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MEETING WITH SHORT TERM ACCOMMODATION ASSOCIATION (STAA)

Tuesday 26 June, St. Andrews House

Present:	[Redacted]	SG (Chair)
	[Redacted]	SG Tourism
	[Redacted]	SG Tourism
	[Redacted]	[Redacted] STAA
	[Redacted]	[Redacted] STAA
	[Redacted]	Spot Host
	[Redacted]	Spot Host

1. STAA are the trade association for the short term rental sector. They are keen to build a policy presence in Scotland and will be visiting regularly every quarter. They are keen to help SG and wider industry by sharing best practice and contributing to relevant policy debates, whether local or nationally across UK. They are continuing the linkages into the Association of Scottish Self-Caterers brokered during the June 2017 evidence session to the Expert Advisory Panel on the Collaborative Economy.
2. As an example of wider visitor economy supported by Short Term Accommodation, opportunity to hear from [Redacted] and [Redacted] from West-coast based Spot Host, Spot Host operates a property management service for Airbnb hosts including being the face to guests, e.g. meet and greet.
3. In discussing issues of H&S etc., stated that STAA were working with National Fire Chiefs to draft bespoke fire safety best practice. This would recognise that the levels required for commercial premises needed to be proportionate if they were to be applied to the non-commercial peer-to-peer hosts. STAA were keen to understand the boundary between amateur and commercial operations and considered this had yet to be worked out for Scotland.
4. STAA were also working on a voluntary Quality and Accreditation scheme, which would enable the inclusion of a number of best practice schemes into one examination by inspectors. Whilst not mandatory it would be another point of triangulation for the consumer making their choice of accommodation.
5. These reflected the fact that the majority of the STAA membership saw themselves as non-commercial, in that many members were using their primary residence. There were also those who were using a secondary residence, perhaps a holiday home which was only occupied for a small part of the year.
6. The new models of peer-to-peer enabled hosts to make uses of their assets and reflected changing patterns of life – such as working away from primary residence, retirement, longer holidays etc.
7. SG recognised that there was need to adopt a whole systems approach to the Short Term Accommodation market.

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8. STAA would prefer that the Short Term Accommodation sector was able to operate within a UK-wide policy and regulatory framework, but recognised that some existing variations already: London already has a 90 day limit bounded by planning permission; in addition Scotland's secure tenancy approach is not matched by the shorter, 6 month assured tenancy approach in England, setting a longer limit.
9. In terms of considering any form of management of short term letting, it was noted that:
 - enforcement would normally be by councils;
 - data sharing would be important to spot inappropriate activity and monitor operators providing properties across Scotland; and
 - any approach would need to allow councils flexibility to manage local housing supply efficiently, balancing the needs of residents with tourists.
10. Examples of STAA Best Practice were shared for SG information. These included:
 - STAA Example Short Term Let Policy
 - STAA Member's Code of Conduct
 - Westminster City Council "Considerate Nightly Letting Charter" developed with STAA
11. SG will let STAA know ASAP once SG Response to Expert Advisory Panel on Collaborative Economy is published and would welcome ongoing opportunity to remain engaged with STAA.

Meeting Ended

Tourism Team
June 2018

From: [Redacted]
Sent: 26 June 2018 13:46
To: [Redacted]
Cc: [Redacted]

Subject: Short Term Letting; Additional info

Hi

[Redacted] met with reps from the UK-wide Short Term Accommodation Association this morning. The STAA are the Trade Body for the peer-to-peer platforms and gave evidence to the Advisory Panel back in June 2017.

I'll be circulating a note of the meeting shortly but, in the meantime, here are the three papers the STAA tabled, together with the latest research paper from our own Association of Scottish Self Caterers (ASSC).

ASSC Report



ASSC Report -
More Than Just ...

STAA – member's code of conduct



Short Term
Accommodatio...

STAA – Example Short Term Let Policy



Short Term
Accommodatio...

STAA & Westminster Council – Considerate Nightly Letting Charter



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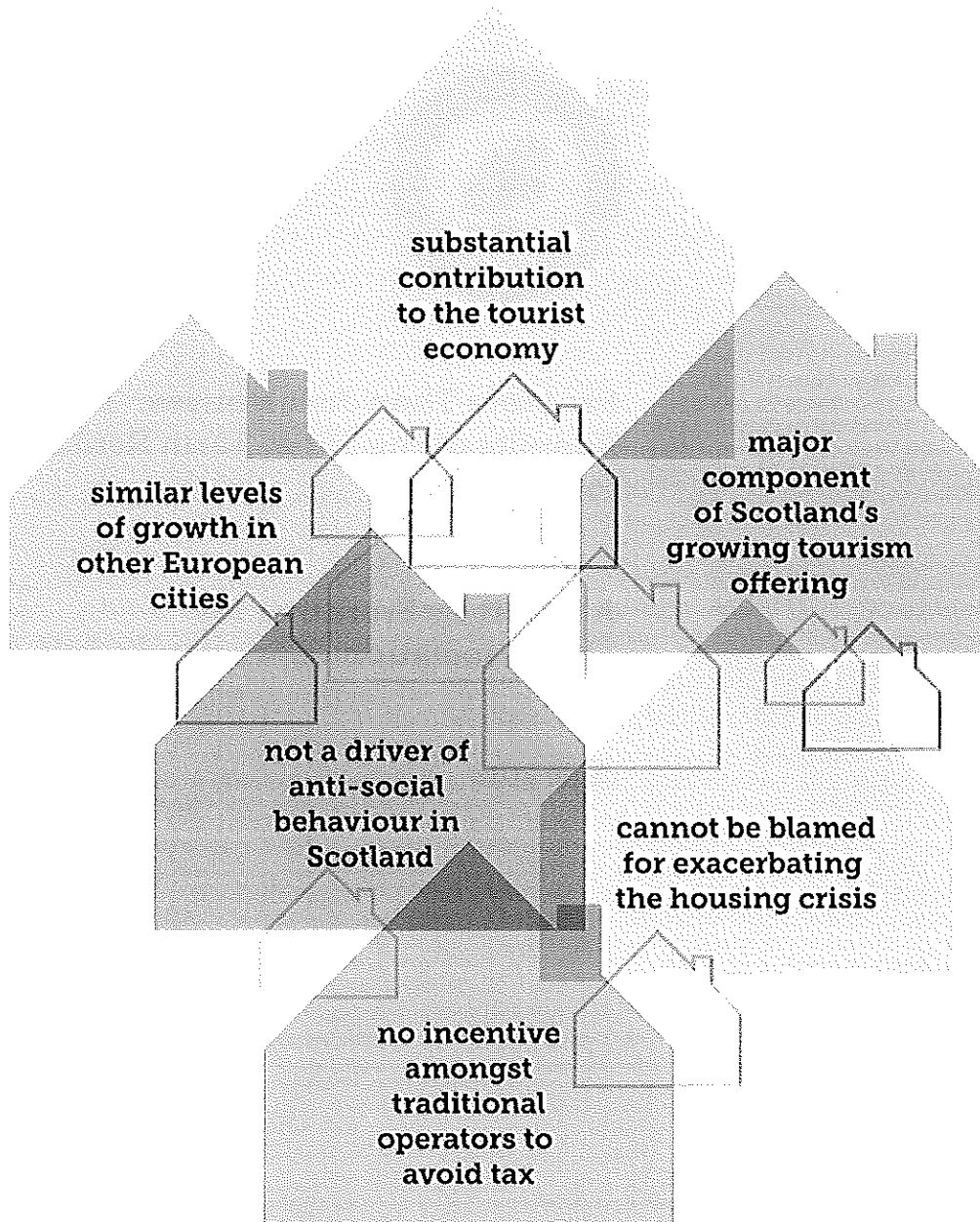


**Far More Than Just Houses: The
Benefits of the Short-Term Rental Sector
to Scotland**

**A report by Frontline for
The Association of Scotland's Self-Caterers**

June 2018

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we help you do things better



Far More Than Just Houses: The Benefits of the Short-Term Rental Sector to Scotland

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Executive Summary

The short-term rental (STR) sector has recently been the subject of increasing political and media criticism.

The Association of Scotland's Self-Caterers (ASSC) commissioned Frontline Consultants Ltd (Frontline) to produce an evidence base to investigate these criticisms and demonstrate the sector's impact on key areas across Scotland.

Frontline's research has shown:

- **STR is a major component of Scotland's growing tourism offering, making a substantial contribution to the tourist economy.** Any regulations pursued by the Scottish Government should be arrived at through negotiation and dialogue with platforms and traditional operators, learning from best practice elsewhere in Europe
- **STR cannot be blamed for exacerbating the housing crisis as other longstanding issues are of far greater significance** (i.e. the number of empty properties in Scotland, or the failure of governments to build sufficient levels of affordable housing)
- **Traditional STR operators do not have an incentive to avoid tax and all survey respondents confirmed paying some form of tax.** Airbnb data suggests a similar lack of incentive for hosts who have average earnings below the tax thresholds
- **The STR sector is not a driver of anti-social behaviour in Scotland** as the number of recorded complaints are negligible in comparison to the number of self-catering units/properties let
- **The STR Sector has seen a similar level of growth in other European cities and many countries are embracing STR,** implementing systems and legislation to make it simpler for their citizens to operate in this sector

It is clear that countries and cities are working with the STR sector and Collaborative Economy (CE) platforms to keep up with the ever-growing level of tourism across the globe. As more and more people travel and as technology continually advances, policy-makers, STR operators and CE platforms must continue to work together, share knowledge and adapt when there are any significant detrimental effects on the social, economic or environmental fabric of an area.

The claims that the STR sector is expanding uncontrollably as a result of CE platforms, driving people out of housing areas, driving up antisocial behaviour and avoiding tax are simply unfounded. The claims in themselves potentially threaten the ability of the STR sector to play a role in supporting tourism growth across Scotland, in part benefiting from the technological advancements offered by CE platforms.

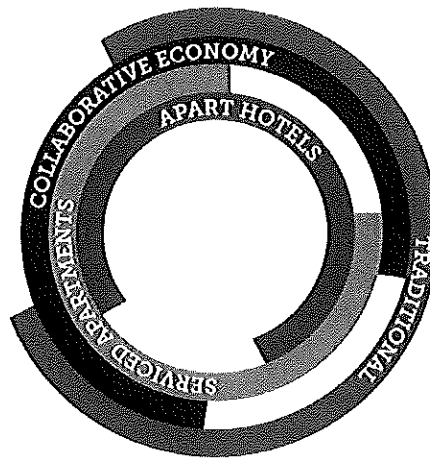
Information exchange across all parties, policy-makers, businesses and CE platforms is crucial and this study confirms this is occurring and should continue to ensure the sustainable growth of the tourism economy in Scotland.

1 Introduction

1.1 Background

The STR Sector has a long history in Scotland and should not be considered to be the same as the emerging collaborative economy (CE) model of STR that is perceived by some to be causing problems in city centres. Indeed, many misconceptions surrounding STRs have appeared as a direct result of the exponential growth of online platforms such as Airbnb. The lines are blurry, however, with many traditional operators now using the collaborative model as part of their route to market.

Overall, there are **four different models of STR** operation, running alongside each other:



1. Traditional self-catering STR (non-serviced accommodation)
2. Collaborative Economy STR via online platforms (Airbnb, Booking.com, HomeAway, HouseTrip etc) (largely non-serviced accommodation)
3. Serviced apartments (a type of furnished apartment available for short-term or long-term stays, which provide amenities along the same lines as a traditional hotel) (serviced accommodation)
4. Apart hotels (serviced accommodation)

It is also critical to understand the difference between professional/full time operators of STR and the amateur or peer-to-peer/part-time players when looking at this as a sector.

The ASSC recently published an economic impact assessment study of the traditional self-catering sector to the Scottish economy¹. The aim of the study was to provide an independent, evidence-based understanding of the direct and indirect economic impact/contribution of the self-catering sector to the Scottish economy.

1.2 Research objectives

The objectives of our research were to understand:

- the role of STR and the Collaborative Economy (CE), in a wider tourism context
- whether STR is having an impact on housing stock
- whether antisocial behaviour is increasing as a result of STR
- whether STR operators are actively avoiding tax

¹ <https://www.assc.co.uk/about-us/assc-economic-impact-assessment-short-term-lettings-scottish-economy/>

- what other cities and countries across Europe are doing to support the development and minimise the potential impact of CE platforms

This report is structured around these objectives.

1.3 Approach

The approach to the research was three-fold:

1. desk review – detailed review of current publications and wider web sources which are referenced throughout this report
2. stakeholder interviews – consultations across industry stakeholders, platform providers and agencies
3. operators – survey of Scottish STR operators across ASSC members and non-members (268 responses received)

All evidence used throughout this report was taken from reliable sources and directly from operators and stakeholders. Data was provided by Airbnb and SuperControl to show the STR trends aligned to collaborative economy (CE) and traditional platforms respectively. We consider Airbnb to be representative of the CE, although we recognise that there are many other players. We note that previous reports on STR have not provided a balanced view of their impact in Scotland as they have not relied on sufficiently robust evidence; no data-scraped 'evidence' has been used in this report.

2 Context

2.1 Tourism in the UK

VisitBritain's latest estimates for 2017 include:

- 39.9m visits, an increase of 6.2% on 2016
- the forecast for spending by visitors was £25.1bn, an 11.6% increase on 2016

VisitBritain's forecast for 2018 include:

- 41.7m visits, an increase of 4.4% on 2017
- £26.9bn in visitor spending, an increase of 6.8% on 2017

VisitBritain has announced² that 2017 was a record year for inbound tourism to the UK, and with growth set to continue in 2018. **The importance of tourism to the UK economy cannot be under-played.**

2.2 Tourism and self-catering in Scotland

In 2016, there were 14.45 million tourism trips to Scotland; the domestic market accounted for 81% with overseas tourism accounting for the remaining trips. The months of July to September were the most popular for holidays in Scotland amongst both UK and overseas visitors, during which time 28% of domestic trips and 40% of overseas trips were made.

The latest report from VisitScotland for the period January 2017 – September 2017 indicated that **domestic tourism in Scotland was up 9% in volume and 13% in value** compared to 2016. Similarly, international tourism was up 15% in volume and 18% in expenditure. Another record year seems to be on the cards!

Full year figures (2017) are available from the Association of Scottish Visitor Attractions (ASVA)³ and these confirm that **over 30 million visits were made to attractions in Scotland in 2017, a rise of 9.7% over 2016. Overall, 77% of attractions reported an increase on the 2016 figures, with a significant number noting that 2017 was their "best year to date"**. This confirms that 2017 was yet another significant year for tourism in Scotland.

Tourism forms an important part of Scotland's economy, **with tourism businesses generating a combined turnover of £7bn** (3% of Scotland's turnover), employing 211,000 people (12% of Scotland's workforce), and contributing £3.8bn in GVA terms (4% of Scottish GVA)⁴.

Self-catering or STR is an important component of the tourism sector and estimates from VisitScotland⁵ show that approximately 17% of all tourist visitors stay in self-catering accommodation. Considering the strong likelihood of further tourism growth across the UK, and in Scotland in particular, STR will play an important role in accommodating ever-increasing number of visitors to and within Scotland.

Table 2.1 shows the importance of STR across key tourism destinations. With Scotland likely to have experienced a significant increase in overnight and

² <https://www.visitbritain.org/tourists-uk-forecast-spend-record-level-2018>

³ ASVA, Visitor Trends Report, 2017

⁴ Scottish Annual Business Statistics, Scottish Government, 2017

⁵ Tourism in Scotland's Regions, VisitScotland, 2016

international tourism in 2017 and with forecasts suggesting sustained growth, this sub-sector should therefore be supported.

Table 2.1: Self-Catering Trips as a Proportion of All Trips

	% Self-Catering
Aberdeen and Grampian	15%
Edinburgh & Lothians	36%
Glasgow and Clyde Valley	2%
Kingdom of Fife	9%
Highlands and Islands	39%
Perthshire	19%

2.3 Self-catering or short-term rental: definitions and thresholds

The STR sector sits between domestic housing and commercial. The sector is defined in both camps, depending on who is defining it:

- *available for let* for under 140 days means the property is in the Council Tax system; *available for let* for over 140 days places the property in the Non-Domestic Business Rates system
- to qualify as trading businesses under the Furnished Holiday Let (FHL) tax rules, a property must be *available for let* for 210 days and *actually let* for 105 days.
- lets over 35 days have different VAT treatment (for VAT registered businesses)
- holiday letting property is classed as domestic by HMRC in relation to VAT on fuel and electricity. (VAT Notice 701/19 Fuel and Power, Section 3.22)
- for holiday lets, there is no formal tenancy as such, with visitors being covered by Section 12 (2) and paragraph 8 of Schedule 4 of the Housing (Scotland) Act 1988. This is cited by most operators in their terms and conditions but is now superseded by the Private Housing (Tenancies) (Scotland) Act 2016

Where a room only is let, the owner-occupiers, or tenants (owners), are responsible for declaring their income (minus any expenditure) for tax purposes. Owners can opt into the HMRC approved 'Rent a Room' scheme which allows for a tax-free allowance of £7,500 per annum, or £3,750 if letting jointly. Owners must also consider if this is the best approach as expenditure can be off-set against rental income.

