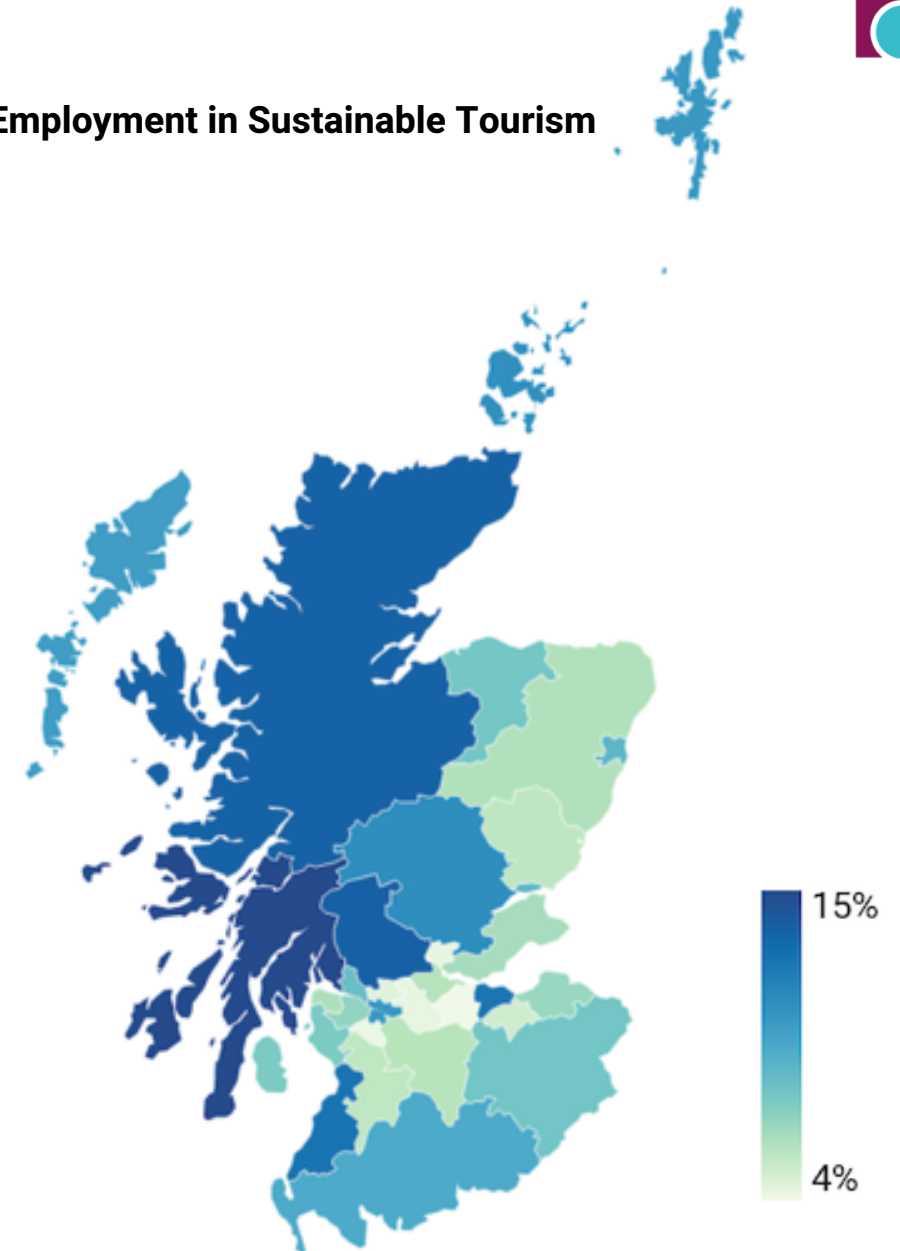
Employment Distribution

In Scotland, **8% of total employment is in sustainable tourism.**

Sustainable tourism varies in its local economic importance across local authorities in Scotland. Proportion of total employment in the area in sustainable tourism:

- Highest:
 - Argyll and Bute 15%
 - Highland 14%
- Lowest
 - West Lothian 4%

Proportion of Employment in Sustainable Tourism



Source: BiGGAR Economics Analysis
Created with Datawrapper



Impact of Covid-19

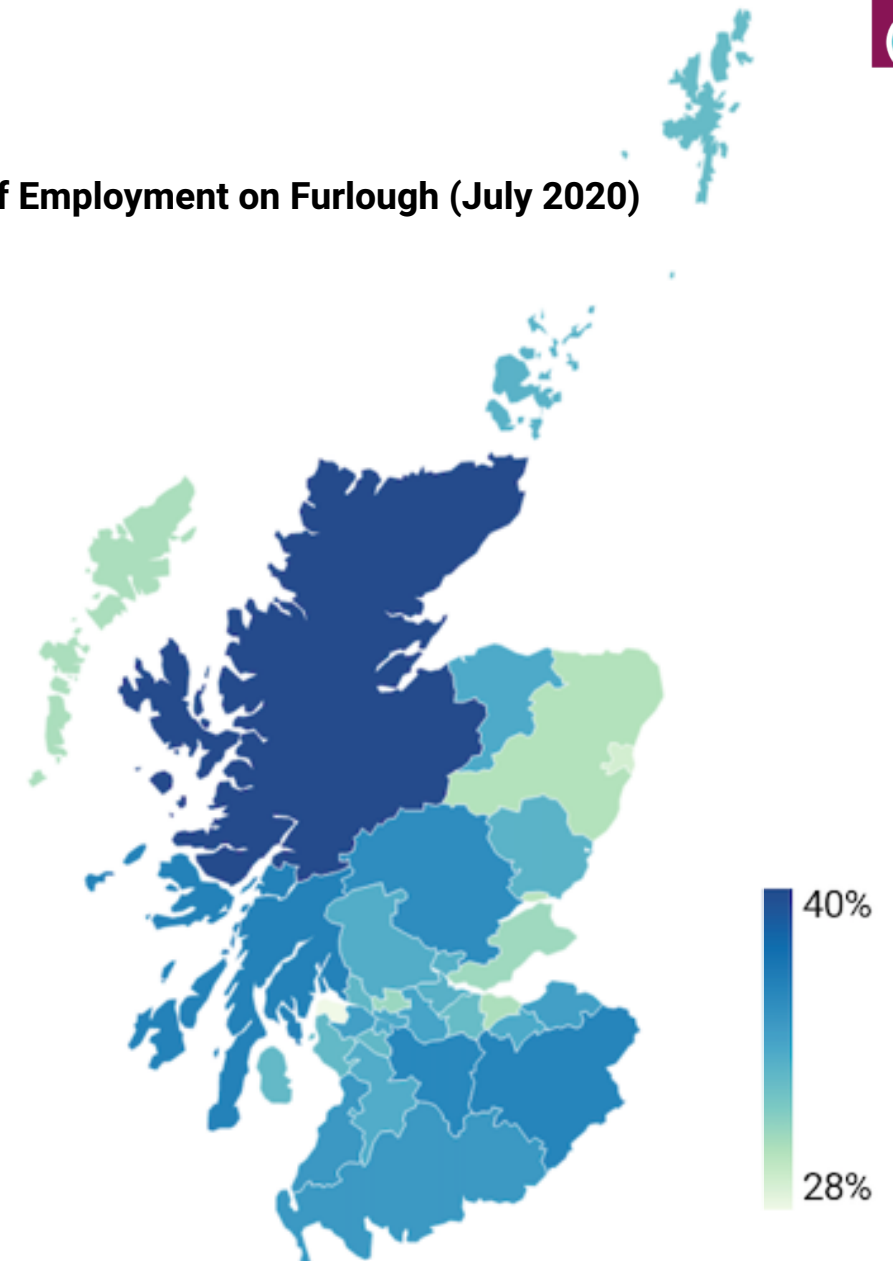
Furlough Distribution

In Scotland, 33% of all those in employment were on furlough in July 2020.

