

Empty Homes Information Leaflet



Introduction

At any one time, there are around 1600 dwellings in the county of Conwy which have been unoccupied for six months or more. Many of these are what is known as transitional vacancies and are likely to remain empty for relatively short periods of time – for example, while they are marketed for sale, or while the owner refurbishes them. Other properties, however remain empty for significantly longer periods, and it is these which usually come to the Council's attention.

The reasons why homes remain empty for longer than necessary vary considerably, and include properties which are empty while probate is granted, those which are in poor condition and require refurbishment, or those where the owner cannot decide what to do with them.

As a Council, we are keen to ensure that as many homes as possible are occupied at any one time, and recognise the role that empty homes can play in helping to meet housing need or support first time buyers to get onto the property ladder.

There are various ways in which both Central and Local Government can help owners to bring their empty homes back into use. This leaflet provides information on some of the options that are available.

Renovation and Improvements

Many empty homes remain empty for long periods because they are in poor condition and require renovation in order to bring them up to standard. Whilst the nature of renovation works varies from one property to another, here are four of the key issues that are worth considering:

Budgeting – ensure you have a proper budget before you begin any renovation project. The Empty Homes Agency recommends budgeting for unexpected works in addition to the costs already identified by your contractor. A sum of between 10% (for a simple project) and 25% (for a more complex project) is recommended.

Insurance – renovation works can affect your building and contents insurance. Contact your insurance company before project commencement to discuss what works you are intending to carry out, so they can advise you further

Regulations and restrictions – always check with the Council's Planning and Building Control departments to ensure any work or alterations you are proposing to do will receive the necessary permissions. Building Regulations approval is sometimes needed even for relatively minor types of work, so if you are in any doubt, it's wiser to check first.

Choosing a builder – renovating and improving property can sometimes be more complex than it first appears. Choose your builder carefully, either by listening to the experiences of others who have had building work done to their property, or following the advice given by bodies such as:

Chartered Institute of Building at www.ciob.org.uk/home

Federation of Master Builders at www.fmb.org.uk

National Federation of Builders at www.builders.org.uk

Trustmark – a ‘not for profit’ organisation supported by Government which enables an on-line search at postcode level for local reputable tradesmen www.trustmark.org.uk

Value Added Tax (VAT) rules for renovating properties

With effect from 1st January 2008, renovations and alterations to residential properties that have been empty for at least 2 years immediately prior to the commencement of qualifying works may be eligible for a reduced rate of VAT at 5%. Further information can be found in section 8 of HMRC’s notice 708 ‘Buildings and Construction’, August 2016, which can be downloaded from the HMRC website. Search for Notice 708 in the search facility.

In most cases, HMRC will accept written confirmation from the Local Authority that a property has been unoccupied for the requisite period of time. If you are carrying out works to an empty property that you believe may qualify for reduced rate VAT, please contact the Empty Homes Officer at housingstrategy@conwy.gov.uk or via telephone on 01492 574235. Please note that we can only provide written confirmation based on the information we have, and this may not be sufficient for HMRC’s purposes in every case.

Council Tax Payments For Empty Homes

In most cases, Council Tax is payable for both occupied and unoccupied dwellings. However, a range of Council Tax exemptions exist, depending on the circumstances of the owner and what the property is used for. Some specific exemptions apply to empty dwellings, and more information on these can be found on the Conwy website www.conwy.gov.uk - search for “Council Tax Exemptions” in the search box, and click on the link to “Discounts”. Most of the exemptions relating to empty dwellings are time-limited, and once the relevant exemption period has come to an end, Council Tax will normally become payable in full and for an indefinite period.

Selling an Empty Home

In many ways, selling an empty home is no different to selling any other property. If you have an empty home to sell, you may choose to sell it yourself (for example, by private treaty), through an estate agent, or via auction. With so many estate agents around, it can be difficult to decide which one to choose. It is worthwhile shopping around to enable you to compare the fees they charge, how they will market the property and how many other properties they are selling in the area. As property valuation by estate agents is not always an exact science, it may be useful to obtain valuations from as many as three different agents to ensure you have a balanced view of what you can hope to achieve. Further

information on selling property can be found on the RICS website at <http://www.rics.org/Global/RICS-Selling-a-Home.pdf>

If your property is in poor condition or if you want to try to sell it more quickly (avoiding the selling chains which you may encounter if you sell through an estate agent), you may decide to list it for auction. Auctions often have a targeted audience of developers, investors, portfolio landlords and cash purchasers, and the fact that a property is empty may be of particular interest to such buyers. Selling at auction enables you to agree a minimum (reserve) price for your property to ensure that it cannot be sold for less, and if you are lucky enough to sell the property, the fall of the hammer forms a legally binding contract between you as seller and the purchaser.

Further information about selling a property by auction can be found on the RICS website at <http://www.rics.org/Global/RICS-consumer-guide-Property-Auctions.pdf>

For local information about auction houses covering the Conwy area, please e-mail housingstrategy@conwy.gov.uk or phone 01492 574235.

