

Empty Homes Fund

The Empty Homes Fund enables owners of empty properties to bring them back into use and local authorities to reduce their social housing waiting lists.

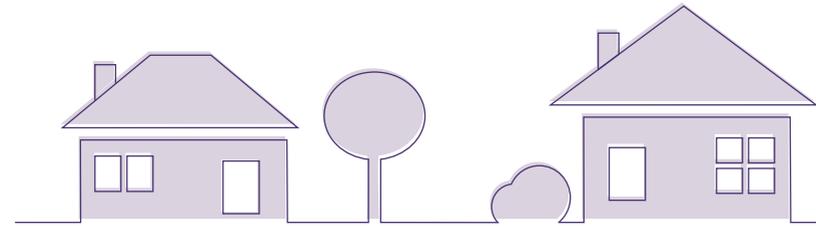


L o n d o n
rebuilding society

In London and the South East there are over 100,000 elderly homeowners trapped in properties that are no longer fit for living and more than 70,000 empty homes.

At London Rebuilding Society we want to make sure every house is a home.

London Rebuilding Society is a social enterprise that provides fair and affordable financial services. Now in our 13th year we offer enterprise support, community micro finance and home improvements.



How It Works

Local Authorities are able to offer owners of empty homes a grant to help towards the cost of bringing their property back into use.

London Rebuilding Society (LRS) provides match funding in the form of a loan secured against the property. LRS also delivers all property services and provides end-to-end project management.

The improved home will be leased to the Council for a specified period to house suitable applicants from its housing waiting list.

LRS' loan is repaid from the rental income received from letting the property after which the income stream reverts to the homeowner.

The Financial Product

LRS uses an equitable mortgage agreed to be a non-regulated product by the Financial Services Authority (FSA, now FCA, Financial Conduct Authority). Our contracts are also Office of Fair Trading (Consumer Credit Act (CCA)) approved.

Benefits to homeowner

- Home refurbished at no upfront cost
- Homeowner retains ownership, no threat of CPO
- Enables access to Empty Homes grant
- Pull in other grant available
- Value of property increased by improvements
- Rental income fully reverts to homeowner once LRS loan is repaid
- LRS charge on property removed once loan repaid
- Homeowner has choice at end of lease period to roll over contract
- Grant and loan do not affect benefits or entitlements
- Clear and transparent procedures for homeowners changing mind

Benefits to Local Authority

- Maximising empty homes bonus
- Bringing empty homes back into use
- Reducing housing waiting lists
- Meeting decent homes standards in the private sector
- Contributing to targets for reduced carbon dioxide emissions
- Reducing demand on support services such as social services

The Partnership

LRS works in partnership with Local Authorities to deliver the scheme. The council identifies suitable homeowners and lets them know that LRS' Empty Homes Fund is an option available to them.

LRS can work on a case-by-case basis, charging the authority a small per case fee. Alternatively, we can help you scope and develop a tailored contract to deliver comprehensive home improvements across your borough.



Case Study

Peter is a retired taxi driver from London. When his mother's health deteriorated he decided to move in with her as her carer.

Peter tried to borrow money from banks to maintain his own home but was declined and after being empty for over 10 years, it fell into disrepair.

Peter was subject to action by the local authority Empty Homes Enforcement Officer, who referred him to London Rebuilding Society.

London Rebuilding Society organised and project managed

the complete refurbishment of his home from structural repairs through to new white goods.

All in all, the works cost £78,000 but with an increase in value of £100,000 Peter has ended up with more equity than before he started.

Peter agreed to assign his property to the council through a 5-year lease, enabling a homeless family to be housed. He is pleased that his house has been brought back into good use.

“My house is back to its former glory. It was a burden before but now I know that it's providing a home to a family in need and it's also increased in value. A real win-win situation.”

Empty Homes example

• Cost of works	£30,000
• Works management fee (10% of works cost)	£ 3,000
• LRS fee (surveys, legal fees etc.)	£ 7,000
• Total costs to homeowner	£40,000
• Less Empty Homes grant (50% of works cost)	£15,000
• Loan from LRS to homeowner	£25,000

The property is then assigned to the council for an agreed period.
The loan from LRS is repaid from rental income, with interest charged at 6% APR.

• Rent per month	£750
• Less managing agent fee (10%)	£75
• Monthly payment to LRS	£675
• Repayment period	3.5 years

In this example the loan from LRS would be repaid in three and a half years. After that the homeowner keeps the rental income.





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