

Planning Committee

2.00pm, Wednesday, 11 August 2021

Short-Term Let Area of Control

Executive/routine

Wards

All

Council Commitments

[11](#) and [12](#)

1. Recommendations

1.1 It is recommended that Committee:

- 1.1.1 Approves the draft proposal to designate the entire Council area as a Short-Term Let Control area;
- 1.1.2 Notes that a six week consultation period is proposed;
- 1.1.3 Notes that following a period of consultation a final proposal will be put before Committee; and
- 1.1.4 Notes that approval from Scottish Ministers is required for designation of a control area.

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Short-Term Let Area of Control

2. Executive Summary

- 2.1 It is proposed that the entire Council area is designated as a Short-Term Let Control Area. The draft proposal is supported by an evidence report and will be subject to public consultation. Designation of a Short-Term Let Control Area for the entire Council area will not be a blanket ban, but it will bring the change of use of all dwellings to short-term lets within planning control, allowing decisions to be taken in accordance with the Development Plan and material considerations. The Short-Term Let Control Area will not impact on letting out of rooms or entire property lets where the property is the principal home of the host and the host is absent.

3. Background

- 3.1 Section 26B of the Town and Country Planning (Scotland) Act 1997 (the “1997 Act”), which was introduced by Section 17 of the Planning (Scotland) Act 2019, provides local authorities with powers to designate Short-Term Let Control Areas. The purpose of control areas is to:
- 3.1.1 Help manage high concentrations of secondary letting (where it affects the availability of residential housing or the character of a neighbourhood);
 - 3.1.2 Restrict or prevent short-term lets in places or types of building where it is not appropriate; and
 - 3.1.3 Help local authorities ensure that homes are used to best effect in their areas. [The Town and Country Planning \(Short-term Let Control Areas\) \(Scotland\) Regulations 2021](#) implemented on 1 April 2021 set out the process for designation and Scottish Government Circular 1/2021 sets out policy on the implementation of the legislation.
- 3.2 Choices for City Plan 2030 consultation set out the intention to consult on a Short-Term Let Control area.

4. Main report

Short-term letting in Edinburgh

- 4.1 There are a significant number of short-term lets (STLs) in Edinburgh. Airbnb is one of the STL platforms operating in Edinburgh. It provides a useful indicator of the scale

of this in the city. In the period 2016-2019 there was a substantial rise in the number of both entire properties and rooms registered with Airbnb. Relative to other areas in Scotland the number of Airbnb listings is high and therefore the impact on the city is disproportionate. In 2019, 31% of all Airbnb listings in Scotland were in the city of Edinburgh. The next greatest proportion was 19% in Highland followed by 7% in Glasgow City. This illustrates the magnitude of STLs in Edinburgh in comparison to other areas of Scotland.

- 4.2 STLs are predominately located within the city centre and adjoining wards, however they are evident in all wards of the city including those more rural locations where wards such as Forth and Almond registered 502 and 253 respectively in 2020.
- 4.3 STLs can provide additional accommodation during important times of the year, however there are many associated impacts which have been identified nationally and locally, including the supply and affordability of housing and disruption to local communities and to neighbours.
- 4.4 The issue is not confined to properties accessed off tenement stairs. Ground floor flats are affected as well as houses in suburban areas. As well as amenity impacts on neighbourhoods, there is a loss of housing – often housing that is suitable for families.
- 4.5 A common issue in Edinburgh, identified in research carried out for the Scottish Government, is the impact on primary school rolls due to falling residential population with fears about the long term sustainability of the community.
- 4.6 STLs also generate a significant amount of planning enforcement workload.
- 4.7 The Council has been working over the last few years to address the STL issue through a combination of actions identified by a Member – Officer Working Group, a STLs Virtual Team of officers to coordinate actions using existing powers across several services and discussions with Scottish Government on regulatory powers.
- 4.8 Earlier in 2021, the Scottish Government consulted on licensing legislation proposals to establish a licensing scheme for STLs, but the legislation was not passed prior to the end of the Parliamentary term in April 2021. The Scottish Government has been conducting a further consultation from 25 June 2021 to 13 August 2021 on the establishment of a licensing scheme for STLs to address safety standards and anti-social behaviour. If the current proposed licensing legislation is passed, all STLs in Scotland, irrespective of type, will need to be licensed by 1 April 2024. In terms of the current proposed licensing scheme, within a control area it will be a mandatory condition of licensing to have made a planning application or to have planning permission already when providing accommodation that requires planning permission.

Current planning policy context

- 4.9 Planning authorities consider on a case-by-case basis whether use of a dwellinghouse for secondary letting constitutes a material change of use requiring planning consent.

- 4.10 Where planning permission is required, this is controlled through Edinburgh Local Development Plan (LDP) Policy Hou 7 – Inappropriate Uses in Residential Areas, set out in the adopted Edinburgh LDP, November 2016. This policy prohibits change of use which would have a materially detrimental effect on the living conditions of nearby residents.
- 4.11 Non-statutory guidance – Guidance for Businesses, February 2019, sets out factors which will be considered in making this determination:
- 4.11.1 The character of the new use and of the wider area;
 - 4.11.2 The size of the property;
 - 4.11.3 The pattern of activity associated with the use including numbers of occupants, the period of use, issues of noise, disturbance and parking demand, and
 - 4.11.4 The nature and character of any services provided.
- 4.12 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 STLs the Council will not normally grant planning permission in respect of flatted properties where the potential adverse impact on residential amenity is greatest. Change of use in flatted properties will generally only be acceptable where there is a private access from the street.

Implications of Designation

- 4.13 Section 26B of the 1997 Act, and the Control Area Regulations define a STL for the purposes of the control areas. This is included as Appendix 3 to this report.
- 4.14 Use of a dwellinghouse for the purpose of providing STLs is deemed to be a material change of use in a control area. Planning permission is therefore required for short-term letting of any house or flat within a control area. The following will not be affected by the control area:
- 4.14.1 Home sharing – STLs of private rooms or shared rooms where the property is the only or principal home of the host; and
 - 4.14.2 Home letting – STLs of an entire property where the property is the only or principal home of the host and the host is absent. This allows for house swaps at holidays but also for the host to let out the entire property when they are on holiday or working away, provided the property remains their only or principal home.
- 4.15 People wishing to use such properties for STLs, as defined above, will require to apply for planning permission, unless these have been in use for 10 years and no planning enforcement action has been taken, as set out under section 124 of the 1997 Act.
- 4.16 When an application is made, the Council will then decide whether or not to grant planning permission. In doing so, the Council will make its decision in accordance with the Development Plan unless material considerations indicate otherwise. This

means that the Council will be considering each application against policies that are live at the time of the decision.

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

Future Planning Policy Context in Edinburgh

- 4.18 A new Local Development Plan (City Plan 2030) is being prepared. Choices for City Plan 2030 set out a preferred option to include a policy on loss of housing. This potential policy would presume against the loss of housing to other uses, including Short-Term Lets. The current Development Plan Scheme anticipates a Proposed City Plan 2030 in Autumn 2021 and, subject to examination, an adopted plan in 2023. Once adopted applications for planning permission will be assessed against City Plan 2030 and the policies contained therein.

The need for a control area in Edinburgh - Statement of Reasons

- 4.19 A planning authority may designate all of its area, or any part of its area, as a control area. In order to designate a control area, the planning authority is required to prepare a Statement of Reasons for designation and submit this to Scottish Ministers for approval.
- 4.20 The Statement of Reasons is set out within Appendix 1 to this report. In summary a control area for Edinburgh is needed to meet the objectives set out in Planning Circular 1/2021 for the following reasons:

To help manage high concentrations of secondary letting which affects the availability of residential housing or the character of a neighbourhood

- 4.20.1 Edinburgh has the highest number of dwellings being used as short-term let properties of any local authority in Scotland. Indications are that demand will continue for STLs;
- 4.20.2 Dwellings are being used as STL properties throughout the Council area. In the areas of greatest concentration STL properties have been found to affect the character of the neighbourhood by reducing the number of long-term residents and having an impact on the sense of neighbourhood within areas. In other areas, the loss of housing to STL use results in a city-wide problem of reduced housing availability and issues of affordability.

