

DRAFT

Empty Property strategy 2011-2015

Overview

This strategy sets out what we will do to minimise the number of empty homes in York and, when homes do become empty, what we will do to help return them to use as soon as possible.

Empty homes represent a significant waste of valuable housing. This is especially true at a time of both a severe affordable housing shortage and low rates of new housing supply.

Each empty home that can be brought back into residential use represents a gain to the housing stock. This is extremely important to a city like York that has very high levels of housing need¹. Empty homes can also have detrimental effects upon the condition and value of adjacent properties and on the amenities of the local neighbourhood. Usually the longer a house remains vacant the greater its disrepair, with an increased risk of vandalism and crime.

The York Housing Strategy 2011-15 sets out the strategic direction for housing in York. A key aim of the strategy is to make best use of existing homes given very high housing demand and constrained new supply. Ensuring homes do not remain empty is a key way to achieve this.

Policy Context

There is recognition from government that long-term empty properties undermine efforts to meet housing need and blight local neighbourhoods. Government figures suggest there are almost 735,000 empty homes in England, representing around 3 per cent of the housing stock. The vast majority are in the private housing sector². About 45 per cent of empty homes have been empty for longer than 6 months.

¹ ADD - Housing needs data (tbc SHMA) and housing waiting list data

² Owner occupied and privately rented homes

As a result, £100 million has been made available within the National Affordable Housing Programme (NAHP) for 2011-15 to bring long-term empty homes back into use.

In addition, government is providing incentives to local authorities to increase housing supply through a scheme called the New Homes Bonus (NHB). For each empty home brought back into use councils receive a financial reward equal to the average council tax each year for the following six years. The bonus is based on achieving a *net* reduction in the number of empty homes each year. An additional bonus is paid if the dwellings are returned to use as affordable homes³.

There are a range of tax incentives available to encourage and support the renovation and conversion of empty properties such as up-front tax relief on capital renovation costs.

Government has also recently consulted on proposals to relax planning rules for change of use from commercial to residential use in an effort to increase housing supply. These proposals sit within a wider review of the national planning framework that will be based around a presumption in favour of sustainable development. Local authorities already have a range of powers that can give permitted development rights for change of use through local development orders.

This strategy seeks to build upon the opportunities presented by this new focus on empty homes and the measures in place to support it.

Empty Properties in York

The main source of data showing the level of empty homes in York is council tax records. On 1 April 2010 records show there were 1,470⁴, empty homes representing 1.7 per cent of York's total housing stock. Similar to the national picture, the vast majority of empty homes are within the private sector.

³ An affordable home is one sold or let at below market value

⁴ Empty Homes Agency based on council tax records 2010

Table 1.

Area	Total dwellings April 2010	Vacant dwellings (total)		Private sector properties vacant for more than six months	
		Number	Vacancy rate	Number	Vacancy rate
York	84,738	1,470	1.7%	383	0.5%
North Yorkshire	356,239	9,200	2.6%	4,138	1.2%
Yorks' and Humber	2,311,547	92,819	4.02%	38,187	1.7%
England	22,899,298	776,554	3.3%	300,526	1.3%

Source: Empty Homes Agency 2010

When compared with other areas we can see that the number of empty homes in York is comparatively low, and particularly so when we consider homes vacant long-term (more than six months) at 0.5 per cent of stock. This is representative of a very high level of demand for properties in this area.

Our records also showed there were fewer than 48 empty homes within the local authority sector⁵ awaiting re-let to new tenants and none of these had been empty for longer than 6 months. There were also a number of empty dwellings owned by other public sector bodies⁶.

Vacancy is a key indicator of the supply/demand imbalance in housing markets. A certain level of vacancy within a housing market is essential to ensure a healthy turnover (or churn) in order to keep the market active. Government guidance recommends that planning policy should look to accommodate a level of 3 per cent to ensure a healthy market. The overall vacancy rate for North Yorkshire stands at 2.6 per cent in 2009/10⁷.

Our knowledge of the extent of empty space above shops or redundant office/commercial space across the city is currently limited. Empty space above shops can be divided in to three distinct groups:

- Composite Premises – A single premise with both residential and commercial usage and a single point of access. Each area is rated separately so data on the number of empty residential units

⁵ Homes owned and let by the local council and housing associations at 1 April 2010 (HSSA)

⁶ There were 105 empty homes belonging to other public sector bodies in York in April 2010 (HSSA)

⁷ North Yorkshire Strategic Housing market Assessment 2011

within composite premises can be provided by council tax department.

