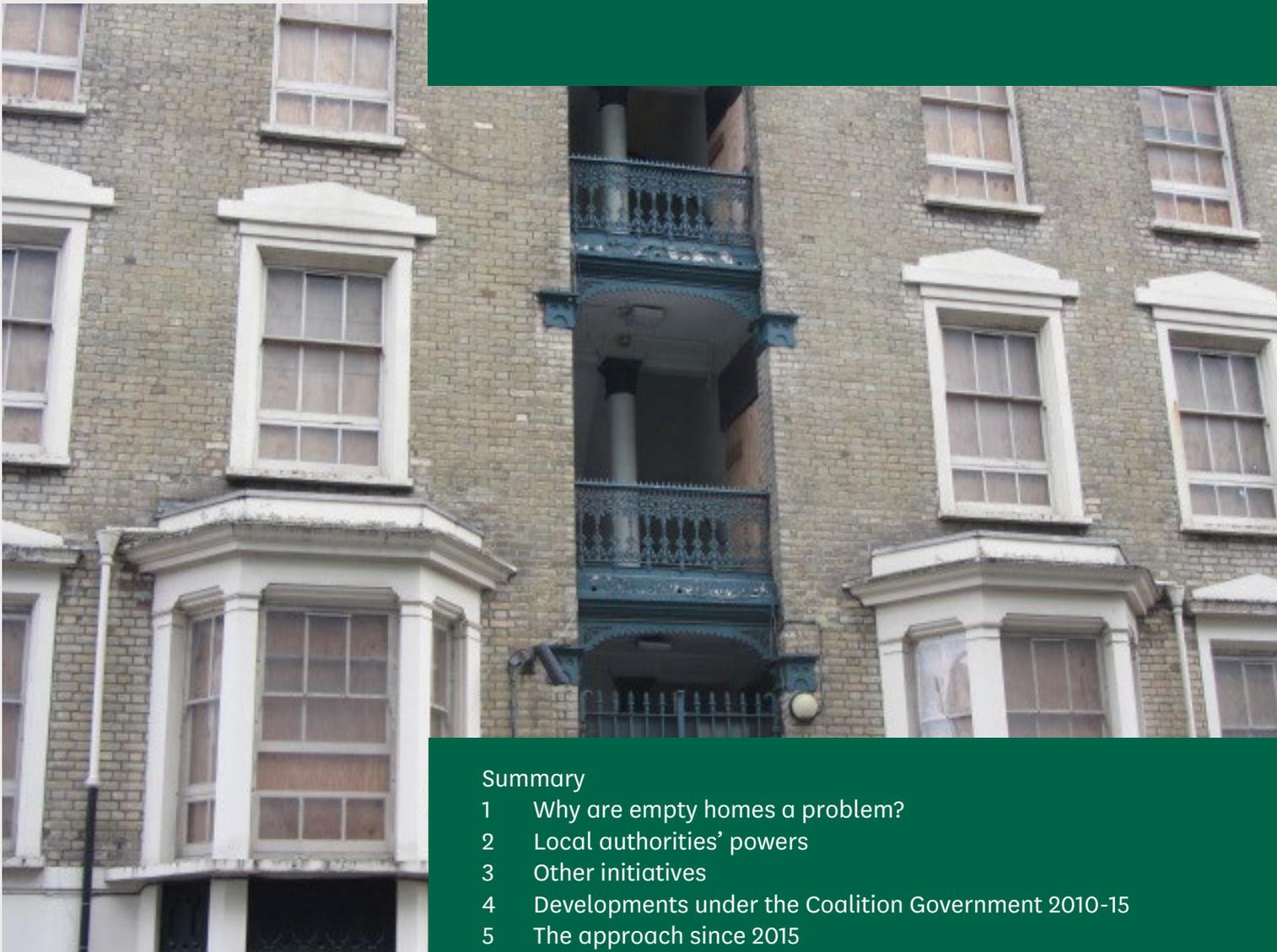


Research Briefing

19 October 2023

By Wendy Wilson

# Empty housing (England)



## Summary

- 1 Why are empty homes a problem?
- 2 Local authorities' powers
- 3 Other initiatives
- 4 Developments under the Coalition Government 2010-15
- 5 The approach since 2015

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## Summary

### The impact of empty homes on communities

High levels of empty properties are recognised as having a serious impact on the viability of communities. As the number of empty properties within an area increases, so can the incidence of vandalism, which acts as a further disincentive to occupation. Tackling empty properties can have social, regenerative, financial, and strategic benefits.

### How many empty homes?

The Department for Levelling Up, Housing and Communities (DLUHC) publishes data on homes classed as empty for Council Tax purposes. In October 2022, there were 676,304 recorded empty homes in England. This is a 3.6% increase on the previous year's total. 248,149 were classed as 'long-term vacant' properties (vacant for more than six months with some exceptions).

### Powers to tackle empty homes

Local authorities have a range of powers and incentives at their disposal to bring empty homes back into use. These include, Empty Dwelling Management Orders, council tax exemptions and premiums, enforced sales, compulsory purchase, and measures to secure the improvement of empty properties. A range of other initiatives and incentives are aimed at reducing the number of empty properties, including the sale of empty Government-owned homes and planning measures.

### Government policy 2010-2015

The Coalition's Programme for Government included a commitment to "[explore a range of measures to bring empty homes into use.](#)" Specific funding was made available for this purpose, including £156 million allocated between 2012 and 2015 under two rounds of the [Empty Homes Programme](#). An additional £60 million was allocated as part of the Clusters of Empty Homes Programme, which aimed to tackle concentrations of poor quality empty homes in areas of low housing demand.

In 2011, the Government confirmed councils could attract additional funding under the New Homes Bonus (NHB) scheme for bringing empty properties back into use. Initially, the Government matched the council tax raised for each property brought back into use for a period of six years. Following consultation in 2015, a national baseline for housing growth of 0.4% was introduced below which the NHB is not paid. The number of years over which payments are made was reduced from six to five in 2017/18 and further reduced to four years from 2018/19.

In September 2013, the Government provided funding for the Empty Homes Loan Fund, a joint initiative between the charity Empty Homes, Ecology Building Society and participating local authorities. Loans were provided to owners of empty properties. The fund was abolished in August 2014 because of low take-up.

Several other measures were implemented, including changes to planning policy, council tax measures and the appointment in April 2012 of George Clark as the Government's Empty Homes Advisor.

## Approaches since 2015

The Shared Ownership and Affordable Homes Programme 2016-21 did not include separate funding for empty homes. In 2015, the Conservative Government said the £216 million of funding provided between 2012 and 2015 was intended to "[provide a push in the right direction](#)," there were no plans to provide additional funding. The [Affordable Homes Programme 2021-2026](#) can support bids to bring empty homes into use as affordable housing.

In its 2019 [annual report](#), the national campaigning charity, Action on Empty Homes, made recommendations for central and local government on how to bring more empty homes back into use. In 2018, Action on Empty Homes commissioned work by ComRes to gauge, amongst other things, MPs' awareness and views on of empty homes in the UK. The ComRes polling found "[huge cross-party parliamentary support for Government to take action on empty homes](#)."

Crisis, the national charity for people experiencing homelessness, is calling for a [concerted effort to repurpose long-term empty properties](#) through a number of measures, including a partnership approach to developing a National Empty Homes Initiative.

During National Empty Homes Week in March 2023, Action on Empty Homes, called for a new Nationally funded Empty Homes Programme "[with funding devolved to local councils so they can choose the right mix of 'stick and carrot' measures to deal with their local empty homes problems](#)."

Housing policy is devolved. Scotland, Wales and Northern Ireland have developed their own approaches to tackling empty homes.

# 1 Why are empty homes a problem?

High levels of empty properties are recognised as having a serious impact on the viability of communities. As the number of empty properties within an area increases, so can the incidence of vandalism, which acts as a further disincentive to occupation. In turn, this can lead to a drop in equity levels and the collapse of local businesses as households move out. This spiral of decline can continue as further households are deterred from moving into an area devoid of amenities, and where empty property and derelict shops add to a sense of neglect.

The benefits of a local authority strategy to deal with empty properties have been identified as social, regenerative, financial and strategic. Such a strategy can:

- assist in meeting housing need,
- improve housing conditions,
- regenerate blighted areas,
- increase the Council Tax collection rate and produce savings on temporary accommodation expenditure,
- assist in managing urban areas, and
- produce better relations between local authorities and the private sector.

In September 2023, Crisis, the national charity for people experiencing homelessness, called for a [concerted effort to repurpose long-term empty properties](#) through a number of measures, including a partnership approach to developing a National Empty Homes Initiative.<sup>1</sup> Crisis estimates that over four years to 2028 a strategic approach could bring empty properties back into use across England to provide “an additional 40,000 genuinely affordable homes.”<sup>2</sup>

An important consideration for authorities when working to bring empty properties back into use is why a particular property has been left empty. Some owners may have invested in a property with a view to profiting from its capital value while the market improves and have no intention of renting it

<sup>1</sup> Crisis, [Nearly a quarter of a million properties sitting empty as charity warns Government is wasting opportunities to tackle homelessness](#), 24 September 2023

<sup>2</sup> Crisis, [Make History: Ending homelessness with homes Unlocking the potential of England's empty buildings](#), (PDF), 2023

out. Others may have inherited a property and have no idea how to bring it back into use. Local authorities must respond appropriately to these different situations.

## 1.1

# Trends in the number of empty homes

## Homes recorded as empty for Council Tax purposes

The Department for Levelling Up, Housing and Communities (DLUHC) publishes data on homes classed as empty for Council Tax purposes. In October 2022, there were 676,304 recorded empty homes in England. This is a 3.6% increase on the previous year's total.<sup>3</sup>

248,149 were classed as 'long-term vacant' properties. These are properties that have been empty for more than six months, with the exception of some subject to certain exemptions. This was a 4.6% increase on the previous year's total.

