

#### **Debate Pack**

Number CDP 2022/0001 By Gabrielle Garton Grimwood Hannah Cromarty, Aaron Kulakiewicz 4 January 2022

# Second homes and holiday-lets in Number CDP 2022/0001 By Gabrielle Garton Grimwood, rural communities

1	Statistics on second homes	2
2	Concerns about second homes	3
3	Controlling second homes through planning powers (England)	4
3.1	Mechanisms for implementing local connection or principal residence policies	e 4
	Planning conditions	4
	Planning obligations (section 106 agreements)	5
3.2	Local connection or principal residence policies in Local Plans, Neighbourhood Plans and Supplementary Planning Documents	6
	Local Plans	7
	Neighbourhood Plans	7
	Supplementary planning documents	8
3.3	Short-term/holiday lettings	g
4	Non-planning measures	10
4.1	Taxation	10
4.2	First Homes scheme	10

5	Around the UK	12
5.1	Scotland	12
	Planning measures	12
	Licensing scheme for short-term lettings	12
	Council tax	13
	Additional Dwelling Supplement	13
5.2	Wales	13
	Planning measures	14
	Registration scheme for holiday accommodation	14
	Taxation	15
6	Parliamentary material	16
6.1	Debates	16
6.2	Parliamentary Questions	16
7	Media articles	19

#### 1 Statistics on second homes

The Department for Levelling Up, Housing and Communities (DLUHC) has produced a fact sheet on second homes, and the characteristics of the people owning them: English Housing Survey 2018 to 2019: second homes - fact sheet. These figures are based on estimates from the English Housing Survey (EHS).

In 2018/19, an estimated 772,000 households reported having second homes. The EHS defines these as "homes that are primarily used as holiday homes (by family, friends or let to others as a holiday let) or are occupied while working away from home." Some households have multiple second homes. In total, the EHS estimates that English households owned 873,000 second homes, of which 495,000 were second homes located in the UK.

Some local-authority level data on second home ownership is available from Council Tax records. The Office for National Statistics (ONS) explored this data in a report published in <u>September 2021: House prices in tourist hotspots increasingly out of reach for young and low paid</u> (see map titled 'Second home ownership is concentrated in tourist hotspots).

#### 2 Concerns about second homes

The term 'second home' is usually used to refer to a property which is not the owner's sole or main residence. However, the term can cover a range of uses, including: a second home in which the owner regularly resides; a holiday home; or a property purchased as an investment and left unoccupied. Furthermore, a holiday home may be used occasionally and left empty for most of the year, or it might be used for short-term holiday lets and occupied for most of the year.

The impact of second homes on local communities is complex and multi-faceted. On the one hand there are concerns that where the number of second homes comprises a significant proportion of the housing market, it can reduce housing supply and push up house prices to unaffordable levels for local people.

A high number of second homes which remain empty for long periods may also impact on local services and community cohesion. On the other hand, if second homes are used regularly as holiday homes they may boost local economies and the tourism trade, or a second home may enable someone to work in and contribute to the local economy of an area, while being able to return to a family home in another part of the country on a regular basis.

In December 2021, in a Westminster Hall <u>debate on affordable housing:</u> <u>planning reform</u> led by Derek Thomas MP, several Members raised the matter of second homes and holiday lets in their constituencies.<sup>1</sup>

In the UK, policies to mitigate the impacts of high rates of second home ownership may be implemented by local government (for example through planning restrictions and council tax) and by central government (for example through the planning law and policy, taxes, and regulation of short-term lettings/holiday accommodation).

A review of evidence on second homes in July 2021, commissioned by the Welsh Government, concluded that there is currently limited evidence of the effectiveness of various policy interventions on the demand for second home ownership.<sup>2</sup>

The <u>Government's stance on second homes and holiday lets</u> was set out in reply to a Parliamentary Question in June 2021:

The Government recognises the benefits that second homes and short-term holiday lettings can bring to local economies and to the tourism sector. Holiday letting increases consumer choice and encourages the dispersal of tourism across the country, bringing domestic and international tourists to

<sup>1</sup> HC Deb 7 December 2021 c53WH onwards

Welsh Government, Research on second homes: evidence review summary, 13 July 2021

new areas and allowing households with underused accommodation to supplement their income.

