

Respondent Information Form

Please Note this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy:
<https://www.gov.scot/privacy/>

Are you responding as an individual or an organisation?

- Individual
 Organisation

Full name or organisation's name

Aberfeldy Development Trust

Phone number

n/a

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The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

- Publish response with name
 Publish response only (without name)
 Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

- Yes
 No

Summary Statement

Aberfeldy Development Trust support the introduction of any mechanisms to enable Councils to manage the number of second houses/holiday lets, to protect the local housing supply for long-term residents. We understand the importance of providing accommodation for visitors, however, this should be balanced with the housing needs of local communities. We believe that change is needed, robust and effective legislation will help safeguard our rural communities for the future.

The knock-on effects of second houses/holiday lets on rural Scottish communities is significant and results in:

- Increasing house prices;
- Decreasing long term rental stock;
- increases in rent paid; and
- A decline in local services.

These things are already impacting our community and we will detail the evidence to support this in the section **Background Information** below.

Changes to taxation is one measure that can support local communities to manage the numbers of second houses/holiday lets. It has the potential to influence ownership patterns and reduce the detrimental impact that too many second houses/holiday lets can have on the availability of houses to meet local need.

Aberfeldy Development Trust believe that a premium on council tax for second homes will also generate additional revenue that should be ring-fenced and used to benefit the local community where the second homes are located. This additional revenue could be used to fund community-led affordable housing with a rural housing burdens attached.

Second home owners should be able to make a contribution to the local area in which their accommodation is located and it will help to ensure that adequate housing supply remains for full time residents who are essential to keeping our rural communities alive and thriving.

Planning Reform

In addition to the tax changes proposed in this consultation , the Trust believe that more needs to be done to support the viability of local communities and protect them from further unsustainable growth in the numbers of second houses/holiday lets.

We note that

*“In October 2022 there were 18,290 self-catering accommodation units on the valuation roll for non-domestic rates across Scotland. This represents an **upward trend in numbers of more than 20% over the past five years**”.*

The Trust are concerned that this growth will continue unchecked without more changes in planning legislation. The Trust would support the creation of two separate use classes, one for permanent homes and another one for second houses/holiday lets. Property owners should be required to obtain planning permission to convert their property from a permanent home into a second houses/holiday lets in the future. This approach has been used in both Denmark, Norway and it is being implemented in Gwynedd in Wales.

Currently owners require planning consent to change purpose-built holiday accommodation into a permanent home, so we think this anomaly, where consent is required for change only one way and not the other, requires reform.

Small Business Bonus Scheme

Currently, owners of second homes can avoid paying council tax and access small business rates relief by letting the property out to holidaymakers.

We note that in your consultation document you note that

‘As at 1 July 2022, 88% (16,130) of self-catering accommodation units on the valuation roll were in receipt of SBBS relief at a cost of over £21 million. **The majority of these (96%) benefited from 100% relief and therefore paid no local tax**’.

Therefore a majority of self-catering accommodation is not paying any tax into the local economy. Aberfeldy Development Trust believe that self-catering accommodation owners as well as second home owners should be able to make a contribution to the local area in which their accommodation is located

The numbers that claim 100% relief and therefore pay no tax should be reduced. This would generate additional revenue that should be ring-fenced and used to benefit the local community where the businesses are located. This additional revenue could be used to fund community-led affordable housing with a rural housing burdens attached. This will help to ensure that adequate housing supply remains for full time residents who are essential to keeping our rural communities alive and thriving.

Background Information

The Aberfeldy Development Trust (ADT) is a community owned and led organization committed to the economic, social, cultural and environmental prosperity of Aberfeldy. By tackling our most pressing issues, we can create a town where people and planet thrive for generations to come. Everybody deserves a home. However at the moment our community is facing a housing crisis, and the reality of owning a home is getting harder to realize for so many.

The Situation in our Community

As outlined above the knock-on effects of second houses/holiday lets on rural Scottish communities is significant and results in increasing house prices, decreasing long term rental stock, increases in rent paid and a decline in local services. This is already happening in our community

Respondents to our recent Community Housing Needs Survey (CHNS) *Aberfeldy & Surrounding Area Community Housing Needs Survey (CHNS)*, Author: Communities Housing Trust & Aberfeldy Development Trust July 2022, raised the same concerns, namely:

- The number of homes in the area that are holiday lets and second homes;
- The lack of affordable housing options in the area; and
- High purchase price of homes on the open market making it difficult to get on to the housing ladder.

