



CONSTRUCTION 2020

DUBLIN HOUSING SUPPLY COORDINATION TASK FORCE

**Report on Critical Infrastructure Deficits in
Residential Priority Areas in the Dublin Region**

Second Report - January 2015



Comhshaol, Pobal agus Rialtas Áitiúil
Environment, Community and Local Government



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Foreword

The first report of the Dublin Housing Task Force indicated that in excess of 46,000 new homes can be developed on infrastructurally unconstrained Tier 1 and Tier 2 priority areas zoned for housing development in the development plans of the four Dublin local authority areas.

This follow-up study indicates the number of new homes in areas other than the above, namely Tier 3 priority areas, which are immediately constrained by significant hard infrastructure deficits that currently have no visible funding source. For the purposes of the study, hard infrastructure includes transport and utilities (water, drainage, and electricity) but it does not include community and social facilities.

The report generally relates to those residential priority areas which have the capacity to yield 1,000 new homes or more and that are constrained by capital infrastructure deficits that state or public bodies such as Irish Water, National Transport Authority, National Roads Authority and Eirgrid/ESB Networks are responsible for addressing through their capital investment programmes and which cannot be funded through contributions under the local authority statutory development contribution scheme.

Delivery of new housing in some residential priority areas will also give rise to the need to expand existing services for example in relation to public transport, to avoid congestion. These new services will increase the operational costs for public transport but reliable estimates of such costs are beyond the scope of this report because they would depend significantly on the pattern and rate of development.

It is also recognised that within new development areas, there will on occasion be a requirement for direct intervention by local authorities to assist in the development process. Examples in this regard might include the deployment of Compulsory Purchase Orders or consent based land acquisition agreements to enable subsequent public infrastructure delivery and contributory funding where a local authority requires developers to provide infrastructure in a specific area or location that would provide capacity in excess of the needs of that specific development or area.

The report consists of a regional map with attached schedules. The regional map provides the name and number of each residential priority area within each local authority. The regional map also indicates the number of new homes which are immediately constrained by hard infrastructure deficits in each residential priority area. The attached schedule provides more detail on the nature of the infrastructural deficit and an estimate of the cost to address the deficit.

Conclusions

The Residential Priority Areas in the four Dublin local authorities have the potential to provide a total of in excess of 94,700 new homes on zoned land, provided supporting infrastructure is also provided in a timely fashion. As noted in the first report of the Task Force, Tiers 1 and 2 can deliver in excess of 46,000 new homes.

The number of new homes which are constrained by immediate strategic infrastructure deficits (i.e. Tier 3 sites which cannot be serviced by the standard S.48 contribution scheme or Strategic Development Zone development levies) and for which planning permission for new homes is not possible until these deficits are addressed amounts to 48,490 units (51% approx).

The total indicative costs of these immediate strategic infrastructural requirements, excluding public transport, amount to €164.2m comprised as follows.

	Constrained Units	Estimated Cost Infrastructure (€ million)
Fingal County Council	24,150	66.5
Dublin City Council	5,400	48
South Dublin County Council	1,940	4.7
Dún Laoghaire-Rathdown County Council	17,000	45
Total	48,490	164.2

Immediate Priorities

While recognising that it may be some time before the full extent of this funding is required in the context of existing cumulative development potential, initial investment of the order of €62.7m over the 2015/2016 period has been identified by the relevant local authorities as essential to initiate the process of relieving the most critical yet resolvable short term blockages. No funding is currently available to address these blockages. These are highlighted in Appendix 1 to this report and are summarised as follows.

	Immediately Constrained Units	Estimated Cost Infrastructure (€ million)
Fingal County Council	5,000	13
Dublin City Council	3,400	35
South Dublin County Council	1600	4.7
Dún Laoghaire-Rathdown County Council	2,500	10
Total	12,500	62.7

As stated above, the coming on stream of new housing will have additional investment and operational costs for other infrastructure providers particularly in the transport and education areas but a precise estimate of these will depend greatly on pattern and location together with the rate at which development picks up.

The difference between these latter costs and the immediate strategic infrastructural costs above is that in the absence of this immediate strategic investment no development of any kind can commence on these residential priority lands.

Clarity around a funding source for these immediate constraints would give certainty to local authorities in pre planning discussions and broaden the short term available supply opportunity by 12,500 units or 18 months supply in terms of projected Dublin requirements.

