

Executive Summary

Right now, Ireland's housing system is not meeting the needs of enough of our people.

- There are not enough houses to buy or rent in the private sector.
- There are not enough houses being built by the State for those who need social housing.
- Housing has become increasingly unaffordable for the 'squeezed middle' who would once have expected to be able to purchase their own home.
- Too many people are experiencing homelessness or are unable to access appropriate housing.
- The cost of building housing is too high.
- Too much vacant housing stock remains unused.
- Our housing stock needs to be more environmentally friendly.

Underpinned by commitments in the Programme for Government, over the last year the Government has taken ambitious action to address these issues while developing the **Housing for All** Plan. These measures have ranged from new affordability measures to enhancing social housing delivery.

This year saw the largest housing budget on record. To increase affordability, the Government passed the first ever comprehensive Affordable Housing Act and reformed the LDA's remit whilst placing it on a statutory footing. The Help to Buy incentive was extended and increased to €30,000. Ireland's first ever Cost Rental homes were opened.

We are focused on protecting society's most vulnerable. We signed the Lisbon Declaration on ending Homelessness by 2030. To assist older people and people with a disability, we have increased funding for Housing Adaptation Grants for Older People and People with a Disability. We have also increased funding under the Disabled Person Grant Scheme and Improvement Works in Lieu of Local Authority Housing Scheme.

For renters, the Government extended Rent Pressure Zones and limited rent increases to general inflation. It also limited deposits and extended protections for student renters. Co-living has been banned and five separate pieces of legislation have strengthened tenant protections. We also legislated to protect traditional family homes from bulk purchases. To combat vacancy, we have brought back over 3,600 vacant social homes into use; streamlined the Buy and Renew scheme; and extended the Repair and Lease Scheme to €60,000.

To stimulate more housing, we invested in an Irish Water Stimulus package and slashed red tape on developing new social housing by extending the single stage approval process to €6m. The regeneration of our cities and towns is being underlined by an additional €1.3 billion in Urban Regeneration and Development Fund investment.

These actions over the past year have signalled the Government's commitment to fixing our housing system. **Housing for All** takes that commitment a step further on the pathway to a sustainable housing system, by clearly setting out how we plan to address the serious short, medium and long-term challenges ahead.

The overall aim of our new housing plan for Ireland is that:

Everyone in the State should have access to a home to purchase or rent at an affordable price, built to a high standard and in the right place, offering a high quality of life.

To meet this objective, Ireland needs a long-term plan that addresses the fundamentals of our housing system. The Government has a key role to play in enabling the delivery of new housing, ensuring that best use is made of existing stock and delivering strong, sustainable communities. Through **Housing for All** there is an unprecedented level of collaboration across government and with key stakeholders, backed up by historic levels of funding. Working with and enabling the private sector to deliver on housing is also central to this Plan.

Ireland needs an average of 33,000 homes constructed per annum until 2030 to meet targets set out for additional households, as outlined in the National Planning Framework. These homes need to be

affordable, built in the right place, to the right standard and in support of climate action. They need to satisfy demand for housing across four tenures – affordable, social, private rental and private ownership. They need to be advanced through the planning process and be built within the context of specific development targets for the five cities and major towns, and the complementary objectives of the Town Centre First policy and rural housing.

Housing for All provides four pathways to achieving four overarching objectives:

- Supporting Homeownership and Increasing Affordability;
- Eradicating Homelessness, Increasing Social Housing Delivery and Supporting Social Inclusion;
- Increasing New Housing Supply; and
- Addressing Vacancy and Efficient Use of Existing Stock.

Each of the pathways contains a comprehensive suite of actions to achieve these Housing Policy Objectives. **Housing for All** has the largest ever housing budget in the history of the State to support these pathways, with in excess of €20bn in funding through the Exchequer, the Land Development Agency (LDA) and the Housing Finance Agency over the next five years. This will also support the creation of an enabling framework of a more sustainable housing system that will meet the housing needs of a generation.

