

Agenda Item	4
Report No	BSAC/09/26

# The Highland Council

**Committee:** Badenoch and Strathspey Area

**Date:** 27 April 2026

**Report Title:** Post 2 Year Review of the Ward 20 Badenoch and Strathspey Short Term Let Control Area

**Report By:** Assistant Chief Executive – Place

## 1 Purpose/Executive Summary

- 1.1 On 20 December 2022, Scottish Ministers approved the proposed designation of Ward 20 (Badenoch and Strathspey) as a Short Term Let Control Area (STLCA). This STLCA came into force at 12pm on Monday 4 March 2024. The purpose of control areas is to ensure that all changes of use of dwellinghouses to use for the purpose of short term letting are brought within the scope of the planning system without the need to consider if a particular change of use is or is not a material change of use. This should help manage levels of short-term letting where these affect the availability of residential housing or the character or amenity of a neighbourhood, and help local authorities ensure that homes are used to best effect in their areas. After 4 March 2024, planning permission was therefore required for the change of use of a dwellinghouse (as defined in the Act and Regulations), where the owner does not reside in the property, to a Short Term Let within Badenoch and Strathspey. These planning applications are determined in accordance with the Development Plan and a Non-Statutory Short-Term Let Control Area Planning Policy.
- 1.2 As the current STLCA for Ward 20 has now been in force for a two-year period, this report summarises a collation of statistical releases and planning application records and presents an overview of early trends observed in the housing market in Badenoch and Strathspey since that period. This work has been ongoing as Council officers have been progressing the Highland Housing Need and Demand Assessment (HNDA). There are indications that the rate of dwellinghouses and flats converted to STLs has stalled or declined in Badenoch and Strathspey. Fewer housing completions and fewer property sales have subsequently registered as Licensed STLs since the STLCA was proposed and consulted upon in 2022, despite not coming into force until March 2024. The rate of total dwellings registered as Licensed STLs is declining and remaining constant in several parts of Badenoch and Strathspey, or rising more slowly than the Highland average.
- 1.3 The report additionally highlights which key sources of information remain unavailable at this time, and suggests that once available, a more comprehensive understanding of the impact of the STLCA can emerge. Finally, the report also details how the timing of the adoption of the STLCA coincided with highly unusual housing market

conditions and the adaptation of other national housing policies in the post-Covid 19 pandemic period, where an expected period of adjustment and stabilisation is still in progress. Continued monitoring of the indicators within the local housing market over time will assist the Council in understanding the long-term impact of the STLCA.

## 2 Recommendations

### 2.1 Members are asked to:-

- i. **Note** the evidence presented regarding the local housing market within Badenoch and Strathspey in the period pre-designation and post-designation of the STLCA;
- ii. **Note** the early signs that the STLCA has slowed down the growth of secondary letting short term lets within Badenoch and Strathspey in the period post-designation;
- iii. **Note** that limited data is available covering the period post-designation, but once available will provide a stronger basis to assess how the local housing market is performing, and the role of the STLCA within this; and
- iv. **Agree** that future monitoring reports will be made to the Badenoch and Strathspey Area Committee, as set out at paragraph 10.4.

## 3 Implications

- 3.1 **Resource** – This report provides an update of an existing designation in force and does not propose any amended procedures or actions resulting in any resource implication. The action to continue to monitor and observe future data releases will incur officer time to collate and report to committee at semi-regular periods.
- 3.2 **Legal** –The Council has utilised 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. This report provides an update of an existing designation in force and there are no specific implications to highlight.
- 3.3 **Risk** – This report provides an update of an existing designation and policy in force and there are no specific implications to highlight.
- 3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – no specific implications to highlight.
- 3.5 **Gaelic** – This report provides an update of an existing designation and policy in force and there are no specific implications to highlight.

## 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 propose any change to existing policies, strategies or services and serves as an informative update report since an existing designation and policy came into force, and therefore an impact assessment is not required.

## 5 Background

- 5.1 Scottish Government research from 2019 ([People, Communities and Places: Research into the impact of short-term lets on communities across Scotland](#)) identified that short term lets (STLs) are geographically clustered, and at that time over half of all AirBnB listings in Scotland were concentrated within only 24 electoral wards (out of 354). Seven of those wards are in the Highland Council Area, which includes Ward 20 Badenoch and Strathspey. At that time, AirBnB listings provided one of the few measures of STL prevalence as the mandatory short term let licensing scheme was not in place to offer accurate estimates of all short term lets.
- 5.2 The Planning (Scotland) Act 2019 introduced provision for Planning Authorities to designate all or part of their area as a STLCA. Within a STLCA once in force, planning permission is always required for the future change of use of a dwellinghouse (as defined in the Act and Regulations), where the owner does not reside in the property, to a STL. On 20 December 2022, Scottish Ministers approved the proposed designation of Ward 20 (Badenoch and Strathspey) as a STLCA, which came into force at 12pm on Monday 4 March 2024. Being one of the first Short Term Let Control Areas designated in Scotland, the Control Area was also progressed concurrent to the introduction of a national mandatory licensing regime through The Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022. A [previous report to Highland Council](#) in December 2023 highlights the context in which this occurred, which was characterised by evolving advice and understanding of how the Control Area would affect existing operators, and the awaited outcome of challenge to implementation elsewhere in Scotland.
- 5.3 Members will recall from a [previous report to Highland Council](#) in September 2025 that a wider assessment of the prevalence of STLs has been undertaken in tandem with the Council's Housing Need and Demand Assessment (HNDA). While this previous report was to agree the Council's internal process for considering and taking further Control Areas forward, it also provided some analysis of Badenoch and Strathspey and an overview of the continued resource required to enforce and communicate the planning requirements applicable within the Control Area. Now that the Control Area has been in force for a two year period, and that the Council's [Economy and Infrastructure Committee](#) has agreed in February 2026 to consult with the public on two further proposed STLCA's, there is a timely opportunity to summarise the trends observed since the designation has come into force.

## 6 Summary of Short Term Let Planning Applications and Licensing Applications in Badenoch and Strathspey

- 6.1 In general, planning applications for STL use cover a wide range of on the ground scenarios, including proposals for newly built short term let accommodation (pods cabins, lodges and purpose built holiday homes) alongside conversions of previous uses including garden buildings (garages, steadings, residential and non-residential use classes). A Certificate of Lawful Existing Use or Development (CLEUD) is generally the route applicable to existing operators, seeking to regularise a change of use for a development that has already occurred, and seeking confirmation that it is lawful because it either did not require planning permission, or has become immune from enforcement after the relevant time period.

6.2 While the Badenoch and Strathspey STLCA was not in force until March 2024, applications for planning permission and Certificates of Lawful Use received in Ward 20 began to increase in volume as early as 2022. This was largely anticipated as the introduction of the provisions of short term let licensing legislation commenced in October 2022, and the Council's proposals to designate the STLCA had been publicly consulted on and submitted to Scottish Ministers for approval. Many applications for planning permission or Certificates of Lawful Use were therefore anticipatory in 2022, as once the Control Area was in force, the Mandatory Condition 13 of a Short Term Let License would require applicants to either have made an application for planning permission or already have planning permission before applying for their license. Since the STLCA came into force in March 2024, Mandatory Condition 13 of the Short Term Let Licence took effect in Ward 20 from then, which corresponded with an increase in applications for Certificates of Lawful Use in 2024 as illustrated in **Table 1**.

