

## A CASE STUDY ON THE GRANT SYSTEM FOR RENOVATION OF VACANT HOUSES BY LOCAL GOVERNMENTS

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**ABSTRACT.** *As a part of settlement policy, local governments have started the information service regarding vacant houses and a grant system for renovating the houses. As usually a vacant house has to be renovated before its reuse, the grant is considered to be very helpful and effective. The purpose of this study is to clarify the mechanism of the system as well as its current problems, and to distill what should be done in the future in order to improve the system continuously and increase system efficiency. Our research findings are:*

*1) Due to the financial pressure and heavy administrative workload of the local governments, the grant system is only available for a few years.*

*2) Local governments which have employed the grant system are effectively and actively engaged in registration of vacant houses and the contract support. Meanwhile, they also provide sufficient information with respect to reuse of vacant houses.*

### 1. INTRODUCTION

After the increase in migration candidate from cities to rural areas, “Reuse project of vacant house” or “Bank of vacant house” have started by many local governments. Figure.1 shows three “Renovation system of vacant houses”. “Information service” type is that the government gives information and agency services to people who want to move from cities to countries. There are 103 samples in West Japan, this is the most general system<sup>1)</sup>. “Information service and grant system” type is that the local governments give information services and a grant for housing repair. There are 8 samples in West Japan, and this is increasing. “Rental by local government and grant system” type is that the local governments rent vacant houses for a constant period, and after the repair is finished with a grant of the foundation, it is used as rental residences. This has been tried in Shimane prefecture only. Vacant houses are damaged and facilities are old, so a large sum of money is necessary for repairs. Therefore, “Information service and grant system” type is an effective way to promote reuse vacant houses because it solves the problem securing repair costs. In addition, local governments introducing a grant system grapple not only reusing vacant houses but also the support project of settlement actively.

From the above, this paper pays attention to “Information service and grant system” type. The purpose of this study is to analyze the mechanism of the grant system, the method of vacant house's information service and the contents of settlement supports. Furthermore, it is cleared what should be need in the future in order to improve the system continuously and increase the system efficiency.

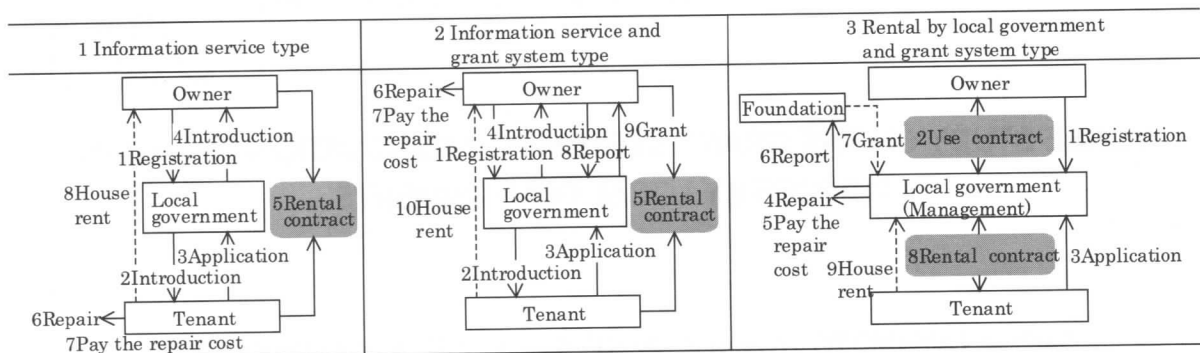


Figure 1. Renovation System of Vacant Houses

Table 1. Outline of Survey

Method	Contents	Object	Period
Telephone Mail	The start year of the grant system	14 local governments	Hitachiohmiya city, Nasukarasuyama city, Toyooka village, Hida city, Takayama city, Mino city, Tottori city, Syhobara city, Kitahiroshima town, Tachibana town, Imari city, Kashima city, Kirishima city, Satsumasendai city
	Object and sum of the grant		
	Track record of the grant system		
	The whereabouts of the grant system's outline and the application form		
	Information method of vacant houses		
	Support way for contract		
Hearing	Support of employment and experiment project of rural life	10 local governments	Toyooka village, Hida city, Takayama city, Mino city, Tottori city, Syhobara city, Kitahiroshima town, Tachibana town, Kirishima city, Satsumasendai city
	Background and purpose of the grant system		
	The decision reason of sum of the grant		
	The way of collecting vacant house's information		
	Process from the rental contract to moving in the house		
	Effect and problem of the grant system		
Future project			

