

Advice to owners of empty homes

Benefit from bringing your empty home back into use



The City of Edinburgh Council is committed to working with owners of empty homes to help bring their properties back into use. Everyone can benefit from an empty home being brought back into use.

Owners can be better off financially, as well as giving someone a much needed new home. This also contributes to sustaining the local economy and local services, while improving the outlook of the local neighbourhood.

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Keeping your empty home secure

Occupation is the best security

The best way to keep your empty home safe and secure it is to keep it occupied. If your home is in a suitable condition you can think about short-term options such as:

- renting the home out as a holiday let
- using a property guardian company. The company will arrange for someone to stay in your empty home for a short time to keep it safe.

Managing your empty home

Even if your empty home is in good condition now, empty homes are more likely to be at risk of vandalism and criminal damage. Leaving a home empty can also result in higher maintenance and repair costs than occupied properties.

There are steps you can take to help reduce deterioration while your home is empty:

- maintain gardens and exterior spaces
- check the home regularly to make sure it is secure
- repair any accidental damage or vandalism
- hang curtains or blinds so it looks occupied
- it is also a good idea to leave a contact telephone number with neighbours.

Insurance

Many insurance policies don't cover homes that are left empty for one to three months or more. If you have a mortgage you are legally required to have home insurance. Check with your insurance company to make sure your empty home is covered.

Property fraud

Empty Homes can be an attractive target for property fraud but there are steps you can take to help prevent this:

Make regular inspections of your home

Keep your details up to date on the Land Registry and make sure your property and title is registered with the Registers of Scotland. Visit their website at www.ros.gov.uk for more information

Keep your details up to date with your utility providers

If you believe you might have already been the victim of property fraud you can get help from a solicitor or the Citizens Advice Bureau and the police.

- Citizens Advice Bureau www.citizensadvice.co.uk
- Police Scotland: www.scotland.police.uk

Empty homes in winter

There are a number of increased risks during the winter months. Water pipes can freeze which can cause them to burst. When a home is empty this can go unnoticed for some considerable time.

Simply putting the heating on for short periods is not enough to guarantee a problem-free winter. Taking action now could prevent big problems later on.

A burst pipe can cause real damage to your home. This can also be complicated and costly to fix. There are steps you can take to prevent this kind of damage. These include insulation, rewashing dripping taps and checking that your stop tap can be turned off easily. If a home is likely to be vacant for a long time it is advised that you have the water and heating systems drained down.

Repairs, renovations and home improvement discounts

Repairs and renovations

Getting professional help

If you are the owner of an empty home which requires a significant amount of work, you might want to think about hiring an architect, surveyor or engineer. They can assess the problem and advise you of the work that is required. They can also organise and scrutinise quotes for you and supervise the work. The Royal Incorporation of Architects in Scotland and Royal Institution of Chartered Surveyors can provide details of local architects and surveyors.

Using an architect, surveyor or engineer may cost more, but you could get better value for money in the long term.

- Royal Incorporation of Architects in Scotland (RIAS): 0131 229 7545 www.rias.org.uk
- Royal Institution of Chartered Surveyors (RICS): 0131 240 0839 www.rics.org

Planning permission

If you are thinking about carrying out major works, such as an extension, then you will need to check if you need planning permission. Detailed information and links for applying are available on the council's website: www.edinburgh.gov.uk/planning/

The planning helpdesk will be able to help answer any questions you may have and to offer further advice. Call them on 0131 529 3550 or email planning@edinburgh.gov.uk

Organising the work

Some of the key stages in organising renovations or repairs include:

- Drawing up details of the schedule and specifications of work
- Finding someone to carry out the repair. It is advisable to get two

or three quotes and check the price includes VAT

- Agreeing on a price and on how payments will be made
- Getting it in writing. If you are employing a tradesman yourself you will need to set out the working arrangements, including price, payment, timescales, and health and safety considerations.

Before the work starts:

- **Legal:** Make sure all planning applications have been fully approved before committing to or starting any works.
- **Access:** You should make sure that anyone whose property will be accessed during the work is aware of this and they have given permission, for example a neighbouring flat in a shared block or the garden of an adjacent home.
- **Security:** Be aware that you may need to give tradesmen access to your home to carry out the work.

You should advise your insurance company if scaffolding is being erected.

Home improvement discounts

What discounts are available?

The Scottish Empty Homes Network has secured discounts from a number of national builder's merchants and suppliers on a range of products that can help owners bring their empty properties back into use.

How do owners access the discounts?

