

Short-term let control area for Edinburgh

Statement of Reasons

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Background

[Section 17 of the Planning \(Scotland\) Act 2019](#) introduced powers for local authorities to define short-term let control areas.

The purpose of control areas is to:

- help manage high concentrations of secondary letting (where it affects the availability of residential housing or the character of a neighbourhood);
- restrict or prevent short-term lets (“STL”) in places or types of building where it is not appropriate; and
- help local authorities ensure that homes are used to best effect in their areas.

[Statutory Regulations](#) implemented on 1 April 2021 set out the process for designation and [Scottish Government Circular 1/2021](#) set out policy on the implementation of the legislation.

[Choices for City Plan 2030](#) consultation set out the intention to consult on a short-term let control area. Responses received generally expressed support for a consultation.

A Short-term Let Control Area for Edinburgh

The Council wishes to designate a Short-term Let Control Area in Edinburgh. The Council proposes that the entire administrative area of the City of Edinburgh Council be a short-term let control area.

Within a short term let control area, use of a dwellinghouse for the purpose of providing short-term lets is deemed to be a material change of use requiring planning permission.

The properties that will be affected by this are those defined by Section 26B of the Town and Country Planning (Scotland) Act 1997 and Regulation 2 of the Town and Country Planning (Short-term Let Control Areas) (Scotland) Regulations 2021. 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

Section 26B (3) 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

If the proposed Short-term Let Control Area is adopted, then from adoption proprietors wishing to use their properties in Edinburgh for short-term lets, as defined above, **will require to apply for planning permission**, unless their property has been in use for short-term lets for more than 10 years as set out under section 124 of the Town and Country Planning (Scotland) Act 1997.

Following designation regulations allow for the Council to modify or cancel the designation subject to a process of notification and consultation and approval of Scottish Ministers.

Determining Planning applications for short-term lets within a Control Area

When an application is made, the Council will then decide whether or not to grant planning permission. In doing so, the Council will make its decision in accordance the Development Plan unless material considerations indicate otherwise. This means that the Council will be considering each application against policies that are live at the time of the decision.

The current [Edinburgh Local Development Plan](#), 2016 contains policy which controls change of use which would have a materially detrimental effect on the living conditions of nearby residents.

Further guidance is provided in [Guidance for Businesses](#). Proposals will be assessed in terms of their likely impact on neighbouring residential properties. Factors which will be considered include background noise in the area and proximity to nearby residents the Council will not normally grant planning permission in respect of flatted properties where the potential adverse impact on residential amenity is greatest. Change of use in flatted properties will generally only be acceptable where there is a private access from the street.

The designation of a short-term let control area, therefore does not mean a blanket ban on such uses: each case will have to be assessed on its own merits. The planning application process involves notification of neighbours and provides an opportunity for public comments.

A new LDP is being prepared. [Choices for City Plan 2030](#) set out a preferred option to include within that plan a loss of housing policy presuming against the loss of housing to other uses, including STLs. The current [Development Plan Scheme](#) for City Plan 2030 anticipates a Proposed Plan in Autumn 2021 and subject to examination, an adopted plan in 2023. Once

adopted applications for planning permission will be assessed against City Plan 2030 and the policies contained therein.

Licensing scheme

Earlier in 2021 the Scottish Government consulted on licensing legislation proposals to establish a licensing scheme for STLs, but the legislation was not passed prior to the end of the Parliamentary term in April 2021. In summer 2021, the Scottish Government conducted a further consultation on the establishment of a licensing scheme for STLs to address safety standards and anti-social behaviour. If the current proposed licensing legislation is passed, all short-term lets in Scotland irrespective of type will need to be licensed by 1 April 2024. In terms of the current proposed licensing scheme, within a control area it will be a mandatory condition of licensing to have made a planning application or to have planning permission already when providing accommodation that requires planning permission.

Short-term letting in Edinburgh and the need for control

There are a significant number of short-term lets in Edinburgh. In the period 2016-2019 there was a substantial rise in the number of both entire properties and rooms registered with Airbnb. In 2019, 31% of all Airbnb listings in Scotland were in the city of Edinburgh. The next greatest proportion was 19% in Highland followed by 7% in Glasgow City. This illustrates the magnitude of STLs in Edinburgh in comparison to other areas of Scotland.

Short-term lets can provide additional accommodation during important times of the year however there are many associated impacts which have been identified nationally and locally, including the supply and affordability of housing and disruption to local communities and to neighbours. Short-term lets also generate a significant amount of planning enforcement workload.

A planning authority may designate all of its area, or any part of its area, as a control area. In order to designate a control area, the planning authority is required to prepare a statement of reasons for their proposal and submit this to Scottish Ministers for approval.

The Council proposes that the entire administrative area of the City of Edinburgh Council be a short-term let control area.

PROPOSED STATEMENT OF REASONS

The designation of a Short-term Control Area requires to be supported by a Statement of Reasons. The following section sets out the proposed Statement of Reasons. It is supported by a Background Report which sets out the evidence base for the reasons stated below.

