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URBAN VACANCY IN IRELAND

ASSESSING RECENT RESPONSES AND OPPORTUNITIES

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About *Rethinking Urban Vacancy*

'Rethinking Urban Vacancy (RUV): Addressing the Challenge of Underutilised Land through Innovative Policy Solutions' is a research project supported by the Irish Research Council's COALESCE fund and run in collaboration with Dublin City Council. Running between 2019-2021, it sought to enhance critical and applied understanding of how urban vacancy in Ireland is categorised and measured, as well as its underlying structural and contextual causal factors. Further information can be found at:

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List of acronyms

AHBs – Approved Housing Bodies

B&R – Buy and Renew Scheme

CPOs – Compulsory Purchase Orders

DHLGH – Department of Housing, Local Government, and Heritage

GFC - Global Financial Crisis

LPT – Local Property Tax

LSRD – Large-Scale Residential Developments

OSI – Ordnance Survey Ireland

PBO – Parliamentary Budget Office

PRA – Property Registration Authority

RLS – Repair and Lease Scheme

RUV – Rethinking Urban Vacancy

URDF – Urban Regeneration and Development Fund

SHIP – Social Housing Investment Programme

VHT – Vacant Homes Tax

VHU - Vacant Homes Unit

Executive summary

This report outlines recent political and policy responses to urban vacancy in Ireland, the challenges that these policy objectives face, and lessons that can be drawn from the experience of those implemented them. It is the second policy output of the Irish Research Council-funded project *Rethinking Urban Vacancy*, led by Dr Cian O’Callaghan (Trinity College Dublin) in partnership with Dublin City Council’s Dublin Housing Observatory.

Building upon our earlier policy report, which addressed the political measurements and responses to urban vacancy in Ireland, this report begins by contextualising urban vacancy in two ways – first, as a multifaceted and shifting feature of Ireland’s planning and development system and, second, as operating in context-specific ways. We elaborate on the latter by looking at the particularities of three Irish cities: Dublin, Cork, and Waterford. This report outlines the three types of challenges surrounding current responses to urban vacancy: planning and regulation, finance and markets, and governance. We highlight how these challenges have varying local impacts, and point to opportunities for actors looking to improve how they intervene in vacancy in Irish cities’ uneven property and development markets.

The report concludes with three recommendations for improving current political responses to vacancy in Irish cities. Given the speed of policy change around vacancy, these recommendations complement on-going policy reforms and gaps in knowledge about urban vacancy at the time of writing. Overall, we look to describe what is being done to address vacancy in Irish cities and the experiences of those undertaking this work. We look to contribute to prevailing narratives around vacancy in Ireland by contextualising it as an outcome of urban development trends and processes, and argue that this should be the starting point for policies seeking to address vacancy.

Our analysis is based on two primary research methods conducted between 2020-22. First, we carried out interviews and site visits with core stakeholders involved in planning, governance, and development of vacancy primarily in Dublin, Cork, and Waterford - including Local Authority staff, planners, and property developers. Second, our analysis draws more broadly upon media analysis and a review of academic literature, legislation and policies, and government documents.

1 - Introduction

1. Introduction

Vacancy has been a prominent feature of more than a decade of policy and public debate in Ireland. After emerging as a policy concern in relation to housing oversupply following the 2008 global financial crisis (GFC), public and policy engagement with vacancy renewed from 2016 within a national context of increasing homelessness, inadequate housing supply, and unaffordable housing. Notwithstanding repeated and varied local and national policy initiatives targeting vacancy, vacancy remains a persistent challenge in Irish towns and cities, as well as a subject of media, activist, and resident criticism.

Despite this widespread attention, vacancy is a broad category.¹ While often seen as a singular policy issue, vacancy is better conceived of as symptomatic of a range of wider contextually-specific spatial, political, economic and social challenges. Vacancy has multiple causes, distinct geographies, and is intrinsically related to our planning system and property markets. Indeed, vacancy is often an outcome of these systems ostensibly operating as *they are intended to function*. To put this another way, if planning and development systems are designed to prioritise high property values and incentivise redevelopment over reuse, vacancy will be an inevitable outcome when market conditions are not seen to fully align between development and financial actors. Ireland's **responses** to vacancy need to reflect diverse market contexts and conditions, and engage with a range of specific market factors and policy challenges.

Amidst continued attention and concern, **what is the desired outcome for vacant land and property in Irish cities, and how could political approaches be improved?**

This report examines key challenges identified by core stakeholders in their efforts to bring vacant land and property back into use in Irish cities. We analyse these experiences within the context of Ireland's planning system and prevailing urban development trends. Rather than viewing vacancy as a 'problem' that can be solved or simply eradicated, we show how vacancy (as it actually exists) is a function of the property and development systems currently in place in Ireland. We focus our analysis on both vacant land (i.e., development land) and property (i.e., land with existing structures on it). Although we use these as linked terms at points throughout the report, we want to caveat here that, while vacant land and property are underpinned by similar development processes (i.e., maximising property value and financial return), they can be subject to different constraints (e.g., fire safety or heritage

¹ Stokes & O'Callaghan (2021).

conservation for existing structures). When referring to particular challenges, we make an effort to distinguish between vacant land and property where possible.

Our research has made clear that a range of policies have aimed to address aspects of vacancy. However, gaps between policy objectives, implementation, and outcomes suggest that urban vacancy has not been adequately understood or engaged with from a policy perspective to date. This is reflective of a siloed approach that tends to dominate policy interventions in vacancy, which do not fully appreciate the ‘wicked’ problem it presents. This report aims to **describe** what is being done to address vacancy and the experiences of those undertaking this work, and to **reframe** the narrative about vacancy by contextualising it as an outcome of diverse urban development trends and processes. A more dynamic perspective on vacancy should be the starting point for creating policies to address vacancy as a ‘wicked’ problem.

We use three perspectives to delineate the scope of the report. First, we focus **temporally** on the policy frameworks stemming from *Rebuilding Ireland* onwards. This focuses our analysis on recent and ongoing policy frameworks for addressing vacancy, which are chiefly concerned with using vacancy to address the current housing crisis, as distinct from, for example, attempts to resolve vacancy on unfinished estates after the 2008 GFC. Secondly, we focus **spatially** on experiences drawn in three cities: Dublin, Cork, and Waterford. This reflects our focus on vacancy in urban areas, as well as our priority to explore the geographical differences between cities. Third, we focus **thematically** on the factors identified as most significant by our informants. The thematic analysis of the challenges in bringing vacant land and property back into use form the bulk of the report.

The report is structured into four sections: First, we briefly outline our research **method**. Second, we detail the current **policy context**, as well as providing a brief description of current approaches to vacancy in each city. Third, we present our research findings in terms of **challenges**. This section details the prevailing contextual factors and challenges shaping urban vacancy across our case study cities and is split thematically into three types of challenges: planning and regulation, finance and markets, and governance. The final section concludes the report with **lessons** and a set of recommendations for rethinking and responding to urban vacancy in Ireland.

2 - Method

2. Method

This report is based on data collected through stakeholder interviews conducted over 2020-22 for the IRC-funded *Rethinking Urban Vacancy* (RUV) project. This is the project's second and final policy output, complementing insights from our first report which outlined how urban vacancy is identified, measured and politically responded to in Ireland.² Our research sought to build on the preliminary analysis of datasets, policies, and government documents, by interrogating peoples' experiences of identifying, measuring, and responding to vacancy in Irish cities. During this time, we conducted 21 interviews with people involved in different dimensions of responding to urban vacancy at the Local and National Government levels. These included planners, architects, elected officials, developers, construction businesses, activists, and representatives from approved housing bodies (AHBs). Due to the Covid-19 pandemic, most interviews took place virtually, although some interviews occurred in person in a socially distanced manner when restrictions and comfort permitted. Interviews were recorded, transcribed, coded and analysed.

By way of research parameters, we have sought to engage with vacancy in its multiple forms, while also taking participants' lead on what types of vacancy they focused on in their work. Wherever possible, we endeavoured to distinguish between different types of vacancy and build from the typology of urban vacancy outlined in our earlier policy report - for instance, large vacant sites on brownfield land and smaller vacant sites or properties requiring refurbishment and/or infill development. While the former are accommodated within the current planning and development model, the latter are more difficult to operationalise within existing frameworks. We also distinguish between short-term measures designed to bring vacant land and property quickly back into use and longer-term measures that seek to change the structural conditions under which vacancy is produced. Policies responding to vacancy operate at the intersection of these two timeframes, and policies to bring vacant land and property back into use tend to change quickly and often - the report is accurate up to the time of writing (June 2023), but we expect policy responses to vacancy will continue to change. Finally, it should be noted from the outset that vacancy as an issue is **not limited to housing** and that the complexities of the housing crisis far surpass any challenges related to housing vacancy. Tracking the success, or otherwise, of initiatives to bring vacant housing stock back into use is an important dimension of this report and a key policy challenge.

² Stokes & O'Callaghan (2021).

3 - Context



Figure 1 - *Rethinking Urban Vacancy* case study cities.

3. Context

When urban vacancy is viewed as a problem to be solved, there are a set of assumptions surrounding responsibility, capacity and approach. This section briefly contextualises urban vacancy in Ireland. We begin by outlining how vacancy can be understood within the country's urban planning and development system. We then introduce the particular circumstances surrounding vacancy in three cities: Dublin, Cork and Waterford.

Our first policy report highlighted the fragmented, partial and inconsistent characteristics of prevailing measures of urban vacancy in Ireland, which is reflected in the aim to establish robust, consistent, accurate and up-to-date data sets on vacancy in the Department of Housing, Local Government and Heritage's 'National Vacant Housing Reuse Strategy'.³ New datasets on vacancy align with our characterisation of vacancy as spatially and temporally variable. In figures 2 and 3 below, we use detailed data on residential vacancy, produced by the Revenue Commissioners in 2022, to highlight the varying levels of and reasons for vacancy in Ireland. Focusing on habitable dwellings (excluding dereliction), these figures document a self-reported national vacant homes rate of 3.2% as of 1st November 2021. Of these, 61% were reported as being vacant for < 12 months nationally. The most frequent specified reasons for vacancy were that properties were 'undergoing refurbishment' (22.2%), a 'holiday home' (20.4%), or 'for sale' (12.4%).

Revenue figures also suggest that the geographical variation in vacant properties is a challenge for implementing a standard taxation approach, with vacancy rates, the share of vacant properties, and reasons for vacancy significantly varying between different administrative counties (see below). Crucially, normal features of urban property markets (sales, turnover between lettings, refurbishments and probate) clearly contribute to variations in local and national vacancy rates. We accordingly begin by situating vacancy as a feature of Ireland's planning and development systems.

³ DHLGH (2018) *National Vacant Housing Reuse Strategy: 2018-2021*. Available online: <https://web.archive.org/web/20220504125759/https://assets.gov.ie/80520/32bab7d8-191f-4549-b133-f56b0ec039c4.pdf>; See also discussion of data in DHLGH (2023) *Vacant Homes Action Plan, 2023-2026*. Available online: <https://www.gov.ie/pdf/?file=https://assets.gov.ie/245844/d76f344f-64c3-4c97-9c4f-e4e52f8b4ade.pdf#page=null>.

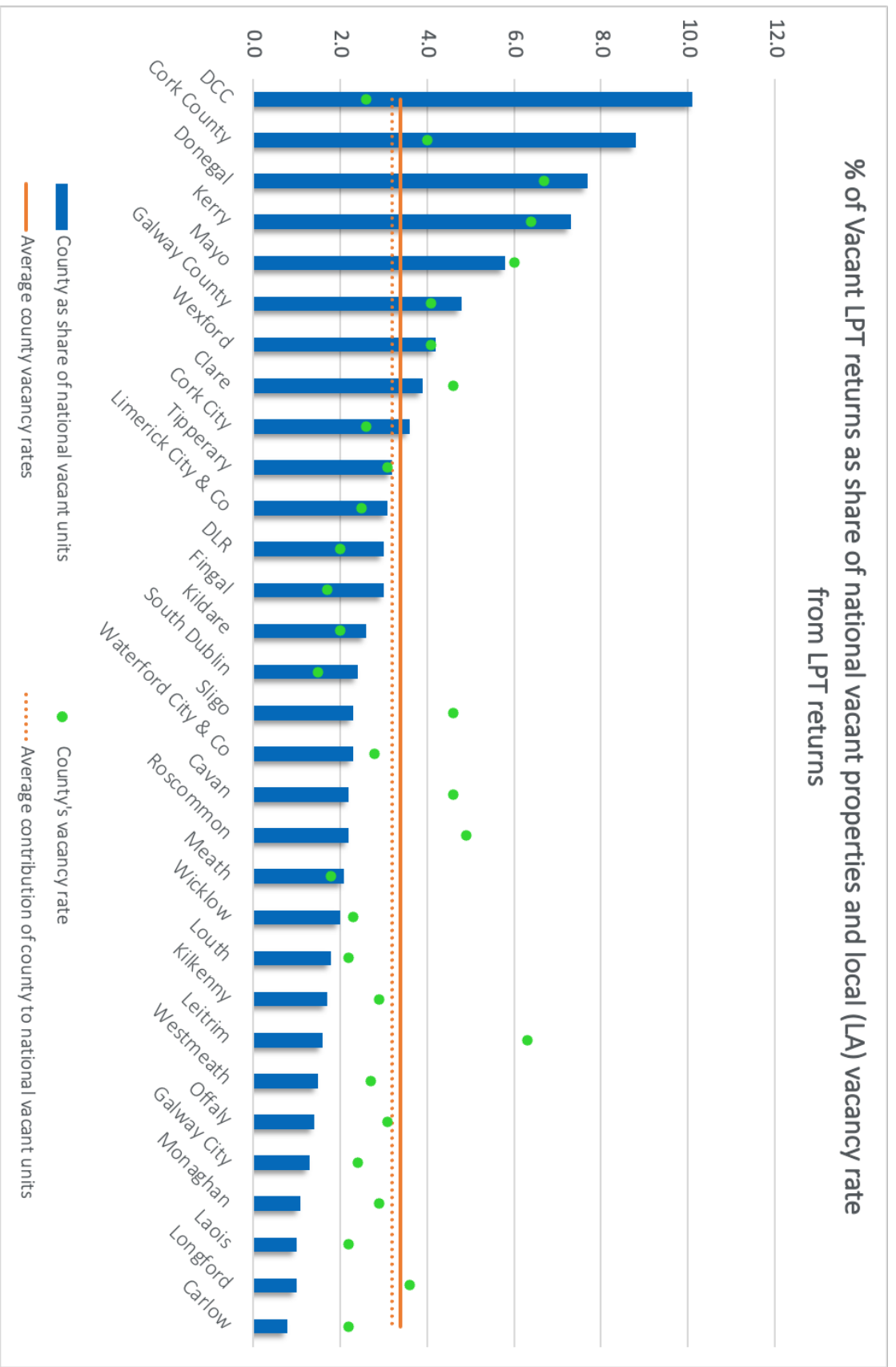


Figure 2 - 2022 vacancy rates by Local Authority as reported in Local Property Tax Returns filed with Revenue Commissioners.

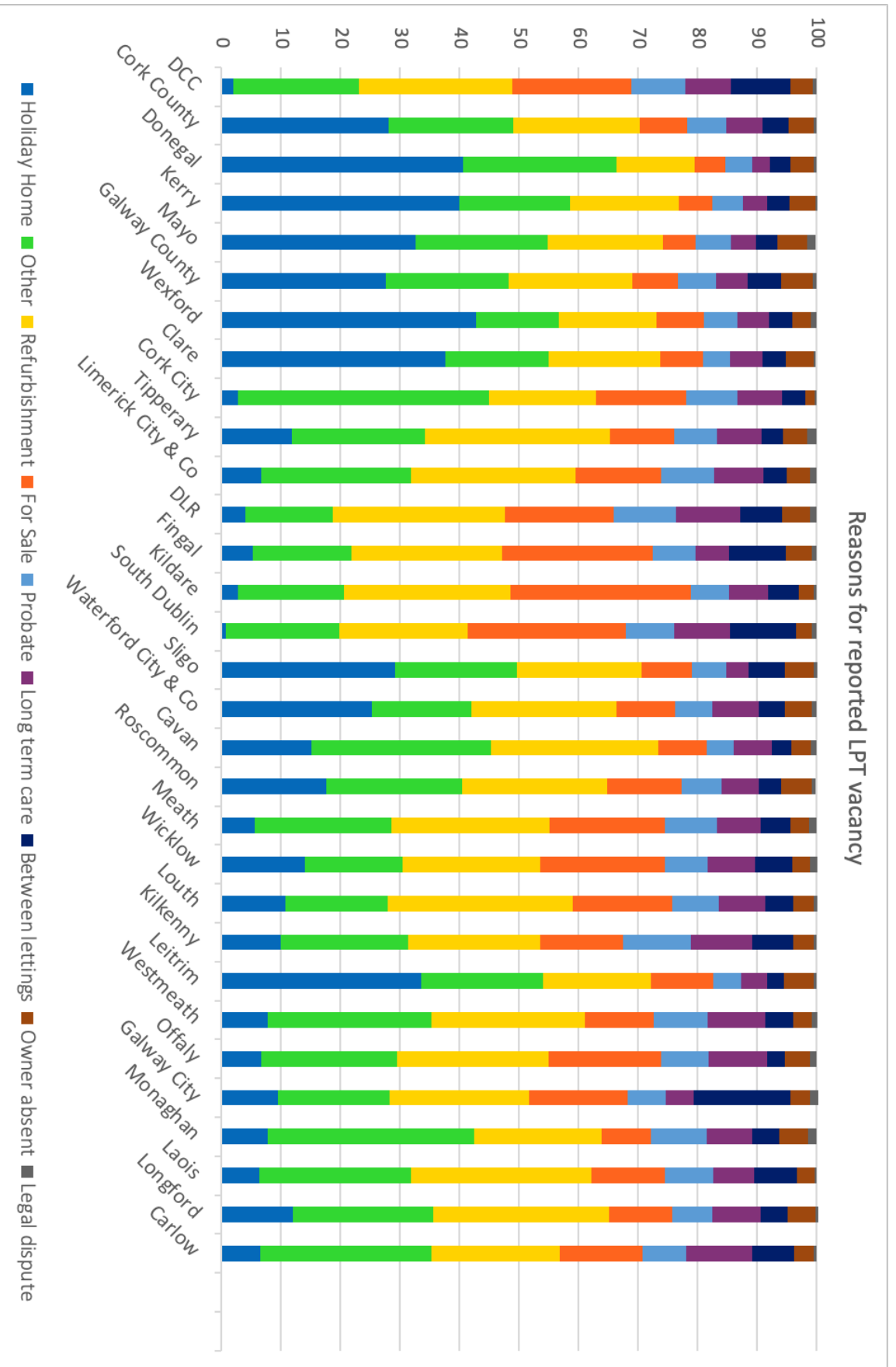


Figure 3 - 2022 reasons for vacancy by Local Authority as reported in Local Property Tax Returns filed with Revenue Commissioners.

