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## a cure for empty homes

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## contents

foreword	4
a three step approach to bringing empty properties back into use	4
a plan of action	4
part 1.	
diagnosis	5
where to start	5
problems with council tax information and how to overcome them	6
improving the quality of your database	7
understanding why homes are empty	10
carrying out a survey of owners opinions	10
part 2.	
prescription	XX
interpretation of surveys	XX
using property auctioneers	XX
council agreed purchase	XX
home improvement agencies	XX
underwriting private loans	XX
loans and equity release	XX
getting homes back into rented use	XX
private sector leasing	XX
tenant finding schemes	XX
short life housing	XX
unsightly property	XX
dangerous buildings	XX
homesteading	XX
compulsory purchase	XX
demolition and clearance	XX
empty dwelling edmos	XX
deciding when to use edmos	XX
long-term empty properties	XX
exemptions	XX
offering voluntary approaches to property owners	XX
is it financially viable?	XX
what is the likely cost of putting the dwelling into a habitable condition?	XX
what other expenses might you incur?	XX
what rental income are you likely to receive from the property?	XX
paying for capital expenditure	XX
final edmos	XX
part 3.	
treatment	XX
working with owners of empty homes	XX
cross borough working	XX
recording and performance indicators	XX
acknowledgments	XX

## Foreword by Baroness Andrews OBE, Under Secretary of State, Department for Communities and Local Government

In many parts of the country there is a shortage of housing which is fuelling high house prices and preventing many ordinary people from affording a decent home. The Government is committed to a step change in housing supply to address this. Our response to Kate Barker's review of housing supply sets out our determination to do more to tackle the problem. But at the same time we must ensure that we make best possible use of existing housing. Empty homes are an affront to people who cannot get a foothold on the housing ladder.

In 2005 there were 680,000 empty homes in England of which 280,000 had been empty for more than six months. Whilst this helps to illustrate the scale of the problem it does not convey the impact in human terms. Empty homes can do great harm to local communities. They attract petty crime, devalue neighbouring property and eat away at the sense of local pride people have in their community.

Central government can set the policy context and enact legislative solutions but little will result without the active participation of local authorities. The housing function performed by local authorities has expanded significantly in recent years. It has moved away from acting principally as a landlord responding to housing need to become a strategic enabler responsive to demands from the whole community. Authorities across the country are successfully using a wide range of methods to help bring empty properties back into use, ranging from informal advice and encouragement through practical measures like private sector leasing schemes to enforcement measures like enforced sale and compulsory purchase.

The introduction of Empty Dwelling Management Orders provides an opportunity for local authorities to deal with empty homes in ways that were not previously possible and which strike a balance between the rights of the owner and the opportunity to make better use of neglected empty property. But those new powers are only part of the solution and cannot work effectively unless they are part of a well thought out approach encompassing the full range of voluntary and enforcement solutions which are tailored to the requirements of property owners.

This guidance is part of a range of measures endorsed by the government supporting the introduction of the Housing Act 2004, including our own technical guidance on Empty Dwelling Management Orders. This guidance aims to show how local authorities can tackle empty homes in their area. It advocates a strategic approach which reflects that empty homes are a symptom of wider housing market failure. By understanding what is wrong a local authority can work with others to build a range of appropriate solutions. Through working with property owners it can apply these solutions to facilitate bringing empty homes back into use.

I am confident you will find this guidance a valuable resource which can be put to use in a practical way.



Baroness Andrews

## a three-step approach to bringing empty properties back into use

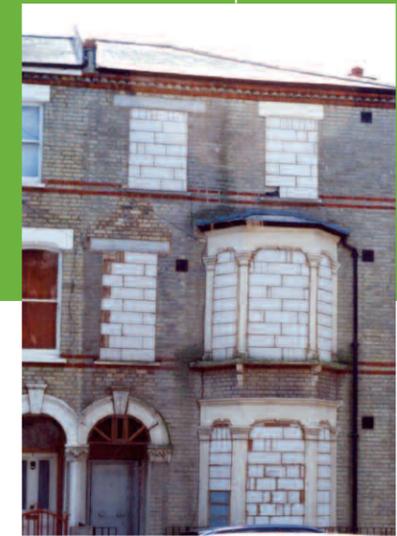
Housing markets like people can get sick and empty properties are a visible symptom of many ills. Local authorities with their strategic overview of the housing market and their enabling and statutory powers are well positioned to act as the doctor.

Good local authority approaches to empty homes, like good doctors, don't just treat the symptoms of an illness but find out what the underlying problem is. They prescribe the appropriate medicine and treat and monitor the patient until they are cured. Like doctors, they may call in help from elsewhere, they may get a second opinion, or they may refer the patient on to other experts. But ultimately they remain the coordinator.

## a plan of action

There is a subtle but crucial difference between plans and planning. Plans and strategies tend to be written documents that explain the objectives, reasoning and the proposed actions to be taken in particular area of work. Planning is the often-unwritten approach taken prior to action actually taking place.

Many local authorities have written and adopted empty property strategies, sometimes as part of a wider housing or community strategy and sometimes as a stand-alone strategy. Some are very good. They show a commitment to tackling empty homes and demonstrate how bringing them back into use contributes to wider community objectives.



This guidebook is intended to show you how the three-stage approach works for empty homes as well as sick patients. This is not a guide to writing a strategy but a guide to planning action.

Of course the real evidence of a good local authority approach to empty homes is not a document but the outcomes that are delivered. This is where planning comes in. Preparation that enables the authority to translate the strategy into action and outcomes, is what marks out the most successful local authority approaches to empty homes. US wartime general Dwight Eisenhower put it this way: "In preparing for battle I have always found that plans are useless, but planning is indispensable".

## part 1. diagnosis

There is an old adage in medicine that the first step towards a cure is to know what the disease is. The adage works for housing markets too. Empty properties are the symptoms of many ills, and solutions to them are rarely effective unless the problems in the housing market have been diagnosed.

### where to start

The first part of any diagnosis is to pinpoint the symptoms. How many empty homes are there? Where are they? And how long have they been empty? Happily there is a source of information available to local authorities that provides some answers to these questions. That source is the council tax database. Local authorities collect information from owners of all property in order to ensure they charge them the correct amount of council tax. Many local authorities charge council tax on empty homes at discounted rates, and all offer a series of exemptions for the first 6 months that a residential property is empty. In order for them to do this they collect and record a series of pieces of information and record them on the council tax database. Some of this information is very useful in enabling the local authority to understand its empty property problem.

This section outlines ways in which you can find out what properties are empty, where they are, how long they have been empty and the reasons why they have been left empty.

Particularly useful information includes:

- the address of the empty property
- the date that it became empty
- the reason that the property is empty
- the name and address of the person responsible for paying the council tax (usually the property owner) .

Some simple analysis of this information should enable the local authority to work out:

- how many empty homes they have,
- how many are long –term empties (i.e. they have been empty for more than 6 months),
- which parts of their area have high concentrations of empty properties,
- what tenures the empty properties are (i.e. owned by the council, RSLs, other public bodies, or privately owned).

Of course this information becomes out of date very quickly and only provides a snapshot of what the situation was like on a particular day. But nevertheless it is an invaluable starting point for your diagnosis.



## problems with council tax information and how to overcome them

Information obtained from council tax should be largely correct but there are a number of factors that might affect the accuracy:

1. **Delay:** Running reports and carrying out analysis takes time. In that time empty houses can be reoccupied and others can become empty.
2. **Interpretation:** Council tax forms are not principally designed with empty homes strategies in mind. There are numerous exemption codes and it is easy for mistakes to be made by property owners or council officials.
3. **Second homes:** the distinction line between second homes and empty homes is sometimes hard to draw. It is easy for second homes to inadvertently be classified as empty. Clearly this will most affect local authorities with high numbers of second homes.
4. **Properties exempt from council tax:** some properties for example properties deemed to be uninhabitable are exempt from council tax altogether and may not feature on the database.
5. **Fraud:** Although it is not widespread, council tax fraud is not uncommon either. Some property owners may give false or misleading information on the occupancy of their property in order to benefit from discounts.
6. **Fraud detection:** Local authorities carry out checks to ensure that fraud is kept to a minimum. It's probable that those who carry this out well have less fraud.

There have been several reported cases of local authority internal policies preventing internal sharing of council tax information. This should no longer be happening. The Government has given local authorities specific powers to share and use this information. The powers are contained in section 85 of the Local Government Act 2003 and allow information on property details, addresses, owners name and contact information obtained from council tax to be used for:

- a. identifying vacant dwellings
- b. taking steps to bring vacant dwellings back into use.

There have also been a number of reported cases of information not being shared because of IT issues. For example restrictive licenses for use of council tax software or internal policies restricting access to IT databases to certain members of staff. These are relatively minor problems and should be resolvable. Where they are not some creative thinking can get around them. For example many local authority council tax sections download regular reports of empty homes into MS.excel or MS.access databases to avoid the need for an additional software license. Others have given delegated authority to empty property officers to be council tax enforcement officers, this simple mechanism allows empty property officer access to council tax records without transgressing council policies on data security.

### a good database is a good start

Empty homes are not a big issue for East Hampshire District Council. Yet there are a few long-term problem private empty properties that have been a cause for concern for both members and officers for several years.

The private sector housing team has recently instigated an empty homes initiative, drawing in councillors from the District Council as well as town councils to look at the strategic approach to tackling empty homes in the area.

As part of their strategic approach to tackling empty homes, the private sector housing team was very keen to establish an accurate base line of

empty property statistics in the district. Whilst they had access to a number of sources such as council tax data, their view was that it was vital to establish an accurate base line before implementing the strategy.

In practical terms, this meant the empty property officer physically visiting properties to check that they are empty and responding to calls from members of the public about empty homes. Whilst this approach is extremely labour intensive, it is giving East Hampshire District Council the accurate and robust data from which they can launch an effective and tailored empty property strategy.

## improving the quality of your database

It is sensible to consider council tax as a starting point that gives a general indication of the empty property problem. There are two stages to improving the quality of your database. Firstly remove details of occupied properties that have inadvertently been included and secondly put in details of empty homes that have been omitted.

### removing occupied properties

There are numerous prescribed council tax exemption codes, but not all of them relate to empty homes. For example student halls of residence, homes where all the residents are mentally impaired, and diplomats homes are all exempt even though they may well be occupied. Some local authorities have inadvertently included all exemptions in their empty property database.

