

Conwy Empty Homes Strategy

September 2019



Sir Conwy, yr amgylchedd iawn i helpu pobl i helpu eu hunain

Conwy County, the right environment to help people help themselves

Contents

Section	Topic	Page
	Foreword	3
	Our Aim	3
1	Why is an Empty Homes Strategy needed?	4
2	Monitoring performance and achievements to date	4
3	A profile of empty homes in Conwy	5
4	Empty homes in the wider context of Conwy	8
5	Why do homes become and remain empty?	8
6	Will the strategy target all empty homes?	9
7	Identifying empty homes	10
8	Contacting owners about an empty property	10
9	Financial support for owners of empty properties	11
10	VAT for the renovation of empty dwellings	12
11	Enforcement action	13
12	Purchasing empty homes	14
13	Monitoring and reviewing the Empty Homes Strategy	14
14	Equalities	15
	Appendix 1	16
	Appendix 2	17

Mae'r ddogfen hon ar gael yn Gymraeg hefyd.

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Foreword

Welcome to the Empty Homes Strategy for Conwy. Empty dwellings in private ownership are a considerable issue in Conwy, as they are in many other areas in the UK. In April 2017, there were reportedly in the region of 27,000 dwellings across Wales which had been unoccupied for 6 months or more. The current administration of Welsh Government has set a target to bring 5000 empty homes back into use by 2021, and a wider target to create an additional 20,000 affordable homes by 2021.

Funding towards our work to bring empty homes back into use comes from Welsh Government and Cartrefi Conwy Cyf Housing Association, and we will continue to work towards identifying other funding sources to enable us to deliver new initiatives to support owners of empty dwellings to return them to occupation.

Our Aim

The belief that underpins the development of this strategy is that every empty dwelling is a wasted resource. The aim of this strategy is to significantly reduce the number of empty properties in Conwy and unlock the housing potential.

To help focus our resources we have identified three strategic priorities:

- Increase the supply of affordable housing
- Support landlords to improve the condition and energy efficiency standard of private sector housing.
- Address problematic empty dwellings.

These strategic priorities are closely linked to Conwy's Local Housing Strategy key priorities.

A detailed Action Plan has been prepared which sets out what will be done to implement the strategy and deliver on the strategic priorities. The areas of focus will include:

- Develop housing initiatives to make best use of empty properties (including rural areas)
- More use of enforcement powers
- Provide flexible support options that meet the needs of empty property owners and communities.
- Raise awareness of the empty homes service and support available.
- Ensure accommodation above shops in town centres are part of any regeneration initiatives.

The Action Plan will be monitored quarterly by the Empty Homes Working Group and annually by Conwy's Strategic Housing Partnership.

The strategy sets out the role that the Council and its partners will play in dealing with the problem of long term empty homes in the county.

1 Why is an empty homes strategy needed?

- 1.1 Despite market churn, the number of long term empty dwellings in Conwy remains fairly consistent at approximately 1600. Many of these are in good condition, while others are in differing states of disrepair and would require some manner of improvement in order to bring them up to current housing standards. While many empty homes will become reoccupied naturally through the actions of their owners, others remain empty for longer periods of time and for a variety of reasons, and it is these properties which may require some form of intervention from the Council in order to ensure they do not remain empty and become problematical.

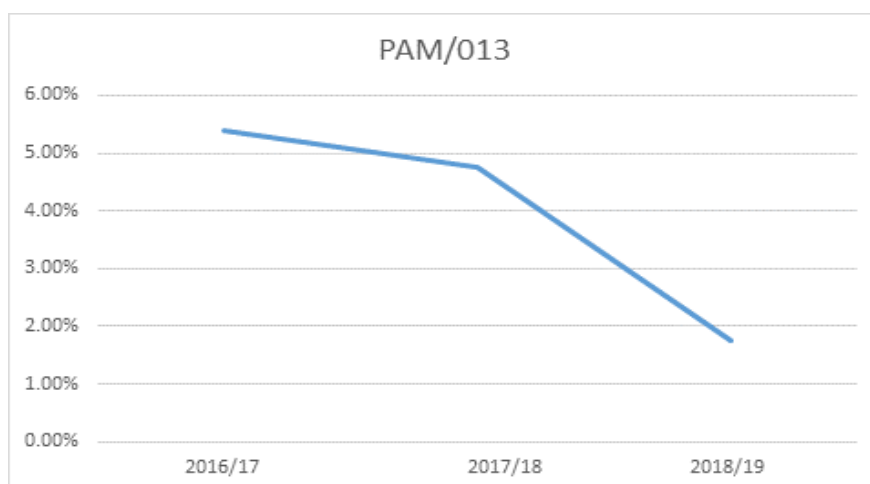
2 Monitoring performance and achievements to date

