

Department for Culture Media & Sport

Consultation on a Registration Scheme for Short-Term Lets in England

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Chapter 1: Introduction

The Short-Term Lets Sector

Short-term lets are an integral part of the infrastructure of the UK's visitor economy. Holiday cottages, home stays and self-catering apartments have long catered for the needs of tourists, those travelling for work, or people in need of overnight accommodation.

However the guest accommodation sector has changed significantly over the last fifteen years, both within England and across the world. In particular, there has been a major expansion in the number and range of accommodation suppliers operating in the market. At the heart of this change has been the emergence of the sharing economy and the growth of digital platforms. These platforms have significantly changed the shape and size of the guest accommodation sector, and in particular have led to an increase in the short-term letting of residential premises.

The government recognises that these trends are not unique to England, and they are why many local and national governments around the world have intervened in the market in recent years. The nature of regulatory interventions varies significantly, ranging from very light-touch digital registration schemes, through to licensing schemes and stricter limits on the number of nights per year a property can be rented out, or the total number of short-term lets in a location. A more detailed list of the approaches taken in different countries is available <u>here</u>.

Policy background

The government is clear that short-term lets bring a range of benefits, such as income for individual homeowners and to local economies through increased visitor spend, and increased choice for consumers. At the same time, there are concerns about inconsistencies within the regulatory framework for the guest accommodation sector: unlike with hotels and B&Bs, it is difficult to monitor compliance with key health and safety regulations by short-term lets given the lack of an authoritative data source. Concerns have also been raised in areas with a high concentration of short-term lets about the impact on the availability and affordability of local rental housing and increased house prices driven by additional demand from owners of short-term lets. We have also heard about the negative effects on local areas of anti-social behaviour, and a broader 'hollowing out' of communities.

In recognition of the growing issues and stakeholder calls for further action, DCMS committed to consult on a Tourism Accommodation Registration Scheme in England in the Tourism Recovery Plan in June 2021. However, given the lack of existing data, including on the quantity and location of short-term lets, the former Tourism Minister Nigel Huddleston MP agreed to publish a Call for Evidence as a first step. The purpose of the Call for Evidence was to gather information that would improve the government's understanding of the benefits and challenges of short-term lets across England as a whole, and how these vary across the country.

Call for Evidence

The call for evidence set out six potential responses the government could consider after taking into account the evidence gathered: to do nothing; to provide more information to the sector; to develop a self-certification registration scheme; to develop a registration scheme with light-touch checks; to develop a licencing scheme with physical checks of short-term lets; or to address any issues through a regulatory alternative to a registration system.

Analysis of the 4,000 responses received shows there is support for the introduction of a light-touch registration scheme: 60% of all respondents indicated support for further intervention, with 42% of all respondents supporting a registration scheme (18% of all respondents favoured a more interventionist approach, for example a licensing scheme). Most respondents favouring a registration scheme called for it to be light touch and low cost.

Legislation in the Levelling Up and Regeneration Bill

In light of these findings, the Government committed to taking action by legislating to deliver the legal framework at the earliest possible opportunity. We are also conscious of concerns that have been expressed about the hollowing out of communities where people no longer reside long term but become much-visited holiday destinations. We committed to introduce a registration scheme in England through an amendment to the Levelling Up and Regeneration Bill (LURB), with the details of how a scheme will operate to be explored through further consultation. Subject to the outcome of the consultation, and the LURB being passed, the changes would be introduced through secondary legislation and would apply in England only. Scotland and Northern Ireland already have short-term let licensing schemes in operation, and Wales is introducing a statutory licensing scheme for all visitor accommodation providers.

Potential benefits of a registration scheme

Short-term lets are a significant and growing part of the UK's visitor economy, supporting not only our leisure visitors and those attending major sporting and cultural events, but also accommodating everyone from film crews to business conference attendees. With a global visitor industry forecast to grow 3% year on year over the rest of the decade, a registration scheme would play a role in continuing to develop a responsible, high-quality and competitive short-term lets sector. The Government wants to ensure that we reap the benefits of a diverse and sustainable visitor accommodation offer and support the visitor economy - whilst also protecting local communities, including in respect of the availability of housing to rent or to buy.

The register of short-term lets would provide data, which would help to provide local authorities with information about which premises are being let out in their area. This will provide valuable information to help them manage the housing market impact of high numbers of short-term lets (where this is an issue), and apply and enforce the use class changes, should this measure be introduced.

Scope of the registration scheme

Given the Government's priority is to deliver a proportionate regulatory response, the focus of the registration scheme in England will be on short-term lets only, and not other types of guest accommodation such as hotels, B&Bs and professional providers of self-catering accommodation.

A scheme focussed solely on short-term lets will help drive adherence to standards and provide a platform to address negative community and housing market effects. It would also ensure that all providers of short-term lets can be obligated to provide safe, quality assured accommodation, as other providers of guest accommodation must currently do through existing regulation and quality assurance schemes.

For the purposes of defining a short-term let for this consultation we will use the definition of 'short-term rental property' included in the relevant government amendment to the Levelling Up and Regeneration Bill (see Annex C for the full wording of the relevant amendment):

"Short-term rental property" means

(a) a dwelling, or part of a dwelling, which is provided by a person ("the host") to another person ("the guest")

(i) for use by the guest as accommodation other than the guest's only or principal residence, (ii) in return for payment (whether or not by the guest), and

(iii) in the course of a trade or business carried on by the host,

(b) any dwelling or premises, or part of a dwelling or premises, not falling within paragraph (a) which is specified for the purposes of this paragraph.

The report summarising findings of the Call for Evidence (see Annex A) uses the term 'premises'; this is taken to mean short-term rental property as defined above.

