

HOUSING LAND SUPPLY – EMPTY HOMES

19.7	Produce a note to the Inspector to explain why empty homes have not been included in the housing supply
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1 Introduction

1.1 During the Hearing session on Matter 19 (Housing Supply), as part of the Local Plan Examination, the Council were asked why empty homes are not included in the overall housing land supply and do not count as a potential source of dwellings. That is, the re-occupation of an empty existing home could count towards the provision of new dwellings, reducing the need to build new homes (and therefore the amount of housing land needed). It was agreed during the hearing, that this should only relate to “long term” empty homes. This note sets out some further information for the Inspector.

1.2 In 2018, the total number of empty homes in Rossendale was 1 207, with 474 long-term empty homes. As a proportion of the total existing stock in this year (32,050 dwellings), long-term empty homes represented just under 1.5%. This is higher than the national long-term vacancy rate of just under 1% and of Lancashire, which is just under 1.4%

2 Definition of a long term empty home

2.1 The natural operation and flux of the housing market means that there will always be a number of empty properties at any given time as there is often some delay between a property being vacated and the next occupier moving in. However, when properties are left empty for a longer period, this can become problematic, especially if they fall into neglect, attract anti-social behaviour or negatively impact on the surrounding area or the value of

neighbouring properties. They can also be seen as a wasted resource where homes are in short supply.

2.2 The definition of a long-term empty home is a residential dwelling that has been unoccupied and substantially unfurnished for 6 months or more. This can include single-family dwellings, HMOs, flats, and accommodation located above commercial premises. Since April 2013, local authorities have had the discretion to charge between 50% and 100% council tax on properties which are unoccupied and substantially unfurnished, and are able to charge a premium of up to 50% on properties which have been unoccupied and substantially unfurnished for two years or more.

2.3 There are many reasons why properties become long term empty, including the following: unresolved ownership (often following a death); owner may have been institutionalised (e.g. in hospital, prison), bankruptcy; repossession; a dwelling being acquired solely for speculative investment; the owner not appreciating the financial benefits of bringing the empty property back into use; prohibitive repair costs; structural weaknesses in the housing market (e.g. low demand) or may be reflective of problems with the stock of housing (e.g. condition or oversupply of certain property types).

2.4 It is recognised that tackling the issue of empty homes can be very difficult as ultimately many properties are in the hands of private owners who, for whatever reason, are not able or willing to take steps to ensure the home is reoccupied. It may take many years and involve legal action to, firstly, identify who the owner is, and then compel them to bring the home back into use.

3 National planning context

3.1 Paragraph 118 in the National Planning Policy Framework (NPPF), in the chapter on making effective use of land, states that planning policies should promote and support the development of under-utilised land and buildings, especially if this would help to meet identified needs for housing where land supply is constrained and available sites could be used more effectively. In the footnote to this paragraph, NPPF further emphasises that, as part of this approach, plans should support efforts to bring back empty homes into residential use.

3.2 National Planning Practice Guidance (PPG) on Housing supply and delivery states that in order to include empty homes that are brought back into use as a contribution to housing completions it would be for the local authority to ensure that these had not already been counted as part of the existing stock of dwellings. This is to avoid double counting.

3.3 The guidance on the Housing Flows Reconciliation (the system by which the Council annually reports changes in dwelling stock to the Government, and which is used to measure the Housing Delivery Test) also states that vacant dwellings brought back into use “must not be included in this data collection. These vacant dwellings returning to use cannot be counted as net additional dwellings as they would have been counted as a net additional dwelling in a previous year”.

4 Number of empty homes in Rossendale

The figure below shows the number of all long-term vacant dwellings in the Borough between 2004 and 2019. This is for all tenures and includes dwellings that fall under the definition of “long-term” vacant, which is a dwelling which has been unoccupied and substantially unfurnished for over six months.

