

Ymgynghoriad ar adolygu Cynllun y Premiwm Treth Gyngor ar gyfer eiddo gwag hirdymor ac ail gartrefi

Council Tax Premium on Second Homes and Empty Properties



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Introduction

Carmarthenshire County Council consulted with its residents on the review of the Council Tax Premium Scheme for long-term empty properties and second homes.

Concerns have been raised at both a local and National level about the perceived impact of growing numbers of second homes and empty properties on our communities.

The Council is working to increase the provision of affordable housing in Carmarthenshire and is proposing a Council Tax Provision on properties that are largely empty, to bring long-term empty homes back into use and provide safe, secure and affordable homes that will enhance the sustainability of local communities.

Approximately 1,060 or 4% of Carmarthenshire's dwellings fall into the category of Second Homes, which are defined as dwellings that are occupied periodically, whilst there are around 2,300 empty properties across the county.

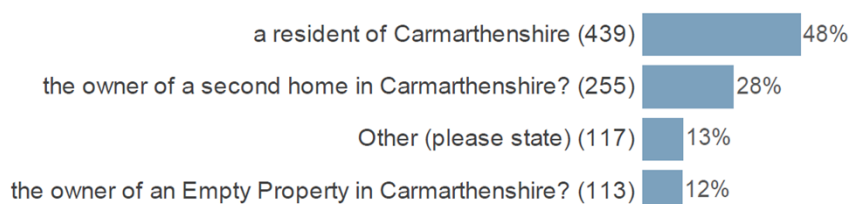
The Welsh Government has devolved discretionary powers to local authorities to charge, or vary, a council tax premium of up to 300% above the standard rate of council tax on certain classes of second homes and long-term empty properties.

At present, the Council do not apply a council tax premium scheme; second homes and long-term empty properties are currently charged at the standard council tax rate. Currently, 11 local authorities in Wales, apply a premium scheme with the level of the premium set by each authority varying from 25% to 100%.

A total of **941** responded to the online consultation and a further **104** letters and emails were received which have been taken into consideration when creating this report.

Results of consultation

Are you replying to the questionnaire as:

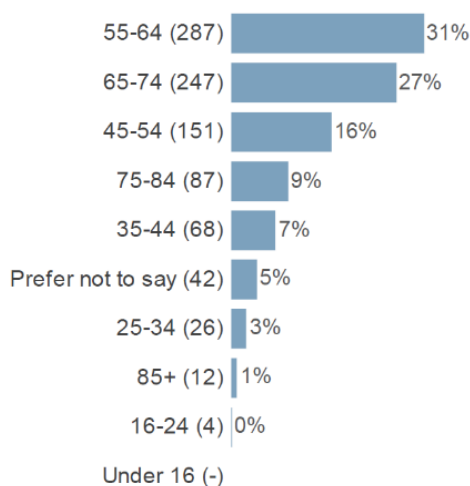


Nearly half of the respondents a resident of Carmarthenshire (48%) whilst 28% own a second home in Carmarthenshire. Only 12% of respondents own an empty property in Carmarthenshire. A demographic profile is presented below of the respondents to the consultation.

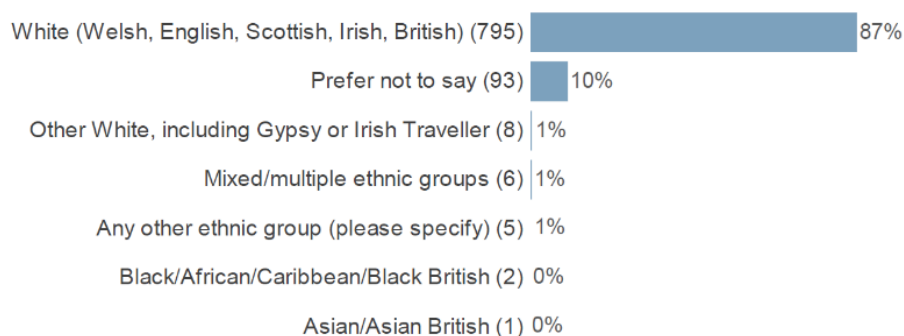
Demographic profile

Presented below is the demographic profile of respondents who participated in the consultation.

