The Chartered Institute of Housing is the only professional organisation representing all those working in housing. Its purpose is to maximise the contribution that housing professionals make to the well being of communities.

In Wales, we aim to provide a professional and impartial voice for housing across all sectors to emphasise the particular context of housing in Wales and to work with organisations to identify housing solutions.

For further information on this response please contact Julie Nicholas, Policy & Public Affairs Manager at the above address or email julie.nicholas@cih.org
Introduction

CIH welcomes the opportunity to respond to this consultation. CIH is the professional body for people working in housing and communities, with over 22,000 members across the UK and Asian Pacific. Our mission is to maximise the contribution that our members make to the well being of communities.

Our response is informed by feedback from our members, our knowledge of the sector and our expertise from our policy and practice teams.

Summary of Response

CIH Cymru broadly welcomes the content and the aim of the proposals in this document. It is estimated that there are 31,644 empty homes in Wales, representing 2.34% of the total housing stock, of which 22,000 are considered to be unoccupied long-term (more than 6 months). These long-term empty properties are a significant wasted resource in a country with high unmet housing need.

CIH Cymru fully supports the whole-system approach that the Welsh Government is adopting in the White Paper to increase supply and improve quality across the housing sector. In recognising the importance of making best use of existing stock, we wholly endorse the proposals contained in the White Paper and this consultation document to bring empty properties back into use through a targeted combination of sanctions and incentives.

CIH Cymru has a track record of research and policy development on the potential role that bringing empty properties in to use can play in meeting housing need in both urban and rural areas and stimulate local regeneration. We fundamentally agree that empty properties are a wasted resource, and tackling the problem should be a priority. We therefore support the proposal to allow LAs a discretionary power to levy a higher rate of council tax on long-term empty properties.

However, it is important that Local Authorities are not disadvantaged by using such a levy through the revenue projection process, by including additional council tax levies which are then not paid. We suggest revenue from the use of this levy should be accounted for as a separate revenue stream, and ring-fenced for the purpose of addressing problems caused by the lack of affordable housing.

Incentivising owners of empty properties to make better use of their assets is as important a part of the approach to tackling empty properties as the use of sanctions. CIH Cymru suggests that prioritisation of the use of property improvement loans for empty properties, encouraging the use of, developing and signposting to Social Lettings Agencies, and strengthening engagement between LAs, empty property owners and private landlords should be a key part of the ‘offer’ to help bring empty properties back into use.
Responding to the Consultation

Q1 What are your views on whether the Housing Bill should include a power to allow local authorities in Wales the discretion to charge more than the standard full rate of council tax on long-term empty properties?

CIH Cymru support the proposal that local authorities should have a discretionary power to charge more than the standard full rate of council tax on long-term empty properties. Such a sanction will be a useful tool to help address the shortfall of housing supply and maximise the use of existing resources. This sanction must however be balanced with incentives such as property improvement loans, increased engagement and support with local authorities strategy and enabling teams alongside the development of social lettings agencies.

Q2 How long should a property be empty before a local authority is able to use this additional discretion and charge greater than the standard full rate of council tax?

The Housing White Paper and this consultation document suggest a period of 12 months. CIH Cymru considers this to be a reasonable amount of time and would not wish to see the proposed period extended further, other than in exceptional circumstances.

Q3 In order to reduce the scope for tax avoidance, should a long-term empty property no longer have to be unfurnished?

CIH Cymru supports any additional proposals that would reduce the likelihood of owners of empty properties avoiding this sanction on a technicality or in a contrived way. As such we agree that unfurnished accommodation should not be exempted from this proposal.

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Q4 If so, how can we ensure that the legislation distinguishes between empty properties and second homes?

CIH Cymru does not have a proposal to distinguish between empty properties and second homes; indeed we would suggest there should be serious consideration of including second homes in this legislation, within the context of maximising best use of the existing stock in Wales and as a potential source of ring-fenced additional revenue to help address unmet housing need.

Q5 Should a maximum percentage be set for the additional council tax which local authorities may levy on long-term empty properties in order to protect taxpayers from unreasonable levels?

Q6 If so, what should the maximum level be?

We agree with the proposal that increasing the levy annually could be a more effective option for those owners who are content to leave their property empty and for whom sanctions will be more effective than incentives.

However, CIH Cymru would suggest that a maximum amount should be set. This could be higher than the 200% proposed for owners of empty properties who for example refuse to engage with the local empty homes strategy and services over a sustained period of time. We would again reiterate that incentive services, such as property improvement grants, social lettings agencies and local authority engagement opportunities are as important as sanctions such as increased council tax charges.

It is important that Local Authorities are not disadvantaged by using such a levy through the revenue projection process, by including additional council tax levies which are then not paid. We suggest revenue from the use of this levy should be accounted for as a separate revenue stream, and ring-fenced for the purpose of addressing problems caused by the lack of affordable housing.

Q7 Should local authorities be able to apply different levels of the additional council tax levy in different geographical areas of their authority?

CIH Cymru supports an approach that will enable local authorities to target better use of empty properties according to their local housing strategy, based on evidenced need and demand to prioritise specific geographical locations, particularly where there is a greater need for affordable housing.

However the case for utilising a differential approach should be robustly made by the LA, with the inclusion of supporting evidence and an equality impact assessment.
to ensure that owners with protected characteristics are not being indirectly targeted or discriminated against.

Q8 Should the legislation include additional exemptions to accompany any owner to levy additional council tax on empty homes to take account of particular factors?

Q9 If so, what should such exemptions cover?

CIH Cymru suggests that an equality impact assessment would help to identify persons or groups that should be exempted from the additional council tax levy, in addition to those already identified. We would support exemption for those in long-term care or where a reasonable attempt has been made to dispose of the property at a fair price, the definition of which should be agreed nationally, to ensure a consistent application.

Q10 Do you have any comments about this proposal which are not covered in this consultation document?

We would also suggest that it is important that Welsh Government supports the empty homes initiatives through the provision of additional resources to local authorities for its increased empty property management responsibilities.

Seven out of ten empty homes are in the private sector\(^2\). This means that 30% of long-term empty homes are not, and so CIH Cymru believes that social housing landlords must therefore play their part in providing a solution to the empty homes problem. We are unclear as to whether this proposal is tenure specific, and whether social housing landlords are intended for inclusion in the additional council tax levy.

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\(^2\) Lavender & Wilson, *Welsh Empty Property Initiative: "Houses into Homes"* Housing Training & Consultancy Ltd: June 2012