



Exeter City Council

Exeter City Council Empty Homes Strategy



2014-2017

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Foreword

Engaging with the problem of empty properties is crucial to meeting the housing demands within Exeter. Long-term empty properties are an unacceptable waste of resources at a time of housing shortage and economic hardship. Returning these properties back into use can help to meet the need of those on our Housing waiting list. It can stimulate the housing market within Exeter. It can provide decent family sized accommodation to those who are struggling to find suitable homes. It can make the most of the existing housing within the city, reducing the need to build more homes.

Exeter City Council has already been successful in reducing the number of long-term empty properties in the city. There is a wealth of advice and assistance available to owners who are struggling to decide how to make the most of their properties. And now, dedicated approval of an Enforcement Policy and recent changes to Council Tax by elected members means that the Council is better equipped to change the way empty homes are dealt with in the city.

The adoption of a zero-tolerance approach to long-term empty homes is the next step in tackling the tough issues around empty properties. By taking a firm but fair approach, the Council hopes to achieve outstanding results for the city by making the most of every potential home.

This Strategy provides information for people who are affected by empty properties in Exeter. It explains exactly what is on offer to owners and concerned neighbours, how the Council can assist and provide support, and what measures can be taken to ensure long-term properties are not an issue for the people within Exeter, and are put to good use.

Now, more than ever, it is vital to use every means possible to make the most of the housing stock within Exeter, to the benefit of the communities who spend their lives contributing to the prosperity of Exeter.

Councillor Rob Hannaford, Portfolio Holder for Housing and Customer Access/Deputy Lord Mayor.



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1. Introduction

The issue of empty properties has taken on renewed importance since the writing of the 2009-2014 Empty Homes Strategy. Five years of poor economic performance, including a 'double-dip' recession, has seen the UK's housing market struggle under a combination of increasing demand for property and reduced ability to supply.

With over a quarter of a million properties in England sitting empty for longer than six months and substantially unfurnished (figures from late 2012), it is becoming more essential that these wasted resources are put to use as a key source of housing. Returning empty properties back to use is both cheaper and faster than building new properties, and by government estimates would provide in excess of a year's worth of new housing for England, which is not being provided by the construction sector.

Exeter City Council's vision is to enhance Exeter as the regional capital. It is a vibrant and attractive city, but this by no means excludes it from the problem of long-term empty properties. The high housing demand within the city makes it even more vital for Council's Empty Homes Service to return Exeter's long-term empty properties back into use as functioning homes.

Exeter City Council is committed to bringing empty homes back into use. This Empty Homes Strategy has been developed to help achieve this, outlining the key housing issues faced by the city and the tools at the Council's disposal to deal with long-term empty properties. The success of this Strategy will contribute towards meeting three of the key purposes of the *Corporate Plan 2012-2014: Building a stronger sustainable city*. These purposes are:

- ***providing those in need of housing with a suitable place to live***
- ***improving the environment and neighbourhood***
- ***keep the city safe and looking good***

This Strategy sets out how the Council will seek to work with owners of long-term empty properties in order to return these properties to use. Where this is not possible, the Strategy also sets out the Council's enforcement policy, which is a last resort to tackle the most difficult properties and return them to use. The Council has, in early 2013, been given greater authority by its elected members to pursue enforcement measures against owners who are deliberately and without good reason leaving their properties empty, to the detriment of the property and the local area.

The new enforcement policy is one of zero tolerance, with elected members supporting the Council's decision that it is unacceptable to leave properties empty without reason. The policy allows the Council to act decisively against owners of such long-term empty properties for the purposes of bringing them back to use.

1.1 Strategic objectives

It is crucial that this Empty Homes Strategy reflects the changing political and economic context in which it is written. The current housing shortage makes the maximum use of existing housing stock a vital requirement for any local authority to encourage.

The new focus of this Empty Homes Strategy is reflected in its five objectives:

1. To maintain and improve the accuracy of empty homes data.

The Council must gain a detailed picture of the city's long-term empty properties if it is to be successful in returning them to use. The Council Tax database is used to capture the number of empty properties. However, this information changes on a daily basis and can quickly become out of date as it relies on property owners updating the Council when changes are made to their properties. The existence of the New Homes Bonus also makes accuracy of empty homes data vital to the Council's funding from Government.

2. To raise awareness of empty homes issues.

The Council must ensure that it is publicising the issue of empty homes in the most effective way. A higher profile for the problem of empty homes may encourage both owners and concerned neighbours to engage with the Council in reporting long-term empty properties and returning them to use.

3. To encourage empty home owners to return them back into use.

Making owners aware of the potential benefits of renting or selling their empty property, as well as the resources which the Council can offer them to achieve this, is a huge step towards addressing the problem of long-term empty properties. The Council must also be proactive in looking for new ways to persuade owners of long-term empty properties to take action.

4. To prioritise empty homes for enforcement action.

The Council undertake a risk assessment of long-term empty properties to order to prioritise those properties where enforcement action will be undertaken. The prioritisation process will take into account factors such as how long a property has been empty, the general condition of the property and the negative impact the property creates within the neighbourhood. In doing so, the Council can prioritise properties providing the greatest nuisance to the local area for enforcement action.

5. To strengthen and develop new partnerships to reduce the number of long-term empty properties.

In implementing this Empty Homes Strategy, the Council will ensure that clear strategic leadership is maintained and that it works collaboratively across departments to try and resolve the issue of returning empty properties back into use. The Council itself must also work with local landlords, the fire services and police, as well as with other councils in order to ensure that continuity is achieved and advice shared.

A detailed action plan, based upon these five objectives, is set out at the end of this Strategy.

2. Defining the problem



2. Defining the problem

The Council's main focus is that of returning long-term empty properties back into use. This section seeks to define the problem of long-term empty properties, as well as describing reasons why they remain empty and outlining the challenges associated with returning them to use. This section finishes on a detailed summary of the universally negative consequences of long-term empty properties for the owner, the community, and the Council.

2.1 What is an empty home?

A property can be empty for a number of reasons. Broadly, there are two types of empty properties:

Transactional empty properties: These are properties which have become empty through the usual processes in the life of a property. This can occur, for example, between lettings in the rented sector or during the time taken for exchange after sale. These may remain empty for a short period of time, typically up to six months.

Although transactional empty properties are less of a priority for the Council, they would still present a concern should their condition become a hazard or contribute towards a poor street scene.

Long-term empty properties: A property which has been empty for six months or more will be considered long-term empty. Long-term empty properties are the main focus of this Strategy. They include furnished empty properties, as well as substantially unfurnished ones. Although unfurnished properties may be prioritised first for Council involvement, all long-term empty properties will be subject to Council attention.

Although the Council Tax database classifies long-term empty properties and second homes separately, under the Empty Homes Strategy, any property empty for longer than six months will face Council action.

Non-residential space

Providing accommodation in spaces not originally intended for use as homes has the potential to be a key means of meeting housing need. Such spaces can be commercial, for example offices, warehouses, and the upper floors of shops, or non-commercial, such as empty churches or school buildings. In early 2013, the Coalition Government announced a relaxation of planning laws, allowing developers greater freedom to convert unused office space into homes.

Where this may be an option available to the owner advice and assistance from other departments will be sought in order to assist the owner e.g planning department, business rates etc.

2.2 Why do properties become empty?

Transactional empty properties arise due to the normal processes of buying, selling and letting properties.

There are other common reasons why properties might become empty:

- Death of the occupant
- Occupant moving to hospital or institution
- Eviction or repossession
- Maintenance or value issues obstructing ability to rent property
- Need for repair and refurbishment beyond budget of owner

Some of these events can leave a property without a tenant for a period of time, and the new owner may experience difficulties taking the next steps required to return the property back into use. Often, they may lack the resources, both in terms of time and money, needed to renovate their property and then find a tenant or buyer for it.

Exeter City Council offers advice, assistance and options designed to help empty property owners. These are outlined in the empty homes toolkit, and allow owners to renovate, to let or to sell the property with assistance and support from the Empty Homes Service. Exeter City Council expects owners of empty properties to fully engage with the process of returning them back to use and to co-operate with the Council.

