

Local Government and Communities committee**Empty Homes Inquiry****Summary of Submissions****Introduction**

This paper summarises key themes in the 28 submissions received by 17th May 2019 for the Committee's inquiry on Empty Homes. It is not comprehensive, but gives an overview of the main points raised, including suggestions for improvements.

Respondents

Responses were received from:

- 2 Private Landlords
- 17 Local Authorities
- 2 Private Sector Landlord groups
- 1 Private Sector Company
- 1 welfare rights/ homelessness charity
- 5 Others including ALACHO, Rural Housing Scotland, Scottish Land and Estates, Historic Environment Scotland, Built Environment Forum Scotland

The submissions are summarised in the order of the questions asked in the call for views. The final section summarises recommendations for both DWP and Scottish Government.

1) What, in your view, are the main causes of empty homes?

Respondents commonly gave multiple reasons for properties being left empty for long periods of time. The main ones as cited were:¹

- Financial reasons – normally related to the cost of repairs to the property, meeting the repairing standards and affordability of letting out the property.
- Emotional issues, through the property being inherited due to bereavement, family disputes or mental health issues for the owner which may prevent them doing the required works.

¹ E.g. Private Landlord, Fife Council; West Dunbartonshire Council; Dumfries and Galloway Council; Rural Housing Scotland, Scottish Land and Estates; Scottish Empty Homes Partnership/Shelter Scotland; Aberdeen City Council; Arla PropertyMark and Naea PropertyMark; Aberdeen City Council

- Absentee Landlords who may not see the properties as important.
- The Housing Market – owners may wish to sell the property for its maximum price and the housing market at that point may not be conducive to this.
- The area in which the property is located – antisocial behaviour or lack of infrastructure can affect the selling or letting potential of properties in certain areas.

Some respondents cited environmental conditions as contributing towards the empty homes in their areas.² In some areas there are specific communities and industries they work with, such as farming and fishing. Comhairle nan Eilean Siar identified island communities as having an increasingly ageing population. These communities become this way as younger people leave for employment or study purposes and then do not return. The older population left behind are therefore more reliant on support services. These are normally found in larger population centres and may not provide the necessary resources to allow older people with support needs to remain in more rural areas. Those people are then moving away, either to family in other areas or to where the services are located thereby leaving properties empty.

Scottish Land and Estates highlighted financial restraints that landlords face, including increased taxation. Scottish Land and Estates has also advised that letting agents face stricter regulation and landlords face increasing legislative requirements around property condition and energy efficiency.

A couple of respondents³ highlighted that there can be issues for landlords due to the time it can take to complete works on their properties. This can be for a number of reasons including the difficulty in getting tradespeople in rural areas and the cost of repairs which may result in owners taking several years to renovate a property as they cannot afford to do the work all at once. The owner may also change their mind and sell the property rather than renovate it.

2) Is this a problem which affects all tenures of Housing?

Most respondents⁴ identified that empty homes were mainly found in the private sector, rather than in the social housing sector. Demand for property in certain areas may be low or there may be an oversupply of accommodation. Rural Housing Scotland additionally highlighted that farm buildings and crofts may also affect the number of empty homes in rural areas. These may have been occupied by farm workers or crofters who are no longer working and who have not been replaced.

Scottish Land and Estates highlighted that empty homes tend to be concentrated in areas where there has been an economic downturn. Arla PropertyMark and Naea

² E.g. Comhairle nan Eilean Siar; Rural Housing Scotland

³ Scottish Land and Estates; East Lothian Council

⁴ E.g. Fife Council; Glasgow City Council; Falkirk Council; Rural Housing Scotland; Angus Council; North Lanarkshire Council; East Lothian Council; Aberdeenshire Council; South Lanarkshire Council; Comhairle nan Eilean Siar;

Propertymark added that empty social housing properties can become a problem when an area is due for regeneration or other development.

3) What is the impact on communities in areas where there are large numbers of empty properties?

