



**PLACE**  
Protecting Liveable, Affordable Communities in Edinburgh



**Edinburgh  
Old Town  
Association**

**GRASS**

Grassmarket Residents' Association

## COMMUNITIES SUPPORT THE NEW SHORT-TERM LET REGULATIONS: *A matter of urgency amidst a local housing crisis.*

**Joint statement by The Cockburn Association, PLACE Edinburgh, New Town & Broughton Community Council, Old Town Association, Grassmarket Residents' Association (GRASS) and Living Rent.**

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The regulation of short-term lets follows years of discussion and debate after the expansion of Airbnb-style accommodation occurred with no regulation or checks.

The question of whether the STL industry needs to be regulated, and how, has been settled. There has been substantial consultation over a 4-year period beginning in April 2019 giving communities and STL operators and lobbyists plenty of scope to put their views forward. From the outset, there was majority support for regulation and enforcement and little support for a market-based mechanism of control.

The initiation date for the new regulations to come into effect was delayed from 1 April 2023 to 1 October 2023, following concerns raised by local authorities and industry alike. Separately, the City of Edinburgh Council consulted widely on establishing a Short-Term Let Control Area (STLCA) noting that Planning Guidance on STLs has been in existence in Edinburgh since 2011. The establishment of a STLCA was recommended by approval by the Council and approved by the Scottish Government. The STL sector participated in all these consultations.

**It is the settled will of the Scottish Parliament and the City of Edinburgh Council that short-term lets must be regulated.** The failure of STL operators in the City of Edinburgh to make suitable planning and licencing applications rests with them. There can be no claim of lack of engagement or lack of awareness of the new and existing regulations.

Local community, housing and amenity organisations all support the regulations, and the need to apply for planning permission to operate what are essentially commercial businesses. Operators of STLs, whether they be individuals or large letting agencies, seldom think about the impact their businesses have on neighbours and even fewer might engage with them, in say a common stair, before they operate.

We ask that the City of Edinburgh Council and Scottish Government give little weight to the pressures posed by a well-funded industry lobby group. Local communities have been placed under huge pressures by the untrammelled expansion of STLs across the city. It is time to restore some balance and ensure that Edinburgh remains a place for people to live.

## **Background and Additional information**

### ***STL and housing stock figures***

Regulation was widely recognised as necessary because the **STL industry had grown** substantially with no planning controls or regulations.

In Edinburgh there were 8 Airbnb lets in 2009, but 9,000 in 2017. This does not include STLs not listed on Airbnb and the number are therefore likely to be higher.

- Estimated number of dwellings in Edinburgh = 252,731 (Source: Edinburgh Joint Integration Board webpages 6 December 2022)
- Estimate number of STLs = 14,000 (CEC commissioned research *Inside Airbnb*) comprising approx. split of 8,000 entire property and 6,000 room only.
- City Centre most affected with 24% of all registered properties followed by Leith Walk at 14%. With inner suburbs at Southside, Morningside, etc as well as Leith, denser, tenement areas of city, where STL is most problematic, comprise 70% of STL.
- Figures suggest that 3.2% of housing stock is now a whole property short-term let, rising to over 6% with those offering STL accommodation including rooms only.
- However, concentration in central areas means higher percentage of homes used for STL resulting in greater impact and displacement of residential communities as a result.

The Chartered Institute of Housing (CIoH) calculated that 2 in every 13 properties in the City Centre Ward were STLs. This has impacts on other sectors – e.g. PRS - depopulation by growth, longer travel to work, loss of local convenience shops to tourist-oriented retail, etc.

Additionally,

- Between 2016 and 2019, Airbnb listings in Scotland have increase from 10,500 to 31,884. Within the same period, there had been zero growth in the Scottish Tourism Economy. (Source: SPICe Spotlight)
- During the pandemic when STLs were forced to close and many properties transferred to the long-term market, Edinburgh saw the first fall in annual average rents since 2009. (Source: Rettie & Co)
- Between 2018 and 2021, student rents had increase by 34% with 12% of students have experienced homelessness during term time – while empty STLs fill the city throughout the academic year. (Source: NUS Scotland)

