

Want to hear the conversation we won't have?



Karl Deeter Talking Finance
I hate taxes – like everyone else – but taxing land is essential to creating a vibrant economy and ending the housing crisis

While we are busily being bought and sold for our votes, you'll find that every party has a view on the 'crisis' of housing. Brendan Howlin recently said on a televised debate that "we hadn't the resources in the teeth of the crisis" when talking about creating affordable housing. This was a surprise as, along with every other industry professional, I assumed we were awash with cheap land, excess labour and an abundance of the many other things which are the key sticking points now.

Howlin also said that people should

save for when the "supply side is in balance in the next year or two". This is wishful thinking at best. Given the time it takes to commence, construct and finish building (putting aside the massively delayed process of planning and subsequent appeals, "the next year or two" will not deliver affordable housing to anybody except those who are well-off and can afford expensive things. Which leads us to the uncomfortable conversation that virtually no politician is willing to have: what is the role of property tax, and how much should it be?

I hate taxes. In that respect, I consider myself normal enough. What is abnormal though is the national obses-

sion with thinking that property tax is bad and income tax is okay. Only a few hundred years ago, income tax was actually considered immoral, except in times of emergency, because one of the few things a free person can own is their own labour. This aside, while there are lots of thoughts on "taxes" – either cutting them or raising them, only one party has seriously talked about the role of property tax and about shifting the funding of local authorities towards being funded by local property tax, while then having a site value tax for national infrastructure and other important social programmes which are capital or property-oriented. If you don't know which party that

is, then read some manifestos. The clear dilemma is that, even as passengers on this national ship, we pay far too much attention to the "housing crisis" and virtually none to the following: we need to tax land. It is as vital to resolving our housing quandary as it is to creating a vibrant economy. Higher property tax will hurt, but part of the shift away from high income taxes should be to tax land and property more. This is something that should appeal to all ideologies, as it taxes wealth, it taxes the users of local services, and it also helps to reduce land speculation by creating a "carry cost". Land hoarding and making dereliction and the ownership of unproductive land, (whether it's zoned or not), without any drawback, makes land and property scarce. In turn, that scarcity makes land expensive. When you strip out the vested interests, it boils down to this: if anybody wants an economy that isn't a giant bet on the property market, one in which houses are actually affordable, and where you can't have intensive ownership controlling a crisis, then you have to tax land to make the holding of land hurt. In short, anybody who says they

want an end to the housing crisis must also agree to the taxation of land using things like cost recovery of local services and site value. Anything else is just a varying degree of hypocrisy, you can't have it both ways. If we don't do this, it will continue to reward speculation. If we don't make dereliction painful, it allows value to accrue to destruction, which is the polar opposite of any pro-investment environment. Furthermore, if we free up land, it will mean that builders will compete on quality, size and other normal differentiators, not on scarcity alone. It is possible to reorient the entire nation away from property and into business and productivity, but to do this we need to get housing and property under control. In places where land was abundant, you didn't get this crazed hoarding because land wasn't worth hoarding, so people made productive businesses. Thus it is no surprise that Silicon Valley is in California and not in Manhattan (although subsequently the property boom did embed there too). Ronan Lyons said it best when he said that "property owners vote, and they like high prices". Perhaps we should just be sincere and tell renters and younger generations that we'll do a bit of lip service but nothing of consequence and that in general, they can just go and sling their hook; at least the message would be honest. Sadly we won't do that. We'll faff about, vote for people who will faff about for us and believe the false promises of a better tomorrow. When it comes to most of what politicians say about housing, I wouldn't trust the news coming from their radios.



On the market
Lily Killeen rounds up the best homes currently on offer



▲ BROCKLY, 3 PAVILION GATE, GLENAMUCK ROAD NORTH, CARRICKMINES, DUBLIN 18
Price: €1.15 million
What: built by Mark McInerney Luxury Homes in the early 2000's, this detached five-bedroom house spans 233 square metres with an additional 45-square metre attic. A cobble lock driveway at the front has off-street parking. Inside, the ground floor includes an entrance hall, three reception rooms, a guest WC, utility room, large kitchen/breakfast room and conservatory. Upstairs, the master bedroom has a dressing room and en suite. A second double room is also en suite. There are three more bedrooms, a main bathroom and hot press. The attic comprises two

rooms and a shower room. The rear garden is laid mainly in lawn. **Where:** the house is near all the amenities on offer in Foxrock village. Also close by are leisure facilities at Cabinteely Park, Carrickmines Tennis Club, Leopardstown Racecourse and Foxrock Golf Club. A number of schools are in the area and the city centre is easily reached by the Luas at Carrickmines, the M50 and a number of bus routes along the N11. **Agent:** Hunters Estate Agent at 01-2897840.



