



Houses into Homes

Key Monitoring Data up to September 2013

Interim report

Social research

Number: 21/2014

Background

The Welsh Government introduced the Houses into Homes Scheme in April 2012, as part of a programme of work to meet the target of bringing 5,000 properties back into use during the current term of government (2012-16).

A team from the Centre for Regional Economic and Social Research at Sheffield Hallam University has been commissioned to evaluate the Scheme.

This bulletin presents a summary of monitoring data collated by local authorities, and provides an overview of applications to the Scheme since its launch in April 2012 through to 30th September 2013. It is the fourth interim output from the evaluation, which runs until 2015.

Key data:

- 152 Houses into Homes loan applications have been approved. 107 of these applications were approved between April and September 2013
- the total value of the loans agreed was £6,381,463, at an average of £42,261 per application
- these loans will support works that will result in the provision of 312 units of accommodation
- 38 per cent of the units provided will be made available as affordable accommodation¹
- an additional 104 applications were in the process of being assessed at the end of the monitoring period (30th September 2013)
- the total number of units that are projected to be provided by the approved loans and the applications being processed is in excess of 500.

¹ Affordable housing is not just social housing, but includes low cost home ownership, shared ownership and intermediate rent, where rents are set at up to 80 per cent of market levels.

Introduction

1. This bulletin presents a summary of monitoring data collected from all 22 local authorities in Wales regarding Houses into Homes applications received and processed between 1st April 2012 (the start of the scheme) and 30th September 2013. It is the fourth in a series of outputs to emerge from the ongoing evaluation of the Houses into Homes scheme². Monitoring data is being collected for the duration of the evaluation to assess the progress and impact of the scheme, including actions, outputs, costs and savings.

Houses into Homes Applications

2. Analysis of Houses into Homes monitoring data reveals that 303 loan applications were received in the period 1 April 2012 to 31 March 2013 (Table 1). 241 applications were received in the year 2012/13 and a further 62 were received between April and September 2013:
 - 152 applications had been approved to receive a Houses into Homes loan (45 in 2012/13 and 107 in April - September 2013)
 - 104 were being processed; this includes provisionally approved applications
 - 10 had been rejected
 - 37 had been withdrawn.

Approved Applications

3. Key headlines relating to the 152 approved applications include:
 - The total value of listed approved loans was £6,381,463, an average of £42,261 per application and £21,296 per unit to be provided:
 - 4 loans were for less than £10,000;
 - 24 loans were for at least £10,000 but less than £20,000;
 - 71 loans were for at least £20,000 but less than £30,000;
 - 6 loans were for at least £30,000 but less than £50,000;
 - 27 loans were for at least £50,000 but less than £100,000;
 - 19 loans were for £100,000 or more.
 - The total number of units provided by properties being brought back into use will increase from 160 to 313. 53 properties will see an increase in the number of units that they contain. This includes 15 loans that will see an increase of four units or more and three loans that will see an increase of ten units or more.

² Other outputs can be downloaded at <http://new.wales.gov.uk/statistics-and-research/houses-into-homes/?status=open&lang=en>

- Thirty one approved applications involve bringing non-residential properties back into use as accommodation units.
- Approved loans covered the majority of costs associated with bringing a property back into use in 124 of the 146 applications where information was provided. Of this 124, the agreed loan covered the full costs for 46 applications and more than 75 per cent of the total cost for a further 42 applications.
- The total value of recorded personal or private sector contributions was £4,804,000, an average of £32,904 per approved loan.
- Applicants were asked to estimate the expected value of the property in both its current condition and after the works have been completed. Data were provided for 131 applications. Upon completion of the works:
 - the average property value is expected to increase by just over £110,000, or 108 per cent. This appears to reflect the increase in the number of units provided by the properties brought back into use, from 160 to 313;
 - the expected value will be higher in all cases where data were provided; 56 of 130 properties (43 per cent) are expected to at least double in value
 - the predicted average increase varies according to the change in number of units provided: properties seeing no change in the number of units are expected to increase by an average of just under £55,000; properties seeing an increase of up to three units are expected to increase by an average of £132,500; and properties seeing an increase by four or more units are expected to increase in value by nearly £370,000.
- The majority of properties had been empty for more than one year (127 out of 147). 57 had been empty for five or more years and 30 had been empty for 10 or more years.
- 83 per cent (125) of the 150 loans for which data were provided will provide units for rent, 22 will provide units for sale and three will be for rent or sale.
- 38 per cent (96) of the units provided by the 128 loans for which data were available will be affordable accommodation³.
- 49 per cent (74) of the 150 approved applications for which data were provided will bring properties back into use whose external appearance had been having a negative impact on the local area.
- The works on 21 properties were recorded as being complete.
- 14 properties were identified as being back in use by September 2013.

³ Affordable housing is not just social housing, but includes low cost home ownership, shared ownership and intermediate rent, where rents are set at up to 80 per cent of market levels.

