



**Irish Home Builders Association**

**December 2022**

## **Review of the National Planning Framework**

on behalf of the Irish Home Builders Association (IHBA)



**McCutcheon Halley**  
CHARTERED PLANNING CONSULTANTS

## Executive Summary

The following report has been prepared by McCutcheon Halley Planning (MHP) on behalf of the Irish Home Builders Association (IHBA), a constituent association of the Construction Industry Federation (CIF). The IHBA welcomes the Minister for Housing's recent announcement that a review of the NPF will take place and are now calling for it to commence, without delay. As this report clearly demonstrates, the current NPF is misaligned with Country's needs and must be reformed. This reform, in the opinion of the IHBA, needs to focus on the following key issues:

- The population projection for Ireland in 2040 is underestimated by up to 620k people which in housing terms, is a shortfall of approx. 250,000 homes.
- A realistic household size that aligns with established trends in the UK and other European Countries. Unless this is rectified, an undersupply of housing will continue to exist.
- A parallel commitment is requested by the IHBA to review the Regional Spatial Economic Strategies in parallel with the NPF to avoid a misalignment of guidance going forward.
- Realistic headroom needs to be factored in to take account of pent-up demand, inward migration, force majeure events, human mobility, etc.

The preliminary results of Census 2022 provides sufficient data to now commence the NPF review. The Minister's commitment to the review is welcomed by the IHBA, however, doing this in a timely manner is critical to ensure that planning policy does not contribute to a deepening of the housing crisis in the months and years ahead. Immediate action, as outlined in the proposed recommendations below would avoid this. Afterall, a key quality of all good plans is their ability to be flexible and to anticipate, respond and adapt to changing circumstances in a timely manner. Plans that don't embrace change are at a high risk of failing to deliver on their core objectives.

# 1. Background & Purpose

The purpose of this report is to provide evidence for the Project Ireland 2040 Delivery Board that an immediate review of the population projections in the National Planning Framework (NPF) is needed, to ensure that Housing Need Demand Assessments (HNDA) which inform all Development Plan's housing targets meet their stated objective to;

*"Provide a robust evidence base to support decisions about new housing supply, wider investment and housing related services that inform an overall national housing profile."*<sup>1</sup>

The IHBA welcomes the Minister for Housing's recent announcement that a review of the NPF will take place. While the Planning and Development Act (PDA) 2000, as amended, provides for a review of the NPF every 6 years, after the date of the publication, it does not preclude the initiation of an earlier review and the IHBA are now calling for the review to start, without delay.

There now exists exceptional circumstances to immediately commence this review, namely, evidence from Census 2022, that provides evidence that the NPFs population projections which inform the population targets in the three RSEs and in turn the HNDA and core strategies of all Development Plans is underestimated. This needs urgent attention because of the wide spread consequences that would occur under a scenario of continuing with the status quo. The preliminary results from Census 2022 are a sufficient basis to commence the review and delaying it until the full results are published in April 2023 would be a mistake.

The consequence of not initiating an immediate review is that the stated housing targets, which we now know are underestimated, in all new and emerging Development Plans, would have the effect of limiting the delivery of much needed new homes over the coming decade. This claim is substantiated in this note through a preliminary examination of Counties Kildare and Wicklow.

The Irish Home Builders Association (IHBA) and individually our members have been highlighting this issue of population divergence at every opportunity since the publication of the NPF in 2018. We have stressed the grave implication of underestimating population, specifically following the CSOs annual April report titled *Population and Migration Estimates*, which supports our position, and, in submissions to the consultation phase of the review of Development Plans that have been taking place over the last approx. 3 years.

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<sup>1</sup> Circular Housing 14/2021 - Housing Need and Demand Assessment

We are now at a critical juncture, with a confirmed growth in population that exceeds the ESRI projections that informed the construction of the NPF. An immediate review is necessary to correct this, and, by extension to avoid an intensification of the housing crisis.

## 1.1 Case Studies – Counties Wicklow & Kildare

This section is informed by an analysis of data collected by MHP and separately a report prepared by KPMG Future Analytics (FA) on behalf of the CIF and which is to be read together with this report.

The KPMG analysis demonstrates the outcome for two counties, Wicklow and Kildare, in circumstances where the NPF and RSES population targets have informed the new Wicklow County Development Plan 2022-2028 and the Draft Kildare County Development Plan 2023-2029.

KMPG-FA have identified that the change in population projection methodology that has occurred due to the coming into effect of the NPF and RSES means that there are significant shifts that directly impact housing projections in all new and draft development plans. The effect of this is a significant erosion in the housing targets at county level.

### 1.1.1 County Wicklow

In the case of Co. Wicklow;

- The target population for the recently expired Wicklow County Development Plan 2016-2022 and the NPFs Transitional Projection to 2026 (4-years into the new Wicklow County Development Plan 2022-2028 cycle) is largely the same – a max of 0.5% annual growth is envisaged i.e. 155,000 to 157,500 population.
- The impact of this is that the new Housing Supply Target (HST) has been reduced by 40% from approx. 14,800 new homes in the 2016 Development Plan to 8,800 new homes in the 2022 Development Plan.
- The preliminary Census 2022 population for Wicklow is 155,485. This is an approx. 9.2% increase on the 2016 population, equating to an annual growth rate of 1.5%. In effect, the RSES low growth forecast for 2026 has been exceeded 4-years ahead of time.
- The RSES estimate annual growth in Wicklow's population as 0.9% per annum over the 10-year period 2016-2026. Census 2022 confirms a much higher rate of growth (1.5%) is occurring per annum. This is approx. 55% higher than the forecast rate of growth.
- The preliminary 2022 Census figures for Wicklow suggest a potential population divergence of +2.3% above the established NPF population projections adopted into the 2022 Development Plan. If this level of growth continues to 2028, the end of the Development

Plan period, the population of Wicklow would be 170,299, representing a divergence of 6.5% or an additional 10,405 people.

- Assuming an Average Household Size (AHS) of 2.5 persons, this additional population would generate a requirement for 4,162 homes and the current Wicklow Development Plan therefore requires a HST of at least 12,960, approx. one third more than is currently planned.

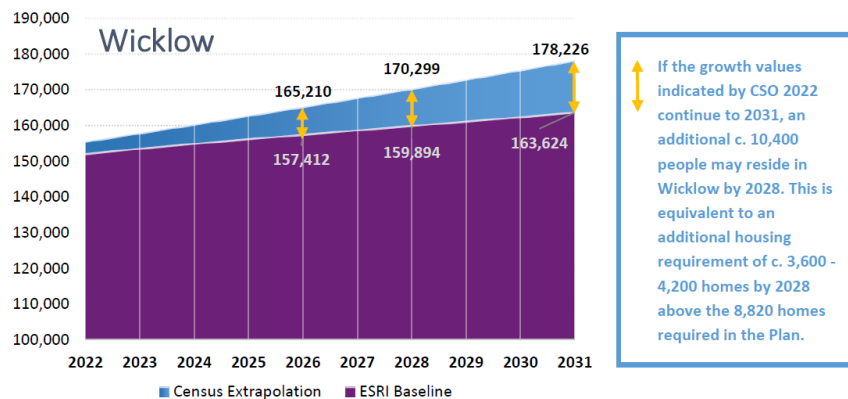


Figure 1 Est. Population Divergence in Wicklow to 2031 (Source: KPMG-FA)

### 1.1.2 County Kildare

In the case of Co. Kildare;

- The Kildare County Development Housing Supply Target (HST) is stated as 6,023 (c. 2,000 per annum) for the period 2020-2023. The original HST for the plan's 6-year timeframe was 32,497 or approx. 5,420 per annum. The effect of the NPF/RSES population projections and subsequent variation to the 2017 Development Plan resulted in an overall approx. one-third reduction in the original HST.
  - The overall HST for the plan period taking account of the plan's variation is 22,272 homes.
- The target population for the Draft Kildare County Development Plan 2023-2029 and the NPFs Transitional Projection to 2026 (3-years into the forthcoming new County Development Plan cycle) is largely the same – a max of 1.4% annual growth is envisaged, with a low population of 249,000 and a high of 254,000.
- The Housing Supply Target for the period 2023-2028 in the Draft Kildare Development Plan is 9,144 new homes.
- The preliminary Census 2022 population for Kildare is 246,977. This represents a +2.1% divergence when compared with the ESRI baseline projection for 2022. If this level of growth continues to 2028, the end of the Development Plan period, the population of Kildare

would be 275,418 representing a divergence of 7.2% or an additional 18,574 people.