Many respondents highlighted multiple community impacts from empty homes⁵ including:

- Fly tipping
- Increased antisocial or criminal behaviour
- Repair issues to neighbouring properties
- Reducing property values in the area – a neglected area will affect the desirability of an area and reduce property prices. There will also be a reluctance for people to wish to move to the area.

Several respondents highlighted the wider impact on communities and their sustainability as a consequence of empty homes in the area⁶. Empty properties can mean a decline in amenities such as schools and bus routes. Lack of this infrastructure can deter households from moving to the area. Empty Homes can restrict local accommodation options, especially for young people, meaning these households move away or must remain living with family members. This can affect the population demographic within an area; fewer families may result in a greater number of older people within a community. These people may leave due to their increasing support needs, so increasing the number of empty homes in a community. Loss of amenities can affect the health and wellbeing of community members and result in health and social issues.

Empty homes can have financial implications for the economy⁷. This can lose over £10,000 per annum, due to costs incurred by the owner. The Scottish Empty Homes Partnership/Shelter state that the property value will depreciate whilst it is empty. The loss of rental income to the owner is money that is not going into the local economy where the owner lives. The Council Tax and the spending of the tenant affect the money going into the community where the property is. Businesses may lose customers in areas with empty properties as households move away through the lack of amenities. This results in businesses closing or relocating to more profitable areas affecting employment opportunities in the area.

⁵ E.g. Fife Council; Glasgow City Council; Rural Housing Scotland; Stirling Council; Aberdeenshire Council;

⁶ E.g. Rural Housing Scotland; Scottish Land and Estates; Scottish Empty Homes Partnership/Shelter; Arla Propertymark and Naea Propertymark; Comhairle nan Eilean Siar; Inverclyde Council; Argyll and Bute Council; Historic Environment Scotland

⁷ E.g. Scottish Empty Homes Partnership/Shelter; Arla Propertymark and Naea Propertymark

4) Is the issue of empty homes a problem in particular areas and if so, why?

Arla Propertymark and Naea Propertymark referenced previous Scottish Parliamentary research from June 2018⁸ which suggested that the higher concentrations of empty homes tended to be in areas of high multiple social and economic deprivation, mostly across West and Central Scotland as these are areas highlighted for regeneration.

Comhairle nan Eilean Siar advised that empty homes are mostly problematic in areas furthest from population centres and areas where there are large numbers of holiday homes. South Lanarkshire Council agrees that rural areas are most affected by empty homes.

5) Are you aware of any areas which have made progress in addressing the issue of empty homes and, if so, what other local authorities could learn?

Dumfries and Galloway Council has a scheme of grant and loans to enable properties to be brought back into use in town centres. They highlighted good work being done by Fife Council, in partnership with the YMCA and a similar scheme in Leeds, England, called LATCH. They also highlighted North Lanarkshire's Empty Homes purchase Scheme.

West Dunbartonshire warned that their expanding private rented sector can make it difficult to persuade landlords to bring empty properties back into use. This is because landlords will lose more in rent than they would get from an interest free loan. Loans are dependent on landlords renting out their properties for 10% below the Local Housing Allowance rates to provide affordable homes. They suggest loans should be made more flexible to make them more attractive to landlords. Angus Council, however, find their loan scheme invaluable in offering financial assistance to empty home owners.

Velux, a private company, cited a scheme in the Republic of Ireland where the government has recently produced a practical guide called 'Bringing Back Homes: Manual for the Re-use of Existing Buildings'⁹. They suggest that a similar scheme in Scotland would provide help to those property owners daunted by the task of bringing empty homes back into use.

Glasgow City Council works with Registered Social Landlords (RSL's) to bring empty homes back into use for social rent in high demand areas. Argyll and Bute Council provide loans of up to £20,000 to landlords, in return for properties to be leased to RSL's.

