

Fine Gael Committee:

Climate Action, Housing and Transport

DISCUSSION PAPER ON

Vacant Housing and Renewal

December 2021

Introduction

The more productive use of our existing building stock is a necessary part of resolving Ireland's housing crisis. Indeed, restoring vacant homes and buildings back to residential use will benefit the country in many ways.

- Housing benefits of increasing supply and providing family homes. We want to ensure home ownership is within reach of ordinary families.
- Economic benefits of renewal of towns and urban areas.
- Environmental benefits of reusing existing stock and reducing transport needs. Tackling vacancy and dereliction conserves and makes the most of what we have rather than moving out to green field sites. Renewing old buildings also offers the opportunity for retrofitting.
- Social benefits of vibrant communities and reduced isolation and opportunity to downsize. Maximising the use of the centre of our villages, towns and cities, by reducing vacancy, can breathe fresh life into these historic places, increasing everyone's quality of life.
- Spatial benefits of spurring development in rural towns, in order to allow balanced regional development.

The importance of this issue is increasing with recent economic trends such as working from home and the digitalisation of the economy. As retail restructures, for example, it is vital that we see premises repurposed. Big institutions, such as banks, who vacate the town centres that have supported them for so long have a particular responsibility to leave behind a legacy for the future of those towns and seek to bring new hubs of activity into what are often iconic buildings.

We recognise that the Minister for Finance has committed to a tax on unused zoned land to be administered by the Revenue Commissioners. This will release lands to ease the pressure on the cost and availability of homes; it is not to raise funds.

We believe that the same argument can be made about certain vacant homes and buildings. We welcome the recently enacted Finance Act which has enabled Revenue to collect certain information on vacant properties in the Local Property Tax returns forms which, once collated and analysed, will allow the Department to assess the precise design of a Vacant Property Tax.

Data Overview

The two main data sources on vacant homes are the Census from the CSO & GeoDirectory. They provide different figures due to differences in methodologies and definitions of vacancies. The CSO figures include all vacant properties while the GeoDirectory excludes dwellings which are available for sale or rent and dwellings currently undergoing renovations or where the owner is in hospital or a nursing home.¹

They provide a range of estimates of vacant homes that need to be returned to the market. The GeoDirectory database, which excludes homes vacant for normal reasons, classified over 92,000 dwellings as vacant in June 2021, giving a national vacancy rate of 4.5%.

The last census in 2016 recorded 245,460 vacant dwellings, or 12.3% of the Irish housing stock.² Of these, 62,148 were identified as holiday homes, leaving 183,312 other vacant dwellings. When the Census is adjusted for similar exclusions to the GeoDirectory, and making a simple assumption, 42,000 houses are identified as vacant: they are either 'vacant long term', 'emigrated' or 'boarded up – habitable'.

While the circa. 120,000 classified as for sale, rent, deceased, renovation, nursing homes, in the Census, are only temporarily vacant and not 'available', their duration of vacancy could be shortened by policy measures.

In summary, our overview of the data shows:

- A range of estimates of 42,000 to 92,000 vacant houses.
- While this is a large range, it does reveal a significant source of fresh housing stock when new housing supply is projected to be circa 27,000 this year.
- There are nearly 14,500 vacant homes in the Greater Dublin Area in 2021.
- A further 13,300 homes are vacant due to people being in nursing homes.
- A total of 22,754 derelict units across the country in June 2021.

1. Further work is needed on the difference in the vacancy rates between the Census data and the GeoDirectory data.

2. <https://www.cso.ie/en/releasesandpublications/ep/p-cp1hii/cp1hii/vac/>

Existing Policy Measures

The Repair and Lease Scheme

The Repair and Lease Scheme, launched through Rebuilding Ireland, is designed to bring vacant properties in need of repair back into use for social housing. The scheme is aimed at owners of vacant properties who cannot afford the repairs needed to bring their property up to the standard required to rent it out. If a property requires repairs to bring it up to standard, a local authority or Approved Housing Body will contribute up to €60,000 per unit of the up-front costs of carrying out the repairs, in return for the property being made available for social housing on a long-term lease. This is fully recouped over the term of the lease as an offset against the agreed rent (between 80-95% of market rent depending on the lease structure and unit type).

Waterford City and County Council is a great example of what can be achieved through the scheme. Waterford has delivered 44% of all Repair and Lease units nationally, 118 units out of 267 up to Q2 2021.³ The scheme has had a dramatic impact. It has rejuvenated areas of the city centre and delivered much needed one- and two-bedroom units, which are key to tackling the issue of homelessness. As a result, Waterford City and County Council have been able to reduce the number of families in emergency accommodation by 93% in the period 2017 to the end of 2020 and individual homeless figures by 55%, despite presentations to the homeless action team effectively doubling in the same period.