- Four loans had been repaid in full, allowing £114,000 of loan finance to be recycled.

Applications Being Processed

4. Local Authorities reported a further 104 applications that were in the process of being assessed at the end of the monitoring period (30 September 2013). Proposals can change during the approval process, but key points about the stated intentions of these applications include:
 - the total amount of loan funding applied for in the 79 applications where data were provided was £3,733,498, at an average of £47,259 per application
 - the number of units contained within the 92 properties for which data were provided is proposed to increase from 93 to 248
 - 82 of the 88 properties for which information was provided had been empty for more than one year. 23 had been empty for 10 years or more.
 - 66 of the 78 applications for which data were provided intend to provide accommodation for rent, 7 intend to provide accommodation for sale and 5 intend to provide accommodation for sale and/or rent
5. Local authorities reported receiving a further 1,091 enquiries about the Houses into Homes loan scheme that were yet to result in an application. In 80 cases owners indicated that they would be submitting an application. A total of 91 owners had been signposted to another empty homes intervention.
6. Local authorities reported that staff spent 1,209 days managing the Houses into Homes loan fund in the first six months of the financial year 2013/14. Time spent ranged from 10 days or less in two local authorities to 150 days or more in three local authorities. In the full financial year 2012/13 Local Authorities reported that staff spent 2,419 days managing the fund.

Delivery Against Targets

7. Summing the value of 152 approved loans and the value of applications being processed gives a total of £10,114,961, since April 2012. Assuming that the additional 25 applications being processed for which no data were provided are of a similar average value to those for which data were provided, the total sum value of approved loans and loans being processed would amount to just under £11.3 million since April 2012. This figure reflects the fact that local authorities were successful meeting the target set by the Welsh Government for drawing down and allocating the full £10 million of funding made available in 2012/13, but have some

way to go to draw down and allocate the additional £10 million of funding made available in 2013/14.

8. Summing the number of units to be provided by the 151 approved loans and the number of units to be provided by applications being processed gives a total of 561 units. This increases to 593 units if it is assumed that the additional 12 applications being processed for which no information was provided will provide a similar average number of units.

Next steps

9. A team from the Centre for Regional Economic and Social Research at Sheffield Hallam University has been commissioned by the Welsh Government to conduct an evaluation of the Houses into Homes scheme. The aim is to monitor effectiveness, impact and added value of the scheme, and to provide accountability for the use of public funds. This bulletin presents key monitoring data collected between April 2012 and September 2013, the 18 months following the scheme's launch. The next output will be an end of year two evaluation report, which will set out the experiences of practitioners in implementing the scheme, and evidence its impact in the context of other activities by local authorities to bring empty properties into use. We will publish a final report in the summer of 2015. The reports will all be available on the Welsh Government website at:
<http://wales.gov.uk/about/aboutresearch/social/?lang=en>

Table 1: Summary of Houses into Homes Applications received between 1 April 2012 and 30 September 2013

	Approved loans			Applications being processed	Other applications ³	
	Number	Total Value (£)	Average Value (£)	Number	Number	
North Wales	42	2,185,344	52,032	114	13	14
Flintshire	7	525,000	75,000	22	0	2
Wrexham	13	496,390	38,184	25	3	2
Gwynedd	9	466,100	51,789	26	3	0
Anglesey	6	336,987	56,165	19	1	4
Conwy	4	288,480	72,120	19	6	2
Denbighshire	3	72,387	24,129	3	0	4
Mid and West Wales	21	762,171	36,294	31	26	2
Powys	8	377,171	47,146	16	1	0
Carmarthenshire	6	173,000	28,833	7	16	1
Ceredigion	4	137,000	34,250	6	1	0
Pembrokeshire	3	75,000	25,000	2	8	1
Gwent	33	1,193,722	36,173	56	20	5
Blaenau Gwent	12	589,943	49,162	28	1	2
Monmouthshire	6	230,677	38,446	10	4	0
Torfaen	8	161,902	20,238	8	7	1
Caerphilly	3	133,300	44,433	6	5	2
Newport	4	77,900	19,475	4	3	0
Western Bay	22	833,000	37,864	42	10	10
Neath Port Talbot	9	293,000	32,556	20	2	7
Bridgend	4	275,000	68,750	9	8	3
Swansea	9	265,000	29,444	13	0	0
Cardiff and the Vale	16	833,615	55,574	43	11	12
Cardiff	14	808,615	57,758	41	8	8
Vale of Glamorgan	2	25,000	25,000	2	3	4
Cwm Taf	18	573,610	31,867	27	24	4
Rhondda Cynon Taf	9	373,610	41,512	18	23	4
Merthyr Tydfil	9	200,000	22,222	9	1	0
Wales	152	6,381,463	42,261	313	104	47

Source: Houses into Homes monitoring data

³ Other applications includes: rejected applications (10) and withdrawn applications (37)