Q1: What in your view are the main causes of empty homes?

The Scottish Empty Homes Partnership (SEHP) is funded by Scottish Government and hosted by Shelter Scotland. Its aim is to encourage private sector empty properties back into use. We do this in a number of ways: offering advice to individual owners; supporting a network of empty homes practitioners in councils and other bodies; and developing policy and practice ideas. Shelter Scotland helps over half a million people every year struggling with bad housing or homelessness through our advice, support and legal services. And we campaign to make sure that, one day, no one will have to turn to us for help. We’re here so no one has to fight bad housing or homelessness on their own.

Statistics published in 2018 reported that there are currently 39,110 long term empty properties in Scotland. This figure is based on Scottish Government statistics compiled from council tax returns on properties that are eligible for council tax but have been registered as empty for over six months). The same statistics also noted that there are a further 45,845 properties that are unoccupied but exempt from council tax. Most of these will also have been empty for more than six months. There are many reasons why homes become empty and why they stay empty.

Homes may become empty as a result of events such as: the death of an owner; an owner moving into residential care; repossession of a property; owners ceasing to use properties as second homes; owners moving house prior to selling the property; tenants leaving the area or moving home without anyone else taking on the tenancy, and; financial difficulties leading to the abandonment of plans to refurbish or renovate a property.

The reasons they remain empty may be because there is no one willing to buy or rent the property, or because the property is not being marketed for sale or rent, but underneath these two broad categories there are myriad other reasons why homes may remain empty.

Market failure may explain the reason why there are no potential buyers or renters of properties that are being marketed for sale or rent, but this is not always the case and it may instead be that the owner has not set a realistic price that reflects the current market value. At the same time, if the market failure is symptomatic of a wider economic downturn in an area, lowering the price may still be unlikely to stimulate interest in a property, and the reasons why homes remain empty may not be resolvable by an empty homes strategy alone.

The perception of an area may also be a reason that homes remain empty even where it is offered for sale at or below market rate for the area. For example, where an area is perceived to be associated with crime and anti-social behaviour, people may be reluctant to move into it. A large number of long term empty properties in an area can also further reduce the appeal of an area to buyers, thereby serving to increase the scale of the problem when further homes become empty.

Where the property is not being actively marketed for sale or rent, it may be that the owner is simply unconcerned about leaving the property empty and either happy to pay a council tax levy, or wilfully refusing to pay it. However, this is unlikely to be the case with the majority of empty homes that are not for sale or rent. Other reasons for not putting the property on the market, and hence for it remaining empty, include owners waiting for an upturn in the market, either so that they can recover their initial investment or to maximise the profit they can make from selling the property. Some of these owners will be reluctant to consider renting out the property rather than selling it, either because they do not want to become a landlord, or they believe it may prevent them from selling the property if there is an upturn in the market.

Alongside this, there is also the ‘human element’ that can be the reason that homes are empty. Empty Homes Officers often find people are reluctant to let go of properties for sentimental reasons - a house is a home with memories of relatives and loved ones – or other reasons that would defy economic rationality – we are aware of one case where a property was bought almost twenty years ago with the intention of it becoming a family home. The purchaser’s partner did not take the same view and refused to move in. Nonetheless the purchaser still holds on to the property in the unlikely possibility of it eventually becoming their home.

There are also practical and legal reasons why a home may remain empty. Divorce proceedings or repossession proceedings that have been commenced but not completed may create a state of limbo that means no one is taking responsibility for the empty property. Similarly, contested probate proceedings may mean legal disputes over ownership prevent the home being transferred to a new owner. Alternatively, in an intestate estate, the next of kin may not be known, or where a deceased person’s debts exceed the value of the home, executors may be reluctant to deal with the estate. The costs of bringing an inherited property back to use may also be a barrier that could mean that probate is not applied for in order to avoid taking on council tax and maintenance of the property.

