

Agenda Item	5
Report No	BIER/29/25

The Highland Council

Committee: Black Isle and Easter Ross

Date: 10 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 Black Isle and Easter Ross specifically. Relative to other areas of Highland, and to Highland as a whole, there is a low rate of potential dwellings being used as Short Term Lets in Black Isle and Easter Ross. Settlements such as Evanton, Alness, Invergordon, Tain, Fortrose and Avoch, North Kessock, and areas in and around Cromarty, Tore and Munloch are seeing proportions of Short Term Lets grow at a faster rate than Highland as a whole, but numbers remain small in real terms.

Newbuild housing completions are being transferred to Short Term Lets at a lower rate (2%) than Highland as a whole (5%). An assessment of the East Ross and Mid Ross Housing Market Areas undertaken as part of the Highland Housing Need and Demand Assessment indicates that the area's housing market is relatively contained, with East Ross having more affordable properties than other areas of Highland and Mid Ross having less affordable properties than other areas of Highland. These HMAs have lower proportions of sales to those outwith the local area, which indicates that the area is not subject to influence from external pressure. There is one registered Local Place Plan in Black Isle and Easter Ross, which is for the Black Isle and also serves as the Area Place Plan. This plan outlines that communities have presented interest in the establishment of a STLCA in the Black Isle. However, it is noted that this interest was raised prior to the consideration of substantive evidence on STL as presented in this report. The Area Place Plan for Easter Ross makes no explicit mention of short-term let accommodation.

- 1.3 On balance, the evidence at this time would not indicate that the establishment of a STLCA is justified in Black Isle or Easter Ross. Areas of growth would benefit from further reconsideration of the evidence base at a future point in time to monitor whether the availability of local housing is significantly impacted, or whether further registered LPPs come forward expressing concerns regarding Short Term Lets in the intervening period. It is reasonable to undertake further assessment of this evidence base after a 12-month period.

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 Black Isle and Easter Ross;
- ii. **Note** that this evidence, at this time, does not demonstrate that the housing market within Black Isle and Easter Ross specifically, is subject to any significant pressure caused by Short Term Lets at this time, that would warrant regulation through a Short Term Let Control Area;
- iii. **Consider and agree** that the Black Isle and Easter Ross Area Committee does not at this time seek to progress with the process of considering the introduction of a Short Term Let Control Area covering all or part of the Black Isle and Easter Ross Area; and
- iv. **Agree** to reconsider the evidence base regarding short term lets prevalence in Black Isle and Easter Ross within a further report brought to the Area Committee again at a future period, in 12 months' time.

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 a full evidence gathering and consultation phase, and therefore an impact assessment is not required. If a decision were 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 just under 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 Black Isle and Easter Ross 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 Black Isle and Easter Ross

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 Black Isle and Easter Ross Area. The Black Isle and Easter Ross Area comprises two HMAs: the East Ross HMA and the Eastern (Black Isle) section of the Mid Ross HMA. While these HMAs display different characteristics, with East Ross principally being the more affordable of the two, both have high levels of containment at 78% and 80% respectively, which represents the higher proportions of house sales purchased by those already residing within the Highland Council. In East Ross, 53% of house sales were purchased by buyers already living in East Ross, a further 25% were purchased from buyers from elsewhere within Highland Council and 22% of sales were from outwith Highland, Scotland, and the UK. In Mid Ross, 45% of homes were purchased by buyers already living in Mid Ross. A further 35% of homes were purchased by buyers from elsewhere within the Highland Council, while 20% were purchased by buyers outwith Highland, Scotland, or indeed the UK as shown in **Table 1**.

