Planning Committee

10.00am, Thursday, 2 March 2017

Short Stay Commercial Visitor Accommodation

Item number	7.2	
Report number		
Executive/routine	Executive	
Wards	All	

Executive Summary

The purpose of this report is to meet the Planning Committee remit from <u>6 October 2016</u> for a further report on Short Stay Commercial Visitor Accommodation (SSCVA).

At its meeting on 6 October 2016, the Planning Committee considered a progress report and noted the current position in respect of action by the Planning Enforcement Service relating to SSCVA. It was also requested that the Executive Director of Place would submit a further update report on:

- the number of this type of properties in sensitive areas of the city;
- the categorisation (commercial or residential) of the properties in respect of waste collections etc; and
- any proposals being advanced in other cities to define this type of property in regards to commercial or non commercial.

This report also provides an update on the Council's enforcement action against this type of accommodation since the last update on 6 October 2016.

Links

Coalition PledgesP21, P28, P44Council PrioritiesCP5, CP7, CP8, CP9, CP13Single Outcome AgreementSO1



Short Stay Commercial Visitor Accommodation

1. Recommendations

- 1.1 It is recommended that Committee:
 - 1.1.1 notes the current position in respect of action taken by Planning Enforcement relating to Short Stay Commercial Visitor Accommodation (SSCVA); and
 - 1.1.2 notes that a standard definition of SSCVAs is not achievable as each case has to be assessed individually as to whether a change of use has occurred.

2. Background

2.1 Following the approval of Guidance for Businesses in December 2012, the Planning Committee considered whether SSCVA constitutes a material change of use in planning terms. The Committee considered that, in certain cases, it could. Accordingly, the non-statutory Guidance for Businesses was amended in February 2013 to incorporate the relevant criteria for assessing whether a residential property had undergone a change of use to a SSCVA.

3. Main report

Overview of the current situation

- 3.1 Edinburgh has a history of short stay letting due to its popularity as a tourist destination and the presence of the festivals. These types of properties are advertised through a variety of letting agencies, private advertisements, websites and word of mouth. Consequently, information on their extent is difficult to gather. However, the rise to prominence of Airbnb and the public availability of its data helps to provide an indication of the current situation in Edinburgh. The data highlights the location of properties, length of time they are available for let and whether the entire apartment is available. A visual representation of this is shown in Appendix 1.
- The data shows 6,273 properties in Edinburgh listed through Airbnb from January 2012 to July 2016. Of these, 3,432 (54.7%) are for entire properties, of which 2,043 (59.5%) were available for over 90 days a year. However, it should be noted that

there is no current designation of sensitive areas in respect of SSCVAs and exact figures are therefore not available as requested by Committee.

- 3.3 Entire properties available as SSCVA for a significant proportion of the year indicate that the property is no longer used as a primary residence. A property primarily operating as SSCVA is potentially a commercial business which could require planning permission for a change of use. However, as outlined in the Guidance for Businesses, other factors such as the size of the property and the pattern of activity associated with the use will be material factors in determining whether a change of use has occurred.
- 3.4 The location of properties in Appendix 1 shows a concentration in the city centre towards Leith and the Southside. A larger concentration of properties available for over 90 days is concentrated in the city centre, with entire properties available for shorter periods dispersed across the city.
- 3.5 The concentration of properties in certain areas may bring issues relating to housing supply, noise and community cohesion. However, the designation of areas as 'sensitive' in relation to SSCVA risks underestimating the impact a single property may have on neighbours and, in the longer term, risks simply moving SSCVA outwith any designated areas.