Those areas with high dependence on tourism had the highest proportions on furlough:

- Highest:
 - Highland 40%
 - Argyll and Bute 37%
- Lowest
 - Inverclyde 28%

Proportion of Employment on Furlough (July 2020)



Source: COVID-19 Furlough Statistics
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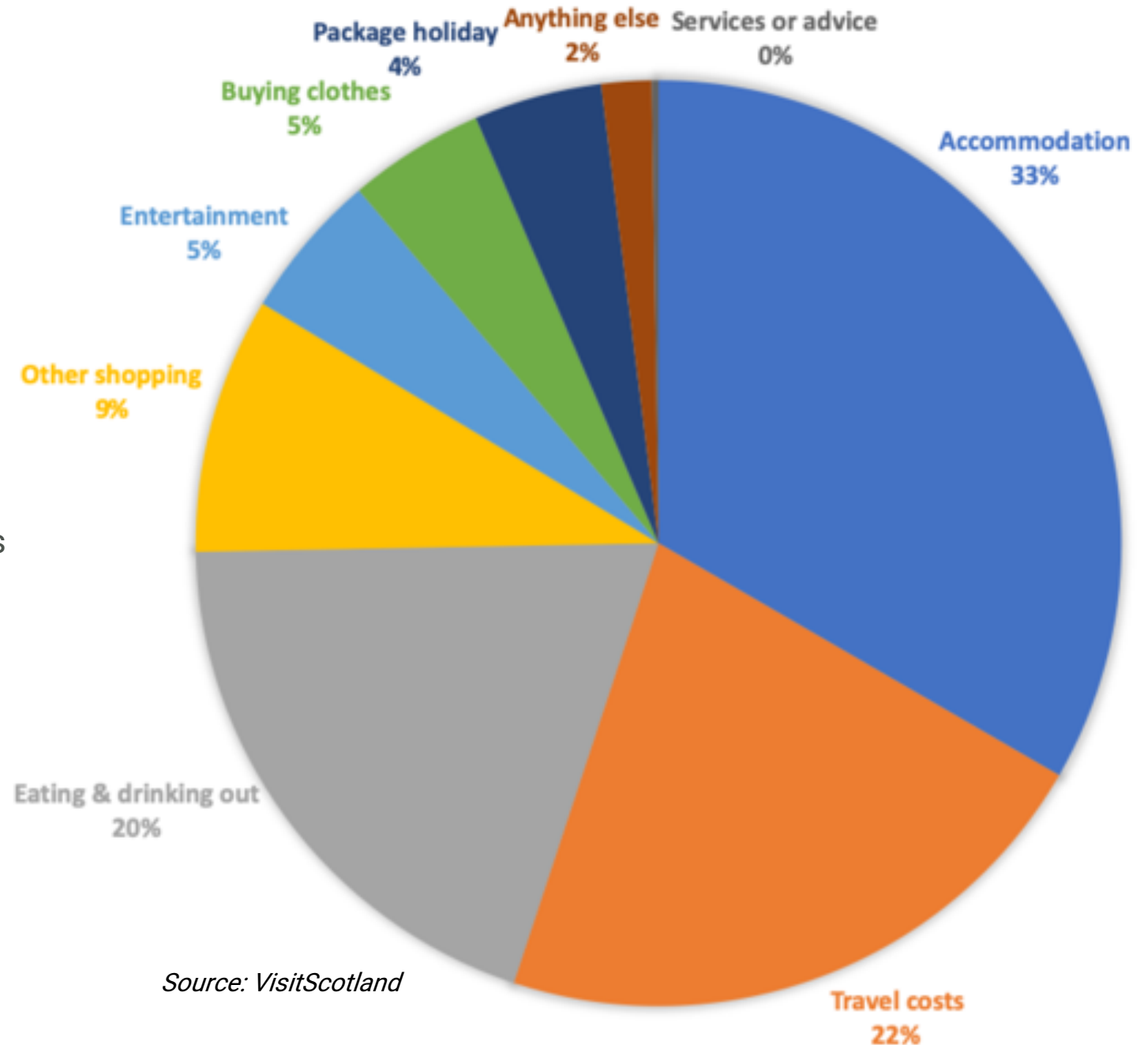


Visitor Spending Distribution

Visitor Spending Distribution for Scotland (average 2011-2018)

On average, two-thirds of visitor spending is on goods and services other than accommodation.

So, for every £1 spend in accommodation, visitors spend £2 in other parts of the tourism economy



Source: VisitScotland



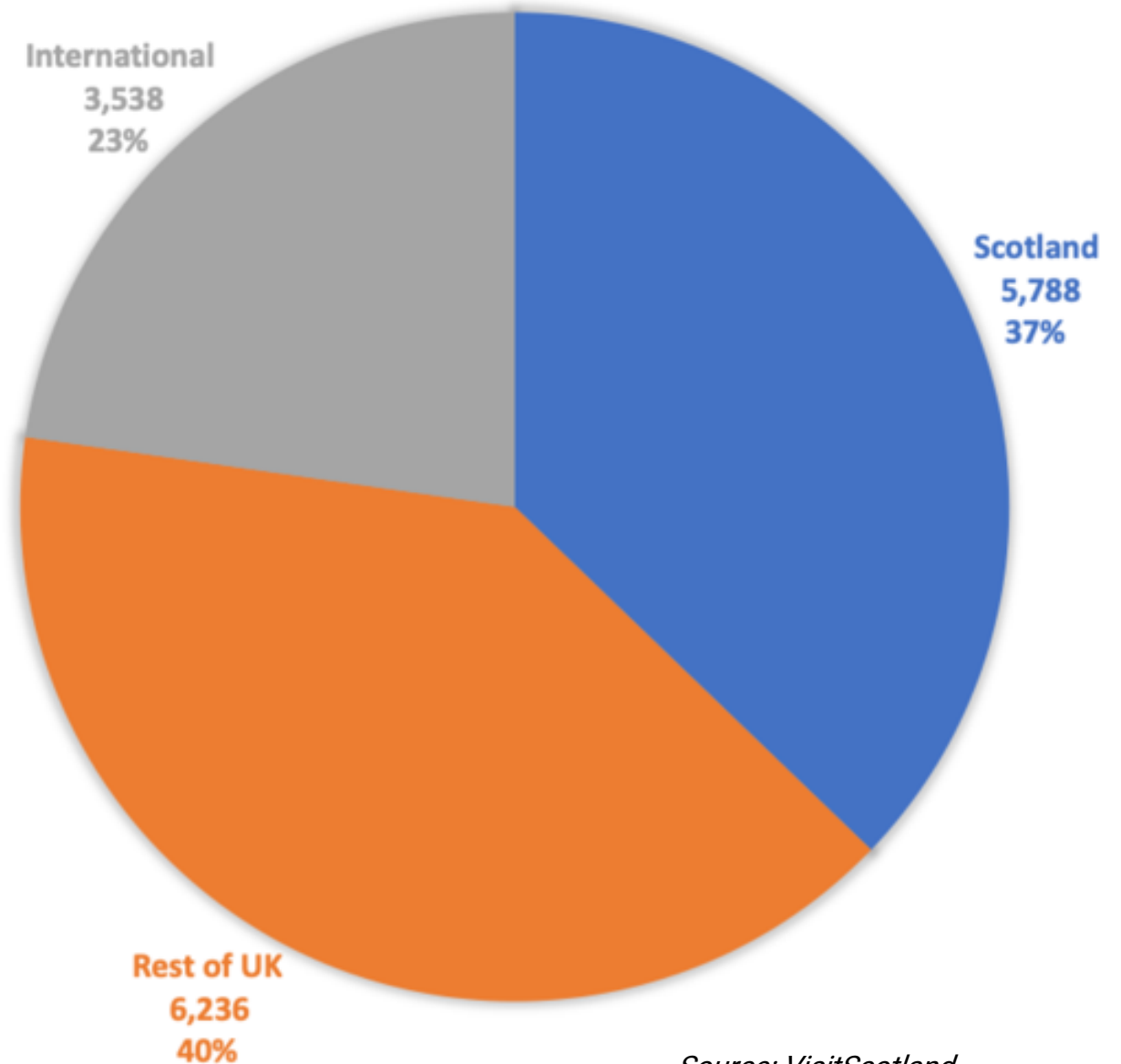
Visits

Origin of Visitors (Visits)

The total number of **overnight visits** to Scotland (by all visitors staying in all types of accommodation) in 2018 was **15.6 million**, with the overnight visits coming from:

- International: 3.5 million
- Rest of UK: 6.2 million
- Scotland: 5.8 million

Distribution of Overnight Visits to Scotland (000s)



