



Submission on Ireland 2040 - Our Plan

March 2017

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Introduction – A Vision for Ireland

The Ireland of 23 years ago was in many respects a very different place to the Ireland of today. The population of Ireland has grown from 3.59 million in 1994 to 4.59 million by 2013.

The Internet at that time was in its infancy, and the ways of working and living now would have been completely foreign to us. Connectivity between people sometimes on opposite sides of the world has increased with only 0.6 internet users per 100 of the population in 1994, to over 80 users per 100 in 2015¹. Mobile phone use, let alone smartphone use, was a luxury item at that time, but is near universal use today. Technological progress means we now seek to be always connected. Social media plays an important role in daily lives and in the dissemination of news and information.

European Union membership, and Ireland's access to a European single market, has grown from 12 countries in 1994 to 28 in 2017. In that same period Ireland has become a member of a single European currency.

Climate change has become a key issue, with risks to many parts of the world if it is not tackled. Dealing with climate change impacts on many aspects of society, from business to home energy ratings.

These changes illustrate the scale of the challenge in preparing a planning framework to 2040. While many of the societal and technological developments cannot be anticipated, a strong guiding vision in *Ireland 2040 – Our Plan* can provide a framework to allow Ireland – its people and infrastructure – to adapt and flourish.

We can already anticipate a number of changes for which planning is required. Some may mean that the problems of today will resolve themselves with societal change, such as lower car ownership leading to decreasing congestion on some road infrastructure. Others will require forward thinking such as the prioritisation of key road infrastructure to ensure connectivity between all our cities is not only maintained to meet demand, but upgraded to ensure the growth of key cities outside Dublin. An aging population will require not only an increase in the provision of some health services, but also new models of living and support within communities. Ireland will also face the challenge of the United Kingdom, our largest trading partner, leaving the European Union in the next two years, with the social and business implication this will cause, including in particular with Northern Ireland. We will also need to plan for infrastructure that allows for a more efficient use of city space and prevents urban sprawl.

But there are likewise many unknown quantities that the Plan will need to, if not anticipate, at least provide a framework that will allow us to be flexible enough to meet changing demands. This includes: a need to address Ireland's future living model; whether there will be a demand for greater urban densities to satisfy an increased population and greater demand to live in cities; how to deal with changing models of healthcare; how to address the future of transport, including the development of driverless cars and drone technology; and the ever increasing demand for faster movement of goods and connectivity both nationally and internationally.

These challenges ensure a need for greater connected proactive decision-making between planners and infrastructure providers guided by *Ireland 2040 - Our Plan*.

Objectives and Structure of Ireland 2040 – Our Plan

In addition to setting out a Vision for Ireland to 2040, the National Planning Framework should set out Guiding Principles to give effect to this Vision. These principles should set the tone for planning and prioritisation decisions to be made by the Regional Assemblies and in turn by Local Authorities. Provided these guiding principles are correct, then there should not be any deviation allowed at Local Authority level. An appropriate Monitoring Mechanism should be established to ensure that any

¹ World Bank, <http://data.worldbank.org/indicator/IT.NET.USER.P2>, accessed 27 March 2017

potential obstacles be identified together with strategies on how to overcome those obstacles, as well as regular monitoring of progress towards the achievement of the objectives and intervention mechanisms to arrest any deviations or lack of delivery. This mechanism should facilitate flexibility in the plan to allow for any adaption that may be required by inevitably changing circumstances. This mechanism should balance the rights of Local Authorities to make decisions at local level while at the same time ensuring that the overall needs of the nation are met.

In addition, it will be important for the plan to appropriately distinguish the needs of Ireland in the early, medium and late phases of the plan up to 2040. This will help prioritise targets and allow the plan to be fit for purpose up to 2040. This structure should be followed as appropriate by the Regional Spatial and Economic Plans.