Properties falling into the short-term let planning use class could form a subset of this broader definition.

These proposals relate to England only.

Consultation on a new use class for short-term lets

Alongside the introduction of a registration scheme, the Department of Levelling Up, Housing and Communities (DLUHC) has also committed to consult on the introduction of a use class for short-term lets. The consultation seeks views on proposed planning changes to use classes and permitted development rights as a further step to help local areas to manage the further proliferation of short-term lets and support sustainable communities. The new permitted development rights would provide flexibility where short-term lets are not a local issue, and allow for this flexibility to be removed where there is a local concern. Where the rights have been removed, planning permission would be required where there is a material change of use to a short-term let. DLUHC are also seeking views on the planning application fee required where permission is required for the development of a newbuild short-term let. The DLUHC consultation is separate but will run concurrently with the DCMS consultation. For information please see [insert link]. Please respond to DLUHC's consultation if you wish to share your views on the proposed use class and permitted development rights changes in relation to short-term lets.

DCMS and DLUHC are working closely together to ensure that different measures being considered across Government that apply to the short-term lets sector are proportionate, complementary and easy to understand.

Chapter 2: Evidence summary

At present, there is no single source of data on the short-term letting market in England, on either supply or demand. In 2022, DCMS issued a <u>Call for Evidence</u> to gather information on the benefits and challenges of short-term lets in England, and later contracted Alma Economics to analyse qualitative and quantitative survey responses and summarise the findings. The summary report is published alongside this consultation.

Market characteristics

Based on the analysis of responses to DCMS's Call for Evidence, there were approximately 257,000 short-term and holiday letting listings in England in 2022, concentrated in the South West, London and South East (28%, 17% and 17% respectively, or 62% in total).¹ This figure includes estimates for online listings and offline listings, and is thought to be an underestimate, as it does not include estimates for all platforms and does not include growth in recent years due to reliance on data snapshots from 2016, though it may include duplicate listings across multiple platforms. Around 70% of listings were for entire premises, and on average were for 2-3 rooms.²

There is no authoritative data on the host types and the ownership and operating structure of short-term lettings, but analysis of Call for Evidence responses found that on average, hosts listed 1-2 properties and earned £5,000-£6,000 a year. In addition to owners, there is a supporting ecosystem including platforms who act as a booking intermediary between host and guest; third party management companies who can be contracted to undertake day-to-day management of short-term lets; and a wider supply chain including cleaning and laundry services. A study of Airbnb listings in London in 2019 gives an insight into the more commercial side of the short-term lets market: it found that 6% of hosts owned or operated 3 or more short-term lets, but accounted for 31% of active listings.³

On the demand side, there is no single estimate of the number of stays or guests, but the average booking length was 3-4 days, and each short-term let was thought to be let out 25-30 days each year by 2-3 guests.⁴ Based on these averages, DCMS estimates this at between 1.6 million and 2.6 million stays and between 3.2 million and 7.7 million visitors.⁵

¹ Alma Economics (2023), Developing a tourist accommodation registration scheme in England: analysis of the call for evidence

² Alma Economics (2023), Developing a tourist accommodation registration scheme in England: analysis of the call for evidence

³ GLA (2020), <u>Housing Research Note 4: Short-term and holiday letting in London</u>. It was not clear to what extent these were 'super owners', where a single owner owned and operated many properties, or 'super operators', where multiple owners had contracted the same third party management firm. ⁴ Alma Economics (2023), Developing a tourist accommodation registration scheme in England: analysis of the call for evidence

⁵ Calculated from 256,800 listings occupied for 25 to 30 days a year, for an average trip of 3 to 4 days by 2 to 3 guests. DCMS multiplied total listings by the average days let (lower bound 25, upper bound 30) to obtain total days let, dividing by average trip length (lower bound 4 days, upper bound 3 days) to obtain a range for number of stays, and multiplying this by the number of guests (lower bound 2, upper bound 3) to estimate number of visitors.

The Call for Evidence did not collect data on guests' place of origin, though other data implies around 40% of guests in English listings might be British residents.⁶

Impacts of short-term lets

The evidence available on impacts is generally drawn from news reports and perceptions surveys, either from government consultation and evidence exercises, or bespoke research. These imply that while short-term lets bring benefits - including additional income for homeowners, greater choice and flexibility for visitors,⁷ and the ability to absorb and disperse demand into a wider area⁸ - they have also generated concerns.

The lack of data on short-term lettings makes local planning and service delivery more challenging - for example, in planning and resourcing waste services and fire inspections -⁹ and makes it more difficult to enforce existing regulations around safety. These **information asymmetries** could put guests at risk. There is no data currently available to estimate the extent of non-compliance by short-term lets with safety legislation in England, but the Call for Evidence found perceptions varied considerably by respondent type, with local authorities the least likely to say compliance was good or very good (10%, versus 84% of hosts and 63% of members of the public).¹⁰ Analysis of social media complaints also gives an indication of guest concerns related to safety and scams.¹¹

Where regulations are not equally applicable or cannot be evenly enforced, this also creates an uneven competition environment for other accommodation providers. In addition, other providers must apply for planning permission, comply with detailed regulations and pay business rates, whereas domestic-rated short-term lets do not.¹²

In terms of impacts on local housing markets, concerns have been raised about high numbers of short-term lets leading to increased prices and reduced supply¹³. A 2020 Capital Economics report noted that in Great Britain 'almost 50,000 properties have already been made unavailable to long-term tenants in order for landlords to pursue short-term lets'.¹⁴ Other frequent concerns relate to the wider impact that short-term lets, particularly in high

⁶ DCMS calculations using Great Britain Tourism Survey data and International Passenger Survey data on trips in 'rented houses/flats' (IPS) and 'Airbnb/someone else's home' (GBTS) in 2019. See also Airbnb (2019), <u>Airbnb UK Insights Report: 2018</u>, which finds that c.44% of UK guests are UK residents.