Table 2. Operation Period and Track Record of Grant System

N	Local government	Project name	Merger year	Operation period	Track record (~2008)
1	Ibaragi Pre. Hitachiohmiya city	Grant for renovation of vacant house	2004	2004~2010(7years)	3
2	Tochigi Pre. Nasukarasuyama city	Bountv system to promote settlement	2005	2008~2012(5years)	2
3	Nazano Pre. Toyooka village	The renovation project of vacant house	-	2008~	4
4	Gifu Pre.	Hida city	2004	2005~2008(4years)	5
5		Takayama city	2004	2008~	1
6	Mino city	Grant for improvement cost of housing	-	2007~	3
7	Tottori Pre. Tottori city	Support project of housing for "UJI-turn"	2004	2007~2009(3years)	12
8	Hiroshima Pre.	Kitahiroshima town	2005	2006~2010(5years)	2
9		Shobara city	2005	2007~2009(3years)	5
10	Fukuoka Pre. Tachibana town	Grant project for renovation of vacant house	2010	2006~2008(3years)	4
11	Saga Pre.	Imari city	-	2006~	1
12		Kashima city	-	2007~	2
13	Kagoshima Pre. Kirishima city	Grant for extension and reconstruction	2005	2008~2012(5years)	0
14	Satsumasendai city	Reform aid of settlement housing in depopulation	2004	2008~2010(3years)	8

## 2. METHOD OF STUDY

### 2.1 Method

The method of this study is the following four.

- 1) Local governments introducing a grant system for housing repair as a settlement policy is gathered. It is shown that contents of the grant system and the settlement support and the way of information services.
- 2) The purpose of the grant system is to promote using vacant houses and settlement. Therefore, the grant sum, the method of using vacant houses and the settlement support contents are put an analysis indicator. After the classification of the project system was done, characteristics of each system are cleared.
- 3) Typical cases of classified systems are selected and the hearing survey about using the vacant houses and the

Table 3. Object and Grant Sum

No	Local government	A	B	C	D	E	F	Grant sum	G	
3	Toyooka village	Both is ok.	Tenant or owner	●		●		1/2 of repair cost and under 500,000yen	3	
10	Tachibana town			●					1/2 of repair cost and under 500,000yen	□
11	Imari city			●				Kitchen, toilet, bathroom, water supply and drainage, white ant suppression	1/2 of repair cost and under 250,000yen	3
12	Kashima city			●				Kitchen, toilet, bathroom, water supply and drainage, white ant suppression	1/2 of repair cost and under 250,000yen	3
1	Hitachiohmiya city		Tenant			●			1/2 of repair cost and under 500,000yen	4
2	Nasukarasuyama city			●					1/2 of repair cost and under 150,000yen	□
4	Hida city							Kitchen, toilet, bathroom	1/2 of repair cost and under 2,000,000yen	10
7	Tottori city						●		1/2 of repair cost and under 2,000,000yen (Repair cost have to be over 500,000yen.)	5
14	Satsumasendai city			●					1/10 of repair cost and under 500,000yen (Repair cost have to be over 300,000yen.)	5
5	Takayama city							Kitchen, toilet, bathroom, interior	1/2 of repair cost and under 1,000,000yen	5
8	Kitahiroshima town	Own house				●	Kitchen, toilet, bathroom, roof, drain, ceiling	1/2 of repair cost and under 500,000yen (Repair cost have to be over 3,000,000yen.)	5	
9	Shobara city							1/2 of repair cost and under 2,000,000yen	5	
13	Kirishima city				●			1/2 of repair cost and under 700,000yen or 500,000yen	5	
6	Mino city		Owner		●			1/2 of repair cost and under is 2,000,000yen	10	

Table notes) A: Rental or own house B: Object person C: Objects are limited registered houses. D: Designation of object areas  
E: Designation of builders F: Designation of repair points G: Periods which tenants have to live in the house (years)

settlement supports are done.