Recommendation:

- 1. Clearly define a Vision and Guiding Principles to be followed by Regional Assemblies and Local Authorities in the Regional Spatial and Economic and Local Development Plans**
- 2. Introduce a mechanism to allow for deviation from the National Planning Framework where it is in the national interest**
- 3. Distinguish the goals to be achieved through the plan in the short, medium and long-term**

Current Property Environment

Ireland is currently undergoing a housing crisis, with projections indicating that the annual supply of housing will not meet demand for a number of years. Nothing illustrates the need for a National Planning Framework more than the recent experience of the property market boom, bust and now increasing levels of activity. Not only does a sufficient supply of residential and commercial property ensure adequate homes and workplaces for Ireland's citizens, but it is also important to ensure Ireland's competitiveness as an attractive location for foreign direct investment.

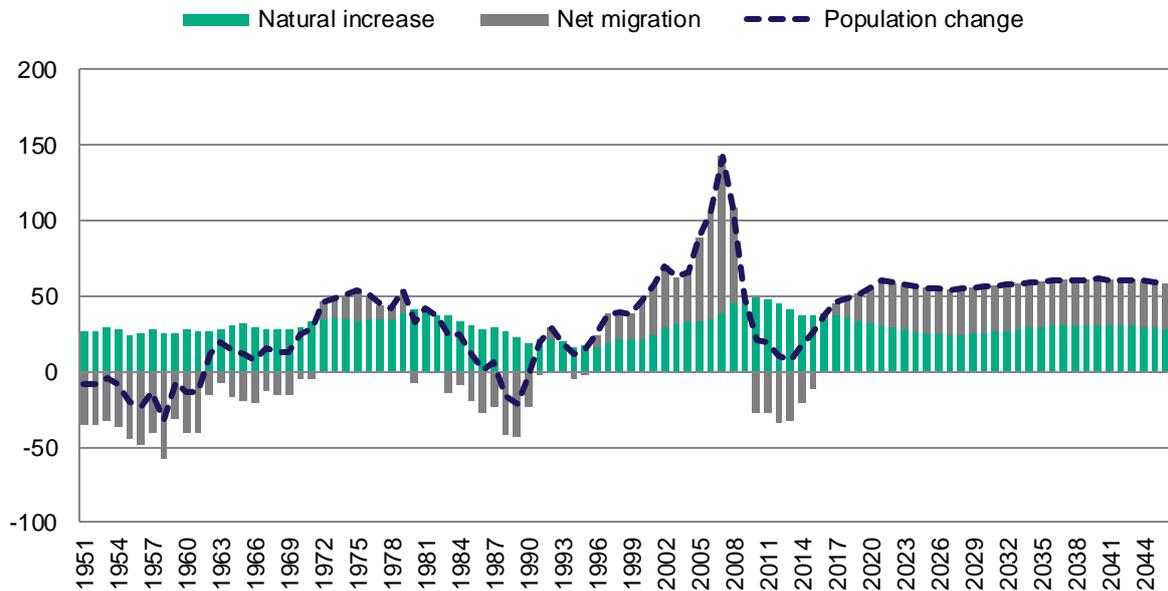
There are a number of separate elements that need to be factored into planning for Ireland's property needs to 2040. Demographic forecasts rely on assumptions about the future but with returning and relatively high migration rates the Irish population could be near 6.5 million people in the Republic by 2046². Coupled with this increase in population, Ireland is experiencing changing age demographics with increased longevity and household formation occurring later in the life cycle. This has impacts on home sizes, as well as demand for services. Furthermore, Ireland is benefiting from an influx of highly educated, mobile workforce. This, combined with challenges for many in entering the owner-occupier market, has increased the attractiveness of the rental market. This is either as a temporary solution or on a more permanent basis as a lifestyle choice.

The private housing market however, either rental or owner-occupied, is not suitable for all people and it is important also to plan for suitable and adequate social and affordable housing. Ireland continues to successfully attract FDI. The availability and location of commercial property and the ability to meet the needs of new FDI sectors will be a key component of continuing the success to date in attracting FDI.

Other forecasts suggest the population of the island could reach 10 million by 2050. As stated above, any plan for the future should have the flexibility to change with higher than anticipated demands on the economy and society.

