

Short-Term Lets Evidence Paper**April 2022**

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Introduction

Early engagement for the 2022-2027 Local Housing Strategy indicated availability and affordability of housing as a top concern of Perth and Kinross residents. The growth of Short-term lets in recent years was highlighted as a contributing factor.

Community groups in places where tourism is a significant part of the economy, were also feeding back to the council that the lack of affordable housing was impacting on the ability of people to find suitable homes locally particularly affecting young and older people, as their needs changed. Likewise, businesses and services were finding that the lack of available housing was impacting their ability to recruit staff to expand or provide services in the communities where it is needed. Among the reasons given, were rising house prices caused by competition from short-term lets business operators and second home buyers.

As a result, the Local Housing Strategy 2022-2027 embedded an action to understand the level of short-term lets, and impact on communities and, whether new planning legislation (Short-Term Let Control Areas, Scotland, 2021) could be effective in balancing the local economic benefits to using residential homes for tourism accommodation and providing enough homes for local need.

Methodology

Research undertaken in Badenoch and Strathspey Ward for Highland Council for their own evidence paper was taken as a starting point for informative data analysis. The data used was expanded or excluded as appropriate to the Perth and Kinross data.

The approach was taken to create a complete geographic picture by analysing the whole of Perth and Kinross at *postcode district* level, allowing for reasonable detail and avoiding data gaps between settlements. This also allowed for analysis at various geographic scales, for the period 2017-2021.

In order to assess the number of 'short-term lets', proxy data had to be used as until the Short-Term Lets Licensing legislation (2022) was established, this was not a data category within the council. The proxies of 'self-catering units' and 'second homes' were analysed as reliable datasets contributing to secondary lets. A secondary let is a dwelling that is not a primary residence, that is let to guests and is the only type of short-term letting that affected by the control area legislation.

The registration of existing Short-Term Lets under the licensing scheme was extended until October 2023. This evidence paper will be updated once the full licencing information is available after October 2023.

The key indicator metric was '*% of total potential housing stock being used as second homes and self-catering units*' and was defined by Highland Council. 'Potential' because not all self-catering units could be used as permanent dwellings as the category includes, temporary dwellings such as lodges, bothys, yurts etc. Although a source of potential short-term lets, many second homes would be used for private purposes. This figure is an indicator of the percentage of housing that is being used as holiday accommodation (second homes and self-catering).

The metric of % total potential housing being used as holiday accommodation in Badenoch and Strathspey was 17.11%. This figure includes self-catering units that would not be suitable as residential dwellings (e.g. lodges) so will be inflated but does not include the number of second homes that are casually let, contributing towards 'short-term lets.'

The Housing Waiting list data could not be used due to the way the data is collected, providing inflated figures over multiple postcodes and therefore not informative. Homes for Private rent could only provide a current snapshot and be useful in determining the percentage of the housing market in this tenure in each postcode district.

School rolls were examined to gain insight into potential impact on demographic trends.

In addition in 2022, Local Housing Needs assessments were being completed by the Community Housing Trust in 5 communities, supported by Perth and Kinross Council. These were used to direct more detailed analysis, at the sub-postcode level where necessary.

The data glossary provides more information on each data set illustrated in the evidence tables throughout the document.

Data Glossary

Self Catering Units (SCUs)	Registered as businesses.
Second Homes	Included in Council tax figures and pay full council tax (no surcharges)
Total Second homes & SCU	Indicators contributing to short-term lets
Council Tax Listings (includes 2nd homes)	All dwellings including second homes
Potential Total Housing Stock	The total of residential homes, second homes and self catering units.
% of potential Housing Stock used as second homes & SCU	The proportion of all dwellings that are let for self catering & second homes. Includes purpose built accommodation that may not be suitable for residential homes. Therefore an over estimate.
Short Terms Lets on AirBNB	Surveyed Jan'22. Apprx. Figure of secondary accom.
Private Lets	The number of properties registered as a private let.
House Completions (inc. small site ave.)	Total house completions over the period. Change = % of Ctax list.
Affordable Completions	House completions in the 'affordable category' . Total over period. Change = % of Ctax list
Purpose built SCUs (Approved applications)	The number of approved <i>applications</i> for purpose built Self catering. Could be an overestimate. Total over the period
Empty Homes (>6mths)	Short term empty home
Unoccupied Homes (<6mths)	Long term empty home. Surcharge payable
School Roll (all)	Includes schools of the relevant catchment area.

