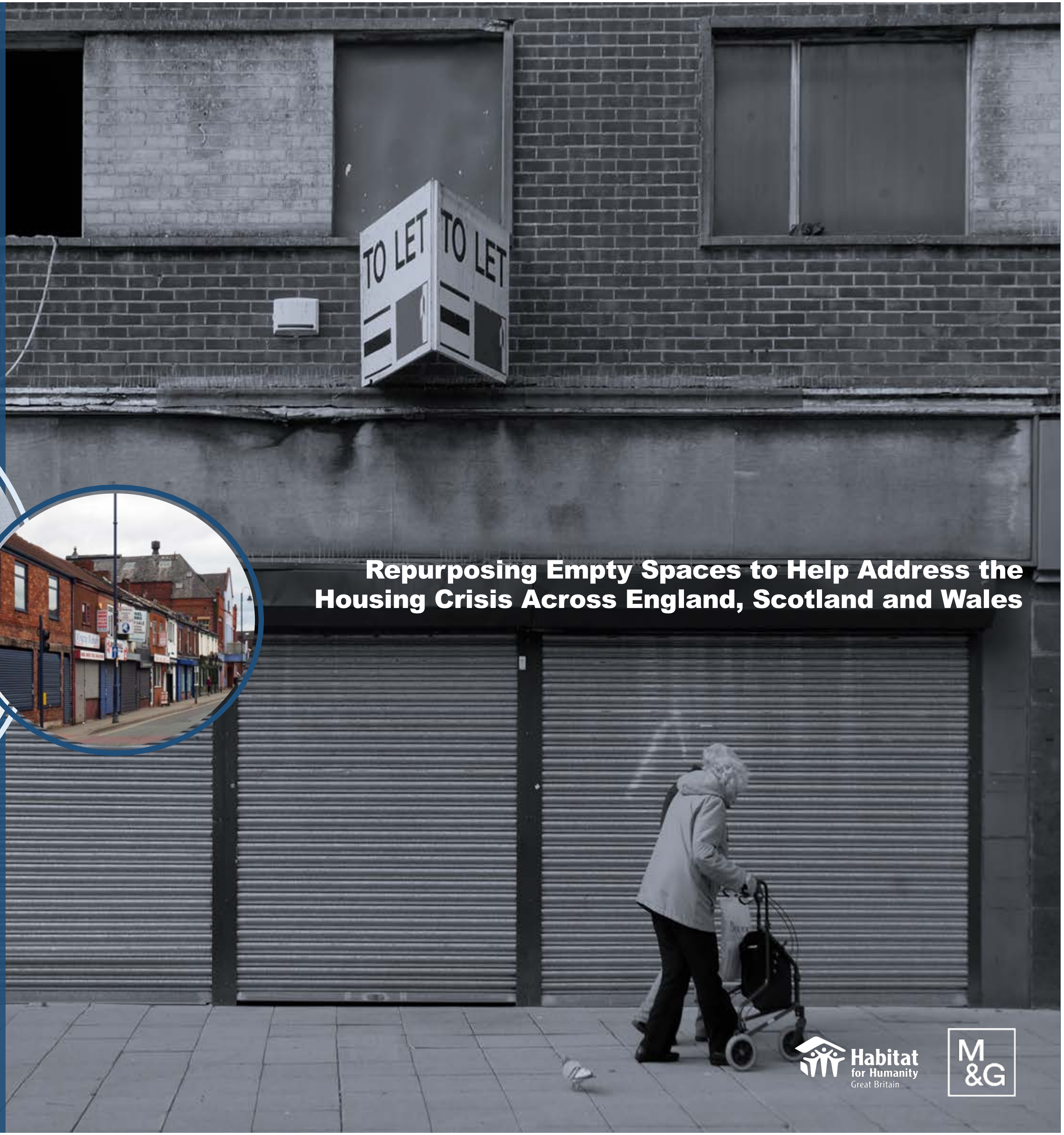


Repurposing Empty Spaces to Help Address the Housing Crisis Across England, Scotland and Wales

Habitat for Humanity Great Britain

M&G

Produced by: The Empty Homes Network

Published: May 2021

Document Version: *Rev1:09/07/2021*

Habitat for Humanity Great Britain
PO Box 5086
Slough
Berkshire
SL1 0SW

www.habitatforhumanity.org.uk/our-work-in-great-britain

Enquiries: hello@habitatforhumanity.org.uk

Registered company number: 3012626

Contents

Introduction

This research is conducted as Part 1 of a wider study, entitled *'Repurposing Empty Spaces to Prevent Homelessness in Mainland Europe',* which aims to explore and understand the current opportunities available in reutilising socially-owned vacant buildings and spaces, for use as accommodation for those at risk of homelessness and vulnerable people across Europe.

Conducted by The Empty Homes Network for and on behalf of the charity Habitat for Humanity Great Britain, Part 1 of this research aims to provide an understanding of current social housing supply and demand across England, Scotland and Wales, and put forward a research question that explores the opportunity and availability of using socially-owned vacant spaces to bridge shortfalls in supply.

The Empty Homes Network, founded in 2001, is a community of predominantly local authority Officers whose roles involve returning empty and unused property to use. Primarily focused on working with residential property, their work has become more involved in the issues surrounding and reuse of empty and derelict commercial spaces, often working in conjunction with regeneration, planning and economic growth teams. Much of this research will draw on the experience and knowledge of working in the sector, and the challenges faced when dealing with owners, local authorities and private partners alike.

Through understanding and exploring key questions, finding current and relevant sources of data, and providing analysis to understand where further information is required, this research aims to provide a current position in terms of supply, demand and the opportunity of using socially-owned empty space in order to offer sound and actionable recommendations for Habitat for Humanity GB to achieve their strategic objectives.

The paper also provides recommendations based on geographical supply and demand, and offers insight into the reasons, barriers and solutions for why such properties are left and remain empty. The paper concludes by suggesting further areas of research which may be considered to further assist Habitat for Humanity Great Britain in their vision in building homes, communities, partnerships and networks.

Research Highlights

An estimated 7,000 commercial and business premises across England, Scotland and Wales, currently owned by local authorities, have been empty and vacant for over 12 months

It is estimated that these spaces have the potential to create over 16,000 residential units through the conversion of vacant office space, and 3,500 residential units through the conversion of empty retail space

On average, each Council owns 18 commercial or business properties that have remained vacant for over 12 months

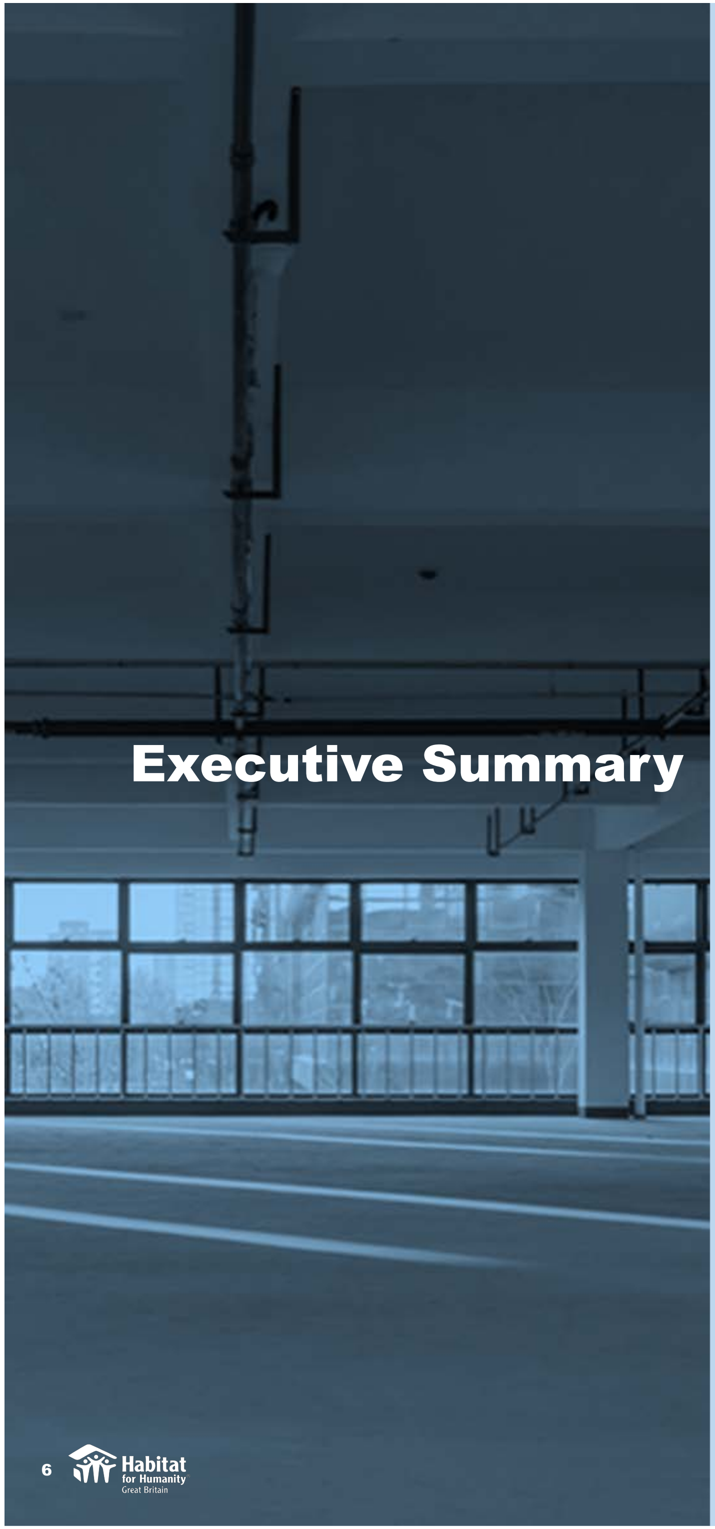
When combined, retail and office space accounts for over 55% of all vacant buildings owned by local authorities in England and Wales, over 38% in Scotland

When considering business premises owned by local authorities vacant for less than 12 months, this is likely to be higher due to the impact and repercussions of the Covid-19 pandemic

Changes in shopping habits and a shift toward a working-from-home culture could potentially lead to increased vacancy rates of retail and office spaces in the short term, but decrease as the economy picks up as measures and restrictions ease

The number of empty homes and second homes has risen to its highest level since figures began, leaving an estimated 650,000 residential dwellings vacant and unused, across England, Scotland and Wales

An estimated 165,000 privately-owned commercial and business premises remain empty across Great Britain, potentially providing a partial solution to the current housing and homelessness crisis



Executive Summary

With the number of homeless presentations and the use of temporary accommodation on the rise, coupled with the number of available properties declining, councils, housing associations and charitable organisations are having to become increasingly innovative in their approach to house-building, and the repurposing of existing buildings and housing stock. Whilst house building remains the primary option for Housing Authorities and Associations, the private, charitable and third sectors continue to provide a critical supply of accommodation that not only supports the work of local authorities across the Country, but often offers those who are most vulnerable a lifeline in their search for homes.

Undoubtedly, the private sector presents the largest singular sector of opportunity for additional supply, either through privately renting to those in most need, or through the increasing number of Councils offering to lease property from landlords on a guaranteed, secure arrangement. However, it is also the private sector, along with the charitable and third sectors, who provide the most innovative ideas when returning empty and vacant property to use due to the reduced bureaucracy, efficacy of their approach, and their ability to make informed decisions quickly rather than having to go through layers of seniority and scrutiny.

Whilst there is clearly a logical solution to the housing problem in the number of empty and vacant homes across the country, some requiring more significant refurbishment works than others to bring them back into use, the amount of empty and vacant space is echoed in the number of commercial and business premises that lie in the heart of towns and cities across the UK. This leads to the question as to whether there is enough scale of opportunity within the other already-built environment in those primarily used for business and commercial purposes, and whether the vacancy rates in retail, office and community buildings, could lead to a housing solution that is yet, largely untapped.

This research investigates the number of business and commercial properties owned by local authorities across England, Scotland and Wales, as well as assessing the housing demand in terms of their duty owed to those who have presented as homeless. It also considers the number of empty and vacant homes and second homes, along with an appreciation of what the predicted repercussions on the built environment are as whole, as a result of the COVID-19 pandemic.

Summarising with a number of recommendations, this research offers targeted and operational solutions for localities within which to focus progressive efforts, along with potential partners, sources and stakeholders with which a joint approach to providing housing solutions to the most vulnerable in society may be possible.

'Every family needs a home, but not every business needs a building'

Research Brief

This research aims to:

‘Determine the scale of opportunities in terms of number of existing empty spaces as well as contextual factors which may be social, financial, legal, etc which exist within the UK, around the conversion of socially-owned empty vacant spaces into viable and affordable social housing, designed to support vulnerable communities’

This research also hopes to:

‘Identify markets where there is vast potential to reutilise empty spaces as a possible housing solution’

Research Methodology

The study was conducted through a combination of primary and secondary research, with much of the statistical data gathered through publicly accessible information held by central government and local authorities. Both local and national press coverage was also used as an information resource, although their statistical reporting often comes as a result of figures for their local areas being released or reported nationally from publicly available data.

Data no earlier than the financial year ending March 2020 was used to inform this research, although earlier statistics were collected to ensure that any trends and patterns were recognised and considered to inform the study's progress and direction. It was also considered that the inclusion of data relating to vacant shops and commercial premises from March 2020 onward would likely provide a distorted picture due to the ongoing Covid-19 pandemic, although these effects have been considered in the paper.

Data collected from Central and Local Governments of England, Scotland and Wales, is often collated and updated regularly or at specific times throughout the year ie. Council Tax Base, CTB1 Form in October. for example. This therefore ensures that any information used has been produced at source and can be deemed as accurate and as reliable as feasibly possible.

The research began by gathering existing data on empty and second homes, empty clergy dwellings and average house prices, along with the statistics on housing demand, housing supply and homeless presentations made to local authorities.

It then sought to cross reference collected data and determine areas where numbers of underutilised buildings and levels of housing demand are at their most prevalent. It became clear that information on socially-owned empty commercial and business premises was not readily available, and therefore freedom of information requests were sought to address this void in the data.

A scoring system was used to determine the rank of local authorities based on the criteria of their housing demand, supply and empty and second homes, ranking them from 1-312 for England, 1-32 for Scotland, and 1-22 for Wales respectively. These scores were then combined to give an overall rank in comparison to all Authorities, and the top 20% for each Country were then used to form a sample group for which to contact directly.

A sense check was also carried out on the local authorities outside the 20% threshold, to include those councils who were known to be active in their empty homes activities, those who were known to have a specific housing issue or need, and those where Habitat for Humanity have an active and ongoing presence.

In total, 110 local authorities across England, Scotland and Wales were contacted through Freedom of Information requests.

This data was then analysed and assessed to understand the scale of opportunity presented by local-authority owned empty spaces, their suitability and locality in relation to findings around housing demand, supply, and currently empty residential dwellings.

The research subsequently explored precedent set by charities and organisations who have utilised the opportunities of using empty spaces for housing, and to determine whether models can be replicated in areas with high demand and vacancy rates. Whilst provided an insight into an organisation or community provider and their model, the research also considered their procurement and operational functions to best inform the recommendations going forward.

Consideration has also been given to the current economic and social climate we are in with regards to the Covid-19 Pandemic, and its subsequent effect on commercial and business premises, especially on the traditional high street.

Editorial Overview

‘Empty and Unused Buildings Increase in 2019’

Todaysconveyancer.co.uk, 18th December 2019

‘What will happen to all Britain’s empty shops?’

Financial Times, 12th February 2021

‘Gosport Council opposes government plans for empty shops to become extra housing’

The News Portsmouth, 9th February 2021

‘Sacha Lord calls for empty shops to be repurposed’

The Bolton News, 8th February 2021

‘UK Sees surge in empty shops and offices amid pandemic – RICS’

Financial Management Magazine, 28th January 2021

‘Vacant shops spread fastest in 30 years’

The Times, 28th January 2021

‘Turn empty shops into health hubs, report urges’

The Times, 19th January 2021

‘Empty offices can be 'residential tower blocks of the future' and vacant shops turned into urban farms, says one of Britain's best-known *architects’:*

Daily Mail, 9th February 2021

‘500,000 homes sitting empty in UK while 100,000 families are homeless’

The Metro, 30th December 2020

‘£170bn worth of property lies vacant in England’

London Loves Property, 16th December 2020

‘Plans for homes and flats at derelict Victorian heritage building in Rossendale’

Lancashire Live, 9th August 2020

‘Empty Properties denied use as temporary accommodation’

Journalism.co.uk, 12th February 2021

‘Saving the high street: What can towns and cities do with empty department stores and shopping centres?’

Business Live, 11th February 2021

‘Converting shops to homes ‘could destroy town centres’

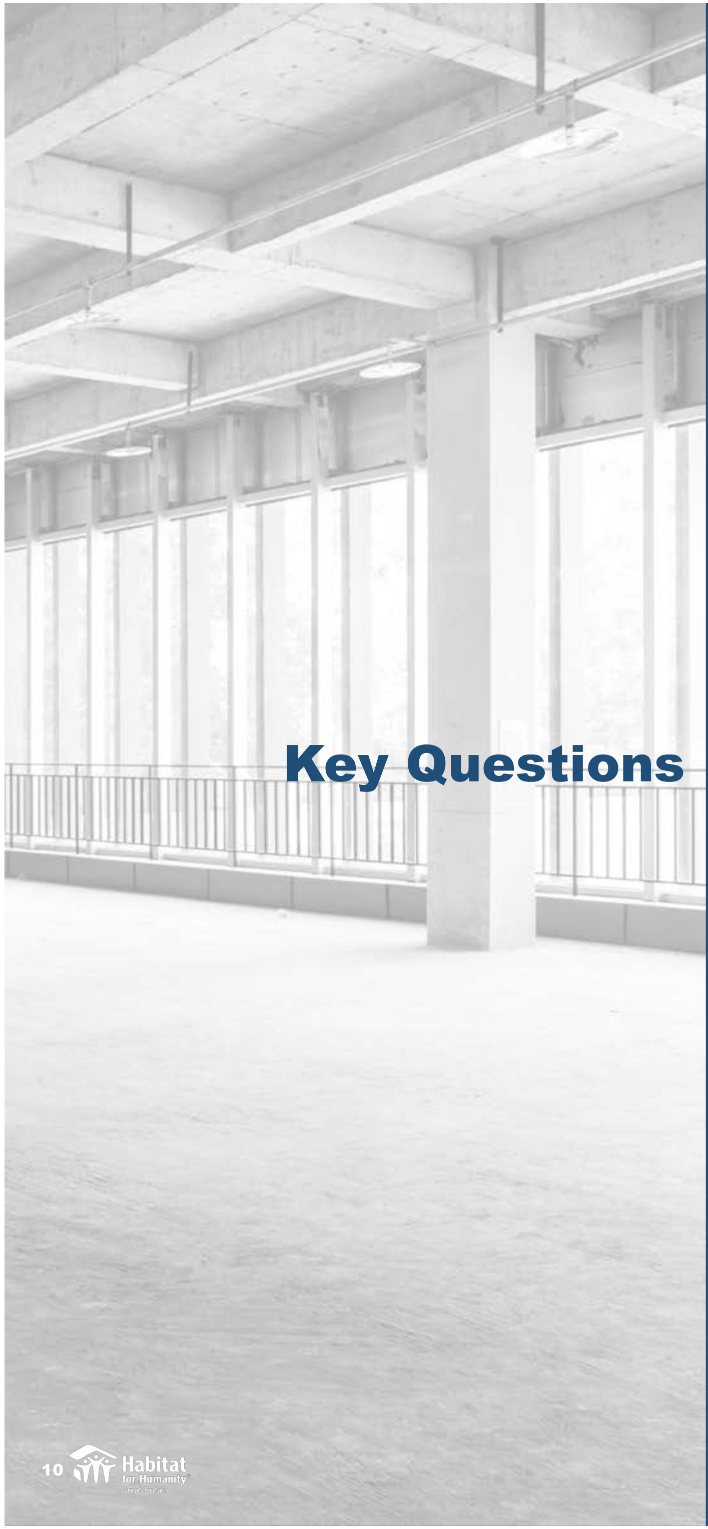
The Times, 1st February 2021

‘Plans to convert empty Northampton office block into new flats awarded planning permission’

Northampton Chronicle & Echo, 4th August 2020

‘16% of retail units lie empty across the country’

Retail Gazette, 16th July 2019



Key Questions

In assessing and understanding the brief, along with the aims and objectives of the research and available editorial stories surrounding vacancy rates in both residential and commercial properties, the following question was formed in order to target a specific aspect of underutilised buildings and spaces across England, Scotland and Wales:

‘Through utilising socially owned empty and vacant homes and spaces, how much social housing could be brought to market through a targeted, model and partnership-based approach?’

