

A property owner's guide to

empty homes

Unlock your property's potential

Cyngor Bwrdeistref Sirol



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1. Introduction

Empty properties are a wasted resource. Bridgend County Borough Council can assist owners of empty properties into bringing them back into use for their benefit and that of the community.

Landlords have a responsibility to ensure their properties are maintained and managed appropriately. Good landlords manage their properties like any other business would manage its assets. Empty properties deteriorate and cost owners money. It is not acceptable to abandon a property in the misguided belief that it will increase in value over time.

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:

- A large amount of uncollected mail building up inside the front door
- The garden not being maintained or rubbish remaining at the property
- Signs of disrepair and external damage e.g. broken windows or a damaged roof
- The 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:

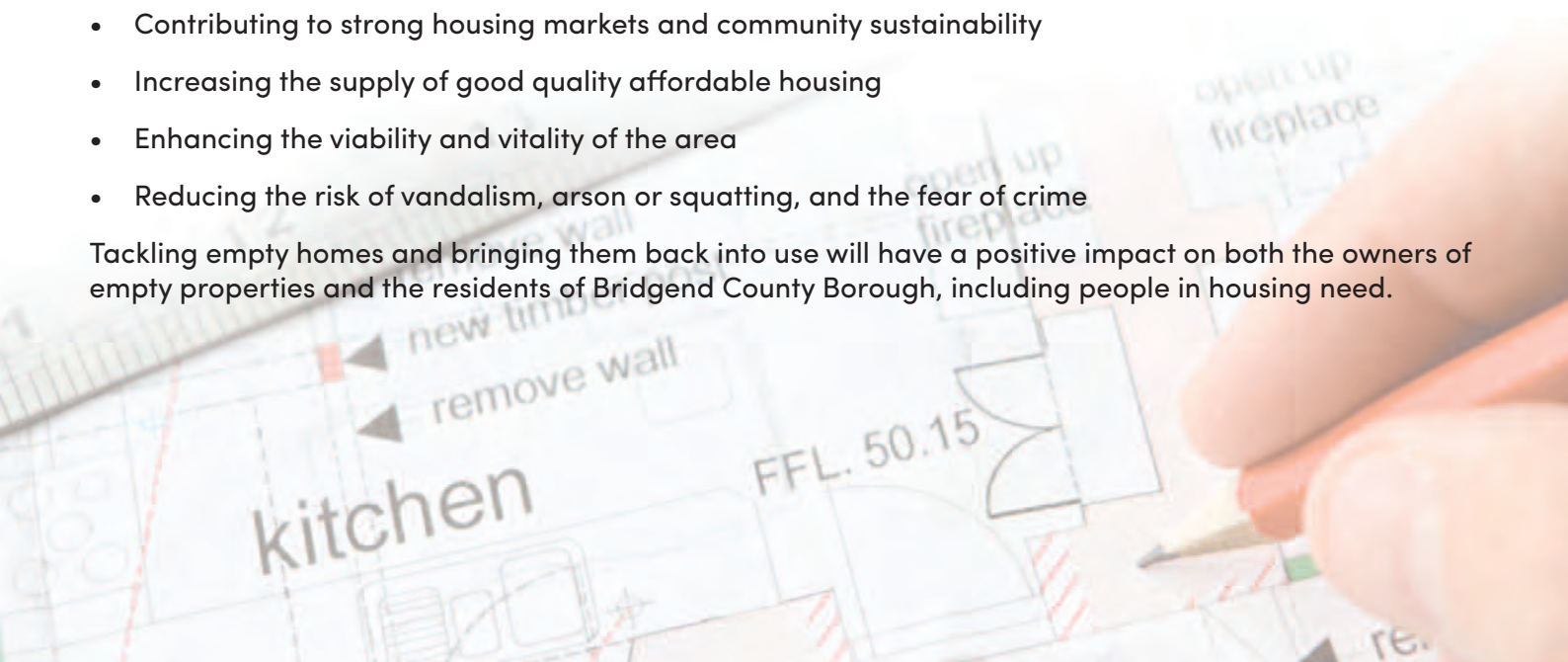
- You can receive an income from renting, leasing or selling your property
- Your property is more likely to hold its capital value if it is occupied and maintained

For the wider community

There are further benefits to the community including:

- Contributing to strong 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 residents of Bridgend County Borough, including people in housing need.



