

A property owner's guide to



Empty Homes

Unlock the potential of a dormant property
Vale of Glamorgan



www.valeofglamorgan.gov.uk/emptyhomes



The document is available in Welsh.
Mae'r ddogfen hon ar gael yn Gymraeg.



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1 Introduction

What is an empty home?

The Welsh Government and Local Authorities define an empty home as a dwelling that has been empty for six months or more. There can be several reasons why a property is empty and the Vale of Glamorgan Council is committed to working with owners to find solutions to bring empty homes back into use.

How to identify an Empty Property?

A long-term empty property is usually easy to identify as it may be neglected or in a state of disrepair. Some tell-tale signs may include:

- Large amount of uncollected post building up inside the front door
- Garden not being maintained or rubbish remaining or building up at the property
- Signs of disrepair and external damage e.g. broken windows, damaged roof
- Property is boarded up

Why bring an empty home back into use?

For Owners

There are a number of benefits for you bringing your property back into use, the most obvious ones to owners being the following financial benefits:

- Receive an income from renting, leasing or selling your property
- Property is more likely to hold its capital value if it is occupied and maintained



For the Wider community

There are also a number of benefits to the community including:

- Contributing to strong balanced housing markets and community sustainability;
- Increasing the supply of good quality affordable housing;
- Enhancing the viability and vitality of the area;
- Reducing the risk of vandalism, arson or squatting and the fear of crime.

Tackling empty homes and bringing them back into use will have a positive impact on both the owners of empty properties and the Vale of Glamorgan residents, including people in housing need and the wider community for whom empty homes often cause a problem.

How can an empty home be brought back into use?

An empty home can be brought back into use by selling or renting the property. The Vale of Glamorgan Council offer a number of initiatives to support owners to bring empty homes back into use and can provide you with advice and assistance in doing this.

We do understand that some homes are left empty because they are used as second homes or as holiday homes and assistance may therefore not be required.

Who can I contact if I have any queries?

If you have any queries regarding an empty home, please contact 01446 704721, or emailing housingloans@valeofglamorgan.gov.uk.

Alternatively, you can write to the Empty Homes and Loans Officer, Regeneration and Planning, The Vale of Glamorgan Council, 1st Floor Dock Offices, Subway Road, Barry CF63 4RT



2 Empty Property Loans (interest free!)

What are Empty Property Loans?

Empty Property Loans are interest free loans made available to enable the renovation and improvement of single properties or the conversion of empty properties into a number of units, so that they are suitable for use as residential accommodation.

There are two types Empty Property Loans:

- Landlord Loans
- Empty Property Owner Occupier Loans

To be eligible the applicant must:

- Be aged 18 or over on the date of the loan application;
- Be individuals or companies who already own an empty property or are considering buying an empty property in the Vale of Glamorgan;
- Provide relevant financial information: individuals (3 months' pay slips), charities (3 years accounts), and companies/businesses (3 years accounts);
- Not have an outstanding debt with the Vale of Glamorgan Council or outstanding charges against the property;
- Have a satisfactory credit check and
- Must pay the Vale of Glamorgan Council the relevant application fee on submission of the final application.

To be eligible the property must comply with the following:

- Have been vacant for a minimum of 6 months;
- Be in receipt of planning permission if the loan is to convert empty commercial properties into residential accommodation;

- Be considered, in the Authority's opinion, to be suitable for social or private letting; or sale at the time of application;
- Be renovated to a reasonable standard, comply will all relevant Building Regulations and Planning Permissions, be free from serious hazards and comply with the Houses into Homes Standard on completion of the works;
- Be suitable for immediate occupation, whether by for sale (loan to sell) or to let (loan to let) on completion of the works;
- Not to be the subject of a Demolition Order under the Housing Acts and Section 77 of the Building Act;
- Not to have received assistance for the same works during the previous 10 year period;
- Not be under an insurance claim or third party claim
- Not include works outside the curtilage of the property unless they relate to the provision of essential services such as water, gas or electricity.

