

# Serviced Accommodation and Planning



# Who is Jon McDermott

21 Years experience

Chartered Town Planner

Fellow of the Royal Geographical  
Society

Accredited CPD Trainer

Active planning consultant (53 active  
cases)

Teaches Planning - Our VICTORY Plan.

Published in YPN - the next one is on  
the Regulation of SA!



**Jonathan McDermott BSc MA MRTPI FRGS**

Principal Town Planner



Established in 2012

General Needs Planning Consultancy

Covers England and Wales

Chartered Planning Practice (3 Chartered  
Town Planners)

Accredited and Award Winning CPD Training  
Organisation

We have helped over 1000 businesses with  
their development proposals

90% success rate on planning proposals

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**#778087**

# Planning for V.I.C.T.O.R.Y

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*The Victory Plan*

getting planning permission on development that works

V - Verify - Are you doing something that is allowed by national or local legislation

I - Intelligence - History of the application site

C - Comparables, does the development stack - has it been done before

T - Team - assemble your power team

O - Options - Where is your escape, have more than 1

R - Reality - what can the site actually deliver

Y - You - Make sure you are passionate and proud of what you are doing

- Victory 4 - 3rd June 2023 - Portsmouth
- Victory 5 - 2nd September 2023 - Exeter

# Why so Important?

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The whole short term lets sector has evolved and both the Law and the Government have caught up with this and are legislating for it.

Therefore this presentation is to bring you up to speed on the current issues facing Serviced Accommodation within the frame of Town Planning in England.



# What do YOU mean by serviced accommodation?



Traditional holiday home for families (Class C3)

Assisted living - Class C3(b) as those living together are receiving care

Short Stay HMO - Either C4 or Sui-Generis

Professional Company Lets - Class C3(c)

Air BnB style serviced accommodation - C1, C3 or Sui-Generis

Hotel, Guest House, B&B - Class C1

Apart-hotel - Class C1 or Sui-Generis

Hall of Residence - Class C1

Co-Living - Sui-generis

Secure Serviced Accommodation (Prison or Detention Centre) - Class C2A

Hostel - Sui-generis

Caravan Park/Holiday park home - Sui-generis



# The Caselaw - Serviced Accommodation is not a dwellinghouse

40. It is evident that since the PCN was completed and returned, the appellant company has changed the letting patterns for both Roman House and Florian House. Between November 2017 (date of PCN submission) and my site visit it is clear that most lettings have changed in terms of lengths of stay. It would appear that these changes have occurred due to changing commercial short-term letting conditions and requirements in Cambridge over the last 12 months.

41. It is also evident that it is the intention of the appellant company to promote longer lets (referred to as corporate lets), as well as considering further ASTA lettings. This is also obvious from the latest ASTA lettings in Roman House and some corporate lettings in Florian House. I have noted that, since February 2018, some flats in Florian house have been let for periods of between 14 and 50 days

42. However, it is also evident that for periods leading up to and before the issue of the notices, there had been a total of over one thousand bookings over an 11 month period and that the LST had indicated that 77% of the lettings were for just 1 or 2 night stays. This shows a range of uses starting from a single night's stay to a let of 50 days (presumably as a typical corporate let).

43. From the submissions it is clear that there is a tremendous range of lets (in terms of lengths of stay) which have occurred since the business commenced. Having considered all of the submissions I accept that, in certain circumstances, the longer lets (say 60 to up to 89 days even) can, as a matter of fact and degree, start to become indistinguishable in terms of character of usage from a 6 month ASTA let. The pattern of usage of a person or a couple occupying a flat for say 2 or 3 months (as a corporate let) in some cases might hardly be any different to a let of 91 days.

Between:

Sheila Moore  
Appellant  
and

Secretary of State for Communities and Local Government (1)  
Suffolk Coastal District Council (2)  
Respondents  
[2012] EWCA Civ 1202

Before:

Master of the Rolls

Lord Justice Longmore

and

Lord Justice Sullivan

Case No: CI/2012/0873

IN THE COURT OF APPEAL (CIVIL DIVISION)

ON APPEAL FROM

FRANCES PATTERSON QC

(SITTING AS A DEPUTY HIGH COURT JUDGE)

CQ/8793/2011

Royal Courts of Justice

Strand, London, WC2A 2LL

## Appeal Decisi

Site visit made on 11 Feb

by **Anthony J Wharton BArch RIBA RIAS MRTPI**

an Inspector appointed by the Secretary of State for Communities and Local Government

