



Report of :Director of Neighbourhoods and Housing

Executive Board

Date: 13th November 2006

Subject: Empty Property Strategy 2006 - 2010

Electoral Wards Affected:

All

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In
(Details contained in the report)

EXECUTIVE SUMMARY

Although Leeds is currently enjoying an overall growth in its economy there are still significant areas of deprivation and decline. These areas are identified by indices of multiple deprivation that include measures demonstrating low educational achievement, higher than average unemployment, lower than average life expectancy and, higher levels of crime and anti-social behaviour etc. Drive through the city and you will be able to identify these areas of decline and deprivation by their poor physical environment and the high levels of empty and derelict properties.

Invariably, there will always be a number of vacant dwellings across the city in order to allow the housing system to function effectively and to facilitate both residential mobility and the improvement or redevelopment of the housing stock. However, vacancy turnover rates and the number of long term empty properties are excessively high within certain areas of the city and this is having an adverse effect upon these communities.

Long term empty properties tend to attract all manner of antisocial behaviour such as fly tipping, vandalism, arson, drug taking and other issues that affect the health and well being of the neighbourhood in which they are situated. Furthermore, when there is a proliferation of such properties, they are a graphic indicator of failing communities and therefore tend to deter further inward investment and become counter productive to the efforts to make the area once again a thriving place to live. The market value and desirability of the housing stock is adversely affected and the decreasing population has an impact upon the economy of the local business sector that serves these areas. Moreover, the decline of these communities is exacerbated and accelerated when the commercial and financial sectors feel it is no longer viable for them to continue trading and investing in these areas.

Leeds City Council recognises that the strategy for dealing with empty and derelict properties must be set within a wider regeneration framework and that the Empty Property Strategy needs to align

with the other emerging key issues such as making a contribution towards the provision of affordable housing throughout the city.

Empty properties are a symptom of decline and deprivation but dealing with them in isolation will not be sufficient to turn around the fortunes of the areas they affect. In order to create demand for property across all tenure and ownership types and to rebuild sustainable communities within these disaffected areas of the city it will take a concerted effort on the part of Leeds City Council and partners and therefore, at a strategic citywide level, this document needs to be linked and considered in conjunction with the following key corporate documents:-

- Corporate Plan
- Leeds Housing Strategy
- Leeds Regeneration Plan and the component District Regeneration Plans
- City Growth Strategy
- Regional Housing Strategy
- Local Area Agreements
- Affordable Homes Strategy
- Leeds Private Rented Sector Strategy
- The ALMO's and RSL's business plans and Empty Property Strategies
- Homelessness Strategy

The Empty Property Strategy and Action Plan sets out the detail of how Leeds City Council intends to address the problems of all long term empty homes where ever they are situated and where ever they blight the neighbourhood in which they exist.

1.0 Purpose of this report

- 1.1 To advise the Executive Board of the revised Corporate Empty Property Strategy and updated targets that have been set for the strategy for 2006 - 2010

2.0 Background Information

- 2.1 According to Government figures collated in 2005, 680,412 homes are lying empty across the country, and there are over 100,000 families formally registered as being in temporary accommodation throughout the regions. However, this high figure excludes the number of single homeless people who are without a permanent home as there are no national records kept of the number of single homeless people. Many homeless charities state that they have huge difficulties moving people on from their homeless hostels into decent accommodation. In addition, there are many sections of the communities that find accessing decent accommodation very difficult due to the housing shortages throughout the regions.
- 2.2 At this time of huge housing need within the country, it is particularly unfortunate that there are so many wasted homes lying empty. Any housing market will always have some degree of empty property through transactional vacancies, but what is particularly disturbing is the constantly high number of properties empty for more than six months. Across England there are just under 300,000 properties that have been empty for more than six months and, across the board, the vast majority (86%) of this empty property is within the private sector.
- 2.3 Looking at this situation within the context of Leeds, the overall void rate throughout the city is 5.45% (as of July 2006). 2.93% of the total housing stock has been empty for more than 6 months of which 2.49% is within the private sector.
- 2.4 Leeds City Council devised its inaugural Empty Property Strategy in 1999 and it was 'piloted' within the Holbeck and Beeston areas. The strategy, by necessity, had to be

holistic in its approach in order to address the complex issues and problems that are the root cause of properties becoming empty and remaining under used for long periods.