**Table 1 Ward 20 Short Term Let Planning Caseload from Jan 2022 – Dec 2025**

<b>Application Type &amp; Outcome</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
<b>Planning Permission</b>	111	112	55	52	330
<i>Permitted</i>	16	20	21	23	20
<i>Refused</i>	10	10	14	9	43
<i>Closed*</i>	57	57	7	0	121
<i>Other**</i>	28	25	13	20	86
<b>Certificate of Lawful Use</b>	69	81	216	13	379
<i>Granted</i>	61	61	182	11	315
<i>Returned/Withdrawn</i>	8	20	34	2	64
<b>Section 42 Amendment of Condition to allow STL</b>	1	0	1	0	2
<i>Permitted</i>	1	0	1	0	2
<b>STL Enquiry</b>	73	135	97	3	308
<b>Total STL Caseload</b>	<b>254</b>	<b>328</b>	<b>369</b>	<b>68</b>	<b>1019</b>
<b>Total Ward 20 Caseload</b>	<b>698</b>	<b>690</b>	<b>737</b>	<b>441</b>	<b>2566</b>
<b>STL share of Total Caseload</b>	<b>36%</b>	<b>48%</b>	<b>50%</b>	<b>15%</b>	<b>39%</b>

\* Many closed applications for planning permission occurred where existing operators were advised to change to a Certificate of Lawful Use as no material change of use had occurred before the designation.

\*\*Includes invalid and withdrawn applications, or where the appropriate fee was not paid.

- 6.2 The figures within **Table 1** illustrate the volume of caseload as it was received, not when it was determined. Applications submitted between 2022 and 2025 were held in abeyance, until a better understanding upon what basis they could be determined, following the various legal challenges and opinions. It was also necessary to establish policy and procedure for progressing applications in line with the Scheme of Development. This combined created a significant backlog of applications. Given the evolving understanding of retrospectivity, all applications for planning permission were reviewed to assess whether they were 'existing' or 'new' short term lets where a material change of use had occurred. Where in the circumstance of those applications, no material change of use had occurred before the designation, applications were requested in the form of a Certificate of Lawfulness application rather than planning application. The true uplift in 2024 caseload was therefore attributed primarily to these Certificate of Lawful Use applications.
- 6.3 **Table 1** also illustrates that of the 330 STL planning applications received since January 2022, the majority were 'closed' often converted to Certificates of Lawful Use, while 43 had been refused corresponding to a refusal rate of 13%. These planning applications are determined in accordance with the Development Plan and a [Non-Statutory Short-Term Let Control Area Planning Policy](#), which specifies the current criteria used to assess whether the proposed change of use of dwellinghouses and flats to STL are supported. It is considered that these figures evidence that the Control Area has not been used to 'ban' STLs as such; rather it has been a proportionate approach, which is not unduly restrictive, unfair or unreasonable to operators. Of the 43 applications refused, three were subsequently appealed, and two of these appeals were allowed. This means that the total number of instances where planning permission has been refused totals 41 applications.
- 6.4 The Certificates of Lawful Use applied for have in all instances been granted as in the circumstances to those applications, the use either did not require planning permission, or had become immune from enforcement after the relevant time period of 10 years. One of the key drivers that explains why applications for Certificates of Lawful Use applications were accepted is the resource dedicated to engaging with operators enquiring as to their planning status and the most applicable option to their circumstances. Officers have spent considerable efforts to advise applicants correctly, and in some instances have withdrawn planning applications when it was made apparent that the correct route available was in fact a Certificate of Lawful Use, not a planning application.
- 6.5 Some STLs that began operating before the STLCA was introduced still required planning permission because they involved a material change of use. The STLCA introduction does not apply retrospectively, so significant ongoing resource has been required to determine whether changes of use that occurred prior to the STLCA were material or not under the previous tests. This has had to be undertaken on a case-by-case basis by the Planning Authority. The application figures for planning permission in **Table 1** should therefore be interpreted as including instances where planning permission would have been required in any event, in addition to applications where planning permission was required due to the effect of the STLCA.

## 7 Assessment of Short Term Lets in Badenoch and Strathspey

7.1 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 data zones which illustrate more precise areas where STLs are concentrated and how these relate to the total dwelling stock. This methodology has been adapted from the earlier Scottish Government research [People, Communities and Places: Research into the impact of short-term lets on communities across Scotland](#) by using the [STL Public Register](#) rather than AirBnB listings. While the [STL Public Register](#) (which provides information on the applications received and determined for an STL licence) is updated regularly throughout the year, NRS Small area statistics are released annually. A breakdown of registered STLs in Badenoch and Strathspey as of April 2026 is shown in **Table 2**. Overall, the majority of STLs in Badenoch and Strathspey are used for Secondary Letting, and of these, 635 are potential dwellings, the majority being detached properties. A map depicting the most common forms of STLs within data zones across Badenoch and Strathspey in July 2025 is shown in **Appendix 1**.

**Table 2 Profile of STLs in Badenoch and Strathspey**

	<b>Ward 20</b>
<b>All Licensed Short Term Lets</b>	<b>806</b>
<i>Home Letting</i>	43
<i>Home Sharing</i>	38
<i>Home Letting and Home Sharing</i>	9
<i>Secondary Letting</i>	716
<b>All Secondary Letting STLs</b>	<b>716</b>
Unconventional Accommodation STLs (Pods, chalets etc)	81
<b>All Potential Dwelling STLs used for Secondary Letting</b>	<b>635</b>
Detached STLs	431
Semi-Detached STLs	118
Terraced House STLs	27
Self-Contained Flat STLs	59
<b>Previous Long-Term Empty*</b>	<b>27</b>
% of Potential Dwelling STLs	4.3%
<b>Previous Second Homes*</b>	<b>41</b>
% of Potential Dwelling STLs	6.5%

\*As indicated on previous Council Tax Registers from 2024 or earlier

- 7.2 Given that the majority of Licensed STLs have been converted from previous dwellings, it is valuable to assess the profile of the dwellings that have been converted. Officers have used the Council Tax Register for this purpose. While licensed STLs are not residential properties and often switch from the Council Tax Register onto the Non-Domestic Rates (NDR) Register when certain conditions are met, their prior status on previous years Council Tax Registers (2022, 2023, 2024) indicates whether they were recorded as Long Term Empty or Second Homes. **Table 2** indicates that modest numbers of STLs were recorded on previous Council Tax Returns as Long Term Empty properties or Second Homes. While it is positive that some Long-Term Empty dwellings have been brought back into use, it is accepted that in the majority of cases, STLs are converted from occupied dwellings.
- 7.3 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 (as recorded by the NRS) used as STLs. In Badenoch and Strathspey, 8.3% of potential dwellings are used as secondary letting STLs, which is higher than the Highland average (5%), but rates vary considerably between smaller data zones. The threshold for a 'high' Adjusted STL Rate arrived at is 11.17%. This means that data zones with Adjusted STL Rates above 11.17% are considered to be outside the statistical normal range, relative to Highland as a whole. There are 6 data zones in Badenoch and Strathspey that exceed this threshold. A Map is provided in **Appendix 2**, which illustrates the Adjusted Rate of STLs at data zone level across Badenoch and Strathspey.
- 7.4 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 where Adjusted STL Rates appear to be increasing or decreasing between recent years. A map showing where Adjusted Rates of STLs are changing in Badenoch and Strathspey is shown in **Appendix 3**. As stated within a [previous report to Highland Council](#) in September 2025, No data zones within Ward 20 saw their Adjusted STL Rates rise faster than the Highland average since the introduction of the Badenoch and Strathspey STLCA. Of the 18 data zones within Badenoch and Strathspey, 8 have seen their Adjusted Rates of STLs decline or remain unchanged, while the remainder have increased but at a slower rate than the Highland equivalent (13.97%). This is illustrated in **Table 3**.
- 7.5 As planning permission has been refused in 43 instances within the STLCA, this equates to a modest number of applications in real terms, and the declines in Adjusted Rates of STL's are therefore not caused by the removal of a potential 43 STLs. They are caused by the overall number of dwellings increasing relative to the number of Short Term Lets, reducing their overall share. It is accepted that the designation of a STLCA likely serves as a deterrent for some potential STL operators and likely has reduced the demand for properties acquired for STL use within the Area, particularly in speculative instances where potential operators cannot demonstrate a previous lawful use of the property as an STL before the Control Area came into effect.

