

**Fiscal Incentives for Property Led Urban Regeneration in Ireland: a
longitudinal review of impacts**

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Fiscal Incentives for Property Led Urban Regeneration in Ireland: a longitudinal review of impacts

In the early 1980s fiscal incentives were introduced to encourage new private residential construction and refurbishment in the inner areas of Ireland's main cities. Later that decade these incentives were extended firstly to include inner suburban parts of these cities, and subsequently to large towns and outer suburban areas. At the same time the economic context for their implementation changed radically as Ireland's economy boomed and prolonged recession and population decline was replaced by very high levels of economic and population growth. This paper reviews the changes to the design of these fiscal incentives over their lifetime and critically assesses their impacts, intended and unintended. It argues that, in the years immediately following their establishment, the incentives successful in drawing investment and higher income residents into disadvantaged areas and addressing dereliction. However, the decision to extent their lifespan and their geographical focus during Ireland's economic boom was problematic from the macro economic perspective and these incentives are associated with: deadweight, displacement of construction resources away from centres of population growth, excess supply in areas of population decline or stagnation and property price inflation.

Introduction

The 1986 Urban Renewal Act introduced a range of fiscal incentives intended to encourage the property-led regeneration of designated inner-areas of the five cities in the Republic of Ireland. These measures, known as the Urban Renewal Scheme, enabled the construction or refurbishment costs of commercial premises or dwellings for owner-occupation or rent to be off-set against income or bussiness tax. In the two decades since then their design has changed only marginally, but both their duration and their scope has been repeatedly extended. Consequently they were withdrawn only in 2006 and prior to this were extended significantly, firstly to include previously undesignated inner areas and the outer suburbs of the five cities and then to include 42 large and medium-sized towns. At the same time, the context for their implementation changed radically. In the mid 1990s, a decade long recession was replaced by strong economic growth - GDP per capita increased from 10 per cent below the European Union average in 1995, to 18 per cent above in 2005, which contributed to equally dramatic demographic change, as the population increased by 15 per cent and the number of households expanded by 27 per cent concomitantly (Fethercasa, 2006). These developments in turn precipitated an unprecedented house price boom - house prices growth jumped from 7.7% per annum between 1990 and 1993 to 22% per annum between 1996 and 2002, and particularly in the post 2000 period a dramatic growth in housing output (Norris and Sheilds, 2007). The latter

peaked at 19 per 1,000 inhabitants in 2004, which was by far the highest in the EU (Fethercasa, 2006).

In terms of scope, impact, expenditure and context these measures are significant in both Irish and international terms. By the time of their abolition they had expanded to cover parts of every Irish region and incurred expenditure (in terms of tax forgone) which dwarfs that of comparable renewal programmes. Spending on the Urban Renewal Scheme alone came to €204m pa between 1999 and 2004 (Goodbody Economic Consultants, 2005). By contrast, the Partnerships, which are the principal direct state investment programme in disadvantaged neighbourhoods in Ireland, cost just €42.5m to run in 2005 (Pobal, 2005). The Urban Renewal Scheme has also been spectacularly successful in attracting private investment into its, largely disadvantaged, target areas. In this regard it is of international interest because similar measures intended to attract private investment and private housing into low-income districts, have been established in many western European countries, but few have been as successful in this regard (see: Adair *et al*, 2003). In addition, both the changing context for the implementation of Urban Renewal Scheme and its mixed impact in practice, further heightens the significance of the Irish case. Despite their success in physically regenerating their target areas, the available evidence indicates that the Section 23 incentives failed to socio-economically regenerate the communities indigenous to these districts; they generated problematic unintended impacts such as rising vacancy rates, deadweight and displacement (KPMG, 1996; Goodbody Economic Consultants, 2005). Moreover, due to the changing socio-economic and policy context for its implementation, this scheme provides a useful test case of the optimum policy and socio-economic conditions for successful residential property-led regeneration and of the most effective design and implementation strategies for such measures,

Despite the significance of the Urban Renewal Scheme, the relevant research and evidence base is patchy. The Section 23 incentives have been subject to several studies by government, consultants and academics, but most of these are case-studies which assess their impact on a single district, city or region (e.g. MacLarran and Murphy, 1997; Williams, 2006). One rather cursory national review of part of the opening phase of the Urban Renewal Scheme was conducted, as was a more detailed study of part of its closing phase which also examined the Town and Rural Renewal Schemes (KPMG, 1996; Goodbody Economic Consultants, 2005). To date no global assessment of the design, implementation, costs and impacts of these schemes, over their lifetime, has been conducted, to date.

