Paula Palmer

Hello and welcome to Stonewater's podcast On the Air. I'm your host, Paula, and today, we're tackling a question that comes up time and again, both inside and outside the sector. Why are social homes sitting empty while waiting lists continue to grow? Across England, thousands of homes remain vacant, while some people are waiting years for housing. What's really going on behind the scenes, and what could be done to speed things up?

To help us get to the bottom of this, our guests today are John Wickenden, Research Manager at Housemark, Paul Malone from MovingSoon, and Charlie Bessant, Head of Portfolio Options here at Stonewater. Thank you all for joining me. To get us started, let's meet you all properly. Can I ask each of you to introduce yourselves and your role? Let's start with you, John.

John Wickenden

Yes. Hello, my name is John Wickenden. I'm Housemark's Research Manager. As the job title implies, I manage Housemark's research programme. I cover the full range of landlord activities, management, maintenance, finance. What I'm looking to do is help the sector improve, make sure that it meets regulatory standards and really makes a difference for tenants.

Paula Palmer

Lovely. Do you have a favourite area of research, John?

John Wickenden

It has to be voids and lettings.

Paula Palmer

Perfect for today, thank you. Okay. Over to you, Paul.

Paul Malone

Yeah. I'm Paul Malone, founder of MovingSoon, which operates like Rightmove, but for affordable homes. We go across all tenures, which is rent, shared ownership, and sale. We also have some really useful tools on there for those looking to buy or rent affordable homes, such as moving house checklists. I'm happy to be here. Thank you.

Paula Palmer

Thank you, Paul. What about you, Charlie?

Charlie Bessant

Hi, yes. Charlie Bessant, Head of Portfolio Options at Stonewater. My role oversees all of our disposals of properties and acquisitions, but also doing the analytical work of assessing our properties to make sure they're right for Stonewater and for the tenants, but also then making decisions and taking strategic reviews to our executive team to decide what we do with properties in the future if they're not deemed suitable to remain in their current condition or current use in the business.

Paula Palmer

Thank you, Charlie. Let's start with a big question then. When people hear about empty homes, the assumption is often that they should be quick and easy to relet, but we know that's not really the reality. John, from a sector-wide perspective, what are the biggest barriers stopping empty homes from being brought back into use quickly?

John Wickenden

Well, it's the complexity of the process, really. You've got multiple handoffs between a tenant handing in their keys, and a new tenant getting those keys. In terms of the whole management maintenance, and third parties getting involved, allocations, viewings, and the new people that need to come and see that property. There's so many different moving parts, and the reliance on the relationship between those teams internally and externally, and the other stakeholders make it really difficult to make it happen in a short space of time.

Paula Palmer

Lots of those proverbial ducks to get in a row.

John Wickenden

Exactly.

Paula Palmer

Yeah, okay. Paul, does that match what you're seeing from the lettings side?

Paul Malone

Absolutely, yeah. Obviously, there is fragmented processes and systems. With regards to CBL, there's obviously many of them operating throughout the UK. We get prospective tenants coming to our platform where they're struggling, or they don't meet the needs on those particular CBL schemes. So there are visibility challenges there as well for CBLs and allocations, and also with different nomination routes slow things down. Each CBL scheme in the country will have a different way of operating and will have a different level of need as well. Yeah, definitely to do with fragmented processes and systems.

Paula Palmer

Yeah, thanks, Paul. We heard some of that in one of our earlier episodes about who are social homes for, and there were some that are harder to let because they're not the right area, not the right size, or the person doesn't match who's supposed to be moving into them, so I agree with you. Charlie, I think you can share some more about how much of this is about the homes themselves versus the systems around them.

Charlie Bessant

Yes, absolutely. Every time a home becomes empty, there is a set of work that needs to happen to that property to make sure that it's safe and ready for whoever next moves in. Sometimes, that can be a fairly straightforward process. I say straightforward, it still needs to be woven into a contractor's workload, making sure that they pick up that property as soon as it is empty so that they can get in, do a void spec and assess what works need to be done. Some of those simple works being, we'll do electrical checks and make sure the property is clear.

