

Glasgow's

Empty Homes Strategy

2019-2022



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Foreword

Scottish Government have set an ambitious house build programme of delivering 50,000 affordable homes over the lifetime of the current parliament. The impact of this programme would be significantly enhanced by a reduction in the number of long term empty homes which currently exceed 39,000 across Scotland.

Bringing empty homes back into use contributes to housing supply by providing much needed accommodation for families in need. It can also help reduce homelessness and benefit local communities.

Long term empty homes can have a negative impact on local property markets, leading to lower house prices and neighbouring properties taking longer to sell. Every empty home is money lost to the local economy. Living nearby empty homes can also impact on residents' security and lead to an increase in anti-social behaviour

Glasgow City Council is committed to tackling this issue, implement Scottish Government policy and significantly reduce the number of empty homes in our city. Our Empty Homes Officers will work with owners and partner organisations to ensure that we deliver our ambitious action plan and achieve the targets set down in this strategy.

Councillor Kenny McLean

City Convener for Neighbourhoods,
Housing and Public Realm

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Introduction

The Scottish Government has made a commitment to increase housing supply, in addition to making best use of existing housing supply in its policy document 'Homes Fit for the 21st Century.'

A House of Commons Briefing Paper published in June 2018 noted that 'High levels of empty properties are recognised as having a serious impact on the viability of communities.'

The Scottish Empty Homes Partnership (SEHP) has recently introduced 'the Empty Homes Value Tool' which assesses the impact and value for money of bringing empty homes back into use. This focusses on nine broad areas where costs and missed opportunities arise when properties are lying empty for a long time.

Glasgow's Housing Strategy 2017-22 prioritises improving and maintaining the quality of our private housing stock as a key objective in maintaining thriving neighbourhoods, providing good

quality housing to attract and retain population and support wider strategic regeneration goals. Action 18 within this priority is to 'Identify and take action to bring long term empty homes back into use over the life of the strategy.'

Glasgow's Empty Homes Strategy identifies 7 key aims and the benefits of bringing empty homes back into use. It also sets out an Action Plan with ambitious targets and what we are doing to tackle the problem of empty homes. This demonstrates how seriously Glasgow takes the issue and the importance we are attaching to this strategy.

2 Aims of the Strategy

The aims are to:

- Deliver the Scottish Government's vision that no homes are left empty for significant periods of time without good reason.
- Increase the availability of housing stock to meet demand and provide good quality accommodation for those who need it.
- Offer home owners information and advice which will help bring properties back into use
- Provide support for the delivery of key housing strategies and work closely with partnering RSLs
- Tackle environmental blight and improve the amenity of neighbourhoods
- Safeguard the interests of owners within tenement properties to facilitate common repairs work
- Identify opportunities for suitable housing for particular groups such as larger families, homeless people and those with a variety of support needs.

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Context

i. Legislative Context

The Housing (Scotland) Act 2010 enables local authorities to use Council Tax records to identify vacant residential properties and bring them back into use. Our Empty Homes Officers (EHOs) work closely with colleagues in Financial Services and a database is kept of all properties which have been empty for more than 6 months. This is updated, on a monthly basis with information extracted from the council tax register.

The Local Government Finance (Unoccupied Properties etc.) (Scotland) Act 2012 gives local authorities the power to vary the amount of the Council Tax levied against empty residential properties. This is in order to encourage owners to bring empty homes back into use. In 2013 the Council reduced the 50% discount on second and empty homes to 10%. From 1st April 2018 a 100% premium can be charged on homes which have been vacant for more than 12 months and which

are not actively being marketed for sale or let.

A letter issued to all local authorities on 20th September 2019 by the Minister for Local Government, Housing and Planning highlighted concerns expressed by home owners about the application of the empty homes levy by some councils. Since the introduction of the premium charge Glasgow is the only local authority where the EHOs contact home owners up to 8 weeks prior to the application of the premium to forewarn them of the proposed charge. From April 2019 to September 2019, letters have been sent to 433 home owners to alert them of the impending surcharge. This approach clearly demonstrates that the Council is meeting the spirit of the legislation by using the levy as an incentive to encourage private home owners to bring their property back into use, rather than simply a revenue raising tool.

ii. Policy Context

The value of long-term private empty properties in Scotland is estimated to be around £5bn. This is a significant waste of assets that are depreciating in value. In economic terms it simply doesn't make sense for individuals to leave a property sitting empty for any length of time and more fundamentally an empty property could provide a home for someone who needs one.

Research carried out by YouGov for the Scottish Empty Homes Partnership (SEHP) in 2019 found that 68% of adults in Scotland thought that the availability of homes is reduced by empty homes and that 59% of adults think that private owners of long-term empty homes should be encouraged to bring them back into use. Despite this, 46% of adults in Glasgow said they wouldn't report an empty home to anyone if they noticed one in their local area, while 15% were not sure who they would report it to.