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

- 4.20.3 Short-term let properties have significant adverse impacts on neighbouring residents. This problem is particularly acute in Edinburgh's traditional tenements but can also lead to issues from residents in detached or semi-detached accommodation. Residents have experienced persistent difficulties as a result of anti-social behaviour in properties which have a shared or common space; and

4.20.4 A single STL property in a tenement stair can have a disruptive effect. The transfer of noise into neighbouring properties is another well-known problem, especially in tenement flats but can also lead to complaints from residents in detached or semi-detached accommodation. Through data collected from the Council's complaints system, it is clear that STLs can cause difficulties in nearly every type of property. A control area allows planning control over all changes of use to STLs, so that these are only allowed in appropriate locations and circumstances.

To help ensure that homes are used to best effect

4.20.5 There is a need for more housing in Edinburgh. Properties being utilised for STLs are generally in accessible areas and supported by services. There is a need to ensure that such locations can be maximised for their potential to provide residential properties to meet the needs of Edinburgh. Existing housing units are best placed and designed to provide for residential use and most suited to meeting the needs of residents; and

4.20.6 Purpose built visitor accommodation in the form of hotels, hostels, apart hotels, guest houses and bed and breakfasts are readily available throughout the city. Edinburgh's total stock of purpose built visitor accommodation at the end of 2019 was approximately 16,100 rooms. 895 rooms were under construction with a further 3,065 rooms in the planning pipeline. Along with student halls, which provide visitor accommodation at key times of the year, this accommodation is better suited to meeting the vast majority of tourism needs in Edinburgh while balancing its impacts on neighbourhoods. It is appropriate to control STLs to ensure that they are only allowed in appropriate locations and circumstances.

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

4.21.1 Dwellings are being used short-term lets throughout the council area. There is a concentration within the City Centre and Leith wards, however they are evident in all wards of the city with two thirds of the total number of STLs distributed across the remaining Council area;

4.21.2 The loss of housing to short term-let use results in a city wide problem of reduced housing availability and issues of affordability;

4.21.3 Concerns of Edinburgh residents are city wide. Enforcement cases are city wide;

4.21.4 Housing need is city wide. Designating the entire council area as an STL control allows planning control over all changes of use to STLs across the Council's geographic area. It would provide clarity, which is currently lacking on the need for planning permission and it would allow consideration of STLs against planning policies and other material considerations;

- 4.21.5 It would allow the opportunity for the public to comment through the planning application process on STLs across the city; and
 - 4.21.6 Designating part or parts of the area could result in pushing STLs and their impacts into areas adjacent to control areas.
- 4.22 A background report has been prepared and is included in Appendix 2 of this report.

5. Next Steps

- 5.1 Subject to approval of the draft proposal it will be subject to a period of consultation. Consultation will be developed in accordance with the Council Consultation Policy. Designation of a control area is a statutory process and regulations specify a minimum of 28 days for representation prior to submission for approval from Scottish Ministers. It is proposed that a period of six weeks is provided for comments on the draft proposal. This is in the context of the existing awareness of short-term letting issues in Edinburgh and the need to progress a control area at the earliest opportunity. The consultation will be referred to the Consultation Advisory Panel for approval.
- 5.2 Short-term letting affects many people and organisations. The engagement of STL providers, STL visitors, Community Councils, community groups, trade bodies and residents will be actively pursued using Council communication channels and social media. The consultation will be carried out using the Consultation Hub. It will also be notified to Community Councils and key stakeholders.
- 5.3 Responses received during the consultation period will be given due consideration, in the preparation of a final proposal. The proposal will then be subject of a future report to Planning Committee with a recommendation on whether to submit the final proposal to Scottish Ministers for their approval.

6. Financial impact

- 6.1 This report and its recommendations have no financial impact on service or Council budgets. Planning fees are set by Scottish Government and generally cover the costs of processing planning application.

7. Stakeholder/Community Impact

- 7.1 Choices for City Plan 2030 consultation which took place in Spring 2020 set out the intention to consult on a short-term let control area.
- 7.2 The proposal will be subject to a period of public consultation including key stakeholders.
- 7.3 An Integrated Impact Assessment (IIA) has been carried out and will be available as a public document. The assessment concludes that overall the proposal will support

equality, health and well-being and human rights and have positive socio-economic impacts overall.

7.4 There are no direct sustainability impacts arising from this report.

8. Background reading/external references

- 8.1 [The Town and Country Planning \(Short-term Let Control Areas\) \(Scotland\) Regulations 2021](#)
- 8.2 [Planning Circular 1/2021 Establishing a Short-Term Let Control Area](#)
- 8.3 [Corporate Policy and Strategy Committee Item 7.2 - Short Term Letting in Edinburgh - 7 August 2018](#)
- 8.4 [Planning Committee Choices for City Plan 2030 – Consultation Key Findings and Next Steps-12 August 2020](#)
- 8.5 [Scottish Government Impact of Short-Term Letting on Communities](#)
- 8.6 [Guidance for Businesses, February 2019](#)
- 8.7 [Edinburgh Local Development Plan 2016](#)
- 8.8 [Scottish Government Consultation on short-term let licensing regulations](#)

9. Appendices

- 9.1 Appendix 1 – Short-Term Let Area of Control Proposal for Consultation.
- 9.2 Appendix 2 - Short-Term Let Area of Control Statement of Reasons Background Report.
- 9.3 Appendix 3 - Circular 1/2021 Establishing a Short-Term Let Control Area Annex B.

Appendix 1

Short-term let control area for Edinburgh
A Proposal for Consultation

August 2021

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Background

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

The purpose of control areas is to:

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

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

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

A Short-Term Let Control Area for Edinburgh

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

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

The properties that will be affected by this are those defined by Section 26B of the Town and Country Planning (Scotland) Act 1997 and Regulation 2 of the Town and Country Planning (Short-term Let Control Areas) (Scotland) Regulations 2021. A short-term let is provided where all of the following criteria are met:

- a) sleeping accommodation is provided to one or more persons for one or more nights for commercial consideration,
- b) no person to whom sleeping accommodation is provided is an immediate family member of the person by whom the accommodation is being provided,
- c) the accommodation is not provided for the principal purpose of facilitating the provision of work or services to the person by whom the accommodation is being provided or to another member of that person’s household,
- d) the accommodation is not provided by an employer to an employee in terms of a contract of employment or for the better performance of the employee’s duties, and

e) the accommodation is not excluded accommodation.

Section 26B (3) excludes:

- private residential tenancies under section 1 of the Private Housing (Tenancies) Scotland Act 2016; and
- tenancies of a dwellinghouse or part of it where all or part of the dwellinghouse is the only principal home of the landlord or occupier

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

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

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

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

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

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

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

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

2023. Once adopted applications for planning permission will be assessed against City Plan 2030 and the policies contained therein.

Licensing scheme

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

Short-term letting in Edinburgh and the need for control

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

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

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

The Council proposes that the entire administrative area of the City of Edinburgh Council be a Short-Term Let Control Area.

PROPOSED STATEMENT OF REASONS

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

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

- Edinburgh has the highest number of dwellings being used as short-term let properties of any local authority in Scotland. Indications are that demand will continue for short-term lets.
- In many areas the concentration of STLs compared with dwellings is high, however the issues caused by short-term letting of dwellings is a significant issue across all parts of the Council area.
- It is not only concentration which causes issues. The loss of housing to short term-let use results in a city wide problem of reduced housing availability and issues of affordability. It is difficult to track how much housing has been transferred to short-term letting. In 2018 the Council commissioned Rettie & Co to conduct research (Analysis of the Impact of the Edinburgh Short Term Rental Market – 16 July 2018) which assessed the impact that the short-term let sector was having on rents within Edinburgh's traditional private rented sector and the availability of residential property in the city. It estimated that there had been a loss of around 10% of private rented homes to short-term lets in recent years. The rapid growth in short term lets has had an impact on both supply and rent levels. Between 2014 and 2017 the city saw 2,700 more properties per year listed as available on Airbnb, while private rented sector stock fell 560 per annum.
- Increased numbers of short-term lets reduces the supply of available homes for longer term lets. Research indicated a displacement of demand, with rents rising significantly above average (between 20-27% over the period 2014-17) in areas bordering a high concentration of short term lets. Private rents had increased by more than 30% over the previous five years. Research indicates rising rents occurred in those areas bordering a high concentration of Airbnb, suggesting a displacement of demand. In those areas bordering the city centre, rents increased around 20-27% over the period 2014-2017.
- There is concern from residents of the city about the impact of STLs on communities and neighbourhoods. Research carried out on behalf of the Scottish Government - [Research into the impact of short-term lets on communities across Scotland, 2019](#) assessed the [impact](#) of short-term lets in Scotland, with a focus on communities, particularly on neighbourhoods and housing. Negative congestion effects from STLs were identified in Edinburgh. They were also seen to be changing the nature of the communities in terms

of traffic congestion, people congestion, litter, waste, noise, lack of amenities for locals including local shops, and higher demand for and impact on local public services.

