

12 SEPTEMBER 2022

PR 7-22 | SHORT TERM HOLIDAY LETS

The National Association of Local Councils (NALC) is the nationally recognised organisation representing and campaigning for the interests of the 10,000 parish and town councils and many parish meetings in England. Local councils are the backbone of our democracy and closest to local people, providing our villages, towns, small cities and urban neighbourhoods with a democratic voice and structure, now contributing in excess of £2 billion of community investment to support and improve local communities and deliver neighbourhood level services. There are 100,000 local councillors from all walks of life who are committed to public service. They also provide a pool of talent that provides benefits well beyond their own communities.

NALC would like to draw the attention of the Department for Culture, Media and Sport and to the following:

- Any review of regulation or other solutions surrounding short term holiday lets must include mandatory registration and strengthened legislation to bring short term holiday lets under the same ambit of regulation as other landlord systems. Powers of local inspection and monitoring must be delegated to local licencing departments in order to achieve this.
- NALC definitely considers the increase in short term and holiday letting in England to have had adverse consequences in the housing market – this has been a major problem for most parished areas we heard from, especially in coastal towns and rural areas.
- NALC definitely considers noise, anti-social or other nuisance behaviour in other short term or holiday lets in England to be a major problem currently – this has been a huge issue for most of the local (parish and town) councils we heard back from.
- NALC also certainly considers that the increase in short-term and holiday letting in England has had other definite adverse impacts on local communities and residents – this has been confirmed by almost all the local councils responding to NALC.
- We think that of the options provided - developing a licencing scheme with physical checks of the premises - is the most appropriate form of response in the short-term letting market.
- We consider that much of the enforcement of developing a licencing scheme with physical checks of the premises can be conducted at the cleaning / check-in / check-out process for many short-term holiday let

premises. Detailed records should be sent electronically to a central database and a system of spot-checks put in place, paid for by a levy on the property and included in the tax return. We think the legalities will need serious investigation as some local landlords apparently claim that the historic land registry data covers the leasing of property as well as ownership.

- We do think that a licensing and registration system with physical checks of premises should be introduced with quick and easy ways to enforce and implement that. Such a system of licensing should be overseen by local licensing departments as an appropriate responsible body.
- We are concerned that short-term holiday lets tend to fall outside the local taxation system. They do not pay council tax, and so local residents in effect have to pay for the facilities which these lets enjoy, and any clear-up of litter from them. They also tend to be exempt from paying business rates, as their rateable values fall beneath the requisite threshold.
- We know that the numbers of second homes in the UK is significantly lower per head of population than many other European countries but in many other countries, they are not competing with local residents for the same property. Whilst this is only a major problem in some areas, but where this is the case there are significant issues.

NALC's responses to the main consultation questions germane to local councils are as below:

Effect on labour supply

Q6. Do you consider the increase in short term and holiday letting in England to have had adverse consequences in the housing market?

Option 1 Yes this is a major problem

Option 2 Yes but this is only a minor problem

Option 3 No there is no problem

Please provide evidence in brief to supplement your response.

Option 1 Yes this is a major problem.

NALC certainly considers the increase in short term and holiday letting in England to have had adverse consequences in the housing market – this has been a huge problem for most parished areas that NALC received responses from, especially in coastal towns and rural areas.

If housing units are removed from the market, they become only available to certain purchasers. There can be no natural change of ownership through jobs and relocation, change in size of family, then the market will be affected as available housing stock will be reduced and prices will go up.

The growth in the number of short term housing let properties forces up house prices and so deprives residents of potential homes. Low levels of income with a lack of social building schemes often force young people to seek and rely on the rental market.

Investment properties are generally not available for first time buyers and affordable housing is limited, and not affordable. The short term holiday let cash buyers / second home purchasers are at the head of the queue and planning applications considered by local councils (where they have been notified of them by their planning authority) often contain extensions and expansions of back areas in small yards for 'workshops' 'studios' 'gyms' that are extra bedspaces, resulting in overcrowding and unmonitored properties without fire escapes and other hazards.

Noise, anti-social and other nuisance behaviour by guests

Q7. Do you consider noise, anti-social or other nuisance behaviour in other short term or holiday lets in England to be a problem?

Option 1 Yes this is a major problem

Option 2 Yes but this is only a minor problem

Option 3 No there is no problem

Please provide evidence in brief to supplement your response.

Option 1 Yes this is a major problem.

