

Empty Homes Strategy



INTRODUCTION

Empty properties are not only a waste of a valuable housing resource, but can also cause blight to an area and distress to neighbours through their often unsightly appearance and propensity to attract crime and anti social behaviour.

The case for action detailed in this strategy is based on government guidance, 'Empty property: unlocking the potential, a case for action.'

The aim of this strategy is to propose and implement a range of measures that will return private sector empty homes to beneficial use by dealing with the long term empties and preventing homes from becoming empty in the long term.

The strategy supports the Council's key aims: -

To make it a thriving 21st Century city by contributing to the future provision of housing need and by working to maximise the availability of decent affordable housing throughout the city.

To make the City Council a top performing organisation by having effective performance measurement and management of empty homes work.

The case for a coherent strategy to tackle the problem of empty dwellings is compelling considering in Gloucester there are around 1900 empty homes, while Council's waiting list for accommodation stands at approximately 5,000.

This strategy is a five-year plan to reduce the number of empty properties to 3% of the housing stock (currently is at 4%), which would then bring the Council performance above the national average of 3.1%.

THE ISSUES RELATING TO EMPTY HOMES

Empty properties contribute to a range of associated problems: -

- Wasted Housing resource
- Wasted financial resource for the local authority and the owner
- A reduction in capital value of the property, and neighbouring properties
- An increased rate of deterioration and decline in the fabric of the building
- An increased vulnerability to vandalism, squatting and anti-social behaviour
- Neighbourhood blight

The reasons why owners leave properties empty are complex, but some reasons for this are as follows: -

1. **Lack of Knowledge**
An owner may lack the necessary knowledge/skills to refurbish/manage a property but be unwilling to sell.
2. **Lethargy/Indifference**
For some owners, maximising income from their assets is not a high priority.
3. **Business dispute**
4. **Inheritance disputes**

5. **DIY Owner**
Who inherits or acquires empty and semi-derelict properties and fails to make adequate progress with renovation works.
6. **Owner Inertia**
Owners who just do not want the trouble of re-letting or selling or are reluctant to re-let due to past experience.
7. **Next of Kin**
The owner may have died and there are no next-of-kin or they cannot be traced.
8. **Bequeaths**
9. **Land-banking**
The property is left vacant waiting for upturns in the housing market before selling.

THE GLOUCESTER SITUATION

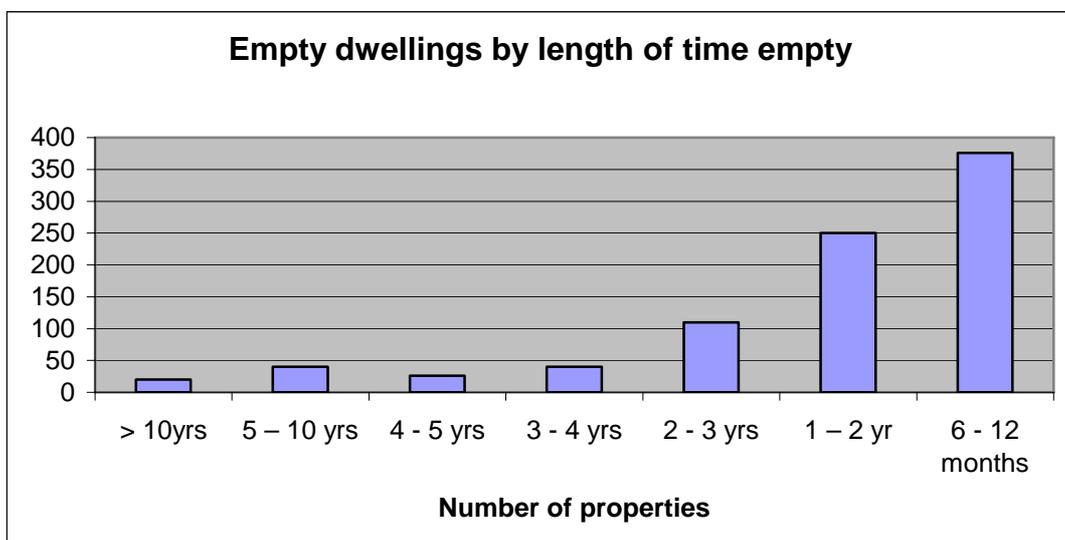
In Gloucester, as of October 2009, there were 1912 empty homes in the private sector, which represents around 4% of the housing stock, less than half of these have been empty for more than 6 months.

In 2008 there were 697,000 empty properties in England, which represented 3.1% of the housing stock.

Further work will be carried out to identify cities that offer a true comparison with Gloucester to enable benchmarking against high performers.

As to be expected, the numbers of properties empty decreases with time with the majority of properties being empty for 6 to 12 months (see Fig 1), however with around 500 properties being empty for more than 2 years, there is a clear wasted housing resource, which needs addressing

Fig. 1



Data from Gloucester City Council tax records

HOW TO DEAL WITH EMPTY HOMES

There are a variety of tools and projects available to the Council to bring properties back into use, these are: -

INCENTIVES

Advice and Assistance

Owners are contacted and attempts are made to begin a dialogue that can lead to the Council persuading and assisting owners to reoccupy empty properties.