When reviewing these definitions, the majority of traditional STR providers are those who rent a property year round and therefore pay tax, through Council Tax, or, more likely, through business rates (as per thresholds above).

When a self-caterer uses a collaborative platform such as Booking.com or Airbnb, they are still subject to the thresholds described above. This is in contrast to peer-to-peer operators and those renting a room using a CE platform, who are generally subject to tax through personal income tax and local authority Council Tax.

2.4 Economic impact of traditional short-term rental on the Scottish economy

During 2016/17, ASSC commissioned Frontline to assess the economic impact of traditional STR on the Scottish economy. The research focused on non-serviced STR and excluded the sharing online STR economy platforms such as Airbnb, Homeaway, and serviced apartments and aparthotels.

From the Frontline report, the impact of STR on the Scottish economy can be summarised as follows:

- 16,692 properties
- 3.4m visitor nights
- £723.3m of visitor spend of which 43% (£312.8m) is in accommodation
- 15,271 FTE jobs
- £293.1m of GVA

Over and above the accommodation, visitors staying in STR also spend money on:

- travel: £118.5m to and from property and £45.1m during stay
- food and drink: £66.3m in bars, cafes, restaurants; £63.1m in supermarkets; £27.5m in local shops
- other shopping: £48.0m
- visitor attractions: £24.8m
- outdoor recreation: £17.1m

From this we can see that traditional STR has a considerable impact on the Scottish economy, of which less than half (43%) relates directly to accommodation. With the projected growth in tourism required to meet the Scottish Tourism Strategy targets⁶, which aim to grow visitor spend in Scotland by £1bn (from £4.5bn to £5.5bn) by 2020, this will increase the role of STR as a core part of this sector. From the operator survey,⁷ over half (57%) of respondents reported an increase in the number of rental nights over the last five years and 41% expected a further increase in the next five years.

In 2016, host and guest activity on Airbnb generated £499m for the Scottish economy.⁸ The average annual typical earning of a host was £3,600, with the total income earned being £68m.⁹ Additionally, there were one million inbound guests between March 2016 and March 2017, and Edinburgh in particular saw 411,000 inbound guests in the same period. According to a report on the CE, the rise of this in the accommodation sector is partly fuelled by visitors wanting to 'live like a local'.¹⁰ The impact of STR on the Scottish economy, particularly in helping meet tourism targets, will increase substantially over the next 5 to 10 years.

⁶ Scottish Tourism Alliance, Tourism Scotland 2020, 2012

⁷ STR Operator Survey, Frontline 2018

⁸ Airbnb: Introduction to Airbnb in Scotland

⁹ Airbnb: Overview of the Airbnb community in Scotland

¹⁰ Scottish Enterprise: The Collaborative Economy and Scottish Tourism, executive summary, p81

2.5 Trends and developments in the tourism collaborative economy

The CE¹¹ connects individuals and communities via online platforms, enabling the sharing or provision of goods and services, assets and resources, without the need for ownership. It has grown exponentially over recent years, producing a significant impact on several sectors of the global economy, including tourism.

According to a recent report by PwC¹², the CE has generated revenues of €3.6bn across Europe; peer-to-peer (P2P) accommodation represented 32% of this. The UK has emerged as a hub for the sharing economy within the region and contributed to around a third of this activity in 2015.

The pace of growth has accelerated significantly in the last few years, **with platforms estimated to have more than doubled their revenues in Europe between 2013 and 2015.** In a prior report¹³, PwC estimated that by 2025, the CE could generate global revenues of \$335bn.

The UK's sharing economy has **grown at the fastest rate in Europe**, with transactions almost doubling to £7.4bn in 2015, and platforms taking home £850m of this total.

PwC describe P2P accommodation as households sharing access to unused space in their home or renting out a holiday home to travellers, but also includes commercial lettings. They estimate that this is the largest sector of the CE in Europe at €15.1bn by transaction value.

The recent Scottish Government report on the CE¹⁴ found that 35% of adults have used a collaborative platform, and that this was highest in the 18-34 age bracket. However, from this we see that tourism activity related to home sharing was only highlighted by 21%, which was considerably behind the purchase of second hand goods at 46%.

According to Skift¹⁵, the biggest P2P accommodation platforms with listings in Scotland include:

- Airbnb: 21,900 active listings¹⁶ and 12,600 hosts¹⁷ in Scotland
- Couchsurfing: 64,500 hosts in Scotland of which 11,000 in Edinburgh
- Flipkey: 7,000 listings in Scotland
- Homeaway: 2,500 listings in Scotland
- Housetrip: 7,000 listings in Scotland
- Wimdu: under 1,000 listings¹⁸

A report, *The Collaborative Economy and Scottish Tourism*¹⁹ was commissioned by Scottish Enterprise, in partnership with the Scottish Government and the Scottish Tourism Alliance, to understand the scale and the opportunity of the CE and Scottish tourism.

This was published in January 2018. Pertinent to this research was the difficulty in accurately defining and measuring the sector and its component parts, and its relationship with the more traditional volume and value measures of tourism in Scotland

¹¹ The Scottish Government has opted to use the term 'collaborative economy' as one which encompasses the nature of users, providers and transactions which take place.

¹² Assessing the size and presence of the collaborative economy in Europe, 2016

¹³ PwC, The Sharing Economy Grows Up, 2015, <http://www.pwc.co.uk/issues/megatrends/collisions/sharingeconomy/the-sharing-economy-sizing-the-revenue-opportunity.html>

¹⁴ Scottish Expert Advisory Panel, Collaborative Economy Evidence Paper, 2018

¹⁵ Skift, The State of the Global Vacation Rental Market, 2017

¹⁶ Airbnb, UK Insights Report, 2017

¹⁷ Airbnb, Overview of Airbnb in Scotland, 2017

¹⁸ All figures except Airbnb are approximate and are based on November 2017 figures

¹⁹ Scottish Enterprise: The Collaborative Economy and Scottish Tourism, Exec Summary, p2

2.6 What the traditional short-term rental operators are saying

In order to gain more insight into STR and the CE, based on the lack of official statistics and research in this area, Frontline carried out a survey of traditional STR operators including ASSC members and non-members during February and March 2018.

The following feedback was provided by **268 respondents**:

- 61% operate multiple properties; only 1% rented a private room
- 42% operate in city centre/urban areas
- 37% state this was their sole income, and 53% an additional income
- 85% rent for over 140 days per annum and 90% met FHL levels
- 81% pay business rates only, 9% Council Tax only, 10% pay both
- most frequent routes to market: own website (88%); word of mouth/repeat business (81%); group platform (76%); collaborative economy (CE) platform (67%); social media (65%)
- most frequent CE platforms: Airbnb (60%); Trip Advisor (55%); Holiday Lettings (41%); Booking.com (41%)
- most frequent additional routes to market: VisitScotland (88%); EmbraceScotland (69%)
- maturity of route to market:
 - website - 70% over 5 years, 19% 2-5 years
 - group platform - 68% over 5 years, 21% 2-5 years
 - CE platform - 34% over 5 years, 43% 2-5 years
 - Social media - 26% over 5 years, 44% 2-5 years

One of the key findings from this research was the increasingly important role played by collaborative platforms as a route to market for operators - with 67% calling it an important marketing avenue. There was a wide range of collaborative platforms being used, notably Airbnb and TripAdvisor, but others were also quoted. The survey also highlighted the growing importance of collaborative platforms, and social media, having both increased by around 43% over the last 2 to 5 years.

These results confirm the significance of the CE, and although traditional forms of marketing and bookings are important, there is a definite shift towards CE platforms and the evidence suggests this will continue.

2.7 What the platforms are saying

While there are a range of collaborative platforms supporting tourism and in particular tourism accommodation, the largest and most prominent one is Airbnb and as such we have used data provided directly from them. Data was also accessed from SuperControl, a leading Scottish based booking and channel management software provider. SuperControl integrates with Airbnb, so some data will be duplicated.

Airbnb has listings in 191 countries and has worked with key agencies in Scotland over the last 12-18 months by supplying facts, figures and forecasts, as well as feedback from hosts and customers, to help establish a better understanding of the sector and guide future policy.

For these reasons, this research has reviewed data submitted by Airbnb²⁰ in 2017 including a further position paper developed for this research in 2018²¹. These reports provide a useful insight into Airbnb's community of hosts and guests in Scotland, especially in Edinburgh.

The key findings include:

Airbnb hosts:

- 12,600 hosts – of which 5,400 (43%) in Edinburgh
- median nights hosted: 40
- 76% rented primary or secondary home
- 41% relied on Airbnb income to make ends meet
- listings by type: 58% entire home, 41% private room, 1% shared room
- total income earned by host community: £68m
- on average, hosts earn £3,600 a year via the platform (£3,900 in Edinburgh)
- the average age of a host in Scotland was 48, five years higher than the national average
- a large proportion of hosts are non-traditional workers; almost a third of hosts (32%) are self-employed
- almost a third of hosts (29%) are in full-time employment
- over the last year, hosts in Scotland welcomed over 1,000,000 guests into their homes, typically sharing their space for 38 nights per year, which equates to 3 nights per month; this is lower than the UK average of 50 nights a year
- the majority (54%) of listings across Scotland were booked on Airbnb for under 30 nights a year. This activity was also reflected in urban markets, including Edinburgh (53%)
- a small percentage (21%) of listings in Edinburgh were booked for over 90 nights and 9% of listings were hosted for over 180 nights

Airbnb listings:

- there were 21,900 active listings across Scotland, out of a total 168,000 in the UK
- the majority (59%) of listings in Scotland were entire homes but a large percentage (40%) of listings were spare rooms
- the Highlands was Scotland's second most popular listing destination. Listings in the area are now higher than Glasgow and rose by 81% in the past year
- as of 1st July 2017, Edinburgh has 9,000 listings in the city region. Listings in Edinburgh have grown by an average 43% year on year, which is relatively in line with Scotland's top five destinations
- in the top five Scottish destinations, more than three quarters of hosts (78%) have one listing on the platform, with 92% of hosts sharing their space in 1-2 listings
- hosts with multiple listings were in the absolute minority. Hosts with 5+ properties accounted for just 2% of the total host community, but this indicates an interest from the more traditional players in using the platform as a new channel to consumers

Airbnb guests:

- 802,000 guests – of which 411,000 (51%) in Edinburgh (where there was 90% growth on previous year), with more than 70,000 during the Festival
- average length of stay: 2.8 nights

²⁰ Airbnb, Overview of the Airbnb community in Scotland,

²¹ Airbnb, The Collaborative Economy and Tourism in Scotland

- average travel party size: 2.5 people
- 87% visited Scotland for vacation and leisure
- 30% said they would not have come or stayed as long without Airbnb
- 45% from UK, 27% from Rest of Europe, 16% from North America
- 47% of guest spending occurred in the neighbourhood where they stayed
- estimated total spent by guests using Airbnb in Scotland: £293m
- the total economic activity generated by hosts and guests amounted to £499m
- a 104% inbound guest growth rate resulted in guests spending an estimated £1.4m per day in Scotland over the past year
- Edinburgh was the most popular destination in Scotland for guests in the past year, with 496,000 arrivals in the city
- 45% of Airbnb guests travelled to Scotland July-September last year
- April-June and October-December had a consistent number of visitors, amounting to 23% and 22% respectively

Findings from **SuperControl** state:

- there were 2,024 listings of STR in 2015, 2,436 in 2016 and 3,013 in 2017 and currently there are now 4,263 active listings
- 25% of SuperControl clients utilise collaborative platforms as a route to market
- the main platforms included Booking.com, Airbnb, HomeAway and TripAdvisor. Although it was noted that 75% of bookings were sourced direct from their own website
- the total number of nights booked through the system in 2017 was 93,000, with an average number of nights/host period was 5.8 nights

Again, this shows the extent of the growth in self-catering bookings/listings, however the SuperControl figures also indicate that many businesses continue to be reliant on traditional routes to market for their bookings i.e. their own website or by telephone.

Overall, this highlights the scale and growth of the largest CE platform operating in the tourism accommodation market. As well as corroborating the findings from the ASSC operator survey, as to the scale and growth of the bookings being made through these platforms.

2.8 In summary

Tourism in the UK has never been more valuable and record levels of trips and expenditure were achieved in 2016, 2017 and records are set to be broken again in 2018. **In Scotland, the latest figures for 2017 suggest the full year figures are also going to outstrip those achieved in 2016.**

The sector is a valuable provider of jobs and revenue across Scotland. The STR sector itself is an important component of the tourism sector, most notably in Edinburgh, the Highlands and in Perthshire, accounting for upwards of 20% to 40% of all overnight trips in each location. **The economic value of STR on the Scottish economy in 2017 included 15,271 FTE jobs and £293.1m of GVA.**

The way bookings have been made in the self-catering sector has changed as technology has advanced and consumer booking habits altered. A significant shift over the last ten years has been the growth of CE platforms such as Airbnb as a route to market and this looks set to continue.

The growth in tourism, the vital role of self-catering and STR and their resultant economic impact cannot be underestimated. Technological advancements, as well as traditional marketing efforts, have allowed them to

continue to grow, and their economic role is assisting Scotland's move towards the targets set in Tourism 2020.

This growth has come with a number of misconceptions, including about the impact the sector is having on the housing market and antisocial behaviour concerns as well as suggestions of tax avoidance and/or evasion. Each of these concerns is addressed in the following sections, including a review of experiences from other cities and countries.

3 Housing Market Concerns

3.1 Introduction

There have been concerns raised over the impact of increasing tourism and the growth of STR on the housing market. A review of the housing market environment has been undertaken to understand the factors driving market demand and supply, and to ascertain whether these concerns are valid.

3.2 The housing sector and self-catering effects

"Our housing system is based on an ineffective model that does not address housing need in areas where there is a chronic shortage of homes."

Andy Wightman MSP²²

Scotland's population is currently at its highest level; the population expanded by 4.6% between 2001 and 2011 and is forecast to grow by another 5.3% by 2041²³. **Household numbers are expected to increase from 2.5 million in 2019 to 2.8 million in 2039, i.e. 260,500 households, representing a 9% increase²⁴.** The housing sector will therefore continue to face challenges in meeting supply targets.

When housing demand and the level of empty housing is set against the 16,692 self-catering units²⁵, it suggests self-catering activity is not of a scale sufficient to affect housing supply issues in Scotland. Furthermore, Airbnb data reveals entire home listings account for less than 2.5% of housing stock in Edinburgh; this decreases to 0.6% of housing stock at a Scottish level.

Population growth estimates and household projections are significant and current trends are as a result of natural change: an increasing birth rate, an ageing population, and increased net-migration. It is these factors alone which are cited as being responsible for the strain on Scotland's housing market. The social and economic consequences²⁶ of this are demonstrable:

- 60,000 households in Scotland estimated to be over-crowded
- 39% of households in Scotland assessed as being in fuel poverty
- 50% of housing falling short of the Scottish Housing Quality Standard
- 37,000 empty homes, according to Scottish Government, 79,000 according to National Records
- if prices had risen in line with inflation from 1970 to 2012 the average house price would have been £78k, in reality it was £215k

The imbalance in demand and supply is particularly apparent in areas which have the twin issue of natural change (more births than deaths) and net-migration (where inward migration is greater than outward migration). The City of Edinburgh is an example of one such local authority that is witnessing the dual impact of an increasing indigenous population, as well as an increasing level of net-migration.

²² Greens.scot: Statistics show need for rethink of government policies to tackle Scotland's housing crisis, says Wightman, 2018

²³ National Records of Scotland, 2016, Population Projections

²⁴ National Records of Scotland, 2016, Household Projections

²⁵ Frontline 2017, based on Scottish Assessors Association 2016

²⁶ Housing and Well-being Commission, 2015, A blueprint for Scotland's Future

According to NRS projections, Edinburgh is expected to see its population increase by 15% between 2016 and 2041. This is a result of a 5% increase in natural growth and a 10% rise in net-migration.

The effect of net-migration is widespread in Scotland; only the Shetland and Inverclyde local authorities are expected to experience a small decrease (1%) over the period 2016 to 2041. Additionally, **net-migration is expected to increase Scotland's population by 7%** over the same timeframe. **It is these factors which are driving the 260,500 growth in households over Scotland.** This will continue to put pressure on the housing market, with prices continuing to rise year on year.

