

Policy Position Paper: Short-Term Lets (STL) Regulation



Agreed Position – 3rd November 2022

We accept that regulation on STL will be implemented, and appreciate that there are reasons for this. However, we urge the City of Edinburgh Council (CEC) to ensure that in implementing restrictions, they take care not to unfairly penalise Edinburgh's long established and responsible short term let providers, and recognise the necessary diversity they bring to the city's accommodation offering. We have serious concerns about certain elements of the policy as it currently stands, particularly the rebuttal presumption against granting licences to STLs in tenements. We welcome moves to allow temporary licenses and exemptions, but are concerned that there is little incentive for these options - they should have quicker timelines, lower fees and fewer conditions – otherwise we worry about the impact on our summer and winter festivals.

Context

In 2022 the Scottish Government passed legislation requiring all Local Authorities to establish a short-term lets licensing scheme by Oct 22. Following several consultations, CEC have implemented a policy that has additional constraints and conditions on top of what is mandated by Scottish Govt. Property owners now have to apply for 'change of use' through the planning process, and for a licence, with fees for both. Scottish Government have now delayed (subject to parliamentary approval) until October 2023 the deadline for short-term let hosts/operators to apply for a licence. We understand that CEC will review the policy in a year's time.

Rationale

- An ecosystem of businesses have been built up in Edinburgh around STLs, including letting and management companies, cleaning companies, booking companies and many others in the supply chain which would all be impacted.
- Overly restrictive regulations may lead to a loss of jobs, and may disrupt the mix of available accommodation in the city which will impact the visitor economy.
- We do understand concerns around STLs, and feel a balanced approach is needed.
- We suggest a delay in implementation, given the current economic challenges facing the sector, and to allow evidence to be gathered so that policy decisions can be made with up-to-date information.

Data: Evidence Gathered

[City Council statement of reasons](#)

[Research into the impact of short-term lets on communities](#)

- In 2019, 31% of all Airbnb listings in Scotland were in the city of Edinburgh
- It has been estimated that there has been a loss of around 10% of private rented homes to short-term lets in recent years
- The average Airbnb listing generates 52 visitors per year. For Edinburgh's City Centre (population 32,000) this equates to about 140,000 visitors per year
- 39% of Scottish survey respondents stated that there were too many short-term lets in their neighbourhood, with anti-social behaviour, noise, and perceived lack of tax contributions from STLs contributing to this

Key Policy Maker and Stakeholder Positions

Scot Govt. – has passed legislation requiring STL licensing schemes
CEC – Control area came into force 5th September 2022, now consulting on proposed planning guidance
ASSC – Asking the Scottish Govt. to use an SSI to delay the legislation until 2026
SCC – have asked Scottish Govt. to pause legislation for STL licensing

Data: Evidence Required

- Assessment of business impact and predicted impact on the visitor economy – more engagement with industry needed
- How will this impact alongside other measures, e.g. TVL

Chamber 'Asks'

- Support the ask from SCC for the Scottish Govt. to pause legislation
- Ask that CEC listens to concerns from the sector and considers easing the restrictions on STLs in tenement buildings
- We need assurances from CEC that planning and licensing depts. will not be adversely affected.
- Asking members to feed back to us ahead of the 1 year review