Table 1. Data glossary

Results Summary

- The proxy data of 'self-catering units and second homes' were used as robust 'short-term let' data was not a classification until the Short-term licensing scheme (2022).
- The data analysis demonstrates that the number of self-catering units through the period 2017-2021 grew significantly (25%) across all areas of Perth and Kinross and is higher at 3% than the Scottish figure of 1.2% of total housing stock (*Reference 1*).
- Generally, the recent growth in self-catering units has brought the figures into alignment with existing numbers of second homes which has shown more steady growth.
- Second homes in the Perth & Kinross are still growing at 1% in contrary to the Scottish average decreasing rate of -6.9% (*Reference 2*)
- Self-catering accommodation will make a greater contribution to the local economy than second homes.
- A key metric of the analysis was the 'total potential housing stock being used as self-catering and second homes'.
- Highland Council in their similar analysis for Badenoch and Strathspey found that **17.11%** of the *total potential housing stock was being used as self-catering and second homes* (*Reference 5*)
- The data for Perth and Kinross signified that the lower figure of *total percentage housing stock being used as self-catering and second homes* of 10% was indicative of an impact threshold.
- At 2021 levels, the number of homes that could be recovered from a short-control area would be significantly less than 634 (8.3%). The estimate for this

will be refined by the data from the Licensing scheme register, after October 2023.

- The areas affected by the 10% threshold include the whole of the Highland Perthshire Market Area and the northern part of Eastern Housing Market Area, north of The Bridge of Cally where the *total percentage housing stock being used as self-catering and second homes was quantified as 16.3%*.
- This area includes parts of the Cairngorm National Park and lies adjacent to the Badenoch and Strathspey Ward in Highland Council.
- The postcode districts of Comrie and Ardvorlich (PH6/part FK19) are close to the impact threshold at 8.1% and as such should be monitored.

Affordability of Housing

The 2022 Housing Need and Demand Assessment indicates that the average Perth and Kinross House Price in 2020-21 was £224,480, 15% above the Scottish average, of £194,100 (*Reference 2*). Table 2 outlines the income multipliers needed to achieve house purchases as an indicator of poor affordability. Market Rents are the similar with 45% of households finding them unaffordable. Young people are at further disadvantage as 1 in 2 households cannot afford the market entry point. These 2020 figures demonstrate that affordability is a Perth and Kinross wide issue and especially in rural areas.

Perth & Kinross	Income	House Price	Affordability ratio
Average house price/income	41,390	199,589	4.82
Median house price/income	33,707	175,000	5.19
Lower Quartile house price/income	19,072	123,500	6.48

Table 2: CHIMA data tool 2019/20 affordability for Perth & Kinross using Scot Gov methodology for market entry *Reference 3: PKC LHS Briefing 1 (2022) Slide 9.*

There is concern that changes in the Private Rental Sector to improve energy efficiency and improve tenants' rights may cause this sector to contract, releasing more housing into sales and potentially increasing short-term lets. In areas with higher proportion of private rental properties, these measures could impact the availability of more affordable and mid-market housing options.

The LHS has a number of actions aimed at alleviating affordable housing pressure including target of provision of an urban-rural split that matches population, for affordable homes. The Council also supports rural communities to access the Rural Housing Fund to support affordable and community led housing. Actions that aim to increase the number of affordable homes are:-

- **LHS Action Plan 1.1** Achieve an average of 210 affordable housing completions annually and maintain 53%/47%, urban/rural split.
- **LHS Action Plan 1.2** Develop an Empty Homes Action Plan – to bring empty homes back into use.

- **LHS Action Plan 1.4** Seek opportunities to deliver a wider range of housing options in rural areas :
 - Rural areas- work in partnership with private estates, land owners, developers, funders and local communities.
 - Undertake a targeted Housing Needs Assessments Programme (HNAP) in rural settlements where tackling a lack of AH has been identified as a priority in Community Action Plans (CAPs)
 - Work in partnership with rural housing specialists to enable Community Development Trusts to secure subsidy from Scottish Land Fund (SLF) and Rural Housing Fund (RHF), private and other funding sources to develop community-led housing
 - Aim to deliver, via a community-led approach, up to 100 new affordable homes of various types and tenures that reflect HNAP outputs, to be delivered to Design Guide Standard over the period of the strategy

Short-term Lets

Collection of data at a postcode district level between 2017-2022 allowed a detailed summary of Perth and Kinross as a whole, comparison with national trends and the similar analysis by Highland council.

