

**REPORT TO THE EXECUTIVE**



<b>DATE</b>	<b>28<sup>th</sup> April 2009</b>
<b>PORTFOLIO</b>	<b>Regeneration and Economic Development</b>
<b>REPORT AUTHOR</b>	<b>John Killion</b>
<b>TEL NO</b>	<b>(01282) 425011 ext 2491</b>
<b>EMAIL</b>	<b>jkillion@burnley.gov.uk</b>

**Vacant Property Initiative**

**PURPOSE**

1. To seek approval to amend clause 3.12 of the Council's Disposal Policy for Empty Dwellings.

**RECOMMENDATION**

2. That the Executive approves the amendment of clause 3.12 of the Council's Disposal Policy for Empty Dwellings to state that:  
*"If there are no expressions of interest the Council will sell the vacant dwelling on the open market taking reasonable steps to ensure the sale is to owner occupiers."*

**REASONS FOR RECOMMENDATION**

3. The clause is seen to be restrictive and in one case has resulted in a lost sale of a property (26 Saxon Street). Sales of properties in the future are at risk because of the clause (12 Haven Street); advice from a local estate agent is that the clause is being seen as prohibitive by mortgage lenders.
4. As from April 2009, an integral part of the Home Information Pack will be the new Property Information Questionnaire. One of the questions specifically asked by the questionnaire is "does the lease prevent you from subletting".
5. A further report at a later Executive will include a full review of the Disposal Policy to try and make the renovated vacant properties more attractive to first time buyers.

**SUMMARY OF KEY POINTS**

6. The purpose of the Disposal Policy for Empty Dwellings is to set out how the Council will dispose of empty dwellings that have been acquired through the vacant property initiative, in the first instance asking for expressions of interest from residents being displaced by the Council's demolition programme.
7. Clause 3.12 of this policy states that:

*“If there are no expressions of interest the Council will sell the vacant dwelling on the open market via a 999 year lease which prohibits subletting as it is the Council’s priority to sell to owner occupiers”.*

8. Advice from a local estate agent is that prospective buyers see this clause as unfair. Buyers have argued that if they fulfil the owner occupation criteria why should a restriction be imposed for the future use of the property – not only on them but also on subsequent buyers. The local agent further advises that this clause is likely to render the properties virtually unsaleable.

#### **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

9. The loss of a sale impacts on the amount of Capital Receipt that can be recycled back into the Initiative. This results in fewer properties being acquired and renovated under the scheme. In addition the longer the vacant properties to take sell the more money has to be spent on security and maintenance.

#### **POLICY IMPLICATIONS**

10. None.

#### **DETAILS OF CONSULTATION**

11. None.

#### **BACKGROUND PAPERS**

12. None.

#### **FURTHER INFORMATION**

**PLEASE CONTACT:**

**John Killion, Project Officer**

**ALSO:**

**Clare Jackson, Assistant Housing Renewal  
Manager**