**Table 3 Adjusted STL Rates in Badenoch and Strathspey 2023-2024**

Data Zone	Adjusted STL Rate		Change in Rate
	2023	2024	
Badenoch & Strathspey Central - 01	2.51%	2.74%	9.09%
Badenoch & Strathspey Central - 02	9.32%	9.30%	-0.28%
Badenoch & Strathspey Central - 03	15.07%	15.63%	3.74%
Badenoch & Strathspey Central - 04	20.15%	21.31%	5.78%
Badenoch & Strathspey Central - 05	11.91%	11.98%	0.59%
Badenoch & Strathspey Central - 06	8.38%	8.00%	-4.59%
Badenoch & Strathspey North - 01	10.56%	10.68%	1.19%
Badenoch & Strathspey North - 02	8.22%	8.06%	-1.88%
Badenoch & Strathspey North - 03	0.25%	0.25%	0.00%
Badenoch & Strathspey North - 04	4.75%	5.03%	5.79%
Badenoch & Strathspey North - 05	5.26%	5.26%	0.00%
Badenoch & Strathspey North - 06	5.84%	5.84%	0.00%
Badenoch & Strathspey South - 01	4.46%	4.54%	1.85%
Badenoch & Strathspey South - 02	12.91%	13.78%	6.75%
Badenoch & Strathspey South - 03	4.69%	4.97%	6.00%
Badenoch & Strathspey South - 04	1.94%	1.94%	0.00%
Badenoch & Strathspey South - 05	13.62%	12.90%	-5.24%
Lochaber East & North – 05*	13.43%	14.41%	7.29%

\* This data zone partially extends into the Badenoch and Strathspey Area

## 8 Associated Impact on the Badenoch and Strathspey Housing Market

- 8.1 Demonstrating a reduced share of potential dwellings used as secondary letting STLs within Badenoch and Strathspey, there is a value in examining how the local housing market has performed to assess any potential impact, even at this early stage. However, it is important to recognise that the introduction of the STLCA occurred at time of considerable change to wider housing policy nationally, which adds context to the trends observed in the immediate periods before and after the designation of the STLCA.

- 8.2 As an overview, the years in the immediate run up to 2024 were far from typical. For Scottish housing markets, the most immediate impacts of the Covid-19 pandemic were felt in Spring 2020 coinciding with emergency lockdown measures causing operational disruption to the property market, where viewings halted, construction on newbuild homes stalled, and sales transactions were sharply falling. The [Registers of Scotland Property Market Report 2020-2021](#) illustrates this in considerable detail. Quarter 1 (April – June) 2020 was the most severely impacted, where sales were 64% lower than in the same quarter of 2019. In mid-2020 restrictions on house moves relaxed from June and the Land and Building transaction tax (LBTT) holiday commenced in July, causing a considerable rebound, and particularly among larger, detached and rural properties.
- 8.3 Scottish property sales volumes between October 2020 and March 2021 showed some increases to levels higher than the equivalent monthly levels in the years 2017 to 2020, and December 2020 saw the highest volume of residential property sales in any month since October 2007. **Appendix 4** illustrates residential property sales volumes in Highland and in Badenoch and Strathspey specifically during this period. The pattern of sales volumes in Badenoch and Strathspey largely mirrors that of Highland, although Highland's initial rebound in Q3 of 2020 was relatively greater than in Badenoch and Strathspey and remained so until Q2 2022, when Badenoch and Strathspeys property sale volumes (relative to its size) began to show signs of increased demand, relative to Highland. The LBTT holiday ended on 31<sup>st</sup> March 2021 which likely plays a partial role in the spike in sales in 2021 Q3 as buyers aimed to complete sales and avail of the LBTT holiday in good time.
- 8.4 **Appendix 5** however illustrates the corresponding average sale values, which do not react as quickly and to the same proportion in response to changes in the supply, as housing is a prime example of an 'inelastic' good. Members can observe from **Appendix 4** and **Appendix 5** that the most currently available sub local authority sales data ends at Q4 2023, which is the end of March 2024. This in effect means that sale volumes within the Council and Ward 20 post designation of the STLCA are not yet available although sales for the period 2024-2025 are anticipated to be released later this year.
- 8.5 Turning to the Private Rental Sector (PRS), again there is a value in examining how the PRS has performed in recent years to assess any potential impact of the STLCA, even at this early stage. However, the designation of the Control Area coincided with a series of national policy changes in close succession, which had significant impacts nationally during the period of 2020-2025. The Coronavirus (Scotland) Act 2020 was passed in April 2020 to respond rapidly to the Covid-19 pandemic with time-limited emergency powers that protected tenants from eviction during a time where it was challenging to source alternate accommodation. Normal Private Rental Tenancy (PRT) rules were halted so that even proven mandatory grounds for eviction were effectively made discretionary, where the courts and the First Tier Tribunal were required to exercise their discretion in determining all actions for eviction. The Coronavirus (Scotland) Act 2020 was extended to 30 September 2022, after which its temporary emergency provisions expired and could not be renewed further. However, the arrangements it introduced in relation to private tenancies were effectively made permanent with the Coronavirus (Recovery and Reform) (Scotland) Act 2022, passed in August 2022.

