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**Empty Homes**  
**Unlocking solutions to the housing and homeless crisis**

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*Addressing vacant and derelict homes in Ireland*

**Simon Communities in Ireland**  
***March 2017***

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## Introduction

Preliminary figures from the 2016 census reveal a national vacant housing stock of 198,358 housing units excluding holiday homes and derelict buildings. Over 7,167 people were trapped in emergency accommodation in January 2016, a year on year increase of 25% according to the most recent Homelessness Report published by the Department of Housing, Planning, Community and Local Government (DHPCLG).<sup>1</sup> In light of these homelessness figures, the preliminary Census findings make for startling reading. The Government has committed in *Rebuilding Ireland: Action Plan for Housing and Homelessness (Action Plan)* to develop an overall national vacant housing re-use strategy utilising Census 2016 data. As part of this strategy the *Action Plan* contains a number of commitments regarding initiatives to reduce overall vacancy rates in the national public and private housing stock. In the short term, focusing on the ‘low hanging fruit’, vacant housing offers significant opportunities to provide permanent homes for those that need them most urgently. In the longer term we must ensure the scale of the current housing and homelessness crisis is not repeated. To do so, the building and delivery of sustainable social and affordable housing output is vital combined with new measures to reduce vacancy levels to guarantee a functioning and effective social and private housing stock. It is critical that any measures introduced in this regard are reasonable, targeted, and that relationships required for their implementation are managed sensitively allowing for the balancing of parties respective rights and needs where possible.

Urgent and sustained action is required to address dysfunctional levels of vacancy in Irish housing stock to unlock solutions to the current housing and homelessness crisis. To this end the Simon Communities in Ireland offer a broad ranging 10 point plan to address the many underlying issues that have given rise to elevated vacancy rates and the subsequent impact on housing availability across all housing sectors. This paper will then examine in detail the current situation in Ireland in terms of vacancy rates, current policy initiatives and new and updated commitments contained in the *Action Plan*. Thereafter the paper will examine alternative legal methods for securing vacant properties in the Irish context including the Compulsory Purchase Order process and the enactment of emergency legislation under Article 24 of the Constitution. Finally, the paper will move to examine initiatives employed in other jurisdictions to combat public and private housing stock vacancy. This exercise will look at incentivised, collaborative and combined initiatives in England, Holland, the United States, Scotland, Spain, Belgium, Canada, Portugal and France.

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<sup>1</sup> DHPCLG Homelessness Report – January 2016, [http://www.housing.gov.ie/sites/default/files/publications/files/homeless\\_report\\_-\\_january\\_2017.pdf](http://www.housing.gov.ie/sites/default/files/publications/files/homeless_report_-_january_2017.pdf).

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## 10 point plan

### Addressing empty homes unlocking solutions to the housing and homeless crisis

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#### 1. **Data and Monitoring:**

- a. Vacant Housing Register: The proposed vacant housing register must be accurately populated and classified on the basis of housing type and readiness for reuse. A real-time database should be established with formal communication and data sharing structures between relevant bodies to ensure the effectiveness of the register in reducing vacancy in private and social housing stock.
- b. Local Authority Vacant Site, Derelict Site and Dangerous Structures registers must be maintained and made centrally available in an accessible online format. Data must be transparent, verifiable, up-to-date and subject to regular inspection and monitoring.
- c. Development of a register of ownership of land and housing led by Local Authorities to be held centrally by DHPCLG or the Housing Agency.
- d. There are almost 200k households identified as empty and there are numerous reasons cited including probate, property left through death of relatives, and investment. Targeted research is needed. We need to identify who the owners are, what the most common reasons for property vacancy are, and what the main barriers are to sale, lease or letting of same. A targeted piece of research should be undertaken by the Housing Agency and the DHPCLG making clear recommendations for urgent implementation in this regard.

#### 2. **Housing Agency Vacant Housing Purchase Initiative:** The targeted housing return for the 'Housing Agency Vacant Housing Purchase Initiative' should be reviewed on an annual basis and the target revised upwards. This initiative should focus on areas with greatest social housing need.

#### 3. **Incentive Schemes:** Need for ambitious incentive schemes to encourage property owners to sell, or lease their properties to realise maximum social housing return. Schemes need to include grants to repair and refurbish homes where necessary. Any such schemes need to make it as easy as possible for Approved Housing Bodies (AHB's) to get involved especially those working with people who are homeless.

- a. **Repair and Leasing Scheme:** The scheme should be expanded beyond the targeted return of 3,500 properties, reviewed annually and revised upwards where property owner uptake is high. The current target represents only 1.8% of total vacant properties in the State. The recent announcement of the nationwide rollout of the scheme is welcome. A public awareness campaign should be launched outlining the benefits to owners of vacant properties. Direct communication with owners of vacant properties should also be pursued. AHB's must be supported to engage with the scheme to ensure their expertise can be utilised to ensure the maximum return of vacant properties as soon as possible.
- b. **Buy and Renew Scheme:** Specific targeted housing returns should be stipulated for this scheme and Approved Housing Bodies (AHB's) should be supported to engage with the 'Buy and Renew Scheme' for the delivery of social housing especially in the context of supporting people to move from emergency accommodation to supported tenancies.
- c. **Fair Deal Scheme:** Incentives are needed to encourage the renting or leasing of the family home to those availing of the Fair Deal Scheme. Participants in the Fair Deal scheme should be able to rent out their homes tax-free up to the value of the Rent-A-Room scheme.<sup>2</sup>

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<sup>2</sup> SIRR et al Ibid

4. **Compulsory Leasing Orders:** Compulsory Leasing Orders should be used to acquire any shortfall in vacant properties not delivered through the Repair and Leasing Scheme.
5. **Compulsory Purchase Orders (CPO's):** CPO's should be used to acquire any shortfall in vacant properties not purchased through the Housing Agency Housing Purchase Initiative.
6. **Compulsory acquisition of development land:** Consideration should be given to the acquisition of development land for the delivery of social and affordable housing. Local Authority vacant site registers should allow for targeted identification of sites in this regard. The recommendations of the 1973 Kenny Report and the 2004 Ninth Progress Report of the All-Party Oireachtas Committee on the Constitution should be revisited to determine the level of compensation paid to land owners the subject of Compulsory Purchase Orders.
7. **Vacant Property Tax:** A vacant property tax should be introduced for homes empty for more than 12 months. Such a tax could be calculated on the basis of property value or potential rental income and increased the longer a property remains vacant. Revenue raised through the vacant property tax could be redirected to fund further vacancy reduction measures and social housing output.
8. **Planning and Regulatory Environment:** The current planning and regulatory environment needs major overhaul. A simple change of use for example from commercial to residential use can involve three different approvals (planning, fire and disability access), and four statutory appointments, all on different timescales, submission requirements and fees (which may also involve up to three different people).<sup>3</sup> Significant potential housing supply remains locked behind this considerable bureaucracy. The considerable regulatory and planning burdens must be addressed as a matter of urgency with consideration of establishing a one-stop-shop.
9. **Vacant Sites and Derelict Sites:**
  - a. The 3% levy on vacant sites introduced under the Urban Regeneration and Housing Act 2015 is inadequate given rapidly increasing land prices. The vacant site levy presents no real deterrent to those hoarding vacant development land. It should be amended to reduce the number of exemptions available to owners of development land subject to a loan on the property in question. The levy should apply until the site is occupied and be implemented immediately.<sup>4</sup>
  - b. The 3% levy on derelict sites should be increased to deter further dereliction and to promote the reintroduction of these properties into productive use.<sup>5</sup>
10. **Skills and Capacity:** Given the massive potential vacant, derelict and underused sites present in addressing the current housing shortage it is essential that the necessary resources, finance and personnel, are provided at national and Local Authority level to make an impact quickly. This involves data collection and research; planning, regulatory and technical know-how; public awareness and outreach campaigns to identify, negotiate and liaise with property owners.

