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Final Report (For Approval)

The Housing Market in Ireland:
An Economic Evaluation
of Trends & Prospects

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Executive Summary

1. Adjustment of the housing market to sustainable balance is being pursued, against an increasingly dynamic context. Despite this, the analysis presented concludes firmly that rates of increase in prices of new and existing houses in Dublin and nationally have slowed down sharply since the middle of 1998, the time from which Government measures to redress market imbalance were instituted. Thus, the annual peak rate of inflation in the new house market was 26.2 per cent (1998Q1), countrywide and 37.5 per cent (1998Q1) in Dublin. By the first quarter of 2000 these rates had halved to 12.9 per cent and 12.9 per cent respectively. In the existing house market the annual peak rate of inflation was 36.9 per cent (1998Q3), countrywide and 41.3 per cent (1998Q3) in Dublin. These rates too have more than halved to 13.7 per cent and 17.3 per cent respectively in the first quarter of 2000.
2. The increasingly buoyant economic conditions are fuelling demand for housing and making the task of securing housing market stability more difficult. Over the past two years, economic growth has been even stronger than the generally bullish forecasts for the period. Falling interest rates through 1999 and strong inward migration flows have had a reinforcing influence on housing demand. Moreover, these influences are likely to add further pressure into the medium term. For example, a recent report by an Inter-Departmental Review Group has estimated that gross immigration of 200,000 workers will be required over the coming seven years to sustain economic growth. Allowing for other migratory flows and the likely age patterns of people making up these numbers the impact on housing demand from this source alone is likely to be in the range 8,000-10,000 units per annum.
3. The sharp moderation in house price inflation since the Government's first package of measures to bring stability to the market owe much to the expansion in housing supply, which has accompanied them. The pattern of house completions, through 1999, follows that of previous years, with numbers tending to increase in each successive quarter. For 1999 as a whole, total completions amounted to 46,512 up 9.8 per cent on the level in 1998, which in turn was 9.0 per cent higher than the previous year. Private house completions amounted to 43,024 and accounted for the bulk of the growth in house completions. These levels of completions are the highest that have ever been recorded in one year. The rate of output has doubled since 1993.
4. In fact, the rates of increase that have occurred in the past two years have been equal to or greater in magnitude than the predictions made two years ago of the supply that would be required to achieve stability in the housing market. The main reason this has not happened is that demand has strengthened to an even greater extent than was envisaged at the time. Other contributory factors have been that some of the supply increase has been focussed on meeting demand for holiday homes. Finally, the rate of change in supply associated with the rate of change in price (i.e. the price elasticity of supply) appears to have fallen in the past few years.
5. While considerable progress has been achieved and against an increasingly complicated backdrop, the market remains some distance from a sustainable equilibrium in which affordability is improved. The favourable trend in aggregate average house price inflation in 1999 masks higher inflation facing first time buyers. The level of average new house prices is outside the reach of many Irish workers, although some improvement in affordability occurred in 1999.

6. Looking forward, further progress towards achieving stability is in prospect, as the effects of supply-side measures, already in train, begin to accumulate on the ground. Nevertheless, there are also significant challenges. These arise from the prospective strong demand for housing which will accompany continuing economic growth and which it is government policy to sustain into the medium term. A recent report by an *Inter-Departmental Review Group* has estimated that gross immigration of 200,000 workers will be required over the coming seven years to sustain economic growth and this will be front-loaded over the coming three years. Allowing for other migratory flows and the likely age patterns of people making up these numbers the impact on housing demand from this source alone is likely to be in the range 8,000-10,000 units per annum. As regards supply, there are challenges too. These include, ensuring a high standard of quality in planning applications; adequately resourcing the planning system to enable it to deal with the current and prospective workload; delivering necessary infrastructure in a timely manner and to schedule, where it is needed most, facilitating the construction sector in overcoming capacity constraints and achieving sufficient scale to meet prospective demand.
7. Based on the projections for growth in disposable income and expected demographic developments, private house completions need to continue expanding, to around 54,500 per annum on average over the period 2000-2005. The expected pattern of development of demand and supply contained in the projections imply continuing pressure on real house prices for some time, although continuing the established pattern of moderation.
8. It seems clear from projections of Population and Labour Force, produced by the CSO in July 1999 that there will be significant growth of population and household formation in the Dublin & Mid East Region, in particular. Developments in this area are crucial for price trends in other parts of the country. Housing demand in Dublin and the Mid East Region of at least 20,000 units per annum is considered likely, over the coming five years. How this demand will split as between Dublin City and County and the Mid East Region will depend, *inter alia* on relative house price developments and access times between the two areas in public and other transport terms and relative endowments of social and recreational infrastructures and facilities. Personal preferences, as between city and suburban or outer suburban, will also play an important part. It is considered unlikely that in the short term Dublin City and County will meet much more than about 11,000 per annum from new house completions. However, it is within the scope of the Mid East Region to meet the balance, but output would need to be expanded very substantially above the rate of completions in 1999, which amounted to a little over 5,000 units. In these circumstances it is likely that there will be upward pressure on prices in these areas in the short term. In the medium term, beyond 2002, the actual supply of new completions in Dublin City & County could be significantly higher, than is projected as is the case also in the Mid East Region.
9. At present there is considerable uncertainty in the housing market in relation to when and where significant amounts of additional serviced land will become available in Dublin City & County. As a result, demand is being fuelled for development land and speculative elements of demand are persisting, including the artificially bringing forward of demand for housing.

10. An effective supply response strategy needs to be characterised by:
 - **Credibility**, in the sense that what is proposed by way of a supply response will be matched with the necessary commitment of resources to ensure that undertakings are translated on the ground into serviced sites on which the necessary planning consents can be obtained.
 - **Clarity**, as regards where development is to take place and that all the necessary infrastructure to facilitate the development of secure and stable community living will be put into place, including especially access to transport facilities.
 - **Certainty**, as to when development can commence. At present, it is difficult to predict with any certainty when making a planning application, when in fact work will be capable of commencing. Matching demand with supply in such circumstances is extremely difficult.
11. Considering the analysis of prospective demand and supply the most appropriate course of action is to pursue a supply response to meet underlying demand growth and having the characteristics noted above. In addition, the approach should be supported with measures to curb any significant speculative or transitory component of demand, which may be present. Such a response holds the prospect of achieving a more rapid return of the market to stability with increased affordability. A response relying entirely on supply measures to meet all categories of demand, fundamental and speculative or transitory, would be less appropriate and in any event, will take longer to achieve stability. In the meantime, affordability for many new house buyers would move further away.
12. On the basis of this assessment proposals are made in Section 5.5 for additional actions.

Proposals for Further Action

Accelerating the Process of Securing Required Planning Consents on Significant Sites in Dublin City & County

13. The local area planning process as outlined in the Planning and Development Bill 1999 will clearly provide for better housing environments and more sustainable development and should be adopted in the case of all larger scale developments. The flexible time scale implied by the consultation and approval process and the available appeal procedures may make it difficult to predict ultimate yields and firm delivery dates for the supply of housing on sites which are the subject of Local Area Plans.
14. **Therefore, it is proposed that the potential for providing more certain delivery dates and for concentrating staff resources offered by the procedures as described in Part 9 of the Planning and Development Bill 1999 for the development of the Strategic Development Zones should be pursued. The aim should be to ensure that the land use, transportation, servicing, social infrastructure and civic design context in which major housing applications are to be made can be resolved in principle and to a certain extent in detail, at the outset in a planning scheme.** The opportunity can then be given to interested parties to make their views known. A right of appeal to An Bord Pleanála would be enjoyed by those aggrieved by the provisions of the planning scheme, but following the Board's determination, proposals which conform with the scheme should be capable of commencing without delay.

15. Therefore, in order to provide an appropriate context for the lodgement of significant residential proposals **it is recommended that the powers and procedures as described in Part 9 of the Planning and Development Bill 1999 be utilised to designate sites as Strategic Development Zones for housing which, in the opinion of Government, are of strategic importance for the national economy.**
16. Following the designation of appropriate Strategic Housing Development Zones by the Government, it is envisaged that the timetable for the schemes would be as follows:-
 - Scheme preparation - 12 weeks.
 - Publication, public consultation preparation and submission of Manager's report to elected members - 12 weeks after publication of notice.
 - Consideration of planning scheme by elected members, within 10 weeks of submission of report by Manager (scheme comes into force four weeks later unless appealed to An Bord Pleanála).
 - Time scale for appeal - 4 weeks after decision by Planning Authority.
 - Decision by the Board - 20 weeks approximately.

The total elapsed time therefore, would be in the order of 58 weeks. By incorporating work already done in preparing draft Area Action Plans for designated sites the timetable outlined could be shortened further.

17. Applications within the zones, which conform to the approved scheme, may then be granted permission with or without conditions and no appeal lies to An Bord Pleanála. Allowing a minimum of 4 weeks for the Planning Authority assessment, the total elapsed time would be in the order of 62 weeks. This compares with an optimistic, average elapsed time of 94 weeks in the case of Local Area Plans, (see Section 3.4.1).
18. The adoption of the SDZ mechanism would not inhibit the making of applications to the Planning Authority for parts of an SDZ area under the ordinary planning process. If it can be demonstrated that such applications would not compromise the potential offered by the overall comprehensive development of the zone, such applications could be favourably considered.
19. **In considering sites for inclusion as Strategic Development Zones for housing, it is recommended that the following criteria should be included in any relevant assessment:-**
 - **The number of housing units and the timing of their arrival which would be delivered by the inclusion of lands within an SDZ.**
 - **The potential for comprehensive planning offered by the nature and scale of the land and its ownership structure.**
 - **The existence of water and sewerage services or the prospect of early delivery of new services.**
 - **The location of the lands proximate to existing or proposed public transport corridors.**
 - **The need to deliver a high quality of design and layout and to ensure the provision of ancillary shopping, social and leisure facilities at appropriate development stages.**

20. An examination of the Dublin, Cork, Galway, Limerick and Waterford areas indicates that several significant greenfield sites may be cited as examples which appear to satisfy these criteria. The local area planning of some of these areas is at an advanced stage, while others have just commenced the process. All have significant potential housing yields.

DUBLIN

- Balbriggan (circa 5,200 units) - Draft Area Plan in preparation.
- Lusk (circa 2,400 units) - Draft Area Plan in preparation.
- Baldoyle/North Fringe (circa 8,300 units) - Draft Area Plans published by Dublin Corporation for Grange Balgriffin & Belcamp and under preparation by Fingal County Council for Baldoyle.
- Castaheany (circa 5,800 units) - Area Plan not commenced.
- Stepside (circa 3,500 units) - Draft Area Plan in the process of adoption.
- Ballycullen/Stocking Lane (circa 3,000 units) - Draft Area Plan in preparation.
- Lucan South (circa 8,000 units) - Draft Area Plan in preparation.

i.e. a total of circa 36,200 housing units.

CORK CORPORATION

- Mahon (circa 450 units) - Area Plan not commenced.

GALWAY CORPORATION

- Merlin Park/Doughiska (circa 2,940 units) - Draft Area Plan prepared.

21. The appropriate procedures under Part 9 of the Planning and Development Bill 1999 (when enacted) should be initiated to ensure their rapid development in the context of a programme which will set out clearly, certain dates for the delivery of their housing yield.

Improving the Deployment of Existing Planning Resources

22. It has been represented that the processing of domestic planning applications i.e. those in excess of 23 sq m, are placing a disproportionate load on the Development Control process. Furthermore, they involve utilising the skills of trained planners who might otherwise be employed in the production of Local Area Plans or in pre-application discussions assisting large-scale housing developments.
23. The Forum for the Construction Industry, amongst others, has suggested a relaxation of the exempted development threshold as a means of freeing resources. This would be beneficial.
24. **Therefore, it is recommended that the area of 23 sq. m. in Article 1 (a) of Column 2 of the Second Schedule, Part 1 “Exempted Development - General” of the Local Government (Planning and Development) Regulations 1994 should be altered to 40 sq. m.. Furthermore, it is recommended that conditions and limitations protecting the amenities of adjoining neighbours be added to Column 2.**

Increasing the Resources Available to the Planning System

25. In order to ensure proper planning and sustainable development, it is essential that local authorities and An Bord Pleanála have sufficient professional planners available

in relation to the development of planning policy and the operation of the development control process. Professional planning skills are key skills if the necessary increase in output is to be provided in a way that creates high quality living environments with all necessary facilities and respects the quality of the environment. The number of planners qualifying annually from UCD should be increased and the potential of other courses such as those offered by DIT should be pursued. In the short term however, professional planners will have to be recruited from abroad. **It is recommended that special incentives should be made available to attract sufficient number to meet critical needs.**

26. **It is recommended that an assessment should be made of prospective manpower requirements for planning and what initiatives require to be undertaken, if any by way of expansion of courses so that these needs are met.**

Increasing Residential Densities

27. The Residential Density Guidelines for Planning Authorities issued by the Minister in September 1999 have resulted in the inclusion of policies and objectives in newly adopted Development Plans supporting increased densities, particularly on lands proximate to existing or proposed public transport corridors. An examination of the range of applications lodged in the Dublin area indicates that the market has responded by proposing schemes based on increased densities. Anecdotal evidence suggests that these have generally been well received but that in some cases and particularly outside the Dublin area, undue emphasis may be placed by some Planning Authorities on conformity with established densities, to the detriment of increasing housing yields. Equally, the move to higher density schemes, which require a greater level of design skills may prove to be beyond the capabilities or capacities of some designers, and result in unconsidered or substandard proposals. However, a review of several significant decisions of An Bord Pleanála indicates that well designed schemes, which adhered to the principles set out in the Guidelines, have been upheld. Refusals have issued only in cases of proposals, which had inherent defects or ignored the controls and safeguards outlined in the Guidelines.
28. In relation to implementation of the Residential Density Guidelines, it is through the Development Plan and the exercise of their development control functions that Planning Authorities can take effective action to achieve higher levels of residential density. In issuing the Guidelines, the Minister for the Environment and Local Government asked Planning Authorities to review and vary their Development Plans to give full effect to the recommendations and policies contained in the Guidelines, where they have not already done so. The Planning Authorities and An Bord Pleanála have been told that the Guidelines are policies to which Planning Authorities under Section 7 (1) of the Local Government Act, 1991 and An Bord Pleanála under Section 5 of the Local Government (Planning and Development Act 1976, are obliged to have regard. To date, 29 of the 38 County Councils and County Borough Corporations have confirmed to the Department of the Environment and Local Government that they are either in the process of or will be in the near future be reviewing or varying their Development Plans to ensure full compliance with the provisions of the Residential Density Guidelines.
29. It is noted that the Department of the Environment & Local Government will be conducting an assessment in September 2000 of compliance with the Densities Guidelines. **It is recommended that, if the findings of this assessment indicate**

significant non-compliance, additional measures should be applied, including that the Minister for the Environment and Local Government should utilise his powers under Section 7 of the Planning and Development Act 1992 or Section 9 of the Planning and Development Bill 1999, when adopted, to direct Planning Authorities to adopt a more pro-active approach towards increased density developments, which because of their location, would contribute to the principles of sustainability. Such a Directive might be based on the “Residential Density Guidelines for Planning Authorities” issued by the Minister in September 1999 and incorporate the recommendations and safeguards, which they contain.

Overcoming Infrastructure Bottlenecks: The Position in Relation to Proposed SDZs

30. It would be pointless to accelerate the planning process in relation to key development sites if any significant infrastructure constraints were not at the same time redressed. **Therefore, it is recommended that the following actions should be adopted.**

Public Transport

31. Many of the potentially high yielding new or expanded areas are located on existing mainline rail. The provision of a significant amount of housing without consequent improvements in quality public transport would lead to increased commuting by car and militate against the creation of independent sustainable communities. **The provision of quality public transport infrastructure is particularly important to release the full potential of the significant areas of zoned and serviced land and would permit an increase in densities in areas 20,23,24 and 25 in Appendices 2-5 particularly.**

Roads

32. In virtually all of the significant areas of potential housing, new roads will be necessary to distribute traffic and to link them to the national network. It is anticipated that these roads will be provided as part of the housing projects themselves and constructed by the developers either directly or by contributions. **In Lucan South (Area 37) however, the construction of a significant section of the Outer Ring Road link will be essential before the full housing yield can be realised.**

Water Supply

33. The water supply situation in the period to 2011 remains difficult. Supplies from the River Liffey are clearly limited and the examination of new resources is thus extremely important. The Department of the Environment and Local Government proposes to commission studies on the feasibility of extraction and treatment water from the River Barrow, as well as ground water extraction to Kildare and Fingal.

34. **In the meantime, several infrastructure projects are considered to be essential for the release of housing land. These include:-**

- **Sandyford High Level reservoir - To be completed July 2002**
- **Bog of the Ring Ground Water Source - To be completed June 2001**
- **Swords Trunk Watermain - To start August - September 2000**
- **Jordanstown Reservoir and network strengthening North of Swords - In early planning**
- **Lucan High Level Reservoir - To be completed June 2002**
- **Boherboy Water Supply Scheme - To be completed June 2002**
- **Leixlip to Ballycoolin Rising Main and Reservoir - A third rising main from**

- **Leixlip plus reservoir - To start 2001**
- **North Fringe Water Main - To be completed end 2002.**

Waste Water

35. The following schemes will release significant areas of housing land. In particular:-

- **North Fringe Sewer - To be Completed mid 2002**
- **Cherrywood Loughlinstown Main Drainage - To be completed 2000**
- **Glenamuck Kiltiernan Main Drainage - To be completed May 2001**
- **Kilgobbin Ballyogan Extension -To be completed September 2000**
- **Ballinteer Main Drainage - To be completed December 2000**
- **Swords Main Drainage - To be completed end-2001**
- **Balbriggan Skerries Sewerage - Interim scheme to start and finish in 2000. Main scheme to start 2001.**
- **Portrane/Donabate Sewerage - Start 2002**
- **Rush/Lusk Sewerage - To be pursued as a Public Private Partnership (PPP)**
- **Malahide Sewerage - To be completed October 2001**
- **Newcastle Saggart Rathcoole - To be Completed December 2001**
- **Dodder Valley Catchment - Study to be completed June 2000. Work to start January 2001**
- **Pelletstown Water and Sewerage Scheme - Start June 2000. To be completed June 2002.**
- **South Lucan - Start May 2000. Discussions on Public Private Partnership (PPP) ongoing.**

36. A key issue is to ensure that these projects are implemented and delivered at the earliest possible date and at least to the planned schedule. The experience gained in bringing forward the North Fringe Sewer is instructive in this regard. The project, which originally was scheduled to be completed in 2004, is now expected to be completed in mid-2002 with the advance section serving Meakstown Poppintree to be completed in mid-2001. The structures that helped achieve this acceleration in the programme for the project were:

- a dedicated project steering group comprising the Department of the Environment and Local Government and the local authorities was established to deal exclusively with this project;
- hand-in-hand with this, a dedicated project office was established comprising representatives of two engineering consultancy firms and local authority engineering staff to oversee them;
- the two consultancy firms were assigned separate parts of the design, which were carried out in parallel;
- a specialist engineer was hired to deal with the acquisition of wayleaves;
- all key issues (e.g. rail crossing, foreshore licence, etc) were dealt with up-front.

37. It is therefore recommended that a series of Project Offices be established in the local authorities where SDZs are designated – these offices would be responsible for, *inter alia*,:

- **Delivery of key water, sewerage and non-national roads projects required to bring the SDZ into development. This will involve bringing the projects**

through planning (land acquisition, wayleaves, Part X, EIA, etc) to construction, management of the projects during the course of construction, and management of any consultants appointed;

- **Assisting with the drafting of development contributions' schemes or other agreements for the SDZs;**
- **Liaison with public transport providers to ensure early delivery of key public transport projects;**
- **Facilitating pre-planning discussions with developers.**

Similar structures should be put in place to drive groups of key water and sewerage projects in the main urban areas for locations not designated as SDZs.

38. In addition, it is recommended that proposals for the augmentation of the Grand Canal Sewer (which serves lands to the North and West of the City and which is presently working at capacity) or other proposals which would provide necessary drainage capacity for these areas should be put in place as a matter of urgency. The aim should be to ensure that it can cater for all of the serviced land within its catchment by 2006.

Fiscal Penalty on Non-Realisation of Potential of Proposed SDZs

39. The recommendation to designate a number of key strategic sites as Special Development Zones, with the accompanying fast-track planning process amounts to a significant commitment to secure the earlier release of the lands involved for housing development. It is important to ensure that development does indeed take place at an early stage following the proposed process.

40. Therefore, it is recommended that an annual tax of £3,000 per housing site should be applied to the owners of land who:

- (a) have not applied for planning permission in accordance with the approved planning scheme for the lands contained within the SDZs, within a period of 12 weeks after the scheme has been approved; and/or**
- (b) do not commence implementing a planning permission in accordance with the terms contained therein, within 26 weeks of the permission having been granted.**

Proposed Revisions to Stamp Duty Regime

41. House price increases since the revision of Stamp Duty rates in June 1998 have resulted in an increase in the burden of stamp duty, making it again a potential barrier to first time buyers entering the existing house market. This is significant because first time buyer housing needs are being met, increasingly, from the existing house market. Both stamp duty receipts and Department survey data indicate that activity in the market is increasing. First time buyers continue to account for around 45 per cent of the total market but, as indicated by the fall in the number of new house grants paid, of 11 per cent between 1998 and 1999, fewer first time buyers are purchasing new houses.

42. Current analysis of the housing market suggests there is a significant element of speculative or transitory demand, which hampers efforts to meet fundamental demand with increased supply. Accordingly, it is considered appropriate that measures should be incorporated to dampen this element of demand. Stamp duties provide an

appropriate means of achieving this since they relate to all housing transactions, whether mortgage financed or not.

- 43. Therefore, it is recommended that stamp duties should be revised along the lines contained in the following table.**

Proposed Revisions to Stamp Duty Bands & Rates

Current Bands	Current Rate Per cent	First Time Buyers	Buying for Owner Occupation	Existing Purchasers buying for Owner Occupation	Other Purchasers
		Proposed bands	Proposed Rate Per Cent	Proposed Rate Per cent	Proposed Rate Per cent
Up to £60,000	Nil	Up to £100,000	Nil	Nil	3.75
£60,000-£100,000	3	£100,001-£150,000	Nil	3	3.75
£100,001-£170,000	4	£150,001-£200,000	3	4	5
£170,001-£250,000	5	£200,001-£250,000	3.37	5	6.25
£250,001-£500,000	7	£250,001-£300,00	4.5	6	7.5
		£300,001-£500,000	7.5	7.5	7.5
Over £500,000	9	Over £500,000	9	9	9

Anti-speculation Property Tax

44. The housing market is attracting speculative demand. In some cases, this takes the form of individuals taking a view about prospective house prices and buying residential property, as opposed to another form of investment. In other instances, speculative demand takes the form of a transitory increase, following from demand being brought forward, so as to avoid expected future price increases. These various kinds of speculative demand forestall the movement of the housing market to stability. As this happens, there is a tendency to stimulate further speculative demand and in this way a ‘bubble’ can develop. If allowed to develop unchecked, such a process has the potential capacity to threaten overall stability of the market. Of course, the pursuit of a strategy centred on a vigorous supply response, with the characteristics of credibility, clarity and certainty, will influence the formation of rational expectations about future market trends. However, it is considered that expectations of future returns from housing market speculation should be supported through the introduction of an annual tax on dwellings, which are not principal primary residences.

- 45. Therefore, it is recommended that an annual tax, say of 2-3 per cent of the declared value of such properties acquired in the future should be introduced.**

Measures to Secure Improvements in the Quality & Availability of Rented Accommodation

46. The Commission on the Private Rented Residential Sector is due to report about end-June 2000. The Commission is expected to make recommendations in relation to the objective of increasing investment in and the supply of rented accommodation and removing any identified constraints to the development of the sector, as required by its terms of reference. It will be necessary that measures implemented on foot of both this report and the Commission’s report are consistent and produce the desired impact. In recognising this fact, and the need for measures designed to encourage a greater level of long-term commitment by investors to the provision of professionally managed private rented accommodation, the following recommendation is made:

- 47. A mechanism should be developed to exempt landlords from the tax measure proposed in paragraph 45 above, where certain specified conditions apply, including compliance with the standards and other requirements of the regulatory regime and there is evidence of a commitment to the availability of the accommodation for renting on a long-term basis.**

Strengthening of the Institutional Framework for Securing a More Effective Housing Response in the Greater Dublin Area

48. It is considered that it would be appropriate to strengthen the present institutional framework available for co-ordinating and executing plans, initiatives and projects which impact on the current and prospective future supply of housing in Dublin City & County and the Counties of Kildare, Wicklow & Meath.
- 49. Therefore, it is recommended that there should be an expansion of the role of the housing supply function in the Department. It should be charged with ensuring delivery of key infrastructure in association with the local authorities, and co-ordinating the delivery of facilities and services required for new housing development and provided by other relevant Government Departments and State Agencies.**
- 50. A considerable strengthening of the housing supply function in the Dublin authorities is required to ensure that there is a “One-Stop shop” for housing supply issues in Dublin. This is required to ensure that new housing development is brought on stream, including in the designated SDZs at the earliest date and to oversee the project offices in the SDZs.**
- 51. It should be required to submit a report to the Department each quarter. This should deal with implementation of the housing strategies covering house completions (private, local authority and voluntary), serviced land status, planning permissions granted, progress on key housing related water, sewerage, roads and public transport projects (compared to original critical paths), constraints on achievement of the housing strategy targets and any adjustments to factors underlying the strategy, etc.**

1: Introduction

This report sets out the results of a study, commissioned by the Department of the Environment and Local Government in March 2000. The terms of reference provide for reviewing and evaluating measures taken by Government and other recent developments on housing demand, housing supply and house prices. Furthermore, they provide for undertaking a general review of the market since the publication of *Action on House Prices* (23 April 1998) and *Action on the Housing Market* (9 March 1999) and an up-to-date assessment of medium term projections on the demand for and supply of housing. Further recommendations are made (having regard to the safeguards required in relation to the quality of the residential environment) for action required to bring supply and demand into closer balance and to improve housing affordability. An assessment is conducted of the level of hoarding of development land and possible deterrent measures.

During the course of their work, the consultants benefited from the assistance of a wide range of persons and organisations. The guidance of the Inter-departmental Steering Group, comprising officers of the Department of Environment & Local Government and the Department of Finance, in particular, is gratefully acknowledged. However, the consultants alone are solely responsible for the views expressed in this Report.

2: Housing Market Trends: A Review of Recent Developments

2.1 Introduction

In this chapter, recent trends in the housing market are reviewed, in the context of Government's *Action on House Prices (April 1998)* and *Action on the Housing Market (March 1999)*. Section 2.2 analyses the trend in house prices, distinguishing new and existing house price developments and the pattern in selected cities. Developments in housing output and supply are presented in Section 2.3. The subject of house price affordability, investment in residential property and developments in the rental sector are discussed in Section 2.4.

2.2 House Prices

2.2.1 The Economic Context within which Adjustment is being undertaken

Increasingly buoyant economic conditions are fuelling the demand for housing and making the task of securing housing market stability more difficult. Over the past two years, economic growth has been even stronger than the generally bullish forecasts for the period. Falling interest rates through 1999 and strong inward migration flows have had a reinforcing influence on housing demand. Moreover, these influences are likely to add further pressure into the medium term. For example, a recent report by an *Inter-Departmental Review Group* has estimated that gross immigration of 200,000 workers will be required over the coming seven years to sustain economic growth, with this front-loaded in the coming three years. Allowing for other migratory flows and the likely age patterns of people making up these numbers, the impact on housing demand from this source alone is likely to be around 8,000-10,000 units per annum.

When assessing the two packages of Government measures introduced since 1998, to bring stability to the housing market and improving accessibility for first time buyers, this increasingly dynamic economic backdrop has to be included. Thus, the general pattern over the past two years since the first set of measures was applied, involves economic growth accelerating faster than what was envisaged, with real GNP growth at over 8 per cent in 1999 and interest rates falling. At 4.3 per cent in early 2000 mortgage rates in Ireland were the lowest in the EU. This exceptional rate of growth has been associated with more rapid expansion of real disposable incomes and employment, a net increase of 100,000 jobs in 1999. The result is a fuelling of demand for housing. While there is a hardening in price inflation pressures and interest rates have started to turn up, other factors – such as personal taxation commitments and income developments - are reinforcing demand generally and housing market pressures in particular.

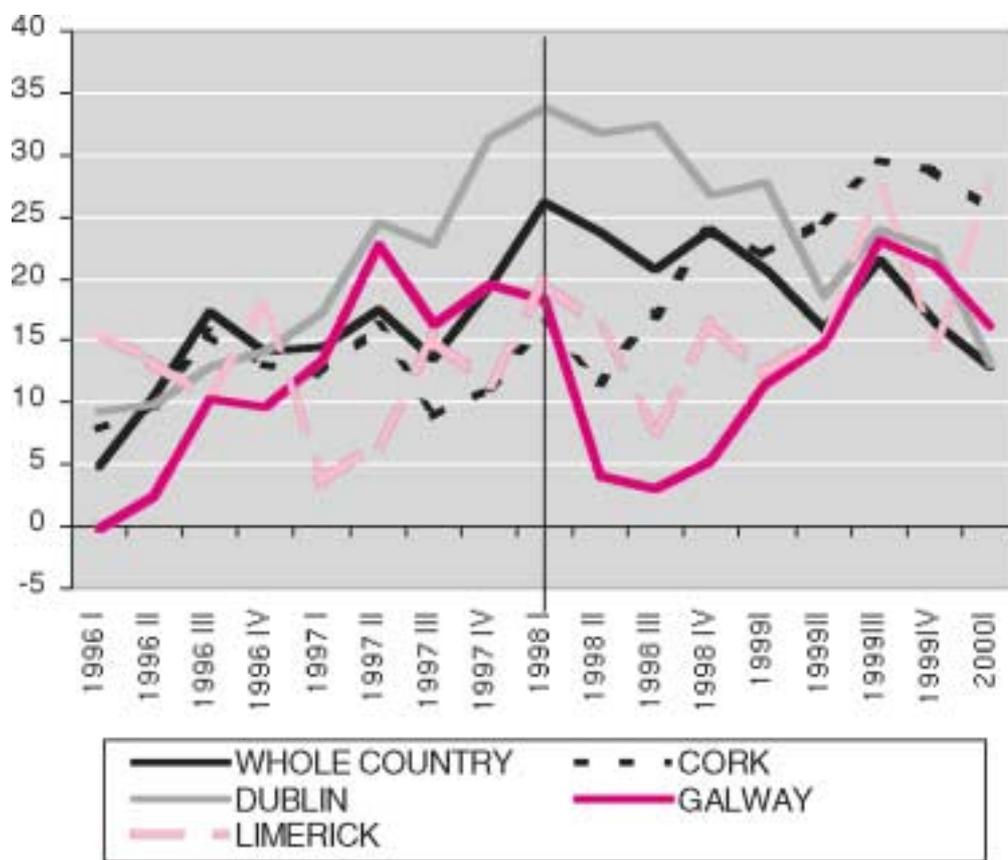
Against this backdrop, an analysis is provided of recent and current developments in house prices and completions. As far as possible all relevant statistical information is considered.

2.2.2 Price Trends: Slow down in rates of increase but price levels remain

A key concern is whether or not the rate of increase in house prices has peaked and a return to stability is underway. This Section analyses the most recent data with regard to this question. It concludes firmly that the rates of increase in prices of new and existing houses in Dublin and nationally have been slowing down now since the middle of 1998, the time from which Government measures to redress market imbalance were instituted.

Chart 2.1 shows the year-on-year percentage rate of increase in new house prices (for which loan approval was granted), on a quarterly basis, from the beginning of 1996 in respect of Dublin, Cork, Galway, Limerick and for the country as a whole. Chart 2.2 contains similar information with respect to prices of existing house.

