

Consultation Title	Short-term lets: consultation
Date	19th July
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Scottish Land & Estates (SLE) is the voice of rural businesses throughout Scotland. We are a membership-based organisation representing a wide range of rural businesses, including farmers, foresters, tourism operators, housing providers, leisure companies, and renewable energy providers.

Our members provide a wide range of economic, environmental and social benefits which are vital to the success and survival of communities throughout rural Scotland. They play a critical role in ensuring sustainable, healthy and empowered rural communities, providing housing, employment and a wide range of economic, environmental and social benefits.

1. Are you aware of any additional data on the impacts of short-term lets (over and above that set out in Annex A – The Short-Term Rental Sector, Housing and Tourism in Scotland) which the Scottish Government should take into account when considering proposals for regulation?

Far More Than Just Houses, ASSC

This report investigated the effect of short-term letting on the supply of housing and found that there is no adverse effect of macro-level housing stock. We feel it is essential that policymakers use robust and quantitative data before drawing any conclusions.

2. Should a regulatory framework distinguish between sharing, swapping and secondary letting?

Yes, a regulatory framework should distinguish between sharing, swapping and secondary letting. To be able to establish and apply this regulatory framework, a clear definition of each accommodation type needs to be set out. This framework should consider the duration of stay, the frequency of the let and the manner of occupation.

3. Should the rules be capable of being different depending on the type of accommodation? For example, to distinguish between tenement flats and detached houses.

We support the principle that local authorities should be able to distinguish between different types of accommodation, such as tenement flats or detached houses. However, this should be limited to areas where there are identifiable problems. Regulations aimed at tackling issues such as antisocial behaviour should focus on those who have rented the property rather than the homeowners. We also feel that antisocial behaviour occurs in different locations rather than specific housing types. Therefore, local authorities must take a practical rather than a blanket approach and consider multiple factors when deciding on regulations. It is vital that fragile rural communities retain their flexibility through appropriate regulation. We also believe the Scottish Government needs to consider how this regulatory framework will interact with the possible regulation to come from the consultation on extending the HMO licensing regime.

4. Do you have any comments on any other aspect of the definition of short-term lets?

We feel it is critical that the Scottish Government consider the definition of short-term lets very carefully. The current breadth of accommodation and housing that could come under the scope of regulations is extensive. We feel it is imperative rural homeowners are not adversely affected by regulations that aim to target problems which affect hotspots such as Edinburgh. It is essential that the differences between short-term lets run in rural areas, those in urban areas, those that are businesses and those run part-time or on an amateur basis are adequately recognised.

5. Do you have any comments on the positive or negative impacts of short-term lets?

We feel that overall short-term lets have a positive impact on Scotland. The let sector provides an enormous boost to the Scottish tourist economy. For example, they provide valuable income to people in rural areas where short-term lets are often the only holiday accommodation option. During 2016 and 2017 the ASSC commissioned Frontline to assess the economic impact of short-term lets on the Scottish economy. This report showed that the holiday let sector in Scotland supports 15,000 jobs and attracted £723m in consumer spending, £470m of which is spent by visitors to Scotland.

6. Do you have any examples of other positive or negative impacts of short-term lets?

We do not have any specific examples of our own and have encouraged our members to respond to this question directly.

7. Do you have any comments about the impact of short-term lets on the housing market?

We acknowledge that there is a problem with housing demand in Scotland and that in certain areas short-term lets can exacerbate this. However, other factors such as the amount of affordable housing and the popularity of buy-to-let have a far more substantial impact on the housing market. Comparing the level of empty houses (79,000) to the number of self-catering units (16,692) shows that the number of short-term lets is not significant enough to have a substantial impact on the housing market. Any regulatory framework needs to have enough flexibility to take a systematic approach to regulation, ensuring it is applied only in areas where it is necessary.

8. Do you have any comments on the restrictions imposed on short term lets by planning law?

We recognise there are several issues relating to the proliferation of short-term holiday lets in certain hotspots such as Edinburgh. However, it is difficult to see how requiring one-off planning permission for a change of use will address any future antisocial behaviour issues associated with such property.

While we consider it more appropriate that planning authorities will be able to identify geographic areas where the problem is more pronounced rather than a one-size-fits-all approach, we are concerned that this could still increase costs for local businesses that need to be able to diversify and put pressure on planning authorities without necessarily solving the issues.

There is much detail around this new power which remains to be clarified through secondary legislation. For example, the procedure a planning authority must follow to make a designation, what constitutes a short-term let and any descriptions of a dwelling house to which this rule will not apply. We are therefore not able to fully determine what the unintended consequences might be at this stage.

9. Do you have any comments on powers to tackle antisocial behaviour caused by short-term lets?

Local authorities have powers, such as the Antisocial Behaviour Notices (Houses Used for Holiday Purposes) (Scotland) Order 2011, to deal with antisocial behaviour and if required additional support should be provided to Local Authorities to allow them to enforce these powers. We feel it is imperative that consequences to antisocial behaviour affect the guests who caused the disturbance rather than

the homeowner. To aid this, we would suggest that operators and hosting platforms should be assisted to tackle antisocial behaviour rather than creating new powers for local authorities.

