

The Highland Council

Agenda Item	5
Report No	NC/21/25

Committee: Nairnshire Area

Date: 24 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 STLCA 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 STLCA 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 STLCA 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 Nairnshire. Relative to other areas of Highland, and to Highland as a whole, there is a lower rate (2%) of potential dwellings being used as Short Term Lets in Nairnshire. Parts of Nairn and settlements of Auldearn, Cawdor and rural areas to the south have proportions of Short Term Lets growing 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 (3.8%) than Highland as a whole (5%). An assessment of the Nairnshire Housing Market Area undertaken as part of the Highland Housing Need and Demand Assessment indicates that the area's housing market is moderately contained, with Nairnshire having marginally less affordable properties than other areas of Highland. Nairnshire has a marginally higher proportion of sales to those outwith the local area, compared to the Highland average, which indicates that the area may be subject to influence from external demand, although this is likely caused in part by its location adjoining Moray Council. There is one recently registered Local Place Plan (LPP) in the Area – Nairnshire LPP - which also serves as the Area Place Plan. This plan outlines a mixed response from the community to Short Term Let regulation, with local pressure to balance competing needs for tourist accommodation, local families and key workers. However, it is noted the LPP sought to commission an impact statement of a Nairn STLCA. This was raised prior to the consideration of empirical evidence on Short Term Lets as presented in this report.
- 1.3 On balance, the evidence at this time would not indicate that the establishment of a STLCA is justified in Nairnshire. 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 Nairnshire;
 - ii. **Note** that this evidence, at this time, does not demonstrate that the housing market within Nairnshire specifically, is subject to any significant pressure caused by Short Term Lets at this time, that would warrant regulation through a STLCA;
 - iii. **Consider and agree** that the Nairnshire Area Committee does not at this time seek to progress with the process of considering the introduction of a STLCA covering all or part of the Nairnshire Area; and
 - iv. **Agree** to reconsider the evidence base regarding short term lets prevalence in Nairnshire 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 STLCA 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.

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 STLCA. 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 STLCA 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 STLCA 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 Short Term Lets (STL) 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 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 STLs, and around 5% of new housing completions across Highland within the last 5 years are now licensed STLs, 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 Nairnshire Area to support Members decide whether to progress to the first stage of the implementation of a STLCA, namely the evidence gathering and consultation phase.

6 Assessment of Short Term Lets in Nairnshire

- 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, but this does not include the Nairnshire Area. The Nairnshire Area aligns and has the same geographic area as the Nairn HMA. This HMA is marginally less affordable than the Highland average and has slightly lower levels of containment (67%) to the Highland average (71%), which represents the proportions of house sales purchased by those already residing within the Highland Council. In Nairn, 45% of house sales were purchased by buyers already living in the Nairn area, a further 22% were purchased from buyers from elsewhere within Highland Council and 33% of sales were from outwith Highland, Scotland, and the UK, as shown in Table 1.

Table 1 Nairn Housing Market Area

	Nairn	Highland
HMA Containment	67%	71%
HMA Internal Self-Containment	45%	
HMA Containment Highland	22%	
Sales from Scotland, UK & Elsewhere	33%	29%
Average House Price	£227,125.50	£209,125.12
Income Required to Afford Average House Price	£60,330.21	£55,548.86
% CAN'T afford Average House Price	66%	64%
Market Entry House Price	£150,000.00	£132,310.00
Income Required to Afford Market Entry House Price	£39,843.75	£35,144.84
% CAN'T afford Market Entry House Price	45%	41%
Empty Homes	3%	5%
Second Homes	2%	3%
Short Term Lets	2%	5%

- 6.3 In Nairn, 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 Nairn HMA is marginally less affordable than the Highland average but has a lower rate 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 marginally observable for Nairn but likely caused in part by the area's proximity to Moray as an external Council area. This is interpreted as meaning that the affordability of housing and the levels of external sales in the area do not coincide with high levels of STLs, 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 Nairn and Cawdor ward as of 30 July 2025 is shown in Table 2. The majority of STLs in Nairn and Cawdor ward are detached dwellings. In Cawdor and Nairn East, unconventional accommodation (pods and chalets) are the most prevalent type and within western Nairn semi-detached houses and self-contained flats are the most common types of STL. A map depicting the most common forms of STLs across Nairnshire is shown in **Appendix 1**.