Chart 2.1: Average Prices of New House, Quarterly, Dublin & Selected Other Cities, 1996-2000, (Year-on-Year Percentage Change)



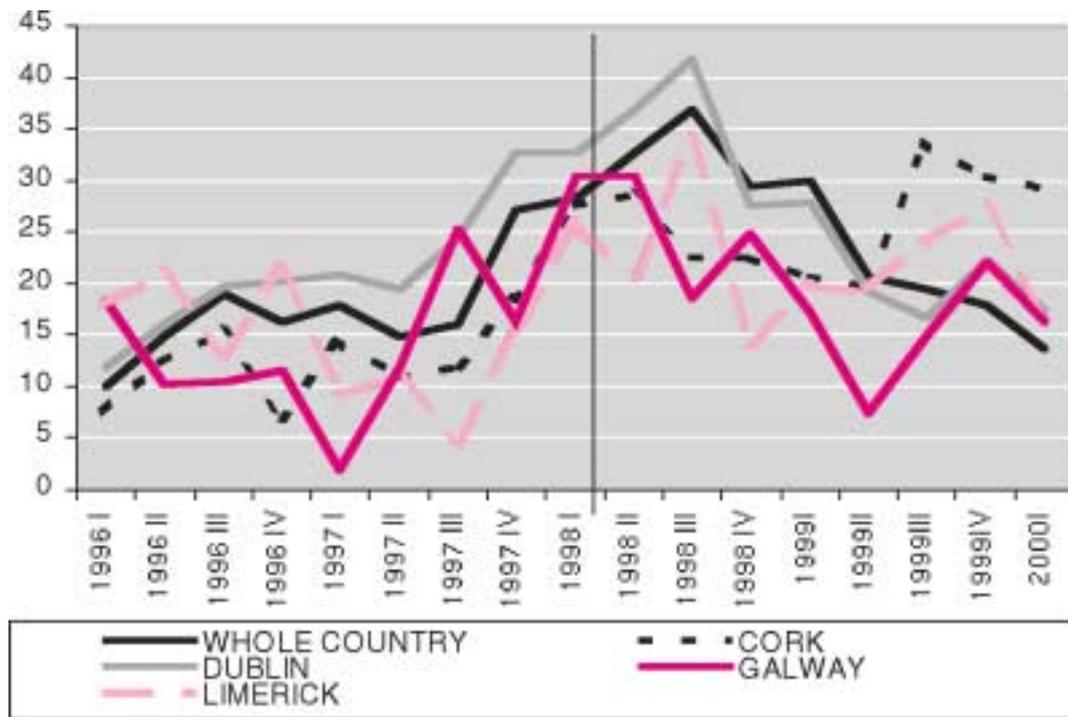
Source: *Bulletin of Housing Statistics*, Department of the Environment & Local Government

The main feature is that nationally, the rate of increase in prices of new houses – peaked in the first quarter of 1998 at 26.2 per cent. Since then, the year-on-year rate of increase has declined to 16.4 per cent, in the final quarter of 1999 and further to just under 13 per cent in the first quarter of 2000. In Dublin, the peak rate of increase also in the first quarter of 1998 was 37.5 per cent and since then it has declined to 22.5 per cent in the final quarter of 1999 and 13 per cent in the first quarter of 2000. Cork shows a different pattern. Since the first quarter of 1998, when the year-on-year rate of increase was 16 per cent, there has been a more or less steady increase. The rate of increase in the final quarter of 1999 stood at 28.7 per cent, well above the rate of increase for the country as a whole and for Dublin. The rate in the first quarter of 2000 was 25.5 per cent. In Galway, the year-on-year rate of increase fell quickly from 18 per cent in the first quarter of 1998 (although the peak was earlier in the second quarter of 1997) to about 3 per cent in the third quarter of 1998. Since then the rate accelerated to 23 per cent in the final quarter of 1999, above the national rate of increase and about the same rate of increase as in Dublin. The rate moderated to 16 per cent in the first quarter of 2000. Finally, in Limerick the year-on-year rate of increase also peaked in the first quarter of 1998, at 19 per cent and then fell. However, a new peak occurred in the third quarter of 1999, at 27 per cent year-on-year, before falling back again to 14 per cent in the final quarter of 1999 and up again

to 27.4 per cent in the first quarter of 2000.

Therefore, the countrywide pattern has been that a peak occurred in the year-on-year rate of increase in prices of new houses in the first quarter of 1998, followed generally by declining rates of increase since then. The same pattern applies to Dublin, although the pace of slowdown has been greater here than nationally. In Limerick, the same general pattern applies, although the pattern is more uneven. By contrast, Cork shows a rising trend over the period and after decelerating through 1998, there has been a rising trend in Galway also during 1999.

Chart 2.2: Average Prices of Existing House, Quarterly, Dublin & Selected Other Cities, 1996-2000, (Year-on-Year Percentage Change)

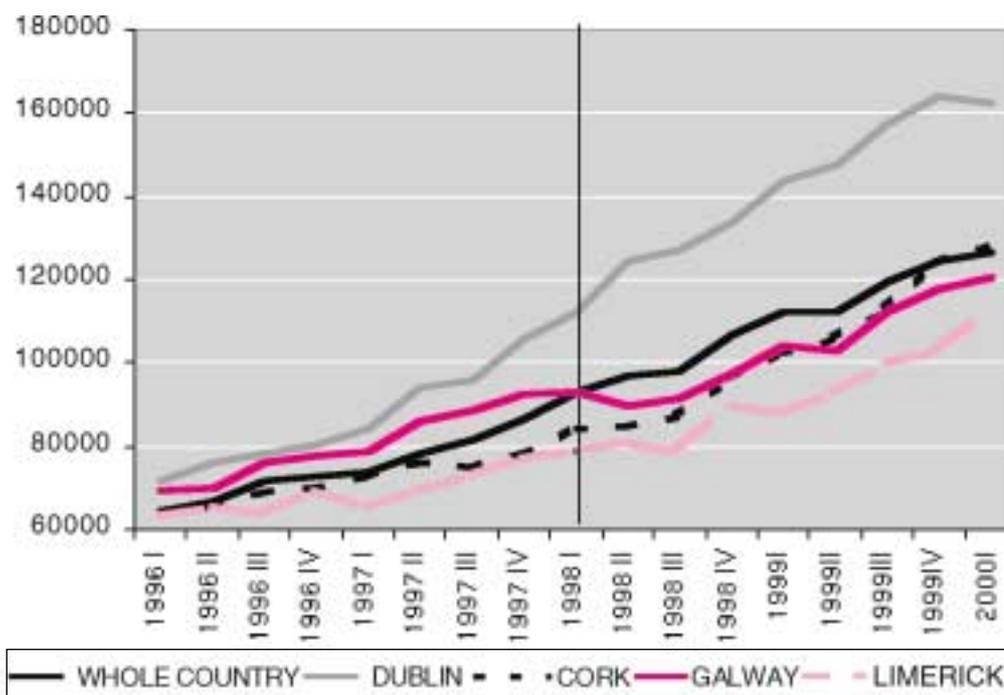


Source: *Bulletin of Housing Statistics*, Department of the Environment & Local Government

As regards prices of existing houses, the year-on-year peak occurred later – in the third quarter of 1998 countrywide and in Dublin – and was higher than for new houses – 36.9 per cent and 41.3 per cent country wide and in Dublin. Since the peak, the slowdown has been more pronounced; by the first quarter of 2000 the year-on-year rates of increase countrywide and in Dublin were down to 13.7 per cent and 17.3 per cent respectively. In Cork and Galway, the peak in the rate of increase in prices of existing houses occurred in the second quarter of 1998. They too exceeded the peaks in prices of new houses – at 28.6 per cent and 30.3 per cent respectively. In Cork, the slowdown from the peak was more modest than countrywide or in Dublin, to 19.6 per cent in the second quarter of 1999 and the trend since then shows further accelerations to about 30 per cent in the final quarter of 1999 and first quarter of 2000. In Galway, the decline from the peak was sharp, to 7 per cent by the second quarter of 1999. However, again since then, there has been an acceleration to 22 per cent by the end of 1999, falling back to 16 per cent in the first quarter of 2000. Finally, in Limerick the pattern is one of deceleration from 34 per cent in the third quarter of 1998 to 19 per cent twelve months later. Again, since then, the pattern is erratic with re-acceleration to 27 per cent by the final quarter of 1999, followed by moderation to 16.6 per cent in the first quarter of 2000.

In summary, the pattern for existing houses shows a peak in the year-on-year rate of increase in prices occurring about two quarters after the peak in new houses. The peak rates of increase were generally above those for new houses and the declines from peak have been more pronounced. However, in a number of major urban areas, including Cork, Galway and Limerick, the year-on-year rate of increase in prices of existing houses has been erratic with a strengthening from about the middle of 1999 followed by further moderation in the first quarter of 2000.

Chart 2.3: Average Prices of New House, Quarterly, Dublin & Selected Other Cities, 1996-2000, (Levels in £)



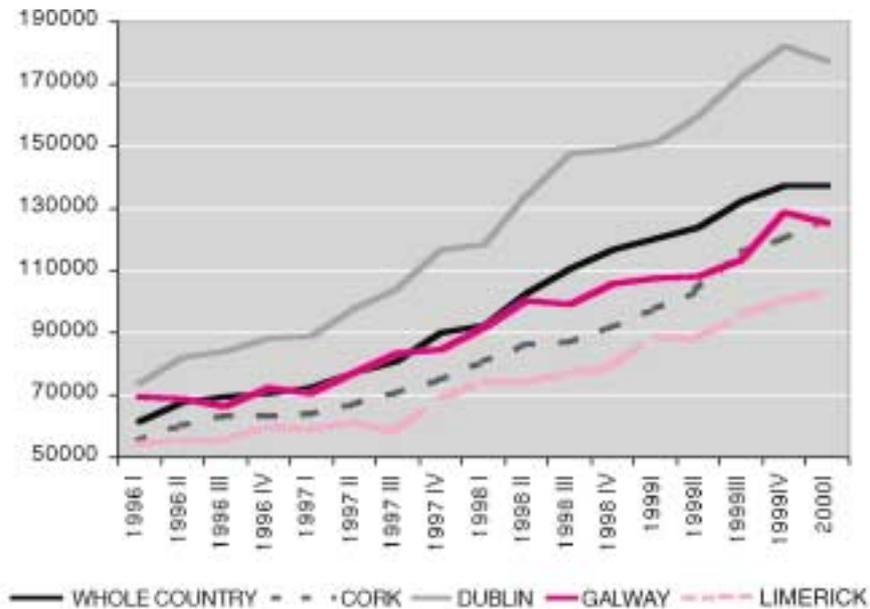
Source: *Bulletin of Housing Statistics*, Department of the Environment & Local Government

The pattern of price changes provide an indication as to whether the market is moving towards stability, in the sense that a slowdown in the rate of price increase represents a levelling-off in house price inflation. However, even where there is a slowdown in the rate of increase, the level of prices can show a rising trend, and compared with some base level the picture is one of continuing instability. Charts 2.3 & 2.4 show the levels of prices for new and existing houses, countrywide and for selected major cities since the first quarter of 1996.

On a countrywide basis, average prices of new houses amounted to £64,242 in the first quarter of 1996. This had risen to £92,789 by the first quarter of 1998, (a rise of 44.4 per cent), and to £124,545 by the last quarter of 1999, and then almost stabilising at £126,570 in the first quarter of 2000, (a rise of 36.4 per cent on the QI 1998 level). Regional variations have increased over the period. Thus, average prices of new houses in Dublin amounted to 111.5 per cent of the countrywide level in the first quarter of 1996, 121.1 per cent in the first quarter of 1998. This ratio peaked at 131.5 per cent by the final quarter of 1999 and fell back to 128.2 per cent in the first quarter of 2000. In Cork, average prices of new houses were about the same as those countrywide in the first quarter of 1996. By the first quarter of 1998, they had fallen to 90.5 per cent and by the final quarter of 1999 were back to par with those countrywide and have maintained this position in the first quarter of 2000. In both Galway and

Limerick, average prices have fallen behind those countrywide. From a level of 108 per cent of the countrywide trend in the first quarter of 1996, average prices in Galway fell to about the countrywide level in the first quarter of 1998 and to under 94 per cent of that level by the final quarter of 1999. Since then, the ratio has increased marginally, to 95.4 per cent in the first quarter of 2000. In Limerick, the decline has been from 98.8 per cent in the first quarter of 1996 to 84.7 per cent in the first quarter of 1998 and 82.4 per cent in the last quarter of 1999. A pick-up to 88.9 per cent has taken place in the first quarter of 2000.

Chart 2.4: Average Prices of New House, Quarterly, Dublin & Selected Other Cities, 1996-2000, Levels in £)



Source: *Bulletin of Housing Statistics*, Department of the Environment & Local Government

The price level of existing houses has increased from an average of £61,248 in the first quarter of 1996 to £92,706 in the first quarter of 1998 (a rise of 51.4 per cent). From that the level rose to £137,462 in the final quarter of 1999, before falling back slightly to £137,149 in the first quarter of 2000 (an increase of 48 per cent on the QI 1998 level). Inter-urban variations have been even greater for existing as compared with new houses. In Dublin, prices of existing houses equalled over 120 per cent of the countrywide level in the first quarter of 1996. By the first quarter of 1998, this had risen to 127.6 per cent and 132.4 per cent by the final quarter of 1999. Since then the ratio has fallen to 129.4 per cent in the first quarter of 2000. In Cork, Galway and Limerick, average prices of existing houses relative to those countrywide have declined. In the case of Cork, the decline was from 90.9 per cent in the first quarter of 1996 to 87.3 per cent in the final quarter of 1999, rising to 92.3 in the first quarter of 2000. In Galway, the decline has been from 113 per cent to 91.1 per cent and from 88.2 per cent to 75 per cent in Limerick.

The trends in levels contained in Charts 2.3 and 2.4 along with the rate of change data contained in Charts 2.1 and 2.2 suggest that prices in some urban centres are adjusting with lags to movements in Dublin or countrywide trends. In particular, the acceleration in the rate of increase of average prices of both new and existing houses in Cork, Galway and Limerick, principally from the middle of 1999, suggest that these are catch-up increases, re-establishing earlier relationships to the countrywide, or more likely to trends in Dublin. If this interpretation is correct, it would appear unlikely that the accelerating pattern recorded in

those urban centres from the middle of 1999 will be sustained, providing, of course, the countrywide and Dublin trends in price increases continue to moderate, as they have been doing. This has been occurring significantly so, from the first quarter of 1998, in the case of prices of new houses and from the third quarter of 1998 in the case of existing houses. Finally, it should be noted that data for the first quarter of 2000 indicate that average price levels of new and existing homes in Dublin and countrywide are stable around the level of the final quarter of 1999.

The analysis in this Section to date has been based on data collected by the Department of the Environment & Local Government and relates to house prices in respect of which loan finance has been arranged through a lending institution. While this is the most comprehensive source of data available on house price trends, it is not the sole source. It is appropriate to consider also information available from other sources.

Table 2.1 contains comparative data showing the year-on-year trend in both new and existing houses, quarterly, since the beginning of 1997, countrywide and for Dublin, using data from the *Department of the Environment and Local Government Bulletin* and the *Irish Permanent House Price Index*. It may be seen that year-on-year rates of increase in prices of new houses, as measured by the IP index, follows the same general pattern as that contained in the Department's data. With respect to the countrywide picture, the peak rate of increase and decline since early 1998 is not as well pronounced but, in the case of data for Dublin, the peak in early 1998 and decline subsequently is more pronounced. With respect to existing house prices, the trend in the IP index is very close to that of the Department of the Environment & Local Government over the period.

Considering the two sets of data together, it would appear conclusively that peak rates of increase occurred about the first and third quarters of 1998, for new and existing houses respectively. The general pattern since then, and following actions taken by Government, has been for significant moderations in the rate of increase to date, across the market – i.e. new and existing houses, across the country and in Dublin.

Table 2.1: Indicators of Recent House Price Developments (Year-on-year percentage changes)

	<i>New Houses</i>				<i>Existing Houses</i>			
	Countrywide		Dublin		Countrywide		Dublin	
	DoELG	IP	DoELG	IP	DoELG	IP	DoELG	IP
1997I	14.4	10.5	17.3	16.6	17.9	14.1	20.8	22.3
1997II	18.8	10.7	27.4	14.9	16.0	15.0	20.9	22.1
1997III	14.6	10.3	24.5	14.3	16.7	16.2	25.1	27.0
1997IV	21.8	16.7	36.5	22.9	28.8	18.8	34.7	31.9
1998I	26.2	18.1	37.5	23.4	28.4	16.1	34.4	26.9
1998II	22.6	22.5	35.4	35.6	31.5	23.2	36.5	32.0
1998III	19.6	25.2	34.6	41.1	36.3	29.2	41.3	41.7
1998IV	21.3	22.1	26.4	28.6	27.7	32.2	25.3	39.3
1999I	20.8	25.3	24.3	36.8	30.0	30.9	26.3	32.5
1999II	15.9	21.4	15.3	21.4	20.6	26.2	18.2	25.1
1999III	21.6	18.1	21.9	19.6	19.6	19.9	16.4	16.2
1999IV	16.4	20.1	22.6	17.9	17.9	18.2	22.5	16.1
2000I	12.9	16.2	13.0	22.1	13.8	22.2	17.4	20.1

Source: Housing Statistics Bulletin, December Quarter 1999, Department of the Environment and Local Government. Irish Permanent Index

Table 2.2: Trend in existing House Prices in Dublin December 1997-December 1998, Percentage changes

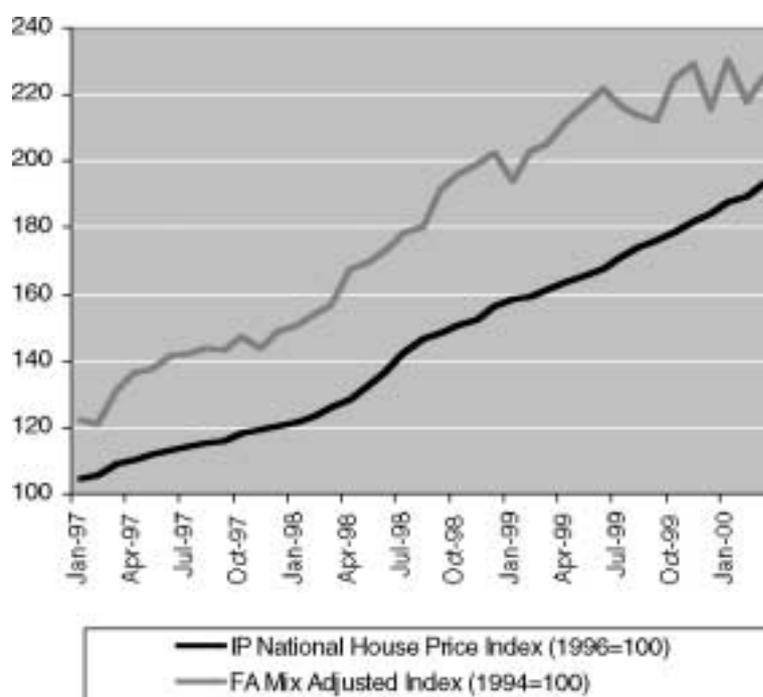
	Year-on-year	Quarter on Quarter
Mar '98	45.7	17.2
June '98	42.2	4.9
Sept '98	36.0	2.1
Dec '98	28.8	2.7
Mar' 99	19.5	8.7
June'99	21.9	6.9
Sept.'99	25.7	5.2
Dec.'99	26.4	3.3

Source: Sherry FitzGerald, Auctioneers & Estate Agents

One leading firm of estate agents, *Sherry Fitzgerald*, maintains another index of house prices. This survey is based on a sample of 157 addresses of existing houses in Dublin. This represents a small sample size and accordingly, results may be subject to larger sampling variability than other indices. A summary of key trends based on this database is contained in Table 2.2. This suggests a peak occurred in the year-on-year rate of increase in the first quarter of 1998, with quite a rapid deceleration occurring thereafter. However, some pick-up is reported in the last two quarters of 1999, in year-on-year terms.

House Price indices are compiled and published monthly by both *Irish Permanent* and *First Active*, two publicly quoted Irish mortgage lenders. Analysis of these data at a monthly frequency provides an additional perspective on the recent trend, over and above the year-on-year comparisons discussed earlier.

Chart 2.5: Indices of House Prices Monthly, 1997-2000.



Source: Irish Permanent Index First Active House Price Index

As may be seen in Chart 2.5, there is a very similar trend in the two indices, up to July 1998. Up to that point, there is a strong upward trend in the rate of increase taking one month with

the next. However, since then, according to the IP index, the trend in monthly rates of increase has tended on balance to moderate. However, the chart portrays clearly that, notwithstanding some moderation in the rate of increase, the level of prices continues to rise. The FA index records a more erratic pattern from one month to the next, especially in the past number of months.

2.2.3 Trends in House Prices According to House Type, Location & Characteristics of Purchaser

As regards the rate of increase in house prices according to type of dwelling, the *IAVI Annual Property Survey* provides systematic data on recent and past price movements and also distinguishes geographical trends. Table 2.3 is based on these surveys and shows annual percentage increases in new and existing houses since 1996, both in Dublin and nationally.

Table 2.3: House Price Developments Nationally & in Dublin, According to Type of Dwelling, 1996-1998 (Percentage changes)

	<i>National</i>				<i>Dublin</i>			
	1996	1997	1998	1999	1996	1997	1998	1999
<i>New Homes</i>								
<i>(City or Urban)</i>								
2-bed town house	15	19	18	17	17	23	20	18
3-bed town house	14	19	19	17	15	24	25	17
3-bed semi	13	18	18	17	18	23	20	17
4-bed semi	13	18	17	16	18	24	18	16
4/5 bed detached	12	19	16	16	15	26	21	20
1-bed apartment	10	18	18	17	15	24	30	20
2-bed apartment	13	19	19	16	19	26	30	17
<i>Existing Homes</i>								
<i>(City or Urban)</i>								
2-bed town house	13	18	21	18	14	22	35	21
3-bed town house	13	17	22	18	14	22	30	22
3-bed semi	14	16	22	18	16	22	35	21
4-bed semi	12	16	20	16	13	22	35	21
4/5 bed detached	12	18	23	17	14	25	40	22
1-bed apartment	10	17	17	17	12	25	33	22
2-bed apartment	11	17	18	16	16	25	32	22

Source: IAVI Annual Property Survey.

According to these data, the rate of increase in new house prices in Dublin peaked in 1997, with the rates of increase in most types of new houses in Dublin lower in 1998 than in 1997. With about the same rate of increase occurring nationally in some categories, an implication from these data is some narrowing of the gap between Dublin and the pattern nationally in 1998. By contrast, the rate of increase in prices of new apartments in Dublin is estimated to have continued accelerating in 1998. The most striking feature is the pronounced slowdown in the rate of price increase in 1999 in Dublin, particularly for certain categories of property. For example, existing 4/5-bed detached residences experienced a halving of the rate of inflation to 22 per cent, with the rate of increase in most other types of existing properties in Dublin, slowing down from 30-35 per cent to 22 per cent. In new homes, the most significant rates of slowdown occurred in 1 & 2-bed apartments in Dublin.

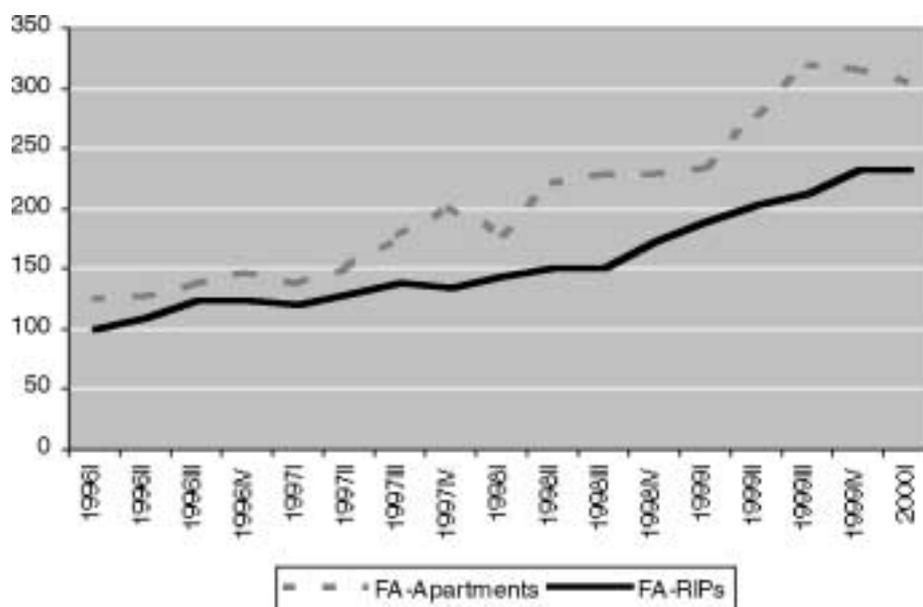
The pattern of these data is consistent with the official statistics described in Section 2.2.2 above. It indicates that the rate of increase in new house prices in Dublin in 1999 slowed

significantly across most house types. The rate of increase in existing house prices in Dublin, in particular, and in new apartments and townhouses showed the sharpest rates of deceleration.

Another National Property Survey, by the Institute of Professional Auctioneers and Valuers (IPAV), and relating to the period January to July 1999, states that “the average rate of increase for new house sales for the first six months of this year was 7.5 per cent, which is one third less than the figure recorded for the same period last year (10 per cent)”. The survey provides a cross-classification of house price increases according to house valuation and location. An extract is contained in Table 2.4. This suggests also that the highest rates of increase were in urban centres outside Dublin. The highest rates of increase in new houses were in the lowest value category of £60,000-100,000. This survey also suggests that apartment prices have continued to increase but at a slower rate than for houses. On average, apartment prices rose 5 per cent during the first six months of 1999.

Chart 2.6 depicts recent movements in apartment prices and residential investment properties, based on data from the *First Active* index. The FA-Index of apartment prices reaches a peak in the third quarter of 1999, followed by decline in the next two quarters. However, there appears to be a clear seasonal pattern in the trend, with a tendency for declines to take place in the first quarter of each year. Therefore, it would be premature to judge if the recent downward movement will be sustained.

Chart 2.6: Apartments & Residential Property Investment (RPI) Price Indices 1997I-1998III: Countrywide.



Source: *First Active House Price Index*

The pattern of development in the index of residential investment properties is more evenly upward. On average, the index in 1999 is up 36 per cent on the average of 1998. This represents a significant acceleration on the rate of increase in 1998, which was 18.5 per cent. Taken on its own, this suggests very buoyant demand for residential investment properties (RIPs).

Table 2.4: Abridged Estimates of House Price Increases reported in IPAV Survey of House Prices for the Period January-July 1999 (percentage changes)

New Houses	First Half 1999					First Half 1999				
	£60-100K	£100-170K	£170-250K	£250-500K	Average	£60-100K	£100-170K	£170-250K	£250-500K	Average
Dublin	9.3	7.7	8.1	8.7	8.4	10.0	6.6	6.6	8.1	8.3
Leinster	10.6	9.9	6.5	4.5	6.3	12.5	9.3	9.3	9.8	8.5
Munster	10.2	7.7	7.0	6.3	6.2	9.9	6.5	6.5	5.5	5.9
Connaught	11.6	11.6	3.8	1.0	5.6	16.5	4.3	4.3	1.3	6.6
Ulster	6.3	6.1	7.5	7.5	5.5	7.6	7.5	7.5	7.5	5.8
Average	10.2	8.7	5.3	4.0	7.5	11.5	8.6	6.0	5.2	8.5

Source: IPAV National Property Survey, January-July 1999 (August 1999)

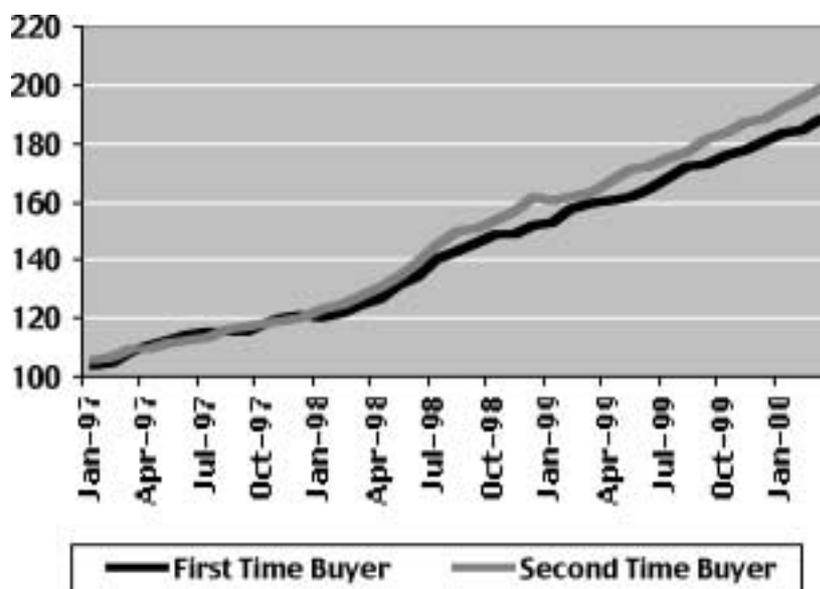
Table 2.5: Abridged Estimate of Price Increase of Apartments Reported in IPAV Survey of House Prices for the Period January-July 1999 (percentage changes)

New Houses	First Half 1999					First Half 1999				
	£60-100K	£100-170K	£170-250K	£250-500K	Average	£60-100K	£100-170K	£170-250K	£250-500K	Average
Dublin	11.5	7.3	6.1	6.3	7.8	8.3	3.6	3.9	1.5	4.3
Leinster	9.9	8.2	4.0	2.8	5.0	9.1	6.9	3.1	1.9	4.2
Munster	6.2	5.4	2.9	2.8	3.5	5.3	4.0	2.8	2.9	3.0
Connaught	6.5	2.7	1.3	1.3	2.3	2.2	1.9	0.0	0.0	0.8
Ulster	11.9	2.5	5.0	10.0	5.9	9.4	2.5	7.5	6.3	5.1
Average	8.7	5.7	2.9	2.8	5.0	6.5	4.3	2.3	1.7	3.7

Source: IPAV National Property Survey, January-July 1999 (August 1999)

Chart 2.7, based on data from the *Irish Permanent House Price Index* depicts the house price experience of first-time buyers and second-time buyers respectively. Since the end of 1997, the rate of increase in house prices bought by first-time buyers has been a little more moderate than the rate of increase paid by second-time buyers.

Chart 2.7: House Price Experience of First & Other Buyers, Monthly, 1997-2000, (Indices Base 1996=100)



Source: Irish Permanent Index

Table 2.6 contains data on the distribution of first-time buyers, who use mortgage finance, according to the price of house purchased. Data are presented for both new and existing houses and the experience of Dublin and the rest of the country is distinguished. As may be seen in Dublin, half of first-time buyers paid £118,500 (£90,500 in 1998) or less for new houses. This compares with an average new house price in Dublin of £152,414 (£126,561 in 1998). However, the rate of increase involved, 31 per cent, was higher than the rate of increase of average new house prices in Dublin, which was 20.4 per cent.

The corresponding price paid for existing houses was £117,000 in 1999 (£85,000 in 1998). These prices compare with average prices of existing houses of £165,869 in 1999 and £138,942 in 1998. However, again the rate of increase over 1998 experienced by first time buyers, at 37.6 per cent, was well above the average of all existing houses in Dublin, which amounted to 19.4 per cent.

In the rest of the country, half of first time buyers paid £86,500 in 1999 (£70,000 in 1998) or less for new houses and £78,500, or less, in 1999 (£59,950 in 1998) for existing houses. These figures compare with average prices in 1999 for new and existing houses nationally of £116,970 (£98,683 in 1998) and £128,657 (£105,950 in 1998). Again the rates of increase experienced by first-time buyers outside Dublin at 23.6 and 30.9 respectively for new and existing houses is considerably faster than for the average of all new and existing houses – at 18.5 per cent and 21.4 per cent respectively.

These data highlight the importance of looking beyond aggregate average price data. In particular, they show that many first-time buyers, whether in Dublin or outside and in respect

of both new and existing houses, purchase at prices which are significantly below the average price of all new and existing houses in these geographical areas. However, the data also show that the rate of increase in prices of houses bought by many first-time buyers between 1998 and 1999 was significantly higher than for the average of all new and existing houses. These divergent patterns illustrate how trends in aggregate data can mask important features. Most notably, the slowdown in the rate of increase in the average price of new and existing houses in Dublin and nationally would appear to be underestimating the inflation experience being felt by first time buyers, even if the level of prices being paid by them is below the average of all new and existing house prices.

