

# Second home and holiday let rules are changing in Wales

The Welsh Government has announced an increase to the maximum level of council tax premiums for second homes and new local tax rules for holiday lets.

These changes are designed to help local people buy in their own communities as house prices spiral – partly driven in many rural and coastal areas by the pressure from second home and holiday let buyers.

The measures are part of the Co-operation Agreement between the Welsh Government and Plaid Cymru.

Welsh Conservatives said the Government was “pandering to their nationalist coalition partners”.

The maximum level at which local authorities can set council tax premiums on second homes and long-term empty properties will be increased to 300%, which will be effective from April 2023.

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This will enable councils to decide the level which is appropriate for their individual local circumstances.

Councils will be able to set the premium at any level up to the maximum, and they will be able to apply different premiums to second homes and long-term empty dwellings.

Premiums are currently set at a maximum level of 100% and were paid on more than 23,000 properties in Wales this year. Local authorities opting to apply premiums have access to additional funding, and the Welsh Government has encouraged councils to use these resources to improve the supply of affordable housing.

The criteria for self-catering accommodation being liable for business rates instead of council tax will also change from next April.

Currently, properties that are available to let for at least 140 days, and that are actually let for at least 70 days, will pay rates rather than council tax. The change will increase these thresholds to being available to let for at least 252 days and actually let for at least 182 days in any 12-month period.

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The change is intended to provide a clearer demonstration that the properties concerned are being let regularly as part of genuine holiday accommodation businesses making a substantial contribution to the local economy.

Rebecca Evans, Minister for Finance and Local Government, said: “These changes will give more flexibility to local authorities and provide more support to local communities in addressing the negative impacts that second homes and long-term empty properties can have. They are some of the levers we have available to us as we seek to create a fairer system.

“We will continue to make every effort to increase the supply and availability of houses, as shown by the £1bn of funding to build 20,000 low carbon social homes, contained in the budget I published at the end of last year.”

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Welsh Conservative and Shadow Minister for Housing, Janet Finch-Saunders MS said: “It is deeply concerning that Labour ministers are pandering to their nationalist coalition partners and punishing aspiration and investment in Wales.

“The housing crisis is a direct result of years successive Labour-led governments failing to provide opportunities and build enough houses with housebuilding falling below levels before devolution. What we see is a Labour Government desperately trying to act long after the horse has bolted.

“This Labour Government is failing to tackle the root issues

of the housing crisis failing to address the fact that, until recently there have been more empty homes in Wales than there are second homes.

“Labour ministers in Cardiff Bay need to get a grip, address the housing shortage in Wales and provide an environment where hard work can be rewarded.”