



# Factsheet 4

## The costs and risks of owning an empty home

### Why is it a problem that I own a residential property that remains empty?

Your empty home is a wasted resource for you as well as the city or town it's located in. Nationally there are over 288,500 empty houses or flats according to government statistic in 2020.

As your house deteriorates its value is decreasing, and you could be losing out on income by not taking advantage of the many opportunities to let it out.

It could be a home for the many people who are looking for somewhere to live but can't find one due to the shortage of housing available.

For the local neighbourhood, empty houses in poor condition can attract problems with anti-social behaviour, crime and damage to yours and your neighbour's homes. This can have a knock on effect on local house prices and impact negatively on how people feel about their area.

It's important that you keep your empty property looking cared for (Factsheet 3 covers what can help keep your property safe) and better still get it occupied to protect your important asset.

### What are the benefits of letting out my property?

- You receive a regular income, enabling you to keep up with regular maintenance .
- You have someone living there that's providing security and protection against squatting and crime
- If you decide to sell later, the property will have greater value due to being looked after and maintained
- You will have less outgoings such as council tax and utilities payments
- You keep your property. There are many options for letting
  - Renting through council leasing, Tenant Finder, private sector leasing or deposit

- bond scheme
- Private renting through a private agency—letting agencies will offer a range of management services
- Renting it out privately yourself



### How can my local authority help?

Local authorities can provide information, advice and sometimes financial support to help you renovate your property, sell it or rent it out.

#### Empty Home Loan scheme

Stroud District Council offer an Empty Homes Loan which aims to address housing need by bringing unused properties back into use. It is an interest free loan and a maximum of £15,000 for repairs and refurbishment. It is only available where a property has been registered empty for over 12 months and where a category 1 hazard is present. The loan is repaid when the property is sold or is no longer available for rent at an affordable level.

Whatever barriers and obstacles you may face as an empty home owner can be overcome with the correct help and advice. The Council's empty homes officer can support you to find solutions and help you tackle the often complex issues behind an empty home. We are here to help!

#### If I don't do anything can the council take action against me?

Where an owner leaves a property empty either in a poor condition or in an area of high housing need, councils do have powers to take the following action:

- Serve notices to improve the visual aspect of the property or make it safe, or prevent nuisance to neighbouring properties.
- **Empty Dwelling Management Order (EDMO):** This allows councils to take over the management of residential properties, where an owner of an empty property has turned down offers of help to bring the property back into use and can offer no good reason why the property should remain empty. The council would oversee any capital works needed and use the property to accommodate people in housing need for up to seven years, under a lease agreement.
- Increased council tax up to four times the rate for very long term empty homes



## Compulsory Purchase Order (CPO)

Where a property has been empty long term, is in an area of housing need and an owner cannot demonstrate that it will be brought back into use, as a last resort, a council can seek permission from central Government to acquire the property from the owner. They will then renovate it to be used as residential accommodation or sell it to someone else to do the same.

## What is the cost of leaving your property empty?

Owning an empty property is an expensive responsibility. The estimated cost of leaving a property empty for a year (based on an 'average' 2 bedroom property in Stroud) is estimated below.

Loss of rental income:	£8,316
Maintenance:	£500
Security:	£280
Insurance (31-60 days):	£118
Council Tax (Band B):	£1,484
<b>Total:</b>	<b>£10,698</b>

## Changes to your Council tax

From 1st April 2020, a change in the way council tax is applied to empty properties will come into effect and you will be charged significantly more depending on the length of time the property has been empty.

It's important to keep our Council Tax service up to date when a home becomes re-occupied to ensure you are on the correct levy. Officers also monitor and review homes to ensure the correct charge is applied.

## Loss in property value

The value of empty properties depreciates rapidly, and there is a huge demand for housing. Letting out a flat or house can provide a significant income stream, whilst enabling you to afford necessary repairs and maintenance to stop your property from deteriorating further.

## Other factsheets available:

**Factsheet 1:** Letting your house or flat, top tips if you are thinking of letting your property

**Factsheet 2:** Keeping your house safe from crime and damage while it's unoccupied

**Factsheet 3:** VAT, Planning Control and Building Regulations

**Factsheet 5:** What legal action can a council take with long-term empty homes?

## Useful sources & information

A comprehensive Landlords handbook can be found on the [Cotswold District Council website](#).

National Landlord Association:  
[www.landlords.org.uk](http://www.landlords.org.uk)

Find out more at [www.stroud.gov.uk](http://www.stroud.gov.uk) or contact [environmental.health@stroud.gov.uk](mailto:environmental.health@stroud.gov.uk)

