

Press Release

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This is the latest annual **Halifax Empty Homes in England survey**. The research in this report is based on data from the Communities & Local Government department (CLG), Office for National Statistics (ONS) and Halifax's own extensive housing statistics database. An **empty home** is classified as a dwelling which is vacant because it is either between occupants, undergoing modernisation, in disrepair or awaiting demolition. A **long term empty home** is a property vacant for more than six months.

Total number of empty homes in England up 1.8% in 2011

The total number of empty homes in England increased by 1.8% in 2011, the latest annual Halifax Empty Homes survey reports. The number, which includes all private and public empty homes, including those vacant for less than six months, jumped from 650,127 in April 2010 to 662,105 at the same period this year.

The Halifax report does, however, report some positive change. While the total number of empty homes is on the rise, **the number of long-term empty private homes in England has fallen to its lowest level since 2008.** Private long-term empty homes account for 44% of all empty housing, with the rest taken up by short-term empty private homes and all empty public homes, including council and social housing. There were 292,313 long-term empty private homes in England in April 2011, a decline of 3,206 (1.1%) from 295,519 in April 2010. Long-term empty homes now account for 1.6% of all private homes in England.

House prices are lower in areas with highest proportion of empty homes

House prices are generally lower in areas that have a high proportion of empty homes. Property prices in the ten English LADs with the highest proportion of empty homes are, on average, 15% (£23,493) below their regional average. Pendle in the North West has the largest discount with houses trading at 29% (£38,831) below the average house price in the region. Dover has the next highest discount with prices 26% below the South East average.

Wellingborough is the only one of the ten LADs with the highest proportion of empty homes where the average house price is above the regional average (7%).

Stephen Noakes, Mortgage Director at Halifax, remarked: "This research further demonstrates the significant impacts that empty homes have on the housing market, and it is clear that action is necessary. Long-term empty homes account for about 1.6% of all private homes in England. And at a time when first-time buyers are still facing numerous obstacles to getting on the ladder, it is imperative we look further at the issue as an industry".

North West has the highest number of long-term empty homes

The North West has by far the highest number of long-term empty homes (63,696), accounting for over a fifth (22%) of the total across England. The North West also has the highest number of long-term empty homes as a proportion of all privately owned properties, at 2.5%. In contrast, all southern regions have a proportion of long-term empty private homes that is below the national average with the lowest in the South East (1.0%).

The North East saw the largest fall in long-term empty private homes over the past year

The number of long-term empty private homes in the North East declined by 19% over the past year from 20,624 in April 2010 to 16,724 in April 2011. The East of England recorded the second largest fall (-9%).

Yorkshire and the Humber recorded the biggest increase in long-term empty private homes

The number of long-term empty private homes rose in four of the nine English regions. The largest increase was in Yorkshire and the Humber (11%).

Martin Ellis, Halifax housing economist, commented:

"Whilst it is encouraging that the number of private homes in England that have been empty for at least six months has declined over the last few years, it is still at a high level, particularly in the context of the country's ongoing housing shortage. Locally, the existence of empty homes remains a particular problem in a number of areas, especially in the North West. In some cases, the proportion of empty homes is more than double the national average."

Ends

EDITORS' NOTES

Data on empty homes in England has been sourced from the "Housing and Investment Programme: Housing Strategy Statistical Appendix 2011" by the Communities and Local Government department. The number of empty homes is measured as at April 1st 2011 and is the sum of private sector dwellings vacant for more than 6 months for regeneration or housing schemes (hsa3a1e) and all other dwellings vacant for more than 6 months (hsa3a2e).

326 local authority districts in England have been surveyed in this report.

Definition of an empty home

An empty home is classified as a dwelling which is vacant because it is either between occupants, undergoing modernisation, in disrepair or awaiting demolition.

House price data is from Halifax's own extensive housing database and based on the rolling 12 months to November 2011. The prices used are simple arithmetic ('crude') averages. These prices are not standardised and therefore can be affected by changes in the sample from period to period.

VAT on Empty Homes

- 20% 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.

Empty Homes Grants

Some local authorities give grants for restoring empty homes. However, these vary by area and usually require the owner to then let the dwelling as social housing afterwards.

Council tax discount for empty homes is discretionary

Legislative changes in 2003 gave Local Authorities the power to abolish the council tax discount for empty homes. However, some local authorities still retain this discount, up to 50% of the annual council tax charge.

Table 1: Long-term empty private homes by region, April 2011

Region	Number	As a % of Total Private Homes in Region	As a % of total Long-Term Private Empty Homes in England
North West	63,696	2.5%	22%
North East	16,724	1.9%	6%
East Midlands	30,735	1.9%	11%
Yorkshire & the Humber	37,223	2.0%	13%
West Midlands	32,230	1.7%	11%
East of England	25,964	1.2%	9%
London	28,759	1.1%	10%
South West	23,863	1.1%	8%
South East	33,119	1.0%	11%
England	292,313	1.6%	100%

Source: Communities and Local Government

Table 2: Long-term empty private homes, % change (2010-11)

Region	Number (April 10)	Number (April 11)	% change
North East	20,624	16,724	-19%
East of England	28,609	25,964	-9%
London	29,641	28,759	-3%
North West	64,596	63,696	-1%
South East	33,523	33,119	-1%
South West	23,450	23,863	2%
East Midlands	30,176	30,735	2%
West Midlands	31,477	32,230	2%
Yorkshire & the Humber	33,423	37,223	11%
England	295,519	292,313	-1%

Source: Communities and Local Government

Table 3: House price in the Local Authority Districts with the largest % of long-term empty private homes, April 2011

Local Authority District	Region	Long-term empty homes as a % of Total Private Homes	Average House Price (yr to Nov 2011)	Region's Average House price (yr to Nov 2011)	Discount to region's house price £s (yr to Nov 2011)	Discount to region's house price % (yr to Nov 2011)
Lincoln	East Midlands	5.0%	116,573	138,532	-21,959	-16%
Pendle	North West	4.8%	94,800	133,631	-38,831	-29%
Liverpool	North West	4.6%	126,152	133,631	-7,479	-6%
Hyndburn	North West	4.5%	101,177	133,631	-32,454	-24%
Dover	South East	4.4%	171,867	233,597	-61,730	-26%
Bolsover	East Midlands	4.0%	103,896	138,532	-34,636	-25%
King's Lynn and West Norfolk	East of England	3.9%	157,020	198,332	-41,312	-21%
Manchester	North West	3.7%	131,191	133,631	-2,440	-2%
Gateshead	North East	3.6%	115,841	119,393	-3,552	-3%
Wellingborough	East Midlands	3.6%	147,993	138,532	9,461	7%
Average		4.2%			-23,493	-15%

Source: Communities and Local Government, Halifax

For the latest housing research, previous releases, and for information on the Halifax House Price Index, please follow this link:

http://www.lloydsbankinggroup.com/media1/economic_insight/halifax_house_price_index_page.asp

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