

## Agreed Position November 2024

We have engaged heavily with the City of Edinburgh Council (CEC) and with members on this issue, to try to ensure that a balance is struck, to regulate the sector and protect housing stock in the city, whilst avoiding unfairly penalising Edinburgh’s long established and responsible short term let providers, and recognising 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 requirement for planning permission, which has been extremely prohibitive. Whilst we welcome the provision of temporary licences, we believe they should have quicker timelines, lower fees and fewer conditions, particularly where the property already has an HMO licence - 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. Currently, many licences have been granted where the decision on planning is still pending, but there is uncertainty around what will happen if the planning application is denied. CEC have recently undertaken a review into the impact of the licencing policy.

## Rationale

- We do understand concerns around STLs, and feel a balanced approach is needed to protect the mix of available accommodation in the city, whilst also regulating the sector
- 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 have all been impacted.
- Around 97% of applications for planning permission for STLs in the city have been rejected, whilst Certificate of Lawfulness applications are being rejected for very minor breaks in use.
- CEC seem to be taking quite a heavy-handed approach, whilst enforcement around unlicensed STLs seems to be negligible

## Key Policy Maker and Stakeholder Position

- Scot Govt. - has passed legislation requiring STL licensing schemes
- CEC - The Short Term Let control area came into force September 2022, with operators required to have a licence since October 2023
- ASSC - A fundamental review of STL regulations must be carried out

## Data: Evidence Required

- Assessment of business impact and impact on the visitor economy, including the festivals - City of Edinburgh Council (CEC)
- Clear data on the number of STLs and how this has been impacted - CEC
- How will this impact alongside other measures e.g. Visitor Levy - CEC

## Chamber Asks

- Reduce the cost and complexity of applying for home sharing/home letting licences, and for temporary exemptions, e.g. make properties with an HMO licence be automatically eligible for a temporary exemption
- Review the requirement for change of use planning permission, particularly for temporary exemptions

## Data: Evidence Gathered

<a href="#">City of Edinburgh Council</a>	<ul style="list-style-type: none"> <li>• It has been estimated that there has been a loss of around 10% of private rented homes to short-term lets in recent years.</li> </ul>
<a href="#">ASSC 14th October 2024</a>	<ul style="list-style-type: none"> <li>• 1682 Secondary Let [full property] Licences have been granted in Edinburgh (6,905 bed spaces), with 90 Temporary Secondary Let Licences granted, (446 bed spaces).</li> <li>• Since 2019 there has been a 22% drop in the number of Self-Catering Units on Non-Domestic Rates.</li> </ul>
The Fringe Society	<ul style="list-style-type: none"> <li>• The number of rooms on industry home sharing platform Theatre Digs Booker was down 80% in Edinburgh in August; and prices have nearly tripled since 2018.</li> </ul>