



IRELAND – January 2019

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Dublin Local Property Tax 2019

It's been a thorn in the side of homeowners since 2013

It's that annoying time of year again for property owners in Ireland - time to cough up the Local Property Tax.

The annual payout - which is based on a percentage of the value of your home - has been a thorn in the side of homeowners ever since its introduction in 2013.

You can pay upfront or in instalments and there's a fine for not shelling out - so best not to leave it on the long finger.

The deadline is approaching - fast - for people who are paying in full so if you haven't shelled out yet, read on!

Here's all Dublin dwellers need to know about the 2019 Local Property Tax:

When is the deadline for paying?

You can choose to pay in a full, single payment or spread your payments over 2019.

Unfortunately, however, if you want to use a different payment method in 2019 to last year it's too late to change. You would have needed to let Revenue know by 25 November 2018.

Deadlines for the different payment types are as follows:

- 10 January 2019: Latest date for paying in full by cash, cheque, credit card or debit card
- January 2019: Phased payments by deduction at source and regular cash. Payments through a payment service provider commence in January.
- 15 January 2019: Monthly direct debit payments commence in January and continue on 15th each month.
- 21 March 2019: Deduction date for Annual Debit Instruction or a Single Debit Authority payment.

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Will I be paying more or less than last year?

The LPT is calculated using a base rate of 0.18% on properties worth less than €1 million and 0.25% on homes worth more than €1 million.

Since 2015, local authorities have been allowed to increase or reduce this rate by up to 15%.

The good news for Dublin homeowners is that each of the four local authorities across the capital have applied reductions for 2019.

Dun Laoghaire Rathdown, Dublin City and South Dublin City Council have applied the maximum reduction of 15%.

Meanwhile, Fingal County Council reduced its rate by 10%.

How much local property tax will I pay?

Revenue has a handy little tool you can use to calculate your property tax which can be accessed via their website. It includes any rate reduction or rise your local county council may have introduced.

What are the penalties for not paying?

An impressive 97% of people paid their LPT in 2018, according to Revenue. If you fail to pay, they'll use a range of collection and enforcement options to collect.

These include:

- mandatory deduction from salary or occupational pension
- the withholding of any refund of other tax as payment against LPT due
- withholding of Tax Clearance Certification
- LPT surcharge generated on Income Tax, Corporation Tax or Capital Gains Tax returns
- interest charges of 8% per annum and additional penalties may also apply
- referral of the debt to a sheriff or a solicitor for collection
- notice of attachment of the owner's bank account.

How much money is raised by the local property tax and what is it used for?

A whopping €482 million was raised through local property taxes last year.

Unsurprisingly, the largest proportion of this was paid out in the capital.

Dublin City Council collected €69 million while €44 million was raised in Dun Laoghaire-Rathdown.

Home owners in Fingal paid out €32.4 million and in South Dublin County Council €25.5 million was collected.

The revenue raised is supposed to be used to fund authority services including public parks and libraries, planning and development, fire and emergency services as well as street lighting and maintenance.

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Families face property tax hikes of up to €500 after house price surge

