

# **Evidence of the impact of the council tax premium on second homes and long-term empty properties in Gwynedd**

**Update November 2025**

**Produced by the Research and Information Service, Cyngor Gwynedd**



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## 1.0 Introduction

### 1.1 Purpose of the report

Since April 2018 the Council has charged a council tax premium on the majority of second homes and long-term empty properties in the county. Over subsequent years, the premium level has been increased (see 'Key dates' below for details of relevant decisions / dates).

In discussions about the premium, the need to gather evidence about its impact was raised and as part of this we were commissioned by the Leadership Team to research the information that is available as part of the evidence base to help the Council in determining the appropriate level of premium on second homes and on empty long-term properties in the future.

Our previous [research report](#)<sup>1</sup> on this subject was published in November 2024 (which looked at the period October 2019 – April 2024). This report updates the findings of that report, including data up to October 2025.

In the same vein as the previous report therefore, this report will aim to answer the following questions:

- Has increasing the premium led to fewer second homes in Gwynedd?
- What happened to the properties that were formerly second homes – i.e. have they gone from paying council tax with a premium (second home), to paying basic council tax (main residence), or transferred to the business rates system (holiday accommodation), or any other category?
- Has the premium increase led to long-term empty houses being brought back into use?

This update does not include another element from the previous report, which attempted to find out more about the people living in houses that were formerly second homes but now main homes, by analysing the results of questionnaires sent to the residents of those houses. Due to the timing of the publication of this update, the amount of work that would be required and a question about how useful the previous results for this element were (due to low response rate) it was not possible to update this element but it is possible to refer to the results of the previous exercise in the last report.

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<sup>1</sup> 'Evidence of the impact of the council tax premium on second homes and long-term empty properties in Gwynedd', Cyngor Gwynedd Research and Information Service, November 2024

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## 1.2 Key dates

It is useful to summarise the key dates relating to the introduction, and increasing the level of, the premium in Gwynedd over the years (the three dates when the premium, or increases to it, came into force are indicated in bold).

*Table 1: Key dates for introducing and increasing the premium level in Gwynedd over the years*

Date	Event
October 2013	Welsh Government consults on right for authorities to charge a premium
September 2014	The Housing Act (Wales) allows a premium of up to 100% to be charged from April 2017
October 2016	Council consults on the principle of charging a premium, and its level
December 2016	Council decides to charge a 50% premium on second homes and long-term empty properties from April 2018
<b>April 2018</b>	<b>50% premium on second homes and long-term empty properties operational in Gwynedd</b>
December 2020	Council consults on the possibility of increasing the premium to 100%
March 2021	Council decides to increase the premium to 100%
<b>April 2021</b>	<b>Increase to 100% operational in Gwynedd, for second homes and long-term empty properties</b>
August 2021	Welsh Government consults on expanding powers to charge a premium
March 2022	Regulations allowing a premium of up to 300% to be charged on second homes and long-term empty properties from April 2023
September 2022	Council initiates consultation on how to respond to the change in regulations
December 2022	Council decides to increase premium on second homes to 150% (but keeps the premium on long-term empty properties at 100%)
<b>April 2023</b>	<b>Increase to 150% for second homes operational in Gwynedd (retain at 100% for long-term empty properties)</b>
December 2023, December 2024	Council decides to keep the premium at the same level but notes the intention to continue to look at evidence on the impact of the premium

In addition to the above, April 2023 is also significant as this is when the change to the criterion for defining self-catering accommodation (for taxation as a business rather than through council tax) became effective across Wales – namely, in general, that they need to be let for a minimum of 182 days rather than 70, and available for letting for 252 days, rather than 140 days. The timetable for implementing this was similar to the timetable for extending the power to charge a premium of up to 300% (i.e. Welsh Government commences consultation in August 2021, announced its intention to tighten the definition in March 2022, effective from April 2023).

In interpreting the results of the research below, it will be necessary to remember that any effect could have occurred over a period on either side of these dates, rather than at that exact time. For example – should an increase in the premium have prompted some second homeowners to sell their property, they might have sold as discussions began on the increase or when it was decided to increase it, rather than waiting until the change took effect. On the other hand, they might not

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decide to sell until after the premium came into effect and a sale could also take a few months to complete, so this effect might not be noticeable for some time after the premium increase.

Of course, there are also a host of other factors – outside the local taxation system – that could have affected this area in the period under review, for example:

- The Covid period and the subsequent impact of it on the local housing market;
- Changes in the scale and nature of demand for holiday accommodation in Gwynedd (again, including impacts following from the Covid period);
- Devolution, and changes to the rates, of taxation on house purchases resulting in a change in the tax payable on the purchase of a second home, and differences in this respect between England and Wales;
- The nature of the economy and employment in Gwynedd and in general, including the cost of living crisis;
- Discussions on the Article 4 Direction, and its introduction in 2024.

Inevitably, therefore, the research findings need to be interpreted with care, bearing in mind that changes that occurred at the time the premium was raised, cannot always be assumed to have necessarily occurred because of the premium.

### 1.3 Scope of report

This research focuses on property use (houses changing to/from being a second home or long-term empty, and any different trends in this pattern around the time or following the increase to the premium). To this end, we analysed the details of property categories in the council tax system, and looked for patterns in this, particularly around the times of increasing the premium. More details on this can be found in the Methodology below.

Of course, there are other possible aspects of the 'premium impact' that this report is unable to consider (economic, linguistic, wider community, etc.); there may be other sources of information available that would help with this.

## 2.0 Methodology

As explained above, this research is based on tracking individual property movements in Gwynedd from one category to another, and from one period to the next. This means that comprehensive datasets, in a fully consistent and comparable form to each other, are needed to be able to accurately track the changes over time.

The council tax premium has existed in Gwynedd since April 2018; however we have been unable to find detailed, complete and consistent data going back that far (the need to preserve such information for research purposes was probably not identified at that time either). It was not possible, therefore, for us to use a time before the premium came into effect (or, ideally, a time before any discussion on introducing a premium at all) as the starting point of the research.

Having discussed potential data sources with the Finance department, the best source identified was data in the format reported to the National Fraud Initiative (NFI) data matching exercise. This includes details of the council tax category of each individual property in Gwynedd.

This data is available for different dates, going back to October 2019. This is a sensible starting point in any case as it allows us to compare the "normal" pattern (over about a year before there was mention of increasing the premium) with any different patterns around:

- the increase to 100% for second homes and long-term empty properties (April 2021); and
- the increase to 150% for second homes (April 2023).

This also keeps the analysis within practically feasible boundaries, as it gives us 14 sets of data on different dates between 1 October 2019 and 1 October 2025. As there are over 60,000 properties in Gwynedd this involves comparing data and tracking changes across a total of over 800,000 data items.

Since NFI data is reported based on specific dates and the gaps between these dates can vary, the analysis we can conduct for the years up to 2024 is based on specific periods, with some longer than others. However following the research work carried out last year, the Finance department and ourselves have now established arrangements whereby the relevant data is extracted regularly, quarterly (i.e. whether or not the data is required for NFI purposes at that time) which provides a more consistent basis for analysing changes over time. This is shown in the diagram below:

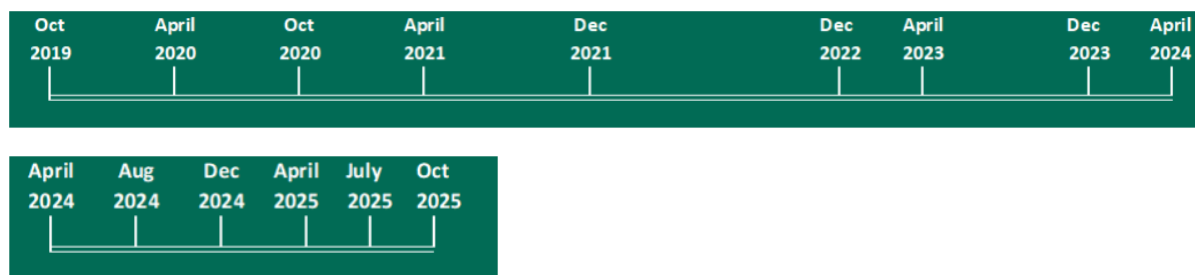


Figure 1: Dates/ periods where we have data for tracking category changes (exact date was 1st of the relevant months except October 2020 (2/10/20), December 2023 (18/12/23), August 2024 (7/8/24) and December 2024 (3/12/25)).



### 3.0 Definitions

In the remainder of this report, unless otherwise stated:

- **'Second home'** means property within the council tax system that is furnished, is not a main residence and does not have a planning restriction preventing it from being occupied on a full-time basis. The majority of these pay the council tax premium but there are some exceptions, e.g. (for a period) properties marketed for sale / to let, or work-related properties;
- **'Long-term empty properties'** means properties within the council tax system, which have been empty and unfurnished for more than 12 months and therefore the council tax premium is payable on them;
- **'Other housing'** means all properties within the council tax system except for the above 2 categories also excluding properties with a planning restriction preventing full-time occupation. The vast majority of these, therefore, are main residences (but also include properties that have been empty for less than 12 months);
- **'Holiday unit'** means a self-serviced holiday accommodation unit, which is taxed through the business rates system rather than through council tax;
- **'Total housing'** is the total of the above 4 categories, i.e. all properties in the council tax system except for second homes with a planning restriction preventing full-time occupation, also adding self-catering serviced holiday units that are in the business rates system.

For clarity, we do not include in this exercise second homes that have a planning restriction preventing full-time occupancy ('chalets' etc., known as 'Class A' in council tax regulations). These are considered to be effectively outside the 'normal' usable housing stock, and we will therefore not include them in this analysis.

## 4.0 Numbers and distribution of second homes, holiday units and long-term empty properties

- In October 2025 there were 4,847 second homes in Gwynedd (in line with this category in the council tax system). This represents 7.6% of total housing in Gwynedd. Out of the 4,847 second homes, 4,442 (91.6%) paid the premium.
- The map below shows the proportion of second homes per ward and shows that the distribution of second homes across the county is very uneven, ranging from no second homes in Hendre ward to 46.6% in Abersoch and Llanengan ward. The highest percentages are generally in the coastal areas of Llŷn, Eifionydd and Meirionnydd.

