

Empty Properties Strategy

2012-2015

Contents

Introduction	3
Achievements	4
Context	4
Regional Policy	4
Aims of the London Housing Strategy	5
Empty Homes in Redbridge	5
Strategic Aims	6
Enabling Action	7
Enforcement Action	8
Empty Dwelling Management Orders	9
Enforced Sales Procedure	9
Compulsory Purchase Orders	10
Monitoring and Review	11

Introduction:

The Empty Properties Strategy supports the work of the Private Sector Strategy (PSS) and is directed exclusively at empty properties in private ownership.

All property is part of a community, which can be greatly affected by a building's condition and use. Empty properties blight that community; deter investment and rapidly attract vandals and squatters becoming a focus for anti social behaviour. These properties can also affect neighbouring properties by causing dampness and attracting vermin.

This strategy also includes commercial empty properties where there is the potential to convert to residential homes. The National Land Use Database indicates that there is the potential for 420,000 new dwellings to be created out of empty commercial property.

An empty property brought back into use is another home for someone in the borough, whether a private buyer or tenant. The London Borough of Redbridge has a responsibility to our residents, including those who own property; those living near an empty property and those in housing need. By bringing empty properties back into use we can contribute to housing provision and improve the economic and environmental sustainability of the Borough.

Bringing empty properties back into residential use is also a Pan London priority. The London Housing Strategy provides a fund of £15m to reduce the number of empty properties in London.

The strategy will be reviewed in 2015 following the next Comprehensive Spending Review so that we can respond to the changing economic environment and government initiatives related to empty properties.

The Council's vision is for Redbridge to be a better place to live. This vision is underpinned by six key aims:

A safer place to live
A cleaner, greener place to live
A better place to learn
A better place to care
A better place for business
A better place to live together

The Empty Properties Strategy will support the delivery of these aims.



Councillor Michelle Dunn
Cabinet Member for Housing

Achievements

Since the introduction of the 2010-13 Empty Properties Strategy the Council, through direct action, has been instrumental in bringing 412 empty homes back into residential use. During this period there has been an overall reduction in empty properties in the Borough which at 1st April 2012 represented just 0.81% of the total housing stock. This is well below the national average of 3%.

The following actions have been completed

- Reduction in empty residential homes;

Year	Total Housing Stock	Empty Properties over 6 Months	Returned to use through Council Action
2009/10	100,404	951	229
2010/11	100,922	961	100
2011/12	101,203	821	83

- An audit of all reported empty properties has been completed and helped to determine the current status. Many of these properties were found to be occupied and this underlines the importance of maintaining good, up to date data on empty properties.
- A comprehensive database of empty properties has been developed as well as a management system to monitor progress of action taken to bring them back into use;
- Completed a review of the financial assistance that may be offered to property owners to bring homes back into use;
- Appointed a managing agent to provide management services to properties leased to the Council;
- Continuing to work with the East London Housing Partnership to develop good practice and learn from others Borough's work in this area.

Context

Redbridge is an outer London Borough within the East London region. The 2011 Census Redbridge shows Redbridge having a population of c279,000 people a rise of some 16% since the 2001 Census. This has exceeded the previous projection that the total population in Redbridge would reach 266,000 by 2017.

The 2010 Strategic Housing Market Assessment (SHMA) tenure profile shows that almost 65% of Redbridge housing stock is owner occupied and 25% privately rented, this latter figure is a 10% increase on the 2001 Census findings which showed 15% homes in the private rented market. Affordable housing represents just 10% of the borough total.

Regional Policy

The Mayor of London's Housing Strategy notes that the private rented sector has expanded rapidly in recent years, largely as a result of the difficulty of accessing home ownership. This is supported in East London by the Strategic Housing Market Assessment carried out in 2010.

The London Strategy also sets out its aims to reduce the number of empty homes further through the following actions.