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

- Edinburgh has a high number of tenement properties. Regular use of any tenement flat as a short term let is inconsistent with tenement living and generates a high number of complaints to the Council.
- Short-term let properties have significant adverse impacts on quality of life and well-being of neighbouring residents.
 - There is noise and disruption, often at anti-social hours as short-term let occupiers come and go from properties and from their occupation from them. This problem is particularly acute in Edinburgh's traditional tenements, but also other types of high density properties with shared space and common stairs/closes. A single short-term let property in a tenement stair can have a disruptive effect.
 - The transfer of noise into neighbouring properties is an issue, especially in tenement flats but can also lead to complaints from residents in detached or semi-detached accommodation. Through data collected from the Council's complaints system, it is clear that short-term lets can cause difficulties in nearly every type of property.
- A control area does not mean a blanket ban on short-term letting. It allows planning control over all changes of use to STLs, so that it is only allowed in appropriate locations and circumstances.

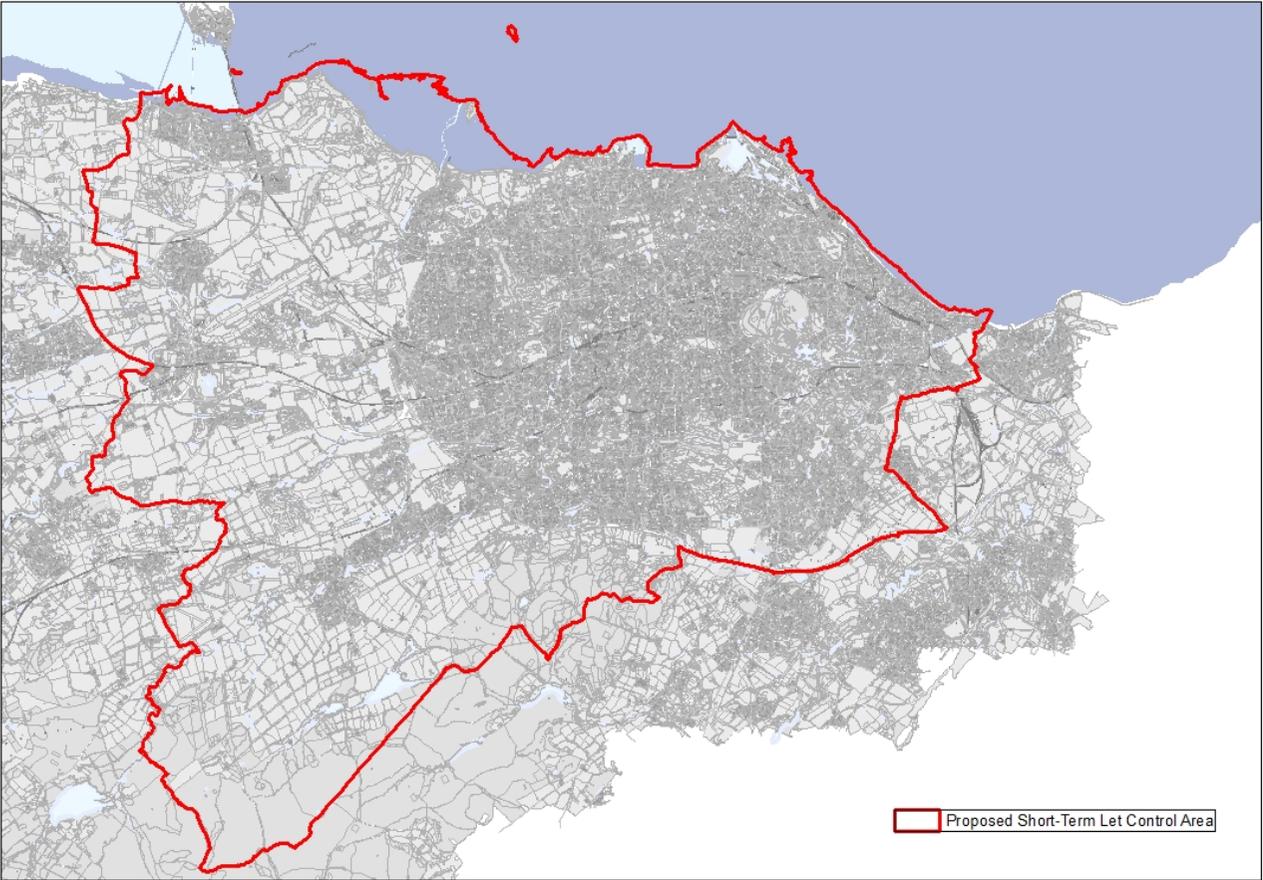
To help ensure that homes are used to best effect.

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

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

- Dwellings are being used short-term lets throughout the council area. There is a concentration within the City Centre and Leith wards, however two thirds of the total number of STLs are distributed across the rest of the Council area, with STLs being evident in all Council wards.
- Housing need is city wide. Designating all of the council area allows planning control over all changes of use to STLs across the Council's geographic area.
- Concerns of Edinburgh residents on STLs are city wide.
- It would provide clarity on the need for planning permission.
- It would allow consideration of STLs against planning policies and other material considerations.
- It would allow the opportunity for the public to comment through the planning application process on STLs across the city.
- Designating part or parts of the area could result in pushing STLs and their impacts into areas around control areas.
- Designating all of the area would not be a ban on STLs but would allow consideration of all proposals.

Map of Proposed Short-Term Let Control Area



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Appendix 2

Short-Term Let Control Area -Statement of Reasons Background Report

Contents

1. Purpose
2. Scale of short-term letting in Edinburgh
3. Impacts on communities and residents
4. The Housing Market
5. Visitor Accommodation

1. Purpose

This report provides background information to support the Statement of Reasons for a Short-Term Let Control Area for Edinburgh.

2. The scale of short-term letting in Edinburgh

The precise scale and scope of the short-term let (STL) industry in the city is currently unknown as there is no requirement to register such a property with the Council (requirement from 2024 to be licensed). Airbnb is regarded as one of the largest platforms for short-term letting and provides a source of published data often quoted by Scottish Government. Whilst a significant market player, Airbnb is not the only platform of its type and figures may be a conservative estimate of the total number of short-term lets operating within the city.

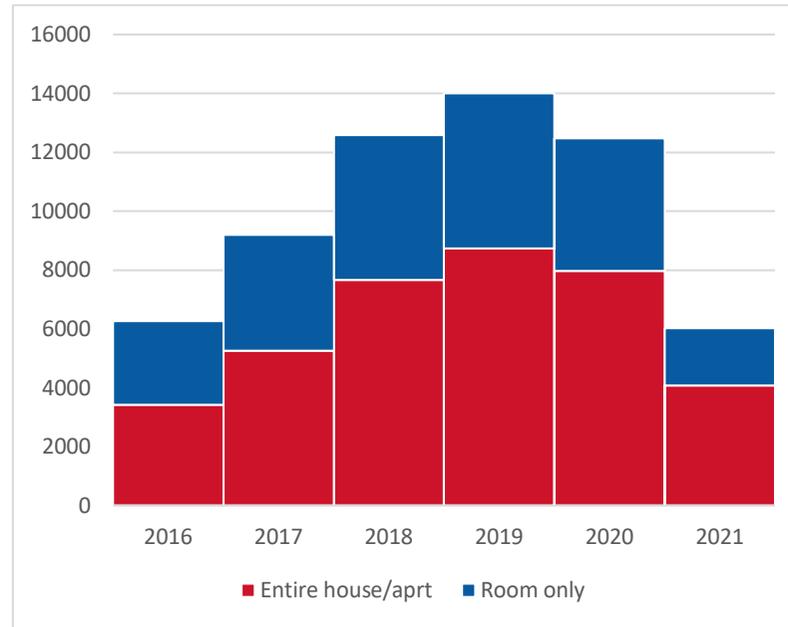
Figure 1 shows the trend in number of listings on Airbnb over the last 6 years. Listings from the last 2 years have been impacted by the Covid-19 pandemic.

