

# **Bringing empty homes into use: Innovative local authority action**

## **The National Empty Homes Action Partnership**

**Chris Bailey, Community Investment Coalition Manager**

**LGA Housing, Planning & Infrastructure Conference**

**13<sup>th</sup> March 2019**



# In England 216,000 homes stand long-term empty

This number rose by 11,000 this year

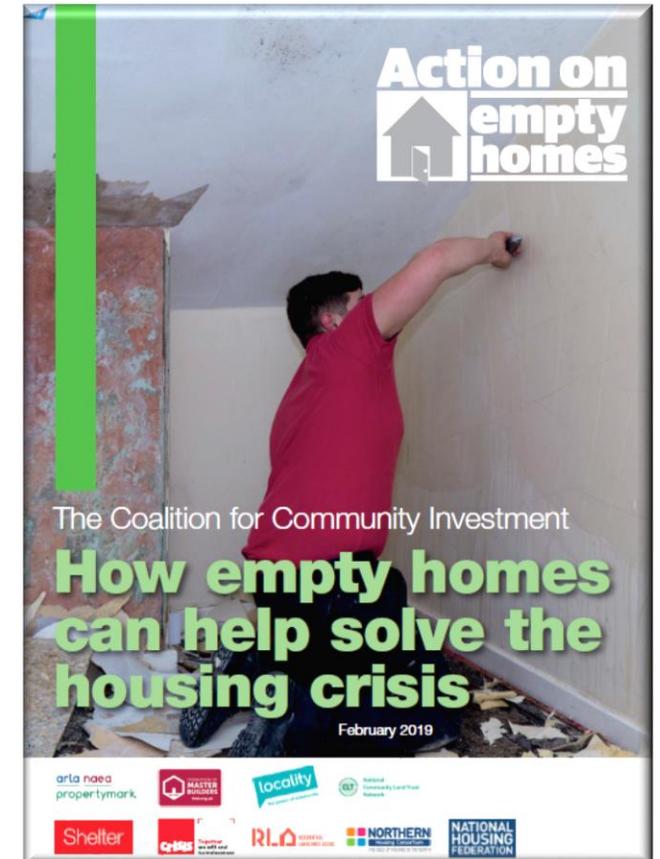
A 5% rise despite the threat of higher council tax premiums

Numbers rose in two-thirds of local authorities

Both high and low value markets saw increases

The highest concentrations are in Northern and coastal areas

Nationally close to 1% of homes are long-term empty



## A growing problem – rising in most English regions

- North East 1.38% Down 1%
- North West 1.21% Up 1%
- Yorkshire and Humber 1.16% Up 4%
- East Midlands 0.94% Up 6%
- West Midlands 0.90% Up 7%
- South West 0.75% Up 2%
- East of England 0.74% Up 11%
- South East 0.71% Up 9%
- London 0.62% Up 11%
- England 0.89% Up 5%

# Homes standing empty – council empty homes officers tell us...

Owners **can't/wont** fund repairs or improve homes to occupy, sell or rent

Owners allow homes to become **uninhabitable** (absentee/local)

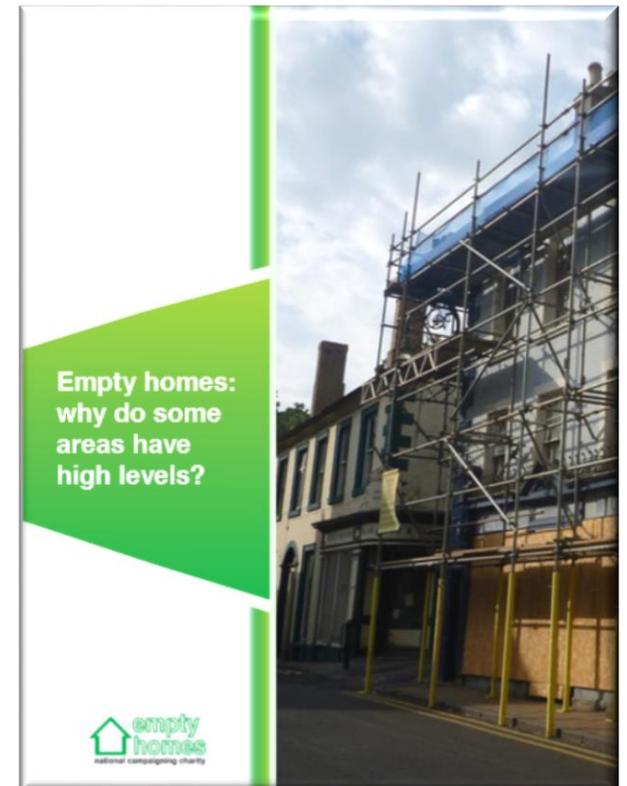
**Low owner-occupier housing demand:** perceived social problems