But sometimes, you go into a property and actually, there's a lot more work that needs to be done. Either because of someone who's lived there before or because the property is just reaching that point in time where actually it does need some components to be replaced. It's about then trying to assess how do we bring forward works into one package for that contractor to do at that time and try and get that done as quickly as possible. But ultimately, that work can't take place until the property is empty and has been assessed.

Paula Palmer

Okay. Understandable that we're making the right decisions, not just rushing somebody in just to fill an empty gap. Let's stay with delays because that's where the frustration really builds. Paul, can you add to where delays tend to creep in and why they're so hard to resolve?

Paul Malone

Yeah. Typically, if a house is then becoming available for relets, and teams go in and look then there's works that are required, then typically, there's going to be resource constraints and a backlog across the repairs teams. Also, you've got multiple trades needing coordination. It could be builders, it could be plumbers, and it could be even glaziers as well. You're really in the mix in terms of who's available, when, and obviously, getting the right project plan in place to make sure that coordination is happening at the right time.

Paula Palmer

Perfect. I think those are things that are probably recognised across the sector as common complaints or issues, reasons why. John, what does the data tell us about how these delays are changing, are they improving or getting worse?

John Wickenden

They're definitely not improving. The pandemic had a huge impact on void relet times. In the 2010s, we were looking at average relet times being in the mid-20s, so let's say 3-4 weeks. Since '21, '22, we've been looking at void times that are double that. So 6-7 weeks, mid-40s in terms of the number of days to relet that. We looked at it in terms of how much of that proportion is repairs, we collect data on that. Then from that, we can work out how much is management side of it.

Before the pandemic, it was about 50%. We're looking at, let's say, 12-15 days for repairs. Since the pandemic, it's still about 50% for repairs, but it's doubled in time. You're looking at 20, 25 days for the repairs period of that. That still accounts for it. The complexities involved in both the management and the maintenance side have been pushing that up. It seems to be from our discussions with our Voids forum that it's lots of incremental delays on individual items or new things that need to be done, new regulations that need to be met that compound this across the process and pushing up that overall time.

Paula Palmer

Okay, good. We've got the extra regulation keeping people safe and comfortable in their homes, but it's not helping us with our timescales very much. Charlie, do you feel there's any tension between moving quickly and doing things properly?

Charlie Bessant

I think there's always that tension there, even within an individual who's involved in that process. That everyone wants the home to be ready and available to be relet as quickly as possible because we've got a shortage of social housing. It's about trying to get that property ready as soon as possible, and everyone wants that. But ultimately, if we're not making sure that that property is safe and fully ready, then actually, you're just creating problems for whoever moves in. There's nothing worse if a family moves into a property, and actually, they then end up uncovering all sorts of problems within the property that contractors have to come back in and out to resolve.

Get it all done right up front. It's the right first-time element. Get the property prepared and then it's ready to go. But we need to make sure that with all these regulations, as John has alluded to, we're covering ourselves from a position of making that property safe, but it's about the customers moving in. Those individuals who are living in that property need to be safe and secure and have a home that they can call a home. The pressures will be there to get it let as soon as possible, but we've got to get it right.

Paula Palmer

Yeah, great. They might want to move in as quickly as possible, but they also don't want to move in and have repairs that still need fixing around them, or windows that are drafty, and the other common complaints that might happen. With that system that's as complex and under pressure, is there anything that can be done to improve things in practice? Paul, what do you think are the most effective ways we might start to reduce void periods?

Paul Malone

Absolutely. I think there's over one million people on the social housing waiting list. So being proactive before a property becomes void is absolute priority. You obviously have to do the gas safety checks every 12 months, so it'd be nice to intertwine that with check-ins with tenants to see how things are. Also, you can anticipate if there's any going to be future moves, not only that, but it could also tie in with rightsizing as well. Obviously, that's a big thing that's happening at the moment.