Source: VisitScotland



Nights

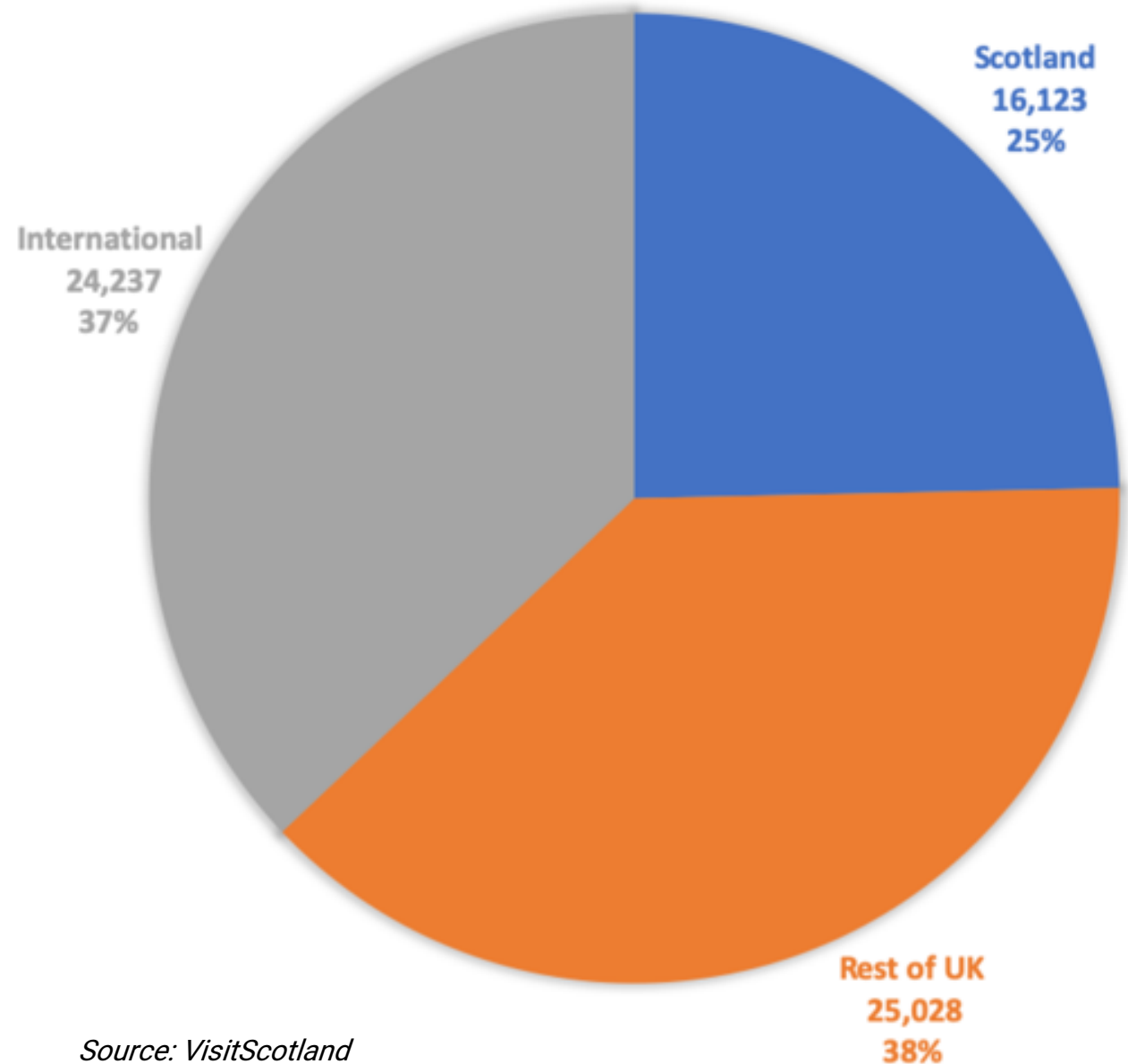
Origin of Visitors (Nights)

The total number of **nights spent in Scotland** (by all visitors staying in all types of accommodation) in 2018 was **65.4 million**, with the nights coming from:

- International: 24.2 million
- Rest of UK: 25.0 million
- Scotland: 16.1 million

Note that international tourists account for a larger proportion of nights than visits because they have a longer average length of stay

Distribution of Nights (000s)



Source: VisitScotland



Visitor Spending

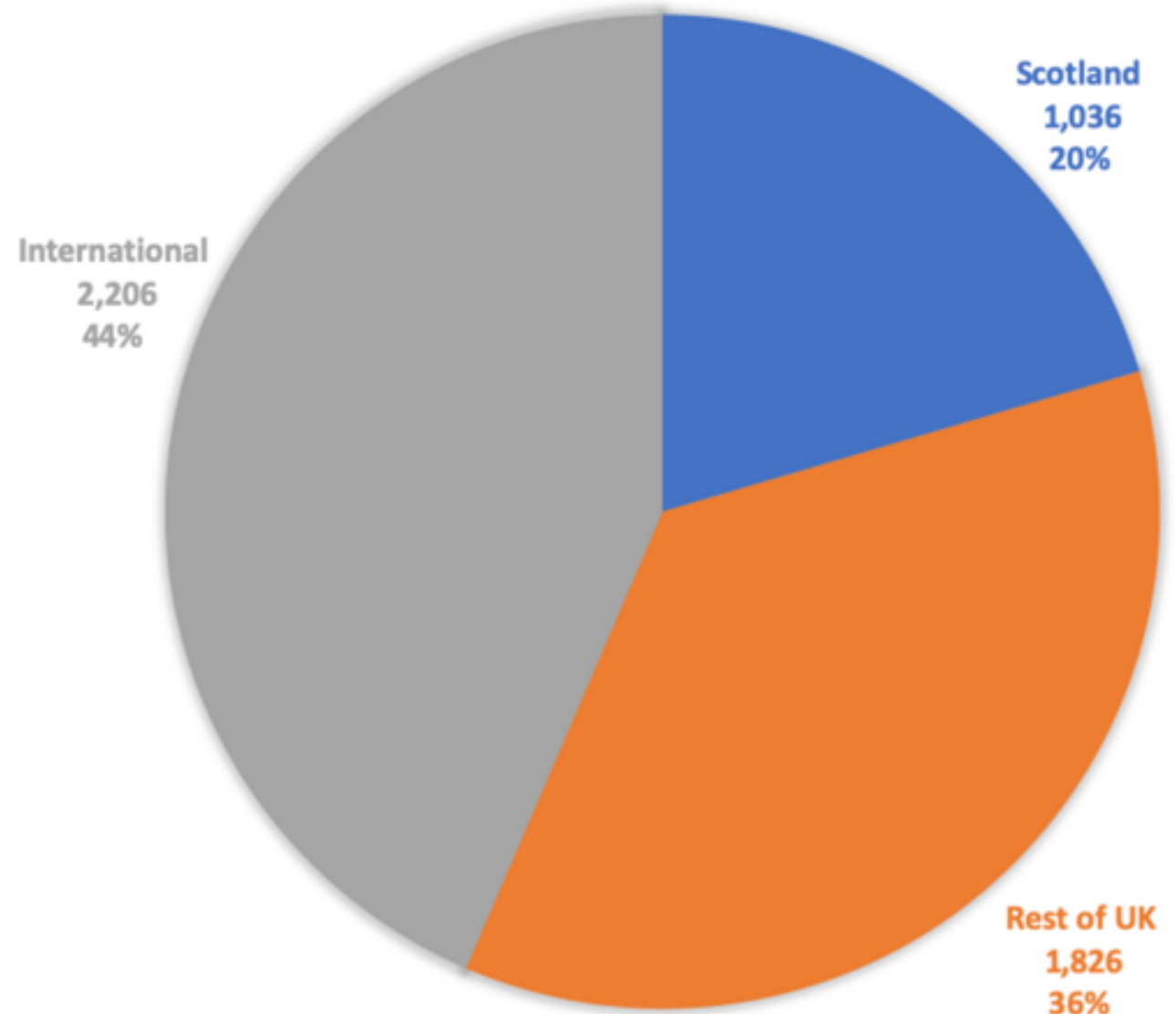
Origin of Visitors (Spend)

The total amount of **tourist spending in Scotland** (by all visitors staying in all types of accommodation) in 2018 was **£5.1 billion**, with the spending coming from:

- International: £2.2 billion
- Rest of UK: £1.8 billion
- Scotland: £1.0 billion

Note that international tourists account for a larger proportion of spending than visits and nights because they have a higher average spend per trip and per night

Distribution of Visitor Spending (£m)



Source: VisitScotland



Impacts

Quantifying the economic impact in Scotland connected to the Airbnb platform, at the national level and at the local authority level





GVA Impact of Spending by Guests

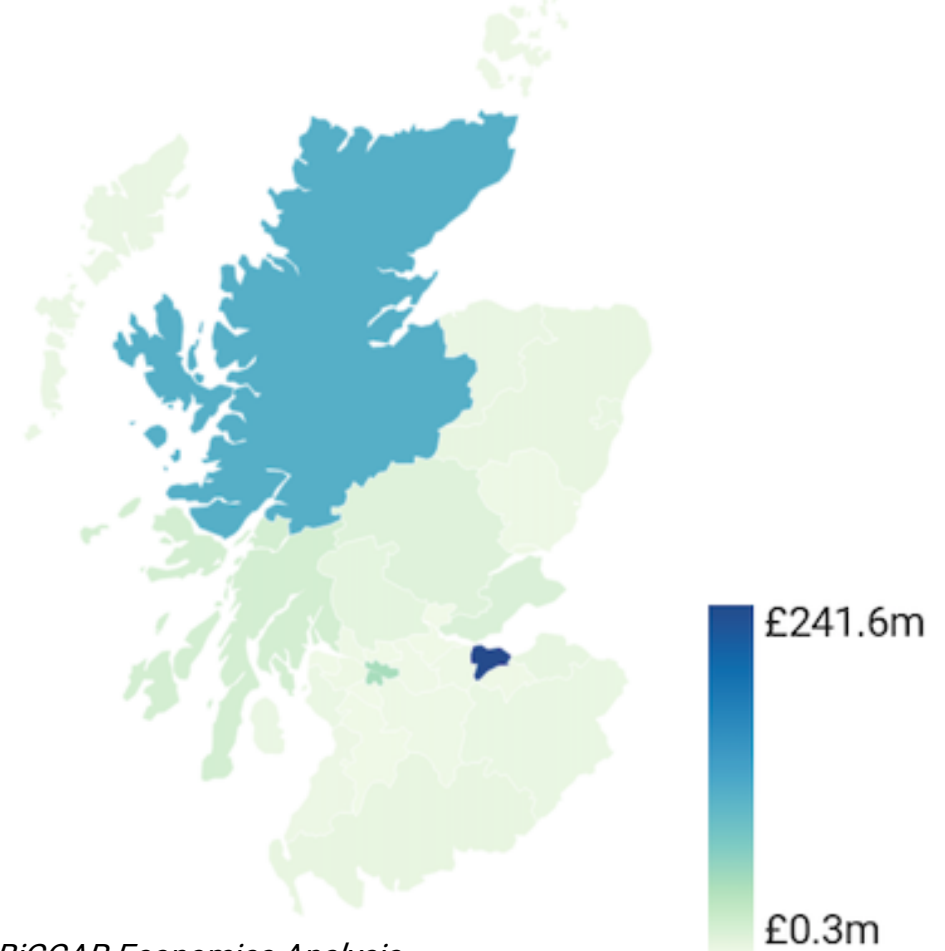
Economic activity supported by tourist spending by guests at listings on Airbnb (excluding spending on accommodation)

In Scotland, spending by guests at listings on Airbnb generates a total of **£579.9 million GVA per annum**.