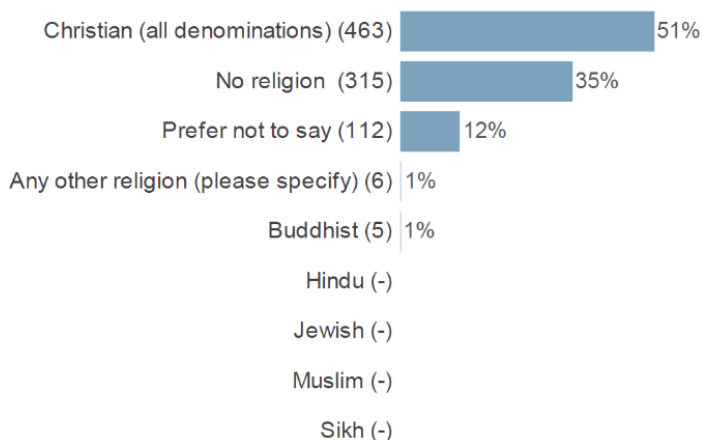
Age: What is your age group?



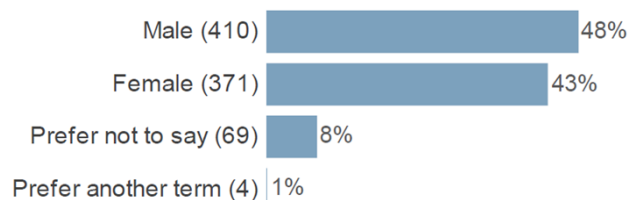
Ethnic Group: What is your ethnic group? (Please tick only one)



Religion: What is your religion? (please tick only one)

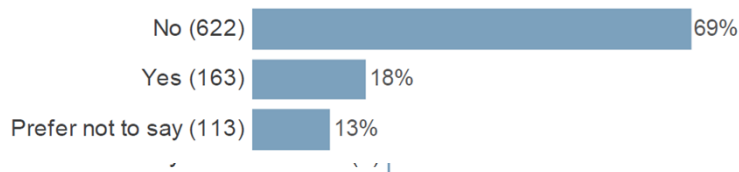


Sex: How would you describe yourself?

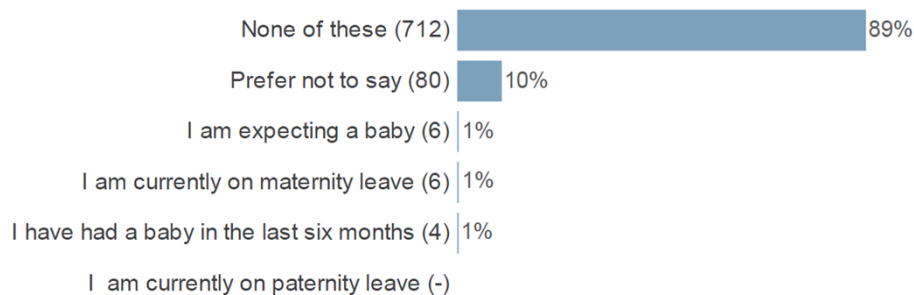


Sexual Orientation: What is your sexual orientation (please tick only one)

