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| <b>Agenda Item</b> | <b>4</b>         |
| <b>Report No</b>   | <b>ECI/01/26</b> |

**Committee:** Economy and Infrastructure

**Date:** 12 February 2026

**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 Subsequent to this process being agreed, all Area Committees have considered evidence related to the prevalence of Short Term Lets within their specific areas and a number have agreed to continue the process of further considering designating a Short Term Let Control Area covering all or part of their area, namely:-

- [Wester Ross, Strathpeffer and Lochalsh](#) – Agreed on 3 November 2025;
- [Lochaber Area Committee](#) – Agreed on 10 November 2025;
- [Sutherland Area Committee](#) – Agreed on 1 December 2025;
- [Skye and Raasay Area Committee](#) – Agreed on 1 December; and
- [City of Inverness Area Committee](#) – Agreed on 7 January 2026

The Area Committees for Caithness, Dingwall and Seaforth, Nairnshire and Black Isle and Easter Ross have agreed not to proceed with designation of further Short Term Let Control Areas at this time. The Area Committees who have agreed to continue the process are those with the most justifiable evidence, as summarised in this report.

1.3 This report therefore summarises the areas that are proposed for designation as further Short Term Let Control Areas, mindful that there is currently one designated Short Term Let Control Area in force within Ward 20 Badenoch and Strathspey. Given that the areas proposed are contiguous, it is proposed that the Council progresses to the notification and consultation stage with two proposed Short Term Let Control Areas as shown within Appendix 2; one for Inverness City (spanning Wards 13, 14, 15, 16 and the Northern portion of Ward 19) and one for a wider rural Highland area, covering Sutherland, Wester Ross, Strathpeffer and Lochalsh, Skye and Raasay, Lochaber and rural Inverness-shire (Ward 12 and the Southern portion of Ward 19). The rationale for progressing two distinct control areas is that in order to designate a control area, a planning authority will need to prepare a statement of reasons for their proposal. This is an important step in explaining to people affected by the control area, and the Scottish Ministers, why the planning authority considers it necessary. The variation between urban and rural contexts means that Short Term Lets affect communities and housing supply differently, and the two proposed control areas therefore have bespoke statements of reasons provided in Appendix 3 and Appendix 4 corresponding to the relevant matters and evidence for those contexts.

1.4 The majority of Highland's Licensed Short Term Lets have been converted from former residential dwellings, in contrast with 'purpose-built' Short Term Lets. The Highlands is a highly diverse area. Within the four Inverness City Wards Short Term Lets are spatially concentrated as shown within the [Highland Short Term Lets](#) Map and detailed in the previous [report](#) to the City of Inverness Area Committee. In rural areas, there is less spatial concentration but owing to the lower overall number of dwellings, recent conversions to Short Term Lets have removed significant shares of housing stock from long-term residential use, often in remote areas characterised by little volume housebuilder activity. Relative to other areas of Highland, the areas proposed for designation as Short Term Let Control Areas have higher proportions of potential dwellings in use as Licensed Short Term Lets, and these proportions are growing at a faster rate than Highland as a whole. An assessment of Highland's Housing Market Areas similarly indicates that these areas are showing signs of this pressure, are relatively less contained, with less affordable properties than other areas of Highland, and higher proportions of sales to those outwith the local area, and these are spatially consistent with the areas with higher rates of Short Term Lets. There are three registered Local Place Plans within the proposed areas where communities have presented evidence and, in some cases, expressed concerns on short term let matters in relation to housing challenges.

- 1.5 If agreed by Members, progressing to the notification and consultation stage affords communities the opportunity to participate in that process and requires following provisions within Regulation 4 of [The Town and Country Planning \(Short-term Let Control Areas\) \(Scotland\) Regulations 2021](#). This will require publishing notice of the proposals within the local press, on Council webpages, alongside direct notice provided to each Community Council within the proposed area. The Council shall require to launch a consultation portal and specify how and by when representations may be made, which must be for a minimum of 28 days. Officers would subsequently seek to return to a further E&I Committee with the outcome of the consultation feedback so that members can consider whether to submit the proposals to the Scottish Ministers to obtain their approval.

## 2 Recommendations

### 2.1 The Committee is asked to:-

- i. **Note** that the Area Committees of Lochaber, Sutherland, City of Inverness, Skye and Raasay and Wester Ross, Strathpeffer and Lochalsh have agreed to continue the process of considering designating Short Term Let Control Area covering all or part of their area;
- ii. **Note** that the process of designating further Short Term Let Control Areas requires consultation on the Planning Authority's statement of reasons, and that in Inverness City, Short Term Lets display different characteristics and present different issues relative to those in rural areas, which warrants consultation on a different statement of reasons;
- iii. **Agree** that officers undertake the Short Term Let Control Area consultation for two distinct Short Term Let Control Areas as shown within Appendix 2, one corresponding to Inverness City, and one for the wider rural areas within Lochaber, Sutherland, Skye and Raasay, Wester Ross, Strathpeffer and Lochalsh, and Inverness-shire;
- iv. **Agree** that progressing with consideration of a STLCA enables communities within the area to participate in that consultation; and
- v. **Agree** that following consultation as specified in (iii above), officers shall bring back a further report to Committee, summarising the feedback so that Members can decide whether to continue with submission to Scottish Government Ministers.

## 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 of 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 Integrated Impact Assessment – Summary

- 4.3.1 An Integrated Impact Assessment screening was undertaken on 8 January 2026. The conclusions have been subject to Manager Review and Approval.
- 4.3.2 This report does not relate to the formal implementation of a Short Term Let Control Area but seeks to progress to a consultation on the proposal. A consultation is not considered to have any impacts on Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and standard Data Protection procedures are proposed. A full Integrated Impact Assessment is not required at this stage. If a decision were taken to progress to the subsequent stages, such as submission of the proposal to Scottish Ministers or to designate the area, an impact assessment would be required in order to inform the decision on whether to progress with such a scheme. Members are asked to consider the summary in **Appendix 1** to support the decision-making process.

| Impact Assessment Area           | Conclusion of Screening/Full Assessment  |
|----------------------------------|--|
| Equality                         | <ul style="list-style-type: none"> <li>Children and Young People – <i>no impact</i></li> <li>Children affected by disability – <i>no impact</i></li> <li>People affected by disability – <i>no impact</i></li> <li>Older adults – <i>no impact</i></li> <li>Pregnant / Maternity – <i>no impact</i></li> </ul> |
| Socio-economic                   | <i>no impact</i>   |
| Human Rights                     | <i>no impact</i>   |
| Children's Rights and Well-being | <i>no impact</i>   |
| Island and Mainland Rural        | <i>no impact</i>   |
| Climate Change                   | <i>no impact</i>   |

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| Data Rights | <i>no impact</i> |
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## 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.

