

First Revision to the National Planning Framework Consultation,
Department of Housing, Local Government and Heritage,
Custom House,
Dublin 1,
D01 W6X0.

12th September 2024

The Construction Industry Federation (CIF) and its constituent association the Irish Home Builders' Association (IHBA) make the following reply to the draft Revision of the National Planning Framework (NPF). As the representative body for the Irish Construction and Housebuilding sector we have a keen interest in the NPF and its implications for construction. We welcome the revision of the NPF, and particularly the increased projections for housing to "at least 50,000" units per annum.

The previous NPF was adopted in 2018 before the current rapid growth in population growth and this revision is welcome given that it is the platform on which the future delivery of infrastructure and housing is based. As part of our response, we engaged EY to prepare an economic themed response and Tom Phillips Associates with a planning themed response. These documents are included in our submission.

Our membership is nationally extensive and represents small, medium and large sized enterprises. There is capacity to meet the increased housing demand once the structural constraints around land supply, infrastructure and planning are addressed. This was emphasised during a survey of IHBA members undertaken during July and August 2024. Respondents ranked the biggest challenges to capacity as planning issues, infrastructure/serviced land challenges and land availability. Labour availability was rated as the least important issue. This feedback demonstrates that capacity to deliver housing should be considered holistically, rather than focusing solely on labour availability.

It is important to acknowledge the many different Government initiatives that have been implemented to expedite housing delivery, and the resulting increase in housing supply by the housebuilding sector in recent years. We trust that this illustrates that cooperation and collaboration between the private and public sector is vital to maintain an upward trajectory in delivering homes to the people of Ireland. The continuation of these schemes and stability and certainty around housing policy is essential to increasing housing supply in the coming years. We simply would not be building the number of homes without these schemes. The private sector has the capacity to increase output but can only do so in an environment of policy stability on these schemes and a sufficient supply of zoned and serviced lands. Furthermore, we need a fully

functioning planning system to help mitigate such delays and ensure the future needs of our growing population is sufficiently catered for.

Previous policies looked at maxima as opposed to minima and history has taught us that not all zoned lands are developed in the lifetime of a development plan due to various constraints on activation. The recent Goodbody report illustrates the land activation constraints thoroughly. Therefore, we need to ensure there are minimum housing targets and forward plan to allow utility providers to carefully budget and forecast where the future demand will come from and thus avoid the lengthy delays we have seen in the recent past.

1. Context

Housing supply is dependent on a provision of zoned and serviced land with planning permission that is both viable and affordable. The various schemes and initiatives that have been put in place, such as Help to Buy, First Home Scheme, Project Tosaigh, Croí Cónaithe, and the Development Contribution Waiver and Water Rebate Scheme have all helped address the affordability and viability on some existing sites, many of them with planning permissions in place. The CIF and the IHBA would like to acknowledge the work of the Department of Housing for the implementation of the various initiatives set out above, many of these schemes have supported home ownership, and the CIF and the IHBA is aligned with the Government's objective on encouraging home ownership and new initiatives for public housing supply. However, in recent times our members have reported a major reduction in the availability of zoned and serviced land that can be activated for housing because of this increase in housing output.

The original NPF had a significant impact on the construction industry and the housebuilding sector. Many would say it was conservative in its approach and did not allow for flexibility when this was needed; this should be avoided with this revision. The application and interpretation of the NPF, and the subsequent land use and zoning policies implemented in Local Authority Development Plans, have resulted in an overly restrictive approach to zoning land for residential development. While accepting the need for sequential and sustainable development, models restricting the supply of land zoned for residential development will ultimately reduce availability, increase prices and reduce housing supply. Flexibility in land zoning policies is therefore necessary.

2. Population Growth

Population growth and its impact on housing is notoriously difficult to predict. Our concerns are that the draft document refers to the Economic and Social Research Institute's (ESRI) "Structural Housing Demand" report as the basis for the assessment of housing demand using a revised HNDA tool. In our opinion, this report takes a conservative approach to projections regarding population growth, household sizes, and obsolescence rates.

The ESRI report projects population growth of 922,000 persons between 2022 to 2040. The Annual Macroeconomic Database of the European Commission's (AMECO) Directorate General for Economic and Financial Affairs estimates that the Irish population reached 5,348,700 at the end of 2023, compared to 5,165,000 at the end of 2022. That is a rise of 183,000 in a single year or nearly 20% of the projection to 2040 from the ESRI.¹

Similarly, the CSO published recent analysis of population growth since the Census 2022 showing an increase of nearly 200,000 people from April 2022 to April 2024.² The CSO assessed Ireland's population in April 2024 at 5,380,000 persons. This assessment is in line with the EU assessment and indicates growth far in excess of the ESRI modelling. The Expert Group in the CSO have predicted that the Irish Population may increase to over 7 million people over the next 25 years; it is critical that we now use this revision of the NPF to make a start at putting the foundations in place for this potential future population growth. Further support comes from the recently published Goodbody Report, which completed a detailed assessment on the availability of residential zoned land nationally. It identified that whilst there is enough residential zoned land available across Ireland to deliver 417,000 new homes, most of this land is not located where households are situated.³

In their report, The Housing Commission provide a range of growth scenarios to 2050 and the impact on housing demand. It is crucial that the higher range of growth scenario is utilised in our planning policies and infrastructural provision. Furthermore, the report analyses pent up demand and goes on to state that there was a backlog of 256,000 units before future projections are even considered.

Recommendation 1: We believe that to cater for our accelerating population growth and to cater for the pent-up demand we need to be planning for at least 60,000 units per annum. The Central Statistics Office (CSO) estimates, the EU analysis of our population growth and the pent-up demand detailed in the Housing Commission report illustrate the need to plan for the higher ranges and create flexibility in our projections so that we can cater for high population growth scenarios.

¹ The Irish Times, "Irish Population Rose by Record 3.5% Last Year, says European Commission", June 2024. Click [here](#)

² CSO, "Population and Migration Estimates, August 2024. Click [here](#)

³ Goodbody, "Residential Land Availability. An assessment of residential land provision in Ireland", September 2024. Click [here](#)

3. Infrastructure

As housing supply has increased in recent years, the supply of zoned and serviced land with planning permissions in place has decreased. From 2021 to 2022 housing supply increased by 45% from 20,533 units to 29,851 units per annum. In the first 5 months of 2024 over 32,000 units commenced. This record level of commencements has resulted in members reporting significant issues with the provision of enabling infrastructure including water/ wastewater, roads and public transport.

As referenced by the recent Goodbody Report on Residential Land availability, it is clear to us a significant amount of land zoned for residential delivery cannot be activated due to these infrastructure deficiencies. Furthermore, some zoned lands cannot be activated because of route selection corridors that have not been concluded.

It is clear to us that while zoning enough land is important, it is equally important that infrastructure follows a plan led approach and is in place so that homes can be delivered.

We therefore welcome Uisce Éireann's call for an increase in their capital budgets by €400 million to cater for the increasing need to service zoned lands. We understand this would bring their annual capital budget for infrastructure work to €1.4 billion.

The role of the Commission for the Regulation of Utilities (CRU) should also be examined to reflect the focus on a plan led approach. As such, all procedures to approve funding and planning for enabling infrastructure should be provided on a multi annual basis.

Recommendation 2: Uisce Éireann should be provided with an increased capital allocation on a multi annual basis so that enabling infrastructure can be delivered in a timely manner. Considerable focus will also need to be given to transport and electricity grid infrastructure and capital allocations to ensure we can deliver on our climate action goals. Reform of the infrastructure assessment process is required to reduce decision making timeframes. This reform needs to be forward focused for 20 years and place emphasis on the future need to provide infrastructure, not just for current housing requirements but for the long-term future housing requirements, i.e., Tier 1, 2 and 3 lands. Tier 3 lands are lands that could be brought forward in the lifetime of the Plan if delays occur elsewhere.

Recommendation 3: The review of the National Development Plan aligns with the NPF to ensure sufficient ambition in both plans and that infrastructure is planned and delivered in a timely manner.

Recommendation 4: *General Exemptions to the Planning and Development Acts (SI 29 of 2018 or a process like Part 8 of the existing Planning and Development Acts) should be made available for water and electricity infrastructure, particularly where it involves the extension of existing infrastructure.*

Recommendation 5: *The Residential Zoned Land Tax should be suspended for all lands that are not connected to appropriate infrastructure and in circumstances where builders are delayed due to factors outside their control. This is to ensure there is no increase in residential delivery costs. The maps used in the Local Authority mapping process are not an accurate indicator of lands capable of delivering housing in the near or medium term, as they do not consider infrastructure and other impediments.*

4. Interim measures to address zoned and serviced land deficiencies.

While we await the implementation of the increased targets via the Regional and Local Authority Development Plan process, a process that could take several years, it is imperative that all Local Authorities be instructed to increase the supply of land that is zoned and serviced, or easily serviceable. Society cannot wait several years for the revised National Planning Framework to be implemented via the Development Plan process.

Recommendation 6: *The Minister for Housing should instruct Local Authorities to review their Development Plans to ensure that sufficient lands are zoned immediately. All Local Authorities should also be instructed to increase the amount of zoned lands for development in areas of high demand and next to transport corridors, and vary their Development Plan within the next 12 months. All Local Authorities must immediately remove settlement caps, rezone lands in expired Local Area Plans, zone Phase 2 lands or strategic reserve lands as residential lands with immediate effect.*

Recommendation 7: *All Local Authorities should also be instructed to identify land banks that are not zoned but could be easily serviced with a call for proposals from active housebuilders that can illustrate a history of delivering housing. The Development Plans should be varied accordingly with the next 12 months.*

Recommendation 8: *A system should be introduced to reward local authorities that achieve or increase their housing delivery targets.*

5. Review of the Housing Need Demand Assessment

Whilst welcoming the draft revision of the NPF and its increased target of at least 50,000 units per annum, the draft also states that the HNDA tool is being revised using the ESRI as the statistical

basis. As discussed above, we believe the ESRI have adopted a very conservative approach to population growth projections. It is our opinion that, as highlighted by recent CSO data and the EU commission assessment of Ireland's population growth, the ESRI data is already out of date. While acknowledging the difficulty of projecting growth, the HNDA tool should build in headroom of 50% to allow for flexibility in its assessment of housing demand and subsequent land zoning policies at a local authority level.

Recommendation 9: Headroom in the Housing Needs Assessment should be increased from a very restrictive 25% to a more realistic 50% range depending on location. In conjunction with this, Local Authorities should adopt a tiered approach to land zoning policies so that zoned and serviced lands are Tier 1, zoned but serviceable are Tier 2 and Tier 3 lands could be deemed to be developable within the lifetime of the Development Plan once other sequential development policies are implemented. It is vitally important that we take a long-term view and zone enough lands to cater for the higher level of population growth and its subsequent impact on housing demand, especially considering the recent data.

6. Household Formation Rates and Obsolescence

A further concern is the approach of the ESRI Structural Housing Demand report regarding both obsolescence and household formation rates. If a conservative approach to household formation is taken, going from 2.8 to 2.5, this lack of a robust and ambitious approach will result in falling short of the increased targets. This will have a serious impact, particularly for younger generations that wish to leave home. Ireland already has one of the highest rates of young people living at home and therefore we need to adopt a more ambitious approach so that we can achieve the European norm of 2.2 persons per household.

Regarding obsolescence, the ESRI have used two scenarios for calculating housing obsolescence, a rate of 0.25% and a rate of 0.5%. Under these two scenarios it is implied that every home in Ireland has a useful life of 200 – 400 years, the design life of new homes is generally 50-100 years, so this does impact the calculations significantly. Again, the issue about obsolescence is that we are under-estimating how many homes we need to replace annually.

Recommendation 10: The HNDA should use the European average of 2.2 persons to assess housing demand.

7. 50 % Residential Development within Existing Urban Area

The recently introduced Sustainable Residential Development and Compact Settlements Guidelines are a welcome addition to housing policy, which will hopefully yield more “own door” housing in urban locations. There is a considerable focus in the NPF on compact growth and more

sustainable development patterns in general. While we welcome this focus, our concern of such a rigid target is the strict definition of “built up area” as used by the CSO for its assessment of Ireland’s urban boundaries.

In the application of this requirement in the NPF, there will be considerable reliance on apartment delivery. This requirement does not factor in economic and socially sustainable development patterns. The most economically sustainable type of housing is “own door” units, mainly because housing can be developed in stages or phases using recycled funding as the units are sold. Currently, the only funders/purchasers of apartments are public bodies. Many of the Real Estate Investment Trusts, International Pension Funds and other sources of international finance that were purchasing apartments have retrenched from the Irish market for various reasons, including the rental cap, the delays in the planning/legal system and the increase in construction costs post Covid.

As mentioned, we acknowledge the various initiatives implemented to aid apartment and delivery of compact housing in urban and city centre locations. These schemes are in their infancy, and while very welcome, will only ever be able to achieve a certain level of apartment delivery. It is therefore not socially sustainable to have such a substantial portion of housing stock being delivered via public housing, nor is it desirable for our policy of mixed tenures. There is also a limited public housing funding stream available, impeding the scale of apartment delivery anticipated by this policy. The draft revision of the NPF refers to the large percentage of apartment stock in Europe. However, we would contend that the large volume of apartment stock in Europe is resultant of necessary reconstruction following World War 2 and the need to house people quickly. Referencing the percentage of apartment stock in European countries is not relevant to future housing supply in Ireland, a country with only two cities of European scale.

Recommendation 11: The requirement for 50% residential development to take place within the Existing Urban Footprint should be on a phased basis with transitional arrangements to achieve this target in conjunction with other policy development such as a review of rental caps, assessment of the success and funding allocations for affordable housing bodies and LDA Cost Rental Apartment schemes, and the return of international finance willing to forward fund or purchase apartments at scale.

Recommendation 12: A new regulatory framework should be introduced for regeneration projects in our city and town centres to make it clearer how to build apartments over shops and in older buildings including those that may be subject to conservation regulations. It is widely reported that many small builders/developers find it extremely challenging to navigate the fire, access and conservation regulations when assessing regeneration projects on older buildings and former commercial premises.

Recommendation 13: *A series of targeted incentives should be introduced to accelerate apartment delivery in appropriate urban locations. These incentives should align with the aims and objectives of compact growth in the NPF. Various suggestions were included in our Budget 2025 Submission.*⁴

8. Regional Distribution of Growth

We welcome the focus on regional growth in the draft, but caution that, like other rigid criteria or percentages, it will be difficult to achieve and therefore transitional measures need to be considered on a phased basis over several years. It is also concerning that other state entities have not adhered to or fully recognised these regional development targets in their infrastructural spending plans and policy considerations. It is therefore a highly ambitious target that fails to recognise that Dublin and the Greater Dublin Area continue to be a dominant economic and population growth centre.

Recommendation 14: *A more nuanced and aspirational approach should be considered with the target of achieving 50% of population growth outside the Eastern and Midland Region. These targets should not materially impact on zoning policies that reflect the actual growth rate in areas of high demand.*

9. Capacity to increase Housing Targets

Much commentary has been made about the capacity of the construction and housebuilding industry to deliver the increased targets. Our bigger concern is in relation to the land zoning capacity, the infrastructure capacity, the funding capacity, and the planning capacity to manage the increased targets. Labour capacity for housebuilders is not an issue in delivering our increased housing numbers. It is worth noting that due to the reduction of commercial activity, these skills are easily transferable to the housing sector.

Recommendation 15: *The biggest capacity constraints for accelerated delivery in 2025, and beyond, are capacity constraints in the supply of zoned land with infrastructure and planning. We recognise the need to continue with all the relevant campaigns to attract more young people into the construction sector.*

⁴ Construction Industry Federation (CIF), “Budget 2025 Submission”, July 2024, <https://cif.ie/download/budget-2025-submission/?wpdmdl=65841>

10. Active Land Management

We firmly believe that there needs to be a more co-ordinated basis for managing zoned lands to ensure that they can be tracked and brought through the planning system. Upon zoning each landholding should be assigned an Eircode that allows the state to readily identify the lands, they can be then categorized in terms of their zoning. Each Local Authority can track the lands through the planning process and report on an annual basis how the lands are progressing. Each of the utility providers should also report in on what they are doing to provide the services needed to develop the lands. It will avoid lengthy delays in planning, allowing all stakeholders to feed into the process in a timely manner. It will also help identify lands that are serviced and have not been brought forward for planning and allow each Local Authority to actively manage the zoned lands within their respective administrative area.

Conclusion

The CIF and IHBA welcome the opportunity to provide a submission in response to the Draft First Revision of the NPF. This offers a unique opportunity to shape housing delivery to meet Ireland's population and housing needs well into the future, provided it is implemented properly and suitably addresses the major challenges we face at present.

We look forward to receiving a response to our submission.

Yours faithfully,



Conor O'Connell
Director, Housing, Planning & Development Services

CIF Submission to Draft First Revision of the NPF

An Economic Analysis

Reliance Restricted

12 September 2024 | Final Report

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This report has been prepared by Ernst & Young, in accordance with the engagement agreement for professional services with the Construction Industry Federation (“CIF”), who commissioned this research to prepare their submission to the Draft First Revision of the National Planning Framework. Ernst & Young’s obligations to the CIF are governed by that engagement agreement.

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1

Executive Summary and Conclusions

The Draft Revision to the NPF highlights the importance of enabling “ambition and flexibility in planning for future growth”

The Draft First Revision to the National Planning Framework (NPF) published on 10 July sets out the strategy to manage future growth in a planned, productive and sustainable way out to 2040¹. The opportunity to make a submission to the vision set out in the NPF is welcomed by the Construction Industry Federation (CIF). It provides the opportunity to reassess priorities in the context of developments over the past six years since the original NPF was launched.

This submission focuses on the restoration of a fully functioning and sustainable housing market. The latter is an integral part of Ireland’s future success and competitiveness and is fundamental to sustaining economic growth, attracting foreign direct investment (FDI) and ensuring the provision of adequate and affordable housing which enhances the quality of life for all citizens.

The CIF acknowledges the range of measures and interventions introduced by government over the past few years to speed up the delivery of new homes, drive down the cost of construction, particularly for the delivery of affordable and cost-rental housing, and support housing demand. The opportunity now to build further on the momentum which already exists is welcomed by the CIF.

The Draft First Revision to the NPF is predominantly to account for the results of the 2022 Census of Population, which have implications for the future population, housing and infrastructure need to 2040.¹ There is also a refocus to tackle Ireland’s transition to a competitive low carbon economy with more environmentally focused planning at a local level.

The common theme throughout this submission is that the NPF provides an opportunity to be ambitious when shaping the spatial development of the country to 2040. Ireland’s current economic success can be attributed to the resilience of the Irish economy over recent years and the more rapid growth than anticipated in the population. The opportunity to be ambitious must now be seized to ensure the current imbalance in the housing market does not arise again. Being in control of the situation is better than responding to challenges after they arise with reactive policy making. The Draft Revision to the NPF recognises the scale of the challenge which currently exists, as it has revised upwards the need to accommodate approximately 50,000 additional households per annum. There is now an opportunity to be aggressive in terms of the scale of the ambition needed for setting the vision for shaping our future growth.

1. [Draft First Revision to the National Planning Framework, July 2024](#)

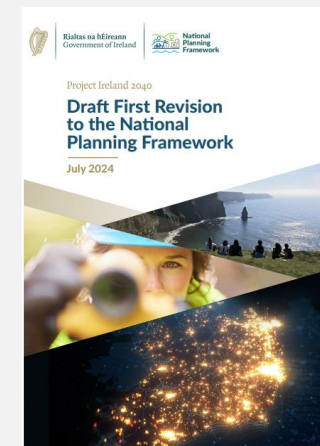
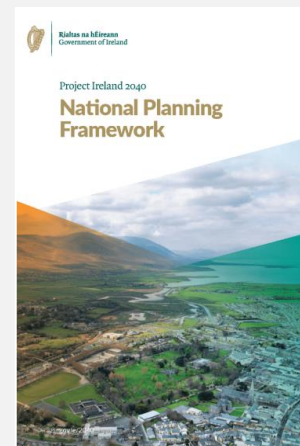
This submission is structured as follows:

Section 1 contains the Executive Summary and Conclusions

Section 2 considers the issues responsible for Ireland’s success

Section 3 examines the housing requirement and industry capacity

Section 4 presents a review of the impact of zoning regulations on supply and house prices



Ireland needs a step change in the response to delivering much-needed housing supply over the medium-term. Hence this submission highlights seven main courses of action

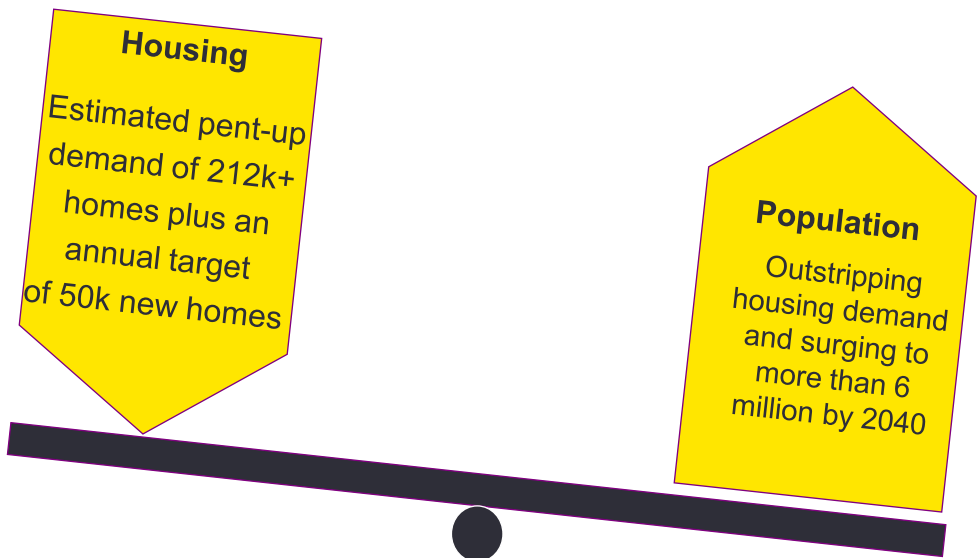
- 1** Planning for the higher population projections should enable a plan led development approach which would set out well in advance how areas should develop, providing more certainty and predictability for developers
- 2** Setting a clear vision to guide the location of balanced regional development to create a more equitable distribution of population and economic activity across the country
- 3** Having ambitious housing development targets
- 4** Ensuring a tenure mix which is appropriate to the needs of all segments of the population
- 5** Recognising that the capacity of the housebuilding industry has many dimensions
- 6** Removing barriers to growth and expansion for housebuilders to enable all companies and especially smaller companies to grow
- 7** Having a process to ease the challenges for brownfield sites and be more flexible when applying policies

The NPF should accommodate the higher population projected, adopt a plan-led development type approach and ensure regional parity to deliver economic prosperity and sustainability

1

Planning for the higher population projections should enable a plan led development approach which would set out well in advance how areas should develop, providing more certainty and predictability for developers

- ▶ Population projections are the foundation for the economy and society and inform the demand for economic, social, and productive infrastructure. There are challenges with making long-term population projections, which are dependent on several factors.
- ▶ The draft Revision to the NPF states the need to plan for a population of 6.1 million by 2040 (compared with 5.15 million in 2022), which is an additional 950,000 people between 2022 and 2040, or an additional 250,000 people in 2040 over that planned for in the original NPF in 2018. In a high migration scenario, the projected population is 6.3 million, while the 2040 projection from the Housing Commission is estimated at between 5.83 million and 6.42 million. Applying the average annual growth in the population between 2002 and 2022 (1.4% per annum) would generate a population of 6.59 million by 2040.
- ▶ On this basis, the NPF should be ambitious and plan to accommodate the higher population projected, which will ensure that timely plans can be put in place to meet Ireland's needs in terms of housing and other infrastructure. This should also mean that the appropriate amount of zoned and serviced land required can be provided in time by local authorities in development plans, providing housebuilders with certainty on their pipeline of planning consents.
- ▶ A plan-led development type approach with more active management of land development should be pursued not just for housing, but for the planning of other social infrastructure, such as hospital and schools, roads and other infrastructure projects.



While ‘regional parity’ is a reasonable objective, and growth in Dublin and its suburbs does not need to be capped, the reality is that the quantum of ‘viable’ sites in the GDA is reducing

2

Setting a clear vision to guide the location of balanced regional development to create a more equitable distribution of population and economic activity across the country

- ▶ The revised NPF retains the concept of ‘**regional parity**’ whereby the targeted growth of the Eastern and Midland (E&M) Region will at least match that of the Northern and Western Region (N&W) and the Southern Region combined (i.e. a roughly 50:50 distribution). This submission shows how **regional parity** was achieved in the 2002-2006 period and to a lesser extent in the 2006-2011 period. A significant swing towards the E&M Region was recorded during the period post the global financial crisis, 2011-2016. A sufficient quantum of zoned and serviced lands and investment in other infrastructure will be needed to ensure regional parity is restored.
- ▶ The need for a clear vision to guide the location of future development and investment decisions and ensure **regional parity** is essential if Ireland is to deliver economic prosperity and environmental sustainability. The discussion around realising ambition and potential, states that growth and change can successfully be accommodated “**by facilitating a shift towards Ireland’s regions and cities other than Dublin, while also recognising Dublin’s ongoing key role.**” Moreover, the NPF “**does not seek to cap or limit the potential of places.**”
- ▶ In this regard, it is noted that the last number of years has seen a significant amount of development of the ‘viable’ sites in the Greater Dublin Area (GDA), however these viable sites are now reducing to the extent that development in Kildare, Meath and Wicklow will decline in the coming years. This growth suppression will have a detrimental impact on the development prospects in the East region.
- ▶ A more equitable distribution of population and economic activity across the country does not only benefit urban areas by mitigating the negative effects of over-concentration, but also enhances the attractiveness and viability of regional and rural areas as places to live and work. It also means that with the appropriate focused investment in the city regions, growth in Dublin and its suburbs does not need to be capped, but it can continue to grow, and become a high-quality international city of scale, accounting for 25% (as planned) of an overall larger population growth base.

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Facilitating a shift towards Ireland’s regions and cities other than Dublin, while also recognising Dublin’s ongoing key role.

Draft Revision of the National Planning Framework, page 14



There needs to be adequate lands zoned and serviced in the right locations to accommodate the housing need, and the appropriate tenure mix provided for all segments of the population

3

Having ambitious housing development targets

- ▶ As with the population projections, the analysis of housing need by the ESRI is based on 12 main scenarios, which show an overall housing need of 44,000 units per annum from 2023-2030 and 39,700 per annum from 2030-2040. The Housing Commission presents 30 scenarios, which include the current pent-up demand to be accommodated over the period 2025-2034. The projected average annual requirement over the period 2024-2050 ranges between 33,400 and 81,400 new homes. The average of both numbers generates an annual housing requirement of 57,400, which is around 15,500 above the annual average figure from the ESRI (41,850) for the period 2023-2040. This difference accounts for pent-up demand, which is not included in the ESRI projections.
- ▶ As with population, this emphasises the need for ambitious housing development targets to allow for early planning and to be prepared for higher targets in the event they materialise. The Draft Revision to the NPF expects the projected population growth to give rise to a need of approximately 50,000 additional households per annum to 2040, excluding an allowance for pent-up demand. The need could potentially be closer to 60,000 per annum, if the total pent-up demand is to be cleared by 2040.
- ▶ The key point is that policy needs to be ambitious with respect to planning for the highest population and the greatest housing need, while also meeting climate change and sustainability targets. There also needs to be adequate lands zoned and serviced in the right locations to accommodate the housing need, implying once again the requirement for a plan led approach. The market will signal when an appropriate level of housing supply is provided by either a slowdown in house prices or a decline in demand.

4

Ensuring a tenure mix which is appropriate to the needs of all segments of the population

- ▶ Over recent years the focus has shifted to the delivery of Cost Rental and social and affordable units, which are important for the different socioeconomic groups within society and to accommodate those who wish to rent. This proportion of units supplied for owner occupation is likely to be below where it needs to be, given the percentage of young adults living at home with their parents and the significant pent-up demand. However, by providing a sufficient quantum of zoned land, all tenures can be catered for, providing choice to the end consumer.
- ▶ While there is a strong affinity for home ownership in Ireland, it is important to recognise that housing preferences and policies can also vary widely across Europe. In this regard, it is recommended that policymakers should monitor the housing market and ensure a tenure mix is provided which is appropriate to the needs of all segments of the population, given Ireland's affinity with home ownership.

There are many dimensions to the capacity question which impact the planning and speedily execution and delivery of residential construction projects

5

Recognising that the capacity of the housebuilding industry has many dimensions

- ▶ The issue of capacity needs to be treated holistically, rather than it being just about the housebuilding industry's ability to build. There are many dimensions to the capacity question which impact the planning and speedily execution and delivery of residential construction projects. The CIF has consistently noted the challenges and constraints facing the industry, many have been well documented:
 - ▶ Concerns over the capacity of the planning system to support and enable development.
 - ▶ Concerns over the quantum of adequate zoned land in the right locations and an appropriate additional headroom and ambitious zoning targets to meet the maximum housing requirement.
 - ▶ Infrastructure capacity and the lack of adequate services in areas where lands are zoned.
 - ▶ Funding capacity and the lack of equity, particularly for SME builders, who require initial funding for land acquisition and the planning process. The recent report from the Department of Finance reported that the gross development funding requirement is around €20bn, including €16.9bn from private capital sources, to deliver a target of 50,000 units per annum.²

The industry is confident that if the issues outside of its control are addressed and with the right supports put in place for SMEs, it can scale-up to deliver the required supply within the timeframe set out.