Ultimately, building too few homes remains the core cause of the country's housing crisis. As recorded in the IPPR report on Homesharing and London's Housing Market ²⁷, the prime concern and focus of politicians, policymakers and the public should be the longstanding drivers of the crisis: the undersupply of land, the complexity of the planning process, lack of investment and capacity challenges in construction.

Andy Wightman MSP, Housing spokesperson for the Scottish Greens, recognises the need for a rethink of government policies to tackle Scotland's housing crisis. **The latest Quarterly Housing Statistics for Scotland show the number of social housing completions have fallen by 16% from the same quarter in 2016, private new build starts have risen by 6%, while local authority new starts have decreased by 29%. These declines are what is impacting housing availability not STR.**

On 13th May, Andy Wightman said:

"We are far from addressing the housing crisis, especially with the total number of affordable housing supply completions down 8% on the previous year. Undoubtedly our housing system is based on an ineffective model that does not address housing need in areas where there is a chronic shortage of homes. The current drive towards private home ownership led by the volume house building industry and assisted by the Scottish Government's Help to Buy scheme only benefits the shareholders of these companies and does very little to facilitate genuinely affordable accommodation for individuals and families throughout Scotland."²⁸

The Scottish Government and local authorities' approach to meeting the expected household growth has been to allocate housing targets in Local Development Plans (LDPs) and the City-region Strategic Development Plans (SDPs). The scale of demand and housing targets confirm the need to deliver new homes in order to meet growth estimates.

²⁷ IPPR, 2017, Homesharing and London's Housing Market

²⁸ Greens.scot: Statistics show need for rethink of government policies to tackle Scotland's housing crisis, says Wightman, 2018

Governed by the National Planning Framework, which seeks to boost the supply of housing across Scotland, LDPs and SDPs contain statutory requirements for new housing and identify locations and sites on which to develop housing to meet the official population and household projections. For example, SESPlan (the SDP area for Edinburgh City-region) has a housing supply target of 63,852 new homes over the period 2018 to 2030.

Although a naturally increasing population and an increase in net-migration can be viewed as a positive economic indicator, there are inherent challenges for housing supply, particularly in terms of affordable housing.

Focusing on Edinburgh, NRS migration data shows that over a five-year period, **more people moved into Scotland's capital, from throughout the UK and overseas, than emigrated from the city.** A total of 149,933 people have moved into Edinburgh since 2011, compared with 125,753 who moved out over the same period, leading to a considerable net-migration gain. **This supply and demand imbalance has been a significant contributor to Edinburgh's average house price increase of 10% in December 2017 compared with December 2016, reaching a record high of nearly £285,000.**

Research by Savills²⁹ found that the **total value of all housing in Edinburgh increased by £7.5bn between 2016 and 2017, from £61.4bn to £68.9bn. This was more than any other UK Local Authority district on a total value growth basis.** The research also found an emerging trend, whereby demand is moving beyond the city boundaries, with an increasing number of residents moving out of the Scottish capital and into surrounding areas.

This position is clearly an issue of a lack of affordable housing stock.

The Strategic Development Plan (SES Plan) aims to ensure the City Region (including Edinburgh City and surrounding locations), is *'underpinned by its high quality built and natural environment and continues to be internationally recognised as an outstanding area in which to live, work and do business'*³⁰.

While this plan recognises that delivering housing will be vital to ensure the future prosperity of the area, annual completions in Edinburgh (across both the private and public sectors), only reached 2,311 during the year ending September 2017. **This is half the amount needed if it is to meet the SES Plan's target of 22,300 homes for Edinburgh City by 2019; this lack of build is a key driver of the housing shortages in Edinburgh.**

This situation is not unique to Edinburgh, cities such as Amsterdam, London and Hamburg have established clear legal frameworks that recognise the benefits of occasional use of residential property as tourism accommodation, but which also recognise the need to avoid negatively impacting local residents. This is discussed further in Section 6.

²⁹ Savills, 2018, 'Edinburgh sees highest price growth of any UK city'

³⁰ <http://www.savills.com/blog/article/240763/residential-property/edinburghs-net-migration-bonus--a-challenge-or-an-opportunity.aspx>

3.3 In summary

Scotland's population is currently at its highest level; the population expanded by 4.6% between 2001 and 2011 and is forecast to grow by another 5.3% by 2041. Household numbers are expected to increase by 9% or 260,500 households by 2039. This will present significant challenges in meeting supply targets.

Every area in Scotland, except two, are forecast to witness net-migration over the period to 2041, this is driving the need for housing and local authorities have agreed targets to meet these demand pressures.

At 79,000 empty homes³¹ set against 16,692 self-catering units in Scotland, essentially, there are almost five times as many empty homes in Scotland as there are self-catering units, suggesting more should be done around occupying vacant homes than suggesting self-catering units are adversely affecting local housing markets. Building too few homes remains the core cause of the country's housing crisis.

However, it is known that the **effects of STR can have an added effect during peak summer periods.** Airbnb proposed a policy solution for central Edinburgh to the Scottish Government's Expert Advisory Panel on the Collaborative Economy, where STR hosts are restricted to renting out their properties for three months outside peak festival times. This ensures the city can provide a home for those looking to live in it while accommodating the STR population. The IPPR report also confirms the economic importance of homesharing whilst calling for measures to monitor and regulate it during peak summer periods.

It is clear from the evidence that the difficulties being faced by the housing market are related to the population and household growth being witnessed across Scotland and not STR and the CE. Although SDPs and LDPs establish housing targets, in many cases these are not being met and this is resulting in housing short-falls and increased house values – in terms of affordable housing. **Although STR may affect areas which are already facing this situation, the scale of STR and CE properties is small in comparison to the wider issues affecting the housing market, including the level of empty homes across Scotland.**

³¹ <https://blog.nrscotland.gov.uk/2017/06/14/estimating-the-number-of-homes-in-scotland/>

4 Antisocial Behaviour Concerns

During a Scottish Parliamentary debate, Scottish Green MSP Andy Wightman voiced concerns over the increase in antisocial behaviour complaints associated with holiday lets in Edinburgh, which have allegedly involved local community safety teams and, on occasion, Police Scotland.³²

To determine if this was true, Frontline reviewed the prevalence of antisocial behaviour complaints related to STR through Freedom of Information (FOI) requests in local authorities across key tourism destination in Scotland:

- Edinburgh and the Lothians (Edinburgh City, West, East and Mid Lothian)
- Glasgow (Glasgow City)
- Fife (St Andrews)
- Loch Lomond and the Trossachs (Loch Lomond)
- Perth and Kinross (Highland Perthshire)
- Aberdeenshire (Deeside)

Evidence was also gathered from the following sources:

- an STR operator survey
- stakeholder consultations

A sample of MSPs were contacted, each of whom are aligned to the tourism destinations, to understand the level of complaints they received around STR. Their responses were inconclusive, with the majority citing an inability to share incident numbers due to data protection.

4.1 Antisocial behaviour incidence in context

In Scotland, there were 16,692 self-catering units recorded on the Scottish Assessors' Association (SAA) rates role in 2016³³ and occupancy levels remained constant at 48% between 2015 and 2016. However, occupancy levels from January-March 2016 to January-March 2017 increased by 1.9%.³⁴ Those situated in cities and large towns experienced the highest levels of occupancy in 2016.³⁵

According to the VisitScotland Key Facts on Tourism 2016 Report, hotels, motels and guest houses were the most used sources of accommodation by domestic visitors (5.2m), followed by staying with relatives (2.2m), and self-catering accommodation (1.3m).³⁶

4.1.1 Edinburgh and Lothians

Specific to the researched destinations, there were 2,045 self-catering units in Edinburgh and the Lothians.³⁷ The area experienced an 11% decline in self-catering occupancy between December 2016 and 2017, from 66% to 55%.³⁸
According to Edinburgh City Council, there were a total of 39 complaints reported between 2015 and 2018:

- 10 in 2015/16

³² Edinburgh News: Andy Wightman: Short-term holiday lets need better regulation. Available at: <https://www.edinburghnews.scotsman.com/news/opinion/andy-wightman-short-term-holiday-lets-need-better-regulation-1-4336964>

³³ Frontline 2017, based on Scottish Assessors' Association 2016

³⁴ VisitScotland Scottish Accommodation Occupancy Survey January to March Quarterly Report, p9. Available at: http://www.visitscotland.org/pdf/SAOS_Q12017_Report_September.pdf

³⁵ Scottish Accommodation Occupancy Survey Annual Report, 2016

³⁶ Insight Department: Scotland; The key facts on tourism in 2016. Available at: www.visitscotland.org/pdf/Tourism_in_Scotland_2016.pdf

³⁷ Frontline 2017, based on Scottish Assessors' Association 2016

³⁸ Scottish accommodation barometer report: December 2017/2016 report – self-catering. Available at: <http://www.visitscotland.org/pdf/VS-Scottish-Accommodation-Report-Selfcatering-Dec2017.pdf>

- 13 in 2016/17
- 16 in 2017/18

There were **3 complaints cited by East Lothian Council and 'few' complaints were received by West Lothian Council**, yet the overall number of antisocial behaviour complaints received in this local authority between 2015 and 2017 was over 9,700. Mid Lothian Council did not provide information on this. **Based on this information, over the last three years, while there has been a slight increase in STR complaints in Edinburgh City, overall the number of complaints was negligible in comparison with the number of self-catering units and bed nights available.**

4.1.2 *Greater Glasgow and Clyde Valley*

In Greater Glasgow and Clyde Valley, there were 394 self-catering units in 2017. The unit occupancy levels declined from 58% in 2016 to 38% in 2017.³⁹ **Glasgow City Council received 14 complaints between 2007 and 2018:**

- 3 in 2007 to 2009
- 3 in 2011
- 1 in 2013
- 6 in 2016 and 2017
- 1 to date in 2018

4.1.3 *Fife and St Andrews*

There were 2,356 self-catering units in the Fife area in 2016. The area saw a 41% increase in self-catering occupancy levels from 2016 to 2017; from 17% to 57%. **Fife Council received no complaints concerning STR.**

4.1.4 *Loch Lomond and the Trossachs*

The Loch Lomond, Trossachs, Stirling & Forth Valley area had 746 self-catering units in 2016. The area also experienced a self-catering occupancy increase of 38%, from 20% in 2016 to 57% in 2017.⁴⁰ **Loch Lomond and the Trossachs local authority did not receive any complaints associated with STR** but did receive 28 antisocial complaints between 2015 and 2018. As Loch Lomond is part of numerous local authorities, other local authorities were contacted; **several did not respond to the information request and others cited no complaints related to STR.**

Argyll and Bute local authority provided figures for the overall number of antisocial behaviour complaints received; none related to STR:

- 14 in 2015/16
- 13 in 2017
- 1 in 2018

4.1.5 *Perth and Kinross*

The Perthshire area had 1,568 self-catering units in 2016. Again, occupancy levels in Perthshire increased by 33%, from 13% in 2016 to 46% in 2017. **Perth and Kinross Council did not receive any complaints related to STR.**

³⁹ Figures based on previous VisitScotland area 'Greater Glasgow'

⁴⁰ Figures based on previous VisitScotland area 'Argyle, Loch Lomond and Forth Valley'

4.1.6 Aberdeen City and Shire

The number of self-catering units in Aberdeen City and Aberdeenshire in 2016 was 260. The area experienced only a 5% increase in self-catering occupancy levels. The number of units increased from 34% in 2016 to 38% in 2017.⁴¹ **The Aberdeenshire local authority council would not provide complaints information due to the cost involved.**

The evidence found that there were very few complaints in comparison with occupancy rates and numbers of available self-catering units, as such we conclude complaints related to STR are negligible. A similar conclusion was drawn from Airbnb who stated that antisocial behaviour complaints were only 0.007% across all of their properties⁴².

4.2 Feedback from operator survey and stakeholders

As part of the operator survey, participants were asked where they had experienced challenges, including those around antisocial behaviour. The vast majority of respondents (over 90% of 268) had experienced no challenges associated with their STR. Of those who did, **only five said complaints were an issue.**

Of the 83 operators based in Edinburgh, only one cited antisocial behaviour as an issue, and one other operator with properties in Inverness reported cases of this but equally had guests complaining of the noise from nearby pubs.

One Glasgow operator said:

"Over the past 3 years we have had a handful of guests that have caused a nuisance to our neighbours and in one case we had to get the police involved. In ALL of these cases the guests were locals. So, I do not believe that we are a nuisance or cause any problems with antisocial behaviour that is not already here."

Overall, operators highlighted the positive benefits of STR for the local economy:

"...Residents in the communal stair have welcomed the short-term nature of the property and appreciate it is being well maintained, looked after and there have been no issues with guests."

"I want to keep the building and communal areas in a good state of repair, attractive and safe. I also want to make sure there are no problems affecting residents from my guests."

"Visitors in our property stimulate the local economy much more than if it were residential. The local economy depends on visitors. Without tourism, remote areas would fail and the maintenance of their infrastructure untenable."

"I personally feel we are getting a very bad rap from certain political angles for no apparent reason. Times are changing, travel is changing, and guests want the alternative accommodation options that we provide."

A small sample of stakeholders considered antisocial behaviour as a challenge in the STR sector, highlighting, however, that their views were based on current press rather than personal experience. One stakeholder mentioned the need for

⁴¹ Figures based on previous VisitScotland area 'Aberdeen and Grampian'

⁴² Airbnb: Introduction to Airbnb in Scotland, p1

area specific action, for example, to avoid applying unnecessary regulation in areas that do not experience high incidence of antisocial behaviour. Another referred to residential impacts as being a challenge. **Overall the stakeholders interviewed did not view antisocial behaviour aligned to STR as an issue.**

The evidence gathered concludes that antisocial behaviour in relation to STR is negligible and that operators and stakeholders do not deem antisocial behaviour to be a major concern.

4.3 Evidence from Airbnb and City of Edinburgh Council

A 2012 report by Edinburgh City Council evidenced the small scale of antisocial behaviour issues in Edinburgh. The Scottish Government consulted with agencies at both a local and national level on the issue of antisocial behaviour to explore whether current powers were sufficient to address public concern around STR. It was agreed that, although this affected some individuals, this was a 'small scale' problem. **For example, Edinburgh City Council advised that out of 11,000 noise complaints from May 2008 until April 2009, 41 complaints may have related to 'party flats' and of these, 22 were associated with just one property.** Data provided from 2011/12 suggested that out of over 2,000 holiday flats/apartments in Edinburgh, only 20 were a cause for complaint. Additionally, Lothian Borders Police received 40 calls regarding this problem in the same period and said that relative to other complaints, this number was low. It also states that there are procedures in place to effectively deal with issues when they arise. **For example, a recommendation for the formation of a STR taskforce to monitor progression in the sector, ensure enforcement and develop policies and practice.**⁴³ Additionally, the council has information on its website for those who wish to report a problem about a STR or party flat.⁴⁴

While levels of complaints are low, local authorities, ASSC and CE providers have the procedures in place and the willingness to manage and resolve issues as they arise.

⁴³ The City of Edinburgh Council: Short-term Private Lets review findings, p9

⁴⁴ www.edinburgh.gov.uk/info/20058/private_housing/1210/report_a_problem_with_a_short_term_let_or_party_flat/1

4.4 In summary

The frequency of antisocial behaviour complaints in each key destination local authority is negligible compared to the number of available properties and occupancy levels. Therefore, the evidence concludes that antisocial behaviour is not a problem which is exacerbated by the presence of STR. This is corroborated by Airbnb in their global statistics.

The discussion with stakeholders highlighted no obvious concerns surrounding antisocial behaviour. The operator survey responses showed that a large majority saw no challenges with their STR, **with only two operators from 268 citing antisocial behaviour as a problem.**

It is important to highlight that responsible operators, associations and platforms adhere to a range of codes of conduct.

The ASSC has established a Code of Conduct which operators and agents must follow. This includes rules surrounding maintaining residential amenity, some of which include:

- transparency regarding rubbish and recycling
- ensuring guest limits are not exceeded
- provision of authority contact details should they wish to make a complaint
- encouraging the consideration of other residents when arriving to the property late and refraining from noise⁴⁵

To counter any escalation of inappropriate behaviour, Airbnb proposed a “three strikes” policy in 2016 barring the use of their platform if hosts are cited by law enforcement for violating home sharing rules or other restrictions that are intended to preserve neighbours’ quality of life. Under this policy, hosts who repeatedly receive complaints from local authorities will be either suspended or banned from using Airbnb. Airbnb and other platforms also offer advice and best practice of responsible hosting⁴⁶, which act as a Code of Conduct for hosts.

⁴⁵ ASSC Code of Conduct for short-term rental operators and/or their agents: <https://www.assc.co.uk/about-us/code-of-conduct/>

⁴⁶ <https://www.airbnb.co.uk/help/article/1379/responsible-hosting-in-the-united-kingdom>

5 Claims of Tax Avoidance and Evasion

5.1 Introduction

There have been claims that the growth in self-catering and STR is resulting in more cases of tax avoidance and/or evasion; where avoidance is the legal exploitation of the tax system and evasion is the non-payment or underpayment of tax.