The continued progress and success of the Repair and Lease Scheme in Waterford should be replicated nationwide.

Possible Actions:

1. The Department of Housing, Local Government and Heritage should set specific targets for each local authority for the delivery of housing units under the repair and lease scheme. These should be accompanied by appropriate measures to ensure implementation.
2. The scheme should be extended to allow its use for cost rental scheme tenancies or affordable purchase by first time buyers.
3. The scheme should allow a higher investment limit for designated renewal areas.

The Buy and Renew Scheme

This initiative, which complements the Repair & Leasing Scheme, is also designed to assist local authorities and AHBs (approved housing bodies) to harness the accommodation potential that exists in certain vacant properties for social housing use. As with the Repair & Leasing Scheme, the use of the Buy & Renew Scheme is subject to the suitability of the property for social housing, the condition of the property and the cost of remediation.

The scheme funds local authorities and AHBs (the latter using the Capital Assistance Scheme for priority housing categories) to purchase and renew housing units in need of remediation and make them available for social housing use. There is real potential for local authorities to acquire properties that are vacant and, where there is a need for social housing, to remediate them and make them available to those on the waiting list.

³ www.gov.ie - Overall social housing provision (www.gov.ie)

Where the cost of acquisition and refurbishment is at or below the 'acquisition cost guideline' of an equivalent unit, no prior sanction is required from the Department. Where the combined cost of the acquisition and remediation is anticipated to be more than the value of the 'upper range' acquisition cost for an equivalent unit, a submission should be made in advance to the Department.

Since Buy and Renew was introduced in 2016, local authorities have purchased and renewed over 700 homes for social housing use.⁴

Possible Actions:

4. The Department of Housing, Local Government and Heritage should set specific targets for each local authority for the delivery of housing units under the Buy and Renew scheme. These should be accompanied by appropriate measures to ensure implementation.

The Housing Acquisitions Fund

The Housing Acquisitions Fund was established in January 2017 with the objective of enabling the Housing Agency to acquire vacant units from banks and investment companies for social housing use. It is a €70 million revolving fund that is replenished by the Housing Agency through the sale of units primarily to the AHB sector with the funds received recycled back into the fund for future acquisitions. To date 844 properties have been brought back into use through the fund.

Derelict Sites Act

The Derelict Sites Act 1990 imposes a general duty on every owner and occupier of land to take all reasonable steps to ensure that the land does not become, or continue to be, a derelict site. The Act also imposes a duty on local authorities to take all reasonable steps to ensure that any land within their functional area does not become, or continue to be, a derelict site. Local authorities have been given substantial powers, including powers to require that owners or occupiers take appropriate measures on derelict sites, to acquire derelict sites by agreement, or compulsorily, and to apply a derelict site levy on the registered owners of derelict sites.

Possible Actions:

5. Relax the definition of dereliction to make it a more effect tool against decay.
6. Modernise the procedures to make it easier for Councils to use.

Town & Village Renewal Scheme

The Town and Village Renewal Scheme was introduced in 2016 and is funded under Project Ireland 2040. Since its launch almost €93 million has been allocated to more than 1,300 projects across Ireland. The Scheme has supported towns and villages the length and breadth of the country. The 2021 Scheme places particular emphasis on projects supporting remote working and enhancing town centre living. The maximum grant available in 2021 was increased to €500,000 to permit projects of additional scale to be funded.

Possible Action:

7. Review the operation of the increased grant limit to ensure the Scheme is supporting renewal projects of scale.

4.PQ 57490/21

The Urban & Rural Regeneration and Development Fund

The Urban Regeneration and Development Fund (URDF) aims to deliver more compact and sustainable development, as envisaged under Project Ireland 2040. It does this by part-funding regeneration and rejuvenation projects in Ireland's five cities and other large towns.

The Rural Regeneration and Development Fund (RRDF) provides investment to support suitable projects in towns and villages with a population of less than 10,000, and outlying areas, which will deliver on the National Strategic Objective of Strengthened Rural Economies and Communities and achieve sustainable economic and social development in these areas.

To date, some €1,277m has been allocated from the URDF to the metropolitan areas and key driver towns, while €323m in URDF funding, in addition to €249m in RRDF funding, has been earmarked for projects in other towns. Combined, this investment will make a substantial difference to the livability of these areas.

Possible Actions:

8. Make tackling vacancy and decay a key pillar of these schemes.
9. Consider higher support levels where an integrated set of measures across different funding sources is being deployed to tackle decay.

Living City Initiative

The Living City Initiative is a tax incentive scheme for Special Regeneration Areas (SRA) in Cork, Dublin, Galway, Kilkenny, Limerick and Waterford. It allows tax relief to be claimed for money spent on refurbishing or converting residential or commercial properties. The scheme will end for all reliefs on 31st December 2022. Only refurbishment and conversion work that is carried out during this time will qualify for relief. While tax designation can be a blunt instrument, it is worth exploring in this policy instance.

