



The BIFM Good Practice Guide to...

VACANT PROPERTY MANAGEMENT

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The BIFM Good Practice Guide to Vacant Property Management

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Welcome to the Good Practice Guide to... Vacant Property Management

Contents

- | | |
|----|---|
| 1 | Introduction |
| 2 | Why buildings can become vacant |
| 4 | The risks of vacant buildings |
| 8 | Managing a building's closure |
| 14 | The principles of managing an empty building |
| 18 | Getting a building ready for reoccupation or demolition |

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The Good Practice Guide to Vacant Property Management aims to provide useful information and guidance to facilities professionals who have empty buildings to manage as part of their property portfolio. It explores the reasons why an increasing number of commercial buildings are becoming empty, highlights some of the key problems facing vacant properties, and explains how facilities managers can close buildings and manage empty properties on a long-term basis keeping them safe, secure, in line with their insurer's expectations and ready for reoccupation, sale or demolition.

The target audience for this guide is organisations that own

or are involved in managing vacant properties, including facilities managers and external contractors delivering vacant property management services.

This guide addresses the key considerations for good practice around all types of vacant properties including shops, offices, commercial and industrial buildings together with private and social housing properties.

Each of the five sections includes practical advice, together with case studies where appropriate. The guide also incorporates information garnered from the SitexOrbis survey of empty buildings, conducted in autumn 2011, in association with the British Institute of Facilities Management.

Why buildings can become vacant

Vacant buildings can be a headache for property owners and managers because of the significant risks associated with them. According to a survey carried out by SitexOrbis in association with the BIFM in autumn 2011, 74 per cent of respondents described vacant property management as a hassle (ranking more than five on a scale of 10) while 39 per cent of that number said it was a big hassle (ranking more than seven out of 10). Empty properties not only mean the loss of significant rental income, but the threat of squatters, vandals, arson, graffiti and fly-tipping. In addition a high number of vacant properties, commercial or residential in one area brings security concerns for neighbouring occupants and can eventually lead to the area's decline.

The number of vacant shops, offices, commercial and industrial buildings, and private and social housing properties is on the increase, the problem worsened by the economic downturn. According to the SitexOrbis/BIFM survey, 57 per cent of respondents found that over the past two years, the amount of vacant properties in their portfolio or organisation has increased, while 35 per cent believe it will increase over

the next two years. In February 2012, research firm Local Data Company estimated that 14.3 per cent of shops are vacant and this would rise in 2012 because of weak consumer confidence, rising unemployment and growing online sales. Meanwhile the Empty Homes Agency estimates that there are 930,000 empty homes across the UK, 350,000 of which are long-term empty. And according to the Campaign for Real Ale (Camra), 16 pubs close across Britain every week.

In the commercial sector, a rise in empty buildings is the result of businesses going into liquidation, reducing their space usage by introducing more flexible and agile working practices such as hot-desking, and rationalising their workforces and therefore also their property portfolios.

In the housing sector, private housing repossessions are at record levels, and changes to social housing policies may mean the number of empty council houses increases. A recent Freedom of Information (FOI) request by the BBC revealed that 6,249 council homes in London are unoccupied. A third of these are in need of repairs while more than 2,300 have been without tenants for more than a year. With 360,000 households on

the waiting list for new homes, and empty property resulting in reduced rental income, it is a major issue for local authorities. Camden Council, which has around 500 empty properties, acknowledged to the BBC that it is a pressing problem.

Meanwhile public sector spending cuts are forcing public sector bodies to make immediate savings by vacating the buildings they occupy and altering the way they deliver services – and the office and leisure space they therefore require. Suffolk County Council has outsourced almost all its service delivery to third parties, while Westminster, Hammersmith and Fulham, and Kensington and Chelsea councils have merged their service delivery meaning they will require less space. That combined with the threats of library and leisure centre closures could result in further vacant property for councils to manage.

In most commercial organisations it is the facilities manager who is responsible for managing empty buildings but because of their other, seemingly, more pressing problems, vacant buildings can get sidelined.

It is important to see vacancy as just a natural part of a property life cycle and to identify the key issues from the asset's perspective

that may affect its value. There are four types of unoccupied buildings:

- Temporary unoccupied buildings
- Buildings undergoing renovation and/or re-development
- Long-term unoccupied buildings

- Derelict buildings/buildings awaiting demolition
- Any vacant property management strategy must be designed to suit each specific property.

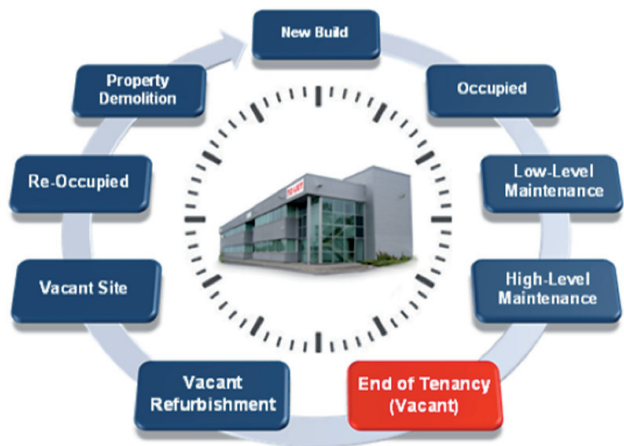


Figure 1: The building lifecycle

The risk of vacant buildings

All manner of problems can affect vacant properties, no matter the property category. According to the SitexOrbis/BIFM survey the main concerns for facilities professionals are security (24 per cent cited this is the key issue), loss of income (18 per cent) and keeping properties in a ready-to-let condition (17 per cent). Complying with insurance is also a key concern.