Table 2.6: All Agencies Average House (including Apartments) Price First-Time Buyers, Dublin and Rest of Country, 1998-1999

Percentile	Dublin					
	New House Price (£)			Existing House Price (£)		
	1998	1999	%	1998	1999	%
25	79,950	103,000	28.8	65,000	94,000	44.6
30	82,950	105,900	27.6	68,000	97,120	42.8
50	90,500	118,500	30.9	85,000	117,000	37.6
60	94,950	127,950	34.8	92,500	125,000	35.1
75	103,950	139,450	34.2	112,000	146,000	30.4
80	108,000	145,000	34.2	120,775	155,000	28.3
90	125,950	164,970	30.1	145,257	194,200	33.7
95	141,375	201,000	42.1	180,000	241,080	33.9
100	441,000	489,000	10.9	730,000	755,000	3.4
Rest of Country						
25	60,000	70,070	16.8	45,000	60,000	33.3
30	62,000	75,000	21.0	47,150	62,000	31.5
50	70,000	86,500	23.6	59,950	78,500	30.9
60	75,000	93,580	24.7	65,000	85,000	30.8
75	85,000	105,000	23.5	78,000	100,000	28.2
80	90,000	112,000	24.4	83,000	110,000	32.5
90	104,850	132,150	26.0	97,518	135,300	38.7
95	125,000	154,950	24.0	118,950	169,120	42.1
100	250,000	550,000	120.0	440,000	590,000	34.1

Source: House Purchase Loan Statistics Survey, Department of Environment & Local Government

Chart 2.8 shows that the proportion of loans granted to first-time buyers in Dublin and the Mid East Region fell steadily from 1994, but stability was achieved about 1998 and there has been some modest increase since then. It is likely that the halting of this downward trend is related to Government's various actions to improve supply and affordability at this end of the market, thus easing the earlier crowding out.

Chart 2.8: Proportion of Loan Approvals to first time buyers': Dublin City & County & Mid East Region 1988-1999 (per cents).



Source: Department of Environment & Local Government

2.2.4 Trends in Residential Rents

Both social and economic factors are lending impetus to the demand for private rented accommodation, while strong investment demand for residential accommodation, as already noted, has stimulated supply of a wide range of rental accommodation. Amongst the important social influences promoting rental demand are second and other home-sharing relationships, other life-style factors, such as earlier outward movement from the family home.

Availability and increased take up of rent supplementation under the Supplementary Welfare Allowance (SWA) also reflects increases in private rented demand. Expenditure under the scheme has increased from £75.3 million in 1997 to an estimated out-turn in the region of £101 million for 1999. In 1991, the out-turn was £14.4 million. It is estimated that the number of households in receipt of SWA rent assistance account, at any time, for about one third of all those in private rented accommodation. An estimated 41,500 households (at end 1999), were being assisted through the rent supplementation scheme, compared with around 37,000 in 1997. However, the number of recipients has been added to in recent years by the increase in the number of asylum-seekers being assisted under the scheme (currently around 5,000). In addition, there was the introduction of arrangements whereby people making a transition from unemployment to full-time employment through special "back to work schemes" can retain entitlement to supplements for a period (also 5,000). Excluding these categories, it would appear that underlying demand for rent supplementation has tended to stabilise in the past few years.

The relevant health board determines maximum rent levels, for the purposes of SWA rent assistance. It is likely that these levels help to underpin market rent levels for private accommodation. A relevant factor in this context is the fact that provision of rent supplementation is demand-led and is not related to the supply of private rented accommodation, either generally or in particular segments of the market.

As regards measuring trends in residential rents, it should be stated that there is very limited data available regarding overall developments in rented accommodation. The principal sources used here are survey data compiled by the IAVI and IPAV.

According to the IAVI, rents in the twelve months to 1 November 1999 rose by 15 per cent in Dublin, (24 per cent in the previous twelve months) with a lesser increase of 13 per cent nationally, compared with about 16 per cent in the previous twelve months.

The IPAV Survey finds that nationally rents have increased both for houses and apartments, with the highest rates recorded in the lowest category of the market (i.e. up to £400 pm). There, the average increase was 5.8 per cent, with Dublin recording an increase of almost 18 per cent in apartment rents and 19.3 per cent in house rents, in the first half of 1999. Taking all categories of property (both houses and apartments), rents in Dublin rose 10 per cent and 3.1 per cent across the country.

Thus, the overall rate of increase in rents in Dublin, since July last is in line, or more moderate generally, than the rise in house prices and the rate of increase across the country is more moderate than the trend in house prices.

Table 2.7 contains some detail of survey estimates of developments in residential rents in 1999. These are from the IPAV survey and relate to the period January-July 1998.

Table 2.7: Abridged Estimate of Increases in Rents Reported in IPAV Survey of House Prices for the Period January-July 1999 (percentage changes)

Rent per month	Apartments					Houses					Average
	<£400	£400-600	£600-800	£800-1000	>£1000	<£400	£400-600	£600-800	£800-1000	>£1000	
	pm	pm	pm	pm	pm	pm	pm	pm	pm	pm	
Dublin	17.9	12.6	10.4	2.5	2.5	19.3	12.9	12.0	5.0	5.0	10.0
Leinster	5.4	3.3	1.6	0.3	2.1	7.1	4.7	2.2	0.6	2.9	3.0
Munster	6.7	2.8	1.8	0.8	2.4	5.6	3.5	1.5	1.0	2.3	2.8
Connaught	4.4	2.9	1.6	1.3	2.0	4.4	3.5	1.3	0.0	1.8	2.3
Ulster	4.2	6.7	10.0	10.0	6.2	4.4	3.3	7.5	7.5	4.6	6.4
Average	5.8	3.7	2.4	1.3	1.3	6.1	4.0	2.3	1.2	2.4	3.1

Source: IPAV National Property Survey, January-July 1999 (August 1999)

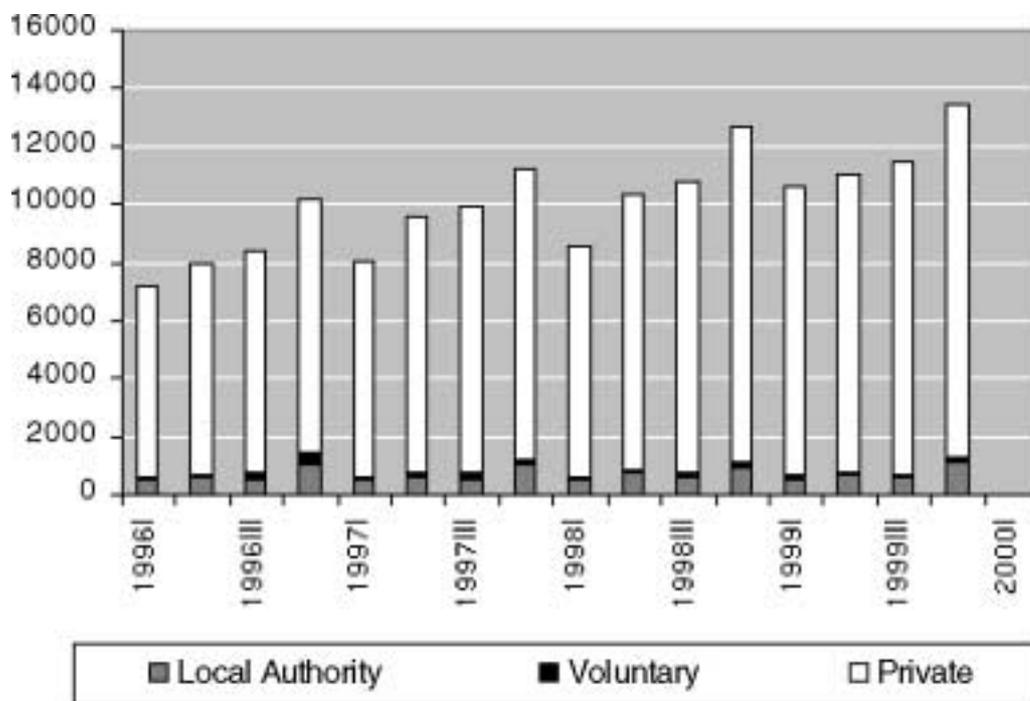
2.3 Recent Developments in Housing Output & Supply

Trends in house prices are inextricably linked to developments in housing activity, as they simultaneously reflect and influence patterns of change. In this section the main trends in housing activity are outlined, distinguishing Dublin and countrywide developments.

2.3.1 Trends in House Completions

The rate of house completions in Ireland, quarterly since the beginning of 1996, together with its composition as between private, public and voluntary housing is summarised in Chart 2.9.

Chart 2.9: Total Housing Completions Nationally, Quarterly, 1996-2000 (Number of units)



Source: Bulletin of Housing Statistics, Department of the Environment & Local Government

The pattern through 1999 follows that of previous years, with completions tending to increase in each successive quarter. For 1999 as a whole, total completions amounted to 46,512 up 9.8 per cent on the level in 1998, which in turn was 9.0 per cent higher than the previous year. Private house completions amounted to 43,024 and accounted for the bulk of the growth in house completions. These levels of completions are the highest that have ever been recorded in one year. The rate of output has doubled since 1993.

In fact, the rates of increase that have occurred in the past two years have been equal to or greater in magnitude than the predictions made two years ago of the supply that would be required to achieve stability in the housing market. The main reason this has not happened is that demand has strengthened to an even greater extent than was envisaged at the time, (see Section 2.2.1). Other contributory factors have been that some of the supply increase has been focussed on meeting demand for holiday homes. Finally, as is discussed in Chapter 4 later, the rate of change in supply associated with the rate of change in price (i.e. the price elasticity of supply) appears to have fallen in the past few years.

Local authority housing completions, at 2,909, were up less than 5 per cent and are still below their level of five years ago. As a result, local authority housing completions account now for only about 6 per cent of the total. The voluntary/non profit sector produced 579 completions, up on the level a year ago. However, these figures do not include acquisitions and other mechanisms used by local authorities to meet affordable housing needs. Thus, local authorities purchased 804 existing dwellings in 1999.

Figures for the first four months of 2000 show total house completions at 14,697. This is up 3 per cent on the same period a year earlier, although HomeBond registrations, a leading indicator of house-building activity, rose by 21.4 per cent nationally in the first five months of 2000 and by 38.7 per cent in Dublin.

Expert representatives of the house-building sector consider that these levels of output are sustainable. Indeed, with further efficiencies and improvements in design some additional growth is considered to be feasible. In addition, a review of the capacity of the construction industry, undertaken by the *Forum for the Construction Industry*, has concluded that there are:

- No shortages of building materials/products, with prices being kept competitive through imports;
- No shortages of building plant/equipment, although hire rates are increasing significantly.¹

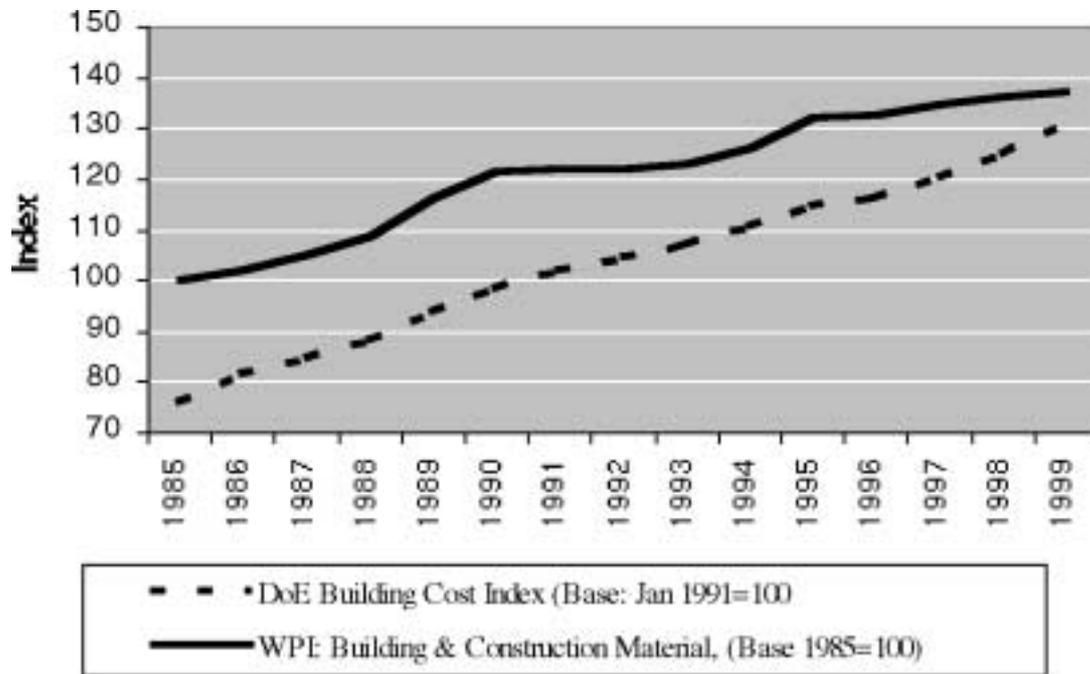
However, as can be seen from Chart 2.10, building material costs have been rising steadily. Earnings data of building workers show increases of around 11 per cent. In addition, there is widespread commentary regarding the tightness of building labour supply. Therefore, even if there are not physical constraints on capacity growth, it is likely that further expansion of capacity would entail further escalation in costs.

The Forum for the Construction Industry produced an interim Report in December 1999 entitled *Expanding the Capacity of the Construction Industry*. The Report does not provide an estimate of what the capacity of the industry is, or what the capacity of the house-building sector is. However, it proposes that efficiency within the house-building sector should be targeted to be increased by 15 per cent. A research programme, funded by the FCI, on house-building is to provide a basis for this target. A final Report from the FCI is expected to be completed by end July 2000. This is awaited with interest in view of:

- the need for measures to address apprentice training,
- inclusion of construction professionals as one of the target groups for the proactive labour market immigration policy,
- considerable anecdotal evidence of labour and skill shortages,

¹ Paper for the Cross-Departmental Team, *Capacity of the Construction Industry*, Department of the Environment & Local Government, (March 2000).

Chart 2.10: Indices of Building & Construction Material Costs, 1985-1999.



Source: Department of the Environment & Local Government

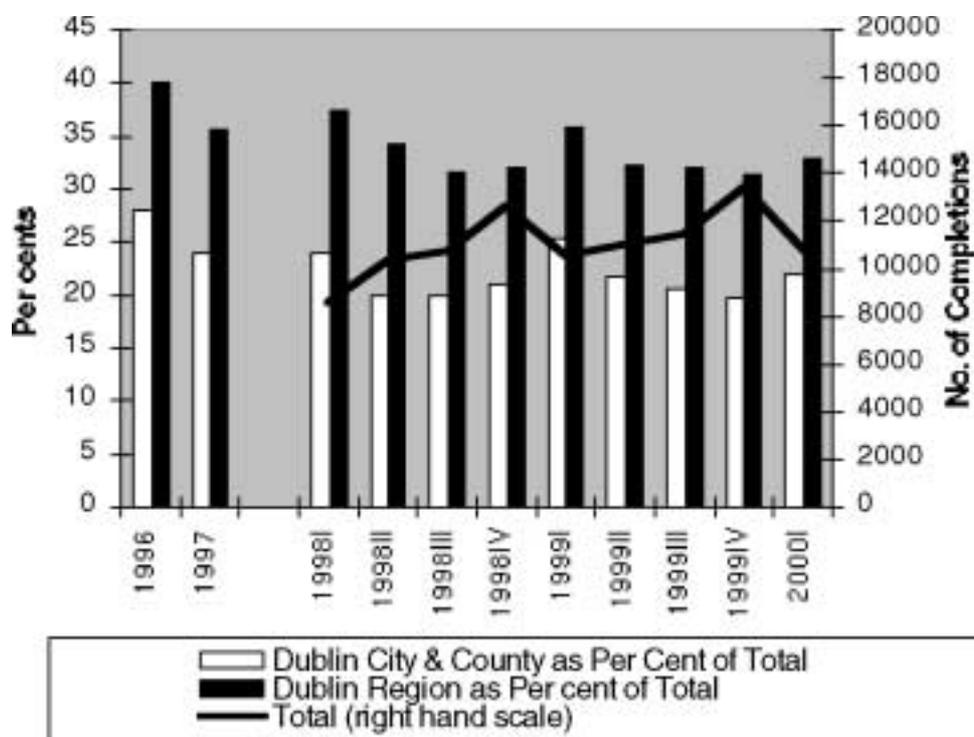
- experience of local authorities regarding difficulties in getting contractor to bid for, commence or complete jobs, and
- general escalation in tender prices.

A separate but related issue is the scale of enterprises operating in the house building sector. The industry is characterised by many small firms. Considering the strong trend in output growth and the generally favourable prospects it is surprising that greater consolidation has not taken place, which would allow the advantage of larger scale to be exploited. It is also somewhat surprising that developers here have not embarked on alliances with firms in the UK, in order to develop larger scale.

Chart 2.11 shows the rate of house completions in Dublin in relation to developments in the country as a whole. *On average from 1990-'97, new house completions in Dublin amounted to 28 per cent of the total, although in 1990,1991 and 1997 the share was below this average and in 1998 the proportion has continued to fall to 21 per cent. In 1999 and the first quarter of 2000 the share was maintained at this level. In absolute terms house completions in Dublin City & County rose 12 per cent in 1999 but declined by 8.5 per cent, year-on-year in the first four months of 2000.*

The share of the Dublin and the Mid East Region (i.e. Dublin City and County, Meath Kildare and Wicklow) has also been tending to decline. For example, the share averaged 38.3 per cent over the period 1990 to1997. By 1998 this had fallen to 33.8 per cent and further to 32.9 per cent in 1999. This level was maintained also in the first quarter of 2000. In absolute terms house completions in the Dublin Region rose 7 per cent in 1999. In the first four months of 2000 there was a decline of 1.7 per cent year-on-year.

Chart 2.11: House Completions: Dublin City & County and Mid-East Region, 1996-2000.



Source: *Bulletin of Housing Statistics*, Department of the Environment & Local Government

The recent trend in housing completions classified according to type of unit is summarised below in Tables 2.8 and 2.9 for Dublin and the rest of the country, respectively.

Table 2.8: House Completions Classified According to Type of Dwelling: Dublin, 1992-1999, (Per cents)

	Bungalow	House Detached	House Semi-Detached	House Terraced	Flat/ Apartment	Total
1992	1	5	61	7	26	100
1993	1	4	57	5	33	100
1994	1	4	55	7	33	100
1995	1	5	48	8	38	100
1996	1	8	47	6	38	100
1997	1	8	53	5	33	100
1998	1	5	50	4	40	100
1999	1	7	44	6	42	100

Source: *Bulletin of Housing Statistics*, Department of the Environment & Local Government

As may be seen, semi-detached houses and apartments dominate completions in Dublin. Together these two types of dwelling have accounted for about 85 per cent of completions in every year since 1992 and over 90 per cent in 1998. The main development has been the general increase in importance of apartments, with a corresponding decline in the share of semi-detached houses. Thus, in 1992 the latter accounted for close to two thirds of completions, while apartments accounted for a quarter. By 1996, the share of semi-detached houses had fallen to 47 per cent with apartments amounting to almost 40 per cent. In 1997,

semi-detached houses share had risen back up to 53 per cent and apartments fell to 33 per cent. In 1998 and 1999, apartments accounted for 42 and 40 per cent of completions respectively. The tendency for apartments share to rise is consistent with policy towards higher densities in appropriate locations. Other house types represent very small shares of total completions.

Table 2.9: House Completions Classified According to Type of Dwelling: Rest of Country, 1992-1997, (Per cents)

	Bungalow	House Detached	House Semi-Detached	House Terraced	Flat/ Apartment	Total
1992	37	21	22	7	13	100
1993	38	24	22	5	11	100
1994	32	22	27	5	14	100
1995	31	23	29	4	13	100
1996	27	33	24	3	13	100
1997	25	30	26	4	15	100
1998	22	28	30	3	17	100
1999	22	34	27	3	14	100

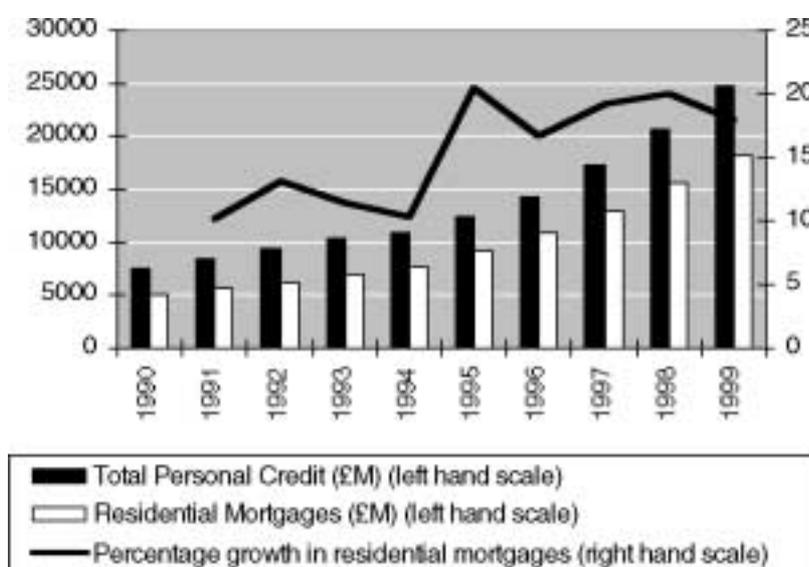
Source: *Bulletin of Housing Statistics*, Department of the Environment & Local Government

With regard to the rest of the country, a very different pattern exists compared with Dublin. Bungalows and detached houses account for 56 per cent of completions in 1999. Semi-detached houses account for approximately 27 per cent of completions and apartments for 14 per cent. Developments in 1999 do not continue an earlier trend in which the share of bungalows and detached houses is falling since 1996 and semi-detached and apartments are becoming more significant in proportion to the total.

2.4 Financing of House Purchases & House Price Affordability

2.4.1 Trends in Aggregate Mortgage Lending & Personal Credit

Chart 2.12: Trend in Mortgage Lending & Personal Credit 1990-1999 (£ Million & percentage changes).



The aggregate trend in mortgage lending and personal credit is summarised in Chart 2.12. This shows a dramatic increase in the total value of mortgages outstanding, almost doubling between the end of 1996, when the level of mortgages outstanding was £10.82bn, to £18.27bn at end-1999. The rates of increase in mortgage lending have tended to be around 18 per cent *per annum* and even 20 per cent in one year. These rapid rates of increase have raised questions as to whether housing demand has been fuelled by liberal credit policies of financial institutions. Analysis of aggregate data does not suggest a systemic pattern of liberal credit advancement. However, with the value of loans approved in 1999, by all financial institutions, up 36 per cent on 1998 it seems likely that some individuals are probably over-borrowing. At the same time, of course, many first time buyers, particularly those on lower incomes, find house purchase less affordable and are unable to secure the required equity element.

Again, at an aggregate level the share of the value of average mortgages on new and existing houses relative to the price of these houses has not risen significantly, as demonstrated in Chart 2.13. In fact, the proportion of mortgage debt appears to have peaked during the first half of the 1990s at around 65 per cent of the average price of houses nationally. Currently, average mortgages on new and existing houses represent just under 60 per cent of the average price of new and existing houses nationally.

Another feature of mortgage credit trends is that the number of new mortgages – both paid and approved – falls well short of the number of new house completions (Chart 2.14). Moreover, the proportion involved has been falling in recent years, suggesting that an increasing proportion of new house purchases is being financed without recourse to mortgage finance.

These aggregate trends do not support the contention of a general deterioration in house price affordability. The data suggest that house purchase is being financed to a greater degree from equity than debt, although this could be simply, non-mortgage debt, or indeed debt incurred by parents or guardians. However, the data used are averages and as noted earlier (see Section 2.2.3 above), the experience of particular groups contained within aggregate trends at the margin can be very different from that portrayed by aggregate average data. However, what the data does demonstrate is that the issue of house price affordability is not one that exists at a general level within the market.

Chart 2.13: Mortgages on New and Existing Houses as a Proportion of House Prices 1980-1999 (percentages).

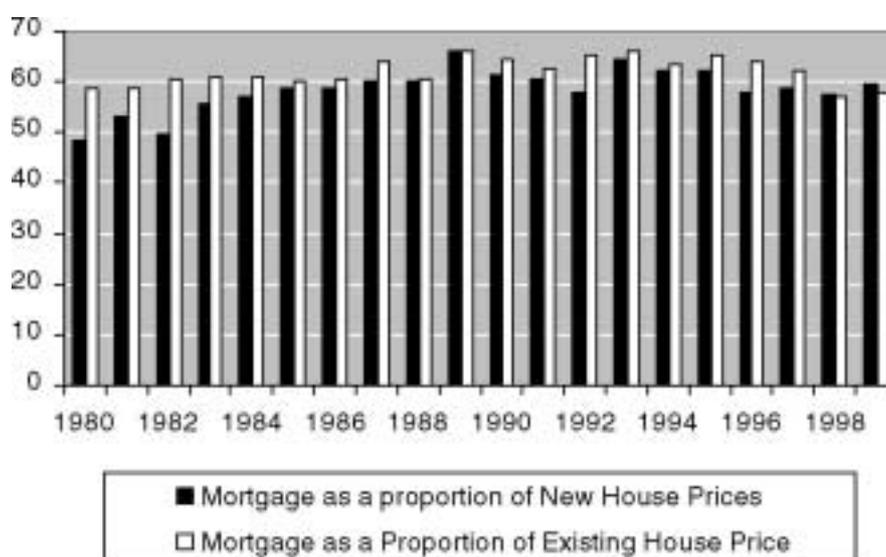


Chart 2.14: Number of Mortgages on New Houses in Relation to New House Completions.

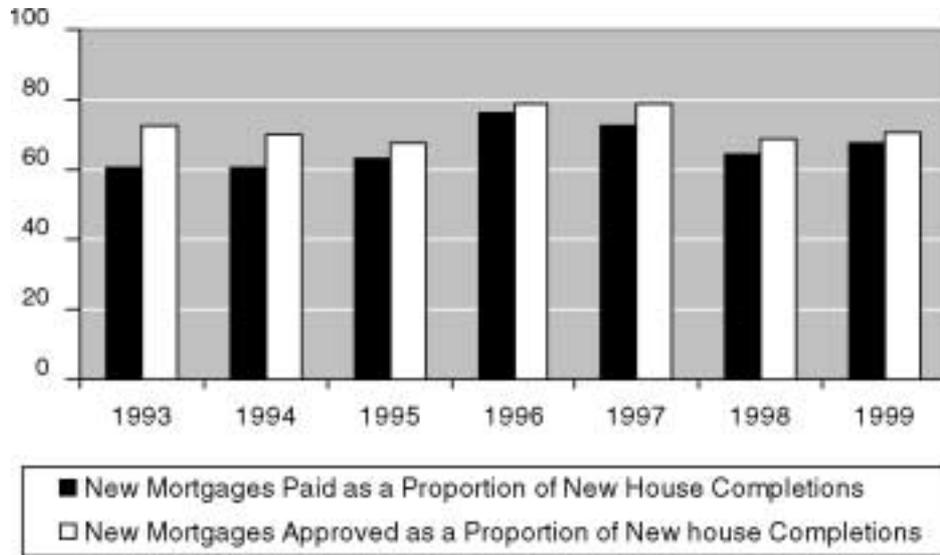


Chart 2.15 illustrates an important aspect of the manner in which affordability of house prices is deteriorating. The chart is based on the same data contained above in Chart 2.13. In this instance, the difference in absolute terms, between average prices of new and existing houses and the amount of mortgages is shown. As may be seen, the amount of the difference in respect of both new and existing houses has risen in absolute terms from £19,600 and £17,900 on average for new and existing houses respectively in 1993 to £47,200 and £54,000 for the same houses in 1999.

Chart 2.15: Difference between Average New House Price and Amount of Average Mortgage on New House 1993-1999 (£).



In relation to both the absolute level and the growth of incomes of many workers, these amounts represent an increasing burden. For example, the difference between average new house prices and average new mortgages has doubled since 1995 to £47,230 in 1999. For an

increasing number, the amounts involved simply cannot be financed. This summarises the affordability issue in a nutshell.

2.4.2 Trends in House Price Affordability Indices

In order to analyse recent developments in house price affordability two indices are analysed. These describe affordability in respect of:

- A married couple with no children and one wage earner on one and-a-half times the average industrial wage.
- A married couple with no children and two wage earners. In this case, the wage level of the principal earner is taken as the average for non-industrial workers, while the wage level of the second earner is taken as the average industrial wage.

It should be noted that affordability indices do not measure trends in the affordability of mortgage holders in general over time. Rather they indicate the situation facing a particular category of householder buying a house at different points in time.

For the single wage-earning household, the level of income assumed would have satisfied the mortgage criteria of 2.5 times the principal income for a 90 per cent mortgage in 1988, when interest rates were about 9 per cent. However, the sharp rise in house prices has meant that it would be impossible for a worker on this multiple of the average industrial wage to satisfy the mortgage lending criteria by 1997. For most couples, two incomes are required to satisfy the mortgage lending criteria at current house prices. The wage levels assumed for the two income household would allow only for a 68 per cent mortgage at current house prices within the mortgage lending criteria of 2.5 times the principal income and once the second income. At the start of 1997, the same income would have supported a 90 per cent mortgage. Consequently, the equity gap has risen, (see Chart 2.13 above). However, the indices below cannot incorporate this feature. In constructing these it is assumed simply that a 90 per cent mortgage is available. The estimates for 2000 are based on the following assumptions:

- earnings growth of 6.5%
- house price inflation at 15%
- mortgage rate of 4.7%

Index levels, to base 1988 as 100 are presented in Table 2.10.

Table 2.10: Affordability Index : Base 1988=100, New House Prices Countrywide variable interest mortgage

	Index 1:1 Wage Earner	Index 2: 2 Wage Earners
1988	100.00	100.00
1989	76.26	76.63
1990	71.99	72.33
1991	74.25	74.44
1992	72.82	74.29
1993	91.77	93.58
1994	105.27	106.54
1995	99.14	100.69
1996	94.23	94.68
1997	83.68	84.23
1998	73.83	73.11
1999 (est.)	79.62	78.72
2000 (forecast)	75.40	77.75

Affordability ratios (i.e. the ability of households to service a mortgage as represented by the net after tax income divided by the mortgage servicing costs) are likewise presented in Table 2.11.

Table 2.11: Affordability Ratio : Net After tax Income / Mortgage Servicing Cost (*New House Prices Countrywide variable interest mortgage*)

	Index 1:1 Wage Earner	Index 2: 2 Wage Earners
1988	3.13	4.57
1989	2.39	3.50
1990	2.56	3.30
1991	2.33	3.40
1992	2.28	3.39
1993	2.88	4.28
1994	3.30	4.87
1995	3.11	4.60
1996	2.95	4.33
1997	2.62	3.85
1998	2.31	3.34
1999 (est.)	2.49	3.59
2000 (forecast)	2.36	3.55

In the case of both one & two income household there was an improvement in affordability in 1999, compared with 1998. The principal reason for this was the decline in interest rates from an average level of 7.2 per cent in 1998 to 4.9 per cent in 1999. However, on the basis of the assumptions it is estimated that this improvement will be reversed partially this year. This is the result of interest rates being assumed to cease falling, along with the interaction effects with the other assumptions made for 2000.

2.4.3 House Price Affordability in Dublin Compared with National House Prices

The acceleration in new house prices in the Dublin area has been faster than that nationally. This trend has the inevitable consequence of accelerating the decline in house price affordability for Dublin households (Tables 2.12 & 2.13).

Table 2.12: Affordability Index : Base 1988=100, New House Prices Countrywide variable interest mortgage

	Whole Country	Dublin
1988	100	100
1989	76.63	71.42
1990	72.33	64.32
1991	74.44	69.33
1992	74.29	71.18
1993	93.58	95.55
1994	106.54	104.39
1995	100.69	99.95
1996	94.68	93.77
1997	84.23	77.30
1998	73.11	62.46
1999 (est.)	78.72	66.18
2000 (forecast)	77.75	65.37

3: Potential Housing Supply in the Dublin Region & Selected Other Major Urban Areas

3.1 Introduction

This chapter assesses the current potential supply of housing in the Dublin Region and selected other major urban areas like Cork and Galway. Some of the key constraints and other issues, which are relevant to realising this potential, are identified.

Section 3.2 contains an analysis of recent and current trends in planning applications. An assessment is then made in Section 3.3 of the potential supply of housing in the Dublin region and in certain other major urban areas. Section 3.4 considers the main constraints on realising potential supply. Section 3.5 contains an account of current changes being made as part of the Development Plan Process, which is the basis for zoning land for residential construction. Finally, the emerging trend in likely supply in the short and medium term is assessed in Section 3.6.