**Residualised areas:** high levels of **low quality PRS**

Perceived poor return on investment / **high risk?**

Homes '**stuck empty**', belief in future profits / loss of interest

Homes bought / sold at **auction** without being brought into use



# Features of areas with high levels of empty homes

**Lower household incomes**

**More deprivation** – impacts health, well-being, education, access to work...

More changes in population / **higher population turnover**

**More pre-1919 terraces** & lower house prices (60% empties in Band A and B)

More antisocial behaviour & **more crime / fear of crime**

**More non-decent private rented accommodation** (ie would not meet Decent Homes Standard)

Who bears the risk? - *Switching the balance of risk to benefit the local community...*

Unrenovated property = low cost (risk) to owner

high cost to community and public services

Renovated property = renovation cost (risk) to owner

reduced cost to community and public services

# Locally-delivered approaches – Our work

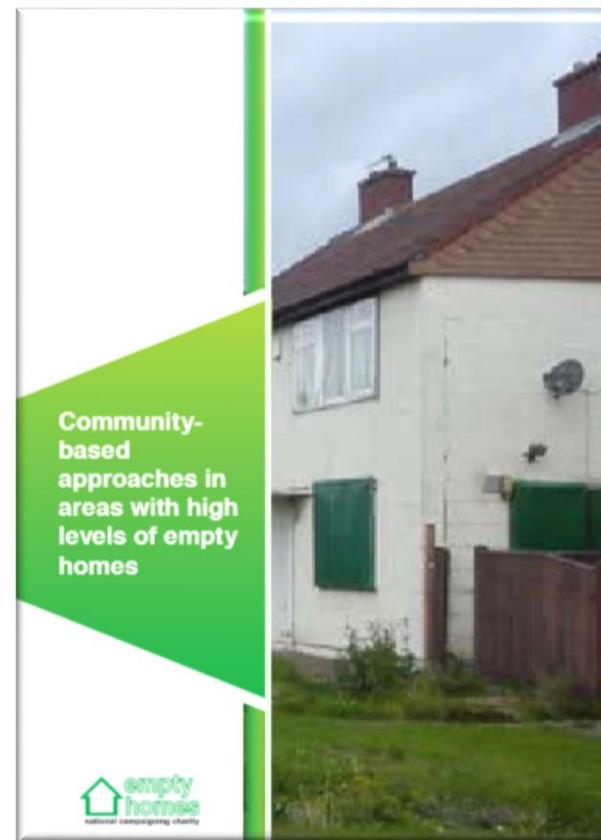
Building an **evidence base**: what **works** best

## **Collaborating with six community-based demonstration areas and local project partners**

- in Stockton on Tees, Lincoln, Hull, Rochdale, Darwen and North Ormesby in Middlesbrough

## **Arguing for greater support for local authorities and supporting local authority innovation**

- Advocating a ‘mixed economy’ approach:
  - Improved **enforcement**
  - Finance for **incentives** programmes
  - **Collaboration** with **community-based providers**
  - New finance through **partnerships**



# Local authorities working at scale – a few examples:

**Kent** – No Use empty

**Hull** – LEP and local authority action

**Blackpool Housing Company**

*Many others exist – including:*

Middlesbrough MBC & North Ormesby CLT

- acquiring homes and supporting a social lettings agency

Durham CC

- buying and improving empty homes

- for those in priority housing need (£500K pilot just started)

**OVER 70 local authorities publicised action during National Empty Homes Week 2018**

**Promoting this through Action on Empty Homes website and social media channels**

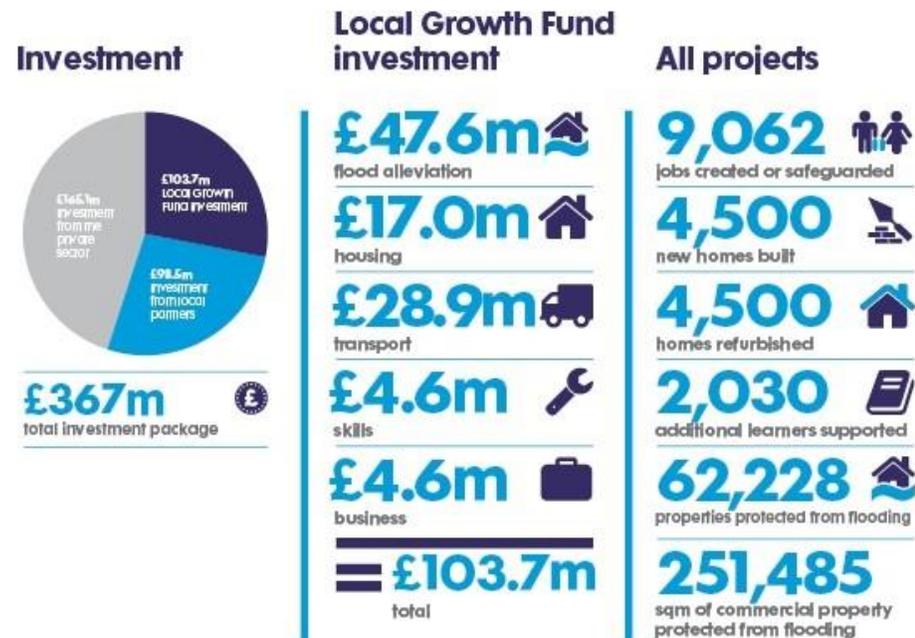
# Kent – No Use Empty (NUE)

