

**PUBLIC ENGAGEMENT REPORT:
ARTICLE 4 DIRECTION NOTICE ENGAGEMENT PERIOD**



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Appendix 1: Article 4 Direction Notice

Appendix 2: Residents letter

Appendix 3: Engagement period questionnaire

Appendix 4: Analysis of respondents

Appendix 5: Justification Paper

1.0 Background

- 1.1 The Article 4 Direction Notice (Appendix 1) was served on 2 August, 2023 for a period of six weeks (up until 13 September, 2023). The requirements set out in the Town and Country Planning (Permitted General Development) Order 1995 (as amended) make it a requirement to issue an Article 4 Direction Notice for a minimum period of 21 days. To ensure plenty of opportunity for those affected to respond to the Notice, it was decided to place the Notice for a period of six weeks, which is longer than the statutory requirement.
- 1.2 We were required to place the Notice in at least two public spaces within the area to which it applies. Since the Article 4 Direction implementation area covers the entire Gwynedd Local Planning Authority Area, it was decided that it was reasonable to place a copy of the Notice in a public space in every settlement affected. This meant that 114 site notices were placed. We ensured that there was a record of placing the notice (photo) and the location of the notice was marked on a map.
- 1.3 Further publicity was given to the issuing of the Notice by sending letters (Appendix 2) to every residential dwelling within the Gwynedd Local Planning Authority Area (approximately 52,000 residential dwellings). It is worth emphasising that it was not a requirement to send a letter to every residential dwelling, as the Order states that it is not essential if it is deemed impractical to do so. However, it was considered important that there was awareness of the proposal amongst owners of residential dwellings because of the possible impact it could have on them.
- 1.4 In line with the requirements, the notice was placed in the local newspapers (Caernarfon and Denbigh Herald, Cambrian News and Bangor Mail). In addition, copies of the relevant documents were available to view in the Council's main offices and the local public libraries, and on the Council's website.
- 1.5 As well as placing the Notice, a period of public engagement was undertaken at the same time. Comments could be submitted on paper or on-line.
- 1.6 To facilitate the process of making representations, a dedicated web-page was prepared (www.gwynedd.llyw.cymru/article4) which contained the essential information and also a series of frequently asked questions and answers in the hope of relieving some pressure in terms of the number of enquiries received. We also note that we made regular use of social media to raise awareness.
- 1.7 The questionnaire (Appendix 3) that was prepared included two open-ended questions which gave people the opportunity to express their opinion on the Article 4 Direction and to note the impact it is likely to have on people with protected characteristics, the Welsh language and people who are economically disadvantaged.

2.0 Responses

- 2.1 During the period of public engagement a total of 3,902 valid responses were received. 3,508 representations were made through the on-line questionnaire and 394 representations were submitted in a letter or e-mail. In addition to these valid responses (valid in that a comment was presented), 369 void responses were also made. Although these void responses did not

include a response to the question for finding opinions, some of the responses have responded to the section 'About me' (personal details).

- 2.2 To assist with the analysis of the comments, all the comments have been recorded on the PowerApps software, then the 'PowerBI' software was used to undertake more detailed analysis.
- 2.3 Due to the nature of the comments and the wide range of issues raised, the responses have been categorised according to specific themes. 37 principal themes were raised (see section 5 below). For each of these themes we have recorded the number of comments received that were relevant to those themes together with the 'Council's Response' to the matter in question.

3.0 Respondents

- 3.1 The questionnaire for submitting representations (Appendix 3) asked specific details about the respondent. The Council has a duty, when considering proposals such as these (making an Article 4 Direction) to assess the proposal's potential impact on the Welsh language (The Welsh Language (Wales) Measure 2011) and on individuals with specific equality characteristics (Equality Act 2010). Nine characteristics are identified in the Act, namely age, gender reassignment, sex, race (including ethnic or national origin, colour or nationality), disability, pregnancy and maternity, sexual orientation, religion or belief (including a lack of belief) and marriage and civil partnership.
- 3.2 As we are duty-bound to assess the impact of the proposal on the above-mentioned characteristics, we asked a specific question within the questionnaire regarding these characteristics. In addition, two specific questions were asked about the Welsh language. Responding to these questions was entirely voluntary, and this was stated clearly on the questionnaire.
- 3.3 As part of the Public Sector Equality Duty and the Wales-specific duty in the Equality Act 2010, the information provided in the questionnaire is used to complete an Integrated Impact Assessment. The information about the Welsh language will also be used in the Integrated Impact Assessment.
- 3.4 Further details regarding the personal characteristics of those who responded to the questionnaire can be found in Appendix 4. These questions were asked under the heading 'About You' at the end of the questionnaire. It was entirely voluntary to complete these details.

4.0 Analysis of and Response to the comments

- 4.1 In accordance with the Town and Country Planning (Permitted General Development) (Amendment) Order 2022 there is a duty on the Local Planning Authority to receive representations on the Article 4 Direction Notice. Because of this duty, only one question was asked in order to find people's opinion on the Article 4 Direction, namely:-

"Please note any comment(s) you have in relation to the Article 4 Direction below."

- 4.2 The following analysis work includes a summary of the comment received based on specific themes. The number of responses received pertaining to those themes is noted, and then the “Council's Response” to the representation is noted. It is emphasise that the following provides **only a summary** of the representations. A reasonable attempt has been made to ensure that the range of responses in relation to the specific themes are covered within the summary.
- 4.3 You will note that under each main theme, Sub-themes have been recorded. The comments received were recorded in accordance with these sub-themes. There may be some instances where a respondent has made a comment that applies to one or more of the sub-themes. The total 'Number of Comments' recorded is based on the combined number of responses that emerge from the sub-themes.
- 4.4 Please note that this Report contains an analysis and response to the comments received to the first question of the questionnaire relating to establishing an opinion on the intention. The responses received to the second question relating to considering the impact of the intention on equality characteristics, Welsh language and socio-economic disadvantage have been used in order to prepare a revised version of the Equality Impact Assessment.

THEME 1: GENERAL OPPOSITION TO THE PROPOSAL

Sub-Theme: [Unlikely to meet the objectives] [Unfair effects] [Oppose the proposal]

Number of comments: 927

Summary of comments:

- Article 4 Direction is unfair on Gwynedd residents.
- The negative effects of Article 4 will outweigh any positives.
- People will suffer due to the ridiculous proposal.
- Object the proposal.
- This is unlikely to resolve the problem of local homes for local people.
- I think implementation of Article 4 is unlikely to solve the housing crisis for locals and think the results of its implementation would negatively affect one of our main sources of income, i.e. tourism, and therefore force locals to search out of the area for work.
- This article should not be confirmed, it is a regressive policy with predictable negative effects and is unlikely to achieve its unclear objectives.
- This article 4 direction does not solve the impact of second homes and short-term holiday accommodation on communities, in fact it makes it worse!
- Whilst I understand and agree with the objectives. Unfortunately, article 4 will disadvantage the very people it's trying to help. The negative impact on local communities is endless. If hospitality is one if not the major source of jobs, income etc why is it effectively being discouraged?
- The policy will not achieve its objective of local opportunity for housing. The policy objective is not well defined, does not have any targets and or data and facts to support the policy would deliver its goals.
- I believe Article 4 is a bad policy that will not achieve its stated objectives. All it will do is restrict local housing market.

Council's response:

The comments that generally object, or consider that the introduction of the Article 4 Direction will have a negative impact, are noted. Further consideration will be given to the range of specific possible negative impacts that have been raised during the public engagement period in responding to 'Themes 2 to 25'.

THEME 2: IMMORAL AND UNJUST

Sub-Theme: [Immoral] [Unjust]

Number of comments: 111

Summary of comments:

- Sufficient restrictions already exist.
- What right does the Council have to place restrictions on people's use of their homes? Contrary to a democratic society.
- It is immoral to tell a house-owner who they can or cannot sell their home to. Everyone has the right to sell on the open market.
- This is unfair and immoral and targets English people specifically.
- Imposing burdensome conditions on freehold properties is contrary to social justice.

Council's response:

It is emphasised that implementing the Article 4 Direction will not restrict the ability of individuals to sell or long term let their house/houses on the open market nor who is eligible to buy or rent the property. The purpose of the Article 4 Direction is to remove the permitted development rights that have been applied through the amendment to the Town and Country Planning Order (Permitted General Development) (2022) to ensure that planning consent is required in order to undertake some specific change of use developments. The intention is to implement the proposal for the whole Local Planning Authority area and it is not accepted that the proposal discriminates on the grounds of nationality.

It is hoped that introducing this measure will ensure better control of the housing stock, thus ensuring an appropriate provision of housing to contribute towards satisfying local needs. With the housing crisis that faces the residents of Gwynedd, there is a need to implement innovative measures to ensure that the existing housing stock is protected for the intended use, i.e. to provide homes for the households of Gwynedd.

THEME 3:**THE WRONG SOLUTION TO THE HOUSING CRISIS**

Sub-Theme: [Need to build more housing] [Need more affordable housing] [Does not meet the needs of first buyer housing] [No impact on housing supply for local people] [Negative impact on providing affordable housing]

Number of comments: 956

Summary of comments:

- What is urgently needed is to build more affordable/social housing for people who are on lower salaries.
- Need to build more houses for local people.
- The houses being built need to be suitable (not boxes) for local families and elderly people in rural areas.
- There is a need to build private housing that our young people would be able to afford.
- The best way to help local people with housing is to build more houses locally, it has worked in Chwilog behind the Madryn where the houses have all gone to local families.
- The Council should use the money from the additional taxes to buy houses and let them to local people with the possibility of buying the property, and should the owners want to sell in future, that they can only sell it back to the Council for the market price.
- A better step would be to allow rather than refuse local people to build on their own land with their own money.
- Cyngor Gwynedd should build more houses for local people, not force local Gwynedd residents to have conditions imposed on their property.
- We need to keep local young people in the area the easiest answer in my eyes is to relax planning boundaries and let local people build more houses.
- Build more affordable homes for rent or shared equity/shared ownership which can also be restricted to ensure that they remain both in residential use and for local people.
- Social housing needs building and should not be made available to the occupants to buy, so that the pool is maintained.
- Look to your housing needs surveys and deliver a housing strategy that builds better quality housing for locals.
- Prioritise new builds of eco-efficient / zero carbon / passivhaus dwellings built for a demographically matched range of family sizes, specifically for local occupancy, across Gwynedd.
- Much more land needs to be made available for housing (large scale, medium scale and self-build) possibly with planning consent in principle made available before all of the cost of wildlife surveys, traffic assessments, tree surveys, noise impact assessment, Welsh language statements etc.
- A blanket article 4 will negatively impact on the local housing market as well as impacting local homeowners without making any difference to housing stock available to local.
- Article 4 will do nothing to solve the housing crisis and will only have a negative effect on local people.
- I do not think the proposed terms of Article 4 will solve the problem of first-time buyers. Rather, I think it will exacerbate the divide between holiday/short term let properties and the residential properties.
- The Council need to be less stringent in their planning for locals to build on either infill land or in some cases build on land which their family own ie. large gardens, farmland etc

- Article 4 will not make a difference for local people to be able to afford a house. This is proven by the lack of statement by the Cabinet on how the article is going to be implemented.
- It will reduce the home valuations of local residents and have a significant negative impact on their finances.
- Those close to retirement will be particularly hard hit and it will not help younger main residents get on the housing ladder. Their parents will be unable to assist their offspring into the housing ladder.
- Many of the second homes were built as holiday homes and would not meet the requirements of first-time buyers.
- Large, older properties which are expensive to run would never be affordable for young first time buyers.
- This proposal will have a negative effect on creating affordable homes.

Council's response:

There is an immense need for affordable housing within the county to provide for existing needs and future generations. Naturally, the provision through the development of new houses is one way of meeting this need as (where appropriate and relevant) it is possible to use planning conditions to ensure that the proposal addresses local affordability needs.

However, it is emphasised that the approach of building more houses as the only solution to respond to the housing crisis and meeting local needs is wholly unsustainable from a social and environmental perspective. Gwynedd is a county that has a rich natural landscape and historic assets. The need to protect the beauty of the county means that the Council has a duty to consider development proposals in areas that have specific landscape designations. It is further noted that the challenges linked to climate change and the coastal nature of the county restrict the availability of land suitable for development due to the risk of flooding and/or coastal erosion.

Currently the ability to control the use of residential houses is limited, meaning that the county's housing stock is lost to alternative uses (holiday lets and second homes). The existing housing stock is suitable to contribute to meeting the needs of the local population. However, at present the ability to protect the use of a residential house for its use as a 'home' is limited. Numerous residential houses have been lost to alternative uses due to the current lack of control. In accordance with the figures for April 2023, 11.5% (7,311 in number) of Gwynedd's housing stock is used either as a second home or a short-term holiday let. The following table provides figures for the provision of residential houses, second homes and holiday accommodation in Gwynedd over a period of 5 years:-

	Number of Domestic Properties	Number of second homes (excluding units with an occupancy restriction)	Number of Holiday Lets	Combined number
July 2018	61,679	5,100	1,193	6293
May 2019	61,616	5,013	1,658	6671
June 2019	61,591	4,891	1,681	6572
October 2019	61,562	4,920	1,764	6684

February 2020	61,617	4,912	1,838	6752
June 2020	61,645	4,873	1,976	6849
November 2020	61,946	4,933	2,119	7052
February 2021	61,534	4,768	2,261	7029
July 2021	61,463	4,729	2,369	7098
October 2021	62,312	4,713	2,448	7161
February 2022	61,296	4,627	2,612	7239
July 2022	61,335	4,840	2,719	7559
December 2022	61,340	4,724	2,771	7,495
April 2023	61,410	4,450	2,861	7,311
	-269	-650	+1,668	+1,018

Please note from the above table there was a reduction of -269 houses that used to pay the domestic council tax between July 2018 and April 2023. Over the same period there was a reduction of -650 houses that used to pay the council tax premium (second homes). During the same period it is noted that the number of new houses completed is 963 (built in the Gwynedd Local Authority and Eryri National Park Planning Area). Therefore, in considering the actual decrease in the number of residential units in Gwynedd, it is noted that this is actually approximately -1,232 units. The growth in the number of self-catering holiday lets (+1,668) is likely to be appropriated (to a large extent) to the housing stock that has been lost (-1,209).

It is thus emphasised that the ability to freely transfer between the uses means that there is no effective control over the existing housing stock. Furthermore, it makes it more difficult to predict if the current housing stock will be available to satisfy future requirements or if the current housing stock will continue to be eroded for holiday accommodation purposes.

Therefore, together with a responsive approach to the provision of affordable houses that addresses local need, and ensuring that those houses are fit for purpose/environmentally friendly, and implementing an innovative plan to address the housing crisis (Gwynedd Housing Strategy 2019-2024), it is considered that a mechanism must be implemented to provide better control over the existing housing stock.

THEME 4:**NEED TO SUPPORT THE LOCAL ECONOMY AND CREATE QUALITY EMPLOYMENT OPPORTUNITIES**

Sub-Theme: [Employment opportunities needed] [Need quality jobs] [Negative impact on the local economy] [Lack of work and low wages compared to other places] [Will leads to unemployment]

Number of comments: 334

Summary of comments:

- I would like to see the Council putting the same energy into attracting business and better jobs into the area so that salaries can try to keep up with the market
- The economy must be developed to secure well-paying jobs in sustainable and indigenous sectors such as agriculture and green energy.
- What we need is better-paying local jobs that will encourage local families to stay in the area and raise children to populate our schools again. This is the only hope for the Welsh language and our way of life.
- Completely stupid, local people will lose jobs, many local companies, e.g. shops, restaurants, constructors and many more will lose substantial income which will then lead to staff being laid off. The house selling market will disappear.
- I believe that Gwynedd CC should be looking at producing a realistic economic development plan that will create jobs and wealth over the next 20 years rather than taking away the freedom of choice of homeowners.
- The problem in Gwynedd is a lack of good well-paid jobs and not enough house building. Gwynedd Council is quite insular therefore it struggles to get any companies with good jobs to invest in the area.
- In an area where there are few well paid jobs to attract young people, indeed not many jobs of any kind, this seems to be a short-sighted policy and will encourage more young people to move away.
- The council needs to provide 75000 jobs outside of tourism if you don't want second homeowners and tourists.
- Educate the population that just because they live in a more remote area of the country, that they can still apply for remote-first jobs that pay incredibly well. Upskill the population, make them aware.
- Why has GC not encouraged decent industries, engineering companies, apprenticeships? well paid jobs is what is missing here.
- The simple fact is Gwynedd does not offer industry and therefore doesn't offer enough job opportunities per household; the ratio worsens as we get closer to the coast due to the smaller local population and reduction in industry/travel networks.
- Gwynedd is an enormous area, to apply such a broad measure across the entire area without considering or excluding micro economic climates such as those in parts of the Llyn Peninsular is extremely naive and the effects are going to be catastrophic.
- We are well represented with trades in the area, plumbers, plasters, electricians and local general builders who support a balanced community for both local residents and for those seeking second homes and short term let. With the proposed action a large percentage will lose out on work as it will cease, and hence the labour will lose out and either have to stop work or move further afield for their employment.

- For those not lucky enough to rent their holiday homes for 26 weeks! This will force them to sell up and making redundant cleaners, gardeners, handmen, window cleaners, maintenance companies - the list goes on.
- Leave tourism alone unless you want unemployment to go up massively in September. We have little else in this area unless you are a civil servant or public sector employee. It is the life blood of the area for trades, young teenagers that pot wash, wait on, bar staff, cleaners, ironers, retail, hospitality and other local service providers.
- The Swiss experiment on banning new second homes lowered the price of primary homes in affected areas by 15%, increased the growth in local unemployment rates by 12%, and increased the price of second homes by 26%.

Council's response:

A number of objections were received calling for high-quality skilled jobs in the County. Due to the rural nature of parts of Gwynedd, it is unlikely that large employers would locate to areas outside the larger settlements. However, the Joint Local Development Plan tries to facilitate the provision of suitable employment sites. The Joint Local Development Plan's employment policies' aim is to provide opportunities for a prosperous rural economy by:

"Supporting economic prosperity and the sustainability of rural communities by facilitating appropriately scaled growth of rural enterprises, the extension of existing businesses and diversification by supporting the re-use of existing buildings, the development of 'live and work' units, working from home, and by encouraging the provision of sites and premises in appropriate accessible locations."

