

Empty Homes Information Leaflet



Introduction

At any one time, there are around 1500 dwellings in the county of Conwy which have been unoccupied for six months or more. Many of these are what is known as transitional vacancies and are likely to remain empty for relatively short periods of time – for example, while they are marketed for sale, or while the owner refurbishes them. Other properties, however remain empty for significantly longer periods, and it is these which usually come to the Council's attention.

The reasons why homes remain empty for longer than necessary vary considerably, and include properties which are empty while probate is granted, those which are in poor condition and require refurbishment, or those where the owner cannot decide what to do with them.

As a Council, we are keen to ensure that as many homes as possible are brought back into occupation, and recognise the role that empty homes can play in helping to meet housing need or support first time buyers to get onto the property ladder.

There are various ways in which both Central and Local Government can help owners to bring their empty homes back into use. This leaflet provides information on some of the options that are available.

Renovation and Improvements

Many empty homes remain empty for longer than necessary because they are in poor condition and require renovation in order to bring them up to standard. Whilst the nature of renovation works varies from one property to another, here are four of the key issues that are worth considering:

Budgeting – owners should ensure they have a proper budget before they begin any renovation project. The Empty Homes Agency recommends budgeting for unexpected works in addition to the costs already identified by the contractor. A sum of between 10% (for a simple project) and 25% (for a more complex project) is recommended.

Insurance – renovating an empty property can sometimes affect the owner's building and contents insurance, so it is advisable to discuss with the Insurance company what works are planned, timescales for completion, etc.

Regulations and restrictions – as some works may require either planning and/or building regulations consents, it is advisable always to check with the Council's Planning and Building Control departments whether any Works or planned alterations will require specific approval. Building Regulations approval is sometimes needed even for relatively minor types of work, so if you are in any doubt, it's wiser to check first.

Choosing a builder – renovating and improving property can sometimes be more complex than it first appears, and it is advisable to choose a builder carefully, either by listening to the experiences of others who have had building work done to their property, or following the advice given by bodies such as:

Chartered Institute of Building at www.ciob.org.uk/home

Federation of Master Builders at www.fmb.org.uk

National Federation of Builders at www.builders.org.uk

Trustmark – a ‘not for profit’ organisation supported by Government which enables an on-line search at postcode level for local reputable tradesmen www.trustmark.org.uk

Value Added Tax (VAT) rules for renovating properties

With effect from 1st January 2008, renovations and alterations to residential properties that have been empty for at least 2 years immediately prior to the commencement of qualifying works may be eligible for a reduced rate of VAT at 5%. Further information can be found in section 8 of HMRC’s notice 708 ‘Buildings and Construction’ which can be downloaded from the HMRC website. Search for Notice 708 in the search facility.

In most cases, HMRC will accept written confirmation from the Local Authority that a property has been unoccupied for the requisite period of time. Owners of empty properties who are intending to carry out refurbishment or renovation works and believe the property may have been unoccupied for 2 years or more, should contact the Empty Homes Service at emptyhomes@conwy.gov.uk or via telephone on 01492 574235 and 01492 574633. Please note that we can only provide written confirmation based on the information we have, and this may not be sufficient for HMRC’s purposes in every case.

Council Tax Payments For Empty Homes

In most cases, Council Tax is payable for both occupied and unoccupied dwellings. However, a range of Council Tax exemptions exist, depending on the circumstances of the owner and what the property is used for. Some specific exemptions apply to empty dwellings, and more information on these can be found on the Conwy website www.conwy.gov.uk - search for “Council Tax Exemptions” in the search box, and click on the link to “Discounts”. Most of the exemptions relating to empty dwellings are time-limited, and once the relevant exemption period has come to an end, Council Tax will normally become payable in full and for an indefinite period. Since April 2019, a Council Tax Premium has been charged on both second homes and the majority of long term empty dwellings in Conwy. The purpose of charging the Premium is to encourage owners of empty properties not to leave them empty indefinitely, and instead to bring them back into use.

