

# Angus Council Empty Homes Loan Fund

Sean Maxwell – Empty Homes Officer



2017 Scottish Empty Homes Conference

**Aim of session: Intends to provide guidance to practitioners who may be struggling to get their Empty Homes Loan Fund out the door. May also act as inspiration for others interested in undertaken empty homes work**

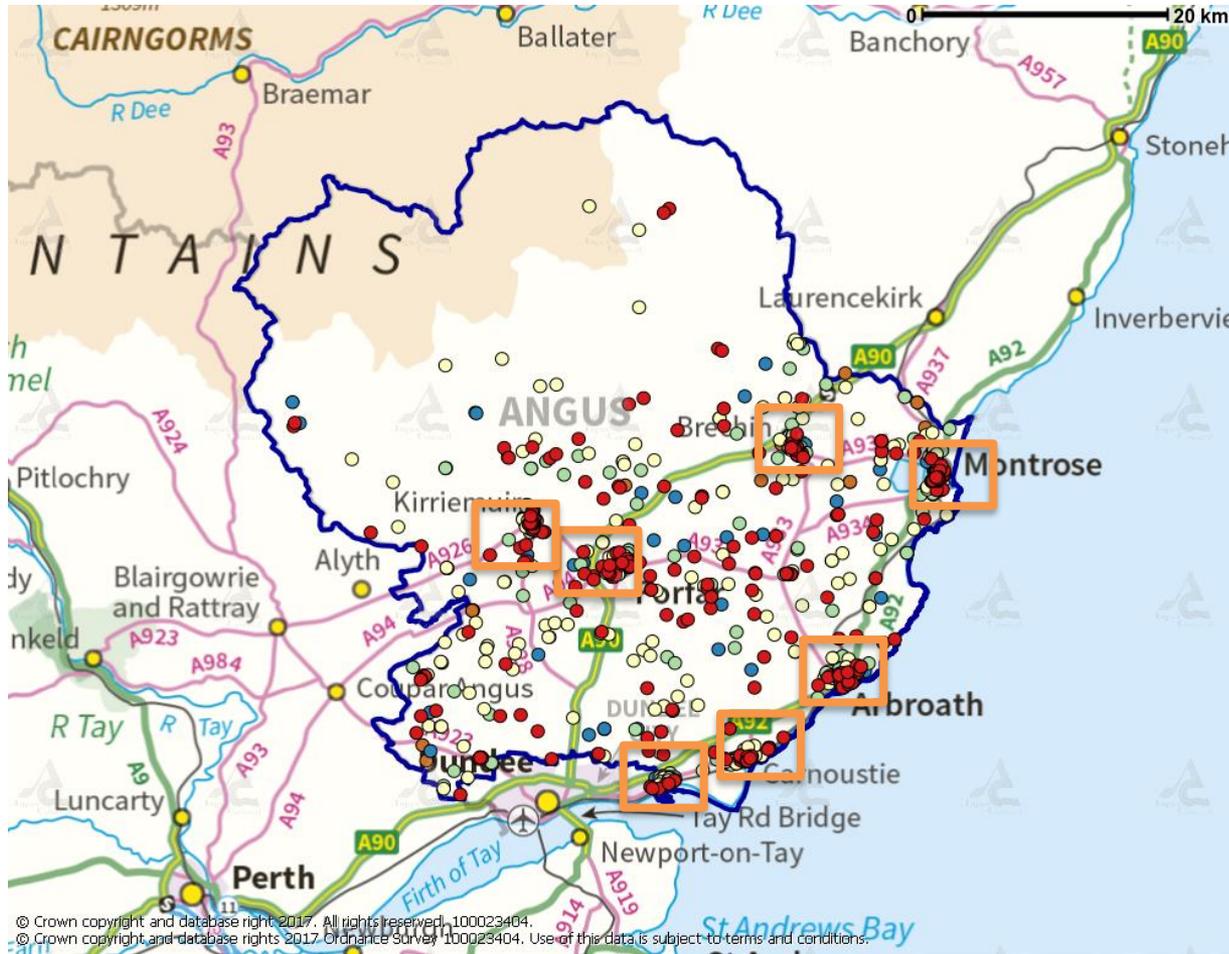
**Key points that will be covered:**

- 1. Why has the Empty Homes Loan Fund been a success in Angus?**
  - 2. Finding a solution to common barriers (steps others can take);**
  - 3. What impact does this Loan Fund have on owners and the local area?**
  - 4. Does the Empty Homes Loan Fund make a difference to the work of an Empty Homes Officer.**
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# First... An Introduction to Angus

- 10<sup>th</sup> largest local authority in Scotland (based on area);
  - 110,570 people live in Angus across 53,174 residential dwellings;
  - 71% being owner-occupied, 9% being private rented;
  - 2,124 unoccupied residential properties;
  - 1,020 long-term empty private sector properties;
  - 3.99% of all residential stock is empty;
  - 1.92% of all residential stock is long-term empty private dwellings.
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# Second... Empty Homes in Angus



# Third... Introduction to the EHLF

The Angus Council Empty Homes Loan Funds main purpose is to bring long term unoccupied properties back into residential use at an affordable rent.