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

At March 2020 (within the period of the Covid-19 pandemic) a total of 7,698 entire properties and 4,496 rooms were being advertised on Airbnb. Across the last 6 years there has been proportionally more entire property STLs than room only. While the number of Airbnb registrations in Edinburgh declined between March 2020 and April 2021 the distribution of STLs has remained broadly similar over the period 2020-2021.

The Covid-19 pandemic has had a significant impact on the number of STLs that were advertised on the Airbnb platform since March 2020. It is not known what the longer term impact of this will be for the number of STLs in Edinburgh however indications that while there may have been a shift of short-term lets to residential private-lets during lock-down, that the high demand for UK staycations means that pressure for STLs may continue.

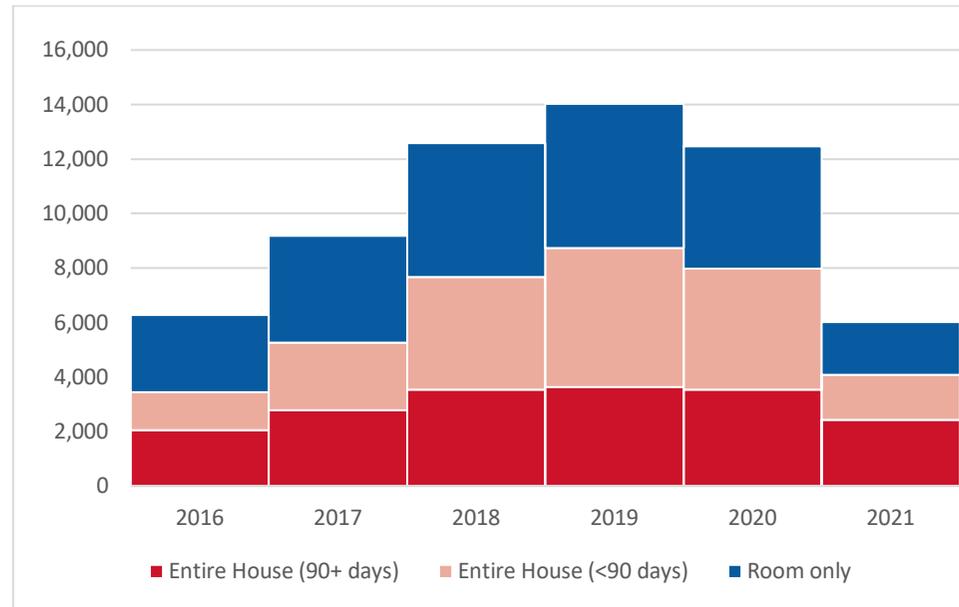
Figure 1- Number of STLs registered on Airbnb within Edinburgh 2016-2021



Source: Inside Airbnb

Data provided by Airbnb indicates the number of days within a year that properties are available. The number of entire properties available for more than 90 days (4,439 at March 2020) indicate that a number of properties are no longer available for residential use. Figure 2 below shows the breakdown.

Figure 2- Number of STLs registered on Airbnb within Edinburgh (number of days) 2016-2021

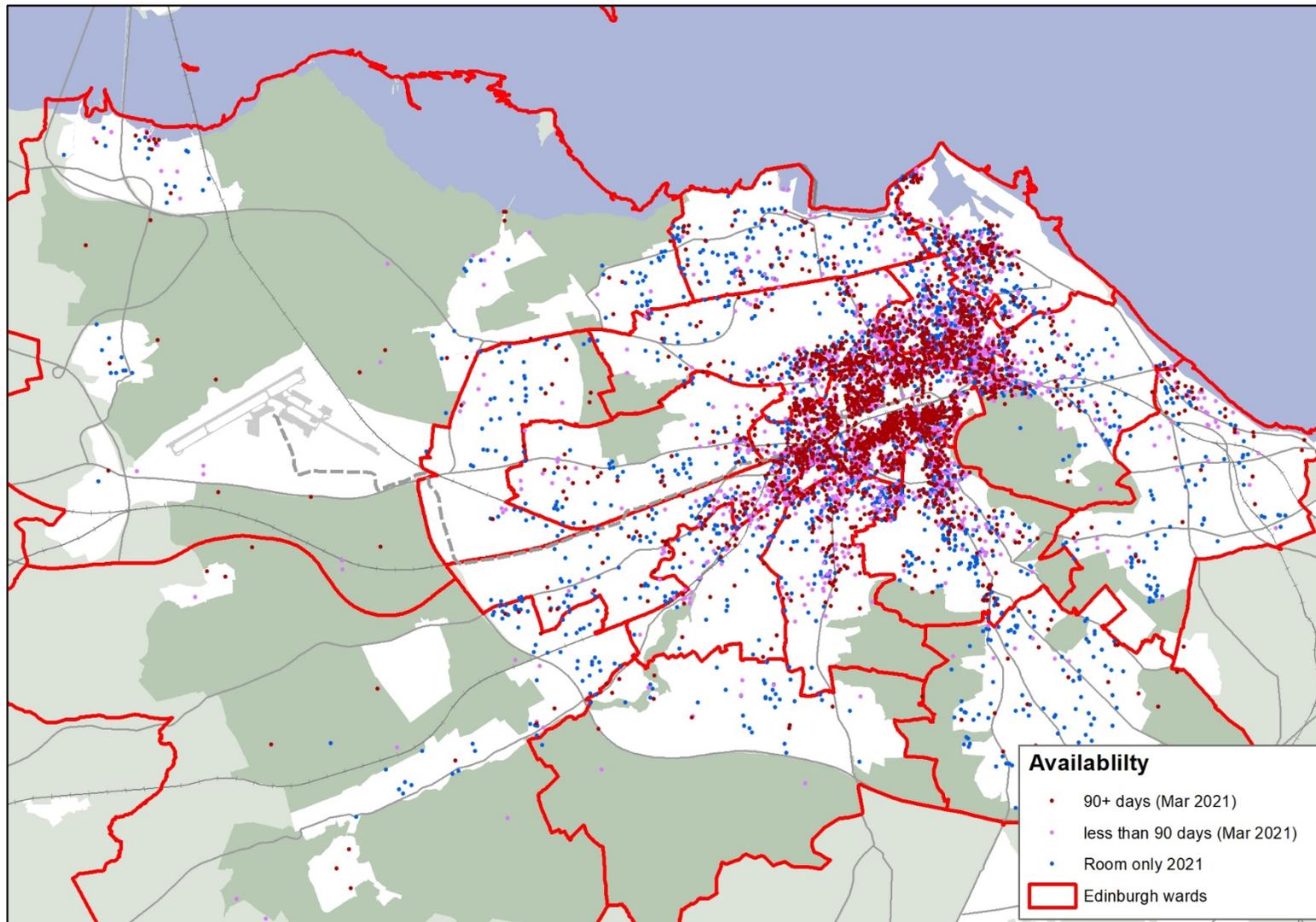


Source: Inside Airbnb

Variation across the city

Short-term lets are predominately located within the city centre and adjoining wards, however they are evident in all wards of the city. Over a third of all STLs listed on Airbnb in Edinburgh at April 2020 were within the City Centre and Leith wards, as indicated in Map 1 and Figure 3 below.

Map 1: Distribution of Airbnb registrations April 2020.



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The number of STLs in all wards of the city including those more rural locations are significant with wards such as Forth and Almond registering 502 and 253 respectively.

