

'Action on Empty Homes' report

Homes Without Residents

London is a prime location globally for wealth investment in residential property. New tower blocks have sprung up across the capital since the turn of the century, often accompanied by advertisements for luxury apartments.

As of January 2020 over 500 more applications have been agreed for high-rise developments. At the same time, London is at the epicentre of the UK housing crisis, with average prices for residential properties being well out of the reach of households on average incomes. In Islington, for example, the typical cost of a two-bed home is more than twelve times the average income – a couple both earning the average wage would need at least three mortgages to buy a home.

Those on low-incomes are being shunted into low quality and relatively high-cost private accommodation. People sleeping on the streets have multiplied. And London boroughs are currently spending over £700m per annum on housing the homeless in insecure 'Temporary Accommodation' often miles away from their friends, family and childrens' schools.

For the last year, Action on Empty Homes has been analysing the impact of wealth investment in residential property. We began by reviewing international examples of housing markets in cities also experiencing a growth in such wealth investment in residential property while failing, like London, to deliver affordable housing for citizens on average incomes. We looked at the policy responses proposed and implemented by local, regional and national governments to tackle the problem. We have published a summary of the findings in ['Homes Without Residents' \(Jan 2020\)](#).

We then held a series of discussions in the Autumn of 2019 with stakeholders to look at what could be the best policy responses for London. These included leading academic experts, NGOs and thinktanks, housing campaigners from across London, Londoners experiencing homelessness and elected representatives of all the parties represented in the Greater London Assembly

It is becoming evident to us that income generation from residential property in cities like London does not necessarily require the involvement of any permanent residents - wealth investors do not need to use these homes to house residents at all, rich or poor. This calls into question both the definition of such property as residential and the degree to which local planning targets for annual newbuild contribution to housing stock, homes for permanent residents to live in, are realistic or accurate.

'Not the right housing'

Homebuilding may be at a 30-year high, but Action on Empty Homes says a rise in the number of long-term empty properties shows the wrong kind of housing is being built.

Long-term empty homes numbers rose for the third consecutive year to 226,000 nationally. While numbers in London rose by 10%, more than double the national rate of increase, Hounslow saw the fastest rise in the country at 158% and Harrow seeing numbers rocket up by 137%.

Quoted in both the Hackney Gazette and the Islington Gazette, (London Boroughs which saw 24% and 21% increases in empty homes in the last year, respectively) Action on Empty Homes National Campaigns Manager said,

"There is speculation unsold newbuilds are contributing, alongside a general slowing of the housing market lowering transactions.

"One South East officer told me that of his 600 or so long-term empties, over a quarter were unsold newbuilds, including both market sale and so-called affordable shared ownership units.

"We can add to that the stories we know about in London where luxury developments like flats in Centrepoint remain unsold as Brexit jitters lead to developers pulling them off the market.

"When we set this against rising numbers of street homeless fuelled by benefit cuts and Universal Credit sanctions and increased numbers of Londoners in temporary accommodation, it's difficult to call this anything other than a scandal."

In their 2019 annual report, Action on empty homes made recommendations:-

Central Government should:

1. Adopt a national investment programme targeted at areas with high levels of long-term empty homes.
2. Re-establish dedicated funding programmes to support local authorities and housing providers to create affordable housing from long-term empty homes in all parts of England.
3. Ensure that funding programmes to tackle empty homes are also open to community-led organisations who are not registered providers, and invest in capacity building in this sector.
4. Provide support for 'empty home prevention' schemes, by supporting investment in existing homes. This should include a so-called 'new Green Deal' to offer financial support to owners for sustainability measures and home improvements designed to increase the longevity, affordability and environmental efficiency of existing homes, including insulation measures.
5. Conduct a review of how the legal powers available to local authorities to tackle empty homes and poor standards of management in the private rented sector could be improved.
6. There needs to be an examination of the impact, regulation and taxation of the short-term or holiday lettings market as a part of this review.

Local authorities should:

1. Adopt a strategic approach to empty homes and ensure that approaches in neighbourhoods with high levels of empty homes fit within a local authority-wide empty homes strategy.
2. Support community-based regeneration approaches. This should include working with communities to develop neighbourhood improvement plans to tackle empty homes and the wider linked issues that they face.
3. Adopt an 'invest to save' approach - recognising how supporting local schemes and services can bring wider benefits to local people, such as jobs and improved community safety, improved health and well-being; and increasing the supply of secure affordable housing.
4. Seek funding and allocate resources to buy and refurbish empty properties for people in housing need.
5. Help community-based organisations wishing to build their know-how and skills to bring empty homes back into use by providing capacity-building support.