



Report of : Neil Evans, Director of Environment and Neighbourhoods

Report to : Scrutiny Board (Environment and Neighbourhoods)

Date : 24 October 2007

Subject : Empty Property Strategy / Position Update

Electoral Wards Affected:

All

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

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 which include measures demonstrating low educational achievement, higher than average unemployment, lower than average life expectancy, and higher levels of crime and anti-social behavior, 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 sometimes 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 the communities in which they are situated.

Long-term empty properties in traditional residential communities tend to attract all manner of anti-social behaviour such as fly-tipping, vandalism, arson, drug-taking and other issues that affect the health and wellbeing 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 an attractive 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 homes are a wasted resource.

Leeds has undertaken a concerted effort in dealing with empty properties in all tenures since the initial launch of its empty property strategy in 1999. The work undertaken to-date has had some measure of success in helping to turn around the fortunes of the areas these properties affect, and it has contributed towards the increase in demand for property across all tenure and ownership types, thereby assisting the rebuilding of sustainable communities.

A more recent phenomenon in Leeds has seen the significant growth in residential units within the city centre, with many new households renting and buying in new development. Whilst the rate of the new development coming 'on line' has not gone on expanding at previous rates seen between 2003 and 2005, potential over-supply is an issue and significant numbers of these dwellings have still to be occupied. This current situation impacts on the overall void rate for the city. Furthermore, the development of new-build student accommodation has particularly had an impact on traditional student housing areas in 2006-2007.

1.0 Purpose of this report

A report was submitted to Scrutiny Board, in October 2006, regarding The Empty Property Strategy and Action Plan which set out the detail of how Leeds City Council intends to address the problems of all long-term empty homes wherever they are situated. The purpose of this report is to give an update of our progress to-date within the targeted priority areas and an overview on the situation regarding empty properties on a city-wide basis, and to advise Board Members regarding the emerging housing market issues within Leeds.

2.0 Background Information

Two of the priority themes within the Leeds Regeneration Plan are to 'narrow the gap' in Leeds, in part 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 are being taken to improve the housing and physical environment within these disadvantaged neighbourhoods.

The empty property strategy is contributing towards these priorities. The work carried out by the Environment and Neighbourhoods Directorate and the other partners include tackling environmental problems that arise through properties being left empty for long periods and which, in some cases, are bordering on dereliction.

3.0 The current situation within the targeted areas of decline

There has been a concerted effort on the part of the Empty Property Champions and the Empty Property Enforcement Team, funded by the Neighbourhood Renewal Fund (NRF) and based within Environmental Health Services, to tackle the problem of excessive numbers of voids within targeted neighbourhoods at Harehills, Chapeltown, East End Park, Cross Green, and Beeston and Holbeck. A factsheet of empty property data profile for each area is appended to this report at *Appendix 1*.

Appendix 2 provides information on void trends within the targeted areas of decline and city-wide.

4.0 Changing housing markets within Leeds and the effect upon the void rate

Data in the charts in *Appendix 2* demonstrates the impact of the long-established student market within North West Leeds and the extensive city-centre residential development projects.

There are several new purpose-built developments of student accommodation being constructed within the city and this has created competition for the traditional student-let accommodation areas. Most landlords are actively seeking new tenants; hence it would not be appropriate, at this stage, to seek Empty Dwelling Management Orders (EDMOs) or other means of enforcement action upon the owners of these properties whilst the housing market reconfigures itself within these areas.

Moreover, a significant proportion of the newly built and proposed high-rise luxury accommodation within the city centre is now being purchased by financial institutions/investors as part of their investment portfolios. Currently, they are still seeing the value of their investment rise due to the buoyant effect of the housing market and property value increases within Leeds.

Much research and a number of reports have been produced on this matter. The 'City Centre Living Report', by Professor Rachael Unsworth of Leeds Metropolitan University, suggests that it may be time to take a critical look at further development proposals. The report also states that apartments in the core of the city centre and those on the waterfront will probably continue to be sought after, but those in less popular locations on the periphery are already suffering from falling values and rents. The City Centre Living study, which was sponsored by the developer KW Linfoot and supported by the property agent Morgan's City Centre Living, warns that any new residential development should be "quality not quantity with better internal design" and it also states that developers should make their buildings more environmentally friendly.

However, research by officers in City Development using Council Tax data has found that occupancy is in the order of 70% and of the non-occupied properties another 10% are second homes. Furthermore, a correlation between level of vacancy and length of time since completion of scheme was noted, such that older schemes generally have a much lower level of vacancy.

A report regarding the extent of the emerging phenomenon of 'Buy to Leave Empty' throughout England has been undertaken by Chris Cobbold, Director of Residential Research at DTZ. This report has been taken on board by the Communities and Local Government Department in an attempt to prompt further debate/discussion on this matter and to encourage further evidence to be brought forward and allow the analysis to be updated.

5.0 The success we have achieved to-date for 2007/08

- To-date, Leeds City Council has returned to occupation 1,165 long-term (over 6 months) empty properties under the BVPI 64 criterion.
- The specialist Empty Property Enforcement Team which has been established within Environmental Health Services (by utilisation of NRF funding regime monies) have undertaken 864 enforcement actions since April 2007 within the Chapeltown, Harehills, East End Park and Cross Green districts and, to-date, this has resulted in 55 long-term empty private-sector properties returning back into occupation.
- A business case for the continuation of the aforementioned specialist Empty Property Team is currently under consideration as part of the budget planning for future years and it is hoped that resources will be available to enable this team to be incorporated as a city-wide resource on a permanent basis.

6.0 Recommendation

Scrutiny Board are recommended to note the contents of this update report.