⁷ Alma Economics (2023), Developing a tourist accommodation registration scheme in England: analysis of the call for evidence.

⁸ Airbnb (2014), Economic impact: London and Edinburgh

⁹ BBC News (15 April 2018), <u>Growth in short-term-let market raises fire concerns</u>

¹⁰ Alma Economics (2023), Developing a tourist accommodation registration scheme in England: analysis of the call for evidence

¹¹ Asher Fergusson (2021), <u>Is Airbnb Safe? We Analyzed 127,183 Horror Stories To Find Out</u>

¹² House of Commons Library (2022), <u>The growth in short-term lettings (England)</u>

¹³ For examples outside England, see Franco, Santos and Longo (2019), <u>The impact of airbnb on</u> residential property values and rents: Evidence from Portugal; Horn and Merante (2017), <u>Is home</u> sharing driving up rents? Evidence from Airbnb in Boston; Barron, Kung and Proserpio (2018), <u>The</u> Effect of Home-Sharing on House Prices and Rents: Evidence from Airbnb

¹⁴ <u>The impact of short-term lets: Analysing the scale of Great Britain's short-term lets sector and the wider implications for the private rented sector.</u> Capital Economics, January 2020

concentrations, can have on local communities. These **negative externalities** include increased noise and anti-social behaviour,¹⁵ as well as a reduced sense of community,¹⁶ and the impact on local housing markets through increased prices and reduced supply.¹⁷

Impacts of regulation

Responses to the Call for Evidence included concerns about the administrative burden on hosts and the impact on prices and supply.¹⁸ A small number of case studies where restrictions on short-term lets have been introduced elsewhere have found that restrictions on short-term letting did reduce house prices in the relevant areas, though these covered a range of measures ranging from outright ban to registration and caps on the annual nights let. Where schemes were local-level, price increases were observed in neighbouring areas.¹⁹ The evidence on supply is limited and mixed, and the impact appears to be influenced by the type of scheme introduced and the strength of enforcement.²⁰ There was no evidence available at the time of writing on the impact of regulatory changes on short-term let prices per night.

Evidence gaps

DCMS welcomes any further evidence, particularly on:

- Size of short-term lets market, and of related businesses (for example, rate of usage of third party management companies)
- Impact of registration schemes on supply and demand (for example, behavioural responses of hosts and guests)
- Compliance costs (for example, the rate of regulatory non-compliance, the time associated with obtaining documents, costs incurred)
- Any other costs
- Benefits to businesses

 ¹⁵ As summarised in House of Commons Library (2022), <u>The growth in short-term lettings (England)</u>
 ¹⁶ Scottish Government (2019), <u>People, Communities and Places: Research into the impact of short-term lets on communities across Scotland communities across Scotland</u>

¹⁷ For examples outside England, see Franco, Santos and Longo (2019), <u>The impact of airbnb on</u> residential property values and rents: Evidence from Portugal; Horn and Merante (2017), <u>Is home</u> sharing driving up rents? Evidence from Airbnb in Boston; Barron, Kung and Proserpio (2018), <u>The</u> <u>Effect of Home-Sharing on House Prices and Rents: Evidence from Airbnb</u>

¹⁸ Alma Economics (2023), Developing a tourist accommodation registration scheme in England: analysis of the call for evidence

¹⁹ Kim, J.-H., Leung, T. C., and Wagman, L. (2017). Can restricting property use be value enhancing? evidence from short-term rental regulation. The Journal of Law and Economics, 60(2):309–334; Valentin, M. (2020), <u>Regulating Short-Term Rental Housing: Evidence from New Orleans</u>

²⁰ For example, see The Bulletin (16 January 2019), <u>Airbnb shows strong growth in Brussels despite regulations</u>; Le Monde (21 October 2022), <u>Despite the return of tourism</u>, <u>Airbnb listings are down in Paris</u>; The Guardian (26 January 2023), <u>New York City could lose 10,000 Airbnb listings in short-term rental crackdown</u>; Valentin, M. (2020), <u>Regulating Short-Term Rental Housing: Evidence from New Orleans</u>

Chapter 3: Consultation on the registration scheme

This consultation sets out three high level possible approaches to a registration scheme and a range of more detailed questions on scheme design. The responses to these questions - both on high level possible approach and scheme design - will inform decisions on final scheme design.

Please note these questions capture what we consider to be the main components of a scheme. There may be other issues that we should consider and there is a final, open text question to accommodate views on other factors we should examine.

Please note the questions below are for reference only - **responses should be submitted via the online survey where possible.**

About you

Are you completing this on behalf of an:

- a. individual
- b. organisation

Are you a:

[if answered 'individual' above:]

- a. Host operating in the short-term letting market
- b. Member of the public

[if answered 'organisation' above]

- a. Serviced guest accommodation operator (including hotels, B&Bs etc)
- b. Short-term and holiday let service company (including management companies)
- c. Digital booking platform or short-term let agency
- d. Local Authority
- e. Tourism Representative Body
- f. Destination Management Organisation / Local Visitor Economy Partnership
- g. Other organisation please specify

High level approach to a registration scheme

Our starting point for introducing a registration scheme is that it should be proportionate. In order to ensure that we sustainably reap the benefits of short-term lets and support the visitor economy across England, it should not place a disproportionate burden on hosts or individual providers of short-term lets, tourism businesses, local authorities or other enforcement authorities. It should also be easy to understand and comply with.

