

Welsh Government

# Handbook on Empty Properties in Wales

Part 1 December 2025



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# Acknowledgements

Thank you to everyone who took the time to participate in this research. A broad set of stakeholders in empty properties engaged as participants in world café events and research interviews, as well as as critical reviewers through the drafting process and contributors to best practice examples.

A full list of contributors can be found in Resource 1.

### Using this handbook

This handbook is for stakeholders who are interested in empty properties. These might be people working directly with empty properties (such as Empty Property Officers, community groups, or landlords) or those who have a broader interest (such as elected members, the public, and policy organisations).

The handbook aims to be an informative practical guide to assist stakeholders with empty properties. It provides a broad introduction to the important areas of empty property work and is intended to be accessible to all stakeholders. This outline is supported by exemplar and template documents, an outline of some of the processes in a more detailed format, and information around financial considerations for the renovation of empty properties.

While it does not provide in-depth guidance, it covers the important elements for consideration and outlines the broad steps necessary to tackle empty properties. The handbook should be used as a starting point for accessing information about how to bring empty properties back into beneficial use.

# Important:

The issue of empty properties is multi-dimensional; it can be understood as a housing issue, an environmental health issue, an issue with regeneration and planning, an issue causing anti-social behaviour and affecting community cohesion, or an issue about property rights (or all of these things).

Due to the multi-dimensional nature of empty properties, there are a broad set of stakeholders involved in empty property work. These can include:

- local authority housing delivery and strategy teams, including Empty Property Officers,
- · local authority environmental health teams,
- · local authority regeneration departments,
- · members of the public and communities,
- homelessness organisations e.g. Shelter Cymru,
- registered social landlords,
- emergency services, and
- · landlord bodies.

#### The handbook can be used in two ways, depending on the type of stakeholder:

1) As an informative broad overview to the processes, tools, context, and ways of working around tackling empty properties in communities in Wales – this could be used for stakeholders interested in the process but not directly involved in tackling empty properties or as a training resource for those newly involved in empty property work.

2) As a practical resource to support those involved in the empty property process – the process overviews and template documents could be used as a supporting toolbox by Empty Property Officers to assist their work in tackling empty properties.

## Scope

The handbook looks at the processes around bringing properties back into use. The focus in this handbook is on both residential properties and small-scale empty commercial properties that have the capacity to contribute to town centre renewal and meet housing need. Where information around these differ, separate sections will be provided.

The handbook focuses on empty properties in Wales, with guidance provided in a Welsh context. It has been informed by a broad range of Welsh stakeholders – see Resource 1 for a list of contributors.

### Important:

The information in this handbook is advisory only and the application of this advice is up to the discretion of the individuals and organisations accessing the handbook. It has, however, been informed by data collection from stakeholders and is based on examples of best practice.

### Structure

The handbook is structured in two parts:

#### Part 1 – The Guide

This provides the informative broad overview of the processes, tools, and context around tackling empty properties in Wales. Examples of best practice are included throughout. In the Guide, readers are signposted to relevant Resources which are to be found in Part 2.

#### Part 2 – Resources

This is a set of resources used to support empty property work. These documents are the more technical or template documents which can be used to underpin empty property work including but not exclusive to:

- overviews of the processes of bringing properties back into use,
- examples of empty properties work,
- a legislative handbook relating to this work,
- prompts for the consideration of financial viability.

These resources are signposted to in different sections throughout the Guide and links are provided between the different documents.

# Best practice

This handbook has been created through data collection with relevant stakeholders and is therefore based on best practice. Short points about best practice are contained throughout the Guide in text boxes. Resources 19, 20, and 21 provide short case studies of how empty property work occurs and what the positive outcomes can be.



Photo Credit: Hedyn

### Part 1: The Guide

# 1. Issues with empty properties

### Overview of section

This provides the context for empty property work in Wales outlining what the issue is, how empty property is defined, and how this fits within the policy environment in Wales.

The issue of empty properties is multi-dimensional; it can be understood as a housing issue, an environmental health issue, an issue with regeneration and planning, an economic issue, an issue causing anti-social behaviour and impacting on community cohesion, or an issue about property rights (or all of these things).

The negative effects of an empty property on a neighbour, street, and surrounding community are numerous. The condition of the building will have a direct impact on the immediate neighbours (e.g. damp and pests). The empty property will also impact on the wider community, potentially attracting anti-social behaviour (e.g. vandalism, arson, and illegal occupation). Bringing empty properties back into beneficial use allows communities to capitalise on their social and economic impact, especially in terms of meeting housing need.

Bringing empty commercial properties back into use can also be used to contribute to the revitalisation of town centres. This can include the delivery of housing. In particular, high street retail properties that have the capacity for residential accommodation above the commercial premises present opportunities for business renewal, regeneration, and housing priorities to be met within communities.

### Important:

Empty properties can be seen as a wasted resource in a time of high housing need, as well as an issue that can have a detrimental impact on the local community in which they are situated. Tackling these provides an opportunity to meet housing need, and ensures that empty or underutilised commercial properties are brought back in to use, avoiding empty properties on high streets.

# 1.1 The scale of the problem

Council tax data from the Welsh Government show that there are 22,558 chargeable empty homes in Wales in 2025. These are defined and counted as distinct from second homes which have partial occupancy. This dataset, however, relies on the number of properties that are registered as empty. The actual figure of empty homes is likely to be higher.

Empty dwellings are not uniformly distributed. Where vacancy levels are high this can have a significant impact on communities. On a regional basis, high numbers of vacant holiday lets and

second homes have seasonal impacts in areas like Gwynedd, Pembrokeshire and Anglesey. On a more local level, areas of low housing demand may have clusters of empty dwellings which can have a detrimental effect on their local area. This can lead to further increase in vacancy rates, as well as issues with a lack of opportunities for individuals to move around. This can lead to higher levels of deprivation and inequality.

### 1.2 What is an empty property?

#### Empty properties can be defined in these ways:

- A long term empty residential property is defined as a residential property that is liable for council tax and has been unoccupied for 6 months or more on the 1st of April in a given year.
- For council tax purposes, a chargeable empty property has been empty for at least 6 months, is substantially unfurnished, and is listed as a domestic property.
- Empty commercial properties in the context of this handbook are defined as empty town centre commercial properties (excluding purpose-built office blocks, and other complex properties requiring change of use such as pubs and restaurants).
- Some empty properties are 'de-listed' this means that they have been taken off the council tax list through an application to the Valuation Office Agency. These properties are still empty but not counted in council tax empty property data.
- Properties may also be empty if they are going through the probate process. Where the resident has died (and for up to 6 months after the grant of probate or letters of administration), these properties are exempt from the empty homes council tax premium.

Residential empty properties are distinct from empty commercial properties, however both have a similar negative impact on communities and offer similar opportunities for meeting housing need and economic renewal. What is considered an 'empty commercial property' can be very broad in scope, from an empty office block to an empty warehouse to first floor space above a small retail unit. The focus in this handbook is on small-scale empty commercial properties, that have the capacity to contribute to town centre renewal and meet housing need.

### 1.3 Why properties become empty

#### Properties become empty for a variety of reasons:

- Relationship breakdown
- Failed investment
- Owner going into care
- Inheritance
- Speculative investment
- Difficulty in renting or selling property
- Unresolved ownership
- Decline in town centre footfall
- Long commercial leases
- Difficult to trace owners

# Important:

It is necessary for a well-functioning housing market to have some empty properties to permit 'market churn' – where properties are bought or sold, or tenants for properties change over.

The context by which properties become empty therefore, can be complex and varies widely between different situations. It is important to recognise this when tackling empty properties.

# Important:

Often empty residential properties can have emotional and sentimental value to owners, even if they are empty. The properties could have been family homes or places where happy memories were formed. Bringing empty properties back into use is more than just a financial and logistical exercise.



Photo Credit: Ceri Breeze



Photo Credit: Hedyn

### Important:

Some owners may be 'accidental landlords' who own an empty property through circumstance rather than choice. They may not have the means, knowledge, or confidence in carrying out the measures required to bring the empty property back into use.

As well as a range in the reasons properties become empty, properties stay empty for various lengths of time. This could be anywhere from 6 months to over 20 years. When discussing an empty property, it's important to recognise how long it has been empty – this significantly impacts on the state of the property, the impact it could be having on the local community, and the work required to bring it back into beneficial use.

# 2. Who is involved in empty properties?

#### Overview of section:

This outlines the different stakeholders involved in empty properties work and what their role might be.

#### There are broadly two different types of stakeholders:

- 1. Empty property owners or aspirational owners (e.g. landlords, community groups, registered social landlords).
- 2. Facilitators of empty property work (e.g. those working with the local authority).

