Part V Review

Report and Recommendations by Housing Agency

February, 2014
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1. Introduction

Following the down turn in Ireland’s economy from late 2007 and the reduced level of housing activity, a decision was taken to review the provisions of Part V of the Planning and Development Act 2000 (as amended) and specifically Section 96 which deals with the provision of social and affordable housing.

The Housing Policy Statement of June 2011 announced the standing down of all existing affordable housing programmes as part of a review of Part V. The Statement also indicated that there was continued rationale for capturing planning gain for residential developments through resourcing of social housing supports.

At the request of the Department of the Environment, Community and Local Government (DECLG), the Housing and Sustainable Communities Agency commissioned a Part V review consultation document that would reflect the reality of the circumstances and consider the issue of planning gain in the housing sector taking account of prevailing market conditions. Following a public procurement competition, DKM Economic Consultants were engaged to prepare the consultation report. Their report set out a range of options for consideration ranging from suspending the Part V provisions to restructuring the existing provisions.

The DKM/Brady Shipman Martin report and the options identified were put out to public consultation. The vast majority of respondents recommended the retention of Part V and that it should be focussed on the delivery of social housing. It was considered that the principle of integrated developments was a positive housing policy.

2. General Recommendation

The overall recommendation is that the provision of social housing through Part V should be retained. The public policy priority is for the speedy delivery of social housing in the context of increasing demand and limited availability of funding. The prime objective of Part V as envisaged was the supply of sufficient housing generally and social housing in particular.

It is recommended that Part V should be focused on the delivery of social housing in developments or as a secondary option delivery of housing off-site. The other current options for land off-site or for monetary payments to local authorities should be discontinued as these options militate against the immediate delivery of social housing.
The proposed overall recommendation is to require up to 10% social housing units in residential developments. This requirement would copper fasten the original objective of the Part V legislation. That is the delivery of social housing, combined with integration and sustainable mixed-tenure communities across the country.

3. Specific Recommendations

3.1 Part V should be retained

a. Part V should continue but not in its present format. Section 96 should be streamlined to make it simpler and more efficient.

3.2 Mixed Tenure Developments

b. Part V has been successful at delivering social integration and more sustainable mixed-tenure communities across the country. This objective permitted planning authorities to specify differential targets for social housing across its functional area to rebalance social housing location. Part V should be used to continue to promote social integration between persons of different backgrounds by delivering mixed tenure developments.

3.3 Housing Strategies should continue to be required

c. The requirement for Housing Strategies should continue, but there should be greater flexibility to amend / adapt them to changing circumstance, and they should be developed on an evidence basis.

3.4 Part V requirement should be for 10% for social housing

d. The Part V requirement should be reduced from the current provision of ‘up to 20%’ to ‘up to 10%’ and should only be for the provision of social housing units. The legislation should also provide for the option of leasing units and options to purchase with lease agreements.

e. Up to now many Local Authorities applied the requirement for the 20% Part V provision as 10% social housing and 10% affordable housing. The 2011 Housing Policy Statement has indefinitely suspended Affordable Housing programmes in the light of current conditions and the substantial improvement in housing affordability in the last six years for persons in employment. There is no longer a requirement for affordable housing from Part V.
f. In many Local Authorities the number of social housing dwellings acquired was much lower than 10% often due to the favouring of affordable unit delivery by developers.

g. The proposal to require up to 10% social dwellings will copper fasten the delivery of social housing, as was the original intention of the legislation, delivering social integration and sustainable mixed-tenure communities across the country.

3.5 Provision of dwellings should be the main option

h. The only option (other than land) for complying with Part V should be the taking of completed dwellings at a price based on construction costs and the appropriate sum for land.

i. It will then be a matter for the Local Authority as to the use of the dwelling. In some expensive housing developments it may be more appropriate for the local authority to sell the units and the funds to be ring fenced for the provision of social housing elsewhere.

j. If the local authority does not have funding for the units they should not take them. The local authority should also consider leasing arrangements.

3.6 Joint applications from developers and approved housing bodies

k. Approved housing bodies should take on a more prominent role and should be brought in early in the planning process. They should be involved at the early stages in the negotiation process and negotiate directly with developers.

l. The provision of suitable housing to help delivery of the Government’s policy of de-congregated settings for people with disabilities in the Housing Strategy for People with Disabilities should also be considered in this context.

3.7 Pre Planning Application Agreements – Developers/Local Authority/AHB

m. In the next iteration of Part V, as much as possible needs to be agreed between developers, approved housing bodies and Local authorities before construction commences as it has proven very difficult to effect changes once building has commenced.
3.8 The 80% Land Rezoning Tax should be removed

n. The ‘Land Rezoning Tax’ introduced by the National Asset Management Agency Act 2009 imposed a tax rate of 80% in respect of a disposal of development land where both a rezoning and a disposal took place on or after 30 October 2009.

o. This tax should be removed in the context of the revised proposals for Part V.

4. Background

4.1 Legislative and Policy Background

A number of key housing policy initiatives have been introduced over the past decade or more to try to influence housing supply and demand. All of these initiatives have been aimed at improving affordability and access to home ownership for those who cannot meet their own housing needs in the private housing market. The Part V Housing Supply Provisions in the Planning and Development Act 2000 contained a radical new approach to the supply of Social and Affordable Housing, which came into effect in November 2000.

The Planning and Development Act, 2000 introduced a new instrument, called the Housing Strategy, which exists to (i) provide for the proper planning and sustainable development of the area of a development plan and (ii) provide housing for the existing and future population of the area of the development plan. The Housing Strategy is a key component of the Part V Housing Supply provisions of the 2000 Act, a key objective of which is to determine the specified percentage, not being more than 20%, of the land zoned for residential use, which is to be reserved for the provision of social and affordable housing in each Local Authority area.

The advantages of Part V, throughout the period of the construction boom, was that as a condition of planning permissions, a percentage of the land was transferred to local authorities at ‘existing use’ value, for the provision of social and affordable housing, by way of land, units or serviced sites. In addition, it supported the policy of achieving integrated housing developments. It also encouraged a co-operative approach between the major stakeholders, notably planning authorities and developers/house builders, involved in dealing with agreements under Part V and other related matters.

Following the amendment of the 2000 Act by the Planning and Development (Amendment) Acts of 2002 and 2010 and other guidance issued on Implementation Issues by the DECLG in July 2003 and November 2006, developers/house builders can offer a range of alternative ways to meet their Part V requirements. These alternatives included the provision of off-site serviced sites, the transfer of other lands to the planning authority within its administrative area and payment of a financial contribution.
The changed economic realities which have transpired over the past five years have seen a parallel contraction in housing activity, particularly in the volume of new residential investment. The most recent Housing Policy Statement (June 2011) from Government outlined a new vision for the future of the housing sector in Ireland. That vision is a policy based on choice, fairness, and equity across tenures and on delivering outcomes for the resources invested. The policy statement contained a number of measures including a full review of Part V of the Planning and Development Act, 2000. The review is being undertaken in the context of the substantially different housing market that currently prevails compared to when Part V was first introduced.

