

LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

CALL FOR VIEWS ON EMPTY HOMES IN SCOTLAND

SUBMISSION FROM ARGYLL AND BUTE COUNCIL

Bringing empty homes back into use is a key component of the Argyll and Bute Local Housing Strategy that aims to increase supply of affordable housing; improve the quality and condition of existing housing stock; and improve the outlook of our communities.

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

Each empty homes case has its own unique set of circumstances as to why it has become empty. There can often be a combination of factors that have led to the home becoming unoccupied. Reasons can range from deceased and untraceable owners, repossessed homes, lack of engagement or interest from owner, through to affordability and cost effectiveness of works to bring homes back into use.

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

Yes – there can be empty homes across all tenures. However, primarily the issue affects privately owned housing more than social housing.

Empty homes amongst social housing stock can be due to low demand areas, reputational issues, and stock condition. Whilst with privately owned property the reasons can be wide ranging and complex, and vary considerably depending on the owner's circumstances, location, and condition of the property.

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

As the Empty Homes Officer for Argyll and Bute Local Authority I regularly encounter the adverse impacts that empty homes can have not only for the owners, but for neighbours, our communities, visitors, and the Local Authority.

I do not think there has to be a large number of empty homes in an area to have an adverse impact on our communities. Empty homes can cause significant blight and concern for communities. They can have an adverse effect on the sustainability of local resources (transport, schools, jobs etc), do not contribute to meeting local housing needs, and can affect the values of surrounding properties.

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

No, the issue and problems of empty homes can apply across all areas from rural to urban settlements. The impacts can be as significant for a single empty home unit in an isolated settlement, to those located in built up areas.

However, in relation to property types, empty homes in tenements can be some of the most challenging and problematic to address. Common repairs can cause significant problems both for the fabric of the buildings and gaining agreement from all owners regarding the costs to agree to works required.

There can also be a mix of tenure in tenements, including (occupied and empty) commercial units which can add to the complexity of bringing individual and whole tenements back into use – there can be different funding sources, and/or lack of clarity in titles regarding proportion of liability towards common repairs. The failure to maintain buildings is a huge contributing factor to homes becoming and being left empty.

Building materials/fabrics have a limited life cycle and need to be maintained and repaired to protect longevity of them. Whilst the recent review of tenements has highlighted the need for owners to contribute to ‘sinking funds’ and undertake 5 year health checks regarding common repairs this approach could be extended. It would be useful if the Scottish Government could raise awareness and give consideration for a great emphasis to be given to the owner’s legal obligations and responsibilities to maintain buildings at the ‘point of purchase’ with a duty imposed to ensure that the conveyancing Solicitors record that prospective purchasers are clear on their duties and the costs have been taken into account.

Unfortunately too many empty homes are purchased via means such as Auction without the purchaser even viewing the property and assessing the condition. These cases often result in people buying them just because they are low value, which results in purchasers often having taken on more than they thought and they do not have the means to realistically bring back into use. Many of these empty homes end up back on the market, or are just left empty as it is not viable to take any action. If owners have to acknowledge and accept responsibility to address condition of building fabric at the point of purchase this may help towards addressing historical problems of an abundance of poorly maintained tenements which cause blight, can lead to dangerous buildings including closed walkways/streets, and crucially do not help meet high housing needs across Scotland.

Another significant factor is the ‘local housing market’, in some areas the costs to undertake works to bring homes back into use exceed the property value, so there is little or no incentive for owners to invest to bring back into use as there is no yield or potential to recuperate the costs.

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?

In Argyll and Bute we offer a range of options to help owners bring their homes back into use. Having a dedicated Empty Homes Officer to provide advice and assistance on the support and options available to bring homes back into use is often the most beneficial tool for owners. This resource is complemented by Argyll and Bute Council funded Empty Homes Grants and Loans to encourage and support owners to bring long-term properties back into use; a Matchmaker scheme for those within to sell/buy empty homes; assistance to access VAT reductions for homes empty over 2 years/10

years; and referrals for locally and nationally agreed Builder Merchant discounts for purchase of materials to reduce renovation costs.

