

**Paper justifying the introduction of the Article 4 Direction
Eryri National Park Local Planning Authority Area**

March 2024

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Part 1: Introduction

Background

- 1.1 With the long-term aim of creating sustainable communities, ensuring a sufficient supply and a suitable choice of housing that meets the needs of local communities is crucial. High numbers of holiday accommodation and second homes ("holiday homes") can be a real threat to the social, cultural and economic prosperity of communities across Eryri.
- 1.2 Communities throughout Eryri face significant pressure due to the use of dwelling houses as holiday homes. As a result of this increasing pressure, which has been further highlighted over the past few years, there has been increasing pressure to implement a mechanism to obtain better control of the existing housing stock. It is hoped that a range of effective management mechanisms will be a means of mitigating the side effects of holiday homes on communities, and contribute towards meeting the housing needs of Eryri's communities.
- 1.3 For the purposes of this paper, the term 'holiday homes' includes the following:-
 - Short term holiday accommodation: A dwelling house not permanently occupied and is let for holiday use on a commercial basis.
 - Second homes: A dwelling house used by the owner occasionally (but is not their main place of residence), together with other visitors for holiday purposes.
- 1.4 Within this research paper, reference is made to 'holiday homes' when referring to the combination of 'short term holiday accommodation' and 'second homes' provisions. Where an issue specifically relates to either second homes or short term holiday accommodation, this will be clearly stated.

Purpose and Structure of Report

- 1.5 The aim of this report is to consider, justify and reach a conclusion regarding the possibility of introducing an Article 4 Direction in order to control the use of houses in Eryri National Park's communities, in accordance with the new power introduced by the Welsh Government through a recent amendment to planning legislation. A thorough assessment has been carried out of all possible options, in order to try to identify the preferred option and reach a final conclusion regarding the need to introduce an Article 4 Direction and (if relevant) the area where it should be implemented.
- 1.6 The Report is divided as follows:-
 - Part 2: Provision and location of holiday accommodation and second homes
 - Part 3: Assessment of impact – qualitative information
 - Part 4: Impact assessment - Primary/quantitative information
 - Part 5: Intervention options
 - Part 6: Article 4 Area Options
 - Part 7: Conclusions

Legislative and Planning Context

- 1.7 Following the increasing pressure on the Government to respond to the challenges facing communities at the expense of holiday homes, on the 20th of October 2022, the Government introduced changes to planning legislation, which meant that Local Planning Authorities could respond to the concerns, by tailoring the control measures to local circumstances. It is noted that one of a series of control measures is the amendment to planning legislation, with other measures linked to the taxation procedure, the provision of affordable housing that meets the needs of communities and the compulsory licensing of holiday accommodation¹ being implemented, in progress or being considered now.
- 1.8 Due to the Government's response, the changes to planning legislation that have come into force include:-
- The amendment of the Town and Country Planning (Use Classes) Order 1987² to create new use classes for Main Homes, Secondary Homes and Short Term Holiday Accommodation.
 - The amendment of the Town and Country Planning (General Permitted Development) Order 1995³ to allow permitted changes between the new use classes for Main Homes, Secondary Homes, and Short Term Holiday Accommodation.
 - The amendment of Planning Policy Wales to make it clear, when relevant, that the number of second homes and short-term holiday accommodation in a local area must be taken into account when considering the housing requirements and policies in Local Development Plans (LDPs).
- 1.9 The amendment to the Town and Country Planning (Use Classes) Order 1987 and the definition of the new use classes are as follows:-

Use Class	Explanation
Class C3. Dwelling House; Main Homes	Use of a dwelling house as a sole residence or main residence, which is occupied for more than 183 days in a calendar year by - (a) a single person or by people who are considered to form one household; (b) no more than six residents who live together as one household, where care is provided for the residents; or (c) no more than six residents who live together as one household, where care is not provided for the residents (except for use which is in class C4). Interpreting Class C3: <ul style="list-style-type: none">• When calculating the 183 days, any time spent by one household in accommodation provided for occupational purposes, such as oil rigs or barracks, contributes to the 183 days
Class C5. Dwelling House; Secondary homes	Use as a dwelling house, other than as a sole or main residence, occupied for 183 days or less by –

¹ [Plans unveiled for statutory registration and licensing scheme for visitor accommodation in Wales](#)

² [Town and Country Planning \(Use Classes\) Order 1987 as amended](#)

³ [Town and Country Planning \(General Permitted Development\) Order 1995 as amended](#)

	<p>(a) one person or by people who are considered to form one household;</p> <p>(b) no more than six residents who live together as one household, where care is provided for the residents; or</p> <p>(c) no more than six residents who live together as one household, where care is not provided for the residents (except for use within class C4).</p> <p>Interpreting Class C5:</p> <ul style="list-style-type: none"> For the purposes of Class C5(a), "one household" is interpreted in accordance with section 258 of the Housing Act 2004
Class C6. Short term let accommodation	Use of a dwelling house as commercial short-term letting accommodation for a period not exceeding 31 days (for each occupation period).

Table 1: New Use Class Definitions

- 1.10 The associated amendment to the Town and Country Planning (General Permitted Development) Order 1995 meant that it was possible to change from the use classes referred to above without restriction, that is without having to receive planning permission. For example, it would not be necessary to receive planning permission to go from being a Dwelling House (Main Home) to being a Dwelling House (secondary home) and vice versa.
- 1.11 In accordance with the Government's guidance, as long as it were possible for Local Planning Authorities to testify appropriately, it would be possible to introduce an Article 4 Direction in order to revoke the development rights allowed for a defined area. The regulations in relation to Article 4 Direction, which come into effect directly, state that it is possible to introduce an Article 4 Direction when the Local Planning Authority:-
- “consider that the development to which the Direction relates would be prejudicial to the proper planning of their area or constitute a threat to the amenities of their area;”*
- 1.12 The introduction of an Article 4 Direction is one of the methods available to Local Planning Authorities in order to enable them to respond to the specific needs of their areas. They give Local Planning Authorities the ability, when considered appropriate, to restrict 'permitted development' rights which would otherwise apply by virtue of the General Permitted Development Order. It is emphasised that the introduction of Article 4 Direction does not prevent development but rather, it means that planning permission must be obtained from the Local Planning Authority for the proposal. By enforcing the need to receive planning permission it means that the effects of the development need to be considered, and that in accordance with the local and national planning policy context.
- 1.13 Although it appears that the same legislative requirements, in terms of the need to justify an Article 4 Direction which does not come into force directly, do not exist, it is considered appropriate to refer to the guidance contained in Appendix D of circular 29/95⁴ which applies to the removal of development rights which are permitted in exceptional circumstances only. Therefore, this paper outlines the justification for introducing an Article 4 Direction in accordance with the guidance contained in Circular 29/95.

⁴ [Consolidation of the General Development Order 1995 \(circular 29/95\)](#)

Relevant Strategies and Legislation

- 1.14 When considering the implementation of an Article 4 Direction or any control measure, it is essential to have clarity about what is sought to be achieved through the intervention. Protecting and maintaining the Welsh language and Welsh-speaking communities, which offer opportunities for people to live and work in them, is a core objective of national and local strategies/legislation. The following strategies and acts are relevant and provide guidance to protect communities.

The Well-being of Future Generations Act

- 1.15 An important consideration is the Well-being of Future Generations (Wales) Act 2015⁵. The Act seeks to improve Wales' social, economic, environmental and cultural well-being. The act places a well-being duty on public bodies which is aimed at delivering the seven well-being goals by following the five ways of working. The following table highlights these wellbeing aims and explains concisely how the proposal achieves the aims in question:

Aim	Explanation of how the proposal of introducing the Article 4 Direction delivers the aim
A prosperous Wales	It will offer opportunities for people to live and work in Gwynedd and will therefore mean there will be a stable, skilled and educated population to support the local economy.
A resilient Wales	It will lead to a fairer society and thus the county's social resilience will be maintained.
A healthier Wales	It will create a fairer society and thus would create circumstances for people to be able to live and work in Gwynedd, which in turn has a positive impact on health.
A more equal Wales	It will create a society that is more equal and will enable better opportunities for all.
A Wales of cohesive communities	It will be a means of creating attractive, viable and safe communities.
A Wales of Vibrant Culture and Thriving Welsh Language	It will offer better opportunities for people to be able to live in their communities and will be an indirect means of protecting culture, heritage and the Welsh language.
A Globally Responsible Wales	Although implementing the Article 4 Direction would be done on a local level in Gwynedd, the principle of creating a fairer society and offering better opportunities for people to live and work in their local communities thus creating viable and sustainable communities is an example of good practice.

Table 2: Explanation of how the proposal of introducing the Article 4 Direction delivers the aim

⁵ [Well-being of Future Generations \(Wales\) Act 2015](#)

- 1.16 In addition, the Act begins by giving a definition of what we mean by the principle of 'sustainable development'⁶, which is the process of improving the environmental, economic, cultural and social well-being of Wales by taking steps, in accordance with the sustainable development principle, with the aim of achieving the well-being goals. Sustainable development is about improving the way we can achieve our economic, social, environmental and cultural well-being. For Wales to be sustainable, it is important that we improve all four aspects of our well-being. Each one is as important as the others. In order to achieve this therefore, it is necessary to think about the long-term effects of decisions, to work better with people, communities and each other, and to prevent ongoing problems. It is therefore key to consider the goals and the sustainable development principle and ensure that what is proposed is considered consistent with them.

Future Wales – the National Plan

- 1.17 Future Wales – the National Plan 2040⁷ is the national development framework that sets the direction of development in Wales up to 2040. Policy 4 - Supporting Rural Communities notes the need to create sustainable and vibrant rural communities. The need to consider how age balanced communities can be achieved is emphasized, where depopulation should be reversed and the role of new affordable and market housing and employment opportunities, local services and greater mobility should be considered in meeting these challenges.

Gwynedd Council Plan

- 1.18 The Gwynedd Council Plan 2018 - 2023⁸, which is the Council's five-year Plan, identifies a range of 'Improvement Priorities'. The 'Improvement Priorities' are the areas upon which focus is believed to be needed, as there is a need to increase or improve the current situation.
- 1.19 'Improvement Priority 4: Access to suitable homes' identifies the need to develop diverse, innovative and green housing proposals that people can live in throughout their lives, as well as offering early support to those who need it. It is noted that the Council will intervene to encourage a range of support and accommodation options in order to respond to the needs of the population today, and for future generations. Hand in hand with this, it must be ensured that the steps taken respect the culture of the county's communities. Linked to achieving this objective is the need to have control of the use of houses as holiday accommodation and second homes.

Conwy's Corporate Plan

- 1.20 Conwy's Corporate Plan 2022-27⁹ identifies nine priorities. One of the priorities is "People in Conwy have access to affordable and suitable accommodation of a high standard which improves their quality of life". The aim is for residents to have a safe and appropriate place to call home that supports their positive health and well-being. Working to increase the supply of affordable and accessible accommodation is one way to work towards this goal.

⁶ <https://www.futuregenerations.wales/wp-content/uploads/2017/01/WFGAct-English.pdf>

⁷ [Future Wales - the National Plan 2040](#)

⁸ [Gwynedd Council Plan 2023-28](#)

⁹ [Conwy Corporate Plan 2022-2027](#)

Cynllun Eryri

- 1.21 Cynllun Eryri is the statutory Management Plan for Snowdonia National Park Authority, adopted in 2020. It adopts the seven aims of the Well-being of Future Generations (Wales) Act 2015. One of the key outcomes is Eryri's communities and economy; to ensure that Eryri is a great place to live, develop and work. The aims are:
- Ensure the language, culture and heritage of Eryri is celebrated, supported and strengthened.
 - Jobs and opportunities encourage people to remain in the area.
 - Innovative solutions relating to affordable housing to buy and rent in the area are being implemented.
 - Local communities are supported to thrive in all aspects of well-being.
- 1.22 One of the actions to implement is to work with partners to address underlying issues and develop innovative solutions to delivering affordable housing that meets local needs. This includes work to influence changes to legislation so that change of use of a dwelling into a holiday home requires planning permission.

Gwynedd Council's Housing Strategy

- 1.23 Gwynedd Council's Housing Strategy¹⁰ was adopted in July 2019. The vision of the Housing Strategy is:
- " Ensuring that the people of Gwynedd have access to a suitable, quality home that is affordable and improves their quality of life."*
- 1.24 In 2020, the Gwynedd Council Housing Action Plan 2020/21-2026/27¹¹ was prepared and approved. The purpose of this plan was to establish specific projects, giving the residents of Gwynedd a fair chance to secure suitable homes.
- 1.25 In order to achieve this goal, there are 5 objectives that have been included in the Plan, namely:-
- Objective 1 – To ensure that no one is homeless in Gwynedd
 - Objective 2 – To increase the opportunities for Gwynedd residents to obtain a tenancy in a social house
 - Objective 3 – To help Gwynedd residents to own a home in their community
 - Objective 4 – Gwynedd housing is environmentally friendly
 - Objective 5 - Gwynedd housing has a positive influence on the health and well-being of the county's residents

¹⁰ [Gwynedd Council's Housing Strategy 2019-2024](#)

¹¹ [Gwynedd Council's Housing Action Plan 2020/21 - 2026/27](#)

Conwy Council's Housing Strategy

- 1.26 Conwy County Borough Council's Housing Strategy 2018-2023¹² sets out the vision and plans for housing in Conwy County for the next five years. The vision of the Housing Strategy is:

"for people in Conwy to have access to affordable, appropriate and good quality accommodation that improves their quality of life. We want to build more than just houses, we want to create sustainable communities where people are proud to call themselves" at home."

- 1.27 The Strategy outlines four objectives that would need to be addressed if the Council is to achieve this vision:

1. Increase the supply of affordable housing options for those on lower incomes.
2. Work towards meeting the various accommodation and support needs of everyone in our county now and in the future.
3. Improve the condition and energy efficiency standards of our houses.
4. Ensure that people understand their housing options to enable them to make an informed decision.

- 1.28 Conwy Council are working on a new Housing Strategy, to be published during 2024.

Eryri Local Development Plan

- 1.29 The spatial vision contained in the Eryri Local Development Plan 2016-2031¹³ notes:-

"By 2035 Snowdonia will continue to be a protected and evolving landscape, safeguarded and enhanced to provide a rich and varied natural environment; providing social, economic and well-being benefits nationally and internationally.