3.1 Understanding vacancy within Ireland's planning and development system

In order to understand the factors contributing to urban vacancy, we must first understand how the wider planning and development context operates. Existing research has characterised Ireland as having a developer-led system that, while ostensibly undergirded by strong spatial planning frameworks, is defined by limited powers at Local Authority level and a lack of joined up planning across government scales.⁴ Planning and development systems in Ireland are highly centralised, with power and decision-making located in the Department of Housing, Local Government and Heritage (formerly Housing, Planning and Local Government). There has been some reform of planning and development systems since 2008, including a thickening of the role of Regional Authorities and more robust mechanisms to align planning and development objectives across scales. The launch of the Land Development Agency in 2018 and a renewed emphasis on infrastructural funding through the Irish Strategic Investment Fund are examples of new National Government interventions in priming land for property development. However, overall, the system remains heavily reliant on the private development sector. The period since 2016 has, moreover, seen a growing centralisation of powers, with amendments to the Planning and Development (Strategic Housing Development) Regulations (2017). In particular decision-making capacity was transferred away from local authorities and to the Department of Housing and An Bord Pleanála, before subsequently being transferred back to Local Authorities in 2021.⁵

Ireland's planning and development system has, as an unintended consequence of its focus on large-scale private-sector development, embedded a number of features that produce vacancy within the urban environment. Firstly, the system is geared toward larger sites, with less capacity to do infill/smaller developments. This can result in patchwork forms of urban vacancy and dereliction falling outside dominant policy frameworks and finance models for development. Secondly, a combination of selective area-based regeneration strategies, inconsistent delivery of infrastructural investment and tax incentive policies contribute to market speculation, in which landowners can 'sit' on a site or property with the anticipation that state investment, or future strategic planning and development incentives, may increase its value. Thus,

⁴ Lennon et al. (2018); Williams et al. (2010).

⁵ As set out in the General Scheme for the Planning and Development (Amendment) (LSRD) Bill 2021. See, Waldron (2019); Lennon & Waldron (2019).

while vacancy is often viewed as the **failure** of the planning and development system, it is more usefully viewed as the **outcome** of particular features of this system. Likewise, effective **responses** to vacancy should also be considered in relation to what is enabled or constrained by this system in geographically-specific contexts.

Policy has sought to address the challenge of vacancy at different junctures and in a variety of ways. In the immediate aftermath of the 2008 GFC, vacancy arose as a highly visible and public issue, produced by the collapse of the speculative apparatus of property development.⁶ The resolution of this vacancy in Celtic Tiger-era unfinished estates and commercial developments has varied by property type and location. Nevertheless, the visibility of post-crash vacancy also drew attention to other protracted forms of vacancy in urban areas, which highlighted the limitations of policy and legal frameworks designed to encourage redevelopment and reuse.⁷ As the crisis of housing oversupply stemming from the property crash has given way to a crisis of undersupply, residential vacancy has once again reemerged as a key area for policy intervention.

As a broad-brush summary, a given vacant site or building could be subject to a number of national legislation, policy and regulatory guidelines, which have changed in the period from 2018-21. These include the Derelict Sites Act (1990), Urban Regeneration and Housing Act (2015), and Planning and Development (Amendment) Act (2018), and the national housing plans, such as *Rebuilding Ireland* and *Housing for All*. These national guidelines generally assign Local Authorities responsibility for identifying vacant and derelict sites and properties, and implementing processes and mechanisms for encouraging their reuse. Presently, national policy and legislation has devised the following initiatives as responses to vacancy, with the state, usually via the Local Authority or Revenue Commissioners, either collecting money on the basis of vacancy or funding reuse (see table 1).

⁶ Kitchin et al. (2014).

⁷ Quinn (2013).

Collects	Funds		
Through Local Authorities	To Local Authorities	For property owners through Local Authorities	Other forms of funding
Vacant and Derelict Sites Levies	Buy and Renew Vacant Homes Officers CPOs Urban Regeneration and Development Fund (with partners) Rural Regeneration and Development Fund (with partners)	Vacant Property Refurbishment Grant Conservation Advice Grant Scheme for Vacant Traditional Farmhouses Repair and Lease Long-term Leasing Ready to Build Scheme Historic Towns Initiative Planning Permission Exemptions Built Heritage Investment Scheme Croí Cónaithe (Towns) Fund Historic Structures Fund	Better Energy Home Grants (via SEAI) Historic Buildings - Grants Scheme (via Dep. of Heritage) Historic Towns Initiative (Heritage Council & Dep. of Heritage) Heritage Council grants
Through Revenue Commissioners		For property owners through Revenue Commissioners	
Vacant Homes Tax		Historic Buildings tax relief (via Revenue) Living City tax incentive - for owner occupiers, rented residential (landlord), and commercial Fair Deal Scheme (via Revenue and HSE)	

Table 1 - Summary supports and levies/taxes that involve urban vacancy in Ireland.

Alongside these schemes, local government actors often undertake more negotiated forms of engagement with individual property owners and associated stakeholders to find ways of bringing vacant/derelict sites and properties back into use. This kind of engagement requires coordination across and between Local Authority departments, meaning Local Authorities will often have a variety of staff involved in advising on and engaging with vacant sites and properties as part of their wider work - including planners, conservation officers, lawyers, architects, housing officers and building surveyors/inspectors (figure 4). Local Authorities might also require in-sourced labour to carry out specialist technical work like property valuation or spatial data management.

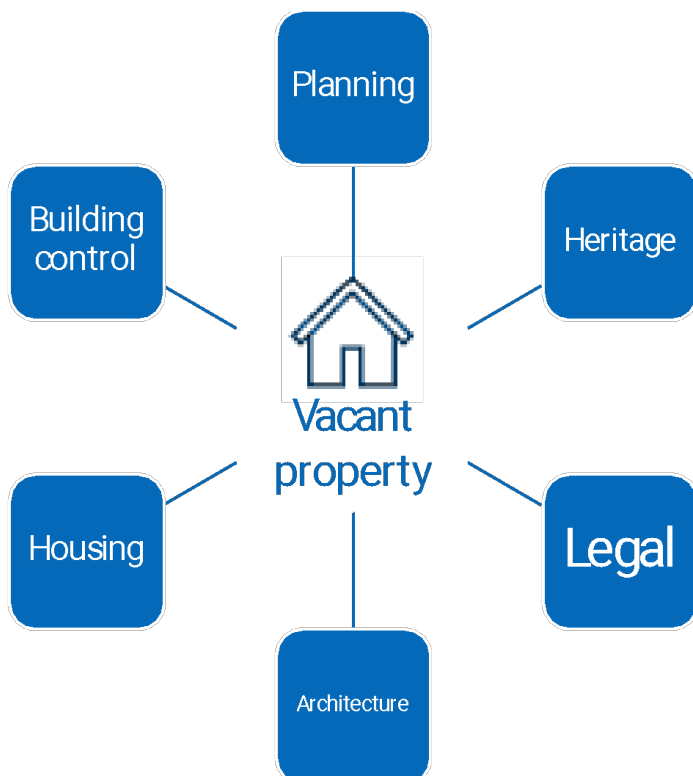


Figure 4 - Sections within Local Authority departments involved in vacant property management.

In figure 5 (below) we outline the various stages of work the Local Authority departments can undertake when dealing with vacant or derelict sites or property and their owners, and making use of the various schemes and measures listed above.

A key challenge in responding to vacancy is that each instance is potentially highly particular. There have been several attempts to group the reasons for vacancy into main categories, e.g., the reasons for housing vacancy reported for the 2022 Census or the Local Property Tax returns represented in figure 3 above. However, the factors influencing vacancy are dependent on structural conditions relating to urban property markets and policy regimes. Moreover, Ireland's centralised approach to policy-making can mean that initiatives are rolled out on a national level without taking sufficient account of localised factors. Despite this, every vacant site and property is produced through a set of particular dynamics, relationships and circumstances, which relate to its material quality and geographical location, specific actors' capacities and interests, alongside local property markets, planning regulations and development imperatives. Additionally, there can be a myriad of subjective factors influencing vacancy that are less easy to categorise. As such, the generic pathway for addressing vacancy outlined below must be grounded in context to be of any use.

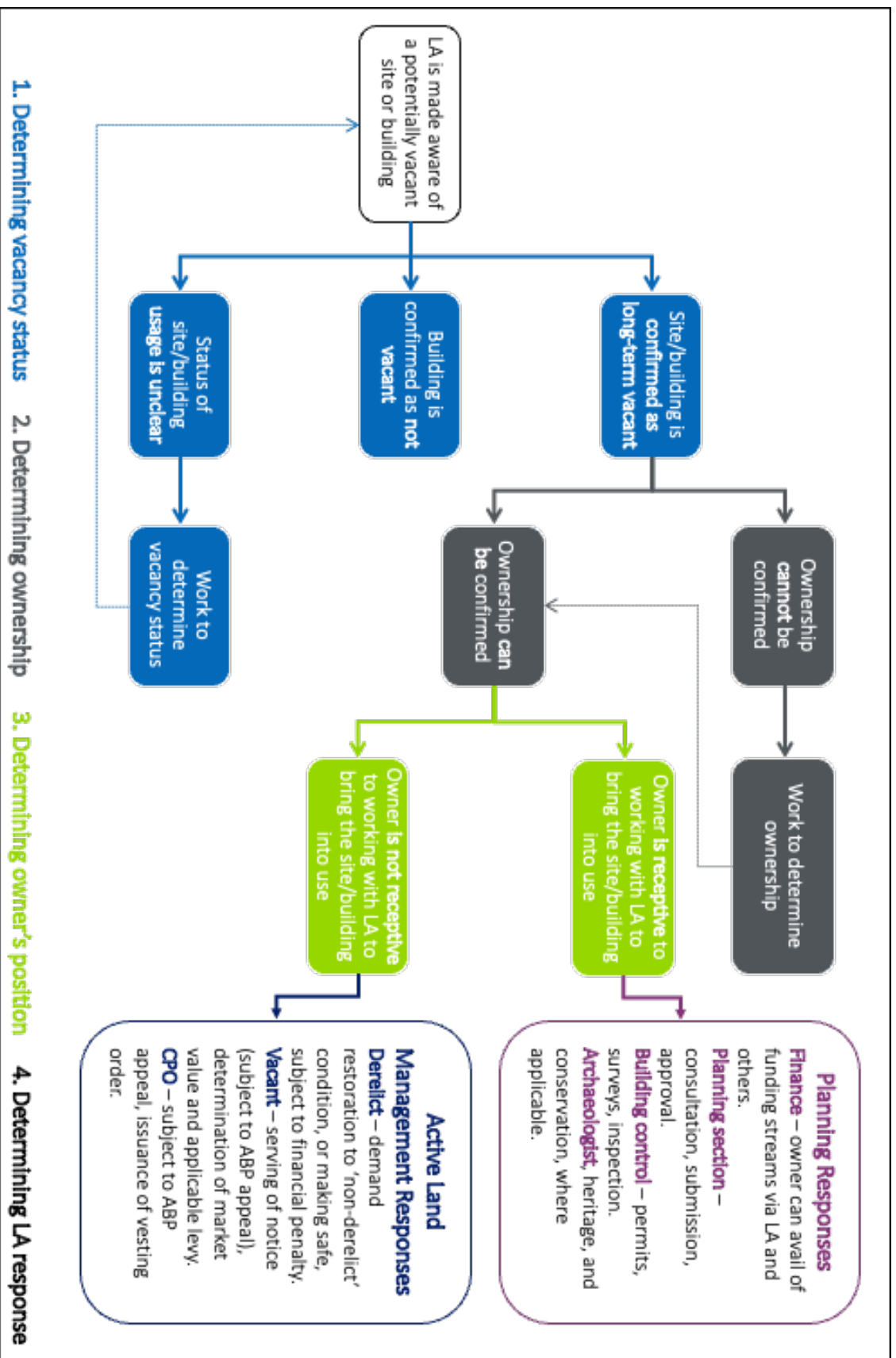


Figure 5 - idealised process of possible LA engagement with owners of vacant or derelict land/property for reuse.

3.2 Vacancy in context

While speaking to urban vacancy in Ireland generally, here we ground our analysis in the particular contexts of our case study cities: Dublin City, Cork, and Waterford.

	Dublin City Council (DCC)	Cork City Council (CCC)	Waterford City
Vacancy	Low vacancy rates – per Census 2022 figure, rate dropped to 6.96%	Low vacancy rates – per Census 2022 figure 5.4%, lower than DCC or Waterford	Lower than national vacancy rate, per Census 2022 figures (7.1% for Waterford City and County, compared to 7.85% nationally) but higher than DCC or CCC
Property market	Sharp slump following onset of GFC, but fast ‘recovery’ of property market, with sharply climbing commercial and residential property prices, as well as private rental sector rents. Above national average.	Sharp slump following onset of GFC, with slower ‘recovery’, slower rise of commercial and residential property prices, as well as rents. Comparable to national average.	More gradual downturn and uptick of property market pre and post-GFC. Property prices and rents remain below the national average.
Governance	One of four Local Authorities active in Co. Dublin.	LA is urban and peri-urban, with Cork County administrative area surrounding.	LA is urban and rural, with Waterford City and County being amalgamated in 2014.

Table 2 - Summary of vacancy, property market and governance in three Irish cities.

3.2.1 Dublin City

As the country’s political and economic capital, Dublin offers an example of a city that is simultaneously characterised by a ‘hot’ real estate market and noted problems of dereliction and vacancy.⁸ A policy emphasis on stimulating property market recovery after the crash, and temporary or alternative uses in the interim, has given way to a new wave of property development activity.⁹ While Co. Dublin and its four Local

⁸ O’Callaghan et al. (2018); Stokes & O’Callaghan (2021).

⁹ O’Callaghan & Lawton (2015).

Authorities¹⁰ have some of the lowest vacancy rates recorded in Census 2022¹¹ and LPT data (see Figure 2), public and media attention has frequently highlighted visibly derelict or vacant buildings as a frustrating feature of the city's urban landscape. Instead of being eliminated by market demand, vacancy and dereliction have become increasingly politicised causes for concern, particularly (but by no means exclusively) within the city centre. Many vacant properties and sites in Dublin are closely connected to the city's resurgent property market and processes of site assembly for property development. In recognition of this fact, as well as the Local Authority's limited resourcing, Dublin City Council has stated that they employ a selective and pragmatic approach to targeting vacant land and property for re-use that relies on assessments of where strategic need is highest, where live plans are not in existence, and where owners are most likely to engage.

In recent years, Dublin City Council has mainly looked to vacancy as an opportunity for increasing housing, undertaking a street survey in 2017 through the Dublin Housing Observatory¹² which led to acquiring a small number of properties for conversion to social housing use. Officials noted that vacancy is targeted as part of their strategic approach to active land management, operationalised through the Land Management Steering Group chaired by the Chief Executive.

3.2.2 Cork

Cork has had a delayed recovery of property market activity following the 2008 GFC, with Cork City seeing substantial redevelopment in recent years. However, public and media attention has highlighted an abundance of vacant and derelict sites and properties across the city.¹³ Public and private sector property development typically requires significant work to broker and mediate new investment in the city's built environment, which has traditionally been seen as secondary to Dublin as an investment centre. Since 2016, new development activity has expanded out from the city's eastern flank towards its extensive deindustrialised docklands. While a number

¹⁰ Greater Dublin is governed by four local authorities - Dublin City Council, South Dublin County Council, Dún Laoghaire–Rathdown County Council, and Fingal County Council. Each Local Authority has a named Vacant Homes Officer and keeps designated Vacant Sites and Derelict Sites Registers. Our research has focused specifically on Dublin City Council.

¹¹ Census of Population 2022 - Preliminary Results, <https://www.cso.ie/en/releasesandpublications/ep/p-cpr/censusofpopulation2022-preliminaryresults/housing/>; see also DHPLG (2023) 'Vacant Homes Action Plan, 2023-2026'. Accessed 6th March 2023, online at: <https://web.archive.org/web/20230130151356/https://www.gov.ie/pdf/?file=https://assets.gov.ie/245844/d76f344f-64c3-4c97-9c4f-e4e52f8b4ade.pdf>.

¹² <http://www.housingmodeldublin.ie/about/dublin-housing-observatory/>.

¹³ anois (2021)

of larger commercial developments have been delivered in the city, development actors have suggested that apartment developments are not financially viable at present (despite rents in Cork increasing by 81% since 2011).¹⁴ This has presented challenges in relation to housing supply. Simultaneously, the city centre retains pockets of small-scale vacancy and dereliction which require significant financial and architectural manoeuvring to develop (some factors are discussed in chapter four).

Cork City Council has several staff working directly on issues related to vacancy, particularly in relation to conservation, planning and urban development. The Local Authority has taken on ownership of particular properties in some instances, but renovations have been slow and costly in the best cases. Local Authority officials have also opted to encourage owners to address vacancy, or to sell on land/buildings. However, enforcing this can be complicated, particularly when properties are bound up in legacy debt, receivership, probate or other indeterminate legal status. Given Cork's high proportion of heritage or derelict buildings, there is a sense that land prices and financial capital make refurbishment or regeneration of vacant properties unviable, or too risky for most owners, investors and financiers. Here, smaller sites and historic buildings prove to be a bugbear, seen as more cost and trouble than currently available government supports and market incentives allow for.

