

The Senedd's Local Government and Housing Committee inquiry into second homes

Response from Propertymark

January 2022

Background

1. Propertymark is the leading professional body for estate and letting agents, commercial agents, inventory providers, auctioneers and valuers, comprising nearly 18,000 members across the UK. We are member-led, with a Board which is made up of practising agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.

Summary

2. Upon examination of Dr Simon Brooks' recommendations¹ and the Welsh Government's response to those proposals, Propertymark have the following overarching considerations to share with the Committee:
 - i. We are in no doubt that higher numbers of second homes chargeable for Council Tax as a proportion of total chargeable dwellings is a localised phenomenon which will require a combination of evidence informed national and local policy measures.
 - ii. There is a significant gap in the data available to help inform an accurate picture of the true scale and impact of second homeownership in Wales as there is currently no reliable information about the number of properties being let on the short-term letting market.
 - iii. Until a robust typology is developed for defining the different categories of second homes, we will lack reliable data upon which to based policy developments in this area.
 - iv. To prevent vital residential housing supply being reallocated to the commercial tourism market, on a damaging scale, the Welsh Government should carefully consider measures that will help level the playing field between a more tax favourable and unregulated short-term letting industry and the less tax favourable and intensely regulated private rented sector (long-term letting industry). Below we set out our reasoning across these four considerations.

First consideration: Higher concentrations of second homes is a localised phenomenon requiring a combination of evidence informed national and local policy solutions.

3. Propertymark believes that local authorities in Wales already have a potentially powerful mechanism, via Sections 12A and 12B of the Local Government Finance Act 1992 (as amended by the Housing (Wales) Act 2014),² to help regulate concentrations of second homes via the council tax system, but this does not extend to homes that are registered for business rates. On this basis the Welsh Government should examine ways to enable localised responses via changes to the business rates system. Alongside these local approaches, a national approach

¹ <https://gov.wales/sites/default/files/publications/2021-03/second-homes-developing-new-policies-in-wales.pdf>

² <https://www.legislation.gov.uk/en/ukpga/1992/14/section/12A>

will be needed to significantly increase new housing supply while also levelling the playing field between the short- and long-term letting industries. The evidence supports our concerns about a reduction in homes available to rent in the long term residential private rented sector in areas experiencing higher concentrations of homes being let on the short-term commercial market.³

4. Based on our analysis of the data for dwellings chargeable for council tax in Wales,⁴ there is no doubt that large concentrations of chargeable second homes as a proportion of all chargeable dwellings are a very local phenomenon. In 2021 there were a total 1,397,387 registered dwellings chargeable for council tax, of which 25,995 were chargeable second homes – 1.86 per cent of the total - meaning almost two in every 100 properties in Wales was a second home that was chargeable for council tax purposes in 2021.⁵ In contrast, in Gwynedd, almost one in ten properties was a chargeable second home in 2021, and almost one in twelve in Isle of Anglesey. Due to the localised nature of the issue, it will be important to exercise extreme caution against taking large scale national measures which may impact on the wider housing market when local responses may be able to achieve more targeted results.

5. As noted in our response to the Welsh Government’s consultation on Local Taxes for Second Homes and Self-catering Accommodation,⁶ there is very little evidence to demonstrate the efficacy of utilising the local council tax system to effect change in the rates of second homeownership at the local level because of the difficulty in drawing any reliable conclusions based on its limited uptake. Only nine out of 22 local authorities exercised their powers to apply a council tax premium to owners of chargeable second homes in 2021 – one applied the full 100 per cent (Swansea), five applied a 50 per cent premium (Gwynedd, Flintshire, Denbighshire, Pembrokeshire and Powys) one charged an additional 35 per cent (Isle of Anglesey) and two charged an extra 25 per cent (Ceredigion and Conwy). None of the top five areas experiencing the highest concentrations of chargeable second homes in 2021 applied more than a 50 per cent council tax premium. We believe no further localised measures should be implemented until the Welsh Government investigates why local authorities have largely chosen not to use the powers available via the council tax system. Crucially, the Welsh Government must also ensure that any changes to the local tax system do not prejudice private landlords. Private landlords provide homes, and without incentives to sustain investment, the loss of stock in the private rented sector will have costly consequences for the Welsh Government and for local authorities, who may see housing waiting lists grow. Through tax relief or rebates, the Welsh Government could encourage investment in the private rented sector – not only in supply terms but in elevating the quality of stock through VAT exemption on refurbishment and making funding available to improve energy efficiency.

6. We believe that genuine businesses should be liable for business rates, but we are concerned by the loss of investment in the private rented sector as private landlords seek to capitalise on higher potential revenues, greater flexibility and less prescriptive regulation by opting to let their properties on the short-term market, influenced in large part by the attraction of

³ <https://www.tandfonline.com/doi/full/10.1080/02673037.2021.1988063>

⁴ Available on request.

⁵ <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/counciltaxchargeablesecondhomesinwales>

⁶ <https://www.propertymark.co.uk/resource/consultation-welsh-government-consultation-local-taxes-second-homes-self-catering-accommodation.html>

Small Business Rates Relief (SBRR). Currently, businesses whose premises have a rateable value of up to £6,000 are eligible for one hundred per cent relief on NDRs, with relief applied on a tapered basis thereafter. This incentivises letting in the short-term rather than the long-term private rented sector and we would therefore encourage the Welsh Government to assess the SBRR to ensure that it does not have perverse consequences for the private rented sector, those that it houses and that the loss of NDR revenue as a result of short-term let businesses accessing the SBRR does not outweigh the benefits generated by those businesses. The Welsh Government may wish to consider whether increasing the thresholds such that a property must be available for at least 180 days and commercially let for at least 90 days would be more effective in ensuring that only legitimate businesses are captured by the definition for NDR purposes. Those engaging in short-term let activity that do not meet this threshold would then be subject to council tax and the relevant premium as applied by the local authority. Such an intervention would remove the risk of exploitation of SBRR and help mitigate the erosion of stock from the private rented sector. The Welsh Government might also consider whether short-term lettings businesses that meet the criteria and thresholds for non-domestic rates (NDRs) liability should be excluded from SBRR, to help level the playing field and make investment in the private rented sector relatively more attractive.

