



This is part of a series of Halifax research into Empty Homes in England. An empty home is officially defined as a property which has remained vacant for more than six months. Further Halifax empty homes research can be found on its website www.hbosplc.com

Public support for Halifax call for action on empty homes

Two thirds of people believe the government needs to do more to combat the problem of empty homes

Halifax recently revealed the true extent of the problem of empty homes in the UK and announced that one in four people have lived on the same street as an empty home. Reduced property value (22%) and enjoyment of the street (22%), as well as the number of potential buyers (25%), are just a few of the negative impacts cited by affected homeowners.

In response to the findings, Halifax called for further action on empty homes. The largest mortgage lender can now reveal the public support behind its call for action.

Public firmly behind Halifax call to action

Two thirds of people believe the government needs to do more. There is a strong feeling amongst the public (64% of respondents) that the government needs to do more to combat the issue of empty homes.

A quarter (25%) believe that existing tax benefits should only apply if the owner makes the property their primary residence OR sells the property within 12 months. Halifax called for VAT and Council tax benefits to apply for 12 months for those people who took on an empty home and either made it their primary residence or sold it within this time. This is to encourage houses to be re-introduced into the housing stock. Less than one in ten believe the discounts should apply regardless of the owner's plans for the property as they currently do.

The majority of people (69%) believe the council tax discount should be up to 50%. Local authorities currently adopt various approaches to council tax reductions for empty homes. Halifax called for a unified approach of a discount of up to 50% to apply for 12 months only. The public supports this call.

Halifax call for further action against empty houses..... Halifax emphasises its call to action to the government to encourage and reward the renovation of empty houses.

1. **Halifax calls on the government to extend the reduced 5% rate of VAT for restoring an empty home to all properties vacant for more than 6 months,** not just properties vacant for more than 2 years. This will provide a more level playing field between individuals and local authorities. Typically, local authorities do not pay VAT on renovation activities.
2. Local authorities adopt various approaches to council tax reductions for empty homes. **Halifax calls for a unified approach. Buyers of empty homes will receive up to a 50% discount for a maximum 12 month period, up to six months of which can be after renovations are**

complete. This will encourage people who take on an empty home to re-introduce them into the housing stock within a 12 month period.

Halifax proposes that the above discounts will only apply if the owner makes the property their primary residency, finds a lodger, OR sells the property within a 12 month period.

Jaedon Green, head of mortgage sales at Halifax, commented:

"It's great to see that the public is behind our campaign to bring empty homes back into the housing stock. Halifax calls on the government to extend existing VAT and Council tax discounts to encourage the renovation of empty houses, thus making them homes".

EDITORS' NOTES

- For more information on Halifax's research into empty homes contact Carol Wright on 01422 333416 or carolwright@halifax.co.uk
- Further Halifax research on empty homes can be found on its website – www.hbosplc.com
- * Research undertaken by GfK NOP on behalf of Halifax. A representative sample of 959 adults were interviewed by telephone, during the month of November 2007.

Definition of an empty home

An empty home is classified as a dwelling, which has been vacant for more than six months either because it is between occupants, undergoing modernisation, in disrepair or awaiting demolition.

A vacant public dwelling is classified as one which is empty for any length of time. Data on publicly owned dwellings which have been vacant more than six months is not available.

Data on empty homes in England has been sourced from the "Housing and Investment Programme: Housing Strategy Statistical Appendix 2006" by the Department for Communities and Local Government. The number of English empty homes is measured as at April 2006.

VAT ON EMPTY HOMES

- 17.5% VAT is payable for renovating an empty home vacant for less than 2 years.
- 5% VAT is payable for renovating an empty home vacant for more than 2 years.
- No VAT is payable on renovation of a property vacant more than 10 years, which is renovated and then sold.
- 5% VAT is payable for restoring and subdividing an empty home vacant for less than 10 years.

An extension of the VAT discount for renovating empty homes vacant for more than 2 years to more than 3 years was announced in the 2007 pre-budget report.