

**Subject: Empty Homes Project**

**Report to: ELT**

**Housing & Neighbourhoods Committee – 23<sup>rd</sup> January 2020**

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#### **SUBJECT MATTER**

This report is to update Housing and Neighbourhoods Committee and Policy and Resources Committee on the work undertaken across the Council to reduce the number of empty homes across the borough.

It recommends that members note the report.

## **1. INTRODUCTION**

The Council Tax Base Return (October 2019) stated that there were 586 long term empty properties in the borough (empty for longer than 6 months). Of these 170 had been empty for 2 years or more. In 2018/19 the total number of long term empty homes was 585 (167 over 2 years) and 2017/18 it was 550 (170 over 2 years).

A House of Commons Briefing paper that was published in May 2019 stated that in England between 2017/18 and 2018/19:

- there had been a 5.3% increase in long-term empty property nationally.
  - Great Yarmouth's increase during this period is broadly in line with the national increase
- The national average of long-term empty properties compared to total stock ranges from 0.6% to 1.4% with the average being 0.9%.
  - Great Yarmouth is currently 1.2%
- The national average of all vacant dwellings compared to local stock ranged from 1.9% to 3.6%, with the average being 2.6%.
  - Great Yarmouth is currently 2.3%

## **2. NEW HOMES BONUS**

The New Homes Bonus (NHB) was introduced as a grant paid by central government to local councils to reflect and incentivise housing growth in their areas. Under the scheme, the Government initially matched the Council Tax raised on each new home built, converted or brought back into use for a period of 6 years. The aim of the introduction of the New Homes Bonus was to provide an additional 140,000 homes over a ten-year period. There is also an extra payment for providing affordable homes.

The scheme was amended from 2017, which made it more challenging to achieve New Homes Bonus payments. From 2017 a national baseline for housing growth was introduced of 0.4% and NHB payments would be made for five, rather than six years, and that the payment period would be reduced again to four years from 2018-19 onwards.

There are two key criteria for a Council to maximise its New Homes Bonus

- Increase the number of new build homes within its area; and
- Decrease the number of long-term empty properties within its area

Any increase in long-term empty properties will offset any increase in new-build homes and therefore the reduction in the number of long-term empty properties is a key aspect in maximising New Homes Bonus payments.

Following the completion of the Council Tax Base government return the Council will receive £166,266 New Homes Bonus revenue for this year.

### **3 SURVEY OF ALL LONG-TERM EMPTY PROPERTIES**

During August 2019 a survey of owners of long-term empty properties was carried out by the Revenues Team. In total 594 properties were surveyed, and 212 owners replied (36%).

The analysis of the responses to the survey are contained in Appendix 1. In table 1, from the responses received, it would suggest that there are a significant number of owners who either want to sell the property, rent it out, renovate and sell the property or move into it.

However, as demonstrated in Table 2 there also seems to be a variety of barriers to owners being able to do this, such as lack of funds and a depressed housing market. However, from the responses there is not an overriding reason as to why properties are left empty.

In Table 3 there are a significant number of people who would like the council to contact them to provide help and assistance. These owners have been written to with the purchase and loan options available from the Council, along with directing the owners to the website for additional help and guidance. These owners are included in the figures under section 4 of this report.

In table 4 it is also encouraging to note that a significant number of owners who were asked for a timeframe before they thought they would either sell, rent out the property or move into it, responded that their aims would be to action within a range of 6 months.

Also, there are a significant number of empty homes which were either already on the market to rent or sell or had very recently sold or been let.

#### **4 WORK TO DATE**

In April 2019, Management Team considered a report which provided an analysis of age, status and reasons why properties remain empty.

Following the report, a list of properties, empty for over 10 years, was passed to the Operation Property Enforcement Group (OPEG) for action. The OPEG is a joint enforcement action group identifying problem properties / areas throughout the borough and addresses the issues through enforcement action.