## 6 Progressing with Short Term Let Control Areas

6.1 The proposed Inverness City STLCA shown in **Appendix 3** includes Wards 13, 14, 15, 16 and a northern section of Ward 19 which comprises the community council boundaries of Westhill, Milton and Leys and Slackbuie. The proposed Highland Rural STLCA shown in **Appendix 4** includes the Areas of Lochaber, Sutherland County, Skye and Raasay, Wester Ross, Strathpeffer and Lochalsh, Ward 12 Aird and Loch Ness and the remaining southern rural portion of Ward 19 Inverness South. The [Short-Term Lets and Planning Circular 1/2023](#) states that Planning authorities should consider whether there are systemic material planning considerations across one or more areas in the planning authority area as part of deciding whether to designate one or more control areas. Systemic might mean the same consideration repeated many times or that there is a cumulative impact from the use of dwellinghouses as short-term lets. Example indicators include:-

1. Lack of affordable and appropriate housing for local residents, perhaps indicated by a high share of sale volumes to, and high prices paid by, non-residents.
2. Detrimental impact on local amenity, with businesses, schools or other services that serve, and are reliant on, permanent residents closing or relocating
3. Changes to the look and feel of a neighbourhood, such as multiple key boxes on many buildings or structures or noise on streets and in stairwells.
4. Signs that services are struggling, such as many instances of overflowing bins.
5. A significantly higher level of complaints relevant to use of dwellinghouses as short-term lets from neighbours spread across a number of tenements or 5 properties than in a comparable area.

6.2 The [previous report to Highland Council](#) in September 2025 report was structured to respond to this and present evidence regarding housing indicators from the Housing Need and Demand Assessment (HNDA), before considering other matters such as detrimental impact on local amenity, and impact on local services. The statements of reasons provided for the Inverness City STLCA, and the wider rural Highland STLCA also reflect these example indicators. The statement of reasons for the Inverness City STLCA is provided in **Appendix 3** and is summarised below:-

1. **Lack of affordable and appropriate housing for local residents** indicated by:
  - The proposed STLCA contains concentrations of areas with a high share of house sale volumes to, and high prices paid by, non-Highland residents.
  - The proposed STLCA contains concentrations of areas with high shares of potential dwellings used as STLs which in some instances exceed 20% of dwellings.
  - The share of potential dwellings used as STLs in the proposed area has grown faster than across Highland overall.
  - The city functions as one Housing Market Area and has a compact central area in close proximity to traditional, residential communities. Addressing the impacts of STLs on a city-wide basis is considered most practical owing to the risk of potential displacement to other communities.
2. **Detrimental Impact on local amenity**, where high concentrations of STLs within some individual streets result in the majority of properties being now Licensed STLs, including many instances of consecutive STLs within the same street frontage, which has the potential to change the character of the area, and the sense of community among remaining residents.

3. **Complaints regarding noise** from neighbouring properties in predominantly residential areas as recorded by Environmental Health.
4. **Complaints regarding inappropriate use of bins and refuse services** from neighbouring properties in predominantly residential areas often due to neighbouring bins being used instead of those reserved for the property, bins not being placed for refuse collection on the correct day, or bins overflowing. These are recorded by Environmental Health. Short Term Lets present challenges for waste collections often owing to the non-residency of the proprietor.

6.3 The statement of reasons for the Rural Highland STLCA is provided in **Appendix 4** and is summarised below:-

1. **Lack of affordable and appropriate housing for local residents** indicated by:
  - The proposed STLCA has a with a high share (46%) of house sale volumes to, and high prices paid by, non-Highland residents, and within specific communities, sales to non- Highland residents outnumber those of Highland residents.
  - A high share of potential dwellings (12%) in the proposed area is used as STLs in contrast with Highland overall (6%), and within specific areas, these rates are considerably higher, exceeding 20% and 25% of dwellings.
  - The share of potential dwellings used as STLs in the proposed area has grown faster than across Highland overall.
  - A greater share of new homes built (9%) within the proposed area are being subsequently used as STLs than in Highland overall.
  - Local Place Plans prepared by some communities within the proposed area have raised concerns on STLs and in some instances explicitly sought an STLCA.
2. **Detrimental impact on local amenity**, with businesses, schools or other services that serve, and are reliant on, permanent residents closing or relocating, as evidenced by:-
  - Seven mothballed and four permanently closed schools within the proposed area due to sustained declines in school rolls.

The Highland Rural STLCA comprises multiple Committee Areas which each considered their respective Committee Reports on evidence regarding housing availability, where in repeated instances, it is clear that the same impact on housing availability and affordability is felt by communities across the proposed area. It is considered that these impacts are therefore *systemic* consistent with the suggested interpretation within the [Short-Term Lets and Planning Circular 1/2023](#) as meaning the same consideration repeated many times or that there is a cumulative impact from the use of dwellinghouses as short-term lets.

6.4 The statements of reasons are executive summaries of the key reasons behind the two proposed STLCAs, each accompanied by a more comprehensive assessment and presentation of evidence, with which members will be familiar from previous Area Committee Reports. Should Members agree to formally commenced the notification and consultation stage, both these statements of reasons and their accompanying evidence will be made available to the public within the online consultation platform and in printed materials.