If it is future moves, and they're saying a three-bed house they were with family, but obviously, a family have left, or are about to leave, then again, you can try and allocate that property best to who's actually suited to it. More importantly, if you're doing those check-ins, say every 12 months alongside the gas safety, you can actually see if there are any major works that are actually required. Doing a regular check-in, say every 6–12 months would be great, because you can foresee if there are any big works, get them into the pipeline if it's external contractors or if you've got internal teams dealing with this work.

At least you've got sight of it before the property becomes available and void. Then getting some of that work, if not all that work, done before it becomes void means the relet time to go down. More importantly, the list of over 1 million plus who are looking to be on fine housing will actually shrink. Because you're obviously reletting them that quicker and there's no stagnating in terms of waiting for homes to be done once it's been void and then obviously, trying to keep that timeline as tight as possible.

Paula Palmer

Thanks, Paul. That's—what you call them—touch points. There's opportunities to gather more information, talk to people about what they might be thinking. Yeah, I like that idea. It's got me thinking. John, from Housemark Research or The Voids Club, is there a consistent pattern amongst organisations that are performing better or anything from their point of view that seems to be making a difference?

John Wickenden

Yes. It builds on what Paul was just saying there. There's no single thing that you do and then everything gets better. It is a case of looking at the individual aspects of where you can tweak the process to make the item faster, better, and have a better outcome for the tenant moving in.

We do notice, and we've done research looking at consumer gradings. Looking at landlords that have achieved the top consumer gradings compared to their C3, C4s. We do notice that landlords with a C3 rating tend to have a longer void period than landlords with a C1 rating. It stands to reason that if you've got all your ducks in a row in terms of consumer regulations, it's going to be better. Even though consumer regulations are about landlords and tenants and voids, there isn't actually a tenant, but the whole process aspect of it really makes a difference.

That's where leadership comes in as well. Our research with our Voids Club really drew on that. We had respondents saying that our leadership doesn't understand voids. Chances are, the chief exec is an accountant and understands the numbers, but has never had to coordinate a gas metre being refitted after the last one was vandalised, and trying to work out who needs to fit the gas metre, who's going to reconnect the supply, and who's going to actually supply the gas at the end of it, and then what happens to the new tenant moving in. So there's that understanding gap that needs to be bridged. Where landlords have done that, the culture is more positive and the performance is better.

Paula Palmer

That's a really good point, John. I've really enjoyed listening to that. Thank you. We need a bit more work shadowing from our senior leaders then, by the sounds of it, to help understand these processes and facilitate slickening them up a bit. Perfect. Technology and data are often seen as key to improving processes and the solution to many issues. John, I'm going to start with you again, but what role should data be playing in improving void performance?

John Wickenden

In general, landlords need to have this single source of the truth. The way I see it, you've got three dimensions of housing data. You've got the property, the building data, you've got the person data. In voids, it's like the person moving out and then the person moving in. Then you've got the time data. Time is obviously really crucial in voids and lettings. If you can stand by the data that's coming into your main management systems and being reported on up the chain, then I think you're a good portion of the way there.

We still get lots of reports of landlords where the Voids Manager is using a spreadsheet because the system isn't dynamic enough, flexible enough to be able to strike in and strike out voids for X, Y, and Z reasons. There's also, sometimes a perverse incentive for operational managers to be able to minimise the void time so it looks better for the reporting. But then that goes against the actual need to record the data accurately and transparently, and these systems end up being a bit too fragmented.

Paula Palmer

Okay. As always, data, it's only as good as what we start with. Clearly, we perhaps need a bit of technology to help make that data easier to read. Let's talk about technology and how it's going to make a difference. Paul, are you seeing any big tech differences or anything that we might be able to use day-to-day to make these things easier?

Paul Malone

Yeah. I think also, firstly, just to touch on John's update there. Yeah, there is a fragmentation in terms of how people use systems, and there's probably too many systems as well. If they could streamline that and use them more effectively, then that's probably a big win as well. In terms of automation for tenant engagement, absolutely. Obviously, lots of talk about automation, and it's not human element enough.