Statistics obtained from Council Tax records across Scotland in December 2018 identified a total of 39,110 properties empty for 6 months or more, with 24,471 of these properties being empty for 12 months or more. In Glasgow the number of long term empty properties (LTEP) being empty for 6 months or more and excluding second homes totaled 2687 as at August 2019 (source: Council Tax records).

The Scottish Empty Homes Partnership (SEHP) was established in 2010 to assist local authorities build capacity by bringing more vacant housing into use. SEHP is hosted by Shelter Scotland and funded by the Scottish Government and supports a network of empty homes officers operating in 20 local authorities across the country.

Glasgow City Council previously received part funding from SEHP in 2015 for an Empty Homes Officer post on the condition that we entered into a joint partnership

arrangement with a RSL. The Council partnered Glasgow Housing Association and a funding contribution was received from SEHP for a 2 year fixed term post from August 2015 to August 2017.

A report was submitted to the Regeneration and the Economy Policy Development Committee on 7th March 2017 outlining the key successes of the pilot and identifying future opportunities which could be realised if the project was extended.

The Council appointed its first dedicated Empty Homes Officer in October 2017 and a second officer in late July 2018 as bringing empty homes back into use is deemed a priority within the Strategic Plan.

iii. Housing Strategy Context

The City's Housing Strategy 2017-22 sets the strategic direction for housing, describes our vision and lists the actions that we will take to achieve the objectives it identifies. Action 18 of the Strategy under the theme of "Managing, maintaining

and improving the existing housing stock", notes that we will take action to bring 475-570 long term empty homes back into use over the lifetime of the strategy. As at 30th September 2019, exactly the halfway point of the Housing Strategy, a total of 380 long term empty properties have been brought back into use, the majority of which have been for social rent. This is ahead of target.

There is continual pressure within Glasgow to meet housing demand as a result of changing demographics, affordability pressures and homelessness. The Council's Strategic Plan reinforces Glasgow's commitment to support the provision of new homes across the city and maximising the delivery of homes for social rent. Bringing empty homes back into use will contribute to this with a significant number of these properties also being utilised for social rent.

Environmental Context

There is evidence that building a new home creates more than three times the level of greenhouse gas emissions (50 tonnes) than renovating an empty property (15 tonnes). According to the Scottish Empty Homes Partnership, around 100,000 tonnes of greenhouse gas emissions have been saved due to empty homes work in Scotland. Over the course of the housing strategy it is estimated that Glasgow will be responsible for saving over 20,000 tonnes of greenhouse gas emissions.

4 Identifying the Problem

The most common reasons for individual properties falling into the category of long term empty are:

- **Mortgage Default/Repossessions** – Banks and mortgage lenders can often take years to repossess a property and put it back up for sale. In many cases the lenders do not want to take heritable possession of the property if there is significant outstanding debt recorded against the property.
- **Deceased Owners** – where an owner dies intestate and no Executors have been appointed to deal with the estate. In many cases this results in family disputes which can take years to resolve, if at all. In some cases family members may have an emotional attachment to the property and do not want to sell.
- **Title issues** – The ownership of the property is in question and

this may not be easily resolved, if at all.

- **Untraceable Owners** – the last known owner on the title deed or other property records cannot be found nor any dependents
- **Land banking** – speculators buy the property for future investment
- **Personal Choice** – For reasons known only to the individual they simply do not want to sell or let somebody occupy the property
- Properties which have fallen into a poor state of repair and are uninhabitable

In many cases the provision of advice and information by the EHOs is sufficient to encourage and assist owners in bringing their property back into use. This can fall into three broad categories; selling the property, renting or carrying out repairs. However, it will not be possible to bring all

empty properties back into use. Some properties could remain empty for a significant periods of time. A number of properties are exempt from paying Council Tax, for example dangerous buildings and those deemed uninhabitable. There are presently 145 properties within these categories. There are several other buildings which are the subject of major repair works. The Empty Homes Officers work closely with colleagues in Housing and Regeneration Services Private Sector team to monitor the progress of works. Exemptions will not apply where private owners or RSLs are not taking appropriate steps to bring these properties back into use.