**Table 1 Black Isle and Easter Ross Housing Market Areas
(East Ross and Mid Ross HMAs)**

	East Ross	Mid Ross	Highland
HMA Containment	78%	80%	71%
HMA Internal Self-Containment	53%	45%	
HMA Containment Highland	25%	35%	
Sales from Scotland, UK & Elsewhere	22%	20%	29%
Average House Price	£174,189.64	£219,097.17	£209,125.12
Income Required to Afford Average House Price	£46,269.12	£58,197.69	£55,548.86
% CAN'T afford Average House Price	61%	63%	64%
Market Entry House Price	£110,000.00	£140,000.00	£132,310.00
Income Required to Afford Market Entry House Price	£29,218.75	£37,187.5	£35,144.84
% CAN'T afford Market Entry House Price	38%	40%	41%
Empty Homes	4%	4%	5%
Second Homes	1%	1%	3%
Short Term Lets	2%	2%	5%

- 6.3 In East Ross and Mid Ross, 2% of potential dwellings are currently licensed STLs, which is lower than across Highland as a whole. The overall indicators as shown in **Table 1** indicate that in general, the East Ross HMA is more affordable, Mid Ross HMA is less affordable, but both have lower 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. This is not observable for Mid Ross and East Ross, which have a lower share of house sales to buyers from outwith Highland, Scotland and the UK. This is interpreted as meaning that such impacts are not significantly felt in the Black Isle and Easter Ross Area, 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 Black Isle and Easter Ross ward as of 30 July 2025 is shown in **Table 2**. The majority of STLs in Black Isle and Easter Ross are detached dwellings or unconventional accommodation (pods and chalets). Within the town of Invergordon, there is a variety of terraced houses, self-contained flats and semi-detached houses. Within the towns of Avoch and Fortrose STLs types are predominantly semi-detached houses. In Alness and Tain, the majority of STLs are unconventional accommodation. A map depicting the most common forms of STLs across Black Isle and Easter Ross is shown in **Appendix 1**.

Table 2 Profile of Black Isle and Easter Ross (Wards 6, 7 and 9) STLs

	Ward 6 - Cromarty Firth	Ward 7 - Tain and Easter Ross	Ward 9 - Black Isle	Total
Detached House STLs	41	49	86	176
Semi-Detached House STLs	20	31	34	85
Terraced House STLs	12	18	17	47
Self-Contained Flat STLs	16	8	13	37
All Potential Dwelling STLs	89	106	150	345
Unconventional Accommodation STLs (Pods, chalets etc)	21	25	37	83
All Short Term Lets	110	131	187	428

- 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 East Ross and Mid Ross HMAs 2% of potential dwellings are used as STLs. At smaller data zone level, a Map is provided in **Appendix 2**, which illustrates that there are no data zones in the Black Isle and Easter Ross Area where the Adjusted Rate of STLs is higher than the Highland average (5%).
- 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. All data zones in the Black Isle and Easter Ross area are below this threshold.
- 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 Black Isle and Easter Ross is shown in **Appendix 3**. There were 18 data zones in Black Isle and Easter Ross where Adjusted STL Rates increasing faster than the Highland average, and 6 data zones increasing slower than the Highland average. 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 2 consecutive years are shown in **Appendix 4**. In Black Isle and Easter Ross there are 6 data zones with Adjusted STL rates increasing faster than the Highland average for 2 consecutive years, located in Cromarty, Avoch and Duncanston, while there were 19 data zones with Adjusted STL rates increasing faster than the Highland average for 1 consecutive year.

6.8 Analysis of Total New Housing Completions and the STL Licence Register are shown in **Tables 3** and **4**. This reveals that of the total 256 housing completions in Ward 6 in the past 5 years, 4 (or 1.6%) have since become STLs. For Ward 7, of the total 104 housing completions in the past 5 years, 4 (or 3.8%) have since become STLs. For Ward 9, of the total 199 housing completions in the past 5 years, 7 (or 3.5%) have since become STLs. For all three Wards in Black Isle and Easter Ross Area, the percentage of new build completions becoming STLs over the last 5 years is below the Highland average of 4.7%.

