



homes from
**empty
homes**



This is Worksop in Nottinghamshire. The houses originally belonged to the National Coal Board, but are pictured here in 2005 after they had been bought by a property company that had land-banked, and abandoned them. This lane had a 90% vacancy rate and was the site of drug dealing and occasional joy riding.







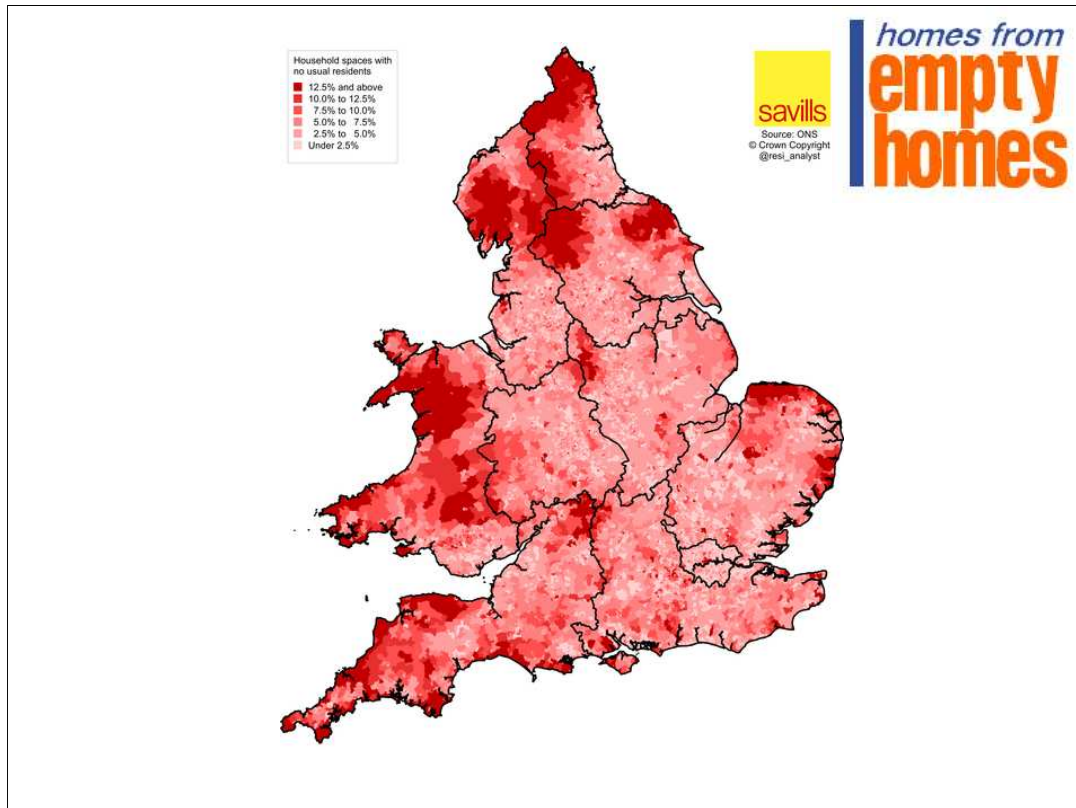
The Heygate Estate in South London was decanted in 2006 for de3molition and rebuild programme that never took place



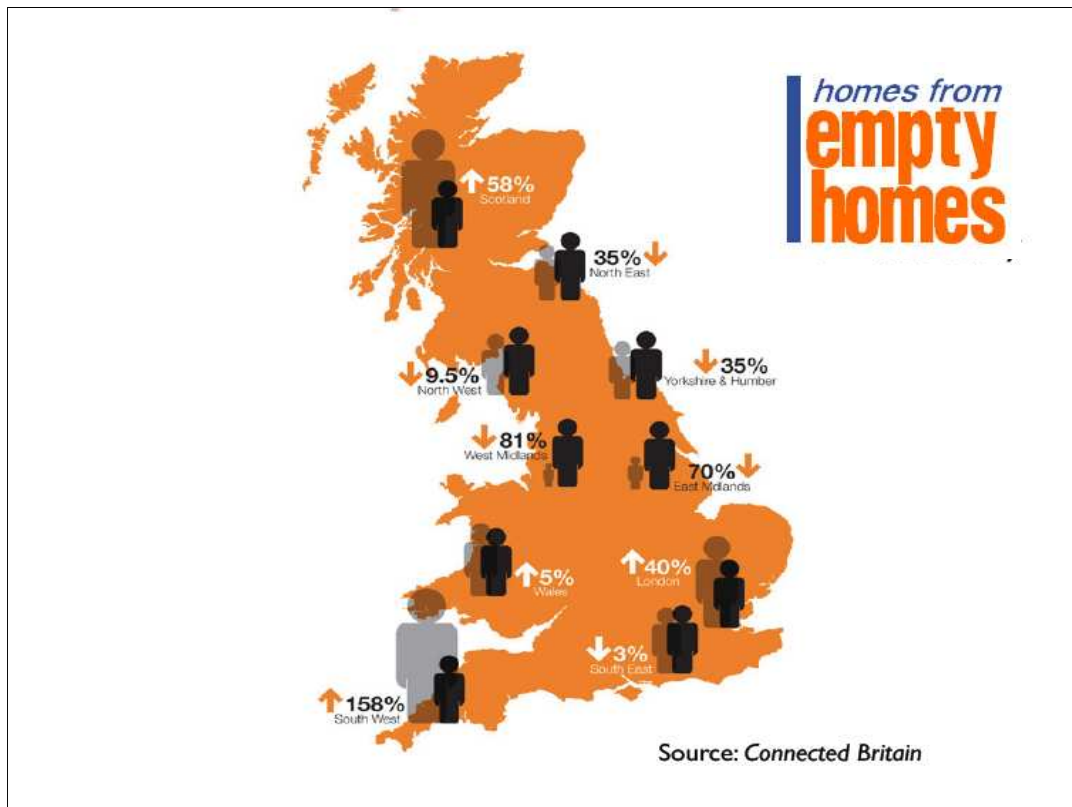
These houses in Northern Ireland represent many that were built at the end of the last decade but never completed



The North Circular Road in London 180 houses emptied for a road widening scheme in 1970 that never took place



The distribution of empty homes in Great Britain. The results are not what you might expect. Vacancy levels are higher in rural and more remote areas.



The telecoms company Orange business has researched the impact this will have on where people live. Their Connected Britain survey asked:

If the UK had universal access to reliable and fast internet, meaning you could stay connected from anywhere in the country, where would you choose to live and work?

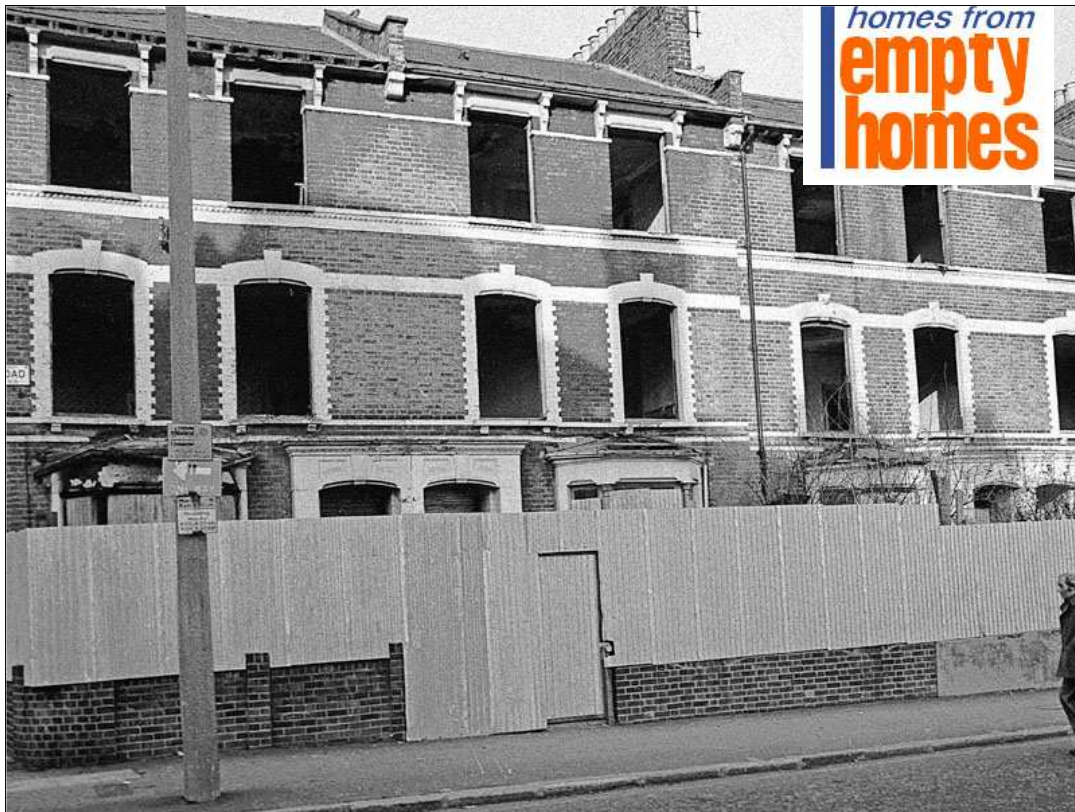
The impact will be huge. The population of Cornwall and Devon would surge, the English midlands would practically empty out and Scotland would see a huge influx of Brummies!

This is just the start. The development of 3d printing and nanotechnology will enable actual objects to be downloaded from the internet. From a few basic raw ingredients anybody will be able to make anything at home. It frees people up from supply chains, manufacturing. Arguably from the need to work at all. Historian and scientist James Burke has said "we are on the cusp of the age of abundance"

Even if this is 95% wrong it will be the biggest change since the industrial revolution.

People will be freed from the shackles of location, and will need a very different infrastructure. No longer one that manages scarcity but one that provides

Security, health, and somewhere to live. The change on housing demand will be profound.



This is what London looked like circa 1980

A surplus of housing, a place nobody wanted to live. Victorian houses were seen as old fashioned, people with money moved out to the suburbs where there were gardens and garages.



Here's that same areas now

An area that has seen such a huge rise in demand and value that the term
supergentrification was coined to describe it.



And this is the most expensive residential development in Europe. ! Hyde Park, and it's half empty



Bradford – West Yorkshire has researched empty homes that have been removed from council tax charging



Houses like this one are not recorded. Amazingly they found 5,000 like this in the city almost doubling the amount of empty homes they knew about



York. The highest demand housing market in the North of England.

JRF carried out a survey of empty space above shops in the city centre. They found space for another 800 1 and 2 bedroom flats.



There are also endless vacant commercial properties that could be converted to residential. An English Partnerships Research in 2007 estimated that another 4150,000 homes could be created form converting suitable empty commercial properties.



This is Woodnook in Accrington East Lancs. An area emptied for demolition under the now defunct Housing Market renewal programme



Exciting plans for what it will look like. Work is now underway to convert 300 houses into high quality market rental properties



Plans include 2 into 1 conversions



But these schemes are the exception. Most successful empty homes schemes are small scale. This is Phoenix Housing coop in East London who train unemployed people with building skills enabling them to carry out the renovation work of empty properties



A long forgotten idea has re-emerged. Homesteading. It's origins lie in the Cotters houses of the middle ages



This is Spangen in Netherlands a vacant block that appeared to be beyond hope



But using homesteading principles a viable model has emerged.



These are the same houses now



This is De Dichterlijke Vrijheid project (Poetical Freedom) in the deprived Spangen district in Rotterdam in the Netherlands. The communal garden lies in the middle of a quadrangle of 40 properties that had been abandoned in the 1990s. Through a homesteading programme the properties were made available to local people provided they invested in the property and agreed to live in the property for at least two years. Structural works, gas, and electricity were carried out by a main contractor, but fit-out and decoration left to the homesteader. The development has been an outstanding success attracting intermediate housing market families who otherwise would not have been able to buy property. The knock on impact has seen other regeneration projects spring up in the neighbourhood.



Similar models have been applied to houses in Stoke on Trent and Liverpool







This is Mr Madde the first Liverpool homesteader in a generation taking ownership of his house for £1

empty homes loans fund

The National Empty Homes Loans Fund (NEHLF) is a new loans fund that enables people to borrow the funds necessary to get empty homes back into use. It will provide loans of up to £15,000 to owners of empty properties to help bring them back into affordable use.

The NEHLF will provide secured loans at a fixed 5% interest rate, and will enable owners to renovate the property to the Decent Homes standard.

The NEHLF has been funded by a grant of £3 million from central government and is being administered by [Ecology Building Society](#), a specialist mortgage lender that supports sustainable communities. The fund should provide funding to get over 2,000 properties back into use. Loans are available to individuals aged 18 and over who own a property that has been empty for 6 months or more.

- Fixed interest rate of 5%
- Term of Loan 5 years
- Repayable monthly by standing order
- Maximum loan amount £15,000
- Loan is a subsequent (2nd) charge
- Loan is paid on completion of the loan application not the works
- Property must be let at an [affordable rent](#)

homes from
**empty
homes**

EMPTY HOMES SPOTTER

1 million empty homes in the UK.
2 million families in need of a home.
Stop this senseless waste.

Report an empty home
to the local council now.

Next





This is Worksop in Nottinghamshire. The houses originally belonged to the National Coal Board, but are pictured here in 2005 after they had been bought by a property company that had land-banked, and abandoned them. This lane had a 90% vacancy rate and was the site of drug dealing and occasional joy riding.