Aims of the London Housing Strategy:

- There should be no more than 1% of London's homes standing empty for more than 6 months;
- A £100 million government fund specifically for tackling empty homes across England of which £15m has been allocated to London;
- An ongoing audit of empty homes;
- The Mayor will take responsibility for managing empty homes contracts in London;
- Boroughs are encouraged to remove any financial incentives to leaving homes empty;
- Community involvement in bringing empty homes back into use should be promoted;
- The Mayor will promote the use of powers to criminalise squatting (a change in legislation to criminalise squatting was announced in May 2012 and will become effective from September 2012);

Empty homes in Redbridge

As at 1st April 2012 there were a total of 1,686 homes empty. Many of these are short term vacancies that are soon re-occupied without the involvement of the Council.

The Empty Homes Agency 2010 Empty Homes Statistics report that nationally there were 300,526 homes empty for longer than 6 months compared with 34,422 for the whole of London and 961 in Redbridge.

There are 821 properties that have been empty for longer than 6 months. These properties require some investigation to determine the intentions of the owners for the future residential use of the property.

However, 186 of these are in receipt of exemption from Council Tax and are identified as not requiring enforcement action for the following reasons:

Exemption Class		Number Empty
A	Vacant dwellings where major repair works or structural alterations are required, under way or recently completed (up to 12 months)	67
C	A vacant dwelling (i.e. empty or substantially unfurnished) up to 6 months	8
F	Dwellings left empty by deceased persons	96
L	An unoccupied dwelling which has been taken into possession by a mortgage lender	15

This leaves a core of 635 empty homes requiring action to bring them back into use.

Of these:

313 have been empty for between 6 and 12 months;
 168 have been empty for between 12 and 24 months;
 154 have been empty for longer than 24 months

It does not necessarily follow that the longer a property has been empty, the greater the level of intervention required. Priority for action should be given to those properties that are magnets for anti-social behaviour or squatting. However, all empty properties are potentially a wasted housing resource and need to be assessed with this in mind.

Strategic Aims

The aim of this strategy is to identify empty residential and commercial properties in the Borough and use all available powers to bring them back into residential use.

The Council will seek to mirror the strategic aims set out in the London Housing Strategy:

- There should be no more than 1% of homes in Redbridge standing empty for more than 6 months;
- Seek to access available funding to support returning empty homes to use;
- Maintain an up to date audit of empty homes;
- Remove any financial incentives to leaving homes empty;
- Provide the community with opportunities to report empty homes in their neighbourhood;
- To provide advice and assistance to empty properties owners to enable the homes to be returned to use;

- Take enforcement action to prevent squatting; vandalism; anti-social behaviour and blight.
- In respect to commercial properties we will identify those which have been standing empty and assess the viability of converting them for residential use and the planning consents needed to enable this.

There should be no more than 1% of Redbridge's homes standing empty for more than 6 months

The Council has already achieved this aim with only 0.81% of the homes in Redbridge remaining empty for longer than 6 months as at 1st April 2012. However, we do not want to be complacent in managing the homes in the Borough and will work hard to ensure that empty homes are returned to use as quickly as possible in order to deliver the Council's Corporate Aims.

Seek to access available funding to support returning empty homes to use

The Mayor for London has made available £15m to support the return of empty homes to use. Where appropriate the Council will use these funds to support grant funding to bring empty homes up to a good standard ready for occupation.

Maintain an up to date audit of empty homes

The Council continually monitors empty properties in the Borough. We will conduct periodic inspections of empty properties and encourage the public to report to us properties in their neighbourhood that appear to be unoccupied.

Remove any financial incentives to leaving homes empty

Unless there is a specific exemption, the Council continues to levy the Council Tax charge for all empty properties. In addition, changes to the Council Tax exemptions are included in the current legislation going through Parliament which will give Local Authorities the ability to remove part or all of the exemption period.

The proposed Government legislation also includes provisions to enable Local Authorities to charge a premium of 50% of the full charge for properties empty for two years or more. Reports to Cabinet and full Council would be required to adopt changes based on this legislation such as limiting the exemption period to three months or having no exemption period.