Table 3 Newbuild Completions in Cromarty Firth (Ward 6) and Tain and Easter Ross (Ward 7) since used as STLs

Year	Ward 6			Ward 7		
	Total Completions	Became STLs	%	Total Completions	Became STLs	%
2020/2021	27	-	-	13	1	7.7%
2021/2022	65	-	-	51	2	3.9%
2022/2023	59	-	-	13	-	-
2023/2024	51	4	7.8%	12	-	-
2024/2025	54	-	-	15	1	6.7%
Grand Total	256	4	1.6%	104	4	3.8%

Table 4 Newbuild Completions in Black Isle (Ward 9) since used as STLs

Year	Ward 9		
	Total Completions	Became STLs	%
2020/2021	10	-	-
2021/2022	82	1	1.2%
2022/2023	50	1	2.0%
2023/2024	31	1	3.2%
2024/2025	26	4	15.4%
Grand Total	199	7	3.5%

- 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 is presently one registered LPP in the Black Isle and Easter Ross Area – The Black Isle Local Place Plan, which also serves as the Area Place Plan. Under the ‘Priorities for Affordable Homes for All,’ the Black Isle LPP seeks to prevent existing homes becoming full-time holiday lets (using Short Term Let Control Area) and to control the growth of second homes, albeit this is a separate issue not covered within the scope of a STLCA.
- 6.10 There are two notified LPPs in the Black Isle and Easter Ross Area for Kiltearn and Edderton. Edderton’s draft LPP notes AirBnB among businesses operating in the village. Kiltearn LPP is in the process of being developed.
- 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 Black Isle and Easter Ross can be taken into consideration regarding STLs in their communities.
- 6.12 Easter Ross Area Place Plan makes no explicit mention of STL accommodation as a priority within the plan.

7 Conclusion

- 7.1 This report summarises the prevalence of Short Term Lets in Black Isle and Easter Ross and potential impacts on availability of residential housing in Black Isle and Easter Ross specifically. Relative to other areas of Highland, and to Highland as a whole, there is a low rate of potential dwellings being used as Short Term Lets in Black Isle and Easter Ross. While there is small growth occurring in some areas, the overall number of short term lets remain small in real terms.

There is some indication that newbuild housing completions are being transferred to short-term letting, but this is occurring at a lower rate than Highland as a whole. An assessment of the East Ross and Mid Ross Housing Market Areas undertaken as part of the Highland Housing Need and Demand Assessment indicates that the area’s housing market is relatively well contained serving demand well to local residents, with Easter Ross in particular, having more affordable properties than other areas of Highland. Both the East Ross and Mid Ross HMAs have lower proportions of sales to those outwith the local area, which indicates that the area is not subject to undue influence from external pressure. There is one registered Local Place Plan in Black Isle and Easter Ross, where communities have expressed concern about STLs. However, this is not borne out by empirical evidence on the issue at this time.

7.2 On balance, the evidence at this time would not indicate that the establishment of a Short Term Let Control Area is justified in Black Isle and Easter Ross. Areas of growth would benefit from further reconsideration of the evidence base at a future point in time to monitor whether the availability of local housing is significantly impacted, or whether further registered LPPs come forward expressing concerns regarding Short Term Lets in the intervening period. It is reasonable to undertake further assessment of this evidence base after a 12-month period.