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<sup>3</sup> Sirr et al Ibid

<sup>4</sup> Green Party Derelict and Vacant Sites Bill 2017, <http://www.oireachtas.ie/documents/bills28/bills/2017/1617/b1617s.pdf>.

<sup>5</sup> Ibid.

## The Irish Context

Ireland's approach to housing provision has been disconnected - home ownership, the private rented sector, social housing and homelessness have all been approached in isolation when in fact they are all interconnected. Local Authority social housing output has fluctuated dramatically since the early nineteen-eighties. Following six years of stable output up to 1986, severe decline took hold in 1987 leading to a total output reduction of approximately 90% by 1989. Output recovered somewhat thereafter but did not recover to the levels reached in the early eighties despite the onset of the housing boom from 2001 onwards. With the onset of the financial crisis in 2008, social housing output plummeted by 91.5% mirroring the boom/bust dynamics of the private housing system.<sup>6</sup> According to the most recent data published by the Department of Housing, Planning, Community and Local Government, housing output for 2016 was 652 homes including construction by Local Authorities and Approved Housing Bodies; regeneration projects; Capital Assistance Schemes (CAS) projects; Rapid Delivery projects; Projects funded under the Capital Advance and Leasing Facility (CALF) and turnkey projects.<sup>7</sup>

Social housing supply has become increasingly reliant on the construction, private ownership and private rental sectors. Although badly needed in the current housing and homelessness crisis, over reliance on private sector models of housing provision for the delivery of social housing supply is not a sustainable long term policy option. Private sector models are increasingly susceptible to market fluctuations and volatility, reducing the effectiveness of social housing stock delivery and affordability. This can be most recently illustrated by recent amendments to the 2002 Planning and Development Act in which developer's obligations to provide social housing have been halved from 20% to 10%.<sup>8</sup> The effectiveness of the Housing Assistance Payment (HAP) and Rent Supplement (RS) schemes are similarly impacted by ongoing volatility in the private rental sector. Since 2012, private market rents have increase by 39.7% and the number of properties available to rent has dropped by approximately 80%.<sup>9</sup> Spiralling rents and ever decreasing supply are rendering recently increased HAP and RS limits ineffectual. A recent study carried out by the Simon Communities in Ireland showed that 83% of properties available to rent were beyond the reach of those in receipt of RS and HAP payments.<sup>10</sup> This is of particular concern given that a significant proportion of the 47,000 new social housing units committed to in the *Action Plan* are to be provided through the HAP scheme.

## Property Vacancy in Ireland

According to preliminary 2016 Census figures there are 198,358 vacant housing units in Ireland excluding holiday homes and derelict properties.<sup>11</sup> The overall national vacancy rate<sup>12</sup> has decreased from 14.4% in 2011 to 12.8% in 2016. This represents a 1.6% decrease when compared with like figures from the 2011 Census when a total of 230,056 vacant housing units were recorded excluding holiday homes and derelict properties. In a functioning housing system overall vacancy rates should stand at approximately 5-6% of total housing stock, over half the current rate.<sup>13</sup> The issue of vacancy remains particularly acute in the Upper Shannon area and the West. The vacancy rate of unoccupied homes as a percentage of the total number of houses and apartments remains highest in Leitrim. The three Dublin local authorities of South

<sup>6</sup> Norris M, Byrne M, 'Social housing's role in the Irish property boom and bust', 2016, UCD Geary Institute for Public Policy Discussion Paper Series, <http://www.ucd.ie/geary/static/publications/workingpapers/gearywp201615.pdf>.

<sup>7</sup> [http://www.housing.gov.ie/sites/default/files/publications/files/faqs\\_social\\_housing\\_project\\_list.pdf](http://www.housing.gov.ie/sites/default/files/publications/files/faqs_social_housing_project_list.pdf).

<sup>8</sup> Housing Agency – Information for Property Developers, <https://www.housingagency.ie/Housing-Information/A-property-developer>.

<sup>9</sup> Daft.ie.

<sup>10</sup> Simon Communities in Ireland, 'Locked Out Of The Market VI – The Gap Between rent Supplement/HAP Limits and Private Market Rents', January 2017, <http://www.simon.ie/Portals/1/Locked%20Out%20Of%20The%20Market%20VI%20-%20The%20Gap%20between%20Rent%20Supplement%20HAP%20Limits%20and%20Market%20Rents%20-%20FINAL%2025012017v3.pdf>.

<sup>11</sup> <http://www.cso.ie/en/releasesandpublications/ep/p-cpr/censusofpopulation2016-preliminaryresults/housing/>

<sup>12</sup> The overall vacancy rate is calculated by dividing the total number of vacant housing units including holiday homes by the total recorded housing stock. When holiday homes are excluded the vacancy rate stands at 10% representing 198,358 properties.

<sup>13</sup> Dr Lorcan Sirr, Orla Hegarty, Mel Reynolds, 'Submission to Oireachtas Committee on Housing, Community, Planning and Local Government – Addressing the issue of vacant housing, derelict sites and underused spaces, February 2017.

Dublin, Fingal and Dún Laoghaire-Rathdown have the lowest vacancy rates as a percentage of total housing stock. Appendix 1 below provides a breakdown of housing vacancy by county as per the 2016 preliminary Census results.<sup>14</sup>

### **Current Policy in Ireland**

#### *Urban Regeneration and Housing Act, 2015<sup>15</sup>*

Under this Act, from 1 January 2017 each local authority is obliged to introduce a vacant site register (residential and regeneration land). Each local authority will establish the register, enter a description, and provide a map of any site which in the opinion of the planning authority was vacant for 12 months preceding the date of entry. The local authority will write to each owner first saying why the site is being entered and giving the owner 28 days to respond. The owner can appeal to An Bord Pleanála regarding the inclusion of their land on the register. A levy will be applied at 3% of the market value of the site determined by the Local Authority commencing in 2019 if the sites have not been developed. Where the site is subject to a loan then the levy is reduced. The owner of a vacant site can appeal the market value to the Valuation Tribunal. Concern has been raised that the 3% levy is wholly inadequate when land prices are rising rapidly and that a higher rate would encourage more productive use of vacant sites. The effective commencement of the legislation from 1 January 2017 has led a number of local authorities to publish blank lists of vacant sites in their areas. Dublin City Council and Fingal County Council are among the Local Authorities that have published such lists as an interim measure while they contact vacant site owners. It is expected that there may be up to 385 such vacant sites to be included on the Dublin City Council register once the Council is satisfied they have been vacant for 12 months or more.<sup>16</sup>

Some consideration must be given to the acquisition of land included on these registers for social and affordable housing. The introduction and population of the vacant site register is an opportune time to revisit the findings of the 1973 Kenny Report in which Judge John Kenny recommended that Local Authorities should be empowered to cap the amount of compensation for compulsorily acquired land in designated areas at a level equal to existing value plus 25%. This recommendation was revisited in 2004 by the All-Party Oireachtas Committee on the Constitution (APOCC) who found that “having regard to modern case-law, it is very unlikely that the major elements of the Kenny Report recommendations – namely that land required for development by local authorities should be compulsorily acquired at existing use values plus 25% - would not be found to be unconstitutional.”<sup>17</sup> The APOCC offered their own ‘Kenny-type mechanism’ based on (a) the control of the price of development land coming to the market and (b) the recovery of betterment accrued through Local Authority re-zoning and investment in physical and social infrastructure.<sup>18</sup>

#### *Derelict Sites Act, 1990<sup>19</sup>*

For the purposes of this Act a derelict site is any land that ‘detracts’ or is likely to detract to a material degree from the amenity, character or appearance of land because of structures which are in a derelict or ruinous condition, neglected, unsightly or objectionable condition of land or structures or the presence, deposit or collection of litter, rubbish or debris.

