

Planning and Building Standards

The City of Edinburgh Council
G2, Waverley Court
4 East Market Street
Edinburgh
EH8 8DG

11 October 2022

Dear Sir / Madam,

**APPLICATION FOR PLANNING PERMISSION FOR THE PROPOSED CHANGE OF USE FROM
RESIDENTIAL TO SHORT TERM LET (IN RETROSPECT)****AT WELL COURT HALL, EDINBURGH, EH4 3BE****ONLINE REFERENCE NUMBER 100602958-001**

Montagu Evans represent the owner of the application site.

On behalf of our client, we submit herewith an application for planning permission proposing the “*change of use from residential to short term let (in retrospect)*” at Well Court Hall, Edinburgh, EH4 3BE.

The application for planning permission has been submitted to the City of Edinburgh Council (‘CEC’) today via the Scottish Government ePlanning website (online reference number 100602958-001)

APPLICATION FOR PLANNING PERMISSION

The application for planning permission comprises:

- Completed application form and requisite ownership notification;
- Cover letter (i.e. this letter prepared by Montagu Evans LLP);
- Planning Statement, prepared by Montagu Evans;
- Site Location Plan (at scale 1:1250 @ A4); and
- Internal Floor Plan.

In line with the Town and Country Planning (Fees for Applications) (Scotland) Regulations 2022 the statutory planning application fee has been calculated as £1,800. The planning application fee will be paid to the CEC via the ePlanning online payment portal.

PROPOSED DEVELOPMENT

The Applicant has operated the site as a short-term let since 2016. The property is a self contained apartment set over 3 floors, with a private entrance. It provides 3 double bedrooms and can accommodate up to 6 guests. The property is high end luxury accommodation and has been owned by the applicant for 7 years.

As the CEC have designated the whole of the city as a short term let Control Area as per the provisions of the Town and Country Planning (Short-term Let Control Areas) (Scotland) Regulations 2021, and the application site is located within the Control Area, this application for planning permission has been progressed in retrospect to regularise the use of the property as a short term let.

Planning permission is sought for the proposed “*change of use from residential to short term let (in retrospect)*”.

SUMMARY

We trust that the above and attached are satisfactory and that you are in a position to register and progress the application. We will await formal confirmation in this respect. It is our intention to further discuss the application for planning permission with the CEC in due course and as required, we would be happy to meet on site to discuss the application further.

Should you require any further information at this stage, please do not hesitate to contact Ally Campbell (ally.campbell@montagu-evans.co.uk), or Lisa Proudfoot (lisa.proudfoot@montagu-evans.co.uk) of this office direct.

Yours faithfully,

Montagu Evans

MONTAGU EVANS LLP

Business Centre G.2 Waverley Court 4 East Market Street Edinburgh EH8 8BG Email: planning.support@edinburgh.gov.uk

Applications cannot be validated until all the necessary documentation has been submitted and the required fee has been paid.

Thank you for completing this application form:

ONLINE REFERENCE 100602958-001

The online reference is the unique reference for your online form only. The Planning Authority will allocate an Application Number when your form is validated. Please quote this reference if you need to contact the planning Authority about this application.

Type of Application

What is this application for? Please select one of the following: *

- Application for planning permission (including changes of use and surface mineral working).
- Application for planning permission in principle.
- Further application, (including renewal of planning permission, modification, variation or removal of a planning condition etc)
- Application for Approval of Matters specified in conditions.

Description of Proposal

Please describe the proposal including any change of use: * (Max 500 characters)

Change of use from residential to short term let

Is this a temporary permission? * Yes No

If a change of use is to be included in the proposal has it already taken place?
(Answer 'No' if there is no change of use.) * Yes No

Has the work already been started and/or completed? *

No Yes – Started Yes - Completed

Please state date of completion, or if not completed, the start date (dd/mm/yyyy): *

Please explain why work has taken place in advance of making this application: * (Max 500 characters)

Operational as a short term let since 2016

Applicant or Agent Details

Are you an applicant or an agent? * (An agent is an architect, consultant or someone else acting on behalf of the applicant in connection with this application)

Applicant Agent

Agent Details

Please enter Agent details

Company/Organisation:	Montagu Evans LLP		
Ref. Number:		You must enter a Building Name or Number, or both: *	
First Name: *	Ally	Building Name:	Exchange Tower
Last Name: *	Campbell	Building Number:	
Telephone Number: *	0131 229 3800	Address 1 (Street): *	19 Canning Street
Extension Number:		Address 2:	
Mobile Number:		Town/City: *	Edinburgh
Fax Number:		Country: *	Scotland
		Postcode: *	EH3 8EG
Email Address: *	ally.campbell@montagu-evans.co.uk		

Is the applicant an individual or an organisation/corporate entity? *

Individual Organisation/Corporate entity

Applicant Details

Please enter Applicant details

Title:		You must enter a Building Name or Number, or both: *	
Other Title:		Building Name:	As per agent
First Name: *		Building Number:	
Last Name: *		Address 1 (Street): *	As Per agent
Company/Organisation	LPBZ Commercial Limited	Address 2:	
Telephone Number: *		Town/City: *	As per agent
Extension Number:		Country: *	As per agent
Mobile Number:		Postcode: *	
Fax Number:			
Email Address: *	ally.campbell@montagu-evans.co.uk		

Site Address Details

Planning Authority:

City of Edinburgh Council

Full postal address of the site (including postcode where available):

Address 1:

Address 2:

Address 3:

Address 4:

Address 5:

Town/City/Settlement:

Post Code:

Please identify/describe the location of the site or sites

Well Court Hall, Dean Path, EH4 3BE

Northing

Easting

Pre-Application Discussion

Have you discussed your proposal with the planning authority? *

Yes No

Site Area

Please state the site area:

221.00

Please state the measurement type used:

Hectares (ha) Square Metres (sq.m)

Existing Use

Please describe the current or most recent use: * (Max 500 characters)

Short term let (in retrospect)

Access and Parking

Are you proposing a new altered vehicle access to or from a public road? *

Yes No

If Yes please describe and show on your drawings the position of any existing. Altered or new access points, highlighting the changes you propose to make. You should also show existing footpaths and note if there will be any impact on these.

Are you proposing any change to public paths, public rights of way or affecting any public right of access? * Yes No

If Yes please show on your drawings the position of any affected areas highlighting the changes you propose to make, including arrangements for continuing or alternative public access.

How many vehicle parking spaces (garaging and open parking) currently exist on the application Site?

How many vehicle parking spaces (garaging and open parking) do you propose on the site (i.e. the Total of existing and any new spaces or a reduced number of spaces)? *

Please show on your drawings the position of existing and proposed parking spaces and identify if these are for the use of particular types of vehicles (e.g. parking for disabled people, coaches, HGV vehicles, cycles spaces).

Water Supply and Drainage Arrangements

Will your proposal require new or altered water supply or drainage arrangements? * Yes No

Do your proposals make provision for sustainable drainage of surface water?? * Yes No
(e.g. SUDS arrangements) *

Note:-

Please include details of SUDS arrangements on your plans

Selecting 'No' to the above question means that you could be in breach of Environmental legislation.

Are you proposing to connect to the public water supply network? *

Yes

No, using a private water supply

No connection required

If No, using a private water supply, please show on plans the supply and all works needed to provide it (on or off site).

Assessment of Flood Risk

Is the site within an area of known risk of flooding? * Yes No Don't Know

If the site is within an area of known risk of flooding you may need to submit a Flood Risk Assessment before your application can be determined. You may wish to contact your Planning Authority or SEPA for advice on what information may be required.

Do you think your proposal may increase the flood risk elsewhere? * Yes No Don't Know

Trees

Are there any trees on or adjacent to the application site? * Yes No

If Yes, please mark on your drawings any trees, known protected trees and their canopy spread close to the proposal site and indicate if any are to be cut back or felled.

Waste Storage and Collection

Do the plans incorporate areas to store and aid the collection of waste (including recycling)? * Yes No

If Yes or No, please provide further details: * (Max 500 characters)

As existing

Residential Units Including Conversion

Does your proposal include new or additional houses and/or flats? *

Yes No

All Types of Non Housing Development – Proposed New Floorspace

Does your proposal alter or create non-residential floorspace? *

Yes No

Schedule 3 Development

Does the proposal involve a form of development listed in Schedule 3 of the Town and Country Planning (Development Management Procedure (Scotland) Regulations 2013) *

Yes No Don't Know

If yes, your proposal will additionally have to be advertised in a newspaper circulating in the area of the development. Your planning authority will do this on your behalf but will charge you a fee. Please check the planning authority's website for advice on the additional fee and add this to your planning fee.

If you are unsure whether your proposal involves a form of development listed in Schedule 3, please check the Help Text and Guidance notes before contacting your planning authority.

Planning Service Employee/Elected Member Interest

Is the applicant, or the applicant's spouse/partner, either a member of staff within the planning service or an elected member of the planning authority? *

Yes No

Certificates and Notices

CERTIFICATE AND NOTICE UNDER REGULATION 15 – TOWN AND COUNTRY PLANNING (DEVELOPMENT MANAGEMENT PROCEDURE) (SCOTLAND) REGULATION 2013

One Certificate must be completed and submitted along with the application form. This is most usually Certificate A, Form 1, Certificate B, Certificate C or Certificate E.

Are you/the applicant the sole owner of ALL the land? *

Yes No

Is any of the land part of an agricultural holding? *

Yes No

Certificate Required

The following Land Ownership Certificate is required to complete this section of the proposal:

Certificate A

Land Ownership Certificate

Certificate and Notice under Regulation 15 of the Town and Country Planning (Development Management Procedure) (Scotland) Regulations 2013

Certificate A

I hereby certify that –

(1) - No person other than myself/the applicant was an owner (Any person who, in respect of any part of the land, is the owner or is the lessee under a lease thereof of which not less than 7 years remain unexpired.) of any part of the land to which the application relates at the beginning of the period of 21 days ending with the date of the accompanying application.

(2) - None of the land to which the application relates constitutes or forms part of an agricultural holding

Signed: Ally Campbell

On behalf of: LPBZ Commercial Limited

Date: 11/10/2022

Please tick here to certify this Certificate. *

Checklist – Application for Planning Permission

Town and Country Planning (Scotland) Act 1997

The Town and Country Planning (Development Management Procedure) (Scotland) Regulations 2013

Please take a few moments to complete the following checklist in order to ensure that you have provided all the necessary information in support of your application. Failure to submit sufficient information with your application may result in your application being deemed invalid. The planning authority will not start processing your application until it is valid.

a) If this is a further application where there is a variation of conditions attached to a previous consent, have you provided a statement to that effect? *

Yes No Not applicable to this application

b) If this is an application for planning permission or planning permission in principle where there is a crown interest in the land, have you provided a statement to that effect? *

Yes No Not applicable to this application

c) If this is an application for planning permission, planning permission in principle or a further application and the application is for development belonging to the categories of national or major development (other than one under Section 42 of the planning Act), have you provided a Pre-Application Consultation Report? *

Yes No Not applicable to this application

Town and Country Planning (Scotland) Act 1997

The Town and Country Planning (Development Management Procedure) (Scotland) Regulations 2013

d) If this is an application for planning permission and the application relates to development belonging to the categories of national or major developments and you do not benefit from exemption under Regulation 13 of The Town and Country Planning (Development Management Procedure) (Scotland) Regulations 2013, have you provided a Design and Access Statement? *

Yes No Not applicable to this application

e) If this is an application for planning permission and relates to development belonging to the category of local developments (subject to regulation 13. (2) and (3) of the Development Management Procedure (Scotland) Regulations 2013) have you provided a Design Statement? *

Yes No Not applicable to this application

f) If your application relates to installation of an antenna to be employed in an electronic communication network, have you provided an ICNIRP Declaration? *

Yes No Not applicable to this application

g) If this is an application for planning permission, planning permission in principle, an application for approval of matters specified in conditions or an application for mineral development, have you provided any other plans or drawings as necessary:

- Site Layout Plan or Block plan.
- Elevations.
- Floor plans.
- Cross sections.
- Roof plan.
- Master Plan/Framework Plan.
- Landscape plan.
- Photographs and/or photomontages.
- Other.

If Other, please specify: * (Max 500 characters)

Provide copies of the following documents if applicable:

- | | | |
|--|------------------------------|---|
| A copy of an Environmental Statement. * | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> N/A |
| A Design Statement or Design and Access Statement. * | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> N/A |
| A Flood Risk Assessment. * | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> N/A |
| A Drainage Impact Assessment (including proposals for Sustainable Drainage Systems). * | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> N/A |
| Drainage/SUDS layout. * | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> N/A |
| A Transport Assessment or Travel Plan | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> N/A |
| Contaminated Land Assessment. * | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> N/A |
| Habitat Survey. * | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> N/A |
| A Processing Agreement. * | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> N/A |

Other Statements (please specify). (Max 500 characters)

Declare – For Application to Planning Authority

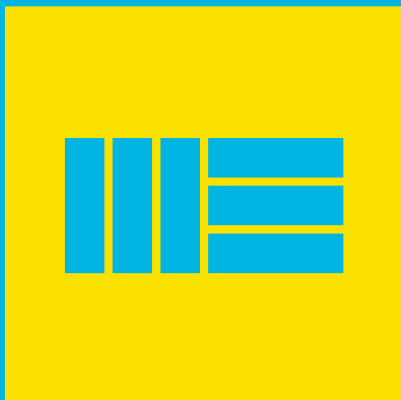
I, the applicant/agent certify that this is an application to the planning authority as described in this form. The accompanying Plans/drawings and additional information are provided as a part of this application.