Figure 3: Airbnb registrations by ward April 2020

Ward	Entire property registered for let	Entire Property registered for let for 90+ days	Entire Property registered for let for less than 90 days	Room only registered for let	All properties registered (entire property and room only)	% of all properties registered in Edinburgh in each ward
City Centre	2,397	1,400	997	845	3,242	24
Leith Walk	1,199	474	725	776	1,975	14
Southside/Newington	621	241	380	566	1,187	9
Inverleith	633	264	369	413	1,046	8
Morningside	513	160	353	447	960	7
Leith	547	221	326	387	934	7
Craigtinny/Duddingston	451	178	273	333	784	6
Sighthill/Gorgie	426	181	245	354	780	6
Fountainbridge/Craiglockhart	370	118	252	236	606	4
Forth	207	69	138	295	502	4
Portobello/Craigmillar	153	58	95	241	394	3
Corstorphine/Murrayfield	156	49	107	169	325	2
Liberton/Gilmerton	79	23	56	227	306	2
Almond	83	43	40	170	253	2
Pentland Hills	42	25	17	132	174	1
Drum Brae/Gyle	50	14	36	106	156	1
Colinton/Fairmilehead	43	15	28	99	142	1
TOTAL	7,970	3,533	4,437	5,796	13,766	

Penetration rates

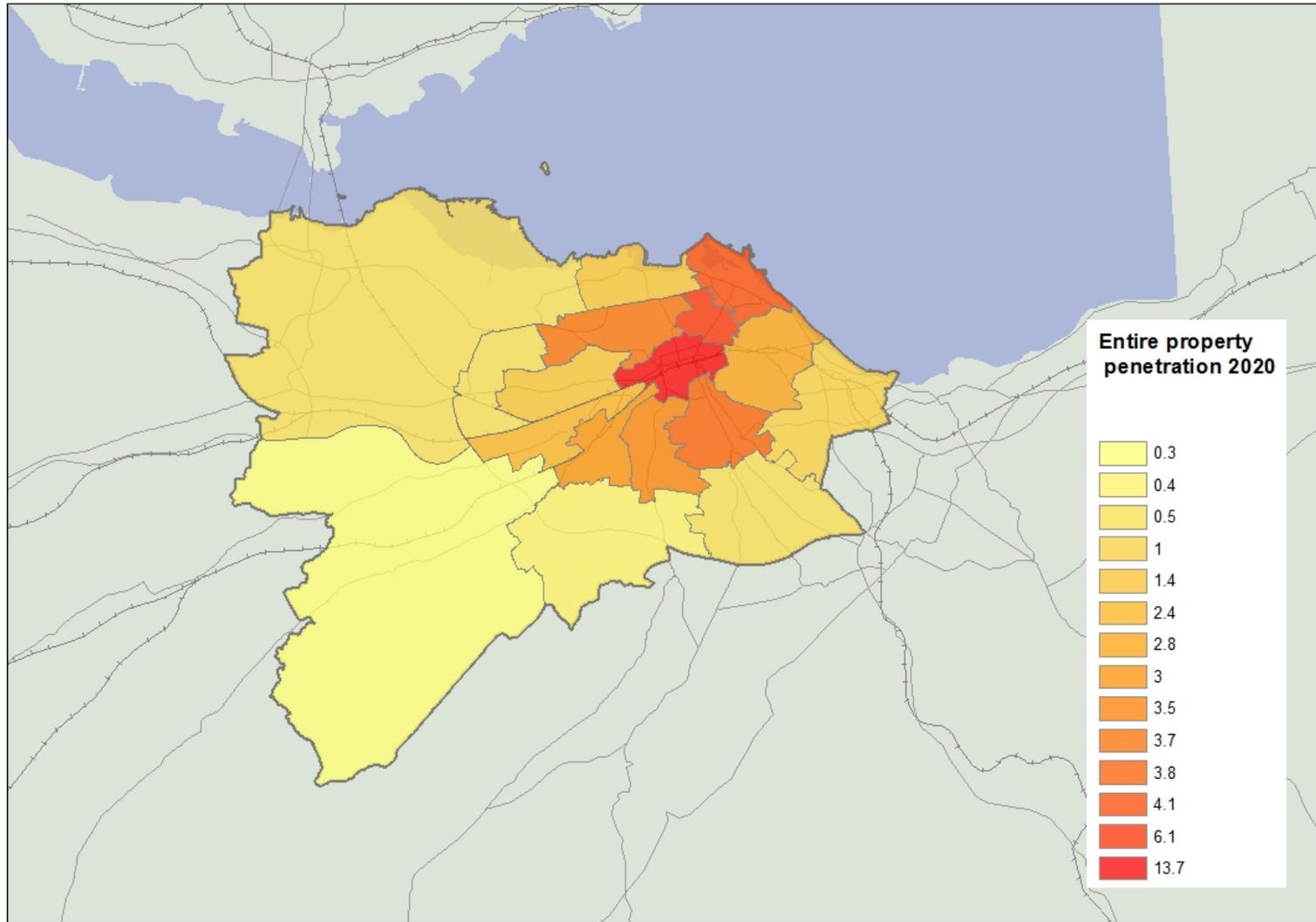
The concentration of STLs compared with dwellings varies across the city. The city centre has the highest rate at 18.5% in 2020 for both room only and entire property STLs, followed by Leith Walk which had a rate of 10%. The penetration rate of entire property STLs to dwellings was also highest in these wards.

Figure 4: % STLs to dwellings 2020/2021

Ward	Penetration Rate all STLs %		Penetration Rate Entire Homes %	
	2020	2021	2020	2021
City Centre	18.5	10.3	13.7	8.8
Leith	7.0	5.3	4.1	4.4
Southside/Newington	7.3	2.9	3.8	1.8
Inverleith	6.1	2.7	3.7	1.9
Leith Walk	10.0	2.7	6.1	1.2
Morningside	6.6	2.3	3.5	1.5
Craigtinny/Duddingston	4.9	2.0	2.8	1.3
Sighthill/Gorgie	4.5	1.7	2.4	1.1
Fountainbridge/Craiglockhart	5.0	1.7	3.0	1.2
Forth	3.3	1.3	1.4	0.5
Corstorphine/Murrayfield	3.0	1.1	1.4	0.6
Portobello/Craigmillar	2.5	1.0	1.0	0.5
Almond	1.6	0.7	0.5	0.3
Liberton/Gilmerton	1.8	0.7	0.5	0.2
Pentland Hills	1.3	0.6	0.3	0.2
Drum Brae/Gyle	1.4	0.6	0.5	0.2
Colinton/Fairmilehead	1.3	0.5	0.4	0.2
TOTAL	11.6	2.4	8.1	2

*Based on NRS dwelling estimates 2019

Map 2: % of all (room only and entire property) Airbnb registrations to dwellings 2020



