

Graham Doyle, Secretary General
Department of Housing, Local Government & Heritage
Custom House
Dublin 1
D01 W6X0

25th July 2024

Dear Mr Doyle,

RE: Housing for All Updated Action Plan Stakeholder Engagement

The Irish Home Builders' Association (IHBA) and the Construction Industry Federation (CIF), enclose a submission in response to the Housing for All Action Plan. We have considered the various themes set out in the stakeholder engagement questions, and consider the following items as being essential in supporting and increasing the pace and scale of housing delivery; infrastructure, financing/investment and planning & land management.

Please find enclosed our response to the Housing for All review (we have also submitted a copy online). Whilst we have been asked to select three themes from the extensive list in the consultation, it should be noted that all of these themes overlap and have an influence on the increase in scale and pace of housing delivery. The role of Modern Methods of Construction (MMC), for example, should not be overlooked in scaling up housing delivery, as well as artificial intelligence supporting this. Similarly, the cost of construction has a major impact on the financing/investment of construction projects in Ireland. We also recommend that capacity is considered holistically; is there capacity in the planning system to deliver housing, do we have enough infrastructure capacity for increased housing, enough finance available, enough zoned land and enough labour to deliver at least 50,000 units per year going forward.

This is a timely review given the recent reports that have been published, including the Housing Commission report, the ESRI Structural Housing Demand report and the draft National Planning Framework revision. All acknowledge the need to plan for far more housing than previously envisaged. The accelerated success of Housing for All will require greater funding for infrastructure and also more zoned land.

The draft National Planning Framework has stated that we need to build at least 50,000 homes per annum. To achieve this, we cannot continue with overly restrictive land zoning and servicing policies. We must provide adequate flexibility in our assessment of how much land to zone for residential development to cater for our growing population. There are currently too many issues preventing zoned land from being activated for residential development including inadequate services connected to the land, such as water and electricity.

Brownfield activation is especially challenging with a limited supply of capital willing to invest in apartment construction. Therefore, it is vital that there is not an over-reliance on apartment delivery in the NPF or its application in local Development Plans, as well as clear transitional arrangements.

We urge that all Local Authorities, especially those in high demand areas, start to review their development plans to ensure there is enough zoned and serviced land available for housing supply. Without an adequate supply of zoned land with services and planning permissions in place, we will be unable to supply enough housing. We must rezone all lands that were de-zoned in previous development plans, particularly in areas of high demand and near transport corridors. Our utility and transportation providers must move to a plan led rather than demand led approach that caters for current and future housing demand, rather than building “just in time”.

We are concerned that there is not enough capital allocated to the provision of water and wastewater, as well as other services, including electricity and transport, in Ireland. Our members consistently report significant delays in the advancement of infrastructural works to enable housing developments. It is essential for housing provision that utilities, such as water and electricity, are planned for concurrently as we cannot build houses without vital infrastructure connections in place. It is therefore essential that adequate funding is allocated for utilities and transport so we can build at least 50,000 units per year.

We welcome the opportunity to respond to this consultation, and look forward to hearing from yourselves in due course.

Yours sincerely,



Conor O'Connell – Director

Housing, Planning & Development Services



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Irish Home Builders' Association Submission - Housing for All Updated Action Plan

