

# **Kirklees Council's Empty Homes Strategy 2011 - 2015**

**August 2011**

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## **Background**

### **Why target empty homes?**

Homes may be empty for a number of reasons, however, whatever the reason, they are frequently a cause for concern for local residents, becoming a drain on resources and potentially becoming dangerous and unsafe and attracting anti social behaviour. By reducing the number of empty homes we can help to:

Improve our neighbourhoods by:

- Making them more attractive
- Increasing property values
- Reducing anti social behaviour

Increase opportunities for people in housing need through:

- More affordable housing
- Great choice
- Improved standards of living

Improve employment and training opportunities by:

- Increasing the number of homes that are improved or refurbished will provide jobs and training opportunities for local people.

Help the owners of properties to benefit through:

- Rental income or capital
- Securing the property

Benefit the local economy and wider community through:

- Reduced demand on emergency services
- Reduced demand for building new homes and improving the environment

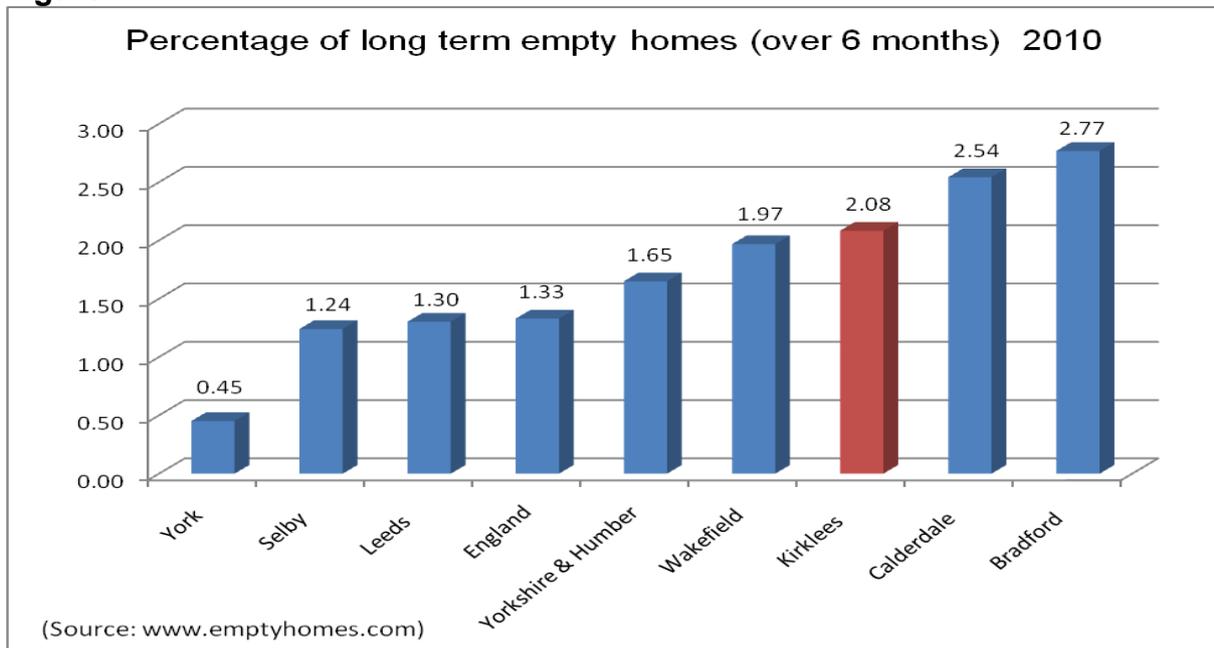
### **Empty homes in Kirklees**

There are approximately 7,000 empty properties within Kirklees although this figure includes 'transitional empties' which are properties which are empty for a variety of reasons for less than six months. Transitional empties are an essential part of the housing market as they allow movement within the renting and owner occupier sectors.

