

The Bank of Scotland Vacant Property Report is based on data from the General Registers of Scotland. A vacant property for the purposes of this research is defined as an empty home or a second home and includes both public and private dwellings.

## Highest number of vacant homes since 2003

The number of vacant properties in Scotland has risen to its highest level in six years, according to the latest Bank of Scotland Vacant Property Report.

There were 106,239 vacant homes<sup>1</sup> in Scotland in September 2009, a rise of 2.7% from 103,433 in September 2008. The number of vacant homes is at its highest since 2003 (106,312), accounting for 4.3% of all homes in Scotland.

High levels of vacant homes are correlated with the local economic environment. In the ten local authorities (LA's) with the largest proportion of vacant homes:

- **House prices are lower.** The average house price in such locations (£139,715) is 3% lower than the national average (£144,387).
- **Earnings are lower.** Nine out of the 10 local authorities with the highest proportions of vacant homes have levels of average earnings that are below the Scottish average. The levels of earnings in these locations are, on average, 9% below the average for Scotland.

### **Suren Thiru, Bank of Scotland housing economist, commented:**

"It is clearly concerning that the number of vacant homes has increased for the second successive year following several years of decline. This is a trend that needs to be reversed, particularly within the context of Scotland's longer term housing needs. Areas with high levels of vacant properties are often areas with lower than average earnings and property values."

### **Additional key findings**

#### **Western Isles has the highest proportion of vacant homes in Scotland**

Western Isles has the largest proportion of vacant homes in Scotland (13.3%); over three times the average for Scotland (4.3%). Argyll and Bute (11.4%) have the second highest level of empty homes, followed by Orkney Islands (8.9%).

#### **North Lanarkshire & East Renfrewshire have the lowest level of vacant homes in Scotland**

North Lanarkshire and East Renfrewshire have the smallest proportion of vacant homes (both 1.9%) followed by Midlothian (2.1%).

**More.../**

**Table 1: Vacant homes by Local Authority, 2009**

<b>Local Authority</b>	<b>Number of empty homes, 2009</b>	<b>As% of all homes</b>
Western Isles	1,876	13.3%
Argyll & Bute	5,440	11.7%
Orkney Islands	909	8.9%
Highland	7,549	6.9%
Dundee City	4,984	6.8%
Scottish Borders	3,578	6.4%
Shetland Islands	676	6.4%
Inverclyde	2,357	6.0%
Moray	2,351	5.6%
Dumfries & Galloway	3,917	5.4%
Angus	2,864	5.3%
Perth & Kinross	3,628	5.3%
North Ayrshire	3,491	5.3%
Fife	8,188	4.9%
Aberdeenshire	4,719	4.4%
Edinburgh, City of	10,040	4.3%
Stirling	1,635	4.2%
Glasgow City	11,851	4.0%
Aberdeen City	4,238	3.8%
Renfrewshire	2,907	3.5%
East Lothian	1,491	3.4%
West Dunbartonshire	1,377	3.1%
South Ayrshire	1,618	3.0%
South Lanarkshire	3,874	2.7%
East Ayrshire	1,500	2.7%
Falkirk	1,758	2.5%
West Lothian	1,679	2.3%
Clackmannanshire	520	2.2%
East Dunbartonshire	972	2.2%
Midlothian	734	2.1%
East Renfrewshire	709	1.9%
North Lanarkshire	2,809	1.9%
<b>Scotland</b>	<b>106,239</b>	<b>4.3%</b>

Source: General Registers of Scotland

**Table 2: Largest increases in the number vacant homes 2008-2009, % change**

<b>Local authority</b>	<b>Number 2008</b>	<b>Number 2009</b>	<b>% Change</b>
North Lanarkshire	2,291	2,809	23%
West Lothian	1,424	1,679	18%
Renfrewshire	2,506	2,907	16%
Moray	2,029	2,351	16%
West Dunbartonshire	1,209	1,377	14%
Midlothian	647	734	13%
Perth & Kinross	3,230	3,628	12%
East Dunbartonshire	874	972	11%
South Ayrshire	1,505	1,618	8%
Edinburgh, City of	9,434	10,040	6%
<b>Scotland</b>	<b>103,433</b>	<b>106,239</b>	<b>3%</b>

Source: General Registers of Scotland

### **Editors' Notes**

1. A vacant property is an empty home or a second home and includes both public and private properties.

32 local authorities in Scotland have been surveyed in this report. Earnings data has been sourced from the ONS.

Data on earnings (ONS ASHE data, mean value for Q3 2010, includes bonus payments) and claimant count unemployment have been sourced from the Office for National Statistics.

House price data is from Bank of Scotland's own extensive housing database and based on the rolling 12 months to September 2010. The prices used are simple arithmetic ('crude') averages. These prices are not standardised and therefore can be affected by changes in the sample from period to period.

### **Definition of a vacant home**

A vacant home is classified as a dwelling in either the private or public system, which is empty either because it is between occupants, undergoing modernisation, in disrepair, awaiting demolition or is a second home.

Data on vacant homes in Scotland has been sourced from the General Registers of Scotland.

### **VAT ON EMPTY HOMES**

- 15% VAT is payable for renovating an empty home vacant for less than 2 years.
- 5% VAT is payable for renovating an empty home vacant for more than 2 years.
- No VAT is payable on renovation of a property vacant more than 10 years, which is renovated and then sold.
- 5% VAT is payable for restoring and subdividing an empty home vacant for less than 10 years.

Council tax discount for vacant homes can be varied by local authority

**Legislative changes in April 2005 gave Scottish councils the power to reduce the council tax discount for vacant homes from 50% down to a minimum of 10%.**

"This report is prepared from information that we believe is collated with care, however, it is only intended to highlight issues and it is not intended to be comprehensive. We reserve the right to vary our methodology and to edit or discontinue/withdraw this, or any other report. Any use of this report for an individual's own or third party commercial purposes is done entirely at the risk of the person making such use and solely the responsibility of the person or persons making such reliance."

### **For further information, contact:**

Name: Zoe Redhead, Bank of Scotland Press Office

Tel: 0131 243 7005

Email: [zoeredhead@bankofscotland.co.uk](mailto:zoeredhead@bankofscotland.co.uk)

Web: [www.lloydsbankinggroup.com/media.asp](http://www.lloydsbankinggroup.com/media.asp)