3.2 Processing of Planning Applications

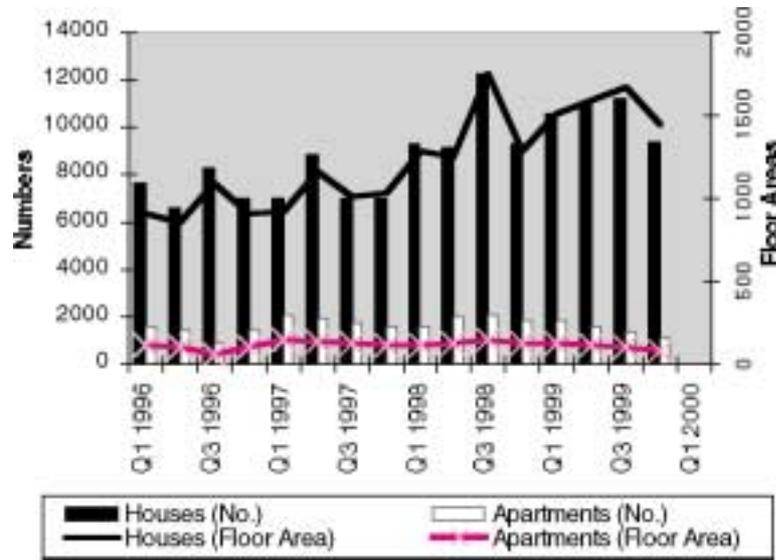
3.2.1 Trends Since 1996 and Regional Analysis

Chart 3.1 contains official published data on the number of dwellings for which planning permissions were granted on a quarterly basis, since the beginning of 1996. A key feature of the data is the rapid growth in dwellings permitted through 1998. The average annual increase in dwellings permitted amounted to 28 per cent. Following this increase in productivity in planning processing, the level of dwellings permitted was sustained in 1999, although there was a rise of 17 per cent in the number of permissions granted. There is now evidence of capacity constraints in planning. These comprise both staff shortages in local authorities as well as capacity constraints amongst architects and planners, resulting in sub-standard applications which cause further delay. In addition, there is evidence of some developers not having adequate design capacity to deal with higher density schemes, which need more technical input than the average estate of three-bedroom semi-detached houses.

The number of dwellings permitted in the third quarter of 1998 for houses involved was the highest since this series commenced in 1973. The year-on-year rate of increase in that quarter amounted to 64 per cent. However, after that there was a significant contraction. From the first quarter of 1999, numbers of dwellings permitted rose, but never regained the earlier peak of the third quarter of 1998 and in the final quarter of 1999, they fell back sharply again. Taking 1999 as a whole, permissions granted for new houses were up 5.75 per cent on 1998. This followed a strong rise of 34 per cent in 1998.

The trend in permissions granted for apartments actually declined from a peak of 2,041 in the first quarter of 1997. However, by the third quarter of 1998 apartment permissions had almost regained the earlier peak level of the first quarter of 1997. During 1999 permissions fell steadily. By the final quarter of 1999, the number had fallen to 1,082, from 1,816 in the final quarter of 1998. The reasons for this decline are not entirely clear. However, the expiry of tax incentives and urban renewal programmes are thought to be contributory factors.

Chart 3.1: Planning Permission Granted for New Houses & Apartments, Quarterly, 1996-2000 (Number of dwellings and Floor area involved in 000's M²).



Source: Planning Permissions, Final Quarter 1999, CSO.

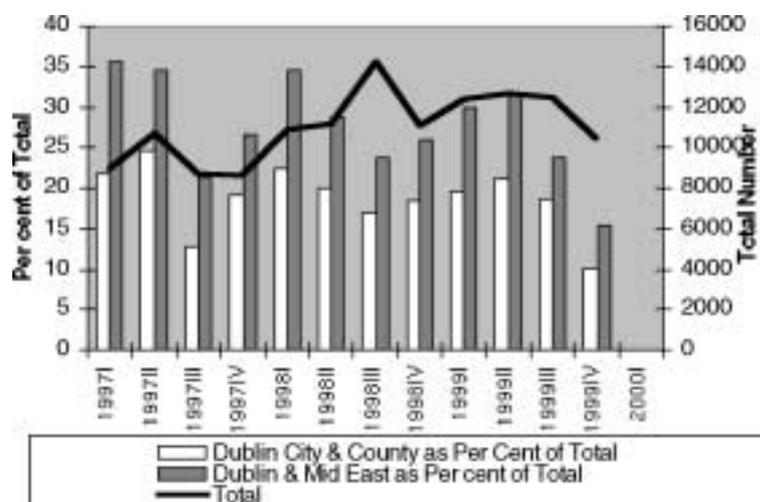
Taking 1999 as a whole, the number of dwellings (houses and apartments) permitted was up only 1.5 per cent. This comprises a rise of 5.75 per cent for houses and a decline of 22 per cent in permissions for apartments. Housing output in the same period was up 9.8 per cent. At first sight, this suggests that the stock of sites with planning permissions, declined during 1999. However, very recently, it has come to attention that the official CSO data in relation to planning permissions understate the true position. Arising from this a Working Group, comprising officials of the CSO and the Department of the Environment & Local Government has been established to review the manner of collecting the data. Therefore, caution is required when interpreting the published data to hand. Furthermore, inferences drawn on the basis of this data could be overturned, if it is found that there are serious errors contained within them.

When a regional analysis of permissions is undertaken, it appears that during 1999, while the trend in total permissions granted fell, the proportion of this total granted in Dublin and in the Dublin and Mid East Region also declined, (Chart 3.2).

According to officially published CSO data, on average in 1999, the number of units granted planning permissions was down 7 per cent on 1998 in both Dublin and the Dublin & Mid East Region. However, these averages mask the extent of the decline during the year. For example, in the final quarter of 1999, permissions granted in Dublin & the Mid-East Region accounted for only 10 and 15.4 per cent of total permissions, while the latter were down by 15.5 per cent compared with a year earlier. Planning permissions granted in Dublin & the Mid East were down 49 & 44 per cent respectively in the final quarter of 1999, compared with a year earlier.

House completions in Dublin & Dublin and the Mid East Region, rose 12 and 7 per cent respectively between 1998 and 1999, whereas the number of dwellings for which planning permission granted fell 7 per cent in both areas. For the final quarter of 1999, housing completions were static and up 3.8 per cent respectively in the two areas, compared with twelve months earlier, whereas dwellings permitted were down 49 and 44 per cent respectively.

Chart 3.2: Total Planning Permission & Proportion Granted in Dublin & Dublin & Mid East Region 1997-2000 (Number and percentages).



Source: Planning Permissions, Final Quarter 1999, CSO.

Based on available published data the trends are not consistent with the view that there is hoarding of land with planning permission in these areas. On the contrary, it would appear that taking 1999 as a whole compared with 1998 and the pattern through 1999 and the level of completions in 1999, there was a significant running-off of the outstanding stock of development sites with planning approval. However, as noted above, this inference would be open to question in the event of significant upward revision to the data. It is to be noted that the CSO has indicated that a revision is likely, to reflect the fact that the data, at present, contain significant understatement.

Table 3.1: Planning Permissions Granted for New Houses & Apartments 1996-1999 (Number of Units)

Period	Dublin City & County	% of Total	Dublin Region*	% of total
Average 1996	2,301	26.2	3,376	38.5
Q1 1997	1,952	21.7	3,198	35.5
Q2 1997	2,655	24.6	3,709	34.5
Q3 1997	1,104	12.7	1,851	21.2
Q4 1997	1,637	19.0	2,295	26.7
Average 1997	1,837	19.5	2,763	29.5
Q1 1998	2,441	22.4	3,753	34.5
Q2 1998	2,233	20.0	3,198	28.7
Q3 1998	2,408	16.9	3,387	23.7
Q4 1998	2,051	18.5	2,874	25.9
Average 1998	2,283	19.3	3,303	27.8
Q1 1999	2,426	19.5	3,719	29.9
Q2 1999	2,672	21.1	3,993	31.5
Q3 1999	2,349	18.8	2,965	23.7
Q4 1999	1,054	10.0	1,615	15.4
Average 1999	2,125	17.7	3,073	25.6

* Dublin City & County, Kildare, Meath & Wicklow

Source: Planning Permissions, Fourth Quarter 1999, CSO.

The proportionally lower number of permissions granted for new houses and apartments in Dublin City and County, as opposed to the Dublin & Mid-East Region, may be accounted for by the difficulties of site acquisition or assembly, access and servicing in built-up urban areas. It could also be accounted for by a decline in applications for permission. While the latter is conceivable, it does not seem very plausible, given the buoyancy of demand for housing. Nor is it consistent with increasing pressure being experienced in the planning system in processing applications. A more plausible explanation lies in the fact that development of in-fill urban sites raises issues (such as conformity with established character and density, protection of adjoining amenities, archaeology, built form and site management) which require considered design and management techniques. Any significant scheme in a built-up residential area is likely to attract opposition and be granted only by recourse to the appeal process. In addition many of the substantial sites within built-up areas which were capable of being re-developed for housing have now been commissioned whilst the development of significant new 'brownfield' sites, particularly those in the Docklands area, are yet to come on stream or are dependent on decontamination prior to development.

In comparison, the development of 'greenfield' sites, particularly those outside of the major urban areas, generally exhibit fewer constraints, apart from access and servicing may require a lesser degree of technical or professional expertise for their design and layout. However, where they are proximate to established residential areas or in areas where they are likely to result in negative impacts, particularly on traffic flows, opposition to their development can result.

3.2.2 Snapshot Analysis of Greater Dublin Area at Beginning of 2000

The consultants carried out an update of serviced land sites in consultation with the Dublin and Mid-East Authorities in April/May. This assessed the number of sites of five hectares or more. In respect of the four local authorities in Dublin City and County and those in Kildare, Wicklow and Meath, Table 3.2 contains a snapshot analysis of these sites. In addition, the number of housing units covered by planning applications (including pre-planning discussions) at end 1999 in relation to the potential housing yield of land of 5 hectares or more on which it was considered that development could commence at the beginning of this year is shown. An estimate of work in progress at the beginning of 2000 in Dublin City and County, amounting to 6,390 units is also shown.

In Dublin City & County, planning permissions granted but not yet commenced amounted to 9,547 housing units, (comprising permissions granted for 8,073 housing units in 1999 and permissions granted prior to 1999 for 1,464 housing units). Work in progress at the beginning of 2000 was 6,390 units. Thus, planning permissions for housing units, which had not commenced amounted to 28 per cent of the potential yield of significant land, (i.e. 5 hectares or greater), considered capable of commencing development. Planning permissions granted more than 12 months that had not commenced amounted to about 4 per cent of the potential yield.

Applications awaiting decision by the Dublin local authorities and referrals to An Bord Pleanála, accounted for 12,845 units (i.e. 10,354+2,491 respectively) or 38 per cent of the total potential yield of lands considered capable of commencing development now.

Pre-planning discussions were underway in respect of 33,532 units. While these are equivalent to the total number of sites available now for development, a proportion of these discussions relate to developments, which would not be envisaged to commence, perhaps for a number of

years. For example, in the case of Fingal, these include figures for Portmarnock (2,200), Baldoyle (1,300) and Lusk (2,300), which will be serviced in 2002 and 2003-2006.

In the Mid East Region, comprising Kildare, Meath and Wicklow, housing output in 1999 was only half that in Dublin City & County. Work in progress, too, is about half that in Dublin. There is about the same immediate potential housing yield in this area as in Dublin City & County. There would appear to be considerable potential to accelerate supply in this area. As of the start of 2000, there was a high number of planning applications awaiting decision, as many almost as in Dublin City & County, with proportionately much fewer referred to An Bord Pleanála. As a leading indicator, this may presage a pick-up in supply in the short to medium term. However, it is to be noted also that pre-planning discussions, in relation to potential yield is very low, by comparison with Dublin City & County.

Table 3.2: Snapshot Analysis of Planning Applications (including pre-planning discussions) in Relation to Significant* Housing Land Considered Available for Development at Start 2000 (Housing Units)

Local Authority	Housing Output 1999	Potential Yield of Significant* Land Considered Available commence development - start 2000	Construction Work in progress -Start 2000	Planning Status Permission granted in 1999 Construction Not Commenced	Pre 1999 Not Commenced	Total Not Commenced	Awaiting LA Decision	Referred to Bord Pleanála	In Pre-Planning Discussion	Total Pending
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(5)+(6)	(8)	(9)	(10)	(11)=(8) + (9)+(10)
Dublin										
Corporation	2,804	4,899	1,582	1,152	77	1,229	3,029	498	2,532	6,059
Fingal	4,296	16,830	1,927	4,107	215	4,322	5,052	1,852	17,000	23,904
South Dublin	2,049	11,348	1,500	2,500	1,000	3,500	1,000	0	12,000	13,000
Dun Laoghaire										
Rathdown	886	844	1,381	324	172	496	1,273	141	2,000	3,414
Total Dublin	10,035	33,921	6,390	8,083	1,464	9,547	10,354	2,491	33,532	46,377
Meath	1,480	11,723	2,128	1,376	1,230	2,606	5,462	300	1,098	6,860
Kildare	2,419	12,594	1,099	1,034	594	1,628	2,664	290	1,280	4,234
Wicklow	1,294	4,701	677	162	12	177	1,445	100	960	2,505
Total Mid East Region	5,193	29,018	3,904	2,575	1,836	4,411	9,571	690	3,338	13,599
Total Dublin & Mid East Region	15,228	62,939	10,294	10,657	3,300	13,957	19,925	3,181	36,870	59,976

* 5 Hectares or larger

Sources: *Housing Output Data* is from the *Bulletin of Housing Statistics*, Department of the Environment & Local Government;

Estimates of Potential Supply have been supplied to the Consultants by the Local Authorities and contain revisions to data contained in *Returns for the Housing Land Availability Questionnaire*, 23 March 2000, Department of the Environment & Local Government.

Remaining data in respect of the position at end 1999 is from *Returns for the Housing Land Availability Questionnaire*, 23 March 2000, Department of the Environment & Local Government.

3.3 Estimates of Potential & Actual Housing Supply Classified by Planning Authority

3.3.1 Review of Earlier Estimates

Dublin & Mid East Region

Table 3.3 contains a review of estimates of potential housing yields and projected housing yields from serviced land in Dublin City and County and the Dublin and Mid East Region. Information is contained also on planning permissions granted and actual housing output.

Table 3.3: Estimates of Potential Housing Yields from Serviced land: Dublin, Kildare, Wicklow and Meath, 1998-2000 (Numbers of Housing Units)

	Potential Housing Yield from All Serviced Land January 1998 ⁽¹⁾	Potential Housing Yield from All Serviced Land January 1999 ⁽²⁾	Additional Gross Housing Yield from All Serviced Land In next 2 to 3 years ⁽³⁾	Potential Housing Yield from All Serviced Land Dec. 1999 ⁽²⁾	Potential Housing Yield from Significant Serviced Sites March 2000 ⁽⁴⁾
	(A)	(B)	(C)	(D)	(E)
Total Dublin	38,907	39,863	24,214	41,461	33,921
Actual Housing Output (units)	8,957	10,035			
Number of Planning Permissions granted in year (units)	9,133	8,501			
Total Kildare, Wicklow & Meath	N/a	24,363	15,754	27,740	29,018
Actual Housing Output (units)	5,266	5,193			
Number of Planning Permissions granted in year (units)	4,079	3,791			

Notes:

- (1) *Analysis of Potential Supply of Housing in Selected Local Authority Areas, Report to Dublin Local Authorities' Co-ordination Meeting 26 January 1998. See Appendix F, An Economic Evaluation of Recent House Price Developments (April 1998).*
- (2) *Internal assessment by Planning Section of the Department of the Environment & Local Government, December 1998. Details and assumptions Reported in The Housing Market: An Economic Review & Assessment (March 1999).*
- (3) *As for (2).*
- (4) *Supplied by Local Authorities in response to Survey of Planning Authorities April 2000. Undertaken by Consultants of this Report. Significant serviced land refers only to sites of 5 hectares or more.*

However, it should be noted at the outset that the estimated projections contained in Column (E) of the table refers only to significant sites of at least five hectares. The other columns refer to *all* sites. Thus, the estimated potential from significant sites of 33,921 understates the total potential. With these *caveats*, the table highlights several important features.

Firstly, in relation to Dublin City and County, actual housing output in relation to estimates of current potential yield from significant sites, at 30 per cent appears high, suggesting a current potential yield equal to just over three and a half years output, although allowing for smaller sites improves this picture, perhaps to four years. It is to be noted that current output is insufficient to satisfy demand at stable prices. Secondly, the rise in housing output in 1999 compared with 1998 occurred against a background where planning permissions granted, according to published CSO data, actually declined. The inference, based on these published data has to be that the stock of 'ready-to-go' land (i.e. with planning permission) in Dublin was reduced during the twelve months to end 1999, by around 1,00 units. Data are not available to distinguish between planning applications made (demanded) and planning permissions granted (supplied). However, it would be odd if planning application numbers fell, at a time when housing demand is very buoyant. It is noted that a working group, comprising the CSO, the Department of the Environment and Local Government and the Local Authorities is being convened to examine planning permissions data. Thirdly, there has been considerable variation in the spatial distribution of current potential yield with an increase in the dependence on Fingal County Council and a corresponding reduction in Dublin Corporation and the other two Dublin County Councils. Most of the smaller, i.e. less than 5 hectare sites are in Dublin Corporation and Dun Laoghaire Rathdown, therefore the dependence on Fingal is not quite as great in the context of all sites. Fourthly, the potential yield in Dublin City & County appears to be falling behind or at best appears static compared with where it was estimated previously it would be at present. Fifthly, turning to Kildare, Meath & Wicklow, the rate of housing output in relation to potential is below Dublin, at just over 20 per cent. Sixthly, again like Dublin planning permissions granted in 1999 fell. Housing output also declined. Finally, potential housing yield in these three counties appears to be developing more closely in line the revised (lower) estimates provided a year ago.

Table 3.4 contains information on housing land availability in Cork, Galway, Limerick and Waterford. These data are from the Housing Land Availability Questionnaire of the Department of the Environment & Local Government.

Table 3.4: Returns of Housing Land Availability: Selected Major Urban Areas (Position at end December 1999).

Local Authority	Average Residential Density (Units)	Q1 Ha	Q2 Units	Q3 Units	Q4 Units	Q12 Units	Q5 Units	Q6 Units	Q7 Units	Q8 Units	Q9 Units	Q10 Units	Q11 Units
Cork Corporation	20	154	3,697	348	97	242	206	8	441	752	28	42	807
Cork County	13	2,772	33,635	6,438	5,082	27	4,135	2,246	776	5,518	1,089	32	1,982
Cork Total:	17	2,926	37,332	6,786	5,179	269	4,341	2,254	1,217	6,270	1,117	74	2,789
Galway Corporation	27	446	7,126	2,268	1,350	25	746	1,213	68	856	521	0	400
Galway County	25	1,110	8,250	3,525	15,975	228	1,391	1,079	278	547	217	131	1,237
Galway Total:	26	1,556	15,376	5,793	17,325	253	2,137	2,292	346	1,403	738	131	1,637
Limerick Corporation	29	95	2,764	0	0	0	136	0	0	288	0	32	110
Limerick County	30	809	18,143	4,564	1,549	48	1,226	1,284	770	1,863	53	17	1,750
Limerick Total:	30	904	20,907	4,564	1,549	48	1,362	1,284	770	2,151	53	49	1,860
Waterford Corporation	25	357	2,550	2,875	2,850	100	490	390	110	855	0	0	155
Waterford County	22	466	2,210	3,176	3,800	16	900	255	117	415	0	23	1,322
Waterford Total:	24	823	4,760	6,051	6,650	116	1,390	645	227	1,270	0	23	1,477

Source: Returns for the Housing Land Availability Questionnaire - Department of the Environment and Local Government.

* Projected housing output on Serviced Land based on 1999 Housing Output Figures

Notes:

Q1: Total zoned undeveloped land likely to be developed for residential use over the next 6 years.

Q2: Total zoned undeveloped serviced land likely to be developed for residential use

Q3: Additional land proposed for servicing within the next 2 years

Q4: Additional land proposed for servicing in years 3 – 6

Permission Status of Units on Land at Q2 above (i.e. fully serviced Land)

Q5: Permission granted & construction commenced

Q6: Permission granted in last 12 months but construction not commenced

Q7: Permission granted more than 12 months ago but construction not commenced

Q8: Applications awaiting local authority decision

Q9: Applications on appeal against local authority grant

Q10: Applications on appeal against local authority refusal

Q11: Pre-Planning discussions

Q12: Sites under 1/2 Ha account for about ... units with permission additional to above.

3.3.2 Latest Available Estimates of Potential & Actual Supply in the Short Term & Projections to 2006

Dublin & Mid East Region: Potential Yields

In order to gain greater insight as to why actual output is failing to realise a greater proportion of estimated potential yield, a detailed analysis was undertaken of all significant (i.e. at least 5 hectares) sites considered by the Dublin Planning Authorities to be available for development now. The results of this analysis, relating to over 40 sites is presented in detail in Appendices 1 through 5. It is important to be clear at the outset what the term 'available for development now' means. This refers to the total potential yield of sites on which development can commence now, subject to the necessary planning consents. The pace at which this potential yield can be realised depends on the extent and type of development constraints, e.g. either infrastructure or planning requirements, which apply to the sites involved and on the capacity and operating practices of developers and building contractors involved in developing them.

It should be noted also that ongoing investment in infrastructure is estimated to add to the potential housing yield available in the future. Estimates have been made in relation to this future potential also. A summary of the current and projected potential supply of housing from significant sites (i.e. at least 5 hectares) capable of being developed in Dublin and the Dublin & Mid-East Region out to 2006 is contained in Table 3.5.

Table 3.5: Potential Yield of Significant Areas of Undeveloped Residential Land in the Dublin Area

Capable of Commencing	Dublin Corporation (Units) (Units)	Dun Laoghaire/Rathdown	South Dublin (Units)	Fingal (Units)	Total
Now*	4,899	844	11,348	16,830	33,921
2002	5,978	7,355	3,120	15,030	31,483
2003-2006	8,935	----	8,000	15,757	32,692
Total	19,812	8,199	22,468	47,617	98,096

* Subject to necessary planning consents.

Source: Survey of Planning Authorities April 2000

Thus, the estimated aggregate potential yield of significant sites, (i.e. at least 5 hectares) capable of commencing now, subject to the necessary planning consents, in Dublin City & County is 33,921 housing units. Additional increments to this stock are expected to be created as a result of overcoming infrastructure constraints over the medium term to 2006. Thus, an extra 31,483 potential units are projected to be added by the end of 2002 and a further additional 32,692 units between 2003 and 2006.

Dublin & Mid East Region: Projected Actual Yield to End 2001

However, as noted earlier in the context of analysing the data contained in Table 3.3, the relationship between actual output in any given year and total potential yield appears weak. Therefore, on the basis of the detailed information contained in the appendices an assessment has been made to arrive at an estimate of the most likely (maximum) actual yield that can be expected from these sites in the short term, (i.e. out to end-2001). Details are provided in the appendices on a site-by-site basis. A summary is contained in Table 3.6.

• Sites in excess of 5 hectares.

Table 3.6: Estimated Likely Actual Housing Yield (Max) in 2001 from Significant (i.e. at least 5 hectares) Greenfield Sites: Summary

Dublin Corporation	650 units
South Dublin	1,500 units
Dun Laoghaire/Rathdown	250 units
Fingal	6,010 units
TOTAL	8,410 units

Source: Dublin Local Authorities

This suggests that in the short term, in 2001, the likely supply from significant greenfield sites will be around 8,410 units. In addition, estimated output in Fingal and South Dublin this year amounts to 5,500 units on significant sites, with output in Dublin Corporation, Dun Laoghaire Rathdown and South County Dublin on sites smaller than 5 hectares this year and next amounting to 8,200 units. This suggests that in the short term to end 2001, output of about 22,100 units will be achieved. This rate of completions in the next two years in Dublin City and County compares with output of 10,035 in the year 1999.

The scope for accelerating output in the Mid East Region in the same period is greater. The potential yield is on a par with Dublin City & County and the actual rate of completions in 1999 was running at half that of Dublin. The relatively large number of planning applications awaiting decision at the beginning of this year may be a forerunner to accelerated output from this region in the short- to-medium term, (see Table 3.2).

3.4. Key Constraints on Realisation of Adequate Housing Supply

3.4.1 Time Required to Obtain Necessary Planning Consents

In Dublin City and County, upwards of 25 areas, which can provide significant residential yields are being developed on the basis of Local Area Plans (See Appendices 2-5). Some Area Plans are completed, e.g. Pelletstown, Santry Demesne, James Connolly Memorial Hospital. Others are in progress and some are not yet started. Such lands have the potential to yield circa 30,000 units in Fingal, 5,000 in Dublin County Borough, 5,500 in Dun Laoghaire-Rathdown and 15,750 in South Dublin, i.e. a total of circa 56,250 units.

The status of Local Area Plans is sometimes unclear - some being formally adopted after a public display process akin to the making of the Development Plan itself - others simply being "noted" by the local authority members. The Planning and Development Bill 1999 at Chapter 2 sets out for the first time a procedure for the making of Local Area Plans and clarifies that An Bord Pleanála on appeal shall have regard to the provisions of such Local Area Plans.

Such plans may be prepared in respect of any area which the Planning Authority considers suitable and, in particular, identifies those areas which require economic, physical and social renewal or areas likely to be the subject of large scale development within the lifetime of the Plan. The Local Area Plan consists of a written statement and a plan or plans, indicating the objectives in such detail as may be determined by the Planning Authority for the proper planning and sustainable development of the area and contains information on the likely significant effects on the environment when implementing the Plan. The Planning Authority

should take whatever steps it considers necessary to consult the public when preparing, amending or revoking the Plan, including consultations with any local residents, public sector agencies, non-governmental agencies, local community groups and commercial business interests within the area. It is clear from Section 20 (ii) that, following the considerations as a result of the consultation, the Planning Authority may, by resolution, make, amend or revoke the Plan.

Allowing, say, 12 weeks for the drawing up of such a Plan, a report to the members and their approval of the draft (8 weeks), display period (12 weeks) and final adoption (14 weeks), a period of 46 weeks *minimum* for the formal adoption of such plans is likely.

Subsequent to the adoption of the Local Area Plan, intending developers will prepare their planning applications in the light of its provisions and, if these exceed 500 houses, an Environmental Impact Statement will be necessary and the appropriate Environmental Impact Assessment procedures embarked upon. If a developer is to await the adoption of the Plan before preparing a scheme and an EIS, a period (say, 8 weeks) would elapse before an application for permission is made. If the scheme is of any significance, the likelihood is that its adjudication period through the Planning Authority would take upwards of 16 weeks. On receipt of a decision to grant permission, a right of appeal still lies to An Bord Pleanála (4 weeks) from any third party. At present, the passage through the Board of significant residential schemes would appear to be in the order of 20 weeks, i.e. a total of 48 weeks.

Thus, the likely time period from the lodgement of the application to a Grant of Permission may be in the order of 40 weeks. From initiation of area planning to final grant of permission, an *optimistic* total elapsed time of 94 weeks, i.e. a year and over nine months, is implied. In addition, there is a deterioration in the quality of planning applications being received by local authorities, which also is contributing to delay.

It is instructive to examine the experience of two recent significant residential developments in the Dublin area which have been designated in accordance with Local Area Plans.

Tyrrellstown (Fingal County Council)

Following the zoning of the site for residential development purposes, a proposal for over 2,000 dwellings was lodged with the Planning Authority on 23 December 1999, based on a Local Area Plan provided by the applicants themselves and agreed with the Planning Authority. A decision to grant issued from the Planning Authority on 6 April 2000. Two objections to this development have now been lodged with An Bord Pleanála and a decision may be expected in October 2000 - the elapsed time, therefore, is in the order of 36 weeks.

Stepaside/Ballyogan (Dun Laoghaire/Rathdown County Council)

A Local Area Plan prepared by the Planning Authority and placed on public display in March 1999 indicated a potential yield in excess of 3,340 dwellings. As yet it remains unadopted, thereby inhibiting the preparation and submission of applications. Were the Plan to be adopted in June 2000, appeals against applications are likely. Therefore, the total elapsed time, in this instance is in the order of 104 weeks.

The local area planning process, as outlined in the Planning and Development Bill 1999, will clearly provide for better housing environments and more sustainable development and should be adopted in the case of all larger scale developments. However, the flexible time scale implied by the consultation and approval process and the available appeal procedures may make it difficult to predict ultimate yields and certain delivery dates for the supply of housing on sites, which are the subject of Local Area Planning.

As regards the estimates contained in Table 3.6, compared with the potential yield estimates in Table 3.5, the process of time outlined above is the principal reason why there is such divergence.

3.4.2 Resources Available for the Efficient Processing of Planning Applications

The timescales outlined above may be exacerbated by staff shortages, which may frustrate the making of informed decisions without recourse to time extensions or requests for additional information.

It is widely known and acknowledged that Planning Authorities in general are experiencing difficulties in retaining the services of existing professional staff qualified to undertake planning appraisal, let alone recruit additional staff to meet the pressures arising from additional demand. For example, in March 2000 there were 309 permanent and 41 temporary authorised positions for professional planners in local authorities. Of these positions, vacancies existed in respect of 100 permanent and 7 temporary positions at that time. This would have arisen partly because of the large number of additional posts which have been sanctioned by the Department of the Environment and Local Government in response to requests to planning authorities following the Minister's invitation to planning authorities to review the adequacy of their planning staff levels. During 1999, the Department sanctioned an additional 72 posts for professional planners, and as at 25 May 2000 a further 27 posts had been sanctioned by the Department during 2000.

A number of planning authorities have indicated to the Department that they have filled some of these vacancies since then. Several planning authorities are currently engaged in recruitment campaigns and are interviewing to fill vacant positions.

In the event of a refusal of permission or a third party appeal against a decision to grant permission, the application can be referred to An Bord Pleanála. In 1998, the decisions of the Planning Authorities were reversed in 22 per cent of cases, amended in 37 per cent of cases and confirmed in 41 per cent of cases. As an objective, the Board tries to determine appeals within four months. In 1998, 63 per cent of cases were decided in this period. In 1999, the proportion declined to 47 per cent. The average time taken to determine appeals in 1998 was 18 weeks, rising to 21 weeks in 1999. The reasons for not determining cases within four months related to delays arising from a number of factors, including:-

- the submission of an Environmental Impact Statement;
- the holding of an Oral Hearing;
- the requirement of a new public notice;
- cases which were large or involved complex issues;
- cases which were the subject of a notice under Sections 9, 10 or 13 of the 1992 Planning Act, i.e. requests to provide submissions, observations or documents or the raising of matters other than those raised by parties to the appeal or other parties which required to be taken into account in the determination of the appeal;
- the number of appeals.

The rapid increase in the number of cases coming before the Board has continued, reflecting the continuing upturn in construction activity. The intake of appeals in 1999 was 4708 - the highest level since 1983, as compared to 4548 in 1998. In 1999, 4632 cases were disposed of, the highest since the Board was established in 1977, as opposed to 4057 cases in 1998. In the

case of appeals relating to housing schemes of in excess of 50 housing units, which were lodged in 1999 and decided on or after 1 August 1999, 52 per cent of such schemes were decided in four months.

The increase in the number of appeals and the decline in meeting the 4-month objective are a cause of concern and monitored closely by both the Board and the Minister. Increased staffing has been approved largely in line with the growth in the number of appeals. All additional staffing sought by the Board during 1999 was approved. Excluding Board members, the authorised staffing level of the Board increased to 105 at end 1999. A request for further additional staffing in the context of the ongoing increase in the number of appeals and the additional functions which will be conferred on the Board following the enactment of the Planning and Development Bill is currently being pursued by the Department.

In addition to the increase in the number of Board members from six to nine, which the Minister approved in 1998, in response to a request from the Board, the Minister made an Order in June, 1999 (which was approved by both Houses of the Oireachtas) increasing the number of Board members by a further one to ten. The tenth Board member has been appointed. The full complement of Board members is now in place.

The Minister, in consultation with the Board, continues to keep the situation under review to see if additional measures are required in the light of trends in appeal levels.

3.4.3 Infrastructure requirements (water/sewerage/road access)

In addition to the time required to obtain necessary planning consents outlined above, there are infrastructure constraints, which mean that planning consents may not be forthcoming at all until infrastructure constraints are overcome, or consents may stipulate that developments can be undertaken only on a phased basis.

