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Chartered property, land and construction surveyors

REAL COST OF RENOVATION REPORT

VACANT AND DERELICT PROPERTIES FOR RESIDENTIAL USE

SCSI Chartered property, land and construction surveyors

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FOREWORD

AS IRELAND CONTINUES TO DEAL WITH THE CHALLENGES OF AN UNPRECEDENTED HOUSING CRISIS, MUCH DEBATE HAS FOCUSED ON THE SIGNIFICANT NUMBER OF VACANT PROPERTIES NATIONWIDE THAT COULD BE REFURBISHED TO PROVIDE MUCH-NEEDED RESIDENTIAL ACCOMMODATION.

This Real Cost of Renovation Report provides data-driven, evidence-based cost information and practical insights on the renovation of a selection of 20 vacant and derelict properties across the country to assist Government, State agencies, and potential homeowners and investors to understand both the key challenges and opportunities in utilising existing properties for residential use. With the integration of cost modelling, I believe the findings of this report will also help dispel the myths and address widely held views across the country that lead to individuals and investors not undertaking refurbishment of derelict and vacant properties.

At a time when rents are at an all-time high, the majority of house prices are prohibitively expensive to the average buyer, high construction costs are challenging new housing development viability, and we are working towards carbon neutrality by 2050, it is imperative that a pragmatic approach is taken to ensure the viability of renovating current building stock for residential use. I am proud to be part of a property, land and construction sector that is actively engaging with the climate action agenda; our sector is working hard to reduce reliance on fossil fuels and developing new products and practices to construct more sustainably. The delivery of extra housing to meet the needs of a growing population may be viewed by some as being counterproductive in reducing construction-related carbon in our environment and although there may not be a single solution to address the complex challenge of increasing housing output while simultaneously addressing climate change obligations, there is an opportunity for Government to do both with the renovation of our existing stock. This option provides for a more immediate and sustainable product, in a more expeditious timeframe, and within a more advantageous planning arena.

It will take time and a concerted effort by many to move the dial in relation to repurposing and renovation of units for residential accommodation. There are often a multitude of challenges facing building owners and investors in taking on such projects, and this report aims to highlight the practical, financial, and regulatory challenges of renovating vacant or derelict property. It also provides practical recommendations for policymakers on how these key challenges can be overcome.

While this report will be of benefit to those seeking general information on vacant property renovation, each property has unique characteristics and therefore professional advice should be sought before embarking on refurbishment projects. SCSI Chartered Surveyor members working across 12 surveying disciplines are well placed to provide both technical and cost advice. For owners and prospective buyers navigating areas such as planning, fire certification, building regulations, planning regulations, financial/viability assessments, construction, and sales and rental market advice, this report will hopefully assist in the renovation of projects across the country.

I would like to thank all members and the wider stakeholder group who have contributed to this report. Your expertise and knowledge were invaluable in informing this research.

Kevin James FSCSI FRICS
SCSI President

EXECUTIVE SUMMARY

THIS REPORT EXAMINES THE FINANCIAL AND REGULATORY VIABILITY OF RENOVATING VARIOUS PROPERTY TYPES TO HABITABLE RESIDENTIAL USE. THE REPORT CONTAINS 20 CASE STUDIES, WHICH ARE PRESENTED IN DETAIL IN SECTION 2.

The case studies were assessed by a variety of Chartered Surveying disciplines, who provided valuation and building renovation cost assessments of the buildings.

The properties within the case studies are divided into 'types' similar to those within the Government's 'Bringing Back Homes – manual for the reuse of existing buildings' document **(Figure 1)**. The study contains a mix of current vacant and derelict units, as well as units that have recently undergone a renovation.

Financial viability

The financial viability analysis performed in this report used the following approach: the market value of a property in its vacant or derelict state, plus the total cost of renovating it (to a minimum B2 Home Energy Rating), was then examined against the market value of the property on completion. Whether the property is financially viable is calculated by determining whether the final market value is greater than the starting market value plus the renovation costs. Financial viability is particularly important for

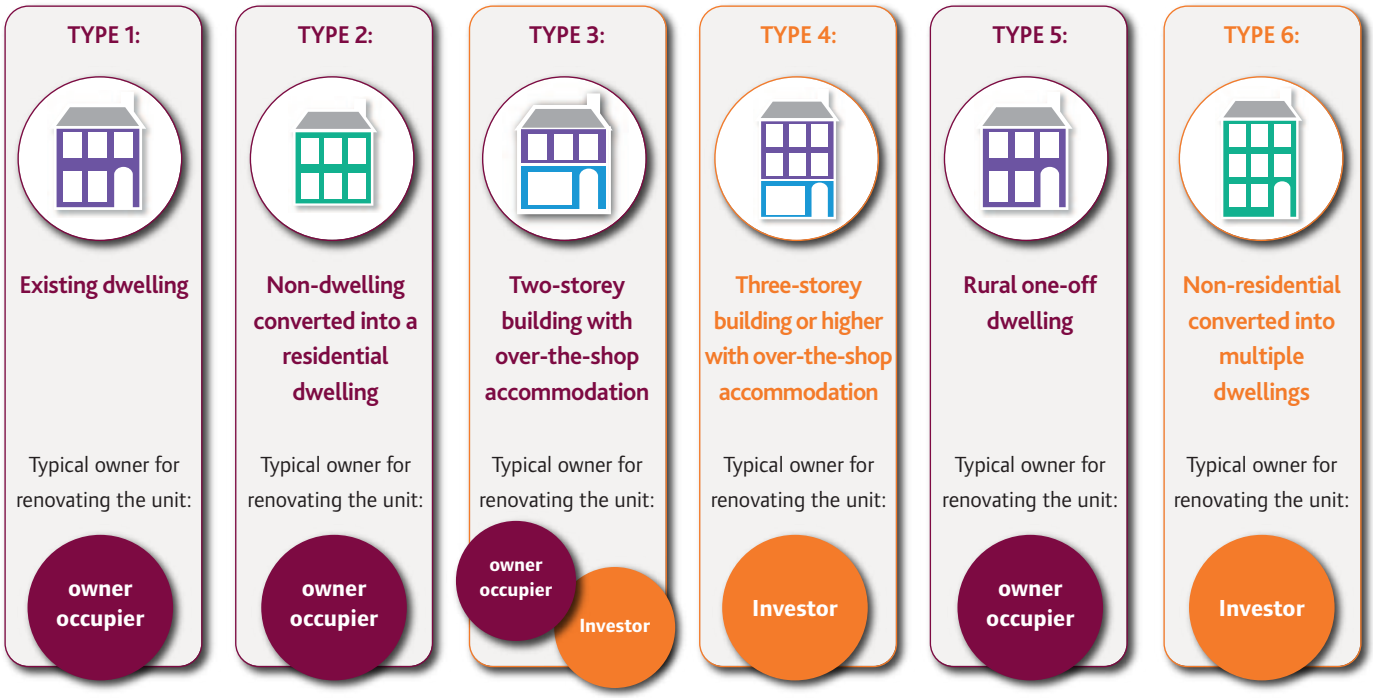

FIGURE 1: Case studies (categorisation of building types).

homeowners/investors seeking to renovate a property with mortgage funds, as financial institutions will typically only lend on a loan-to-value ratio of 90% for owner occupiers. The ownership status of the building before renovation works has a considerable impact on overall financial viability, particularly when seeking a mortgage to carry out works. For instance, in a scenario where all the case study properties are already in the ownership of those who will renovate them, the inherent value of these is not included in this financial viability calculation. Based on the case studies, only 25% are viable for purchasers renovating these units **(Table 1** – column 'Financial viability assessment (without grants)'; **Figure 2)**. As part of the overall financial viability of renovations, the report included the most recent Government Vacant Property Refurbishment Grant, referred to as Croí Cónaithe (Towns), in its assessment. Up to 13 of the 20 case studies in this report are most likely to be purchased by owner occupiers for renovation, and therefore could apply for Croí Cónaithe (Towns) grant funding. However, of these 13 cases studies:

- no additional case study property became financially viable with the Croí Cónaithe (Towns) grant of €30,000;
- no additional case study property became financially viable with the enhanced Croí Cónaithe (Towns) grant of €50,000;
- one additional case study property becomes viable when the Croí

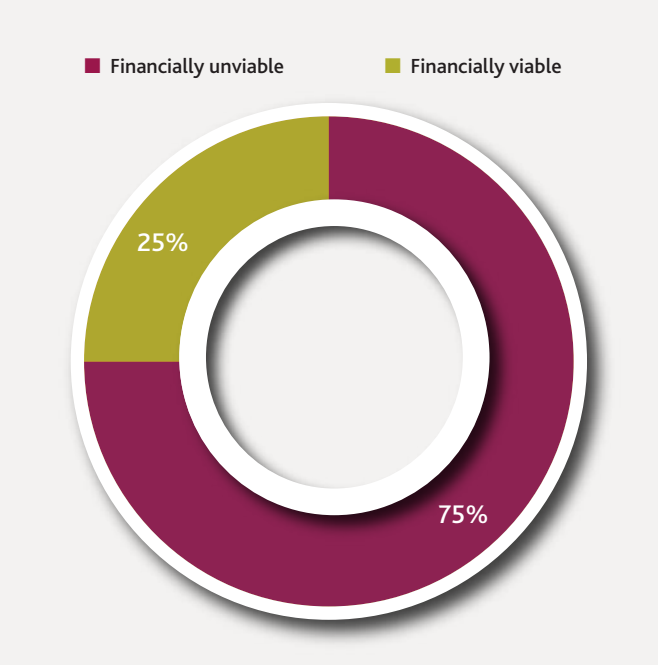

FIGURE 2: Purchasing a vacant/derelict unit for renovation. Percentage of case studies viable/unviable without grants. *Source: SCSI research.*

Table 1: Summary of financial viability – 20 case studies of vacant and derelict property.

	Total development costs, incl. VAT	Market value pre renovation	Market value after renovation	Financial viability assessment (without any grants)	Financial viability assessment with Croí Cónaithe (Towns) Fund Scheme (€30k)	Financial viability assessment with Croí Cónaithe (Towns) Fund Scheme (€50k)	Financial viability assessment with €50k Croí Cónaithe + SEAI* (€21.5k)	If Croí Cónaithe (Towns) Fund Scheme is €100k
Trim, Meath	€328,896	€95,000	€350,000	-€73,896	-€43,896	-€23,896	-€2,396	€26,104
Salthill, Galway	€374,774	€725,000	€1,175,000	€75,226	€105,226	€125,226	€146,726	€175,226
Askeaton, Limerick	€161,477	€40,000	€140,000	-€61,477	-€31,477	-€11,477	€10,023	€38,523
Abbeyfeale, Limerick	€189,601	€55,000	€145,000	-€104,601	-€74,601	-€54,601	-€33,101	-€4,601
Askeaton, Limerick	€219,657	€30,000	€145,000	-€104,657	-€74,657	-€54,657	-€33,157	-€4,657
Ballinalack, Westmeath	€227,824	€85,000	€225,000	-€87,824	-€57,824	-€37,824	-€16,324	€12,176
New Bride Street, Portobello, Dublin 8	€377,162	€385,000	€865,000	€102,838	€132,838	€152,838	€174,338	€202,838
Main Street, Dundrum, Dublin 14	€338,256	€410,000	€575,000	-€173,256	-€143,256	-€123,256	-€101,756	-€73,256
Dun Laoghaire, Dublin	€176,203	€245,000	€425,000	€3,798	€33,798	€53,798	€75,298	€103,798
Prosperous, Kildare	€289,673	€170,000	€325,000	-€134,673	-€104,673	-€84,673	-€63,173	-€34,673
Schull, Cork	€280,022	€300,000	€600,000	€19,978	€49,978	€69,978	€91,478	€119,978
Kells, Meath	€291,540	€200,000	€400,000	-€91,540	-€61,540	-€41,540	-€20,040	€8,460
Beara, Cork	€605,410	€230,000	€450,000	-€385,410	-€355,410	-€335,410	-€313,910	-€285,410
Killarney Post Office, Kerry	€1,135,672	€675,000	€1,200,000	-€610,672	n/a	n/a	n/a	n/a
Bailieborough, Cavan	€1,098,320	€100,000	€800,000	-€398,320	n/a	n/a	n/a	n/a
Henry Street, Dublin	€658,805	€165,000	€790,000	-€33,805	n/a	n/a	n/a	n/a
Kilkenny Post Office, Kilkenny	€516,218	€200,000	€630,000	-€86,218	n/a	n/a	n/a	n/a
Grafton Street, Dublin	€861,726	€378,000	€1,300,000	€60,274	n/a	n/a	n/a	n/a
Main St, Askeaton, Limerick (Unit 1 and 2)	€353,573	€150,000	€385,000	-€118,573	n/a	n/a	n/a	n/a
Clondalkin, Dublin 20	€490,799	€120,000	€440,000	-€170,799	n/a	n/a	n/a	n/a

Investor-type property Owner occupier-type property

*Average Sustainable Energy Authority of Ireland (SEAI) grant (€21,500) drawn down by consumers for similar properties to those in the case studies. SEAI grants are not applicable to new buildings or extensions. An SEAI Better Energy Home Scheme Grant may be available in combination with the Croí Cónaithe (Towns) Fund. Works covered by the SEAI Better Energy Homes Scheme will therefore not be covered under the Vacant Property Refurbishment Grant. The local authority must satisfy itself that proposed works are not claimed for under any other grant. Further details are available on the SEAI website: www.seai.ie. Source: SCSI research.

EXECUTIVE SUMMARY

Cónaithe (Towns) grant of €50,000 and an SEAI average grant of €21,500* is applied; and,

- three additional case study properties became financially viable if the Croí Cónaithe (Towns) grant is increased to €100,000 excluding SEAI funding **(Table 1)**.

Table 2: Summary of financial viability scenario – property already in ownership.

Location/case study	Viability assessment for current owners (i.e, no mortgage cost, plus cost of renovation deducted from completed property's value, without grants)
Trim, Meath	€21,104
Salthill, Galway	€800,226
Askeaton, Limerick	-€21,477
Abbeyfeale, Limerick	-€49,601
Askeaton, Limerick	-€74,657
Ballinalack, Westmeath	-€2,824
New Bride Street, Portobello, Dublin 8	€487,838
Main Street, Dundrum, Dublin 14	€236,745
Killarney post office, Kerry	€64,329
Dun Laoghaire, Dublin	€248,798
Bailieborough, Cavan	-€298,320
Henry Street, Dublin	€131,195
Kilkenny post office, Kilkenny	€113,782
Grafton Street, Dublin	€438,274
Prosperous, Kildare	€35,327
Schull, Cork	€319,978
Kells, Meath	€108,460
Beara, Cork	-€155,410
Main St, Askeaton, Limerick (Unit 1 and 2)	€31,427
Clondalkin, Dublin 22	-€50,799

Investor-type property Owner occupier-type property

Viability/unviability range and geographical influence

The most unviable project in the study (Killarney Post Office) recorded a -€611,000 under a scenario where the property is purchased and renovated. One of the case studies recorded a financial viability high of €800,000 (Salthill, Galway) within a scenario where the property is already in

Case study properties suitable for individual owner occupier buyers (without any grant/tax supports, including VAT)

Scenario – properties purchased and then renovated

4 out of 13 properties financially viable

Unviable/viable range:

-€385,000 to +€103,000

Scenario – properties already in ownership and then renovated

8 out of 13 properties financially viable

Unviable/viable range:

-€155k to €800k

Case study properties suitable for investors (without any grant/tax supports, including VAT)

Scenario – properties purchased and then renovated

1 out of 7 properties financially viable

Unviable/viable range:

-€611,000 to +€60,000

Scenario – properties already in ownership and then renovated

5 out of 7 properties financially viable

Unviable/viable range:

-€298,000 to €438,000

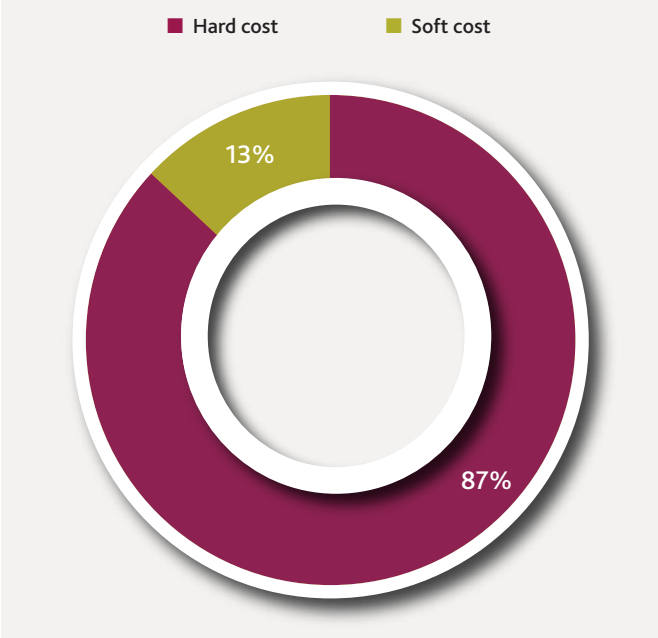

FIGURE 3: Aggregated 'soft' and 'hard' cost percentage breakdown – renovation of units. Source: SCSI research.

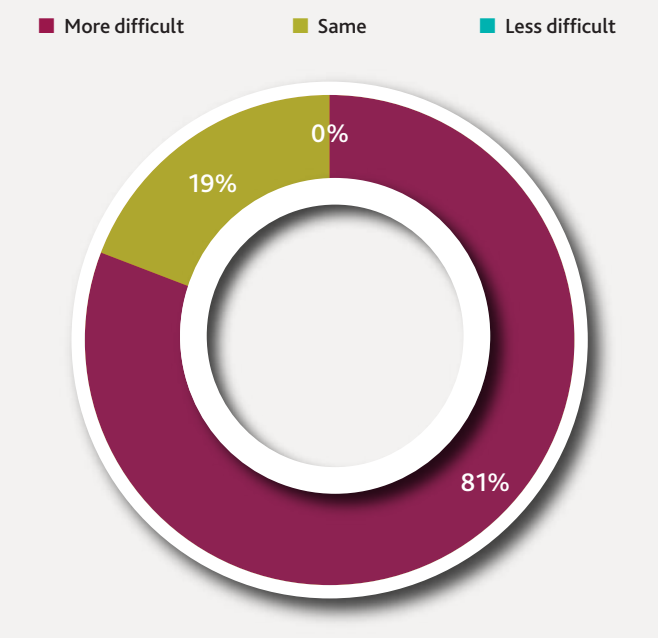

FIGURE 4: Survey responses on funding for renovating property to residential use, compared to funding availability for new homes. Source: SCSI research.

ownership, i.e., no purchase outlay costs. The ownership status of the building before renovation works has a considerable impact on financial viability, particularly when seeking a mortgage to carry out works. for instance, in a scenario whereby all the case study properties are already in the ownership of those who will renovate them, the inherent value of these is not included in this financial viability calculation (**Table 2**). The geographical location of units for renovation is a critical factor in a viability analysis. The SCSI found that higher before and after market values of a property resulted in a more positive financial viability result.

'Hard' and 'soft' costs

The construction and associated delivery costs presented in this report can be viewed in detail within each of the case studies in Section 2. The units involved are broken down into condition types and the renovation component costs (hard costs),[1] such as: demolition/strip out; substructure; structure; completions (external windows, doors); finishes; plumbing; heating and electrical installations; underground drainage; incoming utility services, fittings and fixtures (kitchens wardrobes and bathrooms); external works; and, any new build extension.

Of the 20 case studies, soft costs[2] (professional fees, utility connection charges and planning fees) account for, on average, 13% of the overall renovation/development costs, excluding VAT **(Figure 3)**.

Building regulatory challenges

There is a firm recognition in the industry of the need for appropriate building standards to protect buildings and those who occupy them. The survey responses to inform this report highlight that further consideration is required of Part B (Fire Safety), Part M (Access & Use) and Part A (Structure) of the Building Regulations, which are ranked as the most challenging for renovations. A Type 4 property (three-storey building or higher with over-the-shop accommodation) in one of the case studies is a property on Grafton Street, Dublin. The property in question is financially viable; however, the secondary means of fire escape requirement and no available option to make such a provision means that this project is unlikely to be renovated for residential use, and instead remains as a storage space for the foreseeable future.

Funding

Some 81% of surveyor respondents to the renovation survey indicated that they believe it is more difficult for borrowers to access funding for renovation/derelict units when compared to habitable units **(Figure 4)**. Among the reasons indicated as underpinning this sentiment include the potential higher risk profile associated with renovating a vacant and derelict property and accessing fixed funding up front for a project. Financial institutions have a 'case-by-case' lending policy in relation to renovating units. This is due to the nature and level of lending risk, which can vary significantly from one project to the next.

1 'Hard costs' are the renovation/development costs of the project, such as building works and materials.
2 'Soft costs' are costs such as professional fees, levies, and connection charges.

SECTION ONE

CONTEXT AND OVERVIEW OF VACANT AND DERELICT PROPERTIES

INTRODUCTION

THERE IS AN ONGOING CHALLENGE IN IRELAND, DATING BACK OVER SEVERAL YEARS, WHERE THE SUPPLY OF ACCOMMODATION IS BELOW THE LEVELS REQUIRED TO MEET CURRENT AND PROJECTED DEMAND.

An insufficient supply of new and second-hand homes is the number one factor underpinning SCSI agents' expectations[3] of a continuing increase in property values. The national property price index has now reached the value of 169, which is 3.3% above its highest level at the peak of the property boom in April 2007.[4] Furthermore, there is an acute shortage of rental accommodation available across many parts of the country. Rent inflation for new tenancies is currently 9% per annum, and the number of newly registered tenancies is in decline.[5]

The construction sector continues to deliver new housing to the market, with the whole of 2022 accounting for 29,851[6] new homes. This is well below the annual housing requirement to meet demand, which is currently calculated at 33,000 units per year and will likely be revised upwards when new Census data becomes available in mid 2023. While the supply of new homes can service a portion of the population, there is another important resource available to meet housing demand by utilising existing properties that may be lying vacant or derelict.

To meet the forecasted needs of our growing population, and to maximise the use of our existing building stock in line with the Government's sustainability and circular economy objectives, the renovation or repurposing of underutilised vacant and derelict stock for residential use has the potential to bring more housing supply to the market for owner occupiers and renters.

Vacancy levels

There are several data sources that seek to account for the current level of property vacancies across the country; however, due to varying methodologies used to define vacancy, there are significant variances in the calculations of actual vacancy levels.

Revenue – Local Property Tax returns

The most recent vacancy data is via the collection of the 2021 Local Property Tax (LPT). This measure was introduced via the Government's Housing for All plan to assist in providing accurate vacancy data when considering the potential implementation of a vacant property tax. According to the data collected, 57,206 (3.2%) properties were indicated by their owners as being vacant on November 1, 2021 (including holiday homes).[7] However, there

3 SCSI Annual Residential Property Report 2022.
4 CSO Residential Property Price Index, December 2022.
5 RTB Rent Index Q2 2022.
6 CSO New Dwelling Completions Q4 2022.
7 Office of the Revenue Commissioners (2022). Local Property Tax (LPT) for 2022: Preliminary Vacancy Analysis. Available at: https://www.revenue.ie/en/corporate/documents/statistics/lpt/lpt-vacant-propertiesreport.pdf.

are limitations to this dataset as for the purposes of LPT, a residential property is a building or structure that is in use as, or is suitable for use as, a dwelling. Therefore, the data may not include derelict properties. Furthermore, identifying a property that is habitable is not always straightforward and includes an element of judgement by the property owner. The properties included have been further classified by their reported reason for vacancy **(Table 3)**.