According to Andy Wightman MSP's briefing paper on taxation:

"A total of around £10.6m in local property taxes are being avoided because of the Small Business Bonus Scheme and a failure to declare properties being run as a commercial business."⁴⁷

This is related to the view that there is a lack of knowledge around tax rules, or an undercurrent of inappropriate financial recording, resulting in unlawful tax practices amongst operators. This section presents the current tax procedures and reviews the current status of tax investigations relevant to the STR sector.

5.2 Understanding the rules

Tax is a complex topic and an area which is regularly under view, and subject to change at both the UK and Scottish Government levels.

As with all sectors of the UK economy, money earned from self-catering is defined as income, and will therefore be subject to tax. Depending on the amount earned from STR, it may need to be declared to HM Revenue and Customs (HMRC). The current tax thresholds are shown in Table 5.1.

Table 5.1: Tax Thresholds 2018/19 (Scotland)

Tax rates and thresholds	2018/2019
Personal allowance	£11,850 pa
Starter rate	19% of earnings to £2,000
Basic rate	20% on annual earnings from £2001 - £12,150
Intermediate rate	21% on annual earnings from £12,151 - £31,580
Higher rate	41% on annual earnings from £31,580 - £150,000
Top rate	46% on annual earnings above £150,000

As a company, businesses are required to pay 19% corporation tax on all profits. There are no tax-free allowances, however there are a series of allowances and reliefs for businesses such as, capital allowances (related to equipment, machinery and vehicles that are used for business purposes), and reliefs related to research and development.

There are several possible tax reliefs and allowances specific to STR. This includes the 'Rent-a-Room' relief⁴⁸ which was established in 2015, allowing hosts to earn up to £7,500 tax-free from sharing space in their only or main home (the threshold is halved if you share the income with your partner or someone else). This measure came into force in April 2016.

It is worth noting that Airbnb data has shown that the average annual income for hosts in 2017 was £3,600, which is under both the 'Rent a Room' relief figure as well as the personal tax-free allowance figure. There will of course be individuals/businesses that have income above these

⁴⁷ Ciaran McDonald and Andy Wightman MSP: Short Term Lets – Taxation, August 2017

⁴⁸ <https://www.gov.uk/rent-room-in-your-home/the-rent-a-room-scheme>

thresholds, and these individual/businesses will therefore be eligible to pay tax at the required rate.

In terms of property taxes, in Scotland properties are liable for Council Tax, according to the agreed valuation of each property across Scotland's 32 local authorities. Business properties are required to pay Non-Domestic Rates (NDR). *Available for let* for under 140 days means the property is in the Council Tax system; *available for let* for over 140 days places the property in business rates. **A property let for under 140 days can be deemed as a domestic property and be valued for Council Tax purposes.**

- Local Authorities retain all Council Tax income
- larger Local Authorities e.g. Edinburgh City Council (ECC) get more income from NDR, but don't retain it
- NDR is spread round other Local Authorities that get less income from NDR e.g. Argyll and Bute
- Scottish Government (SG) has access to all Rateable Values in Scotland and knows which properties get SBBS relief. They also know what NDR income each council receives. Taking this into account, SG calculates the grant that each council will be awarded

Andy Wightman MSP suggests that all STRs are not on the NDR role⁴⁹. However, it is important to consider that if they all were, then they may be eligible for the Small Business Bonus Scheme (SBBS), resulting in the council losing out on Council Tax income.

However, it is recognised that if Council Tax income has dropped and properties receiving SBBS relief has increased, the grant achieved by a local authority would be adjusted accordingly because of the net loss in income from Council Tax.

It is clear that individual councils are not disadvantaged by having fewer Large Business Supplement (LBS) properties relative to SBBS properties. Councils receive guaranteed levels of funding (based on need) under the local government finance settlement and retain the NDR income in their areas as part of this.

It is worth noting that Airbnb data shows that the average number of days a host lets their property in Scotland is 40 nights, well below the threshold for paying NDR.

In Scotland, 2017 saw a rates revaluation and the draft proposals placed a significant burden on the self-catering industry, with an average across Scotland increase of 65%, but some ASSC members reporting up to 269% increases.

The Barclay Review Group was established to make recommendations that seek to enhance and reform the business rates system in Scotland to better support business growth and long-term investment and reflect changing marketplaces. Recommendations to Government have been delivered, and an on-going review of the SBBS is underway.

The Barclay Review Group provided 30 individual recommendations, with some requiring primary legislation by the Scottish Parliament, on how the business rates system could be reformed in Scotland⁵⁰. Recommendation 22 was to counter a known avoidance tactic for second homes; owners or occupiers of self-catering properties must prove an intention let for 140 days in the year and evidence of actual letting for 70 days. The ASSC welcomes this recommendation.⁵¹

In relation to the possibility of using this sector for tax avoidance or evasion purposes, there is no evidence of tax avoidance in the sector.

⁴⁹ Ciaran McDonald and Andy Wightman MSP: Short Term Lets – Taxation, August 2017

⁵⁰ Scottish Government, Report of the Barclay Review of Non-Domestic Rates (2017)

⁵¹ Ibid

It should be noted that HMRC takes very few tax avoidance cases to court – only 26 from throughout the UK as a whole during 2016/17⁵². It would therefore be reasonable to assume that the likelihood of a STR case been escalated to this is very low.

5.3 In summary

The rules and rates of taxation are well defined and clearly presented by national and local governments, for both individuals and businesses as well as domestic and non-domestic properties. These have been refined for the self-catering sector to help the industry and to support tourism targets.

- Airbnb data has shown that the average annual income for hosts in 2017 was £3,600, which is under both the 'Rent a Room' relief figure as well as the personal tax-free allowance figure
- Airbnb data highlights that the average number of days a host lets their property in Scotland is 40 nights, well below the threshold for paying NDR
- individual councils are not disadvantaged by having fewer Large Business Supplement (LBS) properties relative to SBBS properties. Councils receive guaranteed levels of funding (based on need) under the local government finance settlement and retain the NDR income in their areas as part of this

From the operator survey we know that all respondents pay some form of tax and the majority pay business rates (81%), and the remainder paying Council Tax or both. It is reasonable to assume that there is a very low possibility of tax avoidance and/or evasion being an issue for the traditional STR sector.

⁵² Tax avoidance litigation decisions - 2016 to 2017, August 17, <https://www.gov.uk/government/publications/tax-avoidance-litigation-decisions/tax-avoidance-litigation-decisions-2016-to-2017>

6 What are Others Doing to Support CE Development and Minimise Impact

6.1 Introduction

In order to understand issues from elsewhere, this section summarises what other areas across Europe are doing to support its development and minimise any potential negative impact of the CE. This draws on third party research and is split according to findings from other cities and countries.

6.2 City level

The emergence of CE platforms and short-term/holiday lets have occurred across Europe and elsewhere. Some specifics about each city are described below.

6.2.1 Barcelona

In Barcelona, Airbnb was fined €30,000 for violating tourism laws.⁵³ Additionally, the city has deployed 'illegal apartment squads', in a bid to combat unlicensed apartments. This resulted in a fine of €600,000 against Airbnb for advertising unlicensed flats.⁵⁴ Since then Airbnb introduced a limit in the city's most built-up area, Ciutat Vella; this ensures that only professional operators who share their business details on the platforms can list more than one whole property listing.⁵⁵

A report published by Francisco Serrano Del Ray which explores the **effect of STR on long-term rental prices in Barcelona found that there were other factors responsible for high rental prices.** Francisco refers to a Catalonian Holiday Rentals Association study and Spanish Federal Association of Holiday Rentals report which claims Barcelona saw a 9.14% rise in average price per square metre for rent in 2015, and a further 10.12% increase in 2016.⁵⁶

It suggests that the increase in rental prices is in fact due to a rise in the number of residents with higher education levels; the decrease in unemployment; and the increase in income within specific sectors. The report also stated that Barcelona has increased its housing market from 105,152 in 2015 to 106,885 in 2016. This coincided with a decrease in holiday rental supply from 2015 to 2016, resulting in a 1076 increase in homes returning to the long-term market.⁵⁷

The report highlighted that STRs only accounted for 1.64% (13,555) of housing stock, and that there has not been a decline in the number of long term rentals on the market as a result of STRs since 2015. It also referred to the fact housing rental price increases are widespread across Barcelona, including areas where holiday rentals are not present. **In conclusion holiday rentals cannot be proven to be responsible for this general rental price increase in Barcelona.**

Further evidence that STRs are not having the suggested negative effect reported is presented in the Nutsch and Associates study, *Impact of the Short-term Rental Industry in Europe*. It found that only 3% of registered complaints surrounding antisocial behaviour in Barcelona was attributed to STR, and that the **rental market is driven by consumer movement towards renting rather than**

⁵³ Airbnb's legal troubles. Available at: <https://www.theguardian.com/travel/2014/jul/08/Airbnb-legal-troubles-what-are-the-issues>

⁵⁴ Barcelona cracks down on Airbnb rentals with illegal apartment squads. Available at: <https://www.theguardian.com/technology/2017/jun/02/Airbnb-faces-crackdown-on-illegal-apartment-rentals-in-barcelona>

⁵⁵ Airbnb Position Paper: The Collaborative Economy and Tourism in Scotland, p9

⁵⁶ Do short-term holiday rentals affect long-term rental prices? Available at: <https://www.spain-holiday.com/rentalbuzz/do-short-term-holiday-rentals-affect-long-term-rental-prices>

⁵⁷ Ibid

owning property, along with a shortage of affordable and new development housing.⁵⁸

Evidence is also scarce to confirm that STRs are having an impact on the hotel industry in the city; occupancy rates, revenue per available room and average prices have increased since the recession in 2008.⁵⁹ **Most importantly, the short-term vacation industry has generated almost €2.5bn for the Barcelona economy which reflects a similar increase of over €3.5bn for the Parisian economy.**

6.2.2 Paris

The Nutsch study also gives evidence on STR in Paris, where growth is said to be the result of an increase in one-person households, a shortage in social housing levels at 4%, despite French law requiring more than 20%, and in Greater Paris, only 50% of the volume of housing required to meet demand is being built. Similar to Barcelona, **the reduction in housing stock is said to be a product of multi-home and second home ownership not STR.**

6.2.3 Berlin

In Berlin, there has been further action taken to lessen the growth and effects of STR. **City authorities had placed a ban on the rental of whole properties in the German capital for those who do not hold a permit.**⁶⁰ The operators risked a fine of up to €100,000 and this was enforced as a way of protecting the already insufficient levels of housing stock in the city.⁶¹ Others who rent properties on a smaller scale believe those who take advantage of the system should be stopped. The city authorities of Berlin seem to view Airbnb as partly responsible for increasing rents. **However, from May 1 2018, owner-occupiers will, under certain conditions, be allowed once more to rent out their own homes as much as they want, and to rent out second homes for up to 90 days a year.** For a city that's become well-known for its extremely tough laws governing vacation rentals, the new ruling seems like a major compromise⁶².

6.2.4 Madrid

Madrid is among other cities taking action to reduce the effects of STR. **It originally set a maximum stay of five nights in private homes and apartments. This directive was, however, later overturned in the courts.**⁶³

6.2.5 Amsterdam

Evidence suggests that Amsterdam is more receptive to the idea of STR. In 2014, the city passed a law which allows peer-to-peer rental of residential property and has given STR a category of their own; private rental. This demonstrates the city's positive attitude towards CE platforms.⁶⁴ As articulated in Airbnb's submission to the expert panel report, the city has a 60 night per annum limit on the letting of entire homes, after which a short stay licence or a B&B permit is required⁶⁵. **In**

⁵⁸ Nutsch and Associates study: Impact of the short-term rental industry in Europe

⁵⁹ Ibid, p16

⁶⁰ Berlin bans thousands of Airbnb properties. Available at:

<https://www.telegraph.co.uk/travel/destinations/europe/germany/berlin/articles/airbnb-listings-plummet-in-berlin-as-ban-comes-into-force/>

⁶¹ When Airbnb rentals turn into nuisance neighbours. Available at:

<https://www.theguardian.com/technology/2016/sep/17/airbnb-nuisance-neighbours-tribunal-ruling>

⁶² Berlin Just Cancelled its Airbnb ban, 2018, <https://www.citylab.com/life/2018/03/berlin-airbnb-vacation-rental-regulation-law/556397/>

⁶³ Ibid

⁶⁴ <https://www.cnet.com/news/amsterdam-officially-approves-new-airbnb-friendly-laws/>

⁶⁵ Airbnb Position Paper: The Collaborative Economy and Tourism in Scotland, p9

January of 2018, the city council further reduced this limit of 60 days to 30 per year.⁶⁶

6.2.6 Reykjavik

The Icelandic capital has enforced a limit of 90 rental days before having to pay business rates.⁶⁷

6.2.7 Hamburg

Those operating rentals in the city of Hamburg will require 'change of use' permission if 50% of the home/apartment is rented out for the whole year, or if the whole property is rented out for half the year.

6.2.8 London

London also has a 'change of use' policy, for properties rented out for more than 90 consecutive days. **However, a report by the IPPR concluded that STRs are having a negligible effect in London, therefore dispelling the idea that the impact of STR is significant in the capital.**⁶⁸ Airbnb has developed a 'Responsible Neighbour Guide' in the city which hosts can populate and give to guests, so that there is an understanding of expected behaviour.⁶⁹

Additionally, Amsterdam, Hamburg, and London have frameworks which acknowledge the use of domestic property for accommodation.⁷⁰ In Amsterdam and London, Airbnb introduced an automated system which limits hosts with entire properties to the number of nights permitted, according to underlying legislation.

There are also routes provided to notify the platform when there are exceptions to the rule; for example, when hosts rent a self-contained space that forms part of their home.⁷¹ Airbnb is clearly working to support the sector and those who may experience unwanted external effects in highly in-demand areas.

6.3 Country level

Some specifics about each country are described below.

6.3.1 Italy

Italy plans to introduce a 'sharing economy act', which gives a definitive description of the sharing economy and sharing platforms. This will require platforms to sign up to a registry and share documents with the competition authority for clearance. Additionally, fairer tax systems will be introduced where those earning less than €3,000 will be exempt from tax, those earning less than €10,000 will pay 10%, and any earnings above this will be based on the hosts marginal tax rate.⁷²

⁶⁶ DutchNews.Nl. Available at: <https://www.dutchnews.nl/news/2018/01/amsterdam-slashes-airbnb-rental-period-from-60-to-30-days/>

⁶⁷ Ibid

⁶⁸ IPPR: Available at: <https://www.ippr.org/files/publications/pdf/homesharing-and-london-housing-market-dec16.pdf>

⁶⁹ Airbnb: Introduction to Airbnb in Scotland, p2

⁷⁰ Ibid

⁷¹ Ibid

⁷² PwC: Assessing the size and presence of the collaborative economy in Europe April 2016, p14

6.3.2 Poland

The Ministry of Development in Poland opposes any regulation which jeopardises the development of the CE.⁷³ Furthermore, a journal article which explored the legal position of Airbnb services from a Polish viewpoint concluded that Airbnb and other collaborative platforms are not, as yet, thought to be in real competition with, or a threat to traditional tourism offerings⁷⁴.

6.3.3 The Netherlands

The government in The Netherlands is actively prioritising support for growth in the CE. According to Airbnb, the total economic activity generated by guest spending and host income in the country reached €795m in 2016, while 38% of the average Airbnb guest's expenditure went towards local businesses in the neighbourhood in which they stayed⁷⁵.