4.2 Land Rezoning Tax

The National Asset Management Agency Act 2009 introduced the ‘Land Rezoning Tax’ whereby tax is charged at a rate of 80% in respect of a disposal of development land where both a rezoning and a disposal took place on or after 30 October 2009. The Land Rezoning Tax mirrors some of the objectives of Part V such as the capture of betterment value and has the potential to capture a far larger share of the betterment value of the land than Part V. Whether a Land Rezoning Gain is accrued in practice is dependent on the extent of rezoning since 2009 and whether development will be delivered on those lands.

5. Review and Consultation

5.1 Part V review consultation document

The Housing and Sustainable Communities Agency was asked by the DECLG to commission a Part V review consultation document that would reflect the reality of the changed circumstances and consider the issue of planning gain in the housing sector taking account of prevailing market conditions. The consultation document reviewing Part V, prepared by DKM Economic Consultants and Brady Shipman Martin, sets out an analytical context for a public consultation process that will assist in future policy development. The consultation document was presented to the Department in November 2012.

Consideration was given in the report to whether the existing Part V legislation should be abolished or suspended. This is examined in the context of the range of interventions and alternative funding sources for delivering of social housing currently available, including the Land Rezoning Tax.

The alternative to the abolition or suspension of Part V is to continue to use a method of capturing an obligation to provide social housing from developers via planning permissions, either by way of financial payment or otherwise, such as delivery of units or land. A number of other options as set out below were also explored:

A. Abolish or Suspend Part V
B. Streamline the Current Process
C. Widen the Scope of Development
D. A Development Contribution Basis
E. Negotiated Solution  
F. Inclusionary Zoning.

See Appendix 1 for the executive summary to the DKM Economic Consultants and Brady Shipman Martin consultation document.

5.2 Public Consultation  
In July 2013 the Department sought public comment on the document by September 2013 and, in particular, on the range of possible actions arising with specific reference to the options A to F above.

Thirteen submissions were received from the following bodies:

1) Cork County Council  
2) Cork City Council  
3) Dún Laoghaire-Rathdown County Council  
4) MAKEROOM ALLIANCE (SVP, Focus Ireland, Simon Communities & Threshold)  
5) Irish Council for Social Housing  
6) Irish Home Builders Association  
7) Property Industry Ireland (PII)  
8) Irish Planning Institute (IPI)  
9) National Asset Management Agency  
10) Royal Town Planning Institute  
11) RESPOND Housing Association  
12) Clúid Housing Association  
13) South Dublin County Council

A summary of these submissions is included at Appendix 2 attached.

These submissions received were from three general categories of organisation:

1) Local Authorities  
2) Organisations principally representing those involved in the private construction / property industry, and,  
3) Approved housing bodies & organisations representing disadvantaged communities.
5.3 **Matters of General Consensus**

There were different perspectives from the different constituencies but there was broad consensus on certain issues.

a) All submissions considered that the review of Part V was necessary given the significant changes in the construction industry and property market since 2000.

b) No submission (except the IHBA's) explicitly called for the abolition of Part V in its entirety.

c) There was general agreement that Part V can't be looked at in isolation, but a more holistic approach is necessary taking into account taxation and other relevant factors.

d) General agreement that the review shouldn’t give rise to knee-jerk reactions because of the current state of the property sector, it should be considered in the medium to long term as the sector moves out of the doldrums.

e) Every submission considered that, notwithstanding some successful outcomes, there were difficulties with Part V as currently constructed and how it has operated on the ground, and that it needed to be streamlined.

Amongst the vast majority that favoured Part V being streamlined, the following were recurring themes

a) The requirement for planning authorities to prepare Housing Strategies under Part V has proven to be very useful, but there should be more flexibility to adapt these to changing circumstances.

b) Part V has given rise to mixed developments including social housing in areas that would not otherwise have any, a very welcome development.

c) The provision of social housing, rather than receiving contributions in lieu from developers, should be the priority in Part V in the future.

d) Approved Housing Bodies should have a major role in the provision of social housing under Part V in the future.

e) Most submissions recognised the 80% “windfall tax” as a major disincentive to growth in construction – and some called for its abolition or amendment.

f) Most agreed that the “negotiated outcome” option wouldn’t work in practice.

5.4 **Common Suggestions**

a) Developers should engage with approved housing bodies, and local authorities, at the earliest stage possible in the Part V process – prior to the planning application being submitted, as having any lack of clarity / agreement on issues makes them more difficult to resolve once permission has been
received and building commenced. This process would facilitate joint applications from developers and AHBs, and help to ensure that we provide properly for the most vulnerable, especially those with disabilities, in terms of numbers of houses, design and layout.

b) The Part V process needs to be speeded up (one submission suggested that timeframes should be set out in legislation).

c) Financial contributions from developers in lieu of actual houses / lands should be ring fenced for social housing – i.e. more transparency.

d) More clarity in the guidelines from DECLG on Part V needed to ensure consistency in local authorities.

e) The focus should be on providing social, rather than affordable, housing under Part V in the current market.

f) A multi annual leasing fund should be introduced.

5.5 Matters where there were divergent views

a) Some submissions favoured a “one size fits all” approach to Part V so that there wouldn’t be flexibility for local authorities to interpret Part V as they see fit whilst others felt that the “one size fits all” approach was too rigid and inflexible.

b) Some favoured broadening the scope of Part V to include infrastructure (eg community facilities) and not just houses, whilst others favoured focussing exclusively on social housing.

5.6 Organisations specific suggestions

a) The Irish Home Builders Association’s (IHBA) submission recommended a levy on all residential property transactions to fund social housing provision.

b) Need to differentiate between provision of social housing in large urban area and in rural locations – the same rules shouldn’t apply in both cases so development contributions in lieu may be more appropriate in rural locations (Property Industry Ireland).

c) Review the 20% requirement upwards (Respond).

d) Part V is inequitable and contributed to increased costs and to upward pressure on house prices generally (Irish Planning Institute).

e) Overregulation and new building standards are increasing costs - undertake a full regulatory impact assessment in advance of any proposals to continue / refine Part V (IHBA).

f) Allow renegotiation of existing Part V agreements to suit current conditions (Dun Laoghaire Rathdown County Council).
6. Other Legislative changes to Part V

In preparing this review there are some other issues regarding Section 96 of the Planning Acts that need to be considered which arose from court judgements. A number of other suggested amendments are set out below.

In two Court judgements relating to the provisions Part V of the Planning and Development Act 2000, Justice Clarke, who presided in both cases, highlighted ambiguities and interpretive complexities which had given rise to uncertainties for local authorities and developers in terms of the proper operation of Part V. The cases were (1) Cork County Council v Shackelton; and (2) Glenkerrin Homes v Dun Laoghaire / Rathdown County Council.