Other Infrastructure Costs

This report does not include estimates of costs associated with infrastructure that developers are required to provide internal to substantial urban development projects in many of the Tier 1 and 2 areas also designated as Strategic Development Zones in some cases. Such infrastructure includes major distributor roads and junctions, cycle lanes and pedestrian infrastructure, bridges, trunk water services, amenity areas to serve new housing areas and community facilities including sites for schools or sports facilities. In the largest of developments, the cumulative up-front costs of such development can be multiples of €10m.

For the very largest projects – typically developments that will involve several thousand new homes, the type of upfront working capital requirement described above is not recoupable for in excess of 5-10 or more years given realistic construction timelines and sales patterns which is in sharp contrast to when some of these planning patterns and constructs were initially envisaged. In effect the cost of significant upfront infrastructure cannot be carried by either local authorities or developers.

The work of the Task Force has concluded that in the current economic and banking climate, developers are finding it very difficult to finance forward investment of such infrastructure for subsequent recoupment through sales of development sites to individual house-builders. In particular, the suggestion is that either financial institutions are unwilling to fund advance infrastructure of this nature, or if they are, interest rates and carrying costs of such finance make the proposition uneconomic.

It is clear that some developers are uncertain about the options available to them to secure finance for longer run costs or may be reluctant to engage with the normal terms and conditions that may apply to mezzanine/senior debt finance arrangements.

In summary the indications are that if the State wishes to see integrated and large scale residential development within the existing built up area of Dublin and avoid further expansion into greenfield areas in the current financing environment, there would appear to be a need for a new bridging finance requirement to underpin innovative joint venture partnerships between (i) local authorities (ii) large scale developers of priority housing areas and (iii) a state backed provider of cost effective long-term infrastructure finance. An outline of the mechanism is included in Appendix 3.

Residential Priority Areas 2014



KEY

Priority Areas _____

Number of Residential units immediately constrained by hard infrastructural deficits _____
(see attached schedule)

Appendix 1: Immediate Infrastructural Priorities

Dublin City Council

DCC3 – Docklands	
Total No. of Units Constrained.	2,400 units
Nature of Infrastructural Constraint The North City Development Plan contains an objective to link Britain Quay to Poolbeg by a new Dodder bridge. The Dodder Bridge and distributor road is a crucial piece of infrastructure providing linkage eastwards to Poolbeg. This infrastructure would enable large scale growth in the Pool beg area through the provision of increased bus transport to serve the entire area as well as providing an important pedestrian and cyclist link eastwards	Design and consent required.
Estimate Cost	€25 million

DCC1 – North Fringe	
Total No. of Units Constrained.	1,000 units
Two main distributor streets connecting rail station to Malahide Road, including Priory Hall site to be completed as part of new Local Area Plan 'kickstart' initiative to open up new residential areas upfront.	Delivery Dublin City Council Roads Dept. Alignment set in Local Area Plan. No Compulsory Purchase Order required.
Estimate Cost	€10 million Immediate priority to release these otherwise zoned, permitted and serviced lands.

Fingal County Council

FCC – 3 Donabate	
Total No. of Units Constrained.	4,000 units
New housing development in Donabate requires a new By-Pass/Distributor Road including a new bridge over rail line, which goes beyond roads which could be delivered through developer provision. Also opens up Fingal County Council lands for social housing and adjacent to rail station in Metropolitan area	Delivery – Fingal County Council An Bord Pleanála approval. Compulsory Purchase Order underway.
Estimate Cost (Total value inclusive of developer contribution)	€10m (Note: State cost may be reduced depending on agreement in relation to developer contribution, land costs, etc.)

FCC 8 – Baldoyle	
Total No. of Units Constrained.	Circa 1,000 units
Road network is at capacity. Hole in the Wall Road requires realignment. Pending same, development of this urban settlement is constrained.	Designed and Part 8 (Local Authority Development) proposal prepared – to go on public display Q1 2015. At DART station/National Transport Authority priority residential lands.
Estimate Cost	€3 million

South Dublin County Council

SDCC4 – Ballycullen/Oldcourt	
Total No. of Units Constrained.	1,600 units
Nature of Infrastructural Constraint 160 units (approx) dependant on new surface water upgrade scheme (OPW) with total cost of €1.2 million approx. All of lands dependent on 2 branch sewers and new storage tank as part of Dodder Valley Foul Sewer upgrade. (Estimated cost is €3.5 million). Total cost for both is €4.7 million	Ballycullen/Oldcourt – these constraints were identified in previous studies (Dodder Valley Sewerage Study, Greater Dublin Strategic Drainage Strategy and Review of Dodder Valley Sewerage Study c.2004/2005). The drainage network for Ballycullen/Oldcourt area is being reviewed as part of the immediate constraints study mentioned above. Works identified to be implemented under the current Capital Investment Programme (2014) and Capital Investment Programme (2017-2022) on a prioritised basis.
Estimate Cost	€4.7 million