Sometimes there can be a cross over of both. Empty property work requires a range of stakeholders working together from both within a local authority and outside it – it is important to know who does what to tackle empty properties effectively.

# 2.1 Who might be interested in empty properties?

There are a variety of stakeholders interested in empty properties. These can be:

1. Empty property owners or aspirational owners such as:

Community groups

Private landlords Accidental owners of empty properties

Registered social landlords

2. Facilitators of empty property work (e.g. those working with the local authority) such as:

Commercial private landlords

Local authority teams

Estate/letting agents or auctioneers

Community groups or registered social landlords

The role that these stakeholders have in empty property work differs, but collaborative working is required across all stakeholders for a successful approach to tackling the issue of empty properties.

# 2.2 Who is involved in empty property work in the local authority?

The main facilitator of empty property work in an area is the local authority, however the responsibility for empty properties ultimately lies with the owners. Local authorities have the most information about which properties are empty in an area as well as being able to offer a range of support and/or enforcement measures to bring these back into use. A list of legislative powers is provided at Section 4.2.

### Important:

Collaborative working is needed to tackle empty properties. Although the local authority does a lot of work in this area, they need to work in partnership with owners, landlords, community groups and the general public for empty property work to be effective. All stakeholders need to recognise their role in empty property work.

Where the Empty Property Officer or team sits in a local authority will vary between authorities. They could be part of the housing team, environmental health team, or planning and regeneration teams. This will also differ for residential and commercial empty properties. It is more likely that there will be some dedicated resource to residential empty properties, whereas work around empty commercial properties will sit with regeneration or business support teams.

# Important:

If you are a property owner, private landlord, community group, or other group external to the local authority, contacting the Empty Property Officer or their team is the first step you should take when contacting your local authority.

The size of the empty property function will also vary. In some local authorities, the income from council tax premiums is being dedicated to provide a specific empty property resource, either an individual Empty Property Officer or an empty property team. In other authorities, empty property work only makes up a proportion of someone's role.

# Best practice example:

One local authority has an empty property team consisting of an admin officer, a technical officer, an empty property officer, and an environmental health officer who supports the team.

This is funded by revenue generated from the Empty Homes Council Tax premium.

### Important:

Local authorities are encouraged to reinvest revenue generated by council tax premiums on empty homes into housing. As indicated by the best practice example, this use of this revenue can help to create additional resource in empty property teams in local authorities.

The diagram below provides an outline of the areas of the local authority which play a role in empty property work.

If you are working in or with the local authority on empty properties, the below teams are those that you will need to develop a relationship with in order to progress your work.

# **Empty Property Officer**

Helps to identify empty properties and liaises with owners to provide support to bring them back into use.

- Identifies and monitors empty properties using council tax records, local intelligence, and site visits
- Maintains and updates a database of long-term empty residential properties.
- Engages with property owners to understand barriers to occupancy.
- Offers advice and support to help owners bring properties back into use (e.g., through repairs, letting, or sale).
- Negotiates voluntary solutions before considering enforcement.
- Uses legal powers around enforcement where necessary, such as:
  - Empty Dwelling Management Orders (EDMOs)
  - Compulsory Purchase Orders (CPOs)
  - Enforced sale procedures

- Can work in a proactive or reactive manner.
- Coordinates action and engages in partnership working across different services to deal with particular empty properties.
- Publicises issue of empty properties and potential solutions with property owners and general public

### Environmental Health Team

Undertakes inspections and enforcement work.

- Can undertake inspections and enforcement work to comply with legislation for housing, pests, overgrowth in gardens, drainage, environmental protection, property appearance, and boarding up of empties.
- Can take control of empty properties, carry out enforced sales, and compulsory purchases of properties in collaboration with other teams.

### Planning Team

Supports planning elements of empty property work.

- Carries out planning applications and enforcement.
- Serves notices around the appearance of property.
- Can support with or carry out compulsory purchase.

# **Building Control**

- Carries out building regulations applications and enforcement of building regulations.
- Deals with dangerous or dilapidated structures.

### Council Tax Team

- Maintains lists of properties which have been empty for over 6 months and 12 months. These lists may be used to apply higher charges for long-term empty properties.
- Can share this property data with the Empty Property Officer.

### Council Tax Enforcement Team

• Pursues non-payment of council tax and inaccurate declarations of property status.

# Regeneration Team

- Can support owners to access grants and loans.
- · Can write plans for a local area.
- Can identify unused properties commercial and residential in urban centres.
- Supports and advises in bringing properties back into use.
- Coordinates action across different services to deal with particular empty properties.
- Publicises issue of empty properties and potential solutions for owners and the general public.
- Can draft legal agreements for review and issue by legal services team.

# Legal Services Team

- Supports prosecutions for failure to comply with notices and legal arrangements for grants/loans.
- Can be internal or external to local authority.
- Supports enforced sales, sales orders, and compulsory purchases.
- Supports drafting of policies and procedures.

# Business / Enterprise / Placemaking / Town Centre Renewal Teams

• Provides information and support around accessing funding to support bringing property back into commercial or residential use.

### **Business Rates Teams**

• Can provide information on commercial properties that might be empty (depending on the local authority).

### Social Services

- Holds information on individuals who are accessing support who might own an empty property.
- Can coordinate empty property and care support with families.
- Can work in partnership to identify next of kin.

# Social Lettings Team

• Supports letting of properties for social rent.

# Deposit Bond Scheme

• Provides bond for value of the deposit of the house to encourage letting to tenants on low incomes.

### Waste Enforcement

Can address fly tipping.

### Elected Members

- Can advocate for strategic approach and commitment to tackling empty properties within the local area.
- · Can identify and report individual empty properties.
- Can support Empty Property Officers in their work
- Can help communicate complexity of empty property work to members of the public.
- Can help communicate the success in empty property work to members of the public.

# Important:

Even within a local authority, tackling empty properties involves lots of different stakeholders. It's important to know which officers hold which role in this work, and who needs to be involved in empty property work to enable successful collaborative working.

# 2.3 Who is involved in empty property work outside of the local authority?

Local authorities also need to collaborate with a broad range of stakeholders to tackle empty properties affectively. These stakeholders might be engaged in empty properties with a commercial interest (e.g. landlords, estate agents, letting agents), as potential end users (e.g. community groups, community land trusts) or as external facilitators to tackling empty properties (e.g. banks, probate services).

Landlords – could buy up empty properties or sell on empty properties.

Community groups/community land trusts – could be involved in buying empty properties and tackling empty properties.

Registered social landlords – could be involved in buying and tackling empty properties or selling on empty properties.

Auction houses – could facilitate the sale of empty properties.

Letting agents/estate agents - could facilitate the sale of empty properties or rent of renovated properties.

Emergency services – could be part of assessing empty properties and providing evidence to facilitate legal remediation.

Tracing agents – could facilitate the identification and contacting of empty property owners.

Mortgage companies – could facilitate contacting owners of empty properties.

Probate services – play an important role managing a empty property during the legal process of administering an estate.

Representative or policy bodies – have an interest in strategic approaches around empty properties at a national and local level:

- National Residential Landlords Association can facilitate communication with landlords and lobby for their interests.
- Welsh Local Government Association can facilitate communication across local authorities in Wales and lobby for local government's interests.
- Shelter Cymru has a broad policy interest in empty properties.
- Community Housing Cymru has a broad policy interest in empty properties.
- <u>Housing Justice Cymru</u> has an interest in property owned by faith-based organisations that is empty or may become empty.
- Bevan Foundation has a broad policy interest in empty properties.
- <u>Cwmpas</u> supports community groups to engage in empty property work.
- Country Land and Business Association support landowners and rural businesses.
- Chartered Institute of Housing Cymru has a broad policy interest in empty properties.
- <u>Construction Industry Training Board</u> industry training board for the construction industry in England, Wales, and Scotland.
- <u>Federation of Master Builders</u> trade association in the UK construction industry supporting small and medium-sized building companies.

### Best practice example:

Innovative working across sectors and local areas can be beneficial to empty property work. There are a number of ways that kind of empty property work can happen, for example:

The <u>Leeds Empty Homes Doctor</u> service is part-funded by Leeds City Council with external partners. This service works as a social enterprise, with free support provided to those who are looking to refurbish empty properties.

The <u>No Use Empty Kent</u> model provides information and financial support for individuals looking to refurbish their properties across a number of different local areas.

# 3. How are empty properties addressed?

#### Section overview:

This section provides an overview of the work done by local authorities to tackle empty properties. This includes:

- The processes that are followed to tackle empty properties
- How a local authority can create a strategy around empty homes
- What a communication strategy for those working in empty properties in local authorities might look like

The majority of work done to tackle empty properties is done by local authority Empty Property Officers in partnership with other organisations. This section outlines the steps and processes that are part of the work of Empty Property Officers and their approach to tackling empty properties.