<sup>14</sup><http://www.cso.ie/px/pxeirestat/Statire/SelectOut/PxSort.asp?file=20161115112536447042EP007&PLanguage=0&MainTable=EP007&MainTablePretext=&potsize=44>

<sup>15</sup> <http://www.irishstatutebook.ie/eli/2015/act/33/enacted/en/html>.

<sup>16</sup> *Government defends legislation on vacant site registers*, <http://www.irishtimes.com/news/environment/government-defends-legislation-on-vacant-site-registers-1.2924373>.

<sup>17</sup> All-Party Oireachtas Committee on the Constitution, ‘*Ninth Progress Report – Private Property*’, 2004, P.137, <http://archive.constitution.ie/reports/9th-Report-Property.pdf>.

<sup>18</sup> NES, ‘*Approaches to Land Management, Value and Betterment*’, [http://edepositireland.ie/bitstream/handle/2262/72103/NESC%20112g\\_Bg7\\_Land%20Mangement.pdf?sequence=8&isAllowed=y](http://edepositireland.ie/bitstream/handle/2262/72103/NESC%20112g_Bg7_Land%20Mangement.pdf?sequence=8&isAllowed=y).

<sup>19</sup> <http://www.irishstatutebook.ie/eli/1990/act/14/enacted/en/html>

The Act allows local authorities to

- Force owners to clean up their sites.
- Prosecute owners who don't comply with notices served.
- Purchase land compulsorily.
- Carry out necessary work themselves and charge the owners.

Each local authority keeps a register of derelict sites in its area, including sites owned by the local authority itself. The register gives the market value of each site and the valuation is carried out by the local authority. Owners of urban land entered on the derelict sites register pay an annual levy to the local authority. Local Authority derelict site registers are available for inspection at Local Authority offices but not universally available in an online format. A central national register of derelict sites held by DHPCLG has not yet been delivered despite being a core planning reform agreed under the Programme for a Partnership Government.<sup>20</sup> The lack of centralised, transparent and verifiable data in this regard makes the scale of dereliction increasingly difficult to quantify, slowing the development of strategies to bring these sites back to use. Centralised collection of this data must be fast tracked including the establishment of suitable monitoring mechanisms.

In Louth County Council there is a pilot scheme running where the local authority has identified a number of vacant/derelict properties for social housing and is using Compulsory Purchase Orders (CPOs) to purchase the properties. Some issues have arisen over costs to the local authority where the owner has objected to An Bord Pleanála.<sup>21</sup> However, for the most part the process, from identifying to acquiring the property, has been relatively fast. It is simpler if properties identified are already on the Derelict Sites Register.

#### *Dangerous Structures (Local Government Sanitary Services) Act, 1964*<sup>22</sup>

A dangerous structure is defined as any building, wall or other structure of any kind that in the opinion of the local authority is likely to be dangerous to any person or property. The Act imposes duties on the local authority to maintain a dangerous structures register, make the register available for public inspection, serve notice on owner/occupier for works to be carried out and acquire by agreement or compulsorily purchase any dangerous site. Unfortunately, data entered onto Local Authority dangerous structures registers is not centrally available in an online format. This data must be collected centrally and made publically available to inform strategies to bring these structures back into use where possible.

#### **Rebuilding Ireland: Action Plan on Housing and Homelessness**<sup>23</sup>

The *Action Plan* contains a number of commitments to increase the national housing stock, to reduce housing vacancy and to encourage better management of social and private housing stock in general. These commitments are examined below and where applicable updates are provided on progress made since the launch of the *Action Plan* on the 19<sup>th</sup> of July 2016.

#### *Managing Local Authority vacant housing stock*

In recent years progress has been made in reducing the considerable backlog of vacant Local Authority social housing stock. According to DHPCLG, between 2014 and 2015 €60 million in funding was made available to assist Local Authorities nationwide to support them to bring approximately 5,000 vacant social housing units back to productive use.<sup>24</sup> In 2016, approximately 2,000 Local Authority units were returned

<sup>20</sup> Ministerial response to PQ on Derelict Sites Data, <https://www.kildarestreet.com/wrans/?id=2016-05-25a.365>.

<sup>21</sup> Housing Agency, 'Tackling Empty Homes – Overview of vacant housing in Ireland and possible actions', P.8, <https://www.housingagency.ie/getattachment/Our-Publications/Latest-Publications/16-05-17-Vacant-Homes-Paper-Housing-Agency.pdf>.

<sup>22</sup> <http://www.irishstatutebook.ie/eli/1964/act/29/enacted/en/print.html>

<sup>23</sup> [http://rebuildingireland.ie/Rebuilding%20Ireland\\_Action%20Plan.pdf](http://rebuildingireland.ie/Rebuilding%20Ireland_Action%20Plan.pdf).

<sup>24</sup> DHPCLG, 'Rebuilding Ireland: Action Plan for Housing and Homelessness', P. 78.



to productive use.<sup>25</sup> Remaining vacant Local Authority housing stock must be targeted in a similar manner to ensure all existing units are made available to those on Local Authority waiting lists. As productive stock levels increase, Local Authority housing stock must be subject to increased accommodation standards, regular inspection and strategic management. The *Action Plan* commitment to develop a national re-letting performance standard across all Local Authorities in addition to a preventative maintenance approach to stock management is welcome. New funding mechanisms structured to incentivise swift turnaround, consistent standards and proactive approaches to stock management need to be resourced and rolled out nationwide as a matter of priority.<sup>26</sup> The publication by Local Authorities of blank vacant site registers in January 2017 did satisfy their obligations under the *Urban Regeneration and Housing Act 2015* but could be said to be contrary to the spirit and intended purpose of the legislation. The publication of populated registers is crucial for the strategic development of key building land and the reintroduction of vacant sites to productive use.

