

Empty dwellings – major issue or distraction?

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Introduction

The ongoing debate about housing targets in Cornwall has resulted in calls for empty dwellings to be brought into use rather than build new ones. At first this appears to be a simple solution to adopt. Yet further examination indicates certain issues. One is a definitional question – what is an empty house. Then if we can define an empty dwelling, does it mean that it is a problem? Should we assume that being empty is an issue? And finally, if there are empty dwellings, how many are there, and can they make a contribution to meeting housing need?

What is an empty dwelling?

The common terms used here are empty or vacant. The definition used by Government explicitly excludes second homes or holiday lets. In one sense this is understandable. A holiday home or let is not empty.

This then leaves those properties which are vacant, for whatever reason, and not used for holiday purposes.

The impact of empty homes

Kent County Council set out the problems arising from empty homes. *'Empty homes not only affect the housing supply, need and demand by restricting and not maximising housing availability. They also detract from the quality of the local environment and can cause significant problems for local residents. Poorly maintained empty properties attract vermin, cause damp and other problems for neighbouring properties and are magnets for vandals, squatters, drug dealers and arsonists.'* [Kent County Council, 2009].

Why houses may be left empty

A property might be empty for various reasons. The owner may:

- ❖ be in hospital, in residential care or in prison
- ❖ have died, and there is a dispute over ownership or their next of kin can't be traced
- ❖ have had their home repossessed
- ❖ not be able to afford to repair the property
- ❖ want to leave the property to their children to deal with after they have died

[Direct Gov].

Other properties will be empty because:

- They are newly completed and have not been sold;
- Despite being on the market they have not been sold;
- The owner is seeking planning permission to rebuild, convert;
- They have been purchased for investment purposes;
- The owner neither wishes to sell or rent as they intend to use the property for themselves or others at some future date

Housing for investment

In 2007 Inside Housing reported that "*More and more investors are buying homes – and leaving them empty.*" At the time rising property values meant that the value of the investment continued to increase whereas with tenants the increase in value was not the same. The discussion indicated that where blocks of accommodation were built, sales were phased to ensure good prices rather than put the whole lot on the market in one go and depress prices.

The evidence therefore would suggest there are a number of factors leading to empty homes. To some extent there will always be empty homes as some dwellings will always be empty between one occupier moving out and another moving in. This could be termed 'frictional empty housing'. In 2002, the Select Committee for Transport, Local Government and the Regions stated '*A certain level of vacancy is perfectly normal to allow for the time it takes to sell a house and for people to move. The vacancies associated with the normal workings of the housing market are known as 'transactional' or 'frictional' vacancies.*' There will also be dwellings, which are left empty for other reasons, some of which have been referred to earlier. These could be referred to as 'long term empty housing'. However, there should not be an automatic presumption that this category constitutes a problem in itself. The reasons for the property being empty may be perfectly valid. The issue then is how to distinguish between valid and invalid? Opinions here will vary according to moral and political perspectives. Is a property that is empty because the owner is waiting for a better price or more profitable change of use an immoral speculator or simply making best use of an investment?

Quantifying the number within each category is problematical. Though any calculation of empty homes should include long term housing, both 'invalid and 'valid' together with the level of frictional empty housing, only the former could be said to constitute a reserve of unused property where there is little intention or probability of the property being used. So if there were 750 empty dwellings and 500 of these were frictional empty dwellings the actual number would be 250 empty dwellings. Of these, 100 might be deemed as 'invalid' empty housing.

Second homes and holiday lets are not vacant properties, though it could be argued that the transfer of dwellings to these categories constitutes a more significant problem for local communities than vacant dwellings. We have here two discourses, one of which considers that if people wish to have a second home, they are perfectly entitled to do so, another discourse which almost treats the owners of empty properties as pariahs, committing a crime against the community. It could be argued, and no doubt would be in some quarters, that Government ministers and their opposite numbers, have a vested interest in focussing on empty properties as this distracts attention from second home ownership, which they themselves are beneficiaries of. An easy target perhaps. Yet in terms of numbers, overall there are far more second homes and homes used for holiday lets than there are long term vacant properties, however defined. One solution for owners of empty properties would be to change them to second homes or holiday lets, thereby reducing the number of empty properties, but not providing accommodation! In 2008, there were 10,500 second homes in Cornwall (excluding Penwith).

