

- In so far as it can be reconciled with legal concerns, provide the greatest possible access to empty property information. The information that local authorities already collect, such as house condition surveys and council tax information could combine with up-to-date input from the general public using well-publicised telephone hotlines and web-based systems. A good example of information sharing can be found at www.empro.co.uk
- Local authorities and intermediary organisations should employ people in the local community wherever possible to carry out work on empty properties.
- Local planners and housing officers should meet to share good practice, to break down the isolation that local authority officers feel and to foster joined up thinking. Meeting with colleagues in other local areas will further help to share good practice.
- Local authorities should encourage local people to become engaged with and excited about the future of their local area through the use of local community planning and other community development processes.

FURTHER INFORMATION

Full details of all recommendations distilled from the three-day consultation are contained within a comprehensive report entitled Recycling the City – Unlocking the Potential of Empty Properties.

This is the second in a series of three consultations organised by the Building and Social Housing Foundation, which look at how to better use existing assets to provide affordable homes in vibrant and healthy communities.

Please contact us if you would like to receive a free copy of the report, which is also available for downloading on our website at www.bshf.org

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A BRIEFING FOR LOCAL AUTHORITIES

KEY FACTS

- One third of local authorities in England do not have an empty property strategy
- There are 718,000 empty homes in England.
- 310,000 homes have been empty for more than six months, 40,000 of which are in London.
- The number of long-term empty homes continues to increase.
- Under-utilised commercial property could provide an estimated 420,000 extra homes.
- The Barker Report recommends delivery of an additional 23,000 affordable homes each year to meet future demand and address the backlog of housing demand.
- There are at least 95,000 families suffering the adverse effects of living in temporary accommodation.
- A recent report by Crisis estimates that there are 400,000 households in a situation of hidden homelessness.

“Local authorities must be prepared to take over the ownership of empty properties if it means giving local people a roof over their heads.”

The Rt. Hon. John Prescott MP

Deputy Prime Minister

Guardian Urban Regeneration Conference April 2003

RECYCLING THE CITY

UNLOCKING THE POTENTIAL OF EMPTY PROPERTIES

CONSULTATION AT ST GEORGE'S HOUSE, WINDSOR CASTLE

Local authorities are familiar with the difficulties of dealing with empty properties with limited resources. The Building and Social Housing Foundation welcomes the introduction of Empty Dwelling Management Orders as a legal tool for local authorities; however, further measures are required to maximise the potential of empty properties.

In June 2004, BSHF invited leading experts to a three-day consultation at St George's House in Windsor Castle. The participants focused on different strategies to unlock the potential of empty properties to provide affordable homes in areas of housing shortage.

All the possible solutions and information derived from the consultation were refined in a comprehensive report. The key recommendations for local authorities are summarised here for quick reference.

IN BRIEF

Four broad areas of action were identified, with detailed recommendations provided for each:

- Establishing national and local strategic frameworks to address empty property issues.
- Making best use of the legal and financial tools currently available and exploring new approaches where appropriate.
- Providing information and raising awareness on a wide range of concerns relating to empty properties.
- Engaging local communities in the process of identifying, renovating and letting empty properties

WHY ARE PROPERTIES EMPTY?

- Inability to pay the cost of renovation
- Lack of public awareness of assistance available
- Speculative investment
- Unresolved ownership
- Shifting institutional needs
- A distraction from core business
- Owners' misgivings regarding tenancy management
- Local authorities are wary of negative publicity of putting pressure on owners to let their property

Owners of dilapidated properties may have limited finances and are unaware of the financial assistance available for renovation.

Owners may retain a property as an investment and wish to be able to sell it at the market peak, without the hindrance of waiting for tenants to vacate the property.

Many owners have misgivings about letting their property due to the constraints they think it imposes and the demands of managing tenants.

Local authorities fear the negative publicity as a result of forcing property owners to let their property to address homelessness.

Commercial owners cannot afford to be distracted from their core business and so choose to leave property empty, such as accommodation above shops.

18 per cent of empty properties are owned by public landlords, such as the Ministry of Defence, NHS, local authorities and Registered Social Landlords. The existing Public Request Ordering Disposal (PROD) legislation is seldom exercised, thus allowing institutions to keep property empty.