How can an empty home be brought back into use?

An empty home can be brought back into use by selling the property or renovating it to a standard at which it can be rented out. Bridgend County Borough Council offers a number of initiatives to support owners to bring empty homes back into use, and seeks to work cooperatively with them to achieve this. Regular and effective communication is paramount to establish the most appropriate course of action.

The help and assistance that the council currently offers is detailed in this guide. It includes information on empty homes grants, empty property loans and a range of other information to assist owners to bring empty properties back into use.

Formal enforcement action is always a last resort but the council believes that leaving properties stand empty for long periods of time when there is a shortage of affordable housing in the county borough is not acceptable. Where properties continue to remain empty and are in a state of disrepair or are detrimental to an area, the council will use its legislative powers to remedy the adverse impact on the community and bring the properties back into use.

The authority understands that some homes are left empty because they are used as second homes or holiday homes and that 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 01656 643642, or e-mail emptyproperties@bridgend.gov.uk.

Alternatively, you can write to
Matthew Jones, Empty Property Coordinator, Civic Offices, Angel Street, Bridgend, CF31 4WB.



2. Empty property loans

What are empty property loans?

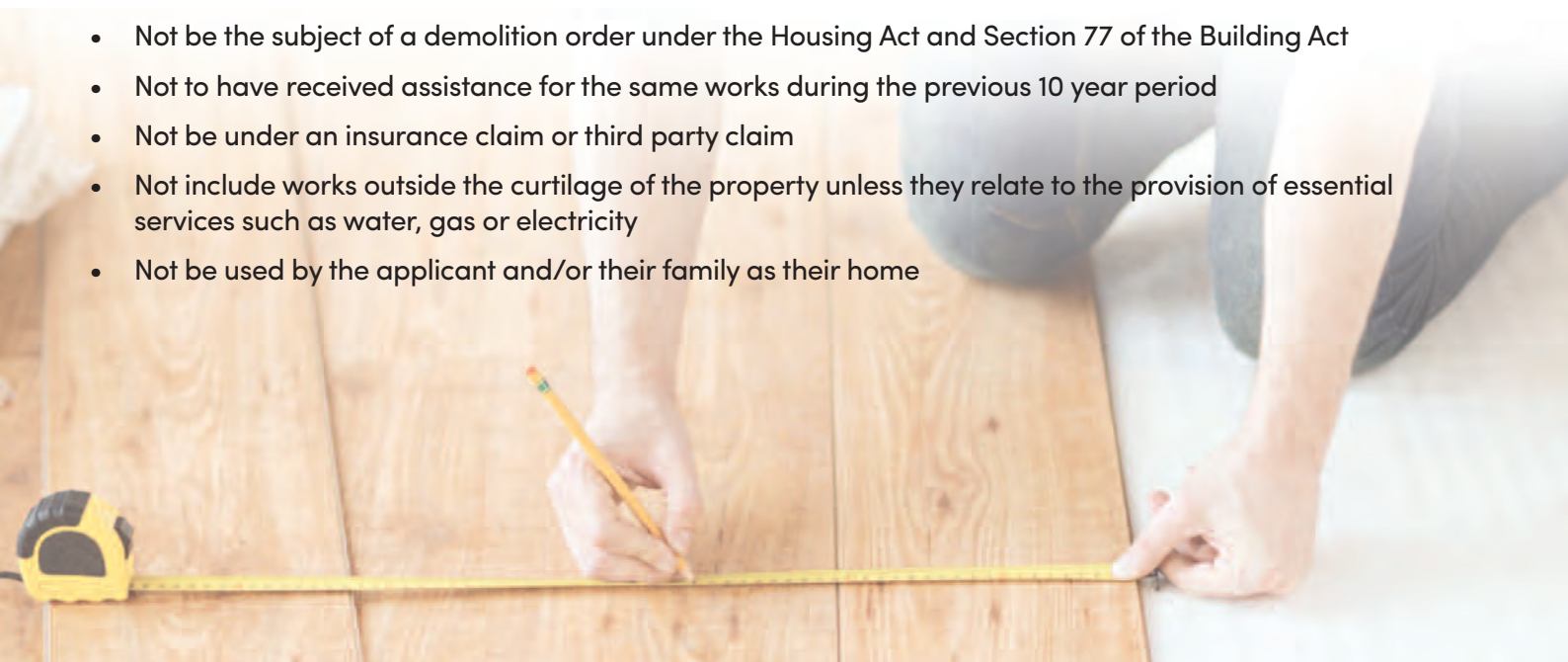
Empty property loans are interest free loans made available to enable the renovation and improvement of single properties, or the conversion of empty properties into a number of units, so that they are suitable for use as residential accommodation.

