



CHARTERED INSTITUTE
OF HOUSING
IN SCOTLAND



COMMON PROPERTY, COMMON POVERTY

A policy report from the Chartered Institute of Housing in Scotland

Ann Flint & Associates



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February 2003

The Chartered Institute of Housing in Scotland is the professional organisation which represents people who work in housing. Its purpose is to maximise the contribution that housing professionals make to the well-being of communities. The CIH has over 1600 individual members working in local authorities, registered social landlords, Communities Scotland, The Rent Service, voluntary organisations, educational institutions and the private sector.

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FOREWORD

During the last couple of years, the CIH in Scotland has prioritised policy work around the private sector ... *Common Property, Common Poverty* is the latest outcome. Many of the issues set out in the report will be familiar to people who work in housing. However, they are collected together here to encourage those of us with a responsibility for leading a process of improvement to tackle them with leadership, commitment and resources. We need a comprehensive system of property management and maintenance in Scotland.

It's clear that there are problems in the private sector – 26% of private sector dwellings are in critical disrepair; 14,000 private sector dwellings in Scotland suffer from rising or penetrating damp; 17,000 private sector dwellings are below the Tolerable Standard; around 120,000 private sector dwellings have lead piping visible in the water supply; 208,000 private sector dwellings have a poor energy rating (all from *Housing Improvement in Scotland: a scoping paper*). It's equally clear that many owners don't have the resources, the incentive or the inclination to invest in the repair and maintenance of their property. There is little incentive for owners to invest in the long-term maintenance of their home because, in the current house-buying system, location not quality is all-important. Indeed, there has been little encouragement to owners over the years from Governments, lenders, lawyers, surveyors and others to think about maintenance. Added to this is the expectation that grants from local authorities should be there, creating a dependency on them and discouraging owners from taking personal responsibility for their property. And trying to improve tenement or flatted property is even worse – problems with Title Deeds, difficulties getting neighbours to commit to common works and then the difficulties of actually getting the money out of them are all too prevalent.

For many housing organisations committed to mixed tenure neighbourhoods and to regeneration – local authority and housing association – these problems either delay or prevent comprehensive regeneration. Too often tenants lose out on common works or they end up paying for the owners' share through their rents.



The CIH in Scotland highlighted many of these issues in the reports – *Private Renewal or Public Problems* and *Engaging Owners in Mixed Tenure Neighbourhoods*. This report – *Common Property, Common Poverty* focuses on issues around common property and argues the case for a comprehensive system of property management and maintenance.

We've made many of the points to the the Housing Improvement Task Force during its deliberations. We'll continue to raise them during the passage of the Title Conditions Bill and the Tenements Bill through the Parliament. We have also highlighted a number of the points in our Manifesto – *Investing in Quality* – for the 2003 Scottish Parliament election.

SUMMARY

Flats meet the dual needs of developing at higher densities and catering for a population of ever-smaller households. In Scotland, however, almost half of all pre-1919 tenements are in critical disrepair. Flat owners tend to be older and poorer than owners of other properties. If flat owners were to deal with critical repair over 10 years, and then start a planned repair and maintenance schedule based on 1% of the value, expenditure for a flat owner each year could be expected to be in the region of £750 for common repairs alone. One survey of owners, however, shows that only 4% of owners were willing to contribute even £50 per annum to a building reserve fund.

Current legislative proposals seek to deal only with defects in the existing law. The Chartered Institute of Housing (CIH) in Scotland is making ambitious but necessary proposals to establish a proactive, regulated and mandatory system of comprehensive property management and maintenance. A proper implementation plan, set over a 10 year period, is required. To neglect to take such an attitude is a question not of “buyer beware” but of “buyer ignored”.

The system should encompass:

- Refinement of the existing system of compulsory repairs and use of charging orders, particularly the removal of the requirement to offer grants and loans with these repair orders with an obligation placed on local authorities to serve such notices where requested by the majority of owners in a building;
- Owner databases introduced as part of e-government;
- The establishment of a number of models of owner support agencies: Communities Scotland should encourage registered social landlords (RSLs) to pilot models which allow the use of their property skills and people skills in support of owners;
- Easier access to the law for owners but with a requirement to seek prior mediation: mediation services could be offered by RSLs or local authorities;
- The mandatory use of property management plans based on regular condition surveys. The repair condition surveys should be carried out every 2-3 years and be available to potential purchasers, allowing them to include the costs of required repairs in their household budget;
- The establishment of a property management register which would monitor property management arrangements, property management plans and Building Repair Funds. Where owners do not lodge appropriate plans and documents, the local authority should be able to appoint a provisional manager and charge for the production of the repair condition survey;
- The review of the current grant system to encourage greater use of loans, with grant only for repairs which are not reflected in an appropriately increased valuation for the property;
- Seed funding for a revolving loan system for repairs expenditure;
- The provision of model building reserve funds (BRFs) (sinking funds), including model clauses for use in amending deeds of conditions for those who wish to opt in on a discretionary basis. Regular payments to BRFs could be facilitated by local authorities through the council tax system and transmitted to properly managed savings schemes. With a guaranteed income, loans could be sought for major repairs where there are insufficient resources within the BRF;
- The requirement to establish BRFs where repair, improvement or other grants or loans are paid;
- In the long term, the mandatory introduction of BRFs. These should be introduced whenever a flat is sold, with new owners contributing a sum based on the repair condition survey and as accumulated from a set date.
- Consideration of the use of tax incentives, such as VAT relief on communal works to facilitate repairs.

COMMON PROPERTY OR COMMON POVERTY

Introduction

Many of our remaining older blocks of flats, some of them superb Victorian tenements, remain popular as they lie close to shops, transport and other community facilities. In many areas, new blocks of flats are being built in amongst them, preserving the urban form. The number of flats is likely to increase as planning policy places greater emphasis on intensification of land use and higher density living. Flats also provide suitable housing for the growing number of smaller households. But, though we prize these flats in the urban context, we fail to ensure their continuation by neglecting basic repairs. In the past few years, tenement disrepair has made headline news on a number of occasions. In June 2000, large chunks of stone fell off a tenement in Edinburgh killing a woman below. In February 2002, a school was shut for a week because of dangerous tenements in Glasgow. We have failed to ensure systematically the maintenance of some of the grandest domestic architecture in Britain.

This document is about solutions to this problem; ways of bringing a structured approach to communal maintenance and ways of ensuring a “common wealth” amongst Scottish flat owners.

Experience elsewhere

Most Western European countries accept that the principles of neighbour laws apply in stricter measure to the more intensive community of flat owners.¹ Countries such as Australia have recognised that flatted dwellings are beneficial to the urban form: they have set up their legislation to cover all the contingencies of flat ownership and reinforced this with access to free specialist advice services.

In other countries such as France; the USA; New South Wales, Australia (NSW); and Spain, flat owners are made to recognise that they are buying into three things:

- the individual title for the flats;
- a share in the common property of the block; and
- membership of an owners association which has responsibility for ensuring adequate repair and maintenance of the common property.²

In Scotland, this responsibility for dealing with the common property is not made clear to owners. In a survey of recent homebuyers in Scotland, two in five said their solicitors offered no information on surveys or on property restrictions contained in title deeds. In terms of the latter, although over half of respondents said that their solicitors had given them this information, an “alarming” 41% said such advice was not offered. For those purchasing a flat, where the rights and responsibilities of the owner are particularly important, only half had been provided with the appropriate information, while over a third said their solicitors had not explained the procedures.³

Owners associations are established only on an informal basis in Scotland. Other European countries have provided for a more formal approach to involving owners in communal maintenance and management. In those countries studied by Bailey, Robertson et al., responsibility for dealing with repairs lies clearly with owners associations. This is also the case in Spain where “horizontal” property laws were updated in 1999.⁴ Generally, it is recognised that owners associations are a different type of legal persona to voluntary or company style organisations: only owners can be members and the owners also share the ownership of the common property. Membership is automatic and must cease when the property is sold.

¹ *International Encyclopaedia of Comparative Law, Volume VI, Property and Trust, Chapter 5, Apartment Ownership*, C.G. Van der Merwe (1994)

² *The Management of Flats in Multiple Ownership; :Learning from Other Countries*, N. Bailey, D. Robertson, H. Pawson (Lancaster & Jarvis Policy Press Joseph Rowntree Foundation 1997)

³ *Consumers and the House-buying Process in Scotland*, Scottish Consumer Council (2001)

⁴ *Ley de Propiedad Horizontal 6/4/99*

The owners also remain liable for the debts of the association and cannot limit their liabilities for the debts of the association as provided for by company legislation. In the Spanish case, the president of the association, who has statutory responsibilities, may be selected by rote or drawing of lots if no-one stands for election (though there are other rules for communal properties with less than four units). Generally, the owners associations are powerful bodies but the requirement on them to maintain comes from the owners themselves rather than from external jurisdiction.

Most of these countries also appear to recognise that flat owners are often first-time buyers and that information and awareness-raising are critical to successful ownership. So much are governments interested in promoting flat ownership that in NSW, Australia, they provide free legal advice to flat owners. In France and the USA, information and guidance on the law is provided through representative organisations. In Spain, the Chamber of Property provides information and representation for a membership fee of 25 per annum. In England and Wales, leaseholders are now able to get advice from the publicly funded Leasehold Advisory Service. Dispute resolution has also been considered. In NSW, there is a two-tier system of adjudication. Owners in dispute must first seek mediation: the Department of Fair Trading provides a mediation service through the Strata Schemes & Mediation Services Branch. If this does not resolve the issue, then owners may apply for adjudication. There is a nominal charge for bringing a case but no costs are awarded, in an attempt to discourage unnecessary use of legal advisors. In all three countries studied by Bailey, Robertson et al., statutory requirements for maintenance planning and the establishment of sinking funds are becoming ever tighter.

As Table 1 shows, a number of European countries offer fiscal incentives to repair.

Table 1: *Approaches to supporting homeowners in European countries (circa 1993-94)⁵*

	VAT on Repairs %	VAT on New Homes %	Interest Relief	Relief on Maintenance	Tax on Selling Gains
Netherlands	18	18	Y		Y
Sweden	25	25	Y	Y	Y
UK	18	0	Y		
Denmark	25	25	Y		(P)
Germany	15	-	Y		(P)
Austria	10-20	10-20	Y		(P)
France	19	19	Y	Y	
Belgium	6-19.5	12-17.5	Y		Y
Luxembourg	15	-	Y		Y
Finland			Y		
Ireland	13	13	Y		
Italy	4 or 19	4	Y	Y	
Spain	15	6 or 3	Y	Y	Y
Portugal	5 or 16	-	Y	Y	
Greece	18	-	Y		Y

Y = yes; N = 0; (P) = if resold in a short period

⁵ Sources: Hedman (1993) and ENHR Housing Finance Working Group (1995). in *Housing Policy in the EU Member States*, Directorate General of Research Working Document Social Affairs W14 (12/1996)

In France, Eire and Germany⁶, tax relief for improvement works provides considerable incentives to improve. These are aimed at owners who carry out significant improvements. These incentives were introduced in France in 1997, with tax reductions at the rate of 20% up to a maximum figure that increases depending on the number of children in the household. In Germany and Eire, the tax relief is targeted at urban regeneration and conservation areas.

