

The Highland Council

Agenda Item	5
Report No	LA/29/25

Committee: Lochaber Area

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 (STL) in the Lochaber Area 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 Lochaber, and these rates are continuing to grow in much of the area. In Fort William, proportions of Short Term Lets are currently lower than wider Lochaber but are growing at a faster rate than Highland as a whole. Newbuild housing completions are being transferred to short-term letting at a higher rate (7.0 - 7.3%) than Highland as a whole (5%). An assessment of the Lochaber Housing Market Area 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 Lochaber where communities have expressed concerns on short-term let prevalence in relation to housing challenges, which in this instance are borne out by empirical evidence. Lochaber also has an Area Place Plan, which has a priority for housing to limit short-term lets suitable for permanent housing options.
- 1.3 On balance, the evidence at this time indicates that the establishment of a Short Term Let Control Area may be justified in Lochaber. 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 consideration 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 Ward 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 Lochaber;
- ii. **Note** that this evidence, demonstrates that the housing market within parts of Lochaber, 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 Lochaber Area Committee therefore seeks to progress the consideration of a Short Term Let Control Area covering all or part of the Lochaber 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 a 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 STLs 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; and
- 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 Lochaber 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 Lochaber

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 Lochaber. The Lochaber Area aligns and has the same geographic area as the Lochaber HMA, which has a containment of 61%. In Lochaber HMA, 57% of house sales were purchased by buyers already living in Lochaber, a further 4% were purchased from buyers from elsewhere within Highland and 39% of sales were from outwith Highland, Scotland, and the UK, as shown in **Table 1**. Lochaber 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 Lochaber Housing Market Area

	Lochaber	Highland
HMA Containment	61%	71%
HMA Internal Self-Containment	57%	
HMA Containment Highland	4%	
Sales from Scotland, UK & Elsewhere	39%	29%
Average House Price	£227,667.71	£209,125.12
Income Required to Afford Average House Price	£60,474.24	£55,548.86
% CAN'T afford Average House Price	70%	64%
Market Entry House Price	£140,000.00	£132,310.00
Income Required to Afford Market Entry House Price	£37,187.50	£35,144.84
% CAN'T afford Market Entry House Price	46%	41%
Empty Homes	5%	5%
Second Homes	4%	3%
Short Term Lets	10%	5%

6.3 In Lochaber, 10% 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, the Lochaber Housing Market Area is less affordable and has 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 Lochaber has 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 Lochaber, 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 Lochaber ward as of 30th July 2025 is shown in **Table 2**. The majority of STLs in Lochaber are detached dwellings, followed by unconventional accommodation (pods and chalets) which are predominant in Glenfinnan area and settlements of Kinlochleven, Spean Bridge, and Corpach. In Fort William, there is a mix of STL housing stock including self-contained flats, semi-detached houses, terraced houses and detached houses. A map depicting the most common forms of STLs across Lochaber is shown in **Appendix 1**.

Table 2 Profile of Lochaber STLs, including Ward 21 and Ward 11 STLs

	Ward 21 Fort William and Ardnamurchan	Ward 11 Caol and Mallaig	Lochaber Total
Detached House STLs	397	317	714
Semi-Detached House STLs	109	66	175
Terraced House STLs	49	27	76
Self-Contained Flat STLs	120	44	164
All Potential Dwelling STLs	675	454	1129
Unconventional Accommodation STLs (Pods, chalets etc)	165	154	319
All Short Term Lets	840	608	1448

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 Lochaber HMA 10% 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 zones in Lochaber where the Adjusted Rate of STLs is higher than the Highland average (5%). Four data zones have an Adjusted Rate of STL over 17% (orange) and one small area to the north is within the Loch Ness – 05 data zone which has an Adjusted Rate of STL over 23%.