The presence of continuing infrastructure constraints is the primary reason why developments can only commence now, as described in Table 3.4. Realising the full potential yield of these sites requires implementation of infrastructure investments to relieve constraints. Nevertheless, there is an estimated potential yield of 33,921 housing units in Dublin City & County from greenfield sites of 5 hectares or greater, which are capable of being commenced currently. Smaller sites bring this total higher, perhaps to about 41,000. Appendices 2-5 provide details of the projected potential yields and the infrastructure constraints in relation to over 40 greenfield sites of five hectares or more.

The principal infrastructure constraints on increasing the existing stock of serviced land continue to be water supply, the provision of piped drainage facilities, adequate waste-water treatment capacity and to a lesser extent roads access. The provision of public transport infrastructure to support new housing development is also an issue, particularly in the context of securing higher density development along public transport corridors.

In *An Economic Assessment of Recent House Price Developments* (April 1998), it was noted that significant blockages to the provision of additional housing were caused by the limited sewerage capacity. These occurred in the Swords/North Fringe/Drumcondra area of Dublin, whilst the availability of piped water restricted the provision of additional housing in the Fortunestown, Lucan, Sandyford, Stepside, Leopardstown areas. The discharge of surface water and road access was a constraint in the Clonsilla.

Progress has been made in bringing forward key schemes for these areas. The Swords Wastewater Treatment Plant is now at construction, the advance section of the North Fringe Sewer (Meakstown Poppintree) is scheduled to start shortly and be completed by June 2001. (Planning permission has been granted for 740 units in this area). The remaining sections are to be completed by mid-2002. The Clonsilla Surface Water Scheme has been completed and planning for the Boherboy (serving Fortunestown) and Sandyford (serving Stepside, Sandyford and Leopardstown) Water schemes is well advanced with the completion of both schemes scheduled for mid-2002.

The challenge now is to ensure that these schemes and other key water and waste water schemes are delivered at the earliest possible date so that the stock of serviced land can be increased going forward. Until then, the picture in terms of supply of infrastructure services to end-users will remain fundamentally unchanged.

The 1998 assessment by the consultants also identified roads access and public transport as being constraints to development. On foot of this a number of roads access projects were approved by the Minister for the Environment and Local Government – to date 10 of these have been completed with the remaining 8 to be completed this year. A further assessment of non-national roads projects serving housing development is being carried out by the Department. Public transport infrastructure, which supports housing development is included in the *DTO Short Term Action Plan* and *DTO Transportation Blueprint (2000-2006)*. These include the provision of additional rail halts on the main suburban lines, the purchase of additional rolling stock, upgrading the rail line to Maynooth and Kildare, additional bus capacity and the implementation of the QBC network, local bus services for areas such as Maynooth/Kilcock, Balbriggan/Rush/Lusk and Swords, etc. The *DTI Update Strategy to 2016* is currently being finalised and as part of this the further integration of public transport provision with new housing development is being assessed and costed.

In the course of preparing *Action on House Prices*, consultations were held with local authorities in the Dublin Region. These identified several key areas where poor water services infrastructure was restricting development. Many of these schemes were subsequently approved by the Minister for the Environment and Local Government in 1998, under the Serviced Land Initiative. The Minister also approved schemes over and above this core list provided by the local authorities.

3.4.4 Serviced Land Initiative

The Serviced Land Initiative (SLI) was introduced towards the end of 1997, with an exchequer budget allocation of £15m. This was increased to £30m in *Action on House Prices* and a provision of £5m was made available to local authorities to target (on the same basis as the SLI) areas where roads infrastructure is a key constraint. The £30m provision for water and sewerage services was subsequently augmented by an additional £9m of exchequer funding later in 1998; giving a total exchequer provision of £39m for these services.

A summary of the current status of the SLI scheme is contained in Table 3.7. Details of each scheme are presented in Appendix 6. It should be noted that, to date, there have been significant slippages in achieving targets set for this scheme. This prompted the following comment to be made:

*“In the light of the experience in 1998 with delays in starting schemes, it is essential that local authorities take steps to ensure that deadlines for scheme commencements and completions are met.”² *The Housing Market: An Economic Review & Assessment (March 1999)*, p41*

A year ago, it was estimated that the schemes to commence in the Dublin Region in 1999 would provide about 24,000 additional housing units - about 8,200 of these were estimated to be completed in 1999, a little over half of them in the Dublin local authority areas, and the balance in the Mid-East Region.

However, it would appear that difficulties have persisted. As Table 3.7 highlights, to date no schemes have been completed in Dublin City & County and schemes releasing only 944 housing units have done so in the Mid East Region.

The position for 2000 appears to be more positive with almost 56000 serviced sites to be completed by the end of the year, 22,000 of which will be in the Dublin Region. This view is supported when the position is considered against the extent of construction, which is underway. Currently, schemes are providing 46,100 sites at construction sites nationally, with schemes providing 26,100 sites at construction in the Dublin and Mid-East Region.

Table 3.7: Summary of Housing Capacity to Be Released by Serviced Land Initiative Schemes since Inception (*Housing Units*)

	Completed to date	To be completed in 2000	To commence in 2000	To commence in 2001
Total	9,006	55,753	39,337	11,679
<i>Of which</i>				
Dublin City & County	None	18,115	16,674	6,356
Mid-East Region	944	3,527	6,670	None
Cork	2,937	6,835	716	None
Galway	216	3,113	4,658	1,403
Limerick	1,934	1,220	2,143	None

Source: Appendix 6

Table 3.8: Non-National Road Grants to Facilitate Housing Development

Local Authority	Name of Project	Total Length (m)	Estimated Total project Cost (£)	1998 Grant Allocation	1999 Grant Allocation	2000-06-03 Grant	Proposed Total Grant
Cork Co Council	Ballinglanna, Glanmire Access Road from Sli	850	£200,000	£30,000	£50,000	nil	£80,000
	Carrig Donn to Garryduff Station Road, Blarney	1000	£600,000	nil	nil	£240,000	£240,000
Cork Corporation	Apartments on Sharman Crawford Street and Wansford Quay with new road and new bridge at Lancaster Quay	600	£300,000	nil	nil	£120,000	£120,000
	Ballyogan Road / Kilgobbin Road	130	£200,000	nil	£80,000		£80,000
Dun Laoghaire / Rathdown Co Council	Improvement Scheme Snugborough Road	500	£750,000	nil	£300,000		£300,000
Fingal Co Council	Extension to Coolmine Athenry Housing Development	1050	£1,878,000	£282,000	£218,000		£500,000
Galway Co Council		700	£700,000	nil	nil	£280,000	£280,000
Galway Corporation	New Roadway between Raheen Road and Proposed Western Distributor Road	885	£649,454	£60,000	£200,000		£260,000
	Clane: Abbey Road	600	£600,000	nil	£6,387	£233,613	£240,000
Kildare Co Council	Maynooth: Meadowbrook Link Road	400	£400,000	nil	Nil	£160,000	£160,000
Limerick Co Council	Monaleen - Annacotty District Distributor Road	700	£900,000	nil	£8,106	£351,894	£360,000
Limerick Corporation	Rhebogue Road and Anglers Walk Road Improvement	730	£420,000	£30,000	£136,058	£1,942	£168,000
	Bloodmill Road Improvement Works	300	£170,000	nil	£68,000		£68,000
Meath Co Council	N3/R153 Distributor Link, Navan	1,000	£1,150,000	£156,000	£304,000		£480,000
South Dublin Co Council	R113 Oldbawn Road Widening Scheme	400	£1,600,000	nil	£434,000		£434,000
Waterford Co Council	Tramore Ring Road	1,320	£755,000	£97,000	£203,000		£300,000
Waterford Corporation	Knockhouse Road Realignment Scheme	550	£500,000	nil	£12,847	£187,153	£200,000
Wicklow Co Council	Greystones Southern Access Route	2,500	£5,000,000	£62,000	£211,000	£477,000	£750,000
Total		14,215	£16,722,454	£717,000	£2,231,398	£2,051,602	£5,000,000

Source: Department of the Environment & Local Government

3.4.5 Northern Fringe Interceptor Sewer

In October 1997, Dublin Corporation was given approval by the Department to prepare contract documents for elements of the North Dublin Drainage Scheme. The North Fringe Interceptor Sewer will cross Santry Valley and generally run along the Mayne River as far as Baldoyle. The sewer will intercept the flows from Dublin Airport and Balgriffin and includes a major diversion of the Santry Valley sewer from Coolock *via* Malahide Road and of the Grange area via Grange Road. The objective of this scheme is to relieve the existing drainage infrastructure, which is seriously overloaded at present, and to cater for current and future development (residential and commercial) in the area, including Dublin Airport. It was envisaged that this project would take until 2004 to complete. Therefore, introduction of the ability to use temporary sewerage treatment facilities in the catchment area of the proposed North Fringe Interceptor sewer was secured in order to allow developers to accelerate and bring forward housing development plans, in the area affected. Subsequently, it was decided to fast-track the provision of the North Fringe Interceptor, with a completion date of end 2002 now envisaged. (See Section 5.5.5 below for an account of how this was achieved). A side effect of this decision is that the pay back period for any temporary/interim facilities were shortened, in a way that made these uneconomic to developers. As a result, none have been put in place in the North Fringe Area. However, there are undoubtedly long term benefits that will be gained from having this project completed two years earlier than was anticipated.

The Minister for the Environment and Local Government approved the award of the advance contract - Meakstown/Poppintree sewer in February 2000, at a cost of £3.5m. Construction of the advance section is due to begin shortly and is expected to be completed by June 2001. Contract documents for three elements of the main scheme were approved in February 2000. The estimated construction period is September 2000 to June 2002. The estimated cost of the scheme is £43 million. The expected completion date is two years ahead of what was envisaged a year or so ago, when the completion date was expected to be 2004. Planning permission for 740 units has been granted by An Bord Pleanála.

3.5 Current Developments in relation to Residential Zoning and Densities

3.5.1 Dublin Area

The Development Plans of all of the four Dublin Authorities have been adopted; Dun Laoghaire/Rathdown (July 1998), South Dublin (December 1998), Dublin Corporation (March 1999) and Fingal County Council (October 1999); and all advocate increased residential densities in accordance with Circular PD 4/98 issued in May 1998.

Establishment of Strategic Planning Guidelines for the greater Dublin Area

The Strategic Planning Guidelines for the Greater Dublin Area were launched in March 1999 and proposed to consolidate the Metropolitan Area in line with the principles of sustainable development. The guidelines propose that growth of the area will be balanced by a concentration of development into major centres in the hinterland located on existing and future transportation corridors at Naas-Newbridge-Kilcullen, Navan, Balbriggan and Wicklow with additional Secondary Centres at Arklow, Athy, Kildare-Monasterevin and Rush-Lusk. It is proposed that these Development Centres will be separated from each other and from the Metropolitan Area by strategic greenbelts. It is intended that they will develop in the longer term as self-sufficient towns with only limited commuting to the Metropolitan Area. This will involve the development of strong employment and services based in each of the Centres.

Key elements of the sustainable approach to future development include a reduction in the growth and demand for transport and increased emphasis on transportation alternatives to the private car. Future developments are, therefore, to be based around public transport with opportunities for walking and cycling. The Strategy notes that major transportation schemes currently in progress or planning are primarily intended to address existing shortcomings and would provide only limited capacity for large-scale growth in the future. Therefore, it is considered necessary to implement both the schemes necessary to address existing needs and schemes required to facilitate future development.

The Strategy envisages the population of the Greater Dublin Area growing to 1.65 million persons by the year 2011 with the number of households increasing from 450,000 in 1996 to 660,000 in that year which, would imply an increase of almost 50 per cent. In the Metropolitan Area, improvements to the overall water supply and to wastewater collection will be required and the projected population levels will require additional trunk sewer capacity. In the hinterland, especially in those areas currently dependant on supply from the River Liffey, additional water supplies will be required as will the provision of improved water supplies to the North Fingal Area.

The Guidelines were reviewed and updated in April 2000 and this review concluded *inter alia* that:-

- National population and labour force projections, prepared by the Central Statistics Office, indicate that the Greater Dublin Area is growing more rapidly than envisaged in March 1999. Therefore, it was considered necessary to revise upwards the population, household and employment figures given in the Guidelines as the population of 1.65 million envisaged for 2011 could now be reached by 2006.
- There is broadly enough residentially zoned land to accommodate the estimated housing requirements at least up to 2006, though some additional zoned land may be required at appropriate locations in the Metropolitan Area and the Development Centres to compensate for currently zoned land that may not be released for development.
- Over 30,000 housing units are under construction, have been granted permission or are on appeal in the Greater Dublin Area.
- Housing completions in the Greater Dublin Area in 1999 increased modestly over the previous year, but the current rates of completion are not adequate to meet demand. About 20,000 housing units would require to be completed each year if estimated demand was to be met by 2006.
- The higher level of population, household and employment growth now envisaged further strengthens the need to implement the strategy of consolidation, with its associated emphasis on public transport. The alternative would be unsustainable and unacceptable sprawl, accompanied by intolerable traffic congestion.
- Considerable progress has been made over the last year in relation to the provision of the necessary infrastructure to facilitate and service anticipated growth. However the lengthy lead-in times for major infrastructure means that the benefits of many of these proposals will not be seen for some time.

- It is now especially important that a commitment be made to the location and character of the fixed elements of the public transport system, as these will determine the detailed location of future land uses and will reduce the pressure for sprawl.
- The set of Development Plans in the Greater Dublin Area will require to be reviewed, not only to incorporate the Strategy contained in the Guidelines, but also to take account of other requirements, such as the current Planning and Development Bill, when it becomes law.

In September 1999, the Minister issued the Residential Density Guidelines for Planning Authorities. These advocated net residential densities in the general range of 35-50 dwellings per hectare (14-20 per acre) on zoned and serviced land and the avoidance of development at densities less than 20 dwellings per hectare (8 per acre). On lands proximate to existing or proposed public transport corridors, densities in excess of 50 dwellings per hectare (20 dwellings per acre) should be permitted subject to appropriate qualitative safeguards.

The application of these standards on 'greenfield' sites, particularly those proximate to quality public transport corridors, has upgraded the estimates of potential yield identified in the adopted Development Plans. For example, lands at Pelletstown (Dublin Corporation) are to be developed at a density of 100 units per hectare and the application of a gross density of 35 units per hectare at Lucan South has upgraded the potential yield identified in the Development Plan from 5,000 units to 8,000 units. In Fingal County Council, a gross density of 30 units per hectare is proposed, while in the Dun Laoghaire/Rathdown area 35 units per hectare is proposed. Arguably some of the sites in both of these Authorities, which are proximate to quality public transport corridors, could be developed to even higher densities, subject to appropriate safeguards.

3.5.2 Mid East Region

County Meath

The Draft Plan for County Meath is currently on display until 29 June and promotes residential densities ranging from 7 units per hectare on the edge of urban areas and rural villages to 30 units plus per hectare on sites within walking distance of town centres. The draft Development Plan includes detailed policies on residential density including density bands linked to use zone objectives and broad design qualitative standards. Higher densities are being encouraged at a number of strategic locations where water services, transport networks, etc. are available. Zoned and serviced lands within the County have the potential to accommodate in excess of 11,000 new housing units with a concentration of these lands in Navan, East Meath and Drogheda environs.

County Kildare

The Plan was adopted in May 1999, as were the Plans for Celbridge, Maynooth, Kilcock, Clane and Kill. These Plans identified a current land availability of 10,229 units and assume an additional 970 units coming on stream by Autumn, 2000 and a further 6,125 units by Autumn 2003. Maximum densities, however, are set at 20 dwellings per hectare (8 per acre). The Council has indicated to the Department of the Environment and Local Government that the County Development Plan will be reviewed to ensure the full implementation of the Residential Density Guidelines. A number of Development Plans for Scheduled Towns are to be made in the near future. The Council has confirmed that these Plans will incorporate and implement the provisions of the Residential Density Guidelines.

County Wicklow

The Plan was adopted in September 1999 and identified a current availability of 2,434 units and estimated that lands for an additional 1,744 dwellings would be available by Autumn 2000 and for an additional 6,885 units by Autumn 2003. Maximum densities are set at 20 dwellings per hectare (8 per acre) though Bray UDC proposed a maximum of 21 dwellings per hectare (8.5 per acre) and Greystones/Delgany 22.2 dwellings per hectare (9 per acre). The Plan does, however, reflect the provisions of the Residential Density Guidelines and specifically states *“The Council will prepare development plans for all towns and villages in County Wicklow and ensure that sufficient housing land is zoned in settlements to cater for urban housing needs. In addition, specific consideration will be given to achieving a higher residential density on brownfield sites and on sites adjacent to the town centre in the larger settlements in the county which are in proximity to, or benefit from, public transport nodes and access points, where this accords with the proper planning and development of the area and where the residential amenities of nearby properties are not adversely affected.”*

In the Mid-East Region, the maximum allowable net residential densities in Kildare and Wicklow of 20 dwellings per hectare (8 per acre) are at the lowest limit of serviced land efficiency. Increases beyond these figures, into the range advocated by the Density Guidelines of 35-50 dwellings per hectare (14.6-20.8 per acre), would accord more with the objectives of the Strategic Planning Guidelines for the Greater Dublin Area.

3.5.3 Other Major Urban Areas

Cork (LUTS Area)

The Cork Corporation Plan was adopted in March 1999 and the Cork County Plan in June 1996. Neither state specific densities. Cork Corporation has indicated to the Department of the Environment and Local Government that a review of the Cork City Development Plan will consider appropriate locations for high density development, including review of existing standards; the issue of quality in new developments; and identification of complementary improvements to amenities needed to serve residential development.

Galway City

The Plan was adopted in March 1999 and has increased gross densities from 20 units per hectare up to 25 per hectare (8 units per acre, up to 10 units per acre). There are lands for 5,293 units currently available and a yield of 2,449 units in 2-3 years' time is anticipated with a further 2,446 units in 5 years' time.

Limerick Corporation

The Plan was adopted in December 1998. Each housing area is allocated specific density maxima ranging from 20 to 30 dwellings per hectare (8-12 dwellings per acre) in established areas, presumably to reflect the existing character. Some residential areas proximate to the city centre are indicated as having a density of 20 houses per hectare (8 to the acre). Limerick Corporation has confirmed to the Department of the Environment and Local Government that it will be reviewing the Development Plan to ensure consistency with the provisions of the Residential Density Guidelines.

Waterford

The Plan was adopted in 1994 and does not adopt any maximum or minimum density standards. 242 hectares of serviced residential land are currently available. Waterford Corporation has confirmed to the Department of the Environment and Local Government that it is currently reviewing the Development Plan and will fully incorporate the provisions of the Residential Density Guidelines.

3.6. Assessment of Adequacy of Current Supply Scenarios

3.6.1 Existing Pipeline Effects: Dublin City & County

In the short term, to the end of 2001, it does not appear that there will be a significant increase in the annual rate of house completions. Based on the analysis contained in Section 3.3.2, it appears that the most likely actual yield that will be realised this year and next will be about 11,000 units per annum, compared with about 10,000 in 1999. This situation is likely to entail continuing excess demand in the short term.

A number of factors are relevant to this situation. Firstly, the number of fully serviced sites available for commencement of construction, subject to necessary planning consents has not increased in the way that was envisaged previously, (see Table 3.3 above). This is the result mainly of the fact that infrastructure constraints have not been overcome to the extent that it was estimated they would. For example, as noted earlier, (see Section 3.4.4 above), a year ago, it was estimated that the SLI schemes to commence in the Dublin Region in 1999 would provide about 24,000 additional housing units. Of these, about 8,200 were estimated to be completed in 1999, a little over half of them in the Dublin local authority areas, and the balance in the Mid-East Region. In fact, none were completed in the Dublin local authority areas.

Similarly, it was anticipated that the introduction of the ability to use temporary sewerage treatment facilities in the catchment area of the proposed North Fringe Interceptor sewer would allow developers to accelerate and bring forward housing development plans, in the area affected. Subsequently, it was decided to fast-track the provision of the North Fringe Interceptor, with a completion date of end 2002 now envisaged. A side effect of this decision is that the pay back period for any temporary/interim facilities were shortened, in a way that made these uneconomic to developers. As a result, none have been put in place, in the North Fringe Area. However, there are undoubtedly, long term benefits that will be gained from having this project completed two years earlier than was anticipated.

At a more general and broader level, as noted in Section 3.4.3 above, significant progress is underway to relieve infrastructure bottlenecks. Indeed, some projects have been completed. The challenge now is to ensure that these schemes and other key water and waste water schemes are delivered at the earliest possible date so that the stock of serviced land can be increased going forward. Until then, the picture in terms of supply of infrastructure services to end-users will remain fundamentally unchanged.

Another important constraint at the fore of realising housing supply potential is the time required to obtain necessary planning consents. As noted in Section 3.4.1, some 25 of the sites discussed in appendices 1-5 need Local Area Plans. However, the process of obtaining these has proven to be highly variable and unpredictable and generally long. Deteriorating quality of applications is adding further to delays. Furthermore, as discussed in Section 3.4.2, there are inadequate resources in the Irish planning system to deal effectively with the volume of work. In the short-term, to end-2001, the time required to gain necessary planning consents appears to be the most immediate constraint on achieving higher output growth in Dublin City & County.

At this stage, looking beyond 2001, it appears there will be a significant improvement in the potential supply of housing land, with a further potential yield of around 31,000 units being available. Further out again, between 2003 and 2006, another 32,700 is expected to be available. These increments are in addition to the stock of sites available now, on which construction could commence, which amount to around 34,000, on sites of five hectares or more, with smaller sites bringing this total up perhaps to around 41,000.

3.6.2. Existing Pipeline Effects: Mid East Region

In the short term, to end 2001, the outlook for potential supply in this region appears relatively favourable. As noted in Section 3.3.1 above, current potential supply in this area is on a par with Dublin City & County. Moreover, the stock of fully serviced land has been increasing, generally in line with expectations. However, house building activity is running at only half the rate of Dublin. A relatively high number of planning applications awaiting decision (about the same number as for Dublin City & County) may be indicative of a pick-up in house building activity in the short to medium term. The main constraint on growth may be on the demand side, given inadequate public transport and roads access to Dublin City and County.

3.6.3 Other Areas

Cork Corporation

145 hectares of zoned undeveloped land are available for development for residential use over the next six years yielding 3,697 units, at an average residential density of 20 units per hectare. Much of the undeveloped land on the Cork County Borough currently available for housing is of less than 0.5 hectares in area and this is particularly true for city centre sub-areas. Significant greenfield sites are concentrated in the North East (55.19 hectares), North West (33.98 hectares) and South East (51.86 hectares). Lands at Mahon (designated Opportunity Site 1 in the Development Plan) have a significant potential residential yield of circa 450 units.

Galway Corporation

446 hectares of zoned undeveloped land are available for development for residential use over the next six years yielding 7,126 units, at an average residential density of 27 units per hectare. Most greenfield land is concentrated in Merlin Park/Doughiska (134 hectares - potential yield: 2940 units), Castlegar (32.5 hectares - potential yield: 884 units) and Knocknacarra (134 hectares - potential yield: 2828 units). Local Area Plans for Merlin Park/Doughiska and Castlegar are nearing completion and a Local Area Plan for Knocknacarra is in the draft form. The Merlin Park/Doughiska and Castlegar areas are experiencing short term delays in servicing. The LUTS Plan for Galway suggests a quality bus corridor link from Merlin Park/Doughiska to the City Centre.

Limerick Corporation

95 hectares of zoned and undeveloped land are available for development for residential use over the next six years yielding 2,764 units, at an average residential density of 29 units per hectare. Several significant greenfield sites are available for development such as the former Racecourse (c. 39 hectares) which is potentially serviceable.

Waterford Corporation

357 hectares of zoned undeveloped land are available for development for residential use over the next six years yielding 2,550 units, at an average residential density of 25 units per hectare. The servicing of significant lands at Kilbarry and Logloss/Bawndawn, which were deemed premature for development at the making of the 1994 City Development Plan have been brought forward on foot of the Serviced Land Initiative and could provide significant residential yields in the short term.

4: Econometric Analysis of the Housing Market and Projections of Future Developments³

4.1 Introduction

This chapter is organised as follows. Section 4.2 contains a description of the data used in the analysis, in particular the ESRI and CSO forecasts, which are used to predict the future state of the housing market. In Section 4.3 there is a discussion of the supply side of the housing market i.e. new house completions. Section 4.4 focuses on the demand side of the market. The determinants of demand for housing are discussed. Particular attention is paid to the possibility that speculation may be a motive for house purchase. Finally, section 4.5 contains an assessment of the findings of the analysis.

4.2 Data Sources

In order to complete the forecasting of the market a number of assumptions for the value of the so-called ‘exogenous’ variables are needed, i.e. those variables whose value is not modelled within the framework of the demand and supply specifications for housing. For these, independent forecasts from sources such as the ESRI (whose *Medium Term Review* includes forecasts for personal disposable income other macroeconomic variables such as inflation forecasts and interest rate scenarios going forward) have been incorporated. The remaining variables of interest are population forecasts. For this, *Population and Labour Force Projections 2001-2031*, published by the CSO, provides forecasts for the period in question.

4.3 Modelling New House Completions

New house completions represent the supply side of the housing market. While local authority house completions are under the direct control of policy makers, private sector completions (93 percent of total completions in 1998) respond to market forces. Economic theory suggests the level of private house completions will rise when house prices are high and fall when construction costs⁴ are high.

The analysis is implemented using the linear regression technique. Linear regression is a statistical method that allows the average relationship between two or more data series to be established.

Table 4.1 shows the output from the regression analysis. The first column lists the variables that are expected to influence the level of house completions in a given year.⁵ They are house prices that year, house prices the year before, costs in the current year and costs in the previous year as well as total private completions in the year before. The previous years variables (often referred to as “lagged” variables are denoted by “(-1)”) are included in the analysis to allow for inertia in the market. For example, if house price rose dramatically, completions may be expected to rise, but the full impact may not be felt in the current year (perhaps because builders are unwilling to commit until sure that rise is not temporary). By including the lagged term these kinds of effects are picked-up.

3 This chapter is based on an econometric analysis of the housing market undertaken by Dr Colm Harmon and Dr Vincent Hogan of the Department of Economic, UCD.

4 Construction costs include materials and labour, but not the cost of the site.

5 A technical point: all the data are expressed in terms of natural logarithms so that the analysis compares percentage changes.

Table 4.1: Supply of Private Housing: Private House Completions Equation

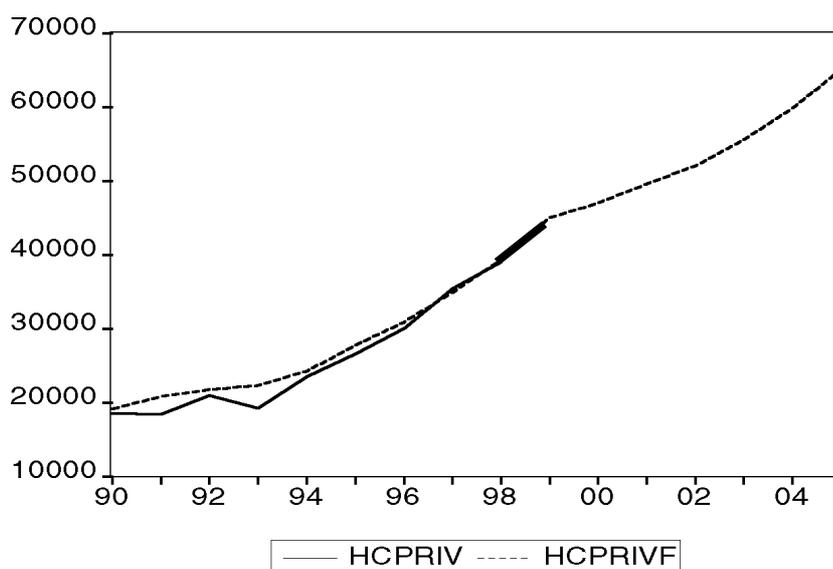
Variable	Coefficient	Std. Error	t-Statistic	Prob.
Constant	0.607256	0.937778	0.647548	0.5243
Log of prices	0.619412	0.236975	2.613824	0.0162
Log of price (-1)	0.384654	0.406251	0.946838	0.3545
Log Building Cost	0.165799	0.462100	0.358794	0.7233
Log Building Cost (-1)	-0.574069	0.463224	-1.239289	0.2289
Log Completions (-1)	0.364209	0.151651	2.401631	0.0257
Adjusted R-squared	0.879478			

The second column of the table shows the coefficient relating changes in each variable to changes in the rate of private house completions. The other columns provide information on the statistical properties of these estimates, primarily relating to their statistical significance. So, for example, the coefficient 0.619 on house prices in the current year implies that a 1 percent increase in house prices will lead to an increase in the rate of house completions of 0.619 percent *in that year*. Next year, that same price increase will lead to an increase of 0.38 percent in house completions, i.e. the co-efficient on lagged prices, and so on. Taking account of these dynamic effects, in effect by cumulating the co-efficients over time, implies a long run price elasticity of supply of approximately 1.5, i.e. a one percent increase in the price of housing will eventually result in a 1.5 percent increase in the number of new house completions. This figure is significantly lower than previous estimates, suggesting that the supply responsiveness of the market to changes in price has reduced in recent times.

A similar interpretation applies to the co-efficient on the cost variable. Note that the cost in the current year seems to have a positive effect on supply. However, the coefficient is not statistically different from zero as indicated by the corresponding values of the statistics relating to this co-efficient in the other three columns. The cost variable in the previous year does have a negative effect on house completions, exactly as expected. (This suggests that changes in costs take about a year to feed through to the decisions of builders).

The final number in Table 4.1, the adjusted R-squared, shows the proportion of changes in house completions that are explained by the variables collectively in table 4.1. At 87 percent, this is quite high and suggests that the model provides a reasonable structure with which to forecast future completions. Chart 4.1 shows this forecast of the level of private completions forward to 2005. There is an increase in private completions, from the 1999 level of 43,024 to around 65,000 in 2005, an annual average rate of increase of about 7 per cent.

Chart 4.1: Private House Completions: Actual (HCPRIV) vs. Forecasted (HCPRIVF)



4.4 Modelling House Prices

4.4.1 Specification of the Underlying Model

The house prices equation estimated using data from 1974-1996 is summarised in Table 4.2. Key findings are that the income level and the size of the house-buying population all have significant influences in explaining the rising trend in price. Increases in the housing stock have a negative effect on the price faced by house buyers.

Table 4.2: Inverse Demand Equation 1972-1996: House Prices Equation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Constant	9.392586	2.957062	3.176323	0.0055
Log of Housing Stock	-3.955113	2.560772	-1.544500	0.1409
Log of Housing Stock (lag)	2.313116	2.513686	0.920209	0.3703
Log of Personal Disposable Income	0.817662	0.327600	2.495915	0.0231
Base Mortgage Rate	-0.004538	0.008969	-0.505985	0.6194
Population Aged 25-34	0.005907	0.003235	1.826200	0.0854
Log of Second Hand Prices (Lag)	0.314010	0.222777	1.409525	0.1767

Adjusted R-squared 0.754760

NOTES: Estimation period is 1972-1996. Dependent variable is the (log) of the price of second-hand houses.

Table 4.3 contains a summary of the results from estimating this same basic model over a more extended period, up to and including 1999. Some important changes are worth noting. The effect of housing stock directly remains negative as would be expected. The dominant change is in an increasing sensitivity of the price to changes in personal disposable income levels and in the very dramatic change in the effect that the previous periods price is having on the current period price level.⁶ In effect, gathering momentum in demand, based on price

⁶ More formally the model fails a chow structural stability test with a p-value of 0.07. These results are statistically significant but caution is exercised in drawing inferences based on observations since 1996.

expectations appears to have become more important in the past few years. It is considered that this outcome is consistent with the emergence of a significant speculative or transitory demand factor in the Irish housing market, with, for example, demand being brought forward in the expectation of avoiding house price inflation as well as purchases for the purposes primarily of capital growth in both the short and long term. For example, prior to 1997 a one percent increase in disposable income would lead to a 1.2 percent increase in house prices.⁷ More recently however, the same one percent increase in income would lead to a four percent increase in house prices.⁸

Table 4.3: Inverse Demand Equation 1972-1999

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Constant	6.478012	3.130000	2.069653	0.0504
Log of Housing Stock	-1.280143	1.960474	-0.652976	0.5205
Log of Housing Stock (lag)	-0.237709	2.050925	-0.115903	0.9088
Log of Personal Disposable Income	0.683544	0.223807	3.054161	0.0058
Base Mortgage Rate	-0.016538	0.009073	-1.822801	0.0820
Population Aged 25-34	0.003723	0.003571	1.042687	0.3084
Log of Second Hand Prices (Lag)	0.839858	0.126499	6.639234	0.0000
Adjusted R-squared	0.949202			

NOTES: Estimation period is 1972-2000. Dependent variable is the (log) of the price of second-hand houses.

