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Conor O'Connell, Director, Housing and Planning, Construction Industry Federation and Irish Home Builders Association (IHBA) Opening Statement.

Thank you, Chairman, Committee members.

The Irish Home Builders Association (IHBA) is a constituent association of the Construction Industry Federation (CIF) and represents hundreds of home builders of all sizes across Ireland. The association supports Irish home builders to deliver quality affordable homes to home buyers.

A priority for the IHBA is to deliver much needed homes for those struggling to access the market and find suitable homes. The past number of years have been particularly difficult for those aspiring home buyers who have struggled against the lack of supply and affordability. Housebuilders increased output by nearly 50% last year in comparison to the previous year and 30,000 new homes were constructed in 2022.

To achieve our national ambition of constructing more homes for more people so we can offer people the security of their own home, we need more zoned land, more infrastructure, more planning permissions and of course a viable/affordable product that can be funded.

In relation to the Planning and Development legislation, housing supply does not happen in isolation and many of the supply determinants are outside the control or resourcing of the housebuilder. The housebuilding and construction sector provides the necessary infrastructure for Ireland and relies on the state to resource adequately the planning system and in some cases the legal system to provide the planning permissions that will be ultimately supply more homes.

There are many different reports into how many houses are needed from 33,500 in Housing for All and up to 62,000 in a much-publicised Housing Commission report. Whatever the case the number of houses we need to supply is much greater than we are currently building.

We estimate that there are over 70,000 housing units waiting for a decision in An Bord Pleanála and in the Courts, nearly 2 years supply of homes.

A Judicial Review of homes already granted permission by the planning process can add to the cost of a home by €10,000 to €20,000 per unit.

The old expression that 'time is money' has never been more appropriate in the current economic environment as increases in the cost of materials, the rising interest rates and other factors means that the extraordinary long delays being currently experienced in the planning and legal system results in more costs being added to a new home. These are adding unnecessary delays to our younger generations securing their new homes.



Commencements have declined by 13% last year and we expect that planning permissions will see a dramatic decline over the last 12 months.

It is sometimes said to us in response to the delays in the planning system that there are adequate permissions in place. In urban areas of high demand, most of these are for apartments. Apartments have always been a challenge to deliver due to their high delivery costs and it will be difficult to see many commence in 2023.

Government initiatives such as Project Tosaigh and Croí Cónaithe may yield results in terms of apartment commencements later in 2023. Demand for traditional housing units remains strong as over 70% of Irish households are owner occupied and the preference of people is to own their own home.

It is not an exaggeration to state that many housebuilders trying to deliver housing units are concerned they many run out of permissions in areas of high demand later in 2023. The situation in relation to the resourcing of the planning system and the timelines for decision making are at a critical juncture.

We simply need to build more in this country. We need to build communities consisting of more houses, we need to build public transport infrastructure, we need to build more roads, we need to build more schools, more hospitals, more greenways more waste water treatment plants, more electricity infrastructure. The failure to build over the last 12 years is contributing significantly to the many problems we are now facing as a society and economy. It could be argued that these are the problems of success, but they will quickly lead us into failure unless we can build more for our growing population.

That is why we welcome so many aspects of the Planning and Development Bill such as timelines for decision making and appropriate sanctions including financial penalties for failure to make a decision in time, a new Planning Commission, the increased lifespan for Local Authority Development Plans, the strengthening of the legal status of national guidelines, the ability to refer certain matters from the courts back to the planning commission and many other positive changes.

Ultimately though these require resourcing and action plans for resourcing and this must commence with the immediate resourcing of An Bord Pleanála to deal with the many applications awaiting decision. Whether you are for or against a project we must be able to make decisions more quickly.

We have seen objections based on the claim from individuals that their houses may be devalued. We have seen objections to housing from organisations or individuals living several hundred kilometres away from the site, we have seen politicians objecting to housing that at the same time are calling for more housing.

This simply cannot continue if we are serious about an inclusive and harmonious society where the provision of housing is facilitated by the state with appropriate legislation and procedures.

The Planning and Development Bill is not just about planning but it is also about delivery and the development of this country. It is the process through which we decide though our zoning process and policies where housing and other infrastructure should be provided. There should be an assumption of permission on zoned land prior to an application being made, a presumption that development will take place.

This legislation should be about facilitating and allowing for the construction of essential infrastructure for Ireland and we urge you to facilitate the passage of this legislation so that we get houses and other essential infrastructure built in a timely manner.

Let's build more homes for more people by ensuring we can provide the necessary zoning, infrastructure and planning permissions. We need a unified response to ensure the increase in housing supply continues and the new Planning and Development Bill could be a key component of delivery.

Thank You

