

Empty Homes-a view from England

Helen Williams

Chief Executive

Empty Homes Agency



The Empty Homes Agency- England

- We raise awareness of the waste of empty homes in England.
- We carry out research and come up with ideas to help ensure these homes are brought into use for those in housing need.
- We then campaign for national government, local government (local authorities), property owners and others to take action.
- We have been around since the 1990s as an independent not-for-profit organisation.



homes from
empty
homes

Scale of housing need in England

- There are about 1.6 million households on local authority waiting lists looking for an affordable home to rent.
- Average house prices in England are 7 times average incomes (14 times in London as a whole, rising to over 26 times in parts of the capital city).
- In London the average house price was £475,000 in 2013- up £41,000 from the previous year.
- Home ownership is falling. Partly, because of the lack of affordability. But, also because mortgage lending dropped from 2008 because of the banking crisis/credit crunch. Though, it is now picking up again. But, new regulatory controls require tighter lending criteria.
- As people cannot afford to buy and there are big waiting lists for housing via local authorities, the demand for renting from private sector landlords has increased. Private sector rents are rising rapidly. The average household who is renting in this sector is now paying 40 per cent of its income on rent.

Housing market: “deep deep structural crisis”

- The housing market in England does not work for many people. This affects not just those on low wages, but even people on quite good incomes.
- Mark Carney, the Governor of the Bank of England, said summer 2014, that Britain’s housing market has “deep, deep structural problems”.
- Empty properties are one indicator of deep structural problems in the housing market.



The scale of empty homes in England-2013

English Region	Total number of empty homes	% of all homes	Total number of long-term empty homes	% of all homes
NORTH EAST	40 411	3.47%	16 325	1.40%
YORKSHIRE & HUMBER	81 322	3.56%	28 997	1.27%
EAST MIDLANDS	57 317	2.94%	21 435	1.10%
EAST OF ENGLAND	61 741	2.45%	20 562	0.82%
LONDON	59 313	1.76%	24 056	0.71%
SOUTH EAST	89 010	2.43%	28 470	0.78%
SOUTH WEST	65 641	2.76%	21 563	0.91%
WEST MIDLANDS	65 490	2.78%	24 445	1.04%
NORTHWEST	11 4882	3.70%	46 747	1.50%
ENGLAND TOTAL	635 127	2.79%	232 600	1.02%

An issue of housing distribution

“In 2011 there were 1.1 million household spaces unoccupied by usual residents, up from 0.9 million in 2001 (a 21% rise). These included holiday homes or apartments, those household spaces empty because of sale/transfer and properties containing short-term residents only who are not classified as usual residents”.

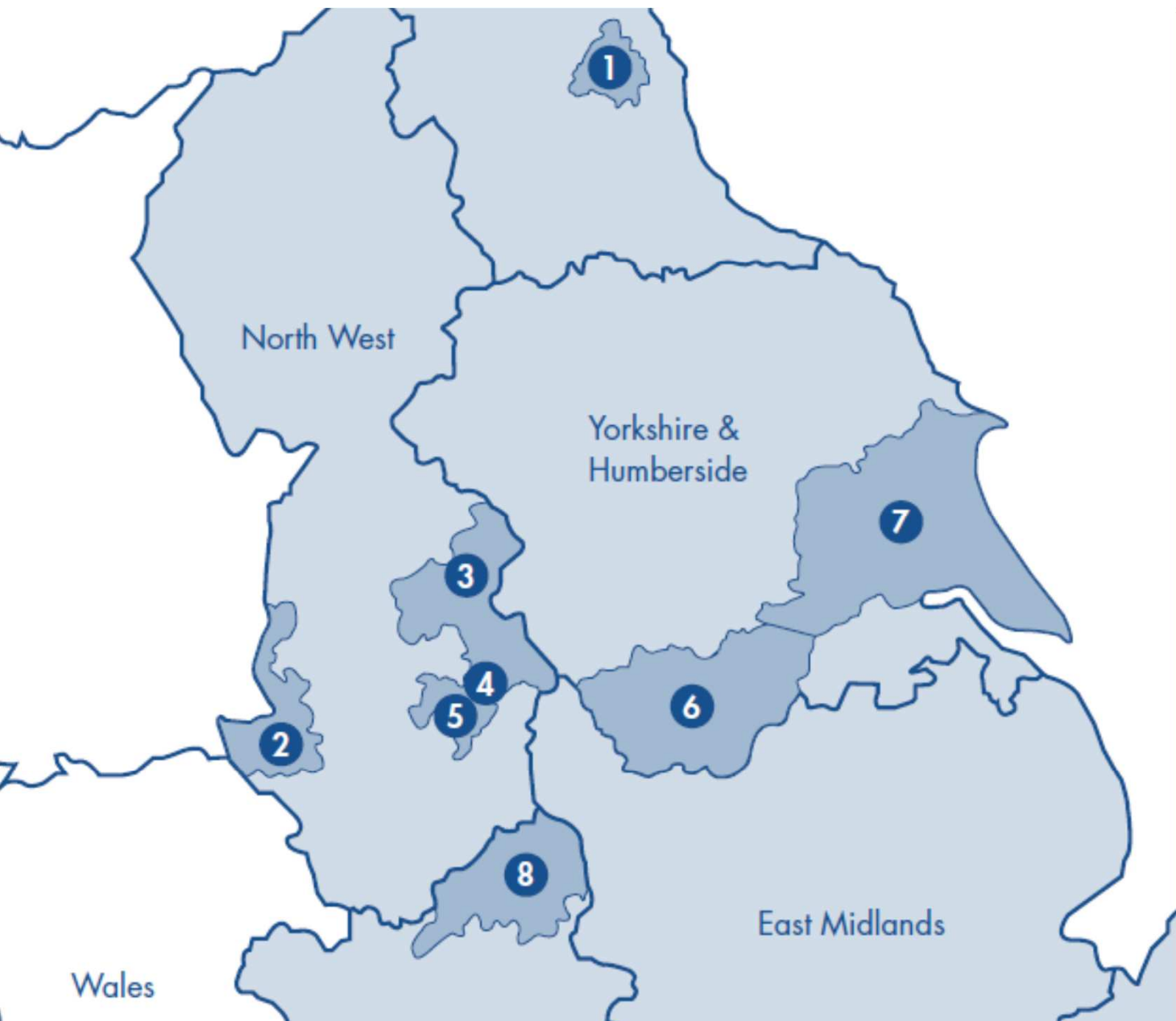
Household and Households Composition in England and Wales, 2001-11, Office of National Statistics, 2014