To illustrate the significance of this point, consider a forecast for the period 1997-2000 based on the parameter estimates in Table 4.2. Chart 4.2 contains a plot of the actual data from 1990-2000 (solid) with the forecasted price based on the model in Table 4.2, the 1972-1996 estimation sample (hatched). As is clearly seen, the model to 1996 predicts prices very closely and represented a very good approximation of what was happening in the market. However at this point the model breaks down in terms of its predictive power – actual prices reach approximately £130,000 whereas the predicted price level for 2000 is closer to £70,000. This indicates that demand side of the housing market has changed significantly since 1996 when the estimation contained in *An Economic Assessment of Recent House Price Developments* (April 1998) was carried out.

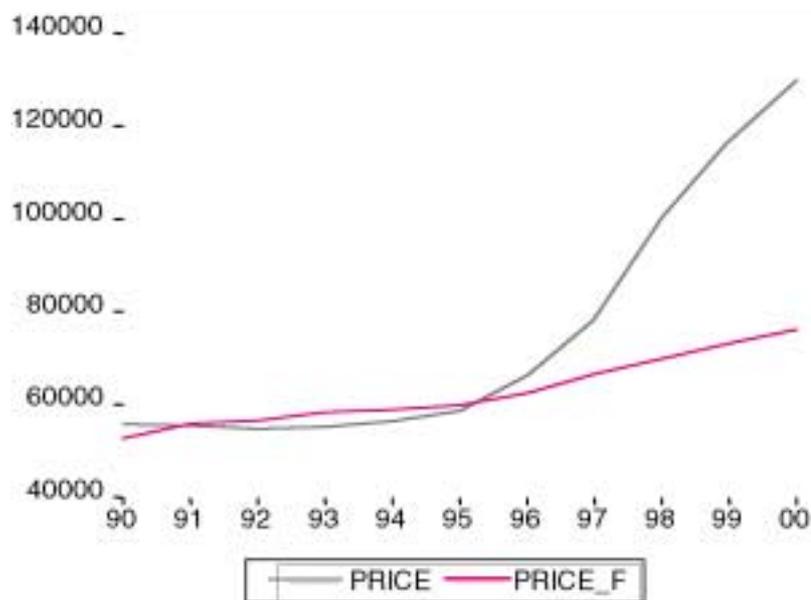
Based on the analysis conducted, it is considered that this speculative/transitory factor could have contributed significantly to the level of housing demand by 1999, perhaps to the equivalent to one year's private house completions.⁹

7 From table 1.2 the coefficient on the income variable is 0.82 and the coefficient on the lagged price variable is 0.31, so the long-run elasticity is $0.82/(1-0.31)=1.2$

8 From table 1.3 the long-run elasticity is $0.68/(1-0.83)=4.0$

9 This estimate of the speculative component of demand was calculated by estimating a demand equation before and after 1996 and comparing the quantities demanded at the same price level.

Chart 4.2: House Prices: Forecasted (Price F) vs Actual (Price): 1996-2000



4.4.2 Forecasting House Prices

The models in Tables 4.1 and 4.3 show that there is interdependence between the two variables of interest, i.e. prices form part of the specification for completions whereas completions (or the housing stock) form part of the specification for prices. In order to compute this model, some manipulation is required. This is in order to ensure that the risk is avoided of confusing whether it is demand or supply that is estimated. This is achieved by ensuring that quantity and price are modelled jointly, as functions purely of independent variables. In technical terms this is referred to as a reduced form specification.

The key assumptions underpinning the forecast are contained in Table 4.4 below. This shows the projected time path for personal disposable income and population and interest rates.

Table 4.4: Key Assumptions Underlying Benchmark Scenario, 2000-2005

	Household Disposable Incomes (percent change)	Population Growth Aged 25-34	Mortgage Interest Rate (Per cent)
2000	9.2	3.9	5
2001	7.4	1.5	5
2002	7.9	3.2	5
2003	7.9	3.1	5
2004	7.8	2.9	5
2005	8.1	3.0	5

The forecast is summarised in Table 4.5. As can be seen the projections for prices remain quite high – suggested real increases in prices up to 2005. This results from a combination of factors. Firstly, there is the impact of the low elasticity of supply with respect to price changes. The estimated long-run elasticity of supply with respect to prices has declined to about 1.5 from an estimate of 3 previously.

Table 4.5: Benchmark Simulation of Housing Market Developments, 2000-2005

	Annual Growth in New House Completions	Private House Completions	Real New House Prices (per cent change)	Real Second Hand House Prices (per cent change)
2000	8.9	46,850	17	19
2001	5.1	49,242	15	17
2002	5.0	51,740	12	14
2003	6.7	55,219	9	11
2004	7.8	59,560	8	9
2005	8.6	64,670	7	8
Average 2000- 2005	54,546			

At the same time, there are projected strong underlying trends in fundamentals (interest rates tending to rise, strong population growth and, in particular, high forecasted income growth based on ESRI simulations). In these combined circumstances it is clear there will be continuing upward pressure on prices. The simulations highlight the need for continuing measures to bring supply and demand into balance, at a price level that is sustainable and more affordable to first time buyers.

4.5 Assessment of Econometric Analysis

4.5.1 The Sensitivity of Prices to Changes in Quantity

The analysis presented above earlier suggests that the structure of the housing market changed significantly after 1996. By comparing tables 4.2 and 4.3, it may be seen that the previous year's house prices became more important after 1996. Thus, the co-efficient on the log of second hand house prices increased from 0.31, and with poor statistical significance, (measured by the t-statistic) to 0.84, with much higher statistical significance, again measured by the t-statistic. This suggests that individuals are increasingly buying houses in anticipation of a capital gain. This effect has the potential to make the market unstable. For example, if something causes a temporary rise in house prices this year (such as a temporary hold up in new developments) house prices would continue to rise next year, even if the temporary shock has disappeared. Thus a temporary shock to the house market can have effects that persist even after the original cause of the shock has disappeared.

This aspect is further illustrated in Chart 4.3. If the inverse demand function is estimated year-by-year an estimate of the elasticity of demand (i.e. the sensitivity of housing demand to changes in the house prices) is obtained. As this number falls demand becomes less sensitive to changes in house prices. It may be seen from Chart 4.4 how this measure has decreased significantly in recent years, compared with the average elasticity that prevailed over the period 1974-1996, (i.e. the horizontal line in Chart 4.3). The inference drawn from this is that the speculative/transitory component of demand has risen in recent years.

4.5.2 The Outlook for Housing Demand and House Price Developments

In this section illustrative scenarios are explored of alternative movements in real prices (based on 2000 price levels) over the next 5 years. The response required in terms of supply

and demand is discussed. The most desirable one is where house price inflation develops, on average in line with general price inflation (around 5 per cent per annum). Next is the same as the forecast in Table 4.5, i.e. the benchmark scenario. In the final scenario prices increase by 20 per cent per annum. Figure 4.4 summarises the three scenarios.

Chart 4.3: Price Elasticity of Demand: 1995-2000

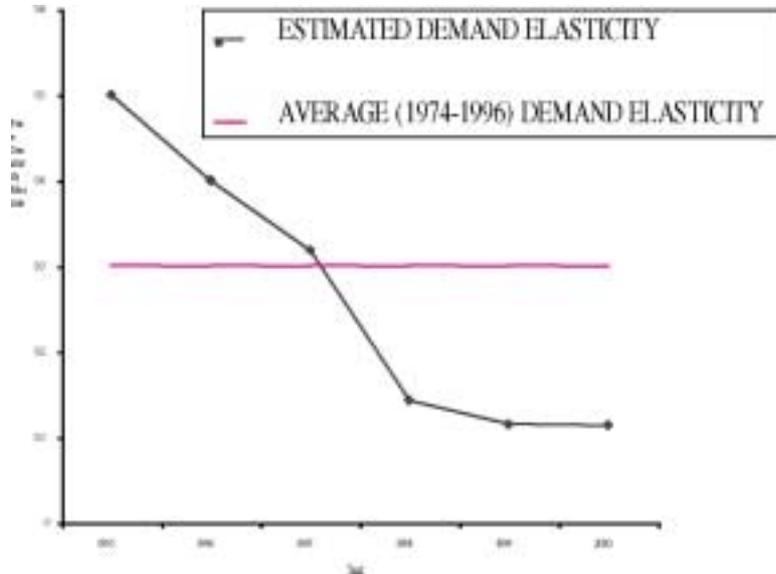
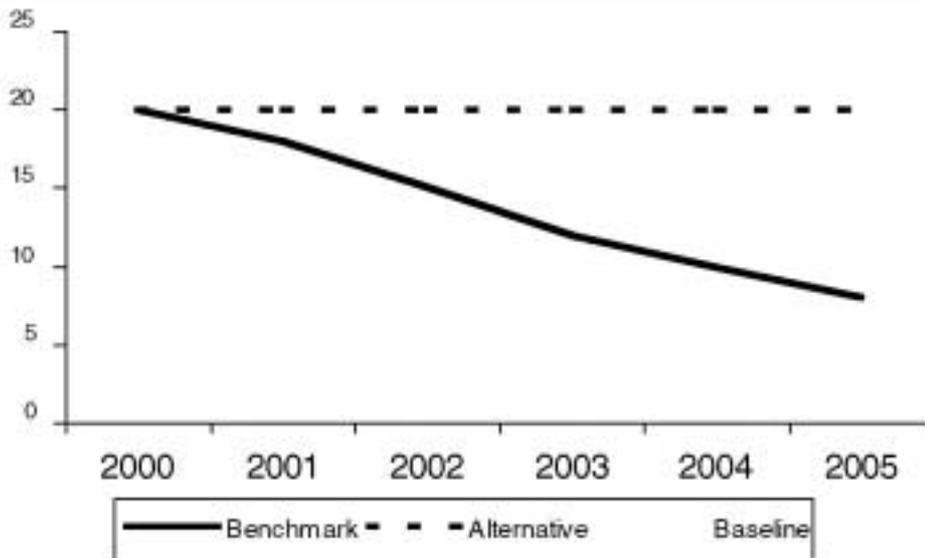


Chart 4.4: Price Scenarios (Year 2000 prices)



The combined effects of the reduced price elasticity of demand and the increased impact of previous year's prices on current prices would have a significant impact on the outcomes, if uncorrected. Recall that in the same way that previous price rises feed strongly into current prices the same would be true for a price fall – it would impart quite a sharp reaction. This means that a pronounced correction may be possible, but also implies that the price falls could easily overshoot a target level and fall below the mortgaged value of some properties. In other

words, getting the supply response wrong might have very serious implications, in the sense that supply overshooting underlying demand growth could result in significant price reversal. In any market increasing the quantity supplied (in this case, housing) will cause prices to ease. This is true in the Irish housing market. However, in addition when individuals buy a product (typically an asset such as housing) in anticipation of a capital gain the price they are willing to pay today will be related to the price last period and to the expectations of prices in future periods. This dynamic relationship can cause prices to spiral upwards leading to the so-called 'irrational exuberance' that the Chairman of the US Federal Reserve, Alan Greenspan, attributed to the very rapid gains in the 'dot.com' share prices in the US stock markets. However, just as this exuberance can drive a market forward when prices are increasing the reverse is also possible in a downturn. Individuals anxious to avoid making a capital loss sell for a lower price than they would otherwise do. A similar situation could arise in the Irish housing market.

It has been noted already that prices in recent years are significantly more sensitive to the price in the period immediately preceding the current period. This was not the case so much before 1997. This is illustrated by comparing the findings in Tables 4.2 and 4.3. Before 1996 (Table 4.2) a 10 per cent rise in prices would lead to a very small rise (3 per cent) in price in the following year¹⁰. Post-1997 a 10 per cent rise in prices would lead to almost the same level of price increase in the following year. Just as prices have spiralled up in the current rising market, in a falling market, prices would decline. Therefore, in this context sudden increases in housing supply could lead to far larger price reductions than would have occurred a few years ago.

The benchmark scenario above in Table 4.5 represents the projection of housing completions and likely average price developments that is considered to be consistent with projected growth in demand, along the lines contained in table 4.4. Based on the projections for growth in disposable income and expected demographic developments, private house completions need to continue expanding, to around 54,500 per annum on average over the period 2000-2005. The expected pattern of development of demand and supply contained in the projection implies continuing pressure on real house prices for some time, although continuing the established pattern of moderation. The question of a policy induced response of accelerating supply more than that shown in Table 4.5, in order to achieve a faster return to market stability has been explored in the context of the econometric analysis. However, such a response, would be inappropriate because of the risks discussed above. In any event, in practice, it would probably not be feasible.

Sufficient data are not available to estimate the kind of model presented above at regional or sub national levels. Projections of expected population settlement patterns offer to best guide to predicting housing demand. However, these can exhibit significant instability, because of their sensitivity to internal migration flows, with the latter being influenced to some degree by the availability and affordability of housing and public and other transport services. Notwithstanding these caveats, it seems clear from projections of Population and Labour Force, produced by the CSO in July 1999 that there will be significant growth of population and household formation in the Dublin & Mid East Region, in particular. Developments in this area are crucial for price trends in other parts of the country. Recall that the analysis contained in Section 2.2.2 suggests that prices in other urban areas appear to be influenced by the trend in Dublin.

10 In fact statisticians would consider the coefficient on lagged price in Table 4.2 to have no very low statistical significance. Accordingly, the measured impact of a small rise of 3 per cent is best considered as indistinguishable from zero.

A Review and Update of the *Strategic Planning Guidelines For The Greater Dublin Area* (April 2000), predicts that there could be an additional 28,600 households, over and above the projection of 579,000 for 2006, contained in the Guidelines. This is based on the assumption of household size remaining at the projected level of 2.72 in 2006, the figure contained in the Guidelines. The determinants of household size are a complex mixture of economic, demographic and social factors. Consequently, it is difficult to predict what will happen with any degree of accuracy. However, it may be noted that average household size in the EU was 2.63, in 1992. It may be noted also that household size in Ireland was 3.7 in 1980. Therefore, it may be that household size will shrink more than is assumed in the Guidelines, although this possibility is recognised in the Guidelines. Therefore, it is considered that demand is likely to be at least 20,000 units per annum, over the next five years. How this demand will split as between Dublin City and County and the Mid East Region is a matter of conjecture. The outcome will depend, *inter alia* on relative house price developments and access times between the two areas in public and other transport terms and relative endowments of social and recreational infrastructures and facilities. Personal preferences, as between city and suburban or outer suburban, will also play an important part. From the analysis earlier in Section 3.3.2 it is considered unlikely that in the short term Dublin City and County will meet much more than about 11,000 per annum from new house completions. However, it is within the scope of the Mid East Region to meet the balance, but output would need to be expanded very substantially above the rate of completions in 1999, which amounted to a little over 5,000 units. In these circumstances it is likely that there will be upward pressure on prices in these areas in the short term. In the medium term, beyond 2002, the actual supply of new completions in Dublin City & County could be significantly higher, than is projected as is the case also in the Mid East Region.

Based on the analysis contained here of prospective demand and supply, the most appropriate course of action to achieve durable stability of the market (measured in terms of constant real price levels, i.e. the baseline scenario) is by a supply response to meet underlying demand growth, supported with measures to curb any significant speculative or transitory component of demand, which may be present. Such a response holds the prospect of achieving close to the baseline scenario outlined above. A response relying entirely on supply measures to meet all categories of demand, fundamental and speculative or transitory, would be less appropriate and in any event, will take longer to achieve stability (the benchmark scenario). In the meantime, affordability for many new house buyers will move further away. In the event that an effective supply response is not forthcoming with clarity, credibility and certainty and any significant speculative or transitory elements of demand are unchecked, then there would be risks that a less desirable path for prices (the alternative scenario) than either the baseline or the benchmark scenario would be in prospect.

5: Assessment of Government Actions on the Housing Market & Related Policy Initiatives

5.1 Introduction

In this Chapter an assessment is made of the estimated impact to date of the Government's Action on House Prices and related initiatives. Section 5.2 considers progress achieved to date in respect of several key objectives and the role of Government actions. Section 5.3 examines the implications for the housing market of a number of other, related policy initiatives. An overall assessment of the housing market is presented in Section 5.4. Finally, Section 5.5 contains further additional proposals aimed at reinforcing and supplementing actions that are already in place and having a beneficial effect.

5.2 Progress towards Attainment of Key Objectives

5.2.1 House Price Stability

Considerable progress has been made in moderating the rate of price increase in new and existing houses. The results have been achieved against a background in which housing demand has grown even more rapidly than was anticipated. At this stage, it is clear from the various statistical sources available, that the rate of increase in prices of new and existing houses, both in Dublin and countrywide, have been on a moderating path ever since the introduction of measures by Government in April 1998, to calm the market. By the first quarter of 2000, the year-on-year rate of increase in new houses was about 13 per cent, in both Dublin and countrywide. These rates of increase compare with peak ones of 27.7 per cent (1999I) and 23.8 (1998IV) respectively. For existing houses the year-on-year rate of increase in the first quarter of 2000 was 17.4 per cent and 13.8 per cent respectively in Dublin and countrywide. The corresponding peak rates were 41.7 per cent (1998III) and 36.9 per cent (1998III).

The trends in levels contained along with the rate of change data suggest that prices in some urban centres are adjusting with lags to movements in Dublin or countrywide trends. In particular, the acceleration in the rate of increase of prices of both new and existing houses in Cork, Galway and Limerick, principally from the middle of 1999, suggest that these are catch-up increases, re-establishing earlier relationships to the countrywide, or more likely to trends in Dublin. If this interpretation is correct, it would appear unlikely that the accelerating pattern recorded in those urban centres from the middle of 1999 will be sustained, providing, of course, the countrywide and Dublin trends in price increases continue to moderate, as they have been doing. This has been occurring significantly so, from the first quarter of 1998, in the case of prices of new houses and from the third quarter of 1998 in the case of existing houses.

Finally, it should be noted that for the first time in the past number of years, data for the first quarter of 2000 indicate that average price levels of new and existing homes in Dublin and countrywide are stabilised.

There is a measure of comfort to be taken from these statistics, relating to trends in the rates of increase in average prices of new and existing houses. They confirm that the fundamental thrust in the policy response is correctly focussed and delivering results in the desired direction. However, a number of comments are in order regarding some aspects of the figures. Firstly, moderating inflation is a first necessary step to achieving durable stability in house price levels. The most recent data, relating to the first quarter of 2000, suggest, indeed that this

stability may be finally within grasp. However, the level at which this stability in the average price level may be achieved, remains outside the reach of many first time buyers. In addition, it should be remarked that slowing rates of increase in prices are increases nonetheless. As long as house prices are expected to continue to rise, an incentive is created to bring forward underlying demand sooner than it needs to be met and to otherwise speculate on housing market developments. Some of the analysis indicates that these speculative elements of demand are being sustained or are gaining momentum. Their presence complicates the task of achieving a durable stability in house prices at levels, which are affordable to most sections in the household formation ages.

Looking further behind aggregate trends in average prices, some other worrying features are also still discernible. In particular, many first-time buyers, whether in Dublin or outside and in respect of both new and existing houses, purchase at prices which are at significantly below the average price of all new and existing houses in these geographical areas. However, the data also show that the rate of increase in prices of houses bought by many first-time buyers between 1998 and 1999 was significantly higher than for the overall average price of all new and existing houses. These divergent patterns illustrate how trends in aggregate data can mask important features. Most notably, the slowdown in the rate of increase in the average price of new and existing houses in Dublin and nationally would appear to be underestimating the inflation experience being felt by first time buyers, even if the level of prices being paid by them is below the average of all new and existing house prices.

In conclusion, the present policy response is working towards the achievement of stability in average prices of new and existing houses, in the face of continuing buoyancy on the demand side, it may be said. However, the pace at which progress is being achieved needs to be quickened and spread more evenly to the benefit of first time buyers, who seem still to be experiencing more rapid rates of price increase, albeit from levels below the average of prices in the market.

5.2.2 House Price Affordability

The issue of house price affordability remains a difficult one and problems in this area need to be elucidated carefully. The rate of house completions in 1999, at 46,512 is the largest ever achieved in one year and was up 9.8 per cent on 1998. In fact the rate of completions in each year back to 1994 was a record at the time. Since then the annual rate of new house completions has almost doubled. Therefore, more new houses are being built and sold in each of the past five years than in any year ever before. Despite the strong trend in new house prices, these levels of sales are being achieved without a general deterioration in credit parameters applied by mortgage lenders. Indeed, as pointed out in Section 2.4.1 earlier, there has not been a general tendency for the share of mortgage finance relative to total house prices to rise. Mortgages on new and existing houses have been stable up to and through 1999, at about 60 per cent of the total price, on average. Furthermore, new mortgages as a percentage of new house completions have actually declined slightly in the past two years, standing now at less than 70 per cent. This suggests that perhaps 3 in 10 new houses are financed without recourse to mortgage borrowing. Of course, other forms of credit may be being used to supplement mortgage finance. In addition, the tendency for prices of second hand houses to continue rising more strongly than the trend in new houses points further to increased purchasing power for housing amongst householders. Therefore, at an economy-wide level, sustained economic growth, with accompanying increases in employment and inward migration flows has resulted in increased effective demand for housing and even at current prices, there is evidence of excess demand, particularly in the Dublin and Mid-East regions.

However, for some categories of income earners, the rise in the price of houses, relative to the growth in the income of those earners has meant that affordability of housing to them has deteriorated, compared with the past. For some categories of income earners the mortgage credit, which they are capable of obtaining on the basis of current credit criteria, is not sufficient to purchase a first home. Indices of the trend in house price affordability for selected categories of income earners have been presented earlier (see Chapter 2, Section 2.4). These show a deteriorating trend up to 1998, by which time the level of the index for two income wage earners in Dublin is back below the lowest level at any time in the previous decade, and before the current economic upswing commenced. Some small improvement occurred in 1999, as interest rates declined sharply through the year. However, this factor will cease in 2000 and some of the gain is expected to be given-up in the current year. Hence, this situation continues to represent a serious challenge to policy. Even with the achievement of price stability in house prices, that stability is occurring at a level above the borrowing capacity of a segment of income earners. As discussed earlier in Section 2.4.1, the difference between average prices of new and existing houses and the amount of mortgages has grown sharply in absolute terms. The amount of the difference in respect of both new and existing houses has risen from £19,600 and £17,900, on average, for new and existing houses respectively in 1993 to £47,200 and £54,000 for the same houses in 1999. In relation to the growth of incomes of many workers, these amounts represent an increasing burden. For an increasing number, the amounts involved simply cannot be financed. This summarises the affordability issue in a nutshell.

Shared Ownership Scheme Operated by the Local Authorities

Action was taken aimed at improving affordability of low-income earners by improving the conditions attaching to the Shared Ownership Scheme operated by local authorities. In particular:

- The effective income limits for eligibility under the scheme were raised to £20,000 for single income households with appropriate increases for two income households.
- The rent charge was reduced from 5 to 4.5 per cent for transactions completed after 1 May 1998.

Table 5.1 sets out the details for the scheme in the the four Dublin local authorities since 1998.

Table 5.1: Shared Ownership applications to Dublin Local Authorities, 1997-1998
(*Number of Applicants*)

	1999	1998	1999	1998	1999	1998
	Applications Received		Approvals in Principle		Transactions Completed	
Dublin Corporation	1,001	858	391	128	539	278
Fingal	275	247	128	105	45	54
South Dublin	562	381	288	71	306	114
DL-Rathdown	122	79	68	50	36	9
Total of Above	1,960	1,565	875	354	926	455

This shows a substantial increase in the number of applicants under the scheme. Approvals in principle have more than doubled as have transactions completed.

A weakness of this scheme was that it supported demand for housing without a corresponding increase in supply. Increasingly, it is the custom of local authorities to build new houses to meet demand under the shared ownership and affordable housing schemes. Other important aspects in achieving effective results are the extent to which sound mechanisms are employed to prevent counter bidding and target bids at houses with below average prices.

5.2.3 Optimising Potential Housing Supply

Housing output growth in 1999 at 9.8 per cent continued a trend, in place now since 1994, of rising annual output. While growth in 1999 was impressive in aggregate terms, it is evident that bottlenecks persist, especially in Dublin City & County. Shortages of resources within the planning system, deteriorating quality of planning applications in many instances and the resulting time required to secure necessary planning consents, represent serious bottlenecks to achieving a sufficiently speedy supply response to achieve durable market stability. Identified infrastructure bottlenecks must be addressed also, to ensure that the stock of serviced land increases going forward. As noted below, (see Section 5.5.5), the key water/sewerage schemes in Dublin have been factored into the Department's and local authorities programmes.

Generally, measures taken to date have resulted in improving housing supply. Some delays have been experienced with SLI projects in Dublin. However, the position for 2000 appears to be more positive with almost 56,000 units to be completed by the end of the year, 22,000 of which will be in the Dublin Region. Similarly, the initiative, whereby local authorities in Fingal & Dublin City agreed that interim/temporary arrangements (which could include temporary sewage treatment plants or pumping facilities) would be permitted in deciding on planning applications for residential development did not result in accelerating housing supply in the manner envisaged. This is because a side effect of the subsequent decision to fast-track the provision of the North Fringe Interceptor, with a completion date of end 2002 now envisaged, means that the pay back period for any temporary/interim facilities were shortened, in a way that made these uneconomic to developers. However, there are undoubtedly benefits to be reaped from the earlier completion of the North Fringe Sewer.

The requirement for Local Area Plans, in some 25 of the forty-odd significant sites likely to be developed for housing in Dublin City & County requires a significant commitment of additional resources to the planning system, if these are to be drawn-up speedily. As noted at the outset of Section 3.2.1 earlier, constraints apply to total planning resources available and to the capacity of architects and not simply to those involved in local authorities. Resulting sub-standard applications are causing further delay. In addition, there is evidence of some developers not having adequate design capacity to deal with higher density schemes, which need more technical input than the average estate of three-bedroom semi-detached houses.

Experience indicates that the likely time period from the lodgement of the application to a Grant of Permission may be in the order of 40 weeks. From initiation of area planning to final grant of permission, an *optimistic* total elapsed time of 94 weeks, i.e. a year and 10 months, is implied. Filling the current vacancies in local authority planning, many of which were created in 1999 to deal with the increased workload involved, will enable productivity growth, which occurred through 1998, to resume. In addition, as is happening already, Local Area Plans can be drawn up developers, in consultation with local authorities. The latter, also, can employ consultants to assist, in the speedy delivery of Plans, drawn to the required quality standard.

5.2.4 The Private Rented Sector

The Government established a Commission on the *Private Rented Residential Sector* in June 1999. The Commission is broadly representative of interests in the sector and is due to Report

by end June 2000. Taking the narrow issue of rents, it would appear from limited available statistical information that the trend has shown the same pattern as with prices, namely a moderation of the rate of increase experienced which occurred in 1998. It is generally agreed that there are a number of important issues concerning the private rented sector, which need to be addressed. Doubtless, the Commissions report will deal comprehensively with all of these matters. Therefore, recommendations contained here are confined to dealing with follow-on consequences from certain recommendations proposed in this report.

Student Accommodation: Section 50 Tax Relief

The Government introduced tax incentives, specifically for the provision of student accommodation, in Section 50 of the Finance Act, 1999 to increase the supply of student accommodation to mitigate the impact on the student population of current supply pressures in the private rented sector.

This relief is available for accommodation provided in the four-year period from 1 April, 1999 to 31 March, 2003. It allows investors to offset 100 per cent of the costs of construction, conversion or refurbishment of purpose built student accommodation against all rental income over a maximum period of 10 years. The Minister for Education and Science published Guidelines, which deal with key elements of eligibility for the relief and set out conditions relating to the standards and location of accommodation.

Returns received to date from third level institutions indicate that, currently, over 7,500 purpose built units are in various stages of planning. The table below sets out the current planned provision, as indicated by the institutions, of student accommodation over the next few years.

Provision of Third Level Student Accommodation

	<i>Anticipated Completion Date</i>			
	2000	2001	2002-2003	Total
Dublin	140	350	3150	3640
Cork	3804	0	0	438
Galway	657	549	870	2076
Limerick	0	0	320	320
Waterford	0	0	300	300
Rest of Leinster	298	60	350	708
Rest of Connaught	0	0	0	0
Rest of Munster	0	100	0	100
Total	1,133	1,059	5,390	7,582

Developing the Private Rented Sector in the Context of Urban Renewal

A total of 38 towns and five cities are currently benefiting under this scheme which was announced last year. In all 49 Integrated Area Plans submitted by local authorities were approved under the scheme; residential incentives were introduced on 1 March 1999, while the commercial incentives which required the approval of the EU Commission took effect from 1 July 1999. The Integrated Area Plans (IAPs) are designed to address both the problems of physical development and the broader issues socio-economic needs of the areas in question. The Urban Renewal Act, 1998 provides the legislative framework for the objectives and the implementation of the Scheme while the legislative provisions to give effect to the various tax reliefs under the scheme were contained in the Finance Act 1998.

Local authorities in drawing up IAPs were obliged to do so in the context of the Act, and of guidelines prepared by the Minister for this purpose. The guidelines in turn recommended that cognisance should be taken of specific recommendations of the KPMG Study on the Urban Renewal Schemes.

The Finance Act 1998 provided that the entire area to which an IAP relates could be regarded as a qualifying area for purposes of the owner-occupier residential allowances and/or the investor allowances for rented residential accommodation. In the event allowances were applied across the entire area in a limited number of cases only primarily in respect of refurbishment works.

The guidelines refer to the need for local authorities to have regard among other matters to questions of social mix, involving differing tenure and household type, as well as to questions of design. Specifically it was recommended that the overall objective should be to ensure that at least 15% of additional bedspaces provided in the total area covered by the IAP should be social housing. Where this was not being proposed, justification for this was to be provided. All of the IAPs submitted contained proposals along these lines.

In line with the provisions of the Urban Renewal Act, 1998, monitoring committees have been established in the various IAP areas. The committees are required to submit reports on a six-monthly basis to the local authority indicating progress made in meeting IAP objectives including those relating to the provision of residential development. The local authorities are required to furnish an annual report of the results of the monitoring carried out to the Department. These reports will not be available until July of this year.

Current tax Relief In Respect of Rent

There was an increase of 50 per cent made to the ceiling for renters under 55 years of age, in the 1999 budget. In respect of those over 55, the ceilings were doubled. While the latter increases were no longer made available at the marginal tax rate, the fact that 80 per cent of recipients are on the standard rate meant that most of them benefited to the same extent as those under 55 years.

5.2.5. Improving Planning & Information for the Better Development of Settlement & Housing in the Medium Term.

Resources Available to the Planning System

Arising from a recommendation contained in *The Housing Market: An Economic Review & Assessment* (March 1999), An Bord Pleanála put forward proposals for additional staffing. The authorised staffing level of the Board was increased to 105 at end 1999. A request for further additional staffing in the context of the ongoing increase in the number of appeals and the additional functions which will be conferred on the Board following the enactment of the Planning and Development Bill is currently being considered by the Department. In June 1999, the Minister made an Order (which was approved by both Houses of the Oireachtas) increasing the number of Board members by a further one to ten. The tenth Board member has been appointed.

The Local authorities are embarked on filling over 100 vacancies, many of which arose on foot of the authorisation of additional staffing in 1999.

5.3 National Spatial Strategy

The Department of the Environment and Local Government is undertaking the preparation of a National Spatial Strategy. The Strategy will be a strategic spatial planning framework for the country as a whole and will provide a basis for long-term co-operation and co-ordination in policy formulation and decision making on major investment in infrastructure, including public and private transport infrastructure. When completed the strategy has the capacity to play an important role in ensuring that long term housing needs are met in an economically and environmentally sustainable way.

A Spatial Planning Unit has been established in the Department to undertake the formulation of the National Spatial Strategy. The Unit is being guided by an Expert Advisory Group and has as members both national and international experts on spatial planning. The Unit is being assisted further by an Inter-Departmental Steering Committee and by a Technical Working Group.

In February 2000, a consultation paper "*The National Spatial Strategy – What are the Issues?*" was published. Over one hundred submissions were received in response to this document. Guided by the content of these submissions, a further document on the scope and delivery of the National Spatial Strategy was prepared and has now been published. A detailed timetable for the completion of the NSS by October 2001 is contained in the scope and delivery document.

