

PLACE

Private Lease Agreements

Converting Empties Information Booklet



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I. Introduction

You may have inherited or acquired a property of you may be considering purchasing a property that has been empty for some time. Empty properties can be a source of extreme anxiety for owners due to financial and security concerns, and can quickly become a burden, requiring significant amounts of time and money to be returned to use.

Seven local authorities across Essex and Hertfordshire have come together to develop a project that offers funding and support to owners to enable properties to be returned to use with the minimum of stress or input. If you own an empty property that requires renovation and you are unable to complete this yourself, the PLACE scheme may be the solution for you.



2. What is the PLACE scheme?

Chelmsford Borough Council, East Herts District Council, Epping Forest District Council, Harlow District Council, Uttlesford District Council, Watford Borough Council and Hertsmere Borough Council successfully bid for grant funding from Communities and Local Government (CLG) to set up a renovation and lease scheme to bring empty properties back into use.

The scheme provides high level grant funding of up to £50,000 per property for the complete renovation of empty properties. The renovation work is managed by a Government approved Registered Social Landlord (RSL). Once the work has been completed the property is signed up to a 3 year lease with the RSL to provide housing to families and individuals who have approach the Councils for assistance with their housing circumstances.

At the end of the 3 year lease the property will be returned to you vacant, fully renovated and in good decorative order (taking into account fair wear and tear) for you to use as you wish.

3. How does the scheme work?

If you are interested in the scheme the Empty Homes Officer from the relevant local authority will contact you as follows:

The Empty Homes Officer will arrange to meet you at your vacant property to inspect the condition and discuss whether the scheme is suitable for you. They will take photographs and a brief description of the property and its current condition.

1. If you are interested in progressing with the scheme, the Empty Homes Officer will arrange for one of the RSL partners to undertake a detailed survey of the property and list the exact works required to bring your property up to the required Decent Homes Standard.
2. The seven local authorities and RSL partners (Consortium) that operate the scheme will meet to consider your property and evaluate it on the following criteria:
 - The demand for the type, size and location.
 - The amount of works and estimated level of grant required for full renovation.
3. If your property is selected to go forward to the scheme you will be invited to view and discuss the works specification. Any changes to the work schedule will be agreed between you and the RSL. The final schedule will then be forwarded to the Consortium for grant approval.
4. We will write to you and confirm the agreed works, the grant level approved to fund these works, the estimated start and completion date for the works and the commencement date for the lease.

If at any time during this process your property is not considered to be suitable for the scheme you will be notified with a full explanation of the reasons and you will be invited to reapply or appeal the decision if appropriate.

4. Does the grant have to be paid back?

No, as long as the conditions of the lease are met. However, a land charge for the total grant spend will be raised against the property on completion of the works. Please see sections 14, 15 and 16 for further details.

5. Is my property eligible?

The scheme is for properties that have been empty for more than 6 months and that require renovation or improvement to be returned to use. Your Empty Homes Officer will inform you at their first visit whether or not your property is likely to be eligible. If you are uncertain whether your property meets this criteria please contact your Empty Homes Officer to discuss the scheme further or identify other options that may be available to you.

6. What happens if my property is not eligible?

If your property is not eligible for the PLACE scheme your Empty Homes Officer may still be able to offer you advice and assistance through other initiatives such as lower level grant provision, assistance identifying potential purchasers for your property in its current condition or assistance identifying private finance to fund renovation. If you would like to speak to your Empty Homes Officer please call the relevant number given at the end of this leaflet.



7. What works are covered under the PLACE scheme?

The grant funding is for capital works required to bring your property up to the Government set Decent Homes Standard. The Decent Homes Standard states that a property should meet the current minimum standard for housing; be in a reasonable state of repair; have reasonable modern facilities and services; and provide a reasonable

degree of thermal comfort. The grant will not cover major structural repair. The level of grant funding has been capped at £50,000 per property. This has been estimated to cover the major repair costs, garden clearance and decoration associated with the majority of properties.

8. My property needs more than £50,000 worth of works...

If you are interested in the scheme the property will be assessed by the Empty Homes Officer and then, if they feel it appropriate, the property will be surveyed. If the works schedule identifies that the property does require works valued over £50,000 the property will still be considered by the consortium considering the estimated level of expenditure against the resulting type, size and location of accommodation. If the property is in high demand the consortium may, at their discretion, approve properties that require a higher grant level.

9. What assurances will I have of the quality of the works and materials used?

All works will be managed by the RSL partners of the consortium, using their approved contractors and local sub-contractors. RSL's are regulated by the Government and are required to work to the Government approved Housing Corporation Building Standards.

Both RSL's are highly experienced in development and renovation work and use only regulated materials and work practices. All works will be to the necessary building regulations standard and all



materials used will meet relevant standards as set by the Building Act 1984 and the Decent Homes Standard. The schedule of works will detail the materials to be used, and you will be given the opportunity to discuss this with the RSL. The materials used will be of the quality required to meet the Decent Homes Standard. You will be given the opportunity to request materials of a higher specification. However, grant funding is only available up to the Decent Homes Standard, so you will be required to finance

10. How will my property be used during the lease?

Your property will be used to provide affordable rented housing for families or individuals who have approached the Council for assistance with their housing circumstances. The partner local authorities have a nomination agreement with the partner RSL's to nominate suitable households to your property. The successful household will be signed up to a 6 month assured shorthold tenancy. The RSL will offer support and assistance to the tenants for the duration of the tenancy.

