

Short term lets thrive in North Berwick

The number of short term lets in North Berwick went up by nearly 30 per cent last year despite new legislation tightening controls.

An independent report commissioned by North Berwick Environment and Heritage Trust has said there were 445 active listings for the holiday lets in the town and surrounding area in May this year, compared to 339 last July.

And it says the numbers are going up each year along with the daily charges as the industry continues to thrive adding: "Not only has the peak number been increasing each year but the peak is being reached earlier each year."

Despite the increase in numbers, however, the report has found that the holiday flats have less Gross Value Added (GVA) impact on the local economy than residential homes,

It also raises questions about previous estimations used by East Lothian Council to support the case for short term lets as part of the county's tourist trade.

Previously the council has estimated a holiday let which has four people has an economic boost of around £90,000.

The new research by MKA Economics however estimates the GVA for a two bedroom property, which would house four people, at just £11,592, while adding a residential two bedroom property had a GVA of £17, 580.

And it said larger homes still brought in more value if they were residential with a five bedroom home having a GVA of £43,664, while one used as a short term let had a GVA of £24,773.

The report noted that there was a slight advantage in short term lets with the number of jobs created.

However it said: "The analysis shows that the gross valued added (GVA) effects are greater for residential uses than short-term lets across all property types.

"Although it is noted that the employment effects are greater for short-term lets in all cases, and although tourism jobs are valuable, they are not as valuable in GVA terms as other economic activity in the local area."

The report took the data on the number of short term holiday lets from AirDNA which has North Berwick as a sub region.

It said nearly half of all short term lets listed in the area were two bedroom flats with 23 per cent one bedroom and 22 per cent three bedroom, the rest were larger homes.

Occupancy ranged from 53 per cent of the year to 65 per cent of the year and daily rates had increased year on year with a two bedroom flat commanding £190 on average each day.

The report said: "Overall, it can be concluded that short term lets are a significant and increasing component of the visitor infrastructure in East Lothian and North Berwick.

"They do support the local area by enticing people to stay overnight. However, they are highly seasonal and their continued growth, and future growth expectations, are considerable.

"The sustained continued growth has had impacts on housing supply and is likely to continue into the future. With

significant variations in occupancy rates, it is apparent that many short term let properties are not let for noticeable periods of the year.

“The increased daily charge, however, has generated increased and sizeable financial gains for owners.”

It added: “The evidence is that short term are less economically valuable than residential uses for the local economy.”

By Marie Sharp Local Democracy Reporter