7. We acknowledge that from January 2022 a Welsh Government funded pilot is being carried out by Gwynedd Council to test using the planning system to regulate the number of second homes and short-term holiday lets in an area. While we recognise the pilot will provide helpful insight, we remain sceptical about the ability of such an approach as it would be extremely difficult to monitor and enforce, a view that is backed up by the evidence to date.⁷ Furthermore, we would not support this approach because it would introduce restrictions on property owners' rights to choose what they do with their asset and would add an additional complication to the conveyancing process which could hinder the functioning of the sales market. Instead, we believe the Welsh Government will see more favourable results from ramping up delivery of new supply across the full range of tenure types in the areas they are most needed, and levelling the regulatory playing field to balance the effect of changes to taxation affecting portfolio landlords that have made short-term rentals more tax favourable and profitable than the long-term residential market.⁸ Furthermore, we would urge the Welsh Government to avoid restricting purchases of second homes based on emerging evidence that this can undermine policy objectives by inadvertently reinforcing wealth inequality in targeted areas.⁹

Second consideration: There is a significant gap in the data available to help inform an accurate picture of the true scale and impact of second homeownership in Wales.

8. Our analysis¹⁰ of available Welsh Government data indicates that areas with higher concentrations of chargeable second homes relative to their overall domestic dwelling stock in Wales are witnessing a contemporaneous net loss of residential housing once total new

⁷ <https://www.tandfonline.com/doi/full/10.1080/02673037.2021.1988063>

⁸ <https://www.tandfonline.com/doi/full/10.1080/02673037.2021.1988063>

⁹ https://personal.lse.ac.uk/hilber/hilber_wp/hilber_schoeni_2020_05_forthcoming_JUE.pdf

¹⁰ Further details available on request.

supply is accounted for. We have illustrated this point below, with reference to relevant data for the three areas with the highest concentrations of dwellings registered as chargeable for council tax in Wales for the years 2017-21.¹¹

9. In 2021, Gwynedd had the highest concentration of chargeable second homes with 9.73 per cent of all chargeable dwellings registered as second homes for council tax purposes, amounting to almost 1 in 10 properties. It is worth noting that the number of second homes as a proportion of total chargeable dwellings in Gwynedd has been largely unchanged over the five years to 2021 - in fact there were 91 fewer chargeable second homes in Gwynedd in 2021 compared with 2017, suggesting that the issue is not a new one - at the local authority level at least. Furthermore, Gwynedd saw a notable decrease of 876 (-1.52 percent) total chargeable dwellings over the same five-year period revealing a net loss of 1,602 units of potential residential housing once the additional 726 new housing starts for the year are accounted for.¹² Isle of Anglesey had the second highest concentration of chargeable second homes in 2021, with 8.10 per cent of total chargeable dwelling registered as second homes. In contrast with Gwynedd, the number of second homes as a proportion of total chargeable dwellings in Isle of Anglesey increased by 3.75 per cent between 2017 and 2021, an increase of 1,284 dwellings over the period. The total number of chargeable second homes has increased by 82 per cent while the total number of chargeable dwellings has only increased by 0.56 per cent – 190 dwellings - despite 472 new starts of additional housing supply. The area with the third highest concentration of chargeable second homes as a proportion of all chargeable dwellings in 2021 was Pembrokeshire with 6.76 per cent, an increase of 2.06 per cent on the proportion in 2017. As with Isle of Anglesey, Pembrokeshire had a large increase of 45.23 per cent in the number of chargeable second homes over the five years to 2021 (an additional 1,267 units) while there was only a slight increase of 0.92 per cent (540 units) in the total number of chargeable dwellings, despite an additional 1330 new housing starts for the year.

10. We acknowledge there can be overlaps in how second homes are used, across both the short- and long-term markets and for owners' private use, but the above discrepancies reveal a vitally important gap in the data since there is no way to definitively track where these 'lost' units are ending up or what they are being used for. It can be logically assumed, however, that they are registered for non-domestic business rates (as opposed to domestic council tax rates), and are therefore being let on a commercial basis, mostly in the short-term letting industry. Building on this point, we are concerned about the extent to which investment in the private rented sector appears to be retracting in areas where an unregulated short-term letting industry presents as a more attractive investment for second homeowners but due to the lack of data, we are prevented from articulating the true scale and impacts of the issue. This calls into question how the Welsh Government can justify introducing substantial new policy interventions when there is so much we do not yet understand. Where a dwelling is being used for commercial reasons and the owner therefore registers for Business Rates

¹¹ <https://statswales.gov.wales/Catalogue/Local-Government/Finance/Council-Tax/Dwellings>, <https://statswales.gov.wales/Catalogue/Housing/New-House-Building/newdwellingsstarted-by-area-dwellingtype> & <https://statswales.gov.wales/Catalogue/Housing/Dwelling-Stock-Estimates/dwellingstockestimates-by-localauthority-tenure>

¹² <https://statswales.gov.wales/Catalogue/Housing/New-House-Building/newdwellingsstarted-by-area-dwellingtype>

instead, there is no requirement for local authorities to collect and report this data in a consistent manner, although local authorities will have this data in some form at the local level. The Welsh Government could require local authorities to collect a nationally prescribed dataset to inform an understanding of how many homes, including which types and in which areas, are registered for business rates. In addition, they could introduce and scale the proposals made by Airbnb in their White Paper,¹³ through a national registration system to help with the regulation of short-term rentals, helping to capture vital data and also level the playing field with its approach to regulating the long-term private rented sector.

Third consideration: We need a robust typology that sets out the definition of each category of second home so that we have reliable data upon which to base all policy developments in this area.