- 8.6 In tandem, the Cost of Living (Tenant Protection) (Scotland) Act 2022 passed in October 2022 created further temporary emergency measures to protect tenants during the post pandemic cost of living crisis. This introduced measures such as the rent cap which initially froze tenancy rent increases to 0% and an eviction moratorium on most evictions. Concerns regarding landlord ability to absorb rent arrears are documented (see [research report](#) from UK Collaborative Centre for Housing Evidence), alongside concerns that landlord would leave the sector, which poses long-term structural issues in the PRS supply. While due to expire in March 2023, it was extended for a further year and amended, where the 0% rent freeze transitioned to a 3% temporary rent cap (and up to 6% in exceptional cases), while the eviction moratorium remained.
- 8.7 In March 2024, a transition year commenced, when all prohibited enforcement of eviction orders and rent-capping provisions ceased and a new 12month taper based rent adjudication system began which allowed rent increases between 6% and 12%. Eviction orders that had been paused under the emergency Cost of Living (Tenant Protection) (Scotland) Act 2022 could be enforced again from 1 April 2024, and April 2024 therefore marks a point where Scotland began transitioning back toward previous PRT arrangements, which again coincides with the designation of the Badenoch and Strathspey STLCA less than a month earlier. This may well have contributed to increased turnover in the private rental market after April 2024. The passing of the Housing Act 2025 however, introduces a permanent national system of rent controls in Scotland through designated Rent Control Areas, which requires Local Authorities to undertake a full assessment of rent conditions in their area and report to Ministers by the end of May 2027. Information from the Council's landlord register indicates that there are currently 800 PRS properties in Badenoch and Strathspey with landlords classed as actively registered, but there are limitations to this, as landlords may have left the sector within a live 3-year registration period which is still running as live. It is only through a long-term approach that trends in landlord registration can reveal the extent of registrations that have not been renewed after their licenses expire.
- 8.8 In summary, all of the above makes it extremely challenging to isolate any impact of the Badenoch and Strathspey STLCA on PRS supply or monthly rents as evolving changes to PRT regulations were occurring on a regular basis through the immediate years before and after the designation. It is therefore almost impossible to establish a counterfactual "do nothing" scenario to compare with the trends now seen in Badenoch and Strathspey since that period. Notwithstanding, a review of data supplied by Rent Services Scotland (RSS) offers some information regarding PRT monthly rents. RSS publish Scottish official statistics on private rental sectors see ([Private Sector Rent Statistics, Scotland, 2010 to 2025](#)), but they do not have a complete list of all the private rented properties in the Highland Council area. This is because landlords/letting agents are not required by legislation to provide that information to them. RSS are required to collect a minimum of 10% of the private rental market for all Broad Rental Market Areas (BRMAs). Therefore, in order to collect a representative sample, RSS use a combination of the Census and landlord register data to devise targets to meet this 10% minimum requirement. BRMAS are large areas and Badenoch and Strathspey falls entirely within the Highland and Islands BRMA.

8.9 **Appendix 6** illustrates the average monthly rent for PRS properties within the RSS sample, from 2012/13 until 2024/25 for both Badenoch and Strathspey, and the wider Highlands. Again, it must be stressed that this reflects the average of a sample given the lack of a comprehensive dataset of PRS listings. **Appendix 6** illustrates that for the most recent two available years Oct 2023 – Sept 2024 and Oct 2024 – Sept 2025, PRS monthly rents in Badenoch and Strathspey did not increase to the same extent as PRS rents elsewhere in Highland. These are currently the only available years of records post-designation of the STLCA and additional years over future time periods should shed better light on whether this trend continues.

## 9 Assessment of Containment in the Badenoch and Strathspey Housing Market

9.1 Conducted as part of the ongoing Highland Housing Need and Demand Assessment (HNDA) a ‘containment analysis’ of sub-Highland Housing Market Areas, highlights areas with a high proportion of sales to those outwith local areas, the Highlands or indeed outwith Scotland. While some degree of transfer between Housing Market Areas is expected in a large authority, 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.

9.2 The Badenoch and Strathspey Housing Market Area (HMA) shares the same boundary as the Badenoch and Strathspey Area Committee and has lower levels of containment, meaning higher shares of house sales purchases by buyers outwith the local area. Between 2019-2024 46% of house sales were purchased by buyers already living in Badenoch and Strathspey, a further 6% were purchased from buyers from elsewhere within Highland and 49% of sales were from outwith Highland, meaning almost half of sales were purchased by buyers elsewhere in Scotland, the UK, and further afield as shown in **Table 4**.

**Table 4 Overview of the Badenoch & Strathspey Housing Market Area**

	<b>Badenoch &amp; Strathspey</b>	<b>Highland</b>
Median Household Income	£48,165	£42,195
<b>HMA Containment</b>	<b>51%</b>	<b>71%</b>
HMA Internal Self-Containment	46%	
HMA Containment Highland	6%	
Sales from Scotland, UK & Elsewhere	49%	29%
Average House Price Change (2019-2024)	27%	22%
Average House Price	£262,459.61	£209,125.12
Income Required to Afford Average House Price	£69,715.83	£55,548.86
% CAN'T afford Average House Price	<b>70%</b>	<b>64%</b>
Market Entry House Price	£164,500.00	£132,310.00
Income Required to Afford Market Entry House Price	£43,695.31	£35,144.84
% CAN'T afford Market Entry House Price	45%	41%
Empty Homes	6%	5%
Second Homes	8%	3%
<b>Short Term Lets</b>	<b>8%</b>	<b>5%</b>

- 9.3 The change in average house prices in Badenoch and Strathspey has increased by 27% in the last 5 years which is higher than the equivalent rate for Highland (22%). In Badenoch and Strathspey, 8% of potential dwellings are currently licensed STLs, which is higher than 5% across Highland as a whole. The indicators within **Table 4** suggest that at Area level, the Badenoch and Strathspey Housing Market is less contained than other Highland HMAs, coupled with less affordable property prices. The share of the Badenoch and Strathspey population that cannot afford the average property price or the market entry property price is broadly comparable with the Highland-wide rates.
- 9.4 Officers have disaggregated containment evidence at smaller statistical areas known as data zones to understand the impacts on specific communities. While the share of external property sales for Highland is 29%, **Table 5** demonstrates that much of Badenoch and Strathspey is characterised by relatively high shares of properties sold to buyers outwith the local area, and in the majority of Badenoch and Strathspey data zones, external sales outnumber Highland sales. This is illustrated spatially within the map provided in **Appendix 8** and should therefore be interpreted as meaning that such impacts are potentially felt consistently across Badenoch and Strathspey.

**Table 5 Badenoch & Strathspey Data Zones with Higher Shares of External Property Sales**

Data Zone	Number of House Sales (2019-2024)	External Sales purchased by buyers outwith Highland	
		Number	(%)
Badenoch and Strathspey South - 01	86	45	52%
Badenoch and Strathspey South - 02	43	22	51%
Badenoch and Strathspey South - 03	64	33	52%
Badenoch and Strathspey South - 04	68	24	35%
Badenoch and Strathspey South - 05	64	47	73%
Badenoch and Strathspey Central - 01	50	21	42%
Badenoch and Strathspey Central - 02	51	28	55%
Badenoch and Strathspey Central - 03	162	103	64%
Badenoch and Strathspey Central - 04	102	52	51%
Badenoch and Strathspey Central - 05	58	31	53%
Badenoch and Strathspey Central - 06	100	43	43%
Badenoch and Strathspey North - 01	70	33	47%
Badenoch and Strathspey North - 02	54	28	52%
Badenoch and Strathspey North - 03	56	14	25%
Badenoch and Strathspey North - 04	94	37	39%
Badenoch and Strathspey North - 05	81	29	36%
Badenoch and Strathspey North - 06	67	29	43%

9.5 Officers have also analysed Badenoch and Strathspey house sales from the period of 2019-2024 and identified those that subsequently applied for and were granted STL licenses, which is summarised in **Table 6**. This indicates that the share of sales that subsequently were used for secondary letting STLs has declined in the most recently available years. Before the STLCA was proposed and consulted upon, the average share of property sales being subsequently used for secondary letting was averaging 11% a year. This began to fall in 2022/2023 coinciding with the year the STLCA was proposed and consulted upon which demonstrates anticipatory effects, where the STLCA may have sent a market signal deterring some future operators from purchasing property in the area for this intended use. Once available, the sales transactions for the year 2024-2025 would enable further assessment of whether these trends continued after the designation came into force.