Are the loans secured?

Yes. Approved loans must be secured by a first or second financial charge against a property. If there is an existing mortgage on the property, the Vale of Glamorgan Council will need the lenders' consent to secure the charge.

What is the maximum amount of loan I can apply for?

A loan of up to £35,000 per property or unit is available. For Landlord Loans this would be up to a total maximum of £250,000 (10 properties) per applicant e.g. the maximum loan available to renovate/create 3 flats in one property would be £105,000 (3x 35,000). For Empty Property Owner Occupier loans the maximum loan will be £35,000.

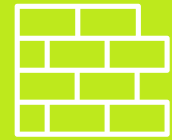


eg:

current value = £100,000

+ mortgage = £65,000
maximum loan = £15,000

£80,000



There will be a maximum of 80% loan to value, based on the current value and condition of the property offered as security, supported by an independent valuation by the Royal Institute of Chartered Surveyors and a local authority land search.

Therefore, if you have an existing mortgage of £65,000 on a property with a current market value of £100,000, then the maximum loan that can be approved is £15,000; £65,000 & £15,000 = £80,000 (Maximum 80% Loan to value).

In certain cases, it may be possible for another property to be used as security for the loan. Where the cost of the works exceeds the value of the loan, then the applicant must be able to show that they have adequate funds to complete the development.

Funding can be made available in instalments, for example, 50% up front to provide working capital and 50% when reasonable progress has been made. This will be agreed with the Empty Homes and Loans Officer and will be outlined in the Loan Facility Agreement.

What do I have to do with the property or units after completion of the works?

You can either let the property/units, sell the property/units to a new owner or you can live in the property yourself as your principal home.

Does the works/conversion have to be carried out to any sort of standards?

Yes. All work must be carried out in accordance with any planning permissions or building regulation approvals made in respect of the property. A dwelling assessment will be undertaken by an Environmental Health Officer once a loan application has been submitted. This will identify potential hazards which will need to be addressed and minimised during the renovation process. If the intention is to let the property, all category 1 hazards must be addressed and reduced to an acceptable level prior to letting the property.



What is the interest rate for the loan?

The loan is interest free. However, in the event of a breach of the loan conditions, the Vale of Glamorgan Council may demand immediate payment and charge interest at the Standard National Rate in force at the time of the loan or at a rate outlined in the individual Loan Facility Agreement.

Empty Property Landlord Loans

Are there any conditions attached to approving the loan?

- You must carry out the renovation/repair works within the agreed time period.
- The property/units must be made available for sale or for let within a reasonable period of time after completing the works (12 weeks), and if they are not, then the loan may become repayable.
- The loan must be repaid either on or before the date as specified in your Loan Facility Agreement.
- A financial charge will be made on the property for the lifetime of the loan.
- Satisfactory credit check

When will I have to repay the loan?

- If you are renovating a property, which is to be sold, the loan must be repaid when the property is sold or up to 2 years from the date of the loan approval, whichever is the sooner.
- If the property/units are to be made available for letting the loan must be repaid within 5 years from the date of the loan approval. However, if the property is let via the Council's Vale Assisted Tenancy Scheme or equivalent, the loan period can be set to 10 years.
- All loans can be repaid earlier if the applicant wishes to do so.

Are there any fees associated with the loan being issued?

There will be an administration fee based on the loan amount:

£590 for a loan on 1 residential unit

An additional £50 will be payable for each additional unit included in the loan application
(to be refurbished or created)

For example, if you converting an existing dwelling into 6 flats, the administration fee will be:

£590 + (5 X £50) = £840



Empty Property Owner Occupier Loan

Are there any conditions attached to approving the loan?

- You must carry out the renovation/repair works within the agreed time period.
- The property must be occupied by the owner within a reasonable period of time after completing the works (12 weeks), and if they are not, then the loan may become repayable.
- A financial charge will be made on the property for the lifetime of the loan.

