Using Empty Homes to Deliver Affordable Housing

Andy Moseley
Empty Homes Policy Officer
Scottish Empty Homes Partnership
The Scottish Empty Homes Partnership (SEHP) is funded by the Scottish Government and hosted by Shelter Scotland. The partnership was established in 2010 following the Scottish Government’s 2009 review of the Private Rented Sector. In 2018 we entered into a new three year contract with the Scottish Government. Our aim is to encourage Local Authorities to bring as many private sector empty homes back into use as possible, and for every local authority to have a dedicated Empty Homes Officer by 2021. In 2018/19 Empty Homes Officers reported 1,128 empty properties brought back into use, 26% of the overall total of 4,340 since SEHP began.
Housing in Scotland

• Chronic shortage of housing supply in Scotland
• Rising house prices and rents in many areas
• Lack of affordable homes.
• Scottish Government has pledged to deliver 50,000 affordable homes over the lifetime of this parliament.
• Pledge is backed by funding of over £3.3 billion (£66,000 per home)
• This will only go part of the way to meeting the country’s housing needs.
• Practical obstacles like infrastructure capacity and availability of materials must be overcome
Housing in Scotland

• At the same time, more than 39,000 homes across the country are classed as long-term empty.
• A further 45,000+ properties are exempt from council tax because of unoccupied exemption.
• These homes are an asset that we are not making use of.
• They can provide additional affordable housing
• Empty Homes don’t have to be someone else’s problem, they can also be a cost effective part of a solution to the Housing Crisis.
Empty Homes and New Builds compared - Build times and costs

- New Build – Dependant on available land.
- Often part of a wider market-led development.
- Planning permission required, so lengthy lead time between finding land and build commencing.
- Average time from project approval to completion between 18 months and 2 years;
- Average cost per home around £120k
- Plus infrastructure costs (may include roads, utilities, public transport).
Empty Homes and New Builds compared
Build time and costs

• Empty Property – Not dependant on available land, or other house building projects.
• Planning permission only required in exceptional cases, so shorter lead times before build work/refurbishment commences.
• Average time from purchase to completion – 6 months where structural renovation/alteration required.
• Average cost per home £6k to £46k
• No infrastructure costs
• 10 empty homes brought back into use can cost the same as 1 new build home
Carbon Footprint

Although new homes are more energy efficient once built, 50 tonnes of carbon emissions are generated in their construction, compared to 15 tonnes for the refurbishment of an existing property. In most of the houses studied, it took more than 50 years for this difference to be compensated for by the lower carbon emissions generated from the day-to-day energy use.

- Historic Scotland estimated the carbon footprint of building a new 2 bed house as 80 tonnes CO2
- Carbon footprint of refurbishing an old house was 8 tonnes CO2e
- New homes – large scale developments often in out of town locations with limited existing public transport, leading to increased emissions
- Empty homes – smaller developments or individual homes usually in established community setting, so little or no effect on emission levels
Benefits for the owner

Leaving a home empty costs money, and loses money, for the owner.

The total cost of leaving an average 2/3 bed terraced property empty is between £8,638 and £10,438 per year

• Loss of rental income at £450-£600 a month (£5400 to £7200 per year)
• Maintenance at £500 per year
• Security £290 per year
• Insurance (where obtainable) £280 per year
• Council tax (Band D with a 50% premium) £2,168 per year

This is money lost to the local economy where the owner is living. If the home is brought back into use the owner benefits, the economy where they live benefits and the economy where the house is benefits as someone moves to the area or stays in the area.
The community benefits

• Reduce/prevent anti-social behaviour
• Support Community Regeneration and Town Centre Renewal
• Improves Sense of Place
• Sustains fragile community
• Supports the local economy – increased community spend, more work for local businesses, improved employment opportunities
• Positive external image – a place going somewhere
Case Study: Making Homes from Houses

Preston Community Council and Community Gateway Association

‘Making Homes from Houses’ Project renovates empty properties so they can be brought back into use as a home for those in housing need.

• The project offers two options:

**Buying empty homes:** CGA buy property and fund any renovation works so it can be rented to people in need of social housing.

**Repair and Lease Scheme:** If owners do not want to sell the property, CGA help fund the repair works and carry them out. Once the work has been completed, CGA lease the property and rent it out at an affordable rate to people on housing waiting list for a set number of years. CGA manage the property. Owner receives a rental income, minus any management costs.
Case Study : New uses for historic buildings

Port Ellen Police Station : Isle of Islay

- Ceased to be a Police Station back in 2007. Added to the Buildings at Risk register in 2009.
- Purchased by the Ian MacTaggart Trust in 2014, to provide affordable housing and opportunities for young people in line with the Trust’s vision.
- No other affordable private housing initiative across Argyll and Bute that has been delivered specifically to meet the needs of young people.
- Transformed to provide six high quality affordable flats, retaining original features, with works completed in September 2017.
- West Highland Housing Association manage the property and the lettings to young people. They ensure that the tenants are given the necessary preparation and support on order to ensure successful tenancies.
- A stepping stone for young people to gain independence and achieve financial sustainability.
- Will deliver lasting improvement to the local area and go some way to addressing a major problem in Argyll – affordable housing for young people - whilst saving a feature building in Port Ellen.
So, what’s the problem?

• **MYTH:** ‘Empty homes aren’t in areas where there is a housing shortage or real demand.’
  • **REALITY:** There are empty homes across the country. Edinburgh has over 5,000 empty homes and 3,000 unoccupied properties exempt from council tax.

• **MYTH:** ‘Empty homes are empty because owners don’t want to sell them.’
  • **REALITY:** Homes become empty for a very wide range of reasons. Few people choose to have an empty home. Most people want to bring them back into use.

• **MYTH:** ‘Empty homes are the wrong types of property.’
  • **REALITY:** Empty homes come in all shapes and sizes, and can be converted into units that address immediate mismatch in housing supply and longer term demographic changes.
What we can do

• Connect Housing Associations with Empty Homes Officers
• Matchmaker Schemes
• Case studies from across the UK
• Best practice examples
Our Questions

• To what extent is conversion of empty property already part of your development plans?
• What would help or hinder you getting involved in empty homes work?
• What can we do to help you?
Your questions?
For more information and conversation

- Scottish Empty Homes Partnership
  - Andy Moseley – Policy Officer
    - andrew_moseley@shelter.org.uk
    - 0344 515 1534
  - Shaheena Din – National Project Manager
    - Shaheena_din@shelter.org.uk
    - 0344 515 2461