

# East Ayrshire

## COUNCIL

### Department of Homes and Technical Services

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Tony Cain  
Secretary  
Housing Improvement Task Force

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Dear Tony

#### **ISSUES IN IMPROVING QUALITY IN PRIVATE HOUSING** **THE FIRST REPORT OF THE HOUSING IMPROVEMENT TASK FORCE**

Further to the consultation report of the Housing Improvement Task Force, please find enclosed the Council's response to the Issues in Improving Quality in Private Housing.

I look forward to receiving further details with regard to the consultation report which will be published at the end of the Task Force work detailing how the responses have been reflected in the final report.

Should you require any further information in the interim please contact Deborah Brady, Policy Officer (Development) e-mail: [deborah.brady@east-ayrshire.gov.uk](mailto:deborah.brady@east-ayrshire.gov.uk).

Thank you.

Yours sincerely  
Chris McAleavey  
**Head of Homes**

## **ISSUES IN IMPROVING QUALITY IN PRIVATE HOUSING**

### **THE FIRST REPORT OF THE HOUSING IMPROVEMENT TASK FORCE**

- The Council would note a degree of caution in making direct comparisons, albeit limited, between the 1991 and 1996 SHCS results due to differences in survey methods and analysis.
- Unfitness as measured by the Tolerable Standard is no longer the best basis or appropriate for a modern day setting for assessing the condition and quality of Scotland's houses.
- A much larger number of households are facing significant problems even though their homes meet the Tolerable Standard. It is no longer appropriate that the Tolerable Standard should be used as the sole measure of housing condition and quality. It is also necessary to consider quality failures.
- It is important to note that disrepair and housing quality failures are dynamic, and arise as a result of a combination of processes — both social and physical. A critical determinant, according to the Report, is decision making by owners. Whilst the decision does not necessarily present the problem, money to pay for the work does however influence people's willingness to participate in repairs.
- Older houses form a higher percentage of the stock in remote rural and inner urban areas. In the latter, flatted and tenement types predominate. The concentrations of housing quality failures could affect supply, and the economic and social durability of the area, as well as townscape and future development patterns.

### **3. The extent of disrepair and obsolescence in private sector**

Relying on the Scottish House Condition Survey '96, (SHCS), it reports a minority of owner occupied houses in Scotland suffer from some level of critical disrepair resulting from neglect.

- Dampness in owner occupied stock is at such low reported levels that it is difficult to analyse the data provided in the SHCS to provide a more detailed picture. However, the 1996 SHCS did not measure dampness, and this has been recognised in the revisions to inspection in the 2002 survey, as the 1996 survey did not provide a true picture of the levels of dampness.
- A significant number of owner occupiers live in homes that fail the Tolerable Standard, or do not meet modern standards. There is much debate about the Tolerable Standard figures. However, the Tolerable Standard is not a modern standard to apply.

On average Right to Buy dwellings had lower repair costs than non Right to Buy owner occupied dwellings/ other social rented dwellings. However, this provides a snap shot in time, and is dependent on when the Right to Buy was exercised, rather than the size/ type/ age of dwelling, as these factors impact on last involvement of the property in a planned maintenance programme.

- Flatted dwellings have higher repair costs. A possible influencing factor is the need for collective works, which have delayed minor works in the past, leading to more major works being required over time.
- Right to Buy owners have traditionally not been fully informed of their potential liabilities, so whilst their properties may appear to be in better condition at present, they are also typically the larger sized properties with higher repair shares/ floor areas, resulting in potentially higher costs to repair/ maintain in the longer term, with little/ no means to fund this work.
- There is a cultural issue about cosmetic works being undertaken to properties, at the expense of more essential works to the fabric of the building. This is influenced by buyers' aspirations, as a new kitchen! bathroom is viewed to be more attractive/ sellable than routine/ essential fabric maintenance.
- This situation is reinforced in that rather than focus on property assessment noted through the survey requirements, the financial appraisal of the applicant is a paramount.
- SHCS did not ask about people's perception of repairs required. It is therefore not possible to draw conclusions from the 1996 data.
- The previous attitude to repairs/ experience of owner occupiers is important, but not as much as their ability to pay in determining the degree to which RTB owners are willing to participate in common repair schemes. Options are available, but are not all realistic e.g. equality release/ loans etc.

#### **4. Investment Patterns in Private Sector Housing**

- It is noteworthy that current rates of expenditure on necessary repair and maintenance by owners may be significantly below that required to maintain the stock in its present condition, although a good deal more than this is spent in total when taking discretionary improvement works into account. It is therefore unlikely that significant progress will be made in reducing the repair back log identified in the 1996 SHCS, on the basis of current expenditure

- This raises concerns not only about the total level of investment in the owner occupied sector, but also the way the spending is targeted and the priorities owners have in spending on their houses.
- The legal and regulatory systems surrounding residential property transaction and ownership do not provide incentives to owners to inform themselves about the condition of their homes. There is no market incentive/ advantage to be gained from ensuring a house is in good condition and well maintained.
- There is little reliable or systematic information on the real state of repair of houses through the house buying process.
- Fear of exploitation is a possible contributory factor to the strategies owners adopt with regard to repairs.
- There are no incentives in the tax and benefit systems to save for major repairs, as savings held by low income owners may count against any benefit entitlement.
- Many owners face problems financing repairs. Many may have free equity that could be used to address the problem should they choose to access it. However, there are problems with the cost to release the free equity relative to the amount of money being released. This presents a barrier to taking up this option, and acts as a disincentive.
- People's willingness to invest in housing is affected by the household's positions in the life cycle. Most are more likely to invest at! immediately after purchase. Consequently, the profile of the purchaser impacts on the stock condition.
- The value of property does not increase in line with the expenditure, particularly in low value or low demand areas.
- There is a reluctance to borrow against free equity, preferring to retain ownership over as high a proportion of their homes as possible. Lenders are also not particularly interested in developing products for the lower value end of the market.
- There is a general reluctance to borrow to finance low level repairs and maintenance work, although there are limited financial products available.
- Given the resources currently available, the grant regime is unlikely to have a significant impact on overall investment or on critical investment decisions by owners facing repair works.

