



How to... *effectively manage void properties*



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Re-letting empty properties is a core function for housing providers. This briefing aims to help providers understand the ways that they can let homes as quickly as possible, in the best possible condition to tenants who will most benefit from them.

A ‘void’ can be defined as a property, which does not have a legitimate tenant. There are many reasons why voids occur. Sometimes a property may be awaiting a new tenant; or a previous tenant may have given notice and vacated the property. A property may become empty following the death of a tenant, the abandonment of a property or a tenant transferring to or buying another property.

All housing providers can expect to see a proportion of their homes becoming vacant. That is usually a positive thing as it enables them to meet the needs of those waiting for a home.

However, sometimes, homes experience persistently low demand. Low demand homes are homes that are frequently rejected by applicants or accepted reluctantly even by applicants with the most urgent housing needs. There may be a limited or non-existent waiting list for the home; or tenancy offers on the home may be frequently refused; or there may be higher than accepted rates of tenancy turnover for the property. It is important for landlords to understand the causes of persistent low demand for a property in a given area in order to prevent these homes from becoming long term voids.

In some parts of the country welfare reform; particularly under-occupation measures, have resulted in higher levels of rent arrears and more repossession or tenants deciding to end their tenancies and seek housing elsewhere. In certain areas, under-occupation measures have resulted in falling demand for larger properties; and this has been amplified by favourable price competition from the private rented sector. These combined factors can have a dramatic impact on long term empty properties and require landlords to adopt new strategies to manage their empty homes.

From a management perspective, the new operating climate caused by welfare reform, means that many landlords are now taking more time to make sure prospective tenants are able to sustain their tenancies. This can have implications for the overall relet time – but some landlords are balancing longer relet times against more sustainable tenancies in the longer term. See our recent briefing [How to... create sustainable tenancies](#)

Why is it important to have an effective approach to reletting empty properties?

The management of voids also involves the interaction of a range of housing management and maintenance functions including housing and estate management, repairs teams and contractors; and lettings and tenancy sustainment staff. This requires effective communication and co-ordination between different landlord functions.

Delivering effective and efficient void services should be at the core of a strongly performing housing business for the following reasons:

1. **Making effective use of social assets:** this is so landlords can ensure prospective tenants do not have to wait longer than necessary to move into their new home and they can get off to the best possible start in a well-maintained home
2. **Maximising rent and revenue:** high levels of voids and long term voids can result in reduced rental revenue, limiting a landlord’s abilities to meet repair and other service obligations; and affecting financial viability in the longer term

3. Ensuring value for money (VFM): landlords need to get the best possible prices for void works; monitoring the average costs of works compared to satisfaction levels; and getting discounts out of contractors based on the fact that they benefit from doing works in an empty property

4. Effective asset management: maintaining empty homes in good condition is vital if the value of a landlord's assets is to be maintained. Where properties are empty for lengthy periods of time, this can result in:

- a. increasing repairs and maintenance costs as the physical fabric of the property declines
- b. security costs
- c. costs of dealing with dilapidation and vandalism
- d. where empty properties are not effectively maintained, this can result in customer dissatisfaction and higher turnover levels

5. Landlord's reputation: prolonged void periods or high concentrations of voids in certain areas can damage a landlord's reputation and standing within the community

6. Sustainable neighbourhoods: long term voids can negatively affect the appearance of an area. They can compromise the security of neighbouring properties and lead to theft from empty properties, vandalism; and ultimately area decline.

Have effective void management processes in place

To be effective, clear void management processes need to be in place to ensure that decisions are taken promptly. These should include:

1. Get your targets and time-frames right: define void management outcomes with clear standards and targets which are communicated to all relevant staff and partners. Identify specific stages and efficiently sequence void management processes to a defined time-scale. This will include:

- a. developing a clear, realistic and easily understood relet standard
- b. a focused pre-termination inspection process which establishes why the tenant is leaving the property, what repairs need to be done for reletting, damage which the out-going tenant needs to pay for
- c. prompt vacancy inspections using a standard checklist to identify defects and identify works needed including minor works which can be done post-letting to speed things up
- d. an agreed approach to decoration standards, allowances and standards which supports the speedy relet of a vacant property and meets the needs and aspirations of different tenants
- e. procedures for dealing with water, gas, electricity, oil and solid fuel services and installations in empty properties, such as taking meter readings, testing services and disconnecting supplies
- f. a process for dealing with repairs, cleaning or damage that is the former tenant's responsibility and measures in place to support recharging
- g. prompt and adequate security arrangements for empty properties, including during the period of any repair works.

2. Inform and involve the right people: produce effective performance information and ensure this is shared between relevant partners. Involve the right people including maintenance, development teams, housing managers, lettings staff and contractors

3. Minimise delays: managing empty homes can involve a complex set of stages, from ending a tenancy through to bringing a property up to a reletable standard and making a new letting

4. Establish clear responsibilities: allocate clear responsibilities for each stage of the void management process; but have a group or lead individual who has responsibility to make decisions promptly on the overall process

5. Balance low void levels against other business objectives: landlords should balance approaches to minimising voids against other business objectives which may be beneficial for the business: e.g. taking time to ensure that properties are let to tenants who can sustain their tenancies in the longer term

6. Keep focused on ensuring VFM: landlords need to pay close attention to ensuring void works provide maximum VFM for the business. This will mean paying close attention to average costs of works and balancing these against customer satisfaction levels

7. Monitoring and review: have effective monitoring and chasing systems in place at each stage and review your processes regularly.