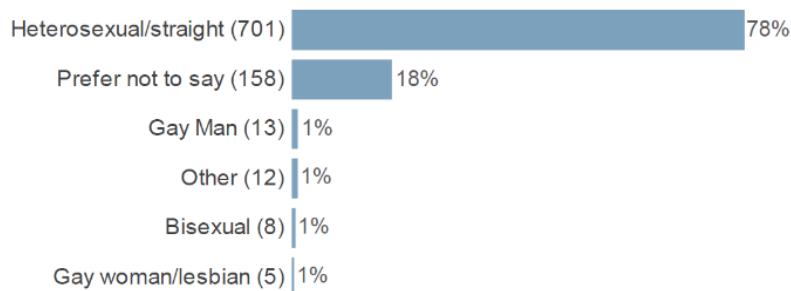
Caring Responsibilities: Do you provide regular, unpaid, substantial care for a relative, friend or neighbour who is unable to manage at home without help because of sickness, age or disability? (please tick only one)



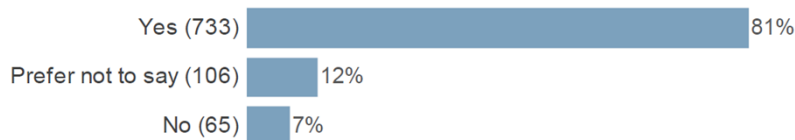
Pregnancy and maternity/paternity: Please indicate if any of the following apply to you (please tick all that apply).



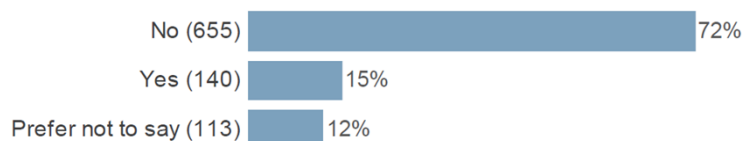
Sexual Orientation: What is your sexual orientation (please tick only one)



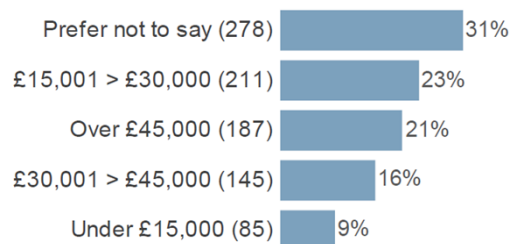
Gender reassignment: Is your present gender the same as the one assigned to you at birth? (please tick only one)



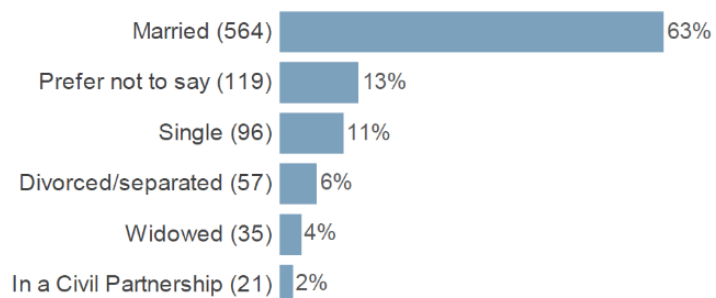
Disability: Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least another 12 months? (Please tick only one)



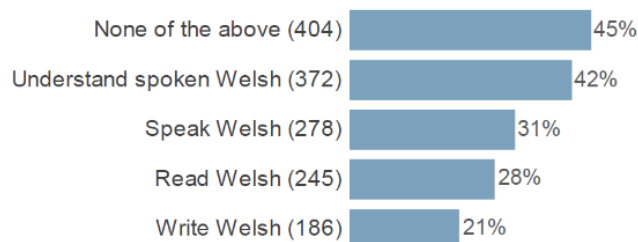
Household Income: Approximately how much income comes into your household each year? (please tick only one)



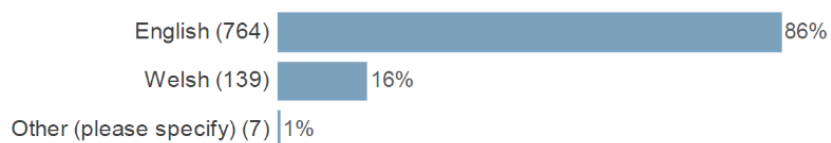
Marriage and civil partnership: Are you? (please tick only one)



Welsh Language: Can you understand, speak or write Welsh? (Tick all that apply)



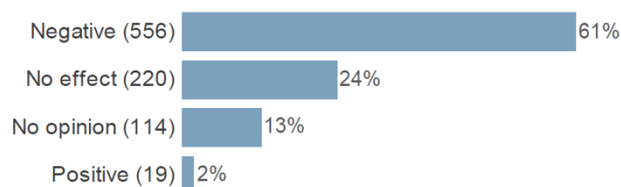
What is your main language?