Lack of Available Homes

Our community, Rannoch & Aberfeldy has one of the highest percentages of second houses/holiday lets to permanent homes, at 23% (11th) in Scotland. However, a recent Guardian newspaper article listed Aberfeldy & Rannoch as having the highest concentration in the UK of Airbnb whole-property listings with 36 listed per 100 properties, so 36%.

*Guardian graphic. Sources: Inside Airbnb; Valuation Office Agency; statistics.gov.scot; Guardian research. Note *properties on the Council*

Tax Valuation Lists. Geographical units are 2011 Middle Layer Super Output Areas in England and Wales and 2011 data zones in Scotland

<https://www.theguardian.com/technology/2022/aug/10/i-wanted-my-children-to-grow-up-here-how-airbnb-is-ruining-local-communities-in-north-wales>

The Trust is concerned that there is now an imbalance in the availability of primary residences compared to second houses/holiday lets and that it is having a negative effect on our local economy and community.

Affordability – Lower than average wages and Higher than average house prices

The average house price in Aberfeldy over the last 12 months (2021/22) was £344,326, which is significantly higher than the Perth & Kinross Council average price of £196,000. 1 in 3 or 36% of the community are earning less than £25,000 a year (*PKC Local Housing Strategy briefing presentation*). Banks typically lend

around 3 to 4.5 times the borrowers income as a mortgage, this makes the homes in the area out with the reach of most average local households to purchase.

Economic Impacts on the Community

The CHNS in Aberfeldy highlighted that the lack of affordable housing options in the area is having a significant adverse impact on the growth and development of the local economy, with businesses being unable to recruit staff:

- Of the 68% of businesses that have had experienced problems recruiting / retaining staff due to a lack of suitable housing locally, this is a frequent and re-occurring problem for most businesses:
- Nearly 50% of businesses feel that their staff turnover is impacted by a lack of affordable housing;
- 68% of businesses currently have existing employees that have a housing need and require housing in the area. A total of 25 employees were identified from the survey that require housing in the area; and
- With nearly 70% of businesses hoping to expand in the future, a lack of workers locally and lack of affordable housing were identified as the two most limiting factors to business growth.

Demographics

The CHNS for Aberfeldy highlighted demographic issues:

- Nearly 20% of respondents are aged 60 or over and National Records for Scotland population projections for 2018 and 2028 estimate the 75 and over age group will see the largest percentage increase (+30.8%) in the coming years Perth and Kinross Council Area Profile (nrscotland.gov.uk);
- Data from the census also shows that the over 75 age range accounts for 11.1% of the population, compared to 6.4% for the whole of the Perth and Kinross area;

A Perfect Storm

Given the population projections for the area, there is a need to attract and retain economically active people, and those with children of school age, to sustain the local economy, services and the school roll, however the CHNS reflects that many people in our community are struggling to find affordable housing

- Nearly 70 % of respondents have tried to find housing in the area already but failed to do so due to not being able to find a suitable property in their preferred location or budget.
- There was also strong support for the statement that people have had to leave the area because they have not been able to find suitable housing. This is further evidenced by 43% of respondents

having direct experience of friends / family members having to leave the area because they could not find suitable housing.

- Both the residents and non-residents survey show a high demand for new housing in Aberfeldy and the surrounding area, both from existing residents looking to move home and people looking to relocate to live in the area.
- **203 households stated that they may need housing within the next 5 years:**
- **87% support the need for more affordable housing**

Feedback from Our Community

The community were asked to leave general comments as part of the CHNS and overall, the vast majority of comments raised the same concerns. Below is a short selection:

“The issue with housing in Aberfeldy is down to excessive numbers of second homes and holiday homes, most of which are empty during the week year round.”

“Aberfeldy is no longer a place where young people can afford to live - it's becoming a retirement village for wealthy second-home owners and people who buy up properties for tourism. The town is becoming hollow - good on the outside, but no vitality.”

“We have two adult children still living at home due to the lack of local affordable options - both have secured employment in the local area and contribute to the community...it is soul destroying to see them time and again putting in offers for houses and being out bid and a vast majority of the homes they have tried to buy becoming holiday accommodation. “

“We currently rent a property in the centre of town which is over £600 per month for just rent. We would absolutely love to buy our first home in the area, unfortunately the house prices and houses for sell as of late have not been affordable/suitable to us. If we are unable to find an appropriate house to buy, we will ultimately be forced to move away from the area, leaving our work with...’

