

Mid Sussex District Council

Empty Homes and Second Homes

Council Tax Policy

March 2025

Approved by _____

Contents

1. Background	2
2. Aims and Objectives	2
3. Empty Homes	2
3.1 Definition.....	2
3.2 Premiums	3
4. Second Homes	3
4.1 Definition.....	3
4.2 Premiums	4
5. Exemptions	4
6. Exceptions.....	4
6.1 Military Accommodation (Class E).....	4
6.2 Annexes (Class F)	5
6.3 Properties for sale (Class G) or let Class F).....	5
6.4 Properties which have undergone probate (Class I).....	6
6.5 Job Related Dwelling (Class J)	6
6.6 Caravan Pitches and Boat Moorings (Class K)	7
6.7 Seasonally occupied properties (Class L)	7
6.8 Empty Properties undergoing structural repair (Class M)	7
7. Holiday lets and Self-Catering Properties	8
8. Liability for more than one property.....	8
9. Hardship	8
10. Support to bring Empty or Second Homes back into use	9
11. Disputes.....	9

1. Background

The council tax system allows councils to charge higher rates of council tax on properties that have been “unoccupied and substantially unfurnished” for certain periods of time. The aim of this is to encourage owners to bring empty properties back into use.

This provision dates from 2013. Further legislation was passed in 2018 extending the maximum additional charges.

The law sets a maximum charge that a council can make which is referred to as a premium. For instance, after a property has been “unoccupied and substantially unfurnished” for two years, an authority in England can charge up to 200% of the normal council tax bill. Full details of the charges can be found in section 3.2

The amount of the empty homes premium is based on the normal council tax band of the property. The band itself is not affected by the empty homes premium.

The Levelling Up and Regeneration Bill 2022-23 changed the two-year limit to one year. It also introduced a power to set an empty homes premium to “substantially furnished” properties that have no permanent resident. This covers properties that are used as second homes by their owners

2. Aims and Objectives

Mid Sussex District Council cares about its residents. The purpose of this policy is not to unfairly penalise those who have a second home or an empty property that they have an intention to occupy, sell or rent, but to increase the number of available properties to those who are currently unable to rent or buy in the area due to the lack of available housing.

3. Empty Homes

3.1 Definition

Empty homes are classed as those which are 'unoccupied' and 'substantially unfurnished'. Periods of six weeks or less when the property is occupied/furnished are disregarded for the purposes of calculating the two-year period for the empty homes premium.

'Substantially unfurnished' is not defined in council tax legislation but is used for the purposes of the empty homes discount regime and the empty homes premium (Section 11A & 11B of the Local Government Finance Act 1992).

3.2 Premiums

Unless an exemption applies, the Council will charge a premium on all properties that have been unoccupied and unfurnished. The following Council Tax charges apply up to 31st March 2025:

100% - empty for less than 2 years

200% - empty for 2 years or more

300% - empty for 5 years or more

400% - empty for 10 years or more

From 1st April 2025, unless an exemption applies, the Council will charge a premium on all properties that have been unoccupied and unfurnished for more than 1 year, therefore, the following Council Tax charges will apply:

100% - empty for less than **1 year**

200% - empty for 1 year or more

300% - empty for 5 years or more

400% - empty for 10 years or more

The time frame applies to the property, not the ownership; if you purchase a property that has been empty and do not intend to move in immediately you may be liable for the increased charge.

4. Second Homes

4.1 Definition

Second Homes are properties which are not considered to be anyone's sole or main residence, but are furnished to a standard that it could reasonably be expected to be lived in. It would normally contain some, if not all, items from both of the following categories: furniture such as bed, chairs, table, wardrobe or sofa, and white goods such as fridge, freezer, or cooker.

4.2 Premiums

From 1st April 2025, unless an exemption applies, the Council charges a premium on all properties that are classed as second homes. Properties will be subject to a 200% charge.

5. Exemptions

The council tax system provides specific statutory exemptions for properties left empty for a specific purpose. Council tax is not levied on such properties and therefore a premium can not be applied.

There are a number of exemptions in place for unoccupied dwellings, including:

- Where the resident has died for up to 6 months after grant of probate or letters of administration
- Where the resident is in long-term residential care or hospital
- Where the resident is living elsewhere to provide personal care

Full details of all exemptions available can be found on our website [Council Tax Exemptions - Mid Sussex District Council](#)

Reviews will regularly be conducted on properties that are exempt, but it is the responsibility of liable person to inform the Council of any changes.

