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Pathway to
Addressing
Vacancy and
Efficient Use
of Existing
Stock



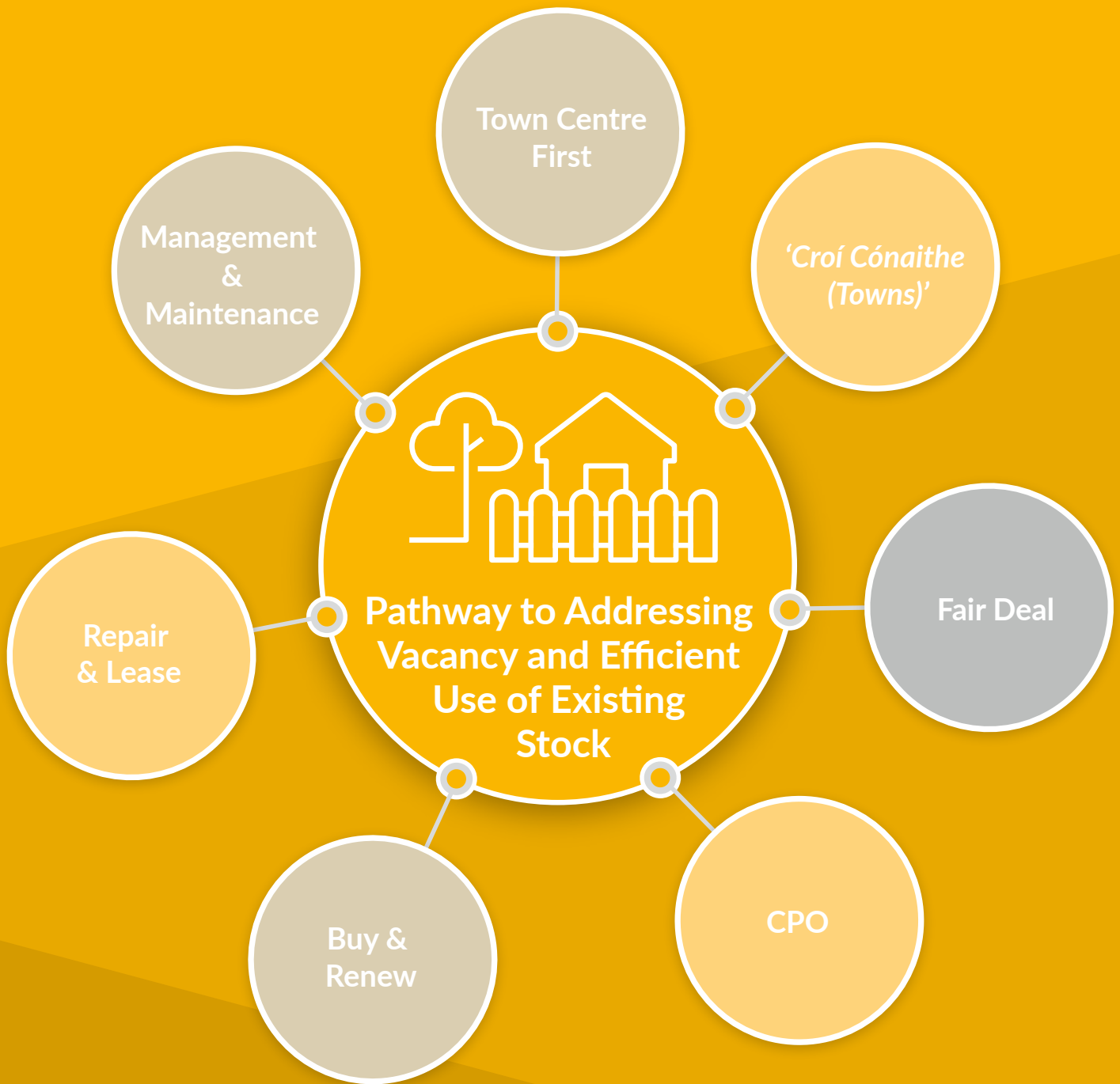


Figure 16:
Pathway to Addressing Vacancy
and Efficient Use of Existing Stock

4 Pathway to Addressing Vacancy and Efficient Use of Existing Stock

- Targeted approach to vacant stock combining Local Authority leadership, URDF / RRDF funding, Retrofit and Heritage funding.
- A new *Croí Cónaithe (Towns)* Fund to provide serviced sites for new homes and to support refurbishment of vacant homes in regional towns and villages.
- Introduce incentives for rental and sale of vacant properties owned by participants in the Fair Deal scheme.
- Implement new regulations requiring Short Term and Holiday Lets to register with Fáilte Ireland.
- Use CPOs to target up to 2,500 vacant properties for onward sale.
- Collect data on vacancy levels in residential property with a view to introducing a Vacant Property Tax.
- Introduce a Planned Maintenance approach for Local Authority stock management and maintenance.
- Activate State owned vacant properties.
- Tackle Unfinished estates.