It is recommended that modifications be made to Sections 93 & 96 reflecting some of the points raised in the judgments,

a) Insert a new definition for “monetary value” and “aggregate monetary value”.

b) Clarify the Date of Transfer for the value of land where units are being transferred.

c) Insert a new definition for 'building and attributable development costs'.

6.1 Amendments Proposed

a) Definitions to be incorporated:

The following definitions might be inserted in Section 93(1)

"Monetary value" means the net value of the land, where the net value of the land is the open market value of the land less its existing use value.

"Aggregate monetary value" means the aggregate of the monetary value of property or amounts or both transferred in accordance with subsection 96(3)(b)".

b) Amendment to Section 96(6)(b)

The following amendment might be incorporated into section 96(6)(b) – the additional wording is in bold and italics for ease of reference.

“(b) the value of the land calculated by reference to its existing use on the date of the transfer of ownership of the land to the planning authority concerned on the basis that on that date it would have been, and would thereafter have continued to be, unlawful to carry out any development in relation to that land other than exempted development, save where there has been development of the land prior to the transfer of ownership to the planning authority concerned. In which case the value shall be the value of the land on the
date of commencement of development or on the date of the agreement, whichever is the earlier, and the value shall be by reference to its existing use prior to commencement of development and on the basis that on that date it would have been, and would thereafter have continued to be, unlawful to carry out any development in relation to that land other than exempted development,

c) 'Building and attributable development costs'

It might be appropriate to consider incorporating a definition of 'building and attributable development costs' in Section 93(1). A definition might be worded as follows:

'building and attributable development costs' means those costs which would be incurred by a planning authority had it retained an independent builder to undertake the work on its behalf, including normal construction costs and attributable costs, including common development works, determined as an average cost per unit.

These proposed amendments should be considered in the redrafting of the amending legislation.

7. Existing Part V Issues/Unfinished Developments

There are still outstanding Part V conditions on planning permissions that are causing difficulties in finishing off or proceeding with developments. Specifically, it is a major issue that arises in relation to unfinished developments and there resolution.

Local Authorities should be advised that they should effectively implement the new arrangements. That is that they take dwellings or land. This should be the subject of a Departmental Circular to local authorities following the publication of the recommendations on the Part V review.

8. Implementation of Part V Arrangements for new planning applications

In advance of amending legislation it may be possible to effectively implement the revised Part V arrangements. This would be by way of Departmental Circular requesting that local authorities:

a) Amend their housing strategies where necessary and

b) Only consider alternative options that are in line with the new Part V arrangements.
Appendix 1 - DKM Economic Consultants and Brady Shipman Martin consultation document
Review of Part V of the Planning and Development Act, 2000

DKM/BSM

Consultation Document

Prepared for the Housing Agency

Executive Summary

27th November 2012
Executive Summary

Context for this Review of Part V
The context for this review of Part V of the Planning and Development Act, 2000 is the changed economic realities which have transpired over the past five years. The Irish economy and the construction sector in particular have been dramatically transformed since the economic collapse of 2008. The conditions in the housing market have also changed significantly. With an unemployment rate of 14% and average house prices across the country down by 50% from the peak, the projected new housing supply nationally is expected to reach an all-time low of 4,500 new units in 2012. The one positive factor which has emerged has been the significant improvement in housing affordability for those persons in employment.

Alongside these adverse developments has been the deterioration in the public finances, with the result that the conventional means of delivering social housing supply is now less achievable due to Exchequer funding constraints. In the meantime the growing unemployment problem is putting immense pressure on the country’s social housing lists, with numbers up by 75% in the three years to March 2011.

Against this background the Government’s Housing Policy statement published in June 2011 announced a new vision for the future of the housing sector based on choice, fairness and equity across tenures. It accepts that the need for social housing supports is high and while it continues to increase, policy is intended to address the problem using a variety of mechanisms.

The National Asset Management Agency Act 2009 introduced the ‘Land Rezoning Tax’ whereby tax is charged at a rate of 80% in respect of a disposal of development land where both a rezoning and a disposal took place on or after 30 October 2009. The Land Rezoning Tax mirrors some of the objectives of Part V such as the capture of betterment value and has the potential to capture a far larger share of the betterment value of the land than Part V. Whether a Land Rezoning Gain is accrued in practice is dependent on the extent of rezoning since 2009 and whether development will be delivered on those lands.

The Housing Agency was tasked with delivering a review of Part V of the Planning and Development Act 2000, a key element of the policy statement. This review has measured the outputs from the Part V process, examined the impact and effectiveness of Part V and carried out a financial analysis to assess the economic efficiency of the mechanism over the past decade. Following the detailed assessment and consultation with stakeholders, this review examines the options to recast Part V taking into account lessons from the Part V experience in Ireland as well as looking at similar provision mechanisms elsewhere.

Rationale for Part V – A mechanism for capturing ‘betterment value’
The Part V Housing Supply Provisions in the Planning and Development Act 2000 contained a radical new approach to the supply of Social and Affordable Housing in Ireland, which came into effect in November 2000. The Part V provisions have evolved through subsequent amendments to the Act which enabled developers to offer a range of alternative ways to meet their Part V requirements.

The rationale for Part V agreements at the time of its introduction was partly that it was a mechanism which allowed the betterment value from a grant of planning permission for residential development to be captured for the benefit of the community as a whole and in so doing, to further

1 Other mechanisms for capturing planning gain comprise development contributions/levies and Land Rezoning Tax.
increase the provision of social housing. The mechanism recognises that land values can increase for a number of reasons, including the grant of planning permission.

With the land component of any transfer paid for by the local authority at existing use value, there would have been a significantly higher gain for the community by the end of the boom compared with earlier in 2000 when Part V was introduced. The fact that the supply of zoned development land is finite, notwithstanding the dramatic rise in the demand for housing over the period, would have accentuated the extent of this planning gain captured.

**A link to land values is unworkable in short-term**

However, in the scenario which transpired over the past five years, with zoned development land prices falling back towards their existing use value, there would have been little or no benefit for the community. Therefore, Part V does not currently provide a subsidy or funding for additional social housing units.

**With a Land Rezoning Tax in place, is there a need for Part V?**

The Land Rezoning Tax can in principle capture a far larger amount of betterment value for the State on lands rezoned after October 2009 than is possible under Part V agreements. Therefore, a key question that has to be addressed is whether there is now a need for Part V or any similar mechanism designed to capture an obligation from development and landowners? **This is a fundamental question and implies that if the Land Rezoning Tax were to capture substantial returns, it would make any recasting of Part V significantly less relevant and less justifiable in the future.** However it must also be recognised that as the Land Rezoning Tax only applies to lands zoned after October 2009, and given that the amount of land currently zoned for residential use is likely to be adequate in the medium term, the prospects for any significant returns being captured from such a tax are likely to be extremely limited for the foreseeable future.