# 3.1 Ways of working

There are generally two ways of working in terms of tackling empty properties, this often depends on the resource available for this policy area:

#### Reactive

Responds to complaints, issues emerging from investigating work, high levels of risk to the amenity of the local area or public safety.

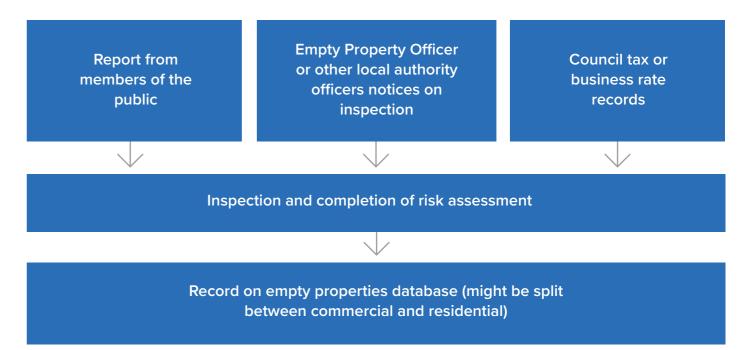
#### Proactive

Takes a strategic approach to tackling empty properties by bringing opportunities for support to owners, rather than waiting for complaints or issues to arise.

Often local authorities will operate through a mixture of both ways of working

# 3.2 How are empty properties identified?

There are a variety of ways in which empty properties are identified and the process around tackling these is started.



### 3.2.1 Indicators of empty properties

There can be visual and environmental signs that indicate that a property is empty. These indicators include:

- Dilapidation of external structures of the property
- Overgrown gardens
- Boarded up windows
- · No evidence of people coming and going
- Accumulation of post
- No waste collection

If any of these indicators are present and a member of the public believes that a property may be empty, they can report this to the local authority. Empty Property Officers can also use these indicators in their investigation. Resource 2 provides a template Empty Property Inspection Form for Empty Property Officers to assess empty properties.

Following the identification of an empty property, Empty Property Officers will attempt to contact the owner. Resource 3 provides a template letter for contacting owners to outline the support the local authority can offer with empty properties.

### 3.2.2 Council tax on empty homes

Welsh local authority council tax departments can charge a premium rate of up to 300% for long-term empty homes. The level at which the council tax premium is set differs between different local authorities. The guidance on this element of council tax is available <a href="here">here</a>.

Council tax records within a local authority are therefore a vital source of information about empty residential properties.

# Important: Sharing Council Tax Data

Empty property work can be accelerated through the sharing of council tax data between different local authority departments.

There are a number of pieces of legislation which enable this:

- 1) The Welfare Reform Act (2012). This applies to Wales and contains provisions on information sharing involving local authorities.
- 2) The Social Security (Information sharing in relation to Welfare Services etc) Regulations (2012). This applies to Wales. It replaced Sections 130-133 of the Welfare Reform Act 2012 to expand existing data sharing legislation relating to the provision of welfare services, and added new provisions relating to council tax, and certain social security purposes.
- 3) Section 237 of the Housing Act 2004 "Use of information obtained for certain other statutory purposes". This section applies to Wales and potentially could be considered in regard to a 'public task' legal basis.

Each local authority should consult their legal department to see how the sharing of data between council tax teams, business rate teams, and empty property teams can be appropriately underpinned by legislation. Examples of how data is shared in some local authorities can be found below.

### Best practice example:

Council tax teams and Empty Property Officers can regularly share data about empty properties to inform their work. This could happen in a variety of ways:

- Basic level annual reports of empty properties (exempting second homes, holiday homes, etc.) provided to the Empty Property Officer
- Higher level some local authorities have provided access to the council tax database to permit Empty Property Officers to access information as and when it is needed.

# Best practice example:

Intelligence can also be shared about commercial properties through receiving information on Business Rates/National Non-domestic Rates in the same way that council tax data is shared if a Data Protection Impact Assessment has been completed and agreed.

One local authority completed this and is now regularly receiving this data, enabling them to target assistance at empty town centre properties.

Local authorities should seek legal advice on how this data sharing can be appropriately underpinned by legislation.

### Best practice example:

The relationship between the Empty Property Officer and Council Tax team can be mutually beneficial:

- The Council Tax team can provide data on properties
- The Empty Properties team can share data from investigative work to update the data held by the Council Tax team on empty properties.

The same could apply in the commercial context with the updating of Business Rates/ National Non-domestic Rates between both teams.

This joint working enables the most accurate data to be held by the local authority.

### 3.2.3 Delisted properties

Some properties will no longer be banded within the council tax system. These properties are likely to be flagged as empty through community complaints and/or physical inspections and may no longer be classified as living accommodation. Local knowledge is therefore vital for identifying properties that have been removed from council tax or Business Rates. Resource 21 provides a case study of an enforced sale on a residential property that had been delisted.

### 3.2.4 Identifying empty property owners

If an empty property has been identified through local knowledge, rather than through council tax records, the owner also needs to be identified. This can be a complicated and time-consuming process depending on the complexity of the circumstances surrounding the property.

The following methods can be used to identify owners of empty properties. These methods are included in a template document for tracing owners at Resource 4.

- · undertake a land registry search
- request current and previous council tax records and uploaded documents (if GDPR requirements are met within the local authority)
- make enquiries with neighbours
- search for probate records on the .gov website and purchase wills/ Grant of Probate/letters of administration
- purchase or enquire about death certificates from registrar's office
- serve requisition for information notices under Local Government Miscellaneous Provisions Act (1976)
- undertake local land charge searches
- examine previous council involvement
- conduct internet searches including business and local history and news
- affix a poster to the door of the property requesting contact
- take out an advert in the newspaper requesting contact
- write to charge holders and establish contact (e.g. ask if the property is subject to repossession)
- enquire with genealogist/heir hunters e.g. ask If they have involvement with the deceased estate
- check register of public health funerals for same names
- consider entry to the property via warrant if justified
- search electoral roll
- search Rent Smart Wales website to see if the property was ever rented

### Best practice:

Individual Empty Property Officers can be set up with Land Registry accounts. This makes it more efficient and cost effective to trace owners via this method.

# Best practice:

Empty Property Officers can work closely with social services to support individuals who have recently moved into care and have no support network. The Empty Property Officer can help access support to maintain a property whilst the owner is away and this prevents the property falling into disrepair and a poor condition. If the property needs to be sold, it is in a much better condition than if the Empty Property Officer had not provided support. Resource 21 provides a case study which refers to partnership working between social services and an empty property team.



# Best practice:

Mortgage providers can also be a source of information about empty property owners. These organisations can be considered as interested parties as they hold a registered charge on the property.

A template letter to a mortgage provider requesting information about an owner of an empty property can be found at Resource 5.

# 3.3 Process of bringing properties back into use

Each empty property project is different, with a varying level of complexity in the reasons underpinning its fall from active use. It is difficult to present a single outline of the process by which empty properties are brought back into beneficial use as there are so many variables for each project. This could include how long the property has been empty for, the ownership of the property, the chosen end use, and the local planning context that this sits within, amongst others.

The broad process of tackling empty properties can be summarised below:

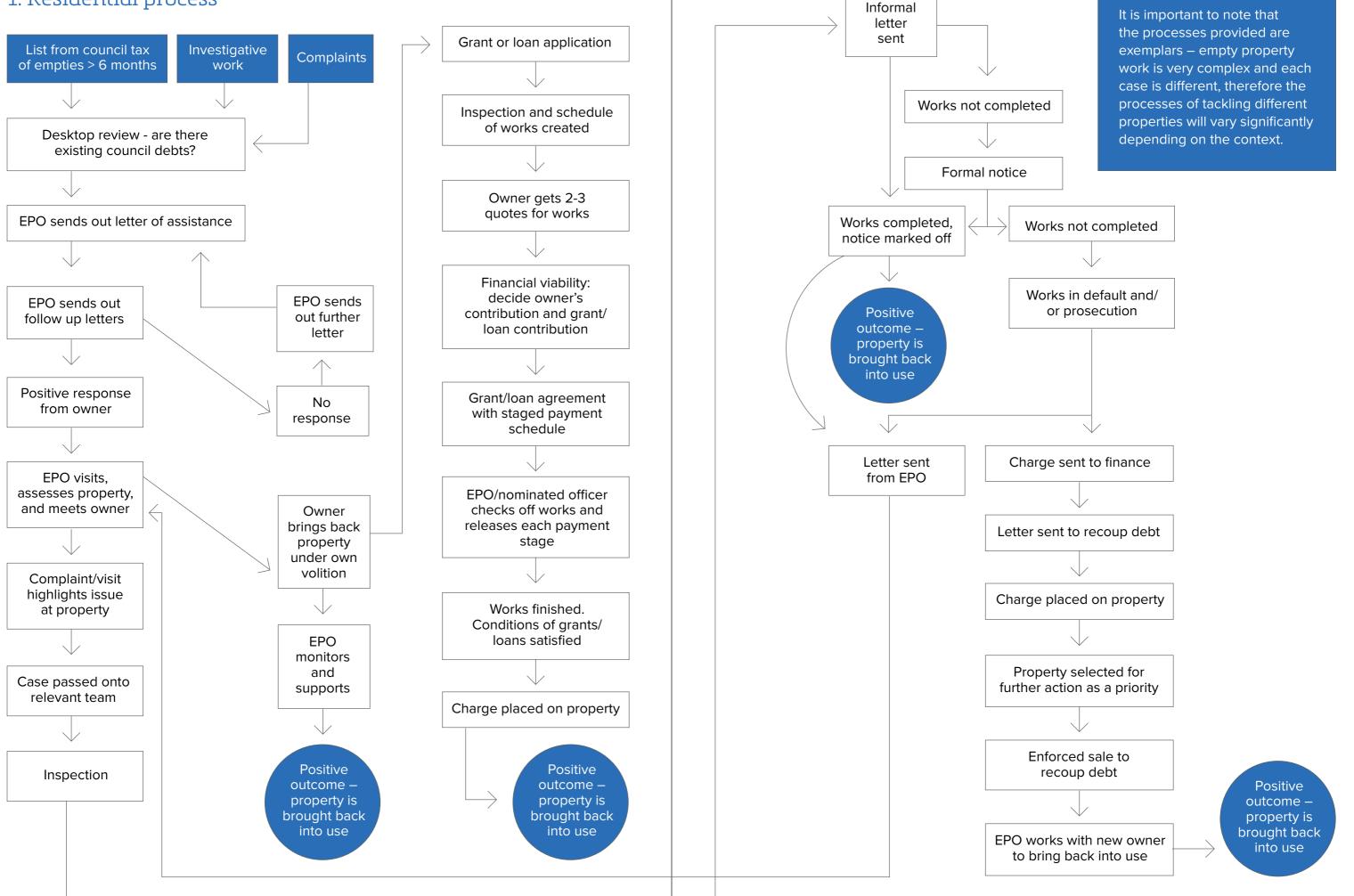
Stage 1 Intelligence:	What do Empty Property Officers know about properties, people and businesses in their area? How does this relate to empty property problems and empty property opportunities?  This occurs through data sharing between departments, investigative work and the development of local knowledge.
Stage 2 Encouragement:	Informal – local authorities provide a range of financial incentives for owners to bring properties back into beneficial use.
	Formal – placing legal notices on properties can prompt owners to engage with the opportunities the local authority is offering.
Stage 3 Enforcement:	If encouragement hasn't worked, Empty Property Officers can work with colleagues to use legal enforcement tools addressing the symptoms of properties being left empty (e.g. overgrown gardens) and progress more formal methods to bring properties back into beneficial use (e.g. taking control of empty properties).

The graphics below (also included as Resources 6 and 7) outline the general processes for the refurbishment of residential and commercial properties in a more detailed way. Following these processes ends in either an owner bringing a property back into use or an enforced sale process. An enforced sale process can happen in a number of ways, section 4.2 of this Guide and Resource 5 (the legislative handbook) outline these in more detail. The overall aim, however, is always to bring an empty property back into beneficial use.

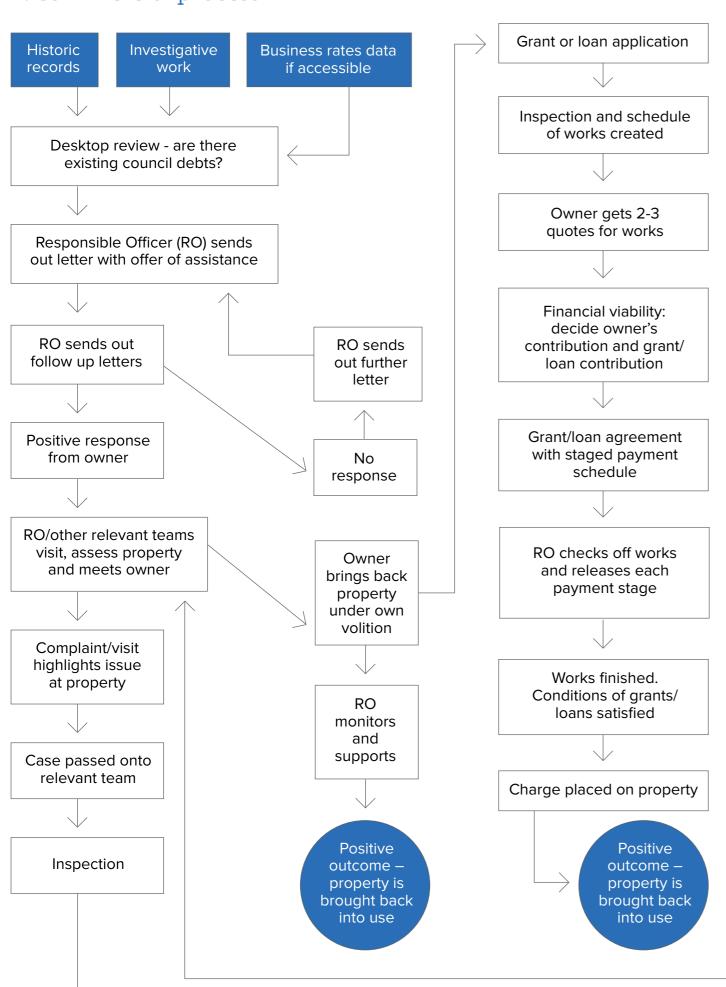


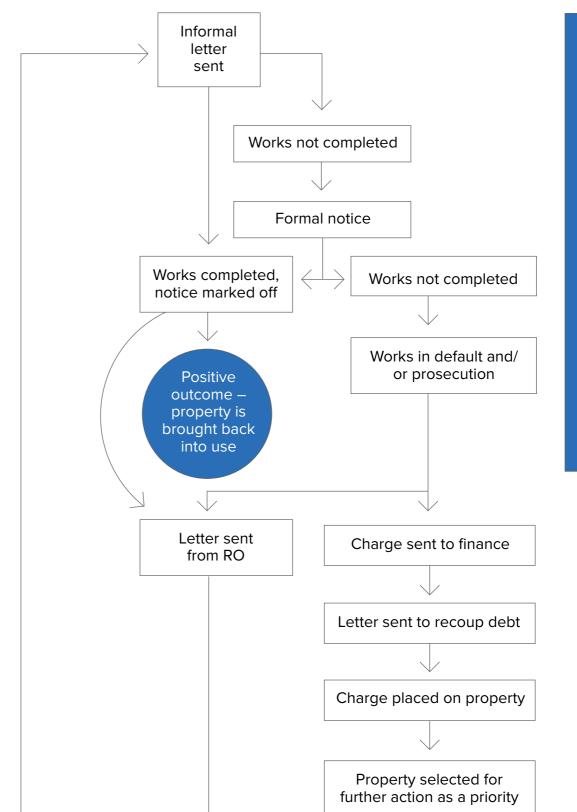
Photo Credit: Hedyn

# 1. Residential process



# 2. Commercial process





Enforced sale to

recoup debt

RO works with new owner

to bring back into use

#### Overview

It is important to note that the processes provided are exemplars – empty property work is very complex and each case is different, therefore the processes of tackling different properties will vary significantly depending on the context.

> Positive outcome – property is brought back into use

### 3.3.1 Undertaking the processes

Engaging in the formal enforcement processes for bringing a property back into beneficial use requires the formal serving of notices and appropriate communication with owners. Serving notices is the first step in this.

# Best practice:

Serving notices is a core part of undertaking empty property work. It is important to undertake due diligence when doing this. If a notice has not been served correctly, it can undermine the enforcement process at a later stage. Good notice serving and record keeping involves (but is not exclusive to) holding signed copies of documentation, having certificates of service, serving notices on the personal representative of deceased.

Resource 8 provides a good practice checklist for serving notices.

Once notices have been served, appropriate formal communication with owners needs to occur. An example of the order of formal letters that are sent to owners is outlined below. Template versions of these can be found in Resource 9.