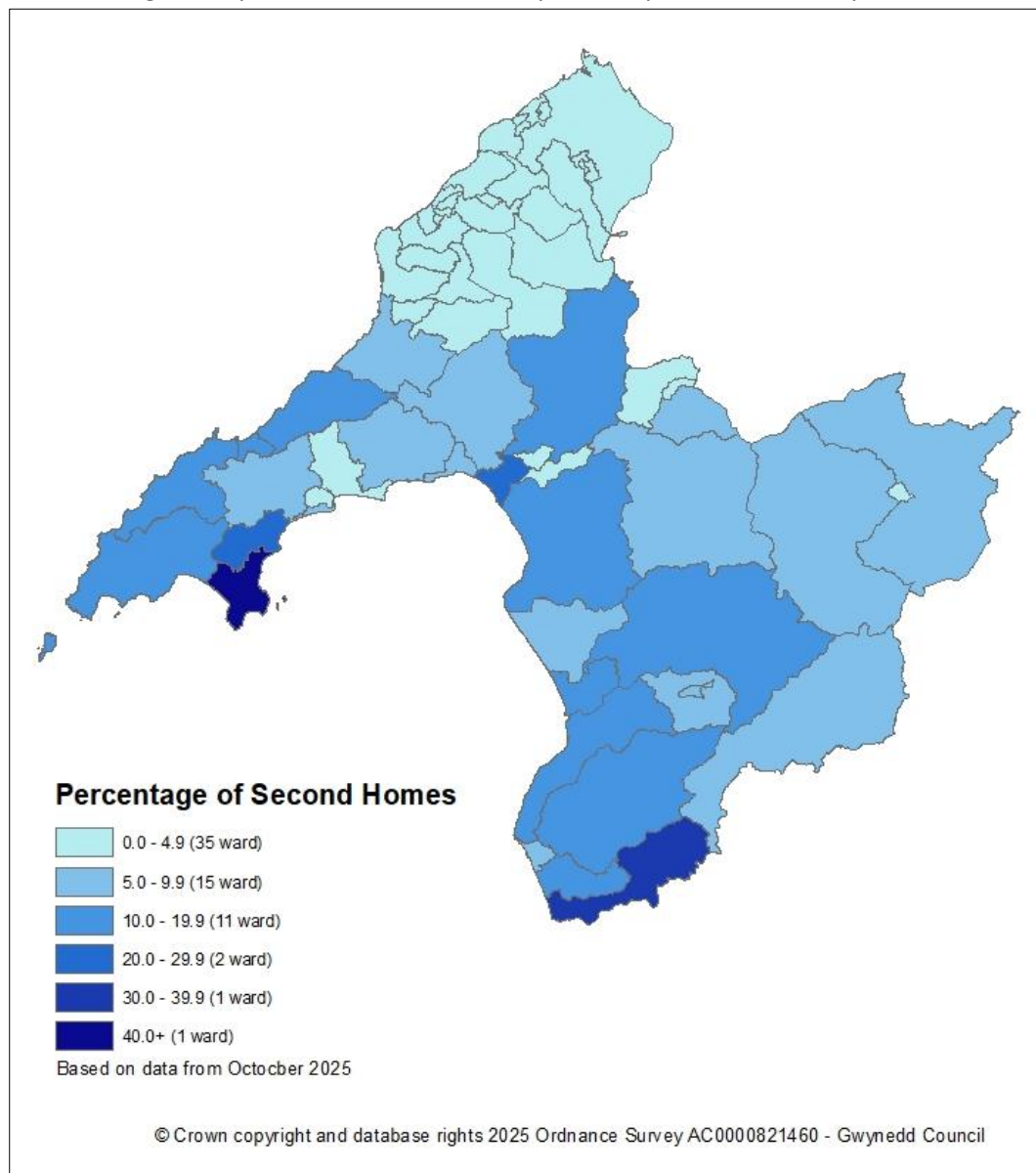


Figure 2: Map of the proportion of second homes by ward, October 2025

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- Although this research is not directly related to them – holiday units (taxed as a business) are also a relevant consideration as a number of properties have been moving between the council tax system (as a second home) and the business rates system (as holiday accommodation), and these patterns and numbers can vary at different times. In October 2025 there were 1,900 holiday units in the business rates system in Gwynedd; this represents 3.0% of total housing. The distribution of these across Gwynedd is again uneven, as shown in the map below (ranging no holiday units in Hendre ward to 8.6% in Abersoch gyda Llanengan ward).

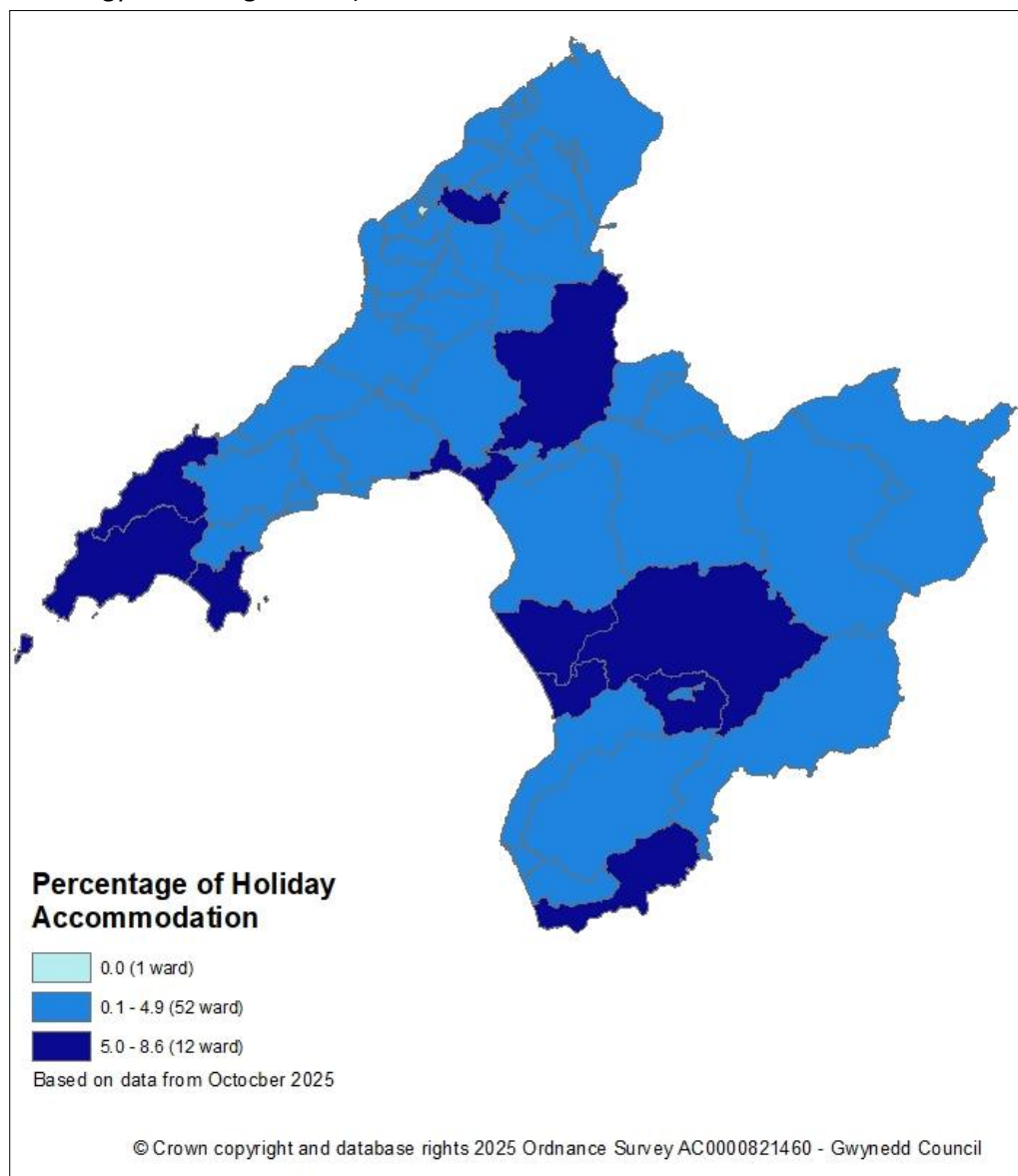


Figure 3: Map of the proportion of holiday accommodation by ward, October 2025

- In October 2025, there were 1,070 long-term empty properties in the council tax system in Gwynedd, representing 1.7% of total housing. The map below shows the proportion of these per ward and shows that the distribution of long-term empty properties across the county is very uneven, ranging from 0.2% in Hendre ward to 5.7% in Llanbedrog and Mynytho ward. By its nature, this pattern is also likely to vary over time (e.g. the former

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Polish Home in Penrhos accounts for the majority of current empty units in the Llanbedrog and Mynytho ward).