- Assuming an Average Household Size (AHS) of 2.5 persons, this additional population would generate a requirement for 7,430 homes and the Draft Kildare County Development Plan therefore requires a HST of at least 16,574 new homes, approx. 45% more than is currently planned.

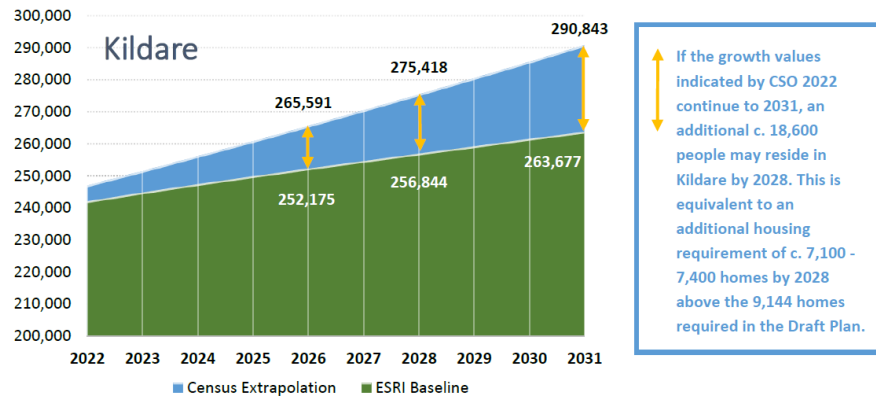


Figure 2 Est. Population Divergence in Kildare to 2031 (Source: KPMG-FA)

## 2. Evidence Based Planning

For a plan to be 'sound', the policy choices it contains must be justified through the research and analysis of a suitable evidence base. Prior to the publication of the NPF its evidenced-based construction was broadcast as one of its key strengths.

Having the most accurate evidence base inform this top tier of the planning system is critical to the success of the planning system as a whole. The population projections in the NPF inform all lower order plans i.e., the three RSEs, and all County and City development plans. These in turn inform Local Area Plans (LAPs) and all development management decisions i.e., the acceptability of individual development proposals having regard to the overarching requirement to achieve the principle of proper planning and sustainable development.

### 2.1 Population Projections

The NPF population projections set the national average baseline projection for the period to 2040 as 1.1m people above the Census 2016 State population, so 5.7m people. This is identified as a key fact/figure underpinning the Framework.



The ESRI<sup>11</sup> projects that the **population of Ireland will increase by around one million people** or by 20% over 2016 levels, to almost 5.7 million people by 2040.

A Census of population occurs every 5-years and so over the course of the NPFs life term, 2018-2040, there will be five Census cycles, including the most recent one in 2022. The projected increase of 1.1m is a combined 23% increase in the State's population across the five Census cycles, or a 4.6% per Census.

To examine the robustness of this projection, we have examined historical Census data, a key source for evidence based planning.



As is illustrated in Table 1, an examination of the State's population recorded in the five Census cycles that occurred prior to the publication of the NPF in 2018, demonstrates that the average increase in population was 6.2%. Across three of the five cycles, the increase was approx. 8%. This was followed by a more than halving of the growth in the 2016 Census, a direct reflection of the demise of the 'Celtic Tiger' and the global Financial Crisis.

Census Year	Population	Actual Change	% Change
<b>1996</b>	3,626,087	100,368	2.8
<b>2002</b>	3,917,203	291,116	8.0
<b>2006</b>	4,239,848	322,645	8.2
<b>2011</b>	4,588,252	348,404	8.2
<b>2016</b>	4,761,865	173,613	3.8
<b>% Average Change</b>			<b>6.2</b>

Table 1 Population Change Ireland 1996-2016

If the NPF had applied this 6.2% average growth as the 'business as usual' scenario to the State's 2016 population, there would be an overall increase of 31% (as opposed to 23%) and a total population in 2040 of approx. 6.2m people i.e., 500,000 more people than projected in the NPF.

The preliminary results from Census 2022 confirms the State's population as 5.1m. This is a 7.6% increase in the intercensal period, 2011-2016, and, under this scenario, the average change across the 5 Census cycles increases by one percentage point to 7.2%. The effect of this on the NPF projections to 2040 would be a population of 6.4m and the gap under this scenario increases to 620,000 more people.

Census Year	Population	Actual Change	% Change
<b>2002</b>	3,917,203	291,116	8
<b>2006</b>	4,239,848	322,645	8.2
<b>2011</b>	4,588,252	348,404	8.2
<b>2016</b>	4,761,865	173,613	3.8
<b>2022</b>	5,123,536	361,671	7.6
<b>% Average Change</b>			<b>7.2</b>

Table 2 State's Population Change Ireland 2002-2022



**Using current and historical Census evidence the NPFs national average baseline projection is underestimated by between 500,000 and 620,000 people and the population of the State in 2040 would be 6.4 million and not 5.7 million.**

It's important to consider the evidence used to inform the NPFs projections to understand why this gap might occur. The population projections in the NPF are derived from an ESRI report<sup>2</sup> which used the annual average growth of 0.8% for the 2011-2016 intercensal period to inform the population projection to 2040.

Notably this intercensal period largely coincided with and reflects a time when the State was experiencing a severe economic downturn which triggered a wave of emigration that was in the 80,000 range through this 2011-2016 intercensal period. Similarly, as would be expected immigration significantly shrinks after an economic crisis as in-coming population flows are partly triggered by or more generally sensitive to economic downturns. The unemployment rate peaked at 15.1% in 2012 and it took until June 2019 to return to a pre-downturn level.

With the exception of adding 173,613 to total State population, the intercensal 2011-2016 period compares unfavourably with Ireland's average population growth of 320,000 for the previous three intercensal periods. This intercensal period had approximately half the growth of its predecessors.

By relying on the 2016 Census, the NPF baseline missed the much more positive growth that occurred in the earlier intercensal periods and consequently the baseline population projection reflects one type of economic cycle, a recession and subsequent slow recovery.

The baseline is technically flawed. Relying on the dataset from one Census to inform the baseline population projection for a plan with a 20+ year horizon which will witness possibly 4 economic cycles and at least 4 changes in Government is not a robust approach as it does not account for a sufficiently wide set of growth and contraction differentials. Examining the data from a similarly long timeframe is more appropriate for a national strategic plan.

As the population projections set out in the RSES are derived from the NPF, it follows that they too are well below the growth trajectory. The RSES are based upon levels of inward migration lower than that which have been achieved historically and recently. The latest (April 2022) migration data published by the CSO identifies net migration of 61,800. This figure reflects the impact from the war on Ukraine. The April 2021 report is more reflective of stable conditions, 11,200. This is still considerably higher than the assumed

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<sup>2</sup> Prospects for Irish Regions & Counties (Research Series N0. 70), ESRI, 2018

net migration of approx. 8,000 per annum that informed the NPF and RSES projections.

The population projections and targets have informed the ‘evidenced-based’ core strategy of all Development Plans. As the baseline data is not grounded in a robust evidence base, it follows that the calculation of housing demand across individual local authorities is significantly underestimated. The knock-on effect of this is that planning authorities are not reserving an appropriate amount of land to meet the growth in population.

By reviewing and updating the data, the Core Strategy would reflect housing targets for each County which accurately reflect housing need.

## 2.2 Household Size

The review of the NPF must also consider household size as it is a key determinant of housing need. The NPF acknowledges that the average household size is likely to reduce from the 2016 average of 2.75 people to an expected 2.5 people per household by 2040. However, this anticipated reduction is likely conservative having regard to current (2021) household size in our nearest neighbour, the UK, which has an average of household formation of 2.4, with Northern Ireland’s ratio being 2.4, Scotland having 2.1 and Wales 2.3 people per household.

Based on trends in other European countries, the population will likely be arranged into households of 2.2 persons in 2040 and the total housing need would be 2.9 million homes. A total of 2,124,590 permanent dwellings were counted in Ireland during Census 2022.

## 2.3 Obsolescence

According to Dr. Lorcan Sirr 23 houses become obsolete in Ireland *every week*, or 6,394 houses a year. The NPF targets an average of 25,000 homes, or a total of 550,000 per annum over the life of the plan, 2018-2040, or a total of 550,000. Together with the existing dwellings of 2.1 million, by 2040 there would be approx. 2.5 million permanent dwellings in Ireland.