In France, there are also some regional schemes for social action areas where loans are allocated according to local priorities and can be up to 70% of the total cost of rehabilitation up to a maximum sum.

In Spain, owners contribute 5% of the annual maintenance budget to a reserve fund. (It should be noted that management budgets can be very large in Spain where many developments have swimming pools and other leisure facilities.)

The results of neglect

The Scottish House Condition Survey carried out in 1996 revealed the results of Scottish flat owners' lack of care. For both private rented and owner occupied sectors, flats and tenements suffer higher critical disrepair than houses, with almost half of all pre-1919 tenements in critical disrepair. (Critical disrepair is defined as repairs to the external and structural elements of a building.) This high figure could be an underestimate, according to those who criticise the Scottish House Condition Survey for concentrating on visible problems only with no effort made to search for hidden defects.

Table 2: *Percentage of urban dwellings with critical disrepair by age and type of dwelling, comparing the private rented sector, owner occupied sector and all private stock⁷*

	Owner occupied			Private Rented			All Private		
	Pre-1919	Post-1919	Total	Pre-1919	Post-1919	Total	Pre-1919	Post-1919	Total
Houses	36	16	19	46	24	29	37	16	19
Tenement flats	46	20	35	45	21	39	46	21	36
Other flats	37	28	31	46	26	36	39	28	32
All dwellings	41	18	23	45	24	36	42	18	24

Note: Percentage shown is of total dwellings of that type, age and tenure, and not percentage of all dwellings as shown in last row.

Further analysis shows that flats suffer more from all types of disrepair, even those for which individual owners do not require the cooperation of their co-owners, such as providing smoke detectors.

⁶ *Financing Homeowners' Repairs: Learning from Europe*. M. Oxley, A. Golland, S. Hodgkinson and A. Maye (JRF 1999)

⁷ Source: SHCS 1996, as quoted in the Housing Improvement Task Force First Report, *Issues in Improving Quality in Private Housing* (2002)

Table 3: Condition problems in private sector housing, '000 (%) of stock by sector with specific defects⁸

Condition Problem	Owner occupied '000 (%) with problem		Private rented '000 (%) with problem		Flatted properties '000 (%) with problem		All private sector '000 (%) with problem	
Below Tolerable Standard	11	(1)	7	(4)	9	(2)	17	(1)
Critical disrepair	287	(24)	61	(38)	134	(35)	348	(26)
Moderate or severe dampness	10	(1)	4	(3)	4	(1)	14	(1)
Lead in water supply	94	(8)	24	(15)	52	(14)	118	(9)
Poor energy efficiency*	160	(13)	48	(30)	65	(17)	208	(15)
Absence of smoke detectors	290	(24)	62	(38)	134	(35)	352	(26)

* Defined as having an NHER rating of 0-2

Flat ownership

One fifth of owner occupied dwellings are flats. Private renting is also common in communal properties, with 50% of this sector being flatted.

Table 4: Ownership of dwellings in Scotland⁹

	Number of dwellings	% of all dwellings	Number of flats (SHCS 1996)	% of all dwellings in tenure (SHCS)
Owner occupied	1,435,000	62.3	305,000	21
Private rented	155,000	6.7	81,000	52
Total in private sector	1,590,000	69.0	386,000	24
Socially rented	714,000	30.9		
TOTAL STOCK	2,305,000			

The BBC UK house price guide shows average house prices of £107,424 in Scotland, with flats/maisonettes averaging £52,322. This lower average selling price makes the flat ideal for the first-time buyer but immediately places the inexperienced in one of the most complex forms of property ownership.

⁸ Source: Scottish House Condition Survey 1996

⁹ Source: *Statistical Bulletin HSG/2000/7*; p.4, Table 2; and SHCS 1996, Annex, Table 5.10

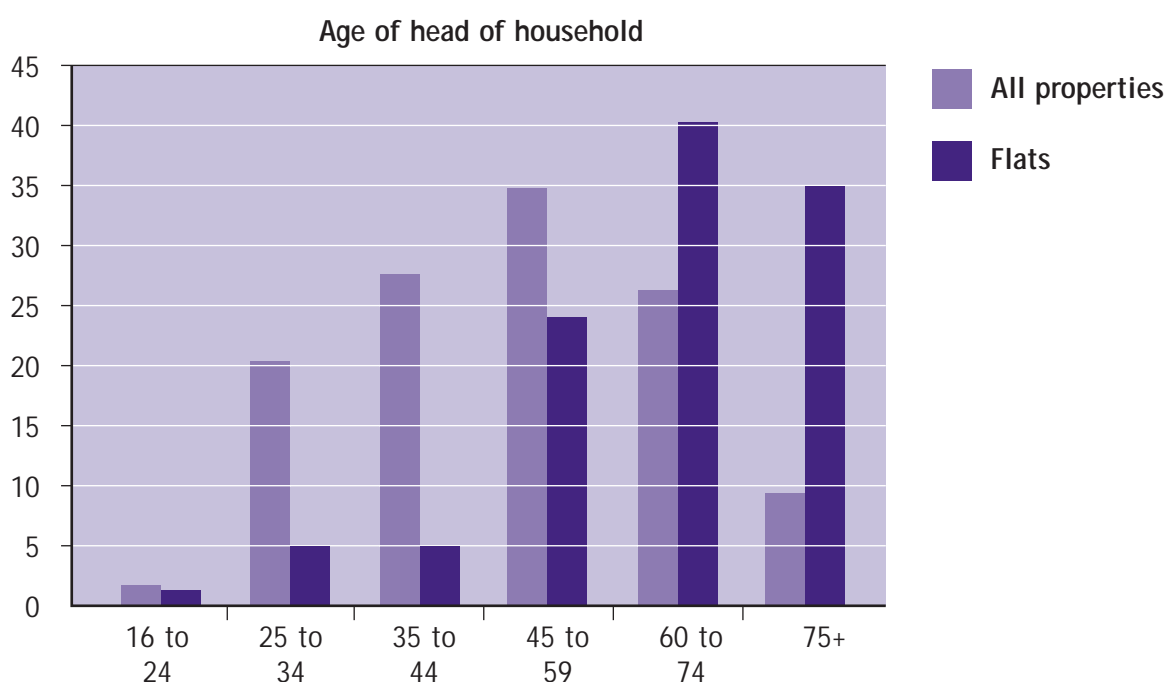
Flat owners

The owners of flats tend to have lower incomes than other owners (Table 5). This may be due in part to the age of the head of household in flats (Fig 1).

Table 5: *Incomes of flat owners compared with incomes of all owners¹⁰*

Income £	% of all owners	% of flat owners
0-6,000	10.2	14.2
6,000-10,000	14.6	20.1
10,000-15,000	18.8	25.2
15,000-20,000	18.1	17.3
20,000+	38.3	23.2

Figure 1: *Age of head of household - flats and all properties*



Disrepair costs

There are a number of ways of estimating the costs of repair. One method, used by the HITF and followed here for consistency, is to use the concept of replacement values, estimating a house to have a life of, say, 100 years and setting aside, say, 1% of the value every year. In Scotland, the 1% figure is estimated to average £761 per owner but, using the BBC average price, the comparative figure for flat owners would be nearer £500 per annum. However, this does not deal with the repairs backlog. The cost of comprehensive repair (i.e. repairs estimated by SHCS surveyors to be required in the next ten years) for all dwellings, external and common repair elements only, is estimated to be £2,473 per dwelling.

¹⁰ Source: Scottish Household Survey 2002

If flat owners were to deal with critical disrepair over ten years (approximately £250 per annum), and start a planned repair and maintenance schedule based on 1% of value (£500 per annum), expenditure for a flat owner each year could be expected to be in the region of £750 for common repairs alone or over £60 per month (making no allowance for inflation in repair costs since 1996).

Table 6: *Estimates of disrepair costs of private stock*¹¹

	Total	Per dwelling (approx)
Total dwellings in private sector	1,590,000	
Private stock value	£104,000M	£65,400
Depreciation @ 1% of value	£1,040M	£654
Visible disrepair of occupied stock	£1,210M	£761
Comprehensive repair costs - all dwellings, external and common elements only	£3,933M	£2,473

The limited information there is on flat owners' willingness to pay for repairs comes from the Friends of Glasgow West survey of 500 flat owners in one part of Glasgow. These owners showed a reluctance to make regular contributions to an adequate sinking fund, as Table 7 shows.

Table 7: *Regular payments can help build up a sinking/reserve fund for all owners to pay for ongoing repairs and maintenance. How much would you be willing to contribute monthly?*

Monthly contribution	% of owners willing to pay
Not willing to contribute	33
£10	27
£20	24
£50	4
Other	12

Clearly, the majority of owners do not recognise the financial burden of repairs and do not make financial provision accordingly. This is a situation that can only be resolved by owners being required to commission regular repair condition surveys.

¹¹ Source: SHCS 2000 Market Valuation Study SHCS 1996 as quoted in HITF Scoping Paper 2001

THE CASE STUDIES

Setting up the case studies

Much of the work undertaken on private sector disrepair examines the statistical nature of the problem rather than owners' practical actions when faced with evidence of disrepair in their own properties. The majority of professionals carrying out housing research and policy making are homeowners, and in theory they should have first-hand knowledge of what homeowners' problems are. However, they are usually required to examine problems from the perspective of their professional roles as policy makers and public sector landlords. So the voice of the average owner often remains unheard. Only one survey is known to have been conducted of tenement owners as such. This was commissioned by Friends of Glasgow West in 2001. To test what could be done to provide practical help for owners, a limited survey of two case studies was set up to provide anecdotal evidence.

Owners were advertised for with the help of the Glasgow Solicitors Property Centre who published a short article in their weekly property guide. Owners were offered a free property survey and copies of *The Tenement Handbook*¹² in return for getting all their co-owners to a close meeting. Seven owners in tenements in different parts of Glasgow expressed serious interest in taking part but, despite extensive efforts, only two were able to get enough of their co-owners to promise to come to a meeting to make it realistic to go ahead. In the event, only one of these case studies managed to get seven of the eight owners to a meeting. At the other, only three eventually turned up for the meeting. While some owners may have been willing to join in repair schemes even if they were not able or willing to come to a close meeting, this is indicative of the problems that tenement owners face in trying to come together to act in concert.