Properties empty for over 6 months are known as Long Term Empty Properties. Within Kirklees, there were 3,696 Long Term Empty Properties which equates to 2.08% of the total housing stock within the borough {Source: Council Tax Data, December 2010}

For comparison purposes the 2010 statistics are shown in Figure 1.

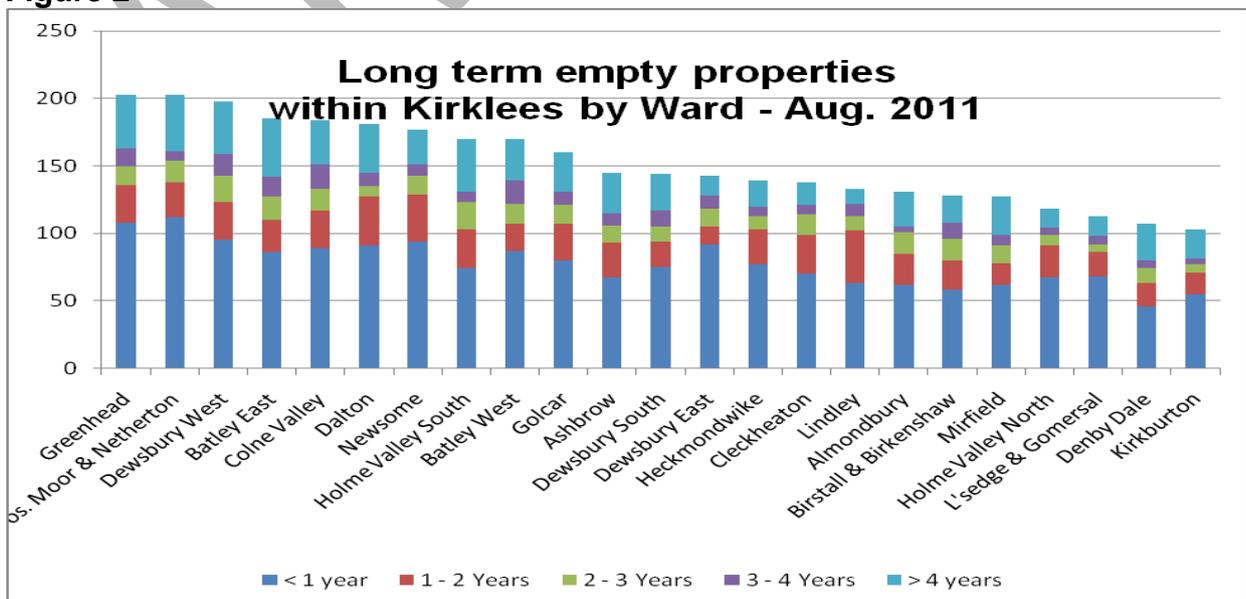
**Figure 1**



The percentage of empty homes within Kirklees is slightly higher than average levels for England and Yorkshire and Humber. The number of long term empty homes has varied over the past 6 years, fluctuating between 2,800 and 4,100.

Figure 2 below, shows the number of properties that have been empty for longer than 6 months and the length of time they have been empty per ward. The highest number of empty properties that have been empty for over 4 years are in Batley East and Crosland Moor & Netherton. Overall the Greenhead, Crosland Moor & Netherton and Dewsbury West wards have the highest number of long term empty properties.

**Figure 2**



## **Why are properties empty?**

The most common reasons are-

- the property has been purchased as an alternative way to invest money , not as a dwelling or to rent out
- The current economic uncertainty / mortgage or other borrowing unavailability may make it difficult or less attractive to sell.
- Owner has died, probate / family issues
- Refurbishment
- Reluctant / inadvertent landlords or owners.
- Empty flats over shops.

## **What do we do now?**

Currently, within Kirklees Council there are limited incentives to owners to bring their long term empty properties back into use. Full Council Tax is payable on empty properties once the initial exemption period of 6 months expires. There are no longer any loans or grant products available to assist owners.