Cyngor Gwynedd has an Employment Plan for Meirionnydd and Llŷn & Eifionydd that identifies a work plan and employment opportunities in both areas. These Plans examine the scale of the current economic challenge and the plans that are being developed to set the foundations for future employment and ensure a progressive, vibrant and sustainable economy with a variety of high-quality employment opportunities.

Furthermore a series of 'Our Area Regeneration Framework: Local Regeneration Plan's' are in the process of being prepared for 13 Local Regeneration Areas in Gwynedd. These Plans will ensure that proactive steps are in place to ensure collaboration to improve the areas economically, environmentally, culturally and socially.

It is also emphasised that the Council Plan (2023-28) identifies priorities, including a Prosperous Gwynedd. The purpose of the priority is to strengthen the economy and support the residents of Gwynedd to earn a worthy wage.

A number of objectors noted that Article 4 will have a negative impact on jobs within the tourism industry. The justification paper notes that there is an over-provision of self-catering holiday accommodation in parts of the County. This over-provision is exacerbated by private accommodation that is let on an *ad hoc* basis with no control through marketing platforms such as AirBNB. This could mean that providers and operators that have received planning permission to run a holiday let do not receive the anticipated profit from income derived from a possible significant investment, which could lead to a possible failure of their business.

Theme 15 examines the impact on the tourism industry in further detail.

Also, for many businesses that offer a service that meets the needs of the local community, an idle population is needed to support these local services.

THEME 5:**NEED TO CONSIDER IMPLEMENTING OTHER MEASURES**

Sub-Theme: [Need to assess other measures (e.g. higher council tax) before introducing another measure] [Planning system not meant to be used to protect the Welsh language] [Economic issue not planning] [Other options should be considered] [Need better management of holiday accommodation (registration/ licensing)] [Need to bring empty houses back into use] [Need to tax short-term holiday accommodation]

Number of comments: 161

Summary of comments:

- The Council are not exploring sufficiently other alternatives which is dangerous as this is a policy that once implemented is likely to be irrecoverable.
- Given that the authority already have powers to surcharge council tax on second homes have only just significantly increased these, along with the Welsh Government increasing the number of let days before business rate relief and stamp duty, I would suggest that a period of time to evaluate the impacts of this should be undertaken before adding in further new policies.
- What other measures has Gwynedd council explored? How many properties have they purchased as housing stock? How many affordable homes have been built by Gwynedd since 2018, when the premium Council Tax was introduced? This increase was introduced in order that affordable housing would be built.
- Alternative Solutions: I urge the council to contemplate other means of addressing the concerns that led to this proposal. This could include targeted interventions in areas with an excessively high concentration of holiday homes, licencing homes that wish to let, incentives for local homeownership, or community housing initiatives. Most of the second homes you refer to are generally old, stone-built houses and cottages that are expensive to heat and maintain, and this is perhaps why they are suited to summer use. A more positive and beneficial approach to help the younger generation onto the housing ladder is to build many newer, energy-efficient homes that benefit from ultra-fast WIFI.
- What is the Council doing with the extra taxes they're receiving?
- These aims could be encouraged in other, more positive ways, for instance making it more attractive for people to repurpose derelict or unused properties - both residential and ex-commercial.
- While I appreciate the council's focus on the housing crisis, I believe that Article 4's current structure might not be the most effective solution. Instead, I propose a different approach that could better serve both the community's housing needs and property owners' interests. One potential solution could involve requiring planning permission for the continuation of holiday homes or short-term lets when they are put up for sale. This would ensure that the housing crisis is addressed while avoiding the devaluation of existing residential properties.
- There are alternatives such as promoting business growth, subsidising local businesses, provision of housing grants and allowing development that actively would promote the use of Welsh language by providing opportunities for Welsh speakers - rather than a policy that penalises them.
- Planners would be better off allowing local people to build homes here in rural communities or offering grants or shared ownership from the additional revenue from holiday home council tax to help first time buyers.
- Stronger taxation on non-residents seeking to invest in Gwynedd property, using it as a commodity, is what should be used as a tool to de-incentivise second home ownership.

- If the aim is to retain the financial benefits of tourism while curbing the proliferation of second homes, a more viable approach would involve endorsing and facilitating the expansion of holiday parks. Regrettably, the Council has historically hindered efforts to increase holiday accommodations within these parks. Consequently, prospective homeowners have turned to conventional residential properties.
- The council has other planning powers it could use such as refusing planning permission for new holiday lets.
- A cheaper option is to allow local people to build on their own land.
- The Council should make more use of empty home grants and bring them back into use for the benefit of the local community.
- Article 4 should be active in those communities that have a problem and not the county in its entirety.
- Stamp duty and Tourism Tax.
- The council need to look at ways to help landlords to accomplish this aim, with investment loans and rental schemes to provide an income and return on investment to encourage landlords and others into the marketplace.
- This is an economic issue not a planning issue. Attempting to solve an economic issue by any other means other than economics will result in a devastating quagmire of bureaucracy for residents.
- Need to encourage/allow bringing old buildings and empty shops back into use as residential properties.
- The solution is to ring-fence the money you already raise from the second home council tax premium and, rather than take it into general cash flow, use it solely to build new affordable homes for local residents. Appropriate sites for these new properties can easily be identified by a creative approach to planning permissions and possibly the compulsory purchase of existing vacant properties.
- There are other courses of action that could supplement the Article 4 Direction, as has been seen with some success in other nations of the UK. St Ives in Cornwall, and parts of the Lake District have I understand with some success, introduced local occupancy clauses to the sale of some properties.
- A local consortium could purchase properties which have not sold, and develop these as community run holiday lets, the proceeds of which feed into supporting local and/or disadvantaged people to have homes at affordable rent.
- The focus should be to develop rundown council assets into affordable housing.
- There is a need to pay a higher rate of Council Tax on this form of use, because of the impact upon availability of housing for local people.
- License any rental property to pay an annual fee, this will enable the council to build more affordable permanent homes.
- I believe that action should be targeted at second homes which lie empty for most of the year and therefore do not contribute to the local economy

Council's response:

There are a number of measures available to councils to address the second homes and holiday accommodation crisis. On 6 July 2021, the Welsh Government announced a three-pronged approach to address the impact of second homes on communities in Wales, to ensure that the people of Wales have access to affordable housing. The three-pronged approach focuses on:

- Supporting and responding to affordability and availability of housing
- Regulatory framework and system - in relation to the Planning act and the introduction of a statutory registration scheme for short-term holiday accommodation, and

- A fairer contribution - using national and local taxation systems to ensure second home owners make a fair and effective contribution to our communities.

We are already implementing part of the second element, through the proposal to introduce the Article 4 Direction that has become possible following amendments to Planning legislation to introduce specific new use classes for Second Homes (C5) and Holiday Lets (C6).

Some contributors suggested that intervention should be sought through the introduction of a licensing system. On 9 January 2024 the Welsh Government announced an intention to introduce statutory registration and licensing for short-term holiday accommodation, in order to improve the safety and standard of holiday accommodation in Wales. Northern Ireland has already established a certification system and Scotland has also recently introduced a licensing scheme for short-term holiday accommodation. This measure will ensure that holiday accommodation provision reaches the appropriate health and safety standards, similar to the existing controls of rental properties. It will also be a way of keeping an up-to-date register of the range, types and numbers of holiday accommodation in Wales, that will be beneficial for future monitoring. There is no formal date yet confirmed for the implementation of the registration/licensing arrangements.

Since April 2023, Cyngor Gwynedd has been using its taxation powers to raise a 150% premium on Second Homes. A number of responses suggest that the impact of the premium is already being proven in our communities, with a number of second homes being placed on the market, mentioning that it would be prudent to wait to assess the impact of the premium on the housing situation before proceeding with the Direction. It is considered appropriate to implement a suite of control mechanisms to address the problem. Appropriate monitoring of the control mechanisms (Council Tax premium and Article 4 Direction (if confirmed)) will be undertaken by the Authority.

Welsh Government has chosen the Dwyfor Pilot Area to trial the changes, to find balanced solutions to control the high numbers of second homes in our communities, and encouraging us to take advantage of the new powers that have been introduced.

There have also been amendments to the rules in relation to qualifying for business rates for holiday accommodation, with expectations that a property must be let for 182 nights to qualify for business rates. In the March 2024 UK Government Budget it was announced that the holiday accommodation taxation system would be abolished, by removing the existing taxation benefit for the landlords of holiday properties, in the hope of reducing the numbers or leading to an increase in rental properties for long-term tenants.

The 2024 Budget stated an intention to review the taxation requirements of long-term empty houses. Cyngor Gwynedd is already addressing empty houses, with grants available to purchase and renovate empty houses and return them to use. Increasing the empty homes tax is likely to release more houses back to the housing stock.

With the new measures that are now available to local government, it is expected that the housing situation will improve in Gwynedd in the future. It is emphasised that a range of measures need to be implemented in order to deliver the wider aim, as it is not possible to rely upon one individual control measure.

THEME 6: CREATES FRICTION / DIVISION

Sub-Theme: [Creates friction / division]

Number of comments: 94

Summary of comments:

- Divisive policy which is stirring up divisions, causing stress and driving a cultural wedge and partition between different sectors of communities.
- I'm not usually encouraged by name calling but you are bringing the worst out of your locals and visitors.
- Article 4 Direction has caused a huge division which has already filtered through into the tourist industry on which I rely. Some of my clients left early before the bank holiday weekend after being upset by attitudes heard from locals regarding how welcomed they were made. So that was a few families who didn't spend in the locality and have left with a bad feeling towards the area, meaning they're unlikely to rebook.
- My income will decrease if the council continues to blame their failures on second homes and holiday lets and by making them feel unwelcomed here.
- Article 4 has already caused a lot of upset and uproar amongst local people and will continue to do so if it does go ahead.
- I feel ashamed to call myself Welsh. The FHL hard line rules are aimed at perceived English owners. There is no welcoming to Wales only hate. We non-Welsh speaking Welsh are being ignored. Speaking Welsh does not make a person WELSH.
- Kicking the English at every opportunity is not the way forward. I say English, because it is apparent in the report and by the very nationalistic comments being made on a regular basis that they are being singled out as the root cause of all the current problems. I find this racist and totally unacceptable and as a Welshman extremely upsetting.
- Such an outcome would not only exacerbate the existing housing crisis but also create a clear divide within our community, making it increasingly difficult for ordinary citizens to secure a home within their means.
- We no longer feel welcome here due to the anti-tourist agenda.
- The upset, worry, anger and stress this has caused is making people physically and mentally ill.
- We desperately need to make tourists and all members of our communities feel welcome and to co-habit peacefully and treat everyone fairly with respect and kindness.
- Blame culture.
- Article 4 indirectly discriminates against Welsh speakers and residents and the Council have not provided a proportionate means of achieving a legitimate aim.
- Resentment
- The perception of second homes denying available housing stock for the indigenous population is wrong.
- The noises coming out of Cardiff and locally are sounding very hostile to those of us not born in Wales.
- I feel discriminated against – it is already causing tension and ill feeling in a community I have called home for over 23 years.

Council's response:

It is hoped that implementing an Article 4 Direction will be a means of uniting and maintaining communities. Securing control over the use of houses for holiday purposes will contribute towards maintaining a sustainable tourism sector, offering opportunities for businesses to truly flourish, and

will lead to the creation of opportunities for people to live within their communities that will in turn lead to benefits such as creating a sense of community and supporting local services.

The proposed direction is not directed at any particular group. On the contrary, it would apply equally to all, without discrimination (direct or indirect) on the basis of nationality and ethnic or national origins.

THEME 7: INTERFERES WITH FREEDOM, HUMAN RIGHTS AND IS UNDEMOCRATIC AND ILLEGAL

Sub-Theme: [Undemocratic] [Interferes with human rights] [Innterferes with freedom] [Illegal]

Number of comments: 762

Summary of comments:

- I disagree with the proposed removal of the rights of homeowners to choose how to use of their own property. The Article 4 proposal is fundamentally undemocratic.
- I do not support this very undemocratic article 4. This article will benefit the people who own second homes for whatever reason as they watch their properties increase in in value whilst the value of those homes that are main residences are devalued.
- This whole thing feels totally un-democratic and the implications have either not been thought through, or simply ignored in an attempt to ride roughshod over people's right to live freely.
- The implementation of this draconian, undemocratic, totalitarian policy is a way of trying to smokescreen the deficiencies of years of Gwynedd Council incompetence of planning and housebuilding policies.
- For a Council to wield power over homeowners regarding the use of their property is undemocratic and flies in the face of what body of elected people are there to represent. I am sure many will say that this is "taking back control" well on paper that may well be the case, the reality is that it will severely affect the very electorate that it is supposed to benefit.
- It should not be a decision for a Council to decide what an individual does with their own home. This removes an individual's right to decide and transfers that right to an organisation. The Human Rights Act, Article 1, Protocol 1 states: A public authority cannot take away your property, or place restrictions on its use, without very good reason. There are some situations in which public authorities can take things you own or restrict the way you use them. This is only possible where the authority can show that its action is lawful and necessary for the public interest. Public interest is defined as "the benefit or advantage of the community as a whole; the public good". I fail to see how this Article 4 direction has a very good reason or is in the public good.
- It is contrary to Article 8 of the Human Rights Act. Article 4 constitutes a direct interference with that right and is not necessary for any of the reasons given in Article 8 (2). The Council will argue that it is necessary for the economic well-being of the country. This is not the case, and the Council should be put to proof of this.
- Article 13 of the ECHR provides everyone the right to an effective remedy to violations of their rights and freedoms set out in the Convention. Article 41 provides for just satisfaction to injured parties. Should the Article 4 Direction and linked property controls be contested ultimately and successfully in or en route to the ECtHR the Council may face significant costs or even bankruptcy. Many would not wish this, preferring to explore constructive alternatives to solve the housing crisis and language and cultural concerns.
- Article 14 (Prohibition of discrimination) - The enjoyment of the rights and freedoms set forth in this Convention shall be secured without discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status.
- I believe that the Article 4 Direction is not in accordance with Article 17 if the European Convention of Human Rights.
- The Human Rights Act states that everyone has the right to respect for his private and family life, his home and his correspondence.

- Surely this is illegal for you to be able to dictate whom we can sell our house too if we should wish to sell in future either to upsize or more likely downsize.
- If this is forced through property owners should be able to claim compensation for loss in value.
- Such a matter should be put before the Land's Highest Court in order to be legal. Article 4 has a specific noble purpose, however it is misguided in a democratic, free market population.
- Any legislation against freedoms of the people of our constitution is illegal and therefore irresponsible.

Council's response:

The power to introduce Article 4, and how to do so, is set out in legislation. The Council has followed proper legal process and has received expert legal opinion through the process.

The final decision to ratify Article 4 or otherwise is made by the Cabinet, namely Councillors elected by the public. This decision will be made after councillors have received and considered this report which includes public comments from the engagement period. It is therefore believed that the process is democratic that has followed the powers and rules laid out in law.

The claims that any aspect of the Article 4 is illegal and has an impact on the human rights of individuals have been thoroughly considered and we have obtained expert legal opinion on these aspects. We are confident that the direction does not breach any human rights, and is not undemocratic or illegal.

With Article 1 of Protocol 1 (E1P1) of the European Convention on Human Rights (ECHR) it is possible to intervene in this right when there is clear justification to do so, and this intervention must be in the public interest or general interest. The rationale for implementing Article 4 set out in the Justification Paper (Appendix 5) clearly falls within interference of this kind because it is in the overall interest of the people of Gwynedd. This intervention must also be proportionate and with a fair balance between the public interest and the rights of the individual. The Council believes that the balance here is one that has been considered in detail in the submission of Article 4. The purpose of the direction is to free up more housing for the population of Gwynedd, to gain better management of Cyngor Gwynedd's Local Planning Area housing stock, to ensure that the amenities of the county's residents are protected, to protect and maintain Welsh and Welsh-speaking communities that offer opportunities for people to live and work in them, and this has been highlighted further in the response to themes 26 and 29.

We do not consider that the implementation of the Direction or the arrangements around it would breach Article 8 of the Convention Rights (Article 8 ECHR). It must be emphasised that the effect of the Article 4 Direction would only to revoke permitted development rights for houses to be used as a second home or short term holiday let. It does not restrict the ability to use an residential dwelling house (C3) for that specific purpose. Furthermore, it would still be possible to apply for planning permission as a second home or holiday let, which would allow for consideration of any Article 8 rights that might be engaged. Thus, it is not considered that the Direction itself would give rise to any interference with Article 8 rights. In any event, even it did, it would be proportionate and in the public interest and therefore justified.

A few representations have been made that Article 4 is contrary to Article 13 of the Convention. The availability of judicial review and other rights of appeal/challenge means that there is no reason to

think that the direction would breach this Article.

It is also appropriate to address comments that have been made around Article 14 of the Convention and comments about discrimination. This is also addressed in Themes 6, 13 and 17. It is noted that this Article only prevents discrimination in connection with rights conferred by the Convention. The Direction applies equally to everyone regardless of national origin, language etc. If the argument is that the Direction makes it more difficult to have a second home in Gwynedd, this is going to have the same effect on a Welsh person as it does on an English person. Furthermore, the Direction would not prevent an English person from obtaining a second house or short-term holiday let wherever a Welsh-speaking person was able to do so. Even if the Direction can be shown to have a detrimental effect that disproportionately affects English people (or other non-Welsh speaking people) this would only be unlawful if there was no objective and reasonable justification, that is if it did not pursue a 'legitimate aim' or if there was no reasonable relationship of proportionality between the means used and the aim sought to be realised. As has already been set out the Direction has been introduced as a way to try and protect and maintain Welsh communities that offer opportunities for people to live and work, seek to maintain rural and sustainable and vibrant communities, ensure that the people of Gwynedd have access to a suitable and high-quality affordable home that improves their quality of life. These are some factors that can be noted as a legitimate aim, and are explained more comprehensively in the justification paper (Appendix 5).