Case studies

Methodology

Before meeting the owners, an architect carried out a standard condition survey of the tenement and the survey was presented in two forms: with and without pictures (see Appendix 1).

A meeting pattern was established which involved revealing information one part at a time, and assessing how this changed owners' views of what was required to carry out identified repairs. For instance, owners were asked about their own priorities and assessments of costs to deal with the repairs they identified before they were shown the survey. It was then possible to compare how owners' views were modified in the light of information.

It was recognised that some owners might be unwilling to share their views and details about what they could afford in front of other owners. A series of short written questionnaires was used to overcome this problem.

¹² *The Tenement Handbook*, J. Gilbert and A. Flint (Assist Architects, Glasgow 1992)

Case Study 1

Current position in the case studies

Both the case studies were on the south side of Glasgow in mid nineteenth-century sandstone tenements.

The first case study had five rented properties. Four of these were owned by professional landlords and another was lived in by the brother of the owner. However, it was one of these absentee landlords that made contact, spurred into action by his concern about the condition and cleanliness of the close and the impression it made on would-be tenants. Two of the landlords could only be contacted through letting agencies. Another landlord was believed by the owners to be a housing association using the property to house “refugees”. The other residents included two professional men who were joint owners, and two young families. One of the families had a father who worked long hours in his own shop and a mother who had a poor command of English. Of the three sets of owners who came to the meeting, then, only two had ever had any contact with each other before.



Case Study 2 (Rear and Side)

Case study 2 showed a contrasting form of tenement life. The tenement had been owned by a private landlord until about 25 years before, when the very poor condition of the property (internal stairs collapsing with dry rot) had caused the council to be called in and to serve a Section 24 compulsory repair notice. The council had been forced to purchase the property and the sitting tenants, three of whom were from one family, had subsequently purchased through Right to Buy. Three of the properties had later been resold. Five of the owners then were very long-standing residents and three could be said to be fairly long-standing. All knew each other well and were able to co-operate well together. One owner, who had long-standing mental health problems, felt that he could not attend the meeting, though the other owners knew how to make contact through his family and knew that they could get him “on the right day”. The other owners were either retired or more mature working couples. This tenement was self-factoring. They knew there was a problem as a large patch of the gable wall rendering, which had been applied during the renovation works 25 years ago, had fallen off.

So, the two tenements portrayed very different stereotypes. The first showed the face of the disconnected community, its owners separated by language, turnover and reasons for owning the property. It was clear that there were different priorities even amongst the landlords, including the social rented landlord, the landlord looking for tenancy stability and others who were assumed to be looking for high revenue income with low capital outlay. The second case study showed the almost mythical picture of the couthy tenement with owners able to understand each other's situations and co-operate together to get things done.

Identifying repairs

Owners were asked what repairs they thought were needed before being given any information from the survey.

In the first case study, all the owners identified that repairs were needed to a leak in the close skylight, leaking sink wastes and some rendering. Only one top flat owner, affected by the problem, noticed the problems at the chimney head. All the owners identified that the close needed cleaning and painting but this had not been picked up at all by the architect.

In the second case study, all the owners again pinpointed the need for close improvements but were more aware of roof problems and the very obvious problems with the gable wall.

Owners' perceptions of costs

In the first case study, before seeing any results from their repair surveys, all the three owners present initially estimated total costs for all repairs required to their tenement at just under £5000. The owners were then shown the survey with repairs required being prioritised as high, medium or low. After looking over the survey and discussing it with the architect, the owners revised their estimates to £5000 for the highest priority repairs alone. The architect estimated that these highest priority repairs would cost almost £7000 - about £1000 per owner. However, the architect would have tended to put a repair package together with other lower priority works and preventative repairs that he estimated would have cost about £12,000 or £1,500 per owner.

In the second case study, the owners' perceptions of costs for all works, before the survey was discussed, ranged from £7,200 to £20,000 with an average of £12,500. The architect estimated the cost of high priority repairs alone at £25,000, or £18,000 for a patch repair lasting 5-10 years.

Attitudes to the survey

In both cases, the owners were shown the written survey, given a chance to look at it and discuss it a little, and then shown the survey with photographs. All owners started to understand better where the problems were occurring once they had seen the photographs. The survey for case study 2 is at Appendix 1.

Prioritising repairs

All owners prioritised repairs to prevent water ingress, but repairs, decoration and cleaning to the close were also very high priorities. In actions subsequent to the meetings, the owners all started with works to the close such as arranging for controlled entry to be installed. This was justified as being something easy to do and something "which was for everyone," "not just the top flat owners" and "then we will be able to get on to other things". The architect also had a list of medium and low priorities. All the owners felt able to ignore these.

Owners' budgets

The owners were asked what they would be able to set aside monthly against repairs. Their responses are shown opposite.

Table 8: *Monthly sums to be set aside for repairs, and monthly costs required to pay off high priority repairs within three years*

Monthly contribution envisaged by owners	No. of owners willing to pay that amount	
	Case Study 1	Case Study 2
£20		3
£30	1	
£50		1
£70		2
£80		1
£100	1	
£150	1	
monthly costs required to pay off high priority repairs within three years on a patch basis	£25	£63

It can be seen from this that the owners in case study 1 would be able to deal with high priority repairs within three years, if they were able to get small loans. The majority of owners in case study 2 would have difficulties without some form of financial assistance, whether by loan or grant.

The owners were also asked how they would raise finance to pay for repairs. The results are shown in Table 9 below.

Table 9: *How would you pay for repairs?*

Repair cost	Household income/cash at bank	Borrow from friends/family	Cash in shares/insurance policies/unit trusts etc.	Over-draft from bank/other loan	Extend mort-gage	Sell the house	Would not pay
£200	9						
£500	8			1			
£750	6		1	2			
£1,000	4		1	4			
£2,000	1		1	5			
£5,000			1	2	4		1
£10,000					6	1	1
£15,000					3	2	4
£20,000					2	2	4
£25,000					2	2	4
£30,000					2	2	4

This shows that £5000 per owner repair costs is the level at which some owners are likely to stop cooperating with the repairs process. At the level of £10,000 repair costs, at least one owner would sell their flat. Co-owners would then be forced to seek the use of compulsory repair notices or wait for a new owner to move in and start the negotiations over the repair afresh. (This critical issue of enforcing reluctant owners to join in repairs schemes is dealt with further in).

Dealing with non-paying owners

Owners were asked what the effect of non-paying owners would be on their own actions. The results are shown in Table 10.

Table 10: *Suppose all of you, except one owner, have agreed to carry out essential roof repairs. Without these repairs, you know the building will deteriorate further and rot works might be needed in future. Would you...*

	Number of owners responding			
	Definitely	Probably	Maybe	Never
Ask the council to serve a compulsory repair notice?	6	4		
Start the work anyway and hope the owner would pay up?	2	4	3	
Start the work and take legal action to get the other owner to pay?	1	4	3	
Divide that owner's share of costs amongst all owners who are prepared to pay?	1	1	5	1
				Proceed anyway
Not go ahead?			3	5

This shows that owners would prefer to get outside help, the preference being for a compulsory repair notice. Many would take the chance, in the scenario set out, that the other owner would eventually pay. There was however far less certainty about sharing the non-paying owner's costs amongst other owners.

Financial help

Owners were also asked how they would like to see the scarce financial resources available in the public sector used to support owner repairs. Options offered to them included a number of ways of assisting with repair costs that have not yet been seriously considered in Scotland, such as offering tax relief in a variety of ways or providing free surveys.

Table 11: *The government have only a certain amount of money to help owners carry out repairs. How do you think they should best use it?*

	Cumulated preference score (lowest being most preferred)
Repair loans at a preferential rate	23
VAT relief on all repairs for all owners regardless of need	24
Income tax relief on money saved for repairs (sinking funds)	32
Repair grants for all repairs over a certain cost (but with a long waiting list)	33
Carry out free repair surveys and inspection of completed repairs	34
Repair grants but only for those in financial need	37

It is perhaps surprising that the current system of offering grants for those in financial need only is seen as the least popular form of support, with preferential loans and VAT relief on repairs being the most popular. Scrutinising the responses by the owners' income, even those who were judged to be on the lowest incomes did not prioritise repair grants.

The commonly held view amongst professionals is that owners won't repair unless they are offered grants, but this brief survey does not support this. It should not be assumed because many owners ask for grants - the only source of support for private repairs - that this is what owners want or need. Grants do have disadvantages in that not everyone is eligible, there are often complicated forms to fill in and delays to the process. Grants also reward failure to repair and are based around the concept of one-off and infrequent large building projects rather than regular, preventative jobbing maintenance works. Further discussion of these means of assisting with the financial costs of repair follows at section 4.

Obviously, this is only a very small survey but it does suggest that more research on owners' preferences for the use of financial resources would be useful before policy decisions are made.

What did owners value in the case study process?

Owners were asked what they had found most useful about the process of holding meetings and discussing surveys. All said that they found the meeting extremely useful, possibly more useful than the survey. The case study 2 owners said the survey had helped them to prioritise repairs and to see what was most important and what they need not worry about. One said that the survey "took the fear of the unknown" out of the process.

The use of a facilitator greatly aided these meetings. Part of the role was in simply chairing the meeting and helping the owners to come to a course of agreed action. The other part of the facilitator's role lay in providing information about the repairs process generally. Where owners have a property manager, that person will often act as facilitator. In areas where commercial property management is not a common feature or owners manage the property themselves, owners will have no source of help to make their meetings productive.

One month after the case study meeting, case study 2 owners had commissioned works to the close and case study 1 owners had started on the process of getting quotes for dealing with close cleaning. Both sets of owners are due to meet again.

Conclusions

While two average groups of owners were studied, they were put in a beneficial but far from typical position. Firstly, the owners in the case studies were provided with information, in the form of the survey, on which to act. This survey provided far more detailed information than is provided in a typical valuation survey, which is most owners' only source of information about their repair obligations when they are preparing to purchase a property and considering what they can afford to spend on their housing costs.¹³ A survey of 500 tenement owners carried out by Friends of Glasgow West (FGW) showed that only 7% of owners of the tenements studied use condition surveys though 16% were talking about planning such a survey. Four in ten had never heard of condition surveys.

Secondly, the survey also acted as a means of bringing owners together in a positive frame of mind. The FGW survey showed that half the respondents had not had an owners' meeting in the past year.

Projecting forwards, it can be seen the two groups of tenement owners will have different problems to overcome. In case study 1, the issue will be in getting concerted action from all owners in the light of the less cohesive ownership. In case study 2, the problem is more likely to be one of cost, with difficulties emerging most particularly for the retired owners.