EMPTY PROPERTY PROFILE DATA FACTSHEETS

HAREHILLS TARGET AREA EMPTY PROPERTY REPORT – AUGUST 2007

Total number of domestic properties within the **Harehills target area – 4,898**

178 properties are currently empty within the target area – this represents a 3.63% void rate

33.71% (60) of the currently empty property has been void for over 12 months

19.10% (40) of the currently empty property has been void for over 6 months

20.52% of the property is known to have been void previously between July 2001 and the present date

13.48% (24) of the empty property is currently represented by an estate agent

1.68% of the empty property is advertised for let

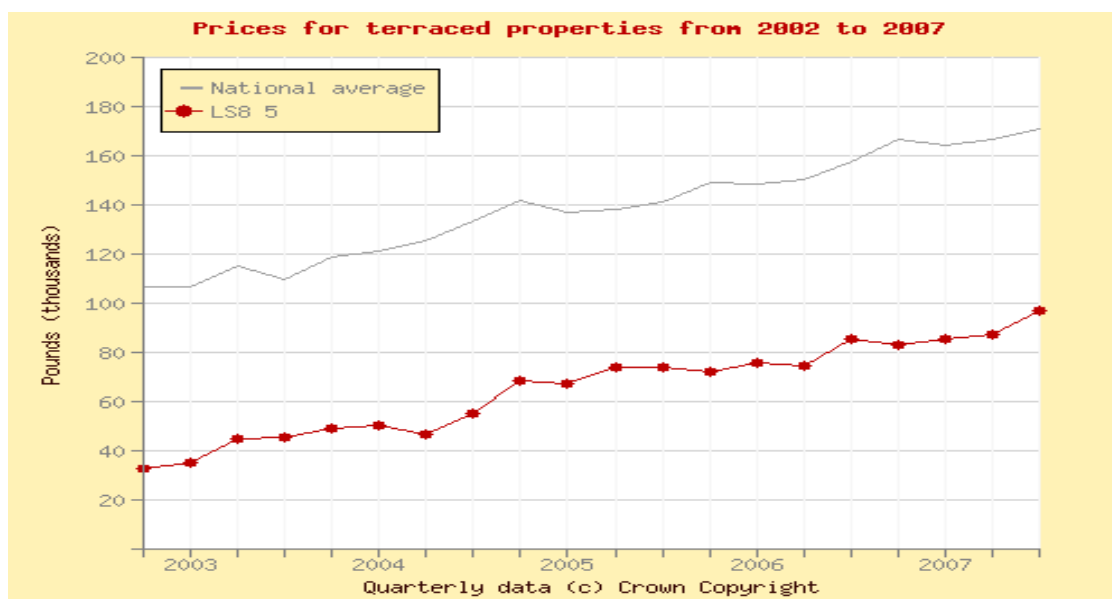
Empty property that is owned by LCC – 0.56% (1)

Empty property that is owned by Housing Associations – 5.06% (9)

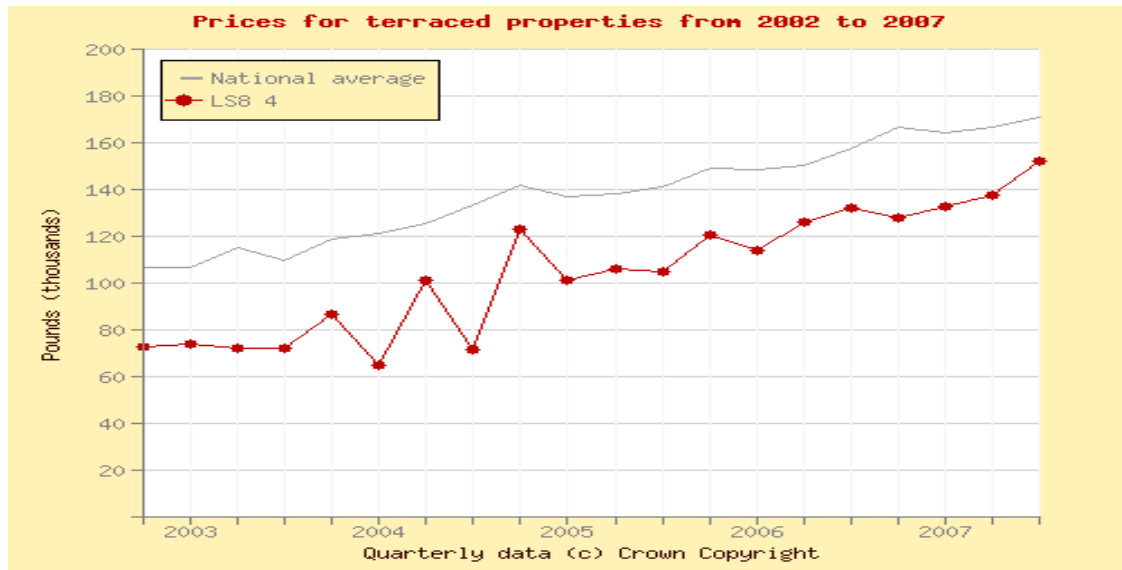
Empty property known to be owned by private landlords – 58.43% (104)

Empty property in other private ownership – 36% (64)

Average price history for terraced properties in LS8 5



Average price history for terraced properties in LS8 4



CHAPELTOWN TARGET AREA EMPTY PROPERTY REPORT – AUGUST 2007

Total number of domestic properties within the **Chapeltown target area – 2,231**

93 properties are currently empty within the target area – this represents a 4.17% void rate

55.91% (52) of the currently empty property has been void for over 12 months

13.98% (13) of the currently empty property has been void for over 6 months

6.28% of the property is known to have been void previously between July 2001 and the present date