THEME 8:**DIFFICULT AND BURDESOME ON THE COUNCIL TO IMPLEMENT AND ENFORCE**

Sub-Theme: [Difficult to police/enforcement] [Costs to Council to implement] [Lack of capacity within the planning service to operate] [More information needed on its implementation] [How will it be monitored/managed] [Need to ensure capacity within the Planning Service to implement]

Number of comments: 41

Summary of comments:

- Increase cost and bureaucracy.
- The cost of implementing this is also not mentioned. Has the Council undertaken a cost benefit analysis on this proposal. What additional staffing will be needed for applications, enforcement and monitoring.
- Not needed, just creates additional costs.
- How will the implementation of this be managed given the already stretched and under resourced situation of local planning authority, and Planning Inspectorate?
- Will require constant monitoring, effective enforcement and review.
- Will add another level of complexity and will put even more strain on the Council.
- Concerns about Gwynedd's ability to secure enforcement elements if Article 4 comes into force. Elements of planning enforcement in Gwynedd are currently alarmingly weak. Although there is specific funding from the Welsh Government on an interim basis, there is real concern that Gwynedd Council will not have the ability to secure this funding.
- Would the planning office have the capacity to handle the major additional work implied by these change of use policies? How would the additional staff required be funded?
- Enforcing Article 4 directions requires additional administrative resources and costs for the local authority. These resources could be better utilized for other essential services, such as education, healthcare, or infrastructure development.
- Abundantly clear that planning departments are understaffed and overwhelmed. Clarity is required as to whether the Planning Department is adequately staffed and resourced so to manage its current workload, let alone the additional pressure that will likely be caused should the Direction be implemented. Adding more responsibility will just cause further chaos.

Council's response:

In relation to the Council's ability to implement the changes, it is anticipated that the Planning Service is likely to receive an additional workload if the Article 4 Direction is confirmed and implemented on 1 September 2024. The process of submitting planning applications will remain the same as the current system, with a statutory period of 8 weeks to deal with a planning application for a change of use or for a lawful use certificate to formalise an existing use. The aim is not to prevent developments, but to gain better control over our housing stock. It should be remembered that no application will be required to convert an existing second home or holiday let back into use as a main dwelling.

As the area of Dwyfor has been chosen as a Pilot Area to trial new methods of responding to the challenges associated with the implementation of the Article 4 Direction, the Welsh Government has partially contributed towards the work undertaken by the Council. This funding is being used to appoint two full-time staff members within Cyngor Gwynedd's Planning Service and to administrate the pilot. It is also intended to appoint two other members to the team to help with the workload over the coming months.

In addition to the contribution towards the work from Welsh Government, Cyngor Gwynedd has also contributed the same sum of funding to administer and implement Article 4 within the remainder of Cyngor Gwynedd's Planning authority area. Addressing the effect of second homes and holiday lets in order to protect the housing stock is one of the Council's priorities.

Regular monitoring of the situation will take place and it will be mandatory to report back regularly to the Government.

In terms of enforcement, it must be emphasised that the Direction will not be applied retrospectively. Enforcement action would only be considered in new cases of unauthorised change of use. The additional staff capacity within the Planning Service will assist with investigating into cases such as this.

THEME 9: INHERITANCE

Sub-Theme: [INHERITANCE]

Number of comments:

Summary of comments:

- Many Welsh people inherit houses and may have a limited pension. Letting these houses adds to their standard of living.
- You are going to take away our children's inheritance and as we age, we will be miles away from our family when we may need them. This will apply to every homeowner.
- Local people who have children who will one day inherit their parents' estate (including their homes) will see massive deductions in their inheritance which will destroy, or seriously harm their future wealth and prosperity.
- What happens if an owner passes the property to their son/daughter through inheritance? Will the property have to be sold simply because they already own another property and planning permission isn't granted to allow it to remain within the family as a second/holiday home?
- We have worked hard all our lives; the house is our only asset which will be our children's inheritance. We saved hard to buy our house, but this could mean it could become unsellable, and the value would lower by 30%.
- This will travel across generational transfer of properties where children have moved away from Gwynedd for work or other reasons. They will be unable to retain a family property as an inheritance unless they are forced to return to live in Gwynedd, thereby using a property as a primary residence. This surely affects their human rights and effectively dictates that young people must choose to stay in the area and be unable to inherit the homes of their parents.
- At the point of my children inheriting my estate they will be immediately plunged in debt as this current proposal would deem my home to be a 'second home'. As this will be a joint inheritance between my children how will the Council legally untangle this? Will the Council be enabled to take possession of my home if A4 is implemented?
- I have heard many resident sharing concerns around how they have worked so hard to have a house to give as inheritance and they may not have anything to give if the value depletes and if they need care to pay for.

Council's response:

If an individual inherits a residential house that was a main residence, the use of the property for this purpose will continue following the implementation of the Article 4 Direction without the need to receive planning consent. For example, the person who has inherited the property could decide to occupy the property as their main home, rent it out on a long-term basis for a household to use as their main home, or sell it for that purpose. Similarly if the most recent use of the inherited property was as holiday accommodation or second home then those uses may continue following implementing the prospective Article 4 Direction.

If they wish to use the residential house for an alternative use, i.e. use it as a second home (C5 use) or let it as short-term holiday accommodation (C6 use), then planning consent must be obtained for that use. Any prospective planning application must be considered in accordance with the local and national policy framework at that time.

The implementation of the Article 4 Direction does not mean that it is not possible for the person that inherits the property to make use of it, and it is considered that appropriate options exist to make use of a home.

THEME 10: INCREASE IN THE NUMBERS OF VACANT DWELLINGS

Sub-Theme: [Increase in the number of vacant dwellings]

Number of comments: 38

Summary of comments:

- The result will impact everyone. The council will receive less tax as more properties remain empty.
- It seems to me that the increased bureaucracy will force second homeowners to leave the area, leaving high-priced properties empty and in danger of deterioration, while not helping to provide affordable housing for local people, some of whom are already priced out of buying a home in the area of their birth.
- You will drive main homeowners out of Wales regardless of origin/ nationality. You will be left with plenty of empty homes and a decimated tourism industry.
- Any minute now you may have all the homes you want sitting empty because there are no jobs to support staying in the area.
- What will be done with long-term empty properties?
- Introducing the Article may very well reduce the amount of holiday lets but it will absolutely no doubt increase empty homes as locals simply won't be able to obtain a mortgage to buy them.
- I understand that the argument is that it will make properties cheaper and generate income for the council, but people without jobs will still not be able to afford to buy houses even if they are cheaper and as more holiday homeowners sell and there are more empty properties the increased revenue will drop also. All that this policy will achieve is to increase the number of rundown and abandoned properties and increase poverty in general.

Council's response:

In relation to the perceptions regarding 'outward migration', it is emphasised that the purpose of introducing the Article 4 Direction is not to restrict who is eligible to buy or occupy properties, but rather to restrict the use that can be made of the property in question. The above comments relating to 'outward migration' and leaving houses empty are based on respondents' negative perceptions of the introduction of the Article 4 Direction. Theme 14: Demographic Changes discusses this matter.

The concern in relation to a reduction in property values is addressed in the response to Theme 12 and the impact on the tourism industry in the response to Theme 15.

THEME 11:**MORTGAGES****Sub-Theme:** [Difficulty obtaining mortgages]**Number of comments:** 287**Summary of comments:**

- Will create difficulties in obtaining mortgages.
- Will banks view Article 4 as a restriction as they do with the Section 106? Does that mean therefore that some banks will refuse mortgages?
- It does cause concern, when my current mortgage ends the new fixed rate will be on a higher interest rate.
- Effect on people's ability to buy houses in the area because of the lack of mortgages available.
- An additional clause could mean a lack of lenders who are willing to offer mortgages, which could lead to higher fees / rates.
- The following lenders have confirmed that they would have problems with Article 4 on the grounds that should they need to repossess the property, their ability to regain an open market value would be restricted. They include HSBC, Santander, Barclays, Virgin, Clydesdale, The Mortgage Lender, Foundation and Principality. Several other lenders including Halifax have referred to their Director level but are agreeing with the consensus to begin with.
- I object to the Article 4 Direction because of a lack of detailed research into the effect of Article 4 on property values in Gwynedd and the effect of Article 4 on mortgages.
- Any planning restriction of the type proposed by the Article 4 Direction will adversely affect the property market in the area to which it applies. Mortgage lenders will be of the view that properties that are restricted to be used as a main home are less saleable on the open market and consequently, they will only be willing to provide mortgage loans for a lower value. This will not help people who wish to buy a main home for themselves who will have to find a higher deposit.
- Specialist advice was not sought regarding values/mortgages/the effect on housing market jobs (local business / banking experts).
- Mortgages will be more difficult to come by if restrictions are placed on the property, this will only affect existing residential properties, not holiday let properties, as the prices of those are likely to increase because of the supply and demand.
- Is there anyone from Cyngor Gwynedd who can confirm that making this Article will not have any negative impact on mortgage applications? The answer is no, as mortgage providers have already confirmed that they would not provide a mortgage to those applicants where there is an Article 4 on the property concerned. Cyngor Gwynedd's aim by introducing this Article is to reduce the number of holiday lets in the county and the result will be that local people cannot get mortgages to remain living in the county then they will have no choice but to move out of the county. The negative effect of this on local communities will be enormous.

Council's response:

The assumption that the Article 4 Direction would lead to a lack of availability of mortgages is a concern that requires due attention. It is noted that none of the submitted observations raising concerns about the availability of mortgages have evidenced this standpoint.

As opposed to legal conditions/covenants such as 106 Agreements, implementing an Article 4 Direction would not restrict the occupancy of a property, i.e. who would be eligible in relation to a local connection or being in need of an affordable house, for instance.

In obtaining a mortgage to purchase a property or re-mortgaging an existing property, the type of mortgage or loan is dependent upon the use made of the property. Therefore, anyone who wished to use their house as holiday accommodation would have to obtain a buy-to-let mortgage or commercial loan.

One of the observations received in relation to mortgages was received from UK Finance. UK finance is a collective voice for the banking and finance industry and represents over 300 groups throughout the industry. Its aim is to improve competitiveness, support customers and facilitate innovation. UK Finance's response to the public engagement period was noted as follows:-

“In considering this issue, we think it is important to consider that planning restrictions, such as via an Article 4 Direction or s106 restrictive covenants, can have the effect of limiting the mortgageability of a property – although lenders will have their own appetites for lending on second homes/ holiday lets or properties subject to restrictions.

In our experience, we have seen this limiting effect on mortgageability consistently over several years in areas where local authorities have sought to use planning powers or restrictive covenants to support affordable housing provision by restricting the exposure of residential properties on the open market, or otherwise limiting the cohort of potential purchasers.”

Following the receipt of this observation from UK Finance, a further meeting was arranged between relevant officers from Welsh Government, the Council and UK Finance. The aim of this meeting was to further clarify the concern regarding the matter in question. During the discussion it was highlighted that the main risk to the lenders was the risk that the property would reduce its value and therefore it would not be possible for the lenders to receive back the value of the loan. This could lead to an unwillingness to provide loans that were based on less favourable conditions. During the discussion UK Finance representatives expressed that they could not state with any certainty that the proposal would affect mortgage availability or conditions.

In relation to the concern regarding the loss of value, it appears that this is a general presumption linked to the introduction of the Article 4 Direction. As noted in the response to Theme 12 there are a number of external factors that could affect the value of a property.

In order to gain a better understanding of the impact of implementing the Article 4 Direction locally, correspondence has been sent to four local mortgage providers to receive their input to the impact of the proposal on the availability of mortgages. A response was received from 1 only company. The response noted (summary):-

- Negative impact on property values.
- Difficulty with property valuations as the suitability of the proposed use will be unknown.
- Wider ramifications for the whole local economy, in terms of tourism, supporting business and all local businesses.
- They had spoken to 10 major lenders who, all but two, have stated that the Direction will stop them borrowing on properties in Gwynedd. 2 of them said it would be up to surveyors / solicitor's comments. However, based on the feedback from the surveyors it would result in a lack of borrowing. HSBC said they have not reviewed their policy on lending on restricted properties as they have not yet received any communication in relation to Article 4.
- Need to concentrate on other mechanisms such as funding available from Tai Teg to assist with purchasing properties.

The response received is extremely helpful and provides a professional insight into the matter. It is however emphasised that no tangible evidence was provided to support the professional opinion.

Research has been undertaken to examine how similar interventions to the proposals in Gwynedd have affected the availability of mortgages in other areas. In England, the ability to use a residential house as a small house in multiple occupation (HMO) is considered a permitted development right. This means that it is possible to change the use of a C3 residential house to a small house in multiple occupation (C4 use) without obtaining planning consent. Due to the impact of houses in multiple occupation in some specific areas, some Local Planning Authorities in England have introduced Article 4 Directions to limit the ability to undertake this unrestricted change of use. We have asked 11 Local Planning Authorities in England that have introduced Article 4 Directions for houses in multiple occupation about concerns that were raised as part of their public engagement exercises linked to the introduction of the Article 4 Directions or following their implementation. Ten of them replied and noted that mortgages were not a significant matter raised as part of the public engagement periods in relation to the introduction of the Article 4 Directions or following their implementation. It could be argued that houses in multiple occupation in populated areas lead to an increase in the value of the local housing market, in the same way as the popularity of areas for second homes and short-term holiday accommodation. Therefore, from a planning perspective, it is reasonable to conclude that the impact of implementing an Article 4 Direction for houses in multiple occupation should have a similar impact on mortgages.

One mechanism that has been used to control the ability to use residential houses for holiday purposes is the implementation of a control area such as the one used in Edinburgh city centre. A control area means that planning permission must be received within the specified area in order to change the use of a residential house into short-term holiday accommodation use. Although it uses a different mechanism, i.e. a control area rather than an Article 4 Direction, the restrictions are similar. Contact has been made with planning officers from Edinburgh City Council to receive guidance regarding any concerns raised during the engagement period or following its implementation in relation to the availability of mortgages. It was noted that mortgages was not a significant matter raised, and that the matter had not been drawn to their attention following its implementation.

Another example of the restriction of the use of residential houses is the use of a main residence condition for new houses. St Ives Communities Development Plan¹ includes a policy restricting the use of new houses solely as main residences. This policy means that main residence conditions are imposed on new residential housing consents. Enquiries have been made with Officers from Cornwall Council to better understand any concerns that were raised in relation to the policy in question. In response, it was noted that the implementation of the policy had not highlighted any barriers in relation to the availability of mortgages.

As a result of the amendment to planning legislation (Town and Country Planning (Use Classes) (Amendment) Order (2022)), there is now a specific use class for a primary residence, second home and short-term let in Wales, and therefore there is a new power to be able to restrict the use of new housing (C3) by imposing a planning condition on new permissions to remove the permitted development rights. Since the introduction of these new use classes, Cyngor Gwynedd has imposed a condition which removes the permitted development rights between these use classes. There are 40 planning consents granted that include this condition (figure correct as of March 2024). Of the 39 permissions, work has commenced on 8 of these. No successful enquiries or applications have been submitted since the removal of this condition. It is therefore suggested that the condition is not a barrier in relation to the availability of mortgages.

1 St Ives Communities Development Plan (Policy H2)

Furthermore, since the date of serving the Article 4 Direction Notice, an explanatory note has been provided on the response to question 3.9 j) Local Land Charges Register (LLC1). The associated sub-note notes as follows:-

“Cyngor Gwynedd has served an Article 4 Direction ‘Notice’ for the Gwynedd Local Planning Authority area. The purpose of the Article 4 Direction is to revoke the permitted development rights for some types of development. If the Article 4 Direction is confirmed, the Article 4 Direction will come into effect on 1 September 2024. For further information, visit www.gwynedd.llyw.cymru/article4”.

1084 (up to the end of March 2024) responses were completed that include this note. The note clearly states that the Article 4 Direction (dependent upon its confirmation) would take effect from 1 September 2024 onwards. It is not known of any property sale that has failed due to the proposal or any mortgage not granted as a result of it.

THEME 12:**NEGATIVE IMPACT ON PROPERTY VALUES**

Sub-Theme: [Lowering property value] [Negative equity] [Negative impact on homeowners]

Number of comments: 1245

Summary of comments:

- This will reduce the home valuations of our house and have a significant negative impact on our finances. Along with the on-going living crisis it will also result in further hardship and poverty with people less likely to be able to re-mortgage and not having sufficient equity in their homes.
- Any drop in the value of our home concerns us – while we don't want our home to profit us, we also don't want to see its value fall, and lose a fraction of what we paid for it.
- Whilst this may be seen as a plus for people who feel priced out of the market, what consideration has been given to those already living here, who paid full market rate for our homes and now face the prospect of them being devalued by our own council?
- The future value of current main homes may be substantially impacted should owners decide to move home, due to the risk of any change in use being declined.
- The significant decline in the value of my house is certainly going to create concern when re-mortgaging (negative equity).
- With the near total collapse of the rental market and the unfavourable job market any decision which would put homeowners in danger of negative equity would be very dangerous indeed.
- Locals who are already under a heavy financial burden often overstretching on a mortgage to be able to buy in the area are likely to end up in negative equity because of the drop in housing value. You are going to make locals homeless with this strategy and financially ruin them.
- What the Article will have an IMMEDIATE impact on is the total housing market; great for first time buyers but the indigenous Welsh speaking population (particularly the younger element) are going to be devastated. Those that have recently bought when they come to re-mortgage will find themselves in negative equity and will be forced to return the keys as they will be unable to sell or re-mortgage.
- Article 4 will prove detrimental to homeowners in Gwynedd as the lack of flexibility to sell for a variety of uses will devalue such Properties.

Council's response

It is difficult to measure the true impact of introducing the proposed Article 4 Direction on property value, mainly because there are several factors that can influence value. Should a property's value fall after implementing the Article 4 Direction, we consider that it would be difficult to conclude indisputably that this is attributed directly to the implementation of the Article 4 Direction.

The factors that influence property value include:-

- **Economic growth** – Economic growth can lead to an increase in income which means that people have more money to be able to buy a house. On the back of an increase in demand comes an increase in property value. Similarly, during an economic recession, incomes decrease meaning that people cannot afford to buy, which slows down the market and leads to decreasing property value.
- **Interest rates** – Interest rates affect the cost of monthly mortgage repayments. If interest rates are high, this leads to higher mortgage payments, meaning there is less demand for housing because of a lack of affordability. On the contrary, lower interest rates would lead to increased demand in the market which can lead to property value increasing.