These are the same houses now



Emptyhomes.com

[@emptyhomes](https://twitter.com/emptyhomes)

[Facebook.com/propertyscandal](https://www.facebook.com/propertyscandal)

Houses into Homes: *Using Evidence to Bring More Empties into Use*

David Robinson

6 November 2013

**Welsh Local Government Association
Wales Empty Homes Conference**


Overview

- empty homes and the work of local authorities in Wales
- Houses into Homes - the scheme and the evaluation
- the first year of Houses into Homes

Empty Homes in Wales

Empty Homes in Wales 2011/12 (PSR/04)

	Empty homes		Private sector stock
	Number	Rate per 10,000	
North Wales	4,897	186	262,942
Denbighshire	890	234	37,969
Isle of Anglesey	739	265	27,877
Conwy	1,010	213	47,374
Gwynedd	1,111	223	49,795
Wrexham	110	24	45,644
Flintshire	1,037	191	54,283
Mid and West Wales	4,791	236	202,974
Carmarthenshire	2,104	301	69,977
Ceredigion	752	238	31,581
Powys	840	160	52,481
Pembrokeshire	1,095	224	48,935
Gwent	3,083	154	200,166
Torfaen	233	78	29,939
Newport	1,121	223	50,293
Blaenau Gwent	526	216	24,340
Caerphilly	777	127	61,400
Monmouthshire	426	125	34,194
Western Bay	4,030	215	187,787
Neath Port Talbot	1,216	236	51,519
Swansea	1,788	209	85,571
Bridgend	1,026	202	50,697
Cardiff and the Vale	2,814	170	165,292
Cardiff	2,075	176	117,713
Vale of Glamorgan	739	155	47,579
Cwm Taf	3,672	340	108,111
Merthyr Tydfil	617	309	19,963
Rhondda Cynon Taf	3,055	347	88,148
Wales	23,287	207	1,127,272

- 
- 23,000 empty homes in Wales in 2012
 - a wasted resource
 - bringing back into use will.....
 - increase supply and help meet housing need
 - limit the costs of dealing with insecure, unsafe and dangerous properties
 - increase Council Tax collection rate
 - reduce problems of vandalism and ASB that can be associated with empty properties
 - improve the residential environment

The Work of Local Authorities

- 1,080 empties back into use through direct action of LAs in 2011/12

	Number
Advice & Guidance(persuasion)	1055
Financial Assistance	92
Threat of Enforcement action	66
Assistance with Organising Work	24
Sale of Property	22
Private Sector Leasing / Social letting Scheme	21
Direct Purchase	18
Local Government (Miscellaneous Provisions) Act 1982	14
Housing Act 1985 / Housing Act 2004	10
Prevention of Damage by Pests Act 1949	9
Living over the Shop (LOTS) & Homes Above Retail Premises (HARP)	9
Debt Recovery	8
Environmental Protection Act 1990	6
Building Act 1984	4
CPO	4
Rent Deposit Scheme	3
Town & Country Planning Act 1990	2
Other	5
Total	1,372*

Source: Houses into Homes Baseline Template

* More than one action can be taken against the same property

Doing more?

- suggestion from **local authorities** that number would be higher if not for limited:
 - staffing resources
 - funds for enforcement
 - capital investment (Lavender and Wilson, 2012)
- inevitable in the context of austerity?
- empty homes suffering because not a statutory function?

BUT...national commitment...

- ***Improving Lives and Communities*** (April 2010) - tackling empty homes to help meet demand
- ***Programme for Government*** - commitment to reduce number of empty homes
- ***Homes for Wales*** (2012) - bring 5,000 empty properties back into use

| Introducing Houses into Homes

Houses into Homes

- £10 million (2012/13) for LAs to provide loans to owners of empty properties to bring them back into use for sale/rent (+£10 mill 13/14)
- focus on private sector properties; empty more than six months
- loans are interest free
- pay for work on houses and conversion of commercial buildings
- individuals, charities and companies can apply
- £25,000 maximum per property; max of £150,000 per applicant
- repaid after two years if property returned to use for sale
- repaid after three years if returned to use for rent
- money recycled to be available for further loans

The Evaluation

- commissioned by the Welsh Government
- monitor effectiveness, impact and added value of the scheme, and to provide accountability for the use of public funds
- commenced in May 2012 and will run for the course of the programme, through to March 2015
- reporting at a number of agreed points during the three years of the programme
- interim reports published in May 2013 (baseline) and July 2013 (year 1)

The Evaluation (cont.)

Impact evaluation

- focus = effectiveness; impacts; beneficiaries; sustainability; VFM
- data collected from LAs = empty properties; direct actions; applications and loans granted; properties brought back into use
- on-going survey of loan recipients

Process evaluation

- focus = development, promotion, implementation and delivery of the Houses into Homes scheme.
- data collection = regular contact with nominated lead in each regional grouping; annual e-survey of empty officers in all 22 LAs

The First Year of Houses into Homes

- *the delivery framework*
- *applications received (2012/13)*
- *45 approved applications*
- *changing profile of empty homes activity*
- *other benefits of Houses into Homes*
- *some challenges*
- *looking forward - the prospects for 2013/14*

Developing the Delivery Framework

- **the infrastructure to deliver Houses into Homes was designed and developed in the 6 months following launch in April 2012**
- local authorities....
 - came together into regional groupings
 - signed collaborative agreements that formalised roles and responsibilities
 - designated staff to lead on the scheme
 - marketed the opportunities provided by Houses into Homes
 - started assisting owners through the application process
 - began approving loans by autumn 2012

Applications Received (2012/13)

241 loan applications were received in the period 1 April 2012 to 31 March 2013:

- 45 applications were approved to receive a Houses into Homes loan
- 179 were being processed as of the 31 March 2013; this includes provisionally approved applications
- four applications had been rejected
- 12 applications had been withdrawn
- one application had been received after a deadline for applications set by a local authority

Applications Received (cont.)

- wide variations between LAs and regions in loans approved (from 0 to 22)
- reported reasons:
 - delays signing the collaborative agreement
 - LAs starting from different points re: capacity and skills
 - some LAs benefiting from relatively large proportion of applications from developers

The 45 Approved Applications (2012/13)

- average loan value = £45,159
- providing 90 units of accommodation and 183 bedrooms
- 8 non-residential properties, which will provide 22 units
- higher cost per unit bringing non-residential into use
- average private sector leverage per unit = £13,462
- loan covers > 75% of costs in the majority of cases
- properties empty for an average of almost 6 years
- vast majority of loans providing units for rent
- 6 applications submitted by limited companies...
- quicker to return applications; increase in units; empty 2+ years; higher loan value; higher private sector leverage

Empty Homes Brought Back into Use

- no notable change in number of properties brought back into use during first year of Houses into Homes...to be expected
- LA empty homes officers optimistic about future impact of Houses into Homes:
 - 19 out of 22 predicted an increase in the total number of empty homes brought back into use
 - 19 out of 22 predicted an increase in the total number of empty non-residential properties brought into use as accommodation
 - 21 out of 22 predicted an increase in the total number of homes for rent in the local area
 - 13 out of 22 predicted an increase in the number of homes for sale in the local area
 - 9 out of 22 predicted an increase in the supply of affordable housing

Change in Empty Homes Activity

- 21 out of 22 LA officers reported a notable change in empty homes work in their LA during first year of Houses into Homes

	yes, a lot/a fair amount	not very much /at all	not sure/ don't know
increase in enquiries from owners of empty homes	19	2	1
increased corporate commitment to tackling EH	16	4	2
Improved effectiveness in LAs work to tackle EH	17	4	1
improved intelligence about EH in the area	12	8	2
rise in number of complaints about empty homes	4	15	3
improved intelligence about the private sector	8	13	1
increase in the number of FTE staff dealing with EH	9	12	1
reduction in other (non HHH) activities to tackle EH	5	15	2

Other benefits of Houses into Homes

Reported by LA empty homes officers:

- **another tool** with which to tackle empty homes
- helping **meet housing need** by increasing the supply of affordable and/or rented accommodation
- **promoting collaborative working**; between local authorities in the region, between departments within the local authority and between the local authority and partner agencies in the local area
- **raising the profile of empty homes work** with Members, officers, other local authority departments and external stakeholders
- **boosting the local economy**, for example, by generating employment for local builders, architects and agents

Some challenges delivering Houses into Homes

Factors limiting effectiveness identified by LA officers:

- **three year timescale for repayment when bringing a property back into use for rent**
- 80 per cent loan to value ratio - any loan offered cannot be more than 80% of the property's value, taking into account any existing mortgage
- **difficulties some owners encounter submitting an application**
- **exclusion from the scheme of owners intending to occupy the property upon completion of works**
- the limits of local authority capacity and resources to support and process applications

Looking forward - some issues

- LAs confident about **demand** (3 out of 22 questioned ability to allocate additional funds in 2013/14)....proof in pudding
- use of Houses into Homes funds to conduct **works in default** and the pursue EDMOs
- potential of Houses into Homes to address **strategic priorities** e.g. increasing supply of smaller properties in response to bedroom tax
- pressures on **officer time** - which is vital to the success of the scheme
- **properties back into use, payback and recycling** - profile and geography

Further Information

Further information about Houses into Homes and outputs from the evaluation can be found at:

<http://wales.gov.uk/about/aboutresearch/social/latestresearch/houses-into-homes/?lang=en>

Empty Homes Conference
6th November 2013

How to identify empty homes

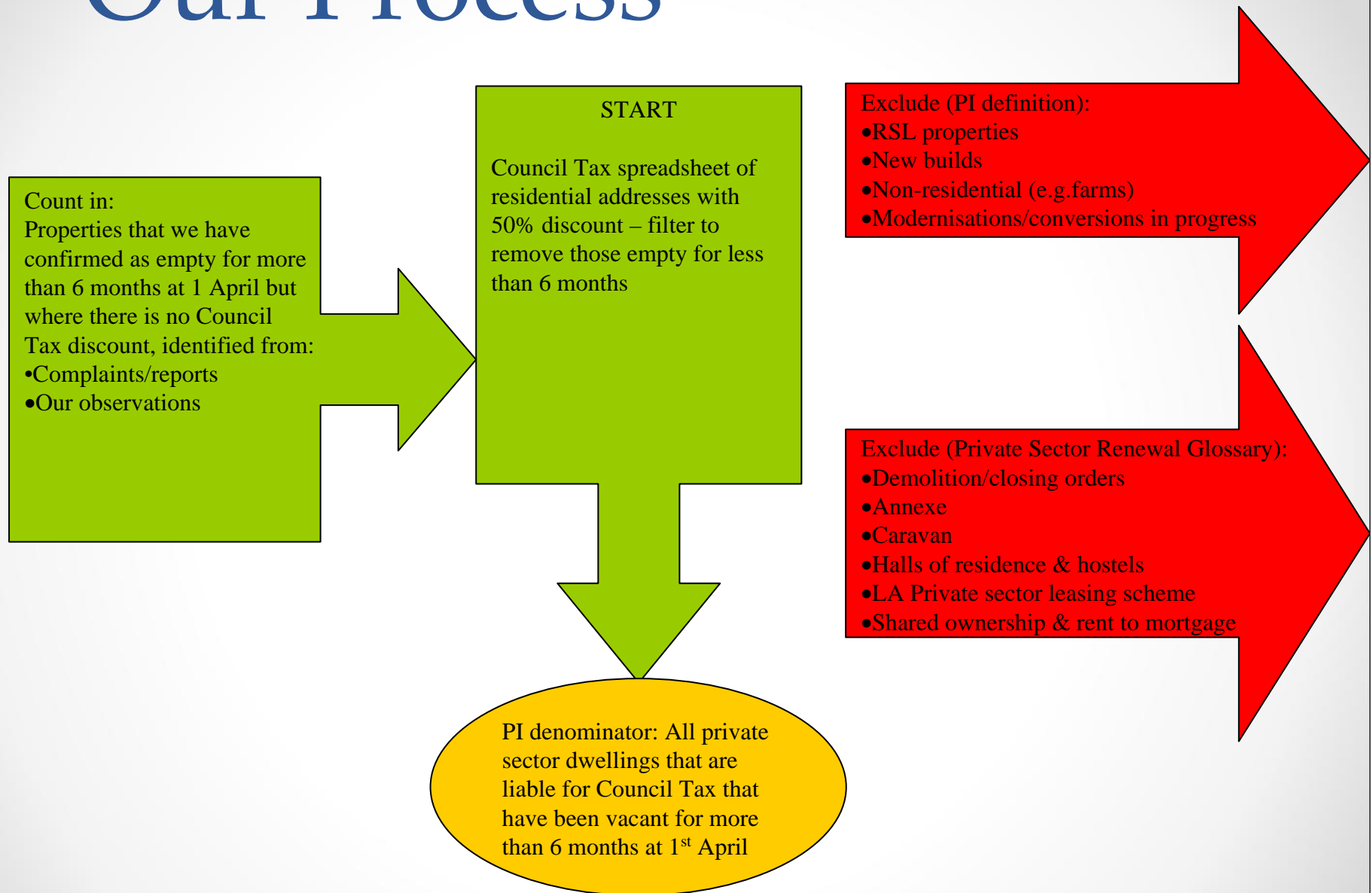
Sandra Batten & Gill Lewis
Newport City Council

Our Process

Case Studies – further sources



Our Process



Our Empty Homes Strategy

- We only target houses
- 2 years empty, or complaints received, or debt to NCC
- Write to 'liable party', with questionnaire
- If no response, we visit
- Complete 'condition of property' form
- Create a file, write again (with newsletter)
- Do a risk assessment, add to database
- Action varies depending on RA

Case Studies – further sources

...



- Empty for 5 years.
- Previous owner is deceased.
- Care home fees of over £20,000 owed to the council.
- Late owner's son said he intended to repay the fees, renovate the house and move in but it didn't happen.
- Complaints received.

Church Crescent

Probate Search provided contact details of two executors.

Debt Recovery Solicitor contacted the executors and told them we would apply for an Order for Sale unless they immediately took steps to bring the property back into occupation and pay the care home fees.

The executors are now taking action!



- Empty for 10 years.
- Arrears on Council mortgage but no action had been taken.
- Owner died in 1996, intestate.
- Owner's nephew believed himself the beneficiary but failed to apply for probate.
- Complaints received.

East Street

We instructed 'Kin' tracing agency, who found an estranged son.