3.23% of the empty property is currently represented by an estate agent

None of the empty property is advertised for let

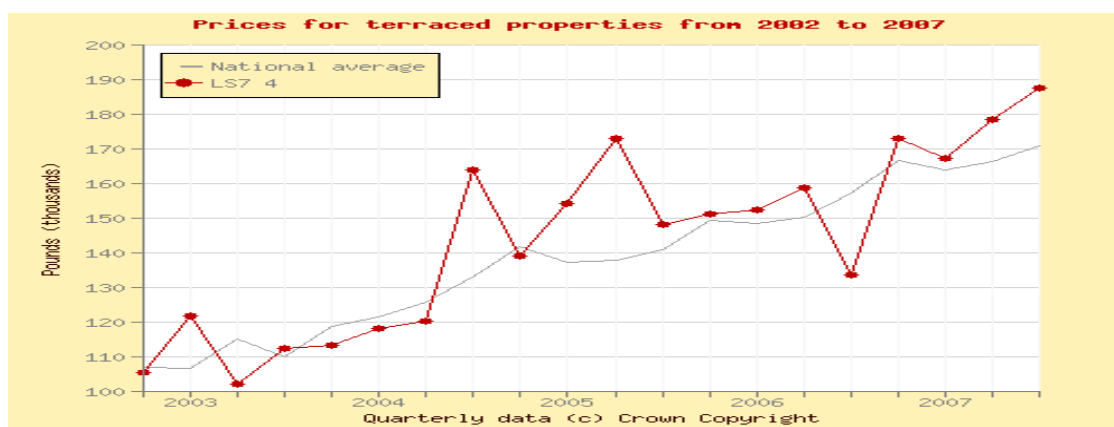
None of the empty property is owned by LCC

Empty property that is owned by Housing Associations – 7.53% (7)

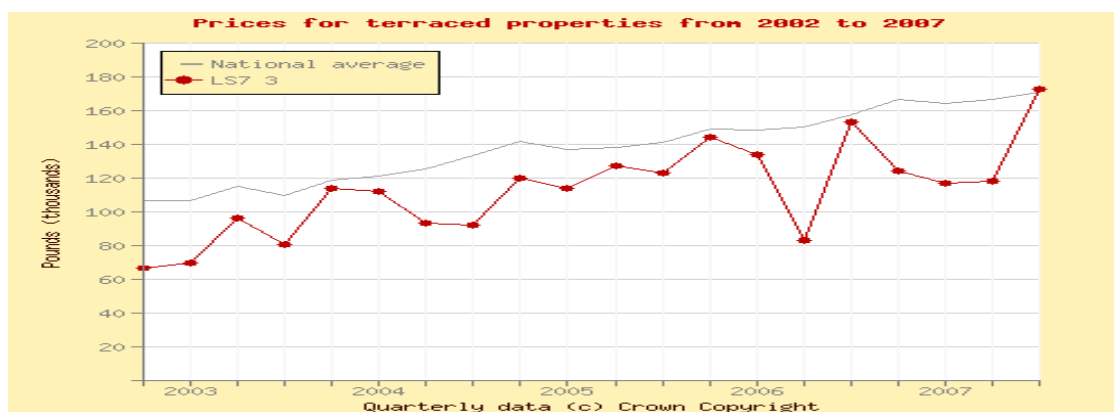
Empty property known to be owned by private landlords – 36.56% (34)

Empty property in other private ownership – 55.91% (52)

Average price history for terraced properties in LS7 4



Average price history for terraced properties in LS7 3



EAST END PARK TARGET AREA EMPTY PROPERTY REPORT – AUGUST 2007

Total number of domestic properties within the target area – 628

35 currently empty properties – this represents a 3.50% void rate

40% (14) of the currently empty property has been void for over 12 months

8.57% (3) of the currently empty property has been void for over 6 months

11.43% of the empty property is currently represented by an estate agent

31.05% of the property within the target area is known to have been void previously between April 2004 and the present date

None of the empty property is advertised for let

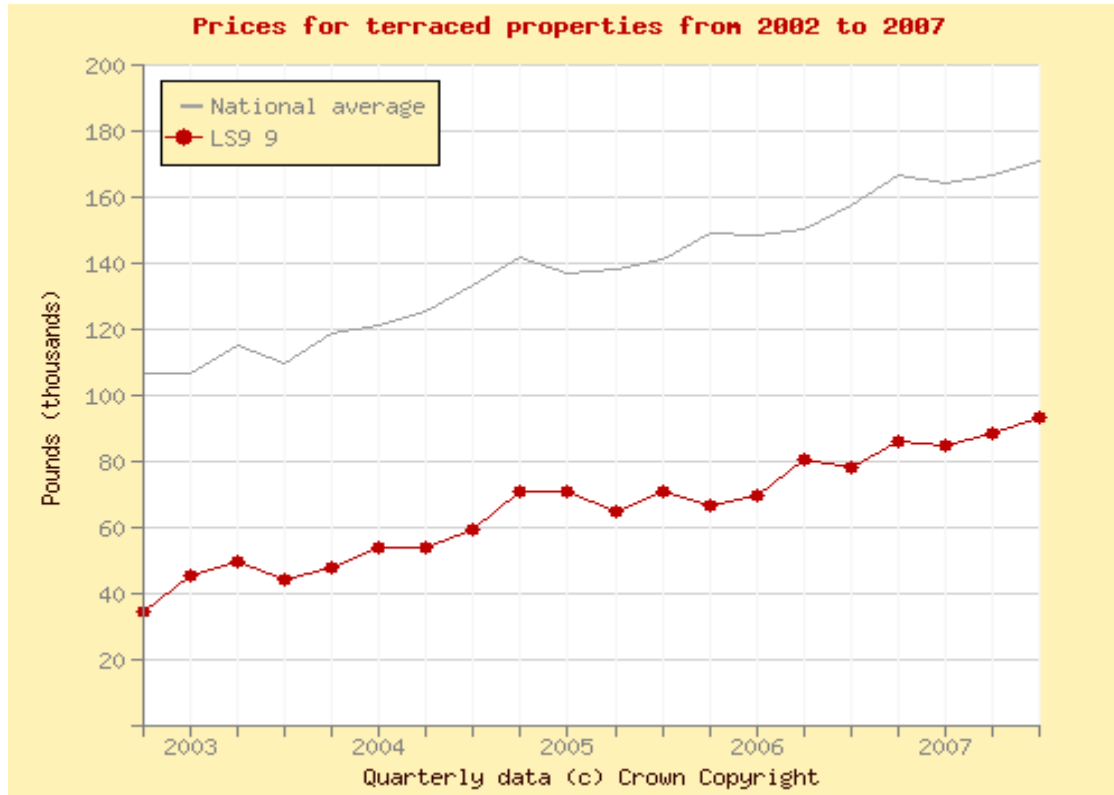
Empty property that is owned by LCC – 28.57% (10)