HOW PROPERTY TAXES COULD RISE IF THE SYSTEM REMAINS UNCHANGED					
County	Town/district	Average home value May 2013	LPT	Average home value Oct 2018	LPT
Carlow	Mhúine Bheag	€100,000	€90	€133,750	€225
Carlow	Carlow	€100,000	€90	€190,000	€315
Cavan	Belturbet	€105,000	€225	€85,500	€90
Cavan	Cavan	€35,750	€90	€150,000	€225
Clare	Shannon	€150,967	€315	€151,500	€315
Clare	Ennis	€125,000	€225	€203,500	€405
Clare	Kilrush	€91,075	€90	€124,166	€225
Cork	Clonakilty	€266,250	€495	€198,750	€315
Cork	Skibbereen	€227,500	€405	€180,000	€315
Cork	Fermoy	€190,000	€315	€179,999	€315
Cork	Cobh	€125,500	€225	€178,750	€315
Cork	Bantry	€140,500	€225	€177,500	€315
Cork	Kinsale	€218,000	€405	€317,500	€585
Cork	Carrigaline	€158,000	€315	€295,000	€495
Cork	Cork Southside	€173,000	€315	€281,000	€495
Cork	Midleton	€117,000	€225	€216,500	€405
Cork	Cork Northside	€137,500	€225	€241,500	€405
Cork	Ballincollig	€155,350	€315	€342,499	€585
Cork	Glanmire	€147,500	€225	€270,000	€495
Cork	Youghal	€98,500	€90	€150,000	€225
Cork	Mallow	€85,000	€90	€135,000	€225
Cork	Dunmanway	€72,500	€90	€195,000	€315
Cork	Charleville	€130,000	€225	€180,750	€315
Cork	Macroom	€47,000	€90	€211,500	€405
Cork	Mitchelstown	€70,000	€90	€205,000	€405
Cork	Bandon	€82,500	€90	€230,000	€405
Cork	Rylane	€46,000	€90	€273,388	€495
Cork	Watergrasshill	€77,000	€90	€255,000	€495
Donegal	Letterkenny	€119,175	€225	€123,250	€225
Donegal	Lifford	€71,000	€90	€129,000	€225
Donegal	Donegal	€75,000	€90	€115,000	€225
Dublin	Rush	€365,000	€675	€275,000	€445
Dublin	Malahide	€370,000	€675	€443,000	€688
Dublin	Lusk	€244,025	€405	€289,760	€445
Dublin	Dublin 17	€152,500	€315	€241,750	€344
Dublin	Dublin 2	€300,000	€495	€376,500	€573
Dublin	Dublin 5	€285,000	€495	€385,000	€573
Dublin	Glenageary	€367,000	€675	€545,000	€803
Dublin	Dublin 6	€377,500	€675	€544,272	€803
Dublin	Dublin 6W	€410,000	€765	€605,000	€956
Dublin	Dublin 3	€266,500	€495	€446,000	€650
Dublin	Dublin 16	€297,500	€495	€477,501	€650
Dublin	Blackrock	€435,000	€765	€655,000	€1,032
Dublin	Dublin 18	€316,388	€585	€532,500	€803
Dublin	Dublin 9	€240,000	€405	€378,750	€573
Dublin	Skerries	€232,200	€405	€365,000	€607
Dublin	Dublin 4	€356,375	€675	€667,500	€1,032
Dublin	Dublin 12	€185,000	€315	€325,498	€497
Dublin	Dublin 15	€168,843	€315	€318,999	€497
Dublin	Dublin 20	€175,325	€315	€310,000	€497
Dublin	Dublin 24	€168,500	€315	€305,000	€497
Dublin	Swords	€190,000	€315	€324,999	€526
Dublin	Lucan	€180,000	€315	€342,000	€497
Dublin	Dublin 13	€246,250	€405	€412,000	€650
Dublin	Dublin 14	€336,000	€585	€632,000	€956
Dublin	Dublin 1	€140,000	€225	€260,000	€420
Dublin	Dublin 11	€102,000	€225	€258,000	€420
Dublin	Dublin 22	€130,000	€225	€255,000	€420
Dublin	Balbriggan	€144,113	€225	€278,750	€445
Dublin	Dublin 8	€136,467	€225	€340,000	€497
Dublin	Dublin 7	€146,500	€225	€423,750	€650
Galway	Loughrea	€134,250	€225	€170,000	€315
Galway	Athlone	€152,640	€315	€266,000	€495
Galway	Athlone	€142,500	€225	€236,350	€405
