

SOUTHWOLD TOWN COUNCIL



Mrs. L. Beevor
Clerk of the Council

Town Hall
Southwold
IP18 6EF

Dear Sir/Madam,

We are submitting a written response because we do not think that answering the questions posed in the online consultation document will do full justice to our experience and views.

At the outset, we wish to be clear that the ever-increasing number of residential properties that are being used for holiday letting in our town and neighbouring towns and villages in East Suffolk is having a serious adverse impact on our housing market and our communities.

Although Southwold has had a tourism economy since the early 20th century, until the 1990's, most visitors lodged in hotels, bed and breakfast accommodation or boarding houses. This type of visitor accommodation did not displace housing for full time residents. This began to change in the 1990's as dwellings were increasingly purchased to be used as second homes. Approximately 15 years ago, there was another shift whereby second homes were increasingly used for holiday letting. As the data described below shows, the conversion of housing to holiday lets is an accelerating trend.

In 2016, Southwold Town Council (STC) conducted a comprehensive building survey to obtain an up to date understanding of the number of dwellings being used either as second homes or holiday lets. Out of 1,388 C3 residential units, 35% were being used as second homes and an additional 22% were being used as holiday lets. When we updated this research in January 2020, we discovered that the number of holiday lets had increased from 300 in 2016 to 374 in 2020. In the last two years, even more C3 units have been converted to holiday letting.

The disproportionate number of holiday lets in our community is having the following negative impacts.

- Increased house prices. In 2018, the average house price in Southwold was £542,000 with the average flat costing £335,250. This was more than 21 times the average earnings of a Southwold resident.
- Lack of properties for full time rental. According to a leading estate agent in the town, 'any residential lettings that come onto the Southwold market 'instantly gain huge interest' with more than ten applicants per property advertised. It is important to understand that market rental perform a vital role in satisfying housing needs because there is not enough affordable housing in East Suffolk.

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- Higher rents. Full time rental properties are generally 20-25% higher than similar properties in neighbouring villages.
- Eviction of full time renters. In the last six months, 6 families in our area have reported to councillors that they have been evicted from rental units by their landlords who wish to convert to holiday letting.
- Our business owners, across all sectors including hospitality that caters to tourism, advise that lack of full time residents is affecting their viability – the abundance of tourism during the summer does not make up for the lack of off-season trade caused by the conversion of C3 housing to holiday letting.
- Loss of community facilities. These are withering, along with the number of volunteers, because of the decrease in full time population – from over 2000 in 1987 to a little over 800 now.

We believe that Parliament should enact laws and regulations to deliver the following outcomes.

1. We do not believe that people should be discouraged from investing money in rental properties but, given the scarcity of housing, people should be encouraged to rent full time rather than holiday let. This means, at a minimum, removing the tax incentives for holiday letting. Current tax rules encourage holiday letting and discourage full time renting. Here is one of many examples from Google of companies advising on the tax benefits of holiday letting vs full time renting. <https://www.provestor.co.uk/guides/finished-holiday-let/tax-advantages-and-disadvantages>
2. Any person seeking to holiday let should be required to register with their District Council – this information should be shared with central government to enable it to understand the scope of the problem which will differ from council to council across England. This will enable different councils to come up with tailor made solutions for their own area. In depressed areas, where there are opportunities for tourism growth, councils might want to encourage holiday letting. But in areas like Cornwall, East Suffolk, the North Norfolk coast, etc, where local economies and the housing market have become unbalanced because of excessive tourism investment, County/District Councils should have powers to curb the number of holiday lets.
3. If a landowner wishes to make a property (as opposed to a room in a house otherwise occupied by a full time tenant) available for holiday letting more than 140 days a year, then the landowner should be required to obtain planning consent for change of use from C3 residential. This will create a basis for local control over the number of holiday lets.
4. Holiday letting is a form of leisure accommodation that should have a use class of its own or be incorporated into the C1 use class for hotels.
5. We support doing in the UK what has been done in Scotland. In deciding whether to grant change of use, local councils should be able to deny a change of use because of the impact of short term lets on their communities, including noise, antisocial behaviour *and the impact on the supply on housing in some areas.*

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6. Most importantly, district councils should be allowed to establish short term let control areas so they can manage the numbers of holiday lets. This should have a retroactive application so that when holiday lets register and request planning consent, the district council can refuse based on the excessive number of holiday lets in a short term let control area. This measure would be a much less expensive and quicker way to generate a new stock of residential units since landlords would have a choice – either rent out to full time tenants, or occupy only as a second home or sell the property to someone who wishes to live in it full time.

In conclusion, holiday letting is a serious problem in our area and one of the greatest threats to our town's sustainability. We believe that this is an issue that has the potential to be solved through cross party support. Therefore, we will be sharing our views with all political parties.

Kind regards,



Lesley Beevor
Town Clerk
Southwold