



Rialtas na hÉireann
Government of Ireland

National Vacant Housing Reuse Strategy

2018-2021

Prepared by the Department of Housing, Planning and Local Government
housing.gov.ie



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| Action No. | TABLE OF VACANCY ACTIONS | TIMELINE | OWNER |
|---|--|-----------------------------|--|
| 1: ESTABLISH ROBUST, ACCURATE, CONSISTENT AND UP-TO-DATE DATA SETS ON VACANCY | | | |
| 1A | Establishment of a Vacant Homes Unit within the Department and appointment of Vacant Homes Officers in local authorities to drive and co-ordinate actions at a national and local level, including data collection and analysis. | VHU Established August 2017 | Planning PMO DHPLG |
| 1B | Establish a vacancy sub-group (under the Department's Housing Data Analytics Group), including representatives of the Department, CSO, local government sector and the Housing Agency and task the Vacancy sub-group with developing a standardised methodology of data collection that is accurate and consistent for utilisation across the local government sector. | Commenced | DHPLG |
| 1C | Conduct a Pilot Survey to ensure methodology development is robust and produces reliable output and consider whether to roll out as a national survey. | Commenced June 2018 | DHPLG / LAs |
| 2: BRING FORWARD MEASURES TO ENSURE, TO THE GREATEST DEGREE POSSIBLE, THAT VACANT AND UNDERUSED PRIVATELY OWNED PROPERTIES ARE BROUGHT BACK TO USE | | | |
| 2A | Gain a better understanding as to the barriers that exist to the reuse of privately owned vacant properties. | Ongoing | DHPLG |
| 2B | Continuously review and evaluate existing schemes to ensure they are effective in bringing homes back to viable use. | Ongoing | DHPLG |
| 2C | Address vacancy in commercial/over the shop properties – reducing where possible regulatory barriers and providing guidance to bring clarity on what regulatory requirements apply to such properties. | Ongoing | Building Standards Section / Planning Section DHPLG |
| 2D | Examine the potential for the greater use of legislative powers available to local authorities to reactivate vacant dwellings. | H2 2020 | DHPLG |
| 3: BRING FORWARD MEASURES TO MINIMISE VACANCY ARISING IN SOCIAL HOUSING STOCK | | | |
| 3A | Review funding mechanisms on an ongoing basis with appropriate adjustments made to ensure that the sector has the capacity to prioritise bringing vacant properties back into use. | H2 2019 | DHPLG |
| 3B | Continue working with local authorities to introduce preventative maintenance approach of housing stock. | Ongoing | DHPLG / LAs |
| 3C | Continue to liaise with local authorities with a view to ensuring that Choice Based Letting is implemented as widely as possible across the country. | Ongoing | DHPLG / LAs |
| 3D | Engage with the Housing Agency and the Approved Housing Body (AHB) sector to identify, support and enter agreements with AHBs best suited to playing a significant role in bringing vacant properties back into use. | Ongoing | DHPLG / Housing Agency/ AHBs |

| 4: CONTINUED ENGAGEMENT WITH, AND PROVISION OF SUPPORT TO, KEY STAKEHOLDERS, TO ENSURE SUITABLE VACANT PROPERTIES HELD BY BANKS, FINANCIAL INSTITUTIONS AND INVESTORS ARE ACQUIRED FOR SOCIAL HOUSING USE | | | |
|--|---|----------|--|
| 4A | Ensure adequate capital funding is in place for the Housing Agency to purchase and acquire vacant properties. The Housing Agency to continue to engage with banks, financial institutions and investment companies to purchase suitable units, selling ultimately to AHBs to tenant. | Annually | DHPLG / Housing Agency |
| 4B | Ensure suitable portfolios of vacant properties are acquired from financial institutions and investors. | H1 2019 | DHPLG / Housing Agency / Financial Institutions |
| 4C | Continued engagement of the Housing Agency with NAMA and other relevant stakeholders to deliver homes to the social housing sector. | H2 2018 | DHPLG / Housing Agency/ AHBs |
| 4D | Department to engage further with local authorities and stakeholders, in respect of unfinished housing estates, to explore the range of strategic acquisition options available to local authorities to take up remaining, suitable and required vacant units. | H1 2019 | DHPLG / Housing Agency / Financial Institutions / NAMA |
| 5: FOSTER AND DEVELOP CROSS-SECTOR RELATIONSHIPS, COLLABORATING IN PARTNERSHIP TO TACKLE VACANT HOUSING MATTERS | | | |
| 5A | Draw from the overall National Planning Framework Strategy, having particular regard to its objectives addressing vacancy. | Ongoing | DHPLG / LAs |
| 5B | Development, rollout and monitoring of dedicated Urban Regeneration Scheme. | H2 2018 | DHPLG |
| 5C | Consider utilisation of the Urban Regeneration and Development Fund as a mechanism for addressing vacancy in urban areas and support the submission of proposals to the Rural Regeneration and Development Fund with a view to reducing the level of vacancy in rural areas. | H2 2018 | DHPLG / LAs / Department of Rural and Community Development |
| 5D | Work in close partnership with other relevant Government Departments on addressing such issues as rural vacancy, examining possible measures to address vacant homes when an owner moves to nursing home care under the Nursing Home Support Scheme and exploration of possible taxation measures and providing additional legislative powers to increase capacity of local authorities to bring vacant properties back to use. | H1 2019 | DHPLG / Department of Culture, Heritage and Gaeltacht / LAs / Department of Health |



Foreword - Minister Murphy

The provision of sustainable, quality housing and the alleviation of homelessness are the most urgent and key tasks facing this Government.



There has been a concerted focus on reducing vacancy in the Department of Housing, Planning and Local Government and I am pleased to say that vacancy has been reduced steadily. For example, we have reduced by over 90% the stain of the 3,000 unfinished or ghost estates that had been littered around the country when the construction crisis hit.

However, we can always do more. And, crucially, we must ensure that the mistakes of the past are not repeated - where social housing was not adequately maintained and allowed to fall into substantial disrepair and become uninhabitable.

To this end, this Government is committed to increasing the supply of housing and recognises that within that commitment we must ensure that we make the best possible use of existing housing stock.

The level of residential vacancy recorded in Ireland at a time when so many people are in need of housing can be difficult to reconcile. Census 2016 figures indicated that there were approximately 183,000 vacant homes (down from 230,000 in 2011) but, in considering that headline figure, it must be borne in mind that those numbers were recorded at a single point in time and included houses for sale or for rent, as well as homes that are not recoverable for occupancy for a myriad of reasons.

The analysis done by the CSO since then indicates that the lowest vacancy rates are in urban areas and the work undertaken by local authorities since 2016 suggests that vacant properties are not immediately available in any significant quantity in areas of high demand for social or private housing.

Therefore, resolving vacancy may not be an immediate easy solution to our housing issues but rather, it is one of the range of issues we must tackle as part of a plan to manage existing housing stock and in tandem with increasing supply.

I welcome the clarity that the CSO has brought to the number of new homes that are being built and made available for the first time, refining the ESB's data on new connections to the electricity grid. Last year, we saw over 15,000 new homes becoming available for use – keeping us on track towards reaching 25,000 new homes by 2020. But crucially, from ESB re-connections data, we know that over 2,500 existing homes were brought back into use during 2017 – further evidence that more and more vacant or abandoned homes are being revived for use, particularly in and around our cities and major urban areas where the demand is greatest.

The Government's overarching policy document *Rebuilding Ireland, an Action Plan for Housing and Homelessness* sets out a practical, achievable and implementable suite of actions that will increase housing supply in support of creating a functioning and sustainable housing system that is capable of resolving the housing problems we face.

A core element in "*Rebuilding Ireland*" is the development of a range of ambitious but realisable targets and actions to bring as many habitable homes back into use as possible. The relevant policy initiatives and actions, including those already well underway, are drawn together into this *National Vacant Housing Reuse Strategy*, whose main objective is to facilitate the delivery of additional housing units - in both the public and private sectors - from the existing housing stock, thereby reducing vacancy rates and simultaneously enhancing the streetscapes of our cities, towns and villages.

The local government sector is already pro-active in this area. It will be, in the first instance, city and county councils that will be the key drivers at local level and as a cohort, they have not waited for the publication of this Strategy, having already undertaken work within their administrative areas to identify vacant homes, with a view to bringing them back into productive use.

In particular, local authorities have been pro-active in addressing the management of social housing that has become vacant ('voids'). Significant progress has been made in bringing vacant or under-utilised dwellings owned by local authorities back into use and we have seen the remediation of some 9,000 local authority units between 2014 and 2017.

In tandem with the preparation of this Strategy, I have also established a dedicated Vacant Homes Unit within my Department to drive and co-ordinate actions at central and local government levels and to support local authorities in their actions. This Unit will help provide both an impetus and a focus for the re-activation of viable units into the housing stock and



will also disseminate information and best practice to ensure relevant bodies are best equipped to tackle the problem of vacant homes.

I am confident that the timely implementation of the suite of actions presented in this Strategy will feed into the overall Government commitment to reduce the numbers of people caught in the current housing crisis and ensure that those living in Ireland have access to sustainable, quality housing and hope that it is utilised by all stakeholders in helping increase the number of housing units becoming available to those who need them most.

Introduction



Pillar 5 of *Rebuilding Ireland* sets out a range of measures to assist in meeting Ireland's housing needs by ensuring that Ireland's existing housing stock is used to the greatest extent possible. An overarching action within that Pillar is a commitment to develop a *National Vacant Housing Reuse Strategy*. This Strategy strives to provide a targeted, effective and co-ordinated approach to identifying and tackling vacancy across Ireland.

The Strategy contains a range of objectives and key actions which will be pursued in partnership with stakeholders and agencies across the housing sector to address vacancy in our housing stock.



Why do we need a National Vacant Housing Reuse Strategy?

To maximise the provision of sustainable quality housing

Our economy has recovered faster than the ability of our housing system to provide the homes we need and, while output of new social and private homes is increasing, it takes time to develop significant numbers of new housing stock. Reactivating recoverable and liveable vacant homes is potentially a fast and cost-effective way to assist in meeting current needs. While the construction sector is working to regain momentum after several years of contraction, time is needed for the supply of new homes to increase to meet demand.

In the meantime, there are potentially significant opportunities to identify existing vacant homes that could come back into use, thereby contributing to the provision of housing to meet the demand, while simultaneously helping to ease inflationary pressures on house prices and rents.

This Strategy therefore focuses on all forms of vacant housing, both private and social, and includes vacant individual houses, apartment blocks and individual units within those blocks. It is clear that measures to address vacancy and bringing habitable properties back into use can make a significant contribution to addressing the overall housing need, particularly in our cities and large towns, where the demand is greatest. This Strategy puts forward tangible measures and actions to achieve this.

Similarly, vacant commercial space, particularly that which may have previously been used as residential accommodation, such as 'over the shop' units, has the potential to be refurbished or converted for residential use. This could significantly increase the availability of housing in our cities, towns and villages where there is a shortage of supply, as well as further support the economic viability of existing town centre retail areas.