3.2.3 Waterford

As a smaller city with a less active property development sector, Waterford faces a different set of challenges and opportunities. While Cork and Dublin have experienced high levels of population growth and accompanying demand within their land and property markets, Waterford's growth trajectory has been more subtle. Interviewees highlighted the movement of higher income residents out of the city to nearby seaside towns and villages. However, Waterford City has also undergone considerable transformations through area-based regeneration, which include the city's Cultural Quarter¹⁵ and Viking Triangle.¹⁶

Waterford City and County Council was amalgamated in 2014, meaning that the Local Authority has oversight of vacancy and dereliction across the entire county. In policy and local governance circles, Waterford has been recognised as a national leader for

¹⁴ RTB Rent Index, RIA02 Annual Average Monthly Rent Report, all bedrooms all property types, from 2011 to 2022, see <https://data.cso.ie/table/RIA02>.

¹⁵ <https://waterfordculturalquarter.ie/>.

¹⁶ <https://www.followthevikings.com/visit/waterford-triangle>.

its proactive efforts to bring urban vacant residential properties back into use for social housing, and particularly for its use of the Repair and Lease scheme (see section 4.2.4). Officials and developers alike have framed Waterford Council's active approach towards vacant housing as a necessity for the city, which they suggest will encourage complementary efforts by the private sector and property owners in the city.

3.3 Conclusion

This section has contextualised urban vacancy in relation to Ireland's planning and development system. It has also briefly introduced the context surrounding vacancy in Dublin, Cork, Waterford - the three cities which have informed this report. Having highlighted urban vacancy's embedded political and historical nature, as well as its contextual diversity and differences, the next section of the report attends to the primary challenges surrounding an effective response to urban vacancy in Ireland.

4 - Challenges

4. Challenges

Understanding urban vacancy as an outcome of the planning and development system allows for a more nuanced assessment of its presence and proliferation in Irish cities. In this section, we highlight three main areas within the planning and development system, and, relatedly, the property market, which complicate efforts to address urban vacancy. These are:

- Planning and regulation
- Finance and markets
- Governance

Within each of these areas, we identify and discuss a selection of key challenges and evaluate the responses that were in place at the time of research. We have aimed to structure our framing of challenges to accurately reflect the points made by different stakeholders, even when these contradict or oppose each other, rather than diagnosing a single set of factors which can be addressed through the same response in all cities.

4.1 Planning and regulation

According to the Office of the Planning Regulator, planning ‘enables us to make the best use of our resources and allows necessary and worthwhile development to go ahead. It also ensures that the environment and heritage of our towns, cities and countryside is protected’.¹⁷ In short, the individuals and institutions that make up Ireland’s planning system provide the framework for determining how space will be used, what kind of processes and permissions exist for different types of developments and ensuring fair processes for public input into planning decisions, as well as appeals. This report does not aim to set out the current planning system in Ireland.¹⁸ However, vacant sites and properties must be understood as being bound up

¹⁷ <https://web.archive.org/web/20230408100546/https://www.opr.ie/wp-content/uploads/2021/01/Planning-Leaflet-1-Introducing-the-Planning-System.pdf>.

¹⁸ A brief summary can be found on the website of the Office of the Planning Regulator at <https://web.archive.org/web/20230408100546/https://www.opr.ie/wp-content/uploads/2021/01/Planning-Leaflet-1-Introducing-the-Planning-System.pdf> and Citizens Information at https://web.archive.org/web/20221208083006/https://www.citizensinformationboard.ie/downloads/relate/Relate_August_2018.pdf.

in this system. Current planning and regulatory functions can be siloed or ill-equipped for the specific requirements of bringing vacant and derelict sites and properties back into use, in comparison with more straightforward approval and regulation of new building stock.

*I think the way we build buildings today is like we almost [should] have two systems but we don't have those systems, we just have systems for [one] modern way [of planning development]... **We only have one system and we kind of need two** [one for new-build and one for refurbishment and reuse]... (Local Government Official, 2021).*

Local government officials suggested that national oversight of legislation, regulation and best practice for vacancy was lacking or insufficiently integrated. This contributed to delays when trying to navigate distinct, and at times overlapping, regulations, standards and approval processes at the local level. It was also suggested that existing planning processes do not sufficiently distinguish between vacancy and dereliction. Furthermore, the urban policy frameworks and tax incentive schemes for development in Ireland have historically been focused on a developer-led approach to large new-build developments, which at the level of strategic spatial planning have also been prioritised in policy implementation and infrastructural funding.¹⁹

4.1.1 Fire, safety and access regulations

Regulations around fire, safety and access are critically important when bringing a vacant property back into use. Before a redevelopment or refurbishment can be approved, a property must comply with these regulations. All interviewees agreed that fire, safety and access standards need to be upheld, and that careful diligence is required to ensure that every building is safe. However, some participants noted that current Irish regulations are sometimes poorly-equipped to cover the particularities of existing building stock. For instance, older properties, which might be suitable for conversion into apartments, may be subject to significant insulation and spacing requirements.

¹⁹ See for example, Daly (2016); Lennon & Waldron (2019).

*I met the architect [involved in a particular development] and I was saying, **‘Well, under the bringing back homes thing, if you keep it as a single unit you won't have to worry about fire [standard upgrades], you won't have to worry about insulation for sound. You can just side-step a load of expenses and complications and also [any] impact to historic buildings if you just keep it as one [unit]’...** So now they have gone in for planning and they are splitting it up into two units. It means taking out the stairs, like it is a lot of work, you know, in terms of meeting fire regs and minimum spacing and all this stuff. **So I always like to say, ‘Oh don't be silly, fire [regulation] isn't as bad as you think it is.’ But in those tighter spaces it can be, because it might mean you have to move the stairs or do some pretty big work.** (Local Government Official, 2021).*

Here, **conflicts between building standards and perceptions of development ‘viability’ can often emerge.** Whereas refurbishments of vacant properties that retain the property’s original layout are more straightforward from a regulatory, planning and conservation point of view, property owners may decide to take on additional work to subdivide into additional units and, therefore, achieve a higher rate of financial return. Trade-offs between regulatory compliance and development viability were a persistent theme in our interviews. Many participants also suggested that the current building standards regulations in Ireland as stricter than elsewhere, or that the planning system lacked flexibility in dealing with the diversity of building stock.

*... the fire officer told me that **our regulations are much stricter than any other European country**, so the Danish and the Dutch are obviously using regulations that are more adaptable... (Planner, 2020).*

Whether this perception that greater flexibility exists abroad would hold up to detailed empirical investigation is unclear. However, across our interviews, stakeholders in various sectors expressed the view that working with older building stock requires a pragmatic, flexible approach, while also ensuring building safety. It was generally felt that fire, safety and access standards lacked flexibility in the Irish context.

The perceived inflexibility of these regulations may deter or delay property owners from beginning a refurbishment in the first instance. However, discovering these issues once an application has started can also lead to delays in development approval processes and substantial additional costs which may stall or halt efforts to 'rehabilitate' a vacant or derelict building. Property owners may be unevenly positioned to access finance to meet these costs (discussed in section 4.2). Some interviewees suggested that fire safety compliance could be better addressed through a case-by-case assessment, rather than a 'ticking off' of specific rules and requirements. Invariably, interviewees noted liability as a significant issue that could deter many from pursuing a more flexible approach to regulatory compliance. However, interviewees suggested that this could be mitigated by having closer dialogue between planners, architects and fire safety and access experts to work together to establish to consensus on optimal adaptations and standards when older vacant stock falls outside of the standard requirements.

4.1.2 Conservation

Protected structure status raises similar questions about the practicalities and financial burden of returning a vacant property to use. While heritage buildings are subject to additional funding streams, this status also confers additional requirements for planning permissions with the aim of conserving Ireland's built heritage for future generations. Many interviewees suggested that heritage status can create additional costs and onerous challenges for bringing buildings back into use, which may paradoxically contribute to heritage properties becoming or remaining vacant and falling into disrepair. In Irish cities, this has presented a conundrum where countless historic or significant buildings lie vacant or derelict in an otherwise heated property market.

*I mean the first and foremost thing in terms of conservation of buildings is a viable use. **So if your historic building is vacant there is something seriously going wrong there** and [the state] need[s] to act on it... (Architect/Researcher, 2020).*

These two dimensions are not mutually exclusive, however, and **protected status can be simultaneously an enabling and prohibitive feature for reuse, depending on a property's quality, condition and envisaged redevelopment use**. Owners of protected structures are legally required to ensure that buildings are not neglected

and do not fall into disrepair,²⁰ and multiple public funds are available to support owners with repair and conservation costs.²¹ Despite this, many interviewees raised protected status and conservation issues as a complicating factor in addressing vacancy.

Fundamentally, **protected status gives Local Authorities the right to require owners to protect and repair protected structures that are at risk.** This power is particularly useful and gives substantially more leverage for a Local Authority to intervene in specific properties. A process of dialogue around development can be initiated by owners or occupiers of a protected structure through what is termed a Section 57 Declaration, the submission of which requires the planning authority to declare the type of works that will, and will not, be exempted for the specific site or property. Additionally, protected status can serve as a justification for Local Authorities to prioritise a building or site's inclusion on derelict or vacant sites registers, which can legitimise more direct interventions, such as a compulsory purchase order (see section 4.3.4).

*... if a building is a protected structure normally - [and] if we feel it is endangered - it is almost like being on a vacant sites register. We are in there and we are going, 'This building is endangered. you need to do something about it before the bad things happen.' This is why buildings like [name of street], we don't have any leverage because they are not protected. They are historic and they are in an architectural conservation area but there is no legislative arm there for us to use. **So, it is only when the buildings are protected that we can [act]... And I think that works well...** Now it is very slow, but you just go through the enforcement process, issue letters and what we find usually is that the building is sold pretty quickly to someone who will take on the work. (Local Government Official, 2021).*

²⁰ Planning and Development Act (2000) Part IV, Chapter I, Protected Structures: <https://www.irishstatutebook.ie/eli/2000/act/30/section/51/enacted/en/html#partiv>.

²¹ For more information on the Historic Structures Fund, see: <https://web.archive.org/web/20230404123001/https://assets.gov.ie/239736/0315c71a-ff3b-4a29-b494-b4903d05b587.pdf>; Built Heritage Investment Scheme: <https://web.archive.org/web/20230523191533/https://www.gov.ie/en/circular/06391-circular-bhis-2301-built-heritage-investment-scheme-2023/>.

In cases like these, considerable efforts behind the scenes may take years before any visible transformation occurs. Alternatively, efforts may be stalled, if not halted, due to changes in the status of the property, such as the submission of planning applications. We discuss some of the approaches employed by Local Authorities, and challenges encountered, further in section 4.3.4.

For property owners, **regulatory barriers and hidden costs associated with bringing vacant (heritage) buildings back into use can be a significant barrier**. A property owner may have purchased or inherited a protected building with limited understanding of, or sensitivity to, the difficulties of working with conservation and the associated costs of (at minimum) maintaining or (more ambitiously) redeveloping a protected building. Any changes to a protected structure that might impact its character must first receive planning permission, and properties that have protected structure/listed building status, or are subject to an Architectural Conservation or Special Amenity Area Order, cannot be considered for the Section 5 exempted development that applies for works of a minor nature.

Additionally, when applying for planning permission, further information is often required to demonstrate the impact of any changes on the protected structure. These costs and regulatory barriers typically come to light only when an owner starts the process of bringing a vacant property back into use, and are inadequately captured within systems of property valuation. Although there are a number of state funding streams, and owners of protected or heritage buildings may be eligible to apply for grants for the conservation and repair of historic buildings (see table 1), interviewees noted that regulatory compliance and the cost of doing work on historic buildings could be significant barriers to reuse.

*...But if we look at our heritage **a lot of the vacant properties... are older properties and a lot of them are left empty in places because of the expense of bringing them back into use**. So we need to do this together, it is not just the planner. The planners can grant the planning permission and stuff but **if people own property and they can't afford to bring it back into use because there is X amount of protection orders on it and stuff, they are conversations that have to be had...** (Housing Researcher, 2020).*

Property owners are often unevenly positioned to secure financing for the mounting costs that can arise during a heritage refurbishment project. Crucially, this can impact whether, where and when vacant heritage buildings can be brought back into use, and also the costs to occupants (either as a homeowner, or as a commercial or residential tenant). Protected status accordingly raises an important question about balancing the protection of Ireland's built heritage with policy agendas for compact growth. If the requirements for protecting heritage are deemed to be overly prescriptive, costly or contrary to the contemporary needs of a community, protected status can unintentionally undermine the conservation of built heritage by leading to inertia and longer-term disinvestment, which the state has limited powers and capacity to address.

4.1.3 Zoning

Land use zoning determines how specific parcels of land can be used. While zoning provides different land use categories and corresponding objectives for development, land can also be zoned as mixed use, and this is a popular approach in urban areas where density and multiple uses are preferable.²² In Ireland, urban land use zoning is mapped out in local authorities' City Development Plans, which are published at six-year intervals. These plans must align with the National Planning Framework and associated regional strategies. When a site or property is applying for planning permission, it is generally expected to correspond to the existing land use zoning for the site in question. No public registers or measures specify the land use zoning for vacant sites and properties, beyond separating residential and commercial uses. This leaves **a significant gap in knowledge around what types of properties are vacant and what kinds of uses they are intended for.**

A site may have previously been zoned for industrial or mixed use, thereby adding additional challenges and uncertainty over any proposals for other alternative uses. It is possible to apply for land to be rezoned. However, there do not appear to be any specific pathways or considerations for long-term vacant or derelict sites and properties.²³ Even if such considerations were to be given, they would need to be attentive to the particularities of the site or property in question, the spatial needs and

²² For example, see Dublin City Council's zoning principles as set out in the 2022-2028 City Development Plan: <https://web.archive.org/web/20230523192529/https://www.dublincity.ie/residential/planning/strategic-planning/dublin-city-development-plan/development-plan-2022-2028/chapter-14-land-use-zoning-0>.

²³ Planning exemptions have been given until the end of 2025 to convert units over shops into residential use, which has been applied to previously vacant units, however vacancy was not a precondition.

planning objectives of the area and public views over local development and sense of place.

*So suddenly you are changing from a different type of assessment of how you develop or how you facilitate future developments **under a development plan or a land use plan, you start to get a lot more grainy** [i.e., allowing for more detailed planning and design measures across sites] (Local Government Official, 2021).*

Land rezoning is an important component of City Development Plans and a tool for active land management by coordinating activity between disparate sites. Because each site within the land use plan might be in individual ownership and subject to bespoke development ambitions (e.g. sale or redevelopment) and constraints (e.g. legacy debt associated with the land or heritage status associated with existing structures), the strategic planning context can positively or negatively influence redevelopment in the short or medium-term. The prospect of land rezoning, among other factors, can produce vacancy where a landowner is awaiting the confluence of favourable conditions to materialise before proceeding with development (see section 4.2.1 for further discussion), as rezoning can have a significant impact on a parcel of land's financial value.

These factors help account for some forms of short and medium-term vacancy in urban areas, as well as raising broader questions about how vacancy is produced within our current planning and development system, property market and approaches to valuation. For example, an urban site or property's value generally increases when rezoned for residential use, which raises questions over who should benefit from the increased tax for land values.²⁴

The question of value stemming from land rezoning also calls for consideration of the **hidden costs of bringing vacant properties on a vacant site back into use**. High land values have been a particularly challenging dimension of urban vacancy in Irish cities, as a rezoning or revaluation may increase the value of a parcel of land without factoring in the costs of maintaining, repairing or adapting vacant properties on it (which may or may not be subject to heritage/conservation limitations). In such cases,

²⁴ The General Scheme Land Value Sharing and Urban Development Zones Bill (2021) is designed to address this issue directly. See: <https://web.archive.org/web/20220706221811/https://assets.gov.ie/212112/317dd151-8881-476a-a7fb-dcdd3e08d116.pdf>.

there is a worry that the decoupling of land/property values and costs may discourage reuse in favour of 'cheaper' forms of demolition and redevelopment.

*Obviously, heritage and character and urban design and all those things are very, very different, you know, and that is part of the planning process. **But if you are actually valuing a site, the land use zoning has a huge element of power over** that in terms of the planning value of it. **There are constraints with the rest in terms of the heritage aspect of it, there is a huge cost... and the layers of bureaucracy** that are involved as well and we all know them. They just increase when you are dealing with an ACA [Architectural Conservation Area] and a protected structure etc... (Local Government Official, 2021).*

The land valuation system has created a contradictory situation where the speculative value of a site is factored into land valuation, but the cost of the maintenance or upgrading of existing structures is not. Measures introduced after we carried out interviews do go some way towards addressing some aspects of these issues, with the new Residential Zoned Land Tax²⁵ and Land Value Sharing Scheme²⁶ attempting to connect land value and zoning processes that respectively impact households and landowners of development land. Some interviewees suggested that there needs to be **a national conversation revisiting land values**, or some form of taxation that can account for increased value and see it reapplied in more equitable and productive ways.

²⁵ See <https://web.archive.org/web/20230323101504/https://www.revenue.ie/en/property/residential-zoned-land/index.aspx> - the tax, 3% of land market value for residentially zoned and serviced land, will be collected from 2024 on, although residential properties are excluded.

²⁶ Under the Scheme, local authorities are set to 'share' up to 30% of the value of the 'uplift' following residential zoning (i.e. up to 30% of the difference between pre-zoning 'current use value' and post-zoning 'market value'), through either payment, land transfer, or development of infrastructure. Importantly, 'sharing' of value is focused on connecting development to the provision of infrastructure and is also subject to on-going 'detailed economic appraisal' (p.22) on the proportion of value to be shared on different types of land, with brownfield, greenfield, and locational factors being suggested as relevant - this will likely impact 'value sharing' liability on vacant sites, see <https://web.archive.org/web/20220706080120/https://www.gov.ie/en/publication/3cb33-general-scheme-land-value-sharing-and-urban-development-zones-bill-2021/>.