To be eligible the applicant must:

- Be aged 18 or over on the date of the loan application
- Be an individual or company that already owns an empty property or is considering buying an empty property in Bridgend County Borough
- Provide relevant financial information: individuals (three months' pay slips), charities (three years' accounts), and companies/businesses (three years' accounts)
- Not have an outstanding debt with Bridgend County Borough Council or outstanding charges against the property
- Have a satisfactory credit check
- Pay Bridgend County Borough 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 six 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 with 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 be the subject of a demolition order under the Housing Act 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
- Not be used by the applicant and/or their family as their home



Are the loans secured?

Yes. All loans approved must be secured by a first or second financial charge secured against the property. If there is an existing mortgage on the property the council will need the lender's consent to secure its charge.

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

A loan of up to £25,000 per property or unit is available, up to a maximum total of £150,000 per applicant (6 properties). For example, the maximum loan available to renovate/create three flats in one property would be £75,000 (3 x £25,000).

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 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).

It is possible, in certain cases, 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 will be available in two instalments: 50% up-front to provide working capital and 50% when reasonable progress is considered to have been made. This will be agreed 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 or you can sell the property/units to a new owner. Loans are not available for people wanting to renovate the property and live in it as their principal home.

Do the works/conversion have to be carried out to a particular standard?

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 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 loans are interest free. However, in the event of a breach of the loan conditions, Bridgend County Borough Council may demand immediate repayment of the loan and charge interest at the standard national rate at the time of the loan, or the rate outlined in the individual loan facility agreement.

What conditions are attached to approving the loan?

- You must carry out the conversion/repair works within an 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). If this isn't the case, 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 two years from the date of the loan approval, whichever is the soonest
- If the property/units are to be made available for let the loan must be repaid within five years from the date of the loan approval
- All loans can be repaid earlier if the applicant wishes to do so

Are there any fees associated with the loan being issued?

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

£495 for a loan on 1 residential unit. An additional £50 will be payable for each additional unit included in the loan application.

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

$£495 + (2 \times £50) = £595$



3. Empty homes grants

The empty homes grant forms part of the authority's overall approach to tackling empty properties in the county borough, and will assist in increasing the supply of affordable rented accommodation. The authority will determine the works necessary to bring a property back into use in consultation with Shared Regulatory Services. Works must not have commenced before the application is approved, and must be completed within six months of the approval.

What is the maximum grant amount?

- Up to £10,000 or 75% of the eligible cost per unit for a like-for-like conversion, such as a two bed house being brought back into use as a two bed house
- Up to £15,000 or 75% of the eligible cost per unit for a conversion into more units, such as a two bed house being brought back into use as two one bed flats
- Up to £9,000 or 75% of the eligible cost per unit for a conversion into units that have shared facilities, such as bedsit-type units that share kitchen bathroom facilities or both.

The grant will include fees payable for planning application, building regulations, Land Registry title and title plan, reasonable RICS valuation fee, and registering a charge at Companies House (if necessary). This will only be considered if the authority deems the property suitable for social letting.