- This fund offers loans from £5,000 to £17,000 to help eligible owners to renovate their unoccupied properties;
  - Any loan must be used to bring an unoccupied property up to meet repairing standard and to make it fit for occupation;
  - Once an unoccupied property has been renovated it must be let out at or below Local Housing Allowance levels for the relevant property size for a minimum of five years.
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# Success of the Angus EHLF (to date)

- The Scottish Government approved funding of £120,000 to support the introduction of the Angus Council Empty Homes Loan Fund;
  - This Loan Fund was first introduced in 2013;
  - The initial Scottish Government loan of £120,000 has been fully utilised bringing 7 properties back into use;
  - Supplementary funding of £120,000 was identified by Angus Council in 2016 to support the continuation of this service;
  - This new Angus Council Empty Homes Loan Fund was launched in early 2017 to coincide with a local and national media campaign.
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# Why has this EHLF been a success?

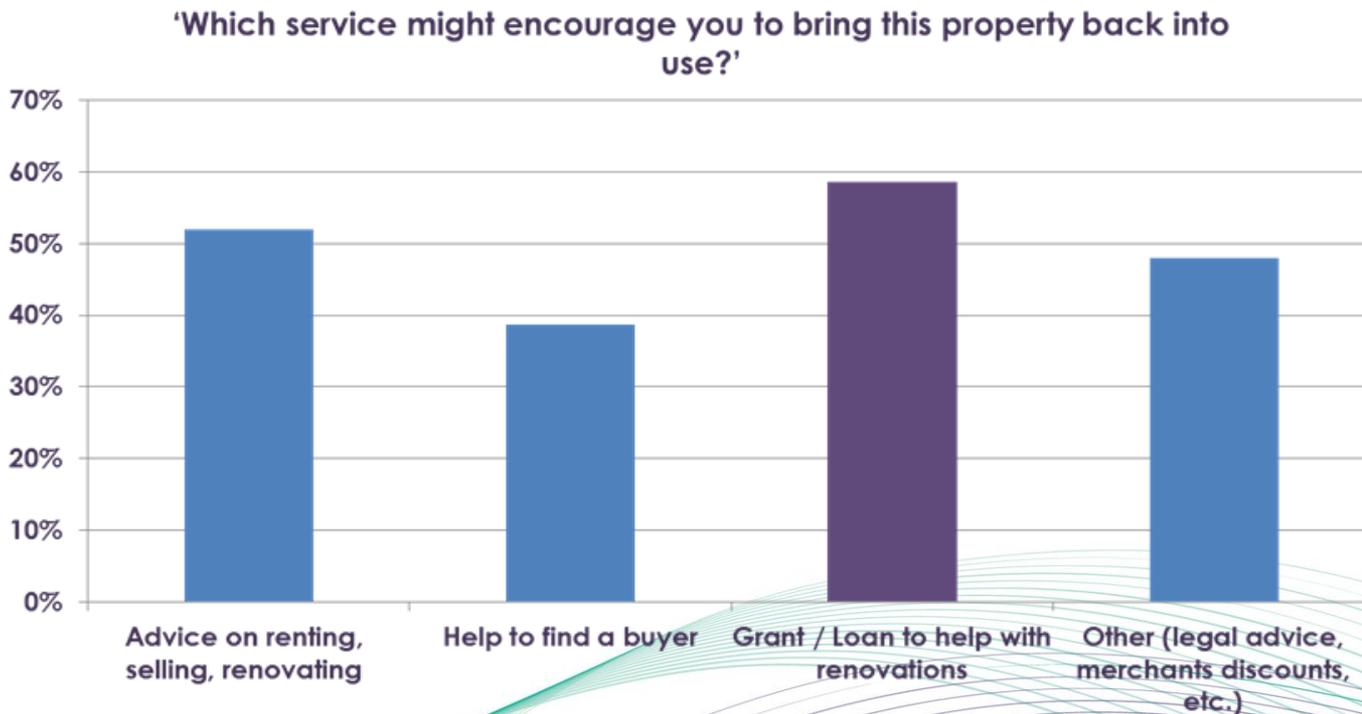
**It is important to remember that there is no concrete solution, or actions to abide by to implement a successful Empty Homes Loan Fund. Each local authorities circumstances are different.**