- 6.5 At present, one of the few indicators available to gauge community sentiment on STLs is through consideration of community-led Local Place Plans (LPPs), which involve their own respective consultations with communities. 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. At the time of writing this report, the Highland Council has registered a total of 16 LPPs as shown in the [Local Place Plan Register Map](#). There are presently eight registered LPPs within the proposed Highland Rural STLCA – which are most direct in their concerns regarding STLs:-
- Fort Augustus and Glenmoriston - Short term let control to manage future growth of second homes/holiday lets, as in Badenoch and Strathspey.
  - Ardgour - Seek Short Term Let Control Area similar to Badenoch and Strathspey.
  - Kinlochleven - Seeks Short Term Let Control for holiday lets.
  - Duror and Kentallen - Considers there to be a shortage of housing for younger families and single older residents, and concerns about empty second homes and too few long-term rental properties.
  - Broadford and Strath – Your Place, Your Plan - The value of visitor spend within the local economy is clearly appreciated, yet a tourism focused economy brings various negative impacts on quality of life. Tourism also impacts on the availability of accommodation for short term and seasonal workers in the hospitality business, which has an economic impact.
  - Plana Àite Ionadail Shlèite / Sleat - Housing is a critical priority. Key challenge is the imbalance created by holiday homes and short-term lets. Private rented accommodation in the community has fallen. In a survey carried out by HIE in 2022, 85% of respondents on Skye said there were too many second homes and 81% there were too many short-term lets.
  - 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.
  - Torridon and Kinlochewe - A key challenge 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.
- 6.6 Other communities may wish to come forward in due course with further LPPs, which would be duly considered. Not all communities across the proposed STLCA are preparing LPPs (there are none registered in Inverness City) and consulting on the proposals formally would place the Council in a better position to assess the views of communities. Unlike the consultation undertaken for Ward 20 Badenoch and Strathspey STLCA which was primarily conducted using online engagement methods due to the recent Covid-19 pandemic that preceded at that time, a greater in-person focus on engagement would be feasible and appropriate within the proposed areas.
- 6.7 Under regulation 7(1) of [The Town and Country Planning \(Short-term Let Control Areas\) \(Scotland\) Regulations 2021](#), the planning authority can modify the proposal to take account of any representation made in response to the consultation. The planning authority may not, however, make any changes to include an additional area in the control area which was not shown on the map of the control area (or proposed control area) that accompanied the consultation (regulation 7(2)). This means that the Council may amend the proposed boundary to remove areas from the STLCA, provided that this does not expand it to include new areas, as doing so would require reconsulting with the affected communities in the revised proposals.



## 7 Conclusion

- 7.1 This report recommends that the process to formally designate two STLCA's is commenced, which would require the Council to publish notice of the proposal to designate the control areas and consult on the proposals. This provides communities with an opportunity to consider the proposals and the accompanying evidence and engage with these accordingly. It similarly enables the Council to reflect on that engagement and consider the next steps at a subsequent E&I Committee. The two proposed STLCA's reflect the variation between urban and rural contexts in the Highlands, where Short Term Lets affect communities and housing supply differently. The Area Committees of Lochaber, Sutherland, Skye and Raasay, City of Inverness, Wester Ross, Strathpeffer and Lochalsh have agreed to consider the designation of STLCA's covering all or part of their area and owing to the similar nature of justifiable reasons across much of Highland's rural areas, it is proposed that these are progressed in tandem as one Highland Rural STLCA. Ward 12 Aird and Loch Ness and the southern portion of Ward 19 Inverness South is more typical in context to the adjoining rural areas and evidence in relation to STLs in this ward is more consistent with that of the Highland Rural STLCA.
- 7.2 On balance, the evidence at this time indicates that two distinct STLCA's would be justified. The process of doing so has been outlined in this report. Progressing with further consideration of a Short Term Let Control Area enables communities within the proposed 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.

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| Designation:       | Assistant Chief Executive - Place   |
| Date:              | 9 January 2026  |
| Authors:           | Meadhbh Maguire, Principal Planner  |
| Background Papers: | Short Term Let Control Area <a href="#">Report</a> to Full Council September 2025<br>Short Term Let Control Area <a href="#">Report</a> to WRSL Area Committee November 2025<br>Short Term Let Control Area <a href="#">Report</a> to Lochaber Area Committee November 2025<br>Short Term Let Control Area <a href="#">Report</a> to Sutherland Area Committee December 2025<br>Short Term Let Control Area <a href="#">Report</a> to Skye and Raasay Area Committee December 2025<br>Short Term Let Control Area <a href="#">Report</a> to City of Inverness Area Committee January 2026 |
| Appendices:        | Appendix 1 – Integrated Impact Assessment<br>Appendix 2 – Proposed Inverness City and Highland Rural Short Term Let Control Areas<br>Appendix 3 – Inverness City STLCA Statement of Reasons<br>Appendix 4 – Highland Rural STLCA Statement of Reasons   |

## Appendix 1 – Integrated Impact Assessment Screening

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### About proposal

What does this proposal relate to? Policy

Proposal name: Short Term Let Control Area

High level summary of the proposal: Report to the Economy and Infrastructure (E&I) Committee asking them to agree to formally commence the consultation on the introduction of two proposed Short Term Let Control Areas.

Who may be affected by the proposal? All Highland Council residents and businesses (including short term let operators) within the proposed areas.

Start date of proposal: 18/09/2025

End date of proposal:

Does this proposal result in a change or impact to one or more Council service? Yes

Which Council services will be impacted by this proposal? Place Does

this relate to an existing proposal? Yes

Provide details of the existing proposal: At the meeting of The Highland Council on 18 September 2025, Members agreed a new internal process to consider designation of further Short Term Let Control Area (STLCA) beyond Ward 20: Badenoch and Strathspey.

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Service: Place

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Sign off date: 2026-01-09

## **Equalities, poverty, and human rights**

### Protected characteristics

Select what impact the proposal will have on the following protected characteristics:

Sex: No impact

Age: No impact

Disability: No impact

Religion or belief: No impact

Race: No impact

Sexual orientation: No impact

Gender reassignment: No impact

Pregnancy and maternity: No impact

Marriage and civil partnership: No impact

Protected characteristics impact details: The proposed STLCA and the consultation regarding it are not specifically related to protected characteristics.

## **Poverty and socio-economic**

What impact is the proposal likely to have on the following?

Prospects and opportunities: No impact

Places: No impact

Financial: No impact

Poverty and socio-economic impact details: No impact at this stage as members are being asked to commence a formal consultation on the matter, and these impacts would potentially be better known at subsequent stages.

## **Human rights**

Which of the below human rights will be affected by this proposal? No human rights will be affected

What impact do you consider this proposal to have on the human rights of people?  
No impact

Human rights impact details: No impact at this stage as members are being asked to commence a formal consultation on the matter, and these impacts would potentially be better known at subsequent stages.

## **Equalities, poverty and human rights screening assessment**

What impact do you think there will be to equalities, poverty and human rights? No impact

Is a Full Impact Assessment required? No

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## **Children's rights and wellbeing**

What likely impact will the proposal have on children and young people? The proposal is not considered to have an impact on children and young people.

Which of the below children's rights will be affected by the proposal? No children's rights will be affected

Explain how the children's rights selected above will be affected:

Children's rights and wellbeing screening assessment

What impact do you think there will be to children's rights and wellbeing? No impact

Is a Full Impact Assessment required? No

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## **Data protection**

Will your proposal involve processing personal data? Yes

Is any of this data already processed by the Highland Council? No

What purpose will the data be used for? The consultation if agreed by members will involve collection of personal contact details such as email and addresses.