Designation: Assistant Chief Executive - Place

Date: 10 October 2025

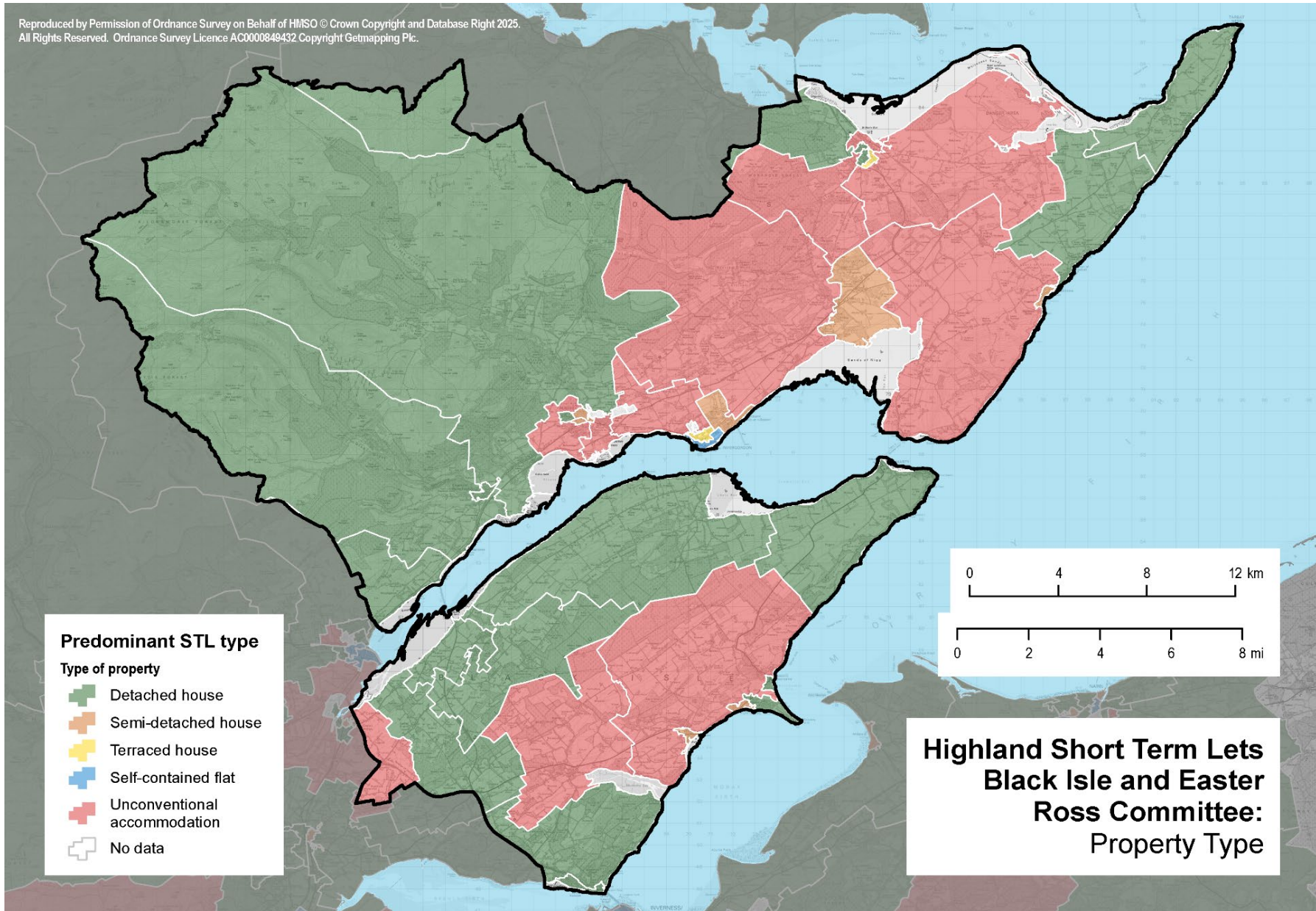
Authors: Meadhbh Maguire – Principal Planner
Meredith Dale – Graduate Planner