At a time of such high housing need, we have to ensure that the houses we already have are being fully used. While the reasons for vacancy are often complex, we do not want to see habitable properties lying idle while people are homeless or living in unsuitable accommodation. There are also other types of vacant properties that could be converted to residential use, while there is potential to use existing stock more efficiently.

Many areas of cities and towns and villages of all sizes face the blight of vacant properties, which, if brought back into use, could add real vibrancy to towns of all sizes around the country, and new accommodation in both urban and rural areas. This is a clear ambition of the Government's *Our Rural Future* policy and will be supported by a range of broader enabling actions envisaged as part of the development of the Town Centre First approach. In the *National Economic Recovery Plan 2021* the Government committed to recovering differently, through a balanced, sustainable and inclusive approach for our people and our regions, with actions to ensure a balanced and inclusive recovery. Acknowledging the work of Local Authorities in the response to Covid-19, **Housing for All** recognises the opportunity to reimagine and transform our cities and towns, noting the potential positive impact, for example of remote working, and the National Broadband Plan. In particular, there is a real opportunity to increase residential development in cities and town centres, with a consequent emphasis on amenities and quality of life.

Addressing vacancy and dereliction has to form a key part of this response. The URDF and the RRDF are transformative funds that can provide the financial support to re-imagine the broad functioning of our cities, towns and villages.

Within this context, the Government is focused on ensuring that existing housing stock is utilised to its fullest extent possible.

4.1 Establish and Fund a Town Centres First policy

To make our towns and villages better places in which to meet, live and work, the Government is committed to the development of a Town Centre First approach which seeks to align policies and to target available resources to deliver the best outcomes for town centres. The DHLGH and the DRCD are currently progressing the commitment and associated actions in relation to the Town Centre First approach, and this will be published shortly. The overall approach will align with the objectives of the NPF. While the overall policy envisages the implementation of a strategic approach to town centre regeneration, promoting residential occupancy in our rural towns and villages will be at the heart of the plan. Implementing the Town Centre First approach will require a broader 'area enabling strategy' providing both advisory and financial supports for property owners and those seeking homes in towns.

While programmes such as the URDF and the RRDF are primarily intended to support wider town regeneration, these programmes also facilitate optimal use and reuse of existing properties and contribute to the creation of conditions conducive to housing developments in towns.

Therefore, under the umbrella of these two funds, Local Authorities will be encouraged to use the range of legislative and financial tools to deliver on the vision for their area. The URDF and RRDF offer substantial funding for the regeneration of cities and towns. To date, some €1,277m has been allocated from the URDF to the metropolitan areas and key driver towns, while €323m in URDF funding, in addition to €249m in RRDF funding, has been earmarked

for projects in other towns. Combined, this investment will make a substantial difference to the liveability of these areas.

Further calls for funding under the URDF will separately address the needs of cities and towns, and, aligned with the approach under the RRDF which deals with towns below 10,000 population, specific criteria will be included to encourage the activation of vacant properties within the overall vision for towns, and to bring stock back into productive use.

This funding will be integrated with proposals on retrofitting and existing supports, such as the Better Energy Homes Grant, to ensure the architectural heritage of towns is preserved.

Housing Policy Objective 19: Address Vacancy in housing

No.		Timeline	Lead
19.1	Publish the new Town Centre First policy, which will include approaches to utilising existing and new financial incentive mechanisms	Q4 2021	DHLGH, DRCD
19.2	Use the Better Energy Homes Grant to support retrofit for vacant properties	Ongoing to to 2030	DECC
19.3	Incorporate activation of vacant properties as key criteria in the Urban Regeneration and Development Fund (URDF) and the Rural Regeneration and Development Fund (RRDF)	Ongoing	DHLGH, DRCD

4.2 Harness European Regional Development Funding to tackle vacancy

Regional Assemblies, as the managing authorities of the European Regional Development Fund (ERDF) in Ireland, are currently developing the 2021-2027 Programme for the next round of

Structural Funds, of which some 8% of the total provision must be dedicated to urban areas. It is envisaged that the tackling of vacancy and dereliction in towns, in support of the Town Centre First approach, will be a particular emphasis for this future round of this element of funding, which is to be agreed by early 2022.