Galway	Ballinasloe	€87,500	€90	€144,500	€225
Galway	Tuam	€64,000	€90	€141,875	€225
Galway	Clifden	€52,500	€90	€305,000	€585
Kerry	Trillick	€151,045	€315	€121,250	€225
Kerry	Killarney	€107,825	€225	€187,500	€315
Kerry	Caherciveen	€80,000	€90	€103,625	€225
Kerry	Listowel	€47,500	€90	€156,500	€315
Kildare	Kildare	€285,000	€495	€262,624	€495
Kildare	Curragh	€231,000	€405	€220,000	€405
Kildare	Celbridge	€256,000	€495	€344,975	€585
Kildare	Naas	€166,500	€315	€308,500	€585
Kildare	Monasterevin	€137,000	€225	€260,000	€495
Kildare	Altho	€100,000	€90	€175,000	€315
Kildare	Newbridge	€100,000	€90	€254,000	€495
Kilkenny	Kilkenny	€162,500	€315	€243,750	€405
Laos	Portlaoise	€75,000	€90	€150,000	€247
Leitrim	Canick-on-Shannon	€65,000	€90	€93,500	€90
Limerick	Newcastle West	€790,000	€315	€145,000	€241
Limerick	Limerick	€140,000	€225	€200,000	€338
Limerick	Kilmallock	€91,726	€90	€175,000	€338
Longford	Longford	€50,538	€90	€102,500	€258
Louth	Dundalk	€108,000	€225	€225,000	€405
Louth	Drogheda	€117,500	€225	€231,500	€405
Mayo	Claremorris	€91,935	€90	€92,500	€90
Mayo	Ballina	€104,500	€225	€115,385	€225
Mayo	Westport	€159,500	€315	€175,000	€315
Mayo	Castlebar	€77,775	€90	€130,000	€225
Mayo	Ballyhaunis	€75,000	€90	€135,000	€225
Meath	Kells	€110,000	€225	€181,250	€315
Meath	Enfield	€177,500	€315	€275,000	€495
Meath	Navan	€164,575	€315	€258,499	€495
Meath	Dunboyne	€230,000	€405	€432,500	€765
Meath	Ashbourne	€110,000	€225	€294,000	€495
Meath	Dunshaughlin	€148,250	€225	€350,000	€585
Monaghan	Castleblanay	€144,000	€225	€98,000	€90
Monaghan	Clones	€49,373	€90	€114,000	€225
Monaghan	Carrickmacross	€60,750	€90	€188,500	€315
Monaghan	Monaghan	€62,500	€90	€210,000	€405
Offaly	Edenderry	€101,500	€225	€160,000	€315
Offaly	Birr	€60,000	€90	€110,000	€225
Offaly	Tullamore	€55,000	€90	€155,500	€315
Roscommon	Roscommon	€110,270	€225	€130,000	€225
Roscommon	Castlerea	€47,000	€90	€70,000	€90
Roscommon	Boyle	€69,000	€90	€106,000	€225
Sligo	Ballymote	€47,700	€90	€92,500	€90
Sligo	Sligo	€120,000	€225	€149,500	€225
Tipperary	Cahir	€106,250	€225	€82,000	€90
Tipperary	Tipperary	€45,000	€90	€93,500	€90
Tipperary	Thurles	€103,008	€225	€115,000	€225
Tipperary	Nenagh	€142,000	€225	€190,000	€315
Tipperary	Clonmel	€130,000	€225	€156,000	€315
Tipperary	Cashel	€100,000	€90	€142,000	€225
Tipperary	Carrick-on-Suir	€86,250	€90	€110,000	€225
Tipperary	Roscrea	€98,000	€90	€153,750	€315
Waterford	Dungarvan	€159,500	€315	€189,000	€322
Waterford	Waterford	€111,500	€225	€191,000	€322
Westmeath	Athlone	€84,000	€90	€184,000	€315
Westmeath	Mullingar	€87,500	€90	€155,500	€315
Wexford	Gorey	€140,000	€225	€185,000	€346
Wexford	Wexford	€108,750	€225	€183,000	€346
Wexford	New Ross	€63,000	€90	€145,000	€247
Wexford	Enniscorthy	€92,000	€90	€163,000	€346
Wicklow	Wicklow	€210,000	€405	€337,150	€585
Wicklow	Bray	€203,500	€405	€390,000	€675
Wicklow	Greystones	€248,000	€405	€427,500	€765
Wicklow	Arklow	€92,500	€90	€198,500	€315