National Park purposes will be delivered through a diverse and prospering economy adapted to the challenges of climate change and founded on natural resources – its landscape qualities, opportunities for learning and enjoyment, cultural and natural heritage. With thriving bilingual and inclusive communities partnership working will have demonstrated that more can be achieved through working together.

Communities will have adopted innovative solutions in a changing World – a low carbon economy will have strengthened residents' link with the environment, providing a better standard of living and ensuring Snowdonia's reputation as an internationally renowned National Park and one of the nation's breathing spaces."

- 1.30 In order to address this vision, the Plan area will need to better meet the housing needs of communities in terms of supply, type, quality, energy efficiency, location and affordability as well as ensuring that the Welsh language is an integral part of the community.

¹² [Conwy's Housing Strategy 2018-2023](#)

¹³ [Eryri Local Development Plan 2016-2031](#)

- 1.31 The objectives of the Well-being Act have informed the objectives of the Development Plan, which include:

Support appropriate developments that meet the housing needs of the local community, giving special consideration to affordable housing for local people.

Promote measures to encourage developments that support the vitality of the Welsh language and to protect communities from developments that ignore the impact on the Welsh language.

- 1.32 Strategic Policy A: Purposes of the National Park and Sustainable Developments, from the Local Development Plan, seeks to ensure that new developments promote the principles of sustainable development in ways that promote the purposes and duties of the National Park, protecting and improving at the same time the 'Special Qualities' of the National Park. In order to achieve sustainable development in Eryri, development should protect and improve the health, safety and economic and social well-being of local communities.
- 1.33 The Development Plan's Strategic Policy G: Housing states that new housing in the National Park will need to meet the needs of local communities. Applications must take due account of local housing needs in terms of property size, type and tenure. The housing types should reflect the results of the Local Housing Market Assessment or any appropriate local needs surveys.
- 1.34 The current housing situation and the lack of provision of affordable housing that meets the needs of communities means that there is a need to act urgently in order to try to protect the vulnerable communities of Eryri and realise the vision of the national legislation, national and local policy guidance and the statutory strategies referred to above.

Part 2: Provision and location of holiday accommodation and second homes

Overview

- 2.1 In order to try to get a better understanding of the seriousness of the problem, it is essential to gather information relating to the baseline data regarding the number of holiday homes that exist across Eryri. Gathering accurate information in relation to the number and location of holiday homes can be difficult, as there are several sources of data available, of which no source gives a truly accurate picture. Private accommodation let on an *ad hoc* basis, usually through marketing platforms such as AirBNB, is much harder to calculate as they become available from time to time, and their use as holiday accommodation comes to an end without any formal notification. This report is based on council tax and non-domestic business rates data, as these are collected regularly through statutory processes, and therefore contains the most reliable and consistent information currently available.
- 2.2 Since the summer of 2018, Cyngor Gwynedd has been gathering council tax information regarding the numbers of second homes and holiday accommodation per community/town/city council across the county. The National Park Authority has had access to this data since 2020. Similar information has also been provided by Conwy Council since 2020. As well as providing information regarding the specific uses in question, information will also be received regarding the number of residential units for each area and the data is collected at Community Council area level. The nature of the National Park boundary creates difficulties in data collection, as it still does not follow boundaries such as wards and community councils. The boundary runs through the middle of several Community Councils, meaning that the data for these areas includes areas outside the Park. As it is not possible to analyse the data at a level that is lower than that of community council areas, the figure used in these cases is for the whole community council. Although the data do not reflect the Park boundary, it means that more natural community boundaries are used, and cross boundary effects are considered, giving a clear picture of the situation within communities.
- 2.3 The information presented below (Table 3), is based on council tax information, i.e. the units that have qualified for the payment of the following rates of taxation:

Description	Explanation
Domestic property	Domestic property paying council tax.
Second home	Class B property where no one lives permanently in the property and where the property is furnished.
Self catering holiday accommodation	Payment of Non-Domestic Business Tax for Self Catering Accommodation

Table 3: Definition of Uses

- 2.4 The chart below (Chart 1), together with the following table (Table 4), summarises the information regarding the number of second homes and holiday accommodation in the whole of Gwynedd since 2018:-

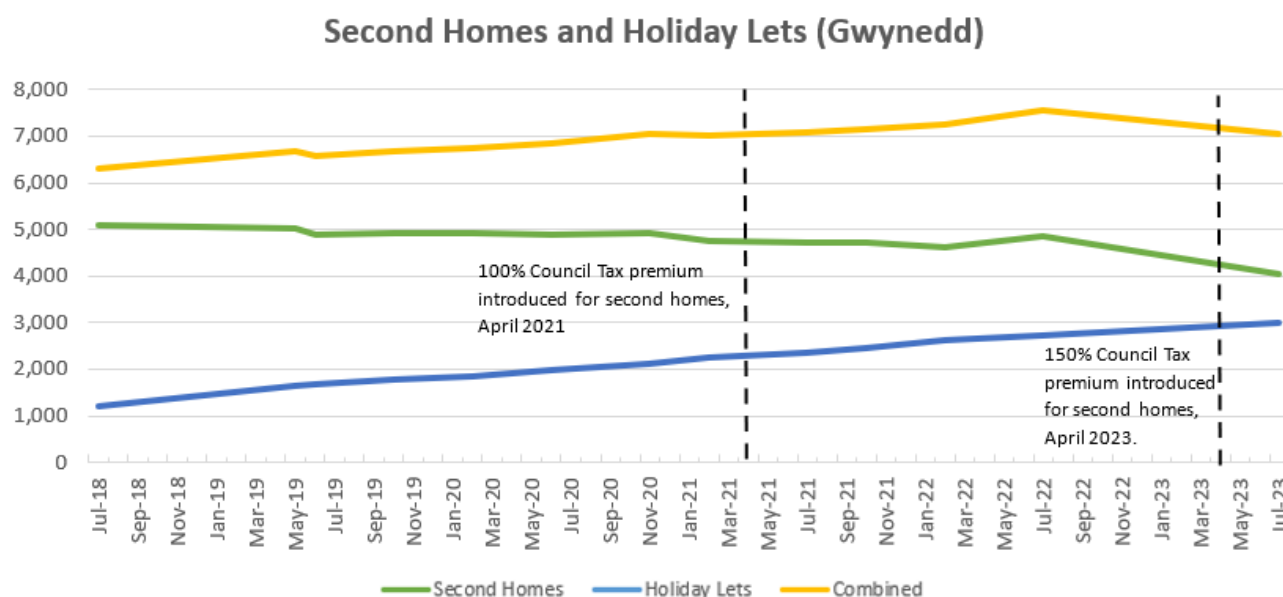


Chart 1: Pattern of holiday homes (source, Finance Department, Cyngor Gwynedd)

	Number of Domestic Properties	No. of second homes (excluding occupancy-restricted units)	Number of Holiday Accommodation	Combined number	Combined percentage of properties (domestic and non-domestic)
Gorffennaf 2018	61,679	5,100	1,193	6293	9%
Mai 2019	61,616	5,013	1,658	6671	9.7%
Mehefin 2019	61,591	4,891	1,681	6572	9.6%
Hydref 2019	61,562	4,920	1,764	6684	9.8%
Chwefror 2020	61,617	4,912	1,838	6752	9.9%
Mehefin 2020	61,645	4,873	1,976	6849	10%
Tachwedd 2020	61,946	4,933	2,119	7052	10.2%
Chwefror 2021	61,534	4,768	2,261	7029	10.3%
Gorffennaf 2021	61,463	4,729	2,369	7098	10.4%
Hydref 2021	61,312	4,713	2,448	7161	10.5%
Chwefror 2022	61,296	4,627	2,612	7239	10.6%
Gorffennaf 2022	61,335	4,840	2,719	7559	11%
Gorffennaf 2023	61,457	4058	2,984	7042	10.2%
	-222	-1042	+1791	+749	

Table 4: Change in numbers 2018 to 2023 (source, Finance Department, Cyngor Gwynedd)

- 2.5 The chart below (chart 2) and table below (Table 5), summarizes the information regarding the number of second homes and holiday accommodation in Conwy since 2021:

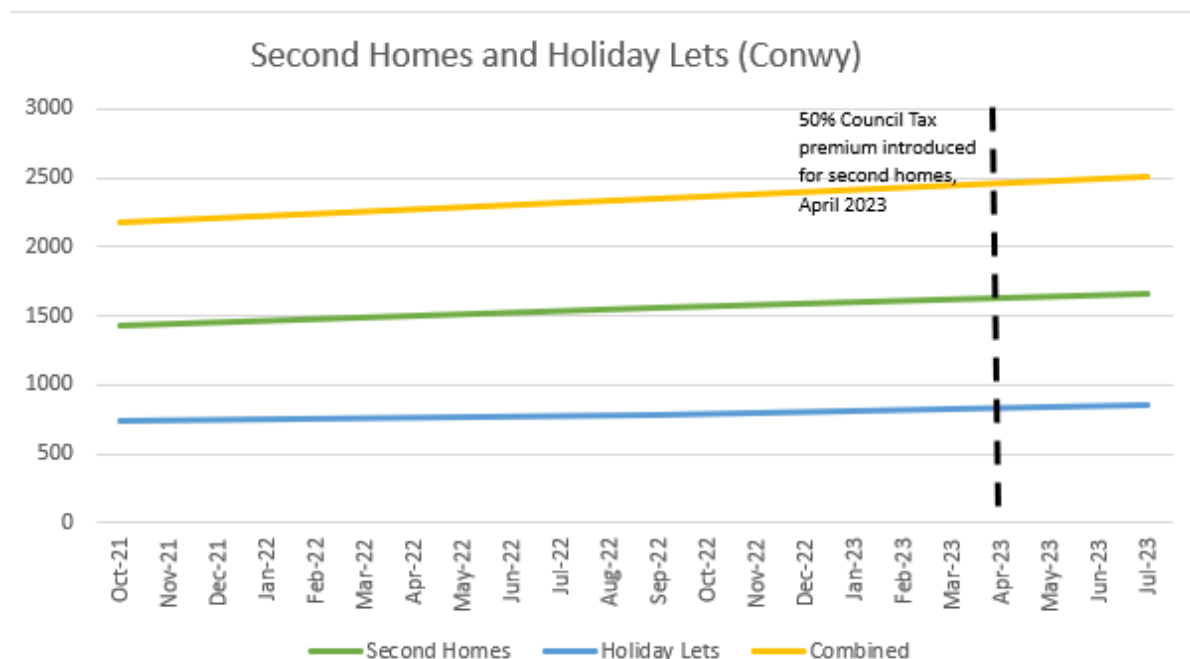


Chart 2: Pattern of holiday homes (source, Finance Department, Conwy Council)

	Number of Domestic Properties	No. of second homes (excluding occupancy-restricted units)	Number of Holiday Accommodation	Combined number	Combined percentage of properties (domestic and non-domestic)
2021	57,721	1435	743	2178	3.8%
2022	57,923	1559	786	2,345	4%
2023	58,508	1644	862	2506	4.3%
	+787	+209	+119	+328	

Table 5: Change in numbers 2021 to 2023 (source, Finance Department, Conwy Council)

- 2.6 We see that there is a pattern of increase in the combined percentages for Gwynedd and Conwy. In Gwynedd, we can see that the increase is more evident in terms of the number of self-catering holiday accommodation units that exist, and there was a decrease in the number of second homes in 2023. It is believed that this is partly a result of changes in the Gwynedd Council tax rate in recent years, as discussed below. Despite this, the combined numbers remain significantly higher than in 2018.

- 2.7 Recent data has been received from Gwynedd and Conwy Councils which enables the production of a figure for the total number of second homes and holiday accommodation units within the National Park boundary. The data is summarised in table 6 below. We cannot go back any further in time than this, as the data is unavailable. The combined percentage of 17.4% for the National Park is significantly higher than the combined percentages for the counties of Gwynedd and Conwy. The numbers for the community councils within or partly within the National Park show the same pattern as Gwynedd and Conwy, namely an increase in the combined total of second homes and holiday accommodation units since 2020.

	Number of domestic properties	Number of second homes (excluding occupancy restricted units).	Number of holiday accommodation	Combined number	Combined percentage of properties (domestic and non-domestic)
Gwynedd (area inside the National Park)	12,407	1364	944	2,308	17.3%
Conwy (area inside the National Park)	2412	208	265	479	17.7%
Combined	14,819	1527	1209	2781	17.4%

Table 6: Number of second homes and holiday accommodation units within the National Park boundary, 2023 (source: Finance Departments of Cyngor Gwynedd and Conwy Council).

- 2.8 Since April 2017, Local Authorities in Wales have the right to raise a second home premium of up to 100% of the standard rate of council tax on properties where it is nobody's sole or main dwelling, and the property has either been furnished (second home) or unfurnished for over 12 months (long-term empty). From April 2023, the premium that Local Authorities in Wales can charge has increased to 300%. The previous regulations (before 2017) gave the Council discretion to charge full Council Tax, or to allow a reduction of 25% or 50%, to classes of second homes, and to allow a reduction of 50% (or a reduction at a lower percentage), or no discount at all, on long-term empty properties that have been empty for six months or more.

- 2.9 On the 1st of April 2018, a premium rate of 50% was set on eligible second homes by Cyngor Gwynedd, with the rate rising to 100% on the 1st of April 2021, which was the highest possible rate that could be implemented at that time. From April 2023, Gwynedd Council has increased the rate to 150%.
- 2.10 Due to the taxation situation linked to second homes, it appears in Gwynedd that more residential units are now transferring over from paying the second home premium to paying non-domestic business tax on those units. Self-catering holiday accommodation is eligible to be listed for non-domestic business tax and, depending on its rateable value, we could be eligible for small business rate relief, meaning that the property makes no financial contribution towards the taxation procedure.
- 2.11 In Gwynedd, the transfer in the housing stock, with residential houses that used to pay the standard council tax or pay the council tax premium now paying the non-domestic business tax, means that housing stock is being eroded over a period of time and not increasing as would be expected of a growth pattern.
- 2.12 The pattern in Conwy is different. We can see an increase in numbers of second homes and short term holiday accommodation over the period 2021 to 23. Since 2019, Conwy Council set a premium rate of 25% on eligible second homes, and increased it to 50% on the 1st of April 2023. There will be a further increase to 100% in April 2024. It appears that the lower rate has not led to residential units transferring from paying the second home premium to paying non-domestic business tax to the extent seen in Gwynedd.
- 2.13 The number of new houses that have been completed within the National Park has been low, just 104 since 2018. The housing market in the National Park is local in nature, relying on small local builders and self-build projects on small sites. There are no regional house builders active in the market and therefore there is very little speculative construction of open market housing and affordable housing. The lending environment is difficult for developers, small builders, and self-build projects, as well as the recent increases in construction costs. The result is that new houses do not contribute significantly to the housing stock, which means that the stock is being eroded through residential houses transferring to use as second homes or holiday accommodation.
- 2.14 The ability to transfer easily between uses means that there is no efficient management of the existing housing stock. Furthermore it is not possible to foresee or predict to the best of our ability what the housing needs of the local population will be for the future, as the current housing stock is being eroded.