If this advice and assistance is consistently refused, the Council may have no option but to take enforcement action to return the empty property back to use. Under key Housing legislation, such as the Housing Act (2004), the Housing Act (1985) and the Law of Property Act (1925), the Council may act to remove control of a long-term empty property from its owner.

2.3 Where does the information on empty homes come from?

The best statistical source available to Exeter City Council for information about empty homes is held on the Council Tax database. This information is as up-to-date as possible, and a record exists for the majority of the dwellings within the City. Exceptions do exist however, and these may cause the data to be incomplete in certain circumstances.

2.4 Empty homes: challenges

There are a number of challenges associated with the task of returning empty properties back into use.

1) Council Tax changes

Council Tax discounts for empty homes and second homes changed in April 2013. These changes were approved by elected members.

As of April 2013:

- Second homes are no longer subject to a 10% Council Tax discount and pay 100% Council Tax.
- Unfurnished empty properties are no longer subject to six month Council Tax exemption; instead they will only be exempt for two months
- Empty properties are charged 100% Council Tax bill after being empty for two months.
- After two years, empty properties will be charged the Empty Homes Premium of 150% Council Tax.

These discounts may not be enough to encourage owners to register their properties as empty under Council Tax. This causes a problem in terms of recording the real number of empty homes in Exeter.

2) Ownership disputes

A property may be part-owned by a developer or housing association, or even by several members of a family who have differing plans for the property's future. Court proceedings and divorce settlements can also further delay the occupation of a property.

There may also be land registry issues. Although there has been a requirement for owners to register their properties with the Land Registry, properties from the 1940s and 1950s can still remain unregistered. In these cases, establishing who the owner of a property can be difficult and sometimes impossible.

3) Disappearance of owners

The occupants of a property may have moved away or a deceased owner may have left the property to a relative who is unaware of their new responsibility. In either case, the Council must commit resources to finding the rightful owner before the property can be dealt with.

The search can involve use of Council Tax records, land registry data, information supplied by neighbours, tracing agents and even the police to find the owner. Even after finding the individual(s) concerned, they may be unwilling to engage with the process. In this case, enforcement measures must be pursued.

4) Ensuring security of property

Long-term empty properties have a tendency to fall victim to acts of vandalism, arson or squatting due to their often vulnerable condition.

The Council has a role to help ensure that empty properties are adequately protected and secured, and also must work with the police or fire services in the event of misuse.

5) Intentional empty properties

These are properties that are kept empty for no specific reason or for unreasonable purposes by their owners. This type of action can ensure that a property remains empty for many years.

6) The financial crisis

The financial crisis which began in 2007/08 had a severe impact on house prices. It is likely that some owners of empty properties are still waiting for the 'right time' to sell their property, given that house prices are beginning to rise once more.

It should be noted that the Council does not consider any of the above issues to justify the continued existence of an empty property. None of the above will be tolerated as an excuse for inaction, and all owners to which the above issues apply will be approached by the Council and expected to engage with the process of returning their property back into use.

2.5 Why is it important to bring long-term empty properties back to use?

Empty properties are a wasted resource for Exeter, and, if not dealt with, can have many negative consequences. These involve not only a loss of potential revenue for the owner, but can also disadvantage neighbours, the wider community, local businesses, as well as the local authority. Publicising the universally negative effects of long-term empty properties can help to raise awareness of the issue of empty properties, the second objective of this Strategy.

The owner

The owner of an empty property faces a number of costs when they could be making a profit from the property. As well as the wasted possible income from letting or selling the property, the owner must still pay to maintain and insure the property, along with added repair costs, for example burst pipes in the winter. These problems are more likely to arise when a property is left empty long-term.

In addition, the Empty Homes Premium, which was introduced by the Coalition Government in April 2013, allows local authorities to charge up to 150% Council Tax for properties empty for longer than two years. This new levy only increases the financial burden on owners of long-term empty properties, providing another incentive to return these properties back into use. This charge has been approved by Exeter City Council's elected members and came into force for the City in April 2013.

By leaving a property empty in the long-term, the owner creates an opportunity for vandals, fly-tippers, squatters and arsonists to misuse the empty property. Such activities make it more likely that the property will have a negative impact on the area, and often result in significant costs for the property owner. In such cases, it is also likely that the Council would take enforcement measures against the owner, in order to resolve these problems.

It is much more profitable for the owner of an empty property to engage with the support and advice services available, to bring their property back into use and benefit from this.

Neighbours, the community and local business

Long-term empty properties can also impact upon the wider neighbourhood and deter businesses. Such properties can discourage new families from locating to an area, reducing the value of neighbouring houses. The Royal Institute of Chartered Surveyors (RICS) has estimated that an empty property reduces the market value of neighbouring properties by up to 18%. In addition, the anti-social and criminal behaviour which long-term empty properties tend to attract can endanger the safety of neighbouring households. The most serious example of this would be fire caused by an arson attack spreading between houses.

Empty properties can bring down the value of the local area and discourage new businesses from setting up there. Empty homes, therefore, can be part of a cycle of decline and neglect for a community. In addition, acts of vandalism or arson which may occur at an empty residence will demand the time and energy of the local police and fire services, stretching their limited resources further at a time of budgetary reductions.

The local authority

Finally, the local authority, along with its ability to fund essential initiatives, is impacted by the existence of empty properties. The New Homes Bonus is a governmental scheme which offers funding to local authorities for building new properties and returning existing long-term empty properties back into use. This money is essential for future community initiatives, meaning that existing long-term empty properties are a loss of potential governmental funding for the city.

The existence of such performance-related funding also gives the local authority greater incentive to address the issue of empty properties, making it much harder for owners of long-term empty properties to avoid attention from Council Officers.

3. Corporate context



3. Corporate Context

The Empty Homes Service, located within the Housing Development Team, has the overall responsibility for reducing the number of long term empty properties in Exeter. However, this cannot be achieved alone and the Empty Homes Service will continue to work in partnership with other departments. The corporate context section assists with objective five of this Strategy, that of strengthening coordination between departments with regards to returning empty properties back to use.

The Empty Homes Strategy directly complements a number of other corporate strategies and priorities of the Council. To ensure clarity, it is important to outline how returning empty properties back into use fits with the Council's broader vision for Exeter.

3.1 Exeter City Council's Corporate Plan

The new Empty Homes Strategy is part of the Council's broader Corporate Plan. The *Corporate Plan 2012-2014: Building a stronger sustainable city* consists of ten purposes designed to improve the lives of Exeter's citizens. Each purpose is allocated a number of key actions, undertaken by the Council in order to help Exeter to meet the changing social, economic and environmental situation.

Three of the Council's key purposes, outlined in the Corporate Plan, relate to the need to return Exeter's long-term empty properties back to use. The first purpose is to provide those in housing need with a suitable place to live. Meeting the growing housing need is crucial for the city, particularly due to the existing high demand for property. The second related purpose is that of improving both the environment and neighbourhoods of the city. Long-term empty properties, particularly unfurnished and unsafe ones, can have a damaging impact on both the quality of the environment and the general well-being of a neighbourhood when left unattended. The third purpose is about keeping the city safe and looking good. Long-term empty properties can often if neglected impact on the local neighbourhood and can often attract vandalism and anti-social behaviour which can lead to crime or an increased fear of crime.

Exeter City Council's empty homes work addresses these purposes, and the growing success of the Empty Homes Service in recent years has had real benefits for both addressing local housing need and improving the quality of the local environment.

3.2 Exeter City Council's Core Strategy

The Empty Homes Strategy directly relates to objective three of the Council's Core Strategy. This objective refers to the need to provide everyone in the community with a decent warm home of suitable type, size and tenure to fit their needs. This goal will, in part, be achieved through making full and efficient use of previously developed land. This statement links with the need to return Exeter's long-term empty properties back into use, as they reflect a wasted portion of the city's existing housing stock.

