



Irish Home Builders Association

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ALL MEMBER CIRCULAR

Re: Government's Action Plan for Housing & Homelessness

21 July 2016

Dear Member,

The Government's Action Plan on housing "Rebuilding Ireland" was launched on 19 July. The government has targeted the construction of over 25,000 units per annum on average over the period of the Plan [2017 – 2021].

From a house builder's/ contractor's perspective, the Action Plan addresses some key issues, highlighting its approach to:

- Driving delivery within the Department and with local authorities through the Housing Delivery Office which will be established shortly;
- Tackling infrastructure and funding impediments through the Local Infrastructure Housing Activation Fund (LIHAF) (€200m);
- NTMA through the ISIF development of proposals to offer competitive financing on a commercial basis for infrastructure requirements on large residential development sites where responsibility for delivering this infrastructure falls to individual developers or a consortia of developers;
- Fast tracking the planning process by enabling larger housing applications of 100+ units to go direct to An Bord Pleanála;
- Undertaking a root and branch review of the planning system to be undertaken by Q1 2017. Further consideration is to be given to extend the duration of extant planning permissions that have already benefitted from one extension of duration.

While The Action Plan addresses major key issues relating to the planning, infrastructure and subsequent development/ construction of housing developments, its success is dependent on the commitment by Ministers for inclusion of measures to support the first time buyer in the October Budget for 2017. This is required to ensure that willing purchasers have the capacity to complete purchase of their new first time buyer home. Ministers have indicated that these measures will be included in Budget 2017 and will be back dated to 19 July 2016.



The remit of the Housing Delivery Office will be to work across the entire range of stakeholders to accelerate both private and social housing on key sites, identify further mechanisms to accelerate delivery and resolve barriers to delivery. In this respect, you might advise me of any barriers to you, for example - essential infrastructure or the necessary active engagement with any agency or body to address impediments, in commencing construction on any of your key residentially zoned lands. This can then be brought to the attention of personnel involved in setting up of the Housing Delivery Office for appropriate attention. Action 2.9 refers.

In Q3/4 of 2016, local authorities will issue a call for proposals for development of innovative systems for delivery of affordable high quality residential development on state owned lands. Members may now wish to consider arrangements/ joint venture arrangements by which they might compete for such projects where the successful proposal will secure the site at low cost for provision of the homes. Action 3.1 refers.

In the meantime, landowners particularly in the Greater Dublin and Cork areas who have residentially zoned lands which could benefit from funding available under the Local Infrastructure Housing Activation Fund, should liaise with their local authority immediately to ensure that their land bank could be considered for funding under the LIHAF. Early liaison is recommended at this stage so that a landowner is ready to respond to a public call for proposals which may be made in September 2016.

The Federation is making a detailed Submission to the Central Bank in relation to the review of the Central Bank's Macro Prudential Policy on residential mortgage lending with specific reference to the Loan To income and Loan To Value ratios.

I set out below extracts from the Action Plan in relation to key Actions which are of relevance to the house building sector.

Table of Principal Actions Affecting House Builders

| Action No. | Description of Action | Objective | Timeline | Owner |
|------------|---|--|-----------------|----------------------|
| 2.1 | We will substantially increase the delivery of social housing to 47,000 homes by 2021, with funding of €5.35 billion, particularly focusing on new direct-build projects by local authorities and AHBs. | To meet the social housing needs more quickly across the range of programmes and supports. | Ongoing to 2021 | DHPCLG, LAs, AHBs |
| 2.4 | NTMA will work with the private sector to establish a funding vehicle capable of facilitating off-balance sheet investment in delivering social and private housing, through: <ul style="list-style-type: none"> acquiring properties for onward long-term leasing to LAs and AHBs, and activating new residential construction for the broader build-to-rent sector. | To deliver 5,000 social houses over a five year period. | Q1 2017 | NTMA, DoF, LAs, AHBs |
| 2.8 | We will support the leasing of additional privately developed dwellings beyond the extent envisaged by Part V, including the up-front purchase of the Part V social housing requirement. | To stimulate development and increase social housing stock. | Q3 2016 | DHPCLG; Las; AHBs |