*That possibly runs the gauntlet of trampling on Irish toes of property ownership but I do... think because our country is not that highly densely occupied... you can't just keep spreading out and spreading out and spreading out because **we need to better understand intelligent land use. And therefore the buildings that do exist should be used sufficiently for society to be able to request the use of them and the most intelligent use of them...** (Housing Researcher, 2020).*

While these suggestions do not reflect the views of all interviewees, they do highlight the inherent tension between planning and market dynamics which can produce and prolong urban vacancy. In the next section, we look more closely at the market dimensions impacting vacancy in Irish cities.

4.2 Finance and Markets

Political and market dynamics are entangled, and urban vacancy no exception. It is also bound up in a city's wider political economy²⁷, and can be better understood through critical review of entrenched assumptions about property, investment and value. This section focuses on some of the economic and financial factors that produce vacancy in Irish cities. Below, we interrogate three features of property markets which inform and underpin vacancy in Irish cities, and assess recent state approaches to financial intervention.

4.2.1 Land value

Vacant sites and properties are subject to land use zoning regulations (see section 4.1.3), which inform what is permissible on a given site. Zoning impacts how land is financially valued. While the previous section considered this from a planning and regulation perspective, it is equally important to question the role that market land values play in the perpetuation of urban vacancy across Irish cities.

To understand this, we start by recognising that land values are a significant component of most property prices, and that urban land values have risen significantly in recent years, partly driven by speculative urban development,

²⁷ See O'Callaghan & Di Felicianantonio (2021).

regeneration and property regimes.²⁸ Land value accordingly impacts what types of development are occurring. Importantly, land prices can significantly vary due to a variety of factors, such as location or contamination, and an expectation that land values will continue to rise can create a widening gap between the current and expected value of a parcel of land. While high land values are, for some, an indication of a strong urban property market, they also present challenges.

Most prominently, high land values in the private market inform **development viability** calculations (along with finance, construction, and other costs), and can create financial constraints on the end use (and price) of developed properties.²⁹ Land value is just one of the costs related to development, but it plays a significant structuring role in determining what does (or does not) get built. In other words, where land values are high, development actors have argued that certain types of housing units or development plot ratios are not financially viable.

Secondly, beyond impacting what is currently being built, land value impacts **the timing of future development**. Development actors often weigh up present conditions against the future likelihood of new policies, revision to planning requirements/processes, incentives or further uplift in the market which may create more profitable opportunities. For example, development interests might engage in speculative landownership and site assembly practices that leave vacancy in the short-term in order to undertake a larger, higher value redevelopment in the future. Developers may also wait for a rise in property values and rents to make redevelopment viable, whereas land owners might be awaiting an uplift in land values before selling a site. Development interests may likewise seek to delay the redevelopment of vacant land and property in order to push for favourable changes to planning regulations or construction incentives.

Development actors can and do lobby for a reduction in taxes, the introduction of incentives, state subsidisation of climbing house prices/rents or more favourable planning policies to achieve viability. Market factors, such as construction costs, land costs or finance costs, are, in contrast, viewed as fixed, even though these costs also influence development viability.³⁰ As a result, land and property may be kept vacant while development actors wait for a more favourable confluence of conditions or an opportunity for further financial value to emerge.

²⁸ See Sweeney (2022).

²⁹ Sweeney (2022); Waldron (2019).

³⁰ Waldron (2019); see also Sweeney (2022).

*... I think **there is a lot of work to be done in terms of actually valuing a site and the hidden costs essentially that are tied into dealing with the building on it.** And yet from a land use point of view, if it is a town centre or city centre zoning, you know, that **cost isn't... decoupled from the building, and often the building can be a minus aspect of the overall costing on it in terms of realising regeneration on it.** It is not seen like that, most definitely not [by development actors]... (Local Government Official, 2021).*

Land values are, thus, first determined by what market-based opportunities are possible for an individual site, and then shaped by the coalescing policy and market factors of a specific geographical location. This means that urban policy frameworks might be standardised across Irish cities, but their impact on land value and development potential will differ within and across each city. With this dynamic in mind, high land values do not necessarily result in more vacancy, but they can prohibit certain responses and limit the agency of some types of actors who might otherwise engage with vacant sites and properties. Importantly, **the predominant role of land value in the calculation of market value** can make the cost of acquiring a vacant site or property financially prohibitive *prior to* factoring in the costs and regulatory requirements associated with bringing vacant land or buildings back into use.

For Local Authorities, land value can be an onerous component of site or building acquisition, even through a Compulsory Purchase Order (CPO), which we discuss in detail in Section 4.3.4. Local Authorities are often left weighing up pressing needs like the provision of social housing against the 'value for money' of acquiring vacant properties, the market value of which is disconnected from the potential costs associated with making the property usable. Some interviewees suggested looking at ways of taking control of vacant sites and properties without purchasing the underlying land, while others argued for a more systematic review of land values and valuation processes in Ireland generally. However, such interventions would have significant implications for Ireland's wider property markets, which interviewees believed political and financial leaders would be hesitant in pursuing.

As a result, land value and its connection to the property market reinforces a transactional or exchange-focused framing of land and property whilst hiding other costs of refurbishment and the practical possibility of maximising the common good. An important starting point within this existing legal framework is a need for more coherent consideration of understandings of market value that account for the costs

and responsibilities associated with property ownership and maintenance. This includes rehabilitation/construction costs and financial investment, which are discussed below.

4.2.2 Construction costs

Public debate around vacancy often paints vacant homes as being idle and immediately ready to become 'somebody's home'. However, most vacant properties are not suitable for 'turn-key' occupation and need some degree of repair or refurbishment. Regulatory constraints and ensuing, often specialist, construction costs can significantly add to the cost of bringing vacant or derelict buildings back into use.

Interviewees in Local Authorities and Approved Housing Bodies (AHBs) noted their **extreme caution in deciding which projects to take on for reuse as social housing**, with a general preference for acquiring properties that require as little additional work as possible.³¹ Moreover, taking on too many vacant sites and properties is a financial risk, as the costs of renovation and construction can be difficult to confirm prior to acquisition and there is currently no obligation for the prior owners to contribute to such costs when a property is compulsorily purchased by the state. When vacant properties are being acquired by Local Authorities, AHBs, or household investors, the lack of transparency regarding structural conditions and regulatory constraints on reuse also creates challenges and uncertainties.

In other countries (e.g. France), detailed structural records of a property are provided as part of any sale process. The system underpinning property valuation in Ireland, therefore, offers less up-front transparency for both buyers and financial institutions underwriting the purchase. This can result in an **informational asymmetry** which distorts calculation of a 'market value' for land or buildings. This is reflected in the fact that Irish banks will generally not provide mortgage credit for households looking to purchase a derelict property. Overall, this lack of transparency makes taking on the refurbishment of a vacant property a financial risk. There is an argument for greater transparency as a legal requirement of sale for buyers and sellers, as well as a standardised record of property transactions for both residential (currently captured in

³¹ AHBs are not-for-profit housing providers who offer affordable rental housing. While AHBs also include housing co-operatives, the majority and largest AHBs typically work in partnership with Local Authorities to provide social housing, and account for about a third of social housing units in Ireland as of 2022. The six largest AHBs (Clúid Housing, Circle Voluntary Housing, Co-operative Housing Ireland, Oaklee Housing, Respond and Tuath Housing) collaborate as the national Housing Alliance, and account two-thirds of total AHB housing stock in Ireland.

the Property Price Register) and commercial property (a gap in current data), which the new state agency *Tailte Éireann* may be particularly well positioned to address.

*... a concern or a fear or maybe a barrier to tackling vacancy... [is] the **perception that the costs are hard to predict, can be hard to control** and therefore the Local Authorities [will] get stiffed on the cost at the end of it. They would have that fear... (Government Official, Department of Housing, 2021).*

Relatedly, 'market value' compensation for a CPO or public purchase of a vacant or derelict property could be reviewed to take into account **residual land valuation**, which proceeds with the understanding that 'the value of a property with development potential is derived from the value of the property after development *minus* the cost of undertaking that development, which includes the developer's profit'.³² This could potentially mean finding ways of reassessing property valuations to mitigate against – or possibly even underwrite – the construction costs associated with bringing a property back into use. However, given the prevailing developer-led character of the Irish planning and development system, the nature and scope of development finance acts as a significant factor influencing what does and does not get built, and we address this point in the next section.

4.2.3 Financial investment

If, as discussed above, the cost of land is a factor in development viability, so too is the **form of finance and its associated demands on scale of investment and rate of return**. Several interviewees pointed to the significantly altered financial and banking landscape following the GFC. Pillar Irish banks may have remained solvent, but have largely stopped providing development finance post-2008. Meanwhile, the operations of NAMA in disposing of its loan book resulted in the effective transfer of substantial swathes of property and development land to a set of large, often international or global institutional, financial actors, particularly in larger urban areas.³³

³² Royal Institute of Chartered Surveyors (2022) *International Valuation Standards*, 31st January 2022. See: https://web.archive.org/web/20230523200517/https://www.rics.org/content/dam/ricsglobal/documents/standards/ivsc_effective_31_jan_2022.pdf.

³³ Byrne (2016a); Byrne (2016b).

The combination of new international development actors/landowners and an anaemic national banking sector resulted in a shift from debt-to-equity finance in development.³⁴ National banks tend to offer finance at more affordable levels (typically <10%) on a site-by-site basis, and debt is generally a less costly form of raising capital, with interest being tax deductible.³⁵ However, post-GFC, Irish banks have generally sought to curtail their exposure to property development and have avoided involvement in pre-planning or developments requiring funding for site acquisition. Meanwhile, a growing sector of 'alternative lenders' have actively targeted the Irish residential market, and build-to-rent apartment schemes in particular, by offering higher margin loans (typically 10-15%) through mezzanine (hybrid debt and equity) or unitranche (combining multiple loans with an average debt cost) financing. Further, these schemes may include site acquisition costs (which banks typically will not cover).³⁶

Property developers have been pushed to provide a higher rate of return on investment and to seek alternative, often international, backers to finance development. **The shift to equity finance has implications for this development model in terms of rate of return, length of investment, and scale of investment.** In absolute terms, the rate of return demanded by equity finance is typically higher than previous models of debt finance, and takes an ownership stake in development over a medium- to long-term. This finance model favours larger developments (those of significant enough scale to be attractive to international finance) and particular end uses (e.g. build-to-rent apartment schemes, purpose built student accommodation, or 'Grade A' commercial office space) that offer high rental yields, as well as being legible to an international investor/shareholder audience.³⁷

In terms of vacancy, this shift in the temporality of return combined with the high costs of site/land acquisition can create **a tendency for current use to be deferred in the anticipation of a higher future exchange value.** As a result, a developer may logically defer commencing permitted construction with the expectation that either a) the anticipated units will produce a higher profit/yield if brought to market under future conditions of higher property prices/rents, or b) that the site/land could be sold

³⁴ For an overview of these changes see O'Callaghan & McGuirk, (2021); Hearne (2017); see also Sweeney (2022).

³⁵ As outlined in the DHPLG's (2018) *Review of Delivery Costs and Viability for Affordable Residential Developments*; See also the introduction of a new interest limitation rule that caps tax deductible interest at 30% of EBITDA, but does not apply when doing large scale developments or student housing, see <https://web.archive.org/web/20230523201013/https://www.revenue.ie/en/companies-and-charities/anti-beps-measures/interest-limitation-rule.aspx>.

³⁶ See Levy (2019).

³⁷ See Halbert & Rouanet (2014); Goulding et al. (2023).

on for a higher value, covering the costs of initial financing and generating a profit without carrying out development. Furthermore, because equity finance tends to operate internationally, its investments are targeted in areas where the urban economy and property market can deliver the expected rate of return and are of sufficient scale to make managing investments economical. Thus, what gets built under this financial model is geographically variable in a country like Ireland, where there are significant differences in scale between and within urban areas.

If the dominance of equity finance has led to particular types of developments, **the absence of widespread debt finance has left gaps in the financial model**. Smaller-scale infill developments of vacant spaces are more suited to bank-based debt finance, as they are too small to attract equity finance. Some interviewees noted that the only way to achieve development viability on moderate sized sites in central urban areas is through demolition of existing structures and reconstruction at higher densities. Within the context of aforementioned overlaps between vacancy and heritage status, and wider land use goals and public realm priorities, development viability comes into conflict with both sustainability and urban design objectives which prioritise the reuse of existing vacant buildings. Some interviewees further noted that these tensions can be exacerbated in cases where legacy debt relating to land purchase is involved.

While the current finance model creates barriers, recognising and working on the current gaps may offer another mechanism to steer the redevelopment of vacant properties. Several interviewees suggested that **financial support for lower return property was lacking within the Irish private sector**. This gap is a much wider challenge for any type of development or housing provision in Ireland, but it has significant implications for addressing vacancy in Irish cities. To start, it is important to consider who should be responsible for ensuring finances are available for the maintenance, reuse or redevelopment of vacant sites and properties, and what sorts of ownership or equity expectations and arrangements should be attached to such investments.

Government funding streams (discussed in the next section) provide mechanisms for the state to acquire vacant properties, but they do not provide solutions for either the refurbishment of vacant properties in individual household ownership or for vacant properties stagnating within the development pipeline. Interviewees from the private sector suggested that this was a space where the state and public institutions with the ability to borrow capital could finance projects that were deemed insufficiently profitable for the private sector.

So maybe there is a pot of money for restoration [of vacant properties] that could be made available at ECB rates which are 0% or minus rates [at the time of research]. Why don't [name of third level institution] borrow 200 million to buy all these various buildings? They [could] borrow it at 0.25%. Why don't the council go to the government, or the government go to Europe, and buy a pot of this money and for renovation and restoration work this money is available... raising money to do these things for people... (Financial Intermediary Property Development Sector, 2021).

4.2.4 Public incentives

The Irish government has largely framed vacancy as a housing issue and created several financial incentives to encourage its reuse and development for social housing (see section 3.1). Under current programmes, capital investment is available for social housing construction to Approved Housing Bodies (AHBs) and Local Authorities, which can be applied to vacant sites and properties.

At the time of research, the Irish government had been running two dedicated funds to support the renovation and reuse of vacant homes as social housing: 'Repair and Lease' and 'Buy and Renew'. Where government policy is, firstly, concerned with delivering social housing units and, secondly, with meeting specific targets under particular categories, these schemes are interpreted and adapted to local policy objectives and conditions by Local Authorities. Alongside these schemes, a number of other financial incentives were available for the renovation of historical or heritage buildings more generally, which could be applied to vacant and derelict homes.³⁸ Since the time of research, several other programmes have been introduced, including the Urban/Rural Regeneration and Development Funds and the Croí Cónaithe Towns Fund, but here we focus on 'Repair and Lease' and 'Buy and Renew' and their outcomes to date. These schemes were generally welcomed by interviewees but had varying levels of uptake across the three cities we studied and nationally.

The **Repair and Lease (RLS)** scheme started in 2017 and provides interest-free loans for repair costs required to bring a vacant property back into use up to the value of €80,000. In exchange, the property owner must lease the property to the Local

³⁸ See Stokes & O'Callaghan (2021), and table 1.

Authority for social housing for at least 5 years.³⁹ This is seen to benefit local authorities by increasing social housing stock while benefiting property owners with subsidised costs for repairs along with guaranteed rental income on the property, the lease and management of which is handled by the Local Authority. In addition to private landlords, AHBs have made use of this scheme to increase their social housing stock by acquiring properties which range from individual dwellings to larger properties converted for social housing.

The Q2 2022 *Housing for All Progress Report* noted that 279 units had been delivered through the RLS scheme from 2017 to end of 2021.⁴⁰ While RLS does appear to have added units of social housing stock, there have been challenges to its roll out and uptake. Firstly, awareness of and engagement with RLS varies. For instance, one interviewee working for an AHB described how they had had to inform certain Local Authorities of the scheme. In contrast, Waterford City and County Council has instigated a disproportionately high number of RLS arrangements, which added 142

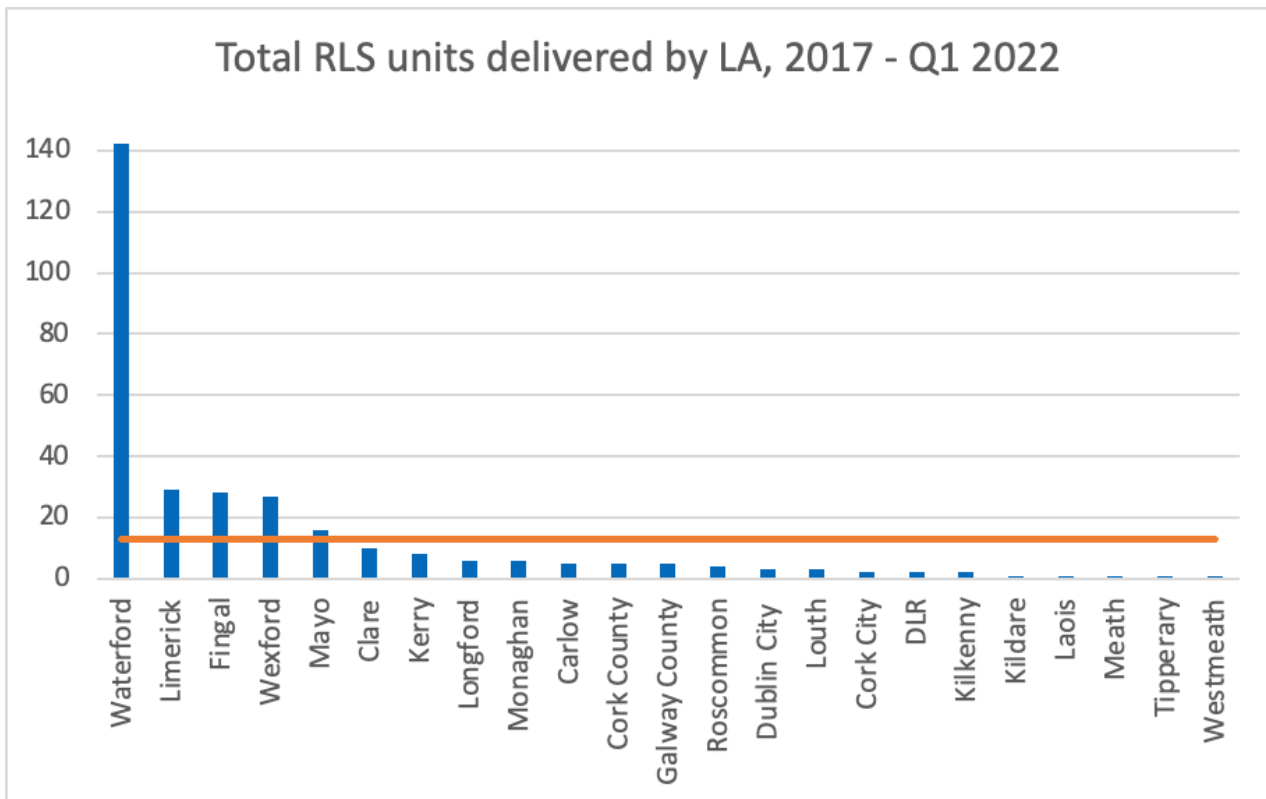


Figure 6 - Units delivered under the Repair and Lease Scheme by Local Authorities from 2017 to Q1 2022. Note orange bar is the average for all LAs delivering units through the scheme (13).

