

EP 16

Ymchwiliad i eiddo gwag

Inquiry into empty properties

Ymateb gan: Safeagent Wales

Response from: Safeagent Wales



SAFEAGENT (FORMERLY THE NATIONAL APPROVED LETTING SCHEME)

A CONTRIBUTION TO THE NATIONAL ASSEMBLY FOR WALES' CONSULTATION ON ITS INQUIRY INTO EMPTY HOMES

MAY 2019

1. INTRODUCTION

1.1 safeagent (<https://safeagents.co.uk>) is an accreditation scheme for lettings and management agents operating in the Private Rented Sector. **safeagent** firms are required to:

- deliver defined standards of customer service
- operate within strict client accounting standards
- maintain a separate client bank account
- be included under a Client Money Protection Scheme

1.2 Agents must provide evidence that they continue to meet **safeagent** criteria on an annual basis, in order to retain their licence. The scheme operates UK wide and has 1500 firms with over 2500 offices.

1.3 We are a co-regulation partner with Liverpool City Council. We are also an accredited training provider under the Rent Smart Wales scheme and recognised by the Scottish Government offering training for agents applying to the Scottish Register. Recently, we have been approved by Government as a recognised provider of Client Money Protection.

2. CONTRIBUTION TO THE INQUIRY BY TERMS OF REFERENCE

The extent to which empty properties impact on the supply of affordable housing in Wales

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

2.1 The large and increasing number of empty homes in Wales (some sources estimate that around 43,000 homes are empty, with at least 18,000 empty for more than six months) has a serious impact on the supply of affordable housing, as many of these properties could be let on affordable rents in the Private Rented Sector (PRS) or be acquired/managed by social housing providers. In particular, properties have been empty for six months or more have a long term negative impact on the availability of affordable housing for rent.

2.2 However, in our view, not enough is being done to tackle the problem. We would, therefore, support pro-growth tax measures aimed at bringing empty homes back into use. This should help to increase the supply of new homes for private rent, which is essential given that demand from tenants continues to increase.

2.3 Specifically, we would support the scrapping of the additional stamp duty levy on buy to let properties where landlords invest in long-term empty homes and bring them back into use within a reasonable period of time. Such a measure would support good landlords to do what they have always been good at – investing in property and bringing it back into long term use.

2.4 This “carrot” incentive would complement the “stick” based approach exemplified by the Housing (Wales) Act 2014, which gives the Welsh Government the power to charge up to 200% council tax on properties that have been empty for more than 12 months. We do not disagree with this approach, or with Councils being able to retain the income raised. However, we think measures such as this should be taken within the wider context of a pro-growth tax regime. For example, we welcome the various VAT relief schemes which apply to renovating empty homes. These can significantly reduce the costs of renovation for owners and result in empty homes coming back into use with minimal intervention by the local authority.

2.5 As regards awareness of the waste of that long-term empty homes represent, we believe lettings & management agents have a key role to play in:

- Working with the Welsh Government to establish a new empty homes strategy supported by a dedicated investment programme
- Helping the Welsh Government to target areas with higher levels of empty homes.
- Working with Local Authorities to prioritise local funding and incentives aimed at bringing homes into the PRS, in line with local empty homes, homelessness and wider housing strategies
- Providing advice and encouragement to private property owners so that empty homes are brought back into use to meet local housing needs
- Partnering with community-based organisations in bringing empty homes back into use
- Supporting community-based neighbourhood improvement approaches that tackle empty homes and the underlying causes, as well as the linked issues that local communities face.

2.6 This partnership approach would help to build on and consolidate the success of existing initiatives such as the Houses into Homes Scheme and the and the Home Improvement Loans Scheme.

2.7 Making a major impact on the number of empty properties requires ambitious targets, aimed at delivering significant numbers of empty homes for occupation by

those in housing need. This would make a significant contribution to helping solve the current widely acknowledged housing crisis. To this end, the existing joint steering group could monitor and review the effectiveness of all new and existing initiative taken as a whole. PRS representation through groups such as **safeagent** could be incorporated into the steering group structure.

The impact of empty properties on communities in Wales and challenges faced by local authorities dealing with the problem

What impact can empty properties have on a community?

