# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE** | **Second Homes and Affordability and the Dwyfor Pilot: six-month update** |
| **DATE** | **6 July 2023** |
| **BY** | **Julie James MS, Minister for Climate Change** |

The Welsh Government is committed to updating Members about actions to create vibrant communities by tackling large numbers of second homes in some communities across Wales, and about the Dwyfor pilot. This work is part of the Co-operation Agreement with Plaid Cymru.

The radical package of measures includes giving local authorities the ability to introduce higher council tax premiums on second homes and long-term empty properties; changes to the letting thresholds for holiday lets to be listed for non-domestic rates; ground-breaking changes to the planning framework and a Welsh language communities housing plan.

I have also announced a two-year, £50m National Empty Homes Grant scheme, which will help bring up to 2,000 long-term empty homes back into occupation.

We are monitoring the impact of all these policies and interventions across Wales, but we also have the pilot in Dwyfor, where we are working closely with Cyngor Gwynedd, Eryri National Park, Grwp Cynefin and Adra housing associations, and local communities to introduce and evaluate these measures. The area was chosen because of its geographic size, the concentration of second homes and the impact on the Welsh language.

Unprecedented changes to the national planning framework have come into effect. I set out these in my [January update](https://www.gov.wales/written-statement-second-homes-and-affordability-and-associated-pilot-six-month-update). Cyngor Gwynedd is pioneering their practical implementation, with financial support from Welsh Government to enable the council to explore and build a robust evidence base.

Cyngor Gwynedd has decided to proceed to steps necessary to introduce a direction across the county. Whilst the scope of the direction is a matter for local government, Welsh Government funding will support the operational costs related to the pilot area only. This will provide a valuable source of evidence including identification of the local inputs and level of resources necessary to implement an Article 4 direction, as well as the monitoring of progress and effects.

The pilot has focused on the practical steps to support local affordability. This includes trialling changes to the Homebuy scheme. Working with Grwp Cynefin and Cyngor Gwynedd, there has been a marked increase in Homebuy approval numbers during the pilot – 13 in Dwyfor, compared to just one in the previous five years. A marketing group, working with estate agents, is raising awareness of Homebuy, offering training and awareness-raising about the scheme across communities and with major employers.

The pilot will also explore how the Self-Build Wales scheme could support local residents to build their own affordable homes in the area, as well as bringing back more empty homes and long-unused town centre properties into habitable use. Multi-partner discussions about the potential intervention in the private rental sector have also started.

We have facilitated community and practitioner workshops with Cwmpas and others, learning from projects and approaches elsewhere to help bring communities together. A number of community enterprises are looking to develop new affordable homes to meet local needs.

Across all of this work, the pilot is a joint endeavour and opportunity. There are now multi-partner working groups at strategic and operational levels. A data group and shared online resource is considering the effects these changes are having on the housing stock and its affordability in the area. This will help to underpin the evaluation of the pilot.

The evaluation contract is being awarded following an open tender process and work has started to establish the specific research approach. The evaluation will be made up of three core elements – an initial scoping and data mapping phase to develop the evidence base; a process evaluation phase to learn from the implementation of pilot activities and an impact evaluation phase to assess the outcomes.

The emerging findings from the Dwyfor pilot will be shared with delivery partners and wider stakeholders across Wales. This will help local authorities to manage numbers of second homes and short-term lets and improve housing affordability. The next update will provide further detail about the approaches being implemented.

Beyond the Dwyfor pilot, we continue to make progress on the wider package of reforms, including:

* Progressing the development of a national framework for land transaction tax within which local authorities can request increased rates to apply to second homes and short-term lets
* The Deputy Minister for Arts, Sport and Tourism published an update yesterday about our commitment to introduce a statutory licensing scheme for all visitor accommodation
* The Commission for Welsh-speaking communities, which was set up in August 2022, published its [preliminary findings](https://www.gov.wales/written-statement-publication-commission-welsh-speaking-communities-position-paper) in June 2023.

Although many of the issues relating to second homes are common in different parts of Wales, there are particular challenges in our Welsh-speaking communities. Prosiect Perthyn, delivered in partnership with Cwmpas, forms part of the Welsh Language Communities Housing Plan. Perthyn has awarded grants to 21 community groups to develop new community-led co-operatives and community-led housing. Five of the projects are in the Dwyfor pilot area.

We are working with Plaid Cymru to explore gaps in the mortgage market and homeownership support where there is a high prevalence of second homes. Further details will follow at the appropriate point.

I look forward to updating Members about further progress in our radical programme in six months’ time.