### adding omitted empty homes

Some empty homes are not included in council tax exemptions. For example long-term uninhabitable buildings that have been removed from council tax altogether, and empty spaces above shops which are taxed under business rates rather than domestic council tax. There are several other sources of information on empty homes that can be used to supplement and improve the quality of the information. These should be added.

### other sources of information

There are many other sources of information on empty homes. These can be used to verify and improve the quality of information you have derived from council tax.

### refuse collection

Unoccupied homes tend not to produce any household rubbish and so it is quite easy for those collecting refuse to identify empty homes. Some refuse collection services keep a record of empty homes in order to help them plan their services. Refuse collection is a service that is sometimes provided directly by the council and sometimes contracted out. In either case there may be mutual advantages to sharing information.

### emergency services

Empty homes are known to be at high risk of arson and can attract other forms of crime. For these reasons police and fire services frequently come across empty homes and many will be willing to share information.

### house condition surveys

Most local authorities carry out private sector house condition surveys every five years or so. These can provide useful information on the housing stock and the housing market. As a source of primary information on empty homes they may however be a bit limited.

- Most house condition surveys use an overall sample size of around 750– 2000 homes. Statistical techniques are then used to gross up the data for the total private homes in the district. This may mean as few as 10 to 20 individual empty homes are actually considered in the survey, although the final report will gross this up. The margin of error on these figures is very high.
- Empty homes are often given a low priority in house condition surveys. Inspectors carrying out the survey often find it difficult to gain access and so ignore them and move on to occupied houses that are easier to inspect.
- House condition surveys are anonymous surveys, so you will not be able to find out addresses of empty properties from the survey.

### census

A national census is carried out every ten years and provides the most complete of household surveys. It is possible to obtain accurate information on the numbers and whereabouts (although not exact addresses) of empty properties. General information is available free on the Office of National Statistics website [www.statistics.gov.uk/census](http://www.statistics.gov.uk/census). Detailed information is available for a charge either to download or on a DVD. Most local authorities have already purchased this information.

The major drawback of census data is the frequency with which the data is collected. The last census was carried out in 2001; the next is due in 2011. Data starts to become available about a year after the survey is completed.

### utility companies

Properties that use no utility services (gas, electricity, water) are likely to be empty. Utility companies have records of usage of the services they provide, and of properties that have been disconnected. Whilst these records are not likely to be an exact record of empty homes they are likely to be a good indicator. Electricity and water are likely to be the best services (many occupied homes have no gas supply). Many utility companies may be interested to share data, but there are two issues that may make this difficult:

- the deregulation of utility services means that there are many service providers
- the sharing of some types of data may breach data protection legislation.

### telephone hotlines

The people who know the most about empty homes are the people who live near to them. You should never underestimate this as a source of information. Many people are very willing to report where empty homes are, especially if they think that the local authority is going to bring them back into use.

## the one that nearly got away

This four-bedroom house was last occupied in 1976. When a neighbour reported it to the London Empty Homes Hotline it had been empty for a quarter of a century. So long in fact that the property was not recorded on the council tax database and the council was not aware of the property. The hotline passed the details onto the London Borough of Enfield.

The owner had initially lived in the property for around half a year and then moved out. Over time the house went to rack and ruin.

Enfield's Empty Property Officer, tracked down the owner. The owner did not want the hassle of doing anything with this property. Yet he agreed for the Borough to take action when he was offered a renovation grant. In return, the Borough got a five-year nomination agreement allowing them to use the house to meet housing need in the Borough.

Despite various setbacks throughout the process, (which included a couple coming forward falsely claiming that they were the actual owners of the property) the work has now been completed.

Now Mrs Mills has moved into this property. She and her three children had been in cramped bed and breakfast accommodation since August 2001 with just two rooms to themselves. "So far it has been a good move for us," said Mrs Mills, "and we now have a three bedroom house."



## sample surveys

There is only so much information you can find out sitting at your desk. To really find out which homes are empty you need to go out and take a look at them. It is probably impractical for most local authorities to use this as primary method of finding out where empty homes are, but it can be very useful in improving the quality of your information and verifying information from other sources.

The case study from Islington below shows how they have created a very accurate working list of empty properties, using a number of sources, which has really helped them deliver their empty property programme.

Of course there comes a point where the law of diminishing returns applies. It takes more and more work to achieve very small improvements in the quality of your information. Local authorities need to take a view as to when they have reached this

## a complete approach to getting an empty property database

Islington Council's empty property officer is provided with a list of empty properties from the council tax database, which have been empty for over 6 months. They know that it is largely correct but not accurate enough to be a working tool for all their empty property work. An annual exercise sees them clean up their list of empty properties.

They add to the council tax list the addresses of all empty homes they know about from other sources. For example referrals from the public, the London empty homes hotline, referrals from other parts of the council.

They remove all duplicates.

Divide all the addresses into wards.

Carry out an on-foot survey of all addresses, ring on the doorbell and look for signs of occupation.

All occupied properties are removed from the list, (and referred back to council tax for them to carry out further checks).

A contact card is left at all properties that look like they may be occupied but where nobody was in at the time of the survey.

Where somebody calls in response to a calling card the property is either removed from the list or further checks are carried out.

The results are collated into a new empty property list that is the basis for Islington's work programme for the year.

The latest database clean up carried out by Islington took a week. They checked just less than 800 properties. And now have a reliable and accurate working list of 689 empty properties.

## understanding why homes are empty

One of the commonest questions asked about empty homes is "Why are they empty?" It's a reasonable question, and without an answer to it a local authority is unlikely to be successful in encouraging owners to return them to use. After all how can a local authority offer a solution unless it understands what the problem is?

There are of course many reasons why homes are empty; reasons vary over time and from place to place.

There have been a number of surveys carried out asking owners of empty homes why their property is empty and what it would take to bring it back into use. Full details of the larger surveys can be seen on the Empty Homes Agency's website [www.emptyhomes.com/resources/goodpractice](http://www.emptyhomes.com/resources/goodpractice)

All surveys show a number of common themes:

- in every area of the country there are a large number of reasons why homes are empty
- a large proportion of empty homeowners claim that they are in the process of returning their property to use.
- about half of empty home owners say they want no help in returning their property to use
- about half say they do want help.

A survey of opinions is essentially a piece of market research and like market research the object is to enable you to segment the market. In this case the segments are the different reasons why properties are empty. Segmentation allows you to understand the breadth and distribution of causes of properties being empty and helps you to plan the range of solutions that you need in order to tackle them.

## carrying out a survey of owners opinions

Owner of empty homes are a disparate and unconnected group of people. There are for example no empty homeowners organisations. They should not be confused with landlords who by definition own occupied property. In other words there is no one place to go to consult – you will need to go to them. The simplest way to do this is to carry out a postal survey.

You can either carry out the survey yourself or commission a polling organisation to carry it out on your behalf. The advantages of carrying out a survey in-house are that for a small scale survey you will probably be able to do it more cheaply. This is less true for larger surveys where the polling organisation can achieve greater economies of scale.

The main advantages of using a polling organisation are that their experience and expertise will make it easier to carry out and the results will probably be more statistically reliable.

It also appears that polling organisations are able to achieve much better response rates. This may be because they are trusted as impartial in the way that a councils are not.

Whatever route you take, the best source of information is the council tax database. The Data Protection Act allows you to use council tax data for research purposes provided that personal information (for example, the owners name and address of property) is not identified in any published report. You are also entitled to disclose personal council tax information to external polling companies you are employing, provided that they abide by these rules.

The survey will be more useful if you exclude transient empty properties. The best way to do this is to restrict it to owners whose properties have been empty for a certain period (say 6 months or more).

## a regional survey of empty homes owners

In order to support local authorities in developing strategies to tackle the issue of empty homes the Government Office for the East of England (GO-East) together with a small group of volunteer authorities and other partners commissioned MORI to carry out research with the aim of understanding why privately owned properties, in the East of England remained empty for more than 6 months and to determine what obstacles exist to bringing the properties back into use and identify possible solutions.

This was the first time that a survey of empty properties had been carried out on a regional basis. The sample of nine local authorities was selected by the group as being a cross section covering urban, rural and coastal authorities in the East of England. The database provided was taken from council tax records.

The survey was conducted by postal questionnaire that was sent to the owners of 3,200 properties in the region that had been empty for at least six months as of the 1 April 2005. An initial mail out was dispatched with a reminder sent a month later. A total response rate of 37 per cent was achieved. The study found:

A total of 60 per cent of owners stated they had actually bought the property, mainly to live in themselves or as an investment, while 22 per

cent of the properties had been inherited. Thirty four per cent had a mortgage or loan against the property.

Sixty-seven per cent said that owning the property caused them some problems or concerns.

The reasons given by the majority of respondents as to why the property remained empty were to do with repairs and/or renovation. This included the largest single reason, 37 per cent, saying that the work was in progress, 17 per cent that it needed doing, and 9 per cent that they were planning to do the work soon. A total 9 per cent said that they could not afford to repair or renovate the property. The second main reason given, 28 per cent, was that they were trying to sell the property.

Forty two per cent thought that at least one of the seven services currently offered by the participating local authorities might encourage them to get the property occupied. But overall nearly 60 per cent did not want any of these services.

Sixty four per cent of respondents said that they expected that the property will eventually be sold or rented out, with 21 per cent saying they did not know and 3 per cent that it was not for occupation.

## interpretation of surveys

Surveys give broad indications of what the underlying problems are within the local housing market from the perspective of the most important group – owners of empty homes. They need to be read in conjunction with other information about local housing to build up a clear picture of what the overall problems are and therefore what solutions are needed.

A survey may for example suggest that there are a small number of problems that are responsible for the majority of homes becoming empty, or it might suggest a wide range of problems. A survey may indicate what sort of homes are empty. Are they for example a result of a failed private rented sector or are they as a result of large scale property speculation.

Most surveys show up amazingly similar results suggesting that the reasons behind homes being empty may not vary that much from one region to another.

Care needs to be taken not to over-analyse results. All surveys have a margin of error and a confidence level based on the sample size and the return rate. Apparent differences and findings may not be statistically significant. So check results with a statistician. Also care needs to be taken not to read information into results. Some of the results you will get will simply be inconclusive.