Appendix 2 shows the current work being carried out by OPEG on the properties that have been empty for more than 10 years.

In December 2018 Housing and Neighbourhoods Committee approved the Empty Homes Project which identified approaches to assist empty home owners to bring their properties back into use the following paragraphs detail the progress of this project.

#### **WEBSITE**

The empty homes webpages previously lacked information to assist owners with their properties.

These pages have been renewed to include information on ways to bring properties back into use. Links to other helpful pages on the website have been included (such as planning, building control and private landlords) and to externally hosted information (such as auction houses, guardian services and the Housing, Health and Safety Rating System). Information, tips and advice on renovating properties have also been included.

The website has been created to reflect information from the Kent 'No Use Empty' initiative web pages (winners of UK Housing Award 2018) and with their permission some of the details from those pages has been included.

Since it's launch the pages of the website have been visited approximately 400 times by different users with the Empty Home Owner pages being the most popular with approximately 160 visits.

## INVESTORS

Following the introduction of GDPR, lists of empty properties can no longer be sent to investors however, as this is another route to bring properties back into use it was important to retain this as an option. Therefore, working with the Data Protection Officer a registration document has been created which enables investors to detail the areas and types of properties they are interested in and, through signing this document, gives permission for their contact details to be shared with empty property owners and where agreed placed on the website. Investor contact details are held for 6 months after which they are deleted unless further authorisation is received for them to be retained.

The registration form has been in use since April 2019, despite 9 investors making contact to date, only 3 have returned the signed registration form, which allows the Council to share their details, this option continues to be offered to investors making contact. To ensure that this service is promoted as much as possible, other departments have been notified of the registration form option.

## COUNCIL PURCHASE OF EMPTY HOMES

In some cases, the Council will actively purchase empty properties. Empty property purchases can come through many routes.

- Empty home owners can make contact via the new webpages.
- Enquiries through customer services from owners asking for help.
- The operational enforcement group identifies properties suitable for purchase.

There are different funding streams available to the council to purchase an empty home. To make it easier for the owner, there is one point of contact to begin with. Properties are initially considered for purchase by the HRA using Right to Buy retained receipts but are also considered under other purchase options as appropriate;

- Temporary accommodation
- HMO & Guesthouse purchase and repair

Individual criteria exists for each option which must be met to allow a purchase to progress. 12 owners have made contact through the website or through direct contact with the Enabling and Empty Homes Officer, of these requests:

7 properties are being purchased.

4 properties did not meet the criteria for a Council purchase but have subsequently

sold privately.

1 property is currently being assessed.

Complimenting the work on the specific properties identified in Appendix 2, the OPEG group continues to address problem properties and land across the Borough and from this work 6 properties have been identified through the OPEG group as potential purchase possibilities. Of the 6 properties:

2 properties have been sold to private individuals

1 property has an offer on the table and is being considered

2 properties will need enforcement action, either enforced sale or compulsorily purchased.

1 property needs further assessment

## EMPTY HOME LOANS

The provision of loans to support owners to bring their empty homes back into use was launched on 22<sup>nd</sup> November 2019. Through the loan scheme, the Council will provide a loan of £5K - £25K to owners of properties empty for 6 months or more providing there is at least 35% free equity in their property. The loan is secured on the property on an equity share basis and can only be used to carry out the works required to allow the property to be occupied again, these works will be identified by a technical officer and their completion checked.

In the first instance owners who have previously expressed an interest in an empty home loan have been written to; At 6<sup>th</sup> January 2020.

Total letters sent	70
Further discussions held	5
Application pack sent	1
Progressing loan application	0

## 5.0 NEXT STEPS

### CONTINUING INITIATIVES BY REVENUES TEAM

Additional resource is employed through the summer to ensure inspections of properties that have been empty for more than 12 months are completed, this timeframe ensures that at the time of the CTB return (where the New Homes Bonus calculation is based) the information held is current.