6. Exceptions

Under the Council Tax (Prescribed Classes of Dwellings and consequential amendments) (England) Regulations 2024, the Government has prescribed classes of dwellings which are exempt from the empty home and second homes premium.

6.1 Military Accommodation (Class E)

A dwelling which would otherwise be the sole or main residence of a member of the armed services, who is absent from the property as a result of such service has been exempt from the long term empty premium since its inception and from 1st April 2025 has been extended so that the exception from the premium now also applies to second homes.

6.2 Annexes (Class F)

A dwelling, which forms part of a single property that is being treated by a resident of that property as part of the main dwelling (i.e. annexes) has been exempt from the long term empty premium since its inception and from 1st April 2025 has been extended so that the exception from the premium now also applies to second homes.

6.3 Properties for sale (Class G) or let Class F)

A 12-month exception to both the empty and second home premiums applies to properties that are actively marketed for sale or let. These exceptions apply from the point when the property is first marketed for sale or let until the end of the exception period or until the property is no longer actively marketed, sold, or let (whichever is sooner).

To be considered actively marketed the property must be clearly advertised for sale or let at a fair market value with no artificial barriers on the property to prevent sale or let.

The following conditions apply to this exemption:

- The same owner may only make use of the exception for a particular marketed dwelling once
- The exception may be used again for the same dwelling if it has been sold to a new owner
- The same owner may make use of the exception for dwellings marketed for let several times, however only after the dwelling has been let for a continuous period of at least 6 months since the exception last applied.

Where individual cases that merit a longer exception period, or a higher level of discount, councils can exercise their discretion to extend exception by way of an exceptional hardship payment under Section 13A of the Local Government Finance Act 1992.

In taking circumstances into account, it will also be considered that the liable party may be able to pay in the longer term once the property has been sold or let and therefore may uphold the premium but hold recovery action for a reasonable amount of time to allow planned sales or rental agreements to complete.

Mid Sussex District Council understands that there can be issues around the sale of retirement properties including age restrictions on who can live in the property and high service charges, and that this can be a lengthy process through no fault of those trying to sell. Therefore, where a property falls into one of these schemes and is actively marketed for sale by the executor no premium will be charged on the property. The premium will still apply after 12 months where the liable party is the developer, manager or other commercial owner of the property.

6.4 Properties which have undergone probate (Class I)

When a property becomes empty after the death of the owner, the property is exempt from Council Tax for as long as it remains unoccupied and has not been sold or transferred to someone else until 6 months after probate is granted (or letters of administration have been issued) (Class F exemption).

However, the full Council Tax due will need to be paid by the executors of the estate at the end of this period.

Inherited properties also have a 12-month exception from the empty and second home premiums after probate or letters of administration have been granted. The property will be liable for the standard rate of council tax once the class F exemption has ended; but a premium cannot be levied for a 12-month period following the date of death of the owner.

Where there are cases that merit a longer exception period, or a higher level of discount, councils can exercise their discretion to extend exception by way of an exceptional hardship payment under Section 13A of the Local Government Finance Act 1992.

In taking circumstances into account, it will also be considered that the liable party may be able to pay in the longer term once the property has been sold and we may therefore decide to hold recovery action for a reasonable amount of time to allow planned sales to complete.

6.5 Job Related Dwelling (Class J)

Properties which are provided by a person's employer for the purpose of performing their work, who have liability for Council Tax in another dwelling which is classed as their main home, are defined under [The Council Tax \(Prescribed Classes of Dwellings\) \(England\) Regulations 2003](#). Examples include but are not limited to headteachers for boarding schools who are required to live in school accommodation, or certain care workers who need to live on sight to carry out their role.

The Council Tax System already contains provisions which ensure that in certain circumstances these dwellings receive a 50% discount Council Tax discount. These properties have an exception to the premium to ensure these dwellings continue to receive the 50% discount. This exception is only related to second homes, as it is not considered that an unfurnished property is eligible to meet the definition of a job-related dwelling.

Certain households may fall outside of the definition of a job-related dwelling and in these circumstances the Council may use its discretion to extend exception by way of an exceptional hardship payment under Section 13A of the Local Government Finance Act 1992.

