



Department for
Communities and
Local Government

Council Tax - Empty homes premium

Guidance for properties for sale and letting

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If you have any enquiries regarding this document/publication, email contactus@communities.gov.uk or write to us at:

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 030 3444 0000

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1. In its summary of responses report, *Technical Reforms to Council Tax: when dwellings should not be liable to the empty homes premium* (November 2012), the government made a commitment to issue guidance to help authorities to reflect the state of the housing market in their decision making process for administering the premium.
2. This guidance paper should not be treated as an interpretation of the legislation or as statutory guidance. Billing authorities are free to make their own decisions when administering the premium.
3. From 1 April 2013, billing authorities may charge a premium on a class of property that has been unoccupied and unfurnished for two years or more. The premium can be up to 50% of the council tax on the property. From 1 April 2019 the premium can be up to 100% of the council tax on the property.
4. Under the Council Tax (Prescribed Classes of Dwellings) (England) Regulations 2003, the government has prescribed two classes of dwellings which are exempt from the premium. These are:
 - 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
 - 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
5. While the decision to make a determination under Section 11B of the Local Government Finance Act 1992 is for billing authorities to make, the government would expect that due consideration is given to the health of the local housing market when making determinations.
6. The government's intention behind the decision to provide billing authorities with the power to charge a premium was not to penalise owners of property that is genuinely on the housing market for sale or rent.
7. The government expects billing authorities to consider the reasons why properties are unoccupied and unfurnished, including whether they are available for sale or rent, and decide whether they want such properties to be included in their determination. When considering the reasons an authority may want to take account of the following:
 - on average, how long are properties in their area been available for sale or rent before completion/occupation
 - what is the average price/rent in the local area?
8. The above list is not exhaustive and billing authorities will want to consider all factors they think are relevant before making a decision.