To be eligible the applicant must:

- Be aged 18 or over on the date of the grant application
- Have an owner's interest in the property and be able to certify intent to let the dwelling to a person who is not a member of their family throughout the grant condition period of three years
- Be registered with Rent Smart Wales by completion of works

To be eligible the property must:

- Be over 10 years old and identified as empty on the authority's empty homes register
- Be considered suitable for social letting at the time of application
- Be free from Category 1 hazards on completion of works
- Be rented on completion of works at the rate of the local housing allowance, and be available for nomination by the authority or their appointed agent for a period of three years
- Not be the subject of a demolition order under the Housing Acts
- Not have received assistance during the previous 10 year period



What works are eligible? (this list is not exhaustive)

1. Renewal or repair of roof coverings including all lead work and ridge tiles
2. Rebuilding or re-pointing defective chimney stacks
3. Renewal of fascias, soffits, bargeboards, rainwater guttering and downpipes
4. Re-pointing external stonework or re-rendering defective external rendering
5. Renewal of defective windows
6. Renewal of external doors with 'secure by design' type UPVC doors
7. Renewal of defective electrical re-wiring to upgrade for safety purposes
8. Renewal of defective ceilings, plasterwork and skirting boards
9. Works to eradicate dampness with the injection of a chemical damp proof course
10. Repairs to staircase for safety reasons
11. Provision of a suitable bath or shower, wash hand basin and W.C.
12. Provision of a sink unit and associated plumbing where no existing kitchen exists
13. Provision of suitable boiler for heating of water for hot water to all amenities

All works are awarded at the discretion of the council and does not mean that all the works listed will automatically be considered within the grant, if a grant is approved. All properties will be subject to an inspection before any works commence to identify the eligible works for grant assistance. Also, on completion, the property will be inspected by council officers and will need to meet the required standard to enable the occupants of the property to live within a safe, suitable and satisfactory environment.

What works are NOT eligible? (this list is not exhaustive)

1. Replacement of internal doors
2. Renewal of existing bathroom or kitchen suites
3. Replacement of internal and external decoration
4. Renewal of light fittings, internal windowsill boards
5. Renewal of existing central heating boilers and radiators
6. Any other work considered as day-to-day maintenance



What are the repayment conditions?

100% of the grant is repayable for up to three years following the date of certification if:

- The property is vacant for a period of six months or more
- The property is disposed of
- The nomination agreement is not being met

The applicant, together with any joint owner, will be required to agree to a legal charge being taken on the property, or any other form of security deemed appropriate by the authority to ensure repayment of the grant.

How do I apply?

You will need to complete an 'Empty Homes Grant Expression of Interest' form. On receipt of the completed form, the authority will check that you and the property comply with the eligibility criteria. If either you or the property do not comply with the eligibility criteria, you will be notified of this in writing and the reasons why.

If you and the property do comply with the eligibility criteria, we will contact you to arrange for a visit to the property. The council will visit the property at a pre-arranged time together with yourself or your agent, and will be able to answer any specific questions you may have about the work or the application. The eligible works will be identified and the schedule of grant aided works will be produced. If for any reason the works are not eligible for grant assistance, you will be informed at the time of the survey being carried out.

Following this, you will be sent an empty homes grant application form, a certificate of intended lending and a supplementary questionnaire for you to complete. You will also be sent a copy of the schedule of grant aided works.



4. Homes in town grant

This grant is designed to encourage town centre living in the County Borough. The Homes in Towns Grant (HIT) forms part of the Authority's overall approach to tackling vacant space in and around Bridgend town centre, to increase the supply of affordable accommodation in the area and assist regeneration in the town centre. Prioritisation will be given to applications that fall within the inner core of the town centre in the first instance, although applications will be invited for properties that fall within the outer area. An application will only be considered, if in the Authority's opinion, the property is suitable for letting through a nomination from the Common Housing Register or under the Council's Local Lettings Policy in place at the time of referral.

The Authority will determine the works necessary to bring a property back into use. Works must not have commenced before the application is approved, and must be commenced within 6 months and completed within 12 months of the approval.

What is the maximum grant amount?

- 85% of the cost, up to a maximum of £10,000, to create a separate access (if one is not already present) to the residential premises
- 85% of any works identified/recommended as the result of an acoustic survey
- 60% of the cost, up to a maximum of £30,000 per unit of accommodation, for the conversion of vacant space into a residential unit.

Any grant assistance will include all costs for eligible works, specialist reports and preliminary and ancillary charges.