The costs for the highest priority repairs alone in each case would require about half the owners to raise finance, being beyond the level at which they would contemplate taking this from household savings.

Owners' priorities accorded with the professional's priorities in so far as recognising that obvious signs of water ingress should be dealt with. However, they tended to prioritise the things they could see easily, such as the close and entrances, seeing them as things from which everyone would benefit. The owners also showed an unwillingness to look too far ahead in making their repair plans. For a number of reasons - such as lack of funding; the effort or organisation; and the need to convince other owners who appeared to prioritise communal repair so little that they wouldn't even come to a meeting - this was one stop too far.

In dealing with non-payers, the owners were clear that they would definitely or probably seek outside help. They had mixed feelings about whether they would go ahead with the repair but were generally clear that they should not be made to pick up the tab themselves. When asked their views about how they would like to obtain financial help, this small sample of owners looked for forms of help that are not available - VAT relief and preferential loans.

However, it was not just repairs which were owners' priority, as case study 1 showed. Close cleaning and minor improvements to the close were seen as being the "lowest common denominator". The owners felt that, if they could not get other owners to agree to improving something that they walked past every day, they would certainly not be able to get them to deal with something such as the roof, which only directly affected top flat owners and could not be seen.

¹³The Housing Improvement Task Force First Report, *Issues in Improving Quality in Private Housing* (2002) p. 45

ACTION SO FAR ON COMMON PROPERTIES

The Scottish Executive has recognised that things cannot continue as they are. A number of factors led to the establishment of the Housing Improvement Task Force. These included criticism that the land reform legislation, proposed as early action in the Scottish Parliament, was not dealing adequately with urban flat dwellers' problems; the realisation that owner occupation was the majority tenure in Scotland; the findings of extensive disrepair in this sector through the Scottish House Condition Survey, and the growth of problems in dealing with the regeneration of public sector estates where extensive Right to Buy had taken place.

Title Conditions Bill

Scotland's property law is outdated and does not really help to ensure necessary repairs and improvements take place where there are 'common interests'. In addressing some of the challenges of these common interests both the Title Conditions Bill and the Tenement (Scotland) Bill will have an important part to play. The CIH in Scotland supports these Bills as they address some of the concerns but believes that they will not be able to address all the issues that apply to house condition and common interests.

The Scottish Executive said of the Title Conditions Bill that it would:

- allow the feudal system to be abolished completely, and remove the power of feudal superiors;
- give Scotland a simplified and modern system of land tenure;
- provide a majority rule system for some communities where the title deeds do not provide a decision-making mechanism;
- help make the property registers more transparent and easy to use;
- make it easier for property owners to remove restrictions on the use of their property.

However, the CIH in Scotland, and others, have consistently called for the Bill to become more proactive, feeling that it does too little to resolve the entrenched problems that lie within older tenement properties especially.

Tenement (Scotland) Bill

While the Title Conditions Bill is the current focus of comment, it is likely that many of the changes that are required to deal with urban flatted property will come through the subsequent Tenement Bill. This Bill will update the existing common law rules that demarcate ownership within tenements, and is intended to provide a framework for a proper system of management. The draft Bill contained two separate management schemes, Scheme A and Scheme B. Scheme A, which may be varied and which is subject to the provisions of existing titles, will in principle apply to all tenements. Scheme A may be disapplied by deed of conditions and replaced by some other management scheme. The more elaborate Scheme B was offered as a possible alternative to Scheme A and subsequently reproduced as the Development Management Scheme in the first draft of the Title Conditions Bill. (However, the proposals to give the owners associations a legal status ran foul of the provisions of the Scotland Act, and so did not appear in the second draft of the Title Conditions Bill.) The overall effect of the proposals is that every tenement will have a management scheme, and hence a mechanism for ensuring that repairs are carried out and that decisions are reached on other matters of mutual interest and concern.

The CIH in Scotland feels that this Bill should be renamed so that it is clear that it covers all forms of urban communal development, as well as being rethought. At present, it takes a very limited approach which will primarily deal with the simple deficiencies of current common law rather than taking a proactive approach that will maintain properties into the future.

The Housing Improvement Task Force

The Housing Improvement Task Force (HITF) was set up by the Minister of Social Justice in spring 2001. It is chaired by the Minister and its remit was:

To consider a wide range of policy issues relating to housing quality and investment in the private sector and the process of buying and selling houses, including multiple surveys.

The HITF had four sub-groups, with remits to examine and report on specific matters as set out below.

Sub-group A - Owner occupiers resident in housing that requires improvement or repairs

- The extent of disrepair and obsolescence in the owner occupied sector;
- Local authority responsibilities and powers;
- Incentives/disincentives for owner occupiers to make repairs;
- Arrangements for financing improvements and repairs;
- Awareness and attitudes towards improvement and repairs.

Sub-group B - Individuals buying and selling property

- Costs and delays for house purchasers as a result of the house buying process in Scotland;
- The information available to intending purchasers about the condition of the property and its likely future maintenance;
- The scope for reducing multiple surveys and valuations;
- The role of lenders in encouraging owners to maintain and improve the condition of their properties.

Sub-group C - Landlords renting property in the private sector (and the interests of tenants who occupy these properties)

- The extent of disrepair and obsolescence in the privately rented sector;
- Local authority responsibilities and powers including HMO licensing;
- Incentives and disincentives to investment in stock by private landlords;
- The impact of other forms of regulation (health and safety, delict) on private landlords;
- The impact of tenancy legislation on investment in the privately rented sector.

Sub-group D - Common or shared obligations in respect of property

- The extent to which disrepair and poor maintenance is greater in properties with common or shared obligations;
- Current arrangements in place for the management of communal repairs and shared areas;
- Current arrangements for funding communal repairs and maintenance work, including sinking funds;
- The role of local authorities and other bodies in encouraging communal repair and maintenance.

After the first report of the HITF, sub-groups A and D were merged. This indicated to some onlookers that the problems affecting communal repairs were not seen as sufficiently different in scale and type from those affecting individual homeowners to merit their own sub-group.

The first report noted a number of key points relating to communal properties. Firstly, it noted the prevalence of flatted properties amongst those in worst repair, and identified age and the presence of common or shared repairing obligations as key factors behind the disrepair. The legal issues were also noted:

In the area of civil law the most important element relates to shared and common repair and maintenance obligations, as set out in the title deeds and underpinned by the common law. Whilst practice in respect of drafting title deeds appears to have improved over the years significant numbers of properties have titles that are poorly drafted and allow owners to avoid or block necessary repairs. Even where the title deeds contain a comprehensive statement of responsibilities and procedures for getting agreement to common works, some owners may still be unwilling or unable to participate in common repair and maintenance schemes. In this situation there is a lack of effective remedies for other owners and for property managers acting on behalf of owners.... In general, there is very limited experience in Scotland of owners contributing regular payments to sinking funds to pay for future common repairs and where these do exist they tend to be of limited scope.

The first report of the HITF also noted the impact of the house buying and selling process on repair condition:

There are few market-related incentives to keep a house in good condition. Depending on the local market, property values may continue to increase whether or not the property is fully maintained. In some low demand areas there is a risk that static or declining values may create a strong disincentive to invest in repair and maintenance.... Most buyers do not have detailed information on the condition of the properties they make offers on and there is no obligation on the part of sellers to disclose even the most serious of defects. Lenders now seldom impose retentions on mortgages as a result of poor conditions and in general are unlikely to be concerned about repair problems costing less than £2,000. This combined with the fact that most owners stay on average only just over six years in any one house means that failing to carry out routine maintenance is unlikely to result in any financial loss.

The CIH in Scotland has already called for the HITF to develop an agenda for reforming property law. This should include a new statutory framework that will establish:

- clear definitions of boundaries between individual ownership and collective responsibility in property ownership;
- a clear legal basis through which common property is owned e.g. a body that represents all owners who have an interest;
- arrangements for making decisions in common property;
- arrangements for managing agents of common property and how owners have a say;
- arrangements for registering and monitoring residential property managers;
- measures for settling disputes between owners as an alternative to recourse to the courts;
- arrangements for putting owners' money aside for future repairs in a "sinking" or "reserve" fund;
- model title deeds, in a similar way to the Scottish Executive's development of model tenancy agreements.

The Edinburgh Stair Partnership

Local responses to the problem of common repairs have also emerged, most notably in Edinburgh, though other local authorities such as Aberdeen City Council have also been active.

In Edinburgh, recognising that 35% of its housing stock was built pre-1919, and with no history of property management in the city, Edinburgh City Council set up the Stair Partnership. In its first year of operation, it has now recruited 28 participating tenement properties. Owners in these properties are offered a comprehensive property management service with regular repair condition surveys for a fee of £50 per annum. Though currently subsidised, the service harnesses the resources of the council with the aim of breaking even in a few years. The standard management agreement between owners and the council is designed to overcome deficiencies in the deeds of condition (for instance imposing equal shares of repair costs despite what deeds say). Participating owners agree to bind incoming owners to use the service, thus ensuring a permanent property management system within the tenement.

FROM COMMON POVERTY TO COMMON WEALTH

The need for intervention

The steps being pursued by the Scottish Executive so far do not go far enough to meet the needs of owners as identified in both our case studies and through the examination of other evidence. Apart from the complex issue of funding repairs, the case studies show a need to concentrate on resolving a number of issues in order to increase the amount of repairing work that is carried out by owners.

Based on the anecdotal evidence of the case studies and examination of the statistics, the CIH in Scotland identifies the following steps that are required to establish a systematic and comprehensive approach to dealing with communal disrepair.

- Providing information to owners;
- Persuading owners to save for repairs;
- Encouraging owners to work together;
- Establishing powerful and effective owners associations;
- Increasing owners' knowledge of their repair needs and responsibilities;
- Providing help with dealing with the communal management process;
- Encouraging on-going repair and maintenance;
- Dealing effectively with non-paying owners;
- Reviewing how public subsidy is made available for repairs.

Information

The case studies showed that the information needs of owners are wide and include:

- who other owners are;
- what repairs are needed in their block;
- what repairs will cost (including sources of grants and loans);
- information about the repairs process overall, including who is able to help owners.

Identifying absentee owners

Although Scotland has long prided itself on the transparency of its property ownership records, in practical terms the Land Register can only supply owners' names and often only their previous address. Canny owners have been known to trace absentee owners by looking up the directorships of companies in the Register of Companies which, by statute, has directors' current addresses. However, where an absentee owner is not a company director, there is no source of information about where that owner may be living. Council tax records are often insufficient and even housing benefits may be paid to a post office box. Even if the property manager were to be sought, there is no register of who manages which block. One property manager noted that, in Glasgow, it is only the council staff managing common stair lighting that have anything like a comprehensive database of property managers.