However, the Government also recognises the adverse effect that large numbers of second homes can have on some areas, and that is why we introduced a series of measures to help mitigate those effects, such as a 3% higher rate of Stamp Duty Land Tax (SDLT) for those purchasing additional properties.

Under our new First Homes scheme for first-time buyers, which provides properties with a discount of at least 30%, local authorities are able to restrict eligibility to local people for the first 3 months of marketing to ensure that local first-time buyers are prioritised.

The Government recently published the <u>Tourism Recovery Plan (opens in a new tab)</u> which includes a commitment to consult on a possible tourist accommodation registration scheme. Such a scheme could be used to underpin future government interventions, for example regarding the regulation of short term letting. The Government is committed to hearing views of all interested parties on the scheme.<sup>3</sup>

# 3 Controlling second homes through planning powers (England)

One way in which local planning authorities (LPAs) in England may seek to control the number of second homes is through the use of their planning powers. Some LPAs have policies requiring either a local connection test or a principal residence test to be met for new housing. There are two mechanisms LPAs can use to implement such policies: planning conditions and planning obligations. The ability to use these mechanisms depends on local circumstances and, primarily, whether there is robust evidence to support their use.

## 3.1 Mechanisms for implementing local connection or principal residence policies

#### **Planning conditions**

While LPAs have wide powers to impose planning conditions on planning permission granted for new developments, these conditions must meet tests set out in the <u>National Planning Policy Framework</u> (NPPF) specifying they are: necessary, relevant to planning and to the development to be permitted,

PQ 20450 [Holiday Lets and Second Homes: York], 30 June 2021

enforceable, precise and reasonable in all other respects.<sup>4</sup> The <u>Planning Practice Guidance on planning conditions</u> says that the number of conditions should wherever possible be kept to a minimum.<sup>5</sup>

#### Planning obligations (section 106 agreements)

Planning obligations, sometimes known as section 106 agreements, are legally enforceable obligations made under section 106 of the Town and Country Planning Act 1990 (as amended). They are agreements made between a developer and the LPA, designed to meet the concerns an LPA may have about the wider impacts of development in their area. The Commons Library briefing on planning obligations (CBP-07200) (section 106 agreements) provides more background information.

For planning obligations to be used, they must meet three legal tests set out in part 11 of the <u>Community Infrastructure Levy Regulations 2010</u>. A planning obligation may only constitute a reason for granting planning permission if it is:

- necessary to make the development acceptable in planning terms
- directly related to the development and
- fairly and reasonably related in scale and kind to the development.

Some LPAs use section 106 obligations to impose a "local connection test" on a new development. Normally, there needs to be strong evidence that a section 106 agreement of this nature is required in a particular area; otherwise, it is likely to be subject to an appeal for failing one of the three legal tests. A section 106 agreement runs with the title of a property and is legally enforceable in the courts.

Some examples of local occupancy section 106 policies include:

- South Lakeland District Council<sup>8</sup>
- Peak District National Park<sup>9</sup> and

Ministry of Housing, Communities and Local Government (MHCLG, now the Department for Levelling Up, Housing and Communities, MHCLG), <u>National Planning Policy Framework</u>, July 2021, paragraph

DLUHC and MHCLG, <u>Guidance: Use of planning conditions</u>, 6 March 2014, updated 23 July 2019, paragraph 018

<sup>6</sup> SI 2010/948

<sup>&</sup>lt;sup>7</sup> Reiterated in MHCLG, <u>National Planning Policy Framework</u>, July 2021, paragraph 57

South Lakeland District Council, <u>Qualifying for an affordable home (Section 106)</u>, undated (accessed 4 January 2022)

Peak District National Park, <u>Section 106 agreements</u>, undated (accessed 4 January 2022)

Yorkshire Dales National Park Authority.<sup>10</sup>

# 3.2 Local connection or principal residence policies in Local Plans, Neighbourhood Plans and Supplementary Planning Documents

There are examples across England (particularly in National Park Authority areas) of local connection/principal residence policies being contained in Local Plans, Neighbourhood Plans and supplementary planning documents.

