

Homes in the City

Review of the Immediately Available Homes Pilot Scheme

1.0 Background

- 1.1 A small proportion of Council housing that becomes available each year can attract a low level of interest and as such can prove difficult to let. This is usually due to a combination of factors including property type, size, location, as well as changes introduced to the benefit system through Welfare Reforms. As a result, a few properties may be advertised multiple times, remaining empty for an extended period of time, resulting in lost rental income. For each week a property has to be re-advertised a further two weeks rent is not collected. Properties left empty for more than a few weeks can attract anti-social behaviour and vandalism resulting in further costs and delays in being occupied.
- 1.2 A number of measures have been put in place to increase demand, including reviewing the Allocations Policy, making changes to stock, removing age restrictions and increased marketing through use of the Homes in the City website, targeted text messages and social media to advertise homes. Despite this certain property types can at times be hard to let. Typically, these include bedsits, one and two bedroom flats, one bedroom bungalows, three bedroom maisonettes and occasionally certain three bedroom houses.

Pilot Scheme

- 1.3 In November 2016, a six-month pilot was agreed to advertise those properties proving difficult to let as 'Immediately Available Homes'. The pilot took place between January and July 2017.
- 1.4 All managing agents took part in the pilot, with all allocations of immediately available to let properties being subject to the allocations monitoring process undertaken by the Council.
- 1.5 Employees of the Council and the managing agents monitored the pilot monthly. This review forms the final evaluation of the six-month pilot, on which the decision will be based whether to adopt the scheme as part of the Councils Allocation Policy.

2.0 Immediately Available Homes and the Allocations Process

- 2.1 To be considered for an immediately available let, a property must have;
- been advertised through Homes in the City once, and;
 - received no eligible bids; or
 - not been accepted by any applicants on the shortlist.

- 2.2 Properties were not considered for an immediately available let if:
- The property type would usually have proved popular, but may not have attracted any eligible bids due to a number of the same property types, in the same location, on the same advert.
 - There is a high concentration of immediately available to let properties emerging in a particular area.
- 2.3 'Immediately available' properties were advertised in the usual way on Homes in the City in the next available advertising cycle, clearly branded as 'immediately available to let'. This meant that any applicant that met the eligibility criteria for the property could express an immediate interest in the property during the advertising cycle. Expressions of interest were then assessed on a first come first allocated basis by the Council's managing agents. Applicants were subject to standard checks.
- 2.4 To apply for an immediately available to let home, applicants must have registered on Homes in the City. The applicant who was first to bid, was eligible for the property. Subject to the standard checks, the applicant was invited to view the property and a formal offer was then made.
- 2.5 Applicants were only considered for a property for which they were eligible for, in accordance with the Council's Allocation Policy. The only exception being three bedroom houses, which families with two children, who would typically only be eligible for a two-bedroom house, would be considered for, subject to an affordability assessment.
- 2.6 Where an applicant refused a property, this was regarded in the same way as the main Allocations Policy; applicants that refuse three offers in any 12-month period are deferred for three months.
- 2.7 Local lettings policies, for example age designations, were applied to shortlists where applicable.
- 2.8 Having once been part of the 'immediately available to let' scheme, a property would not retain this status. As and when it becomes available for re-let it will be advertised in line with the main Allocations Policy before being considered as 'immediately available to let' if it is not successfully allocated.

3.0 Analysis of the Pilot

- 3.1 During the 6-month pilot, 12 homes were advertised as immediately available to let. This is far fewer than the 5 properties per month which were anticipated. This is considered a positive, as it is not desirable for properties to be in low demand.

- 3.2 Of the 12 homes advertised as immediately available to let, there were; 4 bed sits, 4 one-bed flats and 4 age designated flats.
- 3.3 Whilst the type of properties in low demand during the six-month pilot have remained fairly typical (bedsits and one-beds), this is likely to change in the future. From April 2019, social housing tenants in receipt of Universal Credit will have their benefit for housing costs capped to the LHA rate. For single people under 35 this will be capped at the shared accommodation rate of £60. Bedsits with a lower rent than one bedroom flats may become more popular. However other property types may become more difficult to let due to affordability.
- 3.4 Operating the Immediately Available Homes scheme enables the Council to make financial savings on properties that would previously have been advertised multiple times (in the past properties have been advertised up to four times prior to letting) to let the property.
- 3.5 Each additional advertisement of the same property results in an extended void period and therefore rental loss.

For example, possible savings in one year:

12 advertised twice (12 x 2 week's rental loss):	£1,764.72
12 advertised 3 times 12 x 4 weeks' rental loss):	£3,529.44
Total	£5,294.16

Based on 24 properties per year and an average one-bed rent of £73.53.

- 3.6 In terms of the applicants the properties were allocated to; five of the 12 properties were let to applicants in bands 2 and 3. The remaining seven properties were let to applicants with a lesser housing priority or no housing need. It should be noted that these properties will all have been advertised according to the allocations policy once, prior to inclusion in the Immediately Available Homes pilot, so applicants in a higher band or with a greater housing need would have had the opportunity to bid for these properties, before becoming available on an immediate let.
- 3.7 The Immediately Available Homes scheme is likely to also a positive contribution to the wider environment and community; as properties are let more quickly, they are less likely to be associated with anti-social behaviour, graffiti and damage to the property.
- 3.8 The number of properties advertised as Immediately Available to let was low during the pilot period. Nevertheless, the scheme will provide a valuable tool and a formal process for effectively letting properties in low demand; minimising void time and rental loss.

4.0 Recommendation

- 4.1 It is recommended that the Immediately Available Homes Scheme is adopted as part of the Councils Housing Allocation Policy.

Report dates:

PLT	11.09.2017
SEB	12.09.2017
Cabinet	18.10.2017