

Good Practice Report

Vacant Property Management – January 2021

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1 Introduction

The relationship between the Housing Association Management and tenants is dynamic, changing over time from the pre-tenancy period through tenancy sustainment and to the end of the tenancy. Given the variety of roles and responsibilities for staff within a Housing Association, and the diversity of tenants and tenant needs, it is imperative that staff understand, and have training in best practice with respect to tenant management through the tenancy life cycle (Rallings 2014).

The Scope of this report is to provide guidance on best practice from the time of termination of one tenancy to the start of the next.

2 Policy and operational practices for effective vacant property management

It is noted that void properties are a major challenge for a housing association, as these properties can generate significant amounts of additional administration costs, whilst also incurring surplus overheads and lost revenue.

Effective management of voids is essential as it ensures that prospective tenants do not have to wait longer than absolutely necessary to secure a property. It is also important in maximising rent and revenue which can be reinvested in the housing stock, offering better value for tenants in the long-term. Effective management of void can ultimately reduce maintenance and repairs of the property, and the cost of dealing with dilapidation and vandalism. It can also reduce high turnover rates, and contribute to sustainable communities (Chartered Institute of Housing (CIH) nd).

A key issue in terms of surplus overheads is keeping the void property in good condition during the void period, and at the same time keeping costs of heating and maintenance as low as practical. At the same time, properties which require higher levels of heating to preserve the condition of the property are very often those properties which have low levels of energy efficiency. In other words, low levels of insulation mean that heat energy leaks through the fabric of the property, increasing the possibility of damp and mould and reducing letting potential. It is therefore argued that as part of the operational policies of the Housing Association, every opportunity should be taken to improve energy efficiency when the property is vacant. This investment will ultimately pay off as it will make the property easier to relet, and improve the tenant experience during the tenancy, whilst also reducing maintenance costs (Inenco 2020).

Void management and relet should be based on an effective void policy which should be based on clear targets and timeframes from the outset. In other words, void management should include specific stages and efficient management processes including (CIH nd.)

- Development of a clear and realistic relet standard
- A pre-defined pre-termination inspection process which establishes why the tenant is leaving, what repairs need to be carried out to relet the property and assessing any damage which the outgoing tenant must pay for before the tenancy is ended.
- There should also be a prompt vacancy inspection, ideally using a standard checklist which can be used to identify defects, and

consequential repair works to address these defects. This should include a list of minor works as this will speed up the relet process.

- There should be a pre-defined redecoration standard, including a specific allowance for these works, as this will reduce the time and administration costs in achieving relet quality.
- There should also be standard procedures in place for dealing with statutory services such as gas, electricity, and water to ensure that these services are safe, and where necessary disconnected. In addition, it is important that prior to reletting that these services are reinstated and certified as required before the property is occupied by the new tenant.
- There should be a process for dealing with and making the repairs that are the responsibility of the outgoing tenant.
- Finally, as soon as the property is vacated there should be a pre-defined security system put in place to protect the asset during the void period.

An example of best practice is offered by Milton Keynes Council, which uses a systems thinking approach to void management, seeking to improve the entire process. This approach was developed after a thorough investigation of current operations, and seeking ways to link together the different activities and departments involved from the time a tenant leaves to the time a new tenant moves in. The result of this assessment is a coordinated and holistic approach to void management underpinned by clear purpose, namely that the system is in place to put the right tenant in the right property. The system also seeks to use an integrated approach to void management from rental income collection, letting processes and maintenance to communication with tenants, and within the team. Since implementation of this process, the Council has reduced void times and achieved better co-ordination with sub-contractors (CIH nd).

3 Achieving relets as efficiently and timely as possible

The void management policy and process should keep all stakeholders informed, including those involved in maintenance, and housing managers as well as letting staff and contractors (CIH nd).

Delays can be avoided by having a clear strategy as outlined above and by ensuring that all stakeholders are aware of their responsibilities and accountabilities throughout the process from key to key in the tenancy. At the same time, the success of this process relies on landlords balancing voids, void management and the cost of repair against the wider business objectives of the process. It is also essential to focus on value rather than short term costs, taking account of the cost of works and tenant satisfaction levels, on the premise that a satisfied tenant is more like to stay in the property (CIH nd).

