

# **A GUIDE TO RENOVATING YOUR EMPTY PROPERTY**

## **1. INTRODUCTION**

If you own an empty property that needs some minor (or major!) repairs, then follow our simple guide to refurbishment. Whether you want to refurbish your whole house or simply replace the kitchen, we can advise you on the way to go about it and the things you must consider.

This guide provides advice on ways to fund the costs of refurbishing your empty property, including information on grants, tax incentives and specialist 'brown' mortgages that may be available to you. It also provides tips on selecting building contractors, energy efficiency, security measures and maintaining your home.

## **2. FUNDING THE COSTS OF REFURBISHMENT**

The costs of refurbishing an empty property can be high and you may need to raise extra capital to carry out the work. However it may not be as expensive as you think. There are several financial incentives available to help you to fund the costs of refurbishing your empty property.

### **TAX INCENTIVES**

There are 'tax incentives' which enable owners of empty properties to claim reduced VAT rates on the refurbishment costs of bringing an empty property back into use.

You may be able to take advantage of a reduced VAT rate of 5% on the cost of the works if your property has been empty for at least 2 years before work commences, is only going to be used for residential purposes and you are using builders to complete the works. Check [HMRC Notice 708](#) for further information.

If your property has been empty for over 10 years immediately before work commences, to be used for residential purposes by you or your family you may be eligible for zero rated VAT. See [HMRC Notice 431C](#) for further information. There is no reduced VAT rate if you complete the work yourself.

Please note: There are various conditions attached to these tax incentives. Therefore we advise you to contact the Inland Revenue to find out if your property would be eligible for any VAT reduction before you begin any refurbishment work.

For more information, call HM Customs and Excise on 0845 0109000 or visit their [website: www.hmrc.gov.uk](http://www.hmrc.gov.uk).

### **LOCAL AUTHORITY ASSISTANCE**

Councils can sometimes help owners of long term empty properties to get their property back into use through grant or loan assistance. However, there are normally conditions attached such as the owner then has to let the property via the Council, to someone in housing need for a specific length of time. Alternately they may offer low or zero interest loans to owners which may incur conditions attached to them.

Contact your Council's housing team for information on any schemes they have and available assistance, as well as potential energy efficiency grants.

### **MORTGAGES AND LOANS**

Some mortgage lenders specialise in lending for the refurbishment of derelict properties. These are called 'brown mortgages'. If you need to raise extra capital to carry out refurbishment works to your empty property, you may be able to take advantage of the mortgages offered by these specialist lenders.

There are now also 'green mortgages' that consider wider environmental impacts and assist owners to make their properties more energy efficient.

Your independent financial adviser should be able to tell you more about these types of mortgages, and other loans that may be appropriate for the work you're carrying out

### **3. THINGS TO CONSIDER BEFORE YOU START PLANNING AHEAD**

Firstly, you need to plan what work needs to be done. If the job is on a large scale or is very complicated, you may need to seek professional advice from an architect or a surveyor. They can also help develop your plans and manage the project for you.

The works need to be carefully planned and designed before you can start. You may need to employ an architect to finalise the designs before appointing a building contractor to carry out the works.

Finally, let neighbours know about any work you are intending to carry out. If you are intending on carrying out work on an existing wall or structure shared with a neighbouring property (a party wall), you will need to seek advice. Contact your local Council Planning department for a copy of the **Party Wall Act 1996** or find guidance on the HMRC website at [www.gov.uk](http://www.gov.uk)

#### **PLANNING AND BUILDING CONSENT**

You need to consider if the changes you are intending to make to your property will require planning or building consent.

You can contact the Planning Department at your local Council to find out if you need consent for the work you are doing. If you are employing an architect or a surveyor they can arrange this for you.

Planning Permission may be required for any substantial work to the property, such as an extension or new access to the property. If the building is listed or is within a conservation area you will need to apply for Listed Building Consent or Conservation Area Consent as well as planning permission. Building Regulations Consent may be required for changes to the structure or the services of the property, such as an internal wall or a sewer connection.

#### **FINDING A BUILDING CONTRACTOR**

Refurbishing your empty property is an important investment so choosing the right building contractor to carry out the work for you is an important decision.

Selecting a building contractor can be daunting and it is difficult to know that the quality of their work will be of a high standard. You may wish to use a builder who can give a warranty to cover their work in case things go wrong. You could also cover the work additionally with a guarantee scheme.