The implementation of each action until 2030 will be led by a named Government department, State Agency or other body. An overarching governance structure will be established in the Department of the Taoiseach to oversee implementation. Government departments, State agencies, Local Authorities, Approved Housing Bodies

(AHBs), the Land Development Agency (LDA) and other delivery partners will work with the delivery office. Updates will be published on www.gov.ie/housing.

A summary of each pathway, its main challenges and immediate actions is set out below.



Figure 1:
Four Pathways
to *Housing for All*

1 | Pathway to Supporting Home Ownership and Increasing Affordability

Affordability and the chance to own a home is at the heart of the Government's housing policy. Currently, Ireland has insufficient housing supply and too narrow a range of options for those who are experiencing difficulty in buying or renting a home. This impacts many people, particularly those at important life stages such as moving out of the family home, starting a new job, making plans to settle down or have children, or considering right-sizing at a later stage in life.

A step change is required in the supports available so that more people can own their own homes.

The Government believes that homeownership is good for individuals, families and communities. This pathway in *Housing for All* has a number of significant measures aimed at people who are currently unable to meet their housing needs but who, with help, could purchase their own home. It also looks at measures to address affordability for those who are renting a home.

First Steps: Supporting Homeownership and Increasing Affordability

- Increased supply of new housing, up to an average of at least 33,000 per year to 2030
- An average of 6,000 affordable homes to be made available every year for purchase or for rent by Local Authorities, AHBs, the LDA and via a strategic partnership between the State and retail banks.
- A new Local Authority-led Affordable Purchase Scheme.
- A new, nationally available, affordable purchase shared-equity *First Home* scheme until 2025 for buyers of new-build homes in private developments.
- The LDA will be a new and important source of affordable housing on public lands, and will advance a new initiative, Project Tosaigh, to enhance the early delivery of new affordable homes.
- The LDA will deliver a significant number of homes on State lands, and in association with Local Authorities in major mixed tenure developments.
- Increased contribution by developers under Part V, up from 10% to 20%, to include affordable housing and cost rental housing.
- Launch of a newly expanded Local Authority Home Loan.
- Extended Rent Pressure Zone Protections to 2024 and rents linked to the Harmonised Index of Consumer Prices.
- Introduction of indefinite tenures for rent leases.
- Introduction of a new form of rental tenure called 'Cost Rental' homes.

Housing for All provides a number of schemes to help first-time buyers purchase their own home. These schemes will support an average of 4,000 households (annually). The schemes are:

- A new Local Authority led Affordable Purchase scheme will see our Local Authorities play a central role in the planning and provision of affordable homes on public lands. This will see new homes delivered, many built by Local Authorities in key areas facing the most acute affordability constraints. Depending on the type, size and location of the homes, which varies from project to project, Local Authorities have indicated, in Serviced Site Fund submissions, that they will aim to make homes available at average purchase prices of approximately €250,000.
- A new *First Home* affordable purchase shared-equity scheme. This scheme, which will be delivered via a partnership between the State and participating banks, is aimed at first-time buyers needing support to purchase new-build homes in private developments.

Both of these schemes will be targeted at households constrained by the maximum mortgage and deposit available to them. The gap between market value and what the household can afford (including with the assistance of the 'Help to Buy' incentive) will be bridged via the provision of equity support.

The requirement on developers in Part V of the Planning and Development Act 2000 to provide 10% of zoned residential land to the State will be increased to a mandatory 20% and will now include provision for affordable and cost rental housing, as well as social housing.

The Local Authority Home Loan will be expanded so that single applicants with gross income of up to €65,000 in the Greater Dublin Area as well as Cork and Galway will be eligible for the loan, and the interest rate will be reduced.

Housing for All must also address affordability for tenants caught in a rent trap. Rents are too high in many areas. In recent years, short-term letting has increasingly taken the form of tourism letting. This has resulted in some professional landlords withdrawing houses and apartments that would normally be rented on a long-term basis. The Government will bring forward revised regulatory controls in this area with a view to ensuring the availability of residential accommodation, balanced with the needs of the tourism sector, as appropriate.

