Empty Homes Bulletin

Edition 2 November 2022

Welcome back

This is the second edition of Conwy Council's Empty Homes Bulletin. If you missed the first edition, this can be found on our *website*.

Winter is here so it's a great time to stay warm and cosy indoors, get your affairs in order and start planning for the months ahead.

Do you own an empty property that is forever at the back of your mind? Is it costing you money and taking up your precious time? Have you thought about the toll the winter months can take on your property? Read on to see the kind of things we can offer to help you bring the property back into use.

Is an empty property in your area affecting you? You can *report this* to us.

We look forward to hearing from you.

The Empty Homes Team

P.S. - We've recently created an Empty Homes Customer Charter & Service Standards document which tells you about the level of service you can expect from us. This can be found <u>here</u>.

Housing need

There are currently 1,829 households with a local connection* on the waiting list for social housing in Conwy. All of these households have been determined as being in a housing need, many are living in unsuitable accommodation or have nowhere to call home.

At any one time, the county has around 2,500 privately owned, empty properties. Many of these are temporarily empty and will come back into use naturally within a few months. But over 1,500 - the same as the number of homes in a town the size of Llanrwst** - will remain empty for longer than 6 months and some for many years, whilst many families/households are struggling to find affordable accommodation in the area.



The key to this could be found by unlocking the housing potential of empty properties.

*There may be some circumstances when a person is accepted on to the register without a local connection. Please see link to the Common Housing Allocation Policy for more information - The Common Housing Allocations Policy (conwy.gov.uk) **2001 census area profile - Llanrwst

The year so far

Number of long term empty dwellings which were returned to occupation during the period 1.4.2022 to 31.9.2022 - 20

Number of long term empty dwellings that were brought back into use as affordable housing during the period 1.4.2022 to 30.9.2022 - 2



Conwy - Sir flaengar sy'n creu cyfleoedd

Conwy - a progressive County creating opportunity

Cost of an empty home

Several years ago, the Royal Institute of Chartered Surveyors calculated that an average empty property 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.

With the increase in the cost of living being seen across all aspects of our lives, this figure can only have increased, and it therefore seems to make sense to try and reduce outgoings and possibly achieve an income for an empty property where possible.

Added to the above is an Empty Homes Premium of 50% which is charged in addition to the standard Council Tax charge for properties that have been empty for over 12 months.

Welsh Government have increased the amount Local Authorities are able to charge to 300% on top of the usual Council Tax liability. For a Band C property usually charged at £1,193 per annum, an additional 300% would make the annual payment £4,772. Although this is not currently in force in Conwy county, any increase to the premium in future years would considerably impact those properties that remain unoccupied.

Protect the value of your empty property

In addition to the cost implications already mentioned, there is also the risk that an empty property will become an easy target for vandalism, arson and anti-social behaviour. Properties that are subjected to these activities will quickly lose value, interior fixtures and fittings can be stolen or damaged, and the property can end up a shell requiring significant cost and effort to make it habitable later down the line.

Minor repair issues which are not identified early on can soon lead to bigger issues in an empty property, and something like an internal leak, burst pipe or damage to the roof could result in significant and fast deterioration of the whole property.

These type of properties are often unmortgageable which means you could struggle to sell it as a result. You may find you fall into negative equity if there is finance secured on the property.

The easiest way to avoid these issues is to get the property occupied as soon as possible after it becomes empty.

Reduced rate VAT

In Edition 1 of the Bulletin, we told you about the possibility of claiming reduced rate VAT at 5% for renovation costs on a property that has been empty at least 2 years before renovation works start. Since April 2022 we have sent out 13 letters to owners prompting them to contact us to discuss this further. We have also sent out 5 letters confirming the length of time a property has been empty which can then be provided to the contractor. It is the responsibility of the contractor to charge the appropriate rate of VAT. If you think your empty property may qualify for reduced rate VAT, please contact us. Our details can be found at the end of the Bull<u>etin.</u>



Town centres

Conwy Council is supporting a housing led approach to the regeneration of town centres and may be able to offer some grant funding for the refurbishment/renovation or creation of new residential units within certain town centre locations.

Grants of up to £20,000 per unit may be available where a property has been empty for 6 months or longer, and the owner must contribute 30% of the cost of the works themselves.

Works must ensure the property meets a specific standard provided by Welsh Government and properties must be made available for the rehousing of homeless households for a 5 year period at an affordable rent in line with local housing allowance.

Properties can either be let via a social lettings agency (HAWS) or join the Conwy Council private sector leasing scheme (to be used as temporary accommodation).

Once the 5 years has ended, there are no restrictions on the tenant type/rent level, although management services can continue if requested.

Ways to identify an empty property for sale

We gets lots of enquiries from people looking to buy empty properties so they can take advantage of some of our grants/loans for renovation work. Unfortunately, due to General Data Protection Regulations, we cannot share owner contact details of these properties but there may be things you can do to identify them yourselves.

- 1. Keep an eye on estate agents sales listings it is often possible to tell from photographs whether a property is occupied (i.e it is unfurnished or there are no items in kitchens and bathrooms), the listing will sometimes state "no onward chain" or the agent may confirm this for you
- Have a look at auction listings, this is a good way of selling a property with no chain and/or that needs work so you may find that many of those listed for auction are empty
- 3. Register with local estate agents and ask to go on their applicant lists to get early notification of new properties for sale. You can also sign up for 'alerts' on property websites
- 4. Have a drive around the area and post notes through letterboxes - however, please be mindful that not all properties that look empty actually are, so please be respectful if going onto private land; or check Land Registry records for a small charge and get the owner's name and contact address and write to them directly to ask if they want to sell
- 5. Put the word out that you are looking and ask your contacts to let you know if they are aware of any empties due to be offered for sale in the area. Local knowledge can be very valuable.



Renting an empty property



Do you have an empty property that you would consider renting

out? There are various obligations on private sector landlords but Conwy Council can guide and support you through these and help ensure you are compliant with any new legislation. If you haven't rented your property before you will need to register it with Rent Smart Wales (and renew the registration every 5 years). Whoever is managing the tenancy must also be licensed with Rent Smart Wales (letting agents will already be licensed). If you would like a list of local agents that can provide lettings services, please let us know.

You will also need to ensure you have suitable landlords insurance, mortgage lender consent to let, that the accommodation meets the Housing Health and Safety Rating System standard in terms of health and safety, and that is has an energy performance certificate with a minimum rating of E. You should also be aware of the Renting Homes Act which is due to come into force in December 2022.

Enforcement

Councils have enforcement powers to tackle problem empty properties which could be a magnet for rodent infestation, crime, anti-social behaviour, drug use, squatters and arson attacks, which in turn, lead to increased pressures on emergency services/resources, neighbour complaints and community unrest. Although Conwy prefers to work alongside empty home owners to motivate and encourage them to deal with the problem themselves, often to their own benefit, where this is not possible, enforcement action will be seriously considered to deal with any problem properties and bring them into use.

We are currently working on an Empty Dwelling Management Order (EDMO) on a bungalow which has been vacant since at least 2015. The property has been the subject of neighbour complaints for many years and it has not been possible to make contact with the property owners. The Local Authority intends to apply to the Residential Property Tribunal to take control of the property which can then be let and rent collected used to cover any costs of upgrading the property and any repairs throughout the term of the EDMO.



Contact us

For general enquiries regarding any aspects of empty properties you can contact <u>emptyhomes@conwy.gov.uk</u> or if you prefer to contact the Empty Homes Officer for the area/property you wish to discuss, you can find their details <u>here</u>.