Please be aware that, where a property is in a particularly poor condition, it may be more difficult for a potential purchaser to obtain a mortgage to buy it.

Renting an empty home

If you own an empty home but do not wish to sell it, it may make sense to rent it out. This would both generate an income for you as owner, and provide a home for someone in housing need. Any home that is to be rented out must meet current housing standards, and landlords are obliged to ensure that their property fully complies with legislation contained in a series of Housing Acts before they let it. Once a property meets the standard, a number of options are available.

- Through a letting agent – there are many letting agents who provide services in Conwy and are able to advise a prospective landlord on market rents, property standards (general advice only), finding and assessing the suitability of tenants, and the preparation of tenancy agreements and other associated documentation. As with all organisations, there are differences in the services that letting agents offer, so it is wise to make enquiries with a few before you decide which to choose. Most reputable private accommodation providers are registered with one or more of the following:
 - National Approved Letting Scheme
 - Association of Residential Landlords
 - National Association of Estate Agents
 - Royal Institute of Chartered Surveyors
 - The Property Ombudsman
 - The Association of Residential Letting Agents (ARLA)
 - National Landlords Association

- You may wish to consider letting your property through the joint Conwy Council and Cartrefi Conwy letting service, HAWS, which offers a range of different letting options for properties. For further information on services available, please contact the Private Sector Access Officer at:

Conwy Housing Solutions
 Coed Pella
 Conwy Road
 Colwyn Bay

Telephone 0300 124 0050

or via e-mail at: lynsey.blackford@conwy.gov.uk or
anna.catrin.jones@conwy.gov.uk

For more information, please look at www.conwy.gov.uk

Other social letting agencies also provide services in Conwy.

- Letting it yourself – many owners decide to let their property themselves. The law states that there are certain rights and obligations associated with being a landlord, and anyone intending to rent their property without assistance from any professional bodies should ensure they are aware of these before granting a tenancy to someone. Being a good landlord is not always as easy as it seems, and ‘The Landlord Handbook’ produced by Accreditation UK is a useful read for all landlords or potential landlords. The handbook is available to download at http://www.anuk.org.uk/ANUK/media/ANUK_Resources/Handbook/anuk_handbook_2012_web.pdf

The Royal Institute of Chartered Surveyors (RICS) also produces a free guide to renting property, which is available to download at <http://www.rics.org/Global/RICS-consumer-guide-Renting-Property.pdf>

If you have a mortgage on the property, you are likely to need consent from your mortgage company or lender before renting it to someone else. You may also need to consult with:

- the freeholder (if you are looking to rent out a leasehold flat),
- the Council’s Planning and Building Control Departments, if you are considering making any changes to the structure of the property,
- the Council’s Housing and Environmental Enforcement Section,
- your buildings and contents insurance company,
- HMRC, your accountant or financial adviser

Rent Smart Wales

Since November 2017, all landlords in Wales must register with Rent Smart Wales. In addition, landlords who manage properties themselves (i.e. without the help of a letting agent) must also be licensed. For more information visit rentsmart.gov.wales or call 03000 133344.

Local Authority Powers To Deal With Empty Homes

Although the Council always endeavours to work with and support owners to bring their empty homes back into use, there are many circumstances where a different approach is required. This may be because an empty property poses an imminent risk to other people or because an owner is unwilling to take the steps necessary to bring a property back into occupation. A raft of legislation exists that enables Local Authorities to deal with problems caused by both occupied and unoccupied properties alike, and formal action will normally be taken against an owner whose property is having an adverse effect on other properties or on the amenity of the area in which it is located. Where enforcement action is taken, the Council will ensure that such action is proportionate to the circumstances, but it will nevertheless take a robust stance in relation to empty homes to ensure that as many as possible are brought back into use. For further information about the range of legislation that we are able to use to tackle empty homes is contained in the Conwy Empty Homes Strategy. Copies of the strategy are available from housingstrategy@conwy.gov.uk or by download from the Conwy website.

Why Bring An Empty Home Back Into Use?

All properties require ongoing maintenance in order to ensure they remain in good condition and maintain their value - and empty homes are no different to occupied ones in that respect. Research undertaken by the Royal Institute of Chartered Surveyors indicates that an empty home can cost its owner as much as £7000 per year, when lost rent, dilapidation, insurance and the ongoing Council Tax liability are taken into account. In most situations, it does not make economic or social sense to leave a property empty for any longer than necessary, and for many owners there is no justifiable reason for them to do so.

If you wish to discuss an empty home (either because you own one, or are aware of one in your area), please contact us:



By e-mail at: housingstrategy@conwy.gov.uk

By post at Housing Strategy,
Conwy County Borough Council,
PO Box 1,
Conwy,
LL30 9GN

By telephone on 01492 574235