The son is infirm and unable to make claim to the estate.

Works in default are underway, which will create a debt and give the Council grounds for an Enforced Sale.



- Empty for over 16 years.
- Unauthorised improvements carried out by a neighbour.
- Property not registered at Land Registry.
- Police have attended break-ins.
- Owner has passed away, widow has moved away but an alternative address was stuck to front door.

St Vincents Road

A Google search found a link to the London Gazette & a Notice under Section 27 of the Trustee Act 1925 inviting claims against estate.

The property is bequeathed to the Salvation Army.

The Neighbour is 'squatting' for adverse possession, the case is now in litigation with Salvation Army!



- Empty for 5 years.
- Complaints received from neighbours.
- Police involved as property broken into.

Hendre Farm Drive

Routine check with Trading Standards confirmed that property was linked to a fraud investigation and amongst assets sequestered by the court.

When the investigation was over, the owner was free to use his property as he wished.

An Experian search confirmed that the owner was living with family; we were able to contact him at another address and discuss options for bringing the property back into use.



- Empty for 6 years.
- Complaints received from neighbours.
- Owner lives in Devon, correct address on Land Registry but no response to our letters.
- Recorded Delivery letters sent and signed for but still no response.

Park Avenue

Empty for 6 years

Owner lives in Devon and owns her home there but failed to respond to letters.

We contacted mid-Devon Council and an officer there agreed to visit for us.

This, and the prospect of an Empty Dwelling Management Order, prompted contact from the owner.



- Empty for 4 years.
- Complaints received from neighbours.
- Owner deceased, intestate, with no next of kin.
- Owner buried by the Council.
- Private Investigator was unsuccessful in finding a beneficiary.
- Evidence of rodents in garden so work in default carried out to clear the overgrown gardens.

Lambert Street

The Private investigator carried out numerous searches but no further information about the owner's next of kin was found.

As no-one with an interest in the property could be found, Environmental Health successfully applied for a warrant to enter.

A Christmas card from a relative was found at the property which provided enough information for us to get a telephone number and contact the relative.

The relative was the owners 2nd cousin who applied for a Grant of Probate and became the owner of the property.

The property was sold for £80,000 and is now occupied by the new owners.





- Empty for 4 years.
- No complaints received.
- Emergency Prohibition Order served by Environmental Health due to numerous category 1 hazards caused by fire damage.
- Prevention of Damage by Pests Act Notice served on the owner.

York Place

Badly damaged by fire – EH served a Prohibition Order

The owner is vulnerable and was given temporary homeless accommodation but was evicted for damage

The loss adjuster for the insurance company confirmed that they are ready to appoint surveyors and contractors to reconstruct the property but need instructions from the owner and/or his solicitors



- Empty for 13 years
- No complaints received
- Council Tax debt
- Owner thought the property had been repossessed by the bank - she didn't realise she was still the owner, as the bank had repossessed another property that she owned.

Lower Dock Street

Due to an error, the mortgage lender never fully claimed ownership of the property after court proceedings.

Error only noticed when Solicitor appointed to re-instigate legal proceedings against the owner, however the time period in which the Solicitor could respond to the Court Case had expired and papers were no longer in existence because the firm that dealt with the case no longer existed.

Three years after the original court case, the mortgage lender confirmed a charge registered against the property which enable them to sell the property at auction without taking full possession.



- Empty for 6 years
- No complaints received
- Council Tax debt
- No response to letters sent to owners home address
- Letters sent by Recorded Delivery returned by Royal Mail as 'not called for'

Ringwood Hill

A Land Registry search confirmed that the owner's correspondence address was owned by a company.

A search of Companies House and Company Check websites confirmed the contact details for the company.

Letter sent to the company address, owner responded.

Property is being renovated and owner intends to sell.



- Owned by a company that was dissolved in 2006.
- Full Council Tax being paid, same name for at least 16 years.
- No alternative address or contact details for taxpayer.
- No complaints.

Property is Occupied!

We spoke to neighbours, who confirmed that the property is occupied by a single man who works full-time as a carpenter.

Thank You!

Sandra Batten
Newport City Council
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Gill Lewis
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Empty Homes Conference 2013

WLGA CLILC

6th November, Cardiff

The logo for United Welsh, featuring the words "united" and "welsh" stacked vertically in white lowercase letters inside a pink circle.

united
welsh

*HOW CAN LOCAL
AUTHORITIES AND RSLS
WORK TOGETHER TO BRING
EMPTY HOMES BACK INTO
USE?*

MICHALA RUDMAN
EMPTY HOMES PROJECT OFFICER

BACKGROUND



- Empty Homes rising up the political & social agenda
- An identified need for a 'bridging' offer / service
- A pilot scheme was created to work in partnership with our LA partners and other interested parties

EMPTY HOMES WALES

united
welsh



Outline of the Project



- Liaise with LA partners to identify & contact the owner of the Empty Home
- Assess the viability of the property – both physically and financially
- Contract with the owner to lease or purchase the property
- Work with local building contractors to refurbish the property and bring it back into use

CASE STUDY

united
welsh



EMPTY HOMES CASE STUDY: *Woodland Street*



- **PROPERTY INFORMATION:**
 - 2 bedroom Empty Home property is in Torfaen
- **PARTNERS INVOLVED**
- Torfaen Council – Environmental Health & Housing
- United Welsh
- Special Projects Team (Celtic Horizons)
- **OUTCOME**
- The property has been taken into United Welsh stock and was refurbished to WHQS Standards

PROGRESS TO DATE



- **11** properties have been acquired by EHW
 - 2 have been secured via enforcement action
 - 9 through lease model or open market sales
- **6** further properties have been sold / refurbished via the influence of EHW
- **1** property is currently for sale in Ebbw Vale
- The Empty Homes website has been created
- The Empty Homes forum has been restarted

CHALLENGES



- **Partnership working – FOI, Responsibilities / Rights**
- **Finding the ‘right fit’ for all interested parties**
- **Balancing strategic and operational aspects of the role**
- **Funding – It’s all about the money!**

OPPORTUNITIES



- Creating more models to strengthen partnerships and increase the offers to home owners
- Pilot scheme to work alongside Communities First, the NHS, charities and the Third Sector to create work experience and opportunities to develop skills
 - The White Rose Project
- Further partnerships on the website – relevant services, discounts, information for Empty Homes professionals and home owners

CONTACT ME

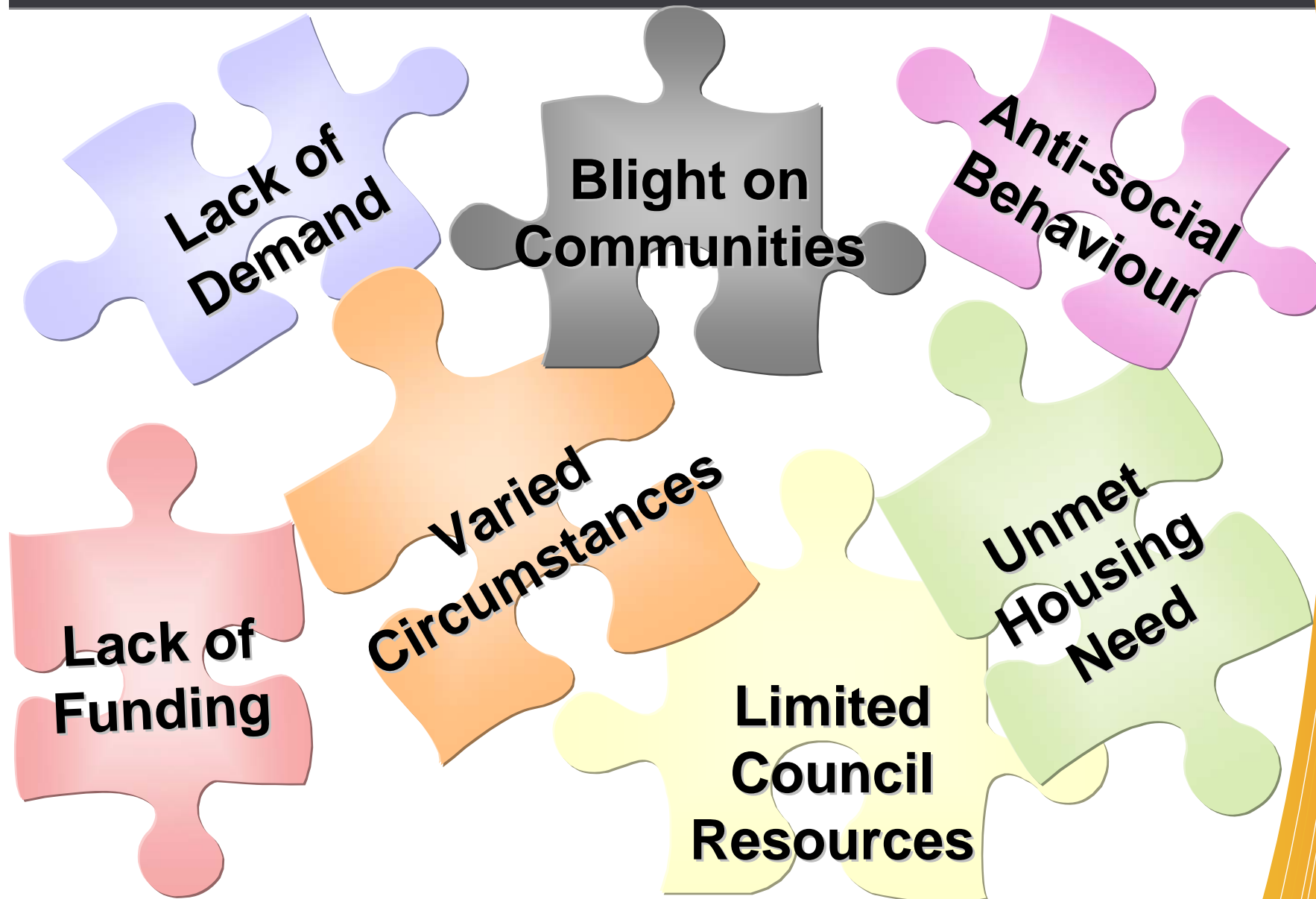


- Telephone: 029 2085 5680
- E-mail: michala@emptyhomeswales.co.uk
- Twitter - @EmptyHousing
- Website: www.emptyhomeswales.co.uk



Taking a strategic approach to
bringing empty homes back into use

Why is a strategic approach needed?



What does a strategic approach look like?

