

ARGYLL AND BUTE COUNCIL

STATEMENT OF REASONS

PROPOSED SHORT-TERM LET CONTROL AREA

Mull and Iona Housing Market Area
Coll and Tiree Housing Market Area
Islay, Jura and Colonsay Housing Market Area
Lorn and the Inner Isles Housing Market Area

PUBLIC CONSULTATION

Sept 2026

*Prepared for consultation under the
Town and Country Planning (Short-term Let Control Areas)
(Scotland) Regulations 2021*



1. Purpose of this document

This Statement of Reasons has been prepared by Argyll and Bute Council in accordance with section 26B of the Town and Country Planning (Scotland) Act 1997 and the Town and Country Planning (Short-term Let Control Areas) (Scotland) Regulations 2021.

The purpose of this document is to explain why Argyll and Bute Council is proposing to designate Short-Term Let Control Areas within parts of its area and to assist the public, businesses, community organisations and other stakeholders in responding to the consultation.

The proposed Control Areas comprise the following Housing Market Areas:

- Mull and Iona
- Coll and Tiree
- Islay, Jura and Colonsay
- Lorn and the Inner Isles

Maps showing the proposed boundaries accompany this Statement of Reasons.

The Council is consulting both on:

- the designation of the proposed Short-Term Let Control Areas; and
- separately it will consult on non-statutory planning guidance which will support the determination of planning applications for changes of use of dwellinghouses to short term lets in all areas of Argyll and Bute (this will be a separate consultation with separate timing)

The outcome of the consultation will be reported to Council before any decision is taken to introduce, or not to introduce a Short Term Let Control Area.

2. Legal and policy context

Short-term letting is subject to two separate regulatory systems:

- the Short-Term Let Licensing Scheme, which regulates safety and operational matters; and
- the planning system, which regulates the use of land and buildings.

The purpose of a Short-Term Let Control Area is not to prohibit short-term letting. Rather, it ensures that future changes in the use of dwellinghouses (that are not the owner's principal home) to short-term letting are subject to planning control.

Planning Circular 1/2023 explains that Control Areas may be justified where concentrations of short-term lets are affecting housing availability, reducing housing options for local residents, contributing to population decline or affecting the character and amenity of communities.

National Planning Framework 4 recognises the importance of supporting tourism whilst also protecting residential accommodation. Policy 30 provides that proposals involving the loss of residential accommodation to short-term holiday letting should only be supported where any loss of housing is outweighed by demonstrable local economic benefits.

Important distinction

A Short-Term Let Control Area is a planning mechanism. It is separate from the short-term let licensing scheme and is not a ban on short-term letting.

3. The Housing Emergency in Argyll and Bute

Argyll and Bute Council declared a Housing Emergency in 2023.

A key factor contributing to the Housing Emergency is the significant proportion of housing stock that is not available for permanent occupation as a principal residence. This includes:

- second homes;
- long-term empty properties; and
- secondary-let short-term lets.

Across Argyll and Bute, these forms of non-effective housing stock account for approximately 15% of all dwellings. However, in some areas the percentage is considerably higher and significantly reduces the amount of housing available to support communities, businesses and public services.

The Council's Housing Emergency Action Plan, Local Housing Strategy and Corporate Plan identify the need to make better use of existing homes and specifically commit the Council to considering the introduction of Short-Term Let Control Areas in pressured housing market areas -

- [Housing Emergency](#)
- [Local Housing Strategy and Housing Need and Demand Assessment](#)
- [Argyll and Bute Council Corporate Plan 2025 - 2027](#)

4. Why the proposed area has been selected

The proposed Control Area has been identified using evidence gathered through the Council's Short-Term Let Licensing Scheme, housing market analysis and wider Housing Emergency work.

The Council considers that the highest levels of pressure occur within:

- Mull and Iona;
- Coll and Tiree;
- Islay, Jura and Colonsay; and
- Lorn and the Inner Isles.

These areas contain some of the highest concentrations of licensed secondary-let short-term lets in Argyll and Bute. They also exhibit broader evidence of housing market stress.

The Council has not proposed a Council-wide Control Area because evidence indicates that housing pressures and short-term let concentrations are not evenly distributed across Argyll and Bute. The proposed approach therefore targets those Housing Market Areas where evidence demonstrates the greatest need for intervention.

Further Information is available in the Council's - [Detailed Summary of Evidence Supporting the designation of a Short Term Let Control Area](#)

5. Statement of Reasons

The Council considers that designation of the proposed Short-Term Let Control Areas is justified for the following reasons.

Reason 1: Loss of housing available for permanent occupation

The most significant impact of secondary-let short-term lets is the removal of dwellinghouses from the stock available for use as principal homes.

In the four identified Housing Market Areas there are high concentrations of secondary-let short-term lets alongside substantial numbers of second homes and long-term empty properties.

As a result:

- approximately 30% of housing stock is ineffective in Mull and Iona;
- approximately 42% of housing stock is ineffective in Coll and Tiree;
- approximately 30% of housing stock is ineffective in Islay, Jura and Colonsay; and
- approximately 15% of housing stock is ineffective in Lorn and the Inner Isles.

The Council considers that continued growth in secondary-let short-term lets would further reduce the availability of housing for permanent occupation.

Reason 2: Lack of affordable housing options for local residents

Housing affordability within the four identified Housing Market Areas is significantly constrained.

