

WLGA Empty Homes Conference Wales 2013

Wednesday, 6th November 2013 | Millennium Stadium, Cardiff

Feedback from Workshops: Morning Session

Workshop 1: Taking a strategic approach to bringing empty homes back into use

- This workshop will explore how you can take a strategic approach to empty properties
- Rhondda Cynon Taf County Borough Council

Presentation Feedback and Discussion:

- Why is a strategic approach needed? Because there is no one-size fits all approach
- Numbers of empty homes exclude those which have been removed from the Council Tax register – which are often the most prevalent / problematic
- House buyer aspirations – example of a survey of residents which suggested 50% wanted new build and 50% wanted 2nd hand/older property
- Coding of complaints by Environmental Health; so EH complaints can be extracted by theme and analysed
- Survey of EH – size, how own (outright/mortgage), length of time empty, condition of property and reason empty. What services would help?
- How to link up empty home owners and potential buyers? Data protection often prevents information being shared. Suggest holding an event to link up owners and purchasers. Or ask for permission to share information on the EH survey
- RCT have a virtual group of council officers who all work towards an EH action plan. Adds capacity. Outcome focused group – measure achievements
- Grant schemes discussed - should LAs still provide grants? Some do, some don't. When there are grants available EH owners are reluctant to accept a loan as they expect a grant.

Changing culture as people get used to the council no longer providing grants

- RCT model for purchasing EH as low cost home ownership – grant funding used to bring properties up to standard and then sell via HomeStep Plus
- Commuted sums from S106 sites can be used to bring EH back to use. This can be agreed with planner as part of the LDP process. Not widely used, but worth considering

Wider Discussion Points:

- Resources – RCT have 1 officer + a Strategy Officer who covers EH as one of a number of duties. A 'virtual team' adds resources and capacity. Housing strategy and environmental health teams have merged
- Carmarthenshire – work with social lettings. Take keys of the owner, renovate and let. The owner may not receive any of the rent for a while, in order to cover the renovation
- Focus EH work on areas with high housing need. A move away from categorisation on condition. Links to sustainability – bringing homes back into use where there is a demand
- Using EH products to influence housing market. I.e. home owner grants in area where renting is high – to re-balance communities
- Grants scheme – only for people not able to access the Houses to Homes loan scheme
- If still got grants – make sure you can get the money back if the property is sold
- Small loans for inheritors – linked to social lettings. Renovation paid for as part of the social lettings package – sign up to lettings nominations

Key Policy Actions:

- LAs with grant schemes need to carefully consider how these are used. Ensuring money is recyclable is key

Workshop 2: Tricky legal issues: Bringing empty leasehold properties back into use

- **This workshop will explore the roles of freeholders and leaseholders and the most effective way that can be used to bring them back into use**
- **Leasehold Advisory Service**

- www.lease-advice.org contains a significant amount of information for all those who are looking for information on leases
- The Leasehold Advisory Service is funded by Welsh Government and provides free advice, including to Local Authority Empty Property Officers
- Advice will be given on specific cases either on the telephone or by uploading documents that the service can consider in detail and then offer advice
- Leases are public documents and are generally available through the Land Registry

Workshop 3: How can Local Authorities and RSLs work together to bring empty homes back into use?

- **This workshop will explore what RSLs and Local Authorities to tackle empty homes and will focus on the work that United Welsh Housing Association is undertaking**
- **United Welsh Housing Association**

- Michala introduced her role, the project – Empty Homes Wales and gave out handouts
- Its a 2 yr pilot project – First year evaluation is currently underway
- The basic business model is to either lease or purchase viable empty properties from owners – or where this is not possible, advise the owner how best to utilise their asset
- Currently operate within the Boroughs of Caerphilly, Blaenau Gwent and Cardiff

- The Empty Homes Forum – for practitioners has recently been resurrected and is proving useful to all attendees
- The Project doesn't only operate in United Welsh's interest – but in the wider community interest. United Welsh do not profit from the scheme and are not seeking to grow their property portfolio
- Budget is currently £90,000 per month – which rolls over if not used
- Each property (case) must stack up financially- often using a 30 yr business model (rental)
- Minimum lease considered is 3yrs – although in most cases scheme doesn't become viable unless there is a min of 5 yr lease in place
- Mortgage Co interest in a property can often scupper deals as they will not agree to lease
- EDMOs can overcome Mortgage Co refusal – and Andrew Lavender and United Welsh are scoping out how such action could be used effectively
- The key is for any model to be flexible and to consider a variety of different funding models

Open Discussion/Questions:

