

Lord Mayor Oisín Quinn's Taskforce Proposed Vacant Land Levy



Kieran Rose, Senior Planner, Office of Economy and International Relations. IPI/SCSI/RTPI Forum March 2014

Seeking decision in principle

Enabling legislation

All details, % Levy, derogations etc

Will be subject to wide discussion and consultation

To avoid negative unintended consequences

No disincentive

It is clear that the current system, whereby there is **no disincentive** to a landowner leaving a site vacant for many years

is not in the best interest of the city, the city economy, and the national economy.

Fairness and Equity: Who Pays?

Every other category of property makes financial contribution to the city

Except

Vacant land and

Buildings not capable of beneficial use

(incentivises owners to make buildings unusable)

Which also **place costs** on taxpayers

4m Euro extra Rates along Heuston to O'Connell Street Luas

Economic Problems and Opportunities

General agreement amongst economists that

Density and proximity in urban areas drives productivity and innovation

So these extensive areas of vacant urban land are a **significant drag** on the city and national economic recovery.

A Levy not a Tax

Prime purpose not revenue generating

Can be avoided

1. Develop the land
2. Sell on
3. Provide compliant interim use

Behavioural Economics: A price causing a behavioural shift, 'basic economics'

Vacant Land Audit: Inner City

GIS Mapping

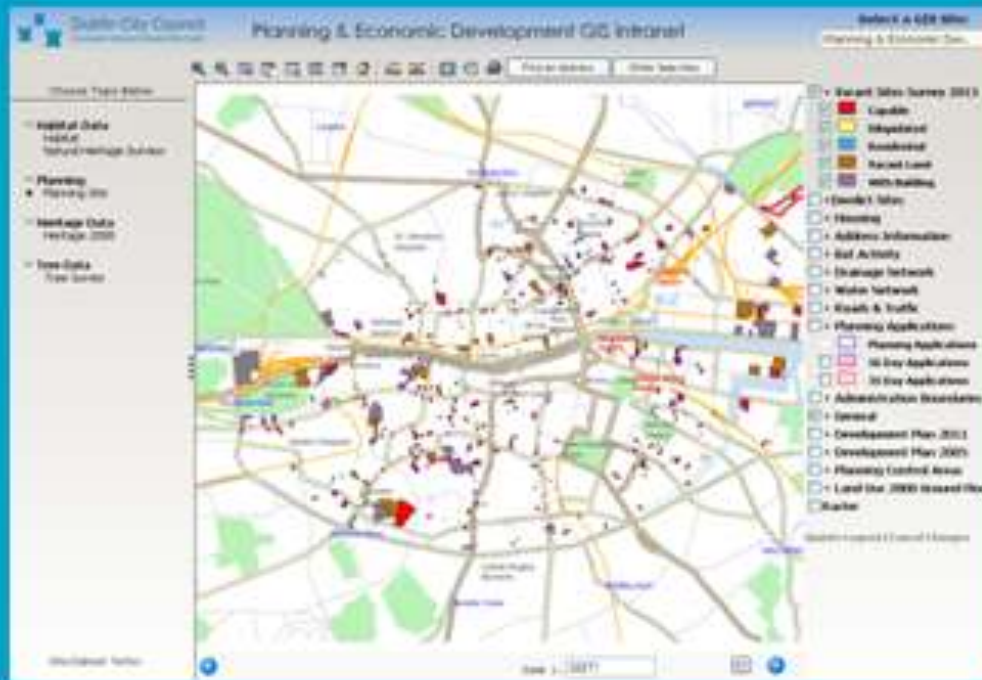
312 Sites

C63 hectares

10 Sites total 30h

**Great Planning Tool;
e.g. to Implement Development Plan Policies**

Basic Planning Data



Vacant Lands Audit

Update February 2014



Baile Átha Cliath
Dublin City

Development Plan

A vacant land levy would address the **3 Core Strategies**:

- A compact, quality, green, well-connected city,
- A smart city, creating real long term economic recovery
- A city of sustainable neighbourhoods and socially inclusive communities

“the problem of isolated clusters”

Development Potential: Docklands SDZ

*“On the basis of the development capacities set out in this scheme, the **22ha** of available lands could accommodate an estimated **2,600** residential units **and 305,000m²** of commercial floorspace, which equates to a residential population of circa **5,800** and circa **23,000 workers**”*

The Coombe: near St Patrick's Cathedral, Tourist Route



Benburb Street, Museum, Tourist Route



Dublin Castle, EU Presidency Media Centre



Smithfield; OPW; Freedom/Independence Square; 2016 Legacy?



Purpose

The proposed vacant land levy is intended to be: pro-development, **pro-investment**, pro-business, pro-ratepayer, pro-employment, pro-resident, and pro-community.

It would also promote the **interim use** of vacant development land, for example for use as a temporary public park

Great international competitive advantage for Dublin

Many of our international competitor cities have fully developed centre city areas and have no space for the expansion of uses which need/prefer to locate in centre city areas

Viability; Supply Side Measure

Critical role to play in encouraging a **greater market supply of development land, so moderating its price, thereby making development viable sooner, and at a lower cost to the end user.**

Ronan Lyons (TCD) supports the vacant land levy as a supply side measure.

As does **Brian Moran**, Managing Director of Hines and Chair of the Urban Land Institute Ireland, “would discourage ... hoarding”.

