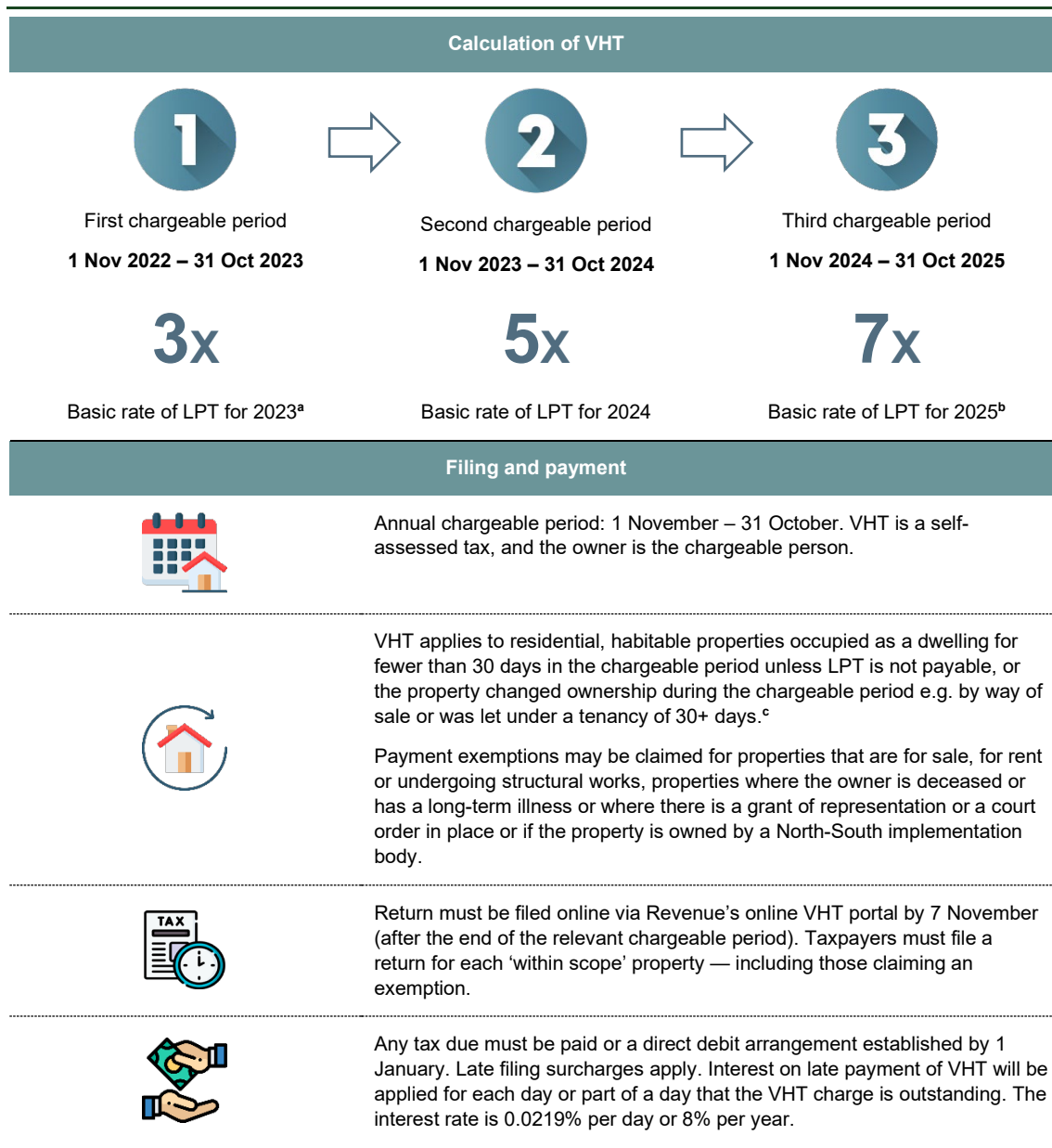


8 Vacant homes tax

- 8.1 The vacant homes tax (VHT) was introduced in 2023 with the main aim of encouraging property owners to bring empty homes back into the housing market for rent or sale.¹ The VHT is an annual, self-assessed tax charged in addition to the local property tax (LPT) and administered by the Revenue Commissioners (Revenue). Figure 8.1 presents an overview of the calculation and payment of VHT.

¹ The vacant homes tax was introduced by [section 96 of the Finance Act 2022](#).

Figure 8.1 Calculation and payment of VHT



Source: Revenue Commissioners

- Notes:
- a The basic rate of LPT is the rate before any local adjustment factor is applied by the local authority.
 - b The rate of VHT of seven times the base rate of LPT applies for the third chargeable period (1 November 2024 to 31 October 2025) and all subsequent chargeable periods.
 - c The 30-day occupancy period is not required to be consecutive, so incidental occupation of a property across the year will remove the property from the scope of VHT.