€149,967

average home value nationwide in May 2013

€256,000

average home value nationwide in Oct 2018



€225

Local Property Tax due on the average home nationwide in May 2013

€495

Local Property Tax due on the average home nationwide in 2020 if the current system of calculating the tax remains unchanged

Thousands of homeowners face a massive hike in their property tax bills unless sweeping changes to the unpopular levy are made.

Some families could be hit with annual hikes of almost €500 because property prices have soared since the tax - based on the market value of the home - was introduced in 2013. Back then, the 'average' cost of a home nationally was just under €150,000, which incurred a bill of €225.

However, the latest house price data from the Central Statistics Office (CSO) shows this national average has since increased to €256,000, which means bills for 'average' homeowners will rise to €495 - an increase of €270.

Among those hardest hit will be families living in Clifden, Co Galway, where an average home was priced at €52,500 in 2013 but has since soared to €305,000. Under the existing system, the tax will rise from €90 a year to €585.

Other areas facing high increases are Dublin 7, where bills could rise from €225 to €650; Newbridge in Co Kildare, where rising prices mean average bills could increase from €90 to €495; and Dublin 14, where families could face a rise from €585 to €956.

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The Local Property Tax (LPT) is assessed at 0.18pc of its market value. It is designed to fund local services, and replaces direct exchequer funding for local authorities.

For properties valued at over €1m, the first €1m is based on a 0.18pc multiplier and the balance at 0.25pc.

But since 2015, local authorities have been free to adjust the rate up or down by a maximum of 15pc. In Dublin, three of the four councils have reduced it by 15pc, with Fingal reducing it by 10pc for this year. This means homeowners in these areas pay a lower rate.

Conversely, those living in other counties which increased the rate pay more - Waterford City and County Council increased it by 2.5pc, Limerick City and County by 7.5pc, Wexford and Laois by 10pc, and Longford by 15pc.

While the Government has insisted that any increases will be modest, it has yet to set out how it intends levying the charge without unduly affecting family and local authority finances. It has faced calls to ditch the tax or extend exemptions to cover property owners who may be asset-rich but cash-poor.

"I know people feel that because house prices have gone up a lot in the last four or five years that it means their property tax will go up by that amount," Taoiseach Leo Varadkar said last month.

"We are going to make sure that doesn't happen. We want to make sure that the amount of revenue collected by the local authorities from property tax is roughly the same and that would mean making sure nobody faces a sudden increase in their property tax."

While a review of the LPT is underway, there is as yet no date for its publication, the Department of Finance said. In the meantime, families face growing uncertainty as to what their bills for 2020 will be.

Fianna Fáil housing spokesman Darragh O'Brien said the Government needed to outline its proposals as soon as possible.

"We made a detailed submission to the review on the basis of ensuring there are no significant increases for homeowners," he said.

"Homeowners and local authorities need certainty. I don't understand the delay. We made a submission in advance of last summer and it should be relatively simple to do.

"For planning purposes, it needs to be [done] before Easter at the very latest. We need to see what's in and if we agree with it. It has to be open for scrutiny in the Dáil."

Analysis of 'average' selling prices for homes, based on 130 Eircodes, shows that under the existing system, few areas will enjoy a reduction.

There are eight areas in Dublin, Cork, Cavan, Monaghan, Tipperary, Kerry and Limerick where prices have fallen, resulting in a lower bill.

The sharpest drop has been in Rush, Co Dublin, where bills would fall from €675 to €445.

There are 15 areas in Clare, Cork, Donegal, Kildare, Leitrim, Mayo, Roscommon, Sligo and Tipperary where prices have remained relatively stable, meaning no change to tax bills. However, in the remaining 107 areas prices have risen - paving the way for higher bills unless changes are made.

The Government has ruled out the introduction of a site value tax, which some experts believe is a fairer way to tax property because it is based on the value of the land rather than the building.

Among the options being considered is reducing the rate of the levy below 0.18pc, which would limit the tax burden on families while protecting council finances.

An exemption for those who bought or built their own home since 2013 will no longer apply, which is expected to result in an additional 10,000 households being liable.

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Revenue not privy to detail of property tax changes

Anne Looney: 'until the Government makes an announcement we have no information'

The head of Revenue's Local Property Tax section said they are not privy to the Government's plans to change how the Local Property Tax (LPT) will be estimated from 2020.

The current valuation levels for the tax were based on property values as of May 1st, 2013, and this method of assessment is due to end this year.

Anne Looney said: "Valuation is still based from May 1st, 2013, we are still operating on that basis, up to and including 2019, we're operating on the basis of that valuation.

