

# **Short-term let Control Area for Edinburgh**

## **Statement of Reasons**

**City of Edinburgh Council**

**February 2022**

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## **Introduction**

- 1.1 This statement and accompanying map are provided in accordance with regulation 8 (2) of the Town and Country Planning (Short-term Let Control Areas) (Scotland) Regulations 2021 (“the 2021 STL Regulations”) and the Town and Country Planning (Short-term Let Control Areas) (Scotland) Amendment Regulations 2022. It is supported by a Background Report which provides the evidence base for the reasons stated below and a Report of Consultation.

## **Background**

- 2.1 Section 26B of The Town and Country Planning (Scotland) Act 1997 (“the 1997 Act”) gives powers to planning authorities to designate all or parts of its area as a Short-term Let Control Area. Within a short-term let control area, the use of a dwellinghouse for the purpose of providing short-term lets is deemed to involve a material change of use requiring planning permission.
- 2.2 Section 26B (3) of the 1997 Act excludes:
- private residential tenancies under section 1 of the Private Housing (Tenancies) Scotland Act 2016; and
  - tenancies of a dwellinghouse or part of it where all or part of the dwellinghouse is the only principal home of the landlord or occupier
- 2.3 In terms of Regulation 2 of the 2021 STL Regulations a short-term let is provided where all of the following criteria are met:
- a) sleeping accommodation is provided to one or more persons for one or more nights for commercial consideration,
  - b) no person to whom sleeping accommodation is provided is an immediate family member of the person by whom the accommodation is being provided,
  - c) the accommodation is not provided for the principal purpose of facilitating the provision of work or services to the person by whom the accommodation is being provided or to another member of that person’s household,

d) the accommodation is not provided by an employer to an employee in terms of a contract of employment or for the better performance of the employee's duties, and

e) the accommodation is not excluded accommodation set out in paragraph 1 of the Schedule to the 2021 STL Regulations:

- (i) a hotel;
- (ii) a boarding house;
- (iii) a guest house;
- (iv) a hostel;
- (v) residential accommodation where care is provided to people in need;
- (vi) a hospital or nursing home;
- (vii) a residential school, college or training centre;
- (viii) secure residential accommodation;
- (ix) a refuge;
- (x) student accommodation;
- (xi) an aparthotel.

2.4 The 2021 STL Regulations sets out the process for designation and Scottish Government Circular 1/2021 sets out guidance on the implementation of the legislation.

### **Short-term Let Control Area for Edinburgh**

3.1 The entire administrative area of the City of Edinburgh Council ("the Council") is proposed as a STL control area to meet the following objectives:

- to manage the number and location of short-term lettings operating in dwellings to help address availability of residential housing and impacts on the character of neighbourhoods; and
- to prevent short-term lets in places and buildings where it is not appropriate; and
- to ensure that homes are used to best effect.

- 3.2 The proposed designation responds to longstanding concern about the number and impact of short-term letting in Edinburgh. Issues and concerns have been raised at the Council's Planning Committee and various other Committees over the past few years.
- 3.3 Another relevant consideration is whether there have been reasoned requests from community councils, residents' associations and other local groups. Planning authorities should have regard to such representation.
- 3.4 A draft proposal to designate the entire Council area as a Short-term Let Area of Control was considered by the Council's Planning Committee on 11 August 2021 and approved for consultation. The supporting Background Report indicates multiple impacts of short-term letting across the area. This identified:
- Significant number of STLs
  - Issues for residents/communities
  - Impacts on housing supply
  - Impacts on neighbours and individual buildings
- 3.5 Consultation was carried out in accordance with regulation 4 of the 2021 STL Regulations. The Consultation remained open for a period of 9 weeks and the following information was made available free of charge on the Council's website and City Chambers:
- Statement of reasons
  - Map of proposed area of designation
- 3.6 The draft proposal received national media attention. Over 3,000 responses were received. A report of consultation is provided at Appendix 1.
- 3.7 Responses received, indicate strong support for designation. The majority of all respondents (88%) supported the principle of the designation of a STL control area and for the entire area to be included (85%). 51 organisations responded, including 18 community organisations, 7 of which were community councils. All community groups were in favour of the designation and for the entire area to be included. As set out in Circular 1/2021 this is a relevant consideration.