Finally, there are also other financial issues that can prevent empty homes being brought back into use. For example, a home bought with the intention of refurnishing and living in, or renting out, may remain empty if the new owner underestimates the cost or runs out of money because of other life events, and second homes may become empty homes either because an area loses its appeal or the owner is no longer able to afford regular trips because of financial problems.

Because there is no single reason why a home is empty, and each empty home has its own story, the Scottish Empty Homes Partnership takes the view that it is important that councils employ dedicated Empty Homes Officers who can work with home owners on a case by case basis to understand the reasons why
the home became empty and suggest practical steps that can be taken to bring it back into use.

Q2: Is this a problem which affects all tenures of housing? Please provide further information to explain your answer

While there are empty properties in both the private and social rented tenures, the majority of long term empty homes and the focus of the work of the Scottish Empty Homes Partnership is the private sector as councils and housing associations are not affected by most of the issues described in the answer given to question 1 and have greater resources and incentives to quickly bring empty properties back into use.

However, given the variety of reasons why homes may become and/or remain empty, we believe that empty homes are an issue that can apply across all tenures of housing. While there may be some areas that are particularly susceptible to large numbers of empty homes, through economic and social factors prevalent in them, it is important that the problems of empty homes are not seen simply as something that occurs in specific types of areas or amongst specific tenures of housing.

For the person with an empty home, or living next door to one, the impact on their lives can be just as big whether it is the only empty home in a town or one of many on every road in the area.

Equally however, there can be a tendency for councils to focus only on high profile empty homes that are causing problems in relatively affluent areas and/or attracting the attention of elected officials. This can mean that empty homes that are not in the better parts of a city or town are overlooked because they are hidden from view and not in the picturesque areas that people venture into.

Where this happens, it indicates a failure both to recognise the problem these homes may be causing to neighbours or their owners, and to recognise the opportunity that bringing the home back into use could provide for other families looking for a first home.

In summary, empty homes are found across all housing tenures and will always be a problem for people living near to them and suffering from the blight that they can create, whether or not they are seen as a problem to an area as a whole. For this reason, it is important that councils provide a dedicated service to support people with an empty home who would like to bring it back into use, or living near to an empty home that is causing them distress for any reason.

Q3: What is the impact on communities in areas where there are large numbers of empty homes?

Leaving a home empty costs money and loses money for the owner, the council, emergency services and the local economy.

Long term empty homes can have a negative effect on the local property market. They can create buyer suspicion and reduce interest in the area, leading to lower house prices and homes becoming harder to sell, even at reduced rates.
While no recent estimates have been produced, figures from the 2000’s give estimated reductions of between 12%\(^2\) and 20%\(^3\) in the value of a property that is near to an empty home that has visible signs of deterioration and vandalism. In addition to this, there is a more general downwards trend in property values where a neighbourhood has a high number of empty properties as a whole.

Empty homes are more prone to anti-social behaviour than an occupied home because there is nobody living in the house keeping it secure. Responding to incidents of vandalism and criminal activity carries an immediate cost for local authorities and emergency services. Additionally, after dealing with the immediate break in and/or criminal activity, there is likely to be further work required to secure the property. The cost of securing a home is estimated at between £500 and £2500, depending on the size of the property and how much of it needs secured. This work is usually carried out by the council on the instruction of the police, and then recharged to the owner, but if the owner is not in a position to pay, then that cost also falls to the public purse. Additionally, increasing numbers of empty homes can make fragile communities harder to sustain as they become caught in a downward spiral, where younger generations leave the community to take up employment opportunities elsewhere and this then leads to reduced businesses for local shops and independent traders - already at risk from online retailers or out of town shopping developments – increasing the likelihood of them going out of business and further reducing the appeal of the community to potential newcomers.

With fewer new parents in the area, there is a decline in the need for schools and other parent and children facilities, which eventually may lead to school closure, and the withdrawal of other facilities, acting as a further disincentive to a new generation of potential homeowners and members of the community.