To ensure renters have greater certainty about their accommodation circumstances, the Government has limited rent increases in Rent Pressure Zones to increases in the cost of living by linking increases to the Harmonised Index of Consumer Prices (HICP) until the end of 2024. The Government will also introduce tenancies of indefinite duration and a minimum BER rating requirement for private rental properties where feasible.

Housing for All introduces 'Cost Rental', a new form of public housing in Ireland. This is targeted at people who are above the social housing income limits, and who wish to rent or are unable to buy their own home. Under this tenure rents charged only cover the cost of developing, financing, managing and maintaining the homes. It also offers long-term security of tenure. Cost Rental will be targeted to achieve rents that are at least 25% below what they would be on the private market. The Government plans to provide an average of 2,000 Cost Rental homes per year during the lifetime of **Housing for All**.

2 | Pathway to Eradicating Homelessness, Increasing Social Housing Delivery and Supporting Social Inclusion

Housing policy must address the needs of our society's more vulnerable members. The prevalence of homelessness, increasing rents and the restricted options for older people or people with a disability are among the most pressing issues. This *Housing for All* pathway commits to comprehensive measures to support these and other vulnerable groups.

Despite homelessness figures being reduced by over 2,300 people in the past two years, the level of homelessness remains unacceptably high. Inter-agency supports are critical to alleviating homelessness and addressing the housing, social, health and economic needs of both the homeless and those in the private rented sector at risk of becoming homeless. We are committed to the Lisbon Declaration¹ signed in 2021 to work towards ending homelessness by 2030.

Social housing performs a key function in society, ensuring that households who do not have sufficient resources to meet their housing needs, either on the open market or with State affordability supports, are provided with social housing. Despite the welcome 10% reduction over the past year, over 60,000 households are on social housing waiting lists. Increased provision of social housing must involve more emphasis on new-build by Local Authorities and an ending of long-term leasing of private accommodation by Local Authorities through phasing out new entrants and focussing on new-build to provide social homes.

For those with a disability, the co-ordination of housing provision with the delivery of key health and social care supports is paramount. The Government recognises the need for greater coordination among State service providers. Providing more and improved Traveller-specific accommodation is also a priority.

Earlier this year, the Government launched its White Paper on Ending Direct Provision, representing a step-change in the way that we provide housing and other services for international protection applicants. This Plan supports the implementation of the White Paper and continues the support for the Irish Refugee Protection Programme.

First Steps: Eradicating Homelessness, Increasing Social Housing Delivery and Supporting Social Inclusion

- Provide more than 10,000 social homes each year, with an average 9,500 new-build Social Housing Homes to 2026.
- Through an updated 'Housing First National Implementation Plan', provide 1,200 tenancies over the next five years for people with a history of rough sleeping, or long-term use of emergency accommodation and who have complex needs.

¹https://ec.europa.eu/commission/presscorner/detail/en/ip_21_3044

- End long-term leasing of social housing by Local Authorities and AHBs through phasing out new entrants and focussing on new-build to provide social homes.
- Strengthen the *Mortgage to Rent* scheme to ensure it meets the needs of those in long-term mortgage arrears.
- Make improvements in the quality and quantity of Traveller-specific accommodation.
- Provide continued capital funding for housing for specific vulnerable cohorts, such as housing for older people and people with a disability, through the Capital Assistance Scheme and other social housing schemes.

The Government will work with Local Authorities to increase the social housing programme so that an average of 9,500 new-build social homes are provided each year under **Housing for All**. In addition, 36,500 Local Authority properties will be retrofitted to B2 Building Energy Rating (BER) or Cost Optimal equivalent by 2030. Stock condition surveys will be completed for all Local Authority social housing to plan for their ongoing maintenance. The Government

will also reform the system of Differential Rents to ensure tenants pay an equivalent amount of rent regardless of their location. This reform will be supported by the Money Advice and Budgeting Service (MABS).

Building on the work the homelessness services sector did in protecting the vulnerable during the pandemic, a new National Homeless Action Committee will examine the complex individual health and family circumstances that contribute to homelessness. A Youth Homelessness Strategy will also be developed. Both of these will provide a coordinated response to ensure homelessness continues to decline with a focus on prevention and permanent housing solutions.

