

## APPENDIX 1

### Proposal to Introduce a Council Tax Premium for Second Homes in Swansea.

#### Summary of Consultation Responses Received.

##### Question 1.

**Overall, to what extent do you agree or disagree with the introduction of a Council Tax premium for second homes in Swansea?**

Total Responses Received	414
Strongly Agree	45 (10.9%)
Agree	17 (4.1%)
Neither	17 (4.1%)
Disagree	41 (9.9%)
Strongly disagree	294 (71.0%)

##### Question 2.

**Please indicate at what level you think it would be most appropriate to set a Council Tax premium for second homes in Swansea.**

Total Responses Received	412
Nil	341 (82.8%)
25%	24 (5.8%)
50%	12 (2.9%)
75%	2 (0.5%)
100%	16 (3.9%)
Other	17 (4.1%)

42 comments received in respect of this question reflect the following sentiments:

- Most comments said it should be nil.
- Second home owners should receive a discount not be charged a premium because they make use of less services.
- It should be based on individual circumstances.
- It should be 10% to 15% initially to monitor the effect.
- Keep premium to a minimum/ have a small premium
- 25% premium will have a smaller effect
- Apply in stages over a number of years to gauge effect

### Question 3.

**What, if any, impact do you think that the introduction of a Council tax premium for second homes in Swansea will have for tourism in Swansea?**

Total Responses Received	407
Positive	14 (3.4%)
Neutral	78 (19.2%)
Negative	315 (77.4%)

275 comments were received in relation to the negative impact on tourism. The following types of comments on how the impact could be lessened were received which typically reflect the general sentiments.

- Do not introduce a premium/ don't increase the Council Tax
- There should be no additional charge to encourage people to own or let.
- Drop the scheme to avoid damage.
- People with second homes should be given a discount on existing Council Tax charge.
- Reduce the size of the premium or not impose at all.
- Set low premium if applied/keep premium as low as possible/minimise premium.
- Not much could be done to lower the impact.

### Question 4.

**What, if any, impact do you think that the introduction of a Council tax premium for second homes in Swansea will have on the supply of private rented accommodation?**

Total Responses Received	396
Increase overall	49 (12.4%)
No impact	219 (55.3%)
Reduce overall	128 (32.3%)

207 comments were received in relation to possible impacts on the supply of private rented accommodation. The following types of comments were received which typically reflect the general sentiments:-

- We'd just sell up and move from Swansea.
- We wouldn't rent out, we would just sell.
- Second home owners will either pay up or sell.

- People who love the Gower won't sell so there will be no increase in the supply of private rented accommodation.
- On these types of properties the rent would be high and not affordable for private renting.
- Our property would be in the unaffordable bracket for most people. Most flats in our block are let out to wealthy foreign students.
- Not always suitable for permanent living, not always in the right area for families, locations of second homes are too remote.
- There are more benefit claimants in private rented accommodation who don't pay council tax so the Council will lose income.

### Question 5.

**What, if any, impact do you think that the introduction of a Council tax premium for second homes would have on house prices in Swansea?**

Total Responses Received	392
Increase overall	39 (9.9%)
No impact	215 (54.8%)
Reduce overall	138 (35.2%)

215 comments were received in relation to possible impacts on house prices. The following types of comments were received which typically reflect a range of the general sentiments:-

- Market prices would reduce/house prices would fall.
- If second homes are sold, an increased supply of properties would reduce house prices.
- There would be a glut of properties flooding the market and house prices will drop across Swansea
- It will lower house prices in the Gower.
- It will reduce prices slightly.
- There will be a short-term decrease as second home owners will want to sell/let will create a short-term turbulence in house prices.
- There will be a transient drop in prices.
- There will be a drop in demand for premium properties.
- There will be no impact/negligible
- Uncertain.
- Not enough second homes to make a difference to property prices.

### Question 6.

**What, if any, impact do you think that the introduction of a Council tax premium for second homes would have on the supply of affordable housing in Swansea?**

Total Responses Received	389
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Positive	21 (5.4%)
Neutral	260 (66.8%)
Negative	108 (27.8%)

Comments were invited for those who indicated a negative impact and 163 comments were received in total. The following types of comments on how the impact could be lessened typically reflect the general sentiments.

- Most second homes are not affordable as they are more expensive properties/premium properties.
- There would be no effect as second homes are not affordable.
- Second homes are rarely affordable due to their nature, location usually in the Marina, South West Swansea and rural Gower.
- A first time buyer could not afford to buy second homes, too far from employment centres.
- There is no affordable housing in Swansea West and the Gower.
- Holiday homes are not in affordable areas
- A lot of second homes are in excess of average house prices so unaffordable.
- Second homes are in a different property market and not affordable housing.
- Depends on the size of the property- smaller properties maybe affordable but larger ones unaffordable.
- Impact could be lessened if extra money raised was used to build affordable housing.

### Question 7.

**What, if any, impact do you think that the introduction of a Council tax premium for second homes will have for the Welsh Language in Swansea?**

Total Responses Received	390
Positive	7 (1.8%)
Neutral	323 (82.8%)
Negative	60 (15.4%)

114 additional comments were received. The following types of comments on how the impact could be lessened typically reflect the general sentiments.