Empty houses or flats are often a target for squatters, vandals, graffiti artists, thieves and other criminals. According to insurance company Aviva, £2 billion of damage is done to property in the UK through vandalism and arson, with 25 per cent of this relating to empty properties.

There are other costs. Not only do landlords with empty properties lose out on rental income, they may pay increased insurance premiums (unless strict stipulations are adhered to). They may also have to pay substantial repair bills if the property is broken into and vandalised. What's more, the value of a neighbourhood may be lowered if there are an increasingly large number of vacant properties. Hometrack, the housing and mortgage market analyst, estimated that a house put up for sale next door to an empty

property would fetch 18 per cent less than would otherwise be expected.

Empty shops, offices and other commercial buildings can also be a target for squatters and criminals. Due to their often central location, they are also more exposed to fly posting and an accumulation of junk mail, which poses a fire risk.

Empty industrial buildings are also at risk. Usually located on secluded factory estates, they are more exposed to arson, vandalism, theft of fixtures and fittings, and they can be used for illegal raves. They can also be vulnerable to fly tipping and can be illegally occupied by squatters as well as itinerant travellers seeking shelter from bad weather. Other problems are more rare but no less devastating. Heavy, and unexpected snowfall on a roof, for example, would be noticed and quickly cleared in an occupied building, but in an empty property it could result in the roof caving in and substantial interior damage.

Squatting

Squatting is a major issue affecting vacant property. A squatter is an occupier of a property who has no ownership documents, no lease or tenancy agreement, no record of having

paid rent to a landlord, and no other evidence of occupancy rights. The Advisory Service for Squatters estimates there are now 22,000 squatters in England and Wales compared to 9,500 in 1995, with increases in squatting in both commercial and residential property including social housing.

Even mansions in London's exclusive Mayfair are at risk. In 2008, a group of squatter artists calling themselves the Da! Collective invaded a £6.25 million Mayfair mansion owned by the billionaire Duke of Westminster. They entered posing as builders in high visibility jackets, changed the locks and reconnected the electricity. After a few months they were evicted – only to move into a new £22.5 million property, around the corner.

More recently last year, squatters invaded several high-profile properties including film director Guy Ritchie's Grade 1 listed property in Fitzrovia and the late Colonel Gaddafi's son Saif's multi-million pound Hampstead residence. Squatting is a bigger problem in the south-east than other areas of the country because of the higher cost of living, even though there are more empty properties in other parts of the country.

Case Study

Film director and ex husband of Madonna, Guy Ritchie, renovated his £6 million Grade I listed mansion in London's West End in February 2011. Renovation work finished on the Friday and on the Saturday the squatters moved in. The police were called but since squatting is a civil and not a criminal matter they were powerless. The squatters, well aware of their rights, put up a notice stating that if the owner attempted to re-enter his property using violence or threatening violence they would prosecute. The owner would also be liable to a prison sentence of up to six months and/ or a fine of £5,000. After one month (usually three) the squatters were eventually evicted through the courts.

Insurance group Aviva has seen claims as a result of squatters double in recent years – in some cases claims for more than £1 million have been made, which includes not just the cost of removing the squatters but also the cost of repairing damage to the property from, for example, fire, caused either on purpose or by badly rewiring the electrics, or water damage pipes removed for their scrap metal value.

There are other consequences for property owners. In the months it can take to evict squatters, the owner is unable to let the property and so loses out on income from rent. The sale of properties has also in some instances fallen through as a result of squatters moving in to a property. In other instances, insurance companies have been unwilling to pay the full amount for damage to the property caused by squatters. There is also the severe reputational damage to a businesses that are the victim of squatters, as it is a high-profile media issue.

Changes to the law

On 27 October 2011, the Justice Secretary Kenneth Clarke announced tough measures to better protect residential property owners and managers from squatters. The proposals in the Legal Aid, Sentencing and Punishment of Offenders Bill follow the government's consultation in squatting, announced in March and concluded in July 2011. Under the proposal, squatting in residential buildings will be made a criminal offence. Currently it is a civil offence because trespassing is not a crime in English and Welsh law. (In Scotland, squatting is a level 1 criminal offence punishable by a fine not exceeding £200 and a penalty for non-payment of 21 days in prison. The owner or lawful occupier of the property has the right to evict squatters without notice or without applying to the court for an eviction order, although they cannot break the law, for example, use violence when evicting.)

A number of government departments have fallen foul of squatters, including the Ministry of Justice, one of whose buildings was occupied by squatters twice in one year, with interim possession orders being

sought to remove the squatters each time.

