

News Letter

Rating move could hit Ulster property prices

25th February 2011

THE owners of houses lying empty across Northern Ireland are to be made to pay rates, in a move which is likely to push more properties onto the market.

Finance minister Sammy Wilson said that his decision to rate empty properties from October could raise as much as £10 million a year to pay for public services.

However, a housing expert last night said that the move will force more housing stock onto the market and put pressure on owners to cut prices further to secure sales.

City of London financier Jonathan Davis, one of the few to predict the crash in house prices and that Northern Ireland's house prices would fall furthest, said that the move would be "just another impetus" for property prices to fall further.

The Jonathan Davis Wealth Management managing director warned that the Northern Ireland economy "will get worse because of public sector cuts".

"Across the UK there are 700,000 empty properties. I'm not sure exactly how many there are in Northern Ireland but I would expect that it would be broadly similar, per capita, to the UK. This will be another impetus for people to put their properties on the market.

"Everyone tries to pretend that the housing market is not like the stock market, the gold market or the bond market and has different criteria for selling and buying...but it still comes down to the age-old axiom that the market is based on two emotions: fear and greed."

Mr Wilson said that the move would increase the supply of affordable housing and encourage more people to make better use of vacant properties.

"In addition, it will address the fact that those who have ownership of empty homes make demands on public services including roads, police, fire services and public health," the DUP minister said.

"It is only fair that owners of these properties make their contribution towards public services as well as rate paying households.

"The rating of empty homes could also raise additional money expected to be up to £10 million a year."

However, there will be an initial exclusion for developers' unsold and never-occupied houses in an attempt to assist the building industry.

Mr Wilson has also decided that rates will not be charged on empty property where it was the owner's sole or main residence and they now live in a nursing home, residential care home, hospital or are detained.

Yesterday, the assembly's social development committee called on the executive to do everything it could to ensure that homeless people have "a roof over their heads".

Speaking after a visit to the Welcome Organisation for the homeless on west Belfast's Falls Road, committee chairman Simon Hamilton called on government to support voluntary organisations and said: "It is essential that government acts to deal with the many causes and consequences of homelessness."