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Ariane Burgess
Convener
Local Government, Housing and Planning
Committee

By e-mail

20 June 2025

Dear Ariane,

Following my recent appointment as Cabinet Secretary for Housing I am writing to provide an update on the implementation of the short-term let licensing regulations. I trust the committee finds this letter addresses their recent request to provide an update on short-term lets and look forward to working with the committee across my portfolio and our shared areas of responsibility in the future.

This letter outlines further progress to embed licensing in Scotland and informs you about the progress we have made against actions set out in the implementation report we published in August last year.

The short-term let licensing scheme continues to deliver on its purpose to ensure short-term lets in Scotland are regulated and meet consistent safety standards. The Scottish Fire and Rescue Service and Police Scotland have been integral partners providing advice to licensing authorities and applicants, as well as undertaking premise inspections and fit and proper person checks.

Progress to embed Short-term Let Licensing in Scotland

Data about numbers of licence applications

The most recent accredited statistics¹ published by the Scottish Government show that at least 33,952 applications for a licence were received between October 2022 and December 2024. This is a partial picture and does not include all unvalidated applications for existing hosts. Future releases will update the figures as licensing authorities finalise work on those applications. We anticipate there will be fewer unvalidated applications in future statistical releases, as licensing authorities do not accept incomplete applications from new hosts.

¹ [Short Term Lets Licensing Statistics, to 31 December 2024 - gov.scot](#)

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It is important to note that the number of applications (and licences) will be lower than the number of short-term let units in Scotland and will therefore differ from other statistical sources. Several factors influence this such as: applications (and licences) covering multiple accommodation units; data gathering techniques; and accommodations not covered by licences, either due to exclusions or because covered by another licence type.

Outcomes

An overwhelming majority of short-term let licence applications continue to be granted, with just 3% being either rejected, withdrawn by the applicant/s or refused. This should reassure the sector and allay concerns from those opposed to licensing that it would be used inappropriately to reduce short-term let numbers. While license refusals account for less than 1% (197) of applications, it is important to reflect that the reasons for refusal demonstrate that licensing helps to protect the safety of guests. These include applicants deemed not fit and proper persons, premises deemed unsuitable, applications that do not comply with mandatory conditions or are incomplete (such as unpaid fees), undue public nuisance and/or applicants unable to secure consent from property owners.

For the period October 2022 to December 2024, the average processing times for applications from existing hosts were 8 months and 7 months for new hosts. This reflects, despite the resource intensive nature of supporting existing host applicants during the transitional phase, licensing authorities on average processed applications within the statutory processing timescales (12 months for existing hosts and 9 months for new hosts). These figures may alter slightly, as adjustments are made to include applications missing from previous statistical publications because they were not validated at that time. Anecdotally, after the transitional period ended, licencing authorities have told us that average processing times for new hosts have reduced.

End of transitional period for existing hosts

The statistics reveal that the majority (25,827/ 76%) of applications were received before 1 October 2023, which was the deadline for existing hosts² to apply for a licence. In last year's report we highlighted that licensing authorities told us many applications were incomplete, mainly lacking documentary evidence about mandatory licensing conditions such as electrical and gas safety certificates. While the support provided by authorities to resolve issues with applicants was resource intensive and presented challenges with the timely processing of applications, most of these applications have since been determined. We are aware there are a couple of licensing authorities that are currently processing outstanding applications for existing hosts, which the authorities expect to conclude imminently. There have been communications between industry bodies, the authorities and applicants, including to reassure existing host applicants they may continue to operate until their applications are determined.

Measures introduced in the 2024 Amendment Order

The Civic Government (Scotland) Act 1982 (Licensing of Short-term lets) Amendment Order 2024 included provision to enable licence holders to transfer their licence to a new host. Licensing authorities have told us informally that between September and December 2024 around 90 licence transfers were completed.

² Those hosts operating before October 2022.
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The Amendment Order also introduced a provisional licence process for short-term let accommodation being constructed. We are not currently able to provide statistics on provisional licences for short-term lets under construction but this will be included in future releases.

Interaction between planning and licensing

Our August 2024 report highlighted concerns from some stakeholders about the interaction of planning and licensing requirements for existing hosts, particularly in Edinburgh and Highland where there are short-term let control areas in place. The Planning and Environmental Appeals Division (DPEA) reported that the number of overall planning appeals doubled due to an influx from short-term let hosts/ operators. DPEA reports the number of appeals have since subsided but remain above historic levels. In approximately 90% of appeal cases the original decisions were upheld. Planning appeal fees were introduced on 9 June 2025 with fee income being reinvested in DPEA services.

Licensing has undoubtedly helped to raise awareness of the well-established planning requirements about the need for planning permission for any material change of use. Decisions on planning applications for short-term let uses are made on a case-by-case basis by local planning authorities considering various considerations including planning policies, the suitability of the site or building in question, and impacts on local amenity.

The expert guidance group, which we asked VisitScotland to convene, is currently considering whether, and if so how, Scottish Government guidance about the interaction of licensing and planning could be improved. We will take any such recommendations into account when considering the refresh of our guidance.