**In relation to the Angus Council Empty Homes Loan Fund, the following topic areas have been fundamental to the outcomes that have been achieved in Angus:**

- 1. Publicity and high levels of interest in the Loan Fund;**
  - 2. Local Housing Allowance Levels / Private Rented Sector Averages;**
  - 3. Flexibility and building trust with empty home owners.**
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# Publicity and Interest in the EHLF

Angus Council constantly seeks out every opportunity to maximise the publicity of this scheme. This includes regular media campaigns highlighting best practice, as well as information provided to **ALL** empty home owners.



# Local Housing Allowance Rates

The familiarity between the Local Housing Allowance Rates and the average property rental prices in Angus has been important in the success and uptake of the Loan Fund to date.

LHA rates for Angus are as follows:

**1 bedroom** - £79.24 / £343.37

**2 bedroom** - £103.85 / £450.01

**3 bedroom** - £128.19 / £555.49

Rating	Broad Rental Market Area	Weekly
10 <sup>th</sup>	<b>Fife</b>	<b>£81.58</b>
- 11 <sup>th</sup>	<b>Ayrshires</b>	<b>£80.55</b>
- 11 <sup>th</sup>	<b>Dumfries &amp; Galloway</b>	<b>£80.55</b>
- 11 <sup>th</sup>	<b>North Lanarkshire</b>	<b>£80.55</b>
- 11 <sup>th</sup>	<b>Renfrewshire / Inverclyde</b>	<b>£80.55</b>
- 11 <sup>th</sup>	<b>South Lanarkshire</b>	<b>£80.55</b>
12 <sup>th</sup>	<b>Dundee &amp; Angus</b>	<b>£79.24</b>
13 <sup>th</sup>	<b>Scottish Borders</b>	<b>£72.00</b>

*Based on 1 bedroom – relevant April 2017 to March 2018*

# Lets compare... LHA and the PRS

Please note that the PRS averages stated relate to flats only. Information gathered from Zoopla (October, 2017)

## North Housing Market Area:

### Brechin

	LHA	PRS Average
1 bedroom	£343.37	£337
2 bedroom	£450.01	£412
3 bedroom	£555.49	£500

### Monroese

	LHA	PRS Average
1 bedroom	£343.37	£372
2 bedroom	£450.01	£439
3 bedroom	£555.49	£537.50

## East Housing Market Area:

### Arbroath

	LHA	PRS Average
1 bedroom	£343.37	£347.50
2 bedroom	£450.01	£500
3 bedroom	£555.49	£508