Table 3: Reasons for property vacancy according to most recent Local Property Tax data.

Vacancy reason	Share of vacant properties (%)*	No. of vacant properties*
For sale	12.39	7,094
Undergoing refurbishment	22.18	12,700
Legal dispute	0.8	458
Probate application	6.89	3,947
Long-term care	6.29	3,604
Other	21.68	12,414
Between lettings	5.39	3,089
Holiday home	20.38	11,670
Owner absent	4.0	2,288
All	**100**	**57,264**

*Rounding applies

Source: Office of the Revenue Commissioners. Local Property Tax (LPT) for 2022: Preliminary Vacancy Analysis.

Census 2022 preliminary results

Preliminary results published from Census 2022 identified 166,752 (7.8%) vacant dwellings across the country (excluding holiday homes). This is a decrease from the number of vacancies recorded in the 2016 Census, which had the vacancy rate at 9%. However, the Central Statistics Office (CSO) advises that Census vacancy should not be used as a measure of long-term vacancy, as the definition of 'vacancy' for Census purposes is classed as the dwelling being unoccupied on Census night, and therefore may include properties that are vacant for a short period of time.

Census enumerators advised the following when considering whether a property is vacant: "A dwelling could be classed as vacant if it is unoccupied because it is up for sale, under renovation or because it is an uninhabited rental property. A dwelling being classified as vacant for Census purposes does not necessarily imply that it is available for re-use. Census vacancy is essentially a point in time measure, which may be different to other reported measures of vacancy, which may focus more on longer-term vacancy".

Holiday homes are not part of the vacant dwellings count and neither are dwellings under construction or derelict properties.

Thus, the total Census figure for vacancy is unlikely to accurately reflect the number of vacant properties that could be made available for re-use for new occupation. It should be noted that of the 166,752 vacant dwellings recorded, 48,387 of those were also recorded as vacant in 2016. However, the properties in question may not have been vacant for the full duration of that time period.

The final Census figures, along with reasons for each of the vacancies captured, are due in May 2023. These should provide a clearer picture on the reasons for a property's vacancy and its potential for repurposing or re-use.

GeoDirectory residential building

GeoDirectory places the current vacancy rate at around 83,662.[8] The figures published are based on GeoDirectory's data on two million properties and exclude derelict buildings. While the CSO figures include all vacant properties, GeoDirectory excludes dwellings that are available for sale or rent, and dwellings currently undergoing renovations or where the owner is in hospital or a nursing home. GeoDirectory classifies entire buildings as vacant, whereas the CSO classifies on a unit level.

Based on the current available statistics, Ireland's vacancy rate for residential properties could range from 3.2%-7.8%. A vacancy rate of between 2.5% and 6% is considered normal in a properly functioning housing market.

It is also worth noting that the vacancy rate of commercial building stock as of Q2 2022 was over 29,000 units, which is a 13.9% vacancy rate.[9] Change-of-use planning can be applied for vacant commercial properties, which in turn could rejuvenate small town centres and urban locations. The case studies included in this report include samples of vacant commercial premises that could be suitable for change of use.

Need for a national register for vacant property

There is currently no one existing national database outlining the precise location of vacant and derelict properties suitable for residential re-use, the length of time a property has remained vacant and derelict, or the overall condition of these properties. The need for a single national register for vacant property is evident, as access to reliable, evidence-based data is a key component to informing decision-making. It is also important to have a clear definition of 'vacancy' and 'dereliction' for this purpose. Key inputs into these definitions could include the length of time a property has been

8 GeoDirectory Residential Buildings Report Q4 2022.
9 GeoDirectory Commercial Buildings Report Q2 2022.

SECTION ONE

CONTEXT AND OVERVIEW OF VACANT AND DERELICT PROPERTIES

vacant and/or derelict (e.g., newly vacant or long-term vacant) and the reasons for vacancy and dereliction.

Accurate figures will provide accurate levels of vacancy rates and what proportion of properties can be unlocked for renovation, to contribute to the supply of housing. **Table 4** outlines the primary resources available, which provide up-to-date vacancy levels in Ireland, including the CSO, GeoDirectory, the Housing Agency and Irish Revenue.

Table 4: Reports on Ireland's residential vacancy levels.

Organisation	Report/publication name
Central Statistics Office	Census of Population 2022 – Preliminary Results
Central Statistics Office	Vacant Dwelling Indicators based on Metered Electricity Consumption 2021
GeoDirectory	GeoDirectory Residential Buildings Report Q4 2022
Housing Agency	Overview of vacant housing in Ireland and possible actions
Revenue Commissioners	Local Property Tax (LPT) for 2022 Preliminary Vacancy Analysis

Prioritising the conservation and renovation of vacant and derelict properties

Construction and the built environment account for 37% of Ireland's CO_2 emissions.[10] Prioritising the re-use of existing buildings can be an important tool to avoid wasting the embodied carbon and valuable resources within them, and the re-use of buildings supports targets in the Government's Climate Action Plan. The renovation of underutilised property can produce lower CO_2 emissions than a new build will create during construction. There are also significant benefits in preserving Ireland's built heritage from a conservation perspective.

The redesign and new occupancy of vacant and derelict properties located particularly in towns, cities and villages can revitalise main streets and contribute to the rejuvenation of areas. Vacant and derelict properties lie across the country and can be particularly prevalent in areas such as small town centres, where the effects of the recession, combined with evolving consumer preferences towards online retail, have led to buildings such as

> Government policy and strategy identifies the need to address vacancy and dereliction levels in the country.

former retail or office premises being left vacant on main or secondary streets. These trends have unfortunately been further compounded in recent times following Covid-19 and subsequent business operating cost increases. These have had a devastating impact on some businesses, which have struggled to stay open. Vacant and derelict buildings that lie unoccupied for a sustained period can create a negative perception of a place, which in turn can be off-putting for both consumers and any potential investors or retailers. The repurposing and subsequent occupation of vacant and derelict buildings can revitalise a town centre or high street, as well as supplying additional accommodation.

Urban renewal through the renovation of vacant and derelict properties and revitalisation of spaces in our urban centres can contribute to the development of good-quality, well-connected accommodation for Ireland's ageing population. This allows older people to choose housing that is suitable to their needs, while remaining connected to their community. The SCSI report 'Rejuvenating Ireland's Small Towns Centres' sets out multiple recommendations on how to renew villages and towns across the country.

Currently, vacant and derelict properties located within our small towns, villages and city centres have additional benefits for rejuvenation, including already having infrastructure in place to service the property. Many vacant and derelict properties in urban areas will have good access to amenities and transport links, which contributes to more compact living. Long-term vacant and derelict properties can further impact on adjoining properties; as they deteriorate, they can cause structural damage, dampness and infestation to nearby properties. It is important when undertaking renovation works to ensure that due consideration is given to the surrounding heritage, while capitalising on the benefits supplied by the existing built environment.

Climate change is one of the greatest environmental challenges of our time. Global warming is exacerbated due to anthropogenic or 'human-generated' greenhouse gas (GHG) emissions to the atmosphere. Sizeable carbon emissions arising from the built environment are attributable not only to the use of built assets but also to their construction. A whole-life carbon

10 Irish Green Building Council, Whole Life Carbon in Construction and the Built Environment in Ireland.

approach identifies the overall best combined opportunities for reducing lifetime emissions and helps to avoid any unintended consequences of focusing on operational emissions alone. Greater promotion of the re-use of buildings, and the use of recycled materials where appropriate, aligns with Government and EU strategy to reduce CO_2 emissions within the built environment. It is therefore increasingly essential that under-utilised buildings are renovated and habitable across Ireland.

National policy framework – Government strategy

Government policy and strategy identifies the need to address vacancy and dereliction levels in the country. The information regarding these is contained in Appendix C.

Supply and demand for vacant and derelict properties

The reasons for property vacancy can often be nuanced and complex. There are a variety of reasons why property owners leave a property vacant and derelict, including challenges to selling properties, the owner entering long-term care, or the property being tied up within a legal dispute or probate. A local-level analysis is often required to gain a cohesive understanding as to why vacancy levels are where they are in a particular city, town, or village.

A key consideration for Government at national and local level, when looking to bring properties back into use, is their underlying reason for vacancy. Different policy responses may be required for different causes of vacancy.

For properties that are suitable for potential re-use and repurposing, there can also be challenges to renovating them, such as access to finance, regulatory barriers and limited access to the skills and trades required to undertake works, particularly in instances where the property is in an Architectural Conservation Area (ACA) or is a 'protected structure'.

There is a level of uncertainty at present around construction costs involved in renovating property to bring it back into residential use for sale or lease. Such financial concerns and constraints are often accompanied by other viability and regulatory challenges, as will be discussed further in this report.

The SCSI canvassed views from 422 of its surveyor members across the country to get a better understanding of the supply and demand market for vacant and derelict units **(Figures 5 and 6)**.

When surveyed, 34% of surveyors reported seeing a high level of demand from potential purchasers for vacant and derelict properties. A further 44% noted a moderate demand, while 23% noted weak overall demand.

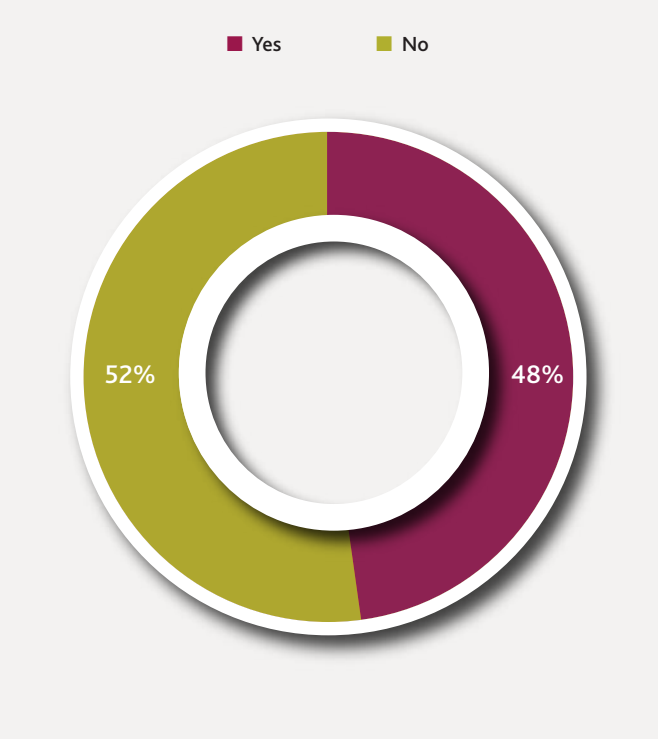

FIGURE 5: Supply of vacant and derelict units. Survey question: Has there been an increase in the supply of vacant units to the market in your area? Source: SCSI research, national surveyor response.

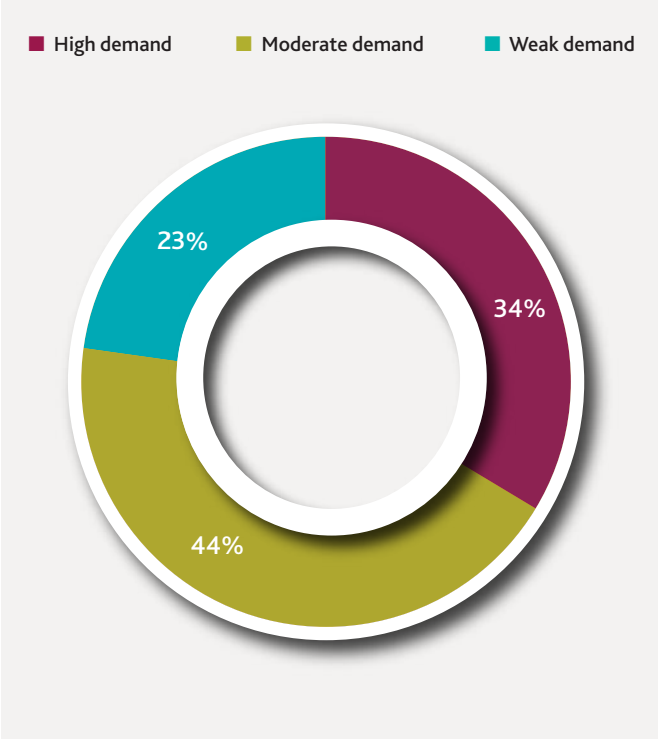

FIGURE 6: Demand for vacant and derelict units. Survey question: What is the demand like for vacant and derelict properties in your area? Source: SCSI research, national surveyor response.

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For those who reported high demand, when asked what factors underpinned their response, surveyors noted that the overall lack of supply in the market and potential investment opportunities posed by vacant and derelict properties were key contributing factors. Another factor included buyer preference towards renovating properties, particularly if the property is in a desirable area and where renovations do not require planning permission, which can be a preferable option for buyers.

Those who responded with 'moderate demand' noted that the costs associated with such renovation works are often prohibitive, rendering projects unviable for many, and thus deterring buyers and investors. This sentiment is shared by those who noted weak demand, with most respondents identifying prohibitive costs as the main factor as to why demand to purchase vacant properties in need of renovation works is not higher.

Existing dwellings were noted by 43% of respondents as being the property type in highest demand for renovation, while a further 27% indicated popularity for one-off rural dwellings **(Figure 7)**. Property categories in lesser demand included properties with a commercial element to the building with residential premises available on upper floors, i.e., 'over-the-shop' properties. Development opportunities for such properties can include renovation of the upper floors into one or multiple residential units, or full conversion of the property to residential if the commercial premises/ground floor is unoccupied. Such properties can face additional challenges when renovating, particularly to ensure that the property complies with regulations, such as meeting disability access and fire safety requirements.

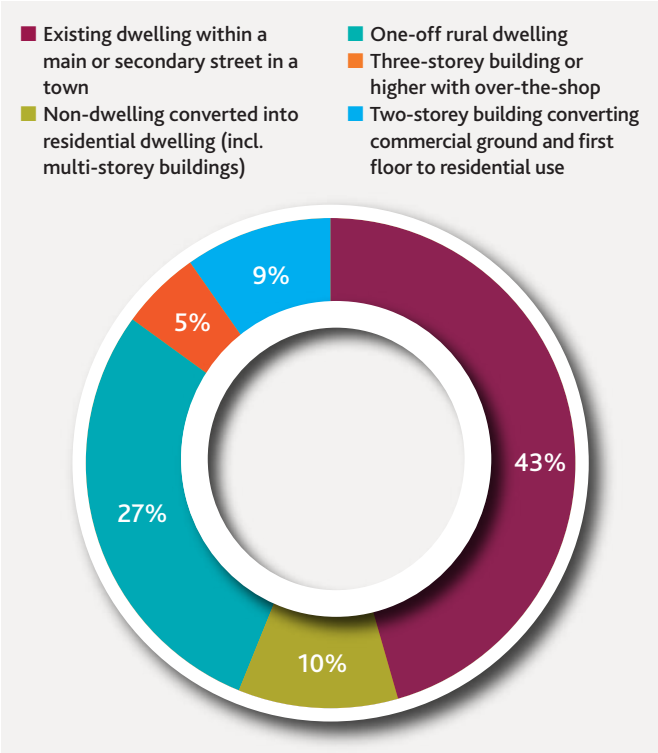

FIGURE 7: Properties in highest demand. Survey question: What categories of vacant and derelict properties are in highest demand in your area? Source: SCSI research, national surveyor response.

Interestingly, the top three building types by popularity from the Dublin, Cork and Galway City areas, according to the SCSI member survey, are:

1. Existing dwellings within a main street.
2. Non-dwelling converted into residential dwelling.
3. Two-storey building converting commercial ground floor and first floor to residential.

The top three building types by popularity for the remaining counties are:

1. One-off rural dwelling.
2. Existing dwellings within a main street.
3. Non-dwelling converted into residential dwelling.

Challenges impacting supply and demand for vacant and derelict properties

Surveyors noted in the member survey that there are several challenges associated with renovating properties, which are impacting on their likelihood to be fully utilised by the owner or potential buyers. As part of this research, views were sought from the Department of Housing, Local Government and Heritage (DHLGH) in relation to Government initiatives and regulations associated with renovations.

DEPARTMENT RESPONSES TO SCSI QUESTIONS

Q. What options could be considered to reduce the overall regulatory challenges with renovating vacant and derelict units?

In response to the SCSI questionnaire, the DHLGH stated that the Building Regulations 1997 to 2021 provide for the safety and welfare of people in and about buildings, and apply to the design and construction of a new building (including a dwelling) or an extension to an existing building. The minimum performance requirements that a building must achieve are set out in the Second Schedule to the Building Regulations.

The related Technical Guidance Documents (Parts A – M, respectively) provide technical guidance on how to comply with the regulations in practical terms.

In the case of material alterations or change of use of existing buildings, the adoption without modification of the guidance in the Technical Guidance Documents may not, in all circumstances, be appropriate. In particular, the adherence to guidance, including codes, standards or technical specifications, intended for application to new work may be unduly restrictive or impracticable. In these situations, alternative approaches based on the principles contained in the documents may be more relevant and should be considered.

Q. What is intended, if anything, to address compliance costs and challenges?

In relation to the refurbishment or conversion of existing buildings for residential use, the DHLGH has published the 'Bringing Back Homes – manual for the reuse of existing buildings' document, available at https://www.gov.ie/en/publication/3c790-bringing-back-homes-print-version/. Created as a reference guide, the manual aims to provide property owners, members of the public, local authorities and those involved in the construction industry with clear guidance on how current regulatory requirements apply to common, existing building types.

Draft documentation in the form of revised Draft Building Regulations (Part B Amendment) Regulations, a revised Draft Technical Guidance Document B – Fire Safety (Buildings other than Dwelling Houses), and a Preliminary Regulatory Impact Analysis, are currently being finalised. The draft amendments to Technical Guidance Document B include measures to clarify the technical fire safety provisions that apply to existing buildings, in support of the Government objective of the re-use of our existing building stock.

Access to funding

Some 81% of surveyor respondents to the renovation survey indicated that they believe it is more difficult for borrowers to access funding for renovation/derelict units when compared to habitable units **(Figure 8)**.

Among the reasons indicated as underpinning this sentiment include the potential higher risk profile associated with renovating a vacant and derelict property, and accessing fixed funding upfront for a project.

Lending policies for renovation projects were sought from various financial institutions as part of this research. Banks have a 'case-by-case' lending policy in relation to renovating units. This is due to the nature and level of lending risk, which can vary significantly from one project to the next. Each individual applicant is examined for lending based not just on individual borrowers and their ability to repay the loan, but also on the project involved and the risks expected with the project. Standard mortgage affordability policy is applicable, such as loan-to-income, net disposable income, and income stability; however, the structure of the loan and the maximum loan-to-value (LTV) permitted is dependent on the condition and current value of the property, and the extent of required renovations to bring the property to a habitable standard. From a financial perspective, for example, in some cases it may be more financially feasible to demolish and rebuild, and in other instances it may require less invasive renovation.

Some commentary from the SCSI survey of members pointed towards a need for lending policies and initiatives to be developed for the renovation of building stock. Some banks have 'green mortgages', which support new homes or homes that are purchased with a minimum BER B3. A similar model or lending policy should be considered by the banking sector to promote re-use of building stock, which is beneficial across many headings, including sustainability. The establishment of dedicated lending teams could be considered by lending institutions to provide additional support to potential borrowers.

Prior to a bank's lending decision, there is certain information that must be provided by the applicant, which is typically similar for all institutions. Apart from meeting the standard affordability criteria, it is typically captured in all mortgage applications for an independent valuer to provide a market

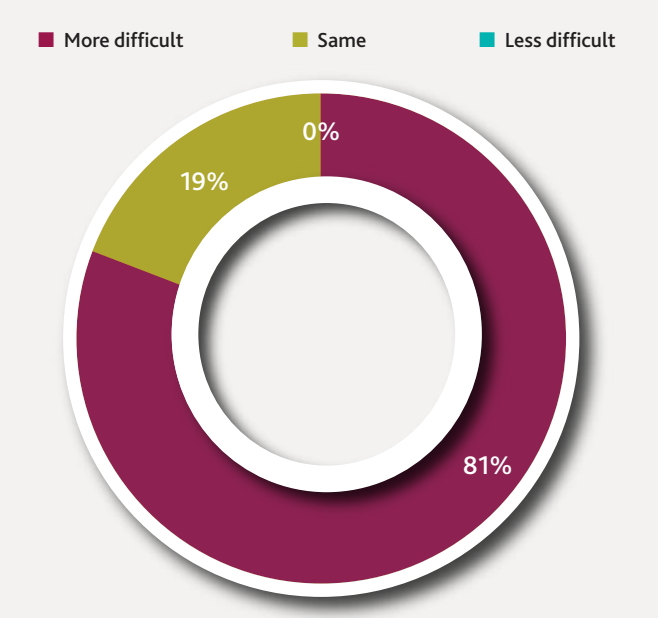

Figure 8: Funding availability for renovating property. Survey question: How easy/difficult it is for purchasers to access funding for renovation of vacant and derelict units, compared with fully completed units? Source: SCSI research, national surveyor response. (This Figure appears in the Executive summary as Figure 4).

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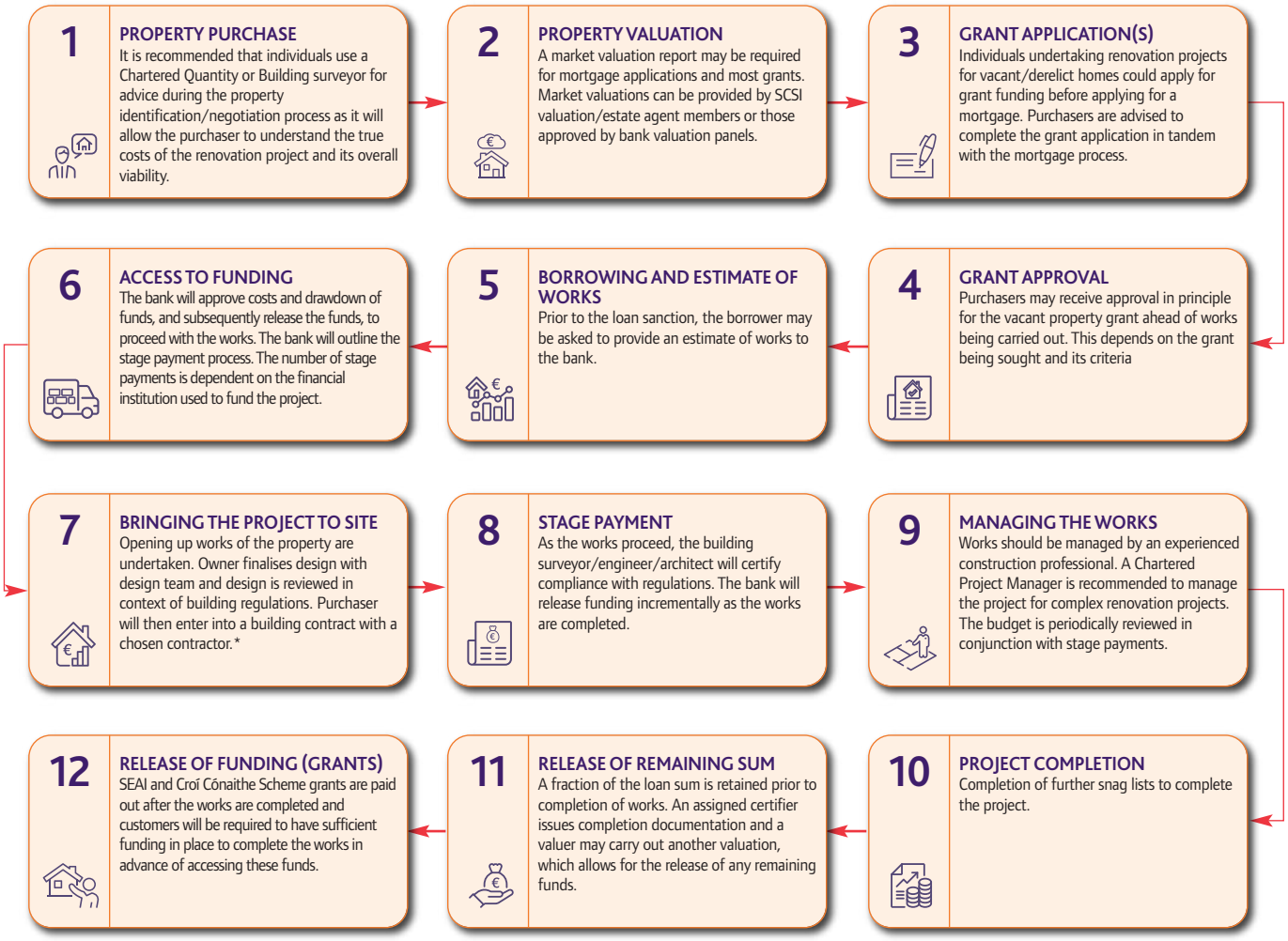
value report of the property and its suitability for a mortgage. The report will outline factors such as age, location, current value and condition of the property, and the estimated value of the property post the proposed works. The valuer must affirm that the property is (or will be post the works) suitable for mortgage purposes. There also needs to be a detailed costings report outlining the proposed renovations along with evidence of funding (including sufficient contingency in case of unexpected costs or overruns on the project).