### *Choice-based letting*

Action Point 5.4 of the *Action Plan* committed to the roll out of a choice based or equivalent allocation system for social housing. Choice based letting (CBL) can be used for allocating social housing in a way that can offer increased choice and involvement for applicant households in selecting a new home and thereby reduces the likelihood of a refusal and ongoing vacancy in Local Authority social housing stock. By using CBL South Dublin County Council had the lowest reported refusal rate for social housing at 5% while in some local authority areas refusals were running at 40% or higher.<sup>27</sup> On September 30<sup>th</sup> 2016, the Social Housing Allocation (Amendment) Regulations 2016 were made, requiring every housing authority to provide for a CBL procedure in their housing allocation schemes by end of 2016 at the latest.<sup>28</sup> Although welcome, Local Authority CBL procedures must be tailored to meet the nuances of local social housing supply and the specific housing needs of those currently on social housing waiting lists. It is crucial that those on Local Authority social housing waiting lists are not subject to unfair punitive measures as a result of incorrect interaction or failure to engage with CBL systems. The development, resourcing and implementation of Local Authority CBL procedures must be influenced by domestic and international examples of best practice. Valuable lessons can be learned from CBL procedures rolled out in other jurisdictions which failed to deliver efficient social housing allocation.<sup>29,30</sup>

### *Review of Tenant (Incremental) Purchase*

The *Tenant (Incremental) Purchase Scheme* came into operation in January 2016. The scheme allows tenants of social housing to buy the house they live in and intend to live in for the considerable future. Eligibility for this scheme is based on a number of criteria including having a minimum reckonable income of €15,000. As the scheme is in its infancy the DHPCLG are currently conducting a detailed review of the scheme. It is intended that any changes to the terms and conditions of the scheme considered necessary will be brought forward through regulations. Tenant purchase of social housing has been a core element of social housing provision in the state and played an important role in Ireland's economic and social development.<sup>31</sup> The sustainability of such measures is however questionable given the current lack of social housing supply (see

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<sup>25</sup> Minister Coveney's address to the Social Housing Summit, Royal Marine Hotel, Dun Laoghaire, February 2017, <http://www.housing.gov.ie/housing/rebuilding-ireland/minister-coveney-address-social-housing-summit-royal-marine-hotel-dun>.

<sup>26</sup> DHPCLG, 'Rebuilding Ireland: Action Plan for Housing and Homelessness', P.78, [http://rebuildingireland.ie/Rebuilding%20Ireland\\_Action%20Plan.pdf](http://rebuildingireland.ie/Rebuilding%20Ireland_Action%20Plan.pdf).

<sup>27</sup> Ibid, P. 81.

<sup>28</sup> S.I. No. 503 of 2016, <http://www.irishstatutebook.ie/eli/2016/si/503/made/en/pdf>.

<sup>29</sup> Inside Housing, 'Two more councils to scrap choice-based lettings', October 2016, <http://www.insidehousing.co.uk/two-more-councils-to-scrap-choice-based-lettings/7017310.article>.

<sup>30</sup> Inside Housing, 'York Council to negotiate over choice-based lettings system', October 2016, <http://www.insidehousing.co.uk/york-council-to-negotiate-over-choice-based-lettings-system/7017284.article>.

<sup>31</sup> NES, 'Social Housing at the Crossroads: Possibilities for Investment, Provision and Cost Rental', June 2014, p.71, [http://files.nesc.ie/nesc\\_reports/en/138\\_Social\\_Housing.pdf](http://files.nesc.ie/nesc_reports/en/138_Social_Housing.pdf).

Simon Communities in Ireland Submission to the review process)<sup>32</sup>. NESC suggest social housing provision should be rebalanced, moving away from tenant purchase towards the development of a larger cost rental sector and in doing so allow for a greater extension of national developmental welfare.<sup>33</sup> In light of historically low levels of Local Authority housing stock, we believe a moratorium should be placed on new applications to the scheme, to be reviewed when Local Authority housing output and stock have recovered to sustainable levels.

#### *Vacant Housing Register*

The success of planned and future measures to reduce vacancy will rely heavily on the development of an accurate national vacant housing register. The population and classification of this register must make maximum use of all available data sources to ensure properties listed can be accurately targeted for reintroduction to the housing stock. Increased communication and data sharing between data controllers and processors such as the CSO, GeoDirectory and relevant utilities<sup>34</sup> should be formalised to ensure the accuracy of the register. Properties entered onto the register must be appropriately classified, firstly as private, Local Authority social housing or Voluntary and Co-operative social housing and secondly on the basis of readiness for reuse allowing for simplified targeting of properties for vacancy reuse or acquisition schemes.

#### *Housing Agency Vacant Housing Purchase Initiative*

Under the *Action Plan*, the Housing Agency will be provided with funding to acquire vacant properties from financial institutions and investors to increase social housing stock. It is intended the properties will be purchased in trust for local authorities. This initiative is not intended to replace the targeted acquisition of property by local authorities and approved housing bodies but instead provide short to medium term relief given the current crisis. It is projected that this initiative will reintroduce 1,600 vacant housing units back into the social housing stock by 2020. Currently, 50 properties are being purchased and the Housing Agency expects to acquire or contract to acquire over 200 housing units by the end of 2016.<sup>35</sup>

#### *Repair and Leasing Scheme*

The *Repair and Leasing Scheme* (RLI) is a mechanism intended to allow local authorities to enter into long term lease arrangements with owners of long term vacant properties. The mechanism will allow local authorities to provide upfront grant aid to local property owners to meet reasonable renovation works to upgrade vacant properties to current rental standards. In return, property owners will lease the property to the Local Authority for a duration linked to the value of the repairs but is a minimum of ten years. We welcome the recent announcement by the Minister that the scheme is to be rolled out nationally with a targeted return of 800 properties in 2017. Budgetary provision of €140 million over the next five years has been secured for this scheme. The total targeted housing return for this scheme is the reintroduction of 3,500 vacant houses back into productive use between now and 2021.<sup>36</sup> Given national housing vacancy stands at 198,358 units, the targeted reintroduction of just 3,500 vacant housing units through this scheme by 2021 would appear to be an unambitious target.

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<sup>32</sup> Simon Communities Submission to Inform the Review of Tenant (Incremental) purchase Scheme (2017) <http://www.simon.ie/Portals/1/Simon%20Communities%20in%20Ireland%20Submission%20to%20inform%20the%20Review%20of%20the%20Tenant%20Incremental%20Purchase%20Scheme%20FINAL.pdf>

<sup>33</sup> Ibid, p. 75.

<sup>34</sup> House completions data series are based on the number of new dwellings connected by ESB Networks to the electricity supply. <https://data.gov.ie/dataset/house-completions-by-sector-quarterly>.

<sup>35</sup> Action Plan for Housing and Homelessness, 'First Quarterly Progress Report'. November 2016, <http://rebuildingireland.ie/Q1-Progress-Report-Action-Plan.pdf>.

<sup>36</sup> Ibid.

*Buy and Renew Scheme*

The *Buy and Renew Scheme* was announced as part of the launch of Pillar 2 on the 6<sup>th</sup> of October 2016. It is intended that the scheme will provide support for Local Authorities and Approved Housing Bodies to purchase private housing units in need of remediation, and renovate them with the aim of making them available for social housing use. The scheme has an initial capital provision of €25 million for 2017, rising up to €50 million in 2018. No specific targeted housing return has been stipulated for this scheme.

