

Development of Tourism and Regulation of Visitor Accommodation (Wales) Bill

Evidence from the Association of Scotland's Self-Caterers (ASSC) and the Scottish Tourism Alliance (STA) Addendum 12th November 2025

Short-Term Let Licensing and the Growth of the Black Market

By way of a short addendum to the evidence provided on 5th November, and in response to the Chair's request for further detail on the black market, I wish to highlight a recent article in *The Herald* titled *What do short-term let convictions mean for Edinburgh 'black market'?* (27 October 2025, by Donald Turvill).

The article reports that Edinburgh has secured the first conviction for operating a short-term let without a licence, three years after the local licensing regime was introduced. The operator was fined £600 following a neighbour's complaint, with compensation awarded to the complainant. Edinburgh Council has stated that a further dozen cases are pending.

This milestone has been presented as a deterrent to unlawful operators. However, the article also raises concerns that the timescale for achieving a single conviction demonstrates how difficult enforcement is in practice, particularly given the volume of unlicensed activity thought to be operating in the city.

Importantly, the piece supports the evidence already provided to the Committee that there is now a clear and growing black market in Edinburgh. It notes:

- A rapid rise of informal platforms advertising unlicensed accommodation, particularly via Facebook groups used heavily during the summer and festival periods.
- Operators reportedly promoting cash bookings and private messaging to avoid scrutiny.
- The challenge for enforcement teams, who may only be able to verify illegal activity by directly booking accommodation themselves.
- A system that is heavily dependent on neighbour reporting rather than proactive compliance monitoring.

The article includes comment from the Association of Scotland's Self-Caterers confirming that a "burgeoning black market of unlicensed accommodation" has emerged, undermining the purpose of the regulations. It also includes testimony from a licensed Edinburgh operator who considers the black market "pretty significant" and operating year-round.

While the article highlights Edinburgh Council's view that convictions send a signal that enforcement is effective, it also questions whether a penalty of around £1,100 (fine plus compensation) will meaningfully deter operators who can earn substantially more in a single busy period.

Taken together, this reporting provides contemporary, independent evidence that:

- legitimate and safety-checked operators have been pushed out of the market,
- unlicensed and unregulated activity has not disappeared,
- and practical enforcement remains limited, slow, and reactive.

This supports the wider point made in our original submission: regulation that is disproportionate or commercially unworkable does not eliminate demand. It displaces it into informal and unregulated

channels, creating a system that is less safe for guests, harder to monitor, and damaging to compliant businesses.