11. Developing evidence informed policy in relation to second homes in Wales requires a reliable typology that sets out definitions of each type of second home based on use. By defining each type of second home the Welsh Government can ensure its data provides a more reliable picture of housing use at both a national and local level. If, as the evidence to date suggests, buy-to-let homes are not included when referring to the second homes challenge, there is a recognition that they are not part of the problem. In fact, the fundamental issue is the lack of homes to rent as part of a wider supply/availability challenge in the general housing stock (homes available for local people to buy or rent and live in themselves as their main and principal home). On this basis, there is little sense in applying the same rules to buy-to-let landlords that aim to help tackle the second homes issue in Wales. We propose that property use can be broadly categorised across the following three types to help differentiate primary homes from the two main types of second homes:

- **Primary homes** are occupied by the owner or let to tenants as their main and principal homes – these are ‘homes’. This includes homes being let in the privately rented sector and whose landlords are required to register with Rent Smart Wales. Buy-to-let properties provide rented accommodation to be occupied as a main residence, so they are primary homes for that reason.
- **Second homes** are properties that are not lived in by their owners as their main and principal abode but are used by the owners on an ad-hoc basis for private enjoyment of the property throughout the year i.e., they are not occupied full time by someone who lives there permanently.
- **Short term or holiday lets** are properties that are used for commercial purpose through letting to people on a short-term basis throughout the year – they are properties registered for non-domestic business rates.

12. As noted above, there is potential for properties to fit into any of these categories at any given point, punctuating the need to create a typology that can account for all possible nuances. We have merely proposed a solid foundation upon which the Welsh Government can build a framework for second homes policy development.

¹³ https://news.airbnb.com/wp-content/uploads/sites/4/2021/06/UK_RegistrationWhitepaper_2021.pdf

Fourth consideration: Preventing vital residential housing supply being reallocated to the commercial tourism market, on a damaging scale.

13. There is evidence that areas experiencing an increase in the availability of short-term rentals will see a contemporaneous decrease in supply of homes to rent on the longer-term market, basically reallocating housing supply from one part of the market to another, limiting the pool of homes to rent.¹⁴ Our own research – conducted via a roundtable with PropertyMark members - carried out in November 2021 in partnership with the Shadow Minister for Climate Change and MS for Aberconwy, Janet Finch-Saunders, highlighted that letting agents are concerned about losing long-term rental properties to the short-term rental sector. There is a notable loss of available homes to rent in the face of increasing demand with members highlighting the extent to which local authorities in Wales have been increasingly relying on the private rented sector to help tackle homelessness in recent years, leading to predictions that homelessness levels will rise if nothing is done to retain or attract new investment in the long-term private rented market.¹⁵ Members told us that in areas of high short-term let demand, many landlords in the private rented sector are opting to let their properties as holiday lets, attracted by fewer regulatory burdens, the potential for less wear and tear due to the short-term nature of occupancy and higher returns, with potential revenue generated by a short-term let outweighing any increase in void periods. This is resulting in a loss of stock in the private rented sector which is exacerbating affordability issues as average rents rise with prospective long-term tenants competing for a limited number of properties. This increase in demand while supply is limited serves to push up prices in the areas affected leading to misguided calls for action to regulate rent levels when attention should instead be focused on addressing the cause of rising housing costs – a limited supply of the right types of homes, not properties being used on a purely short-term commercial basis - in the right places and at prices people can afford.

14. The Welsh Government must therefore take action to prevent a damaging loss of homes from the private rented sector to the more favourable short-term letting industry. The answer is not to restrict people’s ability to purchase additional homes but to ensure there is adequate affordable housing in areas most hit by increased second homeownership at the same time as levelling the playing field between a more tax favourable and unregulated short-term letting industry and the less tax favourable and intensely regulated private rented sector (long-term letting industry). We propose the following key measures to achieve this:

- Introducing a registration system to help regulate short-term rentals and ensure they comply with minimum standards across energy efficiency, health and safety and consumer rights.
- Reviewing national Land Transaction Rates for buy-to-let purchases so that existing and potential landlords are not attracted by more favourable yields in the short-term market.

¹⁴ <https://www.tandfonline.com/doi/full/10.1080/02673037.2021.1988063>

¹⁵ The last available data for 2017-18 and 2018-19 (<https://stats.wales.gov.wales/catalogue/housing/homelessness>) shows that use of the private rented sector to help people secure alternative accommodation when faced with homelessness is extremely important. More than one third (36 per cent) of all cases where homelessness was relieved by helping someone to secure alternative accommodation from 2017 to 2019 were helped to secure a home in the PRS. This is not too dissimilar to the proportion helped into the social rented sector – 38 per cent

We note that the Welsh Government are currently consulting on how local variations to land transaction tax rates may be best achieved,¹⁶ but Local housing markets can be extremely sensitive to changes in the property transaction tax system, so we would caution the Welsh Government against applying LTT rates at a super-local level without first piloting the effects this may have on surrounding markets.

- Reviewing non-domestic business rates to ensure landlords are not encouraged to see the short-term market are more tax-favourable than the long-term private rented sector.

15. With our above considerations in mind, Propertymark would urge the Welsh Government to ensure any policies introduced to address the challenges created by an imbalance in levels of second homes at the local level have longevity. A careful assessment of the impact of potential interventions will help guard against introducing short-term fixes that may have a detrimental impact on the long-term future of housing for Wales and the economy.

¹⁶ <https://gov.wales/second-homes-local-variation-to-land-transaction-tax-rates>

Ymchwiliad Pwyllgor Llywodraeth Leol a Thai'r Senedd i ail gartrefi

Ymateb gan Propertymark

Ionawr 2022

Cefndir

16. Propertymark yw'r prif gorff proffesiynol ar gyfer asiantau tai a gosod, asiantau masnachol, darparwyr stocrestrau, arwerthwyr a phriswyr, sy'n cynnwys bron i 18,000 o aelodau ledled y DU. Rydym yn cael ein harwain gan aelodau, gyda Bwrdd sy'n cynnwys asiantau wrth eu gwaith ac yn gweithio'n agos gyda'n haelodau i bennu safonau proffesiynol drwy reoleiddio, cymwysterau achrededig a chydabyddedig, rhaglen hyfforddi flaenllaw y diwydiant a Datblygiad Proffesiynol Parhaus gorfodol.