2.5 Since the launch of the strategy, many new initiatives have been added as we have had to take on board the issues that have confronted us in undertaking the re-kindling / regeneration of these micro housing markets / failing communities throughout the various districts of the city.

2.6 Subsequent to Leeds devising and implementing its Empty Property Strategy, the Government introduced its mandatory Best Value performance regime (BVPI64) by which all local authorities are compared upon their performance either in returning empty private sector housing back into use or demolish through their direct intervention. The number of empty properties within the authority is also a criterion upon which the council's performance is judged under the Local Public Service floor target PSA7 and the Continual Performance Assessment measures.

2.7 The accompanying Empty Property Strategy document has been revised and the targets updated for the period covering August 2006 to April 2010.

3.0 Main Issues – The strategic objectives

- To continue to reduce the number of long-term empty properties (void more than 6 months) that are having a detrimental effect upon the communities in which they are situated throughout Leeds.
- To continue to identify and continually monitor the scale and distribution of vacant property in relation to the total housing stock within the city.
- To establish changes in the nature and extent of vacant dwellings throughout the city as an on going process.
- To categorise the ebb and flow of vacant dwellings, the reasons for their origin, their prolonged vacancy, their final rehabilitation and any changes that occur which effects these factors.
- To continue to define and assess the existence of long term vacancies and identify any emerging 'hot spots' or high concentrations of vacant properties within the city.
- To establish, within the identified areas of high concentrations of empty properties, the prime reasons for their existence and their prolonged empty status, specifically with regard to the implications of the stocks condition / nature of the housing market and any associated problems such as crime, vandalism, housing market failure etc.
- To explore, promote and support a sustainable regeneration of the targeted areas through a multi agency / community involvement approach.
- To devise / identify best practice and best value strategies that are designed to bring empty privately / publicly owned housing back into use and to seek to incorporate these strategies into the Leeds City Council's Corporate Plan and Housing Strategy.
- To maximise the re-use of empty homes and thereby contribute to minimising the need for future development of Greenfield sites and protection of the environment.
- To improve the existing built environment.
- To support area regeneration programmes.
- To assist the provision of good quality, affordable housing.

- To ensure that the housing stock meets the range of needs that the citizens of Leeds require, whilst providing a choice of accommodation and neighbourhood.
- To raise awareness of the issues surrounding empty homes.
- To support the Housing Strategy, Council Plan and Local Area Plans.
- To continue to lobby Central Government for changes in legislation, strategy and policy to facilitate the revitalization of empty properties which are viable and reflect the housing needs of the effected communities, the City of Leeds and the region as a whole.
- To continue the process of lobbying Central Government to provide further funding to address the ever pressing issue of the over supply of certain house types and the lack of demand for housing generally within the declining areas of the city / region.

3.1 The Empty Property Strategy falls into 7 distinct strands:-

- **Intensive Neighbourhood Management.**
- **Information** – (analysis and dissemination)
- **`Local Ownership'** - to engage the local stakeholders and foster a sense of ownership within them to deal with the problems of empty properties and the issues that surround them.
- **An agreed Action Plan within the targeted areas of low demand** - to encourage / facilitate the return back into economic use property which is not being utilised.
- **Environmental Management & Improvements.**
- **Community Safety.**
- **Educational Links and Raising Awareness** of the problems and dangers associated with empty property and an unsanitary environment.

3.2 Leadership of the empty property strategy.

To successfully undertake the task of rekindling the micro housing markets within the affected neighbourhoods of low demand, Leeds City Council needs to have a concerted and truly corporate approach to resolving the inequalities and issues that are currently exacerbating the regeneration of these areas. To this end an Executive Empty Property Forum and Steering Group has been formed and is attended by senior officers who have a corporate interest to ensure the success of the empty properties strategy. This group report to the Environment & Community Safety Corporate Priority Board to ensure that their recommendations are taken on board and integrated within the Council Plan etc.