## West Housing Market Area:

### Kirkcubright

	LHA	PRS Average
1 bedroom	£343.37	£313
2 bedroom	£450.01	£412
3 bedroom	£555.49	£425

# Is this the case all over Angus?

Please note that the PRS averages stated relate to flats only. Information gathered from Zoopla (October, 2017)

- The simple answer to this question is – **No**

## South Housing Market Area

### Carnoustie

	LHA	PRS Average
1 bedroom	£313.37	£400
2 bedroom	£450.01	£498
3 bedroom	£555.49	No data

### Monifieth

	LHA	PRS Average
1 bedroom	£313.37	£600
2 bedroom	£450.01	£663.50
3 bedroom	£555.49	No data

- The South Housing Market Area is different to all other Angus Housing Market Area, experiencing higher market rents predominantly due to its proximity with Dundee;
- Due to the Private Rented Sector averages falling well above the Dundee & Angus LHA Rates, there has been very little interest in the EHLF from owners in the South.

# Flexibility and Building Trust

It is understandable that property owners may have some concerns on accessing loans from the Council. Flexibility and buildings trust are 2 areas that have been fundamental in the success of the Loan Fund.

## Areas of flexibility in the Loan Fund include:

- Owners select their own contractors to undertake the required works;
- EHO works with every owner to agree on a set repayment schedule;
- Owners are in full control of sourcing tenants on completion of works.

## Building Trust:

- Media releases have helped to remove concerns related to the Loan Fund through the sharing of best practice;
  - Implementing an approachable and supportive engagement model.
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# Steps to Success

Although every local authorities circumstances differ, there are some actions that a local authority can take that may improve interest and uptake of their Empty Homes Loan Fund.

These steps may include the following:

1. Make information easily accessible for empty home owners;
  2. Introduce some degree of flexibility in the fund;
  3. Publicise best practice;
  4. Consider the relationship between Local Housing Allowance rates and the Private Rented Sector averages.
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# 1. Make Information Accessible

## Benefit:

Making information about the Loan Fund accessible for empty home owners can not only help to publicise this scheme but can also help to answer any questions or queries that an owner may have.

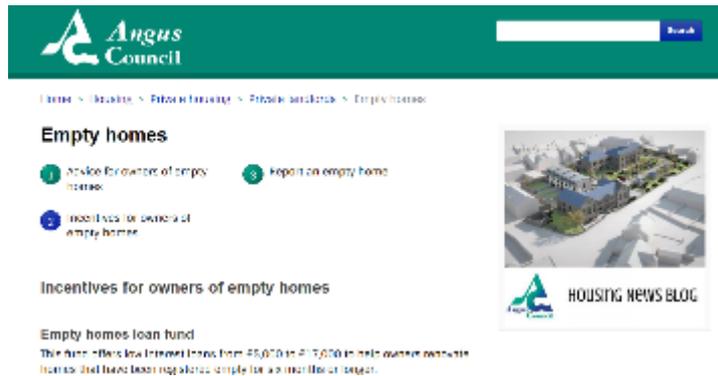
## Steps that you can take to make this information easily accessible:

1. Include information about your Loan Fund within any initial engagement documents (for example letters or surveys);
  2. Include information about your Loan Fund on your local authorities website;
  3. Create easy to read and follow documentation and present this to interested owners at the earliest opportunity. Try to answer all possible questions.
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# 1. Make Information Accessible

## Examples related to the Angus Council Empty Homes Loan Fund:

1.



Angus Council

Home > Housing > Private housing > Private landlords > Empty homes

### Empty homes

- 1. Advice for owners of empty houses
- 2. Incentives for owners of empty homes
- 3. Report an empty home

Incentives for owners of empty homes

Empty homes loan fund

This fund offers low interest loans from £5,000 to £17,000 to help owners renovate houses that have been registered empty for six months or longer.

2.