Learning from others

Milton Keynes Council has adopted a systems thinking approach to void management which has sought to improve the whole process by looking across all the activities and how they link together from the time at which one tenant leaves to the time another moves in, rather than looking in isolation at parts of the process, for example, how long it took the contractors to do the work, how long it took to deal with the keys and arrange access. To do this it:

- agreed a clear purpose: the housing system exists to put the right person in the right home and any work which did not contribute to this was removed
- integrated approach to the housing system: void work flows were improved in conjunction with improvements to rental income collection, letting processes and repairs and maintenance to create an integrated housing system
- improved information and mapping: all work flows were mapped and co-ordinated
- appointed a sole service provider: to deliver responsive repairs and voids works. This would involve working together using systems thinking as the basis of understanding and delivering the work.

Successes have included:

- more effective integration and co-ordination of sub-contactor working
- developed a new approach to allocations
- agreed a flexible letting standard
- improved rental income
- reduced void times.

Visit: www.housemark.co.uk/hmkb2.nsf/1/2A473D3FE3C1995F80257AC20049558F?opendocument

In October 2014 **Leeds City Council** and **Mears** held a partnership conference. The aim was to celebrate what was working well and identify areas for improvement. The event looked at all work streams including void and response repairs, planned/capital works and gas/electrical servicing. Over 100 staff and operatives attended and gave their views. This led to a partnership improvement plan which was informed by feedback from the staff and was clearly prioritised.

The voids repair team implemented the plan and there have been significant early successes. These include reducing the time properties are being repaired from over 21 calendar days in July 2014 to approximately 17 calendar days in February 2015 – includes all void types from minor works to full capital refurbishments. This is an improvement of nearly 20%, which has contributed to reducing rent loss and council tax charges. This has been achieved by initiatives including:

- a revised lettable standard and Surveying Guide to improve consistency. Quality targets have been exceeded since its introduction in October 2014
- ‘real’ co-location, where the right roles/people are sitting and working together. This has improved communication, productivity and reduced operational delays
- improvements to the asbestos management process
- proactive management of boiler/heating checks to minimize issues at the lettings stage
- implementation of the recycle and re-launch initiative so that unwanted items in void properties can be donated to charities. Other items are recycled to minimize waste going to landfill and all staff have been trained in the recycle and re-use initiative
- sharing staff resources across the partnership where there are peaks in demand
- staff have seen significant improvements in partnership working at all levels and this has led to a more ‘can do’ approach.

Next steps:

- an on-going ‘Re-thinking voids’ initiative where all processes are analysed and re-engineered to focus on minimizing waste and achieving incremental gains to further reduce repair times
- reduce time in repair to less than 15 calendar days and contribute to further reductions in overall key to key time
- comprehensive standard operating procedures are being produced. These will align across all work streams as part of a broader initiative to ensure that all staff have a full understanding of how the service is delivered and their role in delivering success
- a partnership conference in June 2015 to celebrate success and keep up the momentum. The conference will become an annual event with the aim of improving planning for the forthcoming year
- enhance and build on the ‘total partnering’ model to enable further improvements and cost saving.

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Integrating void management with housing management

Empty property management links with allocations and lettings, estate management, and repairs and maintenance. Landlords must ensure that they do not have conflicting objectives for these services, and that action to deal with empty properties is co-ordinated so all parts of the housing service are working to common business and service goals.

It also means that performance on empty property management should be assessed in relation to performance in other areas. This is particularly important when comparing the performance of different landlords, for example, a landlord with a low void rate may have achieved this at the expense of customer choice through operating a one-offer-only policy. Key integrated measures might include:

1. **Joint working:** establish joint working between housing and maintenance services. Many landlords have established joint forums, often involving customers that can oversee the voids process holistically and ensure that blockages in systems are addressed and wider issues are considered to ensure that empty homes are minimised and relet as quickly as possible. Some landlords also created dedicated void teams with a mix of disciplines – surveyors, allocations, clerks of works, etc – to provide a seamless service
2. **Key management:** effective control of key management can minimise access delays for contractors, housing managers, utility companies, accompanied viewings and/or occupational health staff. Duplication of keys, use of suited/universal locks or secure key boxes with master locks or coded keypads can reduce non-productive time spent locating and accessing keys
3. **Combine different stages:** some stages of the void management process can be combined. For example, arrange for the pre-inspection of a property where a tenant has given notice before the property is empty; or allocate homes to new tenants before repair works are completed to speed up the relet process. Be discerning about which repairs are necessary for a relet and which are not. This can reduce time and costs and reduce the turnaround time
4. **Identify underlying trends in voids:** e.g. are a lot of homes becoming vacant on a particular street – is there an underlying reason for this e.g. ASB, hate crime or other issues
5. **Asset management:** use the void process to support a broader approach to asset management. Develop better intelligence about the property and the estate where it is located, for example:
 - a) identify defects, check appliance servicing or other maintenance
 - b) keep the void management process focused on financial viability
 - c) void management should also support the best use of existing housing stock and resources
 - d) develop strategies for the disposal, demolition, redevelopment, remodelling or redesignation of housing which has been empty for some time and which is clearly unpopular
 - e) consider selling properties which are long-term voids.