- 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. Most data zones in Lochaber exceed this threshold, with the exception of a small number of individual data zones around Fort William South and Central, Corpach, Glencoe, Spean Bridge, and Loch Moidart area (Lochaber West 02).
- 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 Lochaber is shown in **Appendix 3**. Data zones in Fort William and Spean Bridge have Adjusted STL Rates increasing faster than the Highland average. One data zone in Ardnamurchan saw Adjusted STL Rates decline compared to the Highland average, and all other data zones have Adjusted STL Rates increasing more slowly than the Highland average. There are small areas of data zone overlapping with other Areas with increasing Adjusted STL rates. 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 Lochaber there are areas with Adjusted STL rates increasing faster than the Highland average for one year, including Loch Moidart area, Corpach, Forth William, Spean Bridge and south of Fort William including Kinlochleven. There are no areas with Adjusted STL Rates increasing faster than the Highland average for 2 consecutive years in Lochaber.
- 6.8 Analysis of Total New Housing Completions and the STL Licence Register reveals that of the total 248 housing completions in Fort William and Ardnamurchan (Ward 21) in the past 5 years, 18 have since become STLs, which equates to 7.3% of completions. Of the total 299 housing completions in Caol and Mallaig (Ward 11) in the past 5 years, 21 have since become STLs, which equates to 7.0% of completions. For both Wards in Lochaber the percentage of new completions which became STLs is greater than the Highland average of 5%.

Table 3 Newbuild Completions in Fort William and Ardnamurchan (Ward 21) and Caol and Mallaig (Ward 11) since used as STLs

	Ward 21			Ward 11		
Year	Total Completions	Became STLs	%	Total Completions	Became STLs	%
2020/2021	21	3	14.3%	22	4	18.2%
2021/2022	74	6	8.1%	26	7	26.9%
2022/2023	37	3	8.1%	123	1	0.8%
2023/2024	46	5	10.9%	58	6	10.3%
2024/2025	70	1	1.4%	70	3	4.3%
Grand Total	248	18	7.3%	299	21	7.0%

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 STLCAs in their area. Planning authorities are to take into account any registered LPP when they are preparing or amending a Local Development Plan (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 three registered LPPs in the Lochaber Area – Ardgour, Kinlochleven, Duror and Kentallen – which mention STLs in various ways:

- Ardgour: Seek to prevent change of use of existing homes to full-time holiday lets through implementation of Short Term Let Control Area similar to that in Badenoch & Strathspey;
- Kinlochleven: Sought short Term Let Control for holiday lets. Notes that the population is dropping “partly because there aren’t enough homes for people to live in. Houses that do come on the market usually get snapped up for rented holiday accommodation and then lie empty for half the year when the West Highland Way is quiet”;
- Duror and Kentallen: LPP mentions the number of homes, occupied homes, second homes, unoccupied homes and 38 short term lets within the village [albeit the Council’s analysis provided in this report is considered more reflective of the current rates]. LPP considers there to be little spare housing capacity; “properties coming to the market in recent years tend to sell very quickly. The main issues identified were a shortage of housing for younger families and single older residents, and concerns about empty second homes and too few long-term rental properties. The general view is:-
 - Second homes have pushed up the price of houses, so they are no longer affordable for locals;
 - There is a shortage of housing in the area;
 - There is concern that this is leading to fewer families and young children in the area.”

6.10 There are four notified LPPs in the Lochaber area – Movern, Spean Bridge, Roy Bridge and Achnacarry, South Knoydart, and Glengarry:-

- Movern has a vision to rebalance housing provision, with proposals to regulate and shape development including supported living, second homes, holiday homes and short term lets. In terms of economy and tourism, there is a lack of casual accommodation such as hotel rooms and BnBs which restricts tourism and the ability of contractors to find accommodation on the peninsula. The community would view favourably plans to establish a new hotel or BnB with dining facilities. There is a concern that houses within the settlement area of Lochaline are being purchased with a view to short term let, this tendency removes housing stock from local inhabitation. Controls for second home ownership, similar to STLCAs, is sought;

- Spean Bridge, Roy Bridge and Achnacarry estimates that 10% of housing stock is available for short-term letting;
- South Knoydart has expressed intent to prepare an LPP, but no details have been provided as of yet;
- Glengarry has expressed intent to prepare an LPP, but no details have been provided as of yet.

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 Lochaber can be taken into consideration regarding STLs in their communities.

6.12 The [Lochaber Area Place Plan](#) was approved in January 2025. It has stated a priority for Housing to limit short-term lets suitable for permanent housing options.