July 2024

Theme 1 - Infrastructure

- Infrastructure is essential to unlocking housing and growth on a regional basis. This must take place using a plan-led approach which targets areas that can host increased growth in a balanced but targeted manner (not just housing, but schools, hospitals, services etc). Large scale housing developments are limited on un-serviced land, presenting a major challenge to housing delivery that is so urgently needed to meet the unprecedented population changes that Ireland has seen in recent years.
- Planned infrastructure projects should take place to unlock sustainable housing delivery. For example, housing developments located alongside existing or new transport corridors/networks will create sustainable communities and is an example of well-planned housing.
- Infrastructure and availability of serviced land is a consistent barrier to housing delivery. Infrastructure providers, particularly Uisce Éireann (UÉ), must be given committed finance to enable them to deliver, with critical infrastructure projects prioritised. These include the completions of the Water Supply Project for the Eastern & Midland regions and the Greater Dublin Drainage Project.
- The IHBA supports the development of a dedicated infrastructure body (e.g. a National Infrastructure Commission) or infrastructure minister, with this body/person responsible for the delivery of planned and targeted infrastructure. There is evidence of the success of this in other countries globally (incl. in New Zealand). The establishment of a dedicated resource with the ability/power to deliver infrastructure would provide invaluable. Similarly, a Housing for All & National Planning Framework implementation plan should stipulate that this body/agency/minister drives the delivery of infrastructural projects at the metropolitan level.
- An infrastructural fund for servicing zoned lands should be established, with a dedicated funding stream supporting this on a multi-annual basis. IHBA members have major concerns about the availability of serviced and zoned land.
- The Draft Planning & Development Bill promotes a longer-term planning process (i.e., ten-year development plans); provision of infrastructure should follow the same process. This will result in greater certainty in the development process as well as facilitating additional objectives outlined in legislation (i.e. the first draft of the revision of the National Planning Framework - 50:50 growth, balanced regional development and compact growth).
- Planning policy recommends increased development on brownfield sites to deliver compact settlement growth. Measures must be implemented to support the delivery of these sites. Many of these sites are challenging to deliver due to viability and land contamination issues, as well as relocating existing businesses, making them unattractive to investors if the financials don't align.
- Mandatory decision making timeframes for all infrastructural project approvals should be introduced to facilitate quicker implementation.
- We support the Housing Commission's recommendation to encourage large scale land assembly; this actively unlocks large scale housing delivery. Policies that penalise this must be reviewed to ensure they don't have a detrimental impact on housing supply.

- To support the increase of infrastructure projects, the role of Housing Infrastructure Services Company (HISCo) must be expanded and an ongoing commitment made to its funding.
- Resourcing associated with infrastructure delivery must also be closely monitored. Commitment to funding increased resourcing (i.e. contractors) to undertake major infrastructure projects should be made.
- The recently published first revision of the National Planning Framework refers to Transport Orientated Development (TODs), with transport considered as a sustainable way to unlock housing delivery. The supply of other infrastructure, including water and wastewater, must also be prioritised in tandem with this.

Theme 2 – Financing/Investment

- A recent report from the Department of Finance reported that the gross development funding need is approximately €20 billion, with almost €17 billion required from private capital sources if 50,000 housing units per annum are to be delivered. This interlinks with the sector’s capacity to deliver and meet these increased housing targets. For them to do so, a stable finance environment must be created in Ireland. Dublin, and Ireland, must be seen as a competitive location for investment across Europe. Dublin should be competing with other major European cities, like Amsterdam and Barcelona. It is currently the victim of its own success, with capacity in housing delivery limited due to policy uncertainty which deters major investors. We therefore support the Housing Commission’s recommendation that a regular review of housing finance is completed, with measures used to increase competitiveness.
- The IHBA welcomes the numerous schemes that Government and other agencies have introduced to address some of the financial challenges associated with housing delivery. These include Secure Tenancy Affordable Rental (STAR), Project Tosaigh and Croí Cónaithe. The recognition by the Government that significant supports are required to address the challenges of development of cost rental apartments at scale is also welcome.
- However, if these schemes are to be successful, and to encourage investment, they need to be reviewed. We have made submissions directly on this matter. For example, the STAR investment scheme introduced in 2023 offered the potential to bridge the viability gap in constructing apartments. But, the scheme requires further review, given the proportionally low interest in it. A major issue relating to this scheme is the 50 year term; this needs to be reduced to attract investment. Income caps must also be reviewed as part of this scheme (reflect the number of bedrooms for each unit; as they stand, larger family units are unlikely to fit within the cost rental regime). The income measure should also be reviewed from a per household to multi-occupancy basis. This would give greater flexibility to the tenancy options and would allow for those on middle incomes to share, for instance, a two bedroom apartment without breaching the income threshold per household/unit. Further detail on these recommendations can be found in the IHBA’s submission to the Affordable Housing Strategy made earlier in 2024.
- There are also challenges associated with the Croí Cónaithe scheme; for example, the payment of the Croí Cónaithe subsidy is only made upon completion of the sale of the unit. This is too risky from an investment perspective, and doesn’t work when delivering large scale apartment

schemes which are constructed on phased basis, and units wouldn't be absorbed fully by the market.

