



To: Directors of Planning Services, City and County Councils

CC: Chief Executives, City and County Councils
Senior Planners, City and County Councils
Directors of Regional Assemblies
An Bord Pleanála

Circular letter PL 06/2018

3 October 2018

Re: 1. **Urban Regeneration and Housing Act 2015 (Section 11) Order 2018**
2. **Amendments to the Vacant Site Levy Provisions**
3. **Progress on Implementation of the Vacant Site Levy**

1. Urban Regeneration and Housing Act 2015 (Section 11) Order 2018

I am directed by Mr. Damien English, T.D., Minister of State at the Department of Housing, Planning and Local Government with Special Responsibility for Housing and Urban Development to advise that he has recently made an Order (S.I. No. 374 of 2018) under section 11 of the Urban Regeneration and Housing Act 2015 which has immediate effect.

The Urban Regeneration and Housing Act 2015 – which introduced the vacant site levy - sets out the steps and procedures to be followed by planning authorities in order to apply the levy, which is to be charged for the first time in January 2019 in respect of sites included on local authority vacant site registers on 1 January 2018.

In this regard, section 11(1) of the Act requires planning authorities to issue a written notice before 1 June 2018 “or such later date in that year as the Minister may specify by order” to owners of vacant sites that stand entered on local authority vacant sites registers on 1 January 2018 of the intention to apply the levy on the listed sites with effect from January 2019.

The Minister has now made an Order to appoint **1 November 2018** as the later specified date by which planning authorities shall issue a notice under section 11. The primary purpose of this Circular Letter is to advise planning authorities that this Order has now been made and that they should take the necessary action and issue a section 11 notice, where this has not already been done, as soon as possible but before 1 November 2018.

This will ensure that the necessary process set out in the Act has been followed to enable planning authorities to apply the levy in January 2019 in respect of those sites included on their local registers on 1 January 2018.



2. Amendments to the Vacant Site Levy provisions

As outlined in Circular letter PL 04/2018 which issued on 13 August 2018, planning authorities are reminded of a number of amendments that were made to the vacant site levy provisions in the Planning and Development (Amendment) Act 2018, which was enacted on 19 July last. The amending provisions relating to the vacant site levy can be found in sections 58, 63, 64 and 65 of the 2018 Act and these came into operation on enactment.

(i) Increase in levy from 3% to 7% of market valuation

As signaled in Budget 2018, these sections provide for an increase in the rate of the vacant site levy from 3% to 7% of the market valuation of relevant sites with effect from January 2020, in respect of sites included on local authority vacant site registers in 2019. This increase in the rate of levy is intended to ensure that the measure has a more meaningful impact in terms of incentivising the development of such sites and combatting land hoarding.

(ii) Clarification re “vacant or idle” lands, exemption from levy of certain residentially zoned land being used for farming purposes

These sections also clarify what constitutes “vacant or idle” lands for the purposes of the application of the levy on “residential land” in order to address the situation where – under the pre-existing provisions – developers, or land speculators, could potentially hoard residentially zoned land and avoid liability to the levy, by leasing it or putting it to use for a non-residential purpose, such as farming, and thereby claim that the land in question was not vacant or idle for the purposes of the levy. This will now no longer be possible; with one exception i.e. land which was purchased for agricultural use prior to being zoned residential and which continues to be operated for farming purposes shall be exempt from the levy.

(iii) Removal of reduced/ zero rates of levy

In addition, the pre-existing provisions providing for the application of reduced or zero rates of levy in specified circumstances – i.e. where there is a site loan or mortgage taken out on the land above specified thresholds of its valuation – have been removed. In effect, a flat 3% rate of levy will apply on all registered vacant sites in respect of 2018, increasing to 7% in respect of 2019 and subsequent years (unless otherwise revised) irrespective of the value of any site loan or mortgage attaching to the site.

It is important that officials in planning authorities who are involved in implementing the levy familiarise themselves with these new provisions.