“Making second home ownership less desirable has to be part of the solution.”

Questionnaire

Question 1

Do you think the current definition of a second home should continue to apply?:

More information:

For council tax purposes, the current definition of a second home is, 'a dwelling which is no one's sole or main residence and that is lived in for at least 25 days during the 12 month period of the council tax charge'.

Answer:

- Yes
 No
 Don't know

Please give reasons for your answer.

The Trust are concerned that this growth will continue and there needs to be changes in planning legislation. The Trust would support the creation of two separate use classes, one for permanent homes and another one for second houses/holiday lets. Property owners should be required to obtain planning permission to convert their property from a permanent home into a second houses/holiday lets in the future. This approach has been used in both Denmark & Norway and it is being implemented in Gwynedd in Wales.

Currently owners require planning consent to change purpose-built holiday accommodation into a permanent home, so we think this anomaly, were consent is required for change only one way and not the other, requires reform.

Question 2

Do you think the discount eligibility for job related dwellings and purpose built holiday accommodation is appropriate?:

More information:

Eligible job related dwellings and purpose built holiday accommodation are entitled to a council tax discount of 50%.

Purpose built holiday accommodation is defined as a dwelling that is used for holiday purposes and has a licence or planning permission limiting its use for human habitation throughout the whole year. An example might be chalets or other types of holiday accommodation that are either unsuitable to be occupied all year round (their construction may mean they are only suitable to be lived in during the warmer months) or are not allowed to be lived in all year due to planning, licensing or other restrictions.

Job-related dwellings are defined as homes owned by someone who has to live elsewhere for most or all of the time as part of their job, or the home the person occupies to undertake their job if the person has another home that is their main residence.

Answer:

- Yes
 No
 Don't know

Please give reasons for your answer.

The Trust supports the principle of purpose-built holiday accommodation that is used only for holiday purposes and has a licence or planning permission limiting its use for human habitation throughout the whole year. This use class does not remove permanent housing from the community.

However we do not support the use of discounts for holiday accommodation. We need all holiday accommodation to make an economic contribution to local communities to sustain local public services. The intention is that all second home owners be encouraged to make a contribution to the local area in which their accommodation is located.

Changes to taxation is one measure that can support local communities to manage the numbers of second houses/holiday lets. It has the potential to influence ownership patterns and reduce the detrimental impact that too many second houses/holiday lets can have on the availability of houses to meet local need.

Aberfeldy Development Trust believe that a premium on council tax for second homes will also generate additional revenue that should be ring-fenced and used to benefit the local community where the second homes are located. This additional revenue could be used to fund community-led affordable housing with a rural housing burdens attached.

Question 3

Do you think councils should be able to charge a council tax premium on top of regular council tax rates for second homes?

More information:

A premium is charging more than the full rate of council tax.

Answer:

- Yes
 No
 Don't know

Please give reasons for your answer.

As part of the limited changes that are proposed as part of this particular consultation the Trust supports that councils should be able to charge a council tax premium on top of regular council tax for second houses.

We need all holiday accommodation to make an economic contribution to local communities to sustain local public services. The intention is that all second home owners be encouraged to make a contribution to the local area in which their accommodation is located.

Changes to taxation is one measure that can support local communities to manage the numbers of second houses/holiday lets. It has the potential to influence ownership patterns and reduce the detrimental impact that too many second houses/holiday lets can have on the availability of houses to meet local need.

Aberfeldy Development Trust believe that a premium on council tax for second homes will also generate additional revenue that should be ring-fenced and used to benefit the local community where the second homes are located. This additional revenue could be used to fund community-led affordable housing with a rural housing burdens attached.

Question 4

If you have answered yes to question 3, what do you think the maximum premium councils could charge should be?

More information:

50% premium is the same as one and a half times the normal rate of council tax.

100% premium is double the normal rate of council tax

150% premium is two and a half times the normal rate of council tax

200% premium is three times the normal rate of council tax

250% premium is three and a half times the normal rate of council tax

300% premium is four times the normal rate of council tax

Answer:

- 50%
- 100%
- 150%
- 200%
- 250%
- 300%

Other (specify)

Please give reasons for your answer.