Possible Actions:

10. The extension of this relief by geography and time should be considered. It can be extended to a greater area of the cities it covers, and to towns, and timewise the scheme itself could be extended beyond its scheduled end date.
11. The required age of properties could also be lowered.

Council Vacant Housing Stock

Local Authorities are responsible for the tenancing and management of housing stock in their possession. The average turn-around time for a local authority house from when it is vacated to when a new tenant moves in varies greatly throughout the country. The shortest average period of vacancy was Meath County Council at 10 weeks. The longest average period was 139 weeks in Sligo County Council (mainly due to the classification of half the vacant properties as pending regeneration/demolition). To assist with speeding up this process, some local authorities have procured a single contactor for the refurbishment of council owned properties which is managed and operated through a framework. In addition, some local authorities have introduced a choice based letting process where prospective tenants indicate their preference for a property online each week. This has reduced the number of refusals of offers through the general allocation process.

In 2020, €40m was earmarked to bring 2,500 vacant council housing stock back into use under the voids programme. This target was exceeded with 3,607 social homes brought back into use nationally in 2020. €45m has been allocated to this year's voids programme targeting the refurbishment and reletting of approximately 3,000 social homes. Figures for this year will be available in Q1 of 2022.

Possible Actions:

12. Local Authorities should examine best practice and introduce measures on a Municipal District level to reduce turnaround times of vacant properties in their ownership.
13. Introduce the Choice Based Letting Scheme for the majority of allocations.

Other initiatives which may be able to contribute more to the challenge of tackling decay and driving renewal include Business Improvement Districts, and Sustainable Energy Communities. We shall seek input on these as part of the consultation.

New Policy Measures

Compulsory Purchase Orders

The Indecon Report on the Taxation of Vacant Residential Property recommends a major programme of compulsory purchase orders be activated by local authorities to purchase vacant properties. Many local authorities are involved in the compulsory purchase of vacant properties, but this activity can be accelerated.

The report suggests that local councils use existing compulsory purchase powers to buy vacant properties and then resell them on the open market. This will help return vacant properties to productive use, even when these dwellings are not suitable for social housing.

The most recent data shows that there were 1,548 Derelict Sites on Register at 31 December 2020 in the country.⁵ But only 42 derelict sites were acquired compulsorily in 2020, with 189 derelict sites in total removed from the Register during the year. The overall number of derelict sites actually grew, rather than shrunk, in 2020.

Housing for All will launch a CPO programme supported by a bridging finance facility from the Housing Finance Agency for property acquisitions, with a central advisory service in The Housing Agency. It sets a target of 2,500 vacant properties to be acquired through the CPO process and returned to the market for sale.

Louth County Council is a leader in the country for taking over vacant homes for social housing. The National Oversight and Audit Commission, which supervises all local authorities, noted that LCC had initiated compulsory purchase orders (CPO) on 93 homes, with the process from the beginning up to tenant allocation only taking 9-10 months.⁶ This policy will return more than the 93 units back to residential use as the Council notes that some owners of vacant properties have been motivated to bring them back into productive use themselves, to avoid becoming the subject of a CPO. The NOAC concludes that "in the last two years in particular, the Council has piloted the use of CPOs to acquire vacant housing and this is now recognised as a model that can be replicated across the country."

Possible Actions

14. Immediately assign full time Vacant Homes Officers in each Local Authority to be responsible for this programme. Out of the 37 vacant home officers, 34 are actually only part-time at present.⁷
15. Mainstream the approach adopted by Louth through workshops with other councils in tandem with the new availability of bridging finance.
16. Assess whether the complexities of title or unresolved legal battles can be better resolved.

5. PQ 57156/21

6. <https://noac.ie/wp-content/uploads/2021/06/Louth-County-Council-Scrutiny-Report.pdf>

7. PQ 57493/21

Reform the Fair Deal Scheme

The Government has introduced amendments to the Nursing Homes Support Scheme to cap the payment on sale of an applicant's principal private residence to three years. The amendments brought forward will cap this contribution to three years at 7.5% of the value of the property per annum.

Further amendments to the Nursing Homes Support Scheme will be made in order to exempt rental income from a principal private residence when calculating the income of an applicant. This is an important measure as renting the house seems a more realistic option, while the owner is in a nursing home.

Possible Actions

17. To speed up the rental concession not yet in place, a limit could be placed on the rental income that would be free of the 80% income assessment. The €14,000 tax-free amount allowed under the rent a room scheme could serve as a guide for the allowable threshold.

