

## [Mindboggling fatuity](#) [1]

Written by [Tim Worstall](#) [2] | Tuesday 4 March 2008



Sometimes I wonder whether we are governed by crazed loons: at other times I don't. Now is one of the [second](#) [3]:

*An inquiry commissioned by Gordon Brown will recommend local authorities have the power to prevent outsiders buying property they do not intend to make their main residence. Those seeking to buy country boltholes that deprive local residents of houses would be forced to apply to the council.*

*They would have to win planning permission to change the house from fully occupied to a second home and could be refused by the council.*

Leave aside the despicable illiberality, the gross intrusion into private property rights, and think solely of the economic effects. Leave aside too the near impossibility of policing such a plan.

This requirement for permission will only affect those houses that people wish to purchase as second homes: those already used as such will not be affected. So there will be a restriction on the supply of second homes while demand will continue to rise. Thus the prices of those already used as second homes will continue to rise, as the report notes.< br />

And it will also, as is its very intention, reduce the prices (from where they would otherwise be) of those homes which are actually lived in full time.

Which is really rather something of a problem. Those who already own two or more houses are, we might reasonably assume, quite a bit wealthier than those who own only one. Yet the result of this plan will be to distribute wealth from the second group to the first. Even I, froth-mouthed supporter of naked capitalism that I am, don't think this a good idea, that we should be conveying wealth from the poor to the rich.

There's also one other teensie problem with the plan. Having paid the premium to purchase a house to use as a second home, who is going to be mad enough to live in it full time and thus lose that premium?

*Matthew Taylor, the Liberal Democrat MP who was invited by Brown to do the review, said: ?For the rural communities that are affected, this is a massive issue. This measure would allow local authorities to say that a property cannot be converted from a full-time home into a second home. ?In some communities, 30%, 40% or 50% of the village is dark most of the year.*

Thanks Matthew, you've just ensured that those villages will stay 50% dark for evermore.

It's very difficult to escape the "crazed loons" description of government when people come up with plans of such mindboggling fatuity.

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