Since 1 April 2013, local authorities have had discretion over whether to apply a Council Tax discount to certain classes of empty properties. They may also charge a Council Tax premium on properties that have been empty for two years or longer. Section 2.4 of this briefing explains these policies in more detail.

## Limitations to the Council Tax data

Statistics on homes classed as empty for Council Tax don't provide a complete picture of empty housing.

Some local authorities do not award any discounts to empty properties. In these cases, there is less incentive for owners to report properties as empty. This may lead to under-reporting of empty properties in certain areas.

The campaign group Action on Empty Homes highlights further limitations to DLUHC's data in its 2019 report, [Empty Homes in England 2019](#). In particular:

- Derelict properties are not classed as dwellings for Council Tax purposes.
- There is a risk that premiums charged on long-term vacant property "may also effectively incentivise owners to conceal empty property status", for example by classifying the properties as second homes instead.
- The data does not include dwellings where there is an exemption from paying Council Tax. So, for example, it does not include unoccupied

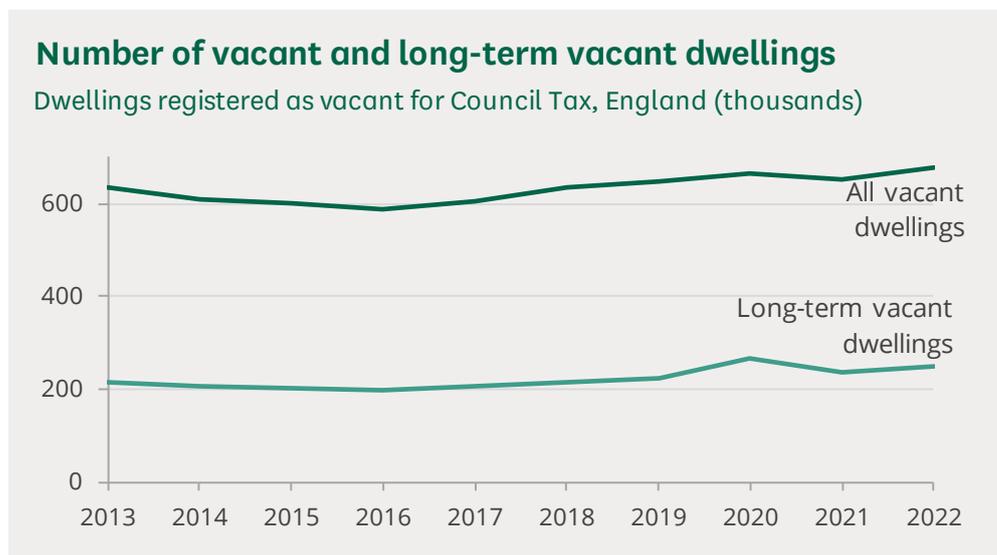
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<sup>3</sup> DLUHC, [Live tables on dwelling stock \(including vacants\)](#), Live Table 615, March 2023

clergy dwellings or properties held in the possession of a mortgage lender or trustee in a bankruptcy.<sup>4</sup>

## Trends in the number of empty homes

The chart below shows trends in the number of vacant and long-term vacant dwellings reported by DLUHC between 2013 and 2022.



Source: DLUHC, [Live tables on dwelling stock \(including vacants\)](#), Live Table 615, March 2023

Action on Empty Homes identified potential reasons for the rise in long term empty homes since 2017 after a downward trend recorded since 2008:

- **The end of the Coalition Government Empty Homes Programme** – [This programme] which, through several targeted funds, saw £216m invested by Government in bringing over 9,000 long-term empty homes back into use, was closed in 2015. The programme was generally viewed as a successful one [...] It is likely the closure of this programme has impacted on the numbers of empty homes.
- **Economic uncertainty impacting on property transactions** – housing market transactions in England fell in 2008 as growth slowed. Transactions also dropped in 2016, coterminous with slower growth after the Brexit vote. Transactions levels have yet to recover to pre-2016 levels and July 2019 saw a 12% year on year drop, with some commentators anticipating further falls. [...] It is reasonable to conclude that reduced activity in the housing market may lead to growth in the number of empty homes.<sup>5</sup>

The report made several recommendations concerning how to bring more empty homes back into use (see Section 5.3 of this paper).

<sup>4</sup> Action on Empty Homes, [Empty Homes in England 2019](#), pp18-20

<sup>5</sup> Ibid., pp6-7

The table below shows the number of vacant and long-term vacant dwellings reported by DLUHC in each region.

<b>Vacant and long-term vacant dwellings by region</b>				
Dwellings registered as vacant for Council Tax, England, October 2022				
	All vacant dwellings		Long-term vacant	
	Number	as % of total stock	Number	as % of total stock
North East	41,596	3.3%	17,804	1.4%
North West	101,778	3.0%	40,704	1.2%
Yorkshire & The Humber	75,135	3.0%	27,372	1.1%
East Midlands	59,581	2.7%	21,842	1.0%
West Midlands	72,048	2.8%	28,642	1.1%
East of England	69,990	2.5%	23,991	0.9%
London	89,508	2.4%	34,327	0.9%
South East	99,829	2.5%	31,869	0.8%
South West	66,839	2.5%	21,598	0.8%
<b>Total</b>	<b>676,304</b>	<b>2.7%</b>	<b>248,149</b>	<b>1.0%</b>

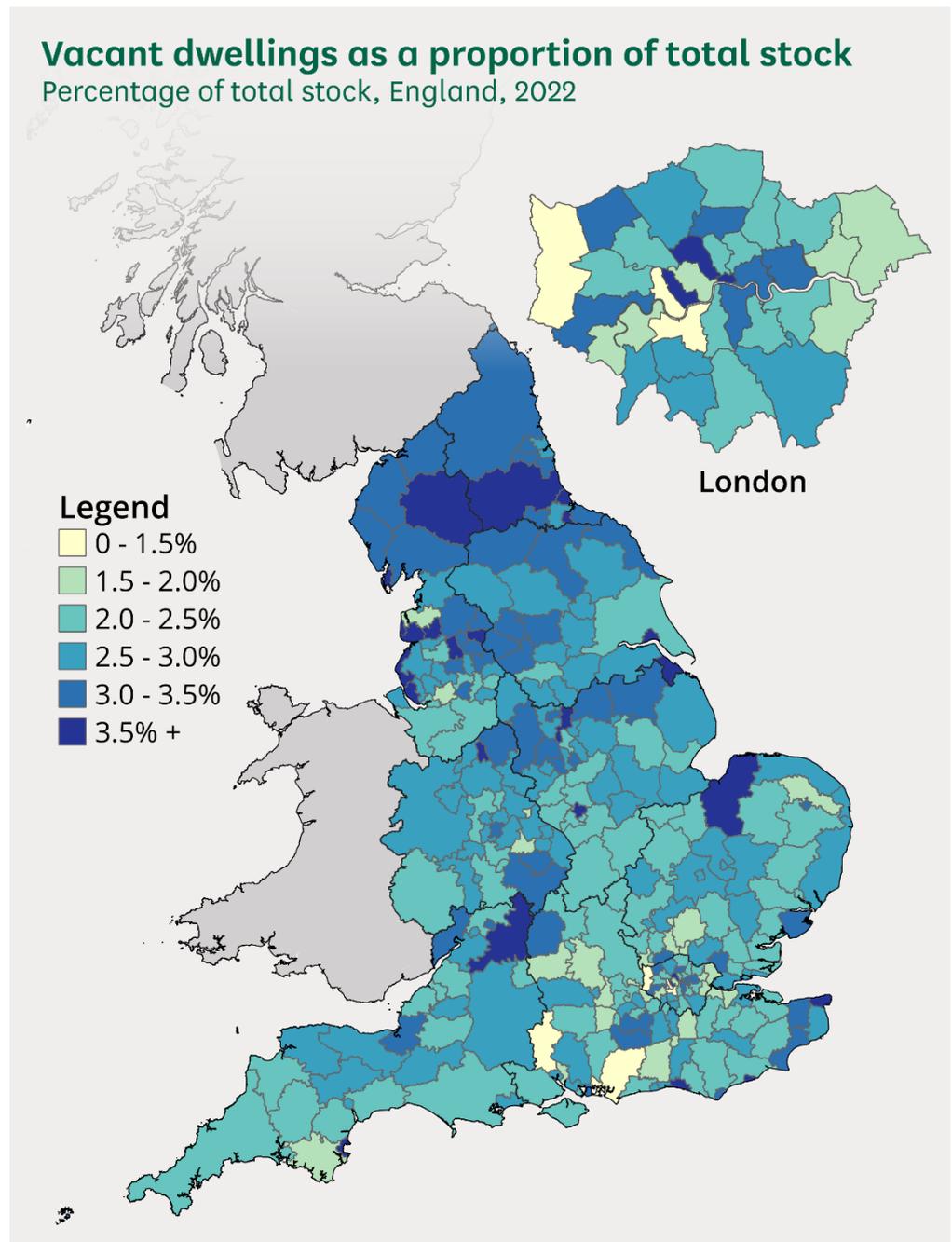
Source: DLUHC, [Live tables on dwelling stock \(including vacants\)](#), Live Tables 615 and 109, March 2023

Notes: The number of vacant dwellings is the number recorded for 3<sup>rd</sup> October 2022. The proportion is calculated using the total number of dwellings estimated for 31<sup>st</sup> March 2022.

The map overleaf shows reported empty homes as a proportion of the total housing stock in each local authority in England.