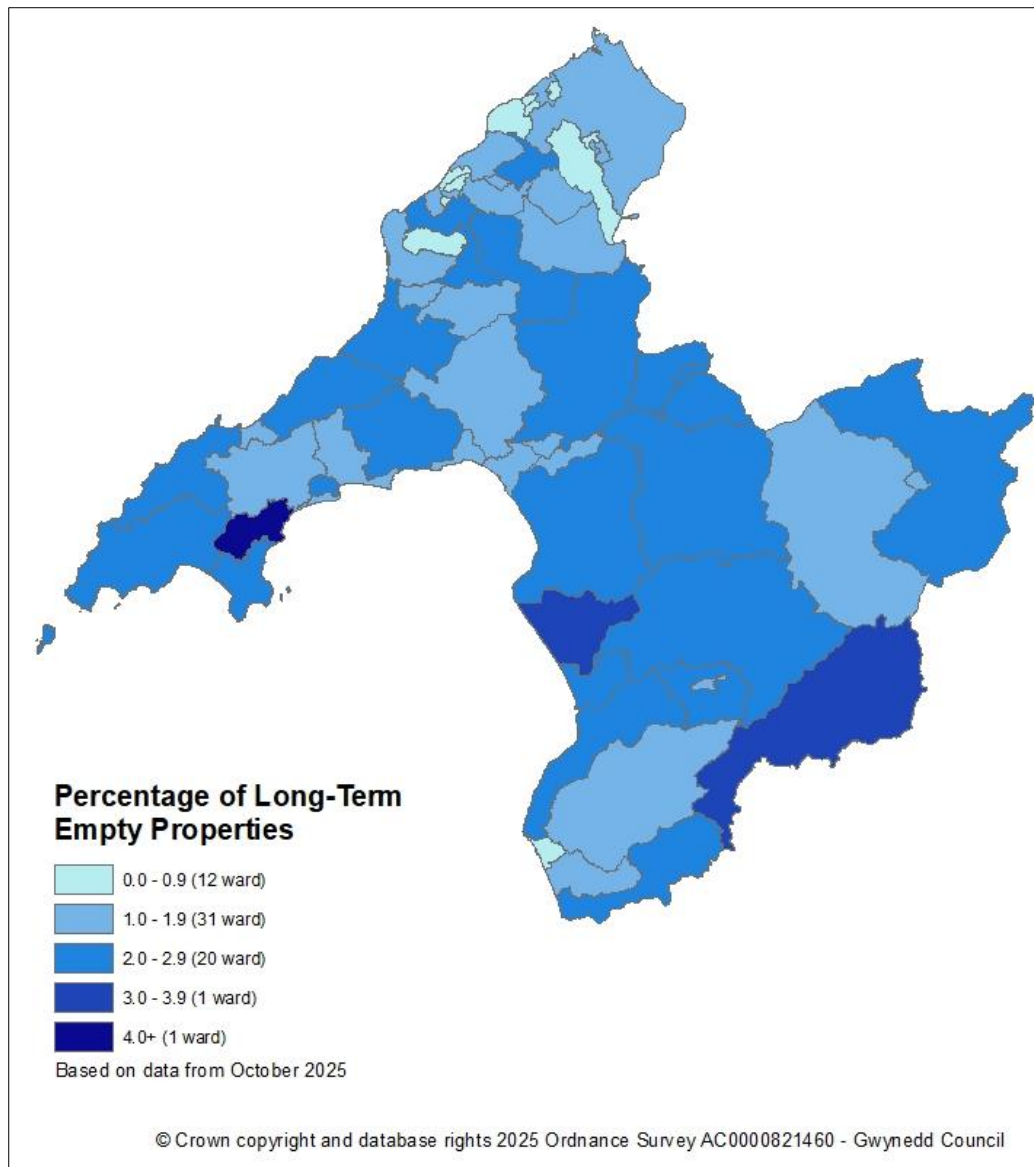


Figure 4: Map of proportion of long-term empty property by ward, October 2025

- The map below shows the composite percentage (total second homes, long-term empty properties and holiday units, as a percentage of total housing) per ward; Abersoch with Llanengan (57.8%), Aberdyfi (42.0%) and Llanbedrog gyda Mynytho (32.8%) wards are highest under this measure.

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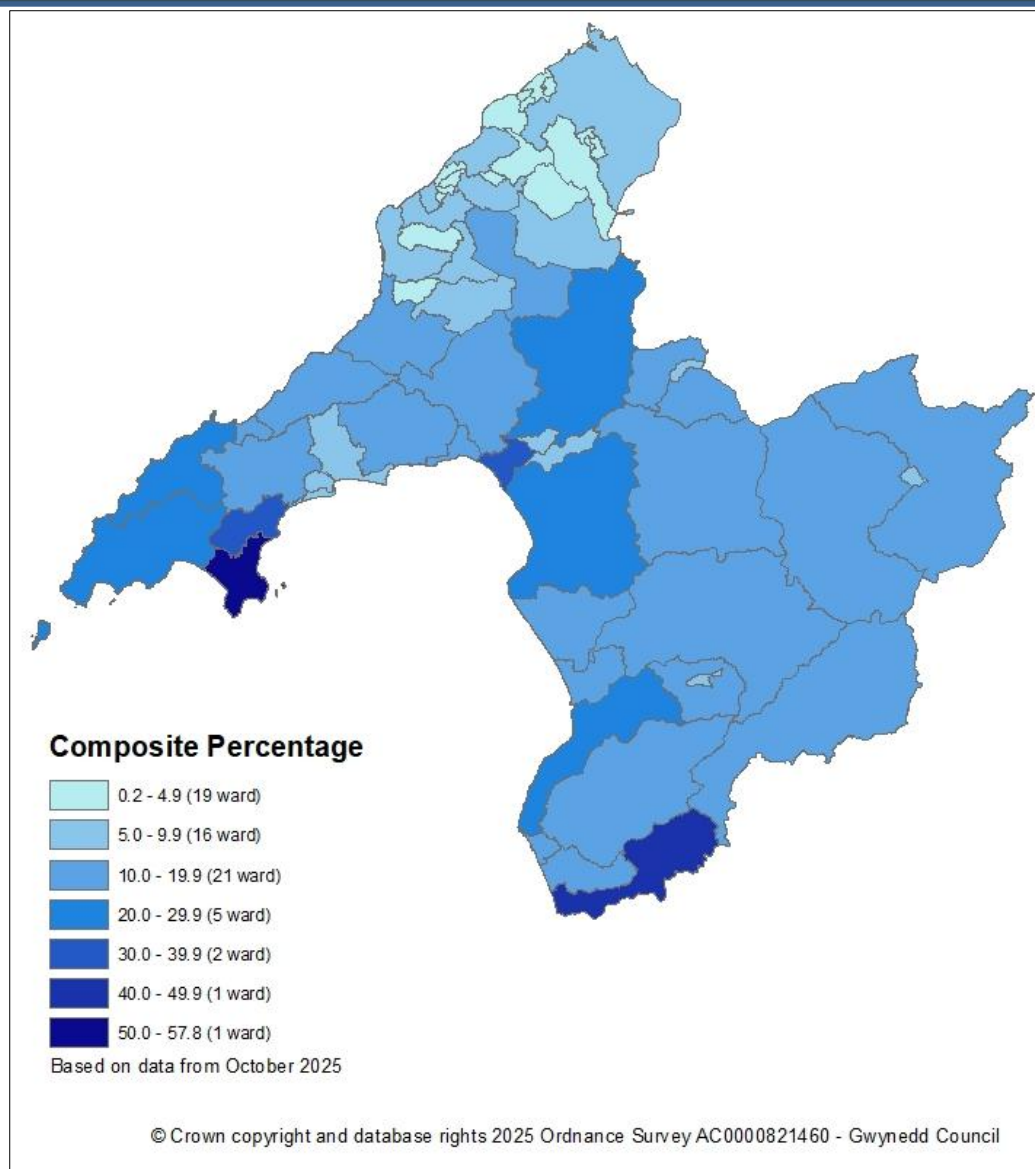


Figure 5: Map of composite proportion (total second homes, long-term empty properties and holiday units) by ward, October 2025

The detailed percentages per ward underpinning the above maps are shown in **Appendix 1** .

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## 5.0 Overview of numbers by category from October 2019

The chart below shows the numbers of second homes and long-term empty properties (in the council tax system) and holiday units (in the business rates system) on different dates from October 2019.

(NFI data, but also since this shows the total figure across Gwynedd rather than detailed data, we have been able to find other data so that the analysis can include more dates)

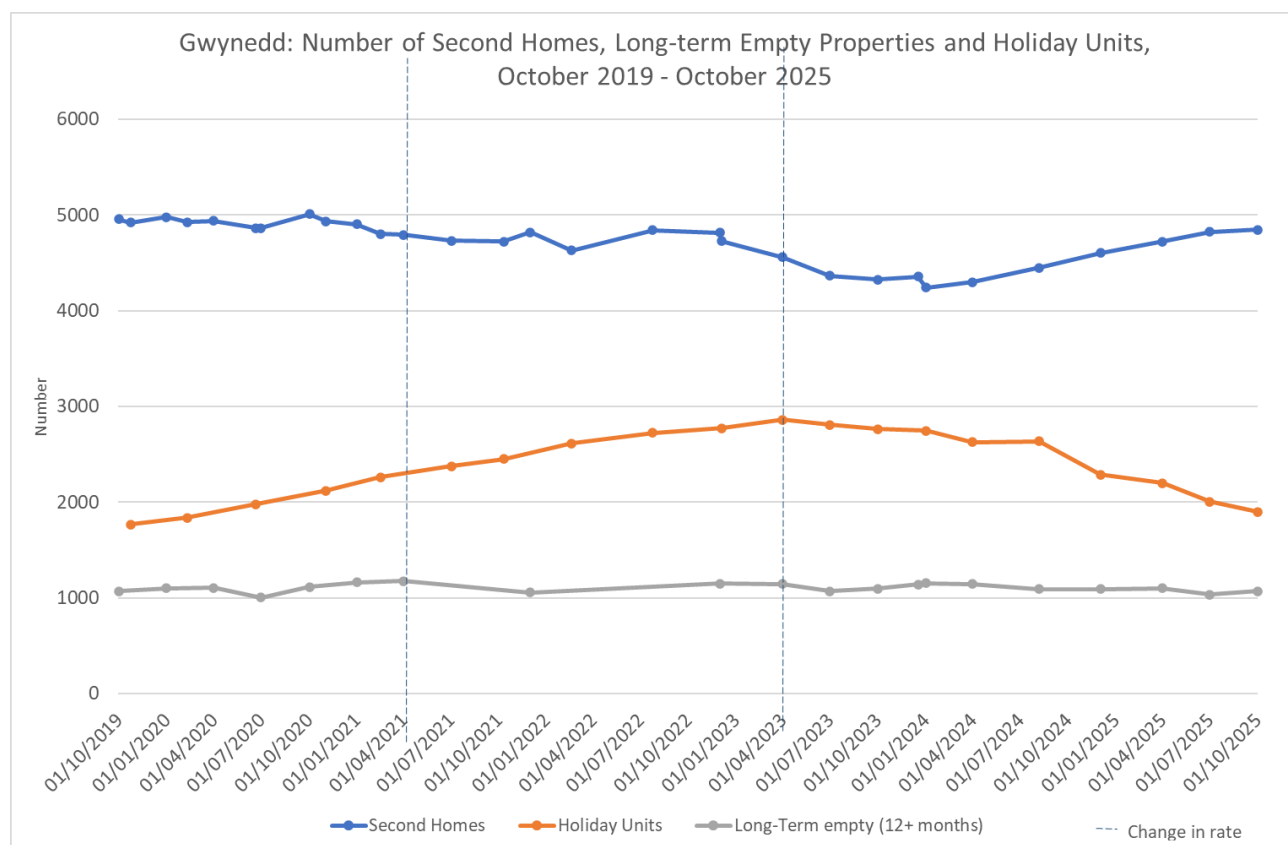


Figure 6: Number of second homes, long-term empty property and holiday units in Gwynedd, October 2019 – October 2025

From this chart, we can see some general patterns:

- **Until around January 2024, the number of second homes in Gwynedd was falling.** In 2019 and 2020 the number was quite stable, at around 4,900 to 5,000, but it then fell to about 4,200 by January 2024, with **most of this reduction occurring in two specific periods** (between around January 2021 and October 2021, and then a sharper reduction between December 2022 and January 2024).
- **From January 2024 however, the number of second homes** (in that category in the council tax system) **has been increasing rapidly** and has now reached close to the level which existed at around early 2021 (around 4,850). There is a suggestion in the latest data that the increase may be slowing slightly but the increase is continuing to some extent.

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- **Until around April 2023 the number of holiday units had been increasing**, going from around 1,800 (October 2019) to around 2,900 (April 2023). But since then, **and especially from August 2024 onwards, the number of holiday units has been constantly reducing**, reverting to around 1,900 at the current time.
- **Long-term empty property numbers have fluctuated slightly** (between around 1,000 and 1,200 across Gwynedd); on the surface there **is no obvious pattern** in these variations.

