

Agenda Item	7
Report No	WRSL/24/25

The Highland Council

Committee: Wester Ross, Strathpeffer and Lochalsh Area

Date: 3 November 2025

Report Title: Short Term Let Control Area

Report By: Assistant Chief Executive - Place

1 Purpose/Executive Summary

1.1 At the meeting of The Highland Council on 18 September 2025, Members considered an item setting out the process and options for implementing further Short Term Let Control Areas. The regulatory process to designate a Short Term Let Control Area (STLCA) follows three steps: notification and consultation; submission to, and approval from, Scottish Ministers; followed by public notice of the designation. Reaching a decision on whether to progress with the implementation of a Short Term Let Control Area will require a number of decision points to consider; the supporting evidence, the analysis of the outcome of consultation, and whether ultimately to designate an area. A new structure for how such decisions can be reached was agreed by Members, where:-

- i. Area Committees will first decide on whether to progress with the introduction of a Short Term Let Control Area covering all or part of their Area;
- ii. The Economy and Infrastructure (E&I) Committee take the decision to formally commence the process with the evidence gathering and consultation;
- iii. the E&I Committee, having taken into account the evidence and feedback, decide on whether or not to continue with the process;
- iv. the final decision to designate a Short Term Let Control Area is for E&I Committee; and
- v. that a report would come to the next E&I Committee that explored the options for the Council to work in partnership with the UK and Scottish Governments to include Rural Housing in any new growth deal for the Highlands. With the aim to bring additional finance for housing delivery; identify and remove barriers across public agencies that currently hindered development; act as an enabler for innovative community-led housing solutions; and unlock development opportunities where these were supported by local communities.

- 1.2 This report summarises the prevalence of Short Term Lets in Wester Ross, Strathpeffer and Lochalsh specifically. Relative to other areas of Highland, and to Highland as a whole, there is a high rate of potential dwellings being used as Short Term Lets in Wester Ross, Strathpeffer and Lochalsh, particularly in the most Western areas. Settlements such as Sheildaig, Torridon, Strathcarron, Kinlochewe and Lochalsh are seeing proportions of Short Term Lets grow at a faster rate than Highland as a whole. Newbuild housing completions are being transferred to short term letting at a higher rate (11%) than Highland as a whole (5%).

An assessment of the Ross and Cromarty West and Skye and Lochalsh Housing Market Areas undertaken as part of the Highland Housing Need and Demand Assessment indicates that the area's housing market is not relatively contained, with less affordable properties than other areas of Highland, and higher proportions of sales to those outwith the local area, which indicates that the area is subject to influence from external pressure.

There are four registered Local Place Plans in Wester Ross, Strathpeffer and Lochalsh where communities have presented evidence and, in some cases, expressed concerns on short term let matters in relation to housing challenges. Wester Ross, Strathpeffer and Lochalsh also have an Area Place Plan, which has highlighted the impacts of holiday homes and short term lets on property prices and access to housing for residents.

- 1.3 On balance, the evidence at this time indicates that the establishment of a Short Term Let Control Area may be justified in Wester Ross, Strathpeffer and Lochalsh. Members were informed of the process to designate further Short Term Let Control Areas in September, which involves a mandatory process of consultation with communities potentially affected by the proposal. Should the Area Committee decide to progress with the process of considering the introduction of a Short Term Let Control Area covering all or part of the Area, this would be referred to the Economy and Infrastructure Committee to formally commence the process and would afford communities in the Area with the opportunity to participate in that process.

2 Recommendations

2.1 Members are asked to:-

- i. **Consider and note** the evidence presented demonstrating the degree of prevalence of Short Term Lets within Wester Ross, Strathpeffer and Lochalsh;
- ii. **Note** that this evidence, demonstrates that the housing market within parts of Wester Ross, Strathpeffer and Lochalsh, is subject to significant pressure, exacerbated by high rates of potential dwellings being converted to Short Term Lets;
- iii. **Note** that the designation of any new Short Term Let Control Area will have no retrospective impact on existing Short Term Lets where no material change of use had occurred at the time of establishment, and will therefore only require planning permission from new Short Term Lets established after a Short Term Let Control Area comes into force;
- iv. **Note** that should the Economy and Infrastructure (E&I) Committee formally commence the process of introducing a Short Term Let Control Area, this will initiate a process of further evidence gathering and public consultation with communities;

- v. **Consider and agree** that the Wester Ross, Strathpeffer and Lochalsh Area Committee therefore seeks to progress with the process of considering the introduction of a Short Term Let Control Area covering all or part of the Wester Ross, Strathpeffer and Lochalsh Area and in so doing; and
- vi. **Agree** that progressing with consideration of a Short Term Let Control Area enables communities within the area to participate in that consultation at the appropriate stage.