3.3 Exeter City Council's Housing Strategy

The draft Housing Strategy has four key priorities, three of which (ii, iii and iv) refer to the need to return empty homes back into use as part of their key actions:

- i) Prevent homelessness and help those in housing need.
- ii) Maximising the supply of quality, affordable and environmentally sustainable homes.
- iii) Working with the private sector to provide a range of housing options.
- iv) Make better use of existing housing by improving the quality and by supporting successful communities.

4. The national picture



4. The national picture

The problem of long-term empty properties is a national one. The Government has sought to address this problem through significant changes in the legislation affecting empty homes work at the local level. This section begins with a description of the empty homes situation in England, and then moves on to the extent of housing need in relation to home building. The final part of this section outlines the key changes in empty homes legislation since the writing of the 2009-2014 Empty Homes Strategy.

4.1 Long-term empty properties in England

England is facing the challenge of growing demand and a reduced ability to construct new dwellings. The term 'dwelling' is commonly used by government and covers all forms of living accommodation, so long as it is self-contained, with access limited to the household which occupies the dwelling. In late 2012 it was estimated that England has 259,842 long-term empty properties, sitting substantially unfurnished and unused around the country. It should be noted that this figure consists of only unfurnished long-term empty properties, and it is likely that many more furnished properties have also sat empty for six months or more.

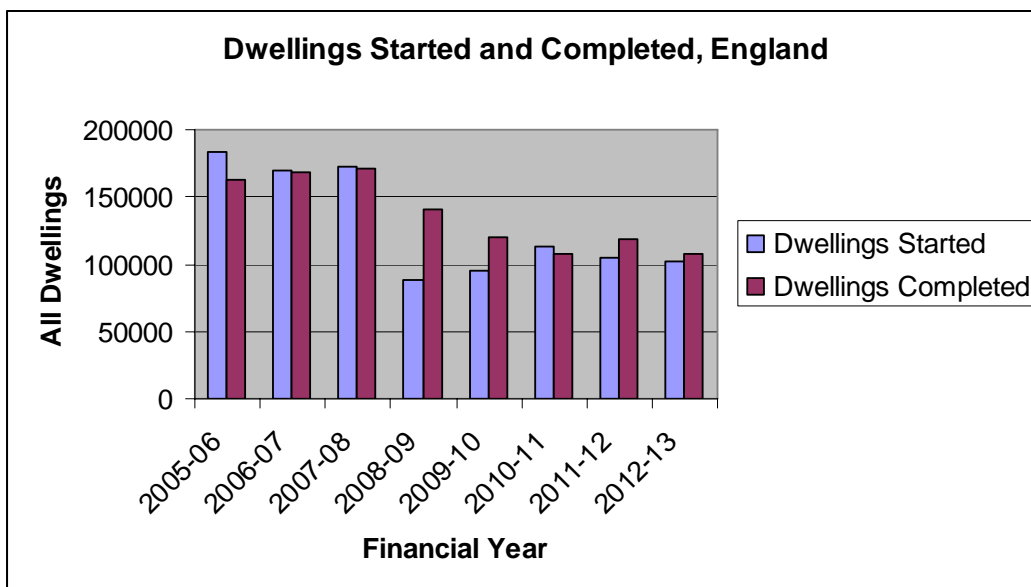
Returning these properties back to use would help to ease England's housing needs, equating to just over one year's worth of new homes required to meet housing need, according to government figures.

The Coalition Government elected in May 2010 has shown a high degree of commitment to returning empty homes to use. On the following page are the key legislative actions taken by the Government to reduce the number of long-term empty homes since the completion of the previous Empty Homes Strategy in 2008/09. All of these changes impact upon the ability of local authorities to deal with long-term empty properties.

4.2 Housing need and home building in England

The financial crisis has taken a heavy toll on the construction industry in England. Even during the boom years of 1998 to 2007, only 150,000 new homes were being built per year on average. The recent financial crisis which began in 2007/08 further impacted on the country's ability to meet housing need, inviting claims of a second 'housing crisis'. This was a crisis of demand being vastly greater than supply, as opposed to the initial crisis of falling demand and house prices in the immediate aftermath of the 'Great Recession'.

Government estimates suggest that the England's housing stock will need to grow by 232,000 households per year until 2033 in order to keep up with housing demand. According to Department for Community and Local Government figures, in 2012/13 there were only 108,190 permanent dwellings completed in England across all tenures, well under half of the projected annual need.



4.3 Key changes to empty homes legislation

The national approach to empty properties and housing more generally has seen notable changes since the writing of the previous Empty Homes Strategy 2009-2014.

The financial crisis has had an extremely negative impact on the construction industry, driving down housing supply in relation to demand in recent years. This makes the existence of long-term empty homes a key issue. The election of the Coalition Government in May 2010 has had a key impact upon the approach to empty homes.

The New Homes Bonus

- Introduced April 2011, with the aim of boosting home creation in England. This includes encouraging the sustainable approach of reusing existing long-term empty properties.
- For each net additional property brought into use, be it a new home or long-term empty property brought back into use, the Government presently pays to the local authority an amount equivalent to the national average of the property's Council Tax band over the following six years.
- These funds take the form of an unringfenced grant, giving the local authority a greater degree of freedom to decide what community projects to invest in. Additional funds are available for additional affordable housing.

The Affordable Homes Programme 2011-2015

- Aims to increase the supply of new affordable homes in England.
- Allocation of £100 million to tackle long-term empty properties, intended to deliver at least 3,300 Affordable Homes by March 2015.
- Government has committed an additional £50 million investment, for which they seek matching funds from local partners. This funding would be used to tackle low quality homes in areas of low demand.

Technical Reforms to Council Tax

- Introduced under the Local Government Finance Act 2012.
- Cancels out previous legislation allowing councils to give up to a 50% Council Tax discount for long-term empty properties (empty longer than six months).
- Councils are now able to charge up to a 50% premium on properties empty for longer than two years and substantially unfurnished, on top of the existing Council Tax bill.
- The Act gives councils more decision-making freedom regarding the rate of Council Tax charged on an empty property.
- Exeter City Council's elected members have opted to continue the Council Tax exemption for properties empty for up to two months, followed by the charging of the full rate after this time. After two years empty, the full Empty Homes Premium of an additional 50% Council Tax will apply.

Empty Dwelling Management Orders (EDMOs)

- The Coalition Government has restricted use of EDMOs to the very worst long-term empty properties.
- Evidence of community support for EDMO action, as well as proof that the property is causing a nuisance, must be presented to the region's Residential Property Tribunal.
- Property must have been empty for two years rather than six months.
- Owner must have been notified of Council's plans to use an EDMO a minimum of three months before applying for one.

The National Empty Homes Loan (Empty Homes Agency)

- The loan fund, launched in late 2012, is to be run by the independent body Empty Homes in conjunction with a building society, with financial assistance from the Department for Communities and Local Government.
- Available to private owners of long-term empty properties, the loan must be used on bringing property up to the Decent Homes Standard.
- Properties which receive the loan are required to be put to use as affordable housing (charging no more than 80% of market rent) for at least the duration of the loan term.
- Low-interest loans of up to £15,000 are available with loans repayable over maximum period of 5 years.