Declaration Name:

Declaration Date:

PLANNING STATEMENT IN SUPPORT OF APPLICATION FOR THE CHANGE OF USE FROM RESIDENTIAL TO SHORT TERM LET (IN RETROSPECT)

OCTOBER 2022



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1.0 INTRODUCTION

- 1.1 Montagu Evans LLP represent the owner ('the Applicant') of Well Court Hall, Edinburgh, EH4 3BE ('the site').
- 1.2 The proposal is to change the use retrospectively of the site from a residential use to a short-term let property providing visitor accommodation.
- 1.3 The City of Edinburgh Council ('CEC') have designated the whole of the city as a short term let Control Area as per the provisions of the Town and Country Planning (Short-term Let Control Areas) (Scotland) Regulations 2021. As the application site is located within the Control Area, this application for planning permission is being progressed to regularise the change of use.

THE SITE

- 1.4 The property is a self contained apartment set over 3 floors, with a private entrance. It provides 3 double bedrooms and can accommodate up to 6 guests. The property is high end luxury accommodation and has been owned by the applicant for 7 years.
- 1.5 Well Court Hall is situated within the courtyard of Well Court, located in Edinburgh's Dean Village and close to the Water of Leith Walkway. This is centrally located for visitors to the area, with a number of public transport options (bus and rail) located within walking distance of the property.
- 1.6 The layout of the property is indicated below by Figure 1:



Figure 1 – Internal Layout of Application Site

- 1.7 The property is Category A listed by Historic Environment Scotland (reference and is located within the Dean Conservation Area, and World Heritage Site).

MANAGEMENT OF THE PROPERTY

- 1.8 The Applicant has operated the site as a short-term let since 2016, which is managed by LPBZ Commercial Limited. The property is advertised on a number of online booking platforms, as noted in Table 1 below. Table 1 also notes the range of guest reviews that the property has received on each platform.

Table 1 – Online Booking Platforms Property is Advertised On

Online Booking Platform	Ratings
Trip Advisor	The property has a rating of 5 stars from 5 reviews
<u>AirBnB</u>	The property has an average rating of 4.97 stars based on a total of 67 reviews.

- 1.9 The property is required to be booked for a minimum period of two consecutive nights, which assists in reducing the turnover of the property. On average the property is booked for 3-4 consecutive nights by guests, and on occasion guests have stayed for a month or longer.
- 1.10 The property is accessed from a private main front door and provides 3 bedrooms, which can accommodate up to 6 guests. This attracts smaller groups of guests, including families. The restricted numbers ensure that the functioning of the property is similar to that of a residential dwelling.
- 1.11 The applicant is a Superhost on the Airbnb platform. Since the property has been operated as a short term let by the Applicant, there have been no complaints received from any commercial or residential properties that neighbour the site.

PLANNING HISTORY

APPLICATION SITE

- 1.12 There is no relevant planning history for the application site, other than a recent application which was submitted by the applicant (22/03163/FUI), but has since been withdrawn, due to inaccuracies within the application.

PROPOSED DEVELOPMENT

- 1.13 This Planning Statement is submitted in support of an application for planning permission at the site for the proposed “*change of use from residential to short term let (in retrospect)*”.

2.0 PLANNING POLICY CONTEXT

- 2.2 Section 25 of the Town and Country Planning (Scotland) Act 1997, as amended, requires all planning applications to be determined in accordance with the Development Plan for a site, unless material considerations indicate otherwise.
- 2.3 The Development Plan for the site is comprised of the Strategic Development Plan ('SDP') for South East Scotland ('SESplan'), which was approved by Scottish Ministers with modifications on 27 June 2013, and the Edinburgh Local Development Plan ('LDP'), which was adopted in November 2016.

SESPLAN

- 2.4 The purpose of the SDP is stated as being to set out a clear definition for the future development of the SESplan area, where a spatial strategy is promoted. Paragraph 8 of the SDP notes that South East Scotland is the main growth area and the key driver of the Scottish economy, with Edinburgh at its heart; a leading European city that provides a wide range of services as Scotland's capital city.
- 2.5 The overarching vision for the SESplan area is stated as being *"by 2032, the Edinburgh City Region is a healthier, more prosperous and sustainable place which continues to be internationally recognised as an outstanding area in which to live, work and do business"*.
- 2.6 Tourism is considered to be a sector of strategic importance to the economy of the SESplan area as a whole and Edinburgh as the Core of the Region is noted as being a *"major tourism and leisure destination"*. The proposed development is therefore considered to accord with the broad requirements of the SESplan and that the change of use of the property to a short term let can contribute towards Edinburgh's role as a major tourist and leisure destination.

EDINBURGH LOCAL DEVELOPMENT PLAN

- 2.7 The Edinburgh LDP supports the city's role as Scotland's capital and recognises its importance as a key driver of the Scottish economy. A key aim of the LDP is supporting the growth of the city economy, which is based on a range of key sectors, including tourism.
- 2.8 At paragraph 108 the LDP recognises that Edinburgh's city centre is *"the vibrant hub of the city region – it's the regional shopping centre and an important tourist destination with a wide range of entertainment and cultural attractions. It has excellent public transport connections and provides employment for over 80,000 people. Edinburgh city centre's stunning setting and iconic architecture is celebrated internationally"*.
- 2.9 The LDP continues at paragraph 190 that the Plan *"aims to ensure that development in the city centre achieves the right balance between a number of competing priorities"*.
- 2.10 The application site is located approximately 180 metres north east of the boundary of the designated City Centre of Edinburgh as per the LDP Proposals Map. Within the context of the Proposals Map, the site is subject to the following policy designations:
- Edinburgh World Heritage Site;
 - Dean Conservation Area;
 - New Town Gardens and Dean Historic Garden Designed Landscape; and
 - Urban Area.

2.11 An extract of the LDP Proposals Map is copied below at Figure 2, with the site indicated.

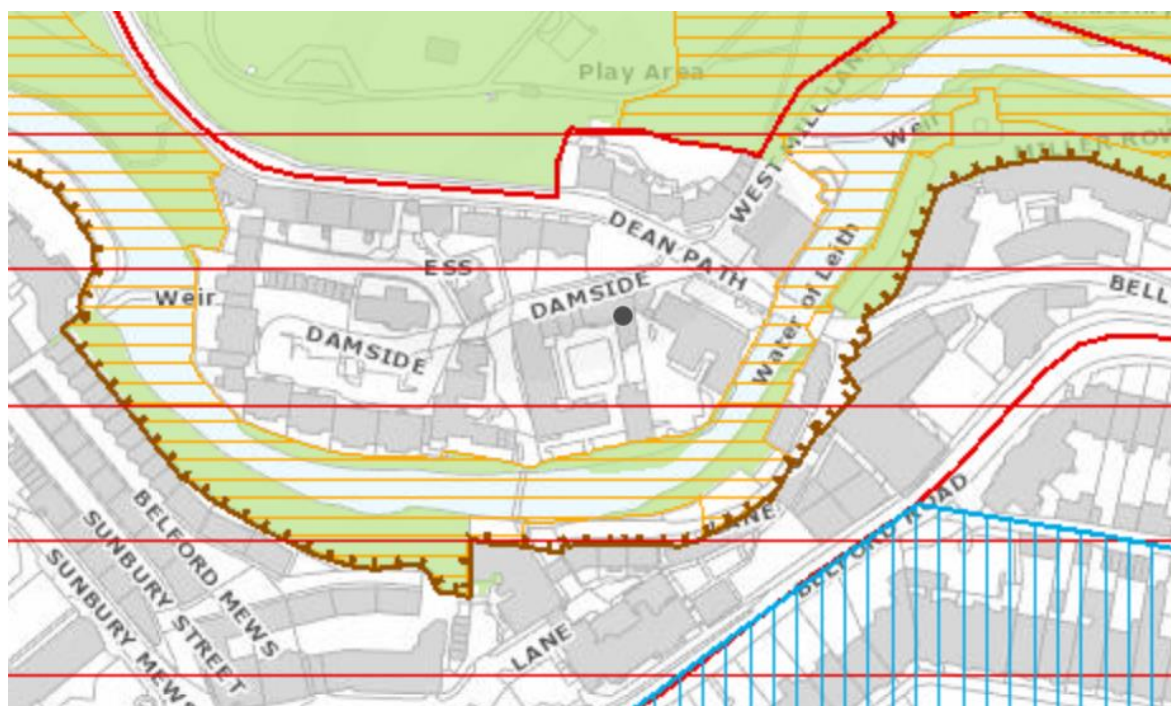


Figure 2 – Extract of LDP Proposals Map

- 2.12 The key planning policy from the LDP against which proposals for the change of use of residential properties to short term lets will be assessed is Policy Hou 7 Inappropriate Uses in Residential Areas.
- 2.13 Policy Hou 7 states that “developments, including changes of use, which would have a materially detrimental effect on the living conditions of nearby residents, will not be permitted”. The supporting text for Policy Hou 7 states that the intention of the policy is to preclude the introduction or intensification of non-residential uses incompatible with predominantly residential areas and to prevent any further deterioration in living conditions in more mixed-use areas, which nevertheless have important residential functions.
- 2.14 Policy Env 1 World Heritage Sites states that “development which would harm the qualities which justified the inscription of the Old and New Towns of Edinburgh and/or the Forth Bride as World Heritage Sites or would have a detrimental impact on a Site’s setting will not be permitted”.
- 2.15 Policy Env 4 relates to Listed Buildings – Alterations and Extensions and states that “proposals to alter or extend a listed building will be permitted where:
- a. Those alterations or extensions are justified;
 - b. There will be no unnecessary damage to historic structures or diminution of its interest; and
 - c. Where any additions are in keeping with other parts of the building”.
- 2.16 Policy Env 6 Conservation Areas – Development states that “development within the conservation area of affect its setting will be permitted which:

- a. *Preserves or enhances the special character or appearance of the conservation area and is consistent with the relevant conservation area character appraisal;*
- b. *Preserves trees, hedges, boundary walls, railings, paving and other features which contribute positively to the character of the area; and*
- c. *Demonstrates high standards of design and utilises materials appropriate the historic environment* .

3.0 MATERIAL CONSIDERATIONS

GUIDANCE FOR BUSINESSES

- 3.1 The Guidance for Businesses ('the Guidance') was most recently updated by the CEC in November 2021. In relation to short term lets the Guidance states that in deciding whether planning permission will be required to change the use of a property into a short term let, regard will be had to:
- The character of the new use and of the wider area;
 - The size of the property;
 - The pattern of activity associated with the use including numbers of occupants, the period of use, issues of noise, disturbance and parking demand; and
 - The nature and character of any services provided.
- 3.2 The Guidance states that proposals for a change of use 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. In the case of short stay commercial leisure apartments, the Guidance states that "*the Council will not normally grant planning permission in respect of flatted properties where the potential adverse impact on residential amenity is greatest*".
- 3.3 The Guidance also states that "*change of use in flatted properties will generally only be acceptable where there is a private access from the street, except in the case of Houses in Multiple Occupation*".

PROPOSED CITY PLAN 2030

- 3.4 The Proposed City Plan 2030 was published for a period of public consultation between November and December 2021.
- 3.5 Policy Env 33 relates to Amenity and states that "*development will be supported by this policy where it is demonstrated that the amenity of future occupiers of the development and occupiers of neighbouring developments are not adversely affected by ensuring acceptable levels of amenity, particularly in relation to odour, space standards, noise, daylight, sunlight, privacy or immediate outlook*".
- 3.6 Policy Hou 7 Loss of Housing states that "*proposals which would result in the loss of residential dwellings through demolition or a change of use will not be permitted, unless in exceptional circumstances, where it would provide necessary community facilities without loss of amenity for neighbouring residents*".
- 3.7 The supporting text for proposed Policy Hou 7 states that the retention of existing dwellings is important as a means of meeting housing need. Over the last decade, Edinburgh has witnessed a significant increase in the use of residential properties for short term lets, reducing the number of homes available. In some areas this has resulted in the dilution of the residential population. Over and above that, any change of use of residential properties to commercial uses can have a detrimental impact on the amenity of residents, particularly where there is a high density of people occupying one building with communal areas. For these reasons, the change of use of a residential unit will only be permissible in exceptional circumstances, such as where the change of use would provide necessary community facilities.
- 3.8 Policy Hou 8 Inappropriate Uses in Residential Areas states that "*developments, including changes of use which would have a materially detrimental effect on the living conditions of nearby residents, will not be permitted*".

3.9 The supporting text for the policy states that “*the intention of the policy is to preclude the introduction or intensification of non-residential uses incompatible with predominantly residential areas and prevent any deterioration in living conditions in more mixed-use areas, which nevertheless have important residential functions*”.