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

- Edinburgh has the highest number of dwellings being used as short-term let properties of any local authority in Scotland. Indications are that demand will continue for short-term lets.
- In many areas the concentration of STLs compared with dwellings is high, however the issues caused by short-term letting of dwellings is a significant issue across all parts of the Council area.
- 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.
- Increased numbers of short-term lets reduce the supply of available homes for longer term lets. 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.

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

- Edinburgh has a high number of tenement properties. Regular use of any tenement flat as a short term let is inconsistent with tenement living and generates a high number of complaints to the Council.
- Short-term let properties 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 from 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.
- A control area does not mean a blanket ban on short-term letting. It allows planning control over all changes of use to STLs, so that it is only allowed in appropriate locations and circumstances.

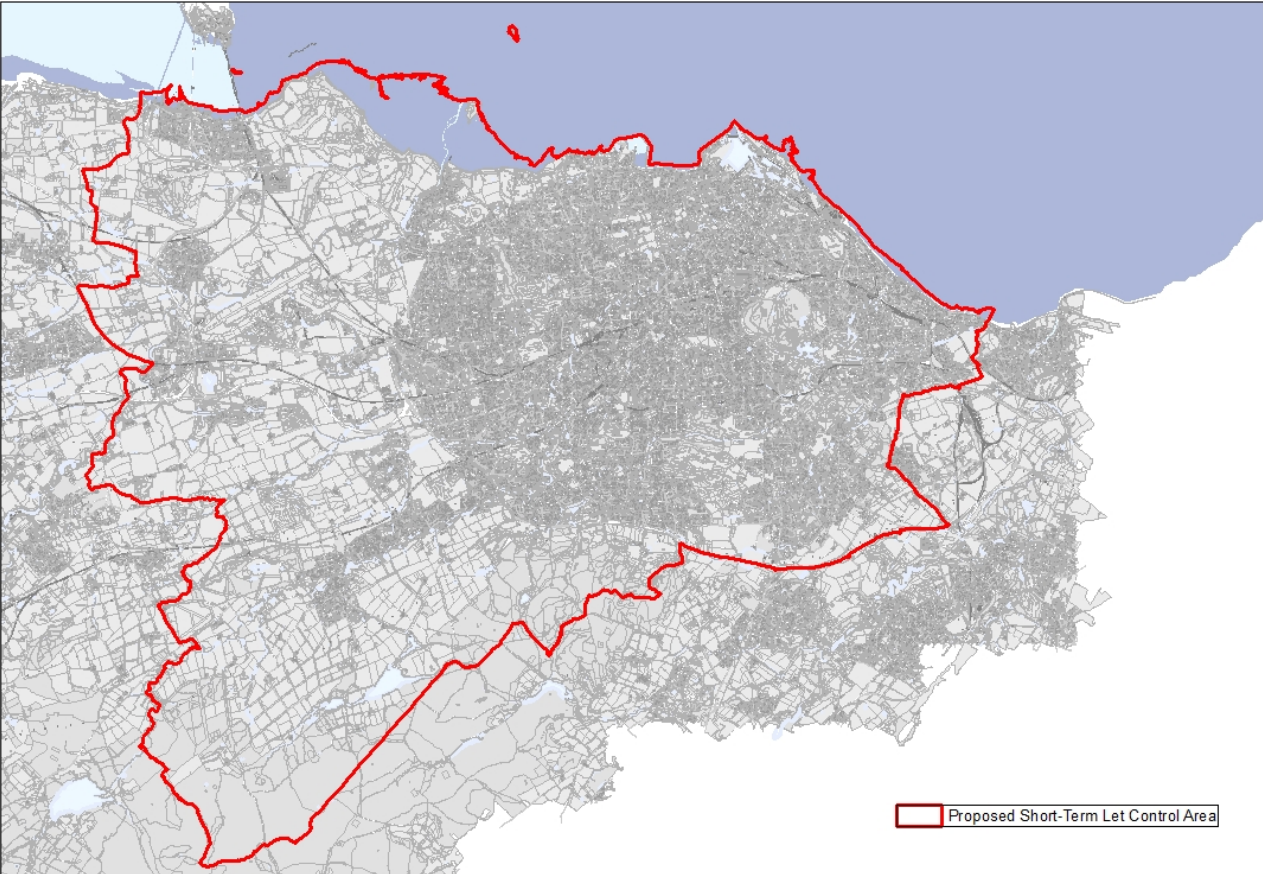
To help ensure that homes are used to best effect.

- The latest Housing Need and Demand Assessment (HNDA2) states that there is demand for at least 38,000 to 46,000 new 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. It is appropriate to control STLs to ensure that they are only allowed in appropriate locations and circumstances.

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

- 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.
- Housing need is city wide. Designating all of the council area allows planning control over all changes of use to STLs across the Council's geographic area.
- Concerns of Edinburgh residents on STLs are city wide.
- It would provide clarity on the need for planning permission.
- It would allow consideration of STLs against planning policies and other material considerations.
- It would allow the opportunity for the public to comment through the planning application process on STLs across the city.
- Designating part or parts of the area could result in pushing STLs and their impacts into areas around control areas.
- Designating all of the area would not be a ban on STLs but would allow consideration of all proposals.

Proposed area of designation



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