The local authorities with the highest proportions of vacant homes were Liverpool (4.7%), Barrow-in-Furness (4.6%), the City of London (4.5%), Burnley (4.4%) and Blackpool. Areas with the lowest proportions included Wandsworth (0.6%) and Hillingdon (1.3%).

As discussed above, some variation between local authorities is likely to be accounted for by differences in local authority policies on Council Tax discounts and premiums. There is less incentive to report properties as vacant in areas that do not offer a discount, or which charge a premium on long-term vacant properties.



Source: DLUHC, [Live tables on dwelling stock \(including vacants\)](#), Live Tables 615 and 109, March 2023

Notes: The number of vacant dwellings is the number recorded for 3<sup>rd</sup> October 2022. The proportion is calculated using the total number of dwellings estimated for 31<sup>st</sup> March 2022.

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## 2 Local authorities' powers

Most local authorities have dedicated empty property officers who work to broker the reuse or conversion of empty properties. Authorities may have systems in place for negotiating with owners to bring properties back into use and may provide grants to help improve empty properties. Individuals who own or are buying an empty home may wish to ask their local authority about whether such schemes operate in their area.<sup>6</sup>

The Office of the Deputy Prime Minister (ODPM) issued guidance on unlocking the potential of empty properties in 2003. This [guidance \(PDF\)](#) is available on an archived version of the website of the Department of Levelling Up, Housing and Communities (DLUHC).<sup>7</sup>

This section outlines local authorities' powers in relation to empty properties.

### 2.1 Identifying empty properties

Section 85 of the Local Government Act 2003 allows the use of information gathered as part of the council tax billing process to identify empty properties within an authority's area. The purpose of section 85 is set out in the explanatory notes to the 2003 Act:

Section 85 inserts a new paragraph 18A into Schedule 2 to the LGFA 1992 to allow a billing authority to use information it has obtained for the purpose of carrying out its council tax functions for the purpose of identifying vacant dwellings or taking steps to bring vacant dwellings back into use. New subparagraph 18A(2) limits the extent of personal information which may be shared to an individual's name or an address or number (e.g. telephone number) for communicating with him.

The Government is conscious that it is arguable that allowing the use for other purposes of personal data collected for council tax purposes may in some circumstances constitute an interference with an individual's right to privacy protected by article 8 of the European Convention on Human Rights. It is considered that any data sharing permitted under section 86 does not interfere with an individual's right to privacy. The data will be used only by the billing authority which collected it and it will be used only for public functions in the

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<sup>6</sup> Action on Empty Homes webpage, [FAQS about empty homes](#) [Accessed 15 October 2023]

<sup>7</sup> Office of the Deputy Prime Minister, [Empty property – unlocking the potential – an implementation handbook](#), May 2003 (now archived)

public interest. Section 85 does not permit disclosure to third parties such as commercial organisations.<sup>8</sup>

## 2.2 Empty property strategies

Local authorities in England are not required to publish a specific strategy for dealing with empty properties, but they are required to publish housing strategies. Reference to tackling empty properties within the local area may form part of these strategies.

In its 2019 report, Action on Empty Homes recommended local authorities should adopt a strategic approach to empty homes “and ensure that approaches in neighbourhoods with high levels of empty homes fit within a local authority-wide empty homes strategy”. Action on Empty Homes supports tackling empty homes as a statutory part of authorities’ work in housing alongside prevention strategies.<sup>9</sup>

Amendments were tabled to the Homelessness Act 2002 during its passage through Parliament to make reference to tackling empty homes a requirement in housing strategies and to require authorities to adopt targets for reducing the number of empty properties. The amendments were not accepted; Sally Keeble, then-Minister, said Government should not be “overly prescriptive” on the content of local strategies:

That should be determined by them in the light of their circumstances, such as the number of homeless people in their areas and the type and nature of their housing stock. They should be allowed to exercise their best judgment about how to deal with the difficulties that they face. The most important elements of the strategy are covered by the legislation; further elements might be considered as guidance—and an instruction that relates to the number of empty properties will certainly be considered.<sup>10</sup>

## 2.3 Compulsory purchase

Where agreement cannot be reached with the owner of an empty property a local authority may seek to acquire the property compulsorily. This is only possible where the authority has specific statutory powers to acquire land compulsorily for the proposed purpose and should only be done where the authority can demonstrate that the acquisition would be in the public interest.

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<sup>8</sup> [Explanatory notes to the Local Government Act 2003](#), paras 202-205

<sup>9</sup> Empty Homes, [Empty Homes in England 2019](#), p27

<sup>10</sup> SC(A) 10 July 2001 c32

The 2003 consultation paper, [Empty Homes: Temporary Management, Lasting Solutions \(PDF\)](#), outlined the circumstances in which compulsory purchase may assist in tackling empty properties:

Compulsory Purchase Orders (CPOs) can be made by local authorities under their Housing Act powers e.g., acquisition of land or buildings for the provision of housing; clearance of unfit housing; or securing the aims of a housing renewal area. One potential use of CPOs is to acquire empty or under-occupied properties to bring them into housing use. Such CPOs should be considered on their merits as a last resort where owners have refused or failed to co-operate. Where the Secretary of State confirms such an Order, the acquiring Council would normally be expected to dispose of the properties acquired.<sup>11</sup>

In July 2001, Lord Falconer, then-Minister for Housing, Planning and Regeneration, indicated that compulsory purchase procedures would be fast-tracked to short-cut procedures for buying up run-down abandoned buildings.<sup>12</sup> Measures were included in the Planning and Compulsory Purchase Act 2004.<sup>13</sup>

Following a [Technical consultation on improvements to compulsory purchase processes](#) in 2015, a number of technical reforms to the compulsory purchase system were enacted through Part 7 of the Housing and Planning Act 2016 with the aim of making the system clearer, fairer (for both acquiring authorities and for those whose interests are compulsorily acquired) and faster.<sup>14</sup>

Another consultation process in 2016 led to more changes designed to speed up and simplify the rules relating to compulsory purchase. These were enacted through part 2 of the [Neighbourhood Planning Act 2017](#).

## 2.4

## Council tax discounts and premiums

For more detailed information covering the whole of the UK see [Council tax: empty properties - House of Commons Library](#).

### Discounts

Since 1 April 2013, local authorities have had discretion to charge no discount on certain classes of empty properties. This followed a consultation on [technical reforms of council tax](#) to which the Government responded in May

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<sup>11</sup> Office of the Deputy Prime Minister, [Empty Homes: Temporary Management, Lasting Solutions: A Consultation Paper \(PDF\)](#), May 2003, p63

<sup>12</sup> 'Falconer promises quicker compulsory purchase soon', Inside Housing, 12 July 2001 (log-in required)

<sup>13</sup> For more background information see Library Briefing 1149, [Compulsory Purchase and Compensation \(PDF\)](#).

<sup>14</sup> For further information on these reforms see Section 8 of the Commons Briefing Paper 7331: [Housing and Planning Bill \[Bill 75 of 2015-16\]](#)

2012.<sup>15</sup> The changes made are summarised in the table below.<sup>16</sup>

**Table: discounts for empty properties - England**

Second homes where continuous occupancy for 28 days or more is prohibited	Discount of 0%-50%
Second homes where continuous occupancy for 28 days or more is not prohibited	Discount of 0%-50%
Properties which are “unoccupied and substantially unfurnished”	Discount of 0%-100%
Vacant properties undergoing “major repair work” or “structural alteration”	Discount of 0%-100% for up to twelve months: not available six months after work completed

A ‘second home’ is a property which is not the ‘sole or main residence’ of any individual for council tax purposes. This may include a ‘holiday home’ (though this term is not used in council tax legislation). It may also include a property which the owner does regularly occupy, but another property is defined as their ‘sole or main residence’.

It is for the billing authority (the district or unitary council in England) to decide in the first instance whether a property is anyone’s ‘sole or main residence’. There is substantial case law on this matter.

There is no statutory definition of the term ‘unoccupied and substantially unfurnished’. Again, it is for the billing authority to decide whether a property meets this definition and there is case law on this issue.

The amount of discount to be offered to properties falling into the categories in the table above is, within the specified limits, at the discretion of the billing authority. Many authorities offer no discount for properties falling into these categories. Others offer a short period of exemption (for instance, one month) followed by full liability.

<sup>15</sup> DCLG, [Technical reforms of council tax: summary of responses](#), 2012

<sup>16</sup> The relevant legislation is the [Council Tax \(Prescribed Classes of Dwellings\) \(England\) \(Amendment\) Regulations 2012](#). The [Council Tax \(Exempt Dwellings\) \(England\) \(Amendment\) Order 2012](#) (SI 2012/2965) abolished ‘Class A and C exemptions’, which provided for six months’ exemption for empty dwellings and properties undergoing structural repair or alteration. These ‘classes’ do not relate to the ‘classes’ set out in the Table.

## Empty homes premium

Billing authorities in England have power to increase council tax on properties which have been ‘unoccupied and substantially unfurnished’ for a long period of time. This is known as the ‘empty homes premium’. It is for individual billing authorities to decide whether to levy an empty homes premium.<sup>17</sup> The premium is distinct from the ‘second homes premium’, which applies to a different definition of empty property.<sup>18</sup>

The power to impose a premium arises after a specified time. A period of occupation qualifies as a break in the empty period, ‘resetting the clock’ for the purposes of the empty homes premium.