PLANNING APPLICATIONS

3.10 Of material consideration to the submitted application for planning permission is how the CEC have determined similar proposals for the change of use of main door residential dwellings to short term lets to date. Table 1 outlines six applications for planning permission which have been granted by the CEC over the last 12 months.

3.11 Although it is appreciated that each application will ultimately be determined on its individual merits, as evident in Table 1, the applications for planning permission that have been granted by the CEC over the course of the last year all have the following in common:

- The properties have their own private entrances with no communal or shared spaces with other residential properties.
- The properties are all located in areas of the city where although there may be concentrations of residential use, they are all ultimately in areas with a busy, mixed-use nature and are located in proximity to commercial uses.
- The capacity of the properties and the total number of guests that the short term lets could accommodate were considered to be at a level that would not have an adverse impact on the amenity of neighbouring residential properties.

Table 1 – Applications Granted Planning Permission

Application Reference	Reasons for Approval
22/01415/FUL “ <i>Change of use of residential mews building to short term let (in retrospect)</i> ” at 1 Salisbury Mews, EH9 1QL	Granted planning permission on 4 August 2022 for the following reasons: <ul style="list-style-type: none"> • The property had its own access, directly from the kerbside and no private outdoor amenity space. • Any outside noise conflicts were considered to be from the main thoroughfare of Newington Road and given the location of the property near a busy, key city route, consisting of mixed uses including commercial, entertainment and leisure uses, there would already be a degree of background activity and ambient noise levels. • As a two-bedroom property, which could accommodate four people, the potential for disturbance to neighbours was considered to be low.
22/01239/FUL “ <i>Change of Use from residential to short-term let (Sui Generis) (in retrospect)</i> ” at 46 Cumberland Street, EH3 6RG	Granted planning permission on 6 July 2022 for the following reasons: <ul style="list-style-type: none"> • The property was a main door ground floor flat. Although considered to be in a predominantly residential area the property had its own access. • Any outside noise conflicts were considered to be from the road outside to the front of the property, which has two key thoroughfares at either end. • As a two-bedroom property suitable for four people the likelihood of disturbance to neighbours was considered to be low.
21/06615/FUL	Granted planning permission on 13 March 2022 for the following reasons:

<p><i>“Change of use of residential apartment to short-term let visitor accommodation” at 10A Blenheim Place, EH7 5JH</i></p>	<ul style="list-style-type: none"> • The property had its own access. • Any outside noise conflicts were considered to be from the road outside to the front or from the roads and parking areas to the rear of the building. Due to the location of the property, which is near two main thoroughfares and is in an area of mixed uses, including commercial, entertainment and leisure uses, the area was already to be considered to be one where the is “a degree of activity”. • As two bedroom property suitable for four persons the likelihood of disturbance to neighbours was considered to be low.
<p>21/03890/FUL</p> <p><i>“Change of use to short term letting” at 13 Dewar Place Lane, EH3 8EF</i></p>	<p>Granted planning permission 1 November 2021 for the following reasons:</p> <ul style="list-style-type: none"> • The area surrounding the application site was considered to have a mixed character where residential use does not predominate. This position was confirmed in an appeal decision at 4/4A Dewar Place Lane. • The property had its own access. • In the appeal decision for 4/4A Dewar Place Lane the Reporter considered that any resident already lives in an area subject to a considerable degree of transient activity associated with the comings and goings of visitors to the city, and other activity. This observation is material to the determination of the current application. It was considered that the conversion of the application site to a short term let would not have a further impact on residential amenity in terms of external noise.
<p>21/02664/FUL</p> <p><i>“Change of use of Drylaw House to short-term let visitor accommodation (Sui Generis)” at Drylaw House, 32 Groathill Road North, EH4 2SL</i></p>	<p>Granted planning permission on 10 September 2021 for the following reasons:</p> <ul style="list-style-type: none"> • The detached property had large garden grounds and its own private access. • Environmental Protection were consulted on the application, stating that they had no objections to the proposal and that “short term letting noise issues regularly comes down to how well the premises are being managed. The Applicant has advised that they would maintain a guest handbook containing robust terms and conditions, with all potential guests being vetted, and large deposits taken. They also have CCTV in the grounds to monitor for any antisocial behaviour”. • Planning permission had recently been granted for the change of use of the property to a hotel, which would permit people to arrive and stay at the premises for a short period of time on a regular basis throughout the year in a manner dissimilar to that of permanent residents.
<p>21/02615/FUL</p> <p><i>“Change of use from a residential property to short term commercial visitor accommodation” at 41 Barony Street, EH3 6NX</i></p>	<p>Granted planning permission on 11 August 2021 for the following reasons:</p> <ul style="list-style-type: none"> • The property is self-contained, with its own private access at the front. • Although located on a mainly residential street, the property was next to a small concentration of commercial and business uses at Broughton Market and local residents would be used to some degree of noise and disturbance. • As a two-bedroom flat the application property could accommodate four people, which the CEC considered would limit potential for large groups to gather, reducing the likelihood of any anti-social behaviour arising which could disrupt neighbours.

4.0 POLICY ASSESSMENT

PRINCIPLE OF THE DEVELOPMENT

- 4.1 The Applicant has operated the property as a short term let since 2016. The application site is a three-bedroom property, which has a private access directly from the street. The property has no access to any communal areas that are shared with any other residential flats in the area.
- 4.2 The application site is located very close to the edge of the designated city centre of Edinburgh. As such, the application site is located in an active part of the city that experiences passing pedestrian footfall, as well as significant levels of passing bike users and pedestrians, enjoying the Water of Leith walkway and the historic nature of Dean Village.
- 4.3 Policy Hou 7 seeks to preclude the introduction or intensification of non-residential uses that are incompatible with predominantly residential areas. It is recognised that the area is a predominantly residential area. The location of the site being so close to the city centre and the accessibility of the Water of Leith walkway in this location, mean that the area can receive high levels of pedestrian footfall and bike users. The use of the property for short stay accommodation for a small number of users will not detrimentally impact upon the character or amenity of the existing residential area.
- 4.4 The application site is clearly advertised as a three-bedroom property that can accommodate a maximum of six adult guests. The application site is not therefore the type of short term let that would attract large groups, which historically have had the greatest adverse impact on the amenity of neighbouring residents.
- 4.5 Given the character of the application site, which has its own private entrance, and the character of the area surrounding the application site, it is not considered that the change of use proposed will have an adverse impact on residential amenity. It is submitted that the proposal can therefore draw significant support from the Guidance for Businesses and that the development aligns with the requirements of Policy Hou 7 Inappropriate Uses in Residential Areas.

THE HISTORIC ENVIRONMENT

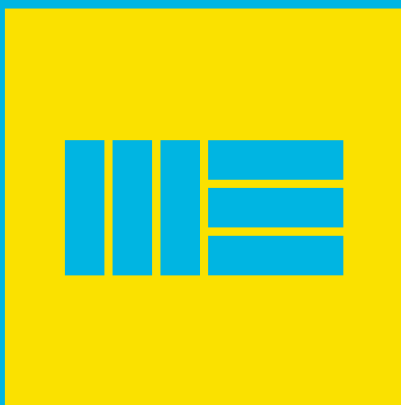
- 4.6 Due to the proposals relating to a listed building, the proposals require to be assessed in terms of Section 59 of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997.
- 4.7 Section 59 (1) states that "*in considering whether to grant planning permission for development which affects a listed building or its setting, a planning authority or the Secretary of State, as the case may be, shall have special regard to the desirability of preserving the building or its setting or any features of special architectural or historic interest which it possesses.*"
- 4.8 There are no external or internal alterations proposed. As such, the proposal will not have an adverse impact on or cause harm to the listed building. The setting of the listed building and the setting of neighbouring listed buildings will be unaffected by the proposal.
- 4.9 Section 64(1) states that "*with respect to any buildings or other land in a conservation area, of any powers under any of the provisions in subsection (2), special attention shall be paid to the desirability of preserving or enhancing the character or appearance of that area.*"
- 4.10 The application site is located within the Dean Conservation Area. No external alterations are proposed therefore the proposal will preserve, and not harm, the appearance of the Dean Conservation Area. The

change of use of the application from a three bedroom domestic flat, albeit in retrospect, to a short term holiday let will not have any material impact on the appearance of the Conservation Area or the World Heritage Site.

- 4.11 Overall, it is submitted that considerable support can be taken from the Guidance for Businesses and the requirements of Policy HOU7, along with the minimal impact upon the heritage sensitivities. The ability for the property to operate as a short term let will not negatively impact upon residential amenity, and will assist in providing alternative accommodation to those visiting Edinburgh for a number of nights, or on a monthly basis.

MONTAGU EVANS

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Montagu Evans LLP.
FAO: Ally Campbell
Exchange Tower
19 Canning Street
Edinburgh
EH3 8EG

LPBZ Commercial Limited.
Per Agent

Decision date: 28 March 2023

**TOWN AND COUNTRY PLANNING (SCOTLAND) ACTS
DEVELOPMENT MANAGEMENT PROCEDURE (SCOTLAND) REGULATIONS 2013**

Change of use from residential to short term let.
At 1 Well Court Edinburgh EH4 3BE

Application No: 22/05184/FULSTL

DECISION NOTICE

With reference to your application for Planning Permission STL registered on 13 October 2022, this has been decided by **Local Delegated Decision**. The Council in exercise of its powers under the Town and Country Planning (Scotland) Acts and regulations, now determines the application as **Refused** in accordance with the particulars given in the application.

Any condition(s) attached to this consent, with reasons for imposing them, or reasons for refusal, are shown below;

Conditions:-

1. No conditions are attached to this consent.

Reason for Refusal:-

1. The proposal is contrary to Local Development Plan Policy Hou 7 in respect of Inappropriate Uses in Residential Areas, as the use of this dwelling as a short stay let will have a materially detrimental effect on the living conditions and amenity of nearby residents.
2. The proposal is contrary to National Planning Framework Policy 30(e) in respect of Local Amenity and Loss of Residential Accommodation, as the use of this dwelling

as a short stay let will result in an unacceptable impact on local amenity and the loss of a residential property has not been justified.

Please see the guidance notes on our [decision page](#) for further information, including how to appeal or review your decision.

Drawings 01,02a, represent the determined scheme. Full details of the application can be found on the [Planning and Building Standards Online Services](#)

The reason why the Council made this decision is as follows:

This determination does not carry with it any necessary consent or approval for the proposed development under other statutory enactments.

Should you have a specific enquiry regarding this decision please contact James Armstrong directly at james.armstrong@edinburgh.gov.uk.



Chief Planning Officer
PLACE
The City of Edinburgh Council

NOTES

1. If the applicant is aggrieved by the decision to refuse permission for or approval required by a condition in respect of the proposed development, or to grant permission or approval subject to conditions, the applicant may require the planning authority to review the case under section 43A of the Town and Country Planning (Scotland) Act 1997 within three months beginning with the date of this notice. The Notice of Review can be made online at www.eplanning.scot or forms can be downloaded from that website. Paper forms should be addressed to the City of Edinburgh Planning Local Review Body, G.2, Waverley Court, 4 East Market Street, Edinburgh, EH8 8BG. For enquiries about the Local Review Body, please email localreviewbody@edinburgh.gov.uk.

2. If permission to develop land is refused or granted subject to conditions and the owner of the land claims that the land has become incapable of reasonably beneficial use in its existing state and cannot be rendered capable of reasonably beneficial use by carrying out of any development which has been or would be permitted, the owner of the land may serve on the planning authority a purchase notice requiring the purchase of the owner of the land's interest in the land accordance with Part 5 of the Town and Country Planning (Scotland) Act 1997.

Report of Handling

**Application for Planning Permission STL
1 Well Court, Edinburgh, EH4 3BE**

Proposal: Change of use from residential to short term let.

**Item – Local Delegated Decision
Application Number – 22/05184/FULSTL
Ward – B05 - Inverleith**

Recommendation

It is recommended that this application be **Refused** subject to the details below.

Summary

The proposal complies with Sections 59 and 64 of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997 as it will not harm the listed building or its setting and it will preserve or enhance the character or appearance of the conservation area.

The change of use of this property to an STL will have an unacceptable impact on neighbouring amenity. The loss of the residential accommodation has not been justified. Whilst it is recognised that there is an economic benefit to the City as a whole from the provision of visitor accommodation in this case it does not outweigh the adverse impact on amenity or the loss of residential accommodation.

The proposal does not comply with the Development Plan policy NPF 4 policy 30(e) and LDP policy Hou 7. There are no material considerations that outweigh this conclusion. The proposal is unacceptable.

SECTION A – Application Background

Site Description

The application site is a three bedroom, first, second and third floor flat located in the south eastern corner of Well Court, to the north of the Water of Leith. The property has its own main door access, though this access passes through outdoor shared amenity space.

Well Court and the surrounding area are of predominantly residential character. Bus links are relatively accessible from the site.

The application site is located within the Dean Conservation Area, Old and New Towns World Heritage Site, and the New Town Gardens and Dean Historic Garden Designed Landscape.

The application property is part of a Category A Listed Building (Dean Path and Damside, 1-54 Well Court including Woodbarn Hall and Clock Tower, LB29900, 15/06/1965.