As part of the e-government initiative, the Scottish Executive should consider establishing a proper register of current owners' addresses. Maintained by local authorities, the database could be linked to council tax records enabling arrears and housing benefit overpayments also to be collected. The database

should be open to anyone with a suitable reason for asking for the information. It must be accepted that owners should not be able to conceal their official address for correspondence from those with whom they share common responsibilities.

Repair condition surveys

Properties need to be surveyed on a regular basis. A repair and condition survey will cost between £300 and £500 for a typical Victorian tenement (about £50 per owner). These should be carried out at least every three years. If such surveys were mandatory and linked to property records such as a log book which recorded repairs carried out, ownership and property management details, then they would also provide a considerable source of information to flat purchasers and perhaps reduce the requirement for “sellers’ surveys”.

The case studies showed the values of including photographs in surveys. Owners dealt with what they could see. Modern graphics enable them to see the condition of their roof.

Repairs costs and the repairs process

It seems simple to say that owners should ask for estimates for the work they are contemplating. For owners, though, there are difficulties comparing estimates where builders, in the absence of a specification, price for different levels of work. Which should owners choose - the cheap patch that will need to be redone or the more expensive but in the end better value work? If work is commissioned, owners then have difficulty in knowing if work has been carried out well. Such worries can result in a paralysis amongst owners and nothing may be done.

Builders are reported to be fed up with carrying out a lot of estimating - effectively a free pricing service - for owners who do not go ahead with any of the estimates. It is therefore becoming increasingly difficult for owners to obtain quotations.

This is where professional property management comes into its own. Where this works perfectly (too infrequently, in some owners’ eyes), experienced and trained personnel can advise on the likely best value course of action, provide a specification, obtain estimates from trusted contractors and check the work. Such advice is however hard to come by.

The Scottish Executive has produced leaflets 14 and these are useful in their way. However, what owners need is information directed towards their own particular building and its own state of repair. This requires a different approach to providing advice. Owners need access to expertise to answer detailed questions or to deal with uncooperative co-owners. Where there is no commercial property management service, then local authorities may find themselves required to step into the breach through developing homeowners’ advice agencies or professional property management services as the City of Edinburgh Council has done with the Stair Partnership.

Other alternative agencies are found in Europe. In Spain, the local Chamber of Property may provide considerable services to owners at a favourable rate. In the Netherlands, a model is provided in Monument Watch, which, while aimed at buildings with conservation status, also provides a practical model for all residential maintenance.

¹⁴ E.g. *We are all responsible* (2002)

The Barcelona Chamber of Urban Property

The Chamber of Urban Property of Barcelona works in the service of the property owners it represents in defending their interest and helping them to deal with any legal or technical matters that may affect their apartments, sites, buildings or business premises. As a body representing over 50,000 property owners, the Chamber is consulted by local and government authorities over projects and provisions affecting the general interest of the owners of urban properties. Through its , the Chamber provides owners with all the information and advice they need for managing their property well, and gives technical backing in connection with all action taken to defend owners' rights and interests. The Chamber is organised in various departments, each run by a specialist in property issues (lawyers, architects, etc.).

The consultation and advice services are free to members, since they are included in the annual membership fee. Other services entail an extra charge. Free services for condominium owners include:

- Advice on collecting overdue payments.
- Advice on official Rateable Value figures.
- Information and advice on the new Condominium legislation.
- Advice on shared areas (terraces, light-wells, janitor's lodge etc.).
- Information and advice on modernisation grants.
- Advice on drawing up the minutes of meetings and calling formal meetings.
- Information and queries on sharing out expenses from building-related work (attic terraces, façades etc.).
- Advice on employment terms for janitors.
- Advice on architecture and the law (disputes amongst co-owners, building work, permits, town-planning regulations, easements etc.).

Other services provided at extra charge include:

- Drawing up documents to be sent to the owners of neighbouring properties concerning problems.
- Modernisation projects.
- Analysing and diagnosing building pathologies (aluminat-cement problems, cracks, damp, façade safety and condition etc.).
- Arbitration.
- Valuations and expert appraisals.
- Administering properties.
- Handling the application for a Condominium NIF (tax code).
- Handling the official Fitness-for-Use certificates for buildings.

Monumentenwacht

Monumentenwacht is an independent non-governmental organisation whose aims are to prevent the deterioration of historic buildings by means of an annual inspection, minor repairs, inspection report and advice about appropriate maintenance. This Dutch scheme is regarded as European best practice, and is now being copied in other countries.

When a building subscribes to the Dutch *Monumentenwacht* Scheme, a thorough inventory is made on the first visit. Thereafter the building is inspected annually with special attention to the vulnerable points where maintenance defects originate. At each visit, in addition to the survey, minor repairs are carried out and then the owner is given both a written and a verbal report of the state of the building and future maintenance needs. Each inspection team consists of two inspectors who have specialist knowledge of historic buildings, the practical skills to carry out minor repairs, and social skills to communicate their findings to the owners.

The 'umbrella,' or administrative, part of the organisation is supported by public funding and annual subscriptions, and costs of inspections are paid for by owners, with some subsidy for labour costs. A key element in public trust in the scheme lies in its independence: it has no commercial interest, nor does it report back to government: it simply serves the needs of historic buildings' owners.

Encouraging communal action on repairs

There are a number of reasons why groups of owners can't get together to effect communal repairs.

Life stages

Owners are said to have the greatest propensity to repair their homes at certain life stages such as on first purchase of a house, before children are born, and before settling down to the less active and less prosperous retired lifestyle. Those who are least likely to repair are those whose attention is focused elsewhere in work or social lives or caring for family. In blocks of flats, the various owners are likely to be at a mixture of these life stages.

Property turnover

The other factor militating against concerted action on repair is turnover. There are a number of estimates of the length of time that owners remain in their flatted homes. However, the Scottish Household Survey shows that flat owners move more frequently than house owners.

Table 12: *Length of residence for flat owners measured against all homeowners across Scotland*

Years of residence	% of all owners	% of all flat owners
Under 1	5.4	7.9
1 to 2	10.3	13.9
3 to 4	10.5	12.9
5 to 10	24.9	27.7
11 to 15	14.4	11.2
16 to 20	11.6	8.5
21 to 30	13.3	9.3
31+	9.6	8.6

In a tenement of eight flats then, it is likely that one or two owners will only stay for a year or so and will have little commitment to the future repair of the building. It is likely that only one or two owners will be able to recall when major repairs were last carried out.

Absentee owners

Absentee landlords also tend to create problems. At best, they may be difficult to contact and least aware of the need for repair. At worst, they have financial priorities for their properties which are to prioritise revenue income from rents over capital costs of building work.

Facilitation, mediation and arbitration

The successful management of communal properties depends on the ability of owners to co-operate. Where one owner will not cooperate, residents are often reluctant to confront their neighbours, knowing that they must continue to live in close proximity, sharing many facilities. Not surprisingly, owners balk at taking their co-owners to court, the only way to enforce the rights of the majority of owners. In such situations, it helps if an outsider is seen to be the one taking action. The case studies illustrate the advantages of using facilitators. If no proactive property management arrangements are in place, there are no agencies which can carry out this role.

Property management arrangements

The need for structured property management is clear from the above arguments. Should this continue to be through the use of commercial property managers or should the practice adopted in other countries be considered, such as the use of owners associations backed up by access to advice and support agencies?

The use of property managers

In some areas of Scotland, there has been a practice of using property managers. Other areas, Edinburgh principally, had a history of using local by-laws and property inspectors to issue repair notices. The use of property managers is widespread in Glasgow and Dundee and in new developments. However, some property managers are more proactive than others and all are dependent on the willingness of owners to cooperate to be able to commission repairs. Self-factoring, where owners manage the property themselves, may be a conscious choice of a group of owners and be equally, or more, structured than developments where property managers are used. However, it is also often the case that self-factoring tenements have been abandoned by their property managers because too many owners have refused to pay their bills. In these cases, property management is often non-existent.

Owners associations

Even on an informal basis, it has been shown that owners associations contribute to better communication and knowledge of property management requirements amongst owners.¹⁵ However, in Scotland, the use of owners associations or stair committees as they may variously be termed is totally voluntary and virtually unsupported.

The approach in other countries is to make the establishment of an owners association mandatory, with specific requirements placed on the associations to manage the property, commission repairs and set budgets. In some countries, the owners association is the actual owner of the communal property. Could this be made to work in Scotland? A number of issues need to be considered.

Firstly, the size of communal units is important. With older tenements, where repairs crises are most likely to be occurring, there may only be only six or eight units. But even in Edinburgh tenements where there may be 16 co-owners, it would not really be feasible to insist that this number of owners have a structure

¹⁵ Research carried out for the Scottish Executive on the effectiveness of modern title deeds and deeds of conditions showed that, where these were present, owners were more satisfied with their buildings overall, more prepared to spend on their properties, slightly more aware of the various property management tools and much more satisfied with communications and advice.

with a convenor, secretary and treasurer. The current practice is based around the concept of the owners holding a meeting at which they make a decision that is then implemented by a property manager. This may remain the best structure for smaller developments or older tenements. For larger developments, or where there is no property manager, owners associations may be appropriate.

Secondly, owners associations will be a source of great frustration unless funding is available for establishing repair programmes. It is suggested that the development of owners associations must go hand-in-hand with a system of saving for repairs (see section 4).

Thirdly, without an effective registration system, there will be no way of policing such owners associations and no way of ensuring that they are actually in place, doing as they should. If it is proposed to go so far as having a registration system for owners associations, then it should also be set up to enforce the notion of building reserve funds and regular condition surveys (see section 4).

Finally, sources of advice and support for owners will need to be established (see section 5).

So, overall, it may be inappropriate to make the establishment of owners associations mandatory. However, the Scottish Executive could take short-term steps to encourage the establishment of owners associations on a voluntary basis.

Supporting owners associations

The Scottish Executive should commission the drafting of a standard constitution for these owners associations. The constitution should be capable, should owners choose, of setting up the owners association with its own legal entity - perhaps as a trust or company, depending on the size of the development concerned.