Other sources of data

- 2.15 A 'Bed Stock Survey'¹⁴ was carried out by Gwynedd Council in 2019. The purpose of the survey was to calculate the number of visitor accommodation available in Gwynedd. Between June 2018 and February 2019, Gwynedd Council's Tourism, Marketing and Events Service, in partnership with Visit Wales, carried out county research on the accommodation provision available for visitors. This was done using information from key partners, e.g. planning, licensing, grading, accommodation agencies, etc., along with internet research and telephone interviews.

¹⁴ [Gwynedd Bedstock Survey 2018-19](#)

- 2.16 The 'Bed Stock Survey' found that a total of 2,424 self-catering holiday accommodation units were available during the survey period, with an additional 745 units being advertised on Airbnb. The total number of holiday accommodation to be let for a short period in the survey was 3,169. It is not known how many of these units are residential dwellings used for holiday purposes. Some of the units may have received specific planning permission as holiday accommodation. The figure also includes all types of holiday accommodation units, e.g. chalets and caravans. Information from the Council Tax department relating to the number of properties paying Self-Catering Non-Domestic Business Taxes for the same period (July 2018) totalled 1,193. It is, therefore, noted that it is clear that the number of units available does not completely reflect the number of units that paid the non-domestic business taxes in Gwynedd. It can, therefore, be assumed that some of the short term holiday accommodation is either liable to pay the second home premium or to pay the standard Council Tax. It is possible that some second homes are also used as short term holiday accommodation during short periods when the owners are not staying in them.
- 2.17 Another useful source of information is 'Transparent Intelligence' data. 'Transparent Intelligence' is a 3rd party data supplier, appointed by Visit Wales on behalf of the Welsh Government. Data is provided in relation to short term letting accommodation marketed on the Airbnb, Vrbo, Tripadvisor and Booking.com platforms. Although this data is checked and processed by the Welsh Government, because it only includes properties that have been advertised on the aforementioned platforms (*Transparent Intelligence* does not count individual units that have been advertised privately or by numerous other companies), it should not be used as an accurate official calculation of the number of properties. -rather it should only be used to highlight the potential size of the sector and trends. During July 2022, the number of houses available on the marketing platforms referred to in Gwynedd was 4,499. It is noted that July appears to be the month where the most properties are available, with the monthly average over a period of the first 8 months of 2022 (January to August) being 3,921. As stated above in paragraph 2.4 (table 4), during the same period (July 2022), 2,619 properties paid the non-domestic business tax. During July 2022 the number of houses available on the marketing platforms referred to in Conwy was 910. In the same period, 786 properties paid the non-domestic business tax. Therefore, we see that the provision of holiday accommodation is actually higher than what is conveyed by Council Tax data.
- 2.18 The evidence above proves that gathering accurate and complete information in relation to the number of holiday homes is difficult as the holiday home market is not regulated. Although Council Tax figures are considered to be the most accurate source of information, it is not entirely reliable and is dependent on holiday home operators applying the correct council tax/non-domestic business tax category for their property. The inconsistencies between the Gwynedd Housing Stock Survey, 'Transparent Data' and the Council Tax figures highlight this problem.
- 2.19 It can therefore be concluded that the numbers shown by the council tax data and self-catering non-domestic business rates data are lower than what is likely to exist. The tax data is the most reliable and consistent source available, and therefore it is a suitable source to use to measure the numbers of second homes and short term holiday accommodation units within communities in Eryri.

Part 3: Impact Assessment - Qualitative information

- 3.1 A number of recent researches have been carried out in relation to investigating the impact of holiday accommodation and second homes on communities. The main general aim of recent research is to try to suggest and find control measures that can be implemented in order to mitigate the effects of holiday accommodation and second homes.
- 3.2 Gwynedd Council's Planning Policy Service prepared research work 'Managing the Use of Dwelling as Holiday Homes'¹⁵ in 2020. The report assessed data within Gwynedd and included examples from other regions in the UK and Europe that have been proactive in seeking a solution to the problem of the misuse of residential units as short-term holiday lets. The report recommended amending planning use classes by introducing a new use class for short term holiday lets. Also recommended was a review of the taxation system and the introduction of a mandatory licensing scheme for holiday homes. The report concluded that “... *the need for greater control relating to the misuse of residential dwellings as holiday homes is unquestionable. Local authorities need appropriate regulatory powers to balance the needs and concerns of local communities whilst balancing the wider economic benefit which the tourism economy provides*”. This research work is referred to and will be used as a basis for evidence in a number of the reports / research work referred to in the following paragraphs.
- 3.3 There are clear themes arising from the research work and the reports referred to below in terms of the impact of holiday accommodation and second homes on communities. The subsequent part (Part 4) of this paper will seek to gather information and quantitative/primary evidence to support these hypotheses in terms of their effects.

The Housing Market

- 3.4 One of the main general assumptions is the impact on the housing market. There is general criticism that holiday homes push house prices higher due to demand which, in turn, means a lack of supply of affordable housing to meet local need.

Local Housing Market Assessments

- 3.5 The purpose of a Local Housing Market Assessment (LHMA) is to provide a solid evidence base to inform the Local Housing Strategy and the Local Development Plan. It also illuminates strategic housing priorities and planning processes for local services such as education and transport. The Local Housing Market Assessment can also be used as a tool to negotiate the provision of affordable housing when deciding on planning applications and the allocation of the Social Housing Grant to support the provision of affordable housing.
- 3.6 The Gwynedd Assessment is for the period 2018-2023¹⁶, (a new assessment is expected in 2024). The main finding of the assessment is that there is a need for an additional supply of affordable housing for the communities of Gwynedd than is currently available. Key findings show that there will be an increasing demand for affordable housing across

¹⁵ ['Managing the Use of Dwellings as Holiday Homes \(Gwynedd Council 2020\)](#)

¹⁶ [Gwynedd Local Housing Market Assessment 2018-23](#)

Gwynedd in the private ownership, private rent and social rent sectors, which the current supply cannot satisfy. The assessment also found:

- Median value and lowest quartile housing is unaffordable for households with median income;
 - The private rental sector has grown significantly in Gwynedd over the last decade;
 - Private rent levels are unaffordable for many low income households.
- 3.7 It is noted that the special environmental assets of the area have been recognised and designated nationally and internationally. As a result, the area attracts a large number of visitors who make an important contribution to the local economy but who also affect the housing stock by having second homes and holiday homes across the county, and specifically in popular locations.
- 3.8 Conwy Council published an interim LHMA in 2022¹⁷ (a new assessment is expected in 2024). The main findings of the assessment were that Conwy County needs more affordable housing and that the current supply is unable to meet the growing demand. Conwy County has a relatively low level of social housing stock in Wales, therefore many low income households have to rely on the private sector. The high proportion of private properties means that changes in house prices, purchase prices and rental prices, have a direct impact on a higher proportion of the population than in areas where there is more social housing.
- 3.9 The Conwy LHMA highlights that the supply of residential housing is affected by variation in private property use. The assessment highlights the increase in the number of holiday accommodation units, stating several reasons why the holiday accommodation market has gone from strength to strength:
- The income generated compared to residential accommodation; lower council tax rates and control.
 - Owners turning properties into holiday accommodation to avoid paying the premium.
 - New online marketing platforms facilitating booking and payment systems. Local property services businesses enable owners to manage properties remotely.
 - Increased demand for holiday accommodation following the holiday at home phenomenon in 2020-21.
- 3.10 The LHMA notes that there is evidence that residential dwellings have been converted into short-term letting units, and that this has increased in the last two years. The loss of dwellings to non-residential uses will have a negative impact on overall supply. Policies to manage this loss can reduce the overall level of unmet demand for housing. The assessment recommends that policies should be considered to protect residential accommodation and to avoid losses to holiday accommodation.
- 3.11 During 2021, research commissioned by the Welsh Government was published, 'Second homes: Developing new policies in Wales, by Dr Simon Brooks (2021)¹⁸. This work recognised that it is impossible to say whether second homes are mainly responsible for the inflation in house prices in areas under pressure. Reference was made to the fact that the areas under pressure were the same areas that are popular with permanent migration from other parts of the United Kingdom. Therefore, it is recognised that there

¹⁷ Interim Local Market Housing Assessment Report 2022 Conwy

¹⁸ [Second Homes: Developing new policies in Wales, Dr Simon Brooks \(2021\)](#)

is actually little evidence that second homes are the main cause for "...high house prices as opposed to buyers moving to these areas to reside there." Nevertheless, it is recognised that it is not possible to ignore the obvious relationship between second homes and higher house prices.

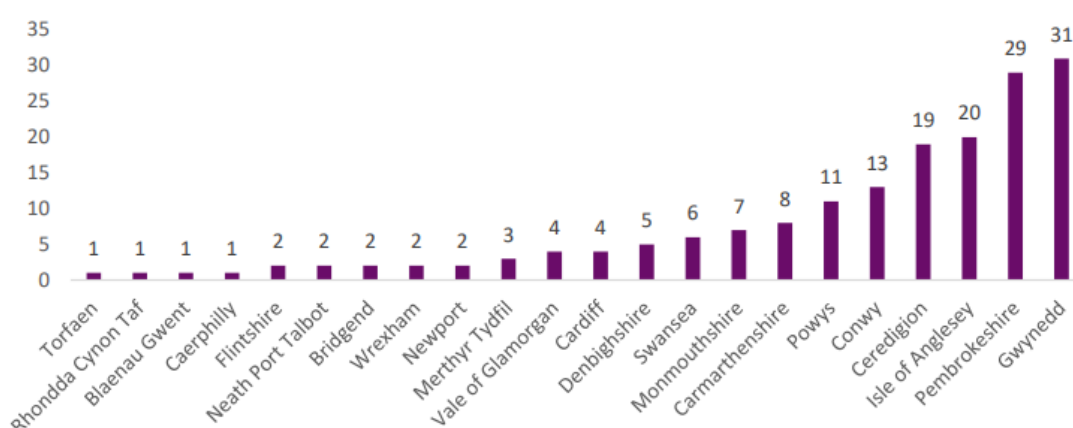
- 3.12 At the expense of the increase and demand for holiday accommodation, the natural attraction is for home owners (including private landlords) to transfer their property (private rental) to the holiday accommodation market due to the additional profit that can be made by letting its property to this particular market. Research by the Local Government and Housing Committee emphasised in its work 'Second Homes, (2022)¹⁹ that,

"...the private rental sector plays an important role in ensuring that a mix of housing accommodation is available to meet different needs and circumstances. We are very concerned by the anecdotal evidence that landlords are increasingly moving their properties from this sector to the short term lets market. We are aware that there are long waiting lists for people needing social housing, and a shortage of private rented sector accommodation in some areas is exacerbating the problem."

- 3.13 In an attempt to further examine and assess the impact that the loss of private rental housing is having on holiday accommodation, the Bevan Institute has published research, 'Holiday Lets and the private rental sector, (2022)²⁰. This report offers a unique analysis of holiday rental accommodation advertised by one of the most prominent companies operating in the sector, Airbnb. The report recognises that a number of other agencies and platforms provide holiday rental accommodation and, therefore, the sector is likely to be larger than the one suggested in the report.

- 3.14 The report found that there are 21,718 holiday units listed in Wales on the Airbnb website, with 14,343 of them appearing to be units that would be suitable to live in permanently. It is noted that this corresponds to 31% of Gwynedd's private housing stock and 13% in Conwy (see 'chart 3' below from the report). In the context of Wales, the percentage is high for both counties. If these units were to transfer back to the housing stock and to the private rental market, it could provide affordable rental housing opportunities/options and accommodate a gap that currently exists in the housing market.

Chart 3 – Properties suitable for long-term habitation used as Airbnb stock as percentage of private rental stock by local authority, May 2022 (%)



Source: Data obtained from Inside Airbnb and StatsWales, and analysed by the Bevan Foundation

¹⁹ [Second Homes: The Local Government and Housing Committee \(2022\)](#)

²⁰ [Holiday Lets and the private rental sector, Bevan Foundation \(2022\)](#)

Community Facilities

- 3.15 The effect of a concentration of holiday homes on the prosperity of communities can be typical and that is recognised in the Local Government and Housing Committee's research, which states:

"Communities need people to survive. If large numbers of homes within towns and villages lie empty for large parts of the year, it is inevitable that a lack of customers will force businesses to close during the quieter periods, leaving remaining residents without those amenities. We are concerned that public services will also suffer; without key workers living in those areas, it will either be impossible to provide essential services such as health and social care, or the cost of doing so could make them unsustainable. It is likely to be the elderly and the vulnerable most adversely affected. We are aware that some of the local authority areas with the largest numbers of second homes also have relatively low average incomes, and this can make affordability issues more acute."

- 3.16 The Local Government and Housing Committee recognises that the visitor economy is extremely important for Wales, but is concerned that the economic benefits are outweighed by the negative effects of some areas. Emphasis is placed on the need to ensure a sustainable tourism sector that does not adversely affect communities or replace them, i.e. communities should not be displaced for the benefit of tourism.

The Welsh Language

- 3.17 One of the side effects that is unique to Wales, and even more so in Eryri, is the effect on the Welsh language. The Local Government and Housing Committee expressed concern about the evidence that a high number of second homes, especially in strongholds of the Welsh language, has a detrimental effect on the number of Welsh speakers and on the viability of the Welsh language as a community language in those areas.