Local Authorities' performance in returning empty homes into occupation has been monitored for the past few years by two national performance indicators which measure:

- i) PAM/013 - The percentage of private sector long term empty dwellings which have been returned to occupation following a relevant intervention by the Local Authority, and more recently
 - ii) PAM/014 - The number of additional dwellings created as a result of bringing empty properties back into use. This refers to the number of new dwellings created where a larger property has been sub-divided into smaller units.
- 2.1 From 2019/2020, PAM/014 will be replaced by a new indicator (PAM/045) which will measure the number of new dwellings created as a result of a relevant intervention by an Authority. For the first time, this will measure the number of new dwellings created following the conversion of non-residential property into residential units, as well as units which currently fall within the definition of PAM/014.

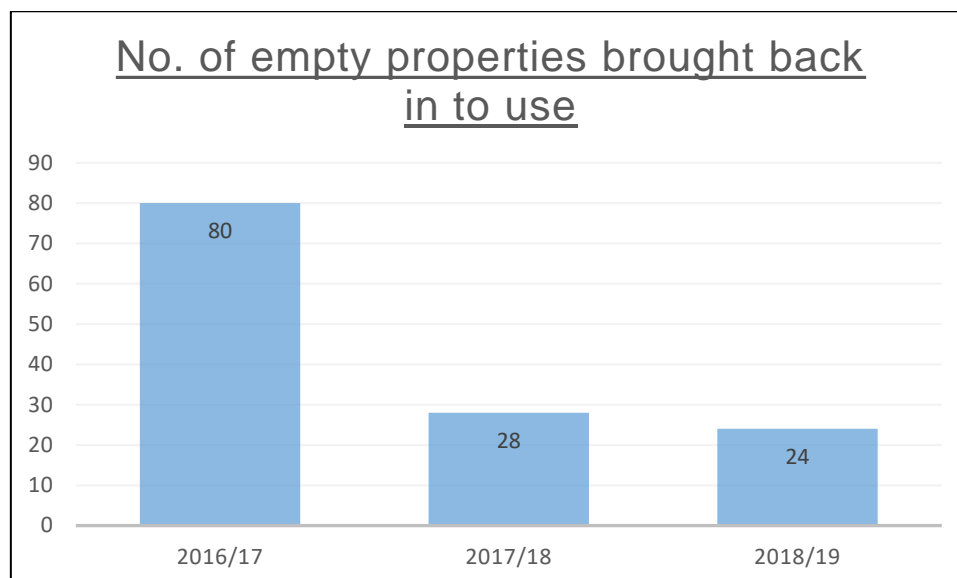
The graphs below set out Conwy's historical performance against PAM/013 and PAM/014.

PAM/013



- 2.2 In 2016/17 5.38% of empty properties were brought back in to use, 4.75% in 2017/18 and 1.76% in 2018/19. The reduction in 2018/19 was due to a re-definition of 'relevant intervention' which meant that some forms of intervention which would have been acceptable previously could no longer be counted.

The chart below shows the actual numbers of properties brought back in to use.