Background Papers: Short Term Lets Control Area [Report](#) – 18 Sept 25

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







Appendix 1 - Predominant Property Type

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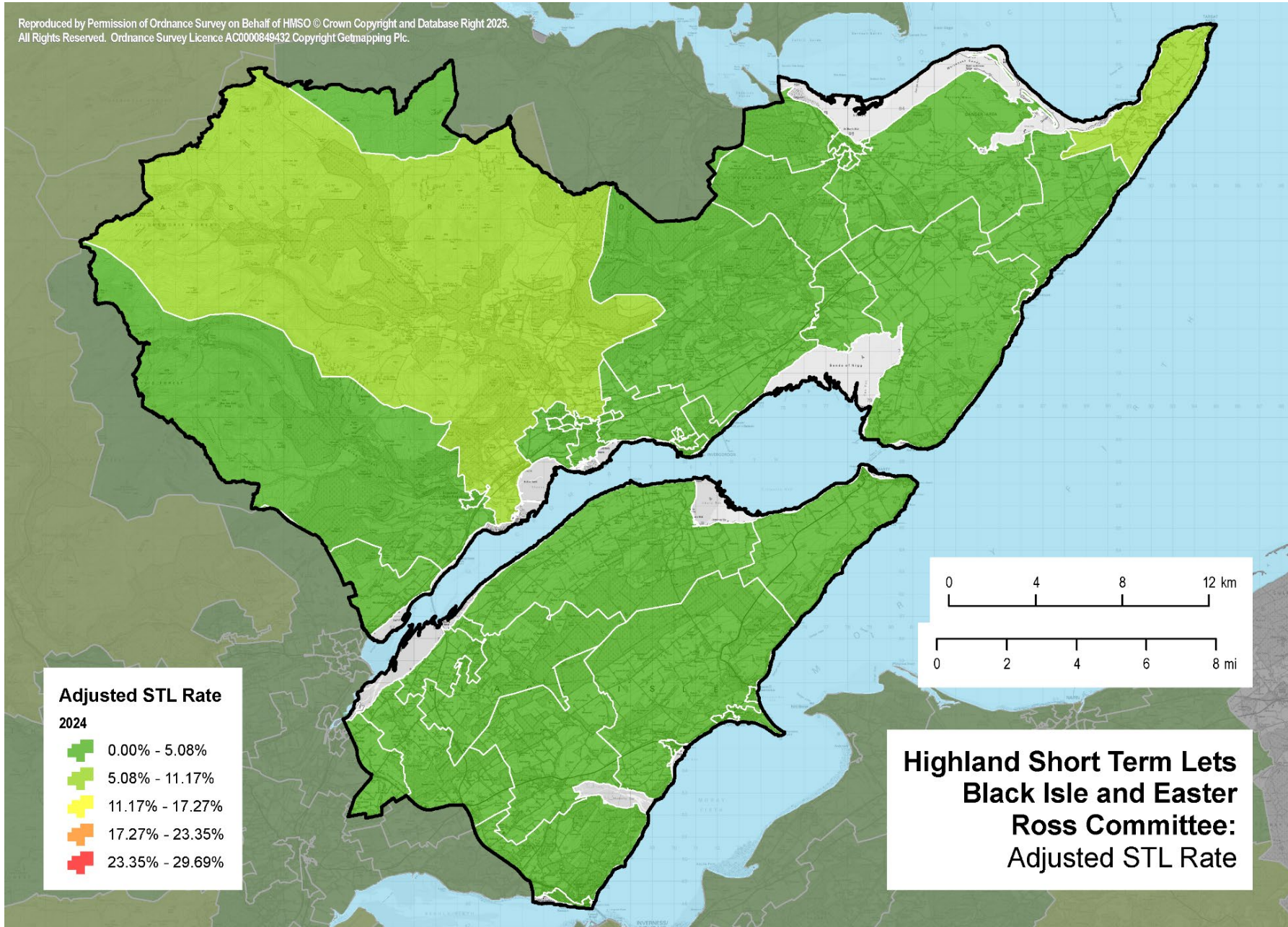
Predominant STL type