Provide the community with opportunities to report empty homes in their neighbourhood

An email reporting facility can be found on the Council's website at:

www2.redbridge.gov.uk/cms/Council_tax_benefits_housing/housing/strategy_and_development/empty_properties.aspx

We will also produce a leaflet for residents that will provide advice and guidance on reporting empty properties to the Council.

Enabling Action

When the Council becomes aware of a property that has been unoccupied for more than 6 months we will take the following steps to enable an absent owner to bring their property back into residential use.

- a. Property visited and neighbours spoken to check it really is empty and condition and background.
- b. Land Registry checked for ownership and owners address - Council Tax records also checked.
- c. We write to the owner at the property address and copy this to the owners' permanent address where this is known. The letter outlines the powers we act under and asks:
 - (i) The reason the property is unoccupied.
 - (ii) Intentions on returning the property to use.
 - (iii) Any relevant circumstances that restrict or prevent the property being returned to use.
- d. We allow the property owner 28 days to reply and refer to possibility of a grant to assist in carrying out any work which may be needed to return property to use.
- e. If there is no reply within 28 days we write a second time advising owner of options - selling the property on the open market (inc to RSL), improve the property and take residency, become a private landlord, lease the property through the Council's Private Sector Leasing scheme or lease to the Council directly and advising that grant funding may be available.
- f. If no reply within a further 14 days we write a third time advising that if no reply within 14 days the case will be transferred to the Empty Properties Enforcement Officer.

- g. If no contact made Enforcement Officer will assess the most appropriate action in the set of circumstances relating to the case. These actions will only be taken as a last resort.

It is often the case that a property that has been left empty for an extended period may fall into disrepair. In order to assist owners of empty properties bring their homes back into use the Council, subject to owner contribution, will offer financial assistance through the provision of a grant or loan. The offer of the grant or loan will be conditional on the Council being granted a lease on the property for a minimum of three, five or nine years depending on the combination of assistance provided.

Enforcement Action

Where the Authority has made constructive attempts, to help facilitate either a private sale, or other methods of returning an empty property back to proper use, but has failed, a pragmatic solution should be sought in the form of prescribed enforcement action. All enforcement action will comply with the Private Sector Housing Enforcement Policy.

Councils have extensive powers contained in a number of legislative acts. None of these actions will be taken without first consulting with and obtaining the agreement of the Cabinet Member for Housing and, additionally where a Compulsory Purchase Order is being considered, the approval of Cabinet.

The three principle options when considering formal enforcement action are set out below.. If property owners fail to engage and work with the Council, in producing a viable plan for the reoccupation of their property. The following options for intervention should be carefully considered.

- Empty Dwelling Management orders (EDMO)
- Enforced Sales Procedure (ESP)
- Compulsory Purchase Orders (CPO)

Empty Dwelling Management Orders

Where, as a result of investigation into the reasons for a property remaining empty and no action has been taken by the owner to bring it back into use, the Chief Housing Officer will discuss the case and the proposed EDMO action with the Cabinet Member for Housing.

No action will be taken until the Cabinet Member for Housing has given approval for this action.

A local authority can make application to the Residential Property Tribunal (under the housing Act 2004) for an EDMO, if a property has been wholly unoccupied for a period exceeding six months.

EDMOs may only be instigated in the form of an Interim EDMO (IMO), which secures occupation with the owners consent for a period of 12 months. IMOs should consequently be considered at the initial informal stages, as an optional tool for assisting property owners.

Application for a final EDMO may be considered at the end of the interim period, with or without the owners consent.

Final EDMOs, if granted, are valid for a period not exceeding seven years, and grant an Authority right to possession and occupation as a leaseholder.

When an EDMO is made on a dwelling, the Authority become a de-facto lessee, and consequently responsible for any terms of lease, such as ground rent, service charges and insurance (EDMOs may prove costly when applying to leasehold properties).