Decision date: 04 March 2019

**Appeal A - Ref: APP/Q0505/C/18/3196460 - Notice 1**

**Flat 3, Roman House (Marino House), Severn Place, Cambridge CB1 1AL**

**Appeals B to F inclusive – Notices 2 to 6**

**Flats 6, 7, 8, 9 & 11 Roman House, Cambridge CB1 1AL (See Schedule)**

**Appeals G to M inclusive – Notices 7 to 13**

**Flats 1, 2, 3, 4, 5, 6, & 7 Florian House Cambridge CB1 1AQ (See Schedule)**

# Serviced Accommodation forms the basis of multiple development modes.



## Rent to Rent Training | Rent to Rent Course | R2R

Our comprehensive **R2RSA** EMPIRE System will put you on the right path to achieve a 6 figure Rent to Rent Serviced Accommodation business.

## Advanced Rent to rent serviced accommodation course

22 Dec 2020 — Our online property investment **course** will teach you "what is Rent ... Rent to Rent Serviced Accommodation, or **R2RSA**, is a great way to very ...

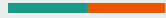
## Rent to Rent – HMO & SA Course

9 Aug 2021 — We have advanced **courses** covering both Rent to Rent HMO and Rent to Rent Serviced Accommodation, or **R2RSA** in details.

- The government correctly surmises, the guest accommodation sector has changed significantly over the last fifteen years
- Major expansion in the number and range of accommodation suppliers operating in the market.
- Massive increase in the number of serviced accommodation courses out in the wild with it being touted as an almost perfect development strategy.
- The acronyms are endless...RENT to SA, HMO to SA, BRRR to SA.
- Basically according to the PropEd sector if your not into SA....you're a nobody!



# England is playing catchup!



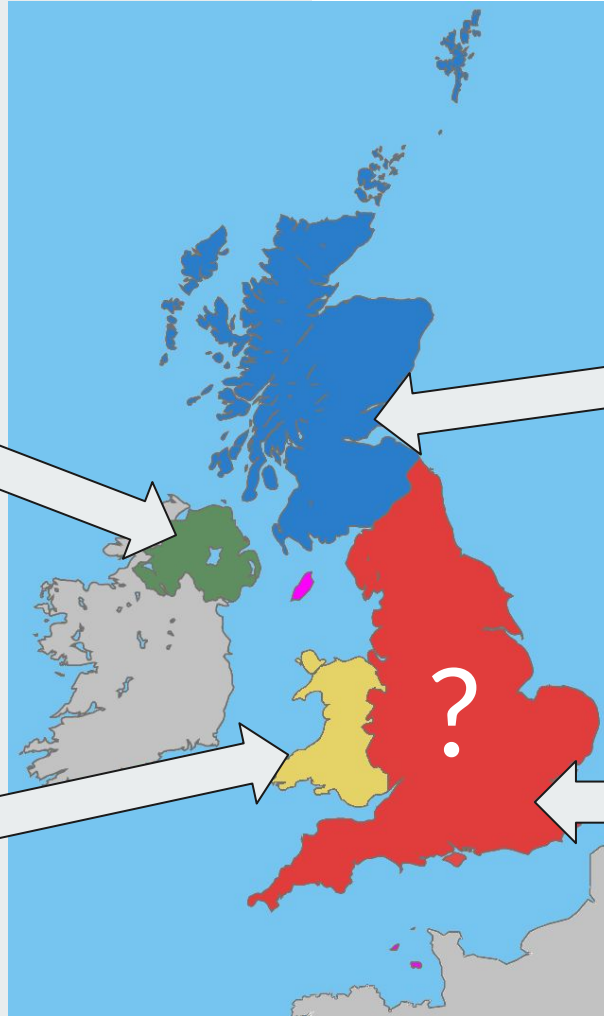
In Northern Ireland:

Short term lisencing scheme in place.

Treated as a change of use if it changes the character of the original property.

In Wales:

2 Use classes cover SA under C5 and C6 with PD allowances and a mandatory lisencing scheme being consulted upon.



In Scotland:

Short term lisencing scheme in place.

Treated as a change of use if it changes the character of the original property.

Scotland also has 'Control Areas' where planning permission is always needed for SA.