Even though these overall figures provide some idea as to the main trends over the period in question, they do not give much information about what happened to the properties in the various categories (e.g. what is the use of the houses that were previously second homes?). To get a better idea of what is going on therefore, we have tracked the status of individual properties throughout the period as shown in the next parts of the report.



## 6.0 Second homes: Tracking property movements over the period

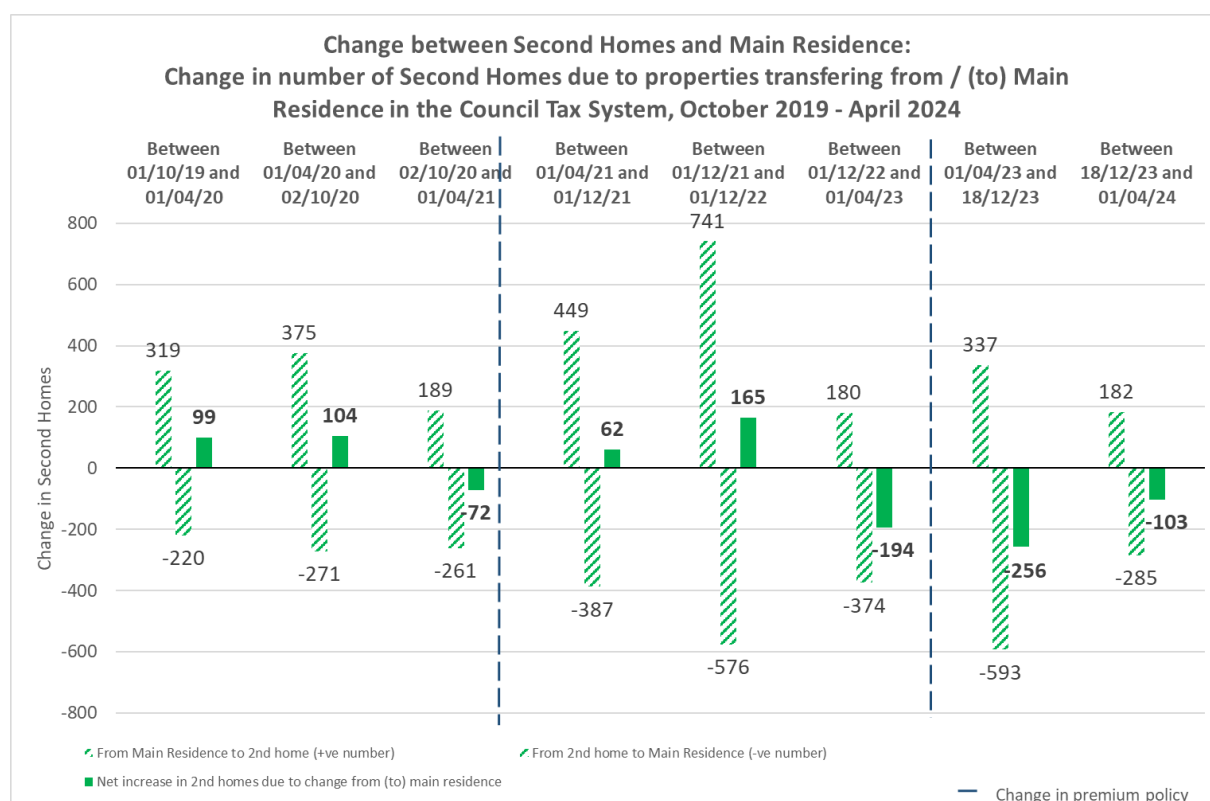
By tracking and analysing individual property categories in the council tax administration system (NFI data on 14 specific dates between October 2019 – October 2025, as explained in the Methodology above), we can take a closer look at the pattern of movements between categories and look for patterns in this, particularly around the times of premium increases.

The following charts analyse property movements to, and from, the Second Homes category in the council tax system by 3 different types of movements, namely (i) moving between a second home and a main residence (ii) moving between a second home and a holiday unit (iii) switching between a second home and other categories.

In all charts below, the 'gross' movements (number of properties moving to be a second home, and number of properties moving from being a second home), and then the 'net' movement (i.e. the difference between the above two figures), are shown in each of the periods. This also shows that the net position may be masking significant turnover (in and out of the second homes category) within the figures and highlights the need to take care in interpreting the net position, i.e. even in 'normal', stable conditions there are still significant shifts of property to, and from, second homes.

In all cases the chart from the previous report (analysing October 2019 – April 2024) is reproduced, and then the new chart (analysing April 2024 – October 2025) is included. The full data behind the latest charts (including more detailed analysis within the 'other categories') is in **Appendix 2**.

### Change between Second Homes and Main Residence





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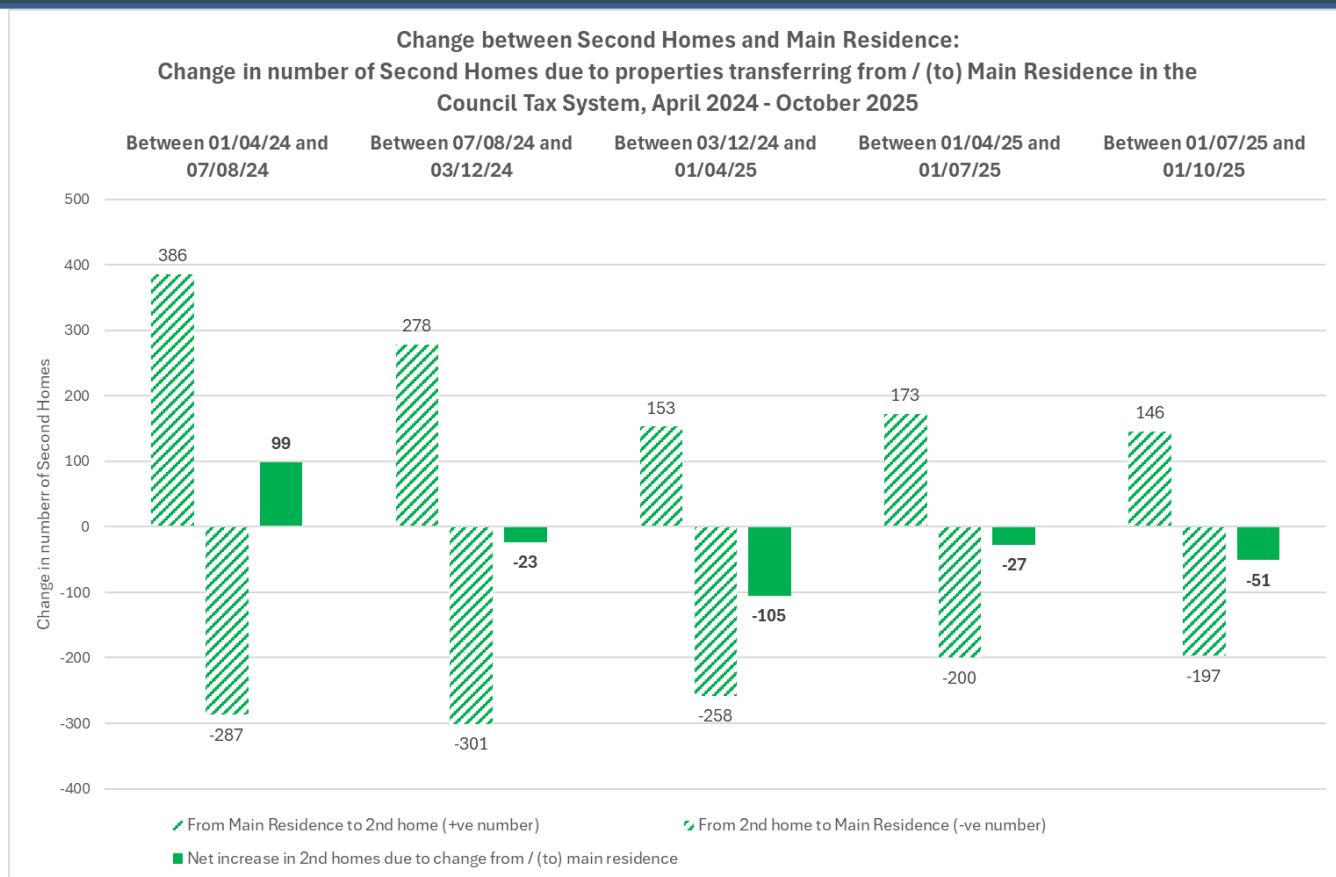


Figure 7: Change in number of second homes due to properties transferring from being or to being a main residence or second home in the Council Tax system by each period between October 2019 and October 2025, showing movements from main residence to second home, from second home to main residence and total net movement.

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## Change between Second Homes and Holiday Units