This paper aims to address this omission by reviewing the impacts, intended and unintended, of the incentives for residential development provided under the Urban Renewal Scheme over its

lifetime in all of the neighbourhoods designated under its auspices. To do this it employs census data to measure the success of the scheme in achieving its stated aims and census data together with data from evaluations of the scheme to examine the two principal unintended impacts identified in the literature – deadweight and vacant dwellings (KPMG, 1996; Goodbody Economic Consultants, 2005; Fitz Gerald, 2005). The discussion of these issues presented here is organized into four sections. The next section details the methodology which underpins this analysis. This is followed by discussions of the design and intended and unintended impacts of the Scheme before and after 1998. The discussion was organised around this date because, as is explained below, the methodology for implementing the Urban Renewal incentives was reformed in 1998 and the neighbourhoods designated were extended significantly. The conclusions to the paper draw out the key findings of the preceding analysis and reflect on their implications for urban regeneration policy and practice in Ireland and internationally.

Methodology:

A number of research methods, encompassing both primary and secondary analysis were employed to operationalise this research.

Firstly a comprehensive review of the Irish and international literature on urban regeneration was conducted as well as a review of the policy statements and research relevant to the Urban Renewal Scheme.

Secondly a Geographical Information Systems (GIS) layer of the neighbourhoods designated for fiscal incentives under the Urban Renewal Scheme was assembled. These are detailed and set out in national legislation (Acts and Statutory Instruments). These normally describe the boundaries of designated areas using street names, squares, etc., or an attached map. These documents accessed in public law libraries and the Electoral Divisions (EDs) in which the designated areas are located were identified. The ED is the smallest geographical administrative area in Ireland for which census data are collected. There were 3,340 legally defined EDs in 2006 and data on these is known as the Small Area Population Statistics (SAPS).

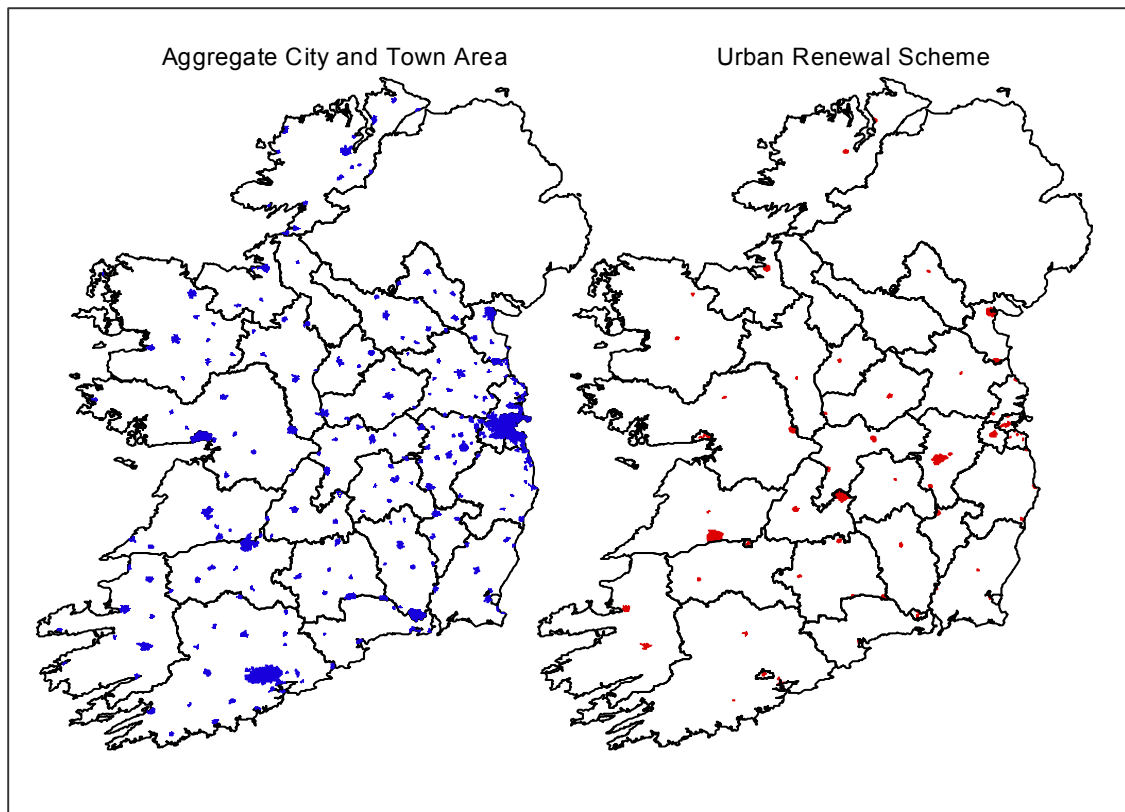
Following Hemphill (2004) *et al*, an 'indicator based approach' was employed to assess the extent to which the Urban Renewal Scheme achieved its stated aims. These aims were identified by means of a review of the relevant policy documents and legislation and a list of potential indicators of their attainment was identified from SAPS data. In addition the views of twenty key informants (central and local government officials involved in the design and implementation of