'Squatters' rights' are legitimised by the Criminal Law Act 1977, which was passed to prevent crooked landlords from evicting legitimate tenants. But squatters have also used it to oppose entry on the part of the property owner. Section 6 makes it a criminal offence for anyone including the property owner to use violence or intimidation to access a property if there is a person on the premises who opposes such an entry. The Criminal Justice and Public Order Act 1994 says that section 6 does not apply to a "displaced residential occupier" or a "protected intending occupier". But it does apply to owners of commercial, industrial or other non-residential properties.

The new law will come into force in May 2012 but will not protect commercial buildings, which may result in them being increasingly targeted by squatters as it is not, and will not, be illegal to squat in a vacant non-residential property. This puts commercial property owners at risk of very substantial repair bills. Cleaning a small commercial property, such as a pub, after it has been squatted can cost around £1,500. For larger properties

or where there has been considerable damage, repair bills might be in the region of £5,000, without taking into account legal fees. With an estimated 100,000 incidents of squatting in the UK, the clean-up bill per year for commercial property owners and managers could be £650 million without including the cost of any repair work.

Metal theft

Property managers have seen a dramatic increase in theft of copper and lead from properties over the past year, thanks to a 30 per cent increase in its scrap value. British Transport recently said that they have seen a 70 per cent increase in theft from railway lines. Churches have also seen a dramatic increase. In 2003, there were just 10 claims; since 2007 there have been 7,500 claims at an estimated cost of £23 million.

In late 2011, the government set up a Metal Theft Taskforce to tackle the problem, which costs the UK economy about £700 million a year. In January 2012 it announced that it will amend the Legal Aid, Sentencing and Punishment of Offenders Bill to create a new criminal offence to prohibit cash payments to purchase scrap metal; and significantly increase

the fines for all offences under the existing Scrap Metal Dealers Act 1964 that regulates the scrap metal recycling industry.

Metal thefts not only cause costly damage to property, but they have resulted in life-threatening situations. In March 2011, an explosion in an empty flat in a three-storey Liverpool Housing Trust property in Runcorn was blamed on copper piping being stolen. More recently a school in Larkhall, Strathclyde was forced to close when thieves took copper water pipes from the basement. Vacant property is seen by thieves as being an easy target for metal theft – a man was recently arrested for targeting a series of unoccupied buildings in Chipping Norton when stolen copper piping was found in his van.

The substantial cost to replace the stolen metal is only half of the story. Lost lead from a building's roof can cause severe leaks resulting in the cost of replastering and redecorating; property contents can also be damaged; and stolen copper piping causes problems with heating systems and water supply. One large commercial building received £2.5 million of damage to steal just £80,000 of metal. Metal thieves have been

known to tear down suspended ceilings; damage or smash demountable partitions; lift and damage raised access floor panels; smash glazing; break sanitary ware; cut out copper pipework from air conditioning plant and main risers; cut out mains power and distribution cables; strip out IT data cabling beneath the raised access floors; and damage doors, kitchenettes, telecoms equipment and lifts.

Appendix 1 of this guide suggests measures that property owners and managers can take to prevent metal theft.

Despite the damage caused by metal thieves, a landlord's statutory obligations to maintain a safe property remain, even when a property is vacant – empty buildings are covered under the Defective Premises Act and Occupiers Liability Act – and failure can prove costly. One trespasser injured in a vacant commercial property received £567,000 in compensation. Someone falling off a roof while attempting to steal lead or someone injured when trying to remove stolen pipes could end up suing the organisation it was stealing from. The SiteXOrbis/BIFM poll revealed that a third of

respondents were not aware of their health and safety obligations for empty buildings.

Empty buildings are also vulnerable to break-ins, vandalism, fly-tipping, arson and graffiti. The figures for the 12 months to June 2011 (the latest available) showed a 10 per cent rise in burglary and a 13 per cent rise in “other household thefts” such as those

from vacant property. So the picture may well worsen in coming months, especially with the numbers of police officers on the streets being cut. Meanwhile in 2011, £1.2 billion was paid out to domestic and commercial residents as a result of claims for fire damage, according to figures from the Association of British Insurers.

A metal thief's wish list:

Outside a property (the building's structure) Roofing Guttering Lightning conductors Air-conditioning or process cooling units Drains and manhole covers Signs Gates	Materials and equipment stolen Lead and copper sheet Lead hoppers and downpipes, especially from older buildings Copper downpipes Copper Copper cooling coils and radiators Cast iron and steel Aluminium Wrought iron
Inside a property Pipework Heating boilers Water cylinders Radiators Cable Plant Sub-station components	Materials and equipment stolen Copper water and heating system pipes Cast iron casings and brass fittings Copper Steel Copper Generators and air compressors Copper bus bars and cable

Managing a building's closure

Keeping empty buildings secure and preventing intruders is cheaper and easier than dealing with problems after they occur, and an essential aspect of this is to properly manage the closure of the recently-vacated property, even when the building will only be empty for a short time. The following steps should be taken:

Conduct a risk assessment and take precautions

Carry out a comprehensive risk assessment looking at how squatters or intruders might access the property. Consider that different parts of buildings will be exposed to different risks and that a property in a poorly-lit area will be at more risk than one in a well-lit area. Also consider other potential sources of damage. Check for risks from fire and water damage, such as through freezing pipes as the seasons change. Turn off the water supply at the main

stop valve, as this can stop serious damage to the property if criminals break in and steal copper piping. Water could be gushing for days before anyone revisits the property and finds out about it. Prevent fire damage by turning off the electricity and gas. This will also prevent intruders injuring themselves if they tamper with the electrics in an attempt to rig up heating for the property.