- Is there are large drop out rate?
 - Yes initially, but must be creative. Demand for property in a certain area – is not the most important criteria. This is often seen as a significant problem – but experience shows that properties in undesirable areas can still be let successfully
 - Michala is willing to share the viability model they use to assess cases
 - The viability model often requires a low initial value (price) for the property typically £20,000 in order of the financial case to stack up

- Usually takes 4 to 5 yrs to recoup refurb costs from rental income
- Why is United Welsh Taking the Lead ? Where are the LAs in these areas?
 - UW not interested in increasing stock. They are very proactive, LAs are often only reactive due to resources
 - LAs don't have the time or resources UW currently have for this project
 - UW don't gain financially – scheme should prove cost neutral to UW – evaluation will hopefully confirm this perception
- Powys CBC has 7 RSLs and cant get a scheme off the ground – Any tips?
 - All schemes explored between RSLs and Powys have failed, primarily because the repayment periods to recoup expenditure are far too long for RSLs to accept
 - They explored a 10 yr lease model – but that too proved too short
 - Powys and others are keen to see the evaluation of the UW project asap
- Options
 - Can work with prison service, homelessness dept of Council, Salvation Army.
 - Properties can be used to meet housing need – HMOs, single occ, 2 beds etc..., supported housing
- Rents
 - LHA rate always used for leasing schemes
- RSLs & Private investors
 - Have increased flexibility above that of LAs
 - Can attract private sector funding more easily for these types of schemes
 - Some of it very ethical
 - Special Purpose Vehicles (SPVs) can be effectively used on larger schemes
 - Owner – puts in the property, Investor supplies working capital – the SPV renovates the property – the owner and investor retain a stake in the asset and both benefit from the rental income
- Timescales

- Work is often time consuming, involves long negotiations and is often not quick enough to satisfy local Cllrs
- Partnerships
 - LAs have a key role to play as they have existing working partnerships with Police, all RSLs in the area, Landlords/Forums, local businesses, developers, contractors, health boards etc....

Workshop 4: How to find your empty homes

- **This workshop will focus on the ways in which authorities can identify the empty properties in their area. What sources of information and intelligence can you access within the authority and the wider public sector and how you can you engage owners and the wider public**
- **Newport City Council**

- Working together to 'crack' the valuation office in terms of being able to get information from them on properties that have been removed from the council tax list
- Working closely with social services to help sensitively work with owners and families of people who have moved into care and are unlikely to return to the home (These are likely to have care costs registered against property)
- Working to share good practice on sources of empty properties information
- Look for ways to assist developers and owners to talk directly without a complex 'to and fro' conversation with LA as the middle man (a way to compile? comply with d.p.a but make the current practices more straightforward and simple)

Feedback from Workshops: Afternoon Session

Workshop 1: Taking a strategic approach to bringing empty homes back into use

- **This workshop will explore how you can take a strategic approach to empty properties**
- **Rhondda Cynon Taf County Borough Council**

- Importance of understanding your housing market(s) to enable matching of approach, as not all products work in all areas

- Need for consistency across authorities in their use of council tax exemption classes when calculating denominator for PI
- Impact of hidden empties i.e. those taken out of CT system by VOA
- Looking at length of time empty. PI favours quick wins to maximise return rather than focus on more difficult cases. Local PIs for interventions recommended to reflect quality of work/effort
- Identify target groups/areas for concerted action with emphasis on sustainable reoccupation so target empties where there is a viable long term solution
- Benefits of dedicated resource(s) for reactive/proactive roles
- Use of S.106 commuted sums to return empties to use
- Possibility of regional working to reach critical mass of empty properties to take forward to investors
- Raise profile of empties - SIP, Local Service Board, LHB agenda

Workshop 2: How can Local Authorities and RSLs work together to bring empty homes back into use?

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The original workshop '*How did we do in the first year? Lessons from the evaluation*' wasn't held, so workshop 3 above was repeated here. See notes above.