The constitution should contain the following provisions:

- **The purpose of the association** - to attend to the common interests and to protect the amenity of the owners including maintenance of the common parts, with powers to instruct tradesmen and enter into contracts, to effect insurance, to appoint property managers, to employ caretakers etc., to commission consultants, to make by-laws covering the conduct of owners, to levy payments and to set up bank accounts and reserve funds and to borrow money against these funds. In some cases, owners associations might wish to own common land;
- **Ownership** - open to all owners; obligations that bind departing owners to make incoming owners subject to the rules of the association (if they don't do this, then the outgoing owners should have continued liability but without any right to vote); provisions for absentee owners to notify their current place of residence and to make tenants responsible for meeting behaviour standards set out by the owners association;
- Provisions for payment of sums due within a specific time, with penalties, such as accrual of interest, for non-payment;
- Banking provisions;
- Establishment of building reserve funds;
- Provisions for carrying out regular repair condition surveys;
- Provisions for meetings: AGMs, EGMs, quora, chairing of meetings, voting arrangements;
- Powers of the committee;
- Alteration or addition to the rules of the association;
- How by-laws will be established;
- The by-laws themselves.

It is our understanding that such constitutions can overrule title deed provisions. However, there may be issues in ensuring their continuance on change of ownership, and the introduction of such an owners association would require the agreement of all owners, which may not be achievable in many cases.

Persuading owners to save for repairs

It is known that owners do not save for future repair costs. In the Friends of Glasgow West survey carried out in early 2001, only one third of owners agreed that they saved regularly against repairs and when asked about contributing to sinking funds another third said they would not be willing to contribute to a sinking fund at all (see Table 6).

This is not a unique problem - people do not save generally for future needs such as their retirement. The government has recognised this issue: it offers incentives to save, such as giving tax breaks for contributions to pensions funds, and is proposing to encourage saving for children through the issue of baby bonds. How, then, could owners be encouraged to save for repairs?

The greater use of sinking funds is what is required. Firstly, these savings vehicles should be given a better name - "sinking" after all has purely negative connotations. They are better referred to as building reserve funds. These are different to other forms of savings in that they need to belong to the building, not to the current owner. So the first step is to ensure that the building reserve fund (BRF) stays with the property while the individuals' contributions are recorded.

Legal implications

For meaningful sums to be built up over time in a communal property where turnover of owners can be high, the act of saving must be transmitted from one owner to subsequent owners. At present, this can only be achieved on a voluntary basis with the agreement of all owners in the building. The owners could possibly set up a contract which contains a clause obliging the current owner to impose the sinking fund on future buyers, but it is difficult to know how to enforce this if the new buyer refuses to comply. In almost all cases of communal properties, the establishment of the BRF will require the addition of a new obligation to the Deed of Conditions for the building and this will require agreement of all owners.

Should this therefore be seen as voluntary or compulsory saving? That is a question which must be decided by the Parliament itself. Clearly, a great deal of thought needs to be given to a number of factors, considered below in outline. The attitude of the Executive should be one of "How do we make this work?" rather than "It's too complicated".

Introducing building reserve funds

Whether compulsory or voluntary, it may nonetheless be seen as being difficult to implement BRFs where existing owners simply cannot afford to make the required contribution. The key is to tie establishment of the BRF to a change in flat ownership. In this way, every new owner entering into an agreement to buy a flat would be required to budget for payments to the BRF. Existing owners could decide to opt into the scheme on a discretionary basis.

On a voluntary basis, and assuming that the law is changed to make it possible for a majority of owners to make changes to the deed of conditions, the route to establishing the BRF would be as follows:

1. The majority of owners agree to a binding management agreement or the introduction of a clause, establishing a BRF, in the deed of conditions.
2. A suitable investment fund with adequate management provisions and safeguards is established.
3. Those owners who are willing and able to save commence to make regular contributions.
4. When these owners come to sell their properties, the incoming owners pay the property price plus the accumulated value of the BRF for that property.

5. Where the outgoing owner has not made contributions to the fund, or has made lesser contributions than other owners, then the deficit accumulated since day one should be subtracted from the final sale price and paid into the BRF.

On a compulsory basis, a similar route would be used except that the obligation to establish the BRF is automatically inserted into the deed of conditions and registered at the point of change of ownership.

Cost implications for owners

While this would put some first time buyers under greater pressure, part of the future cost of repairs would effectively be capitalised. This brings flat owners into line with other owners who frequently carry out, and pay for, major repair at the time of property purchase.

The way the BRF is treated by building societies and other mortgage lenders will determine if and how far house prices are deflated to allow for the BRF. Assuming that ownership of flats changes every seven years and owners are contributing £750 per annum, this would add an average of £5,250 to the purchase price of the property or approximately 10% of the purchase price of £52,500. In comparison, the BBC UK house price guide indicates house price inflation as running at an average of 9.14% in Edinburgh between 2000 and 2001 and 11% in Glasgow over the same period. The prices of some flats in Edinburgh have risen considerably more. Flats in Easter Road/Leith Walk are shown as increasing in price by 21.87% and flats in Stockbridge/Comely Bank increasing by 32.1%.

Rewarding saving

If the use of building reserve funds is not made compulsory, incentives need to be provided to owners. If the government were to offer tax breaks for cash placed in BRFs, the cost - based on average savings of £750 per annum for 305,000 flat owners only and at the basic rate of 22% - would be £57.75 million per annum. This is a similar figure to the current £66 million expenditure on grants and loans to private housing offered this year by local authorities. Such tax breaks are, however, regressive in nature and would not benefit the majority of the 145,000 poorer owner occupiers in Scotland who earn less than £6,000 per annum.¹⁶

Another alternative, and one which is more equitable, would be to offer VAT relief on essential repairs which are carried out using BRF monies. Using the same expenditure figure of £750 per annum by 305,000 flat owners, the cost per annum would be £40 million.

One means of achieving VAT relief that would not require legislative change would be for local authorities, who do not require to pay VAT, to act as the commissioners of repairs, as they do for compulsory repair orders. This would have considerable resource implications. However, local authorities could charge owners for the services provided or delegate part of their role to registered commercial property managers. One side-effect of the introduction of a BRF could be the expansion of a more regulated local building economy.

Administration of the system would be more complex than offering a straight tax break however. Issues such as how VAT relief could be confined to essential repairs rather than discretionary improvements need to be considered. Given a safe and secure home for funds, the next issue is how the fund should be controlled. Clearly, the use of the fund should be directed towards essential repairs rather than discretionary improvement, and in communal properties deeds of condition often set out definitions of communal repair. Alternatively, qualifying repairs could be those that are identified in the repair condition survey and subsequent property management plan, and also those that are linked to quality standards for housing such as the Scottish Decent Homes Standard.

¹⁶ Low-Income Owner Occupation In Scotland: A compilation of Data and Research Evidence, Rebekah Widdowfield & Diana Wilkinson (The Scottish Executive Central Research Unit April 2002)

The Scottish Decent Homes Standard

To be defined as 'decent', a home should meet each of the following criteria:

1. Meet the updated statutory minimum for housing, currently the Tolerable Standard; including serious disrepair, rising and penetrating damp, electrical wiring and thermal efficiency;
2. Be safe and secure; hazards particularly in relation to stairs and landings, kitchens, fire escape, electrical installations, heating installations and applicants and security;
3. Provide a reasonable degree of thermal comfort, be well insulated, be adequately heated and fuel efficient;
4. Contain modern facilities including kitchens and bathrooms;
5. Be well managed;
6. Be located in attractive and safe environments: consideration should be given to factors such as landscaping, drying facilities, street lighting, and car parking, although a dwelling would not fail where it is impossible to make the required improvements for planning reasons;
7. As far as possible suit the specific requirements of the household, including any necessary adaptations to meet the requirements of a household.

Management and control of building reserve funds

If the use of building reserve funds were to be compulsory, then a variety of agencies would want to offer financial products. Some insurance companies already offer emergency maintenance services on a flat-rate monthly basis. Not-for-profit sector solutions might also be found where credit unions or municipal banks link with home improvement agencies or RSLs - these would have the benefit of being able to offer loans to members as well as savings products and could also be locally established covering, say, one or two council wards. Some local authorities might want to offer their cash collection systems though others might have difficulties in holding the funds themselves and allocating interest received to the appropriate accounts.

Use and control of building reserve funds

Actions to prevent fraudulent use of the BRF need to be carefully considered.

For further security, drawings from the account should be on the basis of joint signatures, including an independent signatory who could be required to ensure that the works conform to the property management plan, that the majority of owners have agreed to the work proposed and that the cash is being paid to bona fide repair contractors. This suggests that there should be a means for electing account signatories and ensuring that these are updated on a regular basis, and owners associations of some kind would be required. Funds would be externally audited, perhaps by local authorities.

If BRFs are made compulsory, then local authorities could be charged with collecting the funds alongside council tax payments and transmitting these funds to recognised organisations.

Encouraging ongoing repair and maintenance

Property management plans

Both owners and lenders often pay too little attention to the quality of housing until major repair and improvement issues arise. Whilst owners are required to have building insurance in place there is no requirement seriously to look after the fabric of the property. The CIH in Scotland believes it should be mandatory for owners to set up a property management plan based on regular professional property repair condition surveys. In communal properties, such as tenements, the requirement for the property management plan needs to be imposed on all owners and monitored through a registration system.

This condition could be linked with a requirement for a “log book” for homeowners, documenting the progress of the property management plan and incidentally providing prospective purchasers with proof of property condition. This may help to address some of the issues of hidden repair and improvement costs for new owners.

Dealing effectively with non-paying owners

Local authorities already have considerable powers to serve compulsory repair notices. However, they are not as widely used as might be expected. Part of the reason for this is that many of these powers require the local authority to offer repair grants. The serving of such notices must be made keeping a weather eye open for the effect on constrained budgets. It should be possible for local authorities to serve such notices in a way which is neutral to their repair budgets. The use of these orders on request by owners would greatly speed up repairing where some owners are unwilling to participate. The non-payers could be offered loans or, alternatively, charging orders could be set against the property. With an average turnover of seven years amongst owners, the use of these charging orders could be linked to a revolving fund. Willing owners will not be required to make up for the omissions of other owners and the reluctant owner can be forced to pay an administrative fee to the local authority to cover the costs of intervention.

Absentee landlords

Where absentee landlords refuse to join in repair schemes, the local authority should be able to seize tenants' rents for any property within their portfolio and set these against repair costs. The local authority can only do this where it knows who the owner is. At present, a local authority may pay housing benefit to a landlord who gives only a post office box as an address. No housing benefit should be payable on any property where the owner cannot be identified and contacted directly by post.

Reviewing how public subsidy is made available for repairs

Repair and improvement grants

Local authorities have been able to use the repair and improvement grants regime to tackle house conditions in the private sector. However, this has been cut substantially over the years, with a 60% drop in the total money available for improvement grants since the non-HRA ring-fencing of this money was removed in 1996. The CIH therefore welcomes the recent announcement of the intention to replace borrowing consents with grant assistance earmarked specifically for private sector housing purposes.

