



**JOINT COMMITTEE ON HOUSING, PLANNING, COMMUNITY AND LOCAL GOVERNMENT
PRESENTATION BY THE COUNTY AND CITY MANAGEMENT ASSOCIATION
ON ADDRESSING THE ISSUE OF VACANT HOUSING AND OTHER BUILDINGS
WEDNESDAY, 1ST FEBRUARY, 2017**

TO: THE CHAIR AND MEMBERS OF THE JOINT COMMITTEE ON HOUSING, PLANNING, COMMUNITY AND LOCAL GOVERNMENT.

Chair and members of the Joint Committee on Housing, Planning, Community and Local Government, on behalf of the County and City Management Association (CCMA) I would like to thank you for the opportunity to present on the topic of vacant housing, derelict sites and under used spaces. My name is Michael Walsh, Chief Executive of Waterford City and County Council and Chair of the CCMA Housing and Building Committee. I'm accompanied by my colleagues, Ms. Catherine Keenan, Director of Services in Dún Laoghaire-Rathdown County Council and Mr. Joe McGuinness, Director of Services in Louth County Council.

We look forward to answering any questions you may have, but first I would like to make a statement on the topic. Local Authorities endeavour to ensure that all recent social housing units returned vacant to us are re-let as soon as possible. As part of the National Oversight and Audit Committee (NOAC) Service Indicators reports published annually, the average re-letting period for social housing units is recorded and it has displayed an overall downward trend from a national median of 26.6 weeks in 2011 to 22.56 weeks in 2015. While the results for the 2016 NOAC report have not been published yet, in our opinion there will be another significant drop in the re-letting period for Local Authority housing stock in 2016.

Equally it would be our view that there will be further significant improvement in 2017. This is in no small way as a consequence on the availability of €30m per annum from the Department of Housing, Planning, Community and Local Government (DHPCLG). I believe we will see this downward trend continue over the next couple of years.

I will address hereunder some of the issues that impact on performance in this area and on the measures that are being taken to bring about improvement.

Property Condition

The amount of work required to bring social housing stock which has been returned can vary based on the condition of the property. In some cases, when property is returned in very poor condition, substantial work is required to ensure that the housing unit is up to the highest standards. Our housing stock varies significantly in terms of age, with older stock (over 50 years old) requiring far greater interventions.

The figures in the 2015 NOAC Service Indicators report also contain void housing units that are due for demolition, major refurbishment or are part of major regeneration schemes. These housing units will not be available for renting for a significant period of time, yet have a negative impact on the average re-letting period.

Procurement

The procurement process which Local Authorities must engage in when appointing contractors to perform the remedial works also influences the turnaround time for properties. Local Authorities are required to ensure value for money, with inspection and documentation required prior to procurement. Housing units are either processed individually or grouped together, requiring different procurement processes.

Letting Times

The refusal rate for Local Authority housing units can also negatively affect the average re-letting periods, with some Local Authorities showing a refusal rate of over 40%.

Capacity in Construction Sector

While it may come as a surprise to some, in our experience there are issues with the securing of contractors in a timely manner to execute works and some evidence of competition in the market place being less than one would desire. There are many factors influencing this not least of which is the availability or otherwise of the necessary skilled labour. There were only 4,400 apprentices across all trades in the construction industry in 2015 compared to 23,700 in

2007 (CIS construction Opportunities Report 2017). It would be a concern in a recovering housing market to ensure this issue does not manifest itself as a greater problem.

Cost of Refurbishment of Voids

There is a significant variation on the costs involved in the refurbishment of housing units becoming available for re-letting, with the national average cost of refurbishment work in 2015 being in the order of €13,500. There are also considerable variations in the costs across different Local Authorities and this is a function primarily of the age and condition of the properties being restored. The support from the DHPCLG has been particularly helpful in meeting the costs of recovering long term voids with normal grant allocations of up to €30,000 being made available, and in excess of this in exceptional circumstances.

Other Vacant/Derelict Buildings

In relation to other vacant buildings, the DHPCLG is currently in the process of introducing two new schemes to address the issue of vacant private properties and bringing these properties back into the social rental market, the 'Repair and Lease' scheme and the 'Buy and Renew' scheme. As a sector, we greatly welcome these initiatives and believe they will contribute significantly to the availability of social housing stock and support regeneration efforts across the country.

The 'Repair and Lease' scheme has been in pilot in my own authority, Waterford City and County Council, and we have identified several properties that meet the criteria of the scheme. The process involves a considerable effort on behalf of council staff, including the help of elected members of the council, in identifying properties suitable for the scheme.

We have also surveyed a number of electoral areas in Waterford with the following findings:

- The extent of vacancies is overstated by up to 50% in some areas (a variety of reasons- householders' refusal to engage with census enumerators).

- A broad range of reasons for vacancy with financial/legal distress being the primary reason and buildings unfit for occupation being another significant factor, and properties where the owner is in long term care only being a small percentage of those vacant.

The 'Buy and Renew' scheme has been used in Louth County Council and it is also proving successful in contributing to the number of units in the social housing stock.

We feel that both schemes will greatly benefit the sector and contribute to the housing stock available for social housing as well as improving communities where these properties are renovated. The Housing and Building committee of the CCMA has requested that Local Authorities immediately start the process of identifying properties that are currently vacant in their area in preparation of the national roll out of the 'Repair to Lease' and 'Buy and Renew' schemes by the DHPCLG later this year.

Derelict and Under used Spaces

Compulsory Purchase Orders (CPO) are available to Local Authorities under housing, planning or derelict sites legislation and this mechanism is used as appropriate. It can however carry cost risks on smaller sites that relate to process costs rather than the cost of the sites themselves which are usually fixed at current market valuation. In particular, the costs of the arbitration process in terms of professional fees can be an inhibitor to compulsory purchase. In the CPO process, just like the procurement process, the timeframe is prescribed by legislation and can lead to delays in realising the potential of these sites.

Local Authorities are favourable to the reuse of brown field or derelict properties for the provision of social housing. With respect to future land purchases, derelict and under used sites will be considered on their merits and bring with them both advantages and disadvantages for the delivery of housing units. The availability of services on such sites is a significant advantage but there equally tends to be additional costs as a consequence of demolition or construction in confined spaces.



The existing regulatory structures for Derelict Sites are not proving effective in many respects and may in fact be inhibiting development.

In conclusion, I would like to reiterate the commitment of Local Authorities in providing housing units to all families in need of social housing and to ensure that Local Authority housing stock remains vacant for the shortest period possible.

We look forward to answering any questions you may have.

Michael Walsh
Chair, CCMA Housing and Building Committee