**Table 6 Badenoch and Strathspey House Sales since used as Short Term Lets**

Financial Year	Total Sales	Applied for STL License	%	Applied for Secondary Letting STL License	%	Became Licensed Secondary Letting STL	%
2019/2020	242	33	13.6%	30	12.4%	27	11.2%
2020/2021	247	32	13.0%	29	11.7%	26	10.5%
2021/2022	250	34	13.6%	32	12.8%	30	12.0%
2022/2023	312	28	9.0%	24	7.7%	22	7.1%
2023/2024	265	17	6.4%	13	4.9%	9	3.4%
<b>Total</b>	<b>1316</b>	<b>144</b>	<b>10.9%</b>	<b>128</b>	<b>9.7%</b>	<b>114</b>	<b>8.7%</b>

9.6 This decline in the share of sales becoming used for secondary letting STLs contrasts with other areas in Highland which did not see their respective rates fall. For comparison, the equivalent analysis of sales within the Skye and Lochalsh Housing Market Area, is shown below which demonstrates a relatively consistent rate of sales being subsequently used as Licensed secondary letting STLs. A full assessment of property sales for the remaining areas within Highland remains ongoing.

**Table 7 Skye and Lochalsh House Sales since used as Short Term Lets**

Financial Year	Total Sales	Applied for STL License	%	Applied for Secondary Letting STL License	%	Became Licensed Secondary Letting STL	%
2019/2020	237	48	20.3%	39	16.5%	37	15.6%
2020/2021	219	37	16.9%	30	13.7%	27	12.3%
2021/2022	249	47	18.9%	34	13.7%	34	13.7%
2022/2023	219	34	15.5%	29	13.2%	28	12.8%
2023/2024	184	31	16.9%	26	14.1%	25	13.6%
<b>Total</b>	<b>1108</b>	<b>197</b>	<b>17.8%</b>	<b>158</b>	<b>14.3%</b>	<b>151</b>	<b>13.6%</b>

- 9.7 Turning to newly built homes within Badenoch and Strathspey, analysis of housing completions and the STL Licence Register shown in **Table 8** reveals that of the total 441 housing completions in the past 5 years, 33 have since become STLs, which equates to 7.5% of completions. This is higher than the Highland average of 5%, but there is again evidence that this has been declining in recent years. As housing completions are maintained by the Council through Housing Land Audits, this does not require to await release of official statistics and is therefore one of the few indicators the Council can provide analysis for in the 2024/2025 financial year.
- 9.8 For comparison with housing completions across the Highlands, **Appendix 7** illustrates variation between the wards, illustrating that in several comparable areas with pressurised housing markets such as Ward 5 (Wester Ross, Strathpeffer and Lochalsh) or Ward 10 (Eilean a' Cheò) the rates of housing completions since used as STLs has not declined as they have done in Badenoch and Strathspey.

**Table 8 Newbuild Completions in Badenoch and Strathspey since used as STLs**

	<b>Ward 20 Badenoch and Strathspey</b>		
<b>Year</b>	<b>Total Completions</b>	<b>Became STLs</b>	<b>%</b>
2020/2021	66	7	10.6%
2021/2022	28	2	7.1%
2022/2023	144	18	12.5%
2023/2024	100	4	4.0%
2024/2025	103	2	1.9%
<b>Grand Total</b>	<b>441</b>	<b>33</b>	<b>7.5%</b>

## **10 Conclusion**

- 10.1 This report illustrates the Short Term Let (STL) planning caseload in the period immediately before and after the designation of the Badenoch and Strathspey Control Area. The majority of existing operators were guided towards the Certificate of Lawful Use process where no material Change of Use had occurred before the designation and therefore the majority of existing operators have been enabled to continue operating in compliance with their planning and licensing requirements. The report illustrates that 43 applications for planning permission for Short Term Let use have been refused, which reflects a small element (13%) of the Short Term Let planning application caseload.
- 10.2 Despite this modest number of refusals, the report demonstrates that the Control Area may be stalling further demand for new Short Term Lets, as fewer property sales and fewer new housing completions have since been converted to Short Term Lets, within the Short Term Let License Public Register. These declines have not been found in other parts of Highland where there are high levels of STLs. While STLs as a rate of total dwellings appear to be rising in many parts of Highland, in Badenoch and Strathspey, these rates are declining, remaining constant or in some cases rising at a much slower rate than the Highland average.

- 10.3 It can be concluded that since the Control Area was designated, the majority of existing STL operators have continued operating in compliance with planning requirements, while potentially influencing some to exit the sector, and deterring some new entrants from investing in residential properties for STL use in the Area. This is consistent with potential impacts identified by the Scottish Government [Short-term lets: licensing scheme and planning control area legislation Business and Regulatory Impact Assessment](#) (BRIA) in 2020. Analysis of the impact of Short Term Let Control Areas in Scotland is in its infancy and the analysis within this report is therefore the first study to our knowledge that demonstrates any early evidence of potential impact at this stage. Continued monitoring of these trends would be required to assess any continued impacts over the longer term.
- 10.4 It will be important to continue to monitor and review Short Term Let provision over the coming years to understand trends. It is only possible to do this effectively in tandem with the Housing Need and Demand Assessment process and associated housing market analysis. Accordingly, the next full update will not be available for a further 4 years, in 2030. It is proposed an interim update report will be presented to the Area Committee in 2028, noting the restrictions on the information that will be available at that time.

Designation:	Assistant Chief Executive - Place
Date:	6 April 2026
Authors:	Meadhbh Maguire, Principal Planner Jennifer Mair, Planner Gary Somers, Solicitor
Background Papers:	Establishing a Short-Term Let Control Area for Ward 20: Badenoch and Strathspey – Update <a href="#">Report</a> Dec 2023
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 - Residential Property Sale Volumes in Badenoch and Strathspey and Highland from 2019-2024 Appendix 5 - Average Residential Property Sale Values in Badenoch and Strathspey and Highland from 2019-2024 Appendix 6 - Average Monthly Rent of Private Rental Listings from 2012-2024 Appendix 7 - Newbuild Completions that have become Short Term Lets Appendix 8 - High shares of house sales to buyers outwith Highland from 2019/2020 – 2023/2024







