

- Use various approaches to advise property owners of the financial and other incentives available to help keep their property occupied. This could include publicity campaigns to refute misconceptions regarding letting of property and promoting the advantages and support available.
- 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

FURTHER RESEARCH

The ODPM and the Housing Corporation are requested to commission research into:

- How intermediary organisations such as registered social landlords could be used to bring empty properties back into use.
- How the funding of social landlords could be altered to facilitate their involvement with empty property work.
- Approaches used by other countries in dealing with empty properties and how their good practice could be used in the UK.

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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KEY FACTS

- 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.
- One third of local authorities in England do not have an empty property strategy.
- 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

The consequences of escalating housing need affect communities across the U.K. and influence the decisions of housing managers, developers and the voluntary sector. Many recognise the value of recycling empty properties to alleviate pressure on housing waiting lists.

The Building and Social Housing Foundation welcomes the introduction of Empty Dwelling Management Orders as a legal tool for local authorities and their partners to convert empty properties into affordable homes for local people.

In June 2004 the Building and Social Housing Foundation invited leading experts and practitioners from local communities, national and international NGOs and government agencies 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 extra 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 central government 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.
- Improving the legal and financial tools currently available to those seeking to bring empty properties back into use.
- Providing information and raising awareness on a wide range of concerns relating to empty properties.
- Engaging local communities in the process of bringing empty properties in their localities back into use.

WHY ARE PROPERTIES EMPTY?

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

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

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

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.

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.

Local authorities may fear the negative publicity arising from requiring property owners to let their property to address homelessness.

EMPTY PROPERTIES ARE A WASTED ASSET

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

There are many challenges in meeting an ever-increasing demand for housing in the face of projected demographic changes, limited land resources and obstacles to new development. In 2003-2004, the number of new dwelling units completed was 143,000, although the rate of new household formation is currently estimated at 162,000 each year.

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.

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 the 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.

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 COMMUNITIES

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

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

RECOMMENDATIONS FOR ACTION

Recycling the City – Unlocking the Potential of Empty Properties is the report that was produced as a result of the Building and Social Housing Foundation 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 those directed at central government with its responsibility for developing and reviewing policy in respect of empty property.

ESTABLISHING NATIONAL, REGIONAL AND LOCAL STRATEGIC FRAMEWORKS

- Include the re-use of empty property as an integral part of the national and regional strategies to increase the supply of affordable housing and regenerate urban neighbourhoods.
- Establish a definition of what constitutes an empty property and require local authorities to meet clear targets and timetables for recycling existing empty property.
- Require local authorities to include an empty property strategy within their annual housing strategies submitted to the ODPM.
- Require that the development of an empty property strategy in any local area be based upon genuine consultation with that community.

FINANCIAL AND LEGAL TOOLS

- Support local authorities to employ dedicated Empty Housing Officers to act as a crucial information hub for owners, developers, managing agents and others involved in regeneration and renovation.
- Require Regional Housing Boards, Elected Regional Assemblies and local authorities to develop a range of one-stop, easy to use packages to bring empty homes back into use and provide appropriate financial support to enable them to do so.
- Actively encourage the recycling of empty public housing that currently forms 18 per cent of existing empty homes and extend the use of Best Value Performance Indicator 64 to include publicly owned stock.
- Encourage local authorities and Registered Social Landlords to act as intermediary organisations by removing existing barriers and creating the correct incentives.
- Permit financial resources raised under the S.106 planning gain requirements placed on developers to be used for restoring empty properties as well as new construction.
- Permit local authorities to set up a dedicated empty property fund which would benefit from the increased council tax revenue as a result of the reduction in the council tax discount on empty homes.
- Develop a fast-track compulsory purchase process for use in very specific cases where the empty property is causing danger, blight or nuisance. 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.
- H.M. Treasury should move to equalise VAT treatment on new construction and renovation to encourage re-use of existing property.

PROVIDING INFORMATION AND RAISING AWARENESS

- Require local authorities to establish and maintain a register of empty properties with information on location, ownership and length of vacancy.
- Publish regular information on the number of properties that are empty in the private and public sectors, both at local and national levels.