the Urban Renewal Scheme) on the appropriateness of these indicator variables were garnered, and the final list of indicators was amended on this basis, to include the following:

- Population – specifically: number of individuals and households
- Socio-economic profile – specifically: individuals with third level education and manual workers
- Disadvantage – specifically: male and female unemployment
- Housing – specifically: home ownership.

Data for this paper came from four censuses (1991, 1996, 2002 and 2006). Data from the first two was used to examine the Urban Renewal Scheme prior to 1998. The latter two are relevant to its operation after that date. Our analysis indicates revealed that 146 EDs were designated under the Urban Renewal Schemes between 1986 and 2006 (see Figure 1). Data on the indicator variables was generated for these EDs and compared with trends in the country as a whole and the 1,041 EDs in all aggregate urban and town areas in Ireland (see Figure 1). A GIS layer of the latter was supplied to the authors by the Central Statistics Office which administers the Irish census.

Figure 1: Aggregate City and Town Areas in Ireland (2006) and Areas Designated Under the Urban Renewal Scheme (1998-1996)



It is important to acknowledge that this methodology has some shortcomings. The geographical size of EDs varies for instance, particularly between urban and rural areas. In cities, EDs are generally very small but in small towns and the open countryside they often cover quite large areas, which raises problems when comparing data on urban and rural EDs. However this was not a serious issue for this analysis as the vast majority of EDS designated under the Urban Renewal Scheme are in larger urban areas. A more serious challenge for this analysis is the fact that not all census data is disaggregated to ED level and the some of the variables which are have changed between 1991 and 2006. This limited the choice of indicator variables which could be employed in this study. Furthermore the indicator based approach cannot demonstrate a causal relationship between the various Urban Renewal Scheme interventions and many of the developments in target populations which are employed as indicators of their achievements. It can only highlight a coincidence, or the lack of, between the two. In order to address this problem, these indicator data were supplemented by additional evidence on the impact of the Scheme where available.

Phase 1: 1986-1998

Design

As mentioned above the Urban Renewal Scheme was established initially in 1986 by the Urban Renewal and Finance Acts of that year. Although legislation underpinning such a scheme had been introduced in 1981, it was never implemented. Williams (2006: 545-546) reports that 'While the original aims of the programme were extremely wide, envisaging integrated economic development programmes, job creation and other initiatives', the severe and protracted recession of the 1980s, which drove the urban decline which necessitated the advent of the Urban Renewal Scheme, also delayed its commencement and 'militated against this broadly based approach'. As a result the 1986 Finance Act, introduced the following, much narrower package of fiscal allowances than had been originally envisaged:

- capital spending on the building or refurbishment of commercial premises can be offset against income or corporation tax as can the rent paid on these buildings,
- remission of local business taxes for a ten year period
- capital spending on the building or refurbishment of residential premises can be offset against income tax by owner occupiers, or against tax on rental income by landlords for a ten year period (KPMG, 1996).