3 Implications

- 3.1 **Resource** – any decision taken to progress work on bringing into effect a Short Term Let Control Area will have resource implications that will not be met through existing budgets. This will relate to officer time and consultancy fees in establishing a control area and, if agreed, thereafter its implementation. While fees can be recovered for any subsequent processing of planning applications, these do not necessarily result in full cost recovery, and it is likely to result in a significant increase in enquires where fee income will not cover cost.
- 3.2 **Legal** –The Council has the power under Section 26B of the Town & Control Planning (Scotland) Act 1997, as amended by the Planning (Scotland) Act 2019, to designate a Short Term Let Control Area. Potential risks of legal challenge can be mitigated by careful consideration of the evidence to support such proposition.
- 3.3 **Risk** – any decision taken to progress with a Short Term Let Control Area may be subject to legal challenge. This risk can be mitigated by careful consideration of the evidence to support such proposition.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – no specific implications to highlight.
- 3.5 **Gaelic** – there are potentially disproportionate impacts on specific Gaelic-speaking communities stemming from a lack of housing availability and affordability in some areas of Highland. Any evidence in relation to Short-Term Lets and their impact on housing availability may therefore have related impacts on specific Gaelic-speaking communities.

4 Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.
- 4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

- 4.3 This report does not relate to the formal implementation of a Short Term Let Control Area but considers whether there is an evidence base that would justify progressing to full evidence gathering and consultation phase, and therefore an impact assessment is not required. If a decision was taken to progress to the next stage, which would involve evidence gathering and consultation, an impact assessment would be required in order to inform the decision on whether to progress with such a scheme.

5 Background

- 5.1 Members will recall from the [previous report to Highland Council](#) in September 2025 that The Planning (Scotland) Act 2019 introduced provision for Planning Authorities to designate all or part of their area as a STLCA:-
- to help manage high concentrations of STLs (where it affects the availability of residential housing or the character of a neighbourhood);
 - to restrict or prevent short term lets in places of types of building where it is not appropriate; and
 - to help local authorities ensure that homes are used to best effect in their areas.
- 5.2 There is currently one STLCA within Highland, established in Ward 20 Badenoch and Strathspey. Members were reminded in the [previous report to Highland Council](#) in September 2025 of the scope of what development would and would not be considered within an STLCA. In summary:-
- Within an STLCA, a change of use of a dwellinghouse to STL (as defined) will be deemed to be a material change of use and so require planning permission.
 - However, this only applies to **new** STLs established after an STLCA comes into force and cannot be applied retrospectively.
 - A STLCA will therefore not be able to control existing STLs where no material change of use had occurred at the time of establishment, or other types of short-term accommodation such as guest houses, B&Bs, annexes and pods.
 - It would also have no effect on second homes, empty homes or purpose-built holiday accommodation.
 - STLs are also subject to separate licensing requirements. Following the designation of a STLCA, the Council, as licensing authority, will require evidence that planning permission has been sought or is in force for when granting future STL licences within a STLCA.

5.3 Members were reminded of the process of designating an area as a control area essentially follows three steps as set out in regulation 3 of [The Town and Country Planning \(Short-term Let Control Areas\) \(Scotland\) Regulations 2021](#). Should the Economy and Infrastructure (E&I) Committee take the decision to formally commence the process with the evidence gathering and consultation described in Para 1.1 (ii), the Planning Authority must undertake:-

- notification and consultation: publish notice of their proposal to designate a control area and consult on the proposal;
- submission and approval: submit their proposal to the Scottish Ministers and obtain their approval; and
- publicity: subject to approval of the Scottish Ministers, the planning authority must give notice of the designation, setting out the area to be covered and the date on which the control area will come into effect.

5.4 Using records from the mandatory [STL Public Register](#), the [previous report to Highland Council](#) in September 2025, detailed initial analysis undertaken on STL prevalence to allow consideration of impacts on the availability of residential housing, as informed by the [Short-Term Lets and Planning Circular 1/2023](#).

Across Highland 6% of potential dwellings are licensed as short term lets, and around 5% of new housing completions across Highland within the last 5 years are now licensed short term lets, yet it is evident that there were marked differences across the authority as a whole.

This report provides greater assessment of this analysis as it relates specifically to the Wester Ross, Strathpeffer and Lochalsh Area to support Members decide whether to progress to the first stage of the implementation of a short term let control area, namely the evidence gathering and consultation phase.

