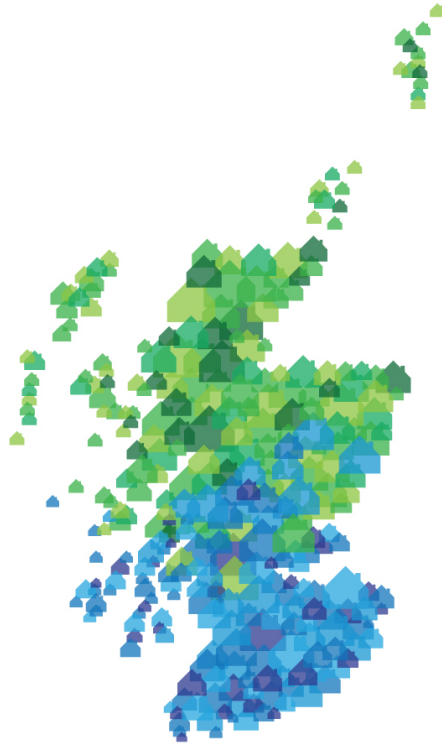


Energy Efficiency and Condition Standards
in Private Rented Housing:
Consultation Response



ASSC

Supporting self-catering in Scotland

June 2017

The Association of Scotland's Self-Caterers

1 Inverloch Court, Arrochar Argyll & Bute G83 7AB

Introduction

The Association of Scotland's Self-Caterers (ASSC) welcomes the opportunity to respond to the call for evidence from the Scottish Government further to their consultation *Energy efficiency and condition standards in private rented housing*.

Founded in 1978, ASSC is the leading source of knowledge on short-term letting and holiday homes in Scotland. The ASSC is the only trade body representing the interests of the traditional self-catering sector. It has more than 630 Members, operating in excess of 7,000 self-catering properties throughout Scotland, and has close links with other European countries, as founding members of the European Holiday Homes Association (EHHA).

The ASSC lobbies on behalf of self-catering on national and local issues, and is recognised by consultative bodies, and local and central government, as a respected and effective voice. Its ethos is building relationships and working together with others, including VisitScotland, to support self-catering in Scotland, and to work towards the Scottish Tourism Alliance's Tourism 2020 national strategy vision, as well as local economic development strategies.

Overview of Response

The ASSC have limited their response to Questions 1.1 & 2.24 of the Consultation document. In summary, the ASSC affirm that short-term holiday lets should not be subject to the same regulation as tenancies in the private sector. In relation to any future regulation proposed, the ASSC would respectfully advise that Scottish policymakers should be mindful of the significant role our sector plays in the tourism economy. All-encompassing regulation could have unintended consequences not only for our members but the Scottish tourism economy.

Question 1.1 – Do you think that only tenancies covered by the repairing standard should have to meet minimum energy efficiency standards? Yes/no/don't know

If not, what other privately rented tenancies do you think should be included?

Question 2.24 – Do you think that we need to clarify whether holiday lets (or certain types of holiday lets) should be subject to the repairing standard? Yes/No/Don't Know.

The ASSC have chosen to answer Questions 1.1 & 2.24 together as the policy consequences are interconnected.

As the Scottish Government's consultation document notes, the repairing standard does not currently apply to certain types of tenancy, including some types of holiday let. Part 2 of the consultation considers whether those types of tenancy should be brought within

the scope of the repairing standard. If that happens, the energy efficiency standard – based on the energy efficiency rating on the Energy Performance Certificate – would also apply to those properties.

The ASSC believes that the Scottish Government should clarify that short-term holiday lets should **not** be subject to the repairing standard. Moreover, we are also of the view that an exemption should be granted for short-term holiday lets in terms of compliance with the Energy Performance Certificate (EPC), as occurs in several other European Union Member States.

The UK Department for Communities and Local Government in their paper, *Improving the Energy Efficiency of our Buildings*, states the following on holiday lets:

“An EPC will only be required for a property rented out as a furnished holiday let, as defined by HMRC, where the building is occupied for the purposes of a holiday as a result of a short-term letting arrangement of less than 31 days to each tenant, and is rented out for a combined total of four months or more in any 12 month period, and if the occupier is responsible for meeting the energy costs for the property. The property must meet all the conditions of a furnished holiday let as defined by HMRC and the occupant must not be responsible for the energy costs in order for an EPC to be necessary.”¹

In addition, Italy, Denmark, Sweden and Germany have introduced exemptions – approved by the European Commission – for holiday lets in terms of energy performance improvements under the Energy Performance of Buildings Directive 2010/31/EU. To take two of those examples: the Danish Government accepts a 4-week rental period limit; while in Italy, regulations for short-term rentals (less than 30 days) do not require an EPC. The ASSC considers that Scottish operators should not be disadvantaged compared to their English and European counterparts in terms of EPCs.

A requirement to hold an EPC places yet another regulatory burden on a sector, which faces significant cost pressures (including the lack of a long-term solution to the problem of increased business rates). Furthermore, the introduction of EPCs to short-term holiday lets appears to run contrary to the principles of the Scottish Government’s Better Regulation agenda, particularly in relation to proportionality and targeting.

While measures to reduce carbon emissions and promote energy efficiency should be welcomed, the use of EPCs in short-term holiday lets is unlikely to have any real material effect on the behaviour of holidaymakers or owners. For long-term letting, an EPC under these circumstances is important as it could affect the consumers’ decision on what will be their home – but visitors making decisions about short-term letting will not choose a property based on its EPC rating.

Overall, we contend that the notion of an EPC on short-term holiday lets is both impractical, unnecessary and potentially damaging to tourism business. The Scottish Government should be looking to maximise the opportunities for our tourist economy and not impose unnecessary burdens on the holiday let industry.

¹ UK Government., *Improving the energy efficiency of our buildings A guide to energy performance certificates for the marketing, sale and let of dwellings* (2014).