8.2 A key feature of the legislation introducing the vacant homes tax is the statutory requirement for Revenue²

- to establish and maintain a register of vacant homes on which the tax is payable and of associated chargeable persons³
- to enter in the register such particulars in relation to a vacant home and associated chargeable persons as Revenue considers appropriate
- to amend or delete the particulars entered in the register where they are proved not to be true.

Focus of this examination

8.3 This report examines

- the extent to which Revenue has established a register of vacant homes for the purposes of the VHT
- the effectiveness of Revenue's systems and procedures for the assessment and collection of the VHT
- the extent to which Revenue has adequate systems in place for identifying those liable to the tax and following up on possible non-compliance.

8.4 The examination team reviewed key documents and data produced by Revenue, interviewed relevant members of Revenue staff and undertook analysis of relevant datasets.

Vacant homes tax revenues

8.5 Since the introduction of the tax in 2023, there has been a significant reduction (68%) in the number of vacant properties declared for VHT purposes (see Figure 8.2). Both the number of properties on which VHT was paid and the number availing of exemptions decreased. Notwithstanding this, tax receipts from the VHT have remained at around €2 million each year due for the most part to the progressive rate of VHT applying from year to year.

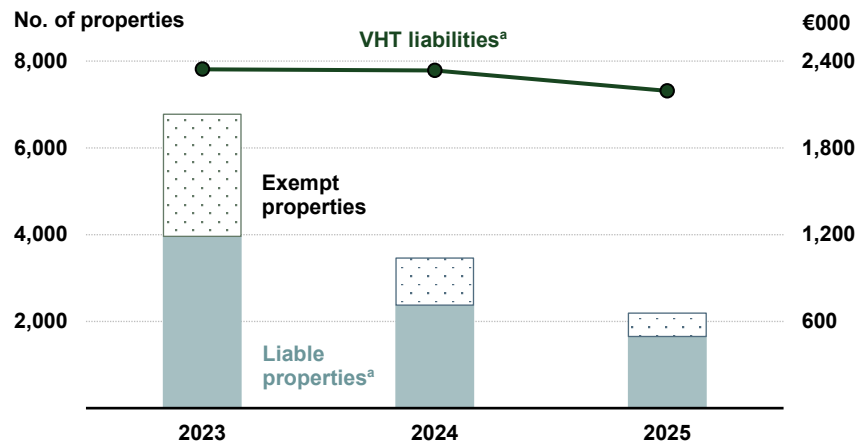
8.6 While Revenue has yet to undertake a formal analysis of what caused the decrease in the number of properties declared, it attributes the decrease to a combination of factors.

- The main aim of the tax was to change behaviour rather than serve as a revenue raising measure, so properties taxed in one period may have been brought back into use for the minimum period of 30 days in the next and future chargeable periods whether by a short-term or seasonal letting or extended personal use, rather than pay additional and increasing taxes year-on-year.
- The allowable exemptions to VHT are expansive.
- Other reasons may include where the property is sold, an LPT exemption begins to apply in a later chargeable period only or a VHT exemption becomes applicable.

² Section 96, Finance Act 2022, (section 653BL).

³ Chargeable persons claiming an exemption for a vacant property are required to submit a VHT return. Exempt properties are within the scope of the register.

Figure 8.2 VHT liabilities and number of vacant properties, 2023 – 2025



Source: Revenue Commissioners

Note: a In 2025, this included €170,100 in respect of 270 properties owned by local authorities and €59,220 in respect of 114 properties owned by approved housing bodies.

- 8.7 The rate of VHT will remain at seven times the property’s rate of LPT from the third chargeable period (2024/2025) onwards. Therefore, VHT receipts will continue to decrease in future chargeable periods if the tax achieves its main objective — to bring empty residential homes back into the housing market.
- 8.8 There has been no formal review of the effectiveness of the tax in achieving its policy objective of bringing empty homes back into the housing market for rent or sale.

Residential vacancy rates

- 8.9 Vacant residential property is recognised as a potential resource in increasing housing supply. The Department of Housing, Local Government and Heritage operates a number of grant schemes to assist property owners in bringing vacant property in both urban and rural areas back into active use. This is also recognised as a means of tackling dereliction and regenerating towns and cities.
- 8.10 There are various sources of information on property vacancy, including the Central Statistics Office (CSO), the GeoDirectory and LPT returns (see Figure 8.3).⁴ Each source uses different methodologies and definitions of vacancy with the result that the estimates of vacancy levels vary considerably.
- 8.11 As part of Census 2022, the CSO identified 163,433 vacant residential properties.⁵ This includes vacant properties that were for sale or for rent, were undergoing renovation or where the owner was in a nursing home. Holiday homes or properties that were under construction or evidently derelict were not counted as vacant. This point-of-time measure of vacancy includes dwellings which are unoccupied for both short and long periods.

4 GeoDirectory is an electronic register of addresses in Ireland. It was jointly developed by An Post and Tailte Éireann.

