

Heard at full Council, 12 December 2016

“That the Local Property Tax charge on residences in private estates or estates not taken in charge by a local authority would be reduced by 35%. This is to reflect the lower level of local authority service delivered to estates not taken in charge and the commensurate investment in road, drainage and other maintenance borne directly by residents of such estates.

(Note that in this instance, “estates not taken in charge” do not include unfinished estates as defined in S.I. 91 of 2013.)”

On of the logics behind the introduction of LPT in 2013 was that people would appreciate paying directly for services they would receive directly. Even today, the website of the Department of the Housing, Planning, Community and Local Government explains LPT as funding vital public services. It is of course a tax on one’s residential property, gauged on the market value of that property.

Everyone appreciates that local authorities no longer have the financial wherewithal to maintain green areas in residential estates. But one can expect the local authority to assist with maintenance of the roads when the condition of their surface deteriorates. They will help to fix or replace the footpaths. They clear drains. Should a tree be in a dangerous condition, they will either make it safe or remove it. Should an additional light be required for public safety, they will try to provide it. If a car is abandoned in an estate, they will initiate the statutory process for it to be cleared.

But the local authority has responsibility for none of these vital public services in an estate that is not taken in charge. In this regard, I am not speaking of unfinished estates colloquially referred to as ghost estates and listed in SI 91 of 2013, the legislation which sets out what residential areas are liable for property tax. I am speaking of

- estates which may have been designed from the outset as private estates,
- estates which are to all intents and purposes complete but for which, perhaps arising from hassle with a bond or the folding of a builder, the taking in charge process is delayed
- estates within which building is incomplete and where although the unfinished part of that estate may be exempted from LPT, houses which are standing and lived in are and
- estates with temporary wastewater treatment plants which Irish Water cannot decide how to assume responsibility for.

Residents in estates such as these which are not taken in charge have to put aside funds to carry out the essential public services that local authorities would normally undertake in residential estates. So whilst they pay their LPT for these services to be delivered, they then have to pay a contractor directly to actually carry them out.

A double unfairness is that the market value of an estate property can often be affected by a delay in the taking in charge process. In the last few months alone, I have been asked to write, in one case on behalf of a potential purchaser of a property in my estate and in the other case on behalf of a resident moving out from my estate, to indicate that the taking in charge process in my estate is indeed underway. Without this reassurance, the banks were not confident to lend. But my estate has the appearance of being both complete and relatively mature. Residents attempting to buy into or sell out of houses which are part of an unfinished estate do not have even the consolation of an appearance of completion. In many of these estates, road surfaces are not even at their

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final level. Often residents in these estates, having been exempted from 2012's household charge, did not realise they were liable for LPT. They are obliged to pay it, knowing they are paying for services that cannot be delivered to them and at a rate calculated on a market value their home cannot realise.

And so I ask for your support that an attempt at greater equity for households across the state would be reflected by a reduction in the rate of LPT charged on residents in private estates or estates not taken in charge.