NALC has been informed by local council respondents that in general it seems that casual visitors and absent owners have no interest in good neighbourly relations with residents living adjacent to or near short term let properties. This, we hear, can be particularly invasive when some residents are literally sandwiched between two short term holiday lets, often with such neighbouring properties being overdeveloped into the bargain.

We believe that sometimes short term holiday lets can shipwreck the ideas of community and neighbourliness in certain (often coastal) towns where there is a preponderance of these properties. This is often because many properties in coastal towns and rural areas are bought by outsiders to become short term holiday lets (freezing local purchasers out of the market) and these spaces are

then subsequently left unused for five months a year, adding to the feeling of local irritation and annoyance.

Several respondents have told us that people who visit short term holiday lets can sometimes show scant concern for the people who live in the same street, playing loud music beyond midnight, returning from pubs, bars and clubs shouting and engaging in raucous behaviour until the early hours of the morning.

Almost all respondents have said to NALC that the social and economic impacts on the local letting market especially for young families and adults of unregulated short term holiday lets are corrosive and fracturing the community infrastructure of their place.

Impact on local communities and residents

Q.8 Aside from the impacts on housing and incidents of anti-social / nuisance behaviour, do you consider the increase in short-term and holiday letting in England to have had other adverse impacts on local communities and residents?

- **Option 1 - Yes**
- **Option 2 - No**

Please provide evidence in brief to supplement your response.

Option 1 – Yes.

A major problem is the 'wear and tear' on the local infrastructure, roads, services, and amenities. Holiday lets are often 'bed-rich', accommodating more people than would happen under usual letting regulations.

The impact on the street scene after change over days often means the visitors leave domestic rubbish in front of their houses. Narrow streets become unsightly with spilled rubbish and foodstuffs targeted by seagulls and foxes that local people understandably resent. Other routes for disposal mean litter bins in coastal towns and rural areas can become full of domestic waste and overflow. Many landlords rely on local cleaning agencies and do not visit their properties, do not leave meaningful instructions so visitors leave their rubbish disposal to someone else.

Rubbish disposal arrangements need to be applied with short term let property owners paying charges for the extra cleaning and disposal required.

Potential impacts

Q9. Which of the following do you consider to be the most appropriate form of response in the short-term letting market?

1 - Do nothing

2 - Provide more information to the sector

3 - Develop a self-certification registration scheme

4 - Develop a registration scheme with light-touch checks

5 - Develop a licencing scheme with physical checks of the premises

6 - Regulatory alternative to a registration system, such as extension of the Deregulation Act 2015

Please provide evidence in brief to supplement your response.

5 - Develop a licencing scheme with physical checks of the premises

We have been informed that often the owners of short-term holiday lets issue misguided and inaccurate descriptions of what to expect from their properties – many are unclean, unfit to live in and substandard.

We have also been informed that as we emerge from COVID-19, some short term let property owners are still expecting visitors to pay extra cleaning charges which are now not required and surplus to need. This reinforces the need for a licencing scheme with physical checks.

We have been told by respondents that, increasingly at planning level, small, private units are coming on the market, but hotel-sized facilities have been closing. It is also noticeable that bed availability extends, increasingly, into attic space but there is little space for fire escape routes.

Garages with residential accommodation are another feature. These structures are difficult when it comes to good neighbourhood relations as next-door gardens are overlooked and outdoor space loses privacy. Some accommodation being converted for holiday letting is aimed at the 'party market'. This leads to nuisance in residential areas, and with more people working from home the anti-social nature of these lets is an increasing problem.

It is NALC's view that there needs to be some level of regulation to ensure minimal health and safety standards are maintained. We would expect inspectors to see items such as fire blanket / extinguisher and safety instructions as a minimum. These should always be physically checked. We think that all such lettings should be required to register with the local authority and seek official consent to operate what is effectively a business.

Question 10: What do you consider to be the costs and associated burdens of these options, who would bear the costs and how might they be mitigated?

As above - much of the enforcement of question 9 option 5 can be conducted as part of the cleaning / check-in / check-out process. Detailed records could be sent electronically to a central database and a system of spot checks put in place, paid for by a levy on the property and included in the tax return.

We think the legalities will need serious investigation as apparently some local landlords claim that the historic land registry data covers the leasing of property as well as ownership.

Should you require any further information on this response please do not hesitate to contact Chris Borg, policy manager, on 07714 771049 or via email at chris.borg@nalc.gov.uk . © NALC 2022