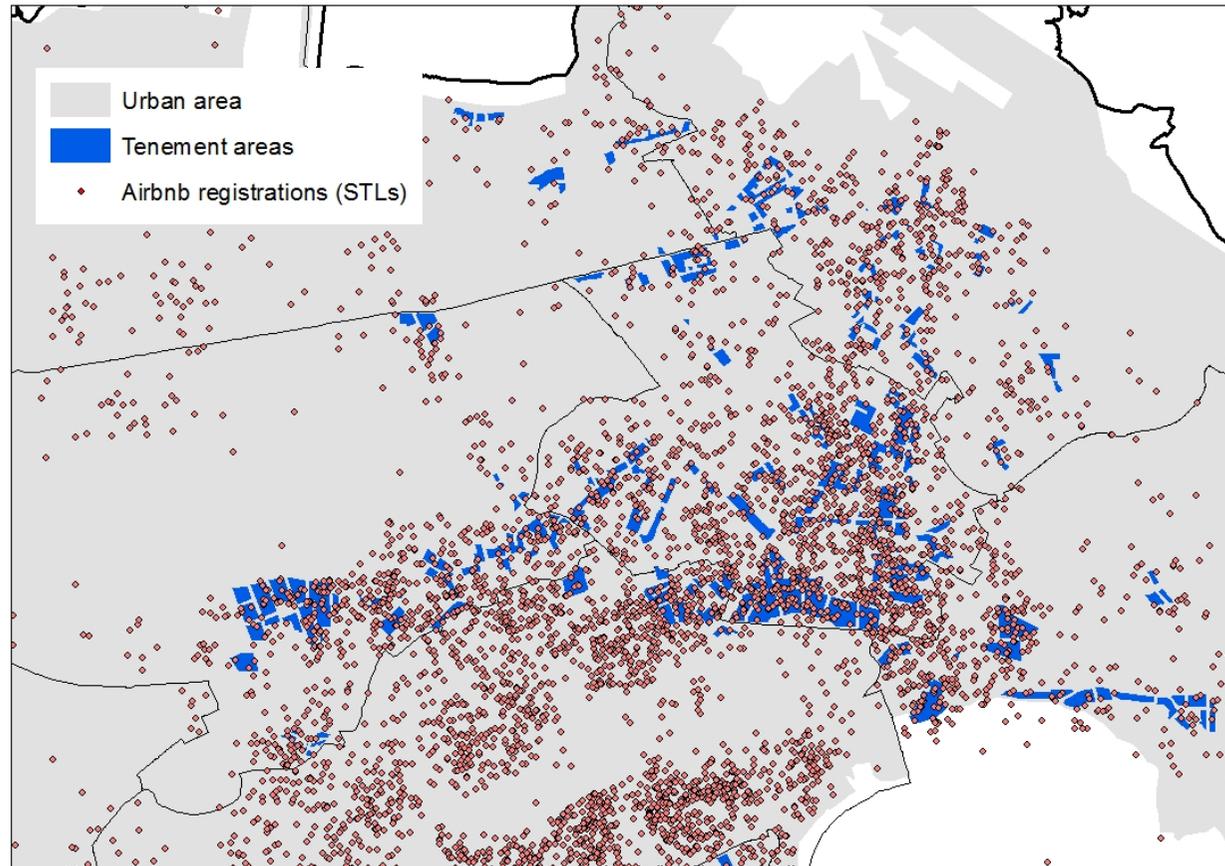
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The majority of short term lets in Edinburgh are within tenement properties, concentrated in areas of the city which already have high demand for housing. Regular use of any tenement flat as a short term let is inconsistent with tenement living, and often leads to anti-social behaviour and undue nuisance to other residents. This generates a high number of complaints.

The issue is not restricted to this type of accommodation. Residents have experienced persistent difficulties as a result of anti-social behaviour in properties which have a shared or common space. The transfer of noise into neighbouring properties is another well-known problem, especially in tenement flats but can also lead to complaints from residents in detached or semi-detached accommodation. Through data collected from the Council's complaints system, it is clear that short term lets can cause difficulties in nearly every type of property.

An analysis of urban area types across the city provides an indication of the areas with a predominance of tenement properties. Map 3 shows the location of these property types and STLs listed on Airbnb.

Map3: Tenement Areas and STLs registered on Airbnb April 2020



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The size of properties utilised as STLs varies from studios to the extremes of 9 bedrooms. Of the 3,533 entire property STLs registered on Airbnb at April 2020, 683 were 3 or more bedrooms, a further 1,484 were 2 bedrooms and 1,365 were 1 bedroom or studios.

3. Impacts on communities and residents

STLs provide additional accommodation during important times of the year, e.g. the summer festivals. Nevertheless the impact of short-term lets on Edinburgh continues to be a significant concern. Complaints regarding short term lets are wide ranging and continue to be received by the Council. The complaints cover several broad types and include:

- Impact on available housing supply within the city
- Erosion of sense of community in areas with dense concentrations of short term lets;
- Noise and antisocial behaviour created by guests using short term lets.

Analysis of some cases received indicates that most complaints received relate to low level disturbance, which nonetheless can have a serious impact on residential amenity. For example, visitors who use flats will often arrive and depart at anti-social hours and in the process of doing so will disturb neighbouring properties when moving through communal areas. Many hosts allow two night minimum stays and there have been several cases where one night stays have been permitted by the host. In these circumstances, the likelihood of disturbance, with guests changing over on a more regular basis, also has a tangible impact on residential amenity. The negative impact of short-term lets on residential amenity have been well documented in a number of appeal decisions which have been handed down by Scottish Ministers.

Research carried out on behalf of the Scottish Government - [Research into the impact of short-term lets on communities across Scotland, 2019](#) assessed the impact of short-term lets in Scotland, with a focus on communities, particularly on neighbourhoods and housing. It considered case studies which included Edinburgh.

A key impact identified was the reduced availability of residential housing with the negative impact on affordability, sustaining communities and the negative impact on the wider local economy and local public services. There were indications from the survey and recurring themes coming through the qualitative research across all areas, from all types of participants except for some hosts, that properties were moving from long-term private lets and owner-occupation into STLs. This was voiced as a major area of concern in Edinburgh. In Edinburgh the rise in STLs was associated with the fall in resident population and school rolls, with fears about the long term sustainability of the community.

A further impact identified was disturbance of residents, quality of life and well-being which was evident in Edinburgh in particular. This related particularly to tenemental, but also other types of high density properties with shared space and common stairs/closes. Concentrations

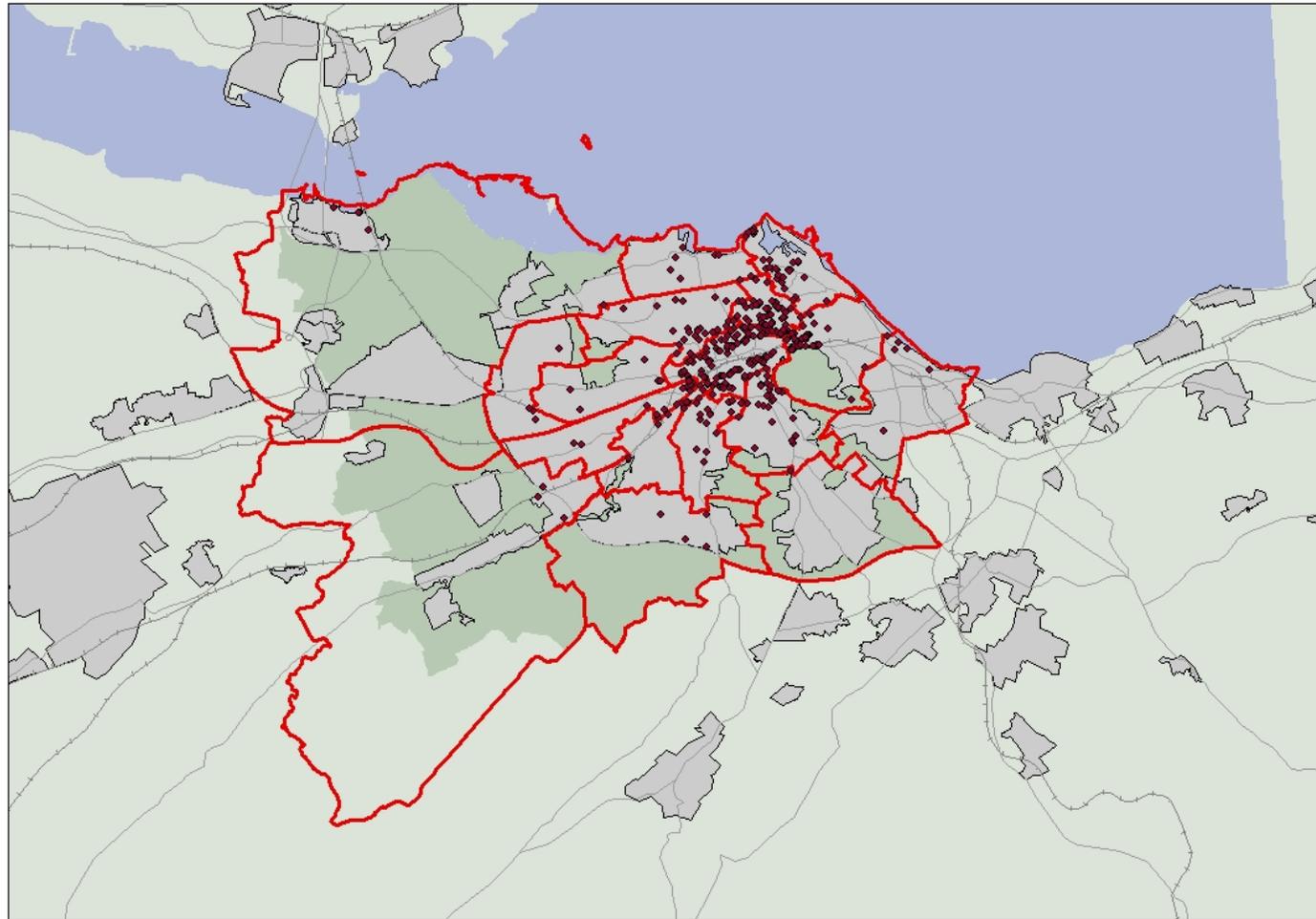
of entire property STLs let full-time as holiday lets in common stairs often resulted in daily disruption and stress caused by constant 'visitor use', rather than residential use – noise, disturbance, buzzers, door knocking, littering, anti-social behaviour, the loss of a sense of community and security where the majority in both the close, and within the wider local community, were constantly changing strangers.