The recasting of Part V must be coordinated with other mechanisms which exist, including the Land Rezoning and other taxes, development contributions and costs so as to ensure that the total expenditure does not make the delivery of residential development uneconomic or inefficient.

**Further aims and objectives of Part V**

In addition to the capture of ‘betterment value’, this review of Part V has been undertaken with reference to its other aims and objectives which were as follows:

i. To promote more socially integrated communities.
ii. To ensure adequate housing supply to meet the demand from all sectors of the market.
iii. To accommodate those unable to purchase a home due to affordability constraints in the face of rising house prices.

**i) Social Integration**

There was general consensus that Part V has been successful at delivering social integration and more sustainable mixed-tenure communities across the country. This objective permitted planning authorities to specify differential targets for social housing across its functional area to rebalance social housing location. The tendency for local authorities to opt for financial contributions over land was raised as a major concern and was seen as an inhibitor of social integration. While many consultees were in favour of retaining this objective in any future recasting of Part V, it is unlikely to achieve its maximum impact while financial contributions are the primary delivery mechanism.
ii) Impact on Housing Supply

Part V delivered 15,114 units in the period 2002-2011 (62.1% affordable and 37.9% social). This total represented just 3.8% of all dwellings excluding one-offs delivered over the period 2002-2011 which was a relatively small contribution. When the potential units capable of being delivered on the sites transferred and using the financial contribution are included, the total number of units delivered is estimated at 19,245 (4.8% of total excluding one-offs). This figure is compared with the potential delivery of Part V on the basis of an average contribution of, say 15% of all units, excluding one-offs, which would imply an output of around 60,000 units.

However the above comparison is made notwithstanding that it does not take into account units built on lands which were exempt from Part V (data not available) or the fact that Part V did not start to impact until Housing Strategies were prepared (mostly at end of 2001). Also many of the units provided in the early years were on foot of planning permissions which predated the Housing Strategies and thus were not subject to Part V. Thus while a number of years had elapsed before Part V began to impact housing supply - it was 2007 before it accounted for more than 5% of total completions excluding one-offs – it made its greatest contribution in 2008 at 12.6% of total completions excluding one-offs. However over the entire period 2002-2011 it delivered below its potential and only began to make a real contribution around the time the property market crash commenced.

Summary Table of Performance of Part V Contributions

<table>
<thead>
<tr>
<th>Housing</th>
<th>2002-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Social and Affordable Units</td>
<td>15,114 units</td>
</tr>
<tr>
<td>Total units to be provided on sites acquired</td>
<td>944 units</td>
</tr>
<tr>
<td>Land</td>
<td></td>
</tr>
<tr>
<td>Land Transferred</td>
<td>67.52 hectares</td>
</tr>
<tr>
<td>Based on estimated average density of 35 per ha.</td>
<td>2,363 units</td>
</tr>
<tr>
<td>Financial</td>
<td></td>
</tr>
<tr>
<td>Financial Compensation</td>
<td>136,100 €,000</td>
</tr>
<tr>
<td>Based on average build cost of €200,000 per unit</td>
<td>681 units</td>
</tr>
<tr>
<td>Withering Levy</td>
<td>2003-11</td>
</tr>
<tr>
<td>Including potential units from land transfers, sites acquired</td>
<td>13,716 €,000</td>
</tr>
<tr>
<td>And financial compensation</td>
<td>19,245 units</td>
</tr>
</tbody>
</table>

In an interesting comparison with the total number of social housing units provided by local authorities and approved housing bodies via the full range of mechanism, the Part V social housing contribution peaked in 2009 at 65% of the total social housing units delivered. An estimated 44,654 social housing units were constructed in the period 2002-2011 of which Part V contributed around 13% (5,721 units). 2008 represented the peak year with 6,800 new social housing units delivered, including 1,437 (21%) under Part V.

The review also showed that Part V units are typically not suitable for special needs and the more vulnerable client groups, due to the necessity for the needs of such groups to be factored into account at the design stage.

iii) Affordable Housing

The inclusion of affordable housing in Part V accentuated the emphasis on owner occupation. This “high and often disproportionate value” placed on owner occupation is now recognised in the
Government’s Housing Policy Statement as being “detrimental to Ireland’s society and economy”. It would have also resulted in increasing housing demand over and above what it might otherwise have been at a time when demand in the ‘private’ owner occupied housing market was well above normal demand levels. It also led, some would argue, to resources being diverted from the provision of social housing, given that 62% of the units delivered were affordable. It also transpired that some local authorities were under pressure to build up affordable (and social) units which resulted in a corresponding increase in debt levels. The financial analysis of Part V estimates the loss on unsold affordable units at €98 million\(^2\) (undiscounted) at the end of 2011, a large number of which are currently accommodating social housing tenants under the Social Housing Leasing Initiative.

The 2011 Housing Policy Statement has indefinitely suspended Affordable Housing programmes in the light of current conditions and the substantial improvement in housing affordability in the last six years for persons in employment.

Effectiveness of Part V

Part V was generally perceived as an inefficient process which did not operate without difficulties. The official guidelines state that there are 10 key steps involved in Part V agreements from when an applicant decides to undertake a residential development to the commencement of construction. The agreement is to be reached within an eight week period but in practice, this was rarely achieved with the agreement on transfer values proving particularly arduous.

Many reasons were mentioned for its failure in this regard and these are summarised below:

- The protracted nature of the negotiations,
- The complexity and interpretation of the relevant sections in the Planning and Development Act,
- The ambiguity of the wording (e.g. ‘attributable costs’, ‘equivalent monetary value’),
- The lack of resources to progress permissions,
- Pressure in local authorities to build up units which was associated with a corresponding increase in debt levels for those local authorities who took units,
- It was too focused on owner occupation to the detriment of other tenures,
- Approved housing bodies needed to take on a more prominent role and should have been brought in early on in the process.

The financial analysis of Part V shows a net benefit to the Exchequer of €614 million or €761 million in discounted terms over the period 2002-2011 compared with the provision of social housing by local authorities via the traditional procurement route. Thus Part V as a mechanism for meeting social housing supply benefited the Exchequer and provided value for money, notwithstanding the limited number of units it provided over the entire period in the context of total housing supply.

Recasting Part V – Key Objectives

\(^2\) This figure is derived in the financial impact of Part V based on an estimated 2,500 unsold affordable units according to the DEHLG, which are assumed to have been acquired in the period 2006-2011 and are valued based on the differences between the discounted prices paid for them in the year in which they were acquired and an average value in 2012 of €150,000 per unit. The differences between the discounted price paid at the time and the current value represents the loss per unit, estimated at €98 million (undiscounted) in total for the 2,500 unsold units.
In this context, any recasting of the current legislation will need to recognise the change of emphasis away from owner-occupation, the standing down of affordable housing schemes, the stronger role for approved housing bodies and the introduction of leasing options.