Resource	Purpose
Letter 1 Intention to complete Works in Default (WID)	This letter outlines the intention of the local authority to complete WID following a lack of response from the owner to a notice served.
<u>Letter 2</u> WID completed	This letter outlines that WID have been completed at the property following a notice being served.
	The local authority issues the first invoice for the cost of the WID.
<u>Letter 3</u> Invoice for WID	The local authority reissues the invoice alongside a record of the notice that was served.
	The local authority note that legal action will be pursued if the debt is not settled.
Letter 4 Outline of consideration of	The local authority reissues the invoice alongside the record of the notice.
enforcement action	The local authority informs the owner that they have visited the property and it appears to still remain empty.
	They outline that the local authority is considering enforcement action.
Letter 5 Intention of pursuing enforcement action	Following no response from the owner, the local authority notifies the owner that they are starting to pursue enforcement action.

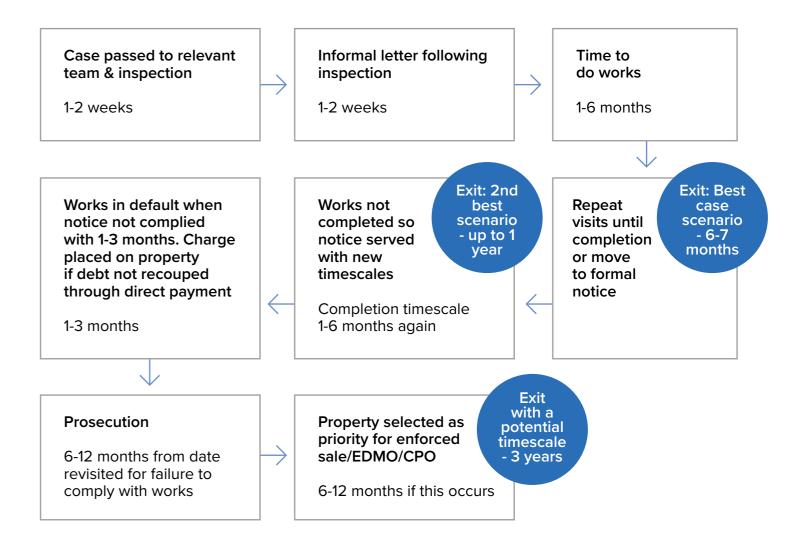
The notices served and letters used depend on the specifics of the empty property and the process that needs to be followed to bring it back into beneficial use.

### 3.3.2 How long does it take?

As well as the empty property process being complex, it can also take a significant amount of time. The visual below shows the indicative timescales for the residential empty property process, these will vary due to the complexity of the project.

### Important:

The below diagram outlines the best possible timelines for work to be completed – due to the complexity of some empty properties, the timescales will be significantly longer.



### Important:

As empty property work involves collaborating across different local authority and external stakeholders, it is important that all partners in the work are aware of the broad timescales of completing this piece of work.

Resource 20 outlines a case study where working with social services enabled a property that had been empty for a long time to be brought back into beneficial use.

# Important:

There is no quick fix for empty properties. Bringing empty properties back into beneficial use takes time.

# Best practice example:

Having robust internal arrangements can shorten the timescales of empty property work. For example, the Empty Property Officer holding an approved contractors list can speed up the process. Empty Property Officers could use the contractors already approved by the local authority to complete works on empty properties.

Lists of approved contractors can also be passed on to property owners.

This can also apply to holding a list of developers who are interested in empty property work.

For example, one local authority regularly holds open days at properties and invites those on the list of developers held by the local authority. The developers can view the property and then contact the owner directly by email if they are interested in purchasing the property.

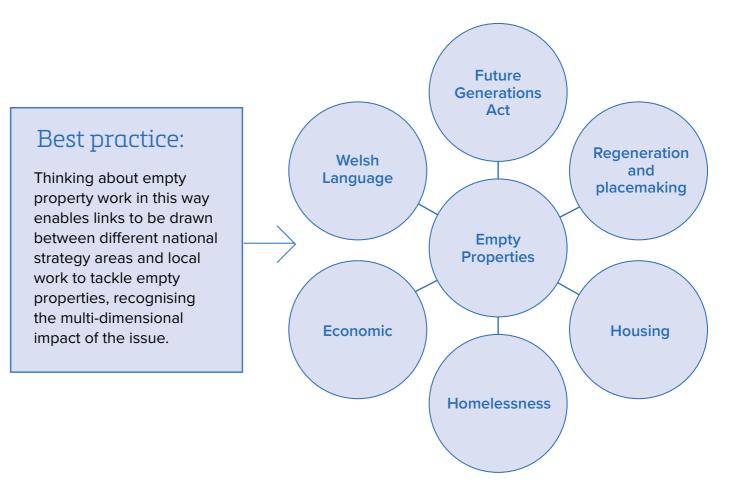
This takes away the emphasis on the owner finding and engaging with developers and estate agents and enables a resolution for the empty property.

# 3.4 Strategic approaches to tackling empty properties

An empty property strategy provides a plan of action which is designed to achieve a long-term aim or plan. Having an empty property or empty homes strategy is important as it sets a clear direction for empty properties work, as well as a range of actions that the local authority is committed to undertake to tackle empty properties.

Information about how local authorities are tackling empty properties should be found in their Empty Property Strategy (for residential properties) or across regeneration and/or placemaking plans (for commercial properties).

These strategies are interlinked with other strategy areas such as those outlined below:



# Best practice example:

An Affordable Housing Officer has been funded for two years by the Eryri National Park to address issues around empty properties in Bro Machno (an area in Conwy County Borough). This is supported by Menter laith Conwy (an organisation that works to support the use of the Welsh language in Conwy).

It was recognised that the high number of empty properties in the area was affecting the cultural context and heritage of the area, including diminishing the use of the Welsh language in the area.

### 3.4.1 Developing a strategy

A template for a residential empty property strategy can be found at <u>Resource 12</u>. This provides a broad structure for the presentation of a local authority strategy and some prompts to consider for drafting indicative content.

Empty property is a multi-dimensional area, which impacts on and relates to a number of different national strategic areas. It can also be explicitly related to a number of strategies within the local authority. The diagram below provides some areas to be considered whilst developing the strategy:

#### National strategies/priorities

How does the empty property strategy relate to the national priorities outlined in section 3.5?

#### Local authority strategies/priorities/values

How does the empty property strategy fit in with overarching local authority strategies as well as more operational plans?

#### Local housing need

What level and type of housing need is there in the local area?

#### Number of empty properties in area

What is the scale of empty properties in the area and what type of properties are these?

#### Regional context

Is the area rural or urban? How does this affect the type of empty properties?

How does the regional context affect working practices and resources in terms of tackling empty homes?

What external delivery partners are there to facilitate the work and are partnerships already established?

# Best practice example:

In their <u>Empty Homes Strategic Plan</u> one local authority indicate how their Empty Homes Plan fits in with broader strategic planning within the local authority. It is clearly outlined in relation to the aims and values of the broader Council Plan.

### Important:

It is important that your empty property strategy reflects the local context and is aligned to and supported by other commitments within the local authority. For example, if enforcement is an important focus of your empty property work, you might have an enforcement action plan that underpins this work.

Enforcement action might also need to be supported by separate enforcement policies, such as an Enforced Sale Policy which has been agreed at a strategic level within the local authority.

An ongoing evaluation of the strategy is also important. It should be clearly aligned to a timeframe, with points of evaluation at the end and mid points of its application. A template to be used as the basis of an evaluation checklist for an Empty Homes Strategy can be found at Resource 13.



#### 3.5 Communication

Communication is an important component of work around tackling empty properties, due to the multiple internal (within the local authority) and external stakeholders.

There are a number of different types of communication that those working on empty properties within a local authority should be engaged in:

#### Communications in

- Public reporting empty properties
- Public exploring opportunities for support with an empty property
- External stakeholders exploring opportunities for support with an empty property
- Inquiries from members of other departments in local authority
- List of empty properties from council tax/business rates teams.

#### Empty property team

- Empty Property Officer or team needs to use the local authority external communications team to promote work and opportunities
- Communications need to be accessible to the public and external stakeholders
- Communications need to be accessible to members of other departments within the local authority
- Multi-departmental meetings to coordinate work on priority properties
- Informal collaborative working with other Empty Property Officers in other local authorities

#### Communications out

- Showcasing work on empty properties to the public and communities
- Publicising the negative affects of empty properties
- Publicising the work of the Empty Property Team within the local authority
- Promoting opportunities around empty property work to the public /stakeholders
- Building relationships with external stakeholders

# Best practice example:

Having a single, generic, point of contact for empty properties work in the local authority such as: "emptyproperties@...." can be useful in ensuring an easy way for the public or other stakeholders to get in touch with the appropriate people.

The local authority website can be used to promote this point of contact and the opportunities available to owners, community groups, and landlords.

# Best practice example:

Informal networking can be used to share best practice between Empty Property Officers and those involved in empty property work. This could involve Empty Property Officers setting up regular meetings at a regional or all Wales level.

Communication and document management platforms could also be used to support the sharing of case studies/documentation between the network/group.