Workshop 3: Working with developers and private landlords

- Developers and landlords play an invaluable role in bringing empty properties back into use. This workshop will provide an opportunity to explore how authorities and landlords can work together to bring empty homes back into use
- Residential Landlords Association

- Three types of landlord - Good, ignorant (needs help), bad/criminal (needs educating or leave the sector)
- Generally RLA members do not have managing agents - however this is fast growing
- Types of property becoming available - inherited properties are the growth area
- Over 40% of new landlords if they bought from 2005 onwards are likely to be in negative equity
- Perceptions that PRS landlords are huge profit making entities – however not dealing with full time professionals only 8% - the majority are accidental through inheritance or through letting because of change of circumstance - e.g. Moving in with partner
- Key to dealing with landlords is understanding the language they wish to speak and the reason why they are landlords. Understanding landlords motivations
- Area of potential growth is Spaces above shops – mainly as owners buy the shop frontage but don't think about wasted space above - concerns and worries over security etc
- Perception by some landlords that buying & selling is easy (especially from TV programmes) - many people bought on buy to let or converting owner occupation but they have not been aware of the work needed (electrics, boiler safety etc..)
- There are a number of DIY developers - not necessarily the market /people we want to be dealing with as they are good intentioned but may not have the skill sets required
- There needs to be a clear understanding between landlord/developers and LA'S - be aware of timescales on both sides – need to be open and honest - landlords are keen to develop asap as time is money - landlords perceive LA's as full of red tape, LA's should try to make it easy to guide them through the system and remove the frustration for them

- The perception is that 'social tenants' are a bad risk however the average of Local Housing Allowance tenant bad debt is only 6%
- Houses into Homes - timescales - 3 years is too short - estimated that minimum of 5 years would be more attractive. Also when a landlord owns only one property (normally a negative equity issue) they are less likely to take loans as there is a charge on it via the loan
- When a landlord is looking to buy – they may take out an option, take it on, do it up, rent for a period and then exercise the option. No actual exchange on the property lease back is a type of this option
- There is a misconception that doing work (such as bathroom) adds value to property – it doesn't the issue stems from the housing growth in early 2000's whereby house prices were going up dramatically - it was purely coincidental that other works went on

Experiences/questions – from attendees

- Carmarthenshire - Are putting a package together of loans, social letting agencies get the money back - £10k
- Flintshire – 2 and 1 bed properties needed have 3 / 4 beds but coast too much or no demand work to be done with landlords
- Cardiff – some conversion's needed but not all registering their need yet
- It can be difficult for potential landlords to find the Empty properties as they have no access to data. LA's hold it but can't disclose it due to data protection – they can signpost but are reliant on agreement from the owner
- Landlords have inherent fear of RSL leasing sector (social lettings) and question whether they are any better than existing agents. LA's appear to think social lettings are way forward – but is it?

- Are smaller developers interested in working with LAS especially in (frameworks) rural areas? Business see LAs as a stumbling block - both parties need to work together – there is a misconception that they can't work with each other and so it doesn't happen but they can in rural areas in particular as the LAs understand the market better
- Professional landlords are happy with recyclable loans - there is an unrealistic expectation of some landlords that grant will be available
- General feeling that on a rental base the loans need to be on a longer repayment basis
- General feeling that for Houses Into Homes any loan on a rental basis should be on a longer repayment period, not the 3 year as currently
- Landlords (especially smaller ones, do not like the 2nd charge being placed on the dwelling, would the charge sit more comfortably if a longer repayment period if a longer repayment period – yes as market will pick up and landlord would see this as a comfort and a reduced risk
- Could there be an option of renewing the loans at the end of the repayment process (i.e. a second period of say 2/3 years) – possibly yes – if say a landlord said they couldn't afford to repay at the specified time, what about extending it to allow landlord to be in a position to repay
- **Action to take back** - Worry that some private business feel they cannot work with LA's – the sector need to address this and prove that we can all work together

How to find your Empty Homes - Useful Sources of Information

Source of Information	I have used this source to find information about empty homes / owners	Useful source for information	Not a useful source for information
Council Tax Register			
Social Services			
Google			
Social Networking websites			
The London Gazette			
Tracing Agents			
HM Courts & Tribunals Service - The Probate Service			
General Register Office			
Electoral Roll			
Experian – CitizenView			
Local newspapers			
InCourts Daily			
Royal Mail			
Utility Companies			
Bona Vacantia			
Death Records			
Emergency Services (Fire, Police)			
Estate agents			
Local Authority Departments			
Land Registry			
Other Sources of information used:			

How to find your Empty Homes - Useful Sources of Information

Council Tax Register – Council Tax records show addresses where an exemption has been allowed, or where a discount has been allowed, if your authority still allows a discount for unoccupied properties.

Complaints - also come in from members of the public, by telephone, e-mail, through Ward Members, or via an e-mail link from the council's web site.

Social Services - If someone has gone into residential care, there is a good chance that your Social Services department will have a record. Often, when the service user owns a property, Social Services will have a charge registered against it for deferred care home fees.

Google (www.google.co.uk) - can be used to search for individuals or a property address. It can provide links to documents and newspaper articles which can assist in identifying a property and owner. It can also provide links to useful housing data about a property, including when it was last sold.