5. The local context

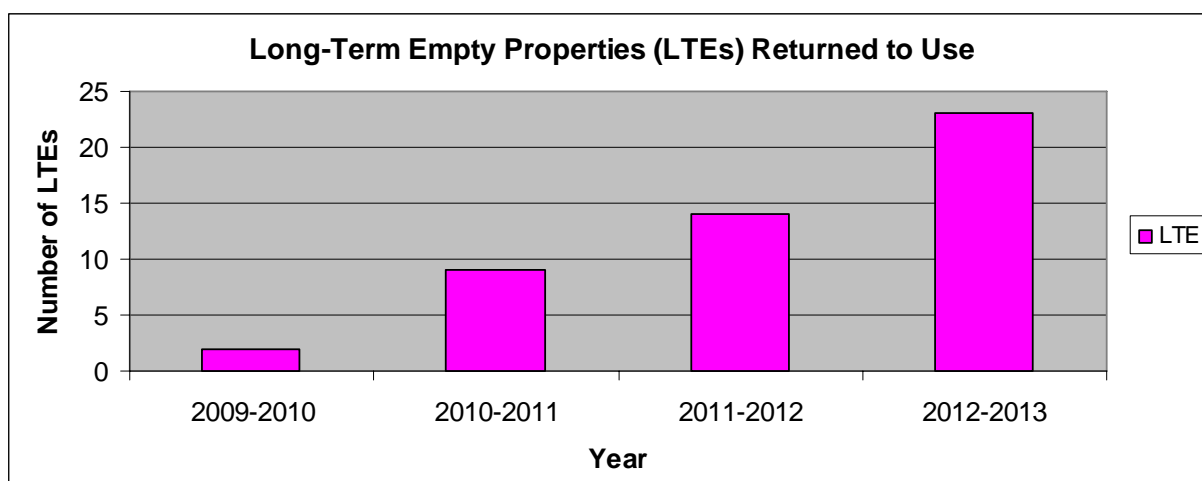


Understanding Exeter's specific empty homes situation and housing need is vital to the purpose of raising awareness of the urgent need to maximise the city's current housing stock by returning long-term empty properties to use. This section begins with a description of Exeter's situation with regard to long-term empty properties, followed by an outline of the city's level of housing need and then by a summary of home building in the city.

5.1 Long-term empty properties in Exeter

Despite the relatively high level of housing demand in the city, Exeter still faces the issue of long-term empty properties. In June 2013 the city had 263 long-term empty properties.

Exeter City Council has increased its efforts to return these properties back into use. Its growing success is mirrored in performance data, which shows that over the past four years the number of long-term empty properties returned to use has risen steadily as a direct result of the Council's involvement.

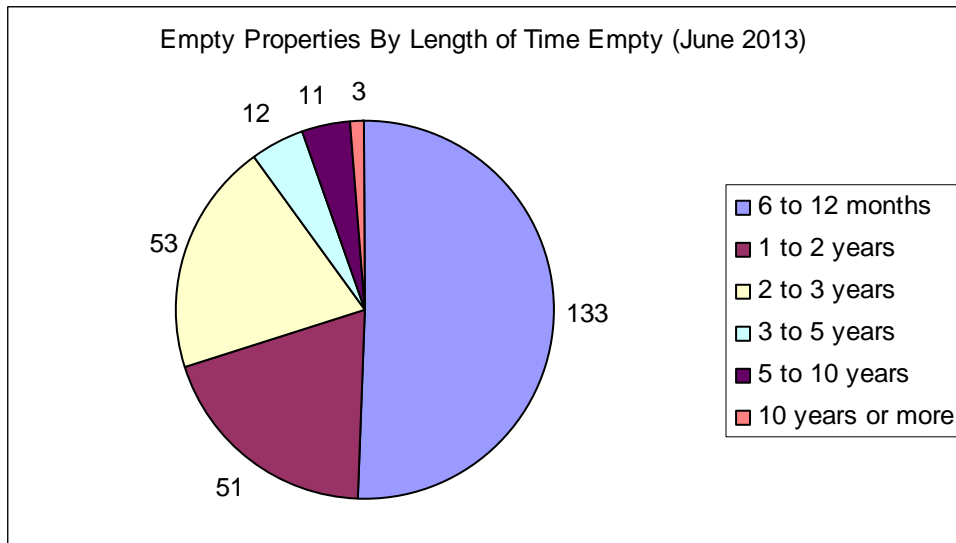


The increasing success to date of the Empty Homes Service reflects the growing focus on empty properties at the national level. The New Homes Bonus, for example, encourages councils to address the issue of long-term empty properties in order to secure the additional funding.

The Service has also become more effective due to its recent authorisation to confront difficult owners of long-term empty properties. In March 2013 the Council's elected members approved the new Enforcement Policy, giving the Empty Homes Service both the resources and authority to use enforcement action against owners of long-term empty properties when necessary.

In addition, in June 2013 the Empty Homes Service gained authorisation to serve Section 239 notices under the Housing Act 2004, which enables Empty Homes Officers to enter long-term empty properties. Once inside the empty property, Officers are permitted to undertake Housing Health and Safety Rating System (HHSRS) inspections when deemed necessary (see glossary). If hazards are found during an inspection, the owner will be required to carry out remedial works. Failure to do so may lead to the Council completing Works in Default (WID). The Council will then seek to recover the WID costs from the owner.

Exeter's long-term empty properties, by length of time empty

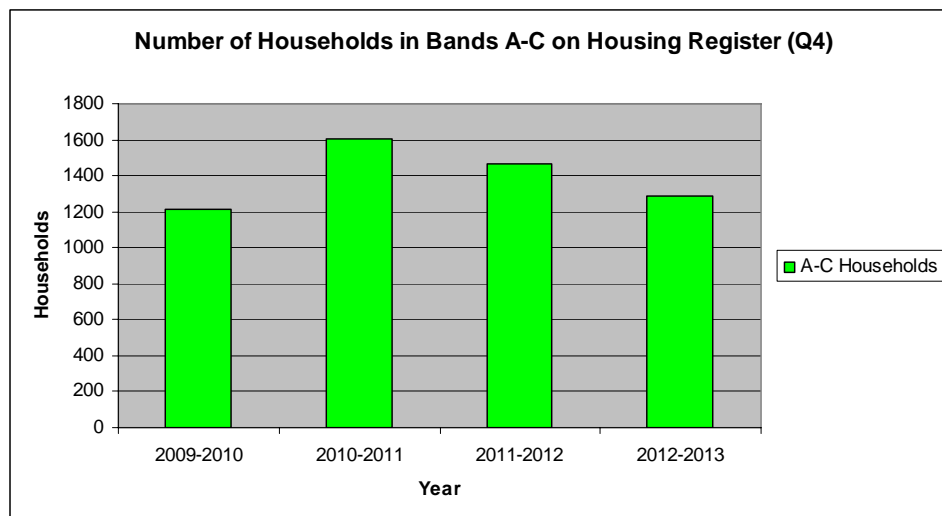


It is worth noting from the above diagram that the majority, 133 (or 51%), of Exeter's long-term empty properties have been empty for between six and twelve months. It is likely that a large proportion of these are transactional empty properties which are perhaps taking longer to sell or rent than anticipated. Significant work is undertaken each year to tackle these properties before they fall into disrepair, for example via letters, questionnaires and visits by officers.

That said, the above data also indicates that as of June 2013, 79 (30%) of Exeter's 263 long-term empty properties have been empty for longer than two years, and are therefore required to pay a 50% Empty Homes Premium on top of their existing Council Tax bill.

5.2 Exeter's housing need

Despite the recent success of the Empty Homes Service, Exeter's housing need remains high. The number of households in Bands A-C (emergency to medium) on the city's housing register in March 2013 was over 1200, a reminder of the extent of Exeter's significant housing need.



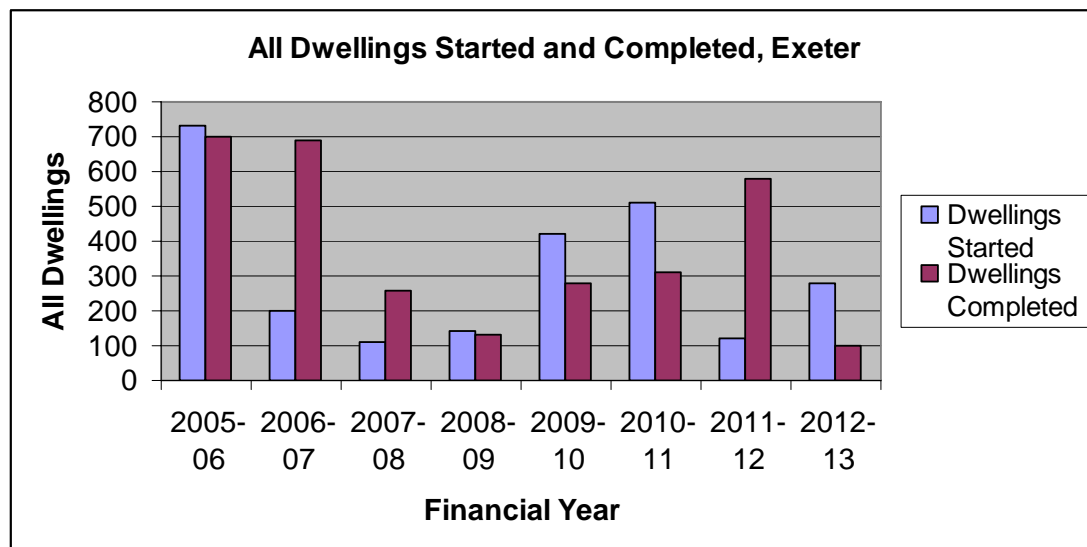
Returning Exeter's 263 long-term empty properties (figures from June 2013) back to use would be the equivalent of catering for over one fifth of the city's most in need households. This demonstrates the value of the work of the Empty Homes Service.