We have therefore identified three possible approaches for what type of scheme we might implement:

i. An opt-in scheme for local authorities, with the framework set nationally: this option is a targeted approach, recognising that any negative housing and community effects of short-term lets are felt more in some localities than others. An opt-in scheme would provide for local authorities to decide whether or not to participate in the scheme based on the needs and challenges of their area. However, it would not ensure a level playing field and ensure consistent adherence to existing health and safety regulations across England.

- ii. An opt-in scheme for local authorities with the framework set nationally, and a review point to determine whether to expand the scheme to mandatory: as above, but with the flexibility to expand the scheme to cover all of England if there is a case to do so following an evaluation.
- iii. A mandatory national scheme, administered by one of: the English Tourist Board (VisitEngland), local authorities, or another competent authority: this option recognises the need for a level playing field in the guest accommodation sector across England, particularly in respect of the application of existing health & safety regulations. It will also provide data at a local level, which will (i) help to provide local planning authorities with information about which premises are being let out in their area and (ii) support development of policy to address housing and community impacts.

Question 1: Which high-level approach to the registration scheme do you prefer?

- a. An opt-in scheme for local authorities, with the framework set nationally;
- b. An opt-in scheme for local authorities with the framework set nationally, and a review point to determine whether to expand the scheme to mandatory;
- c. A mandatory national scheme, administered by one of: the English Tourist Board (VisitEngland), local authorities, or another competent authority.

Please give the reasons for your answer.

Please also provide any evidence relevant to the three high-level approaches set out in Question 1.

Questions about scheme design

Beneath the three high level possible approaches proposed in Question 1, there are a range of detailed questions to address that concern how the scheme will operate, whichever form it takes.

Who should be responsible for administering the registration scheme?

There will need to be an entity, or multiple entities, responsible for administering a registration scheme. They could have a range of responsibilities including collecting and verifying information provided, issuing registration numbers, conducting spot checks (if deemed necessary) and sharing data with other enforcement agencies if appropriate and in a manner compliant with data protection legislation.

The government is interested in views on who should run any registration scheme. One suggestion has been that the process could be run by the English Tourist Board (trading as VisitEngland). Alternatively, there may be another existing body well placed to take on this role, a new body could be set up, or the responsibility could be devolved to local authorities - albeit working within a nationally consistent framework, whether the scheme is opt-in or mandatory (see Question 1).

Question 2: Who should be responsible for administering the registration scheme?

- a. Local authorities
- b. The English Tourist Board (VisitEngland)
- c. Another national body (please specify this could be an existing body or a new one)

Please give the reasons for your answer.

Format & accessibility

The Government is interested in views about what format the registration scheme should take. It is envisaged at this early stage that it will be primarily digital, but we would welcome views about whether an analogue alternative (which would operate in parallel) is also required. We are mindful of ensuring the registration scheme is accessible to all providers of short-term rental accommodation.

Question 3: Should there be an analogue version of the registration scheme which would run in parallel with the digital one?

- a. Yes
- b. No

If you answered 'yes', please suggest what form this could take.

Role of digital platforms and other listing agencies

The government is interested in views on how the output of any scheme (of most note perhaps, a unique identifier in the form of a registration number) should be used. In particular we are interested in the role that advertisers, including online platforms, should play. For example, there could be a 'no number, no listing' approach, whereby platforms require that in order to list a short-term let it must have a valid registration number. Alternatively, the onus could be placed on the holder of the registration number to ensure they incorporate it in their advertisements. We would also be interested in alternatives to either of these proposed mechanisms.

Question 4: Should the platforms require a valid registration number in order to list a short-term let?

- a. Yes
- b. No

Question 5: Should the registration number be displayed in any advertisement or listing of a short-term let?

- a. Yes
- b. No

We would be interested in views on alternatives to either of the above mechanisms.

Unit of registration

The government is interested in views on the 'unit of registration', i.e. what would need to be registered. It is possible that regardless of the unit of registration, the owner would still need to provide information about each of the premises they are letting out. This is also linked to question 15 below on fees - and whether fees should be charged per short-term let or per registrant (if these are to be distinct).

DCMS has identified three possible options:

- i. <u>Owners</u> (or a representative of the owner, such as a management company) register once, regardless of how many premises/dwellings or parts of dwellings they let or if a representative/company manages these. They provide aggregated information (i.e. fire safety certificates per unit) about the units they let out.
- ii. Owners (or a representative of the owner) register <u>premises/dwellings or part of a</u> <u>dwelling</u>. These dwellings (likely to be but not limited to being at one postal address) may be made up of multiple accommodation units that can be let separately; owners provide aggregated information about the units they let out.
- iii. Owners (or a representative of the owner) register individual <u>accommodation units</u> <u>within a premises/dwelling</u>. Where a dwelling contains a unit or multiple units that can be let separately, each is registered separately.

Question 6: What should the 'unit' of registration be?

- a. Owners
- b. Premises/dwellings or part of a dwelling
- c. Individual accommodation units within a premises/dwelling
- d. Other (please specify)

Scope

Given the Government's priority is for a registration scheme to be light touch, we are keen to seek views about whether innovative, non-traditional forms of guest accommodation should be captured by the registration scheme. We are aware of a range of atypical types of visitor accommodation of this nature that are available as a short-term let on booking platforms or elsewhere, which may be captured by the definition of 'short-term rental property' on page 4 and in the legislation at Annex C - but which could be considered unnecessary to include in the registration scheme. For example, this could mean premises which are more temporary in nature such as yurts or treehouses. We would welcome views on which of these should be included or excluded in the scheme.

The table below lists examples but is not exhaustive. We would welcome views on the examples provided and any other examples not included in this list.

Question 7: How should the following types of accommodation be treated in respect of the registration scheme?