Dún Laoghaire- Rathdown County Council

DLRCC2 – Stepside/Kilternan	
Total No. of Units Constrained.	2,500 units
<p>(i) Delivery of Glenamuck District Distributor Road Scheme to supplement deficient local road network. Dún Laoghaire-Rathdown County Council in dialogue with developers/landowners to cede road corridor at minimum cost. Whole area drains to the new Shanganagh Waste Water Treatment facility which has significant spare treatment capacity.</p> <p>(ii) Undergrounding of 220KV overhead ESB lines -(To be discussed and agreed with ESB Networks/Eirgrid</p>	(Subject to land contribution by developers)
Estimate Cost	<p>€10m (Road Construction Only – subject to agreement on land cost).</p> <p>Resolution of the cost of this road and funding for its delivery would release a major new housing area in an “in high demand” part of the city that otherwise has good water services and social infrastructure.</p>

Appendix 2: Medium Term Priorities

Dublin City Council

DCC2 – Pelletstown	
Total No. of Units Constrained.	685 units
New rail station Delivery: Irish Rail	Delivery: Irish Rail An Bord Pleanála Approved Detailed design required
Estimate Cost	€4 million

DCC5 – Naas Road Lands	
Total No. of Units Constrained.	0 units
Undergrounding of High Tension ESB cables Delivery: Eirgrid/ESB Networks/Dublin City Council	
Estimate Cost	N/A

DCC4 – Cherry Orchard	
Total No. of Units Constrained.	2,000 units
New drainage infrastructure between site and main trunk sewer.	Delivery: Irish Water An immediate constraints study (covering the Greater Dublin Area) including cherry orchard is being undertaken by Irish Water. Works identified in the Drainage Area plans and constraints study to be implemented under the current Capital Investment Programme(2014-2016) and Capital Investment Programme (2017-2022) on an incremental basis aligned with development realisation.
Estimate Cost	€9 million.

Fingal County Council

FCC 1 - Rush	
Total No. of Units Constrained.	1,350 units
The majority of Rush is served by a foul drainage network which discharges directly in to the sea. This needs immediate resolution. Pending same, development of this entire urban settlement is constrained.	<p>Delivery: Irish Water</p> <p>Connection of the southern area of the Rush catchment to a new Waste Water Treatment Plant at Portrane within the Capital Investment Programme (2014-2016). Scheme due to be tendered in mid-2015 with completion end-2016.</p>
Estimate Cost	€4.5m

FCC 2 - Lusk	
Total No. of Units Constrained.	1,000 units
Foul drainage limited by capacity of existing temporary lift facility leading to blockages at the site of the old treatment works. This needs resolution in the short-immediate term. Pending same, development of this urban settlement is severely constrained.	<p>Delivery – Fingal County Council and Irish Water</p> <p>Works to be undertaken will be based on development needs on a phased basis as committed development comes on stream.</p>
Estimate Cost	<p>€1m</p> <p>Phase 1 Cost €0.4m</p> <p>Phase 2 Cost €0.6m</p>

FCC 4 - Swords	
Total No. of Units Constrained.	7,500 units
The drainage existing network has a number of constraints identified in the Greater Dublin Strategic Drainage Study (2005) leading to surcharging of network during heavy rain, This needs immediate resolution. Pending same, development of this entire urban settlement is severely constrained, with minimal development permissible.	<p>Delivery – Irish Water</p> <p>Drainage Area Plan in development for Oldtown-Mooretown Area of Swords catchment to address immediate development pressures with concept design complete by end of 2015.</p> <p>Separate Drainage Area Plan for entire Swords catchment due for completion in Q4 2016 to determine medium and long term wastewater network development plans and phasing opportunities to deliver infrastructure. Also covered by Greater Dublin Area Constraints Study due Mid 2015.</p> <p>Drainage Area plans and constraints study to be implemented under the current Capital Investment Programme (2014-2016) and Capital Investment Programme(2017-2022) on an incremental basis aligned with development realisation.</p>
Estimate Cost	Fingal County Council had estimated €6.5m – subject to Irish Water confirmation upon completion of studies above.