| Action No. | Description of Action | Objective | Timeline | Owner |
|------------|--|---|---|---------------------|
| 2.9 | A dedicated Housing Delivery Office is being established within DHPCLG to support local authorities, AHBs and all stakeholders involved in the delivery of key elements of the ambitious private and social housing targets in this Action Plan. | To accelerate and monitor housing delivery, both private and social, on key sites, identify further mechanisms to accelerate delivery, and support the roll-out of complex construction projects, including identifying and resolving barriers to delivery. | Q3 2016 | DHPCLG |
| 2.12 | We will legislate to streamline Part 8 processes with a particular focus on proposals for social housing projects and infrastructure servicing housing development both public and private. | To expedite the commencement and delivery of such housing development schemes. | Q3 2016 | DHPCLG |
| 3.1 | We will establish a €200m Local Infrastructure Housing Activation Fund, seeking bids from local authorities in conjunction with housing providers in respect of enabling infrastructure for social, affordable rental and private housing delivery on large-scale strategic sites, with the potential to open up lands and deliver housing of the order of 15,000 to 20,000 units by 2019. | To relieve critical infrastructural blockages to enable the delivery of housing on key development sites. To improve the economic viability and purchaser affordability of new housing projects. | Q3 2016 - Call for proposals Q4 2016 - evaluation and finalisation of approved projects Q1 2017 onward - initiation of projects | DHPCLG; Las; |
| 3.3 | The National Treasury Management Agency, through ISIF, will develop proposals to offer competitive financing on a commercial basis, to developers or consortia of developers, to meet on-site and other infrastructure requirements on large development sites. | To facilitate the delivery of on-site infrastructure releasing the delivery of housing on key development sites, thereby improving the economic viability of such developments. | Q3 / Q4 2016 | NTMA |
| 3.4 | We will identify and prioritise the 15-20 key pathfinder sites with a proven capability to quickly deliver a significant scaling-up of new homes, in conjunction with local authorities and other stakeholders. Many of these sites will be opened up through LIHAF funds, and other funding and coordination mechanisms. | To deliver significant scale of new homes on key sites in the main urban areas, through coordinated efforts of the DHPCLG's new Housing Delivery Office. | Q3 2016 - key sites identified. Q4 2016 - initiation of programme for driving delivery of housing. | DHPCLG LAs, AHBs |
| 3.6 | We will legislate to enable larger housing development applications (100+ units) to be made directly to An Bord Pleanála and to extend certain planning permissions that have already benefited from one extension for a further period | To fast-track large-scale residential development planning applications. | Q3/Q4 2016 | DHPCLG ,ABP |
| 3.7 | An Bord Pleanála will prioritise the determination of all planning appeals in relation to large-scale housing developments within the 18-week statutory objective period. | To minimise delays to the consideration and determination of large housing developments. | Q3 2016 | ABP |
| 3.11 | We will establish a competition to champion best practice, efficient and cost effective design and new approaches to both affordable and quality residential delivery. | To develop innovative systems for the delivery of affordable high quality residential development. | Q3/4 2016 – issue call for proposals and evaluate applications. | DHPCLG |

| Action No. | Description of Action | Objective | Timeline | Owner |
|------------|---|---|--------------|-----------------|
| 3.12 | SOLAS will update skills forecasts and work with stakeholders to ensure that mainstream and targeted education and training initiatives support the supply of skills required to deliver the Action Plan. | To ensure that a supply of construction workers is available as the residential construction sector expands. | From Q4 2016 | DES |
| 5.9 | We will review planning legislation to allow the change of use of vacant commercial units in urban areas, including vacant or under-utilised areas over ground floor premises, into residential units without having to go through the planning process. | To facilitate the speedy delivery of homes in urban and rural settings. | Q4 2016 | DHPCLG |
| 5.10 | The Living City Initiative will be reviewed with a view to further enhancing the attractiveness and effectiveness of the Scheme. | To better incentivise private landlords and property owners to bring forward currently vacant residential (including part-commercial) properties for sale and/or private rental. | Q4 2016 | DoF |
| 5.11 | A Ministerial-led Urban Renewal Working Group will bring forward proposals for new urban regeneration measures which will complement the existing regeneration programme and projects under the Social Housing Capital Programme, and strengthen alignment with Social Inclusion and RAPID programmes across local authorities. | To support existing initiatives and explore potential synergies around the revitalisation and improvement of city, town and village centres, including addressing the problem of dereliction in many urban centres. | Q4 2016 | DHPCLG, LAs |
| 5.14 | We will progress a National Taking-In-Charge initiative with €10 million funding from DHPCLG in 2016 coupled to bond and local authority funding. | To accelerate the taking-in-charge process of over 1,500 estates, supported by wider legislative reform of the TIC process. | Q3 2016 | DHPCLG, HA, Las |

A copy of the Action Plan can be sourced at <http://www.environ.ie/housing/policy/launch-rebuilding-ireland-action-plan-housing-and-homelessness>

Should you have any queries in relation to the foregoing, please contact me or any member of the IHBA team.

Regards



Hubert Fitzpatrick
Director