Based on the assessment of Part V the questions which arose were as follows:

1) Abolish it entirely or suspend it, in which case some of the benefits are lost?
   or
2) Amend the existing mechanism?

3) Create an entirely different type of mechanism which can deliver the benefits of Part V?

4) Should any new mechanism be based on capturing betterment value for the community from planning permissions?

There are positive elements in the Part V legislation such as the requirement of a Housing Strategy and there appears to be general unanimity that the objective of delivering mixed tenure and social integration should remain in place. Based on the review of the aims and objectives of Part V, it is recommended that the primary objectives of any recasting of Part V or alternative mechanism should be as follows:

- It must be coordinated with other mechanisms including the Land Rezoning Tax and other taxes, charges and costs to ensure that housing can be effectively and economically delivered,
- It should continue to counteract undue social segregation between persons of different backgrounds by delivering mixed tenure estates,
- It should continue to support sustainable communities,
- Any new mechanism must capture some obligation from new residential development for the provision of social housing in the community,
- It should deliver value for money for the taxpayer for the resources invested,
- It should be efficient and sufficiently flexible to cope with the changed economic conditions and should include all tenures,
- Approved Housing Bodies need to play a more central role and become involved at an earlier stage in the process, and
- It should not focus on affordable housing for owner occupation as these diverted resources from the provision of social housing.

Consideration is initially given to whether the existing Part V legislation should be abolished or suspended. This first option (Option A) is examined with regard to the existing context and the range of interventions and alternative funding sources for delivering social housing which are currently available, including the Land Rezoning Tax.

The alternative to the abolition or suspension of Part V is to continue to use a method of capturing an obligation to provide social housing from developers via planning permissions, either by way of financial payment or otherwise, such as delivery of units or land. The remaining options (Option B-F)3 are set out below and pay particular attention to the lessons learned and the experience of those participating in the process as well as the changed economic environment. Thus the full set of options is as follows:

A. Abolish or Suspend Part V
B. Streamline the Current Process
C. Widen the Scope of Development

3 Options A to F are not ranked in any particular order.
D. A Development Contribution Basis
E. Negotiated Solution
F. Inclusionary Zoning.

The options are summarised in Figure A at the end of the Executive Summary.

It is important to note that this assessment of the options for recasting Part V assumes that the Land Rezoning Tax will co-exist with whatever mechanism is selected following the public consultation. As already stated, given the potential of the Land Rezoning Tax to capture a far larger amount of betterment value for the State on lands rezoned after October 2009 than is possible under Part V agreements, the question that needs to be borne in mind is whether there remains a need for Part V or any other mechanism designed to capture an obligation from development and landowners? **However as previously pointed out, the prospects of any significant returns being captured from such a tax are likely to be extremely limited for the foreseeable future.**

**(Option A) Abolish/Suspend Part V**

Under this Option, Part V would be either abolished entirely or suspended with resumption at the discretion of the Minister.

The feasibility of abolishing Part V is questionable given the significant number of families on the social housing waiting list at present. However other existing supply mechanisms would remain in place with the abolition of Part V. The call for a suspension is justified by its supporters by the realisation of extra jobs and the increased Exchequer contribution that would result from what they would see as a ‘stimulus measure’.

It would be envisaged that suspension would not be taken in isolation, but would be accompanied by an alternative mechanism or mechanisms outside the planning permission process, such as the Land Rezoning Tax (which would not necessarily increase social housing supply), the Rental Accommodation Scheme (RAS), Rent Supplement, Housing Assistance Payment (HAP), the Leasing Initiative and Private Finance for approved housing bodies. It is acknowledged that some mechanism is needed to meet social housing provision but it does not need to be Part V.

**(Option B) Streamline the Current Process**

The approach here is to address the lessons learned from Part V over the past decade. These points can be applied to other options, as appropriate. This is to ensure that the same mistakes are not repeated in any future evolution of the mechanism for capturing some obligation from new residential development for the provision of social housing in the community. A menu of improvements under this option is set out below, some or all of which could be considered:

**Affordable Housing**
- Setting the requirement for affordable housing to 0% within the current system.

**Housing Strategies**
- Review the appropriateness of 20% in the context of housing need.
- Requiring housing strategies and development plans to give more direction in respect of how Part V is to be delivered.
- Establishing more direct policies on housing sizes required, type of units, mix of units etc.
- The Housing Strategy model needs to be reviewed while the process of adopting housing strategies needs to be made more efficient.

**Part V Agreements**
• Requiring agreements to be made before the commencement of construction, in respect of units to be taken and the value of any financial obligation from developers.
• Enabling local authorities to identify their preferred options for Part V delivery to give greater control in negotiations (i.e. land need not be the default option).
• Enabling local authorities to target delivery to the most appropriate locations to match projected social housing demand, thus avoiding a ‘one-size fits all’ approach.
• Tightening legislation to address current ambiguities, e.g. in respect of date of acquisition / transfer of land.

Simplify the process of establishing the betterment value from planning permission
• Developing local models/standardised tables to provide a template for costs of development for use in negotiations.
• Establish an independent group, comprising statutory agencies, professional bodies and stakeholders, to determine an appropriate charging basis based on reliable values to reflect the underlying existing values of land, as Greenfield, residential, commercial and other uses as appropriate. Similarly, an agreed method of costing for the construction of residential units would be required, allowing for different forms of development such as houses or apartments.
• The financial obligation could still be delivered by way of a number of options as appropriate – on-site delivery of units, delivery of land, financial transfer, on- or off-site leasing etc.

Options for capturing planning gain
• Facilitating the delivery of completed units at zero cost, e.g. rather than the subsidised purchase of 20% of units within a scheme, the planning authority could acquire a smaller number of units at no cost (based on the value of the betterment captured).
• Allowing more flexible options such as the provision of units for Rental (including Rental Accommodation Scheme) and Social Leasing.
• Developing other funding mechanisms - options to purchase with lease agreements, build to lease, and the sourcing of loan finance by approved housing bodies for construction and acquisition.

Increasing Role for Approved Housing Bodies
• Involving Housing Associations at an earlier stage in the negotiation process.
• Allowing Housing Associations to negotiate directly with developers.

(Option C) Widen the Scope of Development
Currently, development that is affected by Part V is limited to residential development (or mixed use development of which residential is a part) on lands in excess of 0.1 ha for developments of over 4 units. This excludes a large extent of development that arguably contributes to creating demand for social and affordable housing, and that benefits from betterment value when planning permission is granted. Broadening the scope of Part V would broaden the potential to capture value from planning decisions and potentially increase housing supply.

This option could include extending Part V to apply to
• All residential development, whether on zoned land or not,
• All development on zoned land, or
• All development on all land.