6.3.4 Denmark

The Danish government announced the introduction of 'new and innovative' rules for home sharing in May 2018⁷⁶. The rules will allow the Danish population to freely share their homes with guests and make income tax simpler to navigate. The government aims to increase the threshold for tax-free earnings for primary homes to 28,000 DKK and for holiday homes to 40,000 DKK for those hosting through platforms that collaborate with the government to encourage accurate payment of tax. Those who do not host with these CE platforms will have only 11,000 DKK threshold. It proposes new powers for local authorities to decide on the number of nights hosts can share their entire property. Again, those hosting through platforms collaborating with the government can share their home for at least 70 nights a year, whereas those who do not can only share their homes for 30 nights a year. The data sharing between the government and CE platforms will be subject to stringent European and national rules and will only be used to support accurate payment of tax

6.3.5 Ireland

Ireland appears to be in a similar situation to Scotland in that, despite anxiety around the issue, no concrete evidence is available to prove STRs are having an impact on housing prices and stock. Like Scotland and the rest of the UK, Ireland suffers from a housing supply issue and there is concern that STR will further aggravate the problem. A report by Houses of Oireachtas Joint Committee, which acknowledges the potential issue of STR in Ireland, produced a set of recommendations to deal with the issue. These include:

- regulations for entire properties and those renting for more than 90 days per year
- a licensing system where platforms would be required to register hosts and share information with the local authority
- exemption of change-of-use planning permission for lets of less than 90 days
- requirements for landlords to provide a reason for ending a tenancy
- a review of current planning laws

⁷³ Ibid, p15

⁷⁴ Novelty Journals, International Journal of Novel Research in Humanity and Social Sciences: The Legal Status of the Airbnb Services from the Polish Perspective, p68

⁷⁵ The Airbnb Community: The Netherlands Available at: <https://www.airbnbCitizen.com/wp-content/uploads/sites/50/2017/02/The-Airbnb-Community-The-Netherlands.pdf>

⁷⁶ Airbnb citizen: Denmark Embraces Home sharing, 2018. Available at: <https://www.airbnbCitizen.com/denmark-embraces-home-sharing/>

- that the memorandum of understanding between Airbnb and the department be ceased and redrawn to allow for a fit-for-purpose version⁷⁷

Many of the proposed actions mirror those of other European cities, for example, the need for planning permission for lets lasting more than 90 days. Despite the cited requirement for new rules surrounding regulation and other issues, the growth in STR has allowed for positive social and economic benefits in Ireland.

According to the Airbnb Ireland Insight Report, a total of €506m was generated as a result of the sharing economy, and €115m of income was earned by hosts.⁷⁸ Hosts earned an annual average of €3,500, with listings being booked for 37 nights of the year.⁷⁹

6.4 In summary

Some European cities view STR as problematic and have prescribed various actions to control growth; for example, Barcelona's fining of Airbnb for disobeying tourism laws, and Berlin's ban on the rental of entire properties without a permit.

However, two reports, one based on Barcelona alone and the other on both Barcelona and Paris, suggest that STRs are not responsible for the shortage of housing stock, increase in rental prices and increases in antisocial behaviour. This is rather due to governments' failure to build adequate numbers of housing, an increase in employment levels and those with higher education and increasing income levels.

The effect of the growth in STR has not been shown to impact hotel growth in Barcelona, as occupancy rates and average prices have increased since the economic downturn. **The evidence suggests that the economic benefits provided by the STR and CE sectors are significant.**

From a country-wide perspective, there are systems in place to support the growth in the STR sector. Examples include Italy's and Denmark's plans to introduce a fairer tax system and proposed collaboration with Airbnb and CE platforms on information sharing, and Poland's opposition to any regulation which aims to prevent the growth of such lets. Support was expressed for CEs by authorities in the Netherlands and a report by Airbnb also outlines the economic additionality provided. This demonstrates that countries are aware of the benefits afforded by STR.

Although Ireland's government has expressed concern about the potential negative effects of STR, it acknowledges that there is a need for further evidence to discover whether the effects are indeed negative and/or large in magnitude. What is evident, based on the Airbnb Ireland report, is that the sector makes a substantial contribution to the economy, including in lesser known areas of the country.

Overall, it is clear that countries and cities are working with the STR sector and CE platforms to keep up with the ever-growing level of tourism across the globe. As more and more people travel and as technology continually advances, policy-makers, STR operators and CE platforms must continue to work together, share knowledge and adapt when any significant detrimental effects on the social, economic or environmental fabric of an area. Information exchange across all parties is crucial and this study confirms this is occurring and will

⁷⁷ Houses of Oireachtas, Joint Committee on Housing, Planning & Local Government: The Impact of Short-term Rental on Ireland's Housing and Rental Market, 2017. P14

⁷⁸ Ireland Insights Report: A look at regional home share trends across Ireland, p3

⁷⁹ Ibid, p4

continue to occur to ensure the sustainable growth of the tourism economy in Scotland.

7 Conclusions

This report provides an evidence base to dispel the negative myths surrounding STR and demonstrates how the STR sector is benefitting Scotland.

7.1 The tourism sector and the collaborative economy

Tourism is a key sector in Scotland, it continues to provide **increasing numbers of jobs, business turnover and resultant GVA**. The latest indications from VisitBritain and VisitScotland suggest 2017 may have been a record year in terms of both the volume and value of tourism, both amongst domestic travellers and international visitors.

The self-catering or STR sector is an important component of the tourism sector, particularly in Edinburgh, the Highlands and in Perthshire.

As technology advances and consumer booking habits change, there has been a significant shift in the growth of CE platforms as a route to market for self-catering businesses.

Airbnb has emerged as the major CE platform in Scotland. **The evidence provided by them confirms that CE platforms will continue to grow and supported by traditional marketing efforts will assist Scotland to achieve the targets set out in Tourism 2020.**

7.2 The housing market and short-term rentals

The difficulties faced by the housing market are related to the population and household growth being witnessed across Scotland. **Although SDPs and LDPs establish housing targets, in many cases these are not being met and this is resulting in housing short-falls and heightened house values** – notably in terms of affordable housing. Scotland's population is forecast to continue to grow and there is no doubting the pressure being faced by the housing market.

It is building too few homes and not the impact of the STR market that is the cause of the country's housing crisis. The prime concern and focus of politicians, policymakers and the public should be the longstanding drivers of that crisis: the undersupply of land, the complexity of the planning process, lack of investment and capacity challenges in construction.

Overall there are 79,000 empty homes in Scotland compared to 16,692 STR. **Essentially, there are almost five times as many empty homes in Scotland as there are self-catering units, and there should be more attention given to occupying vacant homes than suggesting self-catering units are adversely affecting local housing markets.**

7.3 Antisocial behaviour concerns

Evidence from local authorities, stakeholders and operators demonstrates that the frequency of **antisocial behaviour complaints across Scotland is minimal** and is not a concern.

Further evidence from Airbnb suggests **complaints are also very rare**, and the high level of neighbourhood spending demonstrates that local economies and infrastructure are benefitting considerably from STR.

There is a willingness amongst STR operators and CE platforms to put procedures in place to manage and resolve concerns including the ASSC's Code of Conduct which operators and agents must follow. Airbnb has also developed rules and Codes of Conduct to ensure behaviour is appropriately monitored and action is

taken to minimise any issues. Although not all operators do this, this should be actively encouraged.

In conclusion, there is no evidence to corroborate antisocial behaviour as a problem which is exacerbated by the STR market.

7.4 Tax avoidance and evasion claims

The rules and rates are well defined and clearly presented by national and local governments, for both individuals and businesses as well as domestic and non-domestic properties. These have been refined for the self-catering sector to help the industry and to support tourism targets.

Individual councils are not disadvantaged by having fewer Large Business Supplement (LBS) properties relative to SBBS properties. Councils receive guaranteed levels of funding (based on need) under the local government finance settlement and retain the NDR income on their areas as part of this.

It is difficult to prove any avoidance and/or evasion as there are no publicly available figures on tax avoidance. However, from the operator survey it can be concluded **that all traditional STR respondents are paying some form of tax** and the majority are paying business rates and the remainder paying Council Tax or both.

For those who use platforms such as Airbnb, evidence suggests that for the majority, tax will be paid under existing personal allowances or through agreed Government schemes, given that the average earning is £3,600 with rental periods of less than 40 nights.

7.5 Lessons from other countries and cities

It is clear that some European cities view STR as problematic as there are many examples of actions taken by authorities to control growth. However, evidence shows that **STR is not responsible for the shortage of housing stock, increase in rental prices and increases in antisocial behaviour.** This is rather due to government failure to build adequate numbers of housing, an increase in employment and those with higher education, and increasing income levels.

Additionally, the effect of the growth in STR has not impacted hotel growth in Barcelona for example, as occupancy rates and average prices have increased since the economic downturn; and the economic benefits provided by the sector are significant.

From a country-wide perspective across Europe there are **systems in place to support the growth in the CE and the STR sector**; the Netherlands and Denmark, for example, are prioritising support for the sector. And while Ireland's Government has expressed concern about the potential negative effects, it acknowledges that there is need for further evidence to establish whether the effects are indeed negative and of the order of magnitude that outweighs the significant economic benefits.

Appendix 1

Operator Survey Respondents and Stakeholders

Operator Survey Respondents

2 Cawdor Terrace
27 Garenin
3 Oban Times Buildings
3 Tarrel Farm Cottages
45 Westgate
Abbotsford Hope Scott Wing
Achmony Holidays
Ae Barn
Aikwood Tower
Airhouses
Alltshellach Cottages
An Tigh Earna
Appletree Cottage
Arbigland Farms
Ardgour Estate
Ardmaddy Castle Holiday Cottages
Ardmiddle Mains Cottages
Ardochy House Cottages
Ardormie Farm Cottage
Ardverikie Estate Ltd
Arniston Estate Partnership
Auchmore Apartments
Auchnascrew Mill
Aulddairy Holiday Cottage
B & H Barker
Baincraig Lodge
Balblair Self Catering Cottages
Balkello Accommodation
Balneden Steading
Banffshire Holiday Cottages
Blackford Cottages
Blairmore Farm & Estates Ltd
Bluefolds Highland Holiday Cottages
Border Escapes
Borlum Farm
Broadmeadows House
Brooklinn Mill Holidays
Broombank Cottage
Brown's Close Apartment
Burnbrae Holidays
Burnside, Lochdon, Isle of Mull
Calath Lettings
Candlemaker Row
Carole McRae
Cawdor Estate
Ceithir Ralthean
City Apartments Edinburgh
Clan Cottages
Cloag Farm Cottages
Clover Holidays
Colin Campbell Property
Coopers Knowe House
Craobh Haven Cottages
Crovie Cottage
Cruise Loch Lomond
Dalriada Properties Limited
Dalvourn Holidays
Damside Self-Catering
Deveron Valley Cottages
Dickins Edinburgh Ltd
Dimpleknowe Holiday Cottages
Drumboy Lodge
Drumnadrochit Lodges
Dubh Loch Cottage
Dublin St Lane South
Dunalastair Estate Cottages
Dunglass Estate
Dunkeld Holidays
Dunvegan-Inverness
Easter Dunfallandy
Eastside Cottages
Eden Burgh Serviced Accommodation Ltd
Edinburgh City Apartments
Edinburgh SC (Self Catering) Ltd
Edinburgh Self-Catering
Edinburgh VRBO
Edinburghnights
Escape to Galloway
Evergreen Property Ltd
Far Horizons Holiday Cottages
Ferryboat Cottage
Fingal & Heriot Cottage
Firm of Hillctrest
First Apartments Ltd
Flox Cottage, Nethy
Fortis Property Lettings LTD
Fuchsia Cottage
Fuchsia Cottage Fortrose Harbour
G and J Brown Farms
Gael Holiday Homes
Galloway Hideaways
Glasgow Green Apartments
Glen Tanar Estate
Glendrynoch Cottages

Glenprosen Cottages
 Green Pastures Cottage
 Greyfriars Bobby Apartment
 Gruinyards
 Guy's Cottage
 Gypsy Palace
 HandyHouses
 Happy Short Stays
 Haus Saron
 Hayloft Edinburgh
 Hayloftedinburgh
 Hebridean Luxury Hols
 Hiddenglen Holidays
 High Kirkland Cottage Holidays
 Highland Heather Lodges
 Highlands Ardrhu Holiday Cottages
 Holiday Home Glasgow
 Home Farm Lodges Ltd/Ness Castle Lodges Ltd
 Home from Home Aberdeen
 Hopetoun St Apt - Murphy's Pl
 Inver Rose self catering
 inverness apartments & cottages
 Islands & Highlands Cottages
 J & M Turner
 Janet Lumb and Angela Whiles
 John Bray Cornish Holidays
 Joyce Laird
 Justfortwo
 Kilbryde Castle Estate
 Kilbryde Events
 Kingsburgh Boathouse, Skye
 Kinlochlaich Garden Self Catering
 Kirkennan Estate Holiday Cottages
 Ladeside
 Ladyhill House
 Laidlaw Lettings
 Lann Dearg Studios
 Lawson Lets
 Lazyday Cottages
 Leisburn Cottages
 Lerigoligan
 Linnhe Croft Holiday Cottages
 Loaninghead holidays
 Loch Leven Chalets
 Loch Lomond Waterfront Luxury Lodges
 Loch Monzievaird Chalets
 Loch Seil Cottages
 Lochside Follies
 Lodges at the Mains
 Lotus Lodge
 Mains of Taymouth
 Mall House self catering Accommodation
 Mansefield House
 Mansley Serviced Apartments
 Marchmont Self Catering
 Mary's Thatched Cottages
 McKenzie Cottage
 MK & GM Brown
 Monument Cottage
 Monzie Estate
 Moray Cottages
 Morenish Mews
 Mrs L G Luescher
 Newhill Farm Lodgings
 Newington Urban Living
 Noddsdale Estate
 Northern Lights Apartments
 NSC Partnership
 Oban Seil Croft Cottages
 Old Mission Hall (self-catering cottage)
 Old School Apartments
 OMP One Marine Place
 Ord Family Trust
 Orkneycrofts.com
 Orroland Holiday Cottages
 Paisley Apartments
 Parkcottageskye
 Parkview Apartment/ Garden Cottage
 Perthshire views
 PillowStops
 Pilrig House Apartments
 Pine Chalets
 Pinesmoke Self Catering Cottage
 Pitnacree Cottage
 Plum Braes Barn Holidays
 Press Mains Farm Cottages
 Pure Serviced Apartments
 Ralph Averbuch
 Rarity Breaks and Rarity Rentals
 Reserve Travel Ltd (Reserve Apartments)
 River Edge Lodges
 Riverside Log Cabins
 Rosebank
 Rosehip Properties
 Rymore Wood Lodge
 Sandcastle Holidays (Scotland) Ltd

Sandford Country Cottages
Sandwood Lodge
Scottish Holidays in the Hills
Seabank selfcatering
Sealladh na Mara
Seascape, Pittenweem
Seascience
Self Catering Edinburgh
Silver Lining Apartments
Sky Blue Cottage
Skyehaven
Snowberry Cottages
Solway View Holidays
Sound of Harris
SouthSide Property Management
Steading 5 Newtonmore
Stinchar Cottages
Strathlyon Cottage
Strathspey Holiday Cottage
Taigh An Clachair
Teeny's Cottage
The Bonnie Thistle
The Cottage Bogroy
The Croft House
The Edinburgh Address
The Gardeners Cottages
The Loft @ The Granary
The Old Schoolroom
The Old Stables, Corrimony
The Restalrig Apartment
The Stonehouses
The Turret
The Whitehouse, Moulin
Tigh-na-Mara
Toll Bridge Lodge
Tower Farm Holidays
Treshnish & Haunn Cottages
Tullochwood Lodges
Unapool House Cottages
Upper Croitachonie
Vanora's Cottages
Varis Holiday House
Waterloo Lodge
Waterside Breaks Ltd
West Coast Cottages
Williamstone Farm Steadings
Yorkhill Apartment and Hamilton Lettings
Your Partner in Property

Stakeholders

- ██████████ - Airbnb
- ██████████ - Travel Nest
- ██████████ - VisitScotland
- ██████████ - Scottish Tourism Alliance
- ██████████ - British Hospitality Association
- ██████████████████████████████ - Federation of Small Businesses
- ██████████ - SuperControl
- ██████████████████████████████ - Highland Council
- ██████████ - Empty Homes Partnership
- ██████████ - Shelter
- ██████████ - Cumberland Building Society
- ██████████ - Toposophy
- ██████████ - Scottish Enterprise – Tourism
- ██████████████████████████████ - Highlands and Islands Enterprise Tourism

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STAA Code of Conduct

Protecting hosts and guests

STAA members will:

- ensure that corporate contact information is clearly visible on their websites;
- provide guests with dedicated contact details to register complaints or report any issues during their stay;
- ensure that terms and conditions are easily available on their websites, including cancellation and deposit protection policies;
- have processes in place to remove fake listings once notified by the appropriate authorities;
- delist any host found to be acting in a discriminatory way to potential guests once notified by the appropriate authorities;
- have processes in place to help prevent fraud such as identity verification of hosts and guests;
- provide hosts with guidance on how to protect themselves against fraud;
- protect the personal data of hosts and guests in accordance with data protection and privacy law;
- encourage hosts to undertake regular Fire Risk Assessments and show due diligence with regards to fire safety;
- encourage hosts to comply with all health and safety standards which apply to long-term letting in the relevant jurisdiction;
- encourage hosts to provide guests with information on how to respond in emergency situations e.g. emergency services numbers and instructions on how to exit buildings safely in case of fire;
- delist guests who have been proven to be in serious breach of their terms and conditions, for example committing fraud or causing major damage;
- encourage hosts to have relevant insurance protection in place before hosting;
- and provide hosts with an overview of their hosting activity to assist them with their tax obligations, while recognising that ultimate responsibility for complying with individual tax obligations lies with the host.