Involve customers and support choice

Work with your customers to identify ways to reduce the level of voids, void turnaround times and refusals. Share performance information with them including steps taken to let empty properties and reasons for refusal.

5. 1. **Use customer insight data:** to inform void management processes. Find out what prospective tenants' housing needs and aspirations are. Find out why existing tenants want to leave or have abandoned their properties
2. **Consult customers about their communities:** analyse feedback from prospective tenants who refuse an offer; and consult the views of existing tenants about what they like or dislike about an area
3. **Consult customers about the void management process:** seek customers' views of the void repairs service including new or prospective tenants, people who are living next door to empty properties; and people on estates who are worried about the risk of vandalism or concerned about the impact of void properties on their neighbourhood
4. **Consult home seekers and tenants on service standards:** these should be set with customers to ensure that these meet their needs, for example, involving customers in establishing the relet standard, agreeing a decoration allowance policy, agreeing the number of choices that should be given to incoming tenants, security and managing complaints
5. **Support choice:** identify ways in which prospective and existing customers can be encouraged to make more empowered choices about where they live as this will support greater personal investment in homes and communities
6. **Think outside of the box:** some landlords are looking to advertise their homes to new customer groups to minimize long term voids. This might involve taking advantage of freedoms and flexibilities in approaches to allocations to let long-term void properties to different households on a waiting list who may not qualify under allocation criteria for specific properties (e.g. 3-bed homes); or advertising properties to the wider public.

Learning from others

Central Bedfordshire Council has reviewed its minimum voids standard to take into account vulnerability and the tenants' ability to decorate their property. It uses decoration vouchers to support new tenants, instead of redecorating properties. This gives tenants more choice and speeds up the turn-around time by reducing the amount of work to be done when a tenant leaves. This should enable the tenant to enjoy better living conditions and reduce high void refurbishment costs at the end of the tenancy.

CIH working together to create sustainable tenancies project 2014
www.cih.org/sustainabletenancies

As part of its wider marketing strategy, **Cobalt Housing** decided to pilot advertising its void properties on the web-based property letting and sales platform Rightmove.

Many potential customers were attracted to apply for properties using this form of on-line advertising because they did not know that their application would be considered by a social housing provider. Since Cobalt started using Rightmove in September 2013, its has advertised 47 empty properties and 42 homes have been successfully let.

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Learning from others

Wakefield and District Housing (WDH) have launched an Immediate Available Homes campaign. All properties which have proven difficult to let through the choice based letting scheme are advertised on the immediately available homes list. Properties advertised through this campaign can be let within two to three days. If they receive a housing application from someone who would be suitable for a property which is immediately available they can be fast-tracked to a new home through this route without the need to continue with the application to the choice based lettings scheme.

WDH has also looked at private sector properties to see what they were offering – they are the competition! WDH now offers late night viewings. They also offer 'any day of the week' lettings. WDH also has a basic void specification. Staff can offer an incentive payment when people view the properties and they can use this flexibly. If a prospective tenant says they want it decorated they can pay to have this one. This way the landlord is spending less money as tenants tell them what they want doing instead of doing everything which they may remove anyway.

The new measures introduced by WDH have been successful in improving demand for its larger family homes and maisonettes, reducing re-let times, cutting expenditure on void maintenance and improving tenant satisfaction.

Finally, the void team and the Homeseach team now form one team.

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Helena Partnerships launched their 'sweet 16' projects in response to challenges associated with welfare reform. One of the projects called 'new markets' has involved taking long-term void properties which the landlord could not let out via traditional routes (mainly larger 3-bed properties); and renting them out to private tenants.

To do this they looked through the waiting list to identify potential tenants who wouldn't usually qualify through existing allocation criteria for a larger 3-bed property but who could clearly afford the social or affordable rent on a 3-bed property. This has meant Helena proactively using its freedom to allocate 25% of its stock as it sees fits.

In addition, Helena actively interviewed all potential tenants under 24 years of age whom the local authority were anxious about housing on account of tenancy sustainment concerns and identified a number who were in work and could afford larger 3-bed homes.

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MAKING A DIFFERENCE

Mears is the leading social housing repairs and maintenance provider in the UK, working in partnership with clients to maintain and invest in our customer's homes and their communities. Week in week out we go about our business undertaking some 6,000 repairs every day and improving thousands of homes every month.

Mears is also a major provider of domiciliary care, and is therefore uniquely placed to bring together care and housing. This combined offering means we are able to support people with their daily living, helping them to live independently in their own homes, for longer.

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