Data protection screening assessment

What change will there be to the way personal data is processed? New data will be processed

Is a Full Impact Assessment required? No

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## **Island and mainland rural communities**

Does your proposal impact island and mainland rural communities? Yes

Could people in island and mainland rural communities be affected differently? No

Have any negative impacts been identified? No

## Island and mainland rural communities screening assessment

What impact do you think there will be to island and mainland rural communities?

No difference

Is a Full Impact Assessment required? No

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### **Climate change**

Does the proposal involve activities that could impact on greenhouse gas emissions (CO<sub>2</sub>e)? No

Does the proposal have the potential to affect the environment, wildlife or biodiversity? No

Does the proposal have the potential to influence resilience to extreme weather or changing climate? No

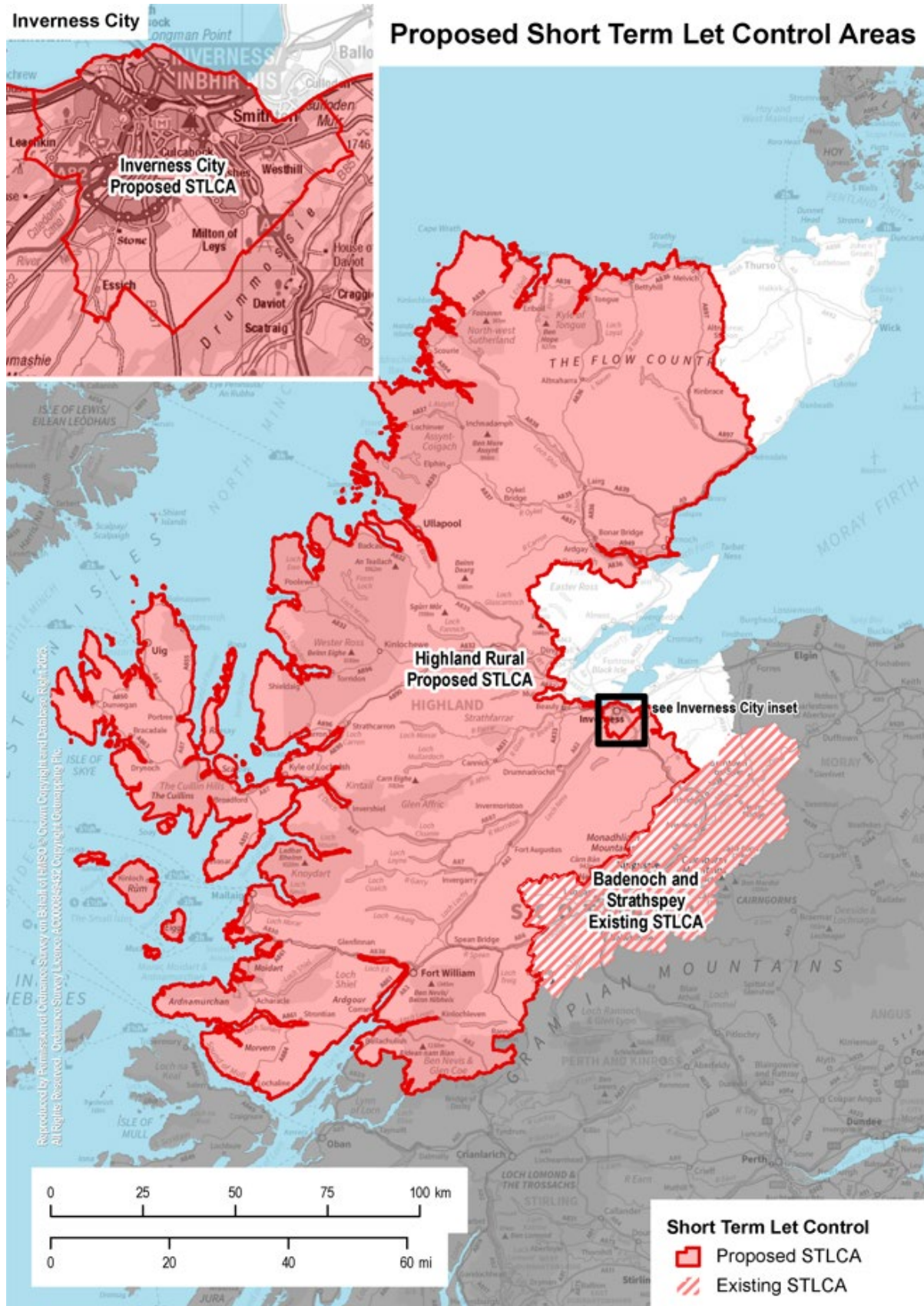
Provide information regarding your selection above: No impact on climate change arising from any decision taken to undertake the consultation.

Climate change screening assessment

Have you identified potential impact for any of the areas above or marked any as not known? No