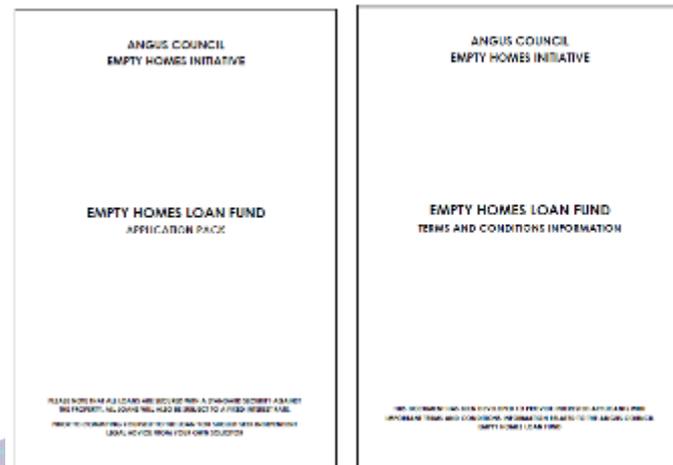
- To generate a regular rental income or capital sum if the property is sold.
- To reduce deterioration of the property and avoid associated problems.
- To provide a suitable and safe home for a local individual or family.

Whatever the reason your property has become empty, we are writing to let you know that we want to help.

Angus Council currently provide information related to a range of financial incentives and schemes available to empty home owners, including paying reduced levels of VAT on repairs, discounted rates at builder's merchants, as well as a dedicated loan scheme that aims to bring empty properties back into use. I can give you further details of relevant schemes that would be available to you.

P.T.O

3.



ANGUS COUNCIL  
EMPTY HOMES INITIATIVE

EMPTY HOMES LOAN FUND  
APPLICATION PACK

PLEASE NOTE THAT ALL LOANS ARE SECURED WITH A CHARGED DEED BY A MORTGAGEE OF THE PROPERTY. ALL LOANS MUST ALSO BE SUBJECT TO A FIXED INTEREST RATE.

ANGUS COUNCIL  
EMPTY HOMES INITIATIVE

EMPTY HOMES LOAN FUND  
TERMS AND CONDITIONS INFORMATION

PLEASE NOTE THAT ALL LOANS ARE SECURED WITH A CHARGED DEED BY A MORTGAGEE OF THE PROPERTY. ALL LOANS MUST ALSO BE SUBJECT TO A FIXED INTEREST RATE.

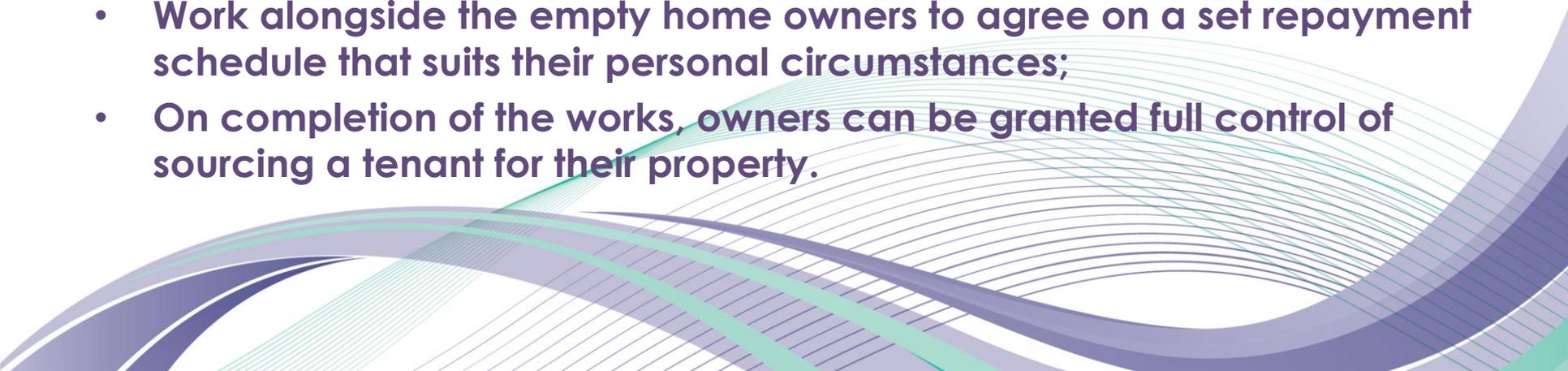
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## 2. Flexibility in the Loan Fund