On expiry of the 6 month assured shorthold tenancy, if the household is happy to remain at the property the tenancy will continue as periodic, where the tenant is required to give one months notice before leaving the property. The RSL is required to give two months notice to vacate the property.



If the household does not wish to remain at the property, or if the tenancy agreement has been breached and the household given notice to leave, the RSL will notify the relevant local authority, which will nominate a further household, who will be signed up to a new 6 month assured shorthold tenancy. This will continue for the duration of the compulsory lease period.

11. How will the lease be managed and what input will I have?

The 3 year lease period will begin on completion of the works. On sign up to the scheme you will sign the licence to enter to carry out works and the lease agreement, to run concurrently. During the lease, the RSL is responsible for full management of the tenancy and all maintenance to the property.

Ownership of the property will not transfer to the RSL, but they will be responsible for all aspects of the tenancy, however, you will still be responsible for any mortgages or buildings insurance on the property. The tenants will be responsible for the council tax, utility bills at the property and contents insurance. The property will be leased unfurnished but with basic white goods as provided by the RSL.

Dedicated tenant support teams will regularly visit tenants and inspect the premises as under standard lease agreements with letting agents. The RSL will collect and retain 100% of the rent for the duration of the lease, which will be used to finance the property management and any maintenance, so no additional funding from you is required. The rent will be set at affordable levels to ensure the property is accessible to low income households in the most need. As part of the agreement you will be notified of the rent to be charged for the property but you will not be entitled to claim that rent for the duration of the compulsory lease.

12. What happens if the tenants damage my property?

The RSL will make regular visits to your property and will manage the property and carry out essential maintenance as part of their role as managing agent. In cases of wilful damage by the tenant, the RSL will take appropriate action to ensure the necessary repairs are carried out. Responsibility for all tenant issues lies with the RSL. At the end of the lease period your property will be returned to you in its condition prior to lease, taking into account fair wear and tear.

13. Will I have to take on the tenants at the end of the compulsory lease period?

No. Six months before the end of the compulsory lease the tenants will be given notice that on expiry of the current 6 month assured shorthold tenancy they will be required to leave the property. However, the RSL will write to you at this time and give you the option of continuing the lease on a contractual basis with them as managing agent under a standard property management agreement where you receive the rental income from the property and pay a management fee to the RSL.

You are under no obligation to continue the lease on a contractual basis, however, you may feel that this is an ideal opportunity to start letting your property privately.

Alternatively, your Empty Homes Officer will be happy to advise you on alternative options available to you and support you in the continued use of your property.

14. What happens if I need to withdraw my property before completion of the works?

You will need to notify the consortium as soon as possible that you intend to withdraw the property and your reasons for doing so, along with any evidence as necessary. The notice period required for withdrawing your property will be specified in the lease agreement with the RSL.

Once the consortium has received and accepted your notification, works on the property will be halted in progress at the time notice is received. New works will not be started. Subsequent works stages will not begin once notice has been received. Responsibility for the property will revert to you immediately once notice is received. The RSL will make the property secure, but will not be responsible for any damage to the property as a result of works remaining unfinished.

A land charge will be raised against your property for the full grant spend to the time of receipt of notice and 100% clawback of this amount will come into operation. Your Empty Homes Officer will contact you to discuss pay back of this charge.

15. What happens if I need to withdraw my property before termination of the compulsory lease?

The purpose of the lease is to balance the grant spend on the property. If you decide to withdraw your property from the scheme before the end of the compulsory lease the consortium may take the decision to institute clawback of up to 100% of the grant amount. In reaching its decision regarding clawback the consortium will consider the level of grant spend, how long the property has been leased to the RSL and your reasons for withdrawing from the scheme.

16. Can I market my property for sale during the compulsory lease?

The property remains in your ownership for the duration of the scheme so you are entitled to re-mortgage or sell your property at any time. However, you will need to notify the RSL to enable them to make arrangements with the agent for viewings. In the event that the property is sold and expected to complete prior to the end of the compulsory lease and the new owner is not willing to continue with the remainder of the lease period you will be responsible for notifying the consortium as per the terms of the lease agreement.

17. Where can I get further information?

If you have any further questions, to find out more about this scheme, or other options for returning your property to use please contact the relevant Empty Homes Officer using the details overleaf.

Chelmsford Borough Council

Empty Homes Officer

☎ 01245 606906

🖨 emptyhomes@chelmsford.gov.uk

East Herts District Council

Empty Homes Officer

☎ 01992 531494

🖨 janeobrien@eastherts.gov.uk

Epping Forest District Council

Empty Homes Officer

☎ 01992 564149

🖨 sdevine@eppingforestdc.gov.uk

🖨 pcallaghan@eppingforestdc.gov.uk

Harlow Council

Empty Homes Officer

☎ 01279 446307

🖨 pat.hanks@harlow.gov.uk

Hertsmere Borough Council

Private Sector Housing Coordinator

☎ 020 8207 2277 ext 2830

🖨 janice.edmond@hertsmere.gov.uk

Uttlesford District Council

Empty Homes Officer

☎ 01799 510510

environmentalhealth@uttlesford.gov.uk

Watford Borough Council

Empty Homes Officer

☎ 01923 278145

🖨 graham.everett@watford.gov.uk