

EP 04

Ymchwiliad i eiddo gwag

Inquiry into empty properties

Ymateb gan: Shelter Cymru

Response from: Shelter Cymru

29th May 2019

Our vision

Everyone in Wales should have a decent and affordable home: it is the foundation for the health and well-being of people and communities.

Mission

Shelter Cymru's mission is to improve people's lives through our advice and support services and through training, education and information work. Through our policy, research, campaigning and lobbying, we will help overcome the barriers that stand in the way of people in Wales having a decent affordable home.

Values

- Be independent and not compromised in any aspect of our work with people in housing need.
- Work as equals with people in housing need, respect their needs, and help them to take control of their lives.
- Constructively challenge to ensure people are properly assisted and to improve good practice.

Introduction

We welcome the opportunity to respond to this inquiry and are pleased to see attention brought to the issue of empty homes in Wales. With increasing levels of homelessness and housing instability and an ever growing need for secure, decent and affordable homes it is vital that we make full use of our invaluable housing stock in Wales. Empty properties in Wales could provide a much needed boost to current housing supply and play an important role in providing homes for people and improving communities and local environments in Wales.

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

In 2017-2018 there were 27,251 empty homes in Walesⁱ. These are a home that have been vacant for a long period of time and does not include those that are empty pending a sale or tenant etc.

Local authorities currently have powers and funds to tackle empty homes and bring

them back into use. There is however variance between IAs with Flintshire bringing 33.3% of their empty houses back into use (293 homes in total) whereas Newport have only managed 1.3% (15) properties.

Omitting Flintshire which is an anomaly in this data, and Pembrokeshire as there currently is no data, the average percentage of houses returned to IAs is 4.5% including Flintshire the average is still only 5.7%.

More focus needs to be put on IAs that are not using their powers to decrease the number of empty homes in Wales, or more emphasis on the Houses to Homes grant, with some IAs not using this as much as they could or should. This might be achieved by simplifying or consolidating relevant legislation.

Research and information gained from IAs that are using their powers effectively should be shared with the rest in order to establish best practice and improve the consistency of approaches across Wales.

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

There is an extensive body of research that shows the negative impacts empty homes have upon communities. Research also shows that reducing the number of derelict/ empty homes whilst increasing homes reduces offending rates, increases employment, reduces vandalism and anti-social behaviour, and improves the local environment.

During research, consultation and engagement with clients, campaigners and participants Shelter Cymru often hear the frustration and confusion of people in perilous housing or homelessness situations at why there are so many empty homes in their area, why there isn't being more done to tackle them and how unfair and shocking that is in a nation that has a housing crisis.

Empty properties significantly undermine a number of aims of the Future Generations Act:

- A prosperous Wales
- A more equal Wales
- A healthier Wales
- A Wales of cohesive communities

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

Evidence from Empty Home Officers across Wales suggests that Compulsory Purchase Orders (CPOs) and Empty Dwelling Management Orders (EDMOs) are massively underutilised by IAs in Wales.

Explanations of this are often due to financial and time constraints faced by IAs and a lack of expertise and specialist officers to manage this work. This leads to IAs being risk averse when it comes to empty homes ownership. In the past three years 0 EDMOs have been used and there have only been two CPOs.

The Houses to Homes scheme has a variance in usage across IAs. Rhondda Cynon Taff gave 25 loans in the past 3 years whereas Monmouthshire failed to grant any loans despite having 728 empty homes.

An issue with current statutory and non-statutory tools is that they require IAs and the community to have a clear plan for the future of the land or buildings use. However, that is not always clear and instead there is just a desire for the site to become of some productive value to the area.

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

Local authorities find current powers complicated and an option to overcome this could be to consolidate or simplify current relevant legislation.

Rather than IAs needing more powers, they need the right powers in order to accomplish the huge task of tackling the rise of homelessness and empty homes.

Another potential solution could be the introduction of a [Compulsory Sales Order](#) (CSO), as proposed by the Scottish Land Commission and partners could provide an alternative to CPOs or EDMOs. This mechanism offers a range of benefits that would enhance and encourage bringing empty homes in to use and the regeneration of communities.

In contrast to the current system, there would be no need for the IA or community to have a set plan in place for the land or property, something which is currently a barrier. Moreover, the IA will not need to fund the purchase. Instead land or properties that have been vacant for 3 years can be sold at auction to the highest bidder.

A CSO is more appropriate for smaller areas of land or buildings within or around existing settlements otherwise referred to as brown sites. The aim of this power is to bring redevelopment to small properties that are causing harm to communities, and not to penalise commercial investments.