Figure 1: Vacant dwellings in Rossendale, 2004-2018¹

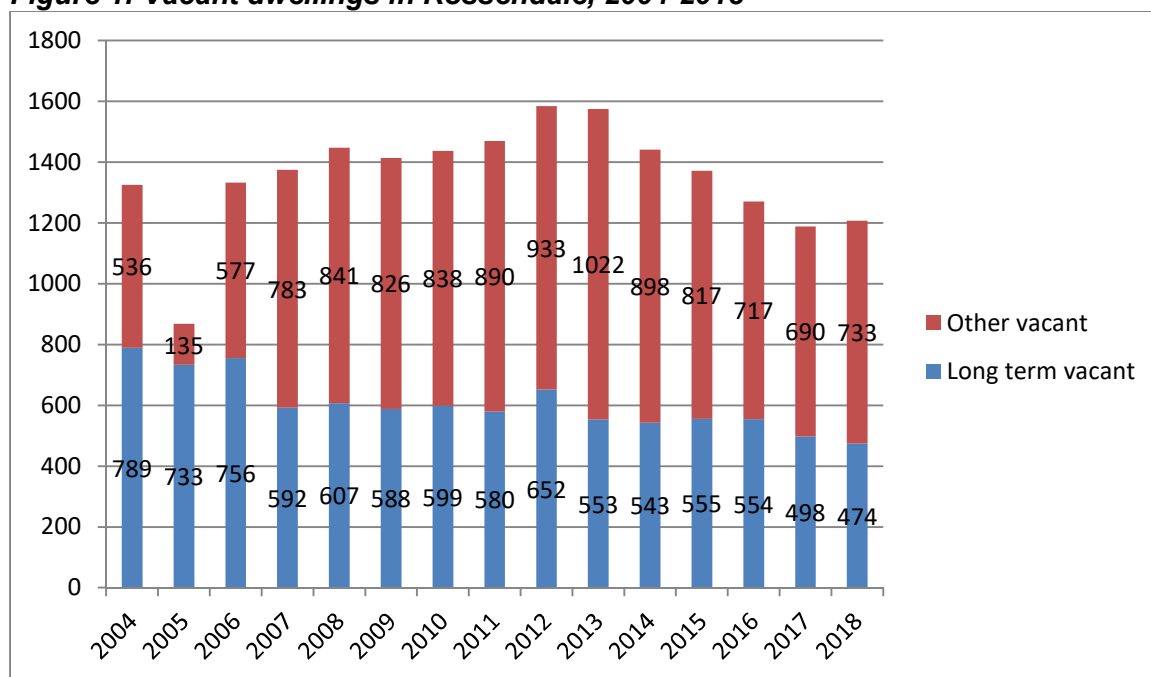
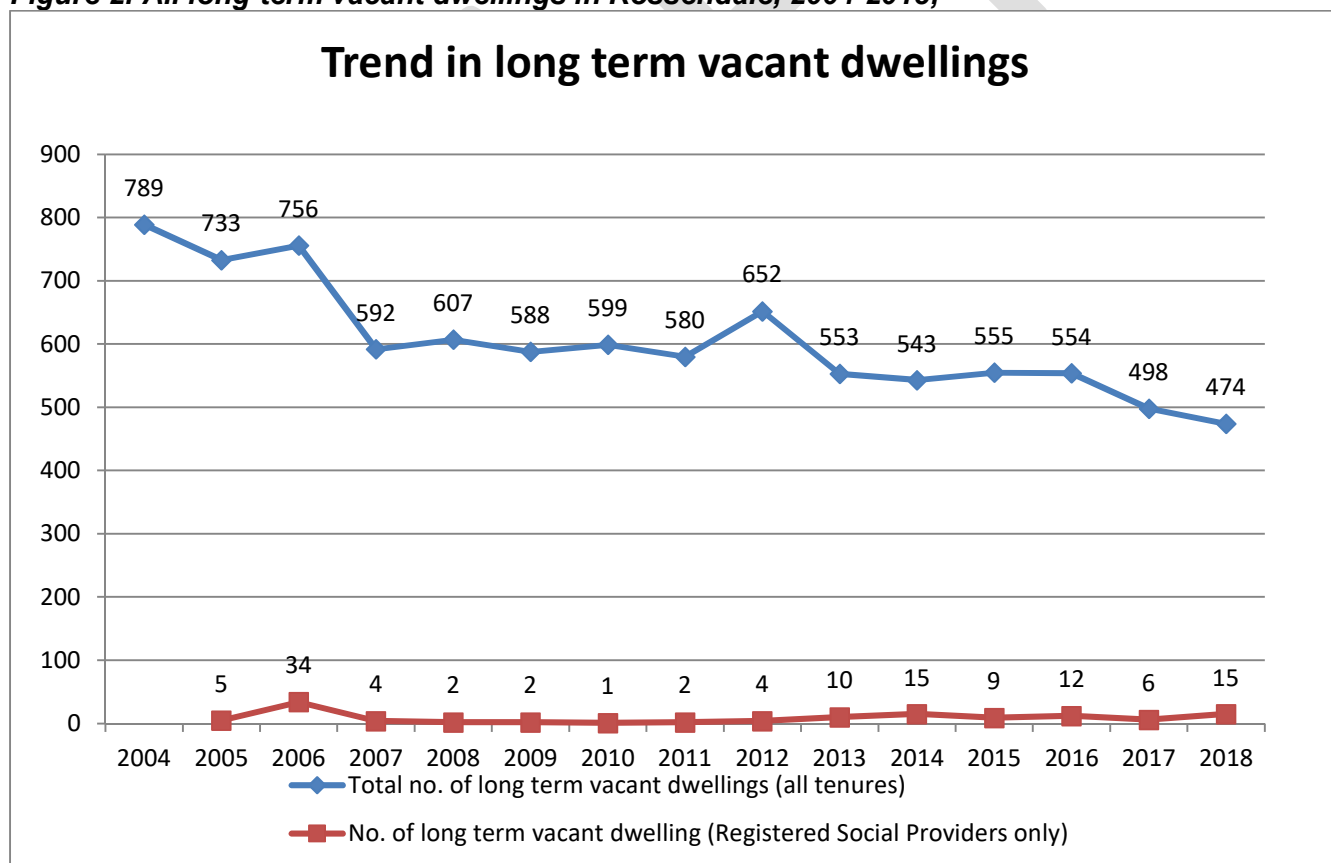