To increase and improve the output of Traveller-specific accommodation, the Government will work with Local Authorities and AHBs. Implementation of recommendations from the Expert Group Report on Traveller Accommodation will support these objectives. We will also publish a new National Housing Strategy for People with a Disability and build on the work done under the Housing Options for our Ageing Population Policy Statement.



3 | Pathway to Increasing New Housing Supply

The challenges caused by Covid-19 to every sector of our economy, including the construction sector, have been enormous. Necessary restrictions significantly hampered the momentum the State had gained in increasing housing outputs in all areas. A pathway to increasing new housing supply, with the public and private sector working together, is critical.

The State must act decisively to increase supply of both private and public housing. An average of 33,000 homes must be provided every year between now and 2030. Increased housing output is needed in all sectors - private, affordable and social – to meet the needs of people in a wide variety of circumstances.

To build housing, we need land. This land needs to be serviced with transport, utilities and other infrastructure. Recent reports by the National Economic and Social Council (NESCC) highlighted dysfunctional aspects of our system of urban development, land management and housing. The report called for a ‘whole of system’ approach to bridge the gap between supply and demand. *Housing for All* provides this approach.

The steps outlined in this Pathway will create the environment needed to enable supply of over 300,000 new homes by 2030, meaning an annual average of at least 33,000 homes per year to come from both the public and private sector. To achieve this, supply will need to increase quickly and this Plan responds to that challenge through both new measures and necessary reforms.

First Steps: Increasing New Housing Supply

- An annual average investment of in excess of €4bn in housing, through an overall combination of €12bn in direct Exchequer funding, €3.5bn in funding through the Land Development Agency (LDA) and €5bn funding through the Housing Finance Agency (HFA).
- Over 10,000 social homes and 6,000 affordable homes for purchase or rent per annum.
- State land bank to provide more land to the LDA to bring forward up to 15,000 homes and State to fund Local Authorities for land acquisition.
- In accordance with the National Planning Framework, focus on adequate supply of serviced zoned lands to meet housing need, at required density.
- Introduce updated *Kenny Report* style powers to ensure sharing of the increase in land values resulting from zoning decisions and more community gain.
- Introduce a new planning process for Large-Scale Residential Developments, to replace the Strategic Housing Development process.
- Establish Urban Development Zones, which will provide a coordinated, plan-led approach to the delivery of residential and urban development.
- Overhaul and simplify planning legislation to ensure certainty and stability.

- Bring forward reform of the Judicial Review process and introduce a new division of High Court for Planning and Environmental cases to reduce planning delays.
- Introduce a new tax to activate vacant lands for residential purposes, to replace the Vacant Site Levy.
- Provide a New Fund, *Croí Cónaithe (Cities)* to address acute viability challenges in urban areas that are curtailing home ownership.
- Increase skills and capacity to deliver an average of 33,000 homes per year.

The revised National Development Plan will allocate €12bn of funding to the Department of Housing, Local Government and Heritage (DHLGH) over the next 5 years for social and affordable housing measures. This reflects the Government's prioritisation of addressing people's housing needs. The overall investment required to build an average of 33,000 homes per year is estimated at €12bn. The domestic banking sector, international capital and State financial agencies will provide the essential finance to meet this requirement.

To ensure there is sufficient supply across the country, each Local Authority has been given Housing Supply Targets. These, together with updated planning guidance, will ensure sufficient land is zoned for housing. The Government will support this by providing additional State lands to the LDA, capable of generating up to 15,000 homes. It will also fund Local Authorities to acquire additional land.

Land Value Sharing (LVS) is a fundamental transformation to the planning and land value system in Ireland that has been identified

since the 1973 *Kenny Report*. It will address basic systemic issues in the land market that have slowed or hampered development and site assembly. Currently the value of land increases significantly when it is zoned for residential or mixed-use (including residential) development or where an area is designated for development. The increased value goes to landowners, who get higher prices if they sell to a developer.