If you are an empty home owner who would like to explore the benefit of purchasing goods from these companies, you should contact your empty homes officer to discuss your plan for bringing the empty home back into use. The officer will then explain how to access the discounts with each company. Contact details can be found on the empty homes webpage at www.edinburgh.gov.uk/emptyhomeshelp

It should be noted that providing this information about discounts does not constitute an endorsement from the Council for the companies offering the discounts.

Participating companies

The following companies are offering discounts:

- Jewson Builder's Merchant: www.jewson.co.uk
- Travis Perkins: www.travisperkins.co.uk
- Keyline Builders Merchants: www.keyline.co.uk
- Dulux Paint: www.duluxdecoratorcentre.co.uk
- Howden's Joinery Suppliers: www.howdens.com
- McComish Property: www.mccomishproperty.co.uk
- Murray Property Solutions: www.murraypropertiesolutions.co.uk

VAT discounts

The following information provides a summary of the VAT discount as set out in HM Revenue & Customs Notice 708, and is correct as of March 2015.

Has your home been empty for longer than 2 years?

Your contractor can charge VAT at a reduced rate of 5% if they are renovating or altering an empty home that has been continuously unoccupied for the two years immediately before work starts.

You will need to ensure that your contractor is VAT-approved and that they understand the reduced VAT rate rules so that they invoice you correctly. The premises being renovated or altered must be used only for a 'relevant residential purpose' after the works have been carried out.

If the property has been lived in on an occasional basis (for example, because it was a second home) in the two years immediately before work starts then services cannot be charged at reduced rate. If, once the works have started, the property is lived in again, the work is still eligible for the reduced rate.

Proof of two years empty

Your contractor needs to be able to show HM Revenue & Customs evidence that the home has been empty for two years. Your empty homes officer can provide a letter documenting the last date of occupation of the home.

Where an empty homes officer is unsure, HM Revenue & Customs

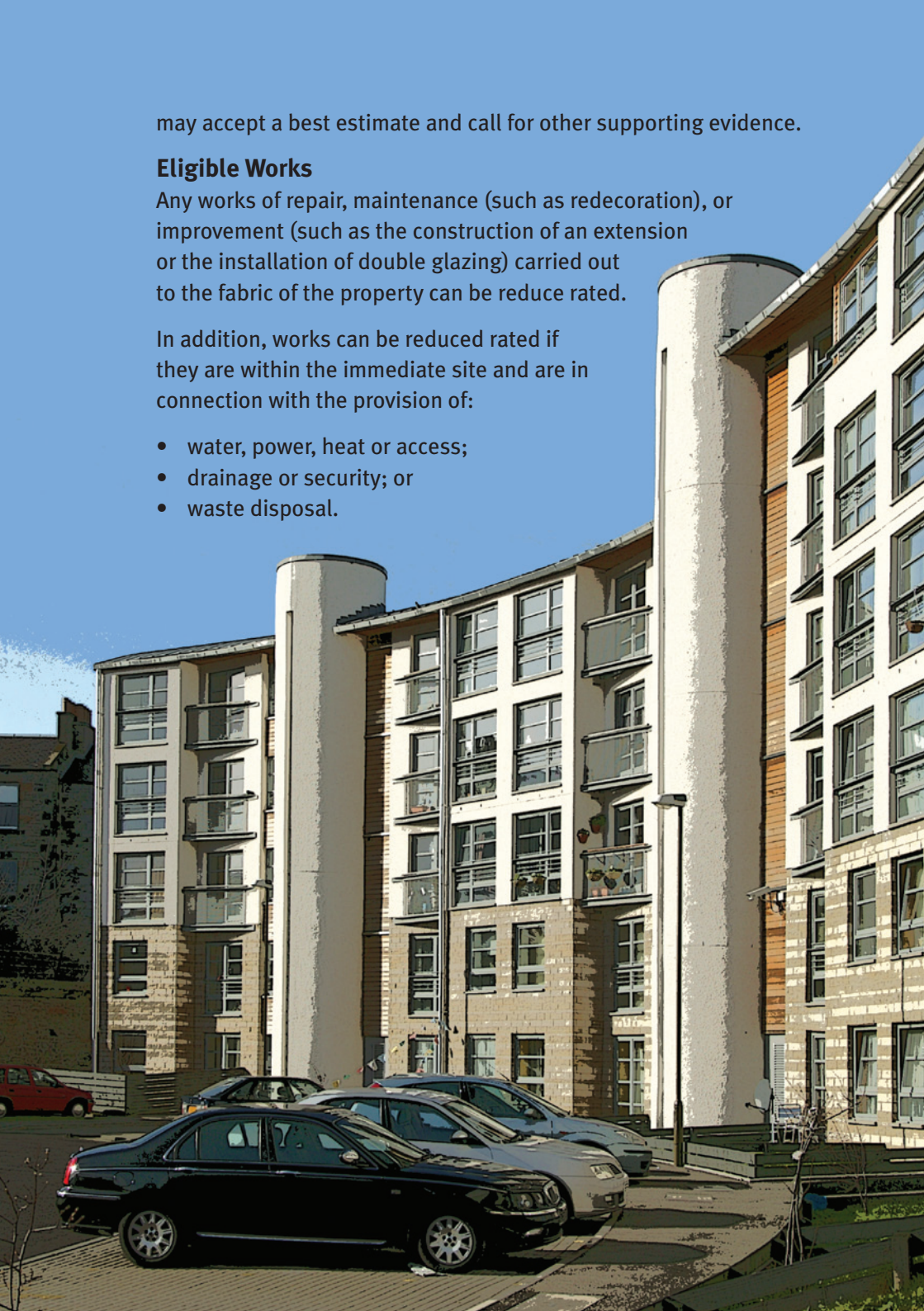
may accept a best estimate and call for other supporting evidence.