Empty Property assessments are undertaken by Private Sector Housing Officers (PSHO), part of Kirklees Council's Streetscene & Housing. Historically, this was primarily to ensure properties were secured against unauthorised entry and that the general public were safe from defects or potential dangers. PSHO engage with owners to ensure any identified nuisances are eliminated or sufficiently minimised. Enforcement action is available if owners fail to act. This does result in nuisances being rectified and some empty properties are subsequently reoccupied, this is predominately a reactive service following complaints from the public or referrals from other services.

Private Sector Housing Unit has had a dedicated Empty Homes Development Officer for the past 18 months. Since the appointment of the Development Officer, PSHOs have monitored and re-assessed 356 known long term empty properties. Through a combination of advice, negotiation and improved monitoring 108 of these properties have now been brought back into use. In addition, others, although still empty, have been visibly improved.

Many of these properties brought back in to use are as a result of the intense support supplied to home owners in order to explain their options and help them to decide what to do with the properties and assisting the owner to see their decision through to an outcome where the property is occupied. The following case studies provide some good examples of this work.

**Hall Cross Road, Huddersfield**

This was a privately owned property in very poor condition. The former Council house suffered from vandalism, attracted anti-social behaviour and attracted neighbourhood complaints. Innovative negotiations resulted in the property being bought by Kirklees Community Association (KCA) who are undertaking the necessary renovations. The home will be managed by Kirklees Neighbourhood Housing (KNH) and will be available later in 2011.

**Huddersfield Road, Ravensthorpe**

This was a block of three properties, boarded up and attracting fly-tipping. It is situated along the A644 corridor within a priority regeneration area. Despite a complex probate situation, Private Sector Housing engaged in sensitive negotiations with the owner. With close support and assistance from Kirklees Council, the properties were renovated by a local builder to provide two much improved homes. Further support for the owner was provided in sourcing tenants from the Housing Register.

**New Hey Road, Salendine Nook**

Following the death of the owner, this family home became empty and fell into disrepair. The new owner who inherited the property lived overseas and had no plans to return. A Private Sector Housing Officer put a speculative purchaser into contact with the new owner and the property was sold privately. The property has since been renovated and reoccupied.

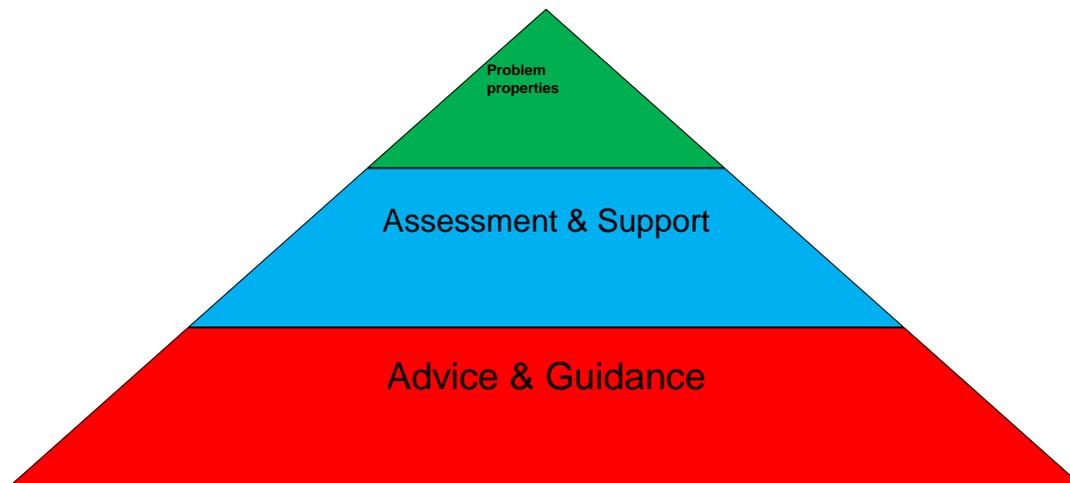
Private Sector Housing Officers do have the option of using enforcement action to deal with the problems associated with long term empty properties. However, these are primarily to minimise nuisance and ensure the safety and security of the property. Enforcement actions used to bring properties back into use are very costly and time consuming. The enforcement tools we currently have at our disposal are explained later.