The Government's LVS measures will ensure that this additional value is shared in a fairer way with the State and that the community will benefit as a result. This will be complemented by the immediate increase from 10 to 20% in the value uplift going to the provision of social and affordable housing. Initially, land value sharing will apply when land is newly zoned for residential development. The uplift will be used to secure land or financial contributions for the provision of infrastructure and social/affordable housing (subject to need). These measures will also provide more certainty and stability while reducing the 'hope value' that currently drives the price of land and housing upwards and dis-incentivises development.

Urban Development Zones will be established to deliver a coordinated, plan-led approach to the delivery of residential and urban development. Public participation at an early stage will lead to a shared understanding of what development is planned for an area. Urban Development Zones will ensure that the costs of the required supporting infrastructure will be known well in advance of developers submitting planning applications for individual sites.

This combination of Land Value Sharing and Urban Development Zones will lead to a

better understanding at an earlier stage of development costs and how they will be met. It is expected that this should be reflected in prices that are subsequently paid for land. New sanctions for inactivity on currently zoned land which is identified as suitable for residential development will also be introduced to stimulate supply, including a tax to activate vacant lands for residential purposes and enhanced complementary measures to ensure the appropriate level of contributions from sites which do come forward for development.

The planning system must be reformed to ensure that there is certainty and stability for those providing housing in Ireland. The Strategic Housing Development Process will be replaced with new planning arrangements for large-scale residential developments. Reform will make decision-making on such developments efficient whilst returning primary decision-making to the local level.

The judicial review process will also be reformed and planning legislation will be reviewed to ensure the planning system is plan-led, has greater public acceptance and reflects the needs of existing and new populations. The planning system needs to be balanced in terms of land use, value-sharing, and community gain to deliver sustainable levels of housing output in the right places.

In the shorter term, there are 70,000 to 80,000 non-activated planning permissions across the country. Forty thousand of these are in the Dublin area. Some non-activation is due to viability issues, where the cost of building makes it uneconomical to build.

A *Croí Cónaithe (Cities)* Fund will be established to encourage greater activation of existing permissions. The Fund will stimulate activation of existing planning permissions for apartment developments of four floors or more, above certain density thresholds and these apartments will be for sale to owner occupiers.

The pathway to more houses requires more people to build them. An estimated 40,000 workers are involved in delivering 20,000 homes per annum. This will need to increase by a further 27,500 workers to hit the target of 33,000 homes per annum.

It will need to rise further again to eliminate the existing housing stock deficit. This will happen through the attraction and retention of those with the necessary pre-existing skills and the provision of new training opportunities for those interested in a career in the construction sector. The industry will be supported in returning existing workers to full employment and proactive engagement with international labour where supply is unavailable locally. We will also further ramp-up education and training opportunities, including commitments regarding programmes and apprenticeships and delivery of new courses.

4 | Pathway to Addressing Vacancy and Efficient Use of Existing Stock

Maximising the use of our existing housing stock, especially in our towns and cities, is a critical element of a sustainable housing policy. At a time when we face a housing supply shortage, many homes around the country lie vacant. In addition to building new supply, it is imperative that existing vacant houses and apartments are used.

The reasons for vacancy are often complex. Some properties are left vacant for long periods because the investment required to refurbish them to the requisite standard is either not available to the owner or the costs involved would not be justified.

Vacancy not only affects housing supply but also the ability of people to live in and give greater vibrancy to our cities, towns and villages. Certain types of vacant properties could be converted to residential use. There is potential to use existing stock more efficiently. Making use of our existing stock also makes clear environmental sense.