Table 2 Profile of Nairnshire (Wards 18 – Nairn and Cawdor) STLs

	Ward 18 Nairn and Cawdor Total
Detached House STLs	71
Semi-Detached House STLs	36
Terraced House STLs	21
Self-Contained Flat STLs	33
All Potential Dwelling STLs	161
Unconventional Accommodation STLs (Pods, chalets etc)	27
All Short Term Lets	188

- 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 Nairnshire HMA 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 Nairnshire 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 Nairnshire 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 Nairnshire is shown in **Appendix 3**. There were five data zones in Nairnshire where Adjusted STL Rates increasing faster than the Highland average, and four 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 Nairnshire there are two data zones with Adjusted STL rates increasing faster than the Highland average for 2 consecutive years, located in central Nairn and Nairn East, while there were seven data zones with Adjusted STL rates increasing faster than the Highland average for 1 consecutive year, including areas of Nairn township, Auldearn and around Cawdor, albeit numbers of STLs remain small in real terms despite these rates of change.
- 6.8 Analysis of Total New Housing Completions and the STL Licence Register, shown in Table 3. This reveals that of the total 185 housing completions in Ward 18 in the past 5 years, seven (or 3.8%) have since become STLs, which is slightly below the Highland average of 5%, and reflects small numbers of STLs in real terms.

Table 3 Newbuild Completions in Nairn and Cawdor (Ward 18) since used as STLs

Ward 18			
Year	Total Completions	Became STLs	%
2020/2021	86	1	1.2%
2021/2022	29	-	-
2022/2023	26	6	23.1%
2023/2024	33	-	-
2024/2025	11	-	-
Grand Total	185	7	3.8%

- 6.9 A review of registered LPPs 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 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 Nairnshire Area – Nairnshire LPP, which also serves as the Area Place Plan. There is a mixed response from the Nairnshire community for any planning regulation of STLs. The LPP notes local pressure to balance competing needs for tourist accommodation and for local families and key workers and acknowledges Highland Council's Ward 20 (Badenoch and Strathspey) STLCA. The LPP sets out that, following adoption of the LPP and within 12 months of recruitment of a Development Officer, NICE, in partnership with The Highland Council, will commission a Nairn-specific impact assessment on housing and tourism of a similar “STL control programme”, which may be intended to mean a STLCA. The planning service contacted NICE in the preparation of this item and does not as this stage know the current status of this and whether it has been commenced. Given the Nairnshire LPP has been registered relatively recently, this may take some time to undertake and consider at a future period.
- 6.10 There are two small areas related to notified LPPs - Croy and Culloden Moor, and Strathnairn – which overlap into the Nairnshire ward, however these LPPs are predominantly within other neighbouring wards.
- 6.11 A LPP can only be placed on the register if it is valid, meaning if the requirements for LPPs 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 the registered LPP in Nairnshire can be taken into consideration regarding STLs in their communities.