- 3.18 On the other hand, Dr Simon Brooks points out that the assumption that second homes are harmful to the language stems from the perception that they were bought in competition with local Welsh speakers who, as a result of their being unable to buy property, leave the community. Despite this point of view it is noted that:-

"...the linguistic impact of second homes which are currently in use as second homes is relatively neutral as they are normally empty. But the conversion of more dwelling houses into second homes could be very detrimental to the Welsh language as well as being unacceptable from a social justice perspective."

- 3.19 It is, therefore, recognised that a further increase in the number of houses used as holiday accommodation and second homes can have a typical effect, not only on the Welsh language, but in terms of community justice and local people's ability to live and work in the area they were raised.

Relevant Public Consultations

- 3.20 In February 2022, Gwynedd Council undertook a period of public consultation linked to the 'Ardal Ni 2035' project. The intention of the 'Ardal Ni 2035' project is to hold discussions with local communities in order to identify what is important to residents and how they would like to see their area develop over the next 10-15 years. At the end of the engagement work, 13 unique Neighborhood Regeneration Plans will be developed

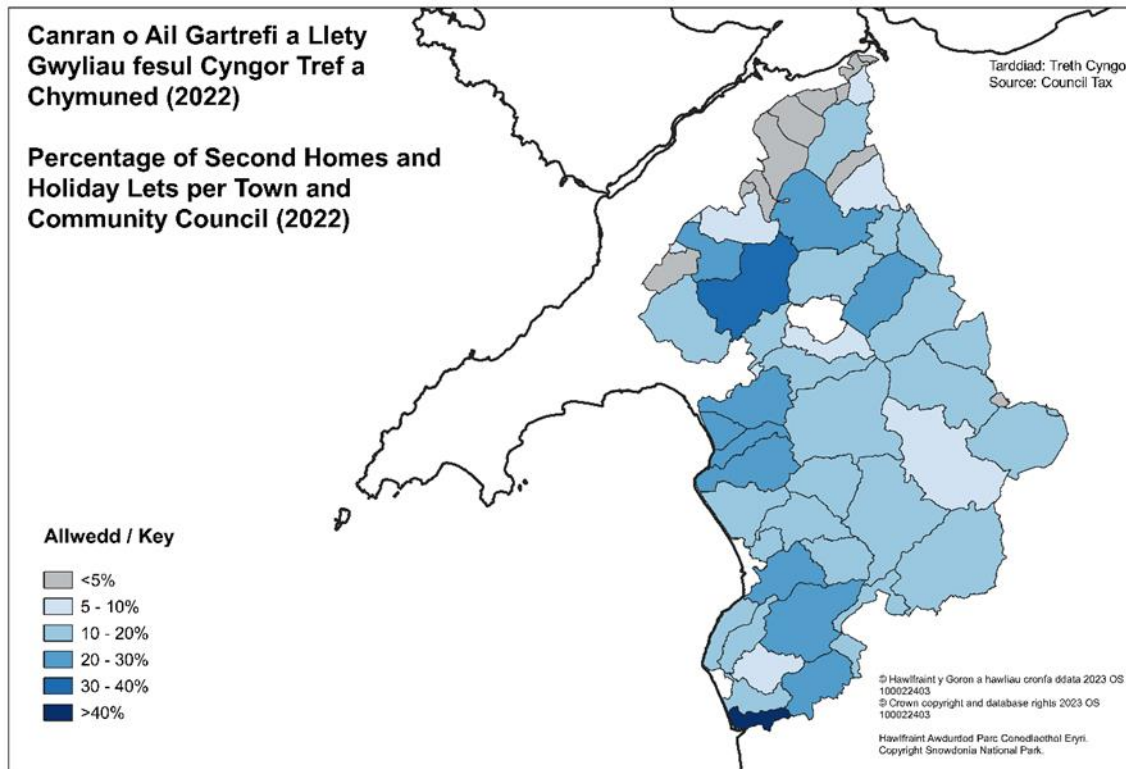
which will reflect the aspirations of Gwynedd's local communities. Initial engagement work linked to 'Ardal Ni 2035' has tried to identify the main issues that are causing concern to communities throughout Gwynedd. Out of the 13 areas, five stated that the lack of affordable housing is the main 'not good' issue about their area. Three of these areas are within, or partially within, the National Park (Bro Dysynni, Bro Ffestiniog, Bro Porthmadog and Penrhyndeudraeth).

- 3.21 In 2018, the Snowdonia National Park Authority held a consultation on Cynllun Eryri. The consultation questions were grouped around three themes - Environment, Health and Wellbeing and Communities and the Economy, which in turn link closely with the core purposes of the National Parks, and together reflect what which makes Eryri a truly unique and special place. As part of the consultation, people were asked to discuss the key challenges and opportunities around these three themes. The findings of the consultation included the desire to investigate support and innovative solutions to the lack of affordable housing to buy and rent, and ownership of second homes was raised as a significant factor affecting housing affordability. The responses expressed real concern about the migration of young people from the area. This was closely linked to impacts on the Welsh language, affordable housing and high quality jobs, and many expressed the view that the focus should be on tackling these issues.

Part 4: Impact Assessment - Primary/quantitative information

Purpose

- 4.1 This section of the report seeks to identify what effects, if any, holiday homes can have on communities, based on primary/quantitative data. Issues related to the impact of holiday homes on communities include:-
- Lack of housing supply to meet local need;
 - Impact on local services, amenities of local residents and the community;
 - Lack of inactive population in order to maintain and support local community facilities;
 - Seasonal work opportunities.
- 4.2 The map below (Map 1), shows the distribution of holiday homes throughout Eryri. We see that areas with rates over 10% represent the majority of the territory of Eryri. There are 34 community councils out of 54 with a rate higher than 10% within, or partly within, the Eryri National Park. Pockets of high rates can be seen, with 12 community councils above 20% distributed across Eryri. These are mainly located along the coast of Arddudwy, Aberdyfi and South West Meirionnydd, the area around Yr Wyddfa and Ogwen, together with Bro Machno. There are several communities along the Northern border of the National Park with rates below 5%. These are mainly mountainous areas with a low number of houses, and therefore they do not contribute substantially to the housing stock. It is emphasised that the information has been mapped on the basis of town and community council areas and that may not reflect the true situation and may hide the true nature of the problem, as some settlements within these areas have much higher levels of holiday home ownership than others.



Map 1: Percentage of second home and holiday accommodation 2022 per Town and Community Council (source, Finance Departments, Cyngor Gwynedd and CCBC))

Impact on House Prices and Affordability

- 4.4 Eryri National Park Authority receives data on house sales from the Land Registry; the data is in the form of all the individual transactions within the Park boundary. Using the house price median reduces the effect of skewing the highest and lowest value purchases. A gradual increase was seen in the median value of house prices between 2014 and 2020, reaching £172,000 in 2020. There was a significant increase to a median of £210,000 during 2021, with a further increase to £222,000 in 2022. Since 2023, house prices have fallen nationally (the median figure for 2023 was not available for the Eryri National Park area when this report was produced). High house prices affect the ability of local people to buy property in their own community.

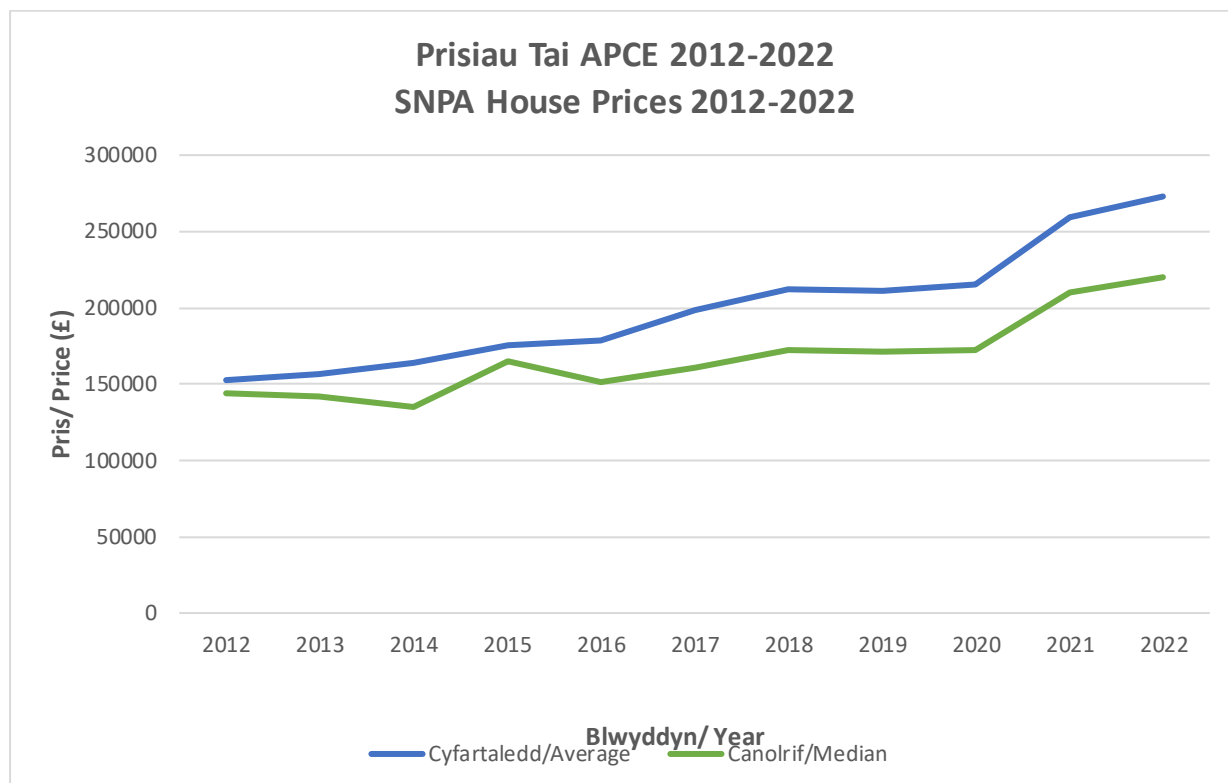
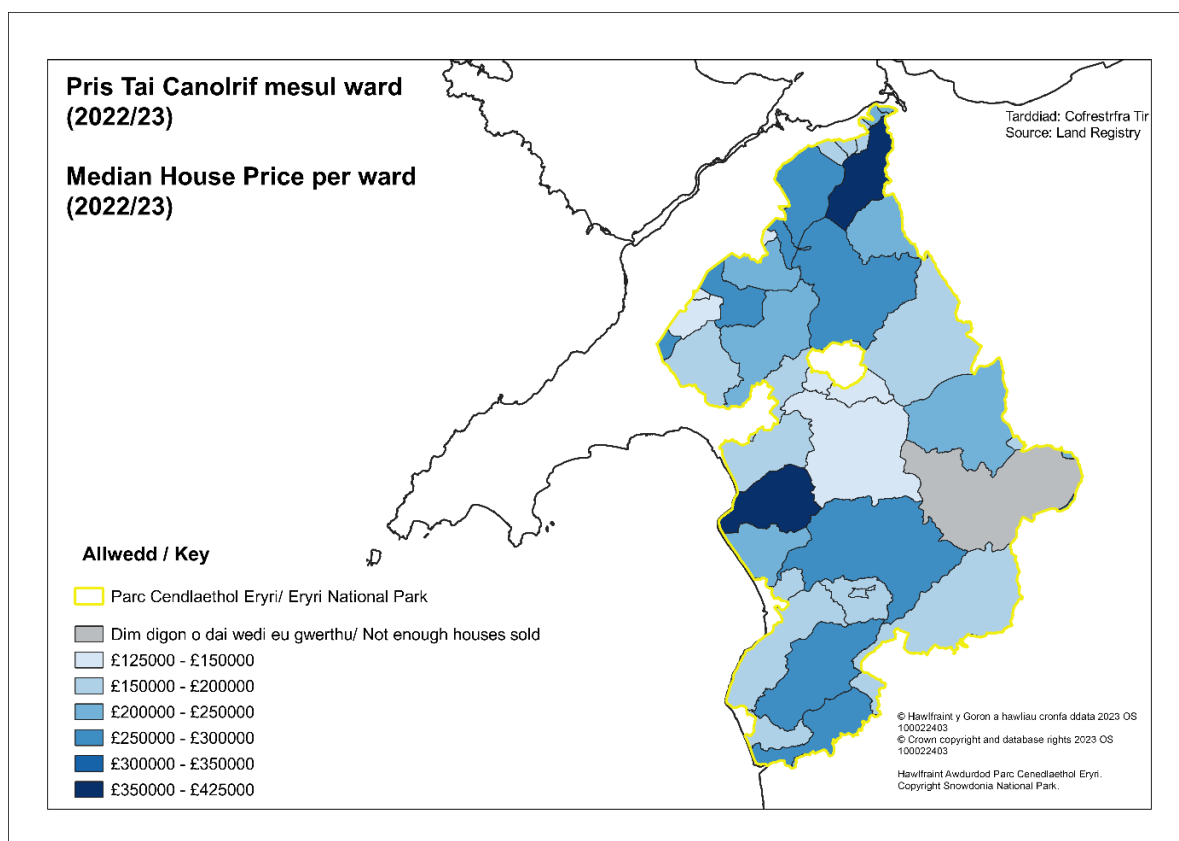


Chart 4: Average and median house prices 2012-2022 (source: Land Registry)

- 4.5 A combination of low-wage rural economies, restrictions on the supply of new housing and external demand for housing are factors which affect house prices and put many local people at a disadvantage in the local housing markets. The map below (Map 3), shows the median house price per ward in Eryri for the financial year 2022/23 (data obtained from the ONS). There is a wide range of prices between £150,000 and £250,000. The median prices are above £250,000 in the wards of Conwy, Waunfawr, Arllechwedd, Betws y Coed, Bryn-crug/Llanfihangel, and Brithdir/Llanfachraeth/Ganllwyd/Llanelltyd. The median price is above £300,000 in Aberdyfi, and above £350,000 in Llanbedr and Caerhun. It must be noted that the sales included here are for one year only, and there may be a low number of sales in some wards.