FCC 5 - Malahide-Kinseally	
Total No. of Units Constrained.	1,200 units
The drainage existing network has a number of constraints identified in the Greater Dublin Strategic Drainage Strategy (2005) leading to surcharging of network This needs immediate resolution. Pending same, development of this entire urban settlement is constrained.	<p>Delivery – Irish Water/Fingal County Council.</p> <p>The drainage network for Malahide-Kinseally is being reviewed as part of the immediate constraints study mentioned above.</p> <p>Works identified to be reviewed for inclusion in Capital Investment Programme (2017-2022).</p> <p>Interim Drainage works involving storm water separation and a foul pumping station upgrade are currently being undertaken by Fingal County Council to address immediate development pressure.</p>
Estimate Cost	Total Cost €6 million

FCC 6 - Portmarnock	
Total No. of Units Constrained.	1,000 units
New pumping station required. Pending same, development of this entire new urban area is immediately constrained.	<p>Delivery – Irish Water</p> <p>Pump station previously permitted by An Bord Pleanála – feasibility study being undertaken by Irish Water.</p> <p>The drainage network for Portmarnock is being reviewed as part of the immediate constraints study mentioned above. Works identified to be implemented under Capital Investment Programme (2014-2016) and Capital Investment Programme (2017-2022) on a prioritised basis.</p> <p>In addition Irish Water is in process of commencing drainage area plan review for the North Fringe area of Dublin City including development of medium and long term design solutions for the catchment.</p>
Estimate Cost	Fingal County Council had indicated a €3 million cost, subject to confirmation by Irish Water on foot of work above.

FCC – 9 Blanchardstown	
Total No. of Units Constrained.	7,500 units
The existing 9C sewer has capacity constraints upstream of Mulhuddart Bridge. Connections for proposed developments downstream of Mulhuddart Bridge reviewed on an individual basis.	<p>Delivery – Irish Water. 2 Contracts ((a) Liffey Siphons Rehabilitation and (b) 9C Sewer Duplication and Storage) are at Detailed Design Stage. Estimated date for completion of construction of (a) end-2017 and (b) end-2018.</p>
Estimate Cost	€27.5m

FCC 10 - Blanchardstown-Barnhill	
Total No. of Units Constrained.	1,100 units
Nature of Infrastructural Constraint New road required (approved under Part 8 - Local Authority Development) to facilitate the development of this entire Local Area Plan area.	Adjacent to DART station/Hansfield Strategic Development Zone/ National Transport Authority priority residential lands. Delivery: Fingal County Council
Estimate Cost	€5 million (over and above developer contribution)

South Dublin County Council

SDCC1 – Adamstown	
Total No. of Units Constrained.	N/A
Strategic Development Zone amended scheme approved by South Dublin City Council in February 2014 – currently with An Bord Pleanála. Amended Scheme proposes up to 6,700 dwellings, over and above 1,450 dwellings completed and occupied to date.	
Estimate Cost	N/A

SDCC2 – Clonburris	
Total No. of Units Constrained.	N/A
Subject to Strategic Development Zone Planning Scheme Review, South Dublin City Council and An Bord Pleanála approved existing Strategic Development Zone Planning Scheme 2008. Revised Scheme to provide 8,000 dwellings approx.	
Estimate Cost	N/A

SDCC3 – Newcastle	
Total No. of Units Constrained.	500 units
New pumping station. Delivery: Irish Water	The drainage network for Newcastle is being reviewed as part of the immediate constraints study previously mentioned above. Works identified to be implemented under Capital Investment Programme (2014-2016) and Capital Investment Programme (2017-2022) on a prioritised basis.
Estimate Cost	N/A. Cost TBC.

Dún Laoghaire-Rathdown County Council

DLRCC1 – Sandyford	
Total No. of Units Constrained.	0 units
None N/A	
Estimate Cost	N/A

DLRCC3 – Cherrywood	
Total No. of Units Constrained.	7,000 units plus c.650,000sqm. of commercial/industrial/retail
Strategic Development Zone Planning Scheme incorporates comprehensive sequencing and phasing arrangement which links overall quantum of development in 1st/2nd/3rd Growth Areas with commensurate delivery of specific internal roads, water services and community infrastructure. To be costed and advanced by Strategic Development Zone Development Agency which is currently being set up.	Irish Water is undertaking a Strategic Study in 2015 to determine long term water and wastewater network development plans and shorter term phasing and network development options for the South Dún Laoghaire Rathdown/North Wicklow area, including Cherrywood. This study will enable delivery of infrastructure under Capital Investment Programme (2017-2022) on an incremental basis aligned with development realisation.
Estimate Cost	N/A. Cost TBC