7 Conclusion

7.1 This report summarises the prevalence of Short Term Lets Lochaber and potential impacts on availability of residential housing in Lochaber specifically. Relative to other areas of Highland, and to Highland as a whole, there is a higher rate of potential dwellings being used as Short Term Lets in Lochaber. While there is growth occurring in almost all areas, prevalence is higher in the south-east around Kinlochleven and north including Invergarry and, while the rate of potential dwellings used as Short Term Lets is lower in Corpach, Fort William, Loch Moidart and southern Glen Nevis. Rates of STLs are growing fastest (and indeed faster than the Highland average) within Fort William itself. There are indications that newbuild housing completions in the Lochaber Area are being transferred to Short Term Lets at a faster rate (7.0-7.3%) than Highland's overall completions (5%). An assessment of Lochaber 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 three registered Local Place Plans and an Area Place Plan in Lochaber where communities have expressed 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 Lochaber. 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. 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 areas 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

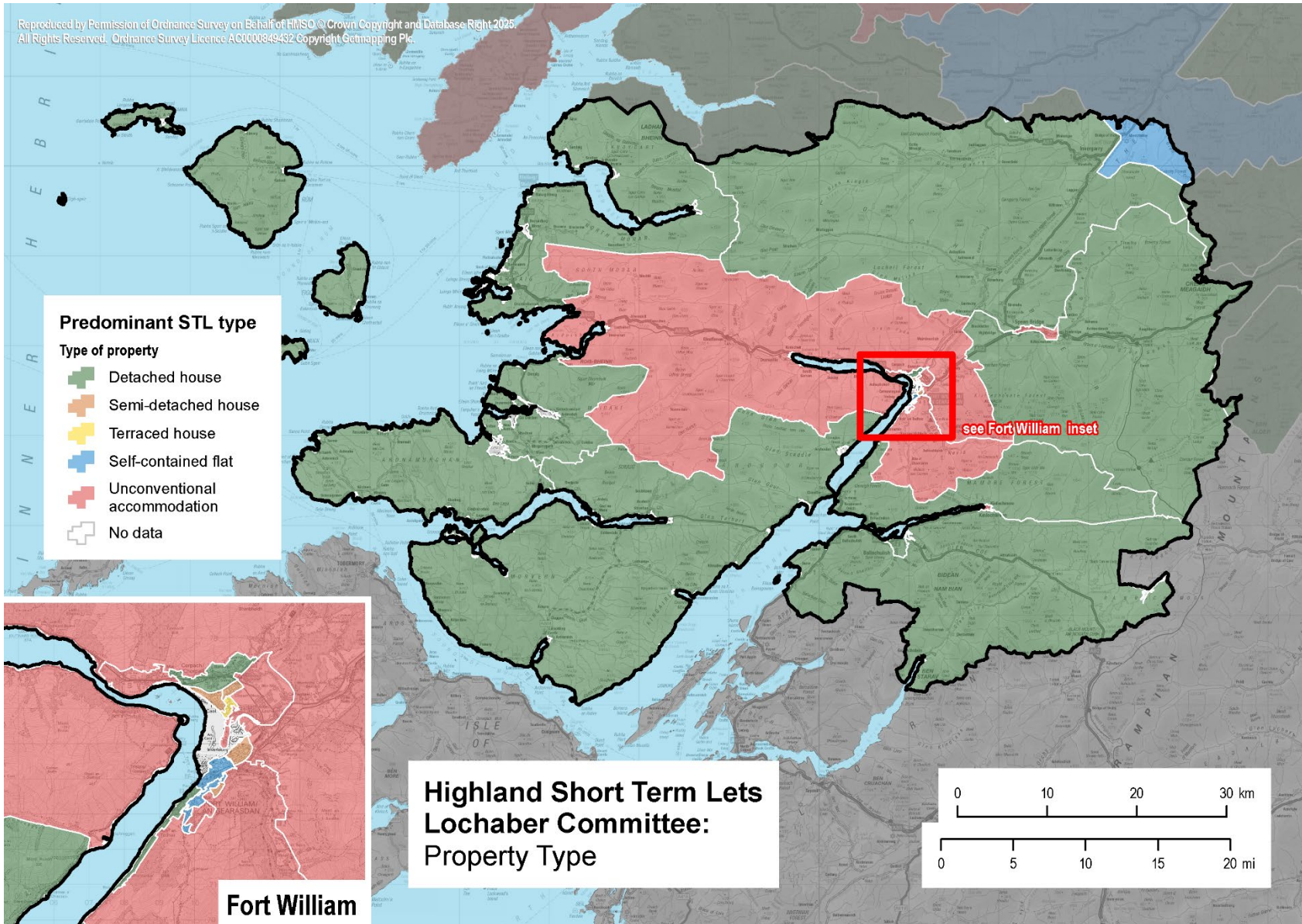
Authors: Meadhbh Maguire – Principal Planner
Meredith Dale – Graduate Planner