² CSO, *Population and Labour Force Projections 2016 - 2046*

Figure 1: Components of population change 1950 to 2016 and forecasts 2016 to 2046 (M1F2)



Source: CSO

To ensure that the demands of Ireland's demographic trends are met in both residential and commercial development, Government should establish a National Zoning Authority to govern zoning.

Recommendation:

4. **Establish a National Zoning Authority to guide and prioritise national development**

City development

Dublin will remain the foremost city in Ireland in terms of population and economic growth. However, an over-reliance on Dublin alone as a driver of growth will put pressure on the city's infrastructure, housing and wider environment. This could ultimately lead to an overall loss in Ireland's competitiveness for Foreign Direct Investment. While it is important to prepare for Dublin's continued growth, the growth of the key cities outside of Dublin needs special attention in the framework, including the urban centres of Cork, Waterford, Limerick and Galway.

The Dublin/Belfast corridor towns will continue to grow. For example, Drogheda and environs has grown by 120% over 20 years and now had a population of 80,000. The fact that much of Drogheda's growth happened in Co. Meath demonstrates the necessity for boundary extensions or better co-ordination between regional governments, which can properly plan such expansion. There are many towns and cities with the same problems, notably Limerick and Waterford.

Recommendation:

5. **Focus of growth on key cities of Cork, Waterford, Limerick and Galway, and on Dublin/Belfast corridor towns**

Density and Residential housing

To avoid urban sprawl and the pressure this puts on the environment and infrastructure needs, increased densities in our urban centres will be required. In certain locations this will necessitate greater height allowances for residential and mixed-use developments, in particular in the urban centres of Dublin, Cork and Limerick. Such a need should be reflected in the National Planning Framework from the start.

However, densification does not necessarily need greater building heights alone. There are many infill developments in the Dublin suburbs which achieve densities between 75 and 130 units/hectare with 3 or 4 storeys and a suitable balance needs to be found taking into account existing adjacent heights. In particular, better co-ordination of adjacent Development/Local Areas is needed to allow for smooth transition between differing height limits.

Similarly, proper infrastructure planning needs to take into account such increased densities including access to proper school facilities, healthcare, municipal green spaces and transport. (see Recommendation 11 on the establishment of a National Infrastructure Authority)

Car parking requirements for apartments

An increased population and consequent densities will mean an increased requirement for efficient use of space. As such, on-street and sub-ground floor car parking requirements in residential units needs to be re-examined in locations that are accessible to amenities either by foot or bicycle, or with adequate public transport infrastructure such as bus routes, light rail or rail connections, especially if the trend of lower car ownership continues.

Recommendation:

- 6. Introduce a directly elected Lord Mayor for whole Greater Dublin Area to improve co-ordination on planning and infrastructure matters between the four Local Authorities**
- 7. Improve co-ordination on planning matters between local authorities and overseen by Minister for Housing, Planning, Community and Local Government, including through the introduction of directly elected Mayors for Ireland's key cities**
- 8. Active engagement, including through guidance and other means, by the Office of the Planning Regulator where increased density/height is needed in Local Authority areas to meet national interests**

Aging population

Housing for over 65s was highlighted in a recent paper with a need to house an additional 20,000 people in this age category each year³. The requirements of a retired or semi-retired population that may no longer want or need full independent living or may need some specific support that falls far short of full nursing care should be addressed. The National Planning Framework and in particular the planning system should take account of these requirements where services are needed such as:

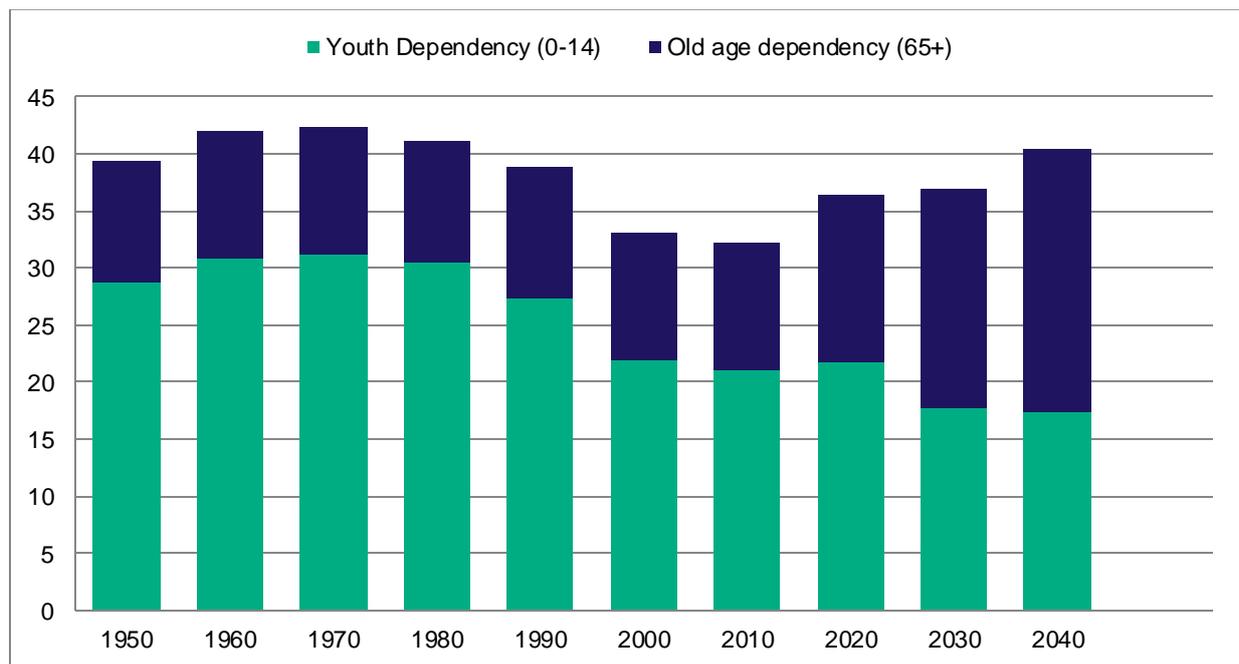
- Concierge for collection of parcels, shopping
- Special access requirements
- Increased security
- Access to local medical care/pharmacy
- Community requirements

In addition to providing needed services, the provision of specialist accommodation for an older population would help to free up many existing houses for families with children.

Recommendation:

- 9. Introduction of special planning use category for retired/semi-retired population's needs with aim to promote this sector**

Fig 2: Dependency (aged 14 or over 65) as a proportion of population, 1950 - 2040



Source: CSO

³ *Housing For Older People – Thinking Ahead; Research Report by Amárach Research, Ronan Lyons, Lorcan Sirr and Innovation Delivery*

