



Comhairle Cathrach
Bhaile Átha Cliath
Dublin City Council

Living City Initiative

A Tax Incentive Scheme to assist and encourage people to live in the historic inner city areas of Dublin City.



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The Living City Initiative (LCI), what is it?

The Living City Initiative (LCI) is a tax incentive scheme to assist and encourage people to live in the historic inner city areas of Dublin City. It allows owners and investors to claim tax relief for money spent on refurbishment and/or conversion of residential property either as income tax relief (for owner occupied residential) or a capital allowance (for rented residential). It also focuses on the regeneration of retail and commercial districts by allowing owners to claim an accelerated capital allowance on money spent on refurbishment and/or conversion of commercial property.

It aims to incentivise owners/investors to carry out the necessary refurbishment and/or conversion works to upgrade existing accommodation or bring derelict/disused properties back into use. Examples include bringing vacant upper floors above a shop into residential/office use or carrying out refurbishment work to your own home.

A property can be a house, apartment, shop or any kind of structure and can include all or part of a property. See designated area on pages 4 and 5.

Owner-occupiers or investors in Dublin Georgian properties may find the information provided in the Dublin City Council guidance document 'South Georgian Dublin Townhouse Re-Use guidance document' useful, as it examines a range of opportunities/challenges involved in the conversion/refurbishment of Georgian Townhouses, particularly for residential use.

The guide is available to view on the Dublin City Council website through bit.ly/GeorgianDublinReuseGuidance

Where can I get further information or advice?

Contact the Living City Initiative (LCI) Unit in Dublin City Council – We are here to help!

The LCI Unit has setup a ‘One Stop Shop’ Advisory Team from Planning, Architects, Fire Prevention, Building Control, Conservation, Valuers & Other relevant Departments.

Our Team is available to meet with you and provide advice on statutory planning and development requirements in relation to your proposed refurbishment and/or conversion works before your begin.

It is a **FREE** service, but you must make an appointment in advance by contacting the Living City Initiative Unit at

Living City Initiative (LCI) Unit,
Dublin City Council,
Planning & Property Development Department,
Block 4, Floor 3,
Civic Offices, Wood Quay,
Dublin 8

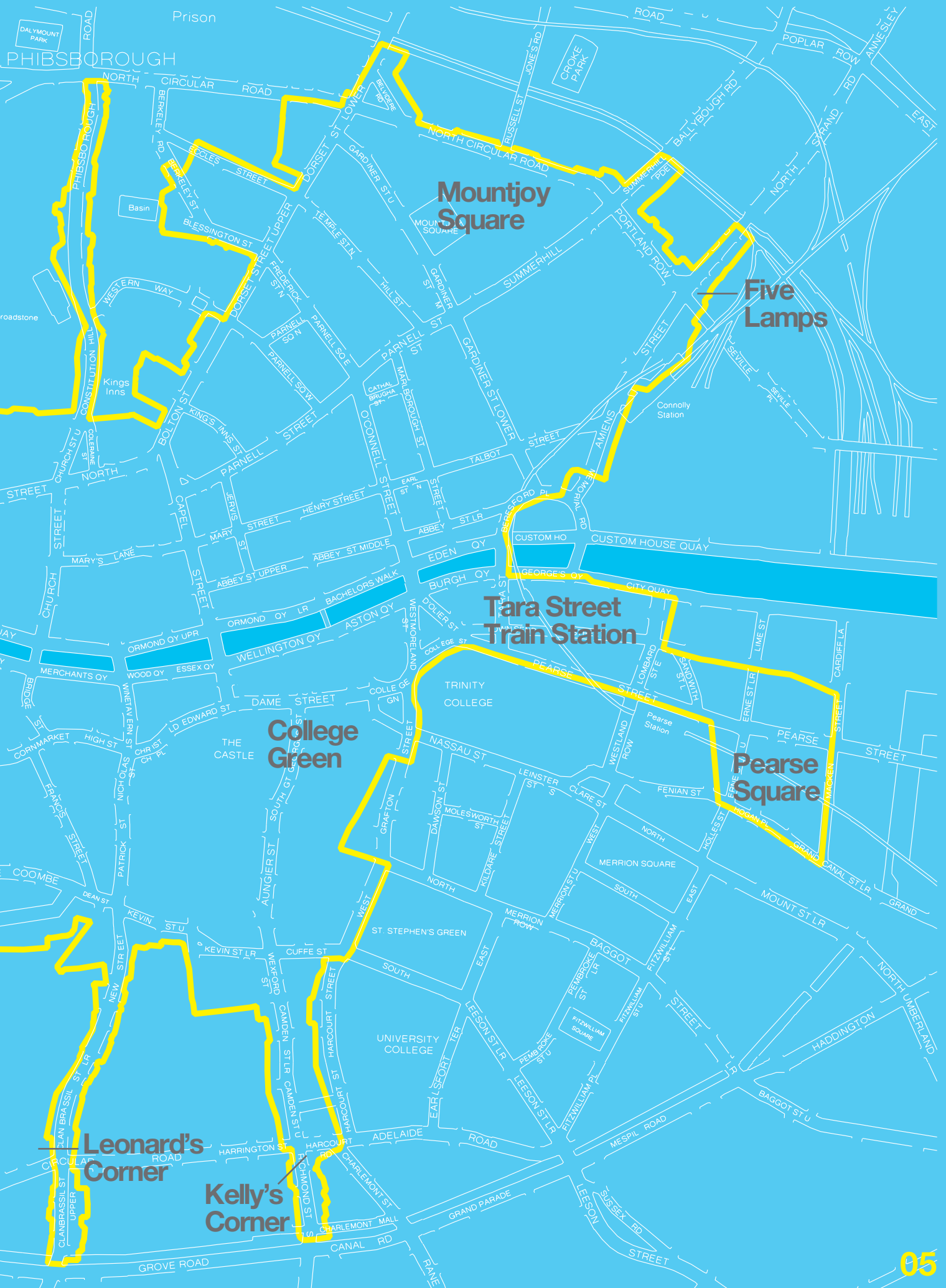
Email: livingcityinitiative@dublincity.ie
Telephone: 01 222 3480