### Benefit:

Providing flexibility in a Loan Fund can help to increase both owner interest and uptake. As owners are in full control of decision making throughout the project this can help to dispose of any concerns that the property owners may have had.

### Steps that you can take to implement a degree of flexibility:

- Let owners select their own contractors to undertake the required works;
  - Work alongside the empty home owners to agree on a set repayment schedule that suits their personal circumstances;
  - On completion of the works, owners can be granted full control of sourcing a tenant for their property.
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# 3. Sharing Loan Fund Best Practice

## Benefit:

Publicising best practice can not only help to increase interest and uptake in the Loan Fund, but this can also help dispose of any concerns that owners may have. If an owner knows that the Loan has worked for other empty home owners then this may encourage them to declare an interest.

## Steps that you can take to share Loan Fund best practice:

- Make contact and discuss the Loan Fund with your Communications team;
  - Tap into both local and national media;
  - Use the local authority to your advantage (landlord newsletters; landlord seminars; housing blogs; social media).
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# 3. Sharing Loan Fund Best Practice

## Examples related to the Angus Council Empty Homes Loan Fund:

1.



3.



Angus Council  
25 January · ©

There are an estimated 34,000 long term empty properties in Scotland. Around 1000 of these are located in Angus where demand is high for affordable housing.

To try to help tackle this we're launching our £120,000 Empty Homes Loan Fund to help t... [Continue reading](#)



Bringing empty homes back to life - Angus Council  
angus.gov.uk

Angus Council @AngusCouncil · Follow

Angus Council and the Scottish Empty Homes Partnership - helping turn empty properties back into much-needed homes.  
[bit.ly/2jRo47S](https://bit.ly/2jRo47S)



6:24 am · 17 Jan 2023

2 Retweets · 1 Like

2.



Shelter Scotland @shelterscotland · Jan 26

Great news of a new fund from @AngusCouncil to help bring #EmptyHomes back into use.  
[ow.ly/Tgna30819gd](https://ow.ly/Tgna30819gd)



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# 4. Relationship between LHA & PRS

## Benefit:

Studying the relationship between Local Housing Allowance rates and Private Rented Sector averages can help to build an understanding of familiarities that may exist.

## Points to consider when researching and comparing Local Housing Allowance rates and the private sector rental averages:

- Are these values similar and comparable across the council area?
- If not, are there strategic areas where LHA rates are comparable with private rental values?