Is a Full Impact Assessment required? No

## Appendix 2 – Proposed Inverness City and Highland Rural Short Term Let Control Areas





## Appendix 3 Inverness City STLCA Statement of Reasons

The Highland Council

Comhairle na Gàidhealtachd

Inverness City Short Term Let Control Area

Smachd Màil Gheàrr-ùine gam Moladh airson Baile Inbhir Nis

Statement of Reasons

Aithris Adhbharan

### Background

Cùl-fhiosrachadh

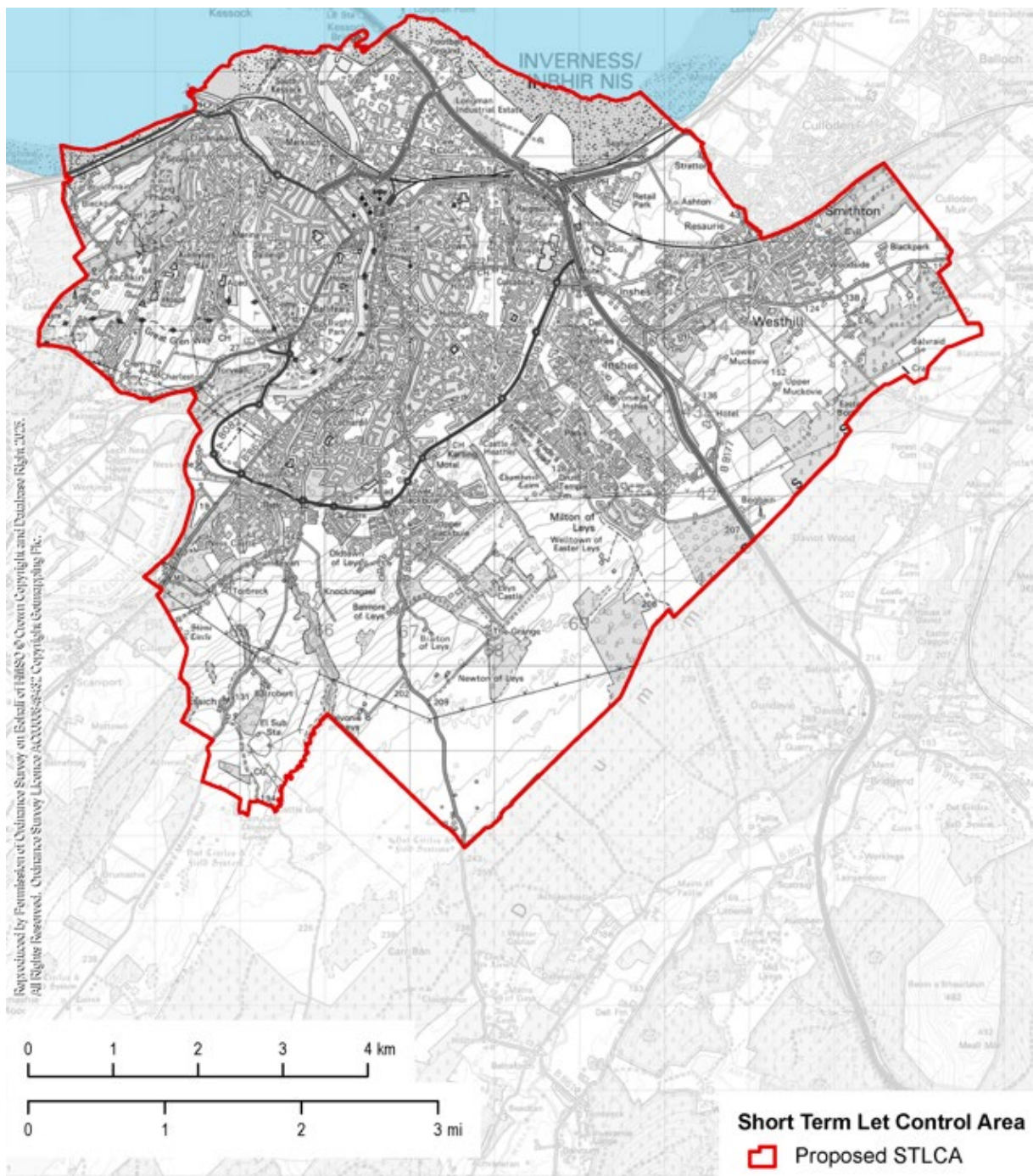
The designation of a Short Term Let Control Area requires to be supported by a Statement of Reasons. The following document and attachments make up the Highland Council (thereafter called 'the Council') **Statement of Reasons** for the establishment of an Inverness City Short Term Let Control Area (thereafter called 'STLCA').

### Map and Proposed Boundary of Short Term Let Control Area

Mapa agus Crìoch ga Moladh airson Sgìre Smachd Màil Gheàrr-ùine

The proposed Inverness City STLCA map is shown below which includes the four Wards of Inverness City in addition to the northern portion of Ward 19 Inverness South, which spans a mixed urban and rural geography.

| Wards within Proposed Highland Rural STLCA |   |
|--|---|
| 13.  | <a href="#">Inverness West</a>            |
| 14.  | <a href="#">Inverness Central</a>         |
| 15.  | <a href="#">Inverness Ness-side</a>       |
| 16.  | <a href="#">Inverness Millburn</a>        |
| 19:  | <a href="#">Inverness South</a> (Partial) |



## Introduction

### Ro-ràdh

The continued growth of the tourism economy and the growth of Inverness as a tourist city-break destination as a gateway to the wider Highlands, has coincided with a diversification in the kinds of tourist accommodation available. Many tourists stay in serviced accommodation such as hotels, hostels and guesthouses, but increasingly many are opting for un-serviced, self-catering, short-term letting accommodation, which includes a range of pods, chalets, cabins, and holiday lodges, in addition to conversions of former annexes, outbuildings and residential dwellings. The growth in numbers of Short Term Lets (thereafter called 'STLs') that have been converted from former residential dwellings specifically presents a challenge in that this form of tourist accommodation not only provides a service, it removes an asset from the local housing supply which was formerly in long-term residential use.

Following the declaration of the Highland Housing Challenge in July 2024, speculation has continued regarding the role of STLs and their impact on the availability of housing in recognition of the additional pressures on the housing market over the next 10 years. The Council is now concerned that the spatial concentration of STLs within the city is resulting in adverse impacts on neighbouring amenity, and the number of former residential dwellings being lost to the STL sector in Inverness is unduly interfering in the city housing market, restricting housing supply for full time residents, to the detriment of local communities. The increased growth of STLs is entangled with other dynamics that contribute to the housing challenge, and the Council does not seek to claim that STLs are solely responsible for these but has carefully considered the evidence relating to STLs that have specifically been converted from former residential properties. STLs in Inverness city are predominantly self-contained flats, spatially concentrated within historic, residential areas in close proximity to the compact city centre. The Council also considers that there are a wide variety of tourism accommodation options (including other forms of purpose-built self-catering options) that achieve a better balance, in facilitating the economic contribution from the tourism sector, without removing assets from the local housing supply.

[Section 26B of the Town & Control Planning \(Scotland\) Act 1997 as amended](#) provides the Council the power to designate a 'Short Term Let Control Area' across all or part of its region. [The Town and Country Planning \(Short-term Let Control Areas\) \(Scotland\) Regulations 2021](#) sets out the definition of a short-term let and the process for designating a 'Control Area'. [Scottish Government Circular 1/2021](#) provides guidance on the implementation of the legislation.

Once established, within the Short Term Let Control Area, the use of a *dwellinghouse*<sup>1</sup> for secondary letting will be deemed to be a 'material change of use' which will require planning approval. However, a Short Term Let Control Area is not a ban on Short Term Lets, instead it will allow planning policies to be used to assess applications which change the use of a dwellinghouse to this form of use and allow communities and individuals the right to make representations through the planning application process. The Council already does this in Ward 20, where the Council's [Short-Term Let Control Area Planning Policy](#) is used to determine planning applications of this nature. Designating the Highland Rural Short Term Let Control Area would enable this process to be followed within the proposed area once in force. It will not change the planning requirements around long-term rentals, Bed & Breakfasts, renting out individual rooms/annexes if the owner/occupier resides in the dwellinghouse, second homes where no secondary letting is done or accommodation built specifically for holiday purposes, such as pods, annexes and holiday chalets.