The Welsh Government has given local authorities the power to increase council tax on second homes by 300% and the Scottish Government should mirror this approach.

Question 5

What factors should be taken into account by councils when deciding whether to introduce a premium on council tax for second homes?

More information:

A non-exhaustive list of potential factors is set out below:

- numbers and percentages of second homes in the local area
- distribution of second homes and other housing throughout the council area and an assessment of their impact on residential accommodation values in particular areas
- potential impact on local economies and the tourism industry
- patterns of demand for, and availability of, affordable homes
- potential impact on local public services and the local community
- other existing measures or policies that are aimed at increasing housing supply and the availability of affordable housing

Councils may also decide not to use the powers or to disapply a premium for a specific period of time.

A non-exhaustive list of examples of where a council might consider doing this include:

- where there are reasons why the home could not be lived in as a permanent residence
- where there are reasons why a home could not be sold or let
- where the owner's use of their accommodation is restricted by circumstances not covered by an exception from the premium
- where charging a premium might cause hardship

Answer:

Please list the factors and provide reasons for your answer:

As outlined above our community is impacted by a combination of demographics, lack of available homes (between 36% and 23% Holiday Homes), lower than average wages and higher than average house prices have combined to create a crisis point that the community recognises. Therefore all these factors should be taken into account

However we would also add in to the factors the wishes of the community itself

Question 6

Not applicable

Question 7

Do you think councils should be able to charge a higher premium than the current 100% (double the full rate) of council tax on homes empty for longer than 12 months?

More information:

Councils currently have the discretion to charge up to 100% premium on council tax on homes empty for longer than 12 months.

Answer:

- Yes
 No
 Don't know

Please give reasons for your answer.

Given the housing crisis facing many rural communities across Scotland, it is important that the detrimental impact that empty homes can have on the availability of homes to meet local needs is tackled. A premium on council tax will influence ownership patterns and also generate additional revenue that can be ring-fenced and used to benefit the local community for funding community-led affordable housing in those areas

Question 8

If you have answered yes to question 7, what do you think the maximum premium councils could charge should be?

More information:

This question is asking what the maximum premium should be for homes that have been empty for longer than 12 months.

The current maximum is 100% premium, which is double the normal rate of council tax.

Answer:

- 150%
 200%
 250%
 300%
 Other (specify)

Please give reasons for your answer.

Given the housing crisis facing many rural communities across Scotland, it is important that the detrimental impact that empty homes can have on the availability of homes to meet local needs is tackled. A premium on council tax will influence ownership patterns and also generate additional revenue that can be ring-fenced and used to benefit the local community for funding community-led affordable housing in those areas

Question 9

Do you think there should be a stepped approach to charging higher rates of council tax on long-term empty homes?

More information:

By 'stepped approach' we mean only giving councils powers to charge higher rates of council tax the longer the home is empty. For example, 100% premium at 12 months, 200% premium at 2 years, 300% premium at 5 years.

100% premium is the same as double the normal amount of council tax.

200% premium is the same as three times the normal amount of council tax

300% premium is the same as four times the normal amount of council tax.

Answer:

- Yes
- No
- Don't know

Please give reasons for your answer.

Question 10

Are there any exceptions that are not already taken into account, that should be, when charging a premium of council tax on homes empty for longer than 12 months?

More information:

Current discretionary powers for councils to change council tax liability for empty homes

Status of empty home	Up to 6 months	6-12 months	12 months +	2 years +
No work underway and	Owner may apply for an	Discount can be varied	Discount can be varied between	Discount can be varied between

not for sale or let	unoccupied and unfurnished exemption	between 50 and 10%	50 and 10% or discount can be removed or premium of up to 100% can be applied	50 and 10% or discount can be removed or premium of up to 100% can be applied
If undergoing repair work to make them habitable	50% discount cannot be changed	Owner may apply for a major repairs or structural alterations exemption. Discount can be varied between 50 and 10%.	Discount can be varied between 50 and 10% or discount can be removed or premium of up to 100% can be applied.	Discount can be varied between 50 and 10% or discount can be removed or premium of up to 100% can be applied.
If being actively marketed for sale or let	50% discount cannot be changed	50% discount cannot be changed	50% discount cannot be changed	a premium of up to 100% can be charged