Eligible Works

Any works of repair, maintenance (such as redecoration), or improvement (such as the construction of an extension or the installation of double glazing) carried out to the fabric of the property can be reduce rated.

In addition, works can be reduced rated if they are within the immediate site and are in connection with the provision of:

- water, power, heat or access;
- drainage or security; or
- waste disposal.



Contractors can also reduce-rate the renovation, construction or conversion of a garage, as long as the garage is intended to be occupied with the renovated or altered premises. For the reduced rate to apply, the work to the garage must be carried out at the same time as the renovation or alteration of the premises concerned.

All other services are standard-rated, including the erection of scaffolding, the hire of goods, landscaping and the installation of goods that are not building materials, such as carpets or fitted bedroom furniture.

Energy efficiency

If your empty home requires work this can be a good opportunity to make it more energy efficient. Funding is available in Scotland to increase energy efficiency and reduce carbon emissions from homes, making them easier to heat. Some of these are available to the owners of empty homes depending on the situation.

Considering energy efficiency measures as part of a refurbishment project can provide a number of benefits, including:

- access to upfront loans and funding
- increased property value
- lower Energy Performance Certificate (EPC) which could make the home easier to sell or let
- lower energy bills for you or your tenant.

There are various funding streams available, depending on which area you live in. There is also specific funding and advice available to private landlords in Scotland. If you are thinking about becoming a landlord, it is worth exploring the schemes that are available. Visit the Energy Saving Trust website for full details: www.energysavingtrust.org.uk/scotland/domestic

For free advice, call Home Energy Scotland on 0808 808 2282.

Renting your empty home

Becoming a landlord

If you are thinking of becoming a landlord, you will need to make sure that your home meets quality and safety standards. You will also need to register as a landlord. You can choose to manage the property yourself, or to go through a lettings company.

Registering as a landlord

It is a legal requirement for home-owners to register with their local authority if they want to let out their property. Some properties are exempt from this. Full details can be found at the Landlord Registration website for Scotland at www.landlordregistrationscotland.gov.uk

The Council's Private Rented Services team provides support to people thinking about becoming landlords. They can help you to register and to make sure your home meets the legal requirements. Visit the website for further information: www.edinburgh.gov.uk/info/20058/private_housing or call the Private Rented Services hotline (08.30- 17.00) on 0131 469 5293

Finding a tenant

There are a number of ways you can find a tenant such as:

Doing it yourself

You can find a tenant yourself by advertising in a local paper, local shop advertisement boards, or online sites such as Gumtree.

Edinburgh Home Choice

Edinburgh Home Choice is a new property portal allowing free advertising of vacant properties within Edinburgh and its neighbouring authorities. For more information or to register visit www.easthubhomechoice.co.uk/Edinburgh/Pages/Home

Private Sector Leasing (PSL) scheme

The PSL scheme was established by the City of Edinburgh Council in 2005. Properties in the Edinburgh area are leased from private landlords and these properties are then sublet to people who are homeless or in need of housing, under a Scottish Short Secure Tenancy (SSST).

Since September 2010, the City of Edinburgh Council has contracted the property and tenancy management functions of the PSL service to Link.