6

Removing barriers to growth and expansion for housebuilders to enable all companies and especially smaller companies to grow

- ▶ The ability of the industry to efficiently expand to deliver higher targets will need all companies, including SMEs, to ramp up their housing output. Any barriers to growth and expansion need to be addressed and interventions and policies may need to be put in place to incentivise smaller companies to grow.
- ▶ Factors such as the scope for offsite assembly using modern methods of construction (MMC) and the adoption of technology and digital innovations can help the industry to scale up and are important drivers of productivity. These issues are well recognised by Government and Housing for All provides for many initiatives around the use of MMC, Building Information Modelling (BIM) and upskilling.

2. [The Availability, Composition and Flow of Finance for Residential Development, Department of Finance, June 2024](#). The figure of €20bn does not take account of the recycling of capital as projects are completed, as funds invested in development are typically re-committed year-on-year.

Recognising the viability challenges for brownfield sites, policy should be more flexible towards brownfield development to facilitate compact growth objectives

7

A process to ease the challenges for brownfield sites and be more flexible when applying policies, as in the UK where planning authorities are prioritising brownfield sites

- ▶ There are significant challenges in meeting the 40% of all housing target set for infill/brownfield sites. In the last five years, there has been over a threefold increase in the number of apartment completions to **11,593** in 2023. Many of these schemes are being provided on brownfield sites which are extremely challenging from a viability perspective. If policy is to focus on compact growth and more high-density housing/own-door units and brownfield development in cities and towns, the delays in planning and viability for these types of schemes, which are adding to development costs, need to be addressed. In the UK, for example, the government announced on 13 February 2024 that it would inform every council in England that they need to prioritise brownfield developments, be less bureaucratic and more flexible in applying policies that currently halt housebuilding on brownfield land.
- ▶ This submission also includes a review of the academic literature around international zoning policies, and discusses a number of studies which conclude that lower levels of regulation and lower barriers to housebuilding lead to higher levels of housing supply and lower house prices. A separate study highlighted that in cities with stricter land use regulations and lower permissions granted, they tend to have smaller and less productive housebuilding firms, as there are lower incentives for firms to grow and invest in innovative technologies.³

40%**Brownfield target****11,593****Apartment completions
2023**

3. [Why Has Construction Productivity Stagnated? The Role of Land-Use Regulation](#)

2

Ireland and the issues with success

A core issue for the NPF is recognising the scale of the challenge which currently exists; the focus now must be on acknowledging the scale of the ambition needed to address it

The scale of the challenge

The National Planning Framework (NPF) is the guiding document for how Ireland will develop out to 2040. Housing is a critical component of the vision set out in the NPF, being a major societal and economic issue. It remains the central challenge facing the country and has been very much to the fore of the government's agenda over the past seven years. It is essential for a successful and fair economy, to ensure our people and places can be at their best. A fully functioning housing market is important to drive competitiveness, support demographic and economic growth, tackle diversity and persistent social and economic inequalities, and to provide quality housing, which enhances the quality of life that is expected of a leading and successful economy.

Ireland continues to strive to improve the balance between housing demand and supply. The challenge is providing the multiple tenures that can accommodate the diversity of demand from all households, across social and economic classes, while ensuring that supply is both adequate and affordable. A core issue for the revised NPF is recognising the scale of the challenge which currently exists, in regard to planning for the future growth of the country out to 2040, and acknowledging the scale of the ambition needed to address it.

This submission is focused on housing, and what is needed to restore a fully functioning housing system, as well as its role in shaping future development in Ireland to ensure a good quality of life for all citizens.

The revision is timely given the report from the Housing Commission which set out the scale of the challenge in regard to housing and what a fully functioning and sustainable housing market might look like⁴. The report recognises that Ireland is changing at pace and sets out a range of clear solutions and a process of reform to create a housing system that is sustainable in the long-term. The opportunity to be ambitious must be seized to ensure the current situation does not arise again. Being in control of the situation is better than responding to challenges after they arise with reactive policy making, which can only result in market failure.

The CIF welcomes the focus on long-term strategic housing policy by the Housing Commission and on building on the policy set out in Housing for All and now in the Draft First Revision to the NPF to ensure a fully functioning, sustainable and stable housing market which aligns with social, environmental and economic objectives.

4. [Housing Commission](#)



The main revisions relate to the higher population projections and the implications for housing need; more compact and sustainable growth, and TOD are key objectives

Observations on the Draft First Revision to the NPF

The invitation on 10 July to make a submission on the Draft First Revision to the NPF, was accompanied by a 190-page document⁵. The revised draft predominantly considers the results of the 2022 Census of Population, as well as changes in the pattern of regional growth between 2016 and 2022. There is also a refocus to tackle Ireland's transition to a competitive low carbon economy with more environmentally focused planning at a local level.

A number of key observations on the Draft First Revision to the NPF are noted which are relevant to this submission:

- ▶ The discussion around the projections for how Ireland's population will grow and change between now and 2040, highlights the importance of enabling **“ambition and flexibility in planning for future growth”** between 2022 and 2040 (page 18).
- ▶ Based on the latest projections from the ESRI, **“the NPF will now need to plan for a population of 6.1 million by 2040”**, which is an increase of around 1 million between 2022 and 2040, albeit the ESRI did produce a **“higher international migration scenario with a projected population of 6.3 million by 2040”** (page 18).
- ▶ The population projections are expected to **“give rise to a need of approximately 50,000 additional households per annum by 2040”** (page 10).
- ▶ An interesting development and one which policy should now be focusing on and planning for, is the ESRI projection that **“the population over 65 will more than double to 1.4 million or to 23% of the total”** (page 10).
- ▶ The discussion around realising ambition and potential, states that growth and change can successfully be accommodated **“by facilitating a shift towards Ireland's regions and cities other than Dublin, while also recognising Dublin's ongoing key role.”** Moreover, the NPF **“does not seek to cap or limit the potential of places”** (page 15).
- ▶ The Draft First Revision to the NPF retains the concept of **‘regional parity’**, whereby the targeted growth of the Northern and Western Regional Assembly (NWRA) and the Southern Regional assembly areas combined would exceed that projected under a ‘business as usual’ scenario and would at least equate to that projected for the Eastern and Midland Regional Assembly area.

- ▶ Specifically, in regard to managing growth, the objectives remain unchanged from the original NPF 2040:
 - “At least 40% of all new homes nationally, to be delivered within the built-up footprint of existing settlements (cities, town and villages) on infill and/or brownfield sites, to ensure compact and sequential patterns of growth” (pages 4 & 22).
 - “Deliver at least half (50%) of all new homes that are targeted in the five cities and suburbs of Dublin, Cork, Limerick, Galway and Waterford, within their existing built-up footprints” (page 22).
 - “Deliver at least 30% of all new homes that are targeted in settlements other than the five Cities and their suburbs, within their existing built-up footprints” (page 22).

In addition to the above objectives, there is the added national policy objective (No 10) to deliver:

- “Transport Orientated Development (TOD) at scale at suitable locations, served by high-capacity public transport and located within or adjacent to the built-up area of the five cities or a metropolitan town.”

This is called out as a key growth enabler for Dublin and Cork in particular.

Finally, the topic of land activation is introduced for the first time in the Draft First Revision to the NPF, indicating the need to activate the development of suitably zoned and serviced land for housing, particularly in built up areas of cities and towns, with proximity to services and good quality public transport. The main measures here relate to the forthcoming Residential Zoned Land Tax (RZLT) and the proposed Land Value Sharing (LVS) mechanism, as well as the introduction of Urban Development Zones (UDZs).

Based on the above, the main revisions in regard to housing, relate to the higher population projections and the implications for housing need, while the commitment to securing more compact and sustainable growth and transport orientated development are key objectives in the Revision to the NPF.

5. [Draft First Revision to the National Planning Framework.](#)

Two key developments are driving our economic success, notably the performance of the economy and the more rapid growth than anticipated in the population

Ireland needs a step change in the response to addressing housing need

As we move towards an equilibrium and a fully functioning housing market, there have been a number of developments that imply that Ireland needs a step change in the response to delivering the much-needed housing supply over the medium-term. The current position is threatening the domestic economy and our competitiveness, adversely impacting house prices and rents, as well as mobility in the labour market. National house prices have increased by almost 42.3% since the original NPF was published (February 2018) and by 55.3% outside of Dublin⁶, while the national rent index increased by 48.4% over the six years to July 2024⁷. The corresponding growth in nominal average earnings was almost 30% over the same period (to Q2 2024).

Solid economic growth

The Irish economy has shown remarkable resilience over recent years, having recorded the strongest growth in the European Union in four of the five years to 2022, and the third highest in 2019⁸. Economic activity in 2023 was held back by the inflation spike, the impact of the tighter monetary policy and sector specific corrections which depressed exports. However, the labour market has performed very strongly, with a total increase in employment of 471,700 over the last six years to 2023, equivalent to an average annual growth of 3.2%⁹. A total of 71,500 workers were added in the year to Q2 2024, while the unemployment rate was 4.4% in the eight months to August 2024. This employment growth has been a key factor driving housing demand and house prices. More workers mean an increased demand for housing and as of 2024, there are not enough homes to accommodate Ireland's expanding population.

Housing is also a key issue impacting competitiveness for businesses, especially the economically important FDI sector, where housing availability is critical for attracting and facilitating the expansion of businesses in the FDI sector in key urban and town centres.

6. [Residential Property Price Index to June 2024, CSO.](#)

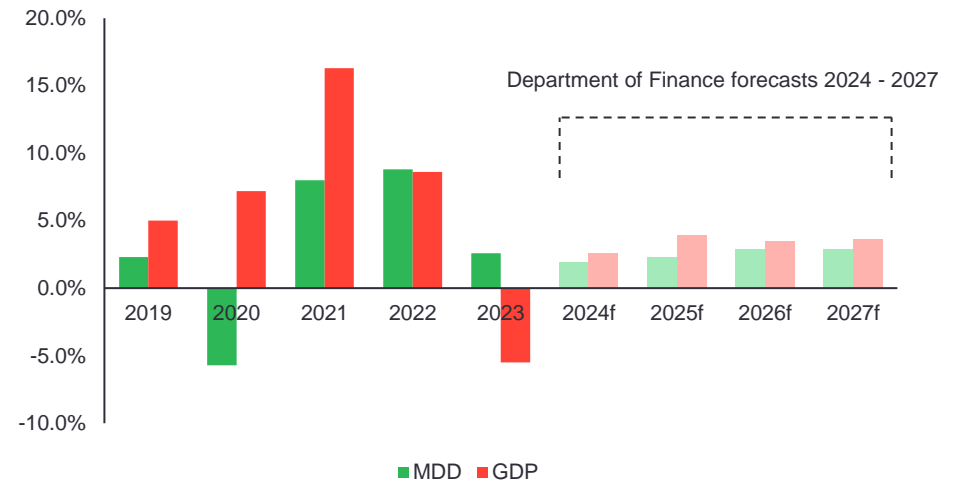
7. [Daft.ie Q2 2024 Rental Report](#)

8. [Real GDP Growth Rate, European Union countries, Eurostat.](#)

9. [www.cso.ie](#)

10. [SPU, Department of Finance, April 2024.](#)

Figure 1: GDP and MDD growth 2019 - 2027



Source: CSO, National Accounts, 2023. GDP and Final MDD at constant prices, NSA. Forecasts from Department of Finance, April 2024, using Real GDP.

While the economy continues to operate from a position of relative strength, economic growth is projected to be more moderate, albeit remaining solid in the years ahead. As some of the headwinds in place over recent years, notably inflation and interest rates, have begun to ease, economic activity is expected to increase during 2024 and beyond. As shown in Figure 1, the latest projections from the Department of Finance expect GDP growth of 2.6% this year, followed by an acceleration to 3.9% in 2025 and a slight moderation to 3.5% and 3.6% in 2026 and 2027 respectively¹⁰. Taking the better proxy for the domestic economy, the level of Modified Domestic Demand is projected to expand by 2.6% on average in the 2024-2026 period.

As always, the economic outlook is subject to domestic and international risks. Externally, trading partner demand could be weaker than assumed, geopolitical tensions could intensify, and with more than 70 elections this year, geoeconomic fragmentation could deepen. At the same time, labour shortages and domestic bottlenecks have the potential to adversely impact cost competitiveness.

Ireland will need to accommodate an additional 720,000 to 1.124 million persons by 2040, depending on the migration scenario, meaning substantially more jobs and new homes

Ireland's population exceeds 5 million for the first time since 1851

A second key driver of housing demand has been the rate of population growth. The 2022 Census of Population found that Ireland's population exceeded 5 million, reaching 5.149 million on 3 April 2022 (Census night), the highest population since 1851 (5.11m). This represents an increase of 387,274 or 8.1% since 2016. Prior to these results:

- ▶ Ireland's population had been projected to increase by around 926,000 people or by 19.5% over 2016 levels (0.7% per annum)¹¹ to almost 5.666 million people by 2040 (NPF baseline scenario). This compares with an increase of 1.34 million between 2016 and 2040 (1.0% per annum) in the Draft First Revision to the NPF.
- ▶ Over the ten years 2021 to 2031, Ireland's population was projected to increase by an additional 368,400 to 5.4 million (0.7% per annum). This compares with an increase of 597,000 between 2022 and 2032 (1.1% per annum) in the Draft First Revision to the NPF.

What has transpired since the 2022 Census of Population was published is the realisation that many of the population projections for Ireland prior to the 2022 Census have underestimated population growth over the short to medium term. Population scenarios can be altered by changes in net migration flows, which have been volatile in recent years. For example, previous population projections will not have taken account of the inflow of Ukrainians, which had reached 104,870 between 4 March 2022 and 4 February 2024¹².

The publication of the Draft First Revision to the NPF reflects the updated national and regional population projections by the ESRI which account for Census 2022 and other developments with respect to economic, fertility, mortality and migration data¹³. These updated projections together with previous projections from the ESRI and the original NPF are set out in Table 1 on the next page.

Based on the draft First Revision to the NPF:

- ▶ The population of Ireland will increase to approximately 5.8 million by 2032 and 6.1 million by 2040 in the baseline scenario.
- ▶ The increase corresponds to an additional 922,000 persons between 2022 and 2040 or an annual average increase of 1.0%.
- ▶ In a high (low) international migration scenario, the population grows by 1.2% (0.8%) on an annual average basis to reach 6.308 (5.904) million by 2040. This gives a difference of just over 400,000 between the high and low international migration scenarios.
- ▶ The average annual growth rates are higher than at the time of the original NPF but are below the actual average annual growth rate of 1.4% over the two decades 2002-2022. Applying this average annual growth rate would generate a total population of 6.59 million in 2040.

Based on the revised projections, Ireland will need to accommodate an additional 720,000 to 1.124 million persons by 2040, depending on the migration scenario. These higher increases will require substantially more jobs and new homes than expected at the time the original NPF was published in February 2018. Based on the higher population projection of 6.59 million by 2040, this corresponds to an additional 1.437 million persons by 2040.

Assuming an average household size of 2.2 persons versus 2.74 currently¹⁴, an additional 1 million persons by 2040 would require an additional around 25,000 new homes per annum on average between 2022 and 2040. This figure would be over and above the normal baseline requirement and excluding any pent-up demand.

11. [Regional Demographics and Structural Housing Demand at a County Level, December 2020.](#)

12. [Arrivals from Ukraine in Ireland Series 12 - Central Statistics Office](#)

13. [Population Projections, The Flow of New Households and Structural Housing Demand, ESRI, July 2024.](#) It is noted that the 2022 population figure used by the ESRI of 5.184 million is different to the 2022 Census of Population figure published by the CSO of 5.149 million.

14. The assumed average household size (AHS) of 2.2 is based on the current AHS amongst EU countries, as reported by the Housing Commission (Appendices, page 32).

Applying the higher growth rate of the last two decades (1.4% p/a), the projected population is 6.59 million by 2040, this corresponds to an additional 1.437 million persons by 2040

Table 1: Population Projection Scenarios for 2040 (000s)

	2002A	2006A	2011A	2016A	2021F	2022A	2031F	2032F	2040F
Population (CSO) – Actual	3,917	4,240	4,588	4,762		5,149			
ESRI (Dec 2020) & NPF 2020									
▶ Baseline				4,740	5,032		5,400		5,666
▶ Low Migration				4,740					5,554
▶ High Migration				4,740					5,984
ESRI (July 2024) & Draft NPF 2024									
▶ Baseline				4,762		5,184		5,781	6,106
▶ Low Migration				4,762		5,184			5,904
▶ High Migration				4,762		5,184			6,308
Population using AA%G 2002-2022						5,149			6,586
	AA%G			Period					
Population (CSO) – Actual	1.4%			2002-2022					
ESRI (Dec 2020) & NPF 2020									
▶ Baseline	0.7%			2016-2040					
▶ Low Migration	0.7%			2016-2040					
▶ High Migration	1.0%			2016-2040					
ESRI (July 2024) & Draft NPF 2024									
▶ Baseline	1.0%			2022-2040					
▶ Low Migration	0.8%			2022-2040					
▶ High Migration	1.2%			2022-2040					
Population using AA%G 2002-2022	1.4%			2022-2040					

Source: CSO, ESRI. A = Actual. F=Forecast.

The NPF should be ambitious and plan to accommodate the highest population, which will ensure that timely plans can be put in place to deliver the housing and other infrastructure needs

The population analysis in the Housing Commission report provides projections for Ireland's population to 2050, with a range of scenarios, ranging from 6.25 million to 7.25 million. This implies average annual growth rates of between 0.7% and 1.2%. Interpolating between 2022 and 2050 to ascertain the projected population by 2040 would generate the following:

- ▶ A population between 5.83 million and 6.42 million by 2040, compared with a range of 5.90 million to 6.31 million in the Draft First Revision to the NPF baseline scenario.

Population projections are the foundation for the economy and society and inform the demand for economic, social, and productive infrastructure. The above analysis illustrates the challenges with making long-term population projections, which are dependent on several factors, which are outlined in the Housing Commission report¹⁵. One such factor, net migration has been particularly high over recent years, with strong inward migration flows impacting the requirement for housing. The Housing Commission suggests that if strong inward migration persists, partly in response to the strength of the Irish economy, Ireland's population is more likely to be towards the upper end of the 6.5 to 7 million range¹⁶. On this basis, the NPF should be ambitious and plan to accommodate the highest population, which will ensure that timely plans can be put in place to meet Ireland's needs in terms of housing and other infrastructure. This should also mean that the appropriate amount of zoned and serviced land required could be provided for by local authorities, providing housebuilders with certainty on their pipeline of planning consents to accommodate housing demand.

That ambition will require a plan led development approach with more active management of land development through planning, which would set out well in advance how an area should develop, thereby providing more certainty and predictability for developers. This approach should not only apply to housing, but it should also apply to the planning of other infrastructure, such as hospital and schools, roads and other infrastructure projects.

Table 2: Housing Commission Population Scenarios for 2050

	2002	2006	2011	2016	2022		
Actual Population (CSO) (million)	3.92	4.24	4.59	4.76	5.15		
		2002-2006	2006-2011	2011-2016	2016-2022	2002-2022	
CSO actual							
Average Annual % Growth (AA%GR)		2.0%	1.6%	0.7%	1.3%	1.4%	
Housing Commission		2050	2050	2050	2050	2050	
Population in 2050 (million)		6.25	6.5	6.75	7.0	7.25	
AA%GR 2022-2050		0.7%	0.8%	1.0%	1.1%	1.2%	
		2040	2040	2040	2040	2040	Revision to NPF 2040
Projected by 2040 based on HC AA%GR (million)		5.83	5.98	6.13	6.27	6.42	5.90 - 6.31

Source: CSO, ESRI. A = Actual. F=Forecast.

15. These factors are the normal parameters which are taken into account when making population projections, notably the rate of natural increase (births minus deaths) and net migration. Migration flows have been very volatile and tend to respond to economic performance.

16. [Housing Commission Appendices](#), page 32

The first revision to the NPF is timely and critical and provides a welcome opportunity to reassess Ireland's strategy for managing growth out to 2040

Like its predecessor, the National Spatial Strategy for Ireland 2000-2020, the NPF was framed to deliver a better spatial distribution and balance, to enable every region to reach its potential. Both recognised that a greater share of economic activity should take place outside the Greater Dublin Area. With hindsight, this framework, which originated back in 2000, was very innovative and helped contribute to the growth and success of the economy over the start of the 21st century. It is appropriate this policy be continually reviewed to assess the impact of the changes that have taken place in Ireland both internally and externally since the original NPF was published in 2018.

The objective of more balanced regional development and more concentrated growth was endorsed by the Expert Group established to undertake a high-level review of the current NPF to inform the scope of the first revision of the NPF¹⁷. This Expert Group:

- ▶ Had concerns that the targets in the current Framework are not ambitious enough or clearly defined enough to meet Ireland's current needs in particular, and stated that greater clarity is needed in relation to the implementation of the NPF, and particularly to the implementation of Metropolitan Area Strategic Plans.
- ▶ Highlighted that consistency is essential, and flexibility in implementation could undermine the NPF as such an early stage of its implementation.
- ▶ Believed the NPF could help provide a framework for regional and local authorities to address any geographical pockets of exclusion and disadvantage within their areas and to engage with diversity and inclusion issues related to planning where they arise.
- ▶ Stated that while the need to address the housing issue is critical, more recognition is needed that the NPF is about much more than housing, and that alignment with decision-making on other public infrastructure is also required.

Overall, the Expert Group identified the importance of places for people and communities and recognised that good 'place-quality' is also sought by others (e.g. investors, FDI) who are interested in how regions and city-regions compare with one another internationally

Among the Group's recommendations were that the NPF should recognise the importance of spatial coherence in Ireland's future development by

- ▶ Exploring way to make the five Metropolitan Area Strategic Plans more effective and ensuring that the five city regions live up to their potential as European cities of scale.
- ▶ Critically reviewing the current targets and considering stronger and more ambitious targets for compact growth.
- ▶ Directing new rural housing towards rural town and villages to restrict new urban-generated rural housing outside towns and villages.

The CIF supports these recommendations, stressing the need to continually review current targets and be more ambitious when it comes to building the five city regions as European cities of scale.

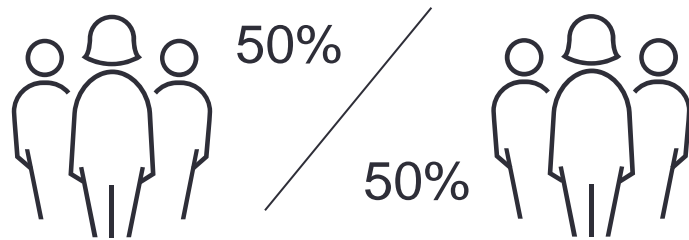
17. [Expert Group report on First Revision of the National Planning Framework, September 2023.](#)

Regional parity is maintained as a core objective of the revised NPF

Where population growth has taken place

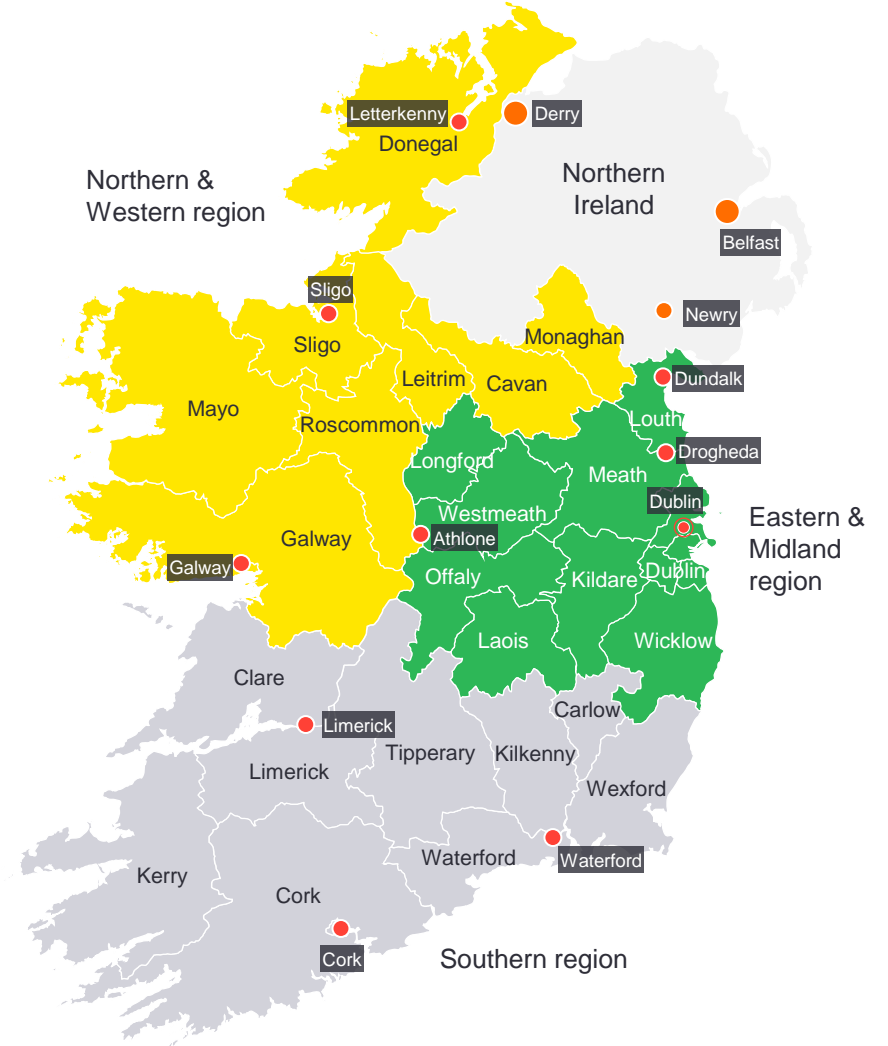
It has already been noted that in realising the ambition and potential of the Draft First Revision to the NPF, growth and change can successfully be accommodated **“by facilitating a shift towards Ireland’s regions and cities other than Dublin, while also recognising Dublin’s ongoing key role.”** The acknowledgment that the NPF **“does not seek to cap or limit the potential of places”** is welcome as is the recognition that the continued performance of Dublin as a high-quality international city of scale is critical to Ireland’s overall competitiveness. This will mean a focus on key areas such as housing, transport, other critical infrastructure and amenities, as well as regeneration and redevelopment of existing sites in Dublin to deliver the compact growth that is required for a more sustainable city and suburbs.

The revised NPF retains the concept of **‘regional parity’**, whereby the targeted growth of the Northern and Western Region (N&W) and the Southern Region combined would exceed that projected under a ‘business as usual’ scenario and would at least equate to that projected for the Eastern and Midland (E&M) Region.



The NPF maintains a target of a 50/50 split in the growth of population between the Eastern and Midland region, and the Northern & Western and Southern regions.

Ireland’s Regional Assembly Areas and Northern Ireland



Source: Draft First Revision of the NPF, July 2024 (page 26).

An appropriate quantum of zoned and serviced lands and investment in infrastructure will be needed to restore regional parity and deliver the 50:50 target distribution of population growth

The extent of regional parity achieved to date has been examined from an analysis of the population distribution pattern over previous censuses. The following trends emerge from the analysis:

- ▶ Across two inter-census periods, from 2002-2011, the E&M region represented 50.5% to 52.8% of the total population growth. The E&M region accounted for 68.6% of the total population growth across the country in the 2011-2016 period. However, by the subsequent inter-census period, the population growth distribution reverted to under 55% of the total population growth occurring in the E&M region.

Thus, regional parity was achieved in the 2002-2006 period and to a lesser extent in the 2006-2011 period. A significant swing towards the E&M region was recorded during the period post the global financial crisis, 2011-2016, but a return towards parity started in the 2016-2022 period. To ensure that further progress towards more balanced growth can be achieved in the medium term and to support sustainability objectives, the Draft Revision to the NPF is continuing to target a 50:50 distribution of the population growth between the E&M region and the rest of the country. This will require a sufficient quantum of zoned and serviced lands and investment in other infrastructure to ensure regional parity is restored. The NPF aims to deliver:

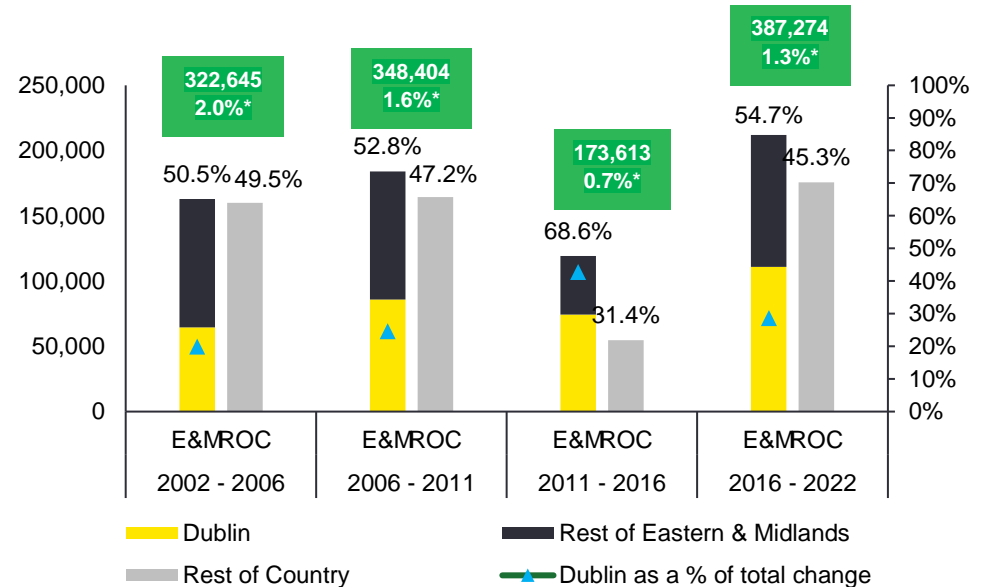
- ▶ A target of half (50%) of future population and employment growth in the existing five cities and their suburbs (National Policy Objective 4). This corresponds to a growth of 500,000 persons by 2040 in these five cities and their suburbs, with Dublin projected to account for 59.2% of this total (296,000).