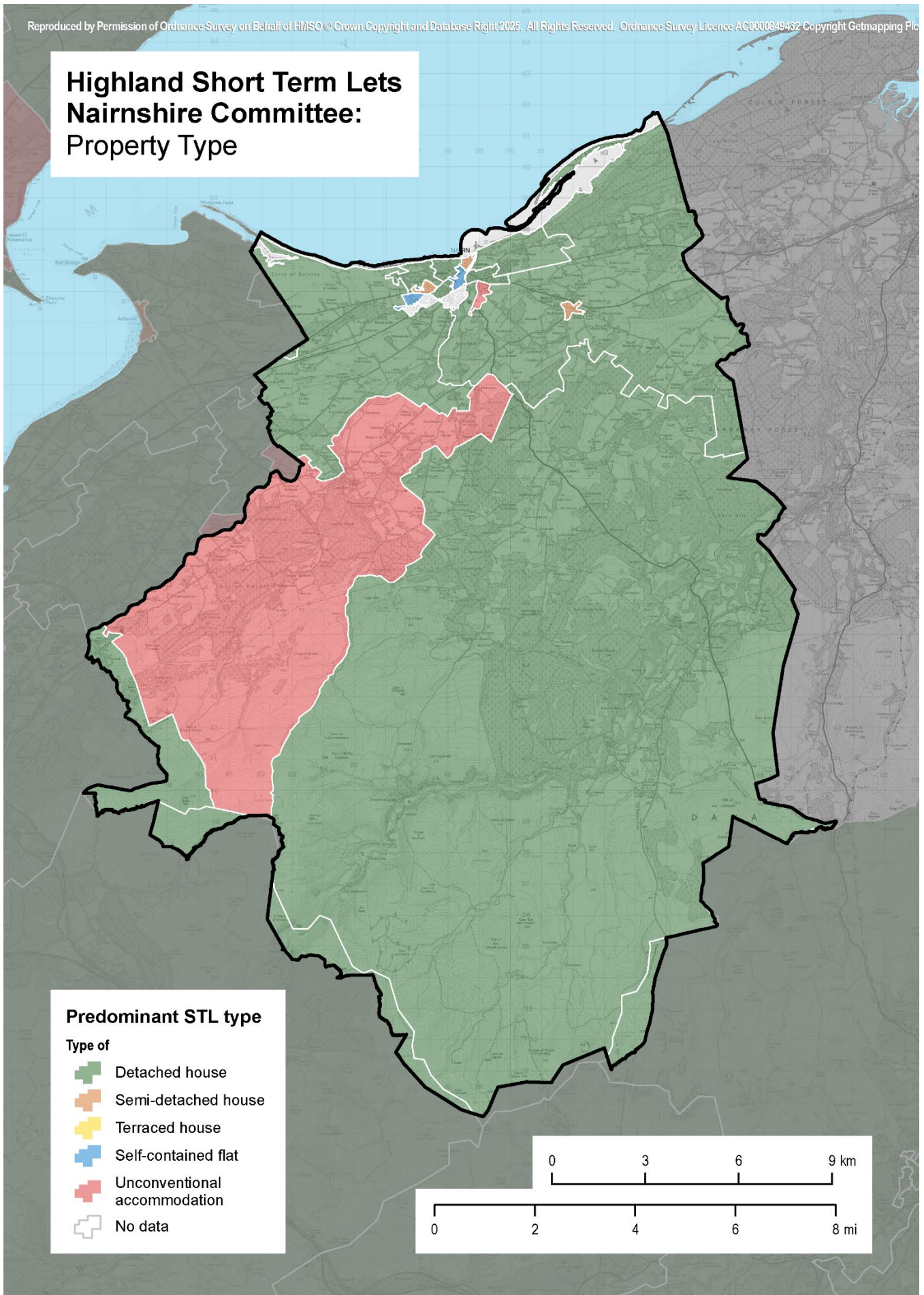
7 Conclusion

- 7.1 This report summarises the prevalence of STLs in Nairnshire and potential impacts on availability of residential housing in Nairnshire specifically. Relative to other areas of Highland, and to Highland as a whole, there is a low rate of potential dwellings being used as STLs in Nairnshire. While there is small growth occurring in some areas, the overall number of STLs 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 Nairn HMA undertaken as part of the Highland Housing Need and Demand Assessment indicates that the area's housing market is moderately contained serving demand to local residents, with marginally less affordable properties and slightly higher proportions of sales to those outwith the local area, than other areas of Highland, but this does not coincide with high prevalence of STLs. There is one registered Local Place Plan in Nairnshire, where communities have mixed views on putting restrictions on STLs. However, this is not borne out by empirical evidence on the issue at this time and the LPP sets out the desire to undertake an impact assessment of an “STL control programme” for Nairnshire, which would warrant further consideration once undertaken.