The advantage of putting the policy in a Local or Neighbourhood Plan is that they are both formal "development plan documents" within planning law. Planning law requires applications for planning permission to be determined in accordance with the development plan, unless material considerations indicate otherwise.<sup>11</sup>

**Local Plans** can take a long time to make and amend as there are stages of public consultation and examination they must complete before becoming development plan documents.

Many LPAs do not have an up-to-date Local Plan. Section 2 of the Commons Library briefing What next for planning in England? The National Planning Policy Framework discusses Government measures to encourage LPAs to get Local Plans in place as soon as possible. <sup>12</sup> Sections 1.2 and 1.14 of the Commons Library briefing Planning for the Future: planning policy changes in England in 2020 and future reforms set out the Government's most recent proposals, including a proposed statutory duty, requiring LPAs to adopt a new Local Plan within 30 or 42 months, according to whether the LPA has adopted a Local Plan within the previous three years or submitted one for examination. <sup>13</sup>

Neighbourhood Plans do not generally take as long to make as Local Plans, but do have to undergo public consultation, examination and pass a referendum of voters in the local area. While a Neighbourhood Plan is a formal development plan document, its weight when taking planning decisions is often challenged if it relates to an area where the LPA cannot demonstrate its five-year supply of housing. Furthermore, when a Neighbourhood Plan faces legal challenge, it is up to the LPA to decide whether to pay for the legal costs in defending the challenge. For more

Yorkshire Dales National Park Authority, <u>Local Information requirements</u> - see occupancy restriction statement, undated (accessed 4 January 2022)

Section 38(6) Planning and Compulsory Purchase Act 2004 and section 70(2) of the Town and Country Planning Act 1990

<sup>&</sup>lt;sup>12</sup> CBP 8260

<sup>13</sup> CBP 8981

information, see the Commons Library briefings on <u>Planning for Housing</u><sup>14</sup> and <u>Neiahbourhood Plannina</u>.<sup>15</sup>

**Supplementary planning documents** must undergo public consultation but are not independently examined. As such, they do not carry as much formal weight in the planning process as Local or Neighbourhood Plans, but they can still be a material consideration. Their advantage is they can be quicker to make and are potentially easier to amend and update.

#### **Local Plans**

Exmoor National Park's Local Plan to 2031 (10.8MB, PDF) (for example) was adopted in July 2017. It contains both local occupancy criteria<sup>16</sup> and a principal residence housing policy.<sup>17</sup> The policy aim is achieved through a planning obligation to "ensure that occupancy of the dwelling(s) is confined to persons in local housing need in perpetuity."

In May 2016, an article in the specialist publication Planning, quoted Tessa Saunders, senior planning officer at Exmoor National Park Authority, as outlining how use of a dwelling as a primary residence would be monitored. The same article quoted a planning officer from Islington Borough Council in London, who suggested introducing such a policy in a more densely-populated urban area would be "very challenging". 18

#### **Neighbourhood Plans**

The Localism Act 2011 allows parish councils and groups of people from the community, called neighbourhood forums, to formulate Neighbourhood Development Plans and Orders, which can guide and shape development in the area. The draft plans and orders must pass an independent check. If they pass, they must then be put to a local referendum. If the majority of those who vote are in favour, the LPA must adopt the plan, subject to its legal compatibility.

The <u>St Ives Area Neighbourhood Development Plan 2015-30 (1.6MB, PDF)</u>, for example, was passed at referendum by an 83% majority in May 2016. It contains a policy - intended to be achieved either by planning conditions or planning obligations - to ensure new housing is occupied only by people using it as their principal residence. The policy in the plan is backed by evidence showing the scale of second home ownership in the area and why this is a

<sup>&</sup>lt;sup>14</sup> SN 3741

<sup>&</sup>lt;sup>15</sup> SN 5838

<sup>&</sup>lt;sup>16</sup> Exmoor National Park, <u>Local Plan 2011 – 2031 (10.8MB, PDF</u>), July 2017, policy HC-S3 on page 149