### what you can do:

- Create a working list of empty homes in your district. Get the information from your council tax database and keep it up to date.
- Obtain information from other sources about empty homes in your district and use it to improve and validate your working list.
- Analyse the data to find out where the empty property hot spots are and how long homes have been empty.
- Survey the opinions of owners of empty properties to find out why homes are being left empty.



## part 2.

### prescription

Having identified what and why homes are empty in your area, the next step is to prepare a medicine cabinet of appropriate solutions that the council can offer to help get them back into use.

As in medicine there is no cure-all pill that will solve all problems. But there is a wide range of solutions available from light intervention such as providing advice on selling property through to high-level intervention such as compulsory purchase. Each solution can work very well, but just as a paracetamol pill won't cure a broken leg, the solution has to be matched to the diagnosis of the problem. It's probably not necessary for every local authority to be able to offer every solution. Some solutions are specific to certain housing markets and others may only be useful in order to meet certain types of housing need. But the understanding you have gained about what and why properties are empty should guide you to the types of solutions that are necessary for your housing market.

Every local authority engaged in work to bring empty homes back into use should aim to be able to offer more than one solution to empty homes. Experience from successful local authorities has shown that being able to offer a broad flexible range of solutions to owners of empty homes achieves greater success than attempting to use the same solution for every property and every property owner. A local authority offering a large menu of solutions is likely to be able to tackle more empty homes and have a greater success rate than one offering a narrow menu.

The range of solutions detailed here is broad but not all-encompassing. These solutions can be adapted for local circumstances and of course local authorities may innovate new ways of getting empty homes back into use. The spectrum of options open to local authorities range from the light touch of encouraging property owners to make use of services that are already available in the market through to the heavy approach of forcibly taking ownership of a property. In almost all cases the most successful approach is likely to be the lightest one that works.

### helping owners sell their property

Changing the ownership of an empty property has a strong causal relationship with it being brought back into use. After all how many purchasers would be willing to buy a property only to leave it empty?

It stands to reason therefore that a healthy housing market where property is bought and sold easily is likely to have fewer empty properties. Intervention from the local authority to encourage the market to work more effectively is likely to be beneficial.

## using estate agents

Most land and property is sold through estate agents. And in the main they do a very good job of keeping the property market moving. Most people looking to buy a property start by checking the local high street estate agents.

These literally provide a shop window for the local property market. For most, property estate agents provide a good route to achieving a sale. However there can sometimes be some problems when it comes to marketing some types of empty properties.



Many empty properties are in poor condition and don't look attractive to potential purchasers. Scruffy properties take longer and are more difficult to sell to the general buyer. Properties in poor condition can be difficult to secure a mortgage on. Consequently some estate agents will not be interested in marketing some empty properties. Others will do so but not advertise it heavily. To increase the chances of successful sales of empty properties it is important for the local authority to understand the local housing market and how estate agents operate within it so that they can give useful advice to empty property owners.

Most estate agents are to some extent niche providers. Traditional estate agents specialise in a geographical area, but others, especially on-line agents, target a particular market segment; for example country cottages, large houses, or small flats. Some of these niche players can be well suited to selling empty properties. For example: some specialise in property for developers or enthusiastic DIYers:

Renovate Alerts: [www.renovatealerts.com](http://www.renovatealerts.com)  
Pick up a Property: [www.pickupaproperty.com](http://www.pickupaproperty.com)

There is also a web-based service: Empro.co.uk that was set up by local authorities specifically to market privately owned empty homes. It is available for all local authorities to join. There are no fees for empty property owners or potential purchasers, but an annual fee is charged to the local authority:

Empro: [www.empro.co.uk](http://www.empro.co.uk)

There is also a large industry of agents who market land for the self-build market. Much of the land they advertise is in fact just empty properties. For example:

Plotsearch: [www.buildstore.co.uk/findingland](http://www.buildstore.co.uk/findingland)

Plotfinder [www.plotfinder.net](http://www.plotfinder.net)

Plotbrowser: [www.plotbrowser.com](http://www.plotbrowser.com)

Building Plot: [www.building-plot.org.uk](http://www.building-plot.org.uk)

Property Spy: [www.propertyspy.com](http://www.propertyspy.com)

It's a good idea to find out what estate agents operate in your area, contact them and find out what types of properties they market. This sort of local knowledge is essential if you are going to be able to offer useful advice to empty property owners.

## using property auctioneers

Over 25,000 properties are sold in more than 1,000 property auctions every year in the UK. Auctions are a quick and decisive way of selling; once the hammer has fallen, a binding contract of sale is established. It can be a much quicker way of selling than using an estate agent. One of the great advantages is that auctions have a targeted audience made up of developers, cash buyers, investors and portfolio landlords who may well have different requirements to prospective homeowners buying at an estate agent. The very issues that make empty properties unattractive to homeowners may be appealing to these buyers.

Look through any property auction catalogue and you will see many of the lots (properties) are indeed vacant. An estimated 10,000 empty properties are sold this way every year. With this track record and their client group it makes sense to see how you can make best use of property auctions.

There are many property auctioneers some of them are household names like Halifax, Savills and Allsop who operate nationally and run auctions featuring properties across the whole country. Other auctioneers are small local operations and will feature properties from a region or even just one town. A complete list of property auctioneers can be found on the Empty Homes Agency' website:

[www.emptyhomes.com/resources/goodpractice](http://www.emptyhomes.com/resources/goodpractice)

Auctioneers publish a catalogue a few weeks before the auction. This gives details of all the properties that it expects to be available. In practice some properties are removed and occasionally some properties are added before the auction itself. Those interested in bidding can visit the properties in advance and carry out a survey. Auctions are held at centrally located venues, often hotels. Anybody is free to attend.

Look for the success rates of different auction houses. They vary between 60 and 90 per cent. And lastly look for the fees, these vary too, but don't forget that a good auction house that achieves a good sales price will be better value for the client even if its fees are higher.

The seller is normally charged a fee by the auctioneer, this covers a proportion of the cost of marketing the property and running the auction. This fee has to be paid even if the property is not sold. In addition if the property is sold the seller pays a commission to the auctioneer in much the same way an estate agent does. Charges are similar to estate agents' fees, an average perhaps being 2.5 per cent. In addition most auctioneers charge a small buyers' fee that is paid by the buyer if they are the successful bidder.

When the hammer falls at an auction, it establishes agreement of a binding contract between buyer and seller. The buyer must pay 10 percent of the total sale price of the property before leaving the auction house, and will normally have to pay off the remainder within 28 days.

## what you can do

- Find out which estate agents and auctioneers operate in your area and establish what types of property they specialise in marketing.
- If there are few or no local estate agents willing to market empty properties you may want to consider national operators. Contact them and establish whether they are operating in your area and what terms and conditions they offer to owners.
- If the market is not offering the services you need you could consider setting up your own service or joining Empro.co.uk
- Compile a list of those organisations who are willing to market and sell empty properties and include it in your information pack for empty property owners.
- Keep an open dialogue with estate agents and local auctioneers; the property market and consequently the industries operating within it can change quickly.

## in demand but not saleable

Ealing, sometimes called the queen of the suburbs, is a leafy residential area in West London and one of the most popular parts of the capital for homeowners and property investors. It is perhaps an archetypal high housing demand area. Despite this there are properties that are hard to sell; around 2,000 of them are empty. One of these was owned by David who inherited a one bedroom flat from a friend. The flat had already been empty for a couple of years after the previous owner had emigrated. David was unsure what to do with the flat. It was in poor condition and he thought it was unsaleable without refurbishment. The property stayed empty for four more years. It deteriorated further, was vandalised and rubbish dumped in the garden.

Neighbours complained to the council about what they considered to be an eyesore. The empty property officer got in touch with David and persuaded him to sell the property. He found an estate agent willing to market it. Property in Ealing was selling very quickly at the time and the estate agent was able to generate quite a lot of interest in David's flat. After a month a sale was agreed. Unfortunately, the mortgage lender's survey found lots of problems and a mortgage offer was only made with a hefty retention. The buyer was no longer able to afford the property and the sale fell through. Over the next few months two more sales fell through. The estate agent eventually decided the property was not for them and parted company with David.

The empty property officer had kept in touch with David, and seeing that things weren't working out with the estate agent suggested Empro. The website was marketed at developers, many of whom were cash buyers. Once listed on the website the property attracted a lot of interest. One developer who was able to buy the property without the need for a mortgage bought the property. He renovated it and leased it to a housing association.



## council agreed purchase

A very direct method of getting an empty property sold is for the council to buy it. Councils may purchase properties for a number of reasons, but as a method of returning empty properties to use, it is usually only considered where the market has been given the opportunity to work and has failed. There are of course powers to enable local authorities to compulsorily purchase property and land, but there is little point using the power if the owner is prepared to sell it voluntarily. Indeed, as you will see later in this guidebook in order to use compulsory purchase you need to be able to offer an option for the owner to sell it to the local authority voluntarily.

The two potential obstacles with agreed purchase are cost and getting everybody to agree. A local authority has a duty of care towards owners of properties and cannot exploit owners and secure unreasonably low prices. In other words you need an independent open market valuation of the property and proceed on that basis. The following case study from Ipswich shows how the council achieved success by introducing two independent organisations a home improvement agency and an estate agent to broker the deal. This independence gave confidence to the owners and no doubt helped resolve a very tricky case.

## brokering a deal

This pair of semi-detached houses was built in the early 1900s on one of the main roads into Ipswich. It's probably fair to say that neither house had received much in the way of investment or maintenance over the years and as they approached their hundredth birthday they were in a sorry state.

A large local portfolio landlord owned the left hand house. He had let the property for many years on a fairly low rent; when tenants left in 1999 he found the house to be in too poor a state to re-let.

The right hand house was owned and occupied by the Wilson family. They had bought the property many years ago. They were painfully aware of the properties' poor and declining state but were unable to afford repairs. They had made an insurance claim but this was unsuccessful.

The houses were built on a sloping site and subsidence had caused the back additions of both properties to move away from the main parts of the house. Large cracks appeared running up the rear walls. The roof of the empty house began to leak and damp patches started to appear on the dividing wall in the Wilson's house. Plant life in the garden started to get out of control and the front of the house began to disappear under a blanket of ivy, blocking the gutters and causing more dampness.

