



**Our vision is a Perth and Kinross where everyone can live life well,
free from poverty and inequality**

Committee or Board:	Perth and Kinross Council
Date of Meeting:	7 May 2025
Report Title:	Short Term Let Control Area
Report Number:	25/114
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1. Purpose

- 1.1 This report seeks approval to commence the formal statutory process to introduce a Short Term Let (STL) Control Area for Highland Perthshire and northern part of the Eastern housing market areas.
- 1.2 This report is structured over the following sections:
 - 1. Purpose
 - 2. Recommendations
 - 3. Background/Context
 - 4. Proposals
 - 5. Statutory Process
 - 6. Conclusion
 - 7. Impact Value Assessment
 - 8. Appendices

2. Recommendations

It is recommended that the Council:

- 2.1 Agree to proceed with the notice of a proposal for the designation of a Short Term Let Control Area for Highland Perthshire and northern part of the Eastern housing market areas.

3. Background

- 3.1 The Scottish Government and local authorities have recognised the need to manage the number of commercial STLs to protect both the supply of homes to meet local housing need (including key workers) and the amenity of residential areas. STL Control Area legislation was introduced in April 2021, permitting local authorities, as the planning authority, to establish Control Areas. Within Control Areas, planning permission is required for the change of use of dwellinghouses to STL 'to allow consideration of impacts on the availability of residential housing'.
- 3.2 For clarification, planning permission has always been required to change the use of a residential flat to a STL. Since the introduction of this legislation, two such Control Areas have been established in Scotland: across the entire City of Edinburgh Council area (Sept 2022) and the Badenoch & Strathspey ward of the Highland Council area (March 2024).
- 3.3 The Local Housing Strategy (2022-2027) identified a reduced housing supply and affordability concerns of communities, particularly in rural areas, resulting in an action to consider the feasibility of a Control Area (Action 1.7.[LHS 2022-27 Action Plan.pdf \(pkc.gov.uk\)](#) along with other actions.
- 3.4 The Environment, Infrastructure & Economic Development Committee of 31 May 2023 [Short Term Let Control Area: Proposals for Consultation - Report No. 23/171 refers](#)) approved the undertaking of public consultation on the principle and agreed the potential boundary of a STL Control Area, with an instruction to officers to report on the results and to provide additional analysis based on applications for STL licences. The consultation was completed in August 2023; however, the Scottish Government extended the deadline for submission of licence applications by existing operators to 30 September 2023, resulting in a delay in completion of the analysis to late spring 2024. The consultation exercise in 2023 received 333 responses from residents (224), business owners (95), and various organisations, both community and trade (14). Of the respondents, 53% agreed with the proposal to designate an STL Control Area with 41% disagreeing and 6% having no strong opinion either way. In general, responses from within the proposed Control Area were more strongly in favour of the principle, at 76% of residents and 57% of organisations. However, businesses were generally not supportive with 69% against the principle. Further detail is included in appendix 2.
- 3.5 [A Non-statutory planning guidance: Change of Use of Residential Property to Short-term Let](#) was approved by the Environment, Infrastructure & Economic Development Committee on 1 November 2023 ([Report No 23/289 refers](#)) to inform planning considerations for change of use of residential dwellings to short-term lets across the entire Council area.

- 3.6 The Economy and Infrastructure Committee on 28 August 2024 (Report ref: 24/235) noted the contents of the report and rejected the recommendations to proceed with the designation of a SLT Control Area for Highland Perthshire and northern part of the Eastern housing market areas. Officers were asked to reconsider the planning considerations.
- 3.7 Since the public consultation and analysis, the number of STL licences has grown. By 19th February 2025, the STL Licence scheme had granted a total of 1699 licences for STLs. The majority (49%) are in Highland Housing Market Area (HMA), 18% are in Greater Perth HMA, 15% in both Eastern and Strathearn and 3% in Kinross HMAs.

A distribution map is included in the Evidence Paper attached as appendix 1. The distribution has remained very similar to when the map was created at the close of the licence registry to existing STLs, but the detail is highlighted in tables 1 and 2 below.

	Eastern	Greater Perth	Highland	Kinross	Strathearn	P&K
Total STLs	260	299	834	53	253	1699

Table 1: Distribution of secondary STLs across Housing Market Areas at 19th February 2025.

