

## Need to know

# Not so pretty vacant

Empty properties are exacerbating the UK's housing crisis. But as *Alex Turner* discovers, an innovative project in Kent is leading the way towards bringing them back into use

**W**ith housing in desperately short supply in many parts of the UK, the more than 1 million homes standing empty nationwide add insult to injury.

As well as reducing available stock, derelict buildings drain confidence in their surrounding area, with the value of the adjoining properties cut by as much as 18 per cent, according to the Royal Institute of Chartered Surveyors. Other properties, needing only minor work, remain disused because owners lack money or are simply

unsure about what to do with them.

Kent Council's No Use Empty scheme started in 2005 as a pilot to tackle these issues in four districts - Dover, Shepway, Swale and Thanet - containing 19 of Kent's 20 most deprived wards and more than a third of its then 8,000-plus empty dwellings - about 370 of which are thought to be council-owned. Under-resourced district councils had been struggling to make headway, while the county lacked housing powers - so the idea of a partnership was hatched.

No Use Empty combines an advice service for empty-property owners

with a £5.5 million loan fund - £3.3 million of which came from Kent Council, and £2.2 million from government grant - to help get homes back into habitation and, at the sharp end, enforcement powers. The scheme, extended countywide in 2008/09, has helped bring 2,000 properties back to use - and has drawn widespread attention.

### Successful scheme

'[It] has been an unmitigated success,' enthuses Mark Dance, Kent Council's cabinet member for regeneration and economic development.

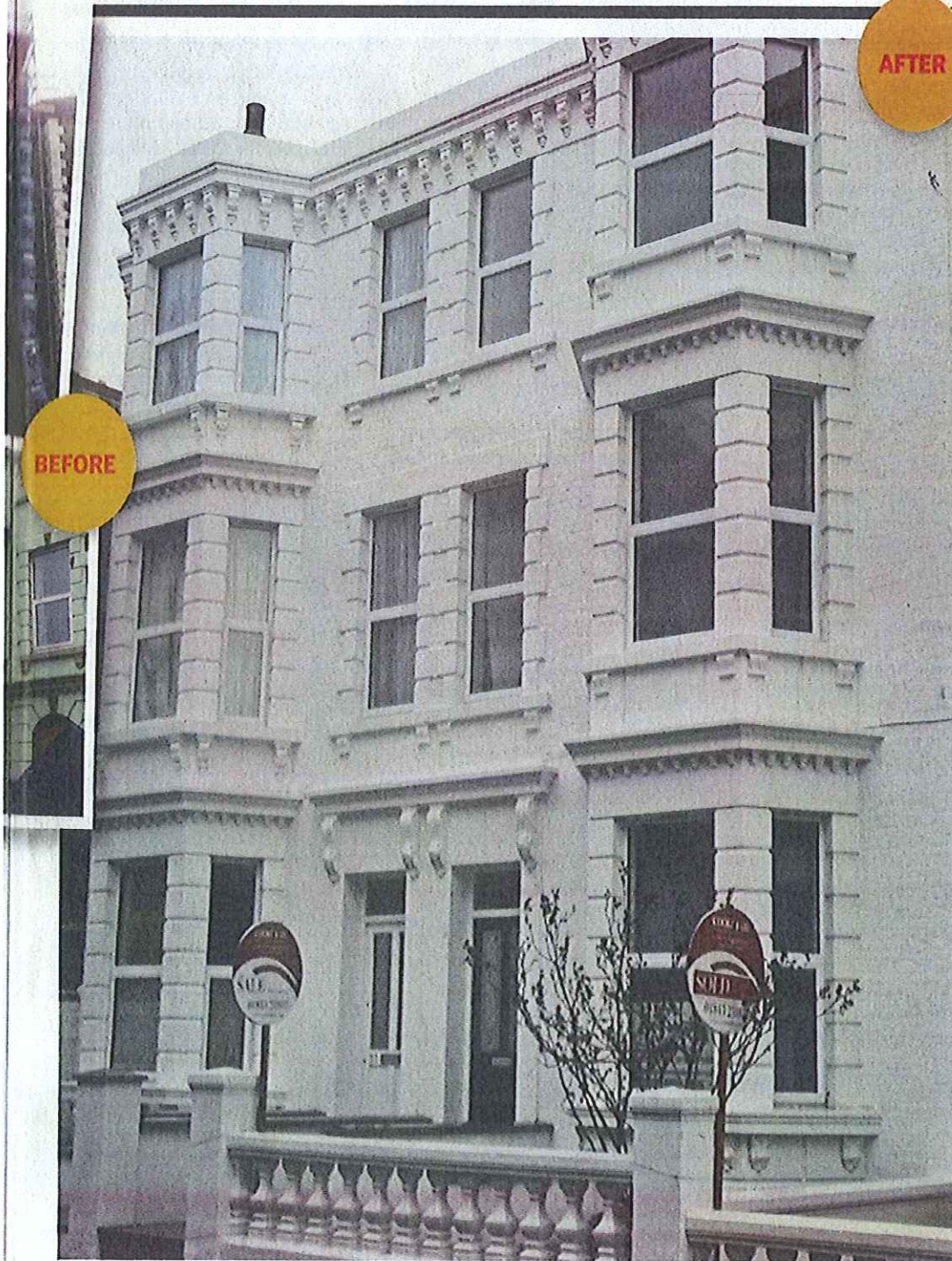
**Top: work in progress at Athelston Road, Margate. Above: properties in Edgar Road, Cliftonville, Margate before they were refurbished. Right: the family homes after refurbishment**

'There continues to be a shortage of quality housing and empty homes are a crucial part of the solution.'

