

Chartered Institute of Housing Cymru

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**Chartered
Institute of
Housing**
Cymru

Inquiry into empty properties

CIH Cymru inquiry response

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world. Further information is available at: www.cih.org

In Wales, we aim to provide a professional and impartial voice for housing across all sectors to emphasise the particular context of housing in Wales and to work with organisations to identify housing solutions.

General Comments

CIH Cymru welcomes the opportunity to provide a information to support the Equality, Local Government & Community committee as it undertakes its inquiry into empty properties in Wales.

Our response is informed by feedback from our members, our knowledge of the housing industry and expertise from our policy and practice teams.

CIH Cymru supports the development of Welsh policies, practices and legislation that aim to address the key housing challenges we face, to improve standards and supply, promote community cohesion, tackle poverty and promote equality. We promote a *one housing system* approach that:

- places the delivery of additional affordable housing at the top of national, regional and local strategies as a primary method of tackling the housing crisis;
- secures investment to ensure the high and sustainable quality of all homes in a sustainable framework;
- improves standards and develops the consumer voice within the private rented sector
- promotes the concept of housing led regeneration to capture the added value that housing brings in terms of economic, social and environmental outcomes;
- recognises that meeting the housing needs of our communities is a key aspect of tackling inequality and poverty;
- ensures that that there are properly resourced support services in place to prevent homelessness and protect the most vulnerable;
- uses current and potential legislative and financial powers to intervene in housing markets and benefit schemes;
- promotes consumer rights & tenant involvement;
- and supports the continued professional development of housing practitioners.

1. Introduction

- 1.1 Wales faces a significant challenge in meeting the demand for housing and bringing empty properties back into use is a vital part of the overall effort to increase access to housing.
- 1.2 We welcome the Welsh Government's commitment to delivering 20,000 affordable homes during this Assembly term, in addition to investment in other homeownership products such as help to buy, rent to own and shared ownership. The continued challenge of homes going unused potentially undermines the desire to ensure everyone has a safe, affordable place to call home.
- 1.3 The Welsh Government has taken considerable steps to boost the supply of social housing stock in Wales. During the period between 2011-12 to 2015-16 a total of 11,508 additional homes at social rent were built, which at the time exceeded the target of 10,000 set by the previous government. Supply was further bolstered during this period with a total of 10,948 long-term empty homes being brought back into use – this compared with a target of 5,000 during the same period.
- 1.4 Empty homes serve as a physical blight within many communities, sometimes acting as a catalyst for vandalism and instances of anti-social behaviour. For those who own homes there are substantial advantages in bringing homes back into use. The quality of the home as an asset can be maintained and improved, the financial benefits of rental income or open market sale realised and negate the need of local authorities to progress costly enforcement measures.

2. Impact on housing supply

- 2.1 At a time when rough sleeping (and homelessness more broadly) is increasing, growing waiting lists for social housing and use of temporary accommodation are common features of our housing ecosystem there can be no doubting the existence of empty homes acts as a tangible reminder that increasing housing supply is not solely a matter of building new homes. Further to this, the presence of empty homes risks impacting public perceptions negatively in relation to people sleeping rough, or the broader challenges in meeting housing need in Wales.
- 2.2 According to the latest Council Tax returns, there are around 25,000 empty homes in Wales¹. The highest concentrations exist in Swansea, RCT and Carmarthenshire with the lowest concentrations in Anglesey and Wrexham. Figures have continued on an upward trajectory which suggests current measures are not effective enough to reduce the net amount of empty homes.
- 2.3 Addressing the need for social and affordable homes continues to be a substantial challenge across Wales. The use of temporary accommodation in addressing those at risk of homelessness and challenges in obtaining and accessing sufficient land supply to build new affordable homes reflect two contemporary challenges that impact meeting immediate and longer-term housing need respectively. Empty homes

¹ <https://gweddill.gov.wales/docs/statistics/2019/190117-council-tax-dwellings-2019-20-en.pdf>

however often offer an opportunity to add homes to the supply locally that are already within communities, with access to desirable social and transport infrastructure.

3. Impact on communities and local authorities

- 3.1 Our members report that establishing contacting owners often be a challenge in providing advice around options to bring properties back into use. Properties may become and remain empty for a wide range of reasons. Owners may live away, or inherit properties, or simply not have the financial resources available to complete the renovations required. Many of our members report that where relationships are brokered often positive outcomes are realised.
- 3.2 Some of our members working within local authorities highlighted that the responsibility for empty properties often formed part of an individual's overall role. Considering that in many authorities' empty properties number at least a few hundred and in their highest concentrations a few thousand it seems that a lack of resource at a front-line level within some housing departments could be hampering efforts to bring empty properties back into use.
- 3.3 One way some authorities have sought to overcome the lack of a dedicated resource is through raising the profile of empty homes as a corporate priority and establishing a dedicated group consisting of professionals from across housing, environmental health and enforcement to address the issues through a unified approach.
- 3.4 Where there is a lack of resources to commit to a dedicated role or a cross-departmental approach authorities may only able to focus the most time-consuming measures on properties attracting complaints and pulling resources from other services, such as the police.
- 3.5 Our members also highlight that building relationships with home owners, nurturing trust to explore options for bringing properties back into use is vital in achieving success, but this requires appropriate resource and capacity.
- 3.6 Empty properties offer a tangible opportunity to stimulate local economies and provide employment, training and apprenticeship opportunities to local communities. Linking this effort with procuring locally makes sense and the benefits have been well demonstrated through initiatives like the Welsh Housing Quality Standard. We believe linking further activity in this way to alleviate this issue would serve to amplify the impact acting upon empty properties can have for local authorities and communities alike.