Background Papers: Short Term Let Control Areas [Report](#)

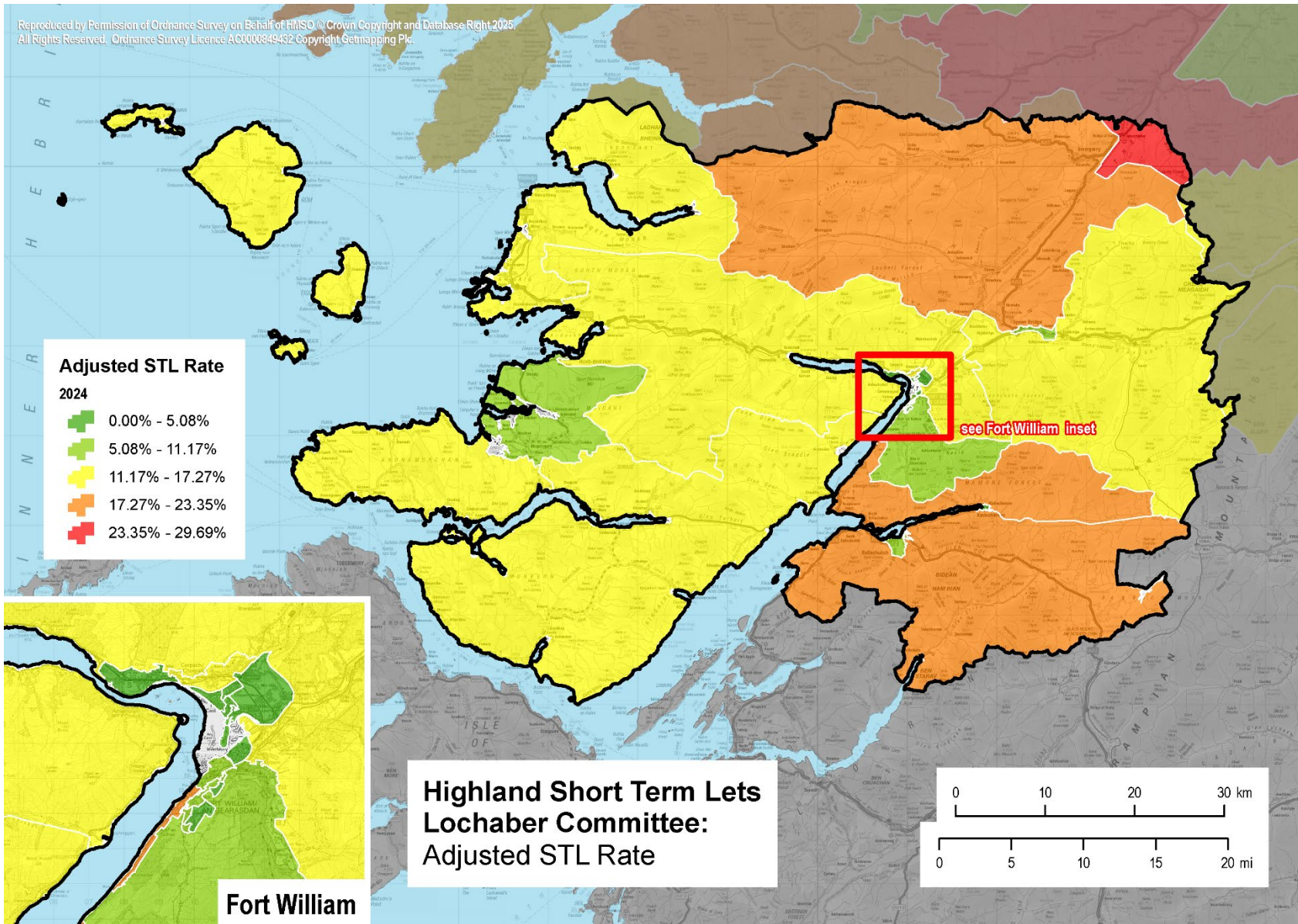
Appendices: Appendix 1 - Short Term Lets Predominant Property Type
Appendix 2 - Adjusted Short Term Lets Rates by Data Zone
Appendix 3 - Adjusted STL Rate Change 2023-2024
Appendix 4 - High & Fastest Growing Adjusted STL Rates