When will I have to repay the loan?

- The loan amount will be repaid in monthly instalments over a maximum period of 5 years (60 months). Therefore, if a loan of £7,000 is required over a 5 year period the monthly repayments will be calculated as follows:
$$£7,000 / 60 = £117$$
- All loans can be repaid earlier if the applicant wishes to do so.

Are there any fees associated with the loan being issued?

For an Empty Property Owner Occupier Loan, the administration fee payable by the applicant is £295



I am interested in applying for a loan, what do I do next?

You will need to contact the Empty Homes and Loans Officer and an Application Pack will be sent to you. On receipt of your completed Application Form and relevant supporting documents we will contact you to arrange for a Dwelling Assessment to be undertaken at the property and a Schedule of Works will be drafted.

Any works that have been carried out prior to the Dwelling Assessment are not eligible for loan assistance. You are advised not to begin any of the works identified until you have received confirmation that the loan has been approved.



For further information:

www.valeofglamorgan.gov.uk/housingloans

The Empty Homes and Loans Officer will be happy to discuss your options and the Housing Loans process with you.

Contact details are shown at the end of this booklet.





3 VAT discounts for empty homes

If you are bringing an empty property back into use that has not been lived in during the 2 years immediately before your work starts and is intended for use solely for a 'relevant residential purpose' you may be eligible for a reduced rate VAT.

What VAT discounts can I obtain?

VAT Notice 708 (Building and Construction) (HM Revenue & Custom) - Empty houses that have been unoccupied for two years can qualify for a reduced level of VAT (5%) on building works. This can be a significant reduction in the overall costs of bringing the property back into use.

VAT Notice 708/6 (Energy-Saving Materials) (HM Revenue & Customs) - Reduced rates of VAT also apply to installing a number of energy efficiency or energy saving measures. These discounts may apply to works to bring an empty property back into use.

How can the Vale of Glamorgan Council assist?

Upon request, the Empty Homes and Loans Officer can write an official letter to the property owner confirming how long the property has been empty. Such a letter may be requested by companies/tradespeople before applying the reduced VAT as it may be required by HM Revenue and Customs. If you require this letter to be sent to you, please contact the Empty Homes and Loans Officer using the contact details at the end of this information booklet

Who do I contact for further information?

Telephone the HM Revenue and Customs and Excise National Advice Line on 0845 010 9000. Alternatively, view the information at www.gov.uk/government/publications/vat-notice-708-buildings-and-construction.

Fact:

Empty houses that have been unoccupied for two years can qualify for a reduced level of VAT (5%) on building works.

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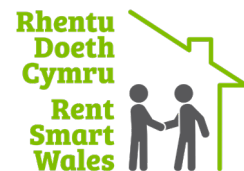
Rent Smart Wales



Under the Housing (Wales) Act 2014, there are new legal obligations on landlords who have rental property in Wales. The Rent Smart Wales website www.rentsmart.gov.wales explains these obligations and will help you to understand the process.

Landlord Registration Any landlord who has a rental property in Wales which is rented on an assured, assured shorthold or regulated tenancy is required to register. Depending on how a property is owned will determine who needs to register it. All registrations are completed with Rent Smart Wales and last for 5 years.

Landlord Licensing Landlords who are not involved in setting up tenancies and managing their rental properties do not need a licence; however they must use a licensed agent and register as a landlord declaring their agent on the registration. Landlords who do undertake letting and management tasks at their rental properties in Wales are required to undertake training and apply for a licence. Such landlords are often described as 'self-managing'. Training can be done via Rent Smart Wales (online or classroom courses or one of its External Approved Training Providers and can be done in a classroom based setting or online. Online training usually costs less than a classroom based course. The landlord licence lasts for 5 years.



For more information go to the Rent Smart Wales website at

www.rentsmart.gov.wales.