Large disparities in GVA impact across local authorities in Scotland:

- Highest:
 - City of Edinburgh: £241.6 million per annum
 - Highland: £111.7 million per annum
- Lowest
 - East Renfrewshire: £0.3 million per annum

GVA Impact of spending by guests at listings on Airbnb, in each local authority



Source: BiGGAR Economics Analysis
Created with Datawrapper



GVA Impact of Spending by Guests

Local Authority	GVA Impact (£m)
Aberdeen City	5.9
Aberdeenshire	6.2
Angus	2.1
Argyll and Bute	20.0
City of Edinburgh	241.6
Clackmannanshire	0.7
Dumfries and Galloway	6.2
Dundee City	2.6
East Ayrshire	0.9
East Dunbartonshire	0.9
East Lothian	6.7



GVA Impact of Spending by Guests

Local Authority	GVA Impact (£m)
East Renfrewshire	0.3
Falkirk	0.8
Fife	14.7
Glasgow City	49.7
Highland	111.7
Inverclyde	0.8
Midlothian	1.9
Moray	5.1
Na h-Eileanan Siar	5.1
North Ayrshire	4.3
North Lanarkshire	1.6



GVA Impact of Spending by Guests

Local Authority	GVA Impact (£m)
Orkney Islands	3.2
Perth and Kinross	12.0
Renfrewshire	2.6
Scottish Borders	5.0
Shetlands Islands	2.4
South Ayrshire	3.2
South Lanarkshire	2.1
Stirling	8.4
West Dunbartonshire	2.3
West Lothian	2.5
Scotland	579.9



Jobs Impact of Spending by Guests

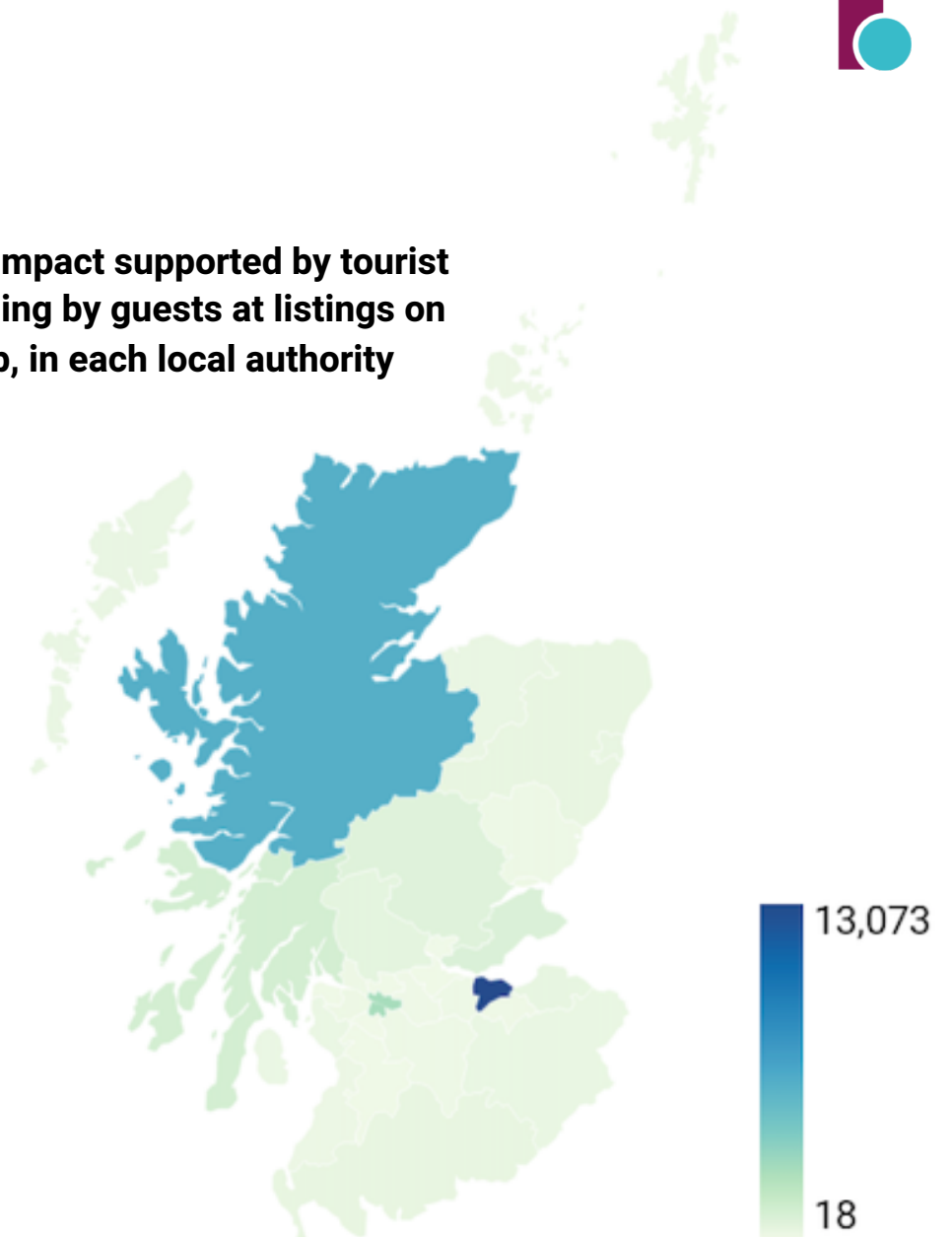
Jobs supported supported by tourist spending by guests at listings on Airbnb (excluding spending on accommodation)

In Scotland, spending by guests supports a total of **31,381 jobs**.

Large disparities in jobs supported across local authorities in Scotland:

- Highest:
 - City of Edinburgh: 13,073 jobs
 - Highland: 6,046 jobs
- Lowest
 - East Renfrewshire: 18 jobs

Jobs Impact supported by tourist spending by guests at listings on Airbnb, in each local authority



Source: BiGGAR Economics Analysis
Created with Datawrapper



Jobs Supported by Spending by Guests

Local Authority	Jobs Supported
Aberdeen City	319
Aberdeenshire	337
Angus	114
Argyll and Bute	1,083
City of Edinburgh	13,073
Clackmannanshire	37
Dumfries and Galloway	335
Dundee City	141
East Ayrshire	48
East Dunbartonshire	47
East Lothian	360



Jobs Supported by Spending by Guests

Local Authority	Jobs Supported
East Renfrewshire	18
Falkirk	45
Fife	796
Glasgow City	2,691
Highland	6,046
Inverclyde	42
Midlothian	100
Moray	279
Na h-Eileanan Siar	275
North Ayrshire	230
North Lanarkshire	88



Jobs Supported by Spending by Guests

Local Authority	Jobs Supported
Orkney Islands	171
Perth and Kinross	651
Renfrewshire	143
Scottish Borders	269
Shetlands Islands	131
South Ayrshire	173
South Lanarkshire	113
Stirling	453
West Dunbartonshire	125
West Lothian	133
Scotland	31,381