- There would be absolutely no impact.
- No effect/irrelevant.
- Swansea is primarily English speaking anyway so no impact.
- There is no connection between taxation and language.
- Few people speak Welsh in the Gower.
- Many second home owners are Welsh living elsewhere- their second home is their main link to Welsh culture and language.
- Some second homes owners speak Welsh and forcing them to sell would reduce numbers.

### Question 8.

**Please use this space to make any other comments or suggestions you have**

300 comments were received in total which have been grouped into the following types or categories as follows:-

- a) Effect on Tourism and the Local Economy.
- b) Second homes used for personal use only or former family homes.
- c) Local services are used less by second home owners
- d) Student accommodation and University developments
- e) Use of premium to increase income.
- f) Further comments in relation to affordable housing.
- g) Further comments on the level the Council Tax premium should be set.

**a) Effect on Tourism and the Local Economy**

A very substantial number of comments and concerns were received on the likely negative impact to tourism and the local economy if the premium on second homes is introduced. Most of the comments and concerns reflect the following sentiments:-

- Many second homes are let out as holiday lets which contribute substantially to the local economy and tourism.
- The three largest holiday cottage agencies in the area have in the region of 350 cottages for rental, which it is claimed demonstrates this sector contributes heavily to all aspects of the economy.
- Second homes used as holiday lets are heavily linked to tourism in Swansea.
- There are concerns that a premium imposed in Swansea could divert the holiday let business elsewhere to other councils' areas.
- If second home owners sell, this will reduce the availability of holiday lets, thereby reducing the number of visitors to Swansea.
- The additional premium will be added to rental costs on holiday lets making them more expensive to tourists, who may visit other holiday locations instead.
- There will be a negative impact to tourism - visitors using holiday lets invest in local businesses such as pubs, activity centres, shops, and restaurants.

- Second home owners will sell up in Swansea and buy second home elsewhere for holiday letting purposes, taking their trade with them.
- Could lead to significant loss of trade and income to local businesses if holiday let businesses are affected.
- A reduction in holiday homes availability will reduce tourism and income to the city overall.

**b) Second homes used for personal use only or former family homes.**

A significant number of comments and concerns were raised by second home owners who used their second home for personal use only, for example to support elderly relatives, are former family homes or they intend moving back permanently on retirement. Most of the comments and concerns reflect the following sentiments:-

- Concerns received from individuals or families who have bought properties as a base to regularly visit and support elderly or sick relatives.
- It penalises people who never rent out their properties, who have retained family homes to maintain links with Swansea and their families - regularly visiting to support elderly relatives.
- It's unfair on people who have moved elsewhere to obtain better wages and retained their former home to maintain contact with family and friends and have plans to move back permanently when retired.
- Those who have bought a second home for their own use only, a premium would make it unaffordable and have to sell.
- My second home has been bought as my retirement holiday home and not used for holiday lets. The premium would be unaffordable.
- My family has retained our former family home left by my parents and use frequently to visit other family members.
- It discriminates against elderly people who have bought second home for personal use in retirement and /or for investment purposes.

**c) Local services are used less by second home owners**

A significant number of comments were made relating to second home owners making less use of local services compared to permanent residents. Most of the comments reflect the following sentiments:-

- Second home owners should receive a discount on their council tax and not be charged a premium as they make less use of council services compared to permanent residents.
- Permanent residents receive more council services therefore costs are higher than those used by second home owners.
- Second home owners by definition are less demanding on council resources than first homes and yet taxed the same currently.

#### **d) Student Accommodation and University Developments**

Several comments in relation to student lets and university developments were made. Most of the comments reflect the following sentiments:-

- The university developments are having a profound effect on the availability of affordable housing not second homes.
- The Council should be tackling student lets not second homes, where properties are not well maintained.
- Student accommodation is not cared for or invested in, in the same way residents or holiday let owners take care of their homes.
- Students do not pay any council tax.

#### **e) Use of premium to increase income.**

Several comments or questions were made in relation to premiums only being proposed to raise extra income for the Council. Most of the comments reflect the following sentiments:-

- This proposal is being used to increase income for the Council and second homes are an easy target.
- Is the prime aim fund raising?
- We feel that the Council Tax premium is being used as a means of increasing income for the Council and second home owners are an easy target and considered fair game.
- If the Council's real reason is to increase income at the expense of a group it assumes can afford to pay double, then it will proceed.

**f) Further comments in relation to affordable housing. The majority of comments reflect the following sentiments:-**

- An increase in tax will not be used for/or generate affordable housing.
- Imposing a premium will only have a small impact on affordable housing.
- Second homes are in the more affluent areas of Swansea and are not affordable.
- Second homes are primarily in Mumbles, Gower and the Marina and therefore not low cost and affordable or just affordable to middle and higher income families.

**Additional Response**

The Council's Cultural Services has raised concerns that the proposal could potentially impact negatively on tourism, as costs could be higher within the hospitality and accommodation sector, in particular self-catering/holiday lets.