Rent Deposit Schemes

Provide potential tenants with help in securing private rented accommodation, which in turn encourages owners to let properties.

Private Sector Leasing Schemes

In conjunction with Social Housing Providers, councils can operate schemes to lease property from owners of empty homes which relieves the owner from the burden of management.

Accommodation Finder Service

These services offer landlords rent in advance and a rental guarantee as an incentive for them to let property to vulnerable persons.

Use of commuted sums to purchase empty properties

Monies paid to the Council in lieu of low cost housing in new developments can be used to assist Registered Social Landlords to purchase housing to increase the affordable stock.

Low Cost Loans

Low Cost Loan Schemes offer help to owners who are unable to raise finance through conventional sources.

Empty Property Grants

Empty Property Grants offer help to owners to restore or renovate their properties with the aim of bringing them back into occupation.

Energy Efficiency Grants

There are a variety of grants available to make homes energy efficient.

ENFORCEMENT

When informal measures and financial assistance has failed to bring a property back into use, there are a number of enforcement options available to the Council: -

Housing Act 2004 and Environmental Protection Act 1990

To take action where there are conditions that cause nuisance to other properties, are a threat to public health, or involve significant disrepair.

Town and Country Planning Act 1990

This legislation deals with premises that are having a detrimental impact on the amenity of the area.

Building Act 1984

Provision in this legislation can be used to deal with dangerous and derelict properties.

Local Government (Miscellaneous Provisions) Act 1982

Provisions in this act are used to board up properties to prevent unauthorised access.

Clean Neighbourhoods and Environment Act 2005

Can be used to deal with fly tipped rubbish and other accumulations on empty properties.

Prevention of Damage by Pests Act 1949

To deal with rodent infestations

Enforced Sale (Law of Property Act 1925)

The use of other enforcement actions (as detailed above) on empty properties can result in the gradual build up of debt if the work is carried out in default of the owner failing to comply with the enforcement notice.

Where a reasonable charge has been registered against the property it is possible then to force the sale of the property to recover that debt.

Compulsory Purchase (CPO) S17 Housing Act 1985

Where owners cannot be traced, or are unwilling to bring their property back into use, the Council can seek to compulsorily purchase a property and then sell it on to a Housing Association or private developer.

Empty Dwelling Management Orders (EDMOs), Housing Act 1984

The Housing Act 2006 gives local authorities the power to apply to the Residential Property Tribunal for an interim management order, which may lead to compulsory leasing of the property for a fixed period of years. During this time the local authority (probably through an agent or partner) will manage the property, collecting rent and carrying out any necessary repairs. Repairs, maintenance and management costs will be deducted from the rent, with any balance payable to the owner. At the end of the period the property will be handed back to the owner.

Council Tax Debt Recovery

Abandoned empty properties may be subject to considerable Council Tax arrears if the owner has absconded. Taking formal action to bring the property back into use may also assist in recovery of this debt.

ACTIONS TO DATE

In recent years, using many of the incentives described above, the emphasis has been on informal action encouraging the owners of empty properties to either sell, lease or renovate for re-use as housing accommodation.

The Council use initiatives such as rent deposit and rent in advance schemes to encourage private rental but these are not readily taken up by owners of empty homes.

In 2008 the Empty Property Grant was introduced as an added incentive to encourage owners to carry out the necessary works to improve their properties before offering for affordable rent to a Council nominated tenant.

A low take up of this grant triggered a survey of empty property owners to find out why they chose to leave their properties empty, however, this proved inconclusive due to the low survey return rate.

With compulsion appearing to be the most effective method of returning empty properties to use, a compulsory purchase order (CPO) is currently being taken against the owner of a property that has been empty for more than 10 years.

National Indicator BV164 was used, until 2009, to record all properties that had been empty for 6 months or more that had been brought into use by Council intervention. Although this indicator is no longer in use, the numbers are still recorded as a measure of Council activity in this area and annually, we record between 60 to 80 properties returned to housing use.

FUTURE ACTION

Over the next five years, the aim will be to bring long term empties back into use and to prevent properties empty for more than 12 months to slip into gradual deterioration and long-term vacancy. This will be done using the following actions: -

5-YEAR ACTION PLAN

Prioritise on worst-case basis for properties empty for five years or more and take action in priority order. (See below for methodology)

Target informal and action on owners of all properties that have been empty for more than 12 months.

In partnership with planning services, take robust enforcement action on owners of empty properties that are subject to complaints of nuisance.

In partnership with the Townscape Heritage Initiative we will assist in bringing residential properties in the proposed Southgate Street regeneration project back into use.

Subject to available housing capital budget, continue to provide financial incentives to encourage owners to renovate and rent by: -

- Continuing to offer Empty Property Grant until April 2010
- Providing financial incentive of either grant or low cost loan after April 2010 in accordance with the Housing Renewal Policy

Explore other avenues for funding such as: -

- Lottery Funds
- Partnership with Registered Providers
- Private Finance
- Section 106 Commuted Sums

Work in partnership with: -

- Social housing providers and letting agents to develop leasing schemes and management services.
- Revenues Services to identify empty properties and report on those brought back into use.
- Housing Options to ensure the strategy addresses current housing need.