Categorisation of identified properties

- 3.6 Appendix 2 shows the 1,543 properties listed as Commercial Visitor Accommodation on the Valuation Roll in December 2016. With 2,043 properties on Airbnb alone, and available for more than 90 days a year, the valuation roll figure would appear at first sight to be an under-representation. If SSCVA properties not on the valuation roll are operating commercially, then a change of use in planning terms may have occurred. These properties would be no longer contributing to the housing supply.
- 3.7 The problem is that the planning definition of a commercial use is different from the Assessor's definition, and just because a property is rented out for commercial gain, does not mean it is not in residential use. Each case has to be assessed on its own merits as to whether a change of use has occurred and whether action needs to be taken. For this reason it is not proposed to have a standard Council definition of SSCVAs.

Approach by other cities

3.8 Cities in the UK, Europe and beyond are taking measures to manage the unintended consequences of an increased use of Airbnb and other websites that enable SSCVA. Appendix 5 includes a summary of approaches to distinguishing between commercial and non commercial use. This need to manage SSCVA is linked to a shortage of affordable housing for residents and high demand for tourist accommodation.

- 3.9 A common theme is to use the number of days an entire property is let as an indicator of non-commercial or commercial use. The number of days used as an indicator ranges from 120 days in Paris to 60 days in Amsterdam. Glasgow does not give a definitive number of days but states that where a property is being used principally to provide short-stay accommodation, this may constitute a material change of use. The number of days an entire property is available to let indicates how often the property is used as a permanent residence and whether it can still be considered part of the housing supply.
- 3.10 Some cities consider all short-term lets of entire properties as constituting a change of use. In Amsterdam lets of fewer than seven days, in residential properties, are prohibited as they consider this type of let only appropriate for hotels and bed and breakfast which would constitute a change of use. Property owners in Berlin require a permit to provide SSCVA if over 50% of the property is to be leased. In San Francisco all those who lease property as SSCVA are required to have a Business Registration Certificate and anyone who earns rent from a short-term residential rental is considered to be operating a commercial business.

Waste

- 3.11 How waste generated from SSCVA is handled will vary depending on whether the use is classed as commercial or non-commercial. Commercial waste is defined as that which is generated by a business regardless of size. This includes those businesses which operate out of a shop, office, restaurant or home. The owner of the commercial business must organise the collection of waste from a licensed waste carrier.
- 3.12 Determining whether a SSCVA is generating commercial or non-commercial waste will depend on whether a change of use has occurred, irrespective of size or amount of waste produced. Ensuring waste is managed appropriately will ensure commercial SSCVA properties are operating consistently with traditional tourism business models.
- 3.13 Waste and cleansing services have highlighted the difficulty in enforcing compliance with trade waste regulations for SSCVA properties. This is a particular problem when isolated households are using their property for commercial letting, such as those operating through Airbnb, as the collector will be unaware whether the waste is residential or SSCVA waste.

Parking

3.14 Any visitors using SSCVA are subject to the city's parking regulations. Appendix 3 shows the location of Airbnb properties within Controlled Parking Zones and Priority Parking Areas. Permits are available in these areas and a different type of permit is available for visitor parking which is more restrictive than residents parking permits.

3.15 Visitor Parking Permits are required to be purchased by a permanent resident of the zone. One permit lasts for 90 minutes of parking in permit holders or shared use parking spaces or the full controlled period in a Priority Parking Area place. In Controlled Parking Zones, permits are limited to 150 permits per year, or in Parking Priority Areas, limited to 30 permits per year.

Neighbourhood Plans

3.16 A review of neighbourhood plans across Edinburgh identified priorities and actions linked to SSCVA. The city centre is one of the densest areas for SSCVA. Actions identified support encouraging people to visit and spend time in the city centre. Where antisocial behaviour does occur there must be a clear mechanism in place to raise issues.

Local Community Plan	Priority	Action
	Support the city centre economy	Encourage people to visit and shop in all areas of the city.
City Centre	Helping people feel safe in the city centre	Look at positive ways to reduce antisocial behaviour. Make it easier to report issues.

3.17 The City of Edinburgh Council (CEC) has published advice for residents online for reporting issues associated with SSCVA. This includes noise, antisocial behaviour and too many people staying in one property. If these problems occur, the issue can be reported to the local neighbourhood office who will carry out an investigation and, where necessary, take action to resolve the situation.