**What are the options that can enable Empty Properties to be brought back into use?**

Behind each empty property and its owner there is a different reason for the property remaining empty or unsold. Therefore each property and owner will require an individual solution to return the property to use. Our experience tells us that it is essential that a good working relationship is developed between the Council and property owners to encourage the voluntary re-use of long term empty properties. Only where voluntary approaches, have been declined or ignored should the Council consider the use of their statutory enforcement options.

There needs to be a clear approach to ensure all empty properties are dealt with fairly and consistently. We have developed the following approach to ensure there is an appropriate level of service to meet the needs of each home owner.

## Pyramid Approach to bring empty properties back into use:



### **Level 1 - ADVICE and GUIDANCE**

Some empty property owners do not understand the options available to them or simply do not know what to do with their properties, we can provide basic advice and assistance to help them make a decision and see it through. This will include the production of leaflets and information on the Councils website that would provide advice on how to bring properties back into use. They would cover all options for the property and provide details of other agencies that could assist an owner in selling or renting out the property. Owners of empty properties could be identified through Council tax records and receive the information detailed above in their Council Tax bills or targeted postal campaigns.

### **Level 2 - ASSESSMENT and SUPPORT**

Owners of properties which have been empty for a longer period of time may require more assistance to bring the property back into use. The property is more likely to require some improvement to bring it to a standard where it could be let or sold. A 'helpline' and assessment service for more bespoke solutions (advice based on an actual inspection) and single point of contact for appropriate Council Services may be beneficial for empty home owners.

Private Sector Housing Officers are already performing this type of inspection. All of the intelligence on empty properties they are collecting is being recorded on a database. Once the PSHU receives a complaint of an empty property they:-

- Carry out initial ownership/Council Tax checks
- liaise with other Services ie Environmental Services, Planning, Housing benefit and Council Tax benefit fraud investigations
- visit the property and conduct an external survey.
- carry out an assessment using a prioritisation exercise. This assessment takes into account a number of factors such as housing need, length of time vacant, property condition, social impact and number of complaints.
- contact the owner and provide information and use persuasion, negotiation and support. This includes basic advice and establishing the owner's intentions.

A flowchart showing this process can be found in Appendix 1.

This method of assessing empty properties is fair and consistent and provides the most appropriate solution to facilitate the property being brought back into use. Using this method empty properties are also prioritised depending on several factors including the impact on the community, potential danger, and other housing initiatives within the area.

There are many methods of assisting property owners to bring empty properties back into use that we could utilise they include:

### **Empty Homes Models**

- *The Homes & Communities Agency (HCA)* is administering a programme to finance the return to use of empty homes for affordable housing over three years. It will cover both short-term leasing and the purchase of empty properties and starts on 1st April 2012. Currently, Registered Providers of Social Housing are expressing their interest in the scheme. It is anticipated that this will only facilitate a small number of properties being brought back into use in Kirklees (approximately 60 properties through 3 schemes.) It is important that the properties brought back in to use via these projects are in areas that are being greatly affected by them or where there is greatest housing need.
- *Social Enterprise Model* – Voluntary scheme with owner co-operation. Housing management partner undertakes property improvements and manages tenancies on behalf of owner. The cost of the improvements is recovered through the rent received.

### **Financial Products**

Financial incentives could be the required boost for some owners to bring back their properties. A range of different incentives could be explored to ensure that there is an option attractive to as many owners as possible.

- *Owner/Private Landlord* - Encourage home owners and private landlords, to improve their empty property to an 'accredited' standard (The standard equivalent to that expected within the Kirklees Accreditation Scheme) for private rental. The Private Sector Housing Unit and Housing Options Service have succeeded in working with owners of empty properties to improve them and let them to households in need. This could also be linked to a private lettings service that the Council could provide (see below). A loan may be required by the owner to facilitate the necessary improvements. The Council could use some of the New Homes Bonus (estimated at £2m in 2011/12) to provide loans to owners to bring their empty properties back in to use.
- *Sale* – A loan product for owners to undertake property improvements on long term empty properties for owner occupation or subsequent sale. This could be a low interest loan or a charge placed on the property so that monies are repaid when it is sold, again this could be funded through the New Homes Bonus.

