

EP 05

Ymchwiliad i eiddo gwag

Inquiry into empty properties

Ymateb gan: United Welsh

Response from: United Welsh

## **United Welsh response to the National Assembly for Wales Inquiry into empty properties.**

### **1. Is enough being done to tackle empty properties in Wales? If not, what needs to change?**

We do not feel there is enough being done to engage owners of empty properties to bring their home back into use and provide much needed accommodation.

For home owners there is the Houses into Homes loan scheme available to them, however, for RSL's and Councils there is currently no funding and very little resources available to tackle the problem. While there is up to 58% social housing grant available to build new homes there is no funding available for us to bringing empty properties into stock. If funding and resources were made available, RSLs and Councils could take a more proactive approach to bring empty properties back into use which could help bridge the gap of available homes within our communities.

While new build homes would be compliant with DQR and WQHS not everyone wants to live in a new build and many would prefer to live in their current communities that may not have any new developments.

### **2. What impact can empty properties have on a community?**

Empty Homes are a wasted resource and can create problems for owners, neighbours and local authorities. For example, we have worked on homes that became a real eyesore in the community because they had been vandalised and used for fly tipping. Transforming these properties means someone gets a much-needed home to live in but it also saves Councils and Police time spent on dealing with anti-social behaviour that arises from empty properties. Restoring these homes improves the perception of the local area. Empty homes also have a personal impact on the homeowner as without the right care, the homes are deteriorating and losing value. Transforming these homes has benefits for not just the homeowner, but also home seekers, neighbours and the wider community.

### **3. How effectively are local authorities using the statutory and non-statutory tools at their disposal to deal with empty properties?**

We feel that local authorities do not have the resource to deal with empties proactively. The process of compulsory purchase is expensive and very time

consuming and once the local authority has ownership they may not have the funding or the resource to refurbish the property to be reused.

Working in partnership with local authorities we find that most do not have a dedicated resource to tackle the issue and will send out information to empty home owners annually which will include, for example, Houses into Homes loan scheme, auction houses, RSL's leasing schemes, the Trustmark scheme to find quality tradesmen, developer's contact details who are interested in purchasing empty properties for re-development, etc to encourage owners to be proactive themselves and bring their property back into use.

Environmental Health officers often end up tackling the empty homes issue as part of their day to day job and this can mean unless there is a complaint about the empty property no action is taken.

Where some local authorities have a dedicated empty homes officer they administer the empty homes loan scheme however, if an owner is unable or unwilling to take the loan they can only refer them to RSL's many of which do not take on empty properties as there is no funding and it is not their core business.

**4. Do local authorities need additional statutory powers to deal with empty properties? If yes, what powers do they need?**

The powers the local authorities currently have, need to be reviewed as they do not appear to be used due to the complexity of the legislative process and lack of resource. For example, Empty Dwelling Management Orders (EDMOs) Compulsory Purchase, enforced sale.

If Local Authorities were able to release basic information for empty properties to RSLs, it could assist greatly in raising numbers of empties brought back into use. It is frustrating they cannot share this information due to Data Protection and it makes it all the more difficult to identify empties and achieve the desired targets.

**5. Are owners of empty properties given the support, information and advice that they need to bring properties back into occupation? If not, what additional help do they need?**

There is lots of information available to empty property owners however very often they have unrealistic expectations of what works are required to bring a property up to the required standards for letting. This is also the case when it comes to selling an empty property and often the asking price does not consider the amount of works required to make the property habitable.

Most Homeowners don't want their homes to be empty, but sometimes they don't have the finance or expertise to make their home fit to live in again. For example, sometimes people inherit homes that need work or someone's lifestyle takes them away from the area of their property so it's harder for them to maintain long distance.

**6. Is there sufficient awareness of the practical assistance that local authorities can offer to owners of empty properties? If not, how could this be improved?**

The assistance local authorities can provide usually mean lots of paperwork for the owner, which can be off putting and while an interest free loan to an owner of an empty property is very helpful, the project management of a refurbishment can be time consuming and daunting. If they then choose to rent the property, they need to register and pay to be part of the Rent Smart Wales scheme. A lot of owners of empty properties are in negative equity so selling is not an option. We have met many owners over the years that say its more cost affective to keep the property empty and pay the council tax than sell for less than they owe.

**7. Are the skills and resources of housing associations and the private sector being fully utilised to tackle empty properties?**

As there is no funding available for housing associations to purchase empty properties it is difficult for the purchase and works to be viable and this can cause barriers in tackling the issue.

Housing associations are used to maintaining homes to a high standard and dealing with contractors to arrange building works so we are well placed to support homeowners facing challenges and this was the reason we created the leasing model.

While our lease module works extremely well, and we have some fantastic cases studies, it is only viable for a small number of owners. As we register a lease on the property, if the owner has a mortgage then the mortgage company needs to provide consent. Most lenders will only allow a 3-year lease, so this limits the number of owners with a mortgage we can assist because it may take longer than 3 years in which to recover all the works costs. Lenders have advised they would review the situation after 3 years and potentially agree to grant another 3 years if necessary, but we cannot work 'at risk' of not being able to recover all the works costs.

**8. Is enough being done to ensure empty properties can be brought back into use as affordable homes? Are there examples of good practice in this area?**

United Welsh currently run two projects trying to bring empty homes into use. One being grant and loan funded by Welsh Government (Homestep Plus) and the other being without any funding (Empty Homes Wales)

**Homestep Plus** is delivered by United Welsh and Rhondda Cynon Taf Council in partnership with Welsh Government. It is a low-cost home ownership scheme that addresses two problems:

1. The difficulty faced by first-time buyers to afford their first home
2. The issue of empty homes

Homestep Plus gives first-time buyers the chance to buy refurbished homes at less than market value that previously stood empty. United Welsh buys the empty properties then, if necessary, refurbishes the homes before listing them for sale at 70% of the Market Value. This means empty properties are given a new lease of life and first-time buyers can purchase an affordable home that has been checked to national standards.

Another project we manage that brings empty homes back into use is **Empty Homes Wales**. United Welsh work with homeowners to refurbish their empty home by using our leasing module.

This works by United Welsh taking a lease on the empty property, funding and arranging the refurbishment work and once complete renting the property. The rental income received during the term of the lease will be used to recover the cost of the work and the management costs. Once the work cost has been received, we can continue to rent the property on behalf of the owner and pay them the monthly rental income minus fees or the lease can be terminated and the owner can have the property back to do what they wish - rent, sell or live in themselves. The project means homeowners end up with a refurbished property which protects their asset - rather than risk their property deteriorating further and losing value

If an empty property owner has already arranged the refurbishment of their property themselves and it is to an acceptable, habitable standard which is ready to let, we can provide them a Tenancy Management Package under a lease agreement to manage the tenant and property on their behalf. They may not have the experience, knowledge or the desire to be a landlord and this scheme takes away the stresses and worries from the owner that come with being a landlord. They can be assured that the tenant and property is managed and maintained properly using the expertise and resources of the housing association and its contractor.

**9. Is the power to charge a council tax premium on long-term empty homes a useful tool and is it being effectively used? If not, how could this tool be made more effective?**

We have not seen the impact for this to date, we understand some local authorities have withdrawn any discount for empty properties however we have yet to receive any referrals due to this. The concern is that owners will now register as living at the properties as a sole occupant and receive a 25% discount, so that they pay less than the new agreed 100% for empty homes.