Figure 2: All long-term vacant dwellings in Rossendale, 2004-2018;



¹ The information in the above figures is taken from [Table 615: vacant dwellings by local authority district: England, from 2004 \(MHCLG\)](#). The source data for this is the Council Tax Base - these dwellings are already counted as part of the stock of existing dwellings in a local authority area

4.1 Figure 1 above shows the total number of vacant dwellings in Rossendale between 2004-18 (last published data), while Figure 2 shows the number of long-term vacant dwellings over this time (figures are taken from October of each year). On the whole, the data shows that the number of long-term vacant dwellings has reduced significantly since 2004, by nearly 40%, although this has fluctuated, with notable increases in 2006 and 2012 and has recently begun to plateau.

4.2 The figures include all tenures of property but, as can be seen in Figure 2, the vast majority are privately owned. The Council's Strategic Housing Market Assessment (2019) suggests that the much lower level of vacancy within affordable tenures than the private market may indicate a mismatch between demand and supply in the Borough.

4.3 It is not possible to ascertain from this raw data the gross number of homes which are reoccupied each year as there will not necessarily be a direct correlation between the properties included from one year to the next. Discussions with the Council's Housing and Council Tax teams indicate that it is difficult to extract exactly how many long term empties become re-occupied, especially as the status of such homes varies over time. For example, homes may become temporarily occupied, then fall back into vacancy or the owner may furnish the property as a way of avoiding the Council Tax premium (and therefore the home is no longer defined as a "long-term" empty). However, as a rough indication, an annual average net change can be calculated, as shown in the table below. Table 2 indicates the "net reduction" in long-term empty homes on an annual basis over a number of time periods.