But to begin with, it actually is going to help, because if you're applying for a home, a prospective tenant then gets a reply saying, "Yeah, we're going to process the application. If you've heard back within 3–5 days, you're on the list. But if not, unfortunately, you've been unsuccessful." That's one step. Also once they're in the home, again, just check in maybe every quarter, say, "How's it all going? Any issues?" Maybe even tenant surveys as well. I'm sure some housing providers do that, but that might be a way to actually be in front in terms of understanding how they are in their homes as well.

Also, with regards to visibility of available homes, we touched on it earlier with regards to different homes sticking the CBL systems. We see it on our own platform because there's homes that typically haven't actually gone through the system, and they've actually found people who meet that need. So they end up on our platform because we've got improved visibility nationally. We're working with over 25 providers currently, and it just means that we can help people find those available homes because the biggest thing for us is helping people who are in need to find these homes. If they can find them quicker through our platform, great. Or if they can get more visibility across other channels as well, fantastic. But it's about targeting the right applicants more effectively as well.

Again, you can go back in terms of once these properties become available, are they directed at the right people? In your advert, if it's an over 55 property, is it specifically saying that it is, or if it's a supported accommodation? Is it that? Is it pet-friendly rentals? All those things really, in terms of how you categorise the type of tenants you're actually hoping to have in those properties. It just means it'll help them find them quicker because if they obviously can match in a better way, then that's going to be good not only for the housing provider, they find a tenant that matches their homes, but also great for someone who's looking for those homes because they can see exactly what that home is going to offer them as well.

Paula Palmer

Okay, great. Some top tips there. Thank you, Paul. Charlie, how does better data change decision-making on the property or building side of things?

Charlie Bessant

Well, it's vitally important. But actually, I'll take a step back from that first because it's not just about having the data, it's actually also about the data being readily available, being able to be brought together with other pieces of data, and being available to the right people at the right time. Because you can have lots of data in your system, but if it's not available, if it's not actually accessible in a way that can be easily reviewed when you're assessing a property, then actually, you'll find a lot of people either don't look at it or they'll miss something important because they've not got something being flagged up very easily for them to see.

But ultimately, if you don't have that data there in the first place, then that becomes a problem in itself. That can be data on an asset itself, but it can also be feedback from a tenant who's been living in the property. If there's a common theme of feedback of why someone has left a property given notice, that is relating to the property itself or relating to the area, there are things that you can glean from that, but then you can start making some more strategic decisions on either for that property or for the wider estate.

It's really important that we do get that data. From an asset perspective, we're getting information about our properties all the time through stock condition surveys. That's a really important way for us to assess the condition of each component in a property. Your roof, your windows, your boiler. Have a look at all of those components. Assess what their current condition is, not just looking at when they were first installed, but saying, what is the condition now? What do we need to do now or in the near term future? Then trying to bring some of that together when a property is empty, to try and do those works in one go.

The challenge there is budgeting, and budgeting is very sensitive that if you start bringing forward a component to do a bathroom this year instead of in two years time, you're ending up having to push a bathroom out from another property to another year, potentially, if you can't find the money to increase that budget. It is a very delicate and difficult thing to review, but if you've got the right data, you can make those decisions in the right way and at the right time.

Ultimately, those decisions are all about providing a better home for people to move into. As a housing association, Stonewater are ultimately trying to provide more homes for people to move into, knowing how short we are of social housing across the country.

Paula Palmer

Thanks, Charlie. We are able to be proactive in some cases and get things moving along. We never want to upset somebody about their bathroom because we know exactly how that will go down. Let's talk about longer term empty homes, the ones that are much harder to bring back into use. John, what tends to drive those extended void periods?

John Wickenden

I suppose the market drives that in terms of if you've got a specialist property that requires somebody that is either a certain age or has certain needs, they're going to be harder to match than a property that is completely general needs. We also see it in terms of the location of the property as well. If the property is well-served by public transport, it can mean that somebody can live there without needing to have a car. Whereas in rural areas, there'll be less demand because people will look at… They'll look at choice-based lettings websites, for example, and see, "Okay, well, that village barely has a bus service, so how am I going to get around? So I'm not going to bid on that property."

