



Rheolwr Polisi Cynllunio Strategol / Strategic Planning Policy Manager –  
James Harland MSc, BA (Hons), MRTPI

John Griffiths MS  
Chairman Local Government and Housing  
Committee,  
Welsh Parliament

Gofynnwch am / Please ask for: James  
Harland



Ein Cyf / Our Ref: P-2-2.1

Eich Cyf / Your Ref:

Dyddiad / Date: 14/01/2022

Dear Mr Griffiths,

### Inquiry into second homes

Please see below for Conwy County Borough Council's response to providing additional evidence to the Inquiry on second homes. The response is in-line with the terms of reference noted in your letter, which are as follows:

- To examine the recommendations made by Dr Simon Brooks in his report, Second homes: developing new policies in Wales, and the Welsh Government's response to those proposals.
- To consider the policy objectives and evaluate the evidence base for policy change in this area and to identify any gaps in knowledge and data.

Conwy CBC has conducted some research into the level of second and/or holiday homes in the County Borough (see attached for detail). Table 2 of Dr Simon Brooks report looks only at a county level, although the report does acknowledge that there are variances at smaller levels. The table shows that Conwy CB has a low percentage of 2.97%. Our own analysis shows that there are areas with significantly higher percentages of dwellings with no usual residents. The sources used are the 2011 and 2001 Censuses. Though the information is now very out of date, it gives us some idea of the scale of second home ownership and holiday accommodation within our housing stock. Work is underway to get a better – and more up-to-date – understanding of the impact of second homes and holiday lets on our communities in Conwy County Borough by looking at Council Tax and National Non-Domestic Rates records. Research is also being undertaken by colleagues in the Strategic Housing team to look at the impact of AirBnB properties on the local housing rental market. However this paper gives us a starting point whilst we await the completion of that work.

### Recommendation 5 – the need for policy intervention across a range of policy areas

CCBC is progressing a Replacement Local Development Plan (RLDP) and is due to publicly consult on the Deposit Plan later this year. A Task and Finish Group has been established to progress the Principal Residence Policy for new build dwellings in the RLDP where a clear impact is evidenced. Any policy would apply to areas of the plan area where second/holiday homes are above 4%. This is a small proportion of the overall housing numbers in the County Borough. Its impact will therefore be limited. It should be noted that this proposal has not yet had political approval.

Rydym yn croesawu gohebiaeth yn Gymraeg. Byddwn yn ymateb i unrhyw ohebiaeth yn Gymraeg ac ni fydd hyn yn arwain at unrhyw oedi.

We welcome correspondence in Welsh. We will respond to any correspondence in Welsh which will not lead to a delay.

There is no mechanism currently applied to restrict existing housing on the open market to local ownership only, or limiting their use to full-time occupancy only in CCB. Existing affordable housing have local ownership restrictions in place, linked to affordable eligibility criteria and are also prevented from being used as second or holiday homes.

Conwy are preparing a new policy approach through the RLDP, which will apply a local ownership restriction in some parts of the County Borough. As this policy will only apply to new build properties, and not the existing stock, it will have a limited impact.

Conwy has a long established rural exceptions policy in place, which allows for 100% affordable units on the edge of rural settlements. Feedback from consultations has been that prospective residents find it difficult to get a mortgage for a self-build affordable unit. The self-build Wales initiative should resolve this once implemented. Financial viability of a site has also prevented delivery in some areas. Allowing a small element of market dwellings on these sites (for local need), would assist in delivering these sites, however, this is currently not permitted by national planning policy.

It should also be noted that Conwy's current LDP policy supports farm diversification and the rural economy through permitting changes of use of redundant rural buildings to tourism use. These properties are unlikely to be appropriate for permanent homes due to their isolated locations and shared access arrangements.

Local level policy will take time to be prepared and advanced through the various stages of LDP review, preparation and adoption. Appropriate evidence base will be required to justify its inclusion. CCBC are currently collecting evidence so that a policy on this can be considered for inclusion in the RLDP, however, adoption of the plan is some way off.

### **Recommendation 6 – Local Council Tax Premium**

Conwy CBC currently charges an additional 25% premium for second homes. A report was considered in November 2021 by CCBCs Cabinet (minutes and report available here: [Conwy Local Democracy : Agenda for Cabinet on Tuesday, 23 November 2021, 2.00 pm](#)), where continuing with a 25% premium on second homes, and 50% on empty homes was endorsed. An indicative level of 50% has been recommended (subject to review) for 2022/23. This decision was based on the following points:

- That the levels of both leakage and bad debts increase as higher levels of premium are applied (based on the experiences of other Local Authorities).
- That the administrative burden of dealing with the correspondence, challenge, inspection and recovery increases with higher levels of premium (we have already experienced an increase in workload).
- That the Valuation Office Agency, in confirming a property can transfer to NNDR, back dates a high proportion of the cases resulting in multiple year refunds.