Negative congestion effects from STLs were identified in Edinburgh where the level of tourism was the greatest amongst the five case study areas. They were also seen to be changing the nature of the communities. This was associated with traffic congestion, people congestion, litter, waste, noise, lack of amenities for locals including local shops, and higher demand for and impact on local public services.

In the last 5 years there have been 511 planning enforcement cases raised against short-term lets in Edinburgh. When investigating cases, it must be established whether the use of a residential premises for short term holiday lets is a material change of use. The question of materiality is one of fact and degree having regard to a number of factors such as the character of the property, the frequency of arrivals and departures, the number of people occupying the property, disturbance to neighbouring residential amenity. Evidence gathering can be a very difficult process. Case officers must consider each of the above factors. This can involve a number of visits to check levels of occupation and to collect corroborative evidence to support any claims of noise and nuisance. This is a resource intensive activity.

The largest number of enforcement cases were in the City Centre, Leith and Leith Walk wards.

Map 4: Location of enforcement cases raised in period 2016-2021



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Figure 5: Planning Enforcement Cases by Ward

Ward	No of enforcement cases raised 2016-2021	%
City Centre	154	30
Leith Walk	85	17
Leith	52	10
Craigtinny/Duddingston	50	10
Southside/Newington	36	7
Inverleith	31	6
Morningside	23	5
Fountainbridge/Craiglockhart	19	4
Sighthill/Gorgie	17	3
Corstorphine/Murrayfield	11	2
Forth	8	2
Almond	7	1
Portobello/Craigmillar	6	1
Drum Brae/Gyle	4	1
Colinton/Fairmilehead	4	1
Pentland Hills	3	1
Liberton/Gilmerton	1	0
TOTAL	511	

4. The Housing Market

It is very difficult to track how much housing has been transferred to short-term letting. In 2018 the Council commissioned Rettie & Co to conduct research (Analysis of the Impact of the Edinburgh Short Term Rental Market – 16 July 2018) which assessed the impact that the short-term let sector was having on rents within Edinburgh's traditional private rented sector and the availability of residential property in the city. It estimated that there had been a loss of around 10% of private rented homes to short-term lets in recent years. The loss was most prevalent in the city centre and north Edinburgh. The rapid growth in short term lets has had an impact on both supply and rent levels. Between 2014 and 2017 the city saw 2,700 more properties per year listed as available on Airbnb, while private rented sector stock fell 560 per annum.

The Covid-19 pandemic has had a significant impact on the number of STLs that were advertised on the Airbnb platform since March 2020. It is not known what the longer term impact of this will be for the number of STLs in Edinburgh. A study -Review of Housing Need and Demand in Edinburgh commissioned by CEC in 2020 considered evidence on housing need and demand. This found that the impact of Covid-19 has seen a current surge in the housing market through pent-up demand and that there are indications of some of this demand leaving the city centre urban core, and even moving out of Edinburgh altogether to seek more affordable space. There was some evidence of an immediate shift of short-term lets to residential private-lets during lock-down, but consultation suggests that the high demand for UK staycations means that demand for City Centre STLs has been broadly maintained. For the long term, the market fundamentals for the Edinburgh market are projected to remain strong, with unlikely downward pressure of prices.

There is concern that increased numbers of short-term lets reduces the supply of available homes for longer term lets, which would tend to increase the cost of renting. Research also indicates a displacement of demand, with rents rising significantly above average (between 20-27% over the period 2014-17) in areas bordering a high concentration of short term lets. Private rents have increased by more than 30% over the last five years. Research indicates rising rents occurring in those areas bordering a high concentration of Airbnb, suggesting a displacement of demand. In those areas bordering the city centre, rents increased around 20-27% over the period 2014-2017.

Edinburgh has one of the lowest proportions of social housing in Scotland with only 14% of homes in Edinburgh being social housing compared to a Scottish average of 23%. Owner occupier is the most prevalent tenure in Edinburgh with 59% of homes in this category and 25% private rented homes in Edinburgh, compared to a Scottish average of 14%. There is high demand for social housing in the city with just under 24,000

applicants registered on the Council's common housing register as at the end of March 2020. There was an average of 203 bids for every property advertised for rent in 2019/20.

Edinburgh has a buoyant Private Rented Sector with 25% of all homes in the city being in this sector. However, affordability in this sector remains a challenge. The gap between the Local Housing Allowance (LHA) and the average private rent in the city has been increasing year on year. Prior to COVID -19 data from Citylets indicated that the average advertised rent in the city was £1,148 per month (Citylets data hub Q3 2019). Glasgow had the next highest advertised rent at £803 per month

The latest Housing Need and Demand Assessment (HNDA2) states that there is demand for at least 38,000 to 46,000 new homes in Edinburgh over ten years, over 60% of these need to be affordable. Typically, properties used for short-term lets have previously been used for residential purposes.

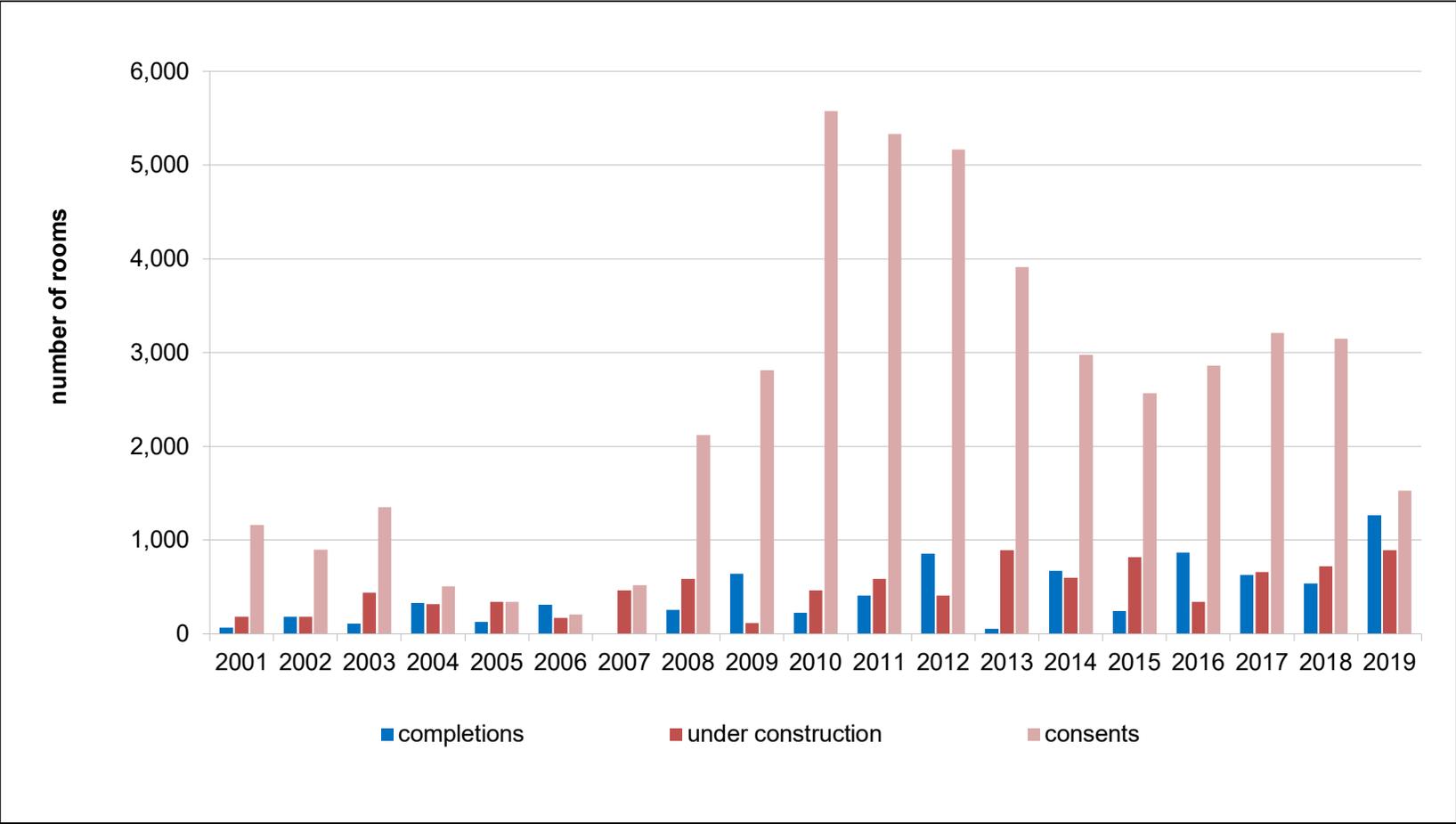
Properties being utilised for STLs are generally in accessible areas and supported by services. There is a need to ensure that such locations can be maximised for their potential to provide residential properties to meet the needs of Edinburgh. Existing housing units are best placed and designed to provide for residential use and most suited to meeting the needs of residents.