# 4. Relationship between LHA & PRS

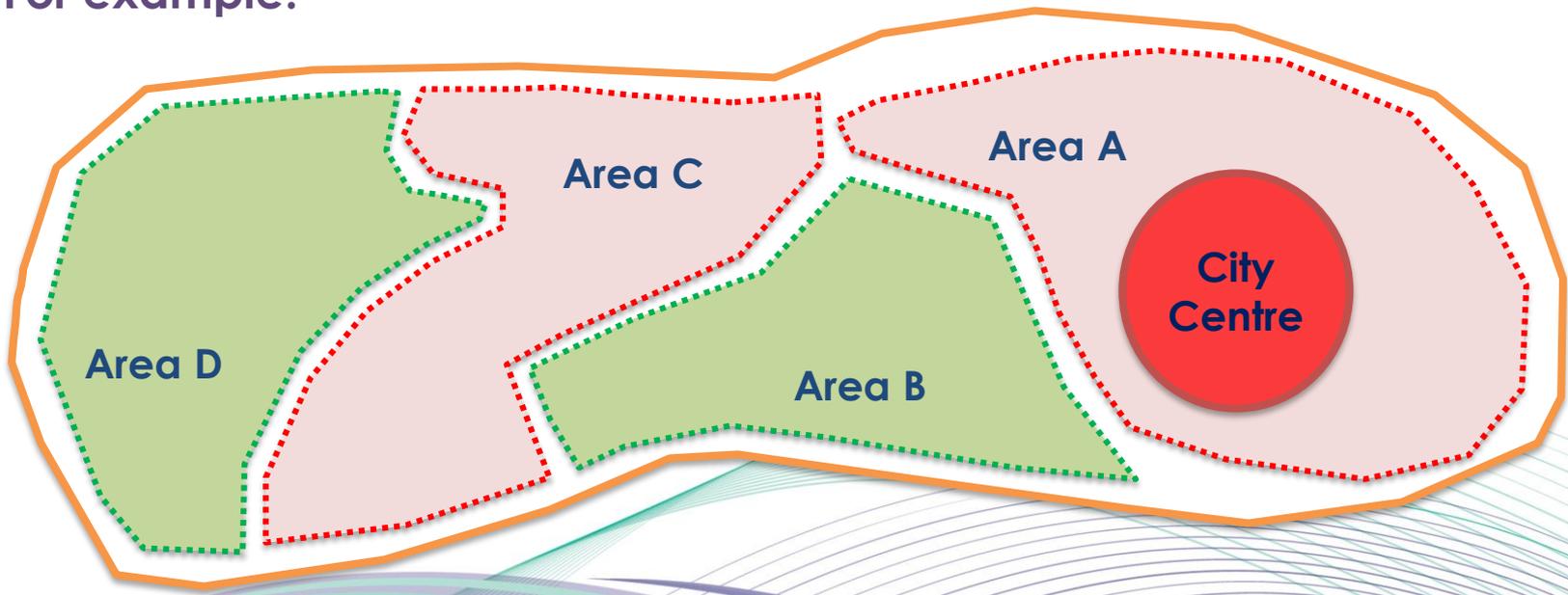
If LHA and PRS values are comparable in areas, can you implement a strategic engagement model targeting the areas with either lower or comparable rental rates?

For example:

KEY:

PRS AVERAGES OVER LHA RATES

PRS AROUND OR BELOW LHA RATES



# Impact on owners & local area

## Benefits for long-term empty home owners:

- No more repairs or bills (including Council tax – the tenant is liable);
- The property will be renovated to a better condition, with a possibility that it may increase in value.

## Benefits for the local community:

- A wasted resource returned to use, reducing overall housing need;
  - New residents can help to sustain local amenities and services;
  - Help to benefit the local economies;
  - Increased feelings of community safety;
  - Positive reflection on local house prices.
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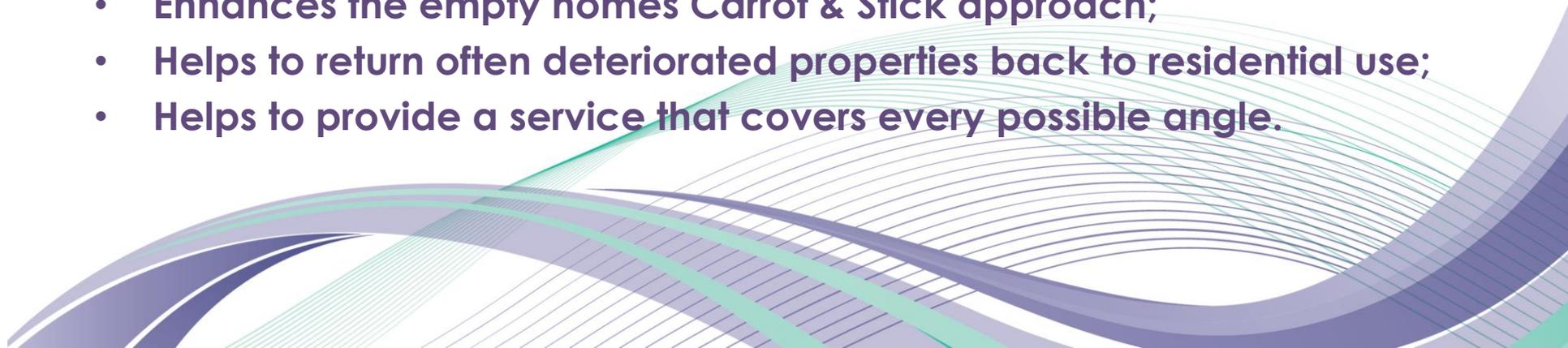
# Benefits for an Empty Homes Officer

