



Epsom & Ewell Borough Council Council Tax Empty Property and Second Home Policy

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	Title	Date Approved	Signature
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Revision History

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Introduction

Since 2013, councils in England have had the power to charge additional council tax on long-term empty homes after 2 years. In April 2024, the empty homes council tax premium was strengthened so that councils can charge the premium on homes that have been empty for 1 or more years.

Additionally, from April 2025, councils have powers to charge a premium of 100% additional council tax on second homes.

A long-term empty home is defined as a home which is both unoccupied and substantially unfurnished for a continuous period of at least 1 year. The property must be occupied, or substantially furnished, for a continuous period of at least six weeks in order for it to reset the length of time it has been empty for, and its liability for a long-term empty premium.

Properties occupied periodically (commonly referred to as “second homes”) are defined as properties which are substantially furnished and have no resident (i.e. not a person’s sole or main home).

Where individuals own multiple homes, but the homes are let out or occupied by someone as their main home, it will not be considered as a “second home” for the purposes of the premiums and as such will not be liable for the premium.

The council tax system provides a number of specific exemptions from council tax. The exempt classes are set out in the Council Tax (Exempt Dwellings) Order 1992. A dwelling that is exempt from council tax is not liable for a premium. Where a dwelling is no longer eligible for an exemption but remains no one’s sole or main residence, it may become liable for a premium. In the case of an empty home, it may become liable for a premium after it has been empty for a continuous period of 1 year. This time frame begins when the dwelling first becomes empty rather than when an exemption ends. A second home may become liable for the premium as soon as the exemption ends.

The government has made regulations to provide a number of exceptions to premiums. These exceptions apply from 1 April 2025.

Premiums encourage bringing properties back in to use and the additional income is used to fund services as part of the council tax collection.

Premium Charges

From 1 April 2026 the premiums that apply in Epsom & Ewell are:

a) Where no exception applies, long-term empty homes (Unoccupied and substantially unfurnished):

- Empty more than 1 year 100% premium
- Empty more than 5 years 200% premium

- Empty more than 10 years 300% premium

A property must be occupied, or substantially furnished, for a continuous period of at least six weeks in order to reset the amount of time it has been empty for.

b) Where no exception applies, properties occupied periodically (Second Homes – substantially furnished and have no resident):

- 100% premium for the whole time the property meets the definition.

Exceptions that apply to all premiums

From 1 April 2026 the following statutory exceptions where a premium will not apply where either a) or b) above are otherwise met are listed below:

Class E – Armed Forces Accommodation

Definition: Property would be the main home of someone who lives elsewhere in accommodation provided by the Secretary of State for Defence for the purposes of armed forces accommodation, and which for that individual is job related.

Prohibition: The exception will apply as long as the definition is met.

Class F – Annexes used as part of the main home

Definition: Property that forms part of a single property that includes another property that is being used by a resident of the other property as part of their main residence. (e.g. annexes used as part of main home)

Prohibition: The exception will apply as long as the definition is met.

Class G* - Actively marketed for sale

Definition: Property that is being marketed for sale of a freehold or leasehold for a term of 7 years or more, at a price that is reasonable for the sale of that property, or where an offer to purchase has been accepted but has not yet been completed.

Prohibition: The exception will apply for up to 1 year from the date it meets the definition and will end either when the 1 year period has ended, when the dwelling has been sold or when the dwelling is no longer actively marketed for sale. A further period under class G cannot apply unless the property has been sold to a different owner. See 'Discretionary exceptions' for details where the 1 year may be extended.

Class H*- Actively marketed for let

Definition: Property that is being marketed for let under a tenancy on terms and conditions, including the proposed rent, that is reasonable for the letting of that property or where an offer to rent has been accepted but the tenancy has not started.

Prohibition: The exception will apply for up to 1 year from the date it meets the definition and will end either when the 1 year period has ended, when the dwelling has been let or when the dwelling is no longer actively marketed for let. A further period under class H cannot apply unless the property has been let for a continuous

period of at least 6 months since the exception last applied. See 'Discretionary exceptions' for details where the 1 year may be extended.

*** Actively marketed for sale or let (Class G and Class H)**

There are a number of factors the council will take into consideration when assessing whether a dwelling is being actively marketed for sale or let. These may include:

- whether the dwelling is clearly advertised for sale or let
- whether the dwelling is being marketed at a fair market value
- whether there are any artificial barriers on the dwelling preventing sale/let
- whether the dwelling has an Energy Performance Certificate (EPC)
- whether the owner is taking any other reasonable steps to market the dwelling for sale or let

Class I – Following Probate

Definition: Property that is or was previously under exempt class 'F' (following death).

