

RHONDDA CYNON TAF

EMPTY PROPERTY

ADVICE PACK



“Realise your empty property’s potential”



RHONDDA CYNON TAF



CONTENTS

	Page
① Introduction	02
② Grants & loans	03
③ Selling options	08
④ Renting options	10
⑤ Homestep plus	14
⑥ VAT discounts	15
⑦ Energy efficiency	16
⑧ Council tax	17
⑨ Enforcement action	18



INTRODUCTION

Empty properties represent a wasted resource, financial expense and in many cases a missed opportunity to provide much needed affordable housing for people. Not only are they a waste of a valuable housing resource, but they can cause blight to communities and distress to residents affected by their unsightly appearance and tendency to attract crime, vandals and anti-social behaviour. In addition to this, they can devalue neighbouring properties and represent a huge cost to the Council, Police, Fire Authority and Community Safety Partnerships due to the time and resources spent in dealing with the problems that they create.

Rhondda Cynon Taf County Borough Council wishes to work with empty property owners to encourage them to bring their properties back into use and where possible, prevent properties from becoming empty in the first instance.

There are a number of initiatives available to help owners bring their empty property back into use and this pack is intended to give you an overview of those initiatives. Contact details are provided for further information.

GRANTS & LOANS

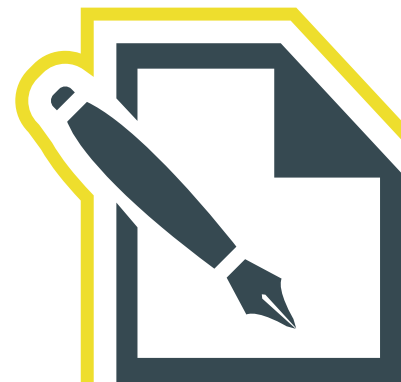
Landlord Loan

Interest free loans are available to assist with the renovation and improvement of single empty properties or the conversion of an empty property into a number of units so they are suitable for use as residential accommodation. These loans are only suitable for applicants who want to rent or sell the property upon completion of the works.

The eligibility criteria includes:

- Property must have been empty for a minimum of 6 months
- An application fee is applicable
- Minimum of £1,000 and maximum of £25,000 loan per unit
- Maximum 80% Loan to Value based on the current value of the property and including any other charges, mortgages, loans etc.
- Maximum total loan value of £250,000 per recipient at any time
- Loan secured against the property as first or second charge
- Loan must be repaid within 2 years if the property is for sale (or when sold if sooner) or within 3 years if the property is rented
- Interest at the national standard rate will be charged from the date of the loan agreement in the event of a breach of conditions

For further information and to request a Landlord Loan application pack, contact Housing Strategy on 01443 281136 or HousingStrategy@rctcbc.gov.uk.





Empty Property Grant

The Empty Property Grant enables prospective owner occupiers to purchase empty properties with the assistance of a grant to fund or contribute towards the cost of work required to bring the property back into use. The eligibility criteria includes:

- Applicants must be prospective owner occupiers who plan to live in the property as their main residence for a period of at least 5 years
- The property must have remained unoccupied for a period of 6 months prior to purchase and at the time of the grant application
- The property must meet the applicants housing needs
- Applicants are required to make a 15% maximum contribution to total cost of grant eligible work
- There will be discretion to waive the 15% contribution in exceptional circumstances such as financial hardship (for example the applicant is in receipt of an income related benefit)
- Maximum of £20,000 grant work limit
- Minimum of £1,000 grant work limit
- Ancillary fees can be added to the cost of works limit
- Registered with a legal charge on completion of the works for a 5 year period. Full repayment will be requested if the property is sold, or not occupied as intended during the 5 year grant condition period

For further information and to request an Empty Property Grant application pack, contact Housing Grants on 01443 281118 or HousingGrants@rctcbc.gov.uk

Interest Free Owner Occupier Loan

This scheme, supplied by Robert Owen Community Banking, is designed to help home owners have safer, warmer and greener homes. Loans are available between £1,000 and £25,000 (subject to affordability) with repayment terms of up to 10 years. The loans are interest free and there is currently no fees applicable.

The loans can be used for building works including windows, doors, damp-proofing, disabled access, kitchens, bathrooms, stairs, plumbing, electrics, plasterwork, floors, roofing, chimneys and brickwork. The scheme also supports boilers, wood burning stoves and energy efficiency measures such as insulation and some renewable energy installations.

The eligibility criteria includes:

- The property must be below the standard of safe, warm and secure
- You must own the property
- You must be able to afford to repay the loan over a maximum of 10 years
- A legal charge will be registered on the property to secure the loan
- Eligible works must exceed a minimum cost of £1,000

For further information and to request an application pack, contact Robert Owen Community Banking on 01686 626234 or visit www.rocbf.co.uk/rct-0-home-improvement-loans.





