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Short-term rentals trade body warns that Scottish government's decision to approve Edinburgh Councils' control area application threatens to financially damage city's tourism economy

The UK Short Term Accommodation Association (STAA) has warned that the recent decision by the Scottish Government to approve the City of Edinburgh Council's application that the whole of the city be covered by a short-term let control area, despite the fact that, in some wards, short-term lets account for less than one percent of all housing stock, could damage the city's attraction as a tourist destination that would result in a decrease in the amount visitors spend there.

Earlier this year, the STAA wrote to the Cabinet Secretary for Housing, Shona Robison, to express its view that any short-term let control areas should be supported by robust evidence and that the Scottish Government should hold local authorities to a high standard of evidence before granting requests for control areas.

The Scottish Government has not heeded this advice and, instead, simply waived through the application without evidencing any robust process to examine whether a control area is justified. The control area comes into being on 5 September and the STAA believes that this could have dire consequences for Scotland's tourism industry.

It is also concerned about the lack of transparency surrounding the Scottish government's decision which could be seen as a dangerous precedent. It could lead to applications from other councils being approved unnecessarily because no robust evidence was presented. The association has urged the Scottish government to publish its decision-making process and the parameters that are going to be used to determine whether control areas will be accepted in the future.

Shomik Panda, director general of the STAA, said, "This is a worrying move by the Scottish government. Not only do we not agree with this decision, but we are also concerned that it has been made without an explanation or presented evidence. We genuinely believe that this will have a negative impact on Edinburgh's tourism economy and if rolled out to other areas of Scotland will further damage a valuable income stream as tourists will not have a large enough accommodation

inventory to choose from and will end up going elsewhere. In the current economic climate, where many accommodation operators are still recovering from the impact of COVID restrictions and with the impending cost of living crisis looming, the timing couldn't be worse. We urge the Scottish government to rethink its approach, otherwise we fear many businesses linked to tourism will not survive which will, ultimately, lose the Scottish government millions of pounds in lost taxation.

“We also encourage the Scottish Government to impose some parameters on what additional licensing conditions local authorities in Scotland can impose in order to prevent mass fragmentation across the country. We are now in a situation where Edinburgh Council is imposing further draconian requirements on license applicants, even after having essentially banned secondary letting in Edinburgh.

“We'd like to think that the devolved administrations in England and Wales will learn from Scotland's mistakes and work with the industry to design a workable set of regulations that tackle challenges without destroying the economic benefits that short-term rentals bring.”

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About the STAA

The UK Short Term Accommodation Association (STAA) supports the development of short-term accommodation in the UK, ensures greater co-operation in tackling common industry challenges and seizes shared opportunities. It seeks to work with all stakeholders towards a stable and supportive regulatory environment that promotes the UK as a global leader in the provision of short-term accommodation. Website: www.ukstaa.org.