6 Assessment of Short Term Lets in Wester Ross, Strathpeffer and Lochalsh

6.1 Conducted as part of the ongoing Highland Housing Need and Demand Assessment (HNDA) a robust 'containment analysis' of sub-Highland Housing Market Areas, highlights areas with a high proportion of sales to those outwith the local areas, the Highlands or indeed outwith Scotland. While some degree of transfer between Housing Market Areas is expected in a large authority such as the Highland Council, high proportions of external sales completed to buyers outwith the Highlands, Scotland and the UK could indicate that the local housing market may be distorted owing to increasing external demand.

6.2 Five Housing Market Areas (HMAs) of Highland have relatively low levels of containment revealing high levels of demand for housing from those outwith the local area, including Wester Ross, Strathpeffer and Lochalsh. The Wester Ross, Strathpeffer and Lochalsh Area straddles two HMAs: Ross and Cromarty West HMA and the mainland (Lochalsh) part of the Skye and Lochalsh HMA. These HMAs have low levels of self-containment at 26% and 41% respectively.

In Ross and Cromarty West, 26% of house sales were purchased by buyers already living in Ross and Cromarty West, a further 22% were purchased from buyers from elsewhere within Highland and 53% of sales were from outwith Highland, Scotland, and the UK.

In the Skye and Lochalsh HMA, 41% of homes were purchased by buyers already living in Skye and Lochalsh. A further 4% of sales were purchased by buyers from elsewhere within the Highland Council, while 55% were purchased by buyers outwith Highland, Scotland, or indeed the UK as shown in **Table 1**. Wester Ross, Strathpeffer and Lochalsh is also an area where average house prices and market entry house prices are both less affordable than in other Highland Housing Market Areas.

Table 1 Wester Ross, Strathpeffer and Lochalsh Housing Market Areas (Ross and Cromarty West and Skye and Lochalsh)

	Ross and Cromarty West	Skye and Lochalsh	Highland
HMA Containment	47%	45%	71%
HMA Internal Self-Containment	26%	41%	
HMA Containment Highland	22%	4%	
Sales from Scotland, UK & Elsewhere	53%	55%	29%
Average House Price	£234,241.55	£239,636.95	£209,125.12
Income Required to Afford Average House Price	£62,220.41	£63,653.56	£55,548.86
% CAN'T afford Average House Price	71%	71%	64%
Market Entry House Price	£150,000.00	£159,500.00	£132,310.00
Income Required to Afford Market Entry House Price	£39,843.75	£42,367.19	£35,144.84
% CAN'T afford Market Entry House Price	47%	50%	41%
Empty Homes	9%	6%	5%
Second Homes	9%	7%	3%
Short Term Lets	11%	17%	5%

- 6.3 In Ross and Cromarty West, 11% of potential dwellings are currently licensed STLs, which is higher than 5% across Highland as a whole. In Skye and Lochalsh, 17% of potential dwellings are currently licensed STLs, which is higher than 5% across Highland as a whole. The overall indicators as shown in **Table 1** indicate that in general, both the Ross and Cromarty West and Skye and Lochalsh Housing Market Areas are less affordable and have higher rates of STLs and second homes than Highland as a whole. Instances where higher shares of house sales to buyers outwith the local area, where median incomes may be higher, provide indications of where housing markets may be distorted due to external influence.

As Ross and Cromarty West and Skye and Lochalsh have a higher share of house sales to buyers from outwith Highland, Scotland and the UK, this is interpreted as meaning that such impacts are significantly felt in Wester Ross, Strathpeffer and Lochalsh, in contrast to other areas of Highland.

- 6.4 The [Highland Short Term Lets](#) Map uses records from the [STL Public Register](#) and the National Records of Scotland [Small area Statistics on Households and Dwellings 2024](#)) to identify concentrations of STLs within small statistical areas known as data zones which illustrate precise areas where STLs are concentrated. A breakdown of registered STLs in Wester Ross, Strathpeffer and Lochalsh ward as of 30th July 2025 is shown in **Table 2**. The majority of STLs in Wester Ross, Strathpeffer and Lochalsh are detached dwellings, followed by unconventional accommodation (pods and chalets). Within the towns of Ullapool and Kyle of Lochalsh, STLs types are varied, including a mix of housing stock such as semi-detached houses and detached houses. In Strathpeffer and around Plockton, the majority of STLs are unconventional accommodation. A map depicting the most common forms of STLs across Wester Ross, Strathpeffer and Lochalsh is shown in **Appendix 1**.