To renew, refresh and revitalise our communities

Irrespective of whether they occur in city centres, suburbs or small rural towns, vacant and abandoned properties are damaging to the quality of surrounding neighbourhoods and communities. Just some of the potential benefits from the community aspect in re-introducing vacant properties would be to:-



- Help to regenerate and revitalise cities, towns and villages and contribute to the creation of more sustainable communities;
- Enhance demand for, and ongoing rejuvenation of, often struggling town centre retail and other local services;
- Address dereliction, vandalism and anti-social behaviour;
- Prevent damage to adjoining buildings including structural damage, dampness and possible infestation;
- Provide opportunities for local suppliers and builders and support training and local employment in the carrying out of refurbishment works;
- Create partnerships between the public, voluntary and private sectors; and
- Provide a dedicated source of income to owners who opt to rent their property.

To provide better co-ordination and collaboration

This Strategy acts as an overarching roadmap for the co-ordination and implementation of initiatives right across Government to ensure that we are utilising our existing housing stock to the fullest extent possible.

The Strategy has been developed in tandem with the national core principles of the recently published National Planning Framework (NPF) which sets out to guide the delivery of future housing, at every level from national to community. A particular focus is on linking with Objective 35 of the National Planning Framework relating to the utilisation of existing housing stock as a means to meeting future demand. In addition, the Strategy ties in with the commitment in the NPF for each local authority to develop a Housing Need Demand Assessment (HNDA) to support the preparation of housing strategies and all related housing policy outputs, e.g. city and county development plans, local area plans, traveller accommodation plans etc. (*NPF – National Objective 37*).

Our Vision



To return as many recoverable vacant properties back to viable use as possible, increasing the supply of sustainable housing available, while also revitalising the vibrancy of local communities.

To deliver on this vision, we require a broad range of measures based around strategic objectives over the short, medium and long term. To ultimately reach this vision it is crucial that we establish accurate, consistent and up-to-date data sets on vacancy across the country. Securing improved data and analysis on vacancy allows for more robust monitoring of vacancy at a national level and will allow for strong evidence based policy formation in the future. This data enables local authorities to identify locations of vacant properties in local areas, targeting homes in areas of greatest housing need while also establishing ownership of dwellings and underlining reasons for vacancy.

It is essential to build a better understanding as to the reasons why properties are left vacant, the barriers that exist to bringing them back to use and what actions will have the greatest effect in bringing homes back to use. This Strategy recognises that vacancies occur in all of our housing stock, whether in public or private ownership or empty homes held in



bank ownership or by investors. Each category of ownership has diverse and differing reasons for vacancy and therefore distinct sets of actions have been developed to address these varied sectors.

Returning vacant homes to use does not solve the housing crisis on its own, but it certainly has a positive impact on the number of dwellings available in the housing stock. In addition, vacant properties have a negative impact on the lives of local residents as they can be a magnet for crime and anti-social behaviour, driving down property values locally and contributing to urban and rural decline and blight.

It is also recognised in this Strategy that there are already many incentives and schemes in place to encourage and incentivise reuse of our existing housing stock, such as Repair and Lease and Buy & Renew. However, more needs to be done to promote and encourage greater take-up of these schemes.



Strategic Objective

Rebuilding Ireland sets out the strategic objective of **ensuring that existing housing stock is used to the maximum degree possible – focusing on measures to use vacant stock to renew urban and rural areas.**

The Reuse Strategy sets out long-term objectives aimed at realising our overall strategic objective and also shorter-term objectives aimed at addressing the immediate need to ensure we are maximising the use of our existing housing stock.

To achieve the overarching objective, this Strategy contains measures and actions to:

- Secure robust, accurate, consistent and up-to-date data sets on vacancy to aid the identification of vacant homes and monitor vacancy levels.
- Bring forward measures that will have the greatest effect in bringing vacant homes back to use and tailor these measures to diverse vacant property types.
- Raise awareness of vacancy issues throughout the country through the establishment of a Vacant Homes Unit in the Department.
- Establish Vacant Homes Officers in each local authority area to implement actions, continually assess and monitor vacancy rates and report, in a timely manner, to central Government. The Vacant Homes Officers within each local authority will also act as a repository for advice to owners of vacant properties regarding approaches, schemes and incentives that will aid bringing vacant homes back to use.
- Strengthen and develop co-ordinated actions within the Department of Housing, Planning and Local Government and across wider Government policy formation to address vacancy.



To accomplish the overall Strategic Objective, this Strategy has the following as its five key objectives:-:

| | |
|--------------------|--|
| Objective 1 | Establish robust, accurate, consistent and up-to-date data sets on vacancy. |
| Objective 2 | Bring forward measures to ensure, to the greatest degree possible, that vacant and underused privately owned properties are brought back to use |
| Objective 3 | Bring forward measures to minimise vacancy arising in Social Housing Stock. |
| Objective 4 | Continued engagement with and provision of support to key stakeholders to ensure suitable vacant properties held by banks, financial institutions and investors are acquired for social housing use. |
| Objective 5 | Foster and develop cross-sector relationships, collaborating in partnership to tackle vacant housing matters. |

The following sections set out a range of actions to be taken under these five key objectives.



Objective 1:

Establish Robust, Accurate, Consistent and up-to-date data sets on Vacancy

Key Actions:

- | |
|--|
| <p>1A: Establishment of a Vacant Homes Unit within the Department and appointment of Vacant Homes Officers in local authorities to drive and co-ordinate actions at a national and local level, including data collection and analysis.</p> |
| <p>1B: Establish a vacancy sub-group (under the Department’s Housing Data Analytics Group), including representatives of the Department, CSO, local government sector and the Housing Agency and task the Vacancy sub-group with developing a standardised methodology of data collection that is accurate and consistent for utilisation across the local government sector.</p> |
| <p>1C: Conduct a Pilot Survey to ensure methodology development is robust and produces reliable output and consider whether to roll out as a national survey.</p> |

Rebuilding Ireland recognises that “The reuse of vacant dwellings has some potential to reduce the numbers of additional new homes required. However, this issue requires analysis, particularly in relation to the real potential to achieve occupancy of dwellings in the immediate term and the match between location and demand, given that a large proportion of the national total of vacant units is located in rural areas, where demand may not be high.”

High-level vacancy data is already available from the Census 2016 statistics produced by the Central Statistics Office (CSO) and other data is available from GeoDirectory and local authority vacancy surveys. However, there is currently no one existing data source that can pin-point exact location of properties, the length of time properties have remained vacant, or the overall condition of the vacant properties. It is considered that a more systematic and comprehensive approach is needed to secure an up-to-date and accurate picture of vacancy rates throughout local authority areas, particularly in respect of identifying recoverable dwellings that can potentially be re-introduced into the liveable housing stock especially in urban areas where housing demand is most acute.

Existing Data Sources on Vacancy

Census 2016

Results from Census 2016 indicate that there were 183,312 dwellings (excluding holiday homes and derelict houses) which were recorded as vacant, representing just over 9% of the overall national housing stock. This compares with a total of 230,056 vacant dwellings (or 11.5%) recorded in Census 2011, representing a reduction of almost 47,000 homes over the 5-year period, with the biggest decreases in vacancies being recorded in urban areas around the country.

It should be noted that a vacancy rate of between 2.5% and 6% is considered normal in a properly functioning housing market. This vacancy rate allows for dwellings under renovation, in between tenancies (in both public and private housing stock) and those dwellings left vacant while being sold.

As seen in Figure 1 below, many of the dwellings recorded as vacant in the Census 2016 report are located in rural areas, predominantly in the western half of the country, where housing need and demand are not as high as in other areas. Conversely, where housing demand is greater in and around our main cities and in the hinterland around Dublin, vacancy rates are less than 7%.



Vacancy rates across the country

Housing vacancy rates, 2016
(ex holiday homes)

- Less than 7%
- 7% to < 11%
- 11% to < 16%
- 16% to < 23%
- Greater than 23%

Source: CSO, Census 2016
Map generated by All Island Research Observatory

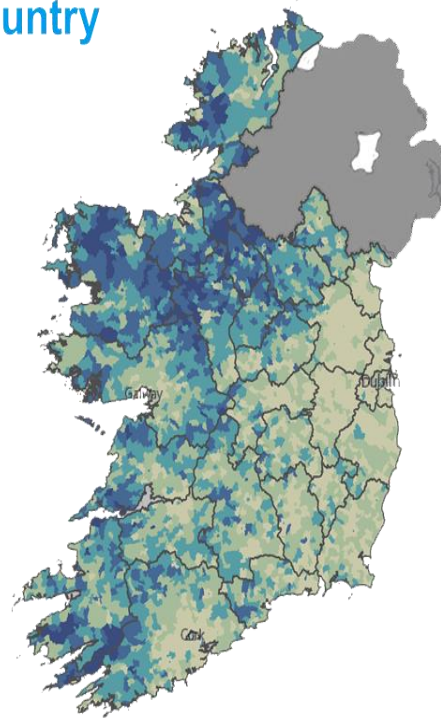


Figure 1: Vacancy rates across the country, CSO 2016

Census 2016 showed that vacancy rates across Ireland varied markedly between local authority areas. It is important to understand the drivers of vacancy in different areas and tailor policy and implementation responses accordingly.

In this regard, vacancy rates varied significantly across the country from 3.6% (South Dublin) to 19.9% (Leitrim), with the highest vacancy rates being in counties in the west and north. However, it is important to note that, although the vacancy rates are high in these latter counties, the volume of vacant homes in these counties is significantly lower than other counties with large overall housing stock.

The graphs below (Figures 2 and 3) set out the Census vacancy rate and number of vacant homes by local authority administrative area.