Map 3: Median house prices 2022/23 (source: ONS)

- 4.6 A significant proportion of prospective first-time buyers are being priced out of the housing market. The Gwynedd and Conwy Local Housing Market Assessments (LHMAs) look further into affordability within Gwynedd and Conwy. Typically, mortgage lenders will give a household a loan that is three and a half times the household's income. By comparing the median house prices against the household's mortgage potential, we are able to calculate the household's lack of ability to purchase property. That does not include any deposit a household may have, but it is an indication of the level of deposit they may need. The situation of lower income households means that even the cheapest property is beyond their reach. There is data on the affordability ratio in the LHMA for Gwynedd and Conwy. Reference is made to rates that use the lowest quartile, in order to better reflect the situation of first time buyers and those on lower incomes (where the ratio of the income of the lowest quartile against the house prices of the lowest quartile is used).

- 4.7 The ratios derived from the Gwynedd and Conwy LHMA's can be seen in the table below (Table 7). The ratio for the National Park is based on 2022 data and provided by Gwynedd Council's Data Department.

	Median Affordability Ratio	Lower Quartile Affordability Ratio
Gwynedd	5.8:1	7.2:1
Conwy	5.9:1	7.6:1
Eryri National Park	6.7:1	8.2:1

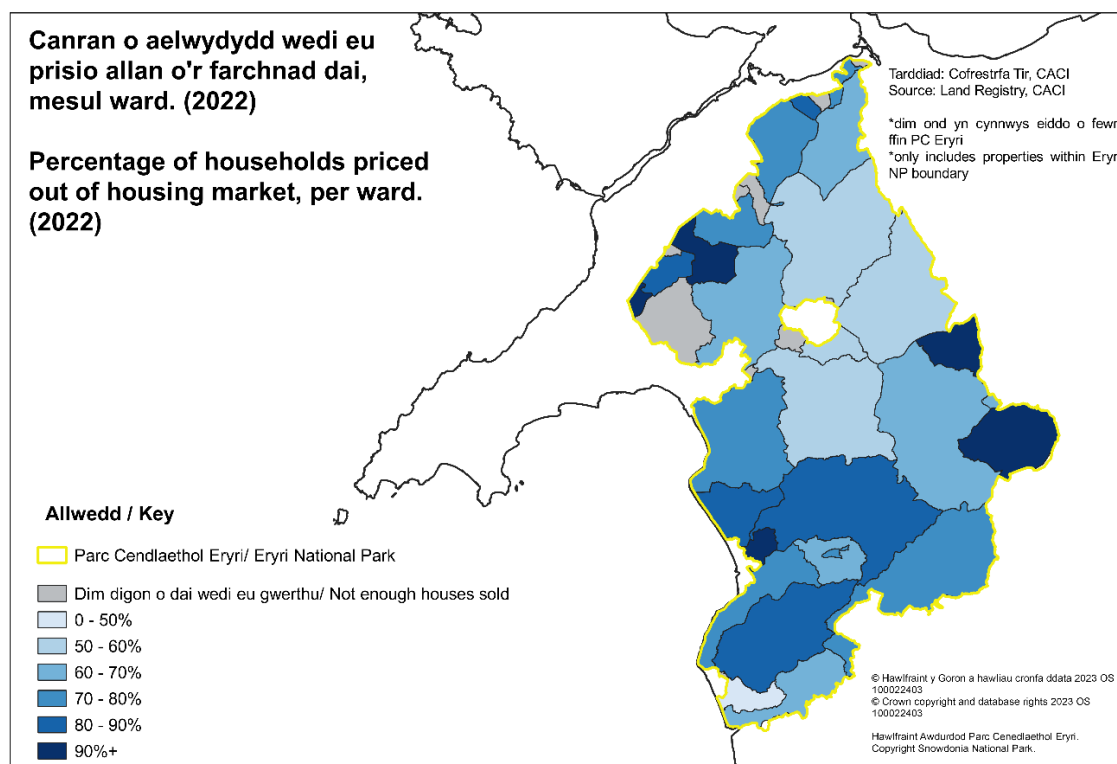
Table 7: Affordability Ratios

- 4.8 The ratio for the Eryri National Park area is higher than the entire counties of Gwynedd and Conwy, but it is recognised that more recent data is used, after house prices have increased. A comparison can also be made with the ratio for the whole of Wales. Conwy LHMA notes that the median ratio for Wales in 2020 was 5.7:1, and the lowest ratio was 7.0:1.
- 4.9 It demonstrates there are profound challenges for first time buyers within Eryri. There are higher ratios than the whole Park ratio in several wards of the National Park (see table 8 below; wards where there were less than five sales are not included as it is a small sample). The ward with the lowest ratio in Eryri is Trawsfynydd with 6:1. Bearing in mind that mortgage lenders generally give loans to households that are three and a half times the households' income (3.5:1), the high ratios in Eryri means that the cheapest houses can be beyond first time buyers.

Ward	Lower Quartile Affordability Ratio
Bro Dysynni	11.2:1
Dyffryn Ardudwy	10.9:1
Brithdir & Llanfachreth/Ganllwyd/Llanelltyd	10.5:1
Arthog & Llangelynnin	10.2:1
Corris & Mawddwy	10.2:1
Arllechwedd	10.0:1
De Dolgellau	9.8:1
Harlech & Llanbedr	9.2:1
Penmaenmawr	8.6:1
Y Bala	8.4:1
Aberdyfi	8.3:1

Table 8: Highest affordability ratios in Eryri National Park wards, (Source: Data Department, Gwynedd Council 2022)

- 4.10 The map below (Map 4), shows the percentage of households that have been priced out of the housing market by ward. Over 50% of households are being priced out of the housing market in every area of Eryri. Wide areas can be seen where over 60%, 70% and 80% have priced out of the market, especially in the Northern and Southern areas. The figure for Eryri as a whole, based on the lowest quartile of income and house prices, is 65.5%.



Map 4: Percentage of households priced out of housing market 2022 (source: Land Registry)

- 4.11 The data regarding the ratio of house prices to affordability clearly shows that there is a housing affordability problem across the Eryri National Park area, with over 50% of the local population being priced out of the housing market in the areas where the ratio is at its lowest.

Impact on rural services

- 4.12 One of the main impacts of houses used as holiday homes, is that that property is no longer available for use by permanent residents. Where there are high numbers of holiday homes, this can mean fewer families in the settlement throughout the year to use services such as schools, public buses and post offices. The lack of constant/regular use of these services is a threat to the viability of the communities. Furthermore, there is a threat that businesses that provide a service to local people will be changed to businesses aimed at the non-resident/tourist population and, along with houses that stand empty for much of the year, this can undermine the sustainability of the community.
- 4.13 Over the years, a number of schools in Gwynedd have closed as a result of a reduction in the number of pupils. Ysgol Gynradd Aberdyfi (where the percentage of holiday homes in the community is 44.59%) closed in 2010.

- 4.14 The table below (Table 9), shows the current school capacity and pupil numbers for primary schools within or in close proximity to the Conwy area of the National Park, compared with projected pupil numbers for 2027. These projections are produced by CCBC Education Services. Their methodology is different to the population projections produced for Conwy's Local Development Plan, as they do not take any in or out migration into account. They also do not take any parental choice into account, and assume new pupils will attend their catchment school. It should be noted that pupil numbers are projected to decrease across Conwy as a whole by 11% during this timeframe due to changes in demographics and an ageing population structure.
- 4.15 All rural schools are projected decline in pupil numbers, with the sole increase projected within the town of Llanfairfechan. Should more dwellings being used as second homes or holiday lets result in the loss of local population due to families having to leave the area, this decrease could be even greater.

Ysgol / School	Current Capacity / Capasiti cyfredol	Unfilled spaces / Heb ei lenwi	Pupil Numbers / Nifer y disgyblion		Change / Newid	
			2022	2027	No / Rhif	%
Capel Garmon	46	29	17	12	-5	-30%
Dolwyddelan	59	31	28	16	12	-43%
Betws y Coed	100	74	26	19	-7	-27%
Ysbyty Ifan	40	12	28	20	-8	-29%
Penmachno	56	16	40	22	-18	-45%
Llangelynnin, Henryd	101	17	84	60	-24	-29%
Dyffryn yr Enfys, Dolgarrog	120	17	103	79	-24	-23%
Capelulo	133		136	120	-16	-12%
Llanfairfechan	92	7	85	93	8	9%
Bro Gwydir, Llanrwst	311	6	305	276	-29	-10%

Table 9: Current and projected school capacities (source CCBC Education Services)

- 4.16 It is acknowledged in the 'Rural education action plan', Welsh Government²¹ that *'There are significant benefits – academic, cultural and social – to learners and communities through the delivery of high-quality education in small and rural schools¹. This can be critical in engaging learners and families from the most disadvantaged backgrounds in rural areas and raising learner aspirations, as well as making a significant contribution to the long-term sustainability of the local community.'* It is, therefore, considered that trying to protect the rural schools and the obvious benefit that derives from them for the wider community is absolutely essential, and that ensuring that there are affordable opportunities for people to be able to live and raise a family within the communities in question is going to contribute to the prosperity of the schools in question.

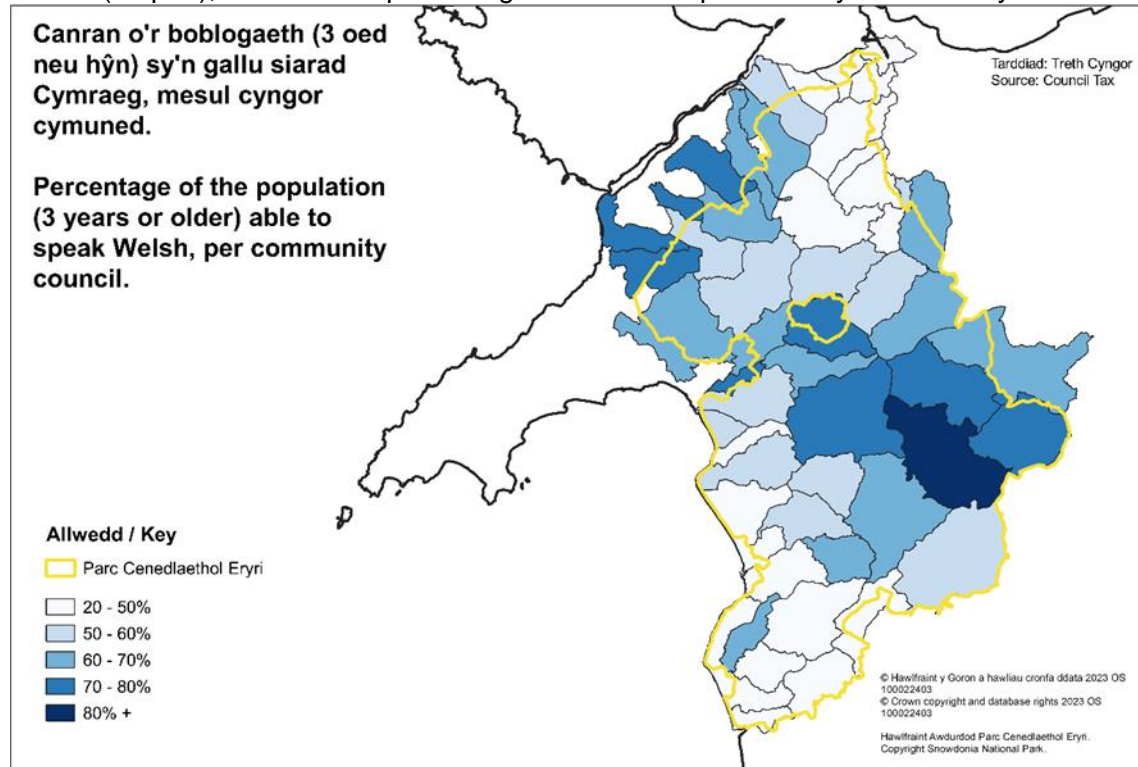
²¹ [Rural Education Action Plan, Welsh Government \(2018\)](#)

- 4.17 Although there is no definitive figure when it is considered that the level/numbers of holiday homes affect the sustainability of a community. As part of their evidence base for their Local Development Plan's housing policies, the Lake District National Park Authority has referred to two reports which address the issue. The first is '*Housing: An Effective Way to Sustain our Rural Communities*' where it states, '*the percentage of second homes should not be more than 20 per cent as this appears to affect the sustainability of any village.*' The second report, '*The Cumbria Housing Strategy 2006/2011*' goes a step further through its 'Balance Indicators', suggesting that the percentage should not exceed 10 per cent.
- 4.18 These reports were used as a basis of evidence to formulate planning policies in the Lake District National Park's Local Plan, in order to try to help reverse the imbalance in the local housing market, by allowing new settlements where they contribute to meeting the local need for identified affordability. In all cases, the policy states that all new houses will be restricted to being the person's main residence.
- 4.19 Based on the Lake District research, the current Supplementary Planning Guidance: Facilities and Accommodation for Tourists, which has been prepared to support the relevant policies within the Gwynedd and Anglesey Joint Local Development Plan, provides guidance as to when it is considered that there is an oversupply of holiday accommodation in an area, meaning that there is no capacity for more. A threshold of 15% is set. That is, in the areas where 15% or more of the existing housing stock is in holiday use, no favorable consideration can be given to applications for new holiday accommodation within the Community/Town/City Council area in question. Two exceptions to this threshold have been identified, namely applications linked to a listed building and an application linked to an established rural enterprise.
- 4.20 The concept of a threshold and that there is a critical point being reached, which has a harmful effect which means the ability to justify the need for intervention, is an important consideration. It is likely that a point is reached where it can be accepted, without a doubt, that the number of second homes and holiday accommodation within communities has a detrimental effect.
- 4.21 It must be remembered that there are areas within a Community/Town/City Council area where there are significant differences in the ownership of second homes and holiday homes. Therefore, using data based on such wide areas does not, probably, convey an accurate picture in all cases.

Impact on the Welsh Language

- 4.22 According to the 2021 Census, 64.4% of Gwynedd's residents are Welsh speakers, and 25.9% in Conwy. The number of Welsh speakers varies within Eryri National Park, with the highest percentage in Llanuwchllyn on 84.1%, and the lowest in the community of Conwy on 26%. There is a relationship between a low percentage of Welsh speakers and a high percentage of second homes and holiday accommodation in several communities, such as the South Western area and the Meirionnydd coast. The map

below (Map 5), shows the percentage of Welsh speakers by Community Council..

