

Exemption for properties constructed using defective concrete blocks

Part 02-13

This document should be read in conjunction with section 10D and 10E Finance
(Local Property Tax) Act 2012 (as amended)

Document updated October 2025

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1 Introduction

A temporary 6-year exemption from the charge to local property tax (LPT) is available for certain properties that have been damaged by the use of defective concrete blocks in their construction.

A property that has been damaged by the use of defective concrete blocks in its construction is eligible for the exemption in the following circumstances:

Eligibility for Local Property Tax Exemption			
Eligibility Reason:	1. Original Defective Concrete Block ('DCB') Grant Scheme¹		
	Available to Properties in:	Relevant Legislation for Exemption:	
	Donegal & Mayo	Section 10D(a) Finance (LPT) Act 2012	
Additional Information:	<ol style="list-style-type: none"> Grant Scheme Qualifying Conditions (see section 3.1 below) Background on Original DCB Grant Scheme (see section 2.1 below). Supporting Documentation required for LPT Exemption (see section 5.1 below) Date on which LPT Exemption starts (see section 6 below) Examples of LPT Exemption under Original DCB Grant Scheme (see section 9.1 below) 		
Eligibility Reason:	2. Insurance company has remediated it or has provided sufficient funds to carry out the remediation		
	Available to Properties in:	Relevant Legislation for Exemption:	
	All counties	Section 10D(b) Finance (LPT) Act 2012	
Additional Information:	<ol style="list-style-type: none"> Qualifying Conditions (see section 3.2 below) Revenue Approval Required for LPT exemption. Supporting Documentation required for LPT Exemption (see section 5.3 below) 		

¹ The scheme is provided for by the Dwellings Damaged by the use of Concrete Blocks in Construction (Remediation) (Financial Assistance) Regulations 2020.

	<ol style="list-style-type: none"> 4. Date on which LPT Exemption starts (see section 6 below) 5. Examples of LPT Exemption under Insurance claim (see section 9.2 below) 		
Eligibility Reason:	3. Where the builder who built the property has remediated it or has provided sufficient funds		
	Available to Properties in:	Relevant Legislation for Exemption:	
	All counties	Section 10D(c) Finance (LPT) Act 2012	
Additional Information:	<ol style="list-style-type: none"> 1. Qualifying Conditions (see section 3.3 below) 2. Revenue Approval Required for LPT exemption. 3. Supporting Documentation required for LPT Exemption (see section 5.3 below) 4. Date on which LPT Exemption starts (see section 6 below) 5. Examples of LPT Exemption where builder has remediated property (see section 9.3 below) 		
Eligibility Reason:	4. Enhanced Defective Concrete Block ('DCB') Grant Scheme²		
	Available to Properties in:	Relevant Legislation for Exemption:	
	Donegal, Mayo, Sligo, Clare and Limerick	Section 10E Finance (LPT) Act 2012	
Additional Information:	<ol style="list-style-type: none"> 1. Qualifying Conditions (see section 3.5 below) 2. Background on the Enhanced DCB Grant Scheme (see section 2.2 below). 3. Supporting Documentation required for LPT Exemption (see section 5.2 below) 4. Date on which LPT Exemption starts (see section 6 below) 5. Examples of LPT Exemption under Enhanced DCB Grant Scheme (see section 9.4 below) 		

² The enhanced scheme is provided for by the Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Act 2022 and the Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Regulations 2023 (S.I. No 347 of 2023)

In relation to the qualifying condition at 1 above, this refers to properties that have been confirmed as eligible for a grant for remediation work under the Defective Concrete Blocks Grant Scheme ('the original grant scheme') administered by Donegal and Mayo County Councils. The original grant scheme was signed into law under S.I. No. 25 of 2020 on the 31 January 2020. The scheme covered up to 90% of the costs associated with the remediation of the dwelling and first opened for applications at the end of June 2020. The grant scheme was limited to properties situated in the administrative areas of Donegal County Council and Mayo County Council.

In relation to the qualifying conditions numbered 2 and 3 above, claimants have to apply to Revenue for approval of the exemption as set out in this Tax and Duty Manual at [section 5.3](#).

2 Defective Concrete Blocks Grant Schemes

This section contains a broad overview of both the original grant scheme and the enhanced grant scheme.