3.3 Intensive Neighbourhood Management

The ethos of Intensive Neighbourhood Management is key to the success of the Empty Property Strategy, in that, empty properties are a symptom of decline and deprivation and dealing with them in isolation will not be sufficient to turn around the fortunes of such areas. In order to create the demand for property across all tenure and ownership and rebuild sustainable communities, the following issues will need to be addressed:

- Improve and then sustain the quality of life in the most disadvantaged neighbourhoods whereby success is measured by a reduction of crime and anti-social behaviour and improved environmental quality that is recognised by resident perception.

- Develop and embed new tools to control and, where possible, remove the underlying causes of persistent, repetitive and stubborn social and environmental problems that create neighbourhood blight and ensure that major regeneration schemes emerging across the city are built on sustainable local foundations
- To mainstream successful approaches such as the BANROCK and ARROW environmental task force operations and develop, co-ordinate and deploy local and city wide services to maximum effect within the targeted priority neighbourhoods.
- To involve residents and their elected representatives in the design and management of intensive intervention via the Area Management infrastructure through local forums and Area Committees.

Two of the priority themes within the Leeds Regeneration Plan are to 'narrow the gap' in Leeds by improving the housing conditions and to provide better quality environments in deprived areas which will last for future generations. The overall ethos of the plan is to ensure that no-one should be disadvantaged by where they live; therefore, in order to achieve this, measures need to be taken to reduce unemployment, improve the housing and the physical environment within all the disadvantaged and declining neighbourhoods within the city. Area Management's district plans highlight the needs of the priority neighbourhoods throughout the city and, liveability in these targeted areas is a key priority.

The empty property strategy will contribute towards these priorities, in some of the most deprived areas of Leeds, by assisting the improvement of housing stock that has been identified as being empty and causing concern or blight to the area in which they are situated. The work carried out by the Neighbourhoods and Housing Department and the other contributory Departments will include tackling environmental problems that arise through properties being left empty for long periods and which, in some cases, are bordering on dereliction.

3.4 Tackling the problem of private sector empty properties

The work that has been undertaken within the remit of the empty properties strategy includes:

- ❑ PROACTIVE IDENTIFICATION of empty properties and their associated problems via the utilization of 'on the ground surveys' within the target areas and data obtained from council tax records.
- ❑ PROACTIVE USE OF INFORMATION – database's prompt making contact with owners of long-term empty properties in order to offer advice and assistance in returning their property back into re-habitation.
- ❑ A PROACTIVE MULTI AGENCY APPROACH TO ENFORCEMENT ACTION - on problematical empty property i.e. Enforced Sale Procedure, CPO and Town and Country Planning Act 1990 Section 215, etc.
- ❑ COST EFFECTIVE ADVERTISING OF EMPTY PROPERTY - for 'accredited landlords' via 'Choice Based Letting'.
- ❑ PROMOTION OF THE LEEDS ACCREDITATION SCHEME FOR THE PRIVATE RENTED SECTOR.
- ❑ THE INVESTORS IN LEEDS REGISTER. - An initiative to match potential investors with owners of long-term empty property.
- ❑ PUBLICITY - utilising various delivery vehicles such as promotional leaflets and the media especially with regard to successful enforcement action.

Environmental Health Services have designated an officer within each of the five EHS area teams to act as a coordinator or 'champion' on matters relating to empty properties.

The EHS empty property champions can help co-ordinate and focus work on empty properties in each area. However, this work needs to be coupled with the wider approach to the regeneration of the priority neighbourhoods through coordinated intensive multi agency interventions. In particular, close working arrangements are established with Area Management Teams.

In keeping with this approach, a successful bid against the Neighbourhood Renewal Funding regime has enabled the Environmental Health Service to engage / deploy an empty property enforcement team (an additional four members of staff) within the targeted areas of low demand at Cross Green, East End Park, Harehills and Chapeltown. This enforcement team works closely with Area Management to ensure that the work they undertake links into the Area Delivery Plans.