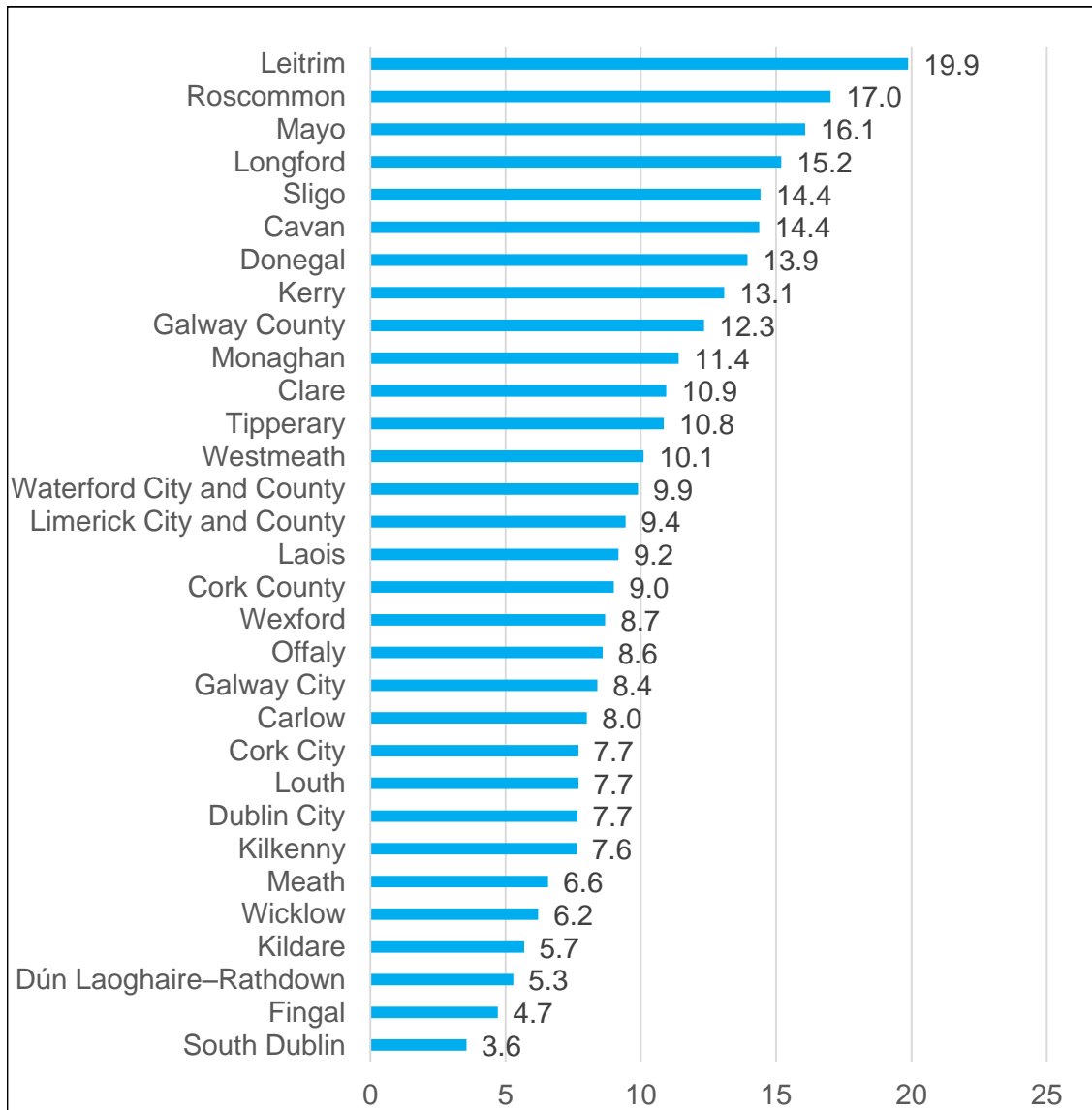


Figure 2: Vacancy rate excluding holiday homes on a local authority basis, 2016: E1068

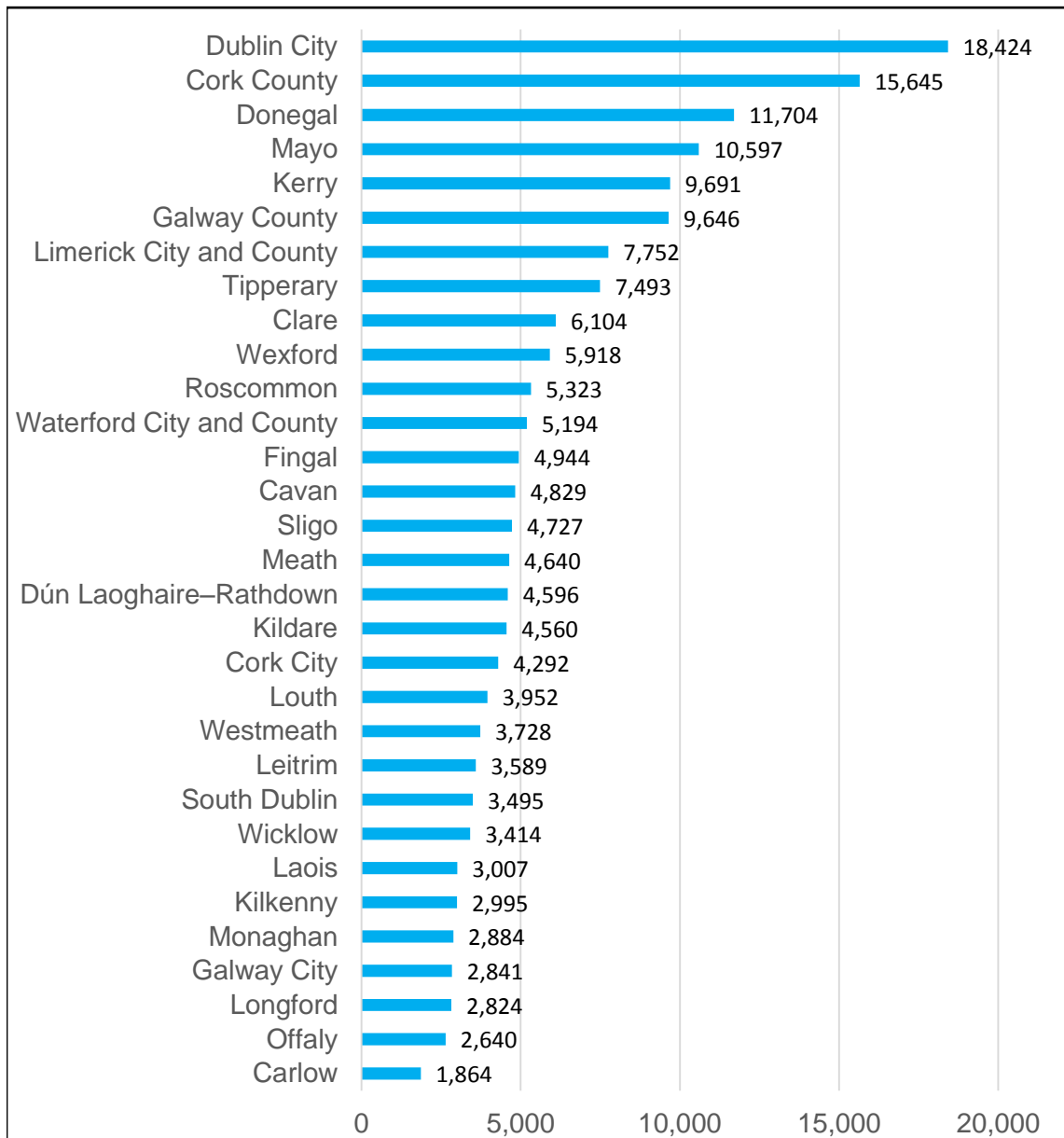


Figure 3: Number of vacant homes (excluding holiday homes) on a local authority basis, 2016

GeoDirectory Data

GeoDirectory, developed jointly by An Post and Ordnance Survey Ireland (OSi), is a commercially designed service that gives each property (classified as either residential or commercial) a standardised eight-digit code and is updated regularly to take account of new properties as they become ready for use. GeoDirectory is the source for Eircodes (the branded name given to postcodes in Ireland) which were devised, created and are maintained using GeoDirectory's database which combines data acquired from An Post and Ordnance Survey Ireland. GeoDirectory can give a picture of the vacancy rates at any point in time, compared with the 5-yearly Census data.

In terms of approaches to identifying vacant properties, the GeoDirectory database includes an address as vacant, if it falls under one of the following:

- The dwelling is vacant and ready to be inhabited, based on whether the property does or does not receive post;
- The dwelling is vacant and requires a small amount of cosmetic/repair work to make it habitable; or
- The dwelling is not a holiday home.

It should be recognised that the work undertaken and data produced by both GeoDirectory and the CSO (utilising their established collation methodologies) is in essence a count of vacant housing units at a specific point in time. The Department / local government sector impetus is not to only count the number of vacant homes, but is also an effort to target those properties that exist in designated housing need “hot-spots” and endeavour to get such long term vacancies back into viable use.

Local Authority – Vacant Homes Action Plans

As outlined, local authorities have already been requested to prepare Vacant Homes Action Plans to, inter alia, put forward actions to firstly, identify the scale of vacant homes and secondly, to develop plans to address vacancy within their administrative areas. Analysis of Action Plans received has shown a consistent reference by local authorities as to variances in available data sets being a barrier to the identification of potentially recoverable vacancy.

Some initial desk top and small scale field surveys undertaken by a number of local authorities have indicated that there may possibly be a lower rate of vacancy than that signaled in existing data sources.

Variation in existing data sources

It is evident that variances exist in currently available data sets. It is possible that there are a number of reasons to explain the variances between the Census vacancy rate in April 2016 of 183,312 properties and GeoDirectory’s subsequent vacancy figures of 94,640 address points or units in June 2018 including:

- some of the units identified as vacant in the Census may have been temporarily vacant (e.g. between letting or for sale). From notes gathered by enumerators where additional information on the underlying reasons for vacancy could be gathered (some 57,246 of the total of 183,312 vacant homes identified), they were classified as for sale, for rent,



owner in nursing home, renovation work underway, owner in hospital and owner with relatives.

- given pent-up housing demand and current low levels of new properties coming onto the market, it is probable that a number of properties recorded as vacant in Census 2016 have since been brought back into use.

Constraint and Limitations of existing data sources

Census 2016 provides valuable information and sets benchmarks indicating overall levels of vacancy across the country. It can also give a picture of vacancy down to the level of small areas (of approximately 100 houses). However, beyond that, there are restrictions and limitations as to how this data can be used to inform the actions and objectives set out in this Strategy.

The Central Statistics Office is statutorily precluded from sharing data below that of the level of small areas, which in essence means local authorities are unable to use the data to pin-point vacant properties to the level of individual addresses. It should also be noted that the Census is essentially a survey undertaken on a specific date every 5 years and does not provide data around the length of time a property has been vacant, nor does the data show whether the property is in a recoverable condition or is located in an area where there is a demand for housing.

Key Actions to Improve Vacancy Baseline Data

In light of the variance in the available vacancy data and the limitations and constraints on that data, it is essential that more robust and accurate sets of vacancy baseline data is established. Once each local authority can pin-point vacant homes, they can then categorise those homes by location, ownership and reason for vacancy and subsequently identify those properties that have the potential to be refurbished, converted and made available for use.

As a result of the clear need to establish useable baseline data, a number of actions have been initiated.

1A: Establishment of a Vacant Homes Unit within the Department and appointment of Vacant Homes Officers in local authorities to drive and co-ordinate actions at a national and local level, including data collection and analysis.

During the course of the preparation of this Strategy, a dedicated Vacant Homes Unit has already been established within the Department of Housing, Planning and Local Government to drive and co-ordinate actions at central and local government levels and to support local authorities in their actions. A key part of the work of the Unit is to establish a uniform method of data collection across all local authority areas, ensuring that local authorities can measure, scrutinise and evaluate vacancy rates in their administrative areas.

Local authorities have already nominated Vacant Homes Officers (VHOs) in their local authorities who will drive and co-ordinate action at local authority level. Among the key objectives for the Vacant Homes Officers will be co-ordinating data collection, producing standardised reporting and maintaining up-to-date data on the scale, spread, location and background details on vacant homes in their administrative area. The VHO will also feed into national vacancy data collection which will allow for accurate reporting centrally on vacancy rates.