<sup>17</sup> As above, policy HC-S4 on page 150

<sup>&</sup>quot;Will the Cornish Second Home Ban Prompt Imitators?", Planning [online], 20 May 2016 [subscription required – Members and their staff may obtain copies of this or other articles from Planning magazine from the Commons Library on 020 7219 3666]

problem in St Ives. It also sets out how the aim of the policy is to help meet the housing needs of local people.<sup>19</sup>

The St Ives Area Neighbourhood Development plan and policy was the subject of a High Court challenge (299KB, PDF) in 2016. Property company Rlt argued the policy restricting the occupation and ownership of new homes did not comply with the EU directive on the environmental assessment of plans and programmes, in that it did not adequately consider possible alternatives. It also argued, in requiring the dwellings to be occupied only as the principal place of residence, thereby effectively preventing their use as second or holiday homes, amounted to a breach of Article 8 of the European Convention on Human Rights, which provides for the right to respect for a person's private and family life and home. Mr Justice Hickinbottom in the High Court rejected all the grounds of challenge. Planning magazine summarised this judgment<sup>21</sup> and discussed its significance. <sup>22</sup>

It <u>was reported</u> following the St Ives High Court judgment, five other villages in Cornwall on the Rame peninsula - Milbrook, Maker in Rame, St John, Sheviock and Antony - collectively wanted to include a ban on new-build second homes in their neighbourhood plan.<sup>23</sup> The <u>Rame Peninsula</u> Neighbourhood <u>Development Plan 2017 -2030 (4.6MB, PDF)</u> now contains a policy on new housing and principal residency.<sup>24</sup>

#### **Supplementary planning documents**

A Supplementary Planning Document (SPD) is often produced to support a policy in a Local Plan, giving detailed information on a given topic.

The law allowing LPAs in England to make SPDs stems from the <u>Planning and Compulsory Purchase Act 2004</u> and the <u>Town and Country Planning (Local Planning)</u> (England) Regulations 2012.<sup>25</sup>

For an LPA to make an SPD, there must first have been a process of consultation in which people are invited to make representations. SPDs are non-statutory documents which are not subject to independent examination and do not have formal Development Plan status. They are a material consideration (among many) for the LPA taking the planning decision.

The <u>Lake District National Park Core Strategy (4.2MB, PDF)</u> (Local Plan) highlights how planning policy to protect the needs of the local community in

St Ives Town Council, St Ives Area Neighbourhood Development Plan 2015 - 2030 (1.6MB, PDF).

<sup>&</sup>lt;sup>20</sup> Rlt Built Environment Ltd v Cornwall Council and St Ives Town Council, [2016] EWHC 2817 (Admin)

<sup>&</sup>lt;sup>21</sup> "Court rules restriction on second home ownership legitimate aim of neighbourhood plan," Planning [online], 25 November 2016

<sup>\*\*</sup>Legal Viewpoint: Neighbourhood plan backed on second home restrictions\*\*, Planning [online], 23
June 2017

<sup>&</sup>lt;sup>23</sup> "Five Cornish villages call for halt to second home new-builds" Planning [online], 15 November 2016

<sup>&</sup>lt;sup>24</sup> Rame Peninsula Neighbourhood Development Plan 2017 -2030 (4.6MB, PDF), page 14

<sup>&</sup>lt;sup>25</sup> SI 2012/767

housing terms will be put into an SPD.<sup>26</sup> The <u>Housing Provision SPD (1.2MB, PDF)</u> sets out how this policy will be achieved. The document sets out local connection criteria<sup>27</sup> and says for local affordable housing, occupancy restrictions will be secured through section 106 agreements and, for local need housing, the occupancy restrictions will be secured through a planning condition.<sup>28</sup>

#### 3.3 Short-term/holiday lettings

Outside London, there is no specific limit on the number of days a property can be let out on a short-term basis – it is up to the planning authority to make a judgement on the facts of the case as to whether a letting amounts to a material change of use, for which planning permission must be sought.

Different rules apply in London; homeowners who wish to use residential premises for short-term accommodation for more than 90 nights in a calendar year must seek planning permission from their local authority.

If it is determined there has been an unlawful change of use – that is, a change of use where planning permission is required but has not been granted – there are a number of planning enforcement options available to a local authority.