- 4) As for the settlement support project introduced a grant system, the management way and characteristic are explained and it aims to consider its future ability to promote development.

## 2.2 Outline of the survey

14 local governments introducing a grant system were searched by an internet (table.1). Authors surveyed contents of the grant system by a telephone and a mail, and selected 10 governments which have many actual results or expensive grant cost. Next, the hearing survey was done on these 10 in details. The survey term is from July, 2008 to Jun, 2009.

## 3. OUTLINE OF THE GRANT SYSTEM FOR REPAIR

Table.2 shows operation periods and track records of 14 local governments. 12 local governments have started a grant system during 2 year since 2006, that is to say, the grant system have been introduced after a merger of Heisei. The operation period is 3 years(4 local governments), 4 years(1), 5 years (3), 7 years(1) and nothing(5) because many local governments have limit for a budget.

Table.3 shows objects, grant sum and the period which tenants have to live in the house. The building type of vacant houses is object of grants regardless of the housing age and the structure type. 9 local governments permit both owner-occupied house and rental residences as the object house. On the other hand, the object person is limited to tenants by 9 local governments. Almost of governments regard the case which people who moved from the city to the country rent or buy a vacant house as the object to promote settlement. In addition, 13 local governments have other conditions, for example, houses must be registered at the bank of vacant houses(5 cases), the area is limited to formerly town and village or depopulated areas(4 cases). Regional builders are designated(4 cases), and repair contents are restricted within kitchen, bathroom and toilet(5 cases).

There are 12 local governments which the grant sum is a half of repair costs. The range of a grant is big with 150 thousand to 2 million yen, and the grant sum is divided under 500 thousand yen or over a million yen. The higher grants are set, the longer periods which tenants have to live in are decided. Hida city and Mino city that an upper limit of grants is 2 million yen decided that the periods are 10 years, and almost of local governments determined rules about return of grants in case of that tenants move out during the contract term.

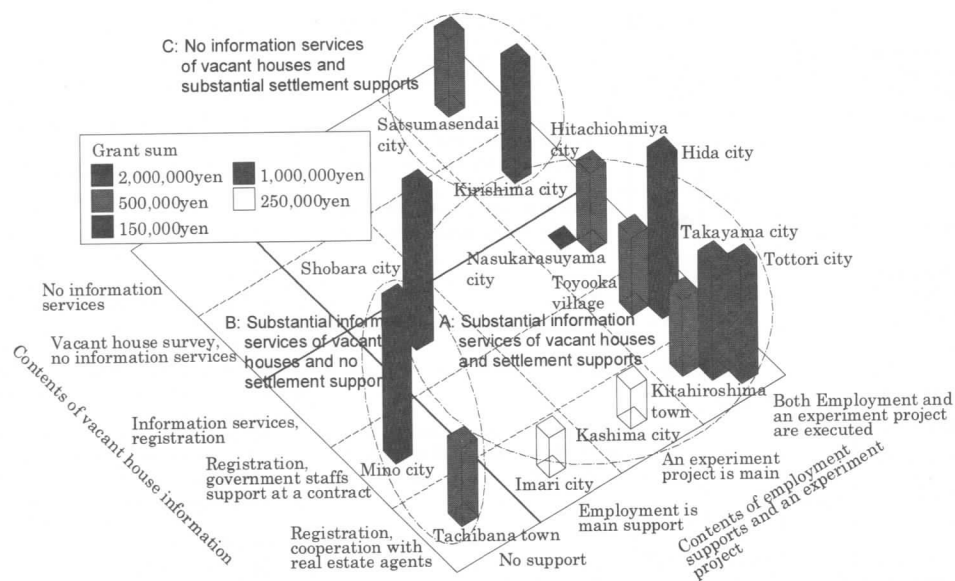


Figure 2. Relationship between Contents of Information Services and Settlement Supports