## Reasons for designation

### **4.1 To help manage high concentrations of secondary letting which affects the availability of residential housing and the character of neighbourhoods**

- Edinburgh has a high number of short-term lets. Prior to 2019 there was a steady increase each year in the number of STLs listed on Airbnb. At March 2019 there were 8,739 entire property STLs listed on Airbnb. The Covid-19 pandemic has had an impact on the number of STLs that have been advertised on the Airbnb platform since March 2020 however the number of STLs remain high and at October 2021 there were 4,077 entire property STLs listed on Airbnb. It is not known what the longer term impact of this will be for the number of STLs in Edinburgh however indications are that while there may have been a shift of short-term lets to residential private-lets during lock-down, that the high demand for UK staycations means that pressure for STLs may continue. A study commissioned by CEC in 2020 considered evidence on housing need and demand in the context of the Covid-19 pandemic. This found that the impact of Covid-19 has seen a current surge in the housing market through pent-up demand and that there are indications of some of this demand leaving the city centre urban core, and even moving out of Edinburgh altogether to seek more affordable space. There was some evidence of an immediate shift of short-term lets to residential private-lets during lock-down, but consultation suggests that the high demand for UK staycations means that demand for City Centre STLs has been broadly maintained.
- In many areas the concentration of STLs compared with dwellings is high. Prior to the Covid-19 pandemic around 11% of dwellings in Edinburgh, and 18% of dwellings in the city centre ward were listed as STLs.
- It is not only concentration which causes issues. The loss of housing to short term-let use results in a city wide problem of reduced housing availability and issues of affordability. It is difficult to track how much housing has been transferred to short-term letting. In 2018 the Council commissioned Rettie & Co to conduct research (Analysis of the Impact of the Edinburgh Short Term Rental Market – 16 July 2018) which assessed the impact that the short-term let sector was having on rents within Edinburgh's traditional private rented sector and the availability of residential property in the city. It estimated that there had been a loss of around 10% of private rented homes to short-term lets in recent years. The

rapid growth in short term lets has had an impact on both supply and rent levels. Between 2014 and 2017 the city saw 2,700 more properties per year listed as available on Airbnb, while private rented sector stock fell 560 per annum.

- STLs impact on affordability of property for residential rent. Research indicated a displacement of demand, with rents rising significantly above average (between 20-27% over the period 2014-17) in areas bordering a high concentration of short term lets. Private rents had increased by more than 30% over the previous five years. Research indicates rising rents occurred in those areas bordering a high concentration of Airbnb, suggesting a displacement of demand. In those areas bordering the city centre, rents increased around 20-27% over the period 2014-2017.
- There is concern from residents of the city about the impact of STLs on communities and neighbourhoods. Research carried out on behalf of the Scottish Government - Research into the impact of short-term lets on communities across Scotland, 2019 assessed the impact of short-term lets in Scotland, with a focus on communities, particularly on neighbourhoods and housing. Negative congestion effects from STLs were identified in Edinburgh. They were also seen to be changing the nature of the communities in terms of 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.
- Responses to the consultation on the draft proposal for designation identified many negative impacts on individuals and communities from the presence of short-term lets. This included reduction in availability of residential accommodation; loss of resident population leading to fragmentation of communities; disruption to well-being and isolation caused by lack of resident neighbours to provide a support network; and impact on surrounding area.
- Key safe boxes are commonly used to provide access to STL visitors. The presence of multiple key boxes on some buildings in Edinburgh can create an impression that an area is for visitors rather than residents. The key safe boxes can be unsightly and detrimental to the many conservation areas, listed buildings and the World Heritage status of Edinburgh.

#### **4.2 To restrict short-term lets in places or types of building where it is not appropriate**

- Short-term let properties can have significant adverse impacts on quality of life and well-being of neighbouring residents. There is noise and disruption, often at anti-social hours as short-term let occupiers come and go from properties and from their occupation of them. This problem is particularly acute in Edinburgh's traditional tenements, but also other types of high density properties with shared space and common stairs/closes. A single short-term let property in a tenement stair can have a disruptive effect.
- The transfer of noise into neighbouring properties is an issue, especially in tenement flats but can also lead to complaints from residents in detached or semi-detached accommodation. Through data collected from the Council's complaints system, it is clear that short-term lets can cause difficulties in nearly every type of property.
- It is appropriate to create a STL control area across the city requiring planning permission for STLs to ensure that they are only allowed in appropriate locations and circumstances.

#### **4.3 To help ensure that homes are used to best effect.**

- The level of need and demand for housing in Edinburgh is high. The latest Housing Need and Demand Assessment (HNDA2) states that there is demand for at least 38,000 to 46,000 additional homes in Edinburgh over ten years, over 60% of these need to be affordable. The increased number of short-term lets reduces the supply of available homes.
- Properties being utilised for STLs are generally in accessible areas and supported by services. There is a need to ensure that such locations can be maximised for their potential to provide residential properties to meet the needs of Edinburgh. Existing housing units are best placed and designed to provide for residential use and most suited to meeting the needs of residents.
- Purpose built visitor accommodation in the form of hotels, hostels, apart hotels, guest houses and bed and breakfasts is readily available throughout the city. Along with student halls, which provide visitor accommodation at key times of the year, this accommodation is better suited to meeting the vast majority of tourism needs in Edinburgh while balancing its impacts on neighbourhoods.



