

Rt Hon Michael Gove MP
Department for Levelling Up,
Ministry of Housing, Communities and Local Government
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15th March 2024

Dear Rt Hon Michael Gove MP,

Camden welcomes the Government's acknowledgement that the growth in short term lets has had a detrimental impact on the supply of permanent homes and resulted in the hollowing out of many communities. We also welcome the decision to address this. Whilst we have been pressing for and are supportive of proposed introduction of a mandatory short term let register with penalties, we do have a concern that the other measures proposed may actually exacerbate rather than control and manage the situation. It is difficult to see how the proposed new use class for short term let's alongside permitted development rights will not result in the loss of yet more permanent homes to transient accommodation.

In Camden, there are currently approximately 6000 entire properties being used for short term letting. If these properties are automatically designated as Class C5, as was the suggestion in the recent ministerial statement, this would have a devastating impact for Camden, equating to a loss of equivalent to the amount of housing Camden is expected to deliver in the next 6 years¹ and a financial loss of Council Tax income of £9,235,020 a year².

Short term/holiday lets are a more lucrative option for private landlords, in Camden, the owner of a 1 bed studio could make £1072 per month on the private rented market versus a staggering £1,173.06 per week as a short term let property. If permitted development rights are introduced, this is only likely to increase the numbers of properties changing to short term let use intensifying further the issues identified above. We recognise that there is scope for an article 4 direction, but given the compensation payable an immediate direction is out of the question, a 12 month delay means we would be closing the stable door after the horse has bolted.

Whilst Camden has gone to considerable lengths to investigate and take enforcement action against unauthorised changes of use from permanent homes to short term lets, without a register it has been incredibly difficult to limit the spread. To allow those who have evaded the planning regulations to then benefit from automatic planning permission to Class C5 is not considered to be appropriate. If a mandatory register for all short term let use was introduced this would provide a tool for all Councils to effectively tackle unlawful short term lets and potentially return significant number of homes to the housing market. Whilst Camden supports homeowners renting their homes for less than 90 nights during the year to make additional income, our experience is that the provision of short term lets is largely provided by professional users who rent properties all year as short term lets.

¹ Camden's housing target is 1038 homes per year - London Borough of Camden Housing Delivery Test - Action Plan August 2022.

² Based on Band D Council Tax for 2024/25 (multiplied by 6000, the number of estimated STL properties)

The Government has the ability to stop the devastating impact of the loss of permanent residential accommodation which is caused by the rise of full time short term lets. We welcome the register but are asking that the Government consider the following amendments to the proposals to prevent the loss of permanent homes in Camden:

- Only lawful short term lets (either those which have planning permission or can via a certificate show 10 consecutive years of STL use) uses should be automatically designated as Class C5.
- C5 should be defined as any property which is rented for more than 90 nights each year.
- Planning permission must be required to change between Class C3 to Class C5. This would enable LPs to control the loss of residential home, ensure suitable locations and controls for C5 uses.
- If any permitted development rights are proposed there must be at least a year's transition before it comes into effect to give councils time to put a non-immediate direction in place;
- The STL register should be for all STL use whether they are less than 90 days or more than the threshold and must include penalties for misuse.

We would welcome the opportunity to discuss this further.

Yours sincerely

A handwritten signature in black ink that reads "Danny Beales". The signature is written in a cursive, slightly slanted style.

Councillor Danny Beales

Cabinet Member for New Homes, Jobs and Community Investment

Camden Council