- **Supply** – A shortage of supply pushes prices up, whereas an over-supply causes prices to decrease.
- **Neighbourhood** – changes in the local neighbourhood can have an impact on property value, including for example investment in local services such as schools. Similarly, developments can have a negative impact on property value.

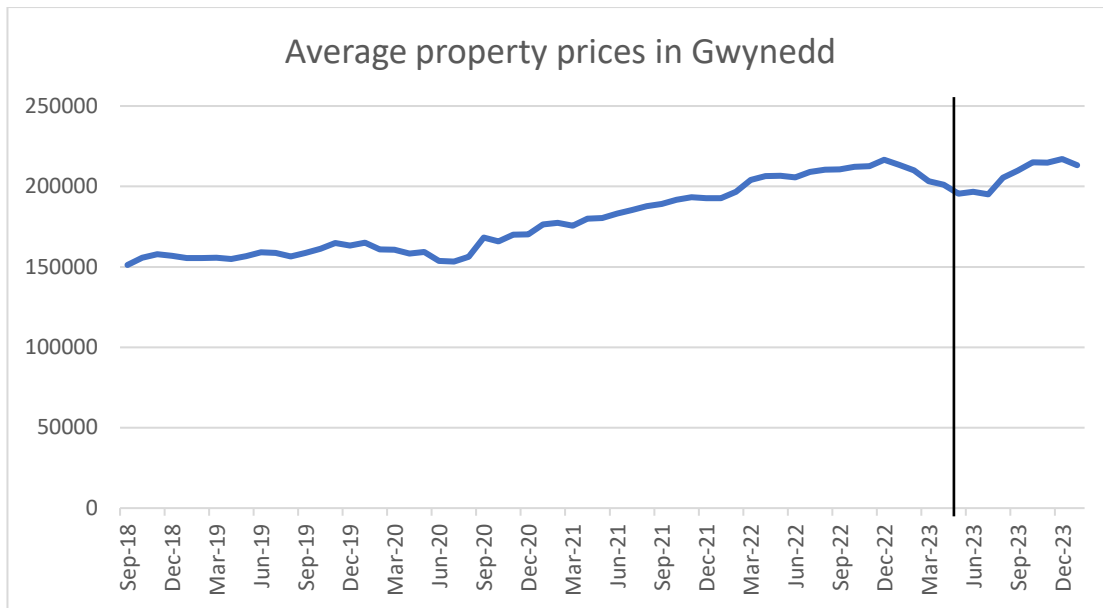
The above factors are highlighted to illustrate the fact that the housing market is not static, and to try to highlight the fact that there are many factors that can influence it.

Introducing the Article 4 Direction would not restrict who is eligible to buy properties, but rather, it would restrict the use that can be made of the property in question. In some areas, there seems to be a desire to use dwellings as a financial investment i.e. to make profit from the property by renting it out as a short-term holiday let. For those who would wish to invest for this purpose, there may be an element of risk associated with purchasing the property as it would not be possible to know with any certainty whether a prospective planning application would be approved or not. As such, naturally the lack of assurance of being able to use the dwelling for the desired purpose could mean that there is less demand for residential housing to be used as short term holiday accommodation or second homes and can therefore result in a reduction in the value of the property. At the same time, such a situation may be contributing to making housing more affordable for local communities.

If the property is already in use as holiday accommodation or a second home, it gives the buyer assurance that the property can be used for that purpose in the long term without having to worry about securing planning permission. This in turn can mean that there is greater demand for houses that are being used as a second home or a short-term holiday let. However, there should be consideration of the fact that the use of those properties is restricted i.e. should the use transfer to being a main residence, then planning permission would need to be secured in order to transfer it back to holiday use (second home (C5) or short-term holiday let (C6)).

It is also worth emphasising that the purpose of the Article 4 Direction is to secure the requirement to obtain planning permission for the proposed use. The Article 4 Direction does not mean that the use is unacceptable. In accordance with the Town and Country Planning Act 1990, Section 54A and the Planning and Compulsory Purchase Act 2004, Section 38(6), planning applications should be determined in accordance with the adopted Local Development Plan for the area in question, unless there is a relevant material planning consideration that indicates otherwise. The current local planning policy framework is the Anglesey and Gwynedd Joint Local Development Plan (adopted July 2017). The Joint Local Development Plan is supported by a series of Supplementary Planning Guidance. Nonetheless, it is emphasised here that the local planning policy framework is what actually influences the acceptability of any prospective planning application.

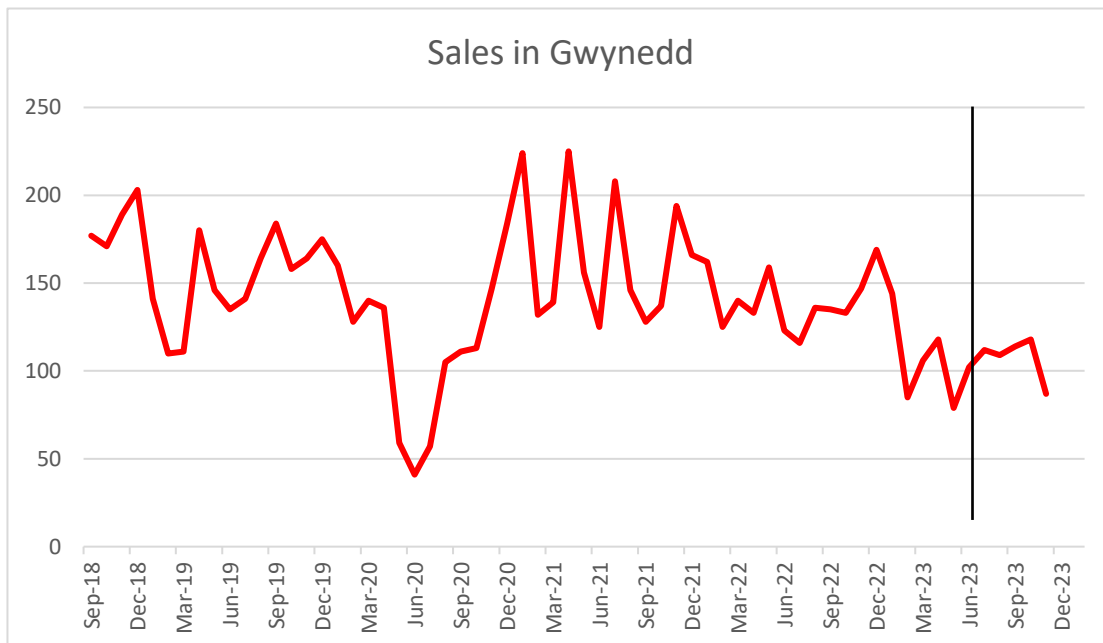
The intention of introducing the Article 4 Direction Notice in Gwynedd has been known since June 2023, when the decision was made by a meeting of the Cyngor Gwynedd Cabinet. The following chart shows the average value of houses sold in Gwynedd over a two-and-a-half-year period:-



Source: [UK House Price Index \(average price according to property type in Gwynedd\)](#)

You will notice from the graph above that average property value in Gwynedd was falling during the period prior to making the decision to issue the Article 4 Direction Notice, and has been increasing since the date of the decision. We note from this (during the limited time for which the data is available) that the proposal to make the Direction has not negatively affected average property value in Gwynedd.

With regard to the number of property sales during the same period, there is some inconsistency in the pattern, and this inconsistency continued following the decision to serve the Notice, as is indicated by the chart below:-

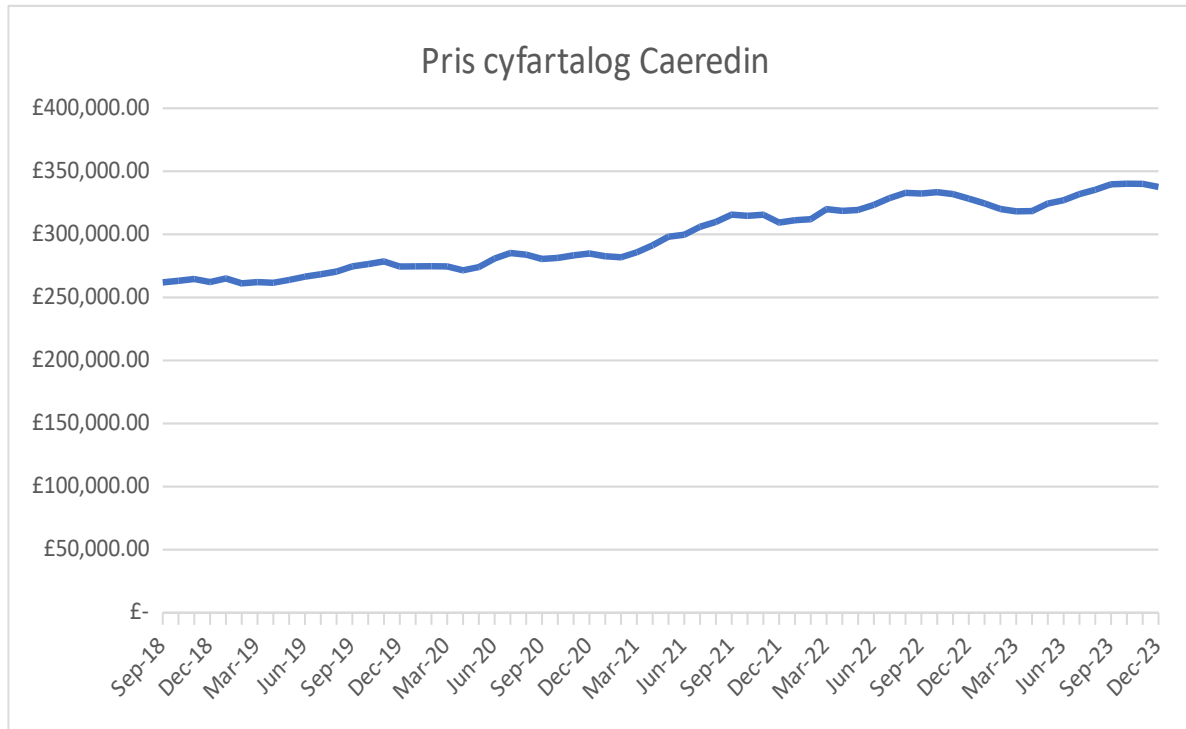


Source: [UK House Price Index \(number of sales per property type in Gwynedd\)](#)

A comparison has already been made in response to theme 11 between the control mechanism that is in force in Edinburgh and the Article 4 Direction. Looking at information regarding the numbers

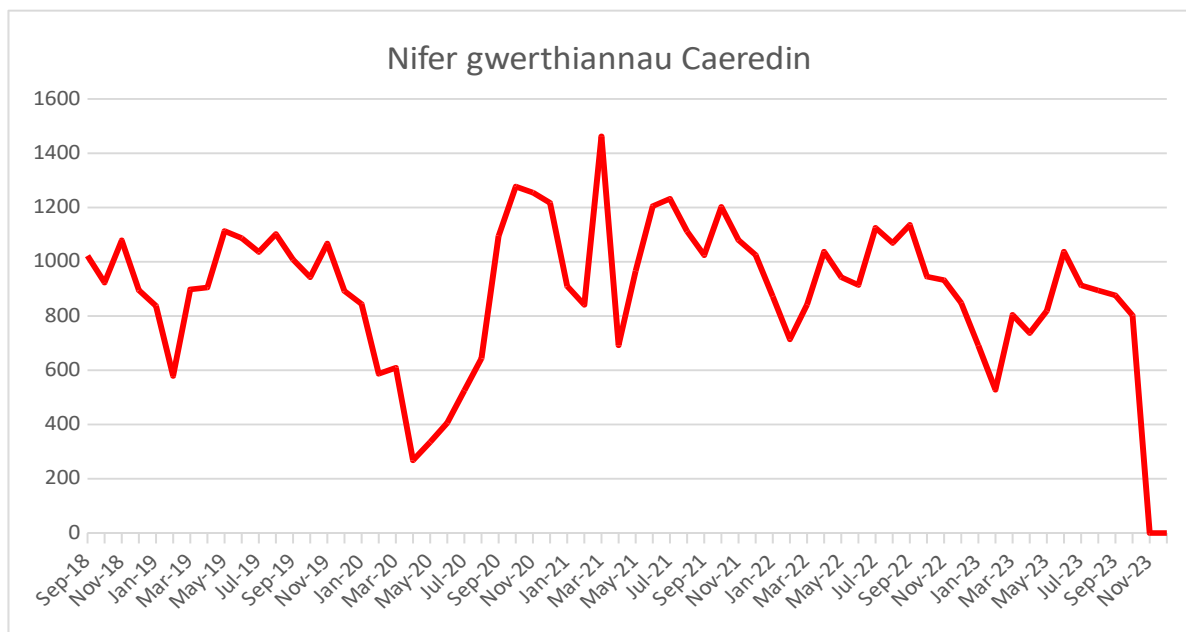
and value of houses in Edinburgh is a way of trying to predict how implementing the Article 4 Direction would affect house prices and sales in the Gwynedd Local Planning Authority Area.

The Edinburgh Control Area came into force in September 2022. As is shown in the following chart, the control mechanism does not appear to have affected property value, with the average property value continuing to increase gradually.



Source: [UK House Price Index \(average price according to property type in Edinburgh\)](#)

In terms of the number of sales, as shown in the chart below, it does not appear that implementing the Control Area has had a marked impact on sales.



Source: [UK House Price Index \(number of sales per property type in Edinburgh\)](#)

THEME 13: PUNISHING LOCAL PEOPLE

Sub-Theme: [Punishes local people] [Affecting the income of local people who own holiday accommodation] [No impact on second homeowners]

Number of comments: 273

Summary of comments:

- There is a possibility that it will punish local people rather than help them.
- Shame on the Council, making local people's houses worth nothing, this just punishes the people of Gwynedd!
- Once again local homeowners are being punished and will suffer due to this direction. However current second homes and lets can sell to whoever they want to.
- Gwynedd council you are punishing your own local residents not the 2nd homeowners. Personally, the way forward would be that local homeowners would put their house on the market for e.g. 6 months and if the house does not sell as a main home they would then be able to sell it on the open market giving locals the first choice of buying their own home.
- Local residents will be punished - our homes will be difficult to sell, and many will suffer huge losses. We have worked hard to be able to own our own home - a right that you are now interfering with.
- I truly think it wrong to punish local hard-working people, for the poor social housing policies of local councils.
- I believe punishing local homeowners and making it harder for first-time buyers to get a mortgage, reducing the amount they can borrow and increasing the cost of those borrowings will cause untold local suffering for the very people you are supposedly helping.
- This is wrong, and is penalising tax paying, permanent homeowners in Gwynedd by restricting their pension and Investment options.

Council's response:

The Article 4 Direction does not discriminate between different groups of people (e.g. local, visitors). It will be implemented fairly and consistently amongst everyone who owns properties in classes C3, C5 or C6. It's purpose is to remove specific aspects of the permitted development rights for these particular use classes, ensuring that everyone will be required to apply for planning permission.

In accordance with the Town and Country Planning Act 1990, Section 54A and the Planning and Compulsory Purchase Act 2004, Section 38(6), planning applications should be determined in accordance with the adopted Local Development Plan for the area in question, unless there are relevant material planning considerations that indicates otherwise. The current local planning policy framework is the Anglesey and Gwynedd Joint Local Development Plan (adopted July 2017). The Joint Local Development Plan is supported by a series of Supplementary Planning Guidance. Nonetheless, it is emphasised here that the local planning policy framework is what actually influences the acceptability of any prospective planning application. This point is expanded upon under Theme 33 (Implementation) of this report.

THEME 14: DEMOGRAPHIC CHANGES

Sub-Theme: [Leading to outmigration] [Leads to in-migration]

Number of comments: 118

Summary of comments:

Outmigration

- The Llyn relies on tourists, holiday let's and second homes as a major part of its employment for its residents (builders, electricians, heating engineers, hospitality etc. Without it, many locals would have to move away to get jobs.
- The further decline of this tourism industry will undoubtedly adversely affect all socio-economic groupings present here in a way which will risk creating "ghost towns" and derelict villages because the population will need to move to areas where their basic economic human needs can be fulfilled.
- Article 4 will have a negative impact on tourism, which is a major significant source of income for Gwynedd and this would push the area into further financial difficulty making it harder for younger main residents to get on the housing ladder. The implication of this is that younger people will move away from the area taking their skills and the Welsh language with them.
- Article 4 will remove money from the local economy that could be used to create further jobs and opportunities for local people rather than forcing them to move away to other area of the UK (as many already do).
- You will cause serious harm to Welsh residents who wish to/need to sell up and move away. It will create huge uncertainty, reluctance in the housing market.

In-migration

- It does not follow that these houses would be released to local people as they could be purchased by incomers. As a result, such a condition could cause a significant increase in the number of non-Welsh speaking people relocating full-time to the area which is more damaging than holiday homes as it would change the language of the school yard and the social spots.
- Inward migration will continue to spread across Wales and in particular into Northwest Wales regions.
- By restricting the market in Gwynedd, the idea is that house prices will fall as demand falls, notionally a good idea however there is nothing to stop people looking to downsize from outside Gwynedd, you're likely to import older people placing a bigger strain on the health and social care systems, the Welsh language will be further diluted by 'incomers'.
- Second homes are less of a threat to the language than permanent residency of English speakers.

Council's response:

The above comments relating to 'outward migration' are based on respondents' negative perceptions of the introduction of the Article 4 Direction on the tourism sector and subsequently on the local economy. Theme 15 below addresses this matter. The purpose of introducing an Article 4 Direction is in response to the housing crisis that exists within the County, thereby attempting to protect the current housing stock and ensuring that there is an adequate provision available to satisfy local needs. We hope that the ability to manage the use of housing as holiday accommodation or second homes will ensure that there is a suitable provision of housing available to enable people to live and work in Gwynedd.

In relation to the perceptions regarding 'inward migration', it is emphasised that the purpose of introducing the Article 4 Direction is not to restrict who is eligible to buy properties and, as noted above, it does not discriminate on the basis of nationality or national or ethnic origins. Rather, its purpose is to control the use that can be made of the property in question. In terms of the impact on the Welsh language, this is addressed under Themes 16 and 30.