6.6 Caravan Pitches and Boat Moorings (Class K)

Caravan pitches and boat moorings which are second homes have an exception from the second home premium.

The Council Tax System already contains provisions which ensure that in certain circumstances these dwellings receive a 50% discount Council Tax discount. These properties have an exception to the premium to ensure these dwellings continue to receive the 50% discount. This exception is only related to second homes, as it is not considered that a caravan or boat can be unfurnished.

6.7 Seasonally occupied properties (Class L)

Properties which have planning restrictions or other conditions on occupation or use in place which prevent year-round occupation and are therefore cannot reasonably be considered as a person's permanent residence are also an exception to the second homes premium.

In addition to this, the exception provides for dwellings which have planning restrictions whereby they cannot be occupied for at least 28 continuous days in a year. In some cases, we may assess a dwelling with this restriction as being a person's sole or main residence. In these circumstances the dwelling would not be liable for this premium since it cannot apply to a main residence.

6.8 Empty Properties undergoing structural repair (Class M)

Properties which require or are undergoing major repairs or structural alterations may be excepted from this premium for up to 12 months. Where the repairs are completed in less than 12 months they will be granted an exception for a further 6 months from the date of completion or until the end of the original 12 month period, whichever is sooner.

This exception only applies on empty homes. A new exception period can be applied if the property is sold. If the dwelling is substantially furnished and becomes a second home without a resident the exemption will end.

Where there are cases that merit a longer exception period, or a higher level of discount, councils can exercise their discretion to extend exception by way of an exceptional hardship payment under Section 13A of the Local Government Finance Act 1992.

7. Holiday lets and Self-Catering Properties

If the property is used commercially as a holiday let or self-catering property, your property will be rated as a self-catering property and valued for business rates if it's both:

- available to let for short periods for at least 140 nights in total over the current and previous tax years
- actually let for at least 70 nights in the last 12 months

If it does not fulfil these criteria, then it will be rated for Council Tax and unless it falls into one of the categories detailed within this document from 1st April 2025 you will be charged 200% of standard liability.

More information can be found on our website [Self-catering and holiday let accommodation - Mid Sussex District Council](#)

8. Liability for more than one property

If you have liability for two properties for a short period of time where you are moving from a rented property but still have a tenancy agreement for the property you have vacated, the Council will use its discretion to determine if the property is empty even if it was let to you as furnished.

9. Hardship

In exceptional circumstances where it is not possible to occupy a property and where paying an additional premium would cause extreme hardship to the liable person, the Council will consider an award of hardship under section 13a.

Section 13A of the Local Government Finance Act 1992 (as amended by the Local Government Finance Act 2012), provides the Council with discretionary powers to enable it to reduce a person's Council Tax liability.

The provision allows the Council the discretion to aid taxpayers where either the existing legislation does not provide a discount, exemption, or reduction or in such circumstances where the Council feels that the level of discount, exemption or reduction is insufficient.

The policy for the Council Tax Exceptional Hardship Policy can be found on our website [Council Tax Exceptional Hardship Policy \(midsussex.gov.uk\)](https://www.midsussex.gov.uk/council-tax-exceptional-hardship-policy)

10. Support to bring Empty or Second Homes back into use

We understand that owning and empty property can be expensive, and we want to assist owners to bring these properties back into use. For advice and assistance in how we can assist including details of the comprehensive service we can offer private landlords please see our website [Empty Homes - Mid Sussex District Council](https://www.midsussex.gov.uk/empty-homes)

11. Disputes

If you believe your Council Tax bill is wrong, you can appeal it. You cannot make an appeal if you think your Council Tax bill is too expensive.

You should continue to pay your Council Tax as billed even if you have an outstanding appeal.

If you wish to make an appeal regarding your bill because you think it's wrong, you must:

- Write to the Council, explaining why you believe the bill is wrong
- Continue to pay instalments as per the most recent bill whilst your appeal is reviewed

There is no time limit in which to make an appeal, unless you are making an appeal against the band of your property

The Council has 2 months in which to respond to your appeal.

If the Council does not respond within 2 months, or if you disagree with their decision, you can appeal to the Valuation Tribunal

You must appeal within:

- 2 months of the council telling you its decision; or
- 4 months of you first writing to the council (if you have not had a response)