To further explore the research question and provide detailed and comprehensive analysis, the study breaks down the different aspects of the question above, and aims to answer them through the study of the following sub-sections and key questions:

Current Social Housing Supply & Demand

- *Which areas in England, Scotland and Wales are currently experiencing the greatest housing need?*
- *Are current rates of housebuilding meeting demand?*

Opportunities to use Socially Owned Vacant Spaces*

- *How many local authority owned empty homes are there across England, Scotland and Wales?*
- *How many local authority owned vacant business/commercial spaces are there across England, Scotland and Wales?*
- *Which locations are experiencing both high levels of housing demand, and high levels of property vacancy?*
- *Why are the identified properties empty / underutilised?*

Current Examples and Adopted Housing Models

- *Are there any existing housing models and prospective operational partners going forward?*
- *Are those case studies sustainable in terms of their legal, financial and operational aspects?*
- *What are the barriers preventing these buildings from being brought back into use?*

Operational and Compliance Considerations

- *What are the recommended routes to bring them back into use?*
- *What support, tools and solutions will be needed to encourage owners to bring them back into use?*
- *What external forces should be considered prior to progressing with a project, i.e. the effects of the Covid-19 Pandemic, local authority support?*
- *Compliance considerations, ie. planning permission, permitted development rights, living space standards, House of Multiple Occupancy (HMO) licensing and standards.*

**The research has purposely omitted investigation into socially-owned property owned by organisations such as the Fire Service, NHS, Network Rail etc, but has given appreciation to the opportunity that they could also present.*

Housing Demand

In December 2020 housing charity Shelter reported that 253,000 people in England, half of which were children, were homeless and living in temporary accommodation. This figure is undoubtedly higher, when accounting for those undocumented by local authorities such as rough sleepers and sofa surfers. Equating to 115,000 people more than a decade ago, a rise in numbers was also seen in Scotland (11,665, August 2020) and Wales (2,324, March 2020).

Homeless legislation differs slightly across the three Countries of the UK, and although all nations have introduced legislation to provide a legal duty to secure accommodation for certain homeless applicants, their assistance and decision mechanisms differ slightly. In England, the duty on the local authority is to secure accommodation for homeless households, and those threatened with homelessness who are unintentionally homeless and in priority need. Wales has placed a statutory duty on local authorities to prevent homelessness for people threatened with homelessness, and to help to secure accommodation for all applicants assessed as homeless for a period of 56 days. After this period local authorities must secure accommodation for those households deemed to be unintentionally homeless and in priority need.

In Scotland there is now a statutory duty on local authorities to find permanent accommodation for all applicants who are unintentionally homeless or threatened with homelessness. This represents why the figures in Scotland appear disproportionately higher when compared to the total population of England and Wales respectively (*).

In terms of numbers of households in temporary accommodation, the following statistics highlighted in the Shelter report (for England) show the scale of the problem faced by local authorities.

- more than two-thirds (68%) of all homeless people living in temporary accommodation are in London – this equates to 1 every 52 people in the capital.

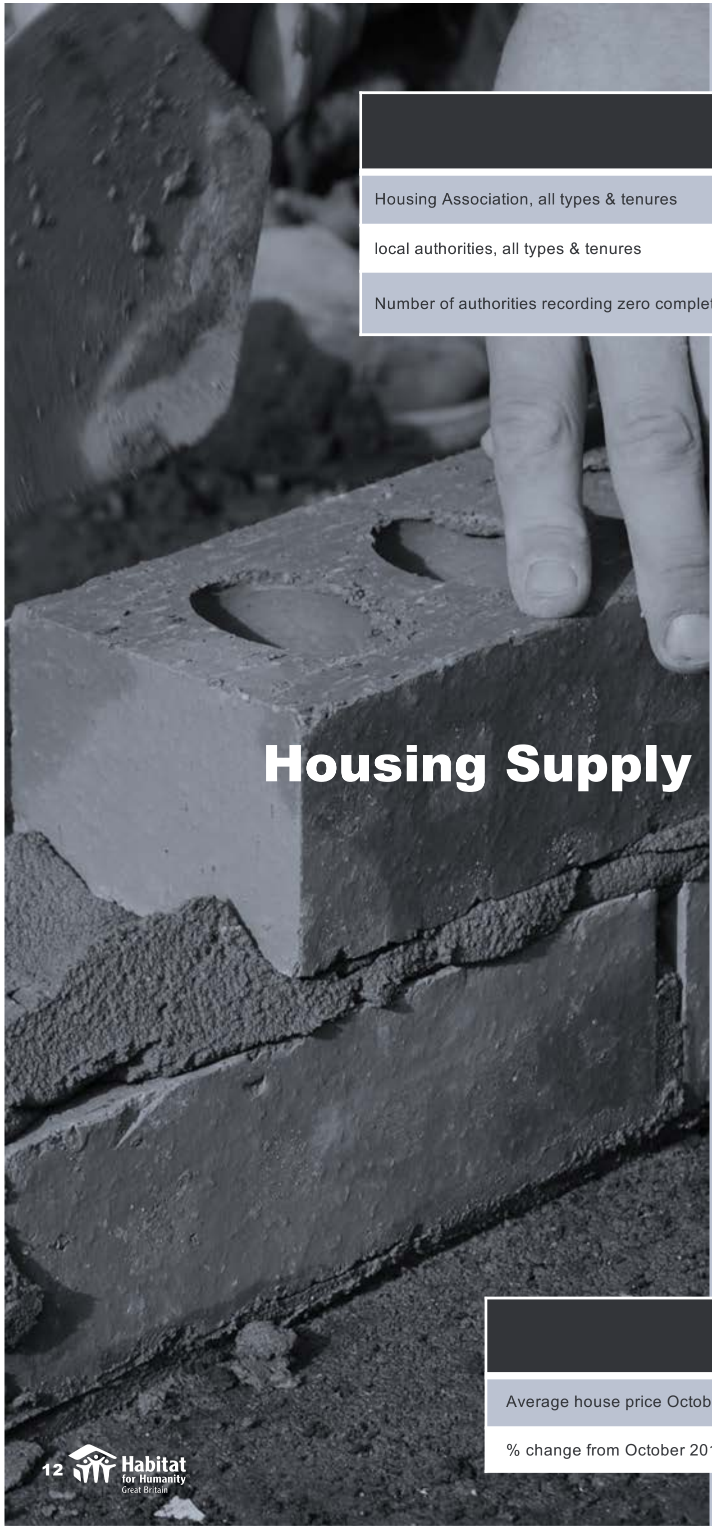
- in London, Newham has the highest rates of people in temporary accommodation (1 in 23), followed by Haringey (1 in 28), and Kensington and Chelsea (1 in 29).

- outside of the capital, Luton has the highest rate of people in temporary accommodation (1 in 55). This is followed by Brighton and Hove (1 in 78), Manchester (1 in 93) and Birmingham (1 in 94).

	England	Scotland	Wales
Total number of main duty decisions	62,490	31,335*	7,731
Total homeless + priority need + unintentionally homeless	40,030	30,145*	3,057

Local Authority (Ranked)	Homeless + Priority Need
England	
Birmingham	2,340
Manchester	1,144
Coventry	942
Southwark	926
Lewisham	893
Scotland	
Glasgow	5,155
City of Edinburgh	3,310
Fife	2,010
South Lanarkshire	1,735
North Lanarkshire	1,585
Wales	
Cardiff	693
Newport	384
Carmarthenshire	354
Rhondda Cynon Taf	177
Caerphilly	165

	England	Scotland	Wales
Households in temporary accommodation (March 2020)	98,300	11,665	2,324
% change since 2019	+12.2%	+6%	+4%



Housing Supply

	England	Scotland	Wales
Housing Association, all types & tenures	32,330	4,204	1,019
local authorities, all types & tenures	1,810	1,465	12
Number of authorities recording zero completions in 19/20	39	0	3

Local Authority (Ranked)	Completions
England	
Wiltshire	1,030
South Gloucestershire	590
Ealing	570
Buckinghamshire	560
Sevenoaks	530
Scotland	
Glasgow	1,045
City of Edinburgh	762
Fife	383
Highland	333
West Lothian	313
Wales	
Vale of Glamorgan	172
Neath Port Talbot	127
Cardiff	123
Pembrokeshire	113
Torfaen	111

	England	Scotland	Wales
Average house price October 2020	£262,175	£152,680	£209,723
% change from October 2019	+5.09%	-2.87%	+8.2%

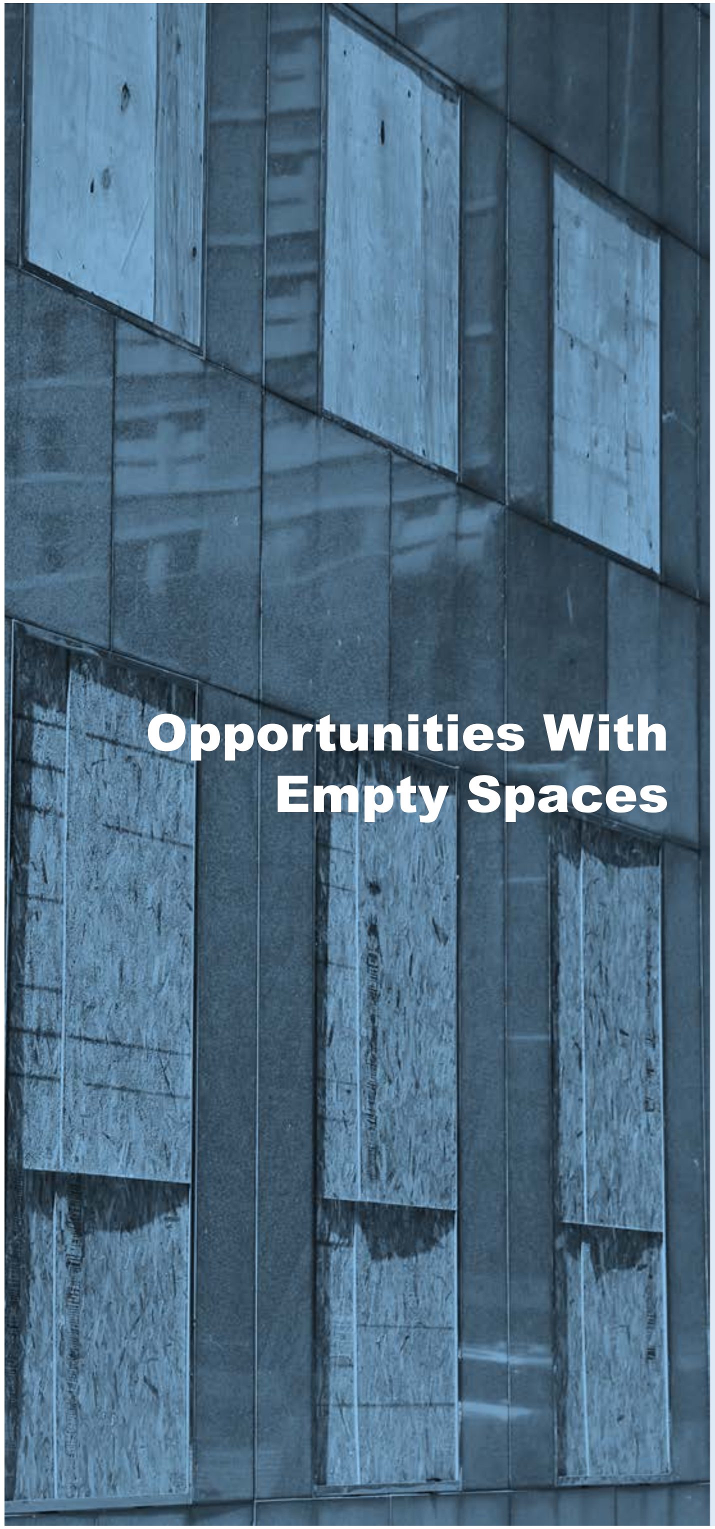
A report by the Local Government Association published in June 2020, suggested that the Country needed to build 100,000 affordable homes every year to meet demand. This would also constitute a third of the Government's target of building a total of 300,000 homes every year.

The statistics for new-build completions through 2020, include all residential properties built by local authorities and Housing Associations for the purposes of social letting and shared ownership. Whilst many local authorities have transferred their housing stock to Housing Associations and arms length organisations in order to reduce their management and maintenance costs in recent years, several authorities are returning to bringing their housing functions back in-house, in order to increase their housing provision and meet local demand.

As the statistics show, new-build completions by Housing Associations and local authorities reached just over 34,000 during 2020, just over a third of the target suggested by the LGA, and still 6,000 short if each property were to be used by one household in priority need as outlined in Housing Demand. Less than 6,000 completions in Scotland would, in theory, leave them over 24,000 homes short of meeting demand, with Wales behind by approximately 2,000 homes.

The top three cities in Scotland by housing demand, were also the top three authorities when it comes to house building, whereas Cardiff is the only other city to feature in the list, that also features in the top five of housing demand. Whilst it is positive that areas of high demand are seeing the highest numbers of homes being built, it is important to recognise that affordable homes are needed in all areas of the country without exception. With demand for housing high, targets for house-building not being met, coupled with a reported annual net loss of approximately 20,000 social houses annually due to demolition, right to buy sales and redevelopment, it is no surprise that other ways in which to meet the demand for housing are continually being explored.

Naturally, attention turns to the already-built environment to provide quicker, sustainable and greener solutions in order to attempt to fill the void, and afford local authorities the opportunity to be creative through an alternative route of delivery.



Opportunities With Empty Spaces

Research carried out by Glide in 2019 suggested that the figure of empty and unused buildings across the UK had reached over 600,000, with over 440,000 of these being residential dwellings. Freedom of Information request results showed that of the total empty buildings reported, 172,217 were commercial or business premises, leaving the remaining 445,000 to be made up of residential properties.

With statistics in the same year reporting that there were 226,000 long-term empty homes across the UK, the remaining 219,000 empty residential dwellings, it is assumed, will have been formed with the inclusion of second homes, and homes of which are empty but exempt from Council Tax such as those owned by charities, going through the process of probate or where the owner is receiving or administering care.

For statistical purposes, **empty homes** are properties which are reported to Council Tax departments by their owners in order to receive a reduction in their rate payments offered by Councils. Long-term empty homes are classed as those which have been reported as empty for a six-month period or longer. Empty homes officers within local authorities often work or report on houses which are deemed as long-term empty, although their Council Tax status may class them as occupied, a second home, or having been de-banded altogether. Legislation now permits Councils to impose premiums for long-term empty homes left vacant for over 2 years at up to 200%, and for those left empty for over 5 years of up to 300% of the original council tax bill.

Second homes are properties deemed to be furnished and often used by their owners, such as holiday homes, houses located elsewhere for work purposes or family reasons, although these can often be treated as Empty Homes if the owner is absent and neglecting regular maintenance on the property. Second homes often attract a discount on the full council tax rate payable, and therefore lends itself to owners reporting them as second homes when in fact they are empty and unfurnished. This is the reason behind them being required to be substantially furnished to be eligible for the discount.

As part of the Council Taxbase submissions, **empty clergy dwellings** are also reported separately as they were classed as exempt from paying Council Tax. These are properties owned by the Diocese or Church and are used for ministers who are often reassigned or relocated to different parts of the Country.

Not to be confused with Housing Association property, **local authority-owned empty homes** are residential property owned by Councils and have remained empty for any period of time. These are not classed separately for Council Tax purposes, whereas properties owned by Housing Associations are considered by be owned by non-profit organisations and are therefore eligible for an initial discount period of up to six months.

Widely reported in late 2020 was the increase seen in the number of **Empty Homes** across the UK, representing a rise of over 42,000, and reaching the highest number of known vacant dwellings since records began.

Collated annually, these statistics are gathered through the Council Taxbase, and reported to central government in order to report on annual revenues, properties that are charged discounted rates, and those that are exempt from paying council tax.

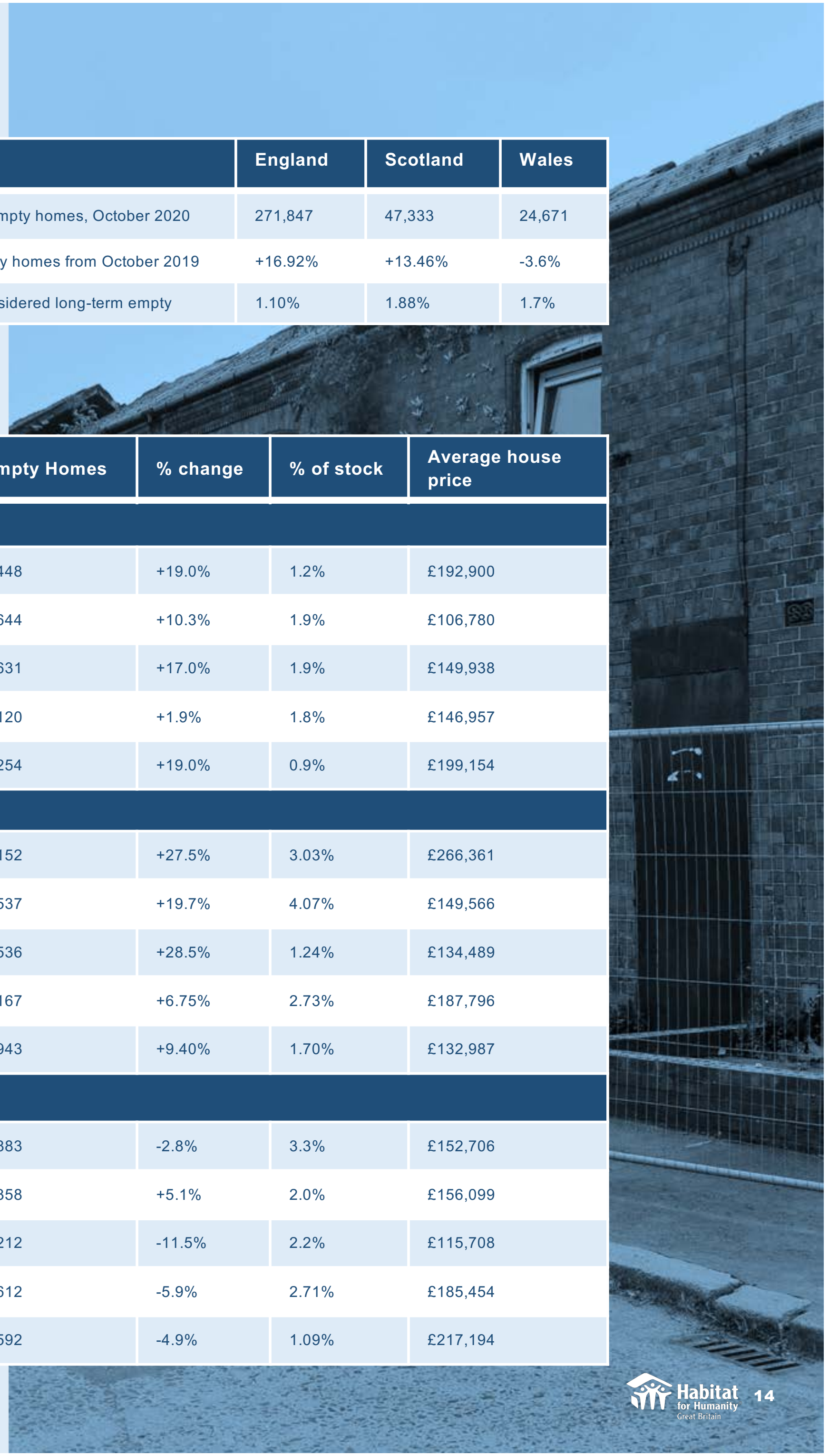
Although this may include both homes that are recognised as empty for council tax purposes but are in fact occupied, as well as properties currently empty that are showing as occupied on council systems, the data is often perceived to be inaccurate or misleading. However, it is the most accurate and relevant data available, and gives a snapshot of the issue faced by a local authority as it is on the day of submission.

The data collected from 2020 shows an increase in nearly 17% of empty homes recorded across England, an increase of over 13% for the same period in Scotland and a drop of 3.6% in Wales.

The local level statistics on empty homes reveal that the largest numbers of empty homes are in some of the UK's largest cities such as Birmingham, Liverpool, Leeds, Edinburgh and Swansea, with all of these areas showing an increase in figures from the previous year, and in some cases, higher than average increases when compared with their respective national averages.

Worryingly, this also translates when comparing the same cities in terms of their percentage of empty homes against their total housing stock. On average, 1.10% of England's housing stock is shown to be currently empty, with Birmingham exceeding this at 1.2%, Edinburgh at 3.03% of an average of 1.88% in Scotland, and Swansea at 2% of an average of 1.7% across Wales.

These statistics, whilst only representing a small number of areas across England, Scotland and Wales, not only show an increasing trend in the numbers of homes becoming and remaining empty, but also that this issue is not only confined to one region, city or country of the UK.



