LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

CALL FOR VIEWS ON EMPTY HOMES IN SCOTLAND

SUBMISSION FROM INVERCLYDE COUNCIL

Please note that comments in blue type are from River Clyde Homes

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

Properties can become empty for a vast number of reasons. Changes in the housing market have contributed to the number of empty properties along with the economic downturn prohibiting investors to buy. In Inverclyde evidence is that the following are the main reasons for a property being empty:

- Actively marketing the property for sale or rent with little or no interest when the owner has moved on with no identifiable reason for lack of sale / renting
- Property is located in a low demand area
- Owner has been taken into hospital or long term care
- Owner deceased – long legal process
- Inheritance disputes
- Property repossessed
- Absent owner(s) not resident in the UK
- Negative equity
- Owner unable to afford to attend to items of disrepair or commission a Home Report
- Historical reputation of the area
- Antisocial Behaviour

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

Yes, Private, Private Rented Sector (PRS) and Registered Social Landlords report these issues as reasons for empty homes and find it difficult to sell and rent properties in low demand areas. Mixed tenure blocks with empty homes struggle to carry out common repairs which can exacerbate the problem as it can be difficult to have common repairs carried out further decreasing the desirability of the property.

As of the 23rd April 2019 Inverclyde has 662 (those properties which have been empty for 6 months or more) long term empty properties as per Council Tax records of which 113 were owned by Registered Social Landlords (RSLs).
3. What is the impact on communities in areas where there are large numbers of empty homes?

Where there are a large number of empty homes it appears that the effect spreads throughout the area and begins to cause depopulation of the community and blight of the area. Effects include local bus routes being reduced, school roles falling and healthcare facilities being withdrawn. The impact on local communities is mainly in terms of anti-social behaviour, fly tipping, fire raising, and vandalism as well as the visual impact of the unkempt appearance of empty homes. Ultimately this can cause a decrease in market values.

Private rental increases when owner occupiers are desperate to sell, which in turn can drive down house prices.

Common repairs are hindered due to absent owner(s).

RSLs have difficulty factoring mixed tenure blocks and carrying out common repairs due to absent owners or lack of interest from landlords in maintaining common property.

RSLs find that once the number of empty homes begins to increase within an area, existing residents no longer want to live in there and leave, exacerbating the deterioration of the area and further reducing the chances of re-letting. Residents feel their only option is to move away from the area, could be making poorer housing choices and losing support and community connections.

The costs associated with securing and managing an increasing number of empty homes need to be found at the expense of community investment.

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

Where there has been historical anti-social behaviour in a particular area there is a tendency to find an increase in empty properties. New build housing provided via the SHIP programme is also having an effect on existing low demand stock areas.

Poor housing conditions within the private rented sector combined with a high turnover of tenants and increasing input from Police Scotland, Scottish Fire & Rescue Service and various Council Services are clear indicators that the sustainability of an area is limited. The poor physical and social conditions in the area, combined with the level of input required from a range of organisations, indicates housing market failure and that large-scale planned area intervention is required.

The Clune Park area of Port Glasgow has suffered from increasing numbers of empty homes over a number of years. The area comprises 430 flats over 45 tenement
properties. In the early nineties the tenure split was largely owner occupied with a large portfolio of private rented flats owned via the local property factors based in Port Glasgow. When the portfolio of private rented property was sold and factoring ceased in the estate maintenance works and common repair decreased sharply. Gradually, and possibly as a result, owner occupiers either sold their flats to private landlords, many of which are not locally based, or simply abandoned their properties. Investment in individual flats reduced and this coupled with lack of investment in common repair meant the area began to deteriorate suffering from the effects of lack of maintenance, increasing numbers of empty homes, vandalism, flooding caused by theft of metal, decrease in reputation and blight of the area. Numbers of empty homes continued to increase. The occupancy profile of private tenants changed. Fire raising became an issue on occasion. Criminal activity including cannabis farming and reports of phantom tenancies in empty homes became widespread. The current position is that the estate is largely empty. The properties have deteriorated in condition to such an extent that they are sub tolerable and uninhabitable. The Clune Park area has been identified by Inverclyde Council as its highest priority for investment to tackle the physical and social issues that have led to the current degraded condition of the housing stock.

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?