The average asking price for a house nationwide at the end of the second quarter of 2018 was €254,000. This compares to an average asking price of €170,400 at the end of the third quarter in 2013 (when the property tax rates were set) and to an average of €378,000 at the peak of the house price bubble in 2007.

"The Government will decide on the next steps and what will be from 2020 on. We are not privy to that, until the Government makes an announcement we have no information on that," Ms Looney said.

At present 86 per cent of Irish homes are valued at under €250,000 for the basis of the property tax assessment despite a sharp rise in property values since 2013.

January 10th is the final day for payment of LPT and there was a compliance rate for 2018 of 97 per cent.

Ms Looney told RTE's Today with Miriam the 3 per cent non-payment was somewhat overstated, as it included exempt properties and property owners who were ill or unable to engage with the Revenue to pay the tax. She added some properties were also unoccupied.

Ms Looney warned there were a range of options available to the Revenue Commissioners to pursue the relatively small number of people who had decided not to pay, including those not residing in Ireland.

"Non-resident does not mean non-payment. If we get no response to our letters we will look to mandatory deduction, from salary or occupational pension. At any time we can withhold a refund of other tax, and put it against the LPT due.

"We can also withhold tax clearance until LPT is paid," she said.

Revenue reveals €482m in Local Property Tax collected last year; 97% of households complied with the tax

Revenue has revealed it collected €482m in Local Property Tax last year, with the vast majority of households complying with the charge.

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Figures released from Revenue show that 97% of households complied with the tax, in line with previous year, but that 797 cases were referred to the Sheriff/ External Solicitors for collection, while more than 12,800 tax clearance requests were refused due to a failure to pay the property tax.

Of these, almost 97% were later granted clearance after what Revenue described as “mutually acceptable payment solutions”.

The statistics released by Revenue show that:

- Households in Carlow had the highest compliance rate (99.6%), followed by Fingal (99.4%), Clare (98.8%), Galway City (98/7%), and South Dublin (98.4%).
- Donegal recorded the lowest compliance rate (93.3%), while Dublin City (94.4%), Leitrim (95.5%), Louth (95.6%), and Longford (95.8%) were the next local authority areas with the lowest rates.
- Revenue collected the most in Local Property Tax from Dublin City (€69.1m), Dun Laoghaire-Rathdown (€44.3M), Cork County (€39.9m), Fingal (€32.4m), and South Dublin (€25.5m).
- The counties from which the lowest amounts were collected were Leitrim (€2.2m), Longford (€2.3m), Monaghan (€3.8), Carlow (€3.8), and Roscommon (€3.9m).
- More than half of properties nationally were valued at under €150,000 (55%), while 0.2% were valued in excess of €1m the other end of the valuation band.
- Dun Laoghaire-Rathdown had the highest proportion of properties valued at more than €300,000 (59.2% of properties in the local authority area), compared to Leitrim and Longford, where the proportion of homes at that value made up 0.2% of all properties in each county.

Of the €482m collected last year, €2m came from the recovery of arrears from the Household Charge, which was brought in as a precursor to the Local Property Tax.

Revenue imposed 6,690 Income Tax and Corporation Tax surcharges on foot of non-compliance with the Local Property Tax.

It said that roughly seven in 10 of these cases were mitigated after requested reviews, and following discussions between Revenue and the relevant property owners.

Almost 88,000 property owners had their 2018 Local Property Tax deducted from their salaries or pensions, of which more than 42,500 ‘rolled over’ from similar arrangements in 2017.

Over 13,280 valuations have been increased arising from a combination of self-correction and Revenue challenges with 786 valuations increased during 2018.

Roughly 49,000 claims for an exemption from the Local Property Tax were received by Revenue in 2018.

Nearly one in four of these requests (24.1%) was on the basis that the property was bought in 2013 - for which an exemption was established by Government.

Other requests for exemption were due to the house being owned by a charity or public body for special needs (15.9%), long term-illness (15.6%), or for properties that are unsold by the builder or developer (13.6%).

Exemption requests were also made for pyrite damaged homes (2.9%), and for houses in unfinished estates (6.8%).

Of the 58,000 requests to defer payment of the tax, the vast majority (96.7%) were because the household was below the income threshold to pay the charge.