Selling an Empty Home

In many ways, selling an empty home is no different to selling any other property, and owners have a choice to sell by private treaty, through an estate agent, or via auction. With so many estate agents around, it can be difficult to decide which one to choose. It is worthwhile shopping around to enable a comparison of the fees they charge, how they will

market the property and how many other properties they are selling in the area. As property valuation by estate agents is not always an exact science, it may be useful to obtain valuations from as many as three different agents to ensure owners have a balanced view of what can be achieved. Further information on selling property can be found on the RICS website at

<http://www.rics.org/Global/RICS-Selling-a-Home.pdf>

If a property is in poor condition or if an owner wants to try to sell it more quickly (avoiding the selling chains which may be encountered when selling in a traditional method), it may be appropriate to list it for auction. Auctions often have a targeted audience of developers, investors, portfolio landlords and cash purchasers, and the fact that a property is empty may be of particular interest to such buyers. Selling at auction the seller to agree a minimum (reserve) price for a property to ensure that it cannot be sold for less, and where a property sells, the fall of the hammer forms a legally binding contract between the seller and the purchaser.

Further information about selling a property by auction can be found on the RICS website at <http://www.rics.org/Global/RICS-consumer-guide-Property-Auctions.pdf>

For local information about auction houses covering the Conwy area, please e-mail emptyhomes@conwy.gov.uk or phone 01492 574235 or 01492 574633.

Please be aware that, where a property is in a particularly poor condition, it may be more difficult for a potential purchaser to obtain a mortgage to buy it.

Renting an empty home

For owners of an empty property who do not wish to sell it, it may make sense for them to rent it out. This would both generate an income for the property owner, and provide a home for someone in housing need. Any home that is to be rented out must meet current housing standards, and 'landlords' are obliged to ensure that their property fully complies with legislation contained in a series of Housing Acts before they let it. Once a property meets the standard, a number of options are available.

- Through a letting agent – there are many letting agents who provide services in Conwy and are able to advise a prospective landlord on market rents, property standards (normally general advice only), finding and assessing the suitability of tenants, and the drafting of tenancy agreements and other associated documentation. As with all organisations, there are differences in the services that letting agents offer, so it is wise for prospective landlords to make enquiries with a few before deciding which to choose. Most reputable private accommodation providers are registered with one or more of the following:
 - National Approved Letting Scheme
 - Association of Residential Landlords
 - National Association of Estate Agents
 - Royal Institute of Chartered Surveyors
 - The Property Ombudsman

Local Authority Powers To Deal With Empty Homes

Although the Council always endeavours to work with and support owners to bring their empty homes back into use, there are many circumstances where a different approach is required. This may be because an empty property constitutes a nuisance to the owners of adjacent or adjoining properties, or because an owner is unwilling to take the steps necessary to bring a property back into occupation. A raft of legislation exists that enables Local Authorities to deal with problems caused by both occupied and unoccupied properties alike, and formal action will often be taken against an owner whose property is having an adverse effect on other properties or on the amenity of the area in which it is located. Where enforcement action is taken, the Council will ensure that such action is proportionate to the circumstances, but it will nevertheless take a robust stance in relation to problematic empty homes to ensure that as many as possible of the issues that they present are addressed. For further information about the range of legislation that can be used to tackle empty homes is contained in the Conwy Empty Homes Strategy. Copies of the strategy are available from emptyhomes@conwy.gov.uk or by download from the Conwy website.

Why Bring An Empty Home Back Into Use?

All properties require ongoing maintenance in order to ensure they remain in good condition and maintain their value - and empty homes are no different to occupied ones in that respect. Research undertaken by the Royal Institute of Chartered Surveyors indicates that an empty home can cost its owner as much as £7000 per year, when lost rent, dilapidation, insurance and the ongoing Council Tax liability are taken into account. In most situations, it does not make economic or social sense to leave a property empty for any longer than necessary, and for many owners there is no justifiable reason for them to do so.

If you wish to discuss an empty home (either because you own one, or are aware of one in your area), please contact us:



By e-mail at: emptyhomes@conwy.gov.uk

By post at Housing Strategy,
Conwy County Borough Council,
PO Box 1,
Conwy,
LL30 9GN

By telephone on 01492 574235 or 01492 574633