The Exeter Strategic Housing Market Assessment (SHMA), which was updated in 2010 by Opinion Research Services (ORS), found that over the next five years the city's housing requirement would exceed supply by 5,294 houses. The two primary constituents of this housing requirement, market housing and social housing, are both expected to fall short of need by over 2000 properties each. This makes clear the need to make the most of Exeter's existing housing stock into the future.

5.3 House building in Exeter

The issue of empty properties is made even more important by recent low levels of building activity in the city. The financial crisis had a significant impact on property building, with the number of new dwellings, both started and completed, struggling to return to 2006-07 levels.

However, more recently there has been an increase in developers starting on site in the City particularly in the two growth areas at Newcourt and Monkerton. Government schemes such as "Help to Buy" have provided additional incentives to developers to make use of the scheme that assists with house sales. In November 2013 "Help to Buy" sales in Exeter were amongst the highest in Devon.



Nonetheless, new housing alone cannot be relied on to meet Exeter's housing need, given both the troubled economic situation and a shortage of land availability in the city. Empty homes are a sustainable and economically efficient means of meeting housing need, and therefore need to be pursued in combination with the building of new dwellings.

By making clear the scale of national and local housing need, as well as the wasted resource represented by long-term empty properties, this Strategy achieves its second objective, which refers to the need to raise awareness of the issue of empty

homes.

6. Empty Homes Toolkit



6. Empty homes toolkit

The Council will always seek to work with the owners of long-term empty properties in the first instance, focussing on the **assistance** tools at its disposal with the goal of returning a property back to use. However, should such an approach be refused or frustrated, the Council may adopt **enforcement** action.

By making owners aware of the tools which the Council has at its disposal, this Strategy is achieving its third objective, that of encouraging empty home owners to return their properties back into use. By providing owners of empty properties with complete information on its assistance and enforcement powers, it is hoped that they will decide to work proactively to return their properties back into use.

6.1 Assistance

The Council will always do its utmost to resolve an empty homes issue in the most cooperative way possible, finding a mutually beneficial solution which allows the owner to keep hold of the property.

In addition to offering bespoke advice to owners of long-term empty properties, Exeter City Council offers four schemes aimed at helping to incentivise owners of empty properties to make the most of their unused resource- **EXtraLet**, **Private Sector Leasing**, access to **Wessex Home Improvement Loans** and **National Empty Homes Loans**.

Advice and information To empty property owners and members of the public			
<p>Help owners to sell property: Advice on: selling privately, estate agents or auctions</p>	<p>Help owners to rent property: Providing information on: becoming a landlord, private letting agents and grants</p>	<p>PSL & EXtraLet Schemes Council rental schemes providing property management, with rent paid quarterly in advance and annual repairs allowance.</p>	<p>Empty Property Loan for sale / privately rent Loan available up to £15,000 for bringing property up to decent standard. 4% interest (subject to sufficient equity in the property).</p>

Advice

The Empty Homes Service offers advice to owners who may not wish for direct Council involvement with their property.

Many owners want to bring their properties back into use, but have queries or concerns about the best way in which to do this. The Empty Homes Service can arrange tailored advice regarding the property concerned as well as useful information regarding planning, legal issues, Council Tax and much more.

The Empty Homes Service is also keen to discuss with an owner any issues which may be stalling the process of returning an empty property to use. See section 8.1 for contact details for the Empty Homes Service.

- **The Council offers two rental schemes which can be used to return empty properties back into use and where tenants can be easily found:**

i) ExtraLet

EXtraLet is designed to improve access to private rented accommodation for households in housing need. The local authority acts as the managing agent, charging a competitive management fee.

The Council sources tenants for the property from those who have approached them as potentially homeless or in other cases those who have bid through Devon Home Choice. These tenants have a good history of renting in the private sector. The property is managed through the Council, but the property owner has a direct agreement with the tenants. Rent is paid to the owner of the property in advance on a quarterly basis, with 50% of the rent guaranteed during void periods of up to two months.

All EXtraLet properties must be brought up to the Decent Homes Standard. Grant assistance could be offered in the form of the Private Sector Renewal Grant, to help bring the property up to a lettable standard. Grant funding is subject to availability. Details of the Private Sector Renewal Grant are available in the Appendix.

ii) Private Sector Leasing (PSL)

The Private Sector Leasing scheme is ideal for owners who are not experienced landlords but wish to rent out their property but do not wish to be involved in the day-to-day management of the property.

The property is leased to the Council, who then sub-let it to those in housing need. The owner of the property has no direct dealings with tenants as this is managed by the Council. Rent is guaranteed throughout the period of the lease, whether the property is occupied or not, and is paid to the owner in advance every quarter. Repairs can be arranged on the owner's behalf.

The owner can have peace of mind that their property is providing a financial return whilst requiring no direct involvement from them.

All PSL properties must be brought up to the Decent Homes Standard. Grant assistance could be offered in the form of the Private Sector Renewal Grant, to help bring the property up to a lettable standard. Grant funding is subject to availability.

- **The Council can also facilitate access to two low-interest loans which can be used to bring an empty property up to the Decent Homes Standard, in preparation to rent or sell:**

iii) Wessex Home Improvement Loans

Wessex Home Improvement Loans (WHIL) can provide financial assistance for the purpose of returning an empty property back to use by selling or letting privately. This is an ideal option for owners who would prefer to let privately or to sell the property, but the property is in need of some renovation works, and the owner does not have the available funds.

The loan must be used by the owner to restore an empty property to a decent standard at which it can be sold or privately let. Loans are available between £1000 and £15000 (higher sums may be available in exceptional circumstances) at a low interest rate of approximately 4%. The loan can be repaid either monthly or in a lump sum from the sale of the property. It is a condition of the loan that sufficient equity exists in the property. Wessex Home Improvement Loans are subject to availability.

iv) National Empty Homes Loan Fund

Exeter has become a primary member of the National Empty Homes Loan Fund, an initiative run by the independent body Empty Homes. The loans, available to private owners of long-term empty properties, must be used on bringing property up to the Decent Homes Standard.

Properties which receive the loan are required to be let at affordable housing rent levels (no more than 80% of market rent) for at least the duration of the loan term. Up to £15,000, can be offered, depending on the number of people for whom the property could provide. The loans are low-interest and repayable over maximum period of five years.