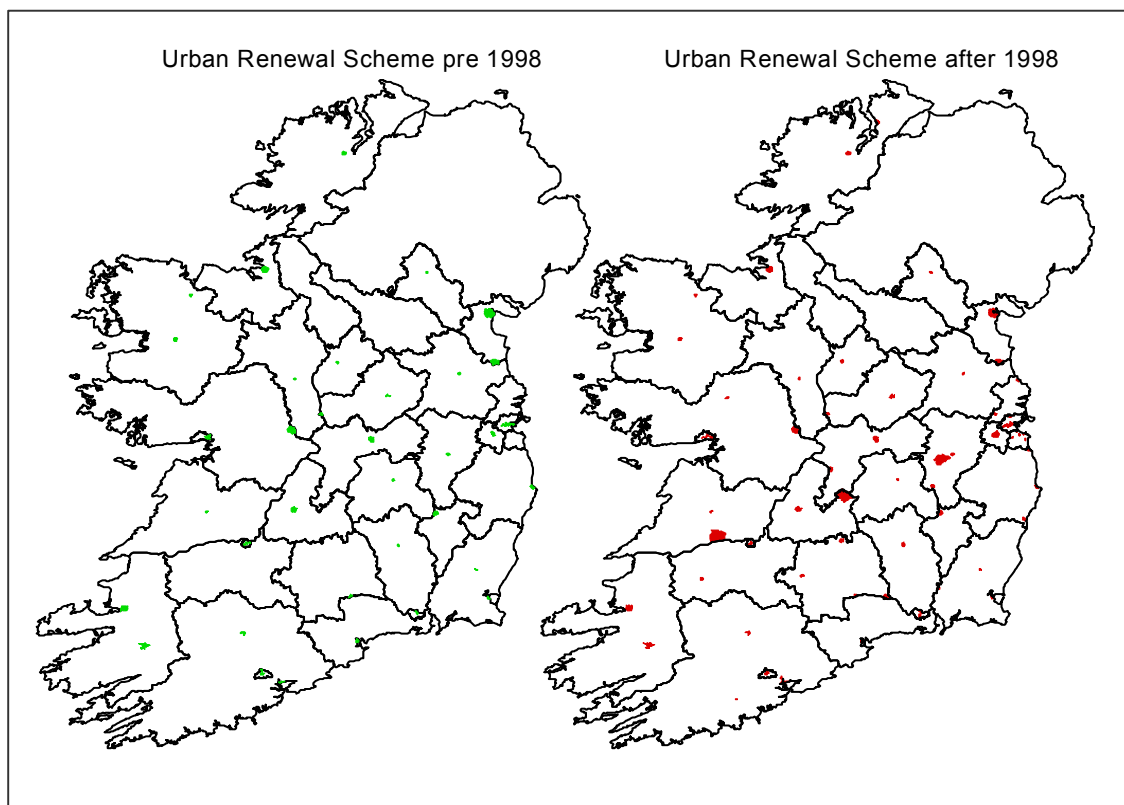
According to the finance ministry, the objectives of this package are as follows:

“[...] alleviate the increasing problem of dereliction and dilapidation which had affected large parts on the inner areas of towns and cities nation-wide. In many cases these inner areas had sustained large population declines as growth and development was increasingly concentrated in the suburbs. The core objectives of the scheme were to promote urban renewal and redevelopment by promoting investment and reconstruction of buildings in designated areas” (Department of Finance, 1999: 1).

A second Urban Renewal Scheme was introduced in 1994 originally for a three year period, but this was subsequently extended for another year. The scheme was more focused than the previous one, and concentrated on areas where dereliction was most severe. In this second Scheme, Greater emphasis was placed on residential development to provide a better mix of social and private housing and the incentives available for commercial development were reduced on foot of evidence of oversupply of developments of this type under the preceding arrangements (Williams, 2006).