Additionally, specialised reports such as structural/condition surveys or specialised damp surveys may be required depending on the property's condition. In cases where the property requires structural works/substantial rectification, a supervising quantity surveyor, project management surveyor, building surveyor, engineer or architect will be required to confirm that the costings are sufficient and that they will be overseeing the works, and should provide details of their professional indemnity insurance. If the proposed project is an apartment, the bank will need to have sufficient evidence that the whole building is fit for purpose and common areas are to a habitable standard.

Funding acquisition timeline

When renovating vacant or derelict property, there are several steps that project managers must undergo when acquiring funding through a mortgage, particularly when it is in tandem with receiving financial support from grants. **Figure 9** outlines the general timeline that individuals undertake with such projects, and the different steps that must be taken to acquire the necessary funding for carrying out renovation works.



**It is recommended to use a Chartered Building Surveyor in opening works and design stage. It is also recommended to use a Chartered Quantity surveyor in the process of cost planning, procurement and contract negotiations.*

Building regulations

Building regulations set out the appropriate construction standards in the sector and the Building Control Regulations provide for the administrative mechanisms to support the implementation of such standards. Building Control Regulations include such items as Commencement Notices, Fire Safety Certificates, Disability Access Certificates and, in certain cases, inspection regimes and Certificates of Compliance.

Older buildings often require specialist knowledge to ensure that their renovation is completed correctly. Historic buildings may not be protected structures, but may be located within an ACA or listed within the National Inventory of Architectural Heritage. Building technologies and materials have changed significantly since the early part of the 20th century, and therefore it is important that buildings are renovated with appropriate materials that can expand and contract with changes in their environment, and cope with the fluctuating moisture levels that are often associated with older buildings.

Compliance with Building Regulations in relation to Part B (Fire) has surfaced significantly following the survey of SCSI membership. Over half of survey respondents were of the view that some building regulations were restricting the renovation of vacant and derelict units. Some comments on the challenges, received from the SCSI survey, are as follows:

"It can be very challenging to make older properties fully comply with current building and fire regulations, which can lead to higher costs, making some projects no longer financially viable."

"The regulations do not suit the refurbishment of over-the-shop units."

"The full application of building regulations about means of escape/escape distances tends to be a challenge."

"Onerous planning applications, onerous conservation required, onerous Building Control compliance and fire certs."

"Both fire regulations and Part M regulations are a barrier to converting 'over-the-shop'-type units."

"Fire and other building regulations are one of the biggest barriers to this sector."

"Conversion of any property faces increased risk and significant costs. Protected structures offer a rigid environment for creating comfort or subdividing in the most desirable manner. Modern building regulations and BER requirements can offer challenges for the refurbishment of existing stock where the non-demolition provides some environmental positive regarding embodied carbon, but this is not reflected in the operational performance."

"Very difficult if not impossible to comply with fire and disabled access, along with acoustic regulations and more. Leads to delays and more reports required, resulting in higher costs."

"The registered ownership of the house (case study property) is with a family member, and the person who provided access admitted that they didn't understand the tax implications of transferring the property into their name."

"The person who provided access (case study property) wondered what the implications of a transfer of ownership would be on their status as a first-time buyer."

"They also expressed concern about raising funds to cover the costs of the renovation and that getting a mortgage on a property in this condition was unlikely."

"The question regarding grants was asked but, as the property isn't in the name of a person who might use it as their principal private residence, the grant isn't an option at this point in time."

CONTEXT AND OVERVIEW OF VACANT AND DERELICT PROPERTIES

Some comments on the potential solutions, received from the SCSI survey, are as follows **(Figure 10)**:

"In general, an overall modernisation of the building legislation is required. Additionally, a separate department/section for fire control should be created within each local authority relating to construction/development and all construction-related fire elements, e.g., fire certs."

"Recommendations for a complete review of the Building Regulations/Fire Certification for renovation/re-purposing of buildings specifically for residential use."

"A specific and separate regulation framework for older buildings that is far less onerous and simpler for intending investors."

"Relax regulations and allow sympathetic renovation given age of the buildings."

"'Embodied energy' needs to be a consideration and accounted for in projects such as this."

"Waste materials – sorting, re-using, salvaging. The circular economy principles are not yet evident and need promotion/policy development."

According to the member survey, the regulations that are providing the top three greatest challenges for renovation projects are: Part B: Fire Safety; Part M: Access & Use; and, Part A: Structure. While there was a high acknowledgement of the need for appropriate fire safety standards and disability access, there was a high level of concern that the regulations are too restrictive to renovate property for habitable use.

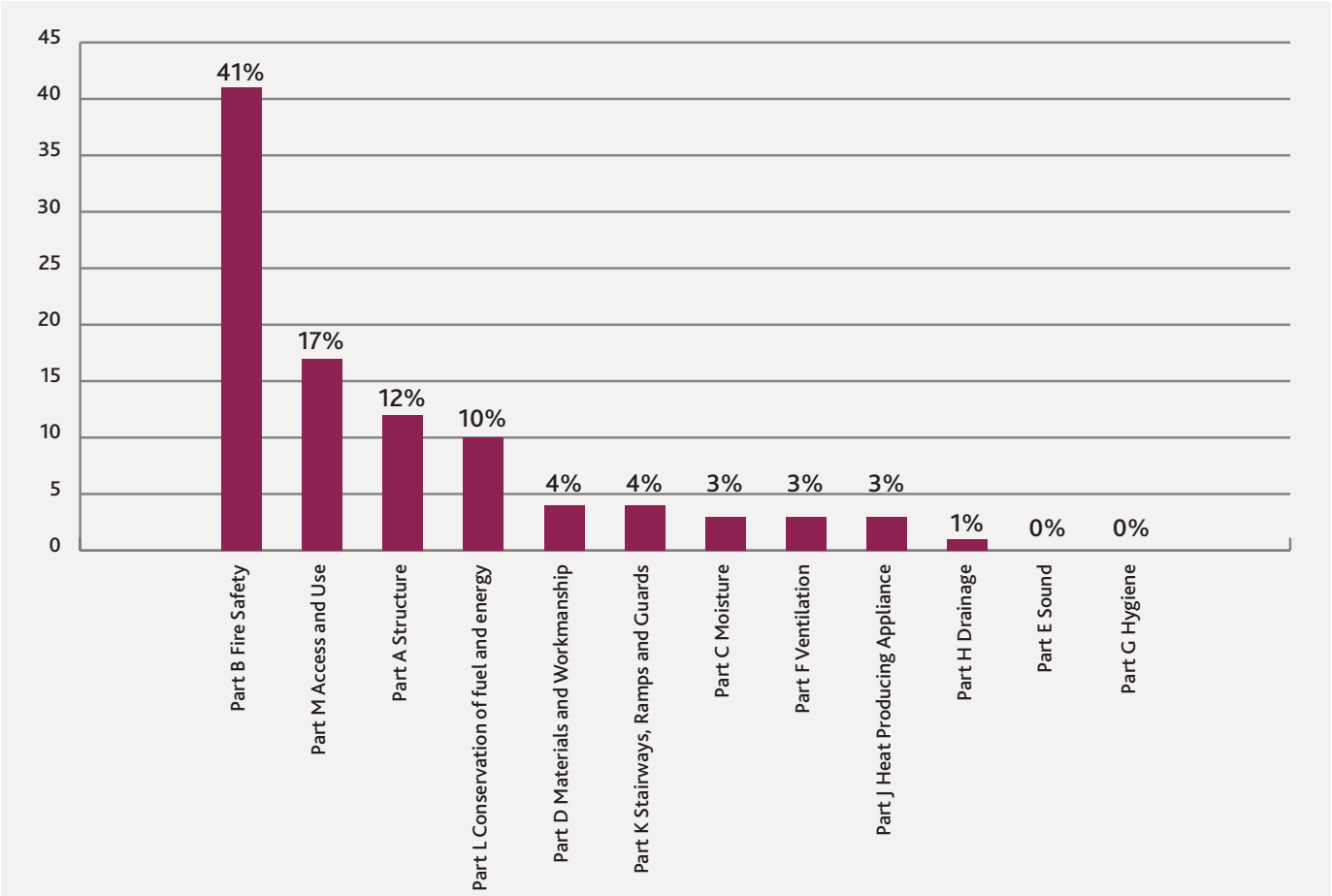


FIGURE 10: SCSI member responses – building regulations needing most immediate attention to support the renovation sector. *Source: SCSI research.*

Planning

Typically, the most cost-efficient reuse options are to refurbish an existing vacant dwelling or to convert a dwelling with an existing ancillary shop back into a property that is utilised solely as a dwelling.

Each of the building types in the case studies may or may not require a planning approval process depending on the necessary regulation, design and approval pathways that they need to achieve prior to finalising works. Information on the applicable regulation, design and approval procedures for each property type can be found in the Government's publication 'Bringing Back Homes – Manual for the reuse of existing buildings' or on www.gov.ie/publications.

In summary, the SCSI survey highlighted that general planning and regulations are viewed as far too restrictive (36% of SCSI members), particularly for older building stock. The second most prominent answer was "regulations too stringent for older buildings" (18%) **(Figure 11)**.

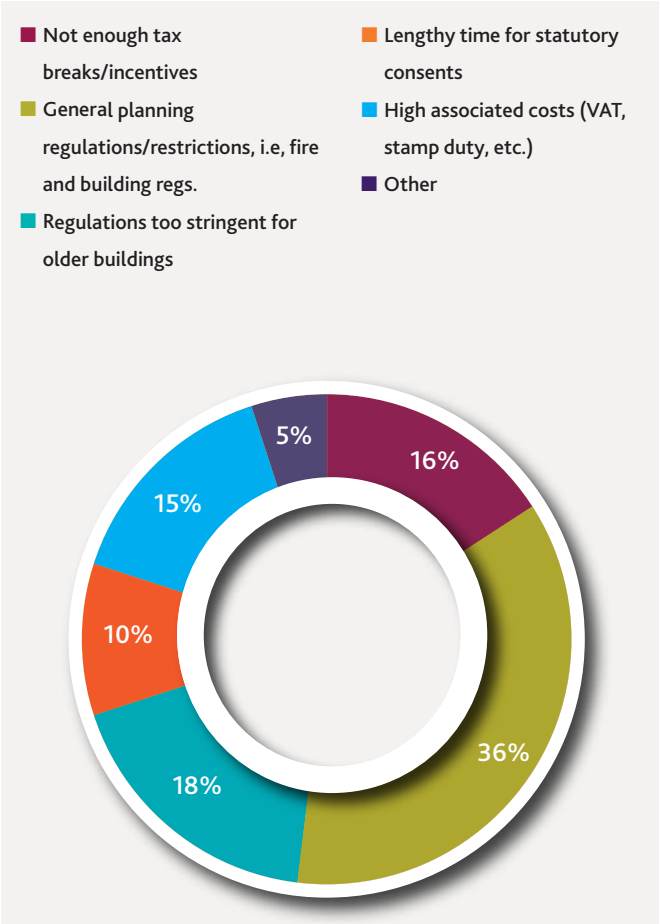


FIGURE 11: Significant barriers/obstacles to renovation projects coming on the market. Source: SCSI research.

> Regulation, design and approval procedures for can be found in the Government's 'Bringing Back Homes' publication.

Within the same survey, the SCSI also asked surveyors whether they had any suggestions regarding new schemes or improvements to current schemes that should be recommended to the Government to increase the re-use of existing buildings for residential use. **Figure 12** highlights solutions that would bring an increased number of projects onto the market.

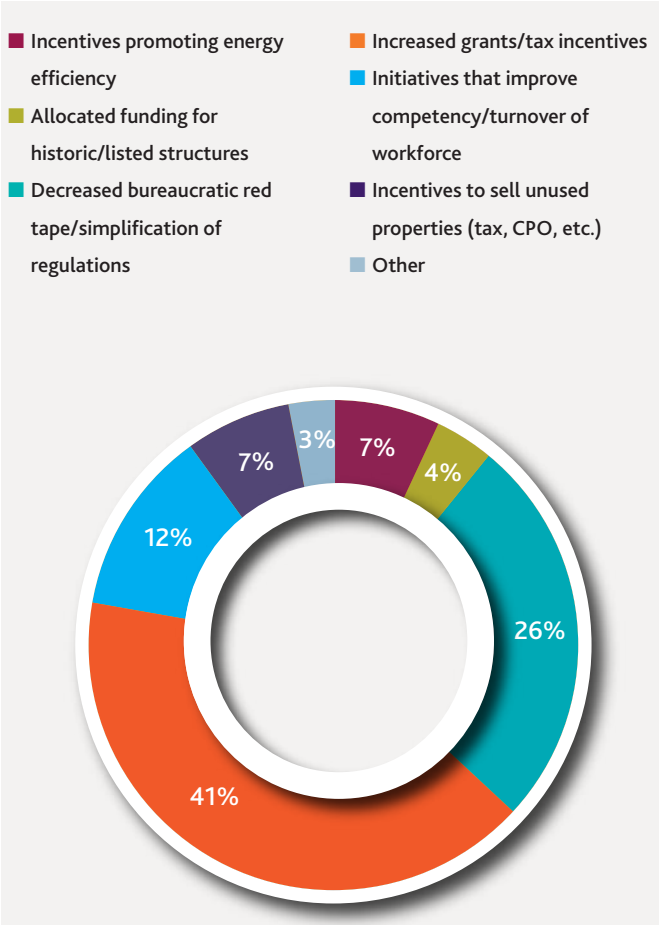


FIGURE 12: Suggestions regarding new schemes or improvements to current schemes that should be recommended to the Government to increase the re-use of existing buildings for residential use. Source: SCSI research.

SECTION ONE

CONTEXT AND OVERVIEW OF VACANT AND DERELICT PROPERTIES

> The Government currently offers a range of schemes aimed at assisting owners in bringing their property back into use.

The most prominent solution selected by surveyors was 'increased financial supports' (41%). The second most prominent was 'decrease bureaucratic red tape/simplification of regulations' (26%).

Increased co-ordination directly relates to the third most prominent answer, which was 'initiatives that improve competency/turnover of workforce' (12%). The solutions that received the least amount of selections were 'financial supports to sell unused properties (tax, CPO, etc.)', 'initiatives promoting energy efficiency', and 'allocated funding for historic/protected structures', which received 7%, 7% and 4%, respectively. As part of this research, views were sought from the DHLGH in relation to Government initiatives and regulations associated with renovations.

DEPARTMENT RESPONSES TO SCSI QUESTIONS

Q. The use of CPO functions varies across different local authorities. What is the Department's view on the use of CPOs to acquire vacant property, and what guidance is available to local authorities in this regard?

While a number of local authorities have been compulsorily purchasing properties for the purposes of social and affordable housing, there has been more limited progress across all local authorities in relation to utilising the CPO process in order to sell properties on the open market. This has largely been due to legal uncertainty, the potential lengthy process involved and associated risks, including costs. However, some local authorities, including Waterford City and Limerick City and County Council, have been quite active in the CPO of properties for sale on the open market.

A number of key steps have been undertaken by the Housing Agency in conjunction with the Department of Housing, Local Government and Heritage to support a programme for the CPO of vacant properties, including for resale on the open market:

- the development of a CPO guidance note to provide information to local authorities on the process of obtaining a CPO – this was communicated to the local authorities on March 21, 2022;
- the establishment of a Property Optimisation Unit in the Housing Agency – this unit is assisting local authorities with CPOs, providing a general advisory service, including step-by-step assistance through the process, information gathering and support in drafting documents; and,
- preliminary analysis of possible CPO legal issues for consideration by the Department in parallel with the Law Reform Commission's preparation of its report on compulsory acquisition.

Government initiatives and taxation levers

The Government currently offers a range of schemes aimed at assisting owners in bringing their property back into use. **Figure 13** shows the awareness among surveyor respondents of these schemes. See Appendix A for further information.

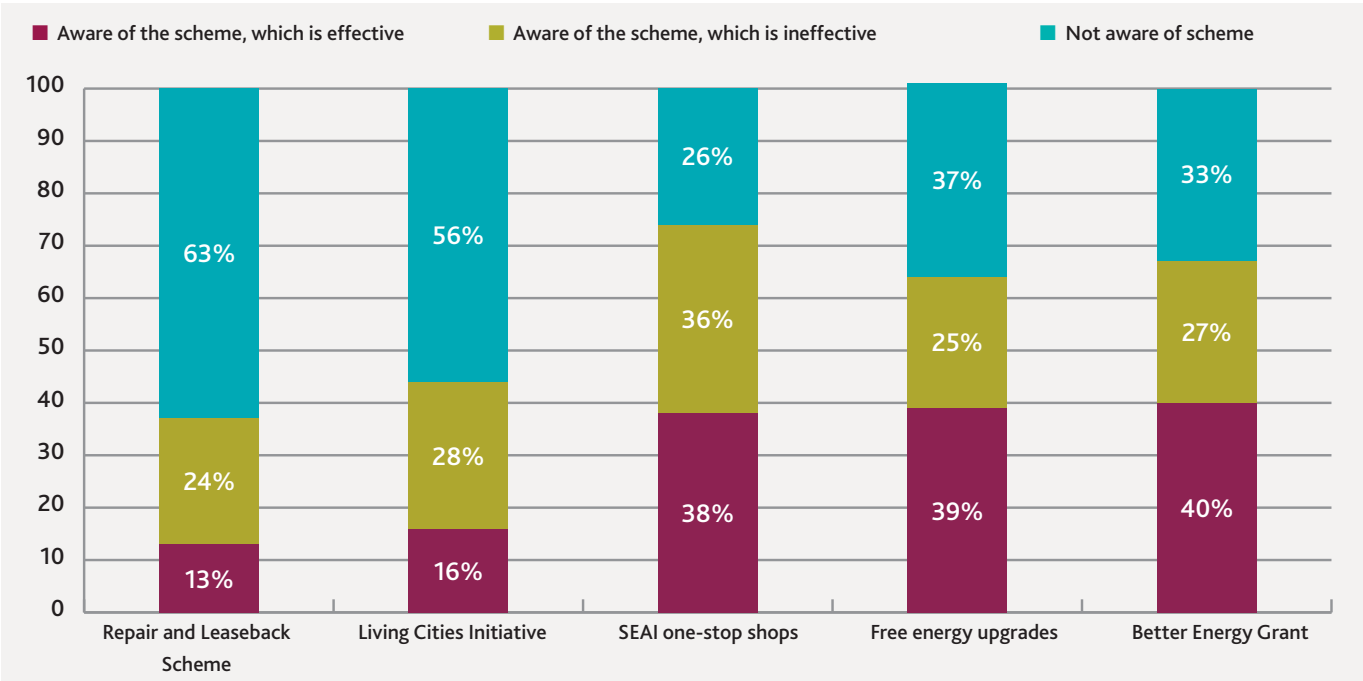


FIGURE 13: Awareness and effectiveness of building renewal schemes

Source: SCSI research.

SECTION TWO

COST AND FINANCIAL VIABILITY ASSESSMENT OF VACANT AND DERELICT PROPERTIES

INTRODUCTION

WHEN CONSIDERING BUYING A PROPERTY IN AN AREA, PARTICULARLY WHERE THE SUPPLY OF NEW OR SECOND-HAND PROPERTY IS LOW, CONSUMERS MAY LOOK AT VACANT AND DERELICT PROPERTIES AS AN ALTERNATIVE INVESTMENT TO ESTABLISH THEIR HOME IN THEIR PREFERRED LOCATION.

Others may already have a vacant or derelict property in their possession but are unsure how to turn the property into a place to live in, sell or rent. A barrier for owners and potential purchasers can be the unknown element of the costs of turning a vacant or derelict property into a habitable home. There can also be an element of uncertainty with what is involved in bringing a property back into use, such as regulatory requirements, planning and infrastructure.

To shed light on costings and requirements for bringing properties back into use, the SCSI has taken 20 properties of different dwelling types, located across the country, and assessed the costs of renovating the properties for residential purposes. The main purpose of this exercise is to determine any financial viability gaps that exist in renovating property to residential use and, if so, to quantify that financial viability gap.

Financially viability definition within the Report:

The market value[11] of a property in its vacant or derelict state, plus the total cost of renovating the property for residential use (min BER 2), which must exceed the market value of the property on completion for it to be defined as financially viable. Financial viability is particularly important for homeowners/investors seeking to renovate a property with mortgage funds, as financial institutions will typically only lend on a loan-to-value ratio of 90% for owner occupiers. Those involved in the renovation of properties carry out these works for various reasons. For instance, while a project may be financially unviable, some owners who are in a position to fund the project themselves may decide to proceed on the basis that the property will be utilised as their principal private residence and therefore the financial viability may be of a lesser concern in this instance.

11 Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Definition of derelict units for this study

For the purposes of this report, the SCSI defined a unit as derelict if it met the following criteria:

- it contains land or structures that are in a neglected or unsightly condition;
- it contains dangerous or ruinous structures;
- it has accumulated a lot of litter or other waste due to the vacant nature of the site and illegal public dumping/littering; and,
- it contains the following indicators of dereliction;
  broken, missing, or boarded up windows; partially demolished/ruinous building(s); dirty façade/peeling paint; graffiti; loose masonry or falling plaster/holes in roof; plants growing out of masonry or roof; unsecured entrances, trespass, or squatters; missing/broken/leaking rainwater gutters or downpipes; rotten timber; litter/illegal dumping; or, unsightly boundaries (damaged hoarding, etc.).

SCSI Chartered Building/Quantity Surveyor case study construction cost assessments

Each property has undergone a building cost assessment by an SCSI Chartered Quantity or Building Surveyor. Using an SCSI-approved cost assessment template, a Chartered Building or Quantity Surveyor visited each property and applied their expert judgement to identify the works that would be required to bring the property back into habitable use, and their related costs. As part of their assessment (applicable to owner occupier-type properties), the surveyors were asked to consider whether an extension would be necessary to provide sufficient accommodation in their property and costed for this potential expense accordingly. Costings and necessary works have further been considered based on the current condition of the property, and priced based on minimum building regulations standards and any associated building control regulations. Properties have further been costed on a minimum base building specification to a Building Energy Rating (BER) minimum of B2.

