



Introduction of a use class for short term lets and associated permitted development rights

Consultation response

Consultation URL

<https://www.gov.uk/government/consultations/introduction-of-a-use-class-for-short-term-lets-and-associated-permitted-development-rights/introduction-of-a-use-class-for-short-term-lets-and-associated-permitted-development-rights>

Consultation questions

Question 1: Do you agree that the planning system could be used to help to manage the increase in short term lets?

Don't know.

While we recognise there may be localised problems with housing supply affecting certain local communities we are not aware of any clear evidence of the impact that short-term let properties specifically are having on the situation. It is likely that a lack of house building is a far more important factor.

We are also not aware of any research done in advance of this proposal as to how planning authorities may use this change to manage housing supply in their local area. Accepting that the Government may receive some evidence as part of this consultation it is nevertheless hard to judge from this remove whether the planning system changes proposed, or the planning system in general, is well-placed to have an effect or what kind of effect on the supply of housing and on the business that rely on tourism accommodation it could have.

Question 2: Do you agree with the introduction of a new use class for short term lets?

No.

Certainly not at this stage.

We do not think the case has been made, backed up by evidence, of the impact of short-term lets and what impact this change would have. Without that data it is hard to support such a change which could have a significant negative impact on the visitor economy.

The fundamental issue which the Government appears to be trying to address is a lack of housing stock in totum. There is a danger that a new use class will simply trade a shortage in one class for a shortage in another.

See also our response to Q16 regarding the sequencing of this policy vis-à-vis the implementation of a statutory registration scheme or short-term lets.

Question 3: Do you agree with the description and definition of a short term let for the purpose of the new use class?

Yes

Question 4: Do you have any comments about how the new C5 short term let use class will operate?

Yes.

Clarity will be needed regarding how the system will deal with properties which are undergoing refurbishment or are empty, especially at the point of classification.

There should also be an extended period after the point of classification where errors made by the planning authority in classification can be addressed and rectified without having to go through the planning application process (where an article 4 direction has been made).

Question 5: Do you consider there should be specific arrangements for certain accommodation as a result of the short term let use class?

No

Question 6: Do you agree that there should be a new permitted development right for the change of use from a C3 dwellinghouse to a C5 short term let (a)

Yes.

If the new use class is introduced it is vital it is associated with a new permitted development right so that planning authorities must use an article 4 direction to restrict changes. Crucially, an article 4 direction is required to “be based on robust evidence, and apply to the smallest geographical area possible.” It is important that this tool, if it be implemented, be used judiciously to ensure no adverse impact of the supply of tourism accommodation which is crucial to the functioning of local visitor economies, and no wider an area be covered than absolutely necessary.

In the vast majority of cases there would be no concern with the letting of properties, and the planning system should not be used where this is the case. Flexibility should be maintained unless there is significant and robust evidence of a problem that needs to be addressed.

Question 7: Do you agree that there should be a new permitted development right for the change of use from a C5 short term let to a C3 dwellinghouse (b)

Yes.

As above.

It is crucial that these reclassifications are treated equally. If we have an imbalance in the system whereby properties can freely move from C5 to C3 but not from C3 to C5 we will see a ratcheting effect – a one way street where there will be a constant and never changeable movement of properties away from the visitor economy.

Question 8: Do you agree that the permitted development rights should not be subject to any limitations or conditions?

Yes.

For the vast majority of England where there is no problem which this policy seeks to resolve, it is important to ensure there is no additional bureaucratic burden and that people have the freedom to move their properties between the use classes freely save where there is existing regulation in the planning system.

Question 9: Do you agree that the local planning authority should be notified when either of the two permitted development rights for change of use to a short term let (a) or from a short term let (b) are used?

No.

If the statutory registration scheme for short-term lets, subject to concurrent consultation, is instituted as we envisage, local authorities will be made aware of the location and nature of short-term lets through that scheme which will provide enough data for policy, planning and enforcement decisions to be taken without an additional requirement to notify a permitted change of use class.

Note also that there is no requirement to notify the planning authority when moving between C3 and C4 classes for instance.

