



## Opening Statement to the Joint Committee on Housing, Community, Planning and Local Government

**'Addressing the issue of vacant housing, derelict sites and underused spaces'**

*February 1<sup>st</sup> 2017*

## Introduction

On World Homeless Day (10 October) 2014, Peter McVerry Trust called for action on empty buildings in private ownership. As part of our call, we sought an immediate audit of our built environment to accurately determine the number of empty residential and commercial spaces, assess the condition of these units, and to establish ownership and understand why spaces remained empty or underused.

Peter McVerry Trust launched that campaign with a strategic focus on buildings in private ownership. This is an important point to stress because the figures clearly showed that even if every empty local authority house was brought back into use it would only meet a small proportion of the social housing and homeless need. We also felt it was critical to move to tackle vacant buildings, derelict sites and underused spaces as a means of rapidly securing additional housing supply in order to counter the growing housing and homeless emergency.

In May 2016, when the Housing Agency and Peter McVerry Trust, presented to the then Committee on Housing and Homelessness, both organisations raised the potential of vacant housing stock in private ownership.

Census 2016 has given us an updated but incomplete picture. Census information shows that around 198,000 residential units, excluding holiday homes, are vacant across the State.

Many of these units are located in rural counties, and in small towns and village but it must be stressed that there are **almost 50,000 empty residential units in our cities. That equates to 13 empty homes to every one homeless adult in our cities.**

It is also important to stress that the **CSO figures do not include derelict sites or underused spaces such as those above commercial premises. Dublin City Council believes that by tackling spaces above commercial premises 4,000 units of accommodation could be generated.**

In this presentation Peter McVerry Trust has set out what we believe to be a framework to realise the unused and underused spaces in our built environment for the purposes of residential accommodation. The committee should note many buildings and spaces could also be used for other badly needed community resources and services.

## Commitment to Partnership

We would like to stress that what is required is a partnership approach and a balanced combination of incentives and sanctions in order to achieve the desired outcomes of greater availability of residential accommodation and more efficient use of our buildings and land.

## Political Prioritisation and Financial Resources

We hope that policy makers and legislators will recognise that investment in empty homes and other vacant buildings is the most cost effective and sustainable way of realising new housing supply.

In order to take advantage of the low hanging fruit that these units represent there must be strong political support from the Minister for Housing and his Department right down to Local Government management and public representatives. This must be coupled with the funding needed to tackle vacant units at scale beginning immediately.

## **Real Time Database on Housing and Other Buildings**

One of the biggest challenges the State faces in tackling vacancy rates is that there is no real-time data to ascertain how many empty units there are, the conditions of the units, who owns the unit and the reason why so many buildings remain vacant.

The lack of accurate and detailed information clearly prohibits the development of fully evidence based policy responses.

Peter McVerry Trust recommends the fast track development of a holistic built environment monitoring and evaluation system that allows local authorities to track, analyse and better manage the built environment in their areas. This would begin with the collation of data on empty properties and derelict sites of all types and sizes.

Local Authorities should be directed to move towards a more holistic, integrated and interventionist model of community and building management. A model that delivers better social and economic outcomes and stronger and more vibrant communities.

## **Overcoming Planning Barriers**

In order to ensure that planning legislation and building control systems support upgrading of vacant buildings and the conversion of commercial spaces to residential use amendments to legislation and planning systems are necessary.

To this end the planning and building controls regulation should be amended, to create an on the spot approval and exemption for certain categories of upgrade or conversion.

Strong consideration should also be given to creating a panel of building control certifiers made up of private and public experts who could operate a fixed charge on the spot system.

Such expert teams would need the power to take decisions and grant exemptions, (where appropriate) to Planning Permission and Building Control.

These changes would help speed up delivery, reduce costs and remove administrative barriers for building owners.