SCSI property surveyors (valuation) case study market value assessments

To accompany the identified costs of renovating the properties included in this study, the SCSI further endeavoured to assess the overall cost vs market value of bringing the properties back into habitable use. To determine the viability of renovating these properties, an appointed SCSI valuer was assigned to each property to carry out a pre-works and post-works market valuation on the renovation/development costs assessment report from the construction surveyors. Due to the large variety of vacant and derelict unit types, the SCSI categorised the unit types within our case studies as follows, based on the 'Bringing Back Homes – Manual for the reuse of existing buildings' document prepared by the DHLGH:

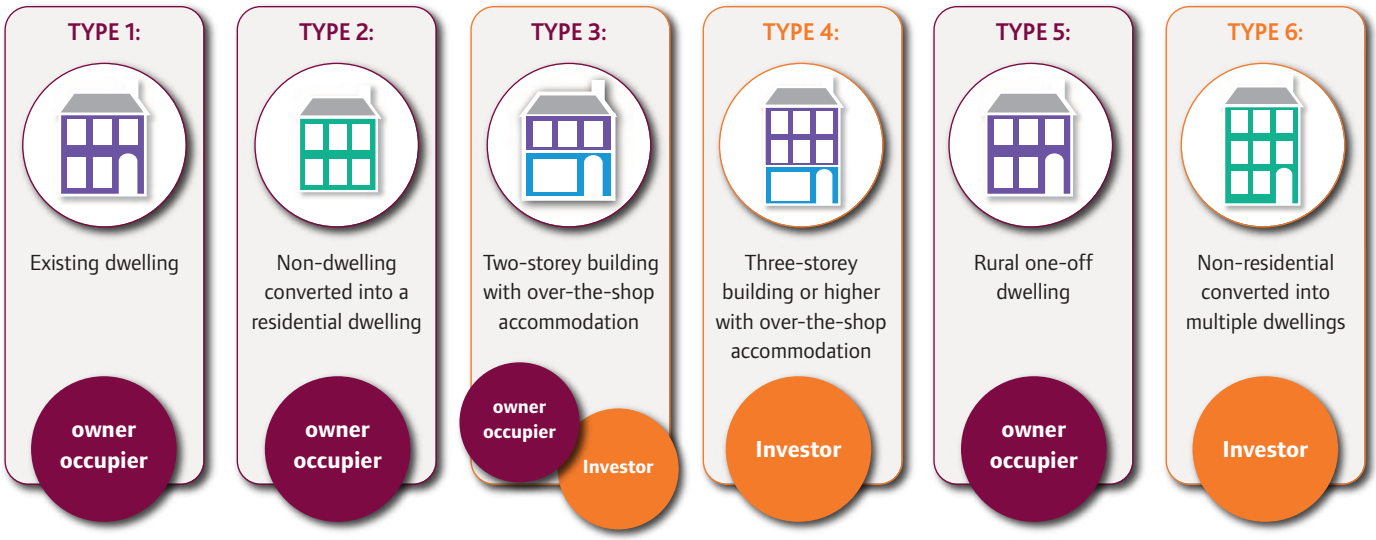
Treatment of tax in case studies

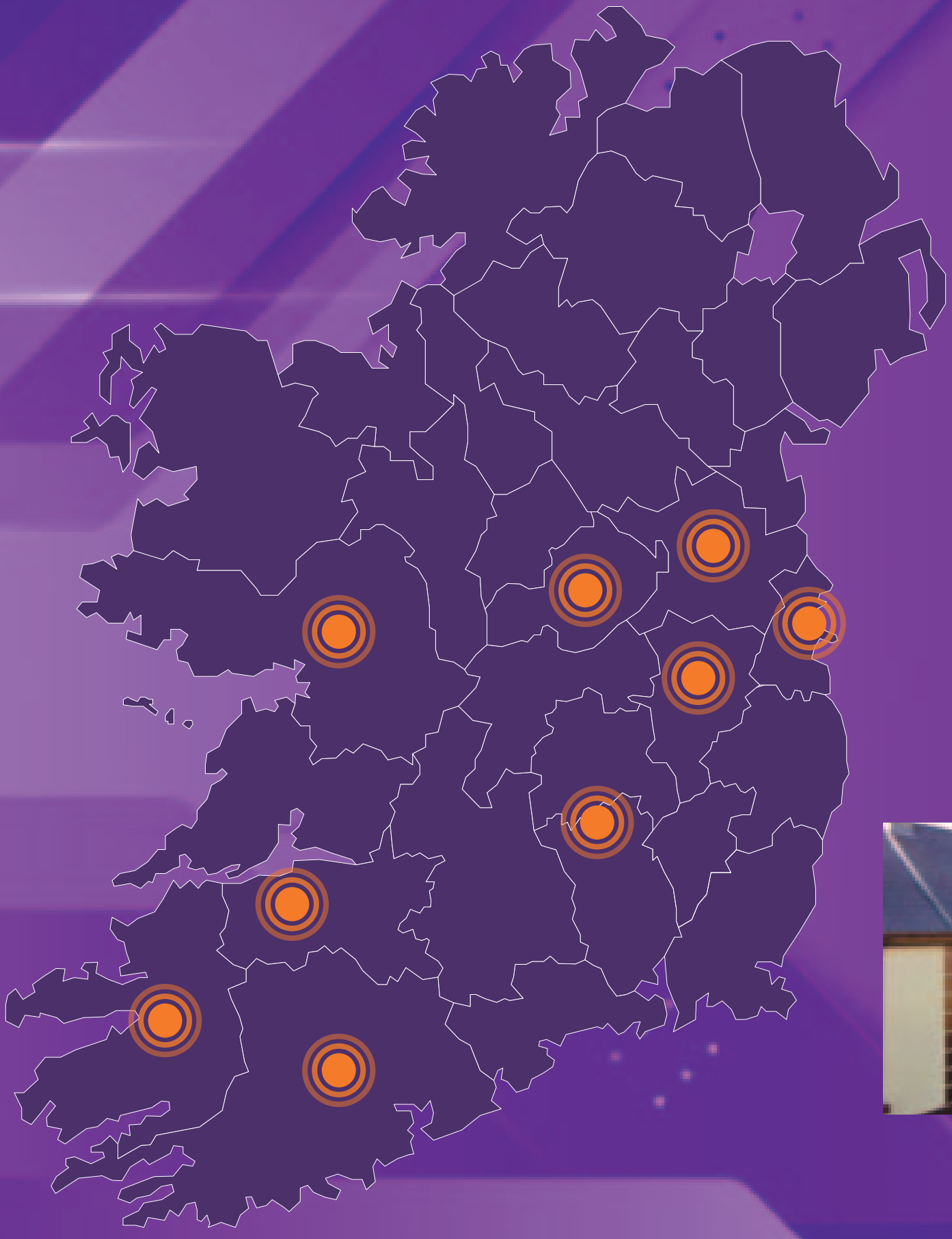
For the purposes of this report and its viability analysis, SCSI calculations are based on 13.5% VAT on construction costs and 23% VAT on associated soft costs such as professional fees. Stamp duty costs were also excluded from the viability analysis due to the varied tax computations that are attributed to individual properties.

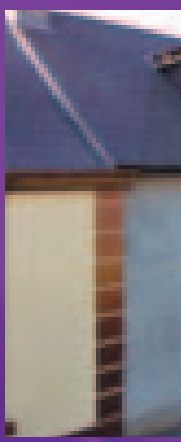
Mixed-use property for stamp duty purposes is property with a residential and non-residential part, for example, a shop with an apartment upstairs. Another example of mixed-use property is where the curtilage exceeds one acre. Curtilage includes gardens, paths, driveways, yards, garages or sheds used in conjunction with a house. When properties are of mixed use, one must apportion the consideration for the property between the residential and non-residential parts.

Property/building measurement

The building cost assessments and market valuations were carried out on a Gross Floor Area basis.







SECTION

CASE STUDIES

COST AND FINANCIAL VIABILITY ASSESSMENT OF VACANT AND DERELICT PROPERTIES

CASE STUDIES

Case study key statistics

Some 40% of case studies had received planning permission, 20% had not received planning permission, and in 40% of case studies, planning permission was not sought **(Figure 14)**. Some 25% of case study properties are currently under construction, 45% have not yet commenced works, and in 30% of properties, works have been completed **(Figure 15)**. The breakdown of case study properties by type can be seen in **Figure 16**. Some 20% of case study properties were located in an ACA or classified as a protected structure.

> Some 20% of case study properties were located in an ACA or classified as a protected structure.

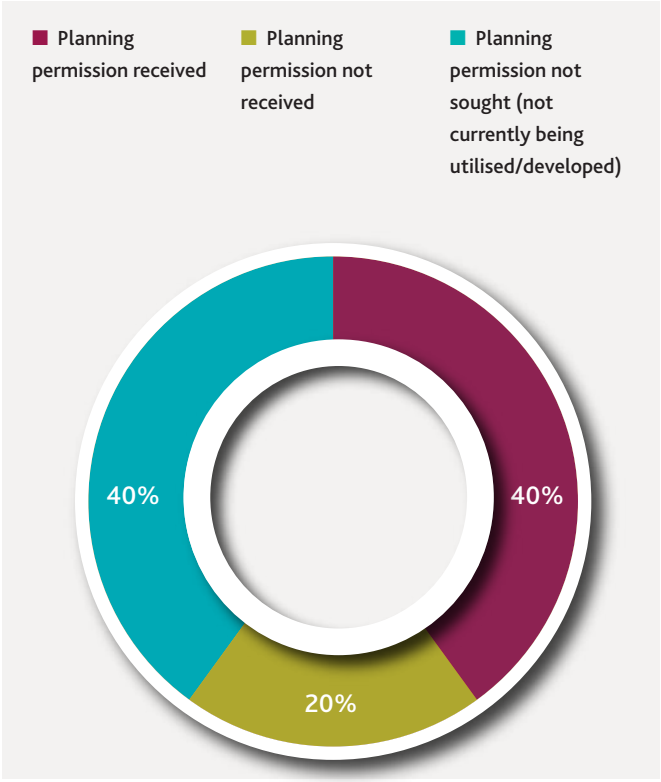


FIGURE 14: Percentage of case studies with planning consent.

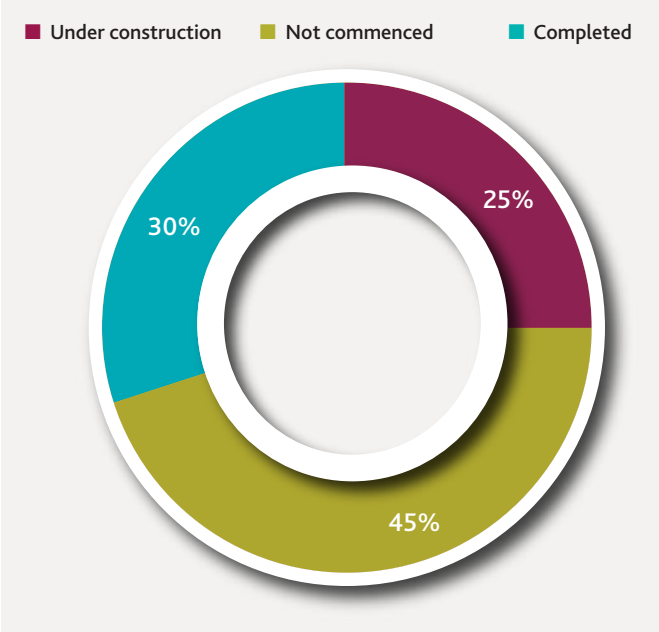


FIGURE 15: Renovation status of case studies.

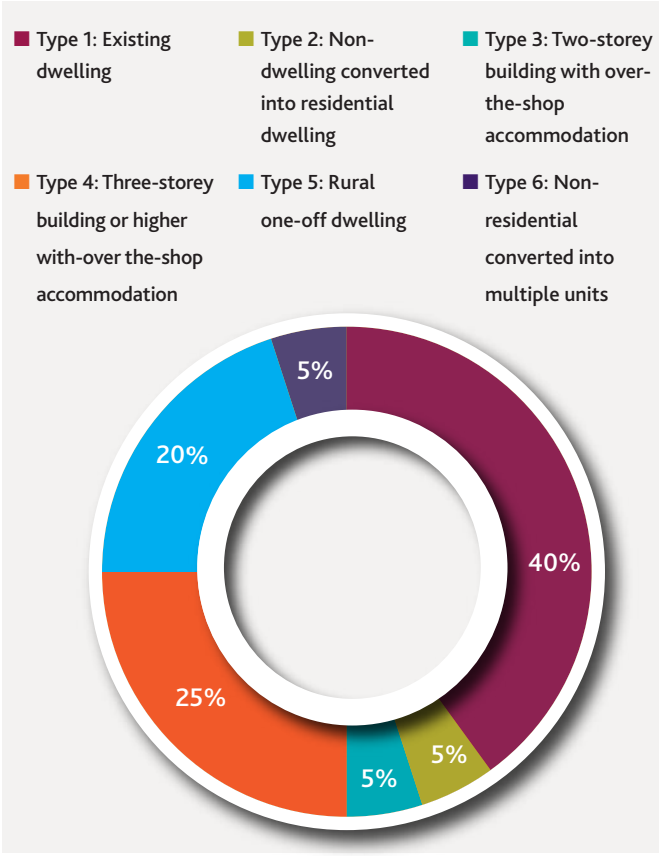


Figure 16: Case study sample: SCSI unit types.

Case study summary data

The findings of this report are based on a design equivalent to achieving a B2 BER energy rating or greater.

The actual design specification may vary depending on the clients' requirements, budget and the type of construction methods used in conjunction with the existing building.

Every vacant property is unique, and each property will have its own set of challenges to overcome. In most cases these challenges will have several solutions that will have both design and cost impacts.

We therefore recommend engaging a Chartered Building and Quantity Surveyor from the outset to allow prospective purchasers of these buildings to understand the technical and financial requirements of the project. Summaries of financial viability data for the case studies can be seen in **Tables 5 and 6**.

Table 6: Summary of financial viability scenario – property already in ownership.

Location/case study	Viability assesment for current owners (i.e, cost of renovation deducted from completed property's value, without grants)
Trim, Meath	€21,104
Salthill, Galway	€800,226
Askeaton, Limerick	-€21,477
Abbeyfeale, Limerick	-€49,601
Askeaton, Limerick	-€74,657
Ballinalack, Westmeath	-€2,824
New Bride Street, Portobello, Dublin 8	€487,838
Main Street, Dundrum, Dublin 14	€236,745
Killarney post office, Kerry	€64,329
Dun Laoghaire, Dublin	€248,798
Bailieborough, Cavan	-€298,320
Henry Street, Dublin	€131,195
Kilkenny post office, Kilkenny	€113,782
Grafton Street, Dublin	€438,274
Prosperous, Kildare	€35,327
Schull, Cork	€319,978
Kells, Meath	€108,460
Beara, Cork	-€155,410
Main St, Askeaton, Limerick (Unit 1 and 2)	€31,427
Clondalkin, Dublin 22	-€50,799

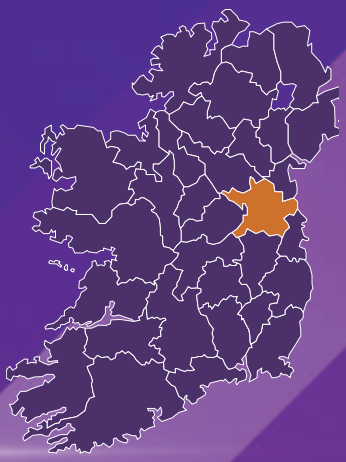
Investor-type property Owner occupier-type property

Table 5: Summary of financial viability – 20 case studies of vacant and derelict property.

	Total development costs, incl. VAT	Market value pre renovation	Market value after renovation	Financial viability assessment (without any grants)	Financial viability assessment with Croí Cónaithe (Towns) Fund Scheme (€30k)	Financial viability assessment with Croí Cónaithe (Towns) Fund Scheme (€50k)	Financial viability assessment with €50k Croí Cónaithe + SEAI* (€21.5k)	If Croí Cónaithe (Towns) Fund Scheme is €100k
Trim, Meath	€328,896	€95,000	€350,000	-€73,896	-€43,896	-€23,896	-€2,396	€26,104
Salthill, Galway	€374,774	€725,000	€1,175,000	€75,226	€105,226	€125,226	€146,726	€175,226
Askeaton, Limerick	€161,477	€40,000	€140,000	-€61,477	-€31,477	-€11,477	€10,023	€38,523
Abbeyfeale, Limerick	€189,601	€55,000	€145,000	-€104,601	-€74,601	-€54,601	-€33,101	-€4,601
Askeaton, Limerick	€219,657	€30,000	€145,000	-€104,657	-€74,657	-€54,657	-€33,157	-€4,657
Ballinalack, Westmeath	€227,824	€85,000	€225,000	-€87,824	-€57,824	-€37,824	-€16,324	€12,176
New Bride Street, Portobello, Dublin 8	€377,162	€385,000	€865,000	€102,838	€132,838	€152,838	€174,338	€202,838
Main Street, Dundrum, Dublin 14	€338,256	€410,000	€575,000	-€173,256	-€143,256	-€123,256	-€101,756	-€73,256
Dun Laoghaire, Dublin	€176,203	€245,000	€425,000	€3,798	€33,798	€53,798	€75,298	€103,798
Prosperous, Kildare	€289,673	€170,000	€325,000	-€134,673	-€104,673	-€84,673	-€63,173	-€34,673
Schull, Cork	€280,022	€300,000	€600,000	€19,978	€49,978	€69,978	€91,478	€119,978
Kells, Meath	€291,540	€200,000	€400,000	-€91,540	-€61,540	-€41,540	-€20,040	€8,460
Beara, Cork	€605,410	€230,000	€450,000	-€385,410	-€355,410	-€335,410	-€313,910	-€285,410
Killarney Post Office, Kerry	€1,135,672	€675,000	€1,200,000	-€610,672	n/a	n/a	n/a	n/a
Bailieborough, Cavan	€1,098,320	€100,000	€800,000	-€398,320	n/a	n/a	n/a	n/a
Henry Street, Dublin	€658,805	€165,000	€790,000	-€33,805	n/a	n/a	n/a	n/a
Kilkenny Post Office, Kilkenny	€516,218	€200,000	€630,000	-€86,218	n/a	n/a	n/a	n/a
Grafton Street, Dublin	€861,726	€378,000	€1,300,000	€60,274	n/a	n/a	n/a	n/a
Main St, Askeaton, Limerick (Unit 1 and 2)	€353,573	€150,000	€385,000	-€118,573	n/a	n/a	n/a	n/a
Clondalkin, Dublin 20	€490,799	€120,000	€440,000	-€170,799	n/a	n/a	n/a	n/a

Investor-type property Owner occupier-type property

*Average Sustainable Energy Authority of Ireland (SEAI) grant (€21,500) drawn down by consumers for similar properties to those in the case studies. SEAI grants are not applicable to new buildings or extensions. An SEAI Better Energy Home Scheme Grant may be available in combination with the Croí Cónaithe (Towns) Fund. Works covered by the SEAI Better Energy Homes Scheme will therefore not be covered under the Vacant Property Refurbishment Grant. The local authority must satisfy itself that proposed works are not claimed for under any other grant. Further details are available on the SEAI website: www.seai.ie. Source: SCSI research.



CASE STUDY ONE

CASE STUDY 1

Type 1 Property, TRIM, CO. MEATH

BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Unit	GFA	Beds
01	81	2
Total	**81m²**	

BUILDING INFORMATION

Type 1	Existing dwelling
Approximate age	1890
Condition	Derelict
GIFA at purchase	51m²
GIFA at completion	81m²
Units at completion	1
Beds at completion	2
Status	Pre-construction

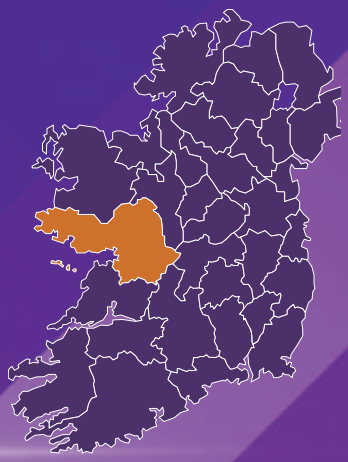
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item	6,000	6,000
01	Substructure	1	item	18,000	18,000
02	Structure	1	item	36,600	36,600
03	Structure completions	51	m^2	412	21,000
04	Finishes	51	m^2	539	27,500
05	Services (pipe and ducted)	51	m^2	373	19,000
06	Services (electrical)	51	m^2	157	8,000
07	Fittings and fixtures	1	item	18,500	18,500
08	External works	1	item	3,000	3,000
09	New-build extension	30	m^2	2,500	75,000
	Total net construction cost				**€ 232,600**
10	Main contractor preliminaries	Incl.			
	Total gross construction cost				**€232,600**
11	Design team fees	1	item	25,000	25,000
	Total professional fees				**€25,000**
12	Planning costs	1	item	3,000	3,000
13	Utilities connections (ESB/water)	1	item	1,500	1,500
	Total State fees, levies and cap contributions				**€4,500**
14	Contingency	10%			23,260
	Total contingency				**€23,260**
15	**Total development budgets excl. VAT**				**€285,360**

KEY COST DRIVERS AND SPECIFICATIONS

Ref.			
01	Derelict residential dwelling	08	Refurbishment of doors and windows
02	GIFA 81m^2	09	New central heating system and rewire
03	2 beds	10	Specification to B2 BER rating
04	New build extension 30m^2	11	Preliminaries incl.
05	New insulated floor slab	12	Contingency 10%
06	New internal layout	13	Construction costs as of Q3 2022
07	Medium spec. fit-out		



CASE STUDY TWO

CASE STUDY 2

Type 1 Property, SALTHILL, CO. GALWAY

BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Unit	GFA	Beds
01	201	3
Total	**201**m²	

BUILDING INFORMATION

Type 1	Existing dwelling
Approximate age	1980
Condition	Fair
GIFA at purchase	142m²
GIFA at completion	201m²
Units at completion	1
Beds at completion	3
Status	Completed

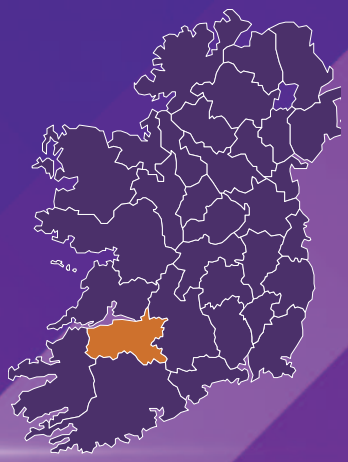
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item	6,000	6,000
01	Substructure	1	item	4,389	4,389
02	Structure	1	item	52,648	52,648
03	Structure completions	142	m^2	103	14,696
04	Finishes	142	m^2	275	39,000
05	Services (pipe and ducted)	142	m^2	93	13,250
06	Services (electrical)	142	m^2	48	6,750
07	Fittings and furniture	1	item	5,000	5,000
08	New build extension	59	m^2	2,956	174,376
	Total net construction cost				**€316,109**
09	Main contractor preliminaries	Incl.			
	Total gross construction cost				**€316,109**
10	Design team fees	1	item	9,500	9,500
	Total professional fees				**€9,500**
11	Planning costs	1	item	3,500	3,500
12	Utilities connections (ESB/water)	Incl.			
	Total State fees, levies and cap contributions				**€3,500**
13	Contingency	Incl.			
	Total contingency				**-**
14	**Total development budgets excl. VAT**				**€329,109**