Empty property that is owned by Housing Associations – 2.86% (1)

Empty property known to be owned by private landlords – 48.57% (17)

Empty property in other private ownership – 20% (7)

Average price history for terraced properties in LS9 9



CROSS GREEN TARGET AREA EMPTY PROPERTY REPORT – AUGUST 2007

Total number of domestic properties within target area – 567

45 currently empty properties = 7.94% void rate

48.89% (22) of the currently empty property has been void for over 12 months

31.11% (14) of the currently empty property has been void for over 6 months

45.50% of the property within the target area is known to have been void previously between March 2002 and the current date

8.89% of the empty property is currently represented by an estate agent

None of the empty property is advertised for let

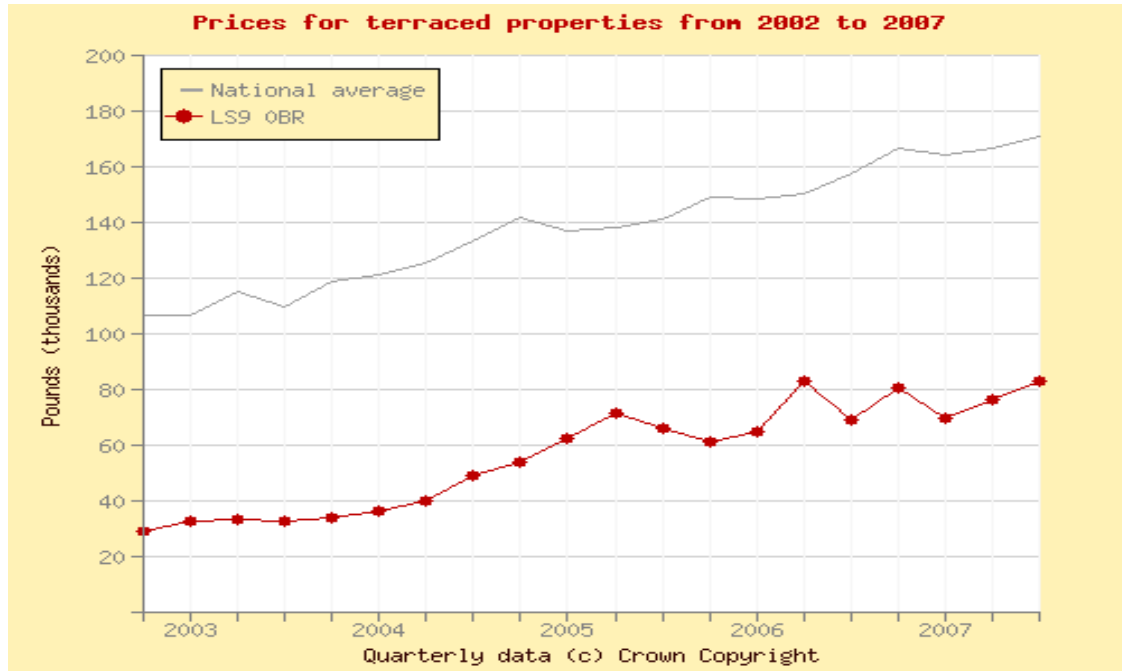
44.44% (22) of the empty property is owned by LCC

None of the empty property is owned by Housing Associations

44.44% (22) of the empty property is owned by private landlords

11.12% (5) is in other private ownership

Average price history for terraced properties in LS9 0BR



HOLBECK AND BEESTON TARGET AREA EMPTY PROPERTY REPORT – AUGUST 2007

Total number of domestic properties within the target area – 5,233

Number of currently empty properties	Holbeck	33
	Beeston	<u>86</u>
		119 This represents a 2.27% void rate

68.91% (82) of the currently empty property has been void for over 12 months

29.41% (35) of the currently empty property has been void for over 6 months

38.93% of the property within the target area is known to have been void for some period from July 1999 to the present date

12.61% of the empty property is currently represented by an estate agent

2.52% of the empty property is advertised for let

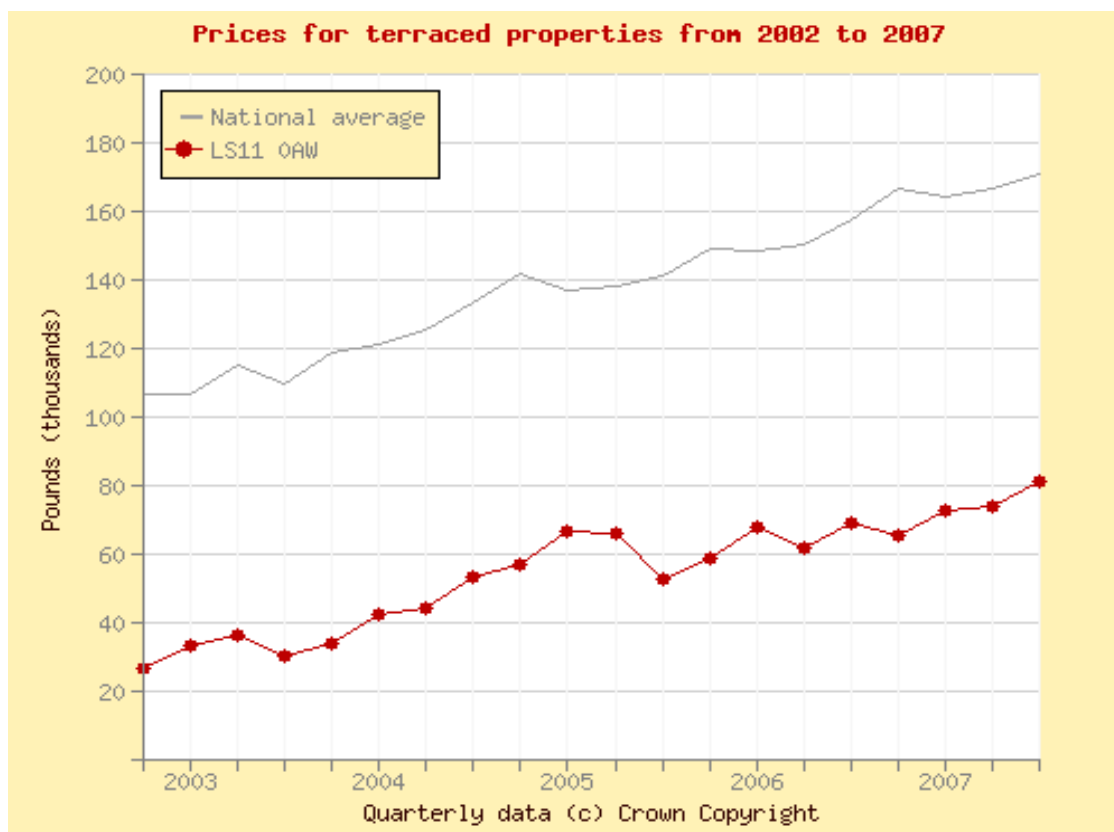
Empty property that is owned by LCC – 8.40% (10)