### Table: empty homes premium

	England
<b>Introduced</b>	2013
<b>Maximum charge as % of standard bill</b>	200% / 300% / 400%
<b>Property must be empty for</b>	2 years
<b>‘Reset period’</b>	6 weeks

In England, billing authorities can charge up to 200% of the standard council tax bill on properties which have been unoccupied and substantially unfurnished for over two years. A period of occupation of 43 days or more ‘resets the clock’.<sup>19</sup>

When the premium was established in 2013-14, the maximum was 50% extra (that is, 150% of the standard bill). As of 2019-20, the maximum rates of empty homes premium are:

- 100% extra (for properties empty for 2-5 years)
- 200% extra (for properties empty for 5-10 years), commencing in 2020-21
- 300% extra (for properties empty for 10+ years), commencing in 2021-22

<sup>17</sup> See section 12 (2) of the [Local Government Finance Act 2012](#)

<sup>18</sup> See [Council tax: empty properties - House of Commons Library](#).

<sup>19</sup> See the [Council Tax \(Prescribed Classes of Dwellings\) \(England\) \(Amendment\) Regulations 2012](#) (SI 2012/2964)

In other words, council tax-payers may be required to pay 200% of the standard bill after two years; 300% of the standard bill after five years; and 400% after ten years.<sup>20</sup>

In England, the empty homes premium cannot be applied to homes that are empty due to the occupant living in armed forces accommodation for job-related purposes, or to annexes being used as part of a main property.<sup>21</sup>

## Second home discounts

Billing authorities can reduce council tax discounts for second homes from 50% to 10%; and from 50% to 0% for ‘unoccupied and substantially unfurnished’ properties.<sup>22</sup>

## Additional exemptions from council tax premiums

The UK Government [published a consultation in July 2023](#) on extending the range of exemptions from council tax premiums in England.<sup>23</sup> The proposed changes would apply to both the empty homes premium and to the second homes premium. The second homes premium will only become available to billing authorities if the [Levelling Up and Regeneration Bill 2022/23](#) becomes law.

These proposals would not have any effect on liability for the standard amount of council tax due on any of the types of property to which they would apply.

The circumstances in which the Government proposes that a property could be exempt from council tax premiums include:

- Where a property is empty following the death of the occupant. An exemption from a council tax premium would be available for twelve months after the date of the grant of probate.
- Properties being actively marketed for sale or let, at a reasonable price.
- Properties undergoing major repairs or structural alterations. The consultation proposed an exemption from the premium would apply again when a property has new owners. It would apply for a maximum of six months.

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<sup>20</sup> These changes were made by the [Rating \(Property in Common Occupation\) and Council Tax \(Empty Dwellings\) Act 2018](#). See also [the Library’s briefing paper on the 2018 Act](#).

<sup>21</sup> See the [Council Tax \(Prescribed Classes of Dwellings\) \(England\) \(Amendment\) Regulations 2012](#) (SI 2012/2964)

<sup>22</sup> See the [Council Tax \(Prescribed Classes of Dwellings\) \(England\) Regulations 2003](#) (SI 2003/3011).

<sup>23</sup> DLUHC, [Consultation on proposals to exempt categories of dwellings from the council tax premiums in England](#), July 2023

This would avoid the current situation where, if a property has been empty for two years or more and it is then bought by someone who plans to carry out major repairs, the new owner can face a council tax premium immediately that they buy the property.

- Annexes that are being used as part of the main property would be permanently exempt from both premiums.
- Properties empty because the liable person is required to live elsewhere for job-related purposes would be permanently exempt from both premiums.

Caravan pitches and boat moorings would be permanently exempted from both premiums.

- Properties subject to planning conditions preventing occupation for 28-day period every 12 months, or which specify a property must be used as a holiday let, or it cannot be used as a sole or main residence, would be permanently exempted from both premiums.

For more detail on the proposals see [Council tax: empty properties - House of Commons Library](#).

## 2.5

### Securing the improvement of empty homes

The principal statutory enforcement powers available to local authorities to secure improvement of empty properties are set out in the table below. See also section 2.7 on Empty Dwelling Management Orders.

Problem	Legislation	Power granted
Dangerous or dilapidated buildings or structures	Building Act 1984 ss77 & 78	To require the owner to make the property safe (s77) or enable the local authority to take emergency action to make the building safe (s78)
	Housing Act 2004 Part 1	Using the Housing Health and Safety Rating System authorities can evaluate potential risks arising from deficiencies within properties and take

		appropriate enforcement action.
Unsecured properties (where there's a risk they may be entered or suffer vandalism, arson or similar)	Building Act 1984, s78	To allow the local authority to fence off the property.
	Local Government (Miscellaneous Provisions) Act 1982, s29	To require the owner to take steps to secure a property or allow the authority to board it up in an emergency.
Blocked or defective drainage or private sewers	Local Government (Miscellaneous Provisions) Act 1976, s35	To require the owner to address obstructed private sewers.
	Building Act 1984, s59	To require the owner to address blocked or defective drainage.
	Public Health Act 1961, s17	To require the owner to address defective drainage or private sewers.
Vermin (where it is either present or there is a risk of attracting vermin that may detrimentally affect people's health)	Public Health Act 1961, s34	To require the owner to remove waste so that vermin is not attracted to the site.
	Prevention of Damage by Pests Act, s4	
	Public Health Act 1936, s83	
	Environmental Protection Act 1990, s80	
Unightly land and property affecting the amenity of an area.	Building Act 1984, s76	To require the owner to remove waste from the property (see above).
	Public Health Act 1961, s34 (see above)	

Town and Country Planning Act 1990, s215	To require the owner to take steps to address a property adversely affecting the amenity of an area through its disrepair.
Building Act 1984, s79	To require the owner to address unsightly land or the external appearance of a property.

Action on Empty Homes has produced a toolkit for local authorities which advises on how to use the powers set out above: [Legal Toolkit: How to use the law to best effect to get empty homes back into use: a short guide on the legal options available to local authorities.](#)

## 2.6 Enforced sale procedure

Where a local authority has invoked enforcement measures and the owner expresses no interest in bringing the property back into use, the authority may undertake works with a view to reclaiming the cost from the owner on completion. Once the works are completed, a charge may be attached to the property on the Local Land Charges Register. The objective is to ensure the owner cannot dispose of the property with the benefit of the improvements. Under the enforced sale procedure, the property is sold on the open market at auction.

## 2.7 Empty Dwelling Management Orders (EDMOs)

Empty Dwelling Management Orders (EDMOs) are a discretionary power of local authorities aimed at bringing empty private sector property back into use.<sup>24</sup>

Chapter 2 of Part 4 of the Housing Act 2004 made provision for local authorities to take over management of certain residential premises that had been empty for a specified period (originally six months). Regulations

<sup>24</sup> For more background information on EDMOs see [Empty Dwelling Management Orders \(EDMOs\) - House of Commons Library](#)

providing EDMOs can only be sought where a property has been empty for two years (as opposed to six months) came into force on 15 November 2012.<sup>25</sup>

## 1 Legislation relating to the service of an EDMO

The law relating to the service of EDMOs is contained in sections 133-138 of the Housing Act 2004 and associated regulations. The power in section 134 of the 2004 Act allowing First-Tier Tribunals (FTTs) to authorise the making of interim EDMOs came into force on 6 July 2006. The Housing (Empty Dwelling Management Orders) (Prescribed Exceptions and Requirements) (England) Order 2006, also came into force on 6 April 2006 and set out the procedures authorities must comply with in seeking approval from a FTT to make an interim EDMO. These procedures were amended by [The Housing \(Empty Dwelling Management Orders\) \(Prescribed Period of Time and Additional Prescribed Requirements\) \(England\) \(Amendment\) Order 2012](#) (SI 2012/2625) from 15 November 2012.

### Interim EDMOs

Where a residential property has been vacant for a minimum of two years, one option at the disposal of an authority is to seek an interim EDMO to allow the authority to let out the dwelling with the proprietor's consent. [Guidance issued by the Department for Communities and Local Government](#) (2006) says the use of EDMOs is a last resort:

Local Housing Authorities should always attempt to secure the occupation of empty dwellings with the consent and co-operation of the owner and only resort to the exercise of their formal enforcement powers, including the use of EDMOs, where occupation cannot be achieved through voluntary means.<sup>26</sup>

Under Section 134 of the Housing Act 2004 a First-Tier Tribunal (Property Chamber) (FTT) may authorise an authority to make an interim EDMO in respect of an unoccupied dwelling (except where the relevant proprietor is a public body) if:

- it is satisfied that the dwelling has been wholly unoccupied for at least 2 years (or such longer period as may be prescribed),
- there is no reasonable prospect of it becoming occupied in the near future,

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<sup>25</sup> [The Housing \(Empty Dwelling Management Orders\) \(Prescribed Period of Time and Additional Prescribed Requirements\) \(England\) \(Amendment\) Order 2012](#) (SI 2012/2625)

<sup>26</sup> DCLG, [Guidance Note on Empty Dwelling Management Orders](#), July 2006, para 2.1

- that, if an interim EDMO is made, there is a reasonable prospect that it will become occupied,
- that the authority have complied with section 133(3) of the Act,
- that any prescribed requirements have been complied with, and
- that it is not satisfied that the case falls within a prescribed exception.

EDMOs cannot be sought in respect of:

- a property that is a building or part of a building used for non-residential purposes, or
- it is not wholly unoccupied, for example, only part of the house or flat is unoccupied or there are spare rooms not in use, or
- it has been lived in at any time within the previous two years.