- 3.8 Existing STLs had to apply for licence registration by 30 September 2023. Since then, the growth in the number of new licences has been significant at 32% across all areas. The table below outlines the growth rates across Housing Market Areas. The most growth has been in Eastern HMA at 44%.

	Eastern	Greater Perth	Highland	Kinross	Strathearn	P&K
Growth rate	44%	35%	27%	29%	35%	32%

Table 2: Growth rate of secondary STLs across Housing Market Areas at Oct 2023-Feb 2025.

- 3.9 The STL sector growth indicates that the demand in the tourism sector is recovering (Appendix 1) and that the STL sector has a role to play. The Association of Scotland's Self-Caterers commissioned Biggar Economics to assess the economic impact generated by STLs across Scotland. The analysis published in December 2024 builds on the consultancy's previous work on the impact of the STL sector on Edinburgh's economy. Based on this analysis, it is estimated that the economic impact generated by the STL sector in Perth and Kinross is £51.8m GVA and 1,757 jobs in 2023.

- 3.10 The number of planning applications that have been received by the council to 18 March 2025 from wards in the proposed control area totals 153. It is the equivalent of less than 38 per year since the monitoring of STL applications which started in 2021 (table 3). The number of permissions being sought is clearly well below the number of licences for STLs, indicating that there is a number of the STLs that do not require planning permission under the current system.

Wards in proposed Control Area	Applications Approved	Applications Refused	Certificate of Lawfulness	Awaiting Decision	Returned/ Withdrawn
Ward 3 Blairgowrie	15	1	4	0	5
Ward 4 Highland	35	10	19	2	24
Ward 5 Strathtay	18	5	4	0	11

Table 3: Numbers of planning applications relating to STLs since 2021- March 2025 by Ward.

4. Proposals

- 4.1 Currently, planning permission is only required for the use of a property as an STL if a material change of use occurs. A change from a flat to a STL is always considered to be a material change of use requiring planning permission. For dwellinghouses, the significance of the change must be considered, but planning permission is not required in many instances. When a change of use from dwellinghouse to STL is proposed, it is first necessary to assess whether or not residential amenity will be protected. Consideration must be given to any change to local amenity, the impact on the character of a neighbourhood or area, considerations on public and private safety and the impact on immediate neighbours. The following elements that would be associated with a STL would have to be taken account of to verify the impact on residential amenity:-
- (a) Guest arrivals and departures procedures;
 - (b) Particular impacts on other residents in flatted buildings;
 - (c) Likely frequency and intensity of noise or otherwise unsociable behaviour;
 - (d) Impact on public services and residents' amenity;
 - (e) Cumulative impact on the character and amenity of a neighbourhood;
 - (f) Number of people the property can accommodate.
- 4.2 The designation of an STL Control Area would clarify the planning status of dwellinghouses used for secondary letting. This is defined as being where the owner/host does not reside at the property and thus allow appropriate regulatory oversight to balance the needs and concerns of the community as well as the potential impact on established residential amenity. If introduced, dwellinghouses within the Control Area would always require planning permission in order to operate as STLs.

Once a planning application is submitted, the planning authority would assess the potential cumulative impact of the STL on the residential amenity and character of the local area, using the following key considerations:

1. Where is the proposal located? Is it:
 - a. Within the city centre or a town centre (as identified in the LDP) where there would be no adverse impact on amenity or character of the area?
 - b. Within an identified settlement (as identified in the LDP) and located in an area where there is a mix of other uses which could already affect residential amenity?
 - c. Within a predominantly residential area and there could be adverse impact on amenity for existing residents, particularly in blocks with shared / communal entry?
 2. Does the proposal relate to a residential property with four or more bedrooms, and will there be no adverse impact on local amenity from noise or disturbance if the let is occupied by a group or more than one family?
 3. Is the proposal for the extensive refurbishment a long-term empty property?
 4. Will there be no unacceptable impact from the proposal on local amenity or the character of the area?
 5. Is the proposal part of a diversification scheme to support an existing Perth & Kinross rural business in line with NPF4 Policy 29: Rural Development and Local Development Plan Policy 8: Rural Business and Diversification?
 6. Is there anything which demonstrates that the loss of the residential accommodation will be outweighed by the benefits of the proposal to the local economy?
- 4.3 It must be noted that the Control Area requirements would not be retrospective, therefore would not apply where the change of use to STL occurred prior to the Control Area coming into effect. For those changes of use occurring before the Control Area comes into force, the current position set out in 4.1 applies. If a dwellinghouse has been used for STL in a continual manner for more than 10 years, with no planning permission having expressly been granted, it may be appropriate for the owner to seek a Certificate of Lawfulness of Existing Use or Development in order to continue operating it as such.
- 4.4 The use of buildings such as huts, caravans, agricultural buildings, bothies or ancillary residential annexes as STLs would not be affected by the establishment of a Control Area.