Description Of The Proposal

The application is for a retrospective change of use from Residential to Short Term Let (STL) (sui-generis). No internal or external physical changes are proposed.

Supporting Information

- Cover letter
- Supporting Statement
- NPF4 Planning Statement

Relevant Site History

11/02161/FUL

1F

1 Well Court

Edinburgh

EH4 3BE

Change of use from office to residential..

Granted

8 August 2011

14/01913/FUL

1F

1 Well Court

Edinburgh

EH4 3BE

Change of use from office to residential comprising formation of 1 three bedroom flat. Enlarge existing windows on north and south elevations (as amended to delete all external alterations).

Granted

24 June 2014

14/04129/LBC

1 Well Court

Edinburgh

EH4 3BE

Alter existing mezzanine level to form new bedroom with a new glazed partition (as amended)

Granted

19 November 2014

14/04927/LBC
1 Well Court
Edinburgh
EH4 3BE

Alterations to the attic to form a bedroom with en-suite shower room, retaining a portion of the attic structure. Enlarge attic window opening on north elevation to match existing on the ground floor and extend the mezzanine.

Granted

13 January 2015

14/01661/LBC
1F
1 Well Court
Edinburgh
EH4 3BE

Form new stair opening, form new access to proposed en-suite in tower and new stair access to proposed bedroom in attic (as amended).

Granted

27 June 2014

11/02161/LBC
1F 1 Well Court
Edinburgh
EH4 3BE

Minor internal alterations (as amended)

Granted

13 September 2011

Other Relevant Site History

No other relevant site history has been identified.

Consultation Engagement

No consultations.

Publicity and Public Engagement

Date of Neighbour Notification: 24 October 2022

Date of Advertisement: 28 October 2022

Date of Site Notice: 28 October 2022

Number of Contributors: 4

Section B - Assessment

Determining Issues

Due to the proposals relating to a listed building(s) and being within a conservation area, this report will first consider the proposals in terms of Sections 59 and 64 of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997 (the "1997 Heritage Act"):

- a) Is there a strong presumption against granting planning permission due to the proposals:
- (i) harming the listed building or its setting? or
 - (ii) conflicting with the objective of preserving or enhancing the character or appearance of the conservation area?
- b) If the strong presumption against granting planning permission is engaged, are there any significant public interest advantages of the development which can only be delivered at the scheme's proposed location that are sufficient to outweigh it?

This report will then consider the proposed development under Sections 24, 25 and 37 of the Town and Country Planning (Scotland) Act 1997 (the 1997 Act):

Having regard to the legal requirement of Section 24(3), in the event of any policy incompatibility between National Planning Framework 4 (NPF4) & Edinburgh Local Development Plan 2016 (LDP) the newer policy shall prevail.

Do the proposals comply with the development plan?

If the proposals do comply with the development plan, are there any compelling material considerations for not approving them?

If the proposals do not comply with the development plan, are there any compelling material considerations for approving them?

In the assessment of material considerations this report will consider:

- equalities and human rights;
- public representations; and
- any other identified material considerations.

Assessment

a) The proposals harm the listed building or its setting?

The following HES guidance is relevant in the determination of this application:

- o Managing Change in the Historic Environment: Guidance on the principles of listed buildings
- o Managing Change in the Historic Environment: Setting

Managing Change in the Historic Environment: Interim Guidance on the principles of listed building consent sets out the principles for assessing the impact of a development on a listed building.

Managing Change in the Historic Environment: Setting sets out the principles that apply to developments affecting the setting of historic assets or places including listed buildings and conservation areas. It includes factors to be considered in assessing the impact of a change on the setting.

There are no external or internal alterations proposed. As such, the proposal will not have an adverse impact on or cause harm to the listed building. The setting of the listed building and the setting of neighbouring listed buildings will be unaffected by the proposal.

Conclusion in relation to the listed building

The proposal does not harm the character of the listed building, its setting, or the setting of neighbouring listed buildings. It is therefore acceptable with regard to Section 59 of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997.

b) The proposals harm the character or appearance of the conservation area?

Section 64(1) of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997 states:

"In exercise, with respect to any buildings or other land in a conservation area, of any powers under any of the provisions in subsection (2), special attention shall be paid to the desirability of preserving or enhancing the character or appearance of that area."

The Dean Conservation Area Character Appraisal emphasises the distinctive village character of the streetscape within Dean Village, the heritage of high quality buildings, the limited range of building materials, the predominance of residential uses, and the importance of the Water of Leith and its corridor.

As stated previously, there are no external changes proposed. Therefore, the impact on the character and appearance of the conservation area is acceptable.

Conclusion in relation to the conservation area

The proposals are acceptable with regard to section 64 of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997.

c) The proposals comply with the development plan?

National Planning Framework 4 (NPF4) was adopted by the Scottish Ministers on 13 February 2023 and forms part of the Council's Development Plan. NPF4 policies supports the planning and delivery of Sustainable Places, Liveable Places and Productive Places and are the key policies against which proposals for development are assessed. Several policies in the Edinburgh Local Development Plan (LDP) are superseded by equivalent and alternative policies within NPF4.

The relevant NPF4 and LDP 2016 policies to be considered are:

- NPF4 Sustainable Places Tackling the climate and nature crises Policies 1 and 7.
- NPF4 Productive Places Tourism Policy 30.

- LDP Housing Policy Hou 7.
- LDP Transport Policies Tra 2 and Tra 3.

The non-statutory 'Listed Buildings and Conservation Area' guidance is a material consideration that is relevant when considering historic assets.

The non-statutory 'Guidance for Businesses' is a material consideration that is relevant when considering change of use applications.

Listed Buildings, Conservation Area and World Heritage Site

There are no external or internal works proposed and as such there will not be a significant impact on historic assets or places. The proposal complies with NPF 4 Policy 7.

Proposed Use

With regards to NPF 4 Policy 1, the proposed change of use does not involve operational development resulting in physical changes to the property. The proposals will have a negligible impact on the global climate and nature crisis.

NPF 4 Policy 30 seeks to encourage, promote and facilitate sustainable tourism development which benefits local people, is consistent with our net zero and nature commitments, and inspires people to visit Scotland. Criterion 30 (b) and (e) specifically relate to STL proposals.

LDP Policy Hou 7 (Inappropriate Uses in Residential Areas), seeks to protect residential amenity.

The non-statutory Guidance for Businesses states that an assessment of a change of use of dwellings to a short term let will have regard to:

- The character of the new use and of the wider area;
- The size of the property;
- The pattern of activity associated with the use including numbers of occupants, the period of use, issues of noise, disturbance and parking demand and
- The nature and character of any services provided.

In connection to short term lets it states, "The Council will not normally grant planning permission in respect of flatted properties where the potential adverse impact on residential amenity is greatest".

Amenity

The application property has its own main door access, though this access passes through outdoor shared amenity space. There is a low to moderate degree of activity in the immediate vicinity of the property at any time.

The use of the property as an STL would introduce an increased frequency of movement to the property. The proposed three bedroom STL use would enable visitors to arrive and stay at the premises for a short period of time on a regular basis throughout the year in a manner dissimilar to that of permanent residents. There is no

guarantee that guests would not come and go frequently throughout the day and night, and transient visitors may have less regard for neighbours' amenity than individuals using the property as a principal home. The private garden area associated with the property is also of concern, as it has the capacity to amplify amenity impacts on neighbours.

The additional servicing that operating a property as an STL requires compared to that of a residential use is also likely to result in an increase in disturbances, further impacting on neighbouring amenity. However, this would be of lesser impact as it is likely that servicing would be conducted during the daytime.

This would be significantly different from the ambient background noise that neighbouring residents might reasonably expect and will have an unacceptable effect on the living conditions and amenity of nearby residents. The proposal does not comply with NPF 4 policy 30(e) part (i) and LDP policy Hou 7.

Loss of residential accommodation

NPF 4 policy 30 (e) part (ii) requires that where there is a loss of residential property this will only be supported where the economic benefits of the proposals are outweighed by demonstrable local economic benefits.

Paragraph 220 of the LDP acknowledges that tourism is the biggest source of employment in Edinburgh, providing jobs for over 31,000 people. The use of the property by guests and the required maintenance and upkeep of STL properties are likely to result in a level of job creation and spend within the economy which can be classed as having an economic benefit.

The applicant has provided a planning statement outlining the location of the property as popular with tourists, as being of benefit to local shops, letting agencies, tourist attractions, restaurants and the wider economy. Additionally, the planning statement notes that the proposal will not result in a loss of residential accommodation because the application is retrospective.

However, the use of the property as an STL would result in the loss of residential accommodation, which given the recognised need and demand for housing in Edinburgh it is important to retain, where appropriate. The retrospective nature of the application does not change that the property's lawful use is as a residential property.

Furthermore, residential occupation of the property also contributes to the economy, in terms of providing a home and the spend in relation to the use of the property as a home, including the use of local services and resultant employment, as well as by making contributions to the local community.

In this instance it has not been sufficiently demonstrated that the loss of the residential accommodation is outweighed by demonstrable local economic benefits arising from the STL use. As such, the proposal does not comply with NPF 4 30(e) part (ii).

Parking standards

There is no motor vehicle or cycle parking. This is acceptable as there are no parking requirements for STLs.

The proposal complies with LDP Policies Tra 2 and Tra 3.

Conclusion in relation to the Development Plan

The change of use of this property to an STL will have an unacceptable impact on neighbouring amenity. The loss of the residential accommodation has not been justified. Whilst it is recognised that there is an economic benefit to the City as a whole from the provision of visitor accommodation in this case it does not outweigh the impact on amenity or loss of residential accommodation. The proposal does not comply with the Development Plan policy NPF 4 policy 30(e) and LDP policy Hou 7.

d) There are any other material considerations which must be addressed?

The following material planning considerations have been identified:

Emerging policy context

City Plan 2030 represents the settled will of the Council, and it has been submitted to Scottish Ministers for examination. As such, limited weight can be attached to it as a material consideration in the determination of this application.

Equalities and human rights

Due regard has been given to section 149 of the Equalities Act 2010. No impacts have been identified.

Consideration has been given to human rights. No impacts have been identified through the assessment and no comments have been received in relation to human rights.

Public representations

A summary of the representations is provided below:

3 objections
1 neutral

material considerations in objection

- Contrary to City Plan 2030 Policy Hou 7. Addressed in section D.
- Impact on residential amenity. Addressed in section C.
- Loss of residential accommodation. Addressed in section C.
- Impact on the use of recycling bins. Suitable recycling facilities are provided for the proposed use.
- Too many STLs in the area resulting in a negative impact on the community. The use of one residential property as a STL will not have a significant impact on the local community.

non-material considerations

- Price of the STL accommodation offered.

- Motivations of the developer.
- Incompatible with Scottish Planning Policy.
- The density of STLs in the area cause anti-social behaviour.

Conclusion in relation to other material considerations

The proposals do not raise any issues in relation to other material considerations identified.

Overall conclusion

The proposal complies with Section 64 of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997 as it will preserve or enhance the character or appearance of the conservation area.

The change of use of this property to an STL will have an unacceptable impact on neighbouring amenity. The loss of the residential accommodation has not been justified. Whilst it is recognised that there is an economic benefit to the City as a whole from the provision of visitor accommodation in this case it does not outweigh the the adverse impact on amenity or the loss of residential accommodation. The proposal does not comply with the Development Plan policy NPF 4 policy 30(e) and LDP policy Hou 7. There are no material considerations that outweigh this conclusion. The proposal is unacceptable.

Section C - Conditions/Reasons/Informatives

The recommendation is subject to the following;

Conditions

1. No conditions are attached to this consent.

Reasons

Reason for Refusal

1. The proposal is contrary to Local Development Plan Policy Hou 7 in respect of Inappropriate Uses in Residential Areas, as the use of this dwelling as a short stay let will have a materially detrimental effect on the living conditions and amenity of nearby residents.
2. The proposal is contrary to National Planning Framework Policy 30(e) in respect of Local Amenity and Loss of Residential Accommodation, as the use of this dwelling as a short stay let will result in an unacceptable impact on local amenity and the loss of a residential property has not been justified.

Background Reading/External References

To view details of the application go to the [Planning Portal](#)

Further Information - [Local Development Plan](#)

Date Registered: 13 October 2022

Drawing Numbers/Scheme

01,02a

**David Givan
Chief Planning Officer
PLACE
The City of Edinburgh Council**

Contact: James Armstrong, Assistant Planning Officer
E-mail: james.armstrong@edinburgh.gov.uk

Appendix 1

Consultations

No consultations undertaken.

Planning Committee

2.00pm, Wednesday 14 June 2023

Economic Impact of Residential and Short-term Let Properties in Edinburgh

Executive/routine Wards Council Commitments	Executive All 4, 10
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1. Recommendations

- 1.1 It is recommended that Committee notes:
- 1.1.1. That an independent assessment of the economic impact of residential and short-term let properties in Edinburgh was commissioned with a final report issued in May 2023; and
 - 1.1.2. That the findings of the report are one source of information that can be considered when assessing the economic impacts of short-term let planning applications and that given the report is considering generalities rather than the specifics of an individual case, it is likely that only limited weight can be attached to it as a material consideration when making planning application decisions.