(Option D) A Development Contribution Basis
This option would treat the delivery of social housing as an infrastructural requirement of an area in a similar way to the delivery of water services or road infrastructure.
However, it would not attempt to capture betterment value from the specific land and would not be related to the characteristics of the individual site itself. Instead it would seek a direct contribution to the cost of the necessary investment.

In this model, the contribution to provide such housing would be calculated by reference to a tabulated rate, and would be an extension to the model used in General Development Contributions Schemes made under Section 48 of the Planning and Development Acts.

As with Option B, determining an appropriate charging basis would require reliable values to reflect the underlying existing values of land, as greenfield, residential, commercial and other uses as appropriate. Similarly, an agreed method of costing for the construction of residential units would be required, allowing for different forms of development such as houses or apartments.

As the model would not attempt to capture the betterment value on a site, it could be used to encourage development into priority areas, through differential rates in separate parts of a planning authority area.

**Option E) A Negotiated Solution**

The most common system of capturing an element of social and affordable housing in England’s planning system is by way of ‘Section 106’ agreements. A similar approach is also followed widely in Australia. Under this model, the extent of affordable housing is negotiated between the developer and the local authority to find a mutually acceptable agreement within the planning permission process. The agreement is made on the basis of an assessment of the financial viability of the scheme with a contribution towards the social housing element.

There is no standard agreement or assumptions on costs, profits or other valuations, although models have been set up and used by various councils to set out benchmarks for the contribution to affordable housing. The contribution to social housing may be in the form of constructed units, land or the provision of a financial contribution that can act as a capital subsidy to housing production or leasing.

**Option F) Inclusionary Zoning**

Inclusionary zoning provides incentives to developers to provide social or affordable housing within their schemes. The provision of such housing is a voluntary decision of the developer.

The incentives may be in a variety of forms, such as higher density of development, changes to development management standards or parking requirements, quicker planning decisions or reductions in development contributions.

This model would need careful guidelines on practice and standards to alleviate any concerns which might arise in this regard and to ensure that negotiated solutions accord with proper planning and sustainable development, and that they are transparent in identifying the benefit to the community.

The above provides a menu of options for further discussion and refinement during a public consultations process. These options are not mutually exclusive and the consultation process will inform the selection of a recommended solution.

---

4 The expression ‘affordable housing’ is used in the Australian context to include both low cost market housing and subsidised housing (irrespective of tenure, ownership or financial arrangements) that is available to people who cannot afford to purchase or rent houses generally available in the private market. For consistency here the terms social housing is used in an Irish context.
1. This review of Part V identifies that it is no longer fit for its original purpose or suitably flexible in the current economic environment. There was also general agreement in the extensive consultations that the existing mechanism is no longer workable.

2. It is assumed that the Land Rezoning Tax remains in place under all options.

3. Any recasting would need to be coordinated with other mechanisms such as the Land Rezoning Tax and other taxes, charges and costs to ensure that housing can be effectively and economically delivered.

**Option A – Abolish or Suspend Part V**

- **Abolish Part V**
  - Accompanied by alternative supply mechanism
  - Would its suspension act as a ‘stimulus’ measure?
  - Land Rezoning Tax will be in place

- **Suspend Part V**
  - Would its suspension act as a ‘stimulus’ measure?
  - Reinstated at discretion of the Minister

**Option B: Streamline the Current Process**

- Menu of improvements to existing Part V is proposed which are intended to address ambiguities and tighten the legislation
- Simplify the valuation process using standardised tables
- There is an understanding of the current system

**Option C: Widen the Scope of Development**

- Currently limited to residential development
- Could extend to all development on all land
- Would generate additional sources of funding
- Increases cost of development in all classes
- Risks to economic competitiveness and jobs

**Option D: A Development Contribution Basis**

- Seeks direct contribution as required
- An appropriate charging basis would be required
- Could encourage development in priority areas
- Would not depend on land values
- Would be more efficient

**Option E: Negotiated Solution**

- Negotiate on what is mutually acceptable
- No standard agreement on costs/profit
- Contribution assessed on viability of scheme
- Captures betterment value of the land
- Used in England and Australia

**Option F: Inclusionary Zoning**

- Provision of social higher density
- Incentives may be in a variety of forms such as higher density developments/fast planning decisions
- Potential conflict with other planning criteria
Appendix 2 - Summary of Submissions received
in response to the Public Consultation on the
Review of Part V of the Planning and Development Act 2000

Submissions

1. Cork County Council
2. Cork City Council
3. Dún Laoghaire Rathdown County Council
4. MAKEROOM ALLIANCE (SVP, Focus Ireland, Simon Communities & Threshold)
5. Irish Council for Social Housing
6. Irish Home Builders Association
7. Property Industry Ireland (PII)
8. Irish Planning Institute (IPI)
9. National Asset Management Agency
10. Royal Town Planning Institute
11. RESPOND Housing Association
12. Clúid Housing Association
13. South Dublin County Council
<table>
<thead>
<tr>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
<th>Option D</th>
<th>Option E</th>
<th>Option F</th>
<th>Other Views</th>
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<tbody>
<tr>
<td>Suspend or abolish</td>
<td>Streamline</td>
<td>Widen scope of development</td>
<td>Development contribution basis</td>
<td>Negotiated solution</td>
<td>Inclusionary zoning</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Part V has been reasonably successful in delivering Units, but needs to be simplified</td>
</tr>
<tr>
<td>Don’t suspend or abolish when there are waiting lists, but streamline;</td>
<td>allow more flexibility for local solutions</td>
<td>would increase the betterment levy to the detriment of social priority</td>
<td>have other options too</td>
<td>Not workable</td>
<td></td>
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<tr>
<td>Agree Part V before construction commences</td>
<td>encourage developers to form partnerships with AHBs</td>
<td>Focus on financial contributions</td>
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1. **Cork County Council**

Part V has been reasonably successful in delivering Units, but needs to be simplified.
## 2. Cork City Council