³⁹ See <https://web.archive.org/web/20230406181208/https://www.gov.ie/en/publication/d32c4-repair-and-leasing-scheme-rls-further-information/>.

⁴⁰ Department of Housing, *Q2 2022 Progress Report*, p. 56. Available online: <https://web.archive.org/web/20220912082554/https://www.gov.ie/en/publication/03335-housing-for-all-q2-2022-progress-report/>.

units to the city's social housing stock by (see figure 6, and section 5.3 for further discussion).

Secondly, the initial maximum value of the loan was €40,000, which increased to €60,000 (including VAT) in 2022, and increased again to €80,000 (including VAT) in 2023. While this financial incentive is substantial, interviewees reported that it was insufficient for covering costs, which remain prohibitive for those with limited available funds.

*...it still boils down to the fact that they [Department of Housing] are not looking to really move beyond an incentive-based approach and they are not willing to improve for example the Repair and Lease to make it actually financially viable for projects. Like €40,000 including VAT to do up a property that mightn't have been renovated since the 1970s isn't viable⁴¹... So the **thresholds that they set aren't viable and that is a big reason as well that that that particular scheme hasn't worked**, and why a lot of people then just end up selling it as a building through Buy and Renew, which is another good outcome. But **I think you could see more buildings being brought back into use through Repair and Lease if there was greater amounts of money set aside to reflect the cost of construction works...** (Senior Housing Charity Officer, 2020).*

Additionally, **providing interest free loans for repayment through social rent was not without contestation**. According to one interviewee, the programme had to be carefully devised so as to comply with EU state aid regulations (Planner, 2020). Furthermore, minimum five-year commitments to social housing do raise questions around what happens after this period lapses. The initial investment is regained through loan repayment but reinforces Ireland's current approach to social housing where payment is made without creating housing units that are retained as public housing stock.⁴²

⁴¹ As noted in-text, the maximum loan value under RLS increased in 2022, and again in 2023.

⁴² See Adams et al. (2022); Byrne & Norris (2018); see also Parliamentary Budget Office (2022) Housing Ireland: Trends in Spending and Output of Social Housing, 2001-2020 (https://web.archive.org/web/20221103184113/https://data.oireachtas.ie/ie/oireachtas/parliamentaryBudgetOffice/2022/2022-03-02_housing-ireland-trends-in-spending-and-outputs-of-social-and-state-supported-housing-2001-2020_en.pdf).

This scheme might be used to provide social housing in the short term, but **owners are under no obligation to continue renting their properties to the Local Authority once the agreed timeframe has passed**. Determining whether extending this arrangement will impact uptake depends on the broader question of rental prices, and the impact that such schemes have on and in local property markets. Accordingly, properties that are currently being used as social housing will not necessarily continue as social housing beyond the required timeframe specified in RLS agreements, which can vary from 5 to 25 years.

If implemented on a widespread scale, RLS essentially commits state actors to **a long-term subsidy model**, with the state subsidising the cost of repairs (up to €80,000) and rent (guaranteed for the term at either 80 or 92% of market value, minus the cost of works over time) **without actually taking on ownership of the building** as a long-term asset. For some interviewees, this arrangement provided a protection against the long-term financial exposure of local authorities.

When we get the accommodation for 25 years in some ways it is better that we don't have the option to buy in the 25 years, we mightn't want it in 25 years. It might be a liability in 25 years (Local Government Official, 2021).

However, other interviewees were more sceptical about the scheme's benefits within a context of still rising asset prices. If social housing continues to be provided through the government paying market rates for private rentals, it is important to consider **how these costs compare to government construction, ownership and maintenance of social housing over the same timeframe**. This is particularly important given the pent-up demand that is currently unmet within the social housing system, with the PBO's 2022 report on 'Trends in Spending and Outputs of Social and State Supported Housing' estimating that there are upwards of 260,000 people (including children) who are eligible for, but not yet in receipt of, long-term social housing.⁴³

⁴³ See, for example, Parliamentary Budget Office (2022) Housing Ireland: Trends in Spending and Output of Social Housing, 2001-2020 (https://web.archive.org/web/20221103184113/https://data.oireachtas.ie/ie/oireachtas/parliamentaryBudgetOffice/2022/2022-03-02_housing-ireland-trends-in-spending-and-outputs-of-social-and-state-supported-housing-2001-2020_en.pdf).

Meanwhile, the **Buy and Renew (B&R)** scheme provides financial support for Local Authorities for the purchase and renovation of vacant properties for social housing.⁴⁴ In contrast to RLS, **B&R invests directly in social housing stock within Local Authority or AHB ownership**. Funding can be drawn from the general Social Housing Investment Programme (SHIP) fund to support purchases made in agreement with property owners or for properties acquired by CPO, and our interviewees suggested that there was some scope in terms of classifying properties as subject to B&R construction or acquisition, as described below.

*...So as a general rule of thumb what [the Department of Housing] are saying to [local authorities] is if something is in the suburbs it is not Buy & Renew construction. And **if it is town centre it can be more likely to be Buy & Renew construction. But you can do the other stuff on the edge of town as Buy & Renew acquisition...** (Department of Housing Government Official, 2021).*

Overall, the programme was viewed by government actors as straightforward and a clear win for securing vacant housing at market rate. The Q2 2022 *Housing for All* Progress Report notes that the scheme has nationally delivered ‘around 750 units’ from 2016 to 2021, funded through the general Social Housing Investment Programme (SHIP) fund.⁴⁵ One challenge surrounding B&R appears to be understanding the extent to which repair and construction can be covered by the scheme. When more substantial work is required, governmental pressure for reporting home construction and ‘new builds’ means that some B&R schemes may be reported as new construction, even when they are rebuilding a vacant property. In this sense, interviewees suggested that B&R reporting may be an under-estimate.

⁴⁴ See Vacant Homes report on launching of Buy & Renew Scheme (<https://web.archive.org/web/20220626163042/https://vacanthomes.ie/buy-renew-scheme-aims-to-support-local-authorities-and-approved-housing-bodies-to-purchase-and-renew-housing-units/>).

⁴⁵ In the years 2016-2018 inclusive, circa 400 B&R units were delivered. In the years 2019-2021 inclusive, circa 330 units were delivered. So far in 2022, circa 30 units have been acquired by local authorities. Q2 2022 *Housing for All* Progress Report, p. 55 (<https://web.archive.org/web/20220912082554/https://www.gov.ie/en/publication/03335-housing-for-all-q2-2022-progress-report/>).

*If the value of the work is actually similar to getting near to a point where you are effectively going in and starting with the fabric of the building and doing a huge amount of work to create units and it is costing you a few €100,000 **they [Department of Housing] want you to call it a construction project.** And for us [AHBs] on a practical level we are not too hung up as long as we get our money to do the projects. **But they are sort of skewing the figures because it is not a traditional construction project in that it is a brownfield or greenfield site; it is an existing building and it is a reuse.** But to then say it is a Buy and Renew, **they are narrowing the parameters time and time again so that they are limiting the returns on that scheme because they are pushing it into the construction projects...** (Senior Housing Charity Officer, 2020).*

Lack of clarity over parameters – what types of properties and repairs are eligible – seems to have created confusion and competing political imperatives (as well as changing methods of counting social housing units), which may misrepresent how widespread the programme has been.

*Unfortunately what I would say more generally is first of all **we don't have good data... on it... The Buy & Renew, it is a questionable number.** The line I hear back an awful lot from Local Authorities is they would do way more than this if it wasn't so resource intensive... (Department of Housing Government Official, 2021).*

In summary, there are **limitations to the configuration of both private and public finance** currently available for the reuse of vacant land and property. Access to finance is unevenly distributed and there are specific constraints over its use. Private finance can be secured if a vacant site or property can be adapted or redeveloped to ensure high profit returns, but this often relies on a model that incentivises particular locations or higher density developments that are often unworkable on smaller or infill sites. There is evidently **a gap in finance provision** between high-yield private finance that targets specific locations and types of development, risk-averse national bank lending, and social housing-specific public subsidies. It is timely to explore whether and how other private, public or civic financial institutions could be compelled to

specifically lend or subsidise projects to bring vacant sites and properties back into use for other uses, and where value is not solely measured by profit.

It is likewise important to reflect on the long-term implications of public financial incentives, and what associated resources and capacities are needed within government to accelerate not only acquisitions but also the renovation and reuse of properties. If substantial public capital is being used to create social housing, it should be important to ensure that such units are available for public benefit in the long term. In the following section, we reflect on challenges surrounding government capacity in greater detail.

4.3 Governance

This final section outlines some of the **governance obstacles** currently shaping vacancy and associated political responses. Governance challenges include both the operationalisation of policy levers and to the wider governance arrangements underpinning the relationships between state agencies, private sector actors and communities.

Encouraging and enforcing use is a particularly challenging question for Local Authorities, who are responsible for monitoring and collecting levies associated with vacant and derelict sites.⁴⁶ Local Authorities have taken on independent efforts to identify vacant dwellings that could be easily converted into social housing.⁴⁷ In these instances, the majority of identified vacant properties fell outside this remit (see section 5.1 below). Meanwhile, National Government has created several funds that Local Authorities, property owners and AHBs can use to renovate and convert vacant units to housing (see table 1 and section 3.1).

Reviewing the current policy landscape and assessing the effectiveness of different schemes raises a series of questions around governance, authority, and capacity. Within the pro-development model, cost is often a defining factor in decision-making. Who should be responsible for covering the cost of bringing a site or property back into use? Or, in contexts when demolition is deemed more cost effective and logistically straightforward than renovation or repair, how can the latter be incentivised?

⁴⁶ See Stokes & O'Callaghan (2021). The distinction between vacancy and dereliction is poorly defined. Legally, a vacant site must exceed 0.05 hectares in area to be added to the Vacant Sites Register.

⁴⁷ Ibid, pp. 22-28, and also appendix 1 summary table of vacancy measures for Dublin.

Protecting vacant structures and bringing them back into use, particularly when this is a more costly choice, is hard to encourage without clearly defined roles and responsibilities, legal obligations and sustainable financial support. Presently, private investors are often less inclined to protect structures unless there is a clear planning requirement ensuring that they must do so. If, as some commentators have argued, there should be a shift in policy approach to value, protect and refurbish existing buildings on heritage and sustainability grounds, we must ask questions about how governance structures could be put in place to make this shift.

The state's role in covering the cost of construction or refurbishment for vacant sites and properties raises questions of **value, use and ownership**. In private property development, the shift toward equity investment has been accompanied by a shift in the time-horizon of investor value, with a move from the repayment of a loan to financial investment creating an ownership stake in the development. It is striking that state investment often involves a comparable or greater level of investment with an often limited expectation of ownership or, indeed, 'return' on investment.

Greater state involvement and investment in the material costs of addressing urban vacancy would need to be matched with additional state capacity and accelerated planning and property acquisition powers (whether purchase, leasehold rights or extended rental) for taking over vacant properties or benefiting from public investment. This would, furthermore, have implications for property markets, land values and development practices, which need to be considered in relation to proposed policy changes.

Unlike the previous sections, the challenges outlined here are not specific to vacancy. Instead, these challenges preempt broader questions about urban governance, the role of the state and constitutional rights within Ireland more generally. We cannot offer simple, or clear-cut 'solutions' to these undoubtedly complex challenges, apart from the recommendation that political issues should be addressed publicly and through democratic consultation. Nevertheless, if urban vacancy is deemed to be a problem of sufficient scale, and the status quo is deemed to be an untenable situation, then it is imperative that we make bold interventions that not only make short-term impacts but change prevailing trends in structural ways.

4.3.1 Governance challenges within local authorities

Addressing vacancy is primarily seen as a responsibility of Local Authorities, though Ireland’s three Regional Assemblies have also referenced vacancy and dereliction within wider spatial and economic strategies.⁴⁸ For the purposes of understanding day-to-day governance within Local Authorities, we note that Ireland presently has 31 Local Authorities, of which three are city councils (Cork, Dublin and Galway) and two are City and County Councils (Limerick and Waterford).⁴⁹ Within each Local Authority, several directorates and departments will be involved in identifying, managing and responding to vacant sites and properties. While job roles can differ between Local Authorities, they will generally include an array of local governmental and political actors, as illustrated in figure 7 below.



Figure 7 - Visual of the departments and branches within a Local Authority that commonly interact on urban vacancy.

⁴⁸ For example, in the North and Western Regional Assembly’s (2022) ‘Regional Vacancy and Dereliction Analysis’, see: <https://web.archive.org/web/20220630105531/https://www.nwra.ie/wp-content/uploads/2022/01/regional-vacancy-and-dereliction-analysis-17012022.pdf>.

⁴⁹ While it is beyond the scope of this report to define what constitutes rural and urban Ireland, we also note that a number of County Councils have jurisdiction over metropolitan urban areas.

Currently, **there is no single department or administrative unit that is equipped to oversee the measurement of and policy responses to vacancy**. As discussed below, governance structures within Local Authorities make collaboration across administrative units an ongoing challenge, reflecting the complexity of vacancy and capacity issues. Gaps in communication and silos appear, both across local and National Government, and within departments and teams at each scale of government.

Because we are not talking to each other. It is a really old thing that I find surprising and really frustrating but I need to sit down with the finance department, I need to sit down with local property tax, I need to sit down with rates, I need to sit down with fire. You know, I need to sit down with architects, engineers... I discuss a lot of this stuff with [name of colleague] all the time so when you are sitting around a table and you are looking the guy square in the face, or the woman, you know, saying, local property tax is actually a major hindrance to this property, if we remove it it could actually unstick [barriers to reuse], this is your responsibility here [it is effective]. (Local Government Official, 2021).

As of February 2023, contact information for a designated **Vacant Homes Officer** (VHO) had been made available for all of Ireland's 31 Local Authorities.⁵⁰ Following government commitment to increase funding to make the VHO role a full-time position, the Q2 2022 *Housing for All* Progress Report noted that 17 of these VHO positions were on a full-time basis (with the remaining Local Authorities to transition to full-time position) and that a VHO Network had been established with its first meeting in May 2022.⁵¹ Despite commitment to formalising the VHO role, media reports have highlighted the extent to which Local Authorities have failed to collect vacant or derelict sites levies, despite having numerous properties on their registers.⁵²

⁵⁰ Contact information retrieved from: <https://vacanthomes.ie/officers/> [10th February 2023].

⁵¹ Q2 2022 *Housing for All* Progress Report, Available: <https://web.archive.org/web/20220912082554/https://www.gov.ie/en/publication/03335-housing-for-all-q2-2022-progress-report/>.

⁵² See, for example, Ó Líatháin (2022).

Funding for Vacant Homes Officer positions was increased from €50,000 to €60,000 from mid-2022.⁵³ In addition to this central funding, National Government has created the above-mentioned financial incentives (B&R and RLS, amongst others) which Local Authorities can either avail of directly or support property owners to apply for. More generally, officials in the Department of Housing noted that wider capital investment funds could be requested for the purchase, repair or reuse of vacant sites or properties for social housing purposes, while additional national funding sources could be leveraged for a wider range of properties that were of protected status or within strategic regeneration areas (see table 1, p. 15).

If National Government is expecting such efforts to be within the purview of Local Authorities, local capacity to implement policy may need to be assessed and improved to identify how and why Local Authorities have struggled to operationalise existing policies like the Vacant Sites Levy. Improving government responses to vacancy could mean auditing existing staff skills, knowledge and expertise to ensure that the particularities of vacancy can be addressed across legal, planning, conservation, architecture, construction, procurement, finance and any other relevant areas in each Local Authority.

4.3.2 Multilevel governance challenges

Once requisite skills and knowledge have been assessed, the next question is to ask where such capabilities are best situated, either alongside or perhaps beyond the state. **Intra- and inter-governmental relations and authority were recurrent challenges** raised by multiple interviewees. Many different levels of government, departments, and para-governmental actors are involved in or have some influence over vacancy and current responses (see inset below). There is no one central body that coordinates between the activities of these bodies.

In line with the experience within Local Authorities, **different spheres of government do not always communicate in the most effective ways**. Similarly, national policy and planning frameworks for addressing vacancy were viewed by interviewees as, at times, insufficiently detailed to provide those responsible with workable policy levers to achieve desired outcomes. As with local governments, finding ways to ensure relevant actors are in communication and able to efficiently and effectively cooperate and

⁵³ Peter Burke, Minister of State at the Department of Housing, Local Government and Heritage, Parliamentary Questions Written Answer to Questions 186 and 207, Thursday 3rd March 2022, see: <https://web.archive.org/web/20230523210115/https://www.oireachtas.ie/en/debates/question/2022-03-03/186/>.

collaborate is a recurring issue in addressing vacancy and other types of urban policy challenges.⁵⁴

Rethinking government authority and capacity might mean considering how else government could be enabled to address vacancy more efficiently, on a wider scale.

The case could be made that National Government agencies might be better placed for supporting certain efforts, or even to take on certain activities and oversights.

For instance, one interviewee suggested that recovering vacant and derelict sites levies would be much more easily accomplished by the Revenue Commissioners than Local Authorities. The move toward general Vacant Homes Tax collection is a step in this direction.

