

Aberfeldy Development Trust consultation response to Perth & Kinross Council's Proposed Short-term let Control Area and Draft Planning Guidance

1. How are you responding? Please select all that apply.

~~Resident~~

~~Business Owner~~

X On behalf of an organisation or group

If you are responding on behalf of an organisation or group please specify below:

Aberfeldy Development Trust

2. Please tell us where you live/are based using the first half of your postcode eg. PH17.

Aberfeldy Development Trust geographic area covers three community council areas, Dull & Weem Community Council, Aberfeldy Community Council, Mid Atholl, Strathtay & Grandtully Community Council.

The Trust covers the postcode areas of PH9 and PH15, with partial overlap with PH8 and PH16

3. To what extent do you agree/disagree with the principle of establishing a short-term let planning control area? (see Committee Report and Evidence Paper)

X Strongly agree

~~Agree~~

~~Neither agree nor disagree~~

~~Disagree~~

~~Strongly disagree~~

~~Don't know/No comment~~

Please explain your answer:

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 newly revised Planning Circular which supports the regulatory framework indicates factors that Planning Authorities may wish to consider when assessing the need for a control area. These include:

- a lack of affordable and appropriate housing for local residents, perhaps indicated by a high share of sale volumes to, and high prices paid by, non-residents; and
- a detrimental impact on local amenity, with some businesses, schools or other services that serve, and are reliant on, permanent residents closing or relocating.

These factors are already impacting on our community and we will detail the evidence to support this below. [A Housing Needs Survey](#) has been undertaken for Aberfeldy, which provides a significant evidence base.

That survey paints a picture of an area in the grips of a housing affordability crisis that threatens the long-term prosperity and demographics of the town.

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.

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. While only an average this is clearly significantly over the figures that the draft guidance notes as “affordable” for different property sizes.

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. With the current increase in mortgage rates this means that even if people are able to afford homes their housing costs are likely to put them at risk of after housing costs poverty.

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%. This choking of supply in the face of the demand that the Housing Needs Survey shows is undoubtedly one of the underlying causes of the unaffordability of local housing.

The survey also shows that the proportion of people in social rented homes is less than half the Scottish average as well as showing a higher than average reliance on the private rented sector. From both an affordability and security perspective, social renting is preferable as it provides people with a secure home as well as being at a more affordable, and controlled, rent. Our survey showed that demand for social housing was almost 4 times the level of supply, never mind its availability. Connected to that of the people who noted in the survey that they would like to move into the area, 40% had one or more children and 45% stated that they would like to set up a business in the area if they were able to move into it.

Frustrating this lack of availability is also preventing people from downsizing from their current properties to move into smaller properties within the area – again preventing homes for families with children becoming available and rebalancing the market in the area.

The lack of available housing to meet this demand is already showing up in the survey:

- 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 with around 250 of the near 300 respondents to the survey agreeing with this statement.
- 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

Left unmitigated this risks exacerbating demographic changes. As shown in the survey, Aberfeldy already has a higher proportion of people over 75 (11.1% vs 6.4%) than the Scottish average and with many of the working-age population priced out of the housing market, this issue is likely to intensify.

Economic Impacts on the Community

Linked to those issues, the survey 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.

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...”

CONCLUSION

To impose a short-term let planning control area, it is incumbent on the council to show “evidence of need”. We believe our survey more than provides that justification for Aberfeldy and the surrounding area. There is significant unmet demand for affordable housing, there is a scarcity of social housing, there is a heavy concentration of holiday/second homes, economic activity is being restrained and people who would prefer to downsize cannot. If Aberfeldy isn't an appropriate place to a control area on short term lets it is hard to think where could be.

The Council analysis provided, demonstrates that the pressure threshold of 'Potential Housing Stock' which is being used as self-catering/second homes combined is 10% which is the case in the geographic area the Trust covers and wider Highland Perthshire.

It is important to note that, *‘the control area will not operate as a complete ban on short-term lets, rather as a means of limiting new permissions to those where the loss of the residential property is outweighed by the economic benefit to the local community as required by NPF4’*

In conclusion Aberfeldy Development Trust strongly support the introduction of Perth and Kinross Council's proposed short term let planning control area. This will be a positive step forward in protecting our local communities and ensuring long-term growth for everyone.

4. To what extent do you agree/disagree with the location of the short-term let control area?

X Strongly agree

~~Agree~~

~~Neither agree nor disagree~~

~~Disagree~~

~~Strongly disagree~~

~~Don't know/No comment~~

Please explain below what location you think should be included or left out:

The proposed control area has been carefully aligned with the parts of the Council area where there are the higher numbers of short-term lets/second homes and which are suffering from the negative impacts.

The geographic area that the Trust covers has been included in the proposed control area (the area covered by the recent Community Housing Needs Survey).

ADT note that in Highland Council area one ward is designated, Badenoch & Strathspey, which is co-terminus with the Highland ward in Perth and Kinross, linking both areas in this way would be a logical approach.

The draft guidance states that planning permission for the change of use from residential to short-term let will only be granted if at least one of the following criteria are met. Please tell us to what extent you agree/disagree with these criteria.

5a. Criterion 1 - The extensive refurbishment of a long-term empty residential property which will bring the building back into active use.

~~Strongly agree~~

~~Agree~~

~~Neither agree nor disagree~~

~~Disagree~~

X Strongly disagree

~~Don't know/No comment~~

Please explain your answer:

ADT consider the default position should be that properties are available for long term let or sale to residents and it should be incumbent on those proposing short term lets to prove they are not needed.

5b. Criterion 2 - A residential property with four or more bedrooms as this stock is considered less significant in terms of housing needs assessments.

~~Strongly agree~~

~~Agree~~

~~Neither agree nor disagree~~

~~Disagree~~

X Strongly disagree

~~Don't know/No comment~~

Please explain your answer:

ADT consider the default position should be that properties are available for long term let or sale to residents and it should be incumbent on those proposing short term lets to prove they are not needed.

5c. Criterion 3 - It can be demonstrated that the residential property has been operating as a short-term let for more than 10 years and is therefore exempt from planning enforcement action.

~~Strongly agree~~

~~Agree~~

~~Neither agree nor disagree~~

~~Disagree~~

X Strongly disagree

~~Don't know/No comment~~

Please explain your answer:

ADT consider the default position should be that properties are available for long term let or sale to residents and it should be incumbent on those proposing short term lets to prove they are not needed.

5d. Criterion 4 - It can be demonstrated that the proposal for the change of use to short-term let is part of a diversification scheme to support an existing Perth and Kinross business within the same landholding.

~~Strongly agree~~

~~Agree~~
~~Neither agree nor disagree~~
~~Disagree~~
X Strongly disagree
~~Don't know/No comment~~

Please explain your answer:

ADT consider the default position should be that properties are available for long term let or sale to residents and it should be incumbent on those proposing short term lets to prove they are not needed.

6. *To what extent do you agree/disagree that in all cases, properties must have their own door to the street to reduce the risk of adverse impact on the amenity of neighbouring residents.*

~~Strongly agree~~
~~Agree~~
Neither agree nor disagree
~~Disagree~~
~~Strongly disagree~~
~~Don't know/No comment~~

Please explain your answer:

7. *Please provide any comments relevant to this consultation.*