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Joint Oireachtas Committee on Housing, Planning, Community & Local Government

PRE-LEGISLATIVE SCRUTINY – VACANT HOUSING REFURBISHMENT BILL 2017

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OPENING STATEMENT

Chairman, Committee Members,
Thank you for the opportunity to attend this session today.

Existing buildings are the most readily available, cheapest, quickest and most sustainable source of housing supply in the short term. In addition to 183,000 vacant *dwellings* recorded in Census 2016[1], there were more than 28,000 vacant *commercial addresses* in mid 2017, a national vacancy rate of 13.5%; parts of Dublin city have very high vacancy rates with over 18% in Dublin 2 and 13% in Dublin 1[2].

Upper floors of buildings in cities and towns were traditionally used for housing. These buildings exist, they do not require infrastructure, they have connections to utilities and drainage, are close to shops, services and public transport. They are ideally suited to 1-3 person households, the demographic of highest demand. Providing housing in existing communities, particularly for people who live alone, gives immediate access to services, generates commercial activity, reduces urban sprawl, supports sustainable transport, consolidates urban regeneration and reduces social isolation.

A study by UCC[3] in Cork City Centre indicated that one street (North Main Street) with 388 residents had the potential to treble the population *within the existing building stock*. Other studies by Dublin City Council[4] and Space Engagers[5] confirm a vast untapped potential in city areas and regional towns where there is high demand.

This UCC study found that "*Contrary to what is sometimes suggested, <u>planning is not the problem here</u>".* It goes on to say that: *"discussion with property owners and the local authority indicates clearly that the problem is actually a mix of bureaucracy (the complex/expensive building control regulation regime) and viability (the difficulty for building owners in securing credit)".*

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[1] Census 2016, CSO http://www.cso.ie/en/releasesandpublications/ep/p-cp1hii/cp1hii/
[2] GeoDirectory, Commercial Vacancy Report Q2 2017. Note: vacancy data by address point.
https://www.geodirectory.ie/Geodirectory/media/Geodirectory/Documents/GeoDirectory-GeoView-Commercial-Issue-13-Q2-2017_1.pdf
[3] UCC Centre for Planning Education and Research
http://www.engineersjournal.ie/2017/06/06/renewing-city-town-centres/
[4] 'Underused Land and Buildings' John O'Hara, Dublin City Council, 2017
https://www.dropbox.com/sh/asam80ccs33nqpv/AAAI2H7JP4a8OLjLTqYYSYLfa?dl=0&preview=John+O+Hara.pptx
[5] SpaceEngagers.ie https://dublin.ie/working/articles/space-engagers/

This is confirmed by the limited impact of the previous 'Living Over the Shop[6]' schemes. Currently the 'Living City Initiative[7]' provides tax relief for owners of residential and commercial buildings. These schemes are largely concerned with financial incentives and do not deal with the most significant barriers- regulatory cost and complexity.

As an example, to demonstrate the problems: An owner of a shop with vacant upper floors, that may have been used as a solicitor's office or a hairdresser, decides to convert the space to two small apartments. To do this compliantly, there are three separate regulatory approval processes: Planning Application, Fire Safety Certificate Application and Disability Access Certificate Application. The three go to different parts of the local authority; all have different submissions, technical reports and drawings, separate fees[8] and different timescales.

The owner makes a substantial outlay to prepare these drawings and reports, but carries the risk that if any one of the three is refused the project cannot go ahead; the conditions set by the Fire Officer or the Conservation Officer could be in direct conflict. There is no formal mechanism to get all of the people together to agree a workable and safe solution, and no technical guidance documents for interpreting the regulations.

If the owner is successful in all three applications a Planning Development Levy[9] is due. In Dublin, for two small apartments this would be more than €9,000. The owner engages, and pays fees to, *four separate statutory appointments*: Design Certifier and Assigned Certifier, for Building Control; Project Supervisor (Design Process) and Project Supervisor (Construction Stage) for Health & Safety. Statutory Notices are made to the Health & Safety Authority and the Building Control Authority; a substantial amount of technical and regulatory information is uploaded for record-keeping, not for verification.

At completion another submission of site records, certificates and technical documents are uploaded with a Certificate of Compliance (Completion). Separately, a statutory Safety File is assembled for the owner by the Project Supervisor.

All of these procedures can be triggered by something as simple as changing the use from office to residential, sub-dividing a room, extending a bathroom, or reconfiguring a staircase[10].

Importantly, the checking of design and inspection of construction is done by certifiers appointed by the owner, who act for the owner- there is no independent inspection.

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[6] 'Home truths: Why the rot has set in for LOTS III' Mark Keenan, Irish Independent 2015
 https://www.independent.ie/business/personal-finance/property-mortgages/home-truths-why-the-rot-has-set-in-for-lots-iii-31166464.html
[7] Living City Initiative, https://www.revenue.ie/en/property/living-city-initiative/index.aspx
[8] Planning Application: €65 per unit; Fire Safety Certificate Application: €2.90/m^2 (min. €125., max. €1,250) Disability Access Certificate €500 or €800, depending on timing.
[9] Development Contributions vary in each local authority, Dublin City Council: currently €86.40/m^2. Cork City Council: currently €52.70/m^2.
[10] 'Material Change of Use'-Building Control Regulations, 1991, Section 4 and Building Control Regulations 1996, Section 5.

The regulatory system has become a barrier to compliance. In the absence of active enforcement, there are widespread problems of illegal and unsafe conversions. 'Slum landlords' have little fear of sanction and openly advertise on reputable letting websites. In one case, highlighted by RTE[11], 40 tenants were accommodated in 10 bedrooms, generating rent of more than €26,000 per month. Overcrowding, illegal conversions and shoddy construction are putting lives at risk. There are limited resources for enforcement.

The Vacant Housing Refurbishment Bill addresses the shortcomings in previous schemes with certainty and reduced cost for owners; safer buildings for occupants; and workable systems of approval, control and enforcement for the local authorities.

	Problem	Solution
Owner	Complexity & delay	One-stop-shop & expedited start
	Duplication of inspections (BCAR[12], HAP[13], Local Authority- fire safety, building control, environmental)	Single independent safety check at completion
	High cost, uncertain process	Fixed cost, certain process
Local Authority	Administrative burden, inefficiency & duplication	One-stop-shop & streamlined systems
	Inadequate income stream/ inflexible resources/ lack of expertise & training	Regular income stream/ flexible staffing/ 'on call' expertise & up-skilling
	Uncertainty about BCAR reliability & expertise, lack of oversight	Consistency of inspections/ control of standards, audit of inspectors
	Reactive controls for non-compliance, post-occupancy	Proactive preventative controls, pre-occupancy
Architect / professional advisor	Duplication & bureaucracy	One-stop-shop & efficiency
	Uncertainty of responsibilities/ technical requirements	Collaboration, support & sharing of expertise
Resident/ tenant	Personal safety, uncertainty about standards & compliance	Standardised safety checks, transparency & reassurance
	Tenant-led enforcement, post-occupancy	Third-party enforcement, pre-occupancy
	Duplication of inspections (RTB, HAP, Local Authority)	Alignment & consistency of inspections

/END

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[11] RTE Primetime 'Nightmare to Let', November 2017 https://www.rte.ie/news/2017/1102/916956-rental-accommodation/

[12] Building Control (Amendment) Regulations 2014 – inspections by owner appointed Assigned Certifiers

[13] Housing Assistance Payment- inspections by local authority staff or out-sourced services.