Conversely, other functions could be more suitably achieved under the remit of Local Authorities - the transfer of oversight for large-scale Strategic Housing Developments away from *An Bord Pleanála* and back to Local Authorities as Large-Scale Residential Developments is an example of this type of shift. However, some interviewees also noted that **Local Authorities lacked sufficient capacity and power to implement national level policy**, and were also seen as lacking sufficient policy levers.

National governmental and public actors with oversight for vacancy

- The **Department of Housing, Planning, and Local Government** has primary oversight of vacancy, particularly in relation to housing, urban regeneration, and development.
- The **Department of Rural and Community Development** has engaged with aspects of vacancy in Irish towns and villages.
- The **Department of Public Expenditure, NDP Delivery and Reform**, oversees public expenditure, national strategies (including Project Ireland 2040), and the National Development Plan, thereby determining national capital priorities for development, spatial planning and infrastructural projects, including development on vacant sites and property.
- The **Department of Finance** recently sought to collect data (through self-reporting) on vacant housing with a view to introducing a vacant homes tax, currently scheduled to be introduced as part of the 2022 budget.
- The **Heritage Council's Collaborative Town Centre Health Check** has devised an innovative method for identifying and addressing vacancy in Irish town centres.

⁵⁴ See Scott & Gong (2021).

- Agencies like **Ordnance Survey Ireland (OSI)** and the **Central Statistics Office (CSO)** have been involved in efforts to identify, measure, and classify vacancy.
- The **National Asset Management Agency (NAMA)** has been a substantial actor in taking on all development loans with a value over €5 million from the five pillar Irish banks following the GFC, and subsequently repackaging and reselling these loans and associated properties/land. This transfer of ownership has had implications for the availability of vacant development land in major cities. In addition, NAMA has had involvement in the Social Housing Leasing Initiative, whereby vacant housing on unfinished estates has been leased to local authorities on long-term contracts.
- The **Office of the Revenue Commissioners** have oversight on taxation relevant to vacancy and dereliction, including collection of the Vacant Homes Tax and applications for exemptions.
- The **Housing Agency** provides knowledge and expertise to support the delivery of affordable housing in Ireland and has published several research reports related to vacant buildings and properties.
- The **Housing Finance Agency** provides loan finance to support the development of social housing and associated projects, which local authorities, voluntary housing bodies and higher education institutions (HEIs) could avail of to bring vacant and derelict sites and properties back into use.
- The **Office of Government Procurement** sets frameworks and procedures for public procurement for goods and services, including tendering processes, with a view to ensuring value for money for government expenditure. These frameworks and procedures directly inform what tendering processes, contracts and suppliers can be applied to government-led construction, development and other activities aimed at bringing vacant sites and property back into use.
- Information on vacant sites and property ownership may be available through the **Property Registration Authority (PRA)**, while the **Valuation Office** compile information on valuation of commercial and industrial properties (including those that are vacant), which it provides to ratepayers and rating authorities. Under the *Tailte Éireann Act (2022)*, the PRA, Valuation Office and OSI have been dissolved, and the functions of those bodies, along with the functions of the Commissioner of Valuation and the Boundary Surveyor, have been transferred to the newly-established independent state Agency, **Tailte Éireann**.^a
- Other government departments or agencies might be owners of vacant sites or properties or take on the development of vacant and derelict sites, for example the Health Service Executive.^b

a - See *Tailte Éireann Act (2022)*, <https://www.irishstatutebook.ie/eli/2022/act/50/enacted/en/pdf>.

b - e.g see March 2022 details of the HSE's ownership of 'vacant, derelict, or otherwise unused properties'.

So, the **local knowledge is very rich** at a site level that can really benefit the process. It is just, I would say, **the [planning and policy] tools are missing to... apply that knowledge and try and tackle it [vacancy]**. That is the difficult bit... (Local Government Official, 2021).

Additionally, several interviewees suggested that **information flow** between government bodies and the wider public needed to be improved. Challenges surrounding information were seemingly two-fold. First, existing programmes and schemes seeking to address vacancy have been insufficiently advertised to relevant Local Authority officials, as well as property owners and the wider public. Information sharing needs to go beyond awareness raising within government and include more detailed understanding of how to implement schemes in practice. Secondly, wider public awareness of existing efforts and policy responses was also deemed important for advancing public debate and participation in collective responses to vacancy. Importantly, public criticism of vacancy and dereliction often does not account for existing governance responses to vacancy, or take into account when and why sites become vacant/derelict.

Ultimately, **devising and promoting effective responses to urban vacancy must be prefaced by more nuanced information about vacancy**. A singular statistic like an area's vacancy rate tells nothing of the material condition, location, ownership and circumstances of vacant properties. The gaps in data around vacancy have been highlighted in our previous project report⁵⁵ and successive Government reports under the *Housing for All* programme.⁵⁶ Gaining a more nuanced view of the different types of urban vacancy is necessary, but not sufficient. More detailed and dynamic information is needed for Local Authorities and the public alike to start rethinking urban vacancy as a diverse set of spaces, processes, and politics that need to be addressed, rather than a set of distinct data points to be analysed or a simple problem to be 'solved'.

There is a task, therefore, to improve state capabilities by better understanding the relationships and flow of information between different government bodies and

⁵⁵ See Stokes & O'Callaghan (2021), which outlines existing measures and data, and offers a provisional typology for understanding vacancy in Dublin.

⁵⁶ For example, the emphasis on the Department of Finance's collection of LPT data on vacancy under Pathway 4 of HfA, and the emphasis on the need to 'establish robust, accurate, consistent and up-to-date data sets on vacancy' in 2018-2021 National Vacant Housing Reuse Strategy. See: <https://web.archive.org/web/20230523212914/https://www.gov.ie/pdf/?file=https://assets.gov.ie/197161/c8410c74-95ce-40fb-aba7-90643385be87.pdf#page=null>; <https://assets.gov.ie/80520/32bab7d8-191f-4549-b133-f56b0ec039c4.pdf>.

between government and the wider public. Mapping this information and its flows can help to determine where power and capacity is best located for different policy objectives and ensure that, when responsibility is conferred to a particular government body, that it is adequately resourced to fulfil these obligations.

4.3.3 Levies and taxation

Taxation is commonly promoted as an effective way for the state to discourage vacancy, but **the impact of financial penalties for vacancy and dereliction in Ireland has been limited to date, and subject to considerable debate**. Local Authorities are responsible for maintaining separate vacant and derelict sites registers, and have the authority to collect annual levies until a site is removed from the register.⁵⁷ The process of administering the Vacant Site Levy is outlined in figure 8. Owners of sites on the Vacant Sites Register or the Derelict Sites Register are liable to pay a levy proportionate to the site’s market value annually, with levies currently being charged at 7% for vacant sites and/or 3% for derelict sites, although a higher levy can be charged subject to Ministerial approval.⁵⁸ Both registers can be understood as supporting urban regeneration and planning and development objectives in Irish cities.

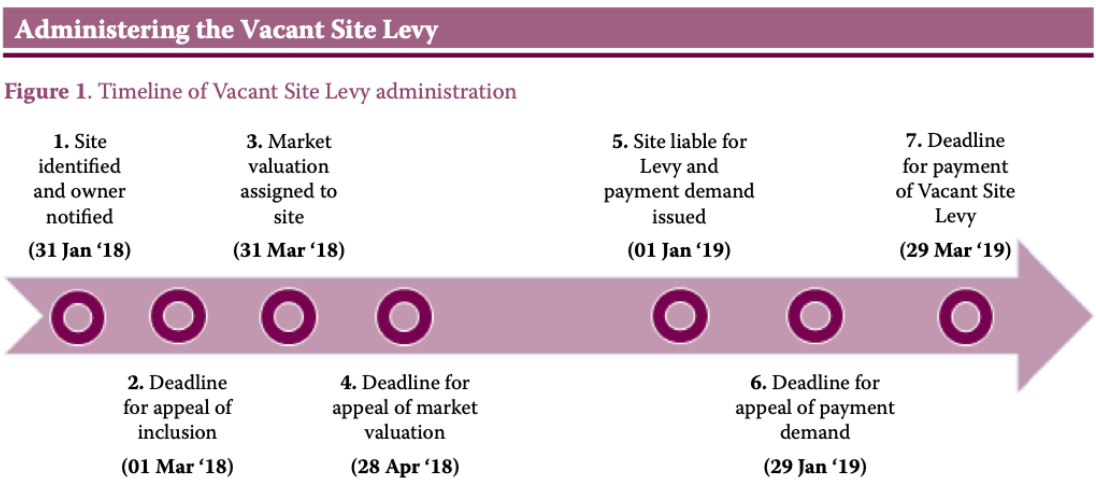


Figure 1. Timeline of Vacant Site Levy administration

Figure 8 - Parliamentary Budget Office figure on Vacant Site Levy timeline from 'Challenges in implementing and administering the Vacant Site Levy', PBO Publication 29 of 2020, p. 3. https://data.oireachtas.ie/ie/oireachtas/parliamentaryBudgetOffice/2020/2020-05-21_challenges-in-implementing-and-administering-the-vacant-site-levy_en.pdf

⁵⁷ For more information, see Stokes & O’Callaghan (2021).

⁵⁸ See: https://web.archive.org/web/20230319063705/https://www.citizensinformation.ie/en/environment/buildings_and_structures/derelict_sites.html

When conceived, the Vacant Sites Levy sought to respond to developmental challenges specific to Dublin, a city that had undergone extensive redevelopment but still retained large pockets of vacant development land in the urban core due to the stalled property market, land hoarding and speculation. However, the policy was significantly watered-down when applied nationwide in 2017. For instance, minimum size requirements and specific conditions must be fulfilled to be included on a register, which are often at odds with the nature of vacancy in Irish towns.

... like vacant site levy is all sites over 0.5 hectares, that is huge, you are talking cities there, you are not talking sites really in rural Ireland. Maybe a site that was a ghost estate, you may have been talking about those but there is no policy there to tackle rural vacancy and there is no real policy there to tackle urban vacancy... (Housing Researcher, 2020).

In essence, vacant and derelict sites registers are only a partial list of all vacant and derelict sites and properties in a given jurisdiction. Interviewees noted that the Derelict Sites Register and accompanying powers fulfilled a limited, but clearly defined, function. In contrast, operationalising the Vacant Sites Levy has proven to be a more beleaguered process. While Local Authorities have the right to impose levies, recent media reports have suggested that many have failed to do so.⁵⁹ Furthermore, the standardised approach to the Vacant Land Levy has also diluted its impact in urban areas.

Responses from different interviewees suggested that Local Authorities' practice of applying and collecting levies was significantly curtailed for several reasons. For one, it was noted that owners frequently appealed a levy or inclusion on a register by careful navigation of the multiple exemptions and loopholes allowed for under the legislation. Prior to 2018, land that owners had leased to others for non-residential purposes (e.g. farming, storage) was exempt from inclusion on the register, and owners of vacant sites which had an outstanding loan or mortgage that exceeded its market valuation could apply for the levy to be reduced or exempted.⁶⁰ News media reports document cases where site owners successfully appealed payment of a

⁵⁹ See, for example, Ó Liatháin (2022); McCárthaigh (2020).

⁶⁰ DHPLG circular letter PL 06/2018 confirmed the 'closure' of these loopholes, see: <https://www.gov.ie/pdf/?file=https://assets.gov.ie/125936/39088e06-1318-450c-9f05-370a65dc683b.pdf#page=null>.

Vacant Site Levy by asserting a lack of suitability for housing prior to development,⁶¹ and usages including 'truck loading and gear storage'⁶² and 'prayer and exercise'.⁶³

Thus, the work required to determine whether a site is, and continues to be, vacant in advance of issuing a levy has proven to be a challenge for Local Authorities, particularly given the **time, labour and administrative processes and case-by-case nature of work involved**. It was also suggested that levies **did not necessarily impact on or deter larger institutional property owners**, who were more likely to pursue strategic land hoarding, which contributes to higher levels of intentional vacancy. Such actors were seen to have more resources at their disposal, which could be deployed to either defer, delay or avoid payment of the levy or to absorb the levy as an operating cost on the basis that land values or rents were rising faster than the penalties applied, with the deliberate delaying of development being a strategic decision. Nevertheless, Local Authorities are being encouraged to expand and improve registers and proactively pursue levies amidst current legislative obligations and public pressure.

There was little consensus, however, over whether raising the rate of the levy or creating separate taxation categories would help. An increased levy may have a more significant effect on the profits of larger land and property owners. However, an increased levy may also result in owners of smaller sites or those without additional capital, such as those who may have inherited a site, being unable to pay and thereby incurring additional charges. An unintended consequence could be that such sites are then sold on to larger institutional actors, better able to swallow the cost of the levy, who would further consolidate their influence over urban land markets.

In addition to the current levies, and despite their challenges and limitations, calls for a 'vacant home tax' came to the fore in recent years. These calls reflect the public attention and policy focus on housing vacancy which has been advanced since 2016. Some interviewees framed this in terms of a frustration with the limits of the current Vacant Site Levy, and suggested that some form of taxation should be applied to all homes which are uninhabited or long-term vacant. While many interviewees welcomed aspects of a Vacant Homes Tax policy - and particularly the commitment for this to be collected by the Revenue Commissioners - the extent of exemptions under and self-reported nature of Vacant Homes Tax policy were noted.

⁶¹ McCárthaigh (2021), p.2.

⁶² McCárthaigh (2021), p.2.

⁶³ McCárthaigh (2019), p. 3.

Since our interviews were conducted, the Department of Finance has introduced a **Vacant Homes Tax**, which came into effect at the beginning of 2023. The Minister for Finance announced the introduction of a Vacant Homes Tax (VHT) in his budget statement in September 2022, which would be implemented in the 2022 Finance Bill with the stated aim ‘to increase the supply of homes for rent or purchase to meet demand’ by applying a tax at the rate of three times the basic Local Property Tax (LPT) ties where a dwelling was self-reported/assessed as occupied for less than 30 days in a 12-month period.⁶⁴ The LPT, which varies depending on the range or band of a property’s value, is self-reported to and collected by the Revenue Commissioners. The VHT is subject to a number of exemptions, and the higher tax will not apply to derelict homes or properties unsuitable for use as a dwelling, properties that are either recently sold or listed for sale or rent, properties that are vacant due to occupier illness or long-term care or properties that are vacant due to significant refurbishment work, with the property owner self-reporting whether one or more of these grounds for exemption apply.⁶⁵ More recently it has been reported that Revenue will ask Local Authorities to identify properties eligible for the tax, in excess of those self-reported.⁶⁶ Accordingly, while the VHT will potentially increase the LPT cost paid by owners of vacant properties, the system relies on self-assessment of ‘use’ for less than 30 days, which will likely be subject to the same grounds for subjective interpretation in Vacant Site Levy appeals noted above.

At the time of research, several interviewees suggested that more progressive and proactive forms of taxation could be useful, but also cautioned that distinguishing between reasons for vacancy would be important. Moving away from a blanket form of taxation to more nuanced application of penalties aimed at incentivising reuse would also need to be based on reliable data, which at present could be difficult to generate without additional governmental capacity and more accurate and responsive vacancy measures.

⁶⁴ See 14th November 2022 announcement of Vacant Homes Tax, available at: <https://web.archive.org/web/20230323232257/https://revenue.ie/en/property/vacant-homes-tax/index.aspx>.

⁶⁵ See Finance Act (2022), Part 6, Section 96, Vacant Homes Tax, and specifically Chapter 4 on Exemptions, see: <https://data.oireachtas.ie/ie/oireachtas/act/2022/44/eng/enacted/a4422.pdf>.

⁶⁶ Brennan (2023).

...when you have the national policy, you have the funding and possibly the big stick in terms of tax and other... measures... If those three things [policy, funding, and taxation] can happen outside a Local Authority, I think a Local Authority can come together then to say, 'Well, we have loads of good tools that we can use here to try and make this happen.' But it needs that national bit and then it needs the finance and funding as well... (Local Government Official, 2021).

Furthermore, one interviewee noted that earlier petitions to government for an empty homes tax had been paralleled with proposals for reducing capital gains tax for homes sold for social housing.

***We put forward an idea around reduced rates of capital gains tax for people to sell long term vacant homes to Approved Housing Bodies or Local Authorities.** And we put that forward in another way as well around... landlords that were actually in the market to get a reduced rate of capital gain so they didn't evict the sitting social tenants... where the property was bought. So the **empty homes tax and the reduced rate of capital gains tax were reviewed by the Department of Finance, they put out a tender and there was a report done up by a consultant firm on those two issues.** So they... came back on the empty homes tax and said, yeah now is not the time for it. And then **they came back on the capital gains tax issue and said there is potentially merit and that is something that should be looked at further...** (Senior Housing Charity Officer, 2020).*

Other interviewees saw the issue differently. Rather than seeing housing vacancy as an outcome of insufficient penalties, they suggested that owners are disincentivised from selling properties due to the taxation on property transactions, such as stamp duty and capital gains tax, and a lack of alternative means for financial investment in Ireland. While this perspective was not universally held, targeted tax incentives may, in some instances, be a useful tool in pursuit of the short-term goals of bringing vacant properties back into use for housing.

However, **such short-term measures should be distinguished from interventions that seek to address structural factors over the long-term.** While the Vacant Homes Tax is coming into effect, other forms of incentivisation through amended taxation have yet to be considered. One interviewee mentioned that current guidance for derelict sites levies included the provision for local authorities to secure bonds from property owners, which could be returned within an agreed period if the site was brought back into use. Despite wanting to make use of this intervention, the interviewee had struggled to find any financial institutions that could provide such a bond. It is also worth considering whether operationalising such incentives on an area-based, rather than individual property level, might be more effective, and whether a distinction should be drawn between small-scale and large-scale owners of vacant properties and land.

*That regeneration element is the bit that should really plug into this. And okay we have the RDF [Regeneration and Development Fund] for the big sites with the big money, let's go for the big sites, absolutely, and those sites have been sitting there for too long not to take these big opportunities and do that. **But what is missing then is the regeneration at street and neighbourhood level. And there is huge potential for that.** And that is that Living City approach, using the tax system through the Local Authority is a really interesting model for tackling that. And it has proven to work at a site level through Living City initiative. **Why not take it up a level and talk about streets and neighbourhood and apply a tax initiative through the Local Authority to try and incentivise or address vacancy and incentivise living over the shop?** (Local Government Official, 2021).*

These points speak to the core difference between mechanisms for large-scale development, which are supported in the current planning and development/financial system, and those for small-scale or infill development, which are not supported. We consider financial challenges and incentives further in section 4.2.