We see those things compounding it from the demand side as well as the supply side. When's a property going to become available? Then we also see some delays coming in where there's decision-making, let's say. An estate might be earmarked for regeneration or for demolition, and then the properties just aren't let, but they might not have a decision made to stop charging rent on them. We can see that impacting as well.

We've also heard recently in terms of Awaab's Law, landlords need to have properties available for tenants that need to move out to be decanted into another property if there is a hazard that they can't live with and the landlord can't make that hazard safe within the timescale. There needs to be a bit more liquidity, let's say, in the number of properties available. That means having more empty properties at any one time.

Paula Palmer

Thanks, John. That's really interesting. I wasn't aware of that factor, the Awaab's Law and the empty properties. It's good to know. Thank you. Charlie, this feels like where asset strategy really comes into play. What's happening behind the scenes when a home sits empty for a long period?

Charlie Bessant

Yes. There's a lot of things that tie into this from different angles. Touching on briefly what John was just talking about, one of the key things with any property that is empty is collaborating across departments and across teams to make sure that everyone knows what's happening at any given moment and do our best to then make the best use of that property. Now, if someone does need a decant, then it's working with colleagues to find what properties we do available in a particular area that are a particular size and are suitable for someone to be moved into. That's all about communication, about speaking with colleagues and working together. We're all in this together to find the best route forward.

When it comes to properties that are empty for a long period of time, there's often a lot of work going on in the background through teams that are assessing, analysing properties to establish whether it's something that is right to keep in social housing into the future. Now, it might be that property was built many years ago and brought into social housing many years ago, and it was right at that time or right for a specific need at that time, but actually it might not be right now.

One of the things that we try and do is that if a property isn't right in its current use, then actually we look at what are the other options for it. Can it be used for a different tenure? Can it be used in a different way? Ultimately, and always the final last resort is about saying, "Okay, do we need to dispose of this property?" But then for us, putting that money back into building our new build stock. That's where the new build properties are then more efficient and much better homes.

A lot of decisions have to go on the background when a property is empty, which sometimes involves those conversations with colleagues, and sometimes also involves looking into some of the detail about what do we know about this property, what do we know about any restrictions about it, what it has to be used for in the title deeds or in the planning. It can get quite complex. We try and do a lot of that work by flagging properties in advance on our system where we think there might be a problem in future, and we need to have a look at it when it becomes void next.

When we know that a property is then becoming void, we can start some of that work before the property is actually empty and be prepared and with a decision for what happens next. But it's never a perfect system. It's never going to work perfectly smoothly. There's always going to be wrinkles and things that you have to work through that either you didn't know about a property or that just requires work to be done to establish how much is it going to cost to bring this property up to the standard that we would be happy with letting out to our residents.

That's one of the key things that when you look at the numbers, sometimes you have to spend a lot more money on something than actually it's either worth or that is right as a long-term decision for the organisation and for our customers. So we have to make those difficult decisions, and we have to go through the analytical work to assess what is right. Sometimes we have to get executive approval to make some of those changes. So it can take a little bit of time, but it's ultimately there to make sure we're making the best long term decision.

Paula Palmer

Interesting. Thanks. Never a flippant decision. Always thinking about how we best invest the money that we have on homes and services for customers, isn't it? That's great. Paul, from your perspective, how much of this is about mismatch between supply and demand?

Paul Malone

That's obviously a case, especially from our own platform. I'd probably say the major amount of properties we've got on there at the moment would be over 55. So sheltered stock. That typically depends on where the CBL schemes are in the country and where housing providers are looking for a wider audience to tap into. Yeah, there is a mismatch there. But also you've got to look to see if there are opportunities to transfer or repurpose as well.

We read in the news quite regularly whereby one housing association has bought stock from another housing association. It touches back in terms of the data to understand what's your demographic in terms of what's on the waiting list, if you can know who's on your waiting list, what age profile, what homes are they looking for, also what homes have you got at the moment, and who's in them.