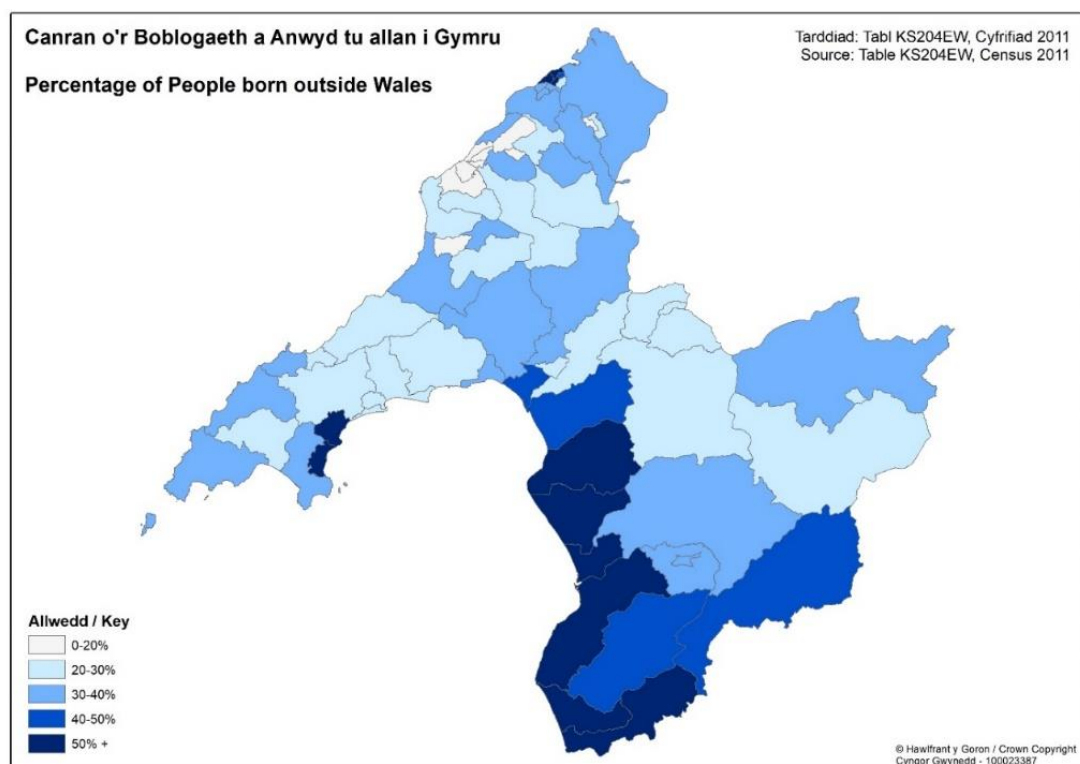


Map 5: Percentage of Welsh speakers 2021 (source: Census 2021)

- 4.23 Although the Census gathers information about the resident population and it is true to say that, similar to house prices, the Welsh language suffers as a result of more people migrating from outside Wales to rural areas, there is a pattern between high levels of holiday home ownership and the ability to speak Welsh. This is likely to be attributed to the fact that there is a reduction in the number of houses available for the local population. As a result, a shortfall in the supply of available housing will lead to higher house prices, resulting in the local population being priced out of the housing market.
- 4.24 In relation to the Welsh language, creating sustainable communities where the Welsh language has been completely immersed within communities and providing and recreating the social context necessary to use the Welsh language as part of society's normal use is essential in order to protect and encourage the growth of the Welsh language.
- 4.25 With the Welsh Government's commitment to reach one million Welsh speakers by 2050, the ability to have better control over the housing stock and, thereby, try to ensure that there is an adequate and affordable provision of housing for local people, is a means of assisting this aim.

Change in the population

- 4.26 At the turn of the century, the problems facing rural communities were rural depopulation and the demise of villages. By now, the general picture is one of increasing wealth, with more people wanting to move to the countryside. With demand higher than supply, it is pushing house prices beyond the reach of many people.
- 4.27 Older people from more affluent areas will have more disposable income for property, either as a full-time home or as a second home, with plans to move into it permanently after retirement.
- 4.28 This has led to young people moving out of the areas and older people moving in. According to the 2011 Census, within the Gwynedd area of Eryri, the areas with over 50% of the population born outside Wales were also areas with a high percentage of holiday homes, from 13% to 43%, which is shown on the map below for Gwynedd only (Map 7).



Map 7: Percentage of people born outside Wales by ward in Gwynedd (Source: Census 2011, ONS)

- 4.29 The table below (Table 10), shows the top five wards in Gwynedd, outside Bangor, with the highest percentage of the population of residents born outside Wales. Bangor wards have not been included in the table as the presence of the University has led to a high population of students, with some having been born outside Wales. We see that four out of five of the wards with the highest percentage are within, or partially within, the National Park. The community councils within these wards have a percentage of holiday homes ranging from 13% to 43%, according to 2023 council tax and non domestic business tax data.

Ward	The percentage of people born outside Wales
Llangelynnin	63.2%
Aberdyfi	59.4%
Tywyn	56.1%
Abersoch (outside National Park area)	55.3%
Dyffryn Ardudwy	52.9%

Table 10: Top five wards in Gwynedd, population born outside Wales.

Part 5: Intervention options

- 5.1 Previously (before the Planning legislation was changed), local authorities' ability to control the housing market, i.e. who occupies houses and the use made of them, was limited to new houses. The new measures that have been introduced through the changes to planning legislation and the intervention options, enable Local Authorities and Local Planning Authorities to respond in a flexible manner to the challenge facing communities and a high rate of holiday homes, in accordance with requirements and the circumstances of specific areas.
- 5.2 It is essential that appropriate consideration is given to all the control measures that can be implemented in order to obtain better control of the use of houses as holiday accommodation and second homes. It is recognised that it is necessary to act on a package of measures to be able to ensure the success of the aim sought to be achieved.
- 5.3 Below, the interventions that are available to Local Authorities and Local Planning Authorities to try to control the use of holiday accommodation and second homes are detailed. Eryri National Park is not a Local Authority, it is a Local Planning Authority, and therefore can only intervene through the use of planning legislation.

Intervention through Planning Policies

- 5.4 Currently, one intervention mechanism where control of residential houses can be sought is by limiting the use made of residential developments where planning permission is necessary. The policies contained in the Eryri Local Development Plan include requiring residential developments, depending on the scale and location of the development, to include affordable housing for local needs.
- 5.5 When appropriate, placing a condition of main residence on new houses could be a means of ensuring that those new houses are not, in turn, used for other purposes, such as a second home/holiday accommodation. The main objective of such a mechanism would be to contribute to tackling any imbalance within specific housing markets within the Plan area and to maintain and strengthen vulnerable communities. It could also help to achieve a wider social policy goal, such as maintaining or strengthening Welsh-speaking communities.
- 5.6 Information available from other planning authorities where a main place of residence policy has been introduced, suggests that imposing a main place of residence condition would mean reducing the price of a property (95% of the equivalent value on the open market) (Northumberland), as it would restrict the use made of it. It is, therefore, noted that such a restriction could be a means of securing lower cost market houses within the housing market. However, as long as they were to live in a property as a main place of residence, it would not be possible to have a restriction on who would buy the property.
- 5.7 As part of the process of preparing a New Local Development Plan, it will be possible to give further consideration to the principle of introducing local planning policy guidance, which would limit the use of houses as a main place of residence. However, in the meantime, the amendments to planning legislation (20 October 2022), which now define specific use classes for a main home (C3), second home (C5) and short-term accommodation (C6), enable the restriction on the use of new houses (C3) by placing a planning condition on permissions, which would remove the permitted development right. It is considered that imposing a condition restricting the use of a residential house/houses as a main dwelling only, along with blocking the development right allowed in order to move from one of the use classes to another, would ensure that there is control over the use of the residential unit, where there is evidence that the control is

necessary. This will also ensure that the residential house meets the need identified for housing during the life of the Plan.

- 5.8 If an Article 4 Direction comes into force in Eryri, the Authority can provide further guidance on the policies of the Eryri Local Development Plan in the context of planning applications for second homes and holiday homes by preparing and adopting Supplementary Planning Guidance.

Financial Intervention

- 5.9 Section 139 of the Housing Act (Wales) 2014²² amends the Local Government Finance Act 1992²³ and enables a billing authority (County Council or County Borough Council) in Wales to remove any reduction given to long-term vacant dwellings and temporarily occupied dwellings and apply a higher amount of council tax (premium). The powers given to local authorities are discretionary.
- 5.10 Since 1 April 2017, local authorities have had the the right to charge a premium of up to 100% of the standard rate of council tax on property where it is nobody's sole or main dwelling and where the property has been furnished (second home) or unfurnished (long-term empty) for over 12 months. The previous Regulations gave the Council discretion to charge full Council Tax, or to allow a reduction of 25% or 50%, to second home classes, and to allow a reduction of 50% (or a reduction at a lower percentage), or no discount at all, on long-term empty properties that have been empty for six months or more.
- 5.11 In April 2018, Gwynedd Council raised a premium of 50% on furnished property (class B) where it was nobody's sole or main dwelling, and 50% on unfurnished and unoccupied property where it was nobody's sole or main dwelling. Since April 2020, the premium rate in Gwynedd has risen to 100% and there was a further increase to 150% in April 2023. In Conwy, the premium was increased to 25% in 2019 and then to 50% in April 2023. There will be a further increase to 100% in April 2024.
- 5.12 The power was introduced for local authorities to increase the maximum premium charged to 300% from 1 April 2023 onwards through the Council Tax (Long Term Empty Dwellings and Dwellings Occupied Periodically) (Wales) Regulations 2022. This change is part of a wider package of changes, announced by the Welsh Government, as part of a wider commitment to tackle the problems of second homes and unaffordable housing facing many communities in Wales.
- 5.13 The discretion given to local authorities to raise a premium was intended to be a means of assisting local authorities to do the following:
- restore the use of long-term empty homes in order to provide safe, secure and affordable homes; and
 - assist local authorities to increase the supply of affordable housing and improve the sustainability of local communities.
- 5.14 Despite the fact that Local Authorities have the power to charge a premium on second homes, and the associated financial disadvantage for the owners of such properties,

22 [Housing Act \(Wales\) 2014](#)

23 [Local Government Finance Act 1992](#)

there is a general concern that properties let as self-catering holiday accommodation transfer to the non-domestic tax system, such as business property. Due to the availability of Small Business Tax Relief on Non-Domestic Taxes, they make no contribution to local taxes. Therefore, the tax income from these properties accumulates at a national level and is lost from the council tax income available to contribute directly to the budgetary requirements of the authorities concerned.

- 5.15 Property is listed for local tax purposes in one of two lists. Domestic property is banded and listed for Council Tax, where all other non-domestic properties have a Rateable Value, which is calculated and placed on the Non-Domestic Tax Rate Schedule (colloquially referred to as Business Taxes). The Rateable Value and description of the property are calculated and determined by the Valuation Office, which is an agency of the Inland Revenue.
- 5.16 Since 1 April 2010 in Wales, property that is commercially available to let as self-catering holiday accommodation can be valued for non-domestic taxes, provided that the Valuation Office Agency (VOA) is satisfied:
 - That it will be available for commercial letting as self-catering accommodation for short periods totalling 140 days or more in the following 12 month period;
 - that the taxpayer's interests in the property enable them to let it for such periods;
 - in the 12 months before the assessment, it has been available for commercial letting as self-catering accommodation for short periods for a total of 140 days or more;
 - the short periods it has been placed in trade have totalled at least 70 days during that period.
- 5.17 From 1 April 2016, the following criterion were added to the criteria:-
 - by businesses that include a number of self-catering properties in the same location or very close to each other, the option to take an average of the number of let dates for the property to meet the criterion of 70 days, where they are let by the same business or related businesses
- 5.18 Since 1 April 2023, these letting requirements for classifying self-contained properties as non-domestic properties have changed. The minimum number of days a property is required to be available for letting in a 12 month period has increased to 252 days and the minimum number of days it is actually required for letting has increased to 182 days.
- 5.19 Non-Domestic Taxes (NDR) have been fully devolved to Wales since April 2015. They are collected by Local Authorities and paid into a national 'pool' which is administered by the Welsh Government. They are redistributed to the Welsh Authorities through the Local Government Settlement formula, based on the population aged 18 and over, regardless of the amount of income raised by each Authority.
- 5.20 On 1 April 2018, a new permanent scheme came into effect from the Welsh Government, which provided business tax relief to eligible small businesses. Eligible businesses must comply with the following requirements:
 - eligible business properties with a rateable value of up to £6,000 will receive 100% relief; and
 - those with a rateable value of between £6,001 and £12,000 will receive tax relief on a tapered basis from 100% to zero

- 5.21 Rateable value is the value assigned to a non-domestic property by the Valuation Office Agency, and is based on the property's annual market rent, size and use. The Valuation Office Agency reviews these values every five years.
- 5.22 Small Business Tax Relief (SBRR) in Wales is fully funded by the Welsh Government and is the largest Non-Domestic Tax Relief scheme operating in Wales. It provides mandated property tax relief in accordance with their rateable value and their broad use category.
- 5.23 The financial taxation implications is one vehicle that can be used in order to gain control of the provision, together with being a means of accumulating funds in order to finance schemes that seek to mitigate the impact of and provide affordable housing within vulnerable communities. It is noted, however, and this point of view is recognised by the Government, that the taxation element is only one vehicle needing to be implemented, in conjunction with a range of other mechanisms in order to ensure their efficiency.

Licensing

- 5.24 On the 9th of January 2024, the Welsh Government announced a plan to introduce a statutory registration and licensing scheme for all visitor accommodation in Wales²⁴. The first step will be a statutory registration scheme for all accommodation providers, which - for the first time - will provide a register of the wide range of visitor accommodation units available across the country and will include details of who operates in the sector, where they operate, and how they operate. Once a registration scheme is fully established, the intention is to follow a licensing scheme for all visitor accommodation units. Initially, this will focus on confirming compliance with safety requirements that visitor accommodation providers should already be meeting, before considering the introduction of quality standards at a later stage.
- 5.25 It is considered that a compulsory licensing scheme would be a means of regulating parts of the industry (such as private accommodation let through user websites) by addressing health and safety concerns and enabling local authorities to better understand how and where short term accommodation operates in their area. Furthermore, by having a compulsory licensing system, it would mean that information is gathered through a single data source in relation to the number of short term holiday accommodation within the authority's area. Having a complete data source would enable better control and clarity in relation to the number and concentration of holiday accommodation in specific areas.