Crynodeb

17. A ninnau wedi archwilio argymhellion Dr Simon Brooks¹⁷ ac ymateb Llywodraeth Cymru i'r cynigion hynny, hoffai Propertymark rannu'r ystyriaethau trosgynnol a ganlyn â'r Pwyllgor:

- v. Nid oes amheuaeth gennym fod niferoedd uwch o ail gartrefi y gellir codi Treth y Cyngor arnynt fel cyfran o gyfanswm yr anheddau trethadwy yn ffenomenon lleol a fydd yn gofyn am gyfuniad o fesurau polisi cenedlaethol a lleol a gyfeirir gan dystiolaeth.
- vi. Mae bwlch sylweddol yn y data sydd ar gael i helpu i greu darlun cywir o wir raddfa ac effaith ail berchentyaeth yng Nghymru gan nad oes gwybodaeth ddibynadwy ar hyn o bryd am nifer yr eiddo sy'n cael eu gosod ar y farchnad osod tymor byr.
- vii. Hyd nes y datblygir teipoleg gadarn ar gyfer diffinio'r gwahanol gategorïau o ail gartrefi, ni fydd gennym ddata dibynadwy i seilio datblygiadau polisi arnynt yn y maes hwn.
- viii. Er mwyn atal y cyflenwad tai preswyl hanfodol rhag cael ei ailddyrrannu i'r farchnad dwristiaeth fasnachol ar raddfa niweidiol, dylai Llywodraeth Cymru ystyried yn ofalus fesurau a fydd yn helpu i gysoni'r sefyllfa rhwng diwydiant gosod tymor byr sy'n fwy ffafriol o ran treth a heb ei reoleiddio a'r sector rhentu preifat sy'n llai ffafriol o ran treth a reoleiddir yn ddwys (y diwydiant gosod hirdymor). Isod, rydym yn nodi ein rhesymu ar draws y pedair ystyriaeth hyn.

Ystyriaeth gyntaf: Mae crynodiadau uwch o ail gartrefi yn ffenomenon lleol sy'n gofyn am gyfuniad o ddatrysiadau polisi cenedlaethol a lleol a gyfeirir gan dystiolaeth.

18. Cred Propertymark fod gan awdurdodau lleol yng Nghymru fecanwaith a allai fod yn bwerus eisoes, drwy Adrannau 12A a 12B Deddf Cyllid Llywodraeth Leol 1992 (fel y'i diwygiwyd gan Ddeddf Tai (Cymru) 2014),¹⁸ i helpu i reoleiddio crynodiadau o ail gartrefi drwy system treth y cyngor, ond nid yw hyn yn ymestyn i gartrefi sydd wedi'u cofrestru ar gyfer trethi busnes. Ar y sail hon, dylai Llywodraeth Cymru archwilio ffyrdd o alluogi ymatebion lleol drwy newidiadau i'r system trethi busnes. Ochr yn ochr â'r dulliau lleol hyn, bydd angen ymagwedd genedlaethol a fydd yn cynyddu'r cyflenwad tai newydd yn sylweddol ar yr un pryd â chysoni

¹⁷ https://llyw.cymru/sites/default/files/publications/2021-03/ail-gartrefi-datblygu-polis%C3%AFau-newydd-vng-nghymru_0.pdf

¹⁸ <https://www.legislation.gov.uk/en/ukpga/1992/14/section/12A>

rhwng y diwydiannau gosod tymor byr a thymor hir. Mae'r dystiolaeth yn cefnogi ein pryderon ynghylch gostyngiad yn nifer y cartrefi sydd ar gael i'w rhentu yn y sector rhentu preifat preswyl hirdymor mewn ardaloedd gyda chrynodeadau uwch o gartrefi sy'n cael eu gosod ar y farchnad fasnachol tymor byr.¹⁹

19. Yn seiliedig ar ein dadansoddiad o'r data ar gyfer anheddau y gellir codi treth y cyngor arnynt yng Nghymru,²⁰ nid oes amheuaeth fod crynodeadau mawr o ail gartrefi trethadwy fel cyfran o'r holl anheddau trethadwy yn ffenomenon lleol iawn. Yn 2021 roedd cyfanswm o 1,397,387 o anheddau cofrestredig y gellir codi treth y cyngor arnynt, yr oedd 25,995 ohonynt yn ail gartrefi trethadwy – 1.86 y cant o'r cyfanswm - gan olygu bod bron i ddau o bob 100 eiddo yng Nghymru yn ail gartref sy'n drethadwy at ddibenion treth y cyngor yn 2021.²¹ I'r gwrthwyneb, yng Ngwynedd roedd bron i un o bob deg eiddo, a bron i un o bob deuddeg yn Ynys Môn, yn ail gartref trethadwy yn 2021. Oherwydd natur leol y mater yma, bydd yn bwysig bod yn ochelgar iawn wrth gymryd camau cenedlaethol ar raddfa fawr a allai effeithio ar y farchnad tai ehangach pan fydd modd efallai, i ymatebion lleol sicrhau canlyniadau a dargedir yn fwy.