Where? - the designated 'Special Regeneration Area'

Only properties located within the designated 'Special Regeneration Area' (SRA) qualify for the relief under the Initiative. The exact locations are available to view on the Dublin City Council website through bit.ly/LivingCityInitiativeMap





When?

- qualifying period

The Living City Initiative was introduced by the Government in 2015.

The Qualifying Periods for the three types of tax relief available are;

- 1) Owner-Occupier Residential Relief commenced on 5th May 2015;
- 2) Commercial Relief also commenced on 5th May 2015, whereas;
- 3) Rented Residential Relief commenced on 1st January 2017.

The scheme for all reliefs will end on 4th May 2020.

Only refurbishment and/or conversion work carried out during the above time periods will qualify for relief.

Expenditure must be incurred within the qualifying period.



How does the incentive scheme work?

There are different conditions for claiming relief, depending on whether you refurbish or convert a property for residential or commercial use.

The following 3 conditions apply in all cases (i.e. to both Residential and Commercial refurbishment and/or conversion works);

- 1) The property must be located within the designated Special Regeneration Area.

Refer to map available online at bit.ly/LivingCityInitiativeMap

- 2) The costs of only certain types of building works, called 'Qualifying Expenditure' will be eligible for relief. 'Qualifying expenditure' relates to costs paid for work carried out for the refurbishment or conversion of an existing property only and not for 'new build' costs.

- 3) There is a minimum qualifying expenditure of €5,000. While there is no upper limit on expenditure in relation to the residential element, there is a limit on the amount of tax relief available. The amount of actual tax relief available under the commercial element is capped at €200,000 for any individual project.

The following additional conditions apply to both Owner-occupier Residential or Rented Residential (landlord) relief; The property which is to be converted or refurbished, including any extensions must have been **built prior to 1915**.

If you are unsure if your property was built pre 1915, the following sources of information may assist you;

- National Inventory of Architectural Heritage Ireland (Online)
- Ordnance survey map online viewer (Dublin map surveyed 1906-09)
- Valuation Office Archive

The commercial property does not require to be pre-1915 construction.

Finally, the following conditions apply in relation to the **occupation of the property** immediately after the conversion and/or refurbishment of the property.

Owner-occupier Residential Relief	The property must be occupied by the person claiming the tax relief immediately after the refurbishment/conversion, as their sole or main residence.
Rented Residential relief	The property must be immediately rented out on bona fide commercial terms to be used as a home by a tenant.
Commercial Relief	Commercial premises must be in 'retail' use or used for the provision of services within the State or let on bona fide commercial terms for such use.

Which works qualify for relief?

To qualify for relief, the works to the property must be refurbishment and/or conversion works, not new build. You cannot claim the relief if you buy a new build property or build a property from scratch. Generally speaking you cannot claim for money spent on an extension to an older property unless the extension was built before 1915 or the new extension is required to make the existing property habitable to meet building regulations. An example would be if building regulations require the provision of a bathroom extension.