It is important to take a holistic view of the void management and property allocation process, as evidenced by Wakefield and District Housing which has improved void management by combining the void team and the Homesearch team. This means that if someone is applying for a property, and there is a void property which meets their needs then the process can be fast tracked to reduce void time, provide a tenant with a property and increase rental income (CIH nd).

3.1 Communication

In terms of reletting the property it is essential that this process is carried out in a fair, transparent and efficient way, taking into account the housing needs and aspirations of potential tenants. This requires a clear application process as well as transparent, clear decision-making processes and an appeals process (Homes and Community Agency (HCA) 2012). This should include support for potential tenants who have difficulties with English or for whom English is not their first language.

It is important also that the tenancy offered a relet is compatible with the type of accommodation and the needs of individual households. In addition, consideration should also be given to the impact of a tenancy on the sustainability of the community, and efficient use of housing stock. The tenancy

agreement and occupation of the property must meet all relevant applicable statutory and legal requirements (HCA 2012).

An example of best practice is Cobalt Housing which advertises its vacant properties on a web-based letting and sales platform Rightmove. This increases access to potential tenants, and is an effective form of communication of what is available and where for the tenant body. This also reduces administration costs/time for housing staff. The process has been successful for Cobalt Homes with 42 of the 47 homes advertised let in a timely manner (CIH nd).

3.2 Housing Standards and Value

The Joseph Rowntree Foundation (JRF 2018) point out that the majority of social housing properties are let with no floor coverings or window coverings, white goods or furniture. This is understandable given that these tenancies offer a long-term secure tenancy, and so tenants are expected to take responsibility for transforming the property into a home. It is acknowledged that all social housing must comply with the decent homes standard, and that social housing rents are typically cheaper than the private sector. However, these properties often serve those in the lowest economic group in society, and so providing floor furnishings, furniture and decorating paid for by the tenant can be expensive. In many cases, tenants take a loan for this work, which increases the risk of missed rent payments and financial hardship for tenants. It is therefore suggested that where possible the Housing Association should put in flooring and basic furniture where possible. It is further argued that this would increase the lettable of the property (JRF 2018).

3.3 Challenges in Void Management

The challenges have been discussed above and include delays in the post-tenancy inspection, and failure to provide a checklist of the out-going tenant's repair responsibilities before the tenant leaves the property. The fact is that these challenges can be mitigated by implementing the above management process.

4 Providing a good leaving experience for the outgoing tenant and letting/move in experience for the new tenant

It is argued that the key to a good experience for the outgoing and incoming tenant is communication. This can be achieved by using customer insight data to inform the void management policy and process. This requires communicating with tenants about their experience, identifying what went well and what was poor performance from the perspective of the tenant. For example, asking tenants why they have abandoned a property (CIH nd).

It is important that the wider community is involved in the void management process, which can be achieved by asking tenants about what they like within the neighbourhood, what is missing and their experiences within the community. As with tenant feedback this information can be extremely useful in reletting the property with minimal delay and in achieving harmony within the community. For example, residents may feel insecure about living next to a void property, and so it is important to explain what is being done to the property and ways in which the landlord will seek to relet the property (CIH nd).

The landlord can also increase value for the incoming tenants by asking what they require, determining their needs and discussing decorating and furnishing needs as well as ways in which they can complain and management of such complaints (CIH nd).

5 Summary

In summary, it is suggested that the void management process should include

- Having a pre-defined set of standards with respect to void management with clear levels of responsibility, accountability, communication and budget
- Achieving relets as efficiently and timely as possible can be achieved by carrying out the post-tenancy inspection and repair checklist at the same time

- Typical challenges to void management can be avoided through effective communication within the housing associated and with the outgoing and incoming tenant.
- Producing a home at a lettable standard as required by the legislation and adding allowances for decoration where possible to alleviate financial hardship for the tenant
- Achieve value for money by balancing tenant satisfaction with quality of the property and business commercial objectives
- Effective communication will provide a good leaving experience for the outgoing tenant and the incoming new tenant.

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