

Executive Summary

There is a housing emergency in this country, with 1.3 million households on social housing waiting lists across England and over 140,000 homeless children in need of good quality and genuinely affordable social homes.¹

10,500

Long-term empty homes could be turned into social rent homes in three years across 10 cities.

We need at least 90,000 social rent homes delivered every year in England, for 10 years, to end homelessness and house most of the people on waiting lists.²

To get to 90,000 new social rent homes a year we need a comprehensive plan. Later in 2024, Shelter will set out measures to hit this target. An upcoming report will focus on how government can: 1) increase direct social rent delivery by councils, housing associations and Community Land Trusts, 2) unlock a higher delivery of social rent homes through the planning system, 3) introduce innovative land value capture reforms to secure additional social rent homes and speed up delivery, and 4) bring forward brownfield sites for social rent delivery.

20%

Cheaper than the usual cost to deliver social rent homes in the 10 target cities.

In the meantime, a smaller, but crucial part of this puzzle is the need to tackle privately-owned long-term empty homes (LEH).³ This 10-City Plan sets out how a new government could invest £1.25bn in central grant funding to rapidly convert 10,500 empty homes into social rent homes in the first three years of a new government.

There are challenges in implementing an empty homes programme so it can only form part of a wider programme of mass social housebuilding. To be suitable for use as social rent, empty homes must be well located and in reach of health, education, and transport infrastructure.

This is why the 10-City Plan models what an empty homes programme could look like for **Newcastle, Greater Manchester, Liverpool, Bradford, Sheffield, Birmingham, Bristol, Greater London, wider Bournemouth area, and Plymouth.**

This report finds that, across these 10 cities, an empty homes programme:

- **Offers substantial societal benefit** – over three years, empty home acquisition and conversion could quadruple current social rent delivery across the 10 cities, helping these local authorities tackle local waiting lists and decrease reliance on expensive temporary accommodation.
- **Has a strong fiscal rationale** – converting homes costs comparatively less to central government, with required grant funding on average 20% below the usual cost to deliver social rent homes in these areas, and in some cities reaches 55%

¹ Homelessness figures are from: DLUHC, Statutory homelessness statistics, table TA1. Waiting list figures are from DLUHC: Table 600.

² Bramley, G. (2018) *Housing supply requirements across Great Britain: for low-income households and homeless people*. London: Crisis and National Housing Federation and Shelter (2018) *A vision for social housing*.

³ See Annex 1 for a definition and explanation of the category 'long-term empty home'.

less cost.⁴ In addition, the 10-City Plan would create £28.7m in housing benefit savings per year.⁵

- **Would reduce embodied carbon and support retrofit** – refurbishment is associated with between 50 and 75% less embodied carbon on average per unit than a new build.⁶ It also offers a golden opportunity to retrofit these homes in the process of conversion.

To make this plan a reality, this report sets out 10 key recommendations for the next government:

£1.25bn

Investment in empty home acquisition and conversion to social rent.

1. **Invest £1.25bn grant in a long-term empty homes programme** to bring suitable empty homes back into use in the target 10 cities. Back this with a clear strategy to convert them into social rent homes and include potential to expand funding beyond this geography once proof of concept is established.
2. **Ringfence empty and second home Council Tax premiums** for LEH acquisition and conversion.
3. **Ensure there is available low-cost patient capital** for empty home conversion (e.g. through government offering a guarantee for private loan financing).
4. **Support for local authorities and social landlords to boost capacity** – with resource funding to expand councils' empty homes teams; knowledge sharing roadshows between councils already taking action and those that want to; and a central compulsory purchase and empty homes 'flying squad' to support ambitious local authorities across the country.
5. **Funding for community organisations** to take the initiative in their local area.
6. **Exempt sellers of long-term empty homes from a proportion of Capital Gains Tax** if selling to a council, housing association or community group for social rent.
7. **Strengthen compulsory purchase powers** (see Annex 2) for social rent delivery and streamline Empty Dwelling Management Orders and Enforced Sale enforcement mechanisms.
8. **Tighten the definition of the long-term empty home category** to ensure empty homes that are meaningfully empty but misclassified as second homes are correctly classified. Put the onus on the owner to prove regular use.
9. **Further increase the Council Tax premium for long-term empty properties**, reducing the length of time before they apply and making the maximum application mandatory for local authorities.
10. **Ensure** business rates and a Council Tax premium apply to short-term lets.

The next government has the power and capability to end the housing emergency – full stop. They must urgently act to ramp up the construction of 90,000 new social rent homes per year across England. As demonstrated here, those in power can start by supporting a locally driven plan to convert LEHs into desperately needed social rent homes.

⁴ The average grant funding needed to deliver a social home across the 10 cities is around £184,500, compared to the estimated £147,500 grant required to purchase and refurbish a long-term empty home across the 10 cities. Average grants rates are from [NHF figures, updated by CEBR](#), page 16

⁵ Figures on the average housing benefit saving per household moved into social housing in each region are [from CEBR: The economic impact of building social housing](#), page 49. To work out the amount that could be saved in the 10-city plan, we multiplied the number of homes proposed to be acquired in each area by the average housing benefit saving in the relevant region.

⁶ American Institute of Architecture. [Embodied Carbon](#).