## **Empty Homes Officers**

In order to drive action on the ground local authorities must create and resource dedicated teams of empty homes officers. These officers would be charged with proactively reducing the number of vacant properties, engaging with the various stakeholders and offering a clear point of contact for property owners. They would also be responsible for creating local one stop shop platforms for advice and support.

## **Matchmaker Scheme**

There will be individuals in possession of vacant homes who need to sell, have no wish to oversee renovation works or people who continue to own what has become an unwanted burden. In these instances, the Government should create a matchmaker scheme whereby approved housing bodies or

local authorities purchase vacant homes from owners in order to return them to use for social housing or affordable rental schemes.

**It is important to recognise that Peter McVerry Trust, like other organisations, has successfully raised millions of euros for major renovation projects which have brought disused units back into the housing system at no cost to the State.**

A formal and State backed matchmaker scheme could allow the work of approved housing bodies to be scaled up, returning more units to the broader housing system at a faster rate.

## **Vacant Property Tax**

If we are to push the required number of vacant units back into the housing system, the Government must move beyond incentives and bring balanced and effective sanctions into play.

Sanctions must be included because not only will these help address the tens of thousands of empty buildings in existence but they send a clear message that will help prevent other buildings becoming vacant in the future.

A vacant property tax on non-principal dwelling houses vacant for one year or more is extremely important. It would push owners of vacant buildings to act. It would prevent speculative investors buying and leaving properties empty and it would encourage developments which involve empty properties or buildings to move faster.

If funds raised from the tax were ring- fenced for the purposes of vacant home regeneration local authorities would also have a significant revenue stream at their disposal.

A vacant property tax exists in many jurisdictions and has recently been introduced in Vancouver which, like Dublin and other parts of Ireland, is experiencing a major housing crisis and spiralling accommodation prices and yet has thousands of vacant properties in the urban environs.

## **Compulsory Purchase Orders & Compulsory Leasing Schemes**

Other measures that are necessary for Local Authorities to take a more proactive role is to increase the strategic use of compulsory purchase orders. This measure must be used to acquire units which represent value, are of strategic importance and are located in areas with high housing need.

Peter McVerry Trust also favours the use of Compulsory Leasing Orders, where ownership would not change but Local Authorities have the ability to take over the management of a property under certain strict criteria for the common good. The owner would receive rent, minus the cost of upgrading and managing the building.

To date, there has been a reluctance to compulsorily purchase units of accommodation, but a stronger approach would, at the very least, push owners to act rather than having their properties purchased.

Consideration should be given to an automatic CPO or CLS process for any unit empty for five years or more as a means to discourage and prevent people who can afford to pay fines and taxes to protect from leaving properties vacant. This would protect communities from abandonment and dereliction.

## **Derelict Sites**

Peter McVerry Trust believes that the threshold at which the vacant sites levy applies should be lowered. The current threshold means many viable sites go untaxed.

Local authorities should also be directed to register all derelict sites and land parcels regardless of their size. This is to ensure that we manage and use available resources in the best manner possible. Not all derelicts sites and vacant plots will be best suited to residential needs but may be suitable for community services and other resources.

## **Underused Spaces**

It is difficult to quantify the exact residential potential that exists by converting empty commercial spaces into residential settings. The only publicly available statistic is that from DCC who estimate 4,000 units could be generated.

Peter McVerry Trust has converted underused spaces, including those above shop floors and commercial spaces into residential accommodation for people in homelessness and is progressing plans to deliver over the shop apartment developments in Dublin.

## **National Coordination and Technical Guidance Unit**

Finally, there is a clear need for a National Coordination Unit to manage responses to the issues of vacant homes, derelict sites and under used spaces. It would offer an important overarching view on the performance of local authorities and create a platform through which to share best practice. This unit would also provide technical expertise to acquire, renovate and put back into use empty buildings.

We thank the Chair and the Committee for the invitation to present on this issue and urge the Committee to engage with the Minister and his Department on the proposals and actions outlined.