Repayable Financial Assistance (Lifetime Loan)

A lifetime loan is available to applicants who have been assessed and declined for an Owner Occupier Loan due to affordability. The purpose of the product is to provide financial support to applicants whose home is below the standard of safe, warm and secure. The loan is registered as an equity charge on the property and is only repayable upon sale or disposal of the property. The eligibility criteria includes:

- The property must be below the standard of safe, warm and secure
- You must have been assessed and declined for an Owner Occupier Loan due to affordability
- You must own the property
- A legal charge will be registered on the property to secure the loan
- The loan is repayable upon sale or disposal of the property
- Eligible works must exceed a minimum cost of £1,000

For further information and to request an application pack, contact Housing Grants on 01443 281118 or HousingGrants@rctcbc.gov.uk



Enterprise Investment Fund

The aim of the Enterprise Investment Fund is to support sustainable economic growth across Rhondda Cynon Taf. The grant programme provides financial assistance for Small and Medium Sized Enterprises (SMEs), including start-ups as well as existing businesses, for both private and social enterprises.

Grant detail:

- Commercial premises – Minimum £1,500 up to a maximum of £10,000
- Home based premises – Minimum £500 up to a maximum of £1,500
- Intervention rate of a maximum of 50% of eligible project costs (excluding VAT)
- Expenditure incurred before grant approval is not eligible for funding

Who can apply:

- Are you a SME with fewer than 250 employees?
- Do you have either an annual turnover not exceeding approximately £40 million or an annual balance sheet total not exceeding approximately £34 million?
- Does your organisation operate within the County Borough area of Rhondda Cynon Taf?
- Do you pay either Council Tax or Non Domestic Rates to Rhondda Cynon Taf County Borough Council?
- Do you have or will you have Public Liability Insurance?

For further information and to request an expression of interest form, contact Prosperity and Development on 01443 281124 or Regeneration@rctcbc.gov.uk.

SELLING OPTIONS

Empty Property Investors

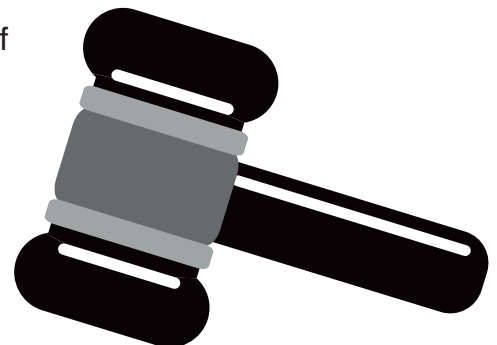
The Council holds a list of empty property investors who have made enquiries with regards to purchasing empty properties within the Authority. With your permission, we can pass on your contact details and details of your empty property for you to further discuss a potential sale. The Council will only assist in the exchange of contact details and it will become a private matter between buyer and seller after this point. It is recommended that you seek legal advice and obtain an independent valuation of your property when negotiating and agreeing the terms of sale.

To refer your property to an empty property investor, contact Public Health Housing on 01443 425565 / 425561 or PublicHealthHousing@rctcbc.gov.uk

Auction

Property auctions are increasing in popularity and can often be a quick and effective way of disposing of a property that is difficult to sell and often results in a good price being achieved for dilapidated or unusual properties. They are typically a quicker means of selling a property than via an estate agent as the property is generally listed for auction within 1 month and completion of the sale takes place within 20-30 days of the auction. Demand from multiple buyers can quickly drive up the price of the property, or you may even receive an offer for the property prior to the auction, which if you choose to accept, will avoid the need to go to auction.

For further information about the auction process and to find a local auctioneer, visit www.propertyauctionaction.co.uk



SELLING OPTIONS



SOLD

Estate Agents

Selling your property through an estate agent is likely to be quicker and easier than selling it yourself if you have no previous experience, however, it will cost more. Estate agents will value, market and sell your property, arrange viewings, negotiate a price, liaise with your solicitor and deal with the paperwork. You can expect to pay an estate agent between 0.75% and 3.0% of the selling price plus VAT, so it is advisable to shop around first for the best offer.

To find a local estate agent, visit
www.naea.co.uk/find-agent



4 RENTING OPTIONS

Landlord Advice

Renting your property can provide a means of additional income, improve the condition of the property and reduce the likelihood of vandalism and crime that empty properties often attract. If you are thinking of renting your property, the Council can offer you advice on becoming a landlord, including:

- Responsibilities and obligations
- Landlord and tenant law
- Tenancy agreements
- Tenant finding
- Tenancy support
- Local housing market and rental incomes
- Supply and demand
- Future opportunities
- Rent Smart Wales
- Landlord forums & newsletter




The Council's free tenant finder service can also enhance your ability to source prospective tenants. Tenants are matched according to their ability to meet the financial obligations in paying a set level of rent. Landlords are under no obligation to accept households nominated by the Housing Solutions service and are still able to advertise and let the property privately.