► 20 THE MEWS, SEAFIELD CLOSE, CLONTARF, DUBLIN 3
Price: €495,000
What: this bright three-bed semi measures 108 square metres and is approached by a paved driveway behind electric gates. The house is flooded with natural light and has an entrance hall with guest WC and a hotpress, a large living room and interconnecting kitchen with high gloss kitchen units and granite worktops. Upstairs are three good sized bedrooms, the master of which is en suite, and a main bathroom. The low-maintenance rear garden is decked and gravelled. **Where:** located near a range of shops, restaurants and bars, and Clontarf's seafront – popular with runners, walkers, sailors and cyclists. Travel to the city centre by Dart or a choice of bus routes and there is a good choice of schools in the area too. **Agent:** Kelly Bradshaw Dalton at 01-8040500.



◀ 8 KINGSTON WALK, BALLINTEER, DUBLIN 16
Price: €399,000
What: at 80 square metres, this three-bed semi is located in a small cul de sac and has both a front driveway with off street parking for two cars and a spacious rear yard area. The accommodation is laid out over two floors with an entrance hall, living room, kitchen/dining area, three bedrooms, a main bathroom and a hotpress. There is a large garden storage shed which has lights and wiring for a tumble dryer, and can be used as a utility and storage area. **Where:** the popular Kingston Estate is convenient to Dundrum Town Centre, Ballinleer, the Luas stop at Balally, the M50 and the N11 road network. There are numerous good schools within walking distance and Marley Park is also close by. **Agent:** Finnegan Menton at 01-6147900.



▲ 14 CLARINDA PARK HOUSE, CLARINDA PARK WEST, DUN LAOGHAIRE, CO DUBLIN
Price: €325,000
What: this 65 square metre, two-bed ground floor apartment is one of 18 apartments in this gated development. The building was extended in the 1990's with the house maintaining its original 1820's facade. No 14 has an entrance hallway, bright living/dining room, fitted kitchen, two bedrooms with built-in wardrobes, a bathroom and a separate outdoor storage unit. **Where:** in the heart of Dun Laoghaire close to the Pavilion Theatre, Peoples Park, shops, schools, restaurants, pubs, churches of all denominations and leisure facilities. The area is served by the Dart and ample bus routes. **Agent:** DNG Dun Laoghaire at 01-2301616.



◀ 27 O'DONNELL GARDENS, GLASTHULE, CO DUBLIN
Price: €425,000
What: this well-presented, two-bed, end-of-terrace house measures 82 square metres and has been extended and upgraded by its current owners. There's off-street parking at the front and a north west facing rear garden. Inside is an entrance hall, living room, kitchen/breakfast room and utility room. The two bedrooms and main bathroom are upstairs. **Where:** located in the village, No 27 has a choice of amenities on its doorstep, including schools, shops, restaurants, churches and a wide selection of leisure facilities and scenic coastal walks. Transport facilities include the Dart and bus both within walking distance. **Agent:** DNG Dun Laoghaire at 01-2301616.



▲ 1 ST AGNES TERRACE, LOWER DODDER ROAD, RATHGAR, DUBLIN 14
Price: €395,000
What: this 63-square metre, two-bed, end-of-terrace cottage boasts bright, airy interiors. The residence comprises a porch, living room that opens to the kitchen/dining room, two double bedrooms and a main bathroom. There is Stira access to the part-floored attic which provides storage. To the rear is a sunny west-facing decked garden accessed via sliding doors from the kitchen and a gated side passage. **Where:** within minutes of Terenure and Rathgar villages, the area also has a number of schools and sports facilities and there is a park across the road from the property. The city centre and M50 are easily accessed. **Agent:** DNG Terenure at 01-4909000.