2.8 We believe that local communities should be supported in transforming their neighbourhoods, where these have been blighted by large numbers of empty homes. Empty homes create problems for owners, neighbours, communities and Local Authorities as they can:

- Look unattractive and ugly if they are boarded up
- Create environmental issues
- Be a danger if dilapidated
- Reduce the value of the neighbour's property
- Attract antisocial activity
- Discourage further investment in the area leading to neighbourhood decline

2.9 Lettings & management agents can play a key role in addressing these issues through formation of Social Lettings Partnerships. Under such an arrangement, PRS agents can work with local authorities to match priority tenants with formerly empty properties. This approach is summarised briefly in the table below.

TASK/OBJECTIVE	RESPONSIBILITY OF COUNCIL	RESPONSIBILITY OF LETTINGS & MANAGEMENT AGENT
Identify suitable agents	Set up and promote a Social Lettings Partnership Accredit and contract with SLP members Working Protocol with accredited agents	Engage with Social Lettings Partnership Contract with local authority Working Protocol with local authority
Identify suitable landlords	Landlord forums etc, promoting the SLP Link SLP membership and incentivisation	Engagement in forums Sign up landlords to provide properties/lettings to the SLP

TASK/OBJECTIVE	RESPONSIBILITY OF COUNCIL	RESPONSIBILITY OF LETTINGS & MANAGEMENT AGENT
		Help administer fit & proper persons arrangements
Fee structure for agents	<p>Make funds available for payment of initial fees to agents</p> <p>Consider “success fees” in respect of sustained tenancies?</p>	<p>Sign up landlords to provide properties/lettings to the SLP</p> <p>Claim fees as per scheme rules</p>
Incentive schemes for landlords	<p>Make funds available for:</p> <ul style="list-style-type: none"> • Refurbishments • Deposits • Rent in advance • Guaranteed rent <p>Offer trouble shooting services with regard to:</p> <ul style="list-style-type: none"> • HB • UC 	<p>Pass on incentives to landlords as agreed</p> <p>Deal with scheme administration</p> <p>Deal with HB/UC liaison</p>
Incentive schemes for tenants	<p>Make funds available for:</p> <ul style="list-style-type: none"> • Furniture where required • Utilities • Other moving in costs <p>Offer trouble shooting services with regard to:</p> <ul style="list-style-type: none"> • HB • UC 	<p>Liaise with the landlord and assist the tenant</p> <p>Liaise with support providers</p>

2.10 Lettings & management agents can also help with reporting of empty homes by working with local authorities and shared regulatory services, in particular to identify properties that have been empty for a period of more than six months. This could be achieved by agents helping to publicise reporting arrangements.

The extent to which local authorities have the legislative powers they need to deal with empty properties

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

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

2.11 In our view, local authorities should make use of the existing powers they have, such as compulsory purchase orders and Empty Dwelling Orders. If these powers are not being exercised to the full, then we would suggest that they are reviewed and potentially simplified.

Examples of best practice in turning empty properties into affordable, energy efficient homes.

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?

2.12 We believe that local lettings & management agents can play a role in helping those owners of empty properties who are potential landlords, to bring properties back into occupation.

2.13 In our view, local authorities should promote the role of professional, accredited agents in tackling poor standards of management in the PRS. If landlords who own empty properties are linked up with a reputable agent at an early stage, this can help them to realise their goal of bringing their property up to lettable standard. Local authorities are in a position to ensure that formerly empty properties contribute to housing supply, by helping to ensure that they are properly let and managed in the long term, by reputable agents.

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?

2.14 Agents can help to raise awareness of the practical assistance that local authorities can offer to owners of empty properties. For example, local agents can form part of a coalition of organisations championing the case for community-based regeneration to tackle the issue of empty homes.

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

2.15 As illustrated above, we believe that some key resources in the PRS, namely the expertise of lettings & management agents, are not being fully utilised to tackle the problem of empty properties. Agents potentially have a key role to play in working with the Welsh Government and local authorities to identify empty properties and support owners in bringing them into the PRS.

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?

2.16 We are supportive of models whereby Housing Associations lease properties and sub-let them on affordable rents.

The extent to which the changes introduced by the Housing (Wales) Act 2014 giving local authorities discretion to charge council tax premiums on empty homes have been utilised, and the effectiveness of this policy.

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?

2.17 We think measures such as this should be taken within the wider context of a pro-growth tax regime. If utilised in a more incentivising context, this power would have the potential to be much more useful and effective.