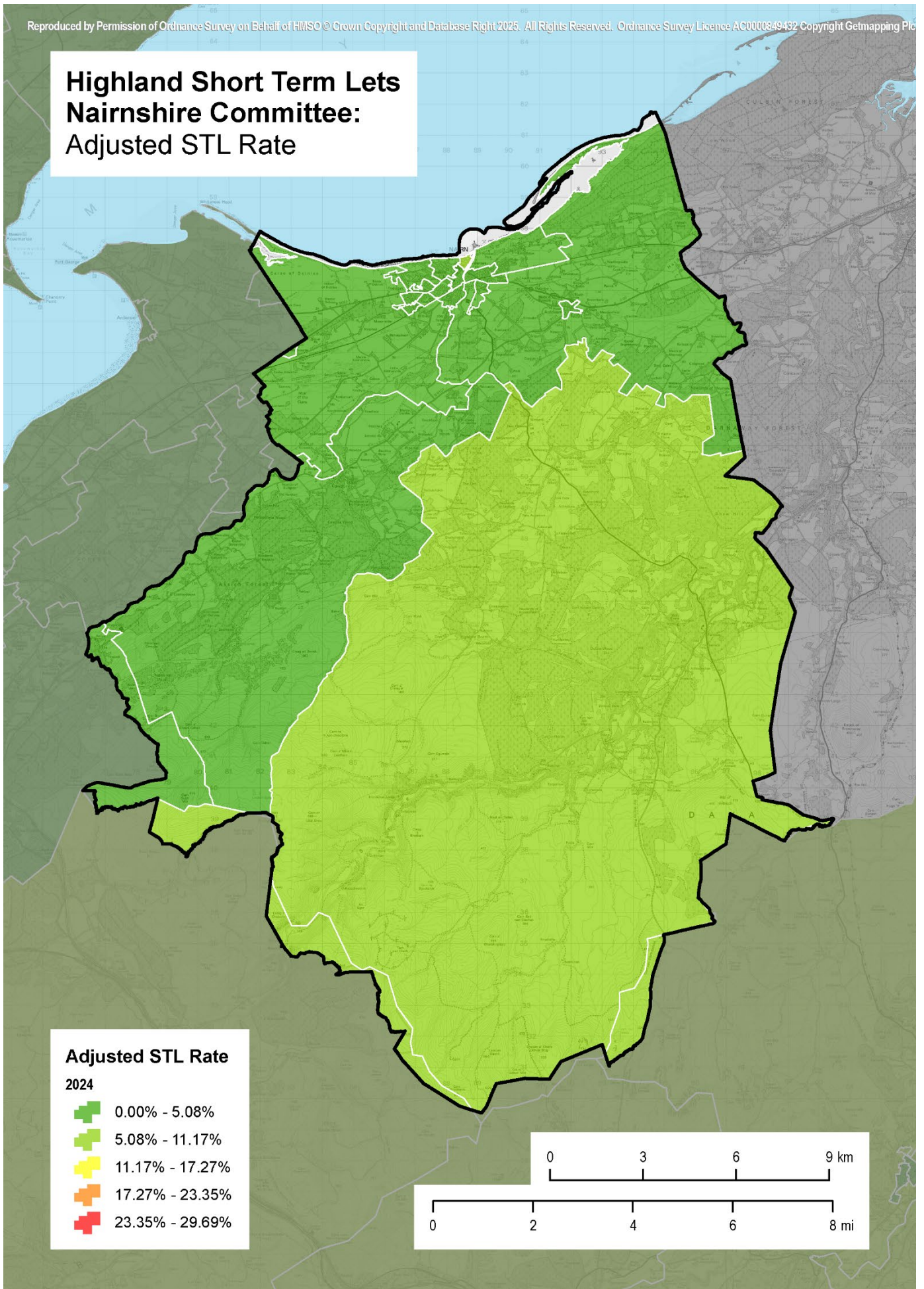
- 7.2 On balance, the evidence at this time would not indicate that the establishment of a STLCA is justified in Nairnshire. Areas of growth would benefit from further reconsideration of the evidence base, including any commissioned impact assessments at a future point in time to monitor whether the availability of local housing is significantly impacted, or whether further registered LPPs come forward expressing concerns regarding STLs 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:	3 November 2025
Authors:	Meadhbh Maguire – Principal Planner Meredith Dale – Graduate Planner
Background Papers:	Short Term Lets Control Area Report - 18 Sept 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