The Commission on Taxation (2009)

“We are proposing a recurrent tax on zoned development land where such land is not being developed.

*This will be a useful policy tool to address the **hoarding** of land-banks ...”*

[support also from EU and IMF as pro-supply measure]

Tax Strategy Group report (2010)

It encourages compact city centre development

The most productive use of high value land

Those who have not developed valuable land are encouraged to do so

Counteracts any **market disincentive** to develop the land.

Model of Good Practice. Heuston South Quarter, Interim Landscaping by Receiver, Reddy Architecture, Mitchell and Associates



Model of Good Practice. Heuston South Quarter, Interim Landscaping by Receiver, Reddv Architecture. Mitchell and Associates



Tom Dunne, Head of School of Real Estate, DIT

“I would imagine that this is being done to enhance the attractiveness of the blocks that have already been built.

A good motivation and **this elegantly makes the point that derelict sites depreciate the value of surrounding properties.**

Clearly the receiver thinks it worthwhile to spend money ameliorating the visual effects

Lord Mayor Oisín Quinn's Task Force on Vacant Land Levy

Diverse Membership includes:

Danny McCoy, CEO, **IBEC**

David Begg, General Secretary, **ICTU**

Frances Ruane, Director, **ESRI**

Tom Dunne, Head of School of **Real Estate** and Construction Economics, DIT

Killian O'Higgins, **Chartered Surveyor**

Derek Tynan, DTA Architects

Brendan Williams, lecturer in Urban Development and Urban Economics, UCD

David Brennan, CEO **Dublin City Business Association**.

Chris McGarry, **NAMA**

Micheál Collins, Senior Research Officer, Nevin Economic Research Institute

Pat Davitt, CEO, **IPAV**

Michael Cleary, **SCSI**

City Council Executive and Councillors

Interesting debates

Cork Street: Much needed Park to be provided



Growing Support: And Strong Opposition

The screenshot shows a web browser displaying a news article from the Irish Independent. The article title is "Plan to boost supply of family homes will create 60,000 jobs" with a sub-headline "Punitive tax on developers who hold on to zoned land". The main image shows construction workers on a site. A text box over the image reads: "The new plan aims to boost construction in areas where affordable homes are most needed, while also creating jobs. Photo: Thinkstock Images". Below the image, the article text begins: "The new plan aims to boost construction in areas where affordable homes are most needed, while also creating jobs. Photo: Thinkstock Images". The article is dated 24 FEBRUARY 2014 and is by Pádraig Kirby. It mentions that the Government is set to sign off on a raft of measures aimed at increasing the supply of housing and creating 60,000 jobs in the construction sector. A "RELATED ARTICLES" section includes "Construction recovery is vital but we mustn't repeat past mistakes" and "At last, some good ideas on housing market". A "Tweets" sidebar on the right shows tweets from @independent_ie and @independie. The browser's address bar shows the URL: www.independent.ie/7141/news/plan-to-boost-supply-of-family-homes-will-create-60000-jobs-300357141.html. The Windows taskbar at the bottom shows the start button and several open applications.

Wider Dublin City Council Context

Planning, Economic Development and International
Strategic Policy Committee

Steering Group on Vacant Lands/ Buildings etc

Heuston to O'Connell Street (LUAS) Corridor Pilot
Project

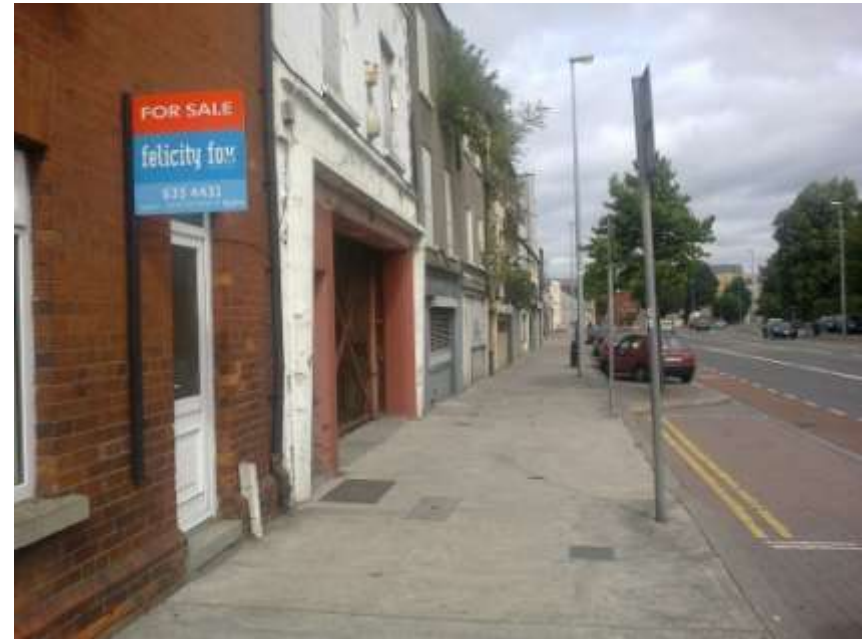
3 Progress Reports and Levy Submission on;

<http://www.dublincity.ie/Planning/Pages/Planning.aspx>

A Marginal Area of North Inner City,
or Underperforming City Centre?
Luas Corridor Pilot Project; Paul Kearns



Behavioural Economics: The Significant Problem of Neglect of Some Buildings in Dublin





“Property has its Duties
as well as its Rights”

Thomas Drummond