The National Standards Authority of Ireland (NSAI) published a standardised protocol, "**I.S. 465:2018 – Assessment, testing and categorisation of damaged buildings incorporating certain deleterious materials**". Acceptance into the grant schemes requires that a building professional assesses, tests and categorises the damage in accordance with the procedures specified in I.S. 465:2018 and prepares a report demonstrating that the property has been damaged. An applicant for a grant then applies for inclusion in the grant scheme and submits the building professional's report to the relevant local authority.

2.1 Original Defective Concrete Block Grant Scheme

The statutory basis for the original scheme was the "**Dwellings Damaged by the Use Of Concrete Blocks in Construction (Remediation) (Financial Assistance) Regulations 2020**" (S.I. 25 of 2020) which were introduced by the Minister for Housing, Local Government and Heritage on 31 January 2021. The purpose of these Regulations was to provide for a scheme of financial assistance to property owners to carry out the necessary remedial works to properties that were damaged by the use of defective concrete blocks in their construction. These are blocks that contain excessive amounts of deleterious materials, namely mica or pyrite.

In the case of the original grant scheme, if the local authority confirms eligibility to proceed to the grant approval stage, the property qualifies for the LPT exemption. This exemption does not require actual grant approval, grant payment or remediation work.

The grant scheme opened for applications at the end of June 2020. It is restricted to owners of properties that are used as the owner's principal private residence. An owner can only apply for a grant for one property. A property purchased on or after 31 January 2020 will not be eligible for the grant scheme where the purchaser knew, or ought to have known, that defective concrete blocks were used in its construction.

The grant scheme is administered by Donegal and Mayo County Councils. These local authorities are specifically referenced in the Regulations.

2.2 Enhanced Defective Concrete Block Grant Scheme

The Defective Concrete Blocks Grant Scheme was revised in 2023, and is now known as the 'Enhanced Defective Concrete Block Grant Scheme'. The statutory basis for the enhanced scheme is the **"Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Act 2022"** and the accompanying regulations; the **"Remediation of Dwellings Damaged by the Use of Defective Concrete Blocks Regulations 2023 (SI No 347 of 2023)"**, which was commenced in July 2023.

The enhanced scheme replaced the original grant scheme from July 2023 and applications for the scheme should be submitted to the property owner's relevant designated local authority. The owner must have acquired ownership of the dwelling prior to 31 January 2020 and use the property as their principal private residence or be the landlord where there was a registered tenancy on or before 1 November 2021, except where the resident had to leave the property due to the defective concrete blocks damage.

In the case of the enhanced grant scheme, where the relevant Housing Agency has provided a notice to the property owner that their property meets the 'damage threshold', the property qualifies for the LPT exemption.

The enhanced grant scheme is administered by the Donegal, Mayo, Clare and Sligo County Councils and Limerick City and County Council.

Revenue has no responsibility in relation to the administration of the scheme or in relation to the Act or Regulations. Any questions on them should be addressed to defectiveconcreteblocks@housing.gov.ie. The main telephone number for the Department of Housing, Local Government and Heritage is 01-8882000.

3 Qualifying Conditions

3.1 Original Defective Concrete Block Grant Scheme

A "confirmation of eligibility" in relation to a property must be issued by Donegal or Mayo County Council in cases eligible under the original grant scheme. This was a confirmation that a person was eligible to be considered for confirmation of grant approval in respect of a property for the carrying out of the qualifying works required for, or ancillary to, the relevant remedial option for the property. The exemption did not require that a grant had actually been approved or paid or that remediation work had been carried out. Although the original grant scheme opened for applications at the end of June 2020, the exemption is not retrospective and the first LPT liability date it can apply for is 1 November 2021 in respect of LPT payable for the year 2022. See [example 9.1](#) below.

3.2 Insurance covering structural damage to a property

Builders and property developers may take out an insurance policy by way of registration with a company that underwrites any major structural defects in the properties that they build or develop. Builders and developers who have such cover should have given a copy of the warranty policy to a person who purchased one of their properties. Such structural warranty schemes are operated by companies such as Homebond and Premier Guarantee.

The type of evidence of damage required by a structural warranty company in support of a claim for exemption is a matter for the particular property owner and the insurance company. Where a property owner makes a successful claim under an insurance policy, Revenue will require such evidence that will satisfy it that, following a claim that a property has been damaged by the use of defective concrete blocks, an insurance company has remediated the property to the required standard (see [section 3.4](#) below) or has provided the property owner with sufficient funds to remediate the property. See [example 9.2](#) below.