Council Tax Premiums on Empty Properties

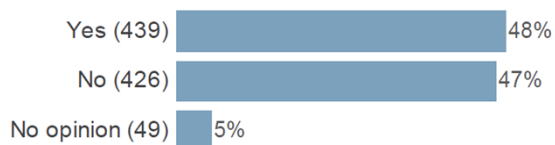
This section of the report outlines the results of the impact of Empty properties on local communities. Additionally, this section highlights the potential positive and negative implications of introducing a premium for empty properties.

What effect does long-term empty property have on local communities in Carmarthenshire at the moment?



The majority of respondents indicated that long-term empty properties have a negative effect on local communities in Carmarthenshire (61%). Only 2% noted that empty properties have a positive effect whilst a quarter of respondents (24%) indicated that empty properties has no effect.

Currently the Council Tax Premium on long-term empty properties is 0% (meaning there is no additional premium in addition to the current Council tax). The Council is considering whether to introduce a Council Tax Premium. Do you think this is appropriate?

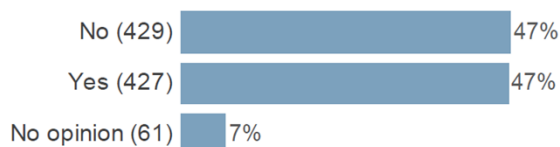


Respondents were relatively equal when asked if they agree whether introducing a premium on empty properties should be introduced. 48% noted that there should be a Council Tax Premium should be introduced whilst 47% disagreed.

It is proposed that, a Council Tax Premium is introduced on long-term empty properties at:

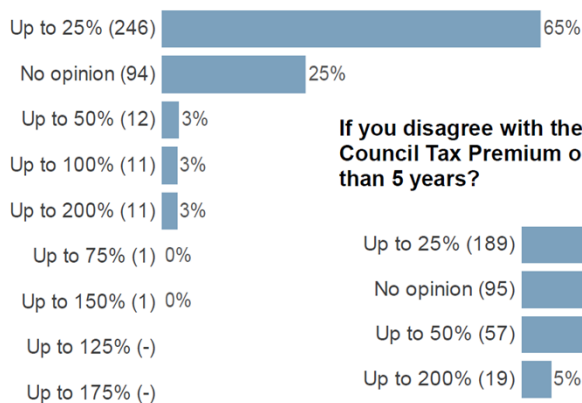
- o Empty property Greater than 1 year and less than 2 years = 50% premium
- o Empty property Greater than 2 years less than 5 years = 100% premium
- o Empty property Greater than 5 years = 200% premium

Do you agree with the above proposal?

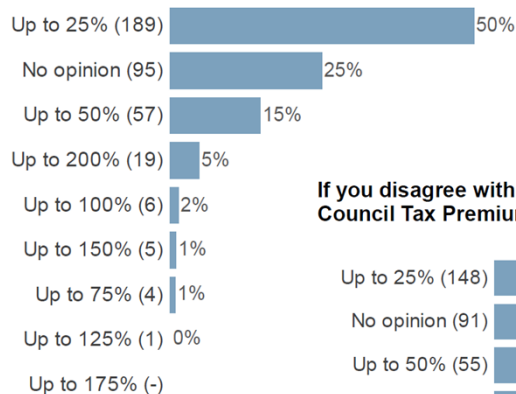


When asked to comment on the above proposal of introducing and increasing a premium from 50% under two years and 200% for owning an empty property for more than 5 years, respondents were equally separated. 47% agree with the outlined proposal whilst 47% disagreed with the proposal. The results below correspond to respondents disagreeing with the proposal and highlights that a minimal charge of 25% should be considered across all three time periods.