20. Fel y nodwyd yn ein hymateb i ymgynghoriad Llywodraeth Cymru ar Drethi Lleol ar gyfer Ail Gartrefi a Llety Hunanarlwyo,²² prin iawn yw'r dystiolaeth i ddangos pa mor effeithiol yw defnyddio'r system treth y cyngor leol i sicrhau newid yng nghyfraddau ail berchentaeth ar lefel leol oherwydd yr anhawster wrth ddod i unrhyw gasgliadau dibynadwy yn seiliedig ar y defnydd cyfyngedig ohoni. Dim ond naw o bob 22 awdurdod lleol a arferodd eu pwerau i gymhwyso premiwm treth y cyngor i berchnogion ail gartrefi trethadwy yn 2021 – cymhwysodd un y 100 y cant llawn (Abertawe), cymhwysodd pump breimiwm o 50 y cant (Gwynedd, Sir y Fflint, Sir Ddinbych, Sir Benfro a Phowys) cododd un 35 y cant yn ychwanegol (Ynys Môn) a chododd dau 25 y cant yn ychwanegol (Ceredigion a Chonwy). Ni fu i'r un o'r pum ardal â'r crynodeadau uchaf o ail gartrefi trethadwy yn 2021 gymhwyso premiwm treth y cyngor o fwy na 50 y cant. Credwn na ddylid gweithredu unrhyw fesurau lleol pellach hyd nes bod Llywodraeth Cymru yn ymchwilio i pam mae awdurdodau lleol wedi dewis yn gyffredinol i beidio ag arfer y pwerau sydd ar gael drwy system treth y cyngor. Mae'n hollbwysig hefyd i Lywodraeth Cymru sicrhau nad yw unrhyw newidiadau i'r system trethi lleol yn cael effaith andwyol ar landlordiaid preifat. Mae landlordiaid preifat yn darparu cartrefi, a heb gymhellion i gynnal buddsoddiad, bydd colli stoc yn y sector rhentu preifat yn arwain at ganlyniadau costus i Lywodraeth Cymru ac i awdurdodau lleol, a allai weld rhestrau aros am dai yn gwaethygu. Trwy ostyngiadau neu ad-daliadau treth, gallai Llywodraeth Cymru annog buddsoddiad yn y sector rhentu preifat – nid yn unig o ran y cyflenwad ond o ran gwella ansawdd y stoc drwy ryddhad TAW ar adnewyddu a sicrhau bod cyllid ar gael i wella effeithlonrwydd ynni.

21. Credwn y dylai busnesau gwirioneddol fod yn agored i dalu trethi busnes, ond rydym yn pryderu am gollu buddsoddiad yn y sector rhentu preifat wrth i landlordiaid preifat geisio manteisio ar refeniw uwch o bosib, mwy o hyblygrwydd a rheoleiddio sy'n llai rhagnodol drwy

¹⁹ <https://www.tandfonline.com/doi/full/10.1080/02673037.2021.1988063>

²⁰ Ar gael ar gais.

²¹ <https://cy.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/counciltaxchargeablesecondhomesinwales>

²² <https://www.propertymark.co.uk/resource/consultation-welsh-government-consultation-local-taxes-second-homes-self-catering-accommodation.html>

ddewis gosod eu heiddo ar y farchnad tymor byr, wedi'i ddylanwadu i raddau helaeth gan atyniad y Rhyddhad Ardrethi Busnesau Bach (SBRR). Ar hyn o bryd, mae busnesau y mae gan eu safle werth trethadwy o hyd at £6,000 yn gymwys i dderbyn gostyngiad cant y cant ar Drethi Annomestig (NDR), gyda rhyddhad yn cael ei gymhwyso ar sail daprog wedi hynny. Mae hyn yn gymhelliad i osod yn y sector rhentu preifat tymor byr yn hytrach na'r un hirdymor ac felly byddem yn annog Llywodraeth Cymru i asesu'r SBRR er mwyn sicrhau nad yw'n peri deilliannau gwrthnysig i'r sector rhentu preifat a'r rhai y mae'n darparu cartrefi iddynt ac nad yw colledion refeniw NDR o ganlyniad i fusnesau gosod tymor byr sy'n cyrchu'r SBRR yn mynd yn drech na'r manteision a gynhyrchir gan y busnesau hynny. Efallai yr hoffai Llywodraeth Cymru ystyried a fyddai codi'r trothwyon fel bod yn rhaid i eiddo fod ar gael am o leiaf 180 diwrnod a'i osod yn fasnachol am o leiaf 90 diwrnod yn fwy effeithiol o ran sicrhau mai dim ond busnesau cyfreithlon sy'n dod o dan y diffiniad at ddibenion NDR. Byddai'r rhai sy'n ymwneud â gweithgarwch gosod tymor byr nad ydynt yn bodloni'r trothwy hwn wedyn yn agored i dalu treth y cyngor a'r premiwm perthnasol a gymhwysir gan yr awdurdod lleol. Byddai'r fath ymyriad yn dileu'r risg o gamfanteisio ar SBRR ac yn helpu i liniaru erydiad stoc y sector rhentu preifat. Gallai Llywodraeth Cymru hefyd ystyried a ddylid eithrio busnesau gosod tymor byr sy'n bodloni'r meini prawf a'r trothwyon ar gyfer talu trethi annomestig (NDR) o SBRR, er mwyn helpu i gysoni'r sefyllfa a gwneud buddsoddiad yn y sector rhentu preifat yn gymharol fwy deniadol.

22. Rydym yn cydnabod bod cynllun peilot a ariennir gan Lywodraeth Cymru yn cael ei gynnal gan Gyngor Gwynedd o fis Ionawr 2022 i brofi'r defnydd o'r system gynllunio i reoleiddio'r nifer o ail gartrefi ac eiddo gwyliau gosod tymor byr mewn ardal. Er i ni gydnabod y bydd y cynllun peilot yn darparu mewnwelediad defnyddiol, rydym yn dal yn amheus ynghylch gallu y fath ymagwedd gan y byddai'n anodd iawn i fonitro a gorfodi, barn a gefnogir gan y dystiolaeth hyd yma.²³ At hynny, ni fyddem yn cefnogi'r ymagwedd hon gan y byddai'n gosod cyfyngiadau ar hawliau perchnogion eiddo i ddewis yr hyn y maent yn ei wneud gyda'u hased a byddai'n ychwanegu cymhlethdod ychwanegol at y broses drawsgludo a allai lesteirio gweithrediad y farchnad werthiannau. Yn hytrach, credwn y bydd Llywodraeth Cymru yn gweld canlyniadau mwy ffafriol trwy gynyddu'r gyflenwad newydd ar draws yr ystod lawn o fathau o ddaliadaethau yn yr ardaloedd lle y mae eu hangen fwyaf, a safoni'r sefyllfa reoleiddio er mwyn cydbwysu effaith newidiadau i drethi sy'n effeithio ar landlordiaid portffolio, y maent wedi gwneud rhentu tymor byr yn fwy ffafriol a phroffidiol o ran treth na'r farchnad breswyl hirdymor.²⁴ At hynny, byddem yn annog Llywodraeth Cymru i osgoi cyfyngu ar brynu ail gartrefi yn seiliedig ar dystiolaeth sy'n dod i'r amlwg y gall hyn danseilio amcanion polisi drwy atgyfnerthu anghydraddoldeb cyfoeth yn anfwriadol mewn ardaloedd a dargedir.²⁵

Ail ystyriaeth: Mae bwllch sylweddol yn y data sydd ar gael i helpu i gyfeirio darlun cywir o wir raddfa ac effaith ail berchentyaeth yng Nghymru.