Under PSL you would lease your home for three years, with the option of extension. Through Link Group, rent on the property is guaranteed and paid to you quarterly in advance, even when empty. Call the Link PSL team on 0330 303 0087 for more information or visit <http://linkhousing.org.uk/what-we-do/private-sector-leasing/>

Letting agents

A letting agent will be able to market your home, find a tenant, and deal with the contracts. They can also manage the property on your behalf. Lettings companies will charge a fee for their services. This ranges from a flat rate for finding a tenant and arranging a contract through to a percentage of the rental income for comprehensive property management.

If you decide to rent your empty home using a lettings company you need to check they are registered with an approved body, such as the Scottish Association of Landlords (www.scottishlandlords.com) or the National Landlords Association (www.landlords.org.uk). Both of these organisations should be able to confirm if a company is a member, and may also be able to give you a list of members in your area.

Selling your home

Home reports and valuations

How much is my empty home worth?

If you are planning to sell your empty home, you will need to know how much it is worth. Getting this right can make the difference in getting a prompt sale and a fair price. A speedy sale will reduce costs, as it reduces the time period in which you have to pay council tax, mortgage repayments and insurance.

If you can't afford to sell at a realistic price (e.g. you would be in negative equity) then you need to look at other options for the home. You may consider renting it out and use the rent to cover the costs, until it becomes possible to sell. Remember to be realistic and consider your financial circumstances.

There are various steps you can take to help you decide how much your empty home is worth and to get ready for selling. These include:

Home reports

In most cases, homes for sale in Scotland are legally required to have a home report. This is a pack of three documents: a single survey (which includes a professional valuation), an energy report and a property questionnaire. Prices range from around £130–£450. Further information on home reports and exemptions can be found on the Scottish Government website.

Professional valuations

Professional valuations are cheaper than a home report so can be useful in cases where a home report isn't required.

Professional valuations contain detailed information which can be useful for persuading buyers as they know your property has been valued accurately. They open up a bigger pool of potential buyers, preventing you from limiting yourself only to those developers and investors willing to pay for their own assessments.

Using online house price calculators

Online house price calculators can provide a very rough estimate of the likely market value of your home. They don't take factors such as the condition of your home into account so may not be very accurate. They may be useful in giving you an initial estimate when you are first thinking about selling.

Estate agent estimates

Estate agents can provide you with estimates. Bear in mind that estate agents are looking for your custom, so may provide a valuation at the higher end of the potential sale price. It is a good idea to get at least 3 valuations from agents – you can use that as a guide.

Increasing the 'saleability' of your home

There are steps that can be taken to make sure your home has the best chance of selling such as:

- Making sure potential buyers have a good first impression by keeping the home and the garden tidy, de-cluttering to show off the size of the rooms and dealing with any strong odours.



- Demonstrating its potential by getting quotes for any major works that are needed or applying for planning permissions if there is scope for an extension. Full information can be found on the council's webpage: www.edinburgh.gov.uk/planning

There are various website offering further advice on how to increase the 'saleability' of your home. You can also discuss this with your estate agent.

Ready to sell?

Selling with an estate agent

If you are thinking about selling with an estate agent, it is useful to consider how and where your home will be marketed e.g. will it be advertised online and on which websites, will it be advertised in newspapers? If your home has been on the market for a while with little interest, you can discuss this with your estate agent to explore ways to increase interest. Simple approaches can make a difference such as new photographs of the home.

Some agents charge a percentage of the sale value of the home while others charge a flat rate, but as a ballpark figure the combined costs of all of the above can be in the region of £2,400, of which about £1,500 is paid up front. Some agents offer deferred payment packages. This means you pay the full sum only when you receive the money from selling the home. Not all agents are willing to offer this type of package, although it is always worth asking whether they would consider it.

Selling at auction

If your empty home needs major refurbishment or is a development opportunity, you may be considering selling at auction. You might want to look into getting planning consent or building warrants for any work.

Make sure that any planning permissions or building warrants are included in the marketing of the home. This lets potential purchasers know that redevelopment is possible.

Conversion of empty buildings to create housing

When thinking about converting empty buildings, there are a number of things to consider and steps that may need to be taken. Depending on the work you are looking to carry out, it is likely that you will need to apply for planning permission or for a building warrant. The council website has detailed information and guidance on how to apply. Full details can be found online at www.edinburgh.gov.uk/planning

You can also contact the council's planning helpdesk at planning@edinburgh.gov.uk or by telephone on 0131 529 3550





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