- Kent County Council launched its ‘No Use Empty’ campaign in 2005
- **No Use Empty has recycled its £6m loan fund four times, coupled with private sector leverage, investment has reached £53m**
- **NUE offers short term secured interest free loans**
  - removing one of the barriers to bringing long term empty properties back into use – the availability of finance.
- **Kent County Council put £6m into the loan fund**
  - The initial funding was defrayed by Year 5, but with many of the loans repaid earlier than expected due to the ability to re-finance with a traditional lender on a completed project with an increased asset value, NUE have been able to accelerate pace of delivery and quadruple the value of the initial investment in the following 5 years.
- **NUE has supported 960 units in total**
  - **640 have been newly created** thanks to the conversion of larger sized properties (including commercial) to offer new residential accommodation.
  - This means that new Council Tax receipts are also being generated.

# Hull – The Humber LEP and Hull City Council

## • The Humber LEP and Hull City Council

- The Humber LEP and Hull City Council demonstrating the value in ensuring bringing empty homes into use is integrated into regional and sub-regional strategic housing planning, with follow-through to local authority housing and economic development strategies.
- In its Growth Deal No.1 (Infrastructure, Transport and Housing), the Humber LEP sets out a core strategic objective to refurbish 4,500 homes, with a clear budget expectation for housing works



## Hull – Hull City Council & community-based providers

- Hull City Council also works in partnership with community-based organisations such as Giroscope
- **Hull CC has developed a framework for using Right to Buy receipts to refurbish existing long-term empty homes in the private sector, as well as supporting new build.**
  - In its most recent project Giroscope has been awarded £88,000 of RTB receipt funding by Hull City Council, Giroscope raised a further £190,600 from loan funding and a grant from charity LandAid, to give a total inward investment of £278,600 (the LA contribution amounts to just under one third)
  - **Building on the LEP's lead, effectively targeting capital resources and working in partnership with community-based organisations, Hull CC facilitated access to significant additional funding and tripled the total investment value** in this local example.
- Giroscope, and other similar 'self-help' housing projects also **support local employment and economic regeneration** by offering training for work, volunteering opportunities and supporting local enterprise
- **Giroscope now manage 120 properties in West Hull**

# Blackpool Housing Company Ltd – with royal assent..

## Blackpool Housing Company Ltd (Blackpool Council's regeneration company)

'we will challenge the dominance of existing poor standard small rented flats largely targeted to Housing Benefit claimants with a property portfolio that is affordable, fresh and offering a varied mix of homes attractive to all local residents and family sizes'

- Long term (30 year plus) investment model
- Aim to develop a rental portfolio in excess of 1,000 rental units over first eight to ten years
- Acquire, renovate and where necessary re-model poor quality hotel, holiday flat, HMO and other PRS stock
- Initial investment funds available via £27.6m Council loan facility
- Growth rate predicted at circa 100—130 units per annum
- Forecast investment profile at a rate of circa £10m per annum.
- Rental assumptions mirror LHA levels

**HRH The Duke of Cambridge 6<sup>th</sup> March 2019, Blackpool:**

'The biggest issue in Blackpool is landlords who let out poor housing'



# Experience from our projects – what works

- Partnerships with LA's**
  - **Whole neighbourhood approach**
  - Broker relationships
  - Funding and resources
- Capacity building**
  - **Empower communities**
  - Develop effective partnerships
- Asset based**
  - **Long-term commitment to communities**
  - Community return vs (often low) market value
- Funding**
  - **Access for community-based agencies**
  - Packages of funding – draw on diverse sources

# Casework approaches vs Area-based community approaches



Single property vs **Strategic programme**  
Reactive spend vs **Proactive investment**  
Symptoms vs **Causes**  
Short-term fix vs **Long-term mend**

## Communities Return on Investment

Shared vision → Shared commitment

Infrastructure of **partnerships**

**Training** for work

Improved **health & well-being**

Pull in **funding** and resources

Foster community **enterprise**



# Launching The National Empty Homes Action Partnership

**Committed to action on empty homes**

**Supporting the case for investment**

**Promoting local authority innovation**

**Building the case for communities**

**[www.actiononemptyhomes.org](http://www.actiononemptyhomes.org)**