# Appendix 1 - Short Term Lets Predominant Property Type

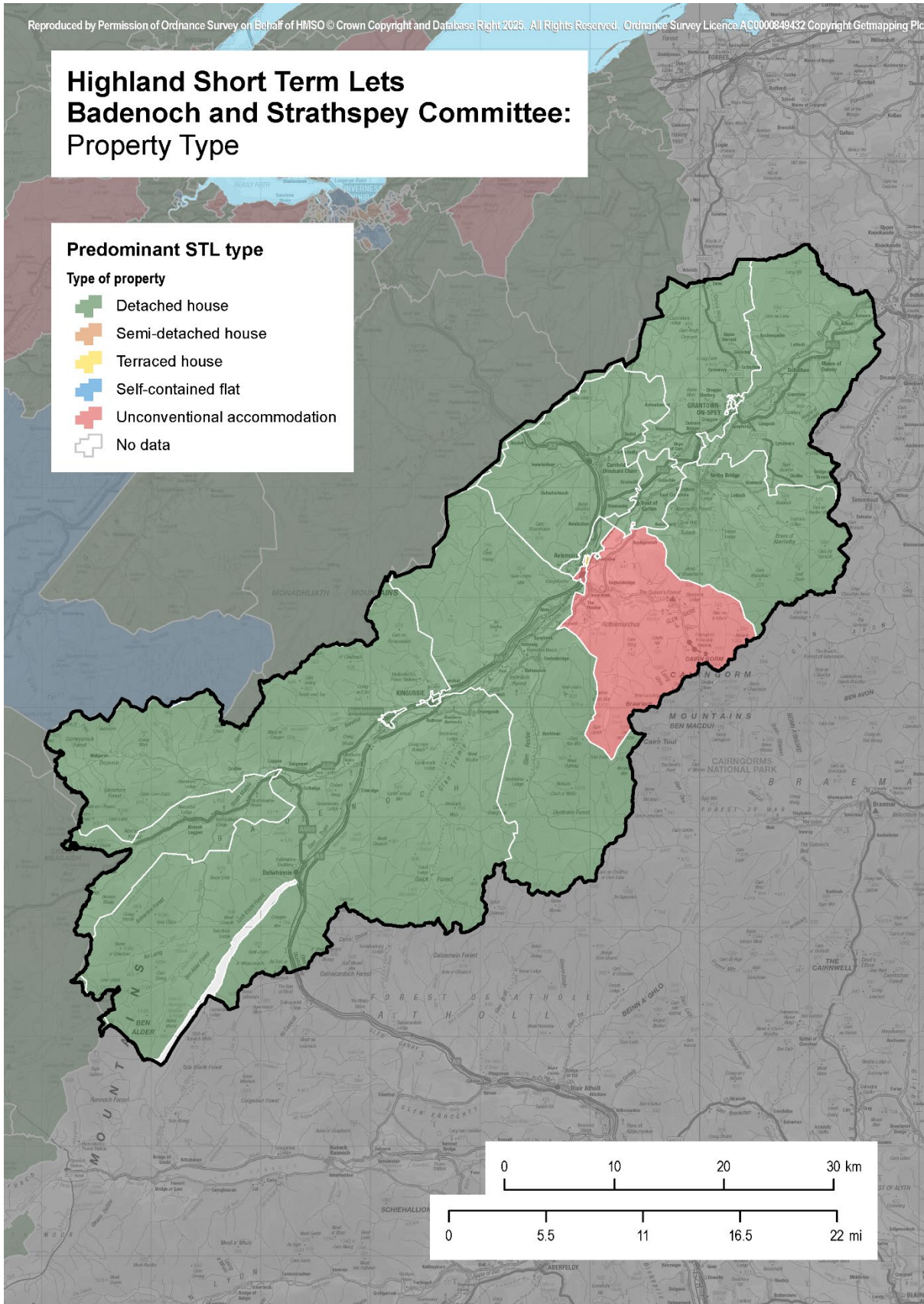
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## Highland Short Term Lets Badenoch and Strathspey Committee: Property Type

### Predominant STL type

#### Type of property

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



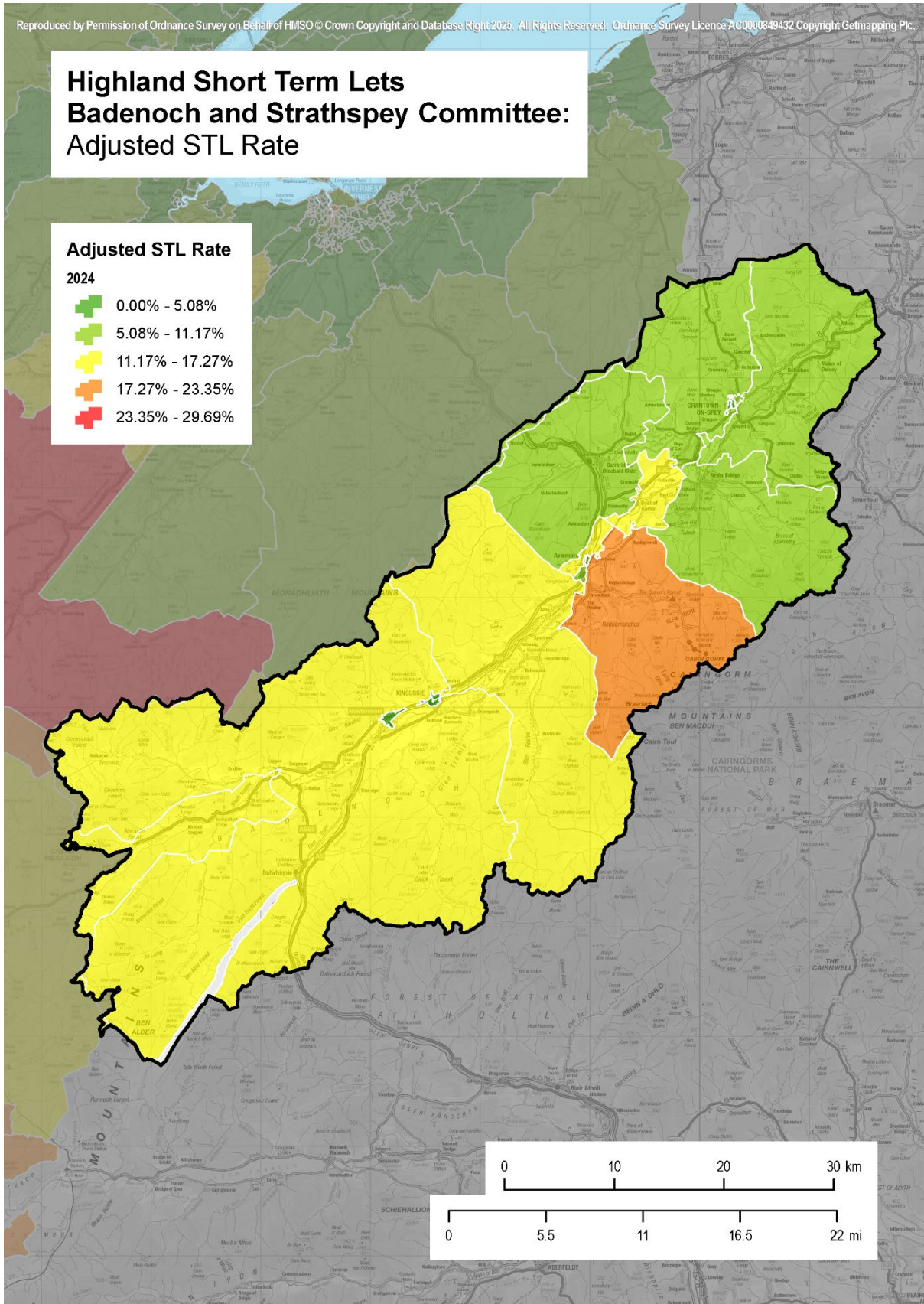
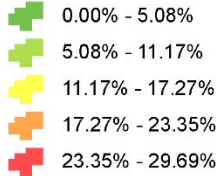
## Appendix 2 - Adjusted Short Term Lets Rates by Data Zone