Photo Credit: kart31

### 3.5.1 Developing a communication plan

Developing a communications plan can be considered a core function for an Empty Property Officer. This can be supported by the external communications function of the local authority.

A template communications plan for an Empty Property Officer can be found at Resource 14. These are the core things to consider when developing a plan:

What message do you want to communicate?	Who do you want to communicate this to?	What is the most appropriate communication method/s?	What is the outlet for this?	Timescales and budget
a) Opportunities for engagement? b) Examples of success? c) Potential enforcement options? d) Other? The above is indicative, not comprehensive.	a) Landlords, the general public, registered social landlords, community groups. b) The general public, elected members, landlords, registered social landlords, supporter organisations, other local authority departments? c) Landlords, the general public, elected members? The above is indicative, not comprehensive.	This could be a single method or a combination of methods to communicate the message.  → Print media?  → Social media?  → Verbal presentations?  → Email?	Print media?  → Are there local newspapers, bulletins, newsletters?  Social media?  → Local authority social media/ community social media/ community social media (ensuring outlet aligns with intended audience).  Verbal presentations?  → Are there local groups of stakeholders to engage with? E.g. landlord forums.  → Are there local events where an activity or update on empty properties can be included?  Direct correspondence.  → Are the direct contact details of the people you are trying to contact available?  → Can you email or post them something?	When do you want this element of communication delivered?  What lead in times are there to make this happen?  Who do you need to involve to make this happen?  What budget do you have to make this happen?

Examples of communication that have been published via different media outlets about empty properties can be found at Resource 15.

# Best practice example:

One local authority has set up an Empty Commercial Properties <u>website</u>. This includes a property database which has the most up to date listings of land and property currently available and can help match those looking for properties with owners of properties.

# Best practice example:

Local authorities can also create an <u>Empty Property Guide</u> for empty property owners in their areas. These can include information on financial support available in that area, as well as VAT relief and renting options amongst others.



Photo Credit: jax10289

# 4. What resources do people tackling empty properties need?

#### Section overview:

People working in empty property roles need a variety of tools to engage in this type of work. This section provides information about:

- Skills and knowledge needed to undertake empty property work
- Legal tools needed to enable encouragement and enforcement around tackling empty properties
- The concept of **financial viability** which often underpins decision-making around tackling empty properties

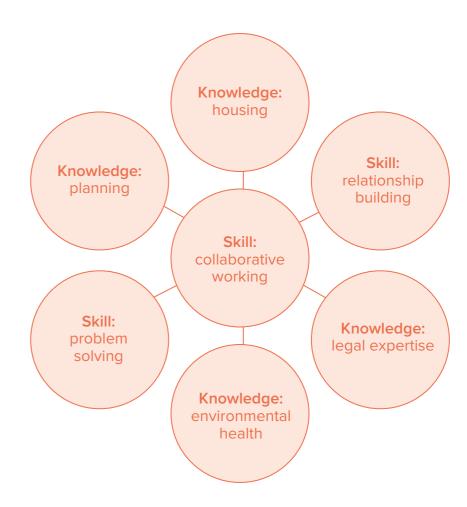
# 4.1 Skills and knowledge

There are a broad set of skills needed to progress empty property work. Where the empty property portfolio sits within a local authority will define how these areas of knowledge are accessed. This could be:

- i. Within a local authority Empty Property Team/Department
- ii. Mostly an individual Empty Property Officer with some collaborative working across different local authority departments
- iii. A combination of collaborative working between departments within a local authority and with external contractors (e.g. solicitors)

The knowledge needed is accompanied by a certain set of skills which will enable the Empty Property Officer to successfully do this work.

All empty property work is underpinned by collaborative working therefore empty property officers require strong skills in this area.



More information about the skills, knowledge and experience for Empty Property Officers can be found at Resource 16 which provides a specimen Job Description for a local authority Empty Property Officer and an Empty Property Officer role Person Specification.

### 4.1.1 Training and development

As well as communication and collaboration, training and development are important areas for Empty Property Officers. This can take two forms:

Training to increase own skills and undertake professional development.

Delivered to the Empty Property Officer.

Training to increase the awareness of others about the issue of empty properties context, process, and impact.

Delivered by the Empty Property Officer.

There are some core elements of training that Empty Property Officers would find useful in carrying out the role.

Training to increase own skills		
Skills development	Communication	
Skills development	Networking	
Skills development	Application of legislation and enforcement processes	
Skills development	Could consider completing the Regulatory Officer Apprenticeship	
Knowledge development	Enforcement tools (enforced sale, Empty Dwelling Management Orders, Compulsory Purchase Orders, ruinous and dilapidated premises, Housing Health and Safety Rating System)	
Knowledge development	GDPR and data sharing	
Knowledge development	Understanding housing need	
Knowledge development	Grant and loan information	
Knowledge development	Business rate and council tax systems	
Knowledge development	Commercial letting and dealing with commercial landlords	
Knowledge development	Planning and development	
Knowledge and skill development	Work shadowing of other Empty Property Officers	

As Empty Property Officers work with a broad set of stakeholders, 'toolbox' training could also be delivered by Empty Property Officers to these stakeholders. This would involve a broad overview of the role of the Officers including an introduction to the empty property processes and timescales. This handbook could form the basis of some of this, and documents/visuals/information from this Guide can be used as the basis for the training.

Training could be delivered to:

Who?	Why?
Local authority adult social care team	<ul> <li>To increase their awareness of Empty Property Officer role/work</li> <li>To enable more collaborative working</li> </ul>
Local landlords	<ul> <li>To increase their awareness of Empty Property Officer role/work</li> <li>To increase engagement with landlords in a proactive way of working</li> </ul>
Community groups	<ul> <li>To increase their awareness of Empty Property Officer role/work</li> <li>To enable more collaborative working</li> <li>To potentially support them with skills around understanding housing need and taking forward empty property work</li> </ul>
Local authority council tax teams	<ul> <li>To increase their awareness of Empty Property Officer role/work</li> <li>To reassure about data sharing arrangements</li> <li>To enable more collaborative working</li> </ul>
Registered social landlords	<ul> <li>To increase their awareness of Empty Property Officer work</li> <li>To enable more collaborative working</li> </ul>
Elected members  - Members of Parliament, Members of the Senedd, local councillors	<ul> <li>To increase their awareness of Empty Property Officer/work</li> <li>To increase understanding of timescales of empty property work</li> </ul>



Photo Credit: Hedyn

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### 4.2 Legal tools

There are a variety of legal tools used to enable empty property work to be completed. As tackling empty properties is multi-dimensional, the tools used to do this work sit across a wide range of legal frameworks.

### Important:

The below information is supported by a legislative handbook which can be found at <u>Resource 11</u>. This provides a detailed overview of each of the elements of legislation listed below in terms of how it can be used for empty property work.

#### Below is a table outlining tools used for:

- 1) Encouraging owners to bring empty properties back into use
- 2) Pursuing enforcement activities to bring empty properties back into use

The majority of empty property work is done by encouraging owners to take action – these legal tools are used to persuade and prompt owners to undertake improvement works to their properties as well as engage with the local authority to enable the property to be brought back into beneficial use. The legal tools in this category tend to function as prompts for works and improvements to be done to the property by the owners and a means for owners to build a relationship with the local authority so that they can benefit from the empty property support that local authorities provide.

The second set of legal tools tend to be those that are used after the first set have not been persuasive in encouraging owners to bring the property back into beneficial use.

Understanding the use of these legal tools is crucial in undertaking empty property work. Every case is different and therefore the combination of the legal tools used to address each case might be different. A broad understanding of these legal tools and knowledge of where to access information on these is important. Resource 11 provides more detail on the majority of the tools listed – links to the relevant section in the resource can be accessed through clicking on the name of the legislation within the table.

### Important:

'Relevant person/s' in the table below refers to owners or occupiers of the property or those with a legal interest in the property.

#### Legal Tools Legislation Relates to/Power Theme Town and Country Planning Act **Information Notices** Requires the relevant person to 1990 – 330 notice – information provide information about the provision ownership and use of a property on a particular piece of land. **Local Government** Requires the relevant person to (Miscellaneous Provisions) Act provide information about the 1976 - s.16 notice - information property. provision Dealing with the Town and Country Planning Act Requires the relevant person to 1990 - s.215 symptoms of a undertake proper maintenance of property being empty their land and the buildings found on that land. Dealing with poor Housing Act 2004 A number of provisions are made housing conditions • Information Notice (s.235) in this Act enabling notices to • Improvement Notice (s.11) be served on relevant persons • Prohibition Order (s.20) for a variety of means including • Hazard Awareness Notice to provide information about (s.28)the property, to undertake • Emergency Remedial Action improvement works on the (s.40) Cat 1 Hazard property, or to undertake Emergency Prohibition Order emergency remedial work on the (s.43)property to remove hazards. **Local Government** Enables the local authority to (Miscellaneous Provisions) complete works on property after Act 1976 - s.29 serving the appropriate notice to relevant persons. Building Act 1984 - 76 -Enables the local authority to Defective premises complete works on property after serving the appropriate notice to relevant persons. Building Act 1984 – 77 – Requires relevant person to Dangerous buildings undertake proper maintenance of their building - local authority can undertake demolition if the owner fails to act.