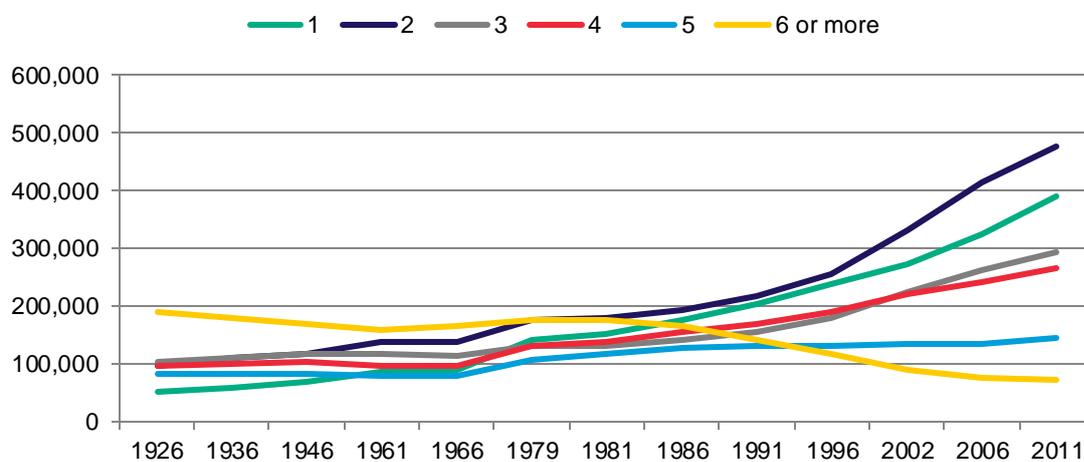
Household size

Household size has decreased in recent years. With a demographic trend of household formation taking place later in life, average household sizes have decreased. Since 1981 the number of households with 2 persons or less grew from 371,000 to 867,000 by 2011. On the other hand households with 5 or more residents shrank from 292,000 to 217,000. Trends in marriage, cohabitation, fertility and ageing will mean this trend is likely to continue in the coming decades.

Recommendation:

- 10. Regional Spatial and Economic Plans and Development Plans to take into account changing demographics on house size and required need for smaller units and increased services**

Figure 3: Number of households by persons per household



Source: Ibec

Essential infrastructure development

The development of light-rail in Dublin has shown the potential for infrastructure to connect communities and ensure economic success of many locations, and this also needs to be the case on a regional and national basis. Commuter bus infrastructure should also be developed to decrease the dependence on cars. In addition, investment should be made in the national rail system to improve connectivity between Ireland's key towns and cities and decrease travel time on major rail-routes.

Government should establish a politically independent National Infrastructure Authority whose focus is to identify and prioritise areas of spend. In the UK, a National Infrastructure Commission (NIC) provides the government with impartial, expert advice on major long-term infrastructure challenges. A National Infrastructure Authority would have a role in determining what infrastructure is needed to deliver on the vision of the National Planning Framework.

As outlined in our introduction, *Ireland 2040 – Our Plan* needs to be flexible enough to adapt to changing needs, both in terms of demographic demands but also new technologies and uses of technologies. It should be the role of the National Planning Authority to prioritise infrastructure projects of national importance, and to take a forward looking role on infrastructure provision so that we are capable of taking advantage of any new technological developments, such as robotics, self-drive vehicles, large-scale use of pre-fabrication and 3D printing, augmented reality or drones, all of which are moving towards broad consumer viability.

Some key infrastructure projects of national importance that should be planned for/completed in the short to medium term include:

- Continued investment in social and affordable housing
- Develop healthcare facilities with more focus on care in the community facilities, development of non acute care facilities, upgrading existing healthcare stock and fast tracking currently planned new health developments
- Continued investment in educational facilities
- Significant upgrading of our water infrastructure
- Deal with the M50 including introduction of variable tolling and congestion charging
- DART underground and Metro serving Dublin Airport
- Bus Rapid Transport as a congestion alleviation measure on the M1, M50 corridor
- High speed link to Belfast, enabling the existing line to be used exclusively for commuter services and freight
- Cork-Limerick motorway and improved access from M20 interchange into Limerick City and consider the elimination of tolls on the Shannon Tunnel
- Re-orientation of Cork train station
- Dunkettle Interchange free flow upgrade
- Existing four track rail line should be extended to Newbridge
- Parkmore bypass
- Build M20, and upgrade N2 and the N4 to support balanced regional development and greatly assist access to the South West and North West respectively

Recommendation:

- 11. Establish an independent National Infrastructure Authority to identify and prioritise areas of spend on infrastructure**

Adequate Funding of Local Authorities

Ireland is currently experiencing a housing crisis and local authorities have a role dealing with this crisis, including the provision of infrastructure that can unlock housing development sites, on social housing and in setting development and special development levies. The current system of property taxes, development levies and other charges is unsuitable for providing and maintaining important infrastructure and a new structure for funding infrastructure is needed. Property Industry Ireland will be making recommendations on the taxation of property that would ensure sufficient funding for important infrastructure at Local Authority level while at the same time would not impact on the viability of development. Multi-annual funding of infrastructure projects should be made available to Local Authorities to enable them to carry out key projects in accordance with their Masterplans and not be dependent on stop / start annual government allocations.