Student Housing

- 3.18 Appendix 4 shows purpose-built student housing available to let during the summer months. These are mainly located outside the city centre in the Southside, Leith and Fountainbridge. The use of these student residences in summer equates to 35 buildings and provides a combined number of 8,479 beds.
- 3.19 Where student accommodation is let out for SSCVA uses over the summer months, this is unlikely to result in a change of use. The lease of student accommodation over the summer is used for a number of purposes including:
 - students who remain in Edinburgh over the summer; and
 - providing additional accommodation required for the Summer Festivals.

- 3.20 The main purpose of the accommodation throughout the year remains student accommodation. The use of the apartments as SSCVA over the summer months is unlikely to have a detrimental impact on the amenity of an area or loss of units from the housing supply.
- 3.21 If student accommodation is no longer being used as it was intended, and a change of use to residential accommodation is required, Policy Hou 6 Affordable Housing of the adopted Local Development Plan will apply. This requires conversions of 12 or more units to include provision for affordable housing. This amounts to 25% of the total number of units proposed.

Tourism

- 3.22 The Edinburgh Tourism Strategy 2020, prepared by the Edinburgh Tourism Action Group (ETAG), targets an increase in the number of overnight trips to Edinburgh of 680,000 per year by 2020. To reach this additional capacity, ETAG anticipates further development in the hotel industry and the continued rise in the use of Airbnb and other home sharing websites.
- 3.23 While the Strategy anticipates the further growth in Airbnb, the report acknowledges the challenges this brings. As well as the increasing impact on amenity and housing supply, ETAG highlights the challenges the growth of Airbnb will pose to traditional tourism business models. To mitigate the impact on traditional tourism business models, it is important that SSCVA properties, operating as quasi hotels or commercial businesses, are paying the correct property and business taxes. This will help tourism models operate on a level playing field.

Enforcement Action

- 3.24 The previous update to the Planning Committee (6 October 2016) stated there were ten SSCVA enforcement cases pending. Between August and December 2016, a further 11 cases were opened and 11 cases closed. A list of cases closed, together with the reasons for closing is detailed in Appendix 6.
- 3.25 There are currently 11 SSCVA enforcement cases pending consideration. The progress of each of these cases is recorded in the table at Appendix 7. When investigating SSCVA, officers use site visits, speak to neighbours and owners and carry out online research to inform their analysis.
- 3.26 Of the 11 cases closed, one was subject to an Anti-Social Behaviour Order (ASBO). One other case was taken to appeal where the reporter gave general support to the Council's Guidance for Businesses in assessing whether there was a change of use.

4. Measures of success

4.1 The Council's performance in dealing with cases of SSCVA results in a decline in the particular problems associated with such uses, in a decline in the number of complaints about such activity, and in successful outcomes for the Council in any appeal or court proceedings.

5. Financial impact

5.1 If more properties were defined as SSCVA with the appropriate planning permissions, there could be benefits to the city in terms of increased rates and realignment of waste resources.

6. Risk, policy, compliance and governance impact

6.1 There is no impact on risk, policy, compliance and governance impact arising from this report.

7. Equalities impact

7.1 The impact of better regulation of SSCVA on the amenity of areas and the city's housing supply could aid in tackling some of the inequalities caused by the overstretched housing market in Edinburgh.

8. Sustainability impact

8.1 The impacts of this report in relation to the three elements of the Climate Change (Scotland) Act 2009 Public Bodies Duties have been considered. Relevant Council sustainable development policies have been taken into account. This review of the operation of SSCVA will have no adverse impacts on carbon emissions, the city's resilience to climate change impacts, achieving a sustainable Edinburgh in respect of social justice, economic wellbeing or good environmental stewardship.

9. Consultation and engagement

9.1 No formal public consultation has taken place as part of this report. However, there is regular contact and communication with community groups and other interested parties with regard to enforcement cases. Internal consultations have taken place with planning and building standards, waste services, parking, localities and community safety.