1B: Establish a vacancy sub-group (under the Department's Housing Data Analytics Group), including representatives of the Department, CSO, local government sector and the Housing Agency and task the Vacancy sub-group with developing a standardised methodology of data collection that is accurate and consistent for utilisation across the local government sector.

During the course of the preparation of this Strategy, a Vacancy Sub-Group has already been established under the Department's Housing Data Analytics Group. The group includes representatives of the Department of Housing, Planning and Local Government, the CSO, the local government sector and the Housing Agency.

A primary objective of the sub-group is to establish a standardised methodology of data collection on vacancy. The benefit of this data will be twofold, firstly securing improved data and analysis on vacancy will allow for more robust monitoring of vacancy at a national level, and a strong evidence based formation into the future and secondly it will allow individual local authorities to maintain and keep up-to-date data on vacancy levels in their areas, targeting and promoting the reuse of recoverable vacant properties in areas of highest demand.



1C: Conduct a Pilot Survey to ensure methodology development is robust and produces reliable output and consider whether to roll out as a national survey.

In order to test the methodology being developed, a pilot field-based survey has commenced across 6 local authorities. Each participating local authority will visually inspect up to 1,500 homes each, recording the location of potentially vacant properties, and where possible, recording apparent reasons for vacancy and categorising each vacant home (with a view to prioritising those which are seen as most likely to be re-introduced into the liveable housing stock). To identify long-term vacancy, the pilot will require two visual inspections, six months apart, with those houses occupied between the two inspections disregarded. Training and guidance has been provided to the local authorities undertaking the survey to ensure consistency of approach across all participating local authorities.

It is intended that the aim of the pilot survey undertaken in 2018, is not only to count the number of vacant homes, but also to visually assess the condition of these homes and to focus particularly in areas where there is a high demand for homes, which have vacant or under-utilised houses and that are capable of being brought back into use. The results of the pilot field-based survey will be analysed, with the outcomes of the survey being scrutinised to assess whether there would be significant value in rolling out the survey on a national basis.

Objective 2:

Bring forward measures to ensure, to the greatest degree possible, that vacant and underused privately owned properties are brought back to use.

Key Actions:

| |
|---|
| 2A: Gain a better understanding as to the barriers that exist to the reuse of privately owned vacant properties. |
| 2B: Continuously review and evaluate existing schemes to ensure they are effective in bringing homes back to viable use. |
| 2C: Address vacancy in commercial/over the shop properties – reducing where possible regulatory barriers and providing guidance to bring clarity on what regulatory requirements apply to such properties. |
| 2D: Examine the potential for the greater use of legislative powers available to local authorities to reactivate vacant dwellings. |

Objective 1 acknowledges that further work needs to be undertaken in establishing where vacant homes are located and actions will be put in place to address this. However, once these vacant properties are identified, we then need to establish ownership of those properties and tailor subsequent actions based on the reasons why these properties are vacant.

It is important to distinguish between short-term vacancies, such as dwellings in the process of being re-let or sold which would be classified as vacancy that will occur in any properly functioning market and longer-term vacancies (i.e. dwellings that are vacant for 6 months or more) which are the focus of this Strategy.

Barriers to reuse of vacant homes in private ownership

The reasons for vacancy in the private housing market are complex and require analysis at a local level to target the necessary actions that will be effective in identifying and recovering liveable vacant homes. Of the 183,312 identified as vacant in the 2016 Census, enumerators captured and summarised “reasons for vacancy” data in the case of 57,246 properties.



The CSO Census data suggests that long-term vacancy is more prevalent in rural than in urban areas. For instance, vacant dwellings described as “Vacant Long Term” are cited in 5,355 cases (21.7 %) included in the sample of vacant properties in rural areas, whereas the category represents only 1,265 (10.3 %) of observations in the Dublin City and suburbs area.

| Category | Dublin City & suburbs | Other cities | Large towns | Small towns | Rural | Total |
|------------------------|-----------------------|--------------|--------------|--------------|---------------|---------------|
| Rental Property | 3,757 | 962 | 1,639 | 1,350 | 2,642 | 10,350 |
| For Sale | 2,682 | 1,030 | 1,959 | 1,705 | 3,572 | 10,948 |
| Deceased | 1,355 | 614 | 913 | 897 | 5,414 | 9,193 |
| Vacant Long Term | 1,265 | 731 | 1,371 | 1,334 | 5,355 | 10,056 |
| Renovation | 965 | 361 | 556 | 488 | 1,308 | 3,678 |
| Nursing Home | 865 | 409 | 625 | 428 | 1,838 | 4,165 |
| Hospital | 454 | 117 | 232 | 182 | 484 | 1,469 |
| Boarded up - habitable | 284 | 316 | 298 | 267 | 379 | 1,544 |
| New Build | 257 | 84 | 259 | 305 | 1,275 | 2,180 |
| Emigrated | 172 | 74 | 182 | 160 | 966 | 1,554 |
| Other personal use | 85 | 49 | 107 | 108 | 530 | 879 |
| With Relatives | 103 | 56 | 96 | 84 | 508 | 847 |
| Abandoned farm house | 4 | 3 | 4 | 4 | 368 | 383 |
| Total | 12,248 | 4,806 | 8,241 | 7,312 | 24,636 | 57,246 |

Figure 4 – CSO Census Table 4.3 Reasons for vacancy, 2016 (Numbers of)

In addition to CSO data, the Housing Agency, in a survey of stakeholders identified the following reasons for vacancy:

- Financial distress on part of home owner;
- Lack of available finance for owners to upgrade their property;
- Properties where the owner has died, and the estate is awaiting legal resolution
- Legal disputes over title;
- Dwellings built where there is low demand for housing;
- Properties awaiting demolition for regeneration or other purposes;



- Reticence of renting and becoming a landlord with associated tax implications;
- Short term vacancy pending sale or change of owner;
- Owners retaining the property for occasional use;
- Properties where the owner has moved into residential care or is living elsewhere while caring for or being cared for by someone;
- Owners unaware of available options for bringing dwellings back into use;
- Owners waiting for an upturn in the house price before sale;
- Difficulty arranging renovations;
- Perceived difficulty in obtaining planning approval or with regulatory requirements;
- Migration from towns and villages, either to the main urban areas or to one off housing in rural locations.

2A: Gain a better understanding as to the barriers that exist to the reuse of privately owned vacant properties.

This Strategy proposes that a key function of the Vacant Homes Unit, at a central level and Vacant Homes Officers at a local level, will be to gain a better understanding of the barriers that exist to bringing vacant homes back to use and analysis of how some of these barriers could be overcome by reviewing relevant government policy or changes to relevant regulatory codes.

The central Vacant Homes Unit will work with local authority Vacant Homes Officers and other key stakeholders to assess these barriers and consider solutions to overcome them.

Research will be conducted and data from the pilot vacancy survey will be assessed, together with other available data sources, will be analysed to better understand the reasons behind long term vacancy.

2B: Continuously review and evaluate existing schemes to ensure they are effective in bringing homes back to viable use.

Several measures are already in place currently with the aim of encouraging and enabling privately owned vacant homes to be brought back into use whether to the social housing or private rented market. Full details of all schemes are at Appendix A but some of the principal schemes and incentives available are summarised below:



1. Repair and Leasing Scheme

The Repair and Leasing Scheme (RLS) has been developed under Action 5.7 of *Rebuilding Ireland* to assist private property owners, local authorities and Approved Housing Bodies (AHBs) in utilising existing vacant housing stock throughout the country that has the potential to deliver significant social housing delivery in the coming years. The scheme is targeted at owners of vacant properties who cannot afford or access the funding needed to bring their properties up to the required standard for rental property.

2. Buy and Renew Scheme (BRS)

Launched around the same time as the Repair and Leasing Scheme, the Buy and Renew Scheme (BRS) also has strong potential to facilitate the purchase and reuse of empty dwellings by local authorities where properties are available that are suitable for social housing use. It is a matter for each local authority to determine the suitability of a property for social housing; important considerations in that regard include the location of a property in relation to housing need and demand, the suitability of a property for social housing use and the costs and practicality of acquiring and remediating a property.

3. Long-Term Leasing

This arrangement is aimed at property owners and landlords who want to retain property as a long-term investment and have a long-term security of income, but who do not wish to retain responsibility for the day-to-day requirements of managing a residential property. In such a scenario, the local authority / Approved Housing Body (AHB) will be the landlord to tenants.

4. Living City Initiative (LCI)

The LCI is a tax incentive scheme for Special Regeneration Areas (SRA) in Cork, Dublin, Galway, Kilkenny, Limerick and Waterford. Tax relief can be claimed for money spent on refurbishing or converting residential or commercial properties.

There are three types of relief available under the LCI:

- Owner-Occupier Residential Relief;
- Rented Residential (landlord) Relief; and
- Commercial Relief

Developing and publicising awareness of the schemes and initiatives available to re-introduce vacant dwellings will be core to the success of the Strategy. To achieve this, local

authority Vacant Homes Officers will act as a central advisory point for property owners in terms of disseminating information on such schemes to members of the public (including landlords) and other stakeholders, providing advice, assistance and information on the options and schemes available to bring homes back to use.

At a central Government level, the Department's Vacant Homes Unit will develop and coordinate promotional and communication strategies at a national level, which will include dissemination of best practice advice to Vacant Homes Officers locally, supported by the provision of information and promotion material through web-based information and pamphlets.

All schemes that incentivise the reuse of vacant properties will be monitored to assess effectiveness, particularly in terms of the delivery of social housing, the cost effectiveness, the impact on vacant housing levels and their contribution to urban regeneration and town and village renewal. The Department will work with all key stakeholders in this regard. In addition, the Vacant Homes Unit will also explore and consider any future incentives or schemes that may assist in addressing underutilisation or underuse of housing stock.

2C: Address vacancy in commercial / over the shop properties – reducing where possible regulatory barriers and providing guidance to bring clarity on what regulatory requirements apply to such properties.

Rebuilding Ireland recognises that owners of vacant properties, such as office space over ground-floor shops and vacant retail units face a number of regulatory requirements to develop them for reuse for residential purposes. In this regard, Action 5.9 of *Rebuilding Ireland* specifically commits to reviewing planning legislation and other codes as appropriate to simplify and streamline this process.

It is evident in our cities, towns and villages that a high level of vacancy exists in over the shop type accommodation and other commercial spaces that could potentially be converted to residential use. Buildings occupied at ground floor, usually for commercial use, including retail, often have vacant spaces on upper floors and represent a significant potential source of residential accommodation, particularly for smaller households. Traditionally many upper floors of shops were occupied by the owners or staff of the shop and would have been classified as residential. However, a large proportion of such spaces, many of which are in prime central locations, are no longer occupied as the owners or staff having moved out, with the spaces in question largely being used for storage purposes or lying vacant.



To this end, an analysis of Census 2016 returns undertaken by Dublin City Council (in relation to the Living City Initiative for tax incentives etc. to bring upper floors of pre 1915 buildings in the city centre into use) has indicated that, in the region of 4,000 units¹ of additional accommodation could potentially be generated in the designated area.