Housing Policy Objective 19: Address Vacancy in housing

No.		Timeline	Lead
19.4	Harness European Regional Development Funding to tackle vacancy and dereliction in towns	Q2 2022	Regional Assemblies

4.3 Launch a CPO Programme for Vacant Properties

Many Local Authorities are involved in the compulsory purchase of vacant properties, some as part of their URDF projects or in combination with existing schemes. This activity can be further accelerated in line with the recommendation of the Indecon Report on the Taxation of Vacant Residential Property¹⁷ that a major programme of compulsory purchase orders should be activated by Local Authorities to purchase vacant properties via their compulsory purchase powers, even when these dwellings are not suitable for social housing.

Local Authorities will combine these CPO acquisitions with their engagement in existing buy and Renew and Repair and Leasing schemes, and a broader programme of affordable housing for sale

in order to maximise opportunities to return vacant properties to productive use. This programme will be supported by a bridging finance facility from the Housing Finance Agency for property acquisitions.

A central advisory service will be established in The Housing Agency to assist Local Authorities with the process. Vacant Homes Officers are already in situ in each Local Authority and are currently funded through the DHLGH. We will ensure that this is a full time position. They will be responsible for driving this programme forward.

The objective will be for Local Authorities to acquire at least 2,500 vacant units by 2026 and present them to the market for sale.

¹⁷Indecon Report on the Taxation of Residential Properties, September 2018

4.4 Reform the Fair Deal Scheme

The Government has introduced amendments to the Nursing Homes Support Scheme to cap the payment on sale of an applicant's principal private residence to three years. Up to now the sale of a principal private residence by a Fair Deal applicant could have led to uncapped contributions to the scheme. The amendments brought forward will cap this contribution to three years at 7.5% of the value of the property per annum, as is the case where the property remains unsold.

Further amendments to the Nursing Homes Support Scheme will be made later in 2021 in order to exempt rental income from a principal private residence when calculating the income of an applicant. Local Property Tax returns for 2020 indicate up to 7,800 vacancy exemptions were processed due to illness. While the conditions of the exemption do not specifically refer to the Fair Deal Scheme, it might be assumed that a significant portion of these relate to the Scheme and the changes proposed to both the sale and rental of property outlined here could release a significant number of homes to the sale and rental markets.

4.5 Activate State owned Vacant Properties

The State, its Departments and Agencies are the owners of large amounts of property. It has already been agreed that State entities that own vacant or underutilised land, which may be suitable for housing, will offer that land to the Land Development Agency. It is now also agreed that all Government departments will examine their existing portfolio of properties and, subject to any obligations under the Public Spending Code, the LDA Act 2021 or the State Property Act 1954, will place them on the market if they are not required and may be suitable for residential housing. This will allow for more efficient use of those buildings and provide opportunities for individuals and families to convert suitable buildings into homes.



**Housing Policy Objective 19:
Address Vacancy in housing**

No.		Timeline	Lead
19.5	Introduce a new programme for the CPO of vacant properties for resale on the open market	Q4 2021	DHLGH, LAs, Housing Agency, Housing Finance Agency
19.6	Ensure Vacant Homes Officer position is full-time	Q4 2021	DHLGH, LAs
19.7	Implement the amendment to the Nursing Home Support Scheme (Amendment) Act 2021 to extend the three-year cap on Fair Deal contributions from the principal residence to the proceeds of sale of the principal residence, removing the disincentive to bringing vacant homes back onto the property market. Modify operation of the Fair Deal Scheme accordingly	Q3 2021	DoH
19.8	Amend the Nursing Home Support Scheme Act 2009 to remove disincentives against the rental of vacant properties by participants in the Fair Deal scheme in a way that is targeted, equitable, evidence-based and provides appropriate safeguards for vulnerable older people	Q4 2021	DoH, DHLGH
19.9	All Government Departments will examine their existing portfolio of properties and, subject to any obligations under the PSC, the LDA Act 2021 or the State Property Act 1954, will place them on the market if they are not required and may be suitable for conversion to residential accommodation	Q4 2021	All

4.6 Tackle Unfinished Estates

Local Authorities are responsible for the management and administration of unfinished housing developments. The latest data from a 2020 survey shows that 123 developments remain on the ‘unfinished’ list. Within the remaining cohort of 123 developments, 58 developments are unoccupied. These developments mainly contain partial

shells and units at foundation level, are securely fenced off and are located in low demand areas. The remaining 65 developments containing residents will be the focus for Local Authorities to work towards a satisfactory resolution. In total, at the time of survey, there were 326 houses vacant and 13 apartments. Local Authorities will work towards minimising that vacancy level.

