

Opinion – Cliff Hague on short term lets

The Scottish Government and our city council here in Edinburgh are trying to play catch-up as they chase the tails of the booming short-term holiday letting industry. Words like “horse”, “stable door” and “bolted” come to mind. It was early in 2018 that the Cockburn Association flagged up concerns about some of the negative impacts of the unregulated conversion of whole flats into mini-hotels.

Our [report](#) *The AirBnB Phenomenon* recognised that short-term letting has a role to play, both for tourism and for business support, but also showed that “the proliferation of ‘AirBnB’ is having a significant impact on resident amenity and community cohesion.” Our conclusion was that effective regulation was urgently needed.

Instead of action we have had consultation and even equivocation. Of course, consultation is a good thing and can make decisions better informed. However, in the case of the business of converting homes in Edinburgh to holiday rentals, a speedy response was needed. The issues were already framed in January 2018 by a [report](#) by the Scottish Expert Panel on the Collaborative Economy

This Panel was appointed by the Cabinet Secretary for the Economy, Jobs and Fair Work. Its six members included people

representing Airbnb, as well as the trade body for the digital sector, and VisitScotland. Perhaps not surprisingly, it favoured soft-touch self-regulation by the platform businesses themselves. Specifically “Anyone renting out their property via a digital platform should be shown – and indicate their acceptance of – specific local rules and regulations regarding any thresholds of usage stipulated by the local government/authority prior to being accepted on to the platform.”

The Scottish Government’s three-month [consultation](#) just ending has happened while the number of Edinburgh properties used for short-term lets has been growing exponentially. If there was a problem 18 months ago, it is a much bigger problem now. The consultation paper cites data for Airbnb, the main but not the only platform rental business operating here. There were 6,272 Airbnb listings in Edinburgh in July 2016, then 9,189 a year later and 12,578 in July 2018. In other words, the numbers just about doubled over 24 months. Furthermore, 61% of those listings were for entire homes or flats. This strongly suggests that these properties are not part of “the sharing economy”, but owned by investors. This should not be a surprise.

A recent [study](#) in Canada revealed that some multi-million dollar companies were offering hundreds of properties as short-term lets across the country, often behind a façade of pretending to be an individual owner. Here in Edinburgh a city council [report](#) in 2018 reckoned that over 1 in 5 of the Edinburgh Airbnb listings were operating for more than 90 days a year, a further suggestion that these represent more than just sharing a spare room. [Research](#) back in 2017 – already quite a long time ago, given the pace of change – found that one host in Edinburgh had advertised 80 listings, while seven hosts had more than 20 and 28 hosts had 10 or more listings.

In June 2019 the Scottish Government passed a Planning Bill.

An amendment in the name of Andy Wightman, Green Party MSP, proposed to bring unambiguously under planning control the use of a dwelling house for short-term lets where that property "is not the sole or main residence of a person". This would not have banned all short-term lets, but it would have required those running short-term lets as a business to apply for planning permission to remove a property from normal residential use.

The amendment was heavily defeated with SNP and Conservative MSPs voting it down. Instead, following lobbying from the industry, an amendment was carried that will allow a planning authority to "designate all or part of its area as a short-term let control area". We now await guidance from the Scottish Government on just how this will work. The Scottish Government's consultation paper accepts that there is evidence of loss of traditional long-term rented accommodation in Edinburgh along with increasing rents. This damage imposed on residents looks set to continue apace while we wait for the Scottish Government to come up with effective regulation, guidance and resources to support enforcement.

In responding to the Scottish Government's consultation paper, the Cockburn has said that whole property letting is the main issue that needs to be regulated. There should also be a presumption against short-term letting in tenements, where the introduction of commercially let properties can have a disruptive impact on the communal nature of this type of building. This presumption might be lifted if most individual property owners agreed with such a use.

We are also concerned that, in tenements, insurance cover and Title Deeds might restrict the use of a property for short-term lettings, meaning that in the event of major fire or flood the insurance might be deemed to be null and void, with serious implications for other owners on the stair. With regard to key safes, we believe that additional regulation for tenement properties is required due to the communal nature of

common stairs. Consent of all owners/occupiers in a stair should be sought before any key safes are fixed to any part of the building.

One suggestion in the consultation that causes serious concern is the idea that regulation in central Edinburgh might be relaxed during the Festival and at New Year. The argument is that these are periods when there is a shortage of accommodation. Given the growing recognition that these peaks create over-tourism in Edinburgh, the aim should be to manage to peak not fuel it further.

Tourism, housing and short-term lets are [issues](#) addressed in the Cockburn's *Our Unique City*, a wide ranging consultation on the future of Edinburgh that will run into the autumn.