Initially, the Urban Renewal Scheme targeted parts of the Inner areas of Ireland's five cities – Dublin, Cork, Limerick Galway and Waterford, but from 1994 this was extended to cover parts of large towns. Therefore prior to 1998 a total of 83 EDs in total of 36 urban areas were designated under its auspices (See Figure 2). Decisions regarding the areas for designation were reached on the basis of consultation between central and local government and the latter was responsible

Figure 2: Urban Renewal Scheme – Designated EDs, before and after 1998



for the administration of the scheme on the ground in the vast majority of areas. The only exceptions to this is two neighbourhoods in central Dublin, where quasi governmental agencies – the Dublin Docklands Development Authority and Temple Bar Properties – were established for this purpose (Moore, 2008).

Output:

Central government commissioned a review of the Urban Renewal Scheme in 1996, the key findings of which are summarized in Tables 1, 2 and 3 below (KPMG, 1996). This review concluded that Scheme had been highly successful in attracting investment to designated areas.

Table 1: Value of Residential Investment Generated in Designated Areas by the Urban Renewal Scheme, 1986-1996

Residential	Temple Bar, Dublin € '000	Dublin Docklands € '000	Rest of Dublin € '000	Rest of Ireland € '000	Total € '000
New construction	3,543	27,934	315,842	200,009	546,934 (88%)
Refurbishment	9,641	0	34,705	29,094	73,441 (12%)
Total	13,184 (2%)	27,934 (5%)	350,547 (56%)	229,103 (37%)	620,376 (100%)

Source: Based on KPMG, 1996

Table 2: Housing Completions Generated in Designated Areas by the Urban Renewal Scheme, 1986-1995

City	No of units built in each city	No of units built in Designated areas and %
Dublin	24,018	5350 (22%)
Cork	6,422	839 (13%)
Galway	5,635	553 (10%)
Limerick	3,930	661 (17%)
Waterford	2,484	200 (8%)
Total	42,489	7603 (18%)

Source: KPMG, 1996

Table 3: Tenure of Residents of Urban Renewal Scheme Subsidised Dwellings, 1995

	Temple Bar	Dublin Docklands	Rest of Dublin	Rest of Country	All areas
Owner-occupier	58%	39%	51%	37%	40%
Tenant	42%	61%	49%	63%	60%

Source: KPMG, 1996

The Scheme generated some €620m in residential investment between 1986 and 1996, but this accounted for only 28 per cent of the overall investment generated. The rest involves office development, commercial development, industrial development, car parks, etc. The majority of the residential investment generated (63 per cent) was in Dublin and as Table 1 demonstrates, in this city and also in Limerick a particularly high proportion of total housing completions occurred were generated by the Urban Renewal Scheme. At national level on average 60 per cent of all residential units are owned by private landlords and are therefore rented and the rest 40 per cent are owned-occupied (see Table 3). The review links this outcome to the fact that the financial incentives for landlords were more attractive than those available to owner-occupiers. The incentives favour landlords because they can avail of allowances in respect of 100 per cent of eligible costs against Irish rental income whereas owners-occupiers can avail of allowances in respect of only 50 per cent of eligible costs in the case of a newly build dwelling, or 100 per cent in the case of a refurbished dwelling.

Intended Impacts:

The results of the analysis of the indicators of the progress made in achieving the Urban Renewal Scheme's stated objectives are detailed in Table 4 below.

These data reveal that the Scheme is associated with a very marked increase in population. The population of the EDs designated under its auspices increased by 6.9% between 1991 and 1996, which is significantly above the concurrent rate of population growth nationally (2.8 per cent) in all town and city areas (4.2 per cent). A similar pattern prevailed in household growth concurrently. This development is directly attributable to the impact of the Urban Renewal Scheme which, as mentioned above, drove a significant proportion of the new house building in the designated areas between these years and ensured that a large proportion of the housing output in cities and towns in Ireland took place in the designated areas.

Home ownership rates in the areas designated under the Urban Renewal Scheme also fell by 2.4% between 1991 and 1996, whereas rates in other urban areas and the country as a whole remained virtually static during this period. This development is most likely related to the more generous subsidies available to landlords under the scheme which were highlighted above.