**Housing Policy Objective 19:
Address Vacancy in housing**

No.		Timeline	Lead
19.10	Local Authorities will work with the appropriate stakeholders to resolve issues within estates still categorised as ‘unfinished’ with a view to minimising any vacancy levels	Ongoing	DHLGH, LAs

4.7 Introduce a new *Croí Cónaithe (Towns) Fund*

The Government will introduce a specific programme, to be delivered by Local Authorities, for the provision of serviced sites for housing to attract people to build their own homes and to support the refurbishment of vacant properties, enabling people to live in small towns and villages in a sustainable way.

This fund will be part of the wider *Croí Cónaithe* Fund referenced in Pathway 3, but specifically focussed on towns and villages. There is significant potential for Local Authorities to support homeownership in these areas by making available serviced sites at a reduced cost or providing a grant to support the refurbishment of vacant properties where the level of vacancy / dereliction is high. A pathfinder programme will be initiated as part of this fund, to facilitate the making available of some 2,000 sites for

homes by 2025, depending on demand. The programme will be reviewed at that point. This will be complemented by investment by Irish Water in servicing of small towns and villages, from a water and waste water perspective.

Such development, further to NPF *National Policy Objective 18b*, will be incremental, small scale, walkable (including to and from the town/village centre) and will occur on sites that have access to adequate water supply and provision for disposal of domestic effluent. Such developments should also be guided by responsive design principles so that they are integrated into the town/village with a close visual relationship to the prevailing vernacular. The DHLGH is addressing this in the context of the development of ‘sustainable settlement guidance’, the terms of reference and timelines for which will be developed alongside the Town Centre First approach.

Housing Policy Objective 19: Address Vacancy in housing

No.		Timeline	Lead
19.11	Establish a <i>Croí Cónaithe (Towns)</i> Initiative focused on towns and villages	Q4 2021	DHLGH

4.8 Collect Data on Vacancy with a view to introducing a Vacant Property Tax

The Government has set out above a suite of incentives available to encourage re-use of properties. However, in addition, options are being examined to introduce sanctions for non-use of residential property so that there is some penalty for leaving a property vacant while so many are in need of homes.

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

In addition, once supports are in place for tackling vacancy, the Government will empower Local Authorities to remove the rates vacancy refund to stimulate use of vacant properties, if they choose to do so.

Housing Policy Objective 19: Address Vacancy in housing

No.

Timeline

Lead

19.12	Collect data on vacancy levels in residential property with a view to introducing a vacant property tax	Q2 2022	DFIN
19.13	Commence section 9 of the Local Government Rates and other Matters Act 2019 with a view to empowering Local Authorities to offer rates based incentives for the conversion of suitable vacant commercial properties to residential use	Q1 2022	DHLGH

4.9 Unlock the Potential to Utilise Heritage Building Stock

The Government recognises that in order to resolve the housing crisis we need to give consideration to every viable and sustainable option at our disposal.

We recognise that our built heritage and in particular the tens of thousands of older houses and properties in our cities, towns and villages, can contribute to **Housing for All**.

Housing for All will dovetail with Government's 'Town Centres First' policy to leverage housing capital finance, other funding sources and mechanisms to bring families and people back into the heart of our urban centres and settlements.

Providing housing solutions to families and individuals that are close to services, that maintain vibrancy in town centres, that reduce car dependency, that do not use up edge of town greenfield sites and address isolation through integrated communities, will be core to our approach.

Such policy is also in keeping with our climate sectoral targets for the built environment through adaptive reuse and repurposing; accounting for the locked up carbon in the materials of older buildings.

Concentrating efforts in our urban centres is in keeping with a compact growth agenda, where housing is located close to public transport routes and where walking and cycling will become the dominant form of mobility within our town centres.