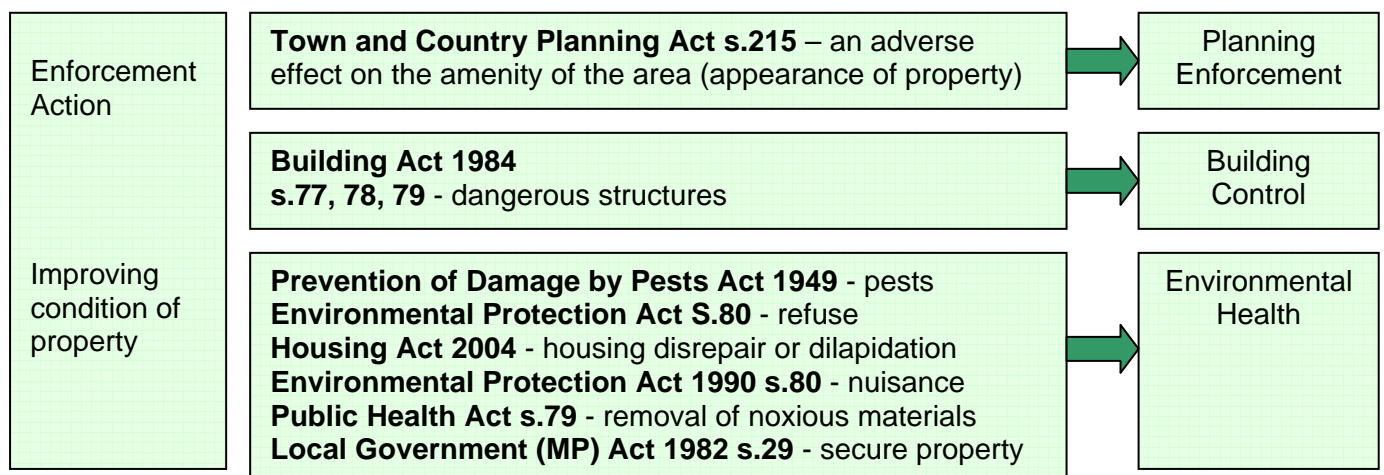
More information on these schemes can be found on the Council's website or by contacting the Empty Homes Service.

6.2 Enforcement

Where an owner of a long-term empty property refuses the assistance of the Council, or fails to return their property back into use within a reasonable timescale, firmer measures may be pursued which would require the owner to engage or risk losing their property. When such action is required, the Council undertakes to adhere to its enforcement principles, which provide for fair, practical and consistent enforcement:

- **Openness**- clear, accessible information.
- **Helpfulness**- advice to owners when needed.
- **Complaints**- well publicised complaints procedures.
- **Proportionality**- action proportionate to risks.
- **Consistency**- even handed, consistent practice.

The enforcement tools available to the Council are: **Enforced Sale Procedure**, **Empty Dwelling Management Order (EDMO)** and **Compulsory Purchase Order (CPO)**. Enforcement action can be halted at any time should the owner wish to engage with the Council to return their property back into use. The diagram below sets out some of the legislation available to the Council may choose to use in order to help tackle long-term empty properties:



Works in Default – securing the debt as local land charge under the above legal notices (excluding LG 1979 s.29)

Enforced Sale

Where an unpaid debt to the council has been secured by a local land charge on a long term empty property (possibly through enforcement action outlined above) the Council can force the sale of the property to a third party

Empty Dwelling Management Order (EDMO)

The property must be in an area of housing need with no prospect of becoming occupied under the current owner. Council would facilitate works needed to allow the property to be leased and used to accommodate people in housing need

Compulsory Purchase Order (CPO)

Where the property is long -term empty, in poor condition (and in an area of housing need), the ultimate sanction for those owners who fail to bring their property back into use the threat and use of compulsory powers will be considered. Used only as the last resort

i) Enforced sale

The enforced sale procedure can be used when the owner of an empty property has outstanding debts with the Council. In situations where the Council is forced to carry out 'works in default' to ensure that an empty property is not unsafe or impacts negatively on the locality, the costs incurred will be charged against the owner. Should the owner not pay these debts, the Council will sell the property in order to recover the costs.

An enforced sale can also be used to recover Council Tax arrears. This process can be halted at any point if the owner decides to engage and pay off their debts with the Council. Please see the appendix for a list of legislation which permits the Council to carry out works in default.

ii) Empty Dwelling Management Order (EDMO)

An EDMO involves the Council taking over the management of an empty property. The Council can take action against an empty property which has been unoccupied for over two years, bringing it up to the Decent Homes Standard before letting it at an affordable rate. Any costs incurred in renovation are recovered from the property rental. A full EDMO may be granted for seven years, after which time responsibility can be handed back to the owner.

iii) Compulsory Purchase Order (CPO)

A CPO is the most firm measure available to the Council. It involves the Council acquiring an empty property but, unlike with the enforced sale, its use does not require debts to be initially owed to the Council by the owner.

Government guidance states that a CPO should only be made where there is a compelling case for doing so in the public interest. More recently the National Planning Policy framework encourages authorities to acquire empty properties under compulsory powers, where it is appropriate to do so.

The advantage of compulsory purchase is that the Council can return the properties to the social rented rather than the private rented sector.

6.3 Prioritisation for Enforcement

Long-term empty properties, whose owners are absent or prove uncooperative, will be prioritised for enforcement action accordingly:

- By length of time empty.
- By condition of the property.
- Whether the property is causing a detrimental environmental impact.
- Whether the property already faces enforcement by Council departments.
- Whether the property is affecting the stability of or causing harm to other properties.
- Whether the owner owns multiple properties.
- Whether the owner owes money to the Council.

By effectively laying out its prioritisation criteria, the Council is demonstrating a commitment to this Strategy's fourth objective, that of clearly prioritising empty homes for enforcement action.

7. Resources



7. Resources

The New Homes Bonus provides an additional incentive for the Council to return empty properties back into use. Each long-term empty home brought back to use as result of the Council's intervention earns the equivalent of six years' Council tax. This equates to over £6,000 per empty property brought back into use paid over a six year period. This funding has helped increase the profile and importance of empty homes work across the Council and has the full commitment and support of senior officers and elected members.

One of the main barriers for owners in bringing empty properties back into use is the cost of the renovation works, with many requiring significant investment in order to bring them back into use. Many owners do not have the funds to return properties back to use themselves and therefore require financial assistance.

7.1 Private Sector Renewal Grant

The Council currently provides financial assistance in the form of a grant to owners of empty properties on the condition that the properties are let under the Council's EXtraLet and PSL schemes. The Council has a duty to ensure that the properties on the scheme meet the Council's required standards, which are greater than the minimum letting standards. The grant helps to assist the additional cost associated with these schemes and is used as an additional incentive for landlords to join the scheme. Please see the Appendix under Private Sector Renewal Grant for details.