Dublin (the yellow portion in the chart) accounted for between 40% (2002-2006) and 62% (2011-2016) of the total population growth in the E&M region. The NPF plans for more concentrated growth, with:

- ▶ A target of 75% of the overall population growth to be outside of Dublin and its suburbs or 25% to be in Dublin and its suburbs.

Taking the growth in Dublin as a percentage of the total population growth across the country, Dublin accounted for 19.9% in the 2002-2006 period, 24.7% in the 2006-2011 period, 42.8% in the 2011-2016 period and 28.6% in the 2016-2022 period. On these trends, Dublin has accounted for a higher share of the total population growth than planned (25%) since the 2011-2016 period.

Figure 2: Distribution of Population Growth between each Census



Source: CSO Censuses of Population. * Average annual % change.
ROC = Rest of Country.

The Revision to the NPF further recognises that as the largest centres of population, the five cities including Dublin, will continue to provide a focus for their regions. More needs to be done to ensure population increases in the five cities can be accommodated, in terms of investment in city planning and infrastructure to facilitate their growth. This will ensure growth is not capped in Dublin and its suburbs, which can continue to grow, while accounting for 25% of an overall larger population growth base.

The population growth share across the four main cities outside of Dublin was relatively stable, accounting for between 20.2% and 22.4% across the entire period 2002-2022

What is meant by balanced regional development?

The Draft Revision to the NPF is now critically important, given developments in the economy, the labour market, and the population. The need for a clear vision to guide the location of future development and investment decisions is essential if Ireland is to deliver economic prosperity and environmental sustainability. The importance of balanced regional development, clustered and compact growth cannot be overstated as it can deliver several benefits for all citizens, creating a more sustainable future.

How that balanced regional development is defined is important to ensure sustainable outcomes. The Housing Commission takes a fresh perspective by defining Ireland as comprising four regions that focus on urbanisation and compact growth for housing¹⁸:

- ▶ Dublin
- ▶ Rest of Leinster
- ▶ Four Cities – Cork, Limerick, Galway, and Waterford
- ▶ Rest of Country

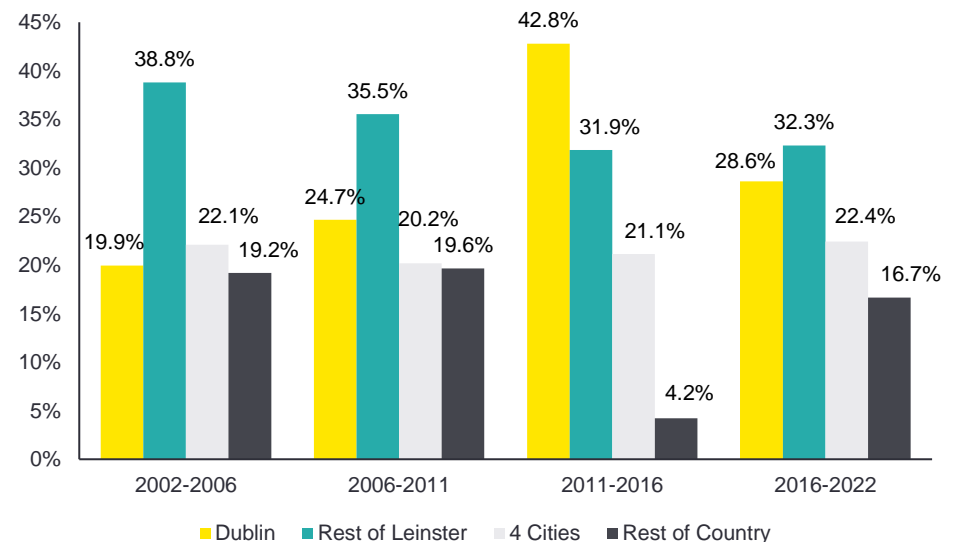
This division could be seen as similar to the NPF tailored approach to rural and urban growth which recognises the key role for investment under the Urban and Rural Regeneration and Development funds to deliver a stronger urban structure across the country¹⁹.

Developments in the population growth of the four regions above are presented in Figure 3 and show the following trends:

- ▶ In the inter-census period 2011-2016, Dublin accounted for 42.8% of the total population growth in the country, with almost three-quarters of the total population growth taking place in Leinster. This may have been influenced by the lack of employment opportunity outside Dublin and the GDA during the 2008-2014 recession.
- ▶ The population growth share across the four main cities outside of Dublin was relatively stable, accounting for between 20.2% and 22.4% across the entire period 2002-2022.

- ▶ In contrast, the rest of the country outside of the four other main cities, represented 4.2% of the total growth over the same period, down from around 19/20% over the previous two inter-census periods, although it recovered some lost ground between 2016 and 2022, reaching 16.7% of total population growth.
- ▶ The distribution of growth across the four regions in the 2016-2022 period is the most evenly distributed (albeit not equal across all four regions) when compared with the other inter-census periods.

Figure 3: Distribution of Population Growth between each Census based on Housing Commission Regions



Source: CSO Censuses of Population.

18. [Report of the Housing Commission, May 2024.](#)

19. [Draft First Revision to the National Planning Framework.](#)

Ensuring that investment and growth opportunities are distributed more evenly means a more equitable economic landscape, allowing regions outside of Dublin to prosper

Further analysis of the four cities outside of Dublin reveals that Galway lost share while the other three cities increased their share across the entire period.

Table 3: Shares of the population growth accounted for by the four cities (excluding Dublin) for each city between each Census period

	2002-2006	2006-2011	2011-2016	2016-2022
Cork	47.0%	53.7%	64.9%	47.6%
Galway	31.7%	27.0%	20.2%	22.7%
Limerick	12.3%	11.0%	8.4%	16.9%
Waterford	9.0%	8.3%	6.5%	12.9%
4 cities (total growth as % of State total growth)	22.1%	20.2%	21.1%	22.4%

Source: CSO Censuses of Population.

Balanced regional development helps to reduce economic disparities between different areas of the country. With 50% of overall national population growth planned to take place in the five main cities, all regions are given the opportunity to develop and thrive. People may also have more opportunities to live in less congested areas with potentially better environmental quality and access to recreational spaces, thus improving overall well-being and quality of life. By ensuring that investment and growth opportunities are distributed more evenly, it also means that regions outside of traditional economic hubs like Dublin can prosper, leading to a more equitable economic landscape across the entire country.

In summary, balanced regional development can significantly reduce urban pressure by creating a more equitable distribution of population and economic activity across the country. This not only benefits the urban areas by mitigating the negative effects of over-concentration, but also enhances the attractiveness and viability of regional and rural areas as places to live and work. It also means that with appropriate focused investment in the city regions, growth in Dublin and its suburbs does not need to be capped, but it can continue to grow, and become a high-quality international city of scale, accounting for 25% of an overall larger population growth base.

Doing nothing is not an option as there are negative consequences of not responding to the changes that have taken place since the original NPF was published in 2018, and indeed of not responding to potential future developments.

Other developments should also inform the revision, most notably with respect to housing such as land activation measures, to ensure delivery and viability of the NPF. A failure to plan for an adequate level of housing supply which is affordable and sustainable over the long-term, or to provide enough zoned and serviced land for housing would restrict economic growth, competitiveness, employment growth and labour mobility. Investment in other infrastructure, like regional transport and digital connectivity are also important to support residential development and allow people to live outside the main urban centres.

3

The housing requirement and capacity

Housing demand is projected to be 44,000 per annum from 2023-2030 and 39,700 per annum from 2030-2040, according to the ESRI, excluding any pent-up demand

The assessment of housing need

The assessment of long-run estimates of housing need across all tenures is undertaken by local authorities using the Housing Need Demand Assessment (HNDA) approach to inform, for example, city and county development plans. In turn the assessment should inform residential land use zoning and density requirements over the long-term to ensure adequate land is zoned to meet the future housing need. The overall housing need for the country is set by population projections in the NPF which are used to determine the national housing need, as set out in Housing for All. The housing requirement has been revised in the First Revision to the NPF.

The ESRI analysis presents 12 main housing demand scenarios based on a set of assumptions, relating to, for example, future population growth (as set out in the previous section), headship rates/average household size and obsolescence of the existing housing stock. Taking the average of all 12 scenarios, housing demand is projected to be 44,000 per annum from 2023-2030 and 39,700 per annum from 2030-2040. The range of demand estimates is mostly determined by changing the assumptions for obsolescence and headship rates. The projections do not factor in pent-up demand.

Table 4: ESRI Structural Housing Demand Scenarios

Scenario	2023-2030	2030-2040	Assumptions		
	Average housing demand (000s)		Population scenario	Headship rate	Obsolescence Rate
1	37.9	32.0	Base	A	C
2	42.2	37.6	Base	A	D
3	45.8	41.6	Base	B	C
4	50.3	47.4	Base	B	D
5	40.7	36.3	High migration	A	C
6	45.1	41.9	High migration	A	D
7	48.9	44.2	High migration	B	C
8	53.3	52.4	High migration	B	D
9	35.0	27.8	Low migration	A	C
10	39.4	33.3	Low migration	A	D
11	42.8	36.7	Low migration	B	C
12	47.2	42.4	Low migration	B	D
Overall average	44.0	39.7			

Source: ESRI.

A = Current trends – headship rates constant at 2022 levels by age group and local authority

B = Adjusted headship rates so that average household size would be 0.16 lower in 2040 than that implied by constant headship rates. Average household size was 2.74 in 2022.

C = Obsolescence rate of 0.25% per annum

D = Obsolescence rate of 0.50% per annum

[20. Population projections, the flow of new households and structural housing demand, ESRI, July 2024.](#) The percentage of people who head a household is the headship rate. The number of people living in the household (i.e. the average household size) is the inverse of the headship rate. Many factors will impact the headship rate including macroeconomic and housing conditions which may encourage people to form or discourage people from forming a household.

The average annual housing requirement estimated by the Housing Commission is 57,400, c. 15,500 above the annual average figure from the ESRI (41,850) for the period 2023-2040

Under Housing for All, the number of annual residential units delivered is projected to increase by 65% between 2022 and 2030 to 40,500. It is recognised this target is now understated.

Based on five population scenarios and six household size scenarios, the Housing Commission presents 30 different housing requirement scenarios, which include the housing deficit to be accommodated over the period 2025-2034. The projected average annual requirement over the period 2024-2050 ranges between 33,400 and 81,400 new homes. The average of these results in an annual housing requirement of 57,400, which is c. 15,500 above the annual average figure from the ESRI (41,850) for the period 2023-2040. This difference accounts for the estimate of pent-up demand, estimated at 13,014 in Table 5, based on it being eliminated by 2040.

Table 5: Summary of projected annual average housing requirement

Projected annual housing requirement- summary of scenarios			
Housing Commission*	2024-2050 range		
Average annual housing requirement	33,400	81,400	
Overall annual average	57,400		
Including pent-up demand estimate (2022)	212,500	256,000	
Overall average	234,250		
Per annum estimate 2022-2040	13,014		
ESRI	2023-2030	2030-2040	
Overall average (exc. Pent-up demand)	44,000	39,700	
Overall average 2023-2040	41,850		
Draft First Revision to the NPF	2022-2040		
Additional households by 2040	c. 50,000		
Housing for All	2023 Actual	2023	2030
Annual housing requirement	32,582	29,000	40,500

Source: CSO, Housing Commission, ESRI, Housing for All.

* Based on HC population scenarios in Section 2, an average household size of between 1.9 and

2.4 persons (2.7 in 2022), an obsolescence rate of 0.5% on pre 2024 housing stock only, and a vacancy rate of 5%.



Policy needs to be ambitious with respect to planning for the highest population and the greatest housing need, while also meeting climate change and sustainability targets

The need for ambitious housing development targets to 2050

As with the population, the range of housing scenarios illustrates the challenges with making long-term housing need projections, which are dependent on several factors, including the pattern of population growth. This emphasises the need for ambitious housing development targets to allow for early planning and to be prepared for higher targets in the event they materialise. Based on the projections in Table 4, the First Revision to the NPF expects the projected population growth to give rise to a need of c. 50,000 additional households per annum to 2040. The need could potentially be closer to 60,000 per annum, if the total pent-up demand is to be cleared by 2040.

The Housing Commission report concludes that policy must concentrate on ensuring adequate housing is produced rather than concentrating on determining the regions in which people live. The key point is that policy needs to be ambitious with respect to planning for the highest population and the greatest housing need, while also meeting climate change and sustainability targets. There needs to be adequate lands zoned and serviced in the right locations to accommodate the housing need, implying once again the requirement for a plan led approach. The market will signal when an appropriate level of housing supply is provided by either a slowdown in house prices or a decline in demand. However, a greater level of housing supply will improve housing affordability for ownership and renting, thereby supporting those in the “squeezed middle” and the 41% of adults aged 18 to 34 living at home with their parents, according to the 2022 Census of Population.²¹

The impact of the average household size (AHS), which is currently 2.7 persons per household, has a significant influence on the type and size of homes that are needed. Over the last five years, there has been over a threefold increase in the number of apartment completions to 11,593 in 2023. Many of these schemes are being provided on brownfield sites which are extremely challenging from a viability perspective. For example, according to the Dublin Housing Supply Coordination Taskforce, there were 58,277 un-activated planning permissions in the Dublin region alone in Q3 2023, the majority (51,208) of which were apartments (23,899 in Dublin City).²² If policy is to focus on compact growth and more high density housing/own-door units and brownfield development in cities and towns, the delays in planning and viability for these types of schemes, which are adding to development costs, need to be addressed.



²¹ [Young adults living at home, CSO, March 2024](#)

²² [Housing Supply Coordination Task Force Report, Q3 2023](#)

The housing requirement must accommodate an appropriate tenure mix to respond to the diverse housing needs of an expanding population

Housing preferences can vary and a range of tenure choices is required

A further issue is ensuring an appropriate tenure mix to accommodate the diverse housing needs of an expanding population. A mix of tenures provides households with a range of choices that can adapt to their changing needs over time. For example, young adults may start with renting, move to homeownership as they build financial stability, and possibly downsize or return to renting in their later years. An appropriate tenure mix can also provide security against market fluctuations, ensuring that there are always accessible options for housing regardless of economic conditions. A variety of housing tenure options also ensures that there is affordable housing to rent and purchase for lower-income households while it also provides ownership and rental opportunities for middle and higher-income families.

According to the 2022 Census, the tenure mix in April 2022 was as in Figure 4, excluding those households who did not state their tenure.

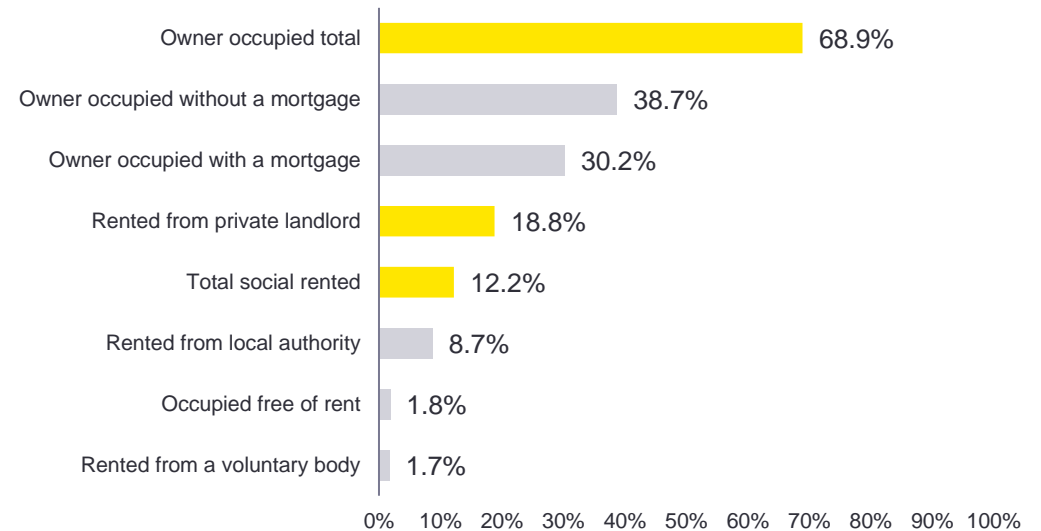
Over recent years the focus has shifted to the delivery of Cost Rental and social and affordable units, which are important for the different socioeconomic groups within society and to accommodate those who wish to rent. The Housing for All plan includes a breakdown by tenure type based on an average target of 33,000 homes per year.²⁴ Based on this breakdown:

- ▶ 36% (11,800) are new private ownership homes
- ▶ 20% (6,500) are new private rental homes
- ▶ 12.5% (4,100) are new affordable homes
- ▶ 31.5% (10,300) are new social housing homes

23. [Housing in Europe - 2023 edition, Eurostat.](#)

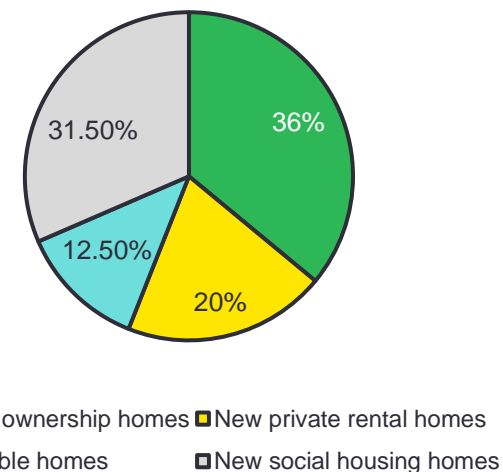
24. [Housing for All Plan](#)

Figure 4: Housing Tenure, April 2022



Source: CSO Census of Population, 2022.

Figure 5: Housing for All – planned supply by tenure type



The supply of units for owner occupation in the unsupported private market may be below where it needs to be given the proportion of young people living at home and pent-up demand

Historically, Irish people have had a strong affinity for homeownership, which is reflected in the country's high rate of owner-occupation of 69%. Across 12 countries in Western Europe, Ireland had the sixth highest rate, below Portugal (the highest at 76%), Spain, Italy, Belgium and the Netherlands. Yet, data for 32 European countries shows that Ireland had the eleventh lowest rate of home ownership in 2023, with the lowest in Austria (54.3%), Germany (47.6%) and Switzerland (42.3%).²³

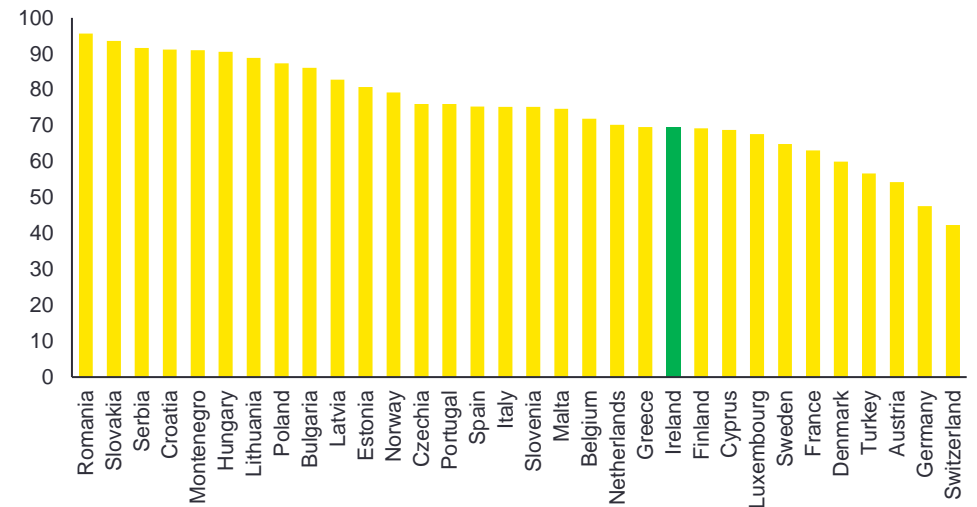
The preference for owning homes in Ireland can be attributed to a variety of historical, cultural, and economic factors, where the traditional aspiration to own the home one lives in has been passed down through generations.

The supply of units for owner occupation in the private market, which are not subject to income thresholds, is projected at 36%. This proportion is likely to be below where it needs to be, given the percentage of young adults living at home with their parents and the significant pent-up demand of between 212,500 and 256,000 homes, according to the Housing Commission. However, by providing a sufficient quantum of zoned land, all tenures can be catered for, providing choice to the end consumer.

Home ownership allows those households who wish to own their homes to build equity and personal wealth over time. There can be a wealth affect from rising home values which can lead to increased consumer spending, economic activity and jobs. From a social perspective, homeowners are often more invested in their areas and tend to stay in places for longer than renters. This greater level of engagement in local communities can be positive for community development.

To summarise, it is important to recognise that housing preferences and policies can also vary widely across Europe. In this regard, it is recommended that policymakers should monitor the housing market and ensure a tenure mix is provided which is appropriate to the needs of all segments of the population, given Ireland's affinity with home ownership.

Figure 6: Home ownership Rate % in European Countries, 2023



Source: Eurostat.

Residential construction capacity encompasses an interconnected set of individual players

Can the industry deliver the much higher housing requirement?

An issue often raised as limiting the ambition to scale up the delivery of housing supply is the capacity of the residential construction industry.

Construction capacity encompasses a range of factors and generally refers to the maximum amount of construction work that a company or economy can undertake within a given period. The issue is very topical right now in the residential construction sector given the requirement to substantially ramp up housing supply.

The diagram at Figure 7 sets out the combination of players and factors which impact the planning and speedy execution and delivery of residential construction projects. It acknowledges that the issue of capacity needs to be treated holistically, rather than it being just about the housebuilding industry's ability to build.



Figure 7: The many determinants of Residential Construction capacity



There are key factors impeding delivery of housebuilding which are outside of the industry's control, notably planning issues, a lack of adequate zoned land and infrastructure capacity

The specific current concerns believed to be impeding delivery for the housebuilding industry are as follows:

- ▶ Concerns over the capacity of the planning system to support and enable development, in terms of having adequately resourced planning departments at a local authority level and in An Bord Pleanála, including an online planning portal as well as training for future planners.
- ▶ Concerns over the quantum of adequate zoned land in the right locations and appropriate additional headroom and ambitious zoning targets to meet the maximum requirement. The Housing Commission expressed the view that local development plans should include appropriately zoned land for primary permanent housing, affordable and social housing.
- ▶ Infrastructure capacity and the lack of adequate services in areas where lands are zoned. The Housing Commission expressed the view that “adherence to plan-led development is achievable only if the delivery of essential infrastructure to land zoned in development plans is coordinated and achieved in a timely manner. The absence of essential enabling infrastructure on unserviced lands presents a critical challenge for the success of large-scale housing developments.”²⁵

- ▶ Funding capacity and the lack of equity, particularly for SMEs builders, who require initial funding for land acquisition and the planning process. The recent report from the Department of Finance reported that the gross development funding requirement is around €20bn, including €16.9bn from private capital sources, to deliver a target of 50,000 units per annum.²⁶

A fully function housing system requires all the above components to be resourced adequately to meet the increased housing targets as efficiently and environmentally sustainable as possible. Factors such as the scope for offsite assembly using modern methods of construction (MMC) and the adoption of technology and digital innovations can help the industry to scale up and are important drivers of productivity. These issues are well recognised by Government and Housing for All provides for many initiatives around for example, the use of MMC, Building Information Modelling (BIM) and upskilling. However, it is equally important to acknowledge that these trends are unlikely to be fully embedded in the short-term.



25. [Report of the Housing Commission, May 2024, Page 68](#)

26. [The Availability, Composition and Flow of Finance for Residential Development, Department of Finance, June 2024.](#) The figure of €20bn does not take account of the recycling of capital as projects are completed, as funds invested in development are typically re-committed year-on-year.

Construction is a very fragmented sector and housebuilders in the market (excl PLCs and LDA) will have to scale up their activity levels by over 40% to deliver the higher requirement

Construction a very fragmented sector

The Irish construction sector is fragmented with many small businesses, employing less than 10 persons. Although housebuilding companies are not separately identified within the construction sector, it is the case that 92.8% of construction firms employ under six persons, implying a preponderance of micro and small firms. The Business Demography data from the CSO shows there are 70,456 firms in the construction industry in 2021, only 247 of which employed 50 or more persons. There is no data on the number of homebuilders, which would likely be only a fraction of this number. A recent report from Goodbody suggested there are approximately 500 housebuilders/developers in the Irish market.²⁷ It is important to be mindful also that the residential construction sector comprises a large number of SME housebuilders, contractors and developers building less than 50 homes per year. The Goodbody report found, based on an analysis of commencements, that builders outside of the top 10 each commenced an average of 34 units in 2023.

The total value of new residential construction investment in 2023 was €8.29 billion (26.8% of total construction investment and 1.6% of GDP).²⁸ This is almost a doubling of the corresponding value in 2019 (€4.25bn). The corresponding increase in the level of supply was 55% with 32,625 units delivered in 2023. Based on the updated annual housing requirement of approximately 50,000 (NPF), total supply will need to expand by a further 53.3%. Assuming a need of closer to 60,000, this represents an increase of 83.9% over 2023 levels.

From an analysis of the housebuilding market, it is evident that Ireland's two housebuilding PLCs, Cairn Homes and Glenveagh Properties, increased their supply almost threefold between 2018 and 2023, compared with the rest of the market excluding one-offs, where supply increased by 105.4% over the same period. The two PLCs had a market share of 9.7% in 2022 and 2023, which is expected to rise to 16.2% in 2024.

Table 6 (overleaf) examines a scenario based on the Housing for All targets for 2024-2026, assuming the PLCs continue to expand their output to 6,000 units and the LDA sees a more aggressive rollout over the same period of its various schemes, reaching 2,500 units in 2026. This shows that to meet the HfA annual target of 36,100 new homes in 2026, the rest of the market, excluding one-offs, would build less in 2026 than in 2023. However, assuming a projected supply of 50,000 units, in line with the average requirement projected in the NPF, and a contribution of 7,000 units from PLC companies and 4,000 units from the LDA, the remainder of the market would need to increase by 43.0% to 33,000. Similarly, assuming a supply of 60,000, the required increase from the rest of the market is 86.3% to 43,000 units.



27. Who's building in Ireland? Goodbody, February 2024.

28. National Accounts 2023, www.cso.ie

The structure of the residential construction industry is such that the vast bulk of supply is delivered by SME builders

Table 6: The residential construction market structure: PLCs vs others

	2018	2019	2020	2021	2022	2023	2024E	2025F	2026F	Assuming 50,000 units	Assuming 60,000 units
Total completions	17,849	21,075	20,523	20,501	29,690	32,582	33,450	34,600	36,100	50,000	60,000
Single houses	4,663	5,091	4,969	4,735	5,485	5,512	5,500	5,500	5,500	6,000	6,000
Remainder of market	13,178	15,984	15,554	15,766	24,205	27,070	27,950	29,100	30,600	44,000	54,000
Total from 2 PLCs	1,079	1,924	1,443	2,270	2,886	3,163	5,430	5,800	6,000	7,000	7,000
LDA						827	1,200	1,500	2,500	4,000	4,000
Other builders	12,099	14,060	14,111	13,496	21,319	23,080	21,320	21,800	22,100	33,000	43,000
PLCs market share	6.0%	9.1%	7.0%	11.1%	9.7%	9.7%	16.2%	16.8%	16.6%	14.0%	11.7%
	Annual growth 2018-2023		Total growth 2018-2023		Total growth 2023-2026 assuming HfA targets			Total growth from 2023		@ 50,000	@ 60,000
Total completions	12.8%		82.6%		10.8%			53.5%		84.2%	
Single houses	3.4%		18.2%		-0.2%			8.9%		8.9%	
Remainder of market	15.5%		105.4%		13.0%			62.5%		99.5%	
Total from 2 PLCs	24.0%		193.1%		89.7%			121.3%		121.3%	
LDA					202.3%			383.7%		383.7%	
Other builders	13.8%		90.8%		-4.2%			43.0%		86.3%	

Source: CSO to 2023, Housing for All targets

2024-2026, Cairn and Glenveagh.

Any barriers to growth and expansion need to be addressed and interventions and policies may need to be put in place to incentivise companies to scale up to meet the higher demand

The question of whether the housebuilding industry has enough capacity to deliver over 50,000 new homes per annum is a complex one to answer. The CIF has consistently noted the challenges and constraints facing the industry. Many have already been highlighted here and as previously noted, capacity encompasses a range of factors which impact the planning and speedy execution and delivery of residential construction projects (e.g. planning, funding, availability of sites with planning and critical infrastructure), factors which are outside the control of the housebuilder.

The analysis by Goodbody, using commencement data, found that the top 10 housebuilders accounted for 38% of commencements excluding one-offs in 2023. Excluding the two PLCs, only five companies, including four contractors, commenced more than 500 units in 2023. The report concluded that the lack of scale of the Irish housebuilder “remains a major issue”.

This assertion requires a more complete analysis of actual supply levels by all segments of the residential construction industry, micro, small, medium and large firms to establish the barriers to growth for each segment. Any barriers to growth and expansion need to be addressed and interventions and policies may need to be put in place to incentivise companies to grow.