- Residential Premises – Living accommodation which is above a commercial premise and with separate access. They are not linked to the commercial premise on the Council Tax database and may or may not have the same owner.
- Commercial Premises – No residential accommodation and no way of easily identifying such premises from computer records as very few owners request a 'partial occupation certificate for occupied/unoccupied parts'. Where issued these certificates give a discount of the rateable value of the unoccupied parts for a period of 3 months.

Further work is required to identify the potential for activity in this area. The Government has recently sought to encourage this through VAT reductions in the capital cost of refurbishment and proposals to relax planning rules.

Whilst the level of long-term empty homes in York is small compared to other areas, it is right that we continue to work with owners to return properties to use as soon as possible, concentrating on those that cause most detriment to local neighbourhoods.

The location of long-term empty homes/properties and their local impact

Long-term empty homes can be found right across the local authority area, though higher concentrations are to be found within the inner city.

When we assessed the environmental impact of long-term empty homes in June 2011 we found the majority of homes have a low impact. The average score per dwelling was 23 out of a maximum possible 80 (with 80 being the worst impact).

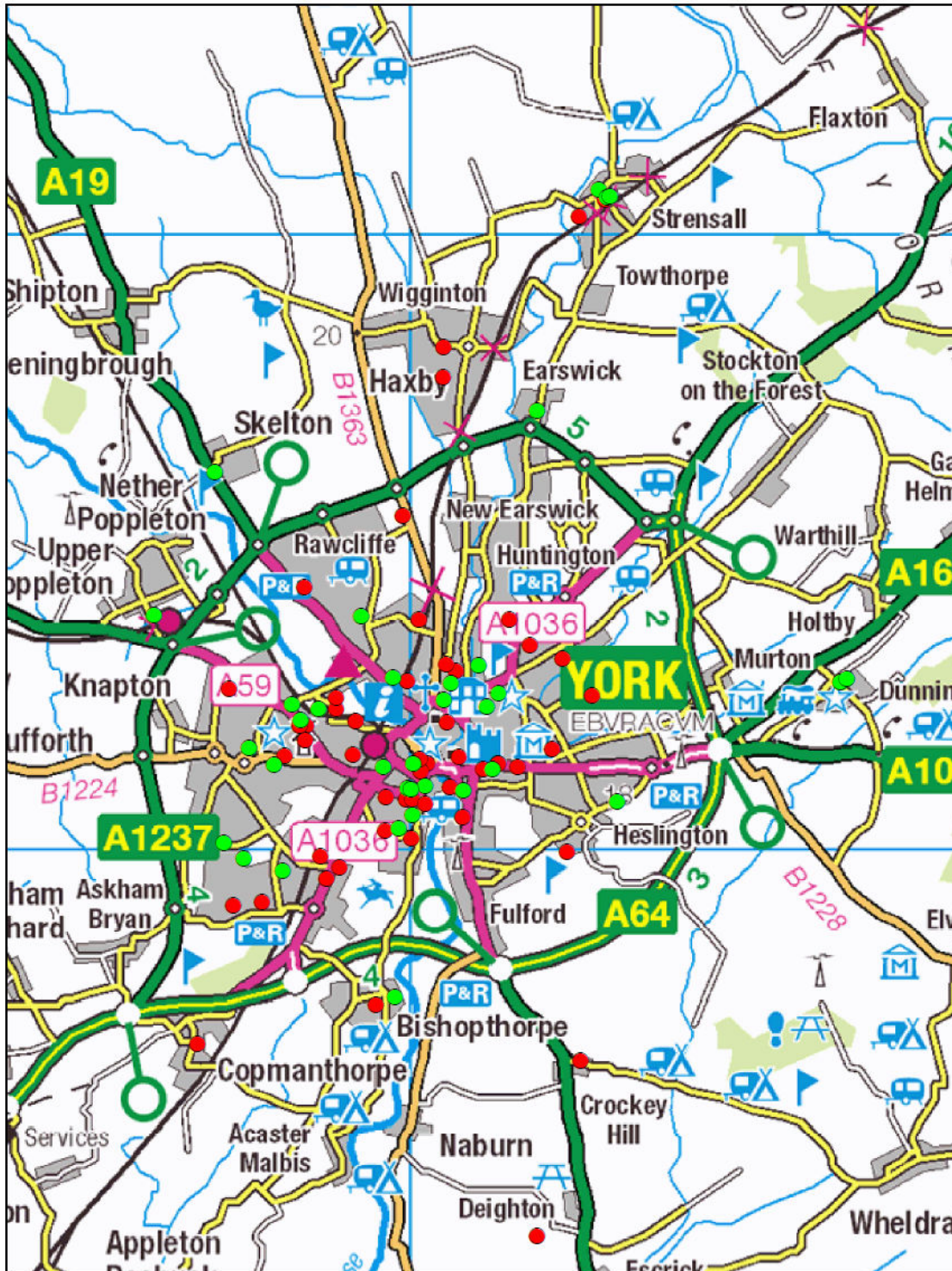
However, the survey identified a number of homes within the city that scored more highly and these are concentrated within inner city areas. Our strategy will be to target these properties first.