Social Networking websites - can be used to search for an individual or company and assist in identifying the property owners current location.

The London Gazette (www.london-gazette.co.uk) - Notices are placed pursuant to Section 27, Trustee Act 1925; Section 28, Trustee Act (Northern Ireland) 1958; Section 11A of the Judicial Factors (Scotland) Act 1889. They may be placed by solicitors, duly authorised officials of a London Clearing Bank or by any individual or organisation able to provide a photocopy of a Grant of Probate or Letters of Administration for the estate to which the notice refers. The purpose of these notices is to protect the executor of an estate from responsibility for accusations of not making sufficient efforts to locate creditors prior to paying out the estate to beneficiaries.

Tracing Agents - specialise in providing thorough and accurate tracing services for solicitors, financial institutions, government departments, local councils, companies, the media and private clients. They can quickly trace debtors, witnesses, beneficiaries and other missing persons, using the utmost discretion and professionalism. Some Agents have a 'No Trace, No Fee' policy for UK cases.

HM Courts & Tribunals Service - the Probate Service (www.justice.gov.uk) – administers the system of probate, which gives people the legal right to handle the estate of someone who died; you can request a search of the probate records to find out if someone has been granted the right to administer the deceased's estate (often their relatives, who may also be the beneficiaries). The fee for a general search is £6.

General Register Office (www.gro.gov.uk) - If you know the name of the deceased and the approximate date of death you can order a death certificate online for £9.25. This should show who reported the death, and where, so you may be able to trace them and contact them regarding the deceased's estate.

Electoral Roll (www.theukelectoralroll.co.uk) - The electoral register is the list of everyone who is registered to vote in a local area. Individuals must be on the electoral register to vote at elections, and not being on the register can affect a person's credit rating. A person is not automatically registered even if they pay council tax. There are two versions of the register - the full version and the edited version. Most individuals details will appear on the full version of the register, but a person can choose to have their details excluded from the edited version when registering.

Experian – CitizenView (www.experian.co.uk) - Once you have a security certificate, you can search the database of records from the voters' roll, postal address files, and a range of public information sources such as the Insolvency Service. The fullest level of search is restricted by the Data Protection Act 1998 as it gives information about an individual's bank accounts and credit accounts but, under section 29, this personal data is exempt from the non-disclosure provisions if it is processed for the prevention or detection of crime, the apprehension or prosecution of offenders, or assessment or collection of any tax or duty. There is a charge payable depending on the kind of search.

Local newspapers - can provide information about deaths, marriages, convictions etc which could be a valuable source of information when trying to find an empty home owner.

InCourts Daily (www.incourts.co.uk) - A guide to Crown Court appearances in England & Wales where you can search lists of cases by name.

Royal Mail (www.royalmail.com) - should be able to confirm if they are no longer delivering to a property. A letter sent via the Recorded Delivery service can provide a signature to confirm that a person is living at a particular address.

Utility Companies - First find out who the supplier is for the address in question. For gas supply, the M number Enquiry Helpline is 0870 608 1524, a service provided by xoserve Ltd. For electricity, you need to call the relevant distribution company – check the internet for contact numbers. Once you have the supplier, they may (or may not!) be willing to confirm when energy was last used at the address in question.

Bona Vacantia (www.bonavacantia.gov.uk) - 'Bona Vacantia' literally means vacant goods and is the legal name for ownerless property that passes to the Crown. They administer the estates of persons who die intestate without known kin and collect the assets of dissolved companies and failed trusts. A list of new and historic unclaimed estates is available.

Death Records - Death records, including death certificates, obituaries and funeral home records, can the names of relatives, places and dates of birth and marriage, occupation, any military service; and cause of death. Certain occupations, such as railroad workers, may have employment, pension or other occupational records available. It may also list the burial place and the funeral home, leading to a search in cemetery or funeral home records. It will also confirm if the person was buried by the state, in this case the Local Authority Cemetery Superintendent & Registrar may be able to provide further information regarding a next of kin who attended the funeral.

Emergency Services - Local Fire and Police Services can provide information about any crime related incidents or antisocial behaviour at properties.

Estate Agents - can provide information regarding properties being advertised for sale, withdrawn from the market or Landlords contact details if the property is being advertised as to let.

Local Authority Departments - including Building Control, Planning (development & enforcement), Private Sector Housing, Finance and Environmental Health all keep records on properties and owners within an area.

Land Registry (www.landregistry.gov.uk) - created in 1862 to register the ownership of land and property in England and Wales. You can search the Land Registry online to find the title deed for a property, for a fee of £4.