GVA Impact of Spending by Hosts on Airbnb

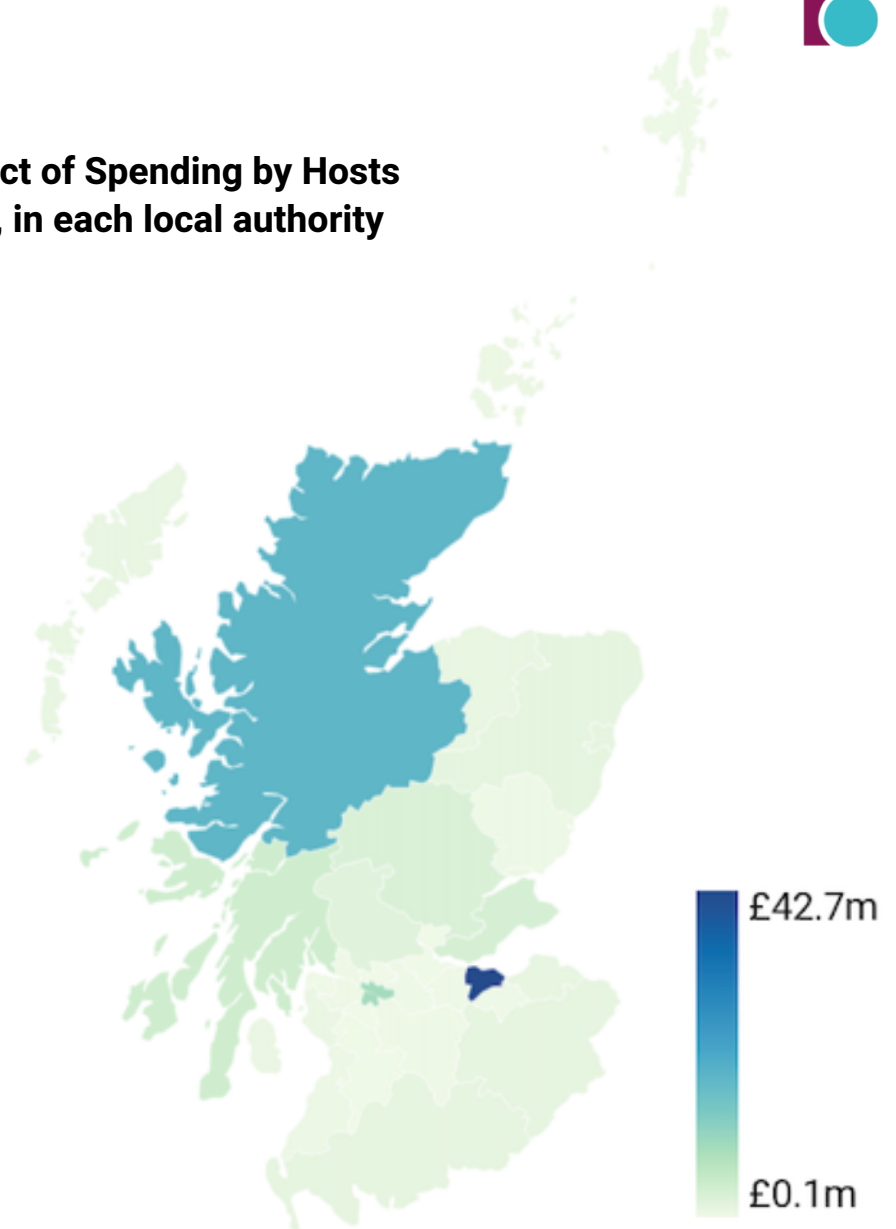
Economic activity supported by hosts on Airbnb spending a proportion of their income earned

In Scotland, spending by hosts on Airbnb generates a total of **£97.0 million GVA per annum**.

Large disparities in GVA impact across local authorities in Scotland:

- Highest:
 - City of Edinburgh: £42.7 million per annum
 - Highland: £18.2 million per annum
- Lowest
 - East Renfrewshire: £0.1 million per annum

GVA Impact of Spending by Hosts on Airbnb, in each local authority



Source: BiGGAR Economics Analysis
Created with Datawrapper



GVA Impact of Spending by Hosts

Local Authority	GVA Impact (£m)
Aberdeen City	1.3
Aberdeenshire	1.5
Angus	0.4
Argyll and Bute	4.1
City of Edinburgh	42.7
Clackmannanshire	0.2
Dumfries and Galloway	1.3
Dundee City	0.5
East Ayrshire	0.2
East Dunbartonshire	0.1
East Lothian	1.2



GVA Impact of Spending by Hosts

Local Authority	GVA Impact (£m)
East Renfrewshire	0.1
Falkirk	0.2
Fife	3.2
Glasgow City	9.1
Highland	18.2
Inverclyde	0.2
Midlothian	0.3
Moray	1.1
Na h-Eileanan Siar	1.1
North Ayrshire	0.8
North Lanarkshire	0.3



GVA Impact of Spending by Hosts

Local Authority	GVA Impact (£m)
Orkney Islands	0.6
Perth and Kinross	2.8
Renfrewshire	0.3
Scottish Borders	1.3
Shetlands Islands	0.4
South Ayrshire	0.6
South Lanarkshire	0.4
Stirling	2.1
West Dunbartonshire	0.3
West Lothian	0.3
Scotland	97.0



Jobs Impact of Spending by Hosts on Airbnb

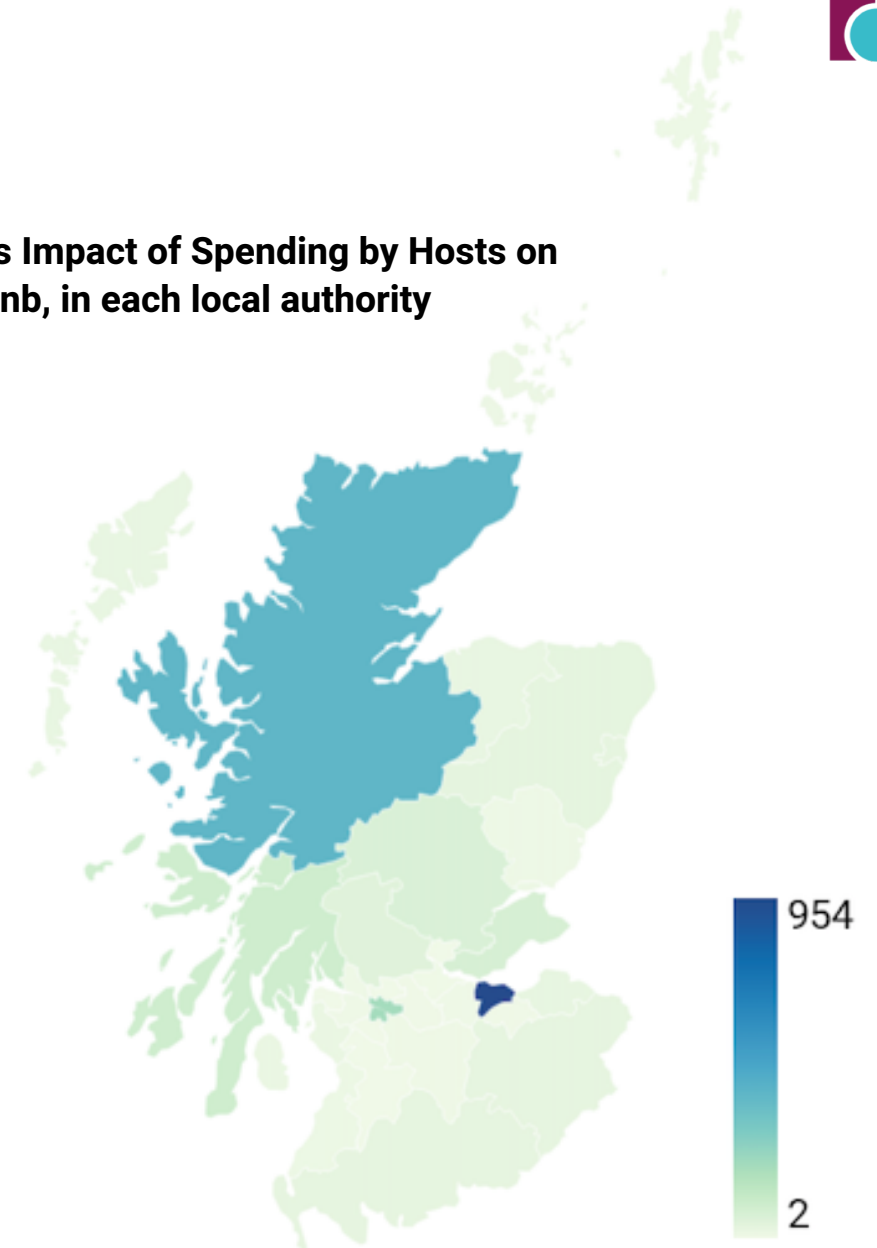
Jobs supported by hosts on Airbnb spending a proportion of their income earned

In Scotland, spending by hosts on Airbnb supports a total of **2,168 jobs**.

Large disparities in jobs supported across local authorities in Scotland:

- Highest:
 - City of Edinburgh: 954 jobs
 - Highland: 407 jobs
- Lowest
 - East Renfrewshire: 2 jobs

Jobs Impact of Spending by Hosts on Airbnb, in each local authority



Source: BiGGAR Economics Analysis
Created with Datawrapper



Jobs Supported by Spending by Hosts

Local Authority	Jobs Supported
Aberdeen City	29
Aberdeenshire	33
Angus	10
Argyll and Bute	92
City of Edinburgh	954
Clackmannanshire	3
Dumfries and Galloway	29
Dundee City	12
East Ayrshire	3
East Dunbartonshire	3
East Lothian	27



Jobs Supported by Spending by Hosts

Local Authority	Jobs Supported
East Renfrewshire	2
Falkirk	4
Fife	72
Glasgow City	203
Highland	407
Inverclyde	3
Midlothian	6
Moray	24
Na h-Eileanan Siar	24
North Ayrshire	18
North Lanarkshire	6



Jobs Supported by Spending by Hosts

Local Authority	Jobs Supported
Orkney Islands	14
Perth and Kinross	62
Renfrewshire	7
Scottish Borders	30
Shetlands Islands	10
South Ayrshire	13
South Lanarkshire	8
Stirling	46
West Dunbartonshire	7
West Lothian	7
Scotland	2,168