Empty property that is owned by Housing Associations – 14.29% (17)

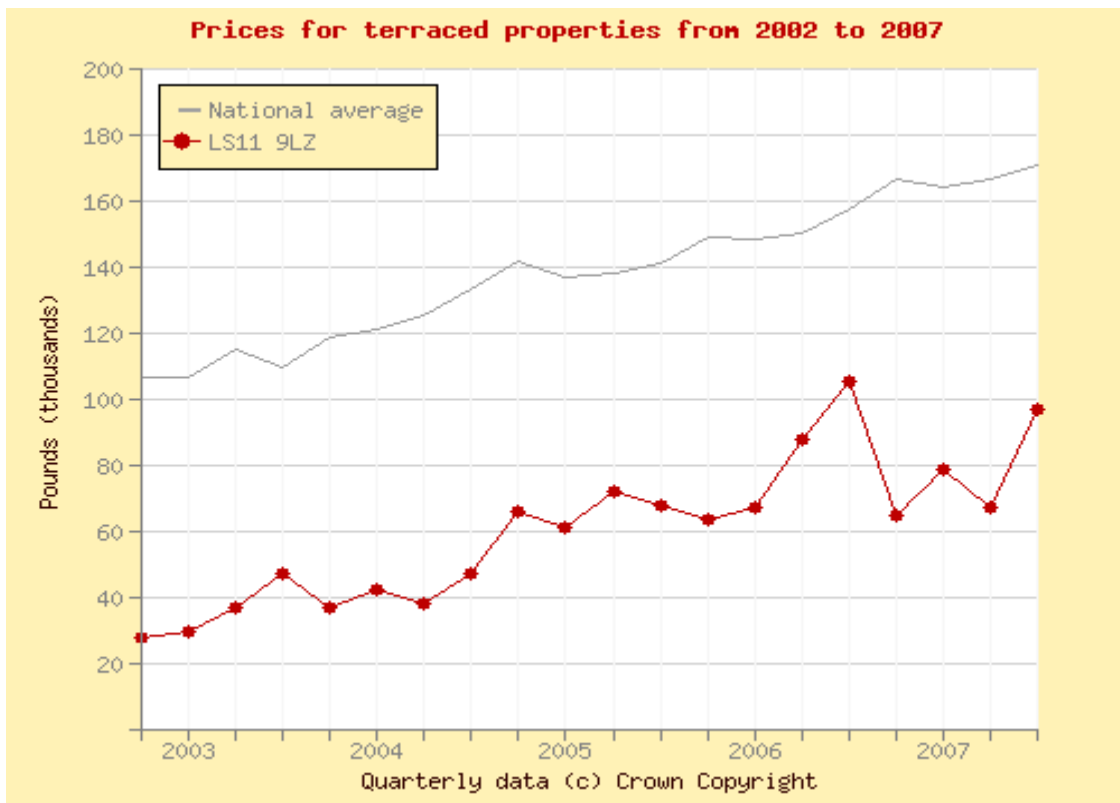
Empty property known to be owned by private landlords – 57.14% (68)

Empty property in other private ownership – 20% (24)

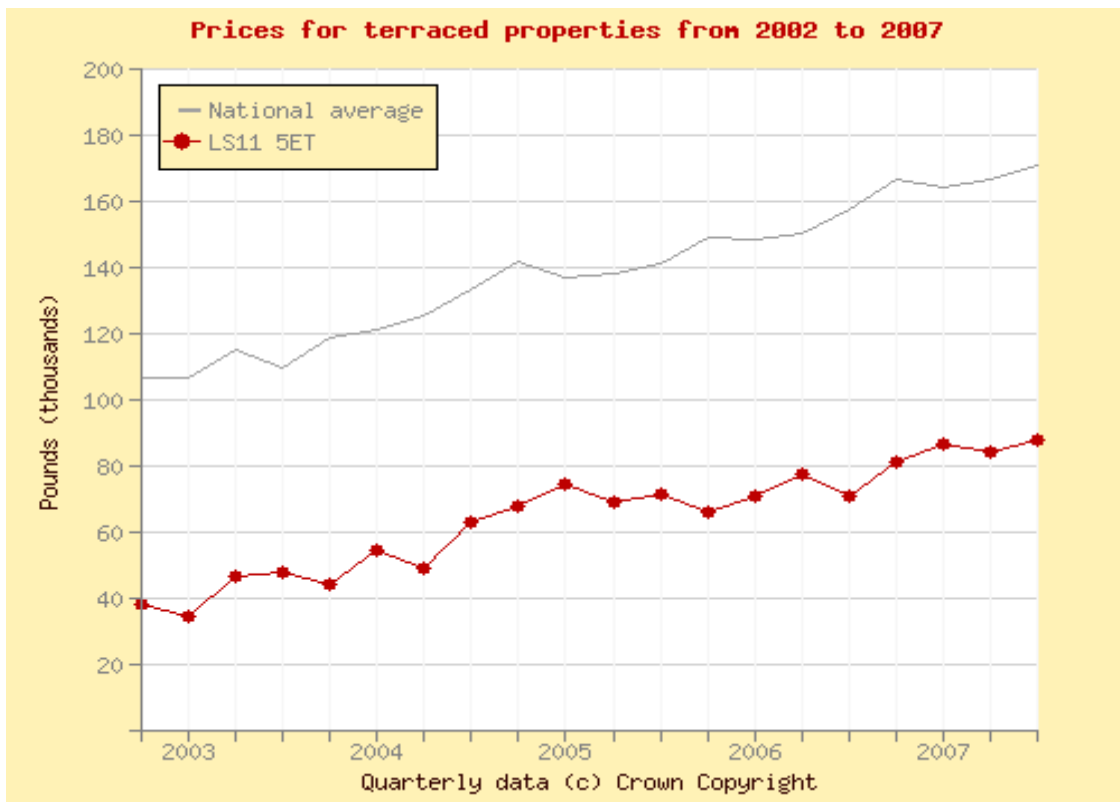
Average price history for terraced properties in LS11 0AW



