

# The rise and rise of the unregulated holiday rental market

Are we sleep walking into the erosion of what makes Bath beautiful and pricing out our workforce at the same time?

## Definition

A property use for the sole purpose of a holiday rental, where the owner is absent and the property is registered at the Land Registry for Residential use only rather than commercial.

Bathnes - “Short Term Rental Market”

Avon Fire and Rescue – “Short term Letting Premises”

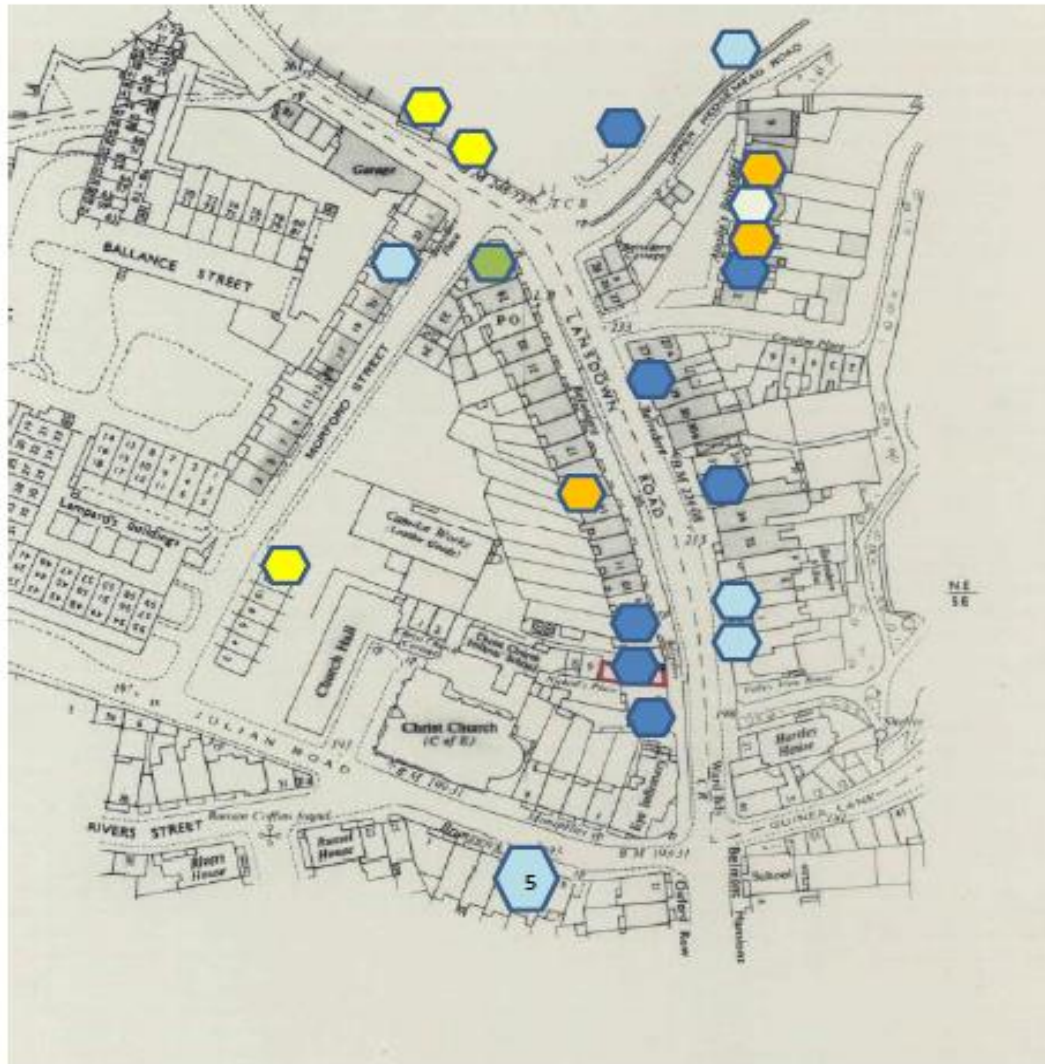
Barcelona – “Illegal Tourist Rentals”

Amsterdam - “Illegal hotels”

# How many unregulated tenancies are there in Bath?

	Combined
Visit Bath	71
Booking.com	48
BASCA	45
Home and away	248
Air bnb	300+
TripAdvisor	471
Homes to Go	1752 ( from 65 providers)

# Belvedere



**Holiday Rental House**

**Holiday Rental Flat**

**Holiday Rental Flat with  
owner occupier above**

**B & B Residential House**

**B&B Commercial**

**Planned holiday rental**

# Estimating the Correct Figure

- For the purposes of this talk I am suggesting the figure of 900 short term holiday rentals in Bath and 450 in the BA1 area.
- Total number of households in Bath 45000 and rising by 466 per year
- The density ratio of short term holiday lets to households is around 2%
- New York the density is 1.2%