Type of property

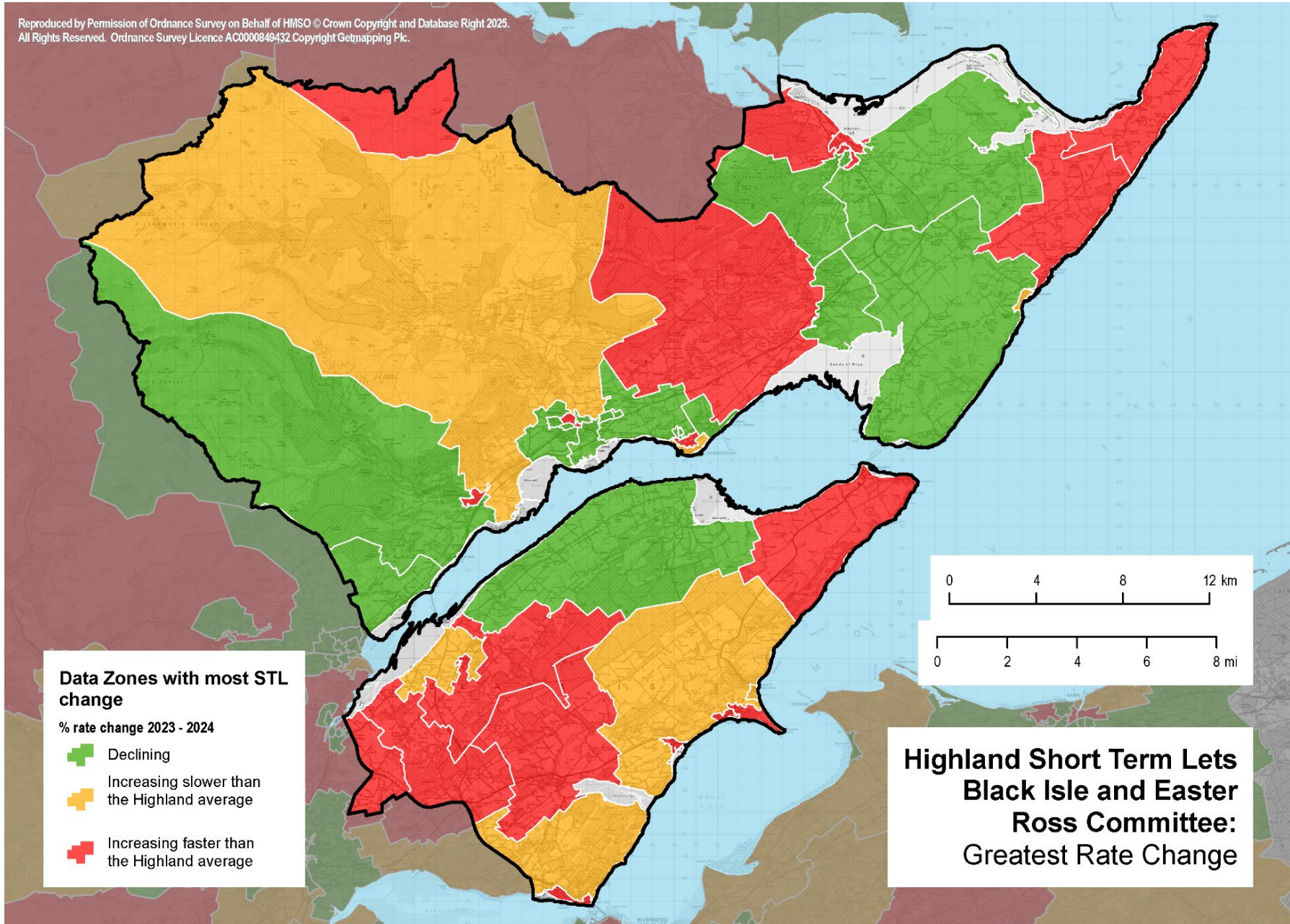
-  Detached house
-  Semi-detached house
-  Terraced house
-  Self-contained flat
-  Unconventional accommodation
-  No data

**Highland Short Term Lets
Black Isle and Easter
Ross Committee:
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

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