House prices are between 4.7 and 6.2 times local median household incomes. Competition for the available stock is intensified by high levels of purchases from buyers based outside Argyll and Bute.

The Council considers that the continued loss of residential properties to secondary-let short-term accommodation places additional pressure on local households seeking to live and work within these communities.

Reason 3: Declining supply of housing across all tenures

The Council's evidence demonstrates that housing pressures are affecting all tenures.

Within the four identified Housing Market Areas:

- private rented stock has reduced in recent years;
- demand for social housing significantly exceeds available supply; and
- competition for available housing is increasing.

The Council considers that allowing further residential properties to transfer into secondary short-term letting would exacerbate these pressures.

Reason 4: Impact on recruitment, retention and economic sustainability

Housing shortages are affecting the ability of businesses, public services and communities to recruit and retain staff.

Evidence gathered through the Council's Housing Emergency work and housing market studies demonstrates difficulties in:

- recruiting employees;
- retaining workers;

- sustaining local businesses;
- supporting economic growth; and
- maintaining key public services.

The Council considers that an adequate supply of housing for permanent occupation is critical to economic sustainability and community resilience.

Reason 5: Population sustainability and community resilience

The [National Islands Plan](#) recognises the importance of balancing tourism accommodation with the need for sustainable resident populations.

The Council considers that further reductions in the supply of principal homes risk:

- accelerating population decline;
- reducing school rolls;
- weakening community resilience;
- undermining local services; and
- increasing the fragility of island and remote rural communities.

The four identified Housing Market Areas are among those where these impacts are most acute.

Reason 6: Market failure in housing supply

The Council's housing market evidence demonstrates that speculative private-sector housing development is not delivering sufficient new housing in many island and remote rural locations.

Research commissioned by the Council identifies evidence of market failure and concludes that the housing market is unable to meet local need and demand in a number of island communities.

Because replacement housing is not being delivered at sufficient scale, the loss of existing homes to secondary short-term letting has a particularly significant effect in these areas.

6. Why a Control Area is necessary

The Council recognises that short-term lets contribute to the visitor economy and that many operators act responsibly.

The Council also recognises that home sharing and home letting can provide important supplementary income for residents and generally do not remove a dwelling from permanent residential use.

However, the Council considers that, within the four identified Housing Market Areas, the cumulative impact of secondary-let short-term lets now justifies planning intervention.

The licensing system regulates safety standards but does not provide a mechanism for assessing:

- housing impacts;
- cumulative effects on communities;
- loss of residential accommodation; or
- wider planning considerations.

Only the planning system can consider these matters.

Designation of a Short-Term Let Control Area is therefore considered necessary to ensure that future changes of use are subject to planning assessment and can be considered against national and local planning policy.

7. Proposed planning policy approach

The Council proposes that planning policy within the Control Areas should:

- support home sharing and home letting;
- support larger properties and specific circumstances where housing impacts are limited;
- support the re-use of long-term empty properties in defined circumstances;
- apply a more restrictive approach to proposals involving secondary letting of dwellinghouses that would otherwise be available as principal homes; and
- ensure full consideration is given to NPF4 Policy 30 and the availability of housing within the affected Housing Market Area.

The detailed policy wording will be consulted upon at a future date.

8. Conclusion

The Council considers that the concentration of secondary-let short-term lets within Mull and Iona, Coll and Tiree, Islay, Jura and Colonsay, and Lorn and the Inner Isles is contributing to significant housing market pressures.

These pressures include:

- loss of housing available for permanent occupation;
- affordability challenges;
- declining housing choice;
- recruitment and retention difficulties;
- risks to population sustainability; and
- wider impacts on communities and public services.

For these reasons the Council considers it appropriate and proportionate to consult on the designation of Short-Term Let Control Areas within these Housing Market Areas and to seek the views of residents, businesses, operators and other stakeholders before reaching a final decision.

Document status and supporting material

This is a consultation and should be read alongside the proposed boundary maps, consultation questionnaire, and supporting evidence. The final Statement of Reasons may be amended following consideration of consultation responses and before any decision to seek approval from the Scottish Ministers.

Source and Evidence documents

- [Detailed Summary of Evidence Supporting the designation of a Short Term Let Control Area - Argyll and Bute Council - Sept 2026](#)
- [Town and Country Planning \(Scotland\) Act 1997, section 26B](#)
- [Town and Country Planning \(Short-term Let Control Areas\) \(Scotland\) Regulations 2021, as amended](#)
- [Scottish Government, Planning Circular 1/2023: Short-term Lets and Planning](#)
- [National Planning Framework 4, Policy 30](#)
- [Local Housing Strategy and Housing Need and Demand Assessment](#)

- [Argyll and Bute Local Housing Strategy Update Incorporating Housing Emergency Action Plan](#)
- [Arneil Johnston: Argyll and Bute Council Housing and Depopulation Study, June 2026](#)
- [Scottish Government: Research into the impact of short-term lets on communities across Scotland, 2019](#)
- [National Islands Plan 2026](#)
- [Stantec: Argyll and Bute Island Housing Market Study, 2024](#)
- [Community Housing Scotland: Islay Strategic Housing Overview, 2019](#)
- [Mull and Iona Community Trust: Mull and Iona Key Worker Housing Research Report, 2022](#)
- [Economic Impact of Short Term Lets in Scotland Report by Biggar Economics, 2024](#)