

Britain's most selfish people

Owning a second home during a housing crisis ensures that other people are homeless

What greater source of injustice could there be, than while some people have no home, others have two? Yet the vampire trade in second homes keeps growing – by 3% a year – uninhibited by government or by the conscience of the buyers. Every purchase of a second house deprives someone else of a first one. But to speak out against it is to identify yourself as a killjoy and a prig.

If you travel to Worth Matravers – the chocolate-box village in Dorset in which 60% of the houses are owned by ghosts – you will not find hordes of homeless people camping on the pavements in cardboard boxes. The market does not work like that. Young people from the village, unable to buy locally, have moved away, and contributed to the housing pressure somewhere else. The impacts of the ghost market might be invisible to the purchasers, but this does not mean they aren't real. Second home owners are perhaps the most selfish people in the United Kingdom.

In England and Wales there are 250,000 second homes. In England there are 221,000 people classed as single homeless or living in hostels or temporary accommodation (these desperate cases comprise about 24% of those in need of social housing). I am not arguing that if every underused house were turned back into a home the problem of acute homelessness would be solved. I am arguing that homelessness has been exacerbated by the government's failure to ensure that houses are used for living in.

This issue received some rare press coverage last week when the Affordable Rural Housing Commission published its report. It suggested that second home owners

might be taxed more heavily in some places or that planning permission should be required to turn a home into a ghost house. Its ideas, though mild and tentative, were received with fury. “If the Government adopts these proposals,” the Telegraph roared, “it will be in order further to punish middle-class voters and to benefit from a grievance culture stoked by envy.” In the Guardian, Simon Jenkins suggested that the commission’s proposals would deny “existing homeowners the value of their property and thus mobility for themselves and their children. It is a crazy wealth tax on the rural poor. ... To imply that those bringing new money and, in many cases, new economic activity to rural Britain are a social evil is leftwing archaism.”

If caring about homelessness makes you a leftwing dinosaur, I raise my claw. It is true that clamping down on second homes would suppress house prices in the countryside, by a little. That is part of the point. But it is not as if rural homeowners are suffering from low values. The day before Simon’s column was published, the Halifax produced figures showing that the average rural house costs £208,699 (or 6.7 times average annual earnings), while the average town house costs £176,115. Jenkins seems to be asking us to care more about the profits of those who are already rich in capital than about the people who have nothing but a box to sleep in. It is also true that at weekends and during the holiday season, second home owners can bring new trade to local shops – especially the kind of picturesque boutiques which smoke their own fish and sell jamjars with paper hats on. But for the rest of the year, because the village is half-empty, business dies.

The environmental impact must also be stupendous. It is hard enough to accommodate the houses we do need in the countryside, let alone the fake homes now being built for weekenders. Open the pages of any property supplement and you will find advertisements for new “holiday lodges” in Cornwall, Dorset, Pembrokeshire and Norfolk. Regional airports are springing up (or trying to spring up) wherever City brokers start pricing out the locals. (People with second homes abroad cause even more damage: one survey suggests they take an average of six return flights a year). This is to say nothing of the environmental costs of maintaining two homes, and doubtless leaving the security lights on and the appliances on standby while you continue your life elsewhere.

For all these reasons, I believe the commission’s proposals don’t go far enough. It treats second home ownership as a local problem, confined to the most desirable parts of the countryside. It doesn’t consider the wider contribution that owning them makes to homelessness, or to the destruction of the environment. Nor does it make the point – almost always missed by the media – that the majority of second homes (155,000 of the 250,000) are in towns and cities, where middle-aged businessmen turn what might have

been starter flats into piers a terre. I accept that it's a rural housing commission, but I can't help wondering whether this acknowledgement might have caused some trouble for Elinor Goodman – the commission's chair – who has a second home in Westminster.

I would like to see the ownership of second homes become prohibitively expensive, wherever they might be. It remains cheaper to own a second house than to own a first one. The government has reduced the rebate on council tax for ghost homes from 50% to 10%, but it still seems outrageous that there should be a discount of any size. Worse, as a letter to the Guardian pointed out yesterday, people are buying up weekend homes as fake holiday lets and setting these “loss making business” against tax. Plainly this loophole needs to be closed. But why not a 500% council tax for all second homes, which local authorities are obliged to hypothecate: to use, in other words, for new social housing? It won't stop the richest people from buying extra houses, but at least the people at the bottom of the ladder get something back.

We're often told that punitive taxes of this kind won't work, because couples could register their homes separately. But this would surely be possible only for people who are neither married nor in a civil partnership. It doesn't stop the government from levying capital gains tax.

The real problem is that almost every MP with a constituency outside London has two homes or more, and there is scarcely a senior journalist who is not sucking the life out of a village somewhere, or a paper which does not depend on advertising by estate agents. Two weeks ago the Sunday Times revealed that the Labour MP Barbara Follett, who owns a £2m house in her constituency (in Stevenage), a flat in Soho and homes in Antigua and Cape Town, has claimed £76,357 in Commons expenses over the past four years for her London pad. Perhaps it isn't hard to see why MPs aren't clamouring for something to be done. On Friday, Peter Mandelson – the man who says what Blair thinks – told a conference that Labour's primary challenge was to find solutions “to the angst of the hard-working middle-class ... It's not old Labour territory we have forgotten and which is detaching itself but the New Labour territory we have occupied since 1997 which is at risk.”

In other words, the chances of getting the government to force the abandonment of second homes are approximately zero. But that should not stop us from pointing out that it is unacceptable to let the rich deprive the poor of their homes.