Efforts to resolve the problems never got very far. Structural repairs would only be possible if both owners agreed on a joint refurbishment scheme. The landlord made an offer to buy the other house, but this was unsuccessful. With no other plans in mind he just left the house to rot. Over the next few years a series of squatters lived in the house. But by 2004 the property had deteriorated further. The squatters had had enough too and they moved out voluntarily. In late 2004 the Wilson's approached the council and asked for help. They were becoming increasingly upset by the condition of the empty house, but also very worried about their own house.

The council surveyed both properties and found them both to be unfit for human habitation. They boarded up the empty property to prevent intruders getting in. In order to decide what to do they used the Neighbourhood Renewal Assessment (NRA) model to evaluate the options and decide what was the most satisfactory course of action.



They obtained some quotations for building works and found the costs of refurbishment to be exorbitant. In order to ensure that the Wilson's views were properly represented the council asked local home improvement agency Care and Repair to act as the liaison point. The Wilson's appointed the home improvement agency to act on their behalf and represent them in their dealings with the council. The conclusion of The NRA was that repair was not a viable option; it didn't stack up financially and none of the interested parties particularly wanted it to happen anyway. The potential options were to demolish or compulsorily purchase the properties.

Negotiations with both owners began and it became clear that a voluntary outcome was possible. The council decided that it would be easier and more helpful to both owners, but particularly the Wilson family, if they pursued this rather than a statutory route. The council appointed a local firm of estate agents to broker the purchase of the properties. This gave both owners reassurance that the sale was fair and independent and ensured that they were offered open market value for the properties. The council successfully completed the purchase of both properties in 2005 and re-housed the Wilsons into permanent social housing.

The council demolished both properties and has negotiated sale of the land to a local RSL who will build two new properties on the site for social renting.

## home improvement agencies

Another common reason for properties being left empty is that some property owners lack the confidence to organise renovation works. Surveying and architects firms are clearly able to help in many cases but it has to be said that some empty property owners don't make the most attractive clients. One way of assisting is for the local authorities to provide services to help organise building work by employing contractors. Local home improvement agencies are already in existence throughout the country and cover most local authority areas. Most are small not-for-profit surveying businesses that work on behalf of homeowners employing and supervising contractors. Most were set up, and indeed still exist, to provide assistance to low income and vulnerable households who are unable to use the private market. Only a small number of home improvement agencies offer services to landlords or non-owner occupier property owners. In many cases this is because their main funding stream is through the "Supporting People" fund operated through local authority social services departments that may judge that these types of property owners do not meet their criteria.

It is however possible for home improvement agencies to set up specialist wings, and local authorities are able to set up specialist home improvement agencies. These can provide a number of services. These can ultimately become one-stop shops for owners of empty properties providing services such as:

- advice on options for redesigning and renovating the property
- advice on grants loans and other sources of funding
- links to end users such as PSL schemes and managing agents
- plans and specification service
- tendering for contractors
- approved list of contractors
- supervising contractors whilst works are underway
- organising payment of contractors.

For an example of a home improvement agency in action see the Ipswich case study on page 16.

## underwriting private loans

In some housing markets the value of derelict property is not sufficiently high for owners to use it as security for a loan to pay for renovation. Major lenders will usually only lend up to 70 per cent of the value of the owners equity. Even in markets where property values are high, these requirements can make schemes like flats above shops seem impossible to finance. One way to help is for the local authority to underwrite a larger loan during the development period. Once development has been completed the property value and the owner's equity should have increased and be sufficient for the owner to take on the security of the loan.

Local authorities have the authority to enter into underwriting agreements like this under the general consents in section 24 of the Local Government Act 1988. Where projects run smoothly the costs are simply minor administrative costs. But clearly the local authority is putting itself in a position of risk should individual projects not be completed, overrun in cost or the final property value not increase sufficiently. The risk is obviously less during markets with increasing property prices.

To reduce its risk it is a good idea for the local authority to obtain valuations of the property in its existing state and an estimated valuation of it once works are complete. The local authority can also take out a legal charge over the property; this will give them the ability to enforce the sale of the property to recover costs should the development not get completed.

## grants

One of the most common reasons for properties being left empty, is that the owners can't afford the cost of repairs to make them habitable. A fairly obvious way of overcoming this obstacle is for local authorities to offer grants. This is a well-tried technique and can be very effective if somewhat expensive.

Local authorities have been given the freedom by the Government to set their own grant levels, priorities and conditions. These should be set out within the local authority's housing assistance policy. Where empty properties are considered to be a priority by the local authority it is perhaps not unreasonable to expect that there should be provision for assistance to empty property owners within the housing assistance policy. Surveys regularly show grants to be the most popular service local authorities offer to empty property owners. But they are not without their problems.

There is a theory that over-generous grants have the potential to incentivise owners to leave property empty in order to qualify. Some local authorities deal with this by applying qualifying conditions, for example stipulating that the property must have been empty for six months.

A further problem is that grants can cause responsibility for the property to be shifted away from the owner to the local authority. This can be exacerbated with generous 100 per cent grants and when the grant is linked to a leasing scheme. Owners can be left feeling that the disrepair is not their problem any more. This isn't helpful in achieving a healthy private rented market.

The other problem of course is that grants are expensive. Most refurbishment schemes cost many thousands of pounds. Funding grants can be a very expensive method of returning empty properties to use on a unit cost basis

A well thought out strategic plan will set grants at a level that matches the subsidy to the cost of market failure. In other words, the amount it takes to make a non-viable refurbishment scheme viable.

Local authorities have the freedom to apply whatever conditions they think reasonable to a grant. A common one is to link the grant with a leasing scheme such as private sector leasing (PSL). This can be a good way of increasing the attractiveness of a PSL scheme. But if local property owners are not interested in PSL, linking it to grants is only going to make grants unpopular too.

## the flagship home

The Royal borough of Kensington and Chelsea contains some of the most desirable and expensive housing in the country. Its elegant Georgian terraces and squares provide homes to ambassadors, royalty, the rich and the famous. It seems an unlikely place to look for housing problems. But under the surface there is localised deprivation, homelessness and chronic affordability problems. Amazingly there are also hundreds of empty homes.



Some of the factors that make Kensington and Chelsea's housing so desirable can also be the source of its problems. Large and old properties are difficult to heat and difficult to adapt. About two thirds of the houses in the borough were built before the First World War, most are terraced, and over three quarters have been subdivided into self contained flats. Many of the houses are listed or in conservation areas. With few cavity walls or roofs to insulate, and heritage objections to double-glazing, the task of making these homes energy efficient is a challenge that few have achieved.

The Flagship Home was a project that sought to overcome these challenges and create efficient and affordable homes out of a neglected and partly empty house in multiple occupation. It was a large 5-storey property in Knightsbridge originally built as a single-family house but later subdivided into a series of flats and bedsits. It was in poor condition, the roof leaked, there were condensation problems, the heating was expensive to run and didn't work properly.

The Council brought together a partnership of organisations that were prepared to help fund a complete refurbishment and improvement of the house. Although ostensibly a demonstration project for retro fitting energy efficiency improvements, the project shows how a diverse range of funding can be brought to assist getting an empty property back into use. The combination of the partners provided the opportunity to do something really special. They convinced the owner, that although he would still need to find the majority of the money to pay for the works, he would achieve a far superior result by incorporating energy improvements. The council applied for the grants on the owner's behalf from energy efficiency grant providers such as London Energy, the Energy Saving Trust, heritage funds and also contributed some funding of its own. Grants were obtained to fund:

- dry lining of all external walls
- replacement double glazed windows
- a new fully insulated roof
- solar water heating
- high efficiency condensing boilers with multiple controls
- heat recovery ventilation system
- "A" rated kitchen appliances
- low energy lighting system.

The outcome is a property that proves that old houses can be energy efficient. It also demonstrates how grants from diverse sources can be used to produce good quality housing out of empty property warmer drier healthier and considerably more pleasant place to live than before. Not surprisingly the property is now fully occupied.

## loans and equity release

A much discussed method for local authorities to assist with the costs of property refurbishment is making loans. This has the obvious advantage that the local authority can recycle its money and assist more properties with the same money. In practice many local authorities have found that take up rates are low and set up costs high. In research work for this booklet many local authorities reported that they offered loans to assist owners return empty homes to use, but not one reported a recent case where a local authority loan had been successfully used to bring an empty home back into use. In part this may be because of the current easy availability of low cost loans from high street lenders. Or it may be that council conditions attached to loans make them unattractive to empty homeowners. It is tempting to think that this is a service that is already well catered for by the market and there is no need for councils to provide loans services. However, there is a strong case for the opposite view: some empty home owners have insufficient equity as loan security and some may have poor credit ratings: meaning that they are unable to borrow money privately. It is also quite possible that the availability of loans from high street lenders may change in future meaning local authority loans become more popular.

Local authorities offering loans and equity release packages are exempt from regulation, but required by the Department of Communities and Local Government (DCLG) mortgage sales guidance to provide a similar standard of service to that required of private lenders.

## private sector leasing

Many empty property owners say they would like to bring their property into use to rent it out but lack the skills or the time to be able to manage the process. Private sector leasing schemes (PSL) help by providing that management service. Local authorities have for many years procured privately owned homes on short-term leases to meet demand for social housing. This provides local authority with a supply of temporary housing enabling local authorities to reduce homelessness and provides the property owner with a letting and property management service. In many cases PSL procure properties directly from the private rented market, offering landlords with ready to let properties an alternative to private renting. However many schemes directly target empty homes offering the owner an incentive to get the property back into use.

In practice this involves providing independent financial advice and a number of other financial safeguards to clients.

Four potential models are:

### recycled grants

Local authorities offer grants in the normal way but a condition of the grant is that it is repaid in full on the sale of the property. This is an attractive product for many, but offers little certainty to the local authority on when they might see repayment.

### equity release

The local authority provides the property owner with a sum of money; in exchange the local authority takes a share in the value of the property. The local authority receives the value of its share when the property is sold.

### repayment loans

The local authority lends the property owner a sum of money to repair the property. The money is then repaid in monthly sums by the owner or in a lump sum at a pre-agreed date.

