

Submission regarding

**Dublin City Council Mayor's
Proposal to
Introduce Levy on Vacant Land**

Submitted by

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DOUGLAS NEWMAN GOOD (DNG)

Submission to the Lord Mayor of Dublin, Dublin City Council, Department of Finance & the Department of the Environment & Local Government.

Dublin Lord Mayor's Suggested Vacant Land Levy for the Inner City Dublin.

Introduction

Douglas Newman Good is a multi disciplinary estate agency practice with over 70 offices throughout the Republic of Ireland and are the largest sellers of residential property in the Greater Dublin Area. We have a sizeable New Homes, Development and Advisory Division based in Dublin and we act for a large number of land owners, developers, builders and financial institutions and carry out a significant amount of property related services for NAMA. We have in the past also undertaken various work for many local authorities and The Housing Agency.

Reasons why vacant land may not be developed in Dublin City

There are many reasons why vacant lands may lie idle for a number of years. Such difficulties include the following:

1. Land holder in personal or corporate financial difficulties due to the property market crash.
2. Properties/ lands owned by landowners who would like to develop but cannot due to non availability of development finance from any financial institution.
3. Lands cannot be built on as they are financially not viable due to stringent Dublin City Council zoning objectives which set out high density guidelines which can only be met by the construction of high rise apartment schemes with underground car parking which would be loss making to a land owner at this time.
4. Title difficulties associated with the lands.
5. Lands held in the control of Dublin City Council itself.
6. Lands on hold by NAMA or Receiver/s during borrower negotiations.
7. Owners not wishing to develop their lands at the present time due to concerns over market confidence and their concerns over the stability of the property market.

Availability of Alternative Remedies

Alternative appropriate remedies are currently available to Dublin City Council to deal with any sites that detract from the amenity, character or appearance of land in the neighbourhood of the vacant land in question. Such provisions are included in:

- Derelict Land Sites Act: This enables the City Council to levy such sites on an annual basis to encourage their renewal.
- Compulsory Purchase Order Powers: If necessary and appropriate, Dublin City Council can also use its powers available under the compulsory purchase order procedure to address particular concerns in relation to selected vacant sites that are causing a difficulty within the city area.

Arguments against the land levy

- This will put undue pressure on many landowners who are already under severe pressure as result of the property crash.
- This is an extremely unfair proposal where there is simply no finance available to landowners to construct the schemes on the land. Therefore even if landowners wish to build many could not.
- Dublin City Council currently has a requirement for high density apartment schemes on many derelict sites in Dublin City. These sites are currently unviable due to the fact that the cost of constructing the developments will exceed the end value of the units. To apply a tax in these circumstances is not a sensible suggestion.
- Many landowners in the city are already in arrears on their loans. To add a further tax to their already precarious situation would not be a sensible move at this time.
- Putting further taxes on Receivers and NAMA does not seem sensible at this time.
- The suggested levies of 2% or 3% are crippling and will affect the future value of land in Dublin City which is not good for those landowners already suffering from financial hardship, the Irish banks or NAMA, whom own a fair percentage of the sites in question.

Conclusion

This submission made by the Lord Mayor's office is unreasonable and we would strongly urge that this proposal be rejected. The existing legislative provisions in relation to derelict sites and City Councils compulsory purchase order powers are more than adequate to deal with the City Councils concerns in this respect. Putting more pressure on landowners, who are already suffering severe financial difficulties, and trying to force builders to construct schemes on lands when there is little or no availability of bank funding is not a sensible move to make.

Keith Lowe
Chief Executive

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Douglas Newman Good Group – Current Profile

Established in 1982, the Douglas Newman Good Residential Group is a nationwide organisation incorporating various divisions; Residential Sales, Letting & Management, Asset Management, New Homes & Development & Advisory Services, Valuations Department and DNG Nationwide, the franchising division. The entire network currently extends to just over 70 branches nationwide. DNG also offers a full range of commercial property services through its associated company Newman Lowe Commercial. The group also provides a full range of financial services through its sister company – GMC Mortgages.

The firm is a member firm of the Royal Institute of Chartered Surveyors and the Society of the Chartered Surveyors Ireland and has signed up to the voluntary code of conduct with the new regulatory body, the National Property Services Regulatory Authority.

Douglas Newman Good Residential Group is currently the largest seller of residential property in the state. There are offices located in most major towns and cities in Ireland.

The valuations department carries out extensive valuation work for financial institutions, private businesses, public bodies and individuals. Our expertise is residentially based carrying out large volumes of bank related, revenue related, probate, mortgage and portfolio valuations. This department in the past would have carried out substantial valuation work for financial institutions where assets were being transferred to NAMA from 2009 – 2011.

DNG Advisory Division offers an extensive range of services to financial institutions, accountancy firms, Receivers, builders and developers involved in the sale, letting and management of new and second hand homes. Services include Asset Managers and/or Property Managers by a number of Financial Institutions and Insolvency Practitioners/Accountancy Firms and other institutions.

DNG Advisory Team have vast expertise in advising and handling new homes developments and in particular the marketing and sale of Affordable units over a long history both for and in conjunction with various local authorities.