However, in Argyll and Bute whilst meeting housing need and demand is a key focus, we recognise the wider outcomes that can be achieved by bringing properties back into use. The issues that can be encountered by an empty home can affect many Local Authority Departments such as – Housing, Building Standards, Planning, Environmental Health, Amenity Services, Landlord Registration, and Anti-Social Behaviour. We have set up Area Property Action Groups (APAG's) across our area, to co-ordinate action and work together to find solutions and address the most problematic empty homes and buildings. To support APAG's we have recently introduced an additional annual £50k Empty Homes/Building Enabling Budget to support action through the use of statutory powers and negotiations with empty home owners.

6/7. How effective are current tools open to local authorities/central government to deal with empty homes? Should they have more powers?

The existing Housing Scotland Acts and resources such as Compulsory Purchase Orders are useful tools and can provide provision to deal with majority of cases.

Due to the geographical size and diversity of areas such as Argyll and Bute, we would welcome opportunities to improve the local and national support provided to encourage empty homes owners to take action, including consideration of specific Empty Homes Legislation and increased powers to support bringing empty homes back into use. A&BC also support Scottish Empty Homes Partnership aims to have at least one dedicated Empty Homes Officer in each Local Authority area.

There also needs to be more funding streams which are less bureaucratic and enable 'self-renovate' type approach to empty homes work as this can often be the only cost effective way to bring long-term empty homes back into use.

A specific 'empty homes energy efficiency grant' funding stream would be extremely beneficial. When properties are undergoing renovation works, this provides an ideal opportunity to try and future proof our housing stock to meet proposed 'energy efficiency targets' particularly in the private sector. Argyll and Bute Council have an active HEEPS: ABS insulation programme – with the aim to provide grant assistance to owners and private rented householders for fabric insulation measures. However, the existing HEEPS grant programme does not apply to empty homes and whilst the HEEPS Equity Loan does, it is only applicable for those with adequate equity in their properties which limits the households who can apply. Therefore HEEPS grant assistance cannot be provided to empty properties/renovations - even when the properties would be tenanted once the renovation was complete. This would mean that if householders wanted to access grant assistance for insulation measures, they would have to wait until the property was occupied. This causes particular issues – especially with internal wall insulation – which is a disruptive installation –and would be better suited for insulation to be installed during a renovation. This therefore highlights the issues surrounding missed opportunities to improve the energy efficiency of housing stock in Argyll and Bute. In addition, the guidance for HEEPS: ABS can have an inadvertently negative effect on any prospective tenants/owners

moving into the previously empty properties – for example, the householder may be fuel poor once living in the property. Ensuring that grant funding such as HEEPS: ABS is available to empty homeowners would provide incentive to improve the energy efficiency of housing stock; and would essentially future proof the housing stock in Argyll and Bute and across Scotland.

A Scottish Government / Scottish Empty Homes Partnership budget for ‘financial and dedicated legal support’ for Local Authorities who are considering ‘Compulsory Purchase Order’ (CPO) and also the proposed ‘Compulsory Sale Orders’ (CSO) to bring empty homes back into use would complement these tools. These are effective tools but due to the diminishing financial resources and capacity within Local Authorities this could make the CPO or CSO processes more cost effective and efficient and encourage more utilisation of the powers.

Further guidance and clarity around Repossession procedures would significantly help in some ‘stuck empty homes cases’. Whilst the legal processes in terms of lenders obligations during repossession proceedings are relatively clear the system does not provide (to my knowledge) any set guidelines on the timescales to which a lender has to act once Decree has been granted to take possession of the property, even in instances where the property has been voluntarily surrendered by the owner back to the lender. These cases can often occur when a decree is granted but the likely value of property won’t meet the outstanding monies due, so rather than try recuperate what they monies they can, lenders often sit on the property and take no action – leading to long-term empty homes which are likely to fall into disrepair and to decline in value. It can also be difficult to gain any information from lender regarding their position during this process, particularly if the previous empty home owner has not provided consent or when the owner is deceased. This option could be investigated further in conjunction with UK Finance who act on behalf of lenders to prompt lenders to be more pro-active in dealing and disposing of repossessed empty homes.

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

No, it is my view that the number of empty homes recorded through Council Tax does not reflect the reality and the scale of the problem across Scotland.

For example, there are a significant number of properties that have been historically removed from Council Tax or Rates register by Valuation Joint Boards due to their poor condition. There are also likely to be large numbers of properties across Scotland that are registered as holiday lets or premises registered under Rates system which are not being utilized and lie empty.

If the numbers of properties removed from Council Tax/Rates registers could be identified and combined with those recorded as empty on Council Tax the number of empty homes in Scotland would be significantly higher than 40,000+ reported.