Facts:

Under the Housing (Wales) Act 2014, there are new legal obligations on landlords who have rental property in Wales



5 Renting Options.

Leasing or letting your property via a Housing Association/ Registered Social Landlord

Housing Associations/Registered Social Landlords (RSL's) aim to increase the number of properties available for rent. RSL's are experienced in letting properties and may be interested in leasing a property or managing the letting of a property in the private sector. RSL's can offer professional assistance to any private sector landlord which may be of particular assistance to:

- **First time landlords**
- **Buy to let landlords**
- **Owners with inherited homes**
- **Absentee landlords etc**

RSL's are non-profit making and are regulated by Welsh Government. The following Registered Social Landlords work in partnership with the Vale of Glamorgan Council:



Wales and West Housing Association
www.wwha.co.uk



Newydd Housing Association
www.newydd.co.uk



United Welsh Housing Association
<http://emptyhomeswales.co.uk>



**Hafod Housing Association
(Cartrefi Hafod Leasing & Lettings)**
www.hafod.org.uk



Hafod Housing Association
(Cartrefi Hafod Leasing & Lettings)
www.hafod.org.uk
0800 0248968

Leasing – Guaranteed rent for up to 3 years, no void loss, no management responsibility, day to day repairs covered.

Lettings – Free market appraisal, an experienced accredited team, full management or tenant find only

About us:

We have over 50 years of property and tenancy management experience. We can offer you a comprehensive service and the complete peace of mind that we are part of Hafod Housing Association who manage over 4500 homes.

We are licensed under the Rent Smart Wales scheme so you don't have to be. You will still need to register as a private landlord.

We currently offer the following services to Private Landlords:

- **Social lettings Scheme**
- **Lettings Agency**
- **Homeless leasing accommodation and services**
- **Homeshare**
- **Syrian Refugee Scheme**



United Welsh Housing Association
<http://emptyhomeswales.co.uk>
02920 858140

Empty Homes Wales – can fund and undertake the works on your property through a leasing scheme.

We will lease the property from you and manage the tenancy including repairs and maintenance.

The rental income received during the term of the lease will be used to cover the cost of the work.

Once the work cost has been received, we can continue to rent the property on your behalf if you wish. In this case, we will give you the rental income minus our management fee.

Tenancy Management Package: Once your property is ready to be let we will manage the whole process



Newydd Housing Association
www.newydd.co.uk
0303 040 1998

About Us: We are a responsible landlord with over 40 years of experience in the housing sector. We currently manage nearly 3,000 homes for rent and sale across South and Mid Wales.

Our Vision: To provide quality affordable homes and to support sustainable communities with excellent services to our tenants and customers.

What we can offer: We have the experience and the expertise to offer a range of services for empty home owners from a tenant find to a fully managed service. Where your property may need any refurbishment, whether this is decoration or more substantial works, we could assist you with this process in terms of obtaining competitive tenders, managing the works, leasing the property from you and helping you apply for any loans that may be available.

Housing Options and Rental through the Vale of Glamorgan Council

The Vale of Glamorgan Council aims to ensure that residents in the Vale have access and information on the most suitable housing options available to them. The Council offers information on private renting and the Vale Assisted Tenancy Scheme, social renting through the Council and partnered Housing Associations (HOMES4U), affordable housing and the low cost ownership scheme.

Vale Assisted Tenancy Scheme

The Housing Solutions team have built some strong relationships with private rented landlords over the years, with landlords now calling the department directly when they have an available property to rent. With an exhaustive list of clients waiting for affordable properties, landlords who seek long term tenants for their private properties are liaising with the Private Rented Sector Procurement Officer based within the Housing Solutions team. The team can then identify suitable tenants to view the property.

The Vale of Glamorgan Housing Solutions team have landlord packs available which are full of information on the Vale Assisted Tenancy Scheme (VATS) and the service the team can provide. The VATS scheme looks to assist clients who are homeless or threatened with homelessness with some financial assistance to secure a private rented property, by perhaps providing a month's rent in advance and / or a bond guarantee certificate.