Inverclyde Council in partnership with River Clyde Homes and the Scottish Empty Homes Partnership (Shelter Scotland) appointed an Empty Homes Officer in May 2017 this has been the main method by which Inverclyde has begun to see progress in addressing the empty homes issue. Two year SEED funding comes to an end in May 2019 with Inverclyde Council and River Clyde Homes having agreed to continue funding the post for another year. Inverclyde Council hope to make the Empty Homes officer post permanent. The Empty Homes Officer has worked closely with the Public health and housing team and other Council services, principally Council tax, to identify empty homes and work with owners to bring them back into use. Primarily an advice and information service with incentives is provided to encourage owners to take action to bring these properties back into housing use. The Empty Homes Officer ensures empty properties not known to Council tax are identified to allow the appropriate council tax to be applied. There can be a wide range of reason as to why a property is empty this can make Empty Homes work very complex and highly emotional. With this in mind solutions need to be tailored to each individual case. To date the Empty Homes Officer has brought 27 empty properties back into use and has over 60 open cases supporting owners to bring their property back into use.

In addition local RSLs are working hard to mitigate the effects of long term empty properties by the means of Major Intervention Plans. Plans include working with local community groups, schools and local employers to promote their stock. Show Flat Open Days as well as incentives such as white goods carpeting or decorating packs have also proved to be popular in generating interest.
The Broomhill Regeneration by a local RSLs saw occupation rates within a mixed tenure community blighted by LTE homes and anti-social behaviour, increase from 30% to 100% over a 3 year period. Major investment by the RSL, driven by local residents and close partnership working including the provision of a new Community facility, have transformed the area to becoming a desirable place to live.

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

The 100% increase in the council tax levy has increased the demand for support from the Empty Homes Officer. The levy has prompted owners to address their empty properties and increased the urgency with which there is a need to deal with them. The introduction of the increased long term empty levy and the funding of a dedicated Empty Homes Officer have proved to be the most powerful tools in making progress in this area of work.

The creation of a small grants system is currently being pursued by the authority. This will be funded from the additional income resulting from the removal of the discounted Council Tax charge on LTE properties and hopefully will help assist owners to carry out small decorative improvements to their properties which will increase the likelihood of sale.

The possibility of the Joint Evaluation Board being given the powers to introduce a levy on long term empty commercial properties should be considered to allow them to be considered for re-provisioned for housing use.

Council Tax Debt Recovery given powers to recover council tax debt from owners prior to the protracted legal process related to re-possession where there is a high level of council tax arrears.

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

Powers to allow Local Authorities to acquire LTEs to allow them to be utilised as a community facilities where need is identified. The option for blocks of empties or single properties to be re-provisioned as supported accommodation or training flats for various community needs.

Powers (backed by grant or loan facilities) to force transfer of ownership of LTEs where the non-resident owner is persistently refusing to engage to local social landlords i.e. Govanhill model.

Increased levels of Government grant or loan facilities to LAs to exercise powers.
Compulsory Sales Orders should be made available to allow Local Authorities to force the sale of properties where the owner has abandoned the property and cannot be found.

Whilst Enhanced Enforcement Area powers are available to Local Authorities to allow intervention in properties suffering from overcrowding it is suggested that intervention powers should be made available to Local Authorities to intervene early in areas of under occupation to prevent the scenario played out in Clune Park. Powers could be made available requiring that when strict criteria are met Local Authorities are able to acquire properties, in partnership with an RSL, to allow properties to enter the social rented sector. This with the imposition of a mandatory factoring service to be provided by the partner RSL to ensure ongoing maintenance. This process, perhaps funded via the SHIP programme and the relevant RSL, where need is identified in an area may prove successful.

Should such powers have been available to Local Authorities to intervene in such a manner it may have prevented the area failure experienced in the Clune Park estate.

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

There is an awareness that there are a number of owners who do not declare the empty status of their property to Council tax meaning that the correct council tax liability is not charged. Due to the number of empty homes "hidden" in this way the current figures do not portray an accurate picture of empty homes in Scotland. The implementation of the Council Tax levy and Empty Homes Officer role has facilitated the ability to begin to identify these properties, however, greater emphasis is needed around raising awareness to owners about their legal obligation to report the status of their property to the relevant authority.