#### 4. CLASSIFICATION OF THE SETTLEMENT SUPPORT SYSTEM INTRODUCED GRANTS

Generally, the information service project of vacant houses is information offers and taking care of people who want to move in. But recently, some local governments have started a registration system and contract supports including information services. Introduction of a registration system bring these two advantages. One is owners can trust tenants because they can get detail information about tenant's ages, households and conditions. Another is tenants can look for agreeable vacant houses with their conditions. Usually, owners contract with tenants directly, however tenants aren't acquaintance with tenants and they have no knowledge about contracts. Therefore, it is strong points that governments support at a contract or real estate agents mediate, and they can solve troubles on contracts. These activities are effective way to promote using vacant houses. For people who move from the city to rural areas, it is important to secure employ. And more, they may have fears that whether they can adapt themselves to regions or suit for agriculture. So employment and agriculture supports was started to promote settlement. Stay houses are prepared and the experience project was started to make knowledge of the country life deepen by stay for long-term.

From the above, grant sum, contents of vacant house information and contents of employment supports and experiment projects are set as analysis indicators, and the system type is classified into these three types; A type: Substantial information services of vacant houses and settlement supports, B type: Substantial information services of vacant houses and no settlement supports, C type: No information services of vacant houses and substantial settlement supports, (Figure.2). 10/14 local governments are A type and this shows that local governments introducing grants take a positive attitude toward the settlement support project.

Table.4 shows contents of information services and settlement supports by types. In A type, a survey to collect vacant house's information is done by cooperation of a residence association and information is opened in a homepage by 6 local governments. All local governments of A type introduced the registration system of owners and tenants and 5 examples cooperate with real estate agents at a contract. 9 governments except for Kashima city have supported employment and entering agriculture, and 8 governments have done the experience project and prepared stay houses in common. A type does enough economic assistance because it includes 4 in 6 governments which grants is over 1 million yen. Meanwhile, B type has no employment supports and experience projects and using vacant houses is main project to promote settlement. C type doesn't offer information of vacant houses, but it has employment supports and stay houses.

Table 4. Contents of Information Services and Settlement Supports

T y p e	N o	Local government	Grant sum (10,000 yen)	Information services of vacant houses								Employment supports and an experience project				
				Survey <sup>1)</sup> of vacant houses		Information services		Registration		Contract supports		Employment		experience		
				A	B	C	D	E	F	G	H	I	J	K	L	
A	4	Hida city	200				●	●	●	●	●	●	●	●		
	9	Shobara city	200			●		●	●			●	●			
	5	Takayama city	100	●	●	●		●	●	●		●	●	○		
	7	Tottori city	100	●	●		●	●	●	●		●	●	●		
	1	Hitachiohmiya city	50	●	●		●	●	●			●	●	●		
	3	Toyooka village	50	●	●	●		●	●		●	●	●	○		
	8	Kitahiroshima town	50	●	●	●		●	●	●		●	●	○		
	11	Imari city	25	●	●		●	●	●	●		●	●			
	12	Kashima city	25	●	●	●		●	●	●			●	●		
	2	Nasukarasuyama city	15	●	●	●		●	●			●	●	●	△	
	B	6	Mino city	200	●			◎	●			◎				
		10	Tachibana town	50	●	●		●	●	●	●					
	C	13	Kirishima city	100	●	●							●	●	●	△
		14	Satsumasendai city	50									●	●	●	●

Table note) 1) The survey contents are grasping the number of vacant houses and judging whether vacant houses can be rented or not.  
A: Government staff B: Residence association cooperate C: Homestay D: Window of government E: Owner F: Tenant  
G: Cooperation with real estate H: Government staffs support at contract I: Except for agriculture J: Agriculture  
K: Project L: Stay house  
●: Operation ○: Farmer's house or the stay type allotment gardens are offered along with agriculture experience  
△: A stay house will be prepared in 2009. ◎: NPO executes.