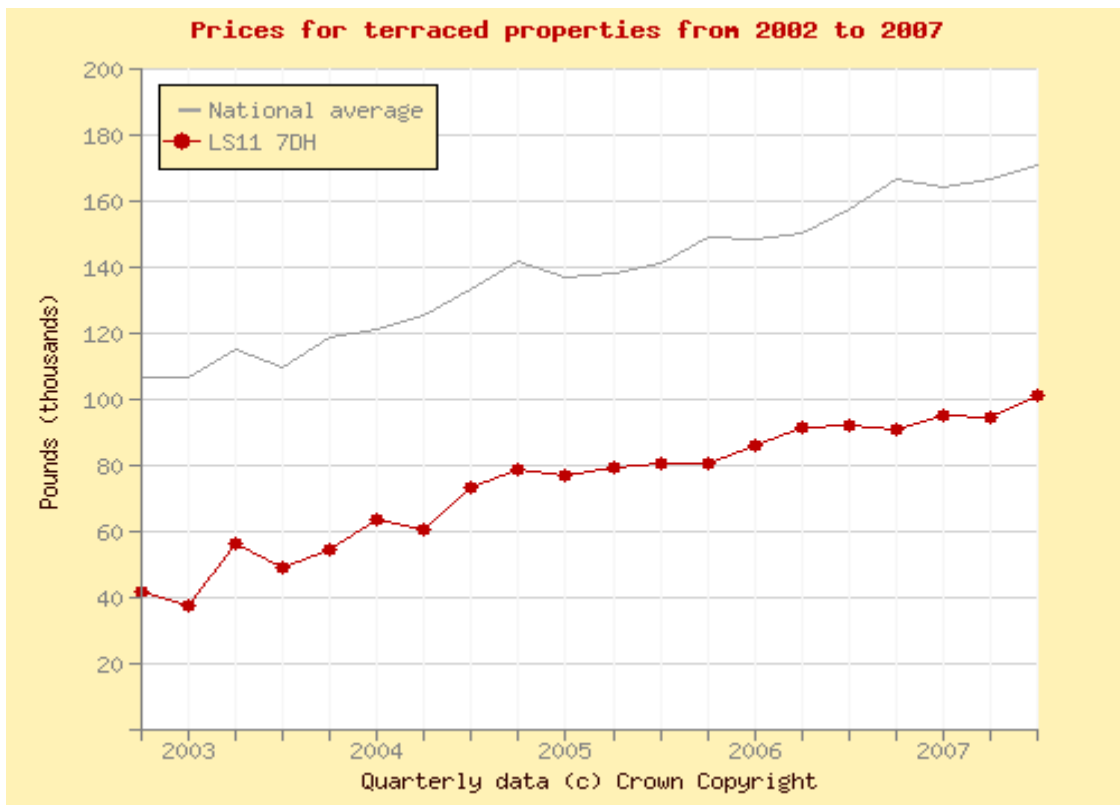
Average price history for terraced properties in LS11 9LZ