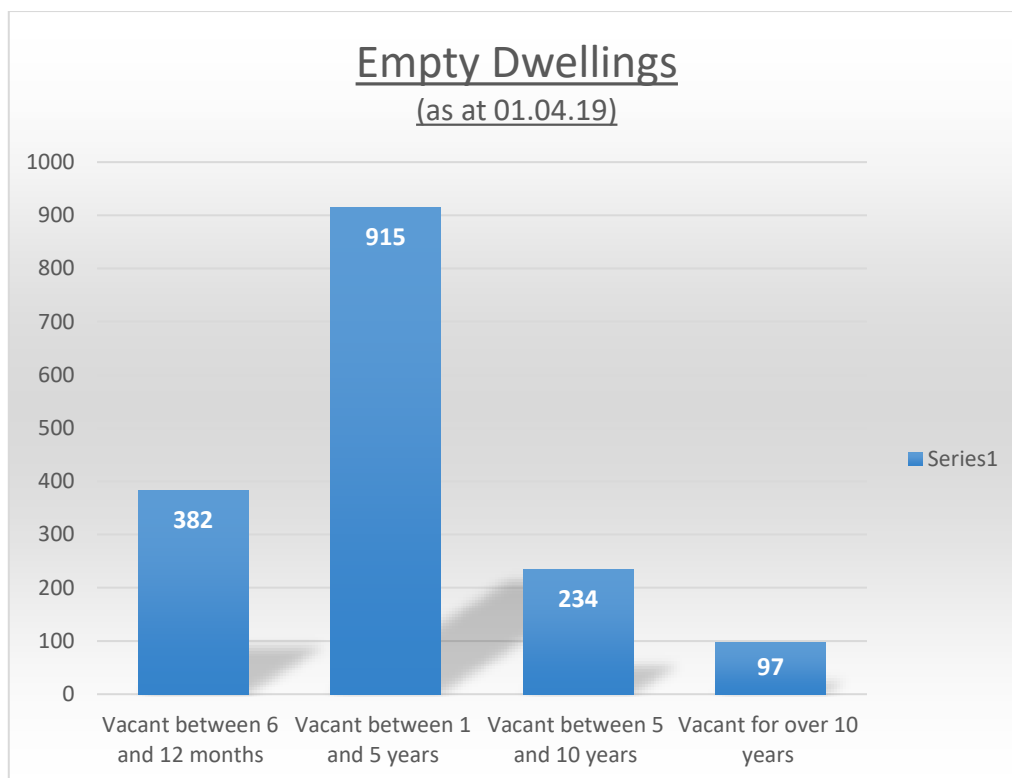


- 2.3 Since the Empty Homes Strategy 2011 was published, and aside from the performance data set out above, much progress has been made in terms of its implementation. Our key achievements are:

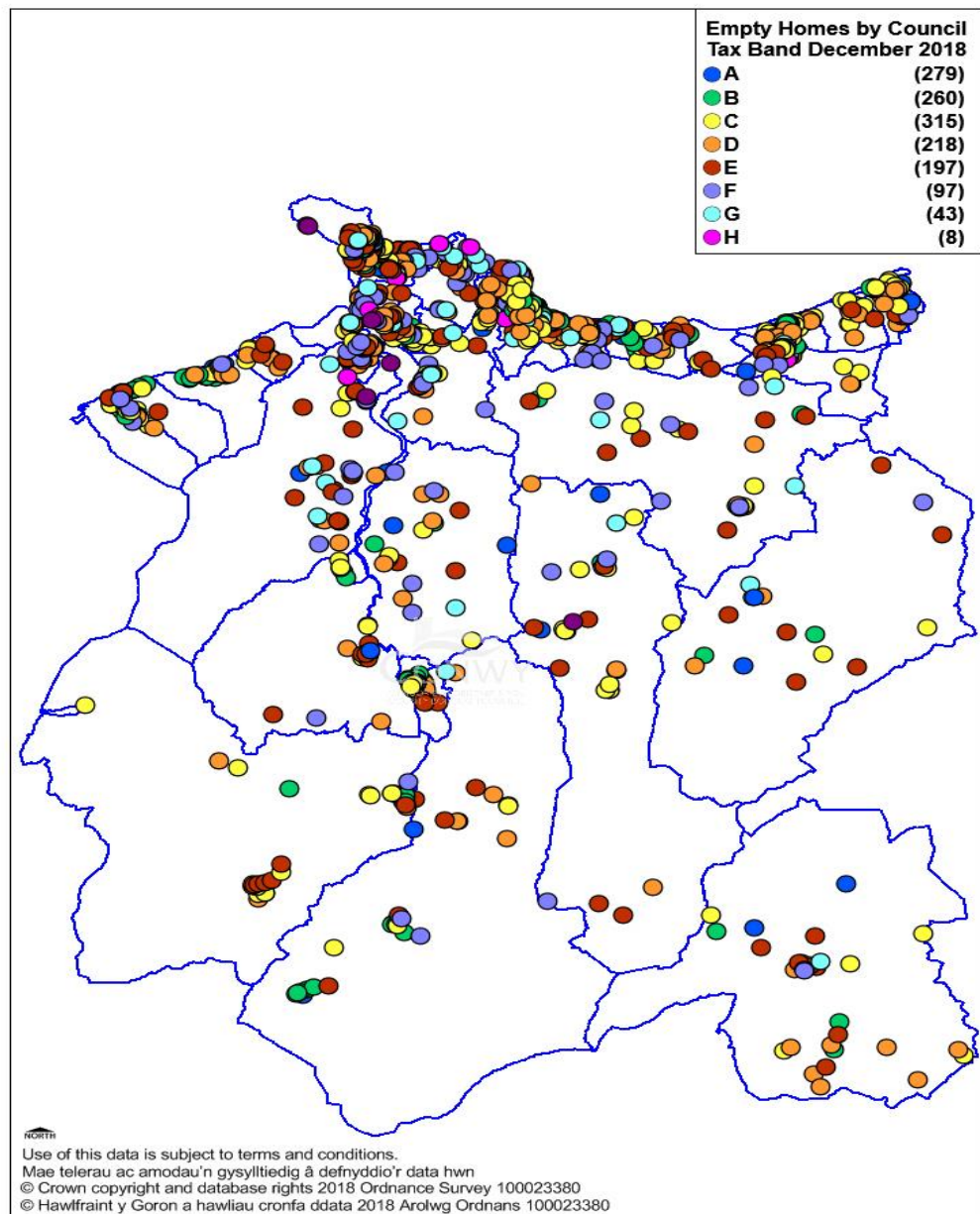
- Raising political awareness of empty homes as an issue in the county
- Establishing the Empty Homes Working Group to take forward delivery of the Empty Homes Strategy 2019
- Approving and issuing a total of 33 interest free loans, which have resulted in the improvement of 35 long term empty properties and the creation of 30 additional units of accommodation
- Improving links with the Rural Housing Enabler and Snowdonia National Park with a view to finding innovative solutions to address the issue of empty homes in rural areas of the county

3 A profile of Conwy's empty homes

- 3.1 As at 1.4.2019, 382 dwellings have been vacant for between 6 and 12 months, 915 have been vacant between 1 and 5 years, 234 have been vacant for between 5 and 10 years, and 97 have been vacant for over 10 years.



- 3.2 The map on page 6 shows the distribution of long term empty homes in Conwy, divided into Council Tax valuation bands. Although there are empty homes in all Council Tax bands (and therefore of all values), the map illustrates that a greater number are in the lower bands of A to D.



- 3.3 In some areas, homes which are obviously empty can serve as magnets for crime, vandalism and antisocial behaviour. Empty homes in poor condition can also impact on adjoining properties as a result of defective elements, such as roofs or rainwater goods.
- 3.4 In financial terms, an empty home can cost its owner as much as £8,250 per year, when factors such as rent loss, deterioration, vandalism, insurance costs and security are taken into consideration.
- 3.5 It should be noted that the most of empty homes remain subject to Council Tax and that, although there are exemptions, the majority of these are time-limited. From April 2019 in Conwy, a Council Tax premium of 25% has been applied to both second homes and long term empty homes (i.e. homes that have been

unoccupied for a continuous period of 12 months). The power to apply a premium was introduced by the Housing (Wales) Act 2014 and seeks to incentivise property owners to take positive steps to bring empty properties back into use. The impact of the premium on the number of long term empty and second homes in the county is, and will continue to be, regularly monitored by the Council's Revenues and Benefits Section, reporting to an Affordable Housing Task and Finish Group.