23. Mae ein dadansoddiad²⁶ o'r data sydd ar gael gan Lywodraeth Cymru yn dangos bod ardaloedd sydd â chrynodeiadau uwch o ail gartrefi trethadwy o'i gymharu â'u stoc anheddau domestig

²³ <https://www.tandfonline.com/doi/full/10.1080/02673037.2021.1988063>

²⁴ <https://www.tandfonline.com/doi/full/10.1080/02673037.2021.1988063>

²⁵ https://personal.lse.ac.uk/hilber/hilber_wp/hilber_schoeni_2020_05_forthcoming_JUE.pdf

²⁶ Mae manylion pellach ar gael ar gais.

cyffredinol yng Nghymru yn gweld colled tai preswyl net ar hyn o bryd ar ôl cymryd y cyfanswm cyflenwad newydd i ystyriaeth. Rydym wedi dangos y pwynt hwn isod, gan gyfeirio at ddata perthnasol ar gyfer y tair ardal gyda'r crynodiadau uchaf o anheddau sydd wedi'u cofrestru fel rhai y gellir codi treth y cyngor arnynt yng Nghymru dros y blynyddoedd 2017-21.²⁷

24. Yn 2021, Gwynedd oedd â'r crynodiad uchaf o ail gartrefi trethadwy gyda 9.73 y cant o'r holl anheddau trethadwy wedi'u cofrestru fel ail gartrefi at ddibenion treth y cyngor, sef bron i 1 o bob 10 eiddo. Mae'n werth nodi nad yw nifer yr ail gartrefi fel cyfran o gyfanswm yr anheddau trethadwy yng Ngwynedd wedi newid i raddau helaeth dros y pum mlynedd hyd at 2021 - yn wir roedd 91 yn llai o ail gartrefi trethadwy yng Ngwynedd yn 2021 o gymharu a 2017, gan awgrymu nad mater newydd mo hwn - ar lefel yr awdurdod lleol o leiaf. At hynny, gwelodd Gwynedd ostyngiad nodedig o 876 (-1.52 y cant) yng nghyfanswm yr anheddau trethadwy dros yr un cyfnod o bum mlynedd, gan ddangos colled net o 1,602 o unedau tai preswyl posib ar ôl cymryd y 726 o dai newydd ychwanegol yn y flwyddyn i ystyriaeth.²⁸ Ynys Môn oedd â'r crynodiad uchaf ond un o ail gartrefi trethadwy yn 2021, gydag 8.10 y cant o gyfanswm yr anheddau trethadwy wedi'u cofrestru fel ail gartrefi. Mewn cyferbyniad â Gwynedd, cododd nifer yr ail gartrefi fel cyfran o gyfanswm yr anheddau trethadwy yn Ynys Môn 3.75 y cant rhwng 2017 a 2021, cynnydd o 1,284 o anheddau dros y cyfnod. Mae cyfanswm yr ail gartrefi trethadwy wedi codi 82 y cant tra bod cyfanswm nifer yr anheddau trethadwy ond wedi cynyddu 0.56 y cant - 190 o anheddau - er gwaethaf 472 o dai newydd. Yr ardal â'r trydydd crynodiad uchaf o ail gartrefi trethadwy fel cyfran o'r holl anheddau trethadwy yn 2021 oedd Sir Benfro gyda 6.76 y cant, cynnydd o 2.06 y cant o'r gyfran yn 2017. Yn yr un modd ag Ynys Môn, gwelodd Sir Benfro gynnydd mawr o 45.23 y cant yn nifer yr ail gartrefi trethadwy dros y pum mlynedd hyd at 2021 (1,267 o unedau ychwanegol) tra mai dim ond cynnydd bach o 0.92 y cant (540 uned) y bu yng nghyfanswm nifer yr anheddau trethadwy, er gwaethaf 1330 o dai newydd ychwanegol yn y flwyddyn.
25. Rydym yn cydnabod y gall fod gorgyffwrdd yn y ffordd y defnyddir ail gartrefi, ar draws y marchnadoedd tymor byr a thymor hir ac at ddefnydd preifat perchnogion, ond mae'r anghysondebau uchod yn datgelu bwlch hanfodol bwysig yn y data gan nad oes modd olrhain yn bendant beth yw diben y unedau 'coll' hyn neu'r hyn y maent yn cael eu defnyddio ar ei gyfer. Gellir tybio'n rhesymegol, fodd bynnag, eu bod wedi'u cofrestru ar gyfer trethi busnes annomestig (yn hytrach na threth y cyngor domestig), ac felly yn cael eu gosod ar sail fasnachol, yn y diwydiant gosod tymor byr yn bennaf. Gan adeiladu ar y pwynt hwn, rydym yn pryderu am y graddau y mae'n ymddangos bod buddsoddi yn y sector rhentu preifat yn lleihau mewn ardaloedd lle mae diwydiant gosod tymor byr heb ei reoleiddio yn fuddsoddiad mwy deniadol i berchnogion ail gartrefi, ond oherwydd diffyg data ni allwn gyfleu gwir raddfa ac effeithiau'r mater. Mae hyn yn codi cwestiwn o ran sut y gall Llywodraeth Cymru gyfiawnhau cyflwyno ymyriadau polisi newydd sylweddol pan fydd cymaint nad ydym yn ei ddeall eto. Pan fo annedd yn cael ei defnyddio am resymau masnachol ac felly bod y perchennog yn cofrestru ar gyfer Trethi Busnes, nid yw'n ofynnol i awdurdodau lleol gywain y data hwn ac adrodd arno