Purpose built tourist accommodation in the form of hotels, hostels, apart hotels, guest houses and bed and breakfasts is readily available throughout the city. Such accommodation is better suited to meeting the needs of tourism in Edinburgh while balancing its impacts on neighbourhoods.

5. Visitor Accommodation

Edinburgh's total stock of serviced accommodation at the end of 2019 was approximately 16,100 rooms. Supply growth over the last 10-15 years has been primarily driven by the hotel sector (although there have been a number of new serviced apartments which have opened in the last three years), with a 3.3% annual average growth in hotel bedroom supply (net, including closures).

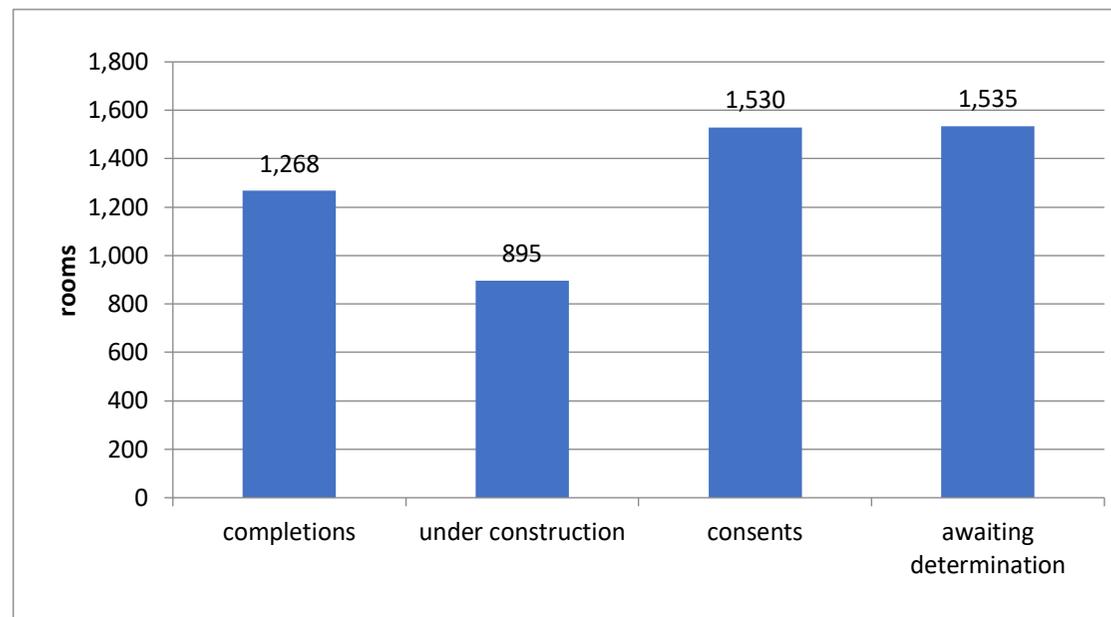
Figure 6: Hotel Development 2001-2019



1,268 rooms were completed in 2019, 895 were under construction and consent had been granted for another 1,530. Of these, 1,300 were new build, 140 were change of use and 90 were extensions. There were also 1,535 rooms still awaiting determination. These developments included some significant activity:

- A 235 room Leonardo hotel at Victoria Street/Cowgate.
- Consent was granted for a 131 room Leonardo Hotel in Jeffrey Street.
- A 149 room Point A hotel opened on Morrison Street
- A 280 room Yotel opened on Queen Street.
- A 230 room Marriott Moxy opened at Edinburgh Airport.

Figure 7: Hotel developments in Edinburgh 2019



Background reports

- [Report to Corporate Policy and Strategy Committee, 7 August 2018, Short-term Letting in Edinburgh](#)
- [Report to Planning Committee, 2 September 2020, Short-term Letting in Edinburgh](#)
- [Report to Corporate Policy and Strategy Committee, 14 May 2019 Short Term Letting in Edinburgh Update](#)
- [Housing Need and Demand Assessment](#)
- [Edinburgh Visitor Accommodation Sector Commercial Needs Study, Ryden, January 2019](#)
- [Hotel Development Schedule 2019, CEC](#)
- [Research into the impact of short-term lets on communities across Scotland, Scottish Government, October 2019](#)

Appendix 3

The meaning of a short term let in a control area is stated by Annex B of Circular 1/2021 Establishing a Short-Term Let Control Area:

“Meaning of short-term let in a control area

Section 26B of the 1997 Act, and the Control Area Regulations define a short term let for the purposes of the control areas. Use of a dwellinghouse for the purpose of providing short-term lets is deemed to be a material change of use in a control area. Planning permission is therefore required for short-term letting of any house or flat within a control area.

Note that the proposed Licensing Order could amend the Control Area Regulations and these amendments are not reflected below.

Section 26B(3) excludes:

- private residential tenancies under section 1 of the Private Housing (Tenancies) Scotland Act 2016; and
- tenancies of a dwellinghouse or part of it where all or part of the dwellinghouse is the only or principal home of the landlord or occupier

Regulation 2 of the Control Area Regulations defines a short-term let as provided where all of the following criteria are met:

- a) sleeping accommodation is provided to one or more persons for one or more nights for commercial consideration,
- b) no person to whom sleeping accommodation is provided is **an immediate family member** of the person by whom the accommodation is being provided,
- c) the accommodation is not provided for the principal purpose of facilitating the provision of work or services to the person by whom the accommodation is being provided or to another member of that person’s household,
- d) the accommodation is not provided by an employer to an employee in terms

of a contract of employment or for the better performance of the employee's duties, and

e) the accommodation is not **excluded accommodation** (see below)

An **immediate family member** includes parents, grandparents, children, grandchildren and siblings on both sides of a relationship of marriage, civil partnership or where the couple live together as if they were married. It also treats children with one parent in common as siblings and stepchildren as children.

Excluded accommodation means a dwellinghouse which is, or is part of—

- a hotel,
- a boarding house,
- a guest house,
- a hostel,
- residential accommodation where care is provided to people in need of care,
- a hospital or nursing home,
- a residential school, college or training centre,
- secure residential accommodation (including a prison, young offenders institution, detention centre, secure training centre, custody centre, short-term holding centre, secure hospital, secure local authority accommodation or accommodation used as military barracks),
- a refuge,
- student accommodation,
- an aparthotel”