4 Empty homes in the wider context of Conwy

- 4.1 Bringing empty properties back into use is key to supporting the delivery of the Local Housing Strategy for Conwy. Published in 2018, and covering the period 2018 to 2023, the strategy sets out the Conwy Strategic Housing Partnership's vision for *'people in Conwy to have access to affordable, appropriate and good quality accommodation that enhances their quality of life'*.
- 4.2 The key objectives of the Local Housing Strategy have been divided into 4 themes:
- Affordable housing – increasing affordable housing options for people on lower incomes
 - Appropriate housing – working towards meeting the diverse accommodation and support needs of everyone in the county
 - Quality housing – improving the condition and energy efficiency of accommodation in the county
 - Informed choices – ensuring people understand their housing options to enable them to make informed choices
- 4.3 In the same way as the Empty Homes Strategy will support the delivery of the Local Housing Strategy, the Local Housing Strategy will, in turn, support the delivery of the Corporate Plan. Covering the period 2017 to 2022, the Corporate Plan has committed to *'increase our land supply and delivery of housing'*.

5 Why do homes become and remain empty?

- 5.1 Every empty home has a history, and there are many reasons why homes become empty and remain empty for longer than would seem necessary. Examples may include properties where ownership is in dispute, those whose owners have emotional attachment which prevents them imagining anyone else living in them, and others whose owners are lacking incentive to bring them back into occupation. As part of our ongoing work, we will aim to gain a better understanding of why owners fail to take positive steps to bring their empty property back into occupation, paying Council Tax and insurance year on year, and opting not to accept the support on offer.
- 5.2 A postal survey of empty homes in Conwy which was undertaken in October 2018 collected a range of information about the county's empty homes in addition to the information which is normally collected for Council Tax purposes. The survey requested information about property conditions, how and why the owner came to own it, their intentions for the property and whether or not we could offer support or assistance to encourage them to bring it back into occupation.

- 5.3 A full analysis of the survey responses is available on request from the Housing Strategy team (see section 6.2 below), but the key findings are set out below:

Total surveys issued	1607
Surveys returned or other form of contact made	531
Of the responses received	47% of owners described the property as needing renovation
	16% of owners described it as needing cosmetic improvement
	37% said the property was habitable in its current condition
	34% said they are trying to sell the property
	30% said it is being repaired or renovated
	13% said they are planning to renovate it at some point
	11% said they need to renovate it but lack of funds is preventing this
	4% of owners said they are attempting to rent out the property

Appropriate advice or signposting has been provided to all owners who indicated in their response that they would welcome support to bring the property back into use. As part of our performance monitoring arrangements, we measure and report internally and to Welsh Government on the impact of our interventions.

6.0 Will the strategy target all empty homes?

- 6.1 Currently, the Council has one full-time member of staff allocated to work on empty homes. Whilst the intention is to contact the owners of all long term empty properties in the county at least once, limited resources mean that it is not possible to work intensively on every property. Also, not every property will require intensive involvement from the Empty Homes Officer in order for it to come back into use. That said, recent feedback from members of the public and partner agencies suggests that resources to deal with empty homes need to be increased, if we are to have any significant impact on the number of empty properties in the county. Consideration will therefore be given as to how this might be achieved but, in the meantime, particular focus will be given to dealing with problematic empty properties, empty properties in lower Council Tax bands and those in areas of high concentration.
- 6.2 Whilst targeting lower Council Tax banded homes does not always result in an increase in the supply of affordable housing, it is our view that such properties are more likely than higher value properties to provide homes that are more affordable to rent or to purchase.
- 6.3 To further support this, we will research initiatives that seek to ensure a tie-in between the support we provide and the property being offered as affordable housing to eligible households.
- 6.4 Properties which are in an unsatisfactory condition or those which are causing problems for other reasons may be the subject of more formal action, and

consideration will be given in such cases to the use of planning and/or housing legislation as a means of resolving the issues they present.

- 6.5 In addition to long term empty homes, there is a significant number of properties in the county which are registered as either second or holiday homes. Unless it can be established that these are not genuine second or holiday homes (i.e. because they are unfurnished or the owner rarely or never visits them), these will not normally be the subject of consideration under the empty homes strategy.