	England	Scotland	Wales
Total number of long-term empty homes, October 2020	271,847	47,333	24,671
% change of long-term empty homes from October 2019	+16.92%	+13.46%	-3.6%
% of total housing stock considered long-term empty	1.10%	1.88%	1.7%

Local Authority (Ranked)	**Empty Homes**	**% change**	**% of stock**	**Average house price**
England				
Birmingham	5,448	+19.0%	1.2%	£192,900
County Durham	4,644	+10.3%	1.9%	£106,780
Liverpool	4,631	+17.0%	1.9%	£149,938
Bradford	4,120	+1.9%	1.8%	£146,957
Leeds	3,254	+19.0%	0.9%	£199,154
Scotland				
Edinburgh	7,152	+27.5%	3.03%	£266,361
Aberdeen	4,537	+19.7%	4.07%	£149,566
Glasgow	3,536	+28.5%	1.24%	£134,489
Aberdeenshire	3,167	+6.75%	2.73%	£187,796
Fife	2,943	+9.40%	1.70%	£132,987
Wales				
Carmarthenshire	2,883	-2.8%	3.3%	£152,706
Swansea	2,358	+5.1%	2.0%	£156,099
Rhondda	2,212	-11.5%	2.2%	£115,708
Pembrokeshire	1,612	-5.9%	2.71%	£185,454
Cardiff	1,592	-4.9%	1.09%	£217,194

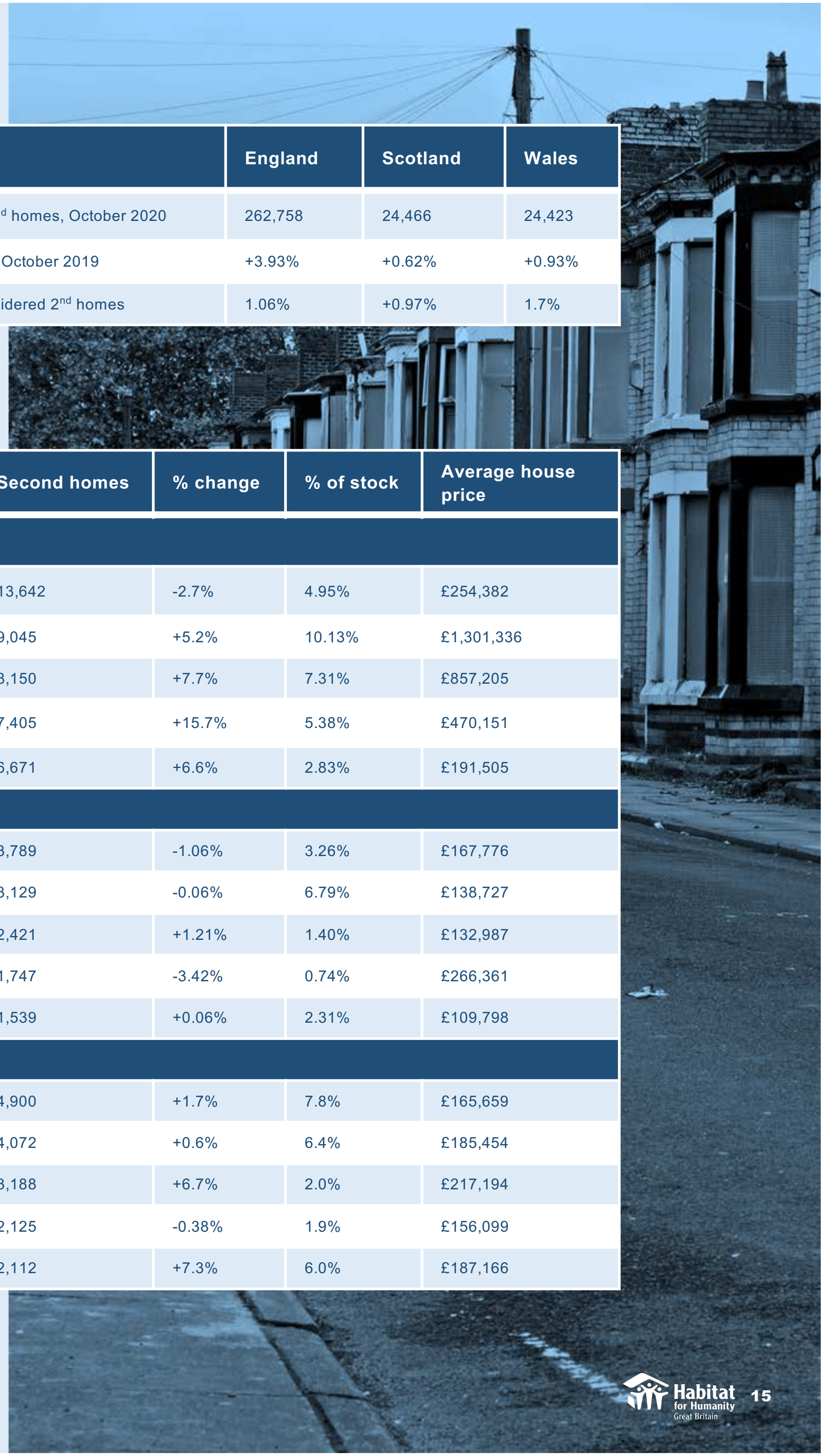
Also reported through the annual Council Taxbase, **Second Homes** also saw large year-on-year increases in 2020, with much of this likely to be as a result of a council tax reclassification of holiday homes and Air-B&B style type accommodation due to the pandemic. In smaller cities, the rise in popularity of serviced accommodation is also likely to have been hit, so where owners would pay the full charge when properties are occupied, this have been reclassified as a second home due to the decline in demand as people work from home.

Across England, there are nearly as many properties registered as second homes as there are empty homes, with a small increase of 3.9% in figures from 2019. Scotland have double the number of empty homes as they do second homes and have also seen a small increase, whereas Wales, similarly to England, have relatively the same number of empty and second homes, also showing a very small increase in 12 months.

At local authority level, despite showing small decline, Cornwall remains the largest area in England for second home ownership, followed by three of the London Boroughs, all of which showed increases in their statistics from the same time the previous year.

Whilst significantly lower in numbers when compared to England, second homes in Scottish local authorities remain at reasonably static levels compared with that of 2019, showing slight rises in Fife, Edinburgh and North Ayrshire. In Wales however, there were steady rises in the number of second homes shown in both city and rural settings, the largest rises where the numbers are highest in Country being seen in Cardiff (+6.7%) and Anglesey (+7.3%)

Whilst the return-on-investment potential, desire for holiday homes and the market for short-term lets may not be as strong as in areas such as London, Manchester or Cornwall, the statistics in Scotland and Wales show the scale at which property is being left empty for significant periods of time, as well as the opportunity that these present in enabling them to be used as homes for those in need.



	England	Scotland	Wales
Total number of registered 2nd homes, October 2020	262,758	24,466	24,423
% change of 2nd homes from October 2019	+3.93%	+0.62%	+0.93%
% of total housing stock considered 2nd homes	1.06%	+0.97%	1.7%

Local Authority (Ranked)	Second homes	% change	% of stock	Average house price
England				
Cornwall	13,642	-2.7%	4.95%	£254,382
Kensington & Chelsea	9,045	+5.2%	10.13%	£1,301,336
Camden	8,150	+7.7%	7.31%	£857,205
Tower Hamlets	7,405	+15.7%	5.38%	£470,151
Manchester	6,671	+6.6%	2.83%	£191,505
Scotland				
Highland	3,789	-1.06%	3.26%	£167,776
Argyll & Bute	3,129	-0.06%	6.79%	£138,727
Fife	2,421	+1.21%	1.40%	£132,987
Edinburgh	1,747	-3.42%	0.74%	£266,361
North Ayrshire	1,539	+0.06%	2.31%	£109,798
Wales				
Gwynedd	4,900	+1.7%	7.8%	£165,659
Pembrokeshire	4,072	+0.6%	6.4%	£185,454
Cardiff	3,188	+6.7%	2.0%	£217,194
Swansea	2,125	-0.38%	1.9%	£156,099
Anglesey	2,112	+7.3%	6.0%	£187,166

	England	Wales
Empty Clergy dwellings,, October 2020	1,121	105
Empty Clergy dwellings,, October 2019	1,137	106

	England
Local Authority-owned empty homes, October 2019	23,974
% change of local authority-owned empty homes from October 2018	+3.34%

Local Authority (Ranked)	**Empty local authority-owned homes (2019)**	**Average house price (2020)**
England		
Southwark	1,021	£512,705
Birmingham	798	£192,900
Camden	748	£857,205
Sheffield	727	£178,787
Gateshead	719	£140,573
Ealing	611	£518,392
Newcastle Upon Tyne	589	£167,002
Newham	535	£374,394
Dudley	528	£187,982
Greenwich	520	£406,635

Reported as part of the Council Taxbase data in England and Wales, **Empty Clergy dwellings** account for a very small proportion of empty stock nationally as a whole, and both figures showed little movement in comparison to those reported in 2019.

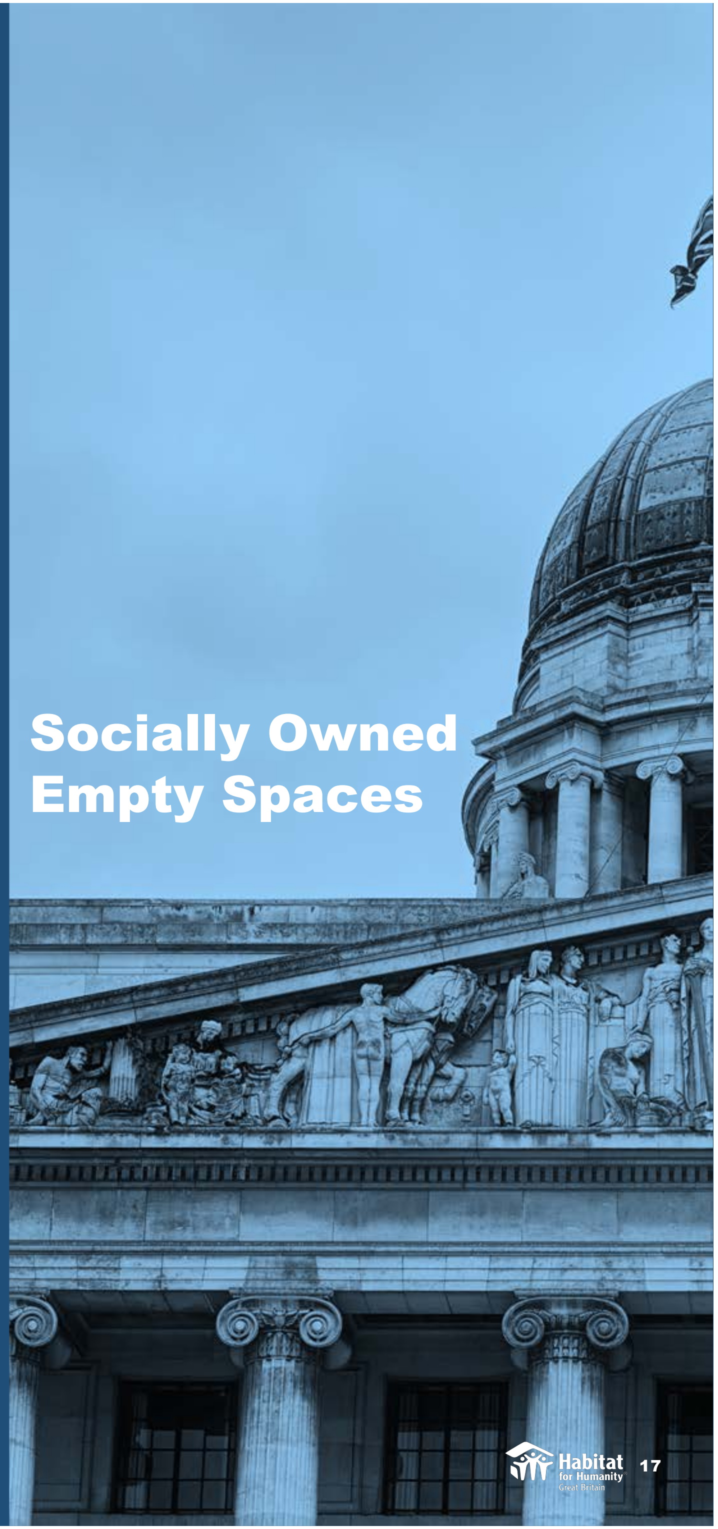
The small movement in numbers of clergy dwellings are likely to be a result of the Church of England not being active in the property market in the way an investor, developer or local authority would be, as their procurement and disposals are likely to be on a small scale or case-by-case basis. Little or no movement or relocation of ministers and clergy staff, will also result in the statistics stagnating.

Although intending only to use the most recent data, information on **local authority-owned empty residential property** was not made available at the time of the empty homes statistics released in October 2020. However, 2018 and 2019 data showed an increase of 3.34% over the course of the year, and whilst many of these are likely to be returned to use as dwellings, many are part of the wider regeneration or development plans for local authorities, so may return a greater number of dwellings in some circumstances when completed.

Within these statistics, a number of factors should be considered when assessing the scale of empty homes and their availability. These properties are owned by the local authority and not by Housing Associations, which are classed differently within the Council Taxbase, so it is likely that these numbers would rise significantly should these be available and collated alongside. However, some of the Councils, especially those with higher numbers, may be ‘stock-holding’ authorities, meaning that their ‘Council Houses’ are still owned, managed and maintained in-house, and have not had their ownership transferred to registered providers, as is the case with many other local authorities. Therefore, those stock-holding councils will have higher numbers of local authority-owned residential empty homes, and lower numbers of those empty and owned by housing associations.

It should also be recognised that where development and regeneration plans have been set out, particularly in the North East and North West, large estates of empty homes have been decanted, their residents moved to newer and more efficient properties, and ownership transferred back to the authority in order to provide a clearer and more streamline route to demolition and regeneration.

Socially Owned Empty Spaces



Whilst there were a number of articles, studies and other publications showing national statistics with regards to vacant commercial premises, the lower-level data, particularly surrounding their ownership and regional locations was not forthcoming. As a result, it was decided to pursue Freedom of Information requests (FOI) to a sample of local authorities, in order to ascertain information about vacant spaces they owned and were aware of.

All local authorities across England, Scotland and Wales were ranked in order of their statistics on housing demand, housing supply, empty and second homes, and their percentage increase in empty homes from the previous year. With each criteria scored from 1 (best statistically) to 312 (worst statistically) for England, and 32, 22 respectively for Scotland and Wales, the authorities were then ranked in their overall scores, and the top 20% for each Country used within the sample. A sense check of the results was also carried out for those Authorities who were not included in the 20% bracket, to including councils with current working relationships with Habitat for Humanity, where there are known specific housing needs, as well as those authorities where empty homes work is well regarded and could potentially produce a working collaboration moving forward. This resulted in a further 17 Councils being added and producing a total sample size of 110 out of 366 local authorities (30%). Subsequently, Freedom of Information Requests (FOIs) were sent individually to the sample authorities, with the following information requested:

"The total number of business and/or commercial premises owned by your local authority, that have been empty or vacant for 12 months or more, and of that number, how many have their primary function as retail space, office space, leisure space or other"

The request was worded as such in order to require specific statistical information, but also that any property having been vacant for over a 12-month period is unlikely to have been adversely affected by the COVID-19 pandemic at the time of the request. Coupled with this, a property owned by a local authority and empty for that length of time is more likely to be on their regeneration plan, asset disposal or asset review list due to the financial implications on the holding authority of leaving a property unoccupied. This presents further scope and opportunity for partnering with authorities who have longer-term empty spaces, and they are more likely to consider wider proposals put to them for reuse.

The request purposely omitted the requirement to include address or location details of their assets, as it is known that this would have likely to have been rejected under the FOI Exemption Section 31 (1)(a), which is in place in order to prevent crime.

The following table shows the response rate of the FOI requests submitted at the time of publication:

	England	Scotland	Wales
Number of freedom of information (FOI) requests submitted	90	12	8
Number of responses received as a result of the request	73	11	6
% of responses received of requests	81%	92%	75%

As a result of the Freedom of Information requests, it was found that some data relating to empty commercial property owned by local authorities are regularly reported on through their Open Data Policies. Where possible, this data was sought and collected to inform the research going forward for all authorities, although was often found to be out of date or not relevant to the study.

	England	Scotland	Wales
Total sample number of local authority-owned vacant properties	1346	324	122
Total number of vacant retail spaces	414	61	55
% of total vacant spaces classed as **retail** space	30.75%	18.8%	45%
Total number of vacant office space	330	63	16
% of total vacant spaces classed as **office space**	24.5%	19.4%	13.1%
Total number of vacant leisure spaces	67	20	5
% of total vacant spaces classed as **leisure space**	4.9%	6.1%	4%
Total number of other vacant spaces	534	180	45
% of total vacant spaces classed as **other** use space	39.6%	55.5%	36.8%

	England	Scotland	Wales
Estimated total number of local authority-owned vacant properties	6,324	942	447
Estimated total number or vacant retail spaces	1,944	177	201
Estimated total number of vacant office spaces	1,549	182	58
Estimated total number of vacant leisure spaces	309	57	17
Estimate total number of other vacant spaces	2,504	522	164

Although having focused resources on frontline services during the pandemic, the overall response rate for the requests submitted was generally positive, with over 80% of authorities supplying information as a result.

In terms of their use classes, retail and office buildings made up over 55% of those buildings empty over 12 months and owned by local authorities across England and Wales, with a rate of over 38% for Scotland. Whilst this is likely to have been expected, it is also the sector in which is most likely to see changes in occupancy levels in the near future, but also lend themselves to being the most suitable when adapted for housing purposes due to their square footage potential for multiple units being created.

In several of the responses received, properties classed as ‘other’ for the purposes of the research included property types such as public conveniences, workshops, warehouses, garage Sites, community centres and civic buildings.

Other responses included information on vacant sites and land, which was discounted for the purposes of this research, and included such locations as advertising sites (billboards), ATM points and phone boxes.

When modelling the data received from local authorities as a result of the information received through the FOI requests, it is estimated that there are currently over seven thousand empty and vacant spaces across England, Scotland and Wales, with this number likely to be higher, when considering property that has been left vacant for less than twelve months. Broken down using the percentages of types of property, this table gives an indication of the use classes for those estimated to be empty, with the largest single class uses, es expected, to be that of retail and office space.

This model was created by dividing the total number of vacant spaces by the number of authority responses received, creating an average number of properties per authority of 18.4, and multiplying by the total number of authorities in each Country.

If matched against GLIDE research estimate in 2019, of there being over 127,000 vacant commercial and business premises across the UK, this would result in there being an estimate of over 120,000 **privately owned** vacant non-residential spaces across the UK.

Of the responses received by local authorities, those with the highest number of authority-owned vacant property are shown in the adjacent table, along with the breakdown uses for the properties they reported.

In England, of the sample local authorities contacted the largest proportion of vacant ownership is seen in northern parts of the Country, with Derby, Leeds, Cheshire West & Chester and Gateshead reporting the highest figures. Of the top eight local authorities with the highest numbers, only 2 London Boroughs feature, with a combined 89 properties between them.

One aspect recognised in the responses received from the London Boroughs, especially where they had address and location information included in the response, was that there seems to be a significant number of Borough Councils who own property located within other London Boroughs. Because of the proximity of the Boroughs across the capital, this is not surprising, and it would not be expected that there would be many cases of cross-boundary ownership in other parts of the country.

In Scotland, the largest figures reported were around the Capital Edinburgh, and whilst the response from Glasgow didn't garner any information, it would be expected that they would similarly have proportionally higher numbers of socially owned empty spaces. Following Edinburgh, Aberdeen, Fife, South Lanarkshire and Dundee all showed significant numbers of vacant spaces, and when considering the average number of 18.4 held per authority, these would equate to twice, and three times the average, respectively.

In Wales, surprisingly the highest figures were not found to be in the areas of their largest cities of Cardiff and Swansea, but in Bridgend and neighboring Port Talbot. Possibly down to the higher vacancy rates of retail units in these areas, it would have been expected that the numbers of both retail and offices units remaining vacant in these areas would have been higher due to the increased density of these types of buildings. However, this has been found not to be the case, with Cardiff and Swansea Councils holding only two office units that have remained vacant for over 12 months within their portfolios between them. This is eclipsed by the number of office units in Merthr Tydfil, where their authority currently has 9 vacant office spaces underutilised.