Supporting enforcement

STAA members will:

- work via STAA with local authorities to raise awareness of local rules through educational initiatives;
- work via STAA to provide hosts seeking planning permission with contact information for relevant local authorities;
- upon request, provide hosts with easy access to information on local regulations so that they are aware of their obligations;
- encourage hosts that need further clarity on local rules that apply to short-letting to seek guidance from the relevant local authority;
- encourage hosts to understand their obligations to their landlords and/or mortgage/insurance providers before hosting;
- always promote responsible hosting and compliance with local regulations, including in all public advertising campaigns;
- and remove any listing proven to be in breach of applicable regulations once notified by the appropriate authorities.



Maintaining residential amenity

STAA members will:

- encourage hosts to communicate to guests that primary use of the property is for holiday or business purposes and any other use requires prior permission;
- encourage all guests to be mindful of neighbours when coming in late, to not make excessive noise and to read the 'house rules' which individual owners may have provided;
- encourage hosts that use third parties to provide services in the property to respect neighbours when such services are being performed;
- encourage hosts to display a notice in the property or guest handbook asking guests to respect neighbours;
- encourage hosts to have clear instructions for rubbish and recycling which meet the local guidelines for collection and responsible removal;
- and provide dedicated contact details for members of the public or local authorities to register complaints.

Supporting local business

STAA members will:

- encourage hosts to share information with guests about local businesses they can visit, to help promote local growth and tourism.

An example of a Short term letting Policy

STAA members want to ensure the safety, security and respect for neighbours and common parts of shared buildings. Below is a set of recommended principles for building managers to implement as a best practice policy. These principles ensure a balance between homeowners being able to take advantage of the benefits of short-term rentals within the legal limits, while ensuring that they are in full compliance with the law, respecting the building and the neighbours.

If you live in a communal building, and you wish to engage in short-term rental activity, the following rules will apply:

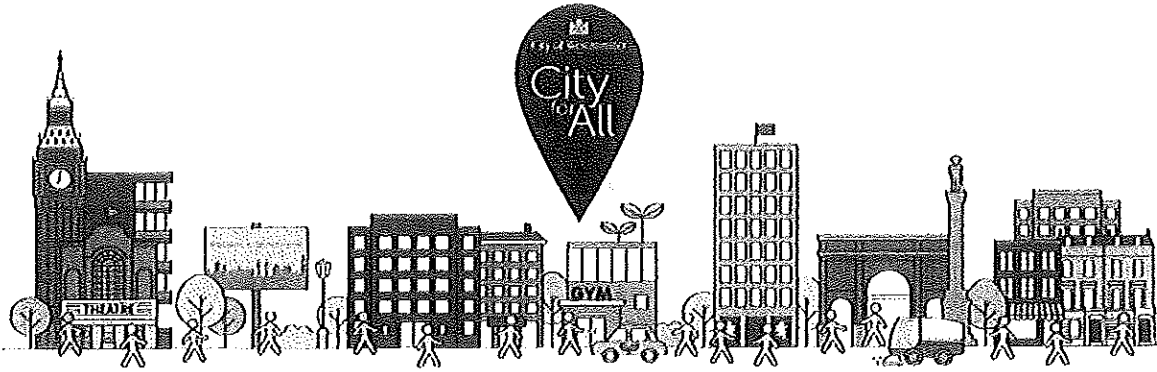
- You must register with the building manager that you are engaging in short-term rental activity, who your provider is, and which site(s) the property is listed on.
- Someone must be in London and on call 24x7 in case of any issues and this company or person and their contact details must be registered with the building in case of any issues.
- Any short-lets must be by way of a license only and should not create a landlord and tenant relationship.
- Guests should be screened in advance with personal ID checks on arrival and copies of ID documents saved for all people staying (this is a health and safety requirement).
- Only the individuals named in the original booking are allowed in the development during the stay (and all ID's are checked before keys to the building are handed over).
- You must follow all health and safety requirements and have a current gas safety certificate, fire extinguisher, carbon monoxide detector, smoke alarm and first aid kit in the flat.
- You must have insurance that covers 3rd party liability due to any actions of the guests (including accidental damage).
- Porters should not be asked to manage any guests, from meeting them, to handing over keys etc. or to provide support to your guests in any way.
- If a building fob is lost or not returned by a guest, please advise the building management to ensure it is deactivated. All costs for replacement will be borne by the flat owner.
- No bookings of less than 3 nights should be taken to avoid extremely high turnover of people into the building and the security risks this poses.
- London legislation states that you may only conduct short-lets up to a maximum of 90 days per year for a home (above which planning permission from the council is required). You must be in compliance with the law.

www.gov.uk/government/news/boost-for-londoners-as-red-tape-slashed-on-short-termlets

This agreement will work on a honour system after hosts have registered. Building managers reserve the right to ask for evidence of compliance with the above rules. Building managers may take appropriate legal action if continued breach of the rules is identified. Responsibility for compliance with the above rules lies entirely with the owner of the property. Please note:

It is your responsibility to ensure you are meeting all the requirements as the leaseholder if you are electing to do or allow short-term lets in your flat.

STAA recommends that managers of communal buildings adopt the above policy which allows homeowners to benefit from additional income by renting out part or all of their homes, whilst ensuring that such activity does not compromise the security of the building or the quality of life of neighbours.



CONSIDERATE NIGHTLY LETTING

A Westminster City Council Best Practice Charter in Association with STAA

Introduction

Westminster's Nightly Letting Sector (also known as Short Term Lettings) is vibrant and growing following the recent success of online platforms (such as Airbnb, UndertheDoormat, HomeAway etc.), whose services make it possible to let properties at short notice and for a few weeks or just a few days at a time. Westminster is proud to be the central location for this exciting, fast paced and lucrative market, and we recognise the significant positive value it brings to our City. Homeowners are able to benefit from a new source of income whilst presenting holidaymakers and business travellers with an affordable and comfortable alternative to hotels and hostels.

We know that most homeowners who let on this basis do so within the law and maintain excellent standards. However, in some cases it can be unlawful (whether intended or unintended), and when poorly managed can impact adversely on the quality of life and comfort of neighbouring residents. Westminster City Council in partnership with the Short-Term Accommodation Association (STAA) are committed to tackling these common industry challenges and are working together towards a stable and supportive regulatory environment that promotes the UK as a global leader in the provision of short-let accommodation. In doing so we have developed this Considerate Nightly Letting Charter which defines the parameters of the law, and sets out a gold best practice standard to which all freeholders, property owners, managing agents, and hosts engaging in this activity have a shared responsibility to uphold.

Considerate Nightly Letting Best Practice

If you are the property owner or managing agent (host) you should...

- Ensure you meet all legal requirements for short-term letting
- Make sure you know who is in your property by meeting the guests and ensuring keys are only handed to people whose ID is verified.
- Provide an emergency contact to your guests, reachable 24x7.

- Provide a Code of Conduct for your guests, which should include and promote mindfulness of neighbours. For example, remind guests not to knock on neighbour's doors or buzz them to provide access to the communal areas, and to keep noise to a minimum, particularly outside of daytime hours.
- Ensure you relay your building's common area rules to your guest
- Notify your neighbours that you will have guests, and provide them with a contact number should any issues arise
- Ensure a 'no party policy' and require guests to notify you of any additional guests who will be present beyond those who have booked your home
- Ensure you have insurance in place to cover the guest stays, including 3rd party liability insurance
- Clearly describe rubbish collection dates and recycling policy to guests

If you are the freeholder or building manager, you should...

- Ensure you meet all health and safety legal requirements
- Proactively ensure that property owners meet all their legal obligations by maintaining a register of properties engaging in Short-term Letting within the building
- Develop or adopt a protocol that sets out clear guidelines for hosts to follow (See the STAA best practice building protocol which we recommend as the standard)
- Report any known unlawful letting to Westminster Council
- Pursue any clear breach of lease where known, while keeping in mind that any legal fees must be in the interest of all leaseholders to spend common funds.

Why these guidelines are so important

Housing is in short supply in Westminster and therefore taking properties off the long-let market solely to let to tourists or business travellers all year round, has an impact on our overall housing availability for local people.

Neighbours and the community affected by irresponsible short-lets also report that they can be exposed to:

- poor waste management
- excessive noise
- reduced sense of community and security from high turnover of guests at all times of the day and night
- targeted abuse when trying to address issues, such as noise, directly with guests
- repeated requests from guests for access to the building through intercoms
- fire risks through suitcases blocking entrances and doorways
- sleep deprivation from homes being used as 'party venues'

When properly managed short-lets will avoid this impact and also bring positive benefits such as:

- an affordable and comfortable stay for guests
- bringing income to local businesses
- additional income for homeowners

The Law

If you are looking to let your home on a short-term basis, it is easy to assume that what is good enough for you as the homeowner is good enough for your guests. However, there are important steps which you must think through in order to check you have permission to share your home.

Who can let their home?

You are only able to let out your home and 'host' if:

- You are the property owner and eligible to pay the council tax
- You are the tenant who is eligible to pay the council tax and has the permission of the property owner
- You are a leaseholder whose lease does not expressly forbid this activity
- You are the managing agent acting on behalf of the property owner who pays the council tax
- You are not the council tax payer but have been granted planning permission to do so

You will also need to notify or request permission from the following depending on the terms of your agreements:

- Your insurer
- Your freeholder if you are a leaseholder
- Your mortgage provider if you hold a mortgage
- Your landlord if you are a tenant (this includes council tenants, housing association tenants and tenants who rent from a private landlord).

Length of lets

The Law¹ only permits short-term letting of properties for a cumulative total of 90 nights during a calendar year. If you want to let out your home for more than 90 nights in a single calendar year you must have planning permission, which can only be obtained via submission of a planning application. The submission of such an application does not imply that planning permission will necessarily be granted as each application must be determined on its individual merits having regard to relevant development plan policies and all other material considerations. The cost to make a planning application in Westminster is £462. It is not permissible to exceed the 90-night limit unless planning permission has been granted and failure to obtain permission may result in us taking enforcement action. (Please note that if you let out a house, a flat, or a room for an agreed period of more than 90 nights in a row to a single person or to people who live together as one household, then you are a residential landlord and subject to different conditions set out in [landlord and tenant legislation](#)). Any let of more than 90 days is not considered a short-let and you should refer to landlord and tenant legislation for guidance.

¹ Section 44 of the Deregulation Act amends Section 25 of the Greater London Council (General Powers) Act 1973 and permits the short term letting of properties subject to conditions set out in Section 25A (2) (a) and (b), which limits the short term let use to a total of 90 nights in any one calendar year; and in Section 25A (3) (a) and (b), which prevents the provision of a property for short-term letting, for any period, by anyone other than a person liable to pay Council Tax.

Health and Safety (Including Fire Safety)

You must take measures to ensure that your home is free from hazards that may lead to potential accidents such as falls and electric shocks. Your home must also have the appropriate fire safety measures installed such as smoke alarms. Failure to comply with these standards will invalidate any landlord's insurance cover you have. It is a legal requirement that a risk assessment is undertaken to identify hazards that may cause harm and what action is required to reduce the risk. It is a good idea to keep a written record of this.

Consideration should be given to the fact that your paying guest may be vulnerable, for example, are windows restricted to prevent a child falling? Are handrails provided on all stairs?

Key health and safety considerations:

- **Electrical safety:** there is a duty of care to ensure electrics and appliances within the property are safe and it is recommended that the electrical installation is tested by a registered electrician if no inspection has been undertaken in the last 5 years.
- **Gas safety:** there must be a valid gas safety certificate issued in the last 12 months to ensure all heating and cooking appliances are safe.
- **Carbon Monoxide:** a carbon monoxide alarm should be provided. Consideration should be given to the fact that adjoining properties may pose a risk.
- **Fire:** a fire safety risk assessment should be carried out to ensure hazards are identified, controlled and reviewed. The common parts of a communal building are subject to the Fire Safety (regulatory reform) Order 2005 which places a duty on the responsible person for the building to undertake a competent risk assessment and act on it accordingly. Breach of fire and safety regulations puts guests and neighbours at risk of serious injury or death, and can result in a conviction with an unlimited fine.
- **Furnishings:** must have a permanently attached label to comply with The Furniture and Furnishings (Fire Safety) Regulations.
- **Security:** locks to doors and windows should provide appropriate level of security. Exit doors and escape windows should be capable of providing keyless exit in the event of a fire.

Anti-Social Behaviour

Behaviour that has a detrimental effect on the quality of life of those in the locality, is of a persistent nature, and is unreasonable can be addressed through the use of the ASB, Crime & Policing Act 2014. The Act allows for Tenants, Leaseholders, Freeholders and Managing Agents to be held accountable if it is found that they have the ability to stop the anti-social behaviour cited. Community Protection Notices can be served stating reasonable steps to be taken to stop the anti-social behaviour; a breach is a criminal offence and may carry a fine of up to £20,000 for businesses or £2,500.00 for individuals. If the anti-social behaviour persists or it is determined that the local community require immediate respite, the Council and Police can consider serving a Closure Order on the property for up to 6 months, restricting all access.

Environmental Protection (waste)

Residential waste is controlled through the Environmental Protection Act 1990. Residents have a responsibility to dispose of their waste responsibly, utilising the on-street collections and/or black bins within

the City. A person guilty of an offence (including the presentation of waste at the incorrect time or location) is liable to a fine of up to £2,500 or prosecution.

Environmental Protection (noise)

Should a noise nuisance occur we have the powers under the Environmental Protection Act 1990 to serve a noise abatement notice, prosecute, and seize equipment.

Tax

The money you earn from hosting is income, and will be subject to tax. Depending on the amount you earn from hosting, it may need to be declared to HM Revenue & Customs. You can find details on the sharing economy [tax incentives](#) and how to [correctly account for tax](#) on the HMRC website.

The potential pitfalls of non-compliance

<p>Breaching the 90-night limit or letting the property when you are not the Council Tax payer</p>	<ul style="list-style-type: none"> • Enforcement action which if not complied with may result in criminal proceedings, an unlimited fine, and/or a Local Land Charges record which could make the future sale or financing of the property more difficult.
<p>Failing to effectively control guest behaviour</p>	<ul style="list-style-type: none"> • Breach of lease covenants • Enforcement action • Closure orders
<p>Failing to adhere to health and safety regulations</p>	<ul style="list-style-type: none"> • Guests and Neighbours put at risk of serious injury or death • Penalty fines • Enforcement Action and criminal proceedings • Invalidation of insurance policies • Breach of mortgage terms • Breach of lease covenants

Contact Us

Westminster City Council has a dedicated team of Nightly Let Officers. If you would like more advice, or if you have a concern please contact the team at:
planningenforcementteam@westminster.gov.uk

[REDACTED]

From: [REDACTED]
Sent: 27 June 2018 13:46
To: [REDACTED]
Cc: [REDACTED]
Subject: Thank you & STAA documents
Attachments: Best Practice building policy .pdf; Considerate Nightly Let Charter - Final.pdf; QT STAA SCL Accreditation Info.pdf

Dear [REDACTED]

Thanks very much for meeting with the STAA yesterday.

We all thoroughly enjoyed the discussion and appreciate you taking the time to meet with us.

Attached you will find electronic copies of three documents that we hope you will find useful as you consider the best future framework for short-term accommodation in Scotland.

These documents are:

- 1) The Considerate Nightly Let Charter that the STAA agreed in conjunction with Westminster Council.
- 2) A provisional structure for the industry accreditation scheme that we are piloting later this year.
- 3) A best practice buildings policy which we are encouraging buildings managers to distribute in their buildings.

Hopefully these documents are positive contributions from the industry that can show how we can drive standards in the industry and also work together with authorities to make short-term letting work well in the localities.

We will look to return to Scotland later in the year after the Scottish government has released its report. We would be very happy to engage with you further on these issues at that time.

In the meantime, please of course feel free to get in touch with us if you ever have any questions.

All the best,

[REDACTED]

This email has been scanned by the Symantec Email Security.cloud service.
For more information please visit <http://www.symanteccloud.com>

An example of a Short term letting Policy

STAA members want to ensure the safety, security and respect for neighbours and common parts of shared buildings. Below is a set of recommended principles for building managers to implement as a best practice policy. These principles ensure a balance between homeowners being able to take advantage of the benefits of short-term rentals within the legal limits, while ensuring that they are in full compliance with the law, respecting the building and the neighbours.