Accommodation type	Include	Exclude
Caravans on sites or any site which accepts motorhomes or campervans or any other vehicle providing accommodation		
Treehouses		
Mountain bothies		
Shepherd's huts		
Cars		
Motorhomes		
Glamping		
Yurts		
Boats inc. houseboats, canal boats		
House swaps		
Other - please specify		

Please give reasons for your answers.

Exemptions

There are circumstances where people stay for a short period outside their principal or primary residence. The following are not considered to be within scope of short-term lets for the purposes of this paper:

- a) licenced hotels and B&Bs and self-catering properties on their premises,
- b) women's refuges,
- c) homeless hostels and other temporary accommodation for homeless people,
- d) accommodation for asylum seekers,
- e) child or adult care homes and other council premises,
- f) student halls of residence (whether used by students or others),
- g) hospitals,
- h) prisons, and

i) supported housing

Question 8: Do you agree with this list of exemptions?

- a. Yes
- b. No

Please explain your answer.

Question 9: Are there any other types of short-term accommodation that you think should be exempt from a requirement to register? If so, please specify.

Frequency of registration

The government is aware we will need to determine how frequently a short-term let should be required to renew their registration. It is anticipated that hosts/owners/operators of short-term lets will be able to remove themselves from the register if during the period of registration they no longer provide that premises/dwelling as a short-term let.

Question 10: How long should registration be valid for?

- a. One year
- b. Two years
- c. Three years
- d. Four years
- e. Five years
- f. The length of registration should depend on the length/validity of relevant documentation
- g. There should only be a one off registration, with providers able to remove themselves if they no longer provide the STL(s)

Please give the reasons for your answer.

Information that should be collected

The Government is interested in views about what sort of information should be captured by the registration process. It is envisaged that owners of short-term lets would submit the information, or representatives on behalf of the owner such as a management company, and the information would be stored and potentially shared with other relevant organisations (for example the scheme could be operated by the English Tourist Board but data shared with local authorities).

a. Address of the premises/dwelling(s)		
b. Name of premises/dwelling owner		
c. Address and contact details of premises/dwelling owner		
d. Address and contact details of operator/manager, if different		
e. Whether the premises/dwelling to be let is a dwelling or part of a dwelling, such as a room or outbuilding		
 f. Self-certification of adherence to relevant regulations (see question 12) 		
g. Proof (eg. a photograph or electronic upload) of adherence to regulations		
 h. Detail about the accommodation unit(s) (eg. number of units, number of bedspaces, accessibility) 		
i. If relevant, confirmation that in any rental, lease or other agreement that the responsible person is entitled to use the premises for short-term letting purposes		
j. Number of nights per year the premises is available to let		
k. Number of night the premises was let out for in the last year		
m. Whether planning permission has been granted or is not required		
n. Other - please specify		
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Please give the reasons for your answer.

Regulations

The Government is interested in views about what regulations, if any, registrants should have to demonstrate that they satisfy for their short-term let to be registered. In many cases it is likely that short-term lets are captured by a range of existing regulations concerning the safety and standard of the premises or dwelling - for example, the Regulatory Reform (Fire

Safety) Order 2005, or the Gas Safety (Installation and Use) Regulations 1998. The registration scheme is intended to drive awareness of and compliance with existing regulations.

Question 12: Which regulations should be satisfied in order for a property to be registered? Please tick all that apply.

- a. Gas safety
- b. Boiler safety
- c. Fire safety
- d. Electrical safety
- e. Furniture safety
- f. Planning (where relevant)
- g. Food safety
- h. Equality Act
- i. Other please specify

Please give the reasons for your answers.

Compliance and enforcement

In England, we believe the vast majority of responsible hosts would seek to comply with a new scheme, and we will seek to encourage a high level of voluntary compliance. For example, we could work with the online platforms to incorporate registration into the process to set up a listing, and we could also undertake an ongoing awareness campaign to support owners or their representatives to understand which existing regulations apply to their short-term let(s).

However, it is proposed that a registration scheme should incorporate a proportionate approach to compliance and enforcement. This is supported by the responses in the call for evidence, in which the majority called for any government intervention to be a self-certification scheme or one with light-touch checks. Any approach will also seek to avoid duplication with any other type of statutory inspection which may take place.

We have identified two main approaches to ensuring compliance - one being an entirely self-certification process with no element of inspection (either of initial documents for authenticity and accuracy), or one entailing physical checks of a property. Another option is to include some element of light touch checks, with different possibilities for how that would be determined (e.g. a predetermined percentage of short-term lets are randomly spot-checked; or a risk-based or intelligence-led approach, such as if a local authority receives complaints about a short-term let). It is not proposed that there should be a significant number of physical inspections.

The government is therefore interested in views on whether a registration scheme should be (i) entirely self-certified, (ii) require evidence of certain documentation before a short-term let can be registered (such as proof of a boiler safety certificate), or (iii) require light touch physical checks. We anticipate that the body/bodies responsible for administering the scheme, and where relevant the appropriate enforcement authority, would determine which short-term lets to check.

Question 13: In the context of compliance and enforcement, what should be the starting point of the registration scheme? Please tick all that apply.

- a. An entirely self-certifying process with no element of ongoing physical inspection of documentation or of the short-term let.
- b. Light touch inspections of documentation uploaded as part of the registration process based on a % of all properties to be spot checked at random on an ongoing basis.
- c. Light touch physical inspections of short-term lets based on a % to be spot checked at random on an ongoing basis.
- d. Light touch physical inspections of short-term lets based on an intelligence or risk-based approach on an ongoing basis.

Please give the reasons for your answer.

Sanctions for non-compliance

It is also necessary, as part of compliance and enforcement, to determine what sort of action/inaction would count as non-compliance and what sanctions for non-compliance could include. As a starting point, compliance and enforcement measures, including civil penalties for not complying, will help ensure fairness. Some level of sanction will deter owners or providers of short-term lets from avoiding applying for a registration number or not complying with any scheme requirements. The government does not have any plans to introduce criminal sanctions.