The key indicator of the potential housing stock, utilised for second homes and self-catering units in Badenoch and Strathspey was 17.77%, compared to the Perth and Kinross figure of 2.9%. In contrast to the Scottish decline in second homes of 6.9%, Perth and Kinross showed growth over the period of 1.1%. Meanwhile short-term lets have increased by 25% compared with 12.16% in the Badenoch and Strathspey ward.

	2017	2018	2019	2020	2021	change	% change	% of Total Hsg Stock (2021)	P&K Change over Period	Badenoc h & Strathspe y Change	Highland Wide change %	Scotland
P & K total												
Self Catering Units (SCUs)	843	896	987	1015	1054	211	25.0%	1.4%	25.0%	12.16%	38%	
Second Homes	1120	1187	1136	1118	1132	12	1.1%	1.5%	1.1%	-8.13%	2.24%	-6.9%
Total Second homes & SCU	1963	2083	2123	2133	2186	223	11.4%	2.9%	11.4%	1.6%	8.55%	
Council Tax Listings (includes 2nd	71646	72247	72917	73700	74264	2618	3.5%	98.6%	3.5%	1.65%	2.98%	
Potential Total Housing Stock	72489	73143	73904	74715	75318	2829	3.8%	100%	3.8%	2.5%	3.66%	
% of potential Housing Stock used as second homes & SCU	3%	3%	3%	3%	3%		0.2%	2.9%	0.2%	17.11%		
Short Terms Lets on AirBNB					1014	1014		1.3%		3.63%		
Private Lets					11083			14.7%				
House Completions (inc. small site ave.)	586	578	776	895	673	+3508	4.9%	4.7%	4.9%		37.25%	
Affordable Completions	123	144	302	153	232	+954	1.3%	1.3%	1.3%			
Purpose built SCUs (Approved	5	23	20	46	57	+151	17.9%	0.2%	17.9%			
Long-term Empty Homes	1290	1368	1308	1653	1310	20	0.2%	1.7%	0.8%	36.09%	37.25%	
Unoccupied Homes (<6mths)	1422	1463	1543	1295	1393	-29	-9.7%	1.8%	-9.7%			
School Roll (all)	17958	18006	17399	18197	18139	181	1%		1%	-2.51%	0.5%	

Table 3. Perth and Kinross analysis

Key Points

- Across the whole of Perth and Kinross, the impact of self-catering units and second homes on the total potential housing stock is 2.9%.
- Significant growth in self-catering units at 25% over the 5-year period bringing the figure close to the number of second homes.
- 72% of newly registered self-catering units could come from purpose built self-catering units applications.
- Overall impact a of self-catering is low at 1.4% of total potential housing stock.
- Growth of council tax dwellings of 2.9% over the period, more than second homes, far less that self-catering numbers.
- Contrary to the Scottish average of a reduction in second homes of 6.9% (Scot gov 2019), in Perth in Kinross the trend is a slight growth of 1.1%.
- School rolls have increased very slightly overall at 1%.

The Perth and Kinross housing market areas are defined below.

