

All-Party Parliamentary Group on Housing and Planning
National Housing Taskforce
Submission regarding Clusters of Empties



Introduction

The Empty Homes Network welcomes the work of the Housing Task Force. We are grateful for the opportunity to submit our views. Representatives or members of the Empty Homes Network attended all of the round-table meetings in the work-stream related to making best use of existing stock.

As a national organisation we have sought to reflect the bigger picture around the issues that the APPG has wanted to address. This necessitates making some comments with a strategic orientation in addition to answering the specific questions posed at the round-table meetings.

Principles

“No stone unturned”. Re-occupation of Empty homes cannot solve our housing problems, but so acute are those problems that we should leave no stone unturned in our efforts to address them. **Our 200,000+ long-term empty homes thus offer a vital resource.** And if efforts to bring empties back into use are seen as insufficient, nimbies always have an excuse to resist essential new house-building. More can and should be done about empty homes.

Empty homes are a national issue. Every local authority has housing problems. Where there are fewer empties, there is normally severe unmet need, so bringing empties back into use is so much the more important. A homeless family with children living in a B&B across from an empty home, or a family blighted by the dilapidated empty next door, face the same issue whether they live in a so-called ‘cluster’ or not. The significance of localised, metropolitan issues such as high-value buy-to-leave should not be inflated but seen in proper perspective.

Tackling empty homes is good value. Tackling empty homes delivers housing, improves neighbourhoods, boosts local and national economies, and provides local employment and training opportunities. But because it unlocks the value tied up in empty homes, it can also be a relatively cheap option compared to new-build., as evidenced by the success of loan schemes.¹

Local responses need support. Local authorities can and do take the lead on tackling empty homes in their area. But there is good evidence (Wales, Scotland, Kent)² that local responses receive huge benefits from wider partnerships that impart expertise, energy and sustainability to local initiatives and avoid re-inventing the wheel.

Generic solutions are key. Generic solutions such as loan schemes, enforcement activities, and the provision of guidance and advice underpin *all* successful interventions. Priority should be given to building the necessary skill-base and delivery framework across a geographical area as a precondition for any more narrowly targeted interventions that are also needed.³

Specialist skills are needed. The reasons for homes lying empty can be complex and can require a range of skills to be brought into play from skilled negotiating to careful selection of enforcement measures. We believe the best results are achieved where there are specialist empty homes practitioners.

Clusters of empties

Q1 What factors are driving higher levels of empty homes in some housing markets?

High levels of empty homes typically reflect a vicious circle of underlying low demand for particular types of property in particular locations, negative equity (as a result of falling prices) and social problems. These factors are interlinked. They easily combine to engender practical difficulties for owners wanting to refurbish, sell or let their homes. The more obvious impediments would include

- problems in securing finance for refurbishment to bring homes to a habitable condition;
- difficulties selling because of a shortage of potential buyers able to secure mortgages or because the homes are unmortgageable because of their condition;
- an unwillingness on the part of the owner to sell if this would crystallise losses when the home is in negative equity.

Q2 What is the potential to meet housing needs from these properties?

Although we accept that there are some areas where demand is irredeemably suppressed, our view is that these are few and far between. With sufficient attention to wider regeneration issues – which might, but need not, involve addressing issues with employment or infrastructure – and tenure mix, clusters of empties can make an important contribution to meeting housing need. Hull would be a good example of the kinds of success that can be achieved.⁴

Q3 How can Government (central/local/devolved) support and trigger initiatives that seek to ensure that more use is made of empty homes in areas with higher concentrations, and to stem the high turnover in some areas, alongside addressing other concerns about the quality of housing, the neighbourhood environment and life chances in these areas?

Local authorities

In our view, local authorities should not “trigger” but should *lead* initiatives in their areas. Every local authority should have an effective empty homes strategy, although in cluster areas this is likely to be linked to neighbourhood regeneration initiatives. The potential, as well as the limitations, of involvement by community-based organisations as should be recognised.