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Theme	Legislation	Relates to/Power
Dealing with poor housing conditions	Building Act 1984 – section 78 – Emergency measures for dangerous buildings.	If a building or structure is dangerous, immediate action can be taken by the local authority to remove this danger.
	Building Act 1984 – section 79 notice – Ruinous and dilapidated premises	Where an empty property has become seriously detrimental to the amenity of the neighbourhood the local authority may serve a notice requiring the owner to carry out works to repair and restore the property, or to demolish it.
Historic buildings	Historic Environment (Wales) Act 2023 – section 138	Welsh ministers can compulsorily acquire a listed building where it considers that reasonable steps are not being taken to preserve the building and that there is a compelling case in the public interest for the building to be acquired compulsorily for the purpose of preserving it.
	Historic Environment (Wales) Act 2023 – sections 144 & 145	Welsh ministers can carry out works that they consider urgently necessary for the preservation of listed buildings.
Tackling nuisances and anti-social behaviour	Anti-social Behaviour, Crime and Policing Act 2014 - Part 4 Chapter 1	Local authorities can issue Community Protection Notices to address anti-social behaviour arising from empty properties.
	Environmental Protection Act 1990 – s.80 notice for statutory nuisance	Where a local authority is satisfied that a statutory nuisance exists, or is likely to occur or recur, the local authority can serve an abatement notice under section 80 of the Act to require the person responsible for the nuisance (or in some cases the owner of the premises) to take measures to remedy the problem within a specified timescale.

Theme	Legislation	Relates to/Power	
Drainage	Public Health Act 1961 section 17 – Powers to repair drains etc and to remedy stopped-up drains etc.	Where a local authority finds that a drain, WC, waste pipe, soil pipe, or private sewer is in disrepair and it can be repaired for less than £250 the local authority can give at least 7 days notice, then carry out the works and recover their costs from the owners/occupiers	
	Building Act 1984 – section 59 – Unsatisfactory provision for drainage.		
Disposing of buildings	Housing Act 1985 – Part 9 as amended by the Housing Act 2004 – s.46 - Demolition orders	Where a local authority is satisfied that a dwelling or HMO has at least one category one hazard under the Housing Health and Safety Rating System, or at least one flat in a building has at least one category one hazard they may make a demolition order for that building.	
	Housing Act 1985 – section 17 or Town and Country Planning Act 1990 – Part IX - Acquisition and appropriation of land for planning purposes, etc	This legislation permits compulsory purchase for improving housing or providing more housing. This can be used in very limited circumstances – see guidance in Legislative Handbook (Resource 11).	
	Law of Property Act 1925 and the Local Land Charges Act 1975 – Charges against the property and repayment on sale.	Where a local authority have incurred any expenditure for activities like works in default or making an order it may be placed as a charge against the property. The charge creates an encumbrance on existing and future owners of the land.	

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Theme	Legislation	Relates to/Power
Disposing of buildings	Housing Act 2004 – Part 4 & Schedule 7 – Empty Dwelling Management Orders (EDMOs)	This is another route for disposal of property. This is intended to be a power of last resort – please see legislative handbook (Resource 11).

### Best practice example:

For those working in a local authority, delegated powers can often be shared amongst those working on empty properties. For example, planning powers could be delegated to environmental health officers. This can make empty property work more efficient.

For example, powers around section 2.15 of the Town and Country Planning Act and/ or section 79 of the Building Act could be delegated to Environmental Health Officers to enable more streamlined working.

To do this, contact the local authority legal team who will need to assess the delegation of powers against the Standing Orders of the authority.

# Important:

Look at Resources 19, 20 and 21 for case study examples of successful empty property work, including the legal tools used for this.

### 4.3 Financial viability

### Overview of Section

This section provides an introductory, practical, overview of financial viability in the context of empty property work.

It includes a series of prompts that individuals need to consider when doing empty property work, as well as tables that owners can use to assess the financial viability of their own projects.

Before starting any refurbishment of an empty property it's important to have an idea of how financially viable the project is to take on. This means looking at how much the project is likely to cost in relation to the potential income or financial benefit that will be received from undertaking the refurbishment.

This needs to be looked at in relation to the finances that can be accessed for the project – money that owners can put towards the project, grants or loans from the local authorities, and/or other sources of finance. The different sources of grant and loans that can be accessed to support empty property work is found at Resource 17.

Resource 18 contains three fictional scenarios of how owners have considered their financial viability. This can provide ideas about the empty property work that owners can complete as well as the process of assessing the financial viability of projects.

### Important:

Different groups will approach financial viability from a different knowledge and confidence base. Empty Property Officers are likely to have already established detailed financial viability assessments whereas those who are new owners of an empty property might have less expertise.

Below is a simplified discussion of how to start thinking about financial viability. Sources for support around financial viability will differ depending on the group, therefore the table below outlines how this section on financial viability can be used by different groups:

Who are you?	How should you use it?	Who can you contact for further help?
Local authority or staff member of Registered Social Landlord	There will be a more in-depth financial viability process that your organisation will use – use the below to start thinking about viability and then adopt your more rigorous process	Colleagues working in the same area/organisation
Professional landlord	There will be a more in-depth financial viability process that you are likely to use – use the below to start thinking about viability and then adopt your more rigorous process	Your local authority Empty Property Officer/team  Colleagues working in the same area  Representative bodies (such as the National Residential Landlords Association)

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Who are you?	How should you use it?	Who can you contact for further help?
'Accidental' owner of an empty property	This provides you with a starting point for thinking about financial viability – more detailed assessment is needed	Your local authority Empty Property Officer/team Other landlords who are in the
		Representative bodies (such as the National Residential Landlords Association)
Community groups	This provides you with a starting point for thinking about financial viability – more detailed assessment is needed	Your local authority Empty Property Officer/team  Cwmpas (provides support with community led projects)  Groups working in the same area
Commercial premises owners looking to convert some of the property to residential	This provides you with a starting point for thinking about financial viability – more detailed assessment is needed	Your local authority Empty Property Officer/team  Your local authority Town Centre Grants team/economy team

### 4.3.1 Understanding financial viability

When a property becomes empty, there are two options for owners to choose between:

- Do something
- Do nothing

Largely this decision will be driven by financial viability (what the owner can afford to do) but it's important to consider the social element too (what's the right thing to do with the property for the community/in the context of a lack of enough housing for everyone).

### Important:

Doing nothing still costs.

Local authorities have a lot of different options to support empty properties being brought back into beneficial use – Empty Property Officers/teams are there to support owners.

There are 4 main elements of understanding financial viability in the context of empty properties:

How much does the property cost to keep empty?

How much would the property cost to refurbish?

How much income or financial benefit would you receive if the property was put back into beneficial use?

What financial support is there to contribute to the refurbishment?

Whether a project is financially viable depends on the answers to these questions in the context of the specific property. All empty properties are different, so it's important to answer these questions based on the type of property, in a specific location, in the context of the individual finances of the owner and/or support available from the local authority.

### 4.3.2 Understanding what you want to do with the property

Before you start considering the financial viability of the project, you have to decide what the project is. This means that the projected end use of the property should be decided on before you start thinking about financial viability.

### Important:

If you think about financial viability with one projected end use and it turns out not to be viable, think about it again with a different projected end use – the result is likely to be different.



Photo Credit: jax10289

# Important:

You need to consider what type of building you are working with, how that might affect end use, and any additional costs related to this.

If you are working with a listed building, there are additional viability considerations to be made around the legal and material requirements of the renovation. More information can be found on Cadw's website: <u>Best-practice guidance | Cadw</u>

There are also specific funding streams available around renovating listed buildings – see Resource 17.



Photo Credit: Uniteam

# Important:

Financial viability is only one motivation to act – in the context of properties that are listed or of importance to the local community, it might be important to engage in empty property work even if it does not create significant financial returns.

Below is a list of some of the potential end uses of an empty property – use this table to help determine what you want to do with the property.