CCBC estimate that increasing the Council Tax premium, would not necessarily result in more income for the Council, where more properties are transferred to non-domestic rates, rather than returned to use as full-time homes.

<b>Projected Income</b>	<b>100% both £000</b>	<b>75% both £000</b>	<b>50% both £000</b>	<b>50% LTE 25% SH £000</b>	
Long-term empty homes	425	389	341	341	
Second Homes	97	91	143	267	
<b>Total</b>	<b>522</b>	<b>480</b>	<b>484</b>	<b>608</b>	
Less additional capacity required (employees)	-180	-150	-120	-60	
<b>Potential net Premium income</b>	<b>342</b>	<b>330</b>	<b>364</b>	<b>548</b>	
<b>Budgetary Application</b>					
Homelessness	200	200	200	200	Approved in 2019/2020
Housing	157	157	157	157	Approved in 2019/2020
Housing	183	183	183	183	Approved in 2020/2021
<b>Total</b>	<b>540</b>	<b>540</b>	<b>540</b>	<b>540</b>	
<b>Potential Deficit</b>	<b>197</b>	<b>210</b>	<b>176</b>	<b>-8</b>	<b>Estimated Budgetary Pressure</b>

The table below shows the number of properties that have switched from domestic Council tax properties to non-domestic. There has been a significant increase since the additional premium was introduced.

<b>Year</b>	<b>Properties to NNDR</b>	<b>Council Tax Band D</b>	<b>£</b>
2012/13	33.00	1,130.28	37,299.24
2013/14	37.00	1,176.25	43,521.25
2014/15	53.00	1,228.65	65,118.45
2015/16	56.00	1,286.20	72,027.20
2016/17	89.00	1,342.37	119,470.93
2017/18	86.00	1,401.39	120,519.54
2018/19	72.00	1,469.16	105,779.52
2019/20	134.00	1,603.13	*268,524.28
2020/21	183.00	1,681.83	*384,718.61
<b>Total</b>	<b>743.00</b>		<b>1,216,979.02</b>

\* Includes lost premium in those years.

Implementing recommendation 7 (short-term holiday accommodation and business rates) would resolve this issue to some extent.

**Recommendation 10 – the creation of a new use class for short-term holiday accommodation**

A proposal regarding this is currently out to public consultation. Local and/or national level policy to support this and provide guidance on where changes would be appropriate would also be required. The proposal includes allowing changes between 'Primary Homes', 'Secondary Homes' and 'Short-term Holiday Lets' as permitted development, unless removed by Article 4. This would need appropriate evidence base to justify the policy stance. CCBC is in the process of collecting this evidence base. There would be a gap in guidance until the RLDP is adopted in Conwy. The impact of these changes to short-term holiday lets could also be mitigated for through policy. For example, Welsh language, noise and parking.

Conwy County Borough Council are grateful for the opportunity to be able to provide further evidence to the Inquiry. Close collaboration with relevant bodies will be required to ensure that any measures are applied appropriately in future.

Yn ddiffuant/Yours sincerely



James Harland

Rheolwr Polisi Cynllunio Strategol / Strategic Planning Policy Manager  
Polisi Cynllunio Strategol / Strategic Planning Policy

## Household spaces with no usual residents – 2011 and 2001 Censuses

Though the information is now very out of date, data from the 2011 and 2001 Censuses gives us some idea of the scale of second home ownership and holiday accommodation within our housing stock. The tables below present information for community councils and electoral divisions for the two dates. Data is also available from the 1991 and 1981 Censuses.

The way the information was presented changed between 2001 and 2011 so it was not possible to identify second homes/holiday accommodation directly from the 2011 data (it was separately available in the 2001 Census and is included in the table for information<sup>1</sup>). However, by looking at the data for household spaces with no residents across the two periods we can make some assumptions about areas where there is a high proportion of properties which are not used as permanent/main homes by Conwy County Borough residents.

The total count for 'household spaces with no usual residents' will include vacant properties and some student accommodation as well as second homes and holiday accommodation (the numbers for student accommodation in Conwy County Borough are negligible).

Local Development Plan guidance from Welsh Government<sup>2</sup> recommends that the relationship between the number of households that live in an area and the total housing stock and should be on a ratio of 1:1.04 to This is because there is a need to provide more dwellings than there are households to allow for churn within the housing market and to make a provision for potentially 'hidden' households to be accommodated. This gives a nominal figure of just under 4% of the total housing stock which can be considered as a 'typically' without usual residents (though the guidance states there is some in this figure flexibility to take consideration of local empty homes strategies and the role of second homes within the local economy).