The key activities of the Empty Property Enforcement Team are as follows:

- Proactively identify empty properties and their associated problems via the use of 'on the ground surveys' and data obtained from council tax records and the EHS area team's empty property databases.
- Act upon referrals from a range of agencies, including the police and the fire service, regarding empty privately owned property that are open to unauthorised access and provide a rapid response to securing these dwellings thereby reducing the risk of arson and other criminal activities.
- Take the appropriate proactive or reactive enforcement approach in dealing with long-term problematic empty properties, i.e. Enforced Sale Procedure, Compulsory Purchase Orders, Town and Country Planning Act 1990 Section 215 notices and actions around refuse and insecure empty properties.
- Intensify the number of informal and formal actions taken against owners of empty properties to encourage renovation and re-occupation.
- Coordinate their enforcement work with that of the other enforcement officers within the Development Department and City Services in order to maximise the effect of the enforcement action within the target areas.
- To promote and encourage Landlord Accreditation within the private rented sector.
- To roll out good enforcement practice to all the Environmental Health Area Teams.

The combined effect of these actions should contribute to bringing about a more stable and less transient community within the targeted areas through:-

- ❑ A reduction in the number of long-term private sector voids throughout the city and particularly within the targeted priority neighbourhoods at Cross Green, East End Park, Harehills and Chapeltown.
- ❑ A rise in the house prices within the priority neighbourhoods bringing them in line with similar house types throughout the city.
- ❑ A more sustainable housing market within the target areas.
- ❑ Reducing the number of arson attacks on private domestic empty properties
- ❑ Improvement to the quality of life across a range of indicators that will start to attract inward investment - especially from the private sector.
- ❑ To assist in safeguarding the public investment that has been / will be expended within these priority neighbourhoods.
- ❑ To help to stop the spread of decline to neighbouring housing stock and neighbourhoods.
- ❑ To assist in creating more confident neighbourhoods whereby the resultant stabilisation and increase in population will boost the local economy and enhanced the dynamics of the areas making them more viable and sustainable.

3.5 Tackling the problem of empty properties within the social housing sector

The 2010 completion date that has been set by central government for all social housing to meet the decency standard is looming ever nearer and option appraisals are being worked upon by the ALMO's and RSL's with a view to renovation, disposal or demolition to accomplish this.

The Leeds ALMO's have already done a lot of good work in terms of empty properties, with voids reducing from 3% of total ALMO stock in 2002 to 1.75% at 31st March 2006. Nevertheless, the individual ALMO's are starting to develop asset management strategies as part of their business plans and building cost models to outline future plans for all their stock, including their stock within the mixed tenure and ownership low demand areas. The ALMO's strategies outline plans for bringing stock up to the decent homes standard and plans for disposals of stock through right to buy, demolition and sale. The plans also identify links with regeneration schemes such as EASEL and PFI (see Appendix 1 within the accompanying Empty Property Strategy documentation)