The current list of exemptions to council tax are:

Exemption	Period of Exemption
Dwellings last occupied by charitable bodies	Up to 6 months
Dwellings last occupied by persons living or detained elsewhere	Unlimited
Deceased owners	Unlimited up to grant of confirmation 6 months after grant of confirmation
Dwellings empty under statute	Unlimited
Dwellings awaiting demolition	Unlimited
Dwellings for occupation by ministers	Unlimited
Dwellings occupied by students, etc.	Unlimited
Repossessed dwellings	Unlimited
Agricultural dwellings	Unlimited
Dwellings for old or disabled persons	Unlimited

Halls of residence	Unlimited
Barracks, etc.	Unlimited
Dwellings occupied by young people	Unlimited
Difficult to let dwellings	Unlimited
Garages and storage premises	Unlimited
Dwellings of persons made bankrupt	Unlimited
Visiting forces	Unlimited
Dwellings occupied by severely mentally impaired persons	Unlimited
Prisons	Unlimited
Prescribed housing support services accommodation	Unlimited

Answer:

Please tell us about exemptions that you feel should apply and give reasons for your answer. Do not include exemptions that are already provided for.

Question 11

What factors should be taken into account by councils when deciding whether to introduce a premium on council tax for homes empty for longer than 12 months?

More information:

A non-exhaustive list of potential factors might be:

- numbers, percentages and distribution of long-term empty homes throughout a local area
- potential impact on local economies and the community
- patterns of demand for, and availability of, affordable homes
- potential impact on local public services
- impact on neighbours and local residents

Councils may also decide not to use the powers or to disapply a premium for a specific period of time. A non-exhaustive list of examples of where a council might do this include:

- where there are reasons why a home could not be sold or let
- where an offer has been accepted on a home but the sale has not yet been completed and the exception period has run out
- if the home has been empty for longer than 12 months but has been recently purchased by a new owner that is actively taking steps to bring the home back into use
- if an owner has submitted a timely planning application or is undergoing a planning appeal that is under consideration by the council or Scottish

Government. This means they cannot undertake work to bring the home back into use until that process is concluded

- where charging a premium might cause hardship or act as a disincentive to bringing the home back into use e.g. where extensive repairs are actively being carried out

Answer:

Please list factors and give reasons for your answer.

- where there are reasons why a home could not be sold or let
- where an offer has been accepted on a home but the sale has not yet been completed and the exception period has run out
- if the home has been empty for longer than 12 months but has been recently purchased by a new owner that is actively taking steps to bring the home back into use
- if an owner has submitted a timely planning application or is undergoing a planning appeal that is under consideration by the council or Scottish Government. This means they cannot undertake work to bring the home back into use until that process is concluded
- where charging a premium might cause hardship or act as a disincentive to bringing the home back into use e.g. where extensive repairs are actively being carried out

Question 12

Not applicable

Question 13

Do you think that the letting thresholds for self-catering accommodation for non-domestic rates should be changed?

More information:

The owners, tenants or occupiers of self-catering accommodation (who may be businesses, the public or the third sectors) may be liable for either council tax or non-domestic rates. This includes owners of second homes who use them for self-catering accommodation.

The current threshold for defining premises as self-catering holiday accommodation liable for non-domestic rates is it must be available to let for 140 days or more and actually let for 70 days or more in the same financial year.

Answer:

- Yes
- No
- Don't know

Please give reasons for your answer.

Small Business Bonus Scheme

Currently, owners of second homes can avoid paying council tax and access small business rates relief by letting the property out to holidaymakers.

We note that in your consultation document you note that

'As at 1 July 2022, 88% (16,130) of self-catering accommodation units on the valuation roll were in receipt of SBBS relief at a cost of over £21 million. **The majority of these (96%) benefited from 100% relief and therefore paid no local tax**'.

Therefore we think that the current threshold for defining premises as self-catering holiday accommodation liable for non-domestic rates is it must be available to let should be increased.

Question 14

If you have answered yes to question 13, what do you think the threshold for the number of days self-catering accommodation must actually be let for should be?

More information:

The current threshold is self-catering accommodation must actually be let for 70 days in the financial year.

Answer:

- 50 days
- 100 days
- 140 days
- 180 days
- Other (specify)

Please give reasons for your answer.