KEY COST DRIVERS AND SPECIFICATIONS

Ref.			
01	Existing dwelling – fair condition	09	Medium spec. fit out
02	GIFA 201m^2	10	Minor structural repairs
03	3 beds	11	Window and door upgrades
04	New build extension 59m^2	12	New central heating system and electrical upgrade
05	New insulated floor slab	13	Specification to A3 BER rating
06	New internal layout	14	Preliminaries incl.
07	New stairs fitted	15	Contingency incl.
08	Repair of existing roof	16	Construction costs as of Q2 2022



CASE STUDY THREE

CASE STUDY 3

Type 1 Property, CHURCHVIEW, ASKEATON, CO. LIMERICK

BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Unit	GFA	Beds
01	79	3
Total	**79**m²	

BUILDING INFORMATION

Type 1	Existing dwelling
Approximate age	1970
Condition	Poor
GIFA at purchase	79m²
GIFA at completion	79m²
Units at completion	1
Beds at completion	3
Status	Completed

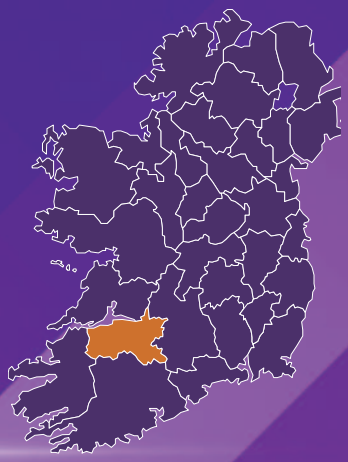
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item	6,000	6,000
01	Substructure	1	item	-	-
02	Structure	1	item	23,646	23,646
03	Structure completions	79	m^2	177	13,962
04	Finishes	79	m^2	187	14,809
05	Services (pipe and ducted)	79	m^2	318	25,096
06	Services (electrical)	79	m^2	153	12,081
07	Fittings and fixtures	1	item	9,000	9,000
08	External works	1	item	8,742	8,742
	Total net construction cost				**€113,336**
09	Main contractor preliminaries	Incl.			
	Total gross construction cost				**€113,336**
10	Design team fees	1	item	26,700	26,700
	Total professional fees				**€26,700**
11	Planning costs				-
12	Utilities connections (ESB/water)				-
	Total State fees, levies and cap contributions				**-**
13	Contingency	Incl.			
	Total contingency				**-**
14	**Total development budgets excl. VAT**				**€140,036**

KEY COST DRIVERS AND SPECIFICATIONS

Ref.			
01	Vacant residential dwelling – poor condition	07	Specification to A3 BER rating
02	GIFA 79m^2	08	Structural repair works undertaken
03	3 beds	09	Preliminaries incl.
04	Medium spec. fit-out	10	Contingency incl.
05	New windows and doors	11	Construction costs as of Q2 2022
06	New central heating system and rewire		



CASE STUDY FOUR

CASE STUDY 4

Type 1 Property, CONVENT ROAD, ABBEYFEALE, CO. LIMERICK

BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Unit	GFA	Beds
01	70	2
Total	**70m²**	

BUILDING INFORMATION

Type 1	Existing dwelling
Approximate age	1920
Condition	Derelict
GIFA at purchase	70m²
GIFA at completion	70m²
Units at completion	1
Beds at completion	2
Status	Completed

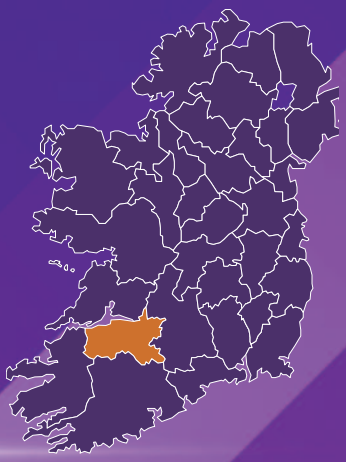
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item	8,000	8,000
01	Substructure	1	item	4,798	4,798
02	Structure	1	item	42,443	42,443
03	Structure completions	70	m^2	209	14,599
04	Finishes	70	m^2	378	26,484
05	Services (pipe and ducted)	70	m^2	276	19,319
06	Services (electrical)	70	m^2	132	9,227
07	Fittings and furniture	1	item	9,000	9,000
08	External works	1	item	7,231	7,231
	Total net construction cost				**€141,100**
09	Main contractor preliminaries	Incl.			
	Total gross construction cost				**€141,100**
10	Design team fees	1	item	23,945	23,945
	Total professional fees				**€23,945**
11	Planning costs				-
12	Utilities connections (ESB/water)				-
	Total State fees, levies and cap contributions				**-**
13	Contingency	Incl.			
	Total contingency				
14	**Total development budgets excl. VAT**				**€165,045**

KEY COST DRIVERS AND SPECIFICATIONS

Ref.		Ref.	
01	Derelict non-habitable residential dwelling	09	New windows and doors
02	GIFA 70m^2	10	New central heating system and rewire
03	2 beds	11	Specification to A3 BER rating
04	New insulated floor slab	12	Upgrade of accessibility and perimeter footpaths
05	New roof	13	Preliminaries incl.
06	Structural repairs, new opes	14	Contingency incl.
07	New internal layout	15	Construction costs as of Q2 2022
08	Medium spec. fit-out		



CASE STUDY FIVE

CASE STUDY 5

Type 1 Property, ASKEATON, CO. LIMERICK

BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Unit	GFA	Beds
01	78	2
Total	**78m²**	

BUILDING INFORMATION

Type 1	Existing dwelling
Approximate age	-
Condition	Derelict
GIFA at purchase	85m²
GIFA at completion	78m²
Units at completion	1
Beds at completion	2
Status	Completed

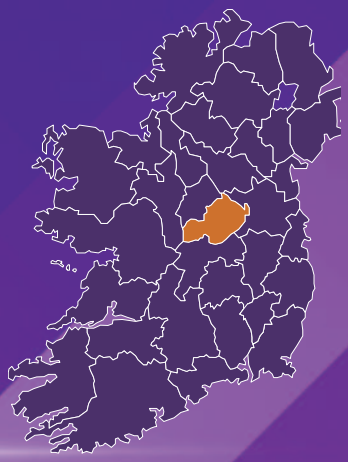
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item	8,000	8,000
01	Substructure	1	item	6,437	6,437
02	Structure	1	item	54,517	54,517
03	Structure completions	78	m^2	284	22,165
04	Finishes	78	m^2	247	19,246
05	Services (pipe and ducted)	78	m^2	306	23,857
06	Services (electrical)	78	m^2	150	11,687
07	Fittings and furniture	1	item	9,000	9,000
08	External works	1	item	9,686	9,686
	Total net construction cost				**€164,595**
09	Main contractor preliminaries	Incl.			
	Total gross construction cost				**€164,595**
10	Design team fees	1	item	26,700	26,700
	Total professional fees				**€26,700**
11	Planning costs				-
12	Utilities connections (ESB/water)				-
	Total State fees, levies and cap contributions				**-**
13	Contingency	Incl.			
	Total contingency				**-**
14	**Total development budgets excl. VAT**				**€191,295**

KEY COST DRIVERS AND SPECIFICATIONS

Ref.		Ref.	
01	Derelict non-habitable residential dwelling	09	Medium spec. fit-out
02	GIFA 78m^2	10	New central heating system and rewire
03	2 beds	11	Specification to A3 BER rating
04	New insulated floor slab	12	Upgrade of accessibility and perimeter footpaths
05	New stairs	13	Burglar alarm by client
06	Roof repair with new dormer	14	Preliminaries incl.
07	Structural repairs, new opes	15	Contingency incl.
08	New windows and doors	16	Construction costs as of Q2 2022



CASE STUDY SIX

CASE STUDY 6

Type 1 Property, BALLINALACK, CO. WESTMEATH

BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Unit	GFA	Beds
01	185	3
Total	**185m²**	

BUILDING INFORMATION

Type 1	Existing dwelling
Approximate age	1900
Condition	Derelict
GIFA at purchase	185m²
GIFA at completion	185m²
Units at completion	1
Beds at completion	3
Status	Pre construction

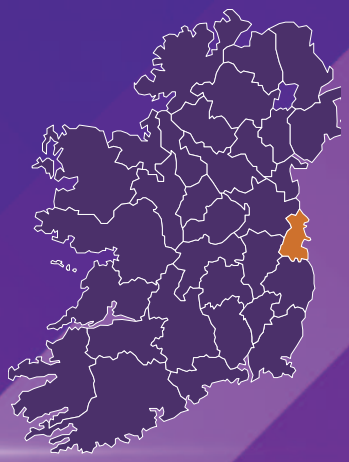
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item	5,000	5,000
01	Substructure	1	item	14,250	14,250
02	Structure	1	item	41,559	41,559
03	Structure completions	185	m^2	98	18,200
04	Finishes	185	m^2	94	17,473
05	Services (pipe and ducted)	185	m^2	103	18,963
06	Services (electrical)	185	m^2	75	13,963
07	Fittings and furniture	1	item	13,150	13,150
08	External works	1	item	3,000	3,000
	Total net construction cost				**€145,557**
09	Main contractor preliminaries	10	%	€13,122	13,122
	Total gross construction cost				**€158,679**
10	Design team fees	1	item	19,368	19,368
	Total professional fees				**€19,368**
11	Planning costs				-
12	Utilities connections (ESB/water)				6,000
	Total State fees, levies and cap contributions				**€6,000**
13	Contingency	10	%	14,556	14,556
	Total contingency				€14,556
14	**Total development budgets excl. VAT**				**€198,603**

KEY COST DRIVERS AND SPECIFICATIONS

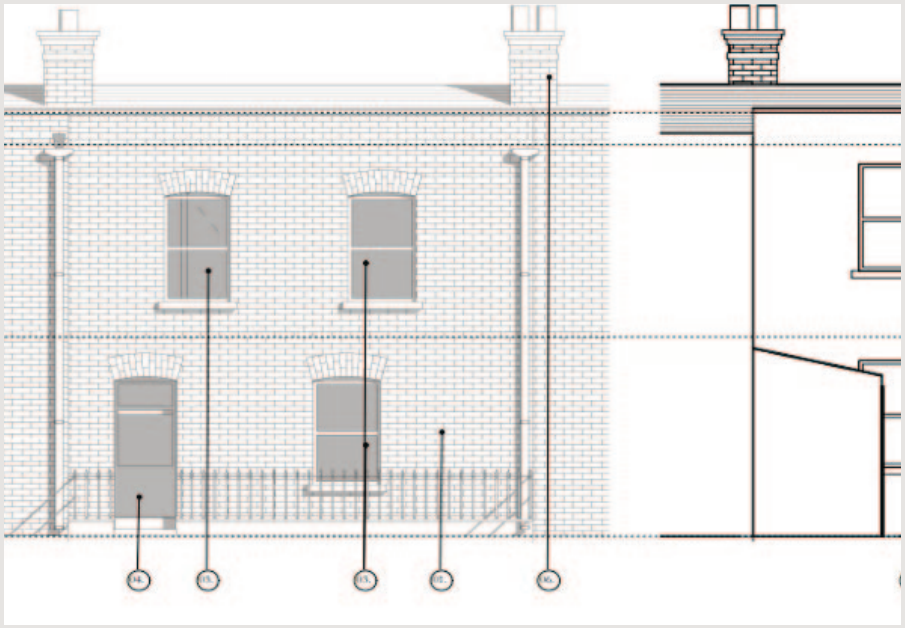
Ref.			
01	Derelict non-habitable residential dwelling	08	Medium spec. fit-out. Full re-lining of walls/ceilings
02	GIFA 185m^2	09	New central heating system and rewire
03	3 beds	10	Specification to B2 BER rating
04	New insulated floor slab	11	Preliminaries 10%
05	New stairs	12	Contingency 10%
06	New windows and doors	13	Construction costs as of Q2 2022
07	Repairs to pitch roof, new flat roof to rear		



CASE STUDY SEVEN

CASE STUDY 7

Type 1 Property, PORTOBELLO, DUBLIN 8



BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Unit	GFA	Beds
01	124	3
Total	124m²	

BUILDING INFORMATION

Type 1	Existing dwelling
Approximate age	1900
Condition	Poor
GIFA at purchase	112m²
GIFA at completion	124m²
Units at completion	1
Beds at completion	3
Status	On site

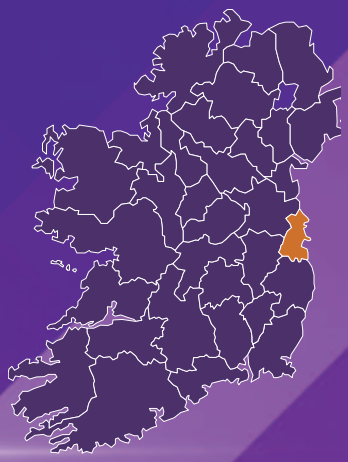
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item	5,544	5,544
01	Substructure	1	item	11,956	11,956
02	Structure	1	item	83,846	83,846
03	Structure completions	112	m^2	22,674	22,674
04	Finishes	112	m^2	35,426	35,426
05	Services (pipe and ducted)	112	m^2	24,592	24,592
06	Services (electrical)	112	m^2	18,601	18,601
07	Fittings and furniture	1	item	33,088	33,088
08	External works	1	item	30,673	30,673
09	New build extension	12	m^2	2,500	31,500
	Total net construction cost				**€297,900**
10	Main contractor preliminaries	5	%		14,895
	Total gross construction cost				**€ 312,795**
11	Design team fees	1	item	18,000	18,000
	Total professional fees				**€18,000**
12	Planning costs		item		-
13	Utilities connections (ESB/water)		item		-
	Total State fees, levies and cap contributions				**-**
14	Contingency		Incl.		
	Total contingency				-
15	**Total development budgets excl. VAT**				**€330,795**

KEY COST DRIVERS AND SPECIFICATIONS

Ref.			
01	Poor condition habitable residential dwelling	09	New internal layout
02	GIFA 124m^2	10	Medium/high-spec. fit-out
03	3 beds	11	New windows and doors
04	New build extension 12m^2	12	New central heating system and rewire
05	New insulated floor slab	13	Specification to A3 BER rating
06	New stairs	14	Preliminaries 5%
07	New roof	15	Contingency incl.
08	Structural upgrades	16	Construction costs as of Q2 2022
		17	Located in Architectural Conservation Area



CASE STUDY EIGHT

CASE STUDY 8

Type 1 Property, DUNDRUM, DUBLIN 14

BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Unit	GFA	Beds
01	95	2
Total	**95m²**	

BUILDING INFORMATION

Type 1	Existing dwelling
Approximate age	1900
Condition	Poor
GIFA at purchase	59m²
GIFA at completion	95m²
Units at completion	1
Beds at completion	2
Status	Pre construction

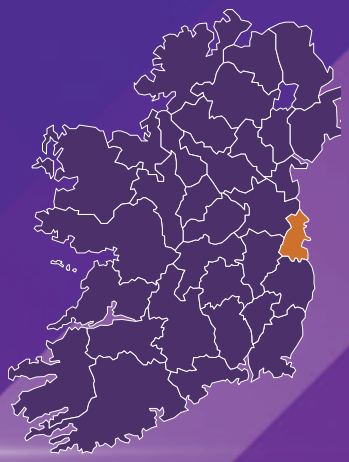
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item	12,000	12,000
01	Substructure	1	item	6,500	6,500
02	Structure	1	item	49,000	49,000
03	Structure completions	59	m^2	216	12,750
04	Finishes	59	m^2	229	13,500
05	Services (pipe and ducted)	59	m^2	235	13,875
06	Services (electrical)	59	m^2	210	12,375
07	Fittings and furniture	1	item	15,000	15,000
08	External works	1	item	3,000	3,000
09	New build extension	36	m^2	2,639	95,000
	Total net construction cost				**€233,000**
10	Main contractor preliminaries	Incl.			
	Total gross construction cost				**€233,000**
11	Design team fees	1	item	35,000	35,000
	Total professional fees				**€35,000**
12	Planning costs	1	item	1,500	1,500
13	Utilities connections (ESB/water)	1	item	2,000	2,000
	Total State fees, levies and cap contributions				**€3,500**
14	Contingency	10	%		23,300
	Total contingency				**€23,300**
15	**Total development budgets excl. VAT**				**€294,800**

KEY COST DRIVERS AND SPECIFICATIONS

Ref.			
01	Poor condition habitable residential dwelling	11	Medium/high-spec. fit-out
02	GIFA 95m^2	12	New windows and doors
03	2 beds	13	Retain existing condensing boiler
04	New build extension 36m^2	14	Full rewire
05	New insulated floor slab	15	Specification to A3 BER rating
06	New stairs	16	Preliminaries 5%
07	New roof	17	Contingency 9%
08	Damp proofing to external walls	18	Construction costs as of Q4 2022
09	Repointing external walls	19	Located in Architectural Conservation Area
10	New internal layout		



CASE STUDY NINE

CASE STUDY 9

Type 2 Property, DUN LAOGHAIRE, CO. DUBLIN

BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Unit	GFA	Beds
01	87	2
Total	**87**m²	

BUILDING INFORMATION

Type 2	Non-dwelling converted into a residential dwelling
Approximate age	1900
Condition	Fair
GIFA at purchase	67m²
GIFA at completion	87m²
Units at completion	1
Beds at completion	2
Status	On site

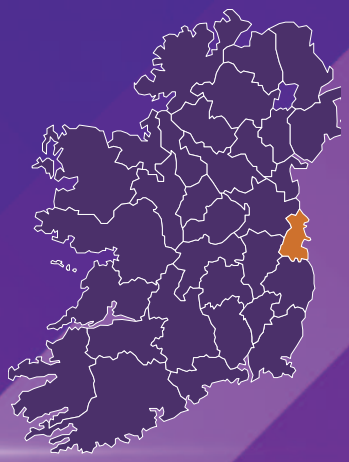
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item	6,000	6,000
01	Substructure	1	item	6,400	6,400
02	Structure	1	item	16,700	16,700
03	Structure completions	67	m^2	88	5,900
04	Finishes	67	m^2	145	9,700
05	Services (pipe and ducted)	67	m^2	190	12,700
06	Services (electrical)	67	m^2	149	10,000
07	Fittings and furniture	1	item	9,800	9,800
08	External works	12	m^2	117	1,400
09	New build	20	m^2	2,700	54,000
10	Attic conversion	20	m^2	100	2,000
	Total net construction cost				**€134,600**
11	Main contractor preliminaries	Incl.			
	Total gross construction cost				**€134,600**
12	Design team fees	1	item	14,000	14,000
	Total professional fees				**€14,000**
13	Planning costs	1	item	4,000	4,000
14	Rates office fee	1	item	250	250
15	Utilities connections (ESB/water)	1	item	800	800
	Total State fees, levies and cap contributions				**€5,050**
16	Contingency	Incl.			
	Total contingency				**-**
17	**Total development budgets excl. VAT**				**€153,650**

KEY COST DRIVERS AND SPECIFICATIONS

Ref.			
01	Not listed as a protected structure	09	New build extension to rear
02	Existing commercial premises	10	New insulated floor slab
	Water and electricity supply noted	11	Medium-spec. fit-out
03	Attic previously converted – finishes required only	12	Heat pump for hot water with electric radiators and PV
04	GIFA 87m^2	13	Specification to B2 BER rating
05	2 beds and 2 bathrooms	14	Burglar alarm by client
06	Rearrangement of internal walls	15	Preliminaries incl.
07	Floor repairs	16	Contingency incl.
08	Roof repair	17	Construction costs as of Q2 2022



CASE STUDY TEN

CASE STUDY 10

Type 3 Property, CLONDALKIN, DUBLIN 22

BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Unit	GFA	Beds
1	98	3
2	88	2
Total	**186m²**	**5**

BUILDING INFORMATION

Type 3	Two-storey building with over-the-shop accommodation	
	Approximate age	1987
	Condition	Derelict
GIFA at purchase	176m²	
GIFA at completion	186m²	
Units at completion	2	
Beds at completion	5	
Status	Completed	

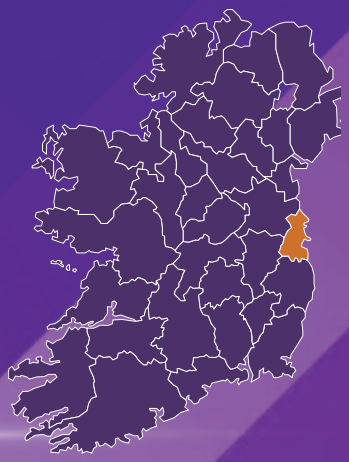
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition	1	item	26,053	26,053
01	Substructure	1	item	17,059	17,059
02	Structure	1	item	41,833	41,833
03	Structure completions	176	m^2	124	21,806
04	Finishes	176	m^2	346	60,905
05	Services (pipe and ducted)	176	m^2	152	26,748
06	Services (electrical)	176	m^2	144	25,408
07	Fittings and furniture	1	item	7,884	7,884
08	External works	12	m^2	2,339	28,066
09	New build	10	m^2	2,000	20,000
	Total net construction cost				**€75,762**
10	Main contractor preliminaries	15%			42,218
	Total gross construction cost				**€317,980**
11	Design team fees	1	item	77,161	77,161
	Total professional fees				**€77,161**
12	Utilities connections (ESB/water)	1	item	14,600	14,600
	Total State fees, levies and cap contributions				**€14,600**
13	Contingency	Incl.			15,000
	Total contingency				**€15,000**
14	**Total development budgets excl. VAT**				**€424,741**

KEY COST DRIVERS AND SPECIFICATIONS

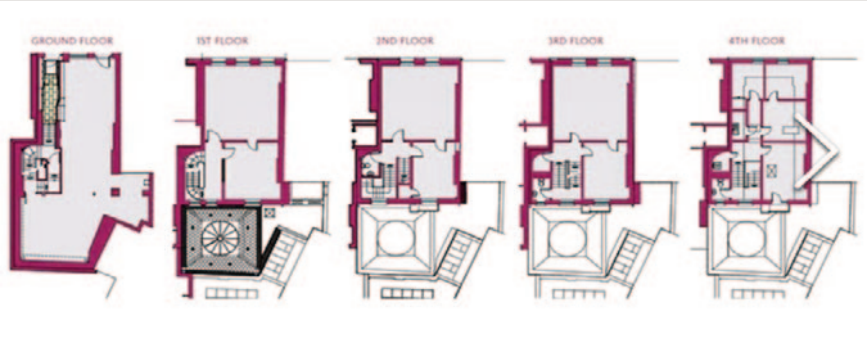
Ref.			
01	Commercial ground floor converted to residential.	08	New windows and doors
	Residential first floor	09	Structural modifications
02	GIFA 186m^2	10	Medium-spec. fit-out
03	2 units, 5 bedrooms	11	Gas condensing boiler with PV
04	Rearrangement of internal walls	12	Specification to BER Unit 1: A3; BER Unit 2: A2
05	New insulated floor slab	13	Boundary treatments, landscaping
06	New roof covering	14	Contingency incl.
07	External insulated render system		