## 5. CASE STUDIES ON TYPES OF SUBSTANTIAL INFORMATION SERVICES OF VACANT HOUSES AND SETTLEMENT SUPPORTS

### 5.1 Tottori city, Tottori prefecture

Tottori city merged 8 towns and villages in November, 2004. It is prescribed the exceptional city "Tokureishi" as 200 thousand city where is the biggest in *Sanin* area. Population is 201,740 and the aging rate is 2.1% by a census in 2005 and the fluctuation rate of population in 2005 increased 0.5% than 2000.

#### 1) The settlement support system

The purpose of the support project is to move young and middle aged generation into the area out of city. Figure.4 shows the settlement support system. "Tottori City *Teiju Sokushin* U-turn Support Desk" has opened in *Chiiki-shinkoh* division since September, 2006. Support desk's parts are a guide for people who want to move in, an information service of vacant houses, an introduction of grant system. And after two stay houses were prepared for a long-term, the project to experience a country life has been begun since 2007(Figure.5).

Employment supports and Agriculture supports are divided in each division and there is a training course during 2 years for a new agricultural worker. In 2007, "Tottori City *Furusato Teiju Sokushin* Liaison Group" was born by Tottori city office, a prefectural estate agency, a farmers' cooperative, banks and universities. By making use of special knowledge and technique of each institutions, the group provides information of houses and employment and so on. As for the experience project, reception farmers are introduced to try agriculture by the regional organization of "Kinyudo green tourism society" in Shikano town. People who moved in the area made the group named "Tottori *Furusato Yuai-kai*" in January, 2009, and the group's activities are meeting and talking with each other and to advise people who want to move in.

#### 2) Grant system for cost and information service of vacant houses

Vacant house information service has been started since September, 2006 because it was only introducing the homepage of the real estate at on time. The grant system for repair has been started since April, 2007 because most of vacant houses need to be repaired and the need of supports for the repair cost was recognized. The information service system of vacant houses is shown in figure.5. A government staff requests the branch office and the autonomy association group to survey vacant houses, vacant house survey is done and registered. It is taken into consideration of a crime prevention, vacant house information isn't opened. After applicants asked the

support desk and user registration was done, the local government introduces user vacant houses. The work of the local government is to introduce a tenant to an owner. Generally and a tenant contract with an owner directly, they can ask mediation to the real estate if they hope that. After a tenant applies for grants and the government admit it, a repair is done, and a tenant pay the repair cost and the government supply a tenant with grants of 1/10 repair costs and under 1 million yen. In addition, the government pays 30 thousand yen to an owner and the autonomy association group which take people who move in.

From the above, the advice desk is unified by the settlement support project, and housing and employment information are full by the part share and cooperation with the related organization. The regional group offering the agriculture experience and the support organization by people who moved in were born. The characteristic of the support system is that the wide cooperation system is prepared by making use of special technique and experiences of each group. Over 30 households moved in on a year and 12 households used the grant. There are most actual results in local government which introduce the repair grant system. Because people who moved in depend on governments too much, it is a subject to spread businesses by making use of private sectors, NPO, and so on. It is pointed out as a problem that vacant houses offer's not proceeding and the more actual results, the more severe financially.