Prohibition: The exception will apply for up to 1 year from the date probate is granted or letters of administration are issued, running concurrently with any class 'F' exemption. A further period under class I cannot apply unless the property has been subject to a further exempt class 'F' period. The exception ceases to apply if the Epsom & Ewell Borough Council Epsom & Ewell.gov.uk property is transferred to the beneficiaries or is sold or let. See 'Discretionary exceptions' for details where the 1 year may be extended.

Exceptions that apply only to long term empty premiums (substantially unfurnished)

Class M – Require or undergoing major repairs or structural alterations

Definition: Property that requires or is undergoing major repairs or undergoing structural alteration to render it habitable.

Prohibition: The exception will apply for up to 1 year from the date it meets the definition. Where major repairs are completed in less than 12 months, the exception will still apply to the dwelling for up to 6 months or until the end of the 12 months, whichever is sooner. The exception cannot apply again unless the property has been sold. If the dwelling is substantially furnished and becomes a second home without a resident, then this exception will end. See 'Discretionary exceptions' for details where the 1 year may be extended.

Exceptions that apply only to second home premiums (substantially furnished and no resident)

Class J – Job related homes

Definition: Property is unoccupied as the qualifying person is required to live

elsewhere in England, Scotland or Wales in job related accommodation provided by a person's employer for the purposes of performing their work. It must be necessary for the duties of employment to live in that specific property (for example, headteachers for boarding schools who are required to live in school accommodation). Needing to be located nearer to a place of work would not be eligible.

Prohibition: The exception will apply as long as the definition is met.

Class K – Caravan pitches and boat moorings

Definition: Property that consists of a pitch occupied by a caravan, or a mooring occupied by a boat.

Prohibition: The exception will apply as long as the definition is met.

Class L – Seasonal Homes

Definition: Property where occupation is restricted by a planning condition that:

- a) Prevents occupancy for a continuous period of at least 28 days in any 1 year; or
- b) specifies that the dwelling may be used for holiday accommodation only; or
- c) prevents occupancy as a person's sole or main residence.

Prohibition: The exception will apply as long as the definition is met.

Discretionary Exceptions:

End of tenancy

From time to time, a tenant may decide to accept a new tenancy before their current one has expired. In such cases, they may be liable for council Tax on both properties. If one tenancy is a furnished let and the tenant is not resident in the furnished property, it would immediately attract a second home premium. The council may use its discretion to not apply the second home premium in this situation for a maximum period of 1 month.

Extension to time limited exceptions (Class G, H, I, M)

For the time limited statutory exceptions Class, G, H & I the council may extend the exception where the property continues to meet the original exception conditions for up to a further 12 months where it is clear from the specific circumstances that the taxpayer has genuinely been trying to bring the property back in to use as a sole/main residence throughout the whole exception period. In order to consider an extension the property must meet at least one of the following:

- An offer of sale(s) has fallen through during the exception period through no fault of the vendor. Evidence must be provided.
- The property is restricted for sale/let only to certain demographics (for example, retirement properties above a certain age).
- There is a legal difficulty or issue which is preventing the sale or letting of the property. Evidence detailing the reasons preventing sale or letting must be provided.

- The sale or letting is being delayed by the actions of a public body. Full details must be provided. Awaiting a planning decision or an appeal against a planning decision will not be considered as reason to grant an extension.

Any extension will be time limited based on the specific circumstances and will be for a maximum of 12 months. Only one extension will be considered, so the maximum total exception period will be 2 years from the start of the original exception.

Class M

For properties that require or are undergoing major works or structural alterations an extension may only be considered where works commenced during the original exception period. Any extension will not result in the total exception period expiry date being more than 12 months after the major repairs or structural alteration works commenced or 6 months after works are completed, whichever is soonest. The maximum total exception period will be 2 years from the start of the original exception.

Other exceptions

The council may also consider a time limited exception in other circumstances where the property does not meet the classes above and the reason it is empty is exceptional, unforeseen and beyond the taxpayer's control.

Change in Circumstances

The council may need to revise the decision to grant an exception to the premium if it becomes aware that the circumstances of an applicant have materially changed. Individuals must immediately advise the council of any change in circumstances affecting the decision within 21 days of the change.

Failure to do so may result in the exception being revoked in full.

Fraud

The council will not tolerate any taxpayer falsifying their records or providing false evidence. A person(s) who provides false information or makes false representation in order to benefit from an exception may be guilty of fraud under the Fraud Act 2006.

The council will use all available tools to identify potential fraud. If you are awarded an exception, you are consenting for the council validating the exception with any appropriate organisations. If you do not consent to the sharing of the information in the application, the exception may be deemed invalid.

Appeals

If an individual believes they have been inappropriately charged a premium on their dwelling, they should contact us.

If the individuals are not satisfied with our response, they may be able to appeal to the Valuation Tribunal.