Further to Action 5.9 of *Rebuilding Ireland* and to assist in addressing vacancy in empty or underutilised areas over ground floor premises, new exempted development Regulations came into operation on 8 February 2018 (Planning and Development (Amendment) (No.2) Regulations 2018). These regulations allow for the change of use, and any related works, of certain vacant commercial premises to residential use without the need to obtain planning permission. The exemption applies to premises that have been vacant, for a period of two years prior to the exempted development being availed of, and the change of use and related works must occur between 8 February 2018 and 31 December 2021.

The *Bringing Back Homes - Manual for the Reuse of Existing Buildings* is to be published shortly, to support and facilitate the reuse of older / vacant buildings in our towns and cities for residential use. In order to encourage reuse and increase the number of viable, liveable properties, the manual provides clarity to industry, local authorities, members of the public and property owners on the application of the current regulatory requirements to common existing building types and guidance on how best to facilitate their reuse.

Examine Barriers to the reuse of commercial properties

Rebuilding Ireland further identified the need to examine the potential barriers to the reuse of commercial properties. The regulatory system of planning, fire safety, accessibility, building control, and conservation is perceived as creating competing agendas (particularly for historic buildings) and if dealt with in isolation or sequentially can result in uncertainty regarding the reuse of existing buildings.

¹ Assumption that 30% of the upper floors of a typical 3/4 storey property is vacant.

Efforts to streamline and better co-ordinate different approval processes to facilitate conversion or change of use of vacant premises should be prioritised. At present, a change of use from commercial to residential can involve three separate approvals (such as planning permission, building control approval (including disabled access and fire safety certificates), and in some cases, provisions in relation to protected structures) with consequent time and cost implications. All these processes can present significant regulatory hurdles to negotiate in bringing forward proposals for property reuse. When the cost of financing acquisitions is factored in, the uncertainty and layers of process can combine to create a high degree of risk and therefore a poor incentive for investors to take old buildings and find new uses for them.

To examine such barriers to reuse, the Department of Housing, Planning and Local Government set up a working group consisting of Department and local authority representatives with expertise in building regulations, fire safety in buildings, planning, design, heritage and also involving industry representatives with experience in designing and developing projects. One of the main purposes of the working group is to develop guidance to bring clarity on what regulatory requirements apply and to advise both industry and local authorities on how best to facilitate the reuse or development of under-used older buildings and also advise and recommend any changes that should be made to the existing regulatory systems to streamline and co-ordinate the process.

The working group will examine a number of issues with the aim of, inter alia;

- recommending optimal approaches by local authorities to ensure that, to the maximum extent possible, members of the public and property owners can obtain co-ordinated advice in relation to the necessary regulatory requirements when bringing existing buildings back into reuse;
- gathering evidence as to regulatory difficulties facing those bringing existing buildings back into use for residential purposes; and
- advising on any changes that should be made to the existing regulatory systems to streamline and co-ordinate the process.

It is envisaged that *Bringing Back Homes – Manual for the Reuse of Existing Buildings*, which is due to be published shortly, will explain how planning and building standards requirements apply to existing buildings and on how best to facilitate the efficient and



economic reuse or development of underused existing buildings for residential purposes. In order to support and promote these Guidelines, it is proposed that local vacant homes offices will serve as a contact point for dissemination to interested parties (including landlords, developers, building owners).

It is also proposed that Vacant Homes Officers will serve as the first point of contact for the arrangement of initial consultations / engagements with parties interested in developing vacant buildings for residential purposes and co-ordination of local authority multidisciplinary advisory group meetings as necessary, including relevant internal local authority staff from Planning, Building Control, Conservation, Fire Services etc., to support the process of development and reuse of existing buildings for residential purposes.

2D: Examine the potential for the greater use of legislative powers available to local authorities to reactivate vacant dwellings.

There is a shared public interest in ensuring that as much vacant and derelict housing stock as possible is brought back into productive use, particularly in those urban areas where housing demand is greatest. Many of these properties are also unsightly and often attract anti-social behaviour with negative consequences for the local area and residents.

Local authorities already have a range of legislative powers available to them to deal with under-utilised and derelict properties in their functional areas, for example, through the compulsory purchase powers² and under Derelict Sites and Housing legislation. In the past, these powers have been used to the benefit of urban regeneration in many of our cities and towns at times of market buoyancy and availability of resources to effect re-development.

Action is required in the face of the twin problems of high vacancy rates and serious housing supply shortages in urban areas in particular, and already a number of local authorities have begun to start making use of their compulsory purchase powers in order to bring vacant and derelict properties back into use for social housing purposes. This approach can result in the delivery of social housing more speedily (particularly where the houses are purchased by voluntary agreement) and at much lower cost than new builds.

In this context, this Strategy will focus on driving all local authorities to adopt a proactive approach in utilising their available legislative powers, with the added commitment that, if

² See Louth County Council Case Study at **Appendix B**



further or amended powers are needed to make the system work effectively, detailed consideration will be given, at the earliest opportunity, to the introduction of those powers or amended powers.



Objective 3

Bring forward measures to minimise vacancy arising in Social Housing stock.

Key Actions:

- | |
|--|
| 3A: Review funding mechanisms on an ongoing basis with appropriate adjustments made to ensure that the sector has the capacity to prioritise bringing vacant properties back into use. |
| 3B: Continue working with local authorities to introduce preventative maintenance approach of housing stock. |
| 3C: Continue to liaise with local authorities with a view to ensuring that Choice Based Letting is implemented as widely as possible across the country. |
| 3D: Engage with the Housing Agency and the Approved Housing Body (AHB) sector to identify, support and enter into agreements with AHBs best suited to playing a significant role in bringing vacant properties back into use. |

The national social housing stock is owned and maintained by local authorities and AHBs and is a key component of Ireland's overall housing infrastructure. In managing this stock, a nominal level of vacancy is to be expected, as a small element of units will be vacant for maintenance and repair between tenancies. Nevertheless, swift turnaround and re-tenanting is crucial, particularly at a time of high social housing need. A vacated social house, once refurbished, should not remain vacant for an extended period.

3A: Review funding mechanisms on an ongoing basis with appropriate adjustments made to ensure that the sector has the capacity to prioritise bringing vacant social housing back into use.

A lot of progress has been made in bringing vacant or under-utilised dwellings owned by local authorities (also known as voids) back into use. In 2015, in overall terms, 3.5% of local authority owned dwellings were recorded as vacant, with six local authorities reporting rates of vacant local authority dwellings of less than 1%.

In that context, the Department introduced three programmes which support local authorities in returning vacant and boarded-up social housing stock back to productive use as soon as possible:

- (a) ***Voids programme*** commenced in 2014/2015 with the purpose to support the return of vacant units to productive use and ensure they are available for early re-letting in good condition, including much improved insulation, at a reasonable cost. The funding is made available as an additional support over and above what local authorities themselves provide towards such work and the authorities can and do contribute additional funding to this work.
- (b) ***Derelicts programme*** which was introduced to provide additional support to local authorities in remediating more seriously derelict social houses.
- (c) ***2 into 1 programme***, a smaller programme, focussing on converting vacant old bedsit type of accommodation into one-bedroom units.

Collectively these three programmes saw the remediation of 9,227 units between 2014 and 2017 facilitated through Exchequer investment of €119 million, and this is on top of units completed by the local authorities themselves outside of the funding support from the Department and a small number of units which were funded by Rental Accommodation Scheme (RAS) reserves.

The investment made under the above programmes has helped local authorities to make best use of their existing social housing stock and has resulted in the early delivery of a substantial number of otherwise unavailable social homes. This has been very beneficial in addressing housing need while the construction of additional new social housing units is being ramped up. Importantly, this investment has also had a positive impact on the areas and communities concerned, particularly given that vacant dwellings can sometimes be a source of anti-social behaviour.

These schemes will be subject to ongoing review and any appropriate adjustments made to ensure that the sector has the capacity to prioritise bringing vacant properties back into use.

3B: Continue working with local authorities to introduce a preventative maintenance approach for social housing stock.

The Department is working with local authorities to introduce a preventative maintenance approach for the social housing stock, in line with objectives under *Rebuilding Ireland*. This will bring about a more sustainable approach to the ongoing management of social housing stock and deliver a better customer service to tenants. Crucially, this will support the



speedier turnaround of vacant social homes as properties should be upgraded on an ongoing basis and should therefore not require significant remediation when a vacancy arises.

3C: Continue to liaise with local authorities with a view to ensuring that Choice Based Letting is implemented as widely as possible across the country.

Better management of the offers process and a move towards greater use of “Choice Based Letting” (CBL) can make a difference in terms of optimising occupancy rates of the social housing stock. CBL is a method that can be used by local authorities to allocate social housing, whereby available social housing is let by being openly advertised, allowing qualified applicants to 'bid' for or 'register an interest' in available homes. Applicants are required to respond to adverts and bid for dwellings that they would like to live in, rather than waiting for an authority to offer a dwelling.

The CBL approach offers more choice and involvement for applicant households in selecting a new home, thereby reducing the likelihood of a refusal, and helping to build sustainable tenancies and stable communities. It is generally regarded as having been successful in improving transparency and fairness in the allocation of social housing, faster re-let and contributing to a better and more sustainable community mix.

As of March 2018, 16 of the 31 local authorities are currently actively operating a choice based lettings model as part of their allocation scheme and a further 2 intend shortly to implement a pilot CBL scheme. Cork City Council, Cork County Council and South Dublin County Council have been particularly proactive in utilising the CBL process.

Local authorities should also accelerate the roll-out of Choice-Based Letting as an efficient tool that offers more choice and involvement to households applying for social housing in how they select a home, and as a means of identifying quickly those applicant households who are interested in being housed in previously vacant and refurbished properties.

Given the benefits associated with CBL, the Department has been keen to advance action 5.4 of *Rebuilding Ireland* in order to ensure that CBL is available as an allocation method across each administrative area and will continue to liaise with local authorities with a view to ensuring that CBL is implemented, as widely as possible, across the country.



3D: Engage with the Housing Agency and the Approved Housing Body (AHB) sector to identify, support and enter into agreements with AHBs best suited to playing a significant role in bringing vacant properties back into use.

Rebuilding Ireland recognises the key role that the Approved Housing Body (AHB) sector plays in the provision of new social and affordable housing. The sector also has an important role to play in bringing vacant dwellings back into use. A number of AHBs are already active in sourcing and renovating vacant dwellings, including using the Repair and Leasing Scheme to fund renovations.

Some AHBs are already active and focussed on identifying and refurbishing vacant dwellings and some categories of vacant dwellings are particularly well suited to meeting the needs of particular user groups whose housing needs are addressed by AHBs. Accordingly, the Department will actively engage with the Housing Agency and the Approved Housing Body sector to identify, support and enter agreements with those organisations identified as best suited to playing a significant role in bringing vacant properties back into use in areas of identified housing need.

In addition, there is scope to review funding arrangements for AHBs, as they relate to vacant properties. There are currently four distinct funding streams available to AHBs, which can facilitate the acquisition and refurbishment of vacant properties – the Capital Advance Loan Facility (CALF), Capital Assistance Scheme (CAS), the Repair and Leasing scheme, and the Buy and Renew scheme. These schemes will be subject to ongoing review and any appropriate adjustments will be made to ensure that the sector has the capacity to prioritise bringing vacant properties back into use.