*Removing regulatory barriers to re-use*

The *Action Plan* contains a commitment to review the planning legislative framework around conversion and re-use for residential purposes, with a view to allowing change of use of vacant commercial units in urban areas, including vacant or under-utilised areas over ground floor premises, without having to go through the planning process. It is intended that this measure will enable such vacant units to be brought into productive use earlier than might otherwise be the case. Currently, the regulatory costs associated with a change from commercial to residential use are prohibitively expensive, involving three different approval processes, four statutory appointments, all on different timescales, submission requirements and fees. Furthermore, failure of one approval process results in the automatic failure of all constituent approvals sought, blocking the conversion and requiring the applicant to commence the entire process again.<sup>37</sup>

**Other legislative mechanisms in place to tackle vacancy**

This section seeks to explore other existing legislative and constitutional mechanisms that could be used by Government to tackle housing vacancy and return viable units to use. This includes the acquisition of vacant housing units through the use of Compulsory Purchase Orders (CPO's) under the Housing Act, 1966 and the enactment of emergency legislation under Article 24 of the Constitution. The enactment of emergency legislation under Article 24 has thus far only occurred during situations of war and heightened threats to national security. Its suitability to solve aspects of the housing and homelessness crisis is worthy of further exploration. This section is intended to complete the analysis of current and potential legal and policy mechanisms to tackle vacancy in the Irish context. In doing so we acknowledge the protection of citizen property rights contained in Articles 40.3.2<sup>38</sup> and 43.1.1<sup>39</sup> of the Constitution but also the Article 43 acknowledgements that these rights ought to be regulated by the principles of social justice and can be limited by the State in the interests of the common good.<sup>40</sup> Given the scale of the current housing and homelessness crisis it is arguable that some restriction of private property rights is justifiable to drastically reduce the increasing numbers of people becoming homeless and living in housing insecurity in the State.

**Compulsory Purchase Orders***Legislative Background*

The acquisition of land by a housing authority through the use of a CPO is laid down in section 76 of the Housing Act, 1966 (the Act).<sup>41</sup> Section 77 of the Act empowers housing authorities to compulsorily purchase land that may not be immediately needed by the authority if the purpose of the purchase is to fulfil one of the authority's housing objectives as laid out in section 55(3) of the Act.<sup>42</sup> Of these objectives, those listed in subsections 55(3)(b), 55(3)(c) and 55(3)(d) appear to be the most pertinent to the current

<sup>37</sup> Dr Lorcan Sirr, Orla Hegarty, Mel Reynolds, 'Submission to Oireachtas Committee on Housing, Community, Planning and Local Government – Addressing the issue of vacant housing, derelict sites and underused spaces', February 2017.

<sup>38</sup> Article 40.3.2: 'The State shall, in particular, by its laws protect as best it may from unjust attack and, in the case of injustice done, vindicate the life, person, good name, and property rights of every citizen.'

<sup>39</sup> Article 43.3.1: 'The State acknowledges that man, in virtue of his rational being, has the natural right, antecedent to positive law, to the private ownership of external goods.'

<sup>40</sup> Article 43.2.1: 'The State recognises, however, that the exercise of the rights mentioned in the foregoing provisions of this Article ought, in civil society, to be regulated by the principles of social justice.' Article 43.2.2: 'The State, accordingly, may as occasion requires delimit by law the exercise of the said rights with a view to reconciling their exercise with the exigencies of the common good.'

<sup>41</sup> Housing Act, 1966, <http://www.irishstatutebook.ie/eli/1966/act/21/enacted/en/print#sec76>.

<sup>42</sup> Section 55, Housing Act, 1966, <http://www.irishstatutebook.ie/eli/1966/act/21/section/55/enacted/en/html#sec55>.

housing crisis. These include; (b) the elimination of overcrowding; (c) the provision of adequate and suitable accommodation for persons (including elderly or disabled persons) who, in the opinion of the authority, are in need of and are unable to provide such accommodation from their own resources; (d) the provision of adequate housing accommodation to meet needs arising from obsolescence of dwellings or the prospective increase in the population.

#### *Timeline of a Compulsory Purchase Order*

The local authority seeking to make a CPO must publish a notice of their intent to make a CPO in one or more local newspapers circulating in its area. All individuals associated with the property including the owners and lessees are issued individual notices outlining the legislative grounds under which the authority is seeking to make the CPO. The affected property owners can enter an objection to the notice of intention to compulsorily acquire their property. Objections must be based on planning or legal grounds and are made directly to An Bord Pleanála (the Board). Where a valid objection to a CPO has been made by an individual who will be impacted by the order a Property Arbitrator is appointed to reach a satisfactory settlement with the relevant parties. If this is unsuccessful an oral hearing will be convened whereby the local authority will present evidence relating to the reasons and purposes for acquiring the land. At this stage, representatives for the local authority and objectors can be cross examined. An inspector appointed by the Board compiles a report of all oral and written evidence presented at the hearing. When making its final determination, the Board is obliged to have regard to the policies and objectives of the Government, and relevant State authority, the Minister for Housing Planning and Local Government, planning authorities and any other body which is classified as a public authority and whose functions have or may have a bearing on planning and development of all areas throughout Ireland, whether rural or urban.

#### *Judicial Review of Board Decisions*

In accordance with Section 78(1) of the Housing Act, 1966 notice of the confirmation order of a successful compulsory acquisition must be made in two national newspapers. The decision of the Board on the compulsory acquisition becomes operative three weeks after notice of the decision is first published. At this stage, impacted parties have eight weeks to make an application for leave to apply for judicial review of the Board's decision. Generally, leave will only be granted where the High Court is satisfied that there are substantial grounds for disputing the decision and that there are valid reasons as to why the decision should be overturned. An application for leave to apply for judicial review must be made by motion on notice to the Board and the planning or local authority concerned, and to any other person specified for that purpose by order of the High Court.<sup>43</sup>

#### **Emergency legislation under Article 24 of the Constitution**

The breadth of the current housing and homelessness crisis cannot be underestimated. The number of people in emergency accommodation and rough sleeping continues to rise month by month. It is therefore unsurprising that there have been calls to introduce emergency legislation to tackle one or all of the issues outlined above. While the term 'emergency legislation' can be used to describe legislation that is 'rushed' through the Oireachtas at all stages, Article 24 of the Constitution contains a mechanism that can allow the Government to shorten the time the Seanad has to debate a bill that has already passed the Dáil.<sup>44</sup> To use this provision, the Taoiseach has to write to the President, and the Chairperson of both the Dáil and the Seanad, stating that "the Bill is urgent and immediately necessary for the preservation of the public peace and security, or by reason of the existence of a public emergency, whether domestic or international". Where the procedure is successfully used, the emergency legislation in question can become law for 90 days subject to the ongoing resolutions passed by the Dáil and Seanad agreeing that (a) it is to continue as law

<sup>43</sup> Dillon Eustace, 'Compulsory Purchase Orders Explained', <http://www.dilloneustace.com/download/1/Compulsory%20Purchase%20Orders%20Explained.pdf>.

<sup>44</sup> Article 24, Constitution of Ireland, <http://www.irishstatutebook.ie/eli/cons/en/html>.

and (b) how long it is to continue for. Whether the housing crisis would qualify as a public emergency is not known and surely would be open to interpretation. In *The State (Burke) v Lennon* in 1940, Justice Duffy did make it clear that Article 24 applies to emergency legislation outside of that linked to war or rebellion.<sup>45</sup>

## International Approaches to Vacancy Reduction

A number of jurisdictions have introduced vacancy reduction initiatives to increase and improve public and private housing stocks. Initiatives in this regard include vacancy reduction incentives and punitive measures for persistent underuse and vacancy in private housing stock. Other measures outlined below employ a collaborative process between property owner and city/state authorities to maximise the reintroduction of vacant housing stock. This section will examine a cross section of these initiatives in England, Scotland, France, Belgium, Spain, Portugal, The United States and Canada.<sup>46,47</sup> Appendix II contains a summary table of the measures discussed below.