Table 4: Indicators of the Urban Renewal Scheme's Intended Impacts, Pre 1998.

Indicators	Urban Renewal Scheme Designated Areas			Aggregate City and Town Areas			Nationwide		
	1991	1996	1991-1996 (%)	1991	1996	1991-1996 (%)	1991	1996	1991-1996 (%)
Persons (N))	251,062	268,364	6.9	2,418,295	2,519,648	4.2	3,525,719	3,626,087	2.8
Private Households (N)	75,875	88,891	17.2	703,994	788,579	12.0	1,019,723	1,123,238	10.2
Persons with Third Level Education (N)	28,454	53,314	87.4	356,707	566,474	58.8	450,602	715,349	58.8
Manual Workers (N)	85,605	76,397	-10.8	658,118	589,676	-10.4	1,001,481	892,471	-10.9
Home Ownership (%)	56.8%	54.4%		77.8%	77.6%		86.8%	86.6%	
Male Unemployment Rate (%)	27.2%	24.5%		19.2%	17.3%		16.1%	14.5%	
Female Unemployment (%)	20.2%	17.0%		14.8%	12.6%		13.2%	11.4%	

Table 5 also highlights a dramatic change in the educational profile of the population of the neighbourhoods targeted under the Urban Renewal Scheme during the period under examination. As the proportion of the local population with third level education increased by 87.4 per cent, compared 58.8 per cent nationally. The decline in semi-skilled and unskilled manual workers in the Urban Renewal Scheme EDs (-10.8% per cent) was quite similar to that observed nationally and in all urban areas. Although both male and female unemployment in the Urban Renewal Scheme target areas declined between 1991 and 1996, the rate of decline was only marginally greater than the nationwide trend, and average unemployment rates in these neighbourhoods remained comparatively high in 1996.

The available evidence indicates that the Urban Renewal Scheme indicates that it has a key driver of these socio-economic developments. The aforementioned survey of the residents of Urban Renewal Scheme developments conducted as part of the statutory review of the Scheme, found that they had very high rates of employment – of 96% in the Temple Bar area; 81% in the Dublin Docklands area and 86% in the rest of the city (KMPG, 1996). These new residents are likely to have contributed to the increase in the proportion with third level education. The review also found that the original, mainly disadvantaged, residents of these districts failed to reap significant benefits from the Scheme in terms of employment and other opportunities because it did not provide any it did not provide any direct funding for regeneration interventions relevant to their needs such as employment promotion, public amenities, education and youth development. (KMPG, 1996). Although separate measures of this type have been put in place in many Urban Renewal Scheme target areas, via the local Partnerships programme, these were still in their infancy by the mid 1990s (McCafferty, 1998). Thus it is likely that the high unemployment rates in Urban Renewal Scheme EDs reflect persistently high unemployment among the original residents, rather than the new residents who moved into the dwellings subsidised under its auspices.

Unintended Impacts:

The 1996 review also examined the key unintended of fiscal incentives such as the Urban Renewal Scheme which is highlighted in the literature - deadweight, i.e. those projects which would have gone ahead without the provision of the incentive. Although it emphasised that this issue is difficult to assess qualitatively, it concluded that:

It is unlikely that the initial residential developments in the inner cities would have gone ahead without the incentives for investors as much had already been done by local authorities to promote development in inner city areas by making sites available at little, or in some cases no, cost to developers. Ten years on, however, the concern of living in the city is firmly established and it is debateable whether or no development would continue without incentives. Trends in demand for residential accommodation in Dublin and in recent construction suggest that residential development is now a commercially viable option in inner city areas (KMPG, 1996: 99).

The report does not consider the other key unintended impact of the Urban Renewal Scheme which has been identified in the literature – the growth in vacant dwellings (FitzGerald, 2005). No ED level census data on this issue is available for the years under review, but national data indicates that nationally 10.4% of dwellings were long-term vacant in 1991, but vacancy rates were significantly lower than this in Dublin (4.7%) and the other cities (6.7%) which were subject to the Urban Renewal Scheme.