Applying Dr. Sirr’s obsolescence ratio, over the next 18 years approx. 115,000 homes will become obsolete, meaning there will be approx. 2.4m homes available for the estimated 2.9 million need that will arise as household size converges with European trends as set out above. The shortfall in homes will be in the order of 500,000 in 2040.

Even in a scenario where the drop in household size is more conservative, 2.4 per household in 2040, a need of approx. 2.7 million homes would be generated, leaving a 300,000 shortfall in homes.

## 2.4 Outcome

To conclude, unless the errors that inform planning policy are addressed, come 2040, the housing crisis will continue to exist and there will be a deficit of up to 500,000 homes in the State.

When population growth targets are misjudged it not only impacts housing delivery, it also undermines the ability to efficiently deliver supporting public infrastructure and services such as public transport, water services, schools, childcare, hospitals and all other community facilities.

## 3. Recommendation

The IAHB recommend that the Government fulfil its duty to keep the implementation of the NPF under review<sup>3</sup>, and, having regard to the information set out in this submission,

- i. Revise the population projections in the Framework<sup>4</sup> to take account of the preliminary findings of Census 2022.
- ii. Revise assumptions with respect to household size, obsolescence of existing housing stock and net migration rates to align with the most current evidence on these matters.

In line with the commitment in the NPFs *Implementation Roadmap* this review should be co-ordinated with a review of the three Regional Spatial and Economic Strategies (RSESs).

- iii. Revise the three RSES in parallel with the NPF review to ensure consistency in the top tier plans and to avoid the lengthy delays that would occur if one review were to follow the other.

In parallel with the recommendations above, it is necessary to consider how a review of the NPF and RSES may be taken into account in respect of ongoing<sup>5</sup> and forthcoming Development Plan and Local Area Plan review processes. Recent approaches as set out below are instructive and should be adapted and adopted in this circumstance.

The relevant precedents are the amendment to the Planning & Development Act, Number 18 of 2021<sup>6</sup>, and Circular Letter: NRUP 04/2021<sup>7</sup>.

<sup>3</sup> Planning and development Act (PDA) 2000, as amended, s. 20C.(4)

<sup>4</sup> Planning and development Act (PDA) 2000, as amended, s. 20C.(5)(a)

<sup>5</sup> Kildare, Fingal, Donegal, Clare, Leitrim & Sligo

<sup>6</sup> <https://www.irishstatutebook.ie/eli/2021/act/18/enacted/en/pdf>

<sup>7</sup> <https://www.opr.ie/wp-content/uploads/2021/08/Circular-NRUP-04-2021-Draft-Guidelines-on-Development-Plans.pdf>

The amendment to the PDA inter alia responded to the exceptional circumstances brought about by the pandemic. It introduced provisions whereby a planning authority and/ or the members could having regard to the extraordinary circumstances arising from Covid-19 and the subsequent disruption to the completion of the review and preparation of a new development plan, apply a further period of up to but not exceeding one year to complete the review and to prepare and make a new development plan for its functional area.

Separately, the Circular Letter was issued to all County Councils in August 2021 to inform of the issuing of Development Plans, Draft Guidelines for Planning Authorities. The Circular dealt with how the Draft Guidelines may be taken into account in respect of ongoing review processes and the following guidance was provided;

*“While it is not possible to address each individual development plan review in a circular, any such consideration should be subject to the following:-*

- *the stage of the review process the plan in question is at;*
- *the extent to which matters of process and methodology set out in the Draft Guidelines may apply to the plan under review (i.e. give rise to material addition and/or change), and*
- *whether there is reasonable scope to address any such applicability as part of the ongoing plan review process, taking into account remaining periods of public consultation, reporting and decision making and any need for environmental assessment.*

*In some instances where a development plan is nearing completion, it may be preferable to complete the review process and to address any matters arising by way of subsequent variation.*

*In other cases, likely to be at an earlier stage of the plan review process, it may be appropriate to consider whether an extension of the review period would provide sufficient scope to address any matters arising. In general terms, the earlier the stage in the review process a plan is at, the more likely it is that the Draft Guidelines may be taken into account without any need for variation or extension.”*

It would be reasonable to consider a similar approach in this exceptional circumstance, i.e., to advise planning authorities that they may avail of three options;

- a) Extend the duration of the existing Development Plan/Local Area Plan to align with the programme for the review of the NPF and RSES.

- b) Apply a further period to complete the review of the Development Plan/Local Area Plan to align with the programme for the review of the NPF and RSES.
- c) Vary the Development Plan to align it with the higher order planning policy.

By adopting this approach, the situation of lower order plans not being consistent with top tier planning policy and subsequently individual development proposals likely being in material contravention of a Development Plan would be avoided. This is important having regard to the experience over the last years where almost all strategic housing developments materially contravened the respective development plan as they were not aligned with higher order planning policy changes.

## 4. Conclusion

The implications of being conservative with population forecasts and household size in national planning policy should not be underestimated. It is these parameters that guide the Government's investment strategy in public services.

Between 2016 and 2022, the average annual population growth was 60,279. To achieve the current NPF forecast population of 5.7 million in 2040, this annual growth would need to almost halve.

The 2022 Census is likely a conservative estimate as it will not account for a significant proportion of the almost 55,000<sup>8</sup> Ukrainian nationals now residing in Ireland.

Neither the Census nor the ESRI projections that underpin the NPF account for 'environmental migration' patterns. It is likely that Ireland's temperate climate will act as a 'pull' factor for international environmental migrants from more vulnerable locations.

The analysis of the population of Counties Wicklow and Kildare demonstrates that the actual population change that is occurring is much higher than anticipated by the NPF and RSES and the consequences of not planning for this appropriately will deepen the housing crisis.

The population surge of the last six years means a radical revision of housing supply targets will be required to meet the consequent rise in demand for

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<sup>8</sup> <https://www.cso.ie/en/statistics/population/arrivalsfromukraineinireland/>

new dwellings. This must be coupled with resilience planning where a realistic headroom is factored to account for force majeure events such as a pandemic, a war, or human mobility linked to climate change.

The preliminary results of Census 2022 provide sufficient data to now commence a review of the NPF. The Minister's commitment to the review is welcomed by the IAHB, however, doing this in a timely manner is critical to ensure that planning policy does not contribute to a deepening of the housing crisis in the years ahead. Immediate action as outlined in the proposed recommendations would avoid this.

Afterall, a key quality of all good plans is their ability to be flexible and to anticipate, respond and adapt to changing circumstances in a timely manner. Plans that don't embrace change are at a high risk of failing to deliver on their core objectives.



**Future Analytics**

# Review of Population and Housing Needs

**An alignment analysis using preliminary Census  
2022 data for Co. Wicklow and Co. Kildare**

On behalf of the Construction Industry Federation

November 2022



## Executive Summary

This report conducts a review of population growth and corresponding housing needs in context of the preliminary Census 2022 results, published by the Central Statistics Office (CSO). A review of two test counties (Wicklow and Kildare) was undertaken to examine alignment with policy targets as noted in relevant draft County Development Plans. In both cases, a divergence is identified, between observed and anticipated growth, and planned targets. This divergence is anticipated to grow substantially if adjustment to established National Planning Framework targets is not considered.

Summary findings for both test counties are set out as follows:

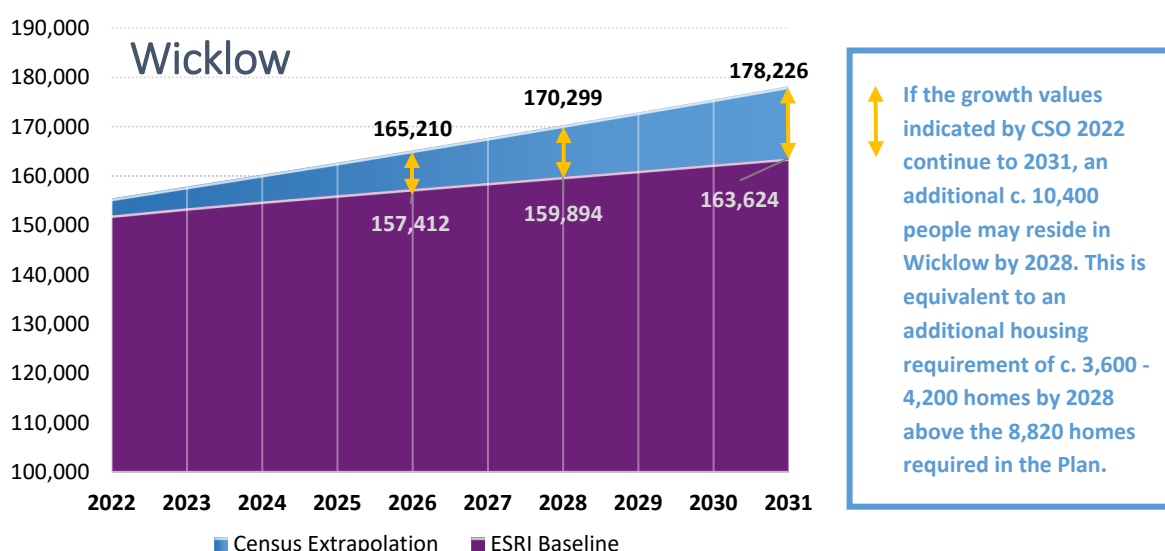
### A. Wicklow

- The newly adopted *Wicklow County Development Plan 2022-2028* (CDP 2022)<sup>1</sup> sets a housing delivery target for Wicklow County Council (WCC) of 8,820 new homes, which reflects the National Planning Framework (NPF).
- The preliminary 2022 Census figures for Wicklow suggest a potential population divergence of +2.3% (additional c. 3,500 people) above the established NPF population projections adopted into the CDP 2022. This indicates that an additional c. 10,400 persons may reside in the County by 2028 than previously projected.
- If a representative Average Household Size (AHS) range is applied, this population may generate a requirement for an additional c. 3,600-4,200 homes above the current Housing Supply Target (HST). As such, an adjusted HST of 12,420-13,020 homes is indicated for Wicklow from 2023-2028.

Table 1a: Indicative Adjustment to Housing Supply Target – Wicklow. Source: KPMG-FA.

Housing Supply Target (HST) 2022-2028	Additional Requirement Arising from Population Divergence	Adjusted HST 2022-2028
8,820 homes	+ c. 3,600-4,200 homes	12,420 – 13,020 homes

Figure 1b: Estimated Population Divergence in Wicklow to 2031. Source: ESRI and KPMG-FA.



<sup>1</sup> Note that the *Wicklow CDP 2022-2028* is subject to a Ministerial Direction and is under public consultation until 16 November 2022.

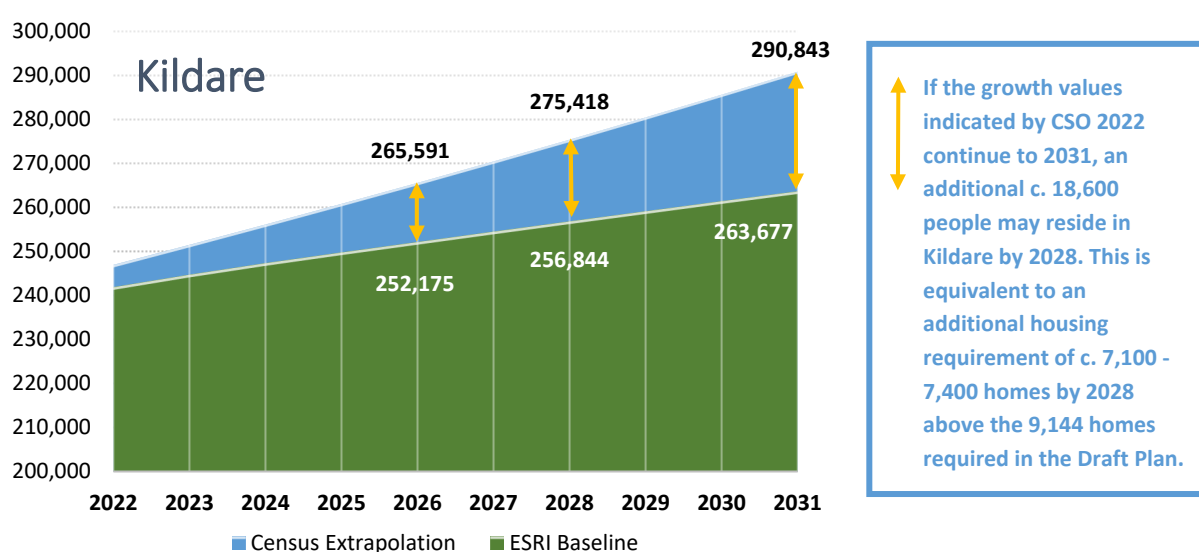
## B. Kildare

- In the *Kildare County Development Plan 2017-2023 (as varied)*, Kildare County Council (KCC) set an adjusted HST of 6,023 homes for 2020-2023 to reflect the NPF projections. The *Draft Kildare County Development Plan 2023-2028* sets a new HST of 9,144 homes for 2023-2028 (to Q4).
- The preliminary 2022 Census figures for Kildare suggest a potential population divergence of +2.1% (additional c. 5,000 people) above the established NPF population projections under consideration in the Draft County Development Plan. This indicates that an additional c. 18,600 persons may reside in the County by 2028 than previously projected.
- If a representative Average Household Size (AHS) range is applied, this population may generate a requirement for an additional c. 7,100-7,400 homes above the current Housing Supply Target (HST). As such, an adjusted HST of 16,244-16,544 homes is indicated for Kildare from 2023-2028 (to Q4).

Table 2a: Indicative Adjustment to Housing Supply Target – Kildare. Source: KPMG-FA.

Housing Supply Target (HST) 2023-2028 (to Q4)	Additional Requirement Arising from Population Divergence	Adjusted HST 2023 – 2028 (to Q4)
9,144 homes	+ c. 7,100 – 7,400 homes	16,244 – 16,544 homes

Figure 2b: Estimated Population Divergence in Kildare to 2031. Source: ESRI and KPMG-FA.



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# 1.0 Introduction

KPMG Future Analytics (KPMG FA) of 1 Stokes Place, Dublin 2 have been commissioned by the Construction Industry Federation (CIF) to prepare an independent review of population growth and housing needs in Counties Wicklow and Kildare, with respect to planned targets. The review considers the latest release of preliminary population results from the Central Statistics Office (Census 2022).

## 1.1 Scope of the Report

In looking at the two counties of **Wicklow** and **Kildare** as test areas for further analysis, the scope of this review was to assess implications stemming from the release of the preliminary Census results in each area.

This review has considered the following:

### — Housing Supply Requirements

A review of the County Development Plan (CDP) was undertaken for each County to assess the change in the level of housing delivery proposed in line with the applicable population projections of relevance at the time of publication.

### — Population Growth and Alignment

A comparison of the population projections applied in each County's core strategy was undertaken, with a view on potential implications of the preliminary Census 2022 findings on the growth profiles of each area provided for reference purposes.

The report is structured to review and reflect on each County by itself, concluding with preliminary findings and recommendations for further analysis.

The review reflects a preliminary analysis, given the nature of the Census data, which examines whether any significant observations between planned population and housing targets (under the National Planning Framework (NPF) and as set out in the adopted or draft County Development Plans where applicable) may have arisen, both to the present time and across both Counties' Plan periods.

# 2.0 Wicklow

## 2.1 Housing Supply Targets

A review of the recently adopted *Wicklow County Development Plan 2022-2028* (Wicklow CDP)<sup>2</sup> was undertaken to assess the population projections and relevant level of housing delivery proposed in the Core Strategy of the document at the time of publication.

The Wicklow CDP anticipates population growth of +27,233 persons across the county to 2031, in line with the National Planning Framework (NPF) and sets out a new Housing Supply Target (HST) of 8,820 homes for 2022-2028.