“In central London, there are more bedrooms than people, many of them empty each night as hundreds are housed in rented garden sheds”.

All that is solid, Danny Dorling, University of Oxford, 23014

The experience of housing market renewal pathfinders-an approach to “low demand”

- A number of cities, towns and villages in England faced declining populations, and apparent low demand/high turnover for certain types of housing in some neighbourhoods.
- This was often linked to poor housing stock, much of it built back in the 1800s to house the workers of the industrial revolution in rapidly growing settlements.
- The last Government committed over £2 billion to housing market renewal pathfinders to address such structural problems between 2002 and 2011. Pathfinders were formed to operate across local authority areas to run until 2018.
- By 2007 £870 million had been spent on 40,000 refurbishments, 10,000 demolitions and 1,000 new homes.
- The programme proved controversial with communities. The programme was abolished by the incoming government from 2011. Transitional funding and a £50 million cluster programme were put in place-funding has to be spent by March 2015



- 2 Merseyside (NewHeartlands)
- 3 East Lancashire (Elevate)
- 4 Oldham and Rochdale (Partners in Action)
- 5 Manchester Salford
- 6 South Yorkshire (Transform)
- 7 Hull and East Riding of Yorkshire (Gateway)
- 8 North Staffordshire (Renew)
- 9 Birmingham & Sandwell (Urban Living)

Persistently high numbers in some areas- 2013

	Total Dwellings	Number Empty Homes	Percentage Empty	Long Term Empty Homes	Percentage Long Term Empty Homes
Burnley	39,773	2,626	6.60%	1,324	3.33%
Pendle	39,060	2,519	6.45%	1,273	3.26%
Hyndburn	35,707	2,312	6.47%	1,063	2.98%
Blackburn with Darwen UA	59,304	3,405	5.74%	1,526	2.57%
South Lakeland	51,622	2,010	3.89%	1,107	2.14%
Blackpool UA	69,712	3,955	5.67%	1,473	2.11%
Hartlepool UA	41,844	1,513	3.62%	879	2.10%
Rossendale	30,732	1,575	5.12%	635	2.07%
Gateshead	91,536	3,772	4.12%	1,879	2.05%
Copeland	32,455	1,365	4.21%	659	2.03%
Kensington & Chelsea	84,237	2,509	2.98%	1,700	2.02%
Calderdale	92,412	4,048	4.38%	1,846	2.00%
Bolsover	34,298	1,464	4.27%	682	1.99%
Derbyshire Dales	32,751	1,410	4.31%	636	1.94%
Bradford	205,684	10,277	5.00%	3,981	1.94%
Fylde	36,233	1,755	4.84%	688	1.90%
Liverpool	205,369	9,584	4.67%	3,671	1.79%
Eden	25,090	1,117	4.45%	447	1.78%
Staffordshire Moorlands	42,593	1,635	3.84%	758	1.78%
Barrow-in-Furness	32,570	1,660	5.10%	578	1.77%
Allerdale	44,836	1,830	4.08%	794	1.77%
West Lindsey	40,708	1,580	3.88%	718	1.76%
Durham UA	232,069	9,659	4.16%	3,908	1.68%

Empty homes in Liverpool



Discounted sales-attracting people back





**GRANBY4STREETS
COMMUNITY LAND TRUST**

Newsletter April 2014

20 February 2013 Last updated at 16:16



Liverpool City Council to sell vacant houses for £1

Liverpool City Council has unveiled plans to sell off up to 20 vacant houses for £1 each to help "drive up the quality of housing".