Phase 2: 1998-2006

Design

The Urban Renewal Scheme was revised to take account of the results of the 1996 report and a new Scheme launched in 1998, which came finally into operation in 1999. According to the responsible ministry:

...the scheme will feature a much more focused approach, targeting the remaining areas of need... it will be an important objective under the new scheme to ensure that physical renewal contributes to social renewal. Architecture, design and conservation opportunities under the scheme must also yield optimum results... arrangements put in place must incorporate mechanisms to ensure that disadvantaged local communities and representative organisations... participate fully in the planning and realisation of urban renewal programmes.

(Department of the Environment, 1997: i)

Under this scheme local authorities were requested to prepare Integrated Area Plans (IAPs) for each urban area they wished to be included in the Scheme. These should plan for the social and economic renewal and improvements in the physical environment of the target area. A total of 78 IAPs were submitted to central government, of which 49 plans covering 43 cities and towns and 94 electoral divisions were approved for designation (see Figure 2). In contrast to the practice

which prevailed prior to 1998, during this stage of the Urban Renewal Scheme designation was confined to individual sites rather than entire districts. This reform was intended to minimize deadweight. The package of incentives available to designated areas remained unchanged.

Output:

A central government commissioned review of the post 1998 phase of the Urban Renewal Scheme was published in 2005 (Goodbody Economic Consultants, 2005). This concluded that the Scheme generated a total investment of €1,281m for the period 1999-2004 (see Table 5), of which €612.5m (47.6%) was in respect of residential activity. Of the total investment associated with the Scheme, over half occurred in the Dublin area; 19% occurred in provincial towns and provincial cities accounted for the rest. As in the case of the pre 1998 phase of the Scheme, the bulk of the total investment in the post 1999 phase was on new-build dwellings and commercial premises which accounted for 93.2% of the total investment generated.

Table 5, Value of Residential Investment Generated in Designated Areas by the Urban Renewal Scheme, 1999-2004.

	New-built Only (€ m)	Refurbishment Only (€ m)	Mix (new-built & refurbishment) (€ m)	Total (€ m)
Residential	274.1	22.4	10.3	306.8
Mix (Residential and Commercial)	601.1	7.1	25.3	633.5
Other (Commercial only, not stated)	274.1	28.1	28.0	350.0
Total	1,149.3	57.6	63.3	1,281.3

Unfortunately final data on housing output under the scheme are not available, but data on developments completed until the end of 2004 are available and these indicate that a total of 426 residential and commercial developments were completed by that date, which contained 4,500 residential units. The review concludes that these developments have very positive effects on reducing dereliction in the target areas.

Intended Impacts:

The results of the analysis of the indicators of the progress made in achieving the Urban Renewal Scheme's stated objectives are detailed in Table 6 below. These data indicate that, in the post 1998 period, the Urban Renewal Scheme had a less significant impact on target neighbourhoods than in its earlier phase.

Although the total population and number of households resident in target EDs increased between 2002 and 2006, this growth was less than that for the country as a whole and all urban

Table 6: Indicators of the Urban Renewal Scheme's Intended Impacts, Post 1998.

Indicators	Urban Renewal Scheme Designated Areas			Aggregate City and Town Areas			Nationwide		
	2002	2006	2002-2006 (%)	2002	2006	2002-2006 (%)	2002	2006	2002-2006 (%)
Persons (N))	335,221	355,187	6.0	2,758,367	2,994,718	8.6	3,917,203	4,239,848	8.2
Private Households (N)	112,399	123,964	10.3	892,396	1,014,055	13.6	1,252,999	1,421,742	13.5
Persons with Third Level Education (N)	74,315	91,851	23.6	805,415	1,003,827	24.6	1,020,780	1,299,854	27.3
Unskilled and Semi-skilled workers (N)	89,618	93,403	4.2	534,541	563,726	5.5	804,368	803,717	-0.1
Home Ownership (%)	58.5%	53.6%		77.6%	74.4%		86.5%	85.2%	
Male Unemployment Rate (%)	16.6%	15.2%		10.3%	9.8%		8.6%	7.7%	
Female Unemployment (%)	12.4%	13.0%		8.5%	8.6%		7.6%	7.2%	