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### Highland Short Term Lets Badenoch and Strathspey Committee: Adjusted STL Rate

#### Adjusted STL Rate

2024






# Appendix 3 - Adjusted Short Term Let Rate Change 2023-2024

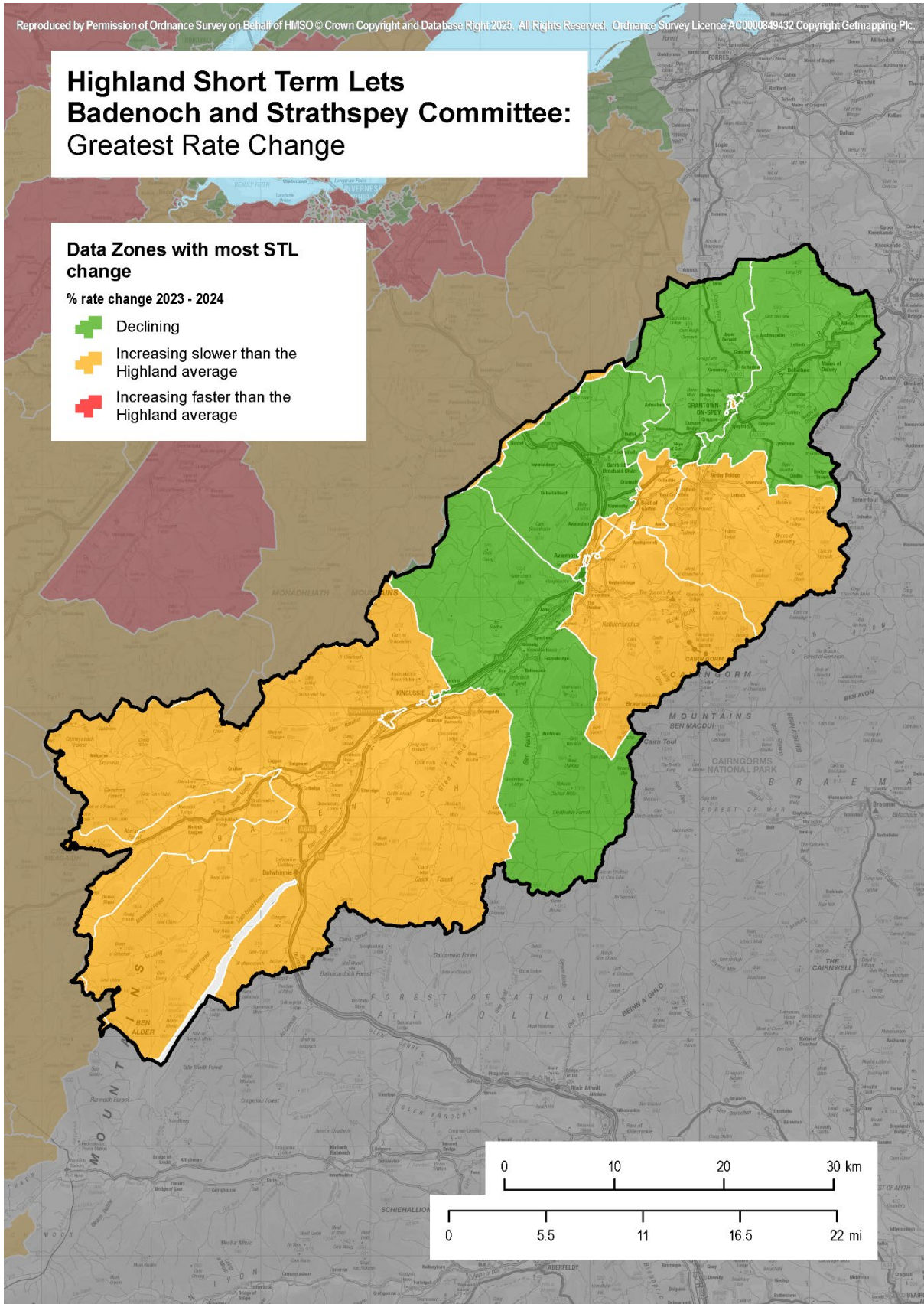
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## Highland Short Term Lets Badenoch and Strathspey Committee: Greatest Rate Change

### Data Zones with most STL change

% rate change 2023 - 2024

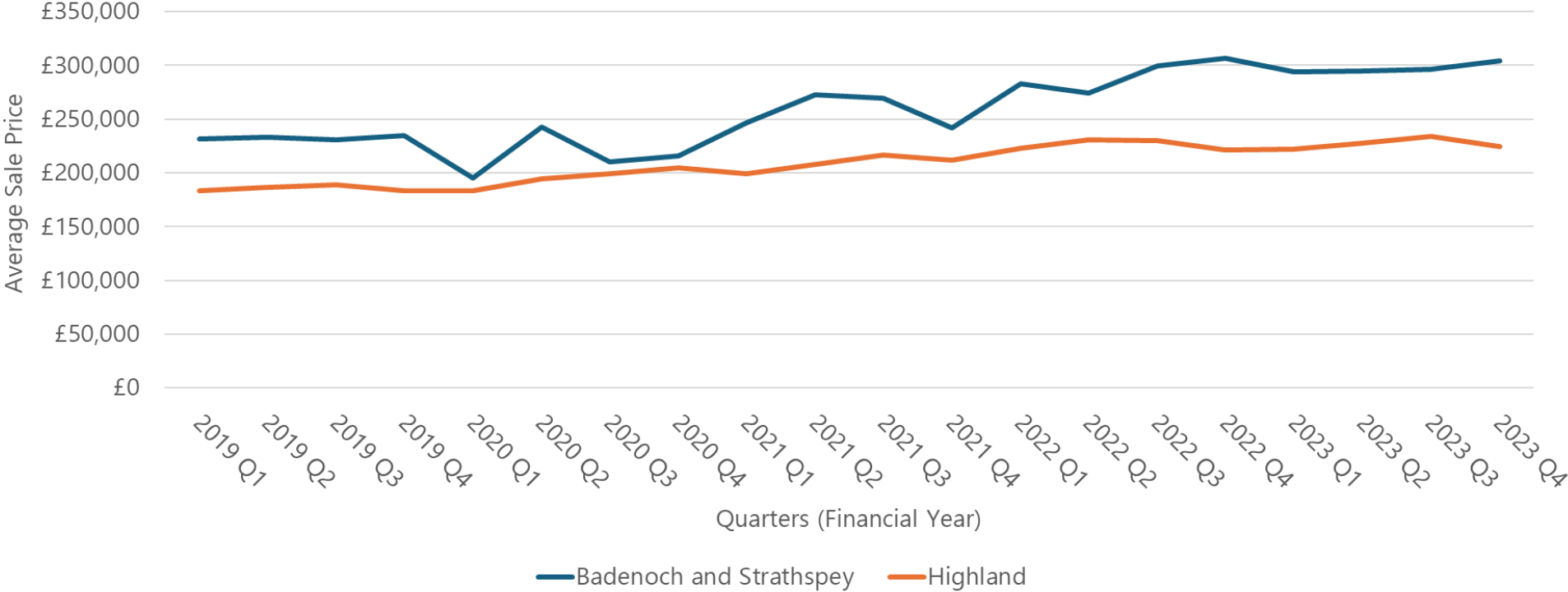
-  Declining
-  Increasing slower than the Highland average
-  Increasing faster than the Highland average