The sales are part of an initiative to bring 179 homes in Granby, Kensington and Picton back into use.

New owners would be expected to refurbish the £1 houses and live in them for at least five years.

Councillor Ann O'Byrne said the plans would give "a really good foundation for the future of housing" in the city.



The houses marked for £1 sale are in Granby Four Streets, Arnside Road and Webster Triangle East

[Related Stories](#)

Buy-to-leave empty?



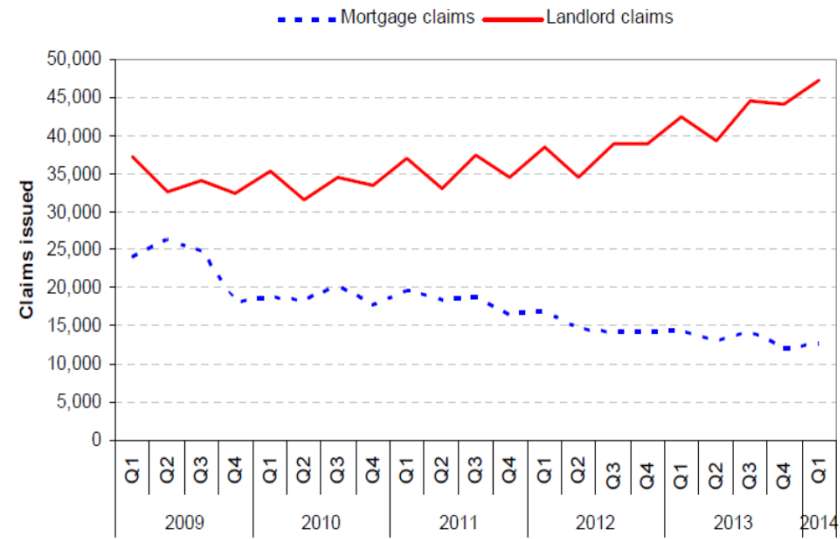
How to deter buy-to-leave

- Since April 2013 local authorities have been able to charge 150 per cent council tax on properties that have been empty for more than two years. Many local authorities say this has helped bring the numbers of empty homes down.
- But, it does not look like enough of a disincentive in high value areas.
- Policy makers and politicians are turning attention to the issue:
 - The Mayor of London suggested that councils be given the powers to charge “ten times” the standard council tax due where properties were left empty.
 - The Lyons Review (a recent housing review for the Labour Party) in October 2014 recommended that local authorities should be empowered to ensure that a proportion of new homes are marketed locally first. In order that people living locally or with strong local connections get the chance to buy the homes.
- Is it time for a more thorough review of how property taxes could deter people from leaving homes empty?
- What works in other countries?

Other reasons people keep an empty home

- They have inherited the property (often jointly with another family member) and cannot decide what to do.
- They cannot raise the finance to improve the property to the standard required for renting, even though they'd like to let it.
- They were renting the property, but that did not go well and they are not sure what to do next.
- They are keeping the property hoping (sometimes unrealistically) that house prices will rise further before they sell.