7.0 Identifying empty homes

- 7.1 Information about long-term empty dwellings is produced on a periodic basis from Council Tax records, and consists of those dwellings in the county that have been unoccupied for 6 months or more as at 1st April in the current year. This list does not include properties that have been removed from Council Tax banding by the Valuation Office. That said, we are often aware of such properties, either by virtue of local knowledge, or as a result of complaints from members of the public because their condition is particularly poor.

Anyone with information about an empty property is invited to report it by any of the following methods:

- By letter to Housing Strategy, Regulatory Services and Housing, Conwy County Borough Council, PO Box 1, Conwy, LL30 9GN
- By telephone on 01492 574235
- By e-mail to housingstrategy@conwy.gov.uk

8.0 Contacting owners about an empty property

- 8.1 When an empty property has been identified, initial efforts will concentrate on contacting owners and offering appropriate advice and support. In considering how best to approach each case, it is acknowledged that owners' circumstances, and the reasons why their properties are empty, vary widely. As a result, we will aim to tailor the advice we offer to reflect the needs and circumstances of each owner. It should be noted that, where a property is in poor condition and adversely affecting the neighbourhood in which it is situated, we will also consider the needs of the wider community and those affected by the property to shape our dealings with the owner.

- 8.2 For owners who are looking to rent, advice can be given on:

- the standard a home must meet in order to be rented out,
- how to be a good landlord, including signposting to Landlord Accreditation, Rent Smart Wales, and landlord associations such as the NRLA (National Residential Landlords Association)
- how to let property, including information about HAWS, a property letting service established and managed jointly by Cartrefi Conwy Housing Association and the Council
- any financial assistance that may be available from the Council or external bodies to assist with the cost of

renovation, refurbishment or conversion.

In developing this strategy, we acknowledge the role that the private rented sector can play in meeting housing need in the county. In response, we will look to develop appropriate support packages for landlords with empty properties, using opportunities provided by the Conwy Landlord Forum to do so.

8.3 For owners looking to occupy the property as their home, advice can be provided on:

- repairs and renovation
- any financial assistance that may be available to assist with the cost of necessary improvements.
- VAT concession letters where a property has been empty for 2 years prior to the commencement of works

8.4 In all cases, we are only able to offer advice in relation to issues which come within the remit of the Council and, as such, it is not normally possible for us to offer legal advice on civil matters such as boundary or ownership disputes. Where such issues are part of the reason why a property remains empty, we will encourage involved parties to seek independent legal advice.

9.0 Financial support for owners of empty properties

9.1 Although the Council is no longer able to offer renovation grants of the type offered in the past, we are investigating other forms of innovative financial support to support empty property owners. Details of any new initiatives will be publicised on the Council's website as and when they become available.

9.2 Since 2012/2013, the Welsh Government has provided funding to enable Councils in Wales to offer interest free loans to support eligible owners with the cost of works to bring empty properties up to a standard whereby they may be rented out or sold. Known as Houses Into Homes, the scheme also provides loans towards costs associated with converting empty non-residential property into new homes.

9.3 Loans are based on eligibility and the actual cost of the work, up to a maximum of £25,000 per unit of accommodation. Where a property is to be sold on completion of the works, loans are interest free and repayable at the end of 2 years (or on sale of the property, whichever is sooner), and where a property is to be rented on completion of the work, loans are repayable within 5 years. Where a landlord is willing to offer nomination rights to a local Housing Association and agree an affordable rent, the loan repayment period can be extended to a maximum of 10 years.

9.4 Houses Into Homes loans cannot be used for properties which are intended for short term residential uses such as holiday lets or AirBnB, or where an owner intends to occupy the property on completion of the works.

9.5 Analysis of the Houses Into Homes loan scheme

A full analysis of the loan scheme is available on request from the Housing Strategy team (see section 6.2 above), but the key findings are below:

Total number of loans issued	26
Loans approved but not yet paid	4
Number of loans fully repaid	16
Number of loans in default	1
Location of properties for which a loan has been issued	Coastal 21 Rural 5
Ownership of properties	Individual 18 Company 5 Trustees 1
Average loan value	£38,316
Total number of dwellings which have benefited from the scheme (loans already issued)	52
Value of loans issued	£1,121,661.00

9.6 Home Improvements

A second loan scheme (also funded by Welsh Government) known as the Home Improvement Loan enables interest free loans to be awarded to owner occupiers to assist with the cost of works which contribute to making a property 'warm, safe or secure'. Purchasers of empty homes who intend to occupy the property as their main home may be able to apply for a loan under this scheme, subject to an assessment of their ability to afford regular loan repayments and the available equity in the property.