Table 2. Environmental impact assessment of long-term empty homes

Environmental impact Score	Number of dwellings
0-23	41

24 - 60	39
61-80	1

Map 1. Distribution of long-term empty homes



Long-term empty properties - York, August 2011
 Red – Below average impact
 Green - Above average impact

Why homes/properties are left empty

When we asked empty home owners why their properties have remained empty we were given a wide range of reasons. These include:

- Owners class them as second /holiday homes
- Owners had put the empty dwelling on the market for sale/letting
- Owners were repairing their property
- Owners inherited the property and hadn't decided what to do with it
- Owners had purchased the home in advance of their retirement

Similarly, there are many reasons why space above commercial property is left vacant. These include:

- General security concerns such as the need for a separate entrance
- Issues of significant general disrepair
- Safety issues such as lack of fire precautions
- Lack of knowledge about the help and assistance available to convert empty space into residential use

Returning long term empty homes/properties above commercial premises back into use can be a long intensive process involving initial identification of owners/managers, followed by sustained encouragement and support and in some cases enforcement action.

In 1998 the council worked in partnership with York Housing Association to convert unused space above shops on Micklegate into eight affordable homes.

Living Over the Shop schemes promote mixed use activity, contribute to the rejuvenation and safety of the city centre, reduce the demand for car usage, and help to reduce the pressure to build on undeveloped sites.

Case Study: Living Over the Shop, Micklegate, York

- York Housing Association negotiated with the owners of unused floors in a listed building on Micklegate for a 20 year lease.
- The council contributed £68,000 capital funding towards the conversion of the space for eight self contained one bedroom flats for social rent.

- The remaining costs of conversion were met by the buildings owners
- York Housing Association manage the flats and the owners of the building receive a guaranteed rental stream for 20 years
- The council receive 100% nomination rights for the period of the lease
- The scheme opened in January 1999

What we plan to do

The overall aim of this strategy is to minimise the number of long-term empty homes in York and, where homes do become empty, help return them to use as soon as possible.

Our key success measure/s:

- Return a minimum of 30 long-term empty properties into use per annum.
- Ensure the number of newly arising long-term empty properties per annum does not exceed the number of long-term empty properties returned to use (NHB).

Key aims and objectives of the strategy:

1. Maintain accurate information about the numbers of long-term empty Properties.

- Improve links with colleagues in Council Tax to ensure accurate information is maintained regarding the number, location and ownership of empty homes.
- Look at ways to further incentivise owners to report properties as becoming empty or occupied.
- Encourage residents and local representatives to advise the council about homes they suspect may be empty and develop approaches to make reporting easier.
- Update the information we hold through periodic audits of empty homes/properties to improve our knowledge and understanding to enable them to be targeted effectively.

2. Encourage owners of privately owned empty homes to bring them back into use.

- Provide timely advice and assistance to owners to enable them to improve and return empty properties back into use. This could include specialist guidance on inheriting a property or about repairs and maintenance.
- Continue to hold annual landlord conferences and publish a regular newsletter to raise awareness about empty homes, assistance available to return homes to use and the legal obligations and standards required of the property.
- Act as an introduction agency putting owners and landlords in contact with our social letting agency YorHome, who can assist with letting and leasing their empty properties where possible for an affordable rent
- Target loans assistance towards owners wishing to return their empty property for affordable rent.
- Explore opportunities to maximise the use of vacant property above commercial properties
- Look at opportunities arising from the NAHP and NHB to provide further incentives or assistance to owners to return properties to use.