Perhaps most eye-catching has been No Use Empty's loan facility (see box, overleaf: The developer's story); advances range from £25,000 (for a single dwelling) up to £175,000. The loans are interest-free and, unusually, are repayable within three



Why is the UK lagging behind other European countries when it comes to self-build? See Feature, page 52



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years - meaning money has already been paid back and recycled into new projects. So far the scheme has approved more than £5.5 million in loans, equating to 295 homes.

The net cost to the council per property is just £2,800, consisting of lost interest and administration fees. As yet there has been no need to take enforcement action to recover money.

The £2.2 million in government funding, which forms part of the £5.5 million ring-fenced by Kent Council, was recovered via a reward grant after public service agreement targets on empties were exceeded, while £12.5 million has been leveraged in private investment.

'The labour force comes from the local area and the money is spent locally,' says Steve Grimshaw, who heads up No Use Empty as Kent's regeneration manager. 'Costs that might have occurred have been dampened as a result of the scheme,' he adds, reflecting on the propensity of derelict buildings to attract anti-social behaviour.

### Spreading the net

Following the success of Kent's scheme, a group of local authorities in the south west - Bristol, Bath and North-East Somerset, North Somerset and South Gloucester - adopted its No Use Empty brand in 2011, although it currently does not have a centralised loan scheme.

Scotland and Wales, meanwhile, are rolling out national loan schemes, which amount to £2 million and £5 million, respectively. Presenter of Channel 4's recent Great British Property Scandal campaign, George Clarke, who was appointed the government's empty homes advisor in April, is currently pushing for England to follow suit. ▶

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Kent's No Use Empty scheme is wider than the loan fund though, Mr Grimshaw points out. 'Homes can be brought back into use via advice and guidance - that's the greatest proportion [nearly 60 per cent]. And local authorities have powers to target owners not looking after their properties; the last resort would be a compulsory purchase order, but that is a very small percentage [3 per cent].'

## Specialist training

Time spent ensuring the delivery of these service aspects has been another driver behind No Use Empty's effectiveness. A housing specialist works alongside Mr Grimshaw to provide training to the districts' empty homes officers, and relationships have been forged with departments able to offer information on key issues such as planning and council tax.

Yet broadcasting this know-how has been important too, as David Ireland, chief executive of national charity Empty Homes, notes. He advised on No Use Empty at its outset, and says lessons can be learned from its branding strategy.



'It's driven people to it - owners read about it in the local press and come forward saying, "I've got an empty property and want to do something about it".' He suggests that giving the campaign its own brand name is a good move. There are occasions when it's good to distance yourself from being the local authority: owners of empty properties may have had a relationship that hasn't been positive, he says.

Indeed, these factors piqued the interest of Bristol Council as being particularly useful in tackling properties

**An old school building in Dartford, which has been transformed into a home**

**"It has been an unmitigated success. There continues to be a shortage of quality housing and empty homes are a crucial part of the solution."**

early in the 'empty' cycle. There are around 1,800 empty properties in the city at any one time. After consultation with Kent, the four south west local authorities jointly adopted the No Use Empty branding. Awareness-raising and enforcement are the priorities because they have no centralised loan system as yet, though each authority has a smaller discretionary pot for improving homes.

'We used to have grants but money faded away and was replaced by [long-term] loans, largely aimed at homeowners who were vulnerable and living in poor conditions,' reveals Richard Johnson, private housing manager at Bristol Council. 'If we could find more money for capital we'd do it in a bigger way.'

Both Mr Johnson and Mr Grimshaw point to accessing the Homes and Communities Agency's Empty Homes Programme funding - which amounts to £100 million between 2012 and 2015 - via partnerships with social housing providers, as a means to accelerate re-use of empty homes.

Affordable housing has thus far not been a major feature of No Use Empty, but Kent Council was allocated £795,000 in April (topped up to £1.8 million with its own capital) and will be working with 28,000-home housing association Amicus Horizon to deliver rentals at 80 per cent of market rents. This will involve leasing empties from owners once improvements have been carried out.

'We've been fortunate in the south east,' reckons Mr Grimshaw. 'Year-on-year the numbers back into use are increasing. But there are still 7,000 houses empty - there's work to be done.'

## The developer's story

Martin Neame is one of those to have benefited from No Use Empty. He'd undertaken development projects since 1989, but became stuck after the prevailing financial winds changed in 2008.

'I came across this building in Thanet that would be useful to turn into flats,' recalls Mr Neame, 51. 'I gambled and bought it, then found I didn't have the money to complete

the project. I tried for a loan but banks aren't keen to help developers.'


Mr Neame approached No Use Empty and was offered £175,000 in assistance. Eligibility depends on owners being able to cover the development costs using their own capital and the development loan. Applications are also subject to a Royal Institution of

Chartered Surveyors evaluation and improvements must meet the decent homes standard.

Once work was completed in 2011, Mr Neame was able to access buy-to-let funding and repay his loan. While most No Use Empty properties have been sold or privately rented, he negotiated a leaseback arrangement with Amicus

Horizon - and is now keen to repeat the process.

'We let the last flat in December 2011,' he reveals. 'It's a real success story. I want to do the same project again: picking up a building and bringing it back into use, working with social landlords. During the redevelopment it's putting money back into the local economy as well - it's a winner all round.'

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