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<sup>1</sup> Means, for these purposes, an independent dwelling (with its own front door, kitchen and bathroom) being accommodation which ordinarily affords the facilities required for day-to-day private domestic existence such as a house, flat, cottage. See also Annex A of the Circular.

## Statement of Reasons

### Aithris Adhbharan

Detailed evidence has been considered and presented at the [Council Meeting on 18<sup>th</sup> September 2025](#) within a detailed report. Short Term Lets (STLs) and their impacts are evidenced from wider assessments<sup>23</sup> to often be spatially concentrated, most often central popular tourist areas, or desirable, smaller, rural, mountain or coastal towns and villages. The importance of local evidence is therefore important. The City of Inverness Area Committee has considered evidence related to the prevalence of Short Term Lets within the city and [agreed to consider designating a Short Term Let Control Area](#) on 7<sup>th</sup> January 2026.

The Council seeks to designate the Inverness City Short Term Let Control Area (STLCA) to enable consideration of impacts of STLs on the availability and affordability of residential housing within the control area. The evidence presented within these reports demonstrates that the proposed Inverness City STLCA is justified, due to a:

1. **Lack of affordable and appropriate housing for local residents** indicated by: concentrated areas with a high share of sale volumes to, and high prices paid by, non-residents<sup>4</sup>.
  - The proposed Inverness City STLCA contains concentrations of areas with high levels of demand for housing from those outwith the Highlands for the period 2019/2020 – 2023/2024. In some areas, property sales to non-Highland residents outnumber those to residents.
  - Concentrated areas within the proposed Inverness City STLCA have high proportions of former/potential dwellings being used as STLs. The [Highland Short Term Lets Map](#) demonstrates Adjusted STL Rates<sup>5</sup> within small statistical areas known as data zones.
    - In four data zones, the Adjusted STL Rates exceed 15% of dwellings; all located in the city centre area.
    - In two data zones, the Adjusted STL Rates exceed 20% of dwellings.
  - Adjusted STL Rates within the proposed Inverness City STLCA continued to grow at a faster rate than Highland overall between 2022-2024. This means that the percentage of dwellings used as STLs continues to rise faster in the proposed control area than elsewhere in Highland. The [Highland Short Term Lets Map](#) demonstrates the rate of growth within specific data zones.
  - The rise in STL Rates within the proposed Inverness City STLCA has coincided with a noted decline in the availability of private long term rental accommodation.
  - The city functions as one Housing Market Area and has a compact central area in close proximity to traditional, residential communities. Addressing the

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<sup>2</sup> [Columb \(2025\) The Regulatory Aspects of Short-Term Rentals in the EU](#).

<sup>3</sup> [Scottish Government \(2019\) Research into the Impact of Short Term Lets on Communities Across Scotland](#)

<sup>4</sup> A Housing Need and Demand Assessment (HNDA) has been commissioned by Council and is being led by Arneil Johnston. As part of this, detailed and robust analysis of the Council's housing stock profile has been undertaken, alongside a 'containment analysis' of sub-Highland Housing Market Areas, which highlight areas with a high proportion of sales to those outwith the local areas, the Highlands, or indeed outwith Scotland. The HNDA will be completed and published in 2026.

<sup>5</sup> The Adjusted STL Rate indicates the number of [Licensed STLs](#) as a share of total dwellings (retrieved from the National Records of Scotland [Small area Statistics on Households and Dwellings](#) 2024), but excludes unconventional accommodation such as pods, chalets and other forms of non-standard accommodation that would not be transferrable to housing stock for permanent occupation.

impacts of STLs on a city-wide basis is considered most practical owing to the risk of potential displacement to other communities.

2. **Detrimental impact on local amenity**, where high concentrations of STLs within some individual streets result in the majority of properties being now Licensed STLs, including many instances of consecutive STLs within the same street frontage, which has the potential to change the character of the area, and the sense of community among remaining residents.
3. **Complaints regarding noise** from neighbouring properties in predominantly residential areas, which have been recorded by Environmental Health.
4. **Complaints regarding inappropriate use of bins and refuse services** from neighbouring properties in predominantly residential areas often due to neighbouring bins being used instead of those reserved for the property, bins not being placed for refuse collection on the correct day, or bins overflowing. These are recorded by Environmental Health. Short Term Lets present challenges for waste collections often owing to the non-residency of the proprietor.



## Appendix 4 Highland Rural Short Term Let Control Area Statement of Reasons

The Highland Council  
Comhairle na Gàidhealtachd  
Highland Rural Short Term Let Control Area  
Sgìre Smachd Màil Gheàrr-ùine Dhùthchail na Gàidhealtachd  
Statement of Reasons  
Aithris Adhbharan



