



PRESS RELEASE

Welsh Government announces three-pronged approach to address “second homes crisis”

In the Senedd later today, Minister for Climate Change Julie James will set out an “ambitious three-pronged approach” to address the impact of second home ownership on Wales’ communities.

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The new plan has fairness at its heart, ensuring that everyone in Wales can have access to good quality, affordable housing.

The three-pronged approach will focus on:

- support - addressing affordability and availability of housing,
- regulatory framework and system - covering planning law and the introduction of a statutory registration scheme for holiday accommodation; and
- a fairer contribution - using national and local taxation systems to ensure second home owners make a fair and effective contribution to the communities in which they buy.

There will also be a pilot area in Wales, to be decided over the summer, where these new measures will be trialled and evaluated before being considered for

wider rollout.

Other supporting actions, including the work on a registration scheme for all holiday accommodation and a consultation on changes to local taxes to manage the impact of second homes and self-catered accommodation, will also begin over the summer.

A Welsh Language Community Housing Plan, to protect the particular interests of Welsh language communities, will be published for consultation in the autumn.

Last year, Wales became the only country in the UK to give local authorities the power to charge 100% council tax increase on second homes.

Visiting a housing development in picture-postcard St Davids, West Wales, the Minister met with members of the local community, Pembrokeshire Council and the Community Land Trust to hear how they have been working together to use money raised from the council tax levy to build 18 new affordable homes for local people.

Speaking from St David's, Minister for Climate Change, who is responsible for housing, Julie James said:

“ Meeting with Rachel, Josh from the Community Land Trust, Pembrokeshire Council, and the developers ateb today, has demonstrated how community action and good government policy can work together to bring fairness back into our housing market.

“ The continuing rise of house prices mean people, especially younger generations, can no longer afford to live in the communities they have grown up in. A high concentration of second homes or holiday lets can have a very detrimental impact on small communities, and in some areas could compromise the Welsh language being spoken at a community level.

“ We have already taken strides on some of these issues - last year we became the only nation in the UK to give local authorities the power to introduce a 100% council tax levy on second homes. But the urgency and gravity of this situation calls for further intervention, which means real and ambitious actions are delivered at pace, to inject fairness back into the housing system.

“ Taking recommendations from Dr Brooks' report, our new three-pronged approach will kick-start a summer of action which will determine how we tackle this issue now and into the future. I am calling on all political parties across the Senedd to get involved in this, as we look to empower our

communities to exercise their right to live in good quality homes, wherever they are in Wales. ”

Josh Phillips, 33, pub landlord at Harbourside Inn in Solva and chair of the Community Land Trust said:

“ The current housing market in Pembrokeshire is at an all-time high with properties locally being snapped up for well above asking prices. The Solva community Land Trust is a pioneer development for community led housing in Wales and hopes to deliver 18 properties locally within the next 3 years. Our vision is to create housing that is affordable and environmentally low impact, helping to stem the tide of young people having to relocate and draining our community of their energy and talents.

“ It is a privilege to be able to meet Minister Julie James to show her our project and have her support. Although Solva CLT is a fledgling project, significant work has been undertaken and we are well on our way to beginning the development in the coming months through our partnership with ateb and Pembrokeshire county council. Our utilization of second homes taxations means the project is the first step in delivering community led housing in the county ”

Rachel Kelway-Lewis, 25, from Solva, Pembrokeshire said:

“ Since the pandemic and the increase in home working, more people are looking for property here, with some houses going for over £500,000 and selling extremely quickly. Some of these houses will be vacant for much of the year, or are used as air bnbs rather than renting to locals, increasing rent prices for us, too.

“ All of my friends are experiencing the same issues. We're working full time but we can't buy or even rent in the local area, unless we're lucky enough to have financial help from our parents. Lots of my friends have had to move away to get on the housing ladder.

“ We need opportunities for young people like me to remain within our community and contribute to our local economy – so it's great to be heard by the Minister and know she is doing something to help us out and tackle the issue of second homes, which is creating a demand us locals simply cannot currently compete with. ”

Over the summer Welsh Government will work to:

- Work with stakeholders to agree the basis and location or locations for an evaluated pilot;
- Develop a coherent and effective support package to trial within the pilot;
- Frame a statutory registration scheme for all tourist accommodation and continue to engage with stakeholders on the shape of the model we will implement, including both the registration and inspection arrangements;
- Consult on possible changes to local taxes to support local authorities manage the impact of second homes and self-catered accommodation; and
- Establish a draft Welsh Language Communities Housing Plan for consultation in the autumn.