Town Centres First

For a variety of reasons, including changing demographics, employment and education opportunities, changing household tastes and trends, among other factors, there has been a decline in some of our town centres to such an extent that too many town centres across the country are now derelict and run down. We must strive to regenerate our rural town centres into vibrant economic hubs once again. The Programme for Government commits to the development of a Town Centres First initiative modelled on the Scottish scheme. Our town centres should offer sustainable, local economies with diverse and mixed uses attracting the needs and desires of their local community. They should be places that enhance the sense of place and community. Town Centres First offers an opportunity to integrate a range of policy initiatives affecting town renewal.

The initiative involves adopting the Town Centre First as a National Principle so that the health of town centres informs the approach of every public body. The adoption of this principle should be accompanied by the development of:

Possible Actions

18. Health of Town Centre Audit Tools (7 Themes and 50 indicators)
19. Guidance for Organising the Community and a Toolkit for identifying opportunity (A Centre of Excellence to Support)
20. A suite of policy tools for communities to deploy (Designation of Zones, Specialist Funds, Digital Hubs etc.)
21. National policy instruments and funding to support the stimulation of Town Centres.
22. The approach should involve that in each participating town, a Local Planning Group would be formed to conduct an audit, a SWOT analysis and agree a collective vision for the town. Key themes will be making the most of assets, making it easy to move around, stimulating the capabilities for development, improving the impression (feeling safe, improving public spaces etc.), enhancing attractions and activities for visitors, locating delivery of public, private and community services and enhancing economic opportunity.

'Croí Cónaithe (Towns)'

Under Housing for All, the Government will introduce a local authorities-led programme for the provision of serviced sites for housing to attract people to build their own homes and to support the refurbishment of vacant properties, enabling people to live in small towns and villages in a sustainable way.

There is significant potential for local authorities to support homeownership in these areas by making available serviced sites at a reduced cost or providing a grant to support the refurbishment of vacant properties where the level of vacancy / dereliction is high. An initial target is for some 2,000 sites for homes by 2025.

This will be complemented by investment by Irish Water in servicing of small towns and villages, from a water and wastewater perspective.

Missing Policy Measures

Vacant Property Tax

A further policy option open to government is to put a tax on vacant houses. Placing a financial penalty on leaving a potential home vacant could change the incentives of property owners and so provide an encouragement to return properties to the market. Under 'Housing for All', the Local Property Tax returns in November 2021 will provide data on vacancy levels in residential property which will be used to assess the merits and impact of introducing a vacant property tax.

There are different views on such a policy. Indecon opposes the introduction of a residential vacant property tax because they do not believe it would be an effective response to deal with the housing shortages. This is based on their very low estimated vacancy rates of less than 1% in the areas of greatest demand for housing. Furthermore, "Indecon believes such a tax would represent a distraction from the critical policy challenge of addressing the underlying supply of new housing".

However, a positive case of such a tax can also be made. The Indecon 1% vacancy rate is based on a dubious methodology as outlined in the data appendix. Also, the Geodirectory gives a vacancy rate of 1.6% in Dublin and up to 3% in commuter counties. Furthermore, the impact of any such tax will be greater in less acute areas, where there must be sizeable vacancy rates if the national average is 4.5%. And a national housing market is made up of multiple local housing markets, and these local housing markets are related. A reduction in vacancy rates in these less acute areas will have a price effect in those local markets, which will impact on other local housing markets. This is all the more relevant in a policy environment of remote working, broadband rollout, and pandemic induced hybrid working models.

In addition, a vacant property tax need not be a distraction but could be proposed without presenting it as a panacea, rather just as one policy lever among many to address the crisis.

Possible Action:

23. There is merit in a vacant property tax, if well designed to cater for special circumstances to ensure fair implementation.

Exemption for Zoning Change from Commercial to Residential

Housing for All states that the Department of Housing, Local Government and Heritage will "review and extend planning regulations that exempt certain vacant commercial premises from requiring planning permission to change of use for residential purposes to 2025".

The Planning and Development (Amendment) (No. 2) Regulations 2018 introduced an exemption for certain classes of commercial premises to be changed to residential use without the need for planning permission. This exemption applies only to properties categorised as Class 1, 2, 3 and 6 of the Planning Regulations.

There is a strong case to be made for the inclusion of former pubs and restaurants under the exemption. Even before the onset of Covid-19, many vacant and derelict pubs existed within cities, towns and villages. These are often in prominent

locations, close to all services and amenities and would make excellent residential units. In fact, many may have originally started off as residential units. The failure to include vacant pubs/restaurants under the regulations often results in long term planning delays for what would in many cases be internal works.