- Vulnerable households including those with learning disabilities may face particular problems with small repairs, and households with disabled members may face problems in securing the resources needed to carry out essential adaptations to their homes.
- Landlords can offset expenditure on repairs and improvements against tax liabilities, which is an advantage over owner occupiers.
- Because tenants are relatively mobile and do not place great emphasis on repair condition, there appears to be little relationship between the condition of the dwelling and the rent charged for it.
- Take account of the Scottish Social Tenancy conditions.
- A general concern from all groups was about dealing with private landlords with regard to receiving confidential and fair treatment. Households in the private sector with disabled members may face problems in persuading landlords to allow, or to carry out necessary adaptations to meet their needs.

## **5. Arrangements for Management of Communal Repairs and Maintenance Work**

- Many people become flat owners without understanding their rights and obligations. Whilst this may contribute to the fact that many flat owners do not fulfil their title obligations, a lack of awareness of the need to appropriately forward plan with regard to budgeting may result in owners lacking the wherewithal to fulfil their obligations.
- The introduction of the Title Conditions Bill, published for consultation in May 2001 should go some way to addressing the management and maintenance of communal areas.
- However, whilst there continue to be self regulation systems operated by the professional associations, quality assurance of the private sector property managers will not be subject to the same rigorous criteria as that applied by Communities Scotland with regard to social landlords.
- With regard to Right to Buy owners, the poor levels of pre-purchase information to perspective owners by local authorities should be addressed through the provision of the Housing (Scotland) Act 2001. However, this duty will not address the issues being faced by owners who have previously exercised their right to buy. Whilst there are pros and cons attached to the proposals contained in the Title Conditions Bill 2001, the examples cited in the consultation paper highlighted the growing need for legislative change to impact on the rights and obligations of these owners with communal repairs duties.

## **6. Local authority powers for tackling condition problems in private sector housing.**

- Whilst in the past local authorities focused on more detailed examinations of repair condition in the social rented sector, rather than the private rented and owner-occupied sectors, the Housing (Scotland) act 2001 imposes a statutory duty on local authorities to produce a Local Housing Strategy, rather than a Housing Plan, thereby adopting a more strategic approach to housing demand, supply and condition across tenures.
- The proposed Index of Housing Quality, as outlined in December 2000 by the Scottish Executive, offers an aspirational housing standard for housing quality, and therefore a benchmark against which action to promote housing quality may be measured. Nevertheless, without adequate resources to support and encourage this standard, local authorities will be under greater pressures to provide financial assistance to meet the higher standard set against a back cloth of already stretched resources for mandatory grants.
- Whilst there are low remaining levels of BTS houses in Scotland, the fact that it is likely to take up to twenty years to eradicate all BTS stock in Scotland is unacceptable. Moreover, given the low level of this standard, it is no longer appropriate and valid as a twenty first century baseline standard, and requires to be reviewed. The review of enforcement options available to local authorities in relation to undertaking improvement works at the outset, and ensuring that properties are maintained in a good state of repair following receipt of grant assistance works is essential, so as to protect public investment being made in a sustained fashion.
- Given the limited resources available, local authorities are having to have explicit priorities for improvement and repair grants to ensure they are directed to where they are likely to be most effective, through initially such as Care and Repair and Edinburgh City Council's 'Stair Partnership'. However, Care and Repair is not available across all local authority areas. Further, the Edinburgh initiative draws on predominantly middle class owner occupiers who not only aspire to maintain their flatted accommodation, but also have the wherewithal to support their property condition, in the heart of the capital city.

## **7. House buying and selling**

- The comparison of buying a house with buying a car is a useful one, in that buyers need to be aware of the asset's condition, and its upkeep costs in deciding whether or not to buy. However, the conditions attached by lenders rarely make reference to the asset, and focus instead, on the reliability of the purchaser to maintain mortgage repayments. Where acknowledgement is made of the property condition, a cheaper valuation rather than a more expensive property survey is most commonly accepted. Frequently, multiple valuations are undertaken for the same property. There is therefore no incentive to encourage owners to consider property condition over the medium and longer terms, given the prevailing financial climate.

- This situation inevitably leads to unexpected repair costs, which may be beyond the means of the owner, particularly given the current high house price costs.
- Given the smaller space standards of new build accommodation, wheel chair users are forced to rely on the second hand market when looking to buy a home. Not only is this discriminatory in terms of preventing people accessing new homes in new areas, due to property size standards, it also denies a whole sector from investing in a given area and property type. Without stronger incentives for house builders to create properties which are more flexible in their design, and are therefore more accessible, this situation will continue to exist.

Chris McAleavey  
**Head of Homes**