The Government's Tourism Recovery Plan, published on 11 June 2021, includes a commitment to consult on the possible introduction of a Tourist Accommodation Registration Scheme in England.<sup>29</sup> The Government intends to publish a call for evidence in early 2022, to assist in developing policy options for a subsequent consultation.<sup>30</sup>

The Commons Library briefing <u>The growth in short-term lettings</u> (<u>England</u>) examines the growth in short-term lettings through online peer-to-peer platforms and its positive and adverse impacts.

Section 2.2 explains planning restrictions and enforcement, including questions of change of use. The paper also outlines measures to restrict short-term lettings in Scotland and proposals for change in Wales.<sup>31</sup>

Lake District National Park, <u>Core strategy including proposals map</u>, <u>adopted October 2010 (4.2MB</u>, <u>PDF</u>), page 81

<sup>&</sup>lt;sup>27</sup> Lake District National Park, <u>Housing Provision SPD (1.2MB, PDF)</u>, May 2021, paragraph 3.5

<sup>&</sup>lt;sup>28</sup> As above, paragraph 3.8

<sup>&</sup>lt;sup>29</sup> DCMS, <u>Tourism Recovery Plan</u>, 11 June 2021, para 90

PQ88786 [on Holiday Accommodation: Licensing], 10 December 2021

<sup>&</sup>lt;sup>31</sup> Commons Library briefing CBP 8395, 26 May 2020

### 4 Non-planning measures

#### 4.1 Taxation

The Government has introduced taxation measures to help mitigate second home ownership:

- in 2013 the requirement for local authorities to offer a council tax discount on second homes was removed enabling them to charge the full rate; and
- in April 2016, a 3% higher rate of <u>Stamp Duty Land Tax (SDLT)</u> was introduced for those purchasing additional properties.<sup>32</sup>

Concerns have been expressed that some second home owners have registered for business rates relief in order to avoid paying council tax. The Government launched a consultation in November 2018 relating to England, stating:

...the Government is concerned that owners of properties that are not genuine businesses may reduce their tax liability by declaring that a property is available for let, but making little or no realistic effort to actually let it out. It has been suggested, for example, that a property-owner may restrict the periods during which bookings can be accepted, ask for unrealistic rents or fail actively to market the property at all.<sup>33</sup>

The consultation closed on 16 January 2019. The Government <u>said on 23 March 2021</u> it intends to implement proposals within the consultation to require a property to have been let for 70 days in a given financial year in order to be liable for business rates.<sup>34</sup>

#### 4.2 First Homes scheme

The Government is currently implementing a new First Homes scheme which will help first-time buyers in England onto the property ladder by offering new build homes at a discount of at least 30% compared to the market price. Local authorities will be able to prioritise these homes for local residents and key workers by using section 106 agreements.

<sup>&</sup>lt;sup>32</sup> PO24445, 9 March 2020

<sup>33</sup> MHCLG, Consultation on the Business rates treatment of self-catering accommodation, November 2018, p6

<sup>34</sup> HM Treasury and HMRC, <u>Tax policies and consultations Spring 2021</u>, CP 404, 23 March 2021 para 3.4

The Commons Library constituency casework page on <u>First Homes for first-time buyers (England)</u> provides further information.

#### 5 Around the UK

Planning is a devolved matter. The joint briefing <u>Comparison of the planning</u> <u>systems in the four UK countries: 2016 update</u> outlines how planning legislation and policy operate in England, Wales, Scotland and Northern Ireland, covering (amongst other things) local development plans, permitted development and use classes.<sup>35</sup>

#### 5.1 Scotland

#### **Planning measures**

The Scottish Government's <u>Short term lets: planning guidance for hosts and operators</u>, published on 25 June 2021, explains local authorities can designate 'control areas' where change of use of a residential dwelling to a short-term letting will always require planning permission.

The full guidance is in the Local Government and Communities Directorate's <u>Planning circular 01/2021: short-term let control areas</u>, published on 25 June 2021.

#### Licensing scheme for short-term lettings

The Scottish Government has committed to introduce a licensing scheme for short-term lets. The scheme will incorporate a compulsory element, underpinning safety standards for short-term lets, and additional, optional, powers for local authorities to impose further conditions or requirements where appropriate for their areas.

