

HAMPSHIRE AND ISLE OF WIGHT LOCAL GOVERNMENT ASSOCIATION

2 June 2006

EMPTY HOMES

Background report by the Director and paper by the Empty Homes Agency

THE CASE FOR ACTION ON EMPTY HOMES

1. Jonathan Ellis will address the Association on empty homes and his background paper is attached.

EXISTING WORK IN THE HIOW AREA

2. All local authorities (including District Councils in Hampshire) appoint an Empty Homes Officer whose duty is to take appropriate action to bring empty homes back into use. The Hampshire Local Area Agreement (LAA) has two ambitions for empty homes under the main priority of “Improve Access to Housing”:
 - (1) Retention of council tax on empty homes by District Authorities to fund schemes to bring empty homes back into use; and
 - (2) Help from Government departments to persuade public sector empty housing back into use.

These are being followed up by the Hampshire LAA Executive.

3. Keith Gunner will describe Southampton City Council’s approach to empty housing.

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Annex: 1
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THE CASE FOR ACTION ON EMPTY HOMES

Across the country, according to recent Government figures, **680,000 homes are lying empty.**

There are currently over 100,000 families formally registered as being in temporary accommodation. Yet this high figure excludes the number of single homeless people who are without a permanent home.

In addition there are many sections of our community that find accessing decent accommodation remarkably difficult. There is the much-documented need of key workers providing essential services, but without the means to live in decent accommodation in their locality.

Empty homes are also bad for communities. They attract crime and vandalism and can devalue neighbouring properties by as much as 18% (source Hometrack 2003).

Any housing market will always have some degree of empty property through transactional vacancies, but what is particularly disturbing is the constantly high number of properties empty for more than six months. Across England there are currently just under 300,000 properties in the private sector that have been empty for more than six months. Across the board, whilst empty homes may conjure up images of Ministry of Defence and NHS empty properties, the vast majority (85%) of empty property is in the private sector. In Hampshire and the Isle of Wight there are 6520 properties empty for more than six months in the private sector.

So what should be happening at a local level to bring these empty properties back into use?

Progressive local authorities have **regular dialogue** with owners of empty property and survey these owners on a regular basis to find out why the properties are still empty and how they can be brought back into use. A recent survey in Hammersmith and Fulham, carried out by MORI, revealed that hundreds of owners of empty property did require different things in terms of support, but that there was a hard core of owners who were not interested in doing anything with their property.

Local authorities can use the changes in the Local Government Act 2003 to access **council tax data** on the owners of empty homes. They can also abolish the **council tax discount** on empty homes.

Good local authorities should also be providing **voluntary support to owners** in the form of grants, loans or other assistance to encourage them to bring their property back into use to help those in housing need. Progressive local authorities offer grants to owners to do up their properties to a decent standard and then through a private sector leasing scheme use the property to help someone who is homeless. This is a sensible use of previously wasted housing stock.

In all this it is important that voluntary action is under pinned by the under lying threat of **enforcement**. Local authorities such as Westminster and Leicester are using compulsory purchase as a way of encouraging owners to take action. Other local authorities such as Wandsworth and Leeds are using enforced sale, where charges are accrued against a property for work on the wasted property, and then the owner is forced to sell the property.

And there is a new power coming in just over the horizon. As the result of a long running campaign by the Empty Homes Agency, the Housing Act 2004 included, for the first time in this country, primary legislation for local authorities on private empty property. The so-called **Empty Dwelling**

Management Orders, operational from April of this year, will give local authorities the power, through a residential property tribunal, to take over the temporary management of empty property for up to seven years. This is a major breakthrough in housing legislation, and there is already anecdotal evidence of more owners requesting information on how they can bring their property back into use.

As a nation with such housing need, it is surely wrong to ignore the potential of empty homes, and we should be looking for all creative solutions to both incentivise and ultimately to enforce the use of this property.

At a national level the Government could do much more to encourage use of empty property. For example, why do we have different rates of **VAT** between new build housing (0%) and refurbishment of empty property (17.5%)? Surely there should be a level playing field in fiscal policy to encourage the regeneration of empty property?

And why, when local authorities are assessing the need for new housing supply, do they not take into account the **potential of existing property**? The Empty Homes Agency has called such property 'redfield sites' and before consideration is made of building on greenfield sites, consideration should be made in terms of how many redfield sites, or empty properties, could be brought back into use and then that number should be off set against the need for new housing.

The Government recently commissioned a major review of housing supply by the economist Kate Barker. Whilst her initial report ignored the potential of empty homes, the Government response left the door open by accepting that there is a case for existing stock meeting some of the new housing supply.

Empty homes are not the whole answer to the current housing crisis, but a decent society cannot ignore its potential. We need to ensure that more resources are put into this issue and that these new enforcement powers are used to ensure that owners are both encouraged and ultimately enforced to unlock the potential of our wasted homes.

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