10. Background reading/external references

- 10.1 Annual Review of Guidance, report to Planning Committee, 28 February 2013
- 10.2 Minutes of Planning Committee, 28 February 2013, Item 3
- 10.3 Minutes of Planning Committee, 5 December 2013 Item 5.1
- 10.4 Minutes of Development Management Sub Committee, 14 May 2014, Item 4.2
- 10.5 Minutes of Planning Committee, 7 August 2014, Item 6.1
- 10.6 Minutes of Planning Committee, 6 August 2015, Item 7.2
- 10.7 Minutes of Planning Committee, 6 October 2016, Item 7.1

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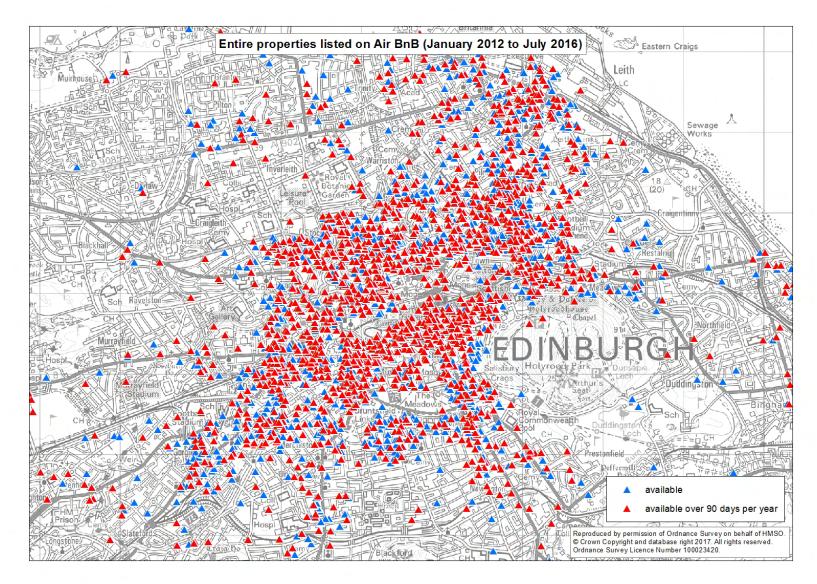
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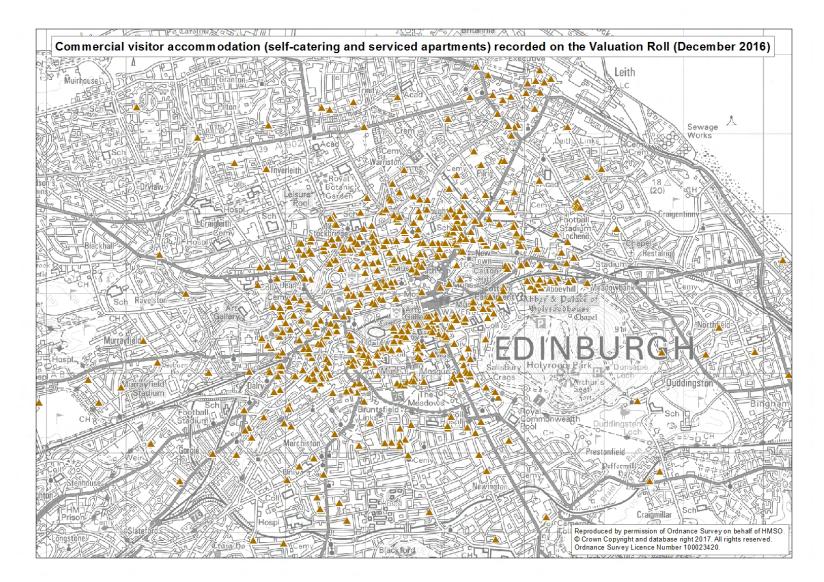
11. Links