Angus Council aims to **“Create places that people are proud to call home”**

The Empty Homes Loan Fund contributes to this objective as it:

- Helps to increase the supply of good quality, affordable housing;
- Helps to discourage anti-social behaviour issues that are often associated with empty homes;
- Helps to contribute to community regeneration due to the reduction in unoccupied property.

Benefits for the Empty Homes Officer:

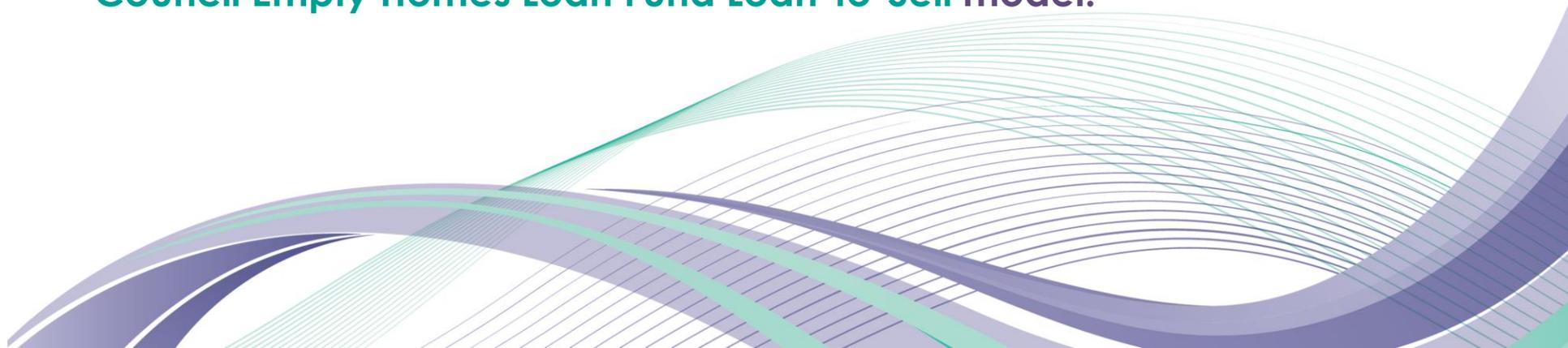
- Enhances the empty homes Carrot & Stick approach;
  - Helps to return often deteriorated properties back to residential use;
  - Helps to provide a service that covers every possible angle.
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# Improving the Angus Loan Fund

We constantly seeking out every opportunity to improve this scheme and advance the levels of support and assistance available to long-term empty home owners.

Supplementary funding of £120,000 was identified in 2016 to support the continuation of the Loan Fund. At the same time Angus Council also received committee approval to widen the scope of the Empty Homes Loan Fund.

We are now in a position to announce the development of the **Angus Council Empty Homes Loan Fund Loan-to-Sell** model.



# What is the Loan-to-Sell model?

The main change being that on completion of the required renovation works a property must be advertised on the open market and sold at an **'affordable rate'**.

## What will Angus Council define as an affordable selling rate?

- Each property will now be individually assessed;
- The affordable rate for a property will be agreed by an Angus Council Loan-to-Sell advisory board.



# Thank you for listening...

Please do not hesitate to contact if you have any questions or require further information related to the Angus Council Empty Homes Loan Fund:

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