DTRVA 20 Short Term Accommodation Association (STAA)

Senedd Cymru | Welsh Parliament

Pwyllgor yr Economi, Masnach a Materion Gwledig | Economy, Trade, and Rural Affairs Committee

Bil Datblygu Twristiaeth a Rheoleiddio Llety Ymwelwyr (Cymru) | Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill

Evidence from Short Term Accommodation Association (STAA)

1. What are your views on the general principles of the Bill, and whether there is a need for legislation to deliver the stated policy intention?

(We would be grateful if you could keep your answer to around 500 words).

The Short Term Accommodation Association (STAA) is supportive of proportionate regulation of visitor accommodation, such as the registration scheme proposed in the recent Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025.

While there are some aspects of the Bill of which we are supportive, the STAA does not believe the introduction of the new Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill is necessary to achieve the stated goals and has concerns regarding its timing and scope.

Firstly, the Bill would not fulfill its purpose of promoting development of tourism by burdening a sector which, according to a report by Oxford Economics, contributed £3bn to Wales GDP in 2021 alone and supported around 67,000 jobs across the country. Short Term Rental (STR) travel plays a pivotal part not only in the broader tourism industry but also in bringing vital jobs and investment directly to Welsh communities, many of which are in coastal and rural areas where other investments may be scarce.

Moreover, it is premature to introduce a licensing scheme for visitor accommodation before the registration scheme is implemented and data from it can be used to ensure policy development is evidenced and proportionate. The government itself acknowledges in its impact assessment that it is currently difficult to quantify the STR sector and its impact on tourism and local communities due to a lack of available data. We thus call for a delay in the introduction of a licensing requirement for visitor accommodation providers in order to allow evidence and data from the registration scheme to be gathered and analysed.

Within the Bill, the STAA questions the restriction of the scope to ‘self-contained properties only’. The criterion of a maximum 31 nights used to define a “visitor

accommodation contract" provides helpful clarity over the scope of the Bill. However, if the aim of the scheme is to ensure visitors are in safe accommodation, it is necessary to include rooms let out as well and not just self-contained accommodation. We would also note that the definition of "self-contained" references many amenities that need to be provided to the guests on an exclusive basis. This type of definition may lead to a large number of borderline cases, with some operators falling outside the licensing requirement.

More positively, the STAA welcomes the possibility of having a national administrator of the licensing scheme which would avoid the inefficiencies of a fragmentalised approach. We also welcome the balanced approach to non-compliance, in particular the reference to a "stepped" escalatory approach, with a commitment to educate first and provide opportunities to remedy the situation before further action.

Still, the STAA remains ultimately concerned about the accelerated timeline of the newly introduced Development Bill compared to the previous Visitor Levy and Register Act. With this new Bill being introduced in November 2025, the implementation of licensing from 2026/27 (as the impact assessment implies) feels excessively early. We also worry that, due to the timing of the Bill falling not long before national elections, it will be rushed through stages without allowing time for proper scrutiny. Already, the turnaround for evidence on the Bill has been very short and has impeded a detailed consultation of members and additional data collection - this consultation is open for just 14 days, which is a third of the 42 days given for the equivalent consultation for the Visitor Levy and Register Act.

2. What are your views on the Bill's provisions, including whether they are workable and will deliver the stated policy intention?

(We would be grateful if you could keep your answer to around 500 words).

The STAA believes that the "apply and wait" approach to granting licenses to visitor accommodation providers is neither proportionate or cost-effective, as can be observed from the implementation of the licensing scheme in Scotland. According to the Short Term Lets Licensing Statistics Scotland to 31 December 2024 (Table 2) 18,149 applications were made from July to September 2023 and 2,049 of those applications (over 11%) were still pending determination as of December 2024 (15-18 months after submission). It would be better if, building on learnings from other jurisdictions, a visitor accommodation provider (VAP) is granted an automatic licence number on submission of the application with the required documents. This could then be followed by a risk-based approach to document checks and a right to rectify any mistakes before a license is revoked.

Alternatively, provisional licences could be expanded to cover existing operators who have submitted their application and supporting documents prior to the implementation date of the licensing scheme to allow them to continue trading (as we saw in Scotland) whilst the scheme administrator processes those applications. Compared to schemes in other jurisdictions, the role envisaged for provisional licenses is quite narrow and there is no concept of temporary licenses or temporary exemptions included, which in other areas can provide valuable additional accommodation capacity for special events.

Similarly, we retain a number of concerns about the renewal process. Given the apply and wait approach, it is not realistic or fair on businesses to ask them to reapply for a license every year, as this would greatly increase the cost of compliance for VAPs. Short-term rentals generally take bookings up to two years in advance - an annual renewal process, taking weeks or months to complete, would cause a lot of uncertainty for business owners and travellers, which would be repeated every year. It is also unlikely there will be substantial changes in the conditions of a property within this period. While the Bill makes provision for licenses to be granted for periods longer than one year, it does not provide any further detail. One option we suggest would be to have licenses lasting for 3-5 years, even though longer licenses will produce skewed data (e.g. data would not account for VAPs which ceased operations). Another proposal would be to make the renewal process automatic after the initial application process, with licenses automatically granted (unless previously revoked) at a lower fee and a risk-based approach to checking.