The limited existing workforce resources available and limited ability of the area to attract incomers also serves to reduce the likelihood of new employers moving into the area and establishing businesses there, meaning that the average age of the community increases, while, at the same time, the total population reduces, adding to the economic problems the community is facing and reducing its ability to deal with them.

Every empty home is losing money for its owner. The total cost to the owner of leaving a 2/3 bed terrace property empty has been estimated as between £8,638 and £10,438 per year\(^4\) This is money lost to the local economy where the owner is living, as well as money lost to the local economy of the area where the house is situated.

Bringing empty homes back into use can help to tackle these problems and reverse trends towards depopulation in small communities.

\(^4\) [https://www.no-use-empty.org.uk/newsletter-edition-no-8-10-years/](https://www.no-use-empty.org.uk/newsletter-edition-no-8-10-years/)
Attracting people to move into empty properties can bring a more vibrant atmosphere to a neighbourhood or attract new customers to a high street helping to promote sustainable economic development through increased community spending, safer communities and social inclusion.

For each empty home brought back into use, there is another family generating money for the local economy. Irrespective of whether they are new to the area, they may be buying furniture and other items for the house. Where they are moving in from outside the area, they will be spending money in the local community on food and drink and leisure activities that was not previously spent there.

They may also be carrying out more extensive work to the property to bring it back into use. Where they are doing this, they are likely to be using local businesses and hiring local builders and contractors to do work on the property. As a result, this may also stimulate economic demand in that business to the extent where they are taking on additional employees, which again benefits the local economy, either by reducing unemployment or by meaning that someone stays in, or moves to, the area to work. In this way they can play a vital role in wider regeneration initiatives via the increased population, employment and expenditure that they generate.

Q4: Is the issue of empty homes a problem in particular areas and if so, why?

It is important to take a holistic view of the issue of empty homes. In areas where empty homes are a particular problem they are likely to be symptomatic of wider problems such as market failure, decline of traditional industries, and social deprivation. These can all be factors that have led to people leaving a community and other people being unwilling to move into it.

Additionally, when considering whether empty homes are a problem in particular areas, it is important to bear in mind that they may always be a problem for the people living near to them irrespective of whether they are a problem to the area as a whole. While there will always be areas where empty homes are a particular problem, it is the wrong approach to look at empty homes solely on the basis of the scale or number of empty homes in an area. One empty home in a small street in a town with relatively few empty homes can be as much of a problem for other residents of that street as an empty home in a street in a town with a large number of empty homes.

Furthermore, it is important to recognise that the impetus for reducing the large numbers of empty homes across the country cannot just be seen in terms of removing the problem caused by empty homes. Bringing empty homes back into use can also play an important role in providing the solutions to the housing crisis Scotland is facing. The chronic shortage of housing supply in Scotland has resulted in rising house prices and rents across the country, bottle necks on social housing waiting lists as well as contributing to increasing numbers of people homeless or at risk of homelessness. While the Scottish Government has pledged to deliver 50,000 affordable homes over the lifetime of this parliament this will only go part of the way to meeting the country’s housing needs.

The SEHP has overseen more than 4,300 homes being brought back into use since it was set up in 2010/11. Bringing empty homes back into use can make a significant
contribution to increasing housing supply, which in turn will help to ease inflationary pressures that can make more homes unaffordable. It is also a more cost-effective way of meeting housing demand than relying on new build properties alone. A 2008 study ‘New Tricks with Old Bricks’\(^5\) gave figures for the estimated financial costs of building new houses and comparable work carried out in refurbishing existing houses. Based on an average estimated building cost for new builds of approximately £125,000, excluding the cost of the land, it found that the average refurbishment costs 39% less than the average new build. Given that most empty properties will not require such refurbishment in order to be brought back into use, the case for seeing empty homes as part of a solution rather than simply a problem is irrefutable.