Question 14: What issues do you think should incur a penalty? Please tick all that apply.

- Short-term let owners/providers operating without registering
- Failure to provide valid documentation or information
- Failure to renew registration if applicable
- Failure to comply with registration requirements (for example, failure to pay the relevant fee or charge within the specified period)
- Falsification of registration documentation
- Failure to grant access to the short-term let to the scheme administrator or relevant authority, if deemed appropriate.
- Other please specify

Question 15: What penalties do you think would be appropriate? Please tick all that apply.

- Fines, which could vary according to the severity and duration of a violation.
- Revocation of registration, for a period of time or permanently.
- Notices requiring a short-term let owner/provider to rectify a violation could be issued in some circumstances before registration is revoked. If the owner/provider fails to take the necessary action within a specified timeframe, then the registration would be revoked.
- Other please specify

Please give reasons for your answer. If relevant, please also provide views on the appropriate quantum or procedure e.g. for a fine, a timeframe for addressing a violation, or for another penalty referenced above.

Fees

It is the Government's intention that the registration scheme will be self-funded and that the costs of establishing and maintaining the scheme will be recovered through fees charged to the owner or provider(s) of the short-term let(s). It is not intended that the scheme would raise revenue above and beyond cost recovery (including for set up and delivery).

We appreciate that this is an important element to get right and there are a number of factors that will need to be considered before a final framework can be set. Such factors include, as set out elsewhere within this consultation: what the unit of registration should be, the frequency of registration or renewal, and the approach to compliance and enforcement.

We would also welcome views on whether the platforms or other areas of industry should be required to contribute to the set up and running costs of the scheme.

Question 16: Should there be a flat fee per owner, or a sliding scale attendant with the number of units being let? (See also question 6 on unit of registration)

- a. Flat fee per owner
- b. Flat fee per property or part of a property
- c. Sliding scale based on number of units owned
- d. Sliding scale based on size of a unit (eg. number of bedrooms)
- e. Other (please specify)

Question 17: Should there be an annual fee to be in the registration scheme, regardless of the frequency of renewal asked in question 10?

- a. Yes
- b. No

Please give reasons for your answer.

Question 18: Should the platforms and/or other areas of industry contribute to the set up and running costs of the scheme?

- a. Yes
- b. No

Please give reasons for your answer.

Access to data

The government recognises that access to data produced by any registration scheme is a sensitive topic that will need to be given careful consideration. It will need to be incorporated

into scheme design so that those registering understand how the data they provide might ultimately be used.

The full potential of the data gathered by a scheme will depend on a range of factors including: what information is gathered, who is responsible for gathering it, how frequently it is updated and other aspects of policy design. However, it is possible at this stage to conceive of a number of organisations that could benefit from knowing how many short-term lets there are in a given area. This data could be provided in an aggregated form without providing personal details. The government considers the following to be the main beneficiaries of such data in theory:

Local authorities who might benefit by being better able to plan the use of resources and deployment of services that might be affected by short-term lets and their usage.

Enforcement agencies who might benefit by being able to plan and resource their activities more effectively. This could include the Fire and Rescue Service, tax collecting agencies, the police, the Health and Safety Executive, local authorities and local planning authorities.

Organisations and individuals who could use the data to enhance their commercial activities. This could include those bidding to host events such as a festival or conference in the area and those making investment decisions in areas such as accommodation, visitor attractions and transport.

Central government and VisitEngland, who could use the data to better develop tourism policies and communicate with the tourism sector. The government's National Data Strategy is committed to improving data use in government and unlocking the value of data across the economy.

Academics and others interested in short-term and holiday letting and associated topics.

Question 19: Do you think that any of the data captured should be shared at all beyond the competent authority administering the scheme, as determined in Question 2?

- a. Yes
- b. No

If you answered 'No', please give reasons for your answer.

Question 20: If you answered 'Yes', which types of organisations should have access to the data collated by the registration scheme? Please tick all that apply.

Organisation	Should have access to aggregated/anonymised data	Should have access to detailed/individualised data
Local authorities / local planning authorities		
Enforcement agencies		

Organisations or individuals for commercial purposes	
Mortgage providers, landlords, freeholders, commonhold associations, resident management companies and neighbours	
English Tourist Board	
Central Government	
Academics	
Other - please specify	

Minimum Threshold

The Government's priority is around the registration scheme being as light touch as possible. We are therefore interested in views about whether there should be a de minimis threshold below which an owner should be able to let out a property without the requirement to register. For example, this could be below a specified number of nights, or if letting a single room in the owner's primary residence. We are also interested to hear views and ideas about how this could operate in practice and what the possible impacts might be.

Question 21: Should there be a de minimis below which a property can be let for without the requirement to register?

- a. yes (if so what should the minimum threshold be please specify)
- b. no all short-term let accommodation should be a requirement to register.
- c. Don't know

What are the reasons for your answer?

Other remarks

If there is a further point that you wish to raise on these or other relevant matters as part of this exercise, please do so using the following final 'catch-all' question.

Question 22: Are there any other issues that you think the government should be considering as part of its work to develop a short-term let registration scheme?

In 2022, DCMS issued a <u>Call for Evidence</u> to gather information on the benefits and challenges of short-term lets in England, and the analysis of responses is published alongside this consultation. DCMS welcomes any further evidence, particularly on:

- Market size and related markets (for example, management companies)
- Impact of registration schemes on supply and demand (for example, behavioural responses of hosts and guests)
- Transition costs (for example, the rate of regulatory non-compliance, the time associated with compliance)
- Compliance costs (for example, the rate of regulatory non-compliance, the time associated with obtaining documents, costs incurred)
- Any other costs
- Benefits to businesses

Please provide any additional information here.