The Historic Towns Initiative is a capital grant scheme, operated in conjunction with the Heritage Council, for the heritage-led regeneration of our historic towns. In future the initiative will be adjusted to encourage private owners and/or occupiers to bring vacant floor area in historic buildings back into use and projects that address dereliction and vacancy will be particularly focussed on, subject to going through the planning process as necessary. This will be built upon and more strongly incentivised, with a dedicated stream and an additional €2m in funding in the 2022 scheme.

The heritage-led regeneration of our old urban centres will drive growth in traditional skills and apprenticeships, multiplying the impact of capital housing spend.

Under the new strategy for our built vernacular heritage, to be published shortly, we will promote the rehabilitation of vernacular buildings, large numbers of which are lying derelict in both rural and urban areas. It will provide information, advice and supports to property owners, prospective owners and building practitioners on how to approach such buildings. There will be actions to assess environmental performance and careful retrofitting, to enhance training of craftspeople and builders, and to present models for successful rehabilitation.

In practical terms, the National Policy on Architecture, to be published later in 2021, aims to “*Design places for climate neutrality, climate resilience, circularity and sustainability*” and includes actions to “*provide appropriate guidelines on the energy upgrading, repair and adaptation of the existing building stock of traditional and historic construction*”. With appropriate

funding and resourcing, this can be progressed in the short-term and will be critical to the repurposing of our historic structures and reuse for residential purposes.

The Department will also publish guidance later this year for the appropriate energy upgrading of traditional buildings that will inform the reuse of those buildings.

Much housing demand within Local Authorities is for smaller homes for single people. Our town centres, above shops and older building stock can provide solutions through adaptive reuse, backfilling plots in towns, converting former retail units to full occupancy and infilling derelict sites within town, city and village settings.

We will provide additional guidance, including planning guidance, relating to protected structures and create an enhanced residential component next year under our existing heritage capital grant programme - the Historic Structures Fund. The core aim of this fund is to “*encourage the regeneration and reuse of heritage properties and to help to secure the preservation of protected structures and/or historic-culturally significant assets*”. A dedicated stream under this fund will offer a small number of grants from €50,000 up to €200,000 for larger enhancement, refurbishment or reuse projects involving heritage structures, where a clear residential benefit has been demonstrated. Such projects must be advanced through the planning process as necessary. There is obvious scope here to grow this stream, with a suggested allocation of €2m per annum growing to €5m per annum over the plan period.

**Housing Policy Objective 20:
Make more efficient use of existing housing stock**

No.		Timeline	Lead
20.1	Work in a partnership approach with Local Authorities, AHBs, heritage NGOs, the Heritage Council and the Heritage Division within DHLGH to unlock the potential in our villages, towns and cities to utilise heritage building stock (pre 1940) to help tackle the housing crisis, recognising in particular Sustainable Development Goal 11; Sustainable cities and communities	Ongoing	DHLGH, LAs, AHBs, Heritage NGOs, Heritage Council
20.2	Develop guidance relating to protected structures to encourage the use of such properties for repurposing and/or refurbishment as residential accommodation	Q2 2022	DHLGH

4.10 Extend Planning Exemptions to 2025 to complement Town Centre First objectives

We will review and extend the regulations that exempt certain vacant commercial premises, such as ‘over the shop’ type spaces, from requiring planning permission for change of use for residential purposes to 2025.

**Housing Policy Objective 20:
Make more efficient use of existing housing stock**

No.		Timeline	Lead
20.3	Review and extend planning regulations that exempt certain vacant commercial premises from requiring planning permission to change of use for residential purposes to 2025	Q4 2021	DHLGH

4.11 Introduce new regulations for Short Term Lettings

During the period of the pandemic, we saw much-needed accommodation, typically used for short-term letting purposes, returning to the long-term private rental sector, thereby increasing supply in the long-term rental market with positive impacts on rental prices. The Government will bring forward

revised regulatory controls requiring the registration of Short-Term and Holiday Lets with Fáilte Ireland. This will be based on best international practice and with a view to ensuring the availability of long-term residential accommodation, balanced with the needs of the tourism sector, as appropriate. The Residential Tenancies Board will be tasked with an enforcement role as part of this process.

Housing Policy Objective 20:

Make more efficient use of existing housing stock

No.		Timeline	Lead
20.4	Develop new regulatory controls requiring Short-Term and Holiday Lets to register with Fáilte Ireland with a view to ensuring that homes are used to best effect in areas of housing need	Q2 2022	DTCAGSM, DHLGH

4.12 Drive Efficient Use of Private and Social Housing Stock

Making more efficient use of both private and social housing stock is important for long-term sustainability. Addressing vacancy is one element of this but under-occupation of existing housing is another element that can be considered, alongside new supply.