- Furthermore, the introduction of cost rental (which still requires scaling up) must be seen as an investment in a new tenure of housing which is vital if this is to be successful.
- The above examples highlight that, whilst significant effort has been made to address financial challenges associated with housing delivery, these need to be reviewed regularly to ensure they are fit for purpose and offer robust support.
- The cost of construction has also increased dramatically in recent years. The Society of Chartered Surveyors Ireland (SCSI) report into apartment delivery costs published in Summer 2024 highlights that the cost of delivering an apartment block in Dublin is approximately €200/m² higher than the ten-city average of €2,057/m², second only to Zurich. Build costs in Ireland are comparatively higher due to the high standard (and quality) of building regulations and compliance associated with housing delivery. These costs have a direct impact on attracting finance to projects when investors will be more interested in alternative locations with competitive build costs. As such, any policy or legislative changes that impact housing delivery should be subject to an impact cost assessment, to ensure they do not have a detrimental impact on housing delivery.
- The recent collaboration between the state and the private sector, following a period of unprecedented cost increases, which has now stabilised, has helped aid housing supply through providing certainty to housebuilders and investors. To maintain increased delivery and reduce the level of state intervention, it is vital that international investors are attracted back to fund development.
- Legislative uncertainty (discussed in further detail below) is also having a major impact on investors. It is essential that this is stabilised to encourage them to consider Ireland as an attractive place to invest.
- Brownfield development sites are some of the most challenging locations to develop, because of the financial difficulty associated with this (remedial works, decontamination, cost of high-density unit delivery). Private investment is therefore required to help unlock these sites; engagement with the industry should be completed to consider the best strategies for this. Taxation incentives should be considered to offer viable development of these sites.
- The Private Rental Sector (PRS) and Build to Rent (BTR) investors, form part of fully functioning housing markets internationally. They help fund housing developments at scale, and in different forms. Market conditions must be created in Ireland to attract this group; this includes a review of the rent cap policy.
- We have seen the success of the Development Contribution Scheme Waiver and UÉ's new connection rebate since it's introduction in April 2023. The Housing for All Q2 2024 report which was recently published reported that 52,000 new homes had commenced in the first 5 months of 2024. This highlights the success of the scheme, but also the industry's commitment and capacity to deliver these units. To maintain this upward trajectory, and we recommend that this scheme is extended. This has had a hugely positive impact on the viability of housing schemes.

- The success of the Help to Buy and First Home Schemes indicate the impact that these have had on the affordability of homes, aiding housing delivery and project viability. They have also been responsible for large numbers of the younger generation and single people being able to afford their own homes. As such, we recommend that these schemes are continued.

Theme 3 – Planning & Land Management

- Planning certainty is essential if Ireland is to be boosted onto the global investment stage, and if it is to remain a competitive location for global investors. The importance of a properly functioning planning system is vital, and the uncertainty associated with the planning system poses a major issue to housing unit delivery and project viability. Our members are struggling to obtain funding from investors due to the uncertainty associated with the potential implementation of this new legislation and in particular the Extension of Duration provisions are causing concern. This is important given that many schemes are in judicial review with potentially a very limited time left to activate their planning permissions.
- Delays to planning decisions are preventing housing delivery. They are also adding to the cost of new homes; a recent ESRI report commented that JR cases can add between €10,000 – €20,000 to the cost of an individual home. This is unnecessary and is contributing to the affordability crises.
- Adequate zoned land is essential; minimum requirements for zoning that are currently used should be reviewed, with these being increased and an additional 100% headroom introduced for increases in requirement to ensure that there is adequate land zoned for planning and development purposes. This will cater for instances where land is constrained due to infrastructure issues, ownership and ecological issues.
- Planning permissions are being refused nationally where housing need and demand assessment quotas for new homes are being reached. This restricts housing delivery in suitable locations where there is still demand for housing, but the rigidity of the system means that local authorities do not approve additional developments. We therefore recommend that a range of figures for targets are used to incentivise development, as well as adequate headroom, to ensure that housing demand can be flexible and meet the needs of different local areas, as well as future population events and “unknown” events.
- Local authority resourcing is vital to dealing with the number of planning applications that need to be reviewed (this includes training enough new planners at local authority and at An Bord Pleanála). Similarly, an online planning portal to process planning applications (as used elsewhere) may speed this up. Whilst recent announcements confirming increased resourcing to ABP are welcome, these may still struggle to process the backlog of planning applications that need to be approved to meet future housing demands.
- The IHBA is has concerns about the Residential Zoned Land Tax (RZLT), and the impact this will have on brownfield site development. The RZLT will become a another barrier to housing delivery, rather than a land activation measure. We are also concerned about the use of an RZLT mapping system as an indicator of lands that can be used to deliver housing given the

infrastructural (and other) challenges these sites face. We urge the reform of the RZLT to avoid unintended consequences arising from its use.