Total GVA Impact Connected with Airbnb Platform

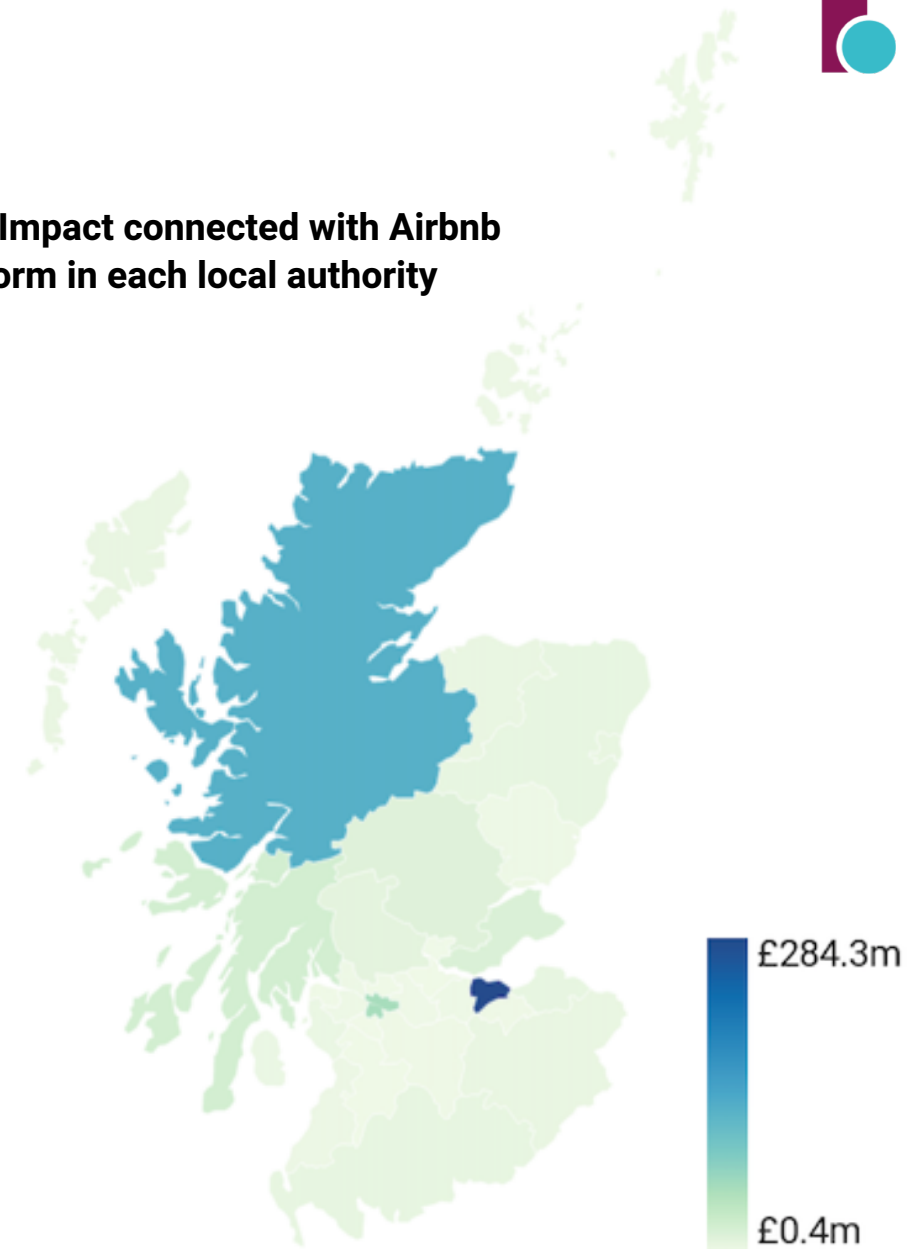
GVA impact is the economic activity connected to the Airbnb platform, from spending by both hosts and guests in local communities

In Scotland, economic activity connected to the Airbnb platform generate a total of **£676.9 million GVA per annum**.

Large disparities in GVA impact across local authorities in Scotland:

- Highest:
 - City of Edinburgh: £284.3 million per annum
 - Highland: £129.9 million per annum
- Lowest
 - East Renfrewshire: £0.4 million per annum

GVA Impact connected with Airbnb platform in each local authority



Source: BiGGAR Economics Analysis
Created with Datawrapper



Total GVA Impact of Spending by Guests and Hosts

Local Authority	GVA Impact (£m)
Aberdeen City	7.2
Aberdeenshire	7.7
Angus	2.5
Argyll and Bute	24.1
City of Edinburgh	284.3
Clackmannanshire	0.8
Dumfries and Galloway	7.5
Dundee City	3.2
East Ayrshire	1.0
East Dunbartonshire	1.0
East Lothian	7.9



Total GVA Impact of Spending by Guests and Hosts

Local Authority	GVA Impact (£m)
East Renfrewshire	0.4
Falkirk	1.0
Fife	17.9
Glasgow City	58.8
Highland	129.9
Inverclyde	0.9
Midlothian	2.1
Moray	6.2
Na h-Eileanan Siar	6.2
North Ayrshire	5.1
North Lanarkshire	1.9



Total GVA Impact of Spending by Guests and Hosts

Local Authority	GVA Impact (£m)
Orkney Islands	3.8
Perth and Kinross	14.8
Renfrewshire	3.0
Scottish Borders	6.3
Shetlands Islands	2.9
South Ayrshire	3.8
South Lanarkshire	2.4
Stirling	10.4
West Dunbartonshire	2.6
West Lothian	2.8
Scotland	676.9



Total Jobs Impact Connected with Airbnb Platform

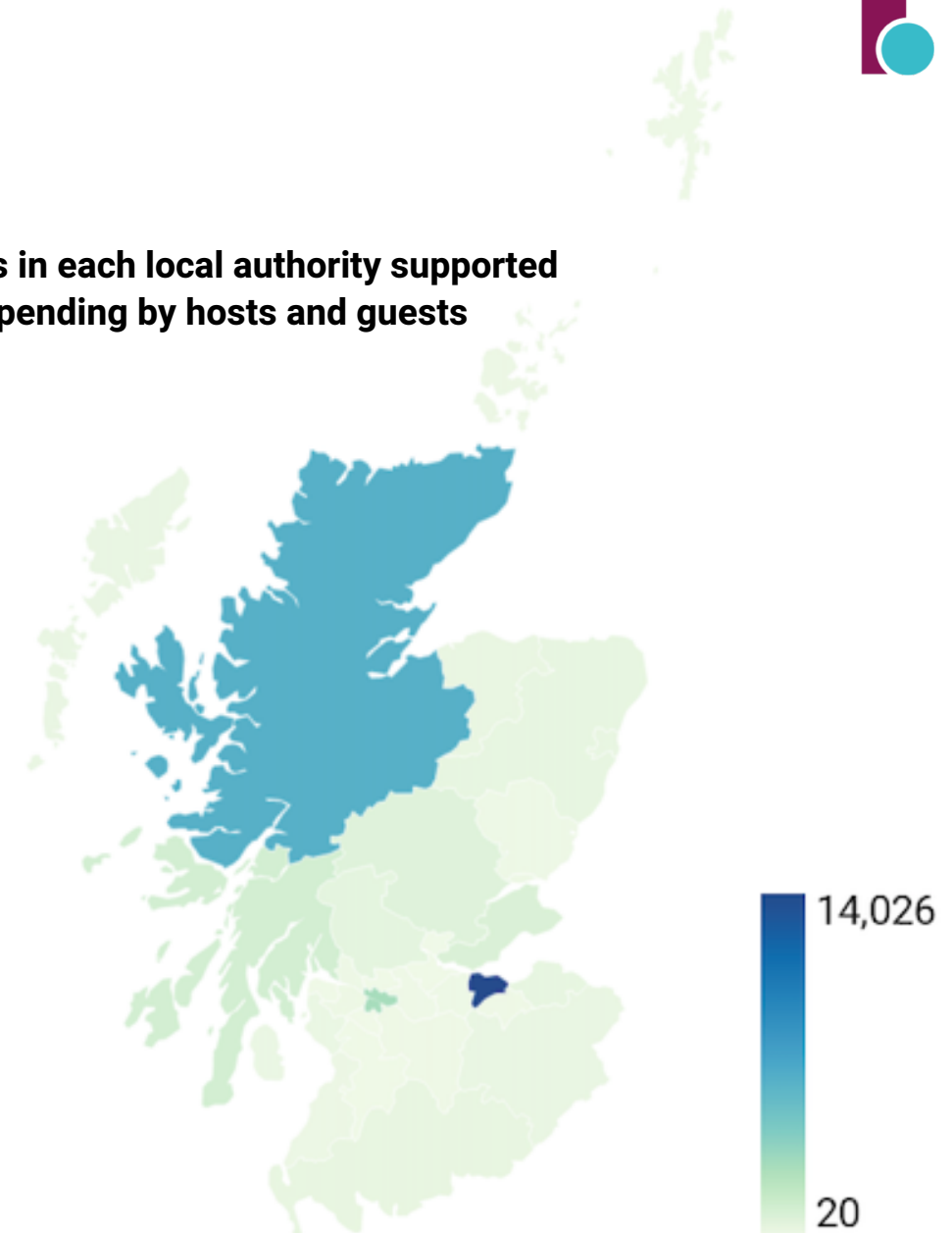
Jobs are supported by spending by both hosts and guests in local communities

In Scotland, spending activity connected to the Airbnb platform supports a total of **33,549 jobs**.