CASE STUDY ELEVEN

CASE STUDY 11

Type 4 Property, GRAFTON STREET, DUBLIN CITY CENTRE



BASIS OF COST ESTIMATE

Floor plans as provided and site visit

AREAS

Units	GFA	Beds
01	59	1
02	59	1
03	59	1
04	59	1
Total	**236m²**	

BUILDING INFORMATION

Type 4	Three-storey building or higher with over-the-shop accommodation
Approximate age	1900
Condition	Fair
GIFA at purchase	397m²
GIFA at completion	397m²
Units at completion	4
Beds at completion	4
Status	Pre construction

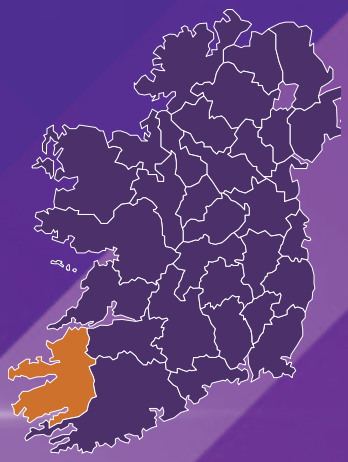
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Unit 1	59	m^2	1,664	98,185
01	Unit 2	59	m^2	1,649	97,310
02	Unit 3	59	m^2	1,658	97,810
04	Unit 4	59	m^2	1,683	99,310
03	Landlord areas/circulation	1	item	38,634	38,634
05	Main building works	1	item	41,830	41,830
	Total net construction cost				**€473,078**
06	Main contractor preliminaries	22	%		104,077
	Total gross construction cost				**€577,155**
07	Professional fees	14	%		80,802
	Total professional fees				**€80,802**
08	Planning contributions	1	item	16,000	16,000
09	Rates office fee	1	item	1,000	1,000
10	Utilities connections (ESB/water)	1	item	1,500	1,500
	Total State fees, levies and cap contributions				**€18,500**
11	FF&E	1	item		3,500
	Total FF&E				**€3,500**
12	Contingency	15	%	70,962	70,962
	Total contingency				**€70,962**
13	**Total development budgets excl. VAT**				**€750,918**

KEY COST DRIVERS AND SPECIFICATIONS

Ref.			
01	Protected structure	09	Mechanical ventilation
02	No opening up works performed	10	Works to main building included
03	Existing vacant units – water and electricity	11	Upgrade to fire system allowed for
	supply noted	12	Burglar alarm by client
04	Reasonable condition throughout	13	No work to commercial space
05	Medium-spec. fit-out	14	Traffic management excluded
06	1 bed and 1 bathroom per unit	15	Preliminaries 22%
07	Heat pump for hot water with	16	Contingency 15%
	electric radiators and PV	17	Construction costs as of Q2 2022
08	Specification to B2 BER rating		



CASE STUDY TWELVE

CASE STUDY 12

Type 4 Property, KILLARNEY POST OFFICE, CO. KERRY

BASIS OF COST ESTIMATE

Floor plans as provided

AREAS AND ACCOMMODATION MIXED

Residential		
Units	**Nr**	**GFA**
1 bed	2	
2 bed	2	
Subtotal		**221m²**
Commercial		**230m²**
Total		**451m²**

BUILDING INFORMATION

Type 4	Three-storey building or higher with over the shop
Approximate age	1848
Condition	Fair
GIFA at purchase	451m²
GIFA at completion	451m²
Units at completion	4
Beds at completion	6
Status	Pre construction

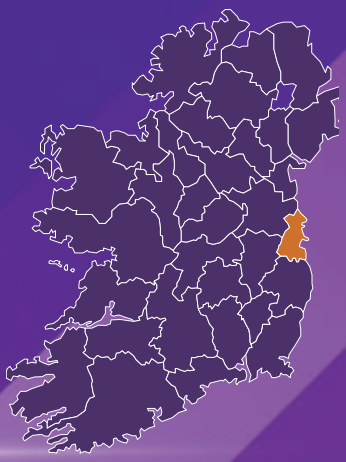
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item	20,000	11,822
01	Substructure	1	item	-	
02	Structure	1	item	268,500	268,500
03	Structure completions	451	m^2	197	89,000
04	Finishes	451	m^2	472	160,450
05	Services (pipe and ducted)	451	m^2	138	42,250
06	Services (electrical)	451	m^2	147	40,250
07	Fittings and furniture	1	item	82,500	82,500
08	External works	1	item	4,500	4,500
	Total net construction cost				**€699,272**
09	Main contractor preliminaries	Incl.			
	Total gross construction cost				**€699,272**
10	Design team fees	1	item	40,000	40,000
	Total professional fees				**€40,000**
11	Planning contributions	1	item	4,000	4,000
12	Utilities connections (ESB/water)	1	item	24,000	24,000
	Total State fees, levies and cap contributions				**€28,000**
13	Contingency	15	%		120,900
	Total contingency				**€120,900**
14	**Total development budgets excl. VAT**				**€994,900**

KEY COST DRIVERS AND SPECIFICATIONS

Ref.			
01	Protected structure	10	Provide 1 new stairs and refurbishment to existing
02	Existing commercial premises	11	Provide new roof covering to 2 No. pitch and 1
03	GIFA 451m^2		No. flat roof
04	4 units, 6 bedrooms	12	New fire-rated ceilings throughout
05	No works to commercial area	13	New central heating system and rewire
06	New internal layout	14	Contingency 15%
07	No substructure works	15	Preliminaries included
08	Specification to B2 BER rating	16	Construction costs as of Q2 2022
09	Repair to external walls		



CASE STUDY THIRTEEN

CASE STUDY 13

Type 4 Property, BAILIEBOROUGH, CO. CAVAN

BASIS OF COST ESTIMATE

Floor plans as provided

AREAS AND ACCOMMODATION MIX

Residential

Units	Nr	GFA	Total
1 bed	6	51m²	306m²
2 bed	2	93m²	186m²
Subtotal			**492m²**
Commercial			**738m²**
Total			**1,230m²**

BUILDING INFORMATION

Type 4	Three-storey building or higher with over-the-shop accomm.
Approximate age	200 years
Condition	Poor
GIFA at purchase	1,230m²
GIFA at completion	1,230m²
Units at completion	8
Beds at completion	10
Status	Pre construction

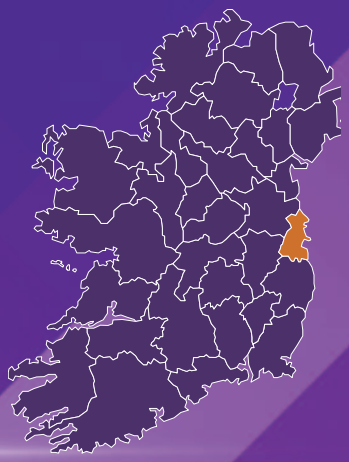
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item	7,940	7,940
01	Substructure	1	item	-	-
02	Structure	1	item	176,650	176,650
03	Structure completions	1,230	m^2	38	46,232
04	Finishes	1,230	m^2	108	133,032
05	Services (pipe and ducted)	1,230	m^2	73	89,370
06	Services (electrical)	1,230	m^2	68	84,000
07	Fittings and fixtures	1	item	116,000	116,000
08	External works	1	item	15,000	15,000
	Total net construction cost				**€668,224**
09	Main contractor preliminaries	11%			75,900
	Total gross construction cost				**€744,124**
10	Design team fees	1	item	102,300	102,300
	Total professional fees				**€102,300**
11	Planning contributions	1	item	10,000	10,000
12	Utilities connections (ESB/water)	1	item	1,500	1,500
	Total State fees, levies and cap contributions				**€11,500**
13	Contingency	15	%		100,234
	Total contingency				**€100,234**
14	**Total development budgets excl. VAT**				**€958,158**

KEY COST DRIVERS AND SPECIFICATIONS

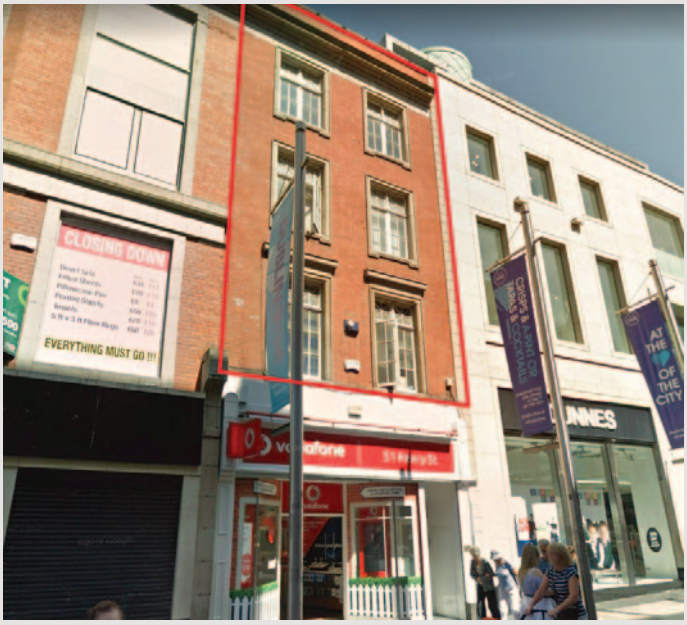
Ref.			
01	Located in an Architectural Conservation Area	08	Repairs needed for window heads, roof and walls
02	GIFA 1,230m^2 – residential 492m^2,	09	Replacement of internal doors
	commercial 740m^2	10	Strengthening to suspended timber floor
03	8 units, 10 bedrooms	11	Specification to B2 BER rating
04	No works to commercial space	12	Subdivision and repairs to internal walls/partitions
05	No works to substructure	13	Preliminaries included
06	All new electrical services to include	14	Contingency 15%
	smoke detection	15	Construction costs as of Q3 2022
07	Medium-spec. fit-out with fire upgrades		



CASE STUDY FOURTEEN

CASE STUDY 14

Type 4 Property, HENRY STREET, DUBLIN CITY CENTRE



BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Units	GFA	Beds
01	56	1
02	56	1
03	56	1
Total	**168m²**	

BUILDING INFORMATION

Type 4	Three-storey building or higher with over-the-shop accommodation
Approximate age	1900
Condition	Poor
GIFA at purchase	251m² (including commercial space)
GIFA at completion	251m² (including commercial space)
Units at completion	3
Beds at completion	3
Status	Pre construction

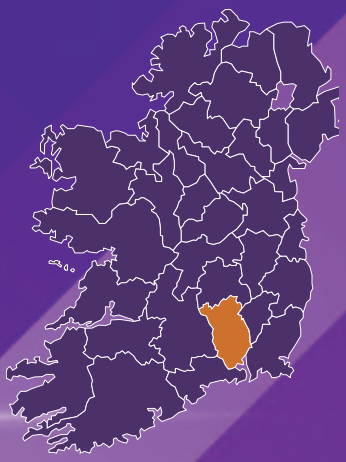
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Unit 1	56	m^2	1,747	97,804
01	Unit 2	56	m^2	1,747	97,804
02	Unit 3	56	m^2	1,747	97,804
03	Landlord areas/circulation	1	item	28,780	28,780
04	Main building works	1	item	35,920	35,920
	Total net construction cost				**€358,113**
05	Main contractor preliminaries	22.00	%		78,785
	Total gross construction cost				**€436,898**
06	Professional fees	16.00	%		67,035
	Total Professional fees				**€67,035**
07	Planning contributions	1	item	12,000	12,000
08	Rates office fee	1	item	750	750
09	Utilities connections (ESB/water)	1	item	800	800
	Total State fees, levies and cap contributions				**€13,550**
10	FF&E	1	item	2,500	2,500
	Total FF&E				**€2,500**
11	Contingency	15	%	53,717	53,717
	Total contingency				**€53,717**
	Total development budgets excl. VAT				**€573,700**

KEY COST DRIVERS AND SPECIFICATIONS

Ref.			
01	Not listed as a protected structure		electric radiators and PV
02	No opening up works performed	09	Specification to B2 BER rating
03	Existing vacant units.	12	Upgrade to fire system allowed for
	Water and electricity supply noted	13	Burglar alarm by client
04	Water ingress noted in areas	14	No works to commercial space
05	Rearrangement of internal walls	15	Traffic management excluded
06	Medium-spec. fit-out	16	Preliminaries 22%
07	1 bed and 1 bathroom per unit	17	Contingency 15%
08	Heat pump for hot water with	18	Construction costs as of Q2 2022



CASE STUDY FIFTEEN

CASE STUDY 15

Type 4 Property, KILKENNY POST OFFICE, KILKENNY

BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Unit	GFA	Beds
1	150	3
2	150	3
Total	**300m²**	

BUILDING INFORMATION

Type 4	Three-storey building or higher with over-the-shop
Approximate age	1853
Condition	Poor
GIFA at purchase	300m²
GIFA at completion	300m²
Units at completion	2
Beds at completion	6
Status	Pre construction

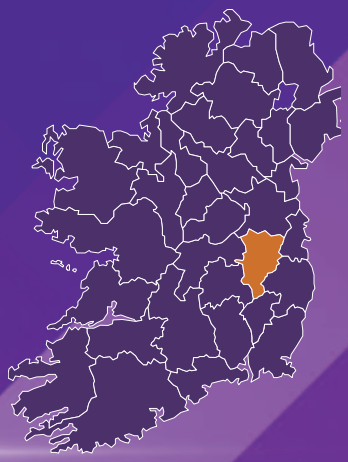
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item	8,000	8,000
01	Substructure	1	item	20,000	18,000
02	Structure	1	item	42,000	42,000
03	Structure completions	248	m^2	188	46,500
04	Finishes	248	m^2	397	98,500
05	Services (pipe and ducted)	248	m^2	200	49,500
06	Services (electrical)	248	m^2	103	25,500
07	Fittings and furniture	1	item	24,000	24,000
08	External works	1	item		
	Total net construction cost				**€312,000**
09	Main contractor preliminaries	15	%		44,000
	Total gross construction cost				**€356,000**
10	Design team fees	1	item		30,000
	Total professional fees				**€30,000**
11	Planning contributions	1	item		8,000
12	Utilities connections (ESB/water)	1	item		10,000
	Total State fees, levies and cap contributions				**€18,000**
13	Contingency	15	%		46,800
	Total contingency				**€46,800**
14	**Total development budgets excl. VAT**				**€450,800**

KEY COST DRIVERS AND SPECIFICATIONS

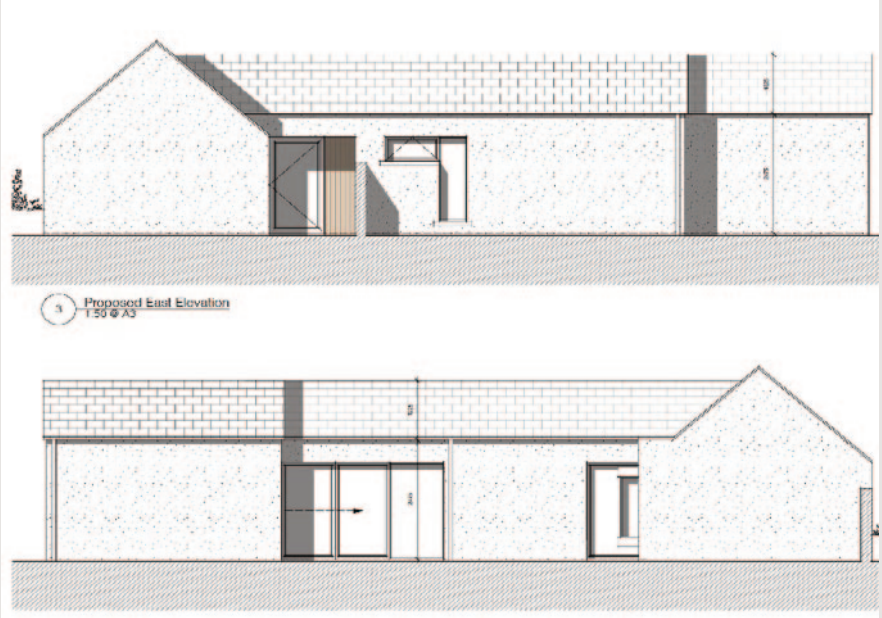
Ref.			
01	In an urban location on a main/secondary street	07	Property is dated and requires attention
02	Listed as a protected structure	08	Heated via dated oil-fired central heating system
03	Significant landmark building	09	Mains services connected and available
04	GIFA 248m^2	10	Specification to B2 BER rating
05	2 units each with 3 bedrooms	11	Preliminaries included
06	Extra high floor to ceiling heights	12	Contingency 15%



CASE STUDY SIXTEEN

CASE STUDY 16

Type 5 Property, NAAS, CO. KILDARE



BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Unit	GFA	Beds
01	72	2
Total	**72m²**	

BUILDING INFORMATION

Type 5	Rural one-off housing
Approximate age	70-80 years
Condition	Poor
GIFA at purchase	32m²
GIFA at completion	72m²
Units at completion	1
Beds at completion	3
Status	On site

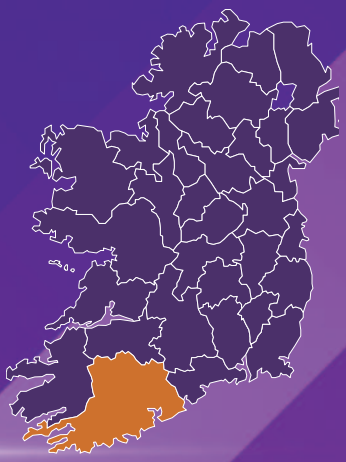
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item	5,000	5,000
01	Substructure	1	item	14,000	14,000
02	Structure	1	item	24,350	24,350
03	Structure completions	32	m^2	953	30,500
04	Finishes	32	m^2	338	10,800
05	Services (pipe and ducted)	32	m^2	297	9,500
06	Services (electrical)	32	m^2	313	10,000
07	Fittings and fixtures	1	item	13,550	13,550
08	External works	1	item	10,000	10,000
09	New build extension	40	m^2	2,470	98,800
	Total net construction cost				**€226,500**
10	Main contractor preliminaries	Incl.			11,000
	Total gross construction cost				**€237,500**
11	Design team fees	1	item	13,850	13,850
	Total professional fees				**€13,850**
12	Planning costs	1	item	-	
13	Utilities connections (ESB/water)	1	item	2,500	2,500
	Total State fees, levies and cap contributions				**€2,500**
14	Contingency	Incl.			
	Total contingency				**-**
15	**Total development budgets excl. VAT**				**€253,850**

KEY COST DRIVERS AND SPECIFICATIONS

Ref.			
01	Located outside an urban area	08	New insulated concrete floor slab
02	3 bedrooms	09	New heating system
03	GIFA 72m^2	10	Electrical services standard spec.
04	New build extension 40m^2	11	Specification to B2 BER rating
05	Repairs to roof structure (new slates)	12	Preliminaries included
06	UPVC windows and doors	13	Contingency included
07	Repairs to internal windows doors and joinery	14	Construction costs as of Q2 2022



CASE STUDY SEVENTEEN

CASE STUDY 17

Type 5 Property, SCHULL, CO. CORK

BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Unit	GFA	Beds
01	175	3
Total	**175m²**	

BUILDING INFORMATION

Type 5	Rural one-off housing
Approximate age	>100 years
Condition	Derelict
GIFA at purchase	175
GIFA at completion	175
Units at completion	1
Beds at completion	3
Status	Completed

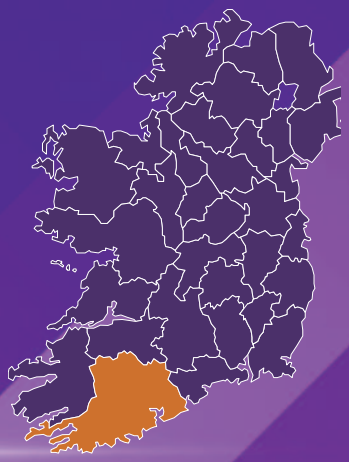
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item	7,300	7,300
01	Substructure	1	item	25,000	25,000
02	Structure	1	item	49,000	49,000
03	Structure completions	175	m^2	200	35,000
04	Finishes	175	m^2	174	30,500
05	Services (pipe and ducted)	175	m^2	231	40,500
06	Services (electrical)	175	m^2	61	10,700
07	Fittings and fixtures	1	item	18,300	18,300
08	External works	1	item	6,000	6,000
	Total net construction cost				**€222,300**
09	Main contractor preliminaries	Incl.			
	Total gross construction cost				**-**
10	Design team fees	1	item		22,230
	Total professional fees				**€22,230**
11	Planning costs	1	item	300	300
12	Utilities connections (ESB/water)	1	item		
	Total State fees, levies and cap contributions				**€300**
13	Contingency	Incl.			
	Total contingency				**-**
14	**Total development budgets excl. VAT**				**€244,830**

KEY COST DRIVERS AND SPECIFICATIONS

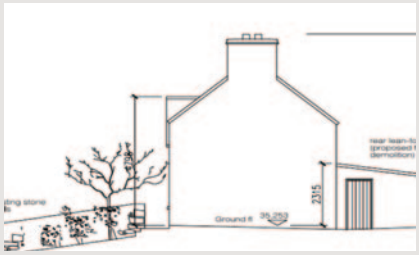
Ref.			
01	Located outside an urban area	07	New heating system
02	3 bedrooms	08	Electrical services standard spec
03	GIFA 175m^2	09	Specification to B2 BER rating
04	Structural repairs	10	Preliminaries included
05	Repairs to internal windows doors and joinery	11	Contingency included
06	New insulated concrete floor slab	12	Construction costs as of Q2 2022



CASE STUDY EIGHTEEN

CASE STUDY 18

Type 5 Property, BEARA, CO. CORK



BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Unit	GFA	Beds
01	141	2
Total	**141m²**	

BUILDING INFORMATION

Type 5	Rural one-off housing
Approximate age	>100 years
Condition	Poor
GIFA at purchase	62m²
GIFA at completion	141m²
Units at completion	1
Beds at completion	2
Status	On site

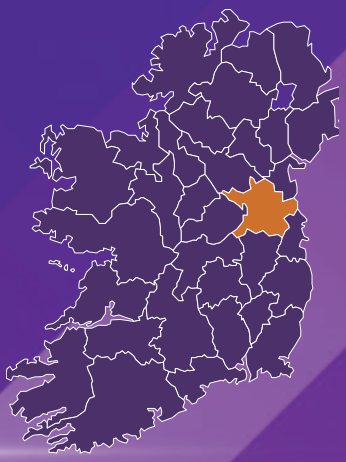
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item	8,000	8,000
01	Substructure	1	item	14,495	14,495
02	Structure	1	item	26,883	26,883
03	Structure completions	62	m^2	261	16,184
04	Finishes	62	m^2	694	43,021
05	Services (pipe and ducted)	62	m^2	219	13,601
06	Services (electrical)	62	m^2	111	6,910
07	Fittings and furniture	1	item	26,542	26,542
08	External works	1	item	19,176	19,176
09	New build extension	79	m^2	4,000	316,000
	Total net construction cost				**€490,811**
10	Main contractor preliminaries	Incl.			
	Total gross construction cost				
11	Design team fees	1	item		35,000
	Total professional fees				**€35,000**
12	Planning costs	1	item		2,500
13	Utilities connections (ESB/water)	1	item		1,800
	Total State fees, levies and cap contributions				**€4,300**
14	Contingency	Incl.			
	Total contingency				**-**
15	**Total development budgets excl. VAT**				**€530,111**

KEY COST DRIVERS AND SPECIFICATIONS

Ref.			
01	Rural dwelling, poor condition	11	2 bedrooms
02	GIFA 141m^2	12	Granite paving
03	New build extension 79m^2	13	Underground services and drainage instal
04	New concrete floor to existing building	14	Heat pump, underfloor heating, etc.
05	New external concrete block walls	15	Specification to A BER rating
06	New internal layout	16	Standard domestic electrical services
07	New staircase	17	Engineered timber flooring
08	Newly installed timber cut roof	18	Standard domestic electrical services
09	Structural repairs	19	Contingency included
10	New windows and doors	20	Preliminaries included



CASE STUDY NINETEEN

CASE STUDY 19

Type 5 Property, KELLS, CO. MEATH

BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Unit	GFA	Beds
01	171	2
Total	**171m²**	

BUILDING INFORMATION

Type 5	Rural one-off housing
Approximate age	>100 years
Condition	Poor
GIFA at purchase	65m²
GIFA at completion	117m²
Units at completion	1
Beds at completion	2
Status	Completed

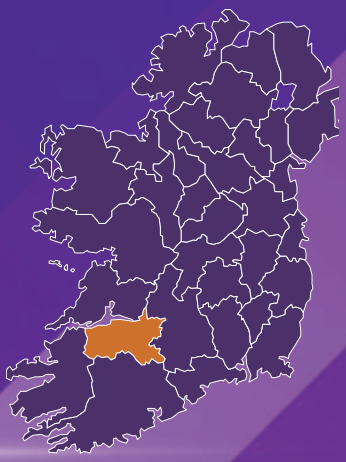
SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item	7,000	7,000
01	Substructure	1	item	7,130	7,130
02	Structure	1	item	36,401	36,401
03	Structure completions	65	m^2	142	9,218
04	Finishes	65	m^2	197	12,774
05	Services (pipe and ducted)	65	m^2	185	12,004
06	Services (electrical)	65	m^2	46	9,513
07	Fittings and furniture	1	item	17,440	17,440
08	External works	1	item	3,171	3,171
09	New build extension	52	m^2	2,500	130,000
	Total net construction cost				**€244,650**
10	Main contractor preliminaries	Incl.			
	Total gross construction cost				
11	Design team fees	1	item	8,500	8,500
	Total professional fees				**€8,500**
12	Planning costs	1	item	500	500
13	Utilities connections (ESB/water)	1	item	2,270	2,270
	Total State fees, levies and cap contributions				**€2,770**
14	Contingency	Incl.			
	Total contingency				**-**
15	**Total development budgets excl. VAT**				**€255,920**

KEY COST DRIVERS AND SPECIFICATIONS

Ref.			
01	Previously derelict	07	Specification to B2 BER rating
02	GIFA 117m^2	08	New windows and door
03	New build extension 52m^2	09	New central heating system and rewire
04	New floor slab	10	Fencing, driveway and landscaping
05	2 bedrooms	11	Preliminaries incl.
06	New septic tank and percolation area	12	Contingency incl.