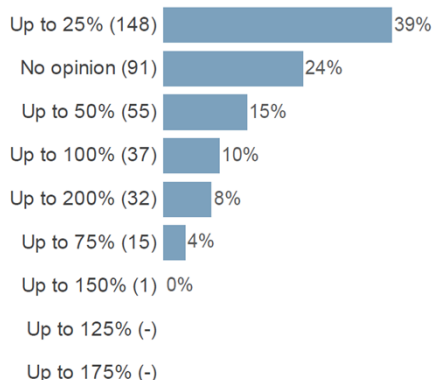
If you disagree with the level of premium proposed above, at what level do you think the Council Tax Premium on long-term empty properties should be set after 1 year?



If you disagree with the level of premium proposed, at what level do you think the Council Tax Premium on long-term empty properties should be set after 2 years to less than 5 years?



If you disagree with the level of premium proposed, at what level do you think the Council Tax Premium on long-term empty properties should be set after 5 years?



Respondents were asked what impact will the proposal of introducing a premium for long-term empty properties have. The results highlight both positive and negative impacts of

introducing the proposal will have on the community. 729 respondents left a comment on the impact this proposal may have.

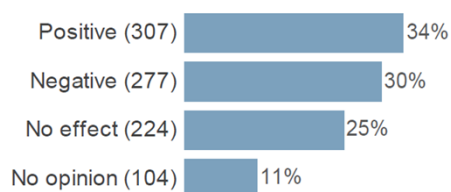
Positive

- The majority of respondents who responded indicated that introducing the Council Tax premium on long-term empty properties would encourage people to renovate the property and either increase housing stock or homes to rent.
- Subsequently, many respondents noted that by increasing housing stock, this may potentially reduce the cost of housing in the area, making it easier for local people to buy houses in their locality.
- Many respondents noted that by introducing a premium, this can improve the 'community feel' and increase the desirability to live in these areas.
- Some suggested that it may benefit rural communities as areas are developed and lived in all year round.
- Some suggested that the premium may help local people live in their own communities and help develop the Welsh language.
- Several respondents indicated that by introducing the premium, owners are more likely to either sell the property or renovate themselves which will improve the aesthetics of communities as long-term empty properties may be an 'eye-sore'.

Negative

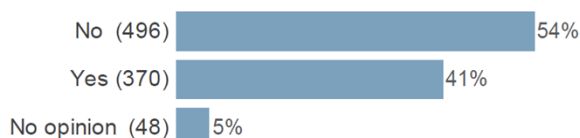
- Many suggested that the time frame is not long enough to be able to sell a property. Many noted that empty properties are often inherited due to bereavement and therefore owners may be suffering from a loss of a relative.
- Some noted that whilst the premium could be beneficial, they indicated that those who own empty properties are likely to be able to afford the Council Tax premium and does not help housing stock.
- A number of respondents suggested that a 'blanket approach' should not be adopted and each individual case should be analysed to determine whether a premium should be introduced. A number of different examples were provided ranging from mental health due to bereavement, having to own the second property due to caring responsibilities to trying to renovate the property to sell on.
- Several respondents noted that a premium should not be introduced for those trying to sell a property and can demonstrate that.
- Some suggested that the money should be ring fenced to help communities.

What effect do second homes have on local communities in Carmarthenshire at the moment?



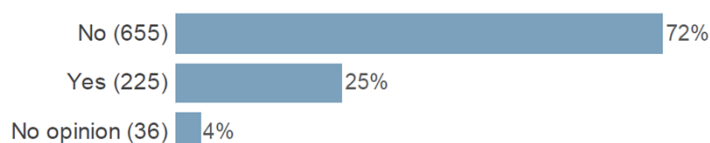
A slight majority indicated that that second homes has a positive impact on local communities in Carmarthenshire (34%). However 30% of respondents noted that second homes has a negative influence on communities in Carmarthenshire. 25% of respondents indicated that second homes has no effect.