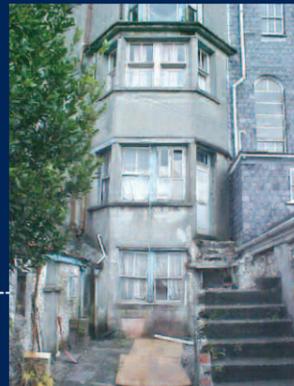
### front funding

The local authority carries out works to the property itself at its own cost. The property is then let by the council or a nominated partner. The local authority deducts repayments from rental income.

## a partnership approach

The word partnership is often overused, but in Plymouth City Council's case it is entirely appropriate. The council have set up a group of eight local housing associations. Each serve different client groups and have a slightly different set of core competencies. The council take proposed new empty property schemes to the partnership for discussion.

This scheme in Durnford Street in the historic Stonehouse area of Plymouth particularly suited Sarson Housing Association's development and fund raising skills. The property had been derelict for many years and was in need of major renovation. It was a listed building within a conservation area which meant that strict rules applied to the design, building materials and standard of workmanship.



Inevitably this meant it was an expensive project. Indeed this was one of the reasons that the property had been left empty for so long. Sarson successfully applied for Temporary Social Housing Grant from the Housing Corporation for the project and with the assistance of the local heritage group the property was restored and converted into a maisonette and two flats. As a condition of the scheme the owner assigned a five-year lease on the completed property to Sarson Housing Association. Plymouth City council has full nomination rights to the property and it now houses three local families.



## making the most of landlord skills

John had lived in this three-bedroom semi in Harrow for many years but in 1998 he was taken ill and went into residential care. By 2001 it became clear that he was not going to be coming home for a long time and he started to consider what to do about his house. With the help of his social worker John approached Harrow's empty property officer. He was offered a range of options from selling, assistance with renovation through to leasing packages. He wanted to retain ownership of the house, but a survey carried out by the council showed that years of standing empty had taken their toll. The house was in poor condition and would need a large amount of money spending on it before it could be rented out, money that John didn't have. After a couple of years of deliberations John's health took a turn for the worse and it became clear that he would not be coming home. He decided to sell the house. With the council's help the property was put on the market and sold.

A local landlord, Michael bought the property. He intended to renovate it so that his children might live in it when they grew up. Michael was looking for an interim option that would see the house renovated and occupied until his family needed it. Harrow council explored the options with him and were able to offer him a grant package linked to their direct lettings scheme.

Harrow offers both direct lettings scheme and private sector leasing schemes (PSL). In both schemes, the council provides tenants and retains nomination rights over the property for the duration of the scheme. The main distinction being that with PSL a housing association manages the property. In this case direct lettings appeared to be more appropriate. Michael's skills and experience as a landlord meant that he was able and willing to manage the property himself. But as a small landlord he found it more difficult to find tenants than larger landlords who were able to spend money on letting agents or marketing.

Michael was offered a grant that contributed about two thirds of the renovation costs. A condition of the grant was that he signed up to the council's direct lettings scheme for 15 years. The council recorded a charge against the property at the Land Registry so that the grant could be recovered if the property was sold or the landlord broke the agreement. The house has now been renovated and is occupied by a family from the council's housing register.



## tenant finding schemes

One of the reasons some properties become empty is because private landlords are unable to find tenants. There is the potential for shared interest here; local authorities often face the opposite problem, lots of people looking for homes, but not enough properties to offer them. A number of local authorities have systems in place that try to match up the two.

In effect the council becomes a letting agent, finding tenants and managing re-lets. The landlord however has full responsibility for management of the property and collection of rent.

## short life housing

The explanation behind some properties being empty is that they are awaiting development or demolition; however just because there is an explanation, it doesn't follow that nothing can be done. Properties that are empty for even a short period can be used to provide a form of temporary housing.

The process of planning and organising large scale building works can take a long time. In many cases the future of the building is unclear and the lack of certainty over its future is enough to discourage anybody from using it.

Buildings can stay empty in this sort of state of limbo for years. There are however housing associations and housing co-ops that specialise in making use of buildings in this situation. Short-life associations usually pay no rent for the building but cover all their own costs such as utility connections, and maintenance costs. The advantage to the owner is that the property is occupied, reducing security costs and removing the poor image problem associated with leaving a large property empty.

The usual agreement between the owner and the association is a licence that gives the owner vacant possession whenever they need it. There is very rarely any problem with short-life associations giving vacant possession when requested.

Most short-life associations are cooperatives, members tend to be single people or couples who are on low incomes but economically active. Pooling their skills and money enables them to live in houses that would otherwise be unaffordable to them. Many associations are skilled in carrying out temporary repairs and alterations to make unpromising looking buildings habitable, even if only for a few months.

Generally short-life housing associations are looking for large buildings where the economies of scale make short-life cost effective. Short-life associations can often make use of empty commercial as well as residential buildings.

In order to be an option the local authority needs to work with the association and be flexible with any temporary planning permission that is needed. In some cases the standards of amenities and condition do not meet private sector housing standards that local authorities enforce. Offering advice and help on means of escape from fire for example can be helpful, inflexible adherence to standards on condition less so.

## brent community housing

Many people in the housing sector were deterred from using short life as an alternative by the Bruton ruling in 2000. Mr Bruton was a short-life tenant in Lambeth, who had been accommodated in a property for a long period of time. The property was identified for redevelopment, and a court declared that he had rights because he had a secured tenancy agreement. Fully mutual co-operatives cannot give secured housing tenancies and can only give excluded contractual tenancies. If Mr Bruton had had such a contractual tenancy, the court would not have been allowed this discretion.

There are currently 25 members of the Short Life Forum in London and Brent Community Housing (BCH) Association is one of the largest, with 320 short-life properties.

In the past some co-operatives have undermined the principle of short life by not giving properties back at the end of the agreed tenancy. It is imperative, though, that short life will only work as a principle if it is respected on all sides that the property will be vacated at the end of a certain period.

The benefit of short life for the tenant is that they are offered better accommodation than they might previously have had in bed and breakfast accommodation or other temporary accommodation, and the rents are substantially lower than they might pay in other areas of social housing.

In addition, short-life properties provide an effective solution to the way that empty properties attract crime and associated problems. In many respects short-life accommodation can be seen as infinitely preferable to boarding up a property and it attracts an income stream.

It is interesting to note that of the BCH tenants, 75 per cent are economically active. They have made a big play recently in trying to attract key workers, and have succeeded in attracting staff such as cleaners and porters, who provide essential public services.

Short-life accommodation need not be sub-standard housing, for example, BCH has clear standards for their properties and the only difference from other social housing is the decoration and fittings. Essentially short life is basic accommodation to a decent standard but with low rents and a fixed time period. For each new tenant of BCH it is clearly spelt out to them that their tenancy is of a temporary nature.

In many respects 'short life' is a misleading name for this type of accommodation; it could be suggested that a name like 'guaranteed temporary accommodation' might be a more appropriate description of this type of accommodation.

## improving the condition of empty properties

Local authorities have a range of powers at their disposal to require owners to improve their properties. None of these powers extend to forcing the owner to bring the property back into use, but when used correctly they can help deal with the problems caused by empty properties or be part of a process that encourages the owner to bring the property back into use.

As the case study from Bristol shows one of the effects of well-executed statutory action can be to cause the owner take some responsibility for their property. Having spent some money on their property a natural reaction is for the owner to see how they can derive some value out of what they have spent. The two best ways of doing this are to sell or let the property. In most cases the owner is more likely to do this if they are encouraged to do so by the local authority.

## unsightly property

The most common reason for people to object to empty properties in their neighbourhood is the visual impact on the area. This is an entirely reasonable reason for complaint. Individual empty properties if left un-tackled can be the beginning of the decline of an area. There is plenty of evidence that they attract petty crime, and research carried out in 2003 by Hometrack suggested that they cause neighbouring property prices to be devalued by up to 18 per cent.

Two pieces of legislation allow local authorities to tackle these problems directly.

**Section 79 of the Building 1984 Act** empowers local authorities to deal with ruinous and dilapidated buildings or structures and neglected sites 'in the interests of amenity' and **section 215 of the Town and Country Planning Act 1990** allows local authorities to deal with unsightly land or the external appearance of property.



Enforcement should be seen as a step on the way to getting the property to use. Just as a good doctor wouldn't abandon a patient after treating one symptom of an illness the local authority should try to maintain a working relationship with the property owner so that they can help them take the next step to bringing their empty property into use.

Both powers allow local authorities to serve notice on the owner of a property requiring that he or she address the problems. Owners can comply by restoring the property or by demolishing it. It is sometimes possible for the owner to comply by improving the external appearance of the property, but leave it still uninhabitable. Further advice on using section 215 can be found in the DCLG best practice guidance:

[http://www.dclg.gov.uk/pub/468/TownandCountryPlanningAct1990Section215BestPracticeGuidancePDF508Kb\\_id1144468.pdf](http://www.dclg.gov.uk/pub/468/TownandCountryPlanningAct1990Section215BestPracticeGuidancePDF508Kb_id1144468.pdf)

## dangerous buildings

Derelict buildings can be hazardous to neighbours and passers by and they provide tempting playgrounds for children who can easily come to harm.

Local authorities have a number of powers to require owners to make their property safe or to carry out work directly themselves.

## removing the status quo as an option

A two storey end of terrace house had been left empty in a main road leading into Bristol city centre for more than 10 years, and it showed. Vandals had smashed the windows, graffiti was sprayed on the walls and the garden was filled with fly-tipped rubbish.

Not surprisingly neighbours were unhappy with what had become a local eyesore. The property was on a conspicuous place on the corner of a busy road junction and was seen by thousands of people every day.

It belonged to a local portfolio landlord who had bought the property many years before. He had let and managed it many times over, but for some reason in the early 1990s the tenants left, and nobody else moved in. Over the next few years the property deteriorated. It became obvious that the property was empty and vandals took advantage. The local residents association petitioned the council to do something about the property.

Bristol City Council contacted the owner to find out what had gone wrong. But the owner didn't see that anything was wrong at all and appeared happy to have the property empty: it wasn't bringing in any income, but the capital value of the property was increasing and it wasn't costing him anything.