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Action Plan

Our Action Plan will deliver on 20 points:

- The EHOs, through their direct intervention, will aim to bring between 200 and 250 empty properties back into use in each of the 3 remaining years of our Housing Strategy. This target will be reviewed in 2022 in line with future priorities and resources.
- On the back of this ambitious target the service will establish best practice in terms of developing programmes and delivery of this strategy
- The EHOs will develop a checklist/ information fact sheet for owners of empty homes to give them the information they need to bring their properties back into use
- The service will to launch a city wide media campaign to highlight the need for bringing empty homes back into use and issue contact details for reporting empty homes to the local authority. Website will be updated to make it easier to report empty homes
- Further develop our existing database and increase the number of reporting outcomes
- To pilot a new initiative with RSLs to encourage them to become more proactive in identifying and tackling empty homes in their local areas
- Devise a priority list/ programme for empty properties where action is needed
- Aim to target over 100 empty properties for compulsory purchase over the 3 year strategy period
- Target abandoned empty shops on the ground floor of tenements which could be suitable for social/wheelchair housing
- Link in with owners and RSLs to investigate social lettings initiatives for properties brought

back into use

- Monitor levels of social housing stock which is long term empty and engage with RSLs to ensure that solutions are in place to let the stock
- Work closely with housing colleagues to ensure that common repairs in tenement properties are not thwarted as a result of empty homes.
- Develop closer working relationship with Financial Services and increase the number of house inspections undertaken to identify empty homes and reduce the need for employing outside services.
- Contribute to the SEHP and play a more active role in terms of developing and promoting policy initiatives in relation to Empty Homes
- Engage with SEHP and Scottish Government over the introduction of Compulsory Sales Orders.
- Explore the possibility of the Council improving properties for sale in areas where no partnership arrangements are in place
- Review current Matchmaker scheme to see if this could be more effective
- Update Scheme of Assistance/ Website to reflect Empty Homes Strategy
- Contribute to and review GCC's Acquisition Strategy
- Monitor the progress of the strategy and ensure that Targets and Key Performance Indicators are established in order to measure successful interventions and the delivery of this action plan. The outcomes will subsequently be reported back through the local housing strategy.

6 Delivery

i. Empty Homes Officers

Glasgow City Council currently employs two Empty Homes Officers (EHOs) both of whom are located within DRS Housing and Regeneration Services. The EHOs work closely with colleagues in Financial Services (Council Tax collections) to keep an accurate and up to date database of empty properties.

Council Tax records are the main source of identifying empty homes but referrals are received from a number of sources including the general public, neighbouring owners, housing associations, other council officers, elected members etc which helps improve the quality of information held and enables records to be regularly updated.

ii. Acquisition Strategy /Partnership Approach

EHOs work closely with colleagues in Housing and Regeneration Services and Registered Social Landlords (RSLs) across the city

to deliver a city wide 'Acquisition Strategy'. Funding support is provided to the RSLs in priority areas to acquire empty properties on a voluntary basis in order to regenerate these areas and tackle property condition issues within the tenement stock. Targeted acquisitions through RSLs in various areas of the city is a key part of the strategy and this approach is proving effective particularly in areas of the city where there are significant numbers of poorly maintained pre 1919 sandstone tenement properties.

iii. Use of Compulsory Purchase Powers

There will be instances where an absentee owner of a long term empty property cannot be traced or refuses to engage with the EHO. In such circumstances the Council will consider the use of compulsory purchase powers. To date, excluding the 3 shop units highlighted above, a total of 33 compulsory purchase orders will have been promoted over

empty homes in priority areas. This is a positive step as it will help to reduce incidents of anti-social behaviour, improve the amenity for local residents and help facilitate necessary common repairs where required. High concentrations of vacant properties are a blight on neighbourhoods. Properties taken forward for compulsory purchase are considered in terms of the impact the empty property is having on residents and the neighbourhood and where an end user can be identified.

All of the homes that have been compulsory purchased will be brought back into use for social rent. Tenure diversification will help stabilise some closes as well as assisting RSLs to meet housing demand from a variety of client groups through the provision of affordable housing.

Empty Homes Officers identify empty shops (mostly located on the ground floor of tenement buildings) that have been abandoned or are not viable

and are having a negative effect on the area. In such cases the compulsory purchase of these properties will be pursued where the properties can be brought back into use for e.g. social rent for accessible wheelchair housing. To date, authority has been received to promote compulsory purchase orders on 3 former shop units which will be used by Registered Social Landlords (RSLs) for this purpose.

iv. Vat Savings on Works

The EHOs offer advice to RSLs and home owners on the potential for VAT savings on carrying out works to bring a property back into residential use. Where a property has been empty for more than 2 years, the EHOs can issue vat discount letters authorising a reduction in vat on renovation works from 20% to 5%. If the property is empty for more than 10 years then it could be zero rated for works if privately occupied on completion. The EHOs have issued almost 100 vat discount letters in the past 18 months which it is

estimated will save RSLs and home owners in the region of £500k to £750k in Vat.

v. Initiatives

The Matchmaker scheme aims to match owners of empty homes who are looking to sell or are thinking of selling their property, with individuals who wish to buy an empty property. It is not an estate agency, and the Council does not act on behalf of any third party. Information is held in relation to the property type, location, and condition. The scheme is free and voluntary.

