

# GREATER LONDON AUTHORITY

## REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2350

**Title: Research on empty and under-utilised homes**

### Executive Summary:

The extent of empty and under-utilised homes in London is unknown. Most existing research relies on council tax data which is self-reported and based on limited statutory definitions of empty and second homes. Nevertheless, public concern about this issue is high. This ADD seeks approval for expenditure of up to £45,000 on research into the extent and characteristics of empty and under-utilised homes in London.

### Decision:

That the Assistant Director, Housing approves:

Expenditure of up to £45,000 on consultancy services to undertake research into the extent and characteristics of empty and under-utilised homes in London.

### AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** Rickardo Hyatt

**Position:** Assistant Director – Housing and Land

**Signature:**



**Date:**

10 June 2019

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1 Public concern and media focus on empty homes is high. However, while some of the focus in recent years has focused on long-term empty and uninhabitable properties<sup>1</sup>, there is also concern about under-utilisation more broadly. Properties that are intended to be used as permanent housing but are not fully utilised as such include: luxury flats being under-utilised by investors or developers<sup>2</sup>; the prevalence of second homes<sup>3</sup>; and use of permanent housing stock for short-term lets.
- 1.2 The varying types of under-utilisation, as outlined above, mean that defining empty and under-utilisation is difficult. A further challenge (which is in part a product of the first) is the lack of comprehensive data on the extent and characteristics of empty and under-utilised homes. Most existing research is based on council tax data which is reliant on self-declaration and is based on statutory definitions which may not capture all forms of under-utilisation.
- 1.3 The GLA intends to commission research into empty and under-utilised homes in order to develop a better understanding of the nature and extent of the problem in London. Approval is sought for expenditure of up to £45,000 on specialist consultancy support to deliver research into this issue.

#### **2. Objectives and expected outcomes**

- 2.1 The research objective is to: identify different types of under-utilisation of homes; describe their characteristics and prevalence; and make recommendations on a definition of, and methods of data collection on, under-utilised homes. This will help to develop an evidence base to support fulfilment of the Mayor's commitment in the London Housing Strategy to address public concern about empty homes.
- 2.2 The research specification sets out four questions to be answered:
  - a) With reference to examples from London, what are the patterns of occupation which could be defined as under-utilisation?
  - b) What are the common characteristics of properties in London within each type of under-utilisation identified by the research in a)? This should include (but not be limited to) reference to volume, location, and type of property, reasons for under-utilisation and whether rates of under-utilisation are higher in new build or existing stock.
  - c) Which types of under-utilisation are most prevalent in London currently and is there any evidence to suggest changing trends over recent years?
  - d) Based on the findings to a) to c) how should an 'under-utilised' home be defined, and what would the most effective way of collecting data and/or monitoring utilisation in future be?
- 2.3 The appointed consultants will be required to deliver a number of outputs including a research report outlining findings on a) to d) above.

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<sup>1</sup> The Daily Mirror, Inside abandoned ruins of £350million mansions on London's Billionaires' Row, April 2019

<sup>2</sup> The Guardian, The London skyscraper that is a stark symbol of the housing crisis, May 2016

<sup>3</sup> The Times, My second home is a London pied-à-terre, May 2019

### 3. Equality comments

- 3.1 This decision is not likely to have any impacts on individuals with protected characteristics. However, London is facing a severe housing crisis which is in part linked to a lack of supply of homes. Understanding the extent and characteristics of empty and under-utilised homes will enable evidence-based policy development about how to reduce under-utilisation and use London's housing supply efficiently. This is likely to have positive economic and social outcomes for those Londoners who are currently unable to access the housing market. Furthermore, more comprehensive data about the locations of empty homes may contribute to a better understanding of the equalities dimensions of empty and under-utilised homes.

### 4. Other considerations

- 4.1 The London Housing Strategy sets out the Mayor's commitment to addressing public concern about empty homes. The London Housing Strategy also cites research, commissioned by the Mayor in 2017, into the impact of overseas buyers on London's housing market which found that the number of recorded long-term empty properties is at an historically low level<sup>4</sup>. This new research will build on the findings of the previous study by focusing on both under-utilised and empty properties, including those owned by either domestic or overseas buyers in both new and existing stock. This will provide a more detailed and nuanced picture of the extent and characteristics of under-utilised and empty properties in London.
- 4.2 As the specification is primarily focused on secondary data and sources, there is a risk that the research will not provide conclusive evidence on the extent and characteristics of under-utilisation. This has been mitigated by inviting separately costed proposals for primary data collection which could be explored if it is decided that proposals based on secondary data are unlikely to deliver the research objectives.
- 4.3 The research may reveal a mixed picture of under-utilisation which does not align with public opinion. However, having a more granular and detailed evidence base would nevertheless help to inform evidence-based policy making.

### 5. Financial comments

- 5.1 This decision seeks approval for expenditure of up to £45,000 to commission research into the extent and characteristics of empty and under-utilised homes in London.
- 5.2 The expenditure will be funded from the H&L Management & Consultancy budget and will be incurred in 2019/20 financial year.

### 6. Planned delivery approach and next steps

| Activity                             | Timeline       |
|--------------------------------------|----------------|
| Procurement of contract              | June 2019      |
| Delivery Start Date                  | July 2019      |
| Inception meeting                    | July 2019      |
| Final meeting and delivery of report | September 2019 |

### Appendices and supporting papers:

None.

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<sup>4</sup> London School of Economics, The role of overseas investors in the London new-build residential market, May 2017; University of York, Overseas Investors in London's New Build Housing Market, June 2017

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

**Part 1 - Deferral**

**Is the publication of Part 1 of this approval to be deferred? YES**

If YES, for what reason:

The decision is delayed until the completion of procurement.

Until what date: 30 June 2019

**Part 2 - Sensitive information**

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form - NO**

**ORIGINATING OFFICER DECLARATION:**

Drafting officer to  
confirm the  
following (✓)

**Drafting officer:**

Rebecca Reid has drafted this report in accordance with GLA procedures and confirms the following:

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 10 June 2019.

**ASSISTANT DIRECTOR OF FINANCE AND GOVERNANCE:**

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

**Signature**



**Date**

10.06.19