Table 2-1 Wicklow CDP 2022-2028 – NPF Methodology

Population Target Q2.2028	Housing Growth Q3.2022- Q2.2028	Population Change 2016 - 2031	Housing Supply Target 2022-2028
169,658	+8,467 homes	+27,233	8,820 homes

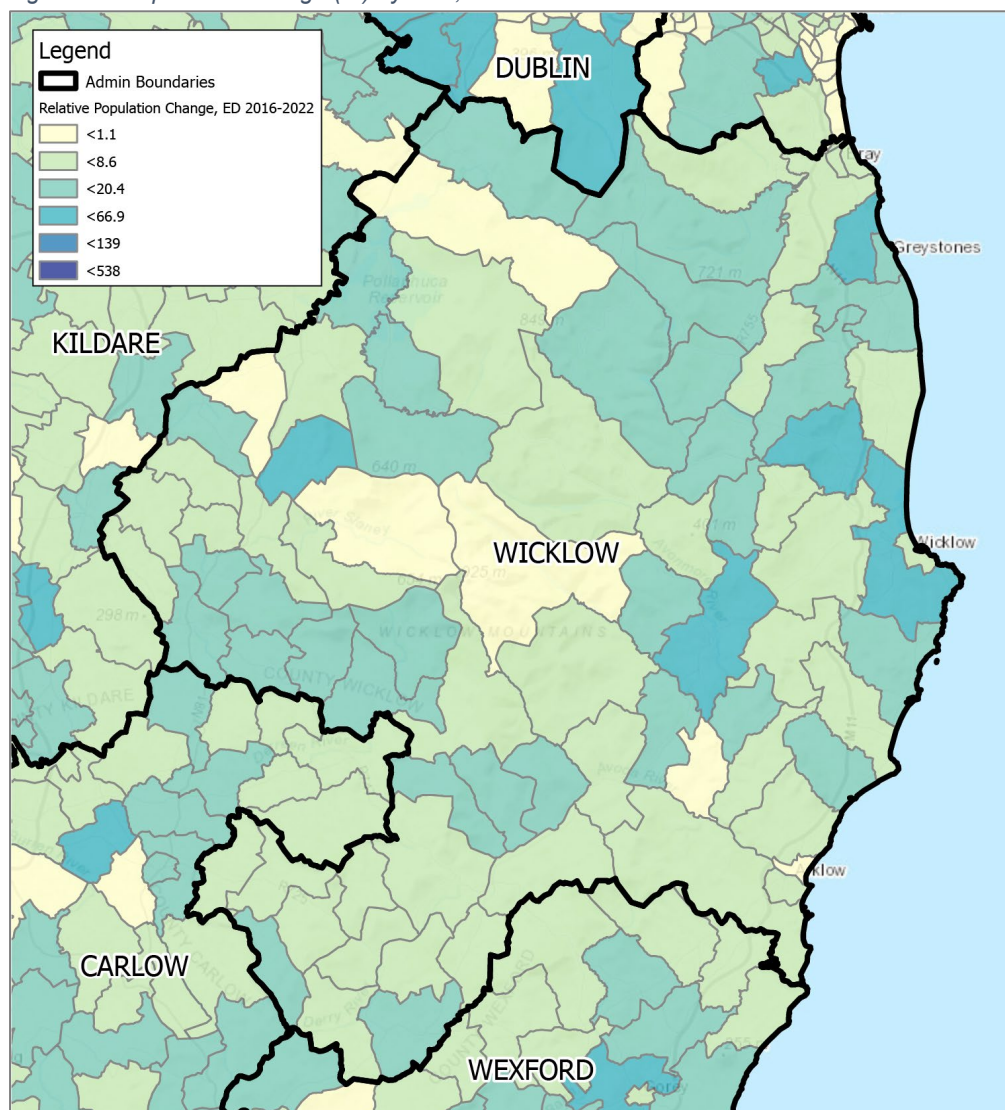
<sup>2</sup> As adopted 12 September 2022, with effect from 23 October 2022. We note that this Plan is subject to a Ministerial Direction and is under public consultation until 16 November 2022. Source: <https://www.wicklow.ie/Living/Services/Planning/Development-Plans-Strategies/National-Regional-County-Plans/Wicklow-County-Development-Plan-2022-2028/Stage-7>

## 2.2 Population Distribution – 2016 and 2022

A review of the population projections applied in the Core Strategy of the newly adopted Wicklow CDP was undertaken, with a view on the potential implications of the preliminary Census 2022 findings on the growth profile of Wicklow provided for reference purposes.

Preliminary population figures from the 2022 Census indicate that growth areas within Co. Wicklow are largely concentrated along the M11 and coastal areas to the east, with Greystones, Wicklow, Rathnew, Ashford and Rathdrum demonstrating significant increases, as well as Donard on the western boundary of the county.

Figure 2-2 Population Change (%) by EDs, 2016 to 2022 – Co. Wicklow. Source: CSO/KPMG-FA.



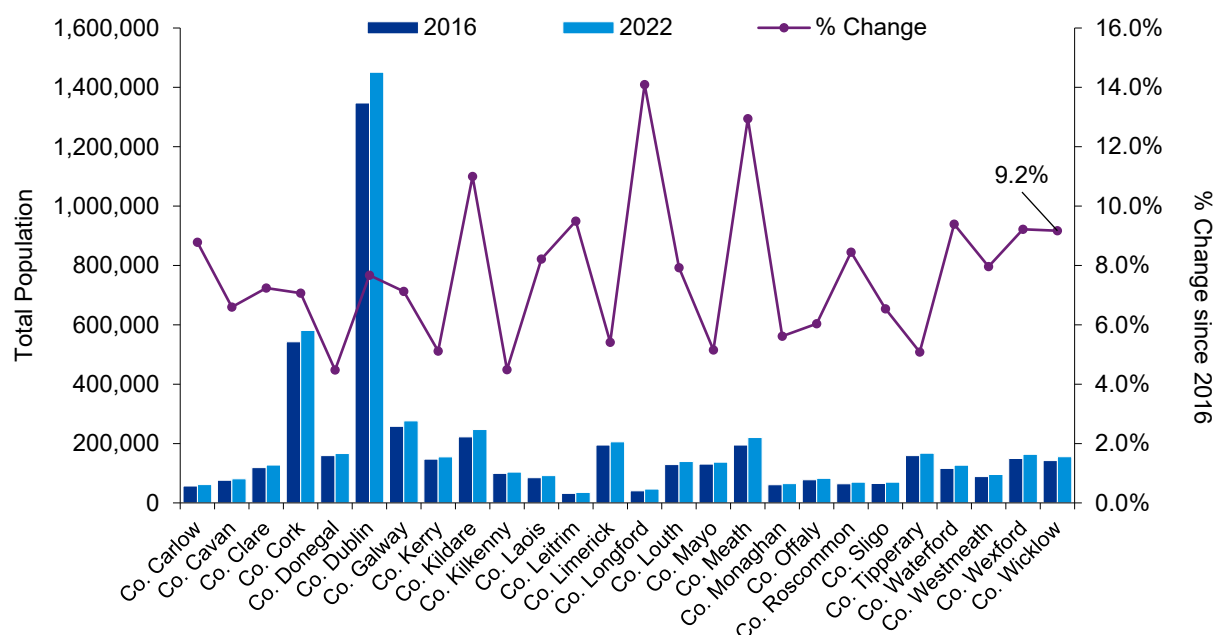
## 2.3 Population Projections to 2022 – Expected and Actual

The preliminary population figures published by Census 2022 suggest a +2.3% higher population within Co. Wicklow than previously indicated by the ESRI Baseline Projections and c. 9.2% increase overall on the previous 2016 population. This divergence (comprising c. 3,400 additional persons) is on par with the figures reported for Co. Kildare and higher than the c. 0.9% reported for Co. Dublin (comprising the 4 Local Authorities of Dublin City, South Dublin, Fingal and Dun Laoghaire-Rathdown).

Table 2-3 Comparison of ESRI Baseline Projections against CSO Census 2022 population. Source: CSO/ESRI.

County	ESRI Baseline Projections 2022	CSO Census 2022	Difference (Actual – Projections)	Percent Difference
Dublin	1,463,740	1,450,701	13,039	+0.9%
Kildare	241,918	246,977	5,059	+2.1%
<b>Wicklow</b>	<b>152,047</b>	<b>155,485</b>	<b>3,438</b>	<b>+2.3%</b>

Figure 2-4 County Level Population and Percent Change. Source: CSO Census 2016-2022.



## 2.4 Potential Population Divergence and Additional Housing Requirement

The growth values indicated by the preliminary 2022 Census population figures for Wicklow suggest a +2.3% increase above previously published ESRI Baseline population projections used to develop the NPF targets, indicating additional growth potential within the area. If this level of increase continues year-on-year to the end of the Plan period, a population divergence of c.10,400 persons to 2028 is anticipated for Wicklow, as indicated in Figure 2-6. This represents a cumulative increase of 6.5% on the growth recorded for 2022.