Paul Lawrence

Executive Director of Place

Contact: David Givan – Chief Planning Officer and Head of Building Standards

Email: david.givan@edinburgh.gov.uk



Report

Economic Impact of Residential and Short-Term Let Properties in Edinburgh

2. Executive Summary

- 2.1 The consultancy MKA Economics Ltd was appointed by the Planning Service to conduct an independent assessment of the economic impact of various types of property in Edinburgh if being used for residential purposes and provide a comparison if being used for short-term let purposes. MKA Economics has produced a report on the Economic Impact of Residential and Short-Term Let Properties in Edinburgh (“the Economic Report”) which is contained in Appendix 1.
- 2.2 The Economic Report shows that there are positive economic impacts from the use of properties for both residential use and short-term let use. The gross value added (GVA) effects are greater for residential uses than short-term lets across all property types and all areas.
- 2.3 The Economic Report is one source of information that can be considered when assessing the economic impacts of short-term let planning applications. However, given it is considering generalities rather than the specifics of an individual case, it is likely that only limited weight can be attached to it as a material consideration when making planning application decisions.
- 2.4 If further guidance on short-term lets is prepared in accordance with the decision of Planning Committee of [19 April 2023](#), the Economic Report will be used to inform the preparation of that guidance.

3. Background

- 3.1 The Council brought into force a Short-term Let Control Area for the whole of the Council’s area on 5 September 2022.
- 3.2 In the Control Area, a change of use of a dwelling to a short-term let is deemed to be a material change of use and therefore requires planning permission where that property is not the principal home of the landlord or occupier.
- 3.3 When the Control Area came into force the primary Development Plan policy governing Short Term Lets was policy Hou 7 in the Council’s Local Development Plan (“LDP”). The Council consulted on amending its planning guidance on short-term lets

between 29 September 2022 and 22 December 2022. The amended guidance was approved on 19 April 2022. This is contained in its [Guidance for Businesses](#). This guidance explains in more detail, relative to LDP Hou7, the criteria for determining whether to grant planning permission for a change of use to short-term let.

- 3.4 The [National Planning Framework 4](#) (NPF4) became part of the Council's development plan on 13 February 2023. It contains Policy 30 e) on short-term lets which states:

Development proposals for the reuse of existing buildings for short term holiday letting will not be supported where the proposal will result in:

i. An unacceptable impact on local amenity or the character of a neighbourhood or area; or

ii. The loss of residential accommodation where such loss is not outweighed by demonstrable local economic benefits.

- 3.5 In advance of NPF4 being adopted, the Scottish Government in November 2022 published a Revised Draft National Planning Framework 4. It contained the same policy, 30 e). On the basis of this draft and the likelihood that NPF4 would be become part of the Council's development plan, the Planning Service commissioned MKA Economics to provide an independent economic impact assessment of various types of property in Edinburgh if being used for residential purposes versus being used for short-term let purposes.

- 3.6 The consultation on revising the Council's short-term lets guidance had concluded prior to the adoption of NPF4. NPF4 Policy 30 e) is therefore not currently addressed in the Council's Short-term Lets Guidance.

- 3.7 On 19 April 2023, Planning Committee noted that the consultation on the short-term lets guidance was issued prior to the coming into force of National Planning Framework 4 (NPF4) in February 2023. It also noted that City Plan 2030 is currently at examination stage, and is expected to return to Committee in late 2023 or early 2024; It further noted that the Scottish Government may be issuing guidance shortly on the application of NPF4 in respect of short-term lets; It agreed that further guidance on the applicability of NPF4 and City Plan to short-term lets is likely to be required, and agreed to receive a report setting out options for consulting on further changes to guidance once City Plan 2030 has been adopted.

4. Main report

- 4.1 The analysis contained in the Economic Report finds that that the GVA effects are greater for residential uses than short-term lets across all property types and all areas.
- 4.2 Although the Economic Report notes that the employment effects are greater for short-term lets in most cases and that although tourism jobs are valuable, they are not as valuable in GVA terms as other economic activity in the city.
- 4.3 The Economic Report states that all businesses, and the resident population, and businesses in the tourism sector are facing significant economic challenges as a

result of the ongoing cost of living crisis, and the results it presents will continue to change throughout 2023 and beyond.

- 4.4 Care needs to be taken with how the Economic Report is used. It is one source of information that can be considered when assessing the economic impacts of short-term let planning applications. In respect of the NPF4 policy that the change of use of residential accommodation for short-term lets should only be supported where this is outweighed by “demonstrable local economic benefits”, the Economic Report indicates that the conversion of residential accommodation would, generally, be expected to result in a loss of GVA, i.e. economic disbenefits. Given it is considering generalities rather than the specifics of an individual case, it is likely that only limited weight can be attached to it as a material consideration when making planning application decisions. Each planning application requires to be considered on its own merits. Applicants may be able to provide evidence that specific changes of use will deliver demonstrable economic benefits. The economic impacts are likely to vary depending upon the specifics of the property in question coupled with the overall tone of the market. For example, one aspect of the report is that it makes assumptions on occupancy rates. If the number of short-term lets in Edinburgh reduces, there may be potential that occupancy rates could increase. This could potentially increase the economic impact of an average short-term let.
- 4.5 The Economic Report is likely to be of relevance if and when the Council prepares draft revised guidance on short-term lets to address NPF4 Policy 30 e), however it would still just be one source of information in formulating the revised guidance. Any such revised draft guidance would be subject to detailed consultation prior to it being finalised.
- 4.6 The report requested by Planning Committee, on 19 April 2023, will set out options and if further guidance on short-term lets is prepared, the Economic Report will be used to inform the preparation of that guidance.

5. Next Steps

- 5.1 If the Council continues to receive significant numbers of short-term let applications consideration will be given to reviewing the report and seeking an update of it in advance of preparing new guidance. In this respect, the model that underpins the analysis has been designed to allow updates in the future.

6. Financial Impact

- 6.1 There are no immediate financial implications for the Council arising from this report.

7. Stakeholder/Community Impact

- 7.1 There has been no stakeholder or community engagement on this report.

8. Background Reading/External References

- 8.1 Report to 19 April 23 Planning Committee on [Proposed Changes to Short Term Let Guidance in the Non-Statutory Guidance for Businesses.](#)
- 8.2 Planning [Guidance for Businesses](#) which contains guidance on short-term lets.
- 8.2 [National Planning Framework 4](#) (NPF4).

9. Appendices

- 9.1 Appendix 1 – Economic Impact of Residential and Short-Term Let Properties in Edinburgh.



Economic Impact of Residential and Short-Term Let Properties in Edinburgh

A Final Report

For

City of Edinburgh Council

By

MKA Economics

24th May 2023

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Executive Summary

MKA Economics was appointed by City of Edinburgh Council (the Council) in November 2022 to present an independent economic impact assessment of various types of properties in Edinburgh if used as a residential property as opposed to being used for short-term holiday lettings. This report sets out the approach and methodology, and results as set out below.

The analysis shows that the gross value added (GVA) effects are greater for residential uses than short-term lets across all property types and all areas. Although it is noted that the employment effects are greater for short-term lets in most cases, however, although tourism jobs are valuable, they are not as valuable in GVA terms as other economic activity in the city.

All businesses, and the residents, and businesses in the tourism sector are facing significant economic challenges as a result of the ongoing cost of living crisis, and the results presented in this section will continue to change throughout 2023 and beyond. The model has been designed in such a manner to allow regular updates in future.

Figure 1.1: Economic Impact of Residential and Short Term Let Properties

Edinburgh Average - Residential				Edinburgh Average - Short Term Let			
Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation	Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation
1 bed	0.19	7,516	7,301	1 bed	0.23	4,714	12,419
2 bed	0.31	12,559	16,267	2 bed	0.43	8,764	21,991
3 bed	0.49	19,699	22,065	3 bed	0.60	12,288	30,467
4 bed	0.62	25,117	32,040	4 bed	0.75	15,293	37,878
5 bed	0.77	31,212	42,355	5 bed	1.03	21,018	51,650

Edinburgh Central - Residential				Edinburgh Central - Short Term Let			
Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation	Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation
1 bed	0.20	£ 8,212	£ 8,088	1 bed	0.29	£ 5,990	£ 15,542
2 bed	0.33	£ 13,208	£ 16,937	2 bed	0.55	£ 11,137	£ 27,840
3 bed	0.51	£ 20,706	£ 22,780	3 bed	0.77	£ 15,775	£ 38,970
4 bed	0.66	£ 26,417	£ 33,174	4 bed	1.05	£ 21,470	£ 52,548
5 bed	0.82	£ 32,841	£ 43,142	5 bed	1.10	£ 22,412	£ 55,537

Edinburgh Eastern - Residential				Edinburgh Eastern - Short Term Let			
Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation	Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation
1 bed	0.16	£ 6,323	£ 5,746	1 bed	0.19	£ 3,916	£ 10,391
2 bed	0.25	£ 10,041	£ 12,239	2 bed	0.29	£ 5,952	£ 15,249
3 bed	0.39	£ 15,833	£ 15,975	3 bed	0.43	£ 8,861	£ 22,100
4 bed	0.50	£ 20,081	£ 23,678	4 bed	-	£ -	£ -
5 bed	0.62	£ 24,860	£ 33,072	5 bed	-	£ -	£ -

Edinburgh North and Leith - Residential				Edinburgh North and Leith - Short Term Let			
Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation	Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation
1 bed	0.19	£ 7,500	£ 7,290	1 bed	0.23	£ 4,765	£ 12,331
2 bed	0.34	£ 13,608	£ 17,952	2 bed	0.43	£ 8,855	£ 21,880
3 bed	0.53	£ 21,304	£ 24,712	3 bed	0.66	£ 13,437	£ 32,556
4 bed	0.68	£ 27,215	£ 35,104	4 bed	0.64	£ 13,044	£ 32,195
5 bed	0.84	£ 33,866	£ 47,523	5 bed	0.96	£ 19,624	£ 47,763

Edinburgh Pentland - Residential				Edinburgh Pentland - Short Term Let			
Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation	Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation
1 bed	0.18	£ 7,052	£ 7,226	1 bed	0.21	£ 4,318	£ 11,516
2 bed	0.32	£ 12,791	£ 17,825	2 bed	0.42	£ 8,654	£ 21,628
3 bed	0.50	£ 20,028	£ 25,233	3 bed	0.55	£ 11,162	£ 27,897
4 bed	0.63	£ 25,581	£ 36,383	4 bed	0.65	£ 13,330	£ 33,384
5 bed	0.79	£ 31,829	£ 47,201	5 bed	-	£ -	£ -

Edinburgh Southern - Residential				Edinburgh Southern - Short Term Let			
Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation	Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation
1 bed	0.21	£ 8,308	£ 8,088	1 bed	0.24	£ 4,974	£ 13,220
2 bed	0.33	£ 13,364	£ 16,937	2 bed	0.46	£ 9,333	£ 23,719
3 bed	0.52	£ 20,950	£ 22,780	3 bed	0.65	£ 13,329	£ 33,382
4 bed	0.66	£ 26,728	£ 33,174	4 bed	-	£ -	£ -
5 bed	0.82	£ 33,228	£ 43,142	5 bed	-	£ -	£ -

Edinburgh Western - Residential				Edinburgh Western - Short Term Let			
Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation	Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation
1 bed	0.19	£ 7,698	£ 7,369	1 bed	0.21	£ 4,318	£ 11,516
2 bed	0.31	£ 12,340	£ 15,714	2 bed	0.42	£ 8,654	£ 21,628
3 bed	0.48	£ 19,375	£ 20,910	3 bed	0.55	£ 11,162	£ 27,897
4 bed	0.61	£ 24,680	£ 30,729	4 bed	0.65	£ 13,330	£ 33,384
5 bed	0.76	£ 30,649	£ 40,050	5 bed	-	£ -	£ -

1 Introduction

1.1 MKA Economics was appointed by City of Edinburgh Council (the Council) in November 2022 to present an independent economic impact assessment of various types of properties in Edinburgh if used as a residential property as opposed to being used for short-term holiday lettings.

1.2 In recent years, there has been a trend of residential properties in Edinburgh and Scotland being formally and informally repurposed as short-term holiday letting properties.

1.3 National Planning Framework 4 (NPF4) document sets out planning policies with respect to this. Policy 30e of NPF4 is as follows:

‘Development proposals for the reuse of existing buildings for short term holiday letting will not be supported where the proposal will result in:

- i. An unacceptable impact on local amenity or the character of a neighbourhood or area; or*
- ii. The loss of residential accommodation where such loss is not outweighed by demonstrable local economic benefits.’*

1.4 With regards to point ii, the Council requires an analysis of the local economic benefits of short-term holiday letting properties as opposed to residential properties.

1.5 The scope of the work is to prepare a simple table that compares the local economic benefits of a residential property versus a short-term holiday let properties for a range of scenarios.

2 Assessment Methodology

2.1 The scope of the work is to prepare a simple set of tables that compares the local economic benefits of a residential property versus a short-term holiday let property for a range of scenarios.