3.3 Remediation or compensation by builder/property developer

Builders or property developers may accept responsibility for the damage caused by their use of defective concrete blocks and agree to remediate the properties. This may come about as a result of a voluntary decision by a builder or from the institution of legal proceedings by the owners of damaged properties. Whatever the reason, it is expected that remediation would not take place without it having been established that the damage was significant and that it had actually been caused by the use of defective concrete blocks. In such circumstances, Revenue will require such evidence that will satisfy it that, because a property has been damaged by the use of defective concrete blocks, the builder or property developer who built the property has remediated it to the required standard (see [section 3.4](#) below) or has provided the property owner with sufficient funds to remediate the property. See examples in [section 9.3](#) below.

3.4 Type of remediation required

The qualifying conditions outlined in [sections 3.2](#) and [3.3](#) above require that a property is remediated or that sufficient funds are provided to the property owner to carry out the remediation. Although a property might not be accepted into the grant scheme, remediation in this context has a particular meaning and is based on remediation carried out under the grant scheme. The required procedures for the remediation of a property are contained in I.S. 464:2018. The work depends on the remedial option recommended in the building professional's report which can be substantial. In descending order of cost, the remedial options are:

1. demolish entire dwelling to foundation level and rebuild;
2. demolish and rebuild external walls (both outer and inner leafs) down to foundation on a phased basis and re-render;
3. demolish and rebuild external walls (both outer and inner leafs) down to top of rising wall on a phased basis and re-render;
4. demolish and rebuild external walls (outer leaf only) down to top of rising wall on a phased basis and re-render; and
5. demolish and rebuild outer leaf of affected walls only and re-render. Where an insurance company or a builder/property developer provides a property owner with sufficient funds to carry out the remediation work, this amount must be sufficient to remediate the property in accordance with I.S. 465:2018.

3.5 Enhanced Defective Concrete Block Grant Scheme

For those applying under the enhanced scheme, they are required to engage a competent building professional to carry out a 'Building Condition Assessment' report. The difference to the original grant scheme is that the Housing Agency will play a role in determining that the damage threshold has been met, and the appropriate remediation option for the property. The Housing Agency will notify the property owner if they have met the damage threshold. When an owner has received such a notification, the LPT exemption can be claimed. The first liability date it can apply for is 1 November 2025 in respect of LPT payable for the year 2026. See example in [section 9.4](#) below.

4 Claiming the exemption

A property cannot qualify for the exemption unless the exemption is claimed.³ How the exemption is to be claimed depends on the qualifying condition involved and when the condition is met (see [3](#) above).

In the case of inclusion in the grant scheme (see [section 3.1](#) above), the exemption is claimed as part of the normal self-assessment process and the claim does not have to be approved by Revenue. However, see [section 8](#) below in relation to Revenue's compliance programme. See [examples 9.1](#) and [9.2](#) below.

In the case of the remediation of a property by an insurance company or a builder (see [sections 3.2](#) and [3.3](#) above), the claim must be approved by Revenue. A claimant is required to submit certain documentation in support of a claim. See [examples 9.2](#) and [9.3](#) below.

³ Required by sections 3A and 41A in relation to the second valuation period 2022 to 2025 and the third valuation period 2026 to 2030.

4.1 Qualifying condition met on a valuation date

Where the qualifying condition for the exemption is met on a valuation date, the exemption should be claimed in the “Property Details” section of the LPT return, which can be accessed online using MyEnquiries, ROS or the LPT online service. This exemption applies for the 6 year period beginning in the year subsequent to the valuation date. However, as the period of this exemption is longer than a valuation period, a further LPT return claiming the exemption for the remaining exemption period must be filed in respect of the next valuation period. See [example 9.1](#) below.

4.2 Qualifying condition met after a valuation date

Where the qualifying condition for the exemption is met after a 1 November valuation date and before the next valuation date, the exemption should be claimed by [contacting the LPT Branch](#). A claim should include any relevant documents in support of the claim.

This exemption applies for the 6-year period commencing with the first year for which the first liability date (1 November in each year) falling after the qualifying condition applies. For example, if the qualifying condition is met in June 2024, 1 November 2024 is the liability date for the year 2025 and the exemption applies for the years 2025 to 2030 (6-year period). As the period of the exemption spans two valuation periods, an LPT return claiming the exemption for the remaining exemption period must be filed in respect of the valuation date 1 November 2025, which relates to the valuation period 2026 to 2030. See [example 9.2](#) below.