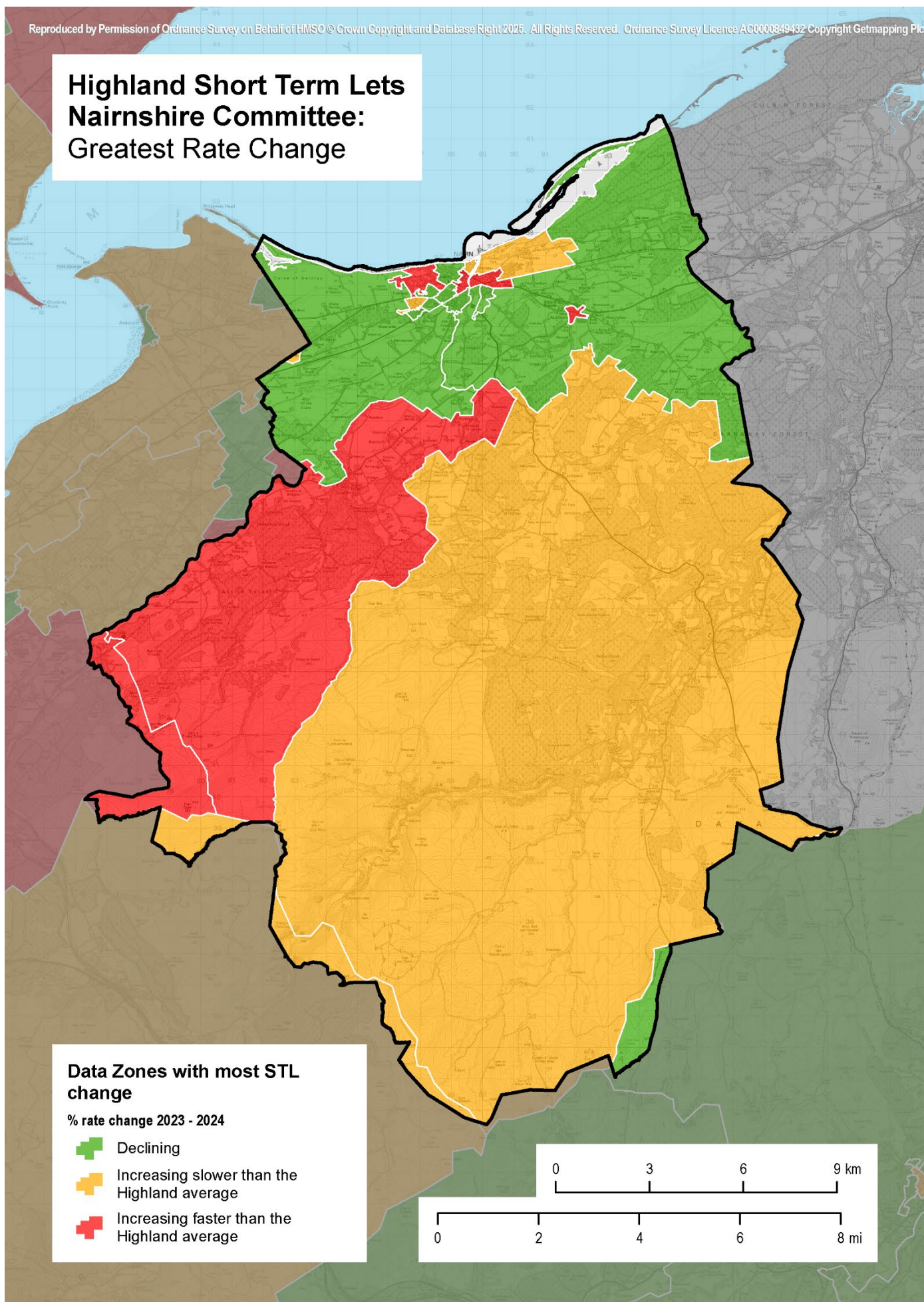
Appendix 1 - Short Term Lets Predominant Property Type



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

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Highland Short Term Lets Nairnshire Committee: High and Growing Adjusted Rates

Adjusted STL Rates increasing
faster than the Highland average
for 2 consecutive years



Adjusted STL Rates increasing
faster than the Highland average
for 1 year



High Adjusted STL Rate



0 3 6 9 km

0 2 4 6 8 mi