

Loans plan to tackle scandal of Britain's empty homes

A new initiative in Kent could lead the way in putting the UK's 600,000 derelict houses back into use, reports **Lisa Bachelor**

OWNERS OF empty homes in Kent are being targeted by a new initiative which, if taken up by other councils, could help to bring thousands of derelict properties back into use.

Kent County Council last week launched a £5m fund which will provide interest-free loans to landlords, developers and owners to cover the cost of renovation and refurbishment of about 9,000 empty properties in the east of the county.

One of the main stumbling blocks for owners of empty homes is often a lack of funds with which to renovate a property and bring it back into use. So the county is working with councils in Dover, Shepway, Swale and Thanet to offer any owner of an empty property – or anyone considering buying one – interest-free loans for renovation or refurbishment of to £25,000 per single dwelling. As much as £175,000 could be available for properties that could be converted into more than one flat. The property in question has to have been empty for at least six months, and owners taking out loans now must bring it back into residential use by March 2008.

'Empty housing causes a major blight on neighbourhoods. The county council is involved in a number of large-scale regeneration initiatives, but these can take many years to complete; regenerating empty properties individually is something that can be achieved in the short term,' says Susan Pledger, manager of the council's empty homes project.

The number of empty homes in the region represents a small proportion of the 680,000 properties standing empty in England alone; the greatest numbers are in the north west, followed by London and the south east. Of these, 290,000 have been empty for more than six months.

For potential buyers, there is scant information on the locations of empty homes. 'This is a contentious issue as some people are concerned that, by revealing where empty properties are,

In Sefton, Merseyside, just four out of 4,000 empty homes were put back into use last year

we could be inviting squatters in,' says Pledger.

If a council won't disclose information on its empty properties, a written request can be made under the Freedom of Information Act. There are also websites that can help, although these tend to concentrate on specific areas. Empro.co.uk, launched in 2004 by the Empty Homes Agency, the government and seven west London councils, provides details of empty homes in west London and has recently begun to list properties in the Midlands too.

Some local authorities have also started to become more proactive in



Judy Cummings right, and the empty home she tried to buy in Liverpool for the BBC's *How to Rescue a House*. That attempt failed, but she has had better luck elsewhere.



Detective work Under leads to success

JUDY CUMMINGS' efforts to buy an empty home in Liverpool were shown in October last year on the BBC1 programme *How to Rescue a House*. At that time Judy was looking at what she describes as a 'brilliant' property.

Unfortunately, after the programme was broadcast the house was withdrawn from the market and remains empty to this day. Determined not to be put off, however, Judy found a second empty home – a derelict ground-floor two-bedroom flat next door to her mother.

Using the Land Registry and a good lawyer, she tracked the owner down to New Zealand and persuaded him to sell to her for £65,000. 'The programme gave me a lot of skills which I used to buy and renovate this house,' she says. But it wasn't plain sailing. 'The bureaucracy in securing it was a nightmare and the place itself needed

a huge amount of work doing.'

But four months on she has spent £8,000 on renovations, the place is complete and valued at £125,000, and she has let it. 'The programme equipped me to be a lot more forceful and demonstrative, especially with workmen who thought they could take advantage,' she says.

Judy adds that an interest-free loan from her county council would have been great, especially for the original property which she was told would need £200,000 of renovation work. But the fact her council doesn't offer this scheme has not put her off. She is already searching for her next property – and this time she intends to live in it.

■ Residents in The Wirral are being urged to contact the council on a new hotline to report empty properties. The number is 0151 691 8005.

dealing with their empty homes since the Empty Dwelling Management Orders (Edmo) were introduced in the summer under the Housing Act. These allow councils to take over an empty property

after reasonable efforts to contact and negotiate with the owner have failed. In most cases where local authorities have threatened an owner with an Edmo the owner has decided to sell the property anyway, says David Ireland of the Empty Homes Agency.

But not all local authorities are so efficient. Ireland cites the case of Sefton in Merseyside, where he says only four empty homes out of a total of 4,000 in the area were brought back into use last year.

Auctions are a good way to find empty properties that are already on the market, but buyers will need to pay for a survey up front and get a builder involved early on to establish how much work is needed and how much it might cost.

properties empty for more than 10 years there is no VAT.

■ Make sure you work out a proper budget before you start refurbishing an empty property. Budget for a contingency sum of at least 10 per cent, and if the property is very dilapidated, make it nearer 25 per cent.

Source: *The Empty Homes Agency*

AVOID THOSE MONEY PITS

- Make sure you are allowed to do what you want to the property. If there are legal restrictions, you may not be allowed to redesign it your own way.
- Don't bank on being able to get a grant, but do find out what is available.
- Make the most of tax breaks. For properties that have been empty for between three and 10 years, the VAT rate is 5 per cent on refurbishment costs; for

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