5 The 2022 Census took place on 3 April 2022.

Figure 8.3 Estimated residential vacancy rates in Ireland

Source		Frequency	Potential vacant homes
Revenue Commissioners	Preliminary vacancy analysis from local property tax returns for the 2022 – 2025 valuation period ^a	Once-off	57,206^b (1 Nov 2021)
Central Statistics Office	Paper on residential vacancy based on metered electricity consumption	Annual ^c	70,149 (Q4 2024)
GeoDirectory	Residential buildings report	Quarterly	81,373 (Q2 2026)

Source: Office of the Comptroller and Auditor General

- Notes:
- a The Finance (Local Property Tax) (Amendment) Act 2021 enabled Revenue to collect certain information on vacant residential properties in LPT returns submitted in respect of the 2022 – 2025 valuation period.
 - b Properties that were uninhabitable or unsuitable for use as a dwelling, as at 1 November 2021, were not liable for LPT for 2022. Owners of these properties were not required to value their property for LPT purposes and were not required to submit an LPT return. Therefore, this figure does not include uninhabitable or unsuitable properties.
 - c The CSO published papers on residential vacancy based on metered electricity consumption in 2023 (published in September 2025) and in 2024 (published in March 2026).

8.12 Since the census, the CSO has published papers on residential vacancy based on metered electricity consumption. In those papers, very low electricity consumption is used as a proxy indicator of vacancy. The cut-off maximum electricity consumption level is around 2kWh per day, or 180kWh per quarter over at least a full year.⁶ The classification of active metre connections with a very low level of consumption over four consecutive quarters is intended to estimate long-term vacancy.

6 For example, 2kWh consumption is enough to power a medium-sized fridge for a day.

7 [Residential vacancy based on metered electricity consumption 2024](#), published March 2026, CSO.

8 The CSO used bespoke address matching software to add Eircodes to address records on the ESB Networks electricity consumption file that did not originally have an associated Eircode.

8.13 The latest CSO paper analysing residential vacancy based on metered electricity consumption provided quarterly estimates of between 70,000 to 77,000 vacant residential properties over the period 2017 to 2023. At the end 2024, the CSO figures indicate a small drop in the estimated level of vacancy to just over 70,000 vacant residential properties in the State.⁷ This excluded properties where there was any indication that the property was not a dwelling (for example a separately metered agricultural building), or the address information was insufficient to determine if it related to a dwelling or there was no identifiable Eircode.⁸

8.14 Part of the CSO's methodology involved matching the vacant properties with Revenue's LPT records. This found that 64% of the properties identified as vacant by the CSO were already on Revenue's LPT database.

Initial Revenue estimates of potentially vacant properties

Vacancy data in local property tax returns

- 8.15** The Finance (Local Property Tax) (Amendment) Act 2021 enabled Revenue to collect certain information on vacant residential properties in LPT returns submitted in respect of the 2022 – 2025 valuation period.⁹ Properties that were uninhabitable or unsuitable for use as a dwelling at the reporting date are not liable for LPT, and their owners were not required to submit an LPT return. Consequently, the data gathered excluded derelict or otherwise uninhabitable properties.
- 8.16** In June 2022, Revenue published a report detailing the findings of its preliminary vacancy analysis from the LPT returns.¹⁰ The analysis indicated that just over 57,200 properties were declared vacant as of 1 November 2021 with around 61% of those properties reported as being vacant for less than 12 months. The analysis also found that 85% of properties reported as vacant were valued in LPT bands 1, 2 or 3 meaning that their value was less than €350,000.
- 8.17** Revenue's analysis was used by the Department of Finance to assess the merits and impact of introducing a vacant homes tax and how the tax might be designed. Revenue itself is unable to use this LPT data in developing its vacant homes register as the legislation specifies that the data gathered cannot be used for any purpose other than compiling statistical information on vacant properties.

Compilation of vacant homes tax register

- 8.18** Prior to the introduction of the VHT in November 2023, Revenue commenced work on creating a preliminary vacant homes register.
- 8.19** The purpose of the exercise was to identify properties on Revenue's LPT register potentially within the scope of the VHT, along with their associated chargeable persons. As part of this exercise, Revenue identified various data sources it planned to use to compile a preliminary VHT register (see Figure 8.4).

⁹ [Section 31, Finance \(Local Property Tax\) \(Amendment\) Act 2021](#).

¹⁰ [Local Property Tax \(LPT\) for 2022. Preliminary Vacancy Analysis \(data as at 20 June 2022\)](#).