Table 2 Profile of Wester Ross, Strathpeffer and Lochalsh (Ward 5) STLs

	Ward 5 Total
Detached House STLs	679
Semi-Detached House STLs	108
Terraced House STLs	25
Self-Contained Flat STLs	37
All Potential Dwelling STLs	849
Unconventional Accommodation STLs(Pods, chalets etc)	178
All Short Term Lets	1,027

- 6.5 Unconventional accommodation STLs (pods, chalets and other forms of accommodation not transferrable back to housing stock) are excluded to arrive at the Adjusted Rate of STL, which reflects the potential dwellings used as STLs. In Ross and Cromarty West HMA 11% of potential dwellings are used as STLs and in Skye and Lochalsh HMA 17% of potential dwellings are used as STLs. At smaller data zone level, a Map is provided in **Appendix 2**, which illustrates that there are numerous data zone in Wester Ross, Strathpeffer and Lochalsh where the Adjusted Rate of STLs are higher than the Highland average (5%). Four data zones have an Adjusted Rate of STL over 17.27% (orange) and one small area is within the Loch Ness – 05 data zone which has an Adjusted Rate of STL over 23.35%.
- 6.6 The threshold for a ‘high’ Adjusted STL Rate arrived at is 11.17%. This means that data zones with Adjusted STL Rates above 11.17% are considered to be outside the statistical normal range, relative to Highland as a whole. There are ten data zones in Wester Ross, Strathpeffer and Lochalsh that exceed this threshold, including Ross and Cromarty North West, Ross and Cromarty South West, Lochalsh, Lochaber East and North, and Lochaber West.

- 6.7 Officers have also identified areas with the ‘fastest growing’ Adjusted Rates of STL, by comparing the current rates with those from 2024 and 2023. This highlights areas which may have average or low Adjusted STL Rates but appear to be on an increasing trajectory and warrant observation and monitoring. A map showing where Adjusted Rates of STLs are changing in Wester Ross, Strathpeffer and Lochalsh is shown in **Appendix 3**. There were seven data zones in Wester Ross, Strathpeffer and Lochalsh where Adjusted STL Rates increased faster than the Highland average, and seven data zones where Adjusted STL Rates increased more slowly than the Highland average. There are small areas of data zone overlapping with other Areas with increasing Adjusted STL rates. In small areas of three data zones bordering Mid Ross and East Ross, Adjusted STL Rates are declining. The [Highland Short Term Lets](#) Map allows users to interrogate specific areas and view the rates of change. Areas where Adjusted Rates of STLs have increased faster than the Highland average for more than two consecutive years are shown in **Appendix 4**. In Wester Ross, Strathpeffer and Lochalsh there are areas with Adjusted STL rates increasing faster than the Highland average for one year, but none for two consecutive years.
- 6.8 Analysis of Total New Housing Completions and the STL Licence Register reveals that of the total 220 housing completions in Wester Ross, Strathpeffer, Lochalsh in the past 5 years, 25 have since become STLs, which equates to 11.5% of completions. This is more than double the Highland average of 5%.

Table 3 Newbuild Completions in Wester Ross, Strathpeffer and Lochalsh (Ward 5) since used as STLs

	Ward 5		
Year	Total Completions	Became STLs	%
2020/2021	27	4	14.8
2021/2022	74	6	6.8
2022/2023	36	7	19.4
2023/2024	40	6	15.0
2024/2025	38	6	15.8
Grand Total	220	25	11.4

6.9 A review of registered Local Places Plans has been undertaken to identify communities that have expressed concern regarding prevalence of STLs, or that have explicitly prioritised designation of a STLCA in their area. Planning authorities are to take into account any registered LPP when they are preparing or amending an LDP. At the time of writing this report, the Highland Council has registered a total of 14 Local Place Plans (LPPs), and the [Local Place Plan Register Map](#) shows the status of areas that have formally registered LPPs, in addition to those that have notified us that they intend to submit one.

There are presently four registered LPPs in the Wester Ross, Strathpeffer and Lochalsh Area – Gairloch, Torridon and Kinlochlewe, Garve and District, and Lochalsh – which mention STLs in various ways:-

- **Gairloch:** There is a strong demand for affordable homes and better management of STLs. Improving the management of short-term lets and holiday accommodation is a significant concern in Gairloch. Licensing was recently introduced to the area and has resulted in housing sitting empty and unused for prolonged periods. It is suggested that housing brought out of STLs should be in use as long-term rental accommodation. Meanwhile, the engagement also surfaced challenges of accommodation for seasonal workers. Improved management of STLs should also include support for landlords to make the adjustment and navigate the legislation.
- **Garve and District:** Tourism is our main industry. Two hotels are currently offering accommodation, meals, and hospitality. A further two hotels are currently empty. Most other tourist accommodation are self-catering holiday cottages or STLs.
- **Lochalsh:** Need for visitor facilities to increase benefit and reduce harm from tourism.
- **Torridon and Kinlochlewe:** A key challenge in the area is to address the housing crisis. The area has a far higher proportion of second residences/holiday homes than the regional or national average and desirability pushes up prices beyond what the local economy will support.