Average price history for terraced properties in LS11 5ET

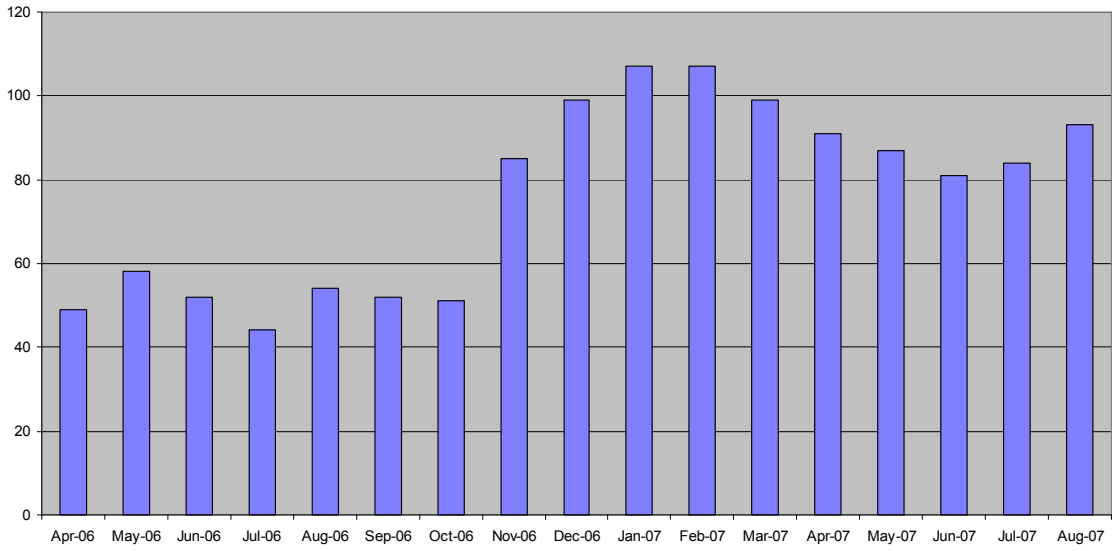


Average price history for terraced properties in LS11 7DH

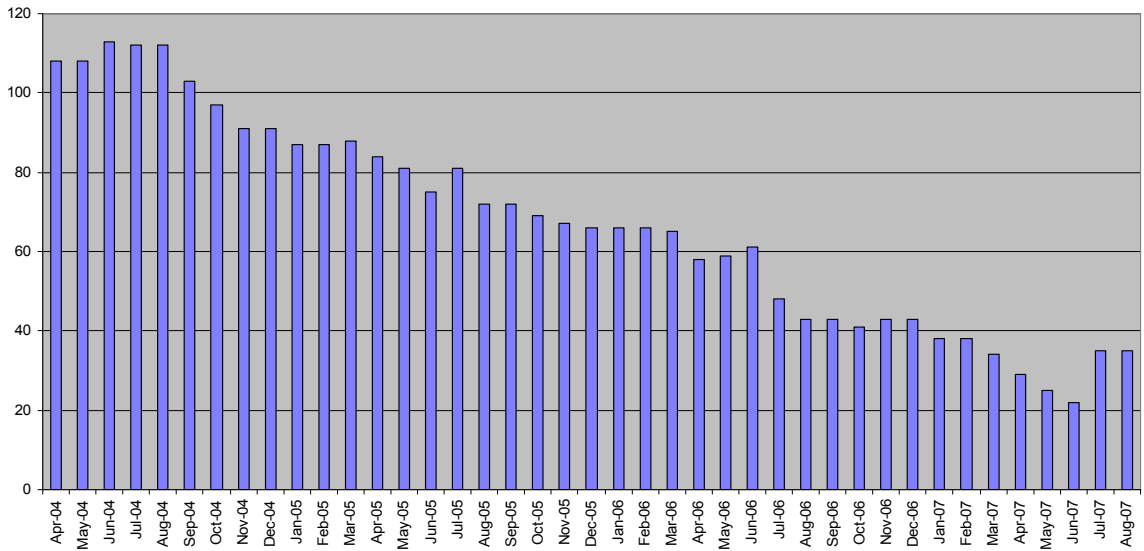


VOID TRENDS

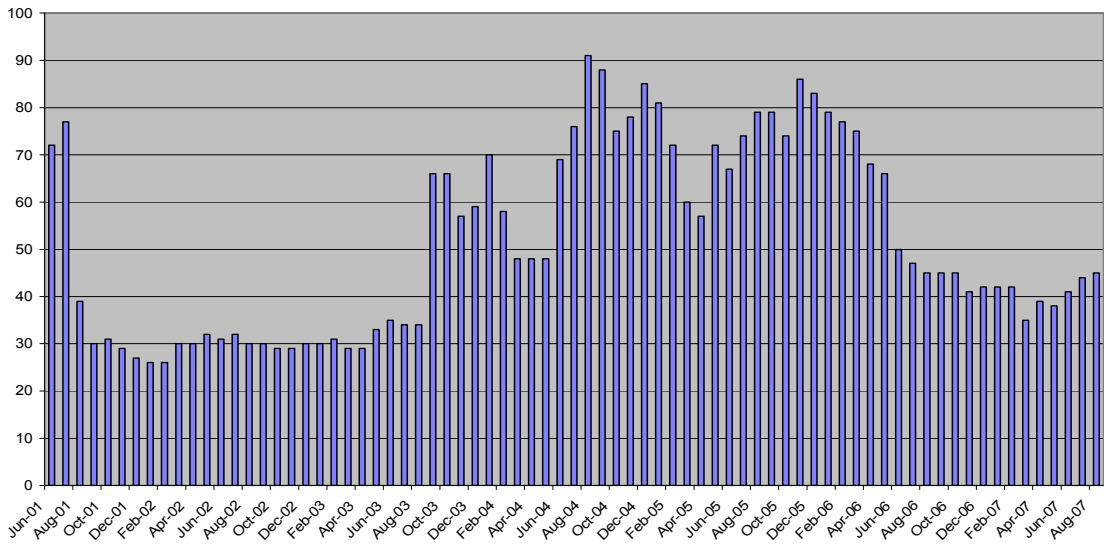
EMPTY PROPERTY TRENDS AT CHAPELTOWN



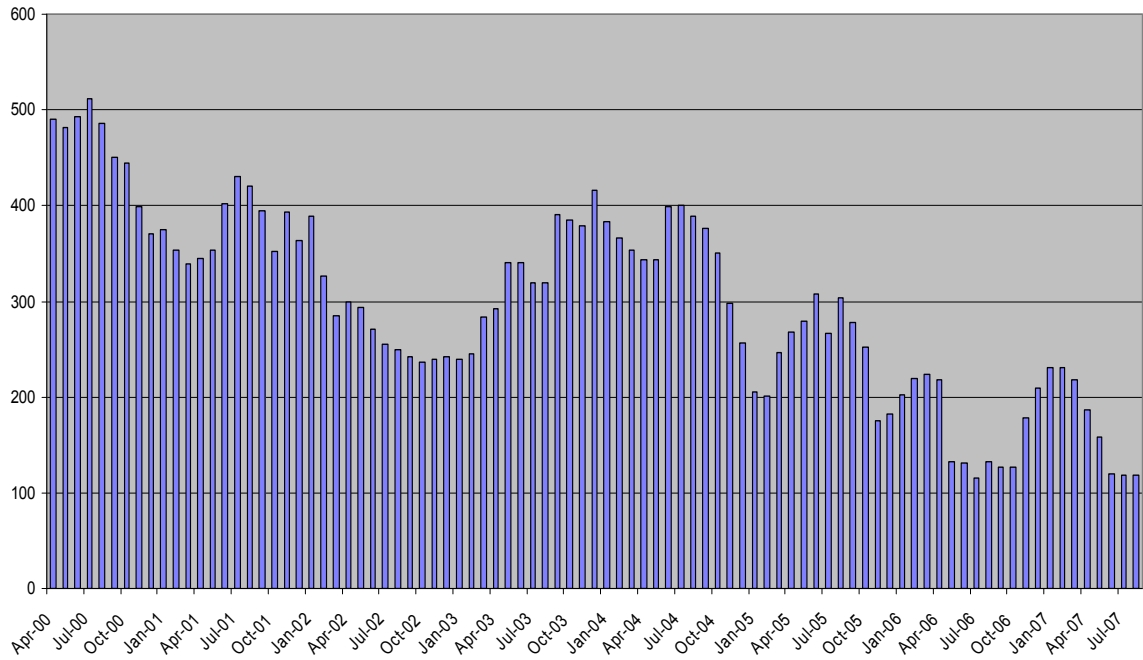
EMPTY PROPERTIES AT THE EAST END PARK TARGET AREA