1. Understand the housing market

2. Identify empty properties

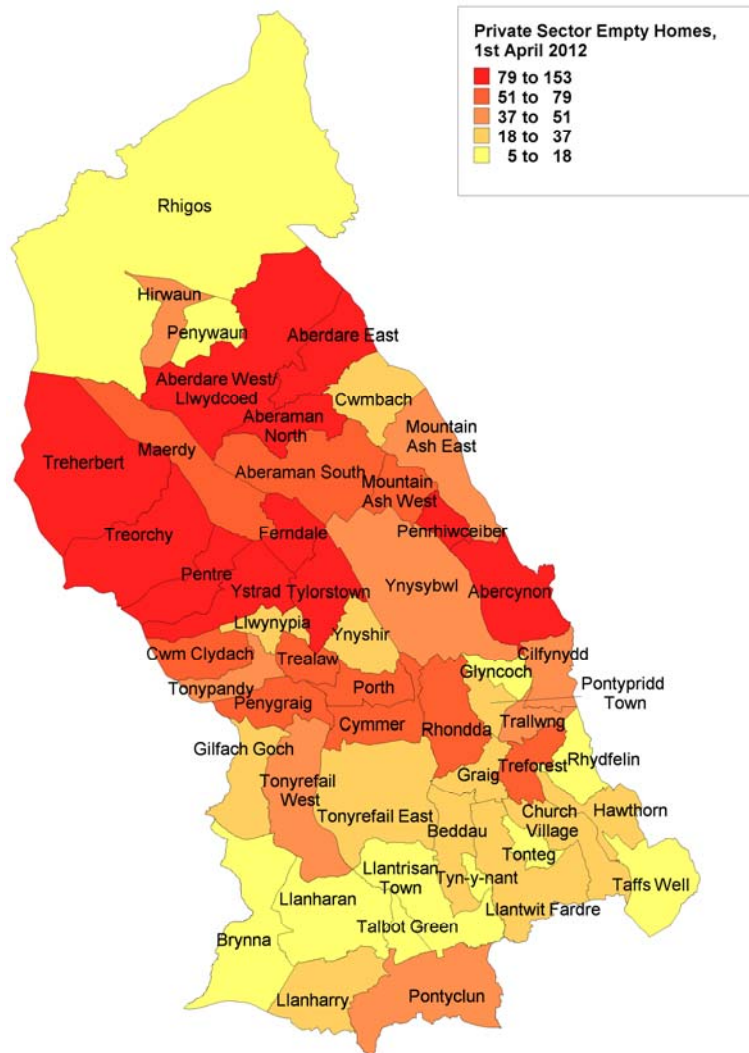
3. Define roles & responsibilities



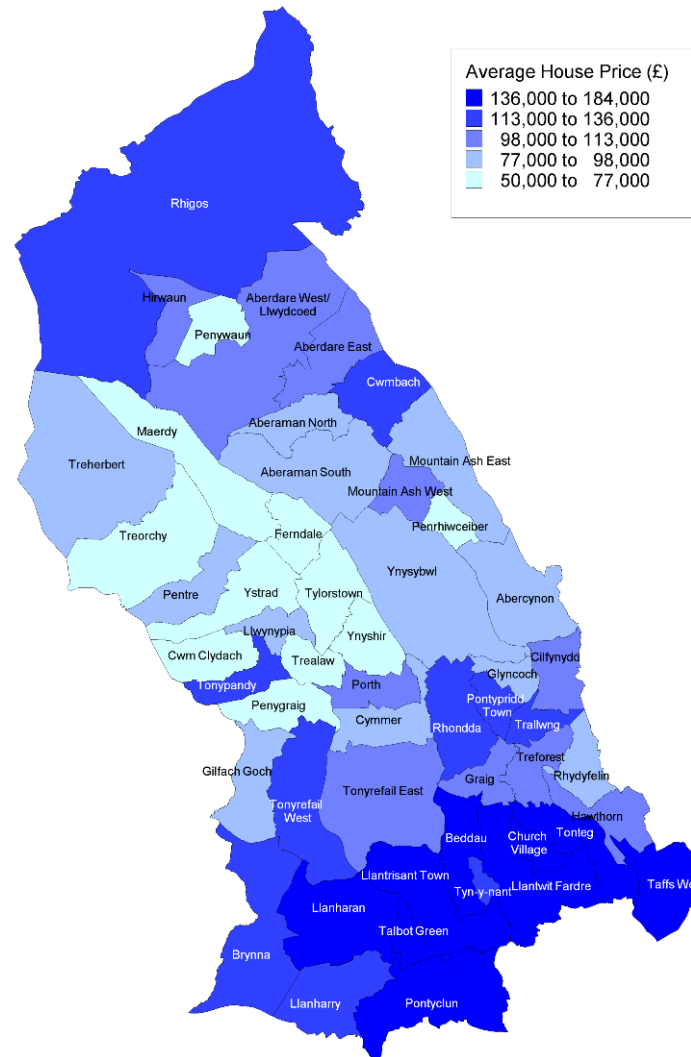


1. Understanding The Housing Market

Housing Market Trends

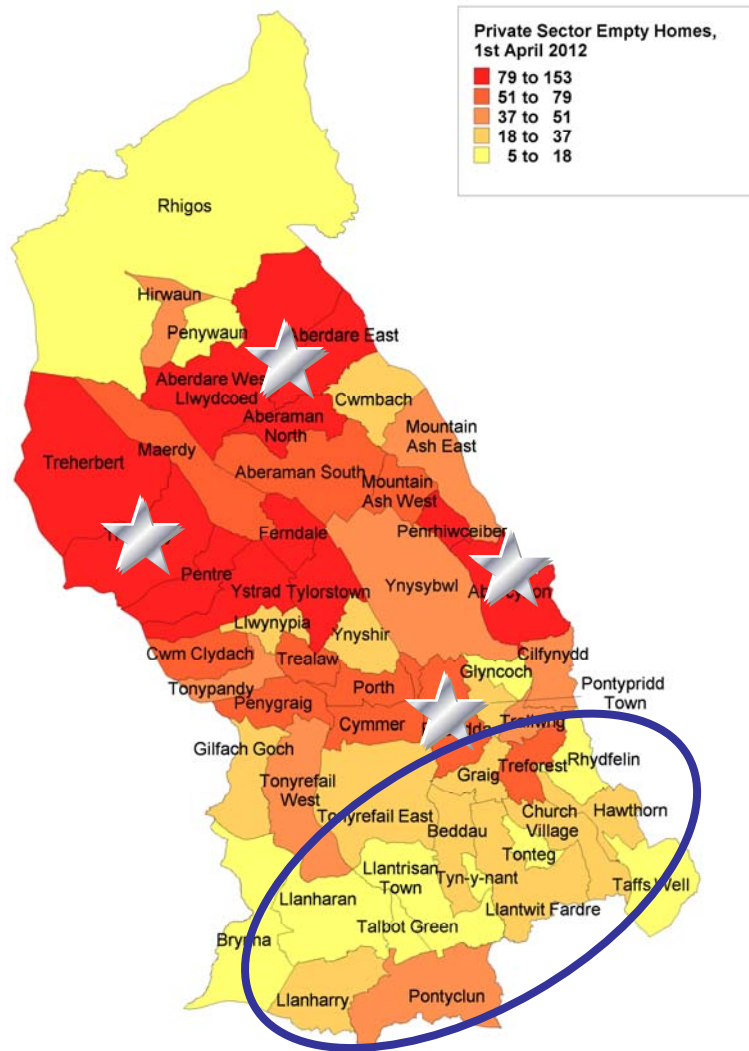


Empty Homes

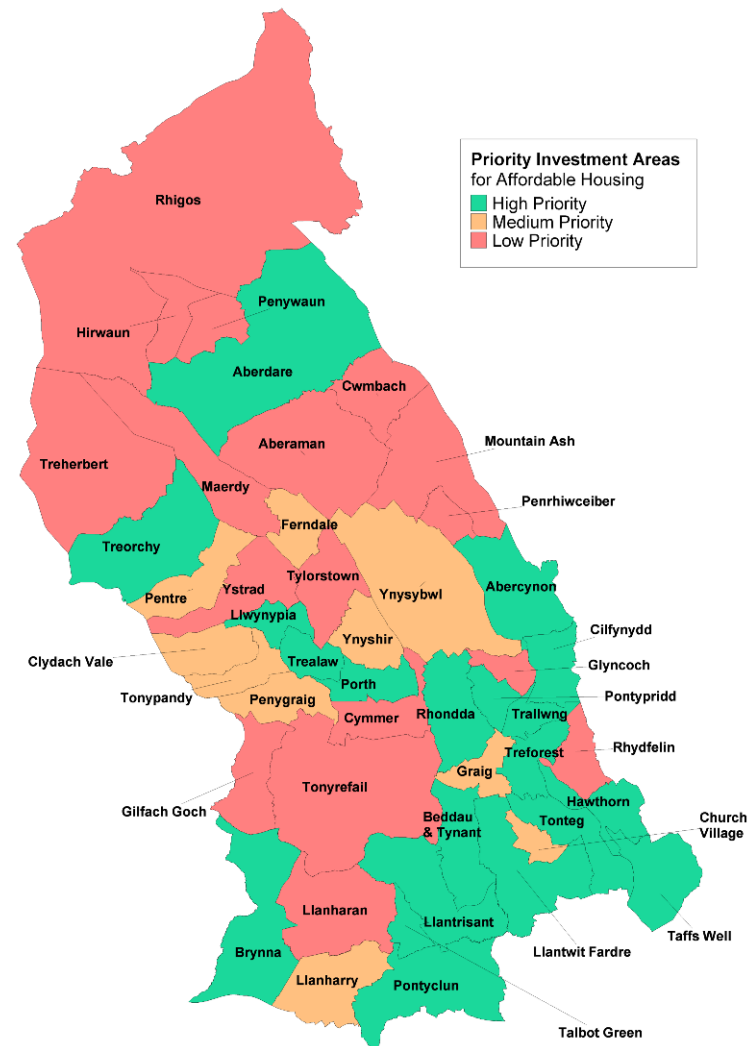


House Prices

Housing Market Trends



Empty Homes



Housing Need

Untapped Resource

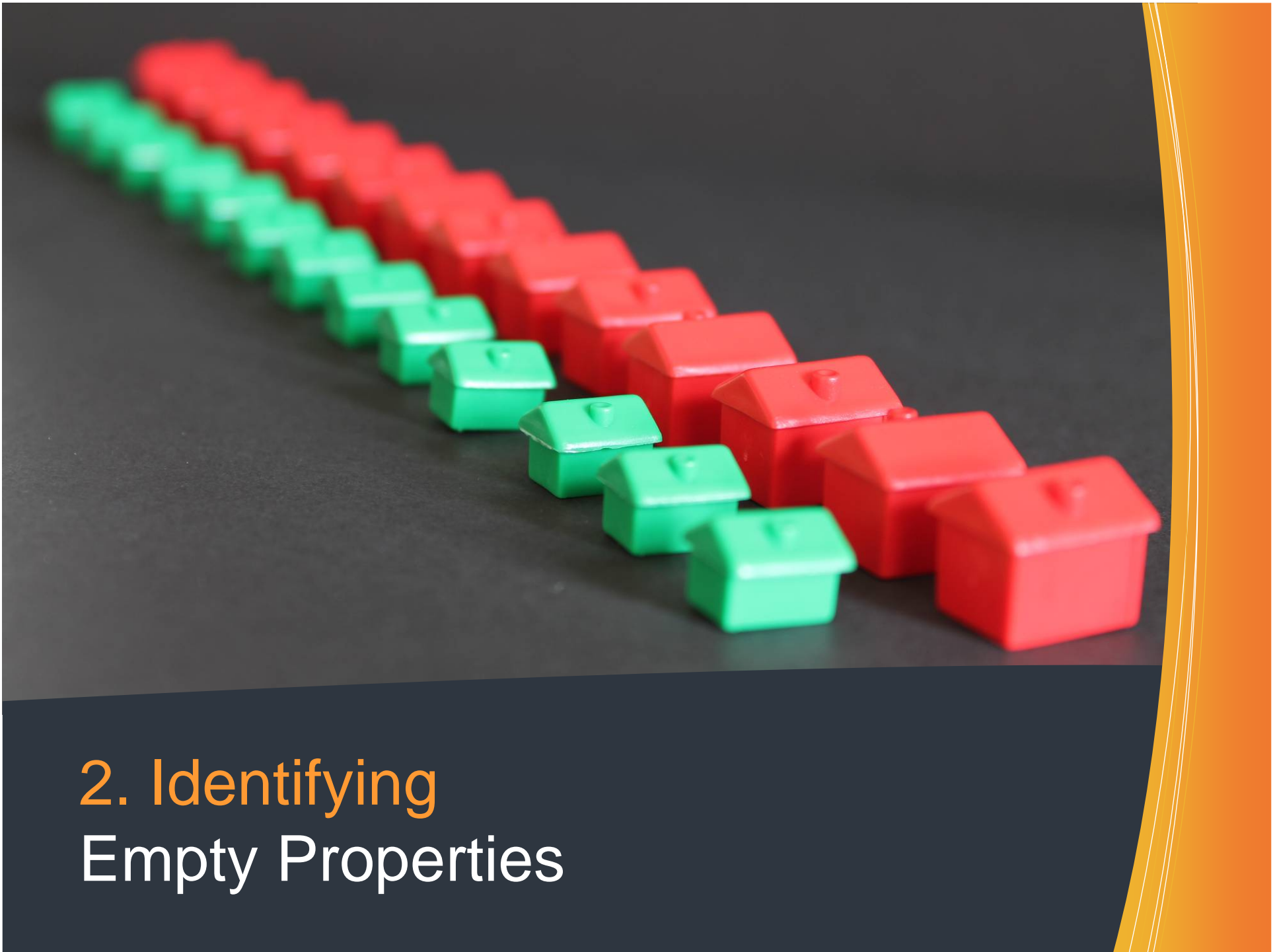
- Nearly 18,000 homes needed by 2021
- Empty homes equal to ¼ of Region's Housing Allocations
- Zero House Building in 'Stagnant' Areas
- Use to Help Meet Housing Need



Financial Resources Available

- Mortgage Availability
- Landlord Finance and Appetite
- House buyer aspirations
- 50-50 preference for new build / 2nd hand





2. Identifying Empty Properties

Evidence Base

- Up to date record of empty properties
 - Effective reporting of complaints / service requests
 - Council Tax list
- Survey of empty property owners

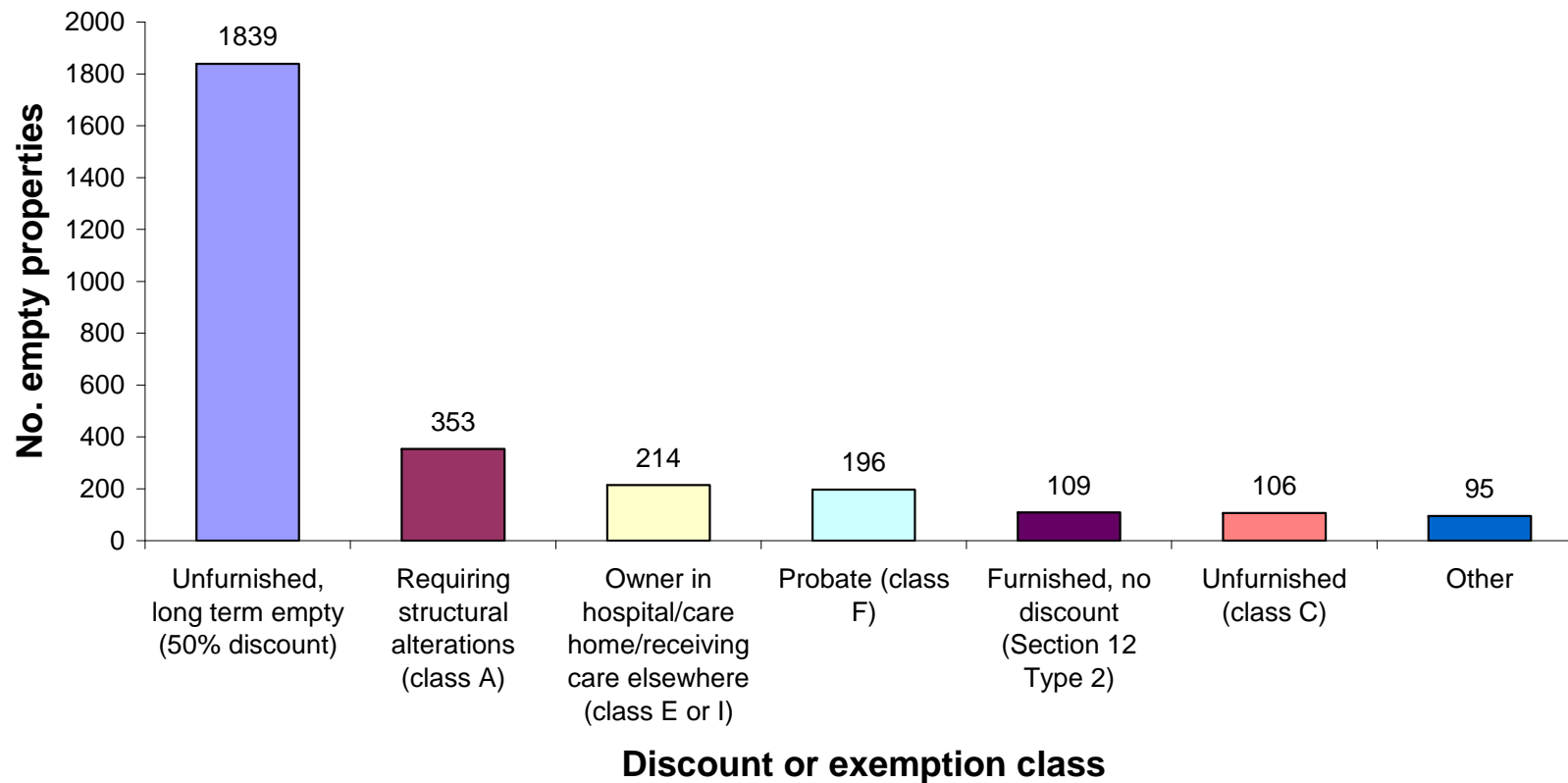
Working with Council Tax List

Council tax discount or exemption class:

- Unfurnished, long term empty (0-50% discount)
- Class A – structural alterations (12 months)
- Class E or I – owner in care/hospital (indefinite)
- Class F – probate
(6 months after grant of probate / indefinite)

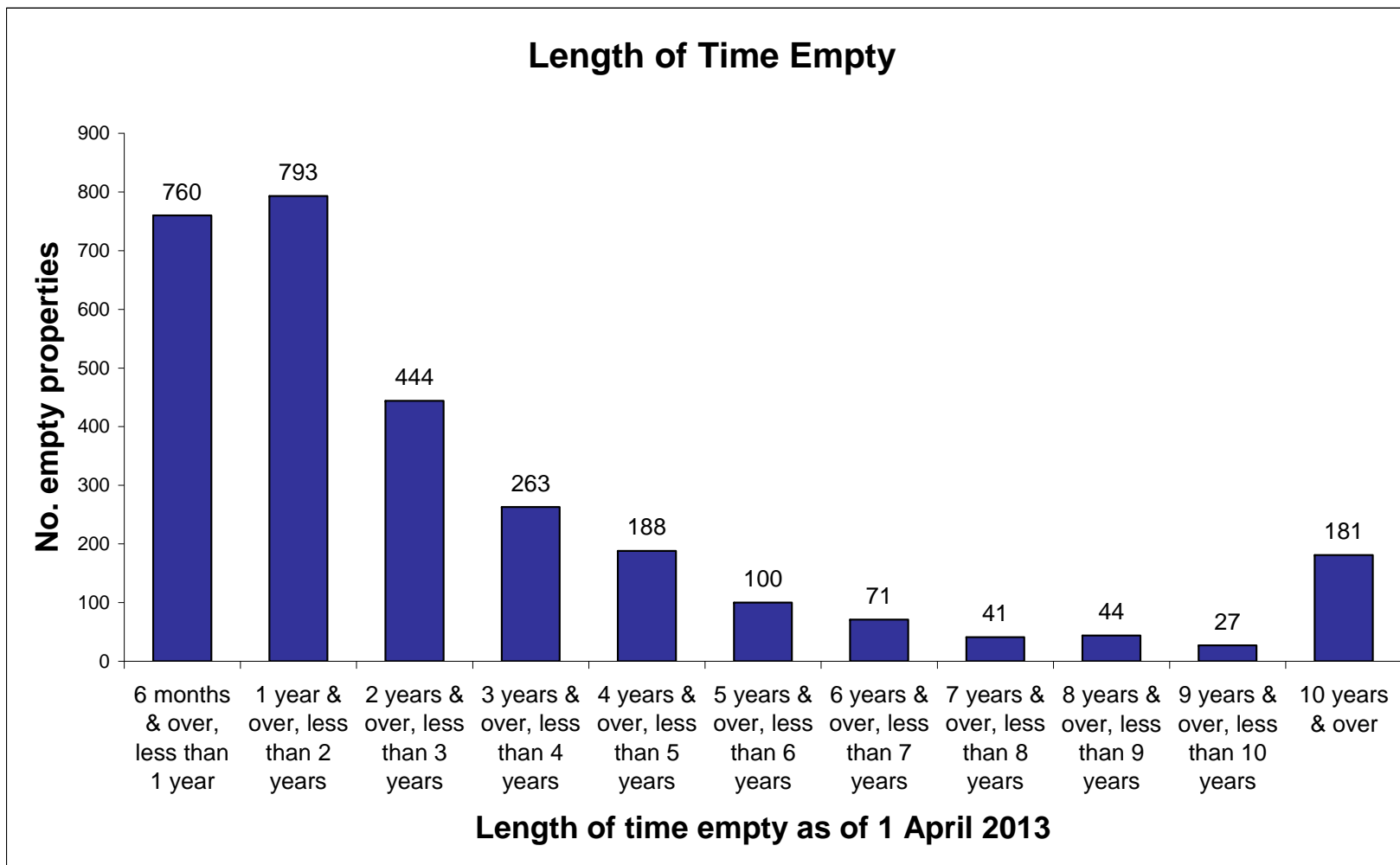
Council Tax Categories

Empty Properties Categorised by Council Tax Discount or Exemption on 1st April 2013



(Not including unbanded properties)

Length of Time Empty



RCT Empty Property Survey 2013

- Postal survey sent to owners of properties empty for 6 months+ (1893)
- 30.9% response rate (585 responses)
- Paper or online options
- Snap Survey analysis

Survey Results

Property Size

- 3 bedrooms (55.9%)
- 2 bedrooms (31.3%)

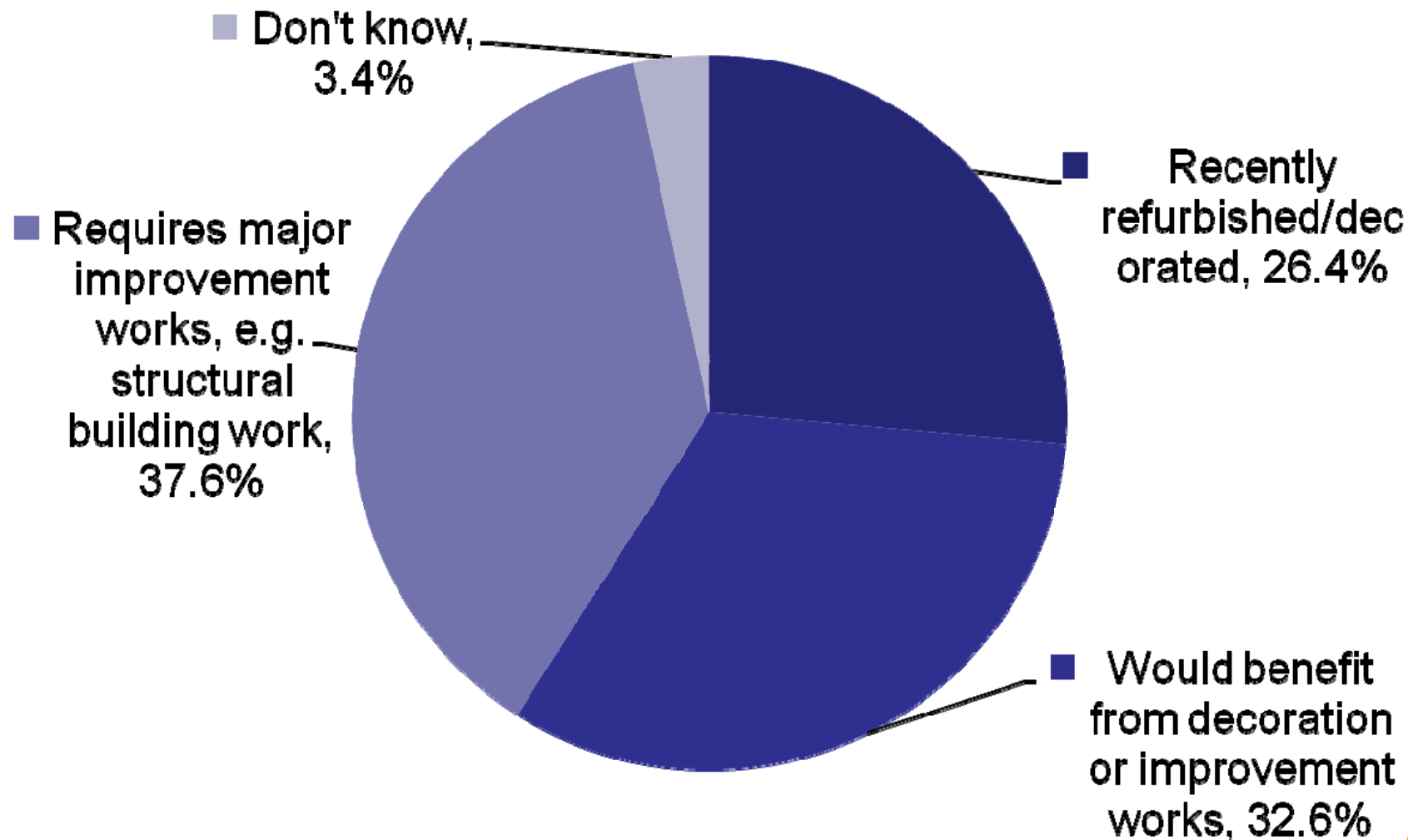
How Came to Own

- Bought to live in (32.0%)
- Inherited (26.5%)
- Bought to rent out (23.8%)

20.7% of inherited properties have been empty for 5 years or more

Survey Results

How would you describe the present condition of this property?



Survey Results

Reason Empty

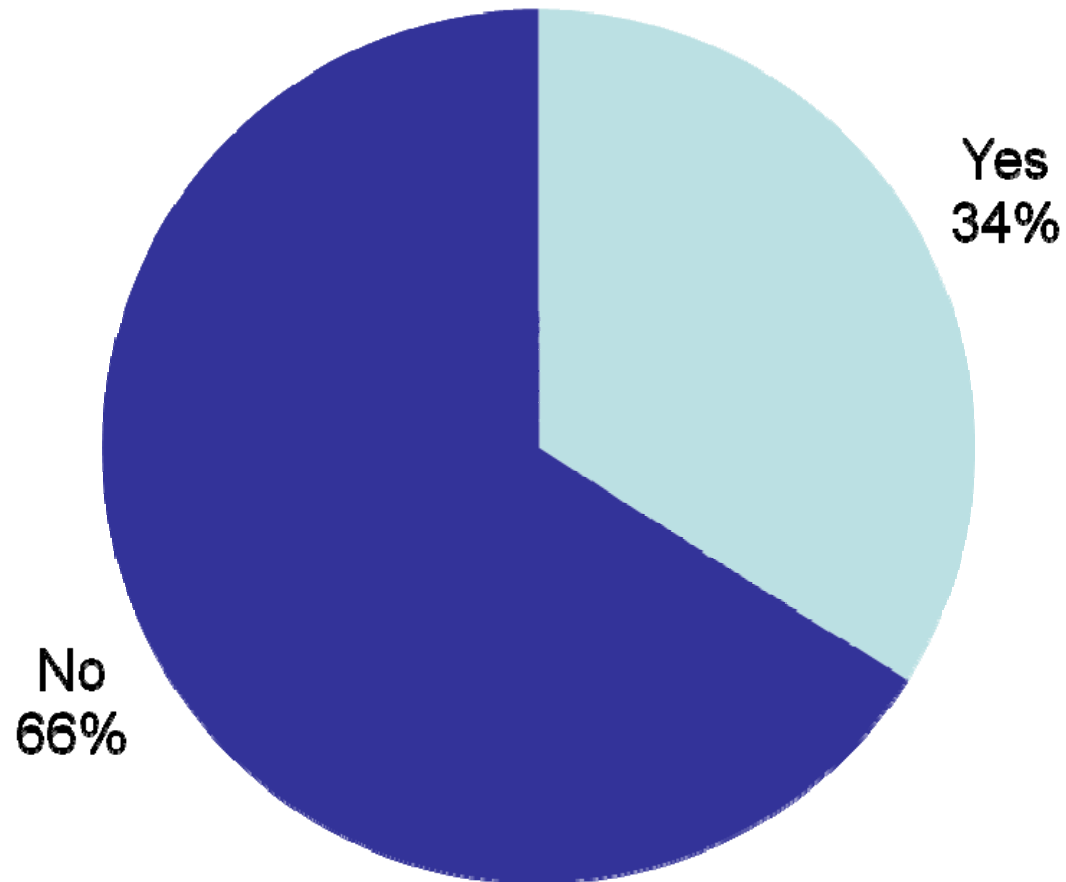
- “I am currently trying to sell” (28.9%)
- “It is being renovated” (22.2%)
- “I can’t afford to renovate” (16.9%)

Services

- “Grant/loan to pay for repairs/renovation” (30.6%)
- “Fully managed lease to a housing association, with guaranteed rent” (13.0%)

Survey Results

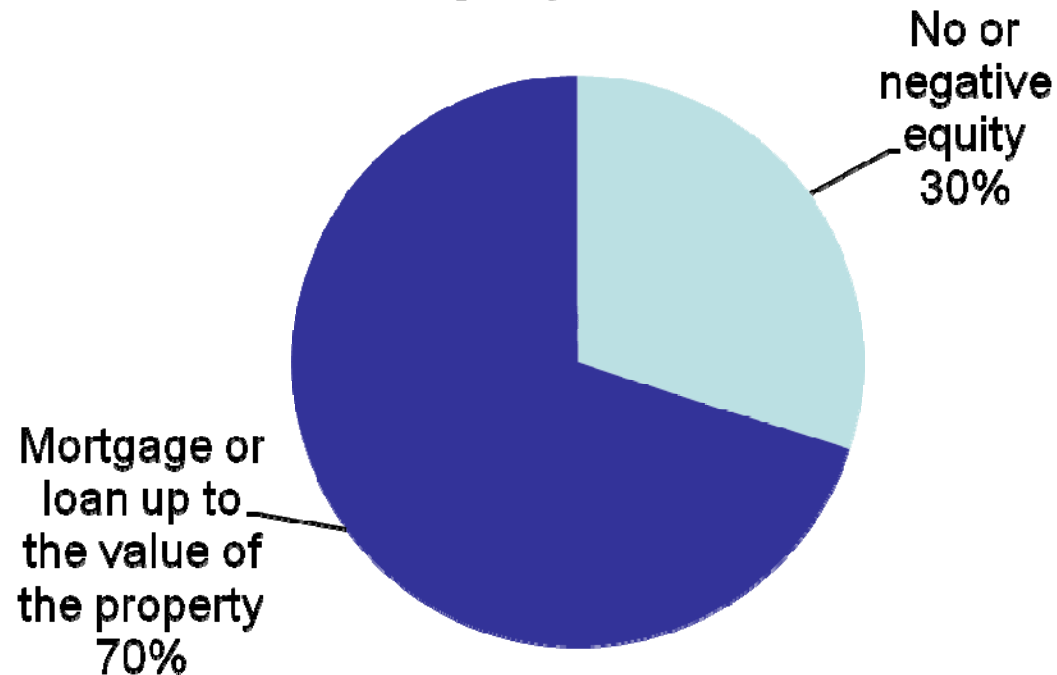
Do you currently have a mortgage or loan/s on this property?



