



IRELAND – June 2018

IBEC CALLS FOR ‘SITE VALUE’ TAX TO REPLACE COMMERCIAL RATES 1

Ibec calls for ‘site value’ tax to replace commercial rates

Ibec’s report on housing claimed a “dysfunctional” housing market is harming “quality of life of many people and undermining Ireland’s economic prospects”.

The Better Housing report, prepared jointly by Ibec and Property Industry Ireland, said that pent-up demand would lead to 50,000 households needed in the short-term alone, while more than 80,000 additional workers were needed in the construction sector because of “huge skills shortages”.

The organisation called for the introduction of government interventions to drive down the cost of development land, and a new site value tax to replace commercial rates and the vacant sites levy by “overhauling property-related incentives and taxes”.

Other measures called for include the easing of height and density restrictions, more social housing and a reduction in spending on housing assistance.

The report said: “Attraction and retention of talent is now the single biggest challenge facing Irish business. It is concerning business leaders in most regions and sectors of the economy and is particularly acute in our main cities.

“Inadequate supply of affordable and quality housing is one of the main factors impacting on talent availability. Ireland’s housing problems have now clearly moved beyond being the social issue of our time and have also become a major risk to our future economic prosperity.”

The planning system is not functioning effectively and is a major frustration to business, the report said.

“Unless urgent reform is delivered, we risk long-term damage to our hard-earned reputation as a great country in which to invest and do business.

“We need a radical rethink of our planning approach to height and density in order to bring our cities into line with international norms,” it said.

The report came as Ibec introduced its Better Lives, Better Business national campaign, which it said would concentrate on housing, infrastructure, planning and sustainability.

Chief executive Danny McCoy said: “Ireland’s ability to attract and retain talent as part of our inward investment strategy is being eroded by a range of problems that are damaging the quality of life of our people including housing shortages, access to essential services and traffic congestion.”

International Property Tax Institute

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