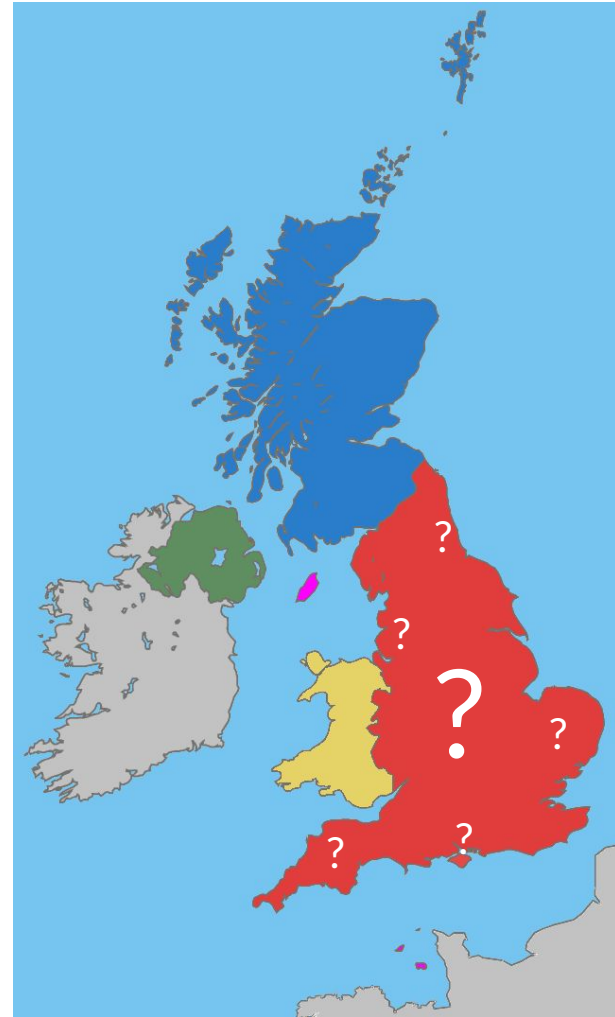
In London (a 'special' case):

Subject to the '90 day rule' within the Deregulation Act 2015 and the Greater London Council (General Powers) Act 1973

# England is playing catchup!



- The key problem that has been identified with SA is the inconsistency in how it is dealt with by individual council's.
- This is because it has habitually been left in a gray area with the decision left to the Council as to where SA falls.
- In addition the tools that LPA's have to deal with bad actors in the market are also limited.
- Unlike HMO's, hotels and B&Bs, it is difficult to monitor compliance with key health and safety regulations by short-term lets given the inconsistency.



# So what is happening?

## SA gets defined!

- Serviced Accommodation gets its own definition and is not a dwellinghouse or an HMO.
- This will give the basis for a registration scheme and a new use class in England.
- Designed to detach it from the common hiding places of Hotel, HMO and House and catch all of the targets.
- This is not a time bound definition such as that used in London (90 days) or Wales (183 days).
- This new definition will apply to all of England and will in effect any other definitions given in say London.



- “Short-term rental property” or serviced accommodation will mean:
  - (a) a dwelling, or part of a dwelling, which is provided by a person (“the host”) to another person (“the guest”)
    - (i) for use by the guest as accommodation other than the guest’s only or principal residence,
    - (ii) in return for payment (whether or not by the guest), and
    - (iii) in the course of a trade or business carried on by the host,
  - (b) any dwelling or premises, or part of a dwelling or premises, not falling within paragraph (a) which is specified for the purposes of this paragraph.