Figure 8.4 Data sources for compiling preliminary VHT register

Source	Planned use of the data
LPT register	Main source for establishing a preliminary VHT register. There are around two million residential properties listed on the LPT register. Data matching exercises to be carried out with datasets obtained from ESB Networks, the Residential Tenancies Board (RTB) and GeoDirectory to identify potential properties that fall within the definition of 'vacant' as defined for VHT.
ESB Networks	Cross-matched to the LPT register (using the Eircode) properties with low energy consumption (less than 180kWh over four consecutive quarters), as these are not likely to be in use as a dwelling for 30 days or more in a chargeable period, to identify potential vacancy.
GeoDirectory	Analysed to identify properties recorded as residential and vacant on the Directory. Also used to verify the accuracy of the information input on the preliminary vacant homes register.
Residential Tenancies Board	Cross-matched to the LPT register (using the PPSN of the owner) to identify properties subject to a residential tenancy (which are not within the scope of VHT) to exclude these properties.
Local authorities	Properties within the catchment area of the local authority that are, as a result of any analysis carried out by that local authority, identified as vacant. Data to be matched using the name, address and Eircode of the owner.

Source: Data protection impact assessment submitted by the Revenue Commissioners to the Data Protection Commission on 21 April 2023

ESB Networks metered connections and RTB data

8.20 In August 2023, Revenue received around 113,000 records from ESB Networks for low-energy-use properties (see Figure 8.5). In the first instance, Revenue analysed and cross-matched this data with its LPT register. It also used RTB data to identify properties on its LPT register that were being rented. Revenue intended that once verification was complete, the data would be used to populate a preliminary VHT register.

8.21 Around 67,000 of the ESB Networks records did not include an Eircode. Using keyword searches, Revenue identified approximately 11,000 of these records that appeared to relate to agricultural or other connections e.g. pump houses, out-offices, mobile homes/caravans, electric fences/gates. These connections were not relevant for VHT purposes.¹¹

¹¹ The CSO had also eliminated such cases from its analysis of vacant property, using a similar identification technique.

Figure 8.5 Potential vacant properties identified using ESB Networks metered connections and RTB data

	Number of records ^a
Connections with 'low energy usage' from ESB Networks^b	113,000
Records excluded by Revenue	
Meter connection to identifiable non-residence (no Eircode)	11,000
Other meter connection with no associated Eircode	56,000
Meter connection with Eircode but cannot be matched to LPT register ^c	11,000
RTB records indicate property rented	4,000
Property changed ownership during VHT chargeable period	2,400
LPT exemption in place ^d	2,000
Duplicate records	1,200
Date of death on Revenue record	1,200
Property uninhabitable	500
LPT deferral in place	300
Properties with a potential obligation to VHT	23,400

Source: Revenue Commissioners

- Notes:
- a All figures have been rounded to the nearest thousand.
 - b ESB Networks Meter Point Reference Number (MPRN) is a unique 11-digit number assigned to an electricity connection and meter. The data records received related to MPRNs classified as either residential urban (DG1) or residential rural (DG2) with energy usage less than 180kWh for four consecutive quarters ending 30 June 2023.
 - c Due to incorrect Eircodes in the ESB Networks data or on the LPT register.
 - d The majority related to properties vacant due to the owner(s) being in a nursing home.

8.22 The remaining 56,000 cases without a recorded Eircode, and around 11,000 cases where there was an Eircode that could not be matched to the LPT register were also disregarded by Revenue. Revenue stated that carrying out further work on these cases would involve manually identifying the property and owner on the LPT register. In Revenue's view, this was not expected to identify liable vacant properties given the extent to which the ESB Networks records included properties not liable to VHT.

8.23 Around 9,600 cases were eliminated from consideration on the basis that Revenue could identify circumstances that meant VHT was not payable — LPT exemption in place, property rented, property changed ownership or duplicate record.

8.24 A further 1,200 cases were eliminated because Revenue was able to identify the date of death of the property owner which indicated there would be grounds for granting an exemption from payment of VHT, if it were sought. However, a VHT return would have been required in respect of such cases.

8.25 At the end of the analysis, Revenue identified around 23,400 properties that it considered would have a potential obligation to pay VHT. This included around 4,000 properties owned by local authorities and 30 owned by approved housing bodies (AHBs). This listing represented Revenue's preliminary register for VHT.

Use of preliminary vacant homes tax register

8.26 Revenue issued approximately 19,300 letters to the recorded owners of the 23,400 properties to advise them of a possible VHT liability and requested (where relevant) they confirm that liability by filing a return and making a payment where appropriate.¹²

8.27 Of the 56% of owners who responded, the majority (7,679) informed Revenue that the properties in question were not actually vacant within the terms of the VHT definition. A further 1,656 declared their property to be vacant and 1,455 declared their property to be exempt from the tax. Revenue stated that it refined the preliminary VHT register to reflect these responses.

8.28 Revenue explained that no response was received from 8,516 or 44% of the persons to whom letters were sent. Revenue did not follow up with the non-responders to establish if a VHT liability existed. Revenue stated that based on what had been learned from those that did respond — i.e. the majority confirming their property as being occupied — it was considered that follow-up would not have been effective or useful.

