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Ghost Estates will Haunt us for Years

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Ghost estates will haunt us for years

That the minister responsible for housing cannot even provide an accurate account of the number of



vacant houses around the country is merely the first of the government's problems

ALTHOUGH the blame game is still under way, some solutions for coping with Ireland's legacy of development over-exuberance are beginning to emerge. To propose solutions, however, we must first know the problems. The scope and scale of the problem of ghost estates - 10 or more houses at the one address, at least 50% of which are unoccupied or unfinished - is staggering. They will cause headaches for a long time to come.

The state itself is lumbered with a series of problems, the biggest of which is the numbers. It will be interesting to see policy being formulated when not even the minister responsible for housing can provide a definitive account of the number of vacant units across the country, and whether those are finished or not. This is incredible.

The state needs to compile accurate statistics on numbers and transaction prices, and it needs to do it now. It also needs to know where these vacant houses and ghost estates are. Most likely they are just where they are not needed, which is a problem in itself. How will Donegal use up its 25,000-plus empty units?

Politicians themselves will feel the heat, as most of them acquiesced to the building of vast numbers of unnecessary houses in ludicrous locations. These are houses for which the taxpayer will be paying through Nama for many years to come. As if you didn't already know.

Nama itself is faced with a ghost estate

migraine of sorts too. It has to try to make a profit, or at least get best value for the taxpayers' money. Whereas the commercial element it takes on might be more lucrative, it still cannot abandon these ghost estates.

As for making money, how will Nama propose to value ghost estates? Regressive valuations - where past sales are used as evidence of current value - are pretty defunct in a downturned market. And what price on a half-completed three-bed semi-detached house, miles outside Longford town? Imagine putting a value on a house where the roads aren't finished, there is no street lighting, and there is so much rubble lying around it's not safe for adults, let alone children, to be outside.

The problems worsen in trying to recoup money. If Nama sells houses in bulk or piecemeal it will distort the market and hence is bound to upset somebody - housebuilders, owners or investors. Of course, not all the houses in ghost estates are ready for sale anyway. Many are only half-completed, which raises the question of what to do with them as they deteriorate. Should they be finished, adding more unwanted housing to our national stock, or demolished? If they are to be completed, who is to do it? Should the original builder be retained on a salary from Nama to finish what they started?

The alternative is perhaps for Nama to complete them itself. Neither solution is ideal, especially the latter, for experience has shown that semi-state agencies are just not that good at property development, being generally slow, uncompetitive, inefficient and not that cheap. If you doubt me, see the DDDA.

Moving down - or up - the chain, many local authorities are now saddled with ghost estates on their patches. Developer contributions are, of course, now long gone, and even though ownership of the estate may rest elsewhere, that doesn't mean they're not an issue for city and county councils. If finished, they may have to take these estates in charge and be responsible for their roads and lighting, for example. If they remain uncompleted, there is every chance that ghost estates will quickly turn into magnets for anti-social behaviour.

If invoked, the Derelict Sites Act of 1990 provides another local authority headache. Section 10 states: "It shall be the duty of a local authority to take all reasonable steps (including the exercise of any appropriate statutory powers) to ensure that any land situate in their functional area does not become or continue to be a derelict site." These could be expensive steps indeed if no other responsible person can be found.

Using ghost estates for social housing will in the long term provide local authorities with more problems than most can deal with. To

group social housing tenants in estates such as those scattered around the country is to build up expensive social problems. Apart from that, local authorities don't have the resources to manage increased tenant numbers.

Where the problems of ghost estates really hit home, however, is at home. Think about being an owner who's living in an estate that is still a construction site. The builder has disappeared, and the estate agent says it's nothing to do with him, and most of your neighbours are renters, and their landlords paid about 70% less than you did 12 months ago. You can't let the kids out because it's just too dangerous to play outside, and you're 20 minutes' walk from the bus stop, but the bus only comes once a day anyway, and the shops are miles away, and you've lost your job and are struggling to pay the mortgage. You have been offered a job far away but can't move, and you're understandably miserable.

Solutions are difficult. Demolition? Taxation measures? Institutional investment? The one thing that should be evident by now is that there is no one-size-fits-all solution.

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