# So what is happening?

## SA gets a Use Class!

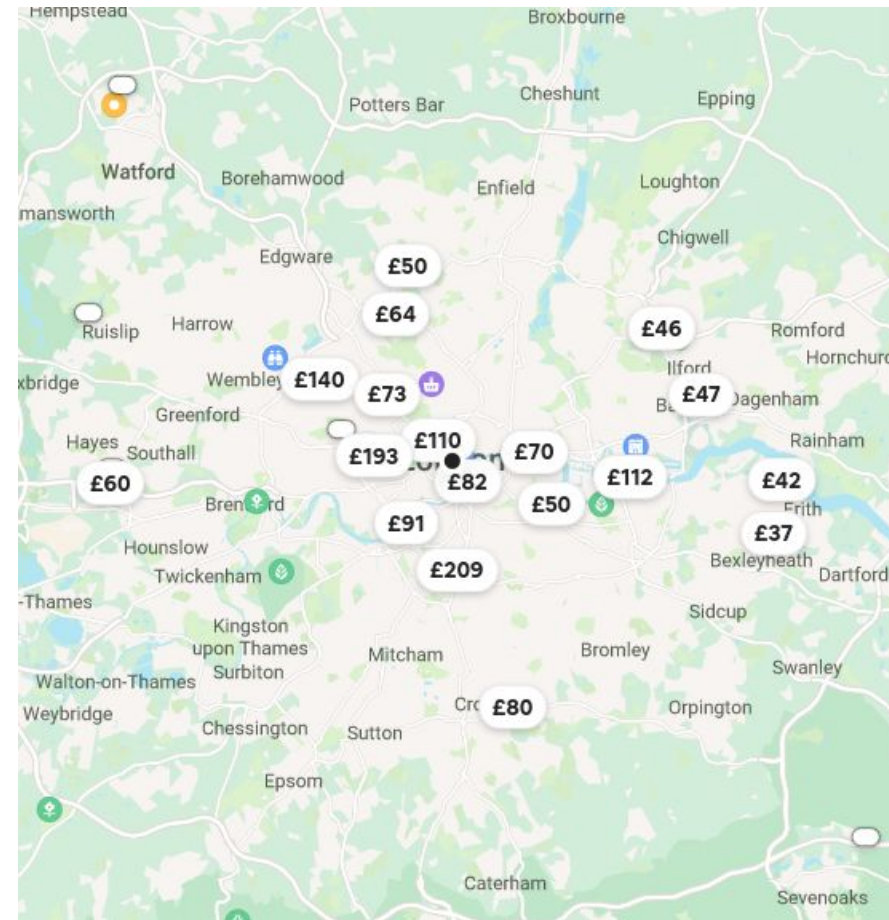
- The introduction of a new use class for short term lets
- The new use Class C5 is a complete catch all and follows in the same line as the registration scheme and would state:
- “C5 Short Term Let”:
- Use of a dwellinghouse that is not a sole or main residence for temporary sleeping accommodation for the purpose of holiday, leisure, recreation, business or other travel.
- ‘Second homes’ that are additionally let out for part of the year will fall into the C5 short term let use class where they meet the definition.



# So what is happening?

## SA gets permitted development (for now)

- Making a new use class has the effect of making a material change of use.
- To maintain the status quo, for now, the government propose a new permitted development allowance from C3 Dwellinghouse to C5 Short Term Let and back again.
- Inconspicuously absent are the other housing to SA type strategies of C4 to C5 and Sui-Generis HMO to C5. Basically after this becomes law if you want to use an HMO as SA then you will need planning permission.
- **Within the consultation the government is also asking whether this should be a form of prior approval or prior notification.**

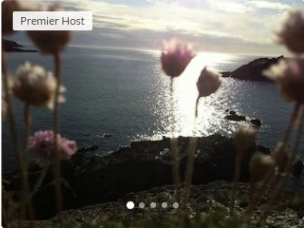





# So what is happening? Article 4 is inevitable

## But..You will be able to apply for new build SA.

- Councils will be ENCOURAGED to control SA through Article 4 directions.
- In London and other areas that already control SA type development this could be an immediate article 4 without the threat of compensation.
- Applications for a change of use to SA or the construction of new build SA will carry a planning fee equivalent to that of a new home (£462.00)



Apartment

Fabulous Beach Pad Just 20 Paces From The Mawgan Porth Beach, (SUMMER DISCOUNTS)


Sleeps 5 · 2 bedrooms · 3 beds

Excellent! 4.7/5

★ 4.7 (28 reviews) Private host

£90 /night

**£90 total**



Guest house


Double room Ensuite at Porth Lodge Hotel

Sleeps 2 · 1 bedroom · 1 bed

★ 1.0 (1 review)