Circumstances in which other properties are exempt from the service of an EDMO, despite being empty for two years or more, are:

- The property is normally the owner's only or main residence, but:
  - they are temporarily residing elsewhere;
  - they are absent so that they can be cared for elsewhere;
  - they are absent because they are caring for someone elsewhere;
  - they are in the armed forces and are away from home on service.
- The property is occupied occasionally by the owner or their guests as a second home or a holiday home.
- The property is genuinely on the market for sale or to be let.
- The owner is expecting to inherit the property but has not yet obtained grant of representation (probate) following the death of the previous owner. In this case, the property will continue to be excepted for six months after a grant of representation is obtained.
- It is comprised in an agricultural holding within the meaning of the Agricultural Holdings Act 1986 or a farm business tenancy within the meaning of the Agricultural Tenancies Act 1995.
- It is usually occupied by an employee of the relevant proprietor in connection with the performance of his duties under the terms of his contract of employment.
- It is available for occupation by a minister of religion as a residence from which to perform the duties of his office.

- It is subject to a court order freezing the property of the relevant proprietor;
- it is prevented from being occupied as a result of a criminal investigation or criminal proceedings.
- It is mortgaged, where the mortgagee, in right of the mortgage, has entered into and is in possession of the dwelling.
- The proprietor has died and six months has not elapsed since the grant of representation was obtained in respect of this person.<sup>27</sup>

Ultimately, it is up to a FTT to decide if a particular exemption applies and whether to grant an interim EDMO. Once an interim EDMO is granted it will normally last for twelve months.

Lord Wolfson responded to a parliamentary question on the number of interim EDMOs on 22 March 2021:

The Tribunal has a number of EDMO-related jurisdictions. The table below shows the total number of EDMO-related decisions issued for the three full financial years.

Full financial years	Number of Decisions*
2017/2018	10
2018/2019	5
2019/2020	5

\*All EDMO cases types and all outcomes

Data source: Operationally Sourced Case Management Data

The above data was generated on a different date to the information contained in quarterly published statistics and was produced specifically for this enquiry.

Although care is taken when processing and analysing the data, the details are subject to inaccuracies inherent in any large-scale recording system and is the best data that is available at the time of this publication.<sup>28</sup>

## Final EDMOs

Where consent to letting the dwelling cannot be obtained from the proprietor, the interim order may be revoked and replaced with a final EDMO. This does not require the consent of an FTT. Final EDMOs remain in force for a fixed

<sup>27</sup> Regulation 3 of The Housing (Empty Dwelling Management Orders) (Prescribed Exceptions and Requirements) (England) Order 2006 (SI 2006/367)

<sup>28</sup> [UIN HL13984 \[Interim Management Orders\], 22 March 2021](#)

period of no longer than seven years. Where a final order is in place authorities do not need the proprietor's consent to letting out the dwelling.

## Restricting the use of EDMOs (2012)

On 7 January 2011, then-Secretary of State for Communities and Local Government, Eric Pickles, announced an intention to restrict the use of EDMOs:

- they will be limited to empty properties that have become magnets for vandalism, squatters and other forms of anti-social behaviour - blighting the local neighbourhood.
- a property will have to stand empty for at least two years before an Empty Dwelling Management Order can be obtained, and property owners will have to be given at least three months' notice before the order can be issued.<sup>29</sup>

The rationale for the changes was to “protect civil liberties”:

There is a case for action to put boarded-up and blighted properties back into use. But these draconian and heavy-handed state powers have allowed councils to seize private homes in perfect condition, including their fixtures and fittings, just because the homes have been empty for a short while.

The Coalition Government is standing up for the civil liberties of law-abiding citizens. Fundamental human rights include the right to property. People suffering the loss of a loved one should not have to endure the added indignity of having their home seized because of a delay in them deciding what to do with it.

That's why the new Government is introducing new safeguards that mean the rights of responsible homeowners will be protected, while allowing action to be taken against genuine derelict buildings which blight neighbourhoods.<sup>30</sup>

[The Housing \(Empty Dwelling Management Orders\) \(Prescribed Period of Time and Additional Prescribed Requirements\) \(England\) \(Amendment\) Order 2012](#) came into force on 15 November 2012 to increase the period during which a property needs to be empty before an EDMO can be applied for from six months to two years. The Order also provides an authority must give the owner at least three months' notice of the intention to apply for an order.

In terms of responses, Action on Empty Homes welcomed the decision to retain EDMOs but questioned the need for changes:

We are pleased that the power has been retained. It has proved useful as a tool of last resort for councils. The amended regulations will not affect many cases as the power is generally only used in extreme cases which already meet the new amendments.

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<sup>29</sup> DCLG Press Notice, "Pickles acts to protect the rights of home owners," 7 January 2011

<sup>30</sup> As above

He [David Ireland] expressed concern that ‘an effect of the changes would be to limit council’s ability to deal with certain cases such as new blocks of empty speculatively built flats’, but added that ‘the main purpose of the legislation has been retained and we welcome that’.<sup>31</sup>

Respondents also pointed out that some of the cases cited by the Secretary of State on 7 January 2011 in support of the reforms would have been exempt from the existing EDMO process.<sup>32</sup>

Further information on the operation and implications of EDMOs can be found in the Government’s [guidance for local authorities](#) (PDF). There is also (archived) [guidance on EDMOs for residential property owners](#).

## Anti-social Behaviour Action Plan (2023)

The Government published its [Anti-social Behaviour Action Plan](#) in March 2023. The plan includes a commitment to allow authorities to apply for an interim EDMO where certain properties have been vacant for six months, representing a move back to the original position:

So that local authorities can move quickly when a private property is left vacant, we will make changes to the Empty Dwelling Management Order regime, cutting the minimum time period for action from two years to six months specifically for properties which have become a magnet for anti-social behaviour or occupied by squatters.<sup>33</sup>

Action on Empty Homes has been calling for EDMOs to be strengthened and for a removal of the need to prove vandalism, anti-social behaviour or dangerous dereliction are associated with an empty home before action can be taken.<sup>34</sup>

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<sup>31</sup> "Councils face tougher empty homes rules," Inside Housing, 7 January 2011 (log-in required)

<sup>32</sup> "Empty Promises", Inside Housing, 12 January 2011 (log-in required)

<sup>33</sup> HM Government, [Anti-social Behaviour Action Plan](#), March 2023, p32, para 60

<sup>34</sup> [National Empty Homes Week 2023 sees call for action on One Million homes nobody lives in | Action on Empty Homes](#), February 2023

## 3 Other initiatives

### 3.1 Value Added Tax (VAT)

Renovation and refurbishment work on existing homes is generally subject to VAT while new-build housing is zero-rated. Action on Empty Homes has actively lobbied for VAT on new and refurbished homes to be harmonised at 5% in a bid to encourage the repair and conversion of empty properties.<sup>35</sup>

In the 2001 Budget, the Chancellor introduced lower levels of VAT on works to bring empty homes back into use, with works on homes empty for more than ten years being zero rated, and 5% charged on homes empty for more than three years. Action on Empty Homes welcomed this move but expressed disappointment over the failure to harmonise VAT on new-build and refurbishment.<sup>36</sup> In October 2007 the Government announced the three-year limit would be cut to two years, effective from 1 January 2008.<sup>37</sup>

The 2006 ODPM: Housing, Planning and the Regions Select Committee report, *Affordability and the Supply of Housing*, called on Government to reduce VAT on the refurbishment and renovation of all empty properties to 5%.<sup>38</sup>

Inside Housing magazine's Empty Promises Campaign (2009) focused on the potential impact of cutting VAT on renovations and repairs. Assuming an average renovation cost of £25,000 to bring each empty dwelling into use, the Campaign estimated the cost to the Treasury of around £625 million at that time. However, the Federation of Master Builders said cutting VAT would "diminish the financial incentive" for builders to employ "VAT dodging tradesmen to cut their costs."<sup>39</sup>

The Treasury had cited prohibitive European rules governing VAT as a reason for not implementing a cut. However, in March 2009 European finance ministers agreed that Member States should be free to reduce VAT on repairs and maintenance.

Baroness Penn responded to a PQ on the extension of VAT relief on September 2023:

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<sup>35</sup> Cut the VAT, Empty Homes [Accessed 22 December 2015].

<sup>36</sup> "Empties boosted by VAT cuts," Inside Housing, 16 March 2001 (log-in required)

<sup>37</sup> SI (2007/3448)

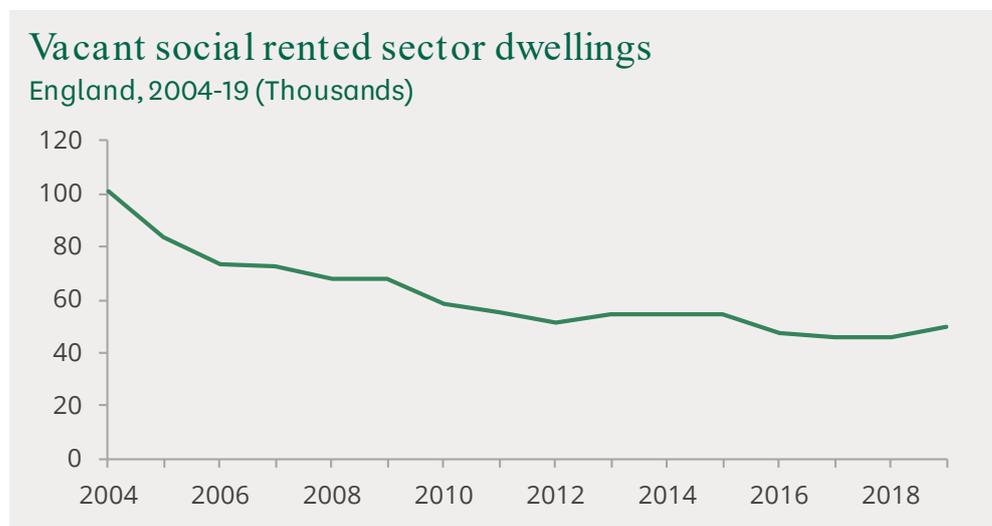
<sup>38</sup> ODPM: Housing, Planning, Local Government and the Regions Committee, [Affordability and the Supply of Housing](#), (PDF) 20 June 2006, HC 703-I 2005-06, para 113

<sup>39</sup> 'And...action', Inside Housing, 20 March 2009 (log-in required)

Extending this VAT relief would impose additional pressure on the public finances to which VAT makes a significant contribution. As such, the Government has no plans to introduce a VAT relief on the renovation and restoration of existing homes; however, the Government keeps all taxes under review.<sup>40</sup>

## 3.2 Empty social housing

The chart below shows trends in the number of vacant social rented sector dwellings (local authority and private registered provider) since 2004. There were 49,523 empty homes in this category in 2019, a decrease of 51% on the 2004 total (100,821 homes). In 2019, 8% of all vacant dwellings were in the social rented sector. This is one percentage-point higher than in 2018.