Local Authority (Ranked)	**Total**	**Retail**	**Office**	**Leisure**	**Other**
England					
Derby	173	51	76	4	42
Leeds	101	35	23	3	40
Cheshire West	75	21	53	0	1
Gateshead	55	12	12	0	31
Greenwich	47	15	3	4	25
Sefton	45	9	6	11	19
Rotherham	43	37	5	0	0
Brent	42	10	5	2	25
Scotland					
Edinburgh	114	15	14	5	80
Fife	51	3	5	12	31
Aberdeen	39	5	10	3	21
South Lanarkshire	35	2	13	0	20
Dundee	31	18	5	0	8
Highland	22	5	6	0	11
Stirling	19	8	9	0	2
Wales					
Bridgend	32	24	0	1	7
Neath Port Talbot	29	18	1	1	9
Cardiff	21	0	0	0	21
Swansea	16	8	2	1	4
Merthr Tydfil	14	1	9	1	3

Local Authority (Ranked)	Vacant Commercial Spaces	Housing Demand	All Empty, Second & LA-Owned Empty Homes
England			
Derby	173	473	2,563
Leeds	101	83	5,797
Cheshire West	75	175	2,716
Gateshead	55	61	2,682
Greenwich	47	657	1,655
Sefton	45	25	2,601
Rotherham	43	189	1,974
Brent	42	198	1,358
Scotland			
Edinburgh	114	3,310	8,899
Fife	51	2,010	5,364
Aberdeen	39	1,220	5,385
South Lanarkshire	35	1,735	1,740
Dundee	31	1,010	1,964
Highland	22	1,100	6,384
Stirling	19	570	932
Wales			
Bridgend	32	123	954
Neath Port Talbot	29	96	1,872
Cardiff	21	693	4,780
Swansea	16	138	4,483
Merthr Tydfil	14	42	734

When comparing those authorities with the highest numbers of vacant commercial premises, with that of their combined empty, second and authority-owned empty homes, the numbers appear to correlate with the housing demand placed on the holding authority. With the exception of Greenwich in England, Aberdeen in Scotland and Cardiff in Wales, the numbers of housing demand reduce in line with the number of vacant and unused commercial spaces, giving an indication of the possible pattern that may be seen in those authorities who were not included within the sample contacted.

Whilst focusing on the statistics of commercial premises, when matched with the available data surrounding empty, second and local authority-owned empty residential property, it can be seen that these numbers also represent significant numbers of underutilised space. Across all three Countries and 20 locations shown, the amount and potential empty space is alarmingly high, at a time where population growth and the need for safe and appropriate living accommodation is in such critical need.

Although it is accepted that this is a snapshot of a local authority's annual position on Housing Demand, as well as other indicators showing the number of underutilised and vacant homes, second homes and their trends, it is this such data that informs Local and Central Government when planning policy and strategy, therefore it is considered that this is the most reasonable and accurate representation of data available.

Whilst these authorities may be potential areas to target for future investment and involvement, it must be recognised that the sample only formed 30% of all local authorities across England, Scotland and Wales, and therefore the representation of other locations must be made through other key indicators.

In terms of the locations which may provide the most potential in order to focus operational time and resources moving forward, areas that provide the most scope may involve working with empty buildings of all forms and ownership status, especially when considering that these statistics offer no detailed data on vacant commercial or business premises in the Private Sector.

Assessing the viability of regions and locations to target conscious effort, is made increasingly difficult given that each city, town region and local authority face a variety of challenges, albeit on differing scales. The wealth and opportunity in one location may lead to an increase in poverty and subsequent housing demand, but that wealth may also mean property prices and value for money in conversions are reflected in that. On the contrary, areas that are less financially sustainable and require more support from Central Government and through grant funding, may mean a societal imbalance that presents more demand than can be sustainably and practically supported. Rural areas present opposing challenges to that of an inner-city region, and house prices in the North compare favorably to those in the South, so there are a number of factors to understand and consider, prior to assessing the viability of a region or local authority area to work within.

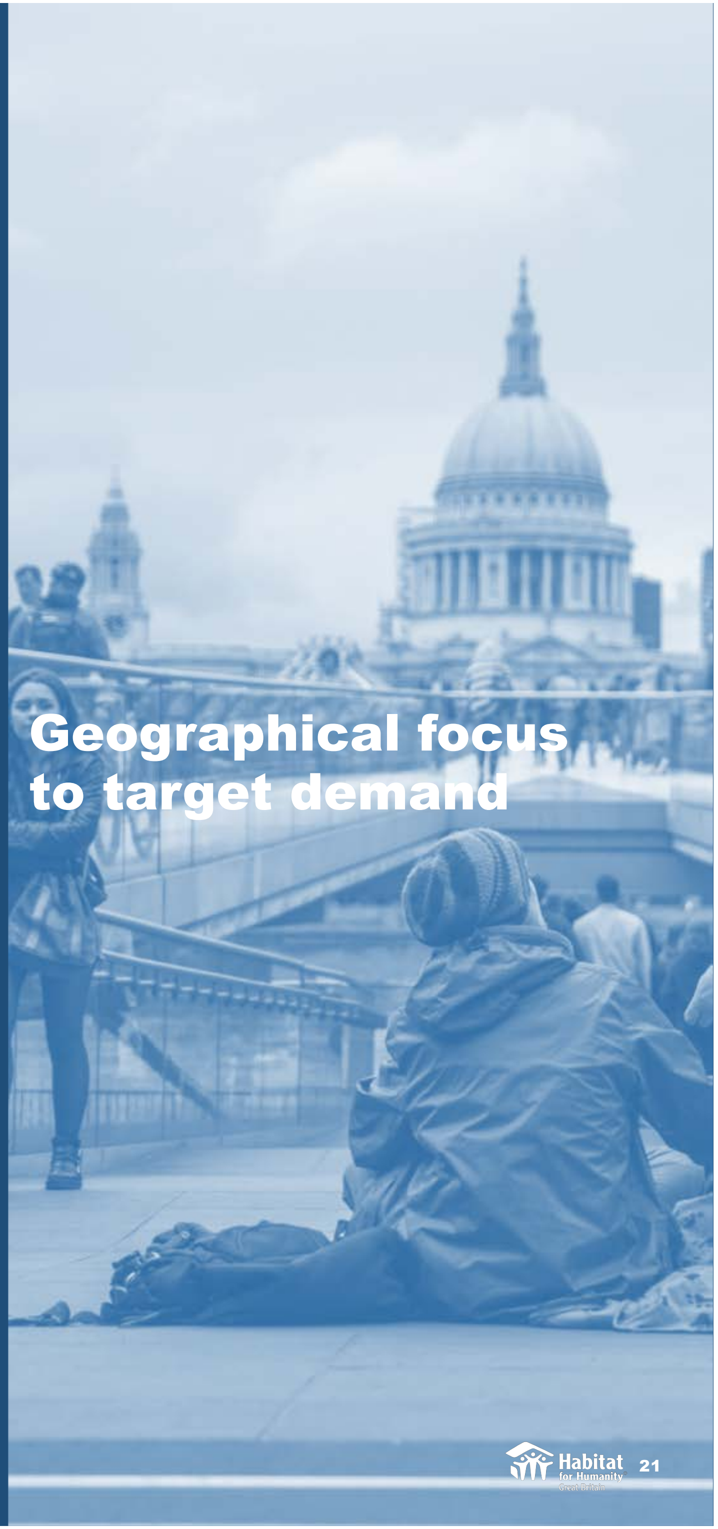
However, when assessing the indicators outlined previously in this report, they provide real-life and tangible data with which to work and allow a sound foundation on which to base initial considerations when looking at potential locations in which to operate.

Key to providing an impartial and overall view of the current position in term of vacant spaces and property across England, Scotland and Wales, is the inclusion of all local authority areas and the statistics gathered on each set of key indicators, to show which areas have the most scope, availability and potential whether such data is available or not.

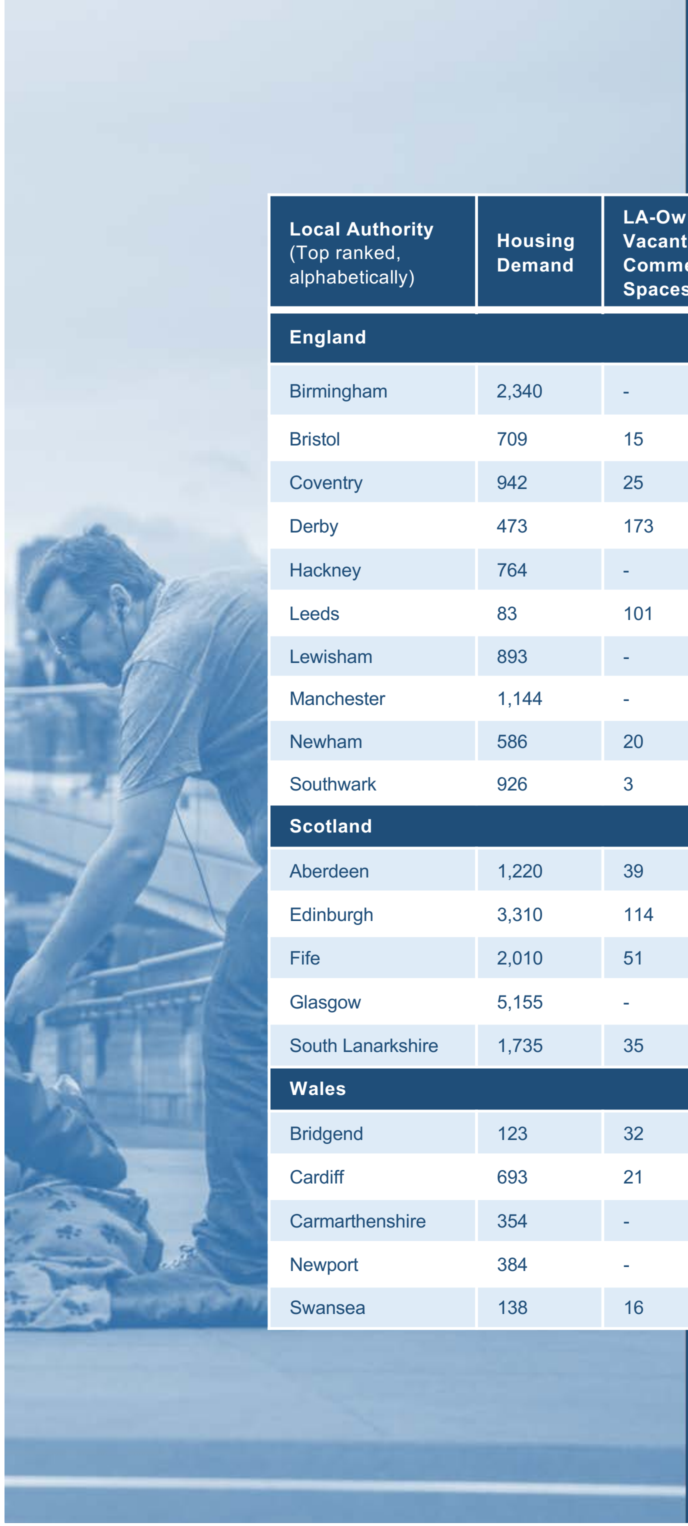
Also factored into this process, are the areas and cities which are known to have active and well-regarded Empty Homes Officers, that not only provide crucial support and advice on schemes and information to owners of empty homes in their roles, but also provide a conduit for enquiries and engagement for which may prove the catalyst for introductions and negotiations moving forward. Although not a statutory function, Empty Homes Officers often receive enquiries with regards to business and commercial premises, and their tools and legislative powers sometimes enable them to act upon and enforce laws to secure or improve their appearance.

Where data was not available or provided in some cases, these areas have been included because of their statistics in one or more of the other indicators, and where it is recommended that resource should be considered for targeting in the future.

In the figures below shown for England, the local authority areas shown are considered the best in terms of their scale of opportunity for London, the South West, and the Midlands for England, Aberdeen, Fife, Glasgow and Edinburgh regions of Scotland, and the southern towns and cities for Wales.



Geographical focus to target demand



Local Authority (Top ranked, alphabetically)	**Housing Demand**	**LA-Owned Vacant Commercial Spaces**	**New Build Completions 19/20**	**Average House Price**	**Long-Term Empty Homes**	**% Housing Stock Long-Term Empty**	**Second Homes**	**% Housing Stock Second Homes**	**LA-Owned Empty Homes**	**Empty Clergy Dwellings**
England										
Birmingham	2,340	-	180	£192,900	5,448	1.20%	1,950	0.43%	798	10
Bristol	709	15	170	£304,209	1,220	0.59%	2,068	1,01%	337	2
Coventry	942	25	130	£198,381	1,678	1.14%	805	0.54%	16	1
Derby	473	173	190	£168,429	1,377	1.23%	1,070	0.96%	116	8
Hackney	764	-	20	£569,792	1,415	1.20%	909	0.77%	489	1
Leeds	83	101	190	£199,154	3,254	0.90%	2,192	0.61%	351	19
Lewisham	893	-	230	£440,519	1,422	1.09%	489	0.37%	442	2
Manchester	1,144	-	190	£191,505	1,461	0.61%	6,671	2.82%	113	11
Newham	586	20	360	£374,954	1,870	1.53%	275	0.22%	535	7
Southwark	926	3	60	£512,705	543	1.25%	3,630	8.38%	1,021	9
Scotland										
Aberdeen	1,220	39	232	£149,566	4,537	4.07%	848	0.76%	-	-
Edinburgh	3,310	114	762	£266,361	7,152	3.03%	1,747	0.74%	-	-
Fife	2,010	51	383	£132,987	2,690	1.70%	2,421	1.40%	-	-
Glasgow	5,155	-	1,045	£134,489	3,536	1.24%	570	0.20%	-	-
South Lanarkshire	1,735	35	215	£127,395	1,536	1.03%	204	0.14%	-	-
Wales										
Bridgend	123	32	0	£163,058	951	1.90%	3	0.00%	-	0
Cardiff	693	21	123	£217,194	1,592	1.09%	3,188	2.08%	-	15
Carmarthenshire	354	-	28	£152,706	2,883	3.35%	1,125	1.27%	-	5
Newport	384	-	88	£192,971	1,114	1.62%	11	0.02%	-	8
Swansea	138	16	86	£156,099	2,358	2.00%	2,125	1.90%	-	6

Why Do Spaces Become Empty & Underutilised?

One of the most prevalent reasons for commercial properties becoming empty are the **Increasing business rates**, often imposed on businesses without prior warning or consultation. Increasing a rate cost, even for the most successful of businesses can prove fatal, especially for smaller, independent traders whom often operate within tight budgets and without the corporate support of some of their larger and national competitors.

Commercial property becoming vacant and losing their tenants, results in **empty rate liabilities** on their landlords. Following an initial period where relief is available to commercial property landlords, liabilities are introduced for the duration of the building being empty (similar to such relief and subsequent full charges on residential property). This can put considerable financial stress on a landlord who is attempting to secure a new tenant, without receiving rental income whilst trying to do so.

Without doubt, the increase in **Internet shopping** has had the largest effect on retail over the past decade, providing unrivalled choice and variety at your fingertips, with the convenience of having it packaged and delivered to your door, often on the same day. Deals and offers such as Black Friday, Cyber Monday, along with convenience platforms such as Amazon Prime, has led to many retailers having to adapt to a more online focused outlet of sales, or becoming internet based altogether.

Even prior to the pandemic high street stores were finding it financially difficult to survive and stave off **administration** and remain open. The Arcadia Group, Debenhams, Cath Kidston and Peacocks have all ceased trading to name a few, but all with a significant real estate presence on the high streets across the Country.

Since the **recession in 2008**, businesses and companies have had to adapt in order to survive and become more efficient. Not only reducing their workforce to make efficiencies, companies have also seen that by downsizing their office accommodation they can reduce rates, utilities and operational costs to ensure they remain a concern. Moving on to smaller, or in some cases larger properties, this has often left an unfillable void, where alternative uses have to be considered to extend the life and viability of a building.

All of the above factors, along with the ongoing pandemic, may see a **domino effect** over the coming months and years within the commercial property industry. Larger landlords with decreasing rental income could face financial difficulties, and begin looking at options to reuse or repurpose their stock in order for their asset portfolio to remain financially solvent.

When it comes to **Empty homes**, it is often a case that an owner's personal situation and circumstances is the primary reason for a property becoming and remaining empty, and only in few cases are external factors the main obstacle. In assessing the reasons behind why empty homes become and remain vacant, it is critical to remember that prior to reaching the desk of an empty homes officer in a local authority, a property must have been empty for at least 6 months before being considered as long-term empty. Whilst most of the reasons outlined below can be adequately overcome within a 6-month period, an owner's personal situation and circumstance has withheld that property from reaching its purpose of being occupied again.

Even in buoyant conditions, property actively **on the market** for sale can take months, often years to find a buyer. Priced incorrectly, vendors can often be unrealistic and unwilling to listen to offers, or in no rush to sell quickly, meaning that a property can sit empty and unused until a buyer is found.

After the death of an owner, the **probate** process can take months to reach a conclusion, especially if there is no valid Will in place, or if there are disagreements between family members or beneficiaries.

More often than not, the reason behind homes remaining empty are the lack of **time, money, knowledge, experience or trust in trades** by their owners. Often a combination of more than one of the above, these are the key areas in which Council Officers are most likely to provide support and a helping hand.

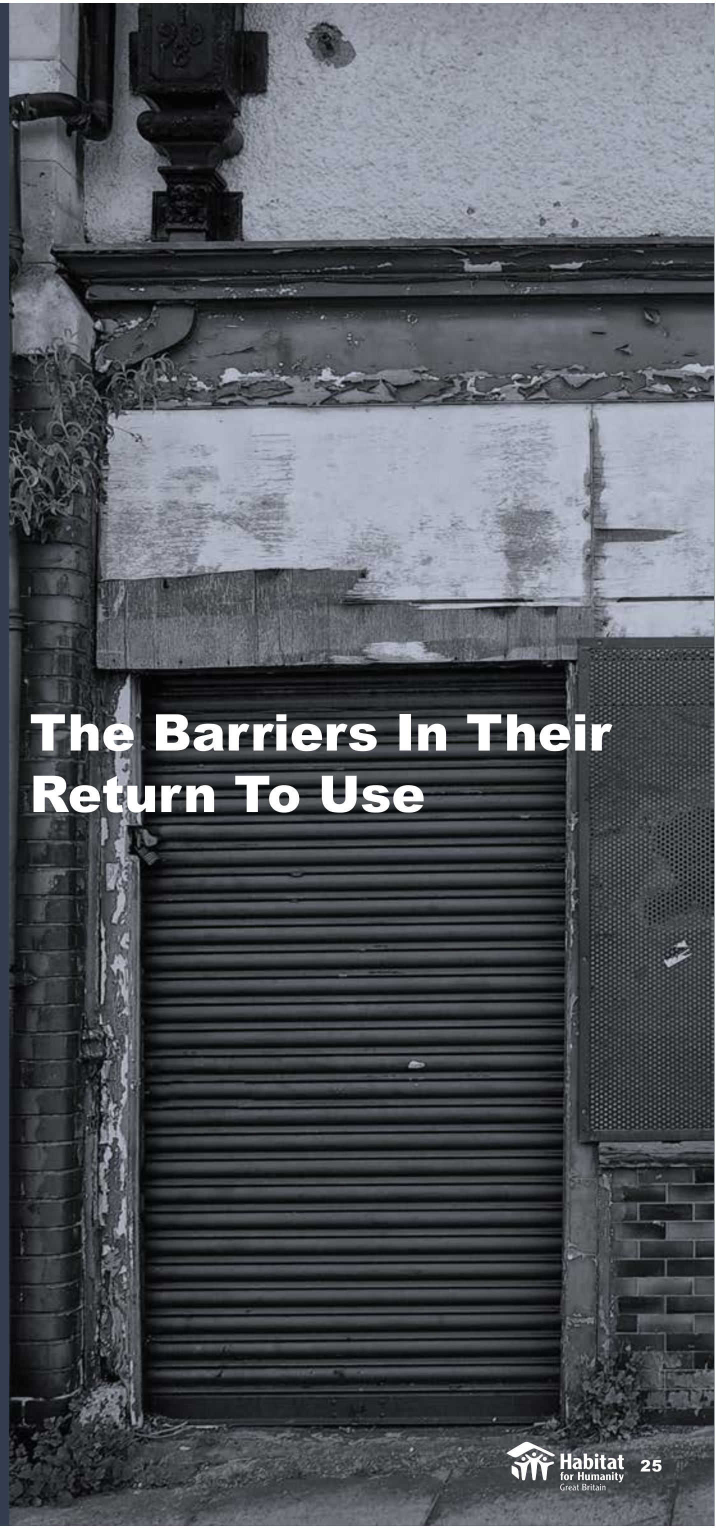
More common recently are the production of **accidental landlords**, where two people who own their own property individually become partners and move in together. Often having the intention of subsequently selling or letting the property, their lack of knowledge around legislation in becoming a landlord discourages them from proceeding to do so.