Providing loans to homeowners or landlords to improve their properties will also result in the creation of employment and training opportunities for local people. Schemes such as Build and Fresh Horizons are excellently placed to facilitate such schemes. If loans could be offered "interest free" this would comply with Shariah law and therefore make the loan accessible to many.

### **Private Lettings Service**

Kirklees bond guarantee scheme was set up to assist applicants into Private Rented accommodation as a housing option alongside social housing. This is administered by The Private Lettings Team which sits presently within the Housing Options and Support Service. The Council provides a guarantee in place of a cash deposit which covers damage/rent arrears up to the maximum value of the bond which is the equivalent of a months rent. The Private Lettings Team works in partnership with Private landlords, Letting Agents, Revenue and Benefit Teams and Tenancy Support services/ agencies to co-ordinate the provision of good quality homes with households in need.

It is proposed that the bond guarantee scheme be extended to provide a "Social Lettings Agency". The Agency would let the property to a tenant on behalf of the owner, select the tenants and manage the property. The agency would be run by the Council in partnership with Kirklees Neighbourhood Housing. KNH is currently developing it's own service where they will let and manage properties for Leaseholders.

The Social Lettings Agency would offer a low risk alternative to homeowners who have never let a property out before and would also be able to offer established landlords help in finding tenants. Similar schemes have been running successfully in several other parts of the Country and have even been making a surplus, which can be recycled to bring more empty properties back into use.

### **Level 3 - 'PROBLEM' PROPERTIES**

There is no single definition, 'problem' properties usually suffer from several, if not all, of the following:-

- They have been empty for a significant time.
- They are generally in poor condition and have serious disrepair.
- They attract vandalism, fly-tipping and other anti social behaviour.
- They have a detrimental affect on the neighbourhood.
- There is little likelihood of them being returned back into use anytime soon.
- The owner does not engage in productive dialogue

There is no legislation to prevent a property being left empty for a period of time. However, the following enforcement tools can be used to minimise nuisance or hazards. The following tools are available across Council Services.

- **Safety** – Where property is dangerous or requires boarding up. Council may carry out works or require owner to carry out works to make property safe. Building Act 1984. A charge would then be placed on the property and if the owner did not pay the debt, the authority could then carry out an “enforced sale” on the property.
- **Hazards** – Where a hazard exists at a property that has the potential to result in harm. The Council may serve notices or carry out works to remedy conditions. Housing Act 2004
- **Aesthetics** – Where a property is adversely affecting amenity of an area, Council may serve notice to improve property. Section 215, Town & Country planning Act 1990
- **Environmental** – Where a property is likely to become a danger to public health, is causing a nuisance or where there are pest control issues. Public Health Act 1936, Environmental Protection Act 1990, Prevention of damage by Pests Act 1949.

There are other measures that the Local Authority can take to force the owner of an empty property to act or to assume control of the property. These measures are very expensive in terms of time and financial outlay and are generally used only in extreme cases as a last resort. They include:

#### **Empty Dwelling Management Orders (EDMO's):**

The Housing Act 2004 introduced new discretionary powers to enable councils to take over the management of an empty dwelling with the aim of securing its occupancy

#### **Demolition Orders:**

Typically, this should be an option for end terrace properties in poor condition and beyond viable economic repair. We should serve the order on the owner who would be legally obliged to demolish the property. In some cases, the council would then seek to purchase the land from the owner.

#### **Section 215 notice and Enforced Sale:**

Homes that have become an eyesore, or pose a danger to the public can be subject to a range of enforcement measures using legislation. “Land or building detrimental to the amenity of an area” can be served with a Legal Notice under Section 215 of The Town and county Planning Act 1990.