4. Legislative capacity and local authority powers

- 4.1 Evidence collected to inform the independent review of affordable housing supply in Wales found that Empty Dwelling Management Orders (EDMOs) are not being utilised as LAs are finding alternative solutions. Some of our members highlighted that EDMOs can be time consuming to undertake and ensuring the business case is viable relating to each property can be challenging. Other tools such as compulsory purchase can prove effective but are also expensive, time-consuming and complicated to implement.

- 4.2 We believe there may be an opportunity, if the recommendation is accepted in the wake of the independent review of affordable housing supply to link pooling of resources and greater collaboration through the affordable housing supply partnership model advocated for by the panel to include a focus on efforts to bring empty properties back into use.
- 4.3 Whilst current measures such as the Houses into Homes scheme offer a clear incentive for home owners who have the desire to bring the property back into use to gain the capital required to invest there is a need to consider how such support can be extended beyond home owners. Some of our members have had success in utilising a mix of social housing grant and private investment to add additional homes to the affordable housing supply locally, we believe this flexibility should be utilised elsewhere to realise similar gains.
- 4.4 At the heart of the issue around empty homes is the lack of good quality data and information about the true number and the reasons behind properties being empty. We know a wide range of reasons may exist concerning why a property remains empty and why an owner may be resistant to bringing the property back into use. This could include individuals who are in negative equity and therefore reluctant to sell, those who find the process of paperwork and project management daunting and those who are unaware of what support they could gain access to.
- 4.5 Data protection at present hinders the ability of local authorities to share information about empty properties and this in turn delays the ability of housing associations to attempt an intervention aimed at bringing properties back into use. To move to a place where activities and efforts are aligned with preventing empty properties from becoming vacant or remaining so for undesirable periods of time the issue of data collection and high-quality shareable intelligence must be addressed in the first instance. Without this, it seems likely that the positive practice currently in place will continue to have a positive effect but fall short of realising a net reduction in the number of empty properties identified annually in Wales.

5. Examples of best practice

- 5.1 **Homestep Plus** is a partnership between United Welsh Housing Association, Rhondda Cynon Taf CBC and the Welsh Government. The scheme addresses both the issues of empty homes and the challenge that many people face when seeking to buy their first home. The scheme provides an opportunity to first time buyers to purchase a refurbished home below the market rate. (United Welsh usually listing a property at around 70 per cent of the market value).
- 5.2 **Empty Homes Wales** is another project run by United Welsh where the organisation takes a lease on empty properties, completing refurbishment works and rents the property. The income then is used to cover the costs of works and ongoing management costs. Once costs are recovered the owner can then decide if they wish for United Welsh to continue to manage and rent the property on their behalf or the property can be returned for the owner to use as they wish.

5.3 **First time buyer grant** is a scheme currently funded by Isle of Anglesey CC each year, using a proportion of the Council Tax premium charged by IOACC on empty and second homes, up to £680,000 over three years and additional TRIP Funding of £230,000 over three years. Local first-time buyers who purchase a long-term empty property in need of renovation receive a grant of up to £20,000 to meet the cost of work deemed by Housing Services' Technical Officer, to be eligible to make their property warm, safe and secure. The grant is secured as a local land charge against the property and, should the owners leave or sell the property within five years, the grant is repayable in full.

6. **Impact of council tax premiums**

- 6.1 Whether to charge a premium on long-term empty homes or second homes (or both) is a decision made by each local authority. At present nine local authorities (Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire, Wrexham, Powys, Ceredigion, Pembrokeshire) are charging an empty home premium and seven (Anglesey, Gwynedd, Flintshire, Powys, Ceredigion, Pembrokeshire) are charging a second home premium.²
- 6.2 At present, one authority, the Isle of Anglesey is charging 100 per cent premium on empty properties with others charging either 50 per cent or 25 per cent. Leaving a number of authorities who have not adopted the use of the new powers. We believe it is too early to ascertain the extent of the impact. Anecdotal evidence from a number of authorities operating the premium however does suggest that it is increasing the amount of home owners approaching authorities to explore options around bringing homes back into use.
- 6.3 Some of our members reported that ensuring empty home and second home premiums remain at the same level is important to ensure there is no incentive to register an empty home as a second home to be eligible for a lower premium.

² <https://gweddill.gov.wales/docs/statistics/2019/190117-council-tax-dwellings-2019-20-en.pdf>