Large disparities in jobs supported across local authorities in Scotland:

- Highest:
 - City of Edinburgh: 14,026 jobs
 - Highland: 6,453 jobs
- Lowest
 - East Renfrewshire: 20 jobs

Jobs in each local authority supported by spending by hosts and guests



Source: BiGGAR Economics Analysis
Created with Datawrapper



Total Jobs Impact of Spending by Guests and Hosts

Local Authority	Jobs Supported
Aberdeen City	348
Aberdeenshire	370
Angus	123
Argyll and Bute	1,175
City of Edinburgh	14,026
Clackmannanshire	41
Dumfries and Galloway	364
Dundee City	154
East Ayrshire	51
East Dunbartonshire	50
East Lothian	387



Total Jobs Impact of Spending by Guests and Hosts

Local Authority	Jobs Supported
East Renfrewshire	20
Falkirk	49
Fife	868
Glasgow City	2,894
Highland	6,453
Inverclyde	46
Midlothian	106
Moray	303
Na h-Eileanan Siar	300
North Ayrshire	248
North Lanarkshire	94



Total Jobs Impact of Spending by Guests and Hosts

Local Authority	Jobs Supported
Orkney Islands	185
Perth and Kinross	712
Renfrewshire	150
Scottish Borders	299
Shetlands Islands	141
South Ayrshire	186
South Lanarkshire	121
Stirling	499
West Dunbartonshire	132
West Lothian	140
Scotland	33,549



Impacts of Fewer Listings

Quantifying the changes to economic impact that could be associated with reductions in listings on Airbnb and fewer visitors to Scotland





Reduction in Airbnb nights of 10%

Reduction in Airbnb nights could have differential impact across Scotland, reflecting the differences in relative importance to each local economy.

In Scotland, a reduction in Airbnb nights of 10% could lead to a reduction in **GVA of £67.7 million per annum and 3,355 jobs**. The impact on the unemployment rate could be **+0.1%**.

Large disparities in loss across local authorities in Scotland:

- Highest:
 - City of Edinburgh: GVA of £28.4 million per annum and 1,403 jobs (unemployment rate +0.5%)
 - Highland: GVA of £13.0 million per annum and 645 jobs (unemployment rate +0.5%)
- Lowest
 - East Renfrewshire: GVA of <£0.0 million per annum and 2 jobs (unemployment rate unchanged)



Reduction in Airbnb nights of 10%

Local Authority	GVA Impact (£m)	Jobs Supported	Unemployment Rate Impact
Aberdeen City	0.7	35	+0.0%
Aberdeenshire	0.8	37	+0.0%
Angus	0.3	12	+0.0%
Argyll and Bute	2.4	118	+0.3%
City of Edinburgh	28.4	1,403	+0.5%
Clackmannanshire	0.1	4	+0.0%
Dumfries and Galloway	0.7	36	+0.1%
Dundee City	0.3	15	+0.0%
East Ayrshire	0.1	5	+0.0%
East Dunbartonshire	0.1	5	+0.0%
East Lothian	0.8	39	+0.1%



Reduction in Airbnb nights of 10%

Local Authority	GVA Impact (£m)	Jobs Supported	Unemployment Rate Impact
East Renfrewshire	0.0	2	+0.0%
Falkirk	0.1	5	+0.0%
Fife	1.8	87	+0.1%
Glasgow City	5.9	289	+0.1%
Highland	13.0	645	+0.5%
Inverclyde	0.1	5	+0.0%
Midlothian	0.2	11	+0.0%
Moray	0.6	30	+0.1%
Na h-Eileanan Siar	0.6	30	+0.2%
North Ayrshire	0.5	25	+0.0%
North Lanarkshire	0.2	9	+0.0%



Reduction in Airbnb nights of 10%

Local Authority	GVA Impact (£m)	Jobs Supported	Unemployment Rate Impact
Orkney Islands	0.4	18	+0.2%
Perth and Kinross	1.5	71	+0.1%
Renfrewshire	0.3	15	+0.0%
Scottish Borders	0.6	30	+0.1%
Shetlands Islands	0.3	14	+0.1%
South Ayrshire	0.4	19	+0.0%
South Lanarkshire	0.2	12	+0.0%
Stirling	1.0	50	+0.1%
West Dunbartonshire	0.3	13	+0.0%
West Lothian	0.3	14	+0.0%
Scotland	67.7	3,355	+0.1%



Reduction in Airbnb nights of 50%

Reduction in Airbnb nights could have differential impact across Scotland, reflecting the differences in relative importance to each local economy.

In Scotland, a reduction in Airbnb nights of 50% could lead to a reduction in **GVA of £338.5 million per annum and 16,775 jobs**. The impact on the unemployment rate could be **+0.6%**.

Large disparities in loss across local authorities in Scotland:

- Highest:
 - City of Edinburgh: GVA of £142.1 million per annum and 7,013 jobs (unemployment rate +2.6%)
 - Highland: GVA of £65.0 million per annum and 3,227 jobs (unemployment rate +2.7%)
- Lowest
 - East Renfrewshire: GVA of £0.2 million per annum and 10 jobs (unemployment rate unchanged)



Reduction in Airbnb nights of 50%

Local Authority	GVA Impact (£m)	Jobs Supported	Unemployment Rate Impact
Aberdeen City	3.6	174	+0.1%
Aberdeenshire	3.9	185	+0.1%
Angus	1.3	62	+0.1%
Argyll and Bute	12.1	588	+1.5%
City of Edinburgh	142.1	7,013	+2.6%
Clackmannanshire	0.4	20	+0.1%
Dumfries and Galloway	3.7	182	+0.3%
Dundee City	1.6	77	+0.1%
East Ayrshire	0.5	26	+0.0%
East Dunbartonshire	0.5	25	+0.0%
East Lothian	3.9	193	+0.4%



Reduction in Airbnb nights of 50%

Local Authority	GVA Impact (£m)	Jobs Supported	Unemployment Rate Impact
East Renfrewshire	0.2	10	+0.0%
Falkirk	0.5	24	+0.0%
Fife	9.0	434	+0.3%
Glasgow City	29.4	1,447	+0.5%
Highland	65.0	3,227	+2.7%
Inverclyde	0.5	23	+0.1%
Midlothian	1.1	53	+0.1%
Moray	3.1	151	+0.3%
Na h-Eileanan Siar	3.1	150	+1.1%
North Ayrshire	2.5	124	+0.2%
North Lanarkshire	1.0	47	+0.0%



Reduction in Airbnb nights of 50%

Local Authority	GVA Impact (£m)	Jobs Supported	Unemployment Rate Impact
Orkney Islands	1.9	92	+0.8%
Perth and Kinross	7.4	356	+0.5%
Renfrewshire	1.5	75	+0.1%
Scottish Borders	3.1	149	+0.3%
Shetlands Islands	1.4	70	+0.7%
South Ayrshire	1.9	93	+0.2%
South Lanarkshire	1.2	61	+0.0%
Stirling	5.2	250	+0.6%
West Dunbartonshire	1.3	66	+0.2%
West Lothian	1.4	70	+0.1%
Scotland	338.5	16,775	+0.6%



Reduction in Airbnb nights of 75%

Reduction in Airbnb nights could have differential impact across Scotland, reflecting the differences in relative importance to each local economy.

In Scotland, a reduction in Airbnb nights of 75% could lead to a reduction in **GVA of £507.7 million per annum and 25,162 jobs**. The impact on the unemployment rate could be **+1.0%**.

Large disparities in loss across local authorities in Scotland:

- Highest:
 - City of Edinburgh: GVA of £213.2 million per annum and 10,520 jobs (unemployment rate +3.9%)
 - Highland: GVA of £97.5 million per annum and 4,840 jobs (unemployment rate +4.0%)
- Lowest
 - East Renfrewshire: GVA of £0.3 million per annum and 15 jobs (unemployment rate unchanged)



Reduction in Airbnb nights of 75%

Local Authority	GVA Impact (£m)	Jobs Supported	Unemployment Rate Impact
Aberdeen City	5.4	261	+0.2%
Aberdeenshire	5.8	278	+0.2%
Angus	1.9	93	+0.2%
Argyll and Bute	18.1	881	+2.2%
City of Edinburgh	213.2	10,520	+3.9%
Clackmannanshire	0.6	31	+0.1%
Dumfries and Galloway	5.6	273	+0.4%
Dundee City	2.4	115	+0.2%
East Ayrshire	0.8	38	+0.1%
East Dunbartonshire	0.7	37	+0.1%
East Lothian	5.9	290	+0.6%



Reduction in Airbnb nights of 75%

Local Authority	GVA Impact (£m)	Jobs Supported	Unemployment Rate Impact
East Renfrewshire	0.3	15	+0.0%
Falkirk	0.8	37	+0.0%
Fife	13.5	651	+0.4%
Glasgow City	44.1	2,170	+0.7%
Highland	97.5	4,840	+4.0%
Inverclyde	0.7	34	+0.1%
Midlothian	1.6	80	+0.2%
Moray	4.7	227	+0.5%
Na h-Eileanan Siar	4.6	225	+1.7%
North Ayrshire	3.8	186	+0.3%
North Lanarkshire	1.4	71	+0.0%