There is a wealth of evidence both within Scotland and from the rest of the UK of ground-breaking initiatives where empty homes have been used as part of wider schemes to deal with non-housing related social priorities. For example, Latch (Leeds Action To Create Homes Ltd) was established in 1989 and brings empty and run down homes back into use. It refurbishes the houses with unemployed volunteers, helping them to gain skills, confidence and work experience. When the homes are fully modernised, they provide good quality supported housing for people who are homeless or living in difficult housing circumstances. For the people who move into the homes, Latch are providing a stepping stone to independent living - most tenants will spend up to three years in Latch properties before they move on. As the properties they purchase will often be in areas that have become rundown, they are also helping to regenerate the neighbourhoods and increase housing stock and, by using unemployed volunteers to refurbish the homes, they’re providing people with skills and opportunities that can help them move into full time employment.

We are also aware of similar organisations such as Glasgow Together and Giroscope in Hull, that have provided work experience, training and support to people with a diverse range of people including ex-offenders and the long term unemployed as part of work to bring empty homes back into use.

We believe that this demonstrates the need for a step change in the way we view empty homes and for them to be brought into the mainstream housing and social policy arena so that we can make use of these assets in a way that continues to have wide benefit for community and government.

Q5: 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?

Yes. Since the establishment of the SEHP in 2010, 22 local authorities now have dedicated empty homes officers. Our research shows that councils with a dedicated focus on empty homes, bring more properties back into use, in fact in 2017/18 95% of properties reported back into use were in areas where there is a dedicated Empty Homes Officer.

Having a dedicated empty homes officer means that empty homes owners and members of the public concerned about empty homes in their area have a service they

can contact for help and support in getting empty homes back into use. It also allows local authorities to develop strategies to deal with empty homes in their areas.

The reasons for empty homes, and the locations and types of homes that become empty will vary between local authorities. While some may have empty homes concentrated in particular areas, in others there may be a more even dispersal of empty homes across the authority as a whole. There will also be local authorities that have a general level of empty homes throughout the area as well as concentrated level of empty homes in specific locations.

The strategies and approaches to dealing with empty homes vary accordingly, and also represent the differences between urban and rural areas and the issues that may apply in each.

Of particular note as areas that have made progress, we would draw the committee’s attention to Dundee and Angus and Perth and Kinross.

The Dundee and Angus Shared Service Empty Homes Project began in December 2015. The empty homes officer helped each local authority to get a better understanding of the nature of empty homes in each locality and went on to manage and facilitate detailed geographic maps that display the exact locations of all long-term unoccupied properties throughout Angus. Similarly in Dundee, the Empty Homes Officer has undertaken a detailed assessment that has painted a clear picture of the percentages of empty stock in each postcode area. This research confirmed that the empty homes can be found consistently throughout both Dundee and Angus – with no real areas of concentration. As this was the case a targeted engagement approach was introduced to focus on the most problematic Council Tax classifications: Empty Farm Cottages (58% of which have been unoccupied for over 10 years); and properties in receipt of the 100% additional Council tax surcharge (in Angus this equates to 29% of all long-term unoccupied properties).

Perth & Kinross Council’s Empty Homes Initiative was initially launched in 2012 as a means to target the 900+ empty homes in Perth & Kinross. The scheme builds on a long standing relationship with private sector landlords offering an incentive to bring empty homes back into use as affordable housing. Empty Homes Initiative Grants of up to £7,500 per bedroom are available to owners of long-term empty properties to bring them up to the Repairing Standard and/or to undertake work which would be required to obtain an HMO License. On completion of the work there is a requirement for the property to be let at the Local Housing Allowance rate via Perth and Kinross Councils Rent bond guarantee scheme. As such the scheme not only tackles the issues associated with empty homes but also directly contributes to the supply of good quality affordable housing in the area. The success of the scheme has been clear to see in terms of the number of homes brought back into use and the number of households that have benefited from this affordable housing, preventing homelessness and the costs and disruption that would be associated with this.