### Background Cùl-fhiosrachadh

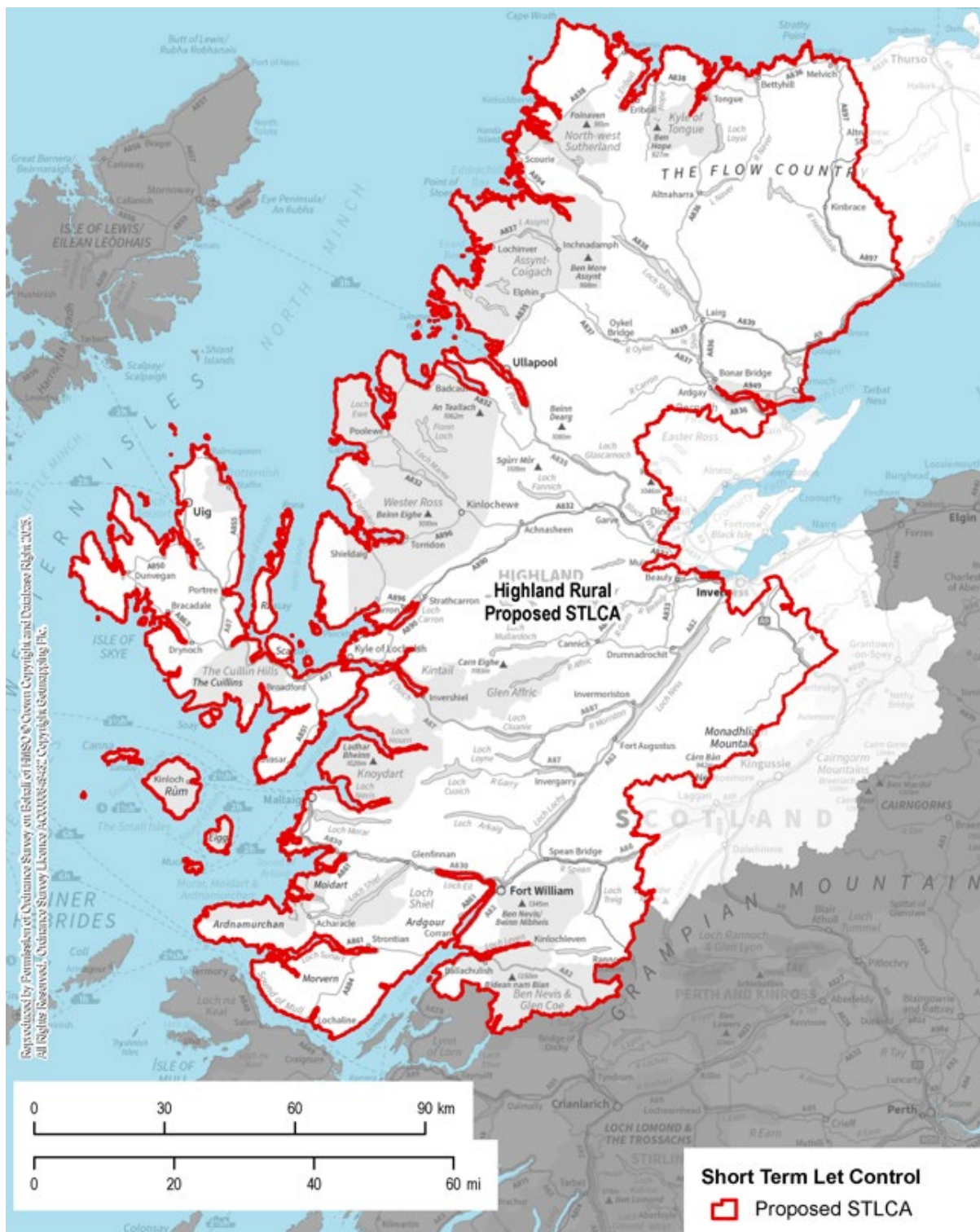
The designation of a Short Term Let Control Area requires to be supported by a Statement of Reasons. The following document and attachments make up the Highland Council (thereafter called 'the Council') **Statement of Reasons** for the establishment of a Highland Rural Short Term Let Control Area (thereafter called 'STLCA').

### Map and Proposed Boundary of Short Term Let Control Area Mapa agus Crìoch ga Moladh airson Sgìre Smachd Màil Gheàrr-ùine

The proposed Highland Rural STLCA map is shown below which includes the Highland Council Committee Areas of Lochaber, Wester Ross Strathpeffer and Lochalsh, Skye and Raasay, Sutherland County, and Inverness-shire Ward 12 Aird and Loch Ness and the Southern rural portion of Ward 19 Inverness South. This area spans 8 Council wards.

| Wards within Proposed Highland Rural STLCA |   |
|--|---|
| 1:   | <a href="#">North, West and Central Sutherland</a>    |
| 4:   | <a href="#">East Sutherland and Edderton</a>          |
| 5:   | <a href="#">Wester Ross Strathpeffer and Lochalsh</a> |
| 10:  | <a href="#">Eilean a' Cheò</a>                        |
| 12:  | <a href="#">Aird and Loch Ness</a>                    |
| 19:  | <a href="#">Inverness South</a> (Partial)             |
| 11:  | <a href="#">Caol and Mallaig</a>                      |
| 21:  | <a href="#">Fort William and Ardnamurchan</a>         |





## Introduction

### Ro-ràdh

The continued growth of the tourism economy has coincided with a diversification in the kinds of tourist accommodation available across the Highlands. Many tourists stay in serviced accommodation such as hotels, hostels and guesthouses, but increasingly many are opting for un-serviced, self-catering, short-term letting accommodation, which includes a range of pods, chalets, cabins, and holiday lodges, in addition to conversions of former annexes, outbuildings and residential dwellings. The growth in numbers of Short Term Lets (thereafter called 'STLs') specifically of entire properties not used as primary residences that have been converted from former residential dwellings presents a challenge in that this form of tourist accommodation not only provides a service, it removes an asset from the local housing supply which was formerly in long-term residential use.

Following the declaration of the Highland Housing Challenge in July 2024, speculation has continued regarding the role of STLs and their impact on the availability of housing. The Council is now concerned that the number of former residential dwellings being lost to the STL sector in many remote rural areas is unduly interfering in the Highland housing market, restricting housing supply for full time residents and increasing local house prices, compounding rural depopulation to the detriment of our local communities. The increased growth of STLs is entangled with other dynamics that contribute to the housing challenge and the Council does not seek to claim that STLs are solely responsible for these, but has carefully considered the evidence relating to STLs that have specifically been converted from former residential properties in the Highlands and considers that the scale and expanse of lost residential dwellings across the proposed area justifies designating a Highland Rural Short Term Let Control Area. The Council also considers that there are a wide variety of tourism accommodation options (including other forms of purpose-built self-catering options) that achieve a better balance, in facilitating the economic contribution from the tourism sector, without removing assets from the local housing supply.

[Section 26B of the Town & Country Planning \(Scotland\) Act 1997 as amended](#) provides the Council the power to designate a 'Short Term Let Control Area' across all or part of its region. [The Town and Country Planning \(Short-term Let Control Areas\) \(Scotland\) Regulations 2021](#) sets out the definition of a short-term let and the process for designating a 'Control Area'. [Scottish Government Circular 1/2021](#) provides guidance on the implementation of the legislation.

Once established, within the Short Term Let Control Area, the use of a *dwellinghouse*<sup>6</sup> for secondary letting will be deemed to be a 'material change of use' which will require planning approval. However, a Short Term Let Control Area is not a ban on Short Term Lets, instead it will allow planning policies to be used to assess applications which change the use of a dwellinghouse to this form of use and allow communities and individuals the right to make representations through the planning application process. The Council already does this in Ward 20, where the Council's [Short-Term Let Control Area Planning Policy](#) is used to determine planning applications of this nature. Designating the Highland Rural Short Term Let Control Area would enable this process to be followed within the proposed area once in force. It will not change the planning requirements around long-term rentals, Bed & Breakfasts, renting out individual rooms/annexes if the owner/occupier resides in the dwellinghouse, second homes where no secondary letting is done or accommodation built specifically for holiday purposes, such as pods, annexes and holiday chalets.

