



Land &  
Property  
Services  
Seirbhísí  
Talún agus  
Maoine

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Councillor Leanne Peacock

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Your ref:

Our ref: CX/23/584/A

Date: 23 November 2023

Dear Leanne,

**RE: RATING OF SECOND HOMES**

Thank you for your letter dated 16<sup>th</sup> November 2023 relating to the rating of second homes. You have referred to the possibility of charging an additional levy on properties used as second or holiday homes (applied in some areas of Great Britain as part of the council tax system) as well as the charging of non-domestic rates on AirBnB properties.

This matter has been raised in the past, as far back as 2007 when, as part of the Executive's review of domestic rating, consideration was given to applying a levy on second or holiday homes. However, the option was ultimately ruled out on the basis that it would be easy to evade, impossible to vet at reasonable cost and would be unlikely to make any difference to the decisions taken by the investors seeking second homes. As a result, the Executive decided not to recommend any change in this area of rating policy. In November 2021, Department of Finance Minister, Conor Murphy, was asked a similar question and advised that as the same rationale still applied, he had no plans to revisit the policy at that time.

I must clarify that new policies are a matter for the Executive, and as such at this time no new policies can be taken forward. However, I would direct you to two consultations recently launched by DoF and would urge you to consider submitting a response. It will be a matter for an incoming Executive to decide which policies will be taken forward, so this is the most direct route for raising the council's concerns and tabling options around raising a levy. Full details on both consultations are available at these links:

[Consultation on financial context for revenue raising - NI Direct - Citizen Space](#)

[Consultation on Non-domestic and Domestic rating measures to support budget sustainability by raising additional revenue | Department of Finance \(finance-ni.gov.uk\)](#)

I have recently written to a wide range of stakeholders to encourage responses to the consultations, including the Chief Executive of Causeway, Coast and Glens Borough Council, David Jackson.

Finally, and only for clarification, there are often comparisons drawn between the council tax system in GB and the rates system here. They are broadly similar in that they use property values to raise a tax but there are important differences between the systems and even within jurisdictions.

In Northern Ireland non-domestic rates are already charged on properties used for self-catering accommodation but second homes are valued in line with domestic rates. Second homes are charged the same rates as sole or main residences. In Wales the power to charge a levy on second homes is a discretionary power for each individual Welsh council and, where agreed can be charged at up to 300% on a second home. Whereas in both England and Scotland, both jurisdictions are currently considering the option of introducing a discretionary levy of up to 200%.

I am sorry I can not offer more to address your concerns but I look forward to receiving council's responses to the consultation exercises.

Yours sincerely



**SHARON MAGEE**  
**Director of Rating Policy Directorate**