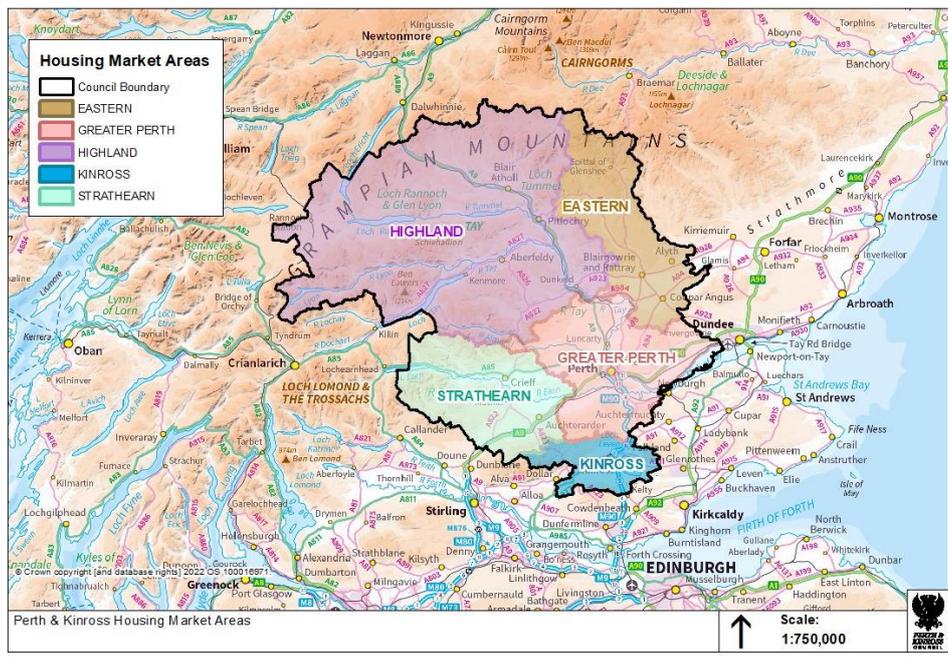


Figure 2. PKC Housing Market Areas

Housing market areas are defined through specific analysis of housing patterns to identify relevant boundaries rather than arbitrary governance boundaries. They are used to study the housing market for the Housing Needs and Demand Assessment.

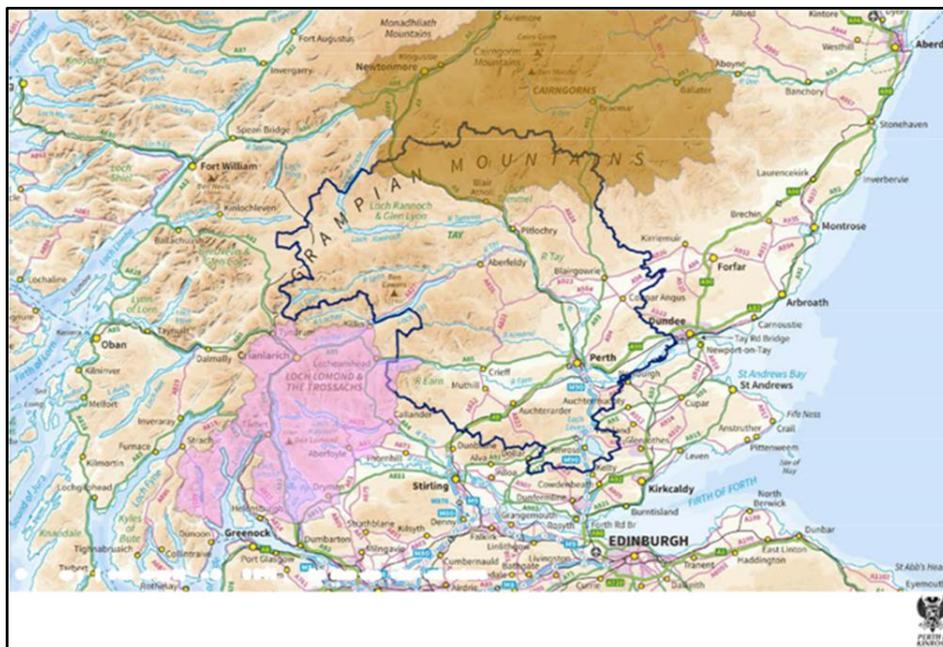


Figure 3. National Parks within PKC boundary

The Cairngorm National Park lies within the northern boundary of the council boundary and the Loch Lomond and the Trossachs National Park is within the western boundary.

Highland Perthshire Housing Market Area

The postcode districts analysis indicated that the Highland Perthshire Housing Market Area was showing an overall impact of 15.6% with potentially between 11% and 38.4% in individual postcode districts being used as second homes and self-catering units (Table 4). All districts demonstrated the trend of growing short-term lets over the period, levelling up to existing second homes numbers, and falling school rolls which may be partly explained by the availability of housing for use as permanent homes and at an affordable level for people working in the area.