Table 1: Net change in long term empty homes 2004/2018

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Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net change since previous year	/	-56	23	-164	15	-19	11	-19	72	-99	-10	12	-1	56	-24

Table 2: Average net change long term vacant dwellings in Rossendale, 2004-18

Total net change (2004-18)	-315 (-40%)
Annual average change in no. of vacant dwellings over last 15 years (2004-18)	-23
Annual average change in no. of vacant dwellings over last 10 years (2009-18)	-13
Annual average change in no. of vacant dwellings over last 5 years (2014-18)	-16

5 What action is the Council taking on empty homes?

5.1 As can be seen in Table 1 (above), the number of empty homes has significantly reduced to the extent that the remaining very long term empty dwellings tend to be those with significant viability issues or with owners who are uncooperative or non-contactable. The Council continues to regard tackling the issue of empty homes as very important but, due to a lack of resources, there is currently no specific strategy or dedicated officer in place. Nevertheless the Council uses a case-work and enabling approach to bring empty dwellings back into use, contacting individual owners and seeing where assistance may be provided. In extreme cases the Council may use enforcement powers under the Town and County Planning Act 1990, Housing Act 2004, Building Act 1984, Environmental Protection Act 1990

or Prevention of Damage by Pest Act 1949 or Housing Act 1985. In practice, relatively few homes are brought back into use through the actions of the Council or enforcement powers. Housing colleagues advise that the main driver for re-occupation is a change in owner circumstances or wider economic changes.

6 Counting empty homes towards housing delivery

6.1 In terms of monitoring housing delivery, PPG is clear that empty homes that are brought back into use should only contribute to housing completions if they have not already been counted as part of the existing stock of dwellings (to avoid double counting).

6.2 The Council have interpreted this as follows: the existing stock of dwellings is taken as the number of dwellings which currently have a Council Tax record; for an empty home to not be counted as part of the existing stock of dwellings, it would have to be a dwelling which is not capable of being occupied and is not eligible to pay council tax. Whilst some existing houses can be exempt from council tax for a short period, for example if they are undergoing major repair work to make them habitable or undergoing structural alterations, a dwelling would have to be in a derelict, uninhabitable state for it not be eligible for council tax in the long term. For example, this may apply to properties which have deteriorated so badly, over a long period of time, that they are no longer capable of being repaired without very significant reconstruction and where the council tax band has been deleted. It could also apply to very old properties which were once in domestic use but have been uninhabited since before the introduction of council tax.

6.3 The empty homes data included in this note is based on those properties with an existing Council Tax record. It is not known how many empty domestic properties may fall outside this although it is likely to be very small. The Council considers that these types of housing could be able to be counted towards housing completions if they were to be brought back into residential use, as they will effectively add to the dwelling stock. Any that do come back into residential use may be identified if planning permission is granted to restore or rebuild a former dwelling (i.e. one with no council tax record) into a new dwelling.

6.4 The annual return of housing completions (see 3.3 on the Housing Flows Reconciliation) only asks for the net number of new dwellings completed each year (after taking account of any demolitions and other loss of housing stock). This includes new build properties, conversions and changes of use into residential and any additional dwellings created by converting existing dwellings (e.g. one house converted into two would result in a net gain of one).

6.5 In line with national guidance, the Council's Forward Planning team do not currently include the re-occupation of empty homes as part of housing delivery monitoring. As explained above this information is difficult to obtain from Council Tax records. Only housing completions which have been identified through monitoring the grant of planning permission, permitted development rights or through Building Control records relating to new dwellings can be monitored. If the re-occupation of empty homes was to be recorded as a "completion" there is a danger that the same dwelling could be counted more than once if it falls in and out of vacancy.

7 Counting empty homes against the housing need/requirement

7.1 In theory, the number of empty homes could be offset against the housing need figure to reduce the overall number of additional dwellings that are required to be delivered. The Government's standard methodology for calculating housing need does not include an allowance for empty homes.