It can tie in terms of rightsizing as well. It depends really in terms of are they downsizing because the family's left their home. It's really trying to be a bit more forearmed in terms of the data you've got in terms of what you've got available at the moment, where that stock is currently available that is harder to let, doing some analysis in terms of your list and also local CBL schemes that you're in to understand if there is a mismatch, opportunity to then use additional platforms to actually see if it's a case of just looking for a wider spread to see if there are people actually out there, but they might not have been eligible or might not have been on the CBL scheme lists for some reason or other.

I might actually match for that property. If they don't, then obviously there's an opportunity there to actually align the stock with your waiting list demand. Then obviously potentially have conversations with other providers because other providers close to you in other regions might also be feeling the same issue in regards to their own lists and housing stock, and they might need to do a transfer the other way as well. I'm sure those negotiations do go on behind the scenes, but it's really around utilising the data you've got, not only the people who are actually in those homes currently. It goes back to what I touched on earlier.

Every 12 months or 6 months checking in, and understanding the demographics of people who are in those homes. Then also looking where you have got waiting lists, who's on that waiting list, and again, the demographics of that waiting list. Then obviously, trying to weigh up where your stock is now, but also looking to see what you're going to build in the future as well. If you're looking to build in the future matches your housing stock, then great. But then if there's a mismatch there, then again, more opportunities to look at transfer or aligning stock in that particular way, because in our instance, finding an affordable home should not be that complicated.

If the data is there, you know who the demand is in terms of prospective tenants are, then hopefully you can get a match. But if not, then obviously conversations can take place with regards to aligning your stock with your waiting list demand and obviously speaking to other providers to see if there's an opportunity to dispose of that stock for them to help those people in need in their own regions as well.

Paula Palmer

Thanks, Paul. I think that echoes what Charlie was saying about how in the past, our stock or what we had aligned with the need that was then, but now perhaps doesn't match it again. New builds will be being based on needs of an area now, won't they? So they'll fit now, but perhaps in the future, they'll also fall out of sync. Interesting. This brings us to some quite difficult decisions. When does it stop being viable to bring a home back into use, Charlie?

Charlie Bessant

It's a really important question that is always taken with a very careful consideration, because what we ultimately want to do is make sure that we're making the right decision as a business, but making the right decision for all of those families who are looking for homes. You have to weigh up exactly where, as an organisation, investing money into a property is the right thing to do and where actually it becomes unviable. That's never an easy thing to do, and that can differ between different properties and different locations. It is something that we have to carefully consider.

Sometimes, as Paul was touching on, it is actually right where it might be geographically the wrong location for us as an organisation to remain there. But actually, there's still a housing need, there's still a social housing need that needs to be served. Actually transferring properties with the existing tenants in situ to other housing associations who have a stronger presence or are more focused on that area, that might be the right decision which keeps properties within the social housing sector, keeps those residents in their homes, but also is then the right decision for us as an organisation ourselves to enable us to focus on the areas where we are stronger and where our development programme is and where we can focus our services.

There's a number of things that fit into that from a strategic decision-making process. But ultimately, we've got to weigh up a number of different factors, and cost is certainly one of them that means that we have to ensure it works as a property within the organisation for us in the future.

Paula Palmer

Thanks, Charlie. John, we know the government's Social Housing Bill is due to look at social housing disposals, but how do organisations typically approach those decisions?

John Wickenden

They've got to make that sum, calculation, about how much money you're going to get in on long-term rental compared to how much the property is worth, and then how much you're going to have to put into the property to keep it decent, let's say. Sometimes it just doesn't add up. We did a project a few years back looking at decarbonisation of properties, energy efficiency, that kind of thing. By the time you've taken 30 years of rent, below market rent because it's social housing, and then you've looked at the management costs, the ongoing maintenance costs, there's a very small slither of money left over for things like energy efficiency.