Appendix 1

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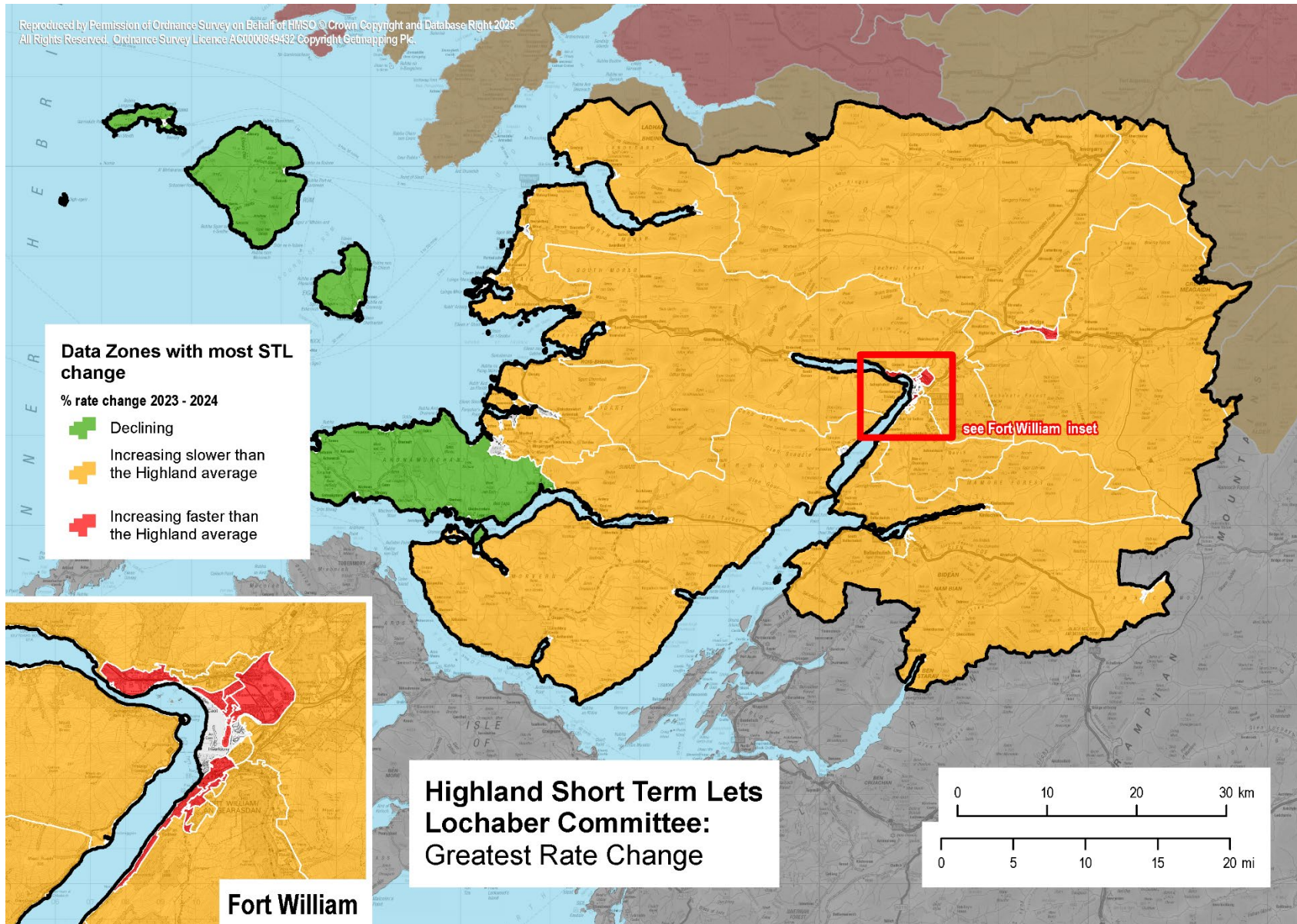


Appendix 2



Appendix 3

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Appendix 4

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