### Policies that Incentivise

#### *England*<sup>48</sup>

- The Homes and Communities Agency provided local councils and communities with two toolkits to tackle vacant housing. The first was a *Geographical Information System Empty Home Mapping Toolkit* that allows councils to pinpoint empty homes ‘hot spots’ in their areas. The second is the *Empty Homes Knowledge Toolkit* – a one stop shop for all stakeholders (owners, AHBs, landlords, local authorities) with information on the legislative frameworks, funding and partnership possibilities.<sup>49</sup>
- The New Homes Bonus is a grant paid by central government to local councils based on the amount of extra Council tax revenue raised for new-build homes, conversions and long term empty homes brought back into use. Since April 2011 local councils have received over £2.2 billion, equating to the delivery of over 550,000 homes and over 93,000 empty homes being brought back into use.
- The UK Department of Communities and Local Government (DCLG) granted local councils local flexibility to charge up to 50% extra Council Tax on property that has been unoccupied and unfurnished for 2 years or more.
- The Homes and Communities Agency supported by the DCLG introduced changes to empty dwelling management orders to target their use on the very worst long-term empty homes causing a nuisance to the community.
- The Empty Homes Initiative provided funding to bring empty properties back into use as affordable homes. This is being done through the Affordable Homes Programme. Between 2001 and 2015 £100 million capital funding was made available through the Affordable Homes Programme. This funding was to deliver 3,300 affordable homes by March 2015.<sup>50</sup>

The Empty Homes Agency recommend certain actions that work when tackling empty properties.

- Local Authorities working with property owners to understand their financial circumstances and help them find a way to bring the property back into use and up to the Decent Homes Standard.
- Some local authorities offer financial assistance and loans. For example in Perth and Kinross the council has a budget to provide owners of long term empty properties a grant to bring properties up

<sup>45</sup> Human Rights in Ireland, ‘*The Seanad Referendum and the Removal of the Emergency Legislation Provision from the Constitution*’, 2013, <http://humanrights.ie/uncategorized/the-seanad-referendum-and-the-removal-of-the-emergency-legislation-provision-from-the-constitution/>.

<sup>46</sup> The Housing Agency, ‘*Tackling Empty Homes – Overview of vacant housing in Ireland and possible actions*’, May 2016, <http://www.housingagency.ie/getattachment/Our-Publications/Latest-Publications/16-05-17-Vacant-Homes-Paper-Housing-Agency.pdf>.

<sup>47</sup> Feantsa, Foundation Abbe Pierre, ‘*Filling Vacancies – Vacant Real Estate: Seizing the Opportunity to find Affordable Housing Solutions in Europe*’, September 2016, <http://www.feantsa.org/en/report/2016/09/11/feantsa-fap-report-filling-vacancies>.

<sup>48</sup> <https://www.gov.uk/government/publications/2010-to-2015-government-policy-house-building/2010-to-2015-government-policy-house-building>

<sup>49</sup> [http://www.homesandcommunities.co.uk/empty-homes-toolkit?page\\_id=&page=1](http://www.homesandcommunities.co.uk/empty-homes-toolkit?page_id=&page=1)

<sup>50</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/5926/2073102.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5926/2073102.pdf)

to the Repairing Standard as outlined in the *Housing (Scotland) Act 2006*. Grants of up to £7,500 per bedroom are available and are awarded on a discretionary basis.<sup>51</sup>

- Encouraging owners to lease or sell properties to the local authorities, housing associations or community organisations who will refinance the refurbishment costs. For example some local authorities have the option for the property owner to let their property to council-nominated tenants on a long-term lease (5 to 10 years) and provide an Empty Property grant. The grant covers 50% of the cost of renovation work.<sup>52</sup>
- Encouraging people to move back to areas with high concentrations of empty homes. For example in Stoke and Liverpool the local authority targeted areas with high levels of empty properties. Properties were sold to people who live or work in Liverpool or Stoke for £1 on condition they bring them back into use and up to the decent homes standard and do not sell them for five years.

### *United States*

In the United States some local jurisdictions have a vacant property registration ordinance that requires owners to register their vacant property and pay a fee. These fees increase the longer a property remains empty and can incentivise owners to return properties to use. Some jurisdictions impose a responsibility on owners to reimburse the State for repair and remediation costs incurred by local governments (e.g. fixing windows, securing doors, clearing away rubbish). Some provide penalties for non-compliance with registration requirements. Owners are required to provide a property description, address, names and contact information for the owner and also a person who can immediately respond to inquiries from public officials, when the property became vacant and if it is in foreclosure proceedings. The register provides a way of tracking vacant property, finances the administration of vacant property monitoring, and helps ensure enforcement of building codes and health and safety regulations near vacant property.<sup>53</sup> Other areas in the United States are using IBM Smarter Cities to use big data to develop a forecasting model to help identify neighbourhoods and properties at risk of high vacancy rates and be able to target interventions.<sup>54</sup>

## **Punitive Policies**

### *Scotland*

From 2013 new legislation in Scotland gave local authorities discretionary power to remove the empty property discount on council tax or set a council tax increase of 100% on certain properties which have been empty for one year or more.<sup>55</sup>

### *Spain*

Spain has seen a 10.8% increase in empty properties in the last decade. In Catalonia the 'Right to Housing' included the possibility of fining banks that have empty housing. The regional government bill introduced fines to companies with unused housing for more than two years. In Andalusia in 2010 a controversial law was passed and then suspended by Central Government as it was deemed anti-constitutional. It wanted to force banks and developers to rent out their housing stock and threatened fines of up to €9,000. It also included temporary expropriation of homes being repossessed to be let to families at risk.<sup>56</sup>

### *France*

<sup>51</sup> <http://www.pkc.gov.uk/EHI>

<sup>52</sup> <http://www.grantsexpert.co.uk/empty-property-grants.html>

<sup>53</sup> Hirokawa, K (2010) 'Regulating Vacant Property' *The Urban Lawyer*, 42:3 627-37

<sup>54</sup> [http://www.ibm.com/smarterplanet/us/en/smarter\\_cities/overview/](http://www.ibm.com/smarterplanet/us/en/smarter_cities/overview/)

<sup>55</sup> <http://www.gov.scot/Topics/Government/local-government/17999/counciltax/Secondhomes>

<sup>56</sup> Feantsa 2014 Policy Conference Confronting Homelessness in the EU: Seeking out the next generation of best practices 24-25 October 2014 ([www.feantsa.org/spip.php?action=acceder\\_document&arg](http://www.feantsa.org/spip.php?action=acceder_document&arg))

France saw changes in 2013 to the TLV (Vacant Housing Tax) on rental properties left vacant for more than a year. The rate is based on the rental value of the property and in 2013 was 12.5% for the first tax year and 25% for each following year. The tax revenue is transferred to the ANAH (France's National Housing Agency) which is responsible for giving grants to owners who carry out renovations for the purpose of putting their property back on the rental market.<sup>57</sup> It applies to properties in regions with more than 50,000 inhabitants. Tax exemptions are available if the property is uninhabitable and in need of significant renovation (works that exceed 25% of the total property value).<sup>58</sup> Other local authorities have discretionary powers to levy a similar tax, although in their areas the property must be empty for five consecutive years.