Devolved government

Examples such as Kent, Wales and Scotland show the value of cross-boundary working. Means should be sought to promote the value of such initiatives, which have a natural fit with city regions and the like.

Central government

Following the example of Wales and Scotland, the creation of empty homes initiative for England would be a big step forward. Central government could add vital impetus to local delivery through the following measures:

1. Institute a practice-oriented programme of research into historic programmes to inform ensure that lessons from past practice are learned and future interventions are evidence-based– see **Q5**.
2. Support the growth of community-based housing initiatives that can provide the social infrastructure needed to ensure the success of top-down programmes: reinstitute the Empty Homes Communities Grant Programme – see also **Q5**.
3. Recognise that housing as an essential element of the nation’s infrastructure and invest accordingly, providing some capital investment (as with the “Clusters of Empties” programme) specifically to help regenerate neighbourhoods, paying due regard to the principles promoted by George Clarke (previously the government’s Empty Homes Adviser).
4. Recognise the contribution that refurbishment of empty homes can make to national and local economies and hence of the benefits of the relevant investments; specifically recognise the enhanced “multiplier” effect attached to money spent on refurbishment compared with new-build housing (where land costs inflate the total cost).⁵
5. Recognise the importance of prevention: ensure that programmes can intervene before the cycle of decline gains momentum. Establish good practice in prevention (see **Q5**).
6. Initiate the development a national loan scheme, administered by local authorities, offering preferential rates to support community housing organisations bringing longer-term empties back into use, integrated into local regeneration strategies.
7. Initiate the development of a national loan scheme, administered by local authorities, offering preferential rates, to support homesteading of longer-term empties by owner-occupiers, integrated into local regeneration strategies.
8. Set high standards of sustainability for homes refurbished under empty homes programmes, to include energy and water conservation and maintainability and to commission the Building Research Establishment to research and promote the appropriate techniques and learn from programmes such as the German ‘Future House’.⁶
9. Remove the SDLT surcharge on local authorities and all forms of community housing organisations purchasing empty homes.⁷
10. Improve the compulsory purchase legislation so that compulsory purchase of ‘anti-social’ properties blighting areas to be less onerous for local authorities and less rewarding for the owners of such properties.
11. Address anomalies in current legislation such as the indefinite exemption from council tax for properties awaiting probate (we recommend a three-year limit); the opportunity for owners to avoid council tax by having their properties delisted if damaged.

Q4 What organisations are best placed to address empty properties and what are the current barriers and opportunities for them to do so at scale?

Local authorities have the duties, powers and strategic role to take the lead in their areas. Currently they lack sufficient capital resources to address the problem at scale. The evidence base around different approaches is currently insufficient to allow them to move forwards as confidently as they might (see **Q5**). Clear models and templates promoted nationally and backed up by adequate resources would provide additional impetus and be a catalyst for the implementation of best practice.

Refurbishment of scattered empties can be carried out most economically by small builders or by community-led housing organisations offering training and employment opportunities.⁸ The training and employment opportunities make the latter a more attractive route but the current capacity of such organisations to deliver should not be overestimated: many areas do not have candidate organisations and even where they exist their capacity may be limited. The sector can usefully be expanded but any top-down measures to do so need to be based on pilots (see **Q5**).

An enhanced role for central government is spelled out at **Q3**. The main barrier at national level seems to be a lack of appetite: this may reflect insufficient awareness of what could be achieved with greater central government support or of the political benefits of providing such support; it may also reflect the ‘learned helplessness’ of the civil service around the issues and solutions connected with regeneration generally and empty homes specifically.

Q5 What works in tackling concentrations and how can this be replicated across areas and scaled up?

