



## **Review of Domestic Rating The Rating of Empty Homes**

*Comments by*

**Northern Ireland Environment Link**

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Northern Ireland Environment Link is the networking and forum body for non-statutory organisations concerned with the environment of Northern Ireland. Its 51 Full Members represent over 85,000 individuals, 262 subsidiary groups, have an annual turnover of £100 million and manage over 314,000 acres of land. Members are involved in environmental issues of all types and at all levels from the local community to the global environment.

These comments are agreed by Members, but some members may be providing independent comments as well. If you would like to discuss these comments we would be delighted to do so.

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## **1. Welcome for the Review of Domestic Rating**

Northern Ireland Environment Link (NIEL) welcomes the Review of Domestic Rating (The Rating of Empty Homes) and the opportunity to make comments. We believe that the proposal to introduce the rating of empty homes represents an opportunity for Northern Ireland to address many key issues in the area of environmental sustainability in housing provision.

## **2. The rating of empty homes**

Environmental considerations should be central in the rating policy for empty homes. We believe that the rating of empty homes can bring environmental benefits: this response includes suggestions as to how the extra revenue generated can be utilised.

NEIL believes that the introduction of rating of empty homes is a positive step and should encourage owners to make productive use of their properties and could also bring a number of wider social, economic and environmental benefits to society as a whole. We believe that:

- By encouraging landlords to bring empty properties back into use the government can make an important contribution to housing supply including, in many instances, affordable/ social housing. The current rate of new housing development is not sustainable and any initiative to bring empty homes back into use is to be welcomed;
- Re-using empty homes is a sustainable way to meet future housing demand and would help to alleviate the pressure to develop Greenfield sites and the demand for building materials;
- Building, especially on greenfield sites, can result in the loss of biodiversity and important ecosystem services; for example, flood protection and carbon sequestration potential;
- New housing developments usually require additional infrastructure in the form of new roads, shops, amenities, car parks etc. Re-use of empty homes avoids the need for most of these associated costs as many of these infrastructural requirements are already in place;
- Appropriate re-use/ renovation will help to preserve local historic properties currently at risk of dereliction and destruction;
- Renovation of currently uninhabitable / derelict homes rather than new build can reduce our carbon dioxide emissions by utilising the buildings' 'embodied energy'. Embodied energy is the amount of energy required to produce and transport each separate component of a structure. Studies have shown that reusing empty homes can make an initial saving of 35 tonnes of carbon dioxide per property by removing the need for the energy locked into new build materials, transport and construction.

### **3. Implementing the Policy**

The application of 100% rate liability for homes that are empty in the short term seems most appropriate; however, consideration should be given to applying further penalties to landlords whose properties remain vacant for long periods of time. We believe that the rating of empty buildings should not be phased in unless this is administratively unavoidable. We also agree that the revenue generated from the application of the 100% rate liability could be used to enhance rate relief and allowances to lower income households or specific groups such as pensioners. In addition NIEL believe that a 'appeals' mechanism should be introduced to cover possible extenuating circumstances such as legal disputes, marital problems etc. In such cases payment of rates on empty homes may be deferred until these issues are resolved.

There is a real danger that applying a minimum capital value for rateable homes will encourage property owners to allow their properties to deteriorate into an unsatisfactory state; therefore we do not support this provision. A key aim of the policy should be to bring houses that can be reoccupied (after renovation or restoration if necessary) and appropriate 'brown field' sites back into use.

NIEL does not support the proposal for an initial exemption for new homes: in many instances speculative development results in properties being withheld from the market, which can create a short term undersupply of property but a longer term oversupply of properties as developers release their units when a target price has been achieved. Charging rates on these properties should help ensure that housing supply actually reflects the built capacity and should reduce unnecessary overdevelopment and the associated environmental problems.

### **3. Use of the Revenue**

NIEL is particularly supportive of the view that additional revenue raised from the rating of empty homes should be spent in Northern Ireland for the 'benefit of local households'. We suggest this additional revenue be used to finance government programmes which help reduce the environmental impacts of our existing housing stock (existing homes represent about 92% of the Northern Ireland housing stock) and our contribution to climate change in particular.

DEFRA estimate that buildings are responsible for 54% of national carbon dioxide emissions, half of which is produced by residential property. Moreover, UK buildings account for 40-50% of the energy, water and resources consumed and for a similar amount of the pollution created. To achieve sustainable housing we must improve our existing housing stock as well as striving to make new residential developments more sustainable.

The additional revenue generated from the rating of empty homes could be used to:

- Encourage homeowners to install technologies to move their homes towards 'zero-carbon' status. Some recently built houses could be renovated to achieve this goal relatively easily, but for older houses and flats this may be more difficult or costly; however, the energy consumption of nearly every house could be reduced considerably through either efficiency measures, renewable energy generation, or both. If, between 2016 – 2020, one quarter of Northern Ireland homes achieved zero-carbon status, half improved their performance by 50% and the remaining quarter showed no improvement,

then from a housing stock of, say, 800,000 homes, there would be a generation potential (including both efficiency savings and renewable technology) of 5115 GWh per year, or about 30% of domestic energy demand;

- Part-finance the extension of the Environment and Renewable Energy Fund. The EU Energy package, announced on 23<sup>rd</sup> January 2008, sets a legally binding target on the UK to achieve a 15% share of renewables in its final energy demand by 2020. Northern Ireland currently generates only 4% of its electricity from renewable sources and when total energy usage (for electricity, heat and transport) is considered, indigenous renewables account for less than 1% of the total. The rest of our energy comes from fossil fuels, highlighting the need for investment if we are to meet the massive challenges we face in achieving the targets noted above. Extending the successful EREF scheme will encourage much greater investment in 'microgeneration' on individual buildings and creative development of the scheme could encourage significant development of 'district' renewables where a central renewable source supplies energy and/or heat to clusters of homes/buildings.
- Support / extend the scope of the recent proposals announced by the Minister of Finance and Personnel, Nigel Dodds, for a rate rebate to householders (or landlords) who make energy efficiency improvements, such as cavity wall and loft insulation and for an initial exemption from rates for up to five years for the first residents of new homes that meet the proposed new zero-carbon standards.
- Provide financial incentives to encourage use of renewable technologies and energy efficiency when listed buildings are being restored - furthermore we would argue that occupiers of listed dwellings in a good state of repair should benefit from a rate rebate given their custodianship, in the public interest, of our built heritage.

We thank you for the opportunity to make these comments. We hope that you find them helpful and that they will be taken into account in your decision. If you would like to discuss them further please do contact us.