The council decided that the best approach would be to break the rather comfortable status quo for the owner. They served a notice requiring him to restore the property. They chose to use the powers in Section 79 of the Building Act 1984 that enable local authorities to deal with ruinous and dilapidated buildings. The owner realised that doing nothing was no longer an option. He embarked on a complete refurbishment of the house eventually costing him more than £50,000. Soon after completion he rented the property out again.

**section 77 of the building act 1984** enables local authorities to deal with buildings that it considers to be dangerous. It can apply to a Magistrates' Court for an order requiring the owner to make the building safe or demolish it. If the owner fails to comply, the Council can carry out the works in default.

**section 78 of the building act 1984** allows local authorities to deal with buildings that pose an immediate danger. This emergency measure allows the local authority to carry out remedial works itself without giving the owner the opportunity to deal with it himself. The local authority is only entitled to carry out works that remove the danger.

**section 29 of the local government (miscellaneous provisions) act 1982** allows local authorities to carry out works to an unoccupied building to prevent unauthorised entry or to prevent it from becoming a danger to public health. 48 hours notice is needed unless the works are required immediately. Costs are recoverable.

**sections 79-81 of the environmental protection act 1990** allows the local authority to require abatement of statutory nuisances. The term statutory nuisance applies to a range of problems that might arise from empty homes, including accumulations of rubbish or dampness affecting neighbouring properties. The act allows local authorities to serve an abatement notice on the owner of the premises requiring works to abate the nuisance. If the notice is not complied with the local authority can carry out works in default.

## listing buildings

There are also a number of powers available to local authorities under the Planning (Listed Building and Conservation Areas) Act 1990.

These enable local authorities to require owners to carry out works to prevent deterioration and restore listed buildings and buildings in conservation areas.

## enforced sale

Enforced sale is actually a procedure that allows local authorities to recover debt, but a number of local authorities have cleverly used it as a way of getting empty properties back into use.

The power dates back to the Law of Property Act 1925. This gives local authorities the power to sell properties in order to release the money tied up in the value of the property. This enables them to recover money they are owed. Where the owner fails to repay the debt secured on their property the power enables the local authority to force the sale of the property in order to recover the debt.

The property doesn't need to be empty for you to use it, but enforcing the sale of an occupied property is bound to be more complicated because you have an occupier to consider. It is used predominantly on empty homes

Debts are secured on properties by the local authority making a local land charge or making a caution on the land registry certificate at HM Land Registry. Once the charge is in place the local authority can pursue the enforced sale without further legal recourse. The local authority simply needs to invoice the owner for the outstanding debt. If the invoice isn't paid they need to serve a formal notice (section 103 Law of Property Act 1925) giving the owner 12 weeks to pay. If the notice isn't complied with the property can be sold. A word of warning though not all debts can be registered as a land charge. Some, such as Council Tax debts, are personal debts and cannot be charged against a property.

Work in default costs can be charged as a land charge against the property where works were carried out in default of the following notices:

- Section 59 Building Act 1984 - requiring unblocking of defective drains
- Housing Act 2004
- Section 4 Prevention of Damage by Pests Act 1949 - requiring owner to deal with or prevent infestations of vermin
- Section 61 Public Health Act 1961

- Section 79 Building Act 1984
- relevant sections of the Housing Act 1985.

In some cases, work in default costs can be charged as a land charge against the property, for example, where works were carried out in default of the following notices:

- Section 80 Environmental Protection Act 1990 - requiring nuisance be abated
- Section 215 Town and Country Planning Act 1990 - requiring improvement of unsightly buildings
- all sections of the EPA 1990
- local government acts various.

Work in default costs cannot be charged as a land charge against the property where works were carried out in default of: Section 29 Local Government (miscellaneous Provisions) Act 1982 - boarding up empty property

On debts that are not land charged, but person debts like Council Tax debt, the LA can apply to the County Court to award an interim charging order. If the Court gives a favorable judgment the local authority can apply for a final charging order and order the sale of the property.

Enforced Sale can be used for debts that are up to 12 years old. Although it is better to act sooner rather than later if there is a dispute, it does not enhance the local authorities case if they did not take any action for several years. Theoretically this procedure can be used for debt however small. Practically however, small debts are more likely to be repaid so you won't get to the enforced sale stage. Additionally if they are paid, there is the risk of the local authority appearing heavy-handed. You can imagine the potential newspaper headlines!

Whilst it is not recommend that you go looking for opportunities to serve notices on empty properties simply as a way of initiating a later enforced sale, it is worth bearing in mind the possible future outcomes if you have already decided on a statutory solution.

## a willing owner

The property located in North Manchester is a mid terraced large 3 storey Victorian property in a row of 10 other properties, all occupied and in good overall condition. Several complaints had been received from surrounding residents regarding the condition and the effect the property was having on the surrounding area. The property had a number of local land charges attached to it.

Whilst superficially the property appeared empty, on investigation it was found to be occupied by its elderly owner. The owner, who was not in a position to maintain the property for a variety of reasons, occupied a very small part of the house and did not venture beyond the ground floor. The two other floors were infested with pigeons, windows were missing and the roof had gaping holes.



During the investigation, we learned that the owner would leave the property at first light and return late in the evening after visiting a relative, spending as little time in the property as possible.

After making contact with the owner we found that he had no desire to remain in the property and actually welcomed the opportunity to dispose of it and rid himself of what had become a liability. The property was sold under the Enforced Sale Procedure at open auction and has since been fully refurbished and is now owner occupied.

The owner has now relocated to accommodation more suited to his needs. The proceeds from the sale were used to clear all the outstanding charges registered against the property, together with associated costs incurred by enforcing the sale. The remaining balance of £15,000 was refunded to the former owner.

## homesteading in sheffield

Since 2001 Sheffield City Council has been running a homesteading scheme. This scheme allows individual buyers to purchase empty council properties owned by the council at a discount of up to £12,500 if they agree to spend a set amount of money improving the property.

Each property usually needs at least £5,000 spending on repairs and improvements and there are no grants available to do this work.

Each buyer must:

- improve the property to an agreed standard
- complete the work within two years of purchasing the property
- agree to live in the property as their sole and principal home
- have access to between £35,000 and £50,000 to take part in this scheme
- agree to pay an administration fee of £600 to Sheffield City Council upon purchasing the property
- not sell the property within three years of purchasing it.

Since the scheme began in 2001, 19 properties have been sold. There has been huge local interest in this scheme. Recent changes to the criteria mean that properties valued at up to £40,000 can now be considered for homesteading, up from £25,000. However the maximum discount available remains £12,500.

The council have also extended the scheme to market privately owned empty homes. The council purchased privately owned empty homes and then marketed them for sale under similar terms to the council owned properties.

## homesteading

Homesteading is a term derived from the nineteenth century westward colonisation of America. The Homesteading Act allowed Americans to claim land provided that they lived on it for at least five years and took care of it. Similar principles apply to the use of the term in the UK. Some local authorities have disposed of their excess empty properties by selling them at very big discounts but conditions usually apply encouraging the new owners to stay and invest in the property. The benefit to the local authority is to encourage new people and money into an area that may be in decline.



## compulsory purchase

Where a local authority has tried to facilitate a private sale and this and other methods of returning the property to use have failed, compulsory purchase might be considered.

Compulsory Purchase is perhaps the strongest power available to tackle empty homes. It is not however a power that rests with the local authority. A local authority may apply to the Secretary of State for an order to be made.

The local authority will need to demonstrate that there is a compelling case in the public interest for the property to be compulsorily purchased, and that other methods of returning the property to use have been tried and have failed. In most cases this means that compulsory purchase is a method of last resort.

In addition, the local authority will need to show that it has clear intentions for the use of the property/land, and be able to show that it has the necessary resources available to go through with the CPO.

Legislation in England and Wales gives local authorities the power to acquire land and property compulsorily where the owner is not willing to sell by agreement. Section 17 Housing Act 1985 is a general enabling piece of law that allows a local authority to acquire under-used or ineffectively used property/land etc. for residential purposes if there is a general housing need in the area.

However, it can only be used as a last resort. So all other reasonable methods must be tried first. In addition section 226 Town and Country Planning Act 1990 (as amended by section 99 Planning and Compulsory Purchase Act 2004) allows local authorities to acquire land or buildings if acquisition will allow improvements or redevelopment to take place (provided the improvement, development, or redevelopment will contribute to the promotion or improvement of economic, social or environmental well being). This power can be used to acquire empty properties that adversely affect the street scene because of their dilapidated condition.

Local authorities that use this legislation say that the mere threat works. It forces owners of empty properties into making decisions about them.

Whilst doubtless this is true, the converse argument is that it is difficult to engage with owners on other levels once CPO threats are made, so a local authority pursuing a vigorous CPO program will find it difficult to engage with owners over softer solutions.

Owners of properties that are purchased under CPO have to be compensated for the loss of their property. Compensation is payable by the local authority to the owner at the open market value of the property. Additional compensation may be payable to the owner for severance or injurious affection, disturbance and other losses. In practice these are not due if the owner has been served with and failed to comply with certain statutory notices requiring works to the property.

### the threat of compulsory purchase really does work

On a unit cost basis compulsory purchase may well be expensive, but the impact is sometimes harder to measure.

Most cases in which local authorities start compulsory purchase proceedings are dropped, not because it is the wrong course of action but because the owner has brought the property back into use themselves.

### a threat and a promise

A large house in Moseley, Birmingham had been empty for three years.

It was owned by a portfolio landlord who had developed a bit of a habit of leaving his properties empty. In 2003 Birmingham City Council challenged him about two of them this one and another in Hall Green. Why was he leaving them empty? The landlord hadn't got an answer.

The Hall Green property had been empty since 1997 and the council started compulsory purchase proceedings. The owner was incensed and complained that the council's approach was unwarranted and draconian. However shortly afterwards the owner let both properties to new tenants.

### last chance saloon

Great Yarmouth Borough Council has built up an excellent reputation for its approach to compulsorily purchasing empty properties. Great Yarmouth is a seaside town on the Norfolk coast and like many seaside towns it has been affected by the nation's changing holiday habits. Budget airlines and cheap package holidays have taken their toll on the once vibrant British seaside holiday industry. One of the effects of this has been the drop in demand for guest houses.

