

Empty Homes Toolkit

How you can make the most of a vacant house

Housing and Environmental Services

December 2016

Contents

Version Control.....2

Data Retention.....2

1.0 Introduction.....3

2.0 Valuing the Property and Assessing Your Options3

2.1 Becoming a landlord4

2.2 Renting through a Letting Agent.....4

2.3 Selling through an Estate Agent.....5

2.4 Selling Through Auction.....5

3.0 Help From the Council6

4.0 The Consequences of Doing Nothing.....7

Availability.....7

Version Control

Version	Description of version	Effective Date
1	First Draft	31/11/2016

Data Retention

Data Retention Location
S:\Health\PRIVATE SECTOR HOUSING\EMPTY HOMES

1.0 Introduction

If you own an empty property then this guide is for you. It's intended to help you find a way to bring your property back into use. However, it's also here to give you an insight into what *could* happen if you don't.

As a Council, we don't like empty properties;

- There's already a shortage of housing in South Derbyshire, so an empty house is a wasted house.
- Empty properties encourage vandalism and anti-social behaviour.
- The lost Council tax means less investment in local services.

If you own an empty property, it will lose you money;

- Homes are meant to be lived in. An empty property will progressively deteriorate - which will either cost to put right or it will lose value as an asset.
- You will be made to pay for the full Council Tax, and we can make you pay an additional 50% on top if a house remains empty without good reason.
- Holding on to a property until the market improves doesn't work. The depreciation of an empty property almost always costs more than the overall increase in house prices.
- You may face legal action if the property causes impacts on the local community.

In this guide we aim to give you some straightforward advice so that you can make the most of an empty property by.....

- Renting or long-term leasing your property
- Renovation for self-occupation
- Selling to a property developer
- Selling your property at auction

2.0 Valuing the Property and Assessing Your Options

Choosing the right option for your property will depend on the amount of time, energy and money you are able to invest and on the local housing market conditions around your property.

There are some simple sources of information which may help you understand local housing market conditions. These will give you a rough estimate of the income you can expect to get if you either rent or sell. This is a good starting point to help you make a decision;

[The Land Registry](#) provide free information on the price of recent local house sales

There are various on-line house and rental valuation websites such as Zoopla, Tepilo, Rightmove, Your-move. You will need to register with them in order to obtain their estimations of your properties value.

[The Royal Institute of Chartered Surveyors](#) provide information on house sale and rental prices plus lots of links to other information.

Once you've worked out the potential value of the property you can start looking at each of the options available to you and considering the best option.

2.1 Becoming a Landlord

You may want to consider renting your property to a private tenant or offering the property for long term lease. Given the very low rates of interest on most long terms savings at the moment, renting is likely to provide a much better rate of return than selling a property and investing the sales assets.

Renting can offer good rewards, but it does come with risk.

Being a landlord is not easy and is certainly not a pathway to making a fortune. It will cause you frustration, confusion and probably the odd sleepless night. However, if you go into it open minded, prepared and willing to learn then you will earn the rewards - and not just in financial terms.

The best people to learn from are other small landlords. You can use free advice guides, yield calculators and on-line forums to work out if it's for you;

[Landlord blog](#)

[Residential Landlords Association](#)

[National Landlords Association](#)

[Citizens Advice](#)

The number of people living in the private rented sector has increased threefold in South Derbyshire in the last 10 years from 1,817 (5.5% of the local housing market) in 2001 to 5,459 (14.5%) in 2014 – so there is a growing market and we expect it to keep growing.

If you are interested in becoming a landlord in South Derbyshire we can offer you various forms of help including small business advice, grant support and advice on legal duties.

2.2 Renting through a Letting Agent

Renting your property through a letting agent means that you can hand over the responsibility for the management of the property to them, for which you will pay a management fee usually consisting of a proportion of the total rent.

There are many local letting agents. Letting agents now need to be a member of a suitable accreditation body and this accreditation means that they should work to established professional standards. You can find accredited local agents through the various Associations;

[Association of Residential Letting Agents \(ARLA\)](#)

[UK Association of Letting Agents \(UKALA\)](#)

[The National Approved Letting Scheme \(NALS\)](#)

[Council of Letting Agents](#)

Some of our local Letting Agents

Your Move	-	01283 219892
Cadley Cauldwell	-	01283 217251
Liz Milsom Properties	-	01283 219336
Fellows Letting	-	01283 219749
Crew Partnership	-	01283 548548
Frank Innes	-	01283 599259
Burchell Edwards	-	01283 530169
John German	-	01283 512244

2.3 Selling through an Estate Agent

The most obvious way of disposing of a property is to sell it. The local housing market continues to remain healthy as demand for housing in South Derbyshire remains high, therefore with a little bit of preparation most houses should sell fairly quickly.

There are numerous local high street estate agents or you can use on-line estate agents.

If you need any help finding local tradesmen to use to prepare your property then we can help by providing access to local 'trusted trader' schemes run by Trading Standards

2.4 Selling Through Auction

Using an auction to sell your property could help to achieve the best possible price by creating demand from multiple buyers. Some auction houses have introduced 'modern' methods of auction which almost completely removes any of the hassle for the person making the sale.