Reduction in Airbnb nights of 75%

Local Authority	GVA Impact (£m)	Jobs Supported	Unemployment Rate Impact
Orkney Islands	2.8	139	+1.2%
Perth and Kinross	11.1	534	+0.7%
Renfrewshire	2.2	113	+0.1%
Scottish Borders	4.7	224	+0.4%
Shetlands Islands	2.1	106	+1.0%
South Ayrshire	2.8	140	+0.3%
South Lanarkshire	1.8	91	+0.1%
Stirling	7.8	375	+0.9%
West Dunbartonshire	2.0	99	+0.2%
West Lothian	2.1	105	+0.1%
Scotland	507.7	25,162	+1.0%



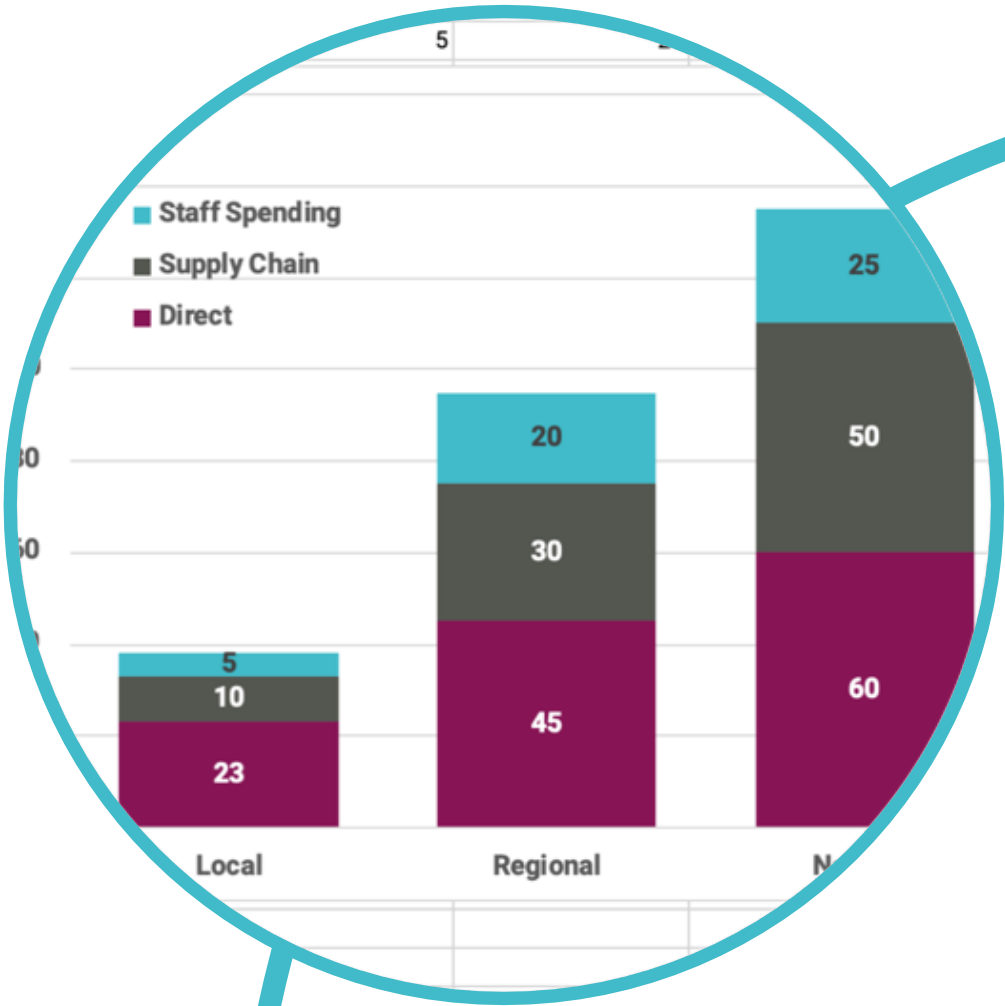
Impact of Reduction in Airbnb nights Scotland

Nights Reduction	GVA Impact (£m)	Jobs Supported	Unemployment Rate Impact
10%	67.7	3,355	+0.1%
20%	135.4	6,710	+0.3%
30%	203.1	10,065	+0.4%
40%	270.8	13,420	+0.5%
50%	338.5	16,775	+0.6%
60%	406.2	20,130	+0.8%
70%	473.9	23,485	+0.9%
80%	541.6	26,840	+1.0%
90%	609.2	30,194	+1.2%
100%	676.9	33,549	+1.3%



Methodology

Approach to the analysis and sources of data





Approach

Scope of study

This economic impact assessment considers and quantifies three aspects of Airbnb in Scotland:

- The direct GVA impact and jobs generated at the national level, and the local authority level;
- The disparities in the magnitude of the economic impact across local authorities; and
- The ramifications of various scenarios for changes in the numbers of properties available for visitors.

The latest available data used in the economic analysis was sourced from Airbnb, and publicly available tourism and economic statistics:

- Scottish Government Growth Sector Statistics
- VisitScotland tourism statistics
- Office of National Statistics
- COVID-19 furlough statistics



Tourism Sector Definition

Sustainable Tourism has been identified as a growth sector by the Scottish Government, a sector in which Scotland can build on existing comparative advantage and increase productivity and growth.

Scotland's tourism sector is a diverse industry, with a range of subsectors that are defined by the Standard Industrialisation Classification (SIC) 2007 codes:

SIC 55.1: Hotels and similar accommodation

SIC 55.2: Holiday and other short-stay accommodation

SIC 55.3: Camping grounds, recreational vehicle parks and trailer parks

SIC 56.1: Restaurants and mobile food service activities

SIC 56.3: Beverage serving activities

SIC 79.12: Tour operator activities

SIC 79.9: Other reservation service and related activities

SIC 91.02: Museum activities

SIC 91.03: Operation of historical sites and buildings and similar visitor attractions

SIC 91.04: Botanical and zoological gardens and nature reserve activities

SIC 93.11: Operation of sports facilities

SIC 93.199: Other sports activities (not including activities of racehorse owners) nec

SIC 93.21 Activities of amusement parks and theme parks

SIC 93.29: Other amusement and recreation activities



Units of Measurement and Definitions

In this analysis of the economic impacts of Airbnb in Scotland, the following measures of economic performance have been used:

- Gross Value Added (GVA), a measure of the value that an organisation, company or industry adds to the economy through its operations. In practice, it is generally estimated as the income of an organisation minus its non-staff costs.
- GVA per employee, the ratio of GVA to the number of employees working in an industry, is a commonly used measure of sectoral productivity.
- Tourist spending, which is Turnover for businesses receiving that spending, expressed in (£ millions) for each local authority in the sustainable tourism sector.
- Employment, which is expressed in full-time equivalent jobs (FTE) for each local authority in the sustainable tourism sector.
- Turnover per employee, the ratio of turnover to the number of employees working in an industry, is a commonly used measure of the turnover that supports one job in the industry.
- Turnover to GVA, the ratio of turnover to GVA.
- GVA and Employment multipliers: which captures the wider impacts from a direct economic impact, including:
 - Indirect (supplier) multipliers capture the benefits associated with suppliers of bought in goods and services
 - Induced (income) multipliers capture the benefits from employees spending wages.



Key Assumptions and Approach

In this analysis of the economic impacts of Airbnb in Scotland, the following key assumptions have been used:

- Turnover to employment ratio of £31,582.20 for the tourism sector (excluding accommodation), calculated from the Scottish Governments Growth Sector Statistics;
- Tourist spending per person per night of £100 average for Scotland (excluding accommodation), with a variation between local authorities. This was based on a survey sent to a sample of Airbnb guests with 12,000 responses, with the variation between local authorities calculated from visitor spending statistics from VisitScotland.

In this analysis of the economic impacts of Airbnb in Scotland, the following approach has been used:

- Spending by Guests staying at listings booked on Airbnb
 - Tourist spending per annum in each local authority was multiplied by the turnover to employment ratio to find jobs supported by this spending;
 - Multipliers for GVA and employment were then applied to take account for the supplier and income effects;
- Spending by Hosts on Airbnb
 - The host income in each local authority was then multiplied by the turnover to employment ratio for household spending to find jobs supported by this income;
 - Multipliers were then applied to find the supplier and income effects;
 - The total GVA and employment impacts were then calculated by summing the guest impacts and host impacts.

Scottish & Local Tourism Economic Impact Assessment

October 2020





BiGGAR Economics

BiGGAR Economics is a leading economic consultancy, based in Scotland, with two decades of experience providing economic research and policy advice to governments and companies throughout Europe

- Economic impact assessments of many of Scotland's leading tourist attractions, including
 - Edinburgh Castle
 - Glencoe
 - Bannockburn
- Widely quoted study on the relationship between wind farm development and tourism in Scotland and at the local level
- Economic impact study of Edinburgh Airport
- Socio-economic studies of range of cultural venues, including Edinburgh's cultural venues
- Economic and wellbeing impact studies of outdoor recreation assets





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