4.3.4 Compulsory Purchase Orders (CPOs)

Compulsory Purchase Orders (CPOs) are one of the core levers available to state bodies looking to intervene in vacant and derelict properties as part of active land management measures. Within public debate, CPOs are frequently called for as a strategy to take on vacant properties and facilitate their reuse.⁶⁷ However, **CPOs are rarely straightforward and are often poorly understood in terms of the purpose, procedures and practices of their use as a policy instrument.** While in public and media debate CPO is often framed as an end-in-itself for resolving vacancy (the proverbial ‘use it or lose it’ argument), it is more usefully seen as the beginning of a process of adaptation and reuse. While a number of reports⁶⁸ have specifically called for the LDA to be empowered to carry out CPOs of both public and private development land, this processual understanding of CPO was captured by LDA Chief Executive Officer John Coleman’s response that “the existence of CPO powers as a ‘negotiation and bargaining chip’ often has the most significant impact, rather than having to utilise them”.⁶⁹

Certain government bodies, including Local Authorities, have the ability to issue CPOs for land or properties without owner consent when in service of the common good, such as for public infrastructure projects.⁷⁰ CPOs can also be applied to address vacant, derelict and dangerous sites registered by Local Authorities. In these instances, the common good can be construed as the impact of derelict properties on a city’s development potential or the fulfilment of wider public policy goals, such as the provision of social housing. However, these claims are arguably more nebulous than would be the case regarding infrastructure projects. CPO acquisition can be a

⁶⁷ See, for example, Holland (2018).

⁶⁸ See, e.g. Sweeney (2022) and NESC’s (2020) ‘Housing Policy: Actions to Deliver Change’ report (http://files.nesc.ie/nesc_reports/en/150_Housing_Policy.pdf). This is also noted as a key issue stressed by a number of expert stakeholders in the Oireachtas Joint Committee on Scrutiny of the General Scheme of the Land Development Agency Bill 2019 Report: https://data.oireachtas.ie/ie/oireachtas/committee/dail/32/joint_committee_on_housing_planning_and_local_government/reports/2019/2019-12-18_report-of-the-joint-committee-on-scrutiny-of-the-general-scheme-of-the-land-development-agency-bill-2019_en.pdf.

⁶⁹ This is referenced in Oireachtas Library & Research Service (2021) *L&RS Bill Digest: Land Development Agency Bill 2021*, p. 23, 11th February. Available: https://data.oireachtas.ie/ie/oireachtas/libraryResearch/2021/2021-03-02_bill-digest-land-development-agency-bill-2021_en.pdf.

⁷⁰ Walsh (2023). See also explainer for property owners published by Citizens Information. Available: https://web.archive.org/web/20230327090931/https://www.citizensinformation.ie/en/housing/losing_your_home/compulsory_purchase_and_compensation.html.

protracted and expensive legal process, and is a complex field of Irish law that involves three centuries of legislation and on-going legal review.⁷¹

Additionally, **protections for property rights** are enshrined in the Constitution of Ireland (*Bunreacht na hÉireann*) and the European Convention on Human Rights. For Local Authorities, the established legal precedent for protecting private property rights in the absence of a coherent understanding of what constitutes ‘social good’ can be a crucial factor in pursuing a CPO. Where successful, CPO proceedings can also ultimately result in the state or a Local Authority paying for development land or a vacant property at a premium market value price point — this can financially debilitate the pursuit of collective social good, and the process of market value calculation is treated as an expert and legally complex matter.

While consideration of alternative forms of valuation may well be useful, there are presently significant legal, and specifically Constitutional, obstacles to amending CPO law. Public understanding of, and engagement with, potential reform of this key legal area could be supported through public dialogues, such as a Citizen’s Assembly and Convention of the Constitution on land, property rights, valuation and compulsory acquisition.

Despite these reservations, **Local Authority use of CPOs has increased significantly in the last five years**, with ABP’s Annual Reports noting an increase from (on average) 22 CPO acquisition cases concluded per year from 2010-2015, to 54 in 2016, 80 in 2017, 115 in 2018 111 in 2019, with a decrease to 58 in 2020 likely connected to Covid-19 disruption.⁷² Notably, **National Government has sought to support and resource the undertaking of CPOs**, with Pathway 4 of *Housing for All* specifying that Local Authorities are to acquire up to 2,500 vacant units by 2026 for onward sale on the open market for residential purposes.⁷³ The Housing Agency has supported this CPO programme by providing a central advisory service to support Local Authorities in compulsorily acquiring vacant properties, which is currently overseen by The Housing Agency’s Property Optimisation Unit.⁷⁴ Minister for Housing, Local Government and Heritage, Darragh O’Brien, has specified that a revolving fund of up to €150 million of

⁷¹ See, for example, Office of the Planning Regulator (2022) Phase 1 Review Report on ABP, available: <https://www.opr.ie/wp-content/uploads/2022/10/OPR-Review-Report-Phase-1-of-ABP-Review.pdf>. CPO Law has been under review by the Law Reform Commission since 2017.

⁷² Figures compiled from ABP Annual Reports, 2016-2020 (latest available). Accessible at: <https://www.pleanala.ie/en-ie/publications>.

⁷³ See *Housing for All: A New Housing Plan for Ireland* (2021), p. 103.

⁷⁴ Described by Lisa Ledwidge, Senior Staff Officer in the Housing Agency, in the organisation’s *Eolas* magazine, accessible at: <https://web.archive.org/web/20221205140702/https://www.housing.eolasmagazine.ie/addressing-vacancy-through-compulsory-purchase-orders/>.

Urban Regeneration and Development Fund (URDF) support will be made available for Local Authorities “to acquire vacant or derelict properties (residential and/or commercial) and carry out any associated works needed to de-risk or improve the site to make it more attractive for re-use or sale,” with this funding being “replenished from the proceeds received from the end use/user.”⁷⁵ However, recent media coverage has reported that the 1,546 vacant and derelict properties that Local Authorities have identified for purchase under the URDF would cost €437 million to purchase, which is almost three times the amount of proposed URDF support and has an average price of over €280,000 per property.⁷⁶ Given that URDF support is specifically envisaged as a way to bring vacant or derelict properties onto the open market and that these costs do not account for “associated works needed to de-risk or improve” the associated sites and properties, it is unclear whether and how this CPO programme will translate into an affordable or scalable model of housing delivery.⁷⁷

While the priorities and strategies for using CPOs differed across the three Local Authorities we studied, **interviewees all noted that they used CPOs selectively and in pragmatic ways**. Indeed, interviewees from Local Authorities recognised it as one of the strongest available levers they had for dealing with vacancy. In general, interviewees suggested that Local Authorities approached CPOs as a tool to facilitate adaptation and reuse of vacant or derelict properties to fulfil specific policy objectives, such as providing social housing or unlocking private development in particular neighbourhoods. In line with their pragmatic approaches, interviewees suggested that the threat of placing a property on the Vacant or Derelict Sites Registers, or the threat of CPO for properties already on these registers, was often more effective than initiating these proceedings.

Some interviewees also voiced caution when considering instigating a CPO process, as an incomplete or abandoned process might discourage potential purchasers. CPO processes are complex, with multiple stages for serving notices, public enquiry, appeals and determining compensation (see figure 9).⁷⁸ A CPO could be rejected at various points in the legal process and often requires substantial commitment of time, money, and effort. While this perspective reflected wider problems with how building condition is factored into land value, it did suggest that the preliminary stages of

⁷⁵ *Dáil Éireann*, written answer from Minister Darragh O’Brien on Vacant Properties, 30th March 2023. Accessible at: <https://www.kildarestreet.com/wrans/?id=2023-03-30a.424>.

⁷⁶ See Finn (2023).

⁷⁷ *Dáil Éireann*, written answer from Minister Darragh O’Brien on Vacant Properties, 30th March 2023.

⁷⁸ For simplified summary of the CPO process, see: <https://web.archive.org/web/20230323200620/https://scsi.ie/a-clear-guide-to-compulsory-purchase-orders-and-compensation/>.

assessing whether to CPO a property can impact on the local property market. Therefore, widespread uptake of CPOs could be substantially disruptive to, or have unintended consequences for, the future of a site or property, and potentially the surrounding area.

Acquiring a vacant site or property through a CPO is only the beginning of a wider process of adaptation or reuse. Here it is important to note **two approaches to CPO that have been used by local authorities**. Some CPOs are pursued on the basis that **the Local Authority will subsequently sell on the site or property as a development prospect to another private sector development actor**.⁷⁹ The benefits of this approach are that it reduces the Local Authority's financial liability over the medium- to long-term, and this is the approach to CPO that is envisaged under Pathway 4 of *Housing for All*. However, it essentially presupposes that the Local Authority has a prospective buyer lined up with capacity to redevelop the site in line with planning objectives.

The second approach to CPO is where Local Authorities retain ownership and assume the costs of refurbishment or redevelopment and, potentially, maintaining buildings over the long-term. While this approach arguably offers a better pathway to ensuring that the common good is achieved, it also comes with challenges under current governance arrangements. For one, it raises questions about who should bear the cost of remediating vacancy and dereliction in the built environment. If Local Authorities must pay market value for a CPO'ed property, and this value may not reflect the hidden construction costs of bringing properties back into use, then Local Authorities (and the state more generally) may be taking on escalating and unpredictable costs.

Moreover, Local Authorities' reliance on central government funding can mean that their capacity to maintain housing and other building stock over the long-term is unclear. This is particularly pertinent within the context of the wider policy shift away from Local Authorities owning and managing public housing stock in favour of a subsidy-based model of provision.⁸⁰ Operating within the context of these fiscal and governance constraints, interviewees cautioned that it is of paramount importance to have consensus and a clear plan for any CPO site or property, prior to beginning the CPO process. However, the context-specific challenges of responding to vacant and derelict sites can make it difficult to operationalise an overarching strategic approach

⁷⁹ For example, this approach was used extensively in Cork during the late 1990s and early 2000s as a tool to kickstart urban regeneration in the city centre, per O'Callaghan & Linehan (2007).

⁸⁰ Byrne & Norris (2022).

that can account for the infill and case-by-case nature of vacant or derelict buildings and sites, and the varying speeds and trajectories of the CPO process.

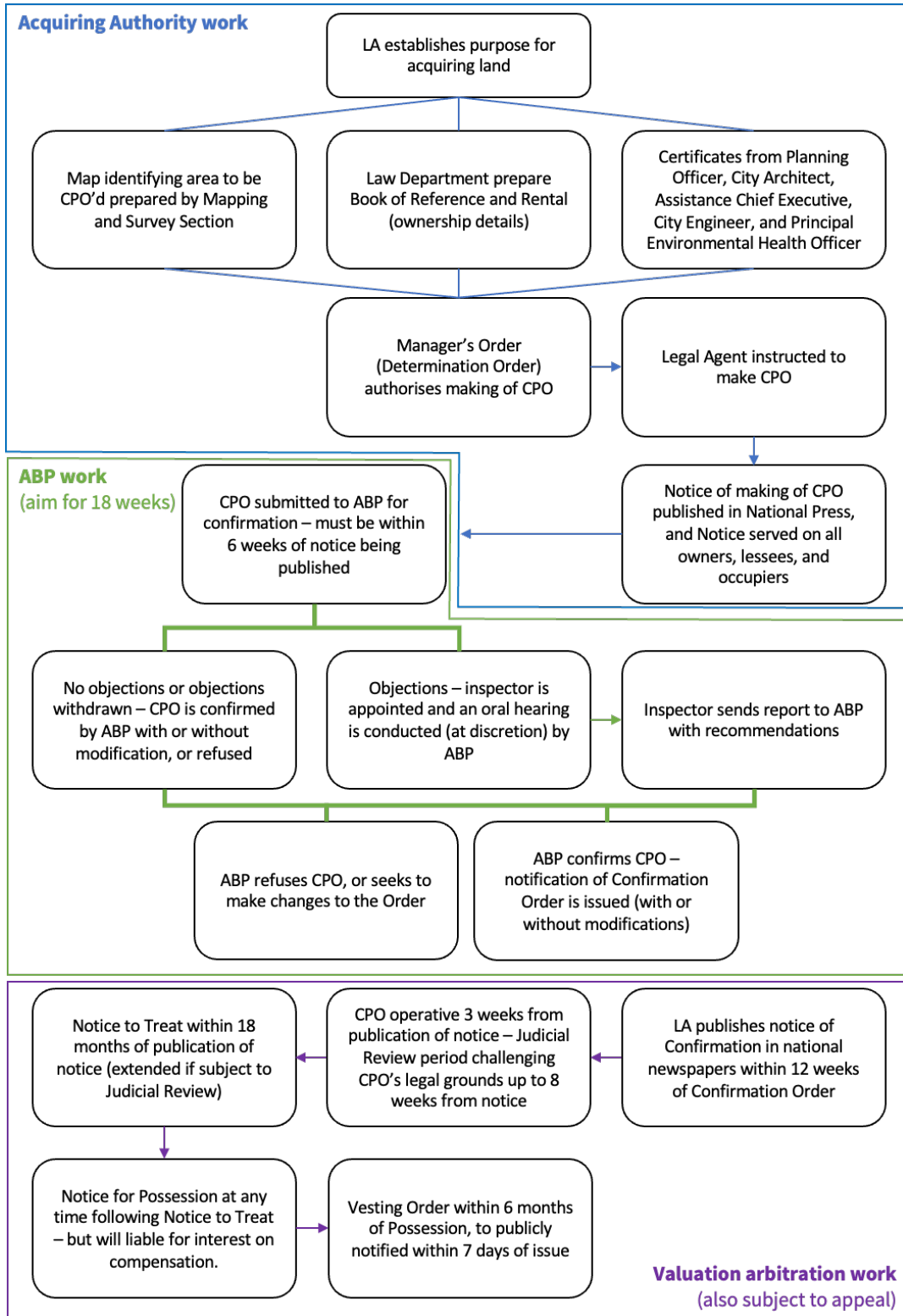


Figure 9 - CPO process in action, as reconstructed from DCC Overview (<https://councilmeetings.dublincity.ie/documents/s34900/Item%20no.%205%20CPO%20Report.pdf>). Note also that derelict site CPO procedure is simplified by Section 14 of the Derelict Sites Act (1990).

In the sense of paperwork [a CPO] really isn't [a big deal] but the one thing that is really important that I know trips things up... is being sure that you have a clear plan that everyone agrees on before something is acquired. And that is something that the council had been working on to put in place... (Local Government Official, 2021).

While strategic use of CPOs can be embedded in City Development Plans to an extent, it is difficult to effectively plan for the dynamic and shifting nature of vacancy in these long-term visions. Several interviewees spoke of prior experiences where properties had been acquired and pathways to reuse had stretched over several years, incurring substantial costs for the Local Authority in question. While the CPO looks to remain the most substantial policy lever for local authorities in the short term, several interviewees mentioned **two variations on the CPO model, Compulsory Sales Orders and Compulsory Rental Orders**, which have been introduced in other countries. Compulsory Sales Orders require the owner of a vacant property to sell on to a third party rather than the Local Authority assuming responsibility to purchase. Comparably, Compulsory Rental Orders require that the owner of a vacant property rents it out to a (commercial or residential) tenant without requiring the owner to sell the property. Both models offer mechanisms to compel the owner of a vacant property to bring it back into use without resorting to state ownership or expense. Both mechanisms offer potential solutions to some of the challenges posed by CPOs, however they also need to be considered carefully and assessed for their suitability within the context of Ireland's planning and development system.

[The Netherlands brought in] a lot more compulsory rental orders, it is not quite called that, but if a property is empty for longer than six months it has to be registered... [with] local authorities but if it is longer than a year they can put someone [tenant] in the property... (Consultant and Activist, 2021).⁸¹

⁸¹ The interviewee is describing amendments made to the existing 1981 Vacant Property Act (*Leegstandswet*) in October 2010 through the Squatting and Vacancy Act (*Wet kraken en leegstand*). A description of these amendments by Dutch firm NautaDutilh is available at: <https://web.archive.org/web/20220122210041/https://www.lexology.com/library/detail.aspx?g=c2b24a97-06be-4510-8929-ee335294b13c>.

Overall, the introduction of new policy instruments and the expansion of CPO use can play a role in addressing the structural factors causing vacancy. The immediate challenge is finding ways to further streamline and support the CPO process through improved capabilities and structural reforms, and to assess the legal room for manoeuvre to maximise public good in a context where 'market value' and its assessment can create constraints for CPO site/property acquisitions.

4.4 Conclusion

This section has outlined the prevailing challenges highlighted by interviewees over the course of the research. For the sake of structure, we have loosely organised these challenges into three groups: planning and regulation, finance and markets, and governance. However, many challenges are connected and overlap sectoral and structural boundaries.

By outlining the challenges presented by interviewees, this section does not purport to offer a set of discrete factors that can be addressed independently. Deciding which challenges to respond to, where, and how requires some forethought, weighing up of interests and capabilities. And so, we encourage all interested readers to consider these challenges as an entry point for further enquiry and investigation. Depending on the context and typology of vacancy in question, certain challenges will be significantly more pressing, or more complicated to address, than others. In the following section, we outline lessons that can be drawn from the different approaches to vacancy adopted by three urban Local Authorities in response to different challenges, planning and development pressures and local property market dynamics.

5 - Lessons

5. Lessons

Having outlined key challenges impacting responses to urban vacancy in Ireland, this chapter reflects upon the ways each Local Authority responded to vacancy, recognising the strengths and limitations of recent efforts with a view to understanding how vacancy might be more effectively dealt with across Irish cities. We highlight examples of both successful prioritisation of, and on-going challenges in, responses to vacancy in our three case study cities.