Coalition Pledges	P21 - Consult further on the viability and legality of a transient visitor levy
	P28 - Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic wellbeing of the city
Council Priorities	 P44 - Prioritise keeping our streets clean and attractive CP5 – Business growth and investment CP7 – Access to work and learning CP8 – A vibrant, sustainable local economy CP9 – An attractive city CP13 – Transformation Workforce Citizen and partner engagement Budget
Single Outcome Agreement	SO1 - Edinburgh's economy delivers increased investment, jobs and opportunities for all
Appendices	Appendix 1 – Entire Proposed Listed on Airbnb
	Appendix 2 – Short Stay Accommodation Registered as a Commercial Business
	Appendix 3 - Entire Airbnbs within Controlled Parking Zones or Priority Parking Areas
	Appendix 4 - Purpose Built Student Accommodation Available to Let in Summer
	Appendix 5 - Other Cities Approach to Categorising SSCVA
	Appendix 6 - Short Stay Commercial Visitor Accommodation Cases Closed Aug – Dec 2016
	Appendix 7 - Short Stay Commercial Visitor Accommodation Cases Pending Aug – Dec 2016

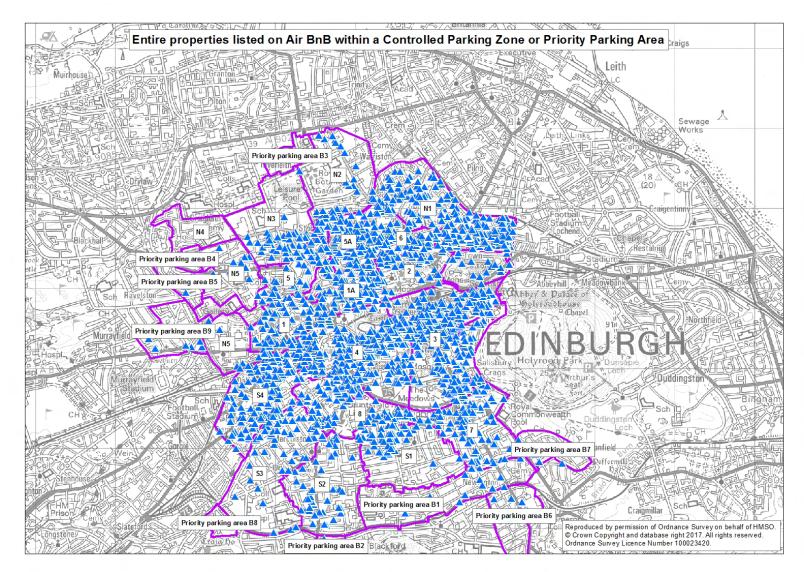
Appendix 1 – Entire properties listed on Airbnb



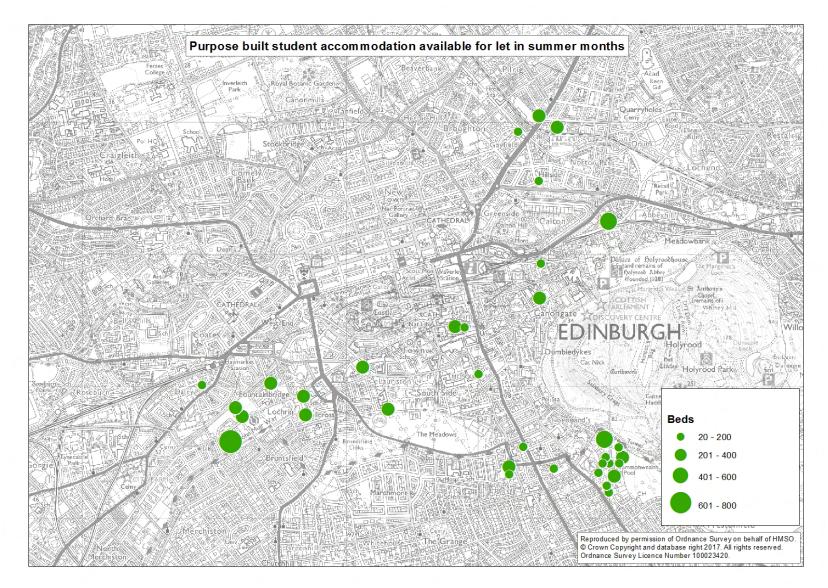
Appendix 2 Short stay accommodation recorded as a commercial business