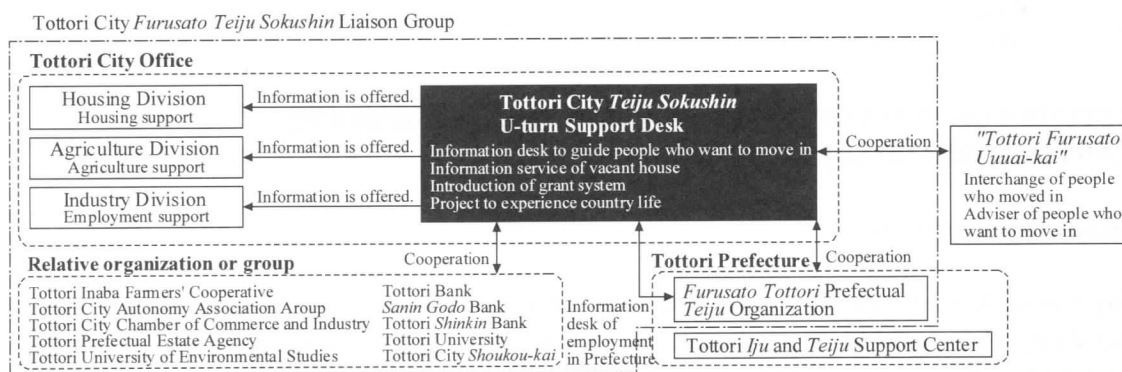


Figure 3. Settlement Support System in Tottori City

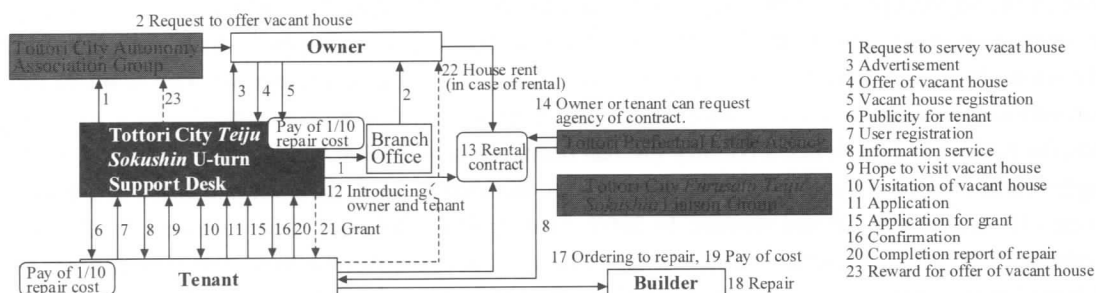


Figure 4. Information Service System of Vacant House in Tottori City

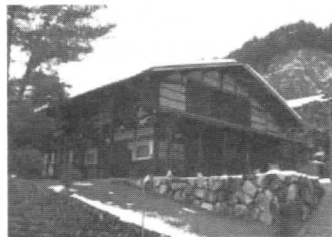


Figure 5. Experience Housing in Tottori City Figure 6. Experience Housing in Hida City



