



Strabane
District Council
Comhairle Ceantair
an tSraitha Báin
Stràbane Destrìck Council

**Consultation Response on
the rating of empty homes**

July 2008

1.1 Strabane District Council welcomes the consultation on the rating of empty homes and thanks the Department of Finance and Personnel for including Council on the list of consultees. Strabane District Council reiterates its position stated in earlier rating reform consultation responses, and that of NILGA, in support of the rating of vacant properties.

1.2 During the recent housing boom, Strabane District Council witnessed an increase in investors buying up properties due to the affordability of housing stock locally. Council believes that empty houses contribute to decline in some areas and are a deterrent against regeneration. It is in this context that we particularly welcome the content of the consultation.

Answers to each of the questions posed within the consultation document are referred to in turn below.

2. Section 2: Background to the rating of empty homes

2.1 Given its relative size, Strabane District has a large number of empty properties (1,264). We assume that the majority of these properties were bought to speculate. We would encourage local homeowners to make productive use of their property, by either selling or renting it. We concur with the sentiments expressed in the consultation paper that it will stimulate further regeneration and should at least help with reducing blight in some built up areas.

2.2 Strabane District Council also welcomes the potential to raise additional revenue and subsequently enhance rate reliefs and allowances to lower-income households or specific marginalised groups.

2.3 Strabane District Council asserts that unfit, low value properties should also be targeted within this, or another, policy directive. They often are an

eyesore, and a hindrance to regeneration. Council believes that the government needs to incentivise the repair and maintenance of properties as there is a danger that unfit properties will increase as owners avoid further fines and taxes.

2.4 Council does not think that the rating of empty homes will stifle property development significantly. Following the recent property boom, house prices increased dramatically and led to real issues regarding affordability. Council believes that the controls suggested within this policy directive will assist in the sustainability of housing stock and ensure that market readiness is proven prior to initiation of major housing developments.

3. Subsection 1: Level of liability

3.1 Strabane District Council is supportive of the rating of empty homes at 100%.

4. Subsection 2: Phasing the rating of empty homes

4.1 Strabane District Council recognises the merits in stepped liability levels as it allows owners to prepare their properties for occupation and full implementation of the reforms. Strabane District Council is opposed to the adoption of an approach where there are differing approaches within different district council areas.

5. Subsection 3: Application of a minimum capital value

5.1 Whilst we acknowledge the high administrative burden in rating properties with low economic value, we have concerns that this may encourage people to deliberately damage a property to avoid rates. Council is also concerned that this will incentivise the falling of properties into disrepair. Council would support a system which sanctions owners who allow this to happen.

5.2 Council believes that properties that are in disrepair, and/or are derelict, are an eyesore; they inhibit regeneration and encourage crime and antisocial behaviour. Subsequently Strabane District Council is opposed to the exclusion of low value homes from rating and the adoption of a minimum capital value.

6. Subsection 4: Initial exemption period

6.1 Strabane District Council would be supportive of a three month exemption period to provide owners with the opportunity to either let or buy their property before liability begins.

6.2 Strabane District Council is opposed to exemptions on new speculatively built homes because we feel that it is the owner's responsibility to ensure that there is a market for their product prior to embarking on construction. Council believes that government should not subsidise this type of entrepreneurship.

7. Subsection 5: Completion Notices

7.1 Strabane District Council would be supportive of introducing the property rating from the completion day, similar to that of the business sector.

8. Subsection 6: Exclusions

8.1 Strabane District Council would be supportive of any policy which treats all taxpayers fairly and equally and does not cause undue hardship. Council would support an exemption where: the premises are prohibited from occupation, the premises are empty subject to government action, where the owner is in long term care, where the property is in probate, where the property has a building preservation notice placed on it, where it is a monument or a listed building or where the property is subject to bankruptcy proceedings. Strabane District

Council is opposed to the exclusion of *convicted* prison detainees from the rating of empty homes.

9. Subsection 7: Social and private rented sector

9.1 Strabane District Council is supportive of the exclusion of the social rented sector from the policy on the rating of empty homes yet opposes a similar exclusion for private sector landlords. Council would have some concerns regarding the discretionary 15% discount and the monitoring of maintenance, upkeep and location of their vacant stock.

10. Subsection 8: Interaction with other allowances, exemptions and reliefs

10.1 Strabane District Council asserts that the disabled persons allowance should no longer apply when the property is no longer occupied by the person with a disability. Council asserts that when the disabled owner is in long term care they should be excluded from the policy. Council feels that it is appropriate that housing benefit, rate relief, student relief and lone pensioner allowances should not apply where the rating of empty properties are concerned, given that they are all based on occupation.

10.2 Strabane District Council believes that a £500,000 cap should be applied to both occupied and empty properties. Council feels that it is appropriate to continue to award transitional relief where the owner remains the same as when the property was occupied and at the date of revaluation. Council asserts that when minister's houses are no longer used for church-based work the property should be fully rated at the appropriate level. Council agrees that once a farmhouse becomes unoccupied it will be subject to rates and be revalued at the on the same basis as all other houses.

11. Subsection 9: Anti-avoidance measures

11.1 Strabane District Council welcomes consideration given to anti-avoidance measures. We welcome moves to ensure that an owner of a property remains liable where he/she allows a property to deteriorate to a point where it is judged incapable of economic repair and beneficial occupation. Council welcomes the intention not to change the ratable value of the property thus. Council requests that robust measures and sanctions are put in place to encourage owners to maintain their properties in good repair and decorative order.

12. Section 4: Financial impact.

12.1 Strabane District welcomes the opportunity to both raise additional revenue or reduce the district rate for all taxpayers given the larger tax base. Council acknowledges that the figures quoted are estimates and are likely to decrease pending exemptions and ratable value.

13. Section 5: Preferred approach

13.1 Notwithstanding the comments above, Council broadly supports the preferred approach.

14. Section 6: Summary of impact assessments

14.1 Council welcomes the consideration given to impacts within the S75 groupings, rural and disadvantaged areas. We have no further evidence to add in this regard.