An increasing interest in empty homes from developers and investors over the past decade, has also seen an increase in those **awaiting planning / redevelopment** for conversion or redesigning to flats, HMOs or to increase the livable space a property has to offer.

Becoming increasingly common and with an ageing population, people with elderly relatives who require care and attention, are often forced to move away in order to **provide or receive care**. Whether moving into a care home, or into a relative's home for care, this leaves behind a property, and quite often, the memories that are associated with it.

A smaller percentage of empty homes also can be found in the **absent owners & buy to leave markets**, where properties are bought as an appreciating asset, and left for the market to rise before selling on at a profit. Often seen in London, this issue is increasing in prevalence in high-growth cities such as Manchester, Birmingham and Liverpool.

Given the above, and the challenges faced in bringing a single property back into use, it presents a theory that the return to use and conversion of a single commercial building into multiple accommodation units, will in turn offer a quicker and more efficient route to housing several homeless households effectively.



The Barriers In Their Return To Use

The primary barrier surrounding many types of commercial property are the **ownership arrangements** of property and their interested parties. Over half of the UK's commercial property are occupied by lessees, but when they become unoccupied, liability for their management and maintenance falls back to the freeholder. Commentary reported in the Financial Times, shows a threefold increase in leases shorter than two years in length between 2018 and 2020. This indicates that businesses are less confident in the market, but also the challenges being faced ensure that they can vacate without large financial penalties should they need to. This subsequently leads to a higher turnover of tenancies in the commercial sector, but also less security for those landlords.

With more companies and businesses taking a more focused approach to their **core objectives**, the desire for them to own, maintain and manage their own property portfolios has decreased significantly over recent years, with large supermarkets, chains and brands opting for **sale and leaseback** models with regards to the ownership of their commercial assets. This often results in larger landlords increasing their market share, but also reducing their risk should a small number of units become and remain vacant for longer periods than usual.

Building structure, design and compatibility often lead to parts of properties being left empty purposely. For instance, where a lease has been agreed on a building in order to operate a retail space on the ground floor, its is often difficult for to use the floors above for reasons such as finances for refurbishment, or the fear of crime by entry to the shop below, such as the case with betting shops or banks. Often the main barrier to the occupancy of **flats above shops** are that their primary entrances are through the retail space below, and other access means are unavailable without the purchase of land or planning permission. Where the leasehold/freehold in such instances are split between two different parties, this makes this situation even more challenging. However, this is not to say that such opportunities either don't exist or prove too difficult a challenge to overcome, as shown by Habitat for Humanity Great Britain during their project in Barking and Dagenham. Deemed too costly to refurbish by the local authority, several units were returned to use and occupied by local care leavers.

Whilst flats above shops can prove a difficult proposition, this is mainly the case where the shop or ground floor unit are occupied and open for trading. If both **retail and residential units above are vacant**, the scope and potential of opportunity improves significantly. With the appropriate planning and change of use approval, the opportunities to convert, or use as a co-working/living space with the flat above, could prove a very attractive proposition for both the developer and end user.

This route, where a building can be leased fully with no occupants in-situ, should be actively encouraged to result in either the repurposing of an empty shop for commercial use or conversion to residential, along with any space above to maximise the building's potential.

Another key aspect of being able to proactively return all types of property to use, are the **attitudes and political appetites of local authorities**, their strategies and teams. Through their **development and regeneration plans** Council's set out ways in which they hope to see their town and cities grow, develop and progress over time, whether that be in housing, commercial growth or the development from old to new.

- Habitat for Humanity Great Britain's flat refurbishments in partnership with Barking & Dagenham Council

The Effects of Covid-19

Prior to the Covid-19 Pandemic, data from the Office National Statistics showed that footfall on the high street had fallen by 10% over the previous 7 years, largely attributed to the rise in popularity of retail parks, internet shopping and a change in shopping habits. The internet accounted for 21% of all retail sales at the end of 2019, and at the end of the first national lockdown in 2020, this had risen to 33%.

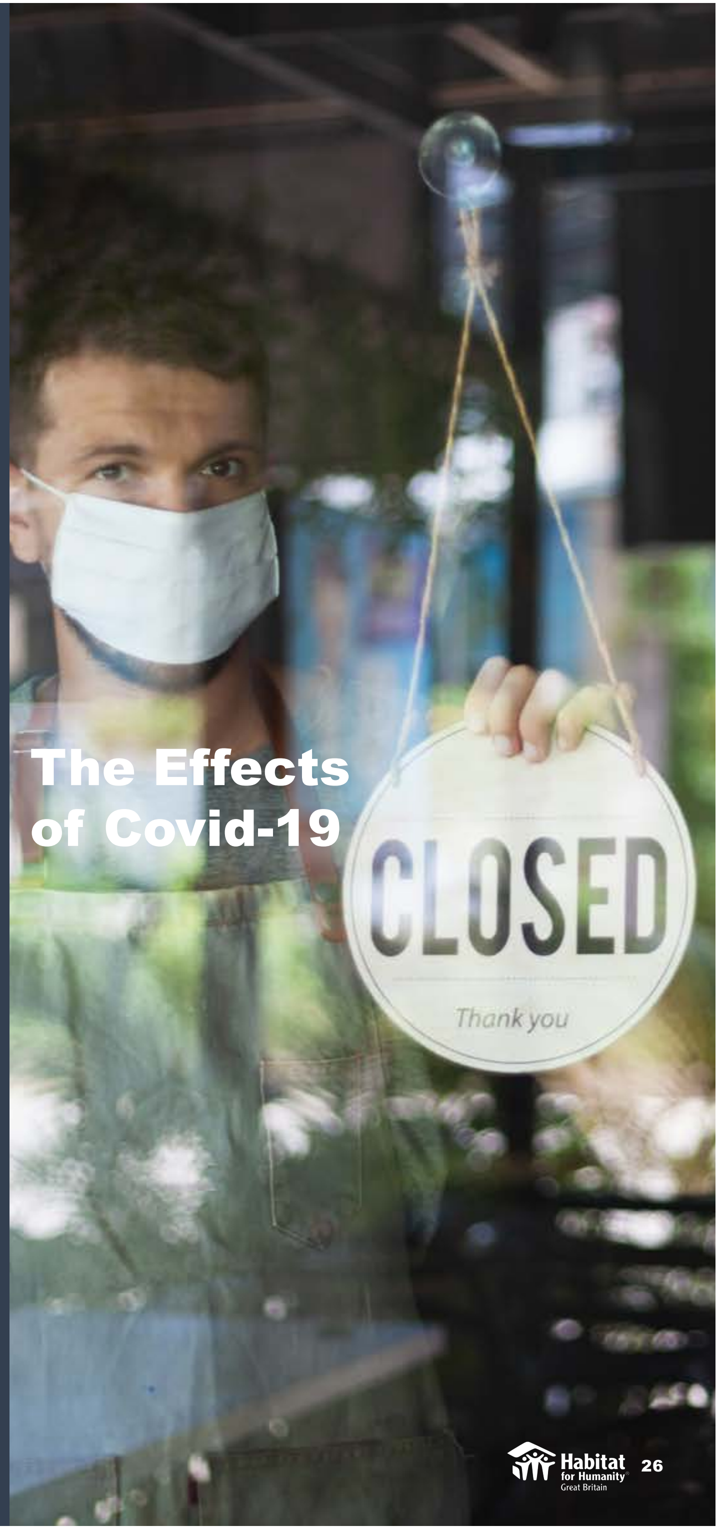
With footfall on the high street down by 55% in December 2020 compared with the same period in 2019, it is clear that the pandemic has negatively affected visits to the high street over the past 18 months. However, this is likely to recover somewhat as lockdown restrictions ease, and consumers regain their ability to shop and socialise in town centres once again. Similarly with traditional office-based roles and the restrictions imposed by Central Government meaning that the work from home message had to be adhered to, it is expected that whilst many will return to their usual place and ways of working, businesses are finding ways to adapt their approach.

A report published in the Financial Times also considers the change in habits of using office space. Despite providing cultural, community and social connections for businesses and their staff, the report stated that the Covid-19 pandemic has the potential to become one of the biggest tipping points for the future of offices and their organisations. With employees having adapted to working from home, the ability for companies to make savings on rent and utilities, as well as the additional wellbeing benefits being found by those staff, are likely to promote organisational cultural changes that will demand evolution of how businesses operate in the future. Savills also highlighted that whilst advances in technology and an increased focus on staff wellbeing meant this change was inevitable over time, the pandemic has been the catalyst for its acceleration and the results of this will only be largely understandable when office-based staff are allowed back to their workplaces without restrictions in place.

With it probable that a significant transition period will be required to enable company employees to return to office-working safely, the emphasis and costs of adapting office space to comply with restrictions and social-distancing measures may put some smaller companies off and may continue to afford their workforce the option of working from home. That said however, a significant number of businesses have experienced a period of growth during the pandemic and may look to expand both their workforce and property portfolios in which they are based.

As in retail, some operators have faired positively and are expecting to grow further over the coming months and years. Sectors such as wellbeing and personal care have seen upward trends in demand, and with a number of start-ups being created from home during the pandemic, this could lead to expansion into more suitable and permanent premises.

Will the traditional high street recover, and will a walk to the home-office replace the daily commute? Whilst the immediate changes in societal shopping and working habits mean that the landscape of office and retail premises occupancy is uncertain for the foreseeable future, it is only after the impending boom when shoppers return, diners are able to eat out and staff can return to the office setting, that the consequential effects of the pandemic will be felt in the months, or possibly years, to come.



Ideal Conditions & Considerations

In July 2020, research carried out on behalf of the London Borough of Enfield, studied the rate at which office and retail conversions to residential were carried out between 2014 and 2018. This study assessed the schemes completed, planning applications and permissions, as well as their location within the Borough. This paper found that on average the number of residential accommodation units created within office conversions was 9, whereas this was much lower in retail conversions at just 1.5. On using this formula against the data obtained, this could present the opportunity to provide in the region of 16,000 accommodation units through the conversion of empty local authority owned office space, along with 3,500 units through the redevelopment of their empty retail space.

However, whilst this may be used as a measure of potential with empty commercial and retail spaces, there are a number of other key factors to consider which will affect the process, from conception to completion.

On the face of it, the **suitability of a property** may lend itself well to being converted into residential accommodation. If a building has been used as living accommodation previously, not only is it likely to be structurally suitable for a return to that use, but also more likely to receive the appropriate planning and building regulation consent.

The Government has introduced further changes and expansions to the **planning** system, in particular within permitted development rights, including changes to town centre use classes with the intention of installing greater flexibility for changes of use without the need to obtain planning permission. Despite research highlighting that conversions carried out within the permitted development rights often don't meet design standards, these changes came into effect in late 2020. This also limits the ability for local authorities to shape their own town centres to suit local need, as these changes are based on a national policy framework.

For building to be redeveloped for the use of residential accommodation, understanding and an appreciation of the **building regulations** at an early stage of the process will be key to the project's success, and inevitably inform the design, materials and costs aspects when assessing its feasibility. Soundproofing, fire regulations, insulation and space standards will all be affected converting from commercial to residential, added to this the space standards set for HMO properties if the end use is proposed to be accommodation with shared communal facilities. National guidance issued by the Chartered Institute of Environmental Health set bedroom space standards as a minimum of 6.5sqm for rooms occupied by one person where there is a separate living space, and 9 sqm without, and bedrooms occupied by two people set as a minimum of 10sqm where there is separate living space, and 14sqm without.

If the building being redeveloped has been empty for a significant period, there are also a number of other **environmental considerations** to be factored in, such as the increased likelihood of nesting animals, protected species and often hazardous animal waste. With the repurposing of buildings likely to be of a certain age and construction type, there is also an increased probability of asbestos being used in the construction type, which can be expensive to contain or remove. Altering the use of a building for what it was intentionally built for, will also have an impact on the end-use **energy efficiency** of the property. Whilst it can be considered 'green' to repurpose and refurbish property rather than build on greenfield sites, it may ultimately prove to be more cost efficient, and more sustainable in the long-term to demolish and rebuild, although this is entirely dependent on the property.

Current legislation also dictates that the energy performance of rental property must meet the **Minimum Energy Efficiency Standards (MEES)**, currently an E Rating for properties in England and Wales. This looks set to change, with the government proposing that all rental property should rated as C or above from 2025 on their energy performance certificate. This proposal aims to target all new agreed tenancies from 2025, and subsequently all tenancies from 2028.

In terms of a building's make-up and fabric, special consideration should be given to those of a certain age because of the possibility of the presence of **asbestos**, generally found in buildings constructed prior to the 1980s. More recently, the use of **cladding** on buildings has become increasingly common because of their efficacy and speed of installation. However, certain types of cladding have been found to fall short of building regulation or fire safety standards, leaving many landlords and homeowners facing costly bills for their upgrade or removal, often rendering a property unsellable, unmortgagable or valued at zero. This has to many local authorities deploying teams of officers across the country to assess the number of potentially dangerous buildings who have such cladding installed and adopting a register of those where urgent works are required for them to be deemed safe.

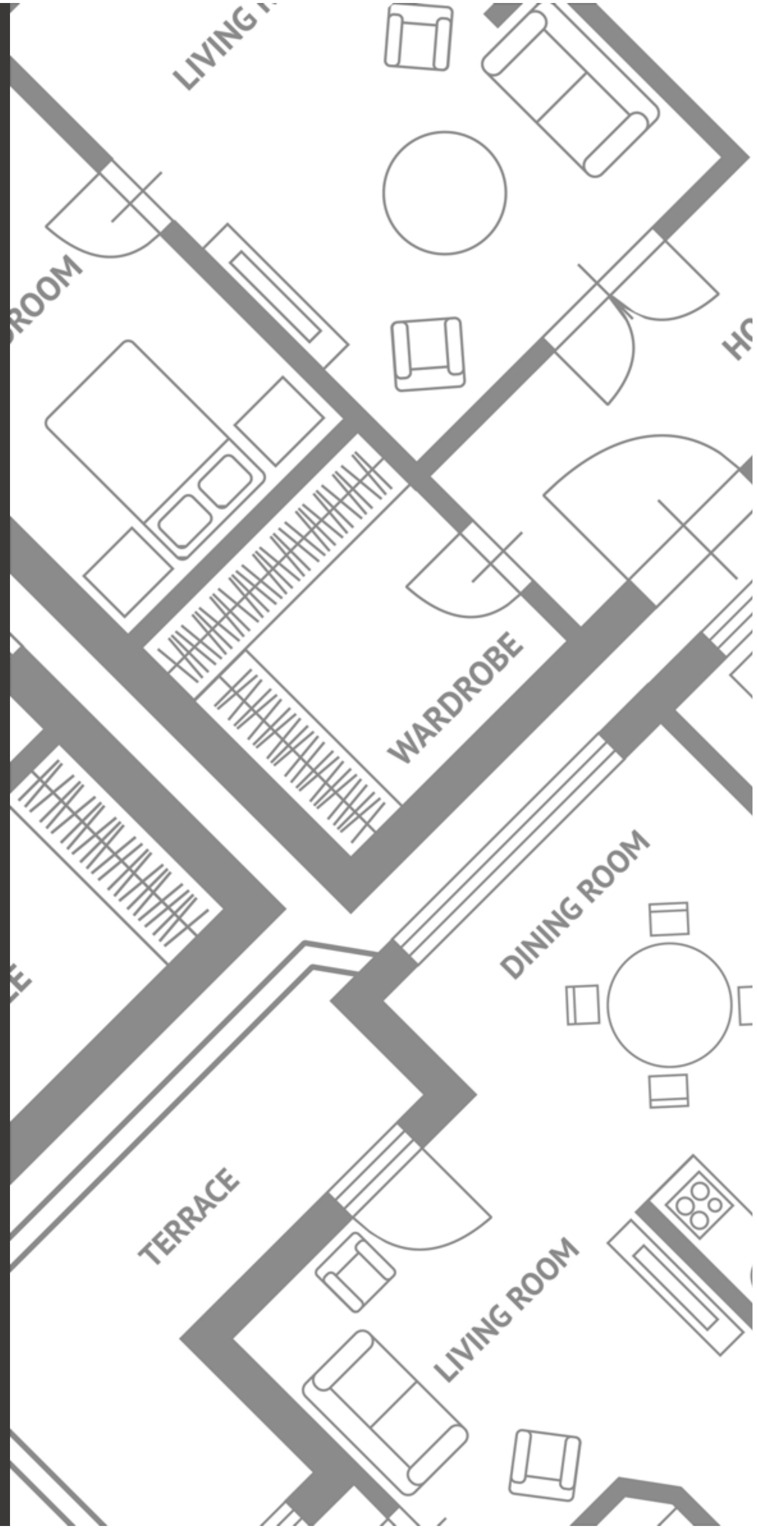
If a building is **listed**, or classed as a **building of special interest**, there will be additional restrictions on both the probability of being granted permission for a change of use, but also in the planning process which affect any changes to the internal and external fabric of the building. This can be restrictive not only in the end-use of the property, but also when it comes to design, construction methods and materials used.

Similarly with listed buildings, and especially in town centres, **conservation areas** can also be restrictive when it comes to planning, design and construction materials. Advice on all aspects of conversions within conservation areas can be discussed with local authority conservation officers, as well as with Historic England, Historic Environment Scotland, and Historic Wales. Dependent on eligibility, various grants schemes can be accessed through these organisations, who all aim to improve and protect buildings of national interest.

When considering a property, it is also recommended investigating whether a building sits within a **local development plan**, or a wider regeneration plan. Often buildings are decanted and purposely left empty where plans are in place, especially where wider regeneration ambitions are progressing in town or city centres. Discussing any proposals with the local authority's economic, growth or place departments, can be useful in determining their longer-term plans, both site specifically but for the area in general.

Although there will of course be **legal** aspects to consider when entering into an agreement to lease or purchase a property, there may be additional considerations such as covenants or charges. A **restrictive covenant** is a control imposed on the use or development of a certain piece of land and can often have been imposed hundreds of years ago. Being restrictive, they can impose restrictions which can often prove damaging or disruptive to the smooth running of a business, but also prevent from buildings being used for any alternative mean than for what it was intended. These can be extremely difficult and costly to alter or remove and are often put in place to preserve a building, community or special interest.

There are also **VAT implications** to consider. When work is carried out to an existing building, VAT is chargeable at the standard rate of 20%. However, a reduced rate of 5% can be applied where there is a conversion of a commercial building into a residential dwelling. For example, if you are converting a warehouse into dwellings at a cost of £500k, failing to use the reduced rate could cost you an additional £75k. This rate applies when converting a non-residential building into dwellings, conversions involving a change in the number of dwellings, and the renovation of a residential property that has been empty and unoccupied for over 2 years. Where empty over 10 years, the refurbishment or renovation would be VAT exempt. Costs for professional services such as surveyors and architects, as well as the installation of good which are not building materials such as carpets and furniture, are **not included in the VAT reduction** or exemption.



A joined-up approach & routes to acquisition

With the Covid-19 pandemic likely to have long term consequences for the vacancy rates of offices and commercial premises across the Country, a perfect storm of over-supply and reduced demand will create an environment for owners and landlords where retaining empty units or buildings proves financially unsustainable. Landlords, along with local authority strategies and planning departments will have to innovate and adapt in order to ensure their town and cities remain desirable for those who live there and frequent regularly, but also to create places which remain attractive to inward investment and growth.