In most cases failure by the owner to comply with a legal notice can lead to the Council arranging for the works to be carried out in default and charging the costs to the owner, or registering a charge against the property. If this goes unpaid and costs escalate above £500, then the Council can enforce the sale of the property to recover all costs.

### **Individual Compulsory Purchase Order (CPO):**

CPO's are the final sanction available to Council's to improve substandard private sector housing. CPO's can be used to return long-term empty properties back into use. Section 17 of the housing Act 1985 and Section 226 of the Town and Country Planning Act 1990, give Local Authorities the power to acquire buildings and land through compulsory purchase. Kirklees Council currently has a Capital budget of £100,000 which can be used to ensure Compulsory Purchase Orders can be pursued to conclusion. Where completed, the property can be sold with a caveat that it be occupied by the owner or a tenant within 12 months.

### **Summary**

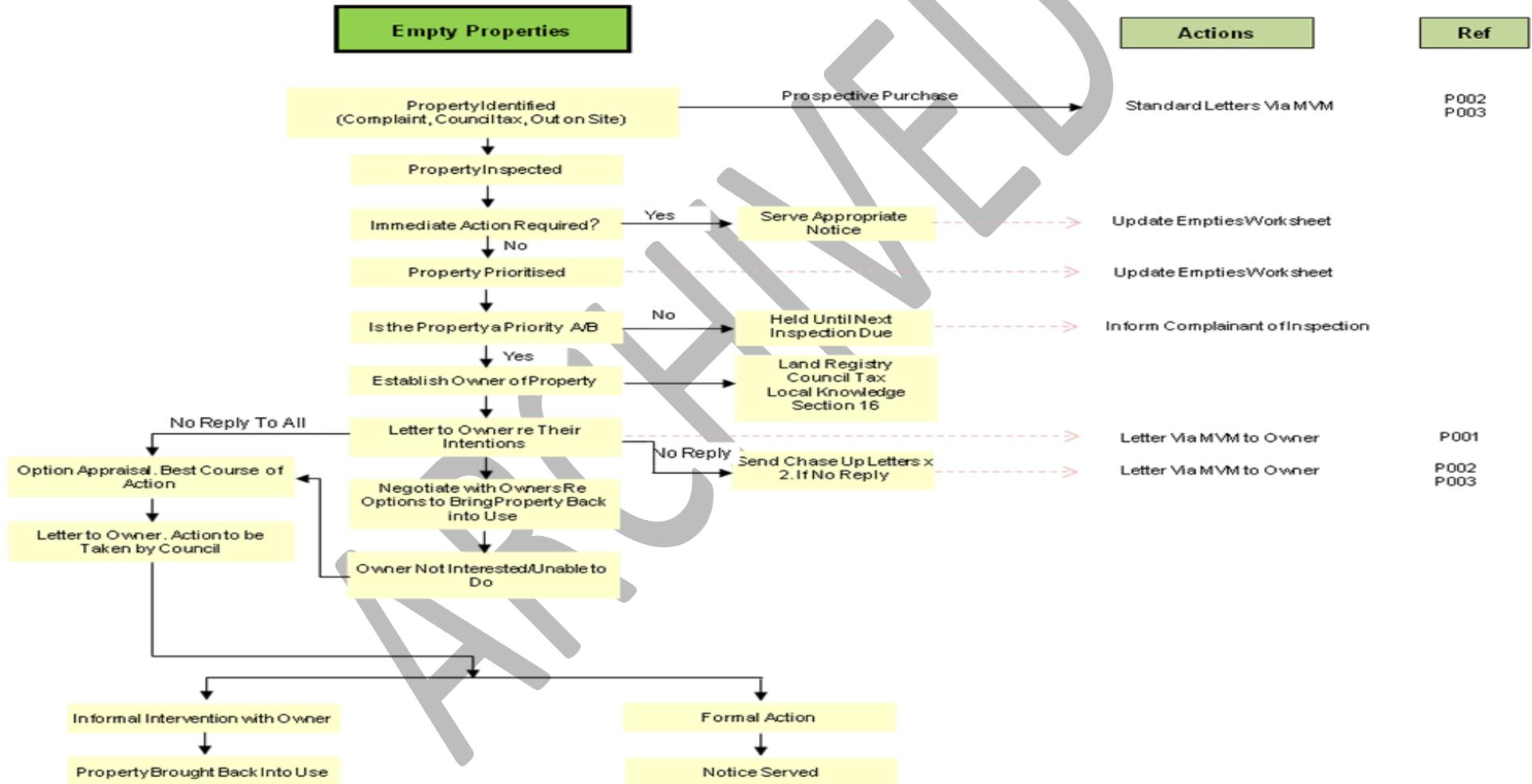
Through re-investing the New Homes Bonus that we receive into measures that will return empty properties into use the Council can maximise the funding it receives and also benefit the people it represents in the follow ways:

- More affordable housing available
- Fewer "eyesore" properties
- Prevention of Homelessness
- Reduction in anti-social behaviour, crime and arson
- Receive a greater amount of funds that can be used to meet Community Priorities or Community driven projects.
- increased employment and training opportunities
- A payment of approximately £1220 for every empty home brought back into use for at least 4/5 years. (The New Homes Bonus)

A cost / benefit analysis of the options proposed in this strategy are summarised in a table in Appendix 2.

**Appendix 1**

**Empty property flowchart.**



**Appendix 2**

<b>COST / BENEFIT OF PROPOSALS TO BRING BACK EMPTY PROPERTIES IN TO USE.</b>						
Pro-active action	Resources required	Costs	Number of properties brought back into use (approx)		New Homes Bonus Generated (approx)	
			Worst Case Scenario	Best Case Scenario	Worst Case Scenario	Best Case Scenario
Leaflet, mailshot and helpline	Development and printing of leaflet.	1500	200	600	244000	732000
	Letter folding, inserting and posting to owners of 4000 long term empty properties	2000				
	Manning of helpline (per annum)	10000				
	<b>Total</b>	<b>13500</b>				
Social Lettings Agency	Mail shot to property owners in a pilot areas to make them aware of the Lettings Agency	1000	50	300	61000	366000
	Set up costs of Social Lettings Agency (stationary etc)	5000				
	2/3 FTE members of staff working with landlords, perspective tenants and KNH to co-ordinate tenants moving into properties, completing Housing Benefit / CT benefit claims, assessing the condition of the properties and advising LL's on work required. Minimum 9 months.	60000				
	<b>Total</b>	<b>66000</b>				
Loan Product	Administration of a loan product for homeowners Landlords to bring properties back into use (per annum)	10000	25	150	30500	183000
	Funds to enable loans	350000				
	<b>Total</b>	<b>360000</b>				
<b>TOTAL BUDGET</b>		<b>£ 439,500</b>	<b>275</b>	<b>1050</b>	<b>£ 305,000</b>	<b>£ 1,281,000</b>
Additional payments for affordables (assuming 50% are affordable)					<b>£ 65,450</b>	<b>£ 306,250</b>
<b>Total</b>					<b>£ 370,450</b>	<b>£ 1,587,250</b>
<p>In 2010/11, 1044 properties were constructed or brought back into use (307 empties) and we received £1,237,870. For the purpose of the above calculations, the figure of £1220 per property brought back has been used.</p>						
<p>If a property is brought back into use is "affordable" (80% of market rent or Local Housing Allowance rates) we will receive an additional £350 per property.</p>						
<p><i>The following measure will not bring any more empty homes back into use, but will ensure that our existing records are correct and may significantly increase the amount of New Homes Bonus we receive.</i></p>						
Ensuring accuracy of current Council Tax data	2 FTE to visit every property to check if properties have been brought back in to use	£ 20,000	100	500	£ 122,000	£ 610,000
	<b>Total</b>	<b>£ 20,000</b>				