5 Documents supporting the claim for the exemption

5.1 Supporting documents for Original DCB Grant Scheme

Claimants for exemption based on **confirmation of eligibility for the original grant scheme** should submit to Revenue the local authority notification of such confirmation.

5.2 Supporting documents for Enhanced DCB Grant Scheme

Claimants for exemption based on the **damage threshold notification for the enhanced grant scheme** should submit to Revenue the notification of such notification.

5.3 Supporting documents for insurance claim and remediation by builder

Claimants for exemption based on a **successful insurance claim, remediation by a builder/property developer or the provision of sufficient funds to carry out the remediation works** should send a written notification to Revenue claiming the exemption and submitting relevant documentation in support of their claim. Revenue is not in a position to be prescriptive about the exact types of documentation that will be accepted as evidence of qualification for the exemption. Decisions will be made on the facts and circumstances of individual cases.

The following types of information might be relevant depending on the particular situation:

- a brief description of the nature and extent of the damage,
- documentation provided by an insurance company in relation to a claim or settlement under structural warranty insurance, structural warranty guarantee or other form of insurance,
- a copy of a court judgement or settlement agreement where a property owner has instituted legal proceedings against a builder/property developer,
- documentation provided by the builder or the property developer in relation to the remediation of the property, whether by direct remediation or the provision of sufficient funds to carry out the remediation, and
- a certificate of remediation prepared in accordance with I.S. 464:2018.

Additional information may also be requested by Revenue to ensure that the claim qualifies for the exemption. Revenue will approve the exemption only where it is satisfied that the documentation submitted constitutes sufficient evidence that:

- an insurance company has remediated a property or provided sufficient funds to carry out the remediation, or
- the builder or the property developer who built the property has remediated it or provided sufficient funds to carry out the remediation.

There is no specific form for the written notification for making a claim for the exemption. In addition to the evidence relating to the basis for the claim, it should include the name and address of the property owner, his or her PPSN and the LPT Property ID for the particular property.

6 Date from which a property qualifies for the exemption

Depending on the basis for the exemption, the date on which a property qualifies for the exemption is either:

- the date on which the local authority issues the confirmation of eligibility for the original Defective Concrete Block grant scheme;
- the date on which a claim is settled under an insurance policy, or
- the date on which the remediation of a property is completed or sufficient funds for remediation are provided, where a builder or property developer remediates, or provides sufficient funds for the remediation of, the property,
- the date on which the Housing Agency issues the notification of the damage threshold being met under the enhanced Defective Concrete Block grant scheme.

When Revenue approves an exemption, the letter of approval must specify the date from which the exemption is to apply.

7 Duration of the exemption

The exemption will apply from the liability date following the date on which a property qualifies for the exemption. The liability date is 1 November in each year, which date determines the LPT payable for the following year. The exemption will then apply for a fixed period of 6 consecutive years. For example, if the qualifying condition is met in June 2024, 1 November 2024 is the liability date for the year 2025 and the claim covers the years 2025 to 2030.

8 Self-assessment and compliance

Where the exemption is claimed on the LPT return as part of the normal self-assessment process, Revenue may decide to examine the validity of the claim at a later stage as part of its ongoing compliance programme. See [section 5](#) above. The person claiming the exemption may be required to provide evidence and supporting documentation to back up the claim, such as confirmation of eligibility for the original grant scheme from a local authority or the damage threshold notification under the enhanced grant scheme or relevant documentation from an insurance company or building professional, as the case may be. Claimants should retain documentation to support their claim for exemption for a period of 6 years following the claim in case of a request for inspection by Revenue.

The exemption will be withdrawn where Revenue determines that the qualifying condition for the exemption was not met. Interest will be charged from the date on which LPT would have been payable in the absence of the exemption. A penalty may be imposed where a person makes a false statement or representation for the purpose of obtaining a reduction in the LPT liability.⁴

9 Examples illustrating the operation of the exemption

9.1 Confirmation of eligibility under the original DCB grant scheme in May 2021

Aoife owns two houses in Donegal, one of which is her principal private residence and the other a rental property. Both houses have started to show serious cracks in the external walls that she attributes to the use of defective concrete blocks. She applies to Donegal County Council for a grant towards the remediation of both houses but only receives a confirmation of eligibility (issued in May 2021) in respect of her principal private residence in accordance with the terms of the scheme. As Aoife is eligible for the exemption on her own principal private residence only on the following liability date 1 November 2021, and as this was also a new valuation date for LPT, she claims the exemption in the “Property Details” section of her LPT return. She follows this up by sending on the email she received containing the confirmation of eligibility for the grant scheme. Her 6-year period of exemption will be available for the years 2022 to 2027.