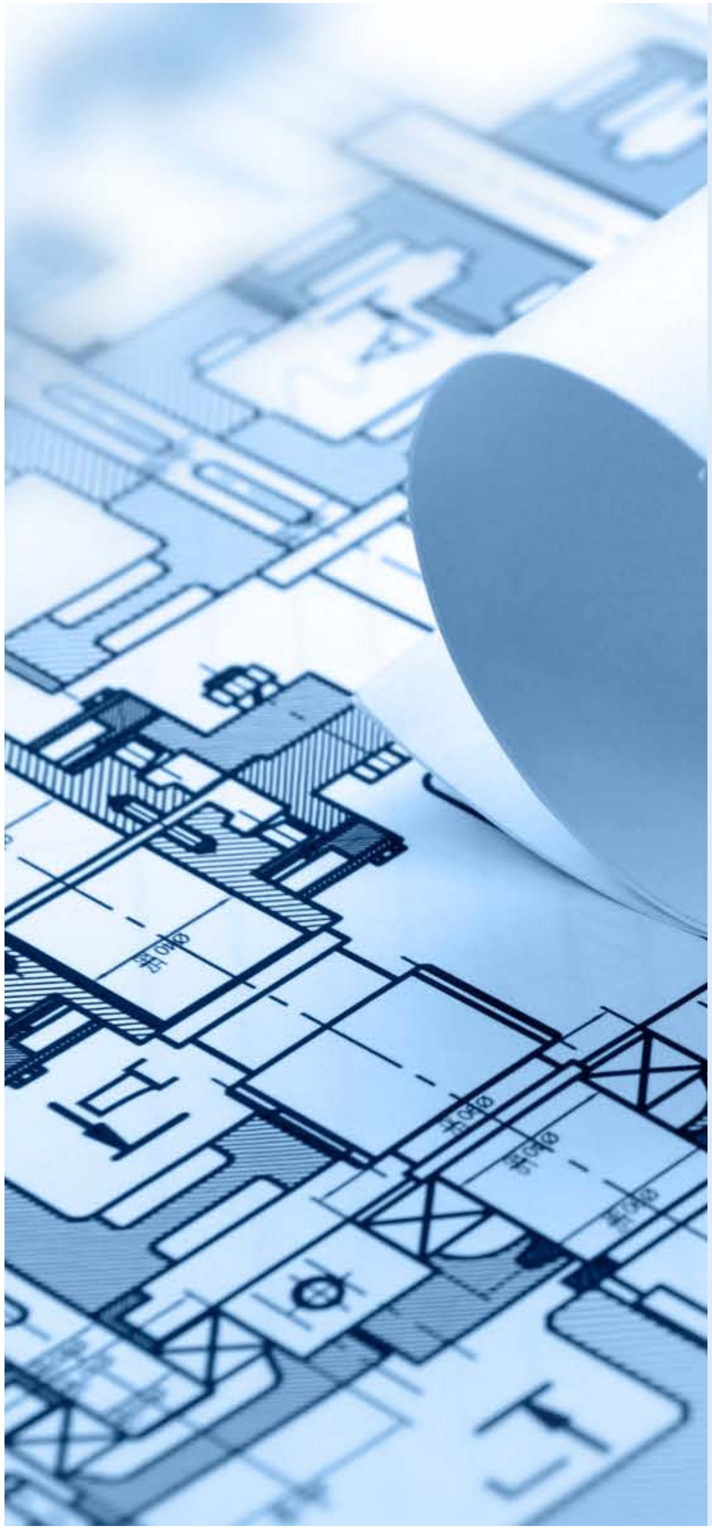
The first step in being able to achieve this has been the amendments and adaptation of planning and permitted development laws, which recognise that current trends in vacancy and re-let statistics mean there is going to be an oversupply of commercial premises. However, opposition to these changes have led to opinion that the conversion of commercial units to residential accommodation will lead to a littering of low-quality housing in larger town and city centres. In an article in the Financial Times, Tony Brooks, Managing director of *Moda Living*, a property developer, said that “whilst the conversion to rental flats is economically viable in larger towns and cities, in the poorer towns, local authority and central government support will be needed to bridge the viability gap”.

With this in mind, local authority resources, as well as their political and operation involvement are critical in the process of looking at alternatives, and where those authorities have further pressures in homelessness and temporary accommodation statistics, the need for the inclusion of residential accommodation will increase and provide an obvious alternative.

With many local development plans, housing strategies and regeneration plans covering anything from between 5 and 10 years, a strategic approach will be required of authorities not only in their current plans and proposals, but also the ability to adapt quickly to a changing high street and office environment, that has undoubtedly had its biggest challenge in recent history.

Those plans should engage owners, tenants, landlords and the wider public, but also stakeholders and investors who are actively seeking to improve the services and invest in areas for both commercial and residential markets. As shown in the case study highlighted by No Use Empty: Kent and Harlow’s Streets 2 Homes, the approach of involving parties of all business backgrounds, local authorities and third sectors as early as possible, their projects were able to gather universal support, where all parties were working to reach a common goal, and to which all would benefit from the resulting outcomes.

This approach not only gives all parties a voice and involvement in proposals, but also a platform to which they can help shape the future of a town centre, its property and its people.



Along with the changes in planning and permitted development legislation, businesses have benefitted from support grants from Central Government for much of the pandemic. Whilst this has been widely welcomed, unfortunately for some this will not be enough for them to ride the storm and survive.

Acknowledging the plight of the high street pre-pandemic, the Government announced **The Future High Streets Fund** during the Budget of 2018. Designed to renew and reshape town centres and high streets to drive growth, it also aimed to improve user experience and ensure that the future of the high street was sustainable and supported applications where transformative and structural challenges were proposed to overcome challenges. Following this, the Prime Minister announced a further round of funding in July 2019, and in December 2020, over £830m had been allocated to over 70 target areas across the Country. On announcing the allocations, Communities Secretary Robert Jenrick said: “The role of high street has always evolved. We want to support that change and make sure that they are the beating heart of their local community – with high quality housing and leisure in addition to shops and restaurants.” Similar initiatives have been introduced in Wales, known as the Transforming Towns Programme, and The Town Centre Fund in Scotland.

This further echoes the recognition that Central Government are aware of the issues faced by the role of the traditional high street, but more importantly that they are willing to accept that housing will have a role to play in its evolution over the coming years. Those areas successful in their application for The Future High Streets Fund, are shown in the Appendices.

As used in the example of No Use Empty: Kent, there may also be opportunity for other **funding streams and grants** made available to owners, or possibly partners on lease and repair arrangements where empty or derelict properties are being brought back into use. This is certainly something to consider locally when looking at suitable opportunities, as these will be determined by the governing local authority.

Key to the return to use of any property, whether residential or commercial, is the attitude, desire and appetite of the owner to bring the property back to use. Whether an individual, company, or an offshore pension fund, all property has rightful owners and with that they have both intentions and responsibilities, both in terms of planning for the future and its maintenance in the current. Underlying throughout, are the financial aspects of owning property in that in only very rare circumstances, can a person or company profit from leaving a property empty. Security, maintenance, ongoing utility bills, council tax, mortgages and business rates, all form part of the financial risk that owners take by leaving property empty, intentionally or otherwise, and subsequently any solution proposed will have to not only alleviate this issue on behalf of the owner but provide a sustainable end use that not only covers the costs of such utilities, but also the conversion to that ultimate end use.

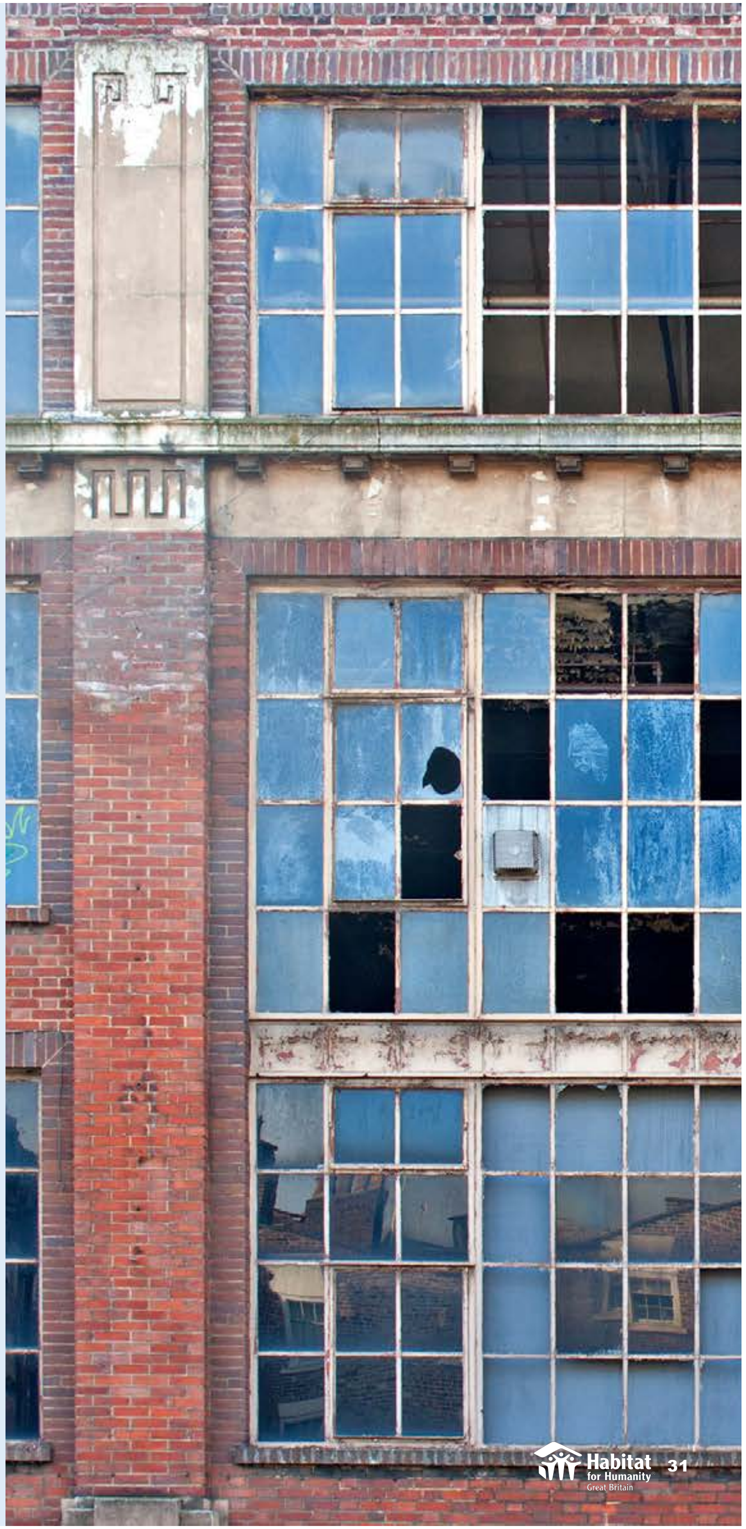
As shown through examples highlighted in the case studies in *Appendices 1*, there are several routes that can be explored with the intention of acquiring property, some of which involve the owner retaining ownership, relinquishing ownership, or becoming an active partner within the negotiations in its return to use.

The simplest and most straightforward strategy for property acquisition, an **outright purchase** would allow for overall control of the process through to occupancy, and with the correct permissions in place, ensure a smoother process that having partners, investors and other interested parties may not provide. Although likely to be the costliest of the acquisition options, this route may prove the most beneficial in terms of building a portfolio and increasing capital value and provide further financial incentives as a result of being able to borrow or leverage on the finished property to acquire further units.

Some authorities have direct access to their list of available properties for sale and lease, such as Swansea City Council (**www.swansea.gov.uk/availablelandandproperty**), and there is also a Central Government portal that enables any potential buyers to see available socially owned property, broken down by areas and regions (**www.gov.uk/find-government-property**). Discussions with authorities who have similar pages on their websites, could prove a route to opening negotiations particularly for those properties that have been available for a significant length of time, and that would suit the requirements for conversion into housing.

Another popular way of purchasing property commercial and residential investment property is through **Auction,** and this can often be a preferred route for vendors of unique property such as churches, community centres or dilapidated and derelict property, due to the difficult nature of trying to put a value on the property for the open market. Regional auction houses such as Auction House UK, SDL Auctions or Town & Country Property Auctions can often provide a local perspective both in terms of the property market and sourcing property, whereas the national auction houses such as Savills are more recognised for their larger value lots, and regularly hold large auctions in London covering the whole country. One area to consider, would be **unsold lots** at auction, as these properties may have been offered for sale several times but prove difficult to sell, and provide a route to discuss alternative options of disposal with the owners.

Often where property owned by local authorities becomes too costly to refurbish and manage on a day-to-day basis, an **asset transfer by agreement**, or sale for a nominal amount (sometimes £1), can be a route for Councils to reduce their liabilities in a way which would suit them as well of the needs of their local population. Announced in January 2021, the '**Right to Regenerate'** scheme proposals aim to enable the public to require the Councils and public bodies to sell unused assets. Allowing the public the first refusal on any disposal, this could provide a solution to ownership of Council-owned property, although it is likely to take some time for these proposals to come to fruition and many questions remain about how the 'public' are defined in this option, and whether the private and third sectors are likely to be encouraged to be involved.



A popular route to property acquisition by several types of organisation is the **lease & repair** model. More suited to organisations where they may not have the capital to purchase and convert a property, a lease is undertaken with the provision that the lessee provides the funding to refurbish and convert to their needs, and subsequently manage and maintain the property throughout the agreement. Sometimes offered through a peppercorn rent, this absolves the landlord of their responsibilities with regards to the ongoing upkeep and financial burden of bills and can often prove the most beneficial option to the owner if their liabilities are at high levels, or they have no immediate appetite to dispose of their asset.

As shown in the case study example of Streets 2 Homes and Harlow Council, a **partnership arrangement** with an owner of a property can not only enable parties to reach the goal of using disused and derelict property, but also provide an arrangement where all involved parties benefit in terms of their operational and corporate goals. Often in such cases, an owner is not looking to dispose of their asset in order to maintain their longer-term aspirations for a property or piece of land. This route subsequently provides an ideal solution to enable them to do so, reduce operating costs, and ultimately benefit from an asset that will have appreciated in value throughout the refurbishment works, and through the duration of the agreement.

A similar and possibly simpler route, would be the **rent-to-rent** option. Mostly used where properties are of a good and habitable condition, a property to is rented by an owner to a tenant, who then sublets the property at a marginal profit. Predominantly used in residential settings, this method is considered financially viable where letting a property that is suitable for adaptation into a House of Multiple Occupancy, and the property then let as such in order to achieve the best returns on the property. Using this route however increases the associated risks with void periods, intensive management of tenancies, ongoing utility bills and the possibility of the landlord seeking possession at the end of agreed term.

There may also be routes to explore with businesses who are facing Company Voluntary Arrangements (CVAs) but may not be able to dispose of their assets. Providing a solution to their vacant property, but also supplying an ongoing and regular income could prove a solution that benefits all parties. This route could see banks holding properties as vacant assets for security, therefore such property wouldn't be marketed for let or sale.

All routes of agreement, partnership and acquisition are feasible and possible, dependent on the ownership status and appetite of the owner to engage in the future use of the property. With statistics and trends showing the declining use of office space and commercial units, along with the average lease length reducing in recent years, property owners will reach a point either financially or ethically, where they will have no option other than to consider less traditional ways in which to let, use or sell their property, and quite often having an innovative and forward-thinking solution presented to them, will encourage them to think outside of the box and take action.

Homes on the High Street: The Challenge & Habitat for Humanity Great Britain's Approach

This research has been undertaken with the intention of exploring creative uses for redundant or underused spaces, typically in secondary and tertiary retail areas, but also where appropriate on the High Street. It is understood that this will involve consideration of a range of potential routes to bring these spaces back into use. Whilst Habitat for Humanity GB have a particular concern for providing decent, affordable homes, that is not the sole focus of their mission. They see homes as building blocks for society and integral to the development of communities.

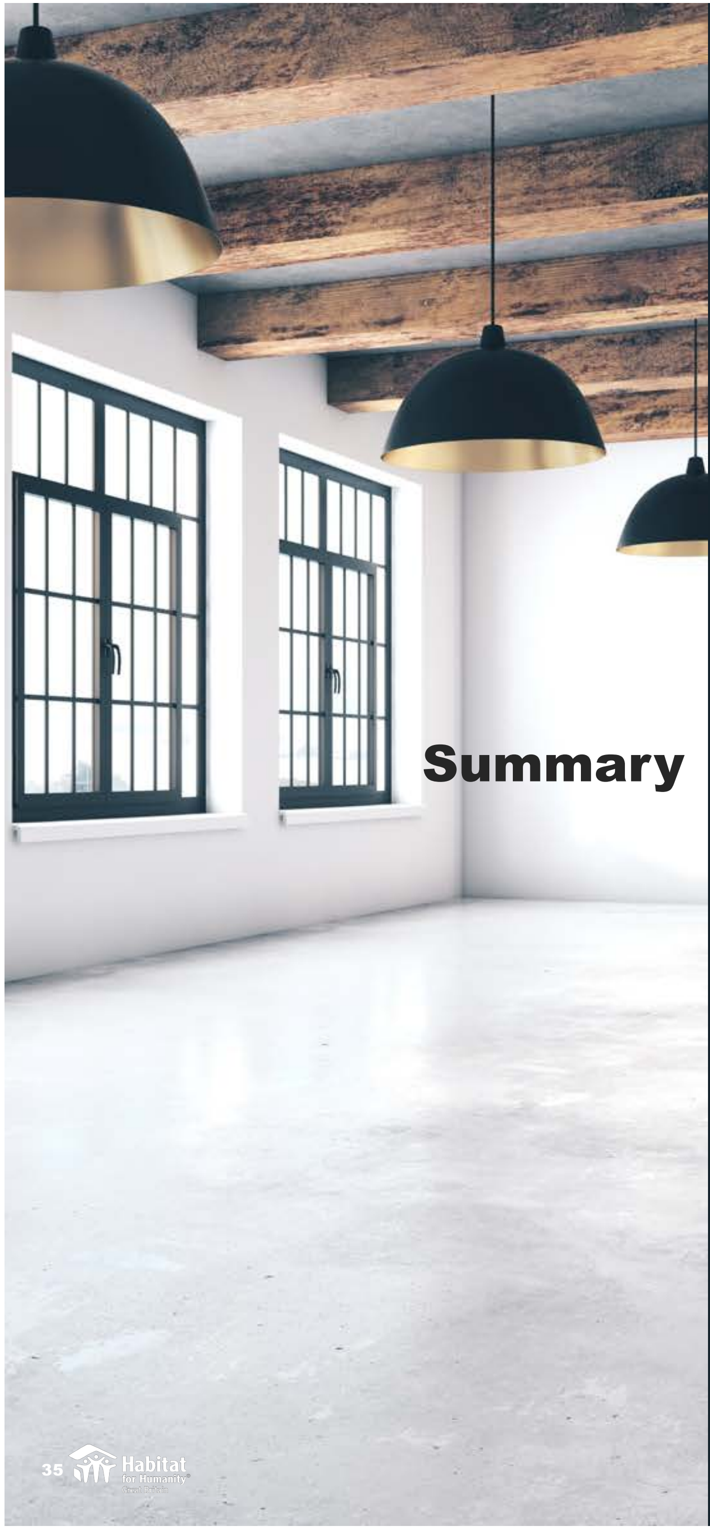
However, homes will only function successfully with suitable amenities and community fabric in place locally. For many years the traditional 'High Street' has been undergone a seismic shift, and the pandemic has served to accelerate this and bring it into sharp focus. There is not an automatic assumption that empty spaces could or should be turned into housing. Each building, location and opportunity needs to be considered with it's own context, limitations and potential. Habitat for Humanity GB will be seeking to work closely with local authority teams, Community Group partners and other local agents to establish the suitability of these spaces for conversion to homes. Should they be unsuitable, then an alternative route needs to be found so that not only will the space provide a positive contribution to society, but also the end users.

Equally, the quality of home created is paramount and Habitat for Humanity have an extensive track record of providing locally-appropriate solutions, which are of a quality and exceed expectations. Meeting space, energy and environmental standards, accessibility, appearance and quality of life for the occupants are all central to the feasibility and design process.

Viability and affordability are also important to get right. The spate of poorly-designed and exploitative conversions of commercial spaces which has sadly been growing since planning changes allowed for wider permitted development rights, means that sound reputation and experience in this field is increasingly vital. There is a growing need to sensitively and courageously tackle the problem presented by vacant commercial and retail units, with creative and forward-thinking solutions, which is the strategic aim being proposed here.

The flow diagram on the following page, outlines Habitat for Humanity Great Britain's holistic approach to converting empty spaces, from the need and requirement for housing, through its successful procurement model, to increasing the housing provision for their end users.


The Empty Spaces to Homes Approach
Affordable housing shortage
Underused and vacant spaces owned by Local Authority
HFHGB bring funding, design and volunteering support
Vacant spaces leased from Local Authority to HFHGB
HFHGB transform property into quality housing
HFHGB lease back home to Local Authority under agreed terms
Provision of decent affordable home for local people in housing need
Increased housing provision



Summary

This research has not only highlighted the scale at which property has remained unused for over a year that lies within local authority ownership, but that when factors added to this such as the reduction in lease lengths, the shift in consumer habits and the effect on businesses of the COVID-19 pandemic, that this issue is only likely to remain for the foreseeable future. Housing demand, coupled with slow rates of new-build completions have created a scenario where local authorities are forced into alternative approaches to meet their housing demand.

Of the sample authorities contacted, their responses showed that there are currently in the region of 1,800 commercial or business premises socially-owned across the country that have been empty for 12 months or longer, with an estimate of over 7,000 if the average is taken and applied to all authorities across England, Scotland and Wales. This figure, when accounting for those vacant for less than 12 months and those that will become empty as a result of the pandemic, leads to the prediction that this figure is likely to increase in the coming months.