Also check protective installations such as fire detection and alarm systems. According to insurers Aviva, many insurers every year report significant fire and theft losses from empty properties (although detailed records of all fires in unoccupied buildings within the UK are not available). As well as insured loss, there is the cost to society from the attendance of the emergency services and the environmental impact of fire, water run-off and contamination.

Remove items of value

Items of value should be removed even if the building will only be empty for a short time. If the chances are the building will remain empty for an extended period then you should remove all waste and any fixtures that are combustible, such as furniture and floor coverings.

Inform your insurer

If you know one of your properties is to become vacant, tell your insurance firm so that you are covered in the event of an intrusion. The SitexOrbis/ BIFM survey revealed that 12 per cent of respondents didn't know they had to tell their insurance company when a property became vacant. If you don't, this puts you in breach of your "change of occupancy clause". Regular inspections with a full audit trail are often necessary to remain compliant with insurance requirements and health and safety regulations.

Property insurers continue to have a poor experience with empty buildings and tend to apply higher rates, reduced cover (for example for perils and/or basis of settlement), higher excesses, and at least an annual review (sometimes three monthly).

Property owners must also be aware of the consequences

There is the cost to society from the attendance of the emergency services and the environmental impact of fire, water run-off and contamination

of a tenant on a long-term lease moving out of their building but not informing them. The tenant will be in breach of their lease condition, but in the eyes of the insurance company it is the landlord who is liable. Landlords should maintain strong lines of communication with tenants to remind them to tell them if they are planning to move out. Good communication with tenants, including asking why they are leaving a property could throw up other issues for the estates team that need to be addressed.

Inform the fire service

Before the shutdown of a large commercial building, the building owners should inform the fire safety department at the local fire brigade headquarters about issues around accessing the building including security measures and keyholders in case of a fire or an arson attempt. You should also inform them about the location of fire water supplies and whether these and sprinklers have been disconnected. Informing them about unusual or unexpected hazards in the building will likely prevent serious injury to firefighters while they are attempting to access the building or are inside it. Hazards are more likely to emerge in buildings that have been lying

Case Study

A former carpet retailer's showroom in Edgware had been empty for some time. On a vast public site, which included connected offices which remained occupied and an adjoining car park, access could only be moderately controlled. As a result the site suffered from vandalism, break-ins, gangs loitering in the grounds, fly tipping and there was also old excavation work in the grounds which has been left unresolved and presented a health and safety risk. Drug users had broken in to the building leaving drugs paraphernalia, and an internal survey revealed a leaking turn-handle gas valve. The site was a ticking time bomb.

The property owner's insurer called in experts who immediately ensured the gas supply was isolated at the road to avoid any future issues, removed 60 tonnes of rubbish and made the grounds safe. To keep antisocial problems from reoccurring, 24-hour security, dummy cameras and alarms were provided. As a result the site was transformed into a completely different place with tight control, satisfied insurers and neighbours.

empty for a long time, including craters in flooring, weakened flooring and staircases, live gas services and small hazards such as broken glass, nails, and rough metal surfaces.

Secure the premises

Make sure you are complying with your insurer's requirements and that your premises are adequately protected. You do not have to make your property impenetrable, but you do have to have strong enough measures in place to persuade the squatter, thief or vandal to go for an easier option. Security must also be flexible – heightened security when a property becomes vacant or after an incident may be enough to put off further incidences. You may need to liaise with the local planning authority to ensure that any proposed external security alterations do not create planning problems.

Each property is different, and will need a mix of security measures depending on its location and building type. The SitexOrbis/BIFM survey revealed that the most popular security solutions for empty properties are: mains-fed alarms (27 per cent); CCTV (18 per cent); manned guarding (15 per cent); and security screens/boarding (11 per cent). Some

properties may only require minimal measures. In a council house it may be enough to put up net curtains to create the appearance of occupancy. Other properties require stronger measures including perimeter protection, physical security such as metal screens on doors and windows, lighting, electronic security systems, manned guards, dog patrols and CCTV.

1 Perimeter protection

Access can be restricted to the building for pedestrians and cars by installing fencing and perimeter security posts. Some temporary structures such as walls, hoarding or scaffolding may require planning permission.

2 Physical security

This includes doors, windows and boarding. External doors, doors leading to other buildings, and windows should be securely locked and bolted, in good condition, and frames should be securely attached to the surrounding structure. Windows are easily smashed, which gives intruders easy entry to the building, so boarding, shutters, bars/grilles or tailor-made security screens can be used. This might not be appropriate in all instances especially for premises in shopping centres

and districts where maintaining an appearance of the location is important. There are other more novel ways around this problem. Birmingham City Council has asked art students from Matthew Boulton College to come up with eye-catching artwork to decorate empty premises in city council-owned shopping parades. Meanwhile in other high streets, local adverts are projected onto screens securing empty retail units.