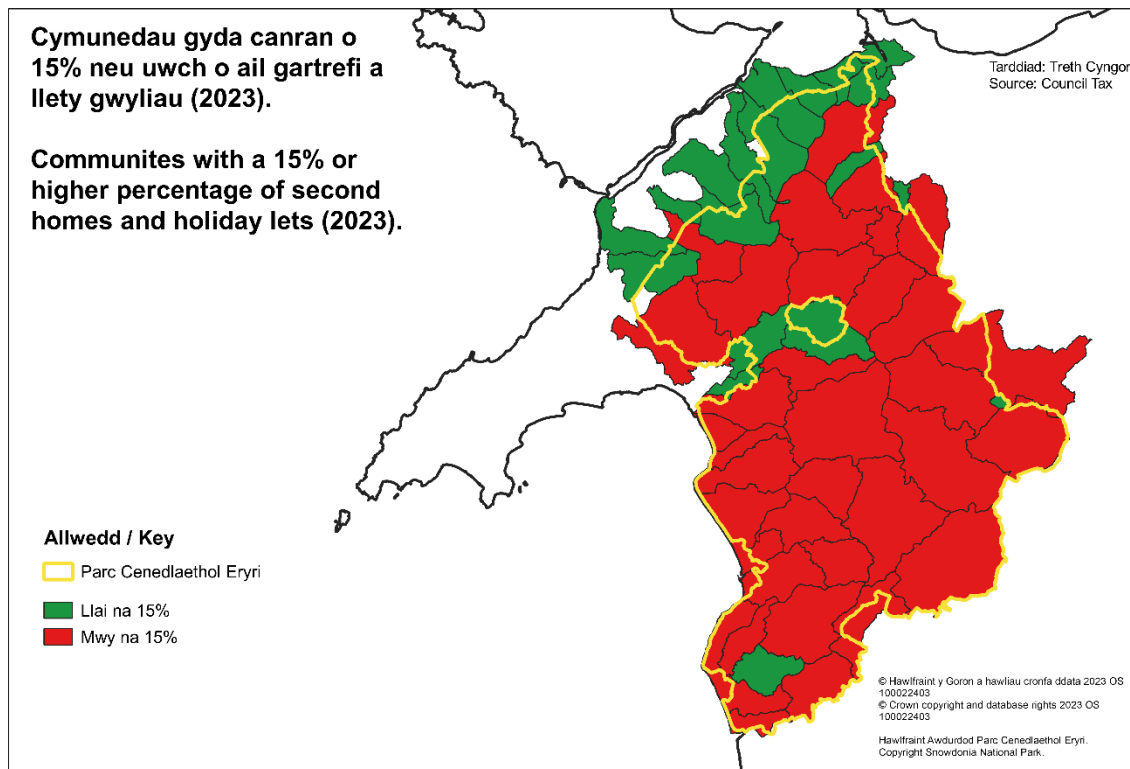
²⁴ [Plans unveiled for statutory registration and licensing scheme for visitor accommodation in Wales](#)

Part 6: Article 4 Direction Area Options

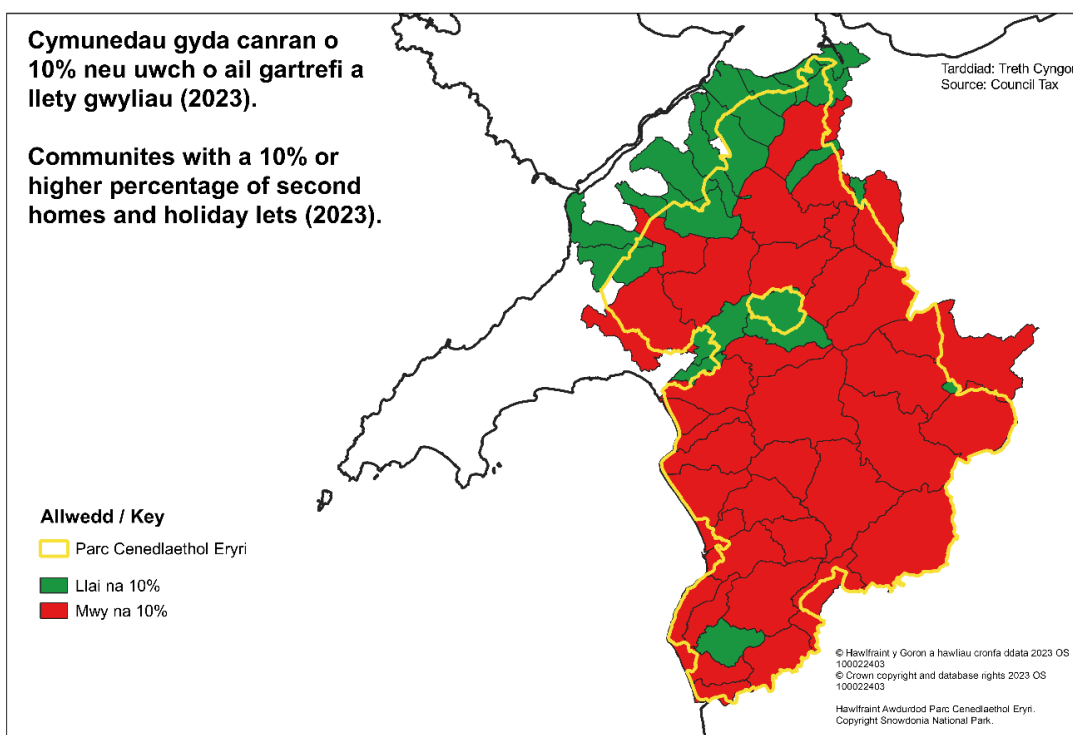
- 6.1 The evidence presented in this report highlights the need to act urgently, in order to try to reverse the side effects of holiday homes on communities and ensure fairness and opportunities for the residents of Gwynedd. With the change in the planning legislation, the power comes from Local Planning Authorities to respond in accordance with the local circumstances and concerns.
- 6.2 There is little guidance from the Government in relation to justifying the implementation of the Article 4 Direction. The legislative guidance in relation to the Article 4 Direction, which comes into effect directly, states that Local Planning Authorities should only consider making Article 4 Directions in exceptional circumstances, when evidence suggests that exercising permitted development rights would have an adverse effect on local amenity or on the process of planning the area appropriately. The same guidance does not exist for following the Article 4 approach, which does not come into effect immediately.
- 6.3 It is considered that there are 3 possible options in terms of areas where it is justifiable to consider implementing the Article 4 Direction, namely:-
- Option 1: Areas where the current provision of holiday homes is more than a specific threshold of the housing stock
 - Option 2: Threshold areas and surrounding communities threatened by encroachment
 - Option 3: All of Eryri (Eryri National Park Local Planning Authority Area)
- 6.4 When considering these options a detailed assessment of the advantages and disadvantages will be carried out. Furthermore, consideration will need to be given to how the intervention will have a positive effect on the communities of Eryri, ensuring that it contributes to the wider objective of introducing the Direction.

Option 1: Community Council Areas in Eryri with a specific threshold

- 6.5 As already stated in part 4, the Lake District National Park Authority has referred to a threshold of 10% when it is considered that the level of holiday homes has an impact on the sustainability of a community. Gwynedd Council in its Supplementary Planning Guideline: Tourism Facilities and Holiday Accommodation, in terms of considering the over-provision of holiday homes in communities, has identified a threshold of 15% as a critical point in terms of the provision of holiday homes which affects the viability and sustainability of those communities. In Gwynedd, this threshold means that applications for holiday accommodation should not be given favourable consideration in a community council area where the current provision of the housing stock used as holiday homes (holiday accommodation and second homes) is beyond the 15% threshold..
- 6.6 The following maps show Eryri's Communities that are beyond a threshold of 15% (Map 7) and beyond a threshold of 10% (Map 8).



Map 7: Town and Community Councils with a percentage of 15% or higher (source: Council Tax and Non Domestic Business Tax)



Map 8: Town and Community Councils with a percentage of 10% or higher (source: Council Tax and Non Domestic Business Tax)

- 6.7 Looking at a map with a threshold of 10%, 35 out of 55 Communities in Eryri are above this threshold. The majority of the communities that are below the threshold (20 communities) are communities that are partly within the Park. The majority of the communities that fall below the 10% threshold follow the Northern boundary of the Park and in areas that have a small number of residential properties within the National Park area.

Conclusion

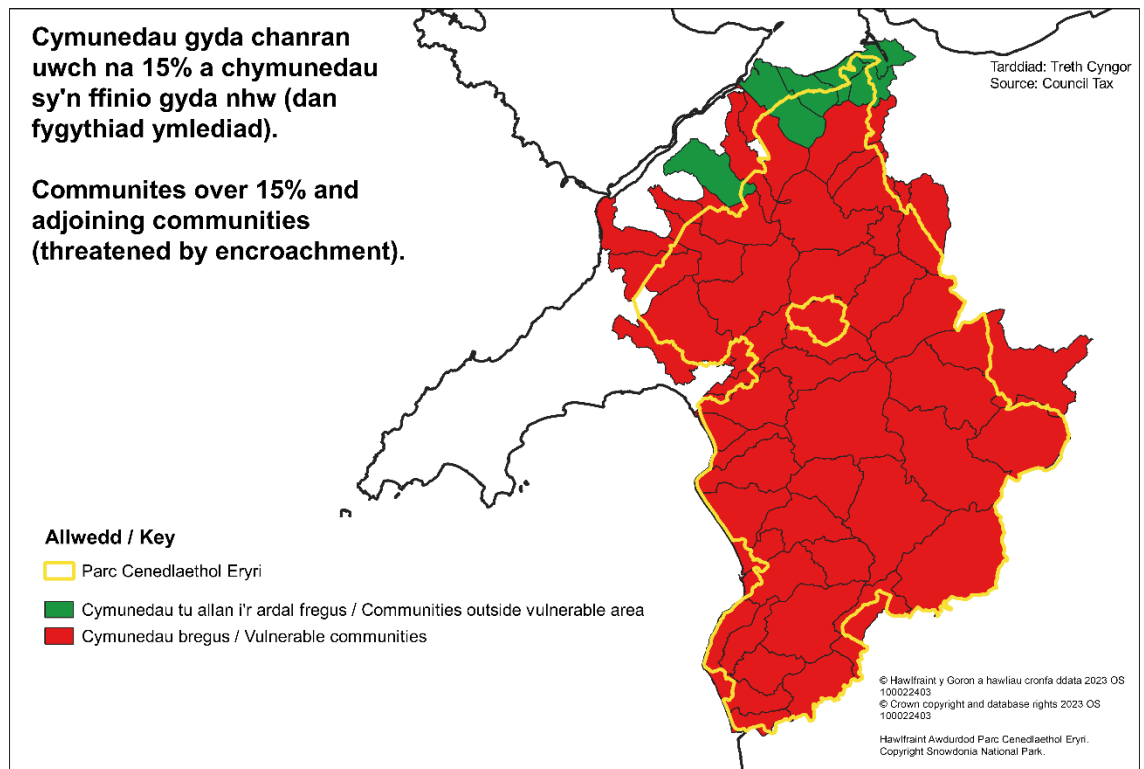
- 6.8 By introducing the Article 4 Direction for areas that are currently under pressure, it is hoped that it would be a means of controlling the housing market within those communities, it is also hoped that the intervention would in turn lead to holiday homes coming back into use as permanent residential houses, contributing to the stock and provision of houses that would be available within a main residential area for the local population. However, it is difficult to predict what the impact of the intervention will be on the wider housing market, but it is considered possible to predict that there would be more demand for holiday homes in those areas that are not facing the intervention. In turn, that would have an impact on the housing market, pushing house prices out of reach for the local population.
- 6.9 Another concern in relation to the implementation of Article 4 for communities with a specific threshold is the fact that the figure and the threshold are based on a specific point in time, for example, there may be an area with provision that is beyond a specific threshold when the Article 4 Direction is implemented, however with time the figure could fall, meaning that the community would be below the threshold. With the changes that are on the horizon in relation to the requirements in order to qualify to pay non-domestic business tax and the possibility of raising the premium for second homes it is expected that there will be a reduction in the number of residential units that will be used for holiday purposes. Due to the procedure and process associated with the presentation of Article 4 Direction, it is not possible to respond quickly to changes in circumstances and therefore it could mean that the intervention is in effect in areas of Eryri where the density is not as high as other areas which are possibly on the rise.