⁴ Section 147 Finance (Local Property Tax) Act 2012 (as amended).

Aoife will be required to file an LPT return in respect of the valuation date 1 November 2025 which relates to the valuation period 2026 to 2030. She will again need to claim the exemption on her LPT return to cover the remaining two years of the period of exemption, i.e., 2026 and 2027.

9.2 Settlement of structural warranty insurance claim

Fintan lives in Dublin. He began to notice structural damage to his house during 2020. He suspected that the damage was being caused by defective concrete blocks and submitted a claim to the insurance company with which his builder had registered the property. The insurance company was satisfied that Fintan had a valid claim in relation to the damage and engaged a contractor to carry out the remediation work. The remediation was completed in August 2021. Fintan claimed the exemption in the "Property Details" section of the LPT return that was submitted to Revenue in relation to the valuation date 1 November 2021. He followed up by sending copies of the letter from the insurance company settling his claim and the Certificate of Remediation to Revenue in support of his claim. This evidence was accepted by Revenue and the claim was approved. As the effective date for the exemption was August 2021, it applied from the following liability date of 1 November 2021 in respect of the year 2022 and the following five years, i.e., 2023 to 2027.

Fintan will be required to file an LPT return in respect of the valuation date 1 November 2025 which relates to the valuation period 2026 to 2030. He will again need to claim the exemption on his LPT return to cover the remaining two years of the period of exemption, i.e. 2026 and 2027.

9.3 Payment of compensation by a builder

Example 1: insufficient compensation to remediate property

Maria lives in Carlow and is not eligible for the enhanced grant scheme. She commences legal proceedings against her builder as a result of structural damage to her house that she suspects has been caused by the use of defective concrete blocks. The builder refuses to accept responsibility for the damage but offers Maria €25,000 in return for her agreement not to continue with the legal proceedings. She accepts this offer. Maria is not eligible for the exemption as the amount paid by the builder would not be sufficient to carry out the remediation.

Example 2: sufficient compensation to remediate property

Sarah had already commenced legal proceedings against her builder for damage caused to her house by the use of defective concrete blocks when the original grant scheme came into operation in June 2020. As she lives in Donegal, she applied to the county council for a remediation grant. The county council issued a confirmation of eligibility for a grant but shortly afterwards, the High Court ordered the builder to pay Sarah €250,000, the estimated cost of remediating her house by demolishing and rebuilding the external walls down to foundation level. She is not then entitled to proceed with the grant application.

The builder carries out the remediation work and gives Sarah a Certificate of Remediation in March 2022. She then writes to Revenue with a claim for the exemption and submits copies of the Court Order and Certificate of Remediation in support of her claim. Revenue accepts her claim with effect from March 2022. She qualifies for the exemption on the following liability date of 1 November 2022 for the 6-year period 2023 to 2028.

9.4 Notification of damage threshold under the enhanced DCB grant scheme in December 2024

Martin's house started to show cracks in the external walls which got much worse by the time he applied to Clare County Council in July 2024 for the enhanced grant scheme. He received a notification of meeting the damage threshold in December 2024. However, as this was after 1 November 2024 (the liability date for the year 2025), he does not qualify for the LPT exemption until the following liability date 1 November 2025. This means that his 6-year period of exemption will not start until 2026 and will last until 2031.

Martin was required to pay LPT from 2021 to 2024, based on the valuation he self-assessed for his house at 1 November 2021 in his LPT return. As it was obvious that his house had been seriously damaged at that stage, he valued it in the lowest valuation band of 'zero to €200,000', resulting in a €90 LPT liability for the period (before any adjustment that might be made by any county council). Martin is required to file an LPT return in respect of the valuation date 1 November 2025 which relates to the valuation period 2026 to 2030. He can claim the exemption for this period in the "Property Details" section of the LPT return. He will be required to file a further return in respect of the following valuation date 1 November 2030 which relates to the fourth valuation period 2031 to 2035, and as the period of exemption covers the year 2031, he will again be required to claim the exemption in respect of the year 2031.