



October 2021

Dear Constituent,

Thank you for contacting me about second homes.

I understand the concerns you have raised about second homeownership and I recognise that second homes can be an issue in some parts of the country. Second homes are liable for council tax, subject to any discounts which the council may apply locally. The requirement for local authorities to offer a discount on second homes was removed by the Government in 2013, enabling them to charge the full rate of council tax. This is the case irrespective of whether they are occupied or not. It is of note that 95% of properties that are classed as second homes are charged the full rate of council tax.

I am not aware of any plans at present to introduce a separate Second Homes Tax. Unlike primary residences, second homes do not benefit from Capital Gains Tax relief and therefore a Capital Gains Tax charge generally arises where a second home is sold at a profit.

In England, a property may be registered as a holiday let – and therefore assessed for business rates rather than council tax – only if it is available for short-term let for 140 days or more a year. Where a property is used for non-domestic purposes, it is for the Valuation Office Agency to determine whether it should be liable for council tax or business rates.

Holiday lets contribute to the economy, create jobs, increase tourism and are generally a good use of housing. Nonetheless, there are concerns that owners of some properties that are not genuine businesses reduce their tax liability unfairly by declaring that a property is available to let, while making no sincere effort to let it out. I am therefore pleased that the Government has announced that it will legislate to strengthen the self-catering accommodation criteria for business rates to rectify this issue.

The Department for Levelling Up, Housing and Communities, formerly the Ministry of Housing, Communities and Local Government, consulted on this criteria and is currently considering responses. I look forward to reading the full consultation response, which I understand will include details of changes and implementation.

Thank you again for taking the time to contact me.

Yours faithfully,

**CHRIS HEATON-HARRIS MP**  
**MEMBER OF PARLIAMENT FOR DAVENTRY**