To request a landlord pack,
please email **VATS@valeofglamorgan.gov.uk**.
Alternatively, you can call **01446 709302**
to request one to be posted to you.

Check it out

*To check if an agent is licensed through Rent Smart Wales go to:
www.rentsmart.gov.wales/en/check-register*

www.rentsmart.gov.wales/en/check-register

Renting your property through a private letting agent

What services can a letting agent provide?

- Advising you on rent levels;
- Finding tenants and checking references;
- Collecting rent and holding the money in a separate client account and providing a monthly statement;
- Arranging utilities safety checks and routine maintenance work;
- Arranging regular inspections of the property;
- Dealing with all legal and administrative paperwork between tenant and landlord.

Fees vary from agency to agency but typically charge 10% to 15% of the rental income (plus VAT). As landlord you would be responsible for insuring the building and major repairs and maintenance.

How do I decide which letting agent to use?

There are a number of lettings agents in the Vale of Glamorgan that can assist you in letting and managing a private rented tenancy. The Vale of Glamorgan Council does not have an affiliation with any private letting agents. Letting agents who have signed up to a scheme such as Rent Smart Wales, the National Approved Letting Scheme (NALS) or the Association of Residential Letting Agents (ARLA) will provide professional standards of service to both landlord and tenant. It is always advisable to check if the letting agent has signed up to any of these and other relevant schemes.

To check if an agent is Licensed through Rent Smart Wales go to **www.rentsmart.gov.wales/en/check-register** and type in the Agents name.

Contact details of letting agents can be found on the following websites

The National Approved Letting Scheme (NALS) www.nalscheme.co.uk

The Association of Residential Letting Agents (ARLA Propertymark) www.arla.co.uk



6 Selling Options

How the Vale of Glamorgan Council can assist

If you own a property that is currently empty and want to sell it, you can inform the Empty Homes and Loans Officer and the property details will be forwarded to the Vale of Glamorgan Council (Housing team) and the partner Registered Social Landlords who may be interested in purchasing an empty property and/or land.

if a property is empty and it is in a state of disrepair, you may be eligible to an interest free housing loan to assist with the renovation and repair costs before or after sale

In addition, the Council hold a list of private landlords and investors who may be interested in purchasing empty property and we can ensure that your property details are circulated to interested parties.

If a potential buyer is found, this sale becomes a private matter between both parties. We recommend that you obtain legal advice and an independent valuation of the property when negotiating and agreeing the terms of sale.

Contact the Empty Homes and Loans Officer if you want your empty property to be included in the list of empty properties that may be available for sale or if you are a private landlord/investor that is looking to purchase property.

Selling your property though a private estate agent

The process of selling a property can be made easier by using a private estate agent to help sell your property by:

- Valuing the property and advertising it in the best way in order to target suitable buyers
- Arranging viewings of the property and to show potential buyers around
- Receiving offers from potential buyers and help to negotiate offers
- Advising you on any improvements that could be made to the property to help achieve a sale.

There are a number of estate agents that operate in the Vale of Glamorgan Council. You are recommended to ensure that the estate agents you contact are members of the National Association of Estate Agents (NAEA).

To find suitable Estate Agents go to <http://www.naea.co.uk/find-agent.aspx> and specify your search area and a list of agents will be provided. For full Estate Agent's contact details, click on their name.

Contact details of suitable estate agents can be found on the following website

The National Association of Estate Agents (NAEA Propertymark)

www.naea.co.uk

Selling your property by auction

What are the advantages of selling my property at auction?

One of the great advantages of selling a property in auction is that auctions have a targeted audience made up of developers, cash buyers, investors and portfolio landlords.

Unlike selling via an estate agent, once the gavel falls the purchaser has a legal obligation to complete the sale of the property. This eradicates the complication of a prospective purchaser withdrawing from the sale as can happen when a property is sold subject to contract via the estate agency method.