A <u>Licensing Order</u> was laid in the Scottish Parliament on 22 November 2021.<sup>36</sup> The Order includes a definition of a short-term let, sets out the activity to be licensed and the mandatory conditions which licensing authorities must apply across Scotland. Subject to approval by the Scottish Parliament, local authorities will have until 1 October 2022 to establish a licensing scheme and existing hosts will have until 1 April 2023 to apply for a licence.

A review of the tax treatment of short-term lets is being taken forward separately.

<sup>35</sup> CBP 7459

The Civic Government (Scotland) Act 1982 (Licensing of Short-term Lets) Order 2022. Nb Control Area Amendment Regulations were laid at the same time to amend the Town and Country Planning (Short-term Let Control Areas) (Scotland) Regulations 2021 (SSI 2021/154) to update the definition of short-term let and excluded accommodation so that they are consistent with the definition in the Licensing Order.

Further information is available on the Scottish Government website: <u>Shortterm lets: regulation information</u>.

#### **Council tax**

In Scotland, for council tax purposes, a second home is a property which is no-one's main residence, but which is furnished and occupied for at least 25 days in any twelve-month period. Local authorities have discretion to apply a council tax discount of between 10% and 50% on second homes. Since April 2017, local authorities have also been able to choose to apply no discount. Job-related dwellings and purpose-built holiday homes must have a 50% discount applied.<sup>37</sup>

More information on local authorities' discretionary powers to vary the council tax on these properties can be found in the <u>Council Tax on second and long-term unoccupied homes: guidance.</u>

The Scottish Parliament Information Centre publishes answers to <u>Frequently Asked Questions</u> on this policy.

#### **Additional Dwelling Supplement**

The <u>Land and Buildings Transactions Tax</u> replaced Stamp Duty Land Tax (SDLT) in Scotland from April 2015. A higher rate of tax (the <u>Additional Dwelling Supplement</u>) is charged on the purchase of additional dwellings in Scotland, such as buy-to-let properties and second homes.

The Scottish Parliament Information Centre published a <u>briefing on the Bill</u> introducing the measure.

#### 5.2 Wales

In January 2021, a written statement on <u>second homes in Wales</u> set out the 2016-2021 Welsh Government's policies on second homes and mentioned research commissioned from Dr Simon Brooks (now published) on <u>Second homes: Developing new policies in Wales (1KB, PDF)</u>.<sup>38</sup>

The Local Government and Housing Committee has launched <u>an inquiry into</u> <u>second homes</u>, to examine the recommendations made by Dr Brooks and the Welsh Government's response.

<sup>37</sup> Scottish Government, Local government – council tax [Accessed on 04 January 2022]

Dr Simon Brooks, <u>Second homes: Developing new policies in Wales (1KB, PDF)</u>, Welsh Government, 2021

#### **Planning measures**

In November 2021, the Welsh Government launched a <u>consultation on</u> planning <u>legislation</u> and <u>policy for second homes and short-term holiday lets</u>. The consultation closes on 22 February 2022.<sup>39</sup>

The consultation document outlines some of the concerns around second homes in Wales and notes the issues are "complex" and have "no single solution".<sup>40</sup> It proposes three areas for change – the use class order, permitted development for change of use and Planning Policy Wales:

Firstly, we propose to amend the Town and Country Planning (Use Classes) Order 1987 to create new use classes for Primary Homes, Secondary Homes and Short-term Holiday Lets.

Secondly, we propose to make related amendments to the Town and Country Planning (General Permitted Development) Order 1995 to allow permitted changes between the new use classes for Primary Homes, Secondary Homes and Short-term Holiday Lets.