Additionally, several local authorities have adopted ‘Buy-Back’ schemes where empty homes are purchased by the council and used to provide valuable additions to affordable housing stock and address the mismatch between the demand from customers and the existing housing stock profile. In many of these schemes where
properties are not considered suitable for 'Buy-Back', either due to location or costs of repairing the property to bring it back up to standard, empty homes officers will go on to work with the owners to identify other potential purchasers under matchmaker schemes that link property developers or purchasers with empty homes owners.

Alongside these initiatives, we would also draw the committee’s attention to Western Isles where a different approach, reflecting the nature of the community and the issues giving rise to empty homes, is also delivering excellent results. This project began in October 2018. One of the issues that the Empty Homes Officer was confronted with was that of an ageing population, which is more acute in the Western Isles due to the large numbers of people who have chosen to retire to the islands. This means that there is a larger than average proportion of empty homes, where the owner has either died or has gone into long term care. The Empty Homes Officer adopted a very simple approach to this problem, by visiting many estate agents/ solicitors and care homes in the area and making them aware of his role, and leaving flyers with his contact details on. This means that families having to deal with an unexpected empty home know who to turn to if they require help. This has resulted in a large number of enquiries for help and the Empty Homes Officer has already helped to bring dozens of properties back into use.

Local authorities can always learn from strategies and approaches that have enabled progress to be made elsewhere. In doing so, they can consider the extent to which the geographical, demographic, economic and structural factors that make an approach suitable in one authority area will apply to theirs to assess the suitability of an approach and any adaptations that may need to be made to it. Empty Homes Officers can also share best practice on a case by case basis. The Scottish Empty Homes Partnership has been running the Scottish Empty Homes Best Practice Group (BPG) since 2012. Originally a single group covering all of Scotland, it subsequently evolved into two separate groups, one held in the Central belt and another in the North to allow for representation across the country.

The groups are open to staff with a stake in empty homes work with its core delegate being front facing empty homes practitioners based within local authorities. Both groups are dedicated to the discussion of topical empty homes issues impacting on the day to day work of members, emerging issues, themes and trends as well as the exchange of best practice lessons.

The group is perceived to provide a much-needed forum for exchanging knowledge and practical tips as well as contributing to the cohesiveness of the empty homes professional sector in Scotland. Members are encouraged to contribute and lead on agenda items and have discussed topical issues, such as the launch of the Private Residential Tenancy and its effect on empty homes work. This identified a gap to the SEHP who subsequently hosted a PRT Workshop to meet the Network’s needs.

A number of guest speakers, both internal and external, have been invited along to present at Best Practice Groups. These guests have provided valuable insight into their various areas of work, to help officers understand better some of the processes that can affect empty homes, and have allowed officers to ask them open questions, again allowing officers the opportunity to challenge any practices which they feel may be problematic.
Q6: How effective are current tools open to local authorities/central government to deal with empty homes? Should they have more powers?

‘Soft touch’ measures such as advice, information, facilitation and problem solving continue to be responsible for the vast majority of empty homes being brought back into use in Scotland.

Other tools that are available include the Empty Homes Loan Fund and the Rural and Islands Housing Fund. The council tax levy is a further tool that councils can use.

Before moving on to discuss how effective these or other tools may be, a general observation has to be made, which is that tools are only effective if someone is using them. For tools to deal with empty homes to be effective there has to be a dedicated focus within the local authority to deal with empty homes. Without this, they are simply unused tools that are going to waste.

**Empty Homes Loan Fund.** The Scottish Government made available £4m for the Empty Homes Loan Fund in 2012. The fund aims to support a range of projects to bring empty homes back into use as affordable housing, with half of the fund particularly targeted at renovating empty homes in rural areas.

The loan fund was awarded to 17 organisations and has been successful in some areas and unsuccessful in others. In many cases, where the loan fund has been successfully given out, the money has been given to large projects which renovate a single building into multiple units of affordable housing, for instance the Glengate Hall project in Angus.