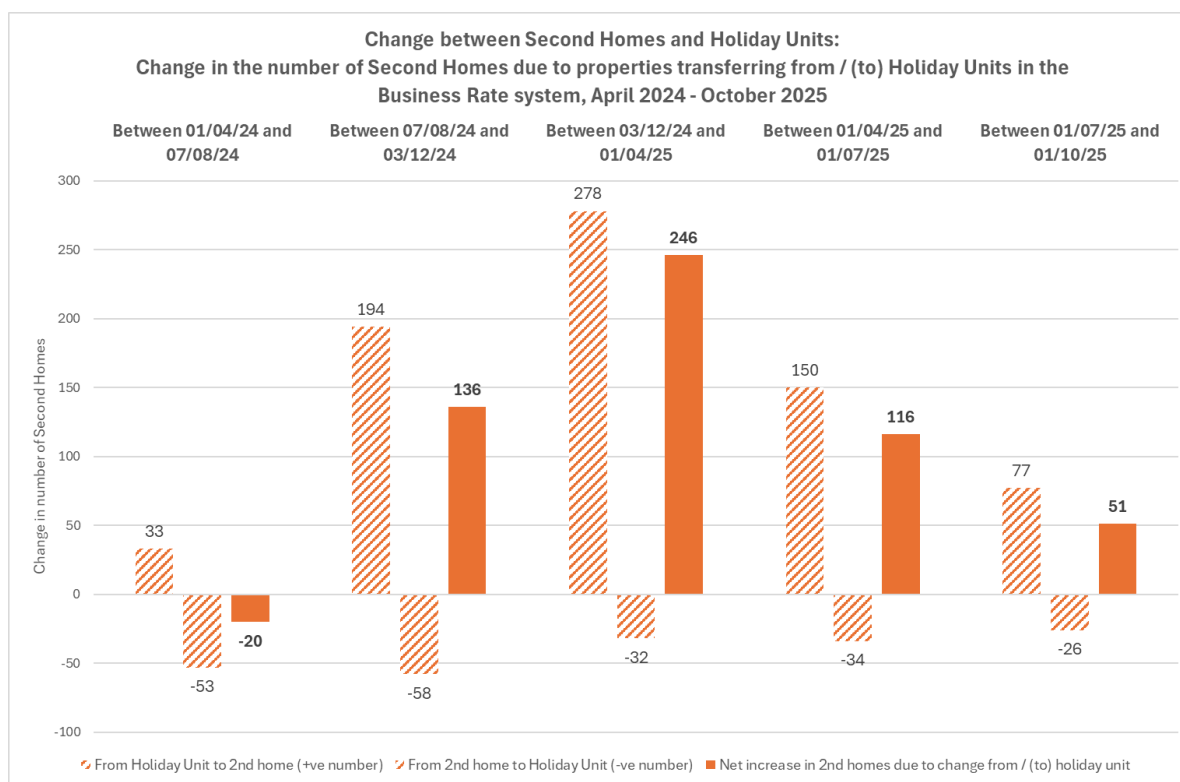
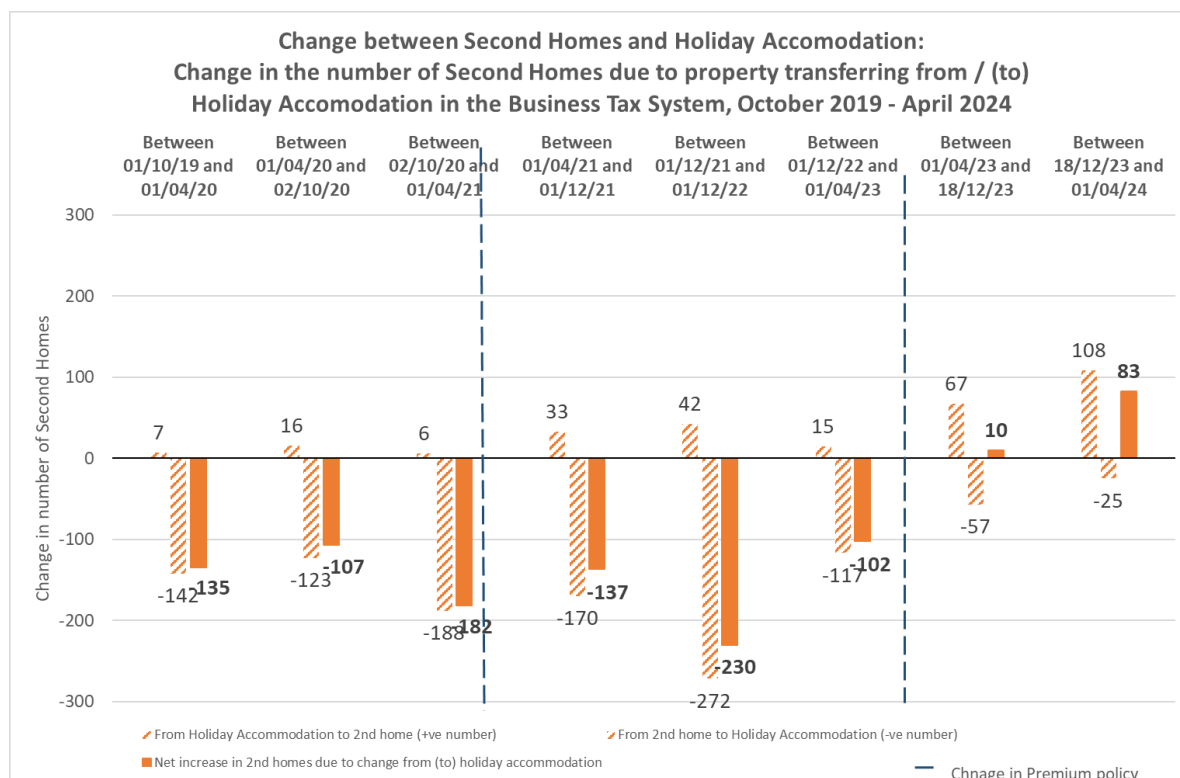
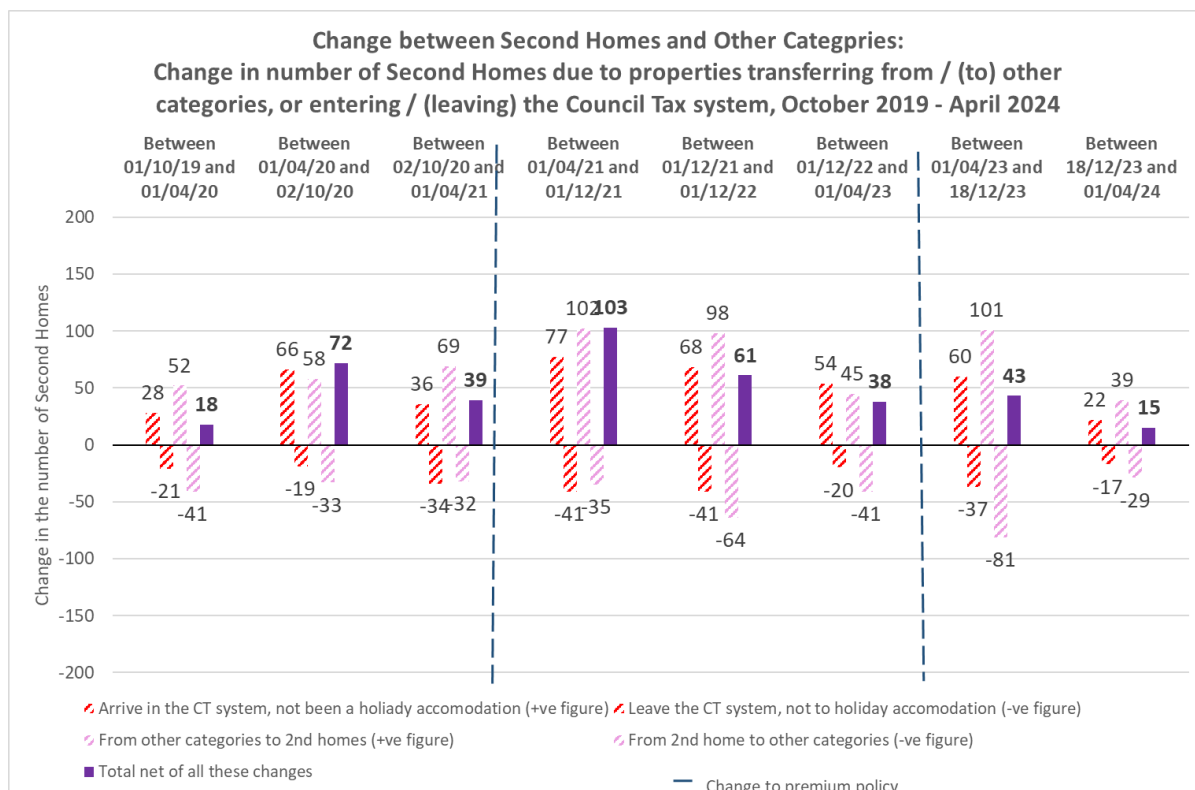


Figure 8: Change in number of second homes due to properties transferring from being or to being holiday units or second homes in the Council Tax system by each period between October 2019 and October 2025, showing movements from holiday units to second home, from second home to holiday units and total net movement.

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## Change between Second Homes and Other Categories



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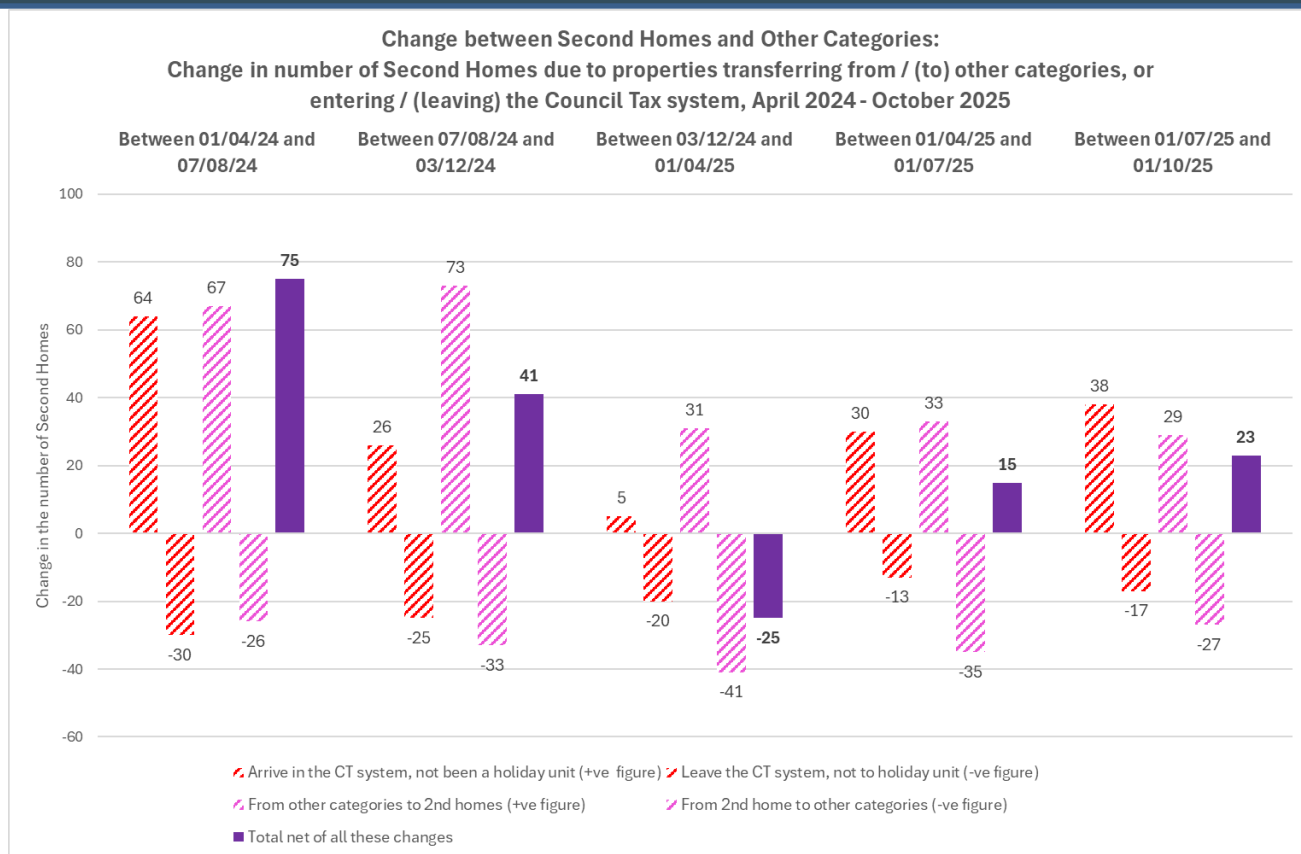


Figure 9: Change in number of second homes due to properties transferring from or into other categories in the Council Tax system by each period between October 2019 and October 2025, showing movements from other categories to second homes, from second home to other categories and total net movement.