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<sup>6</sup> Means, for these purposes, an independent dwelling (with its own front door, kitchen and bathroom) being accommodation which ordinarily affords the facilities required for day-to-day private domestic existence such as a house, flat, cottage. See also Annex A of the Circular.

## Statement of Reasons

### Aithris Adhbharan

Detailed evidence has been considered and presented at the [Council Meeting on 18<sup>th</sup> September 2025](#) within a detailed report. Short Term Lets (STLs) and their impacts are evidenced from wider assessments<sup>78</sup> to often be spatially concentrated, most often central popular tourist areas, or desirable, smaller, rural, mountain or coastal towns and villages. The importance of local evidence is therefore important. Area Committees have considered evidence related to the prevalence of Short Term Lets within their specific areas and those who have agreed to consider designating a Short Term Let Control Area covering all or part of their area include:

- [Wester Ross, Strathpeffer and Lochalsh](#) – Agreed on 3<sup>rd</sup> November 2025
- [Lochaber Area Committee](#) – Agreed on 10<sup>th</sup> November 2025
- [Sutherland Area Committee](#) – Agreed on 1<sup>st</sup> December 2025
- [Skye and Raasay Area Committee](#) – Agreed on 1<sup>st</sup> December
- [City of Inverness Area Committee](#) – Agreed on 7<sup>th</sup> January 2026

The Council seeks to designate the Highland Rural Short Term Let Control Area (STLCA) to enable consideration of impacts of STLs on the availability and affordability of residential housing within the control area. The evidence presented within these reports demonstrates that the proposed Highland Rural STLCA is justified, due to a:

1. **Lack of affordable and appropriate housing for local residents** indicated by: widespread areas with a high share of sale volumes to, and high prices paid by, non-residents<sup>9</sup>.
  - The proposed Highland Rural STLCA contains four Housing Market Areas (HMAs), in addition to Ward 12 and part of Ward 19 which form part of the Inverness HMA. These areas have high levels of demand for housing from non-Highland residents for the period 2019/2020 – 2023/2024.
  - In total over 46% of total property sales within the proposed Highland Rural STLCA were purchased by non-Highland residents, and in Sutherland, Ross and Cromarty West and Skye and Raasay HMAs specifically, property sales to non-Highland residents outnumber those to residents.
  - Average property prices within the proposed Highland Rural STLCA are higher than Highland as a whole, and over 68% of local residents are now unable to afford the average local house prices.
  - Widespread areas within the proposed Highland Rural STLCA have high proportions of former/potential dwellings being used as STLs. The [Highland Short Term Lets Map](#) demonstrates Adjusted STL Rates<sup>10</sup> within small statistical areas known as data zones.

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<sup>7</sup> [Columb \(2025\) The Regulatory Aspects of Short-Term Rentals in the EU](#).

<sup>8</sup> [Scottish Government \(2019\) Research into the Impact of Short Term Lets on Communities Across Scotland](#)

<sup>9</sup> A Housing Need and Demand Assessment (HNDA) has been commissioned by Council and is being led by Arneil Johnston. As part of this, detailed and robust analysis of the Council's housing stock profile has been undertaken, alongside a 'containment analysis' of sub-Highland Housing Market Areas, which highlight areas with a high proportion of sales to those outwith the local areas, the Highlands, or indeed outwith Scotland. The HNDA will be completed and published in 2026.

<sup>10</sup> The **Adjusted STL Rate** indicates the number of [Licensed STLs](#) as a share of total dwellings (retrieved from the NRS [Small area Statistics on Households and Dwellings](#) 2024), but excludes unconventional accommodation such as pods, chalets and other forms of non-standard accommodation that would not be transferrable to housing stock for permanent occupation.

- More than twice as many dwellings are used as STLs in the proposed Highland Rural STLCA than across Highland in general. While all of Highland has an Adjusted STL Rate of 6%, the proposed Highland Rural STLCA has an Adjusted STL Rate of 12%.
  - In 14 data zones, the Adjusted STL Rates exceed 20% of dwellings; five of these data zones are located in Skye, while three are in Lochaber.
  - In three data zones, the Adjusted STL Rates exceed 25% of dwellings, two of which are located on the North end of Skye.
  - The highest Adjusted STL Rate is recorded in a data zone in North East Skye (Portree), equating to 30% of dwellings.
- Adjusted STL Rates within the proposed Highland Rural STLCA continued to grow at a faster rate than Highland overall between 2022-2024. This means that the percentage of dwellings used as STLs continues to rise faster in the proposed control area than elsewhere in Highland. The [Highland Short Term Lets Map](#) demonstrates the rate of growth within specific data zones.
  - More than 9% of new houses built within the proposed Highland Rural STLCA in the last 5 years are now registered STLs which is double the equivalent rate for the whole of Highland (4.7%). This suggests that current rates of housing delivery are not effective in mitigating the homes that are lost. Much of the Highland Rural STLCA comprises remote rural areas, with a notable absence of volume housebuilders. Despite the Council intervening and delivering many affordable homes<sup>11</sup>, it remains difficult to build new homes and bring back homes into use to sufficiently address local housing need in the area.
  - Community concerns on the impact of high concentrations of STLs are evidenced within registered Local Place Plans within the proposed area.

2. **Detrimental impact on local amenity**, with businesses, schools or other services that serve, and are reliant on, permanent residents closing or relocating, as evidenced by seven mothballed and four permanently closed schools within the proposed Highland Rural STLCA due to sustained declines in school rolls. The [Highland Short Term Lets Map](#) shows the locations of these settings.

To address these issues the establishment of a Short Term Let Control Area as proposed will allow the Council to ensure homes and land are used to best effect by requiring planning permission for future conversions of dwellinghouses to Short Term Lets. Planning applications give the Council the opportunity to consider all planning matters when considering the 'change of use' of houses into short-term lets in each application. Planning matters will include character and amenity and loss of residential accommodation. Additionally, planning applications affords local communities and residents the opportunity to make representations through the planning application process.

Oversight of future use of existing residential stock will assist the planning authority in assessing the balance of a sustainable tourism industry and housing need. A Control Area will also bring the requirement for planning permission into line with other forms of tourism accommodation such as chalets, pods, yurts and conversions from non-residential uses, which already require permission.

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<sup>11</sup> [Highland Council Strategic Housing Investment Plan 2026-2031](#)