



AFTER

Dumpton House, Ramsgate. Tragedy to Triumph – before and after

Scandal

One million empty homes in the UK

We ask if empty homes could provide a short answer to the UK's housing shortage and feed a starving property market.

All the photographs in this feature are of properties taken into the No Use Empty scheme, refurbished and returned to the housing market.

In England alone, there are almost 800,000 empty homes and nearly half of these are long-term empty – enough homes to house a million people. Across the UK this figure is about to top the 1,000,000 mark. But Empty Homes are not just a wasted housing resource: they blight neighbourhoods, attract petty crime and devalue neighbouring property. Recession only exacerbates the problem, as repossessed households ramp up demand for already oversubscribed social housing and new housing developments fail to sell.

Ignoring the potential of empty homes to meet housing supply is a costly environmental mistake. Creating new homes from empty property saves substantial amounts of embodied carbon dioxide over building new houses, and



BEFORE

minimises the amount of land used for development. With house building rates virtually collapsed there are few other ways of providing housing now anyway.

The unprecedented housing need and unfolding environmental crises, this waste of empty homes cannot be allowed to continue. Across the UK, the charity The Empty Homes Agency is campaigning to bring these empty homes back, but local authorities are the ones left to tackle the consequences of the problem and they hold a lot of the power and responsibility for returning empty properties back into their respective communities.

NO USE EMPTY

Some councils and housing associations are already doing great things. One council in particular is leading the way through a pioneering scheme called No Use Empty. No Use Empty is the largest and most successful scheme of its kind in the country, according to the Empty Homes

Agency. In 2005, Kent County Council and four district councils in east Kent launched the campaign, originally focusing on the towns of the four districts of Thanet, Dover, Shepway and Swale, as research has found that the majority of empty properties (over 3,000) are located within these four districts.

No Use Empty was given a specific numerical target to return 372 empty properties to use in its first three years, a target which represented a doubling of previous rates. The initiative smashed these targets, and total 487 properties were given a new life over three years which was a 262 per cent increase on previous performance prior to the Initiative commencing. On the back of the scheme's success, Kent's eight other local authorities joined the scheme last year. A revised target of 650 properties being returned to use was set for April 2008 – March 2010, which was achieved by April 2009 with 728. Consequently a new target of 850 properties has been set for April 2010.

Whilst education of and encouragement to owners of empty properties is always the first option, No Use Empty's £5 million programme has three strands: the most popular is a £2.5 million fund to provide homeowners and developers with loans of up to £25,000 to bring disused properties back into use. So far, over £1.3 million has been loaned, with £3.4 million private funds being contributed to the scheme, covering 100 properties, of which around half are owned by developers. Once the homes are sold on or rented out, the income can be used to repay the council. Kent estimates the cost to its coffers is £2,600 in lost interest – and shrinking.

However, other ways of bringing homes into use can be far more costly to local authorities, such as pursuing compulsory purchase orders or Empty Dwelling Management Orders (EDMOS). An EDMO gives the council the right to take possession of the property. Once an EDMO has been made, the council may do anything one would normally be entitled to do with the property, though the council does not take over actual ownership. The remainder of the £5m programme is used for direct purchase, where the council buys properties directly before renovating them.

No Use Empty is now widely regarded as one of the most effective initiatives in the UK. The scheme and their partners have been nominated for awards such as the British Urban Regeneration Association and Margate Civic Society Award.

Why leave property empty?

Owners leave properties empty for a number of reasons:

- The need to undertake repairs or renovation;
- Bought for investment potential;
- Waiting for the right time to sell;
- Don't want the hassle of renting;
- Legal disputes or bereavement; or
- Not sure what to do with the property.

Empty properties have an adverse affect on the neighborhood:

- Nuisance to neighbours, the RICS

estimates that properties adjoining poorly maintained empty homes can be devalued by as much as 18 per cent;

- Adverse effect on amenity of an area;
- Reduces confidence in the area, which can lead to a downward spiral;
- Safety risk to children – dangerous attraction for young children;
- Problems with vandalism, arson and squatting;
- Magnet for alcohol/drug abuse; and
- Increase in crime and fear of crime.



THE POLITICS OF PROPERTY

In the past few months, both the Conservative Party and the Liberal Democrats have announced plans to tackle the housing crisis. They believe the Government should be addressing the problem now will help prevent over-correction in house prices by putting a floor in the housing market.