The proposal makes reference to research which shows that transferring land from a “passive owner” to an “active owner” is a pre-condition for bringing vacant/derelict

land into productive use. Land and property often remains vacant because the owner has unrealistic expectations about the value of the site. The proposed CSO process would involve an auction, thus providing a mechanism for the true market price to be revealed.

The proposal suggests that the real strength of CSOs is the role that they could play in facilitating dialogue with owners of problematic sites, therefore stimulating regeneration.

A CSO could provide a final opportunity when all other attempts to bring the property back into a productive use for the community have failed. It offers a way for IAs to increase the number of homes in their area without having to spend considerable amounts of time and resources doing so.

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

From Shelter Cymru's research of the 22 LAs in Wales only 1 had carried out any research with homeowners. Many more LAs said that they have carried out "leaflet drops" to raise awareness of the options available to owners.

One of the reasons many properties remain vacant for extended periods of time is because the owner over values the estimated value of the asset, and it remains unused in the hope that the value will increase in a more favourable financial climate. This is especially prevalent in more urban areas where vacant land does not change hands often to be able to better gauge their value. The auction process suggested within the CSO proposal would address this failure.

However, in the current system there is an argument for a more pro-active approach towards this issue. Once an owner has been given the information required, IAs should be more assertive in ensuring action is taken to force the sale, renovation or rental of a property.

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

Continuing from Q5. There is more that IAs can do to provide information and assistance to owners of empty properties. There are also many challenges including resources and the political prioritisation of this issue that IAs need to overcome to provide this assistance. One of the 22 Welsh IAs has carried out research with empty home owners; the vast majority rely upon "leaflet drops" etc. to raise awareness of

the options available to the owners.

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

There is a limited amount Housing Associations and the private sector can do, as mentioned in previous sections (notably 1, 3, 4) there are issues with bringing empty properties back into a state where it can then be renovated and become useful to the community as a whole.

The ending of Right to Buy alleviates some of the strain housing associations have in regards to supply, but there is a clear need to rapidly increase the availability of social housing in Wales. We would encourage and support Welsh Government to explore ways in which we can increase the number of empty homes being brought back into use as social housing.

Bringing empty homes back into use could have wider benefits beyond the homes they provide. Initiatives such as the ones provided by United Welsh and Community Impact Initiative are providing not just homes for communities from empty properties but also skills and opportunities to the people within these same communities by offering apprenticeships, work experience and training in the trades used to bring a home back into use.

The evaluation of the [Houses to Homes](#) scheme found that a large majority of redevelopments involved a local contractor, suggesting that the majority of expenditure bringing empty properties back into use would remain in and support the local economy.

However, the evaluation also found that the majority of homes were going to be let to working families and the rental income would pay back the loan. This is obviously a positive result as homes are being provided, however, with the issues around security and affordability in the PRS it would be more favourable and sustainable to have these homes brought back into use by Social housing providers who can then provide long-term social homes.

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

There are examples of good practice from initiatives, but there is not enough consistency in the approach towards this issue across the Wales.

United Welsh have brought many homes back in to use in the South Wales area, with Caerphilly, Cardiff and Blaenau Gwent seeing the most homes brought back into use. An expansion of their schemes across Wales would create further homes for

people across the country.

The Community Impact Initiative provides opportunities for local people in Cardiff to develop skills and work experience as to develop further and provide a gateway into employment. Funded by Big-Lottery the scheme renovates empty properties, providing experience and a job for unemployed marginalised individuals while also turning an empty house into a liveable home.

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

Many LAs are considering a premium charge via council tax on long-term empty homes, there are currently 9 las that do not charge extra.

There is a loophole that allows homeowners to change the statues of their property from a second home to a business. This applies more to second homes, but it allows owners to escape paying council tax at all, and also means they are under the corporation tax income threshold so do not have to pay anything to the UK gov for their “business” either. There is a danger that owners of empty homes will re-purpose their properties as second homes to benefit from this clause and escape the additional council tax charge. Welsh Government has the ability to change this.

However, it is also noted that in Gwynedd, which has a high proportion of second or holiday homes, that the additional 50% council tax charge will still cover more money than is lost through some homes changing to businesses.

Despite this, Scotland (working with Shelter Scotland) has been running the premium charge since 2014 in some las charging 200% council tax on properties that have been empty for more than a year. As of September 2018 Scotland has managed to raise over £36 million additional revenue (£12 million alone in 2017).

Effectiveness of the policy relies upon the las preparing adequately for the change, including creating a new team to help mitigate any problems homeowners may encounter.

Council Tax Premium alone will not be enough, but in addition to other initiatives and schemes to bring empty homes into use it can be an effective incentive for owners to move their properties into being inhabited.