An enclosure will continue to be inserted into all Empty Property charge Council Tax bills highlighting the fact that the Council needs to be informed if and when the property is reoccupied and to direct empty home owners to the website for guidance.

A rolling canvass review by area in the late spring and summer months of all Empty Properties between the ranges of 6 and 12 months to review its current status.

There is currently a Council Tax Levy of 100% for all properties that have been empty for more than two years. In April 2020, a Council Tax Levy of 200% will be introduced for all properties that have been empty for more than five years. This will be followed by a Council Tax Levy of 300% for properties empty for more than 10 years that will be introduced in April 2021.

The owners who specifically requested to be contacted have been written to as identified in section 4. However, the results of the survey will be used further to identify those who can be targeted for the loan option (and the lease option when it is launched) but also any other areas where the Council may be able to offer assistance.

#### **EMPTY HOME LOANS**

The next steps will be to proactively target information more widely to owners of empty homes which have been empty for at least six months, targeting properties which have been empty the longest or which have a negative impact on adjoining properties or the local area. Once a property has been identified, the owners will be written to advise them of the help available.

#### **INVEST AND LEASE SCHEME**

The Invest and Lease scheme will make use of the property management arm of Equinox Enterprises. The Council will take a 7 year lease with the empty property owner, carry out repair works to the property, then let and manage the property for the remaining period. At the end of the lease the owner can choose to continue letting the property through the Council or take the property back to let themselves or sell

Work is underway to develop the required processes and documents to allow the Invest and Lease Scheme to be launched. The learning from the development of the Empty Loans scheme will be used to support this work. It is expected that the Invest and Lease scheme will be launched in 2020.

### **6.0 FINANCIAL IMPLICATIONS**

Financial implications were considered in creation of the Empty Homes Policy. A minimum of

12 loans are available, the total available fund is £300,000.

The financial implications of not attempting to maximise the New Homes Bonus would be a missed opportunity to obtain extra revenue during the current difficult financial climate for councils.

## **7.0 RISK IMPLICATIONS**

Risk implications were considered during the creation of the Empty Homes Policy. The highest risk is an owner defaulting on the repayment of their loan, this has been mitigated by securing the loan as an equity share of the property, ensuring there is at least 35% free equity and being able to enforce the sale of the property as a last resort.

## **8.0 LEGAL IMPLICATIONS**

Legal implications were considered during the creation of the Empty Homes Policy and NP Law have been consulted on the agreement and all paperwork associated with the project.

## **9.0 CONCLUSION**

Great Yarmouth empty homes figures remain stable both for properties empty over 6 months and 2 years as show in section 1 of this report.

The recently released CTB1 figures show that all but 1 Norfolk authority saw an increase in their empty properties this year. Great Yarmouth's was the smallest.

<b>Authority</b>	<b>2018/19</b>	<b>2019/20</b>	<b>%</b>
Breckland	419	481	15% ↑
Broadland	222	347	56% ↑
Great Yarmouth	585	586	0.1% ↑
Kings Lynn & West Norfolk	825	966	17% ↑
North Norfolk	482	572	18% ↑
Norwich	462	560	21% ↑
South Norfolk	356	285	15% ↓

Work continues to ensure properties are brought back into use through either assistance from the council or through enforcement where necessary. The increased council tax premium will

act as both a deterrent for leaving a property empty for a longer period of time and an incentive to bring empty properties back into use.

Along with the targeted approach detailed in section 5, the enclosure with council tax bills will direct owners to the empty property webpages which details the different options available from the Council and gives general guidance to bringing properties back into use.

Customer Services and members of the OPEG have been informed of the available options to assist with enquiries from empty home owners.

## **10.0 RECOMMENDATION**

That Committee note the report.