## Summarising the net movements

We can then pull together the headline figures from the 3 sets of charts above to show the net movement in each period per the three main categories, in the charts below. This clearly shows the main net trends at the different times during the period.

# EVIDENCE OF THE IMPACT OF THE COUNCIL TAX PREMIUM ON SECOND HOMES AND LONG-TERM EMPTY PROPERTIES IN GWYNEDD – NOVEMBER 2025

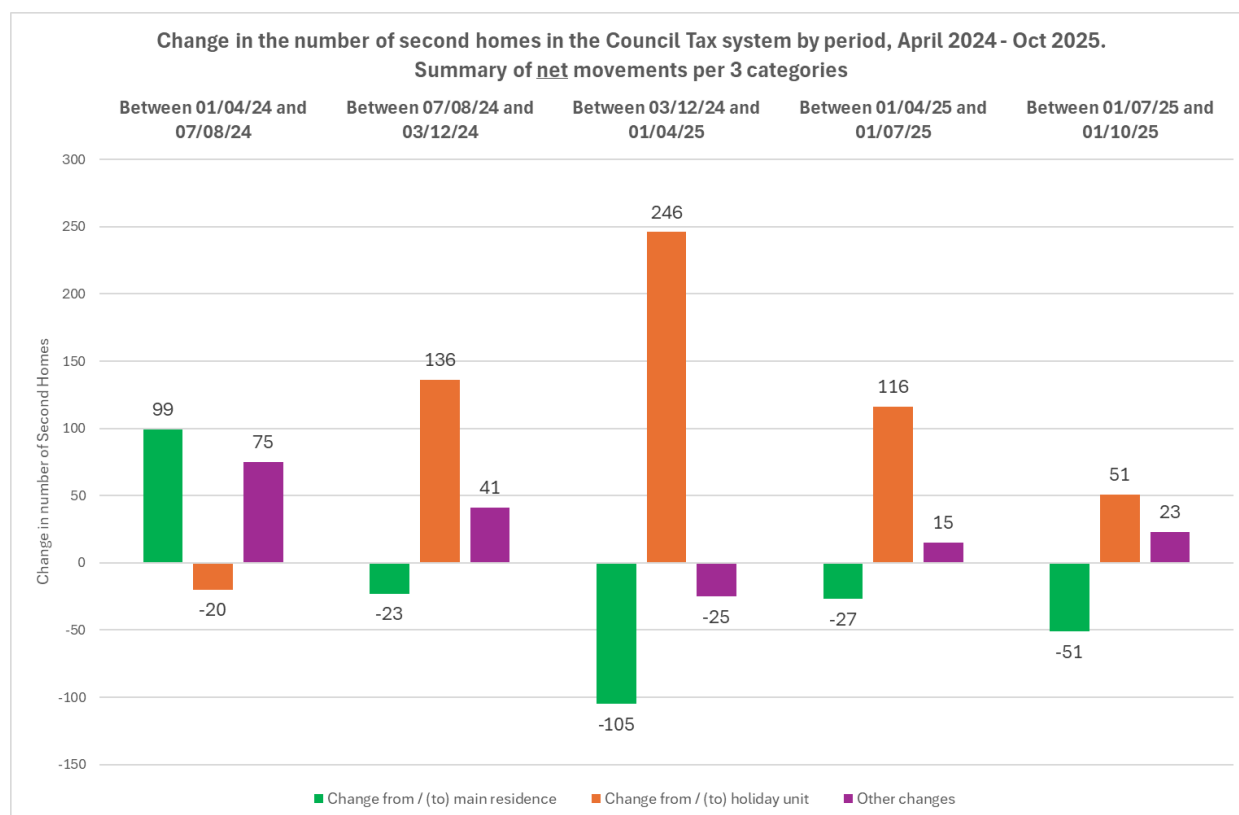
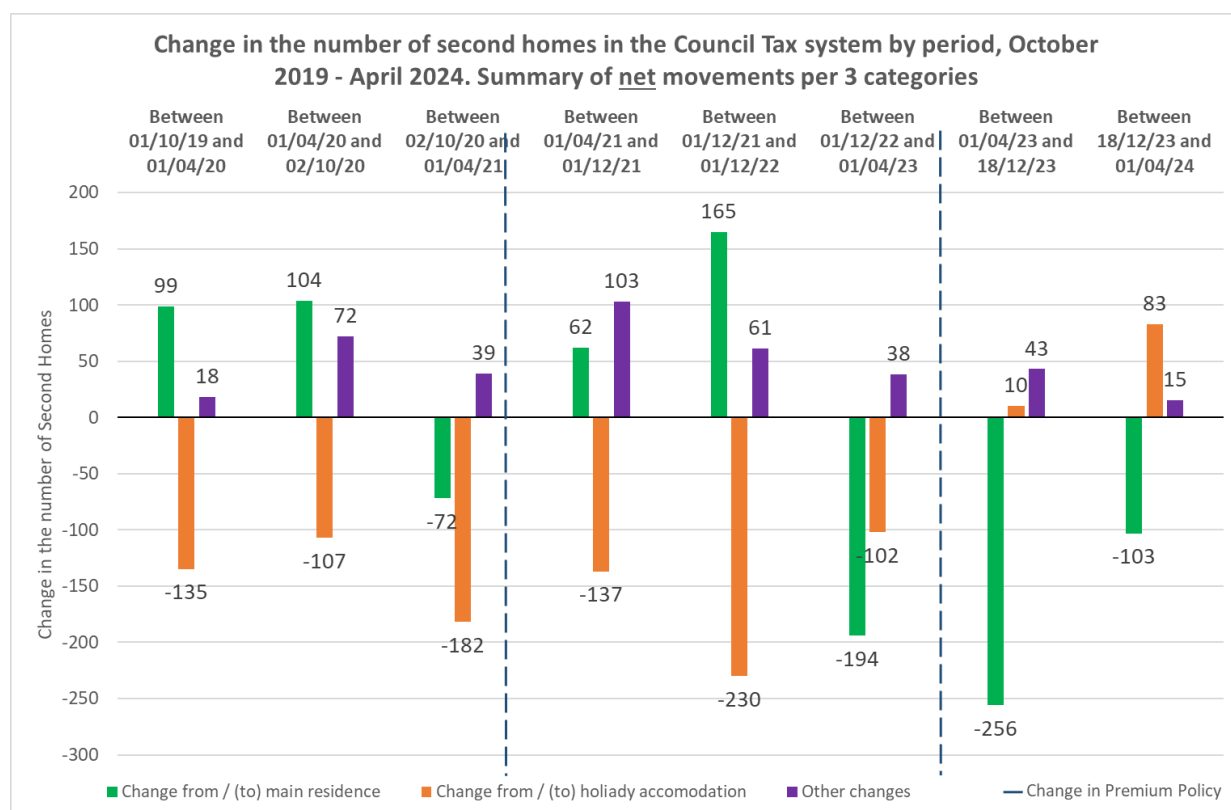
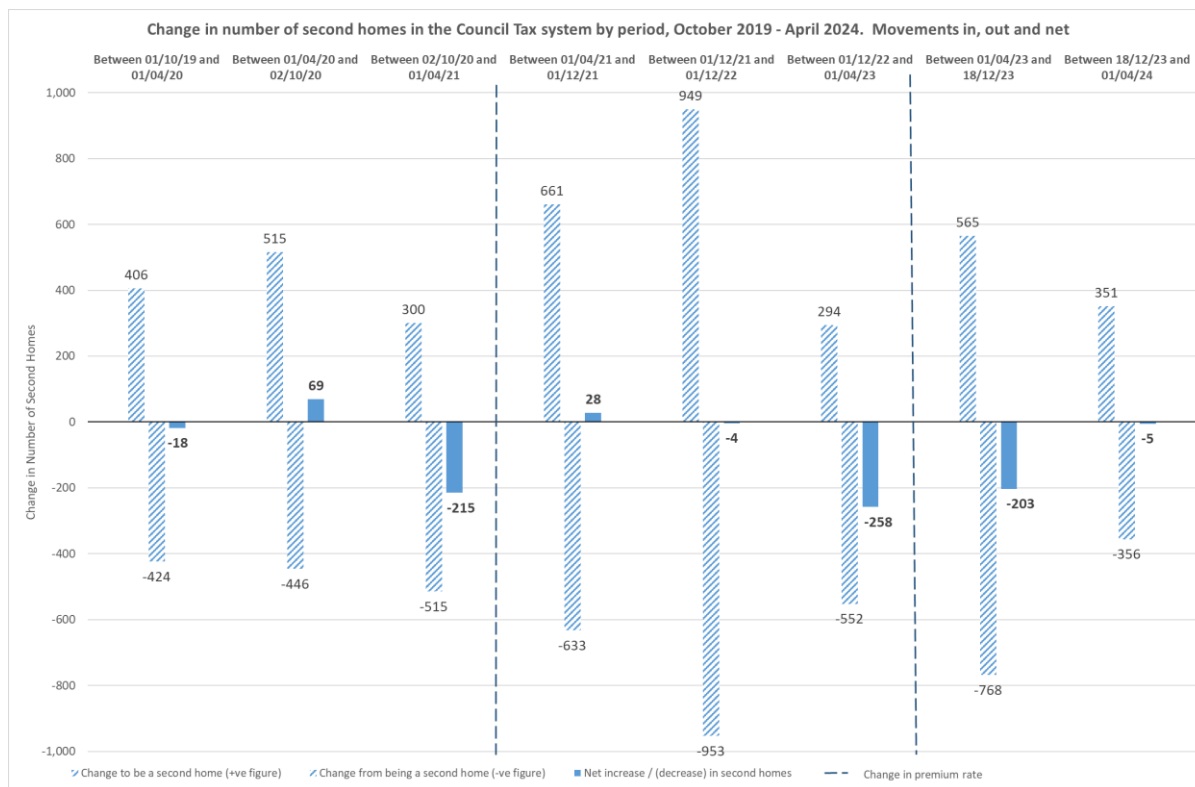


Figure 10: Change in number of second homes in the Council Tax system by period between October 2019 and October 2025 as total net movement per category (change from/to main residence, change from/to holiday units, other changes).

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The charts below bring all of the above together to show the total movements into, and out of, the category of second homes in each period. They show the gross movements (in/out of the second home category) as well as the net change (the difference between the in and out movements), highlighting again that there is significant turnover in terms of individual property situations even at times where the total figure is fairly stable.