Source: MHCLG, [Live Table 615](#)

A 2002 report into empty homes published by the Transport, Local Government and the Regions Committee concluded the number of public-sector owned vacant properties “is small compared to those in the private sector” but stressed the importance of good housing management practices to minimise voids. The committee found that one of the main causes of continuing high levels of voids in the public sector stock at that time was regeneration activity:

The Greater London Authority's memorandum observed, “Where vacancy rates are above 3 per cent in a Borough this is usually a feature of regeneration activity.” In the Tarling Estate in Tower Hamlets, which we visited, we saw a ‘decant process’ which has now run for more than two years as the Council seeks to persuade residents of the benefits of moving to alternative accommodation until the whole block of flats is empty.

Where high public sector vacancy rates cannot be attributed to regeneration activity, management practices should be reviewed. We learned from the

<sup>40</sup> [UIN HL9801 \[Housing Improvement: VAT\] 13 September 2023](#)

Housing Corporation that an appropriate vacancy rate in the registered social landlord sector would be a maximum of 2 per cent. **Aggregate figures on empty homes should identify the local authority and registered social landlord empty homes which are being held for demolition / refurbishment, separate from those which are intended for re-letting. Local authorities in healthy housing markets holding more than 2 per cent of their stock vacant and not for regeneration should be required to undertake an immediate review of the housing management function.**<sup>41</sup>

In May 2012 the Homes and Communities Agency (HCA)<sup>42</sup> amended guidance to allow housing associations to dispose of individual empty properties without first having to seek permission:

This means the HCA can give permission for a landlord to sell properties of a particular type, size or other criteria without having to get permission for the sale of each one individually. The legislative power to alter the guidance, through the Housing and Regeneration Act 2008, has existed since April 2010, but until now has not been used.

The HCA argued the change will increase flexibility and reduce administration costs for landlords. The change only applies to non-profit providers.<sup>43</sup>

### 3.3

## Government-owned housing

The Labour Government's consultation paper of May 2003, [Empty Homes: Temporary Management, Lasting Solutions \(PDF\)](#), noted that although Government-owned housing stock comprises only a small proportion of the total, the proportion vacant was "considerably higher" than the national average, running at about 10%. The bulk of Government-owned housing belongs to agencies or trusts of four departments – the Ministry of Defence, Department for Transport, Department of Health and the Home Office.

The Labour Government's policy was to encourage departments that could not dispose of vacant properties due to long-term operational requirements to find short-term uses for them, rather than leaving them empty. Annex 8 to [Empty Homes: Temporary Management, Lasting Solutions \(PDF\)](#) summarised the range of actions taken by these departments to reduce the number of empty homes they owned.

The Conservative manifesto for the 2015 General Election referred to the Coalition Government "reducing the cost of government, by selling empty buildings."<sup>44</sup>

[The Office of Government Property](#) is responsible for managing the government estate. The Office reports that the size of the estate has reduced

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<sup>41</sup> Transport, Local Government and the Regions Committee, [Empty Homes](#), 20 March 2002, HC 240-I 2001-02

<sup>42</sup> Then the regulatory body of housing associations.

<sup>43</sup> "[Landlords free to sell empty properties](#)", *Inside Housing*, 30 May 2012 (log-in required)

<sup>44</sup> [Conservative Party Manifesto 2015 \(PDF\)](#), p47

by 25% since 2010 (not all of which will involve the sale of housing) and over £3 billion capital receipts have been raised from the sale of surplus land and property.<sup>45</sup>

## 3.4 Planning policy

The [National Planning Policy Framework](#) (NPPF) replaced previous Planning Policy Guidance. On empty homes, the Framework says 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 (for example converting space above shops, and building on or above service yards, car parks, lock-ups and railway infrastructure)

[Footnote: As part of this approach, plans and decisions should support efforts to identify and bring back into residential use empty homes and other buildings, supported by the use of compulsory purchase powers where appropriate].<sup>46</sup>

Action on Empty Homes has lobbied in the past to encourage the use of the planning system, via section 106 agreements, to bring empty properties back into use. This would require developers to subsidise the purchase price of empty properties.<sup>47</sup>

## 3.5 Vacant building credit

Vacant building credit (VBC) is an incentive scheme introduced by the Government to reduce a developer's liability for planning obligations on vacant buildings. Where a vacant building is brought back into any lawful use or is demolished to be replaced by a new building, the developer should be offered a financial credit equivalent to the existing gross floorspace of relevant vacant buildings when the local planning authority calculates any affordable housing contribution which will be sought. Affordable housing contributions may be required for any increase in floorspace.<sup>48</sup>

The VBC was originally announced in a [Written Ministerial Statement](#) on 28 November 2014. It was later withdrawn following a High Court challenge in the case of *R (on the application of West Berkshire District Council and Reading Borough Council) v Secretary of State for Communities and Local*

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<sup>45</sup> [Office of Government Property \(OGP\) - GOV.UK](#), [accessed on 15 October 2023]

<sup>46</sup> [NPPF](#), 2023, para 120(d), p35

<sup>47</sup> "Planning solution for empty homes," Inside Housing, 16 January 2004 (log-in required)

<sup>48</sup> HM Government, Planning Practice Guidance, [Planning obligations](#), Paragraph: 021 Reference ID: 23b-021-20160519, Revision date: 19 05 2016

*Government.*<sup>49</sup> In the High Court, the judge noted that before the decision to introduce the VBC policy, no consideration was given to the lack of information on the impact of this policy change. Following this judgment, the Government cancelled those paragraphs in the PPG which had introduced the VBC.

The Government appealed this judgment in the Court of Appeal and on 11 May 2016 the High Court's ruling was overturned.<sup>50</sup> On 19 May 2016 the Government amended the PPG section on planning obligations and reintroduced the VBC policy. It is referred to in paragraph 64 of the [National Planning Policy Framework](#).

## 3.6 Flats over shops

In the November 2000 Pre-budget Report the Chancellor announced the introduction of 100% Capital Allowances for creating 'flats over shops' for letting:

...an immediate tax relief to property owners for the costs of converting redundant space over shops and other commercial premises into flats for letting.<sup>51</sup>

This relief was repealed by the Finance Act 2012 and is not available for expenditure incurred from April 2013 (1 April for Corporation Tax and 6 April for Income Tax). HMRC said take-up was "much lower than anticipated" and its repeal supported "the Government's objective to simplify the tax system."<sup>52</sup>

A December 2017 report published by the Federation of Master Builders (FMB), [Homes On Our High Streets](#), identified potential for the creation of between 300,000 and 400,000 new homes by converting empty spaces above high street shops. The report contained the following recommendations to facilitate this development:

Local authorities should explicitly make reference to building homes above shops on the high street within their various planning documents.

Local authorities should help find ways to overcome disparate ownership and limited building access and/ or infrastructure in order to make redevelopment of residential units easier.

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<sup>49</sup> [2015] EWHC 2222 (Admin)

<sup>50</sup> Secretary of State for Communities and Local Government and (1)West Berkshire District Council (2)Reading Borough Council [\[2016\] EWCA Civ 441](#)

<sup>51</sup> Cm 4917, para 6.80. Provision was made for this in section 67 and schedule 19 to the Finance Act 2001. It applies to expenditure incurred after 11 May 2001.

<sup>52</sup> HMRC, [Capital Allowances - Flat Conversion Allowances: Repeal of Relief](#)

Where the market is not yet strong enough to make such development viable, central government should make available low cost loans, grants and fiscal incentives.

Local authorities, local community groups and developers should work collaboratively with property owners to highlight the potential of this type of development.

All partners involved in building residential units above shops should harness the ability of local community groups to catalyse development.<sup>53</sup>

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<sup>53</sup> FMB, [Homes On Our High Streets](#), December 2017, p3

## 4

## Developments under the Coalition Government 2010-15

The [Coalition's Programme for Government](#) included a commitment to “explore a range of measures to bring empty homes into use.”<sup>54</sup> A parliamentary answer in October 2015 provided a brief overview of some of the measures taken:

- Through the New Homes Bonus, local authorities earn the same financial reward for bringing an empty home back into use as building a new one. Since April 2011 almost £3.4 billion has been paid in recognition of the delivery of over 700,000 homes, plus over 100,000 long-term empty properties brought back into use. 75 per cent of local authorities are financially better off in 2014-15 than if New Homes Bonus scheme didn't exist.
- We made changes through the Local Government Finance Act 1992 so local authorities can charge up to 150% council tax for homes empty for over two years.
- We extended permitted development rights to make it easier to convert property from business to residential to give new life to thousands of empty buildings.
- We amended Empty Dwelling Management Orders to ensure they are only used to tackle the most problematic empty homes.
- We provided £216 million direct funding to local authorities, registered providers and community groups between 2012- 2015 to help tackle the problem of empty homes and properties. This funding created 9,044 homes from empty properties.<sup>55</sup>

The Coalition Government's policy in relation to council tax measures is covered in section 2.4; changes to EDMOs in section 2.7; planning policy in section 3.4, and the disposal of empty government-owned housing in section 3.3. The following sections contain information on other developments.

