

Rt Hon Michael Gove MP
Secretary of State
Department for Levelling Up, Housing
and Communities
2 Marsham Street
London
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Dear Secretary of State,

On behalf of London Councils, I am writing in response to the government's announcement earlier this year about proposed changes to the rules around short-term lets (STLs).

While we are pleased the government is taking much-needed action to address the growth of STLs and the detrimental impact they can have, we have serious concerns about the proposed approach. In particular, the proposal to introduce a new planning 'use class' for STLs not used as a sole or main home, with existing dedicated STLs automatically reclassified into the new use class.

The STL market in London is causing a great deal of disruption. London Councils' analysis from 2022 showed at least 43,336 entire homes used as STLs, which we fear reduces long-term housing options for permanent residents and contributes to increasing rental prices. Furthermore, the wholesale commercialisation of the STL sector has brought additional problems, including excess commercial waste being collected as domestic waste, anti-social behaviour, safety concerns around critical checks for fire and gas safety, and the near impossible task of enforcement for local authorities when hosts break the rules.

Boroughs recognise the economic benefits of the STL market and share the government's desire for a balanced approach. However, we are also concerned that one in every 85 homes are currently available for STL across London for an undetermined number of days across each year and subject to virtually no regulation.

There is a desperate need for more housing in the capital. London's homelessness crisis is severe and worsening, with one in 50 Londoners homeless and living in temporary accommodation. Exacerbating this, the number of private rental sector properties listed across London has reduced by 41% in the past five years, and London private rents increased 7% in the year to 2024 (according to the ONS) – the highest jump on record.

While we broadly support the introduction of a new 'C5' change in use class for STLs, allowing all homes to change use to a C5 without requiring planning permission would mean an even more permissible regime than we currently have in London.

The proposed blanket reclassification of existing STLs into the C5 use class under permitted development rights (PDR) would probably apply to many of London's 43,336 STLs, meaning we could lose thousands of permanent residential homes.

London Councils acknowledges that current legislation allows homeowners to rent their homes for up to 90 nights during the year to make additional income. However, boroughs' experience demonstrates that STLs are largely operated as commercial entities that rent out properties all-year round. The problem is especially acute in central London boroughs where a large proportion – if not a majority – of STLs are believed to break the 90-day rule

The government's proposals note that councils would be able to remove these permissions and require full planning permission if they deem it necessary. If the intention here is to follow the suggestion in the consultation and to use an Article 4 Direction as the means to restrict STLs in an area of high pressure, we fear this would be unworkable in practice.

Boroughs do not have the planning resource needed to make the required Article 4 Directions work. Even if they did, it is not an appropriate tool for the scale and speed of intervention needed. This is because the geographical areas stipulated by Article 4 will be too small, the burden of evidence too high, and the timeframes too long for effective and reactive intervention. Boroughs report a 12–24-month lead time for making an Article 4 Direction.

We are keen to work with the government to develop practical solutions that address the issues caused by the STL market. This should be shaped around the following three principles:

- 1) **Change of use.** All applications for STL that exceed the 90-day rule should be dealt with under the normal planning application process. This change of use would then be subject to prior approval, so that the council can consider matters such as waste management, the effect on the local availability of housing, and limiting harm to residential amenity.
- 2) **Robust registration scheme.** Fundamentally, the registration scheme proposed by government must obligate all hosts to register their STL, with real punitive consequences for non-compliance. Further, the most essential element to this is mandatory data from STL platforms and hosts so that nights let for specific properties can be tracked.
- 3) **Enforcement and planning resources.** Most boroughs do not have the resources to administer the enforcement or planning commitments that the proposed regime would require. Whether through revenue raised from the registration scheme or direct central government funding, this must be addressed.

We would urge you to consider these issues before coming forward with your final proposals. I would be happy to meet with you and your officials to discuss these concerns further.

Yours sincerely,



Cllr Darren Rodwell
London Councils' Executive Member for Regeneration, Housing, and Planning