One issue which could adversely impact each firm’s ability to scale up is the resourcing challenge as increasing capacity will be contingent on having a sufficient skilled workforce. This includes all the skilled trades as well as professionals, such as planners and architects. There will be a short-term opportunity to avail of some of the resources from the commercial sector, which is currently experiencing a slowdown, as new office buildings commenced over recent years are completed and few new ones are starting. More permanently, the industry will need to recruit and retain a higher number of workers than is currently provided for through education, apprenticeship, and existing retention levels, to meet the higher housing supply (and retrofitting targets). In a report on the skills needed to meet the Government’s targets for housing and retrofitting, it was found that 50,831 new entrants would have to be recruited in managerial, professional, skilled and semi-skilled occupations over the period 2023-2030.²⁹ These new entrants would be a combination of workers currently employed in the industry who are seeking to upskill, or jobseekers who wish to pursue a career in building or retrofitting.

Actions that can be taken to help break these barriers down include training and upskilling, and promotional work around the opportunities that advances like Modern Methods of Construction (MMC) will bring. The latter is seen as one solution to boosting productivity in the construction sector, which has been unchanged for almost three decades. Much work is underway to promote the adoption of MMC and to assess the skills required to support MMC as well as to expand apprenticeship capacity to support skills development in vital areas.

Based on our interactions with various stakeholders in the industry, the sector is confident that if the issues outside of its control are addressed, and with the right supports put in place for SMEs, it can scale-up to deliver the required supply within the timeframe set out.

[29. Report on the Analysis of Skills for Residential Construction & Retrofitting 2023-2030.](#)

4

Impact of zoning regulations on supply and house prices

There is a considerable body of empirical research showing that less restrictive land-use regulation is associated with lower house prices

This section provides a review of international literature on the impact of zoning regulations on housing supply and house prices. Zoning regulations can consist of many forms of regulation, including a prescribed tenure mix, limiting the number of units that can exist on a parcel of land, or completely changing the proposed use of a piece of land and rezoning. The research here provides a number of examples of how locations with more regulation has led to higher house prices and less housebuilding.

Does less restrictive land-use regulation deliver lower prices?

Opposition to new development has long been associated with homeowners who benefit from the higher house prices they believe will result from limits on supply.³⁰ However, an alternative view regarding housing supply known as supply scepticism, holds that housing supply does not make housing more affordable and that it may even increase rents and prices. Supply sceptics argue, among other things, that in a dynamic system, any decreases in prices resulting from additional supply will be fully offset by additional demand resulting from the lower prices. They also argue that land in many high-cost cities is such a constrained good that it should be devoted to affordable housing, because any market-rate housing will come at the direct expense of affordable homes.³¹

Despite the arguments raised by supply sceptics, there is a considerable body of empirical research showing that less restrictive land-use regulation is associated with lower house prices. Glaeser and Gyourko (2003), along with Gyourko and Molloy (2015), survey the literature on housing supply and conclude that “the vast majority of studies have found that locations with more regulation have higher prices and less construction” (Gyourko and Molloy, 2015, p.42).³²

To aid with the analysis of the relationship between land-use regulation and supply and prices, a group of authors have created an index which measures different aspects of the regulatory environment around land-use in the US, as explained in further detail below. While there is likely to be some truth in the arguments raised by supply sceptics around the types of housing built and induced demand, evidence shows that making more land available for construction is a necessity for increasing housebuilding and affordability.

30. [The Homevoter Hypothesis: How Home Values Influence Local Government Taxation, School Finance, and Land-Use Policies on JSTOR](#)

31. [Supply Scepticism: Housing Supply and Affordability: Housing Policy Debate: Vol 29, No 1 - Get Access \(tandfonline.com\)](#)

32. [Regulation and Housing Supply | NBER](#)

The evidence from the USA

Land use regulations that constrain building supply and lead to an inelastic supply of housing harm society’s most vulnerable members the most. Evidence from the US shows that lower-middle income households (second quintile) spend nearly 40% of their income on housing (both renters and homeowners), while the poorest households spend on average more than 60%.³³

In a paper published by Urban Studies, Stacy et al. examine the relationships between land-use reforms and the supply and price of rental housing using data across eight US metropolitan regions encompassing 1,136 cities from 2000 to 2019.

The reforms in question vary greatly case by case but broadly speaking include reforms such as adjustments in floor-area-ratio regulation (i.e. development intensity), changes in building height regulations, and lowering restrictions on allowed use for parcels of land (mixed development). This study finds the following:

- ▶ Reforms that loosen land use restrictions by increasing allowed housing density, or “upzoning”, are associated with a statistically significant, 0.8% increase in housing supply within 3 to 9 years of the reforms being passed
- ▶ The increase in supply occurs predominantly for units at the higher end of the rent price distribution, however, the impacts are positive across the affordability spectrum, and it cannot be ruled out that impacts are equivalent across different income segments.³⁴

In addition to this, Joseph Gyourko, Johnathan Hartley, and Jacob Krimmel released an index of land use regulations and building permit approval processes across metropolitan areas in the US – the Wharton Residential Land Use Regulatory Index (WRLURI).³⁵ The WRLURI is an aggregate measure comprised of eleven subindices that summarise information on different aspects of the regulatory environment. Nine pertain to local characteristics, while two reflect state court and state legislative/executive branch behaviour.³⁶

33. [Cost, crowding, or commuting? Housing stress on the middle class](#)

34. [Land-use reforms and housing costs: Does allowing for increased density lead to greater affordability?](#)

35. [The Local Residential Land Use Regulatory Environment Across U.S. Housing Markets: Evidence from a New Wharton Index | NBER](#)

36. Each index is designed so that a low value indicates a less restrictive or more laissez faire approach to regulating the local housing market. Factor analysis is used to create the aggregate index, which is then standardised so that the sample mean is zero and the standard deviation equals one.

There is a considerable body of empirical research showing that less restrictive land-use regulation is associated with lower house prices

The survey examines elements across the entire land use process, including:

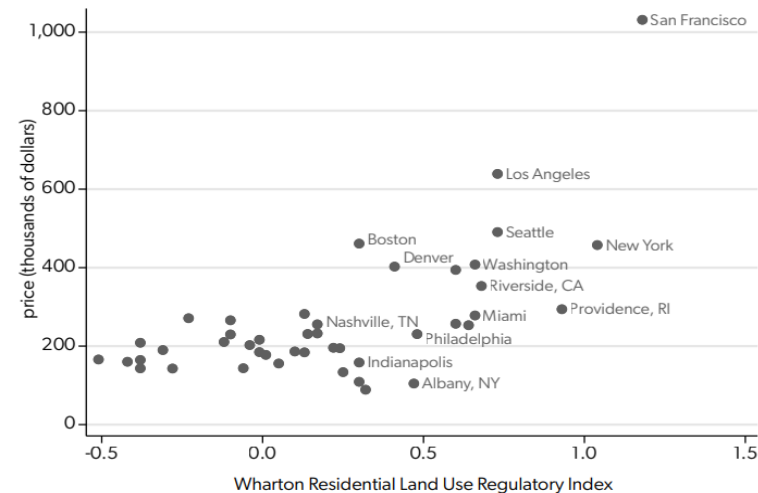
- ▶ How slow the planning process is
- ▶ How flexible zoning laws are
- ▶ How many approval bodies are required for the rezoning of land
- ▶ Whether there are minimum lot size requirements
- ▶ Whether there are annual limits on the total number of permits or dwellings

While many market and policy factors beyond zoning affect house prices, Figure 8 shows the relationship between the WRLURI and median house prices, with a higher index value being associated with higher house prices.

Similarly, Gyourko and Krimmel (2021) examine the impact of restrictive residential land use environments on the price of land across major American housing markets. Using data from 2013 to 2018, they estimate that restrictive residential land use environments have increased prices for a one-quarter acre lot with the right to build on it by over \$400,000 in the San Francisco metropolitan area, by \$150,000 - \$200,000 in the Los Angeles, New York City and Seattle markets, and by just over \$100,000 in the San José market.³⁸ Their analysis suggests that binding supply side regulations, as measured by the WRLURI, can drive up land prices enough to play a meaningful role in accounting for wide geographic dispersions in house prices, such as the ones observed in Ireland.

Finally, recent evidence from the US indicates that cities with stricter land use regulations and lower permissions granted (as measured by the WRLURI) tend to have smaller and less productive housebuilding firms. The study highlights that a one standard deviation increase in the index is associated with a 12% reduction in total receipts per construction firm, and a 4.3 percentage point reduction in the fraction of employment in large firms. As housing regulation lowers the scale of builders, it limits incentives for smaller firms to invest in scaling up construction and new innovative technologies.³⁹

Figure 8: Median house price and WRLURI across US metropolitan areas, 2019



Source: Hamilton, 2021³⁷



37. [Land Use Regulation and Housing Affordability](#)

38. [The Impact of Local Residential Land Use Restrictions on Land Values Across and Within Single Family Housing Markets | NBER](#)

39. [Why Has Construction Productivity Stagnated? The Role of Land-Use Regulation](#)

Research from Auckland found that upzoning stimulated housing supply and suggested that the impact of successful upzoning policies can be seen quite quickly

The evidence from New Zealand

Over the past decade, many cities around the world have experienced a significant rise in housing costs, and the large cities of New Zealand are no exception. The country's median house price rose by approximately 130% between 2011 and 2021, far outpacing household income growth and eroding housing affordability. Undersupply has contributed greatly to these rising costs, with population growth far exceeding housing stock growth over that period.

A recent example of a government zoning more land to increase supply occurred in Auckland, the largest metropolitan area in New Zealand, under the Auckland Unitary Plan (AUP). In 2016, the city upzoned approximately three quarters of its residential land to facilitate construction of more intensive housing. The policy primarily consisted of allowing its single-family zoned housing parcels to allow at least three housing units. Examining the effect of this policy, Greenaway-McGrevy and Phillips (2023) found strong evidence that the upzoning stimulated construction. New housing units permitted increased every year since the policy was enacted, with all these increases occurring in the city's upzoned areas.

Their findings support the argument that upzoning can stimulate housing supply and suggest that the impact of successful upzoning policies can be seen quite quickly. The municipal government for the entire metropolitan area, the Auckland Council, estimated that the plan tripled the dwelling capacity of the city. This 2016 policy was then the model for a national zoning reform in 2021, the enactment of the 'Medium Density Residential Standard'. This policy requires the country's most populous cities to permit up to three stories and three dwellings on all existing parcels of land. It allows for a parcel of land with a detached single-family dwelling to be redeveloped into row houses or a small apartment block.

The ultimate effect of the AUP is that since 2016, Auckland's house prices have risen by roughly 20%, compared to the 65% increase seen in the rest of the country. It has greatly assisted affordability for renters, as measured by rents as a share of household income. Between 2016 and 2023, nominal household incomes rose by 47%, while rents grew by just 29%. Median rent to median income has dropped from 22.7% to 19.3% in Auckland over the same period, compared with the rest of New Zealand, which saw this ratio rise from 20.8% to 22.5%.



The many regulatory and environmental challenges facing development on brownfield sites must be dealt with so that the 40% development target can become a realistic goal

Issues with brownfield development

In Ireland, we have a zoning system which shares many likenesses with that of the system in the UK. They both face similar challenges: there is a lack of suitable land for development, the systems are often seen as restrictive and outdated, and there is a general lack of social and affordable housing compared to other countries. Another feature they share is the role of the private sector in the development supply chain - large builders are involved not only in the construction phase but also the acquisition, assembly, and servicing of land. This contrasts with more modern systems in the Netherlands, Germany, Austria, and Finland where municipal and local authorities are key players in the supply of land for housebuilding. In the Austrian capital Vienna, c.60% of its nearly 2 million residents live in some form of social housing, where they have access to low rents, secure tenure and quality accommodation. Although the systems in these countries have evolved and there is increasingly more private land development, historically, municipalities supplied, sold, or leased land to private developers which was ready for development – land that has planning permission and the necessary infrastructure.

Brownfield target

Both Ireland and the UK face significant challenges if they are to meet the targets set for brownfield development. There are many environmental and feasibility restrictions and regulations in place which can impede development on brownfield sites, which further exacerbate Ireland's inability to meet its housing targets and demand. As per the Revision to the NPF, the target remains for

- ▶ At least 40% of all new homes nationally, to be delivered within the built-up footprint of existing settlements (cities, towns and villages) on infill and/or brownfield sites, to ensure compact and sequential patterns of growth.” (pages 4 & 22)

While building on brownfield sites remains a matter of importance for sustainable land development, it is necessary to acknowledge the difficulties which accompany such development. There is a range of factors which result in many of these brownfield sites being unviable and thus failing to commence. A major inhibitor is that apartment construction is more costly (per sq. ft) than standardised housing, which is impacting viability and the ability of buyers to purchase apartments without state support.⁴⁰ Other factors include:

- ▶ The costs of demolition
- ▶ Site contamination issues
- ▶ Site accessibility issues
- ▶ Planning objections and timeline

The many regulatory and environmental challenges facing development on brownfield sites must be dealt with in a pragmatic and efficient way so that the 40% target can become a realistic goal. In the UK there is a similar goal for brownfield development in their national planning framework, and they have recently begun the process of easing the challenges brownfield development faces.



[40. SCSl Real Cost Series.](#)

Government could consider easing restrictions on brownfield sites to encourage housing construction as has been done in the UK

Brownfield development in the UK

A recent publication by estate agency group Savills finds that the 20 largest cities in England built an average of 63,200 homes per annum over the past three years, 49% below their housing need as outlined in their National Planning Policy Framework (NPPF). The lack of delivery in these cities accounts for 90% of the country's total shortfall against projected housing need, with London alone making up 66% of the total deficit.⁴¹ As part of its long-term plan for housing, the UK government announced on 13 February 2024 that every council in England will be told that they need to prioritise brownfield developments, be less bureaucratic and more flexible in applying policies that currently halt housebuilding on brownfield land. The bar for refusing brownfield plans will also be made higher for the larger city councils failing to hit their locally agreed housebuilding targets. Planning authorities in England's 20 largest cities and towns will be made to follow a 'brownfield presumption' if housebuilding drops below expected levels, making it easier to get permission on brownfield sites and encouraging housing production.⁴²

Lessons for Ireland

The Revision to the NPF outlines the need for compact urban development, reduced urban sprawl, and an increased focus on sustainable development, including a minimum requirement of brownfield development. However, within the Greater Dublin Area (GDA), comparing current county development plans with their predecessors, there has been a reduction in land zoned for development by over 60,000 units.⁴³ The reality is that the quantum of land zoned for residential development in county development plans is too low to deliver the housing that is and will be required. The Revision to the NPF contains a maximum headroom of just over 25% of the quantum to deliver on the Housing Need and Demand Assessment's (HNDA) target output – down from 50% in previous guidelines. This allowance relies upon most sites being developed within the time period of a given county development plan, an assumption which is unrealistic to anyone familiar with the land development process.⁴⁴

Development can be held back by a range of factors, including inflation, rises in the costs of financing and construction costs, as well as labour shortages.

41. [Savills UK | Land Supply and Housing Need](#)

42. [Build on brownfield now, Gove tells underperforming councils - GOV.UK \(www.gov.uk\)](#)

43. [Cairn Homes plc](#)

44. [Savills Ireland | National Planning Framework set to strangle Dublin's housing supply](#)

45. [Why Has Construction Productivity Stagnated? The Role of Land-Use Regulation](#)

It is evident that there is a shortage of housing in Ireland, as well as issues within the planning process which are delaying or stalling development. While it is important not to zone land in the wrong places, there needs to be a more pragmatic approach to zoning land for residential construction. Brownfield sites should contribute to residential development, but they need to be viable. It is worth noting that the Housing Commission called for a number of actions pertaining to brownfield sites, including the following:

- ▶ The poor economic and inadequate incentives for urban brownfield/infill development should be addressed to achieve viability, taking account of the real economic, environmental, and social costs of urban sprawl
- ▶ Access to funding to assemble and activate strategic or complex brownfield sites should be addressed
- ▶ Using compulsory purchase order powers to unlock constraints to the development of brownfield or zoned lands.

There needs to be an examination as to why brownfield targets are not being met. Using the UK as an example, the Government could consider easing restrictions on brownfield sites to encourage housing construction.

In summary, there is a considerable body of empirical research showing that less restrictive land-use regulation is associated with lower house prices. The main findings from this review are the following:

- ▶ Many studies agree that lower levels of regulation and lower barriers to housebuilding lead to higher levels of housing supply and lower house prices
- ▶ There is evidence which suggests that binding supply side regulations, as measured by the WRLUR Index, can drive up land prices enough to play a meaningful role in accounting for wide geographic dispersions in house prices, such as the ones observed in Ireland
- ▶ Making more land available for construction is a necessity for increasing housebuilding and affordability
- ▶ A recent study highlighted that in cities with stricter land use regulations and lower permissions granted, they tend to have smaller and less productive housebuilding firms, as there are lower incentives for firms to grow and invest in innovative technologies.⁴⁵

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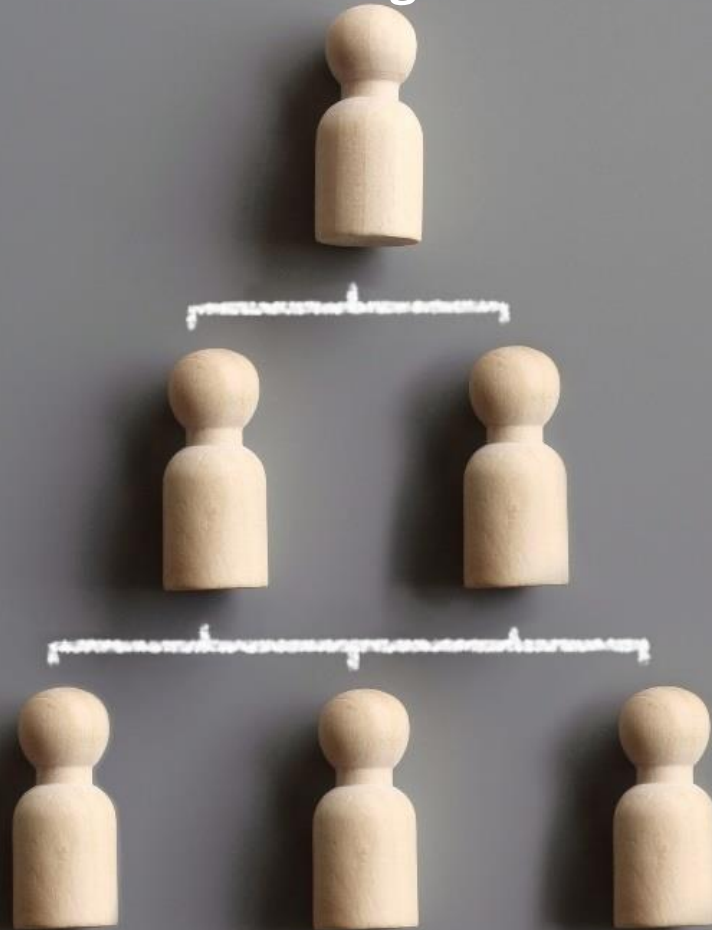
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CIF Submission on revising the *National Planning Framework 2024*



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1.0 EXECUTIVE SUMMARY

Objective analysis and recommendations to redress shortcomings in the NPF 2018

The Construction Industry Federation (CIF) has retained Tom Phillips + Associates to prepare a written submission on the *Draft First Revision to the National Planning Framework* (July 2024) (the DNPf (2024)), to supersede the earlier *National Planning Framework 2018* (the NPF (2018))¹.

The Submission is centred on the firsthand experience that the **quantum of zoned, serviced lands** in Ireland is **not keeping pace** with an **increasing demand, compounded** by **internal** and **external factors**.

In simple terms, **the housing crisis is exacerbating despite of the existence of the NPF.**

Redressing the lack of zoned land, serviced lands

The changes that the CIF seeks to the revised document stem from its Members' common experience in **trying to deliver housing, against a backdrop of challenged viability, and increasing town planning complexity**, including legal challenge.

Whilst welcoming many elements of the Revision – such as the new emphasis on **Transport Orientated Development** (TOD) - we recommend the following changes, designed to improve the Framework's accuracy, coherence, and effectiveness.

The CIF's key concern with the Framework in both its original and revised format is the **lack of available zoned and serviced lands**, both **brownfield** and **greenfield**, exacerbated by incomplete analysis of such lands classified in terms of Tiers 1, 2 and 3.

We fully support the **Housing Commission's** recent Reports' analysis in respect of **unmet** and **required housing** numbers.

As drafted, the Revision bases itself on an **underestimate of the number of houses** that are required to be built per annum: the **ESRI** figures assumes the lower of the two possibilities referenced – a **population** of 6.1 million by 2040, not accounting for the quantum of in-migration, and **does not address the scale of pent-up demand** that is a feature of the Housing Commission's Reports.

For example, the Commission's Reports estimate that as of the 2022 Census, there is a **housing deficit** of up to **256,000 No. housing units** across Ireland, representing the gap between the **existing housing stock** and the **actual demand**, driven by population growth, changes in household composition, and the years of restricted-construction relative to need.

¹ This Report complements the EY Submission *CIF/IHBA Submission to Draft First Revision of the NPF. An Economic Analysis. Final Report.* (12 September 2024.)



In contrast, the DNPf, in adopting the ESRI's lower figure - without addressing the existing deficit - effectively starts from a zero sum, projecting a future (low estimate) population and working backwards.

Housing supply is dependent on the availability of such lands with the ability to secure planning permission for development.

This is essentially a builder's 'raw material'; without it, there is no pipeline.

The key – sufficient pipeline of zoned serviced lands

The appropriate/requisite quantum of zoned serviced lands is key issue of debate that must be addressed in discussions between the Department/Office of the Planning Regulator and the development community, respectively - the former arguing there is enough zoned, serviced lands; the latter - with respect, operating at the coalface – arguing that there is an insufficient pipeline.

In summary, therefore, we seek that the forthcoming *National Planning Framework 2024-2040* (NPF 2024) **housing target be increased to 60,000 No. units per annum**, combined with a sufficient supply of serviced zoned lands, including a **50% headroom**.

The construction industry remains firmly committed to implementation of the *National Planning Framework 'Project Ireland 2040'* and accelerating the delivery of the *National Development Plan 2030*, but seeks a thorough and objective interim revision of the NPF.

However, if the NPF 2024 is based on **inaccurate assumptions**, it will continue to have a **systemic effect** on all subsidiary layers from the Regional Plans to the MASPs to the City/County Plans.

Submission's key purpose

The principal purpose of this Submission is to:

1. Question assumptions that may have been made when preparing the NPF in 2018;
2. Acknowledge what worked, but primarily highlight what did not work with reference to specific examples; and
3. Outline how in drafting the NPF 2024, the DNPf might be improved upon to redress any shortcomings in the original NPF 2018.

Assessing the Revision under six key criteria

This Submission analyses the revised DNPF under six critical headings, with each section providing an examination of the current state and offering recommendations for improvement:

1. **Demand** - population growth and its impact on housing
2. **Land Availability** - current state of zoned land and activation
3. **Timing** - delays to delivery
4. **Policy** - changes for sustainable housing development
5. **Brownfield/Greenfield** - limitations and challenges
6. **Infrastructure** – challenges and solutions.

Distillation of the CIFs' principal recommendations to consider in the NPF Revision

In preparing this Submission on revision of the *NPF 2018*, we have sought to reconcile the NPF's previous recommendations with those of the recent Housing Commission's *Report on Housing*² with a view to presenting the perspective of the both the CIF and the Irish Home Builders' Association – the latter the foremost representative body for those working on the physical delivery of housing in Ireland.

The key issues raised and associated recommendations of this Submission are set out in Chapter 9, and a chapter-by-chapter tracker is set out in Appendix B.

In summary, the key requirements for the NPF 2024 may be distilled as follows:

1. Set out a **30-year time horizon** for the *National Planning Framework 2024* to 2055, rather than 2040. *Setting out a longer-term vision of 30-years rather than the residual 16-years will provide more realistic time horizon.*
2. Set out an **ambitious defensible target** for overall and then annual **housing output**, one that is measurable and one for which there is accountability on key named bodies to deliver. **An average annual output of 60,000 No. units is sought.** *Developing strategies to address the pent-up demand accumulated from years of conservative population projections would allow for industry to essentially 'catch up' with demand.*
3. In ensuring a sufficient supply of **serviced, zoned lands**, set a **headroom rate of 50%**, rather than 25%, to allow for flexibility, and to account for uncertainties in population trends, economic development, housing demand, and infrastructure needs. *Setting such a buffer will ensure that zoning regulations stemming from the*

² A double volume *Report*.

Appendix A sets out a bibliography of the key texts cited.



Planning Framework can accommodate an unexpected surge in the population (variations in fertility rates, immigration or economic migration) or economic activity without leading to shortages in housing, infrastructure and public services.

4. Recalibrate **Housing Needs Demand Assessments** from the NPF down to local plans based on the **concept of ‘floors’** rather than ‘ceilings’. *Implementing a dynamic and continuous demand assessment mechanism would allow for annually updating projections based on real-time data, including economic indicators, migration trends, and demographic shifts.*
5. Update and maintain in date **Myplan.ie** to assist with **active land management**. *Conducting a nationwide land audit to identify and classify all available land parcels based on zoning status, servicing, and development potential will allow both County Development Plans and Local Area Plans to align with Metropolitan, Regional and National Planning strategies.*
6. Establish an **Infrastructure Commission**, like Infrastructure Australia, under the auspices of a **Department of Infrastructure and Housing**, to identify, quantify and qualify Ireland’s most important infrastructural requirements to be published annually. *Developing and publishing detailed infrastructure development plans that align with land zoning will ensure timely provision of necessary services like water, electricity, and transportation. These need to be plan-led, not demand-led.*
7. Establish an accurate **Central Register of Brownfield** lands inputted by all 32 No. local authorities. *Providing accurate data on the deliverability of specific sites, enabling local planning authorities to trigger a grant of permission in principle for residential development where they follow the required procedures.*
8. Evaluate the planning system with reference to the concept of **viability**. The UK’s viability Guidelines provide useful templates. *Ensuring that all new policies undergo viability assessments to understand their impact on housing supply and affordability will provide certainty to investors and homebuilders.*



2.0 INTRODUCTION

2.1 The inherent difficulty of maintaining the currency of a long-term strategic plan

In outlining the revision process for the NPF in June 2023, the Minister for Housing, Local Government and Heritage acknowledged, that while “*there was a clear commitment in the Programme for Government for a revision of the NPF*”:

“Since its publication in 2018, there have been a number of significant and critical developments in relation to planning policy, guidance and legislation, as well as governance and institutional change.

The publication of Climate Action Plan 2023 demonstrates the need for alignment of policy across Government to meet or climate targets.

Also, within this time, unprecedented, unforeseen events have occurred with ongoing consequences, such as the impact of COVID-19, particularly in relation to changes in commuting patterns and the emergence of established blended working arrangements. In addition, there are the more recent impacts from the Russian invasion of Ukraine.”

[Our emphasis.]

In addition, since its initial publication, numerous events have affected the administration of town planning in Ireland - all of which are welcome developments - including:

1. The extensive **Planning and Development Bill 2023**;
2. Issuing of several **Ministerial Guidelines** (particularly that relating to ‘Compact Growth’) and *Circulars*;
3. A hiatus, followed by **increased resources** for **An Bord Pleanála**; and
4. The new **Planning and Environment Division** of the High Court (launched on Monday, 11 December 2023).

Role of the *Framework* as the linchpin

The *National Planning Framework* (NPF) is the **linchpin** in terms of its importance to the Irish planning hierarchy: it is the document that informs and unifies all other plans.

Without it, the collective lacks cohesion and fails to work together.

The Department of Housing, Local Government and Heritage (DHLGH) published its *Road Map* for the *National Planning Framework*’s first review in June 2023, and the *Draft First Revision* in July 2024.



We welcome the revision of the NPF, its acknowledgement that the previous population projections were understated, and particularly the increased projections for housing. **However, we argue that the projected 50,000 No. units per annum cited represents an under-provision, and should be amended to 60,000 No. units p.a.**

It is therefore essential that the NPF is responsive to changing circumstances, and is maintained up-to-date during its operation, that it is a dynamic document, constantly evaluated, constantly critiqued.

Three revisions are not enough

Under current legislation, there is no preclusion on more frequent revision of the *National Planning Framework*.

Notwithstanding that, the required six-yearly revisions mean that, unless replaced, the Framework would likely be revised in:

1. 2024 (i.e. the current revision);
2. 2030 (the second)
3. 2036 (the third).

As noted by the Minister above, much can change in a few short years: some anticipated, other changes unforeseen. The NPF 2024 must cater for both scenarios.

2.2 Recent Reports on Housing Demand

Among Government-related bodies themselves, there appears to be **no consensus** on the number of units that should be built annually.

An annual disparity extended over several years has a major multiplier effect, highlighted below.

The official target is the current *Housing for All (2021)*, which targets **33,000 No.** units per annum.

However, in recent months alone – from May to date - several other State-generated reports reveal different targets³:

³ In addition, we reference private sector analysis, such as the recent detailed analysis published by Goodbody *Residential land availability. An assessment of residential land provision in Ireland* (September 2024), which recommends different annual output figures based on detailed analyses.



Housing Commission's Main Report

1. At the outset, the **Housing Commission Main Report** (22 May 2024): the main *Report* suggests that apart from the future housing need, there is a **housing deficit** of between 212,500 and **256,000 No.** homes as of the 2022 Census.

In addition, the Housing Commission's *Report* outlines various scenarios for housing requirements based on different assumptions about population growth, household size, and obsolescence rates.

The recommendations range significantly depending on those variables:

- For a population of 6.25 million to 7.25 million by 2050, and household sizes ranging from 1.9 to 2.4 persons, the annual housing requirement ranges from **33,400** to **81,400 No.** units per year. (This is considered further in the Commission's complementary *Report*.)