But for industrial buildings, isolated buildings and even buildings that are to lie unoccupied for a long time, boarding up is vital. Boarding can be anything from timber boarding (at least 18mm thick) to steel grilles, and should be properly secured to the building. Wooden boarding is far less effective than firmly-fixed metal security screens (to board up doors and windows) and can be a fire hazard. In the riots that swept London and other English cities in August 2011, for example, wooden screens went up in flames, leaving empty properties vulnerable. Use anti-climb paint where practical.

3 Electronic security systems

A security alarm system or a remotely monitored closed circuit television (CCTV) system may be installed to protect the empty

building. Many properties have standard intruder alarms, fitted by companies approved by the National Security Inspectorate (NSI) or the Security Systems and Alarms Inspection Board (SSAIB). Some of these alarm systems are monitored by a NSI/SSAIB-certificated alarm receiving centre, with capability to alert the police when the alarm is activated.

A recent breakthrough in alarm technology is videoified alarm systems. These are rapidly deployable and cost-effective visual verification alarm systems that can be used anywhere. As soon as movement is detected, the alarm is triggered and the system automatically captures a 10-second recording of the scene. A key benefit is that video identification dramatically cuts down on false alarms. When sensors are tripped, images are sent straight to a 24/7 response centre, manned by trained operators who can determine whether the alarm has been triggered by perpetrators. They then call the police to the scene immediately.

You may also wish to provide both commercial and residential neighbours with contact details if possible and ask them to inform the police if they witness any unusual activity.

Case Study

One early evening in late August a burglar alarm inside an empty property in St Helens, Merseyside started ringing. A videoified alarm had been installed for Merseyside housing association Helena Partnerships in the three-bedroom property just a few weeks earlier. It had been activated by three local men breaking in through the window. The alarm in turn had activated a covert camera in the house, which transmitted a series of video images to a BS 5979 category II-accredited Alarm Receiving Centre (ARC). A trained operator, now watching the men on camera, immediately alerted the police, who arrived on the scene within minutes in time to arrest the men emerging from the premises. The police have since examined the house with a view to charging the men.

A videoified security system solution is often cheaper than routine visits by a security company, but it is also particularly effective against squatters – and significantly cheaper than the legal fees of removing them. The police in England and Wales will only get involved if a crime, such as a break-in, is taking place. They will consider squatting to be a civil matter which is not in their jurisdiction. Squatters know this, and will often send one person to carry out the break-in who then leaves before the squatter group turns up. The squatters then enter the property legally and exercise their rights. But if the police are notified by an alarm receiving centre the minute a person enters the building, they can arrive on the scene immediately, before the squatter group has time to do so.

4 Manned guarding services

In some cases, manned guarding might be appropriate, but always make sure that contracted guards hold Security Industry Authority (SIA) licenses. Permanent guards are sometimes required for large commercial or industrial buildings that are likely to be sold or reoccupied. Patrol routes should be established and control measures should be implemented to ensure that guards are actually carrying out their patrols. Mobile patrol services, where a security guard visits the property at random for a set number of times in the day, are another good deterrent.

5 Lighting

Since a property in a poorly-lit area is more at risk than one in a well-lit area, illuminating the exterior of a building is an excellent technique to deter intruders. Concentrate lighting in areas such as external doorways and windows, where intruders might attempt to gain entry, as well as in the building's grounds. Lights may be connected to sensors or timing devices, and should be installed as high as possible to protect them from physical attack. Lighting the interior of the building is not advisable and may contravene the insurer's policy conditions,

Lights may be connected to sensors or timing devices, and should be installed as high as possible to protect them from physical attack

which typically requires all electricity supplies to be turned off to reduce the risk of fire (electricity is the second largest cause of fire in commercial and industrial premises in the UK). The insurer would need to agree that the electricity supply to the internal lighting can remain connected if, based on the risk assessment, internal lighting is considered to be essential for the protection of the building.

6 Alert the neighbours

Especially where a building is overlooked by occupied properties or homes, engage the support of the neighbours to

help protect the property. It costs nothing to do this and to educate them about the increased risk of, for example, metal theft since the property is now empty. You could also tell the neighbours that you are not currently expecting contractors or tell them when you are, and advise them to alert you or the police if they see anyone around the property acting suspiciously.

Given that there are so many steps involved in securing some empty properties, some property owners prefer to use professional vacant property management firms to manage the building's closure professionally.



Managing an empty building

Once the building has been mothballed, it will need to be managed in its closed state as part of the wider property portfolio. There are several practical ways of maintaining empty buildings.

Keeping up appearances

Do not advertise the fact that the property is vacant. If the property has a glass front door, then a large pile of post behind the door is a clear sign that nobody has been in and checked the property for a while. Other signs of a vacant property include a clear view into an empty space, unkempt external areas including graffiti, fly-tipping and even long grass and untidy planting, together with broken windows all show potential squatters that the property is unoccupied. Keep the building and its surrounding clean and tidy, and if waste is dumped or graffiti artists target the area, clean up the damage

quickly to prevent the problem escalating.