The number of vacant properties also needs to be examined in relation to the housing targets. The draft Regional Spatial Strategy (Panel report) suggested that 68,700

houses should be built in Cornwall between 2006 and 2026 or 3,435 per annum. Data presented later in the report suggests that long term vacant housing numbers are probably equal to one years housing target. This assumes that all of these properties are 'invalid' empty properties.

Data

One problem here is definitional, as referred to earlier, which varies according to the source. There is a question over whether the focus on time is appropriate, the reason for a property being empty is also important.

2001 census

The 2001 census indicated that there were 5822 unoccupied vacant dwellings in Cornwall or 2.5% of the total. There were also 10,468 dwellings classified as second homes/holiday accommodation. In Kerrier, there were 970 unoccupied vacant dwellings, accounting for 2.3% of the total. The figure for CIR was 463 (2.5%).

Empty Homes Agency (EHA)

The Empty Homes Agency gives a total of 7,400 empty homes across Cornwall in 2008. Of these, 3,623 had been empty for over six months.

Table 1 EHA data

Area	Total	As % of total	Over 6 months
Caradon	1290	na	728
Carrick	1580	3.7	847
Kerrier	936	2.6	570
Isles of Scilly	10	0.8	9
North Cornwall	1403	3.4	714
Penwith	1039	3.1	250
Restormel	1383	3	505
Cornwall	7641	na	3,623

According to the data there were 936 empty dwellings in Kerrier. They accounted for 2.14% of homes. All bar one dwelling were privately owned. The table below shows the number of empty homes in Kerrier each year since 2000. Since 2006 the numbers have almost doubled. Interesting to note the difference between the census figure for 2001 and the empty homes figure, 970 compared to 1235. Though here the difference is probably due to use of a different methodology.

Table 2 Empty Homes Agency (EHA) data - Kerrier

2000	2001	2002	2003	2004	2005	2006	2007	2008
1037	1235	1224	1294	555	475	473	876	936

Source: Empty Homes Agency.

<http://www.emptyhomes.com/usefulinformation/stats/statistics.html>

Department for Communities and Local Government (DCLG)

The other source of data is from the valuation list compiled by local authorities each year. This is then collated by the DCLG and is published on the Office for National Statistics website. In 2008, across Cornwall, (no data for Penwith), there were 8,260 dwellings that were vacant, 3.9% of the total. However, the numbers classified as long term vacant were 3,104 (1.5%). In contrast, there were 10,542 dwellings classed as second homes, 4.9% of the total. [Tab 3].

Analysis at the local level indicates that the highest percentages of long term vacant dwellings are found in Looe (3.1%), Padstow , North Cornwall rural (2.1%), Lizard (1.9%), Caradon rural, Penryn (1.8%). The highest percentages of second homes are found in Padstow (27.4%), Fowey 14.9%), North Cornwall rural (12.1%) and Looe (11.9%). Using an urban area, Camborne-Redruth as an example, gives a total of 93 second homes, 711 vacant and within this 244 long term vacant. It should be stressed that the precise status of those in the latter category is unknown.

Table 3 DCLG data

		Caradon	Carrick	Kerrier	North Cornwall	Penwith	Restormel	Cornwall
All Dwellings on the Valuation List	Count	39436	42905	43736	41990	na	45871	213938
All Vacant Dwellings	Count	1634	1642	1641	1808	na	1535	8260
	Percentage	4.1	3.8	3.8	4.3		3.3	3.9
Second Homes	Count	1840	1787	1342	3836	na	1737	10542
	Percentage	4.7	4.2	3.1	9.1		3.8	4.9
Dwellings Vacant for up to Six Months	Count	560	647	594	655	.. na	538	2994
	Percentage	1.4	1.5	1.4	1.6		1.2	1.4
Dwellings Vacant for up to Twelve Months	Count	140	109	133	124	.. na	135	641
	Percentage	0.4	0.3	0.3	0.3		0.3	0.3
Long Term Vacant Dwellings	Count	628	590	598	752	.. na	536	3104
	Percentage	1.6	1.4	1.4	1.8		1.2	1.5

Na = Not available

A comparison of the two sets of figures is shown below.