CASE STUDY TWENTY

CASE STUDY 20

Type 6 Property, (UNIT 1 AND 2) ASKEATON, CO. LIMERICK

BASIS OF COST ESTIMATE

Floor plans as provided

AREAS

Residential

Units	**Nr**	**GFA**
2 bed	4	236
Subtotal	**236m²**	

BUILDING INFORMATION

Type 6	Conversion to multiple dwellings
Approximate age	30 years
Condition	Fair
GIFA at purchase	236m²
GIFA at completion	236m²
Units at completion	4
Beds at completion	8
Status	Pre construction

SCSI Chartered property, land and construction surveyors

DEVELOPMENT BUDGET

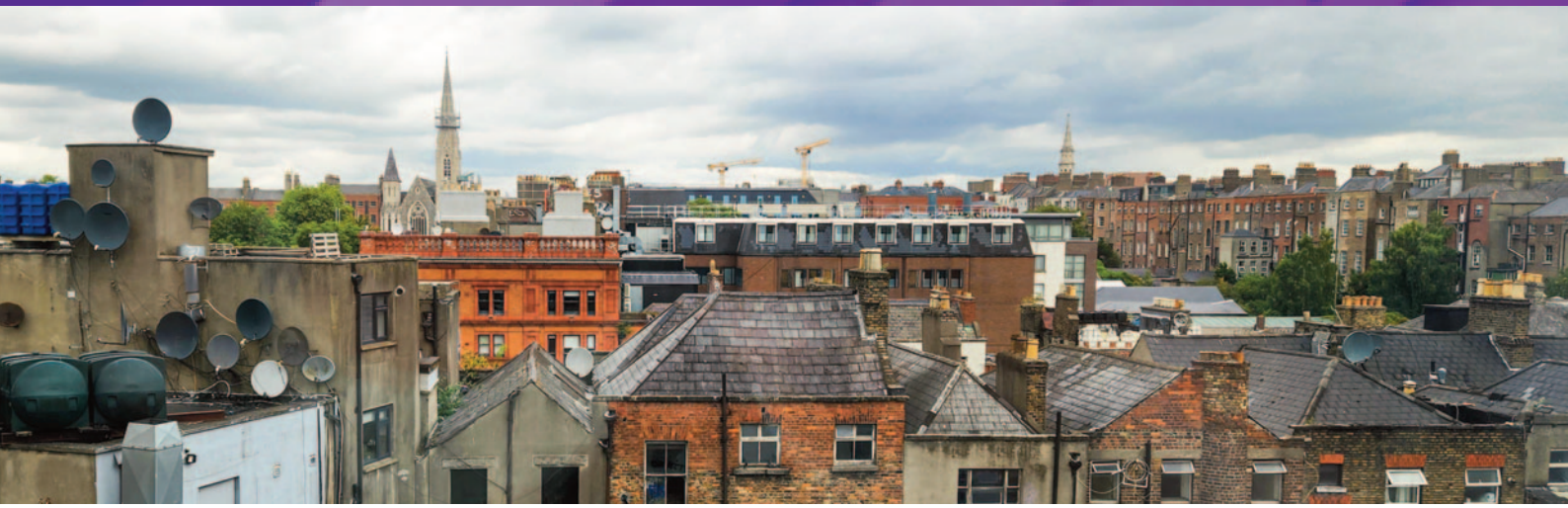
Ref.	Description	Quantity	Unit	Rate	Total
00	Demolition/strip out	1	item		10,000
01	Substructure	1	item	-	-
02	Structure	1	item	19,400	19,400
03	Structure completions	236	m^2	175	41,316
04	Finishes	236	m^2	193	45,656
05	Services (pipe and ducted)	236	m^2	195	46,040
06	Services (electrical)	236	m^2	175	41,200
07	Fittings and fittings	1	item	34,400	34,400
08	External works	1	item	4,400	4,400
	Total net construction cost				**€242,412**
09	Main contractor preliminaries	Incl.			
	Total gross construction cost				**€242,412**
10	Design team fees	1	item	23,800	23,800
	Total professional fees				**€23,800**
11	Planning contributions	1	item	16,000	16,000
12	Utilities connections (ESB/water)	1	item	1,600	1,600
	Total State fees, levies and cap contributions				**€17,600**
13	Contingency	10	%		24,241
	Total contingency				**€24,241**
14	**Total development budgets excl. VAT**				**€308,053**

KEY COST DRIVERS AND SPECIFICATIONS

Ref.			
01	Urban location on a main/secondary street	11	Electrical upgrade
02	GIFA 236m^2	12	Fire safety upgrades
03	2 units and 4 bedrooms	13	Removal of oil tank and boiler
04	Building circa 30 years old – fair condition	14	Attic insulation upgrade
05	Floor slab retained	15	Replacement timber balustrade to balcony walkway
06	Replacement of fascias and gutters	16	Garden clearance
07	Provision of external windows and doors	17	Specification to B2 BER rating
08	Stair refurb.	18	Preliminaries incl.
09	Medium-spec. fit-out	19	Contingency 15%
10	Plumbing upgrades	20	Construction costs as of Q2 2022

SECTION THREE

CONCLUSIONS AND RECOMMENDATIONS



Compared to the purchase of a new build or ready-to-go second-hand home not requiring refurbishment, the renovation of vacant and derelict property can be an unattractive proposition for many aspiring owner occupiers or those looking to invest in larger properties for rental income. The findings from the SCSI Annual Residential Review and Outlook Report also concluded that prospective purchasers are more inclined to purchase new homes to avail of the various Government supports, such as the Help to Buy and First Home Scheme supports, which are available to first-time buyers. Those who embark on renovation projects take on significantly more financial risk compared to those buyers who purchase a new home **(Figure 17)**. Green finance offers lower interest rates to buyers of new, energy-efficient homes; however, these preferential rates currently exclude owners looking to

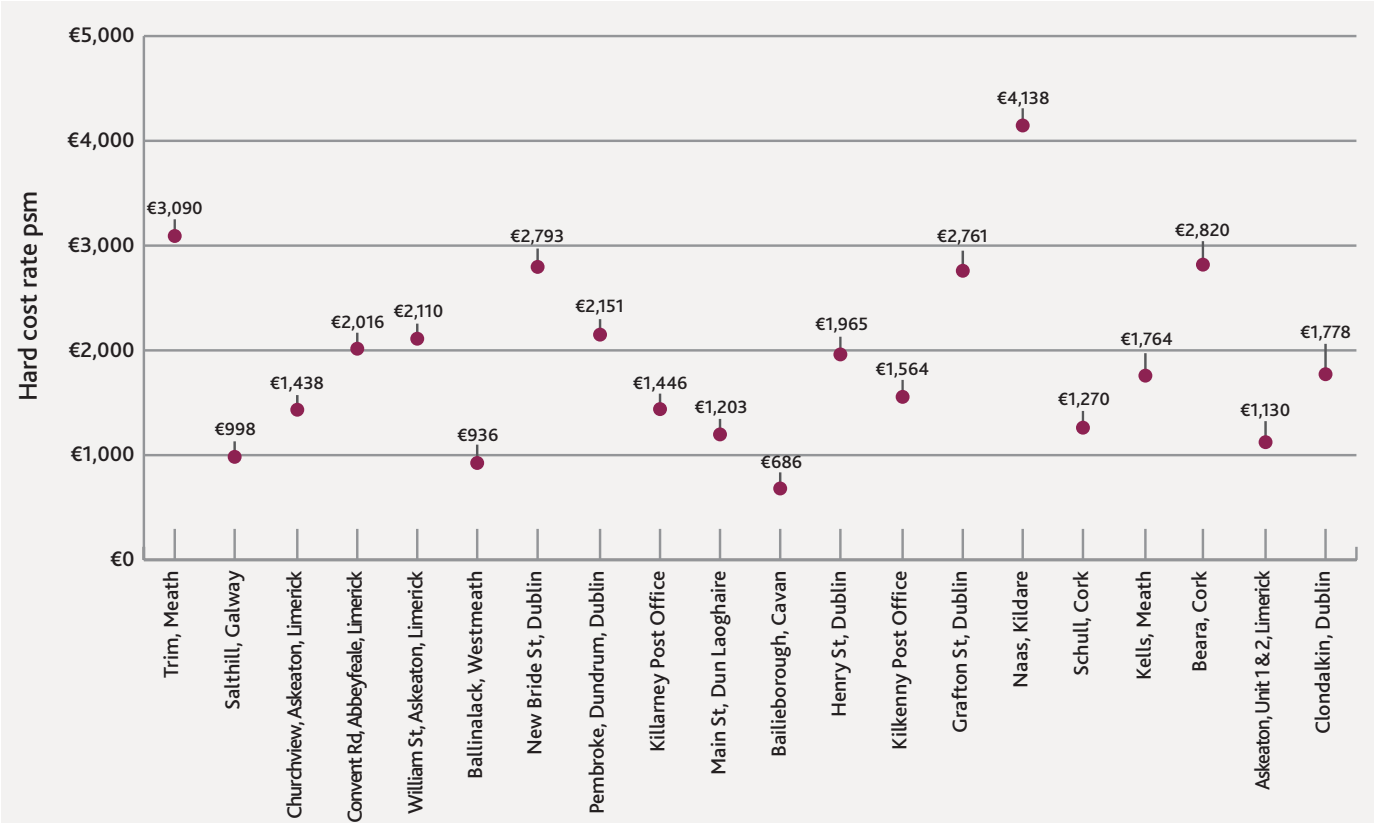


FIGURE 17: Case study 'hard cost' rate per square metre – for existing structure (excluding new-build extension) renovations (ex-VAT).

> Although there can be weak demand generally to renovate vacant and derelict units, the strongest demand is for one-off properties, particularly within counties with a stronger rural influence.

renovate units as their principal private residence. Government incentives to entice increased renovation of property are positive developments, and the continued resourcing of local authorities within their vacant homes units and vacant homes officers is also a welcome commitment to address vacancy and dereliction head on.

However, the views of those who provide specialist advice and support to prospective buyers and sellers of these units, such as residential surveyors (estate agents and auctioneers), valuers, and planning, building and quantity surveyors, highlight that the current incentives and supports in place are not at a satisfactory level to make a meaningful difference to the current levels of vacant stock. The supports and incentives are well intentioned but lack stakeholder engagement prior to the development of supports to ensure effectiveness of the schemes.

Vacant Property Refurbishment Grant

As part of the overall financial viability of renovations, the report included the most recent Government Vacant Property Refurbishment Grant, referred to as Croí Cónaithe (Towns), in its assessment. Up to 13 of the 20 case studies in this report are most likely to be purchased by owner occupiers for renovation, and therefore could apply for Croí Cónaithe (Towns) grant funding. However, of these 13 cases studies:

- no additional case study property became financially viable with the Croí Cónaithe (Towns) grant of €30,000;
- no additional case study property became financially viable with the enhanced Croí Cónaithe (Towns) grant of €50,000;
- one additional case study property becomes viable when the Croí Cónaithe (Towns) grant of €50,000 and an SEAI average grant of €21,500* is applied; and,
- three additional case study properties became financially viable if the Croí Cónaithe (Towns) grant is increased to €100,000 excluding SEAI funding **(Table 1)**.

Geographic influence on financial viability

The location of a property has a significant bearing on the viability of renovation projects. Property in more affluent locations where property values are high may support a greater degree of renovations because the market can absorb the construction/renovation costs. Properties located in urban locations have more resources readily available to them in comparison to those located in rural areas. The universal application of grant schemes such as Croí Cónaithe (Towns) therefore requires further consideration to take account of differing market factors. Grant funding should also aim to influence buying/renovation decisions in favour of town centre to support compact growth. It is clear from the results of our survey of estate agents, that although there can be weak demand generally to renovate vacant and derelict units, the strongest demand is for one-off properties, particularly within counties with a stronger rural influence.

Equity in properties and viability

Having equity within a property already creates a much stronger financial

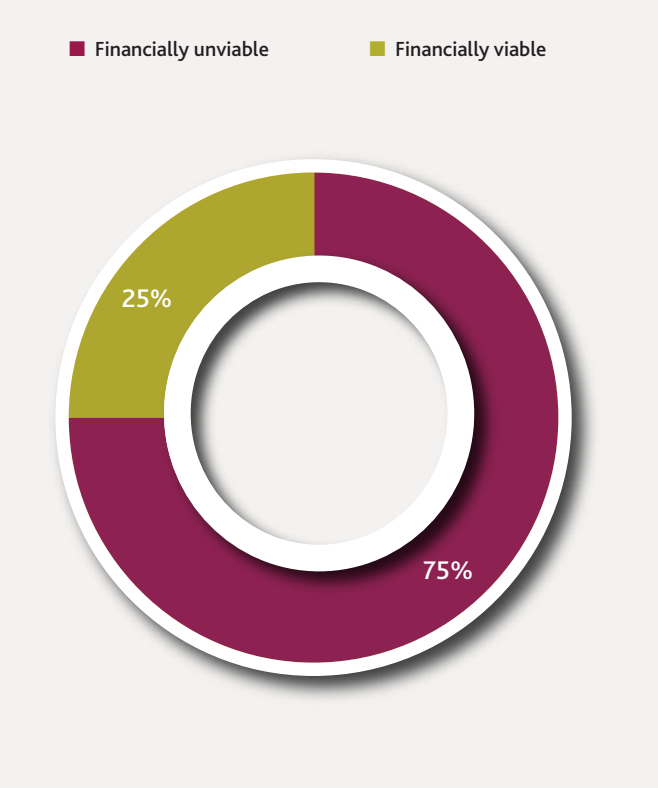


FIGURE 18: Purchasing a vacant/derelict unit for renovation. Percentage of case studies viable/unviable. (This figure appeared in the Executive Summary as Figure 2.)

RECOMMENDATIONS

Immediate priority

Recommendation		Result (where applicable)
Homeowners and grant aid		
Croí Cónaithe (Towns) Fund Scheme should include feasibility/viability grants to assess the overall viability of the project. This will inform the level of grant funding required to renovate a property for homeowner use. The level of grant funding available for renovation should be tailored (establish additional grant bands) for individual property sizes and types.	Government/Department of Housing, Local Government and Heritage	Tailored grant levels based on feasibility study to assist in raising finance
Croí Cónaithe (Towns) Fund should be made available in tranche payments rather than at the end of a renovation.	Department of Housing, Local Government and Heritage	Improve project cashflow
Croí Cónaithe (Towns) Fund Scheme should be increased from the current €30k/€50k (enhanced grant) up to a maximum cap of €100k, but subject to individual site feasibility/viability assessments to ascertain level of grant funding required to progress the project.	Government	Potential doubling of renovation projects becoming financially viable. This will further support those seeking bank funding (mortgage) for loan-to-value purposes.
Lenders to adopt and communicate a clear set of lending policies for homeowners interested in taking on a vacant or derelict property for home ownership.	Financial institutions	Improve the lending application process for those renovating property.
Investment sector		
Establishment of tax rebate over a period of 10 years to support the renovation of multi-occupancy buildings to residential use. Such as scheme could be based on similar taxation principles to the Living City Initiative scheme.	Government	Similar initiative to the Living City Initiative
Construction costs, regulations and support		
Review of Building Regulations, particularly Part B (Fire), Part M (Access & Use) and Part A (Structure) to address challenges with renovating existing units to residential/habitable use.	Government/Department of Housing, Local Government and Heritage	Technical guidance for renovating property to help de-risk meeting building regulations

Recommendation		Result (where applicable)
Specific and detailed Technical Guidance Documents for renovating older buildings should be established to assist construction professionals/builders and owners, and local authority officers, to navigate building regulations and achieve compliance in older buildings. This could be a focused and detailed supplement or addition to the useful 'Bringing Back Homes – Manual for re use of existing buildings' guidance issued in 2018	Government/Department of Housing, Local Government and Heritage	Increased clarity regarding compliance for owners and professionals
How to make living over shop more attractive. There can be daily operational frustrations such as lack of bin collections for buildings located along pedestrian streets.	Targeted local government consideration	Increase attractiveness of urban living

Medium-term priority

Policy and lending

Recommendation		Result (where applicable)
Establishment of a one-lender type product for the renovation of properties similar to the lending made available through the Strategic Banking Corporation of Ireland. Banks of alternative funders could then make available lending at preferential rates and specified lending terms.	Government/Department of Finance	Improve access to finance
Green lending should be made available, with dedicated lending teams within financial institutions to help those renovating units for residential use.	Financial institutions	More cost-effective renovation projects and better use of existing stock to support sustainability.
First Home Scheme should be extended to include renovation projects. Getting access to borrowed funds can be difficult; in order to address the funding gap, an equity stake in the property up to 10% should be considered.	Government/Department of Finance	Tackle lending gap in renovation projects.

Medium-term priority
Policy and lending

Recommendation		Result (where applicable)
Full review with extension of the Repair and Lease scheme to include private sector tenants as well as social tenants.	Government	Improvements to the scheme application process and overall take-up levels.
Development of a national register to identify vacant and derelict units with clear and appropriate definitions of same. A detailed register will assist Government to shape policy to address underutilised properties.	Government	Evidenced-based data to inform policymaking.
Introduce an amended rates relief criteria where a phased reduction/withdrawal of the level of relief is available on commercial property, i.e., the relief reduces each year.	Government and local authorities	Further encouragement to utilise vacant and derelict commercial building stock for residential use.
Local authorities to adopt a much more proactive policy on implementing CPO powers for urban properties that have been vacant for a long time.	Government programme for resale of vacant units	Benefits for larger-scale renovation of vacant and derelict units and therefore greater numbers being completed. Opportunity for more cost-effective renovations – economies of scale.
Government to significantly increase the allocated funding of €150 million available to local authorities to purchase and renovate vacant buildings.	Government	Benefits for larger-scale renovation of vacant and derelict units and therefore greater numbers being completed. Opportunity for more cost-effective renovations – economies of scale.

SECTION

APPENDICES

APPENDIX A: GOVERNMENT INITIATIVES, SUPPORTS AND TAXATION LEVERS

Vacant homes officers

The Vacant Homes Unit in the Department of Housing, Local Government and Heritage (DHLGH) is currently progressing a pilot data collection project to be carried out by local authorities, to capture the number of vacant properties in cities, towns and villages nationally, and reasons for vacancy, with a view to identifying opportunities to activate these properties. Vacant homes officers (VHOs) will be responsible for overseeing the collection of data in their local authority's administrative area. According to the DHLGH, it is anticipated that the development of an enhanced VHO role profile will support clarity and consistency across local authorities in terms of the role, and more active engagement with owners of vacant homes and other key stakeholders, with a focus on utilising supports and schemes and, if necessary, CPOs, to bring vacant properties back into use.

Repair and Lease Scheme

The Repair and Lease scheme is aimed at owners of houses or apartments/bedsits that have been vacant for at least one year and that require repairs to bring the property to the required standard for rental properties (**Table 7**). Owners who sign up to the Scheme make their property available to a local authority or an approved housing body (AHB) and lease the property via a direct lease or a rental availability agreement (RAA).

The maximum cost of repairs allowable under the initiative is €60,000, including VAT. Rents are agreed through negotiation with the local authority/AHB. The maximum rent agreed under the terms of RAAs is 92% of current market rent (95% in the case of apartments with a significant service charge); under direct leasing the rate is 80% (85% in the case of apartments with a significant service charge) of the current market rent.

Information gathered from the DHLGH stated that there are a variety of reasons why the RLS has not delivered the number of social homes targeted, which are listed as follows:

- many vacant properties are either derelict, or in areas where there is no social housing need;
- other properties were taken into social housing by means of standard leasing or the Buy and Renew Scheme;
- other properties returned to the private market and are no longer vacant;
- original RLS targets were based on assumptions regarding the number of vacant properties in the market based on data at the time (Census 2016); units counted as vacant were in fact only unoccupied at that particular time – the actual vacancy rate turned out to be significantly lower and targets were reduced accordingly;
- the Scheme is too resource intensive; the nature of RLS means that the period leading up to the signing of the contracts (sourcing and inspecting the units, and negotiation with the owner) is the slowest part of the process and can take some months – once contracts are signed, delivery is estimated at a further six to nine months; and,
- applications received may not meet the Scheme criteria (12-month vacancy, location and suitability of the property).

Expansion of the Repair and Lease Scheme

Housing for All committed to supporting local authorities to drive take-up of the RLS. The Government approved a pilot expansion in June 2022, opening the scheme to a wider range of owners by removing the criteria that a property owner must be unable to fund or access funding to bring vacant units up to rental standards. This modification is limited to the conversion of the following types of properties to residential use:

- vacant commercial properties;
- vacant units associated with commercial property, e.g., over the shop;
- vacant institutional buildings; and,
- unfinished developments, vacant for a significant period of time.