The statistics suggest that when modelled on a scoring system comparing data collected on housing demand, vacant socially owned buildings, empty and second homes as well as vacant clergy and local authority-owned homes where available, that the areas in which it may be best to focus efforts are predominantly in the midlands and northern regions of England, Fife and Aberdeen in Scotland, and the southern cities and towns of Wales. Data also suggests that Bristol, a city with an active empty homes partnership programme mirroring that of No Use Empty Kent, could also prove to be a viable option. Of the London Boroughs, Lewisham, Hackney, Newham and Southwark all show high demand and high vacancy rates across the board, with Derby City and Southwark Councils both benefitting from The Future High Streets Fund, and when all statistics are modelled on the average conversion rates shown in the study by the London Borough of Enfield, the estimated 7,000 socially owned empty spaces harbour the potential to create over 19,500 accommodation units for those who are most in need and the critically vulnerable in society across the Country.

Despite supportive schemes such as the Future High Street Fund (England), The Town Centre Fund (Scotland) and The Transforming Towns Programme (Wales), it is expected that where these initiatives prove fruitful in their support to struggling businesses, that demand and the ability to support shops, offices and other premises will only enable a minority of buildings to remain occupied. This will lead to councils in those areas and those not successful in accessing the fund, having to adapt local development plans and strategies to provide innovative and sustainable solutions for areas where the number of vacant shops are on the rise, and the demand for those premises are in decline. The most sustainable and rewarding of those options will be to ease the financial burden of placing homeless households into temporary accommodation, and to revise their stance on the redevelopment and repurposing of buildings for housing, in order to reinvigorate the areas of under occupancy.

That said, the conversion of retail units, offices and other commercial buildings into housing does not come without its obstacles and challenges such as planning, the building's structural make-up and the finances to be able to buy, lease or rent a building as well as provide a good quality and lasting conversion. However, the case studies and partnerships explored in this paper, have shown that with the right mindset, a can-do approach and with a collective of stakeholders all aiming to reach a common goal, these challenges can be overcome and result in a solution that benefits all parties involved.

Recommendations

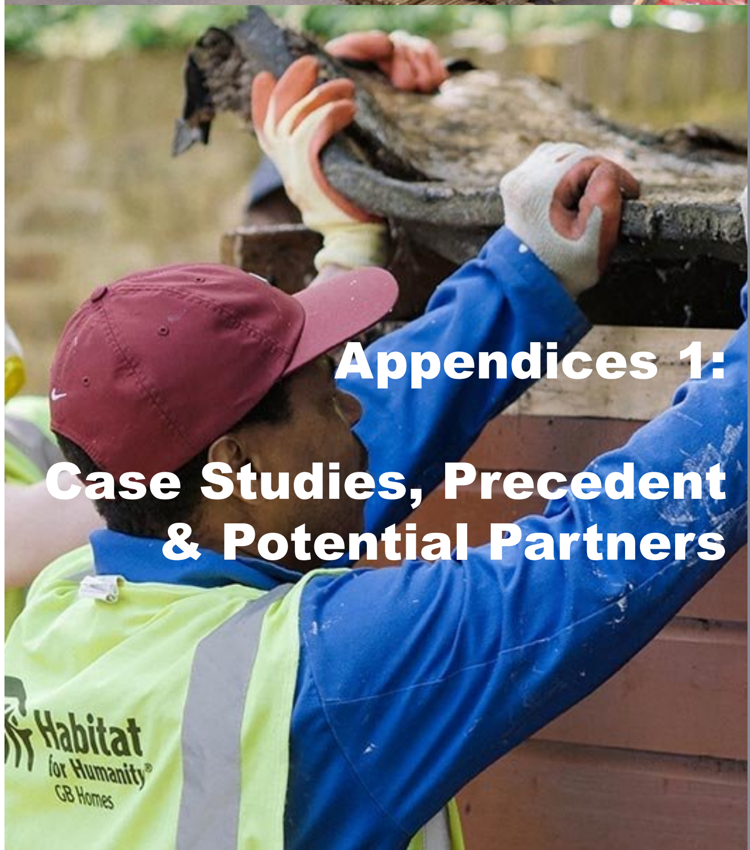
This research has not only highlighted the amount of Council owned vacant commercial and business space across the Country, but also the potential that it can provide in terms of residential accommodation. Whilst this may be a more challenging and costly route when compared with the acquisition and return to use of empty homes, it is predicted that when considering the factors such as vacancy rates, loss of revenue and the effects of the COVID-19 pandemic will have on local authorities, that they will be more inclined and open to the proposals of working in partnership with the private, charitable and third sectors in reusing these spaces to increase housing stock. These recommendations offer informed suggestions based on this research and experience, in order to inform the feasibility of progressing with repurposing vacant and derelict socially-owned spaces into housing.

As the comparative data suggests on page 22, when considering the demand for housing along with the numbers of empty and second homes, efforts may be **best focused on the midlands and northern parts of England** such as Coventry, Birmingham, Derby and Leeds, along with **Fife and Aberdeen in Scotland**, and the **southern towns and cities in Wales**. Of the London Boroughs, Southwark, Hackney, Lewisham and Newham provide the greatest potential, with both Derby and Southwark featuring on the list of cities supported by the Future High Streets Fund. These areas are also known to be supported by proactive and innovative empty homes teams, who could provide a catalyst to engagement with property owners and the local authority.

It is also recommended that **engaging with private partners and stakeholders**, such as The Church of England, No Use Empty Kent, and local authorities with disposal plans, will most likely provide a sustainable route to acquiring property for the conversion to accommodation, as well as **enabling access to a wider network of investors, potential partners, and available funding**. Many grant or loan funds operated locally or by Central Government, rely on a strong principle of offering value for money as an end result. Partnering with similarly minded organisations to provide solutions to local problems enhances the opportunity and reach, and therefore the punch-per-pound is increased.

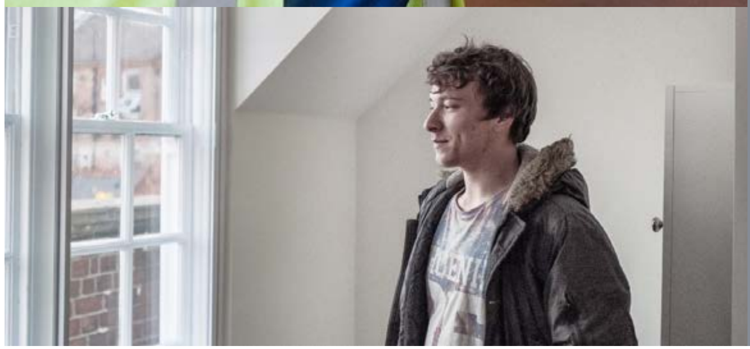
Whilst it is clear that the demand for social and affordable housing is outstripping supply, the presence of a silver bullet is non-existent, and so **focus should be concentrated on the impact on a specific area or housing need, and not the impact on the statistics**. The return to use of 200 empty homes in a city or town where there are 200 households in temporary accommodation may have an effect, but if they are the wrong types of accommodation to suit demand, this effect will be diminished substantially.

Key to the success of working with local authorities, property owners and third-party stakeholders, is the **ability to build lasting partnerships & relationships**, and engage with said parties at the earliest possible stage to share ambitions, objectives and outcomes. Whilst it is likely that a local authority will have identical goals in terms of their housing vulnerable people and those in temporary accommodation, it may be the initiation of conversation and the presentation of a mutually beneficial solution that they had previously not considered, that fits in with their overarching strategy perfectly. Not only could this increase the exposure of an organisation in the third sector, but **elevate an already positive reputation to being a key future partner in providing quality, safe, and sustainable housing solutions as a provider.**



Appendices 1:

Case Studies, Precedent & Potential Partners



Habitat for Humanity Great Britain

Habitat for Humanity is a global charity that has worked hand in hand with local communities since 1976, providing over 1.3 million homes. To date we have helped over 29 million people in close to 70 countries. Habitat for Humanity's vision is a world where everyone has a safe place to call home. We believe that decent homes are the heartbeat of strong communities and help to permanently break the cycle of poverty.

Great Britain has its share of this poverty, and often it is more hidden. Through various initiatives, our national charity is providing part of the solution to complex housing and community challenges that continue to persist. In addition to supporting Habitat for Humanity's global mission, since the mid-90's we have provided 83 new homes in England, providing 161 bed spaces, and supported 21 charities with projects that have assisted over 2000 people. This in turn has empowered some of the most marginalised families and vulnerable people in society to achieve strength, stability, and self-reliance.

Recent examples of this are:

- **Creating shared flats for 9 homeless young people to enable them to move on with their lives**. We acted as developer and landlord to convert a Quaker Meeting House in Tunbridge Wells into better equipped facilities for the Quakers, and for young people's accommodation, in partnership with West Kent Quakers, and West Kent YMCA.

- **Bringing empty property back into use in East London for young people leaving care:** This is being achieved through leasing and repairing council-owned spaces which need repurposing, in partnership with Barking & Dagenham council and using corporate grant funding.

- **Refurbishing and extending flats for Veterans Aid in Limehouse, London.** We managed over 750 Bloomberg volunteers in a 10-month build to provide state-of-the-art move-on accommodation for Veteran Aid clients (9 bedrooms) who were progressing from the hostel programme into more independent living.

- **Unlocking church-owned land for community facilities and housing:** Project management role with churches in Dagenham, Battersea, Fulham, Hornsey, and Amersham to reuse land for greater community good, combining new facilities for outreach with new affordable housing for community workers.

- **Enabling a Community Hub building to be built in Lewisham:** HFH managed RUSS community volunteers on the site of their community-led housing project in Lewisham (33 homes). This building is being used to provide workshops and gathering space for their self-build project and Community Land Trust.

- **Attracting financial and volunteer assistance from our corporate supporters to help charities improve their facilities:** HFH secure funding, procure and oversee the construction work needed to achieve a wide range of charitable facility improvements. Current beneficiaries are Housing for Women, Claudia Jones Organisation and Oasis Play (Inclusive playground facility).

Habitat for Humanity GB are keen to expand our catalytic enabling role from London and the South-East to other areas of the UK. We are actively seeking partnerships and projects to provide innovative solutions to housing and community needs, with a specific focus on growing our:

- *Campaign (including fresh research) for bringing empty commercial spaces back into use as new affordable homes.*

- *Coalition of like-minded partners working together for greater impact with empty spaces to homes work.*

- *Consultancy with more churches and civil society landlords to enable local vision for reuse and extended use of their land for community facilities and affordable housing.*

- *Charity Support programme working directly with vulnerable groups where investment is needed to increase their impact and reach.*

- *Corporate Partnerships with organisations who want to make a difference financially and practically.*

Should you have a project enquiry, or would like to discuss the work of Habitat for Humanity Great Britain further, please contact: **hello@habitatforhumanity.org.uk**

Clay House - Calderdale

Highlighting the issues faced by several Councils across the Country, a report in the Halifax Courier on 30th January 2021 reported that Calderdale Council is currently exploring its options with regards to a number of Council-owned buildings, that are both empty and unoccupied.

Previously a popular wedding venue and a Grade ii listed building, Clay House has remained empty for a period of time and has become a financial strain on the authority because of its costs to maintain.

The report explains that the Council are calling for community groups to come forward to take over the running of the building along with others, as part of their overall proposals to reduce spend and balance its books. During a scrutiny meeting discussion on the proposals to dispose of a number of properties, a Council Member said that they would also consider lease and sale options going forward, if a viable partner couldn't be found.

Whilst this may not provide a suitable route for the conversion into housing, it echoes the experiences being felt by many authorities, in so much as they are facing unprecedented financial circumstances, largely imposed by the reduction of grants received from Central Government, and they are having to assess their active and unused portfolios in order to make savings and efficiencies where possible. It is expected that over the coming years, there will be a trend in local authorities disposing of assets in order to make savings and generate revenue in order to continue to offer key and frontline services.

Calderdale Council

Streets 2 Homes & Harlow Council

Based in Harlow, Essex, Streets2Homes are a charity who provide day centre and outreach support services to homeless people in their area. Offering advice and assistance to support people with a range of housing issues, the charity also provide training and social opportunities in order to supply a holistic approach to give those moving on the best possible chance of a sustainable future.

In 2019, the charity was successful in working with Harlow Council to refurbish two railway cottages that had become derelict, having been left empty due to the escalating costs of bringing them back into use.

Owned by Harlow Council, Streets2Homes approached the Authority with a view to leasing and refurbishing the properties in order to begin a supported housing project and were successful in applying for funding to support the works through the Rough Sleeper Initiative Fund.

Housing up to nine people, and supported by dedicated on-site staff, key to the success of the project was the initiative shown by the charity in approaching Harlow Council with a viable solution to the issue, where all parties involved would benefit from the properties being brought back into use.

This project highlights the importance of all relevant parties being involved at an early stage, and the approach to bring a solution as part of the initial proposal.

Streets2Homes

Harlow Council

Working together for Harlow

No Use Empty: Kent

Covering the whole of Kent and supported by all local authorities across the region, No Use Empty Kent has been bringing empty properties back into use for over ten years. Returning over 6,500 properties to use and having supplied over £35m in financial support to owners since its inception, the NUE initiative has been nationally recognised as one of the leading organisations when it comes to bringing both residential and commercial property back into use.

Whilst mainly focusing on residential property, the scheme now supports the owners of commercial property in order to assist in regenerating shops and towns and administers a loan fund accessible to all who own empty property and want to be active in returning them to use in some way.

No Use Empty Kent are the perfect example of how, as a region, they have recognised a significant issue within their boundaries, and have worked collectively to build a strategy that supports the County as a whole, with no bias or preference to work in one area or location. By operating centrally across all local authorities, they have been able to build a product that has political approval across the board, is well known and highly regarded nationally, and eases the pressure on local authorities to provide similar, smaller schemes at a local level.

Other schemes, similar to No Use Empty Kent are also being used across the Country to provide holistic solutions to empty property owners, such as No Use Empty West in Bristol, and The Empty Homes Doctor in Leeds, run in conjunction with Leeds City Council.

Youth Community Home

Completed in December 2020, the Youth Community Home was a project undertaken by Shelter Community Charity in order to provide accommodation for those aged between 18 and 25, seeking refuge from abusive partners or who were sofa surfing.

By converting a former bed and breakfast hotel in West London, and adding central heating, large communal areas, a shared kitchen as well as office and study space, this service provides a vital support for young adults who often struggle to find a place to call home in the Capital.

Supported by the charity Streetsmart, and with contributions from LandAid amongst others, the Youth Community Home brought back into use a property neglected for over 25 years, and now supports some of the most vulnerable in society by providing shelter and support services.

Although requiring extensive renovation and refurbishment works, this property, being a former guest house, will have leant itself to being converted into bedsit/studio accommodation through its layout and structural design.

With the addition of central heating, and by providing communal areas for the residents to share and socialise, this project will enable the charity to house a number of clients over a sustained length of time, offer the community a vitally important facility, as well as relive some of the acute pressures that would otherwise be faced directly by the local authority.

The Church of England / Archbishop Housing Commission

Having discussed empty homes owned by the clergy earlier in this research, one potential partner moving forward could be the Church of England, along with the Archbishops' Housing Commission.

Holding a significant property portfolio, around twenty church buildings a year are closed for worship, meaning that they are subsequently considered for alternative use, letting or sale. The Church of England have an active website where all buildings offered for sale or lease are marketed, and properties formerly used for worship or owned by the Church can also often be found being advertised for sale at Auction. Often difficult to market because of their unique and incomparable nature, these properties can provide housing, community hubs or facilities that were ultimately intended to do just that when they were built.

Having launched the Archbishops Housing Commission in 2019, their ***'Coming Home'*** report (of which Habitat for Humanity GB were involved in some of the highlighted projects) focused on what action the commission could take in order to assist in the supply of housing, recommending that the Church of England commit to using its land and assets, through development and its core values, to promote truly affordable and sustainable homes.

This is shown throughout their case studies of successful projects already undertaken, including an 11-home development alongside Keswick Churches Together, the repurposing of St Silas Church Hall in Blackburn to create a a six-person property for homeless young people, and at St Bride's in Trafford, where an arrangement with a local housing association included a land transfer and a new worship facility being built.

The Coming Home report, can be found on their website at:

www.archbishopofcanterbury.org/priorities/coming-home

THE ARCHBISHOP OF CANTERBURY

THE CHURCH OF ENGLAND

Property Guardians

Whilst maybe not a potential partner in an operational sense, by exploring the use of Property Guardians and the buildings they occupy, this could lead to a source of property where the owner's plans for future use have stalled or are undecided.

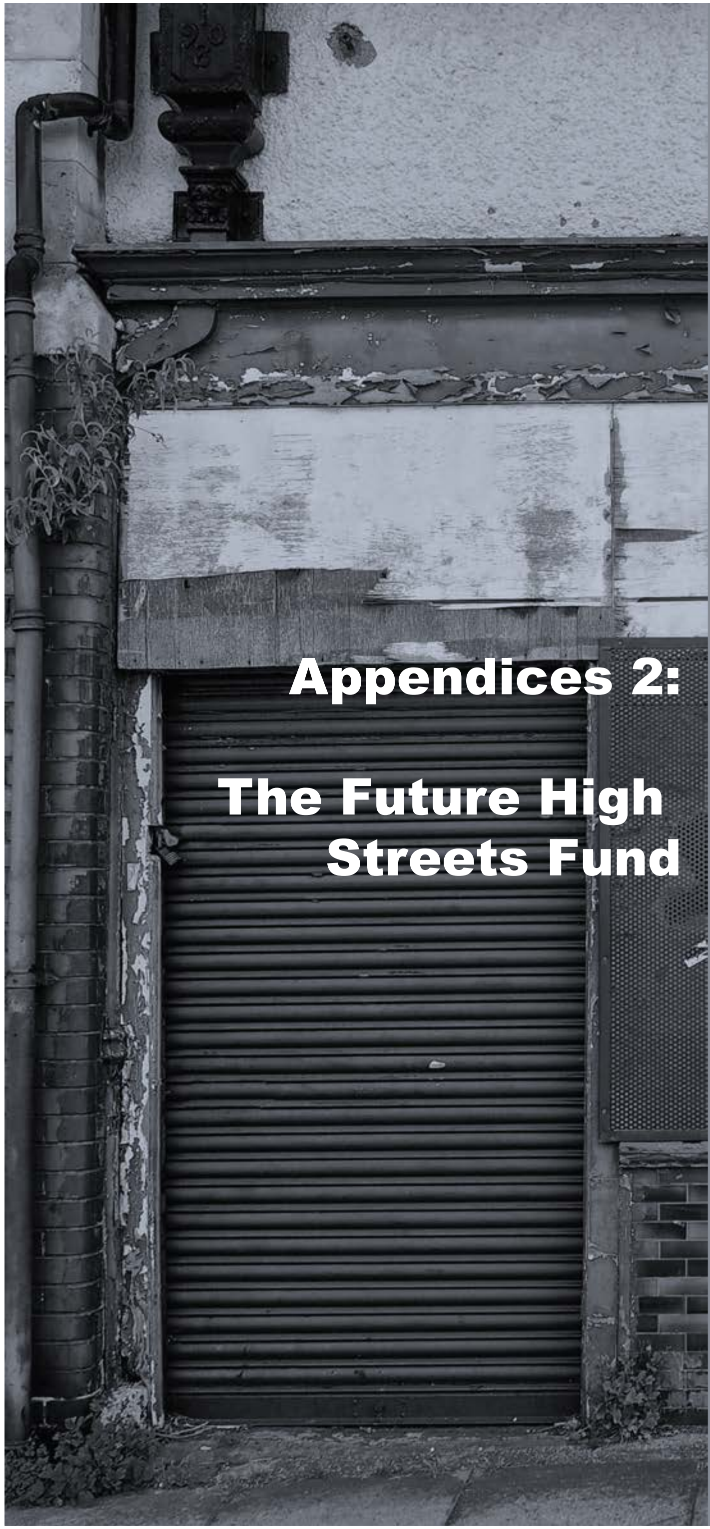
Property guardianship is an arrangement by which people are granted licenses to live in empty and unused buildings, often commercial properties such as offices, pubs and warehouses. By occupying these properties at a vastly reduced fee when compared with renting a traditional residential property, the guardians are able to live in spaces that would otherwise be left vacant, therefore providing a cheaper form of accommodation, but also providing security for the landlord by reducing criminal damage and the potential for squatters.

Operating under licenses to occupy rather than tenancy agreements, both landlord and guardian can give 28 days notice to quit at any time, in order to move on or secure the possession of a property.

A search of some of the vacant spaces currently available for guardians include former care homes, a vicarage dwelling, and former council property outlined for demolition, along with a number of flats, houses and empty offices spaces.

Based around the idea that occupation means protection, all of these properties would otherwise be left vacant and deteriorating, whereas guardianship provides a temporary solution for owners, whilst many are considering their options of disposal, refurbishment or sale. This could therefore be a viable route in sourcing suitable property that is not occupied in the traditional sense, by liaising with the owners directly.