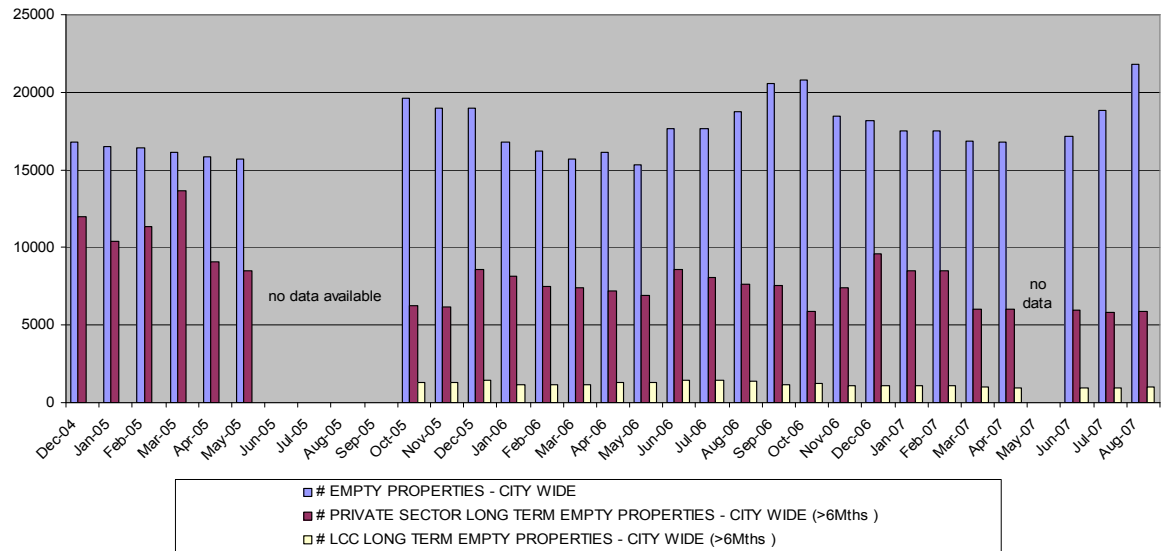
EMPTY PROPERTY TREND WITHIN THE CROSS GREEN TARGET AREA



EMPTY PROPERTY TRENDS WITHIN THE HOLBECK & BEESTON TARGET AREA

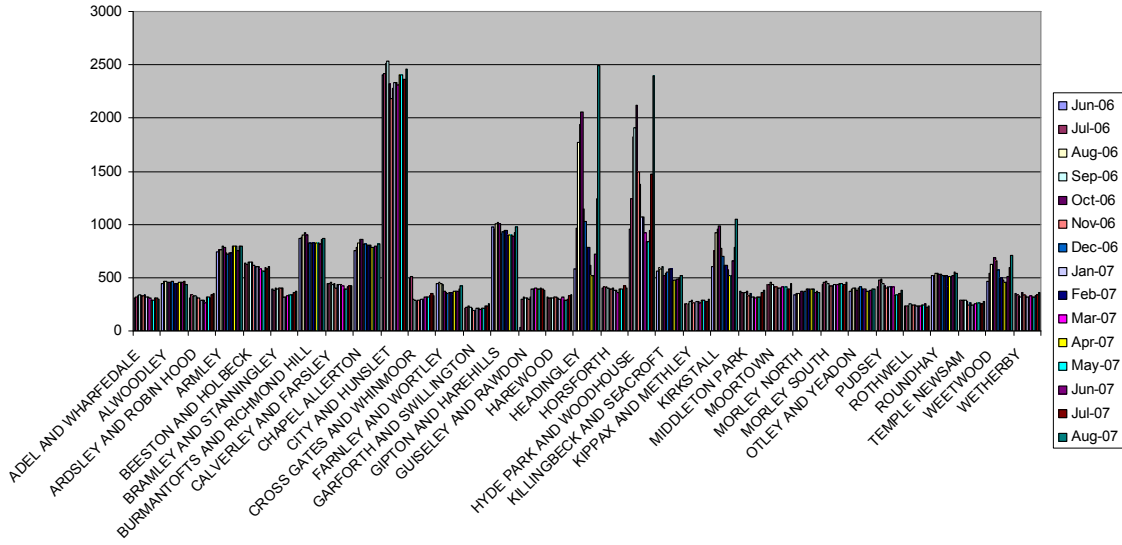


CITY WIDE VOID TRENDS



■ # EMPTY PROPERTIES - CITY WIDE
■ # PRIVATE SECTOR LONG TERM EMPTY PROPERTIES - CITY WIDE (>6Mths)
■ # LCC LONG TERM EMPTY PROPERTIES - CITY WIDE (>6Mths)

EMPTY PROPERTY TREND WITHIN THE WARD AREAS



LONG TERM VOID TRENDS WITHIN THE WARD AREAS