Local authorities are aware of the powers available to them to establish short-term let control areas with most using the data made available by short-term let licensing to inform their policy approaches. Two such areas have already been designated, in Edinburgh City and Badenoch and Strathspey in the Highlands. Perth and Kinross Council have undertaken consultation on a proposal to designate such an area, and Fife Council is taking views from residents about what its approach to control areas should be. We continue to monitor the operation of control areas.

Enforcement

Operating without a licence is a criminal offence, which if prosecuted may result in a maximum fine of £2,500. Licensing authorities and Police Scotland continue to engage, educate and encourage short-term let hosts to comply with the scheme's legal requirements, which is supporting the scheme to embed and ensuring more short-term let hosts are compliant. While we cannot comment on individual cases that are subject to enforcement action, we are aware cases are currently being investigated and progressing through the legal system where hosts remain non-compliant. We are also speaking to booking platforms and licensing authorities about how to ensure hosts adhere to the duty on them to include their licence numbers in listings for their short-term let accommodation.

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Following consultation in 2020 we announced that we would amend primary legislation to increase the maximum fine for some offences to £50,000. This is still an intention we would deliver in the next Parliamentary term.

Progress made against actions from the August 2024 report

Update short-term let licensing and planning guidance

Further to the former Minister for Housing's letter of 7 February 2025, I am pleased to report that the Expert Guidance Group is continuing to progress work to suggest revisions to our licensing and planning guidance for short-term lets. This is taking longer than expected, as VisitScotland is also supporting work with local authorities in connection to the visitor levy, however, we expect to receive drafting suggestions to update our guidance during recess.

In addition to progress against our commitments we are updating the guidance available [on the mygov.scot website](#). This includes making improvements to the checker tool, which helps users to determine whether they need a licence, what type of licence is required, and how to apply.

Consultation

In the report published last year we indicated some matters causing concern were outwith the scope of guidance updates. We intend to seek wider views on how to address these via public consultation later in 2025. This will be a limited consultation on a few technical refinements to the short-term let licensing regime. We await the outcome of VisitScotland's Expert Guidance Group confirm the areas for consultation.

Ongoing Monitoring

Action	Update
<i>Continue to collect and consider insight from a range of data sources</i>	<p>We are mindful the introduction of regulations has been a major change for the sector and we continue to work in partnership with industry and VisitScotland to listen and respond to concerns.</p> <p>The Tourism and Hospitality Industry Leadership Group champions our national tourism strategy to grow the value and enhance the benefits of tourism across Scotland by delivering the very best for our visitors, businesses, people, communities and environment. It monitors progress towards the strategy's ambitions through the Scotland Outlook 2030 Tracker indicators. While the tourism sector has faced significant challenges in recent years as a result of Brexit, the pandemic and the cost crisis, there are encouraging signs of recovery. The latest available data shows the number of tourism businesses and jobs up from the prior year³ and overseas visitor numbers up from both the prior year and pre-pandemic, with more recent intelligence indicating this trend is continuing into 2025⁴.</p>

³ Sources: Employment: Business Register and Employment Survey, 2023; Number of registered businesses: Inter-departmental Business Register, 2024

⁴ Source: [Travel trends 2023](#), [Office for National Statistics](#); [Inbound card spending data](#), Visit Britain
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<i>Periodically reviewing our own short-term lets licensing data collection</i>	<p>We committed to review the format and frequency of our accredited statistical publication. A user feedback survey was undertaken during May 2025, which was open to industry, communities and licensing authorities. Responses, although limited, spoke positively of the accessibility of the published statistics. We will take the outcome of this survey into consideration for future publications.</p> <p>We have also reviewed the original Data Protection Impact Assessment (DPIA) that was published in 2020 and will publish this in July 2025. It is important to highlight that this is a legislative DPIA, which reflects how legislation interacts with and requires the use of data. Licensing authorities are responsible for producing operational DPIAs about the control and processing of data.</p>
<i>Continue to engage stakeholders through established groups</i>	<p>As well as engaging with VisitScotland's Expert Guidance Group, which includes Industry Advisory Group members, we also continue engagement with COSLA, short-term let booking platforms, community representatives, Police Scotland and Scottish Fire and Rescue Service.</p> <p>In addition, Scotland's Housing Network hosts a forum for all licensing authorities on short-term lets licensing, as well as a smaller Short-Term Let Operational Improvement Group. These work to explore and test refinements, involving the SOLAR Working Group, which promote consistency of operational approach. This has supported implementation of the Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Amendment Order 2024.</p>

During the Committee session last November attended by the former Minister for Housing, he was asked whether hosts have opted to apply for alcohol licences, to be excluded from the requirement for a short-term let licence. From discussion with licensing authorities, we do not consider this is a concern. The licensing requirements for both licensing regimes are comparable and licensing authorities consider the individual circumstances of each application and determine which licence/s are required.

We will continue to work with stakeholders to embed short-term let licensing. This means being responsive to concerns and supporting improvements to operation of the scheme, ensuring change is delivered in a measured way, providing certainty for guests, hosts and communities.

I hope the Committee finds this update helpful.

Yours sincerely,

MÀIRI MCALLAN

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