If you live in a communal building, and you wish to engage in short-term rental activity, the following rules will apply:

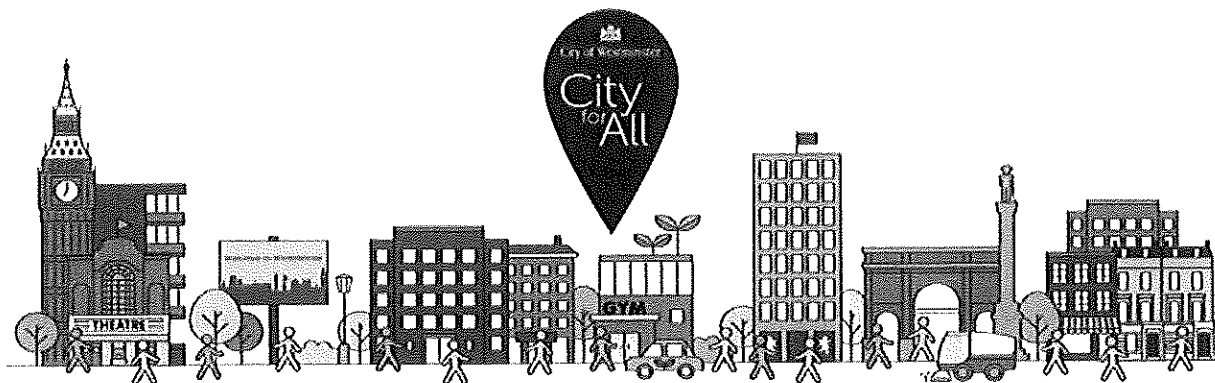
- You must register with the building manager that you are engaging in short-term rental activity, who your provider is, and which site(s) the property is listed on.
- Someone must be in London and on call 24x7 in case of any issues and this company or person and their contact details must be registered with the building in case of any issues.
- Any short-lets must be by way of a license only and should not create a landlord and tenant relationship.
- Guests should be screened in advance with personal ID checks on arrival and copies of ID documents saved for all people staying (this is a health and safety requirement).
- Only the individuals named in the original booking are allowed in the development during the stay (and all ID's are checked before keys to the building are handed over).
- You must follow all health and safety requirements and have a current gas safety certificate, fire extinguisher, carbon monoxide detector, smoke alarm and first aid kit in the flat.
- You must have insurance that covers 3rd party liability due to any actions of the guests (including accidental damage).
- Porters should not be asked to manage any guests, from meeting them, to handing over keys etc. or to provide support to your guests in any way.
- If a building fob is lost or not returned by a guest, please advise the building management to ensure it is deactivated. All costs for replacement will be borne by the flat owner.
- No bookings of less than 3 nights should be taken to avoid extremely high turnover of people into the building and the security risks this poses.
- London legislation states that you may only conduct short-lets up to a maximum of 90 days per year for a home (above which planning permission from the council is required). You must be in compliance with the law.

www.gov.uk/government/news/boost-for-londoners-as-red-tape-slashed-on-short-termlets

This agreement will work on a honour system after hosts have registered. Building managers reserve the right to ask for evidence of compliance with the above rules. Building managers may take appropriate legal action if continued breach of the rules is identified. Responsibility for compliance with the above rules lies entirely with the owner of the property. Please note:

It is your responsibility to ensure you are meeting all the requirements as the leaseholder if you are electing to do or allow short-term lets in your flat.

STAA recommends that managers of communal buildings adopt the above policy which allows homeowners to benefit from additional income by renting out part or all of their homes, whilst ensuring that such activity does not compromise the security of the building or the quality of life of neighbours.



CONSIDERATE NIGHTLY LETTING

A Westminster City Council Best Practice Charter in Association with STAA

Introduction

Westminster's Nightly Letting Sector (also known as Short Term Lettings) is vibrant and growing following the recent success of online platforms (such as Airbnb, UndertheDoormat, HomeAway etc.), whose services make it possible to let properties at short notice and for a few weeks or just a few days at a time. Westminster is proud to be the central location for this exciting, fast paced and lucrative market, and we recognise the significant positive value it brings to our City. Homeowners are able to benefit from a new source of income whilst presenting holidaymakers and business travellers with an affordable and comfortable alternative to hotels and hostels.

We know that most homeowners who let on this basis do so within the law and maintain excellent standards. However, in some cases it can be unlawful (whether intended or unintended), and when poorly managed can impact adversely on the quality of life and comfort of neighbouring residents. Westminster City Council in partnership with the Short-Term Accommodation Association (STAA) are committed to tackling these common industry challenges and are working together towards a stable and supportive regulatory environment that promotes the UK as a global leader in the provision of short-let accommodation. In doing so we have developed this Considerate Nightly Letting Charter which defines the parameters of the law, and sets out a gold best practice standard to which all freeholders, property owners, managing agents, and hosts engaging in this activity have a shared responsibility to uphold.

Considerate Nightly Letting Best Practice

If you are the property owner or managing agent (host) you should...

- Ensure you meet all legal requirements for short-term letting
- Make sure you know who is in your property by meeting the guests and ensuring keys are only handed to people whose ID is verified.
- Provide an emergency contact to your guests, reachable 24x7.

- Provide a Code of Conduct for your guests, which should include and promote mindfulness of neighbours. For example, remind guests not to knock on neighbour's doors or buzz them to provide access to the communal areas, and to keep noise to a minimum, particularly outside of daytime hours.
- Ensure you relay your building's common area rules to your guest
- Notify your neighbours that you will have guests, and provide them with a contact number should any issues arise
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- Clearly describe rubbish collection dates and recycling policy to guests

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Contact Us

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Accreditation Information



Accreditation Information

Safe, Clean and Legal™

This accreditation is designed for entry level hospitality accommodation products offering confidence and reassurance to your customers when making buying decisions.

The accreditation is suitable for entry level hospitality products, when quality (star) ratings may not be relevant or applicable. The accreditation works for home stay type of accommodation and the private rental sector, the object being to reassure potential guests that simple checks ensuring the viability of your product (and reliability of the information provided) has been carried out by an independent 3rd party.

Safe and Legal Requirements

Do you comply with the Regulatory Reform (Fire Safety) Order October 2005?

- Fire Risk Assessments are required to comply with the Regulatory Reform (Fire Safety) Order 2005. We recommend this is written and reviewed annually.
- Does all your furniture and furnishings comply with the Furniture and Furnishings (Fire Safety) Regulations?

Have you undertaken a Health & Safety Assessment of your property?

- Health & Safety, relating to your guests, staff and general practices, including electrical safety from initial safe wiring through to small appliance testing (PAT).
- Check the small print on your mortgage and insurance documents, many insurers may state that if there is a fire as a result of an electrical fault your policy is null and void if this has not been carried out.
- Has your mortgage lender approved the change of use for the property?
- Does your leasehold or Tenancy Agreement allow you to rent out your property? Are appropriate checks and tests carried out as required for private water supplies?

Provide a carbon monoxide detector in every room where gas or oil burn, in rooms where there is an open fire or wood burner. A detector should always be placed in a kitchen, when used by the guest, unless all appliances are electric and in rooms where central heating boilers are housed. Gas safety certificates will also be required where applicable.

Do you have Public Liability Insurance?

Please note prior to assessment you will be asked to upload a copy of your certificate of insurance as evidence.

Do you have House and Contents insurance, covering you for damage by paying guests? Do you provide food/drinks for guests?

Food Safety/Hygiene. If you produce and serve food (regulations include the term "food" as service of drinks too) to your guests you must register with your local authority.

It is also highly recommended that food handlers should also have a basic food hygiene certificate.

Allergies and Food Labelling. When serving food, including pre-packaged or special recipe foods purchased from trade such as butchers, bakers etc. you must be able to show a list of ingredients highlighting the 14 allergen groups if contained.

Licenses for serving alcohol to the public, special events etc. This includes complimentary drinks, bottles of wine and any alcohol served. However there is some leniency within the law for small businesses, including alcohol within an accommodation package or selling small quantities.

Other Safe and Legal Considerations

Change of Use Planning. Have you clarified with your local authority as to whether "change of use" planning permission is required? If so, has it been granted?

Data Protection Act 1988 (DPA). Holding and use of personal information soon to be replaced by the new EU General Data Protection Regulations (GDPR) effective from 25th May 2018, review and take advice on storage of any data that you collect.

Equality Act 2010. Please consider an access statement.

Consumer Protection from Unfair Trading Regulations 2008. Ensure descriptions of your product / property are accurate.

TV Licences are required for Self-Catering, B&Bs and Hotels, if providing private lets it is advisable to include a note in your letting contract which clarifies that the tenant must provide their own TV licence.

Other Licenses which your business may require if playing pre-recorded music, movies, live music and entertainment to the public are PRS (Performing Rights Society), PPL (Phonographic Performance Ltd) and MPLC (Motion Picture Licensing Company).



Accreditation Information

Excessive noise or nuisance issues are generally dealt with by local councils or the police in extreme circumstances, owners should take reasonable steps to ensure their guests do not create disturbances or disruption to their neighbours.

Furniture, Facilities and Equipment

- Are garden ponds fenced, if you take children and pets?
- Any additional equipment offered for children including cots, highchairs, bunk beds and temporary beds should comply with British Safety Standards.
- Do you have a handrail fitted to staircases?

Cleanliness and Hygiene

Guests will forgive a little wear and tear, but poor cleanliness is unacceptable.

Attention must be given to all areas and items involving direct contact with guests, such as bedding, linen, towels, baths, showers, washbasins, WCs, flooring, seating, crockery, cutlery and glassware. All should be cleaned and checked thoroughly between lets. Guests don't want any reminders of other guests!

Ensure that all properties are thoroughly cleaned throughout, before each new let, irrespective of whether the previous guests have left it looking spotless prior to departure. Broken or damaged items should be replaced.

The assessor will thoroughly check all areas that a guest may use and subsequent complaints from guests could result in a (paid) revisit for reassessment or a withdrawal of accreditation.

Communication with Guests

All advertising and pre-booking information must make clear to guests exactly what is included in the prices quoted for the property including service charge, taxes and other surcharges, e.g. electricity, fuel, towels, cots, pets etc.

Full details of accommodation, including sleeping arrangements (double, twin, bunk beds, sofa beds) and bathrooms (bath or shower, shared, private, en-suite) provided in all communications.

Any in-house policies, e.g. no smoking, no pets etc. must be communicated at the time of booking.

Inform guests prior to booking, of charges for additional services or facilities available, including cancellation terms, housekeeping and/or breakage deposits.

Robust vetting is recommended to ensure properties are for a home stay experience and communication is clear with respect to considerations around neighbours and community.

Scoring for Safe, Clean and Legal™ Assessment

Safe, Clean and Legal™ is a pass or fail scheme. Operators can subscribe online or over the telephone. You will be asked to upload your Fire Risk assessment and Public Liability insurance certification on application in order to qualify for a visit. Once certification has been uploaded, an assessor will arrange to visit in order to accredit the property.

A Checklist to work through before applying for Assessment

- Do you have public liability insurance?
- Do you have building and contents insurance that covers damage by paying guests?
- Has your mortgage lender approved the change of use for the property?
- Does your Leasehold or Tenancy Agreement allow you to rent out your property?
- Have you clarified with your local authority as to whether "change of use" planning permission is required?
- If you provide food and/or drinks for guests, have you registered with your local authority?
- Do you have a hotel TV licence?
- Do you comply with the Regulatory Reform (Fire Safety) Order 2005?
- Have you undertaken a Health and Safety Assessment of your property?
- If you have gas, has the boiler, and all gas appliances, been checked by a registered "Gas Safe" engineer within the last 12 months?
- Do all Furniture and Furnishings comply with the Furniture and Furnishings (Fire Safety) Regulations?

MEETING WITH SHORT TERM ACCOMMODATION ASSOCIATION (STAA)

Thursday 6 September 2018, Victoria Quay

Present:	[Redacted]	SG (Chair)
	[Redacted]	SG Tourism
	[Redacted]	[Redacted] STAA
	[Redacted]	Airsorted
	[Redacted]	SpotHost

1. Following on from previous meeting between SG and STAA on 26 June 2018, STAA were keen to catch up with SG. STAA were interested in the work of the SG Short Term Lets Delivery Group as well as discussing the wider activity in the sector. They were opposed to Andy Wightman MSP Stage 2 amendments to the Planning Bill, which they saw as problematic, and interested in the August 2018 discussion on the control of Short Term Lets (STL) by the City of Edinburgh Council.
2. SG opened by highlighting that the Programme for Government published on 4 September 2018 committed SG to working with local government, communities and business interests to ensure that local authorities had the appropriate regulatory powers to allow them to take the decisions to balance the needs and concerns of their communities with wider economic and tourism interests. The work would be taken forward by the SG Short Term Lets Delivery Group (STLDG) in a principle-led, evidence-driven approach.
3. STAA were interested in what challenges the STLDG were seeking to address – e.g. the concerns expressed in other cities on the relationship between the growth of STL and a perceived longer-term impact on housing supply. SG was clear that, whilst this was one of the issues to be addressed in the work of the STLDG, the Group was keen to adopt a holistic approach – recognising the complexity of, and connections between, housing and the visitor economy. SG noted an important principle of making full use of the housing stock, so regulation that had the effect of making houses unused for part or all of the time was in no-one's interest.
4. STAA welcomed the holistic approach proposed for the STLDG – and repeated they would be keen to engage with the STLDG at a relevant stage. STAA stressed that the STL market often operated on what could be called professional / commercial and amateur levels, the former of which they had some concerns about. Therefore, there needed to be a proportionate and effective regulatory approach, which distinguished between these two types of operator.
5. SG wanted to make use of existing systems and definitions, where possible, in terms of any approach to regulation and enforcement. For example, residency was defined and enforced by HMRC for income tax purposes. In terms of trying to distinguish between commercial and amateur operators, STAA highlighted

the possible use of distinctions already made in: different availability to let ratios for Non Domestic Rates; VAT thresholds; Small Business Bonus Scheme; etc.

6. The recent report of the Common All Party Parliamentary Group for Tourism, Leisure and the Hospitality Industry was discussed, in particular their proposal to make use of the 1969 Tourism Development Act. This sought to empower national tourism bodies to undertake regulatory action. SG was not taking a position on the proposal.
7. STAA also reported on members' experience regarding the 90 day limit in London. Members were reporting that, despite the option for council to grant planning permission for letting over 90 days, London councils were operating a blanket ban on granting lets over 90 days. If this were the case, then STAA regretted such a stance by London councils. STAA considered that a 90 day limit: did not address the problems posed by short term letting; was hard to enforce; and arbitrary. SG agreed that a day limit had these drawbacks.
8. STAA were expanding on their previous work with Westminster Council. Additional steps included publishing a Buildings Charter for the City of Westminster area, passed to all building managers. This set out a list of suggested actions and best practice examples. It would never be a definitive document with legal status, but it was seen as helpful to nudge behaviour as well as offer a guide. They were also going to issue a mailshot to all Edinburgh residents. Following the success in Westminster, STAA saw members seeking to roll it out in Bath and Manchester.
9. STAA were also working to introduce an accreditation scheme: one for hosts and one for businesses, such as SpotHost, which serviced the STL.

Action: STAA to pass on copies of relevant documents.

10. SG thanked STAA and undertook to alert them when STLDG moved into the engagement with stakeholders phase of work.

Action: SG to alert STAA to stakeholder engagement.

Meeting Ended

Tourism Team
September 2018

[REDACTED]

From: [REDACTED]
Sent: 13 September 2018 09:53
To: [REDACTED]
Cc: [REDACTED]
Subject: Thank you
Attachments: Considerate Short Term Let Charter - Final.pdf; Short Term Let Building Protocol final.pdf

Dear [REDACTED]

It was great to meet with you both last Thursday. We very much enjoyed the discussion and would like to thank you for your time and the coffees.

We promised to send you some information on some of the voluntary initiatives that we have put together in the last year. Attached you will find:

1. The Considerate Short-Term Letting Charter, which was agreed in conjunction with Westminster Council.
2. The Short Term Letting Building Management Protocol, which was also agreed in conjunction with Westminster Council.

As discussed, it would be great if we could achieve similar outcomes across Scottish Councils, and we have mentioned this to Edinburgh Council in our meetings with them.

If you have any questions on any of these documents, or anything else, please of course feel free to get in touch.

In our meetings afterwards it became apparent that MSPs on the Local Government and Communities Committee (including the Scottish Conservatives) are considering supporting Andrew Wightman MSP's proposed amendments to the Scottish Planning Bill. As we discussed, we think this would be very damaging to those short-letting on an occasional basis and will unfairly penalise those renting out whole homes or secondary residences versus those that let out a room in their primary residence.

We believe the Scottish government's approach to research issues relating to long term housing stock before recommending appropriate policy solutions is correct and we hope therefore that everything is done to stop these amendments progressing further. If we can be of help in this regard, please let us know.

We will likely return for further meetings in Edinburgh in November/December and we look forward to hopefully discussing developments with you further then, including our accreditation scheme which should be ready for launch at that point.