Elsewhere, the loan fund model which has tended to predominate until recently has been loan-to-let, where the owner agrees to let out their property at affordable rates, normally for a minimum of five years, while others have pursued a ‘Loan to Sell’ option which requires the owner to sell the property at affordable rates rather than let.

The success of this tool has varied between local authorities in part due to the marketing of the scheme, however common issues that have emerged that limit the effectiveness of the loan fund as a tool have included; The loan fund condition of letting the property at affordable rates is not attractive to a private owner in a strong rental market; The terms of the loan can discourage an application; The bureaucracy attached to the loan application; Although the loan is interest free, legal fees and charges to administer the loan can make this finance option uncompetitive.

Lessons learned from loan funds in other parts of the UK, notably Wales suggest that removing the limiting of loans to properties let or sold at affordable rates, may increase the effectiveness of the loan fund, and still support efforts to increase affordable housing supply.

The Houses into Homes scheme was launched by the Welsh Assembly in April 2012. Loans of up to 80% of the value of the property (minus any outstanding loans) or £25,000 per unit (up to a maximum total of £150,000 per applicant), were offered.
Properties could then be re-sold or let. No restriction was placed on the amount of rent or the resale price of the properties.

Over the first three years of the scheme 360 loans were approved out of a total of 586 received applications. Of the other applications, 82 were pending, 118 were withdrawn and 26 were rejected.

Of the 360 approved loans, 35% were being brought back into use as affordable homes. This demonstrates how a loan fund without LHA/OMSE restrictions may still make a significant contribution to increasing affordable housing supply.

Two additional outcomes from the Wales scheme are also worthy of note. The first of these is that from the 360 properties that were approved for the loan, a total of 746 residential units were being created. In this way, the scheme led to an increase in housing stock of more than 100% from the properties that were brought back into use.

The second additional outcome is the increase in empty homes activity as a whole as a result of the initiative. In 2011/2012, the baseline year before Houses into Homes, 1,026 empty dwelling were brought back into use as a result of the direct actions of local authorities. In 2014/2015, the third year of the scheme, 2,458 dwellings were brought back into use, an increase of 13% over three years. The majority of local authority empty homes officers attributed the increase to the introduction of the scheme and the raised profile of empty homes work that resulted from it.

There is also evidence from other areas, that a ‘Loan to Occupy’ model is worth pursuing, and we are aware that there is demand for this type of model in parts of Scotland, although this has yet to be put into practice.

The Rural and Islands Housing Fund (RIHF) opened in Spring 2016. The fund is made up of 90% grant funding and the remainder in loan funding, which has made the fund more attractive to potential bidders, and also includes a feasibility funding element. The rolling element of the fund, as opposed to a strictly limited bidding window of a few weeks, has helped organisations to apply for the funding, as they are not often able to put a bid together quickly for a short bidding window.

However, the 10k funding limit for the feasibility stage is arguably too low and doesn’t reflect the amount of work needed, particularly for larger projects. Architects surveys and reports are one example of something that often can’t be undertaken under current funding limits.

The 75k per unit limit in the main fund is also something that prevents community groups from undertaking more ambitious projects, either involving multiple homes, large buildings, conversions, or buildings that are in strong states of disrepair. Instead it can mean that projects have to focus on smaller, easier to refurb properties, which don’t have the same ambition of scale to make a real difference at a wider level.

In both instances, the current funding limits mean that it is only really private companies that can access the fund for larger projects, as they can offset a lot of the associated costs that are outside the funding, from their general balance sheet and operating costs. For community groups they are either reliant on multiple sources of
funding or on good will and people going the extra mile in addition to day jobs, which can often slow down progress even if projects are pursued.

While private companies have been making use of the rural housing fund to an extent, their interest to date seems to have mainly been in new builds and their approach to projects does not have the wider social inclusion goals that community led schemes have, so increasing the funding and removing the financial barriers that have been preventing many community groups from becoming actively involved in empty homes work would be an important step change that could be made to encourage more community groups to become involved in bringing empty homes back into use and also tackling other social problems including homelessness, lack of skills and training, and limited job opportunities.