7.2 Loans

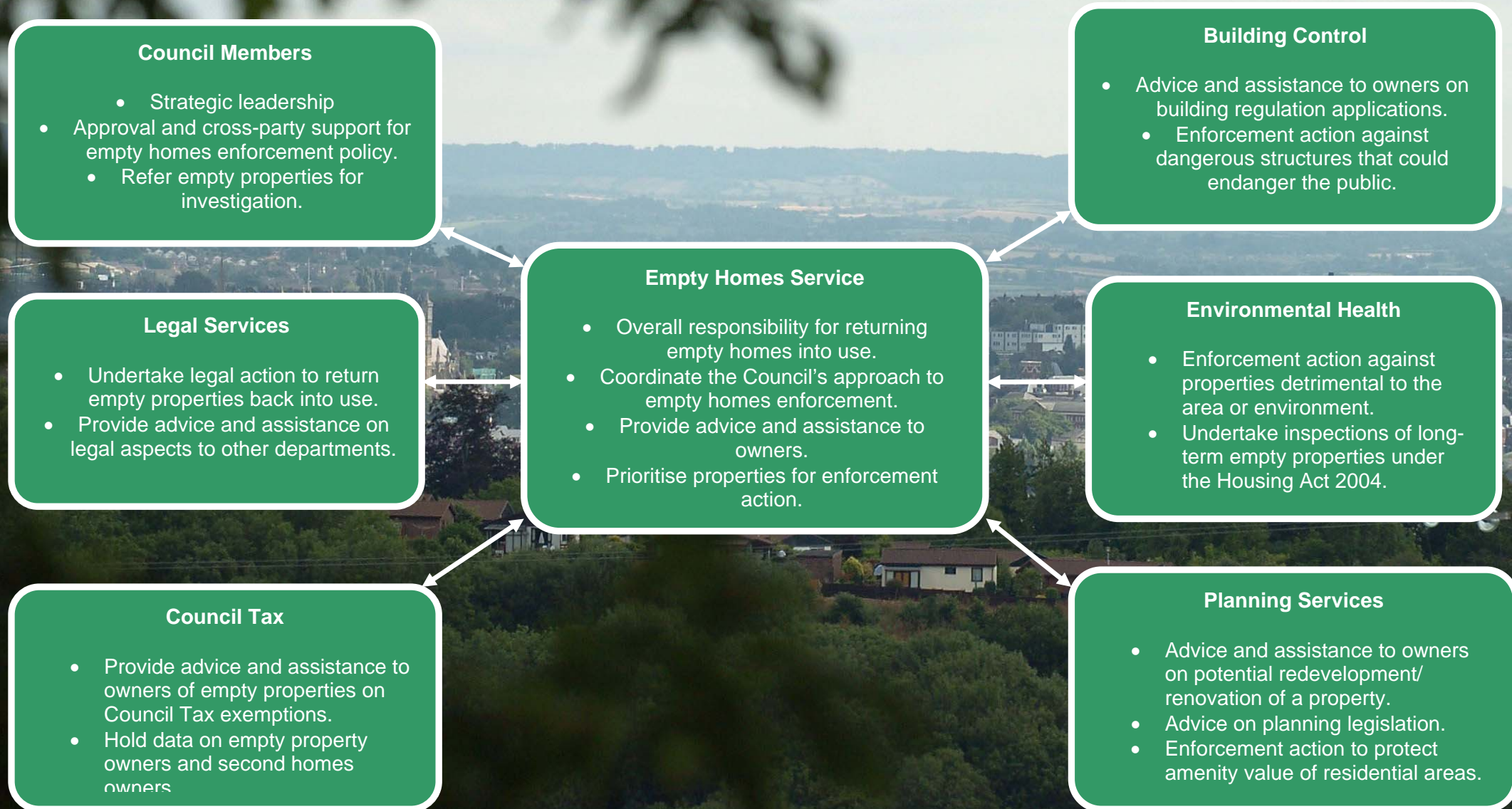
Experience has indicated that financial assistance to empty property owners without nomination rights can be an attractive option and may result in many more properties being brought back into use. The Council works in combination with Wessex Home Improvement Loans, a Community Development Finance Institution, to provide a loan between £1000 - £15,000 to eligible owners of empty properties to help meet the costs of renovation of empty properties either to be sold on the open market or to be let privately. The loan is secured as a legal charge on the property. The funding is recyclable and will be used to return further empty properties back into use through Wessex Home Improvement Loans.

Exeter City Council has also joined the National Empty Homes Fund as a primary member. Loans are available for up to £15,000 at 5% interest and are repayable monthly. The loan is available up front and not on completion of the work. However, the property must be let at an affordable rent. These two loans can be offered in conjunction with each other providing up to £30,000 to renovate an empty property and helps provide financial assistance at low interest rates.

7.3 Enforcement action

Although enforcement action is seen as a last resort, Exeter City Council acknowledges that in some cases enforcement action will be the only option available where owners fail to work with the Council. Commitment has been demonstrated to taking enforcement action and that resources have been made available from the New Homes Bonus funding to support enforcement action to enable the purchase empty properties through Compulsory Purchase Orders. There are also sufficient monies available to cover external services that may be required in order to support such action. Exeter City Council intends to take a zero-tolerance policy with difficult owners of long-term empty properties.

8. Working together





9. Can you help?

Owners of empty properties are advised to contact the Empty Homes Service for any further information on the content of this document and/or to initiate a process of assistance with bringing the property back to use.

Members of the public who are concerned about an empty property in the city or fear that the owner may be unable to return it to use unaided are advised to report the property to the Empty Homes Service.

Please call the number below or go to www.exeter.gov.uk/housing and follow the links:

- Housing
- Exeter Empty Homes Service
- Empty Homes Reporting

Empty Homes Service Contact Details:

Telephone: (01392) 265865

Fax: (01392) 265859

Web: www.exeter.gov.uk/housing

9.1 Key Links

Exeter City Council Empty Homes Service Webpage-
<http://www.exeter.gov.uk/index.aspx?articleid=557>

Exeter City Council Grants Department Webpage-
<http://www.exeter.gov.uk/index.aspx?articleid=11203>

Department for Communities and Local Government, Empty Homes Policy-
<https://www.gov.uk/government/policies/increasing-the-number-of-available-homes/supporting-pages/empty-homes>

10. What does the community want?

Priorities and policies

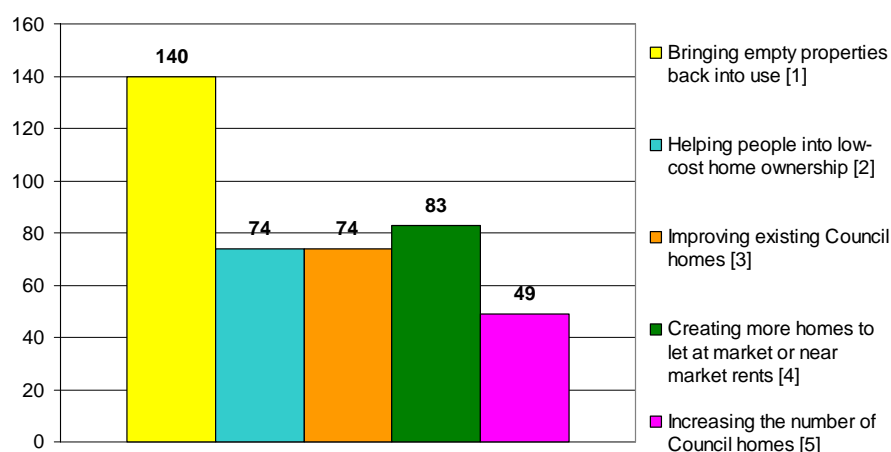
During the draft Housing Strategy Consultation in January 2013, it was asked what the main focus of the Council should be with regard to the provision of housing in Exeter.

Of the 420 people who responded, 140 (33%) stated that 'bringing empty properties back into use' should be the main focus of the Council's housing team. This option received the highest level of support by far, with around 14% more support among respondents than the second-ranked option.

Clearly there was a great deal of identification with the goal of bringing empty properties back to use. This reflects a broader understanding of the waste which such buildings are, as well as an appreciation that remedying the problem of long-term empty properties could help to partially alleviate housing need.

Although there may at times be hostility towards the building of new houses, particularly on Greenfield sites, the above response clearly shows how widely-shared the goal of bringing empty properties back to use as homes is. Their renovation hinders no one whilst their continued existence is blot on the locality and on the broader reputation of the city.

What should the Council concentrate on when providing housing in Exeter?



By consulting the community on which aspect of housing to prioritise, the Council is indicating its interest in strengthening and building partnerships within the city, including with the public and with landlords. This aim is represented by objective five of this Strategy.

11. Action plan



The action plan brings together the Strategy's five objectives, allocating each several key actions and targets for future monitoring purposes.

Objective One: Maintain, and where possible improve, the accuracy of data held by the Council regarding the number of empty homes.

ACTION	TARGET	PRIORITY	RESOURCES	LEAD OFFICER	TIMESCALE
Encourage owners to inform the Council when the property is occupied.	Through effective marketing and publicity, ensure new occupiers inform the Council as soon as they move in.	High	Housing Development / Council Tax	Senior Housing Development Officer/ Revenues Collection Manager	Ongoing – review annually to ensure
Undertake annual audit of empty homes to ensure that data held is accurate.	To target those homes that will have the greatest impact. To improve the Council's funding through the New Homes Bonus.	High	Housing Development / Council Tax	Senior Housing Development Officer / Revenues Collection Manager	Bi annual checks
Effective partnership working with colleagues across the Council.	To work collaboratively across departments to help bring empty homes back into use.	High	Housing Development Council Tax Private Sector housing Planning Building Control Legal	Senior Housing Development Officer	Ongoing through monthly meetings

Objective Two: Raise awareness of empty homes issues.