If there's new regulations that come in within that time, it just isn't viable. The property doesn't pay for itself. Housing associations are ultimately businesses, and they have to make a surplus. You've got that. You've also got what Charlie was talking about, the strategic importance of where the stock is and the geography. I know some landlords I've heard in the past, certainly in the 1990s, had a scatter gun approach. "Oh, let's get that there. Let's get that scheme there. Oh, there's a whole load of stock available there." It was all about increasing the size of the portfolio without much consideration of how much it would cost to manage and maintain that stock going forward.

Then you've got to make that decision based with the idea about where you want to operate as a landlord, where you're best operating as a landlord, and then feed that back through the governance process and then make sure that, yes, this is where we want to be, this is not where we want to be, and take that forward as a strategic approach to maximise the effectiveness of the services that you provide as a landlord.

Paula Palmer

Thank you, John. Understandably, it's not a flippant decision, and what happens next is also important. Paul, can you talk us through what happens next when those decisions are made to dispose of a property?

Paul Malone

Yes, so obviously, disposals happen, and they'll continue to happen, but then that gives you an opportunity then to actually look to reinvest that money into building more suitable homes. There's lots of different ways of building now. Obviously, you've got the traditional bricks and mortar builds, but also modern methods of construction, which is MMC for short. There's lots of opportunities there. We've seen some companies come and some go and more are actually coming into the sector. I know locally from where I live, there's a housing provider who's actually just in the process of actually building some MMC homes with a local builder as well.

That's an opportunity because obviously, modern methods of construction means those homes can be built quicker. Obviously, it depends on the planning and all that other side of things as well and land acquisition. But that's an opportunity. But I myself also like to touch on the fact that obviously, yes, we've got empty homes available throughout the UK, but we've also got probably old office retail and commercial underused space. If there was an opportunity to actually repurpose that, and I'm not sure if it's there or thereabouts yet, but there's definitely an opportunity because we've got MMC for obviously new builds.

Surely there's a way of MMC to do some retrofit, to actually bring old commercial stock into use for social housing as well. I think that could be a quick win because obviously those buildings are already standing, but if there's an opportunity to actually repurpose them and use them for affordable homes, that'll be fantastic because not only have you got the eyesore of obviously empty offices or retail space, that will actually go away. But you're also building a new community around the infrastructure as well. It actually changes the way places actually operate.

I think me, I would actually look to the future and actually be a bit more creative in terms of how can we get these homes built? Not traditionally. Obviously, bricks and mortar is still a massive and will still be the largest way of doing it. But there's definitely opportunities there to actually repurpose an existing stock that's not traditionally residential and see what we can do with that in the future. Hopefully, that will actually drop those waiting lists significantly as well if something like that can happen in the future.

Paula Palmer

Lovely. Brilliant. We see lots of use of brownfield sites, don't we? Empty sites that are scrapped and started again, but actually perhaps seeing these buildings being repurposed. What do you think, Charlie? Is that something that we look at very often, or is it easier and more cost-effective to go straight from the ground up?

Charlie Bessant

I think it's probably seen as easier and more cost-effective to go straight from the ground up, but that doesn't mean to say that you should ignore the opportunities that are available. Certainly this is an area that sits within our development team rather than myself. But from what I can see, it's about making sure that from an opportunity perspective, we're maximising what is available when there is limited land available for building on. How are we making the best use of what we have, and is there some grant that might support us with bringing a property back into use in a certain way?

We then do have to think about the long-term viability of that building from an asset management perspective and make sure that it is the right decision for long term maintenance and for those residents who move in to that building. It's all part and parcel of any assessment that is undertaken for when those projects do present themselves.

Paula Palmer

Thank you, Charlie. Coming back to perception, because this is often where the debate becomes most visible. Charlie, can you explain to people why homes might be empty when there's such a high demand?

Charlie Bessant

We've touched on quite a lot of the detail behind this, but as a very quick run through of the key areas, it's fundamentally about making sure that those homes are the right homes for people to live in in the future, long term, not just a short term option, making sure that they are financially sustainable as a home into the future, that we can maintain them and provide the right service to the residents who move in.