A further tool that is available to local authorities is the council tax levy.

**Council Tax Levy.** The Council Tax (Variation for Unoccupied Dwellings) (Scotland) Regulations 2013 specify that ‘The amount of council tax payable in respect of a chargeable dwelling and any day is subject to a discount of 50% of that amount if on that day there is no resident of the dwelling’. However, the regulations give councils the power to vary this and empty properties can be charged 200% council tax once they have been empty for more than a year, or two years if being actively marketed for sale or let. This is often referred to as the ‘Council Tax Levy’.

The aim of the policy behind the levy is to reduce the number of empty homes – as evidenced in the quote below from the Scottish government’s 2013 supplementary guidance on the levy⁶

> “The power is intended as an additional tool to help local authorities encourage owners to bring empty properties back into use, both to increase the supply of housing for those who need homes and to reduce the blight on communities caused by houses being left empty and allowed to fall into disrepair.”

We feel that it is important that money generated by the levy is used to fund projects and initiatives that contribute to bringing empty homes back into use as part of overall work to increase housing supply and address the housing crisis in Scotland, rather than using the money to fund other commitments or make up for other budgetary shortfalls. Where the money is used towards this, local authorities are seen to be acting in the spirit of the legislation and working to actively tackle the problem of empty homes.

Where this tool is used effectively as a carrot and stick approach to encourage owners to bring homes back into use it can be very helpful as a means of tackling empty homes. However, as a blanket charge applied without discretion in individual cases it can have the opposite effect by adding to the financial hardship owners may be facing and further limiting the resources available to them to bring the property back to a condition where it may be suitable for sale or rent. **We therefore feel that it is**

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important for all councils to use the discretionary powers available to them in individual cases to ensure that application of the levy follows the spirit of the legislation and is not merely seen as a blanket charge that generates additional funding.

Q7: Should there be more enforcement powers to local authorities/central government to deal with the issue? If so, what could these be?

A consistent theme in the feedback the Scottish Empty Homes Partnership has received from councils via our surveys and other means has been the desire for more empty homes enforcement tools in Scotland. The main enforcement measure that is currently available is the Compulsory Purchase Order (CPO). However, many councils have been reluctant to apply for CPOs because of concerns about both the cost, timescales and risks of pursuing a CPO. While we recognise efforts made by the Scottish Government to improve processing times once an application has been made for a CPO, there is still a very complex process that has to be followed before an application can be made. By its very nature, this means that, even if not applied for as a last resort only, a CPO can never be seen as a simple solution and a first choice option for a local authority, and will always be something that comes after other exhaustive attempts to engage the owner and bring the property back into use have failed.

Where other attempts have failed, and the conditions for applying for a CPO have been satisfied, local authorities still need to consider whether they will be able to sell on the property or bring it back into use as social housing before making an application, and this can also mean that a CPO will not be a viable option.

The main additional enforcement power that has been proposed by the Scottish Government, but not yet introduced, is the Compulsory Sale Order (CSO). This power would be a new legal mechanism available to local authorities to require an empty home that has been vacant or derelict, for an undue period of time (as yet undecided), to be sold by public auction to the highest bidder. SEHP has been part of an expert advisory group to explore the opportunities and challenges that a new CSO power presents. We have found that the main advantage that CSOs are seen to provide over CPOs is that the local authority does not have to take ownership of the property, therefore the level of financial considerations involved in deciding whether to proceed are reduced accordingly. However, other considerations remain largely the same as they would for a CPO, and with that in mind, as with all enforcement tools, they should never be a first choice approach for bringing empty homes back to use. Nonetheless, we know that there is a demand for this power. In our 2018 Annual Survey, we asked empty homes officers how many ‘no hope’ cases they could identify where they believe the Council would use a CSO Power if available. From the responses we received, officers identified 102 cases that they would consider appropriate for a CSO.

