

## **Disposal Policy for Empty Homes**

### **1. Introduction and Purpose of the Policy**

1.1 High numbers of empty homes are the most visible sign of a poorly performing housing market. Empty homes are often in poor condition and affect the physical appearance and stability of an area. They attract anti-social behaviour and criminal activity such as fly tipping, vandalism and arson.

1.2 The level of private sector empty homes stands out as a key issue for Burnley. There is a strong correlation between empty homes and identified hazards under the Housing Health and Safety Rating System. The issue of severe disrepair within empty homes exacerbates the problem of low demand, as purchasers will naturally prefer to buy property that is in a habitable state. These empty homes are concentrated within particular neighbourhoods which experience lower than average house prices and contain a high concentration of private rented property.

1.3 Policy Aim 7 of the Pennine Lancashire Housing Strategy 2009 to 2029 details the importance of bringing empty homes back into use using a range of tools which are available to the Council. This involves not only tackling the urban environment and fabric but addresses structural problems in the economy and wider housing market.

1.4 Through PLLACE the Council secured funding to address 68 empty homes in partnership with Calico and Together Housing Group. The Council will be facilitating the acquisition of empty homes by Calico which in some cases will include Compulsory Purchase Orders. This Project is known as “Linked Up”.

1.5 Following this success further funding has been secured to address around 175 empty homes. This project is known as “The Clusters of Empty Homes Programme”. Broadly the funding will give an opportunity to address particular areas that are visible and problematic due to the concentrations of exceptionally high levels of empty homes. The Clusters of Empty Homes funding will be used to bring forward remodelling and renovation schemes that will transform existing properties and bring them up to modern day standards with improved energy efficiency and subsequent lower running costs. It will allow private investment to be unlocked through innovative funding packages giving large scale investors confidence to move forward with longer term investment opportunities. In addition loans will be offered to match private owner investment and improve the ability of home owners and landlords to fully address the condition of their property. The loan pot created can then be recycled to help further owners in a rolling programme of improving homes in areas where stock condition continues to be poor.

1.6 In addition the Council’s traditional Vacant Property Initiative which has been in operation since 2006/07 will continue to address problematic long term empty homes in areas of the Borough where demand for housing is relatively high. The empty homes are acquired by agreement with owners or using compulsory purchase powers. The dwellings are then sold in the first instance to owner-occupiers.

1.8 The purpose of this policy is to set out how the Council will dispose of empty homes that have been acquired for the Linked Up Project, the Clusters Programme and the Vacant Property Initiative .

## **2. Legal Basis for the Policy**

2.1 When required the dwellings are compulsorily purchased or acquired by agreement under Part II of the Housing Act 1985. The power to dispose of the properties therefore also derives from Part II of the Housing Act 1985. Section 32 requires a local Authority to seek the consent of the Secretary of State before disposing of a property held under Part II.

2.2 Under the General Housing Consents 2012 the Secretary of State has given all local authorities in England consent to dispose of such properties in specific circumstances. This policy follows the circumstances set out in the General Consents.

## **3. The Linked Up Project**

3.1 The Council's role in this project is to agree which empty homes will be targeted for intervention and to assist Calico Homes Ltd in the acquisition of the empty homes where acquisition by agreement is not achievable. Where required the Council will Compulsorily Purchase an empty home for re-sale to the Council's partner Registered Housing Association; Calico Homes Ltd.

3.1.1 Before the Compulsory Purchase Order is made written confirmation will be received from Calico confirming that they will acquire the property from the Council on completion of the Order.

3.1.2 The Council will not undertake any renovation work before the property is resold to Calico.

3.1.3 The Council will acquire the property at market value and re-sell the property to Calico at the same market value. This market value will be determined by Finance and Property Management.

3.1.4 Any disposal of a property in this way must remain as social housing until it is sold by the Registered Housing Association.

## **4. The Clusters of Empty Homes Programme and the Vacant Property Initiative**

4.1 The Council's role in the Vacant Property Initiative is to acquire empty homes either by agreement or compulsorily for renovation and subsequent re-sale.

4.2 The Council's role in the Clusters of Empty Homes Programme is to deliver the allocated funding and bring around 175 empty homes back into use. There are a number of approaches that we will be taking to ensure programme delivery; we will

be looking to offer a number of loans to the owners of empty homes to enable them to bring the properties back in to use. There will be a range of options for acquiring and refurbishing properties including a number of properties being remodelled (i.e. two in to one), and we will also be looking at the general environment and security of the areas to see if any improvements can be made.

4.3 Empty Homes acquired by agreement or compulsorily through these programmes will be sold as seen at market value through an independent Estate Agent to:

- 4.3.1 An individual or joint owners who intend to occupy the house as their principle home (Owner Occupier)
- 4.3.2 Accredited Landlords
- 4.3.3 Licensed Landlords
- 4.3.4 A Registered Housing Association

4.4 The Council will appoint an independent surveyor to value the empty homes. This value will then form the basis of the sale.

4.5 Any expression of interest below the valuation provided by the independent surveyor will be looked at on an individual basis by the Head of Finance and Property Management in consultation with the Executive Member for Resources. Taking into consideration the criteria within the General Housing Consents 2012 and the results of a report signed by a RICS qualified surveyor identifying any undervalue they may authorise the sale.

4.6 If several expressions of interest are received, which are equal to or higher than the valuation from the independent surveyor, in the first instance the property will be sold to a person who intends to occupy them as their principle home and only then to the interested party with the highest interest.

4.7 In the majority of cases the empty homes will be renovated before re-sale. However if empty homes are to be sold before renovation works they will be sold subject to a covenant or building licence to ensure they are renovated and brought back into use.

## **5. Publicity and Consultation of the Policy**

5.1 The policy will be promoted and available through the Council's website.

## **6. Policy Definitions**

### **Definition of an Owner-Occupier:**

- 6.1 An Owner-Occupier is the person who, as owner or lessee under a long tenancy, within the meaning of the Leasehold Reform Act 1967, occupies or is entitled to occupy the dwelling as their only or principle residence.

### **Independent Surveyor:**

- 6.2 An independent surveyor is one that will be appointed by the Housing Development Control Unit through a market testing exercise.

**Registered Housing Association**

6.3 Registered Social Landlords (RSLs) are independent housing organisations registered with the Tenant Services Authority under the Housing Act 1996.

**Housing Health and Safety Rating System (HHSRS)**

6.4 The system that any house in England is assessed against by local authorities in order to determine the condition and whether there are any hazards that could affect the health and safety of the Occupier.

**Accredited Landlords**

6.5 Those landlords that have applied to the Councils Good Landlord and Agent Scheme (GLAS) and have either been awarded an accreditation certificate or who are working towards accreditation.

**Licensed Landlords**

6.6 Those landlords that have been granted a House in Multiple Occupation Licence or a Licence for a Selective Licensing Scheme.

**Building Licence**

6.7 A Building Licence allows the Council to stipulate the level of renovation work required and the timescale for completion. The owners do not obtain a transfer of ownership of the property until the work is complete.

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