4.0 Progress to date

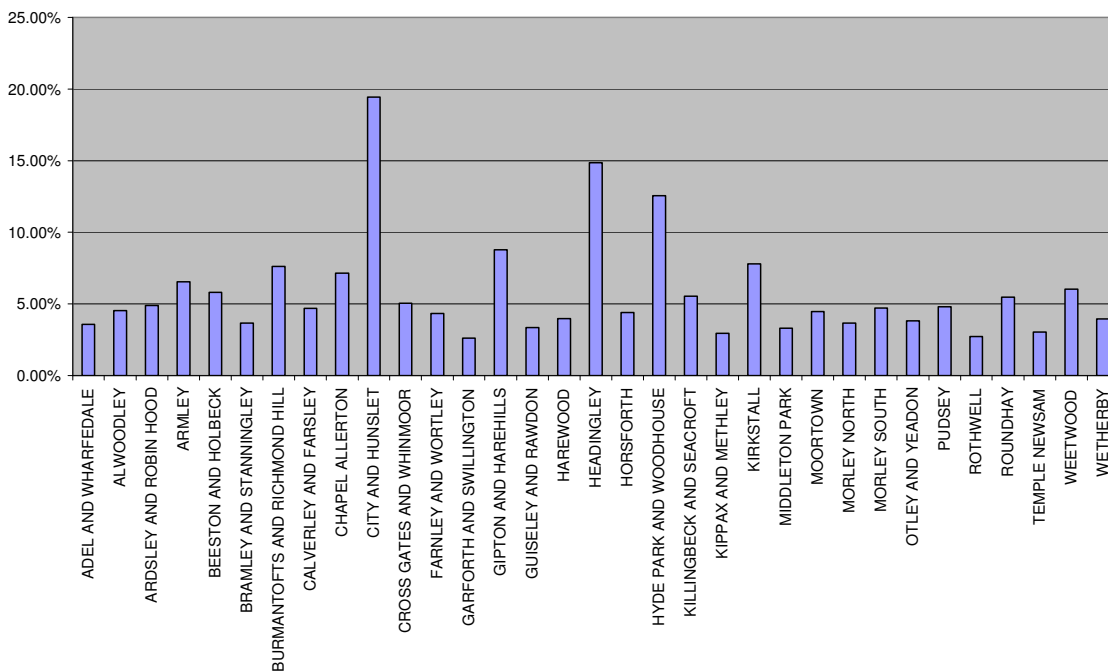
- A reduction in the number of long-term private / social housing sector voids throughout the city and particularly within the targeted priority neighbourhoods. An example of this is the Beeston and Holbeck empty property project target area where the void rate has been reduced from over 15% in 1999 to 2.2% as of July 2006.
- A rise in the house prices within the priority neighbourhoods i.e. In 1999, the average house prices for a through terraced house in the Beeston empty property project target area was less than £2,000 whereas, in July 2006 the average price has risen to over £65,000.
- A more sustainable housing market within these areas.
- Improvement to the quality of life across a range of indicators that has started to attract inward investment - especially from the private sector.
- The public investment that has been / will be expended within these priority neighbourhoods is more likely to be safeguarded.
- It has helped to stop the spread of decline to neighbouring housing stock and neighbourhoods.
- It has assisted in creating more confident neighbourhoods whereby the resultant stabilisation and increase in population has boosted the local economy and enhanced the dynamics of the targeted areas making them more viable and sustainable.

5.0 The possible risk factors for the future

- 5.1 So far, the endeavours of the empty property strategy and other 'joined up' multi agency regeneration work have assisted in reversing the previously continual downward trend of house prices within the targeted areas of low demand and they now appear to be on a continual rise albeit that they are generally far lower than other comparable properties within the city.
- 5.2 Despite the successes that have been achieved by using the empty properties strategy within these targeted areas, the sustainability of these micro housing markets now appears to be fragile within certain neighbourhoods. If left without further regeneration activity we may witness another downward spiral in these micro housing markets that will undermine the efforts that have been made to achieve improvements. This potential for cyclic decline is perhaps most obvious in the Cross Green and East End Park districts.
- 5.3 The rise in house prices within all the targeted areas of low demand throughout the city is undoubtedly being driven by the 'buy to let' market and the availability of finance that has been established by the financial institutions to facilitate this sector of housing market investment. This trend is illustrated in statistics taken from the pilot target area at Beeston and Holbeck:
- 5.4 **In April 2000 there were 490 empty properties within the target area representing a 9.36% void rate.** Of these

12% were owned by private landlords, 64.8 % were owned by absentee owners and 23.20% were owned by the social housing sector.