The Government will develop a national policy on rightsizing to highlight the potential of rightsizing for households that no longer fully occupy their current privately owned accommodation and will explore options to support and incentivise rightsizing on a voluntary basis.

The DHLGH and Local Authorities will ensure that Local Authority accommodation is used in the most efficient manner possible and the DHLGH will develop a national rightsizing policy to apply to social housing accommodation.

Local Authority social housing properties are a key State asset built up over time and provide housing for those in our society who must rely on the State to meet their housing needs. Local Authorities and central Government must ensure the optimum management and maintenance of their stock, including quality and compliance with letting standards. They must also ensure minimum vacancy and re-let times for all Local Authority stock.

Local Authorities are statutorily responsible for social housing stock management and maintenance. They are supported in this regard by the DHLGH in terms of strategy and funding. The Exchequer has funded the refurbishment of 16,102 voids between 2014 and 2020. A record number of 3,607 voids were funded by the DHLGH in 2020. This has continued in 2021 with funding being made available to Local Authorities to bring approximately 3,000 voids back into use.

This very significant investment has had a hugely positive impact on the level of long-term and legacy vacancy within the Local Authority housing stock and has positioned the Local Authority sector well to transition from a response-based approach to a strategic and informed planned maintenance approach based on stock condition surveys.

The required sectoral shared ICT solution is being put in place by the Local Government Management Agency (LGMA) and stock condition surveys will be carried out on all Local Authority homes over the next five years. Initially, the Exchequer will continue to financially support the management and maintenance of the Local Authority housing stock but, over time, Local Authorities will be required to ensure that rental income is ring fenced for this purpose.

**Housing Policy Objective 20:
Make more efficient use of existing housing stock**

No.		Timeline	Lead
20.5	Develop a national policy on rightsizing and explore options to support and incentivise rightsizing on a voluntary basis	Q1 2022	DHLGH
20.6	Move to a planned management and maintenance model for Local Authority stock supported by the LGMA's work on developing an asset based ICT system	Q1 2024	LAs, LGMA
20.7	Work with relevant Departments and Local Authorities to move to a position where housing revenue at Local Authority level is ring-fenced to ensure its retention for housing management and maintenance	Q3 2024	LAs , CCMA , DHLGH

4.13 Expand Existing Schemes to tackle Vacancy

4.13.1 Improve the Buy and Renew element of the Social Housing Programme

The Department will work with Local Authorities and AHBs to use social housing build programmes, such as Buy and Renew, where appropriate, to tackle more town centre dereliction and deliver new social homes. The success being achieved by Monaghan County Council in Clones, is a good example of what is possible through using social housing capital programmes to bring more residential accommodation to the town centre, while tackling longstanding and costly dereliction.

Tackling complex and challenging town centre renewal projects to deliver new social homes is a challenge for Local Authorities when the priority is to deliver new homes at scale to meet the need of those on waiting lists. But as Local Authority capacity is further built up to cater for increased output levels and complexities of the development process, there will be increased capacity to deliver more residential

accommodation in town centres utilising existing vacant and derelict properties and using the CPO process where needed. We will ensure Local Authority flexibility and discretion in identifying and purchasing eligible properties.

4.13.2 Enhance the Repair and Leasing Scheme

The Repair and Leasing Scheme (RLS) is targeted at owners of vacant properties who cannot afford or who do not have access to the funding required to bring those properties up to the standard for rental property. The Local Authority (or AHB) pays for the repairs upfront and the home is taken into social housing stock by way of lease for at least 5 years. The cost of the repairs carried out is offset against future rent. RLS tackles vacancy as well as having additional benefits in terms of regeneration, employment and investment in local areas. RLS delivers across a range of dwelling types, including over the shop properties, former bedsits, city centre terraced houses, and one off rural dwellings. We will place a renewed focus on Repair and Leasing (RLS), with funding already increased from €40,000 to €60,000 per unit.

Housing Policy Objective 20: Make more efficient use of existing housing stock

No.		Timeline	Lead
20.8	Support Local Authorities to engage in targeted acquisitions of vacant and under-utilised properties under the Buy and Renew element of the social housing programme to support town and village renewal	Ongoing	DHLGH
20.9	Support Local Authorities to drive expanded take-up of the enhanced Repair and Leasing Scheme	Ongoing	DHLGH