The introduction of the tax and subsequent amendments to the legislation underpinning the tax have yielded mixed results in terms of reducing housing vacancy. Vacancy decreased more in urban areas affected by the tax than in the rest of the country, particularly long term vacancy of over two years. From 1999 to 2005, vacancy rates fell by between 12.5% and 48% for the eight urban areas affected while the national vacancy rate as a whole only fell by 8.5%.<sup>59</sup>

Another programme in France is looking at targeting vacant properties in Paris. In 2014 the Government wanted to amend two existing laws that permit requisitions of vacant properties in certain situations. One of these was a 1945 order enacted in the throes of World War II, giving governments the right to requisition vacant properties for use by people without adequate shelter, for up to seven years. A second procedure, introduced in 1998, enables local councils to take over properties left vacant for more than 18 months if a gross disparity exists between the number of houses available and those needing shelter in the area. Until now, both laws have seldom been used. During the 1960s, 120,000 requisitions were made, while in 1995, then President Jacques Chirac used it for 1,200 properties.

### *England*

In England, particularly in London, there have been reports of properties being bought primarily for their investment returns in areas of high and rising property values and then left empty. In Kensington and Chelsea up to 12% of the stock is vacant. There is a debate about what to do to discourage these 'buy-to-leave' properties. Islington in London has introduced a Supplementary Planning Document which requires all new homes to be regularly occupied to prevent 'buy-to-leave'.<sup>60</sup>

### *Canada – Vancouver*

Vancouver City Council has recently approved a 1% tax on non-principle dwellings left vacant for more than 6 months. The introduction of the tax is in response to a rapidly overheating property market which has seen house prices grow by 249% since 2005.<sup>61</sup> The tax is aimed at freeing up much needed rental stock in a city where the rental vacancy rate is 0.6%. Data collected by the city council suggests that over 20,000 properties are vacant or left vacant for long periods of time. The tax will come into effect at the start of 2017 and will be based on the assessed value of the property. Certain exemptions to the tax will apply including homes that are undergoing refurbishment, properties that have restrictions on rentals, homes

<sup>57</sup> Foundation Abbe Pierre, FEANTSA, '*Vacant Real Estate: Seizing the Opportunity To Find Affordable Housing Solutions in Europe*', 2016.

<sup>58</sup> [http://www.impots.gouv.fr/portal/deploiement/p1/fichedescriptive\\_1006/fichedescriptive\\_1006.pdf](http://www.impots.gouv.fr/portal/deploiement/p1/fichedescriptive_1006/fichedescriptive_1006.pdf) (pg.72)

<sup>59</sup> Ibid 22.

<sup>60</sup> [http://www.ft.com/cms/s/6954f798-cb2c-11e5-a8ef-ea66e967dd44,Authorised=false.html?siteedition=intl&\\_i\\_location=http%3A%2F%2Fwww.ft.com%2Fcms%2Fs%2F0%2F6954f798-cb2c-11e5-a8ef-ea66e967dd44.html%3Fsiteedition%3Dintl&\\_i\\_referer=&classification=conditional\\_standard&iab=barrier-app](http://www.ft.com/cms/s/6954f798-cb2c-11e5-a8ef-ea66e967dd44,Authorised=false.html?siteedition=intl&_i_location=http%3A%2F%2Fwww.ft.com%2Fcms%2Fs%2F0%2F6954f798-cb2c-11e5-a8ef-ea66e967dd44.html%3Fsiteedition%3Dintl&_i_referer=&classification=conditional_standard&iab=barrier-app)

<sup>61</sup> 'Vancouver hopes to cool off housing market with a tax on empty homes', <https://www.theguardian.com/world/2016/nov/17/vancouver-empty-homes-tax>.

whose owners are in medical or supportive care or if the home is used for a minimum of six months per year by family members or is rented for at least 6 months in the year.<sup>62</sup>

The provincial government of British Columbia has also sought to cool the overheating property market by introducing a 15% tax on foreign house buyers.<sup>63</sup> The tax will be applied to all private and corporate home buyers in the Vancouver Metropolitan Area that are not Canadian citizens or permanent residents. The tax is in response to skyrocketing property prices and an influx of foreign investment into the Vancouver property market totalling \$1 billion in one five week period in summer 2016. Revenue raised from the tax will be funnelled into housing initiatives for renters, low-income residents and first time buyers at a time when homelessness has reached record levels in the city.

### *Portugal*

Property owners in Portugal pay an annual property tax (IMI - Imposto Municipal sobre Imóveis), which is calculated based on the taxable value of a property. This tax is set to triple for dilapidated and empty properties in 20 towns and cities across Portugal including Lisbon, Cascais, Sintra and Porto. The tax has not come into effect yet, but tax departments in these cities have been notified. As well as this, property owners who renovate their properties and/or permanently let out their vacant homes will see a reduction in council tax.<sup>64</sup>

## **Combined Policies**

### *Belgium – Charleroi*

The Belgian City of Charleroi operates a system of ‘gentle requisition’ as a means of reducing housing vacancy in the local private housing stock which accounts for 90% of the total stock. ‘Gentle requisition’ is a process of support, information giving and positive collaboration with private owners to encourage them to return housing that has been vacant for more than 12 months to occupancy. If a property owner refuses to return their property to occupancy following correspondence, meetings and discussions with the city housing agency, a ‘forced requisition’ can be issued by the Justice of the Peace. Belgium has also put in place a tax on unoccupied buildings. The local housing agency uses data from the taxation system and the local population register to identify suitable properties for ‘gentle requisition’. The housing agency then operates as a contact point between the new renter, property owner and social workers throughout the duration of the occupancy. Gentle requisition is specifically targeted at properties to increase availability of viable tenancies for low income families.

In one year from 2014-2015, of the 618 properties targeted by ‘gentle requisition’, 68% are being returned to the market in the short or medium term. Only 7% of properties targeted have uncooperative owners making their return to the housing market uncertain. Ninety-three percent of vacant property owners targeted by gentle requisition are therefore engaging with the process. Forced requisition by the Justice of the Peace has been applied to 5% to 10% of non-cooperative property owners.

### *England and Wales – Compulsory Leasing Orders*

A model of compulsory leasing scheme is in force in England and Wales through the Housing Act 2004 also known as Empty Dwelling Management Orders (EDMO). The legislation is intended to work alongside other voluntary leasing arrangements operated by local housing authorities and is an alternative to enforcement action such as compulsory purchase orders. A compulsory lease would mean that local

<sup>62</sup> Vancouver council approves Canada’s first-ever vacant housing tax, <https://beta.theglobeandmail.com/real-estate/vancouver/vancouver-council-approves-canadas-first-ever-vacant-housing-tax/article32882347/?ref=http://www.theglobeandmail.com&service=mobile>.

<sup>63</sup> ‘Vancouver slaps 15% tax on foreign house buyers in effort to cool market’, <https://www.theguardian.com/world/2016/aug/02/vancouver-real-estate-foreign-house-buyers-tax>.