Overall Assessment

Despite the increasingly dynamic context within which adjustment of the market is being pursued, the analysis presented concludes firmly that the rates of increase in prices of new and existing houses in Dublin and nationally have slowed down sharply since the middle of 1998, the time from which Government measures to redress market imbalance were instituted. Thus, the peak rate of inflation in the new house market was 24.6 per cent (1998Q1), countrywide and 33.8 per cent (1998Q1) in Dublin. By the first quarter of 2000 these rates had halved to 12.9 per cent and 16.2 per cent respectively. In the existing house market the peak rate of inflation was 36.9 per cent (1998Q3), countrywide and 41.7 per cent (1998Q3) in Dublin. These rates too have more than halved to 17.4 per cent and 20 per cent respectively in the first quarter of 2000.

Increasingly buoyant economic conditions are fuelling the demand for housing and making the task of securing housing market stability more difficult.

Over the past two years, economic growth has been even stronger than the generally bullish forecasts for the period. Falling interest rates through 1999 and strong inward migration flows have had a reinforcing influence on housing demand. Moreover, these influences are likely to add further pressure into the medium term. For example, a recent report by an Inter-Departmental Review Group has estimated that gross immigration of 200,000 workers will be required over the coming seven years to sustain economic growth. Allowing for other migratory flows and the likely age patterns of people making up these numbers the impact on housing demand from this source alone is likely to be in the range 8,000-10,000 units per annum.

The sharp moderation in house price inflation since the Government's first package of measures to bring stability to the market owe much to the expansion in housing supply which

has accompanied them. The pattern of house completions, through 1999, follows that of previous years, with numbers tending to increase in each successive quarter. For 1999 as a whole, total completions amounted to 46,512 up 9.8 per cent on the level in 1998, which in turn was 9.0 per cent higher than the previous year. Private house completions amounted to 43,024 and accounted for the bulk of the growth in house completions. These levels of completions are the highest that have ever been recorded in one year. The rate of output has doubled since 1993.

In fact, the rates of increase that have occurred in the past two years have been equal to or greater in magnitude than the predictions made two years ago of the supply that would be required to achieve stability in the housing market. The main reason this has not happened is that demand has strengthened to an even greater extent than was envisaged at the time. Other contributory factors have been that some of the supply increase has been focussed on meeting demand for holiday homes. Finally, the rate of change in supply associated with the rate of change in price (i.e. the price elasticity of supply) appears to have fallen in the past few years.

While considerable progress has been achieved and against an increasingly complicated backdrop, the market remains some distance from a sustainable equilibrium in which affordability is improved. The favourable trend in aggregate average house price inflation in 1999 masks higher inflation facing first time buyers. The level of average new house prices is outside the reach of many Irish workers, although some improvement in affordability occurred in 1999.

Looking forward, further progress towards achieving stability is in prospect, as the effects of supply-side measures, already in train, begin to accumulate on the ground. Nevertheless, there are also significant challenges. These arise from the prospective strong demand for housing which will accompany continuing economic growth and which it is government policy to sustain into the medium term. As regards supply, there are challenges too. These include ensuring a high standard of quality in planning applications, adequate resourcing of the planning system to enable it to deal with the current and prospective workload, delivering necessary infrastructure in a timely manner and to schedule, where it is needed most, facilitating the construction sector in overcoming capacity constraints and achieving sufficient scale to meet prospective demand.

Based on the projections for growth in disposable income and expected demographic developments, private house completions need to continue expanding, to around 54,500 per annum on average over the period 2000-2005. The expected pattern of development of demand and supply contained in the projection implies continuing pressure on real house prices for some time, although continuing the established pattern of moderation.

It seems clear from projections of Population and Labour Force, produced by the CSO in July 1999, that there will be significant growth of population and household formation in the Dublin & Mid East Region, in particular. Developments in this area are crucial for price trends in other parts of the country. Housing demand in Dublin and the Mid East Region of at least 20,000 units per annum is considered likely, over the coming five years. How this demand will split as between Dublin City and County and the Mid East Region is a matter of conjecture. The outcome will depend, *inter alia* on relative house price developments and access times between the two areas in public and other transport terms and relative endowments of social and recreational infrastructures and facilities. Personal preferences, as between city and suburban or outer suburban, will also play an important part. It is considered unlikely that in the short term Dublin City and County will meet much more than about 11,000 per annum from new house completions. However, it is within the scope of the Mid East Region to meet

the balance, but output would need to be expanded very substantially above the rate of completions in 1999, which amounted to a little over 5,000 units. In these circumstances it is likely that there will be upward pressure on prices in these areas in the short term. In the medium term, beyond 2002, the actual supply of new completions in Dublin City & County could be significantly higher, than is projected as is the case also in the Mid East Region.

At present there is considerable uncertainty in the housing market in relation to when and where significant amounts of additional serviced land will become available in Dublin City & County. As a result of this uncertainty, demand is being fuelled for development land and speculative elements of demand are persisting, including the artificially bringing forward of demand for housing.

An effective supply response strategy needs to be characterised by:

- **Credibility**, in the sense that what is proposed by way of a supply response will be matched with the necessary commitment of resources to ensure that undertakings are translated on the ground into serviced sites on which the necessary planning consents can be obtained.
- **Clarity**, as regards where development is to take place and that all the necessary infrastructure to facilitate the development of secure and stable community living will be put into place, including especially access to transport facilities.
- **Certainty**, as to when development can commence. At present, it is difficult to predict with any certainty when making a planning application, when in fact work will be capable of commencing. Matching demand with supply in such circumstances is extremely difficult.

Considering the analysis of prospective demand and supply it is considered that the most appropriate course of action is to pursue a supply response to meet underlying demand growth and having the characteristics noted above. In addition, this approach should be supported with measures to curb any significant speculative or transitory component of demand, which may be present. Such a response holds the prospect of achieving a more rapid return of the market to stability with increased affordability. A response relying entirely on supply measures to meet all categories of demand, fundamental and speculative or transitory, would be less appropriate and in any event, will take longer to achieve stability. In the meantime, affordability for many new house buyers would move further away.

On the basis of this assessment proposals are made in Section 5.5 for additional actions.

5.5 Proposals for Further Action

5.5.1 Accelerating the Process of Securing Required Planning Consents on Significant Sites in Dublin City & County

The local area planning process as outlined in the Planning and Development Bill 1999 will clearly provide for better housing environments and more sustainable development and should be adopted in the case of all larger scale developments. The flexible time scale implied by the consultation and approval process and the available appeal procedures may make it difficult to predict ultimate yields and firm delivery dates for the supply of housing on sites, the subject of Local Area planning.

Therefore, it is proposed that the potential for providing more certain delivery dates and for concentrating staff resources offered by the procedures as described in Part 9 of the Planning and Development Bill 1999 for the development of the Strategic Development Zones should be pursued. The aim should be to ensure that the land use, transportation, servicing, social infrastructure and civic design context in which major housing applications are to be made can be resolved in principle and to a certain extent in detail, at the outset in a planning scheme. The opportunity can then be given to interested parties to make their views known. A right of appeal to An Bord Pleanála would be enjoyed by those aggrieved by the provisions of the planning scheme, but following the Board's determination, proposals which conform with the scheme should be capable of commencing without delay.

Therefore, in order to provide an appropriate context for the lodgement of significant residential proposals **it is recommended that the powers and procedures as described in Part 9 of the Planning and Development Bill 1999 be utilised to designate sites as Strategic Development Zones for housing which, in the opinion of Government, are of strategic importance for the national economy.**

Following the designation of appropriate Strategic Housing Development Zones by the Government, it is envisaged that the timetable for the schemes would be as follows:-

- Scheme preparation - 12 weeks.
- Preparation and submission of Manager's report to elected members - 12 weeks after publication of notice.
- Consideration of planning scheme by elected members, within 10 weeks of submission of report by Manager (making of scheme automatically follows within 4 weeks after approval of scheme by resolution of elected members, unless appealed to the Board).
- Time scale for appeal - 4 weeks after decision by Planning Authority.
- Decision by the Board - 20 weeks approximately.

The total elapsed time therefore, would be in the order of 58 weeks. By incorporating work already done in preparing draft Area Action Plans for designated sites the timetable outlined could be shortened further.

Applications within the zones, which conform to the approved scheme, may then be granted permission with or without conditions and no appeal lies to An Bord Pleanála. Allowing a minimum of 4 weeks for the Planning Authority assessment, the total elapsed time would be in the order of 62 weeks. This compares with an optimistic, average elapsed time of 94 weeks in the case of Local Area Plans, (see Section 3.4.1 above).

The adoption of the SDZ mechanism would not inhibit the making of applications to the Planning Authority for parts of an SDZ area under the ordinary planning process. If it can be demonstrated that such applications would not compromise the potential offered by the overall comprehensive development of the zone, such applications could be favourably considered.

In considering sites for inclusion as Strategic Development Zones for housing, it is recommended that the following criteria should be included in any relevant assessment:-

- **The number of housing units and the timing of their arrival which would be delivered by the inclusion of lands within an SDZ.**
- **The potential for comprehensive planning offered by the nature and scale of the land and its ownership structure.**

- **The existence of piped services or the imminence and cost of new services.**
- **The location of the lands proximate to existing or proposed public transport corridors.**
- **The need to deliver a high quality of design and layout and to ensure the provision of ancillary shopping, social and leisure facilities at appropriate development stages.**

An examination of the Dublin, Cork, Galway, Limerick and Waterford areas indicates that several significant greenfield sites may be cited as examples which appear to satisfy these criteria. The local area planning of some of these areas is at an advanced stage, while others have just commenced the process. All have significant potential housing yields.

DUBLIN

- Balbriggan (circa 5,200 units) - Draft Area Plan in preparation.
- Lusk (circa 2,400 units) - Draft Area Plan in preparation.
- Baldoyle/North Fringe (circa 8,300 units) - Draft Area Plans published by Dublin Corporation for Grange Balgriffin & Belcamp and under preparation by Fingal County Council for Baldoyle.
- Castaheany (circa 5,800 units) - Area Plan not commenced.
- Stepside (circa 3,500 units) - Draft Area Plan in the process of adoption.
- Ballycullen/Stocking Lane (circa 3,000 units) - Draft Area Plan in preparation.
- Lucan South (circa 8,00 units) - Draft Area Plan in preparation.

i.e. a total of circa 36,200 housing units.

CORK CORPORATION

- Mahon (circa 450 units) - Area Plan not commenced.

GALWAY CORPORATION

- Merlin Park/Doughiska (circa 2,940 units) - Draft Area Plan prepared.

The appropriate procedures under Part 9 of the Planning and Development Bill 1999 (when enacted) should be initiated to ensure their rapid development in the context of a programme which will set out clearly, certain dates for the delivery of their housing yield.

5.5.2 Improving the Deployment of Existing Planning Resources

It has been represented that the processing of domestic planning applications i.e. those in excess of 23 sq m, are placing a disproportionate load on the Development Control process. Furthermore, they involve utilising the skills of trained planners who might otherwise be employed in the production of Local Area Plans or in pre-application discussions assisting large-scale housing developments.

A survey conducted by Dublin Corporation in 1997 indicated that of the 3,205 planning applications processed in that year, 1,234 (39%) were domestic applications which, though they comprise a significant element of the total workload, were much less complex than other forms of development. A random batch of 31 decisions in September 1997 were analysed and indicated that permission was granted in 90 per cent of the cases, refused in 3 per cent of cases and 6 per cent were not determined, largely because site notice requests had not been responded to. Of the 28 permissions, only one standard condition was attached in 18 cases

(64 per cent), indicating that though the applications consumed considerable staff time, little actual impact resulted. The Forum for the Construction Industry has suggested a relaxation of the exempted development threshold as a means of freeing resources. This would be beneficial.

Therefore, it is recommended that the area of 23 sq. m. in Article 1 (a) of Column 2 of the Second Schedule, Part 1 “Exempted Development - General” of the Local Government (Planning and Development) Regulations 1994 should be altered to 40 sq. m.. Furthermore, it is recommended that conditions and limitations protecting the amenities of adjoining neighbours be added to Column 2.

5.5.3 Increasing the Resources Available to the Planning System

As was noted in Section 3.4.2 above there are 350 authorised planning posts in the Local authorities. In respect of these, there were 107 vacancies as of March 2000. In order to ensure proper planning and sustainable development, it is essential that local authorities and An Bord Pleanála have sufficient professional planners available in relation to the development of planning policy and the operation of the development control process. Professional planning skills are key skills if the necessary increase in output is to be provided in a way that creates high quality living environments with all necessary facilities and respects the quality of the environment. The number of planners qualifying annually from UCD should be increased and the potential of other courses offered including those by DIT should be pursued. In the short term however, professional planners will have to be recruited from abroad. **It is recommended that special incentives should be made available to attract sufficient number to meet critical needs.**

The Minister for the Environment and Local Government has written to the President of UCD indicating that any increase in the number of professional planners qualifying would be welcomed. The Department of the Environment and Local Government has also been in contact with the School of Environmental Planning and Management at the DIT, Bolton Street, in relation to its plan to establish a part-time Masters Programme in Spatial Planning and the upgrading of the existing Diploma in Environmental Resources Management to a four-year honour degree with specialists in Spatial Planning and Environmental Management. The Department has expressed its strong support for these initiatives and it is understood that the DIT plans to commence these courses in the next academic year. The Minister for the Environment and Local Government has also been in contact with the Minister for Education and Science seeking his support in increasing the output of professional planners by the Higher Education Sector.

It is recommended that an assessment should be made of prospective manpower requirements for planning and what initiatives require to be undertaken, if any by way of expansion of courses so that these needs are met.

5.5.4 Increasing Residential Densities

The Residential Density Guidelines for Planning Authorities issued by the Minister in September 1999 have resulted in the inclusion of policies and objectives in newly adopted Development Plans supporting increased densities, particularly on lands proximate to existing or proposed public transport corridors. An examination of the range of applications lodged in the Dublin area indicates that the market has responded by proposing schemes based on

increased densities. Anecdotal evidence suggests that these have generally been well received but that in some cases and particularly outside the Dublin area, undue emphasis may be placed by some Planning Authorities on conformity with established densities, to the detriment of increasing housing yields. Equally, the move to higher density schemes, which require a greater level of design skills may prove to be beyond the capabilities or capacities of some designers, and result in unconsidered or substandard proposals. However, a review of several significant decisions of An Bord Pleanála indicates that well designed schemes, which adhered to the principles set out in the Guidelines, have been upheld. Refusals have issued only in cases of proposals, which had inherent defects or ignored the controls and safeguards outlined in the Guidelines.

It should be repeated that higher densities should not be achieved at an unacceptable amenity cost to the surrounding dwellings and the residents of the proposed development. A high quality of design and layout and a good quality living environment; including the availability of adequate shopping, social, transport and leisure infrastructure, are essential if increased residential densities are to be acceptable. These considerations require that significant schemes proposing higher densities need to be considered carefully and prepared by skilled practitioners.

In relation to implementation of the Residential Density Guidelines, it is through the Development Plan and the exercise of their development control functions that Planning Authorities can take effective action to achieve higher levels of residential density. In issuing the Guidelines, the Minister for the Environment and Local Government asked Planning Authorities to review and vary their Development Plans to give full effect to the recommendations and policies contained in the Guidelines, where they have not already done so. The Planning Authorities and An Bord Pleanála have been told that the Guidelines are policies to which Planning Authorities under Section 7 (1) of the Local Government Act, 1991 and An Bord Pleanála under Section 5 of the Local Government (Planning and Development Act 1976, are obliged to have regard. To date, 29 of the 38 County Councils and County Borough Corporations have confirmed to the Department of the Environment and Local Government that they are either in the process of or will be in the near future be reviewing or varying their Development Plans to ensure full compliance with the provisions of the Residential Density Guidelines.

It is noted that the Department of the Environment & Local Government will be conducting an assessment in September 2000 of compliance with the Densities Guidelines. **It is recommended that, if the findings of this assessment indicate significant non-compliance, additional measures should be applied, including that the Minister for the Environment and Local Government should utilise his powers under Section 7 of the Planning and Development Act 1992 or Section 9 of the Planning and Development Bill 1999, when adopted, to direct Planning Authorities to adopt a more pro-active approach towards increased density developments, which because of their location, would contribute to the principles of sustainability. Such a Directive might be based on the “Residential Density Guidelines for Planning Authorities” issued by the Minister in September 1999 and incorporate the recommendations and safeguards which they contain.**

5.5.5 *Overcoming Infrastructure Bottlenecks*

The position in Relation to Proposed SDZs

It would be pointless to accelerate the planning process in relation to key development sites if any significant infrastructure constraints were not at the same time redressed. The position in relation to infrastructure on proposed SDZs is set out in the table below.

Status of Key Infrastructure on Potential SDZs

SDZ	Scheme	Status
North Fringe	North Fringe Sewer	Advance section (Meakstown-Poppintree) to be completed June-2001. Balance of scheme to be completed mid-2002.
	North Fringe Water Main	To be completed end-2002.
Stepaside	Sandyford High Level Water	Advance section approved (to start and be completed in 2000). Main scheme to start January 2001 and be completed July 2002
	Kilgobbin-Ballyogan Sewerage Extension	To commence May 2000 and be completed September 2000
Ballycullen/ Stocking Lane	None	N/A
Lusk	Lusk Sewerage	Preliminary discussions underway as possible PPP.
Lucan South	Esker Pumping Station	To be completed in 2001
	Griffeen Surface Water	To start June 2000 and finish September 2000
	Lucan Development of Services	Negotiations underway as part of PPP agreement
	Lucan High Level Water Supply	To start January 2001 and be completed June 2002

At a general level, it is considered that the current public transport situation will not limit the bringing into development of any of the areas concerned. However, it may have implications for the densities that are approved on foot of planning permissions. The assumed densities used for estimating potential housing yields, contained in this report, in most cases are relatively low at 30 per hectare. In terms of the role of public transport, what is at issue is whether densities at levels higher than this can be achieved.

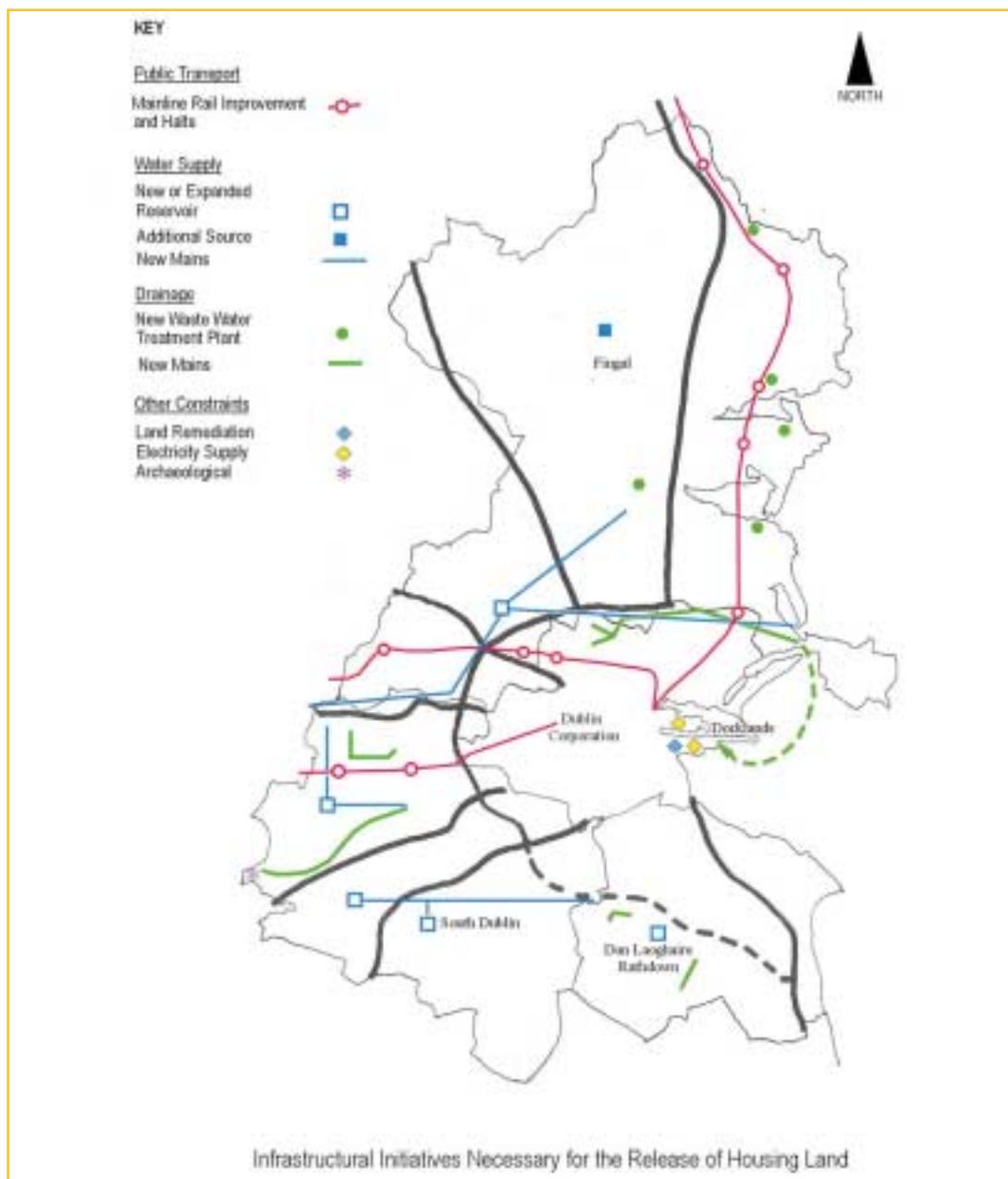
The position in relation to non-national roads infrastructure is under examination by the Department of the Environment & Local Government and the local authorities concerned.

On the basis of the summary contained in the table above and the assessment contained in Appendices 2-5 it is recommended that the following actions should be adopted.

Public Transport

Many of the potentially high yielding new or expanded areas are located on existing mainline rail. The provision of a significant amount of housing without consequent improvements in

quality public transport would lead to increased commuting by car and militate against the creation of independent sustainable communities. **The provision of quality public transport infrastructure is particularly important to release the full potential of the significant areas of zoned and serviced land and would permit an increase in densities in areas 20, 23, 24 and 25 in Appendices 2-5 particularly.**



Roads

In virtually all of the significant areas of potential housing, new roads will be necessary to distribute traffic and to link them to the national network. It is anticipated that these roads will be provided as part of the housing projects themselves and constructed by the developers either directly or by contributions. **In Lucan South (Area 37) however, the construction of a significant section of the Outer Ring Road link will be essential before the full housing yield can be realised.**

Water Supply

The water supply situation in the period to 2011 remains difficult. Supplies from the River Liffey are clearly limited and the examination of new resources is thus extremely important. The Department of the Environment and Local Government proposes to commission studies on the feasibility of extraction and treatment water from the River Barrow, as well as ground water extraction to Kildare and Fingal.

In the meantime, several infrastructure projects are considered to be essential for the release of housing land. These include:-

- **Sandyford High Level reservoir - *To be completed July 2002***
- **Bog of the Ring Ground Water Source - *To be completed June 2001***
- **Swords Trunk Watermain - *To start August - September 2000***
- **Jordanstown Reservoir and network strengthening North of Swords - *In early planning***
- **Lucan High Level Reservoir - *To be completed June 2002***
- **Boherboy Water Supply Scheme - *To be completed June 2002***
- **Leixlip to Ballycoolin Rising Main and Reservoir - *A third rising main from Leixlip plus reservoir - To start 2001***
- **North Fringe Water Main - *To be completed end 2002.***

Waste Water

New development will put increasing pressures on the existing drainage system. A Strategic Study of the Dublin Region Drainage is required to improve knowledge of the condition, performance and capacity of the present drainage system and provide the necessary information to plan for future drainage needs in the longer term. Studies of the capacity of and infiltration into the Grand Canal Sewer are being carried out in both South Dublin County Council and the Corporation areas. The results of the studies will be fed into the proposed Greater Dublin Area Main Drainage Strategy Study which will give priority to the Grand Canal Sewer component of the overall study. A report with recommendations on the Grand Canal Sewer must be submitted within 3 to 6 months of the start of commencement of the study. In the meantime, the Department of the Environment & Local Government considers that the existing systems, supplemented by temporary/interim facilities, where appropriate will cope with the proposed additional demands.

The following initiatives will release significant areas of housing land. In particular:-

- **North Fringe Sewer - *To be Completed mid 2002***
- **Cherrywood Loughlinstown Main Drainage - *To be completed 2000***
- **Glenamuck Kiltiernan Main Drainage - *To be completed May 2001***
- **Kilgobbin Ballyogan Extension - *To be completed September 2000***
- **Ballinteer Main Drainage - *To be completed December 2000***
- **Swords Main Drainage - *To be completed end-2001***
- **Balbriggan Skerries Sewerage - *Interim scheme to start and finish in 2000. Main scheme to start 2001.***
- **Portrane/Donabate Sewerage - *Start 2002***
- **Rush/Lusk Sewerage - *To be pursued as a Public Private Partnership (PPP)***
- **Malahide Sewerage - *To be completed October 2001***
- **Newcastle Saggart Rathcoole - *To be Completed December 2001***
- **Dodder Valley Catchment - *Study to be completed June 2000. Work to start January 2001***
- **Pelletstown Water and Sewerage Scheme - *Start June 2000. To be completed***

June 2002.

- **South Lucan - Start May 2000. Discussions on Public Private Partnership (PPP) ongoing.**

A key issue is to ensure that these projects are implemented and delivered at the earliest possible date and at least to the planned schedule. The experience gained in bringing forward the North Fringe Sewer is instructive in this regard. The project, which originally was scheduled to be completed in 2004, is now expected to be completed in mid-2002 with the advance section serving Meakstown Poppintree to be completed in mid-2001. The structures that helped achieve this acceleration in the programme for the project were:

- a dedicated project steering group comprising the Department of the Environment and Local Government and the local authorities was established to deal exclusively with this project;
- hand-in-hand with this, a dedicated project office was established comprising representatives of two engineering consultancy firms and local authority engineering staff to oversee them;
- the two consultancy firms were assigned separate parts of the design, which were carried out in parallel;
- a specialist engineer was hired to deal with the acquisition of wayleaves;
- all key issues (e.g. rail crossing, foreshore licence, etc) were dealt with up-front.

It is therefore recommend that a series of Project Offices be established in the local authorities where SDZs are designated – these offices would be responsible for, *inter alia*:

- **Delivery of key water, sewerage and non-national roads projects required to bring the SDZ into development. This will involve bringing the projects through planning (land acquisition, wayleaves, Part X, EIA, etc) to construction, management of the projects during the course of construction, and management of any consultants appointed;**
- **Assisting with the drafting of development contributions' schemes or other agreements for the SDZs;**
- **Liaison with public transport providers to ensure early delivery of key public transport projects;**
- **Facilitating pre-planning discussions with developers.**

Similar structures should be put in place to drive groups of key water and sewerage projects in the main urban areas for locations not designated as SDZs.

In addition, it is recommended that proposals for the augmentation of the Grand Canal Sewer (which serves lands to the North and West of the City and which is presently working at capacity) or other proposals which would provide necessary drainage capacity for these areas should be put in place as a matter of urgency. The aim should be to ensure that it can cater for all of the serviced land within its catchment by 2006.

Other Constraints

These include:-

- *Land remediation* - Contamination due to previous industrial activities (i.e. chemical plants etc.) requires remediation to bring lands in the Docklands area to the development stage.

- *Electricity Supply* - Two new 110 kv stations are required in the Docklands. Their provision will have a lead-in time of two years.
- *Archaeology* - Newcastle (Area 36) is an archaeologically rich area which will require examination, assessment and protection before development can commence.

5.5.6 Fiscal Penalty on Non-Realisation of Potential of Proposed SDZs

The recommendation to designate a number of key strategic sites as Special Development Zones, with the accompanying fast-track planning process amounts to a significant commitment to secure the earlier release of the lands involved for housing development. It is important to ensure that development does indeed take place at an early stage following the proposed process.

Therefore, it is recommended that an annual tax of £3,000 per housing site should be applied to the owners of land who:

- (c) **have not applied for planning permission in accordance with the approved planning scheme for the lands contained within the SDZs, within a period of 12 weeks after the scheme has been approved; and/or**
- (d) **do not commence implementing a planning permission in accordance with the terms contained therein, within 26 weeks of the permission having been granted.**

5.5.7 Proposed Revisions to Stamp Duty Regime

House price increases since the revision of Stamp Duty rates in June 1998 have resulted in an increase in the burden of stamp duty, making it again a potential barrier to first time buyers entering the existing house market. This is significant because first time buyer housing needs are being met, increasingly, from the existing house market. Both stamp duty receipts and Department survey data indicate that activity in the market is increasing. First time buyers continue to account for around 45 per cent of the total market but, as indicated by the fall in the number of new house grants paid, of 11 per cent between 1998 and 1999, fewer first time buyers are purchasing new houses.

Current analysis of the housing market, contained in Chapter 4, suggests there is a significant element of speculative or transitory demand, which hampers efforts to meet fundamental demand with increased supply. Accordingly, it is considered appropriate that measures should be incorporated to dampen this element of demand. Stamp Duties provide an appropriate means of achieving this since they relate to all housing transactions, whether mortgage financed or not.

Therefore, it is recommended that Stamp Duties should be revised along the lines contained in the following table.

Proposed Revisions to Stamp Duty Bands & Rates

Current Bands	Current Rate Per cent	First Time Buyers	Buying for Owner Occupation	Existing Purchasers buying for Owner Occupation	Other Purchasers
		Proposed bands	Proposed Rate Per Cent	Proposed Rate Per cent	Proposed Rate Per cent
Up to £60,000	Nil	Up to £100,000	Nil	Nil	3.75
£60,000-£100,000	3	£100,001-£150,000	Nil	3	3.75
£100,001-£170,000	4	£250,001-£200,000	3	4	5
£170,001-£250,000	5	£200,001-£250,000	3.75	5	6.25
£250,001-£500,000	7	£250,001-£300,000	4.5	6	7.5
		£300,001-£500,000	7.5	7.5	7.5
Over £500,000	9	Over £500,000	9	9	9

5.5.8 Anti-speculation Property Tax

The housing market is attracting speculative demand. In some cases, this takes the form of individuals taking a view about prospective house prices and buying residential property, as opposed to another form of investment. In other instances, speculative demand takes the form of a transitory increase, following from demand being brought forward, so as to avoid expected future price increases. These various kinds of speculative demand forestall the movement of the housing market to stability. As this happens, there is a tendency to stimulate further speculative demand and in this way a ‘bubble’ can develop. If allowed to develop unchecked, such a process has the potential capacity to threaten overall stability of the market. Of course, the pursuit of a strategy centred on a vigorous supply response, with the characteristics of credibility, clarity and certainty, as discussed above in Section 5.5.1 will influence the formation of rational expectations about future market trends. However, it is considered that expectations of future returns from housing market speculation should be supported through the introduction of an annual tax on dwellings, which are not principal primary residences.

Therefore, it is recommended that an annual tax, say of 2-3 per cent, of the declared value of such properties acquired in the future should be introduced.

5.5.9 Measures to Secure Improvements in the Quality & Availability of Rented Accommodation

As noted previously, the Commission on the Private Rented Residential Sector is due to report at end June 2000. The Commission is expected to make recommendations in relation to the objective of increasing investment in and the supply of rented accommodation and removing any identified constraints to the development of the sector, as required by its terms of reference. It will be necessary that measures implemented on foot of both this report and the Commission’s report are consistent and produce the desired impact. In recognising this fact, and the need for measures designed to encourage a greater level of long-term commitment by investors to the provision of professionally managed private rented accommodation, the following recommendation is made:

A mechanism should be developed to exempt landlords from the tax measure proposed in section 5.5.8 above where certain specified conditions apply, including compliance

with the standards and other requirements of the regulatory regime and there is evidence of a commitment to the availability of the accommodation for renting on a long-term basis.

5.5.10 Strengthening of the Institutional Framework for Securing a More Effective Housing Response in the Greater Dublin Area

It is considered that it would be appropriate to strengthen the present institutional framework available for co-ordinating and executing plans, initiatives and projects which impact on the current and prospective future supply of housing in Dublin City & County and the Counties of Kildare, Wicklow & Meath.