The Scottish Empty Homes Partnership has negotiated discounts for goods and services with a variety of companies for internal renovation works in empty properties. These can act as a further incentive for owners to bring their property back into use.

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Conclusion

The Scottish Empty Homes Partnership wants to see monies generated from the application of the premium charge ring-fenced to provide a service for owners and for the levy to be applied with discretion. The Scottish Government will be reviewing the use of the council tax levy for long term empty homes, the work of the partnership, funds that support empty homes work, data collection and work undertaken internationally to bring homes back into use. This internal review is due to be completed by Spring 2020 and is welcomed by the Council.

The research, noted in page 8 above, was disappointing in that 46% of adults in Glasgow said they would not report empty property. We intend to investigate a media campaign to highlight the issues and update our website to make the reporting of empty homes easier.

The Council's Strategic Plan and Housing Strategy reinforces Glasgow's commitment to the aims

of this strategy. These aims make economic sense for our residents and in terms of greenhouse gas emissions.

Empty homes work is highly specialist and is often sensitive work. The process of identifying and processing empty properties is often time consuming. There are many reasons for this for example; tracking down owners, clarifying title deeds advising people on renovation works, supporting people who have suffered a family bereavement etc

The unique approach taken by Glasgow to tackle the problem and the ambitious targets set, clearly demonstrate how seriously we treat the problem. Working with partners is vital to the success of the Empty Homes Strategy. The Empty Homes Officers work with social housing providers and partners in the private sector to find effective solutions.

In order to demonstrate some of the recent achievements of

our Service we have provided four case studies as Appendix 1. These highlight best practice and the determination of our EHOs to bring empty properties back into productive use.

A monitoring procedure will be put in place and the Empty Homes Strategy will be reviewed in 2022 as part of the development process for the City's new Housing Strategy 2023-28.

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Appendix 1: Empty Homes Strategy Case Studies

Case Study - 1

An end terrace villa in the south side of the city had lain empty since January 2015. The Empty Homes Officer (EHO) was notified and made contact with the owner of the property in August 2018 after a long term empty premium (LTEP) had been applied. The owner advised that a home report had given the property a nil valuation due to subsidence and this was subject of an insurance claim. The application of the LTEP simply added to the owner's distress. The EHO supported an appeal by the owner for removal of the LTEP. The appeal was successful with the owner receiving a £800 refund. To assist the progress of the insurance claim the EHO arranged for a letter to be sent to the Insurers to confirm that the owner had been paying the council tax for the property. The EHO also arranged for a copy of the Title Deeds. With this information the Insurers promptly settled the claim and following the

completion of the works in March 2019, costing £20,000, the property was sold and occupied in May 2019 with the new owners taking immediate entry.

Case Study - 2

An end terraced villa in a part of the city which had been the subject of significant regeneration had lain empty for over 3 years. The property had previously been a private let and was reported to the Council's Empty Homes Officers (EHOs) by a local Housing Association (RSL) who had a waiting list demand for this type of housing stock but had failed to trace the owner. Following investigations, the EHO tracked down the owner who confirmed that he would sell the property. The EHO then consulted colleagues who confirmed that the Council would support the acquisition of the property by the RSL for social housing use. The EHO put the RSL in contact with the owner and negotiated the acquisition of the property. The property was subsequently adapted and is now let to a family where one of the members is a wheelchair user.

Case Study - 3

The EHO received a referral from a member of the public in July 2018 regarding an open window in a tenement flat in the West End of the city which had been that way for some time. On checking Council Tax records the last payment recorded against the property was in 1995. Detailed investigation works were carried and an address was obtained from a specialist tracking company. The EHO pursued this and eventually made contact with the owner who lived in Inverclyde. The owner explained that he had experienced personal problems but was aware that substantial council tax arrears had accumulated on the flat but he did not know what how to deal with this. Several phone calls later the EHO encouraged the owner to meet with her and representatives from Auction House Scotland. The initial meeting was cancelled by the owner as he advised that he

was going to accept an unsolicited offer for the flat that was well below the market value. The EHO persuaded the owner to reconsider and put him in touch with a professional valuer. The flat was subsequently sold in July 2019 for its market value and the owner was able to pay off over £32k in unpaid council tax and still walk away with a healthy profit.

Case Study - 4

A tenement flat in the east end of the city had lain empty since August 2012 following the death of the owner. A family member inherited the property and when approached by the EHO in April 2018 the new owner indicated that she would be prepared to sell the flat but did not know what to do. The flat was inspected and was found to be in an uninhabitable condition primarily due to pigeons having accessed the property. The owner was offered £20k for the flat in its unimproved state however, the EHO obtained 3 quotes from companies to clear the flat. The work cost £5,250 for an environmental clear out. The owner was provided with a vat discount letter which saved her £828. In June 2019 the flat was subsequently sold for £39,999 which was a significant increase on the earlier offer.



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