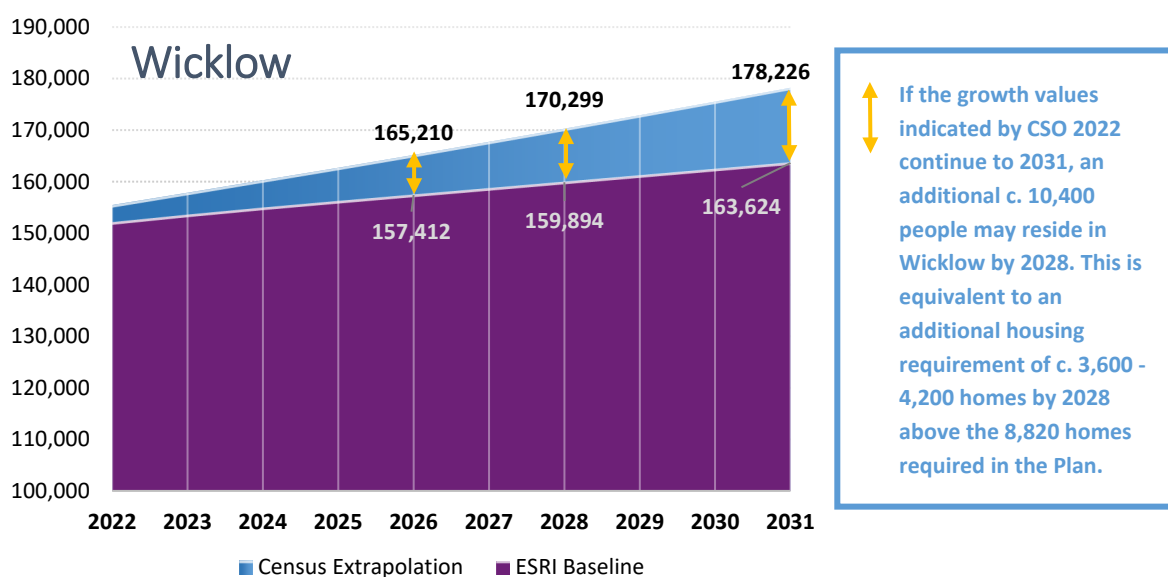
Table 2-5 Comparison of ESRI Baseline Projections against CSO Census 2022 population. Source: KPMG-FA.

Year	ESRI Baseline	Census Extrapolation <sup>3</sup>	Ind. Cumulative Population Divergence (#)	Ind. Cumulative Population Divergence (%)
<b>2022</b>	152,047	155,485	3,438	2.3%
<b>2023</b>	153,516	157,861	4,345	2.8%
<b>2024</b>	154,885	160,274	5,389	3.5%
<b>2025</b>	156,157	162,723	6,566	4.2%
<b>2026</b>	157,412	165,210	7,798	5.0%
<b>2027</b>	158,655	167,735	9,080	5.7%
<b>2028</b>	<b>159,894</b>	<b>170,299</b>	<b>10,405</b>	<b>6.5%</b>

<sup>3</sup>Methodology Note: The 'Census Extrapolation' population is an increase of the 2022 County population based on an annualised growth rate derived from the observed 2016-2022 intercensal population change (and not the level of divergence between the preliminaries and the identified ESRI figures; it would be higher if done so, but less reflective of actual pace of demographic change observed).



Figure 2-6 Potential Population Divergence in Wicklow to 2031. Source: ESRI and KPMG-FA.



As this increase has not been accounted for in the current HSTs for the County, further analysis is required to determine the potential impacts on housing requirements and locational demand. If an Average Household Size (AHS) range is applied to this population, a representative housing requirement can be estimated.

In lieu of updated household statistics for 2022, an indicative AHS range of between 2.87 (last published AHS for Wicklow from 2016) and 2.5 (the national AHS by 2040 as published in the NPF) has been used to assess the total population divergence to 2028 and suggests an equivalent shortfall of c. 3,600-4,200 homes within Wicklow by the end of the Plan period.

Table 2-7 Estimated Housing Requirement Calculation. Source: KPMG-FA.

Year	Ind. Cumulative Population Divergence (#)	Ind. Average Household Size (AHS)	Estimated Housing Requirement (homes)
2022	3,438	Assessing both: 2.87 persons – 2016, & 2.5 persons – NPF <sup>4</sup>	1,198 – 1,375
2023	4,345		1,514 – 1,738
2024	5,389		1,878 – 2,156
2025	6,566		2,288 – 2,626
2026	7,798		2,717 – 3,119
2027	9,080		3,164 – 3,632
2028	10,405		3,625 – 4,162

## 2.5 Preliminary Findings

The newly adopted Wicklow CDP anticipates population growth of +27,233 persons across the county to 2031, in line with the National Planning Framework (NPF) and sets out a new Housing Supply Target (HST) of 8,820 homes for 2022-2028.

Indicative extrapolations of the 2022 Census population for Wicklow suggest a potential population increase of c. 3,400 people in 2022, with a further increase of c. 10,400 persons to 2028 against the

<sup>4</sup> Indicative AHS range derived using a high figure of 2.87 persons per household (the CSO average for Wicklow in 2016) falling to a low figure of 2.5 persons per household (the national AHS by 2040 as published in the NPF).



baseline projections. **This is equivalent to a potential shortfall of c.1,200-1,400 in 2022, compounding to c. 3,600-4,200 homes by 2028.**

We note that the difference in the projected and actual population could lead to an over-reduction of the quantum of zoned land for the county and a further examination of requirements on a settlement-by-settlement basis to address to this divergence and the related allocations may be required.

## 3.0 Kildare

### 3.1 Housing Supply Targets

A review of the *Kildare County Development Plan 2017-2023* (CDP) and *Draft Kildare County Development Plan 2023-2028* (Draft CDP) was undertaken to assess the population projections and relevant level of housing delivery proposed in the Core Strategy of each document at the time of publication.

Variation 1 to the *Kildare County Development Plan 2017-2023* (CDP) was made in June 2020 to address the release of the latest *National Planning Framework* (NPF) projections and set a revised Housing Supply Target (HST) of 6,023 homes for 2020-2023.

Table 3-1 Kildare CDP 2017-2023, Variation 1 – NPF Methodology

Population Target - 2026	Projected Population Growth 2020-2023	Housing Target 2020-2023
249,000 - 254,000	+16,863	6,023 homes

The newly published *Draft Kildare County Development Plan 2023-2028* (Draft CDP) targets are also based on NPF projections and Housing Supply Targets (HSTs) as set out by DHLGH in December 2020, with a new HST of 9,144 homes set for 2023-2028 (to Q4).

Table 3-2 Draft Kildare CDP 2023-2028 – NPF Methodology

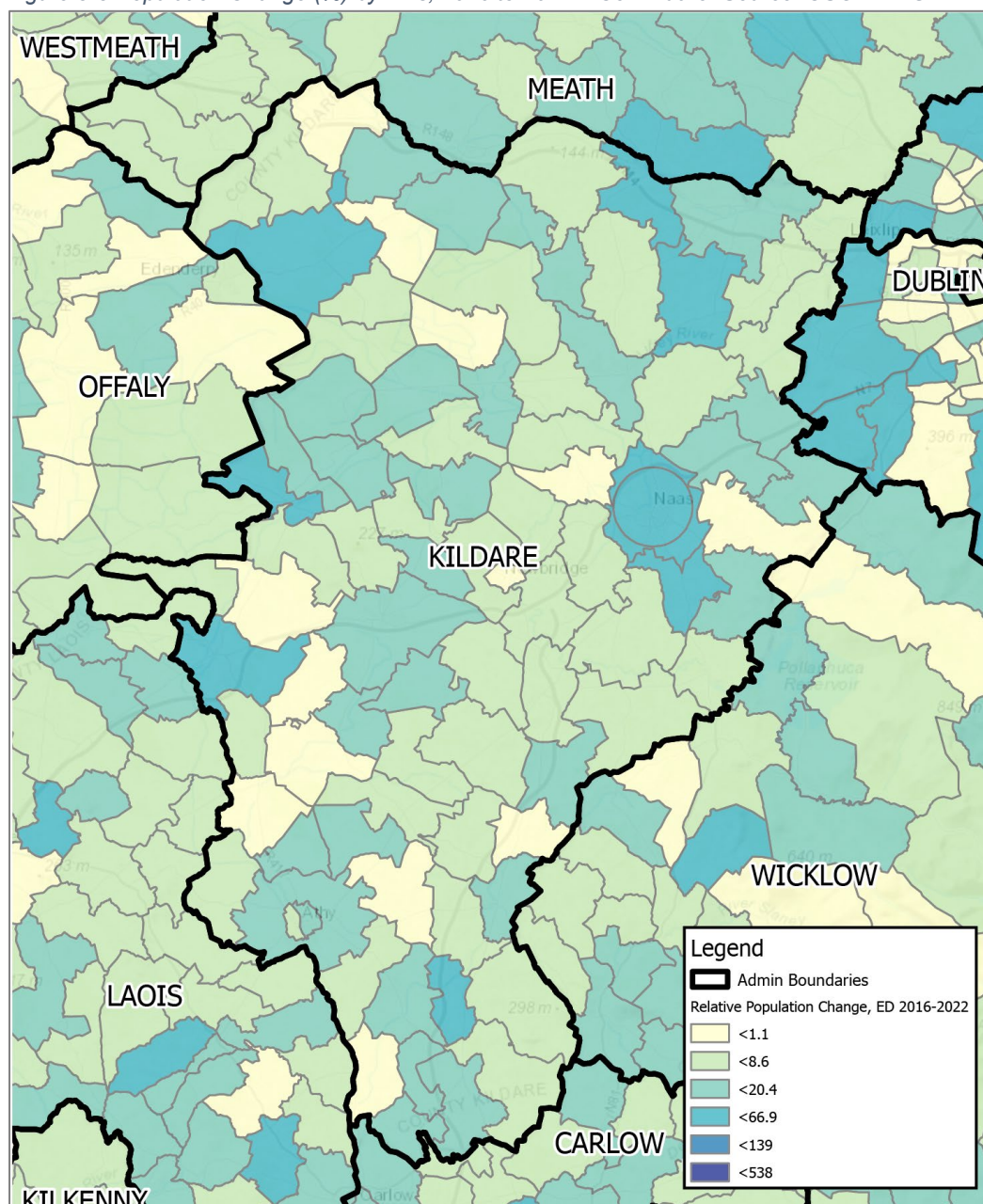
Population Target - 2026	Population Target 2023-2028 (to Q4)	Population Change 2023-2028 (to Q4)	Housing Target 2023-2028 (to Q4)
249,000 - 254,000	260,533	+25,146	9,144 homes