Question 10: Do you have any comments about other potential planning approaches?

No

Question 11: Do you agree that we should expressly provide a flexibility for homeowners to let out their homes (C3 dwellinghouses)?

Don't know.

We recognise that having flexibility to let out a property is a good thing and will provide tourism accommodation to serve the local area, however this will create a two-tier system whereby property owners running an accommodation business could be subject to planning controls but other property owners may not. This seems to run counter to the idea that planning is based on the use and not the user.

Question 12: If so, should this flexibility be for:

- i. 30 nights in a calendar year; or**
- ii. 60 nights in a calendar year; or**
- iii. 90 nights in a calendar year**

Don't know

Question 13: Should this flexibility be provided through:

- i) A permitted development right for use of a C3 dwellinghouse as temporary sleeping accommodation for up to a defined number of nights in a calendar year**
- ii) An amendment to the C3 dwellinghouse use class to allow them to be let for up to a defined number of nights in a calendar year.**

Don't know

Question 14: Do you agree that a planning application fee equivalent to each new dwellinghouse should apply to applications for each new build short term let?

Don't know

Question 15: Do you agree with the proposed approach to the permitted development rights for dwellinghouses (Part 1) and minor operations (Part 2)?

Yes. Changing these development rights for short-term lets would have no positive effect on the material issue at hand regarding the supply of housing and simply hamper and require more bureaucracy for owners of short-term let properties for no good reason.

Question 16: Do you have any further comments you wish to make on the proposed planning changes in this consultation document?

Yes

Given the lack of evidence underpinning this potential change, and given that there is a concurrent consultation ongoing regarding the potential establishment of a statutory registration scheme which could

provide it, it would be prudent to wait until such a registration scheme is up and running and has gathered data before instituting this change.

If the Government decides to go ahead and make the legal changes sooner than that, the implementation should be held off until the registration data could be used to evidence potential problem areas.

The Government should commission research into the impact on the supply of tourism accommodation, and the associated impact on the visitor economy, that this policy will have, before any change is made. It is precisely in those areas where these powers are likely to be used where the local economy is heavily reliant on tourism. While it is reasonable for the Government and local authorities to want to balance the needs of the visitor economy and local facilities and housing, the two are interlinked and it is important not to throw the baby out with the bathwater. Supply of tourism accommodation supports the whole local visitor economy.

We strongly agree with the proposal that existing properties would not need to apply for planning permission if a reclassification to the new C5 class were required, although more flexibility will be needed to address errors and omissions made at the point of classification.

Question 17: Do you think that the proposed introduction of the planning changes in respect of a short term let use class and permitted development rights could give rise to any impacts on people who share a protected characteristic? (Age; Disability; Gender Reassignment; Pregnancy and Maternity; Race; Religion or Belief; Sex; and Sexual Orientation).

No

Question 18: Do you think that the proposed introduction of the planning changes in respect of a short term let use class and permitted development rights could impact on:
a) businesses
b) local planning authorities
c) communities?

Yes.

There could be significant impact on business. On top of the issues already identified there is significant potential impact on businesses which own and operate short-term lets. Depending on how planning authorities use these powers business could – even accidentally – find themselves classed as C3 with no ability to get into class C5 which would completely stop their business from operating.

There is a broader potential impact on an area's businesses in the tourism economy if the supply of tourism accommodation is artificially constrained by use of Article 4 directions. Again, we are not against the policy in principle, but such a change must not be implemented until the full impact can be properly predicted.

The tourism sector, including, for instance, visitor attractions, bars and restaurants, in key tourist destinations, rely on there being a good supply of tourism accommodation. In addition, the potential impact on events where short term accommodation is used by attendees and delegates, who often undertake extended stays, must be taken into consideration especially where there is a distinct lack of more traditional accommodation.

It would not be prudent, and would not meet the Government's objectives around economic growth, to see the tourism economy in local areas being hit in this way as a result of this policy.

In essence our advice to Government would be to slow down, commission some research, understand the impact this will have, use the evidence provided by the statutory registration scheme, and get a sense of how local authorities may use article 4 directions, before proceeding.