Objective 4

Continued engagement with and provision of support to key stakeholders to ensure suitable vacant properties held by banks, financial institutions and investors be acquired for social housing use.

Key Actions:

4A: Ensure adequate capital funding is in place for the Housing Agency to purchase and acquire vacant properties. The Housing Agency to continue to engage with banks, financial institutions and investment companies to purchase suitable units, selling ultimately to AHBs to tenant.

4B: Ensure suitable portfolios of vacant properties are acquired from financial institutions and investors.

4C: Continued engagement of the Housing Agency with NAMA and other relevant stakeholders to deliver homes to the social housing sector.

4D: Department to engage further with local authorities and stakeholders, in respect of unfinished housing estates, to explore the range of strategic acquisition options available to local authorities to take up remaining, suitable and required vacant units.

4A: Ensure adequate capital funding is in place for the Housing Agency to purchase and acquire properties. The Housing Agency to continue to engage with banks, financial institutions and investment companies to purchase suitable units, selling ultimately to AHBs to tenant.

Under several linked measures in *Rebuilding Ireland*, the Housing Agency is actively engaged with banks, financial institutions and investment companies in relation to identifying available units within their property portfolios, which have been vacant for in excess of 12 months, purchasing suitable units, particularly in areas which the relevant local authorities consider useable for social housing and selling these properties onto AHBs to tenant.

A rolling fund of €70m was provided in 2017 to the Housing Agency and this fund will be replenished as purchased units are sold onto AHBs, facilitating the total acquisition of some 1,600 units over the period to 2020 for social housing use. From initial engagements with financial institutions, it would appear that the majority of these properties are former buy-to-let properties. This fund is intended to target the vacant property portfolios of financial institutions and investment companies and is a direct response to the current shortage that is designed to complement, not displace, ongoing targeted acquisition activity by local authorities and AHBs.

4B: Ensure suitable portfolios of vacant properties are acquired from financial institutions and investors.

A target has been set of acquiring 1,600 properties by the end of 2020. A significant number of dwellings were acquired under the initiative by the end of 2017, with the purchase of 382 vacant properties over that period. In addition to purchasing vacant units using the rolling fund, the Housing Agency was directly involved in acquiring 79 dwellings on behalf of local authorities.

4C: Continued engagement of the Housing Agency with NAMA and other relevant stakeholders to deliver homes to the social housing sector.

The Housing Agency has been working with NAMA, the Department of Housing, Planning, and Local Government, local authorities and Approved Housing Bodies since 2011 to avail of properties that were part of the security to loans taken over by NAMA. As part of the overall process 6,951 properties had been identified by NAMA as potentially suitable for social housing.

At the end of Q1 2018, 2,472 properties had either been delivered or been contracted for delivery as social housing and further 212 properties were at either terms agreed or at pre-appraisal stage. It is important to note that many of these properties were vacant properties and, in most cases, required significant investment by NAMA, through the property owners and receivers, to make them suitable for use. 1,843 of the properties were sold or let by receivers acting for NAMA and 2,424 were evaluated and found to be unsuitable or located in areas that did not have a demand for social housing. The Housing Agency will continue to work with and engage with NAMA and all key stakeholders to ensure delivery to the social housing sector.

4D: Department to engage further with local authorities and stakeholders, in respect of unfinished housing estates, to explore the range of strategic acquisition options available to local authorities to take up remaining, suitable and required vacant units.

In 2011, the Government published an action plan to address the recommendations of a report by the Advisory Group on Unfinished Housing Developments. This was a legacy issue of surplus construction prior to the economic downturn, the resolution of which has proven complex in terms of legal, financial and procedural implications. An annual survey and progress report on Unfinished Housing Developments has been carried out since 2010. Due



to the upturn in the economy over the period 2014 to 2016 there has been progress in re-activating sites. By comparison, approximately 3,000 developments were surveyed as being 'unfinished' in 2010 which has now reduced to a total of 256 'unfinished' developments nationally in 2017, which is a 91% reduction from the initial number of unfinished developments surveyed in 2010.

As the number of 'unfinished' developments has reduced, the levels of vacancy have also reduced significantly within developments identified as 'unfinished'. Overall complete and vacant units within the 'unfinished developments' surveyed in 2017 now only account for 7.6% of the 'unfinished' built housing stock.

In line with the commitment in *Rebuilding Ireland*, the Department is engaging further with the relevant local authorities and stakeholders to explore the range of strategic acquisition options available to local authorities to take up remaining, suitable and required vacant units. In order to progress this action, each local authority will be actively seeking expressions of interest from developers, receivers etc. in order to acquire vacant or near complete units within appropriate developments for social housing purposes.

Objective 5:

Foster and develop cross-sector relationships, collaborating in partnership to tackle vacant housing matters

Key Actions

5A: Draw from the overall National Planning Framework Strategy, having particular regard to its objectives addressing vacancy.

5B: Development, roll-out and monitoring of dedicated Urban Regeneration Scheme.

5C: Consider utilisation of the Urban Regeneration and Development Fund as a mechanism for addressing vacancy in urban areas and support the submission of proposals to the Rural Regeneration and Development Fund with a view to reducing the level of vacancy in rural areas.

5D: Work in close partnership with other relevant Government Departments on addressing such issues as rural vacancy, examining possible measures to address vacant homes when an owner moves to nursing home care under the Nursing Home Support Scheme and exploration of possible taxation measures and providing additional legislative powers to increase capacity of local authorities to bring vacant properties back to use.

5A: Draw from the overall National Planning Framework Strategy, having particular regard to its objectives addressing vacancy.

The National Planning Framework (NPF) is the overarching strategic spatial plan for shaping the future growth and development of the country to 2040 and beyond. It will guide public and private investment, create opportunities to promote and facilitate our communities (from villages to cities) developing into inclusive and vibrant places to live.

In this context, the development and roll-out of this Strategy will have particular regard to the underlying housing priorities, core principles and objectives as they pertain to the issue of reintroducing the maximum number of vacant homes into the liveable housing stock.

5B: Development, rollout and monitoring of dedicated Urban Regeneration Scheme.

The Department has been promoting and funding urban renewal initiatives, through general urban-focused policies as well as targeted interventions and dedicated funding for key areas in need of significant regeneration. Regeneration seeks to re-build communities by



addressing not just the physical environment in which they live but also by investing in the social and economic development of the areas and revitalising urban areas that have seen population decline and under-investment, many of which were adversely impacted by the recent economic downturn, through a range of policy supports and investments.

The Government remains firmly committed to continuing the regeneration of urban centres, reflected in the linked objectives in its *Programme for a Partnership Government* and further reinforced within *Rebuilding Ireland*.

For example, in addition to the Town and Village Renewal Scheme announced last year by the Minister for Culture, Heritage, and the Gaeltacht to support the revitalisation of towns and villages and improve the living and working environment of communities, a series of other initiatives are being examined, such as:

- examining measures to tackle the under-use and hoarding of derelict and vacant sites, including ongoing review of the vacant site and derelict site levies;
- enhanced enforcement and implementation of the vacant site and derelict site levies, to bring vacant and under-utilised sites into beneficial use for housing and urban regeneration purposes; and
- the establishment of a National Regeneration and Development Agency, with a remit to, inter-alia, work with local authorities and drive the renewal of strategic areas not being utilised to their full potential, (e.g. through CPO and other incentives) from cities and larger towns to opportunities at a smaller scale in rural towns and villages.

The *Programme for a Partnership Government*, reinforced by *Rebuilding Ireland*, set out an ambitious priority for urban renewal, with a view to breathing life back into our urban centres and helping to make them more attractive places in which to live and work.

In this context, an Urban Renewal Working Group, which comprised senior representatives the Department of Housing, Planning and Local Government, local authorities and other relevant bodies, was established with a view to bringing forward proposals for new urban regeneration measures which would complement the existing regeneration programme under the Department's Social Housing Capital Programme, as well as other relevant social regeneration initiatives.

As announced in Budget 2018, a programme of €50m in Exchequer funding, supplemented by an additional minimum 20% contribution from local authorities, is being introduced to

support projects and initiatives to regenerate and revitalise depopulated urban areas and facilitate more compact urban growth. While such projects may encompass a residential element, they will have a broader reach, addressing wider issues of dereliction and improvements to the public realm. A key aim will be to maximise linkages with other programmes designed to bring vacant properties back into use, such as the Repair and Leasing and Buy and Renew schemes.

The terms of the new urban regeneration scheme will be finalised later this year, in consultation with local authorities and other relevant stakeholders, to maximise the potential outcomes from the available funding.

5C: Consider utilisation of the Urban Regeneration and Development Fund as a mechanism for addressing vacancy in urban areas and support the submission of proposals to the Rural Regeneration and Development Fund with a view to reducing the level of vacancy in rural areas.

The Urban Regeneration and Development Fund (URDF) has been established under Project Ireland 2040 to support more compact and sustainable development, through the regeneration and rejuvenation of Ireland's five cities and other large towns, in line with the objectives of the National Planning Framework (NPF) and National Development Plan (NDP). The Department of Housing, Planning and Local Government (DHPLG) has responsibility for implementation of the URDF which has an allocation of €2 billion to 2027, primarily to support the NPF's growth enablers for the five cities and other large urban centres.

One of the central aims of the fund is to enable a greater proportion of housing and commercial development to be delivered the existing built-up footprints of our cities and towns and to ensure that more parts of our urban areas can become attractive and vibrant places which people choose to live and work, as well as to invest and to visit. In relation to vacancy and reuse, the fund specifically sets out the types of projects eligible for funding which can include the acquisition, enabling and/or development of areas, sites and buildings, relocation of uses, public amenity works, community facilities and infrastructure related to housing, economic or skills development (including enterprise and tourism), in an urban context.

The National Development Plan also provides €1 billion to set up a Rural Regeneration and Development Fund to support the NPF objectives and make a significant and sustainable impact on rural communities, strengthening the fabric of rural Ireland, supporting job creation



in rural areas and thereby addressing de-population of our rural communities. It will provide an opportunity to support integrated, ambitious and strategic multi-annual projects which support rural development, involving a range of Departments, State agencies, and other partners.

Proposals for funding, (which will be assessed and determined by the Minister for Rural and Community Development), should demonstrate a sustainable impact on the social or economic development of rural communities, a key component of which will be an increase in the number of recoverable dwellings reactivated into the housing stock at local level.

In line with the overall Strategy in the National Planning Framework, there will be a close connection between the operation of the Rural Regeneration and Development and the Urban Regeneration and Development Funds, so as to ensure consistency of decisions, and to maximise synergies in both urban and rural regeneration.

5D: Work in close partnership with other relevant Government Departments on addressing such issues as rural vacancy, examining possible measures to address vacant homes when an owner moves to nursing home care under the Nursing Home Support Scheme, and exploration of possible taxation measures and providing additional legislative powers to increase capacity of local authorities to bring vacant properties back to use.