The tables above show that Conwy County Borough as a whole has 'vacancy' rate of 8.9%, and this is the figure used for the household to dwelling conversion ratio in the Replacement Local Development Plan. Very few electoral divisions/wards or community council areas in the County Borough fall below the Welsh Government recommended 4% churn threshold, and many are significantly above that.

Data in the tables highlights thresholds of 20% plus, 10% plus and 7.5% plus. The selection of these values as markers was arbitrary and has no special significance.

Work is underway to get a better – and more up-to-date – understanding of the impact of second homes and holiday lets on our communities in Conwy County Borough by looking at Council Tax and National Non-Domestic Rates records<sup>3</sup>. However this paper gives us a starting point whilst we await the completion of that research. It should be considered alongside the research papers produced by Cyngor Gwynedd 'Managing the use of dwellings as holiday homes (December 2020)' and 'Second homes: Developing new policies in Wales (March 2021)' produced for Welsh Government/Coleg Cymraeg Cenedlaethol by Dr Simon Brooks, which cover the social, economic, and land-use planning background to the issues around second homes in detail.

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<sup>1</sup> Despite making a distinction between reasons for properties having no usual residents on Census day, the 2001 Census enumeration is likely to undercount second homes/holiday accommodation and over-count vacant properties. This is because as unoccupied dwellings (household spaces) which returned no Census form were only likely to be allocated as second homes/holiday accommodation if enumerators definitely knew them to be such, and thus there was an inbuilt bias towards allocation as vacant.

<sup>2</sup> Para 5.37-5.38 <https://gov.wales/sites/default/files/publications/2020-03/development-plans-manual-edition-3-march-2020.pdf>

<sup>3</sup> Work is also being undertaken by colleagues in the Strategic Housing team to look at the impact of AirBnB properties on the local housing rental market.

## Community councils

	2011			2001		
	All household spaces	No usual residents		No usual residents		
		No.	%	All	Vacant	Second residence / holiday accomm.
England & Wales	24,429,618	1,063,574	4.4%	3.9%	3.2%	0.7%
Wales	1,385,521	82,845	6.0%	5.2%	4.0%	1.2%
Conwy County Borough	56,199	5,022	<b>8.9%</b>	6.7%	4.4%	2.2%
Abergele	5,334	348	6.5%	5.5%	5.1%	0.4%
Betws-y-Coed	290	48	<b>16.6%</b>	<b>10.0%</b>	6.5%	3.5%
Betws yn Rhos	460	21	4.6%	5.3%	4.6%	0.8%
Bro Garmon	365	86	<b>23.6%</b>	5.6%	0.4%	5.3%
Bro Machno	446	157	<b>35.2%</b>	<b>23.5%</b>	6.9%	<b>16.6%</b>
Caerhun	687	114	<b>16.6%</b>	<b>15.2%</b>	4.2%	<b>11.0%</b>
Capel Curig	124	36	<b>29.0%</b>	<b>18.8%</b>	6.3%	<b>12.5%</b>
Cerrigydrudion	352	32	<b>9.1%</b>	<b>9.4%</b>	4.5%	4.9%
Colwyn Bay	5,116	433	<b>8.5%</b>	<b>8.9%</b>	<b>8.3%</b>	0.6%
Conwy	7,352	738	<b>10.0%</b>	6.4%	3.4%	3.0%
Dolgarrog	212	17	<b>8.0%</b>	5.7%	5.7%	0.0%
Dolwyddelan	295	77	<b>26.1%</b>	<b>20.3%</b>	3.0%	<b>17.3%</b>
Eglwysbach	434	41	<b>9.4%</b>	7.0%	3.3%	3.8%
Henryd	355	41	<b>11.5%</b>	<b>9.6%</b>	5.2%	4.3%
Llanddoged and Maenan	273	36	<b>13.2%</b>	<b>12.3%</b>	5.9%	6.3%
Llanddulas and Rhyd-y-Foel	855	142	<b>16.6%</b>	5.5%	3.0%	2.5%
Llandudno	10,489	1,022	<b>9.7%</b>	6.9%	4.4%	2.5%
Llanfairfechan	1,683	156	<b>9.3%</b>	7.1%	3.6%	3.5%
Llanfairtalhaearn	484	41	<b>8.5%</b>	<b>8.3%</b>	6.5%	1.9%
Llanfihangel Glyn Myfyr	92	13	<b>14.1%</b>	4.0%	4.0%	0.0%
Llangernyw	474	47	<b>9.9%</b>	<b>12.3%</b>	<b>7.7%</b>	4.7%
Llangwm	228	28	<b>12.3%</b>	<b>15.2%</b>	<b>9.9%</b>	5.4%
Llanefydd	230	13	5.7%	<b>7.9%</b>	<b>7.9%</b>	0.0%
Llanrwst	1,592	120	<b>7.5%</b>	6.6%	4.8%	1.8%
Llansanffraid Glan Conwy	1,077	76	7.1%	3.6%	1.8%	1.8%
Llansannan	578	33	5.7%	<b>10.2%</b>	6.4%	3.8%
Llysfalen	1,101	49	4.5%	4.4%	3.5%	1.0%
Mochdre	858	43	5.0%	6.1%	5.6%	0.5%
Old Colwyn	3,699	124	3.4%	3.8%	3.2%	0.6%
Penmaenmawr	2,269	294	<b>13.0%</b>	7.1%	4.0%	3.1%
Pentrefoelas	154	17	<b>11.0%</b>	6.5%	3.9%	2.6%
Rhos-on-Sea	3,912	300	<b>7.7%</b>	5.1%	3.8%	1.3%
Towyn and Kinnel Bay	3,795	189	5.0%	3.6%	2.9%	0.7%
Trefriw	429	61	<b>14.2%</b>	5.0%	1.2%	3.7%
Ysbyty Ifan	105	29	<b>27.6%</b>	<b>15.0%</b>	7.0%	<b>8.0%</b>