### ***Contextualising the regulatory regime***

- It is the settled will of Parliament that STLs are to be regulated and an extension has already been issued to the licencing regime. The case for further delay is weak and it only empowers the detrimental impact of unregulated STLs.
- Licencing costs faced by STL owners are in no way different from the costs faced by other customer-facing businesses. Planning application fees (or a Certificate of Lawfulness fee) is currently £600 for a property of 100m<sup>2</sup> or less. The STL license application fee currently stands at £653/year for an occupancy of 1-3 in a secondary letting or £1,089 for a property hosting 4-6 people. Altogether, the fees can be covered by 3-5 nights of stay at current prices in many properties.
- Licencing provides protection for all – businesses, visitors, neighbours, and communities at large. They are simply a formal framework meant to explicitly outline the conditions within which responsible businesses should already be functioning within. If planning permission and/or a licence are refused, it is because the STL does not meet health and safety regulations or planning requirements meant to protect the living conditions of neighbours and local economies, not because of 'chance.'
- The often-claimed necessity for STLs as contributing accommodation during the festival season ignores long-established alternatives which can easily compete on price which do not disrupt communities' living conditions or impact rent costs, such as hotels. As of February 2023, a 6-night

stay in mid-August 2023 at Holiday Inn Express for 1 adult was advertised at £1,419, while a one-bed flat in central Edinburgh for the same period was advertised on Airbnb for £1,345.

- Recent press reports suggested prices even higher. A prospective Fringe performer was reported to have quoted £36,000 for a STL during the Fringe.

### ***Community impact – profit over people?***

It is no news that short-term lets have taken over the city because of the high inflow of tourists Edinburgh receives each year at the end of summer. As thousands pour in and temporarily double the city's population, profit is visibly easy to make – the recognition of such can be identified through the plethora of Airbnbs made available within the city centre, some with a “shy” price tag of £600/night. One such short-term let has been made the subject of a piece published recently in the Edinburgh Evening News, with its owner complaining about the new regulatory measures issued by the Edinburgh City Council as being “deeply unfair.” The issue of fairness raised by the individual in question is indeed worthy of considering. How fair is it that while an expansive housing crisis forcibly displaces locals and students, thousands of properties stand empty throughout the year only to see their consistent use for one month of the year? How fair is it that, while student accommodation rates are being rightfully criticised as being unjustifiable, with some running at £450/week, short-let properties charging the same amount for a 1.5-night stay considered understandable? It is curious to see the absence of testimonies issued by those whose living conditions and the affordability of such have been profoundly affected by the profit-driven rise of STLs.

Another news piece has recently quoted an STL business owner noting that the total costs of planning and licensing for a one-bedroom flat will be “£3,000 or more.” According to information posted CEC's licencing and planning web pages, a certificate of lawfulness for a flat under 100 sq. m. is £600 (a planning permission application costs the same) and a license application fee currently stands at £653/year for an occupancy of 1-3 in a secondary letting. With a total of an estimated £1,250 in fees, STLs should be able to offset the costs rather easily, given some are charging £300-1,200/night during peak season.

### ***Final notes***

An overwhelming rate of short-term lets in any community breeds housing instability and the break-up of a cohesive social fabric, much as it fuels the rise of rent costs acutely felt by long-term resident, increases unlawful use of property, and poses a significant threat to the living conditions and safety of those within direct reach of STLs. The numbers speak for themselves:

A recent study on the relative economic value of STLs v residential use concluded whilst both have positive economic impacts, the effects are greater for residential uses than short-term lets across all property types and all areas.

As a housing crisis cuts deep through the fabric of the city, it should do nothing but encourage the adherence to the course of a regulatory regime to be enforced for STLs in Scotland. Delay or, even worse, cancellation of the planning permission requirement will poignantly demonstrate a position of profit over people. Any objections issued on matters of a regulatory regime demonstrates less of an issue with the procedure of licensing and more of a reluctance to apply for the permission in the first place, further endangering neighbours, and local communities at large.

For further information, please consult the following:

[Short term let licence application fees](#)

[Short term let planning fees](#)

[Short-term lets: regulation information](#)

[Fighting for Students: Towards a Student Housing Strategy for Scotland](#)

[Dr Stephen Harwood \(2020\): Tourism in Scotland & Edinburgh](#)

[Cockburn Association \(2023\): Is Edinburgh's short-term let licensing policy really 'unlawful'? Some thoughts on the impact of the Judicial Review decision of June 2023.](#)

Contact details:

Cockburn Association [director@cockburnassociation.org.uk](mailto:director@cockburnassociation.org.uk)

PLACE Edinburgh [placeedinburgh@gmail.com](mailto:placeedinburgh@gmail.com)

Old Town Association [info@eota.org.uk](mailto:info@eota.org.uk)

New Town & Broughton Community Council - contact Cockburn for contact details

Living Rent Edinburgh [edinburgh@livingrent.org](mailto:edinburgh@livingrent.org)

GRASS - contact the Cockburn for contact details.