Thirdly, we propose amendments to Planning Policy Wales (PPW) to make it explicit that, where relevant, the prevalence of second homes and short-term holiday lets in a local area must be taken into account when considering the housing requirements and policy approaches in Local Development Plans (LDPs).<sup>41</sup>

Local planning authorities would be able to "disapply" permitted development rights for change of use within a specific area by making an Article 4 Direction.<sup>42</sup>

#### Registration scheme for holiday accommodation

The Welsh Government's January 2021 statement confirmed it was exploring the potential for a statutory registration scheme for holiday accommodation:

We are exploring the potential for a statutory registration scheme for all holiday accommodation, including short-term lets. We are working with stakeholders to identify the costs and benefits of such a scheme in Wales, not just in the context of better monitoring and control of self-catering, but to ensure a level playing field for all accommodation providers. As part of that, we are monitoring the Scottish system now being rolled out. The Ministerial Tourism Taskforce reviewed an initial paper earlier this month ahead of considering the commission of further work and consultation with industry, local authority and other stakeholders. 43

<sup>&</sup>lt;sup>39</sup> Welsh Government, <u>Open consultation: Planning legislation and policy for second homes and short-term holiday lets</u> (undated, accessed 23 December 2021)

Welsh Government, <u>Consultation on planning legislation and policy for second homes and short-term holiday lets (Number: WG43779) (1KB, PDF)</u>, November 2021, paragraph 1.2-3

<sup>&</sup>lt;sup>41</sup> As above, Overview

<sup>&</sup>lt;sup>42</sup> As above, paragraph 4.1

Welsh Government, Written Statement: Second Homes in Wales, 29 January 2021

The Welsh Government subsequently appointed a contractor to engage with stakeholders in consideration of a potential statutory registration or licensing scheme for all holiday accommodation businesses, including short-term lets. 44

#### **Taxation**

Local authorities in Wales have the discretion to charge a local council tax premium of up to 100% on second homes.

Tighter criteria for applying business rates to self-catering accommodation have applied in Wales since 2016. A property will be rated as a self-catering property and valued for business rates if it is both:

- available to let for short periods that total 140 days or more per year;
   and
- actually let for 70 days. 45

<u>Land Transaction Tax</u> replaced Stamp Duty Land Tax (SDLT) in Wales from 1 April 2018. A higher rate of tax applies where the purchaser already owns a residential property.

In August 2021 the Welsh Government published a <u>consultation on local taxes</u> for second homes and <u>self-catering accommodation</u> seeking views on possible changes to local taxes to mitigate the impacts of second homes. <sup>46</sup> The consultation closed on 17 November 2021 and the Government is currently reviewing responses. <sup>47</sup>

<sup>44</sup> WQ83701, 1 November 2021

<sup>&</sup>lt;sup>45</sup> Gov.uk, <u>Business rates: Self-catering and holiday let accommodation</u> (Accessed 1 September 2021)

Welsh Government, <u>Consultation on local taxes for second homes and self-catering accommodation</u>, 25 August 2021

Welsh Government, <u>Consultation on local taxes for second homes and self-catering accommodation</u>, 17 November 2021

## 6 Parliamentary material

#### 6.1 Debates

**Council Tax: Second Homes** 

4 Nov 2021 | House of Lords | 815 cc1343-6

#### 6.2 Parliamentary Questions

#### **Holiday Accommodation: Licensing**

10 Dec 2021 | 88786

Asked by: Rachael Maskell

To ask the Secretary of State for Digital, Culture, Media and Sport, what plans he has to bring forward proposals for the licensing of Airbnb and other short term holiday let providers.

Answering member: Nigel Huddleston | Department: Department for Digital, Culture, Media and Sport

The Government's Tourism Recovery Plan sets out our intention to consult on the introduction of a statutory registration scheme for tourism accommodation providers.

We intend to begin this process with a call for evidence in the new year. This will assist in developing proportionate, evidence-based policy options for a subsequent consultation.

#### **Holiday Accommodation**

08 Jul 2021 | 27315

Asked by: Mary Kelly Foy

To ask the Secretary of State for Housing, Communities and Local Government, what plans the Government has to allow local authorities to manage the level of short-term (a) Airbnb and (b) other rental lets.

Answering member: Eddie Hughes | Department: Ministry of Housing, Communities and Local Government (MHCLG)

We encourage industry to continue to explore voluntary measures which would support local authorities to use their powers to stamp out bad practice.

We want to encourage responsible short-term letting, where hosts behave in accordance with the law and with respect for both their guests' safety and their neighbours' peace. The Considerate Short-Term Lets Charter currently helps hosts to do so. Furthermore, through Tourism Recovery Plan, published on 11 June 2021, we are looking to consult on the possible introduction of a Tourist Accommodation Registration Scheme in England.