There are clear indications available of successful approaches and also into historic approaches that have exacerbated problems in some areas. Research is needed into what does and doesn't work and best practice should then be actively promoted via governmental agencies. Key areas of research would include:

1. a retrospective evaluation of the Coalition government's Clusters of Empties programme
2. the extension and completion of Birmingham University's Housing and Communities Research Group research into the Empty Homes Community Grants Programme⁹
3. research into the scope for expanding the community housing group sector and pilots to establish the feasibility of extension into areas that currently lack such groups
4. research into ‘early warning’ indicators for failing markets and the development of appropriate monitoring systems and prevention strategies
5. research into homesteading options and specifically into the feasibility of shared-ownership homesteading to expand home ownership.

Even without such research there are some clear pointers for success:

- a) local authority leadership is essential
- b) scaling up and replication inevitably requires scaled-up funding

- c) wider regeneration issues such as neighbourhood quality, economic and infrastructure aspects need to be addressed – a holistic approach is needed
- d) the strength of the local community (including ‘imported communities’ as with homesteading schemes) and its active involvement is vital
- e) alongside incentives, active enforcement interventions are needed to tackle ‘anti-social’ properties.

Generic solutions underpin the solutions to specific issues.

To take a leading example, Kent’s ‘No Use Empty’ initiative means that it has the necessary skills, resources and organisational framework to tackle a range of different issues. Its generic solutions (such as its loan scheme) underpin a range of activities such as conversions of redundant commercial properties and ‘clusters of empties’ as well as individual empties. Its strategic approach enables it to act nimbly and confidently to make use of new opportunities when they arise (for example the ‘Clusters of Empties’ and HCA Empty Homes funding).

The establishment of effective generic solutions in all local areas should thus be seen as a priority for policy. This makes the creation of a national empty homes initiative along the lines found in Scotland and Wales all the more desirable.

About the Empty Homes Network

We are a national network launched in 2001 as the *National Association of Empty Property Practitioners* with the support of the government and the Empty Homes Agency. Since 2002 we have been fully independent. Whilst a significant majority of our 500 members work for local authorities in private sector housing, housing enabling and empty homes teams we also have members belonging to housing associations, regeneration companies, self-help housing organisations and private sector firms.

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NOTES

¹ See Kent's No Use Empty [10th Anniversary Newsletter](#), which now estimates the net cost to the council of each empty brought back into use or created via conversion, funded from its loan scheme, as £1,900 per unit. The £1,900 is based on administration costs and lost interest (as Kent loans are interest free). Kent County Council estimates that each £1 spent levers in £20 of spending in the local economy (excluding multiplier effects). For evidence of the Welsh loans scheme see the various evaluation reports at gov.wales/statistics-and-research/houses-into-homes

² For Kent and Wales see above. For Scotland, see the [Annual Reports of the Scottish Empty Homes Partnership](#)..

³ See Kent materials for evidence of a long-term sustainable strategy in action.

⁴ See material from Hull previously submitted to the Taskforce.

⁵ See for example <<http://www.gov.scot/Publications/2010/06/01113008/3>> accessed 27th August 2016: 'The repairs and maintenance - and decent homes in the public sector - aspect is more helpful [compared with new-build] in terms of economic impacts at the local level, supporting jobs and skills over the medium to longer term.' In assessing the economic additionality of refurbishing empty homes a relative low levels of deadweight and leakage should be recognised.

⁶ See [Cutting Carbon Costs: Learning from Germany's Energy-Saving Programme](#) by Anne Powers and Monica Zulauf, LSE, 2011.

⁷ There are no exemptions from the surcharges for local authorities and some community-led housing organisations. See our response to the consultation on higher rates of SDLT at <http://www.ehnetwork.org.uk/library-item/higher-rates-sdlt-ehn-consultation-response> regarding the second of these issues.

⁸ The contributions of community-led housing organisations have been documented in research by the Birmingham University's Housing and Communities Research Group – see <http://www.birmingham.ac.uk/research/activity/social-policy/housing-communities/publications/working-paper-series.aspx> - summarised in their submission to the Taskforce: <http://www.birmingham.ac.uk/schools/social-policy/departments/social-policy-social-work/news-and-events/2016/07/housing-and-communities-group-submits-evidence-to-APPG.aspx>

⁹ See preceding note.