Survey Results

- 30% of respondents with a mortgage or loan/s (28 people) had no or negative equity

Equity levels

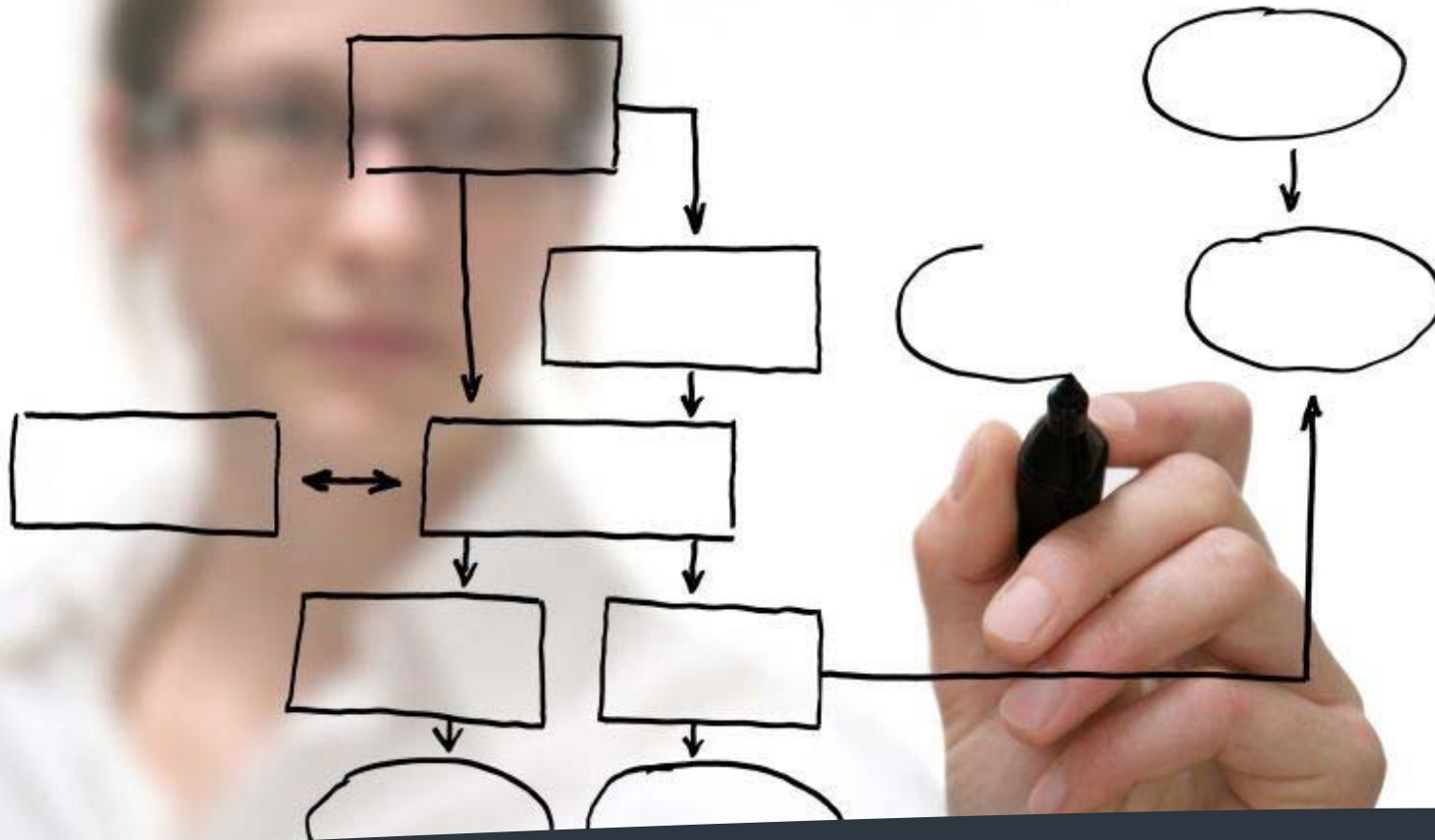


- Majority of these require major improvement works (64.3%)

Target Groups

- Properties in very poor condition (37.6%)
- Owners trying to sell (28.9%)
- Owners who can't afford to renovate (16.9%)
- Inherited properties (26.5%)
- Properties with unresolved ownership / subject to legal disputes
- Particular types of property, e.g. flats over shops
- Targeted areas, e.g. for regeneration

What We Did...

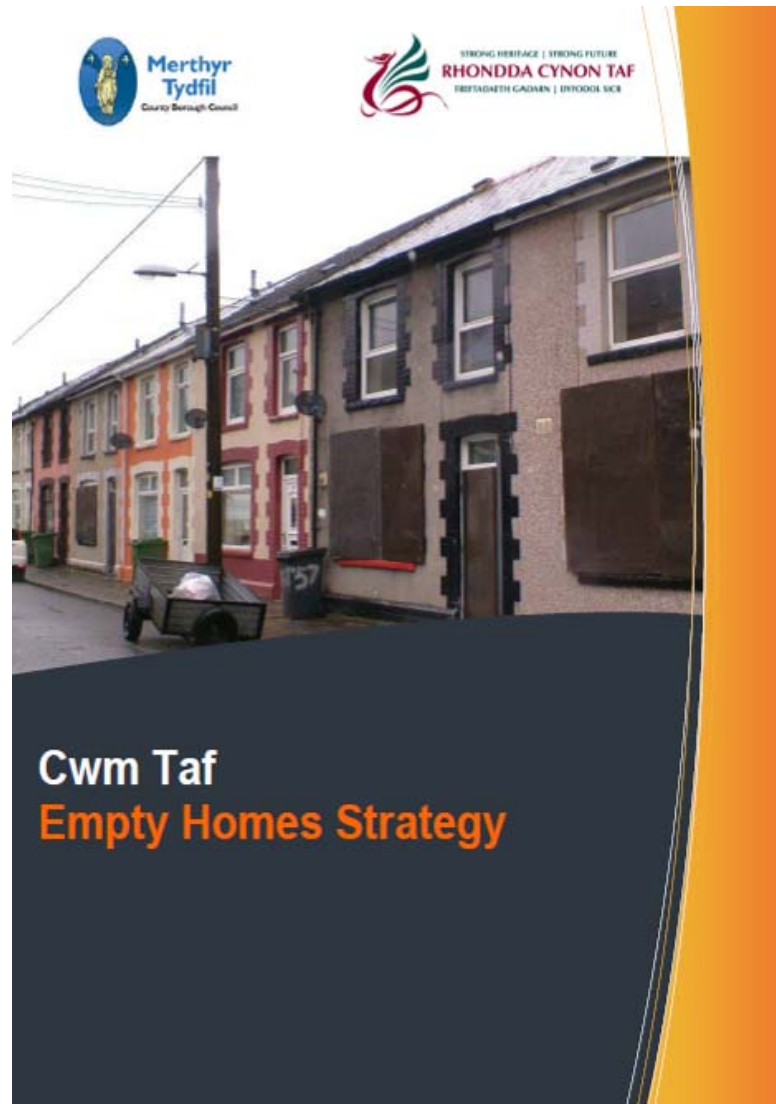


3. Define Roles and Responsibilities

‘Virtual’ Working Group



Regional Strategy



Council's Role

- Enabling
- Facilitating
- Advice and Information
- Enforcement
- Leadership and Co-ordination

Partners' Roles

- Define partners
 - RSLs, Landlords, Investors
- Define roles
 - Delivering
 - Providing finance
 - Renovation

Products and Approaches

- Information and advice
- Grants and loans
- First time buyer scheme – Homestep Plus
- Leasing scheme / Social lettings scheme
- Enforcement

Homestep Plus

- HoV Funding for LCHO
- Purchased 10 properties through recycling
- Partnership with Cynon Taf CHG
- Adapted for use:
 - Ty'r Felin Street
 - Rhondda Housing
 - Commuted Sums



Benefits of A Strategic Approach

- Improving performance
- Maximising impact
- Levering in private sector investment
- Raising awareness
- Right place, right product, right outcome

Over to You



Tricky Legal Issues: Bringing Empty Leasehold Properties Back into Use

**WLGA Empty Homes
Conference Wales
6 November 2013**

Liz Gibbons

Overview

- What is a Lease?
- Leaseholder Covenants: Remedies for Breach of Covenant
- Landlord Covenants: Remedies for Breach of Covenant
- The Right to Manage
- The Appointment of a Manager

WHAT IS A LEASE?

What is a lease?

- A contractual agreement between the parties
- A document setting out the terms for the occupation of the premises by the tenant
- A right to occupy a dwelling for a term, with exclusive possession, at a rent
- Capable of assignment (ie being transferred)

The form of the lease

Usually in five parts, plus schedules

- **1. Premises**

- Parties to the lease
- Date on which tenancy starts
- Price to be paid
- Intention of parties to create a lease
- Brief description of property (the demise)

- **2. Term**

- Length of tenancy

- **3. Rent**

The form of the lease - continued

- **4. Lessee's covenants**
 - To pay service charges
 - Use and occupation
 - Alterations
 - Repairs to the interior
- **5. Lessor's covenants**
 - Quiet enjoyment
 - Repair and decoration of exterior and common parts
 - Buildings Insurance
 - Mutual enforceability

Empty Houses: Potential Issues

- Lessee's covenants
 - Unpaid Service Charges
 - Unpaid Ground Rent
 - Lack of Repair to the interior
- Lessor's covenants
 - Lack of Repair to the exterior and Common Parts

Leaseholder Covenants: Remedies for Breach of Covenant

What is Forfeiture?

- Forfeiture means the termination of the lease
- A right of the freeholder under the lease that arises if the lease terms are breached

Forfeiture - preconditions

- Forfeiture clause
- No waiver
- Section 168/170 of 2002 Act
- Section 146 notice
- Possession proceedings

Section 168 of the 2002 Act breach of non-money covenant

- Determination that breach has occurred-court/LVT/arbitrator
- Prove breach of covenant-evidence
- Application Form downloadable from Justice website
- Final determination-appeal exhausted.
- 14 days passed by?
- Serve Section 146 notice.

Section 146 notice

- Importance of proper drafting
- Serve it properly including on mortgagee where known
- The notice must
 - specify the breach complained of:
 - requiring the breach to be remedied if possible; and
 - requiring compensation if the landlord requires it
 - give a reasonable time for compliance.

Landlord Covenants: Remedies for Breach of Covenant

Landlord breaches repairing obligations

- Seek an Order for specific performance/damages through the County Court
 - Repair
 - Insurance
- Common Law Right
 - Self-help
 - Leaseholder carries out work under an “implied licence”
 - Entitled to reimbursement
 - Potential to “set off” against ground rent

THE RIGHT TO MANAGE

Right to Manage

- For leaseholders of flats to take over management of the building, including repairs, maintenance, services and levying of service charges
 - no requirement to prove default by present landlord
 - no payment of compensation
 - simple procedures, no requirement for court action

Eligibility (S72)

- Building contains two or more flats
- At least two-thirds of flats leasehold
- Participating tenants must hold leases of at least half of the flats in the building, unless there are only 2 qualifying leaseholders in which case BOTH must be members of the RTM company
- s79 no residence requirements
- Certain exclusions (e.g. Local authorities, part commercial)

Exercising RTM

- **Invitation to participate: s78**

- Notice served by RTM company on all other tenants
 - advising of intention to go for RTM
 - inviting to become members of RTM company
 - providing information on management proposals

–Prescribed notice

- **Claim Notice: s79 -80**

- Notice served on landlord(s) claiming RTM
- Specify dates
- Copy to every qualifying tenant and any manager appointed under 1987 Act
- Notice to be in prescribed form

Absent landlords (S85)

- Application to LVT for order
 - (similar to existing procedure in the 1993 Act)
- Must take all reasonable steps to find landlord
- Must notify all qualifying leaseholders (not just members of the company) of LVT application

Appointment of a Manager

Introduction

- The Landlord and Tenant Act 1987, Part II, allows long leaseholders to apply to the Leasehold Valuation Tribunal (LVT) for a manager to be appointed where certain criteria and grounds are met
- An alternative to other remedies such as freehold purchase or Right to Manage where the management arrangements are unsatisfactory

Qualifying Criteria

- The building must contain at least two flats
- The right to seek the appointment of a manager from the LVT is not available where the landlord is
 - a local authority
 - a registered housing association or a charitable housing trust
 - resident on the premises and it is a converted (not purpose-built) property and less than half the flats are let on long leases

Grounds for Application

- Breach of obligation owed under the lease which concerns the management of the building
- Demanding, or is likely to demand unreasonable service and/or administration charges
- Breach of a an approved management Code of Practice such as the RICS Code (Royal Institution of Chartered Surveyors) Service Charge Residential Management Code
- Other circumstances that exist which make it just and convenient to appoint a new manager

Procedures - Preliminary Notice

- Identify the issues
- If the issues concerned are capable of remedy, give reasonable time to remedy the situation
- Apply to LVT if not possible to serve notice
- Once reasonable time has expired, if the issues have not been resolved application can be made to the Leasehold Valuation Tribunal (LVT)
- The leaseholder(s) have to nominate a new manager which could be themselves or a professional manager

Questions?