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<sup>54</sup> HM Government, [The Coalition documentation - GOV.UK](#), p12

<sup>55</sup> [PQ 12962](#), 30 October 2015

## 4.1

## Empty Homes Programme

## First round

Following the Spending Review 2010, then-Housing Minister, Grant Shapps, issued a letter to local authorities setting out the settlement for housing. This letter identified £100 million within the Affordable Homes Programme for bringing empty homes back into use.<sup>56</sup>

The Coalition Government's housing strategy, published in November 2011, explained that the majority of the £100 million would be available from 2012-15. It said funding for conventional housing providers would be administered by the Homes and Communities Agency (HCA, now Homes England), while funding for self-help, community, and voluntary groups would be administered by a national intermediary. The funding was intended to deliver "at least 3,300 affordable homes by March 2015."<sup>57</sup>

Information on how to access funding under the Empty Homes Programme was provided on the HCA's website:

Empty homes is a key part of the HCA's 2011-15 Affordable Homes Programme. The £100m funding is available from April 2012 and will be targeted at long term empty properties which would not come back into use without intervention.

The HCA is keen to offer providers as much flexibility as possible to ensure funding goes towards the most effective approaches at a local level. We are seeking expressions of interest (Eoi) from providers who are considering applying for funding to tackle empty homes. Details on the Eoi process are set out in the [HCA Investment Framework](#).

The funding is available for local authorities, housebuilders and developers, affordable housing providers and local community groups. If providers have schemes that can be delivered before April 2012, details should be submitted using the HCA's standard information template.<sup>58</sup>

Around £70 million was allocated by the HCA in the first round of the Programme.<sup>59</sup>

In January 2012, specific guidance was published for local community and voluntary groups on how to apply for funding: [Bringing Empty Homes back into use: Application guidance for Community and Voluntary Groups \(PDF\)](#). This guidance said there was an aim of awarding at least £10m and as much as £30m, "if sufficient high quality bids come forward." In July 2012, Andrew

<sup>56</sup> [Spending Review – Settlement for Housing](#), (PDF) 20 October 2010

<sup>57</sup> DCLG, [Bringing Empty Homes back into use: Application guidance for Community and Voluntary Groups](#), (PDF) January 2012, p3

<sup>58</sup> Homes and Communities Agency webpage on Empty Homes [Accessed May 2016]

<sup>59</sup> Empty Homes programme: round 1 allocations, Homes and Communities Agency, 5 March 2012

Stunell announced that £25m would be allocated to 76 community groups to refurbish 1,600 homes.<sup>60</sup>

## Second round

In June 2013, then-Communities Minister, Don Foster, said £61 million would be allocated under the second round of the Empty Homes Programme. Around £41 million would be allocated by the HCA to registered social landlords, with the remainder allocated to community and voluntary groups. It was expected that together this would bring around 3,200 extra homes into use.<sup>61</sup>

The Empty Homes Programme came to an end in March 2015. Details of funding allocations made by the Homes and Communities Agency under both rounds of the Programme is available on the Gov.uk website at: [Empty Homes programme: guidance and allocations](#).

## 4.2 Affordable Homes programme 2015-18

The prospectus for the Affordable Homes Programme 2015-18 was published in January 2014. It invited applications for £1.7 billion of Government funding to increase the supply of affordable housing. A separate programme for London was administered by the Greater London Authority.

The prospectus said, unlike the 2011-15 Affordable Homes Programme, there was no separate funding for empty homes. However, it said that bringing empty homes into use was a legitimate form of Affordable Rent provision that could be included in bids.<sup>62</sup>

## 4.3 Clusters of Empty Homes Programme

The Coalition Government's Housing Strategy announced an intention to allocate an additional £50 million to tackle concentrations of poor quality empty homes in areas of low housing demand. Match funding would be sought from local partners. The funding allocated under the scheme was subsequently increased to £60 million. The removal of specific funding for certain areas of low demand (Housing Market Renewal areas) in March 2011

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<sup>60</sup> "Empty homes schemes allocated £25m," Inside Housing, 10 July 2012 (login required)

<sup>61</sup> Department for Communities and Local Government, [£91 million cash to tackle over 6,000 empty and derelict homes](#), 20 June 2013

<sup>62</sup> Homes and Communities Agency, [Affordable Homes Programme 2015-18: Prospectus](#), (PDF) January 2014, p39

had led to the suggestion that whole communities in northern England “are being left high and dry.”<sup>63</sup> The scheme ended in March 2015.

## 4.4 New Homes Bonus

On 11 January 2011 the Coalition Government confirmed that bringing empty homes back into use would attract additional funding under the New Homes Bonus (NHB):

The Government is offering powerful new incentives for councils to get empty homes lived in again, matching the council tax raised for every empty property brought back into use - which can be spent as they wish. Mr Stunell urged local communities to work with their council to identify where empty homes are blighting the neighbourhood, and start benefiting from extra cash that can be used to improve the local area.

[...]

Under plans recently consulted on, the Government will match through the New Homes Bonus any council tax raised from a property that previously stood empty. The extra funding can be spent to benefit the local community - whether on council tax discounts, boosting local services, renovating more empty properties or improving local facilities.

The funding is part of a two pronged attack to get to grips with the issue of empty homes, and will supplement the £100 million already announced as part of the Spending Review for Housing Associations to bring empty properties back into use.<sup>64</sup>

On 30 October 2015, the Minister for Housing, then-Brandon Lewis, said the bonus had resulted in “over 100,000 long-term empty properties brought back into use.”<sup>65</sup> Section 5.1 covers changes to the NHB introduced by the 2015 Conservative Government.

## 4.5 Empty homes advisor

In April 2012 the Coalition Government appointed George Clarke as its independent [empty homes advisor](#). His role involved:

- promoting bringing empty homes back into use
- raising public awareness of the benefits of bringing empty homes back into use and encouraging people to report empty homes in their area

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<sup>63</sup> Guardian, “[Housing schemes grind to a halt as funding dries up](#),” 22 September 2010

<sup>64</sup> DCLG, [New incentives to tackle the blight of empty homes](#), 10 January 2011

<sup>65</sup> [PQ 12960](#), 30 October 2015

- encouraging councils, housing associations and voluntary groups to identify innovative and good ideas and sharing this across communities
- challenging Government and other public bodies to ensure publicly-owned homes are not left empty; and
- exploring whether current plans for demolition in councils could be scaled back.<sup>66</sup>

In June 2013, he made ten recommendations for housing regeneration areas, including “Refurbishing and upgrading existing homes should be the first and preferred option rather than demolition.” The recommendations are listed in full in a press release of 20 June 2013: [£91 million cash to tackle over 6,000 empty and derelict homes.](#)

## 4.6 Empty Homes Loan Fund (closed)

In September 2013, a joint initiative between Action on Empty Homes, Ecology Building Society, central Government and participating local authorities, was launched. Under the scheme, loans of up to £15,000 were provided to owners of empty properties to help bring them back into affordable use. The loans would have a fixed interest rate of 5%. The scheme was backed by £3 million of funding from central Government and was administered by the Ecology Building Society.<sup>67</sup>

In August 2014, the Empty Homes Loan Fund was abolished because of low take-up; Inside Housing reported several participating councils had “minimal or zero take-up.”<sup>68</sup> Inside Housing additionally reported that the Government wanted to ensure the £3 million allocated would still be used for bringing empty homes back into use. The article quoted a Government spokesperson as saying, “We are keen to ensure that this funding remains available to bring empty homes back into use.”<sup>69</sup>

## 4.7 Mayor of London

Responsibility for housing in London transferred to the Mayor on 1 April 2012. [Laying the foundations: a housing strategy for England](#) (PDF) 2011) advised that the London Mayor at that time intended to use his additional housing and regeneration powers (contained in the Localism Act 2011) to:

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<sup>66</sup> DCLG [Press Release](#), 11 April 2012

<sup>67</sup> “£3m empty homes fund launches today,” Inside Housing, 2 September 2013[log-in required]

<sup>68</sup> “£3m empty homes loan scheme scrapped,” Inside Housing, 7 August 2014 (log-in required)

<sup>69</sup> “DCLG promises money from scrapped fund will be used for empty homes,” Inside Housing, 12 August 2014 (log-in required)

- maintain his target that no more than 1 per cent of London's homes should stand empty or unused for more than six months
- maintain and update his empty homes audit, to help target action and investment to tackle abandoned and derelict homes
- target a share of London's funding for empty homes to bring residential buildings on the English Heritage 'At Risk' register back into use and explore options to engage the public in this process
- encourage boroughs to remove any financial incentives to leaving homes empty
- encourage the involvement of the community in bringing empty homes back into use, for example self-help organisations
- make investment decisions that prioritise bringing back into use homes for affordable housing.<sup>70</sup>

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<sup>70</sup> HM Government, [Laying the foundations: a housing strategy for England](#), (PDF) November 2011, p41

## 5 The approach since 2015

### 5.1 Government policy

In October 2015, a parliamentary question asked whether the Government intended to introduce a scheme similar to the Empty Homes Programme. In response, Brandon Lewis, then-Housing and Planning Minister, said the Government had no plans to introduce additional funding to tackle empty homes.<sup>71</sup> In line with this, the [prospectus for the 2016-21 Shared Ownership and Affordable Homes Programme](#) (PDF) contained no reference to funding empty homes.