RENTING OPTIONS

Landlord Advice Continued...

The table below shows the approximate potential income that you could have earned over the period of time that your property has been empty.

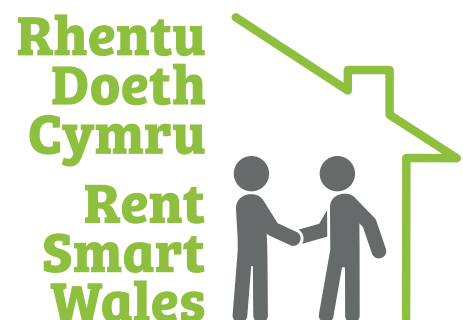
Potential income based on number of years empty (based on Local Housing Allowance 2019-2020)		
 1 year	 2 Bed	 3 Bed
1 year	£4,350	£4,681
2 year	£8,700	£9,362
3 year	£13,050	£14,043
4 year	£17,400	£18,724
5 year	£21,750	£23,405
6 year	£26,100	£28,086
7 year	£30,450	£32,767
8 year	£34,800	£37,448
9 year	£39,150	£42,129
10 year	£43,500	£46,810

For further Landlord Advice, contact Housing Strategy on 01443 281136 or HousingStrategy@rctcbc.gov.uk.

Rent Smart Wales

The Housing Act (Wales) 2014 introduced a requirement for landlords to be registered, and self-managing landlords who let and manage properties to undertake training and apply for a licence. This requirement is governed by Rent Smart Wales, which aims to drive up standards in the private rented sector to protect tenants and support good landlords and agents.

All private landlords are required to register themselves and their properties. If a landlord wants to manage property themselves, they must be licensed, demonstrate that they are 'fit and proper' to hold a licence and successfully complete approved training. Alternatively, a landlord can appoint a licensed agent to manage their property on their behalf.



For more information on the requirements of Rent Smart Wales, to register, apply for a licence or to book a training course, visit www.rentsmart.gov.wales or contact 03000 133 344.

Leasing Schemes

Empty Homes Wales, managed by United Welsh Housing Association offers a leasing scheme which includes the renovation works required to bring your empty property up to a habitable standard. They will lease the property from you and manage the tenancy including repairs and maintenance. The rental income received during the term of the lease will be used to offset the cost of the renovation works. Once the work costs have been repaid, they can continue to rent the property on your behalf if you wish, in return for a management fee which is deducted from the rental income.

If no renovation works are required and the property is already habitable, they also offer a tenancy management service.



For more information on these leasing schemes, contact Empty Homes Wales on 0800 294 0195 or visit empty.homes@unitedwelsh.com

Letting Agents

The advantages of letting your property through a letting agent include effective advertising of your property; knowledge of the local housing market; managing and conducting viewings; tenant finding; rent collection; routine maintenance; safety checks and inspections of the property; and dealing with the relevant paperwork. The extent of the services provided varies between agents and the price you will pay depends on the level of service you require, but will typically be between 10% and 20% of the rental income. For example, you may just want an agent to find you a tenant, or you may want them to manage the rental agreement from start to finish. It is advisable to choose a letting agent that is a member of a professional organisation, such as the Association of Residential Letting Agents.



To find a local letting agent, visit www.arla.co.uk/find-agent



Property Guardianship

A property guardian is someone who has entered into an agreement to live in a building or part of a building that would normally be otherwise empty, for the primary purpose of securing and safeguarding the property.

The cost of occupying a property under a guardian scheme may be cheaper than renting a similar sized property at market value and may offer an agreement with fewer long term commitments than a typical tenancy agreement. However, the properties that are used are frequently commercial or industrial buildings that were not originally intended to be used as residential accommodation and guardians may be required to leave at short notice.

Guardians usually enter an agreement or licence with the guardian company (not the building owner). This agreement gives the guardian the right to occupy all or part of a building, with the specific purpose to secure the building and comply with any obligations set out in their licence agreement. A guardian has no right to exclusive possession of the property.

Further information on property guardianship can be found at www.propertyguardianproviders.com

HOMESTEP PLUS

Rhondda Cynon Taf Council and United Welsh housing association are working together to deliver the Homestep Plus scheme with funding from the Welsh Governments Vibrant and Viable Places programme.

The scheme enables United Welsh to identify and buy empty properties in the CF37 postcode and to refurbish them before offering them for sale at 70 per cent of the asking price. Alternatively, interested parties can identify their own property, which United Welsh will purchase on their behalf and sell onto them at the discounted price.

The scheme aims to help people get onto the property ladder at a time when it is difficult to do so and also to continue to boost the local housing market and associated economy.