The Leasehold Advisory Service

020 7383 9800/02920 782222

info@lease-advice.org

www.lease-advice.org

Maple House, 149 Tottenham Court Road
London W1T 7BN & 2 Ocean Way, Cardiff, CF24
5TG

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Tricky Legal Issues "Untraceable and Deceased Owners"

Presented by

Andrew Lavender

Empty Homes Training Ltd.



Empty Property Legislation

- Ensure that you check specifically on who the notice should be served
- Building Act 1984, Town & Country Planning Act 1990, EPA 1990, and PDPA 1949)
- Will usually need to be served on "the Owner" or "Person Having Control (PHC)" and "the Occupier" – generally "Owner and PHC" have similar meaning (**but not always**)
- Improvement Notices Housing Act 2004, Sch 1 – "Person Having Control" (**House**)
- PHC defined by Sec 263 – the person who receives the rack rent of the premises (whether on his own account or as an agent or trustee of another person), or who would so receive it, if the premises were let at a rack rent
- Rack Rent means a rent which is not less than two thirds of the full net annual value of the premises *Pollway Nominees Ltd vs Croydon [1987]*

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Empty Property Legislation

- Improvement Notices under Housing Act 2004, Sch 1 – "owner" (**flat**)
- Owner – means a person (other than mortgagee not in possession) who is for the time being entitled to dispose of the fee simple (possession or reversion); and includes a person holding or entitled to the rents and profit from the premises under a lease of which the unexpired term exceeds 3 years
- Ashford DC – full repairing business lease - 2 ½ years left on lease
- EDMO – Relevant Proprietor (freeholder or leaseholder 7 years or more to run)
- Important to serve on correct party "Owner or PHC" (owner unknown/unregistered land)

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How To Trace an Owner?

How do we identify who to service the notice on?

Registered Land: person registered at empty home
or
Unregistered Land

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Sources of Information to Identify Ownership

Which of the sources below would you rely on?

- Land Registry www.landregistry.gov.uk (Register and title plan)
- Section 16 LG(MP) Act 1976 (Estate or Interest)
- Section 330 Town & Country Planning Act 1990
- Housing benefit records & council tax records – Section 237 HA 2004
- Section 235 Housing Act 2004 – (power to require documents to be produced), **require deeds**, send to mortgage company etc
- Companies House, Registered Office www.companieshouse.gov.uk
- Companies Act 2006 – Business stationary & website
- Planning applications, previous enforcement files or other internal records
- Power of Entry (Survey & Examination)
- Advert in paper (RPT EDMO Cases)
- Tracing Agent (Uksearch limited)
- Citizen View (Experian, Call Credit and Equifax) Sec. 29 (3) DPA 1998
 - prevention or detection of crime, apprehension or prosecution of offenders, assessment or collection of tax and duty

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Sources of Information to Identify Ownership

Which of the sources below would you rely on?

- Land Registry www.landregistry.gov.uk (Register and title plan)
- Section 16 LG(MP) Act 1976 (Estate or Interest) – 6 month rule
- Section 330 Town & Country Planning Act 1990 - 6 month rule
- Housing benefit records & council tax records – Section 237 HA 2004
- Section 235 Housing Act 2004 – (power to require documents to be produced), **require deeds**, send to mortgage company etc
- Companies House, Registered Office www.companieshouse.gov.uk
- Companies Act 2006 – Business stationary & website
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- Advert in paper (RPT EDMO Cases)
- Tracing Agent (Uksearch limited)
- Citizen View (Experian, Call Credit and Equifax)

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Online options

www.theukelectoralroll.co.uk £3 a month
www.thephonebook.bt.com free
www.b4usearch.com free
www.facebook.com free
www.192.com (35p a search, buy 100 credits)
www.tracesmart.co.uk (5 credits £3.50, 100 credits £15)
www.peopletrace.com (30 days £10)
www.ukpeoplefinder.com (£65-£125)
www.qas.co.uk Name Tracer Pro
 UK info Disc

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Oxygen Challenged Persons / Deceased

- Early enquiries indicate elderly person? (nursing home / deceased)
- **Death Certificate:**
Registry Office Certificates: www.gro.gov.uk £9.25/ www.ukbmd.org.uk
 - Date and place of death, date of birth, occupation, cause of death, informant details
- **Probate:** www.justice.gov.uk/courts/probate/standing-searches
 - General search: Probate Form PA15 £6 – local registry (4 weeks turn around)
 - Need full name, DOB, last address and date of death (if known)
 - For a period of more than 4 yrs, additional fee £4 (4 years)
 - Document Issued by High Court to executors or administrators of an estate – gives them authority to administer estate
 - 3 Types: Probate – issued to executors named in will
Letters of administration with will annexed – issued to someone other than executor when the deceased left a will
Letters of administration – issued when the deceased did not leave a will
No need for a grant if estate is worth less than £5,000

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Oxygen Challenged Persons / Deceased

Public Trustee

- No probate granted (Intestate) - Public Trustee under Section 18 of the Law of Property (Miscellaneous Provisions) Act 1994
- Notices must be served on “**The Personal Representative of (full name of the deceased) of (deceased’s last known place of residence)**” and sent to Public Trustee (London) £40
- Non service on Public Trustee on the basis of absence of knowledge of intended recipient’s death (Section 17), does not invalidate notice

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What is Bona Vacantia (BV)?

- Latin for “vacant goods” – covers most forms of property/assets. Falls to the Crown (exchange for Civil List)
- Covers two main types of situation
 - Dissolved Companies
 - Estates of persons who have died without leaving a will (Intestate) and without known kin
- Treasury Solicitor is Crown’s nominee for dealing with Bona Vacantia
- One of the oldest roles of the Treasury Solicitor
- Treasury Solicitors (Bona Vacantia) www.bonavacantia.gov.uk

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Non Referrals

- Before you consider referring an estate to Bona Vacantia, please consider the following questions
- Did the deceased leave a valid Will
- Did they leave any entitled blood relatives - family tree (www.bonacantia.gov.uk)
- Is the estate insolvent?
- If the answer to any of these questions is yes, do not refer the estate to us as there will be someone else entitled to deal with it - a relative, a person named in the Will as executor or beneficiary or, if the estate is insolvent, a creditor.
- Any referrals of this nature will be returned.

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11

Jurisdiction

Where

- TSol deals with BV in England and Wales except Duchies of Cornwall and Lancaster. Cornwall: Farrer & Co Solicitors
- Northern Ireland – Crown Solicitor is the Agent
- Scotland – QLTR (Queens Lords Treasurer’s Remembrancer)

Law

- Administration of Estates Act
- Companies Act Legislation (1985 & 2006)
- Royal Warrants (collecting in and handing out)

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The Bona Vacantia Division

- Primary Roles
 - To identify, collect, administer and dispose of BV (Assets)
 - To protect the Crown from liability
 - To provide a service to the public
- Close liaison with HM Treasury

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Some Statistics

- Approximately 12,000 cases per year (21,000 this year)
 - 75% Companies cases
 - 25% Estates cases
- Income generated
 - Over £38 million in 2007/08
 - £36.5 million 2008/09
 - £65 million in 2009/10
- Accounts get laid before Parliament

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Companies Group

- All property and rights except if held on trust for another person
- Effect of Restoration (6 yrs) – company never dissolved – gets property back
- Power of disclaimer – 3 yrs- onerous property – no liabilities such as commercial leases, property that is contaminated or in a dangerous condition

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Estates Group

- No valid will & no entitled kin or complex family trees.
- Trace kin. Enquiries/advertisements. Website. Big business. Media interest (BBC2). FOI requests. Heir Hunters / Grafton
- Respondents to the advertisements are required to provide evidence of their blood relationship in the form of birth, marriage and death certificates, along with evidence of their identity. Respondents may also be asked for anecdotal evidence, if they knew the deceased. If entitled kin are traced, we cease to have any interest or involvement in the estate
- Power to make discretionary grants
 - Dependents/others for whom intestate might reasonably have been expected to provide

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Estates Group

- Often will place a restriction on the Land Registry title to prevent fraudulent application / sales etc
- Can slow the process if your trying to enforce the sale of the property, often better to complete process then inform Bona Vacantia

"(20.05.2008) RESTRICTION: No disposition of the registered estate is to be completed by registration without a written consent signed by the Treasury Solicitor (Bona Vacantia section) of One Kemble Street, London WC2B 4TS."

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House search – Power of Entry



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House search – nice to find!



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Typical BV Assets

- Cash balances (Bank Accounts)
- Land and buildings
- Freehold and Leasehold Reversions
- Mortgages/Charges
- Intellectual Property (Trademarks/Copyright)
- Pensions/Insurance
- Chattels and personal property

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Interesting assets/cases

- Japanese Knotweed
- Rank Film Productions – The 39 Steps
- Pigs
- Yachts
- Bomb site/Firework factory
- Trains
- Graveyard
- £25,000 in suitcase
- Music rights

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BV Website and Contacts

- www.bonavacantia.gov.uk
- Zane Denton – Head of Division
- Melanie Hooper, Head of Estates Group
- Melanie.hooper@tsol.gsi.gov.uk
- David Miles, Companies Group
- Tel. No. 020 7210 2901
- David.miles@tsol.gsi.gov.uk

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Crown Estate - Escheat

- Burges Salmon represents the Crown Estate in administration of freehold property which become subject to reversion to the Monarch in the right of the Crown under the common law prerogative of escheat.
- Only freehold properties may be subject to escheat
- **Does not incur any liability (such interests or encumbrances)** and where practical, return property to private ownership (by the grant of new freehold estates in land for best consideration An entitlement (not an obligation)
- A number of ways properties become subject to Escheat:
 - Disclaimer by Treasury Solicitor under Companies Act
 - Disclaimer by trustee in bankruptcy or Official Receiver
 - Disclaimer by liquidator (prescribed notice and leave of Court), disclaim any onerous property
 - On dissolution of a foreign company (includes one registered Channel Islands or Isle of Man)
- Crown Estate not obliged to dispose of property or dispose of in a certain manner (private road adjoining owners, freeholder flats with leases of over 80 years formula)
- **Crown estate does not deal with freehold land previously owned by anyone who died without making a will and without any known family. Dealt with by Treasury Solicitor**

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23

Service Of Notice - Ownership Types

- **Corporations** – www.companieshouse.gov.uk
Organisations which are legal persons and are distinct from its Directors (Officers, shareholders etc)
- **Joint owners of property** – both must be named on notices (separate notices preferred) and must get their own copy addressed individually
- Ensure that you use their full names and matches Land Registry details
- **Individuals trading under a business name**, the business name does not have any legal personality. Therefore, serve on John Jones trading as "Renovation R Us"
- **Trusts** – Property frequently held by trustees, commonly unincorporated clubs, as the only legal way to hold property or other organisations such as charities. The trustees are each legal persons but have a joint responsibility and there must be more than one trustee and they cannot act on their own

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S233 Local Government Act 1972

- Most legislation will have section on service of notices (**1st Instance**)
- Section 233 LGA 1972 – provides a framework for wide application
- **General Rule – Documents may be:**
 - Delivered to the person
 - Left at his/her proper address
 - Posted to the person at his/her proper address
- **Corporations – The notice must be served on:**
 - Secretary or the clerk of the body
 - At the registered or principal office (www.companieshouse.gov.uk)
 - Companies name on notice, delivered to secretary (name on envelope) – secretary /clerk name does not appear on notice.
- **Partnership**
 - On a partner or person having control of the partnership
 - At the partnership's principal office
 - I would suggest that you serve on all partners
- **Unincorporated Associations / Trusts** – may need knowledge and structure of particular organisation – but land registry will confirm ownership as certain organisations cannot hold land unless in trust

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What if the Person Cannot be Traced

- May know the name of the owner but unable to establish current address ?
- Property may be unregistered with District Land Registry
 - 30% unregistered
 - 70% registered
- Unregistered Land – adequate proof of ownership?
- How do we deal with this?

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What if the Person Cannot be Traced

- Should check **specific legislation for guidance**
- An example, Housing Act 2004 – Section 246
- LHA must take reasonable steps to identify persons.... and may, if it is not practical **after reasonable enquiries** to ascertain the name or address of that person.....
- A document can be served by addressing it to him and describing his connection with the premises (naming them) and
- Delivering the document to some person on the premises or, if there is no person... fixing it, or a copy to some conspicuous part of the premises.

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What if the Person Cannot be Traced

- However, if particular act is not helpful then can rely on Section 233 LGA 1972
- The Environmental Protection Act 1990 does not provide for affixing notices to premises.
- In such cases can rely on [s.233\(7\)](#) of the Local Government Act 1972, albeit limited to prescribed circumstances (*reasonable enquiries*)

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Proof of Service

- Best evidence – hand delivery (Provide Statement and note in PACE pocket book)
- First class post, proof of service from post office or post box
- **Section 7, Interpretation Act 1978 - References to service by post. (UC Nottingham Case 2013)**
 - Where an Act authorises or requires any document to be served by post (whether the expression “serve” or the expression “give” or “send” or any other expression is used) then, unless the contrary intention appears, the service is deemed to be effected by properly addressing, pre-paying and posting a letter containing the document and, unless the contrary is proved, to have been effected at the time at which the letter would be delivered in the ordinary course of post.
 - **Rebuttable presumption**
 - letters by 1st class mail will be deemed delivered on 2nd working day after posting & 2nd class letters will be deemed delivered on 4th working day after posting, “working days” being Monday to Friday excluding bank holidays.
- Out of area, another council to deliver on your behalf (provide statement) or process server
- Serving at the property or attaching to conspicuous part of property (2 officer or dated photo)
- Issues of recorded delivery (can be appropriate in some case S.329 T & CPA 1990s)
- HA 2004 – Section 247 –service of notice electronically, prior consent needed (fadipe)

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Good Practice

- Ensure an exact copy of the notice is recorded on file and signed/stamped to that effect (avoid multiple originals)
- Belt & braces (Land Registry address, empty property address)
- Serve copy of notice on mortgage company (Legislation may or may not require it), but good practice and may assist in getting the owner to cooperate. Include photographs of property in poor condition
- If Act states that notice must be served on the occupier and the property is a long term empty, would you bother?