THEME 15:**NEGATIVE EFFECT ON THE TOURISM SECTOR**

Sub-Theme: [Negative impact on the tourism sector] [Will destroy short-term accommodation]

Number of comments: 652

Summary of comments:

- The holiday homes situation is a complicated matter for which there is no easy solution. They are a key part of the tourism sector and create employment for a vast number of residents, whether in shops, builders and other tradespeople.
- It must be remembered that tourism is a huge source of income for rural Wales and without it, things would be bleak for us.
- There needs to be some properties available for people to hire for their holidays in order to attract people to the area which makes a valuable contribution to the largest economy we have, namely Tourism.
- Tourism gives young people the opportunity to have work experience over the summer holidays, it helps the local economy by providing work to local residents through renovations and maintenance work during the winter.
- Tourism is key to the economy in Gwynedd. Holiday settings for visitors should not be prevented. I love travelling the world, and tourism should be encouraged in one of the most beautiful places on our planet.
- With two properties in my ownership and a business that relies on tourism, I am very concerned about the way the Council is about to 'experiment' with the whole of Gwynedd with Article 4.
- The truth is that thousands of the County's population are employed directly (or indirectly) by the tourism industry – and by introducing Article 4, it would mean that the number that is unemployed here is even higher.
- There is no substantial investment or a strategy for an industrial economy to replace tourism in the rural areas. We must acknowledge the importance of the tourism industry to keep people in jobs.
- The tourism industry employs a large number of people in our areas and here in Pen Llŷn, we cannot live without it. As a holiday-home owner I can testify that there is already a clear decline in the provision for visitors, i.e. the shortage of staff, the reduction in visitor numbers and the astronomical increase in energy prices and core materials means that several cafés, hotels, public houses and attractions have either closed completely or are only open part-time, or the provision has deteriorated in standard and value for money.
- The economy is already fragile and we are very reliant on the Tourism Industry in this area. Implementing such a policy, while the economy is poor and people are struggling to live, is completely irresponsible.
- After a tough economic period during COVID, this is going to destroy the local economy and is likely to be the final nail in the coffin for our tourism industry that so many of us desperately rely on for a living.
- All you are doing is penalising locals, you aren't helping the matter, increasing occupancy rates on holiday homes, increasing council tax rates for second homeowners is killing tourism and putting LOCAL people that you claim to care about out of work.
- You have no sustainable future infrastructure in place to move away from tourism.
- You live in a beautiful country and are systematically following a policy of deterring tourism which is one of the few vehicles that show immense growth potential.

- It's worth noting that the increases in council tax and occupancy requirements have already made accommodation more expensive in the area which dampens tourist volumes and in turn tourism spend with local businesses. In summary, anything that makes tourism more expensive or less accessible (e.g. via less accommodation) in the Abersoch area is detrimental to local jobs, businesses and Llyn livelihoods.
- What would this mean for tourism and the money that tourism brings to the local economy and local businesses? Would this mean that Conwy and Anglesey would profit instead?

Council's response:

In considering the proposal's effect on the tourism sector, it is important to be mindful of what we are trying to achieve by making the Article 4 Direction. It is emphasised that the Council, through the Gwynedd and Eryri Sustainable Visitor Economy Strategic Plan 2025 is keen to promote a sustainable visitor economy, with the vision of creating:-

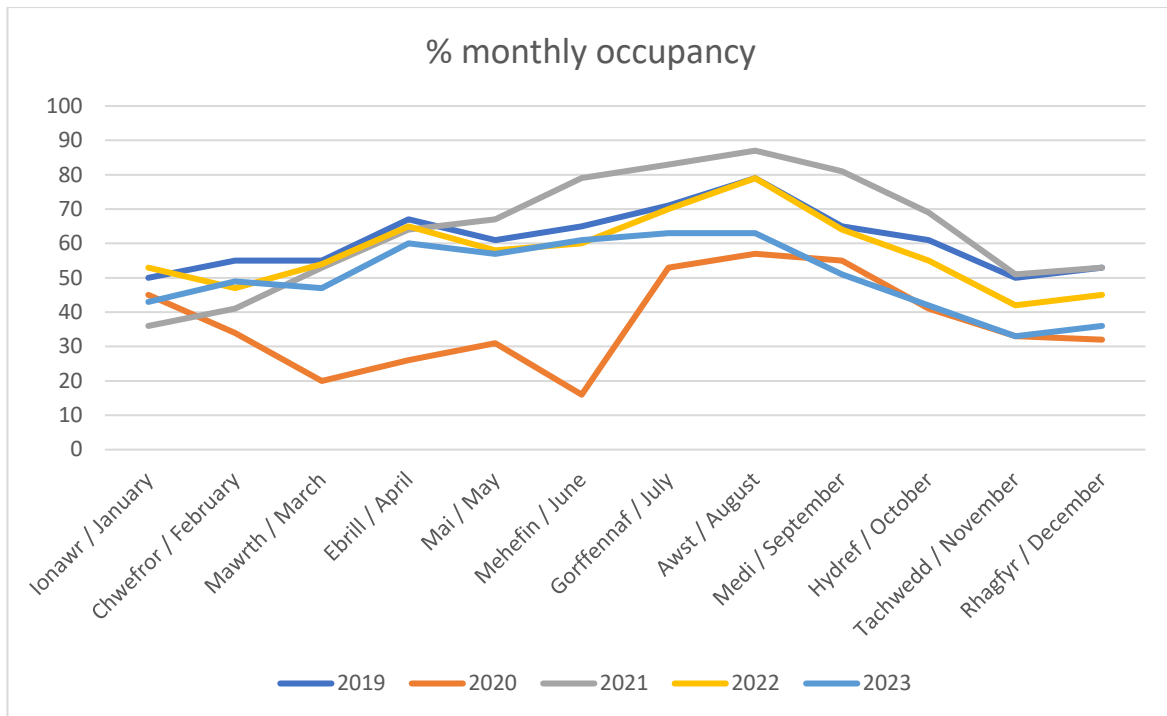
"A visitor economy for the benefit and well-being of the people, environment, language and culture of Gwynedd and Eryri".

The justification paper (Appendix 5) highlights the negative side-effects that are experienced from having a high number or high concentration of holiday accommodation. It is considered that it will be unsustainable to continue with the current situation.

By introducing the Article 4 Direction, it would mean that any prospective planning application for a holiday let would have to be assessed in accordance with the relevant local planning policy framework. We emphasise that retrospective implementation is not possible, and, as such, an established use of a residential dwelling as a second home or holiday accommodation may continue after the date of implementing the Article 4 Direction.

Looking at the current figures of the provision of holiday lets and occupancy rates, it appears that a sufficient provision of holiday accommodation exists in Gwynedd to meet the need. The 'Transparent Intelligence' data source, which is a third-party data supplier appointed by Visit Wales on behalf of the Welsh Government, is particularly useful for studying the occupancy rates of holiday lets. Data is provided in relation to short-term holiday lets that are marketed on Airbnb, Vrbo, Tripadvisor and Booking.com. Although this data is checked and processed by the Welsh Government it should not be used as an official accurate record of properties, rather it should be used to highlight the potential scale and trends of the sector only.

The following chart indicates that holiday accommodation occupancy rates in Gwynedd during 2023 were no higher than a monthly average of 63% (August 2023). The period of time where the highest occupancy rate was witnessed was during July/August 2021, which corresponds with Covid overseas travel restrictions. As such, this chart highlights that an adequate provision of holiday accommodation exists to meet the need.



Source: Transparent Data

An over-provision of holiday accommodation can be damaging to the tourism sector, and it could mean that businesses that have followed specific founding arrangements, for example obtaining planning permission and registering with Visit Wales, are failing because of the excess provision. A lack of current control over the use means that it is not possible to manage the use, meaning that genuine businesses are failing. By contrast, the Direction would allow control to be exercised so as to manage the supply of second homes/short-term lets so as to better balance supply and demand/need.

It is also highlighted that the Government are intending to introduce a Statutory Register and Licensing Scheme for all visitor accommodation providers. This Scheme will be a means of gathering information regarding:

- The number of accommodations operating in an area
- Ensuring essential health and safety standards are met
- Improving the visitor experience

The intention is to have a draft Bill of the proposals in place before the end of the year.

The Scheme will enable more accurate monitoring of the provision and demand for holiday accommodation and provide an important evidence base when preparing relevant policies within the new Local Development Plan, which will address the wider intention of creating a sustainable tourism sector.

THEME 16: DOES NOT PROTECT THE WELSH LANGUAGE

Sub-Theme: [Does not protect the Welsh language]

Number of comments: 242

Summary of comments:

- House prices will be too high for local people to afford, this will not help the Welsh language, as it will not be Welsh people buying them.
- Although I agree with the concept of managing second homes and Holiday Let properties, I have grave concerns that this proposed policy will have a serious negative impact on our local economy and the Welsh language.
- I do not think it will achieve the goals you hope it will, and in my opinion will do more harm to the Welsh language and culture in the long term.
- The proposed direction also threatens the Welsh language and culture. By potentially driving locals out of the area due to financial hardships caused by devalued properties, the council risks a decline in the use of Welsh.
- I just wonder where the council get the idea that driving second homeowners out of Gwynedd will improve the Welsh Language and Culture.
- It will not help younger main residents to get on the housing ladder, it will if anything persuades them to buy in an area that will benefit them. The Welsh language because of this will suffer.

Council's response:

Part 4 of the justification paper highlights that there is a pattern between high rates of Welsh speakers and the provision of holiday lets/second homes, with lower rates in terms of language ability where holiday accommodation numbers are higher.

One of the main objectives of making the Article 4 Direction is to attempt to protect the current housing stock, thereby ensuring that there is an adequate provision available to meet local needs. As well as ensuring a provision of housing to satisfy local housing needs, a side-effect of this will be ensuring that there is a permanent population living in our communities. Having this permanent population would mean that there is a means of sustaining communities and the services that are being offered, and it is hoped that this would then contribute to the prevalence of the Welsh language.

Creating sustainable communities where the Welsh language is fully immersed within communities and providing and replicating the necessary social context for using the Welsh language as part of the normal fabric of society, is essential in order to protect and encourage the growth of the Welsh language. With the Welsh Government's commitment to reach a million Welsh speakers by 2050, the ability to have better control of the housing stock and subsequently ensure that there is an adequate and affordable provision of housing for local people is a way of supporting this goal.

THEME 17: NEGATIVE IMPACT ON INDIVIDUALS WITH PROTECTED CHARACTERISTICS OR THE ECONOMICALLY DISADVANTAGED

Sub-Theme: [Negative impact on the economically disadvantaged] [Negative impact on protected characteristics]

Number of comments: 23

Summary of comments:

- Effect people who wish to move due to personal circumstances such as sickness.
- It will cause hardship for the disadvantaged.
- Drive families into further poverty and negative equity on their homes.
- Lead to further poverty (and reliance on the state) due to lack of employment opportunities connected to the tourism sector.
- Article 4 will significantly impact those who are socio-economically disadvantaged and will likely push them into further disadvantage and poverty.
- For those who already have holiday homes and holiday lets, they are not affected, but the rest of us will end up poorer.
- Article 4 will lead to many having a lower standard of living.
- Those relying on equity to fund care homes, care workers or to downsize and have available capital are likely to lose their entire retirement plans and rely on the state meaning a further weight and impact on the Council services. It will result in increased displacement of those who are socio-economic disadvantaged and potential further homelessness.
- The cost-of-living crisis is having a major impact on lower Income families but also middle-income families who are struggling to pay the mortgage, bills etc. An unintended consequence is that if people are hit on hard times, then making extra income from their homes will no longer be an option.

Council's response:

The Council is required (under the Equality Act 2010) to consider the impact that any changes in any policy or procedures (or the creation of a new policy or procedure) will have on people with protected equality characteristics. An assessment has been conducted to Assess the Impact of introducing the Article 4 Direction on Equality Characteristics, the Welsh language and Socio-Economic Disadvantage, which concludes that there will be no adverse effect on the above groups. That Assessment has been updated following the engagement period.

In response to the concern regarding affecting 'financial prosperity', we should refer to the response to Theme 11 (Mortgages) and Theme 12 (Negative impact on property value).

THEME 18: ISSUE NOT UNIQUE TO GWYNEDD

Sub-Theme: [Affordability not unique to Gwynedd] [Country-wide problem]

Number of comments: 12

Summary of comments:

- Young people being unable to afford their own houses is not a local problem but a national one.
- The UK has a chronic housing shortage, and this is made worse in Gwynedd as there are few well-paid jobs; that's where the focus should be.
- Article 4 is not the magic bullet that is going to resolve the local issues and make existing properties affordable for locals, this is a common problem experienced throughout the UK.

Council's response:

It is agreed that the situation in terms of lack of access to affordable housing is not a unique matter to Gwynedd. It is a problem experienced throughout Wales and the United Kingdom. It must be recognised, however, that an increasing number of second homes and holiday lets has compromised our housing stock, making it more difficult for local residents to compete with the buyers of holiday homes or holiday lets.

The ability to act through the planning system is a tool that any Local Planning Authority in Wales can operate if they wish. As responding to the housing crisis is one of Cyngor Gwynedd's main priorities, it is appropriate that the Council responds by implementing appropriate mechanisms.

THEME 19: ACTION TOO LATE – DAMAGE HAS BEEN DONE

Sub-Theme: [Too late – damage has been done]

Number of comments: 31

Summary of comments:

- Something should have been done years ago, it is too late now in some areas, will make no difference and only mean that the Council will need more resources to fulfil the requirements and therefore everyone will need to raise Council tax.
- Too little too late as many properties particularly in some villages on Llyn are already in use as a second home or holiday let. In for Abersoch, housing will never be affordable here. In decline decades ago and nothing was done. The number of second homes/Airbnbs in Blaenau Ffestiniog is high.
- This will only make matters worse. It's too late! The damage is already done, you allowed second home purchases to go wild after the pandemic, did nothing about it. You're now trying to close the door after the proverbial horse has bolted. The 'boom' is over so no point to it.
- The basis of Article 4 is good but it comes 5 years too late. When interest rates were low there was a great rush to buy properties here to reside in or Airbnb let because of the apparent cheapness of property compared to England.

Council's response:

It is important to emphasise that the powers to act have not been available to local authorities until recently. Distinguishing between house uses (C3) has only been possible since the changes were introduced to the Town and Country Planning (Use Classes) Order 1987 Wales in October 2022. Two new use classes were introduced to define a Second Home (C5) and Short-term Holiday Lets (C6), keeping the main residence in (C3). The legislation was changed following increasing pressure on the Government to respond to the effect of holiday homes on our community. The new powers that have been introduced to the Planning framework ensure better management of the existing housing stock. Cyngor Gwynedd Council is the first authority in Wales to take the pioneering step of taking advantage of the change in legislation, by exercising powers to introduce an Article 4 Direction.

In addition, interventions beyond the planning system have been introduced to the taxation system, along with the proposal to introduce a licence for registering second homes, and all of these things combined will likely make a difference to the communities of Gwynedd.

THEME 20: TAXATION ARRANGEMENTS NEED TO BE REFORMED

Sub-Theme: [Change non-domestic taxation regime to ensure all properties pay council tax] [Council Tax/Premium already taking effect]

Number of comments: 79

Summary of comments:

- If the purpose of the legislation is to restrict the Holiday let market which seems to be the area of growth that is most concerning, then there must be other options around business rates and the relief this gives on council tax that would be more sensible to address.
- The council needs to look at the fact that many residential properties are being used as holiday rentals and classed as businesses, paying nothing into the communities they are located in. The council need to apply a ruling that all properties originally built as residential properties have to pay council tax with no exemption, as these properties would then be classed as second home and therefore pay the +150% premium for second homes.
- The council tax premium has not yet had time to show impact. I think this is a fair way to manage second homes and holiday lets.
- It is an unnecessary intervention when we have not yet seen the full effect of the higher Council Tax premium introduced recently. From personal observation this already seems to have caused a significant number of second homes in the area to be put on the market for sale. It would seem to be sensible to wait and see what impact this eventually has financially for Council funds, and for the housing market, before introducing furthermore costly changes.
- We recommend that, in response to this consultation, Gwynedd Council re-evaluates its proposal for an Article 4 direction covering the whole local authority, ensures that any data being utilised to support the removal of permitted development rights (PDRs) is up-to-date, relevant and accurate, and that before proceeding, the council waits until the impact of recent interventions such as changes to the council tax and business rates framework for short-term lets and the proposed licensing scheme for overnight accommodation in Wales can be assessed.

Council's response:

The taxation process associated with second homes and holiday accommodation is outside the scope of what can be achieved through the Article 4 Direction.

Within the local taxation system, properties that are used as self-catering holiday accommodation are classified as a business. Subject to meeting specific criteria that are set in legislation, self-catering holiday accommodation units pay non-domestic rates rather than Council tax.

The Non-domestic Rating (Amendment of Definition of Domestic Property) Order (Wales) 2022 amends Section 66 of the Local Government Finance Act 1998 by amending the criteria for eligibility to be classified as self-catering holiday accommodation for local taxation purposes. The amendment to subsection (2BB) sets new figures in terms of qualifying to be classified as non-domestic properties. The new criteria are as follows:-

- that the property is available for letting commercially as self-catering accommodation for short periods totalling 252 days or more in the following 12-month period
- that the ratepayer's interest in the property enables them to let it for such periods

- that in the 12 months prior to assessment, the property has been available for letting commercially as self-catering accommodation for short periods totalling 252 days or more
- during that period, the short periods it has actually been commercially let for amounted to at least 182 days

The purpose of the amendment in the thresholds is to demonstrate more clearly that the property in question is being let regularly as part of a genuine holiday let business and is making a substantial contribution to the local economy. This Order has been in force since 1 April 2023.

For assessment purposes, the Valuation Office Agency examines a property's letting information from the previous operating year and decides whether the above criteria have been met or not. It is the Valuation Office Agency that informs the Local Authority of whether the property is considered a domestic or non-domestic property, for local taxation purposes.