9.7 A checklist is contained in Appendix 2 which provides more information about potential eligibility for both schemes. Alternatively, to discuss an empty property, please contact the Housing Strategy Team (see section 6.2 above).

9.8 Repair and Lease

A means of ensuring that an empty property offers affordable housing once it is ready for occupation is to provide a form of financial support to the owner that requires nomination rights to a Housing Association. One such form of arrangement is a 'repair and lease' scheme, where a Housing Association undertakes the renovation of an empty property and then leases it from the owner for an agreed period of time (determined by the cost of the work and the estimated payback period) until such time as it has recovered its financial outlay. During the term of the lease, the property would be let at an affordable rent to households in housing need. We are currently in discussion with a local Housing Association to assess the viability of a 'repair and lease' scheme.

9.9 Welsh Government Carbon Reduction commitment

In 2019, the Welsh Government accepted the Committee on Climate Change's target to reduce carbon emissions by 95% by 2050, with further ambition to reduce them to 'net-zero' by the same date. Whilst only a proportion of emissions come from the housing stock, the energy efficiency of homes is a priority to Conwy, both in terms of its commitment to carbon reduction, and to ensure that households can benefit from affordable warmth and are not susceptible to fuel poverty. Both the Houses Into Homes and Home

Improvement Loan schemes can be used to fund measures to improve energy efficiency of homes and, where appropriate, renewable energy technology.

10. VAT for the renovation of empty dwellings

Where a dwelling has been empty (unoccupied) for at least two years immediately prior to the commencement of any renovation works, the owner may be able to benefit from reduced rate VAT at 5% for eligible services associated with the renovation of the property. Further information is contained in VAT Notice 708 which can be downloaded from the internet. Generally, HMRC will require written confirmation from the Council's Empty Homes Officer that the dwelling has been empty for the requisite period before works begin.

11. Enforcement Action

11.1 Whilst many property owners respond positively to the advice and support we provide, others fail to engage, and for a relatively small number of cases, the only means of ensuring a successful outcome is for the Council to take more formal action. This is particularly relevant where a property's condition is causing nuisance or deterioration to adjacent properties, or its appearance is adversely affecting the amenity of the area in which it is situated. Feedback from members of the public suggests that more needs to be done in terms of the enforcement of empty properties which are in poor condition, or which have been empty for longer than necessary. For such properties, the Council will consider the use of one or more of the powers listed below as a means to ensuring that issues are addressed.

11.2 Empty Dwelling Management Orders (EDMOs)

Introduced by the Housing Act 2004, Empty Dwelling Management Orders give a Local Authority the power to act where a private landlord is failing to do so.

11.3 Law of Property Act 1925

The Law of Property Act 1925 enables a Local Authority to recover a relevant housing-related debt by obtaining an order from the court for the sale of the property.

11.4 Town and Country Planning Act 1990 section 215

Section 215 of the Town and Country Planning Act 1990 enables a Local Authority to take action where land is untidy and affecting the amenity of the area.

11.5 Section 79 of the Building Act 1984 – enables a Local Authority to take action in relation to a ruinous or dilapidated buildings and neglected sites.

11.6 Section 76 of the Building Act 1984 – enables a Local Authority to take action in relation to defective premises which is prejudicial to health or causing a nuisance

11.7 Section 77 of the Building Act 1984 – enables a Local Authority to take action in

relation to dangerous buildings

11.8 Section 80 of the Environmental Protection Act 1990 – enables a Local Authority to take action in relation to statutory nuisance

11.9 Housing Act 2004 (Part I) – The Housing Health and Safety Rating System

This legislation enables a Local Authority to assess the risk to health and safety that a property poses to its occupiers, potential occupiers or visitors, and take appropriate action to ensure that the property's owner remedies or reduces the risk to an acceptable level.