Projected end use	Potential costs	Potential income	Risks to consider
Lease – via local authority	Mortgage  Completion of works	Local authorities run their own leasing schemes – here the local authority take on the management of the property in terms of tenants and maintenance. Owners will get a guaranteed monthly rental income for low or no cost for the management service	The leasing scheme might change over time
Rent out property - affordable rent [lower than market rent]	Property certifications (e.g. energy performance certificate, gas)  Registration with Rent Smart Wales  Property advertising and management fees  Ongoing maintenance fees to cover wear and tear  Council tax and bills during void period  Membership of landlord body  Mortgage  Completion of works	Look at Local Housing Allowance levels for the local area	Periods where there are no tenants  Non-payment of rent and/or damage to property  Variation in rent levels over time  Changes to regulation over time (e.g. change in energy efficiency requirements)  Variation in mortgage rates

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Projected end use	Potential costs	Potential income	Risks to consider
Rent out property – market rent	Property certifications (e.g. energy performance certificate, gas)  Registration with Rent Smart Wales  Property advertising and management fees  Ongoing maintenance fees to cover wear and tear  Council tax and bills during void period  Membership of landlord body  Mortgage  Completion of works	Review market adverts for similar properties in the area to understand potential income	Periods where there are no tenants  Non-payment of rent and/or damage to property  Variation in rent levels over time  Changes to regulation over time (e.g. change in energy efficiency requirements)  Variation in mortgage rates
Own property and live in it	Ongoing maintenance  Buildings insurance  Home contents insurance  Council tax  Mortgage  Completion of work	N/A	Variation in mortgage rates  Potential second home council tax premium
Sell property  – market ready (after works)	Estate agency fees  Conveyancing fees  Completion of works  Survey/inspections required by purchaser.  Property certifications (e.g. energy performance certificate, gas).  Completion of works.	Obtain valuation from two or three different estate agents	Market conditions Tax on sale income

Projected end use	Potential costs	Potential income	Risks to consider
Sell – current condition (no completion of works)	Estate agency fees  Conveyancing fees  Survey/inspections required by purchaser  Property certifications (e.g. energy performance certificate, gas)	Obtain valuation from two or three different estate agents or auction houses	Market conditions  Tax on sale income
Mixed use – commercial and residential	Potentially estate agency fees  Conveyancing fees  Completion of works  Survey/inspections required by potential purchaser  Property certifications (e.g. energy performance certificate, gas)  Additional costs of meeting building regulation requirements (e.g. fire safety, soundproofing)	Potential income from both commercial and residential premises  Note: calculate rent and risks for all elements of the premises	Complexity of managing premises with potentially multiple tenants/ owners

# Commercial properties

In the context of commercial properties, it is likely that the property will be mixed use (both residential and commercial). It's important to have a clear idea of the use of each element of the property to assess viability.



Photo Credit: PaulMaguire

### Mixed-use premises additional considerations:

If developing mixed-use premises, additional elements need to be considered:

- 1. The viability of the business that the commercial element of the property is being leased to. These include:
  - Due diligence needs to be completed before the lease is confirmed does the potential business pass these tests?
  - Consideration of break clause in the lease what happens if there are complaints about the business before the end of the lease? Or if the business fails before the end of the lease?
  - Planning permission is a change of use needed to meet commercial requirements?
- 2. Details of the residential element of the property (in addition to those that would be made in a purely residential context). These include:
  - Potential mixed-use issues what might the impact be on the residential tenants from the commercial business? (E.g. hours of use, waste disposal arrangements, and noise)
  - Access how is the separate access for commercial and residential going to work?

Once the projected end use of the property has been decided, then the first considerations of financial viability can be made and those four questions answered.

### 4.3.3 How much does the property cost to keep empty?

Keeping the property empty has associated costs, it is not cost neutral. Below is a range of some of the different costs that might come from an empty property.

This is not intended to be a complete list of potential costs, but indicative of elements of cost that need to be accounted for. This table can be used to create a broad overview of the financial implications of keeping the property empty.

Element	Indicative cost (annually)
Business rates on empty property (if commercial premises)	
Council tax base rate + increasing premiums	
Garden maintenance	
Security against intrusion and anti-social behaviour	
Buildings insurance	
Visits to monitor property	
Standing charges (gas/electricity/water)	
Maintenance and repair from deterioration/vandalism/anti-social behaviour	
Total Costs*	

<sup>\*</sup>These costs will increase over time with inflation.

### 4.3.4 How much would the property cost to refurbish?

Each empty property project will have a different level of refurbishment costs and complexities around the completion of the project. Below is a broad overview of items that will need to be accounted for in the calculation of the cost of bringing the property back into use. This is not intended to be a complete list of potential costs, but indicative of elements of cost that need to be accounted for.

Element	Indicative cost
Ongoing council tax charges	
Ongoing business rate charges (if commercial property)	
Surveys (conditions survey, HHSRS assessment if necessary)	
Planning permission and building regulations applications	
Legal fees (if purchasing/conveyancing)	
Ongoing mortgage	
Any charges against the property	
Fees (architect, surveyor, project manager – depending on complexity of project)	
Preparation of schedule of works	
Completion of works	
Contingency (10-15%)	
VAT on works (check rate – this will differ depending on commercial or residential premises)	
Total:	

# Important:

Work on empty properties is sometimes supported through VAT relief. Check with the local authority or online to see whether VAT relief is applicable for this renovation.

4.3.5 How much income or financial benefit would you receive if the property was put back into beneficial use?

The answer to this question depends on the projected end use of the property. It is important to consider what the potential income could be in terms of:

• Ongoing rental income – if your end use is leasing/market rent/affordable rent

- The sale of the property
- The removal of ongoing costs if the property is refurbished and the end use is that the owner moves in, they will potentially be saving in terms of rental income/mortgage income on another property

The below table might help you map out the income that will be received if it occurs over time. It is useful to set a time limit to understanding potential future income, this could be in relation to any loans that you will need to access to support the project or any mortgages you have on the property (e.g. if you have a 15 year mortgage, you might want to use this as the time period for considering potential future income).

Year	Income
(What timeframe are you working within?)	What end use have you decided on?
	What does that mean in terms of income?
	What is the effect of inflation on this?
	What is the time frame you are looking at for this? (Standard practice for the housing sector is 30 years but it needs to be an appropriate timescale for the individual project)
Year 1	
Year 2	
Year 3	
Total:	

### 4.3.6 What financial support is there to contribute to the refurbishment?

Financial support for the project will come from three sources:

- a) Self-finance the amount that the owner of the property can invest in the project
- b) Grants/loans from the local authority or other public bodies
- c) Other financial support such as private loans etc

It is likely that the project will be funded through a mix of these sources.

Each local authority has a range of grants and/or loans that can be used to support the financing of empty property work. Which ones of these can be accessed depends on the projected end use of the project.

Resource 17 lists the grants/loans available and links to the websites that explain these. Making contact with the Empty Property Officer in your local area would be the most efficient way of finding out what grants/loans are appropriate to your particular project.

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# Important:

Look at <u>Resource 18</u> for examples of what financial support might be available in different scenarios.

Look at Resource 17 for the different sources of financial support available.

# Important:

The financial viability of your project depends on a range of factors that are specific to the project. Using these tables will help you have a broad idea of what things are going to cost, what the cost of the property remaining empty is, and what broad support is available.

It's important to engage in a more detailed financial viability assessment before you begin the work – contact your Empty Property Officer/team for support with understanding the loans/grants that are available as well as opportunities to engage in leasing schemes.

# Important:

If you are renovating an empty commercial property there are a range of specific financial incentives you might be able to access such as:

- Capital Allowance arrangements
- Land remediation relief
- Reduced Stamp Duty

You can consult with legal and financial advisors about these incentives and whether there are relevant to your project.

#### Further resources

The aim of this Guide is to provide a broad overview of important components of empty properties work. This is supported by the more technical documents included in the separate Resources document.

Further information on empty properties in different contexts is available below.

### Important:

If you are a private landlord, community group, owner, or from a registered social landlord, always approach your local authority as the first source of information on empty properties and what opportunities are available for collaboration.

# Research into empty property:

- Shelter (2024) 'Home Again: A 10 city plan to rapidly convert empty homes into social rent homes'
- Habitat for Humanity (2021) 'Repurposing Empty Spaces to Help Address the Housing Crisis Across England, Scotland and Wales'
- House of Commons Library (2023) Empty Housing (England)

# **Empty Homes networks**

- Global Empty Homes network Global Empty Homes Network
- Empty Homes Network Empty Homes Network
- Scottish Empty Homes Partnership Scottish Empty Homes Partnership
- Action on Empty Homes Action on Empty Homes

# **Empty Property toolkits**

- Habitat for Humanity Empty Spaces To Homes Toolkit Habitat for Humanity GB
- Action on Empty Homes Community Action on Empty Homes Toolkit
   Action on Empty Homes
- Scottish Empty Homes Partnership toolkit <u>Toolkit & Knowledge Hub | Scottish Empty</u> <u>Homes Partnership</u>

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