Possible Actions:

24. Include former pubs and restaurants in the exemption to fast track the delivery of housing units across cities, towns and villages.
25. Where existing water and wastewater connections are in place, Irish Water must waive fees.
26. Seek an initiative from financial institutions that they would work with renewal teams to find flagship renewal uses for these often iconic buildings.

Regional and Council Variation

Vacancy and dereliction prevalence follows a pattern closely linked to the migration experience of our counties. There is much higher prevalence of vacancy and dereliction in the West and North Western counties.

However, the pattern of take-up of the various policy tools available to local authorities suggests that the active uptake of policies is much more closely linked to the vigour with which the policy is pursued than to the prevalence of vacant homes and the opportunity to contribute to the housing challenge.

This is clearly the case in respect of the use of the powers under the **Derelict Sites Act**. Even though there are almost 23,000 derelict homes, the number of sites on the derelict sites register, or receiving notices under the Act are fewer than 1,550 and many of these are probably non-residential properties. Registered sites face a 3% annual levy which could be a powerful tool to promote renewal.

The pattern by local authority further illustrates the point.

- 13 of the 31 authorities have fewer than 20 sites on the Register
- 14 saw no site removed during the course of the past twelve months
- On the other hand, just six authorities accounted for over 60% of the sites on the register (Mayo, Limerick, Cork City, Cork County, Laois and Westmeath.)
- Among counties with large urban centres, sites on the register represent 18% of derelict homes in Cork and Limerick, but less than 1% in Galway.

The take-up of schemes to tackle vacancy described earlier also reveal enormous contrasts. In total 1,766 homes have been brought back into use under these programmes over the past four years. This represents just 3% of the of vacant homes (using the midpoint of our estimates). The schemes could be made easier to use as we suggest. However, the patterns show the potential.

- Waterford has activity levels which represent 13% of their vacant stock. By contrast the other counties with big urban centres are Cork(2%), Limerick(3%), Dublin(5%), and Galway(6%).
- In Ulster and Connacht, the total number released by the schemes are scarcely 0.3% of vacant homes, but in Munster (2.3%), Dublin (5.4%) and in the rest of Leinster (3.3%)

If Waterford's performance could be replicated nationwide, we could release 9,000 extra homes.

Initial Input from Fine Gael Councillors

There is a significant level of interest in getting to grips with this issue, as judged from the inputs of Fine Gael Councillors. A wide range of challenges were identified which hamper progress on tackling vacancy and dereliction.

The Owner

- Often older
- Often facing difficulty raising finance
- In Nursing Home and rules militate against action

Site Problems

- Difficult to install modern services
- Costly site clean-up
- Upstairs dereliction with no unique access
- Protected status increasing cost
- A large iconic building whose time has passed infecting a large adjoining area
- In low demand areas with poor public realm

Administrative/Legal Barriers

- Lack of a good database
- Title problems and tracing owners
- Caught up in proceedings
- Disinterest of financial institutions who hold title

Lack of Council Appetite or Capacity

- Shy away from use of powers because of real or perceived cost or complexity (CPO, Derelict Sites)
- Have not built the teams with the needed skills and resources
- Focus on easy acquisitions to meet targets

Unintended Consequences of Policies

- Limitation of refurbished to social leases
- Planning blight caused by a vacancy test before a change of use permitted
- Rates relief while vacant removes pressure to act

Way Forward

Councillors also noted some examples of best practice and success even within these obvious constraints and believed that, with some capacity building and policy initiative, a great deal could be achieved. There were a number of particular initiatives put forward.

Possible Actions proposed by Councillors:

- Establish Workshops among groups of adjoining counties to pool experience and capability.
- Introduce effective use it or lose it incentives to overcome inertia
- Modernise Derelict Sites Legislation to make it a more effective tool
- Find ways to popularise town centre living through public realm improvements and designation
- Adapt Planning expectations to these restoration projects
- Extend First Time Buyer concessions now confined to new builds to these restoration projects
- Councils should commit to Start Up Spaces and Creative Spaces in strategically placed restoration projects
- Extend grant supported renewals to a mix of tenancies set by the Council
- Build Council capacity and forge new forms of local partnership
- Consider tax concessions on private rent revenue in carefully designated areas.

We would like to thank Councillors for their submissions. The contributors are listed in Appendix 3.

Conclusion

Examining both the scale and potential benefits of addressing vacant buildings and renewing them for residential living, suggests that further action is required in this area.

Fine Gael values the input of all stakeholders on their practical experience of the range of policy measures outlined in this paper. We have put forward 26 concrete policy proposals which we believe will make a difference, and also outline 10 proposals from our councillors who have the day-to-day experience of the practical challenges within their own communities.

Over the coming weeks, Fine Gael will organise workshops on a regional basis to get the input of a wide range of stakeholders on how we can best tackle decay and generate momentum for renewal.