ACTION	TARGET	PRIORITY	RESOURCES	LEAD OFFICER	TIMESCALE
Review and update publicity material to highlight the issue of empty homes and options available to homeowners to return the property back into use.	Improve information available on advice and assistance.	High	Housing Development Team	Housing Development Support Assistant	Review bi-annually to ensure information accurate and useful
Maintain attendance at and maintain a presence at meetings of national empty homes bodies.	Contribute and respond to the national debate on empty homes policy and procedures.	Medium	Existing staff	Housing Development Assistant	Bi-annual meetings
Respond to national consultations.	Contribute and respond to national consultations on empty homes policy and procedures.	Medium	Existing staff with input from other departments	Senior Housing Development Officer	Ongoing as required



Objective Three: To encourage owners of empty homes to bring them back to use

ACTION	TARGET	PRIORITY	RESOURCES	LEAD OFFICER	TIMESCALE
Advise and inform owners of all possible options available to bring empty homes back into use, via frequent and regular communications.	Improved advice, assistance and publicity.	High	Housing Development Team	Housing Department Officers/ Assistants	Ongoing
Investigate other sources of finance to assist owners to bring empty homes back into use.	Join National Empty Homes Loan Fund. Seek other funding streams	Medium	Government funding schemes / Housing Development Team	Senior Housing Development Officer	Joined National scheme in September 2013 Ongoing
Investigate when appropriate all reported empty homes, and proactively investigate all long-term empty properties using prioritisation.	Continue to reactively investigate all reports received,	High	Existing staff with input from other teams	Housing Development Officer/ Assistants	Ongoing
Contact lenders to long-term empty properties, informing them of the situation and encouraging them to contact the owner.	To create an additional avenue of pressure on owners of long-term empty properties to return them to use.	Medium	Existing staff	Housing Development Officer	Annually

Objective Four: Prioritising empty homes for enforcement action

ACTION	TARGET	PRIORITY	RESOURCES	LEAD OFFICER	TIMESCALE
Risk assess properties on the Empty Homes Database to establish empty homes to prioritise for action.	Implement the empty homes risk based assessment procedure to identify those empty homes which require Council intervention.	High	Housing Development Team	Housing Development Team	Ongoing

Objective Five: Strengthen existing and develop new partnerships to reduce the number of long term empty properties

ACTION	TARGET	PRIORITY	RESOURCES	LEAD OFFICER	TIMESCALE
Maintain clear strategic leadership.	To help all stakeholders with a role to reduce the number of long-term empty homes.	High	All staff	Senior Housing Development Officer	Ongoing
Strengthen partnership between regional empty homes officers.	For training purposes, information sharing and best practice solutions.	Medium	Housing Development Team	Senior Housing Development Officer	Bi-annual meetings
Organise the South West Empty Homes Forum (SWEHF)	To bring together representatives from local councils, housing associations and empty homes practitioners in order to workshop solutions to the issue of empty homes.	Medium	Existing staff	Housing Development Officer / Assistant	Event held annually
Regular empty homes meetings between empty homes officers.	To ensure continuity in approach to empty properties, as well as the sharing of advice in difficult cases.	High	All staff	Housing Development Team	Monthly
Improve partnership, working with fire service/ police on long-term empty properties.	Able to deal more effectively with incidents occurring as a result of a long-term empty.	Medium	Existing staff	Housing Development Officer	June 2014 and ongoing
Improve links with landlords, landlord associations, letting and property management agencies through improved information, newsletters and Landlords Forum meetings.	Investigate new ways of improving links with the private rented sector.	Medium	Existing staff and NLA	Housing Development Officer	Three landlord forums a year

12. Glossary

Affordable housing- Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market.

Affordable rented housing- housing let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of **no more than 80% of the local market rent**.

Decent Homes Standard- the governmental criteria necessary for a liveable property. The property must:

1. Meet the current statutory minimum standard for housing.
2. Be in a reasonable state of repair.
3. Have reasonably modern facilities and services.
4. Provide a reasonable degree of thermal comfort.

Dwelling- (since 2001) defined as a self-contained unit of accommodation, where all the rooms (including kitchen, bathroom, and toilet) are behind a door that only the household can use.

Empty Homes Service- The Service aims to prevent homes and buildings standing empty or becoming empty and to preserve and improve the city's housing stock. Owners of empty, residential properties are provided with information about leasing schemes, private renting and general advice to help bring the property back into use.

Household- One person or a group of people who have the accommodation as their only or main residence AND

- Either share at least one meal a day, or
- Share the living accommodation, that is, a living room or sitting room.

Housing Health and Safety Rating System (HHSRS) - criteria by which councils evaluate potential risks to health and safety arising from property deficiencies and take appropriate enforcement action.

Intermediate housing- homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.

Long-term empty property- A property left unoccupied for six months or more.

Private Sector Renewal Grant- a grant offered by the Council for both its EXtralet and Private Sector Leasing Schemes. The funds must be used to bring the property up to the Decent Homes Standard, and are available on a sliding scale depending on the cost of the works required.

Social rented housing- housing owned by local authorities and registered providers, for which guideline target rents are determined through the national rent regime.

Transactional empty property- Properties which have become empty naturally through the operation of the normal property cycle. These may remain empty for a period of time, typically up to six months.

13. Appendix

1) Key enforcement legislation (applies to works in default)

Problem	Legislation	Power Granted
Dangerous or dilapidated building structures	Building Act 1984, ss77 & 78 Housing Act 2004, Part 1	Section 77- requirement for owner to make property safe. Section 78- Enables Council emergency action to make building safe. Housing Health and Safety Rating System (HHSRS) enables councils to evaluate potential risks to health and safety arising from property deficiencies and take appropriate enforcement action.
Unsecured properties (risk that it may be entered or suffer vandalism, arson etc)	Building Act 1984, s78 Local Government (Miscellaneous Provisions) Act 1982, s29	To allow councils to fence off property. To allow councils to take steps to secure property.
Blocked or defective drainage or private sewers	Local Government (Miscellaneous Provisions) Act 1976, s35 Building Act 1984, s59 Public Health Act, 1961, s17	To require the owner to address obstructed private sewers. To require the owner to address blocked or defective drainage. To require the owner to address defective drainage or private sewers.
Vermin (either present or there is a risk that they will be attracted)	Public Health Act 1961, s34 Prevention of Damage by Pests Act 1949, s4 Public Health Act 1936, s83. Environmental Protection Act 1990, s.80 Building Act 1984, s76	To require the owner to remove waste so that vermin is not attracted to the site, to destroy an infestation and to remove any accumulation prejudicial to health.
Unightly land and property affecting the amenity of an area	Public Health Act 1961, s34 Town and Country Planning Act 1990, s215	To require the owner to remove waste from the property. To require the owner to take steps to address a property adversely affecting the amenity of an area through its condition.

	Building Act 1984, s79	To require the owner to repair ruinous or dilapidated buildings seriously detrimental to the neighbourhood.
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2) The Private Sector Renewal Grant (PSL and EXtraLet schemes)

The Grant is available for Exeter City Council's EXtraLet and Private Sector Leasing (PSL) schemes. Once an empty property owner has committed to one of the schemes, they are eligible to apply for the grant. The grant money must be used in order to bring the property up to the Decent Homes Standard.

Funds are provided on a sliding scale, depending on the cost of the works required.

Amount of Expenditure*	Grant Rate
Up to £1,250	100%
£1,251- £5,000	20%
£5,001- £10,000	10%
£10,001 or more	5%

*Works costs and any eligible grant service costs/ fees

Exeter City Council will carry out the works on the owner's behalf, charging 10% of the net cost of the works for the service.

The grant will be deducted off of the final charge, and then a bespoke repayment method can be agreed between the owner and the Council. Either the owner can pay off the outstanding charges via deductions to the monthly rent they receive from the property, or via a lump sum, paid after completion of the necessary works.

It should be noted that these grants are provided on a first come, first serve basis, and are subject to availability. Contact the Empty Homes Service on 01392 265685 or empty.homes@exeter.gov.uk for an information pack.



Exeter City Council

Empty Homes Strategy

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