Refurbishment Works

Refurbishment of a property is carrying out any work to repair or restore it. Examples include fitting a new roof, upgrading or fitting a new heating system, sewage facilities etc. (with a minimum spend of €5,000).

Conversion Works

For residential relief, a conversion is where you change a non-residential property into a house or an apartment. This would include converting the floors over an office/shop into residential use (living over the shop). You may also change a single-unit property into two or more units or change a multi-unit property into a single unit. A unit can be a house or an apartment.

For commercial relief, a conversion means any works required to make the property suitable for the purpose of retailing goods or the provision of services only within the state.

This includes providing or repairing/improving water supply, sewerage or heating facilities.

What costs are covered?

Relief can be claimed on the direct refurbishment and conversion costs, such as;

- Building materials
- Hire of equipment
- Labour cost
- Administrative overheads
- Professional fees
- Painting and decorating
- Fees paid to local authorities for the provision of certain infrastructure and services
- The cost of the following items can be claimed if they are installed during the refurbishment and if they form part of the fabric of the building;
 - Bathroom suites
 - Fixed flooring
 - Tiling
 - Light fittings
 - Fireplaces
 - Fitted kitchens (excluding appliances)

A property developer or a connected person cannot claim relief for expenditure on either the rented residential or commercial elements of the scheme.

However, a property developer may carry out refurbishment or conversion work under this scheme and then sell the residence to an individual who can then claim the relief. The builder who undertook the work will need to pass the 'Letter of Certification', which was received from the local authority, to the individual as proof that the property qualifies for tax relief under the Scheme.

What relief can I claim?

Relief for owner-occupier

You can claim 10% of the cost of work as a deduction from your total taxable income each year for 10 consecutive years. There is no upper limit for the amount you spend.

(10% per annum for 10 Years)

Example: Qualifying Expenditure of €32,000

This could result in a claim of €3,200 from total taxable income each year and depending on the individual rate of tax, this may result in relief of up to €1,280 each year for ten years for someone on a marginal tax rate of 40%.

Relief for a Rented Residential and Commercial property

Landlords may claim relief on both residential and commercial properties as capital allowances over a seven year period.

15% per annum (Year 1 to 6) and 10% (Year 7)

There is no limit to how much can be invested in the refurbishment/conversion of a premises. The limit of €200,000 is on the amount of relief, which can be obtained for each project.

Claiming other Grants?

Any grants received under other State or Public financial schemes will affect the amount you can claim under this Scheme.



How do I apply for commercial relief?

Commercial Relief is applied for directly through the Revenue Commissioners and further information can be obtained on the [Revenue.ie](https://www.revenue.ie) website.



How do I apply for residential (owner-occupier/rented relief)?

Please complete and sign the attached application form or one available online at bit.ly/LivingCityInitiativeApplication and forward it to the LCI unit at the address provided on the form.

The LCI unit will review the application form and if all the required criteria are complied with and confirmed, will issue the applicant with a Unique Reference Number (URN), which will be used when you apply to Revenue for the tax relief.

When you have completed the work on the residential property you need to contact the LCI unit again, quoting your URN number, to request a 'Letter of Certification' for your property before you can submit your claim for tax relief.

In order to apply for this 'Letter of Certification', which the revenue commissioners require, you must firstly submit a 'Letter of Opinion' to the LCI unit, in relation to the works undertaken, from a suitably qualified professional such as an Architect, Planner or Engineer confirming that;

- 1) Planning permission has been obtained for the works or the works are exempted development.
- 2) The basic standards of facilities regarding water, sewerage and other services have been installed.
- 3) On the basis of the information provided, the cost of the works is reasonable.

The LCI unit will then issue the 'Letter of Certification' to you if you meet all the criteria of the scheme. The LCI unit will also send a copy of the letter to the Revenue Commissioners, as this provides an early indication to Revenue to expect a future claim from you. You must quote the URN number on your correspondence with the Revenue Commissioners.

Do I qualify?



Location?

Property is located in the designated 'Special Regeneration Area' (SRA). (See map on pages 4 and 5).



Cost?

Cost of works are for a minimum of €5,000; no maximum amount; (capped at €200,000 relief available for commercial element).



Works?

- are for refurbishment and/or conversion of the property
- are undertaken before 4th of May 2020 and commenced after 5th of May 2015 or 1st of Jan 2017 (as appropriate)
- meet the Qualifying Expenditure criteria
- comply with all statutory planning and development requirements such as Planning Regulations and Building Regulations



Pre 1915?

Property must have been built pre 1915 (doesn't apply to commercial premises).



Immediate occupation?

Conditions for immediate occupation of the property, (after works are completed) have been met.



Unsure if you should apply?