Currently the Council Tax Premium on second homes is 0% (meaning there is no additional premium in addition to the current Council tax). The Council is considering whether to introduce a Council Tax Premium. Do you think this is appropriate?



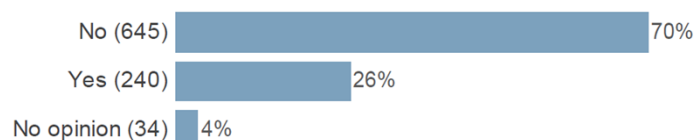
Over half (54%) of respondents noted that that introducing a Council Tax premium is not appropriate for second homes whilst 41% agreed that it is appropriate.

Its proposed to charge a premium in respect of second homes and that this should be either 50% or 100% for all properties classified as a second home under Class B of the Council Tax (Prescribed Class of Dwelling) (Wales) Regulations 1998. Do you agree with a 50% premium charge for second homes?



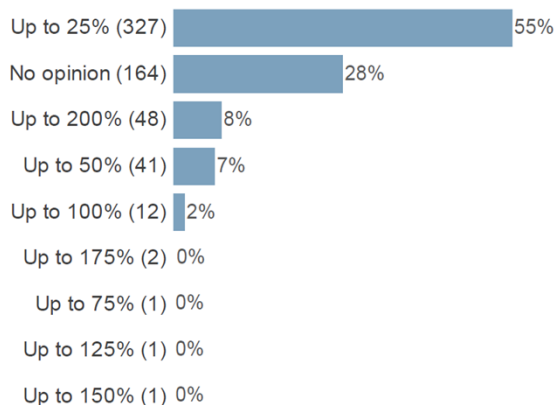
72% of respondents disagreed that there should be a 50% Council Tax Premium should be introduced on second homes. In contrast, a quarter of respondents agreed that the premium should be set at 50%.

Its proposed to charge a premium in respect of second homes and that this should be either 50% or 100% for all properties classified as a second home under Class B of the Council Tax (Prescribed Class of Dwelling) (Wales) Regulations 1998. Do you agree with a 100% premium charge for second homes?



More respondents agreed that there should be a 100% premium charge for second homes (26%). 70% of respondents indicated that there shouldn't be a 100% premium charge on second homes.

If you disagree with the level of premium proposed above, at what level do you think the Council Tax Premium on second homes should be set?



Over half of respondents noted that the Council Tax premium for second homes should be set at 25%. However 28% of respondents had no opinion on the matter.

When asked what impact the proposal to introduce a premium on second homes the results indicate a divide between those who view it as beneficial and those who see the introduction of a premium as detrimental. A summary of the findings are presented below highlighting the key positive and negative impacts.

Positive

- Majority of those respondents who agreed suggested that individuals with second properties are likely to sell due to the Council Tax premium which will increase housing stock for purchase and rental.
- Many noted that the premium would help communities as it will help local people to live locally throughout the year rather than during holiday months.

Negative

- The majority of respondents who disagreed with the proposal noted that tourism in Carmarthenshire would be damaged as many second homes are used as holiday lets.
- Several respondents noted that Carmarthenshire would be a 'less attractive' option to visit as there will not be enough accommodation to stay and visit.
- Many suggested that this proposal will have a detrimental impact on smaller businesses as they will not be able to afford the premium however those who have sufficient funds will be able to continue to pay the premium thus, not releasing houses to the rental or buyers' market.
- Many suggested that second homes which are used as holiday lets should not be included as they contribute to the local economy. Those who own second properties for private use should incur the premium.
- Many suggested that a 'blanket approach' is 'lazy' and should examine each case based on second home usage.

- A number of respondents noted that second homes which do not fall under exemptions and cannot be made into dwellings due to planning constraints should not be penalised with a premium.