Housing Commission Appendices 2024

The Housing Commission's Appendix Report provides a more detailed breakdown, estimating that to meet future housing needs and eliminate the existing housing deficit, an annual output of approximately **56,000 No.** units is required.

This estimate of 56,000 No. units considers different scenarios involving a mix of houses and apartments, with various percentages assigned to each type of dwelling:

- Scenario 1 (65% houses, 35% apartments): 56,000 units per year.
- Scenario 2 (55% houses, 45% apartments): 56,000 units per year.
- Scenario 3 (45% houses, 55% apartments): 56,000 units per year.

ESRI analysis and recommendations

2. **ESRI:** According to the ESRI Report *Population Projections, the Flow of New Households and Structural Housing Demand* (2 July 2024), taking the average over 12 No. scenarios, structural housing demand is projected to be around 44,000 No. per annum (p.a.) from 2023–2030, and around 39,700 No. p.a. over the 2030–2040 period.

(Based on the three demographic scenarios (baseline, high international migration and low international migration), as well as a range of assumptions on headship rates (based on current trends and a fall in household size) and obsolescence rates (0.25 per cent and 0.5 per cent), 12 No. main structural housing demand scenarios were considered.)



In the baseline population scenario, estimated structural housing demand in the period 2023–2030 ranges from around **38,000 No. p.a.** (assuming current trends in headship and a 0.25 per cent obsolescence rate) to **50,000 No. p.a.** (assuming household size falls and a 0.5 per cent obsolescence rate).

The ESRI Population Projections' Report provides various projections and assumptions regarding international migration, headship rates, household size, and structural housing demand.

Key findings include:

1. International Migration Population Scenarios:

The population projections vary depending on net international migration.

- a) In the **baseline scenario**, the population is expected to increase by 922,000 between 2022 and 2040, leading to a total of 6.106 million people.
- b) In the **high migration scenario**, with 10,000 more people migrating per annum than the baseline, the population could reach 6.308 million by 2040. Conversely, the low migration scenario, with 10,000 fewer people migrating annually, predicts a population of 5.904 million by 2040.

The difference in population across scenarios (just over 400,000) highlights the sensitivity of projections to migration assumptions.

2. Structural Housing Demand:

The structural housing demand is projected to average around 44,000 units per year from 2023 to 2030, and approximately 39,700 units annually between 2030 and 2040.

Twelve scenarios are developed using combinations of population (migration) scenarios, headship rates, and obsolescence rates.

In the **baseline scenario**, demand ranges from **38,000** to **50,000** units per annum, depending on headship and obsolescence assumptions.

For **high migration scenarios**, the demand ranges from **40,700** to **53,000** units per year.



Figure 2.1: Source: Central Statistics Office.

3. Headship Rates:

Two headship rate scenarios are considered:

- a) The **current-trends'** scenario assumes headship rates remain at 2022 levels, leading to a fall in average household size from 2.8 in 2022 to 2.6 by 2040, driven purely by demographic changes.
- b) The **fall-in-household-size** scenario anticipates a further reduction in household size, potentially to 2.4 by 2040, influenced by trends observed in other European countries.

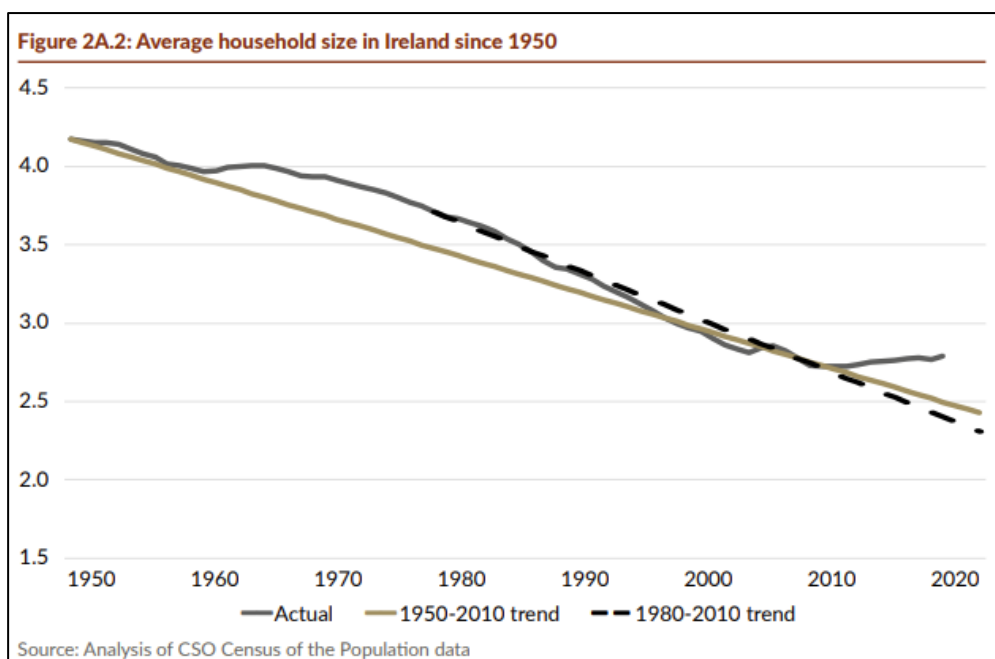


Figure 2.2: Source: The Housing Commission, May 2024.



4. **Obsolescence Rates:**

To estimate the loss of housing stock, the ESRI Population Projections' Report uses two obsolescence rates: a **lower rate of 0.25%**; and a **higher rate of 0.5%** per annum.

These assumptions feed into the broader housing demand projections across all migration and headship scenarios.

These factors together determine the flow of new households and housing demand, emphasising the interdependence of migration, household formation, and housing stock maintenance.

However, unlike the Housing Commission's Reports, **the ESRI figures do not address the issue of the existing deficit.**

DHLGH revised NPF

3. **Draft NPF** (July 2024):

National Policy Objective 43 undertakes:

*"To target the delivery of housing to accommodate approximately **50,000** additional households per annum to 2040."*

Other Departmental Reports

In addition to those three Reports (HC, ESRI and the DHLGH), the DHLGH's *Private Rental Sector Review* (16 July 2024), is caveated:

"It has not been possible to consider in detail the recommendations of the recently received report of the Housing Commission in this review. However, some of the recommendations in this review are similarly highlighted by the work of the Commission. All aspects of the report will be considered in detail by the Department." (PRSR, pgs. 2-3.)

As publication of the DHLGH **PRSR Report** is contemporaneous with as publication of the DHLGH's **DNPF**, does that infer that in drafting the DNPF the Department equally **has not considered** the **Housing Commission's Reports** in detail?

Does that explain the differences in annual projections?

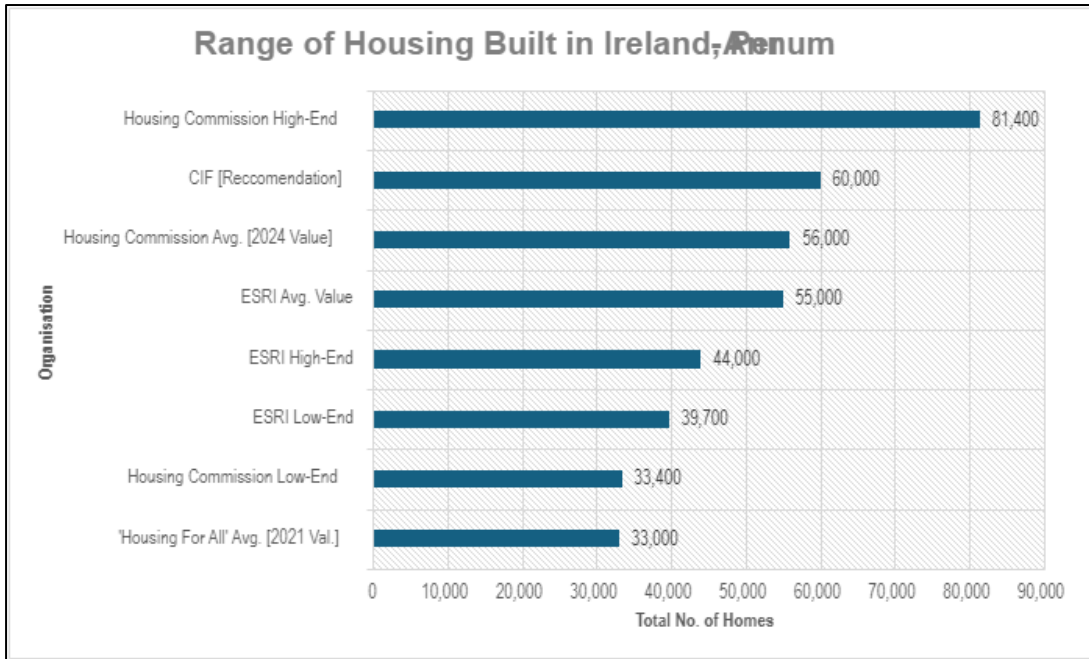


Figure 2.3(a): The range of annual housing units to be provided. (Source: Tom Phillips + Associates.)

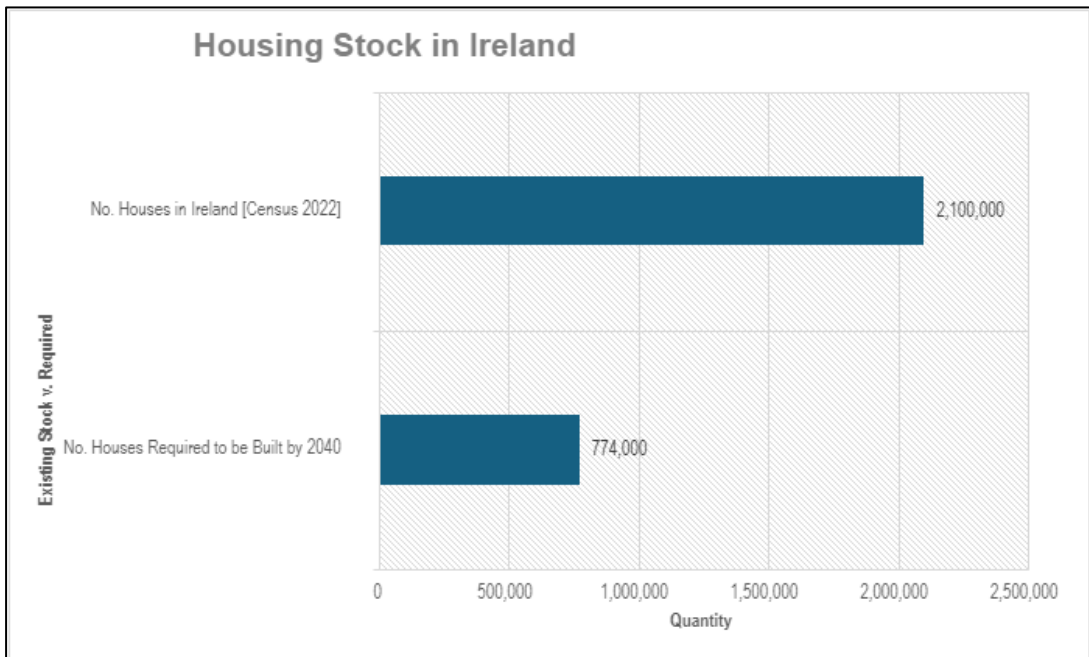


Figure 2.3(b): Housing Stock in Ireland 2022 and Housing Stock required by 2040. (Source: Tom Phillips + Associates, September 2024.)

If one takes the range of units to be built annually in those reports alone, the annual target ranges from the low of 33,000 No. per annum to 81,400 No. per annum.

Therefore, for the 16-year period of 2024 to the end of the NPF in 2040, the range is from 528,000 No. units to 1,302,400 No. units – a difference of 774,000 No. units – over three-quarters of a million homes.

To place that figure in perspective, the 2022 Census identified approximately 2.1 million homes in Ireland (including occupied and unoccupied dwellings (vacant properties and holiday homes))⁴



Figure 2.4: Source: Central Statistics Office.

A figure of an **additional 774,000 No. units to be built by 2040** represents the equivalent **33%** of the number of **all existing houses** in Ireland **currently standing (and spanning the centuries)** to be **delivered** in the next **16 years alone**.

2.3 Importance of the NPF to redress shortcomings in the *Planning Acts* and to set out an obtainable vision

The planning process continues to experience significant delays in many aspects:

1. The Construction Industry Federation has previously estimated that there are over 30,000 No. residential units delayed with An Bord Pleanála, as well as a further 30,000 No. units subject to Court proceedings, delaying the much-needed supply of homes for people.⁵

⁴ In Ireland's Census 2022, the figures for housing occupancy were as follows:

1. **Occupied homes:** 2,124,590
2. **Unoccupied homes:** 166,752 (including holiday homes, vacant homes, etc.)

These figures reflect the overall housing stock.

⁵ Construction Industry Federation, 22 Nov 2023, *The Construction Industry Federation and Irish Home Builder's Association Welcome New Planning and Development Bill*.



2. There are also considerable delays at various stages of the planning process: at Local Authority level complications arise at the planning condition compliance stage post the grant of planning.

For example, the revisions to the new *Planning and Development Bill* (PDB) in relation to compliance on points of detail (i.e. post-grant Conditions) is likely to exacerbate that further. (PDB 2023, section 87(11).)

3. The *Planning and Development Act 2000* (as amended) has not delivered the necessary infrastructure for Ireland. This is a central factor in Ireland's housing crisis and the many delays in other essential pieces of infrastructure.

While we welcome the focus on planning in the amended *Planning and Development Bill*, and *Sustainable Residential Development and Compact Settlements Guidelines for Planning Authorities* etc., these are certain to cause further delays because of the change in policies and the transition period required to bring in new Regulations.

Therefore, objective revision of the *National Planning Framework* is essential.

This is critical so that the State can plan and invest in infrastructure that supports Ireland's growing population, reach the housing build target requirements, whilst also protecting and enhancing Ireland's competitiveness as an economy.

Since the NPF and the *National Development Plan* (NDP) were published, Ireland has begun to increase its share of infrastructure investment as a percentage share of **Gross National Income** (GNI*)⁶, bringing it into closer alignment with the European average for infrastructure investment.

However, without a singular Department of Infrastructure, responsibility is spread across too many Departments, with no central authority or responsibility:

1. **Department of Transport:** responsible for transport infrastructure, including roads, public transportation, and aviation.
2. **Department of Housing, Local Government and Heritage:** oversees housing development, urban planning, and local government infrastructure.
3. **Department of the Environment, Climate and Communications:** manages infrastructure related to energy, telecommunications, and environmental sustainability.
4. **Department of Public Expenditure, National Development Plan Delivery and Reform:** oversees the National Development Plan (NDP), which is a critical framework for infrastructure development in Ireland, including major public works and capital investment projects.

⁶ The CSO defines 'GNI'* as an indicator designed specifically to measure the size of the Irish economy by excluding Globalisation effects.



2.4 Importance of timely infrastructure to the delivery of housing

Infrastructure will always remain a key component of Ireland's success and an important determinant of future economic growth and competitiveness.

Construction is at its most effective in assisting other parts of the economy to function more productively.

Investment in high quality infrastructure, which removes existing bottlenecks and adds to the productive capacity of the economy, not only boosts productivity, but can reduce inefficiencies, support jobs (including Foreign Direct Investment), help respond to climate change and build a sustainable quality of life for in Ireland.

Ireland's housing crisis affects all elements and facets of society: it affects the indigenous population, inward migration and sentiment. It has a knock-on effect across all employment and academic sectors, and dissuades Foreign Direct Investment.

One will always have degrees of unemployment, homelessness, vacancy, vagrancy and obsolescence.

However, as illustrated by other countries, with the right vision, commitment and procedures in place, a housing crisis is a solvable issue.

An essential starting point would be to zone sufficient lands for development, set objective, realisable targets and hold the State to account for a failure to deliver.

A robust revised *National Planning Framework 2024-2040* must be the linchpin to deliver that.



3.0 DEMAND – POPULATION GROWTH AND ITS DEMAND ON HOUSING

3.1 Current State

The problems posed by out-of-date and understated population statistics is highlighted by Ameco's⁷ estimates that the Irish population reached 5,348,700 at the end of 2023, a rise of 183,000 persons from the 2022 figure of 5,165,000 persons.

That represent an increase of 3.5% in one year alone, in part attributed to the influx of 100,000 Ukrainians who arrived in Ireland between February 2022 and the end of last year.

Not only is an increase of **3.5% the highest growth rate in Europe**, but is also one of the highest ever recorded internationally among developed countries.⁸

3.2 An example of recent conflicting data assumptions – ESRI 'versus' the Housing Commission

In contrast, the 2018 NPF estimated that Ireland's population would be between **5,220,000** and **5,275,000** by the end of 2023:

1. The former figure represents an **underestimate** of some 128,700 people – equivalent to **a population greater than Limerick City and suburbs** (102,287 in 2022); and
2. The latter figure represents an underestimate of some 73,700 people, equivalent to the **population between** those of **Galway City and suburbs** (85,910) and that of **Waterford** (60,079).

If one takes an average household size of 2.74 No. people per household (as referenced in the recent *Housing Commission's Reports*), a growth of 183k people equates to a requirement for 66,788 No. homes – in one year alone.

That quantum is twice the output of 33k No. new homes per annum suggested by the Government's *Housing for All: a New Housing Plan for Ireland* published in 2021.

That would be just to accommodate growth; not to address the existing deficit.

In addition, as noted above, the Housing Commission's Reports suggest that there is a housing deficit of between 212,500 and **256,000 No.** homes as of the 2022 Census.

⁷ The European Commission's Directorate General for Economic and Financial Affairs. AMECO is the annual macro-economic database of the European Commission's Directorate General for Economic and Financial Affairs. The database is used for analysis and reports produced by the directorate general.

⁸ An annual population growth of c. 3.5% is considered high, where: a low growth rate is below 1%; a moderate growth rate is between 1% and 2%; and a high growth rate is above 2%.

At 3.5%, the rate is well above the global average of 1% or fewer. High growth rates often result in rapid changes in infrastructure needs, economic challenges, and pressures on resources.



The strikethrough edit of the NPF highlights when statistics and recommendations have been altered

Reference to the recently-released 'strikethrough' version of the NPF highlights this issue:

*“Projections Projecting how Ireland’s population will grow and change ~~over the next 20 years~~ **between now and 2040**, based on a demographic and econometric ~~model~~ **modelling undertaken** ~~developed~~ by the Economic and Social Research Institute (ESRI)11, is a core element of this Framework. **The 2018 NPF planned for population growth of 1.1 million people, and a total population of 5.85 million by 2040.***

~~As the projections relate to the longer term, they are indicative of what levels of growth can be expected. Population projections undertaken for national spatial plans in the past have been accurate in projecting long-term national population growth to within a few percentage points of the actual outcome. Unlike previous projections, based entirely on demographics, the ESRI work undertaken for this Framework also factored in econometric data, including employment, jobs and house prices and modelled the spatial distribution of the projected population.~~

~~Initially, the ESRI modelled a continuation of current population and economic trends to 2040, as a ‘business as usual’ scenario. The ESRI Report indicates that under this scenario, Ireland’s population will grow by just under 900,000 people, to almost 5.7 million people by 2040. This is the baseline from which potential alternative strategies were developed.~~

Census 2022 recorded a population of 5.15 million (CSO) in Ireland. The ESRI has updated its national and regional population projections to account for Census 2022 and to take account of up to date economic, fertility, mortality and migration data.

The updated projection is that the population of Ireland will increase to approximately 5.7 million by 2030 and to 6.1 million by 2040.

Given the key role of international migration in shaping population growth in Ireland, the ESRI have also modelled a higher international migration scenario with a projected population of 6.3 million people by 2030 (baseline + 200,000).

***The ESRI projections form the basis for the revised NPF. This means that the NPF will now need to plan for a population of 6.1 million by 2040, an additional 250,000 people over that planned for in 2018.”** (Pgs. 19-20.)*

In summary therefore, comparison of the 2024 and 2018 iterations of the NPF highlight an increase of some 250,000 No. people over that estimated in 2018, but the Housing Commission has recently identified a **deficit** of some 256,000 No. homes.

In addition, there is the reported annual population growth of 3.5% refenced above.

It is vital that flexibility and ranges are introduced to our population projections and subsequent zoning policies.



As noted in the recent **ESRI Report** on the population projections addresses household size and its implications in Ireland.

Currently, seven out of ten households in the State have three people or fewer, with household sizes in urban areas generally being smaller than in rural parts.

Specifically, in Dublin, one, two, and three-person households make up 80% of all households.

Despite this trend towards smaller household sizes, most of the housing stock in Ireland consists of detached and semi-detached houses with three to four bedrooms.

The ESRI July 2024 Population Projections' Report outlines two main scenarios for future household size:

1. One assumes that headship rates remain constant at 2022 levels, predicting a decrease in household size from 2.8 to 2.6 by 2040, driven solely by demographic changes.
2. The second scenario assumes a further decrease in household size, influenced by new research evidence, projecting the average household size to fall to around 2.4 by 2040. This scenario considers both demographic changes and potential impacts from housing supply.

High average household size: necessity rather than preference

The recent **Housing Commission Reports** provide a comprehensive analysis of the issue of household size in Ireland.

The Commission notes that household size in Ireland has been historically high compared to other European countries, but it has been declining over the years. This decline has slowed significantly since 2011, with the **average household size remaining around 2.74** - one of the highest in Europe.

The Commission does not attribute this stagnation in the decline of household size to demographic factors, as Ireland's fertility rates, life expectancy, and other social indicators are like those of its European peers.

Rather, the Commission attributes the slowdown to a lack of adequate housing supply, leading to more people living together out of necessity rather than preference. This situation has resulted in a growing number of 'crammer' households, where unrelated individuals share living spaces.

Data shows that current household sizes are often higher than the preferred sizes, particularly among younger age groups.

For instance, the survey indicates that household sizes for individuals aged 18-24 are 44% higher than their preferred size.



This discrepancy highlights a **significant unmet housing need**, suggesting that many people are living in larger households than they would prefer due to housing shortages.

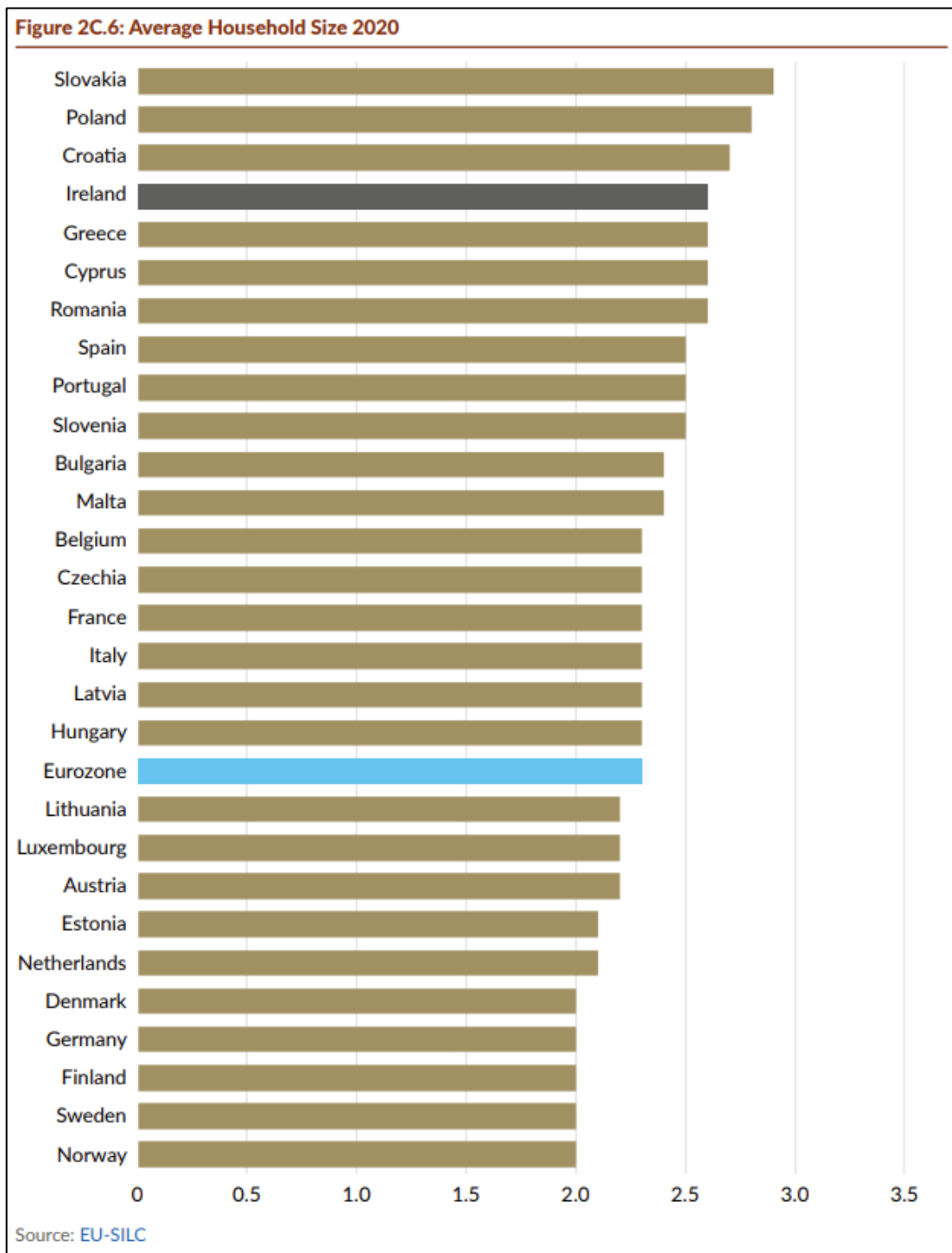


Figure 3.1: Source: The Housing Commission. (May 2024.)

The HC Reports also point out that periods of increased housing construction have historically coincided with greater declines in household size.



Conversely, during periods of low construction, household size reduction stagnates. This trend underscores the critical role of housing supply in influencing household size dynamics in Ireland.

As a simple, but startling, calculation, if one multiplies the Commission's published **unit deficit of 256,000 by the average household size of 2.74** persons per unit, that suggests that as it currently stands **some 701,440 people need housing**.

Overall, the *HC Reports* conclude that the **primary barrier to reducing household size** in Ireland to levels seen in other European countries is the **insufficient rate of new housing construction**.

Addressing this issue would help align actual household sizes more closely with the underlying preferences of the population.

3.3 Key Challenges

The major factors driving the demand side include:

1. Under-supply
2. Affordability, and
3. Regional disparities.

These challenges affect the overall efficacy of the *National Planning Framework*.

3.4 The differences of approach to one-off housing and multi-unit development

Recently, the Irish Government's Economic and Evaluation Service published its Analytical Note 2024 *One-off Housing in Ireland: Trends and State Funding Supports* (June 2024).

It is a welcome study of an issue that is rarely addressed, but must be in the context of ensuring an equitable apportionment of support for the delivery of housing.

The Study sets out several Key Findings, with those of relevance to the delivery of multi-unit housing under the *National Planning Framework* noted below:

1. Generally, around 4-5k one-off units are commenced annually.
2. One-offs were a key delivery stream following the housing market collapse in 2008.
3. From 2011 to 2015, the IGEES noted that just 11,700 No. multi-unit and apartments were completed compared to 17,500 No. one-off housing units, the latter making up 60% of all new delivery in Ireland over these 5 years.

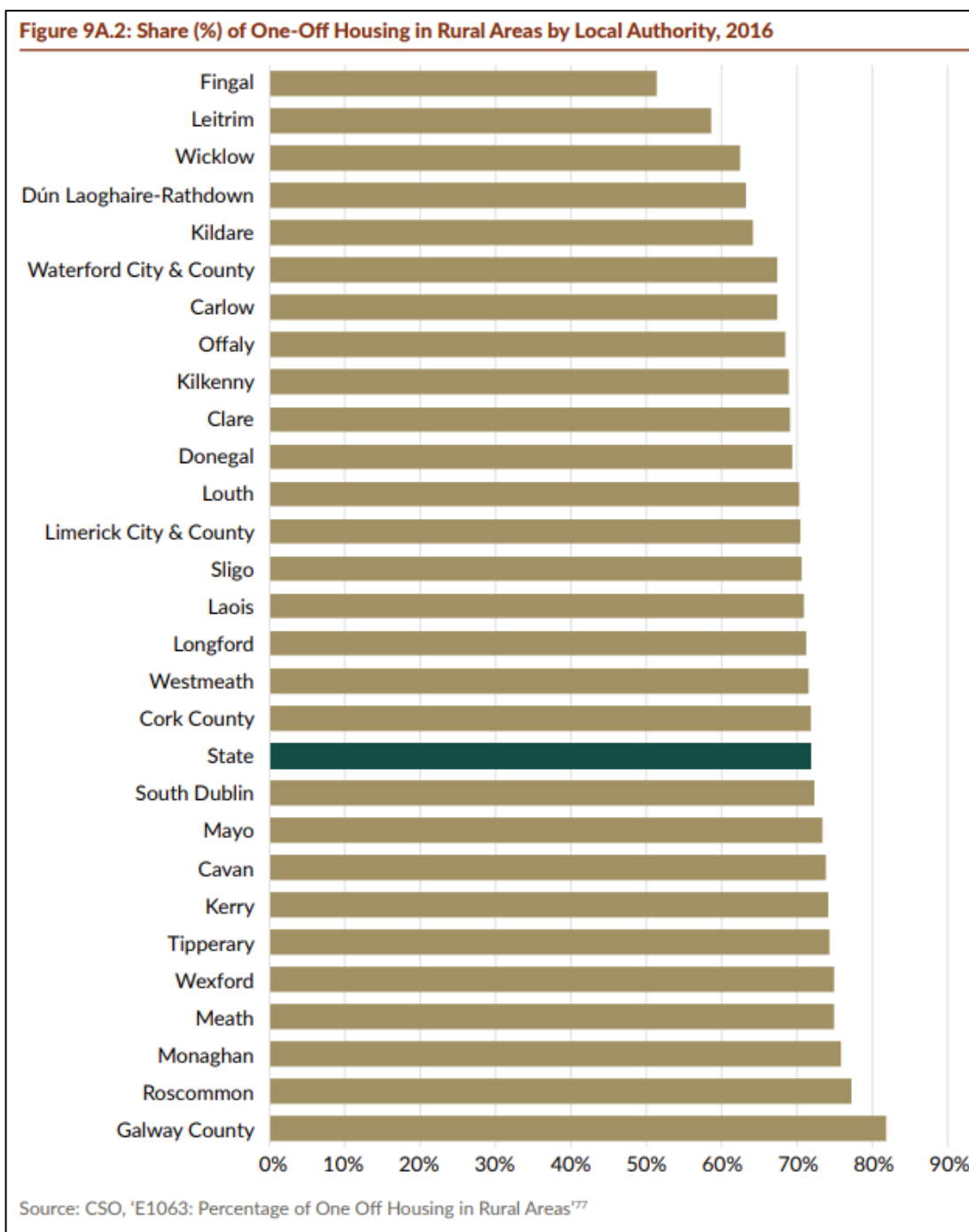


Figure 3.2: Source: The Housing Commission (May 2024)

The contribution of one-off units and their deliverability must be a factor for consideration in revising the NPF when the difficulties of delivering housing schemes of scale are assessed.