DLRCC4 – Woodbrook/Shanganagh

Total No. of Units Constrained.	3,000 units (+additional 6,000 residential units and c.210,000sqm. of commercial in Old Conna & Fassaroe).
(i) Southern part of Dún Laoghaire-Rathdown County and adjoining areas in Wicklow have major water supply deficit. Earlier Water Services Investment Programme projects - the Old Conna-Woodbrook Water Supply Scheme and the Old Conna-Woodbrook Sewerage Network Scheme (which will drain to the new Shanganagh Waste Water Treatment facility) would 'unlock' development lands not only in Woodbrook/Shanganagh but also Old Conna and the major development node in Fassaroe (north Wicklow).	<p>Irish Water is undertaking a Strategic Study in 2015 to determine long term water and wastewater network development plans including Woodbrook/Shanganagh.</p> <p>Delivery of infrastructure will follow under Capital Investment Programme (2017-2022) on an incremental basis aligned with development realisation.</p> <p>€30 million (for both projects DLRCC4 and DLRCC5)</p> <p>€5 million: DART Station</p> <p>(Note: Water infrastructure cost estimates are from earlier studies and will be reviewed in new Strategic Study).</p>
(ii) New DART station at Woodbrook (mid-way between Bray and Shankill). Tacit agreement of Irish Rail.	
Estimate Cost	€35 million. Cost TBC.

DLRCC5 – Old Conna

Total No. of Units Constrained.	3,500 units (+additional 5,500 residential units and c.210,000sqm. commercial in Woodbrook & Fassaroe)
(i) Southern part of Dún Laoghaire-Rathdown County (and north Wicklow) has major water supply deficit. Earlier Water Services Investment Programme projects - the Old Conna-Woodbrook Water Supply Scheme and the Old Conna-Woodbrook Sewerage Network Scheme (which will drain to the new Shanganagh Waste Water Treatment facility) are essential requirements to 'unlock' the development of Old Conna and Woodbrook/Shanganagh as well as nearby areas in Wicklow (Fassaroe).	<p>Irish Water is undertaking a Strategic Study in 2015 to determine long term water and wastewater network development plans for the South Dún Laoghaire Rathdown/North Wicklow area, including Old Conna. This study will enable delivery of infrastructure under Capital Investment Programme (2017-2022) on an incremental basis aligned with development realisation.</p> <p>The study will also identify phasing opportunities and short-term network capacity in advance of major new strategic infrastructure.</p> <p>Would be delivered as part of €30m investment for DLRCC4 above. Water infrastructure cost estimates are from earlier studies and will be reviewed in new Strategic Study.</p> <p>Subject to more detailed appraisal of options by National Transport Authority.</p>
(ii)Area is to be ultimately served by Luas Line B2 from Cherrywood to Bray Environs at a cost of circa €200m and until this project is capable of being funded, interim bus based or sustainable travel solutions will have to be explored	
Estimate Cost	Included in €30million estimate for DLRCC4 Cost of transport element subject to transport appraisal.

Appendix 3: Potential Strategic Housing Infrastructure Investment Fund (SHIIF)

The mechanism could operate as follows:

The State, through National Development Finance Agency/Social Innovation Fund Ireland etc. could assemble a credit line of for example €200m at attractive rates of interest for investment in enabling infrastructure in priority development areas to kick-start the development process.

Local authorities would be enabled to tap the credit line above in line with an agreed mechanism as set out below.

Local authorities could invite expressions of interest from appropriate and suitably scaled investors for extension of a line of bridging finance drawn from (1) on condition that (a) they can prove a lack of conventional banking finance or terms/rates of interest that would make such investment uneconomic and (b) they can demonstrate that the investment will release the priority lands identified in the development plan of the local authority.

The Local Authority would ask the National Development Finance Agency to assess such proposals on the basis of advice from the local authorities and proper financial and risk appraisal.

Where stated criteria is complied with, the bridging finance would be offered by the National Development Finance Agency through the local authority on the basis of:

Ultimate repayment of the bridging finance by the developer upon creating cash-flow from the sale of lands/housing enabled by the investment funded by the bridging finance in the first place; and

Agreed arrangements in relation to servicing the interest costs associated subject to such costs being repaid once the investor creates sufficient cash-flow and assumes responsibility for repaying the bridging finance in full.



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