Revenue views on vacancy identification

8.29 Revenue noted that non-residential metered connections and incorrect or missing Eircodes were a challenge in identifying vacancy. Revenue also stated that the underlying assumption — that energy usage less than 180kWh over four consecutive quarters was an indicator of vacancy — could not be relied upon. On that basis, Revenue has no immediate plans to engage further with ESB Networks in relation to that specific dataset or to continue use of the ESB Networks metered connections data to identify potential vacant properties.

8.30 However, Revenue further noted that it is consistently seeking sources of relevant data and has remained in contact with ESB Networks, particularly in the context of the Smart Meter Data Access Code (SMDAC). In February 2025, the Commission for the Regulation of Utilities published the SMDAC, which provides a framework by which eligible parties, with a lawful basis, can access smart meter data.

8.31 ESB Networks is currently implementing the systems and processes required under the SMDAC. Revenue officials have attended ESB Networks SMDAC webinars and met with ESB Networks' SMDAC team and will continue to monitor developments to assess whether more useful data may become available in future. However, Revenue stated that it is unlikely that it will seek more data from ESB Networks in the short term as the SMDAC developments will not address the issue of non-residential meters being categorised as residential.

¹² As some individuals owned more than one property, there were approximately 19,300 property owners associated with the 23,400 potentially vacant properties identified.

GeoDirectory data

- 8.32** Revenue received just over 23,000 data records with a 'vacancy marker' from the GeoDirectory and selected a random sample of 400 records for review. The review identified that the data included property types that would not be liable to VHT, such as uninhabitable properties and commercial properties. As a result, while the review found that 52% of the sample could be potential vacant properties, Revenue ultimately decided not to use the data.
- 8.33** Revenue explained that other than the 'vacancy marker', a significant level of manual intervention was needed to determine whether such properties were in use for less than 30 days, particularly in the case of the uninhabitable properties. In addition, the 'vacancy marker' on the GeoDirectory could be used for holiday homes in use for more than 30 days a year, which are not liable to VHT.

Local authority vacancy data

- 8.34** In December 2022, local authorities, in conjunction with the Department of Housing, Local Government and Heritage, carried out a vacancy survey. Each local authority was provided with a map-based mobile application containing a list of properties (points on the map) from the GeoDirectory that were flagged as vacant or derelict in quarter two of 2022.
- 8.35** Local authorities carried out site visits to verify if the identified properties were vacant or occupied, recording information on their condition and the reason for their vacancy.
- 8.36** The Department of Housing, Local Government and Heritage has stated that the survey was not intended to provide a broad, national count of vacant and derelict properties. Instead, the objective was to provide local authorities with an initial database of vacant and derelict properties that could be updated on an ongoing basis and could be used to engage with property owners to bring the properties back into use. This was a once-off exercise and the number of properties identified as vacant has not been published.
- 8.37** In January 2026, as part of a scoping exercise to assess the feasibility of using the data from the local authority vacant homes survey in developing the VHT register, Revenue contacted Clare County Council and the Department of Housing, Local Government and Heritage. In June 2026, Revenue also contacted Monaghan County Council.
- 8.38** At the time of completion of this report, Revenue had not yet been able to access the vacant homes survey data. Although the legislative basis for such data sharing is in place, the data cannot be accessed until all GDPR requirements are fully satisfied.¹³
- 8.39** Revenue explained that it cannot fulfil these requirements independently. The Department of Housing, Local Government and Heritage and the individual local authorities are joint controllers of this data. As of July 2026, Revenue's request for access to the local government survey data is with the Local Government Management Agency for consideration.¹⁴

¹³ Section 96, Finance Act 2022, (section 653BM).

¹⁴ The Local Government Management Agency is a state agency that provides a range of professional services to local authorities.

Register of vacant homes and chargeable persons

- 8.40** Legislation requires Revenue to maintain a register of vacant homes where VHT is potentially payable and of associated chargeable persons. Revenue stated that in line with the legislative provisions, it is only required to hold a register of properties that are liable to VHT. All property owners that have filed a VHT return are registered for a standalone VHT tax head on Revenue systems and are readily identifiable.
- 8.41** Revenue further stated that it has a well-established LPT register and that the VHT register is a subset of the LPT register which contains all the necessary information for the administration of the tax. The VHT register contains the necessary identifiers (property ID, name and PPSN of the property owner) to link to the full property record on the LPT register.
- 8.42** Revenue considers that it would not be efficient or appropriate to duplicate all the LPT data in the VHT register.

Vacant homes tax returns and exemptions

- 8.43** Property owners can access Revenue's VHT portal via MyAccount, ROS or the LPT portal. Property owners must review their property information and declare its status as vacant, occupied or transferred. Properties declared as vacant are liable for VHT unless an exemption application is submitted. Having reviewed the relevant property details, owners must then confirm any amount due, select a payment method and submit their return.