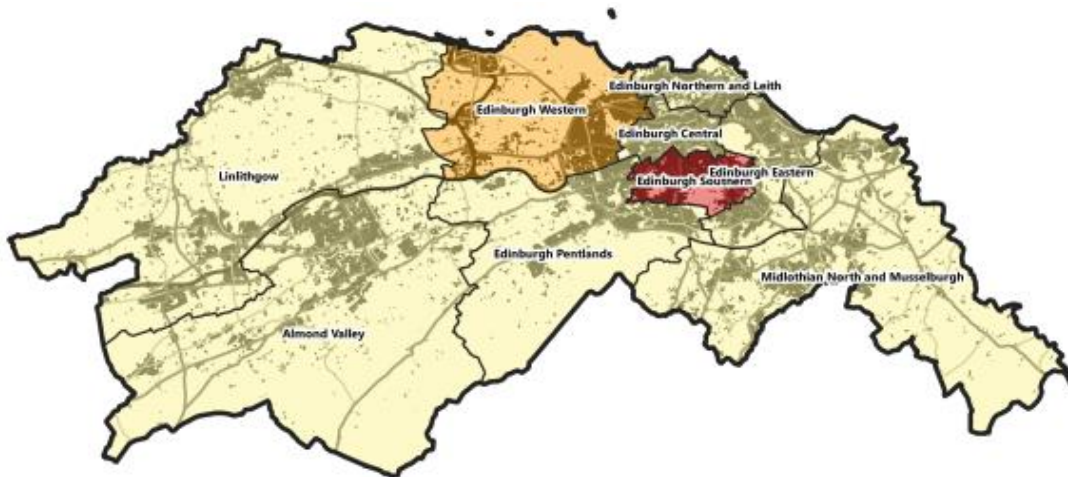
2.2 The analysis takes the form of a series of tables that sets out the expected economic impact for a single property if used for residential use and if used as a short-term holiday letting. A key consideration is that the table should present this data for various 'scenarios' of properties rather than presenting a single figure for the city overall. These scenarios include the number of bedrooms the property has and the location of the property. MKA Economics has considered how these different inputs would impact upon factors such as expenditure and occupancy/voids and how this would in turn impact upon the expected economic benefits.

2.3 For this assessment MKA Economics has devised an economic impact model which splits Edinburgh into its six Scottish Parliamentary constituency areas, these being:

- Edinburgh Central
- Edinburgh Eastern
- Edinburgh Northern and Leith
- Edinburgh Pentlands
- Edinburgh Southern
- Edinburgh Western

2.4 The analysis also summarises the impacts for Edinburgh as a whole as a result of drawing on the findings from the constituencies. These constituency areas are illustrated on the map below.

Figure 1.2: Edinburgh and Lothian Scottish Parliament Constituencies



2.5 These areas were selected according to the availability of data for both residential households as well as information for short-term lets. The residential figures are sourced from a range of local and national publicly available datasets. The lettings information is sourced from AirDNA, which is the data engine behind AirBNB and Vrbo, and has information on more than 6,660 active listings in Edinburgh. These are explained in more detail below.

Residential Use

2.6 The residential market in each character area were assessed according to the number of bedrooms, from one bedroom to five bedrooms.

2.7 In order to assess Council Tax impacts, a review of Council Tax statistics in each area was completed, using figures from the National Records of Scotland (NRS) (Estimates of Households and Dwellings in Scotland). An interrogation of Council Tax banding by property type and by constituency was undertaken to assess the expected Council Tax receipts by area and property tax.

2.8 The analysis has utilised Council Tax Charges for Edinburgh for the period 2023/24, these being A-C (Edinburgh average £1,517), D-E (Edinburgh average £2,233) and F-H (Edinburgh average £3,767). In terms of key assumptions, the analysis has assumed all one beds across all areas are in the A-C band and all five beds are in the F-H band. Using the statistics, the analysis has assumed that two bedroom properties in North, East and Pentlands remain in A-C as they have a higher proportion of these properties, and the other areas move to band D-E for two bedroom properties. North and East three bedroom properties remain in A-C, and Pentlands moves into D-E for three bedroom properties. In terms of four bedroom properties, East and North remain in D-E whilst the other areas move to F-H. The analysis has also applied a 25% reduction to the one bedroom / one person households.

Figure 1.3: Council Tax Bands

Area	One Bed	Two Bed	Three Bed	Four Bed	Five Bed
Central	A-C	D-E	D-E	F-H	F-H
Eastern	A-C	A-C	A-C	D-E	F-H
Northern & Leith	A-C	A-C	A-C	D-E	F-H
Pentlands	A-C	A-C	D-E	D-E	F-H
Southern	A-C	D-E	D-E	F-H	F-H
Western	A-C	D-E	D-E	F-H	F-H

2.9 In order to assess the number of adults, working adults and children in each home, the analysis has utilised figures from the Scottish Household Survey which found that the average number of bedrooms per household was 2.6 and the average household size was 2.2, so there was an average of 1.18 bedrooms per person in Scotland, or inversely 0.85 people per bedroom in Scotland.

2.10 On the basis that less than one person cannot reside in a house, the analysis has assumed one person for one bedroom homes, and then utilised the 0.85 proxy for each additional property size. A review of Office for National Statistics (ONS) (The Effects of Taxes and Benefits on Household Income, UK, 2021/22 - Reference Tables) also showed that the average number of children per household is 0.5 (in a typical household of 2.4), or 0.21 children per average house. The analysis has deployed this proxy per household size to calculate the number of adults per house. The working age numbers are converted to 'economically active' figures by deploying the economic activity rate for Edinburgh (81.4%) from ONS Annual Population Survey.

Figure 1.4: Tenure by Property Size

Property Type	Average Number of Residents	Average Number of Adults	Average Number of Working Adults
One Bed	1.0	0.8	0.6
Two Bed	1.7	1.3	1.1
Three Bed	2.6	2.1	1.7
Four Bed	3.4	2.7	2.2
Five Bed	4.3	3.4	2.8

2.11 Annual salaries were drawn from the Annual Survey of Hours and Earnings (ASHE), these salaries were used to assess the value of workers earnings, and therefore also present the economic value of these jobs, and enable taxation impacts to be calculated. These figures can be seen to be the economic value of the properties being occupied by working age residents, and would therefore have a beneficial impact on producing goods and services in other parts of the Edinburgh economy.

Figure 1.5: Average Salary by Area

Area	Avg. Salary	Diff with Edinburgh	Diff with Scotland
Central	£40,369	11%	27.4%
Eastern	£31,833	-13%	0.4%
Northern & Leith	£37,461	3%	18.2%
Pentlands	£37,229	2%	17.5%
Southern	£40,369	11%	27.4%
Western	£37,748	4%	19.1%
Edinburgh	£36,393		
Scotland	£31,697		

2.12 Income tax assumptions are based upon the Scottish Government taxation rate, where there is a tax free threshold of around £12,500. There is a starter rate of 19% up to £15,000, a lower tax rate of 20% up to £25,000 and a 21% rate up to £44,000. For the purposes of this assessment we have assumed a middle income tax rate of 21%. In terms of National Insurance, we have adopted the same approach and assumed 12% of salaries over the national threshold of £12,500.

2.13 Family expenditure rates were drawn from the ONS 'Family Spending in the UK' in 2021. The rate for Scotland was used as a baseline, and 'housing costs' in terms of heating and lighting were excluded as these are unlikely to be spent locally. The other items were all deemed to be potentially local benefits, e.g., food and drink, health, transport, and recreation. This provided an annual weekly expenditure per person of £190 and an annual figure of £9,850. In order to assess potential variances at the local level the base case figures were subjected to an increase directly related to the variance in the earnings in Edinburgh vis-à-vis Scotland. Total family expenditure was then presented, and these figures were subjected to a VAT adjustment of 20%, to provide a net family expenditure impact.

2.14 The total gross impact was calculated according to salaries and family expenditure. In order to reflect the likelihood that some of this activity would 'leak' out of Edinburgh as result of workers being employed outside the city and an element of their expenditure benefiting non-Edinburgh locations and businesses an adjustment for leakage was presented.

2.15 Travel to work statistics from the 2011 Census were reviewed, and it was assumed for each character area, that people travelling over 10km to work, would likely to be working outside of Edinburgh. Varying leakage rates were then assumed for earning and expenditure totals.

2.16 In order to convert the net local impact to employment and GVA per job. A review of the latest Scottish Annual Business Statistics (2019 figures) was completed. This review found that one Full Time Equivalent (FTE) job is created for every £126,585 in Edinburgh, and each FTE job across the Edinburgh economy has a GVA per head impact of £40,294. FTEs have been calculated based on 69% of Edinburgh's workforce being full time and 31% being part time, with part time posts assumed to be 0.5 of a job.

2.17 This assessment was then used to populate the 'Overview' for the residential properties by size and character area across Edinburgh's six parliamentary constituency areas.

Short-Term Letting Use

2.18 In terms of short-term lets, figures from AirDNA were used, as this is the largest and most up to date source of active and historic data for short term lets at the local level. In total AirDNA presented ten character areas for Edinburgh, and transposed into the six Scottish Parliamentary constituency areas, this assumes the following:

- Edinburgh Central: New Town, Old Town and Stockbridge
- Edinburgh Eastern: Craigmillar and Portobello
- Edinburgh Northern and Leith: Leith
- Edinburgh Pentlands: Edinburgh West and Balerno
- Edinburgh Southern: Marchmont, Morningside and Newington
- Edinburgh Western: Edinburgh West and Balerno

2.19 It should be noted that due to the scale of the AirDNA area of West Edinburgh and Balerno, this covers both Edinburgh Pentlands and Edinburgh Western. AirDNA figures outlined that, on average, two people stayed in a one bedroom property, four people in a two bedroom property, six people in a three bedroom property, eight people in a four bedroom property and ten people in a five bedroom property.

2.20 It should be noted that due to limited data for larger properties in some areas, such as Edinburgh Eastern, Pentland, Southern and Western, there is insufficient data to assess larger lettable properties.

2.21 In terms of property tax, we were unable to access the Scottish Government Non-Domestic Tax Rate calculator as it is under review. Furthermore, a review of Edinburgh's District Valuers website identified no self-catering properties and it was therefore assumed that the properties were more likely to have a Council Tax impact, than a Non-Domestic Rate impact.

2.22 It is acknowledged that this position is subject to ongoing legislative changes. The same Council Tax proxies as outlined for residential properties by their size was therefore assumed for short-term lets.

2.23 In terms of booking data, we obtained booking charges and occupancy rates from AirDNA for each area and by property size, this assumed full properties and not properties which were subletting individual rooms within a residential property. The daily rate does not include the AirBNB service charge which is charged to the customer, which is set at varied between 14%. The cleaning charge is included in the daily rate, and this was extrapolated (being around 5%) of the daily rate, for illustrative purposes, although it is acknowledged that this varies by property to property. The analysis of daily rates and occupancy rates is based on the most recent year (Dec 21 – Nov 22) figures from AirDNA.

2.24 The daily expenditure by each overnight tourist staying in Edinburgh was sourced from VisitScotland's 'Tourism in Edinburgh' 2019, which is the latest source, and it is acknowledged that 2022 was expected to be similar to 2019, on the basis that Covid-19 restrictions were largely lifted and anecdotal evidence and a review of a range of tourism barometers suggesting 2022 was a similar year as pre-pandemic figures from 2019. The overnight figures assumed £99 for international travellers and £96 for domestic travellers, therefore £97.50 was assumed.

2.25 This average figure has been adjusted to account for the difference in booking rates across each property type and area, for example, where booking charges are higher, or lower, than average, this same factor has been adopted to alter the average daily spend figure. The logic being that those spending more/less on booking accommodation, are likely to spend more/less during their stay.

2.26 A headline summary of these short-term let metrics is presented in Figure 1.6 below.

Figure 1.6: Short-Term Lets – Tourism Assumptions

	Net Daily Rate	Spend Variance with Average	Occupancy Rate
Central			
1 bed	£142.15	25%	77%
2 bed	£196.01	22%	73%
3 bed	£287.54	21%	70%
4 bed	£468.61	23%	70%
5 bed	£591.68	7%	67%
Eastern			
1 bed	£96.69	-15%	74%
2 bed	£110.83	-31%	69%
3 bed	£173.94	-27%	65%
Northern and Leith			
1 bed	£113.09	-1%	77%
2 bed	£160.23	0%	71%
3 bed	£259.78	9%	66%
4 bed	£349.62	-8%	57%
5 bed	£510.44	-7%	68%
Pentland			
1 bed	£108.08	-5%	73%
2 bed	£161.13	1%	69%
3 bed	£226.08	-5%	63%
4 bed	£290.93	-24%	70%
Southern			
1 bed	£115.04	1%	79%
2 bed	£171.30	7%	70%
3 bed	£257.69	8%	66%
Western			
1 bed	£108.08	-5%	73%
2 bed	£161.13	1%	69%
3 bed	£226.08	-5%	63%
4 bed	£290.93	-24%	70%

2.27 Consultation with VisitScotland outlined that this included accommodation spend, and therefore this was subtracted from the spend rated, based on known accommodation costs in each areas and by property size. Therefore, a total per head accommodation spend could be calculated. This was then multiplied by 365 days and subjected to an occupancy rate which was reflective of statistics by area and property size from AirDNA.