6.10 There are two notified LPP in the Wester Ross, Strathpeffer and Lochalsh area - Wester Loch Ewe and Strathpeffer and District – both of which make no explicit mention of STLs or tourist accommodation issues. It is noted that the Gairloch and Loch Ewe area Community Action Plan (2023) makes mention of the seasonal holiday accommodation provided, and the pattern of shorter visitor stays for just one night, and often in campervans rather than B&Bs and hotels.

6.11 A Local Place Plan can only be placed on the register if it is valid, meaning if the requirements for Local Place Plans set out within paragraphs 1(4) and 2(1) of [Schedule 19](#) of the Town and Country Planning (Scotland) Act 2019 as amended, and Regulations 2, 3, 4 and 5 of [The Town and Country Planning \(Local Place Plans\) \(Scotland\) Regulations 2021](#), have been complied with in relation to it. Communities may wish to come forward in due course with further LPPs, which would be duly considered at the appropriate stage, but at the present time, only registered LPPs in Wester Ross, Strathpeffer and Lochalsh can be taken into consideration regarding STLs in their communities.

- 6.12 The [Wester Ross, Strathpeffer and Lochalsh Area Place Plan](#) has highlighted the impacts of STLs within the Housing Affordability, Availability & Suitability Challenge and mentions the impacts on property prices and access to housing for residents. The APP identifies opportunities in relation to the identified challenges, in this instance, limiting the number of short-term lets and to explore other options within existing powers to limit numbers.
- 6.13 The Applecross Community Land Use Plan (ACLUP) was prepared in 2019, and it is understood that work is underway to progress this work towards becoming an LPP. The current ACLUP does not mention STLs specifically but does mention need for short-term accommodation for seasonal/temporary workers.

7 Conclusion

- 7.1 This report summarises the prevalence of Short Term Lets in Wester Ross, Strathpeffer and Lochalsh and potential impacts on availability of residential housing in Wester Ross, Strathpeffer and Lochalsh specifically. Relative to other areas of Highland, and to Highland as a whole, there is a high rate of potential dwellings being used as Short Term Lets in Wester Ross, Strathpeffer and Lochalsh. While there is growth occurring in almost all areas, prevalence is higher in the Westernmost communities, while the rate of potential dwellings used as Short Term Lets is lower in Strathpeffer. There are indications that newbuild housing completions in the Area are being transferred to Short Term Lets at a faster rate than Highland's overall completions. An assessment of the Ross and Cromarty West and Skye and Lochalsh Housing Market Areas undertaken as part of the Highland Housing Need and Demand Assessment indicates that the area's housing markets are showing signs of this pressure, are relatively uncontained, with less affordable properties than other areas of Highland, and higher proportions of sales to those outwith the local area. There are four registered Local Place Plans and an Area Place Plan in Wester Ross, Strathpeffer and Lochalsh where communities have expressed any concerns on these matters, which are borne out in this instance by empirical evidence.

7.2 On balance, the evidence at this time indicates that further consideration of a Short Term Let Control Area would be justified in Wester Ross, Strathpeffer and Lochalsh. Progressing with further consideration of a Short Term Let Control Area enables communities within the area to participate in that consultation at the appropriate stage and would define the exact boundaries of any proposed Short Term Let Control Area for further consideration, which may not cover all of the Ward, owing to the variation within it. While there is undoubtedly strong tourist demand in the area, further purpose-built tourism accommodation could be provided following the usual planning process. Housing is evidently a finite resource and continued loss of housing stock in an area characterised by little volume housebuilder development interest has significant potential to exacerbate housing availability in the area.

Designation: Assistant Chief Executive - Place

Date: 13 October 2025

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Background Papers: [Report to Highland Council](#) 18 September 2025

Appendices: **Appendix 1** Short Term Lets Predominant Property Type
Appendix 2 Adjusted Short Term Lets Rates by Data Zone
Appendix 3 Adjusted STL Rate Change 2023-2024
Appendix 4 High & Fastest Growing Adjusted STL Rates