Public Sector Equality Duty

We are interested in views about the potential positive and/or negative impacts that the options outlined in this consultation may have on individuals with a protected characteristic under the Equality Act 2010.

Question 23: Do you have any comments about the potential positive and/or negative impacts that the options outlined in this consultation may have on individuals with a protected characteristic under the Equality Act 2010?

Yes

No

If you answered 'yes', please explain what you think these impacts (both positive and/or negative) would be.

Question 23: In your view, is there anything that could be done to mitigate any negative impacts?

Yes

No

If you answered 'yes', please specify what you think could be done to mitigate the negative impacts.

How to Respond

Please respond to this consultation by completing the online response form below:

ONLINE RESPONSE SURVEY

We strongly encourage responses via the online survey, particularly from organisations with access to online facilities such as local authorities, representative bodies, and businesses. Using the online survey greatly assists our analysis of the responses, enabling more efficient and effective consideration of the issues raised for each question.

Alternatively you can email your response to the questions asked in the consultation to [short-term-lets-registration-scheme@dcms.gov.uk].

This consultation is intended to be an entirely written exercise. Please contact enquiries@dcms.gov.uk if you require any other format (e.g. braille or large font). If you are responding in writing, please make it clear which questions you are responding to.

Written responses should be sent to:

Short Term Lets Branch, Tourism Team The Department for Culture, Media and Sport 100 Parliament Street London SW1A 2BQ

Duration

This public consultation will be open for 8 weeks, running from 12 April 2023 to 7 June 2023.

Next steps

The Government is in the process of legislating for a registration scheme through the Levelling Up and Regeneration Bill. Responses to this consultation will inform the development of the detailed policy design for how a registration scheme will operate, and secondary legislation (regulations) will be required to enable the scheme to be operational.

It is currently anticipated the scheme will be operational in 2024.

Data Protection Statement

Who is collecting my data?

The Department for Culture, Media & Sport (DCMS). The Arts, Heritage & Tourism Directorate within this Department is seeking to consult on the introduction of a registration scheme for short-term lets in England.

Purpose of this Privacy Notice

This notice is provided to meet the obligations as set out in Articles 13 and 14 of the UK GDPR. This notice sets out how DCMS will use your personal data as part of our legal obligations with regard to Data Protection.

What personal data do we collect?

Most of the personal information we collect and process is the data provided to us directly by you in the responses to our consultation. This includes:

- your name and/ or organisation you work for
- your contact details, such as the email address you use to contact us
- the first half of your postcode

How will we use your data?

We use your data to enable us to carry out our functions as a government department. For the purpose of this research, we use your data to collate views on the development of a short-term let registration scheme in England.

What is the legal basis for processing my data?

To process this personal data, our legal reason for collecting or processing this data is:

Article 6 (1) (e) of the UK GDPR: it is necessary to perform a public task (to carry out a public function or exercise powers set out in law, or to perform a specific task in the public interest that is set out in law). In this case, the processing of your personal data is necessary for the performance of a task in the public interest, as the information gathered helps inform future policies.

What will happen if I do not provide this data?

If you do not provide this personal data we will be unable to consider your views on this matter.

Who will your data be shared with?

Information provided in response to this consultation (not including personal information) may be published at an aggregated and anonymised level, or disclosed in accordance with the access to information regimes (primarily the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004). Information provided in response to

this consultation may also be shared with the Department for Levelling-up, Housing and Communities, which has direct policy responsibility for some of the topics addressed in this consultation. This might include specific views or evidence arising from some of the questions asked and the first half of respondent's postcode, to help inform policy development.

How long will my data be held for?

Your personal data will be kept for one year in line with DCMS retention policy.

Will my data be used for automated decision making or profiling?

We will not use your data for any automated decision making.

Will my data be transferred outside the UK and if it is how will it be protected?

Your data will not be transferred outside the UK.

What are my data protection rights?

You have rights over your personal data under the UK GDPR and the Data Protection Act 2018. The Information Commissioner's Office is the supervisory authority for data protection legislation, and maintains a full explanation of these rights on their website DCMS will ensure that we uphold your rights when processing your personal data.

How do I complain?

The contact details for the data controller's Data Protection Officer (DPO) are:

Data Protection Officer The Department for Culture, Media & Sport 100 Parliament Street London SW1A 2BQ Email: dpo@dcms.gov.uk

If you're unhappy with the way we have handled your personal data and want to make a complaint, please write to the department's Data Protection Officer or the Data Protection Manager at the relevant agency. You can contact the department's Data Protection Officer using the details above.

How to contact the Information Commissioner's Office:

If you believe that your personal data has been misused or mishandled, you may make a complaint to the Information Commissioner, who is an independent regulator. You may also contact them to seek independent advice about data protection, privacy and data sharing.

Information Commissioner's Office Wycliffe House Water Lane Wilmslow Cheshire SK9 5AF Website: www.ico.org.uk Telephone: 0303 123 1113 Email: casework@ico.org.uk

Any complaint to the Information Commissioner is without prejudice to your right to seek redress through the courts.

Changes to our privacy notice

We may make changes to this privacy policy. In that case, the 'last updated' date at the bottom of this page will also change. Any changes to this privacy policy will apply to you and your data immediately.

If these changes affect how your personal data is processed, DCMS will take reasonable steps to let you know.

This notice was last updated on 17/03/2023.