THE ADVANTAGES OF BRINGING EMPTY PROPERTY BACK INTO USE

Many local authorities offer renovation grants which enable owners to restore their property to a habitable standard. The renovation grant is subject to owner leasing the property to an RSL for an agreed period. The property is used to meet local housing need and the RSL manages and maintains the property on behalf of the owner for the duration of the lease.

PROPERTY OWNERS

- Increased income from sale or rent
- Increased capital value of residential property through use of grant aid
- Reduced costs of insurance, security and repair
- RSLs can provide professional management services
- Property maintained in good condition with a dedicated repairs service

LOCAL AUTHORITIES

- Increased quality and choice of housing to meet strategic objectives
- The ability to address homelessness without Social Housing Grant
- Increased income from council tax and business rates
- Reduced costs of addressing homelessness
- Increased flexibility in managing allocations

LOCAL REGENERATION

- A catalyst for wider regeneration through property market confidence
- Addresses the de-valuing of neighbouring properties in communities blighted by empty properties
- Reduction in crime and nuisance
- Increased availability of housing stock
- Reinforcement of community partnerships

EMPTY PROPERTIES ARE A WASTED ASSET

- Residential property
- Office space
- Institutional and commercial property
- Space above shops

Local authorities face many challenges in meeting an ever-increasing demand for housing. In 2003-2004, the number of new dwelling units completed in England was 143,000. The number of completions fails to compensate for the rate of new household formation.

Empty properties are a wasted asset that could contribute to the provision of housing in areas of high demand. It is essential to integrate the use of empty properties as part of a holistic approach to sustainable housing and community regeneration.

DIFFICULTIES EXPERIENCED BY LOCAL AUTHORITIES

- Lack of financial resources
- Conflicting strategic priorities
- Limited available officer time
- Limited availability of information
- Constraints of data protection
- Difficulty in identifying the owner

Identifying the owner of a property can often involve complex investigation.

Convincing an owner of the advantages of renovating and letting their property can be challenging and time consuming without guarantee of a positive outcome.

The success of the process requires a robust strategy with the commitment of dedicated financial resources, manpower and coordinated information collection and distribution.

RECOMMENDATIONS FOR ACTION

Recycling the city – Unlocking the Potential of Empty Properties is the report that was produced as a result of the consultation at St George's House. The report comprises examples of empty property strategies and recommendations to key groups associated with housing and policymaking. The recommendations for action set out below are directed at officers and members in local government with responsibility for developing and reviewing housing policy.

ESTABLISHING LOCAL STRATEGIC FRAMEWORKS

- Include the re-use of empty property as an integral part of regional strategy to increase the supply of affordable housing and regenerate urban neighbourhoods.
- Set clear targets and timetables for recycling existing empty property.
- Develop an empty property strategy for inclusion within the annual housing strategy currently required for submission to the ODPM.

- Base the development of an empty property strategy upon genuine consultation with stakeholders in the community and have a holistic approach which considers the overall regeneration of neighbourhoods and communities.
- Public sector landlords should address the fact that 18 per cent of empty property in the UK is in their ownership.

FINANCIAL AND LEGAL TOOLS

- Develop a one-stop-shop for the public, providing easy to use packages to bring empty properties back into use.
- Provide appropriate financial support to sustain efficient empty property action.
- Set up a dedicated empty property fund which would benefit from the increased council tax revenue resulting from the reduction in empty homes discount.
- Encourage central government to extend the use of financial resources raised under the current S.106 planning gain arrangements for renovation of empty properties in addition to new construction.
- Lobby for local authority powers to use enforced sale provisions in the case of unpaid local taxation.
- Police forces should work closely with local authorities using powers under the Anti-social Behaviour Act 2003 to close empty property that attracts criminal activity.

PROVIDING INFORMATION AND RAISING AWARENESS

- Subsidise dedicated Empty Property Officer posts to act as a crucial information hub for owners, developers, managing agents and others involved in regeneration and renovation. Local authorities may wish to consider sharing offices and resources with neighbouring authorities if appropriate.
- Explore ways in which registered social landlords can be used to restore and manage empty properties to address local housing demand.
- Establish and maintain a register of empty properties with information on location, ownership and length of vacancy.
- Use various approaches to advise property owners of the financial and other incentives available to help keep their property occupied. For example, publicity campaigns to refute misconceptions regarding letting of property and promoting the advantages and support available.