# Why has this happened?

- Market Forces – tourist choice
- Change in tax breaks for Buy to Let
- No pensions – substitute income
- Asset Rich cash poor
- Hotel Futures Report 2015
- "Permitted Developments"
- Lack of joined up thinking and understanding of what makes Bath beautiful – “Bath is fast becoming a Georgian version of Disneyland”
- Growth of power of OTA ( online travel agent)

# What is the Impact?

## **Staff Shortages across hospitality , restaurant, social care and transport sectors**

- National living wage and Bath living wage are poles apart
- First bus reporting staff recruitment issues. Bus drivers being bussed in from 40 miles away in Oxford
- Complaints by some guests and residents on level of service in restaurants
- Residents forced to move elderly residents from once highly regarded nursing homes due to poor standards of care
- Payment of travel costs to maintain staff retention in retail and restaurant sector

# Secondary Impact

- Un level regulatory playing field - ensuring safe clean and legal
- Un level taxation regime
- Un even distribution of contribution to paying towards cost of “keeping Bath Beautiful”
- Money being sucked out of Bath that would otherwise contribute to destination Marketing and Keeping Bath Beautiful by OTA s
- Loss of small office space due to “permitted developments” of office space
- Affect on Independent / Individual Businesses – “ the gems of Bath that make its jewels shine”
- Breakdown in community relations with lack of respect of well-being of neighbours and increase in complaints of anti social behaviour
- Parking issues / Rubbish collection / Increased homelessness?
- **A “rub” is happening between resident and tourist for the first time**



# Place-making Policy

Sustainability baseline / issues / characteristics of the area	Suggested evolution without the plan
<p>High house prices and a lack of affordable housing make it difficult to attract people to the area and to retain key workers.</p> <p>Lower quartile house price in Bath and North East Somerset are more than 9 times the lower quartile resident annual earnings. Nearly half the overall need for affordable housing in B&amp;NES is concentrated in Bath City.</p> <p>Of the households in need, newly forming households unable to afford to buy are the dominant group in Bath &amp; North East Somerset.</p> <p>Achieving an appropriate mix of decent, affordable homes will need to be a priority in any new development proposals.</p>	<p>Without the pro-active planning represented by the Plan, it is unlikely that B&amp;NES will be able to provide enough affordable housing to satisfy future requirements.</p> <p>Without the Plan, the market led development approach may result in inappropriate uses take up the key regeneration sites in Bath resulting not meeting the Council's economic and housing objectives.</p> <p>With the improvements in the Building Regulations the sustainability of new houses is likely to improve</p>

## Statistics from House of Commons 2014

- The number of working people relying on housing benefit to boost their income has doubled in five years, at a cost of billions of pounds to the taxpayer, a new analysis has disclosed.
- According to the House of Commons statistics, 478,000 people with jobs claimed housing benefit in 2009/10, rising to an expected 962,000 this year. On current trends, the number of claimants will increase by a further 276,000 to 1,238,000 in 2018-19.

# What the government say is the 30% percentile

LHA room category	BRMA	
	Bath	Bristol
<b>Local Housing Allowance rates from 1st April 2017</b> Shared accommodation		
<small>All LHA claims are updated annually on 1st April. The rates for 2017/18 are shown below:</small>		
1 bedroom	£135.74	£124.83
2 bedrooms	£167.23	£151.50
3 bedrooms	£189.86	£181.01
4 bedrooms	£291.90	£242.33

# What other factors do we need to take into account?

- Brexit – the staff we have we need to keep
- Welfare reforms ( Local Housing Allowance and Benefit Cap)
- Rent and Rates increases
- DMP suggests Bath needs to sort out its infrastructure ( including transport) before encouraging any more tourists
- Will the Casino encourage stag parties/ the wrong type of tourist?
- Cost of maintaining World Heritage status.
- Tax Break changes in buy to let market

# What can we learn from elsewhere?

Amsterdam	Venice
Berlin	San Fransico
New york	Bournemouth
St Ives	York
Stonehenge / Orkneys	Barcelona
Barcelona	Bruge
Bruge	London
Paris	Liguria

# What is the “ask”

1. **To work collaboratively in the Best Interests of Bath** – putting differences aside.
2. Set up **scrutiny Committee** to analyse the facts and find out what the facts and issues are – Use Brighton and an example
3. Council to release the internal report on the “ **air bnb affect**”
4. **Consult with the groups most affected** who are not represented on the Bath City Forum – those working in our low wage economy.
5. Consider the pros and cons of **selective licencing** as a way of ensuring
  - a) all holiday accommodation providers work to the same level playing field to be safe , clean and legal; and
  - b) at the same time contribute in equal measure to” keeping Bath Beautiful”
6. Decide what is the optimum number of tourists Bath needs to ensure both the well-being of its residents and the ability to provide quality services across all sectors – **in essence make it a great place to live work and visit**