Making sure then that actually if there is a decision that has to be made, and sometimes those decisions are very complex to assess whether it is right to retain a property or to use it in its current use, you're then making sure that the options have explored about what else is available to keep it within social housing, or how do we then utilise the funds that might come from a disposal to better serve the social housing community or the social housing build of new properties. That's really, really important that we assess those situations very carefully and make the right decision long term as well as what is the immediate need right now.

Paula Palmer

I guess that's not something that's easily explained in public sector as you're walking down the street. John, in our briefing call, you talked about the difference in the reality of empty homes and buildings to how it's often perceived. I think that's the point I was trying to get to. Would you share a bit about that now, please?

John Wickenden

Yes. Quite often when you're walking around an estate, especially if the stock is an LSVT, a stock transfer from decades ago, you'll see pepper potted right to buy ownership. You'll see a right to buy where the owner occupies it, right to buy where it's rented out, and then properties that are still owned by and managed by the original landlord. Then you've also got temporary accommodation that might not be owned by the landlord, but it's a different type of accommodation with different rules and a different status. It might be being kept empty because it's temporarily empty in between different people moving in, moving out.

I was walking around doing an estate walkabout with one of our customers up in Fleetwood in Lancashire last year, and we came across this complete dump of a property, and it was completely overgrown, windows were smashed, rubbish in the front garden. All the landlord could do was to just make sure that it didn't go onto neighbouring properties or onto the public highway because the person that lived there was in a care home, and they had bought the right to buy. They'd exercised the right to buy in a previous decade, and there was just no way that they could maintain that property.

But if you didn't know what you were looking at, I knew it was a right to buy property because I could see it didn't have the same external wall insulation as the owned properties by the Housing Association. It had aluminium window frames. It suggested it had been bought in the 1980s. But there's nothing the landlord could do. But the landlord might get the blame for that because it manages so many properties on that estate, and it just looks like it's empty, and it looks like they're not doing anything.

There's this complexity involved there that if you know what you're looking at, you can go, "Oh, yeah, well, that's a right to buy property. It's not owned by the Housing Association, there's nothing they can do." But if you were just Joe Public walking down the road, you think, "Oh, this is a Housing Association estate. That property is empty. Why is there no one living in it?"

Paula Palmer

Good point, John. Thank you. It's hard to identify the reality of those empty homes and be able to do anything about it. We are coming to the end of our time for this episode. Part of our conversation is about waiting lists growing. We have a government ambition to build 1.5 million new homes. But should the conversation be broader than just building more homes? Paul, what do you think?

Paul Malone

Yeah, absolutely. It's all about trying to fill those homes that are empty. I know John touched on it. He's absolutely right. It's not all empty homes are social homes. I think there's over 300,000 empty homes currently across the UK. Bringing them back into use will dramatically reduce that build run of 1.5 million homes during this parliament. Likewise, I've obviously touched on earlier around retrofitting of empty commercial space. That's office retail that's underused, and just having a bit more of a holistic overview in terms of supply.

It just taps back into the data, what's your current supply in terms of housing, your demographics in terms of the demand, in terms of people wanting to rent those homes from you, and maybe conversations from a wider industry perspective to see if there is a cross transfer to bring those homes back into use quicker. Obviously, reduce those lists because over 1 million people on social housing lists, it needs to dramatically reduce. I don't think just building new homes is actually going to help it. I think building alongside the other opportunities of bringing those homes back into use has got to be a good thing.

Paula Palmer

Thank you, Paul. What we've heard today is that voids aren't just about empty homes. They're about systems, processes, decisions, and long-term strategy. Our guests have offered some great insight into the challenges of those and some thoughts on how we might tackle them. Thank you very much. They've also challenged the perception of empty homes and why sometimes it's inevitable. I hope you've enjoyed listening and gained something from our conversation. It just leaves me to say a thank you to our guests, John, Paul, and Charlie. Thank you to listening to On the Air.