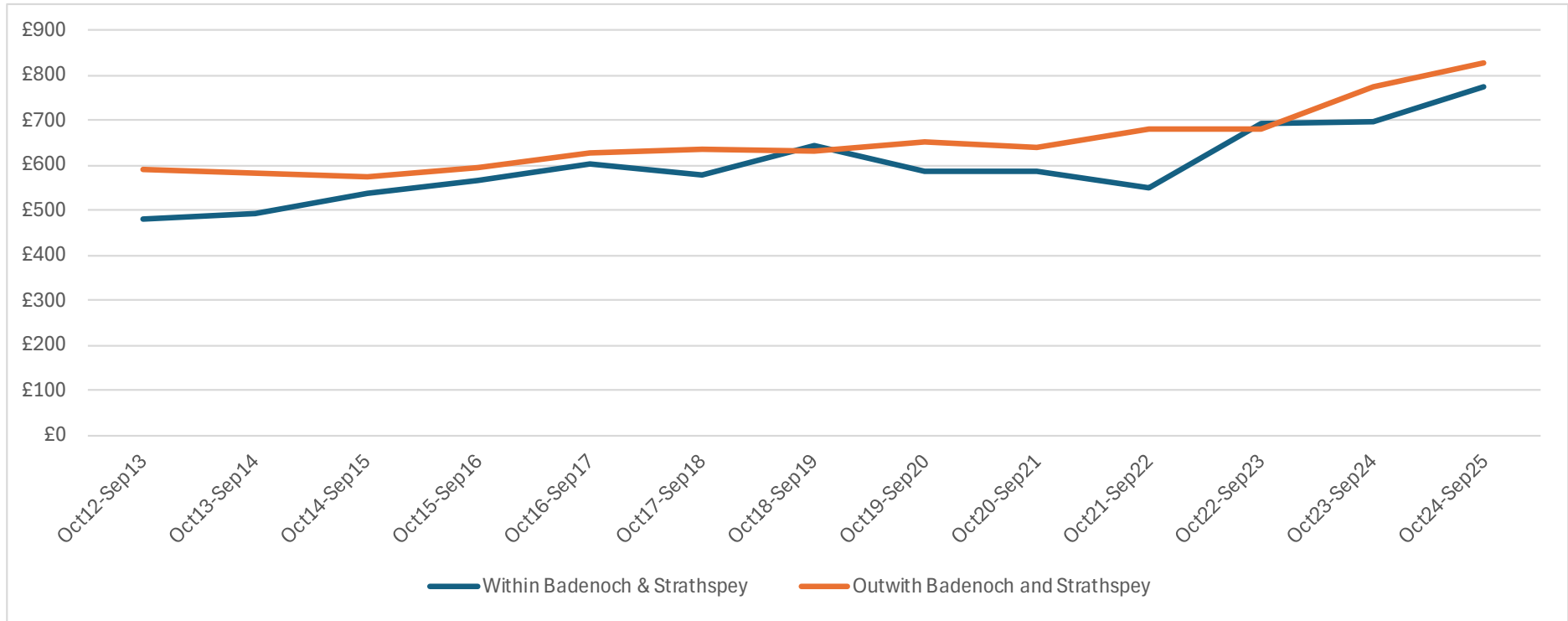
**Appendix 4 Residential Property Sale Volumes in Badenoch and Strathspey and Highland from 2019-2024 – (Note Scaling)**



**Appendix 5 Average Residential Property Sale Values in Badenoch and Strathspey and Highland from 2019-2024**



### Appendix 6 Average Monthly Rent of Private Rental Listings from 2012-2024



## Appendix 7 Newbuild Completions that have become Short Term Lets

Ward	2020/2021			2021/2022			2022/2023			2023/2024			2024/2025			5 Year Totals		
	House Comps	STL Comps	%	House Comps	STL Comps	%	House Comps	STL Comps	%	House Comps	STL Comps	%	House Comps	STL Comps	%	House Comps	STL Comps	%
Aird and Loch Ness	24			77	12	15.6%	55	1	1.8%	95	4	4.2%	81	2	2.5%	332	19	5.7%
Badenoch and Strathspey	66	7	10.6%	28	2	7.1%	144	18	12.5%	100	4	4.0%	103	2	1.9%	441	33	7.5%
Black Isle	10			82	1	1.2%	50	1	2.0%	31	1	3.2%	26	4	15.4%	199	7	3.5%
Caol and Mallaig	22	4	18.2%	26	7	26.9%	123	1	0.8%	58	6	10.3%	70	3	4.3%	299	21	7.0%
Cromarty Firth	27			65			59			51	4	7.8%	54			256	4	1.6%
Culloden and Ardersier	141			172	3	1.7%	231	2	0.9%	115	1	0.9%	104			763	6	0.8%
Dingwall and Seaforth	38			68			55			57	1	1.8%	34			252	1	0.4%
East Sutherland and Edderton	9	2	22.2%	21	2	9.5%	63	5	7.9%	58	4	6.9%	62	1	1.6%	213	14	6.6%
Eilean a' Cheò	49	12	24.5%	94	12	12.8%	70	10	14.3%	110	14	12.7%	64	12	18.8%	387	60	15.5%
Fort William and Ardnamurchan	21	3	14.3%	74	6	8.1%	37	3	8.1%	46	5	10.9%	70	1	1.4%	248	18	7.3%
Inverness Central	41			10			64	1	1.6%				7	2	28.6%	122	3	2.5%
Inverness Millburn	31	1	3.2%	37			1			10			28	1	3.6%	107	2	1.9%
Inverness Ness-side	73			250			111	1	0.9%	110	1	0.9%	79	1	1.3%	623	3	0.5%
Inverness South	68	2	2.9%	214	6	2.8%	128	1	0.8%	34	2	5.9%	60	2	3.3%	504	13	2.6%
Inverness West	25	5	20.0%	98	3	3.1%	64	2	3.1%	50			58	2	3.4%	295	12	4.1%
Nairn and Cawdor	86	1	1.2%	29			26	6	23.1%	33			11			185	7	3.8%
North, West and Central Sutherland	9	2	22.2%	11	2	18.2%	13	1	7.7%	22			10	3	30.0%	65	8	12.3%
Tain and Easter Ross	13	1	7.7%	51	2	3.9%	13			12			15	1	6.7%	104	4	3.8%
Thurso and Northwest Caithness	9	1	11.1%	7			16	1	6.3%	12	2	16.7%	7			51	4	7.8%
Wester Ross, Strathpeffer and Lochalsh	32	1	3.1%	74	5	6.8%	36	7	19.4%	40	6	15.0%	38	6	15.8%	220	25	11.4%
Wick and East Caithness	27	4	14.8%	34	2	5.9%	27	3	11.1%	16	1	6.3%	20	1	5.0%	124	11	8.9%
Highland	821	46	5.6%	1522	65	4.3%	1386	64	4.6%	1060	56	5.3%	1001	44	4.4%	5790	275	4.7%

## Appendix 8 – High shares of house sales to buyers outwith Highland from 2019/2020 – 2023/2024

High shares (greater than 50%) of house sales to buyers outwith Highland