Appendix 3 Entire Airbnbs within Controlled Parking Zones or Priority Parking Areas



Appendix 4 Purpose built student accommodation available to let in summer



Appendix 5 Other Cities Approach to Categorising SSCVA

City	Source	Determining Commercial/Non Commercial
	RES 8 - Short-Stay Serviced Apartments	Dwellinghouses remains in use as a house whether it is the sole or main residence of the occupants or not. This sets a context that a house being used on a short-term basis does not constitute a change of use, irrespective of the frequency of changes in household. Therefore, short-stay use within a house will not be deemed to require planning permission provided that it is occupied by a single household as defined in Class 9.
Glasgow	Supplementary Guidance 10: Meeting Housing Need, page 12, Short Stay Serviced Accommodation	Where a flat is being used principally to provide short-stay accommodation, there may be a material change of use. In determining whether a proposed short-stay use would constitute a change of use, the Council will take account of the nature of services provided, such as cleaning or laundry, the size and context of the property and the frequency and length of short stays.
Amsterdam	http://www.iamsterdam.co m/en/local/live/housing/ren	Short stays of less than 7 days are prohibited in residential property. These visits are considered to be appropriate for hotels and bed and breakfasts and would be considered as a commercial use of a residential property. Some home exchange during holidays etc is allowed but it must be clear that the property is not being rented for money on a regular basis for short periods (60 days per year limit).
	tal-property/shortstay	To let a house out for a short stay if between 7 days and 6 months requires a permit and is considered a change of use. The number of permits is restricted to 10% of a district's housing supply and affordable housing tenants are not permitted to rent their homes as this would diminish the affordable housing supply for local residents.
Berlin	http://www.bbc.co.uk/news /technology-36185271 Law:	 Berlin considers the short term lease of more than 50% of a residential unit as a commercial use. To provide a short term lease a permit is required when: Is used for the purpose of the repeated rental of a holiday apartment or a tourist accommodation, in particular a commercial room rental or the installation of sleeping places;

	Zweckentfremdungsverbot - prohibition of improper use	 Is used for commercial or professional purposes; Is modified in such a way that it is no longer suitable for residential purposes; Is empty for more than six months The law in Berlin discourages the change of use from a residential property into a commercial property. To strengthen this, the ban on short term leases on guest flats without a permit has been imposed.
	http://sf- planning.org/office-short- term-rental-registry-faqs	Residential properties can be let without planning permission up to a limit of 90 days per year if you obtain a Short-Term Residential Registration for an entire unit and unlimited number of days for partial unit. To be eligible to register you must:
San Francisco	(Transient Occupancy Tax 14%)	 You must be the permanent resident of the residential unit that you wish to rent short-term and can only register one unit. You must obtain a San Francisco Business Registration Certificate from the San Francisco Business Portal.
	(file:///H:/SF%20Biz%20Po rtal%20STR%20Guide%2 007DEC16.pdf – Guide to Short Term Rental)	This Short-Term Residential Registration allows owners to advertise their unit on hosting platforms such as Airbnb and costs a fee. Anyone in San Francisco who earns rent from a short-term residential rental is considered a business and may owe taxes. You must obtain a Business Registration Certificate and pay applicable taxes to the local authority and register with the Office of Short-Term Rentals.
London (City of	https://www.westminster.g ov.uk/short-term-letting	If providing short term lets amounting to more than 90 nights per year cumulatively you will require planning permission for a Change of Use.
Westminster)		A short term lease of less than 90 days per year does not require planning permission. This only applies to domestic properties paying Council Tax.
Marahad	file:///H:/8_Short_term_lets	Report from 2008 Committee includes options to address emerging problem of short term lets. Options include:
Manchester	.pdf	 Planning conditions used to restrict use of new apartments to private dwellings; Review of core strategy policies in relation to residential provision; and Promoting local legislation.

