

6th of March 2019

Bridgend County Borough Council
Consultation and Engagement Team
Civic Offices
Angel Street
Bridgend
CF31 4WB

Dear Sir/Madam,

Bridgend County Borough Council Empty Property Strategy 2019-2023

Thank you for the opportunity to respond to Bridgend County Borough Council's Empty Property Strategy 2019-2023. We broadly support the proposal and we would be delighted to collaborate with Bridgend County Borough Council in promoting the scheme.

The Residential Landlords Association (RLA) represents over 50,000 private sector residential landlords in England and Wales. The RLA provides support and advice to members and seek to raise standards in the Private Rented Sector through our code of conduct, training, accreditation and the provision of guidance and updates on legislation affecting the sector.

Why we have responded to this consultation.

According to the Welsh Government, the latest figures suggest there are in addition of 23,000 empty properties in Wales. Some of these properties could provide homes to people who need them such as vulnerable people and people on housing waiting lists to prevent homelessness. According to your strategy, as of June 2018, 1,225 private sector residential properties within Bridgend County had been left empty for six months or more, which is strong evidence that a clear and robust strategy is required to bring these properties back into use.

The RLA fully recognises the priority for Welsh local authorities in bringing empty properties back into use as houses rather than leaving them empty. Not only is providing more housing important, but where homes are left empty for significant periods of time, the impact can cause deterioration for the surrounding community. Accordingly, empty homes not only reduce the value of the house in question but have an impact on surrounding properties. Empty properties can also become targets for vandalism, crime and anti-social behaviour such as fly-tipping.

For the case of landlords operating within the private rented sector, it makes sound business sense for landlords to have their properties occupied with tenants rather than left empty. In this context, it should be acknowledged that PRS landlords are operating in a difficult climate in providing an important part of the solution in tackling the housing crisis with significant and growing evidence illustrating the importance of the PRS in housing local people – including the most vulnerable and needy in society. For this reason, and to maintain high standards within the local community, the RLA applaud the overall aims and objectives of the strategy providing the local authority continues to engage with PRS landlords and offers support for those that require additional help in ensuring their properties are occupied.

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Residential Landlords Assoc. is a trading name of Residential Landlords Association Ltd. Company No. 2869179.

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Council Tax reduction for empty properties

While not a matter specifically related to this consultation, we note that the council are considering ending the Council Tax discount for empty properties. We hope that in doing so the authority would consider exempting landlords who can prove that their property is being renovated for structural improvements or to ensure that it is fit for human capacity. There is precedent for this form of action with many local authorities in England and Wales taking this form of exception.

The Council's approach

The RLA welcomes the general approach adopted by Bridgend County Borough Council in pledging to work cooperatively with landlords who have empty properties and by ensuring regular and effective communication with landlords is maintained. Where positive dialog can be maintained, the RLA would be delighted to support Bridgend Council in communicating with local landlords.

When properties become vacant for long periods of time, there is often a sound reason why the property is empty. Vacant properties are generally undesirable for landlords who are effectively operating in a business model. Some of the main reasons why a private rental property might be vacant could be that the property requires structural improvements, or the property requires work to ensure it is fit for human capacity. Where this is the case, we welcome the opportunity for landlords to apply for empty property interest free loans and empty property grants. We particularly welcome the opportunity for landlords to receive grants to bring empty properties back into homes for rental at local housing allowance rates into use. However, we require clarification on how much funding is available and if such a grant could be used to achieve the UK Government's Minimum Energy Efficiency Standards? We would like to point out that current UK Government legislation stipulates that any new or a renewal tenancy may only lawfully be granted for a property that has an EPC rating of A to E and that by 2030 the minimum EPC will be a C. This is a major obstacle for many Welsh landlords given the age of housing stock and with many properties having single walls. If any efforts were made by the authority to improve EPC ratings, it would be our recommendation that achieving above E ratings will be most beneficial.

While we welcome the proposed financial incentives, in our experience, the issuing of loans being granted on the basis of enabling charges on a property is not always effective. This we believe would be also be the case for the Houses into Homes Loan as it will not take the combined loan and current mortgage above 80% of the property value. Given the low value of stock in some areas of Bridgend County, particularly in parts of the Ogmere and Llynfi Valley, it might be the case that some of the houses completed are not worth more than £50,000, which doesn't take into consideration conditions and the extent to the cost in getting stock up to standard.

We also welcome the Council drawing attention to possible VAT discounts for energy saving materials and building and construction for landlords that bring empty properties back into use that have not been lived in for two or more years through VAT Notice 708 and VAT Notice 708/6. We applaud the cooperative approach of the council in supplying landlords with the necessary official documentation which can be forwarded to the Inland Revenue as evidence of eligibility for these notices.

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Another reason why properties might remain unoccupied could be that the property has poor access. For example, access to the dwelling could be from a commercial premise including a shop. Alternatively, the dwelling could be in an area that is not highly sought after or an area of low rental demand. We believe that any financial support should be used to add additionality to properties that are hard to rent. This could include improving access or adding additional benefits and improvements to the property to make them more appealing to the market. However, we would also welcome additional support from the local authority, to enhance its relationship with the PRS in providing support for marketing hard to rent properties. For PRS properties that have been vacant for long periods of time that are suitable for the rental market in terms of condition and legalities, we would welcome additional support from the council in finding suitable tenants from their housing waiting lists.

We also welcome opportunities for non-residential properties, such as commercial properties, churches and chapels and those properties that the Inland Revenue's Valuation Office Agency has deleted from the Valuation List, to be brought back into residential properties. We would, however, like clarification on how the authority will engage with PRS landlords in how they can purchase such properties when they are suitable for the rental market?

Former commercial properties would inevitably require substantial improvements in order to be suitable for residential purposes. We believe the conversion work is a good opportunity for small builders and traders to get access to work. We would welcome clarification on how small traders could gain access to this work and whether the local authority will prioritise local small traders to carry out this work? Likewise, we note that the authority recognises that some larger empty properties could be converted into smaller units or converted into specialist housing, which could house vulnerable groups such as the low waged or those dependent on welfare. We believe that this type of conversion work would also be most desirable for small traders and builders and would welcome clarification on how such traders will be engaged in the process?

We believe that the scoring criteria used to prioritise which empty homes to tackle is relatively sound in that a series of areas are considered including if the property is a nuisance, if there have been complaints from elected members or if the property is detrimental to the local community etc. We also welcome additional scoring for areas of high need in housing.

While there is a lot to commend the strategy in terms of support outlined, we appreciate that on a small number of occasions, enforcement activity and sanctions will be necessary including enforced sales as well as more serious sanctions such as Empty Dwelling Management Orders (EDMO) and Compulsory Purchase Orders (CPO.) For CPOs and EDMOs, we would hope these would be used as a very last resort and welcome clarification on the process before getting to this stage and how the authority would consider communicating with landlords. We would hope that given many landlords have multiple houses and use the services of agents, that a data sharing agreement with Rent Smart Wales would be sought after in order to make sure the correct correspondent is contacted?

We once again thank you for the opportunity to engage with the local authority on this subject and would welcome any future dialog on this or any other matters relating to the PRS.

Kind Regards,

RESIDENTIAL LANDLORDS ASSOC.



Douglas Haig
Vice Chairman and Director of RLA Wales