10. Do you have any comments about complaint systems for short term lets?

The ASSC has developed a Code of Conduct, and we would recommend that the Scottish Government and local authorities should signpost this code to encourage and promote best practice for hosts and good behaviour of guests.

11. Do you have any comments on safety issues related to short-term lets?

We support efforts to ensure short-term lets comply with health and safety standards. However, we feel it is a misconception that homeowners and operators do not already put steps in place to ensure the safety of their guests. As mentioned above, referring owners and operators of short term lets to the ASSC Code of Conduct will aid best practice concerning health and safety issues. Any new regulations should ensure compliance across the whole industry without creating additional barriers and costs for self-catering businesses who already comply.

12. Do you have any comments on eligibility for non-domestic rates?

We support the current regulatory system whereby once a short-term let is available letting out over 140 nights, they are eligible to pay non-domestic rates, and any less pay council tax.

13. Do you have any comments on the additional eligibility requirements recommended by the Barclay Review?

We welcome the threshold of 140 available days and 70 nights of actual lets for a small self-catering business to qualify for the Small Business Bonus Scheme (SBBS). We feel that most businesses already comply with these regulations and support the introduction of anti-avoidance measures that are being used by unscrupulous companies. However, we are concerned that other aspects of the SBBS review will place an unfair burden on smaller businesses.

14. Do you have any comments on the eligibility of self-catering accommodation for the Small Business Bonus Scheme?

We have some concerns that other aspects of SBBS reform proposed by the review will place an unfair burden on smaller businesses. We recognise that elements of the SBBS need to be reviewed, but we urge the Scottish Government to ensure that there is not an unintended impact on such an essential element of Scotland's economy.

15. Do you have any other comments on taxation relating to short term lets?

We understand that the Scottish Government intends to launch a separate consultation on whether local authorities should be allowed to levy a tourist tax. We recognise that any such tourist tax would apply to all forms of commercially let accommodation including hotels and possibly short term lets.

16. Do you have any additions or amendments to the proposed design principles?

We have no comment on this.

17. Do you have any comments on the proposed scope of a regulatory framework?

We would like to see how the changes to planning legislation will impact the short term lets sector before considering a new regulatory framework. Depending on the problems occurring in a specific area, we support the principle of owners being obliged to apply for a licence from their local authority.

However, we would limit this to whole properties which are in rent pressure zones (RPZ) and available for over 140 days per annum. This restriction would fit with the current definition that "a dwelling is available for let for 140 days or more in the financial year, it is classified as self-catering

holiday accommodation, exempt from Council Tax and becomes instead liable for non-domestic rates."

We would direct the Scottish Government to the ASSC policy paper, The Long-Term Solution to Short-Term Letting. We also support the principle of registration for all self-catering businesses but again feel that any proposals should wait until the effects of recent legislative changes are understood.

18. Do you have any comments on the controls or conditions which councils should be able to set through a registration or licensing regime?

As mentioned previously, we would like to see how the changes to planning legislation will impact the sector before considering registration or a licensing regime. The Scottish Government should not introduce a licensing scheme before gathering enough empirical data to demonstrate a link between short-term letting and loss of housing stock. The Planning (Scotland) Bill amendments will introduce planning restrictions that will aid future control. Therefore, certain aspects of the proposed regulatory framework may no longer be necessary.

19. Do you have any comments on whether a licensing scheme and/or market based approach, and any associated charges, should apply to all types of short term lets and whether conditions and/or charges should vary according to the type of property, its location or the number of rooms?

We would support the introduction of a licensing scheme but only for whole homes, which are let out more than 140 days per annum in areas of demonstrated housing shortage. We feel it is imperative that any regulatory framework should treat specific localities, property types, the number of rooms or number of properties let fairly.

20. Do you have any comments on the effectiveness of a days per year limit in meeting the Scottish Government's objectives?

We feel that a days per year limit must only be applied in certain situations and to certain types of let. We would support the principle of 'a days per year limit' in areas where evidence suggests short-term lets should be capped, such as a Rent Pressure Zone (RPZ) or where there are other demonstratable examples of housing pressure. Even in RPZs, we feel that an individual who occasionally shares their home should not be affected by the days per year limit because their home is not removed from potential housing stock.

21. Do you have any comments on how regulations should deal with commercial hosts?

We work closely with the ASSC on matters connected with short term lets. They have produced a policy paper entitled The Long-Term Solution to Short-Term Letting, which provides the best way forward for approaching short-term let regulation. We support the position that all operators, whether commercial or amateur, should comply with the ASSC Code of Conduct (legal compliance and best practice).

22. Do you have any comments on who should be subject to enforcement and sanctions?

We have no comment on this.

23. Do you have any other comments on short-term lets not covered in your answers to the above?

We have no further comments.