The lack of priority given by local government when ring-fencing was removed is perhaps not surprising given the deficiencies in the process. It could be said that the grants system as it currently stands rewards those who fail to maintain their property. Certainly, it is geared towards supporting major repair and encourages an attitude of allowing deterioration to build up until it can only be undertaken in a project so large that few owners can easily afford to pay for it. A subsidy system for repairs should support a “little and often” maintenance regime which supports both householders' budgeting preferences and the needs of the well maintained building. The evidence of the case studies is that many owners would also welcome alternative means of support.

Do grants cover up for a failing property market?

The grant system can also be seen as covering up for a failed property market. A well repaired house should be worth more than a house in poorer condition. However, it is seldom the case that £5000 of repairs to the roof will add £5000 to the value of the property. As one home improvement website says, “A slick new bathroom makes more of an impression than a 30-year guaranteed paint finish”. Partly this is because incoming purchasers lack knowledge of the repair condition of the house they are purchasing, and partly it is due to the market system which prizes location over almost all other factors. However, even when property prices fairly reflect repair condition, there will be properties which are uneconomical to repair. Where these properties need to remain standing, grants will be required, perhaps regardless of the income of owners. Where the properties are obsolete or repair costs too great, then once again there will be a need to consider the prospect of demolition and how this can be made to work without penalising owners and without recourse to increasing the pool of social rented housing.

Loans for improvement

In addition to more targeting and strengthening of the repair and improvement grants scheme, the CIH in Scotland would like to see local authorities being able to offer low interest loans for repair and improvement. Certainly, this was the priority of the homeowners in the case studies. Loans could link in with the concept of a revolving fund within the local authority. This fund needs seeding initially but would be self-supporting eventually.

CONCLUSIONS

Scotland must now take a radical approach to sorting out the problems of disrepair in flatted properties. It must recognise that flats are a valued form of urban development, meeting the dual needs of developing at higher densities and catering for a population of ever-smaller households. The philosophy of caveat emptor, or buyer beware, effectively operates as a rule of “buyer ignored”, left unsupported, under-educated and at the mercy of an under-regulated system.

In drafting new legislation, the Executive has been motivated less by a concern positively to ensure the future of communal dwellings and more by an approach that has looked only at dealing with the defects of the existing law.

Most Western European countries accept the principle that neighbour laws must apply in stricter measure to the more intensive community of flat owners. More proactive and prescriptive legislation will bring Scotland into line with practice in many other countries. The current concern in Scotland about the affect on the human rights of owners who refuse to cooperate is not an issue in many other parts of Europe. However, it will be politically unacceptable to force owners to do more without actually easing the process of communal management and maintenance.

What is needed is a comprehensive strategy, planned over time, to coordinate and revolutionise actions by the housing industry - owners, mortgagors, local authorities, RSLs, the financial sector and voluntary bodies. The aim of this strategy must be to establish a balance between enforcement of better communal management, maintenance and finance with practical support and financial incentives for owners.

Enforcement of better communal management and maintenance

Owners must be able to enforce the powers they already have jointly with co-owners to ensure communal repairs. All the case study owners said that they would definitely or probably seek local authority help if they could not gain the cooperation of other owners. However, there is no duty placed on a local authority to help owners in this way. Existing local authority compulsory repair powers would be more widely used if they were not linked to the requirement to offer grants and loans. Indeed, a simple majority of owners should be able to require a local authority to intervene where there is no agreement about carrying out repairs, so allowing owners to maintain what good relations they can within their block. Compulsory repairs will require enforcement and this will have staffing implications. However, local authorities are able to add the cost of their administration to the repair cost if they are forced to act on owners' behalf, so much of the cost should be paid by owners in the end. If loans are required, then the use of charging orders can ensure repayment. What is effectively a revolving loan fund could, after initial seed corn funding, be cost-neutral to the local authority.

The proposed legislation contained in the Title Conditions Bill and the Tenement (Scotland) Bill is a minimal but necessary prerequisite in ensuring better communal management within blocks of flats and tenements. However, owners need easy access to the law to be able to utilise the options that will be offered to them in the new legislation. It would be better still, though, to establish proper systems of affordable mediation to preclude the need for court action. This is a role which many housing professionals are well equipped to fulfil with their specialist knowledge of property issues, housing law and above all skills at dealing with people. Such mediation services could be set up equally by local authorities and RSLs with funding from the Scottish Executive through Communities Scotland.

Regulation of property managers is called for by this sector of the housing industry itself. It would be a valuable step in raising standards in private property management by raising owners' confidence in the system. It is not possible to say that owners in every tenement should be forced to use a registered property manager but where one is not used, there should be a properly constituted owners association with a clear schedule of duties. Eventually, regulation should ensure that anyone managing more than say 10 properties would have to be a registered property manager. This would still allow for self-factoring in smaller or better organised developments. Such an obligation would affect owners in our second case

study who had no factor. Despite their happy neighbourly relationships and their willingness to get on with repairs, these owners had no-one who took responsibility for getting things under way. This was recognised by these owners after the meetings they said that the best thing about the survey and meetings was the way they prompted them into taking repair action.

The value of repair condition surveys is well demonstrated in the case studies. These surveys should be compulsory and carried out every two or three years at a minimum by a qualified surveyor with membership of a recognised professional body and carrying professional indemnity insurance. Repairs carried out should be recorded in a housing log book.

There will need to be a register of property management arrangements. This should require evidence of the use of a property manager or the registration of an owners association constitution with details of the last AGM and addresses of key officers. This register should also require the lodging of regular repair condition surveys. This will allow monitoring of the property management arrangements and provide buyers and their solicitors with an independent source of information about outstanding and required repairs. Where proper arrangements are not made, there should be provision for the local authority to appoint a provisional manager, carry out a repair condition survey and charge the cost to the owners.

Financing repairs

The first step in financing repairs must be to ensure that the cost of repair affects the value of the property. If a £5000 repair adds £5000 in value to the property then owners will be able to obtain loan funding, even if, in the case of poorer owners, the interest needs to be “rolled up” or supported through benefit payments. This requires buyers to know what repairs are needed in the building they are buying. A seller’s survey is one way of achieving this and has other benefits too. However, the requirement to carry out regular repair condition surveys and to lodge these in a public place will achieve a similar effect.

The case studies showed that it should not be assumed because many owners ask for grants - the only source of support for private repairs - that this is what owners want or need. Owners recognise that grants do have disadvantages in that not everyone is eligible, and there are often complicated forms to fill in and delays to the process. Grants also reward failure to repair and are based around the concept of one-off and infrequent large building projects rather than regular, preventative jobbing maintenance works.

If repairs add value to the property which allows for loans to be repaid on sale, then grants should only be necessary where repair costs are uneconomic in terms of housing value. If the buildings concerned are providing a valuable contribution to the urban environment, then grant should be paid to maintain the buildings. Otherwise, buildings should be demolished (but this raises the questions of how we deal with comprehensive clearance in an age when the offer of a public housing tenancy is not seen being ideal by many local authorities or owners.)

The second important financial provision, though, will be the eventual introduction of building reserve funds (BRF). The Scottish Executive should consider the advantage of these rather than simply seeing the difficulties. The requirement to set aside a regular sum of money against repairs, and to be able to transmit that fund to the next owner, will provide a guaranteed income stream. The fund set up could be used to provide loans where these are required. The transmission of a lump sum fund to incoming flat owners will allow them to capitalise some of the cost of repairs in their mortgage as those purchasing individual houses are able to do. The known cost of BRF contributions can be built into household budgets. It is likely that there will be effects on housing values and these need to be assessed so that unintended impacts can be dealt with. However, against the present background of constant house price increases, the envisaged sums seem very reasonable.

The presence of a building fund will lead to a more systematic approach to repairing. A further advantage of establishing BRFs is that an increase in building work will feed back into the local economy, encouraging smaller businesses that often do not have access to large public sector contracts.

Introducing compulsory BRFs is a big step to take but should be gradual as our research of owners' attitudes showed. A model BRF, legal agreement and clauses for insertion in deeds of conditions should be drafted. Local authorities and governmental agencies offering any grants or loans to owners could require the establishment of a BRF linked to a system of regular repair condition surveys. The requirement to set up BRFs could be made compulsory in all new developments. When BRFs are made universally compulsory in all common properties, they should be introduced at change of ownership, with incoming owners required to pay the "day one" amount. Where owners do not make full contributions, the deficit in the fund should be deducted from the price of the house. This will ensure maintenance of fund levels.

The need for regulation of such funds is understood and lessons must be learnt from the pensions industry. The CIH in Scotland believes however that the involvement of local authorities and the establishment of locally managed funds, perhaps using the model of credit unions, could bring local knowledge to the policing of fund management and the use of money set aside for repairs.

Financial incentives

The CIH in Scotland does not believe that it would be politically acceptable to introduce increased regulation and enforced saving through BRFs without some incentives. The case studies showed that providing VAT relief on communal repairs could be a key incentive. VAT relief is already available for new build and the associated administrative system could be built on. Alternatively, it would be feasible to allow local authorities to act as the ultimate commissioner of repairs and allow them to reclaim VAT. This would ensure that the local authority is involved in the process and allow them to insist on better managed, better quality repairs with the costs of administering the system reclaimed from owners. As another alternative, VAT relief could be linked to spending from BRFs and this used as another means of encouraging the voluntary establishment of such a fund.

Advice agencies

The case studies showed the benefits of having knowledgeable third parties available to advise, facilitate and mediate. Where there are no property managers in place or where owners want independent advice, there is a need to set up advice agencies. These have been shown to take many successful forms but the key feature is that they offer a variety of services on a one-stop-shop basis. Communities Scotland, with their background in setting up HomePoint to develop housing advice, should be asked to review regulatory and good practice mechanisms for these agencies - mechanisms which should recognise that the agencies will have a hands-on role with the commissioning and implementation of repairs, and the conducting of condition surveys, and that they may be charging owners a commercial rate for many of their services.

Owners associations

Research suggests that owners associations have many benefits, particularly in ensuring better communication between owners and increasing owners' knowledge base. There are, however, no model constitutions available off the shelf for owners to adopt. The Scottish Executive should develop a series of model constitutions and publish guidance in making associations effective, with advice on commissioning repairs and surveys. These should be provided to local amenity organisations, residents groups and community councils so that they can help owners to adopt these constitutions.

E-government

The first case study particularly showed the difficulties owners had in establishing who exactly their co-owners were. Local authorities have a number of management systems, which with a little thought and development could be adapted to provide benefits to owners. The council tax system could be used to collect BRF payments and absentee owners could be required to notify Assessors of their present contact address: this address should be made available to co-owners on request. The property search system could be linked to the register of property management arrangements, allowing property managers and owners associations to be notified of potential changes in ownership.

