



# The future of Welsh-speaking communities

## CIH Cymru inquiry response

This is a response to the Commission for Welsh-speaking communities request for evidence on how to strengthen Welsh-speaking communities through housing policy.

### 1. Introduction

Second Homes and holiday homes in Wales and their perceived impact on the Welsh speaking community in Wales is a deeply polarising issue. The data from the 2021 Census puts second home use across Wales as 5.2%. Ceredigion has the highest proportion of second homes at 10.2% and 45.3% of the population speak Welsh. Gwynedd has the highest proportion of Welsh speakers at 64.4% and second homes make up 7.5% of homes in the county. Whilst we welcome the legislative changes to tackle the issue of second homes to both safeguard Welsh speaking communities and increase housing supply, we also see the second homes issue being one consequence of the housing crisis in Wales.

In addressing this we recognise and strongly welcome the ongoing financial commitment by Welsh Government to meet its target of delivering 20,000 low carbon social homes. Welsh Government has allocated £330m for Social Housing Grant (SHG) in 2023/24 and £325m in 2024/25. In addition, there is a commitment from Welsh Government to publish a white paper on the right to adequate housing in Wales.

Yet this commitment to tackle second homes and provide more social housing needs to be part of a whole system approach to housing. [Tyfu Tai's research Right place, right home, right size](#) highlighted that sufficient housing supply is only part of the solution. The additional homes provided need to meet locality requirements. Something that should be considered if we wish to use housing policy to help strengthen Welsh speaking communities.



## 2. **Insights from the sector**

The following reflections are drawn from our own research and engagement with our members.

### ***Impact on housing supply and demand***

Our members recognise the differences seen across Wales in the access to affordable housing. They highlighted second homes and holiday accommodation as particularly problematic in some areas as highlighted in [Tyfu Tai's Joining the Dots 3](#).

Some members have also highlighted the impact of private landlords moving their properties to Air BnB as this often provides a more lucrative income for them. This issue seems to be more prevalent in tourist areas. This emerging trend together with existing second homes and holiday lets is reducing housing options available to local people. It is also driving up costs in both the sale and rental area. The increasing costs in the private rent sector are having the biggest impact recently with [recent research](#) finding that only 3.8% of properties are fully covered by the Local Housing Allowance. This means that many households are being priced out of their local area which in turn could result in a negative impact on Welsh speaking communities.

Our [Tyfu Tai research Time to refocus](#) looking at the allocation of social housing in Wales highlighted the local lettings approach undertaken by some rural housing providers. This enables people with a link to a community to be prioritised when allocating housing in that area. Wider use of these policies in Welsh speaking communities could help strengthen Welsh speaking communities as supply of social housing in these areas is increased.

***The reliance on the tourism sector*** as a major source of employment within many communities where there are second homes and holiday lets. The tourism sector also contributes a significant amount of money to the Welsh Economy. The sector also provides employment in rural areas. This has resulted in a tension between a need to reduce the number of second homes and the potential loss of income this would cause due to a lack of alternative employers.

Grwp Cynefin has set up an enterprise centre in Botwnnog which links new homes with employment and the Welsh language. There is a need to attract



good quality permanent jobs outside of the tourism sector to enable young people to access housing in their local area.

There is a need for a wider whole system approach to improving supply of affordable housing and alternative employment opportunities building on good practice already developed in Welsh speaking areas.

**Community cohesion** was also cited as a key issue. Our members who work in areas where the prevalence of second homes is high the following impacts could be seen:

- Challenges in filling school spaces
- A reduction in the number of people speaking and using the Welsh language
- People feeling more isolated or less connected to their local community

Some of our members highlighted the role many Housing Organisations play in aiding community cohesion through their community engagement teams. Housing Organisations also work in partnership with other organisations to develop initiatives such as community land trusts and provide dedicated support for our rural communities. Housing Organisations such as Registered Social Landlords are key anchor organisations and have a vital community development role. We can use these existing community links as a basis to improve community cohesion in Welsh speaking areas.

**The taxation powers** provided to local authorities in terms of increasing the level of council tax charged on second homes is widely seen as a positive measure. It was noted by a number of our members that at its lower levels, the additional charge is not going to reduce the amount of second homes (it was felt that owners were able to absorb a small increase) overall but does provide an additional revenue stream to invest in housing within a local area. Linked to this, we believe it is key that regardless of the additional charge being levied on second homes it is vital that local authorities ensure the revenue gained goes back into housing related activities especially the development of affordable homes. Though we acknowledge that this commitment may be difficult going forward due to inflationary pressures on Local Authority budgets.



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