areas. This outcome reflects the centrifugal distribution of the very dramatic population growth and increase in housing output Ireland experienced during the period under review, which was concentrated in the counties surrounding Dublin and regional cities such as Cork, rather than the in cities themselves (Central Statistics Office, 2003; Norris and Shields, 2007). Goodbody Economic Consultant's (2005) review of the Urban Renewal Scheme post 1998 argues that its principal impact during this period was not to add to total national housing output, but to concentrate some of this development and some of the associated population growth in the neighbourhoods designated under its auspices. In this regard the Scheme may have played a role in balancing centrifugal development and population growth, and thereby in achieving national policy objectives set out in the *National Spatial Strategy*, but as the data presented in Table 6 demonstrates, it was not entirely successful in this regard (Department of the Environment and Local Government, 2002).

No data on the characteristics of those who occupied the dwellings subsidized under the Urban Renewal Scheme in the post 1998 period are available. However the indicator data presented in Table 6 indicates that they were less affluent than their counterparts who moved into dwellings built during the pre 1998 phase of the scheme. Thus, the proportion of the population with third level education in the Urban Renewal Scheme EDs rose by 23.6% between this years, which is similar to the trends in all towns and cities (24.6%) but slightly lower than equivalent figure nationally (27.3%). In terms of unskilled and semi-skilled workers, the 4.2% increase in the proportion of the population working in these occupations in the Scheme EDs, is most likely due to an increase in construction employment, as this category of employment expanded significantly during Ireland's housing boom (Norris and Shields, 2007). Goodbody Economic Consultants (2005) estimate that the Urban Renewal Scheme created an annual average demand for 1,400 construction workers, between 2000 and 2004 and some of these may have

also resided in the areas targeted by the Scheme. However despite this, Table 6 reveals that the rates of unemployment in these areas are much higher than elsewhere.

Unintended Impacts:

The available evidence indicates that the level of deadweight associated with the Urban Renewal Scheme rose significantly during the post 1998 period. On the basis of a survey of associated local authority officials, estate agents and developers Goodbody Economic Consultants (2005: 82) argue that the Scheme played an important role in animating development in the designated areas during the late 1990s and during this time 'dead weight at the project level tended to lie in the range of 20 to 40 per cent' but by 2005 'it has risen above 70 per cent in many cases' so 'the need for tax incentivisation of individual developments has diminished'.

In recent years, a lively debate has taken place about housing oversupply in Ireland, inspired by census data which indicate that nationally 16.7% of dwellings were vacant in 2006 – significantly in excess of the norm in north western Europe (Norris and Winston, 2008). Some contributors to this debate (notably, Fitz Gerald, 2005) have linked this development to excess supply generated by the fiscal incentives for residential development provided by the Urban Renewal and other regeneration schemes. This view is contradicted by the Goodbody Economic Consultants (2005: 85) review of the Urban Renewal Scheme which found that the additional housing output it generated has been taken up and 'there is little evidence of over supply or vacant dwellings'. The latter opinion is supported by the author's analysis of census data on vacant dwellings in the EDs designated under the urban renewal scheme. These data, which are available only for 2006, reveal that the vacancy rate in these EDs was 16.9% which is slightly higher than the vacancy rate calculated for the aggregate city and town area (14.6%), but quite similar with the national vacancy rate which is 16.7%.

Conclusions

This paper has presented a longitudinal review of the impacts of the fiscal incentives were to encourage new private residential construction and refurbishment in the inner areas of Ireland's main cities and towns. It has argued that in the years immediately following their establishment, in 1986, the incentives successful in drawing housing development and higher income residents into disadvantaged areas and addressing dereliction. However, the decision to extent their lifespan and their geographical focus during Ireland's economic boom of the late 1990s was problematic for a number of reasons. Although the take up of these incentives remained high, since 1998 they have failed to effect above average population growth in the target areas, to

significantly lower unemployment rates or to encourage substantial numbers of higher income residents to live there. In addition, the deadweight associated with the Scheme increased substantially in recent years, and it is likely that a substantial proportion of the developments it subsidized in recent years would have gone ahead in its absence.

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