As such, it is emphasised that the procedures associated with business units and the appropriateness of applying them to the local taxation procedures, are beyond the Council's control.

With regard to second homes, the Local Government Finance Act 1992 gave the Council discretion to charge full Council Tax, allow a discount of up to 50%, or charge a Premium of up to an additional 100% on the Council Tax of some classes of second homes and long-term empty properties. Section 139 of the Housing (Wales) Act 2014 added Sections 12A and 12B to the 1992 Act to include a discretionary provision for councils to charge an extra "Premium" of no more than 100% on properties that have been empty for 12 months or more (Section 12A) and relevant second homes (Section 12B).

On 8 December 2016 the Council decided that it would charge a 50% Council Tax Premium on second homes and long-term empty properties, operational from 1 April 2018. On 4 March 2021 the Council decided that it would raise the Premium to 100%, which is the highest level possible under the legislation, for the 2021/22 financial year.

The Council Tax (Long-term Empty Dwellings and Dwellings Occupied Periodically) (Wales) Regulations 2022 (SI 2022/370 Cy.90) have amended Sections 12A and 12B of the 1992 Act, granting billing authorities (the Council) the power to charge a premium of up to 300% on Council Tax for second homes and long-term empty properties for the 2023/24 financial year and subsequent financial years. On 1 December 2022, Cyngor Gwynedd decided to charge a 150% premium on class B second homes for the 2023/24 financial year. This premium was reapplied for the 2024/25 financial year during the meeting of the Council that was held on 7 December 2023.

It is considered appropriate to implement a package of measures to try to address the impact of a high provision or concentration of holiday lets. As already noted, business taxation arrangements are beyond the Council's powers. In terms of local council taxation arrangements (i.e. the premium charged on second homes), this figure must be re-set annually.

If it is decided to approve the Article 4 Direction, we will need to ensure that there are appropriate monitoring arrangements in place. It will be appropriate for these monitoring measures to look at and assess the impact of implementing the proposed Article 4 Direction. As part of the monitoring process, it is considered appropriate to take account of other control mechanisms that are in operation, for example changes in terms of taxation procedures and the proposed licensing/registration system that is in the pipeline for self-catering holiday lets.

THEME 21: NEGATIVE COMMUNITY EFFECTS

Sub-Theme: [Does not affect facilities/services] [Negative impact on the community]

Number of comments: 157

Summary of comments:

- It will have a serious negative impact on the local area.
- Article 4 Direction will have a devastating impact on all local communities across Gwynedd, irrespective of all main homeowners, irrespective of nationality.
- Gwynedd Council will achieve single-handedly to rapidly destroy local communities, eradicate the Welsh language, accelerate the exodus of native generations to the rest of the UK and therefore ensure the demise of all it holds dear and purports to protect within 2-5 years.
- It is likely to impact badly on our local communities and people who live in the area, whether Welsh or non-Welsh.
- Far from helping local communities' article 4 will turn many into ghost towns/villages.
- I believe that Article 4 hasn't been considered robustly and if introduced will affect irreparable damage to the community.
- More study and reports and projections need to be done to understand the impact on local people and the local housing market.
- This will not benefit local people at all and merely create more animosity towards tourists.
- There has been a failure to recognise the damage to communities that this process is causing. People are frightened for their wellbeing at this point.
- The proposal will cause a divide within the community, and there is a rising feel of racism.
- We do not live in a communist state and this ill-thought-out plan punishes the very community that it is (allegedly) seeking to protect. Many local people will find that they have no option but to leave the area as they will not be able to access mortgages, and this will further decimate the language and culture.
- Many of these communities cannot support full time annual employment at scale and the demand residential ownership is declining as communities move away and look for work. We have seen this year a dramatic drop in visitor numbers, and this will place further pressures on local communities.

Council's response:

See responses to Themes 14, 16, 21 & 30. As already noted, as well as ensuring a provision of housing to satisfy local needs, a side-effect of this will be ensuring that there is a permanent population living in our communities. Having this permanent population would mean that there is a means of sustaining communities and the services that are being offered, and it is hoped that this would then contribute to the prevalence of the Welsh language.

The Article 4 Direction will be implemented fairly and consistently amongst everyone who owns properties in classes C3, C5 or C6 and there will certainly not be any discrimination on the grounds of race. As a result, the allegation that introducing this direction is racist is completely unfounded.

THEME 22: AFFECTS THE INCOME COLLECTED THROUGH THE PREMIUM

Sub-Theme: [Less Income collected through the premium]

Number of comments: 3

Summary of comments:

- A reduction in second-home ownership will lead to a reduction in those who pay a Council Tax premium which will reduce the Council's income.
- Second-home owners contribute more to the Council's finances through the second homes premium but need fewer services.
- Less Council tax will lead to a decrease in services that the Council can provide to full-time residents.

Council's response:

If there was a reduction in the number of second homes in the county, it is recognised that less income would be collected through the Council Tax premium. In considering the proposal's effect on this, it is important to be mindful of what we are trying to achieve by introducing the Article 4 Direction. The purpose of introducing an Article 4 Direction is in response to the housing crisis that exists within the County, thereby attempting to protect the current housing stock and ensuring that there is an adequate provision available to satisfy local needs. Therefore, it is hoped that the benefits of introducing an Article 4 direction to the local community would outweigh the financial losses that may derive from not collecting as much premium.

THEME 23:**ERRONOUS ARTICLE 4 DIRECTION PROCESS**

Sub-Theme: [Area for Article 4 needs to be more specific geographically] [Lack of robust evidence] [Lack of consultation] [Lack of information as to how it will be implemented] [No exceptional circumstances for Article 4]

Number of comments: 173

Summary of comments:

- The research paper is flawed, biased, inaccurate, contradictory, does not present the full facts and is based on presumption.
- No exceptional circumstances which is required to justify the introduction of this Direction.
- Without the robust evidence base and impact assessment a decision to make the Article 4 Direction would be fundamentally flawed and susceptible to challenge. Following the completion of the necessary assessments, any decision on introducing an Article 4 Direction would then need to contain an assessment/balancing of the impact of the measures on affected landowners and so no evidence of how the infringement with their rights has been factored into the decision. This has not been carried out at this stage and, again, means any decision to make the Article 4 Direction would be fundamentally flawed and susceptible to challenge.
- The research commissioned by the Government, 'Second homes: Developing new policies in Wales, Dr Simon Brooks (2021), basically says that there is no evidence that second homes are mainly responsible for house price inflation, but Gwynedd Councillors choose to ignore this as it doesn't fit the narrative. Gwynedd councillors have a history of ignoring commissioned research that doesn't fit the narrative.
- No certainty it will work effectively and not have unforeseen consequences for communities. There should be clear evidence of how other measures already applied to control the situation are working before new and more complex approaches are considered. More thorough monitoring and analysis is required first.
- The Paper has not provided any data to demonstrate the success or otherwise of the increased tax levy on second homes and fails entirely to explain how CG intend to mitigate the effect of this or how this can assist in achieving the proposed objectives.
- Northumberland Study - appears to relate to residential restrictions on new houses and is probably not relevant to restrictions applied to all existing residential housing stock nor to areas widely affected by holiday homes. The evidence is unsatisfactory.
- Schedule 1 (The Town and Country Planning (Use Classes) Order 1987 (as amended)) - clarify whether you consider your Local Authority's description of the Direction, to be reasonable. Indeed, several points in the Schedule have been missed out.
- Article 4 as originally envisaged was originally intended to be used selectively to fix specific local problems, applying it across the board to the whole property market is going to destabilize the whole local economy - if it is indeed needed, it would be better to apply it selectively.
- Consultation is flawed and does not represent the full facts. Lack of information and evidence of effective community consultation nor clear guidelines. The consultation process surrounding the development and implementation of Article 4 seems to lack meaningful engagement with stakeholders. No evidence that the Council have consulted with any financial institution on the potential risk the Direction poses mortgage holders.
- Guidance fails to set out how the policy will work. Absence of declared criteria/rules of how relevant planning applications might be determined is detrimental to local democracy
- Urge you to conduct a pilot study to establish whether these aims will, in fact, be achieved, and also what other outcomes there may be particularly for local tourist industry.
- Concerned that no independent feasibility study has been produced. There is no robust impact assessment identifying the potential resulting adverse impacts of introducing the Direction. There should be a full assessment of the likely level of house prices and associated assessment

of local wages to establish whether the Direction will actually make the houses affordable. There is no consideration of the potential impacts on the ability of people to obtain a mortgage.

- An economic impact assessment has not been provided by the Council. The report includes no economic impact of the loss of income from the secondary market and hotel sector, the people that spend money in the shops and restraints that offer people business and employment opportunities.
- There appears to have been little or no consideration of the effect Article 4 will have on all residents in Gwynedd before the proposal was put to the council. No research done to ascertain the effect on jobs people's nor whether it is likely or at all to help with housing. There was no detailed explanation of the effect Article 4 will have on everyone not just incomers making it impossible for many to understand the full impact it will have.
- There is no assessment of where any increased numbers of people living locally will work - there's no ensuing employment strategy alongside this housing measure – for example, could it result in a need for people to travel by car to job opportunities elsewhere? There should be an assessment of the potential environmental impacts on this regard, which is something that the Council acknowledge will only happen as part of the Replacement Local Plan.
- Nowhere is it set out the criteria that planning officers or committees will be applying when it comes to determining a future planning application for change of use. Discussion about the proposal are meaningless unless the proposed policy is known because of the uncertainty about where it will leave people.
- There is no proper justification of the extent of the area to be the subject of the Direction and there will clearly be properties affected which should not be.
- Article 4 Direction should be applied to the smallest geographical area possible. The LPA has relied on old and inaccurate scraped data.
- Average percentage figures for the number of people wanting to own their own property should be related to specific areas and not to the County as a whole. The figures should relate to those wishing to buy and not include those wishing to rent – these should be shown separately.
- The Paper has not provided any data in relation to the nationalities of second home owners but would appear to suggest that the majority of second home owners in Gwynedd are English. If that is correct then the Paper does not address the impact on people of different ethnic origins, which includes English born residents. If that is not the case and the majority of C5 or C6 owners are Welsh, the Paper has not addressed how it intends to encourage the majority of people living across Wales to embrace the Welsh language. The people of North Wales are not a protected characteristic for the purposes of the Equality Act 2010 but form part of the wider Welsh nation. Whilst legislation exists to enhance the culture and language of Wales, it does not derogate from the legal obligations under the Equality Act 2010.

Council's response:

The process of making and implementing the Article 4 Direction is laid out in the Town and Country Planning (General Permitted Development) (Wales) Order 1995 (as amended). In addition to the requirements set in the Order, relevant national policy on second homes and short-term lets is set out in Planning Policy Wales (2024) and general guidance on the making of Article 4 Directions is provided in Appendix D of circular 29/95.²

The general test set out in the GPDO for the making of an Article 4 Direction is that the local planning authority considers it “expedient that development described in any Part, Class or paragraph in [Schedule 2](#), other than Class B of Part 22 or Class B of Part 23 , should not be carried out unless permission is granted for it on an application” (although more stringent tests apply to the making of directions with immediate effect).

² General Development Order Consolidation 1995 (Circular 29/95)

The guidance provided in Appendix D of Circular 29/95 is nevertheless that, “generally and subject to the guidance in this Appendix, permitted development rights should be withdrawn only in exceptional circumstances” which will ordinarily only be where there is a “real and specific threat”. However, the amendments to the GPDO and Use Classes Order in 2022 were made with the specific intention of giving local planning authority authorities the ability to control the use of properties as second homes and short-term lets. Furthermore, Planning Policy Wales now expressly provides that local planning authorities “must” consider localised issues such as “the prevalence of second homes and short-term lets” and, “where robust local evidence has identified impacts on the community arising from the prevalence of second homes and short-term lets”, may consider “co-ordinated local planning approaches” including “the introduction of area specific Article 4 directions which may require a planning application for a change of use of a sole or main residence to a second home”.

For the reasons set out in the Justification Paper and in this report, it is considered that there is robust evidence of such impacts in the County and that therefore it is expedient, and there are exceptional circumstances which justify the making of the Direction in accordance with the legislative intent of the amendments to the GPDO and the policy set out in Planning Policy Wales.

When preparing the justification paper, every effort has been made to introduce background information and evidence to assist the decision-making process that is linked to the introduction of the Article 4 Direction.

It is noted that the vocabulary used in para 7.12 of the justification paper is unclear and, as a result, an amended version of the justification paper that includes an amendment to this paragraph has been prepared (see Appendix 5). Despite the lack of clarity included in paragraph 7.12, it is emphasised that the table included in paragraph 7.13 outlines the situation with total clarity. Furthermore, the Notice and the Article 4 Direction, along with the associated correspondence, has noted the situation with absolute clarity.

THEME 24:**IMPACTS ON AND RESTRICTS THE HOUSING MARKET**

Sub-Theme: [Harder to buy and sell] [Slowing the housing market] [Prevents people from moving into the area] [Creates more than one housing market] [Creates an unequal housing market] [Limits the open market] [Distortion/Disruption of open market] [Destroying the housing market] [Rented housing switching to holiday accommodation before 1 September 2024] [Leads to increase in holiday home value] [Beneficial for second home owners] [Raises the value of second homes] [Holiday homes too expensive for local people] [Some large houses unaffordable as residential housing]

Number of comments: 486

Summary of comments:

- The process of buying and selling a property can be complicated and burdensome at present. I believe that an obligation to secure planning permission before selling a property as a second home could increase the timetable for buying and selling, adding significantly to the cost and the pressures that are associated with the process.
- I strongly believe that implementing this foolish direction will create a two-tier market with second homes and short-term holiday let houses attracting a premium, thereby simultaneously punishing the owners and residents of local dwellings that are main residences – how can you justify this?
- If implemented I believe this requirement will freeze the property market in Gwynedd and make it more difficult to buy or sell.
- Article 4 will adversely affect the saleability of Gwynedd residents who wish to sell for whatever reason. The Article reduces the potential purchasers and will no doubt mean residents will lose value.
- A full-time resident wishing to sell, perhaps to (a)downsize, (b) move for work, (c)retire(de) enter care may struggle to find a buyer at all, given a restricted pool of purchasers.
- I don't understand how this will fit into the timescale of a conveyancing transaction. I don't think a buyer wanting to buy will be prepared to wait while Planning permission is sought.
- This is a restrictive measure which is certain to make the use and the buying and selling of houses slower and subject to more expense, time and legalese red tape.
- I think that needing to apply for Planning permission to use a property as a second home will only deter people coming to live in Gwynedd, adversely affecting the economy, population, and communities. Gwynedd should be welcoming to new residents not deterring them.
- The market will become a three-tier market i.e. main residence, second home and FHL. It is likely the latter will see increase in value as the market freezes existing usage (council cap Planning approval) and those of us who live and work here will see tens or hundreds of thousand pounds wiped from their property value.
- You will create a 3 three tier housing market with these proposals, with permanent residents being worst hit.
- You are proposing to create a two-tier housing market whereby second homes will increase in value and resident's homes will decrease in value.
- It will create a two-tier housing market similar to the Isle of Jersey, this intervention in how owners can use their home has increased house prices substantially. It has also restricted development.
- it will be counterproductive as it is guaranteed to create a two-tier housing market resulting in virtually none of the proposed benefit and instead making it worse by permanently locking

primary homeowners out of buying attractive homes that are currently secondary homes or holiday lets.

- It will develop an unequal housing market within the UK. House prices are going to fall leaving ALL Gwynedd residents with less flexibility in the housing market.
- This policy will create even more divisive housing market.
- You will create a closed market for main residences and an open market for second homes and Holiday lets.
- It will have a hugely deleterious effect on the property market- how could it not when it severely restricts the ability to complete property transactions by artificially limiting potential purchasers by imposing ridiculously prescriptive conditions on the sale of all properties?
- Long term rentals will change to become holiday lets before the 1 September deadline.
- The planning categorisation and restrictions will lead to reduced values for permanent homes and it will make it more expensive to finance the purchase of permanent homes, the big lenders have already stated that article 4 will be a red flag. Existing second homes will likely increase in value and be open to a wider prospective purchaser demographic.
- I am certain that any such move from the council will actually increase the value of housing stock with any current second/holiday home demanding a premium ensuring such properties are never again available to locals who rely on local wages. In Gwynedd so many of the homes nearest the coast are already second home this article will just ensure they stay that way forever, there will never be a way back to them for a local family.
- My main issue is that my house which we've worked hard to get will be devalued and the house next door being a second home will be able to sell at a premium.
- The very action of limiting the supply of second homes will increase their value while those of locals reduces.
- I am concerned that the proposed Article 4 direction is misguided and will end up damaging local communities, with the worst effects being felt by those whose main residence are in the area.
- 2nd home values will increase. This is because there would be no incentive for properties which are currently designated as second homes to be re-designated as main residences. Why would someone who purchases a property which currently holds second home status (even if they intended to live in it permanently), change its use to a main residence when this would immediately reduce the value of this property to significantly below its purchase price?
- Second home and holiday lets will command a premium price, since these properties will have more potential, and primary residence homes will be of lower value creating in effect two categories in the market. This manipulative intervention in the housing market won't actually address the current housing market challenges for local people.
- Making the rich richer.
- Article 4 is going to create an unlevel playing field within the housing market.
- It will hand a dividend to existing second homeowners (the very people who you accuse of creating the unaffordability of property in the region) by creating a "restricted market" which will give rise to a price premium.
- The richer people will probably buy up the properties & leave them empty until they see the market change.

Council's response:

The purpose of introducing an Article 4 Direction is in response to the housing crisis that exists within the County, thereby attempting to protect the current housing stock and ensuring that there is an adequate provision available to satisfy local needs and not to restrict the housing market.

The ability to freely transfer between the uses means that there is no efficient control over the existing housing stock. Furthermore, it makes it more difficult to predict if the current housing stock will be available to satisfy future requirements or if the current housing stock will continue to be eroded for holiday accommodation purposes.

Therefore, with a responsive approach to the provision of affordable houses that addresses local need, ensuring that those houses are fit for purpose/environmentally friendly, and implementing an innovative plan to address the housing crisis (Gwynedd Housing Strategy 2019-2024), it is considered that a mechanism must be implemented to provide better control over the existing housing stock.

