

Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Corporate Directors Board
Cabinet Briefing

10th February 2009
16th February 2009

Review of the Empty Homes Strategy

Report of the Interim Corporate Director for Adults and Housing

1. Purpose of Report

The purpose of the report is to help members decide whether to re-focus workstream 2 of the Empty Homes Strategy to addressing the backlog of empty homes by areas rather than by the length of time properties have been empty.

2. Summary

Analysis of the existing workload has shown that half of homes empty for longer than 18 months are often clustered in 'hotspots'.

3. Recommendations (or OPTIONS)

Members are asked to indicate whether they would prefer a move to an area based approach to tackling the outstanding backlog of properties which have been empty for between 18 months and ten years, and properties which subsequently become empty for 18 months after this time. If so, the caseload would be tackled in accordance with the distribution of empty properties by ward as in Appendix 1 and Appendix 2.

4. Report

Current work programme

4.1 There are currently two work streams:

1. Addressing properties that have been empty for more than ten years. All properties that have been empty for more than ten years are considered for making Compulsory Purchase Orders (CPOs) and Empty Dwelling Management Orders (EDMOs);

2. Addressing properties that have been empty for between eighteen months and ten years. Owners of these properties are contacted to discuss the costs to them of keeping homes vacant and letting them know their options around selling or letting. The approach is to encourage and enable owners to bring their property back into use.

Private Sector Empty Homes In Leicester

- 4.2** As of the 31st December 2008, according to Council Tax records there are 5,061 empty properties in Leicester (5.6% of all private sector dwellings in Leicester). Concentrations of these are sometimes centred around new developments, which have not yet been fully occupied, such as can be found in the LRC area and at Hamilton. (See Appendix 3)
- 4.3** Empty properties can be divided into three main categories: those which are empty as part of the market function of tenants'/residents' mobility ('Churning'); those which have been empty for longer and which need assistance to be brought back into use (properties empty for between eighteen months and ten years); and 'long-term vacants' (those which have been empty for more than ten years and which require more severe intervention to be brought back into use).

Churning (Properties empty for less than 18 months)

- 4.4** 76% of all empty properties identified as empty by Council Tax records have been vacant for less than eighteen months, i.e., they are re-occupied as part of normal market processes. These properties are not covered by the Empty Homes Strategy as most of these are part of the transitional or 'churning' process during which occupants vacate properties and new tenants or owners are sought.
- 4.5** Churning is particularly high within the private rented sector where 40% of tenants have moved within the previous twelve months compared with just 10% of social renting tenants and 5% of owner-occupiers over the same period (Survey of English Housing, 2005/06, CLG). The substantial increase in the private rented sector over the last eighteen years (particularly through the boom in buy-to-let) will have had a subsequent impact on the number of properties empty while new tenants are found.
- 4.6** However, some of the properties which have been empty for less than eighteen months will not be re-occupied, either because of the inability of the market to re-occupy them or the failure/unwillingness of owners, and they will subsequently be picked up by the Empty Homes Team when they have become vacant for eighteen months.

Properties Empty for Longer than 18 months, but less than 10 years

- 4.7** At the 31st December 2008, there were around 988 such empty properties. Dwellings which have been empty for longer than 18 months are targeted by the Empty Homes Team as properties, which need assistance to be brought back into use.
- 4.8** These properties are allocated for action by the Empty Homes Team according to length of vacancy – longer vacancies being addressed first. Letters have been sent to over 400 owners this year and meaningful discussions have been held with 101 owners. To date 99 properties have been brought back into use.
- 4.9** In the current market situation, owners are more likely to rent or lease than sell. In November, we asked HomeCome to start leasing properties for reletting and this has been a success. They have let 6 properties, with negotiations about to close on

another 20. Owners are also told about the Council's LeicesterLet Scheme, which gives advice and assistance to landlords and refers tenants to them. For many years the Homes and Community Agency have not funded acquisition and improvement of existing houses. The Government emphasis is on creating additional units. Locally, HCA has indicated it will consider a pilot scheme for a few properties in support of another initiative.

- 4.10** By the end of March 2009, all properties which have been empty for more than 18 months will at least have received a letter. The next stage is to make direct contact with the owner.
- 4.11** Half of all properties empty for between 18 months and ten years are located in just 7 wards: Castle, Knighton, Abbey, Spinney Hills, Westcotes, Stonegate, and Fosse. (See Appendix 1 and Appendix 2). Census analysis shows that these wards are characterised by (differing) combinations of high levels of private rented flats, a significant proportion of single person households aged under sixty and student households. As a result, they have been affected by the large supply of buy-to-let accommodation and the oversupply of student accommodation in the City. Castle and Abbey also subject saw substantial new housing provision in 2005/06 (see Appendix 3).