Regular inspections

Carrying out regular inspections of your empty buildings is essential to prevent petty instances of graffiti, arson and other damage escalating. Arsonists usually begin by starting small fires that cause little damage. But if the building is not inspected often and maintained then the size and occurrence of the arson attempts will escalate. The building may eventually be burned down. Combustible materials inside the building such as a build up of junk mail will only add fuel to the fire. It is therefore important to clear empty buildings of these combustible materials wherever practical, and to prevent an accumulation of waste paper/post etc that may be delivered or maliciously dumped. Sealing up the letterbox ensures that a

pile of post does not become fuel for an arsonist. Ensure that mail is either held by the Post Office or forwarded to another address.

Security management

Security implemented in vacant properties should vary by location and building type. Although no official regional figures for squatting exist, it is known that London, because of its size and high cost of living, stands out as a high-risk area. In recent years, there has been a surge in numbers occupying mansions in areas such as Chelsea, Belgravia and Mayfair. Many of these properties are unoccupied for much of the year because their owners spend much of their time outside the UK. But squatting is also a considerable problem in other cities such as Bristol and Brighton and in the south-east where rents are high.

Other high-risk areas include those where vandalism and miscreant activity are high, such as on inner city council estates. Vacant property management experts know the inherent risks of an area from experience and so can recommend appropriate security measures. For example, a vacant commercial property in a low-risk area may require only being protected with

Carrying out regular inspections of your empty buildings is essential to prevent petty instances of graffiti, arson and other damage from escalating

security screens and a standard alarm. At most it might require a day-time patrol. A medium-risk property may require being boarded up with security screens, a standard alarm and an overnight patrol. A high-risk property may require boarding up, a videoed alarm solution and a 24/7 patrol.

Managing your security firm

Ensure the security guards you use to protect your buildings are regulated by the Security Industry Authority. Using unlicensed guards could put you at greater risk of a security breach. And if the police are called to your property, they are likely to respond better to a reputable security operator. The same is also true of using a reputable managing agent as this should keep the cost of your premiums down.

You must also ensure that the security guard or managing agent looks after your building in the way you have employed them to do, or your insurer may be unwilling to pay damages caused by their negligence. Keep evidence of all checks done. If the job of the security guard is to walk around the property every hour, ensure they are actually doing this by, for example, adding barcode checkpoints around

the building that the guard needs to scan. This provides evidence for your insurer that the proper checks have been carried out. Managing agents can take photos and use other technology that provides a date and time stamp.

Managing squatters

If the worst happens, and squatters get into one of your properties, take legal advice straight away. Until the law changes later in 2012, squatting remains a civil issue with the most common recourse option being a possession order. The police can also arrest squatters if an offence has been committed such as drilled into walls (criminal damage) or removing the fixtures and fittings (theft). If the squatters create excessive noise or fly-tip, the local authority may be able to take enforcement action under the Environmental Protection Act 1990.

Sometimes local authorities can issue an order banning trespassers from assembling on land that is of historical, architectural, archaeological or scientific importance, and the police make an arrest if this is flouted. A property owner can also seek an interim possession order from the courts within a few days. It requires a squatter

to vacate premises within 24 hours of receiving the order. If they do not they are committing a criminal offence and may be arrested. The offence is punishable by up to six months imprisonment. It is also an offence for them to return to the property without the permission of rightful occupier for a period of up to 12 months from the date of service of the order. In 2011, 360 applications for interim possession orders were made in the civil courts.

However, an interim possession order does not

DOs and DON'Ts

► Case study

Dollis Hill House, a Grade II listed Regency mansion in Gladstone Park, London once housed guests including the 19th century Prime Minister William Gladstone and American author Mark Twain. It was conveyed to the council in 1900 for use by the public but in the 1990s fell into decline and was closed in 1994. Since then it has sat empty and after four arson attacks had lost its roof, most of the internal features of the first floor, and the staircase. The council had no alternative but to apply for demolition and in April 2011 this was approved. The demolition took place in early 2012.

give the property owner final possession of the property.

The owner must make an application for possession when applying for an interim possession order. Advice on applying for an interim possession order can be viewed on the HM Courts and Tribunals Service website at www.hmcourts-service.gov.uk

Evicting squatters is not easy in England and Wales, and may involve a protracted county court process, may proceed as follows:

- Your solicitor will ask you to provide evidence that you own the building such as Land Registry documents and title deeds
- You can then apply to the county court to start the eviction process. The court has 28 days to reply
- The court then sets a hearing, which may be around three months away depending on the area
- Even if you win the squatters may get a stay of execution, which allows them to stay for another two weeks or thereabouts, taking up to 12 weeks in total.

It is often better to bring the case to the High Court, which although is more expensive will get rid of the squatters quicker.

Once the order is granted, High Court Enforcement Officers (HCEO), private companies, can remove squatters using reasonable force and take possession the same day. But the fact remains that preventing squatters accessing your property is easier and far cheaper than dealing with the consequences. This is why effective management of your vacant property as recommended in chapter three is key.