If considering an EDMO the LHA must also consider costs to make a property decent for habitation, storage of possessions and furniture, and management costs, including full open accounts on income and expenditure. The Authority may also be required to make compensation payments to any third party holding an interest in the property.

On termination of an EDMO the Authority must pay excess expenditure to the proprietor or collect recoverable costs as a local land charge.

Enforced Sales Procedure (ESP)

Where, as a result of investigation into the reasons for a property remaining empty and no action has been taken by the owner to bring it back into use, the Chief Housing Officer will discuss the case and the proposed enforced sale with the Cabinet Member for Housing.

No action will be taken until the Cabinet Member for Housing has given approval for this action.

Enforced sale is a procedure that allows local authorities to recover any debt, which has been secured by means of a charge on the property.

This occurs if the Local Authority needs to carry out work on an empty property for example, if the building is causing damp to an adjacent property or there is a rat infestation. The procedure starts with a Statutory Notice being served under the following provisions.

- ⇒ Section 59 Building Act 1984 - requiring unblocking of defective drains
- ⇒ Housing Act 2004
- ⇒ Section 4 Prevention of Damage by Pests Act
- ⇒ 1949 - requiring owner to deal with or prevent infestations of vermin
- ⇒ Section 61 Public Health Act 1961
- ⇒ Section 79 Building Act 1984
- ⇒ Relevant sections of the Housing Act 1985
- ⇒ Section 80 Environmental Protection Act 1990 - requiring nuisance be abated
- ⇒ Section 215 Town and Country Planning Act 1990 - requiring improvement of unsightly buildings

If the Notice is not complied with the Local Authority will do the work in default. The costs of this work can then be recovered from the owner. The local authority would invoice the owner for the outstanding debt and if the invoice is not paid the debt can be secured by way of a legal charge which can be registered against the property at HM Land Registry. The local authority can then apply to the County Court to enforce the charge by means of an order to sell the property. Similarly, when debts are incurred which do not result in an automatic charge against the property the Council can still take legal action to recover the debt. If judgment is obtained

this can be enforced by obtaining a Charging Order against the property which can then be implemented by means of an Order for Sale.

Enforced Sale can be used for debts that are up to 6 years old and there is no minimum that can be recovered in this way.

Compulsory Purchase Orders (CPO)

This action will be subject to a decision by Cabinet which will consider a detailed report of the actions taken that have led up to the recommendation for this action.

Save in exceptional circumstances the Council will not use its CPO powers unless:

- The property presents a health & safety hazard to neighbouring properties;
- The property has become dilapidated so as to become a nuisance to neighbouring or adjoining properties or a seriously adverse impact on the streetscene; or;
- The property has become an attraction for anti-social behaviour and squatters.

Legislation in England and Wales gives local authorities the power to acquire land and property compulsorily where the owner is not willing to sell by agreement. Section 17 Housing Act 1985 is a general enabling piece of law that allows a local authority to acquire under-used or ineffectively used property/land etc. for residential purposes if there is a general housing need in the area.

For this power to be used the Council will need to apply to the Secretary of State for the Order to be made. The Secretary of State will need to be assured that the Council has made reasonable efforts to acquire the property voluntarily, that sufficient funds are available and that there is a compelling case in the public interest for the purchase to go ahead.

In addition section 226 Town and Country Planning Act 1990 (as amended by section 99 Planning and Compulsory Purchase Act 2004) allows local authorities to acquire land or buildings if acquisition will allow improvements or redevelopment to take place (provided the improvement, development, or redevelopment will contribute to the promotion or improvement of economic, social or environmental well being). This power can be used to acquire empty properties that adversely affect the street scene because of their dilapidated condition.

Owners of properties that are purchased under CPO have to be compensated for the loss of their property. Compensation is payable by the local authority to the owner at the open market value of the property.

Monitoring and Review

The Empty Properties Strategy is an important element of the Housing Service Plan. The effectiveness and delivery of the Strategy will be monitored quarterly through the achievement of the strategic aims. Any new trends will be identified and appropriate action taken to ensure the Council's target is achieved.