Long-term Empty Properties (Properties which have been empty for ten years or longer)

- 4.12** The total number of properties empty for longer than 10 years has been reduced to 32. The Empty Homes Team is taking action to ensure all of these properties are occupied. Work on these longstanding vacants often involves compulsory purchases.
- 4.13** This year, 13 such properties have been brought back into use. Once these 32 are resolved, intensive work (CPO or EDMO) will begin on those vacant for 9 years.

Impact of the downturn in the housing market on the number of empty properties.

- 4.14** It is likely that the current downturn in the housing market will have an impact on the number of private sector empty homes in the City as a result of non-sales, repossessions, evictions, etc. In spite of this, the number of empty properties in the City appears to have been fairly constant over the last eighteen months.
- 4.15** At the 30th April 2007 (according to council tax records), there were 4,927 empty properties compared to 5,061 at the 31st December 2008. However, there is a delay with some of the empty homes picked up by council tax, as unfurnished homes are not registered as empty for six months. As a result there may have been a recent increase in empty properties, which has not yet been reflected in these figures. Further monitoring will be required to establish the effects of recent market conditions.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

Provision of a nominal £50k has been made in the Capital Programme each year for the cost of Empty Homes and Affordable Housing.
Purchases of Empty Homes have to be managed on the basis that they will be balanced out by an equivalent value of sales each financial year.

5.2 Legal Implications

There are no legal implications.

6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph Within Supporting information	References
Equal Opportunities		N/A	
Policy		Policy change to an area based approach to addressing Empty Homes.	
Sustainable and Environmental		An area based approach to tackling empty properties will make a contribution to making those areas sustainable places to live.	
Crime and Disorder		Addressing areas of empty properties will help reduce crime and ASB.	
Human Rights Act		N/A	
Elderly/People on Low Income		N/A	