One of these was a large guest house in Nelson road. It had been converted from two Victorian houses and in its prime housed up to 20 guests. It had been losing custom for many years, but managed to struggle on into the 1990s. Changes in fire regulations however were to prove the final straw. The owners were unable to pay for the works and were forced to close the guest house in 1996. The property was sold shortly afterwards. The new owners had plans to convert the property back into residential houses, but for one reason or another work never started. The owners lived many miles away and appeared to forget about the property. In 2001 arsonists set fire to the property and caused extensive damage.



The property was not properly insured and the owners were unable to afford repairs, they abandoned their conversion plans altogether.

The council made many attempts to start negotiations with the property owners, but received little response. After more than a year of trying the council decided that it couldn't wait any longer. It told the owners that it intended to compulsorily purchase the property. The owners did not make an objection and the purchase was completed relatively quickly. The council sold the property to Suffolk Heritage Housing Association, a principal member of Flagship Housing Group. Following intensive renovation work the property was restored into two large family houses, they are now managed by the Housing Association and provide homes for two local families.

### demolition and clearance

This is a guidebook about bringing empty homes back into use. But nonetheless it is important to recognise that there are homes that in some circumstances are uneconomic or even undesirable to bring back into use. However just leaving them empty is no solution.

Local authorities have powers that enable them to demolish and clear unwanted homes and make better use of the land. Powers under the Housing Act 1985, amended by the 2004 act, allow local authorities to declare clearance areas and serve demolition orders. Alternatively local authorities can use compulsory purchase powers to acquire properties prior to demolition.

### empty dwelling management orders

Empty Dwelling Management Orders (EDMOs) provide a new legislative tool for local authorities to tackle privately owned empty homes. They provide some important new powers and a framework that can assist both property owners and local authorities find a solution that enables an empty property to be returned to use.

DCLG have published detailed technical guidance on EDMOs. The following paragraphs are not intended to duplicate the ODPM guidance but provide further information. The two sets of guidance should therefore be read together.

### deciding when to use EDMOs

Empty Dwelling Management Orders (EDMOs) provide a new legislative tool for local authorities to tackle privately owned empty homes. They provide some important new powers and a framework that can assist both property owners and local authorities find a solution that enables an empty property to be returned to use.

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## factors to take into account when deciding whether to use EDMOs

EDMOs are only suitable for long-term empty properties: An EDMO can only be used where a property has been left empty for 6 months or more. This is not to say that every property that has been empty for more than 6 months is a suitable candidate for an EDMO. There is nothing magic about the six-month time, it is simply a broad indicator of a problem. In most housing markets there should be no need for a property to be left empty.

There are many reasons why properties become empty. In most cases the reason is temporary and the property is brought back into use within a short time without any need for any local authority involvement. These cases are sometimes referred to as transactional empty properties. Some properties however become empty and stay empty. These are often referred to as problematic empty properties. A local authority's job is to distinguish between the two and target action at the latter group.

A first step to identifying problematic empty properties is to identify properties that have been empty for a long time. You should be able to do this from information derived from council tax records. In most situations it should be possible for an owner to bring an empty property back into use within a few months without local authority assistance. Where this has not happened it may be indicative of a problem and it may indicate a case where local authority intervention may be helpful. A rough indicator of problematic empty properties is where they have been empty for more than 6 months.

The second step is to understand the particular circumstances of each case. The fact that a property has been empty for more than 6 months may not in itself mean that local authority intervention is necessary. There are many factors that may result in a home being empty for many months. For example, a refurbishment of a derelict house may well take several months to organise and several more to execute. A privately rented house in an area with a slow housing market may take several months to re-let. Where an owner has recently acquired an empty property either through purchase or especially through inheritance it is quite normal for them to take time to appraise options for the property. Where several of these factors arise together the property might be empty for a long time without there being any need for local authority involvement.

It is not simply a case of whether the property is empty, but what progress the owner is making to return the property to use.

EDMOs can be useful where the owner has had the opportunity to return the property to use and has failed. For some properties and in some housing markets 6 months may not be enough time, in others it may be plenty.

## check whether exemptions apply

The act sets out a series of circumstances in which empty properties are accepted from EDMOs. These are set out and explained in the DCLG guidance note on EDMOs. These exceptions apply regardless of how long the property has been empty. In the main they highlight circumstances in which local authority statutory intervention would be inappropriate because the property is not a problematic empty property.

The act does not preclude local authorities intervening informally in cases where the exceptions apply and offering voluntary solutions. Indeed in many situations informal intervention and offers of help to owners of empty property can be very useful in preventing properties becoming long term problematic empty properties. In some circumstances, a local authority needs to make a judgement as to whether such an approach would be helpful or appropriate.

## offering voluntary approaches to property owners

You cannot use an EDMOs unless and until you have offered other voluntary options to the owner of the property.

There can be very few circumstances in which an enforced solution to an empty home works better than one achieved with the owner's consent. In most cases enforced solutions are more difficult, more expensive and more time consuming than agreed solutions. It makes very good sense therefore to explore a wide range of options with the property owner for bringing the property back into use.

Only where this has been done and an agreed solution cannot be found should EDMOs be considered.

This guidance highlights a wide range of possible solutions that local authorities might offer. Some solutions work best in particular situations others have a broad usage. Successful local authorities build up a menu of options that they can offer to owners. In each case they offer a selection of options appropriate to the owner. The owner can then make a choice.

## is it financially viable?

A final EDMO allows a local authority to carry out renovation and maintenance work on the property subject to the order. It also allows a local authority to collect rent and other payment from the occupant of a property and use it to meet relevant expenses that the local authority has incurred.

It is important that the local authority calculates the income and expenses it is likely to incur in managing the property through an EDMO as early as possible as this may influence the local authority's decision as to whether it would be able or prepared to use an EDMO.

In some circumstances the expenses incurred by a local authority may exceed the income. This does not preclude a local authority from using an EDMO, but it would mean that it was unable to recover all of its expenses.

## what is the likely cost of putting the dwelling into a habitable condition?

It is a good idea to find out as much as you can before you decide to pursue an interim order. To do so you need to carry out a survey of the property. If the owner does not permit access the act provides a general right of entry (section 239) that you may be able to use in order to assess the property. If you are unable to gain access you can still go ahead with an EDMO and carry out a full financial appraisal once an interim order has been approved. You can then revoke the order if you find that it is not viable to pursue it.

When calculating the likely costs it is a good idea to add a provisional sum to any estimate of costs of works to allow for unforeseen works, particularly if the property is in poor condition or a complete survey is not possible.

## what other expenses might you incur?

The act does not provide a prescriptive list of relevant expenses, but it is reasonable to assume that in addition to renovation costs other expenses might include:

- costs of providing and fitting decoration, floor coverings and furniture
- local authority administrative costs
- home insurance premiums
- interest on the local authority's capital expenditure on the property.

In all cases the local authority is only entitled to recover "reasonable" expenses. This puts an onus on the local authority to ensure that it achieves good value for money. The property owner is entitled to appeal to the Residential Property Tribunal against any local authority costs recovered against the rent that he/she feels are unreasonable.

## what rental income are you likely to receive from the property?

It should be relatively easy to estimate the rentable value of the dwelling. However there are some other factors you need to take into account to estimate the total rental income. These include:

- how long will it take to get the dwelling into a lettable condition?
- the number of lets you envisage
- void periods between lets
- efficiency of rent collection.

By projecting likely expenses and income a local authority should be able to construct a cash-flow forecast showing when expenses and income are likely to occur.

It would be good practice to include this within the management scheme that it shares with the property owner. An example cash flow forecast is available on the Empty Homes Agency's website.

Where projected expenditure exceeds projected income the local authority should consider whether they are able to manage the EDMO. They should consider whether it is possible to bring the property back into use using another method. They should also consider whether to operate the EDMO anyway and pay for the excess expenditure from other sources. Most methods of returning empty homes to use cause the local authority to incur some expenditure and it may be that some "loss making" EDMOs still represent good value for money for the local authority and the community at large.



## paying for capital expenditure

A final EDMO is likely to require the local authority to incur some capital expenditure. Few empty homes are in a lettable condition and most require some repair works. Whilst most capital expenditure can be recovered from the rent through the duration of the final EDMO, the local authority needs to have access to funds up front. Potential sources of capital funds include:

- the local authority's housing capital programme
- capital grants made available to RSLs from the Housing Corporation
- sub regional capital grants made available from government offices
- invest to save programs
- a loan from a commercial lender.

## interim EDMOs

A local authority can only make an interim EDMO by getting the approval of the Residential Property Tribunal. There are five regional offices [www.rpts.gov.uk](http://www.rpts.gov.uk) in England and one in Wales. The procedural matters for applying for an order are covered in the DCLG guidance note on Empty Dwelling Management Orders.

An interim EDMO could, and perhaps should, be considered as a final opportunity to find a voluntary solution to bringing the property back into use. Voluntary solutions are nearly always preferable to enforced ones and it would be a mistake to think that because a statutory process has been commenced that only a statutory outcome should be pursued.

The service of an interim EDMO sets a timetable lasting up to a year during which time the local authority should work with the owner to find a way of bringing the property back into use. The local authority is not entitled to let the property during the period of the interim order without the owner's permission. It's a good idea to seek that permission as early as possible. If granted the local authority should consider whether there is any need for the order to stay in place and the property can be brought back into use on a voluntary basis. If permission is refused the local authority should consider whether any other voluntary solution is likely and if not consider whether to make a final EDMO. The local authority does not have to wait until the expiry of the year-long interim order to make a final order.

## the management scheme

A local authority has to make a plan of how it intends to manage the property throughout the duration of the final EDMO. The management scheme must be included with the notice the local authority serves on the owner making the final EDMO.

The scheme should include:

- details of any works that the local authority intends to carry out to the property
- estimates of the cost of this work
- details of any other expenses that you intend to recover from the rent
- the amount of rent that the local authority will seek to charge tenants.

It would be helpful to the owner if you also use the projected costs and income to calculate when the local authority costs will be repaid, and if and when the owner might receive rent.

The owner is entitled to hold you to the management scheme, so should you stray from it the owner could appeal to the tribunal. Good management should enable you to stick broadly to the scheme, but of course you are unable to foresee the future. Unforeseen events have a habit of arising and may cause you to deviate from the plan. It's a good idea to plan for these and explain them in the plan so that the owner can understand why small variations might occur. So for example add contingency sums in estimated costs and explain predicted void periods. Most owners will understand this if it is explained to them, and this should avoid unnecessary appeals.