It is emphasised that implementing the Article 4 Direction will not restrict the ability of individuals to sell their house/houses on the open market nor who is eligible to buy the property. The purpose of the Article 4 Direction is to remove the permitted development rights that have been applied through the amendment to the Town and Country Planning (Permitted General Development) Order (2022) to ensure that planning consent is required in order to undertake some specific change of use developments. The proposal is implemented for the whole Local Planning Authority area, and therefore it is not accepted that the proposal discriminates on the grounds of nationality.

It is hoped that introducing this measure will ensure better control of the housing stock, thus ensuring an appropriate provision of housing to satisfy local needs. With the housing crisis that faces the residents of Gwynedd, there is a need to implement innovative measures to ensure that the existing housing stock is protected for the intended use, i.e. to provide homes for the households of Gwynedd.

THEME 25:**AFFECTS FINANCIAL PROSPERITY**

Sub-Theme: [Restricting economic investment] [Financial planning (pension)]
[Lack of extra income for people] [Reduces investment in housing stock]

Number of comments: 298

Summary of comments:

- Negatively impact tourism, a significant source of income for the area.
- Negative effect on local businesses.
- Lead to unemployment and drive more Young Welsh speaking people away from this area in search of work and opportunities.
- Impact on work available and income since many employed by the tourism sector, in particular the second homes;
- Will negatively impact inward investment, drive businesses and local talent away. Investment is likely to divert to other areas.
- Likely discourage entrepreneurship and job creation in the local area
- Impact in the wellbeing of the area with reduction in visitor income spend and reduction of the businesses locally resulting in less opportunities for people to work in the area.
- Damage to the local economy and loss of revenue for the local area - knock on effect on other businesses which rely on the tourist sector which all generate local income, leading to a decline in catering establishments, retail shops, dentistry, etc.. because there will be limited work availability.
- No alternative source of income has been proposed for the vast number engaged today in the holiday trade
- Significant impact on finances/life savings, in terms of equity and the ability to raise funding against properties.
- Impact on retirement planning, specifically flexibility to be use equity as required, the home as part of my pension agreement, the release of equity to fund for any longer term care related needs, ability to downsize.
- Impact on business loans
- Additional income – many locals make a great deal of money from holiday rentals and hospitality businesses.
- Local residents have afforded their main homes only by the additional income from short term lets for relatively short periods of the year, moving in with family or friends for those periods. Qualification needs to be set out in relation to restrictions on mixed use ... Main residence / short term let or second home / short term let for example the number of weeks permissible without planning permission being required.
- Home improvements mostly been funded by second homeowners who have the funds available. Local owners do not have the means, or if they do and are renting, they are not prepared to spend their money in this way.
- Impact on employment/income of tradespeople employed get from renovating second homes.
- Negative impact on builders, property maintenance businesses (gardeners, painters and decorators, electricians, plumbers, roofers, landscapers, joiners, plasterers, cleaners etc), service sector businesses, which all generate local income it will lead to an inevitable decline in catering establishments, retail shops, dentistry, etc because there will be limited work availability.
- Damage to local residents' prosperity. Will be detrimental to ALL property owners in Gwynedd and not just second homeowners or short-term holiday let owners. Gambling with local people's lives and finances. This will damage the prosperity and futures of every permanent resident (household and its occupants) risking loss of jobs and the local economy.

- Will also dissuade local property developers from taking on run down properties to bring them up to modern standards.

Council's response:

The vast majority of the above points are matters that have received a response under other Themes of this Report. See the response to the following themes:-

- Theme 4: Need to support the local economy and create quality employment opportunities
- Theme 11: Mortgages
- Theme 12: Negative impact on property value
- Theme 13: Penalising local people
- Theme 14: Demographic changes
- Theme 15: Negative impact on the tourism sector
- Theme 21: Negative community impacts
- Theme 31: Need to promote sustainable tourism

THEME 26:**SUPPORT THE PROPOSAL**

Sub-Theme: [Supporting the proposal] [Need to sort the holiday accommodation problem [Houses should be for residential use only] [Ensure control in use] [Protects housing stock]

Number of comments: 1326

Summary of comments:

- Agree with the content of Article 4 for the well-being of our communities, language and culture.
- There is a need to control the number of second homes and holiday accommodation, and manage house prices.
- Need to ensure control in the use to bring balance back to our communities.
- Agree but it needs to be back-dated.
- A house should be a residential house only.
- I agree with Article 4 to safeguard the housing stock for young people.
- Article 4 will enable more opportunities for local people and young people to be able to compete for properties within their communities and for fair prices that reflect the income that is available based on average salaries in Gwynedd.
- It is too easy to turn a house into an AirBnB.
- Without Article 4 we cannot safeguard the housing stock within our communities.

Council's response:

The comments that are generally supportive of the implementation of the Article 4 Direction are noted. Further consideration will be given to the range of specific impacts that have been raised during the public engagement period in responding to the following 'Themes'.

THEME 27:**HOLIDAY HOME NUMBERS NEED TO BE MANAGED**

Sub-Theme: [Amount of second homes need to be managed] [Reduce/limit second homes] [Reduce holiday accommodation, Airbnb etc] [Need to sort the problem of short-term accommodation]

Number of comments: 465

Summary of comments:

- Without Article 4, there is no way to prevent the housing stock within our communities from being converted into second houses/holiday accommodations. At the moment, the situation is hopeless with a never-ending increase in second homes and holiday accommodation. There will be no limit to the increase unless Article 4 is exercised. We won't have communities left if we don't put a cap on second houses and holiday accommodation.
- Will help monitor the number of second homes/holiday accommodation and reduce the effects of over-development on the tourism sector's growth. It will also ensure the consideration of change of use applications on properties, giving priority to the communities.
- Believe it is vital for control of the housing stock to be in the hands of local councils to try to come to grips with the hugely adverse effects on our young people, culture, communities, and language.
- Controlling the number of second homes and holiday accommodation in the county, which will make housing more affordable for people on local pay.
- Without the introduction of Article 4, there is no way to prevent the housing stock within our communities from being converted into second homes/holiday accommodation. There will be no limit to the increase unless Article 4 is exercised.
- I'm not opposed to second home or holiday let's, but they do need to be carefully managed to ensure the correct mix of accommodation within the county. The article 4 direction would help achieve this.
- Having new planning regulation will strengthen the Council's hand and enable it to manage the growth of second homes and short-term holiday accommodation.
- All Article 4 does in planning terms is control the use of a building, just as permission to convert a shop into a house or vice versa, which is perfectly reasonable.
- Ensure local control over the number of holiday accommodation within communities and enabling them to survive as busy and vibrant places for local people living there 12 months a year and contribute to the protection and release of housing stock to meet local demand.
- I believe that Article 4 is a very important tool in the hands of the Council to try to manage the numbers of second homes/AirBnb/ holiday homes/ and to ensure that the housing stock for Gwynedd's people increases to deal with the pressing issues facing the indigenous people of the county. The status quo, without control is completely unacceptable.
- I support the principle of introducing Article 4 to control the numbers of second homes and temporary holiday accommodation. It is happening effectively in other areas and countries and such measures are needed to try to mitigate the harmful effects of the current regime.
- Will help preserve communities and the language by limiting the amount of new holiday homes. Incredibly important for the language and will stop towns and villages being empty half the year. Unless Gwynedd Council adopts all the measurements, we will see the exodus of our young people out of the coastal villages and towns, leading to the closure of rural school, shops and pubs changing our village and coastal towns into ghost towns for most parts of the year.
- It's a duty to look after those most needy, and the ability to have one's own house in one's own locality should be a fundamental right.
- Shouldn't further second homes and holiday accommodation be considered as we have clearly reached a point of excess?

This is well overdue and should be planning law across the whole of the UK. Second homes and holiday keys destroy communities, stifle investment. No companies want to move to areas where there isn't a proper workforce.

Council's response:

The above comments reflect what is outlined in the Justification Paper. High numbers of holiday lets and second homes ("holiday homes") can be a real threat to the social, cultural and economic prosperity of communities across Gwynedd. Communities across Gwynedd are facing substantial pressures as a result of the use made of dwellings as holiday homes. It is hoped that implementing a range of effective control mechanisms will be a way of mitigating the side effects of holiday homes on communities, and contributing towards meeting the housing needs of communities in the county.

The Cyngor Gwynedd Plan 2023-2028, namely the Council's five-year Plan, notes a range of 'Improvement Priorities'. One of the priorities includes 'Managing second homes and short-term holiday accommodation'.

THEME 28:**ENSURES CONTROL OF THE USE AND NEED TO CONSIDER THE IMPACT**

Sub-Theme: [Need to manage disturbances and negative impacts on the area] [Amenities] [Security]

Number of comments: 111

Summary of comments:

- Having different neighbours every week is unpleasant. We have no idea who they are and their background.
- Short term holiday lets cause parking problems, littering and anti-social behaviour.
- Second home/short term holiday let can bring untold problems from nuisance, knowingly or unknowingly, of varying types to permanent residents. Such nuisance could vary from week to week subject to the manner in which a property is let. Due their to location some properties are inappropriate as short term lets due to their proximity of established residents.
- In a residential estate this is inappropriate and a nuisance to residents with unsociable noise pollution, excessive traffic and at no benefit to the community.
- Holiday makers do not behave like locals, and because they are temporary residence have no obligation to behave in a social manner - they are often here to party, celebrate events, in groups.
- We have lived in our house for 20 years, we no longer feel safe here, we have safety locks on windows now and lock our doors during the day, we also have a fence erected to retain our gardens privacy. we just don't know who were living next to any more.
- The seagull issue is another big problem due to visitors just leaving food out after their BBQ's.

Council's response:

As well as the advantages associated with enabling the protection of the housing stock, there is the advantage of being able to consider the impact that use has on the amenities of local residents. The use of a residential dwelling as holiday accommodation is very different to the use of a residential dwelling as a primary residence.

Turnover in use (duration and frequency), along with associated noise, litter and parking issues, can have a detrimental impact on the local neighbourhood. If the Article 4 Direction is confirmed, it will be required to ensure that impact on the amenities of local residents is a consideration in relevant prospective planning applications. Planning authorities have a duty to try to prevent physical and mental illness caused or exacerbated by pollution or due to a lack of connection to social activity (that contributes towards loneliness). The planning system must consider the impacts of a new development on communities and protect health, well-being and amenities. In accordance with the guidance included in Planning Policy Wales:-

"Impacts on health should always be kept to a minimum, especially if a new development can have an adverse impact on health, amenities and well-being. If the impacts on health or amenities cannot be resolved in a satisfactory manner, the development should be refused." (Paragraph 3.21 Planning Policy Wales (Edition 12, 2024)³.

³ Planning Policy Wales (Edition 12, 2024)

THEME 29: HELPS LOCAL PEOPLE TO BUY A HOUSE

Sub-Theme: [Controlling house prices and helping local people be able to afford housing] [Opportunities for people to stay in their communities] [Responds to the housing crisis] [Secures a provision of residential housing stock] [Prioritise individuals right to a home]

Number of comments: 603

Summary of comments:

- Currently, the situation is hopeless with an endless increase in second homes and holiday accommodation units. There will be no end to the increase unless Article 4 is exercised. We will not have any communities left unless we cap second homes and holiday lets.
- It is a way of managing the situation and releasing more affordable homes to young people.
- Ensures equal opportunity for people to be able to live in their communities.
- Need to manage the number of holiday homes / second homes in the county. This reduces the demand for housing and therefore brings the prices down and starts becoming affordable for local residents.
- It is a step towards redressing the inequality in the housing market and is a means of protecting the Welsh language in the communities of Gwynedd.
- Young people cannot afford to buy, and they cannot get rented houses either. They have to move out of their areas, then there are no children and schools have to close.
- The essence of the housing problem is that the housing market treats houses as commercial assets from which to make profits, rather than social assets to provide a home. This is what has increased house prices beyond the reach of people on a local wage, thus forcing people out of their communities.
- The truth is that houses are far too expensive, and reducing their prices would be a good thing – a house is a place to live, not a pension fund.
- I think it is essential that the Article 4 Direction is prioritised in order to protect housing for local people and prevent further social and cultural decline in the communities of Gwynedd.
- It will hopefully help with the shortage of houses there are for young people and will make the prices more affordable in order to keep our young people here to raise their families in our Welsh and Welsh-speaking areas.
- The number of holiday homes must be controlled, not only for the obvious social and linguistic reasons, but also for environmental reasons – carrying on with converting green land into new housing affects wildlife.
- Losing properties at the rate we have seen in order to provide for holiday visitors is having a detrimental effect on local communities by denying local people the opportunity to find a house. We must now give priority to local people who have had to come second to visitors for many years.
- The right to live in your community, in a Welsh-speaking area is an essential right for a Welsh speaker.

Council's response:

With the long-term aim of creating sustainable communities, ensuring a sufficient supply of suitable choice of housing that satisfies the needs of the local population, is essential. High numbers of holiday homes can be a real threat to social, cultural and economic prosperity across the county. By

introducing an Article 4 Direction, it will be a way of gaining better control of our existing housing stock, with the hope of releasing holiday homes back to full-time residential use for rent and purchase. In the five-year Cyngor Gwynedd Plan 2018-2023, emphasis is placed on improvement, with priority to managing second homes and short term holiday lets.. It is agreed that equal opportunity needs to be ensured for local people to be able to live and remain in their communities and assist to protect the Welsh language.

The Gwynedd Housing Action Plan 2020/21-2026/27⁴ outlines how the Council is tackling the housing crisis. It now has over 30 projects worth £140m offering diverse, innovative and ambitious schemes to help the people of Gwynedd with their housing situation. The Plan aims to add hundreds more units to the county's housing stock to help Gwynedd population in housing need in their community, as well as schemes to support people to continue living in their existing homes by making necessary alterations and providing grants to empty properties back into use.

⁴ [Gwynedd Council Housing Action Plan 2020/21 – 2026/27](#)

THEME 30:**MAINTAINING AND PROTECTING THE WELSH LANGUAGE, COMMUNITIES AND CULTURE**

Sub-Theme: [Maintaining and preserving the Welsh language and culture] [Protecting Welsh communities] [Promoting the future of rural communities] [Permanent population needed to support local services] [Unsustainable situation] [Responding to community imbalances]

Number of comments: 466

Summary of comments:

- Support measures that will positively protect, sustain, foster, and strengthen the viability of our communities, culture, and language in one of the Welsh strongholds for future generations.
- Our communities are being destroyed by second homes, AirBnBs etc. We are losing our schools, language, culture and young people due to our communities being taken over by visitors with houses empty over winter months. This provides an opportunity to keep our local family and language. Robust control of the situation is needed to prevent further deterioration. Without intervention, young families will be lost.
- Concerned about the huge damage second homes are causing to Welsh communities, and that without the Article 4 the situation is going to get further worse. Urgent action is needed not only because of the crisis facing families and individuals but also because of the detrimental impact on our communities and the Welsh language and culture. It is vital to the future of the Welsh language, also because the language is in the hands of the next generations. Gwynedd needs to remain one of the places where the Welsh language thrives. Implementing Article 4 across the county will benefit Gwynedd residents and the Welsh language.
- Coastal areas and villages are dead villages during the winter months, with the majority of houses empty while local people can't afford housing in their local communities. Welsh and Welsh communities are dying.
- Article 4 can lead to an increase in the numbers of people deciding to move to the area permanently so we must be prepared to ensure that this does not have a negative impact on the language. Careful and thorough monitoring of immigration by new arrivals to Welsh-speaking communities.
- Local villages are being destroyed by the uncontrolled increase in short term rental properties (Air BnB especially). This is putting massive pressure on local services and significantly negatively impacting people, as well as the character of the area and the Welsh language.
- There needs to be more "legislation" to defend Welsh places and allow people able to stay in the communities they have lived in all their lives.
- If we are to try to secure the future for our language and culture as well and give our young people, the opportunity to buy houses locally we must accept this.
- The situation is so critical. Our communities are fragile and need this to save what's left. Welsh-speaking communities are rapidly falling short, and the housing/rehab crisis is directly linked to the extraordinary decline in Welsh language communities.
- In the past thirty years I have witnessed the devastating impact single occupancy second homes and short-term holiday lets have had on local communities, turning villages into "ghost towns" and leading to the closure of local shops, businesses, and amenities due to lack of year-round use. In rural communities the impact has been far greater still, with what were once thriving communities of small holdings becoming, in some cases, entirely second homes.
- If the number of second homes and holiday accommodation continue to increase in our areas, there will be a danger that our communities will transform into empty villages for long months on an annual basis which can cause businesses to be unsustainable, primary schools closed due

to a shortage of local families living in the villages which will then pose a high risk to the Welsh language. Has an impact on our local Services, mental health, the Welsh language and the structure of a community.

- Second homes should be clamped down on and stop ruining our villages and taking homes that locals should be able to buy and live in.
- Let's protect our communities for our children and tomorrow, rather than scramble for higher profits today.
- Tourism is important to sustain communities in Gwynedd, but it is increasingly destructive of communities, environment and the Welsh language when pursued in ways that displace our communities and force residents to move away from their home areas or into caravans.
- I want my family, my grandchildren and great grandchildren to be able to live in their own communities and not have to move out as is happening now. It is killing communities.
- It is essential that Article 4 is passed. We are in a crisis here in North Wales and if something like this is not done our communities will be lost forever. Our language and our way of life threatened to the point of extinction, our children or even older local people never being able to afford their first home in their own country.
- A great idea and I am delighted to see the council using its powers this way. It is only one step against the barrage of problems caused by holiday let's and second homes, but it is a vitally important one which will have a positive impact on communities, the economy, the language and indeed people's perception of the Council.
- For us to have a sustainable community, which will keep the culture and the language alive, we must give every possible opportunity and choice for our young people to be able to afford to live in their areas. This is not about tourism at all, if anything, in my opinion, this will be a boost to have tourism that is more sustainable.
- A permanent residential population is needed to support local services. Communities need people all year round not only at weekends and holidays.
- Often, these holiday homes are owned by wealthy people or people from outside Wales who have no connection to the area. Whether it's ignorance or indifference, they contribute to the erosion of Welsh communities. The Article 4 Directive is an additional step, in addition to the proposed Council Tax Premium and Tourism Levy, to protect these communities.
- Too many holiday houses mean the loss of community, school, businesses and create heartless villages.
- Having adverse effects on the Welsh language, culture, communal activity and economic activity as well as undermining local services, the economic viability of schools, shops and pubs and preventing key workers, for those who speak Welsh, from staying in the area. Of course, this affects the provision of public services, especially through the Welsh language.