7. Background Papers – Local Government Act 1972

Empty Homes Strategy 2008

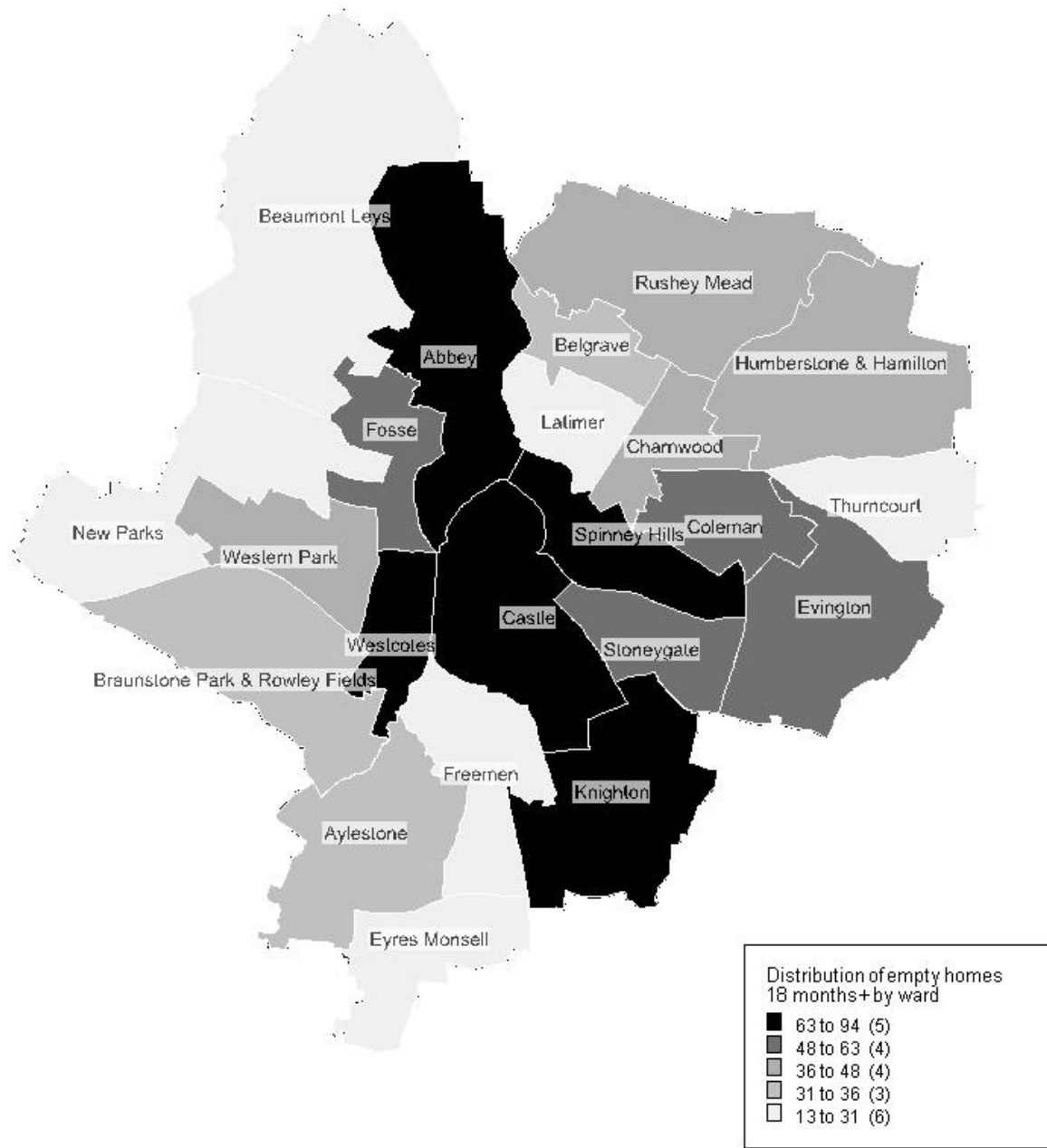
8. Consultations

No external consultations

9. Report Authors

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Distribution of 18 Months+ Empty Homes By Ward



Source: LCC Council Tax Records: 31/1/2009

Properties that have been empty for between 18 months and 10 years
(See also Appendix 1)

WARD	Empty homes EHT are currently working on*	Empty homes the EHT are yet to allocate**	All empty homes (Mapped in Appendix 1)	% All empty homes
Castle	29	65	94	9.5
Knighton	46	33	79	8.0
Abbey	19	59	78	7.9
Spinney Hills	30	43	73	7.4
Westcotes	46	18	64	6.5
Stoneygate	50	11	61	6.2
Fosse	21	37	58	5.9
Evington	34	17	51	5.2
Coleman	16	32	48	4.9
Western Park	14	30	44	4.5
Rushey Mead	13	29	42	4.3
Humberstone & Hamilton	10	29	39	3.9
Charnwood	15	21	36	3.6
Belgrave	16	18	34	3.4
Aylestone	21	12	33	3.3
Braunstone Park & Rowley Fields	18	13	31	3.1
Freemen	11	16	27	2.7
Thurncourt	6	21	27	2.7
Latimer	13	11	24	2.4
Beaumont Leys	5	12	17	1.7
Eyres Monsell	10	5	15	1.5
New Parks	2	11	13	1.3
TOTALS	445	543	988	

(LCC Council Tax Records: 31/12/2008 & additional EHT information)

*The case may be at any of the 20 stages of the Empty Homes Strategy, from an initial letter to a CPO or EDMO.

** By the end of March 2009, all properties that have been empty for more than 18 months will at least have received a letter.

New Housing Provision: April 1st 2005 to December 31st 2008

WARD	April 05 to March 06	April 06 to March 07	April 07 to March 08	April 08 to Dec 08	April 1st 2005 to December 2008
Abbey	233	233	54	124	644
Aylestone	16	5	12	61	94
Belgrave	0	22	27	1	50
Braunstone Park and Rowley Fields	5	7	3	1	16
Beaumont Leys	45	7	72	11	135
Castle	415	245	330	45	1,035
Coleman	6	1	0	4	11
Charnwood	0	18	0	14	32
Eyres Monsell	0	0	5	2	7
Evington	5	14	4	9	32
Freemen	28	18	2	25	73
Fosse	117	10	9	42	178
Humberstone and Hamilton	94	382	289	305	1,070
Knighton	5	4	27	43	79
Latimer	0	5	0	0	5
New Parks	0	2	3	0	5
Rushey Mead	5	8	8	1	22
Spinney hills	1	1	2	1	5
Stoneygate	25	8	5	2	40
Thurncourt	5	6	25	5	41
Westcotes	92	94	53	21	260
Western Park	0	1	1	1	3

Source: LCC Planning Strategy