Croí Cónaithe (Towns) Fund – Vacant Property Refurbishment Grant Scheme

The Croí Cónaithe (Towns) Fund, to be delivered by local authorities, is aimed at unlocking additional supply of properties through the renovation of vacant or derelict properties. The initial stage of the scheme is a grant fund to support the refurbishment of vacant or derelict properties in towns and villages, with priority given to areas where the level of vacancy or dereliction is high. The scheme was subsequently extended to include one-off properties in rural areas and properties in urban locations. The Fund is targeted to deliver 2,000 homes by 2025.

Table 7: Repair and Lease Scheme data.

	2017	2018	2019	2020	2021	Q1 2022	Total
Dwellings delivered	9	80	76	69	45	29	**308**
Capital Expenditure	€196,385	€1,613,107	€1,837,121	€2,425,282	€2,875,849	€695,203	**€9,642,947**

A grant of up to a maximum of €30,000 is made available for the refurbishment of a vacant property for occupation of the homeowner, including the conversion of a property that has not been used previously for residential purposes (subject to appropriate planning exemptions or permission being in place), as a principal private residence. The grant is inclusive of VAT. Where the refurbishment costs are expected to exceed the standard grant of up to €30,000, a maximum top-up grant amount of up to €20,000 is available where the property is confirmed by the applicant to be derelict (i.e., structurally unsound and dangerous) or if the property is already on the Derelict Sites Register, bringing the total grant available for a derelict property up to a maximum of €50,000.

Vacant Homes Tax

Budget 2023 announced the introduction of a Vacant Homes Tax in 2023, which will apply to residential properties that are occupied for less than 30 days in a 12-month period. The tax will be charged at a rate equal to three times the property's existing base Local Property Tax liability, which is approximately 0.3% of the value of a property. The tax will operate on a self-reporting basis, where owners must report whether the property has been vacant for the time specified. Derelict homes will be exempt from paying the tax.

Better Energy Home Grant

The Better Energy Homes Grant[12] is a cash grant that allows homeowners to have works undertaken to improve the energy performance of their home. Cash grants are fixed, irrespective of home size. Homeowners must undertake a Building Energy Rating (BER) on their home after grant-aided works have been completed. The scheme has certain provisions in relation to dwellings that are on the local authority's record of protected structures list (RPS) or are in an Architectural conservation Area (ACA), where approval is required as such properties require works undertaken by contractors with specialist knowledge. Similarly, there are certain works that may change the external character of a conventional property, where approval may need to be sought from the local authority.

Fair Deal

The Fair Deal scheme primarily supports helping to pay for the cost of care in nursing homes. However, the scheme can contribute to bringing additional properties to the market, which may otherwise lie vacant. For the Scheme, a financial assessment is undertaken to determine how much of a contribution beneficiaries will make towards nursing home care and what balance the State will pay. Applicants pay 80% of their assessable income and 7.5% of the value of any assets they own per year as their contribution, with the State paying the rest of their fees. Previously, there was a disincentive for asset owners to rent out their property while in a nursing home, as 80% of the rental income is included as a source of income during the financial assessment. However, recent amendments introduced by the Government exempted rental income from this assessment, with the Government stating that this could potentially bring thousands of new rental properties to the market. The Nursing Home Support Q3 2021 Scheme (Amendment) Act 2021 further extended the three-year cap on Fair Deal contributions from the principal residence to the proceeds of sale of the principal residence, removing the disincentive to bringing vacant homes back onto the property market.

SEAI One Stop Shops

The Sustainable Energy Authority of Ireland (SEAI) One Stop Shops seek to offer homeowners all the services required for a complete home energy upgrade undertaken by registered private operators. Homeowners need to be looking to have substantial works undertaken, which would bring their home up to a B2 energy rating. Eligible properties must have been built or occupied before 2011. Grants are provided across several works, including for heat pumps, attic/internal/external insulation, and grants towards project management fees.

Living City Initiative

The Living City Initiative is a tax incentive scheme to assist and encourage people to live in the inner-city areas across Irish cities. The relief is only available for owner occupiers; landlords cannot claim relief under the residential element of the scheme. Property developers may carry out the refurbishment/conversion work under this scheme and then sell the refurbished/converted properties to individuals who can claim the residential relief.

Buy and Renew Scheme

The Buy and Renew Scheme aids local authorities in purchasing and renewing housing units that require repairs, allowing them to be utilised for social housing purposes. Each respective local authority is required to assess the viability of a property for social housing. Relevant considerations in that regard include: the property's location in relation to housing need and demand; the design/scale suitability of a property for social housing use; and, the costs and practicality of acquiring and remediating a property. The Buy and Renew Scheme specifically targets older vacant homes to assist in addressing issues associated with dereliction and improving the overall appearance of the community. It ultimately serves as a complementary initiative to the Repair and Lease Scheme, by allowing the option for suitable properties to be purchased rather than leased, if that happens to be the preference of the owners of vacant properties.

12 A Government initiative in conjunction with the SEAI.

APPENDIX A: GOVERNMENT INITIATIVES, SUPPORTS AND TAXATION LEVERS

Table 8: Summary of grants and schemes for renovating property.

Name	Criteria	Eligibility	Funding
Better Energy Homes Scheme	Scheme for homeowners and landlords	• Pre-2011 property • Renewable systems – pre-2021 properties • SEAI's registered contractor • BER assessor from SEAI's National Register	Attic insulation: • Apartment: €800 • Mid-terrace house: €1,200 • Semi-detached or end-of-terrace house: €1,300 • Detached house: €1,500 Cavity wall insulation: • Apartment: €700 • Mid-terrace house: €800 • Semi-detached or end-of-terrace house: €1,200 • Detached house: €1,700 Wall insulation – internal dry lining: • Apartment: €1,500 • Mid-terrace house: €2,000 • Semi-detached or end-of-terrace house: €3,500 • Detached house: €4,500 Wall insulation – external: • Apartment: €3,000 • Mid-terrace house: €3,500 • Semi-detached or end-of-terrace house: €6,000 • Detached house: €8,000 Heat pump systems: • Apartment:€ 4,500 • House: €6,500 • Air to air: €3,500 • Technical assessment: €200 • Heating controls upgrade: €700 • Solar water heating: €1,200 • Solar PV panels: €2,400 • A BER assessment post works: €50

Table 7: Summary of grants and schemes for renovating property (continued).

Name	Criteria	Eligibility	Funding
Better Energy Warmer Homes Scheme	SEAI free home energy upgrades to homeowners on low incomes	• Owner occupation • Pre-2006 homes • Home must have a BER of C, D, E, F or G • Must be getting one of the following social welfare payments: • Fuel Allowance • Working Family Payment • Jobseeker's Allowance • Disability Allowance • Domiciliary Care Allowance • One Parent Family Payment • Carer's Allowance	If your home is suitable for the upgrades a contractor will be appointed by the SEAI to do the work on your home. You will not be charged for work done under this Scheme.
National Home Energy Upgrade Scheme	SEAI-provided grants to upgrade the energy efficiency of your home B2 B2 or better. Works carried out by SEAI 'One stop shop' contractors.	• Owner occupation • Properties pre 2011 • Have a home with a BER of B3 or lower before the work • Reach a BER of at least B2 after the work and have a BER improvement of 100kWh/m2 per year • Not have already used grants for the same energy upgrades • Use an SEAI-registered company (One Stop Shop) to manage the process, work and applications	Attic insulation: • Apartment: €800 • Mid-terrace house: €1,200 • Semi-detached or end-of-terrace house: €1,300 • Detached house: €1,500 Rafter insulation: • Apartment: €1,500 • Mid-terrace house: €2,000 • Semi-detached or end-of-terrace house: €3,000 • Detached house: €3,000 Cavity wall insulation: • Apartment: €700 • Mid-terrace house: €800 • Semi-detached or end-of-terrace house: €1,200 • Detached house: €1,700 Wall insulation – internal dry lining: • Apartment: €1,500 • Mid-terrace house: €2,000 • Semi-detached or end-of-terrace house: €3,500 • Detached house: €4,500

APPENDIX A: GOVERNMENT INITIATIVES, SUPPORTS AND TAXATION LEVERS

Table 8: Summary of grants and schemes for renovating property (continued).

Name	Criteria	Eligibility	Funding
			Wall insulation – external: • Apartment: €3,000 • Mid-terrace house: €3,500 • Semi-detached or end-of-terrace house: €6,000 • Detached house: €8,000 Floor insulation: €3,500 Heat pump systems: • Apartment: €4,500 • House: €6,500 • Air to air: €3,500 Central heating system for heat pump • Apartment: €1,000 • House: €2,000 Heating controls upgrade: €700 Solar water heating: €1,200 Solar PV panels: €2,400 (max.) New windows: • Apartment: €1,500 • Mid-terrace house: €1,800 • Semi-detached or end-of-terrace house: €3,000 • Detached house: €4,000 New external doors: €800 per door Mechanical ventilation: €1,500 Air tightness: €1,000 Home energy assessment: €350 Project management: • Apartment: €800 • Mid-terrace house: €1,200 • Semi-detached or end-of-terrace house: €1,600 • Detached house: €2,000

Table 8: Summary of grants and schemes for renovating property (continued).

Name	Criteria	Eligibility	Funding
Living City Initiative	Tax relief scheme for landlords and owners to renovate. 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 capital allowance (for rented residential) in Dublin, Cork, Limerick, Galway, Waterford and Kilkenny	• Must have been built before 1915 (does not apply to commercial properties) • Must be located within the designated 'Special Regeneration Area' (SRA) • Works are for refurbishment and/or conversion of the property • Works are undertaken before December 31, 2027, and commenced after May 5, 2015, for owner-occupier residential relief and retail commercial relief, or January 1, 2017, for rented residential relief • Works meet the qualifying expenditure criteria • Works comply with all statutory and planning development requirements such as planning regulations and building regulations • Conditions for immediate occupation of the property	Cost of the works undertaken are for a minimum of €5,000; no maximum amount (capped at €200,000 relief available for commercial element)
Buy and Renew Scheme	Supports local authorities in purchasing and renewing housing units in need of repair and makes them available for social housing use	Each individual local authority determines the suitability of a property for social housing; important considerations in that regard include the location of a property in relation to housing need and demand, the design/scale suitability of a property for social housing use, and the costs and practicality of acquiring and remediating a property.	Local authorities refurbish and make it available for social housing use

APPENDIX A: GOVERNMENT INITIATIVES, SUPPORTS AND TAXATION LEVERS

Table 8: Summary of grants and schemes for renovating property (continued).

Name	Criteria	Eligibility	Funding
Repair and Lease Scheme	Brings vacant properties in need of repair back into use for social housing. Aimed at owners of vacant properties who cannot afford the repairs needed to bring their property up to the standard required to rent it out	• Property must have been vacant for at least 12 months before you apply. You will need to provide proof that it has been vacant for this time • Must be a demand for social housing in the area • The property must be assessed as being suitable to provide social housing	• Maximum repair cost under the scheme is €60,000 including VAT • This can include the cost of required furniture, as agreed with the local authority or AHB • The cost of the repairs will be offset against the agreed rental payment until the value of the works is repaid
Croí Cónaithe (Towns)	A grant available for the refurbishment of vacant properties for occupation as a principal private residence, including the conversion of a property that has not been used as residential previously. Further information is available here.	• Must be vacant for two years or more and built before 1993. For the purposes of this scheme, a property is deemed to be vacant if it has been vacant and unoccupied for a period of two years or more • Proof of both vacancy and ownership will be required to support the grant payment • It is a matter for the applicant to confirm ownership with the local authority	• Maximum of €30,000 available for refurbishment of vacant properties for occupation as a principal private residence (including the conversion of a property that has not been used as residential heretofore) • Where the refurbishment costs are expected to exceed the standard grant of up to €30,000, a maximum top-up grant amount of up to €20,000 will be available if the property is confirmed by the applicant to be derelict
Traditional Farm Buildings Grant	Grant available through the Heritage Council, funded by Government.	Grant available for the conservation of traditional farm outbuildings including farmhouses, including structural repairs, windows, doors, roofs and walls.	Grant available from €4,000 to €30,000

APPENDIX B: INTERNATIONAL RESPONSES TO VACANCY

The issue of having excessive vacant properties is not unique to Ireland. Different jurisdictions have taken varying approaches to combat vacancy rates such as looking to stimulate supply or occupancy through taxation measures, incentives and compulsory orders. The following section outlines some approaches that have been taken in jurisdictions close to Ireland.

United Kingdom

Billing authorities in England, Scotland and Wales have the power to increase council tax on properties that have been "unoccupied and substantially unfurnished" for a long period of time (**Table 9**). This is known as the "empty homes premium". In each country, it is for individual billing authorities to decide whether to levy an empty homes premium.

England

There are a variety of powers and incentives that local authorities possess when bringing vacant/derelict homes back to the market. These include Empty Dwelling Management Orders, Council Tax exemptions and premiums, enforced sales, compulsory purchase, and measures to secure the improvement of empty properties. Apart from these initiatives, there are also additional measures meant to mitigate the number of vacant properties throughout England, such as the sale of empty Government-owned properties, planning measures and VAT.

Grant funding can be made available at the discretion of local authorities to make a vacant home habitable through significant works; this is usually means tested. The maximum amount that can be awarded is £20,000 for owner occupiers and tenants, and between £10,000 and £15,000 per unit for landlords, although this is dependent on the landlord's overall plan of letting of the property. To be eligible for the grant, the property must have been built more than 10 years ago, cannot be a second home or holiday home, and must have been unoccupied by the owner for at least three years before the initial grant request.

A priority of the Coalition's Programme for Government outlined a commitment to assess a variety of measures to bring vacant homes back onto the market. This commitment entailed the allocation of funding equating to £156 million. Thus, funding was allocated from 2012 until 2015 under two rounds of the Empty Homes Programme (part of the Affordable Homes Programme). There was also an additional £60 million that was distributed as a component of the Clusters of Empty Homes Programme, which was developed to address concentrations of poor-quality vacant homes located in areas of low housing demand.

A priority of the Coalition's Programme for Government outlined a commitment to assess a variety of measures to bring vacant homes back onto the market.

The Shared Ownership and Affordable Homes Programme implemented in 2016-21 does not provide any additional funding for vacant homes. Following the conclusion of the Government's commitment to funding these projects in 2015, the Conservative Government said that the £216m of funding provided was meant to "provide a push in the right direction" and that they had no plans to provide additional funding. In 2019 the charity Action on Empty Homes made several recommendations for how Government could effectively bring more empty homes back into use.

As of 2019 there were 216,000 long-term vacant homes in England. The year prior did not only endure an increase in the amount of long-term vacant dwellings, but also marked the fastest rise in vacancy rates since the financial crisis over a decade ago. England serves as a primary case study for why continual and consistent measures are needed to bring back vacant homes onto the market, as opposed to implementing one-off measures.

Table 9: Council tax approach to vacant property.

	England	Scotland	Wales
Introduced	2013	2013	2017
Maximum charge as % of standard bill	200%/300%/400%	200%	200%
Property must be empty for	2 years	1 year	1 year
'Reset period'	6 weeks	3 months	6 weeks

APPENDIX B: INTERNATIONAL RESPONSES TO VACANCY

Scotland

In addition to council taxation measures, Scotland continues to monitor national vacancy levels through the annual Scottish Vacant and Derelict Land Survey (SVDLS). The survey monitors the extent and state of vacant and derelict land in Scotland, and has been operating since 1988. The main purpose of these statistics is to provide the evidence base for monitoring the extent and state of urban vacant and derelict land, the remediation of vacant and derelict land, and progress in bringing it into re-use, and to inform the programming of rehabilitation, planning, and re-use of urban vacant and derelict sites.

The data is also used by the Scottish Government to help allocate and monitor the impact of the Vacant and Derelict Land Fund (VDLF). The VDLF is a ring-fenced budget allocated to five local authorities for the purpose of bringing vacant land into beneficial use in accordance with council and Scottish Government objectives. The fund appears to have had some success, with Glasgow City Council noting that the total level of vacant and derelict land in Glasgow in 2021 stood at 880 hectares, a reduction of 6% (59 hectares) on the 2020 figure. The number of vacant and derelict sites fell from 675 to 644.[13] New housing saw the development of 20 hectares of previously vacant and derelict sites.

Luxembourg

Luxembourg's coalition agreement 2018-2023 introduced a tax exemption on owner-occupied real estate. The reform of the land tax is meant to provide an opportunity to replace and simplify the system of specific municipal taxes for non-occupation or non-use of certain properties for construction purposes. The bill also seeks to replace the specific municipal tax on non-occupancy with a uniform and more efficient national tax, while simultaneously establishing a national register of non-occupied buildings and dwellings. Once the respective municipality has confirmed the non-occupancy of a dwelling, the non-occupancy tax amounts to €3,000 per dwelling in the first year. In the years to follow, the tax is increased by €900 per year up to a maximum of €7,500. If the dwelling continues to remain vacant, this amount is due on an annual basis. The revenue from this national tax will accumulate to about €14m per year.

The primary objective of Luxembourg's newfound vacant homes register is to assign a unique identification number to all types of buildings and to each separate housing unit that is part of a building. This process allows municipalities to register their residents not only at an address on their territory, but also in a dwelling identified by its national identification number, which is as essential component to implementing the tax on the non-occupation of housing.[14]

Netherlands

Compulsory Rental Orders – Amsterdam

In Amsterdam property owners must report if their property has been vacant for more than a six-month period. Failure to do so results in a €2,500 fine. Once reported, a city official will contact the property owner and agree an action plan with them to help end the vacancy as quickly as possible. If the property remains vacant after 12 months, as a last resort, the city can appoint a tenant to live in the property.

France

Homeowners as owner occupiers can benefit from a two-year break from the French *Taxe Fonciere* (land tax paid by all property owners) when renovated properties are used as the main home for the first two years after construction.

Renovated properties can benefit if reconstruction or additional construction work has been carried out, which is determined according to the nature and size of the work. France also has two vacant housing taxes aimed at penalising owners who voluntarily leave their housing unoccupied. They do not apply to all the municipalities in France.

Tax on Vacant Dwellings (TLV)

This tax operates in urban areas of rapid growth where the tax is imposed on owners of vacant housing that could have been used for residential use for at least one year as of January 1 of the year of taxation.

The amount of the tax is calculated on the basis of the rental value of the accommodation, identical to that calculated for the housing tax. The rate will vary according to the period of vacancy of the accommodation: 12.5% for the first year in which the accommodation is taxable and 25% for the following years.

Housing Tax on Vacant Housing (THLV)

The housing tax on vacant housing (THLV) can be introduced in areas where the TLV is not applied. It is collected from owners and lessees of vacant housing for residential use for more than two consecutive years on January 1 of the tax year. The THLV is calculated by multiplying the rental value of the accommodation by the rate of the housing tax applied in the municipality.

There are exemptions to paying the taxes, including if the property requires major works to be habitable (where works required exceed 25% of the value of the property), where the property is on the market for sale but no buyer has come forward, or accommodation that has been occupied for at least 90 days of the year.

13 https://www.glasgow.gov.uk/index.aspx?articleid=29534
14 Land tax and the mobilisation of land and housing - government.lu (gouvernement.lu)

APPENDIX C: GOVERNMENT POLICY

THE GOVERNMENT CURRENTLY OFFERS A RANGE OF SCHEMES AIMED AT ASSISTING OWNERS IN BRINGING THEIR PROPERTY BACK INTO USE.

Housing for All

The Government's strategy for housing, Housing for All, includes a pathway to address vacancy and the efficient use of existing stock. It is timely that this issue is at the forefront of Government policy as the Housing for All new housing supply deliverables need to increase by 7.65%[15] annually to meet 2030 housing supply targets. The strategy states that "maximising the use of our existing housing stock, especially in our towns and cities, is a critical element of a sustainable housing policy".

Vacant Homes Action Plan

This Action Plan reports on the progress of and also identifies the actions to be pursued in order to continue to return as many recoverable vacant properties to viable use as possible, and increase the supply of housing available, while also revitalising local communities. More information is available at www.gov.ie.

'Bringing Back Homes – Manual for the reuse of existing buildings'

Developed under the predecessor housing plan, Rebuilding Ireland, the 'Bringing Back Homes' manual is a useful guide assisting building owners and practitioners who seek to renovate vacant property by outlining requirements when undertaking renovation work, and how these might apply to different types of property. The guide outlines the steps that owners and their professional team can take to begin the process of considering renovating a vacant property, including identifying the various regulatory requirements, approvals and potential design work that will need to be undertaken.

Climate Action Plan

The importance of re-using our existing stock complements national ambitions in relation to climate action and the circular economy via the National Climate Action Plan.

Town Centre First and Rural Development Fund

The overarching purposes of this initiative are to address vacancy, tackle dereliction and ultimately breathe new life into town centres. There is currently a €3bn commitment from the Government across the Town Centre First policy, Rural Development Fund and the Urban Regeneration and Development Fund. There are 33 different actions outlined within the policy, which are meant to give towns the tools and resources necessary to become more viable and to tackle ongoing vacancy. One of the actions is assigning town regeneration officers to applicable locations, who will play an integral role in encouraging future development.

> The Government's strategy for housing, Housing for All, includes a pathway to address vacancy and the efficient use of existing stock.

Urban Regeneration and Development Fund

This fund was developed to support increased compact and sustainable growth through the regeneration and rejuvenation of Ireland's five cities and other large towns. This initiative is in line with the objectives of the National Planning Framework and the National Development Plan. It enables an increased proportion of residential and mixed-use development to be delivered within the existing built environment.

Vacant Property Refurbishment Grant

This grant is funded by the Croí Cónaithe (Towns) Fund and came into action in 2022. It is a key action under Housing for All and supports the aims of the 'Our Rural Future' policy. Under this grant, €30,000 is available to homebuyers to refurbish a home that they will live in. In cases of dereliction, a maximum top-up grant amount of up to €20,000 is available, bringing the total grant available for a derelict property up to a maximum of €50,000. The grants can also be combined with the SEAI Better Energy Homes Scheme, which covers works of up to €26,750. Further information is available in Appendix A.

Vacant Homes Tax

The implementation of this tax was announced in September 2022 and it is set to come into action in 2023. Its primary purpose is to increase the supply of homes for rent or purchase to meet increased demand. The tax is applicable to residential properties that are occupied as a dwelling for less than 30 days in a 12-month period.

15 SCSI Research – SCSI pre-Budget Submission 2023.

SECTION

ABOUT US

ABOUT US

The Society of Chartered Surveyors Ireland (SCSI) is the independent professional body for Chartered Surveyors working and practising in Ireland. One of our key objectives is to provide impartial, independent and authoritative advice on key issues for consumers, business and policymakers, as well as advancing and maintaining standards for Chartered Surveyors working in the property, construction and land sectors. All aspects of the profession, from education through to qualification and the continuing maintenance of the highest professional standards are regulated and overseen through the partnership of the SCSI and the Royal Institution of Chartered Surveyors (RICS), in the public interest.

The SCSI is in a unique position to advise on cost, construction specifications, values, property management, and building works required in renovations due to the multidisciplinary nature of surveyors within membership, and this report would not have been possible without a huge amount of collaboration between the various professions.

ABOUT THE SCSI RESIDENTIAL RENOVATION WORKING GROUP

The Society of Chartered Surveyors Ireland (SCSI) would like to acknowledge the commitment and efforts of the Working Group members who have prepared this Report. The Group involved in the preparation of our Report is comprised of industry experts from the following disciplines: Chartered Quantity Surveyors; Chartered/Registered Building Surveyors; Chartered Planning and Development Surveyors; Chartered Project Management Surveyors; Chartered Residential, Commercial, Rural and Valuation Surveyors; and, the SCSI Executive.

The SCSI would also like to thank all those SCSI members, other professionals and building owners who contributed information to inform our report.

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