7.2 The SMHA presents a number of different housing requirement scenarios to sensitivity test whether any adjustment is justified that would deviate from the figure generated by the standard methodology. This includes an allowance to take account of empty properties and second homes i.e. the baseline figure generated by the standard method of using household projections is multiplied by the vacancy rate. The incorporation of this adjustment is necessary to translate households into dwellings. This actually has the effect of increasing the housing need figure slightly, as an assumption is made that the current rate of empty homes will continue in future. Therefore additional homes over and above the housing need will need to be provided to make up for those which will be effectively "unavailable" due to being vacant.

7.3 In the submission Local Plan, the Council chose to use the minimum housing need figure generated by the Standard Method, with no adjustment for other factors.

8 Counting empty homes towards housing supply

8.1 As identified, empty homes are currently classed as existing dwellings and the Council has taken the view that these would not be classed as new dwellings to the supply. If they were to be included, it would only be appropriate to do so for those dwellings which have been unoccupied for such a length of time that their reoccupation would be seen as a genuine alternative to building a new home. It is difficult to estimate how many such homes would be brought back into use on an annual basis.

8.2 If an allowance were to be made in the housing supply for empty homes this should be based on the number that are typically brought back into use every year, rather than the total number of empty homes. This may be based on a range of 13-23 dwellings per year based on the average net reduction in empty homes as shown in Table 1. This could be considered to be an over-estimation though given that some of these properties may have only been empty for a relatively short time. Housing colleagues also advise that the number of vacant properties is unlikely to reduce to any significant degree in the near future.

9 Conclusion

9.1 To a large extent the number of empty dwellings is very much linked to housing market demand and wider economic factors. Whilst the emerging Local Plan has wider aspirations to improve the local economy and the attractiveness of the housing offer, many of the contributory factors to empty homes can be outside the local authority's control. Therefore, it is difficult to accurately predict how many long term empty homes will be reoccupied on a consistent basis.

9.2 It could be argued that a small allowance for empty homes could be included in the housing supply, thus reducing the overall amount of housing land needed. However, if these could not then be counted as completions when they become reoccupied, this would create a mismatch between supply and delivery which would mean the Council may not be

able to demonstrate it is meeting the housing requirement through the Housing Delivery Test.

9.3 Experience at other plan examinations has shown that these figures have to be based on specific programmes/actions, which the Council does not currently have. For example in the Inspector's final report for the Burnley Local Examination (July 2018)², it states that it was reasonable for the Council to have included the re-occupation of empty homes as net additions to supply in the past as the Council had been taking specific action to bring properties back into occupation and their monitoring ensured that properties re-occupied more than once were not double-counted. However, the Inspector went on to acknowledge that tackling the issue of empty homes is heavily dependent on resources being made available and that Burnley Council could not commit at that time to any further action programmes. The Inspector therefore concluded that "it would not be appropriate to make any specific allowance for this in terms of future supply" (para 112, Inspectors Report).

9.4 A certain vacancy rate is generally accepted as being normal to allow the market to function or 'churn'. It would be inappropriate to rely predominantly on the refilling of vacant stock above this to meet the housing requirement. These vacant properties will often be smaller or poorer quality properties and will not meet the need of all residents, for example in relation to energy efficiency, adaptable housing or 'family' housing with off road parking and gardens consistent with national policy and the Plan's vision and objectives.

9.5 The Council considers that the issue of empty dwellings is very complicated and that it is difficult to make simplistic assumptions about the number of "new" homes that these could consistently provide. Currently, the Local Plan does not rely on additional new housing capacity from this source as there would need to be robust evidence that the supply of empty homes brought back into use would occur consistently and with certainty over the plan period. Instead, additional housing capacity made available through bringing empty homes back into use could provide further flexibility in meeting the housing requirement, without the need to identify a specific allowance.

9.6 If the Inspector is so minded to recommend an allowance, however, a figure of around 10 dwellings per annum (or 150 over the entire plan period 2019-34) would be considered reasonable, given that many of the properties may only have been vacant for a relatively short time.

² <https://www.burnley.gov.uk/residents/planning/planning-policy/burnleys-local-plan/inspectors-report>