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Minister for Housing and Local Government



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref JJ/02747/20

Janet Finch-Saunders MS
Chair – Petitions Committee

27 November 2020

Dear Janet,

Thank you for your letter of 20 October regarding Petition P-05-1056 – “Give Local Authorities powers to control the housing market in rural and tourist areas of Wales.”

The Welsh Government is very much aware of the challenges second homes can present to the supply of affordable housing in some communities in Wales, and we understand the need to have the right balance between the economic and social needs of our communities, including creating the right conditions for the Welsh language to thrive.

As I said on 23 September in an Opposition Motion Debate in the Senedd, and subsequently, there are a number of complex and multi-dimensional issues related to second homes. We recognise fully the various issues at play and do not intend to tackle them in a piecemeal fashion. In balancing the various interests, we will take an approach that draws on the evidence, and assesses the impacts (and avoids unintended consequences) of any whole-system changes we propose.

In terms of the planning regime, as the petition references that, we will actively consider any necessary changes that support the whole system approach. In any event, changes to the planning system would require primary legislation and are not something that could or should be considered as a ‘quick fix’.

In that vein, I have been clear that we do not have all the answers. Along with ministerial colleagues, I am working across the Welsh Government and with Members of the Senedd to develop and refine our thinking about the issues at hand and to shape the systemic actions we will take.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

We have had constructive discussions with oppositions Members of the Senedd and have invited further thought and submissions on the specific issues.

There are, though, a number of narratives and we are anticipating the release of research undertaken on second homes in Wales by Seimon Brooks (on behalf of the Hywel Teifi Academy). This will be helpful in understanding the scope and scale of the issues and the effectiveness of interventions that have been taken forward in other countries.

From a Welsh perspective, the Welsh Government is already making significant progress in helping to help ensure homes are affordable and available. The Welsh Government has a long-standing commitment to providing affordable housing solutions across Wales, and across all tenures. Despite the impact of the pandemic, we will meet our 20,000 affordable homes target by the end of this Senedd term.

The Welsh Government is committed to ensuring second home owners and visitors make a fair contribution to communities and we have already taken practical steps to make that happen.

Unique amongst UK administrations, the Welsh Government did not provide a temporary tax reduction for buy-to-let investors, investors in furnished holiday lets or buyers of second homes. Our temporary Land Transaction Tax reduction for transactions below £250,000 excludes second home and buy-to-let purchases and results, in some cases, in the additional charge being greater than 3%. All rates are kept under review.

Wales is, also, the only UK nation where local authorities are able to charge a premium of up to 100% of the standard rate of council tax, both on second homes and long-term empty properties. At present, no local authority is charging a premium of more than 50%. Our officials have had constructive dialogue with local authorities with large numbers of second homes and will continue to do so.

The issues related to second homes are important to the Welsh Government, as they are for our communities. I will continue to liaise with Ministerial colleagues and with Members of the Senedd on a cross-party basis, and intend to make a statement in January.

Yours sincerely,



Julie James AS/MS

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