



Comhshaol, Pobal agus Rialtas Áitiúil
Environment, Community and Local Government

FAQ on Exemption from Local Property Tax for Unfinished Housing Developments

What is the Local Property Tax?

As announced in Budget 2013, an annual Local Property Tax (LPT) will come into effect from 1 July 2013.

Local Property Tax (LPT) is a tax payable on the market value of residential property. It will come into effect from 1 July 2013.

It will be administered by Revenue and a half-year charge will apply in 2013.

A detailed guide on the Local Property Tax is available on the website of the Revenue Commissioners - <http://www.revenue.ie/en/tax/lpt/index.html>

Is there an exemption for unfinished housing estates?

Yes. Section 10 of the Finance (Local Property Tax) Act 2012 provides that the Minister for the Environment, Community and Local Government may prescribe a list of unfinished housing developments to which an exemption from the local property tax will apply.

Who does the exemption apply to?

The exemption applies to the developments listed in the schedule to the Finance (Local Property Tax) Regulations 2013 (S.I. 91 of 2013).

The Regulations can be viewed at www.envirom.ie

How was the list developed?

The list was developed primarily on the basis of the 2012 National Housing Development Survey using the categorisation of “seriously problematic condition”.

How is the list different to the list of estates eligible for the waiver from the Household Charge?

The basis for the exemption is similar – this list was compiled using the results of the 2012 survey just as the list of estates eligible for the waiver from the Household Charge was compiled using the results of the 2011 National Housing Development Survey. However, the survey itself and the methodology for carrying it out were significantly refined in 2012.

The survey was first compiled over the course of summer 2012 and on the basis of an agreed nationally consistent set of criteria and survey methodology with local authority returns in accordance with this methodology.

The Department of the Environment, Community and Local Government working in conjunction with the Housing Agency, co-ordinated the carrying out of the survey and publication of its results.

The Department wrote out to all authorities in February to inform them that the 2012 survey would form the basis for the list to which the exemption would apply.

Authorities were asked to either confirm **or** update this list.

Using the returns provided by all local authorities, a list of housing developments was prepared and submitted for purposes of being prescribed under regulations for the exemption.

I was eligible for the waiver from the Household Charge. Why am I not eligible for an exemption from the property tax?

The National Housing Development Survey 2012 revealed that 1,203 developments which had previously been included in the 2011 Survey could be removed as they were either substantially complete or developments that had never commenced, and many substantially complete developments could progress to being taken in charge by local authorities.

Since 2010, the number of such developments has fallen 37% to 1,770.

Whereas the Annual Household Charge waiver list contained some 1,322 developments, and approximately 43,000 households, the exemption from payment of the property tax will apply to 421 developments, or approximately 5,100 households

The reductions in the list of properties eligible for an exemption on the Local Property Tax compared to the Household Charge reflects progress made in tackling unfinished housing developments as well as a more objective and refined approach to identification of relevant housing developments applied to the 2012 National Housing Development Survey as well as, in some cases, further progress made since the 2012 Survey was concluded.

Who can I talk to about the categorisation of the development in which I live?

If you want to discuss the compilation of the list of developments in your area you should contact your local authority's Unfinished Housing Estates Coordinator. Contact details for all local authorities can be obtained at www.housing.ie

What were the criteria used to decide which developments would qualify for the exemption?

The list of estates categorised under the National Housing Development Survey 2012 as being in "seriously problematic condition" provided the starting point for compiling the waiver. The survey is available at:

<http://www.housing.ie/Housing/media/Media/UFHD%202012%20Survey%20Launch%2028%20Nov%202012/National-Housing-Development-Survey-2012-Summary-Report.pdf>

It is important to note that not all estates categorised as being "seriously problematic condition" are covered by the waiver. This is because (1) problematic developments that don't contain completed homes were not designated as that would be pointless given that liability only arises for homeowners and (2) local authorities decided that further progress had taken place in terms of remediation of a number of developments between the time of the 2012 survey (summer) and the time they revisited it in Feb/March 2013 to facilitate the preparation of the LPT waiver list.

While the basis for the exemption is similar to that which applied to the household charge (i.e. this new list was compiled using the results of the 2012 survey just as the list of estates eligible for the waiver from the Household Charge was compiled using the results of the 2011 National Housing Development Survey undertaken by local authorities), the survey itself and the methodology for carrying it out was significantly refined in 2012 to address anomalies that arose in the 2011 survey.

The 2012 survey was conducted by local authorities over the course of summer 2012 on the basis of an agreed nationally consistent set of criteria, mapping and survey methodology. The Department of the Environment, Community and Local Government working in conjunction with the Housing Agency, co-ordinated the carrying out of the survey and ensured that local

authority returns were in accordance with this methodology. The Department wrote to all local authorities in February to inform them that the 2012 survey would form the basis for the list to which the exemption would apply, and asked them to either confirm or update this list.

Using the returns provided by all local authorities, a list of developments was then prepared and submitted for the purposes of being prescribed under regulations for the exemption.

Where can I find out more about the Local Property Tax?

A comprehensive guide, FAQ document and online interactive valuation facility can be accessed via www.revenue.ie

The list of developments qualifying for the exemption can be found on this Department's website at <http://www.environ.ie/en/DevelopmentHousing/Housing/News/MainBody.32637,en.htm>

Where can I find maps showing these developments?

Your local authority has made these maps available on their website and at their public offices.