Contact the LCI Team for advice on the Initiative criteria and/or your proposed refurbishment/conversion.

Application Process





Statutory or legal requirements

There are no exemptions or special procedures for the work you do on properties located in a designated Special Regeneration Area. You must ensure that your refurbishment or conversion proposals comply with all statutory planning and development requirements such as Planning Regulations and Building Regulations.

You must also determine if your building is a Protected Structure or is in an Architectural Conservation Area/ Conservation Area, as special planning provisions may apply.

To determine this, you should refer to information provided on the Conservation Section of the Dublin City Council website.







Living City Initiative Tax Incentive Scheme Owner Occupier/Rented - Residential Application Form

Applicants should note: The Living City Initiative (LCI) unit in Dublin City Council deals with Residential Applications only under the Living City Initiative. All Commercial Applications should be directed to the Revenue Commissioners

Name of Applicant:	Office Use:
Address of Applicant:	
Address of property:	
Eircode & Property Tax No.	
Contact number:	
Contact email:	

Tick box as appropriate

Is your building within the Designated Special Regeneration Area?
(refer to detailed map on Dublin City Council website).

Yes ☐ No ☐

Was the property originally built prior to 1915?

Yes ☐ No ☐

Is your building a Protected Structure?

Yes ☐ No ☐

If yes, has a Section 57 Declaration been issued?

Yes ☐ No ☐

Is your building within an Architectural Conservation Area?

Yes ☐ No ☐

Does the proposed work require planning permission?
(Please see Important Note on Page 3 of this application form)

Yes ☐ No ☐

If yes, has this been granted?

Yes ☐ No ☐

If Granted, please state the Planning Reference Number:

Please note the 'Living City Initiative' application process is completely separate to the Planning process.



Detailed description of work intended to be carried out:
(attach quotation for work, if available)

Office Use:

Estimated cost of eligible works only:

€

Are you applying for or receiving any State funded grants for this work?

Yes

No

If Yes, please state the type of grant and amount

€

Please tick one of the following boxes, as appropriate:

1. Property will first be used as sole or main residence of applicant post
refurbishment/conversion

2. Property will be let by the applicant⁽¹⁾

3. Property is being refurbished/converted for sale by the applicant

If you ticked the box at (2) above please confirm that you are not a person that is regarded as an undertaking in difficulty⁽²⁾ for the purposes of the EU Commission Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty by signing here:

Signature:

Date:

1 on bona fide commercial terms on an arm's length basis, post refurbishment/conversion

2 A person is regarded as an undertaking in difficulty for the purposes of the EU Commission Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty if that person, without intervention from the State, will almost certainly go out of business in the short or medium term. For further information please see paragraph 2.2 of the following link: [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0731\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0731(01)&from=EN)



The LCI unit in Dublin City Council has set up a 'One Stop Shop' Advisory Team from Planning, Architects, Fire Prevention, Building Control, Conservation, Valuers and other relevant Departments. Our team is available to meet with you and provide advice on your proposed refurbishment and/or conversion works. It is a **FREE** service but you must make an appointment in advance by contacting the Living City Initiative Unit, Planning & Property Development Department, Block 4, Floor 3, Civic Offices, Dublin 8 or by email at livingcityinitiative@dublincity.ie or phone (01) 222 3480.

Important Note to Applicant:

In order for the LCI unit to consider issuing a 'Letter of Certification' pursuant to the Living City Initiative Scheme, on completion of the works, the applicant must provide to the LCI unit, Planning and Property Development Department a 'Letter of Opinion' from a suitably qualified professional such as, an Architect, Planner or Engineer regarding the following:

- That planning permission has been obtained for the works. In some cases, certain works will not require planning permission. Should that be the case, the reason why the works are considered exempt from the requirement to obtain planning permission should be outlined in the letter or you must provide a copy of a Section 5 Declaration from the Planning Authority to the effect that the works are exempt from planning permission.
- That the basic standards of facilities regarding water, sewerage and other services have been installed.
- That the cost of the works carried out, within the qualifying period, is reasonable.

The LCI unit will not issue a 'Letter of Certification' pursuant to the Living City Initiative Scheme until the above opinion has been received.

I have signed below to indicate that, I declare that the information provided in this form is correct and accurate. Should any of this information change, the onus is on me, the Applicant, to notify the LCI unit of any such change.

Applicant Signature:

Date:

When you have completed and signed the form above, please return it to the following address:

Dublin City Council,
Living City Initiative Unit,
Planning & Property Development Department,
Block 4, Floor 3,
Civic Offices,
Wood Quay,
Dublin 8

Office Use Only
REF No.:





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