Best wishes,

[REDACTED]

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CONSIDERATE SHORT-TERM LETTING

A Westminster City Council Best Practice Charter in Association with STAA

Introduction

Westminster's short-term rental sector is vibrant and growing following the recent success of online platforms (such as Airbnb, UndertheDoormat, HomeAway etc.), whose services make it possible to let properties at short notice and for a few weeks or just a few days at a time. Westminster is proud to be the central location for this exciting, fast paced and lucrative market, and we recognise the significant positive value it brings to our City. Homeowners are able to benefit from a new source of income whilst presenting holidaymakers and business travellers with an affordable and comfortable alternative to hotels and hostels.

We know that most homeowners who let on this basis do so within the law and maintain excellent standards. However, in some cases it can be unlawful (whether intended or unintended), and when poorly managed can impact adversely on the quality of life and comfort of neighbouring residents. Westminster City Council in partnership with the Short-Term Accommodation Association (STAA) are committed to tackling these common industry challenges and are working together towards a stable and supportive regulatory environment that promotes the UK as a global leader in the provision of short-let accommodation. In doing so we have developed this Considerate Short-Term Letting Charter which defines the parameters of the law, and sets out a gold best practice standard to which all freeholders, property owners, managing agents, and hosts engaging in this activity have a shared responsibility to uphold.

Considerate Short-Term Letting Best Practice

If you are the property owner or managing agent (host) you should...

- Ensure you meet all legal requirements for short-term letting
- Make sure you know who is in your property by meeting the guests and ensuring keys are only handed to people whose ID is verified.
- Provide an emergency contact to your guests, reachable 24x7.
- Provide a Code of Conduct for your guests, which should include and promote mindfulness of neighbours. For example, remind guests not to knock on neighbour's doors or buzz them to provide access to the communal areas, and to keep noise to a minimum, particularly outside of daytime hours.

- Ensure you relay your building's common area rules to your guest
- Notify your neighbours that you will have guests, and provide them with a contact number should any issues arise
- Ensure a 'no party policy' and require guests to notify you of any additional guests who will be present beyond those who have booked your home
- Ensure you have insurance in place to cover the guest stays, including 3rd party liability insurance
- Clearly describe rubbish collection dates and recycling policy to guests

If you are the freeholder or building manager, you should...

- Ensure you meet all health and safety legal requirements
- Proactively ensure that property owners meet all their legal obligations by maintaining a register of properties engaging in Short-term Letting within the building
- Develop or adopt a protocol that sets out clear guidelines for hosts to follow (See the STAA best practice building protocol which we recommend as the standard)
- Report any known unlawful letting to Westminster Council
- Pursue any clear breach of lease where known, while keeping in mind that any legal fees must be in the interest of all leaseholders to spend common funds.

Why these guidelines are so important

Housing is in short supply in Westminster and therefore taking properties off the long-let market solely to let to tourists or business travellers all year round, has an impact on our overall housing availability for local people.

Neighbours and the community affected by irresponsible short-lets also report that they can be exposed to:

- poor waste management
- excessive noise
- reduced sense of community and security from high turnover of guests at all times of the day and night
- targeted abuse when trying to address issues, such as noise, directly with guests
- repeated requests from guests for access to the building through intercoms
- fire risks through suitcases blocking entrances and doorways
- sleep deprivation from homes being used as 'party venues'

When properly managed short-lets will avoid this impact and also bring positive benefits such as:

- an affordable and comfortable stay for guests
- bringing income to local businesses
- additional income for homeowners

The Law

If you are looking to let your home on a short-term basis, it is easy to assume that what is good enough for you as the homeowner is good enough for your guests. However, there are important steps which you must think through in order to check you have permission to share your home.

Who can let their home?

You are only able to let out your home and 'host' if:

- You are the property owner and eligible to pay the council tax
- You are the tenant who is eligible to pay the council tax and has the permission of the property owner
- You are a leaseholder whose lease does not expressly forbid this activity
- You are the managing agent acting on behalf of the property owner who pays the council tax
- You are not the council tax payer but have been granted planning permission to do so

You will also need to notify or request permission from the following depending on the terms of your agreements:

- Your insurer
- Your freeholder if you are a leaseholder
- Your mortgage provider if you hold a mortgage
- Your landlord if you are a tenant (this includes council tenants, housing association tenants and tenants who rent from a private landlord).

Length of lets

The Law¹ only permits short-term letting of properties for a cumulative total of 90 nights during a calendar year. If you want to let out your home for more than 90 nights in a single calendar year you must have planning permission, which can only be obtained via submission of a planning application. The submission of such an application does not imply that planning permission will necessarily be granted as each application must be determined on its individual merits having regard to relevant development plan policies and all other material considerations. The cost to make a planning application in Westminster is £462. It is not permissible to exceed the 90-night limit unless planning permission has been granted and failure to obtain permission may result in us taking enforcement action. (Please note that if you let out a house, a flat, or a room for an agreed period of more than 90 nights in a row to a single person or to people who live together as one household, then you are a residential landlord and subject to different conditions set out in landlord and tenant legislation). Any let of more than 90 days is not considered a short-let and you should refer to landlord and tenant legislation for guidance.

Health and Safety (including Fire Safety)

¹ Section 44 of the Deregulation Act amends Section 25 of the Greater London Council (General Powers) Act 1973 and permits the short term letting of properties subject to conditions set out in Section 25A (2) (a) and (b), which limits the short term let use to a total of 90 nights in any one calendar year; and in Section 25A (3) (a) and (b), which prevents the provision of a property for short -term letting, for any period, by anyone other than a person liable to pay Council Tax.

You must take measures to ensure that your home is free from hazards that may lead to potential accidents such as falls and electric shocks. Your home must also have the appropriate fire safety measures installed such as smoke alarms. Failure to comply with these standards will invalidate any landlord's insurance cover you have. It is a legal requirement that a risk assessment is undertaken to identify hazards that may cause harm and what action is required to reduce the risk. It is a good idea to keep a written record of this.

Consideration should be given to the fact that your paying guest may be vulnerable, for example, are windows restricted to prevent a child falling? Are handrails provided on all stairs?

Key health and safety considerations:

- **Electrical safety:** there is a duty of care to ensure electrics and appliances within the property are safe and it is recommended that the electrical installation is tested by a registered electrician if no inspection has been undertaken in the last 5 years.
- **Gas safety:** there must be a valid gas safety certificate issued in the last 12 months to ensure all heating and cooking appliances are safe.
- **Carbon Monoxide:** a carbon monoxide alarm should be provided. Consideration should be given to the fact that adjoining properties may pose a risk.
- **Fire:** a fire safety risk assessment should be carried out to ensure hazards are identified, controlled and reviewed. The common parts of a communal building are subject to the Fire Safety (regulatory reform) Order 2005 which places a duty on the responsible person for the building to undertake a competent risk assessment and act on it accordingly. Breach of fire and safety regulations puts guests and neighbours at risk of serious injury or death, and can result in a conviction with an unlimited fine.
- **Furnishings:** must have a permanently attached label to comply with The Furniture and Furnishings (Fire Safety) Regulations.
- **Security:** locks to doors and windows should provide appropriate level of security. Exit doors and escape windows should be capable of providing keyless exit in the event of a fire.

Anti-Social Behaviour

Behaviour that has a detrimental effect on the quality of life of those in the locality, is of a persistent nature, and is unreasonable can be addressed through the use of the ASB, Crime & Policing Act 2014. The Act allows for Tenants, Leaseholders, Freeholders and Managing Agents to be held accountable if it is found that they have the ability to stop the anti-social behaviour cited. Community Protection Notices can be served stating reasonable steps to be taken to stop the anti-social behaviour; a breach is a criminal offence and may carry a fine of up to £20,000 for businesses or £2,500.00 for individuals. If the anti-social behaviour persists or it is determined that the local community require immediate respite, the Council and Police can consider serving a Closure Order on the property for up to 6 months, restricting all access.

Environmental Protection (waste)

Residential waste is controlled through the Environmental Protection Act 1990. Residents have a responsibility to dispose of their waste responsibly, utilising the on-street collections and/or black bins within the City. A person guilty of an offence (including the presentation of waste at the incorrect time or location) is liable to a fine of up to £2,500 or prosecution.

Environmental Protection (noise)

Should a noise nuisance occur we have the powers under the Environmental Protection Act 1990 to serve a noise abatement notice, prosecute, and seize equipment.

Tax

The money you earn from hosting is income, and will be subject to tax. Depending on the amount you earn from hosting, it may need to be declared to HM Revenue & Customs. You can find details on the sharing economy [tax incentives](#) and how to [correctly account for tax](#) on the HMRC website.

The potential pitfalls of non-compliance

Breaching the 90-night limit or letting the property when you are not the Council Tax payer	<ul style="list-style-type: none">• Enforcement action which if not complied with may result in criminal proceedings, an unlimited fine, and/or a Local Land Charges record which could make the future sale or financing of the property more difficult.
Failing to effectively control guest behaviour	<ul style="list-style-type: none">• • Breach of lease covenants• Enforcement action• Closure orders
Failing to adhere to health and safety regulations	<ul style="list-style-type: none">• • Guests and Neighbours put at risk of serious injury or death• Penalty fines• Enforcement Action and criminal proceedings• Invalidation of insurance policies• Breach of mortgage terms• Breach of lease covenants

Contact Us

Westminster City Council has a dedicated team of Short-Term Let Officers. If you would like more advice, or if you have a concern please contact the team at: planningenforcementteam@westminster.gov.uk

Short-Term Lets

Building Management Protocol



Short-Term Lets are a great way for home owners to benefit from connecting with holidaymakers looking for the perfect accommodation. We know that most homeowners who let on this basis do so within the law and maintain excellent standards. However, there is a risk that when this type of let is not managed responsibly, it can cause problems with neighbouring properties including poor waste management, noise, anti-social behaviour, as well as security and health and safety concerns. This building management protocol therefore seeks to ensure a balance between home-owners being able to take advantage of the benefits of short term letting, whilst ensuring they are compliant with the law and respecting the building and comfort of neighbours.

When the protocol applies

This protocol applies if you own, rent, or manage a property in a communal building, and wish to let out your home on a short-term basis. Your lease or tenancy must not have covenants that forbid this activity, and you must be eligible to be the council tax payer. If you are not the council tax payer, you must apply for planning permission. If you are the council tax payer but not the property owner, you must get the property owners permission do so.

Host Responsibilities

- Every year you must notify your Freeholder or Building Manager if you will be engaging in short term rental activity. You should advise who your provider is and which site(s) the property is listed on.
- You must provide the Freeholder or Building Manager with contact details of someone who can respond to any issues or concerns whilst you are away, and who is available to be contacted 24/7.
- The law states that you can only let your home on this basis for no longer than 90 nights each year. If you wish to let your home for longer than the 90-night limit, you must apply to the local authority for planning permission.
- You must have 3rd party liability insurance to cover any damages incurred via the actions of guests.
- You must follow all health and safety regulations including: having a gas safety certificate, fire extinguisher, carbon monoxide detector, smoke alarms and first aid kit in the home.
- It is best practice not to take bookings of less than 3 nights to ensure your neighbours are not disrupted by a high turnover of guests.
- You should have ID verification and relevant details for each person staying for health and safety purposes.
- Porters should not be asked to manage any guests, from meeting them, to handing over keys, or providing support to your guests in any way. This is solely your responsibility, or your nominated managing agent.
- Building management must be notified of any keys/fobs not returned, or lost by a guest, so they can be deactivated. You must bear the costs for a replacement.
- You must provide a suitable means of waste disposal and ensure any guests are advised on appropriate disposal.
- Ensure that if you are working with a company for your short-term lettings that they are signed up to the Industry Code of Conduct. A full list of companies can be found [here](#).

Freeholder/Building Manager Responsibilities

- You should maintain a register of properties that are being short let, and contact information.
- You should provide oversight to ensure this protocol is complied with.
- You should escalate serious issues of breach of lease agreements through legal channels
- You should notify the homeowner where unlawful Short Term letting is suspected, and if not met with an appropriate response you must notify the local authority.
- You must ensure fire safety within the communal parts of the building.

Enforcement

Where a clear breach of the lease agreement is evidenced, Building Managers or Freeholders may pursue legal action and/or share this information with the local authority where appropriate. Where unlawful Short Term Letting is identified, the local authority will take enforcement action under the relevant legislation and may decide to prosecute in respect of serious or recurrent breaches, or where other enforcement action, such as statutory notices have failed to secure compliance.

Best Practice Guidance

For further information on the laws that surround Short-Term Lets and best practice guidance for letting your home on a short term basis please visit <https://www.westminster.gov.uk/nightly-letting>

SHORT TERM LETS – MEETING WITH SHORT TERM ACCOMMODATION ASSOCIATION - 1 NOVEMBER 2018

STAA: [Redacted] (STAA), [Redacted] (Airsorted), [Redacted] (SpotHost)

Scottish Government:

[Redacted] (Housing), [Redacted] (Tourism), [Redacted] (Planning)

SG- Explained Planning (Scotland) Bill position and potential limitations on action on the amendment at stage 3 – e.g. further amendment to refine/ remove.

Key point is how much progress the Short Term Lets Delivery Group can demonstrate before Stage 3 to demonstrate to MSPs' and others' the Scottish Government's commitment to take action. Stakeholders also have a role to play in showing confidence in the work of the Group.

Key to the Scottish Government's approach is identifying the desired outcome and then the solution, hence the need to speak to stakeholders and gather evidence first.

STAA – Happy with STLDG approach. They had met MSPs Graham Simpson (GS) and Andy Wightman (AW) that morning (and were to meet Labour party MSPs that afternoon). They advised that GS and AW felt things were not moving quickly enough.

Their members are mostly people renting a second property – not major players. These parties are not addressed in the amendment's exemptions from the new requirement for planning permission.

Exemption around those renting a sole or main residence should be extended and create a distinction between 'amateur' and 'commercial' operators

GS and AW recognise the amendment needs changes. They believe AW is open to amendments around extending the exemption as indicated, and to introducing definitions relating to the number of days properties are let on a short term basis.

STAA are concerned about calls for licensing beyond a registration type scheme, as local authorities with devolved power may pursue outright bans on short term letting in certain areas. STAA prefer a national scheme which authorities can relax if appropriate in their areas. Referred to the situation in London where boroughs can exempt themselves from the 90 day rule in planning.

SG – AW wants to meet [Redacted], so there will be a chance to see what outcome AW is seeking and whether there is anything the SG could do to persuade him to withdraw his amendment, and allow the Delivery Group to identify any legislative solutions.

Actions

1. [Redacted] to provide details of the four 'personas' used by Airsorted to classify clients who short term let: those working abroad temporarily but for no fixed

period; older couple with second property; professional landlord filling gaps between longer term tenancies with ST let; and those away regularly at weekends or on trips so short, intermittent periods during which ST let possible.

2. [Redacted] – to send data on numbers involved in renting secondary residences.
3. [Redacted] – to send any further STAA thoughts on how the provision in the Bill might be changed at Stage 3 to meet everyone's requirements.

[Redacted] (SG Planning)
2 November 2018

**SHORT TERM LETS
MEETING WITH SHORT TERM ACCOMMODATION ASSOCIATION
13 DECEMBER 2018**

Present:

- [Redacted], Short Term Accommodation Association (STAA)
 - [Redacted], Association of Scotland's Self Caterers (ASSC)
- (Apologies tendered on behalf of [Redacted], SpotHost who was unable to attend)

Scottish Government:

- [Redacted], Short Term Lets Delivery group
- [Redacted], Planning

Following introductions [Redacted] spoke about STAA's concerns about the amendment to the Planning Bill by Andy Wightman MSP which would require planning permission in order for premises to be used for short term holiday lets. STAA, ASSC & Airbnb were discussing a possible amendment to the amendment which would address their concerns. They were in contact with an MSP about this and hoped to be able to share the details of the amendment shortly. They were concerned that there should be a national framework which would produce consistency and not a patchwork approach. That said, they felt ideally local authorities should have to apply to Scottish Ministers to use controls based on the needs of their area. Any approach should be based on evidence of pressure.

STAA highlighted again their concerns about those with a second property who are 'amateur' short term letters, as opposed to commercial letting organisations, being caught by the amendment to the Planning Bill as currently drafted.

[Redacted (ASSC)] noted that an independent report had shown that short term lets had very limited or no impact on the housing market in Edinburgh, accounting for only 0.5% of the housing stock in Edinburgh. ASSC were preparing a paper which would put forward their proposals for the way forward – objective would be to produce solutions to ensure sustainability. The ASSC view was that the amendment to the Planning Bill was not evidence based – the suggestion was that a registration scheme would provide evidence to base decisions on. Any such scheme would need to take account of the individual days involved – would enable proposals to be based on facts & data. Proposals should be focused on the commercial end of the market.

Actions:

- STAA would be in touch about their proposed amendment to the planning Bill – [Redacted (Planning)] explained that the Parliamentary deadlines had not yet been agreed, but early sight of any proposed amendment would be appreciated
- ASSC would be in touch about their paper, setting out their proposals for the way forward on short term lets.