The current [Affordable Homes Programme 2021-26](#) does allow for the creation of affordable homes by bringing empty homes back into use.<sup>72</sup> The preferred model is purchase and repair:

The provider acquires a second hand dwelling on the open market, which requires some repair to bring it to a standard and a condition suitable for affordable housing letting. The estimated cost of the grant-eligible works will exceed £1,500 per dwelling, exclusive of VAT.<sup>73</sup>

As part of the Autumn Statement 2015 the Chancellor announced the New Homes Bonus (NHB) would be subject to a consultation exercise.<sup>74</sup> The consultation paper, [New Homes Bonus: sharpening the incentive: technical consultation \(PDF\)](#), was published on 17 December 2015. The Secretary of State for Communities and Local Government, then Sajid Javid, announced changes to the NHB scheme as part of the Local Government Finance Settlement in December 2016. He confirmed the following decisions:

- From 2017 a national baseline for housing growth would apply of 0.4%. Below this, the NHB would not be paid. The aim was to ensure “the money is used to reward additional housing rather than just normal growth”.<sup>75</sup>
- The number of years for which payments are made was reduced from six to five years in 2017-18 and reduced further to four years from 2018-19.<sup>76</sup>

<sup>71</sup> [PQ 10766](#), 19 October 2015

<sup>72</sup> See detailed [guidance on purchase and repair](#) (the preferred model) and [lease and repair options](#).

<sup>73</sup> MHCLG, [Capital Funding Guide](#), 10 September 2020

<sup>74</sup> HM Treasury, [The Spending Review and Autumn Statement 2015](#), (PDF) para 1.242

<sup>75</sup> [HC Deb 1 December 2016 c977](#)

<sup>76</sup> As above.

Further information on this scheme can be found in a Library briefing paper [The New Homes Bonus Scheme](#) and in a paper published by DCLG, [New Homes Bonus: Final scheme design \(PDF\)](#).

On 7 June 2023, the Housing Minister, Rachel Maclean, responded to a PQ on steps being taken to bring empty homes back into use:

The number of long-term empty homes remains substantially lower than when records began in 2004. As of May 2010, over 300,000 homes in England had been standing empty for longer than 6 months. As of October 2022, the number of long-term empty properties had fallen to 248,633.

The Government wants to encourage empty homes back into use and to empower local leaders to reinvest in their communities. Local authorities already have many powers and strong incentives to tackle empty homes. Through the New Homes Bonus, they receive the same level of reward for bringing an empty home back into use as building a new one.<sup>77</sup>

Crisis, the national charity for people experiencing homelessness, has called for a [concerted effort to repurpose long-term empty properties](#) through a number of measures, including a partnership approach to developing a National Empty Homes Initiative.<sup>78</sup> Crisis estimates that over four years to 2028 a strategic approach could bring empty properties back into use across England to provide “an additional 40,000 genuinely affordable homes.”<sup>79</sup>

During National Empty Homes Week in March 2023, Action on Empty Homes, called for a new Nationally funded Empty Homes Programme “with funding devolved to local councils so they can choose the right mix of 'stick and carrot' measures to deal with their local empty homes problems.”<sup>80</sup> They compared the position in England with that in Scotland and Wales, both of which have national empty homes programmes.<sup>81</sup>

Action on Empty Homes supports community-based approaches to bring empty homes back into use, they’ve developed a [Community Action on Empty Homes Toolkit](#) which built on learning from [Community action on empty homes - Using empty homes to regenerate communities \(2019\)](#).

The New Economics Foundation (NEF) published [The community right to buy \(PDF\)](#) in September 2023 which makes the case, amongst other measures, for “pre-emptive first buyer rights for social landlords and community-led housing organisations.”<sup>82</sup> This, it’s argued, would “empower communities to take control of poorly maintained and empty homes in deprived areas with

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<sup>77</sup> [PQ 187086 \[Empty Property\] 7 June 2023](#)

<sup>78</sup> Crisis, [Nearly a quarter of a million properties sitting empty as charity warns Government is wasting opportunities to tackle homelessness](#), 24 September 2023

<sup>79</sup> Crisis, [Make History: Ending homelessness with homes Unlocking the potential of England’s empty buildings](#), (PDF), 2023

<sup>80</sup> [National Empty Homes Week 2023 sees call for action on One Million homes nobody lives in | Action on Empty Homes](#), 27 February 2023

<sup>81</sup> [Wales follows Scotland to create National Empty Homes Programme as England’s empties continue to pile up | Action on Empty Homes](#), 15 February 2023

<sup>82</sup> NEF, [Community right to buy](#), (PDF), September 2023

low property values”<sup>83</sup> and “give them a necessary competitive advantage over buy-to-let, often absentee landlords, who continue to extract wealth from left behind communities.”<sup>84</sup>

## 5.2 London Mayor’s approach

Sadiq Khan’s [Housing Strategy for London \(PDF\)](#), was published in May 2018 and adopted in August 2018 following consultation on a draft version. The strategy refers to the recorded number of empty homes in London at that point as at an historically low level of 0.6% of total housing stock.<sup>85</sup> The Mayor’s approach to tackling empty homes has focused, in part, on ‘buy-to-leave’ investment at the top end of the market:

The Mayor will address public concerns about empty homes and the impact of housing being bought for investment, particularly by overseas buyers, on the availability of homes for Londoners. This will include:

1. helping to ensure that Londoners have first dibs for more new homes, particularly those that are affordable to more first time buyers;
2. addressing empty homes by encouraging all councils to levy the empty homes Council Tax premium and lobbying Government for changes to make it more effective; and
3. continuing to urge Government to set new standards of transparency in the property industry and particularly for properties owned by companies registered overseas.<sup>86</sup>

The Mayor was questioned on action to tackle a 25% increase in long-term empty homes in London over the last three years on 16 January 2020:

**Sadiq Khan (Mayor of London):** Given the capital’s chronic housing shortage it is concerning to see an increase in the number of empty homes in London and while I do not have specific powers to bring empty homes back into use many councils are working hard to do just this. Unfortunately, the tools available to them are limited.

Councils can use Empty Dwelling Management Orders, known as EDMOs, to take over management of unoccupied homes and bring them into use as rental properties. My London Plan and London Housing Strategy outline my support for local authorities that wish to use these powers. Since 2012, the Government has restricted the circumstances in which EDMOs can be used. A home now has to be empty for two years rather than six months before an EDMO can be issued and an owner has to have three months’ notice. This has significantly reduced the effectiveness of EDMOs.

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<sup>83</sup> NEF, [Community right to buy](#), (PDF), September 2023

<sup>84</sup> As above.

<sup>85</sup> GLA, [Housing Strategy for London, May 2018, \(PDF\) para 5.71](#)

<sup>86</sup> As above, p156

Councils can also levy a council tax premium on empty homes. The Government has increased this premium last year. However, it still does not go nearly far enough to disincentivise owners from leaving properties empty. Given the low levels of council tax as relative to property values, the premium is rarely high enough to have an impact. Band A, B and E properties in Westminster which have been empty for two years would need to pay only £529 extra even if the property is worth millions. That is why I have called on the Government to give councils themselves the powers to set the premium level.

We know there are different reasons for homes being empty. I have asked my team to commission research into definitions and data on empty homes to better understand this issue and ensure any future policy interventions are underpinned by strong evidence. In the meantime, I will continue to do all I can to support councils to tackle this issue and the wider housing crisis.<sup>87</sup>

The research referred to was published in September 2020: [Defining and measuring empty and under-utilised dwellings in London](#).

Action on Empty Homes published two reports on London in 2020:

- [Pretty vacant The negative impact of wealth investment on access to housing in London Policy analysis and recommendations](#), April 2020
- [Homes Without Residents](#), January 2020 (a sister publication from their London Wealth Investment project).

## 5.3

### Action on Empty Homes' recommendations 2019

In its 2019 report, [Empty Homes in England 2019](#), Action on Empty Homes made several recommendations on how to bring more empty homes back into use. The recommendations include:

- Central Government should adopt a national investment programme targeted at areas with high levels of long-term empty homes.
- Central Government should re-establish dedicated funding programmes to support local authorities and housing providers to create affordable housing from long-term empty homes in all parts of England.
- Central Government should ensure that funding programmes to tackle empty homes are also open to community-led organisations who are not registered providers, and invest in capacity building in this sector.<sup>88</sup>

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<sup>87</sup> [MQT, Empty Homes in London, 16 January 2020](#)

<sup>88</sup> Action on Empty Homes published [Community action on empty homes - Using empty homes to regenerate communities](#), May 2019

- Central Government should provide support for ‘empty home prevention’ schemes, by supporting investment in existing homes.
- Central Government should conduct a review of how the legal powers available to local authorities to tackle empty homes and poor standards of management in the private rented sector could be improved.
- Local authorities should adopt a strategic approach to tackling empty homes.
- Local authorities should support community based regeneration approaches and look to support community based organisations.
- Local authorities and housing associations should seek funding and allocate resources to buy and refurbish empty properties for people in housing need.
- Housing associations should develop ethical disposal policies to balance the financial and operational needs of associations with community interests and priorities.
- Housing associations should liaise with local authorities to help ensure that they do not contribute to neighbourhood decline and undermine strategies to tackle empty homes; and prioritise the development of ethical supply chain management which works with local suppliers and offers training and job opportunities to local people.
- Action on Empty Homes included a further recommendation on second homes:

Discussions with officers around the country lead Action on Empty Homes to the conclusion that the definition of ‘second homes’ requires tightening and that any burden of proof of their usage as such should be shifted to owners.<sup>89</sup>
- An examination of the impact, regulation and taxation of the short-term or holiday lettings market was recommended.
- Action on Empty Homes also recommended the introduction of a national register of home ownership and usage.

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<sup>89</sup> Action on Empty Homes, [Empty Homes in England 2019](#), pp27-29

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