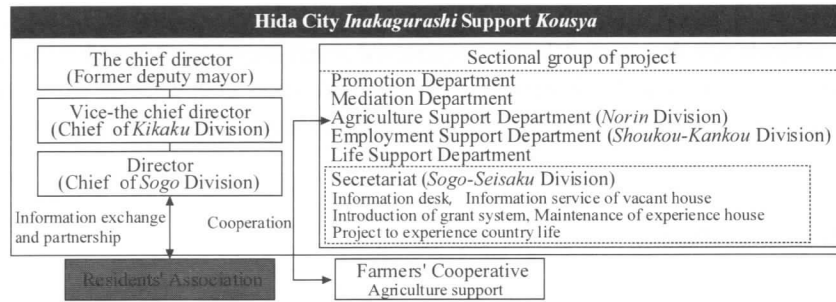


Figure 7. Settlement Support System in Hida City

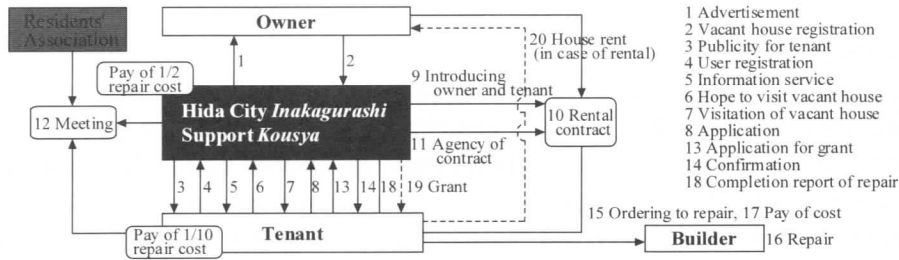


Figure 8. Information Service System of Vacant House in Hida City

## 5.2 Hida city, Gifu prefecture

Hida city is located in the most north area of Gifu prefecture and a heavy snowfall area surrounded by North Alps and Hida Mountains. It was born by merge of 2 towns and 2 villages in February, 2006. Population is 28,902 and the aging rate is 30.0% by a census in 2005 and the fluctuation rate of population in 2005 decreased 5.0% than 2000.

### 1) The settlement support system

In order to stop decreasing population, "Hida City Inakagurashi Support Kousya" was established in October, 2005 as direct management of the government. Figure.7 shows the support system of Hida city. Each division is positioned as sectional group of the project, and Sogo-seisaku division is entrusted with the secretariat for the information desk. The division's works are the information service of vacant house, introduction of grant system, and the experience tour of visiting vacant houses and talking with people who moved in. A stay house was prepared to experience winter life of a heavy snowfall area in April, 2006(Figure.6). A city office rents the traditional farmer residence built 117 years ago, and it was repaired, and the 1st floor (Floor spaces: 69.62 ) can be used. The government tells an residents' association the user information of the stay house in advance. *Shoko-kankou* division covers with the employment supports. As for agriculture supports, an agriculture and forestry division keeps in touch with the farmers' cooperative, and agriculture guidance and supports are done to applicants.

### 2) Grant system for cost and information service of vacant houses

Because vacant houses increased by promoting depopulation, the grant system for repair costs has been started since September, 2005, and vacant house information service has been started next month. The information service system of vacant houses is shown in figure.8. Vacant house registration is done by advertisement of official report, and vacant house information isn't opened considering crime prevention. An applicant is registered if it submitted documents required to the city office, and a government staff offers vacant house information to the registrant. If the registrant want to visit vacant houses, a staff guide them. After the registrant meet a tenant and a staff, the contract is done by mediation of a public notary. A tenant pays an improvement fee, and a grant is granted to him. An aid object is limited a bath, toilet and kitchen, and a grant is 1/2 of the improvement costs and within 2 million yen.

The characteristics of the settlement support of Hida city are that each post of divisions keeps in touch and it is being carried out widely to employment supports, experience projects and vacant house information

services. 9 households moved into the area from 2005 to 2008, and there are 5 cases using a grant from 2007 to 2008. Administrative subjects are that vacant houses registered aren't increase, it isn't known whether there is the whereabouts of the defect security if the government mediates, and repair cost can't be expected. Keeping in touch with the estate agent to share business such as the management of vacant houses and mediation is considered as a future development<sup>2)</sup>.

### 5.3 Toyooka village, Nagano prefecture

Toyooka village is located in south of Nagano prefecture, and the warming area which is small snowfall. Population is 7,068 and the aging rate is 28.9% by a census in 2005 and the fluctuation rate of population in 2005 decreased 2.1% than 2000.

#### 1) The settlement support system

Toyooka village didn't merge though the conference to merge with Iida City was done before 2006 years, so a village office thinks about independence, and it is grappling with the information service of vacant houses as main project for settlement. Figure.9 shows the support system of Toyooka village. Information service of vacant houses and introduction of grant system are done by *Soumu* division *Kikaku-zaisei* section as an information desk. Employment Bureau for employment support and Nagano Prefectural Agricultural Extension Center for agriculture support are introduced by the government staff to applicants. There is the ownership system of apples and pears, and "NPO Daichi" accepts the agriculture experience project. Because there are many farmer's tourist home, they are made use of as stay houses for people who want to move in.