⁸ <https://greens.scot/sites/default/files/Empty%20and%20Second%20Homes%20report.pdf>

⁹ https://www.housing.gov.ie/sites/default/files/public-consultation/files/draft_bringing_back_homes_-_manual_for_the_reuse_of_existing_buildings_public_consultation.pdf

Historic Environment Scotland provide funding for refurbishment and reuse of historic buildings and places through the Historic Environment Repair Grant and the Conservation Area Regeneration Scheme. They are also looking at opportunities to support a pilot scheme, where traditional small Scottish properties are refurbished using local skills and traditional materials. This scheme aims to regenerate communities and provide local building expertise.

Aberdeen City Council highlighted mapping of empty homes, as demonstrated by North Lanarkshire Council. They also suggest that the Rural Housing Fund could provide opportunities, such as North Ronaldsay Trust, where one property a year is brought back into use to encourage households to move and experience life there before committing to a more permanent stay. This is seen as potentially beneficial to rural areas and could be facilitated by community groups. In the same way, Arla Propertymark and Naea Propertymark support community led approaches in dealing with Empty Homes. They are partnered with the charity 'Action on empty Homes' which seeks to improve communities by addressing the causes of empty homes and meeting the needs of the community.

Many local authorities have appointed Empty Homes Officers¹⁰. This is seen to be working well, especially in Falkirk, Perth and Kinross, Stirling, Argyll and Bute and South Ayrshire. These officers focus on Empty Homes and can be the catalyst for action. Scottish Land and Estates have advised that 22 local authorities have dedicated Empty Homes Officers.

Several respondents cited the Scottish Empty Homes Partnership as a useful resource for the sharing of knowledge and good practice.

6) How effective are current tools open to local authorities/central government to deal with Empty homes? Should they have more powers?

Most respondents mentioned that the current system of Compulsory Purchase Orders (CPO's) was too lengthy, complicated and costly,¹¹ both financially and in terms of staff time.

Several respondents highlighted the legislative changes after April 2013 which allowed local authorities the discretion to set a council tax increase of 100% or more on properties which have been empty for over 12 months¹². This is seen by many as a positive intervention. However, the Scottish Empty Homes Partnership/Shelter suggest that the monies generated by the increased council tax income should be used to fund projects and initiatives to bring empty homes back into use.

¹⁰ Scottish Empty Homes Partnership/Shelter;

¹¹ E.g. Fife Council; Falkirk Council; Angus Council; North Lanarkshire Council; Aberdeenshire Council; Comhairle nan Eilean Siar; City of Edinburgh Council;

¹² Eg: Argyll and Bute Council; Scottish Land and Estates; Scottish Empty Homes Partnership/Shelter; Comhairle nan Eilean Siar; Inverclyde Council

Rural Housing Scotland advised that the Rural and Islands Housing Fund has had a limited impact on empty homes. This is because the funding can only support projects where the empty property is already owned by the community trust/organisation, or has been bought using the Scottish Land fund or the Rural Housing and Islands Fund. However, the latter is due to finish in March 2021 and there are currently no guarantees that it will be replaced. Rural Housing Scotland has suggested that, if the funding is renewed, the conditions should be changed to allow monies to be used to lease and renovate a property rather than buy it.

The Scottish Empty Homes Partnership/Shelter has advised that the loan fund model (where owners let their property to RSL's in exchange for an interest free loan to allow them to renovate it) has had varied impact. In areas where there is a strong rental market, this model is unattractive as it restricts the rental income that can be received. In addition, the conditions of the loan can be costly and bureaucratic. The Scottish Empty Homes Partnership/Shelter has suggested that the Welsh model, where the loans are not limited to properties let or sold at affordable rates (usually 10% below the Local Housing Allowance rate,) may affect the effectiveness of this option.

Aberdeenshire Council and City of Edinburgh Council highlighted the work of Environmental Health. They have statutory powers, such as Closing and demolition orders and issuing works notices. These Local Authorities suggest that giving Local Government departments additional powers, such as being able to enforce works and penalties for work that has not been done, may make these more effective.

Inverclyde Council highlighted an example of good practice in their area where regeneration, through RSL involvement and partnership working with communities and tenants, has increased occupancy from 30% to 100% and made the area a desirable place to live.

7) Should there be more enforcement powers for local authorities/central government to deal with the issue? If so, what could these be?