The Study notes that differences in financing and delivery complexity mean that one-off units with planning permission face less delivery risk and tend to be more likely to be completed compared to higher density developments.

In the context of incentivising the construction of brownfield lands, the illustrative case studies presented in the IGEES Study highlight the range and scale of State subsidies available to households for a one-off housing unit – potentially ranging up to €100,000.

The IGEES Analytical Note 2024 *One-off Housing in Ireland Study* highlights that in 2023, the average size of a one-off housing unit was around three times bigger than the average apartment and almost twice the size of multi-housing units, with construction costs generally attributable to the size and spec of the unit.

For one-off housing, these are largely determined by household preferences and funding capacity as opposed to market determinants or viability for multi-units.

This dynamic may explain differences in unit size.

To meet acute housing demand in Ireland, there is a need for more social and affordable housing as well as higher density urban development.

The IGEES Study states that:

“This raises considerations around opportunity costs, potential displacement and deadweight from continuing to provide untargeted supports for one-off units, which are a relatively sustainable delivery stream and may not need significant State subsidies to be delivered.”

The Study findings conclude that:

“With the revision of Rural Development Guidelines and the NPF, Ireland’s important tradition of rural one-off housing will continue to be supported within the planning system.

However, this must be balanced with other policy objectives like increasing social and affordable housing, delivering on climate change objectives, and driving compact growth.”

The CIF supports the Draft NPF’s National Policy Objective 30 to protect the need for single housing in the countryside (in conformity with Local Authorities’ HNDA tools), but highlights and welcomes the IGEES *Report’s* recommendation that:

*“further consideration is required on how to better target subsidies so that finite **Exchequer funds are maximised to support the construction and activation of more units**, in locations of greatest demand where delivery is most challenging, rather than subsidising the delivery of larger housing units for private homeowners.”*

It must be ‘and-and’, not ‘either-or’.



4.0 LAND AVAILABILITY – CURRENT STATE OF ZONED LAND AND ACTIVATION

4.1 Myplan.ie must be accurate

The adage “if you can’t measure it, you can’t manage it” is (mis)attributed to W. Edwards Deming, writing in *The New Economics* (1994).

Simply put, one cannot progress revision of the NPF if the basic factors underpinning the identification, classification and calculation of Ireland’s zoned lands are unknown.

At its simplest, the Government must mandate the reconciliation of Myplan.ie⁹ with the nationwide (RZLT) analysis. Both must be kept up-to-date and integrated.

For the NPF to succeed, Ireland must always have the necessary supply of zoned, serviced lands to deliver the requisite supply of housing for a growing population, complemented by the necessary supportive policies.

Such figures are driven *inter alia* by a growing population, an increase in immigration and a decreasing average household size.

Goodbody recently published a useful study on Residential Land Availability *An Assessment of Residential Land Provision in Ireland* (9 September 2024).

The CIF concurs with its key finding that there is insufficient and outdated data on land availability, making it difficult to assess the true scope of developable land across the country.

Appendix C below sets out the context for Myplan.ie.

4.2 Evidence to facilitate assessing land

The *Draft NPF* references the perceived role of the **Residential Zoned Land Tax (RZLT)** mechanism as a key land activation tool. It states:

“Land Activation and Active Land Management

The Government is advancing a number of land activation and active land management measures through legislation to ensure that the potential for urban development in the built up area of cities and towns, with proximity to services and good quality public transport, can be accelerated.

The Residential Zoned Land Tax (RZLT) introduced under the Finance Act 2021, will come into effect in 2025. The tax is aimed at encouraging the activation of development on suitably zoned and serviced land for housing.” (DNPF, pg. 155.)

⁹ Myplan.ie falls under the remit of the Department of Housing, Local Government and Heritage, and is run by its Forward Planning Section.



Reference is also made to the role of ‘Land Value Sharing’:

“Proposals for legislation to support Land Value Sharing (LVS) are also being progressed to ensure that the State can secure a proportion of the uplift in land values that results from public decisions to zone or designate land for development. The intention is that the obligations secured will be used to provide the infrastructure needed to enable housing and related development to take place, in addition to providing the services and facilities that communities need.”

Why RZLT and LVS were conceived; but link these to the *Kenny Report* is a misconception

The **Residential Zoned Land Tax (RZLT)** and **Land Value Sharing (LVS)** mechanisms are contemporary policy tools that **purport to align** with the principles set forth in the ***Kenny Report*** (1973), which aimed to manage land prices and ensure that increases in land value, particularly due to rezoning, would benefit the public.

The *Kenny Report* recommended measures to control land prices, particularly in urban areas, to prevent landowners from profiting excessively from land rezoning decisions. The Report proposed that the government should have the power to acquire land at a reasonable price, reflective of its existing use rather than its speculative value after rezoning, ensuring that the public benefitted from the increase in land value caused by planning decisions.

The two taxes’ respective purposes are outlined below:

1. The **RZLT** is designed to encourage the efficient use of land zoned for residential development by taxing landowners who do not develop such land. The goal is to reduce land hoarding, where owners hold onto land without developing it, thereby limiting housing supply and driving up prices.

In principle, this aligns with the *Kenny Report’s* objectives to discourage speculation and ensure that zoned land is brought into productive use more quickly, benefitting society by increasing housing supply.

2. **Land Value Sharing** in Ireland focuses on capturing a portion of the increase in land value that results from public investments and planning decisions, such as rezoning or infrastructure development.

The idea is that when public actions increase the value of land, some of that increase should be returned to the public, rather than solely benefiting private landowners.

Again, this approach is a direct reflection of the principles in the *Kenny Report*, which advocated for mechanisms to ensure that the public gains from land value increases rather than private speculators.

While the *Kenny Report* itself was not fully implemented, these tools embody its core idea: that the community should benefit from the value it creates through planning and public investment, rather than allowing private landowners to capture all the gains. These

measures aim to curb speculation, promote the efficient use of land, and ensure that land value increases benefit society.

However, as noted in a critique of the *Kenny Report*, the IHBA¹⁰ identified that:

“since the time the Kenny Report was published several taxes/levies have already been implemented, including CGT (33%), VAT on the sale of a new home (13.5%), the RZLT (3%), section 48 and 49 development contributions, Part V obligations. The idea that the State does not already share in the value uplift of zoned land is misleading. To illustrate this, in Appendix 4, we have broken down the uplift in zoned land value captured by different bodies of the State in a typical development scenario.”

In addition, the Government has introduced connection fees to Uisce Éireann (formerly Irish Water).

The concept of viability is not considered in discussions on land activation. The NPF must be careful not to accept these measures as equitable means of land activation, without considering the fundamental issue of viability.

This caution is echoed in the *Housing Commission’s Reports*.

The two HC reports reference the *Kenny Report* in the context of discussing policy interventions in the housing market and the sensitivity of the housing supply to these interventions.

The HC Reports highlight that the *Kenny Report* emphasised how even minor policy interventions could negatively impact housing supply.

This is particularly relevant when discussing regulatory impacts on housing affordability and supply, as seen in the broader discussions on the challenges faced in maintaining a balance between regulatory oversight and housing market efficiency.

Additionally, the *Kenny Report’s* insights are revisited in connection with modern discussions on land value and the potential distortions that taxes and regulatory uncertainties might introduce into the housing market.

The reports underscore that land, being inelastic, is susceptible to supply distortions caused by taxation and policy uncertainties, which could inadvertently increase housing costs.

The RZLT Maps, whilst useful, do not show the full picture.

Appendix D sets out some background information and considerations in respect of the RZLT, and Appendix E sets out a series of anonymised schemes from Members of the IHBA highlighting the ongoing difficulties of those trying to deliver housing of scale.

¹⁰ IHBA *Letter* to the Acting Principal Planning Advisor at the Department of Housing, Local Government and Heritage on the ‘*General Scheme of a Land Value Sharing and Urban Development Zones Bill 2022*’. (22 June 2023.)

'Land Hoarding' versus 'Strategic Land Assembly'

A key factor in understanding the context to RZLT is provided by the linkage of taxation to (perceived) land-hoarding.

Discourse on the various actors and actions in the development process has unearthed a series of 'strawmen'¹¹. Examples include 'vulture funds', 'cuckoo funds' and 'land hoarding'.

In terms of the latter, 'land hoarding' is an accusation often thrown at the normal practice of "strategic land assembly".

The Land Development Agency's *Statement of Strategy 2024-2028* (rightly) acknowledges the role played by 'Strategic Land Assembly' adopting as its overall goal:

"to lead a focused approach to strategic land assembly to ensure a consistent pipeline of sites in areas of greatest demand."

(Land Development Agency (LDA), *Statement of Strategy 20224-2028*, page 21.)

The differences are very important to facilitate objective debate. In summary, 'strategic land assembly' is a conventional development-driven approach to consolidate and prepare land for projects, while 'land hoarding' is a speculative strategy that holds land for future value increases without immediate development intentions.

Many commentators purposefully or occasionally unintentionally conflate the two. (See Appendix F.)

The Data Gap especially in terms of Tiers 1, 2 and 3 Lands

In summary, whilst one could calculate the quantum of residentially-zoned/residential-facilitating zoned lands in Ireland, there is **no definitive portal** that quantifies it with reference to its correlation with the requisite infrastructural services required.

The Residential Zoned Land Tax Maps do not achieve that. The recent Goodbody analysis concurs with that finding, particularly regarding the NPF's Tier 1 and Tier 2 land hierarchy.

In relation to Tier 1 and Tier 2 lands, the Goodbody Report provides several key findings and recommendations, stressing the need for proactive measures to ensure that both Tier 1 and Tier 2 lands are available and viable for development to meet housing demands:

1. Tier 1 Lands:

These are fully serviced, residentially zoned lands that can accommodate development.

¹¹ A noun deriving from a straw-filled scarecrow, literally a dummy that is easily attacked and destroyed, as opposed to a logical, critically-thinking human opponent -set up because it is easier to defeat than an opponent's real argument.



They are ready for immediate use, having the necessary infrastructure (roads, drainage, water, etc.) in place.

The Report highlights the importance of ensuring enough Tier 1 land is available to meet housing targets in regions like the EMRA (Eastern and Midland Region Assembly) and Southern regions, which currently face a shortage of serviced lands to meet updated housing targets.

2. Tier 2 Lands:

These lands are zoned for residential use, but lack full servicing, requiring additional infrastructure investment before development can occur.

Local authorities are urged to ensure that Tier 2 lands can be brought to Tier 1 status within the relevant planning period to support housing delivery.

The Report emphasises the need for coordination between planning authorities and infrastructure providers to ensure that these lands can be developed in a timely manner.

3. “Tier 3” Lands:

Appendix 3 of the NPF states that:

“Current development or area plans may include zoned lands that cannot be serviced during the life of a development or area plan by reference to the infrastructural assessment of the planning authority.

This means that they cannot be categorised as either Tier 1 lands or Tier 2 lands per the above and therefore are not developable within the plan period.

Such lands should not be zoned for development or included within a development plan core strategy for calculation purposes.”

It was recently announced that the Minister had written to all local authorities requesting them to prepare audits of their lands from the perspective of zoning.

In that regard, such analysis will likely identify lands that are serviceable, but unzoned, lands. These could be considered as Tier 3 Lands. Similarly, zoned, unserviced lands should be identified to establish if there are any actions that might render such lands serviceable in the short- to medium-term?

We concur with the Goodbody Report’s key recommendations on Tier 1 and Tier 2 lands:

- 1. Viability Assessment:** Local authorities should conduct viability assessments on both Tier 1 and Tier 2 lands to ensure they can be developed and to identify any obstacles to activation. Action plans should be created to resolve any issues.



2. **Infrastructure Coordination:** The successful activation of Tier 2 lands depends on coordinated infrastructure investment, particularly in water, electricity, and transportation.
3. **Buffer Zones:** A buffer of at least 50% should be applied to the available land in these tiers to account for delays and non-commencement, particularly in regions with a high proportion of brownfield sites.

Empirical analysis of build-out rates

The noted British town planning consultancy Lichfield published a study *Start to Finish how quickly do large-scale housing sites deliver?* (Third edition, March 2024.)

The consultancy analysed the build-out rates of 179 No. sites of over 500 No. dwellings.

Among its six conclusions it noted:

1. **Conclusion No. 1:** *“Only six of the 99 dwellings or fewer can, on average, be expected to deliver anything in a five-year period from validation of planning application, with delivery of the first dwelling on average taking 3.8 years. By comparison, sites of 1,000+ dwellings take on average five years to obtain detailed planning permission, then a further 1.3 – 1.6 years to deliver the first dwelling.”*
2. **Conclusion No. 6:** *“Large-scale entirely apartment schemes can achieve significant annual build-out rates, but delivery is not always consistent, with ‘lumpy’ delivery of blocks of apartments and a higher susceptibility to market downturns and other development constraints. These schemes can also have protracted planning to delivery periods compared to conventional housing schemes of the same size.”*

That Report is considered further in Section 7.8 below.

4.3 Lack of empirical evidence to facilitate evidence-based planning: What role might Artificial Intelligence play in generating and maintaining up-to-date statistics to inform a rolling revision of the NSS?

Despite the exponential growth in Artificial Intelligence (AI), the key statistics and data necessary to inform revision of Ireland’s 2018 NPF has not yet been prepared.

The pace of change is increasing, as evidenced by the Cushman & Wakefield *Disruptor* challenges illustrated below.

The authors note that the matrix represents the fourth update in five years, with the timeline for change happening faster than predicted each time.

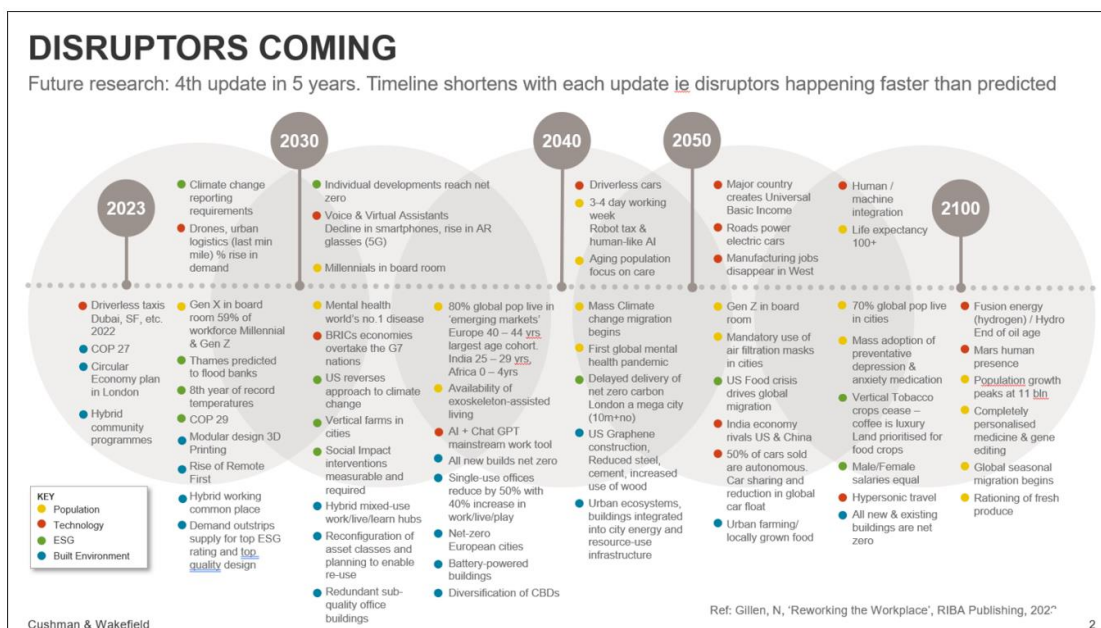


Figure 4.1: Source: *Reworking the Workplace: Connecting people, purpose and place*, Nicola Gillen.)

Appendix G below sets out a series of recommendations by the Department of Finance highlighting the increasing role of the use of AI as a tool in town planning.

This is particularly relevant with reference to the structural changes required to the operation of Myplan.ie.

4.4 Checklist to redress the challenges of land availability

- 1. Comprehensive Land Audit:** compelling argument for a detailed audit of all available land, based on an enhanced accurate, up-to-date *Myplan.ie* platform.
- 2. Enhanced Land Zoning Policies:** policies to ensure balanced land use through the streamlining of the multiple disparate land use zoning objectives throughout the country, based on *Myplan.ie*'s generic classifications.
- 3. Incentives for landowners:** the carrot rather than the stick of the Residentially Zoned Land Tax (RZLT). Introduce incentives for landowners to release undeveloped land.
- 4. Infrastructure Development Plans:** facilitate the alignment of zoning with infrastructure provision.

The absence of comprehensive plans that track the status of infrastructure delivery to zoned lands can lead to false assumptions about the developable quantity of zoned land.

The Housing Commission recommends publishing detailed analyses of infrastructure capacity and delivery timelines to avoid such issues.



- 5. Integration with Utility Providers:** utility providers typically follow a plan-led approach, aligning with the *National Planning Framework* and local area plans.

The Commission for the Regulation of Utilities guides and limits investment principles for utility providers. Coordination around land-use zoning through integrated transport strategies and infrastructure plans is essential for effective development.

- 6. Land Development Capacity Studies:** studies involving residual value exercises grade identified land parcels, providing insights into the potential of brownfield development and better configuring reforms to release land capacity.

- 7. Transparency and Information Availability:** the Housing Commission advocates for transparency in housing delivery.

Information on the amount of available serviced land, planning permissions, and the actual housing being delivered should be made available to policymakers and the public.

This ensures clarity on the status of infrastructure delivery to zoned land.



5.0 TIMING – DELAYS TO DELIVERY

5.1 Limited number of NPF Revisions - how the revised NPF can be fine-tuned to redress Ireland's housing crisis

The purpose of the *National Planning Framework* is to provide a strategic long-term plan aimed at guiding growth, whilst addressing various socio-economic challenges, including the housing crisis.

The *Framework* is designed to guide the country's development until 2040. That is **too short a time horizon** – effectively the length of just 1.5 Development Plan's under the *Planning and Development Bill's* ten-year development plan cycles.

A vision needs at least a 30-year horizon, not just 15 years

Several countries have developed long-term strategic plans or visions that span 30 years or more. These plans are typically aimed at guiding national development across various sectors, including economic growth, infrastructure, social development, and sustainability, including:

1. **United Kingdom:** *Industrial Strategy 2050*

The UK has several long-term strategic frameworks that extend to 2050, including plans for decarbonisation, infrastructure development, and economic innovation.

2. **Australia:** *Infrastructure Australia's 30-Year Infrastructure Plan*

Australia's Infrastructure Australia has developed a 30-Year Infrastructure Plan, which outlines strategic infrastructure investments to support economic growth, sustainability, and resilience across the country.

3. **Singapore:** *Concept Plan 2030 and Beyond*

Singapore's urban development is guided by a long-term strategic framework known as the *Concept Plan*, which looks 40-50 years ahead.

The latest iteration *Concept Plan 2030* continues to plan for population growth, land use, infrastructure, and sustainability up to 2070 and beyond.

4. **Japan:** *Vision 2050*

Japan has a long-term vision focusing on sustainable development, technological innovation, and addressing demographic challenges like an aging population.

Vision 2050 includes goals related to energy, environment, and societal transformation.



Having a longer time horizon than the *National Planning Framework*, those strategic plans reflect the ambitions of countries to achieve sustained development and address future challenges, incorporating goals related to sustainability, technological advancement, and improving quality of life for their populations.

The NPF shares many of the objectives of those visions, plans and strategies, but its time horizon is **too constrained to make meaningful inroads** into tackling Ireland's housing crisis.

The DPNF's role in redressing Ireland's housing crisis may be synthesised as follows:

1. **Balanced Regional Development**

The NPF emphasises the importance of balanced regional development, encouraging population growth and economic activity outside Dublin and other major urban areas.

By promoting growth in regional cities, towns, and rural areas, the NPF aims to reduce the pressure on housing demand in Dublin, where the crisis is most acute.

This approach can alleviate housing shortages and make housing more affordable across the country.

However, such aspirations need to be supported by tangible, measurable targets.

A central theme of this Submission is the need to establish a single Government Department of Infrastructure and Housing, working to a time-horizon of at least 30 years.

The rationale behind the establishment of such a Department includes:

- i. **Improved Coordination:** a dedicated department could streamline infrastructure planning and delivery, reducing overlap and improving efficiency across transport, housing, energy, and communication sectors.
- ii. **Long-Term Strategic Planning:** a centralised department could better coordinate long-term infrastructure strategies, aligning them with national goals such as sustainable development, economic growth, and climate change mitigation.
- iii. **Enhanced Accountability:** with a single department responsible for infrastructure, it would be easier to hold the government accountable for delays, cost overruns, and project mismanagement.

2. **Compact Growth**

A key objective of the DPNF is to achieve more compact urban development. This means increasing the density of housing in existing urban areas rather than expanding into the countryside.



The DPNF aims for at least 50% of new housing to be built within the existing footprint of cities and towns.

Whilst this can help to optimise the use of existing infrastructure and services, reduce urban sprawl, and create more sustainable communities with better access to amenities and public transport.

In this Submission, we highlight the **difficulties inherent in brownfield development**.

3. Strategic Infrastructure Investments

The DPNF is aligned with significant public investment in infrastructure, which is essential for housing development.

Investments in public transport, water services, and energy infrastructure can unlock land for housing development and make it feasible to build in areas that were previously underutilised.

The DPNF's focus on improving infrastructure across the country is intended to support the creation of new homes where they are needed most.

However, this Submission highlights a series of **disconnects** in the identification of **priority projects** in Ireland.

4. Affordable and Social Housing

The DPNF underscores the need for a greater supply of affordable and social housing.

It supports government policies that aim to increase the supply of these types of housing through various mechanisms, including direct state intervention, partnerships with housing associations, and incentivising private developers.

The DPNF's emphasis on affordability is crucial for addressing the housing needs of lower-income households and reducing homelessness.

However, as illustrated by the critique of the DPNF's support for land activation initiatives such as the Residential Zoned Land Tax (RZLT) and Land Value Sharing (LVS) mechanisms - **reflect a focus on taxation to dissuade, rather than active support to facilitate and render development viable and feasible**.

5. Sustainable Communities

The NPF promotes the development of sustainable communities where people can live, work, and access services locally.



By encouraging mixed-use developments and ensuring that housing is integrated with amenities like schools, healthcare, and parks, the DNPf seeks to create attractive vibrant communities in which to live.

This holistic approach can improve the quality of life for residents and reduce the need for long commutes, which in turn can help moderate housing demand in certain areas.

6. Strategic Planning and Policy Coherence

The DNPf provides a vision designed to align housing policy with broader national objectives.

By setting clear targets and providing a framework for local authorities to develop their plans, the NPF seeks to ensure that housing development is coherent, coordinated, and consistent with national goals.

Such an aim assists in helping to prevent the piecemeal and reactive approaches that have contributed to the housing crisis in the past.

However, the national interpretation of Housing Need Demand Assessment (HNDA) is a major concern addressed in this Submission.

In summary, the setting of population projections as ‘ceilings’ rather than ‘floors’ represents a major concern with the current NPF 2018, which as currently applicable in Ireland in 2024 is based on a Census conducted 8 years ago, a period in which the population has continued to grow exponentially.

The top-down restrictions resulting have and continue to affect the population targets of Regional, City/County and Local Area Plans.

7. Urban Regeneration and Brownfield Development

The DNPf places a strong emphasis on urban regeneration, particularly the redevelopment of brownfield sites — previously developed land currently not in use.

The DNPf seeks to increase the supply of homes in urban areas without expanding unduly into greenfield sites, preserving the countryside and reducing environmental impacts.

However, the DNPf does not properly acknowledge the important role that can be played by greenfield plan-led development.

It must reflect an “and-and” rather than an “either-or approach” in the greenfield/brownfield debate.

8. Climate-Resilient Housing

As part of its commitment to sustainability, the DNPf encourages the development of climate-resilient housing.

This includes ensuring that new housing is energy-efficient, resilient to climate change, and located in areas less vulnerable to flooding and other climate-related risks.

Climate-conscious planning can ensure that new housing developments are sustainable in the long term, both environmentally and economically.

Such aspirations must clearly be at the heart of a 30-year vision.

9. Leveraging Public Lands

The DNPf supports the use of state-owned land for housing development, which can help increase the supply of housing more quickly and affordably.

Public lands can be used for a mix of social, affordable, and private housing, contributing to a more diverse housing stock.

However, in some instances the experiences of the Land Development Agency illustrate that it too faces the delays of the Irish planning system.

Conclusion

The *National Planning Framework*, with its focus on sustainable growth, regional balance, and long-term strategic planning, plays a critical role in addressing Ireland's housing crisis.

By guiding the development of housing in a more organised, sustainable, and equitable manner, the DNPf aims to ensure that all citizens have access to affordable, quality housing within thriving communities.

In this regard, it is essential that the current revision of the 2018 NPF be **objective, self-critical** and **open to alternative approaches** and new **bold targets** if such aspirations are deemed to help **redress the housing crisis**.

It must also seek to **incentivise** rather than **penalise**.



5.2 Planning delay as defined by the Department of Finance

The recent Department of Finance *Report on the Availability, Composition and Flow of Finance for Residential Development* (18 June 2024) highlight several issues regarding delays in planning, including:

1. **Complexity and lack of certainty:** the planning process has become increasingly complex, costly, and legally fraught.

The legislation, initially intended to facilitate development, has been overshadowed by a regulatory focus, making the process difficult to navigate for planning consultants, lawyers, and authorities.

2. **Significant delays and legal challenges:** medium- to large-scale residential developments face significant delays and a rise in legal challenges to approvals, particularly on lands zoned for residential development.

This increases the cost and complexity of the planning process, leading to prolonged timelines.

3. **Uncertainty and regulatory changes:** delays in decision-making, changes in external markets, and policy interventions during the planning process can significantly impact the viability and deliverability of housing projects.

This uncertainty increases risks and costs for developers, which are ultimately passed on to consumers.

4. **Appeals and Judicial Reviews:** the current system allows for challenges and appeals at multiple stages, including plan-making and individual application decisions.

This leads to additional costs and delays, with the planning stage often taking longer than the actual construction of homes. There is a call for rebalancing the system to reduce late-stage objections and streamline the process.

5. **Impact on housing supply:** delays in planning and infrastructure delivery significantly hinder the supply and affordability of housing.

Stakeholders emphasised the need for more efficient systems and the importance of aligning planning policies with infrastructure provision to meet housing requirements effectively.

The DoF Report suggests that to address these issues, planning processes must become more accessible, certain, and efficient.

This includes promoting earlier and more effective public participation, reviewing the appeal system, and ensuring better coordination between planning and infrastructure delivery.



The revised *National Planning Framework* has a significant role in ensuring that **alignment**.

5.3 Planning delay as defined by the Housing Commission

The Housing Commission's Reports provide several recommendations to address delays in the planning process.

Whilst some are outside the scope of the revised *National Planning Framework 2024* – such as the recommendations in relation to promoting earlier and more effective public participation in planning applications, and the general streamlining of the planning process - the following is relevant:

- **Infrastructure Coordination:** address delays in delivering key infrastructure by ensuring coordination and alignment of infrastructure delivery with development plans.

This includes engaging with utility providers and ensuring infrastructure is in place before housing construction begins.



6.0 POLICY – CHANGES FOR SUSTAINABLE HOUSING DEVELOPMENT

6.1 Reports of the Housing Commission (22 May 2024) highlights necessary revisions to the *National Planning Framework*

The Government's publication of the *Report of the Housing Commission* (HC Report) (and its Appendix) on 22 May 2024 are useful for providing a checklist of factors that should be considered in the revision of the *National Planning Framework*.

Distilling the extensive Reports, the following points are noted:

1. Housing policy should be based on an assessment of the housing required for a well-functioning society, not just market demand or construction sector capacity.
2. Housing provision should be aligned with economic development in the *National Planning Framework* to ensure sufficient supply across the country.
3. Housing policy must consider the full economic and social costs of not meeting housing requirements.
4. Adequate provision should be made for a range of housing types to meet the specific needs of different groups.

