

**CHANGE OF USE OF RESIDENTIAL
PROPERTY TO SHORT-TERM LET**

**FINALISED
NON-STATUTORY PLANNING GUIDANCE**

November 2023

Introduction

Tourism is a major economic driver in Perth & Kinross, and short-term lets are an important part of the visitor economy. The Council is, however, aware that some communities are becoming increasingly concerned that the increase in short-term lets over recent years is impacting on the availability and affordability of housing locally, and is having a secondary impact on jobs, services and business growth.

The short-term letting of a residential property can bring economic benefits both to the host and the local area. This must, however, be balanced against the impact the loss of that residential property has on the availability of housing for local people, affordable housing in particular, and the potential for adverse impacts on residential amenity where an increasing proportion of the housing stock becomes short-term lets.

The Council wishes to support a sustainable visitor economy and therefore recognises the importance of addressing the short-term let issue whilst also encouraging the development of appropriately located hotels, guest houses and bespoke self-catering units that do not erode local housing availability.

Definitions and Exclusions

The focus of this planning guidance is the material change of use of dwellings to short-term lets.

The **material change of use** of land or buildings is included within the definition of development even if there are no physical alterations to the land or building. Planning permission is always required for a material change of use. A change from a flat to a short-term let is always considered to be a material change of use requiring planning permission. For residential property, the significance of the change must be considered. There are several factors which may affect the Council's consideration of whether the proposed change is a material change of use. Factors include an impact on local amenity or the character of a neighbourhood or area, safety, and impact on immediate neighbours.

Short-term let is defined in the [Town and Country Planning \(Short-term Let Control Areas\) \(Scotland\) Regulations 2021](#) where all the following criteria are met:

- a) *“sleeping accommodation is provided to one or more persons for one or more nights for commercial consideration,*
- b) *no person to whom sleeping accommodation is provided is an immediate family member of the person by whom the accommodation is being provided,*
- c) *the accommodation is not provided for the principal purpose of facilitating the provision of work or services to the person by whom the accommodation is being provided or to another member of that person’s household,*
- d) *the accommodation is not provided by an employer to an employee in terms of a contract of employment or for the better performance of the employee’s duties, and*
- e) *the accommodation is not excluded accommodation.”*

The Regulations make several exclusions from the definition of a short-term let including hotels, boarding houses, guest houses and hostels. These are therefore not included within the scope of this Guidance.

While B&Bs are not specifically mentioned, the [Town and Country Planning \(Use Classes\) \(Scotland\) Order 1997](#) classifies these as ‘houses’:

“Use as a bed and breakfast establishment or guesthouse, where at any one time not more than 2 bedrooms are, or in the case of premises having less than 4 bedrooms 1 bedroom is, used for that purpose”

Any residential property being used as a B&B within the definition of ‘Class 9: Houses’ is therefore not included within the scope of this Planning Guidance.

For clarity other related definitions are:

Dwellinghouse or residential property is defined as an independent dwelling (with its own front door, kitchen and bathroom) being accommodation which ordinarily affords the facilities required for day-to-day private domestic existence such as a house, flat, cottage.

Secondary let - means the letting of a property where the host or operator does not normally live. The planning guidance cannot apply to Home-letting or Home-sharing (see below).

Home-letting - Defined in the short-term let licensing legislation means using all or part of your **own** home for short-term lets whilst you are absent, for example, whilst you are on holiday. Not included within the scope of this guidance.

Home-sharing - Using all or part of your **own** home for short-term lets, whilst you are there. Not included within the scope of this guidance.

Private Residential Tenancies are excluded under Section 26B(3) of the 1997 Act as they are not considered secondary accommodation because they are the principal home of the tenant.

Summary

The following are not within the scope of this planning guidance:

- Hotels, boarding houses, guest houses or hostels¹
- B&Bs
- Home-letting
- Home-sharing, e.g. renting out a room in your house
- Private Residential Tenancies
- Short-term lets which have already been granted planning permission

There may, however, be a need to obtain a short-term let licence. More guidance on this can be found on the Council's website: www.pkc.gov.uk/shorttermlets

¹ Which are within the definition Class 7 Hotels and hostels of the Town and Country Planning (Use Classes) (Scotland) Order 1997

Guidance

There is no specific policy in the current Perth and Kinross Local Development Plan 2 (LDP2) for the control of short-term lets. In terms of the Development Plan, the policy framework for assessing planning applications is therefore set out in the National Planning Framework 4 (NPF4), Policy 30: Tourism.

This planning guidance has been prepared to assist in the application of the policy framework set out in NPF4 and in the assessment of planning applications for the change of use of a residential property to a short-term let. The guidance applies across Perth and Kinross.

As indicated above, not all changes of use will require planning permission. More guidance on this can be found on the Council's website:

www.pkc.gov.uk/shorttermletsandplanning

If the residential property has been operating continuously as a short-term let for more than 10 years owners are eligible to apply for a Certificate of Lawful Use or Development (CLUD) which, if granted, would mean the use would be exempt from planning enforcement action.

If the use is not eligible for a CLUD and planning permission is required, the proposal must comply with NPF 4 Policy 30 e):

Development proposals for the reuse of existing buildings for short term holiday letting will not be supported where the proposal will result in:

(i) An unacceptable impact on local amenity or the character of a neighbourhood or area (considerations 1-4)

OR

(ii) The loss of residential accommodation where such loss is not outweighed by demonstrable local economic benefits (considerations 5-6)

Considerations

1. Where is the proposal located? Is it:

- Within the city centre or a town centre (as identified in the LDP2) where there is no adverse impact on amenity or character of the area?
- Within a settlement boundary (as identified in the LDP2) and located in an area where there is a mix of other uses which could already affect residential amenity?

- Within a predominantly residential area and there could be adverse impact on amenity for existing residents, particularly in blocks with shared / communal entry?
2. Does the proposal relate to a residential property with four or more bedrooms, and will there be no adverse impact on local amenity from noise or disturbance if the let is occupied by a group or more than one family?
 3. Is the proposal for the extensive refurbishment of a long-term empty property which will improve the area by bringing the building back into active use?
 4. Will there be no unacceptable impact from the proposal on local amenity or the character of the area?
 5. Is the proposal part of a diversification scheme to support an existing Perth & Kinross rural business in line with NPF4 Policy 29: Rural Development and Local Development Plan policy 8: Rural Business and Diversification?
 6. Is there anything which demonstrates that the loss of the residential accommodation will be outweighed by the benefits of the proposal to the local economy?

Proposals must also comply with all relevant LDP2 policies, in particular Policy 1 Placemaking: Development must contribute positively to the quality of the surrounding built and natural environment.

Short-Term Let Control Area

If any part of the Perth & Kinross Council area is designated as a Short-Term Let Control Area at any point in the future, all new proposals for the change of use of a residential property to a short-term let submitted after designation of the said Control Area will require planning permission.

Any short-term let that was operating lawfully within a Control Area prior to its designation will not be required to apply for planning permission retrospectively. Lawfully means any short-term let which either has planning permission or was operating in a manner that was not a material change of use and therefore did not require planning permission.