#### **SECURITY**

When you refurbish your property, it is advisable to install additional security measures to keep your property safe and secure.

We advise you to:

- Contact your local police station for advice on security measures
- Fit a burglar alarm system to the property
- Fit good quality locks together with deadlocks to the front and back entrance doors
- Fit a security light with a sensor to dimly lit areas. They attract people's attention and deter burglars.
- Leave a contact number with neighbours in case of emergencies.

- Check your property regularly to check it is not open to access, and that any building materials are not on view as this may attract unwanted attention.

## ENERGY EFFICIENCY

It is advisable to install energy efficient products and use energy saving measures in your refurbished property as these will save you money on energy costs and reduce wasted energy. Some energy saving measures that you might want to consider are:

- Loft Insulation: More than 50 % of heat loss is through loft spaces and walls. Loft Insulation is the easiest and most cost effective energy efficiency measure you can take. Installing loft insulation to a depth of at least 6" (150mm) will save you up to 20% of your heating costs for as little as £75.
- Cavity wall insulation: This can reduce heat loss through the walls by up to 60%.
- Floor Insulation: Installing under floor insulation and filling the gaps between skirting boards and floors will prevent heat loss through the floors.
- Fit a modern, energy efficient boiler if the current boiler is unreliable or over 15 years old. Condensing boilers and fan-assisted boilers are energy efficient.
- Installing heating controls improves the efficiency of the heating system.
- Double Glazing reduces the amount of heat lost through the windows by up to 50%. It will also help to reduce noise. Alternatively, you could install secondary glazing, which is less expensive.
- Appliances: The EC has a labelling scheme for fridges, freezers, washing machines and tumble dryers. It rates the energy efficiency of the appliance between A and G. 'A' is the most energy efficient and can use up to half the energy of a similar 'G' rated model. Therefore buy appliances as close as possible to 'A'.

There are many other energy saving measures at little or no cost that will make your property more energy efficient and save you money on fuel bills. Here are a few low cost energy saving measures:

- Fit energy saving light bulbs. Fluorescent tubes are slightly more expensive but will save even more energy.
- Fit an insulating jacket to your hot water tank and insulate hot water pipes.
- Fix a brush seal or PVC seal to the exterior door to eliminate draughts
- Make sure windows are insulated and draught proofed

## PROPERTY MAINTENANCE

After your property has been refurbished, you should keep the property well maintained to prevent it from falling into disrepair and to protect your investment. Keeping on top of maintenance will save you money on repairs in the long run.

You should regularly inspect:

- The outside of the property: Check that the chimney, lead flashings and roof coverings are all in place and secure and not allowing water to leak into the property.
- Overflows, gutters and downpipes: For leaks and cracks, as this could cause damage to brickwork.

- Windows and doors for correct fitting and for cracked paintwork, which will allow water to penetrate the frames and cause rot.
- Air gates and damp-proof course to ensure they are not blocked or covered by any debris to prevent rising damp.
- Gas appliances should be checked for safety at least every 12 months by a qualified Gas Safe Registered Engineer, previously known as CORGI-registered installer. Always check your engineer is registered on the Gas Safe Register at [www.gassaferegister.co.uk](http://www.gassaferegister.co.uk).

Do not attempt to check or repair a gas appliance yourself. If you suspect any problems call the National Gas Emergency number on 0800 111 999.

## REFURBISHING YOUR PROPERTY FOR LETTING

If you are thinking about letting your property once it has been refurbished, please contact your local Empty Property Team for a copy of our 'Guide to Successful Letting'. The guide contains advice on the different ways of letting your property to help you to decide which option would be best for you. If you decide to become a private landlord, your local Council can provide you with more information on your rights and responsibilities.

If you are intending on letting the property, there are several things you might want to consider whilst you are carrying out any refurbishment works:

- Try to ignore personal preferences when selecting fixtures and fittings and when decorating. To make the property appeal to as many tenants as possible use light and neutral colours rather than dark or bright colours and simple styles. It is important that the kitchen and bathroom look clean and spacious.
- The exterior of the property is generally less important to tenants, so it may not be worth investing a large some of money on aesthetic improvements to the outside of the property. However, the structure and exterior of the property must still conform to regulations. It is also advisable to keep the gardens 'low maintenance'.
- Most importantly, you must ensure that the property conforms to all the health and safety regulations required for letting property.

Contact the Housing Standards Team at your local Council for more information on the standards required for letting your property.

*With thanks to Sheffield City Council*