Recommendation:

- 12. Review taxation arrangements of property with aim of ensuring that infrastructure and services are adequately financed proportionate to benefit and how central government fund Local Authority projects**

Speculative development of commercial property

IDA Ireland has been hugely successful in promoting Ireland as a dynamic, open economy with a highly educated workforce. However, Ireland also needs to have the capacity and suitable space to attract mobile Foreign Direct Investment (FDI). While office development has in recent years become viable in Dublin with a resulting availability of space, there are many locations around the country where development of office and industrial property is marginal at best or unviable. Mobile FDI will not wait for the development of office space and Ireland needs to provide such space proactively. This is in particular the situation outside the greater Dublin area where FDI investment will result in local jobs and support for communities. Ireland Strategic Investment Fund (ISIF) and other structures should be leveraged to provide the required commercial space.

Recommendation:

- 13. Promotion of speculative construction of commercial and industrial space in key growth cities through ISIF**

BREXIT

The National Planning Framework needs to some extent take account of the threats posed by BREXIT. In particular the possibility of a hard border with Northern Ireland and/or custom delays and free movement of people at borders and the affect this will have on the make-up of the economy, north and south of the border.

Recommendation:

- 14. Engagement with business and civil communities on both sides of the border to ensure minimal disruption due to Brexit**



About Property Industry Ireland

Our vision

A sustainable Irish Property Industry which is creative, responsive, competitive and well integrated in meeting the socio-economic needs of all the stakeholders in the built environment

Our mission

To be the trusted partner and provider of “evidence based” information, policies and strategies for the property industry at National level, to the Oireachtas, Government, Local Authorities and Agencies, and for the benefit of the people of Ireland.

Our objectives are to:

1. Be the Leadership Forum in the Industry for the discussion on National Property Issues
2. Develop, propose and support a National Property Strategy, policies and solutions to issues for the benefit of the nation as a whole
3. Be a research led organisation, which collates and commissions relevant and innovative research on Ireland's construction sector in order to promote & sustain a competitive economy
4. Be the go-to organisation for Government and the Oireachtas on all aspects of property
5. Work with all stakeholders in the industry to restore it to a sustainable position in the economy
6. Increase membership through demonstrating the achievements and outcomes in relation to national strategy and policy

PII Council:

Tom Phillips, Tom Phillips + Associates (Chairman)
Aidan O'Hogan, Property Byte Ltd.
Patricia O'Brien, BHK Solicitors
Tony Reddy, Reddy Architecture + Urbanism
Padraic Whelan, Deloitte
Michael O'Flynn, O'Flynn Group
Jim Gallagher, Lafferty
Cormac O'Rourke, Goodbody Stockbrokers
Mark FitzGerald, Sherry FitzGerald
Michele Connolly, KPMG Corporate Finance
Ivan Gaine, Sherry FitzGerald

Policy Committee Chairs:

Executive Committee –

Michael O'Flynn, O'Flynn Group

Technical and Construction Issues –

Jim Gallagher, Lafferty

Planning and Development –

John Spain, John Spain Associates

Funding Initiatives –

Michele Connolly, KPMG Corporate Finance

Market Supply and Demand –

Ivan Gaine, Sherry FitzGerald

Executive:

David Duffy, Director

David Howard, Policy Executive

Recent publications

- The Property Industry – Rebuilding Ireland's Economy (2011)
- Development of infrastructure Bonds (2011)
- Real Estate Investment Trusts for Ireland (2012)
- Putting the Residential Property Market on a Sustainable Footing (2012)
- Planning a better future: a report on reform of the Irish Planning System (2012)
- Towards a National Property Strategy (2013)
- Delivering Ireland's Property Needs (2014)
- A National Spatial and Development Plan for Ireland (2014)
- The Cost of Construction in Ireland: A European comparison (2014)
- Investing in Social Housing (2014)
- Housing Manifesto (2015)
- Policy Reform to Increase the Delivery of New Housing (2016)
- Delivering Rebuilding Ireland: PII Pre-Budget 2017 Submission (2016)
- Tax Treatment of Rental Income (2017)