One private landlord suggested that, when the market is failing, landlords should receive help with finding tenants and should receive full council tax exemptions if they demonstrate that they are actively seeking tenants. Velux suggested that the prohibitive cost of repairs is a major reason properties remain empty and that tax breaks might help owners bring them up to standard.

Several respondents suggested that a Compulsory Sales Order (CSO) would be more effective and easier to implement than a CPO.¹³ This has been proposed by the Scottish Government but not yet implemented. Argyll and Bute Council suggested that Scottish Government funding for legal support around CPO's and CSO's would be useful.

¹³ Fife Council; West Dunbartonshire Council; Private Landlord; Glasgow City Council; Angus Council; North Lanarkshire Council; Falkirk Council; Scottish Empty Homes Partnership/Shelter; Argyll and Bute Council; City of Edinburgh Council; ALACHO

ARLA Propertymark and NAEA Propertymark call for more effective use of existing enforcement powers for local authorities and central government to deal with the issue, alongside further incentives, such as interest free loans without conditions and grants. Falkirk Council suggest funding should be made available to fund repairs and for energy efficiency grants. Argyll and Bute Council agree with this, especially for the private sector. In addition, they request further guidance and clarity around repossession procedures.

8) Is there enough information/data to provide an accurate picture of empty homes in Scotland? If not, how could this be improved?

Most local authorities get data on empty homes from their Council Tax databases¹⁴. West Dunbartonshire highlight that Shelter Scotland requests information on empty homes from local authorities annually. However as the local authorities do not see this information, it is impossible to be sure all authorities are contributing. If they don't, then the figures may not be truly representative.

Built Environment Forum Scotland, using information from the Scottish House Condition Survey 2016, say that:

- 50% of all Scotland's homes have disrepair to Critical elements
- 68% of traditionally built homes (pre-1919) have disrepair to critical elements
- Traditionally properties pre-1919 make up around 20% of Scotland's Building Stock
- In 2017 40% of all dwellings failed to meet the Scottish Housing Quality Standards (SHQS)
- 30% of properties in Scotland failed the SHQS due to Energy Efficiency and 10% failed due to not being Healthy, Safe and Secure properties.

Rural Housing Scotland point out that Statistics Scotland provide data on empty homes through census data zones. However this would be more useful in a GIS mapping resource. They also say that information on ownership of the properties would be useful. Scottish Land and Estates contend that there is not enough information or data about empty homes. They think more detailed information, such as how many empty homes there are in every local authority and where they are, should be produced.

The Scottish Empty Homes Partnership/Shelter states that the National Records of Scotland give a figure of 79,000 empty homes. However, this includes new homes which are not yet occupied and properties which are empty and awaiting demolition. They warn that including these properties may overestimate the empty homes problem in Scotland. Local authorities often use Council Tax data to record empty homes data. However, this is reliant on the data collection methods used and people providing

¹⁴ Fife Council; Glasgow City Council; Falkirk Council; North Lanarkshire; City of Edinburgh Council;

accurate information to councils. It is possible that, if somebody thinks they will pay 200% council tax on a property, they may not declare it as empty to Council Tax departments. In addition, some properties are empty and exempt from council tax due to estates not being settled. Argyll and Bute Council add that there are properties which have historically been removed from council tax records due to property condition, or properties are registered as holiday lets or under the Rates system.

Angus Council say that accurate data is hard to find as the number of empty homes fluctuates. Stirling Council advise that, historically, owners removed kitchens and bathrooms from properties to make them uninhabitable. As there are no financial penalties for this, there is no incentive for the work to be done. In addition, these properties may not show up on the council tax databases. Commercial properties, which were once residential or may be suitable for residential use, are also not counted. Further analysis of national data would be beneficial, such as separating properties that have been empty for 6-12 months from those which have been vacant for longer periods. A national database is also supported by East Lothian Council.

The Scottish empty Homes Partnership has consequently stated its intention to carry out an Empty Homes Survey in 2019 to gather more data.