We also question the value of mandatory training which would further add to VAPs' costs (around £25 for half a day). The majority of VAP's have been working in the sector for a long time and already comply fully with the licensing conditions as they are existing legal requirements. Guidance or simply publishing and promoting a clear Code of Practice should be sufficient.

Finally, we were concerned by the evidence given by Cllr Huw Thomas on 13 November 2025 that Local Authorities see this as a "lever of control". We fear that without proper scrutiny, detailed revisions and guidance, Local Authorities will overreach the Health and Safety policy intention and look to use it as a "lever of control". This would lead to significant business uncertainty and potentially costly litigation, as we have already seen in Scotland, and would be at odds with the stated policy objective of ensuring Health and Safety and quality standards are met for accommodation.

3. In your view, are there any potential barriers to the implementation of the Bill's provisions?

(We would be grateful if you could keep your answer to around 500 words).

Two main issues which would hinder implementation of the Bill are failure to account for processing times and lack of clarity over a few crucial aspects, such as obligations for platforms.

Firstly, the explanatory memorandum does not set out detailed expectations on the timeframe for the administrator to process each application, despite a call for decisions to be made “as soon as reasonably practicable”. Processing time estimates should have been included as a material consideration for both the costs and resources needed to process the projected 30,000 applications each year in the “best estimate" scenario. They should have also been taken into account when considering the proportionality of an “apply and wait” application process with annual renewals and calculating the business disruption this could cause.

The memorandum references Rent Smart Wales’s processing times. These already take up to 8 weeks to process (1) but are also less onerous without document uploads. According to our analysis of table 4.2 in the Evaluation of Rent Smart Wales: final report 2025, only an average of 1,496 landlord licenses have been issued per quarter from Q1 2019 to Q1 2024, equating to an average of 5,984 landlord licenses per annum. It is essential to understand how a more onerous scheme, with c. 5 times the amount of landlord licences (30,000 in best scenario) required annually than by Rent Smart Wales, can be delivered within an appropriate response timeframe and at low cost.

These concerns are exacerbated by the small size of the proposed team of just 30-35 staff members processing applications while Rent Smart Wales has a team of 100 according to the evidence provided by Ms Bethan Jones to the committee on 13 November 2025. Moreover, landlords are not required to apply for a licence if the property is managed by a licensed agent (meaning that the 200,000 properties cited by Ms Jones do not result in an equal number of applications) and licences under Rent Smart Wales appear to be valid for 5 years. Both these features significantly reduce the number of licences processed by the team and cast more doubt on the estimated cost of operating the new licensing scheme for short-term lets.

Another concern raised by STAA members is the lack of clarity in the respective roles of owners and operators in the application process, i.e. which of the two would apply for and be granted a licence and take part in any required training. The Bill should provide the flexibility for operators, such as property managers, to apply for licences and undertake the training on behalf of the owner of the property but it is not clear whether this is allowed under the current proposals.

Marketing provisions are also currently unclear. The proposed operation of section 47 (offences relating to advertising and marketing of premises) for platforms, agents and property managers and how easy it will be for them to verify registration numbers is lacking detail. As platforms and agents cannot be expected to check a register manually

for each listing, further clarification is required, as well as a full cost assessment. Liability on platforms for accurate registration numbers would be excessive given they do not know whether registration numbers are valid.

Similarly, the explanatory memorandum notes that listings must include "advice on how to access information [...] on the visitor accommodation directory". It is not clear what this would mean in practice for booking sites in terms of wording, phrasing, positioning, and location (e.g. loading pages), bearing in mind such an inclusion would require product changes to global platforms, this could create unintended costs that are not reflected in the current impact assessment. We would question whether this disclaimer is necessary - a registration number would be already clearly displayed, pointing to a registration scheme which a traveller could look up.

Source: https://rentsmart.gov.wales/en/licensing/

4. Do you feel there will be any unintended consequences arising from the Bill?

(We would be grateful if you could keep your answer to around 500 words).

An unintended consequence of the Bill is that it will negatively affect tourism by reducing visitor accommodation supply. As the Bill comes at a time where the sector is already burdened by a number of regulations and struggling to recover to pre-pandemic levels, introducing further legislation to comply with will likely push many businesses operators out of the sector.

Moreover, the current "apply and wait" approach for a license application and renewal, and the concerns we have outlined around them (see Q2), risk affecting the Bill's compatibility with the European Convention on Human Rights ("ECHR"), particularly Article 1 Protocol 1. Whilst we note paragraph 10.11 of the explanatory memorandum confirms the Welsh Government is satisfied the Bill's provisions are compatible with Article 1 Protocol 1 of the ECHR., there is not sufficient detail as to how this conclusion was reached. Under current provisions an operator does not have certainty that they will be automatically granted a renewal (provided they are not in breach of the conditions) and it is not explained why this would not contradict A1P1.