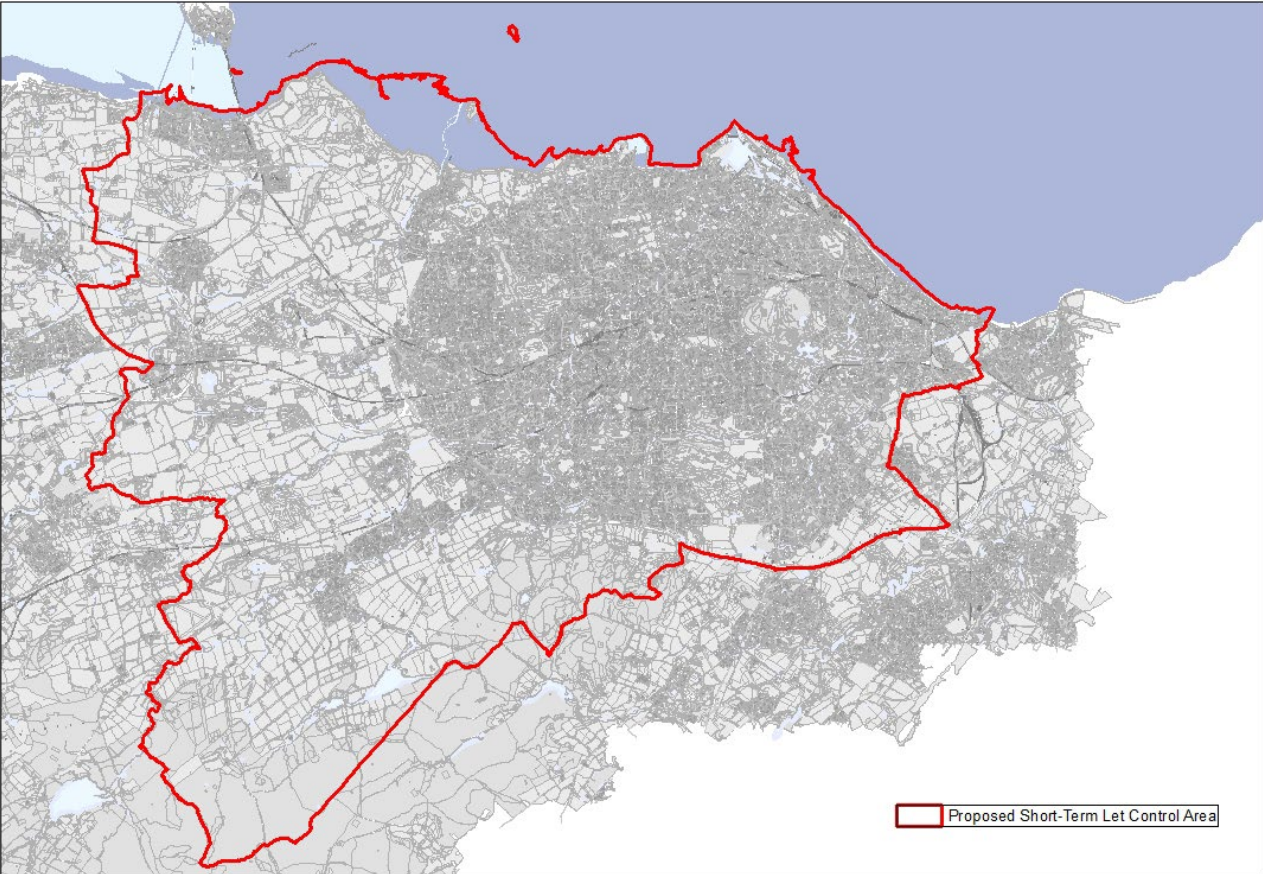
**4.4 It is proposed that the designation covers the entire Council Area for the following reasons:**

- Housing need is city wide and the Council area operates as a single housing market.
- Concerns of Edinburgh residents on STLs are city wide.
- Dwellings are being used short-term lets throughout the council area. There is a concentration within the City Centre and Leith wards, however two thirds of the total number of STLs are distributed across the rest of the Council area, with STLs being evident in all Council wards.
- Designating part or parts of the area could result in pushing STLs and their impacts into areas around control areas.
- Designating all of the council area allows planning control over all changes of use to STLs across the Council's geographic area.

A City wide Control Area would:

- provide clarity on the need for planning permission for the change of use of an entire dwelling house to an STL within Edinburgh.
- allow consideration of STLs against planning policies and other material considerations.
- allow the opportunity for the public to comment through the planning application process on STLs across the city.

**Area of designation**



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