Temporary use of empty buildings

Owners usually prefer to sell or re-let their empty buildings as soon as possible to avoid the value of the building depreciating or avoid losing rental income. Some may attempt to let their property in the short-term at a reduced rate to a seasonal shop or to a charity for fundraising, as a way of covering council taxes. This is also an effective way of preventing the risks that befall empty properties.

But there are risks around short-term letting. If the building is to be used for a different purpose you may need approval from the council. Plus, the temporary tenant is less likely to be concerned about the upkeep and security of the building;

they may introduce unsafe practices such as blocking the fire exit; use portable heaters or add casual electrical extension cords that pose a fire hazard. Temporary tenants even look to use the building for illegal activities including terrorist activities. Or they may be able to break into the building at a later date given their acquired knowledge of the building.

The best bet is to do a thorough background check of any potential short-term tenants. Also draft a conditions-of-use document that the tenant agrees to adhere to, especially when the tenant plans to use the building for activities that could cause damage to the building. It's also important to notify your insurers before you tenants move in that the building is to be used temporarily. You may also wish to notify the fire service at your local fire brigade headquarters.

It is also important to pay routine visits to your temporary occupants to check that they are adhering to your tenancy agreement and not engaging in unsafe activities. Landlords are also advised to inspect the building at the end of the period of temporary occupation and carry out a building shut down procedure as recommended in chapter three.

Empty property tax rates

Landlords have another incentive to quickly find tenants for their empty properties: the prospect of a sizeable business tax bill. From 1 April 2011, only empty business or non-domestic properties with a rateable value of £2,600 or less are exempt from paying business tax rates.

The threshold was temporarily increased by the government in 2009 to £15,000 and in 2010 to £18,000 in response to the economic downturn, but was reinstated in 2011.

Rateable value means the value the property could be rented for on the open market on the valuation date, and is assigned to the premises by HM Revenue and Customs. For offices and retail property, an owner is liable to pay the full business rate after an initial three month exemption period. A six month exemption period applies to industrial and warehouse premises, after which the full business rate applies. For a commercial property landlord with a number of empty properties, the amount owed could really mount up.

Managing empty listing buildings

Owners of listed buildings that are either empty or occupied are

Landlords have another incentive to quickly find tenants for their empty properties: the prospect of a sizeable business tax bill

currently exempt from paying business rates. This recognises the difficulty of finding a tenant for a listed building given the more onerous repair and maintenance obligations and the restrictions around making changes to the building such as the requirement to get Listed Building Consent from the local council. To qualify for this exemption, the building must be the subject of a building preservation order under Section 58 of the Town and Country Planning Act 1971, or be registered as a listed building under Section 54. (A full list of all the occupied property exemptions are contained in Schedule 5 of the Local Government Finance Act 1988, and include agricultural buildings, places of religious worship and properties in enterprise zones.)

If a listed building is to be empty for even a short time

then security measures should be taken to protect the property. But these should not in any way damage the fabric of the building, and should ideally be done in consultation with the local planning authority.

Take care when attaching screens over the windows and ensure that screens do not interfere with ventilation or worsen existing damp or mould conditions. Roofs, gutters and drains should also be checked regularly to ensure that the property is wind and waterproof. Doing a thorough risk assessment is vital and employing a vacant property management expert is advisable. If in doubt consult the local planning authority. The penalty for ignoring the Planning Act 1990 by doing work is up to 12 months in prison, an unlimited fine, or both. You may also be required to remedy the impact of the work at your own expense.

Preparing a building for demolition

In time, the empty property will either become reoccupied or it will be removed through either demolition or deconstruction.

Reoccupation

If the property is to be reoccupied, steps must be taken to prepare the property appropriately:

- Most properties will need to be thoroughly cleaned and even refurbished, especially those that have been lying empty for a long time. Floor coverings, which may have been removed, will have to be reinstated. If the property has been well-maintained while it has been vacant, then this work will be quick. But should the property have been allowed to fall into a state of disrepair, this stage can take a long time

- Reconnect the utilities: contacting the utilities companies and informing them when the property will be reoccupied and when you want the utilities reconnected is an essential part of the preparation process. This may need to be done well in advance of any reoccupation for the purposes of refurbishment and showing the building to potential tenants

- Inform your insurer that the property is to be reoccupied and the relevant date to ensure you are not in breach of the “change of occupancy clause”. This may well reduce your rate and/or improve your cover

- Inform the fire service: just as you informed the fire service when the property became vacant, you should also contact them to let them know that it will be reoccupied, the location of fire water supplies and when these and sprinklers will be connected. The local authority should also be informed of the building’s proposed change of status, and it is good practice to inform neighbours where appropriate. Most will be relieved to know that the property will be reoccupied

- Adjust security: occupied property will usually require less stringent security than an empty building, so adjust the building’s security appropriately. However, be aware that in the run-up to reoccupation, for example when the building is being refurbished or tenants have moved some fixtures and fittings in but are not yet in full occupation, the building is vulnerable to thieves and squatters and security may need to be heightened at this time. For more information on

managing the security of an occupied building, consult the BIFM Good Practice Guide to Security Management

- Risk assessment: before reoccupation, make a thorough inspection of the property, including a full risk assessment, to ensure that it is suitable for reoccupation

