

Address:
110 George Street
Edinburgh
EH2 4LH

Telephone:
0131 477 1234
Fax:
0131 477 4567

Website:
www.audit-scotland.gov.uk



Press release

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Location is main cause of empty houses

A report published today for the Accounts Commission and Communities Scotland looks at how councils and Registered Social Landlords (RSLs) manage empty and low demand houses. The report also proposes a new performance indicator for councils and RSLs to check how well they manage empty homes, including those that are in low demand. Location in an unpopular area is the main factor that leads to low demand but other important factors include poor design or condition of housing and lack of good local services.

The new indicator will allow Communities Scotland and Audit Scotland to collect information from local authorities and RSLs on a common basis.

Accounts Commission Chairman Alastair MacNish says:

“This issue is a complicated one and many factors affect the successful re-letting of houses. However, last year, £33.7 million of rental income was lost from empty homes.

Councils and registered social landlords need good information about which properties are low demand and why. This enables them to take action to increase the pool of rentable property and reduce the amount of rent they lose.

This report provides a snapshot based on a sample of councils and registered social landlords. It poses questions about the management of rental properties in this sector and we plan to follow-up some of these issues in our review of housing stock transfers.”

Communities Scotland’s Regulation and Inspection spokesperson, Lynn McCulloch says:

“We know that a wide range of factors influence low demand and the management of empty properties. The new indicator will allow us to start collecting information from councils and registered social landlords on the same basis. This will help us to identify areas where we need to develop new guidance on good practice.”

For further information contact:

Audit Scotland press office - Anne Ryan, tel: 0131 624 9970 or Mandy Gallacher, tel: 0131 624 9974

Communities Scotland press office – Mary MacLean, tel: 0131 479 5167

Notes to editors

1. Low demand houses are those which have one or more of the following characteristics: they are regularly refused by prospective tenants, turnover rates are high, there is either a small waiting list or no waiting list for the property.
2. The findings of the report are based around information collected through a draft performance indicator that allows comparison across the social housing sector. The new indicator is subject to a process of consultation by the Accounts Commission.
3. The figures used in the report relate to two-thirds of (18) councils and 41 percent of (77) Registered Social Landlords who could provide complete information.
4. The Accounts Commission is responsible for securing the audit of 32 Scottish councils and 34 joint boards, including police and fire services. The Commission investigates whether spending bodies achieve the best possible value for money and adhere to the highest standards of financial management. The Accounts Commission is independent and is not subject to the control of the Scottish Executive or the Scottish Parliament.

Audit Scotland provides services to the Auditor General for Scotland and the Accounts Commission

5. Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. It provides services to the Accounts Commission and the Auditor General for Scotland.
6. Communities Scotland is the Scottish Executive's housing and regeneration agency. Its aim is to work with others to improve the quality of life for the people of Scotland by regenerating disadvantaged communities and helping deliver better housing.
7. The report indicates that:
 - 10% of RSL properties are considered to be low demand compared to 7.5% of council properties.
 - RSLs appear to be generally more efficient at managing their property than councils. On average, RSLs relet their properties twice as quickly as councils. (RSLs take 22 days to relet most of their properties, councils take 50 days. For low demand properties, RSLs take 55 days compared to 108 days for councils.)
 - Poor location is the main reason for property being in low demand and remaining empty for long periods. Other factors include the reputation of the property or estate, changes in the make-up of the local population, and outdated facilities and design. Bed-sits and sheltered accommodation are cited as two types of property that are most commonly in low demand.
 - Councils have a higher proportion of low demand properties which they have decided are not economical to continue to re-let - 19% of council properties compared to 4% of RSL properties.