Highland Perthshire FK21, PH8, PH9, PH15, PH16, PH17, PH18	2017	2018	2019	2020	2021	change	% change	% of Total Hsg Stock 2021
Self Catering Units (SCUs)	480	515	542	536	562	82	17.1%	7.9%
Second Homes	525	553	534	521	545	20	3.8%	7.7%
Total Second homes & SCU	1005	1068	1076	1057	1107	102	10.1%	15.6%
Council Tax Listings (includes 2nd homes)	6468	6481	6508	6525	6534	66	1.0%	92.1%
Potential Total Housing Stock	6948	6996	7050	7061	7096	148	2.1%	100%
% of potential Housing Stock used as second homes & SCU	14.5%	15.3%	15.3%	15.0%	15.6%		1.1%	15.6%
Short Terms Lets on AirBNB	<i>*secondary</i>					512		7.2%
Private Lets	<i>only live data</i>					1668		23.5%
House Completions (inc. small	28.6	28.6	52.6	31.6	55.6	+197	3.0%	2.8%
Affordable Completions	0	0	24	0	12	+36	0.6%	0.5%
Purpose built SCUs (Approved applications)	2	8	7	29	34	+80	16.7%	1.1%
Empty Homes (>6mths)	<i>data not available</i>							0.8%
Unoccupied Homes (<6mths)	<i>data not available</i>							-9.7%
School Roll (secondary)	558	531	541	534	539	-19	-3%	
School Roll (primary)	684	661	620	634	606	-78	-11%	

Table 4. Highland Perthshire Market Area

The district with the highest potential figure was PH17 Kinloch Rannoch outlined below. Qualitative evidence was collected that services were being impacted by availability of housing in this area.

PH17 Kinloch Rannoch	2017	2018	2019	2020	2021	change	% change	% of Total Hsg Stock 2021
Self Catering Units (SCUs)	21	21	23	20	28	7	33.3%	17.1%
Second Homes	34	34	35	34	35	1	2.9%	21.3%
Total Second homes & SCU	55	55	58	54	63	8	14.5%	38.4%
Council Tax Listings (includes 2nd homes)	142	143	140	143	136	-6	-4.2%	82.9%
Potential Total Housing Stock	163	164	163	163	164	1	0.6%	100%
% of potential Housing Stock used as second homes & SCU	34%	34%	36%	33%	38%		4.7%	38.4%
Short Terms Lets on AirBNB					16		9.8%	9.8%
Private Lets					17			10.4%
House Completions (inc. small Affordable Completions	0	0	0	0	0	+0	0%	0.0%
Purpose built SCUs (Approved applications)	0	0	0	0	0	+0	0%	0.0%
Empty Homes (>6mths) Unoccupied Homes (<6mths)								
School Roll (secondary)	122	112	115	104	117	-5	-4%	
School Roll (primary)	17	15	18	19	17	0	0%	

Table 5. PH17 (Kinloch Rannoch area)

Key Points

- Significant recent growth in self-catering of 33% reflected in potential housing stock being used as Self-Catering units of 38%, the highest of all areas.
- None of this has been due to purpose-built applications in the period so many of these could be residential conversions to short-term letting and is reflected in the decrease in council tax listings.
- Reporting of issues housing essential workers to PKC.
- School roll is declining but the levels are not significant.
- Included in Highland Perthshire analysis

The lowest percentage housing stock being used as second homes and self-catering units in the Highland Perthshire Market area was PH8 Dunkeld and Birnam, table 6 below. There is qualitative evidence that there are negative impacts on affordability and availability of housing to support business and services and quality of living even at this lower percentage of 11%. The Housing Needs Assessment identifies the need to reduce competition in the housing market from short-term lets with 87 households looking to move into or within the area in the next 5 years (CHT,2022, PH8 Community Housing Needs Survey).

PH8 Dunkeld and Birnam	2017	2018	2019	2020	2021	change	% change	% of Total Hsg Stock 2021
Self Catering Units (SCUs)	59	59	61	64	66	7	11.9%	5.7%
Second Homes	60	65	65	60	60	0	0.0%	5.2%
Total Second homes & SCU	119	124	126	124	126	7	5.9%	10.9%
Council Tax Listings (includes 2nd homes)	1085	1090	1090	1085	1088	3	0.3%	94%
Potential Total Housing Stock	1144	1149	1151	1149	1154	10	0.9%	100%
% of potential Housing Stock used as second homes & SCU	10%	11%	11%	11%	11%		1%	11.0%
Short Terms Lets on AirBNB					47			4.1%
Private Lets					234			20.3%
House Completions (inc. small site ave.)	6.2	4.2	4.2	4.2	4.2	+23	2%	2.0%
Affordable Completions	0	0	0	0	0	+0	0%	0.0%
Purpose built SCUs (Approved applications)	0	0	0	3	0	+3	5%	0.3%
Empty Homes (>6mths)								
Unoccupied Homes (<6mths)								
School Roll (secondary)	436	419	426	430	422	-14	-3%	
School Roll (primary)	153	159	146	136	123	-30	-20%	