PGPA PROPERTY GUARDIAN PROVIDERS ASSOCIATION



Appendices 2:

The Future High Streets Fund

The 15 places who are receiving full funding:

Tamworth Town Centre – Tamworth
Sunderland City Centre – Sunderland
Sutton – Sutton
Bishop Auckland – Durham
Blyth Town Centre – Northumberland,
Kidderminster – Wyre Forest
Old Kent Road – Southwark
Swindon – Swindon
Stockport – Stockport
Winsford – Cheshire West and Chester
Sheffield High Street – Sheffield
Blackfriars, Northern City Centre – Worcester
Birkenhead – Wirral
Brierley Hill High Town Centre – Dudley
Stretford – Trafford

The 57 places receiving provisional funding offers:

Leamington Town Spa, Warwick (Warwickshire)
Nuneaton Town Centre, Nuneaton and Bedworth (Warwickshire)
Wolverhampton City Centre
Walsall
Newcastle-Under-Lyme
Stafford
Tottenham, Haringey
Woolwich Town Centre, Greenwich
Wealdstone, Harrow
Putney Town Centre, Wandsworth
Elland Town Centre, Calderdale (West Yorkshire)
Northallerton, Hambleton (North Yorkshire)
Rotherham
Halifax
Barnsley Towns Centre
Scunthorpe
New Ferry, Wirral
Wigan
Crewe
Rochdale (Greater Manchester)
Farnworth, Bolton (Greater Manchester)
Oldham
Kirkham Town Centre, Fylde
Maryport Town Centre, Allerdale
Carlisle City Centre
Plymouth City Centre
Barnstaple, North Devon
Newton Abbot, Teignbridge
Paignton, Torbay
Kingswood, South Gloucestershire
Salisbury City Centre
Penzance, Cornwall
Trowbridge, Wiltshire
Yeovil
Taunton, Somerset
Loftus, Redcar and Cleveland
Middlesbrough Centre
Stockton
South Shields
Derby City Centre, St Peters Cross
Sutton-in-Ashfield (Nottinghamshire)
Grantham, South Kesteven (Lincolnshire)
Grimsby (North East Lincolnshire)
Nottingham City Centre, West End Point
Heanor, Amber Valley
Northampton
Buxton, High Peak
Dover Town Centre and Waterfront
Newhaven, Lewes
Chatham Town Centre, Medway
Ramsgate, Thanet
Commercial Road, Portsmouth (Hampshire)
Fratton, Portsmouth
High Wycombe
St Neots, Huntingdonshire
March High Street, Fenland
Great Yarmouth

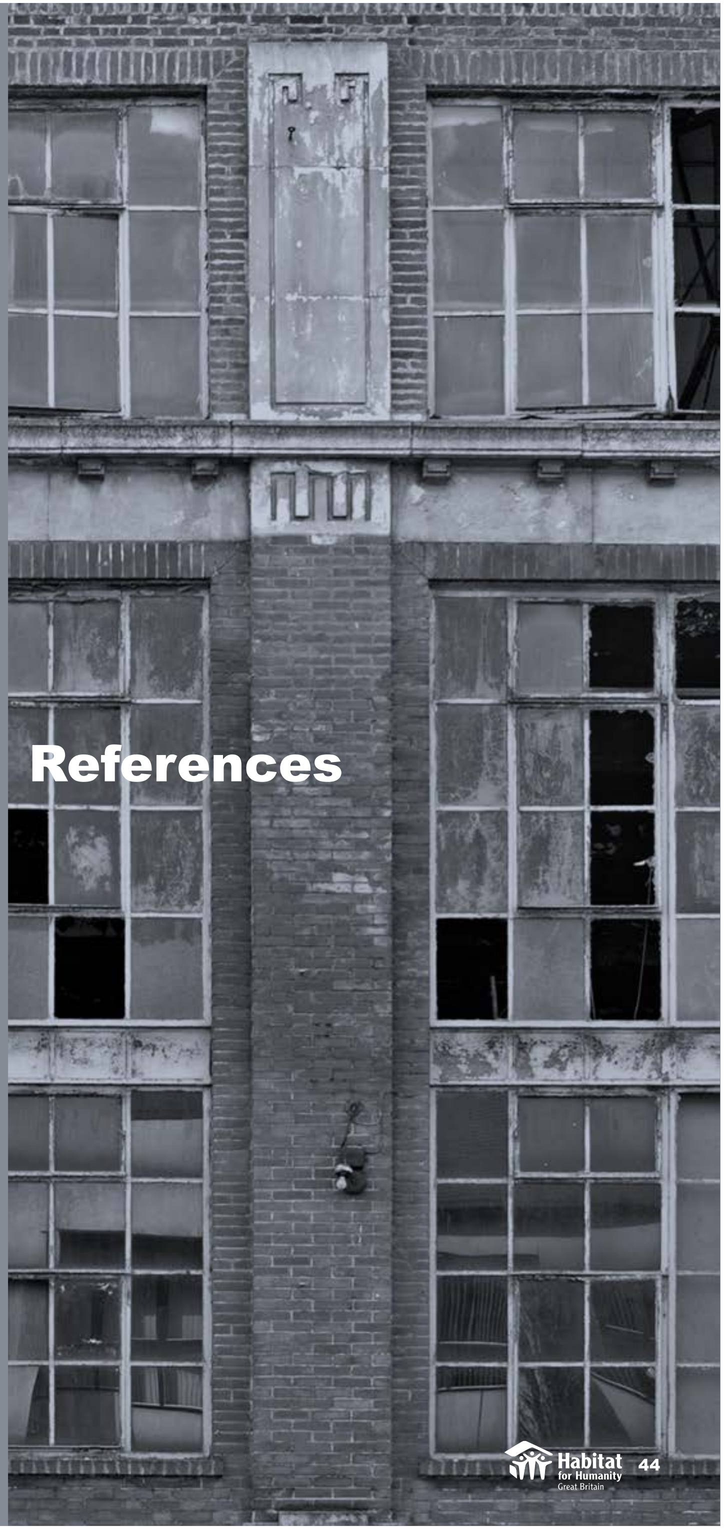
The Town Centre Fund Recipients (Scotland):

- Aberdeen City - £1.35m
- Aberdeenshire - £3.28m
- Angus - £1.08m
- Argyll and Bute - £1.24m
- City of Edinburgh - £2.61m
- Clackmannanshire - £0.68m
- Dumfries and Galloway - £1.52m
- Dundee City – £0.7m
- East Ayrshire - £1.70m
- East Dunbartonshire - £0.94m
- East Lothian - £1.27m
- East Renfrewshire - £0.98m
- Falkirk - £1.97m
- Fife - £4.33m
- Glasgow City - £3.01m
- Highland - £2.96m
- Inverclyde - £0.6m
- Midlothian - £0.9m
- Moray - £1.23m
- Nah-Eileanan Siar - £0.22m
- North Ayrshire - £1.41m
- North Lanarkshire - £3.25m
- Orkney Islands - £0.20m
- Perth & Kinross - £1.98m
- Renfrewshire - £1.45m
- Scottish Borders - £1.42m
- Shetland Islands - £0.20m
- South Ayrshire - £1.06m
- South Lanarkshire - £2.50m
- Stirling - £1.07m
- West Dunbartonshire - £0.85m
- West Lothian - £1.82m

The Transforming Towns Programme Investment Provision (Wales):

- North Wales (Includes 6 local authorities) £22m
- Mid Wales (includes 2 local authorities) £7m
- South East Wales (includes 10 local authorities) £44m
- South West Wales (includes 4 local authorities) £27m

References



Data Sources

https://statswales.gov.wales/Catalogue/Housing/Homelessness

https://www.gov.uk/government/collections/homelessness-statistics

https://www.gov.scot/publications/homelessness-scotland-2019-2020/

https://england.shelter.org.uk/media/press_release/homeless_in_a_pandemic_253000_people_are_trapped_in_temporary_accommodation_

https://law.gov.wales/publicservices/housing/social-housing/local-authorities/homelessness/#/publicservices/housing/social-housing/local-authorities/homelessness/?tab=overview&lang=en

https://scotland.shelter.org.uk/professional_resources/policy_library/policy_library_folder/fact_sheet_on_the_homelessness_etc._scotland_act

https://england.shelter.org.uk/legal/homelessness_applications/introduction_to_homelessness

https://www.gov.uk/guidance/homelessness-code-of-guidance-for-local-authorities/overview-of-the-homelessness-legislation

https://statswales.gov.wales/Catalogue/Local-Government/Finance/Council-Tax/Dwellings/counciltaxdwellings-by-localauthority

https://www.gov.scot/publications/council-tax-base/

https://www.gov.uk/government/collections/council-taxbase-statistics

https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants

https://www.gov.scot/publications/housing-statistics-empty-properties-and-second-homes/

https://statswales.gov.wales/Catalogue/Local-Government/Finance/Council-Tax/Dwellings/chargeableemptyandsecondhomesbylocalauthority

https://www.gov.uk/government/statistics/uk-house-price-index-england-january-2020/uk-house-price-index-england-january-2020

https://www.gov.uk/government/statistics/uk-house-price-index-scotland-june-2020/uk-house-price-index-scotland-june-2020

https://www.gov.uk/government/statistics/uk-house-price-index-wales-august-2020/uk-house-price-index-wales-august-2020

https://www.gov.uk/government/organisations/valuation-office-agency/about/statistics

https://www.gov.uk/government/collections/house-building-statistics

https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ukhousebuildingpermanentdwellingsstartedandcompleted

https://www.gov.scot/publications/housing-statistics-for-scotland-new-house-building/

https://www.ucl.ac.uk/bartlett/planning/news/2020/jul/government-publishes-ucl-led-research-permitted-development-housing-quality

https://www.rics.org/globalassets/rics-website/media/knowledge/research/research-reports/assessing-the-impacts-of-extending-permitted-development-rights-to-office-to-residential-change-of-use-in-england-rics.pdf

https://www.tcpa.org.uk/blog/lifting-the-curtain-on-pdr

News Stories

‘500,000 homes sitting empty in UK while 100,000 families are homeless’: https://metro.co.uk/2020/12/30/500000-homes-sitting-empty-in-uk-while-100000-families-are-homeless-13812966/

‘Empty And Unused Buildings Increase In 2019’: https://www.todaysconveyancer.co.uk/main-news/empty-unused-buildings-increase-2019/

‘Converting shops to homes ‘could destroy town centres’: https://www.thetimes.co.uk/article/converting-shops-to-homes-could-destroy-town-centres-rtnx23jjt

‘**Why has the Scottish Government cut cash for affordable homes?’**: https://www.thenational.scot/news/19092640.scottish-government-cut-cash-affordable-homes

‘Left vacant by COVID-19, can offices become homes to fix housing shortages?’: https://www.reuters.com/article/us-health-coronavirus-city-idUSKBN28B49O

‘The future of the high street, House of Commons, 10 December 2020’: https://www.local.gov.uk/parliament/briefings-and-responses/future-high-street-house-commons-10-december-2020

‘Wales' average house price tops £200k in 'race for space’: https://www.bbc.co.uk/news/uk-wales-56014730

‘Revealed – the areas with the highest percentage of vacant homes’: https://propertyindustryeye.com/revealed-the-areas-with-the-highest-percentage-of-vacant-homes/

‘Blackpool, Burnley and Central London have highest proportion of empty homes’: https://www.propertywire.com/news/blackpool-burnley-and-central-london-have-highest-proportion-of-empty-homes/

‘£170bn worth of property 'sitting empty' across England’: https://finance.yahoo.com/news/170-bn-worth-of-property-sitting-empty-across-england-003251247.html

‘16% of retail units lie empty across the country’: https://www.retailgazette.co.uk/blog/2019/07/16-of-retail-units-lie-empty-across-the-country/

‘Government names 72 high streets in England to share £831m recovery fund’: https://www.theguardian.com/business/2020/dec/26/high-streets-england-recovery-fund

‘Vacant shops spread fastest in 30 years’: https://www.thetimes.co.uk/article/vacant-shops-spread-fastest-in-30-years-9qdrlw7td

‘**Empty Properties denied use as temporary accommodation’:** https://www.journalism.co.uk/press-releases/empty-properties-denied-use-as-temporary-accommodation

Other Sources

‘Dealing with empty shops, a good practice guide for councils’: https://www.local.gov.uk/dealing-empty-shops-guide#introduction

'Right to Regenerate' to turn derelict buildings into homes and community assets’: https://www.gov.uk/government/news/right-to-regenerate-to-turn-derelict-buildings-into-homes-and-community-assets

‘How to get more housing on our high streets’: https://bpf-stage.wearewattle.com/media/2538/how-to-get-more-housing-on-our-high-streets-14022020-new.pdf

‘PDR Conversions Research Study, London Borough of Enfield’ https://new.enfield.gov.uk/services/planning/enfield-pdr-conversions-research-study-planning.pdf

Recommended Further Research

- ‘Plots of potential: Using socially-owned vacant plots of land for prefabricated accommodation’

‘Appeal for property and land-owners across Worcestershire to help house the homeless’: Bromsgrove Standard, *2nd August 2020*

‘Planning permission received for Legal & General’s major modular homes scheme’: Property Investor Today, *11th May 2020*

‘Inside Cambridge’s modular ‘pod’ houses to help tackle homelessness’: Cambridgeshire Live, *21st July 2020*

- ‘A case for the Defence?: The scale of underutilised property owned by the Ministry of Defence’

‘More than 11,000 Ministry of Defence homes across the UK are empty, costing the taxpayer more than £25m a year in rent and maintenance’: BBC News, *30 November 2018*

‘Almost 900 Scots military homes lying empty’: The Scotsman, *8th January 2021*

‘MoD is urged to put its empty homes to use’: Daily Express, *6th January 2019*

- ‘Housing Association-owned Empty Homes: ‘Are providers sat on a solution to the housing crisis?’

‘Plans progress to demolish former Stirling homeless accommodation for new homes’: Scottish Housing News, *10th February 2021*

- ‘A Housing Emergency?: The scale and potential of empty & derelict Emergency Service property’

‘COVID fines for six urban explorers at abandoned hospital’: The Lincolnite, *18th January 2021*

‘Anarchists take over abandoned police station’: The Morning Star, *9th February 2020*

- ‘Non for profit and not in use: Empty homes and vacant spaces owned by charitable organisations’

‘Derelict Whiteinch Burgh Hall seen from new angle as locals fight to save historic building’: Glasgow Live, *18th January 2021*

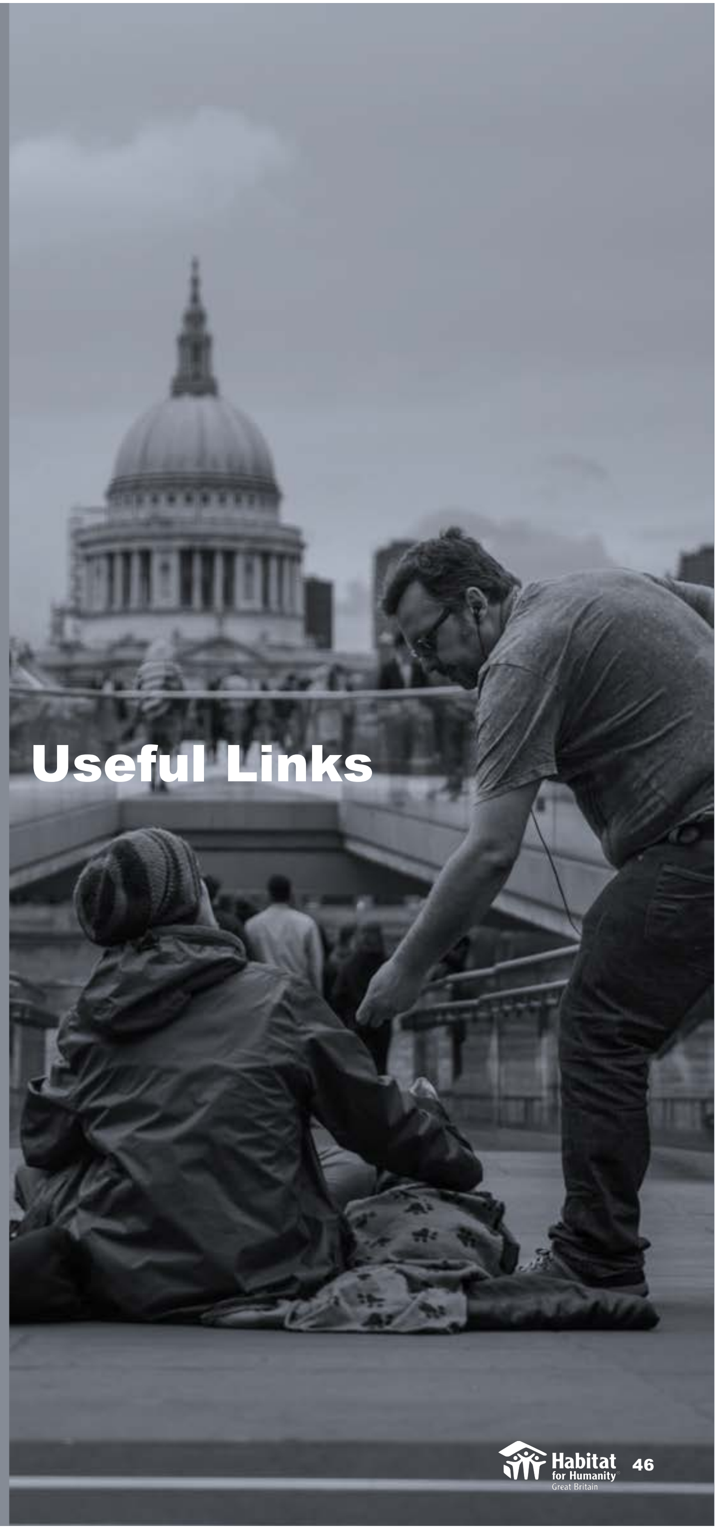
‘Plans in to turn derelict south Liverpool landmark into community hub’: Liverpool Echo, *4th February 2021*

- ‘Empty and Vacant Public Houses: ‘The opportunity for transformation into community hubs and housing’

‘Villagers launch campaign to buy derelict pub near Richmond for the community after developer was refused permission to convert it into housing’: Yorkshire Post, *31st December 2020*

Plans submitted to South Lakeland District Council to convert former derelict pub The Union Inn in Ulverston into social housing’: NWE Mail, *30th November 2020*

Useful Links



Archbishop Housing Commission	www.archbishopofcanterbury.org/priorities/coming-home
Action on Empty Homes	www.actiononemptyhomes.org
Building Regulations	www.gov.uk/building-regulations-approval
The Empty Homes Network	www.ehnetwork.org.uk
Calderdale Council	www.calderdale.gov.uk
Chartered Institute of Environmental Health	www.cieh.org
Chartered Institute of Housing	www.cih.org
Church of England Property For Sale	www.churchofengland.org/resources/parish-reorganisation-and-closed-church-buildings/closed-churches
The Empty Homes Doctor	www.emptyhomesdoctor.org.uk
Find A Government Property	www.gov.uk/find-government-property
The Future High Streets Fund	www.gov.uk/government/collections/future-high-streets-fund
Habitat for Humanity	www.habitat.org
Harlow Council	www.harlow.gov.uk
Historic England	www.historicengland.org.uk
Historic Environment Scotland	www.historicenvironment.scot
Historic Wales	www.historicwales.gov.uk
Land Aid	www.landaid.org
Local Government Association	www.local.gov.uk
MHCLG	www.gov.uk
No Use Empty: Kent	www.no-use-empty.org.uk
Right to Regenerate Proposals	www.gov.uk/government/news/right-to-regenerate-to-turn-derelict-buildings-into-homes-and-community-assets
Save Britain's Heritage	www.savebritainsheritage.org
The Scottish Empty Homes Partnership	www.emptyhomespartnership.scot
Self Help Housing	www.self-help-housing.org
Shelter	www.shelter.org.uk
Shelter Cymru	www.sheltercymru.org.uk
Shelter Scotland	www.scotland.shelter.org.uk
Streets 2 Homes	www.Streets2homes.co.uk
Streetsmart	www.streetsmart.org.uk/charities
Swansea City Council	www.swansea.gov.uk/availablelandandproperty
The Town Centre Fund (Scotland)	www.gov.scot/policies/regeneration/town-centre-fund/
The Transforming Towns Programme (Wales)	www.gov.wales/support-improve-town-centres
VAT on refurbishments and conversions	www.gov.uk/guidance/buildings-and-construction-vat-notice
Youth Community Home: London	https://ychlondon.org

Habitat for Humanity GB
PO Box 5086
Slough
Berkshire
SL1 0SW

10 Fenchurch Avenue
London
EC3M 5AG

The Empty Homes Network
PO Box 1431
Peterborough
United Kingdom
PE2 2US