Rural Vacancy

In relation to vacant homes in more rural areas, where there is limited local demand for such homes, in line with the commitment in the *Programme for a Partnership Government* and reinforced in the Government's Action Plan for Rural Development, *Realising our Potential*, the Department is exploring the scope to tap into the potential of vacant rural homes within a new multi-stranded Rural Resettlement Initiative, in close partnership with the Department of Culture, Heritage and the Gaeltacht and local authorities.

Nursing Homes Support Scheme

Action 17 of the Strategy for the Rental Sector commits the DHPLG and the Department of Health to examine the treatment under the Nursing Homes Support Scheme's (also known as the Fair Deal scheme) financial assessment of income from the rental of a person's principal private residence where they move into long-term residential care. In this context, the Department of Health has received legal advice to the effect that changes to the treatment of rental income in the Scheme would require primary legislation. A number of options for legislative change have now been identified and will be the subject of further discussion between the two Departments with a view to eliminating any financial

disincentives that may currently exist to letting homes while the owners are in nursing home care. Discussions are also taking place between the two Departments with regard to the treatment of the proceeds from the sale of a principal private residence in the context of the financial assessment of applicants for the “Fair Deal Scheme” and of existing fair deal participants. The aim is to encourage relevant vacant properties back into active use where feasible. As part of the exploration of both of these options an impact assessment will be undertaken including in relation to the impact of the proposed measures on the Nursing Homes Support Scheme in order to fully inform a decision on the proposals.

Consideration and exploration of possible taxation measures

Together with providing incentives and supports, targeted penalties may also need to be considered. The objective of any such penalties would be to increase the much needed supply of homes for rent or purchase to meet the growing demand.

In this regard, the Department of Finance, under Section 86 of the Finance Act 2017 is currently exploring key issues in relation to the potential application of a tax on vacant residential property.

As with any legislative measure of this nature, it is necessary to examine thoroughly the legal and constitutional issues that may arise from the introduction of any such measure. In that regard it would be important to ensure that any such new tax is proportionate and that its impacts on individual’s property rights are balanced so that homeowners are not excessively penalised in a discriminatory manner.

In addition, a greater understanding of the reasons for vacancy and of the characteristics, quantity and locations of long-term vacant dwellings is required to ensure that any measure introduced can be effectively implemented and not result in unintended consequences (such as perhaps properties being deliberately left to become derelict so as to avoid a vacant home tax).

It is likely that the report will also examine the administration and implementation challenges associated with a vacant home tax (issues such as the definition of a vacant property, IT developments that may be required to implement the tax and the associated data requirements, monitoring and compliance arrangements and the exemptions that should apply).



Conclusion

It is clear from the Census 2016 results and from other available data sources that, while the national figure of vacant homes has fallen by over 20% in five years and while there may be an element of overstatement of truly vacant properties in the headline statistics, a large number of vacant properties remain across the country that have the potential to be brought back into use, either through private sale or rent or to accommodate households availing of social housing supports and particularly in locations where there is major pressure on accommodation. The Government, at both central and local level, is therefore determined to address the issue of vacancy.

While the level of vacancy has reduced in recent years, a continued reduction in the level vacant dwellings is imperative in circumstances when new residential construction activity is slowly ramping up after years of inaction and under-provision and while demand for more homes is rising with our growing population and a recovering economy. Harnessing the potential of these vacant properties and bringing a substantial proportion of them back into use as quickly as possible in the areas of profound accommodation shortages and pent-up demand could be one of the fastest ways to tackle the causes of our current housing challenges.

However, analysis of the Census data also highlights the significant divergence in vacancy rates between the larger urban centres and more rural counties, reflecting the high demand for properties in cities and larger towns which in turn provides a greater incentive and economic opportunity to bring empty homes back into use in these areas.

A particular focus is needed for those key areas where there is high demand for both private accommodation and social housing, either private or social, evidenced by a shortage of properties for sale and rent (often manifested in rental and house purchase price increases) and growing social housing waiting lists.

We need to better understand the different categories of vacant properties, get a clearer picture of the number, location, ownership and reason for vacancy and identify those properties that have the potential to be refurbished, converted and made available for use before a more detailed set of targets can be set and this is a key action under this Strategy.

APPENDIX A

The following details a non-exhaustive range of schemes and incentives that are currently in place that incentivise the reintroduction of vacant homes to the housing stock.

Repair and Leasing Scheme (RLS)

The Repair and Leasing Scheme (RLS) has been developed under Action 5.7 of *Rebuilding Ireland* to assist private property owners, local authorities and Approved Housing Bodies (AHBs) in utilising existing vacant housing stock throughout the country that has the potential to deliver significant social housing delivery in the coming years. The scheme is targeted at owners of vacant properties who cannot afford or access the funding needed to bring their properties up to the required standard for rental property.

Following on from the significant potential identified in the initial RLS pilots in Waterford City and County Council and Carlow County Council areas during 2016, the Scheme was extended nationally in February 2017. The scheme has been subject to ongoing appraisal, review, including an assessment of any operational issues that have arisen during the first 6 months of operation.

This appraisal was carried out in the context of the ongoing review of *Rebuilding Ireland* and, in consultation with local authorities, examined all opportunities to enhance the operation of the scheme and ensure increased take-up and delivery.

Arising from the review of the scheme, a range of improvements to the existing scheme was announced taking effect from 1 February 2018. The changes to the scheme are set out below:

Extension of the scheme to Rental Availability Agreements

The scheme as originally launched only permitted a property owner to enter into a long term lease agreement with the local authority, with a minimum term of 10 years. From 1 February 2018, the type of lease agreement permitted under the scheme will be extended to include Rental Availability Arrangements (RAAs or RAS type arrangements). As such, a property owner under RLS may now choose whether to enter into a direct lease, or a Rental Availability Arrangement, with a local authority.



Under a direct lease, the local authority takes on the landlord responsibilities and the owner is paid up to 80% of market rent (or 85% for apartments). Under a Rental Availability Arrangement, the owner is paid up to 92% of market rent but takes on landlord responsibilities and is the landlord to the tenant. This option will appeal to owners who are prepared to take on landlord responsibilities in return for the additional rent compared to the rental rates for direct leases i.e. 92% compared to 80% of market rent.

Reduction in the minimum lease term from 10 to 5 years

The minimum lease term required under RLS has been reduced from 10 years to 5 years. This minimum term will apply both where an owner chooses to enter into a direct leasing arrangement or a Rental Availability Arrangement. This change to the scheme will appeal to property owners who are interested in the scheme but who are deterred by the minimum lease term of 10 years.

Additional funding permitted where the property is a former bedsit

Where the vacant property being brought into the scheme is a “bedsit” type dwelling being brought into line with the Standards for Rented Houses Regulations, the funding available may be increased from the current limit of €40,000 to €50,000. Significant works may often be necessary in respect of these units and additional funding will be made available in these circumstances.

Extension of the RLS scheme to unfinished properties in limited circumstances

Local authorities may now use RLS funding where applications are made in respect of new, vacant (for minimum 12 months) but unfinished dwellings. The funding may be used for the purposes of bringing the dwelling into line with the Standards for Rented Houses Regulations only and may not be used for other development works such as common areas, entrance roads etc.

Apportionment of funds between one or more dwellings

Where a property owner is bringing more than one dwelling into the scheme, the funds available i.e. €40,000 per dwelling, may be apportioned between a number of dwellings once total funding for all dwellings doesn't exceed €40,000 per dwelling. So for example, if 6 dwellings are being brought into the scheme, total funding for the 6 properties may not exceed €240,000. This will allow owners to bring multiple dwellings into the RLS scheme even where the cost of repairs on one of these units exceeds the funding limit of €40,000.

There is no change to the requirement that a property must be vacant for a period of 12 months or more to be accepted into the scheme. A property owner can either choose to

arrange for a contractor to carry out the repairs themselves, or the local authority or AHB can arrange to carry out the repairs instead. Once the works are completed and the tenancy is in place, property owners will not be required to take on landlord responsibilities; the local authority or AHB will be the landlord and will have ongoing management and maintenance responsibilities in respect of the properties for the duration of the lease agreement.

In recognition of both the critical demand for units to meet social housing needs and the potential that the RLS can offer, the Department apportioned a total amount of €32m to the scheme in 2017. While delivery under RLS was somewhat disappointing in the infancy of the scheme, having consulted with local authorities in the context of its review, and taking into account that RLS is now established and operating nationwide, it is expected that the improvements made to the scheme will result in increased delivery during 2018, which will be the scheme's first full year of operation. Funding of €32m is available under the scheme in 2018, with the potential to bring 800 empty homes back into use this year.

The operation of the RLS will continue to be evaluated and amended accordingly, and over the period to 2021, it is anticipated that a significant number of units can be secured for social housing under this Scheme.

Buy and Renew Scheme (BRS)

Launched around the same time as the Repair and Leasing Scheme, the Buy and Renew Scheme (BRS) also has strong potential to purchase and reuse empty dwellings where properties are available that are suitable for social housing use. It will be a matter for each local authority to determine the suitability of a property for social housing; important considerations in that regard include the location of a property in relation to housing need and demand, the suitability of a property for social housing use and the costs and practicality of acquiring and remediating a property.

The Buy and Renew Scheme is also a valuable companion to the Repair and Leasing Scheme, as it provides the option for suitable properties to be purchased rather than leased, if that is the preference of the owners of vacant properties. Under the BRS, properties in need of remediation can be purchased and renewed and made available for social housing use. In general, it would be expected that the combined cost of purchasing and remediating a suitable property would be similar to the costs of acquiring an equivalent, good quality property.



There is no limitation on the balance between the costs of acquisition versus remediation, so properties that can be acquired at a very reasonable cost, but with more significant remediation costs, can be brought forward under the Scheme.

It is recognised, however, that undertaking such projects is likely to be more resource intensive and will take longer to undertake and complete, at a time when a major new social housing construction programme is also being undertaken by local authorities and AHBs.

While it is expected that the combined cost of purchasing and remediating a suitable property would be no more than the costs of acquiring an equivalent, good quality property, some more costly remediation can be undertaken if, for example, the project would support urban regeneration or town/village renewal objectives. With a view to ensuring that remediation costs do not escalate over the course of the project, it is important that a detailed survey is carried out in advance of the acquisition of units requiring more costly remediation.

While recognising the key focus of social housing funding and resources is currently on the extensive new social housing construction programme, funding availability for the Buy and Renew Scheme will be extended, if sufficient properties are secured.

The Buy and Renew Scheme will be monitored to assess its effectiveness, particularly in terms of the delivery of social housing, the cost effectiveness, the impact on vacant housing reuse and contribution to urban regeneration and town and village renewal. As both the Buy and Renew Scheme and the Repair and Leasing Scheme are rolled out, further funding will be made available from the funding available under *Rebuilding Ireland*, for both schemes, if required.