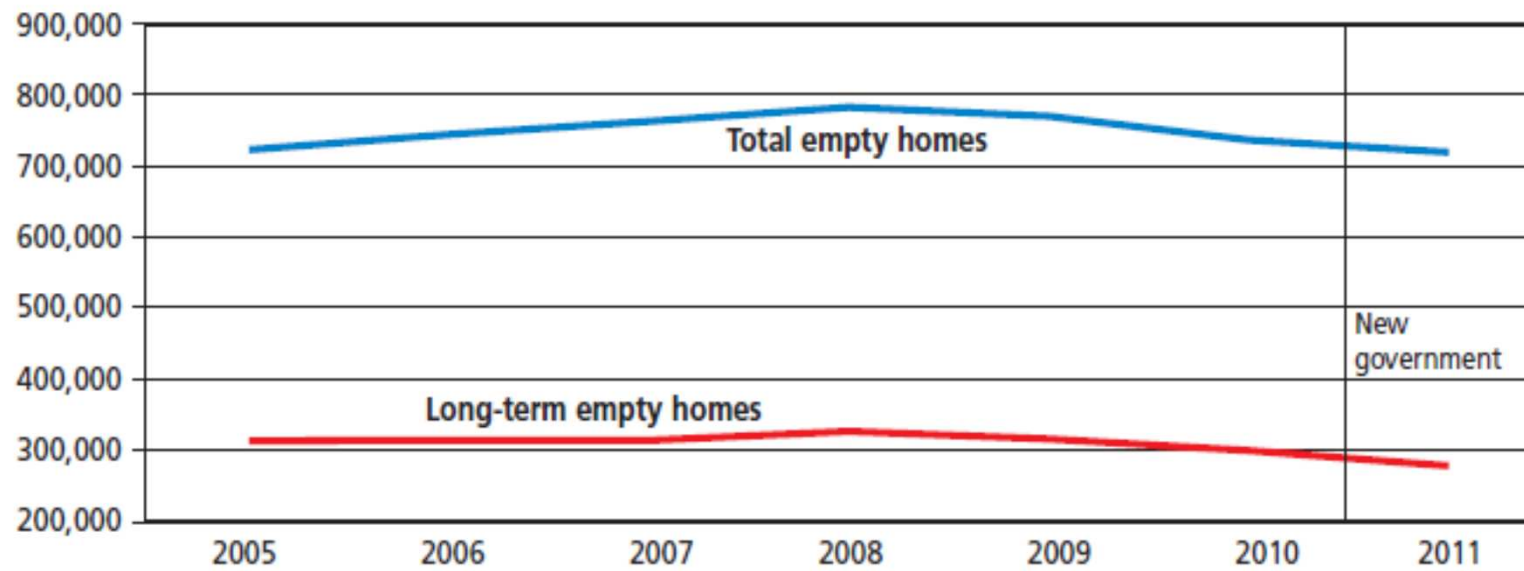
Figure 1: Overall possession actions in England & Wales, 2009 to 2014 Q1



Source Ministry of Justice *Statistics bulletin* Published: 8th May 2014

Trends in empty homes

Graph 7a: Number of empty homes (England)



Why have the numbers dropped?

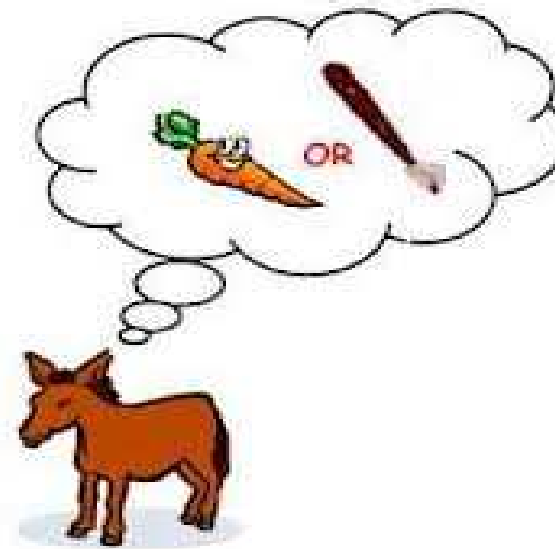
- Rising house prices/rents-it makes business sense for property owners to sell or rent.
- Central Government dedicated empty homes investment programmes - £235 million has been available for 2011/15. The Government hopes this will bring 12,000 homes back into use.
- The money has been made available to housing associations, councils and community organisations to:
 - purchase empty homes, or lease them, for example, for ten years;
 - repair and improve those homes to a Decent Homes Standard;
 - let those homes to someone in housing need;
 - to let the home at “an affordable” rent.

Incentives for local authorities to act

- Since 2011, local authorities get a bonus (new homes bonus) each year related to the reduction in the number of long-term empty homes shown through their council tax returns. And, they also get bonus payments for the number of new homes that are built in their area.
- The idea behind these payments is to incentivise local authorities to tackle empty homes. And, support new house building.
- For each reported decrease local authorities get a payment from central government for every year after it occupied for six years. Typically the payment will be about £1,400 per year.
- The National Audit Office found evidence that local authorities had been using that money to fund their empty homes work.
- Most local authorities have at least one dedicated empty homes officer, some quite large teams.

What else can local authorities do?

- Provide advice and encouragement for owners of empty homes so that they sell or rent their properties.
- Provide loans and grants to property owners so that they can meet the costs of improving properties before renting.
- Encourage the owner to lease the property to the local authority, housing association or community organisation who will improve the property and rent it out. Then pay the owner a fee.
- Seek an empty dwelling management orders- where by the local authority “steps into the shoes” of the owner to make sure the property is occupied and properly managed.
- Seek to compulsory purchase a property.



What next for Empty Homes in England?

- The number of empty homes is still too high. Especially, set against the high levels of housing need in England.
- Dedicated investment programmes come to an end in March 2015-we will make the case for more investment to bring homes back into use as affordable housing across England.
- And, a wider neighbourhood regeneration approach in areas with persistently high concentrations.
- We are looking at how to deter buy-to leave.
- We need to learn more from other countries-so I look forward to hearing more today.