The Conservatives launched its Empty Property Rescue Scheme earlier this year by temporarily relaxing Labour's 'stringent' rules and regulations, making it easier for the Affordable Housing sector to bring some of these properties back into use. Social tenants renting the homes would be given short-term tenancy agreements lasting between three to five years and offered an option to buy or to enter into shared equity deals. The Tories say they would apply funding from the Homes and Communities Agency (HCA) flexibly, to help housing associations to buy the homes or rent them out on behalf of their owners.

The existing funding available would also cover renovation costs. A proportion of the proceeds from homes rented out for short periods then sold again, would return to the HCA. The Lib Dems' proposals call for a repair and renewal scheme for empty property owners and a £40 million fund for short-life housing, in addition to making the VAT bill for renovating homes the same as for building new ones, possibly dropping to five per cent.

When, as Housing Minister, Margaret Beckett responded with a promised 'increased focus' on bringing empty homes back into use. In the foreword to a guide published with the Empty Homes Agency, Mrs Beckett wrote, "I believe that with an increased focus and more consistent approach, we can bring even more homes back into use, making an essential contribution to the supply of affordable housing. With house building slowing in the current is more important than ever."

The guide says local authorities should ▶

attempt to track down the owners of empty properties, using professional search agencies if necessary. It also explains how to use empty dwelling management orders to take control of a property.

EDMOs were introduced in 2006, but have been used less than 30 times across the UK. The guidance says they should be used as a last resort and notes that the threat of an EDMO can often be effective. Margaret Beckett said, "The new guidance helps strengthen the role of councils by setting out the broad powers they have to deal with empty homes, and is part of the range of actions we are taking to support the regeneration of our towns and cities."

So, what can be done? Local authorities already have the power to be great at helping return empty homes to use. Some, like No Use Empty, already are, but with the recession causing more homes to fall empty it has never been more important for all councils to do more, to take the challenge and to take more direct action.

Do you have empty homes in your neighbourhood? Is your council taking action? Could you get involved? Let us know. Log on to www.propertydrum.com/articles/empty and post your comments after the feature.



Case Study: Building Act 1984 & Enforced Sales Procedure

LEGISLATION: Section 78: Building Act 1984 – Dangerous Buildings – Emergency Measures

RECOVERY METHOD: Enforced Sales Procedure: Section 103 Law & Property Act 1925

BACKGROUND

77 Eastern Esplanade was been a key target of Thanet Borough Council's empty properties campaign. After the owner died in 1981 the four storey Victorian building, divided into three two bedroom flats and a one bedroom flat, started to fall into serious disrepair and was finally vacated in 2003. It was the subject of repeated vandalism and has been the regularly squatted.

The Council became involved when it was classed as a dangerous structure, under Section 78, Building Act 1984. If it appears to the Local Authority that:

- (a) a building or structure, or part of a building or structure, is in such a state, or is used to carry such loads, as to be dangerous; and
- (b) immediate action should be taken to remove the danger.

They may take such steps as may be necessary for that purpose.

Two chimney stacks were removed, the property was boarded up and protective scaffolding put up to remove the danger to the public. The owner's estate was left to a range of beneficiaries in Saudi Arabia so the solicitor acting for the estate could not sell the property on the open market, as the ownership of the property could not be fully established. The condition of the property was such that, if significant and substantial remedial works were not

carried out, there was concern that the property would deteriorate, become uneconomical repair and demolition would have to be considered.

ENFORCED SALES PROCEDURE

Where there is a debt to the Council, created as a result of the Council undertaking works in default, as in this case, the Council can use the Law & Property Act 1925 (Power of Sale), to recover the debt. The Law of Property Act 1925, states that a Local Authority with a debt on a property can, under certain circumstances, register the debt as a first charge with the District Land Registry. This would even take precedence over a mortgage. The Council can then ask for the debt to be paid in full. Where the owner fails to pay the debt, the Council can enforce the sale of the property, just like a mortgagor in possession.

The property was sold at market value to one of the Council's preferred affordable housing partners, the Town and Country Housing Group. They have fully refurbished the property to a very high standard and have created four, one and two bedroom apartments, which were offered on a shared ownership basis. All the apartments have been sold to local people. The Council has recovered their reasonable costs out of the proceeds from the sale and the rest of the monies will be held in trust for the Owner. Once the ownership of the property has been resolved, the funds will be transferred to the owner. A fair result all round. ☺

If you'd like to comment on this, go to: www.propertydrum.com/articles/empty



The Rice Bowl, before and after, an eyesore becomes a community benefit