Therefore, it is recommended that there should be an expansion to the role of the housing supply function in the Department. It should be charged with ensuring delivery of key infrastructure in association with the local authorities, and co-ordinating the delivery of other facilities and services required for new housing development and provided by other relevant Government Departments and State Agencies.

A considerable strengthening of the housing supply function in the Dublin authorities is required to ensure that there is a “One-Stop shop” for housing supply issues in Dublin. This is required to ensure that development is brought on stream in the designated SDZs at the earliest date and to oversee the project offices in the SDZs.

It should be required to submit a report to the Department each quarter. This should deal with implementation of the housing strategies covering house completions (private, local authority and voluntary), serviced land status, planning permissions granted, progress on key housing related water, sewerage, roads and public transport projects (compared to original critical paths), constraints on achievement of the housing strategy targets and any adjustments to factors underlying the strategy, etc.

Appendix 1: Dublin City & County: Significant Areas of Undeveloped Residential Land March / April 2000

A DIGITAL MAP AND THE INFORMATION IN RELATION TO THE MATERIAL CONTAINED IN APPENDICES 1-5 BELOW IS CONTAINED IN THE CD ROM ATTACHED TO THE INSIDE BACK COVER OF THIS REPORT

Table A1: Potential Yield of Significant* Areas of Undeveloped Residential Land in the Dublin Area

	Dublin Corporation (Units)	Dun Laoghaire/Rathdown (Units)	South Dublin (Units)	Fingal (Units)	Total
Capable of Commencing Now (subject to necessary planning consents)	4,899	844	11,348	16,830	33,921
2002	5,978	7,355	3,120	15,030	31,483
2003-2006	8,935	—	8,000	15,757	32,692
Total	19,812	8,199	22,468	47,617	98,096

Source: Survey of Planning Authorities April 2000

Table A2: Estimated Likely Actual Yield (Max) by mid to end 2001

Dublin Corporation	650 units
South Dublin	1500 units
Dun Laoghaire/Rathdown	250 units
Fingal	6,010 units
TOTAL	8,410 units

Appendix 2: Fingal County Council: Significant* Areas of Undeveloped Residential Land March / April 2000

Summary

Total Areas of Significant Undeveloped Residential Land in Fingal County Council

- Potential Yield - 47,617 Units**
of which 16,830 units whose development can commence NOW subject to necessary planning consents
- 15,030 units can be developed commencing 2002 and
 - 15,757 units can be developed between 2003 and 2006

Area 1

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Balbriggan	117.05	146.74	—	263.79	3407	4402	—	7809
Total	117.05	146.74	—	263.79	3407	4402	—	7809

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on density of 30 units per hectare generally

Development Issues, relate mainly to 2002 and beyond

- Balbriggan-Skerries Interim Sewerage Scheme, to be completed in 2000
- Balbriggan-Skerries Main Sewerage Scheme, to be completed in 2001
- Bog of the Ring Ground Water Scheme, to be completed June 2001
- Jordanstown Reservoir, to be completed in 2002
- Water Network Strengthening, north of Swords, to be completed in 2002
- Quality Public Transport, e.g. mainline rail capacity
- Local Area Plan required

Area 2

LOCATION	Now	SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
		2002	2003- 2006		Now*	2002	2003- 2006	
Total	11.35	18.74	—	30.09	97	562	—	659

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 30 units per hectare generally, apart from Hacketstown (9.03 hectares) at 3 units per hectare on piped sewerage.

Development Issues Relate Mainly to 2002 and Beyond

- Balbriggan-Skerries Interim Sewerage Scheme, to be completed in 2000
- Balbriggan-Skerries Main Sewerage Scheme, to be completed in 2001
- Bog of the Ring Ground Water Scheme, to be completed June 2001
- Jordanstown Reservoir, to be completed in 2002
- Water Network Strengthening, north of Swords, to be completed in 2002
- Quality Public Transport, e.g. mainline rail capacity
- Local Area Plan required

Area 3

LOCATION	Now	SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
		2002	2003- 2006		Now*	2002	2003- 2006	
Total	—	—	78.59	78.59	—	—	2358	2358

*Capable of commencing development subject to the necessary planning consents

Comments

- Yield based on density of 30 units per hectare generally

Constraints on Development Apply to 2000 and Beyond

- Foul and Surface Water Drainage subject to P.P.P. discussions, which may bring some development forward
- Local Area Plan
- Quality Public Transport, e.g. mainline rail capacity

Area 4

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Rush	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	53.79	—	—	53.79	1614	—	—	1614

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 30 units per hectare generally

Development Issues Relate to 2000 and Beyond

- Local Area Plan required
- Quality Public Transport, e.g. mainline rail capacity

Area 5

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Donabate	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	8.53	—	72.44	80.97	256	—	2173	2429

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 30 units per hectare generally

Development Issues Apply to 2000 and Beyond

- Foul sewerage, Portrane-Donabate sewerage scheme to commence 2002
- Quality Public Transport, e.g. mainline rail capacity

Area 6

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Portrane	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	—	—	7.54	7.54	—	—	226	226

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 30 units per hectare

Development Issues Apply to 2000 and Beyond

- Foul Sewerage, Portrane-Donabate Sewerage Scheme to start 2002
- Quality Public Transport, e.g. mainline rail capacity

Area 7

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Swords	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	103.62	136.28	—	239.9	3,109	3,542	—	6651

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 30 units per hectare generally, apart from 27.30 hectares at 10 units per hectare on piped sewerage at Brackenstown
- Includes Glen Ellen, Mooretown, Brackenstown, Rathingle, Fosterstown North, Drinan and Mountgorry

Development Issues Relate Mainly to 2002 and Beyond

- Swords Main Drainage Scheme, at construction
- Swords Trunk Water-main to be completed in 2001
- Quality Public Transport, e.g. mainline rail capacity
- Local Area Plans for Swords North and South required

Area 8

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Malahide	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	25.48	36.23	—	61.71	126	1087	—	1213

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 30 units per hectare generally, apart from limited septic tank drainage at Back Road

Development Issues Apply to 2000 and Beyond

- Local Area Plan required
- Foul sewerage, Malahide Sewerage Scheme to be completed in 2001
- Quality Public Transport, e.g. mainline rail capacity

Area 9

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Portmarnock	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	—	83.33	—	83.33	—	2133	—	2133

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 30 units per hectare generally, apart from lands at the railway station (20.01 hectares at 12 units per hectare on septic tanks)

Development Issues Apply to 2000 and Beyond

- Local Area Plan
- Development is dependant on the operational status of the North Fringe Sewer, the advance section of which is to be completed mid-2001 with the main section completed mid-2002
- Water Supply, The North Fringe Water Main, to be completed in 2002
- Quality Public Transport, e.g. mainline rail capacity
- Immediate development is constrained by the absence of a Local Area Plan which is unlikely to be in place before October 2000

Area 10

LOCATION	Now	SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)		TOTAL Potential YIELD	
		2002	2003- 2006		Now*	2002		2003- 2006
Baldoyle	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	—	43.45	—	43.45	—	1304	—	1304

*Capable of commencing development subject to the necessary planning consents

Comments

- Yield is based on a density of 30 units per hectare generally

Development Issues Apply to 2000 and Beyond

- Local Area Plan
- Development is dependant on the operational status of the North Fringe Sewer, the advance section of which is to be completed mid-2001 with the main section completed mid-2002
- Water Supply, The North Fringe Water Main, to be completed in 2002
- Quality Public Transport, e.g. mainline rail capacity

Area 11

LOCATION	Now	SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)		TOTAL Potential YIELD	
		2002	2003- 2006		Now*	2002		2003- 2006
South Fingal Fringe	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	38.5	—	74.04	112.54	1156	—	3000	4156

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 30 units per hectare generally
- Permission has recently issued for a development of 1061 apartments at Santry Demesne

Development Issues Relate to 2000 and Beyond

- Land at Meakestown requires water supply improvement
- Local Area Plan required for lands at Balgriffin and Belcamp

Area 12

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Blanchards- town								
Total	147.16	66.6	328.03	541.79	6415	2000	8000	16415

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 30 units per hectare generally
- Decision to Grant Permission for 2119 houses at Tyrrellstown, Hollywood Rath, Parslickstown and Mulhuddart issued on the 6th April 2000
- Includes permission for 1520 units at James Connolly Memorial Hospital
- Lands at Whites Road (10.71 hectares) are to be developed at 2 units per hectare on septic tanks.
- Lands at Castaheany West (9.89 hectares) to be developed at 10 units per hectare on septic tanks

Development Issues Apply to 2000 & Beyond

- The requirement for a new water-main from Leixlip and a new reservoir at Ballycoolin constrains the extent of immediate development. Ballycoolin Reservoir and Leixlip to Ballycoolin Rising Main to start 2001
- Local Area Plans required for Phibblestown, Diswellstown, Porterstown and updated plans for Clonsilla and Castaheany
- Quality Public Transport, e.g. mainline rail capacity

Area 13

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Lucan								
Total	65.05	—	—	65.05	650	—	—	650

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 30 units per hectare generally, apart from Laraghacoon (10.71 hectares) at 10 units per hectare.

Development Issues

- No significant constraints

3: Dublin Corporation: Significant Areas of Undeveloped Residential Land March / April 2000

Summary

Total Areas of Significant Undeveloped Residential Land in Dublin Corporation

Potential Yield - 19,812 Units

- of which 4,899 units whose development can commence **NOW** subject to necessary planning consents
- 5,978 units can be developed commencing 2002 and
 - 8,935 units can be developed between 2003 and 2006

Area 14

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
North Fringe								
Total	12	100		112.0	750	6250		7000

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 80 units per hectare
- Proximate to Mainline Rail
- High quality road access
- Urban structure plan anticipates provision of QBC through the site to Mainline Rail

Development Issues relate to 2000 and beyond

- Approval of Local Area Plan
- Development is dependant on the operational status of the North Fringe Sewer, the advance section of which is to be completed mid-2001 with the main section completed mid-2002
- Water Supply, The North Fringe Water Main, to be completed in 2002
- Quality Public Transport, e.g. mainline rail capacity

* Sites in excess of 5 hectares

Area 15

LOCATION	Now	SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
		2002	2003- 2006		Now*	2002	2003- 2006	
Larch Hill	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	5.14	—		5.14	333	—	—	333

*Capable of commencing development subject to the necessary planning consents

Comments

- Anticipated density yield 65 units per hectare

Development Issues

- None

Area 16

LOCATION	Now	SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
		2002	2003- 2006		Now*	2002	2003- 2006	
Pelletstown	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	—	31.0		31	—	3334		3334

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 100 units per hectare
- Proximate to Mainline Rail

Development Issues relate to 2000 and beyond

- Pelletstown Water & Sewerage Scheme to start mid-2000
- Quality Public Transport, e.g. mainline rail capacity

Area 17

LOCATION	Now	SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
		2002	2003- 2006		Now*	2002	2003- 2006	
Dublin Docklands								
Total	13.1	9.43	12.9	35.43	1510	1894	2685	6089

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on densities of 30 units per hectare to 250 per hectare
- All developments to conform to approved planning schemes

Development Issues relate to 2000 and beyond

- Land remediation
- Provision of quality public transport
- Electricity Supply

Area 18

LOCATION	Now	SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
		2002	2003- 2006		Now*	2002	2003- 2006	
Northside Z12								
Total	22.9	—	—	22.9	1992			1992

*Capable of commencing development subject to the necessary planning consents

Development Issues

- None

Area 19

LOCATION	Now	SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
		2002	2003- 2006		Now*	2002	2003- 2006	
Southside Z12								
Total	21.3	—	—	21.3	1064			1064

*Capable of commencing development subject to the necessary planning consents

Development Issues

- None

Appendix 4: Dunlaoghaire Rathdown County Council: Significant Areas of Undeveloped Residential Land March / April 2000

Summary

Total Areas of Significant Undeveloped Residential Land in Dun Laoghaire/Rathdown County Council

Potential Yield - 8,199 Units

of which 844 units whose development can commence **NOW** subject to necessary planning consents

- 7,355 units can be developed commencing 2002

Area 20

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Cherrywood	—	50.5	—	50.5	—	1768	—	1768
Total	—	50.5	—	50.5	—	1768	—	1768

*Capable of commencing development subject to the necessary planning consents

Comments

- Density of 35 units per hectare

Development Issues Relate to 2000 and Beyond

- Foul Sewage, Cherrywood-Loughlinstown Main Drainage Scheme to be completed in 2000
- Local Area Plan to be brought to the June Area Committee meeting
- Quality Public Transport, e.g. rail capacity

Area 21

LOCATION		SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)		TOTAL Potential YIELD	
		Now	2002		2003- 2006	Now*		2002
Brides Glen	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	—	10.2	—	10.2	—	357	—	357

*Capable of commencing development subject to the necessary planning consents

Comments

- Density estimated at 35 units per hectare

Development Issues Relate to 2000 and Beyond

- Water Supply, Sandyford High Level Scheme, to be completed July 2002
- Local Area Plan required
- Sewer to be constructed along Brides Glen Road to Cherrywood Road, to be completed in 2000

Area 22

LOCATION		SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)		TOTAL Potential YIELD	
		Now	2002		2003- 2006	Now*		2002
Glenamuck Road	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	—	13.8	—	13.8	—	480	—	480

*Capable of commencing development subject to the necessary planning consents

Comments

- Density calculated at 35 units per hectare

Development Issues Relate to 2000 and Beyond

- Water Supply, Sandyford High Level Scheme, to be completed July 2002
- Drainage Connection

Area 23

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	—	95	—	95	—	3340	—	3340

*Capable of commencing development subject to the necessary planning consents

Comments

- Density calculated at 35 units per hectare

Development Issues Relate to 2000 and Beyond

- Local Area Plan to be adopted at June meeting
- Water supply (Sandyford High Level) though a limited number of units may be built on a temporary supply prior to its completion, in July 2002
- Kilgobbin-Ballyogan Sewerage Extension, to be completed September 2000

Area 24

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
“The Gallops”, Ballyogan	—	5	—	5	—	175	—	175

*Capable of commencing development subject to the necessary planning consents

Comments

- Density calculated at 35 units per hectare

Development Issues Apply to 2000 and Beyond

- Stepside Action Area Plan

Area 25

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Glencairn House	—	9	—	9	—	315	—	315
Total	—	9	—	9	—	315	—	315

*Capable of commencing development subject to the necessary planning consents

Comments

- Density calculated at 35 units per hectare

Development Issues Apply to 2000 and Beyond

- Water Supply, Sandyford High Level Scheme, to be completed July 2002
- Stepside Action Area Plan

Area 26

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Green Route	—	15.6	—	15.6	—	920	—	920
Total	—	15.6	—	15.6	—	920	—	920

*Capable of commencing development subject to the necessary planning consents

Comments

- Density calculated at 58 units per hectare

Development Issues Apply to 2000 and Beyond

- Water Supply, Sandyford High Level Scheme, to be completed July 2002

Area 27

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Ballintyre Hall	10.5	—	—	10.5	420	—	—	420
Total	10.5	—	—	10.5	420	—	—	420

*Capable of commencing development subject to the necessary planning consents

Comments

- Permission for 104 apartments on 1.49 hectares on appeal (i.e. a density of 70 units per hectare)
- Density on the balance calculated at 35 units per hectare

Development Issues

- None

Area 28

LOCATION	Now	SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)		TOTAL Potential YIELD
		2002	2003- 2006		Now*	2002	
Sandyford Road							
Total	5.6	—	—	5.6	424	—	424

*Capable of commencing development subject to the necessary planning consents

Comments

- Current application for 424 apartments adjoining Luas route

Development Issues

- None

Appendix 5: South Dublin County Council: Significant Areas of Undeveloped Residential Land March / April 2000

Summary

Total Areas of Significant Undeveloped Residential Land in South Dublin County Council

Potential Yield - 22,468 Units

of which 11,348 units whose development can commence **NOW** subject to necessary planning consents

- 3,120 units can be developed commencing 2002 and
- 8,000 units can be developed between 2003 and 2006

Area 29

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Scholars-town								
Total	7.7	—	—	7.7	250	—	250	

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on 32 dwellings per hectare

Development Issues

- None

Area 30

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Ballycullen/ Stocking Lane								
Total	82	—	—	82	3000	—	3000	

*Capable of commencing development subject to the necessary planning consents

Comments

- Yield range between 35-50 dwellings per hectare

Development Issues

- Local Area Plan required

Area 31

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Oldcourt	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	10	—	—	10	400	—		400

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 40 dwellings per hectare generally

Development Issues

- None

Area 32

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Killinarden/ Kiltipper	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	61	—	—	61	2400	—		2400

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields range between 35 - 50 dwellings per hectare

Development Issues

- Local Area Plan

Area 33

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Fortunestown /West Tallaght	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	44	—	—	44	1760	—		1760

*Capable of commencing development subject to the necessary planning consents

Comments

- Yield based on a density of 40 units per hectare generally

Development Issues

- None

Area 34

LOCATION	Now	SERVICED BY (Hectares)		TOTAL AREA	Now*	POTENTIAL YIELD (Units)		TOTAL Potential YIELD
		2002	2003- 2006			2002	2003- 2006	
Saggart	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	—	20	—	20	—	600	—	600

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a gross density of 30 units per hectare generally

Development Issues Apply to 2000 and Beyond

- Local Area Plan required
- Foul Drainage, Saggart-Rathcoole-Newcastle, to be completed end 2001

Area 35

LOCATION	Now	SERVICED BY (Hectares)		TOTAL AREA	Now*	POTENTIAL YIELD (Units)		TOTAL Potential YIELD
		2002	2003- 2006			2002	2003- 2006	
Rathcoole	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	—	31	—	31	—	770	—	770

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a gross density of 24.8 units per hectare generally

Development Issues

- Foul Drainage, Saggart-Rathcoole-Newcastle, to be completed end 2001 and surface water infrastructure

Area 36

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Newcastle	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	—	49	—	49	—	1750	—	1750

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 30 units per hectare

Development Issues Apply to 2000 and Beyond

- Local Area Plan required
- Foul Drainage, Saggart-Rathcoole-Newcastle, to be completed end 2001 and surface water infrastructure
- Archaeological issues

Area 37

LOCATION	SERVICED BY (Hectares)			TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL Potential YIELD
	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Lucan South	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	—	—	224	224	—	—	8000	8000

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a gross density of 35 units per hectare generally
- Possible first phase in 2002 depending on infrastructure provision

Development Issues Apply to 2000 and Beyond

- Outer Ring Road link
- Foul sewerage, water supply and surface water disposal, Lucan Development of Services Scheme, commencing May 2000 and Lucan High Level Water, to be completed 2002
- Local Area Plans
- Quality Public Transport, e.g. mainline rail improvement

Area 38

LOCATION	Now	SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL POTENTIAL YIELD
		2002	2003- 2006		Now*	2002	2003- 2006	
Griffeen	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	14.3	—	—	14.3	715	—	—	715

*Capable of commencing development subject to the necessary planning consents

Comments

- Yield is based on a density of 50 units per hectare generally

Development Issues

- None

Area 39

LOCATION	Now	SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL POTENTIAL YIELD
		2002	2003- 2006		Now*	2002	2003- 2006	
Ballyowen	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	18	—	—	18	653	—	—	653

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 35 units per hectare generally

Development Issues

- None

Area 40

LOCATION	Now	SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)			TOTAL POTENTIAL YIELD
		2002	2003- 2006		Now*	2002	2003- 2006	
Balgaddy	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	14	—	—	14	700	—	—	700

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 50 units per hectare generally

Development Issues

- None

Area 41

LOCATION		SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)		TOTAL POTENTIAL YIELD	
		2002	2003- 2006		Now*	2002		2003- 2006
Neilstown	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	11	—	—	11	550	—	—	550

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 50 units per hectare generally

Development Issues

- None

Area 42

LOCATION		SERVICED BY (Hectares)		TOTAL AREA	POTENTIAL YIELD (Units)		TOTAL POTENTIAL YIELD	
		2002	2003- 2006		Now*	2002		2003- 2006
Nangor	Now	2002	2003- 2006		Now*	2002	2003- 2006	
Total	23.0	—	—	23.0	920	—	—	920

*Capable of commencing development subject to the necessary planning consents

Comments

- Yields based on a density of 40 units per hectare generally

Development Issues

- None

Appendix 6: Service Land Initiative Scheme Current Status of Projects

1 - Completed Schemes

County	Scheme	No. of Sites	Completed
Cavan	Cullies/Drumark Sewerage Scheme	800	Feb '00
Cork	Blarney Street/Road (Improvement in Services)	190	Sept '99
	Fermoy Storm Water (Pike Road)	202	July '99
	Fermoy Storm Water Sewer (Cork Road)	200	June '99
	Glashaboy Water Supply, Caherlag	120	Aug '99
	Ballyvinitier Water Scheme	574	Feb '00
	Ballincollig Water Supply	1,351	Feb '00
	Passage West, Storm Drain	300	Feb '00
Donegal	Bundoran Sewerage Scheme- Railway Extension	360	April '99
Galway	Tuam MD Stg. 2- Galway Road	216	Oct '99
Kerry	Caherciveen Water Supply Ext.	160	April '99
	Castleisland Sewerage Ext.	96	July '99
Kildare	Kill Sewerage Improvement	300	Complete
	Kilcullen Sewerage Scheme	100	Complete
Kilkenny	Kilkenny East Environs	501	Complete
Laois	Water Supply Mains Knockmay	200	Jan '99
Limerick	Surface Water Sewer at Annacotty	1,750	July '99
	Rhebogue/Bloodmill Road Scheme	184	Sept '99
Longford	Ardnacassa	126	Complete
Mayo	Castlebar Road, Ballinrobe	376	Oct '99
Meath	Navan Sewers Extension, Commons Road	64	Feb '00
	Watermain- Johnstown Reservoir to Johnstown Road	480	Feb '00
Offaly	Kilcormac (W+S)	100	Feb '99
Tipperary	Fethard Town - Killenaule Road	140	Dec '99
Waterford	Extension of Sewer in Ballymacarbry	116	Complete
Total		9,006	

2 - Schemes under Construction in 1999* Denotes completed this year

County	Scheme	No. of Sites	Completed Start/Completion
Cork	Carrigrohane Sewage Pumping Station	* 63	June '99 / March '00
	Youghal Water Supply	* 450	Sept '99 / June '00
Donegal	Bundoran Sewerage Scheme- Brandra Extension	*120	April '99 / April '00
	Lisfadden/Ludden Sewer	* 60	Dec '99 / July '00
	Killea Sewer and Water Network	*180	Dec '99 / Oct '00
	East End Water/ Sewer Upgrade	* 250	Nov '99 / June '00
Dublin	“Harp” Area Drainage and Water Supply Scheme	*2,400	Jan '99 / July '00
	Docklands Water and Drainage Scheme	* 7,000	Jan '99 / July '00
	Ballinteer Road Main Drainage Scheme	* 1,215	Oct '99 / Dec '00
Galway	Gort	* 230	June '99 / June '00
	Loughrea	* 1,481	June '99 / neg.
Kildare	Calverstown Sewerage Improvement	* 60	Dec '99 / March '00
	Derrinturn Sewerage Improvement	* 200	Nov '98 / Aug '00
	Kildare/Rathangan Sewerage Scheme	* 732	Oct '99 / April '00
	Morristown, Newbridge Sewerage	* 44	Jan '99 / April '00
	Prosperous Water Improvement	*315	Oct '99 / May '00
Laois	Graiguecullen Sewerage Scheme	* 230	Sept '98 / March '00
	Stradbally Sewerage Improvement	* 250	May '99 / March '00
	Sleaty Road Sewerage Scheme	*200	Oct '99 / March '00
Louth	Clogherhead Water / Sewerage	* 240	May '99 / March '00
Meath	Kentstown Sewerage Scheme	*180	Nov '99 / May '00
Tipperary	Clonmel Southern Sewer Extension	* 240	Feb '99 / Sept '00
Waterford	Development of Crobally Upper, Tramore	* 220	July '99 / neg.
	Logloss/Bawndaw Development Area	* 760	Oct '99 / March '00
Wicklow	Lamberton, Johnstown Road Pumping Station & Mains	* 300	Nov '98 / March '00
	Dargle Road Sewer	* 90	May '99 / March '00
Total		17,510	

3 - Schemes to start in 2000.

*** Denotes completed this year**

County	Scheme	No. of Sites	Completed Start/Completion
Carlow	Graiguecullen Sewerage	* 200	Jan '00 / March '00
Cavan	Swellan Sewerage Scheme	* 800	March '00 / Sept '00
	Rahardrum, Dublin Road, Virginia	* 300	Aug '00 / Dec '00
Clare	Lahinch Road & Environs (Development of Services)	* 2,000	June '00 / Dec '00
	Tulla Road & Environs Development of Services Tulla	600 *150	Sept '00 / March '01 Dec '00
Cork	Kilnagurteen Water and Sewerage	*100	March '00 / June '00
	Blackrock Improvement to services	*300	June '00 / Sept '00
	Blarney Water and Sewerage at Station Rd	*115	June '00 / Oct '00
	Blarney Water Ext to Station Rd	*304	Oct '00 / Dec '00
	Glasheen River Improvement	*600	Feb '00 / Oct '00
	Clonakilty Western Road Water Supply	*284	Feb '00 / Oct '00
	Mallow Rd improvement to services	*200	March '00 / April '00
	Ballincollig, Greenfields, Foul Sewer	*797	March '00 / Sept '00
	Glanmire water Castlejane	*282	Feb '00 / Oct '00
	Kinsale water Ardbrack	*82	March '00 / June '00
	Newmarket sewerage improvement	*60	June '00 / Dec '00
	Fermoy Sewage Treatment Works		
	Storm Water Tanks & capacity increase	*500	June '00 / Dec '00
	Carrigaline, Storm Drain	*450	March '00 / July '00
	Improvement to Mallow Sewage Treatment Plant	*700	June '00 / Dec '00
	Mitchelstown Services Extension (S)	*190	March '00 / Oct '00
	Blarney Sewage Treatment Plant	*400	June '00 / Dec '00
	Innishannon, Sewage Treatment Plant	*132	March '00 / Dec '00
	Kerrypike, Sewage Disposal	263	Sept '00 / April '01
	Watergrasshill Effluent Treatment Plant	*563	April '00 / Oct '00
	Kinsale Water Supply-Commoge	453	Sept '00 / March '01
	Kerrypike, Water Supply Scheme	*263	July '00 / Dec '00
Donegal	Dungloe Water Supply Scheme	*90	June '00 / Sept '00
	Dungloe sewerage extension Gweedore rd	*90	March '00 / June '00
	Ballybofey Stranorlar sewerage Cappy extension	*599	March '00 / Sept '00
	Manorcunningham sewerage	*300	March '00 / Oct '00
	Malinmore sewerage	*175	May '00 / Oct '00
	Lifford Sewerage Scheme - IDA Lands Extension	80	Dec '00 / July '01
	Ardara Water & Wastewater	400	Oct '00 / Oct '01
	Ballybofey/ Stranorlar Sewer & Water Extensions	400	Nov '00 / June '01
	Kilmacrennan Wastewater Treatment Upgrade	*225	Aug '00 / Dec '00
	Letterkenny Sewerage Scheme - Oldtown Extension	*1,000	Sept '00 / Dec '00
	Ballymacarry Lower Sewerage Scheme	600	Nov '00 / July '01
	Milltown Sewerage Scheme	420	Dec '00 / Aug '01
Dublin	Lucan (Development of Services)	*7,000	Mid 2000
	Balbriggan Skerries sewerage	*640	April '00 / July '00
	Saggart/Rathcoole Sewerage Scheme	4,144	March '00 / Sept '01
	Cherrywood-Loughlinstown Main Drainage Scheme	*420	June '00 / Dec '00

Dublin	Glenamuck - Kiltiernan Main Drainage Scheme	*380	May '00 / Dec '00
	Kilgobbin / Ballyogan Extension	*3,600	March '00 / Sept '00
	Bog of the Ring Groundwater Development	1,530	Aug '00 / June '01
	Swords Trunk Watermain Augmentation	*2,460	Aug '00 / Dec '00
	Pelletstown Water and Sewerage Scheme	4,000	July '00 / Feb '01
Galway	Tuam MD Stg. 2 - Ballygaddy Road	*402	July '00 / Dec '00
	Terryland River Valley scheme	*1000	April '00 / Oct '00
	Merlin Park Doughiska	4,658	Oct '00 / Oct '01
Kerry	Cahermoneen Knockanacuig water and sewerage	*1062	Feb '00 / July '00
Kildare	Kilcock Water Improvement	*96	Late 2000 end date
	Castletown Celbridge pumping station	*900	March '00 / Aug '00
	Maynooth pumping station	*300	March '00 / July '00
Kilkenny	Castlecomer to Glendine water	*308	March '00 / May '00
Limerick	Castletroy Water Supply Scheme- High Level Area (provision of watermain)	2,143	Sept '00 / June '01
	Castletroy water supply low level	*1139	March '00 / July '00
	Foul & Surface Water Sewers at Croom	*81	May '00 / March '00
Louth	Leonard's Cross Drainage Extension	*1,325	May '00 / Nov '00
	Greenhills Water / Drainage	1,500	March '00 / Dec '00
	Dundalk Sewerage- Mount Avenue Extension	*2,505	April '00 / Nov '00
	Dundalk Sewerage- Northern Environs W & S	500	Sept '00 / April '01
Mayo	Newport/Mulranny Water Supply Augmentation Scheme	*624	May '00 / Dec '00
	Ballina Main Drainage Killala & Swinford Roads	*1,152	May '00 / Dec '00
Meath	Carlanstown Sewerage	*250	April '00 / Nov '00
	Enfield Sewerage	780	April '00 / May '01
	Kilmessan Water Supply	*150	April '00 / Sept '00
	Kilmainhamwood Sewerage Improvement	100	Sept '00 / May '01
	Moynalty Sewerage	50	Sept '00 / June '01
	Ballivor Sewerage	250	Sept '00 / Sept '01
	Duleek Sewerage	320	Sept '00 / Sept '01
	Clonmagadden Sewerage	980	Sept '00 / Sept '01
	Athboy Sewerage	400	Sept '00 / Sept '01
	Summerhill Sewerage	200	Nov '00 / Nov '01
Monaghan	Carrickmacross - Convent Lands	*600	March '00 / Aug '00
	North Eastern Collection Area	600	July '00 / Jan '01
Offaly	Cloncollog WSS	*500	June '00 / Dec '00
	Silver River WSS	*280	June '00 / Dec '00
Sligo	Sligo Main Drainage - Caltra Extension	*870	March '00 / Sept '00
Tipperary	Gortlandroe Area - provision of foul sewer & surface water drainage	600	June '00 / Dec '01
	Clonmel sewerage ext	*204	April '00 / Dec '00
	Ballycurrane Road - Surface Water Sewer	*400	April '00 / June '00

Dublin	Glenamuck - Kiltiernan Main Drainage Scheme	*380	May '00 / Dec '00
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Waterford	Kilbarry Development Area	1,665	July '00 / Sept '01
	Coolagh Rd Dungarvan	*528	Feb '00 / June '00
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Westmeath	Mullingar Sewerage Scheme- extension of drainage areas	*3,266	March '00 / June '00
	Kinnegad Sewerage Extension	859	April '00 / Jan '01
	Coosan Athlone Surface Water Drainage	252	June '00 / March '01
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Wexford	Kilmuckridge Sewerage Treatment Works Improvements	*250	March '00 / Sept '00
	Arthurstown drainage	*50	May '00 / July '00
	Blackwater sewerage	*250	March '00 / Sept '00
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Wicklow	Blessington Sewerage	1,700	Sept '00 / May '01
	Newtownmountkennedy/Kilcoole Sewerage	1,890	May '00 / April '01
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Total		77,580	

4 - Schemes to start in 2000.

County	Scheme	No. of Sites	Estimated Start Date
Clare	Clarecastle	1,250	2001
Donegal	Convoy- WWT Upgrade	240	Aug '01 / Dec '01
	Falcarragh Water/Wastewater Facilities Upgrade	800	July '01 / Dec '01
	Downings Wastewater Treatment Facilities Upgrade	480	Feb '01 / Sept '01
	Letterkenny Sewerage Scheme - Sallaghagrane Extension	600	Feb '01 / Sept '01
Dublin	Dodder Valley Catchment	6,356	March '01 / Dec '02
	Boherboy WSS (to supply water for above catchment : same sites)		Jan'01 / June '02
Galway	Claregalway SS	833	2001
	Craughwell SS, Stage 1	570	2001
Kerry	Ballyard W & S	400	Jan '01 / July '01
Wicklow	Southern Cross Site	150	2001
Total		11,679	