We note that in Wales, the minimum number of days a property is required to be made available to let in a 12-month period will increase to 252 days and the minimum number of days it is required to be actually let will increase to 182 days.

The Scottish Government should match the Welsh Governments approach

Question 15

If you have answered yes to question 13, what do you think the threshold for the number of days self-catering accommodation must be available to let should be?

More information:

The current threshold is self-catering accommodation must available to let for 140 days in the financial year.

Answer:

- 120 days
- 160 days

- 200 days
- 250 days
- Other (specify)

Please give reasons for your answer.

We note that in Wales, the minimum number of days a property is required to be made available to let in a 12-month period will increase to 252 days and the minimum number of days it is required to be actually let will increase to 182 days.

The Scottish Government should match the Welsh Governments approach

Question 16

Do you think councils should have discretion to change the self-catering accommodation 'days actually let' threshold, for their local area?

Answer:

- Yes
- No
- Don't know

Please give reasons for your answer.

Councils should have the power to increase the 'days actually let' threshold

Question 17

If you answered yes to question 16 do you think that councils should have discretion to:

Answer:

- Increase the number of days actually let only
- Decrease the number of days actually let only
- Increase or decrease the number of days actually let

Please specify if you think councils should have discretion to do something else

Please give reasons for your answer

Question 18

Do you have any other comments on the non-domestic rates system in respect of self-catering accommodation?

Answer:

Please provide your views

Small Business Bonus Scheme

Currently, owners of second homes can avoid paying council tax and access small business rates relief by letting the property out to holidaymakers.

We note that in your consultation document you note that
*'As at 1 July 2022, 88% (16,130) of self-catering accommodation units on the valuation roll were in receipt of SBBS relief at a cost of over £21 million. **The majority of these (96%) benefited from 100% relief and therefore paid no local tax**'.*

Therefore a majority of self-catering accommodation is not paying any tax into the local economy. Aberfeldy Development Trust believe that self-catering accommodation owners as well as second home owners should be able to make a contribution to the local area in which their accommodation is located

The numbers that claim 100% relief and therefore pay no tax should be reduced. This will generate additional revenue that should be ring-fenced and used to benefit the local community where the second homes are located. This additional revenue could be used to fund community-led affordable housing with a rural housing burdens attached. This will help to ensure that adequate housing supply remains for full time residents who are essential to keeping our rural communities alive and thriving

Question 19

Not Applicable

Question 20

Not Applicable

Question 21

Please tell us how you think changes to council tax and/or non-domestic rates thresholds for self-catering accommodation might affect businesses in your area.

Answer:

Please provide your views

Aberfeldy Development Trust support the introduction of mechanisms to enable Councils to manage the number of second houses/holiday lets, to protect the local housing supply for long-term residents. We understand the importance of providing accommodation for visitors, however, this should be balanced with the housing needs of local communities. We believe that robust, resilient and effective legislation will help safeguard our rural communities for the future

The knock-on effects of second houses/holiday lets on rural Scottish communities is significant and results in increasing house prices, decreasing long term rental stock, increases in rent paid and a decline in local services. These things are already impacting our community.

Economic Impacts on the Community

The CHNS in Aberfeldy highlighted that the lack of affordable housing options in the area is already having a significant adverse impact on the growth and development of the local economy, with businesses being unable to recruit staff:

- Of the 68% of businesses that have had experienced problems recruiting / retaining staff due to a lack of suitable housing locally, this is a frequent and re-occurring problem for most businesses:
- Nearly 50% of businesses feel that their staff turnover is impacted by a lack of affordable housing;
- 68% of businesses currently have existing employees that have a housing need and require housing in the area. A total of 25 employees were identified from the survey that require housing in the area; and
- With nearly 70% of businesses hoping to expand in the future, a lack of workers locally and lack of affordable housing were identified as the two most limiting factors to business growth.

Question 22

Please tell us how you think changes to the maximum council tax rate for second and/or empty homes and non-domestic rates thresholds might affect your local area or Scotland as a whole (social, economic, environment, community, cultural, enterprise).

More information:

We have prepared a partial Business Regulatory Impact Assessment and undertaken screenings to initially consider other impacts. We would welcome your views and comments to help us expand on these assessments.