A comparison of the population projections applied in the Core Strategy of both the *Kildare County Development Plan 2017-2023* and *Draft Kildare County Development Plan 2023-2028* was undertaken, with a view on the potential implications of the preliminary Census 2022 findings on the growth profile of Kildare provided for reference purposes.

### 3.2 Population Distribution – 2016 and 2022

Preliminary population figures from the 2022 Census indicate significant growth areas within the Kildare settlement areas of Naas, Rathangan, Monasterevin, and the Kilkea environs in the central and southern portions of the County, as well as Carbury, Kilcock and Straffan to the north.

Figure 3-3 Population Change (%) by EDs, 2016 to 2022 – Co. Kildare. Source: CSO/KPMG-FA.



### 3.3 Population Projections to 2022 – Expected and Actual

The preliminary population figures published presented by Census 2022 suggest a +2.1% higher population within Co. Kildare than previously indicated by the ESRI Baseline Projections and c. 11% increase overall on the previous 2016 population. This divergence (comprising c. 5,000 additional persons) is on par with the figures reported for Co. Wicklow and higher than the c. 0.9% reported for Co. Dublin (comprising the 4 Local Authorities of Dublin City, South Dublin, Fingal and Dun Laoghaire-Rathdown).

Figure 3-4 County Level Population and Percent Change. Source: CSO Census 2016-2022.

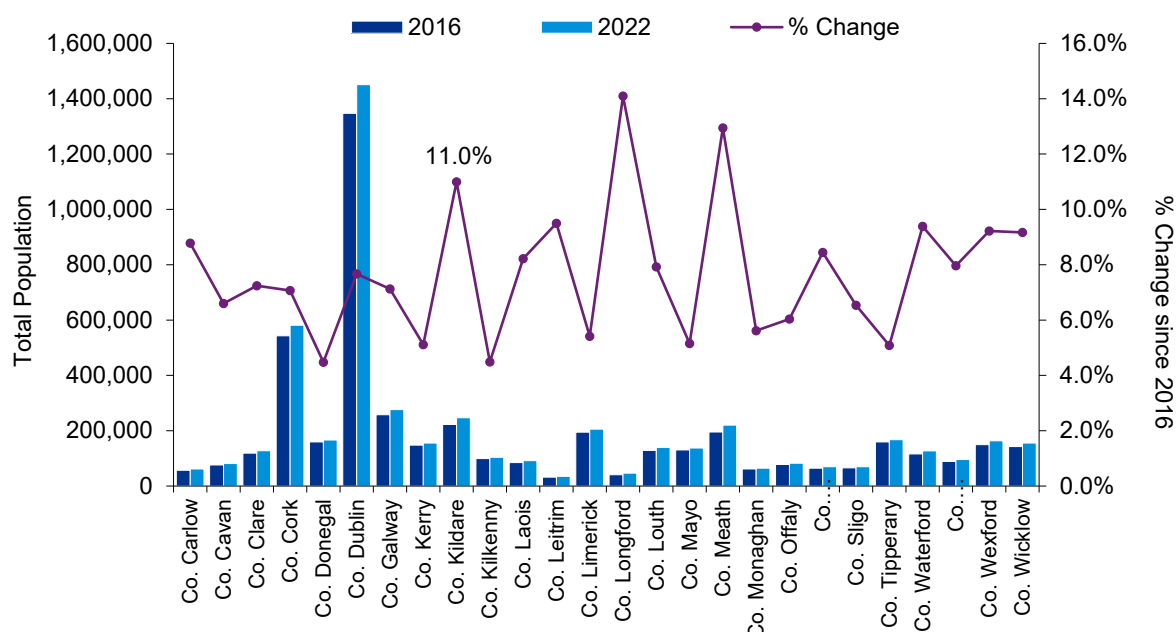


Table 3-5 Comparison of ESRI Baseline Projections against CSO Census 2022 population. Source: KPMG-FA.

County	ESRI Baseline Projections 2022	CSO Census 2022	Difference (Actual – Projections)	Percent Difference
Dublin	1,463,740	1,450,701	13,039	+0.9%
<b>Kildare</b>	<b>241,918</b>	<b>246,977</b>	<b>5,059</b>	<b>+2.1%</b>
Wicklow	152,047	155,485	3,438	+2.3%

### 3.4 Potential Population Divergence and Additional Housing Requirement

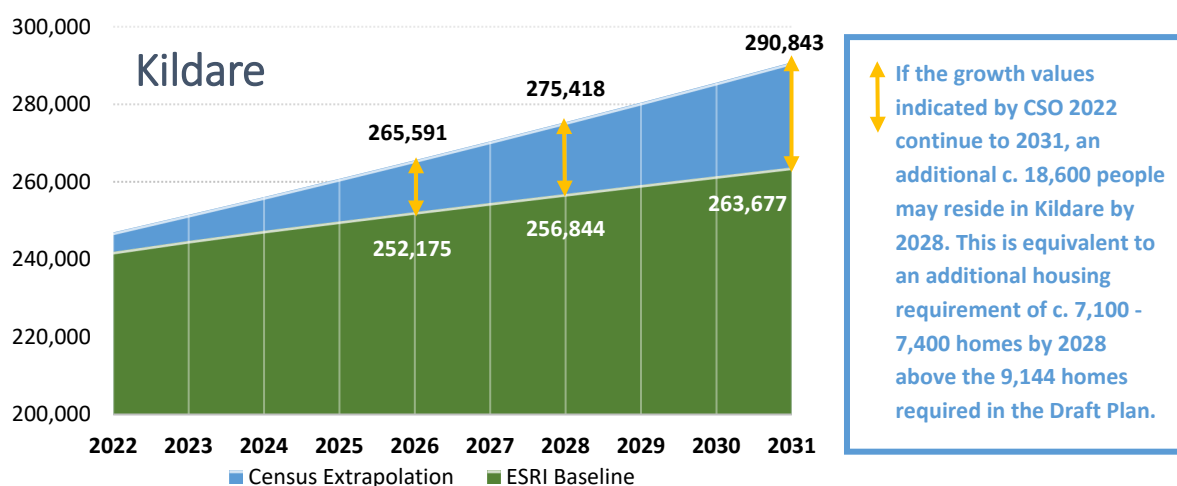
The growth values indicated by the preliminary 2022 Census population figures for Kildare suggest a +2.1% increase above previously published ESRI Baseline population projections used to develop the NPF targets, indicating additional growth potential within the area. If this level of increase continues year-on-year to the end of the Plan period, a population divergence of c. 18,600 persons to 2028 is anticipated for Kildare, as indicated in Figure 3-7. This represents a cumulative increase of 7.2% on the growth recorded for 2022.

Table 3-6 Comparison of ESRI Baseline Projections against CSO Census 2022 population. Source: KPMG-FA.