To be able to apply for HomeStep Plus you must:

- Be interested in a property in the CF37 area
- Be a first time buyer
- Be over the age of 18
- Be a UK passport holder or have indefinite leaves to remain in the UK
- Be unable to afford to purchase the property at full market value
- Be able to raise a mortgage with a suitable mortgage lender
- Have access to enough savings to cover the costs of buying a home at 70% of market value, such as solicitors, mortgage and survey fees

For further information on the HomeStep Plus scheme, contact Housing Strategy on 01443 281136 or HomeStep@rctcbc.gov.uk or visit www.homefinderrct.org.uk/content/OtherHousingOptions/HomestepPlus

VAT DISCOUNTS

Renovations and alterations to residential properties that have been empty for at least 2 years (10 years if non-residential) are eligible for a reduced VAT rate of 5%. This applies to labour and materials associated with repairs, alterations, construction of associated garages and hard landscaping. Working with a VAT registered builder may significantly reduce the cost of bringing your empty property back into use.

A developer or house owner can claim back all VAT charged on the renovation of a building that has been empty for 10 years or more, once the dwelling is sold.

Reduced rates of VAT also apply to a number of types of building works, such as installing energy efficiency or energy saving measures, adapting a building for a disabled person or works to convert a non-residential building into a home. These discounts may apply to works to bring an empty property back into use.

Upon request, the Council can write an official letter to the property owner confirming how long the property has been empty. This letter may be requested by companies before applying the reduced VAT as it may be required by HM Revenue & Customs.

Further information on this reduced rate can be found in Section 8 of Public Notice 708 – VAT: Buildings and Construction, available from the National Advice Service on 0845 0109000 or from HM Revenue & Customs at www.gov.uk/business-tax/vat.

To request a letter confirming how long a property has been empty, contact Housing Strategy on 01443 281136 or HousingStrategy@rctcbc.gov.uk



ENERGY EFFICIENCY



Subject to funding levels and availability with installers, energy companies or their agents, you may be entitled to discounted and/or fully funded energy efficiency measures to help bring your empty property back into use and raise its energy performance and future fuel poverty proof households. Energy measures could include energy efficiency lighting, full heating systems, loft insulation, draught proofing, water efficient taps, and possibly renewables such as solar.

For further information on current energy efficiency funding and energy efficiency advice, contact the Heat & Save team on 01443 281136 or HeatAndSave@rctcbc.gov.uk

COUNCIL TAX



As of 1st April 2018, the Council has used its discretionary powers to remove the 50% Council Tax discount that was previously applied to long term empty properties. This means that since 1st April 2018, all properties which are both vacant and unfurnished for six months or more, and do not qualify for a Council Tax exemption, will be charged 100% Council Tax.



ENFORCEMENT ACTION

Invariably, empty homes can be neglected and fall into disrepair. Properties in this condition can be subject to a number of enforcement options that require owners to take action to secure, repair, renovate or demolish problematic buildings.

The main enforcement options available to the Council include:



- **Undertaking work to deal with an issue**

If your property or land is causing a nuisance or is having an adverse effect on the community, the Council has powers to undertake works if you fail to do so. The costs of doing this are recoverable from you e.g. securing buildings against unauthorised entry; removal of waste; improvements to external appearance; and demolition of buildings

- **Enforced sale**

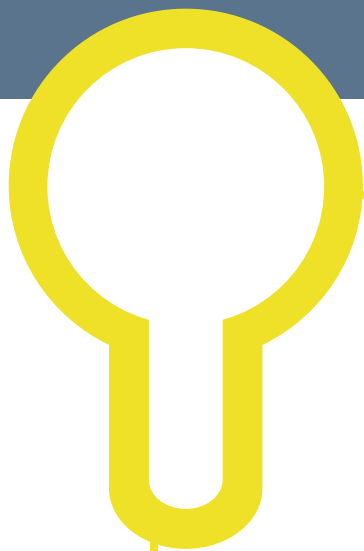
If the Council completes work in default of notices served on your property or land, under Section 103 of the Law of Property Act 1925, we have the power to sell your property or land in order to recover the costs incurred

- **Empty dwelling management orders (EDMOs)**

If you are unwilling to bring your property back into use, the Council can apply to take over the management of the property. An EDMO allows us to carry out work to bring the property up to a habitable standard and then rent and manage your property

- **Compulsory purchase orders (CPOs)**

If we are unable to encourage you to bring your property back into use or you fail to comply with statutory notices to improve your property, the Council may consider a CPO. If there is a strong enough case and it is in the public interest, a CPO will allow us to acquire your property or land.



RHONDDA CYNON TAF

EMPTY PROPERTY

ADVICE PACK



RHONDDA CYNON TAF