The Reports suggest that there is a housing deficit of between 212,500 and 256,000 No. homes as of the 2022 Census.

The level of housing supply required outside of Ireland's major urban centres will be substantial in all scenarios.

6.2 The Housing Commission's concerns with the *National Planning Framework* – not a 'ceiling'

Revision of the *National Planning Framework* is clearly at the heart of the Commission's Reports.

The Commission's Reports question the *National Planning Framework* for its focus on achieving 50:50 balanced growth, which has led to constraints on growth in the capital city and urban sprawl around Dublin.

The Reports also suggests that the *Framework* needs to be reformed to account fully for key parameters such as net inward migration and household size, and to prevent it from being interpreted as a ceiling on housing supply.

Additionally, the HC Reports highlight the need for compact urban growth and a rebalancing of obligations in planning processes to enable better consultation and visualisation.

We share the Commission's Reports' concerns regarding the application of HNDA in the Irish context.



The Reports state that the DPNP's application of HNDA has been used inappropriately to argue for a **cap** on housing development in certain areas. Additionally, it notes that the application of HNDA has not been sensitive enough to regional economic and social contexts.

It **cautions against** using a **one-size-fits-all** approach when determining housing delivery targets for planning authorities.

6.3 *“Structural imbalance between housing need and supply for over a decade - mismatch - supply of housing has not kept pace”*

On 27 May 2024, the Government hosted the **National Economic Dialogue**. The discussions at the Dialogue focused on the theme of a more shock-prone world: challenges and opportunities for Ireland.

The Minister for Housing, Local Government and Heritage, Darragh O'Brien, T.D. chaired Breakout Session 5 on the theme of *Building for the Future: Maintaining progress in a challenging environment*.

The Session centred on the following context:

“Introduction and Background

There has been a structural imbalance between housing need and supply for over a decade. The mismatch has led to reduced access, increasing prices and high rents. In the long-run, housing need is driven by a number of factors including, inter alia, economic growth, demographics and household size. In relation to the former two, Ireland has experienced strong economic growth and very significant population increases over recent years, see figure 1b. The supply of housing has not kept pace.

*Changes in household size acts as both a determinant of the demand for housing and as a pressure valve on the system. Increasing household size reduces some of the immediate pressures on housing supply — in the private rental market or on demand for services for example. **However, the actual need remains and acts as a significant source of pent-up demand.** The unprecedented increase in the number of adult children living in the family home in Census 2022 is the most obvious example of this phenomenon.”¹²*

(NED 2024, pg. 35.)

[Our emphasis.]

¹²https://www.cso.ie/en/releases_and_publications/ep/p-cpp3/census_of_population_2022_profile_3-households_families_and_childcare/adults_living_with_their_parents/



Subsequently, the **Department of Finance** published its *Report on the Availability, Composition and Flow of Finance for Residential Development* (18 June 2024).

The Report highlights several significant problems posed by the planning process, impacting residential development finance in Ireland:

- 1. Uncertainty and Risk:** There is ongoing uncertainty around the timelines for the planning process, and the risk of judicial reviews and de-zoning of land. This makes lenders hesitant to fund land acquisition without planning permission, thereby impeding the delivery of new homes.
- 2. Capital Requirements:** Developers bringing land through the planning process must rely on their own equity or expensive private equity finance. Few developers have the necessary equity and expertise, limiting the ability to increase land banks and posing a future barrier to supply. (The recent Goodbody Report also addresses this issue.)
- 3. Conversion Rate Issues:** The conversion rate from zoned land to actual development is affected by factors such as judicial reviews, viability, lack of infrastructure, and whether the site is greenfield or brownfield. This can impact the ability to scale up housing development activity. (The recent Goodbody Report also addresses this issue.)
- 4. De-zoning Risks:** Instances where land has been de-zoned from residential use increase uncertainty in the land market. This risk further reduces the appetite to invest in land pre-planning, creating a gap in the funding market for land without planning permission.
- 5. Positive Changes with Caveats:** While recent changes to planning bodies and the Planning Bill are welcomed, significant risks and uncertainties remain. Improvements in the planning process are anticipated, but the existing issues are still seen as major obstacles to securing necessary capital for development.
- 6. Infrastructure and Utilities:** Delays in infrastructure and utility connections extend project timelines and increase costs, particularly for small and medium developers. Collaboration between the State and private sector is encouraged to address these issues and support large-scale projects.

In summary, the Department of Finance's Report **identifies** the **planning process** as a **critical bottleneck**, with significant uncertainties and financial risks deterring investment and hindering the timely delivery of residential development projects.

Relevance of the DoF Report to the NPF

The Department's Report references the *National Planning Framework* (NPF) in the context of potential impacts on land availability and housing targets. Specifically, it mentions:

- **Housing Targets and Land Availability:** Some stakeholders expressed concern that if housing targets are increased following the revision of the NPF, the pipeline of available land for development might affect the ability to scale up activity.

The DoF Report notes the importance of considering the conversion rate from zoned land to development, which can be influenced by various factors including judicial reviews, planning, viability, and infrastructure.

This indicates that the NPF plays a critical role in shaping housing policy and development strategies, with changes to the framework potentially affecting the dynamics of land development and housing supply.

The Report identifies several housing targets related to the *Housing for All* Plan:

1. **Current Target:** The plan aims to increase the supply of housing to an average of 33,000 homes per year.
2. **Future Target:** It discusses the possibility of increasing the target to an average of 40,000 units by 2030. This would require an estimated development funding of €16.2 billion per year.
3. **Illustrative Scenario:** As an illustrative example, the Report considers a scenario with a target of **50,000 units per year**. This would **require development funding of €20.4 billion** annually, with **€16.9 billion** needed from private capital sources.

Such realities must feed into discourse on so-called 'vulture funds' and 'land hoarding'.

6.4 Recommendations

1. **Unified Regulatory Framework:** Suggest harmonisation of housing-related policies.
2. **Viability Assessments:** Recommend viability assessments for new policies.
3. **Sustainability Incentives:** Propose incentives for adopting sustainable development practices.
4. **Regulatory Impact Assessments (RIAs):** Advocate for mandatory RIAs for new regulations.

7.0 BROWNFIELD LANDS – LIMITATIONS AND CHALLENGES

7.1 Limits to brownfield activation

If brownfield lands are an important factor to the delivery of housing, why is the quantum, location and infrastructure capacity of such lands unquantified?

Unlike the UK, Ireland does not have a central ‘*Register of Brownfield Lands*’¹³.

Despite best intentions, the policy of expecting 30-50% of new housing to be delivered on brownfield/regeneration sites is failing, and is unlikely to succeed unless key challenges, such as contamination, higher redevelopment costs, and regulatory hurdles are addressed.

Currently, **these challenges limit brownfield site utilisation.**

7.2 Case for examining the viability of brownfield lands

The CIF/IHBA recommends that in addition to the establishment of a *Register of Brownfield Lands*, that case studies be undertaken into the viability of such lands.

Such a study should include reference to the range of factors that affect the development of brownfield lands from contamination to ecological factors.¹⁴

7.3 Challenges of brownfield development identified in the *Housing Commission Reports*

The recent *Housing Commission Reports* highlight several challenges in the development of brownfield lands, including:

- 1. Viability issues:** Developing brownfield sites can often be **more expensive** and **complex** than greenfield sites. The additional costs come from necessary site

¹³Under article 3 of the *Town and Country Planning (Brownfield Land Register) Regulations 2017* each local planning authority(1) must prepare and maintain a register of previously developed land that is within their area, and meets the criteria in paragraph (1) of Regulation 4.

(2) Each local planning authority was required to publish their Register by 31st December 2017. The Register was to be prepared, maintained and published by each local planning authority, and is known as that local planning authority’s “Brownfield Land Register”.

¹⁴ In terms of the latter, An Bord Pleanála recently refused permission for the major residential redevelopment of zoned, serviced brownfield lands in Dublin *inter alia* as the Board, upholding the earlier local authority decision, was “not satisfied beyond reasonable scientific doubt” that a proposed development would not have significant effects on a qualifying interest of North Bull Island SPA, South Dublin Bay and River Tolka SPA and Baldoyle Bay SPA.

However, in response, those lands had been zoned for development more than 30 years, and such zoning was reconfirmed in 2022 on adoption of the current Development Plan.

The capacity of those lands formed part of the relevant Development Plan’s HNDA.



remediation, addressing contamination, and integrating new developments with existing infrastructure and communities.

2. **Infrastructure deficiencies:** Many brownfield sites **lack the necessary infrastructure**, such as transportation, water, and sewage systems, which increases the overall development costs and complicates the development process.
3. **Planning and Regulatory barriers:** The **planning process** for brownfield sites can be **cumbersome**, with more **stringent regulatory requirements** compared to greenfield sites. This includes meeting environmental standards and navigating complex planning policies.
4. **Market and financial constraints:** There is often **limited financial support** and **higher risk** associated with developing brownfield sites. This can deter private investment, as the returns on investment may not be as attractive as those for greenfield developments.
5. **Community resistance:** Existing communities might **oppose brownfield** developments due to **perceived impacts** on their living environment, such as increased density, changes in neighbourhood character, and potential disruptions during construction.
6. **Land assembly and ownership issues:** **Fragmented land ownership** can pose significant challenges, as assembling parcels of land for larger developments (aka 'land-hoarding') often involves negotiating with **multiple owners**, which can be time-consuming and costly.

These challenges **necessitate targeted policy interventions, flexible planning regulations**, and **coordinated efforts** between public and private sectors to unlock the potential of brownfield sites for housing and other developments.

7.4 Viability issues on brownfield land - the brownfield/greenfield debate - the aspiration and the realities

Regarding brownfield development, the DNPf sets a target for brownfield development:

"A major new policy emphasis on renewing and developing existing settlements will be required, rather than continual expansion and sprawl of cities and towns out into the countryside, at the expense of town centres and smaller villages.

The target is for at least 40% of all new housing to be delivered within the existing built up areas of cities, towns and villages on infill and/or brownfield sites.

The rest of our homes will continue to be delivered at the edge of settlements and in rural areas."

(DNPf, pg. 11.)

[Our emphasis.]



7.5 Timing and related issues in the activation of brownfield lands

The Office of the Planning Regulator recently published a review of the issues surrounding the activation of brownfield lands.

The OPR Report identifies several key challenges for the development of brownfield lands:

- 1. Complexity and cost:** Brownfield development often involves **complexities** such as contamination, which necessitates costly remediation efforts. These additional expenses can make brownfield projects less financially attractive compared to greenfield developments.
- 2. Regulatory and planning delays:** The planning process for brownfield sites can be more **complicated** due to existing structures, historical use, and the need for comprehensive environmental assessments. These factors contribute to longer approval times and increase the risk of delays.
- 3. Infrastructure and service provision:** Many brownfield sites **lack** the **necessary infrastructure** and **services required** for new housing developments. **Upgrading** or installing new infrastructure can be both **time-consuming** and **expensive**, further **detering investment**.
- 4. Market viability:** The **market viability** of developing brownfield sites is often uncertain, particularly in areas with lower property values or weak market demand. This uncertainty can make it difficult to secure financing and investment for such projects.
- 5. Coordination and stakeholder engagement:** Effective development of brownfield sites **requires coordinated efforts** between multiple stakeholders, including local authorities, developers, and utility providers. **Misalignment** or **lack of cooperation** among these parties can lead to significant delays and inefficiencies.
- 6. Policy and incentives:** Existing **policies** and **incentives may not be sufficient to encourage** brownfield development. There is a need for **targeted policies** and financial incentives to make these projects more attractive and feasible for developers.

These challenges collectively contribute to the slower pace and higher cost of brownfield land development compared to greenfield projects.

7.6 The DNPf's emphasis on infill/brownfield sites – the context provided by some Greater Dublin Area-based examples

Whilst brownfield development is an admirable aspiration, **Ireland does not have the large-scale tracts of former industrial lands** common in other countries.

Set out below are some examples in the delay in developing brownfield lands in recent years:



1. In Kildare, since the Naas LAP was adopted in 2021, only 20 No. houses have been granted planning in the 'Town Centre Core Regeneration Area' (Planning Reg. Ref. 21/547).

Those units have yet to commence.

2. In Newbridge, since the 2013 LAP was adopted, there have been 4 No. planning applications for a total of 130 No. units within the built-up area.

Two of these permissions were refused (Reg. Ref. 22/599 for 60 No. units, and Reg. Ref. 22/897 for 46 No. units).

Two were granted (Reg. Ref. 21/1340 for 20 No. units and Reg. Ref. 21/1388 for 4 No. units).

Neither of these have commenced.

7.7 *Lichfield Banking on brownfield: Can previously-developed land supply enough homes where they are needed? (June 2022)*

The *Lichfield Report*¹⁵ on brownfield development in England, prepared by the leading British consultancy, found that redeveloping brownfield land for housing is not always feasible due to various factors such as viability, demand, and the types of homes that can be delivered.

Additionally, there is not enough brownfield land in any region to meet the housing needs, and it is concentrated in specific areas that may not correlate with the greatest level of housing need.

Efforts need to be focused on making development viable, including addressing abnormal development costs and enabling developers to find the optimum mix of housing that reflects local demand in each area. This could include measures to cover land remediation and creating a mix of housing types that align with the needs of the local housing market.

Additionally, targeted funding and policies may be necessary to make brownfield land more attractive for development in areas of lower demand.

The Report recommends improving the efficiency of the planning system, increasing the speed at which sites progress through the planning system and from planning to delivery, increasing the number of sites granted planning permission for residential development, and increasing the pace and number of development plans being prepared and reviewed.

It also suggests providing funding for affordable housing and addressing barriers to site delivery.

¹⁵ *Lichfield Banking on Brownfield: Can previously-developed land supply enough homes where they are needed? (June 2022).*



Brownfield Land Registers: Registers of previously developed land that local planning authorities consider to be appropriate for residential development, having regard to criteria in the *Town and Country Planning (Brownfield Land Registers) Regulations 2017*.

Local planning authorities will be able to trigger a grant of permission in principle for residential development on suitable sites in their registers where they follow the required procedures.

The CIF fully supports the establishment of such an independent body.

7.8 *Lichfield Start to Finish: How quickly do large-scale housing sites deliver? (Third Edition) (March 2024)*

The *Lichfield Report* includes data from 179 No. large sites and 118 No. small sites in England, totalling over 365,000 No. dwellings and 22,000 No. dwellings respectively.

The data used covered the period up to 1st April 2023.

The Report also includes data from Annual Monitoring Reports and other planning evidence base documents produced by LPAs.

The research excluded London, but included apartment schemes on brownfield land in regional urban centres.

The Report concludes that greenfield lands delivered 34% higher average buildout rates compared to brownfield lands.

On the issue of the delivery of brownfield, urban apartment schemes, the Report found the following:

“Government policy is seeking to increase the emphasis on brownfield residential development, and higher density, apartment schemes are likely to be a consequence. What contribution can these sites make to housing trajectories?”

We have identified data for nine examples of solely apartment schemes in excess of 250 units on urban brownfield sites (all outside London). This is a reasonable number of units to differentiate sites from lower density suburban apartment developments that might appear in the research.

These have been considered separately from the other large sites in the research and include no other types of dwelling (i.e. no townhouses, semis or detached properties). Some of the large sites analysis already considered will include apartments, potentially for significant proportions of their schemes, but they will include some conventional houses.”



Lichfield Report delivers a very relevant conclusion

On the issue of greenfield versus brownfield, the Report concludes the following:

“Do sites on greenfield land deliver quicker?”

Both previous editions of this research found that greenfield sites have, on average, delivered more quickly than brownfield sites. This remains the case in our updated cohort of sites.

*The median figures show **greenfield sites delivering 34% higher** average annual buildout rates.*

Using lower and upper quartiles to set a range ... brownfield sites are seen to deliver between 41 to 102 dpa compared with greenfield sites delivering 63 to 145 dpa.

*This is likely to reflect the **fact that brownfield sites are more complex to deliver, can carry extra cost** (e.g. for remediation) which reduces the scale of contribution they make to infrastructure and affordable housing provisions ... can boost build-out rates.”*

[Our emphasis.]

7.9 Our Recommendations

- 1. Brownfield Development Fund:** advocate for a fund to support site remediation and redevelopment.
- 2. Simplified Regulatory Process:** recommends streamlining regulations for brownfield redevelopment.
- 3. Public-Private Collaboration:** suggests collaboration between public authorities and private developers.



8.0 INFRASTRUCTURE – CHALLENGES AND SOLUTIONS

8.1 Qualifying the provision of infrastructure

The CIF welcomes the Housing Commission’s recommendation that infrastructure development be enhanced to support housing delivery, particularly in terms of water and wastewater projects.

This includes taking urgent action on critical infrastructure projects like the Greater Dublin Drainage Project and the Water Supply Project for the Eastern and Midlands Region.

This issue is particularly acute as Ireland does not have a dedicated National Infrastructure Commission, nor does Ireland have a priority list of necessary infrastructure, unlike the annual report prepared for Australia, and in other countries.

8.2 Why the establishment of an independent National Infrastructure Commission is required

The CIF fully supports the establishment of an independent National Infrastructure Commission.

In 2018, inspired by what he perceived to be a very successful model operating in New Zealand, Deputy Dara Calleary TD introduced the *National Infrastructure Bill 2018*.

To paraphrase the Deputy, he intended the *Bill* to lead to an Act designed to provide for the establishment of a body to be known as the ‘National Infrastructure Commission’ to advise Government on all sectors of economic infrastructure and to provide for related matters.

The Deputy set out the Commission’s role as follows. The Commission would:

1. Be tasked with **planning ahead over a 25 year period**, beyond the current very limited cycle of capital plans.
2. **Draw from the expertise** of a reformed Transport Infrastructure Ireland (TII), the Department of Transport, Tourism and Sport, the National Transport Authority, NTA, the Sustainable Energy Authority of Ireland, SEAI, and all local authorities, as well as the Departments of Housing, Planning and Local Government and Education and Skills.
3. Be charged with setting out **a new framework for the development of infrastructure in Ireland** over the coming years and decades.

Some of the priorities proposed for the Commission include infrastructural investment amounting to 4% of GDP; decarbonising Ireland; developing a strong transport network that balances the economic needs of the country and the development of the regions; making Ireland an IT nation with proper telecommunications connectivity in all parts of the island; and attaining a secure and balanced energy mix.



The Commission's Reports would be laid before the Oireachtas and subject to scrutiny. Government Departments would be required to draw up plans based on the Commission's recommendations, as endorsed by the Oireachtas.

The National Infrastructure Commission would be an independent body, organised on a similar basis to the Fiscal Advisory Council and would advise the Government on all sectors of economic infrastructure, defined as follows:

1. Energy
2. Transport
3. Water and Waste Water
4. Drainage
5. Sewerage
6. Waste
7. Flood Risk Management and
8. Digital communications.

The National Infrastructure Commission would also consider all the interactions between infrastructure recommendations and housing supply.

In carrying out its role, the Commission would produce a national infrastructure plan once every five years, setting out its assessment of long-term infrastructure needs over an ongoing 25 year period, with recommendations to the Government and the Oireachtas.

It would also produce specific studies on pressing infrastructure issues and challenges that will set by the Government and the Oireachtas, taking into the account the views of the Infrastructure Commission and stakeholders.

The Commission would produce an annual monitoring report that would take stock of Government progress in areas where it has made commitments relating to infrastructure and relating to recommendations of the National Infrastructure Commission.

8.3 How Infrastructure provision is addressed in Australia

Australia is some 109.5 times larger than the Republic of Ireland, with a population some five times greater:

1. Australia measures some 7,692,024 sq km and has a population of approximately 26.66m people (as of May 2024). It is approximately 3860 km long from its most northerly point to its most southerly point (in Tasmania), and is almost 4000 km wide, from east to west.



2. Ireland measures some 70,273 sq km (84,421 sq km including Northern Ireland) and has a population of 5.149m (2022 Census).

However, despite its vast size, reference to Infrastructure Australia’s (IA) Annual Reports identifies a graded list of infrastructural projects.

IA identifies infrastructural investment as nationally significant if, based on the evidence presented, it expects the investment to have a material impact on a national input by:

1. *Addressing a problem that would otherwise impose economic, social and/or environmental costs, or*
2. *Providing an opportunity for realising economic, social and/or environmental benefits, or*
3. *Both addressing a problem and providing an opportunity.”*

8.4 Aligning the NPF and the NDP

The National Investment Office at the Department of Public Expenditure and Reform assessed the alignment of the *National Planning Framework* and *National Development Plan (2021)*.

Whilst the study identified degrees of alignment, it set out nine proposed measures, designed to ensure greater alignment between the two national plans.

Written three years after its introduction, the Report makes the following recommendations in relation to improvement of the NPF:

1. **Promote Earlier Public Participation:** encourage earlier and more effective public involvement in the planning process, particularly during the formation stages of planning policy, land-use zoning, and the drafting of guidance and policy documents. This aims to enhance community ownership and understanding of planning policy objectives, potentially reducing subsequent objections and legal challenges.
2. **Increase Compact Growth Ambition:** strengthen the targets for compact growth, ensuring a more ambitious approach to urban development that prioritises the renewal and development of existing urban areas over continuous expansion into greenfield sites.
3. **Enhance Local Authority Powers and Resources:** Provide local authorities with greater powers and resources to support and enable the delivery of a sustainable level of private, affordable, social, and cost-rental housing.
4. **Establish Housing Delivery Oversight:** create a Housing Delivery Oversight Executive to coordinate housing delivery, identify and address blockages, and oversee investment in public utilities on land zoned for housing.



5. **Improve Data and Transparency:** develop high-quality data resources covering all areas of the housing system to ensure that decisions are informed by evidence. Additionally, establish a Land Price Register to increase transparency around land transactions and improve the market's functioning.
6. **Support Infrastructure Development:** deliver essential enabling infrastructure on a scale and level of ambition that will drive housing delivery and reduce Ireland's housing deficit. This includes ensuring the completion of critical projects like the Greater Dublin Drainage Project and the Water Supply Project for the Eastern and Midlands Region.
7. **Economic Sustainability:** Make economic sustainability a core tenet of policy objectives for delivering housing, with measures to support the viability of environmentally and socially sustainable housing development and the implementation of Land Value Capture tools.
8. **Facilitate Land Assembly and Development:** review policies and taxation measures that penalise land assembly, particularly for large-scale housing delivery, to ensure that both public and private sectors can effectively bring together land for housing development.

These recommendations aim to create a more streamlined, transparent, and effective planning process that supports sustainable urban development and housing delivery across Ireland.

8.5 The necessity to link infrastructure and zoning

The *Report of Expert Group for the First Revision of the National Planning Framework* NPF issued in August 2023.

The *Report* set out multiple recommendations, amongst these was Recommendation 11:

“Recommendation 11: *The revision of the NPF should consider the benefits of establishing a cross-departmental implementation group at the centre of government which would systematically prioritise and co-ordinate decisions in relation to all key infrastructure decisions, including the NDP projects and programmes.”*

(Source: p. 16 of the *Report of Expert Group for the First Revision of the National Planning Framework*, 15 August 2023.)

With respect, the Department’s response to the Housing Commission’s 83 No. recommendations highlighted above should serve as a caution in briefing if a “cross-departmental implementation group” is used.

There is a major difference in completeness between “implemented” and “partially underway”.



It cannot be public sector alone, but must have balanced public/private sector input, where only “**Implemented**” rather than challengeable and wide-in-scope, “**underway or partially underway**”.

8.6 Commentary on a few of the *Draft National Planning Framework’s Case Studies* to illustrate issues raised in this Submission

Identifying representative Case Studies

The DPNF sets out several Case Studies to illustrate exemplar development projects.

The following two urban brownfield projects are among those cited, with the common thread that they are housing-related, illustrating some of the issues that face the CIF in delivery: from zoning to timing to policy to the provision of supporting infrastructure:

1. The **City Edge Project** is a transformative initiative to reimagine the Naas Road, Ballymount and Park West areas of Dublin as a new urban quarter providing up to 40,000 homes and 75,000 jobs (*Strategic Framework - Summary Booklet - The City Edge Project*).
2. **Cork City Docklands**. The URDF is helping to fund several strategic projects in Cork City and significant funding has been provisionally allocated for two projects; one for the Cork City Docklands and one for Grand Parade Quarter:

“These projects include important public realm and capital works, which will transform these two areas of Cork City into vibrant, high quality districts.”

Each is considered in turn in Appendix G below.

The credibility of the DPNF’s ratios and percentages such as 50:50 and 40%, must be challenged considering the reality of housebuilders in delivering housing schemes of scale as exemplified by these two case studies chosen to represent the aspirations of the revised *National Planning Framework 2024*.



9.0 RECOMMENDATIONS AND CONCLUSION

Room for improvement

Ireland's revised *National Planning Framework* (NPF) 2024 must provide an essential roadmap for sustainable development, guiding the growth and spatial distribution of population and economic activities.

While the current *Framework* addresses many crucial aspects, there is room for improvement to meet the challenges and opportunities better in the coming decades.

This Submission is designed to ensure a comprehensive and organised approach to discussing improvements to Ireland's *National Planning Framework*, addressing key areas of demand, land availability, timing, policy, brownfield lands, and activation.

Each section provides a detailed examination of the current state and offers recommendations for improvement.

In summary, the main recommendations are as follows:

9.1 Key Recommendations

1. Demand

Current State

The demand for housing in Ireland is influenced by several factors, including population growth, economic development, and social changes.

According to the ESRI *Population Report*, structural housing demand is projected to be around 44,000 per annum from 2023 to 2030, decreasing slightly to 39,700 per annum from 2030 to 2040. **In contrast, we support the Housing Commission's rationale for the provision of 56,000 No. units per annum, but recommend the policy to expand the ambition to 60,000 No. units per annum.**

This projection considers various scenarios, including high and low migration rates and changes in household size and obsolescence rates.

Recommendations

- 1. Dynamic Demand Assessment:** Implement a dynamic and continuous demand assessment mechanism that updates projections annually based on real-time data, including economic indicators, migration trends, and demographic shifts. Include a **50% headroom**.
- 2. Addressing Pent-Up Demand:** Develop strategies to address the pent-up demand accumulated from years of underbuilding, especially in high-demand areas like Dublin.



3. **Inclusion of Social Housing Needs:** Ensure that demand assessments include specific targets for social and affordable housing, considering the needs of vulnerable populations and those affected by housing inequality.
4. **Integration with Employment Projections:** Align housing demand projections with employment growth forecasts to ensure housing availability near employment centres, thus reducing commuting times and enhancing quality of life.

2. Land Availability

Current State

Land availability remains a critical bottleneck in housing development.

The Housing Commission Reports highlight the need for sufficient zoned and serviced land to meet Housing Supply Targets (HSTs).

However, discrepancies in land availability, planning permissions, and infrastructure delivery often lead to underutilisation of zoned lands.

Recommendations

1. **Comprehensive Land Audit:** Conduct a nationwide land audit to identify and classify all available land parcels based on zoning status, servicing, and development potential.
2. **Enhanced Land Zoning Policies:** Strengthen land zoning policies to ensure a more balanced distribution of residential, commercial, and green spaces, with a focus on high-demand areas and urban centres.
3. **Incentivising Landowners:** Introduce incentives for landowners to release undeveloped land for housing, such as tax benefits or development bonuses.
4. **Infrastructure Development Plans:** Develop and publish detailed infrastructure development plans that align with land zoning to ensure timely provision of necessary services like water, electricity, and transportation.

3. Time

Current State

The time required to bring housing projects from conception to completion is often prolonged by lengthy planning and approval processes. Delays in planning permission, infrastructure development, and financial closures contribute significantly to the housing shortfall.



Recommendations

- 1. Streamlined Planning Processes:** Implement reforms to streamline the planning and approval processes, reducing bureaucratic delays and expediting project timelines.
- 2. Phased Development Plans:** Encourage phased development plans that allow for incremental construction and occupation of housing projects, ensuring quicker delivery of housing units.
- 3. Performance-Based Approvals:** Introduce performance-based approval systems where developers can gain faster permissions based on their track record and adherence to planning regulations.
- 4. Public-Private Partnerships:** Promote public-private partnerships to leverage private sector efficiency and public sector oversight, ensuring timely completion of housing projects.

4. Policy

Current State

The current policy landscape for housing development in Ireland involves multiple regulations that sometimes overlap or conflict, leading to inefficiencies and increased costs. The focus on environmental sustainability has also introduced new challenges in terms of development viability.

Recommendations

- 1. Unified Regulatory Framework:** Develop a unified regulatory framework that harmonises various housing-related policies, reducing contradictions and overlaps.
- 2. Viability Assessments:** Ensure that all new policies undergo viability assessments to understand their impact on housing supply and affordability.
- 3. Sustainability Incentives:** Provide incentives for developers to adopt sustainable practices without compromising the economic viability of projects. This could include grants, tax breaks, or expedited approvals for green projects.
- 4. Regulatory Impact Assessments (RIAs):** Mandate RIAs for all new Regulations affecting housing to evaluate their impact on supply and costs, ensuring balanced policy development.

5. Brownfield Development

Current State

Brownfield sites, which are previously developed lands that are not currently in use, offer significant potential for housing development. However, these sites often face challenges such as contamination, higher redevelopment costs, and regulatory hurdles.