It can also be a speedier process as once the auction is over, the buyer has to pay a 10% deposit and then has 90 days to pay the remaining 90%. Demand from buyers can help to drive up the price and if your property is unusual or in poor condition you may find marketing it in the traditional way is difficult. Auctions are often attended by expert buyers or people looking for a project who will know enough about the market to understand the value of your property no matter what condition it's in.

Things to be aware of

You will pay your auctioneer around 2.5% of the price you get for your property and you also need to find out if there will be advertising costs.

You will also need to pay a solicitor to help with the legal side prior to the auction and on the day. Solicitors fees can vary so shop around for a good price and service.

[Property Auction Action](#) contains listings of auction houses or contact our Private Sector Housing Team who can put you in touch with local auction houses.

3.0 Help From the Council

We offer various grants, incentives, advice and guidance to help the journey to bringing you property back into use easier – whichever of the options you have chosen.

Small business advice. The South Derbyshire Business Advice Service is run by two independent business advice specialists - David Richards and Peter McBride. If you want to offer rented property as a small business venture they offer one to one advice on producing business plans, project management and business budgeting. They can also point you in the direction of potential sources of Government funding and assistance.

Call David or Peter on 01283 595 791

Empty Homes grant. South Derbyshire offers grant support up to £9,000 to bring empty homes back into use. Conditions apply.

Contact our Private Sector Housing team to discuss making an application at environmental.health@south-derbys.gov.uk or on 01283 595974.

Planning advice. If you need to substantially redevelop your property you may need planning approval. Advice about what needs planning approval and how to apply is on our website at [South Derbyshire District Council - Do I need planning permission? \(householder\)](#)

Building Regulations. Some redevelopment will need approval by an approved Building Control Officer. We offer this service at very competitive rates. Find out more on our website at [Building Control](#)

Benefits advice. Tenants may require some financial support to help cover the costs of their rent. Find out about how the benefits systems work at [Housing Benefit and Council Tax Benefit](#)

Help with bad tenants. We don't generally get involved with disputes between landlords and tenants because they are civil matters, however we will offer some basic advice and we will be able to direct you to other good sources of advice and support. Contact our Private Sector Housing Team at environmental.health@south-derbys.gov.uk or on 01283 595974.

Trusted Traders. We know that finding the right trader can be a big worry; we've all heard stories about cowboy builders, dodgy workmen and rip-off merchants.

That's why Derbyshire County Council set up Derbyshire Trusted Trader. The scheme can help you to find honest and reliable traders who commit to doing a good job for a fair price.

Derbyshire trading standards check out all the businesses on our Derbyshire Trusted Trader register.

You'll find plumbers, builders, roofers, decorators, joiners, glazers, electricians, gardeners, retailers ... and many more.

You can find a Derbyshire Trusted Trader by:

- Searching the [Derbyshire Trusted Trader list](#) on the website
- Ringing Call Derbyshire on 01629 533190

- Call into a local library and asking about Derbyshire Trusted Trader. Staff will be able to supply you with more information and you can take advantage of free internet use to search for businesses online.

Staffordshire County Council also offer a [Trader Register](#) scheme for Staffordshire based traders

[D2N2 Growth Hub](#) is a source of help and advice if you are starting or growing a business. It offers training, networking and access to funding.

Tax Incentives are available for developing empty properties. You can qualify for VAT rates of just 5% for work completed on homes empty for more than 2 years. Qualifying criteria are set out on the [HMRC](#) website.

We want you to succeed in bringing your empty home back into use. So if you don't know where to start or you've just got stuck then we can help.

If you contact our Private Sector Housing Team then we can sit down with you and informally discuss your options or help find a solution.

4.0 The Consequences of Doing Nothing

When we become concerned about an empty property, our first approach will always be to try to help the owner bring it back into use.

But if we think that a property owner isn't doing what they should, the law does give us some teeth. Each case is judged on its own merits, but some of the potential actions available to us are;

Compulsory Purchase Order (CPO) – Councils have powers to apply for the compulsory purchase of empty dwellings if they consider that it is necessary to ensure the continued use of the dwelling for housing and other criteria are met.

Enforced Sale – Local authorities have powers to issue and enforce charges against a property. If the owner of a dwelling has failed to meet the terms of a statutory notice or where council tax and other debts are owed to us we can look to enforce a sale and reclaim our debt from the selling price.

Empty Dwelling Management Order (EDMO) – This is a legal action we can take where the property has been empty 2 or more years and has not been on the market to sell or let. The EDMO allows us to take control of the property and to rent it to our own nominated tenant. Ownership doesn't change. We can set up EDMOs by agreement with property owners.

Community Protection Notices – Allow the Council to require the owner to carry out works to make the property safe/secure/less of an eyesore to the local community. If the requirements of the Notice aren't met then we can issue fixed penalty notices or prosecute the property owner.

Availability

This Toolkit will be published on line at; <http://www.south-derbys.gov.uk/our-services/housing/private-tenants-and-landlords/empty-properties-or-untidy-sites>