<table>
<thead>
<tr>
<th></th>
<th>Option A (Suspend or abolish)</th>
<th>Option B (Streamline)</th>
<th>Option C (Widen scope of development)</th>
<th>Option D (Development contribution basis)</th>
<th>Option E (Negotiated solution)</th>
<th>Option F (Inclusionary zoning)</th>
<th>Comments &amp; Suggestions</th>
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<tbody>
<tr>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Unsure</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Streamline</td>
<td></td>
<td>Bring approved housing bodies in at the design phase in partnership with developers</td>
<td>Requires further consideration to ensure it wouldn’t disincentivise development</td>
<td>To complement other existing approaches</td>
<td>Good in principle, very difficult in practice</td>
<td>Impractical</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>National data available to local authorities when developing the affordability model</td>
<td>Improve clarity of Part V agreements</td>
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<td>Dún Laoghaire Rathdown CC</td>
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<td>Inclusionary zoning</td>
<td></td>
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<tr>
<td>No Part V has had positive outcomes</td>
<td>Yes Most favourable</td>
<td>No Impractical</td>
<td>No Would require an increase in levies</td>
<td>No Too unwieldy</td>
<td>No Perception that pp is being “bought” if densities are altered</td>
<td>Residential land all zoned pre 2009 so no betterment tax forthcoming – some planning gain needs to be provided for in such cases</td>
</tr>
<tr>
<td>Mixed tenure and sustainable communities worth continuing</td>
<td></td>
<td></td>
<td>Would favour going the 20% social housing route in the scheme, but has no resources to purchase them</td>
<td></td>
<td></td>
<td>Part V agreements often reached too late to effect desired changes (ie disability-adapted houses)</td>
</tr>
<tr>
<td>Allow renegotiation of existing Part V agreements to suit current conditions</td>
<td></td>
<td></td>
<td>Developers favoured affordable over social</td>
<td></td>
<td></td>
<td>Earlier consultation with local authorities re mix / phasing</td>
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<td></td>
<td></td>
<td>Greater use of RAS or long term leasing required – multi-annual leasing fund</td>
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<td></td>
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<td>Lack of provision of private housing increases demand for social housing</td>
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<td></td>
<td>Allow approved housing bodies to use existing vacant stock to provide homes for those on waiting lists</td>
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4. MAKEROOM ALLIANCE (SVP, Focus Ireland, Simon Communities & Threshold)

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<td>Inclusionary zoning</td>
<td></td>
</tr>
<tr>
<td>No (partly)</td>
<td>Yes</td>
<td>No</td>
<td>Explicitly provide for those with most acute needs (people with disabilities) to develop more inclusive social housing model</td>
<td></td>
<td></td>
<td>Whilst not as successful as it might have been, was more cost effective than other methods</td>
</tr>
<tr>
<td>Key issue is how it would impact on the most vulnerable</td>
<td>Develop universal criteria for Part V to reduce litigation / delays</td>
<td>Favour provision of land / housing before contributions</td>
<td>More transparency / ringfencing required re Developer contributions – give the Housing Agency oversight of Developer contributions</td>
<td></td>
<td></td>
<td>Greatest benefit was development of local housing strategies, though quality is variable – local authorities need more guidance &amp; greater consistency</td>
</tr>
<tr>
<td>Contrary to HPS 2011</td>
<td>Agreement required at planning permission stage</td>
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<td>Empower local authorities to designate the stock within developments</td>
</tr>
<tr>
<td>Focus on providing social housing, more so than affordable – suspend affordable schemes</td>
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<td></td>
<td>Greater use of approved housing bodies &amp; at an earlier stage in the planning process</td>
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<td>Too market-dependant</td>
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## Irish Council for Social Housing

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<td>Streamline</td>
<td>Widen scope of development</td>
<td>Development contribution basis</td>
<td>Negotiated solution</td>
<td>Inclusionary zoning</td>
<td>Land rezoning tax will not apply to all pre-2009 zonings, so it’s a limited tool</td>
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<td></td>
<td>Earlier engagement with approved housing bodies /Housing Associations will help to quantify costs &amp; provide properly for the most vulnerable, especially those with disabilities in terms of design and layout</td>
</tr>
<tr>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Only in exceptional circumstances – priority is the provision of social housing</td>
<td></td>
<td></td>
<td>Introduce a multiannual leasing fund</td>
</tr>
<tr>
<td>Part V led to social housing being provided in areas where it wouldn’t have otherwise been</td>
<td>Provides for mixed tenure communities</td>
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</tr>
<tr>
<td>Retain Part V as a policy instrument to ensure planning gain for the delivery of social housing</td>
<td>Allow Housing Associations to engage with developers &amp; approved housing bodies before seeking pp</td>
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<tr>
<td>Affordable not required, allow LAs to review H/Strategies and increase the 20% if necessary</td>
<td>Strictly enforced timelines</td>
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### 6. Irish Home Builders Association

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**Yes, immediately**

- Undertake a full RIA of any proposals to continue / refine Part V
- Use the planning process to ensure that there is a healthy mix of housing in new developments

**Comments**

- Growth in construction at lowest ebb, yet there is a sustainable demand for 30,000 houses p/a, so the key question to be answered is *Why is the necessary output not being delivered?*
- Part V should not address only social or affordable, but all housing
- Rezoning levy not appropriate in current market
- Part V too bureaucratic
- Employment will grow if the industry is kick started
### 7. Property Industry Ireland

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<tr>
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<td>Development contribution basis</td>
<td>Negotiated solution</td>
<td>Inclusionary zoning</td>
<td></td>
</tr>
<tr>
<td>Consider as an element of a more holistic “National Property Strategy”</td>
<td>Yes</td>
<td>Requires further consideration</td>
<td>Little merit when there is no national overview and existing guidelines are being flaunted</td>
<td>Has some merit</td>
<td>Has merit from the perspective of higher densities or quicker planning decisions</td>
<td>Estimates a demand for 30,000 houses p/a from 2016</td>
</tr>
<tr>
<td>Part V conceived in a time of growth &amp; profitability in construction, but not relevant in current circumstances</td>
<td>Need for cautious flexibility in restructuring Part V to avoid overdependence on it to deliver social housing when market is low</td>
<td>Windfall tax a major disincentive &amp; possibly constitutionally suspect and should be repealed if Part V is to continue</td>
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<td></td>
<td>Part V led to affordable being constructed in locations where there was low demand</td>
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<td></td>
<td>No great tradition of mixed developments in Ireland – impacts on value of non-social houses in developments and viability of building them</td>
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### 8. Irish Planning Institute

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<thead>
<tr>
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<td>Widen scope of development</td>
<td>Development contribution basis</td>
<td>Negotiated solution</td>
<td>Inclusionary zoning</td>
<td></td>
</tr>
<tr>
<td><strong>No</strong></td>
<td><strong>Yes</strong></td>
<td><strong>Yes</strong></td>
<td>Big differential between provision of social housing in urban and rural areas –may be best to have rural housing based on developer contributions model, with urban areas based on increasing the stock of social housing</td>
<td></td>
<td></td>
<td>More evidence based planning / supply approach by local authorities is required</td>
</tr>
<tr>
<td>IPI supports the principles underpinning Part V</td>
<td>Focus on provision of social housing</td>
<td>Broden the scope of Part V to include additional social and community infrastructure and include phasing process</td>
<td></td>
<td></td>
<td></td>
<td>More discussions between concerned parties prior to the planning permission phase</td>
</tr>
<tr>
<td></td>
<td>Quicken up the process – statutory timeframe</td>
<td></td>
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<td></td>
<td>Involve approved housing bodies as early as possible</td>
</tr>
<tr>
<td></td>
<td>Have more flexible approach to developing &amp; amending housing strategies to deal with changing circumstances</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>No great gain to be made from rezoning levy</td>
</tr>
<tr>
<td>Option A</td>
<td>Option B</td>
<td>Option C</td>
<td>Option D</td>
<td>Option E</td>
<td>Option F</td>
<td>Comments</td>
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<tr>
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<td>Streamline</td>
<td>Widen scope of development</td>
<td>Development contribution basis</td>
<td>Negotiated solution</td>
<td>Inclusionary zoning</td>
<td></td>
</tr>
<tr>
<td>Agrees that a review of Part V is necessary</td>
<td>Must be coordinated with other taxes, charges</td>
<td></td>
<td></td>
<td>There should be a social housing benefit from each new development</td>
<td></td>
<td>VFM critical</td>
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### 10. Royal Town Planning Institute