Table 6. PH8 Dunkeld and Birnam Area

Key points

- Fairly significant recent growth in the self-catering numbers at 11.6%
- Stable second home numbers and comparable with self-catering numbers over the period.
- Evidence of transference of residential homes and second homes into self-catering.
- Overall impact of holiday accommodation on potential total housing stock is 11%
- House completions show small growth at 2% of total potential housing stock with no affordable house provision. Dunkeld has no sites identified for housing in the current LDP
- Higher than average Private letting at 20% compared with the Perth and Kinross average of 14%
- School roll has significant decrease of the primary roll of 20% over the period. Could indicate a significant impact on viability of community.
- Comparing with similar areas, Dunkeld may have had a longer standing problem with lower levels of recent self-catering growth.
- Included in Highland Perthshire analysis

Housing Needs Assessments

The Housing Needs Assessments (HNAs) of Pitlochry; Dunkeld and Birnam – PH8 area; Aberfeldy, Weem, Strathtay, Grandtully, Logierait and Ballinluig; Comrie Community Council area and Mount Blair Community Council and also fed into the analysis. The surveys indicated that the lack of affordable housing was impacting the ability of business to expand, recruit and retain staff. The HNAs did not stipulate if some of the businesses were operating in the short-term lets sector thus it is not always clear whether this business feedback would be in support of controls numbers of short-term lets as part of the solution to the availability of affordable housing.

The Blairgowrie postcode district of PH10 did not identify a significant level of impact from self-catering and second homes, due to the dominance of Blairgowrie and Rattray in the figures (Table 7). However, the Mount Blair Housing Needs assessment provided detailed numbers of a concentration of second homes and short-term lets in their community council area, that was not reflected in the postcode district level analysis. This directed a deeper analysis of individual postcodes confirming the concentration of self-catering and short-term lets in the area north of The Bridge of Cally, amounting to a potential 24% impact level on the housing stock (Table 8).

PH10 Blairgowrie	2017	2018	2019	2020	2021	change	% change	% of Total Hsg Stock 2021
Self Catering Units (SCUs)	78	83	92	99	107	29	37.2%	1.8%
Second Homes	126	130	120	118	120	-6	-4.8%	2.1%
Total Second homes & SCU	204	213	212	217	227	23	11.3%	3.9%
Council Tax Listings (includes 2nd homes)	5464	5510	5584	5694	5739	275	5.0%	98.2%
Potential Total Housing Stock	5542	5593	5676	5793	5846	304	5.5%	100%
% of potential Housing Stock used as second homes & SCU	3.7%	3.8%	3.7%	3.7%	3.9%		0.2%	3.9%
Short Terms Lets on AirBNB					143			2.4%
Private Lets					731			12.5%
House Completions (inc. small site ave.)	63	30	62	95	15	+265	4.8%	4.5%
Affordable Completions	38	13	72	24	0	+412	7.5%	7.0%
Purpose built SCUs (Approved applications)	1	10	2	1	21	+35	44.9%	0.6%
Empty Homes (>6mths)								
Unoccupied Homes (<6mths)								
School Roll (secondary)	721	719	719	766	801	80	11%	
School Roll (primary)	885	881	921	913	886	1	0%	

Table 7. PH8 Blairgowrie including Mount Blair Area

Key Points

- Increases in self-catering unit numbers of 37.2% are not reflected in a significant change of dwellings to holiday accommodation in the postcode district at 3.9% impact of total housing stock.
- Decrease in the numbers of second homes.
- House completions seem to be translating into homes, reflected in the growing council tax list.