## carrying out works to the property

The local authority is entitled to carry out works to the property and in most cases it is likely that at least some work will be needed in order to bring the property up to a lettable standard. It's a good idea to discuss projected works with the property owner in advance. The amount of works that the local authority can carry out may be influenced by the amount of projected income available from the rent. If the local authority intends to carry out works over and above those to achieve a good standard of repair it should seek the owner's permission.

Local authorities might use home improvement agencies, RSLs, in-house surveyors or private surveying firms or architects to manage the works. As with any work a local authority is carrying out on behalf of a property owner, it is important to ensure the quality of the work and demonstrate that value for money is achieved.

## managing the property

Local authorities need to put in place management arrangements for the property once repair works are carried out. In many cases suitable arrangements may already exist and where possible it makes good sense to make use of these arrangements.

Some local authorities for example may have in-house private sector leasing schemes, others have contractual or partnership relationships with RSLs to manage temporary housing. Where these arrangements do not exist it is a good idea to talk to local RSLs and private managing agents to set something up. Overall numbers may be small so it can be a good idea to investigate a joint approach with neighbouring local authorities.

## final EDMOs

If it is necessary the local authority can serve a final EDMO. It can do this directly without further approval from the tribunal. However the owner must be given a period in which to make representations. To do this the local authority must make an order and send a copy to the owner of the property along with a notice setting out the reasons for the order being made and when it is due to end.

The owner then has 14 days to make representations to the local authority. The local authority has to take account of any representations it receives. If it still wants to go ahead it can then make the final EDMO and send a copy to the owner. The owner has the right to appeal to the tribunal if he/she doesn't agree with the terms of the order.



## part 3.

## treatment

Just as a medical doctor doesn't work alone local authorities don't have to implement a whole empty property strategy directly themselves. In fact the most successful approaches spread the workload across different sections within the council, external partners, suppliers and neighbouring local authorities.

## working with owners of empty homes

Arguably the most important relationship in medicine is the one between patient and doctor. Doctors discovered thousands of years ago that diagnosis, prescription and treatment only work with the context of trust. Similar principles operate in the world of business, customers only buy if they trust the seller.

Essentially people only respond and do things within the context of a human relationship. Building and maintaining relationships with property owners is perhaps the most important secret ingredient in a successful approach to empty homes as this case study from Southampton shows.

## in for the long haul

This three-bed house was originally owned by Southampton City Council. But sometime during the 1980s the occupiers exercised their right to buy and became owner-occupiers. In the mid 1990s they died and their son Mark and daughter Claire inherited the property. Shortly afterwards, Mark bought Claire's share and became the sole owner. This was his first experience of property ownership and his plan was to modernise the house and move in.

The house wasn't in bad repair, but needed updating eg new windows, a new kitchen, bathroom, and central heating. Work was carried out a bit at a time, but Mark's lack of experience in property ownership began to show. To save costs he employed local tradespeople directly; a bit of plumbing here, and a bit of carpentry there. But the contractual matters were not organised properly. The instructions and the payment terms were ambiguous and the lack of a plan meant things were done in the wrong order. Two years after work had started the house was even less habitable than when he first became the owner. Mark had spent a lot of money and felt that he had been ripped off. One by one the tradespeople got fed up and walked off site and refused to come back.

Mark tried to do some of the work himself, but with little success- particularly as he was working longer shifts and was increasingly distracted by relationship difficulties at home. He became disillusioned with the whole thing and began to put the house out of his mind. Offers of help and offers to buy the house came in, but Mark was intent on using his own money rather than grants, and remained steadfastly suspicious against the potential for being ripped off again.

Neglect set in and the garden became overgrown. Neighbours reported seeing rats and called in Environmental Health. Mark only cleared the gardens after the council threatened to serve a notice and carry out the works in default if necessary. But Mark was not happy and felt he had been unfairly picked on and ripped off again. The house had now been empty for five years. Environmental Health reported the house to the empty property officer.

Although Southampton City Council is developing an Enforced Sale Procedure for tackling empty homes, and was one of the first two Local Authorities to champion the concept of EDMOs, it has traditionally taken a non-enforcement route to resolving empty property problems. They occasionally carry out compulsory purchase and other measures – such as Repair Notices - but reserve these powers for very extreme cases. In this case they judged the owner to be a particularly vulnerable person and that enforcement was best avoided if at all possible.

The Empty Property Officer tried to work through the problems with Mark and eventually gained his trust. He drew up a plan with Mark prioritising what needed to be done and in what order, and how it was going to be paid for. Using their list of known contractors the council were able to find builders willing to do the work and who Mark was prepared to employ. The EPO supported Mark in getting estimates, giving instructions, managing contracts and paying the builders – but it was always Mark who made the final decisions on his own. It took another three years of patient negotiating but eventually in 2005 the house was finished. Mark was able to move in and finally become the owner-occupier of the house.

## cross boundary working

A common problem local authorities face when tackling empty homes is lack of internal resources. Smaller local authorities in particular will find it difficult to set up the medicine cupboard of options that is detailed in the guidebook on their own. Authorities with a relatively small number of empty homes may well question the cost effectiveness of doing so when each option may only be used a few times. This in many ways makes perfect sense, but for the people affected by those empty homes it is little consolation. Research carried out by the empty homes agency shows that an empty home in a rural local authority is three and half times less likely to be dealt with by the local authority than one in an urban area. There are urban areas too where the issue is not given the priority or the resources needed to make an impact.



Surveys of empty homes tend to show that the problems do not vary greatly from one area to the next and so there is often great scope for working in partnership with neighbouring local authorities to achieve a level of service that would not be possible if the same local authorities worked independently.

There is no prescribed model for cross borough working. Some partnerships are low profile and informal others, are glamorous and highly organised but all help achieve more results than would otherwise have been possible as these two case studies show.

## the south east devon empty homes initiative

The South East Devon Empty Homes Initiative was established in 2003 by three district councils, seven housing associations and the Housing Corporation, to provide Empty Homes Services across the local authority areas of Exeter, East Devon and Mid Devon. The district councils and the housing associations provide the revenue funding for the service whilst the Housing Corporation and the districts have injected capital funding to support empty homes projects.

The entire initiative is resourced by a single team working out of Exeter, but this sustains separate Empty Homes Services in each area. The aim is to create an efficient service which nevertheless retains its local flavour and control and allows empty homes activities the flexibility to mesh in with the other activities of each authority.

To take an example, SEDEHI was the catalyst for setting up private sector leasing schemes in the two rural authorities although the vehicles for delivering them were different. The lease terms, publicity material and so forth, were however, based on a common template.

An empty homes partnership officer works across the two rural authorities whilst the empty homes partnership manager and empty homes negotiator focus on Exeter, the urban base from which the Initiative originally sprang.

As far as capital funding goes, Housing Corporation funding is allocated at the bidding/allocation stage to "Empty Homes" rather than specific schemes and money can be transferred between the different areas or RSL partners as necessary to meet demand. RSL partners select different areas of opportunity (for example, geographical, type of scheme such as Temporary Social Housing Grant etc) and a detailed agreement governs how opportunities are distributed. There is a formal Joint Commissioning Protocol signed off by all the main parties.

To give an example of the benefits of this approach, by submitting a unified bid, the partnership was successful in obtaining over £200,000 of Private Sector Renewal funding from the South West Housing Body over 2004-06, to be used to bring empty properties within the cross-boundary area up to the Decent Homes standard from 2004-2006.

## the east kent empty homes initiative

The East Kent Empty Homes Initiative is a partnership between Swale, Thanet, Dover, Shepway District Councils and Kent County Council. East Kent is one of the most deprived areas of the South East of England. A number of the coastal towns have seen suffered from the decline of the traditional seaside holiday industry and the coal mining industry that was a significant local employer until the 1980s. A number of the towns have similar problems of empty homes at a rate above the average for the region. The district council's had tackled these separately with limited resources and although there had been numerous successful outcomes the overall numbers of empty homes had not significantly reduced.

Kent County Council offered to help. It brought together the four district councils through the Local Area Agreement process One of Kent's targets under this agreement was "to improve Kent residents' access to homes of excellent quality, in the right place, at the right time, and at the right cost" A target which clearly supported the return of empty properties to use.

The partnership set itself a target of returning 372 homes to use within its first three years and set about providing the range of services it needed to bring this about. It commissioned a survey to find out where the empty homes were and how much it would cost to bring them back into use. It appointed a regional empty property officer and a professional PR company to get the message out and ran a successful local media campaign using the brand "No Use Empty " [www.no-use-empty.org](http://www.no-use-empty.org) to persuade and shame owners of empty homes into action. Kent County Council has devoted some of its own resources to the project and It has also bid for funds under the local Public Service Agreement scheme operated by DCLG

[www.dclg.gov.uk/index.asp?id=1134088](http://www.dclg.gov.uk/index.asp?id=1134088)

It is looking to expand the scheme and hopes to be able to offer low interest loans but already is ahead of schedule in meeting its target.

## performance indicators and recording

Performance indicators may not be universally popular but they do at least give a sense of how well local government is performing. They give tangible evidence to the public and the press of what is going on. And they bestow a level of importance on the activity that is being measured. An absence of reported activity can easily be presumed to mean an absence of activity.

There are two national indicators relating to empty homes. Best Value Performance indicator 64 and CPA Housing Performance Indicator H18. Guidance on the application of BV64 can be found on the National Association of Empty Property Practitioner's website <http://www.naepp.org.uk/website/drupal/BVPI64>

CPA Indicator H18 measures the total number of private sector homes vacant for more than 6 months. The indicator currently applies only to unitary councils. It is a measure of outcome rather than output in that it measures the overall number of long term empty homes not the amount returned to use by the local authority.

Local authorities are of course free to develop their own local performance indicators, which they can report locally in addition to the national indicators. Local performance indicators can be helpful in keeping local authority members and the local community informed on progress against local priorities. The advantage of local performance indicators is that they can be developed to more closely follow local priorities.

These examples from a variety of local authorities show what can be done:

- empty Homes returned to social housing use
- empty Homes returned to use in sustainable areas
- long term empty properties (i.e empty for more than 6 months) returned to use
- family sized empty homes returned to use
- percentage reduction in the overall number of long term empty homes.

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