- What is your experience of the existing initiatives?
- Can existing schemes be used more strategically?
- How can the new measures be best implemented?
- Would the proposals set out here make a difference?
- Can we build novel partnerships to deliver change?

Appendix 1: Overview of Data Sources

CSO, 2016 Census

The last census in 2016 recorded **245,460** vacant dwellings, or 12.3% of the Irish housing stock.

Of these 62,148 were identified as holiday homes, leaving **183,312** other vacant dwellings.

Reasons for Vacancy (see the table below):

- This is based on supplementary / experimental data from Enumerator Record Books for 31% of vacant properties, or 57,246 out of the total of 183,312.
- The noted reasons for vacancy were: 19% for sale; 18% rental property; **17.5% vacant long term**; 16% deceased; **7% nursing home**; 6% renovation.
- The 17.5% which are 'vacant long term' could equate to **32,000 vacant long term homes**. This assumes that the vacancy rate holds at 17.5% for the whole dataset. It is based on 10,056 homes from the 31% of responses.
- If we add the reasons 'emigrated' and 'boarded up – habitable' to 'vacant long term' the rate reaches 23%. These 13,154 vacant homes could equate to **over 42,000 vacant homes** in the full dataset.
- The 7% which are 'in nursing home' could equate to **13,300 vacant homes due to nursing homes**. It is based on 4,165 homes from the 31% of responses.
- While the 120,000 classified as for sale, rent, deceased, renovation, nursing homes are only temporarily vacant and not "available", their duration of vacancy could be shortened by policy measures.

Geography:

- South Dublin (13), Fingal (17) and Kildare (20) had the lowest number of empty dwellings (for every 1,000 people in those counties).
- Leitrim had the highest with 112 vacant homes for every 1,000 people (excluding holiday homes).

CSO, 2016 Census, 'Reasons for Vacancy' supplementary data			
Reason	No. in Sample	% Rate	No. in Population (estimated)
Holiday Homes	na	na	62148
For Sale	10948	19.1%	35057
Deceased	9193	16.1%	29438
Vacant Long Term	10056	17.6%	32201
Rental Property	10350	18.1%	33143
Nursing Home	4165	7.3%	13337
Renovation	3678	6.4%	11778
New Build	2180	3.8%	6981
Emigrated	1554	2.7%	4976
Boarded up - habitable	1544	2.7%	4944
Hospital	1469	2.6%	4704
With Relatives	847	1.5%	2712
Other personal use	879	1.5%	2815
Abandoned farm house	383	0.7%	1226

GeoDirectory⁸

The GeoDirectory database classified **92,135 dwellings** as vacant in June 2021. The average vacancy rate across the State was 4.5% in June 2021, unchanged since June 2020.

Geography:

- Dublin had the **lowest vacancy rate at 1.6%** in June 2021, but it did record the highest annual vacancy rate increase (up 0.3 ppts from 1.3%). This amounts to **nearly 9,000 vacant homes in Dublin** in 2021.⁹
- The other Greater Dublin Area counties also had low vacancy rates: Kildare (2.0%), Wicklow (2.4%) and Meath (3.1%). This amounts to a total of **nearly 14,500 vacant homes in the Greater Dublin Area** in 2021.¹⁰

The GeoDirectory also captures Ireland's derelict residential address points. As of June 2021, there were a total of **22,754 derelict units** scattered nationwide.

- Mayo had the highest concentration of derelict units (13.4% of national total), followed by Donegal (11.7%) and Galway (8.7%).
- The lowest share of derelict units were in four Leinster counties: Carlow, Louth, Wicklow (all 1.1%) and Dublin (1.3%).

The GeoDirectory may underestimate vacancy because:

- it classifies a vacancy as "the dwelling is vacant and requires a small amount of cosmetic/repair work to make it habitable"
- it focuses on classifying entire buildings as vacant while the CSO data classifies individual apartments as either vacant or occupied.

8. GeoView, Residential Buildings Report, Q2 2021. GeoDirectory_GeoView_Residential_Issue_Q2_2.pdf GeoDirectory was jointly established by An Post and Ordnance Survey Ireland (OSi) to create and manage Ireland's only complete database of commercial and residential buildings.

9. GeoView, Residential Buildings Report, Q2 2021. 27.3% of 2,052,429 total dwellings are in Dublin (p4), which is 560,313; 1.6% of this is 8,965.

10. GeoView, Residential Buildings Report, Q2 2021. 4.2% of 2,052,429 total dwellings are in Kildare (p4), which is 86,202; 2% of this is 1,724. Wicklow's 917 new addresses are 1.6% of total county stock (p5), which gives 57,312 total county stock; 2.4% of this is 1,375. Meath's 1,448 new addresses are 1.9% of total county stock (p5), which gives 76,210 total county stock; 3.1% of this is 2,363. This gives a GDA total of 14,427.