#### 2) Grant system for cost and information service of vacant houses

"Vacant house use information system" has started since July, 2006, and the grant system for repair costs has been started since April, 2008. The information service system of vacant houses is shown in figure.10. The investigation of vacant houses was done by residents' association in 2006. After that, vacant houses are grasped in the tax department from the ledger and negotiation is done directly over the telephone. Besides, vacant houses are collected by official reports. After a plan is offered by the tax division and the local government staff takes a picture of the house, it is opened on the homepage. An applicant is registered after he presents the documents required and gives an interview with the staff. The local government introduces an applicant for residents' association and an owner, and an owner negotiates with a tenant directly at the contract. Grant sum is 1/2 of the improvement cost and under 500 thousand yen considering repair of kitchen, toilet and bathroom. A grant object is an owner or a tenant, and a builder is limited to the one in the village because of the construction industry promotion.

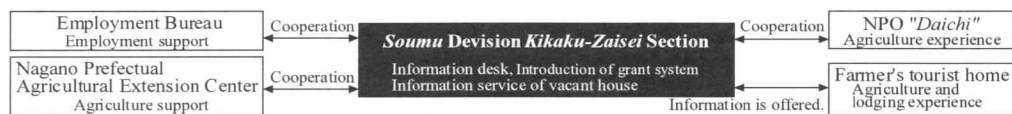


Figure 9. Settlement Support System in Toyooka Village

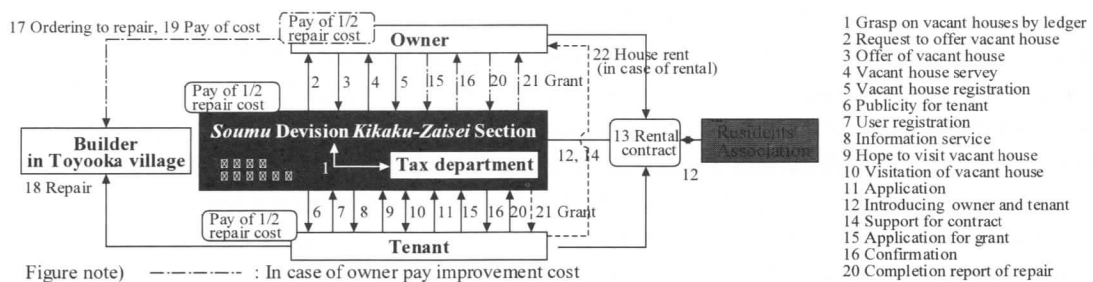


Figure 10. Information Service System of Vacant House in Toyooka Village



## 6. CONCLUSION

The results on this paper are as follows:

- 1) As for the grant object, both owner-occupied house and rental residences are permitted basically, on the other hand, the object person is limited to tenants. There are the cases that the object area, builder and contents of repair are limited. The grant sum is divided under 500 thousand yen or over 1 million yen.
- 2) The type of the settlement support is classified by grant sum, contents of vacant house information and contents of employment supports and experiment projects, 10/14 governments are the type of substantial information services of vacant houses and settlement supports, and this shows that local governments introducing grants take a positive attitude toward the settlement support project.
- 3) As to local governments' the settlement support, in case of the local government has big population scale, grant sum is over 1 million yen, and there are two system pattern; one is that local governments do synthetic supports from the employment support to the agency business of vacant houses by the connection of each division in center of city office, another is that a local government, branch office and related organization keep in touch, and burden sharing is done. In case of small population scale, grant sum is under 500 thousand yen, and there are a few connection groups. It is advanced with making use of a prefecture, an existent NPO and farmer's tourist homes.

It is cleared that the characteristics of the settlement support system introduced the grant are not only economical supports for repair but also the synthetic supports containing information services, employment supports and experience businesses. It is important to examine how to take connection with the various organization and groups in the inside and outside of the area to make the support system satisfactory with reducing the business burden of the governments.

## NOTES

- 1) Authors investigated "Information service" type in West Japan by the homepage, telephone and mail to local governments. The result is 103 (22.7%) in 454 local governments.
- 2) "*Hida City Inakagurashi Support Kousya*" was abolished in 2008.

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