#### **Housing: Construction**

01 Jul 2021 | 21288

#### Asked by: Rachael Maskell

To ask the Secretary of State for Housing, Communities and Local Government, how his Department measures whether new build developments are used as a primary or second home; and how his Department assesses the number of homes used mainly for (a) holiday and (b) airbnbs lets.

#### Answering member: Christopher Pincher | Department: MHCLG

Data on whether new build developments are used as a primary or second home are not centrally collected

The English Housing Survey (EHS) gathers data on the number and proportion of households who have a second home. However, we do not collect data on whether the second home was a new-build or otherwise. We have recently published 2018-19 data in our second homes fact sheet, accessible here: <a href="https://www.gov.uk/government/statistics/english-housing-survey-2018-to-2019-second-homes-fact-sheet">https://www.gov.uk/government/statistics/english-housing-survey-2018-to-2019-second-homes-fact-sheet</a>. It shows that in 2018-19, 772,000 households in England reported having a second home. 39% of these said they used their second home as a holiday home or weekend cottage.

#### **Empty Property and Second Homes: Council Tax**

11 Nov 2020 | 91891

#### Asked by: Colleen Fletcher

To ask the Secretary of State for Housing, Communities and Local Government, what estimate he has made of the (a) number and (b) proportion of houses in (i) Coventry, (ii) the West Midlands and (iii) England that are marked as (A) empty and (B) a second home for Council Tax purposes.

Answering member: Christopher Pincher | Department: MHCLG

Council tax data on the number of empty properties and second homes for council tax purposes as at October 2020 have been published today (Wednesday 11 November). Figures for England can be found in the statistical release and for Coventry within the local authority level tables. The release and tables can be found at the following link https://www.gov.uk/government/collections/council-taxbase-statistics.

Regional data are not published but can be aggregated from the local authority level table published.

#### 7 Media articles

The following is a selection of news and media articles relevant to this debate.

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Home-seekers despair as affordable property vanishes from UK hotspots?

The Guardian

26 December 2021

## Welsh Government proposes new planning use class to clamp down on second homes

Planning [Subscription required]

25 November 2021

#### Short-term licences to combat rise in Airbnb-style lets

The Times [Subscription Required]

24 November 2021

## Council asks Whitehall for 'planning control' over creation of second homes and holiday lets

Planning [Subscription required]

22 November 2021

#### Do Barcelona and Amsterdam have the answer to Airbnbification??

**Action on Empty Homes** 

22 October 2021

## Tax crackdown on second homes could be coming, as Gove ally backs 'owning over renting'

The Telegraph [available via Nexis News]

17 September 2021

#### We need to address the problem of second homes

Inside Housing [Subscription required]

2 September 2021

#### The holiday let boom is causing a crisis for local renters

**Generation Rent** 

23 August 2021

#### Second thoughts on the second-home sales boom

The Financial Times [available via Nexis News]

13 August 2021

## The pandemic property boom is pricing locals out of the British countryside The Guardian

1 August 2021

## Can stricter rules and higher taxes on second home-owners finally ease the UK's housing crisis?

Inews 31 July 2021

#### Second home owners increase by a third in a decade

The Sunday Times [Subscription required] 11 July 2021

#### Second homes are a gross injustice, yet the UK government encourages them

The Guardian 23 June 2021

#### Staycation boom forces tenants out of seaside resort homes

The Guardian 30 May 2021

#### Revealed: the areas in the UK with one Airbnb for every four homes

The Guardian 20 February 2021

## Plans to provide 'a secure home for all' move forward as councillors debate response to housing crisis

Cornwall Council 18 November 2021

#### Cornish town becomes latest to ban second homes via neighbourhood plan

Planning [Subscription required]

3 March 2020

#### How communities are using neighbourhood plans to block second homes

Planning [Subscription required]

2 August 2018

#### Why moves to curb the spread of second homes are gathering pace

Planning [Subscription required] 19 May 2017

Defined local area occupancy condition held too onerous in national park Planning

16 May 2017

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