Review of a sample of vacant homes tax returns

- 8.44** The examination reviewed a sample of 44 properties declared as vacant in the first two chargeable periods to confirm that the VHT returns were filed on time, the liability was assessed correctly, the tax was paid on time and that charges due for late filing or overdue payments were applied correctly.
- 8.45** There were no issues noted with the VHT liability paid for all properties reviewed. However, from the 44 properties reviewed, the examination found that
- returns for 24 properties (55%) were filed late, ranging between three days overdue to just over two years overdue¹⁵
 - 15 of the 24 properties that filed late returns also paid their VHT liabilities late, ranging between six days to almost two years late.
- 8.46** Revenue noted that eight of the 24 properties that filed late were filed within one month of the filing date (referred to by Revenue as 'due month + 1 compliant') and that in their view these taxpayers are essentially compliant, albeit slightly late with returns and/or payments.
- 8.47** Tax legislation provides that statutory interest accrues at a daily rate of 0.0219% on any unpaid liability until discharged.¹⁶ A further penalty may apply in cases of incorrect or missing returns. The total statutory interest foregone on the 15 late payments was just over €1,600. Revenue has not applied statutory interest to any VHT cases to date.

¹⁵ For one case, the property owner raised a query with Revenue prior to the return deadline, but the query took four months to resolve. The return was then filed.

¹⁶ Section 96, Finance Act 2022, (section 653BE).

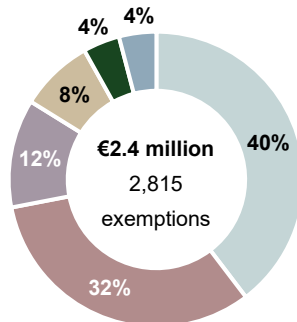
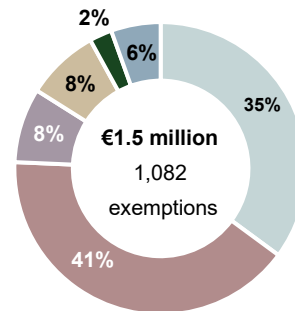
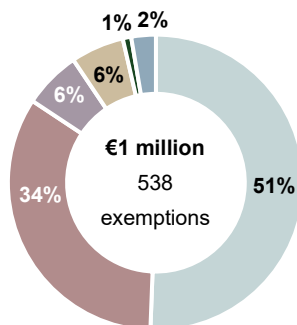
- 8.48** A surcharge of 5% also applies where a VHT return is filed after the due date, rising to 10% where the return is more than two months late.¹⁷ The potential total value of the surcharge foregone on the 24 late VHT returns in the sample was just over €7,000. When the examination team queried this with Revenue, it was confirmed that Revenue has not applied the surcharge to any VHT cases to date.
- 8.49** Revenue stated the main reason that interest and surcharges have not yet been applied is that it is normal practice when new taxes are introduced that Revenue's initial and primary focus is ensuring the administrative measures for the tax are in place. There is engagement with the relevant taxpayers to ensure awareness and to promote and assist voluntary compliance.

Vacant homes tax exemptions claimed

- 8.50** VHT legislation provides for eight specific exemptions that may be claimed where the qualifying conditions are satisfied for the applicable chargeable period.¹⁸ Although the VHT portal allows homeowners to upload documentation in support of the exemptions being claimed, taxpayers are not obliged to submit supporting documentation when claiming an exemption because VHT is a self-assessed tax.
- 8.51** There have been just over 4,400 exemptions claimed across the first three chargeable periods with the number of exemptions claimed reducing from just over 2,800 in the first chargeable period (2022/2023) to almost 540 by the third chargeable period (2024/2025). The total tax expenditure associated with these exemptions was €4.9 million.
- 8.52** The most common exemption categories claimed in all three chargeable periods were for properties that were actively for sale or undergoing structural works — accounting for 76% (or €3.7 million) of the total tax expenditure (see Figure 8.6).

¹⁷ Section 96, Finance Act 2022 (section 653BF).

¹⁸ Section 96, Finance Act 2022 (section 653BC).

Figure 8.6 Tax expenditure from VHT exemptions in the first three chargeable periods^{a,b}**November 2022 – October 2023****November 2023 – October 2024****November 2024 – October 2025**

- Undergoing structural work
- For sale
- Long-term illness of owner
- Owner deceased
- For rent
- Grant of representation/court order

Source: Revenue Commissioners

- Notes:
- a Based on data extracted from Revenue's systems on 23 June 2026.
 - b There is an additional category of exemption for properties owned by a North-South implementation body. There have been no exemptions claimed for this exemption category in the first three chargeable periods.

Revenue's approach to vacant homes tax compliance

- 8.53** Revenue's approach to VHT compliance for the first three chargeable periods has been focused on correspondence campaigns — identifying and writing to potential vacant homeowners in advance of the VHT return filing dates asking that they confirm whether they are liable to VHT.
- 8.54** Around 26,000 letters in total have been issued by Revenue to potential chargeable persons in advance of the return filing dates for the first three chargeable periods. Revenue noted that, as VHT only applies if the property is occupied for less than 30 days in the chargeable period, the number of returns can fluctuate annually. As VHT is a self-assessed tax, no automatic follow-up action is taken where, for example, a return is filed in chargeable period 1 and not filed in chargeable period 2.
- 8.55** Revenue explained that, when a new tax is introduced, it is normal practice that the focus is primarily on ensuring that the administrative measures for the tax are developed and that there is engagement with the relevant taxpayer case base to ensure awareness and promote voluntary compliance. While cases are followed up by Revenue where the available data indicates possible non-compliance, Revenue has not yet commenced a structured compliance programme for VHT.