This grant can be combined with any other grants such as Townscape Heritage Initiative and Empty Property Loans available from the council, to a combined maximum value of £500,000, per applicant (s), over any three year fiscal period, subject to this being in compliance with European de Minimis State Aid Regulations.

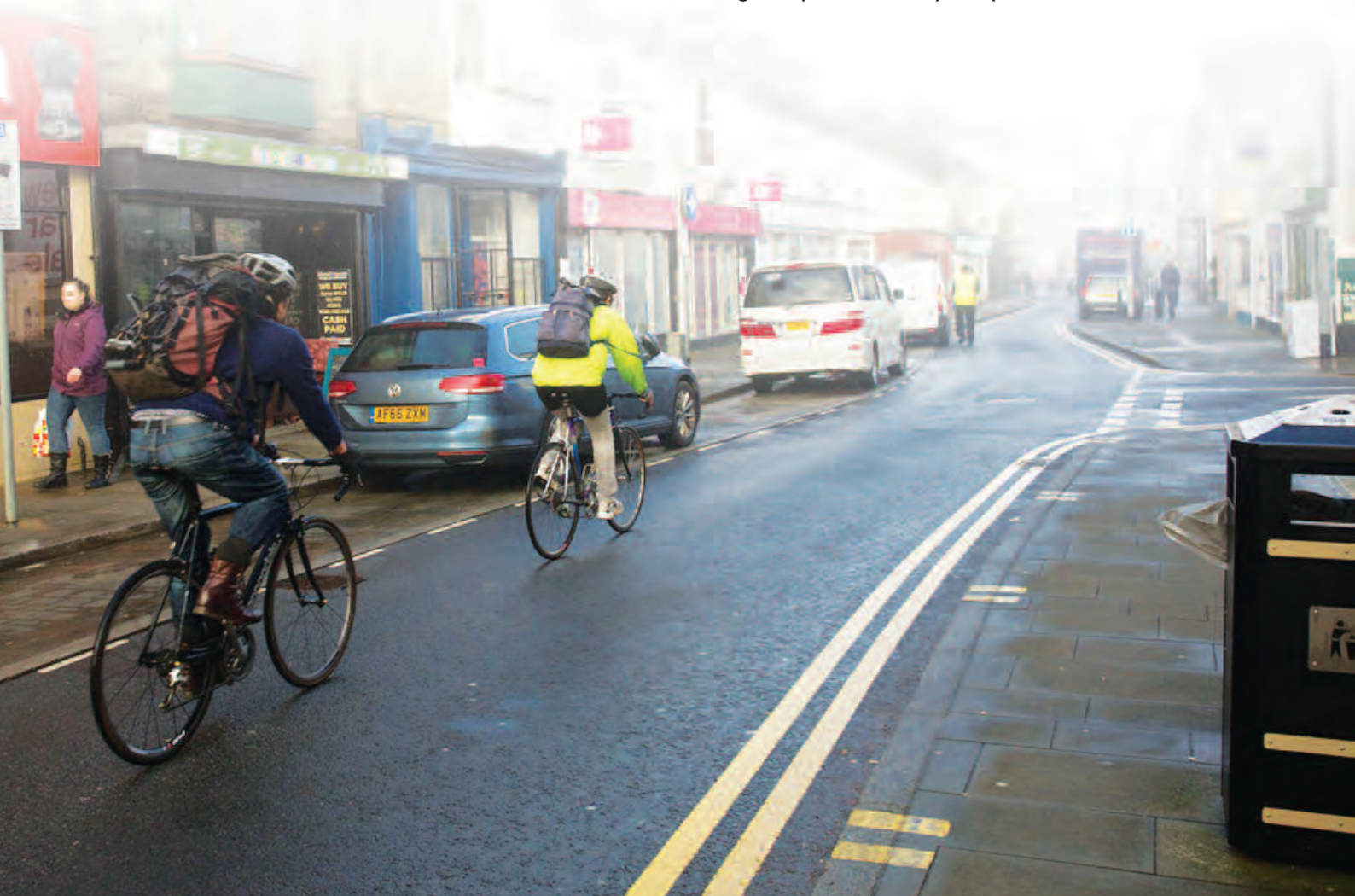


To be eligible the applicant must:

- Be aged 18 or over on the date of the grant application
- Have an owner's interest in the property and must be able to certify intent to let the dwelling to a person who is not a member of their family throughout the grant condition period of three years
- Be registered with Rent Smart Wales at time of completion

To be eligible the property must:

- Be over 10 years old and identified as being suitable for conversion into residential use
- Be deemed by the authority to be suitable for letting at the Local Housing Allowance rate at the time of application
- Be free from Category 1 hazards on completion of works
- Be rented on completion of works at the rate of the Local Housing Allowance and be made available under the specific council lettings policy in place at the time of referral for a minimum period of three years where one to five units are created, and five years where six or more units are created
- Not be the subject of a demolition order under the Housing Acts
- Not have received assistance for the same works during the previous 10 year period



What are the repayment conditions?

100% grant is repayable following the date of certification if:

1. The property is vacant for a period of six months or more
2. The property is disposed of
3. The referral agreement with the council or its appointed agent is not being met

This will apply for the following length of time

- Be free from Category 1 hazards on completion of works
- Three years where the grant payable was up to £150,000
- Five years where the grant payable was £150,001+

The applicant, together with any joint owner, will be required to agree to a legal charge being taken on the property, or any other form of security as the authority deems appropriate in order to ensure repayment of the grant.



5. VAT discounts

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

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 & Custom) – 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 Bridgend County Borough Council assist?

Upon request, we can write an official letter to the property owner confirming how long the property has been empty. This letter may be requested by companies before applying the reduced VAT as it may be required by HM Revenue & Customs. If you require this letter to be sent to you, please contact Bridgend County Borough Council.

Who do I contact for further information?

Telephone the Customs and Excise National Advice Service on 0845 010 9000. Alternatively view the Customs and Excise website at www.hmrc.gov.uk and search for Public Notice 708, Buildings and Construction.



6. 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 explains these obligations and will help you to understand the process. Landlords operating anywhere in Wales can comply with the new law by completing the appropriate application on the website. To start the process, you must create an account.

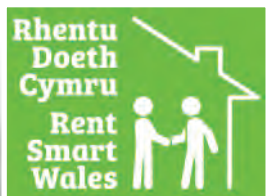
Landlord registration

Any landlord who has a rental property in Wales which is rented on an assured, assured shorthold or regulated tenancy is required to register. How a property is owned will determine who needs to register it. All registrations are completed with Rent Smart Wales and last 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). 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](#)



7. Renting options

There are a number of lettings agents in the county borough that can assist you in letting and managing a private rented tenancy. Letting agents that 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 or other relevant schemes.

What services can a letting agent provide?

- Advice 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 they 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.

To check if an agent is licensed through Rent Smart Wales go to

www.rentsmart.gov.wales/en/check-register and type in the agent's name.

Contact details of letting agents can be found on the following websites. Bridgend County Borough Council does not have an affiliation with any of these private letting agents.

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

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



8. Selling options

Selling your property through a private estate agent

There are a number of estate agents that operate in Bridgend County Borough but the council does not have an affiliation with any of them. However, you are recommended to ensure that they are members of the National Association of Estate Agents (NAEA). 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 showing potential buyers around
- Receiving offers from potential buyers and helping to negotiate offers
- Advising you on any improvements that could be made to the property to help achieve a sale

Selling your property by 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.

There are numerous auctioneers that sell properties within Bridgend County Borough Council. Most auctioneers cover South Wales and indeed the whole of Wales, and hold auctions on a monthly or quarterly basis in various locations.



9. Enforcement action

When owners of empty properties are non-compliant and all other negotiations have failed, the council will look to take the appropriate enforcement action to ensure that the empty property is brought back into use and returned to a habitable condition.

The enforcement powers we will consider are:

- 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 unsecure 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 & Safety Rating System from the Housing Act 2004 to improve housing conditions
- Compulsory purchase under Section 17 of the Housing Act 1985
- Empty Dwelling Management Order under the Housing Act 2004
- Enforced Sale from the Law of Property Act 1925