Renewal is a paramount concern in a sector where bookings can be taken up to two years in advance. Whilst the explanatory memorandum refers to a "streamlined" renewal process (para 7.22), if an annual re-application approach is pursued, the Bill should be amended to make it clear a licence will be automatically renewed each year for VAPs following a renewal application unless the licence itself has been validly and lawfully revoked. Businesses need certainty to ensure that the Bill will not disproportionately interfere with the peaceful enjoyment of their property.

5. What are your views on the Welsh Government's assessment of the financial and other impacts of the Bill as set out in Part 2 of the Explanatory Memorandum?

(We would be grateful if you could keep your answer to around 500 words).

The STAA finds that inaccurate estimates for application fees, processing time (see above), and costs undermine the robustness of the impact assessment as a whole.

Fee wise, the explanatory memorandum (para 8.31) assumes an average application fee of £75 per annum per premises. However, the current online fee for Rent Smart Wales (for long term landlords) is £254, despite this being a less onerous and self-declaratory scheme (see Landlord licence application form and evidence provided by Rent Smart Wales to the committee).

The explanatory memorandum (para 7.20) suggests document uploads will be included in the application process, which would create increased checking and document storage costs, exceeding those incurred by Rent Smart. The assumed application fee of £75 also seems to ignore comparable evidence from Scotland and risks repeating the mistaken underestimations made there. Paragraph 122 of the Scottish BRIA estimated indicative fees of between £214 and £436 - already significantly higher than those estimated and assumed in the Welsh Government's impact assessment. In practice new application fees in Edinburgh are starting from £653 and reaching up to £6,000 (see Short term let licence application fees – The City of Edinburgh Council). The current fee estimate is thus unexplainedly much lower than both Rent Smart Wales and Scotland's own licensing scheme.

In addition to this, we find that the estimates for Public Liability costs (para 8.34 EM) as £200-£300 per year are very light. We would usually expect insurance for a holiday let, including suitable public liability cover, to cost c. £450 per property, and may be significantly more in some cases. While we tend to agree that public liability should be required, a lack of understanding of the true costs of these policies adds further doubt to the robustness of the research in the impact assessment and provides further evidence it is being rushed. And of course, these additional costs and requirements must be borne by self catering businesses in Wales that are already facing the cumulative impact of multiple other measures on their operations, including the removal of valuable tax reliefs, increased Council Tax costs, planning permission requirements in some areas, and the registration and visitor levy that is linked to this legislation.

Indeed, we would respectfully suggest that, if the impact assessment considerably underestimates both the cost of licenses and the amount of time licenses will take to be considered, members of the Senedd are being asked to make a decision without the

appropriate evidence, and the Bill should be rejected. We would note that without the registration scheme up and running, there is also no authoritative figure for the number of STRs in Wales, so any calculations of impact are based on flawed data. The alternative, of waiting until we have the data from the registration scheme to develop the licensing policy (if indeed one is needed) is open to the Government.

Finally, and more broadly, we are concerned by a tendency to present assumptions and anecdotal evidence about the impact of STRs on housing availability as fact in the Explanatory Memorandum. Examples include references used to substantiate claims which do not point to a causal relationship, the argument that long-term landlords are moving into the short-term sector due to the perception that it is 'easy', or the claim that STRs are not meeting regulatory standards.

6. What are your views on the appropriateness of the powers in the Bill for Welsh Ministers to make subordinate legislation (as set out in Part 1: Chapter 5 of the Explanatory Memorandum)?

(We would be grateful if you could keep your answer to around 500 words).

While we welcome a national scheme that is determined by Ministers and administered nationally, by leaving a great number of matters to be defined through subordinate legislation, the Bill further creates uncertainty for visitor accommodation providers.

The degree of discretion left to Ministers to change the Bill in the future also makes it hard to comment on issues such as scope or licensing requirements, knowing that they could be changed anytime. In particular, when combined with the "apply and wait" approach, it would mean that requirements for VAPs may be changed while they await the outcome of the application.

7. Are there any other issues you would like to raise about the Bill and the Explanatory Memorandum or any related matters?

(We would be grateful if you could keep your answer to around 500 words).

The STAA would welcome further information on how the code of practice will work and what might be in it. A suggestion is that this could be built in as a check box on the license application. Further clarity on what areas might be included in required training would also be helpful.

On enforcement, we wanted to raise a point about property checks and proportionality of powers of entry. We would advocate for a risk-based approach to property checks for the general fitness standard. The STAA also understands the need for effective enforcement but some measures under powers of entry, such as extracting information from computers and other electronic devices, feel unnecessarily intrusive.