²⁷ <https://statscymru.llyw.cymru/Catalogue/Local-Government/Finance/Council-Tax/Dwellings>, <https://statscymru.llyw.cymru/Catalogue/Housing/New-House-Building/newdwellingsstarted-by-area-dwellingtype> a <https://statscymru.llyw.cymru/Catalogue/Housing/Dwelling-Stock-Estimates/dwellingstockestimates-by-localauthority-tenure>

²⁸ <https://statscymru.llyw.cymru/Catalogue/Housing/New-House-Building/newdwellingsstarted-by-area-dwellingtype>

mewn modd cyson, er y bydd gan awdurdodau lleol y data hwn ar ryw ffurf ar lefel leol. Gallai Llywodraeth Cymru ei gwneud yn ofynnol i awdurdodau lleol gywain set ddata a bennir yn genedlaethol er mwyn cyfeirio dealltwriaeth o faint o gartrefi, gan gynnwys pa fathau ac ym mha ardaloedd, sydd wedi'u cofrestru ar gyfer trethi busnes. At hynny, gallai gyflwyno a chynyddu graddfa'r cynigion a wnaed gan Airbnb yn ei Phapur Gwyn,²⁹ drwy system gofrestru genedlaethol i helpu wrth reoleiddio eiddo rhentu tymor byr, helpu i gywain data hanfodol a hefyd cysoni'r sefyllfa o ran ei hymagwedd at reoleiddio'r sector rhentu preifat hirdymor.

Trydedd ystyriaeth: Mae arnom angen teipoleg gadarn sy'n nodi'r diffiniad o bob categori o ail gartref fel bod gennym ddata dibynadwy i seilio'r holl ddatblygiadau polisi yn y maes hwn arnynt.

26. Mae datblygu polisi sy'n seiliedig ar dystiolaeth mewn perthynas ag ail gartrefi yng Nghymru'n gofyn am deipoleg ddibynadwy sy'n nodi diffiniadau o bob math o ail gartref yn seiliedig ar ddefnydd. Trwy ddiffinio pob math o ail gartref gall Llywodraeth Cymru sicrhau bod ei data yn darparu darlun mwy dibynadwy o'r defnydd o dai ar lefel genedlaethol a lleol. Os, fel y mae'r dystiolaeth hyd yma'n ei awgrymu, nad yw cartrefi prynu-i-osod wedi'u cynnwys wrth gyfeirio at her yr ail gartrefi, ceir cydnabyddiaeth nad ydynt yn rhan o'r broblem. Yn wir, y mater sylfaenol yw diffyg cartrefi i'w rhentu fel rhan o her ehangach o ran cyflenwad/argaeledd yn y stoc tai gyffredinol (cartrefi sydd ar gael i bobl leol eu prynu neu eu rhentu a byw ynddynt eu hunain fel eu prif gartref). Ar y sail hon, nid oes fawr o synnwyr o ran cymhwyso'r un rheolau i landlordiaid prynu-i-osod sydd â'r nod o helpu i daclo mater ail gartrefi yng Nghymru. Rydym yn cynnig y gellir categorio'r defnydd o eiddo yn fras ar draws y tri math canlynol er mwyn helpu i wahaniaethu prif gartrefi o'r ddau brif fath o ail gartrefi:

- **Prif gartrefi** yw'r rhai sydd wedi'u meddiannu gan y perchennog neu wedi'u gosod i denantiaid fel eu prif gartrefi – 'cartrefi' yw'r rhain'. Mae hyn yn cynnwys cartrefi a osodir yn y sector rhentu preifat, y mae'n ofynnol i'w landlordiaid gofrestru gyda Rhentu Doeth Cymru. Mae eiddo prynu-i-osod yn darparu llety a rentir sydd i'w feddiannu fel prif breswylfa, felly maent yn brif gartrefi am y rheswm hwnnw.
- **Ail gartrefi** yw eiddo nad yw eu perchnogion yn byw ynddynt fel eu prif annedd ond sy'n cael eu defnyddio gan y perchnogion ar sail ad hoc er mwyn i'r eiddo gael ei fwynhau drwy gydol y flwyddyn h.y., nid ydynt wedi'u meddiannu'n amser llawn gan rywun sy'n byw yno'n barhaol.
- **Gosodiadau tymor byr neu wyliau** yw eiddo a ddefnyddir at ddiben masnachol drwy osod i bobl ar sail tymor byr drwy gydol y flwyddyn – eiddo ydyw sydd wedi'i gofrestru ar gyfer trethi busnes annomestig.

27. Fel y nodir uchod, mae potensial i eiddo ffitio i unrhyw un o'r categorïau hyn ar unrhyw adeg benodol, gan ei wneud yn ofynnol i greu teipoleg a all gyfrif am bob sefyllfa sy'n bosib. Nid ydym ond wedi cynnig sylfaen gadarn y gall Llywodraeth Cymru adeiladu fframwaith ar gyfer datblygu polisi ail gartrefi arni.

²⁹ https://news.airbnb.com/wp-content/uploads/sites/4/2021/06/UK_RegistrationWhitepaper_2021.pdf

Pedwaredd ystyriaeth: Atal y cyflenwad tai preswyl hanfodol rhag cael ei ailddyrranu i'r farchnad twristiaeth fasnachol, ar raddfa niweidiol.

