

# Living City Initiative

The background of the image features a series of overlapping, wavy, organic shapes in various shades of green and blue. These shapes flow from the top right towards the bottom left, creating a sense of movement and depth. The top of the image is divided into a solid green upper section and a solid blue lower section, which serves as the backdrop for the title text.



## What is the Living City Initiative (LCI)?

The Living City Initiative is a tax-incentive scheme aimed at regenerating inner-city areas by encouraging refurbishment, conversion, and reuse of existing historic buildings.

Rather than subsidising new builds, it supports upgrades of older or underused structures (residential or commercial) within designated areas.

The scheme applies in certain “Special Regeneration Areas” (SRAs) in the historic cores of key Irish cities: Dublin, Cork, Galway, Limerick, Kilkenny and Waterford.

Dundalk and Drogheda were recently added to the scheme in Budget 2026. It has existed since 2015 and is due to expire on 31 December 2027. The scheme will be administered by Louth County Council and it is expected to be opened in the immediate future.



## Types of Relief / How the Incentive Works

There are three main reliefs/types under LCI, depending on how the property is used:

Relief Type	Who it's for / use	How relief is claimed	Key features / limitations
<b>Owner-occupier Residential Relief</b>	For people living in the property as their sole/main residence	Income tax deduction over multiple years	Must be a pre-1975 residential building; works must be eligible; located in an SRA; you must occupy it immediately after works
<b>Rented Residential (Landlord) Relief</b>	For residential properties that are rented out	Capital allowances (tax relief)	Commenced January 2017 for this relief.
<b>Commercial / Retail Relief</b>	For buildings or parts used for retail, offices, services	Accelerated capital allowances	Works on commercial parts of buildings can qualify, subject to caps and conditions



## Here's how these reliefs function in practice:

- **Owner-occupier relief:**

If you refurbish/convert a qualifying property, you can deduct 10% of the qualifying expenditure each year from your taxable income over 10 years (i.e.  $10\% \times 10 = 100\%$  over the period).

Recent changes have accelerated relief in some cities (e.g. some owner-occupier relief can now be claimed over 7 years instead of 10) under the extension to 2027.

- There is no upper monetary limit on the qualifying expenditure for the owner-occupier relief (i.e. you're not strictly capped)

- **Rented & Commercial relief:**

For landlords and commercial property owners, qualifying expenditure is claimed via capital allowances (i.e. tax relief on capital expenditure) over a 7-year period (with 15% per year for first six years and 10% in the last)

- For commercial relief, there is a cap of €300,000 of relief per project.
- The relief only applies to refurbishment and conversion — not new builds.

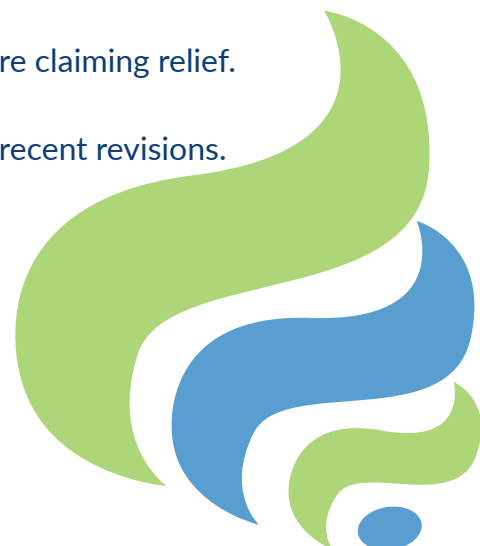


## Eligibility Criteria / Conditions

To benefit from LCI, a property and the works must meet certain conditions. Here are key points:

### Property Criteria

- For the residential (owner-occupier) relief, the property must have been built before 1975. (This requirement does not apply to commercial parts in some cases.)
- The property must lie within a designated Special Regeneration Area (SRA) of one of the participating cities. You need to check whether your address is in the SRA map.
- The works must be refurbishment or conversion (i.e. improvements to existing structure, making usable a disused part, restoring, upgrading) — it does not allow for full new builds.
- The minimum cost of works must be €5,000 to qualify.
- For commercial relief, the cap mentioned above (€300,000) applies per project.
- Works must be carried out within the qualifying period (i.e. eligible dates).
- Owner-occupier & commercial: works must be done between 5 May 2015 and 31 December 2030
- Rented residential: works must be between 1 January 2017 and 31 December 2030
- After the works, there is usually a requirement for immediate occupation (i.e. the property must be used/occupied after refurbishment).
- All statutory and planning / building regulations must be complied with. You can't skip necessary permissions.
- A "Letter of Certification" from the local authority is required before claiming relief.
- In some cities (e.g. Limerick), the floor space limit was removed in recent revisions.



## Timeframe and Extension

- Originally, the scheme was set with timelines, but the government extended the scheme under Budget 2026, so that it now runs until 31 December 2030 for all reliefs.
- Some changes under the extension: for owner-occupier relief, you may now claim the relief over 7 years (accelerated) instead of 10 years in certain cities.

## Steps / How to Apply

- 1 - Check your property's eligibility
  - Check if the building is pre-1975 (if residential).
  - Estimate whether your intended works meet the minimum €5,000 threshold and qualify as refurbishment/conversion.
- 2 - Obtain Letter of Certification / Pre-approval from Local Authority
  - Before doing the works or before claiming relief, you need the local authority to certify that the property is eligible.
- 3 - Carry out the works in compliance with planning & building regulations
  - All works must comply with planning, building standards, and legal requirements.
  - Keep accurate records, invoices, etc., of all qualifying expenditures (labour, materials, professional fees, etc.).
- 4 - Submit application / claim relief
  - Once works are complete, the claimant can submit tax relief claims (for owner-occupier) or capital allowance claims (for rental/commercial) via Revenue processes.
  - There is a reporting system. Basic information about the investor, property, and expenditure must be made available to the Revenue.
  - You may need to claim in stages (i.e. per year) as the relief is spread over time.
- 5 - Maintain use / conditions over time
  - For residential owner-occupier relief, there may be conditions about how long you must occupy the property or restrictions on selling them within a defined period.
  - For rented relief, there can be "clawback" provisions if conditions are not met.





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