2.28 In keeping with the residential assessment, a leakage rate was assessed. There are no statistics from VisitScotland which outline where tourists spent their time and money when visiting Edinburgh. However, a review of the Great Britain Day Visits Survey does provide an insight to expenditure by type, and concludes that around 32% of expenditure is accounted for by transport. It is expected that these costs will be borne outside Edinburgh, with the vast majority of the other costs (eating and drinking, retail and admissions) will benefit local businesses. For the purposes of this assessment, we have assumed a leakage rate of 32%.

2.29 In order to convert the net local impact to employment and GVA per job. A review of the latest Scottish Annual Business Statistics (2019 figures) was completed. This review found that one FTE job is created for every £126,585 in Edinburgh, and each 'Sustainable Tourism' FTE job across the Edinburgh economy has a GVA per head impact of £20,371. FTEs have been calculated based on 69% of Edinburgh's workforce being full time and 31% being part time, with part time posts assumed to be 0.5 of a job.

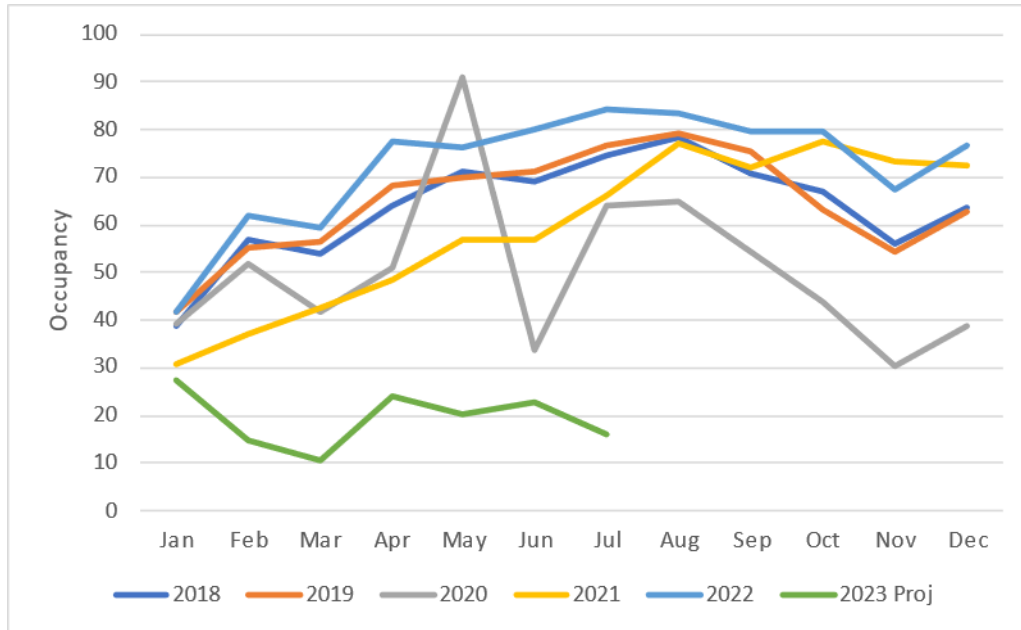
Limitations and Assumptions

2.30 This assessment is based on a review of publicly available datasets and through subscribing to active rental data from AirDNA. These figures utilise the most recent sources and figures at the time of the analysis, January 2023.

2.31 It is acknowledged that the UK, Scotland and potentially Edinburgh is moving into an economic slowdown, and this will have a marked impact on residential and short term let impacts presented below. The assessment has not assessed unemployment, and this may be an area which changes in the near future. Similarly, salary levels may become depressed and spending power adversely affected by the ongoing cost of living crisis. This is a dynamic situation and this 'snapshot' assessment should therefore be reviewed going forward.

2.32 Similarly, it is known from a review of AirDNA figures that forward projections from occupancy rates are showing signs of being much lower in 2023 than achieved in 2022. The following figure presents the achieved occupancy rates in 2022 and those forecast for 2023, it is known that rates in January 2023 are already around 50% below those achieved in early 2022.

Figure 1.7: Edinburgh Short Term Lets: Occupancy Rates 2018 (Actual) – July 2023 (Projected)



2.33 Caution should be taken when reviewing future projections as these are likely to change and are presented as these are only bookings that have been to date. However, this expected dramatic downturn is validated by the findings of a recent survey completed by the Association for Scottish Self Caterers (published 11th January 2023¹) which found that:

- Between January and March 2023, average occupancy is at 24% across those businesses that are open;
- Between April and June, based on existing bookings to date, average occupancy is 32%;
- Between July and September average occupancy is just 31%.

2.34 Looking at January – March 2023 bookings, 61% respondents note that the season is worse or much worse (28% much worse) than the same period in 2022. In overall terms, when describing how the anticipated 2023 season is looking so far compared to 2022, 64% respondents note that the season is worse or much worse (25% much worse).

2.35 In comparison to last year 43% say their bookings for the next three months are substantially lower than last year with a further 22% saying bookings are slightly lower. In comparison to last year 41% say their bookings are substantially lower for the next six months with a further 28% saying they are slightly lower.

¹ <https://www.assc.co.uk/assc-occupancy-survey/>

2.36 The survey also found that:

- 91% continue to be concerned about the impact of short term letting licensing (69% very concerned)
- 86% concerned about lack of consumer confidence to book holidays (47% very concerned)
- 89% concerned about the very cost of doing business (41% very concerned)

2.37 All businesses, and the resident population, and businesses in the tourism sector are facing significant economic challenges as a result of the ongoing cost of living crisis, and the results presented in this section will continue to change throughout 2023 and beyond. The model has been designed in such a manner to allow regular updates in future.

3 Results

3.1 The results of the assessment are presented in the following tables.

3.2 The analysis shows that the GVA effects are greater for residential uses than short-term lets across all property types and all areas. Although it is noted that the employment effects are greater for short-term lets in most cases, however, although tourism jobs are valuable they are not as valuable in GVA terms as other economic activity in the city.

3.3 All businesses, and the resident population, and businesses in the tourism sector are facing significant economic challenges as a result of the ongoing cost of living crisis, and the results presented in this section will continue to change throughout 2023 and beyond. The model has been designed in such a manner to allow regular updates in future.

Figure 1.8: Economic Impact of Residential and Short Term Let Properties

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Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation	Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation
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3 bed	0.51	£ 20,706	£ 22,780	3 bed	0.77	£ 15,775	£ 38,970
4 bed	0.66	£ 26,417	£ 33,174	4 bed	1.05	£ 21,470	£ 52,548
5 bed	0.82	£ 32,841	£ 43,142	5 bed	1.10	£ 22,412	£ 55,537

Edinburgh Eastern - Residential				Edinburgh Eastern - Short Term Let			
Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation	Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation
1 bed	0.16	£ 6,323	£ 5,746	1 bed	0.19	£ 3,916	£ 10,391
2 bed	0.25	£ 10,041	£ 12,239	2 bed	0.29	£ 5,952	£ 15,249
3 bed	0.39	£ 15,833	£ 15,975	3 bed	0.43	£ 8,861	£ 22,100
4 bed	0.50	£ 20,081	£ 23,678	4 bed	-	£ -	£ -
5 bed	0.62	£ 24,860	£ 33,072	5 bed	-	£ -	£ -

Edinburgh North and Leith - Residential				Edinburgh North and Leith - Short Term Let			
Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation	Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation
1 bed	0.19	£ 7,500	£ 7,290	1 bed	0.23	£ 4,765	£ 12,331
2 bed	0.34	£ 13,608	£ 17,952	2 bed	0.43	£ 8,855	£ 21,880
3 bed	0.53	£ 21,304	£ 24,712	3 bed	0.66	£ 13,437	£ 32,556
4 bed	0.68	£ 27,215	£ 35,104	4 bed	0.64	£ 13,044	£ 32,195
5 bed	0.84	£ 33,866	£ 47,523	5 bed	0.96	£ 19,624	£ 47,763

Edinburgh Pentland - Residential				Edinburgh Pentland - Short Term Let			
Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation	Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation
1 bed	0.18	£ 7,052	£ 7,226	1 bed	0.21	£ 4,318	£ 11,516
2 bed	0.32	£ 12,791	£ 17,825	2 bed	0.42	£ 8,654	£ 21,628
3 bed	0.50	£ 20,028	£ 25,233	3 bed	0.55	£ 11,162	£ 27,897
4 bed	0.63	£ 25,581	£ 36,383	4 bed	0.65	£ 13,330	£ 33,384
5 bed	0.79	£ 31,829	£ 47,201	5 bed	-	£ -	£ -

Edinburgh Southern - Residential				Edinburgh Southern - Short Term Let			
Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation	Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation
1 bed	0.21	£ 8,308	£ 8,088	1 bed	0.24	£ 4,974	£ 13,220
2 bed	0.33	£ 13,364	£ 16,937	2 bed	0.46	£ 9,333	£ 23,719
3 bed	0.52	£ 20,950	£ 22,780	3 bed	0.65	£ 13,329	£ 33,382
4 bed	0.66	£ 26,728	£ 33,174	4 bed	-	£ -	£ -
5 bed	0.82	£ 33,228	£ 43,142	5 bed	-	£ -	£ -

Edinburgh Western - Residential				Edinburgh Western - Short Term Let			
Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation	Unit Size	Net Local FTE Jobs	Net Annual Local GVA Impact	Gross Annual National and Local Taxation
1 bed	0.19	£ 7,698	£ 7,369	1 bed	0.21	£ 4,318	£ 11,516
2 bed	0.31	£ 12,340	£ 15,714	2 bed	0.42	£ 8,654	£ 21,628
3 bed	0.48	£ 19,375	£ 20,910	3 bed	0.55	£ 11,162	£ 27,897
4 bed	0.61	£ 24,680	£ 30,729	4 bed	0.65	£ 13,330	£ 33,384
5 bed	0.76	£ 30,649	£ 40,050	5 bed	-	£ -	£ -

Planning and Building Standards

The City of Edinburgh Council
G2, Waverley Court
4 East Market Street
Edinburgh
EH8 8DG

14th March 2023

Dear Sir / Madam,

**APPLICATION FOR PLANNING PERMISSION FOR THE PROPOSED CHANGE OF USE FROM
RESIDENTIAL TO SHORT TERM LET (IN RETROSPECT)****AT WELL COURT HALL, EDINBURGH, EH4 3BE****REFERENCE NUMBER 22/05184/FULSTL**

We write on behalf of our client, and in response to the Council's letter requesting further information on the National Planning Framework 4 (NPF4).

The NPF4 was formally adopted and published on 13 February 2023. The adoption of NPF4 and the commencement of provisions of the Planning (Scotland) Act 2019, in particular Section 13, make NPF4 part of the statutory development plan from that date. From 13 February the policies contained in NPF4 will form part of the development plan and will be assessed along with the Edinburgh Local Development Plan (LDP) for all development management decisions.

Transitional guidance has been published by the Scottish Ministers in the form of the 'Chief Planner letter: transitional arrangements for National Planning Framework 4 - February 2023' dated 8 February 2023. Section 13 of the Planning (Scotland) Act 2019 was brought into force at the same time as NPF4 was adopted, amending the meaning of 'development plan' in Section 24 of the Town and Country Planning (Scotland) Act 1997 (the "1997 Act"). Section 24(3) shall then provide that:

"(3) In the event of any incompatibility between the provision of the National Planning Framework and a provision of a local development plan, whichever of them is the later in date is to prevail."

As the Edinburgh LDP was adopted in November 2016, where there is an incompatibility identified with NPF4, the relevant NPF4 policy would prevail over the LDP policy.

The adoption of NPF4 also had the effect that National Planning Framework 3 (NPF3) and Scottish Planning Policy (SPP) are superseded, and that all strategic development plans and their associated supplementary guidance will also cease to have effect from that date.

NPF4 continues to encourage the planning system to stimulate investment and economic growth by providing certainty for investors, whilst also providing increased flexibility in policy terms to allow the planning system to respond more effectively to market opportunities as they emerge. NPF4 seeks to support the recovery, growth and long-term resilience of the tourism sector, supporting the social and cultural benefits associated with tourism including job creation.

NPF4 contains a specific policy on short term lets. Policy 30(e) states:

e) Development proposals for the reuse of existing buildings for short term holiday letting will not be supported where the proposal will result in:

- i. An unacceptable impact on local amenity or the character of a neighbourhood or area; or*
- ii. The loss of residential accommodation where such loss is not outweighed by demonstrable local economic benefits.*

The previously submitted Supporting Statement details the management regime associated with the property (Paragraphs 1.8 – 1.11), noting that there have been no issues or complaints received from any neighbouring properties that neighbour the site. By virtue of its size, quality and proximity to the city centre, the property is marketed and priced to appeal to those seeking a more luxurious and ‘upscale’ self-catering experience in Edinburgh. Party groups are not permitted at the property. The property is accessed from a private main front door and provides 3 bedrooms, which can accommodate up to 6 guests. This attracts smaller groups of guests, including families. The restricted numbers ensure that the functioning of the property is similar to that of a residential dwelling.

It is considered that as an established short-term let property there is no unacceptable impact on local amenity, the proposals complement the character of the area, and that there is no conflict with criterion i.