Indecon 2018 report¹¹

The Indecon report only gives vacancy rates, not the number of vacant houses in the state.

- They estimate a **vacancy rate of 3.5%** vs 9% for the CSO (excl holiday homes)
- They estimate vacancy rates in RPZs of less than 1% vs 6% for the CSO (excl holiday homes)

Indecon's less than 1% estimate for vacancy rates in RPZs is an underestimate. This is clear from the latest GeoDirectory data above where the vacancy rate for the capital city alone is 1.6%, excluding other less populated RPZs. The reasons for this are:

- It assumes that "RPZ areas are aligned with CSO data for Dublin City and Suburbs." However, the designation of RPZs has spread well beyond the 4 Dublin LAs that were designated in 2016. Indeed, "at present, there are 6 Local Authority (LA) areas and 48 Local Electoral Areas (LEAs) which have been designated as Rent Pressure Zones."¹²
- Also, it focuses on 'Vacant Long-Term/Boarded Up and Habitable' vacant houses, but it should also include 'emigrated' vacant houses as well.
- Adjusting for these two statistical issues **triples** the number of vacant houses in RPZs to 4,693, which could equate to **over 12,500 vacant houses in RPZs**, if the same ratio holds across the full dataset.¹³ (This is the vacancy rate for 'vacant Long-Term / Boarded Up and Habitable / emigrated' vacant houses, for 'Dublin City and Suburbs / other cities / large towns').¹⁴

The new Indecon estimate of medium / longer term vacant dwellings "suggests very low levels of long-term vacancy."

- However, it focuses "on residential dwellings which have been vacant for five years."
- This is clearly too long a time period from a policy perspective. If residential dwellings which are vacant for even one year could be returned to the housing stock that would be very helpful in today's circumstances.

Local Property Tax Returns

LPT returns in November 2021 will provide data on vacancy levels in residential property which will be used to assess the merits and impact of introducing a vacant property tax.

LPT returns for 2020 indicate up to 7,800 vacancy exemptions were processed due to illness. The conditions of the exemption do not specifically refer to the Fair Deal Scheme, but would include it and could serve as a proxy for it.

11. [Indecon Report on the Taxation of Vacant Residential Property](https://www.gov.ie/en/publication/055675-vacant-property-tax-indecon-report/) <https://www.gov.ie/en/publication/055675-vacant-property-tax-indecon-report/>

12. <https://www.rtb.ie/during-a-tenancy/rent-review-in-a-rent-pressure-zone-rpz/where-are-rent-pressure-zones>

13. This doesn't triple the vacancy rate. A direct comparison with the Indecon vacancy rate is not possible as no 'base / denominator' figure for 'Dublin City and Suburbs / other cities / large towns' is available.

14. This still excludes 'small towns' some of which could be RPZs, as Gorey which had a population of less than 10,000 in 2016 was designated a RPZ.

Social Housing Voids¹⁵

The total number of vacant properties as at 31 December 2019 was **4,754**.

- A quarter of these (1,168) were classified as awaiting refurbishment prior to relet.
- Another 9% (433) were classified as needing major refurbishment or long-term void awaiting funding.
- There were 18.9% (897) acquisitions pending works before letting and 11% (519) were pending demolition or derelict.
- There were 9% (421) at allocation/ready to let stage along with 6% (269) new construction/turnkey properties and acquisition/Part V properties of 4% (193).

The average level of vacancy was 3.44%. This compares to a figure of 1.5% for LA owned dwellings in the England.¹⁶

The median period of vacancy was 46 weeks.

The Voids Programme has completed 16,102 units from 2014 to 2020.¹⁷

The Department categorise voids as vacant social housing stock in need of refurbishment to bring them to suitable letting condition and are vacant pending this work.

Only eighteen local authorities stated that they had a planned maintenance programme in place in 2019, which is a requirement of the Voids Programme to address the issue of vacant social housing.

15. Local Government Audit Service, October 2021.

16. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/861471/Social_Housing_Lettings_in_England_April_2018_to_March_2019.pdf LA stock of 1.59 million units in 2018/19 (p7) with LA owned vacant dwellings of nearly 24,000 in 2019 (p8).