Option 2: Threshold Areas and neighbouring communities (under the threat of encroachment)

- 6.10 The assessment presented above in relation to Option 1 highlights the concerns associated with introducing the Direction for a specific area and the implications/side effect that that could then be having on the surrounding wider area. As you can see from map 8, only 20 communities in Eryri do not reach the threshold of 10%. The majority of the communities that fall below the 10% threshold have also seen an increase in the combined percentage of second homes and holiday lets between 2020 – 2023, meaning that a tipping point is likely to be reached, adversely affecting those communities, in the same way as what has been seen and witnessed in other areas. In addition, there is a high demand locally in some of these communities for action.
- 6.11 As the transfer in use from a residential house to the use of a holiday home (second home or holiday accommodation) can happen easily and as the process of submitting the Article 4 Direction is one where it is necessary to follow a prescriptive procedure and obtain the Authority's approval, it does not enable flexibility and responding quickly to any change in circumstances.
- 6.12 In order to provide some flexibility and to try to predict what the future patterns will be in terms of numbers and the associated threat, it is considered appropriate to assess the

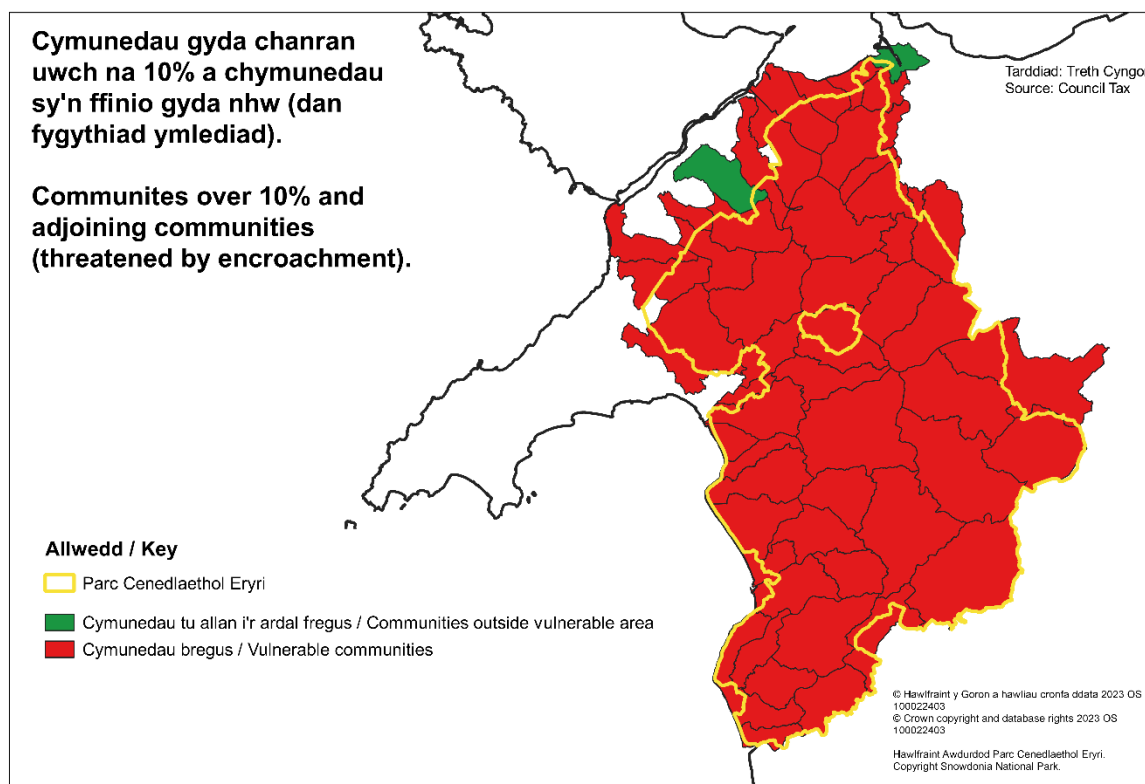
appropriateness of implementing the Article 4 Direction for neighbouring Areas which are also under threat of encroachment.

- 6.13 The maps below highlight the area that would be included as an Option 2 area: Map 9, Threshold Areas 15% and neighbouring communities (under threat of encroachment) and Map 10, 10% Threshold Areas and neighbouring communities (under threat of encroachment):-



Map 9: Areas over 15% threshold and neighbouring communities (source: Council Tax Council Tax and Non Domestic Business Tax)

- 6.13 Looking at Map 9 above, (Threshold areas 15% and neighbouring communities), 49 out of 55 communities have been included. Only 6 communities (Llanddeiniolen, Abergwyngregyn, Llanfairfechan, Penmaenmawr Henryd and Conwy) are not included as communities threatened by encroachment.



Map 10: Areas over 10% threshold and neighbouring communities (source: Council Tax Council Tax and Non Domestic Business Tax)

- 6.15 Looking at Map 10 (Threshold areas (10%) and adjacent communities), only two communities have not been included, namely Conwy and Llanddeiniolen. The areas of these two communities that are within the boundary of the National Park are mountainous, with a low number of domestic properties.

Conclusion

- 6.16 It is considered important to consider the ramifications for neighbouring communities that are under threat of encroachment. The maps have highlighted that the majority of Eryri's communities are under threat and therefore need to be protected. When considering a threshold of 10% and neighbouring communities, only very mountainous areas, with a very low number of residential properties, have been set aside.

Option 3: All of Eryri (Eryri National Park Local Planning Authority Area)

- 6.17 The evidence analysis work, together with the maps under Option 2, has highlighted that the majority of Eryri's communities are vulnerable in terms of numbers of holiday homes and are under threat of encroachment which may affect their viability and sustainability. It is recognised that areas of Eryri that are not included under Option 2 (10% threshold and neighbouring communities), namely the communities of Llanddeiniolen and Conwy, are mountainous areas. Considering the very low number of domestic properties in these communities, including the entire Eryri National Park area would make sense and ensure consistency and protection for all of Eryri's communities.

- 6.18 It is emphasised that the objective of implementing the Article 4 Direction would be to protect the communities of Eryri and the benefits of the people of Eryri, ensuring that opportunities exist for people to be able to live in their communities. Protecting the existing housing stock by controlling use is part of this wider objective.
- 6.19 The lack of certainty regarding the implications of the Article 4 Direction and the lack of ability to be responsive to changes in circumstances causes concern. For example, if the Direction were implemented for a specific area of Eryri alone, there is a chance that that action would have an adverse effect on the neighbouring housing market, as well as the type of side effects mentioned in part 4 of the report. The process of preparing an Article 4 Direction in response to such circumstances would take too much time, considering the need to give 12 months' notice before action can be taken to avoid requests for compensation. It is, therefore, considered that there is a real threat to the housing market and to neighbouring communities.
- 6.20 Protecting Eryri's communities and the long-term ability of the area's residents and future generations to be able to live in Eryri is essential in order to be able to plan ahead for future needs. It is further noted that this handling of introducing the Article 4 Direction across Eryri would ensure that there is no doubt about the geographical area where the intervention is to be carried out and it would ensure that the residents of the entire county are subject to the same intervention/protection.

Part 7: Conclusions

The Preferred Option

- 7.1 As the implementation of the Article 4 Direction in this way is unprecedented, it is not possible to predict or measure the implications that could arise from its implementation. Inevitably, it is likely that intervention by introducing an Article 4 Direction and, therefore, controlling the use made of residential units, would have a (possibly minimal) effect on the value of the property on the open market. Therefore, it is inevitable that the Article 4 Direction would have a similar effect on house prices.
- 7.2 Another effect is the possible increase in the ownership of holiday homes in those areas not restricted by the Direction, meaning that the problem moves from one area to another. This can be a real threat to the communities affected.
- 7.3 Because an Article 4 Direction would revoke the unrestricted ability to use a house for holiday purposes, it is possible that this could have an impact on the tourism sector. However, it is noted that housing already in holiday use when the new legislation was introduced will be defined according to the use and as such the holiday use can continue without any intervention. Further, it is emphasised that the Article 4 Direction would be a control mechanism, not a prevention mechanism. Ensuring that the local planning policy framework is fit for purpose and supports a sustainable tourism sector will be vitally important in considering any future provision.
- 7.4 The current housing situation in Eryri is critical. On average, 65.6% of the population have been priced out of the housing market. It was noted in Part 1 of the paper that a number of national and local policy guidance and strategies attempt to address the lack of provision of affordable housing and people's ability to live in their communities, reversing the social inequality that currently exists.
- 7.5 It was highlighted in Part 4 that there is a relationship between the provision of holiday homes and affordability. It is, therefore, considered reasonable to conclude that the provision of holiday homes is one of the factors that contribute towards affordability problems in communities and people's ability to own houses.
- 7.6 Cyngor Gwynedd and Conwy Council's commitment to respond to the challenges facing communities with a high density of holiday homes is reflected in the approach in terms of the taxation procedure. Following the power to be able to increase the Council tax premium by up to 300% from April 2023 onwards, Cyngor Gwynedd increased the premium rate from 100% to a rate of 150%. Conwy Council increased the rate of the premium from 25% to a rate of 50% in April 2023, and there will be a further increase to 100% in April 2024. This decision is justified after considering local factors affecting the housing market and the availability of homes (specifically second homes and holiday accommodation). For Cyngor Gwynedd, increasing the premium means that it is possible to finance a range of projects in the Council's Housing Action Plan.
- 7.7 The Authority is aware that Gwynedd Council has placed an Article 4 Directive 'Notice' for the Gwynedd Planning Authority Area (which is the area of Gwynedd that is outside Eryri National Park); if confirmed, it will come into effect in September 2024. Conwy Council is considering introducing Article 4 within their Local Planning Authority Area; it has not yet been through the political process. Introducing the Article 4 Direction would ensure consistency and avoid encroachment to communities on the boundary. By introducing Article 4 Direction for the whole area and working closely with Gwynedd and Conwy Councils, it ensures that the amenities of the residents of the two counties are protected as well as ensuring that the vision and objectives of a range of relevant strategies and policies receive consideration when assessing the appropriateness of the

prospective development (in accordance with local planning policy guidance). It is further noted that this approach of introducing Article 4 Direction across Eryri would ensure that there is no doubt about the geographical area where the intervention is to be carried out and it would ensure that all residents are subject to the same intervention/protection.

- 7.8 Following the analysis of the options discussed in Part 6 of the paper, it is noted that the preferred option in terms of introducing the Article 4 Direction is **Option 3: All of Eryri (Eryri National Park Local Planning Authority Area)**. It is hoped that, by acting in this way, it will protect the vulnerable communities of Eryri in terms of their social, economic and cultural sustainability.

Approach of the Article 4 Direction

- 7.9 Procedures set out in legislation must be followed when introducing and implementing an Article 4 Direction. The procedure is set out in the Town and Country Planning Act (General Permitted Development) 1995 as amended. In accordance with the recent amendment to the relevant legislation, it is possible to present two types of Article 4 Direction, namely:-
- A Direction that comes into force directly, which means that the Article 4 Direction comes into force before public consultation.
 - A Direction that does not come into force directly, which means that there is a public consultation before the Article 4 Direction comes into force.
- 7.10 It is considered that there are advantages and disadvantages associated with both approaches. It is emphasised that the right to compensation payable in relation to the Article 4 Direction, which comes into force directly, is a significant risk for the Authority. In accordance with the need to avoid having to pay compensation, it is considered that the option of implementing an Article 4 Direction, which does not come into force directly and which will include a notice 12 months before the Article 4 Direction comes into force (which revokes the right to compensation), is the appropriate option to take in order to protect the Council's interests.

Scope of the Article 4 Direction

- 7.11 In order to protect the communities of Eryri and ensure that the housing stock is not lost without control to holiday use, it is considered appropriate that the Article 4 Direction removes development rights that allow a change of use from use class C3 to C5 and C6. Similarly, in order to facilitate the ability for second homes and short-term holiday accommodation (which are not restricted through planning rights) to transfer back to the housing stock, it is not considered appropriate to interfere with the ability to do so by introducing the Article 4 Direction. The unrestricted transfer of C5 and C6 to C3 use will, therefore, be able to continue.
- 7.12 The following table (Table 11), presents information in terms of the scope of the Article 4 Direction and the permitted development rights intended to be revoked:-

Use Class	Use Class Proposed change	Restriction by way of Article 4 Direction?	Explanation
Class C3 (Dwellinghouses used as sole or main residences)	Class C5 (Dwellinghouses, used otherwise than as sole or main residences)	✓	In order to protect and gain control of the existing housing stock.
	Class C6 (Short-term lets)	✓	In order to protect and gain control of the existing housing stock.
	Mixed use combining Class C3 (Dwellinghouses used as sole or main residences) with Class C6 (short-term lets)	✓	In order to protect and gain control of the existing housing stock.
	Mixed use combining Class C5 (Dwellinghouses, used otherwise than as sole or main residences) with Class C6 (short-term lets)	✓	In order to protect and gain control of the existing housing stock.
Class C5 (Dwellinghouses, used otherwise than as sole or main residences)	Class C3 (Dwellinghouses used as sole or main residences)	×	Need to encourage the transfer back to use as a main place of residence.
	Class C6 (short-term lets)	✓	Need to consider the current provision of holiday accommodation and consider the impact of the proposal on the amenities of nearby residents.
	Mixed use combining Class C5 (Dwellinghouses, used otherwise than as sole or main residences) with Class C6 (short-term lets)	✓	Need to consider the current provision of holiday accommodation and consider the impact of the proposal on the amenities of nearby residents.
	Mixed use combining Class C3 (Dwellinghouses used as sole or main residences) with Class C6 (short-term lets)	✓	Need to consider the current provision of holiday accommodation and consider the impact of the proposal on the amenities of nearby residents.

Use Class	Use Class Proposed change	Restriction by way of Article 4 Direction?	Explanation
Class C6 (short-term lets)	Class C3 (Dwellinghouses used as sole or main residences)	×	Need to encourage the transfer back to use as a main place of residence.
	Class C5 (Dwellinghouses, used otherwise than as sole or main residences)	✓	In order to try to ensure that there is control of the use, and to encourage the transfer to use as a main place of residence.
	Mixed use combining Class C3 (Dwellinghouses used as sole or main residences) with Class C6 (short-term lets)	×	Need to encourage the transfer back to use as a main place of residence.
	Mixed use combining Class C5 (Dwellinghouses, used otherwise than as sole or main residences) Class C6 (short-term lets)	✓	In order to try to ensure that there is control of the use, and to encourage the transfer to use as a main place of residence.
Mixed use combining Class C3 (Dwellinghouses used as sole or main residences) with Class C6 (short-term lets)	Class C3 (Dwellinghouses used as sole or main residences)	×	Need to encourage the transfer back to use as a main place of residence.
	Class C5 (Dwellinghouses, used otherwise than as sole or main residences)	✓	In order to try to ensure that there is control of the use, and to encourage the transfer to use as a main place of residence.
	Class C6 (short-term lets)	✓	Need to consider the current provision of holiday accommodation and consider the impact of the proposal on the amenities of nearby residents.
	Mixed use combining Class C5 (Dwellinghouses, used otherwise than as sole or main residences) Class C6 (short-term lets)	✓	In order to try to ensure that there is control of the use, and to encourage the transfer to use as a main place of residence. Further, there is a need to consider the current provision of holiday accommodation and

Table

Use Class	Use Class Proposed change	Restriction by way of Article 4 Direction?	Explanation
			consider the impact of the proposal on the amenities of nearby residents.
Mixed use combining Class C5 (Dwellinghouses, used otherwise than as sole or main residences) Class C6 (short-term lets)	Class C3 (Dwellinghouses used as sole or main residences)	×	Need to encourage the transfer back to use as a main place of residence.
	Class C5 (Dwellinghouses, used otherwise than as sole or main residences)	✓	In order to try to ensure that there is control of the use, and to encourage the transfer to use as a main place of residence.
	Class C6 (short-term lets)	✓	Need to consider the current provision of holiday accommodation and consider the impact of the proposal on the amenities of nearby residents.
	Mixed use combining Class C3 (Dwellinghouses used as sole or main residences) with Class C6 (short-term lets)	×	Need to encourage the transfer back to use as a main place of residence.

Table 11: Revocation of Permitted Development Rights