Conclusions and recommendations

- 8.56** The primary objective of the VHT is to incentivise the owners of unoccupied residential properties to return them to use, through re-occupation or return to the property market through sales or availability for rent, on a short- or longer-term basis. The tax rate applied on an unoccupied property — a multiple of the applicable LPT — is substantial, but owners of vacant homes (or their representatives) may avoid a VHT liability by occupying the property for a minimum of 30 days across the chargeable period or by availing of one of the exemptions provided for by law.
- 8.57** Identifying the stock of unoccupied residential property is challenging because there is no single database of what vacant property exists or of how it is used. In addition, part of the housing stock is always in transition between occupation and non-occupation e.g. to facilitate sales or other transfers, turnover of home rentals, or renovation, or in response to life events affecting households, such as a sole occupier's admission to long-term care.
- 8.58** Revenue was able to gather data about the vacancy of individual properties as part of LPT filing in 2021, for the purposes of analysis and tax policy development. This analysis indicated that, excluding uninhabitable or unsuitable properties, an estimated 57,000 homes were vacant, representing almost 3% of the residential housing stock on the LPT register.
- 8.59** Long-term analysis of housing stock vacancy by the CSO based on low levels of electricity consumption as an initial vacancy indicator provided quarterly estimates of 70,000 to 77,000 vacant residential units over the period 2017 to 2023. The CSO figures for 2024 suggest a small drop in the estimated level of vacancy to just over 70,000 vacant homes at end 2024.

Vacant homes tax returns and yield

- 8.60** The level of declaration of residential property for VHT purposes for the first chargeable period (November 2022 to October 2023) was significantly lower than the estimated residential vacancy levels. Just 6,775 declarations were made, and of these, exemptions were granted for 2,815 properties. Tax of €2.34 million was paid in respect of 3,960 homes declared vacant — an average of €591 per property.
- 8.61** For each subsequent chargeable period, the number of returns made to Revenue has fallen significantly. Notwithstanding this, tax receipts from the VHT have remained at around €2 million each year. For the 2024/2025 period, just under 2,200 returns were made, with tax of €2.19 million paid in respect of 1,655 properties — an average of €1,323 per property.

Evaluation of effectiveness

- 8.62** The key stated objective of the VHT is to encourage property owners to bring empty homes back into the housing market for rent or sale. The low rate of declaration of property for VHT purposes and the high rate of exemption from tax liability suggest that it may have limited effect. There has been no formal evaluation of the effectiveness of the tax in achieving this objective.

Recommendation 8.1

The Department of Finance, in cooperation with Revenue, should evaluate the effectiveness of the vacant homes tax in achieving its objective of bringing vacant property back into use.

Response of Secretary General, Department of Finance

Agreed.

The Department is currently working on the introduction of the new derelict property tax, which will be legislated for in this year's Finance Bill. This new tax will be implemented on a phased basis, and a commitment has been given to review it at such time that there exists two years of data. There is a strong rationale for also reviewing the VHT at this time. Vacancy and dereliction are linked, with long-term vacancy leading to dereliction over time. The objectives of these taxes are similar, as they both seek to change behaviour rather than raise revenue. Both taxes face data constraints.

The operation of these taxes however differ significantly, with the case base for derelict property tax being informed by inspections carried out by local authorities. Data on how the new tax is operating will assist in evaluating the performance of the VHT, notwithstanding that the VHT is self-assessed.

In the interim, the Department will prepare a high-level analysis of the VHT for consideration by the Tax Strategy Group in 2027. This paper will be published following the meeting, which will take place in quarter two 2027. This will examine available data in respect of the tax. It will also delve into the matter of vacancy data and reporting, including trends in vacancy documented since the introduction of the tax in 2022.

Timelines for implementation

High-level analysis prepared by quarter two 2027 ahead of the Tax Strategy Group, to be published during quarter three 2027.

Detailed evaluation to take place once two years of data become available on the derelict property tax.

Compiling the vacant homes tax register

- 8.63** The legislation that provided for LPT taxpayers to submit information about property vacancy in 2021 was specifically to facilitate analysis and tax policy design. As a result, Revenue was unable to use the information to identify potential individual liabilities to pay VHT.

- 8.64** There is no single national database or register of all vacant properties and their owners in Ireland. Estimates range between 57,000 and 81,000 potential vacant homes depending on the source of the data collected — Revenue Commissioners, CSO and GeoDirectory — as each use different methodologies and definitions of vacancy.