28. Ceir tystiolaeth y bydd ardaloedd sy'n profi cynnydd yn argaeledd eiddo rhentu tymor byr yn gweld gostyngiad ar yr un pryd yn y cyflenwad o gartrefi i'w rhentu ar y farchnad tymor hwy, gan ailddyrranu'r cyflenwad tai i bob pwrpas o un ran o'r farchnad i'r llall, gan gyfyngu ar y gronfa o gartrefi sydd ar gael i'w rhentu.³⁰ Nododd ein hymchwil ein hunain – a gynhaliwyd drwy ford gron gydag aelodau Propertymark - a gynhaliwyd ym mis Tachwedd 2021 mewn partneriaeth â Gweinidog yr Wrthblaid dros Newid yn yr Hinsawdd ac AS Aberconwy, Janet Finch-Saunders, fod asiantau gosod yn pryderu am golli eiddo rhentu hirdymor i'r sector rhentu tymor byr. Ceir colled nodedig yn nifer y cartrefi sydd ar gael i'w rhentu yn wyneb galw cynyddol gydag aelodau'n amlygu i ba raddau y mae awdurdodau lleol yng Nghymru wedi dibynnu'n fwyfwy ar y sector rhentu preifat i helpu i daclo digartrefedd dros y blynyddoedd diwethaf, gan arwain at ragfynegiadau y bydd lefelau digartrefedd yn codi os na wneir unrhyw beth i gadw neu ddenu buddsoddiad newydd yn y farchnad rhentu preifat hirdymor.³¹ Dywedodd yr Aelodau wrthym fod llawer o landlordiaid yn y sector rhentu preifat mewn ardaloedd lle ceir galw uchel am eiddo gosod tymor byr yn dewis gosod eu heiddo fel llety gwyliau, gan eu bod yn denu llai o feichiau rheoleiddio, y potensial am lai o draul a gwisgo oherwydd natur tymor byr y feddiannaeth ac elw uwch, gan fod y refeniw posib a gynhrychir gan osodiadau tymor byr yn drech nag unrhyw gynnydd mewn cyfnodau gwag. Mae hyn yn arwain at golli stoc yn y sector rhentu preifat sy'n gwaethygu problemau fforddadwyedd wrth i renti cyfartalog godi a darpar denantiaid hirdymor gystadlu am nifer cyfyngedig o eiddo. Mae'r cynnydd hwn yn y galw pan fydd y cyflenwad yn gyfyngedig yn codi prisiau yn yr ardaloedd yr effeithir arnynt, gan arwain at alwadau am weithredu camsyniol i reoleiddio lefelau rhent pan ddylid canolbwyntio yn lle ar fynd i'r afael ag achos costau tai cynyddol – cyflenwad cyfyngedig o'r mathau priodol o gartrefi, yn hytrach nag eiddo a ddefnyddir ar sail fasnachol tymor byr - yn y lleoedd cywir ac am brisiau y gall pobl eu fforddio.
29. Gan hynny, mae'n rhaid i Lywodraeth Cymru gymryd camau i atal colled niweidiol o gartrefi o'r sector rhentu preifat i'r diwydiant gosod tai tymor byr mwy ffafriol. Nid cyfyngu ar allu pobl i brynu cartrefi ychwanegol mo'r ateb ond sicrhau bod digon o dai fforddiadwy ar gael mewn ardaloedd sydd wedi'u heffeithio fwyaf gan ail berchentyaeth gynyddol ar yr un pryd â chysoni rhwng diwydiant gosod tymor byr sy'n fwy ffafriol o ran treth a heb ei reoleiddio a'r sector rhentu preifat sy'n llai ffafriol o ran treth a reoleiddir yn ddwys (y diwydiant gosod hirdymor). Rydym yn cynnig y mesurau allweddol a ganlyn i gyflawni hyn:
- Cyflwyno system gofrestru i helpu i reoleiddio eiddo rhentu tymor byr a sicrhau eu bod yn cydymffurfio â safonau gofynnol ar draws effeithlonrwydd ynni, iechyd a diogelwch a hawliau defnyddwyr.

³⁰ <https://www.tandfonline.com/doi/full/10.1080/02673037.2021.1988063>

³¹ Mae'r data diwethaf sydd ar gael ar gyfer 2017-18 a 2018-19 (<https://statscymru.llyw.cymru/catalogue/housing/homelessness>) yn dangos bod defnyddio'r sector rhentu preifat i helpu pobl i sicrhau llety amgen yn wyneb digartrefedd yn bwysig tu hwnt. Mewn mwy na thraean (36 y cant) o'r achosion lle lliniarwyd digartrefedd trwy helpu rhywun i sicrhau llety amgen rhwng 2017 a 2019, fe'u helpiwyd i sicrhau cartref yn y SRHP. Nid yw hyn yn rhy annhebyg i'r gyfran a helpiwyd i gyrchu'r sector rhentu cymdeithasol - 38 y cant

- Adolygu Cyfraddau Trafodiadau Tir cenedlaethol ar gyfer eiddo prynu-i-osod fel nad yw landlordiaid presennol a darpar landlordiaid wedi'u denu gan elw mwy ffafriol yn y farchnad tymor byr. Nodwn fod Llywodraeth Cymru wrthi'n ymgynghori ar y ffordd orau o sicrhau amrywiadau lleol i gyfraddau treth trafodiadau tir (LTT),³² ond gall marchnadoedd tai lleol fod yn hynod sensitif i newidiadau yn y system treth trafodiadau eiddo, felly byddem yn rhybuddio Llywodraeth Cymru rhag cymhwyso cyfraddau LTT ar lefel goruwchleol heb dreialu'n gyntaf yr effaith y gallai hyn ei chael ar farchnadoedd cyfagos.
 - Adolygu trethi busnes annomestig i sicrhau nad yw landlordiaid yn cael eu hannog i weld bod y farchnad tymor byr yn fwy ffafriol o ran treth na'r sector rhentu preifat hirdymor.
30. Gyda'n hystyriaethau uchod mewn golwg, byddai Propertymark yn annog Llywodraeth Cymru i sicrhau bod unrhyw bolisïau a gyflwynir i ymdrin â'r heriau a grëir gan anghydbwysedd mewn lefelau ail gartrefi ar lefel leol yn hirhoedlog. Bydd asesiad gofalus o effaith ymyriadau posib yn helpu i warchod rhag cyflwyno trwsiad tymor byr a allai gael effaith andwyol ar ddyfodol hirdymor tai ar gyfer Cymru a'r economi.

³² <https://llyw.cymru/ail-gartrefi-amrywiadau-lleol-i-gyfraddau-treth-trafodiadau-tir>