Annex A: Analysis of the Call for Evidence

Report on the findings of the call for evidence

Annex B: Glossary of terms

Accommodation: the room, rooms, premises, or dwelling let to the guest(s) as a short-term let;

Destination Management Organisations (DMOs): an organisation providing commission-free marketing of accommodation by pointing to the host's website or booking system (i.e. they do not take bookings directly);

Dwelling: A building or part of a building that is used or suitable for use as a single dwelling, or is in the process of being constructed or adapted for such use;

Entity: a company or organisation that has legal rights and responsibilities;

Guest: a person occupying accommodation for the purposes of a short-term let;

Home sharing: a type of short-term let involving the letting of a room or rooms where the host normally lives (i.e. their primary residence), with the host in residence;

Host: a person or company providing accommodation for short-term letting, including commercial landlords (note that the host may not be the owner or person who lives at the property);

Information asymmetries: refers to when one party in an interaction or transaction is in possession of more information than the other. Also known as 'information failure';

Local authority: has its usual meaning and, for the purposes of this consultation, they are the planning authorities and licensing authorities;

Listing: a link on a platform where a specific property is offered and can be booked as a short-term let

Management company: a company allowing hosts to outsource some or all of their functions in respect of services provided to guests during their stay;

Manager: an individual who fulfils the same purpose as a management company;

Negative externalities: occur when individuals bear a portion of the cost associated with a good's or service's production, without having any influence over the related production decisions;

Operator: any person who is the owner or tenant of a dwelling unit, or portion thereof, who offers or provides that dwelling unit, or portion thereof, for hosted short-term rental use

Owner: the person or persons or legal entity or entities holding interests of record to a property or any portion of the property

Platform (sometimes known as Online Travel Agencies or OTAs): an online marketplace, advertising or brokering service, such as Airbnb, booking.com and others, allowing hosts to offer properties for short-term lets;

Premises: the location provided by a host to a guest or guests for use by the guest as accommodation other than the guest's only or principal residence, (ii) in return for payment (whether or not by the guest), and (iii) in the course of a trade or business carried on by the host where the Services are to be supplied;

Registrant: any person who is registered with the Agency or Agencies administering the registration scheme, and is legally obligated to register with the Agency or Agencies pursuant to these regulations and the Act.

Short-term let: is as defined in this consultation paper and taken from the Levelling Up and Regeneration Bill ('(a) a dwelling, or part of a dwelling, which is provided by a person ("the host") to another person ("the guest")— (i) for use by the guest as accommodation other than the guest's only or principal residence, (ii) in return for payment (whether or not by the guest), and (iii) in the course of a trade or business carried on by the host, and (b) any dwelling or premises, or part of a dwelling or premises, not falling within paragraph (a) which is specified for the purposes of this paragraph.')

Annex C - Amendment from the Levelling Up and Regeneration Bill

Below is an extract from the Levelling Up and Regeneration Bill, which can be found at this <u>link</u>, and was tabled at the report stage in the House of Commons in December 2022.

(1) The Secretary of State must by regulations make provision requiring or permitting the registration of specified short-term rental properties in England.

(2) "Short-term rental property" means— (a) a dwelling, or part of a dwelling, which is provided by a person ("the host") to another person ("the guest")— (i) for use by the guest as accommodation other than the guest's only or principal residence, (ii) in return for payment (whether or not by the guest), and (iii) in the course of a trade or business carried on by the host, and (b) any dwelling or premises, or part of a dwelling or premises, not falling within paragraph (a) which is specified for the purposes of this paragraph.

(3) The Secretary of State must consult the public before making the first regulations under this section.

(4) The requirement in subsection (3) may be satisfied by consultation undertaken before the coming into force of this section.

(5) Regulations under this section may, in particular, include provision about or in connection with

(a) who may, or must, maintain the register or registers provided for under this section;

(b) who may, or must, register a specified short-term rental property on any register provided for under this section;

(c) conditions that must be satisfied for a specified short-term rental property to be registered or conditions that may be placed upon a specified short-term rental property's registration (including provision about the circumstances in which such conditions may be varied);

(d) the circumstances in which the registration of a specified short-term rental property may be revoked;

(e) procedural requirements relating to the registration of a specified short-term rental property, the variation of any conditions placed on the registration or the revocation of the registration;

(f) appeals against decisions made in relation to the registration of a specified short-term rental property;

(g) the form or content of-

(i) a register provided for under this section,

(ii) an application for registration on such a register, or

(iii) any other document provided for under this section;

(h) how the registration of a specified short-term rental property may or must be publicised;

(i) the collection, provision or publication of information in connection with regulations under this section;

(j) exemptions from some or all of the requirements imposed by regulations under this section;

(k) prohibiting the provision of a short-term rental property or anything done wholly or partly for the purposes of promoting such a property to the public or a section of the public, in the course of a trade or business, where the property is not registered or another requirement imposed by regulations under this section has not been met;

(I) the enforcement of requirements or prohibitions imposed by regulations made under this section.

(6) Provision under subsection (5)(I) may, in particular, include provision-

(a) conferring a power on a court or tribunal;

(b) for the imposition of civil sanctions and appeals against such sanctions.

(7) Regulations under this section may make provision for the imposition of civil sanctions whether or not the conduct in respect of which the sanction is imposed constitutes an offence.

(8) Regulations under this section may-

(a) provide for the charging of fees or other charges;

(b) confer a function, including a function involving the exercise of a discretion, on any person;

(c) relate to all or only part of England (and still discharge the duty in subsection (1)).

(9) In this section— "civil sanction" means a sanction of a kind for which provision may be made under Part 3 of the Regulatory Enforcement and Sanctions Act 10 2008 (fixed monetary penalties, discretionary requirements, stop notices, enforcement undertakings); "premises" includes any place and, in particular, includes—

(a) any vehicle or vessel;

(b) any tent or moveable structure;

"specified" means specified or described in regulations made under this section.