As with the tools we referred to in our answer to Question 6 however, it is important to note that powers will only have a chance of being effective if councils are using them, or attempting to use them. If they are unable or unwilling to use the powers, then their effectiveness cannot be assessed. There is therefore a need to ensure that, in the event of any additional powers being introduced, that local authorities are adequately funded to be able to use the powers, and that legislation and guidance is developed
to reflect the practical considerations local authorities will face in applying them in order to ensure that powers are not simply aspirational in nature and can be used as part of the range of measures to bring empty homes back into use.

Q8: Is there enough information/data to provide an accurate picture of empty homes in Scotland? If not, how could this be improved?

In looking at what statistics are needed to give an accurate picture of the problems caused by empty homes, it is important to recognise the distinction between empty homes and long term empty homes. Long term empty properties are those that have been empty for six months or more. Properties empty for shorter periods are in part a sign of a healthy property market where there is a balance between supply and demand for properties for sale or rent.

Where properties remain empty beyond six months it may either be a sign of market failure as a whole or other problems that prevent the house being returned to use. Therefore, for meaningful data to provide an accurate picture of empty homes, the data should focus on long term empty homes, not all empty properties.

The National Records of Scotland data referred to in the call for evidence for this inquiry gives a figure of 79,000 empty properties, but this includes ‘new homes which are yet to be occupied, and dwellings which are empty and awaiting demolition’. The inclusion of new homes, which are likely to be awaiting occupation unless they have been empty for more than six months, and properties awaiting demolition, that cannot be returned to the housing stock, mean that the figure could be seen as overstating the scale of the empty homes problem across the country.

In contrast, the main statistics published by the Scottish Government, which report approximately 39,000 properties as long term empty, may do the opposite. These figures are based on council tax returns to Scottish Government and exclude properties that have been empty for less than a minimum of six months and properties that are exempt from council tax. While this avoids overstating the problem (as new properties and properties awaiting demolition are not included in the count) the exclusion of other properties exempt from council tax means that other empty homes are not counted and the figures understate the scale of the problem.

Properties exempt from council tax include properties that have been repossessed, properties where the owners are deceased and probate has not yet been granted, and properties where owners have moved into long term care. Properties undergoing major structural repairs or renovation may also be exempt from council tax.

The exclusion of these properties can also mean that some of the most problematic empty homes go under the radar and are not easily identifiable to empty homes officers. While they remain unnoticed, their decline is likely to be continuing meaning that by the time they do come to empty homes officer’s attention it is likely to be because of the blight they are causing to a neighbourhood and may mean that far more work is now needed to try and bring them back into use.

It is also worth noting that, because the statistics on empty homes are taken from council tax returns, their accuracy is subject to variations across councils due to
methods of data collection, and they also rely on people providing accurate information to councils when properties become empty. This does not always happen, particularly where owners know they may be liable for 200% council tax if they report a property as empty. In other instances, former second homes that are no longer used as such may be misclassified, or people may continue to pay full council tax in spite of being in long term care.

There is therefore a need for more accurate data to identify the scale of the problem across the country and assist empty homes officers and councils in their efforts to bring empty properties back into use. At the same time, there is also a need for more detailed information to be gathered and for data to be analysed in order to understand what the issues are that lie behind empty homes across the country and what options may work to bring properties back into use in specific locations.

With this in mind, the Scottish Empty Homes Partnership intends to carry out a National Empty Homes Survey later in 2019, with the aim of gathering information that will provide further insights into the reasons why homes become long term empty and the barriers to bringing empty homes back into use. It is hoped that the findings can be used to; establish whether there is a link between the reasons homes initially become empty and the reasons why they often remain empty; build a greater understanding of what initiatives may generally work more generally assist in bringing empty homes back into use, and Identify areas with high volumes of empty homes where specific and/or intensive initiatives may also be needed.