**Review of property conditions in the private rented sector – response to discussion paper**

**Question 22: Should the relevant provisions of the Greater London Powers Act 1973 be reviewed or updated, does London need separate rules from the rest of England, and what comments would you have on how regulations could better support and reflect modern technology?**

London Councils recognises that the market for short-term lettings has changed since the Greater London Powers Act 1973 was enacted. In particular, new technologies mean homeowners are entering the market without recourse to letting agencies. The majority of Londoners may not be aware that planning permission is required for short term lettings and so may be inadvertently falling foul of the law.

In addition, short term lettings, when properly managed through planning enforcement, can form a valuable part of the London housing market and help support growth in the capital. Boroughs are not necessarily opposed to the provision of these dwellings to visitors where appropriate.

However, while enforcement of the existing rules varies across London, it is clear that boroughs still view the Act as a valuable tool in helping communities shape their areas. Any loss of enforcement provision in this area would risk the loss of neighbourhood amenity, as properties move permanently into the short term rented sector with potential consequences for noise, anti-social behaviour and loss of community identity that a transient population may bring.

Additionally, we believe the government should be cautious about any measures which risk exacerbating the acute housing crisis in London. The loss of enforcement provision for short-term letting will lead to a significant loss of housing which would otherwise be available to permanent residents. Such a loss would leave boroughs even further away from meeting targets for new housing supply set out in the London Plan and in local plans. The GLA and some boroughs also provide for specific restrictions on short term lettings, so any amendment to the law may also risk undermining the ability of boroughs to support and plan for growth in their localities.

At a time when rents are sharply increasing, and London businesses are concerned that a shortage of affordable homes in the private rented sector is damaging their ability to recruit, we are concerned that any relaxation of enforcement provision would act as a drag on economic growth. We would therefore oppose any measure that further reduces availability and affordability of accommodation to Londoners.

There is no evidence that London boroughs seek to enforce existing provisions excessively or inflexibly, and those boroughs where short term letting is not perceived to present a significant problem may choose not to enforce the provisions at all. However, the loss of enforcement provision may have unpredictable consequences across Greater London and particularly in the inner boroughs, where existing problems are concentrated.

The issues that gave rise to the powers introduced in the 1973 Act have if anything increased, rather than diminished over time. Inner London in particular continues to be an attractive market for short term letting, with significant differentials between the returns available from long term and short term tenants. An inevitable market consequence of the removal or revision of the powers may be that landlords are incentivised to move properties into the short term market in order to seek the considerably higher returns available.

In summary, while recognising the value of a properly managed short term lettings market in London, London Councils would oppose any action to weaken or remove the ability of boroughs to manage this market in the interests of their localities. Consequently, we would not support any amendment to the 1973 Act which had the effect of limiting or removing borough powers in this regard.