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<tr>
<th>Option A</th>
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<th>Option E</th>
<th>Option F</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suspend or abolish</td>
<td>Streamline</td>
<td>Widen scope of development</td>
<td>Development contribution basis</td>
<td>Negotiated solution</td>
<td>Inclusionary zoning</td>
<td>Social integration is key</td>
</tr>
<tr>
<td><strong>No</strong></td>
<td><strong>Yes</strong></td>
<td><strong>Yes</strong></td>
<td><strong>Yes</strong></td>
<td><strong>Yes</strong></td>
<td></td>
<td>Want to actively engage in further consultations promised</td>
</tr>
<tr>
<td>Do need to establish why Part V has delivered so little in terms of social housing</td>
<td>Currently confusing and prone to delays</td>
<td>Once DCs are ring fenced for social housing</td>
<td>Include one-off houses, because it’s a betterment of the value of the land in question</td>
<td>but would have to be subject of detailed guidelines</td>
<td></td>
<td>Need to look at all housing need, not just social housing</td>
</tr>
<tr>
<td>Need to establish the extent of integration really achieved, ie whether local authorities “hid” social housing elements away from new developments</td>
<td>Future Part V type requirements should be based on primary legislation as some pp’s didn’t provide for any</td>
<td>Develop a working paper on this for consultation</td>
<td>Significantly detrimental</td>
<td></td>
<td></td>
<td>Reconsider the 35% rule</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Explore further Section 106’s in the UK regarded in recent times as commercially detrimental</td>
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<td>Need for reduction in homelessness not addressed</td>
</tr>
<tr>
<td><strong>Yes</strong></td>
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<td></td>
<td></td>
<td></td>
<td>One-off rural housing brings no common-good</td>
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<td>Use chartered planners in the process</td>
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<td></td>
<td>Failure to provide for affordables in Part V myopic</td>
</tr>
<tr>
<td>Option A</td>
<td>Option B</td>
<td>Option C</td>
<td>Option D</td>
<td>Option E</td>
<td>Option F</td>
<td>Comments</td>
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<td>Streamline</td>
<td>Widen scope of development</td>
<td>Development contribution basis</td>
<td>Negotiated solution</td>
<td>Inclusionary zoning</td>
<td>A tested policy that has achieved some social and financial gains for the State, though there were some problems – would be an overreaction in the short term, proper planning is a long-term process</td>
</tr>
<tr>
<td>No</td>
<td>Qualified Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Review should not be exclusively based on the housing market as it is today – think long term Rezoning levy inhibits release of land for development, has no linkage to social housing needs, and exacerbates the shortage of supply of such land Reimburse developers for the cost of sites as well as dwellings from the land rezoning levy, to stimulate activity, especially phased activity Must be some incentive for landowners to sell Need to have housing and infrastructure provided, including communal buildings and look not just at the buildings, but at the services needed to run them</td>
<td></td>
</tr>
<tr>
<td>Don’t dilute or weaken, but provide clarity Review 20% requirement upwards Involve AHBs at the outset, particularly to ensure provision of one person and/or disability adapted housing</td>
<td></td>
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<tr>
<td>Completed houses should be the norm DCs likely to be insufficient to provide the SH required Ring fence DCs for social housing Doesn’t facilitate mixed developments</td>
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<td>No</td>
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<tr>
<td>Completed houses should be the norm DCs likely to be insufficient to provide the SH required Ring fence DCs for social housing Doesn’t facilitate mixed developments</td>
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## 12. Clúid Housing Association

<table>
<thead>
<tr>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
<th>Option D</th>
<th>Option E</th>
<th>Option F</th>
<th>Comments</th>
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<td>Development contribution basis</td>
<td>Negotiated solution</td>
<td>Inclusionary zoning</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>Yes, strongly</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Developers and approved housing bodies should engage as early as possible, facilitating a joint application, which should be encouraged. DECLG should provide complete guidance on all aspects of Part V. One size fits all method won’t work. Consider allowing approved housing bodies to include non-social housing elements under Part V such as market renting, rent to buy etc. Consider mechanisms to ensure that rezoning levy doesn’t unduly deter new construction.</td>
</tr>
<tr>
<td>Would be abandoning the betterment principle</td>
<td>Agree the amount of CALF payable &amp; key conditions before construction Retain Housing Strategies requirement</td>
<td>Would provoke significant opposition from key stakeholders</td>
<td>Retain default position of providing land with / without housing</td>
<td>Historically, would not lead to better outcome in terms of providing social housing</td>
<td>Would abandon the key purposes and principles of Part V</td>
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<td>Would reduce SH supply</td>
<td></td>
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<tr>
<td>Would limit new mixed communities</td>
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<td>Should think long term, not short term</td>
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</tbody>
</table>
### 13. South Dublin County Council

<table>
<thead>
<tr>
<th>Option A</th>
<th>Option B</th>
<th>Option C</th>
<th>Option D</th>
<th>Option E</th>
<th>Option F</th>
<th>Other Views</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suspend or abolish</td>
<td>Streamline</td>
<td>Widen scope of development</td>
<td>Development contribution basis</td>
<td>Negotiated solution</td>
<td>Inclusionary zoning</td>
<td>should deliver value for money for the taxpayer</td>
</tr>
<tr>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Any new mechanism must capture some obligation from new residential development for the provision of social housing in the community</td>
<td>No</td>
<td>No</td>
<td>used more to try to break down the extreme sociology economic segregation that characterises communities</td>
</tr>
<tr>
<td>Has brought about a social gain &amp; demand is high for social housing</td>
<td>continue to counteract undue social segregation</td>
<td>support sustainable communities</td>
<td>efficient and sufficiently flexible should include all tenures</td>
<td>should not focus on both affordable housing and the provision of social housing</td>
<td>should include all tenures</td>
<td>Problems with Part V as currently constituted include -</td>
</tr>
<tr>
<td>requirement for a Housing Strategy is positive</td>
<td>Ensure adequate housing supply to meet the demand from all sectors of market</td>
<td>Ensure adequate housing supply to meet the demand from all sectors of market</td>
<td></td>
<td></td>
<td></td>
<td>Negotiations protracted and difficult; Complexity of the legislation; Ambiguity of wording and later disputes; Resources; Capital Debt of LA</td>
</tr>
</tbody>
</table>