- 5.5 **In April 2006 there were 218 empty properties within the target area representing a 4.17% void rate.** Of these 63.76% were owned by private landlords, 21.56% empty properties owned by absentee owners and 14.68% were owned by the social housing sector.
- 5.6 These market changes are symptomatic within all the areas of low demand throughout the city and they have provided positive growth in the equity available to local owner-occupiers within these areas. The danger is that, with this new financial incentive, long term local resident owner-occupiers will sell up and move away from the neighbourhoods that still suffer from problems of anti-social behaviour, crime, unemployment and other indicators of multiple deprivation.
- 5.7 Furthermore, the properties that come onto the market within the areas of low demand throughout the city are increasingly purchased by either speculative buyers or private landlords and these micro housing markets have become out of kilter due to an ever expanding rented sector. If this situation is not addressed it could contribute to an ever more transient population with no vested interest in these communities / neighbourhoods. Therefore, these trends will need to be addressed if we are to sustain the regeneration of these affected areas and maintain balanced communities. One option that Leeds Authority is considering in order to achieve this objective is the opportunities that are within the 2004 Housing Act through the new selective licensing arrangements.
- 5.8 The ability to require that landlords are fit for purpose before they are allowed to be able to be a licence holder for a property within selected areas is a welcome addition to the local authorities powers to control the micro housing markets within their remit, if utilised effectively, it could have a significantly beneficial impact for all the residents, landlords and agencies within the areas in which it is introduced.
- 5.9 However, there are possible risks that should be considered. Leeds City Council is preparing a business case to put to the Secretary of State to introduce Selective Licensing within the Beeston Hill, Holbeck and Cross Green districts. The anticipated long term benefits of implementing selective licensing i.e. a more professionally managed and appropriate private rented sector that is sustainable and which links into the housing requirements for the city, may be adversely affected by the short term increase in empty properties that are generated by the landlords disposing of their investments prior to the licensing regime being introduced or, thereafter . There may also be reservations amongst financial institutions to lend money for investment purposes in such areas if viewed negatively. Having said this, the possible disadvantages of this 'short term pain' should be far outweighed by the 'long term gain', in that, the targeted areas for selective licensing should become more sustainable and balanced micro housing markets.
- 5.10 The long established student market within North West Leeds and the extensive city centre development projects are beginning to be areas of concern in that there is some evidence that the recent growth in these areas may prove not to be sustainable. There are several new purpose built developments of student accommodation being constructed within the city and this may create competition for the traditional student let accommodation areas. Moreover, an increasing proportion of the newly built and proposed high rise luxury accommodation within the city centre has been funded by financial institutions as part of their investment portfolios. Whilst these investors may still currently be able to realise the value of their investment due to the buoyant effect of the housing market and property value increases within Leeds, a significant number remain unoccupied or un-purchased and future potential occupiers of these properties is unclear. Furthermore, despite the fact that these investors are being charged 100% council tax on their property investments, this does not appear to be a significant deterrent. Properties in the city centre are then being purposely being left unoccupied and there are of course plans for substantial numbers of additional residential properties in the city centre.
- 5.11 The disproportionate number of empty properties within the city centre is graphically highlighted in the following chart which depicts a 'snap shot' of the number and distribution of voids on a ward by ward basis city-wide.



5.12 This situation will need to be the focus of further intensive investigation and study in order to ensure that we do not allow this to become an acute problem for the future and research is being undertaken by Leeds University on these developments.

5.13 However, should this situation continue to increase, as a consequence of the planned development within the city centre, the number of these additional empty 'investment' properties could impact on the CPA performance of the Authority due to the new KPI that has been introduced by Central Government. This KPI is a measurement of the number of long term empty properties within the private sector as a percentage against the total private sector housing stock. Should the proportion of long term empty properties be above a threshold based on the performance of other Local Authorities, this could prove to be detrimental to the Leeds CPA rating.

5.14 Moreover, a continuance of this trend could undermine all the good work that is being undertaken within the targeted areas of low demand and hinder Leeds City Council from achieving the corporate target of reducing the overall void rate to 3% of the total housing stock by 2010.

6.0 The Vision & Corporate Targets for the Strategy

- The Empty Property Strategy will assist the Council's agenda in bringing the benefits of our prosperous, vibrant and attractive city to all the people and districts of Leeds by addressing the problems of all long term empty homes where ever they are situated and where ever they blight the neighbourhood in which they exist.
- To reduce the void rate across all tenure / ownership to not more than 3% of the total housing stock by 2010.
- To ensure that no ward has a void rate of more than 2% above the city wide void rate by 2010.
- To ensure the percentage of private sector homes that are vacant for more than 6 months is no more than 2.69% of the total private sector housing stock. This figure will then be adjusted to reflect the index of multiple deprivation within Leeds. This target will need to be achieved at the 1st of April annually to ensure that Leeds maintains its current 4 star CPA rating.
- To annually return to occupation not less than a prescribed number of long term empty private sector properties as a consequence of the local authority's direct intervention utilising the BVPI64 criterion.

- To monitor and regularly report achievement against targets in the Empty Property Action Plan detailed in the attached appendix within the accompanying Empty Property Strategy documentation. Periodically, and at least annually review and update the Action Plan through the Empty Property Forum.

7.0 Recommendations

- 7.1 That the Executive Board approves the accompanying revised Empty Property Strategy.

The Strategy can be found on the Intranet under Neighbourhoods and Housing Reference Documents