<sup>64</sup> Council tax set to triple for abandoned properties, <http://www.theportugalnews.com/news/council-tax-set-to-triple-for-abandoned-properties/40580>.



authorities could seek permission to force a lease on an owner of an empty property and then undertake refurbishment costs to make the property ready for letting. The property could then be used as social housing and the rent paid could potentially be used to offset the cost of refurbishment. Local authorities may choose to contract out the refurbishment and management of properties acquired with compulsory leases to a Registered Social Landlord (RSL). A Compulsory Leasing Order (CLO) would be made against the person with the most interest in the dwelling, known as the ‘relevant proprietor’. Any other person with an interest in the property is treated as a third party. While a CLO is in force, the local authority takes over the rights and responsibilities of the relevant proprietor, but does not become the legal owner and so cannot mortgage the property or sell it. The relevant proprietor cannot receive any benefit from the property such as rent and has no management interest while a CLO is in force. They can, however, dispose of their interest in the dwelling, and are entitled to any surplus remaining from rent after expiry of the final CLO and once the local authority has covered its costs and compensation payments.<sup>65</sup>

## Conclusion

The issue of housing vacancy is not unique to Ireland. A number of jurisdictions have developed and successfully implemented incentives and taxation measures to reduce vacant property levels in both public and private housing stocks. *The Action Plan for Housing and Homelessness* contains a number of initiatives aimed at reducing vacancy in the private and public housing stock. Effective resourcing and implementation of these initiatives is required to have a meaningful impact on the current vacancy level of 198,358 housing units. The system of compulsory acquisition of land is not a new concept and has been used widely in the context of large scale State infrastructure and development plans. Its suitability for the acquisition of large amounts of vacant properties is however not clear. It is important to acknowledge that there may be objection and possible legal challenges mounted in the face of wide spread CPOs or indeed CLO’s. It is important that any such measures are reasonable and targeted, and handed sensitively allowing for competing rights and needs where possible. To date, Article 24 of the Constitution has not been used to enact emergency legislation. The usefulness of any potential emergency legislation to tackle specific elements of the housing and homelessness crisis is unclear but worthy of exploration given the sheer scale of the housing supply challenge. The Commitment to develop a vacant housing re-use strategy is positive, a coordinated response to housing vacancy is required to maximise the potential return of vacant housing units to bolster social housing supply to ease the growing pressure on the private rental sector and to provide permanent homes for those that need them most. Any future strategy in this regard should explore successful incentive and taxation models employed in other jurisdictions that led to the reintroduction of vacant properties into the private rental and social housing stocks. Critically, incentives should be linked with conditionality in relation to security of tenure and quality. The use of vacant housing stock is not a panacea to the current housing and homelessness crisis or indeed future crises. Government must ensure continued and sustainable investment in building and procuring new social and affordable housing output.

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<sup>65</sup> Shelter, ‘*Compulsory leasing of empty homes in Scotland*’, March 2005, [http://scotland.shelter.org.uk/\\_data/assets/pdf\\_file/0010/48295/compulsory\\_leasing.pdf/\\_nocache](http://scotland.shelter.org.uk/_data/assets/pdf_file/0010/48295/compulsory_leasing.pdf/_nocache).

**APPENDIX I: Census 2016 - National Housing Vacancy by County/City**

<b>County/City</b>	<b>Vacant Housing Units</b>
Carlow	2,145
Dublin City	20,844
Dún Laoghaire-Rathdown	4,968
Fingal	5,565
South Dublin	3,916
Kildare	4,967
Kilkenny	3,209
Laois	3,163
Longford	3,021
Louth	4,256
Meath	5,065
Offaly	2,768
Westmeath	4,059
Wexford	6,412
Wicklow	3,647
Clare	6,480
Cork City	4,491
Cork County	16,796
Kerry	10,340
Limerick City	2,564
Limerick County	5,899
North Tipperary	3,738
South Tipperary	4,228
Waterford City	2,669
Waterford County	2,996
Galway City	3,375
Galway County	10,279
Leitrim	3,786
Mayo	11,180
Roscommon	5,658
Sligo	5,065
Cavan	5,170
Donegal	12,558
Monaghan	3,081
<b>State Total</b>	<b>198,358</b>

## APPENDIX II: Vacant Property Incentives and Taxation Measures by Jurisdiction

Jurisdiction	Measure	Description	Cost <sup>66</sup>	Impact
England	New Homes Bonus	Government Grant aid for local councils based on increased council tax revenue raised.	£2.2 Billion	93,000 vacant housing units returned to use.
England	Empty Homes Initiative	Government funding to bring empty homes back into use as affordable housing.	£100 Million	3,300 affordable homes returned to use.
England	Empty Property Grant	Lease or sale of properties to local council in return for Empty Property grant equal to 50% of renovation costs.	N/A	N/A
England	Minimal property purchase price	Purchase of vacant property from local council for nominal fee. New owner renovates and remains for at least 5 years.	N/A	N/A
England	Supplementary Planning Requirements	Supplementary planning requirement required when purchasing a house in England aimed at preventing 'buy to leave'.	N/A	N/A
England & Wales	Compulsory Leasing order or Empty Dwelling Management Orders (EDMO'S)	Local Authority seeks permission to force a lease on an owner of an empty property and then undertake refurbishment costs to make the property ready for letting as social housing.	N/A	108 properties subject to an EDMO since the scheme has been introduced. <sup>67</sup>
Scotland	Empty Property Grant	Grant to bring long term vacant properties up to legislative standards.	£4.5 million	478 properties across 15 Scottish Council areas. <sup>68</sup>
Scotland	Removal of Empty Property Council tax Discount	Legislation introduced to remove discount and give discretion to increase council tax by 100% on properties empty for 1 year or more.	N/A	N/A
USA	Vacant Property Fee	Owners of vacant properties must register their property and pay a fee. Fee increases as the duration of vacancy increases.	N/A	N/A
France	Vacant Housing Tax	Tax on vacant housing based on rental value. Most recent figure is 15.5% for first year, increased to 25% for each following year of vacancy.	N/A	1999-2005 Vacancy rates for the 8 urban areas affected fell between 12.5% and 48%. National vacancy rate fell by 8.5%.
France	Property Requisition	Local councils enabled to take over properties left vacant for more than 18 months if a gross disparity exists between the number	N/A	N/A

<sup>66</sup> Where detail of cost and impact of each measure is not available, N/A is included in the associated cell.

<sup>67</sup> <https://www.theguardian.com/money/2015/feb/11/powers-empty-houses-ignored-empty-dwelling-management>.

<sup>68</sup> <http://www.gov.scot/Topics/Built-Environment/Housing/investment/grants/EmptyHomesLoanFund>.

<b>Jurisdiction</b>	<b>Measure</b>	<b>Description</b>	<b>Cost<sup>66</sup></b>	<b>Impact</b>
		of houses available and those needing shelter in the area.		
<b>Canada - Vancouver</b>	Empty Property Tax	1% tax on non-principle dwellings left vacant for more than 6 months. Tax based on assessed value of property. Some exceptions apply.	N/A	N/A
<b>Belgium - Charleroi</b>	Gentle Requisition	Collaborative approach between owner and local govt to bring vacant properties back to use. Forced requisition only occurs when owner is completely non-cooperative.	N/A	Of the 618 properties targeted 68% are being returned to the market.
<b>Belgium</b>	Unoccupied Property Tax	Property tax on vacant buildings. Tax data then used to identify properties for gentle requisition.	N/A	See above.

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