There is also the added benefit of speed of sale by selling at auction. Once the sale has been agreed, it usually only takes 20 working days for completion. With realistic guide prices it is also the best way to achieve a good sale price.

Although a guide price will be determined by the auctioneers, a minimum price can be set by the seller.

How do I decide which auctioneer to use?

There are numerous auctioneers that sell properties within the Vale of Glamorgan. Most auctioneers cover South Wales or the whole of Wales and hold auctions on a monthly or quarterly basis in various locations.

Property auctions:

Property auctioneers by area and auction dates can be found on the following website:



www.propertyauctionaction.co.uk

Auctioneers typically charge around 2% - 3% plus VAT of the sales price achieved which may be subject to a minimum fee. Some auctioneers request an upfront catalogue /entry fee of around £200 - £300 plus VAT. The seller is also responsible for paying for a legal pack to be prepared prior to the auction which may costs around £300 plus VAT.





7 Enforcement Action

The Vale of Glamorgan Council is pro-active in returning empty properties to use. We wish to work with owners of empty properties for the benefit of the community.

Where it is recognised that an empty property is insecure, causing a nuisance or left derelict, an officer will visit the property to determine the necessary action. Where possible, the officer will try to work with owners to find the best solution in bringing empty properties back into use.

Enforcement actions by the Council will be a last resort

The Council may take enforcement action under the following powers may be used to bring properties back into use and to make safe:

- Environmental Protection Act 1990 Section 80 and the Building Act 1984 Section 76 to deal with nuisance;
- Prevention of Damage by Pests Act 1949 Section 4 to deal with infestations of rats and mice;
- Local Government (Miscellaneous Provisions) Act 1982 Section 29 and the Building Act 1984 Section 79 to deal with unsecured or dilapidated properties;
- Town & Country Planning Act 1990 Section 215 to deal with unsightly Properties;
- Building Act 1984 Section 77 & 78 to deal with dangerous properties;
- Housing Health and Safety Rating System in the Housing Act 2004 to improve housing conditions;
- Compulsory purchase under Section 17 of the Housing Act 1985

What is the Enforced Sale Scheme?

The Enforced Sales Scheme is a process by which the Council brings about the sale of a privately owned house. It is used as a means to “sell on” a long-term vacant house to a new owner, in circumstances where the present owner is either unwilling or unable to deal with the house and its associated problems.

An initial assessment will need to take place to consider which of these properties are suitable for inclusion into the Enforced Sales Scheme.

The use of the Enforced Sales Scheme should be seen as a last resort. It is expected that all informal and formal action will have been taken and exhausted by the Council in order to resolve the existence of the empty property and its associated problems.

www.srs.wales/en/Housing/Empty-Homes.aspx

**For further information, please contact
Eleri Nicholas, Empty Homes and Loans Officer**

**Telephone: 01446 704721
housingloans@valeofglamorgan.gov.uk**

- Eleri Nicholas
Empty Homes and Loans Officer
Regeneration and Planning
Vale of Glamorgan Council
1st Floor, Dock Offices
Subway Road, Barry
CF63 4RT

Empty Homes advice

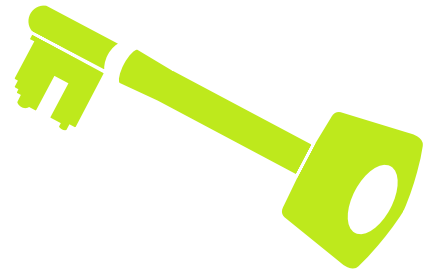


**Own an empty property
Thinking of converting it?**

Contact us.



Regeneration & Planning
Vale of Glamorgan Council



Empty Homes

A property owner's guide



Regeneration & Planning
Vale of Glamorgan Council

Telephone: 01446 704721
housingloans@valeofglamorgan.gov.uk