

REPORT TO: HOUSING COMMITTEE – 21 JANUARY 2002

REPORT ON: PROPERTY SHOP

REPORT BY: DIRECTOR OF HOUSING

REPORT NO.: 16-2002

1. PURPOSE OF REPORT

The purpose of this report is to provide Housing Committee with an up-to-date review of the operation of the Housing Department's Property Shop.

2. RECOMMENDATIONS

Housing Committee are asked to:

- 2.1. Agree the continued operation of the Property Shop as part of the housing service at its current location, or if financially prohibitive a similar city centre site, subject to the comprehensive review of the lettings process which is currently underway.
- 2.2. Remit the relevant officers to start negotiations with the management of the Wellgate Centre with regard to extending the lease.

3. FINANCIAL IMPLICATIONS

- 3.1. The income generated by the Property Shop more than covers the expenditure incurred. (See Section 8).

4. LOCAL AGENDA 21 IMPLICATIONS

- 4.1. This report has implications relevant to the following Local Agenda 21 themes:
 - Access to good food, water, shelter and fuel at a reasonable cost.
 - Access to facilities, services goods and people is not achieved at the expense of the environment and are accessible to all.

5. EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1. This report will ensure equality of access to housing on the basis of housing need.

6. BACKGROUND

The Property Shop was opened in April 1999 with the following aims and objectives:

Aims

- To introduce an innovative approach to the letting of Council houses in the City.
- To be responsive to market demand.

- To ensure that our services and products are tailored to customer requirements to complement and enhance the department's current letting activity.

Objectives

- To reduce the number of empty houses in the City.
- To aggressively market "difficult to let" vacancies.
- To actively canvas waiting list applicants unlikely to be housed in the near future.
- To promote Council housing in the City.
- To stimulate "new business" and attract new customers.
- To maximise rental income.
- To provide customers with easy access to vacancies via:
 - a city centre location, open Monday – Saturday.
 - a comprehensive one-stop lettings service.
 - immediate accompanied viewings.
 - instant allocations from available, continually updated stock of vacancies.
 - responsive signing arrangements.

In its first year of operation the shop more than met its target of 156 lets, making 557 offers and letting 278 houses; **A ratio of two offers per let.**

The controlling factor over the number of offers and lets the Property Shop was (and still is) able to achieve relates to the continued supply of properties not lack of demand from customers.

During 1999/2000 the Shop produced 1,636 applications and during 2000/2001 it produced 1,561 applications.

Housing Committee on 16 April 2001 was asked to note "the reduction in presentations to the City Council from people who are homeless or threatened with homelessness. The reduction is due to improved letting initiatives both at Area Housing Offices and in particular through the Property Shop".

7. PERFORMANCE REVIEW FOR FINANCIAL YEAR 2000-2001

a. Number of Lets (Total lets include Transfers and Redevelopment)

This table shows that the Property Shop accounted for 24% of lets to Waiting List customers, but only made 18% of the offers.

The Shop accounted for 16% of all lets last financial year letting 389 houses, during the same period the shop was given 402 properties by the Area Letting Teams.

Number of Lets (Waiting List and Total)

	Waiting List				Total			
	Offers		Let		Offers		Let	
Property Shop	867	18%	389	24%	867	13%	389	16%
Total	4734	100%	1625	100%	6666	100%	2458	100%

b. **Property Shop Applicants Housed by Area Office Lettings Team**

363 houses were let by Area Letting Teams to Property Shop applicants.
29.4% of the Waiting List lets, 17.6% of all lets.

As customers see the Property Shop as a means of easy access to our Waiting List demand normally outstrips supply. By carefully selecting the houses for referral Area Offices have successfully generated interest in similar houses, using the Property Shop as a means of advertising available houses.

8. **FINANCIAL REVIEW**

a. **Expenditure**

The year-end Balance Sheet for the Property Shop gives the following information showing expenditure incurred of £128,077.16.

b. **Potential Income Generated by the Property Shop**

These figures do not include rental income from lets in 1999–2000 during year 2000–2001.

During financial year 2000-2001 Property Shop lets generated a potential rental income	£315,000
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Lets by Area Lettings Teams to Property Shop customers generated a potential rental income	£300,000
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Total = £615,000

During financial year 1999-2000 Property Shop lets generated a potential rental income	£244,700
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Lets by Area Lettings Teams to Property Shop customers generated a potential rental income	£155,300
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Total = £400,000

Comparison of figures in 8.1 and 8.2 show that the Property Shop has more than paid its way even excluding potential income from lets in 1999/2000 still providing rental income.

c. **Length of Time Houses are at the Property Shop**

Houses referred to the Property Shop are normally either readily available or difficult to let likely to accrue high void loss. Once referred to the Property Shop these houses are, on average, let within a week. Actual time to let obviously varies with some properties being let the day they are referred and some taking longer.

9. **CONCLUSION**

It can be seen from the contents of this report that the Property Shop has proved to be a successful initiative, exceeding expectations, performing at least as well as the “traditional” letting method and is financially viable. Consideration must be given to extending the role of the property shop or its methods in the future. The experience and working practice improvements gained by the operation of the Property Shop will be included in the review of the Lettings Service currently underway.

However, this report does not discount the unique challenges faced by existing letting, vetting and applications teams with regard to conflicting priorities and the restrictions of the current system.

The emphasis of the letting process must be on creating sustainable tenancies not on numbers of allocations made, no matter how quickly.

10. **CONSULTATION**

Chief Officers and DFTA have been consulted regarding the content of this report.

ELAINE ZWIRLEIN
DIRECTOR OF HOUSING

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