The LPT is due on Thursday, January 10

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No Hike Leo Varadkar signals no 'sudden increase' in property tax in 2019 – even though home prices have gone through the roof

However, homebuyers who purchased in 2013, 2014 and 2015 will be forced to cough up the levy for the first time, as the Government moves to bring more cash into the exchequer's coffers

Leo Varadkar has signalled that there will be no "sudden increase" in property tax in 2019 – even though houses and apartment have shot up in valuation under his watch.

However, homebuyers who purchased in 2013, 2014 and 2015 will be forced to cough up the levy for the first time, as the Government moves to bring more cash into the exchequer's coffers.

Introduced in 2013, the Local Property Tax is based on the market value of relevant properties.

The rate is due to be reviewed in 2019 when – if the same bands were applied – homeowners can expect major tax rises as a result, due to the booming property market.

A home valued at between €200,000 and €250,000 currently comes with a €405 annual levy for example.

But since 2014 many of those pads in that category have gone up in value into the next band, of €250k to €300k, where the property charge comes to €495 - so a potential €90 rise.

And some homes would have gone up to the next band, of €300,000 to €350k where the charge is €585. That means a potential annual increase of €180 for some householders.

But now Varadkar has signalled there will be a shakeup of the valuation bands and rates, so people don't end up with any major bill rises.

At a Christmas roundtable interview with political reporters, he said: "We are still doing some work on that.

"The main thing we want to avoid is anyone facing a significant increase in their property tax because we just don't want that to happen.

"I know people feel that because house prices have gone up a lot in the last four or five years that it means their property tax will go up by that amount.

"We are going to make sure that doesn't happen. We want to make sure that the amount of revenue collected by the local authorities from property tax is roughly the same and that would mean making sure nobody faces a sudden increase in their property tax. That would not occur until 2020 at the earliest in any case."

The Taoiseach also signalled there was bad news for some of those who escaped the tax last time around, saying: "One thing we can do though, and we will have to consider this in the New Year, is removing the exemption from homes that were bought since 2013.

"Anyone who bought a home in 2013, 2014, 2015 does not pay property tax. That is not fair because they benefit from the same local services as everyone else.

"That was done for a particular reason in 2013 to encourage increased housing supply but that is now going in the right direction.

"So we need to consider that and it will bring in extra money for local authorities."

And the Fine Gael leader wants more of the property tax going to local services.

He explained: "The other thing we are certainly looking at is reforming the property tax to ensure that all of the money you pay goes to your local authority.

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"At the moment in urban local authorities and a few of the wealthier counties about 20 per cent gets diverted to less well-off counties and we think there is a better way to do that.

"There would still need to be an equalisation fund to make sure those less well-off counties, particularly those down the western seaboard, don't lose out but I think people would prefer to see the actual tax they pay going to their own local authority."

More homeowners will have to pay property tax if government decides to scrap exemption

The Taoiseach said it is unfair that some pay while others do not.

Homeowners who do not currently pay local property tax may have to in the future under new plans due to be considered by government next year.

Under the current rules, homes that were bought in 2013 do not have to pay LPT.

Properties purchased in 2013 are exempt until the end of 2019, as are properties that were self-built in that year.

New and previously unused properties purchased from a builder or developer between 2013 and 31 October 2019 are also exempt until the end of 2019.

However, Taoiseach Leo Varadkar said next year the government will consider removing these exemptions.

He also wants to see more of the property tax collected in each county going to each local authority.

Going into more detail with reporters about the removal of the exemption, Varadkar said the "we will have to consider this in the new year" stating that it is not fair that some householders pay and others do not.

"That is not fair because they benefit from the same local services as everyone else. That was done for a particular reason in 2013 to encourage increased housing supply but that is now going in the right direction. So we need to consider that and it will bring in extra money for local authorities," he said.

Where the money goes

"The other thing we are certainly looking at is reforming the property tax to ensure that all of the money you pay goes to your local authority. At a moment in urban local authorities and a few of the wealthier counties about 20 per cent gets diverted to less well-off counties and we think there is a better way to do that," said the Taoiseach.