Timescale

The CIH in Scotland recognises that this is not a comprehensive list of actions and that other agencies are also making relevant proposals. What it is seeking to achieve overall is a strategic and proactive approach to communal property management, balanced between the provision of incentives and the enforcement of good practice, developed fearlessly over a period of years.

AN ACTION PLAN FOR COMMON PROPERTIES

Focus of the CIH approach

The focus of our approach is that there is little point in setting up systems to persuade or educate owners to carry out repairs without ensuring that there is cash available to implement owners' informed intentions. Public funds have substantially reduced over the years and what is required is an increase in resources targeted at the private sector. However, owners should also be made to save for future repairs themselves and given reasonable tax incentives to do so. The increased use of repair surveys and making these available to home buyers will allow repair costs to be incorporated in rising house values. In this way, even low income owners should be able to obtain loans and repayments structured to be affordable. Grant should only be paid where it is recognised that repair is uneconomic. The provision of greater information about property repair condition will make buyers more aware of the true costs of property purchase and help them to budget - and bid - accordingly.

A realistic time plan

The CIH in Scotland is making ambitious but necessary proposals to establish a proactive, regulated and mandatory system of comprehensive property management and maintenance. A proper implementation plan, set over a 10 year period, is required. To neglect to take such an attitude is a question not of "buyer beware" but of "buyer ignored".

The system should encompass:

- Refinement of the existing system of compulsory repairs and use of charging orders;
- Owner databases introduced as part of e-government;
- The establishment of a number of models of owner support agencies. Communities Scotland should encourage RSLs to pilot models which allow them to use their property and people skills in support of owners;
- The mandatory use of property management plans based on regular condition surveys;
- The mandatory introduction of building reserve funds;
- The establishment of a property management register which would monitor property management plans and BRFs;
- The review of the current grant system to encourage greater use of loans with grant only for non-economic repairs;
- Seed funding for a revolving loan system for repairs expenditure;
- Consideration of the use of tax incentives to facilitate repairs.

Short-term action

The HITF has done little to examine needs from the owners' perspective. This needs to be rectified.

Initially, more research is required on owners' attitudes to the use of public subsidy. The owners in our case study showed that they would be interested in other forms of making subsidy available for repairs.

The HITF has failed to make a proper examination of the merits of sinking funds and this defect needs to be remedied. Research is needed on the effects of setting up building reserve funds, their likely impact on house sales prices, what types of savings vehicles might be set up to deal with such funds, how funds can be securely collected and how spending and withdrawals could be regulated. A sensible introduction in, say, 7-10 years would allow time for proper preparation.

In the shorter term, development of a constitution for owners associations could be undertaken by Communities Scotland.

The requirement to pay grant should be de-coupled from compulsory repair notices and greater use made of loans and charging orders to ensure willing owners are not penalised.

Appendix 1 Case Study 2: Tenement Survey Inspection Report



Prepared by John Gilbert Architects: September 2002 Page 1 of




Date of Inspection: 17th September 2002






Extent of Access: External areas, roof, roofspace, close and Flats B/1 and No. 83 (main door).




Building Type: Mid-19th Century, 3-storey and basement, buff sandstone, end of terrace tenement property. In Pollokshields West Conservation Area



Property Factors: Self-factored




Ref./ Photo	Item	RepairsPriority
1.0	External Walls	
1.1 2579	Stone cleaning and local "plastic" (i.e. cement) repairs to stonework have been carried out to front elevation. The stonework, including repairs, generally appears to be in reasonable condition, although there are areas where local repairs would be advisable.	Low
1.2 2570	 <p>To the east the building abuts a single storey electricity sub-station running back two-thirds of the depth of the tenement. The exposed gable is rendered brick, in poor condition, with render spalling from the chimneyheads and the upper part of the wall. The top of this wall is also holed into the roofspace. A vertical render crack at the rear of the gable coincides with the junction of brick and stonework. Brick and render repairs required.</p>	High
1.3 2578	 <p>Rear elevation stonework generally in reasonable condition, with steel angles inserted to a significant number of window lintels. A crack extends from ground to first floor windows in mid-elevation (this may also extend down to basement level, behind the creeper). This should be inspected by a structural engineer and repaired/ repointed.</p>	High

1.4 2563		The front wall shows signs of dampness at basement level, abutting the underbuilding to the sub-station.	Medium
1.5 2577		Windows and mastic to window openings vary in condition, however these are generally poor especially to rear. Windows require repairs and painting and replacement of mastic.	High
1.6	A crack runs vertically up the centre of the pier to right of the entrance of No. 83 (coinciding with the balustrade fixing) for a height of 5 stone courses. This should be inspected by a structural engineer and repaired/ repointed.		Medium
2.0	Roof and Chimneyheads		
2.1 2522		All chimneyheads are of brick and render construction, reduced in height to front wallhead, with cement copes. Chimneys and flashings appear to be in reasonable condition but should be inspected on an annual basis.	Medium

2.2 2519		Roofs are tiled with cement interlocking tiles. The roof abuts the higher gable to the west and the chimney and skew to the east. Flashings are a mixture of lead and felt. Tiling is in reasonable condition but should be subject to annual inspection.	Medium
2.3 2523		The two front oriel windows are felt roofed and may be the source of leaks reported by the occupants of the building. The felt should be inspected and repaired if required or (preferably) replaced in lead.	High
2.4 2529		The close rooflight has been replaced with corrugated translucent sheeting. There are signs of leaks from the rooflight flashings, however the entire rooflight appears to have reached the end of its service life and should be replaced to a more appropriate detail (framed and glazed with wired safety glass and ventilation).	High
2.5 2574		Gutters are aluminium ogee pattern to street frontages. Rear gutters are plastic. Rear gutter sagging behind left-hand chimneyhead: section needs replaced. Gutters need cleaned of dirt and vegetation, front and rear. After cleaning, gutters should be inspected for leaks and damage.	High
2.6 2540		Roofspace generally in reasonable repair although the extent and number of previous minor repairs indicate that this should be inspected annually for leaks.	Medium
2.7	Roofspace is uninsulated: owners of top flats should be aware of grants available for loft insulation.		Medium

2.8 2545		Boiler flue through roofspace from flat 2/1 does not comply with fire separation requirements. This should be rectified as a matter of urgency by the flat owner.	Immediate
2.9 2549		Void at rear wallhead, in corner above Flat 2/1: two roof ties appear to have inadequate support on replacement lintels. This should be inspected by a structural engineer. Fire separation between roofspace and top flat should also be made good.	High
3.0	Close and Common Stair		
3.1 2556	Close and common stair generally in reasonable condition and well maintained. Stone pencheck stair treads appear free from distortion or cracking.		Low
3.2 2554		Horizontal cracks in close wall at 2nd floor ceiling level indicate change from brick to lath and plaster construction at this level (this should not require further action since there is no attic accommodation).	Low

3.3 2558	Roofs are tiled with cement interlocking tiles. The roof abuts the higher gable to the west and the chimney and skew to the east. Flashings are a mixture of lead and felt. Tiling is in reasonable condition but should be subject to annual inspection.	Medium
3.4 2591	 <p>Four cast iron balusters missing from basement stair: these should be replaced to match existing and stone treads repaired.</p>	High
4.0	Front and Rear External Areas	
4.1 2560	 <p>Retaining wall to pavement partially collapsed; also retaining wall to raised front garden, to right hand side of steps to close. These areas should be repaired to avoid risk of pavement collapse.</p>	High
4.2 2590	Stone step broken and loose at front steps to No. 83.	High
4.3 2575	Large backcourt well maintained and landscaped. Access poor to western part of rear elevation.	Low
4.4	Drainage blocked at western end of rear elevation (at mutual gable).	Immediate
5.0	Other comments	
5.1 2561	Basements are generally free from damp, however the condition of the property shows that there have been problems of water ingress at various locations in the building, some of which have still to be sorted. It would therefore be advisable for a comprehensive survey to be carried out by a rot specialist. This should include disruptive inspection of finishes of finishes at eaves and intermediate and ground floor levels, as well as other areas referred to above.	High

<p>5.2 2568</p>		<p>Flood and other damage to ceilings in basement flat and stores means that repairs will be required to reinstate fire protection.</p>	<p>High</p>
<p>5.3</p>	<p>Common repairs are understood to have been carried out more than 20 years ago, subject to a compulsory enforcement notice from the Council.</p>		
<p>5.4 2566</p>		<p>The basement right-hand flat is boarded up and has been unoccupied for some time with building works partially completed, but appears structurally sound. Advantage should be taken of opportunity for disruptive rot survey.</p>	<p>Medium</p>
<p>5.5 2588</p>		<p>The building is situated in a conservation area. Replacement windows should also have the appearance of traditional sash and case windows. Any proposals, such as stone repairs or re-roofing, which will affect the external appearance of the building will also require listed building consent in addition to planning approval.</p>	

The Benefits of CIH Membership

The Chartered Institute of Housing is the only professional organisation for people who work in housing. Its purpose is to maximise the contribution that housing professionals make to the wellbeing of communities. The Institute has 1600 members in Scotland working in local authorities, registered social landlords, Communities Scotland, The Rent Service, voluntary organisations, educational institutions and the private sector.

If you work in the housing sector or have an interest in housing matters, the CIH is for you. There are a range of membership grades to suit individuals with a variety of experience and qualifications.

- **Affiliate membership** is for anyone who wishes to be associated with the activities of the CIH. It is available to individuals with an interest in housing and requires no formal qualifications.
- **Student membership** is available to anyone who is currently undertaking or is eligible to undertake a housing course that is recognised by the CIH.
- **Practitioner membership** is open to individuals who have completed a housing qualification that is recognised by the CIH.
- **Corporate membership** shows that an individual has successfully completed the CIH professional qualification. There are several routes to Corporate membership to suit the circumstances of the individual concerned.
- Individuals are eligible for **Associate membership** if they hold a professional qualification in another discipline, have worked in housing for a minimum of 2 years and are employed in the housing sector at the point of application.

The CIH has over 16,000 members working in housing or related areas in the UK, Hong Kong and other parts of the world.

As a member you will be entitled to receive a range of membership services including:-

- Housing - the official monthly journal of the CIH
- Inside Housing - a weekly housing magazine
- CIH Ezine - a weekly email magazine containing all the latest housing news and views.
- Members Credits - a brand new benefit from January 2002. A range of member credits that can be used against selected CIH services
- Careers & Professional Development Service - in association with Eden Brown Ltd the CIH is able to provide access to career advice and information
- Professional Practice on Line - access to current housing practice covering a range of topical areas
- Access to professional advice on housing policy and research
- Membership of your local branch, providing networking with housing professionals and social events
- CIH Credit Card
- Discounted Professional Indemnity Insurance Scheme.
- Discounts on CIH publications and selected training courses

For further details please contact:

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