3. Progress on the Implementation of the Vacant Site Levy

Previous Circular Letter PL 7/2016 of 1 July 2016 entitled “Implementation of the Vacant Site Levy as provided for in the Urban Regeneration and Housing Act 2015” outlined the background to the levy and provided general advice regarding the practical implementation of the levy provisions.

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The Department has continued to monitor and engage with planning authorities in relation to implementation of the vacant site levy and, as recently as 1 May 2018, held a seminar for authorities in this regard. A recent review of the online vacant site registers across all local authority areas indicates that there are currently some 280 sites on the local registers (over one-third of them in the Dublin City Council area alone). While there may be reasons for a variation in the application of the levy in certain local authority areas, it is noted that only 11 planning authorities had listed sites on their registers as of 1 January 2018 and will therefore be in a position to apply the levy on relevant sites in January 2019. The levy will therefore not be applied in January 2019 in any of the other 20 planning authorities. In addition, roughly half of all planning authorities have still not registered any vacant sites on their registers – over 3 years after the introduction of the measure in the 2015 Act. This indicates that the measure is not being utilised to the extent envisaged and that stepped-up implementation is required by many planning authorities, including in some of the larger urban areas, if the measure is to be effective in bringing vacant sites into productive use on a national basis and assist in the achievement of local development plan objectives, including in relation to the provision of housing.

Implementation Progress Report

In light of the foregoing and in order to provide the Department with a more detailed overview and update on progress on a national basis, you are requested to arrange for the completion of the attached **Vacant Site Levy Implementation - Progress Report** template at Appendix 1 in respect of your functional area.

The completed report should be returned to ciara.gallagher@housing.gov.ie by **31 October 2018**. If you have any queries in the completion of the form please contact: Ciara Gallagher, Planning Policy Section, on 01 888 2181. It is anticipated that further updates will be requested on a regular basis going forward.

Terry Sheridan
Principal
Planning Policy



Appendix 1

Vacant Site Levy Implementation - Progress Report

Please complete the reporting table below in relation to the approach your planning authority has taken / continues to take in preparatory steps for implementation:

PROGRESS REPORT (<i>state planning authority</i>) _____		
	Key Step	Update
1	Preliminary assessment and quantification of potential vacant sites.	<i>State nature of assessment and outcome, i.e. no of sites etc.:</i>
2	Development plan or local area plan to include – (a) Objective for purposes of the levy implementation; and (b) Designated areas identified within which to apply levy: (i) Residential (ii) Regeneration	<i>(a) State text of relevant objective (indicate development plan or local area plan):</i> <i>(b) Indicate method of designation:</i> <i>(i) Residential</i> <i>(ii) Regeneration</i>
4	Identification of individual vacant sites in designated areas.	<i>State general approach undertaken, site assessment, prioritisation of sites etc.:</i>
5	Establishment of Vacant Site Register w.e.f. 1 January 2017	<i>Confirm Register is established and available for inspection at Council offices and online (include link):</i>
6	(a) Indicate the number of sites on register (i) at 1 January 2018 and (ii) at 30 September 2018. (b) If the register is yet to be populated, indicate the expected date of entry of first sites on the register and provide further relevant details.	<i>(a) Indicate no by designation ie residential or regeneration:</i> <i>(i)</i> <i>(ii)</i> <i>(b) Indicate when register is expected to be populated:</i>

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7	Indicate the number of appeals (re: entry on the register) taken by owners, the outcome of any appeals decided and the number of current live appeals	
8	Please give details of any sites removed from the register and the reasons why e.g. successful appeal, development commenced.	
9	Main Contact in Council for vacant site levy related matters:	<i>Name:</i> <i>Contact:</i>
10	<i>Please provide a general update on progress and activity in relation to levy implementation in your area, including any specific issues or common themes arising in this regard:</i>	

Signature: _____ (Director of Services, Planning)

Planning Authority: _____

Date: _____

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