

Shelter Scotland **response to Short Term Lets consultation**

6th October 2020

1. Please identify any issues with the proposed definition as set out in chapter 4, and how to resolve them.

The definition of a Short Term Let that is proposed in the consultation is appropriate and clearly defined.

We are pleased that our comments from the 2019 consultation has been taken onboard, and that the condition that 'a property must be let at least once for a period of less than 28 days' to define it as a short term let has been removed.

We had suggested that this condition be amended to define a short term let as accommodation that had been let at least once for a period of less than 90 days. However, the alternative definition that the accommodation is not the guests' only or principal home is suitable. This removes the loophole where short term lets over 28 days wouldn't be covered by either short term lets regulation or PRT protection.

2. Please identify any issues with the proposed control area regulations as set out in chapter 5, and how to resolve them.

Short term letting has seen a significant growth in recent years following the rise of online platforms such as Airbnb. Shelter Scotland believes that the sharp increase in short term lets is having an adverse impact on housing supply across Scotland, but crucially in saturated housing markets like Edinburgh where demand already exceeds supply. Evidence suggests that the growth of short term lets is having an adverse effect on the housing stock available to those looking for a permanent home, this chronic lack of choice is pushing rents up. Shelter Scotland therefore welcome the proposed control area regulations as a way to manage the high concentration of short term lets in specific areas, and to mitigate the resulting negative impacts of a lack of housing supply, and increased rents.

However, we are concerned that these proposed control area regulations do not consider how to tackle the problem of a housing market over saturated with short term lets that already exist in some areas. This policy needs contribute to an active reduction in the size of the short term lets market in some geographical areas, such as Edinburgh. In their current design the introduction of control areas regulations will not reverse the damage already done by the rapid growth of this unregulated activity. We appreciate that withdrawing consent from short term lets currently being advertised may be problematic, but local authorities need a mechanism to reduce the overall number of short term lets at particular locations to an appropriate level. As local authorities are required by law to prepare a local housing strategy supported by an assessment of housing need and demand, we are asking that local housing strategies should set out local authorities' overall approach to regulating the size of the short-term letting market in its area.

Another issue which we would like clarity on is the criteria which will be used to determine when a local authority can implement a control area for short term lets. As has been seen in the case of Rent Pressure Zones, meeting the data requirements for their creation is not possible. We would therefore ask that Local Authorities are given a large amount of discretion in deciding when to implement a control area. Shelter Scotland also considers that when deciding to implement a control area, and a conflict of interests arises between those of hosts and guests on the one hand and residents and communities on the other, it should be the resident and community interest that takes precedence. This principle of a community's interests coming first must be enshrined in both the legislation and the guidance, to prohibit the erosion of communities by a lack of residential housing supply.

3. Please identify any issues with the proposed licensing order as set out in chapter 6, and how to resolve them.

Shelter Scotland are supportive of the introduction of licensing for short term lets, as this would mean that short term lets are of an acceptable standard and ensure the safety of occupants. Licencing of short term lets also takes away the perverse incentive for a landlord to choose short-term lets over long term renting as a way to avoid having to invest in a property to bring it up to certain standards. Licencing of short term lets will also prove to be an effective method of collecting detailed data on the prevalence and size of short term lets in an area, as well as how often they are being let out.

A concern Shelter Scotland has with the licencing order is the proposed method of enforcement. The consultation suggests that local authorities will oversee carrying out “monitoring visits” to check short term lets compliance with their licence. We would suggest that consideration is given to the extra demands that this will make of local authorities, and whether the government needs to provide them with extra resources to ensure that they have capacity to effectively monitor short term lets and ensure that there are consequences should the standards not be met.