3. Target owners whose empty homes cause a significant detrimental impact to the neighbourhood.

- Using improved knowledge and mapping of long-term empty homes, target interventions and enforcement action at those areas/properties/owners that create the most detrimental impact or promise the greatest return on investment in addressing housing need.
- Work closely with colleagues in Safer York Partnership to minimise nuisance to neighbours, such as securing properties against unauthorised access using of s29 of the Local Government (Miscellaneous Provisions) Act 1982

- Work closely with colleagues in Planning Enforcement to make best use of s215 of the Town & Country Planning Act 1925, where a property is deemed to be detrimental to the amenity of the area.

4. Strengthen existing and develop new partnerships to reduce the number of long-term empty homes.

- Establish an empty homes liaison group to include both internal and external partners that can oversee delivery of the strategy and help relevant agencies and stakeholders play their full part.
- Develop a reporting/monitoring system that links into local ward committee, so that local communities are more aware of level of long-term empty homes in their area and the assistance available to tackle them.

A more detailed action plan showing what we hope to achieve by when is attached as Annex 2.

Funding and resourcing the strategy:

National Affordable Housing Programme (NAHP):

In April City of York Council submitted an expression of interest to the Homes and Communities Agency for a slice of the £100m targeted investment through the NAHP. If successful funding would be available from April 2012 and will be targeted at long-term empty properties that would not come back into use without intervention. The outcome of the bid will be known later this year.

The New Homes Bonus:

The NHB provides a potential source of funding for ongoing empty property work.

The scheme provides the council with a financial reward equal to the national average for the council tax band on each additional property and paid for the following six years as a non ring-fenced grant. There is an additional enhancement of £350 per annum if the dwelling is returned as an affordable home.

Bringing a council tax band D property back into use would deliver £1,439 per annum in NHB reward grant or £8,634 over six years. Grant

for an additional band E property would be around £1,759 per annum or £10,553 over six years.

In 2009/10 the council helped return 19 long-term empty properties into use, generating £45,000 of NHB per year for the council. Over six years the total grant received will be £270,000.

Table 3.

Year	All empty homes	Long-term empty	Long-term empty homes which if brought back into use would meet New Homes Bonus criteria	Potential level of NHB 'reward' per annum	Total reward grant (over 6 years)
1 October 09	1509	786	402	N/A	0
1 October 10	1508	710	383	£45k	£270,000

It is important to remember that any overall increase in the number of long-term empty homes in an area would result in reduced NHB grant received from delivering brand new homes. For example, if 100 new homes were built in the local authority area the council would receive 100 x NHB. However, if at the same time there were 100 additional long-term empty homes the net result would be £0 NHB for that period. This makes it extremely important that the city prioritises empty homes work as every additional long term empty home will reduce the NHB received.

Staff resource:

It is proposed that the establishment of an Empty Homes Officer post would take forward and support this work.

The rationale is that bringing empty homes back into use is a difficult and challenging process, and requires considerable resources in order to be successful. There is a clear need for an officer to co-ordinate all activity required around empty homes. In particular, it has been identified that there are a number of council services that deal with issues surrounding empty homes in various ways. However, there is currently little co-ordination of their activity, leading to action being taken by one service without the knowledge of other services who may be dealing with the same property at the same time.

We have identified a number of other specific actions that the empty homes officer would undertake in relation to tackling the problem of empty homes in particular in relation to taking more rigorous enforcement action in line with our Enforcement Policy. The empty homes officer will focus on those empty homes which have been identified as being having a detrimental impact on the neighbourhood.

Evidence from other councils has shown that the provision of a dedicated resource has had a considerable impact on reducing empty homes within their locality.

This work would directly help ensure that the NHB funding is sustained.

Monitor and review

We are committed to ensuring this strategy is delivered. We will report progress against our objectives annually and undertake a formal review within 2 years.

We would welcome your views on any aspect of this strategy at any point so please get in touch.