He said there would still need to be "an equalisation fund" to make sure those less well-off counties, particularly those down the western seaboard, don't lose out, but he added:

"I think people would prefer to see the actual tax they pay going to their own local authority."

The main thing the government wants to avoid is "anyone facing a significant increase in their property tax... we just don't want that to happen".

"I know people feel that because house prices have gone up a lot since in the last four or five years that it means their property tax will go up by that amount. We are going to make sure that doesn't happen.

"We want to make sure that the amount of revenue collected by the local authorities from property tax is roughly the same and that would mean making sure nobody faces a sudden increase in their property tax. That would not occur until 2020 at the earliest in any case," he said.

Changes to the system

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Earlier this year there was a lot of talk about the possible changes to Ireland's property tax when Housing Minister Eoghan Murphy signalled he favours a new calculation of the tax.

Currently, property tax is based on the market value of a house, but due to the rapid increase in house prices, there have been concerns about the massive leap in tax homeowners will have to pay.

In 2015, the LPT being paid by homeowners was frozen until 2019, meaning that people whose properties had increased in price or had been improved still only had to pay the same rate of tax that they have since the original LPT valuations in 2013.

Next year another round of valuations are due, but because house prices have been constantly rising in the past several years, politicians are concerned that the LPT will rise dramatically when the valuation date of March 2013 is to be reviewed by the government.

Just this month, questions hung over whether the long-awaited overhaul of the property tax system would be delayed with The Sunday Business Post reporting that Minister for Transport Shane Ross was demanding that pensioners and people with disabilities be exempt from the charge.

TDs in all parties are concerned about the hefty increases that could be imposed on householders as a result of a review of the tax, particularly due to the fact that any increase in the property tax will coincide with the local elections, meaning it will be a hot issue on the campaign trail for councillors around the country.

Sales of €1m-plus properties are on the rise as families on modest incomes struggle to find homes they can afford.

Less than 40pc of new units sold in the capital last year were priced at an "affordable" €320,000 or under, new figures show.

However, the number of €1m-plus transactions rose to 825, up from 769 in 2017.

The Property Price Register (PPR) shows prices nationwide continue to rise, putting the dream of home ownership beyond the reach of many.

Last year's average transaction price was €296,000, up 12pc on the 2017 price of €265,000.

For a new home, the average paid was €336,000, up more than €40,000 or 13.6pc.

This figure is well above the Government's €320,000 affordable threshold for properties in bigger urban areas.

The figures come as rental costs continue to break new records.

While the Government is committed to delivering affordable homes on State-owned land, the market appears to be building for those on high earnings.

Only last week, Brendan Kenny, the deputy chief executive of Dublin City Council, said builders were "very worried" they would not be able to sell affordable homes to people struggling to get mortgages.

Worryingly, in Galway city and county, 82 fewer new property transactions were completed last year.

In Wicklow and Limerick, the number rose by only six in each county and by seven in Cork city and county.

Overall, the number of transactions completed in the first 11 months of 2018 dropped slightly, down 0.3pc year-on-year, but the value of the deals increased, reflecting rising property prices.

Transactions of €14.5bn were completed, up 11.6pc or an increase of more than €1.5bn.

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At the upper end of the market, sales continue to increase.

The number of homes sold for more than €500,000 rose from 4,401 in 2017 to 4,719 in 2018.

Of these, the number of €1m-plus properties trading hands increased from 769 to 825, an increase of 7.3pc.

The register also reveals how in many areas of high demand, affordability remains an enormous issue.

Of the 49,182 transactions completed nationally, 13,516 or 27pc were above €320,000.

However, in areas where affordability is a growing concern - Dublin, Meath and Kildare and the cities of Galway, Cork, Waterford and Limerick - prices for new homes are rising.

Nationally, the average price paid for a new home was €336,000, but outside the Greater Dublin Area and the cities, the average drops to €190,000, reflecting the gulf in prices.

Outside of Dublin, the highest average price paid for a new home is in Wicklow at €343,199 (down 1.9pc), followed by Kildare (€305,019, up 8.6pc) and Cork (€296,853, up 25.3pc).

In Dublin, prices are far above these levels. The average paid for a new home is €436,787, up 13pc on last year.

The data suggests developers are not pricing homes at what many consider to be an affordable level.

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