Demolition

If the property is to be demolished then it is likely that a demolition contractor will be involved from an early stage. The contractor will advise on the preparation for the demolition site, which is likely to include the following:

- Site check for hazardous or regulated materials: materials found after demolition begins can slow or completely halt the demolition while removal takes place. It is therefore essential that any hazards are identified and removed in advance. This could include: lead-based paint, asbestos, mercury in switch gears and thermostats, oil tanks, contaminated soils etc. Under The Control of Asbestos Regulations 2006 (CAR) demolition, and other works liable to expose employees to asbestos fibres, must not take place unless the employer has

The utility companies should be informed of the demolition in any case, and should be sent a copy of the official demolition notice

carried out an assessment to determine the presence of asbestos and its type and condition. Some materials must be removed, such as glass that can form deadly projectiles, and insulation that can scatter over a wide area

- Recycling high value items: although the building is likely to have been stripped of anything of value if it has been laying empty for some time, there may be some remaining high-value items, which would be of interest to salvage firms, particularly in listed buildings. For example, original wood floors, fireplaces, original cornicing, any marble pillars supporting the structure, any metal such as lead or copper wiring, sanitary ware or light fittings could be sold, which boosts the organisation's green credentials and reduces the cost of the demolition. It is also

good practice to recycle as much of the building as possible

- Disconnecting the utilities: the utilities should already have been disconnected during the vacant period, but if this has been neglected then they should be disconnected at this stage. The utility companies should be informed of the demolition in any case, and should be sent a copy of the official demolition notice, of the impending demolition so that all utility lines can be marked, cut and capped to the demolition area. Again failure to do this, can slow or halt the demolition and result in damage to neighbouring property and supply lines. The council will usually send copies of the demolition notice to adjacent occupiers, Environmental Health and the Fire Service, but it makes sense to also inform them yourself

- Protect wildlife: before undertaking demolition works, appropriate action must be taken to check the building for evidence of bats as a European protected species. Reasonable effort must also be taken to ensure no bird nests are present as these are protected under the Wildlife and Countryside Act 1981 and general good practice would be to ensure that the property is free of all pests before demolition

- Before the news of the proposed demolition reaches the public domain, the security of the site should be increased. Occasionally a building earmarked for demolition may become the target of protestors or squatters, which causes unnecessary delays and expense. Every site is unique – see chapter 3 for a breakdown of different types of security to decide which is the most appropriate for your site.

Appendix

Property owners and managers can take the following measures to prevent metal theft:

Hindering Access

- Apply anti-climb spikes to downpipes to make access to the roof of the empty property more difficult
- Paint downpipes and similar external fixtures with non-setting paint, also known as anti-vandal or anti-climb paint, to deter and otherwise hinder access to vulnerable areas. To prevent any liability to trespassers arising under the 1957 or 1984 Occupiers Liability Act, ensure that intruder prevention measures are installed above head height, and are suitably highlighted using warning signs. Warning signs should also be displayed at all likely points of access. This might include a 'Fragile Roof' warning sign or an 'Asbestos – do not enter' warning sign.

Reducing the attraction

- Mark the underside and joints of lead or copper roofing and flashing with a covert and forensically traceable compound. These products are easy to apply, hard to remove, and reveal themselves when exposed to ultra violet light. If

the marked item is then stolen the unique coding can be analysed to reveal the registered address to which the compound was applied. Compounds that use grease will also transfer to those handling the marked materials, thereby assisting the police in placing the suspects at the scene of the crime. Redweb i-grease, Selectadna grease, or Smartwater products have police backed 'Secured By Design' approval

- Paint your metal roofing and flashing with non-setting paint, so that removal of it becomes a very messy task. Be sure to post suitable warning notices around the building

Detecting theft

- Numerous instances of metal theft have taken place right under the neighbours' noses, with the neighbours either assuming the thieves are roofing contractors working at the premises, or simply accepted the word of the thieves that they are contractors. Tell your neighbours that you are not currently expecting contractors to visit the property, and advise them to call you and the police if they notice suspicious activity such as people up on the roof
- Consider adapting your

existing electronic security system to better detect thieves up on the roof by for example installing internal intruder alarm vibration sensors to the underside of the roof, or by adding external CCTV cameras to cover vulnerable roof areas and likely access points to them. The company that provides your intruder alarm should be able to provide appropriate advice about this.

Removing the risk

- Consider replacing lead or copper roofing with alternative materials that are not attractive to thieves such as a coated steel sheet, reinforced plastic (GRP), or flexible bitumised materials (roof felt). For flashing you could also use cement, aluminium/bitumen foil or a non-lead flashing product such as Ubiflex. But before replacing metal roofing with combustible materials such as roof felt always consult your property insurer. Also ensure that your roofing contractors either avoid the use of heat when working on the roof to prevent fire, or operate under a suitable Permit to Work scheme.

A lack of knowledge is **NO EXCUSE** for badly managed vacant property

4-Steps for hassle-free vacant property management:

- ☒ **Read the good practice guide**
- ☐ **Test your knowledge online**
→ www.sitexorbis.com/gpgtest
- ☐ **Encourage your team to take the test**
- ☐ **Contact SitexOrbis for all your needs – security, cleaning, inspections...**

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