Paris	http://qz.com/876984/airbn b-is-gradually-losing-one- of-its-biggest-advantages- over-hotels/ https://www.theguardian.c om/travel/2016/mar/31/air bnb-in-paris-to-warn- hosts-over-illegal-listings	Paris and other cities in France regard the short term let of a property for more than 120 days per year a commercial property. Properties leased through Airbnb must also collect the same nightly tourist tax paid by hotels. To provide short term lease from your property for more than 120 days per must apply for a change of use permit and register it as a commercial property.
Reykjavik	http://grapevine.is/news/20 16/06/05/new-airbnb-law- approved-by-parliament/	Residents can rent out their property for up to 90 days a year without needing an operation licence from the state. At the same time, the gross income from renting out their property cannot exceed 1 million ISK. If a renter exceeds the 90 day limit, or if their earnings from it exceed 1 million ISK, the county seat may opt to de-register the property's permit to operate as an AirBnB. Fines for offences can range from anywhere from 10,000 ISK up to 1 million ISK.

Appendix 6 Short Stay Commercial Visitor Accommodation Cases Closed Aug – Dec 2016

Case No	Address	Complaint	Status	Received Date	Date Case Decision	Date Case Closed	Number of Days	Ward	Reason for Closing
15/00296/ECOU	83 Dundas Street Edinburgh EH3 6SD	Alleged use of premises as an SSCLA	Closed	08/06/15	28/10/16	28/10/16	560.32	A11	Property advertised for short term let but no evidence found to suggest material change of use.
15/00307/ECOU	1F2 56 Lochrin Buildings Edinburgh EH3 9ND	Unauthorised change of use - flat to short stay commercial leisure accommodation	Closed	11/06/15	01/09/16	01/09/16	557.28	A10	Further investigations found no evidence of anti-social behaviour. Case closed. Enquirer advised situation has improved. Should further action

									need to be taken the enforcement notice remains in effect.
15/00640/ECOU	2F 17 Great Junction Street Edinburgh EH6 5HX	Alleged unauthorised use as short stay apartment (party flat).	Closed	04/12/15	14/09/16	14/09/16	381.47	A13	Anti-social behaviour notice served. No further planning action required.
16/00301/ECOU	3F1 28 Warrender Park Terrace Edinburgh EH9 1EE	Alleged unauthorised change of use - short stay commercial let.	Closed	16/06/16	06/10/16	06/10/16	186.52	A10	Long term tenants now living in the premises. No further action required
16/00421/ECOU	26 Old Tolbooth Wynd Edinburgh EH8 8EQ	Alleged unauthorised change of use - short stay commercial let.	Closed	09/08/16	01/09/16	01/09/16	132.20	A11	Advertised for short term lets during July/August only. Long term lets at other times.

								Concluded no material change of use.
16/00441/ECOU	PF2 12 Sylvan Place Edinburgh EH9 1LH	Alleged material change of use - short term commercial visitor accommodation.	Closed	17/08/16	10/10/16	10/10/16	A15	Let out during August for Festival but no evidence found of material change of use.
16/00492/ECON	2F2 29 Falcon Gardens Edinburgh EH10 4AR	Alleged material change of use - use of the property as short term commercial visitor accommodation.	Closed	08/09/16	29/09/16	29/09/16	A10	Advertised on Air B&B but no evidence of material change of use
16/00499/ECOU	2F3 24 Sloan Street Edinburgh EH6 8PH	Alleged material change of use - use of the property as short term commercial visitor accommodation	Closed	08/09/16	29/09/16	29/09/16	A12	Advertised on Air B&B but no evidence of material change of use