Mount Blair Community Council Area	2017	2018	2019	2020	2021	change	% change	% of Total Hsg Stock 2021
Self Catering Units (SCUs)					72			12.5%
Second Homes					69			12.0%
Total Second homes & SCU					141			24.5%
Council Tax Listings (includes 2nd homes)					504			87.5%
Potential Total Housing Stock					576			100%
used as second homes & SCU					24.5%			24.5%
Short Terms Lets on AirBNB					143			24.8%
Private Lets					113			19.6%
House Completions (inc. small site ave.)	0	0	0	0	0	+0		0%
Affordable Completions	0	0	0	0	0	+0		0%
Purpose built SCUs (Approved applications)	1	4	0	0	8	+13		2%
Empty Homes (>6mths)								
Unoccupied Homes (<6mths)								
School Roll (secondary)	721	719	719	766	801	80	11%	
School Roll (primary)	59	57	67	69	54	-5	-8%	

Table 8. Mount Blair Community Council Area

Key Points

- The area reflects the postcodes to the north of Bridge of Cally
- It was not necessary to conduct a temporal analysis as the HNAs had provided long standing figures that correlated with the 2021 snapshot.
- The secondary school roll is less informative due to the dominance of the towns in the figures however the primary school roll suggests a relevant negative impact.

Strathearn Housing market area

The postcode district of PH6 in table 9, was combined with the partial postcode district of FK19, and showed levels of potential housing stock impact at 8.1%; high in comparison to the adjacent districts in the Strathearn Housing Market Area (Table 10). The growth in self-catering units has been less than Highland Perthshire, at 14.3%.

The number of second homes almost a third lower than self-catering units within the postcode district, differing to the Highland Perthshire trend. The data suggests the possible transfer of second homes into the self-catering; potentially a positive economic benefit by comparison. As such this postcode district has not been included in the area of negative potential impact.

However, the Housing Need Assessment for the town of Comrie identifies concern by residents of negative impact of 'short-term lets' thus it is recommended that these postcode districts be monitored and views sought in any public consultation.

PH6/FK19 Comrie NB: Contains all PH6 data but only PKC FK19 data	2017	2018	2019	2020	2021	change	% change	% of Total Hsg Stock 2021
Self Catering Units (SCUs)	42	41	44	51	48	6	14.3%	3.4%
Second Homes	67	73	71	69	66	-1	-1.5%	4.7%
Total Second homes & SCU	109	114	115	120	114	5	4.6%	8.1%
Council Tax Listings (includes 2nd homes)	1363	1369	1368	1358	1364	1	0.1%	96.6%
Potential Total Housing Stock	1472	1483	1483	1478	1412	-60	-4.1%	100%
% of potential Housing Stock used as second homes & SCU	7.4%	7.7%	7.8%	8.1%	8.1%		1%	8.1%
Short Terms Lets on AirBNB					48			3.4%
Private Lets					154			10.9%
House Completions (inc. small site ave.)	1.5	2.5	1.5	1.5	8.5	+16	1.1%	1.1%
Affordable Completions	0	0	0	0	0	+0	0%	0%
Purpose built SCUs (Approved applications)	0	0	0	3	0	+3	7.1%	0.2%
Empty Homes (>6mths)								
Unoccupied Homes (<6mths)								
School Roll (secondary)	571	582	581	588	605	34	6%	
School Roll (primary)	159	154	147	142	136	-23	-14%	

Table 9. PH6, Comrie district

Key Points

- The sample size of FK19 was too small to be meaningful so combined with PH6 adjacent postcode district
- In combination, the numbers of second homes and self-catering units are elevated to some areas where nearing the threshold, The rise in new build completions is not reflected in the council tax list which may account for some of the rise in self-catering units.
- Primary school rolls are falling which may partly be indicative of changing demographics.
- The area is close to the defined threshold

STRATHEARN PH3,4,5,6,7, FK15	2017	2018	2019	2020	2021	change	% change	% of 2021 Total Hsg Stock
Self Catering Units (SCUs)	112	120	134	143	142	30	26.8%	1.5%
Second Homes	110	118	131	140	138	28	25.5%	1.4%
Total Second homes & SCU	222	238	265	283	280	58	26.1%	2.9%
Council Tax Listings (includes 2nd homes)	9193	9289	9372	9443	9527	334	3.6%	98.5%
Potential Total Housing Stock	9305	9409	9506	9586	9669	364	3.9%	100%
% of potential Housing Stock used as second homes & SCU	2%	3%	3%	3%	3%	1%	1.0%	3.0%
Short Terms Lets on AirBNB					193			5.2%
Private Lets					1381			14.3%
House Completions (inc. small site ave.)	98.2	89.2	77.2	133.2	104.2	+502	5.5%	5.2%
Affordable Completions	0	0	0	13	41	+54	0.6%	0.6%
Purpose built SCUs (Approved applications)	0	0	2	3	1	+6	5.4%	0.1%
Empty Homes (>6mths)	<i>data not available</i>							
Unoccupied Homes (<6mths)	<i>data not available</i>							
School Roll (secondary)	1065	1091	1111	1147	1178	113	11%	
School Roll (primary)	1143	1079	1077	1256	1252	109	10%	