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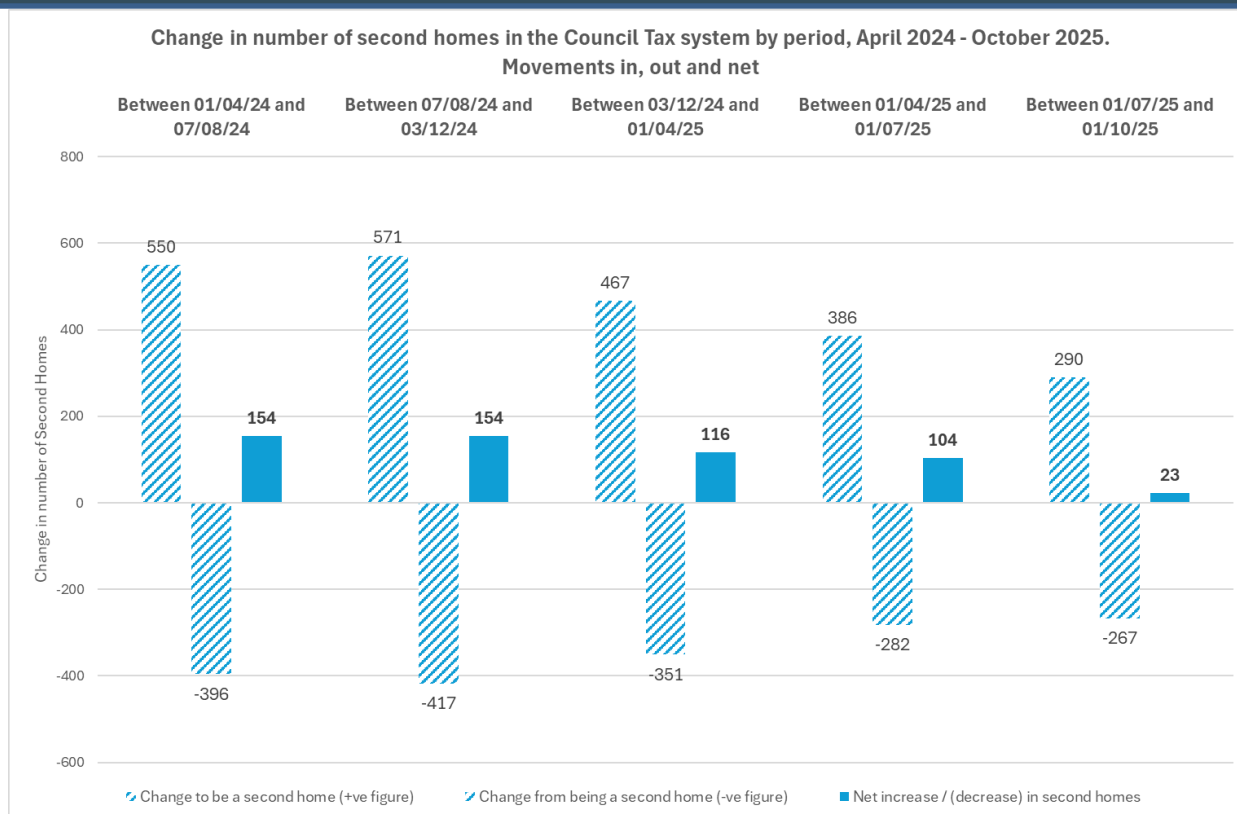


Figure 11: Change in number of second homes in the Council Tax system by periods between October 2019 and October 2025 showing movements in and out of second home category and total net movement.

## 6.1 Summarising the results - tracking second homes

When looking at property flows **between second homes and main residences** (which are the green bars in the charts in Figure 10 above):

- **Historically** (i.e. before October 2020; before there was discussion of increasing the premium level to 100%) it appears that the "natural" trend was a steady (net) flow of properties from primary residences to second homes.
- **At the time of the premium increase to 100%** in April 2021, this flow was reversed in the period immediately preceding the increase (net flow from second home to main residence, between October 2020 and April 2021). But any impact appears to have been small and short-lived, with the flow having returned to the historical pattern (i.e. from primary residences to second homes) after April 2021.
- **At the time of the premium increase to 150%** in April 2023, we saw the pattern reverse once again, with a net move from second homes to main residences from December 2022 onwards (which is around the time the premium increase was discussed/consulted on before it came into force).
- Unlike the previous time, however, this **change has proven much more long-lasting** with the net shift from second homes to main residences having continued in each period since then (with one exception being the period April 2024 – August 2024).

When looking at property flows **between second homes and holiday units** (which are the orange bars in the charts in Figure 10 above):

- **Historically** (i.e. before April 2023) the clear trend was for properties to move from being second homes to being holiday units.
- **From April 2023** however (coinciding with the time the criteria for taxation of self-catering accommodation were changed) this pattern has reversed, with now a net movement of holiday units (in the business tax regime) to being taxed as a second home (in the council tax regime). This has happened in all periods from April 2023 onwards, except one namely April 2024 – August 2024.
- This is **particularly true in the most recent period**, with around 550 properties (net) transitioning from a holiday unit to a second home between August 2024 and October 2025.

In terms of the impact on the total number of second homes in the council tax regime, therefore:

- **Historically**, the two main movements appear to effectively offset each other, so that the total number of second homes remained fairly constant (i.e. the flow from primary residences to second homes was about the same as the flow from second homes to holiday units).



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- **For periods around the two premium increases** (i.e. before the increase to 100% in April 2021, and then more definitively before and after the increase to 150% in April 2023) the change in the direction of flow between second homes and main residences has been sufficient to cause the total number of second homes to fall in these periods.
- **From August 2024** onwards however, the flow of properties from holiday units to second homes has been much higher than the flow (which has continued to an extent) from second homes to primary residences. This means that the total number of second homes (taxed through the council tax regime) is now increasing.

## 7.0 Long-term empty properties

The chart below shows the number of long-term empty properties (i.e. vacant over 12 months and therefore paying a premium) in the council tax administration system between October 2019 and October 2025. This includes the time the premium last increased (from 50% to 100%, in April 2021).