These changes of use require planning permission under current planning legislation regardless of a Control Area designation, as do the erection of buildings specifically for STL or holiday lets. In both instances, there would still also be a need for an appropriate STL licence.

4.5 The proposed STL Control Area would:

- Allow the Council as planning authority to consider the best use of residential properties in defined areas of higher concentrations of STLs in areas of higher housing pressure, along with other relevant planning matters such as character and amenity.
- Assist the Council in managing sustainable tourism development by aligning the planning requirements for STLs with other forms of tourism accommodation.
- Clarify to the tourism industry the assessment to be used for proposals of new STLs.
- Create clarity around when planning permission is required for a change of use by requiring it in all circumstances
- Create parity across all forms of secondary STLs (currently only flatted dwellings, are explicitly required to gain planning permission).
- Control any potential displacement impacts from the adjacent Badenoch and Strathspey STL Control Area in the Highland Council area.

4.6 In the table below, the outcomes of the STL Control Area if implemented on properties of different status are listed:

Property Status	STL Control Area Impact
Use of flat as STL	No change as planning permission is already required to do this
Use of non-residential buildings (e.g. agricultural or commercial building) as STL	No change as planning permission is already required to do this
Proposal for new build holiday accommodation including huts, caravans, chalets, etc	No change as planning permission is already required to do this
Use of dwellinghouses as STL licence for more than 10 years, but no planning permission in place	No change, the STL Control Area requirements would not be retrospective
Use of dwellinghouses as STL licence less than 10 years, but no planning permission in place	No change, the STL Control Area requirements would not be retrospective. The owner could apply for Certificate of Lawfulness of Existing Use or Development to regularise the STL use
Use as a dwellinghouse as STL and the change of use occurs after the STL Control Area comes into force	Change – this would require planning permission which will be assessed against the Development Plan and the criteria set out in paras 4.1 to 4.4 above

Table 4: Impacts by property status if STL Control Area is implemented.

- 4.7 For clarification, the designation of an STL Control Area would not negate the need for a STL Licence.

5. Statutory Process

- 5.1 Should Council agree to the recommendation to establish a STL Control Area, a statutory process is required to be followed. This requires the following steps to be undertaken:
1. Publish a public notification of the intention to designate a Control Area, including a statement of reasons (appendix 3 and with the updated information from this report) and a map of the proposed Control Area (appendix 4). A minimum period of 28 days will be given for public representations to be made.
 2. A further report will be brought to Council on the representations received through the public notification procedure to consider whether any modifications are required to the proposed STL control area.
 3. With or without modifications, the STL control area would then be submitted to the Scottish Ministers for approval.

6. Conclusion

- 6.1 The proposed STL Control Area will introduce the requirement for planning permission to be sought for dwellinghouses that are to be used as STLs. By applying for planning permission, it will allow the Council the opportunity to consider the impact of residential character and amenity, and loss of residential accommodation.
- 6.2 It will ensure uniformity across all forms of secondary STLs as currently only flatted dwellings, are required to apply for planning permission. The Control Area will provide certainty on when planning permission is necessary to use a residential property as a STL.
- 6.3 It is therefore recommended that the Council proceeds with the notice of a proposal for the designation of a Short Term Let Control Area for Highland Perthshire and northern part of the Eastern housing market areas

7. Impact Value Assessment

https://www.pkc.gov.uk/media/53918/Short-Term-Let-Control-Area-Proposal/pdf/Short_Term_Let_Control_-_Area_Proposal.pdf?m=1743950262720
[EDMS Communities Committee - EFIA - STLCA May 2025 Full Council Report.pdf - Open Content](#)

8. Appendices

- 8.1 Appendix 1 – Short-term Lets Evidence Paper
- 8.2 Appendix 2 – Consultation Results
- 8.3 Appendix 3 – Statement of Reasons
- 8.4 Appendix 4 – Map of Proposed Control Area

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