

Edinburgh “super landlords” revealed by investigation

The holiday let boom has changed the face of the capital’s tourism economy in the last 15 years – but in that time those behind their rise have remained largely a mystery.

That has all changed, thanks largely to a crackdown launched by The City of Edinburgh Council, and backed by The Scottish Government, amid a rising housing crisis and concerns about the impact the holiday lets were having on the city.

After a three-month investigation digging into the details on some of the city’s 4,000 or so short term lets (STLs), the Local Democracy Reporting Service has uncovered a group of Edinburgh holiday let ‘superlandlords’.

Profits have soared for some landlords who turned homes into holiday flats and signed up to Airbnb and other booking platforms. It is a trend which the sector argues has been essential to meet the city’s tourism growth – but critics say it has destroyed communities vital to the capital’s social fabric.

The search has turned up a varied line-up, among it royalty and well-known business people. In several cases, large property portfolios were owned through shell companies registered to tax havens and overseas countries.

Owners include a businessman who owns an entire block of short

term lets, a petrol station owner who has a dozen properties, investment by the world's second richest family, and an Australian investor who has been quietly running several short term lets for more than a decade.

In all cases there is no suggestion any of those involved are acting improperly in owning or operating multiple short term lets in the city.

Identifying the 'superlandlords' was far from easy. Unlike the much less lucrative long-term rental sector where landlords can be quickly found on an easily-accessible register, there has been no database listing those who own short-term lets. Long-term landlords are obliged by legislation to register on a database.

In 2022 the council introduced licensing and planning checks in response to concerns about the increasing number of holiday lets in the city centre, particularly in the Old Town – where it is now not uncommon to find tenement blocks where the majority of flats are STLs – and their impact on residents who still live there year round.

A quick scroll through the 4,000 or so properties which appear on the council's STL licensing register still revealed very little in the way of property ownership, however. The 'applicant' column – intended to provide transparency and accountability – remains largely blank, with only a small handful listed.

Thanks to the planning application process put in place as part of the council's crackdown however, it has now been possible to link property owners with multiple homes.

Despite legal wranglings over the various new policies, information now publicly available on the council's planning portal and Companies House has allowed the LDRS to cross reference properties from the licensing register to identify Edinburgh's Airbnb 'superlandlords':

Prominent businessman Alasdair Dougall Locke, founder and chairman of the UK's largest owner of petrol station forecourts, Motor Fuel Group, currently has 12 flats within the same block on the Royal Mile which are used as STLs.

Locke, one of Scotland's richest men and co-founder of Glenrinnes Distillery, owns the city centre flats through Glenrinnes Farms Ltd.

The apartments were developed by Mr Locke after he purchased the site – 'air space' above a pub previously occupied by homes before they were destroyed by a fire in 1966 – which came complete with planning permission for 14 flats.

Speaking to the LDRS Mr Locke said they were built as 'high end' tourism accommodation. However in 2022 – four years after building work was completed – Mr Locke was granted planning permission for change of use of the properties from residential to short-term letting. He has also applied for licensing approval which is outstanding.

He said: "It's a very useful contribution to the tourist economy of Edinburgh; we wouldn't be as full as we are if there wasn't a demand. In the right area we think we're attracting people who come in – yes, they pay us but that's actually a small part. They spend a lot of money in restaurants, shops and tourist attractions around the city and that's very good for the economy."

The highest number of holiday lets under the ownership of one individual was 25, located all within the same block at Western Harbour in Newhaven operating as 'Ocean Serviced Apartments'.

Landlord James Adam – about whom the LDRS has found very little information online – has applied for a 'certificate of lawfulness' for the apartments' use as STLs for more than 10 years, which if can be proved through bookings means full planning permission is not required.

Built in the mid-2000s as homes for long-term residents, in 2018 the council received a complaint from a member of the public about an 'unauthorised change of use' to holiday accommodation. However, planners concluded as the conversion had occurred over a decade prior that no enforcement action could be taken against Mr Adam or Ocean Serviced Apartments. Both were approached for comment.

Investigations also appeared to reveal a member of the Royal Family of Kuwait as having 12 STLs on Torphichen Street in the West End. Suad Al Sabah, an 82-year-old economist and writer, has ownership through the dormant company Haaz Real Estate (Distillers House) which is registered to the Isle of Man – a UK tax haven where companies face no capital gains tax.

The second richest family in the world, the Al Sabah dynasty has ruled Kuwait since 1756 and is estimated to be worth \$360 billion.

Edinburgh's Gold Brothers, who run a large number of souvenir and gift shops around the city centre, were found to own 13 holiday lets in the Old Town. This includes 10 within one block on the High Street where planning and licensing applications are under consideration. The Singh Gold family's STLs are held through Tron Kirk Residences and GB England Ltd.

Abdul Hamid emerged as another of Edinburgh's short-term 'superlandlords', owning 11 on Home Street – which accommodate 54 guests and are well reviewed online – and part-owning a further six elsewhere in the city. Mr Hamid's correspondence address is listed as the Edinburgh Multicultural Research Centre on Lochrin Place.

The search also showed that Josephine Morton, who lives in Australia, has seven holiday flats around the capital owned through limited company JGH Investments. Claiming to have operated them as STLs for more than a decade, she has applied

for certificates of lawfulness from the council.

A much more difficult hurdle to clear, the recent requirement of change of use planning consent for 'secondary lets' – the term used to describe STLs where guests have the whole property as opposed to sharing with the owner – has resulted in hundreds of applications being rejected.

The council itself has included an "assumption of an 80% reduction from the Edinburgh 2021 number of active listings reported on Airbnb" in projecting how much income would come from its new tourist tax. Estimates range from £25 million upwards and the legislation currently passing through parliament will instruct councillors on the way the funding can be spent.

A judicial review last year brought by a group of operators – the second challenging the council's approach to STL regulation – ended the status quo of planning consent for all secondary lets, with town planners now only seeking applications from those which have a 'material' impact on neighbours and the 'character of the area' – which can only be judged by planning officers.

by Donald Turvill Local Democracy Reporter



02/10/2023 PHOTO Alan Simpson Applications for short term let licenses advertised in doorways on the Royal Mile Edinburgh.