17. 2020 figure of 3,607, https://merriestreet.ie/en/category-index/economy/public-investment/voids_stimulus_programme_exceeds_target_in_bringing_2_565_homes_back_into_social_housing_stock.166350.shortcut.html

Appendix 2: Relevant 'Housing for All' Policy Actions

Action	Time Line	Lead
Address Vacancy in Housing		
Publish the new Town Centre First policy, which will include approaches to utilising existing and new financial incentive mechanisms	Q4 2021	DHLGH, DRCD
Use the Better Energy Homes Grant to support retrofit for vacant properties	Ongoing to 2030	DECC
Incorporate activation of vacant properties as key criteria in the Urban Regeneration and Development Fund (URDF) and the Rural Regeneration and Development Fund (RRDF)	Ongoing	DHLGH, DRCD
Harness European Regional Development Funding to tackle vacancy and dereliction in towns	Q2 2022	Regional Assemblies
Introduce a new programme for the CPO of vacant properties for resale on the open market	Q4 2021	DHLGH, LAs, Housing Agency, Housing Finance Agency
Ensure Vacant Homes Officer position is fulltime	Q4 2021	DHLGH, LAs
Implement the amendment to the Nursing Home Support Scheme (Amendment) Act 2021 to extend the three-year cap on Fair Deal contributions from the principal residence to the proceeds of sale of the principal residence, removing the disincentive to bringing vacant homes back onto the property market. Modify operation of the Fair Deal Scheme accordingly	Q3 2021	DoH
Amend the Nursing Home Support Scheme Act 2009 to remove disincentives against the rental of vacant properties by participants in the Fair Deal scheme in a way that is targeted, equitable, evidence-based and provides appropriate safeguards for vulnerable older people	Q4 2021	DoH, DHLGH
All Government Departments will examine their existing portfolio of properties and, subject to any obligations under the PSC, the LDA Act 2021 or the State Property Act 1954, will place them on the market if they are not required and may be suitable for conversion to residential accommodation	Q4 2021	All
Local Authorities will work with the appropriate stakeholders to resolve issues within estates still categorised as 'unfinished' with a view to minimising any vacancy levels	Ongoing	DHLGH, LAs

Establish a Croí Cónaithe (Towns) Serviced Sites Initiative focused on towns and villages	Q4 2021	DHLGH
Collect data on vacancy levels in residential property with a view to introducing a vacant property tax	Q2 2022	DFIN
Commence section 9 of the Local Government Rates and other Matters Act 2019 with a view to empowering Local Authorities to offer rates-based incentives for the conversion of suitable vacant commercial properties to residential use	Q1 2022	DHLGH
<i>Make more efficient use of existing housing stock</i>		
Work in a partnership approach with Local Authorities, AHBs, Heritage NGOs, the Heritage Council and the Heritage Division within the DHLGH to unlock the potential in our villages, towns and cities to utilise heritage building stock (pre 1940) to help tackle the housing crisis, recognising in particular Sustainable Development Goal 11; Sustainable cities and communities	Ongoing	DHLGH, LAs, AHBs, Heritage NGOs, Heritage Council
Develop guidance relating to protected structures to encourage the use of such properties for repurposing and/ or refurbishment as residential accommodation	Q2 2022	DHLGH
Review and extend planning regulations that exempt certain vacant commercial premises from requiring planning permission to change of use for residential purposes to 2025	Q4 2021	DHLGH
Develop new regulatory controls requiring Short-Term and Holiday Lets to register with Fáilte Ireland with a view to ensuring that homes are used to best effect in areas of housing need	Q2 2022	DTCAGSM, DHLGH
Develop a national policy on rightsizing and explore options to support and incentivise rightsizing on a voluntary basis	Q1 2022	DHLGH
Move to a planned management and maintenance model for Local Authority stock supported by the LGMA's work on developing an asset based ICT system	Q1 2024	LAs, LGMA
Work with relevant Departments and Local Authorities to move to a position where housing revenue at Local Authority level is ring-fenced to ensure its retention for housing management and maintenance	Q3 2024	LAs, CCMA, DHLGH
Support Local Authorities to engage in targeted acquisitions of vacant and under-utilised properties under the Buy and Renew element of the social housing programme to support town and village renewal	Ongoing	DHLGH
Support Local Authorities to drive expanded takeup of the enhanced Repair and Leasing Scheme	Ongoing	DHLGH

Appendix 3: Fine Gael Councillors Consulted

- Anthony Barry, Cork County Council
- Daniel Butler, Limerick City & County Council
- Joe Garrihy, Clare County Council
- Joe Cooney, Clare County Council
- Jimmy Kavanagh, Donegal County Council
- Joe Lyons, Kilkenny County Council
- Dan McSweeney, Limerick City & County Council
- Fergal Browne, Carlow County Council
- Patrick O'Connor, Scarteen Kerry County Council
- Seamus Cosai Fitzgerald, Kerry County Council
- John Paul O'Shea, Cork County Council
- John Kennedy, Dun Laoghaire Rathdown County Council
- Tom O'Leary, Fingal County Council
- Kevin Duffy, Kildare County Council
- Pat Duffy, Kilkenny County Council
- Tom Fox, Sligo County Council
- Noel Cribbin, Offaly County Council.



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