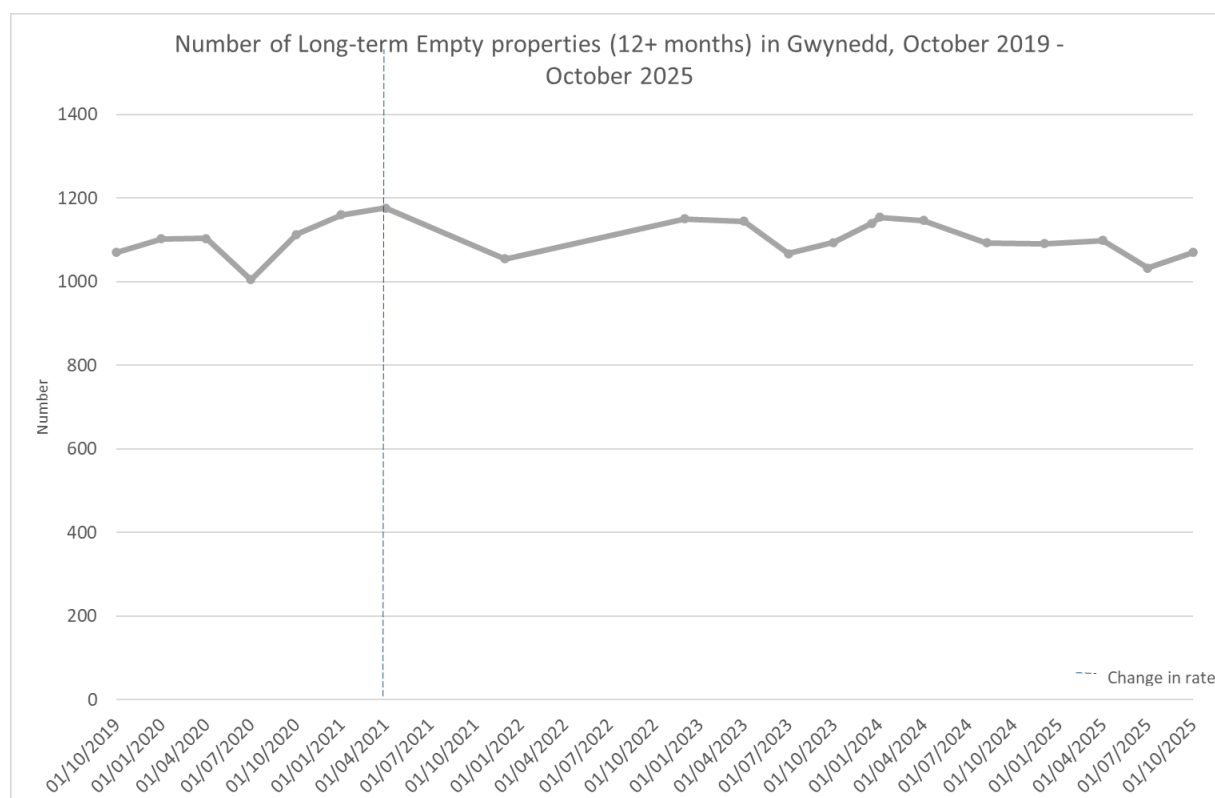


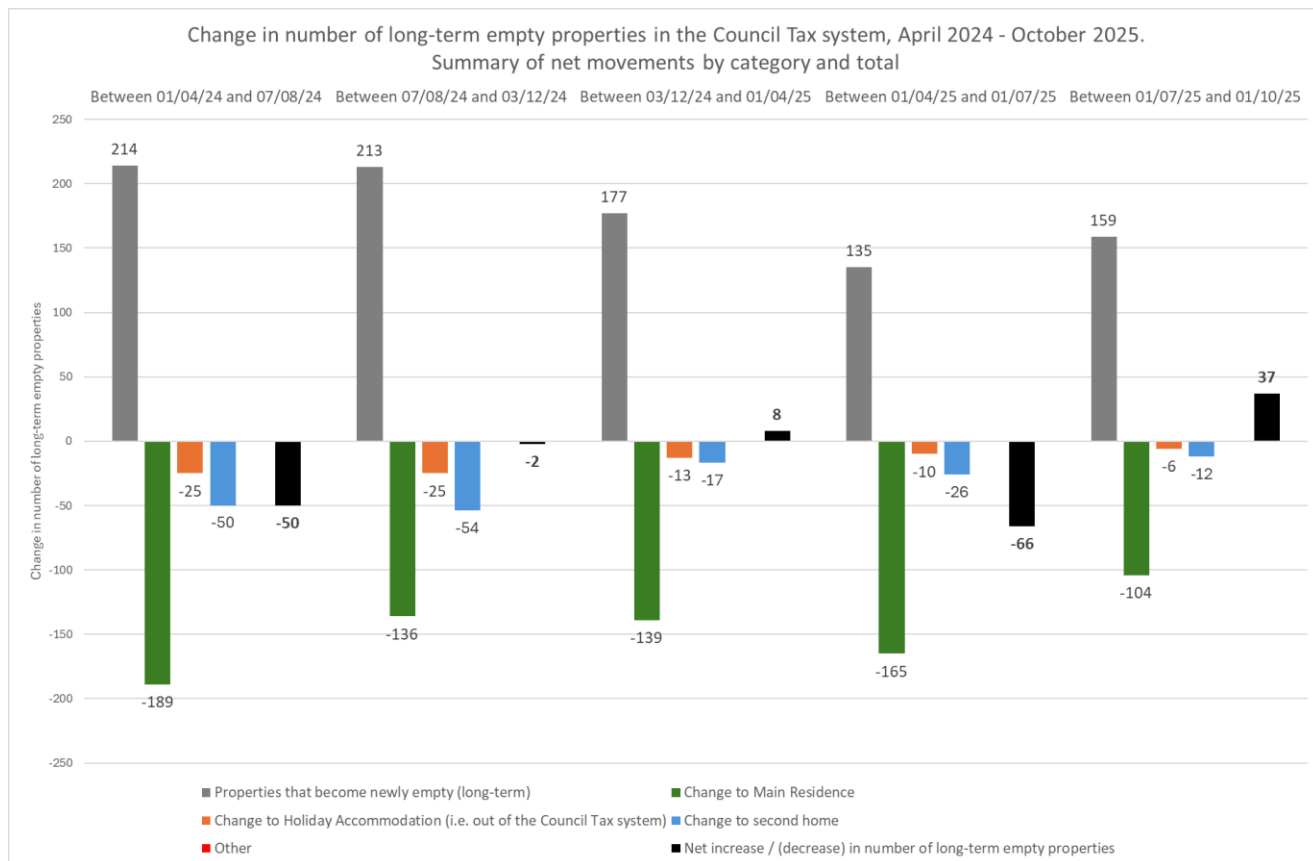
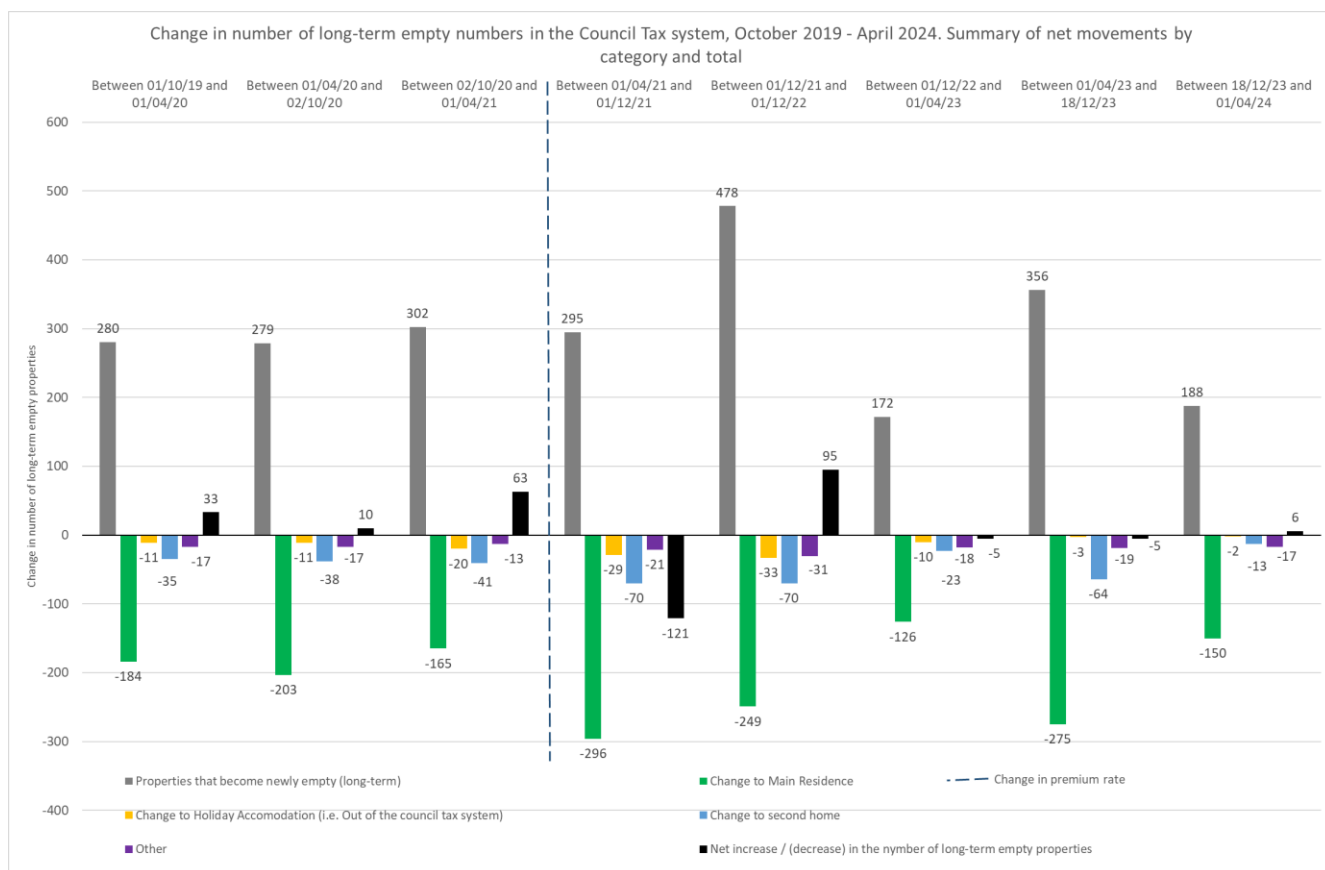
Figure 12: Number of long-term empty properties (12+ months) in Gwynedd between October 2019 – October 2025.

It can therefore be seen that the total has fluctuated somewhat (between about 1,000 and 1,200) over the period but with little apparent pattern to the change, except perhaps for:

- A net decrease of -121 in April – December 2021 (following the last premium increase, and after a period of slowly increasing numbers). But this was then more or less offset by a net increase of +95 in the subsequent period December 2021 – December 2022.
- Some reduction recently (from 1,154 in January 2024 to 1,033 in July 2025) but the number has then increased somewhat (to 1,070) by October 2025.

In the same way as was done with second homes (above), we have tracked and analysed changes to individual property categories to, and from, the long-term empty property category (in order to ascertain to where, and from where, the properties reached that category in the council tax administration system) and the results are summarised in the charts below (full data in **Appendix 3**).

# EVIDENCE OF THE IMPACT OF THE COUNCIL TAX PREMIUM ON SECOND HOMES AND LONG-TERM EMPTY PROPERTIES IN GWYNEDD – NOVEMBER 2025



## EVIDENCE OF THE IMPACT OF THE COUNCIL TAX PREMIUM ON SECOND HOMES AND LONG-TERM EMPTY PROPERTIES IN GWYNEDD – NOVEMBER 2025

Figure 13: Change in long-term empty property numbers in the Council Tax system by period between October 2019 and October 2025 as a summary of net movements per category and in total.

Looking more specifically at property changing from long-term empty properties to main residences, the following pattern can be seen:

Table 2: Change from long-term empty property to main residence

Period	Number of months	Number of properties transferring from long-term empty properties to main residences	Average number of properties transferring per month
1/10/19 – 1/4/20	6	184	31
1/4/20 – 2/10/20	6	203	34
2/10/20 – 1/4/21	6	165	28
1/4/21 – 1/12/21	8	296	37
1/12/21 – 1/12/22	12	249	21
1/12/22 – 1/4/23	4	126	32
1/4/23 – 18/12/23	9	275	31
18/12/23 – 1/4/24	3	150	50
1/4/24 – 7/8/24	4	189	47
7/8/24 – 3/12/24	4	136	34
3/12/24 – 1/4/25	4	139	35
1/4/25 – 1/7/25	3	165	55
1/7/25 – 1/10/25	3	104	35

It's difficult to see a definite pattern in these figures – a slightly higher than usual number transferred in the period immediately following the premium increase in April 2021, but the figures then went back down. There is also a hint of higher numbers transferring at some points (e.g. around early 2024 and between April-June 2025) but otherwise there is no obvious pattern to be seen here.

Overall, therefore, it is difficult to see that the last increase in the council tax premium on long-term empty properties (to 100%, in April 2021) resulted in any long-lasting change in the patterns / numbers of these properties.

In subsequent years, while there have been a number of empty properties that have moved out of that category – mainly reverting to primary residences (much of this is likely to stem from projects to bring empty homes back into use) there have also been a number of properties that have newly become long-term vacant. In terms of numbers, the effect of these two elements have more or less cancelled each other out – so that there has not been much change in the total number of long-term vacant properties across the county in recent years.

## 8.0 Conclusions

### ***Second homes***

There was a net flow of property from second homes to main residences before the premium increase to 100% in April 2021, and (more pronouncedly) before and after the increase to 150% in April 2023. This is contrary to the previous usual pattern where the flow was in the other direction, from main residences to second homes. It appears that the effect of this latest change is more long-lasting, in that a net flow of properties from second homes to main residences continues to exist, two and a half years after the latest change to the premium rate.

It appears therefore (although the limitations of the information, and the other factors which could have impacted upon the situation, need to be borne in mind) that the premium has made a contribution towards returning second homes to use as main residences.

The other important flow, however, is the movement between second homes and holiday units, and it appears that the direction of this flow has completely reversed from April 2023 onwards – which is the date the change in the criteria for taxation of self-catering holiday accommodation came into force. By now this flow consists of a (net) movement from holiday units (in the business rate system) to second homes (in the council tax system).

In the more recent period since August 2024, this flow (from holiday units to second homes) has quickened – to the extent that it is now larger than the other flow (from second homes to main residences) with the result that the total number of properties taxed as second homes is increasing.

### ***Long-term empty properties***

It does not appear that the latest increase in the council tax premium on long-term empty property (to 100%, in April 2021) has led to any long-lasting change in the patterns / numbers of these properties in Gwynedd.

In the years since 2021, although numbers of empty properties have transferred out of that category – mainly reverting to being main residences (with a number of these transfers likely to be a result of schemes to bring empty homes back into use) – there have also been numbers of properties becoming long-term empty for the first time. In terms of overall numbers, both these elements have been on a similar scale, and therefore as a consequence there has not been much change in the total number of long-term empty properties across the county in recent years.

### ***Continued monitoring of the situation***

The Research team has been cooperating with other teams in the Council to ensure that reports are run, and data kept, regularly to facilitate analysis and reporting on these trends in future. We are also collaborating on a means of matching properties across both systems so that data on properties transferring between the different categories is more easily available without laborious analysis work; this will enable an analysis to be available quarterly, in dashboard form, to the different relevant Council departments.