5.1 Dublin - Measuring interventions in a heated property market

Across multiple vacancy measures, Dublin County and City⁸² is reported as having low vacancy rates for both residential and commercial properties.⁸³ However, as Ireland's capital, Dublin City's vacancy is often seen as particularly affronting within public discourse. High property and land values have been coupled with growing housing unaffordability and unhoused populations. Strategic Housing policy has prioritised and streamlined the planning approval process for large-scale multi-unit developments. The ensuing high-density, high-profit uses of urban space (e.g., build-to-rent, student, and, prior to 2021, co-living housing developments) have been critiqued as unresponsive to and exacerbating the on-going shortage of affordable housing in the city. With growing frustration, and continued development, the profile of vacancy and desired responses in Dublin remains highly contested.

DCC's Housing Observatory has piloted street surveys and data analysis methods for identifying areas where vacant housing could be suitable for re-use. A key strength and learning point here has been **the disconnect between visible or measurable residential vacancy and the potential to bring vacant buildings back to use for housing**.⁸⁴ Walking surveys of vacant units piloted in 2017/18 in six Electoral Divisions

⁸² Metropolitan Dublin is governed by four local authorities – Dublin City Council, Fingal County Council, South Dublin County Council, Dun Laoghaire and Rathdown County Council – each responsible for identifying and responding to vacancy within their own jurisdiction and managing separate registers. This separation is an important starting point for assessing current responses to vacancy around metropolitan Dublin.

⁸³ See DHPLG (2023) 'Vacant Homes Action Plan, 2023-2026'. Accessed 6th March 2023, online at: <https://web.archive.org/web/20230523221257/https://www.gov.ie/pdf/?file=https://assets.gov.ie/245844/d76f344f-64c3-4c97-9c4f-e4e52f8b4ade.pdf#page=null>.

⁸⁴ Stokes & O'Callaghan (2021) pp. 22-'3.

with high vacancy rates highlighted how only an extremely small proportion of vacant homes could feasibly and affordably be brought back into use by the Local Authority. Alongside surveys, the Housing Observatory trialled different predictive methods of data analysis for understanding where and how vacant homes could be brought back into use. However, these methods had limited success and pointed to types of vacancy that were not necessarily visible, relevant for housing, or easily addressed. These approaches have accordingly demonstrated the lack of a simple connection between vacancy and reuse.

Managing vacancy in Dublin has often been shaped by the resurgence of the city's property market and private development. DCC has a stated commitment to pursuing a policy of **active land management** and sought to leverage policy and market opportunities to bring vacant land and buildings into use through different avenues with varying levels of success. DCC has generally sought to support proposals for development and reuse of vacant sites, often through rezoning to facilitate development or sale of sites to private developers to construct housing.

Private development has generally been a preferred way of addressing vacancy in the city, with specific neighbourhoods like the Liberties being identified in Local Area Plans as suitable for a strategy of '**Confidence building on Key sites**' as a means of 'signalling' to and encouraging "investors to take up the challenge of inner city sites thus setting in train a virtuous cycle of high quality and ambitious regeneration."⁸⁵ This encouragement of property owner and developer-led renovation and reuse is also apparent at a smaller scale, with individual properties largely awaiting development, and limited use of CPOs or collection of levies.⁸⁶

Operating in a context of restricted capacity to borrow, DCC has also **struggled to address vacancy as a significant owner of land and residential units**. DCC has been identified as owning several high-profile vacant sites identified for redevelopment,⁸⁷ which have undergone significant public scrutiny regarding their possible futures. The Council has often struggled to either a) negotiate and agree on strategies to sell Council-owned land to private developers for housing developments, or b) find and agree on financing to redevelop Council-owned sites directly.

⁸⁵ Dublin City Council (2018) *Liberties Local Area Plan*, p. 87. Available online: https://web.archive.org/web/20220601195619/https://www.dublincity.ie/sites/default/files/media/file-uploads/2018-05/Liberties_LAP.pdf.

⁸⁶ See, for example, Gataveckaite (2021); Grennan (2022).

⁸⁷ See, for example, Auffret et al. (2016).

One area that has seen more direct involvement on the part of Dublin City Council has been a focus on unused social housing, commonly referred to as voids.⁸⁸ In addition to renovating vacant social housing units, the city also acquires properties for conversion into social housing through voluntary or compulsory purchase.⁸⁹ This aspect of addressing vacancy occurs in every Local Authority but is frequently underreported in wider discussions around urban vacancy, as it is hard to determine what proportion of voids are long-term vacant as opposed to normal transfer and maintenance of social housing units. There are also reported examples of strategic use of the Voids Refurbishment Framework to carry out what would more normally be classified as Housing Maintenance in some parts of the city.⁹⁰ In turn, the lack of public information surrounding the duration of vacancy poses a problem.⁹¹ While the number of acquisitions and conversions are captured and publicly reported, little is known about the units, how long they have been vacant, their condition and the costs that will be incurred to return them to a habitable state.

⁸⁸ See Stokes & O'Callaghan (2021) for further discussion — voids are Local Authority or AHB-owned residential units which are uninhabited and in need of refurbishment, typically where a resident has moved or passed away. For example, in October 2022, 488 void property refurbishments had been completed, with a further 507 underway, which significantly outnumbered the total of 78 vacant residential property acquisitions under Buy and Renew from 2018 to May 2022 - see Dublin City Council (2022) *Housing Delivery Report - October 2022* for further information, accessible at: <https://councilmeetings.dublincity.ie/mgConvert2PDF.aspx?ID=38569>.

⁸⁹ Per DCC's most recent Housing Delivery Report, the council has acquired 32 properties under the Derelict Sites Act/CPO and Acquisition process under the B&R Scheme, with a total of 78 vacant residential properties having been acquired under the scheme between 2018 and May 2022 - see Dublin City Council (2022), pp. 49-51. ABP records show that DCC has initiated 13 CPO cases under the Derelict Sit Act or Housing Act since 2018.

⁹⁰ Example of Bond Street Flats, South Central Area Committee Meeting notes, 20th January 2021, retrieved from: <https://web.archive.org/web/20230724074429/https://councilmeetings.dublincity.ie/documents/s31200/QAJanuary2021.pdf> [18 August 2022]; This point has also been reported by the Dublin Inquirer <https://dublininquirer.com/2022/06/22/as-energy-prices-soar-hundreds-of-council-tenants-with-leaky-or-draughty-windows-are-waiting-for-new-ones>; see also Norris & Hayden (2018), who note that LAs may hold off on maintenance, which would be LA-funded, in order to refurbish social housing units as voids, which are Exchequer-funded, see: [https://www.ucd.ie/socialpolicyworkjustice/t4media/The_Future_Of_Council_Housing_\(Norris_Hayden\).pdf](https://www.ucd.ie/socialpolicyworkjustice/t4media/The_Future_Of_Council_Housing_(Norris_Hayden).pdf).

⁹¹ Though see DHLGH (2021) 'An Overview of Vacant/Void Social Housing in Local Authorities', accessible at: https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwiRiuH68Pf_AhUp_rslHdZ-Dq4QFnoECDMQAQ&url=https://assets.gov.ie/203232/320047eb-1137-4c51-a8d4-4fc3bbe3bc24.pdf&usq=AOvVaw1vy6hp6CoZuyFwoZ-vX9wY&opi=89978449.

5.2 Cork - Intervening in 'second city' property development

Cork City has been a site of **significant public discontent** with vacancy and dereliction, where a social media campaign instigated by the *anois* consultancy has led to wider public debate and protests, and inspired similar efforts in other parts of Ireland.⁹² In addition to social media attention, *anois* has also undertaken independent research to gather further information on specific sites and properties, and to propose ways of returning them to use for public benefit – as, for example, housing, communal workspaces and civic centres.⁹³

These interventions have attracted significant public attention, with calls for bringing vacant sites and properties back into reuse tending to advocate for more Local Authority involvement. While this emphasis on Local Authority involvement is not specific to Cork, it has been a highly visible dynamic for those working on different aspects of vacancy and dereliction in that city. Despite recognised limitations, delays and difficulties in addressing urban vacancy, Cork City Council (CCC) plays an active role in what are often piecemeal processes of incremental progress, negotiation and efforts to respond to vacancy that are not always publicly recognised.

CCC's intervention in **site-specific acquisition and development** highlight the challenges of bringing vacant properties back into use, with a need to carefully consider the knowledge, resources and legal powers available to Local Authorities seeking to intervene in a city's built environment. For example, CCC had announced that two vacant protected buildings on Shandon Street had been converted into nine social housing units.⁹⁴ While this development was seen as a success, officials noted that the costs had been substantial, and that turnaround time was very slow due to an array of regulatory and planning requirements. Furthermore, officials highlighted their ongoing efforts to encourage and negotiate with property owners about repairing and making use of properties, emphasising that these processes require and stem from a prior knowledge of owners and their broader circumstances. The Local Authority has exercised its power to CPO properties where this encouragement and negotiation has been stalled – for example, CCC used CPO powers to take ownership of six high-profile derelict properties on Barrack Street and North Main Street, overcoming

⁹² Translation, Irish adverb for 'now'.

⁹³ See *anois* (2021).

⁹⁴ See English (2021).

property owners' appeals to ABP and bringing two of the six properties to market within a year of initiating the CPO process.⁹⁵

Accordingly, CCC officials are aware of vacancy, involved in negotiations with owners/stakeholders and do look for ways to address vacancy in their jurisdiction. **Responses devised by National Government are not always applicable or easy to execute at the Local Authority level.** For example, interviewees highlighted frustrations in seeking to implement national policy measures like the Vacant Site Levy in a context of smaller, in-fill site vacancy/dereliction below the threshold for levies. Alternatively, a smaller-scale property development actors might be unable to finance development, given the lack of national bank development lending and the lack of confidence in the city's property market value from international financial capital.

Additionally, **the city's lower land values have made it less attractive to private market investment** (see section 4.2), occasionally resulting in difficulty financing the redevelopment of certain kinds of vacancy in Cork. Where this occurs, local government actors are expected to leverage or orchestrate limited public financial resources to close the gap in addressing urban vacancy (sections 3.2.2 and 4.2). In turn, Cork's approach to vacancy is often awkwardly aligned with national regulations and policy geared towards the developer-led model of property development, given that development financing is a substantial barrier to overcome in the city. Whereas larger sites are being redeveloped, notwithstanding obstacles and delays, the combination of specific site characteristics and the limited availability of suitable finance models has made infill development difficult to progress. In response, officials have sought more flexibility, capacity and autonomy to respond to local circumstances.

5.3 Waterford - Making the market through direct intervention

Waterford City has been a site of ambitious urban renewal in recent years, with comparatively lower land values and a slower property market making the Local Authority a larger player in the city's property market than has been the case in Dublin or even Cork City. Major urban regeneration projects like the Viking Triangle and Cultural Quarter have sought to reinvigorate the city centre (see section 3.2.3). As part of these efforts, the Local Authority has sought to address widespread vacancy in the city centre, with a view to making the area more vibrant for residential, retail,

⁹⁵ See English (2022).

commercial and entertainment purposes. Several larger vacant sites outside the city centre have also been earmarked for further development.

Amongst interviewees, Waterford was repeatedly **upheld as a relative success story** in terms of Local Authority responses to vacancy. Specifically, Waterford City and County Council's (WCCC) active **use of existing policy levers** for returning vacant properties to housing use, and particularly the city's unprecedented channelling of **Repair and Lease Scheme** (RLS) funding (>40% of funding, and over half of all units added through the scheme - see section 4.2.4 and figure 6). Widespread RLS uptake has been attributed in large part to a proactive effort on the part of the Council's Housing Department, who have taken steps to ensure that property owners and developers alike are aware of the scheme. Information sharing has occurred through the Council and by appointing an estate agent and property valuer to share this information with owners of vacant properties.

Additionally, interviewees suggested that **ease of access to different Local Authority departments and close relations between key actors within and outside of local government** have made for a relatively smooth process when bringing properties back into use. In some instances, the Local Authority has directly purchased and converted properties, while many other properties have been brought back into use by encouraging property owners to avail of RLS support. WCCC has also promoted the ongoing planning exemption for units over shops to be converted into residential dwellings, with funding from the Living City Initiative.⁹⁶

With over 140 units completed, **Waterford's promotion of Repair and Lease has had a significant impact on the city and suggests that it is possible to encourage and incentivise property owners to bring properties back into use**, particularly with the promise of a guaranteed rental income and interest-free loans for repairs. Waterford's success in leveraging nationally defined policy levers to fulfil its housing obligations demonstrates a proactive governmental approach. However, understanding **the longer-term impact of successfully delivered policy levers is as important as establishing responses**, with questions about the long-term benefits of RLS investment highlighted in Section 4.2.4. In addition to the limited duration of social housing use attained through RLS investment, uptake of RLS in Waterford is likely connected to the city's comparatively slower, smaller and less internationalised property market - in which RLS investment may act as a floor on, or significant contributor to, local property development/investment seen in other Irish cities.

⁹⁶ 'The Living City Initiative.' Waterford City & County Council. Accessed online at: 'The Living City Initiative.' Waterford City & County Council. Available online: <https://www.waterfordcouncil.ie/departments/economic-development/living-city-initiative/index.html>.

5.4 Findings: The case for contextualising urban vacancy policy

The above discussion of the varied approaches and issues faced by policymakers and planners in each city highlights the diversity of local dynamics and governance responses to urban vacancy in Ireland. A situated perspective on urban vacancy and reuse reminds us that vacancy is not singular, and neither are possible responses. We argue that there are **three major issues** that a contextual analysis of urban vacancy policy highlights.

Firstly, policy responses to, and public discourse about, vacancy should **adopt a more nuanced and analytic understanding of urban vacancy and reuse**. Labelling a site or building as ‘vacant’ tells us little about its form, previous uses, condition, the processes which have rendered it vacant or the circumstances prohibiting its reuse. A more precise language for different types of vacancy can lead to more precise discussions around responsibility and effective responses. Thinking about the desired futures of local areas and how vacancy can respond to current and forthcoming needs is also important. We advocate for shifting the debate from ‘something should be done’ to ‘what can this become’, while also recognising the need for **more direct and transparent forms of public engagement** in local planning and development processes.

Secondly, vacant sites and properties must be understood as part of a wider urban spatial fabric subject to both local and national zoning, planning and market influences. Reviewing the three city’s responses to urban vacancy highlights the ways in which local social, political, economic, cultural and ecological dynamics intersect to create distinct contexts, making a singular national approach challenging to devise or implement. Instead of working towards a single, uniform approach to vacancy across all Irish cities, it may be preferable to **broaden the range of available supports, powers and strategies, so that Local Authorities personalise responses and prioritise different types of vacancy in line with local needs**. As the above sections have highlighted, different approaches are already being pursued across the three cities. Sharing insights and lessons between different local authorities should continue, but **national and regional policy should do more to engage with and support local assessments, prioritise and responses**.

Thirdly, localising responses to vacancy does not mean that all responsibility for vacancy should be located within local government. Already, National Government legislation and strategies have set the parameters and levers for addressing vacancy,

primarily aligning it with housing and urban regeneration in recent decades.⁹⁷ **Looking to encourage more context-specific approaches means also questioning what responsibilities can be reallocated to actors who are better placed to carry out certain activities.** For example, the current public focus on information gathering and levy collection might be more efficiently carried out at a national scale, rather than in the varied manner that it is currently approached by through Local Authorities. Similarly, there needs to be wider discussion around the availability of finance for returning vacant and derelict properties to use, to consider whether and why gaps currently exist for different types of properties and projects. This would ensure that public finance, private capital and civic funding are directed across different kinds of reuse and development projects.

Ultimately, this section has endeavoured to highlight the diverse priorities, responses and factors which inform how three urban Local Authorities are currently responding to vacancy. Attending to the distinct contexts, relations and imperatives within each city, we push for policy that appreciates how responding to vacancy is inherently related to wider questions of urban space, development, scale and politics. Returning to the report's primary objective, the final section specifies three recommendations for improving current political responses to vacancy in Irish cities.

⁹⁷ See Stokes & O'Callaghan (2021).

6 - Recommendations

6. Recommendations

We conclude this report by offering three recommendations for improving current political and policy responses to vacancy in Irish cities.

1. Create integrated regional 'reactivation' units

Complementing local full-time Vacant Homes Officers and the national Vacant Homes Unit, we recommend creating integrated regional units tasked with creating and implementing ambitious strategies for the wide scale reactivation of vacant land and properties. These units would be mandated to work dynamically with experts on finance, conservation, housing, urban development, planning, construction, transport and law in relevant local and National Government departments, along with other stakeholders – including property owners, AHBs, the Land Development Agency, the HSE and financial institutions. Local Authorities have an important role in understanding and addressing vacancy but struggle with limited powers related to inducing reuse, compulsory purchase and flexibility for planning and regulations surrounding vacancy. Regional units could support Local Authorities by spreading local best practice, while accounting for regional differences, needs and particularities. Such a unit could be part funded by ring-fencing the forthcoming Vacant Homes Tax.

2. Finance the present to repair the future

Reactivating vacant properties to a habitable condition or developing a vacant site requires materials, labour and financial commitment. The availability of public and private finance varies between types and locations of projects, with identifiable gaps in funding that could be addressed. Where financial supports are absent or insufficient for addressing specific kinds of vacancy, state actors need to oversee new financial mechanisms either directly or in dialogue with investors. In addition to widespread coordinated purchase and renovation of vacant sites via Local Authorities, National Government should establish additional financial mechanisms that respond to existing gaps in financing. Alongside the government grants and loans currently available to property owners, the state could issue bonds as a mechanism for raising capital to finance larger scale responses to vacancy. Additionally, state actors could work more closely with civic investors and financial actors, such as credit unions, to create and

distribute financial instruments which target vacant land and properties as a way of developing housing with more stable investment yields.

3. Place communities at the centre of reactivation strategies

Approaching vacancy as a place-based process means considering zoning and value sharing beyond property owners and the Local Authority. Residents and communities can and should have a more direct stake in determining how vacancy is addressed locally and must benefit from its reactivation. Local Economic and Community Plans should mandate processes for communities to intervene in, and address, local vacancy issues. Greater support should also be given to local communities, social enterprises, and civic organisations willing to take responsibility for a vacant site or property through collective management agreements, or social leasing and trust schemes. Finally, community clauses should be required for redeveloping or renovating vacant sites or properties, which would link local skills development and procurement with wider circular economy, sustainability and repair and care policy objectives.

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