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Any Questions?

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Scenario 1

- The owner (mother) of the registered property has died some 3 years previous and the only son is refusing to apply for probate to deal with the estate
- He is currently on benefits and feels that if he claims the estate he will lose his entitlement to his benefits – what can I do ?
- The property is in a very poor condition both externally and internally and merits possible action under the HA 2004 (S11/12) or BA 1984 (S.79)
- There is also a previous Council Tax debt against the mother in the order of £4,000, liability orders were secured against the mother
- Is there any way to force him to apply for probate

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Ans: Scenario 1

- There is no way to force the son to apply for probate, while his approach is illogical, it is not uncommon – but this can work to your advantage
- Similarly, if someone has been left a property but the level of debts/liabilities exceed value of property i.e County Council charge for providing care, no benefit in apply for probate (will cost money and receive nothing)

Options

- Council can apply for probate in their own name as a creditor, deal with priority of debts, if there are any others.
- Serve a statutory notice, create a debt and enforce the sale of the property, quickest approach charge for service of notice. As no probate granted no one has the requisite interest to challenge the LA.

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Scenario 2: Lost Deeds

- Property unregistered with District Land Registry and is in a very poor condition and is affecting the street scene and would warrant some form of intervention.
- Has been in the family for generations stated in grandmother's will as being part of her estate that was left to his mum (who has now passed)
- The deeds were deposited with HSBC bank some years ago and our solicitor has written to the bank who can only demonstrate the deeds are no longer with them.
- Would like to apply for a Houses into Homes Loan to renovate the property

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Lost Deeds Answer

- Not suitable for a houses into homes loan due to not being able to show good title.
- There is a procedure with the District Land Registry for "lost deeds" <http://www.landregistry.gov.uk/professional/guides/practice-guide-2>.
- If they follow that procedure they may be able to obtain a possessory title for the property.
- The description given by the Land Registry to the title or ownership of a property where the registry is not entirely satisfied as to the vendor's ownership of the property due to a discrepancy. It is satisfied only that the person is lawfully in possession of the property as opposed to title absolute.
- It would then be possible for holder to obtain title and covenant insurance to cover the risk of any challenge to the title (£400-£500). Therefore, it may be possible to lend against such a title, if there was the adequate insurance in place
- Adverse possession: (District Land Registry) of the property (control / possession) land for 12 years, squatters rights (possessory title)

Other Options

- Enforced Sales (LA Trustee in perpetuity)
- Compulsory Purchase Order (6 years)
- Difficult for them to challenge as they cannot prove they have a relevant interest, so it would be a difficult choice as they have approached you for help (bitter sweet)

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Scenario 3: Dissolved Companies

- Land Registry of a property shows that title absolute is in a Companies name
 - Having checked with the Land Registry the Company was dissolved some 8 years ago.
 - The property is a half built house and is affecting the street scene.
 - One of the alleged Company Directors has some involvement, but is unwilling to engage and you have no way of verifying if he was one of the Directors.
- Is there any action the LA could take, such as:**
- Service of Notice, WID, create a charge and enforce the sale of the property
 - Compulsory Purchase Order
 - No Action

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Dissolved Companies Ans:

- Dissolved Companies – all its property and right (but not its liability) **automatically** vests in the Crown Bona Vacantia (Companies Act 1985 S.654 / Companies Act 2006 S.1012) – (England and Wales only)
- Usually, Company can be restored there is a process and fee associated with such action through Bona Vacantia
- Time limit to restoration 6 years (Companies struck off after Oct 2009, Struck off before 1st Oct 2009 time limit is the later of 20 years from the date of strike off and 1st Oct 2015)
- As the property vests in the Treasury Solicitor (Bona Vacantia) – cannot take any action as Crown immunity applies
- Difference - people who die intestate & no family, period before it vests in (BV)

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Scenario 4

- Externally property in very poor condition “seriously detrimental “
- Property registered & in negative equity
- Would justify the service of:
 - Section 215 Town & Country Planning Act 1990 or
 - Section 79 Building Act 1984
- **Course of Action**
- The Council is considering a range of options, but have decided on either:
 - Enforced sale (works in default and enforce the sale in relation to either notice)
 - Compulsory Purchase Order
- **Question**
- If Enforced Sale, which notice would you serve and why?
- If Compulsory Purchase, which notice would you serve and why?

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Answer: Scenario 4

Enforced Sales

- Section 79 Building Act 1984 – charge binds all estates and interests and charge takes priority over mortgage (Good Act - Enforced Sales)
 - Enforced Sale via Land Registry Route
- Section 215 T&CP Act 1990 – only binds successive owners (not all estates and interests) and does not take priority over mortgage – therefore, if in negative equity, then unlikely to recover monies.
 - Enforced sale via County Court (preferred) (Charging Orders / bankruptcy)

Compulsory Purchase Order

- Market value
- Empty property – Basic Home Loss Payment (7.5% MV ↑ max £75k)
- Section 215 T&CP Act 1990 Notice in place (when CPO granted)
- Owner Loses his/her right to claim basic home loss payment.

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Scenario 5

- Unregistered property in very poor condition (internal and external) and valued £90,000
- LA has done extensive research to try and trace the owner and are satisfied that they have made reasonable enquiries, but to no avail.

Courses of action being considered

- Refer the matter through to Bona Vacantia
- Statutory Notice served under Building Act or Housing Act with a view to undertaking works in default , enforcing the sale of the property to recover said funds
- Compulsory Purchase of the property or
- **Which Course of action should you pursue and why?**

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Answer: Scenario 5

Treasury Solicitor

- Easiest approach – little involvement from LA (referral)
- Will generally take a considerable period of time to resolve (restriction on title)
- Crown / Exchequer will be the final beneficiary

Enforced Sales

- Building Act 1984 - charge on premises and on all estates and interests.
- Housing Act 2004 - charge on the premises (Paddington BC v Finucane 1928)
- Quick – bring to market 4-6 months of demand being served
- Keep funds in perpetuity / pay into court

Compulsory Purchase Order

- Serve a section 215 or HA 2004 notice – avoid basic home loss payment
- CPO - Owner (6 years to claim monies) statute barred Limitation Act 1980
- CPO will cost Approx £3k (legal & adverts), 6-8 months, no public inquiry

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Scenario 6

- There is an accumulation of rubbish, putrescible matter and to the front of the property and to the rear garden. The rear garden is landlocked and cannot be accessed without gaining access through the property, which is secured.

Courses of action being considered

- Section 4 Prevention of Damage by Pests Act 1949
- Section 11/12 Housing Act 2004
 - Domestic Hygiene, Pest and Refuse (15) – 0.1 Class I, 0.9 Class II, 9 Class III, 90 Class IV
- Section 79 -80 Environmental Protection Act 1990 - Stat Nuisance
- **Which course of action would you pursue and why?**

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Answer: Scenario 6

Section 4 Prevention of Damage by Pests Act 1949

POE : 24 hours notice to occupier, **but no warrant provision**
S.7(2) of the Act, S.291 of the 1936 Act charge upon the premises and on all estates and interests therein

There is no right of appeal unless works are of a structural nature (drains)

Section 11 / 12 Housing Act 2004

Paragraph 13 of Schedule 3 - charge on the premises

No provision to secure a warrant to undertake works in default (Sch 3)

Section 79 -80 Environmental Protection Act 1990

Section 81(A) EPA S. 4 & 8 of the Act – charge on the premises

POE : 24 hours notice to occupier **and warrant provision** (unless emergency)

Not a charge until after Section 81A EPA demand becomes active (21 days)

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Scenario 7

- A long term empty property is in a derelict condition and is beyond economical repair to such an extent that it is a dangerous structure. The costs of repairing the property will far exceed the end value.

- The building is listed and is in a Conservation Area.

- Discussions with the Conservation Officer have been less than helpful and they consider the property should be kept at all costs.



Options available to the LA to deal with the property

- Section 265 Housing Act 1985 – Demolition Order
- Section 79 Building Act 1990 – Ruinous and Dilapidated
- Section 77 Building Act 1990 Dangerous structure
- Section 78 Building Act 1990 Dangerous structure – imminent risk
- Section 215 Town & Country Planning Act 1990
- Compulsory Purchase Orders – Section 226 or Section 47

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Answer: Scenario 7

What courses are open to the LA to deal with the property

- Section 265 Housing Act 1985** – Demolition Order: **A DO cannot be made in relation to a listed building**
- Section 79 Building Act 1984** – Ruinous and Dilapidated –, subject to the Planning (Listed Buildings and Conservation Areas) Act 1990 relating to listed buildings, buildings subject to building preservation notices and buildings in conservation areas: **Conservation rules**
- Section 77 Building Act 1984**: Dangerous structure – as above: **Conservation rules**
- Section 215 Town & Country Planning Act 1990 – detrimental : **Conservation rules**
- Compulsory Purchase Orders**:
 - Section 229 Town and Country Planning Act 1990 or
 - Section 47 Planning (Listed Buildings & Conservation Areas) Act 1990
- Must have a plausible scheme of works following CPO – SOS requirement
- Private sector will not engage as not financially viable
- RSL / LA have to have deep pockets – Listed Status expensive (austere times)
- Section 78 Building Act 1984**: Dangerous structure – imminent risk – **takes precedent over the listed building status** – should be minimum works to remove risk

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Any Questions?

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Working with Landlords and Developers

WLGA Empty Homes Conference

Douglas Haig

Director for Wales

Residential Landlords Association

- Who am I?
- What properties are we talking about?
- Who are we talking about ?
- What do landlords and developers want?
- Pain points
- Brainstorm ideas

Who am I?



- Moved to Cardiff in 2001 – became a landlord
- Set-up a property management company 2007
- Became Chair of the Cardiff Landlord Forum 2008
- Director for Wales for the Residential Landlords Association 2011

What is the RLA?



- One of the largest professional bodies representing landlords in the UK, arguably the largest in Wales.
- Not for Profit Organisation
- Representing over 16,000 landlords in England and Wales
- 6000 landlords in Scotland with SAL
- Representing over 150,000 properties.
- Split into policy and member services
- We believe in having a low regulated but professional sector.
- Won the 'Association of the Year' at the Landlord and Letting Awards 3 years running.
- As a membership organisation we grew 15% this year.

Empty Properties



- What properties are we talking about?
- Which properties are coming back into use?
- Which ones aren't?
- Survey by VOG 37% Flats, 57% Houses
- 14% of empty properties were above shops
- 25% someone could move in immediately, 18% require basic redecoration.

Who should we be engaging with?

- Businesses
- Landlords
- 'Empty Property Owners'
- Developers



What do we know about Landlords?



- There are about 80,000 landlords in Wales
- There are about 185,000 PRS properties in Wales
- 2.3 properties per landlord
- 78% of landlords own just one property
- Just 8% are full time landlords
- 22% have let property for three years or less
- 21% earned no income from their property at all
- Average portfolio size for an RLA landlords is 8 properties

Businesses



- Many empty spaces above shops
- Some used for storage/staff rooms/offices
- Different approach to be used between large and small businesses
- Objections include:
 - Hard to convert
 - Access issues
 - Worried about people living above business

Empty Property Owners



- People that end up with an extra property they didn't intend to.
 - Inherited
 - Negative equity scenario
 - Don't have time to deal with/hassle factor
- One property landlords that found it more work than expected
- Waiting to sell
- Second homes

Developers

- Professional Developers
- Builders
- Landlord Developers
- DIYers
- Linking up with the Wales property development fund?



What is a LL/Developer looking for?



- Clear Information, nothing hidden
- Decisiveness
- Clear exit strategy
- Development profit of between 10 and 20%
- Rental yields of around 6 - 8% (lower for commercial)
 - Monthly rental of £495 = Annual Rent £5,940
 - Purchase price £80,000
 - Yield - $\frac{£5940}{£80,000} = 0.7425 = 7.4\%$

Costs



Responsive Maintenance	5%	£297.00
Planned Maintenance	7.50%	£445.50
Regulatory Costs	3%	£178.20
Void Costs	0.50%	£29.70
Lettings Costs	2.30%	£136.62
Management Costs	10%	£594.00
Voids	3.60%	£213.84
Bad Debt	1.60%	£95.04
	34%	£1,989.90

Final Figures



Deposit		£20,000.00
Mortgage		£60,000.00
Rate	4.00%	£2,400.00
Costs		£1,989.90
Income		£5,940.00
Profit		£1,550.10
Yield on Investment		7.75%

What is a LL/Developer looking for?



- Two scenarios
 - Own the empty property themselves
 - Looking to buy and develop empty property
- First scenario is usually that negative equity has kicked in
- Second scenario
 - Most landlords and developers don't have buckets of cash lying around.
 - Deposit is difficult and funding is difficult on these types of properties.
 - Very often landlord needs to do the work before getting the money back out.
 - Options – how would the loan work with that?

Issues with Houses into Homes Loan



- Repayment timescale for rental too short.
- Can't move into a home personally brought back into use.
- Negative Equity Issue

Discussions



- Your turn
- Why a lack of engagement?
 - Afraid of the council?
 - Afraid of social letting agencies/what about private?
 - 30% said none of the services talked about would be useful.
- How would LA's make options work?



Thank you for listening!

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