16/00508/ECOU	Flat 2 22 East Comiston Edinburgh EH10 6RZ	Alleged Change of Use from Flat to Short Stay Commercial Leisure Apartment.	Closed	13/09/16	28/10/16	28/10/16	97.40	A08	Advertised for short term lets but no evidence found to suggest a material change of use.
16/00513/ECOU	Flat 8 22 Newhalls Road South Queensferry EH30 9TA	Alleged Change of Use from Flat to Short Stay Commercial Leisure Apartment.	Closed	19/09/16	28/10/16	28/10/16	91.48	A01	Site inspection undertaken. Property let out on occasional basis. However level of occupancy or character of use not found to constitute a material change of use. Case closed.
16/00571/ECOU	Site 69	Use of student	Closed	21/10/16	24/11/16	24/11/16		A12	Flats found to

Metres West	flats as summer				be let to
Of 7 Shrub	holiday lets				foreign
Place	(short stay				students
Edinburgh	accommodation)				during
Edinburgh					summer
					months. No
					material
					change of
					use
					400

Case No	Address	Complaint	Status	Received Date	Date Case Decision	Date Case Closed	Number of Days	Ward	Reason for Closing
14/00721/ECOU	2F1 5 Lauriston Park Edinburgh EH3 9JA	Alleged material change of use - use of the property as a short stay commercial leisure apartment.	PCO	06/11/14	06/11/14		77.34	A10	Met with owner who advised retrospective application to be submitted. Application has not been received. Notice to be served
15/00532/ECOU	3F2 19 Elgin Terrace Edinburgh EH7 5NW	Unauthorised use of flat as short stay accommodation	PCO	17/09/15			459.29	A12	Further site visit carried out. No persons present. Further site visit needed.
16/00265/ECOU	Flat 7 14 East Parkside	Alleged unauthorised use of flat as	PCO	01/06/16			201.60	A15	Further site visit carried out. No

Appendix 7 Short Stay Commercial Visitor Accommodation Cases Pending Aug – Dec 2016

	Edinburgh EH16 5XL	short stay accomodation.						persons present. Further site visit needed.
16/00285/ECOU	Flat 14 6 Drummond Street Edinburgh EH8 9TU	Party Flat	PCO	08/06/16		194.57	A15	Served Planning Contravention Notice to gather information regarding the current use. Met with enquirer to identify problem flats. Further out of hours/weekend visits to be undertaken
16/00298/ECOU	Flat 11 51 Caledonian Crescent Edinburgh EH11 2AT	Alleged Unauthorised Change of Use to SSCLA	PCO	14/06/16		188.50	A07	Evidence properties in the block are advertised for short term lets. Further investigation needed to establish

								whether there is a change of use given nature of the block generally.
16/00394/ECOU	505 Webster's Land Edinburgh EH1 2RX	Party flat	PCO	04/08/16		137.40	A11	Property advertised as short term let but no evidence found of a material change of use. Case to be closed
16/00433/ECOU	1F1 4 Admiralty Street Edinburgh EH6 6JS	Use of residential flat as short stay serviced apartment.	PCO	15/08/16		126.37	A13	Contacted the owner. Site visit required.
16/00485/ECOU	3F1 42 Brunswick Street Edinburgh EH7 5JD	Alleged change of use of flat to short stay holiday let	PCO	08/09/16			A12	Joint officer site visit to be arranged.
16/00617/ECOU	3F2	Alleged change	PCO	03/11/16			A05	Site visit

	2 Comely Bank Street Edinburgh EH4 1BD	of use of flat to short stay holiday let					undertaken. Flat sale pending. Potential close.
16/00632/ECOU	Flat 3 24 Newhalls Road South Queensferry EH30 9TA	Alleged Change of Use from Flat to Short Stay Commercial Leisure Apartment	PCO	11/11/16		A01	Site visit undertaken but access could not be obtained. Formal request for access to be sent.