Year	ESRI Baseline	Census Extrapolation <sup>5</sup>	Ind. Population Cumulative Divergence (#)	Ind. Cumulative Population Divergence (%)
<b>2022</b>	241,918	246,977	5,059	2.1%
<b>2023</b>	244,726	251,504	6,778	2.8%
<b>2024</b>	247,346	256,115	8,769	3.5%
<b>2025</b>	249,787	260,810	11,023	4.4%
<b>2026</b>	252,175	265,591	13,416	5.3%
<b>2027</b>	254,524	270,460	15,936	6.3%
<b>2028</b>	<b>256,844</b>	<b>275,418</b>	<b>18,574</b>	<b>7.2%</b>

<sup>5</sup> Methodology Note: The 'Census Extrapolation' population is an increase of the 2022 County population based on an annualised growth rate derived from the observed 2016-2022 intercensal population change (and not the level of divergence between the preliminaries and the identified ESRI figures; it would be higher if done so, but less reflective of actual pace of demographic change observed).

Figure 3-7 Potential Population Divergence in Kildare to 2031. Source: ESRI and KPMG-FA.



As this increase has not been accounted for in the current HSTs for the County, further analysis is required to determine the potential impacts on housing requirements and locational demand. If an Average Household Size (AHS) range is applied to this population, a representative housing requirement can be estimated.

In lieu of updated household statistics for 2022, an indicative AHS range of between 2.63 (last published AHS for Kildare from 2016) and 2.5 (the national AHS by 2040 as published in the NPF) has been used to assess the total population divergence to 2028 and suggests an equivalent shortfall of c. 7,100-7,400 homes within Kildare by the end of the Plan period.

Table 3-8 Estimated Housing Requirement Calculation. Source: KPMG-FA.

Year	Ind. Cumulative Population Divergence (#)	Ind. Average Household Size (AHS)	Estimated Housing Requirement (homes)
2022	5,059	Assessing both: 2.63 persons – 2016, & 2.5 persons – NPF <sup>6</sup>	1,924 – 2,024
2023	6,778		2,577 – 2,711
2024	8,769		3,334 – 3,508
2025	11,023		4,191 – 4,409
2026	13,416		5,101 – 5,366
2027	15,936		6,059 – 6,374
2028	18,574		7,062 – 7,430

### 3.5 Preliminary Findings

The Kildare CDP was varied in June 2020 to take account of the latest NPF figures, resulting in an adjusted HST of 6,023 homes for 2020-2023 (Q1). The newly published Draft CDP sets a new HST of 9,144 homes for 2023-2028 (to Q4).

Indicative extrapolations of the 2022 Census population for Kildare suggest a potential population increase of c. 5,100 people in 2022, with a further increase of c. 18,600 persons to 2028 against the baseline projections. **This is equivalent to a potential shortfall of c.1,900-2,000 homes in 2022, compounding to c. 7,100-7,400 homes by 2028.**

<sup>6</sup> Indicative AHS range derived using a high figure of 2.62 persons per household (the CSO average for Kildare in 2016) falling to a low figure of 2.5 persons per household (the national AHS by 2040 as published in the NPF).

We note that the difference in the projected and actual population could lead to an over-reduction of the quantum of zoned land for the county and a further examination of requirements on a settlement-by-settlement basis to address to this divergence and related allocations may be required.

## 4.0 Summary Conclusions

This review has shown that **a sizable divergence now exists** between planned population (under the National Planning Framework (NPF)) and actual population (as per the preliminary Census 2022) in the two test counties of Wicklow and Kildare. Further, it describes how the corresponding Housing Supply Targets (HSTs) in each area, **are falling short** at present, and **will continue to fall short** of anticipated demand through the lifetime of both counties' Plan periods if not adjusted.

Since the introduction of the National Planning Framework and its distillation in all Regional and Local levels of planning, there has been an acknowledgement that the underlying basis for targeted growth and development aligned only to a single set of baseline projections for change and anticipated housing need. In recent times, there has been realisation and enhanced practice in the setting out of further growth scenarios. However, since their first establishment, there has been an increasing number of influential factors bearing down on these assumption sets (higher migration, Brexit, Covid, recovery), which have not adequately been factored in as of yet. This has resulted in a number of foundational assumptions being used for local policy and practice, that has simply not kept pace nor is equipped to keep pace with what is being shown as observable change.

Further, the interaction between these targets from national level to local levels, through County Development Plan Core Strategies, has led to detailed consideration being given to zoning quanta to meet this targeted demand; with this demand linked to growth assumptions and policy-driven allocations that may no longer conform to the pattern or scale of observable change.

A significant risk of divergence between how population change is being planned for, and what has happened and is conservatively likely to continue happening (in certain growth locations), is therefore evidenced by the type of review this report has set out. Counties Wicklow and Kildare are just two examples of a wider systemic risk.

Consequently, a concern on targets is also a concern on realisable zoning, pipeline consents and the application of NPF policy as intended. What is clear, is that near term growth in both test counties assessed is out of alignment with policy-driven expectations and is set to continue to move rapidly beyond them. Adequate planned capacity to allow for reasonable adjustment is increasingly needed – both in context of targets being set, but also in appropriate channels of provision (zoning, services, supply).

A review of applicable targets and associated channels of provision will need to be considered urgently to address the divergences observed, and to prevent **a compounding rate of divergence** from emerging and taking root in both test counties. The implications in addressing this heightened level of need are therefore quite significant, and likely to intersect acutely with how the existing allocation and designation of zoned lands deemed suitable to address outpaced targets may leave each county exposed to under-provision.

It should be noted that the realisation of zoned and serviced land into housing generally can be problematic in some locations, and whilst not within scope of assessment of this report to establish a concrete view for either County, it is the view of KPMG Future Analytics that in many areas across the country, shovel-ready zoned land capacity for delivery by private industry should not be assumed to exist in any great volume.

In many instances, and in many locations, lands zoned can present heightened levels of challenge to industry due to various constraints, for instance:



1. Geographical constraints
2. Biodiversity constraints and other environmental factors.
3. Land use constraints.
4. Other lands zoned for residential development which continue to have public uses attached to them.
5. Title and fractured ownership.
6. Contamination and remediation costs often associated with brownfield sites.
7. Utility constraints – in many instances it is quite costly to provide infrastructure and other public utilities to the land or even to achieve landbank access due to other constraints. Often the upgrade or delivery of infrastructure is outside the control of the developer.
8. Transport constraints – land access and the identification of transport corridors and the financing of transport corridors.
9. Judicial Review and local opposition to new development can stymie housing delivery for years.

Therefore, in consideration of the above and in how the observable and growing divergence in population and housing need has been shown to exist for both Counties Wicklow and Kildare, **urgent and data-driven reconsideration at County Development Plan and Core Strategy level is now needed**. The additional demand may need commensurate consideration in how zoning and utilisation of lands might best provide a resolution, beyond what current plans have made provision for.

## 5.0 Recommendations for Further Analysis

Given the nature of the preliminary census statistics at this time, as well as the in-progress status and availability of finalised data for each County in relation to final adopted population and housing targets (not least the corresponding sub-county allocations and zoning mapping), it is prudent to stress that **additional supplemental analyses should be undertaken** in due course to extend and develop a further robust and evidenced position on subcounty implications arising from continued misalignment of demographic and housing targets. The following are four such areas for further consideration:

- Additional investigation of other Local Authority areas should be considered, as the test cases are indicative of wider systematic concerns over alignment between targets and observed growth, as there is potential for divergence in other counties which surround large urban areas (i.e., Dublin and Cork).
- More rigorous population projections for each County are required which take account of the larger demographic and macroeconomic trends (beyond the extrapolation applied in this report) which may impact the growth trajectory of the population and provide greater clarity around the potential housing shortfall in each area.
- A detailed site-by-site assessment is also required to determine the true capacity of zoned 'New Residential' lands for further delivery at settlement-level in either County and to assess whether intervention is necessary to meet Housing Supply Targets (HSTs) in each area, as the identified landbank may be constrained by servicing or access arrangements, ownership issues, existing uses, or other demands on land availability. This work is necessary to ensure that there is adequate land zoned (and related 'headroom' built into the Plans) to cater for appropriate housing targets which takes into account the various factors that impede delivery.
- A detailed planning review of the residential applications pipeline within each County should also be undertaken to determine the location and viability of planned developments with respect to current and proposed zoning allocations, infrastructure requirements and other potential land use constraints.

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