## **11.0 BACKGROUND DOCUMENTS**

Empty Homes Policy

Use of Retained Right to Buy Receipts Policy

HMO & Guesthouse Purchase and Repair Scheme

<b>Area for consideration</b>	<b>Comment</b>
Monitoring Officer Consultation:	Yes – ELT
Section 151 Officer Consultation:	Yes – ELT
Existing Council Policies:	Empty Homes Policy Town Centre Masterplan
Financial Implications (including VAT and tax):	As above
Legal Implications (including human rights):	As above
Risk Implications:	As above
Equality Issues/EQIA assessment:	No
Crime & Disorder:	No
Every Child Matters:	No



**Table 1****Analysis of Responses from Survey of Long-term Empty Property Owners**

<b>What are you planning to do with the property?</b>	<b>Number of replies</b>	<b>% of replies</b>
Number of cases want to sell	69	32.5
Number of cases want to rent	13	6.1
Number of cases want to Renovate to sell	13	6.1
Number of cases want to Renovate to rent	21	9.9
Number of cases want to Renovate to sell or rent	9	4.2
Number of cases want to Renovate to move in	22	10.4
Number of cases want to demolish and rebuild	2	0.9
Number of cases want to Renovate	7	3.3
Not know	26	12.3
Recently occupied	16	7.5
Second home	6	2.8
Recently sold - not known if still empty	4	1.9
Now a holiday let	3	1.4
Awaiting probate to be finalised	1	0.5
Total	212	100.0

**Table 2**

<b>Is there anything preventing you from selling, renting, renovating or moving into the property?"</b>	<b>Number of Replies</b>	<b>% of replies</b>
State of neighbouring property makes it difficult to sell	3	1.4
Planning permissions to be granted	5	2.4
Market is not good	12	5.7
Amount to clear out of property	1	0.5
No or lack of funds	16	7.5
Currently renovating	16	7.5
Awaiting sale of property currently living in so can move in	6	2.8
Disabled and not well enough to do work	1	0.5
Finding good tradesman	3	1.4
Insurance claim pending after burst pipe	8	3.8
Property currently on the market	2	0.9
Central Heating type (Night Storage) is putting off buyers	1	0.5
Not answered or nothing preventing it from being sold, rented out or moved into	123	58.0
Acquired by NCC for third river crossing	1	0.5
The amount of work to do to make it rentable or saleable	5	2.4
Probate to be finalised	3	1.4
Await HMO Licence	1	0.5
Decide what to do	2	0.9
Legal Process	1	0.5
Only access from Pub	2	0.9
Total	212	100.0

**Table 3**

Number of cases where tax payer would be happy for the Council to contact them to give help and advice on getting the empty home back into use	65
Number of cases that would like to receive more information and advice from the council to help them get property back into use	53
Number who didn't want advice sent or for the council to contact them	94

**Table 4**

Number who replied to the question of how long it would take to sell, rent or move into the property and gave a date	
Number who replied and gave a date	76
Number who replied and said already on market to rent or sell	29
Number who replied and said sold, sold subject to contract or rented out recently	16
Number who didn't reply to the question of how long it would take to sell, rent or move into the property and gave a date	91

**Long Term Empty Properties Notified by Revenue – April 2019**

Background information for 11 properties is known but work is yet to progress on these. Loss of resource has led to a delay in this work.

Property 1 - Occupied

Property 2 - No separate staircase to the property above therefore it can not be let out separately to the unit below.

Property 3 - Property should be listed a second home but the owner lives out of this country so can not be charged as such.

Property 4 - Expressed an interest in receiving information about what help is available from the Council. Written to 9<sup>th</sup> December 2019

Property 5 - Is transferring to business rates to create community heritage centre and tea room.

Property 6 - Sold subject to contract

Property 7 – Renovating to move into.

Property 8 – Property tidied, owner will be approached regarding potential sale to the council

Property 9 – Recently purchased and being renovated, timeframe for completion unknown at present

Property 10 – Specific heritage property being monitored by Conservation.

Property 11 – Owner being prosecuted for non-compliance, options for the property being considered.

Property 12 – Under offer from the Council