Housing Assistance Payment (HAP)

The flexibility of the Housing Assistance Payment (HAP)³ as a social housing support is one of the scheme's key characteristics and indeed was one of the primary benefits envisaged at the outset of the scheme. It is ultimately envisaged that a household that is eligible for social housing support can avail of HAP in any local authority area around the country, regardless of the local authority where they were originally assessed as having a social housing need. Following the completion of HAP nationwide roll-out in March 2017, and the scheme's availability in all 31 local authority areas, a practical and effective initial approach to

³ <http://hap.ie/uploads/files/pdf/hap-info-leaflet-english.pdf>

facilitating inter-authority movement was provided to local authorities. Such flexibility facilitates better utilisation of all potential private rental stock, vacant or otherwise, for social housing purposes.

Under HAP, local authorities will make a monthly payment to a landlord, subject to terms and conditions including rent limits, on a tenant's behalf. In return, the tenant pays a weekly contribution towards the rent to the local authority. This 'rent contribution' is based on the household income. It is calculated in the same way as the rent paid by a tenant of a local authority owned property

It also allows for the development of HAP-based rural resettlement initiatives, and provides for maximum activation potential of HAP households by removing geographical barriers to employment (such as loss of housing support or time on a transfer list).

Rental Accommodation Scheme (RAS)

The Rental Accommodation Scheme (RAS)⁴ is a social housing support introduced to cater for the accommodation needs of persons who are in receipt of long-term rent supplement.

Persons normally must be in receipt of rent supplement for a minimum period of 18 months and be assessed as having a long-term housing need. Under the RAS scheme, private rented properties provide an additional source of good quality rental accommodation for eligible persons. The scheme is run by local authorities, who make the final decision regarding who is eligible under the scheme. The local authority will enter into contractual arrangements with accommodation providers to secure the medium to long-term availability of private rental accommodation for RAS.

Long Term Leasing

This arrangement⁵ will suit property owners and landlords who want to retain property as a long-term investment and have a long-term security of income, but who do not wish to retain responsibility for the day-to-day requirements of managing a residential property. The local authority/AHB will be the landlord to tenants.

⁴ <http://www.housing.gov.ie/housing/social-housing/rental-accommodation-scheme/rental-accommodation-scheme-information-tenants>

⁵ https://www.housingagency.ie/our-services/housing-supply-services/social-leasing/final_social-leasing-brochure_web.aspx



Local authorities lease properties from private property owners for the purposes of providing accommodation to households on social housing waiting lists. Leasing a property under this scheme takes the uncertainty out of being a landlord for terms of 10-20 years. It is also financially viable with a guaranteed rental income of 80% of the market rent each month.

Some of the benefits to the owner;

- No management of tenants
- No rent or arrears collections
- No day-to-day maintenance on the property
- No advertising or administration fees

Living City Initiative

The Living City Initiative, initially provided for in the 2013 Finance Act and commenced in May 2015, is a scheme of property tax incentives which applies in certain 'special regeneration areas' in the centres of Dublin, Cork, Limerick, Galway, Waterford and Kilkenny. The scheme provides for tax relief for qualifying expenditure incurred on both residential and certain commercial refurbishment and conversion work that is carried out during the qualifying period. The reliefs do not apply to "new build".

Following the *Rebuilding Ireland* commitment to examine the scheme, with a view to further enhancing its attractiveness and effectiveness, the Department of Finance undertook a review of the Living City Initiative, which was published in the Report on Tax Expenditures (October 2016), that was released on Budget Day. In light of this report, and in consultation with the relevant local authorities, and the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs, a number of changes to the scheme were announced in Budget 2017.

The principal change was to extend the residential element of the scheme to landlords, who, since 1 January 2017, are able to claim the relief by way of accelerated capital allowances for the conversion and refurbishment of property which was built prior to 1915, to be used for residential purposes. Eligible expenditure must be incurred during the relevant qualifying period which will begin on 1 January 2017 and terminate on 4 May 2020, which is the pre-existing end-date for the scheme. The allowances are at the rate of 15% per annum for six years with 10% in year seven.

In addition, the requirement for a pre-1915 building to have been originally constructed for use as a dwelling in order to qualify for the residential element of the Initiative has been

removed. The floor area restriction for owner-occupiers has also been removed and in its place, relief claimed by owner-occupiers under the Initiative will be subject to the high earners' restriction. The minimum amount of capital expenditure required for eligibility for relief under all elements of the scheme is also being amended and must from 2017 exceed €5,000.

Home Renovation Scheme (HRI)

The Home Renovation Incentive (HRI) scheme enables homeowners or landlords to claim tax relief on repairs, renovations or improvement work that is carried out on their main home or rental property. The HRI enables a homeowner to claim a tax credit of 13.5% of the total cost of repairs, renovations and improvements. To qualify for the credit, you must spend at least €4,405 on each qualifying property. This figure is before VAT of 13.5% is added. You can claim the HRI Tax Credit up to a maximum of €30,000 of your total cost (before VAT of 13.5%). You may spend more than this on the work to your property. If you do, the amount above €30,000 will not be taken into account.

Examples of qualifying works include;

- painting, decorating and tiling
- plastering, plumbing and rewiring
- bathroom upgrades
- fitted kitchens
- window replacement
- extensions and attic conversions
- garages, driveways and landscaping
- septic tank repair or replacement
- insulation



APPENDIX B

Case study

Compulsory Purchase Orders carried out by Louth County Council

Louth County Council (LCC) purchased 65 dwellings, identified as vacant in 2015, through Compulsory Purchase Orders. Only one of the dwellings appears to have been available for sale; all of the dwellings were vacant and not on the market for sale or for rent. Most of the vacant dwellings were voluntary surrenders or “walk aways” with significant loans attached to them. All 65 dwellings required new ESB connections which indicated that they were vacant for more than 2 years. The vacant dwellings were in areas identified by LCC as hotspots of anti-social behavior. The units were compulsorily purchased, utilising the existing powers of Sections 76 to 82 of the Housing Act 1966, as amended.

LCC identified the following advantages of using this methodology, as opposed to the local authority seeking to acquire properties in good condition:

- No impact on the local property market as the units were not on the market;
- Potential to deliver them for less cost than for normal acquisitions;
- Potential to deliver them quicker than new builds and at less cost;
- Refurbishment work sustains local construction employment.

LCC subsequently obtained Department approval for purchase of a further 36 units, with a total budget approval of €4.8m, using these powers. All the identified vacant dwellings were in areas of high housing demand. In addition, priority was given to purchasing dwellings in areas with records of high anti-social behaviour. The Department have since developed the Buy & Renew Model which has become the funding model for delivery of units in this process.

As of end March 2018, 123 CPO orders have been published. In total, 42 orders were annulled and not progressed for the following reasons:

| Reason | Number |
|--|-----------|
| Order not confirmed by An Bord Pleanála | 1 |
| Dwellings refurbished by owners on foot of Order publication | 11 |
| Commitment of Owners to refurbish within 6 months | 12 |
| After Order Published owner sells to Council by Agreement | 8 |
| Decision not to confirm for other reasons | 10 |
| Total | 42 |

At end-March 2018, units are currently at the following stage of process:

| Stage | Number |
|---|--------|
| With An Bord Pleanála | 1 |
| CPO Confirmed but going through Notice to Treat and Entry | 6 |
| CPO Published and open to objections | 8 |
| Units Acquired | 65 |
| Units Tenanted | 30 |
| Units undergoing survey or works | 30 |

Costings to date (as at March 31 2018)

| | |
|---|---------|
| Average compensation paid where sale by agreement | €67,805 |
| Average Tendered Cost per unit (over 35 dwellings of all sizes) | €76,931 |

Learnings and Outcomes

This initiative by LCC illustrated the value in bringing under-used housing stock into productive use. The Council has also shown that the available compulsory purchase legislative powers can be used effectively to bring vacant and derelict properties back into use. The climate created by the CPO process has resulted in owners of vacant properties now being aware of their responsibilities. Some vacant units were brought to the market or re-furbished voluntarily by owners, for fear of falling into the CPO process.

Additional learning to date includes:

- Units are vacant for the following reasons and in the following order:
 - financially distressed properties;
 - issues with regard to legal title;
 - owners not in a financial position to re-furbish and, linked to that, properties that need substantial refurbishment with associated structural issues, that the owner cannot afford to make good;



- Restoration of these units has a positive impact on the general area;
- There has been no difficulty in re-allocating these units to qualified social housing applicants. Some of these units have been allocated through a Choice Based Letting (CBL) process;
- Acquisition and refurbishment of these units was found to be cheaper than acquisition in the market, or than new build;
- A significant number of households that required disability access had their needs addressed by use of ground floor only properties. Three households in this category have now got new homes while six are either at planning or at refurbishment stage;
- Refurbishment costs for older properties (1940s and earlier) is significantly more expensive.

The experience of LCC bears out what is known from statutory processes generally that proactive engagement with owners can yield positive action and the activation by LCC of these legislative powers has produced a variety of positive results. For example, the serving of Compulsory Purchase Notices on concerned property owners often gave rise to commitments being given on the immediate voluntary refurbishment of dwellings by their owners as well as voluntary agreement by the owner to sell the dwelling to the local authority. In other cases the CPO process was followed through but by activating the CPO process, other property owners started to come forward, engage with their local authority and find solutions to vacancy, often without having to resort to the CPO process.

Central co-ordination structures – Vacant Homes Unit

Given the wide distribution of vacant homes and the numerous reasons for such vacancy, the Government is determined that there be a shared appreciation and understanding at national level of the scale of the challenge as well as the potential to provide a robust and consistent evidence base for policies and to ensure that those policies are tailored to make effective use of existing resources and assets.

Accordingly, a dedicated Vacant Homes Unit (VHU) has been established within the Department with the task of driving and co-ordinating initiatives at both central and local levels, providing advice and supports to local authorities and other housing bodies. It will co-ordinate with Vacant Homes Officers in each local authority to drive the implementation of the Strategy.

The VHU's primary functions will be to:

- Work with all stakeholders to ensure implementation of actions set out in this Strategy;
- Co-ordinate data, standardise reporting of and maintain data on the scale, spread, location and background details on vacant homes;
- Act as a centralised advice and service centre for local authority housing, planning and technical staff, outlining the range of funding schemes, pilot projects and policy tools that are available to local authorities to identify and encourage vacant homes to be brought back into use;
- Facilitate a network to share experience and showcase examples of good practice;
- Provide input into national housing policies that address vacancy;
- Identify and facilitate partnerships between local authorities, property owners, Approved Housing Bodies, co-operative and community groups, voluntary groups, local representatives, and other organisations, for the purposes of bringing vacant homes into use.



Research

In assessing the scale of the vacancy problem and to inform the focus and context for this Strategy, it will be worth considering vacancy trends in other jurisdictions. This allows us to compare vacancy levels in Ireland with those existing in the rest of Europe and to see which initiatives abroad, primarily aimed at reducing levels of vacancy, have been successful.

To this end, the Housing Agency has agreed to facilitate an independent research proposal on how vacancy is identified in other European countries. The proposed case study research will examine how a selection of European countries identify, map and inventorise vacant properties and how data on vacancy can be used to inform policies and actions.

It is envisaged that the research will involve a selection of case studies from European countries that already have established and integrated systems for the identification of vacancy, with the final report of the project being published in summer 2018.

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