20% plus
  10% plus
  7.5% plus

## Electoral divisions / wards

	2011			2001		
	All household spaces	No usual residents		No usual residents		
		No.	%	All	Vacant	Second residence / holiday accomm.
England & Wales	24,429,618	1,063,574	4.4%	3.9%	3.2%	0.7%
Wales	1,385,521	82,845	6.0%	5.2%	4.0%	1.2%
Conwy County Borough	56,199	5,022	8.9%	6.7%	4.4%	2.2%
Abergele Pensarn	1,344	140	10.4%	9.6%	8.9%	0.7%
Betws-y-Coed	709	161	22.7%	15.8%	5.0%	10.8%
Betws yn Rhos	944	62	6.6%	6.9%	5.6%	1.3%
Bryn	822	78	9.5%	7.8%	3.9%	3.8%
Caerhun	1,042	155	14.9%	13.3%	4.6%	8.7%
Capelulo	861	171	19.9%	8.0%	3.5%	4.5%
Colwyn	2,082	84	4.0%	4.7%	4.0%	0.8%
Conwy	2,151	283	13.2%	10.4%	4.6%	5.8%
Craig-y-Don	1,852	271	14.6%	8.4%	5.9%	2.5%
Crwst	1,083	95	8.8%	7.7%	5.3%	2.4%
Deganwy	2,101	240	11.4%	7.8%	3.9%	3.9%
Eglwysbach	707	77	10.9%	9.0%	4.3%	4.8%
Eirias	1,617	40	2.5%	2.8%	2.4%	0.4%
Gele	2,298	130	5.7%	3.8%	3.3%	0.4%
Glyn	2,136	197	9.2%	7.0%	6.8%	0.2%
Gogarth	2,067	291	14.1%	11.2%	7.2%	4.0%
Gower	509	25	4.9%	4.4%	3.8%	0.6%
Kinmel Bay	2,663	119	4.5%	3.7%	3.1%	0.6%
Llanddulas	855	142	16.6%	5.5%	3.0%	2.5%
Llandrillo yn Rhos	3,912	300	7.7%	5.1%	3.8%	1.3%
Llangernyw	628	64	10.2%	10.8%	6.7%	4.1%
Llansanffraid	1,077	76	7.1%	3.6%	1.8%	1.8%
Llansannan	808	46	5.7%	9.5%	6.8%	2.7%
Llysaen	1,101	49	4.5%	4.4%	3.5%	1.0%
Marl	1,816	138	7.6%	2.9%	2.5%	0.4%
Mochdre	858	43	5.0%	6.1%	5.6%	0.5%
Mostyn	1,897	224	11.8%	7.4%	5.4%	2.0%
Pandy	861	78	9.1%	6.3%	3.3%	3.0%
Pant-yr-afon/Penmaenan	1,408	123	8.7%	6.6%	4.3%	2.3%
Penrhyn	2,336	140	6.0%	5.2%	2.4%	2.8%
Pensarn	1,284	77	6.0%	2.4%	2.1%	0.3%
Pentre Mawr	1,692	78	4.6%	5.0%	4.7%	0.2%
Rhiw	2,980	236	7.9%	10.2%	9.4%	0.8%
Towyn	1,132	70	6.2%	3.1%	2.3%	0.9%
Trefriw	641	78	12.2%	5.2%	2.7%	2.5%
Tudno	2,337	96	4.1%	2.9%	1.7%	1.2%
Uwch Conwy	916	272	29.7%	16.0%	4.6%	11.4%
Uwchaled	672	73	10.9%	10.9%	6.4%	4.4%

20% plus
  10% plus
  7.5% plus