Widen public awareness of empty homes issues.

Obtain further information on the profile of empty property owners to enable us to tailor our intervention more effectively and to ensure the Council is adhering to its equality policies.

Investigate examples of best practice and use to adapt the strategic approach.

Attend and contribute to: -

- National Association of Empty Property Practitioners Forums
- Empty Homes Agency National Conference
- County Council Empty Homes Officers Group
- National and local presentations
- Private Rented Forum
- Landlords EXPO

Method for dealing with properties empty for 5 or more years

In order to target resources effectively it is necessary to prioritise properties for action.

Length of time empty

The Government definition of “an empty property” is a property empty for over six months, however the longer a property is left empty the more it is likely to deteriorate resulting in it becoming less economically feasible to renovate and more likely to generate complaints. A priority must therefore be to tackle those properties left empty the longest.

Complaints from the public

Often empty property owners allow properties to fall into disrepair. These empty properties are the focus of complaints the Council regularly receives from members of the public regarding: -

- Waste of potential housing opportunities
- Damage to neighbouring property
- Anti social behaviour
- Vandalism
- Vermin

- Fly tipping
- Financial losses for owners unable to let or sell
- Blight

Whilst there may be a range of enforcement actions that the Council can take in response to complaints about nuisance from empty dwellings, reoccupation of the property is the most viable long-term solution.

Local Housing Demand

There is a particular and fluctuating demand for certain types of property across the city and priority will be given to properties that meet this demand.

To determine priority a scoring mechanism will be used (see Appendix 1)

TARGETS

Currently the percentage of empty properties is 4% of the total housing stock, the five year target will be to reduce this to 3%, this will require around 500 properties to be returned to housing use over a five year period.

During the first year of the strategy, it will be necessary to target action on problem properties, which may not result in their immediate return to use, therefore annual targets should reflect this.

Annual Targets

Year	Number of empty properties brought back into use
1	80
2	90
3	100
4	110
5	120
TOTAL	500

MILESTONES

Initial informal action on all properties empty between 1 year and 5 years will be completed by February 2010.

Prioritisation and decision on action of the long term empty properties will be completed by April 2010.

Data will be captured electronically and a management information system developed to track progress. This will be completed by April 2010 and information obtained from these reports, along with any revised government guideline, changes in legislation and known best practice will inform any changes to the implementation of the strategy to maximise results.

MONITORING

A detailed report on the properties brought back into use will be provided to Members on a quarterly basis, this will contain the current number of empty properties in the city, the numbers brought back into use, the addresses of these re-occupied properties and the actions that brought about the change.

DELIVERY OF ACTION PLAN

The actions detailed in this strategy will be delivered by the Private Sector Housing Team comprising six officers each working within a defined geographical area of the city. These officers will work closely with colleagues in Planning and Building Control Services on a case by case basis to ensure the most appropriate enforcement action is taken.

Officers will keep the relevant Ward Councillors informed of the empty homes activity in their respective wards.

CONCLUSION

This Strategy highlights the importance of bringing empty properties back into use to the benefit of the community. It sets out clear outcomes and outlines ways in which we can achieve this. This Council wishes to encourage property owners to take action; however we are mindful of the need to use enforcement when necessary. Ultimately the goal is to increase the supply of housing, whilst positively impacting on the quality of life of the city's residents.

Despite the abolition of BVPI indicator to the national performance monitoring framework as from 2008/9, Government advice is to continue to monitor performance under these indicators for this year. Our targets for these indicators therefore remain part of our overall action plan on empty homes, as does the development of new ones.

The targeted action detailed in the Strategy should address the problems caused by long term empty properties as well as focused attention on those properties empty for more than 12 months.

EMPTY HOMES SCORING ASSESSMENT

CRITERIA	SCORE
<u>Length of time vacant</u>	
6 months – 1 year	1
1 year – 5 years	3
>5 years	5
<u>Appearance</u>	
No detriment to amenity	0
Minor detriment to amenity	3
Major detriment to amenity	5
<u>Dangerous Structure</u>	
No	0
Possible with further deterioration	3
Yes	5
<u>Nuisance</u>	
None	0
Minor	1
Significant	5
<u>Appearance of neighbouring properties</u>	
Good	5
Fair	3
Poor	1
<u>Marketability/Habitability</u>	
Saleable in present condition	0
Needs some improvement/repair	1
Needs substantial renovation before occupation	3
Not repairable at reasonable cost	5
<u>Ownership</u>	
Contactable and responsive	1
Contactable and not responsive	3
Not contactable or unable to trace	5
<u>Owners Attitude</u>	
Willing and compliant	1
Some cooperation or compliance	3
Non-compliant/uncooperative	5
<u>Enforcement History</u>	
No	0
Yes	5
<u>Social Impact</u>	
Add 5 points for any incidences of anti-social behaviour