Data sources on potential vacant properties

- 8.65** To compile a preliminary VHT register, Revenue obtained and analysed data it could legally acquire from various third-party sources, including low metered electricity consumption records. Using a methodology like that of the CSO, it identified around 23,400 vacant properties with potential liability. Of these, around 4,000 were vacant local authority homes. In all, around 19,300 property owners were identified for follow-up.
- 8.66** Revenue received information on around 113,000 properties where the long-term pattern was of very low electricity consumption. Revenue disregarded around 11,000 properties where other information indicated the property was not residential and 9,600 other records where it could establish circumstances that indicated the properties were not liable to VHT.
- 8.67** Revenue also excluded from the VHT register around 67,000 records where the metered connection data did not include an Eircode, or where there was an Eircode that did not match an Eircode on the LPT database. Revenue's view is that further work on these cases is not expected to identify liable vacant properties given the extent to which the ESB Networks records included properties not liable to VHT.
- 8.68** While this exercise was used to establish a preliminary VHT register, it is not clear that Revenue has fully exhausted the potential of third-party data for VHT purposes. It is noted in particular that the results of a coordinated survey of residential property vacancy across local authorities which commenced in late 2022 have not been made available to Revenue.
- 8.69** Overall, the exercise undertaken by Revenue to identify properties with a potential VHT liability and the data constraints Revenue has encountered in doing so do not provide a sufficient level of assurance that all owners of vacant property with a potential liability for VHT have been recorded on Revenue's VHT register.

Recommendation 8.2

Revenue should continue to explore third-party data sources, including ESB Networks, GeoDirectory and local authorities, to assist it in updating the VHT register.

Accounting Officer's response

Agreed.

Revenue agrees with the importance of the use of relevant datasets to inform its work and will continue to seek any dataset that helps inform the continued population of the VHT register.

Revenue is currently engaging with the Department of Housing, Local Government and Heritage and the local authorities to assess the usefulness of the vacancy-related data they hold. This work is focused on determining how such data can best be used, in conjunction with Revenue's own information to support the administration of VHT while recognising that external data can only provide indicative, rather than definitive evidence of vacancy under the terms of the tax.

Revenue is also committed to revisiting ESB Networks and GeoDirectory data sources in the event that the sources are enhanced in the future.

Timeline for implementation

This work is ongoing, and timelines are somewhat dependent on available third-party data sources in the future and appropriate data-sharing arrangements being in place.

Register of vacant homes and chargeable persons

- 8.70** The establishment of a register of vacant properties liable to the tax and associated chargeable persons is essential for the effective administration of this tax. It is also a key component for tracking and measuring the effectiveness of the tax at releasing vacant homes back into the housing market for use or resale.
- 8.71** Similar to the LPT, a key feature of the legislation that introduced the VHT is the statutory requirement for Revenue to establish and maintain a register of vacant homes and chargeable persons. Revenue stated that the VHT register is no longer 'preliminary' and is a subset of the LPT register which contains all the necessary information for the administration of the tax. It also considers that it would not be efficient or appropriate to duplicate all the LPT data in the VHT register.

Revenue's approach to vacant homes tax compliance

- 8.72** A review of a sample of 44 VHT returns submitted in the first two chargeable periods found that 55% had filed the return late and of those late filers almost 63% had also paid their VHT liabilities late. The examination found that Revenue had adopted a lenient approach because VHT was in a start-up phase and had chosen not to apply late filing surcharges or statutory interest in these non-compliant cases.
- 8.73** Revenue's focus on compliance for the first three chargeable periods has been to engage (by way of letter) with potential vacant homeowners in advance of the VHT return filing dates asking that they confirm whether they are liable to VHT. No follow-up action is taken by Revenue where a property is declared vacant in one chargeable period and does not file a return in the next chargeable period. No other compliance work has been completed by Revenue since the introduction of the tax.

Recommendation 8.3

Revenue should develop a compliance testing programme, including testing of non-declaration of liability for the VHT and claimed exemptions and exits from liability.

Accounting Officer's response

Agreed.

VHT is a relatively new tax. Revenue's initial and primary focus was to ensure administrative measures for the collection of the tax were in place and engage with the relevant taxpayer case base to ensure awareness of potential liability to VHT, and to promote and assist liable taxpayers' voluntary compliance. As such, compliance activity to date has focused on identifying non-filers rather than reviewing the compliance of returns filed. It should be noted that there are legitimate reasons why a property owner may have a VHT liability for one chargeable period but not the next, including but not limited to, where the property is sold, or an LPT exemption applies in the later period only.

Having regard to the above, after the deadline for the current chargeable period (from November 2026), Revenue will analyse cases where a liability was declared in the third chargeable period (November 2024 to October 2025) but not declared in the following chargeable period (November 2025 to October 2026). This analysis will inform the development of appropriate risk-based compliance programmes, as needed.

Timeline for implementation

Second half of 2027.