In terms of the second criterion, the change of use proposal is for the continued use of a single flat as a short-term let and it is therefore not considered to contribute to any loss of residential accommodation in the locality. The property has been operated as a short term let since 2016 and there is therefore no demonstrable loss of residential accommodation. The proposals will not result in the loss of existing residential accommodation and therefore there is no conflict with criterion ii, in that regard.

There would be a local economic benefit in formalising the existing use which provides valuable tourist accommodation in close proximity to the city centre. In addition to this there would be income generated to the local business, as well as business generated for the letting agencies responsible for listing the property, further trade for cleaners and maintenance staff and additional spending by guests in the local area including at local restaurants, shops and cafes.

Finally, as one of the key employment sectors in Edinburgh, the applicant is acutely aware the importance of tourism to the city. The provision of accommodation, particularly during the summer, is vital to help sustain this economic driver, and as a responsible operator who deeply cares about the property, the neighbourhood, and the wider role they play in tourism in Edinburgh, it is submitted that the proposals are justified as a use supporting this industry.

In June 2018, the Association of Scotland’s Self Caterers (ASSC) produced a report titled ‘Far More Than Just Houses: The Benefits of the Short-Term Rental Sector to Scotland’ (<https://www.assc.co.uk/wpcontent/uploads/2018/06/MoreThanJustHouses.pdf>). The detailed research undertaken demonstrated that short-term letting:

- Is a major component of Scotland’s growing tourism offering, making a substantial contribution to the tourist economy;
- Cannot be blamed for exacerbating the housing crisis as other longstanding issues are of far greater significance (i.e., the number of empty properties in Scotland, or the failure of governments to build sufficient levels of affordable housing); and

- Is not a driver of anti-social behaviour in Scotland as the number of recorded complaints are negligible in comparison to the number of self-catering units/properties let;

A further report, prepared by Biggar Economics on behalf of AirBnB (<https://news.airbnb.com/wp-content/uploads/sites/4/2022/06/BiGGAR-EconomicsScottish-Local-Authorities-Economic-Analysis-2022.pptx.pdf>) noted that stringent licensing (and planning) schemes could reduce Airbnb's economic impact by between £32 million and £133 million, which would cost between 1,740 and 7,190 jobs across Scotland.

The facts about short-term letting in Edinburgh specifically were set out by the ASSC in August 2022 (<https://www.assc.co.uk/the-facts-about-short-term-letting-inedinburgh/>). This noted:

“Self-catering is hugely important to Scottish tourism in terms of jobs, revenue, and world-class experiences offered to guests. To be such an essential part of Scotland's tourism mix is even more remarkable for our sector, which generates £867m per year, when most self-caterers operate small or micro businesses. Our professional self-caterers are diligent and considerate business owners who are too often unfairly maligned. They do not, for example, ‘hollow out communities’, as some have claimed, but rather are part of local communities across Scotland and have been for many, many years”.

Overall, the proposals are considered to comply with Policy 30(e) of the NPF4. The policy intent is noted as being to encourage, promote and facilitate sustainable tourism development which benefit local people and inspires people to visit Scotland. It further states that LDPs should support the recovery, growth and long-term resilience of the tourism sector.

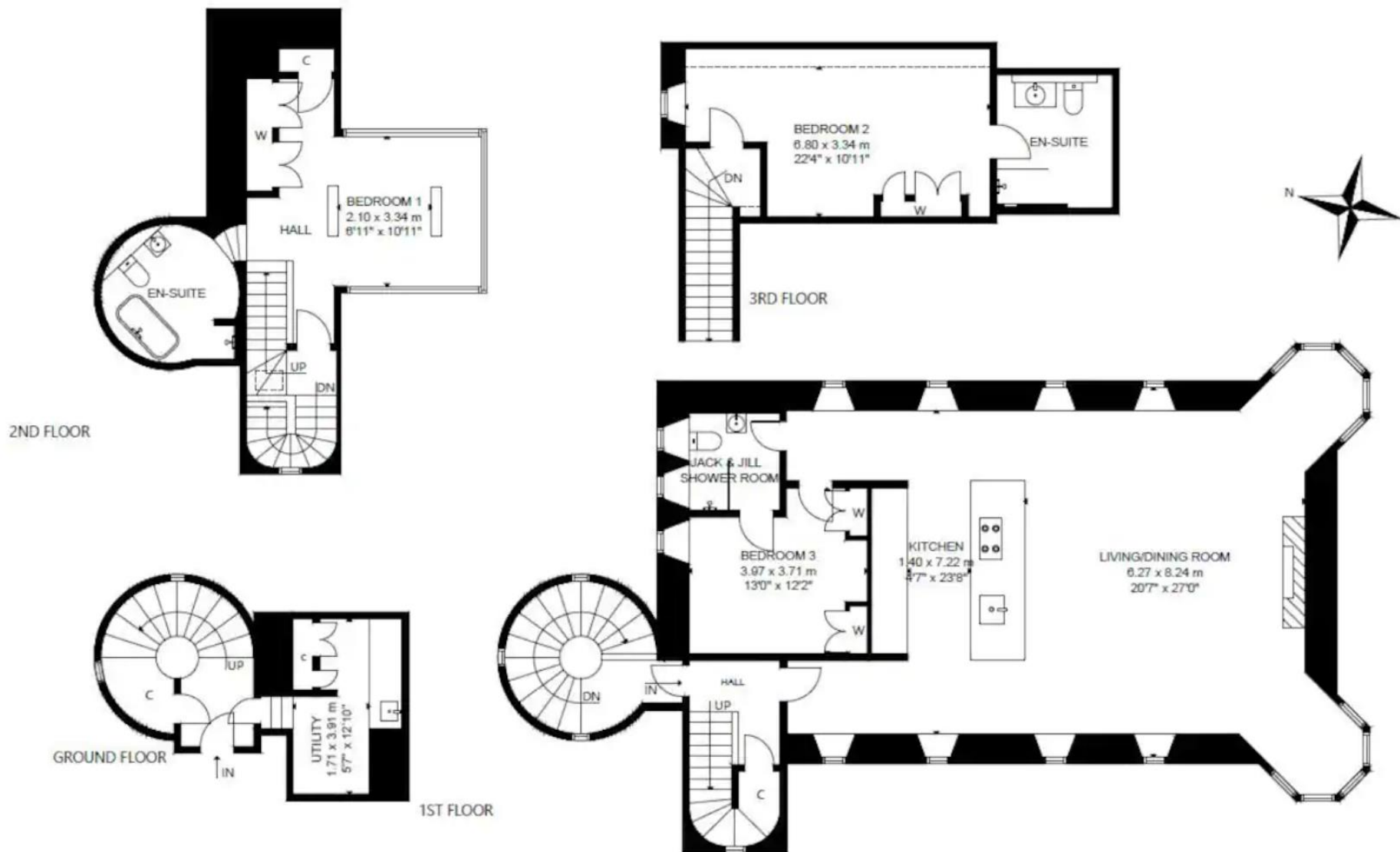
Should you require any further information at this stage, please do not hesitate to contact Ally Campbell (ally.campbell@montagu-evans.co.uk), or Lisa Proudfoot (lisa.proudfoot@montagu-evans.co.uk) of this office direct.

Yours faithfully,

Montagu Evans

MONTAGU EVANS LLP

Document Reference	Document Title
1. Decision Notice & Committee Reports	
ME 1.1	Decision Notice 28 March 2023
ME 1.2	Report of Handling
2. Application Submission October 2022	
ME 2.1	Planning Application Form
ME 2.2	Cover Letter
ME 2.3	Planning Statement
ME 2.4	Layout Plan
ME 2.5	NPF4 Response Letter
3. Photos	
ME 3.1	Photos of Local Area
4. Website Links	
ME 4.1	Visit Scotland - https://www.visitscotland.com/info/see-do/dean-village-p1419651
ME 4.2	Water of Leith - (https://www.waterofleith.org.uk/walkway/)
ME 4.3	Far more than Just Houses https://www.assc.co.uk/wpcontent/uploads/2018/06/MoreThanJustHouses.pdf
ME 4.4	Biggar Economics Report - https://news.airbnb.com/wp-content/uploads/sites/4/2022/06/BIGGAR-EconomicsScottish-Local-Authorities-Economic-Analysis-2022.pptx.pdf
5. MKA Report	
ME 5.1	Economic Impact of Residential and Short Term Let Properties, including the Council's Report to Planning Committee 14th June 2023



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📷 IMG_1349

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Main Camera — 24 mm f1.78

12 MP • 3024 x 4032 • 1.8 MB

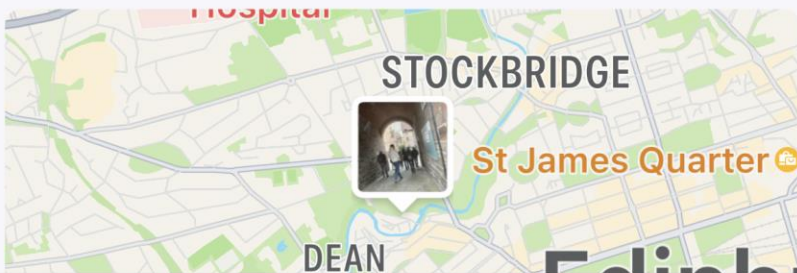
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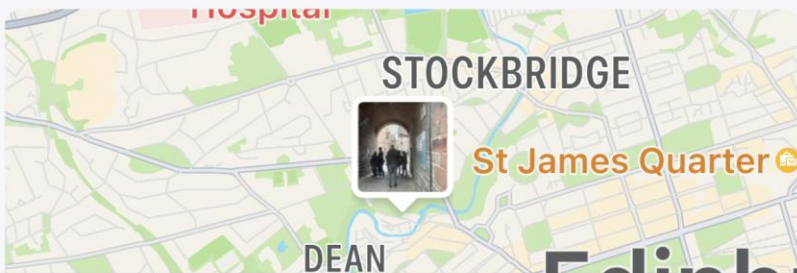
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📷 IMG_1485

Apple iPhone 14 Pro Max

HEIF

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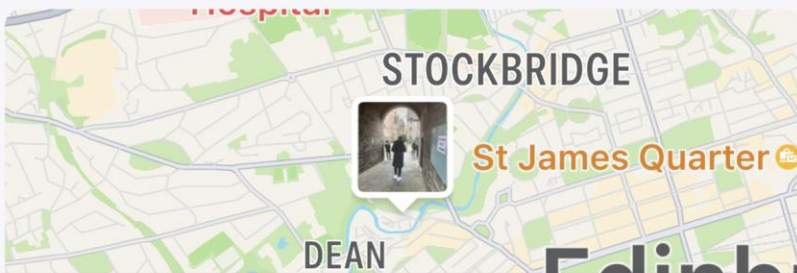
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📁 IMG_1487

Apple iPhone 14 Pro Max

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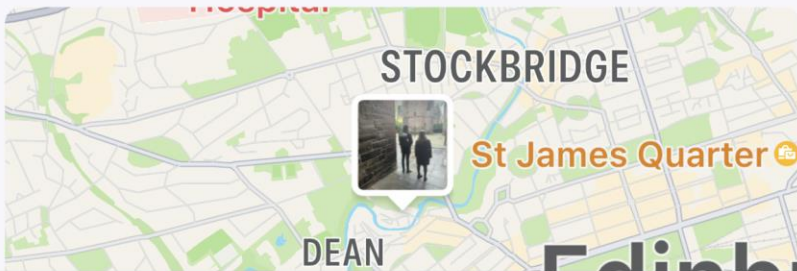
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📷 IMG_1491

Apple iPhone 14 Pro Max

HEIF

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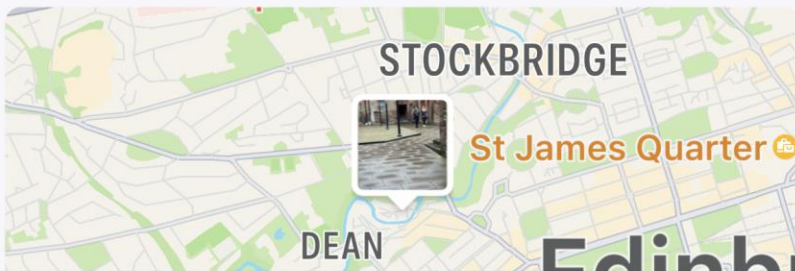
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 IMG_1492

Apple iPhone 14 Pro Max

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Telephoto Camera — 77 mm $f2.8$

12 MP • 3024 × 4032 • 2 MB

ISO40

77mm

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$f2.8$

1/99s





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Sunday • 30 Apr 2023 • 16:01

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IMG_1486

Apple iPhone 14 Pro Max

HEIF

Main Camera — 24 mm f1.78

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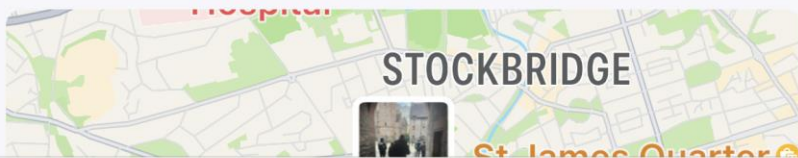
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1 Well Court, Dean Path, Edinburgh, EH4 3BE