Table 4 Comparison of data

Area	EHA		DCLG	
	Total	Over 6 months	Total	Long-term
Caradon	1,290	728	1,634	628
Carrick	1,580	847	1,642	590
Kerrier	936	570	1,641	598
Isles of Scilly	10	9		
North Cornwall	1,403	714	1,808	752
Penwith	1,039	250	na	na
Restormel	1,383	505	1,535	536
Cornwall	7,641	3,623	8,260	3,104

Summary

There were an estimated 3,300 long-term vacant dwellings in Cornwall in 2008. [Assumed that there were 200 in Penwith]. The problem is that without knowing the precise reasons calculating how many of these were 'invalid' empty properties is problematical. Not all of these would necessarily fulfil the criteria set out by Kent County Council

Additional material is contained in Appendix one.

Conclusion

Understandably, the debate about housing targets has resulted in concern over empty housing. What is clear is that in practise defining a property as empty and a problem is fraught with definitional issues and what could be termed political considerations. Nowhere is this more obvious when the issue of second homes/holiday lets is introduced into the equation.

Using the available data and bearing in mind the definitional issues raised earlier, suggests that the number of empty dwellings, which could be defined as empty for an invalid reason, may well be quite low, affording limited opportunities to address housing need. In terms of numbers, second homes have a more significant impact on housing. A danger with focusing on empty properties is that it removes the pressure on central Government to produce more sustainable housing targets and distracts attention away from the issue of second homes and holiday lets.

On the data front, a more useful typology of vacant dwellings is required.

Appendix

Second homes

Collecting data on the number of second homes is difficult. This is partly a question of definition and is influenced by how an owner describes their property.

The DCLG Housing Strategy Statistical Appendix (HSSA) survey

The estimates for vacant dwellings are derived from the HSSA annual survey and published by the DCLG. The DCLG advise that the total number of vacant dwellings can be estimated using council tax records or a local survey if available.

Include vacant dwellings that are empty between changing occupants, undergoing repair, modernisation, conversion, owned by a charity, awaiting demolition, repossession, new and not yet unoccupied, or where the trustee is in bankruptcy.

Exclude only vacant dwellings that are second homes, holiday lets, student flats/homes, occupier in prison, receiving care, in the armed forces, awaiting clergy or the dwelling is flood damaged. [Kent County Council, 2009].

How do you define empty homes?

There is no single definition used but generally most concerns surround problematic empty properties i.e. those that are not subject to a transactional process. Long term vacant properties should be brought back into occupation. The DCLG does not count second homes and other properties that may only be used occasionally (e.g. holiday homes and other seasonal lets) as empty.

Properties that are empty for less than six months (and are therefore likely to be transactional) are categorised separately for statistical purposes from longer-term empty homes that are more likely to be problematic. Statistics show that just over half of all empty homes remain vacant for less than six months. Of the remainder, some will be transactional but the majority will be problematic. [Kent County Council, 2009].

Why homes are left empty

Property may become empty for many different reasons. In most cases it is a short term issue, for example, following purchase where a property needs to be renovated before it can be occupied, or where it is in probate, or where the occupier is absent (on holiday, in hospital etc). Such situations are a natural function of the housing market in England. Also where transactional vacancies are actively marketed or are being prepared for occupation. More than half of homes that are empty at any given time are transactional. Nevertheless, a proportion of homes that become empty remain so for long periods of time. This is usually because there is a fundamental problem preventing their occupation. Problematic vacancies are not actively marketed or being prepared for occupation. This may be due to the condition of the property and means occupation is not possible until the underlying problem has been addressed. [Kent County Council, 2009].

Notes

Frictional unemployment

People who are simply between jobs, in this sense, are said to be frictionally unemployed. This is a particularly important category, since this category of unemployment can never be eliminated or reduced to zero. Even in the best-functioning market economy, there will be some people who are between jobs. The practical minimum proportion of the work force who are between jobs in given circumstances will be called the frictional unemployment.

http://william-king.www.drexel.edu/top/prin/txt/probs/Ch5_fricUnN.html

Sources

Direct Gov. Reporting empty or derelict properties

http://www.direct.gov.uk/en/HomeAndCommunity/WhereYouLive/Derelictbuildingsandsquatters/DG_10030253

Empty Homes Agency

<http://www.emptyhomes.com/usefulinformation/stats/statistics.html>

Inside Housing <http://www.insidehousing.co.uk/>

**Kent County Council, Housing Information, Kent County and Districts
Vacant and empty dwellings at 1st April 2008 Analysis and Information.**
www.kent.gov.uk/research.

Office for National Statistics. 2001 census.