11.10 Prevention of Damage By Pests Act 1949 – places a duty on Local Authorities to control mice and rats, and provides powers to Local Authority to compel owners and/or occupiers to take action to keep property free from rats and mice.

11.11 Housing Act 1985 section 17 – enables a Local Authority to acquire houses, or buildings which may be suitable as houses, together with any land occupied with the houses or buildings.

11.12 In general terms, before using any of the above legal powers, the Council will consider:

- the circumstances of the case and whether grounds for using the power are adequately met
- the extent to which the property in question is creating a problem or nuisance to neighbouring properties or their occupants
- whether a preferred course of action is proportionate in the circumstances

12.0 Purchasing empty homes

The Council has very limited scope to purchase empty properties, and does so with funding allocated by Welsh Government to support the development of affordable housing. Where this funding, known as Social Housing Grant is available and a suitable empty property has been identified, a Housing Association will normally base any offer price on an independent valuation of the property in its condition at the time of the offer, with reference to cost guidelines produced by Welsh Government.

12.1 Where possible, Social Housing Grant will be targeted towards empty properties which will meet the needs of households whose housing situation cannot readily be met from the existing social housing stock – in particular larger families requiring 4 or more bedrooms, and households where disability means that the current stock cannot be appropriately adapted.

For further information, please contact the Housing Strategy Section as in section 6.2 above.

13 Monitoring and reviewing implementation of the Empty Homes Strategy

13.1 Implementing the empty homes strategy is the responsibility of the Empty Homes Working Group, which consists of officers from different departments of the Council, its partner agencies, and elected members. The group will report progress quarterly against the Action Plan (see section 5) to the Affordable Housing Delivery Group, which in turn reports to the Strategic Housing Partnership.

13.2 An annual progress report will be submitted to the Council's Economy and Place Scrutiny Committee.

14.0 Equalities

14.1 In undertaking its empty homes work, the Council is keen to ensure that it does not discriminate directly or indirectly, wittingly or unwittingly, against any person on the grounds of gender, sexual orientation, transgender, race, ethnic or national origin, nationality, religion, age, disability or illness. We aim to comply with all relevant equalities legislation and monitor any action taken in relation to the strategy for its impact on the protected characteristic groups in order to ensure that discrimination against any person or group of persons does not occur.

14.2 Equalities monitoring data will be collected from all owners who make contact or are contacted in relation to empty dwellings, and the outcome of each contact will also be monitored to ensure compliance with equalities legislation.

Appendix 1 – Case Studies

Study 1 – empty flat above a retail premises

The property is situated in a town centre location and consisted of a shop on the ground floor and a flat on the first floor which had been unoccupied for 20 years or more. A change of ownership of the property resulted in an enquiry by the new owners as to the possibility of a grant or other financial support that may be available to bring empty properties back into use. The owners were provided with information about the Houses Into Homes loan scheme, following which an application was received. Once the loan was approved, the owners engaged contractors of their choice to undertake the works which were necessary to convert a single storey flat into a maisonette. Once the works were completed in accordance with building regulations, the property was advertised for letting on the open market, and is now occupied by a very satisfied tenant. The loan which the owners received is interest free (on condition that it is repaid in full within an agreed timescale of 5 years). In addition, the owners can choose either to make regular payments towards the loan or to pay the amount in full at any point before the end of the agreed term.

Study 2 - empty semi-derelict cottage with land

The property had been empty for over 10 years following the death of the owner. Local knowledge suggested that the owner had no living relatives so the estate had not been administered. The property was brought to the Council's attention and enquiries made as to the late owner's last known whereabouts. Having established that he had not resided at the property at the time of his death, contact was made with the owners of his last accommodation and the nature of his occupation there confirmed. The matter was referred to the Council's Legal Department, who subsequently referred it to the HM Treasury Solicitor (Bona Vacantia department) who deal with the estates of persons who have died intestate and have no-one acting on their behalf. Through the use of tracing agents, the Treasury Solicitor was able to identify a distant relative of the deceased person, who was confirmed eligible to benefit from the estate. Once all legal matters were concluded, the property was listed for auction and sold for a sum significantly above the guide price.

Appendix 2

Houses Into Homes and Home Improvement Loan eligibility checklist