Answer:

The Aberfeldy Development Trust (ADT) is a community owned and led organization committed to the economic, social, cultural and environmental prosperity of Aberfeldy. By tackling our most pressing issues, we can create a town where people and planet thrive for generations to come. Everybody deserves a home. However at the moment our community is facing a housing crisis, and the reality of owning a home is getting harder to realize for so many.

The Situation in our Community

As outlined above the knock-on effects of second houses/holiday lets on rural Scottish communities is significant and results in increasing house prices, decreasing long term rental stock, increases in rent paid and a decline in local services. This is already happening in our community

Respondents to our recent Community Housing Needs Survey (CHNS) *Aberfeldy & Surrounding Area Community Housing Needs Survey (CHNS)*, Author: *Communities Housing Trust & Aberfeldy Development Trust July 2022*, raised the same concerns, namely:

- The number of homes in the area that are holiday lets and second homes;
- The lack of affordable housing options in the area; and
- High purchase price of homes on the open market making it difficult to get on to the housing ladder.

The Trust believes that these proposed changes are limited in scope and that more needs to be done.

Planning Reform

The Trust believe that more needs to be done to support the viability of local communities and protect them from further unsustainable growth in the numbers of second houses/holiday lets.

We note that

*“In October 2022 there were 18,290 self-catering accommodation units on the valuation roll for non-domestic rates across Scotland. This represents an **upward trend in numbers of more than 20% over the past five years**”.*

The Trust are concerned that this growth will continue and there needs to be changes in planning legislation. The Trust would support the creation of two separate use classes, one for permanent homes and another one for second houses/holiday lets. Property owners should be required to obtain planning permission to convert their property from a permanent home into a second houses/holiday lets in the future. This approach has been used in both Denmark & Norway and it is being implemented in Gwynedd in Wales.

Currently owners require planning consent to change purpose-built holiday accommodation into a permanent home, so we think this anomaly, were consent is required for change only one way and not the other, requires reform.

Question 23

Please refer to the Summary Statement and Background Information listed above

Please tell us how you think the changes identified might affect island communities.

More information:

We have prepared a partial Island Communities Impact Assessment and undertaken screenings to initially consider other impacts. We would welcome your views and comments to help us expand on these assessments.

Answer:

Please provide your views

Question 24

Do you think there are any equality, human rights, or wellbeing impacts in relation to the changes set out in the consultation?

Answer:

- Yes
- No
- Don't know

Please give reasons for your answer.

The impacts of high numbers of second houses/self catering accommodation on rural Scottish communities is significant and results in increasing house prices, decreasing rental stock, increases in rent paid and a decline in local services.

The introduction of measures to help local Councils to (democratically) manage these will help to ensure that adequate housing supply remains for full time residents who are essential to keeping our rural communities alive and thriving. There are significant well-being benefits provided to local folk by being able to rent or buy secure/affordable housing in their home town or village. Keeping younger people within our communities provides inter-generational support networks that can enhance a sense of wellbeing.

Question 25

Is there anything else you would like to tell us in relation to this consultation?

Answer:

Please provide any further comments on the proposals set out in this consultation in the box below.

About you

Please tell us which of the following categories best describe you (select all that apply):

- Owner of a Second Home
- Owner of a Long-term Empty Home
- Short-Term Let/Self-Catering accommodation operator
- Council or Assessor
- Organisation e.g. third sector or industry body
- Member of the Public
- Other, please specify

Aberfeldy Development Trust (ADT) is a community owned and led organization committed to the economic, social, cultural and environmental prosperity of Aberfeldy

Please tick whichever council areas apply to you (or select all of Scotland)?:

- Aberdeen City
- Aberdeenshire Council
- All of Scotland
- Angus Council
- Argyll and Bute Council
- City of Edinburgh Council
- Clackmannanshire Council
- Dumfries and Galloway
- Dundee City Council
- East Ayrshire Council
- East Dunbartonshire Council
- East Lothian Council
- East Renfrewshire Council
- Falkirk Council
- Fife Council
- Glasgow City Council
- Highland Council
- Inverclyde Council
- Midlothian Council
- Moray Council
- Na h-Eileanan Siar Council
- North Ayrshire Council
- North Lanarkshire Council
- Orkney Council
- Perth and Kinross Council
- Renfrewshire Council
- Scottish Borders Council
- Shetland Council
- South Ayrshire Council
- South Lanarkshire Council

- Stirling Council
- West Dunbartonshire Council
- West Lothian Council

Perth & Kinross Council