Recommendations

- 1. Mandate Local Authorities' Brownfield Registers:** Local Authorities should be required to maintain an active accurate Register and report annually on how the authorities are actively promoting and facilitating brownfield development.
- 2. Brownfield Development Fund:** Establish a dedicated fund to support the remediation and redevelopment of brownfield sites, covering costs related to decontamination and infrastructure upgrading.
- 3. Simplified Regulatory Process:** Simplify the regulatory process for brownfield development, offering expedited approvals and reduced fees to incentivise developers.
- 4. Public-Private Collaboration:** Encourage collaboration between public authorities and private developers to pool resources and expertise for brownfield redevelopment projects.
- 5. Community Engagement:** Engage local communities in the planning and development of brownfield sites to ensure that the projects meet their needs and gain public support.

6. Infrastructure

The CIF welcomes the Housing Commission's recommendation that infrastructure development be enhanced to support housing delivery, particularly in terms of water and wastewater projects.

Recommendation 11 must be amended to include private-sector input, particularly by those operating at the coalface of housing provision.

As currently drafted, it states:

*“**Recommendation 11:** The revision of the NPF should consider the benefits of establishing a cross-departmental implementation group at the centre of government which would systematically prioritise and co-ordinate decisions in relation to all key infrastructure decisions, including the NDP projects and programmes.”*



The CIF fully supports the establishment of an independent National Infrastructure Commission, and seeks that Government considers the establishment of a Department of Infrastructure and Housing.

If we are to redress the housing crisis, governance cannot continue to be spread across four Government Departments.

9.2 Conclusion

The revised *National Planning Framework 2024* must make significant strides to address Ireland's housing challenges.

This Submission underlines the necessity for increased housing construction in Ireland, considering both the need to replace obsolete dwellings and to accommodate new household formations.

The CIF welcomes the opportunity to feed into what is one of the most important strategic issues facing Ireland, and submits that by implementing the recommendations outlined under: Demand; Land Availability; Time; Policy; Brownfield Development; and Infrastructure, the *Framework* can be further strengthened.

These enhancements will not only accelerate housing delivery, but also ensure that it is sustainable, equitable, and aligned with Ireland's long-term socio-economic goals.

By implementing these recommendations, Ireland can create a more sustainable, affordable, and efficient housing market that meets the needs of its growing population.

Collaboration between the public and private sectors will be crucial in achieving these goals, ensuring that both immediate and long-term housing needs are met.

Yours faithfully

Tom Phillips
Managing Director
Tom Phillips + Associates

Encl.



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Appendix B: Key references to be amended in the DNPF's ten sequential chapters

In order to link specific recommendations to specific chapters in the Draft NPF, set out below is a chapter-by-chapter reference to the key amendments sought with respect to the criterion of the delivery of housing (and supporting infrastructure).

These specific references reflect this Submission's cited figures to facilitate the Department in reviewing the Submission and in reconciling the key amendments sought with the relevant tracked text in the published DNPF.

- 1. The Vision:** Section 1.2's '*Strategy for Managing Growth*' repeats the aim of a roughly 50:50 distribution of growth between the Eastern Midland Region, and the Southern and North West Regions, with 75% growth to be outside Dublin and its suburbs.

However, the *NPF 2024* has only 16 years remaining. Surely such a vision must be tied to a longer time period, of at least 30 years?

The Section on '*Some Key Facts and Figures*' ignores the housing deficit of 256,000 No. homes highlighted in the Housing Commission's May 2024 *Reports*.

In such addition, the figure of annual housing need is set at 50,000 No. additional households per annum. We seek that that figure be increased to 60,000 No.

We question why the previous reference to an additional 660,00 No. jobs by 2040 has been deleted?

- 2. A New Way Forward:**

Under Section 2.3, the population projections must be increased.

The figures in 2.4 '*Growing our Regions*' must also be updated.

Table 2.1 is particular in need of increase.

- 3. Effective Regional Development:**

See comments on City Edge below. This project has been delayed.

Concerns regarding difficulties of developing brownfield land is highlighted throughout this Submission.

The TOD example areas referenced should be expanded to other named areas.

- 4. Making Stronger Urban Places:**

Section 4.4 would appear to limit the ability to provide for major industrial and land-intensive developments such as several existing major IT industries throughout Ireland?



Should Planning for Ireland's Urban Growth not recognise the role for higher buildings in appropriate places such as docklands as occurs internationally?

We have written extensively on brownfield issues.

5. Planning for Diverse Rural Places:

No real distinction is made between one-off housing and the development of villages?

6. People, Homes and Communities:

We seek those references to policies to support housing for the elderly, and to support and update childcare facilities, be expanded.

The annual budget target of 50,000 No. additional households per annum must increase to 60,000 per annum.

7. Realising our Island and Marine Potential:

At analysis of the residential potential offered by relocating ports must be examined as part of a longer-term vision.

8. Working with Our Neighbours:

The NPF 2018 reference to 'Co-ordination of Investment in Infrastructure' has been amended to deletion of 'infrastructure'. 'Infrastructure is of paramount importance.

The total population figures are understated.

9. Climate Transition and Our Environment:

Covered in our Submission.

10. Implementing the *National Planning Framework*:

The Phased Population Growth Table must be amended.

Whilst acknowledging the role of Urban Development Zones (UDZs) must be reviewed for relevancy.

The penal nature of RXLT must be addressed with reference to 'strategic land management'.

The overall Submission highlights other areas of change sought.



Appendix C: Why *Myplan.ie* was initiated, and how it is currently not serving its purpose

The then-Minister for Housing and Planning Jan O’Sullivan TD launched *Myplan.ie* on 4 April 2012. The Website initiative was established to make information held by governing bodies about the zoning and planning of Ireland available to the wider public.

The initiative initially consisted of over 400 No. development plans digitally represented on a map viewer.¹⁶

But that vision has not materialised

However, as of September 2024, the Website is out-of-date.

The last addition to the database referenced on the Website was in July 2023, when the Dublin Housing Task Force data (which in turn was from 2022) was added to *Myplan.ie*.

The *Myplan.ie* portal has a ‘News and Reports’ section where any new updates on added data or changes are posted.

While certain parts of the country show their current active zoning, most of the map is devoid of zoning denominations.

Examples of the portals lack of accuracy - opting for the ‘Historical Plans – GZT’ and ‘Expired Plans’ map modes show that the latest zoning that was shown for most of Ireland’s cities and towns was some years ago.

For example:

1. **Dublin** is zoned according to its 2016-2022 Development Plan;
2. **Galway** is zoned to its 2017-2023 Development Plan;
3. **Cork** is zoned according to its 2015-2021 Development Plan;
4. **Waterford** is zoned to its 2013-2019 Development Plan;
5. **Limerick** is zoned to its 2010-2016 Development Plan; and
6. **Wexford** is zoned to its 2009-2015 Development Plan.

¹⁶ Since its launch, a multitude of other maps and documents have been added to its database such as the DHLGH’s *Unfinished Housing Developments* and OPW Flood Mapping.

The main contributors to the website have been local authorities and their development plans. Other contributors include the Department of Education, the Office of Public Works, National Parks and Wildlife Service, National Monuments Service, and the Central Statistics Office, who have also added to the website database with the aim to create a comprehensive and total view of the planning and zoning landscape in the Republic of Ireland.

Additionally, a Planning Application Viewer was added to the website using data from local authorities’ websites to create an overview of active and decided planning applications in Ireland.



The ‘Current Development Plans – GZT’ and ‘Current Local Area Plans – GZT’ yield results only in a few smaller towns, mainly due to Local Area- and Development Plans that are still in use.

Even then, some zoning shown as being “current”, like those for Navan or Drogheda, is from plans that expired several years ago.

For example, Navan’s zoning is represented on the map as if it is up to date, but is derived from the *Navan Development Plan 2009-2015*.¹⁷

The Drogheda Environs’ zoning is in a similar position, being shown as current, but being derived from plans having expired in 2015.

Inspection of the Republic’s larger cities and towns shows only the message:

“Plan for selected area is temporarily unavailable. We apologise for any inconvenience caused. Please refer to the County Council website for more information.”

Accordingly, *Myplan.ie*, which is intended to be Ireland’s leading zoning information hub, has no up-to-date zoning information for any of the five largest cities of the country, and most of its towns and rural areas.

Unlike the zoning map, the Planning Application Viewer is still being updated regularly, with 11 No. snapshots being added in April 2024.

The Website front page states that:

“Myplan.ie will be getting a refresh in 2024. Please note that some of the web services at arcgis.com will be migrated in the coming months.”

This indicates that that the programme may be seeing an update later in 2024. Whether this constitutes an update of the database or just of the programme’s software is unclear?

¹⁷ The currently active plan is the *Meath Development Plan 2021-2027*. After the expiry of the 2009-2015 iteration, no new development plan specifically for Navan has been adopted.



Appendix D: the background to the Residential Zone Land Tax

The RZLT introduced by the *Finance Act 2021*, aimed to increase housing supply by activating zoned and serviced residential development lands, including mixed-use lands.

The tax is designed to incentivise landowners to utilise existing planning permissions for housing, encouraging early development of lands identified by local authorities as suitably serviced and zoned for residential purposes.

However, from a zoning identification standpoint, its shortcomings include:

1. Lack of National consistency and coordination: there is no uniform approach to designating lands liable for the tax, leading to inconsistencies in how the tax is applied across different regions.
2. Inadequate timelines: the timelines for pre- and post-planning permission and commencement are insufficient.
3. This can result in landowners being liable for the tax even when planning refusals are under appeal, essentially without having the permission to develop.
4. Tax liability during Judicial Reviews: landowners can be liable for the tax even during judicial reviews of decisions to refuse permission.
5. This creates a financial burden on landowners who are unable to develop their land due to ongoing legal proceedings.
6. Designation of lands without available infrastructure: some lands are designated as liable for the tax despite not having the necessary infrastructure available to support development. This makes it challenging for landowners to comply with the development requirements.
7. Impact on development and existing businesses: the tax does not adequately assess its impact on development and existing businesses, particularly in brownfield locations where sustainable development is prioritised. This oversight can hinder redevelopment efforts in these areas.
8. Non-viability of development: there is inadequate consideration for circumstances where non-development arises from a lack of viability. This includes scenarios where financial, technical, or market conditions prevent development from being feasible.

These shortcomings suggest that, while the RZLT is designed to discourage the underutilisation of zoned lands, its implementation lacks the necessary flexibility and consideration of various development contexts.

This can lead to unintended consequences, such as discouraging landowners from developing their lands or imposing undue financial burdens during planning and legal processes.

In addition, the **farming community** has highlighted how it affects viable farming lands, which will likely result in major amendment and delay to the RZLT taxation. However, the experiences of the **development community** too are valid.



Appendix E: Examples provided by CIF/IHBA Members to illustrate the unworkability and inequity of several aspects of the Residential Zone Land Tax

See Section 4.2 above, which addresses the issue of RZLT. Members of the Irish House Builders' Association submitted these RZLT Examples to illustrate the unworkability and inequity of several aspects of the Tax.

Example 1 – No Decision on Planning Application (SDCC)

Background

1. Decision due August 2022. File is currently with the Planning Inspector.
2. Land forms part of the LAP (which has now lapsed). Phasing arrangement for delivery of this land agreed as part of the LAP.
3. Statutory document meant that this phasing arrangement could not be altered. Planning permission could not be obtained until LAP objectives met.
4. To meet these objectives, developer is dependent on third parties (incl. local authority) to deliver infrastructure.

RZLT Issue

1. As the original LAP has lapsed, and the developer is still awaiting a decision from the planning inspector, the lands have been added to the RZLT map.
2. The developer will be liable to pay RZLT, despite the delays being no fault of their own. They have made a conscious effort to continue to engage with the local authority to meet the LAP objectives or amend these.

Example 2 – Phased Planning & RZLT (DLRCC)

Background

1. LRD scheme – 500 units. Awaiting planning permission (anticipated Q4 2024).
2. Lands will need to be developed on a phased basis as new road needs to be laid – this will be carried out by the local authority to unlock delivery. It should be noted that the delivery of services is dependent on the delivery of the road by the local authority.
3. Phased delivery is standard for larger schemes.



RZLT Issue

1. Even though the intention has been shown to deliver housing, due to planning requirements, the site must be delivered on a phased basis.

This is also dependent on a third party (local authority and others), unlocking infrastructure for development.

Despite this, the site will still be likely be included in the RZLT map, even though everything has been done to obtain development on the site as fast and as efficiently as possible.

2. This example highlights that as soon as the site receives planning permission, the developer will be liable to pay RZLT.
3. The increased cost of delivery here, through the site likely being subject to RZLT and delays to planning and starting on site (as well as it being a phased site), will only be passed onto the end user – the homeowner.

Example 3 – Phased Planning & RZLT (Meath)

Background

1. Phased development required as part of large site.
2. Works underway on first phase.
3. Phases 2/3 way complete, dependent upon infrastructure delivery on adjoining lands (owned by 3rd party). This strategy is in line with LAP.
4. Development unable to go ahead due to JR decision on lands immediately adjoining this site.
5. Despite appeal in previous mapping phase, site in question is still eligible to RZLT (application refused on grounds that legislation does not include phasing as basis for inclusion).

RZLT Issue

1. Applicant has done everything they can to deliver housing on site, in line with the planning permission that was granted and the LAP. Final phase dependent on JR decision which relates to third party land, and a decision that is totally out of their hands.
2. Appealed but still rejected.

Example 4 – Phased Planning & Definition of Residential Development (Wicklow)

Background

1. Site in Bray zoned for mixed use (MU) development within Local Area Plan (2018). Land use zoning objective: ‘to provide for mixed use development’, subject to Specific Local Objective 4 (SLO4) which provides for high intensity employment and residential uses.
2. LAP and SLO4 clearly outline scale of employment uses required on subject lands (not more than 40% of total floor space to be dedicated to residential).
3. SLO4 states that Phase 1 cannot comprise more than 50% of total housing programme).
4. The SLO4 also requires planning applications should be considered on a phased basis (first phase of housing cannot comprise of wholly residential). Remaining housing to be delivered in tandem with employment element.
5. Permission for site granted in October 2018. This included 18 conditions issued by ABP. First phase: office and nursing development.
6. Final grant of planning issues October 2022. This included 17 conditions for revised Phase 1 office and nursing development (supersedes previous permission). Applicant required to include a masterplan for overall landholding to demonstrate compliance with SLO4.
7. LRD application submitted January 2024 for 178 apartments (Phase 2), with a future Phase 3 office development to be included to satisfy requirements for MU zoning and SLO4 requirements.
8. Phase 2 of residential to be split (2a & 2b); 2a to ‘kickstart’ redevelopment. This is in line with SLO4 requirements (50% of housing can be developed in advance of employment uses).
9. Viability challenges associated with Phase 1, hence focus on 2a. This approach still complies with SLO4 requirements (‘remaining housing being delivered in tandem with the employment element’).

RZLT Issue

1. Overall site is included in the draft RZLT map for the area. This is despite the Local Area Plan restrictions, which only permits for part of the site to be developed for housing and is related to a concurrent delivery of employment floorspace.
2. The inclusion of the overall site in the RZLT map was confirmed by ABP in October 2023. The report concluded: ‘The lands are suitably zoned and no restrictions in terms of service provision have been identified by the applicant and/ or the Planning Authority. The zoning/ SLO 4 do not prevent residential development and the lands should therefore remain on the map’.



3. However, the inclusion of the total site in the RZLT map is considered unreasonable, given that only a proportion of the site will be used for residential. Furthermore, residential use is only permitted when the SLO4 criteria have been satisfied. As such, the RZLT maps should at least be adjusted (remove irrelevant development sections – the southern portion).
4. Finally, it is considered inappropriate that the MU zoned lands are included in the RZLT map, given the associated viability challenges with these phases (office space and nursing development).

Example 5 – Refusal of Planning on Site which is being deemed suitable for RZLT (Cork)

Background

1. Partial planning permission granted on site for 110 units out of a total of 271 units.
2. Remaining units rejected on the grounds that the development would be premature – site awaiting completion of an access road by a third party (not planning authority).
3. Full site included in RZLT maps published for 2024.

RZLT Issue

1. Applicant has done all they can to push delivery forward on site, despite it being delayed due to third party access issues. Site still included in RZLT scope even though planning has been refused.

Example 6 – Serviced Site Capacity (Co. Meath)

Background

1. Site allocated within 2023 RZLT maps. Includes a block of houses in an otherwise completed site.
2. Completion dependent on the decommissioning of a temporary waste water treatment plant (WWTP). Responsibility for decommissioning WWTP lies with Uisce Eireann along with upgrade works in the area. Estimated timescales for works: 6 months.
3. Even with all these constraints, capacity maps for Uisce Eireann show the site as having sufficient capacity.

The site would therefore ‘technically’ be subject to RZLT, despite service upgrade works being required, which are outside of the developer’s control.



RZLT Issue

1. Works cannot be completed on site due to circumstances entirely out of developer's control (UE responsibility). Any appeal to RZLT would fail given that the UE capacity maps deeming the site serviced/serviceable, despite this not being the case.

Example 7 – SHD Planning Application (Wicklow County Council)

Background

1. SHD application pending with ABP for 586 No. new homes since April 2022. Majority of land zoned as Tier 1 Residential.
2. LA deemed site suitable for RZLT (zoned and serviceable) despite pending SHD application in Q1 2023. Landowner appealed but decision remained to include in RZLT map.
3. Given SHD delays, landowner lodged concurrent S. 34 planning application in April 2023 for a first phase development (98 homes).
4. LA refused this application, despite including the site in RZLT map. Refusal due to population projections within development plan (already being exceeded). Landowner therefore lodged a planning appeal to ABP against the decision, which remains pending.
5. Landowner lodged appeal with ABP re. inclusion of land within RZLT maps, but this was refused in August 2023.
6. LA again considered the land zoned and serviceable (in accordance) with RZLT and included this within the RZLT map for the area on 1st February 2024.
7. These decisions are despite the landowner doing everything in their power to deliver homes. The development plan for the area runs from 2022 – 2028; this means the landowner may be liable for the tax for the next four years, even though development is almost impossible (through no fault of their own).

RZLT Issue

1. SHD application made, delayed with ABP for c. 2 years, but there are no provisions within the existing RZLT legislation for exemptions/deferrals where lands are subject to current planning applications.
2. LA believes housing targets have been achieved in line with population projections for the local area. Therefore, they refused permission for housing on the land.
3. However, there are no provisions within the existing RZLT legislation for dealing with this scenario; the land cannot be developed for residential use because town population projections have been exceeded within the lifetime of a development plan.

Example 8 – Alternative Phasing Imposed by Non-Statutory Plans and SHD Decision Pending (Wicklow County Council)

Background

1. Subject lands are part of strategic development lands zoned under Bray Municipal District Local Area Plan 2018 (Bray MD LAP) for New Residential (and other uses) and subject of Action Area Plan 1 (AAP1) designation.

Overall AAP1 lands identified as having capacity for 4,000 No. residential units (approx.) and have more than one owner.

2. The LAP objectives for the AAP1 area provides for a Phase 1 development of up to 2,000 residential units (with other development); does not include a map.
3. WCC excluded part of the AAAP1 lands from RZLT mapping in 2023 (on which no residential applications have been pursued to date) but included all the lands in the ownership of a developer which is actively engaged in seeking residential permission since 2016.
4. Bray MD LAP also requires development at the lands to be undertaken in accordance with the provisions of the Bray and Environs Transport Study (BETS). BETS prepared by the NTA in consultation with TII, WCC and DLRCC provides for a first phase of development of 650 units only.
5. The BETS phasing was enforced by WCC and ABP during pre-application consultation in advance of an SHD application. From an initial proposal by the developer for 2,000 No. units, this was reduced to a proposal for 650 No. units at the formal SHD application stage in response requirements from WCC and ABP to comply with the phasing provisions of BETS.
6. BETS also required WCC to prepare and agree a ‘Traffic Management System Framework’ with TII, to support the application for 650 No. units. This Framework was not agreed by TII with WCC until April 2021 which had implications for the timing of the SHD application.
7. An SHD application was lodged with ABP for 650 No. residential units (and other uses in April 2022) on part of the lands now included in the RZLT map. A decision is still pending.
8. The full extent of lands on which the initial 2,000 unit proposal could have been accommodated is included in the 2023 RZLT map; even though the developer has been capped at 650 No. units by WCC and ABP in pre-planning.
9. For further phases of development above 650 No. units, the BETS recommends that WCC prepares a further plan, an ‘Implementation Plan’, to inform future phased development. An ‘Implementation Plan’ has not yet been prepared by WCC.

RZLT Issue

1. The developer has been capped by WCC/ABP to a first phase application of 650 No. units; delayed in lodging an application due to preparation and agreement of plans between WCC and TII; and is awaiting a decision from ABP on an SHD application for two years.



2. The developer is restricted from bringing forward any further phase applications pending the preparation of an 'Implementation Plan' by WCC required by BETS.
3. Despite this, the entirety of the developer's lands, which could accommodate approx. 2,000 units has been included in the RZLT mapping.

Other considerations in the context of 10-year permissions and 10-year Development Plans

1. The developer is currently advancing a study under the LRD process for such a scheme and for which the developer will seek a 10-year permission.

However, the deferral is only for a 5-year timeline and therefore up to half the scheme could be subject to RZLT even though the lands are being actively developed and built out.

2. **10 Year Development Plans** – The next development plan cycle will be for 10 years from 2028. However under the RZLT one is given a maximum of 3 years to obtain planning permission on the lands after the Development Plan is adopted.

It is unjust to have a situation whereby **all lands zoned in a Development Plan** must **attain planning within the first 3 years** and **commence onsite to avoid RZLT applying**.

This needs to be amended as it is not practical or possible to deliver on these timescales.



Appendix F: Strategic Land Assembly versus (perceived) Land Hoarding

Strategic land assembly and land hoarding are both practices related to the acquisition of land, but they differ significantly in purpose, intent, and economic implications.

1. 'Strategic Land Assembly'

- 1. Purpose:** Strategic land assembly refers to the purposeful acquisition and grouping of smaller parcels of land into a larger, more viable piece that can be developed efficiently. This is often done to prepare land for future development, ensuring that infrastructure, zoning, and planning requirements are met.
- 2. Intent:** The intent is generally productive, aimed at increasing the value of the land by making it suitable for large-scale development projects such as housing, commercial centres, or infrastructure. It is a proactive approach to ensure the land is ready for development once conditions are optimal (e.g., planning permission, infrastructure support).
- 3. Economic Impact:** Strategic land assembly can be positive for economic growth, as it facilitates organised, large-scale development that meets housing or commercial demand. Developers often work with local authorities to align land use with urban planning goals.
- 4. Example:** A developer acquires multiple adjacent plots to create a larger site for a housing project, ensuring that the land is properly zoned and equipped with necessary infrastructure before starting construction.

2. Land Hoarding

- 1. Purpose:** Land hoarding refers to the practice of acquiring land and deliberately holding onto it without developing or using it, often for speculative purposes. The goal is typically to wait for the land's value to appreciate over time due to market conditions, without actively contributing to its development.
- 2. Intent:** The intent behind land hoarding is speculative. The landholder is not focused on developing the land in the near term but is instead waiting for external factors, such as rising demand, zoning changes, or infrastructure development, to increase the land's value.
- 3. Economic Impact:** Land hoarding can have negative economic and social consequences, particularly in areas where there is a shortage of available land for housing or commercial projects. It can lead to inflated land prices, reduced land availability, and delays in much-needed developments, contributing to issues such as housing shortages.
- 4. Example:** A landowner acquires a large plot in a growing city but does not develop it, waiting instead for property values to rise further before selling or developing the land.



In summary, Strategic Land Assembly is a development-driven approach to consolidate and prepare land for projects, while ‘land hoarding’ is a speculative strategy that holds land for future value increases without immediate development intentions.

Key Differences:

Aspect	Strategic Land Assembly	Land Hoarding
Intent	To prepare land for development	To hold land for speculative gains
Development Focus	Actively works toward future use	Passive, with no immediate plans
Economic Impact	Can promote development and growth	Can restrict development, inflate prices
Timing	Development occurs when feasible	Land held indefinitely or until market shifts
Engagement with Authorities	Often collaborates with local planners	Typically does not engage in planning efforts

Source: Table definitions sought from Artificial Intelligence – ChatGPT. (Tom Phillips + Associates.)



Appendix G: Department of Finance studies on Artificial Intelligence (AI)

Recently, the Department of Finance published three Reports in connection with Artificial Intelligence (AI) in June 2024.

Crucially, the Reports' recommendations are at odds with the DNPf in several regards, principally the revisions between the *NPF 2018* and the DNPf 2024 regarding **data centres**, outlined below.

The Reports provide several findings and recommendations regarding the relationship between AI, housing, zoning, and infrastructural requirements:

1. Urban Planning and AI:

AI adoption is expected to have substantial regional impacts, especially in urban areas.

AI could influence urban planning by affecting connectivity, transportation, and infrastructure needs.

AI-driven insights may help address regional inequalities in housing and infrastructure by enhancing urban design, traffic management, and zoning enforcement.

It is recommended that regional inequalities be proactively addressed by incorporating AI into urban planning frameworks.

2. Housing and Zoning:

AI could influence housing and zoning decisions through predictive analytics.

AI models could optimise zoning by analysing demographic trends, housing demands, and land use patterns.

This would help in making more efficient and accurate zoning regulations to address housing shortages or mismatches between residential, commercial, and industrial zoning.

3. Infrastructural Requirements

AI adoption will likely necessitate significant upgrades in physical infrastructure, including the National Grid.

Increased energy demands from AI-related data centres and technologies pose challenges for infrastructure planning.

The Reports recommend ensuring that infrastructural investments, particularly in the energy sector, align with AI adoption, including in areas such as data centres that require secure and reliable energy sources.



Importance of the provision of the necessary supporting infrastructure to support growth

The Department of Finance highlights the need to integrate AI into housing, zoning, and infrastructure policy discussions, ensuring infrastructure capacity keeps pace with technological advancements.

However, regarding the infrastructural requirements of data centres, the redline version of the NPF revision highlights the following:

“Promotion of Ireland as a sustainable international destination for ICT infrastructures ~~such as data centres~~ and associated economic activities.”



Appendix H: City Edge (Dublin) and the Cork Docklands – projects cited by the DNPf, but ones that have experienced delay in implementation

A. The **City Edge Project** raises the following generic issues with reference to the *National Planning Framework*:

1. The Project's 30 years+ time horizon is welcomed.
2. The Project promoters identify the following key challenges:

“Challenges

In realising the scale of opportunities this part of Dublin presents there are also significant challenges that need to be overcome such as divided and multiple land ownership; separate existing planning permissions for approximately 4,000 dwellings in and around City Edge; the risk of flooding; overhead power lines; traffic congestion; barriers created by roads; sites that are contaminated and accommodate [sic] that contain dangerous substances together with the need for significant investment in transport, parks, amenities and climate change resilience.”

3. Implementation and realisation

The Project addresses the major issue of funding and delivery by two local authorities:

“There are limited publicly owned lands within the City Edge Project Area.

The realisation of the scale of vision set out under the City Edge Strategic Framework will therefore be a challenge and requires considerable collaboration between and across the public and private sectors both in initial planning, and in infrastructure coordination, funding and delivery.

The delivery of this sustainable, vibrant, mixed-use, new city quarter with affordable homes, diverse employment, transport links, parks, and community facilities, is central to our commitment to compact growth and will require sustained public, political and economic support.

Chapter 12 of the Strategic Framework sets out a roadmap for how this could be achieved including 24 key actions for the progression of the project, which are currently being prioritised.

These include important Actions around analysing potential infrastructure funding and financing mechanisms, co-ordinating stakeholders, and engaging with the Land Development Agency in supporting the regeneration of state-owned lands at Inchicore.

It is also an action to preparing a strategy that will investigate options around the governance of the City Edge Project.”



Clearly, the ambition of this Project will reveal the everyday issues facing housebuilders in Ireland. Whilst bold and ambitious, its choice as a case study serves to highlight the difficulties faced by housebuilders rather than demonstrate solutions.

Will landowners within be charged RZLT? How will land-locked or ransom-stripped lands be released? How can sites in disparate ownerships be accumulated – accumulation dismissed as land hoarding if done by the private sector.

Crucially who will co-ordinate this and make it happen? The experience of implementing Ireland's 11 No. Strategic Development Zones (SDZs) in the last 24 years highlights such difficulties of implementation especially with multiple ownerships and differing short-, medium- and long-term aspirations.

It was recently announced that the next iteration of the City Edge Project has been deferred from Q3 2024 to Q1 2025 at the earliest.

- B. **Cork City Docklands Project** raises the following generic issues with reference to the *National Planning Framework*.

In summary, the redevelopment of Cork's docklands has been a long and complex process, and several factors have contributed to the delays in realising the full potential of this area, summarised as follows:

1. Economic recessions and financial constraints
2. Infrastructure C
3. challenges
4. Complexity of Land Ownership
5. Planning and regulatory hurdles
6. Economic and commercial viability
7. Coordination between stakeholders
8. Strategic vision and leadership
9. Environmental and heritage considerations
10. Public Engagement and community concerns

Conclusion

The redevelopment of Cork's Docklands has been protracted due to a combination of economic, infrastructural, regulatory, and strategic challenges.



The complexity of the project, requiring significant investment, coordination among various stakeholders, and careful planning, has contributed to the delays.

However, with the ongoing commitment from public and private entities, progress continues to be made, and the area is gradually transforming.

As an example of the timing involved, the first phase of the Dublin City Docklands was earmarked for urban regeneration under the Haughey-Government's *Urban Renewal Act 1986*.

Despite being a centrally-located brownfield land mass, housing an International Financial Services' Centre (IFSC), serviced by mainline rail, light rail and a LUAS system, and given Government designation and initial tax incentives, the overall development is still incomplete, some 38 years later.

Dublin City Docklands exemplifies the long-term challenge of brownfield development, embracing viability, feasibility, mix of uses, governance and vision.