Council's response:

Gwynedd is fortunate to be one of the main strongholds of the Welsh language, and we have a duty to try to protect the Welsh language as a community language.

It is hoped that implementing the Article 4 Direction will protect the housing stock from further deterioration and ensure that our housing is kept for the core use of being the main residence for our local residents. It is considered important for the prosperity of the Welsh language that there is a stable population within our communities, to use the services, facilities and keep the schools open. By ensuring sustainable communities where there are opportunities to use the Welsh language, the growth of the language can be encouraged and the Government's aim of reaching the target of a million Welsh speakers can be achieved.

THEME 31:**NEED TO PROMOTE SUSTAINABLE TOURISM****Sub-Theme:**

[Sustainable tourism needed] [Need to invest in hotels for visitors]

Number of comments:

25

Summary of comments:

- The world's tourist areas are turning into empty shells of lifeless, dull and soulless places.
- Tourism is important in the area but when this increases to such a degree that people cannot afford to live in their communities, whether by buying or renting a house, it is time to do something about the situation.
- When language and culture are being undermined, it is time to do something about the situation, not only for those who currently live in the area but in the interests of those who will be here in the future.
- Our tourism industry is unsustainable at present, and this Direction is a small step towards rectifying this. This policy needs to be backdated to undo the harm that has already been done in our communities.
- The rights of residents who are trying to live, work, go about their daily life is being seriously impeded: visitors parking anywhere and preventing people who live full-time in their communities from parking outside their houses, an increase in litter, an increase in noise and antisocial behaviour, etc.
- There needs to be a campaign towards more sustainable tourism that does not have such a negative effect on the local population.
- Tourism is important to many areas in Gwynedd, but it must be sustainable tourism. We depend on tourism here, therefore some amount of holiday accommodation in a village is reasonable but it is a matter of ensuring that any change of use is appropriate and that the negative effect on communities is assessed.
- This is a very positive move so that local residents are able to stay in their areas. It will have a positive impact on communities and the Welsh language, and will also bring a more sustainable economy to the area in terms of tourists paying local people/local businesses for places to stay, etc.
- Managing the numbers of holiday homes can be the first step in creating a system that is more sustainable, in terms of having the balance between getting visitors in to spend and having living communities that can cope with empty houses for a proportion of the year.
- The local residents and communities of Gwynedd must benefit from tourism. At the moment it feels as though tourism is happening to the communities of Gwynedd with no control over it.
- At present there is no means of controlling how many holiday homes and second homes there are in a particular area, which has led to areas that are overflowing with tourists in the summer and are empty villages in the winter. If this continues, our Welsh, and Welsh-speaking communities will diminish.
- Although tourism is important to the economy, there are other ways of providing for tourists that are more beneficial to the local economy.
- Need to invest in hotels for visitors.

Council's response:

The Council, through the Gwynedd and Eryri Sustainable Visitor Economy Strategic Plan 2025 is keen to promote a sustainable visitor economy, with the vision of creating:-

"A visitor economy for the benefit and well-being of the people, environment, language and culture of Gwynedd and Eryri".

It is recognised that the visitor economy is extremely important for Gwynedd, but it is important to ensure that economic benefits are not outweighed by negative impacts. There is a need to ensure a sustainable tourism sector that does not detrimentally affect communities or displace them, i.e. communities should not be displaced for the benefit of tourism.

The justification paper (Appendix 5) highlights the negative side-effects that are experienced from having a high number or high concentration of holiday lets. It is considered unsustainable to continue with the current situation.

THEME 32:**ARTICLE 4 DIRECTION PROCESS**

Sub-Theme: [New owners need to receive planning permission] [Doesn't go far enough] [Planning act need to be changes] [Implementation period needs to be extended] [Action should be for neu hosing only]

Number of comments: 73

Summary of comments:

- All houses, especially second homes should need planning permission to function as holiday homes or B&B's especially if they are empty for most of the winter.
- Disappointed that existing holiday homes houses and short holidays lets are not affected.
- Does not do enough to control Holiday homes. It's a start but need to get even tougher than this.
- Before continuing with the Article 4 Direction, Cyngor Gwynedd should secure Counsel's opinion as to whether changes to primary legislation (in relation to the definitions of 'development' and 'substantial change of use' under section 55 of the Town and Country Planning Act 1990) are also necessary to ensure that changes of use between the new GPDO use classes could be defined as a 'significant change of use' requiring Planning permission.
- Give second homeowners a grace period in which to decide what to do - say 2/3 years to allow such transitions to take place sensibly.
- Pilot Study - no reasonable justification for not conducting a small pilot before planning to implement the scheme on the whole of Gwynedd.
- Planning permission should be for new builds only.
- Should not apply to holiday lets, which are occupied much of the year and bring in tourism revenue and support local businesses.

Council's response:

The process of making and implementing the Article 4 Direction is laid out in the Town and Country Planning (Permitted General Development) (Wales) Order 1995 (as amended). In addition to the requirements set in the Order, further guidance is included in Appendix D of circular 29/95⁵.

Due to the requirements set within the relevant guidance, it is mandatory to introduce and implement the Article 4 Direction within these requirements. As the decision has been made to introduce an Article 4 Direction that does not come into force directly, it is not possible to take action sooner. Furthermore, retrospective action is not possible on uses that have already been established before the date the prospective Article 4 Direction will come into force.

⁵ General Development Order Consolidation 1995 (Circular 29/95) (English only)

THEME 33:**IMPLEMENTATION**

Sub-Theme: [Planning policy basis urgently needs to be formed] [Needs to extend to other counties] [Risk Statement/Assessment Required]

Number of comments: 82

Summary of comments:

- There will need to be constant monitoring and reviewing along with effective enforcement measures.
- It will be essential that the Council handles each application consistently and without prejudice.
- Are there policies in place for responding to change-of-use applications?
- Does the Council have information regarding which houses are being used as second homes and holiday lets, this is essential when considering applications.
- A need to publish policies urgently to demonstrate how the Council intends to deal with change-of-use applications.
- There is a need to set a threshold in respect of the provision of holiday accommodation.
- Without the policy guidance on the matter, it is difficult to provide a constructive comment on the proposal. We cannot possibly know how the Authority will deal with individual applications.
- An urgent amendment to the Joint Local Development Plan is encouraged in order to strengthen the policy context for dealing with prospective planning applications.
- Need to extend the implementation of the Article 4 Direction for the whole of Gwynedd (i.e. including Eryri National Park).
- Need to carry out an independent viability assessment of the proposal.
- We need a better understanding of the monitoring and reporting processes and methodology that are proposed to be adopted in order to analyse and interpret the effect of the Direction on residents, communities, the Welsh language and the private housing market.
- How will it be implemented fairly? What would be the fees associated with a planning application? This needs to be made crystal clear. Implementing the policy for new housing would be easier to manage rather than implementing it for existing housing.
- The planning process is taking too long. This creates uncertainty for people who want to buy or sell houses and use them for a particular use.
- The language used in the correspondence letter is complicated and makes it difficult to understand the implications of the proposal.
- Need a better understanding of its effect for different circumstances, for example an individual who works away for periods of time or an individual who is able to live in their second home for a period that is longer than 183 days a year.
- We need a better understanding of the process for submitting a planning application, can two use classes be operated simultaneously?
- Change of ownership of a second home should lead to the use reverting to use C3. This means that no one benefits more than others.
- How does mixed use work?

Council's response:

Should it be decided to confirm the Article 4 Direction, it will be operational from 1 September 2024 onwards. The Local Planning Policy framework for the Gwynedd Local Planning Authority Area is the Joint Local Development Plan. As a result, compliance with any prospective planning application will need to be considered in accordance with this Plan, along with the guidance of local and national planning policy.

The Planning and Compulsory Purchase Act 2004 notes that a Local Development Plan needs to be reviewed four years after its adoption. The Joint Local Development Plan (Joint LDP) was adopted on 31 July 2017. A Review Report for the Local Development Plan has been prepared and approved, which notes the need to undertake a full review of the Plan. Therefore, the initial steps in association with the preparation of the Gwynedd Local Development Plan is underway and the Government's approval of the Delivery Agreement has been received in April 2024. In accordance with the timetable that has been set in the Delivery Agreement, it is intended to adopt the new Plan during September/October 2027. This Plan will be relevant to the period between 2024 until 2039.

The LDP contains policies and proposals that form the basis for making decisions on planning applications, and is supported by a series of Supplementary Planning Guidance (SPG). The purpose of Supplementary Planning Guidance is to assist applicants, agents and others to understand, interpret and apply the LDP's policies when preparing planning applications and to assist planning officers and Planning Committees when making decisions. There must be a clear link between the SPG and the LDP's policies, and they must be consistent with the LDP and national planning policy. The SPG only contain guidance and advice and they cannot, for instance, create new policies or criteria, or amend existing policies or criteria for making decisions.

Although the SPG are not considered as part of the adopted Plan, they can be a 'material consideration' when making planning decisions. 'Material consideration' is a matter that should be addressed when making decisions on planning applications⁶. The decision-maker must come to a conclusion on how much weight is placed on relevant planning considerations.

Currently, there is an adopted Supplementary Planning Guidance in relation to 'Tourist Facilities and Accommodation'⁷. If the Article 4 Direction is confirmed, it is intended to amend relevant parts of these SPG to provide further guidance in terms of relevant local policy considerations.

As the work associated with preparing the new Plan proceeds, appropriate consideration will need to be given to the contents of the policies in the new Plan and ensure that these policies are based on robust evidence. In relation to the process of preparing the Plan, statutory steps will need to be undertaken, including steps that involve consulting and receiving observations in relation to the Plan. Through this process, it will be possible for those interested in the Plan and relevant policies to provide input to draw up the policies.

The process of implementing the Article 4 Direction (dependent on receiving confirmation) is relevant to the Gwynedd Local Planning Authority Area only. Introducing and confirming the Article 4 Direction is a matter for every individual local planning authority (including Eryri National Park).

In terms of submitting planning applications, this will be done in the usual way. There is no need to pay a fee for a planning application that is made in relation to what would have been a permitted development if the Article 4 Direction (Regulation 5 of the Town and Country Planning Regulations (Fees for Applications, Deemed Applications and Site Visits) (Wales) 2015) had not been implemented.

A specific web-page has been uploaded on the Council website (www.gwynedd.llyw.cymru/Article4) to introduce further guidance regarding the Article 4 Direction. On this page, there is a series of frequently asked questions and answers. In accordance with the enquiries received, it is intended to amend this page with the relevant details. Furthermore, officers from the Planning Service are available to respond to enquiries relating to Article 4.

⁶ Development Plans Manual (Edition 3) March 2020

⁷ Supplementary Planning Guidance: Tourist Facilities and Accommodation (2021)

THEME 34:**NEED FLEXIBILITY WHEN IMPLEMENTING**

Sub-Theme: [Flexibility needed for casual rentals] [Need flexibility in system]

Number of comments: 48

Summary of comments:

- Flexibility is needed for local people to be able to buy a second home to let, with the aim of transferring to their children.
- Strongly believe that local Welsh-speaking people should be treated differently to non-Welsh-speaking people. They should be able to have permission to convert a farm outbuilding into holiday accommodation use. The money they would make would then be additional income, and the house would then be available for their children to live in it after they have grown. This isn't racist at all as any person from any country can learn Welsh. This is something linguistic, not racial.
- I support rural diversification and the restoration of old ruins which is beneficial to rural communities, it enables the protection of our communities and our language, our culture and our heritage, keeping them alive for the future, for the next generation.
- There needs to be some provision in the rules to allow for people who for some reason buy a home in Gwynedd before selling their current house, i.e. a way of being able to declare that they intend for it to become their permanent, sole residence in the near future, therefore they do not need to apply for change of use when they own two homes for a short time.
- Assume that this could prevent people from using spare rooms in their homes as short-term accommodation. This would appear counter-productive as spare rooms are then likely to be unused. Using them would take the pressure off local housing and would bring income to the household.
- It needs to be implemented for properties that are bought after 1 September 2024.
- There needs to be exceptions for special circumstances, for example a house that has been inherited, and buying and selling in order to renovate a property.
- Need the flexibility to rent the house out for periods of time while working away (overseas). Article 4 ruins the opportunity to do this.
- If someone wants to rent their house out for a few weeks a year, it is not proportionate to ask them to make an application for planning permission, however, it depends on how long the process takes and what it entails.
- Many student houses in Bangor are used as holiday lets for the summer months while the students are away. This brings substantial income to local workers in the field of house construction and maintenance and cleaning. What effect will the new rules have if the owner of a HMO wants to convert it to a holiday let for two months during the summer only? This should be kept in mind as it contributes significantly to local people's income.

Council's response:

Some of the comments submitted mention that an element of flexibility associated with implementing the Article 4 Direction should be ensured and this specifically to offer opportunities for local people to undertake occasional letting of their residential home, as this was financially advantageous as an additional source of income.

It is emphasised that it is not possible to implement the Article 4 Direction in a different manner based on local connections/personal circumstances.

The need to obtain planning consent to change the use of a residential house to a second home, holiday accommodation or relevant mixed uses will be based on concluding that the proposed use leads to a change of material use. Each case will be treated individually and, as a result, it is not possible to provide a definite response in terms of when change of use is tantamount to being a change of material use.

Some comments received also note the desire for action for residential units that are bought/sold after 1 September 2024. It is noted that use of the residential unit is a planning matter; no consideration is given to the transfer in ownership.

THEME 35:**NEED TO TAKE A DIFFERENT APPROACH**

Sub-Theme: [Retrospective implementation required] [Need quicker implementation]

Number of comments: 37

Summary of comments:

- Those already in use should be made to have planning permission.
- Need to implement it as soon as possible.
- Need to be able to implement it retrospectively.
- An important tool to be able to manage the numbers of second homes / holiday homes.
- Giving a year's grace is a mistake – it needs to be implemented immediately.
- This should have been implemented years ago.
- Is there a mechanism that can be used to reclaim some of the houses that have been lost to holiday use, especially since Covid?

A delay in implementing it means that owners will try to change use of their property urgently from use C3 to C5/C6.

Council's response:

See the response to Theme 32.

THEME 36: DUTY TO RESPOND TO THE HOUSING CRISIS THROUGH VARIOUS APPROACHES

Sub-Theme: [Council has a duty to prepare policies to support young families] [Need to deal with the rental housing problem] [Support for long-term rental]

Number of comments: 35

Summary of comments:

- There is a need to review the Local Development Plan before 2026 and prioritise new builds of eco-effective / non-carbon / passivhaus dwellings for a range that corresponds demographically to families, specifically for local tenure, across Gwynedd.
- I would like to see the Welsh Government releasing grants to help local people buy or rent houses.
- Agree with the principle fully. However, there is a need to ensure that it is integrated with an effective enforcement policy. If the aim of the policy is to limit second homes and holiday lets, we must also have policies that facilitate and promote planning permission for young people to build or convert buildings as a home.
- The Council need to be less strict in their planning to enable local people to either build on infill land or in some cases build on land owned by their family, i.e. large gardens, farmland, etc. Then the Council could enforce a Section 106 to keep it affordable to younger local people.
- I do not see these steps helping the situation as the process of securing planning permission is fairly easy. I agree with the principles of article 4 and that there needs to be control of holiday homes and AirBnBs, but in my opinion it is too susceptible to loopholes unless strict rules are listed in the LDP, specifically a cap on numbers within areas.
- A lack of rented housing available. Those buying houses need to be encouraged to consider renting them rather than turning local houses into holiday homes.
I feel that buying second homes to use them as holiday lets affects the local rental markets. This has a profound impact on local families, couples or single people who are searching for a property, and leads to a shortage of long-term rented accommodation in an area where high house prices and low wages make it very difficult for young people to find their first home in their local area.

Council's response:

It is agreed that there is a need to respond to the housing crisis by using multiple approaches and take advantage of the opportunities that exist to respond to those challenges.

Cyngor Gwynedd, via its innovative Housing Action Plan (2020/21-2026/27), has outlined over 30 different schemes with the aim of increasing the opportunities for Gwynedd residents to live locally. The Plan has various funding sources with the aim of increasing the supply of affordable homes, which include making use of the Council's Tax Premium and grants such as the Social Housing Grant. By the end of the Plan, the Council intends to construct its first affordable homes for 30 years, with the aim of constructing 100 units across the county, and it will also provide over 500 social housing units in partnership with local housing associations (179 of them have already been constructed).

Furthermore, the existing Joint Local Development Plan sets out a positive policy framework towards facilitating the provision of affordable homes and local market housing. In addition, there will be

opportunities to re-examine the situation as part of the process of preparing the new Local Development Plan in the near future.

THEME 37:**MOVING THE PROBLEM TO OTHER AREAS**

Sub-Theme: [Redirects the problem to other counties] [Imbalance with other Authorities]

Number of comments: 3

Summary of comments:

- Detrimental impact on house prices within Gwynedd. If other Welsh Local Authorities don't follow suit buyers will be encouraged to buy elsewhere;
- This proposed measure affecting Gwynedd LPA only will concentrate holiday homes and artificially drive up prices within the National Park.
- Will create an imbalance with planning restrictions in adjacent local authority areas and affect property prices in a wider area which will inevitably be dragged down with the market forces.

Council's response:

If other areas experience negative side-effects as a result of the fact that the Article 4 Direction has been introduced in Gwynedd, there is also an opportunity for them to consider implementing an Article 4 Direction to respond to the problem.

Eryri National Park has resolved (7 March 2024) to impose an Article 4 Direction Notice for the same purposes as what is being proposed by the Gwynedd Planning Authority Area. Furthermore, Isle of Anglesey County Council has appointed a Local Housing Challenge Officer, and one of the main duties of the post includes introducing an Article 4 Direction on Anglesey. As a result, it is noted that neighbouring authorities (with the exception of Conwy County Council) are already considering or have acted on a proposal to introduce an Article 4 Direction.