Table 10. Strathearn Housing Market Area

Recommendation

For the purposes of defining the potential extent of a Short Term Let Control Area, an impact threshold of 10% was identified as an appropriate indicator of where impact was significant, relative to postcodes districts with lower impacts. Postcode districts above 10%, (identified in the Highland Perthshire Housing Market Area and Mount Blair Community) were analysed as a whole illustrated in table 11, below.

STLCA	2021	change	% change	% of Total Hsg Stock 2021	P&K Change over Period	Badenoch & Strathspey Change
Self Catering Units (SCUs)	634			8.3%	25.0%	12.16%
Second Homes	614			8.0%	1.1%	-8.13%
Total Second homes & SCU	1248			16.3%	11.4%	2%
Council Tax Listings (includes 2nd homes)	7038			91.7%	3.5%	1.65%
Potential Total Housing Stock	7672			100%	3.8%	3%
% of potential Housing Stock used as second homes & SCU	16.3%			16.3%	0.2%	
Short Terms Lets on AirBNB	655			9%		3.63%
Private Lets	1781			23%		
House Completions (inc. small site ave.)	55.6	+197		2.6%	0.0%	
Affordable Completions	12	+36		0.5%	1.3%	
Purpose built SCUs (Approved applications)	42	+93		1.2%	0.0%	
Empty Homes (>6mths)					0.8%	36.09%
Unoccupied Homes (<6mths)					-9.7%	
School Roll (secondary)	1340	61	5%	Total	Total	Total
School Roll (primary)	1492	-77	-5%	-1%	1%	-2.51%

Table 11. Proposed Short-Term Let Control Area (STLCA)

The STLCA as a whole, shows an impact of self-catering and second homes of 16.3% and resulting potential impact on primary school roles, reflected in the total fall of 1%. Notably the impact indicator of 16.3% is fairly similar to the Badenoch and Strathspey indicator of 17.77%. The number of short-term lets that would be returned to permanent residential homes through a Short-Term Let Control Area is unknown and will emerge during the planning certificate of lawfulness process.

Conclusion

This paper has assessed the numbers of potential short-term lets using proxy data and used qualitative data to understand in which communities there are concerns of excessive competition with commercial tourist accommodation in the local housing markets. It is recommended that the threshold of 10% is a potential indicator of the pressure threshold. A short-term let control area would potentially require up to 600 Certificate of Lawfulness or planning applications to be made and will represent a burden on the business operators as well as the council but would offer clarity in the planning system for business operators.

The return of properties to permanent residential dwellings will be significantly less than the 8% potential lets identified in this study, due to self-catering units already with planning permission, and will depend on the operation of the policy framework to support planning decisions. More concrete data should be available from October 2023 once the registration of existing lets is complete under the Short-term Lets Licence scheme and it is intended that the study will be updated at that time to

inform future decisions. However, this study indicates that the case can be made for a Short Term Let Control Area in the areas outlined in Figure 1.

Reference List

1. Scottish Government (2019) *Research into the impact of short-term lets on communities across Scotland* [Short-term lets - impact on communities: research - gov.scot \(www.gov.scot\)](https://www.gov.scot/resources/consultations-petitions/ip/short-term-lets-impact-research/)
2. Arneil Johnson (2022) *PKC Draft Housing Needs and Demand Assessment*
Arneil Johnson (2022) *PKC LHS Briefing Slides 3.*
3. Arneil Johnson (2022) *PKC Tayside Briefing Slide Tayside Housing Needs and Demand*
4. Communities Housing Trust (2022) *PH8 Community Housing Needs Survey*
5. Highland Council (2022) *Committee Report for the Economy and Infrastructure, Committee 2nd December 2022.*