£76 /night

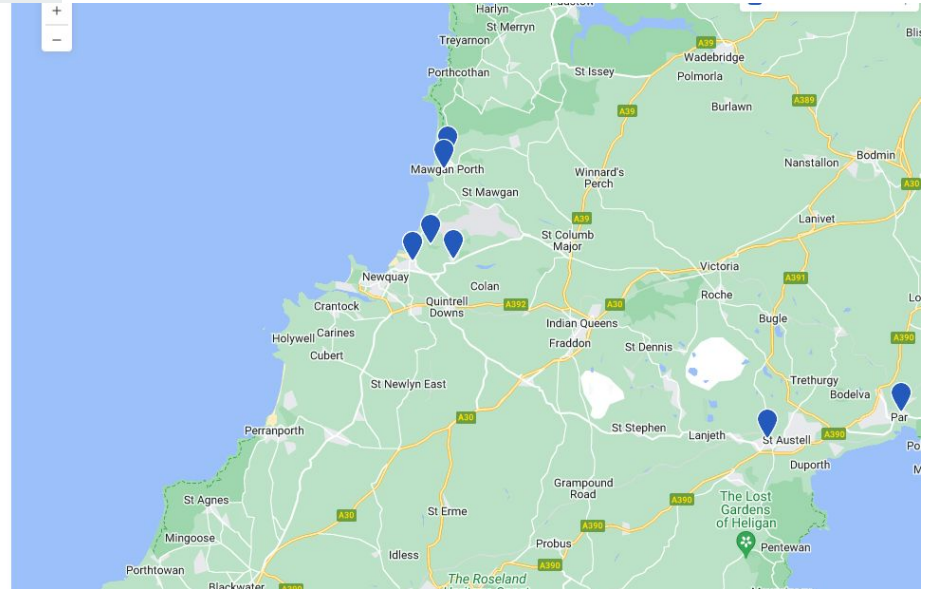
**£76 total**



Apartment

Scrummy Cabin - Deluxe with courtyard view

Sleeps 2 · 1 bedroom · 1 bed





# Outside of Planning Mandatory Registration!

- DCMS committed to consult on a Tourism Accommodation Registration Scheme in England in the Tourism Recovery Plan in June 2021.
- A 'light touch' but mandatory scheme where a license will be sought to run an SA unit.
- Amending the Levelling Up and Regeneration Bill (LURB) with changes introduced through secondary legislation.
- England only. (Scotland and Northern Ireland already have short-term let licensing schemes in operation, and Wales is introducing a statutory licensing scheme for all visitor accommodation providers).

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## Housing minister to bring legislation to target short-term lettings

Darragh O'Brien said the legislation will further restrict the short-term letting of houses and apartments.



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Video

Dad hits out at 'mindless thugs' after car overturned in Belfast's



# Outside of Planning Mandatory Registration!

- The focus of the registration scheme in England will be on serviced accommodation operators only
- Other types of guest accommodation such as hotels, B&Bs and professional providers of self-catering accommodation will be exempt.
- There will be an expected level of standards in place and a form of enforcement to address negative community and housing market effects.
- It would also ensure that all providers of short-term lets can be obligated to provide safe, quality assured accommodation, as other providers of guest accommodation must currently do.
- The register of short-term lets would provide data, which would help to provide local authorities with information about which premises are being let out in their area.

Consultation outcome

## Developing a tourist accommodation registration scheme in England: call for evidence

Updated 12 April 2023

**Applies to England**

### Contents

[Ministerial foreword](#)

[Background](#)

[About this call for evidence](#)

[How to respond](#)

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short term and holiday lets  
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[Benefits of short term and  
holiday lets](#)

[Wider economic benefits](#)

[Short term and holiday lets:  
challenges](#)

[Impact of potential policy  
responses](#)



# So what does it mean for you?

- First things first, those that believe that SA is immune from planning and licensing and regulation and everything else...forget it!
- This has been coming down the road for a while and so now is the time to check to make sure that you are going to be compliant and that you are delivering good quality accommodation that serves the local community well.
- If your an existing operator then evidence up! Make sure you hold on to documentary evidence that demonstrates when your SA use started so when the new class goes live you can protect yourself against planning enforcement.



# So what does it mean for you?

- Register for the license as soon as you can do so and stay on the right side of the legislation.
- These interventions only come about when there has been an unwanted shift in the market that the government has to act upon and so it is for you dear viewer to stay the right side of the law.
- And finally, now is not the time to rush into an area because 'it could become article 4' these changes are not law yet and any such rush would ultimately result in that area adopting the nuclear approach and article 4'ing as soon as they are able.

**Que? I know northing**



# So what does it mean for you?

- All in all if in doubt ask, we are once again in a state of planning flux and the worst thing that could happen is a market panics.
- To quote the Cornish you want to handle this dreckly (meaning at some point without a state of urgency).
- Watch for the changes when they kick in, get yourself safe and you should be fine.
- This will only hurt you as a property developer if you ignore what is going on! - Get it sorted and don't be a Manuel!



# Questions?

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# Get in touch



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Principal Town Planner

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planning  
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