

Appendix 1

Council Tax Premiums on Long-Term Empty Dwellings

The Housing (Wales) Act 2014 gives the Council discretionary powers to charge a premium of up to 100% on top of the standard rate of council tax on long-term empty dwellings. These are properties that have been unoccupied and largely unfurnished for a continuous period of at least one year.

Many issues of community concern arise from some empty properties; these include fly tipping, nuisance, vandalism, criminal activity and visual deterioration, all of which have the potential to adversely affect neighbouring properties and residents. Some empty properties can be a blight on a local community and boarded up dwellings have a significant impact on the way potential investors perceive an area. In addition to the above, empty properties also represent a wasted resource in light of the housing demand within the city.

There are currently over 1,600 properties empty for more than six months and the Housing enforcement team within the Shared Regulatory Services (SRS) actively monitor 200 of those empty properties on a prioritised basis as part of the Cardiff Housing Strategy.

In Cardiff unoccupied and largely unfurnished dwellings currently receive 50% discount from the council tax charge. The Council has decided to discontinue this reduction from 1st April 2019, bringing the council tax charges to 100%.

Premiums or extra charges would then be added – these can be added over a period of time and can be of any percentage, up to the maximum of 100% – bringing the total charges payable to a maximum of 200%. Cabinet are currently considering implementing a 50% premium.

Some dwellings are currently exempt from council tax such as; property requiring or undergoing structural repair (for up to 12 months) and property that is unoccupied and largely unfurnished (for up to 6 months). These properties will not be subject to premiums. However, where a dwelling is no longer eligible for an exemption, but remains unoccupied, it may become liable for the premium.

Certain dwellings are exempt from premiums. These include:

- Those being marketed for sale or rent at reasonable prices (for a further year)
- Annexes forming part of a main dwelling
- Dwellings which would be a person's main residence if they were not residing in armed forces accommodation.

There would also be a right of appeal if charging the premiums would cause exceptional hardship to the owner.

If a decision is made by the Council to charge premiums any additional income will

be used to help target and bring empty property back into beneficial use, so increasing the city's housing supply. The Council already seeks to incentivise owners to act positively in bringing properties into beneficial use in a number of ways. These include;

- Signposting owners to the Houses into Homes loan scheme
- Providing a list of private property developers
- Referring to a Housing Association for lease and repair where feasible
- Providing proof of empty status letters for VAT reduction on renovation costs.

This consultation asks whether you think that the Council should charge a premium on long term empty dwellings.

1. Do you think that empty properties are an eyesore?

Yes	478 (85.7%)	No	33 (5.9%)	Don't Know	47 (8.4%)
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2. Are you responding to this survey as: (please tick all boxes that apply)

A resident of Cardiff	485 (86.9%)	A local charity	0 (0.0%)
A local business	3 (0.5%)	A local voluntary or community organisation	0 (0.0%)
A landlord	14 (2.5%)	Other	71 (12.7%)

3. What is the first part of your home post code (eg CF5, CF10)

552 replied.

4. Please indicate at what level you think it would be most appropriate to set a Council Tax premium for long-term empty properties in Cardiff? Please note that this will be in addition to the standard council tax charge.

Nil	56 (10.1%)	25%	76 (13.7%)	50%	130 (23.5%)
75%	25 (4.5%)	100%	238 (43.0%)	Other	29 (5.2%)

5. How long do you think the dwelling must be empty (that is, unoccupied and largely unfurnished) before we should charge the premium?

1 Year	355 (63.9%)	2 Years	81 (14.6%)
3 Years	23 (4.1%)	Other	97 (17.4%)

6. Are you the owner of a long-term empty dwelling?

Yes	7 (1.3%)	No	552 (98.7%)
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a. If yes, is your property currently on the market for sale or to let?

Yes	1 (14.3%)	No	6 (85.7%)
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b. If yes, how long has it been on the market?

1 replied for sale for 6 weeks.

7. Please share any further comments you have about this proposal.

225 comments have been received.

Thank you for providing your views on this consultation. Please click '✓' to submit your answers.