First Steps: Addressing Vacancy and Efficient Use of Existing Stock

- Energy retrofit supports to refurbish older vacant stock.
 - Support for Local Authorities to purchase and resell up to 2,500 of the identified vacant properties in their areas. Compulsory Purchase Order (CPO) powers will be used where necessary. Local Authorities will be supported by Housing Finance Agency funding.
 - Reform the 'Fair Deal' Scheme (the scheme that provides financial support to those in long-term nursing home care) to incentivise people in long-term care to rent or sell their property.
 - Establish new controls on short-term lettings.
 - Collect data on vacancy with a view to introducing a new Vacant Property Tax.
 - Planned management and maintenance of Local Authority housing stock.
 - Incentivise the refurbishment and extension of vacant properties in towns or villages, for example, through energy retrofit supports and the Urban Regeneration Development Fund (URDF) / Rural Regeneration Development Fund (RRDF) and other mechanisms.
- A new *Croí Cónaithe (Towns)* Fund for servicing sites for new homes in regional towns and villages and to support refurbishment of vacant houses. Public infrastructure agencies, such as Irish Water, and local communities will work to provide serviced sites for housing. This will help attract people to build their own homes and live in small towns and villages.

The Government is firmly committed to a Town Centre First approach. This seeks to deliver the best outcomes for town centres by aligning policies and targeting available resources. In this regard, the URDF and the RRDF are game-changers for our cities, towns and villages.

The Town Centre First approach will build upon the ambition set out in Our Rural Future, to support the regeneration, repopulation and development of rural towns and villages. This will include a Local Authority-led Town Serviced Sites Initiative through which public infrastructure agencies, such as Irish Water, will work to provide serviced sites for housing to attract people to build their own homes and live in small towns and villages. Local Authorities can make such sites available to prospective homeowners with the assistance of the *Croí Cónaithe* Fund. These initiatives will be complemented by energy retrofit supports and stimulated by a Local Authority programme of compulsory purchase of vacant sites and houses for resale.

The Government will therefore ensure there is support across a range of funding and financial initiatives to support living in cities, towns and villages. This will help address vacancy and dereliction.

The Government will also reform the Fair Deal scheme to enable applicants to sell or rent their principal private residence without additional sanction. Contributions to the scheme relating to sale have been capped at 7.5% of the value of the house per annum for a three-year period. Rental income will also be exempted from the calculation of an applicant's income. A national policy on rightsizing will also be developed. In combination with these actions, the Government will implement a tax to activate vacant lands for residential purposes and collect data on vacancy in residential property with a view to introducing a Vacant Property Tax. It will also legislate to enable Local Authorities to remove the refund of commercial rates for vacant properties.

Planned maintenance and management of existing Local Authority housing stock will also be key to addressing vacancy in social housing and improving re-let times.



Supporting the Four Pathways:

Enabling a Sustainable Housing System

The pathways in *Housing for All* address challenges in our housing system. However, these do not exist in isolation but sit in a wider context.

Action against climate change is a Government priority. The future environmental sustainability of our housing stock, including low-carbon housing, is imperative. Sustainable communities are a key focus: people of all incomes living side-by-side, with the right community infrastructure in place to help our cities, towns and villages thrive.

A properly functioning housing sector is dependent on the capacity of key State actors in the housing system and the wider construction sector. It is also dependent on critical infrastructure, including transport, utility supplies and communication services to accompany housing.

The actions in *Housing for All* have been developed to support the targets and objectives of the National Planning Framework and the Climate Action Plan.

First steps: Enabling a Sustainable Housing System

- Invest €4.5bn in water infrastructure, including to help facilitate new home building.
- Reduce the cost of construction through a coordinated Government approach to productivity in residential construction.
- Embed compliance in the construction sector through Building Regulations and Building Control Regulations and assessment of building control structures. This will include establishing registers of competent builders by placing the Construction Industry Register Ireland (CIRI) on a statutory footing.
- Strengthen delivery teams, including project management, for Local Authorities to drive housing delivery.
- Establish a Commission on Housing and hold a referendum on housing.

Investment in our water infrastructure is vital to reaching our target of 300,000 new homes by 2030. We will fully implement our strategic water plans, with an emphasis on prioritising housing development. Over €4.5bn will be spent on vital infrastructure up to 2025, including on projects focused on supporting growth and future development, with particular focus on those supporting future housing delivery.

Reducing construction costs is critical to increasing supply. Recent analysis by the Society of Chartered Surveyors Ireland (SCSI) indicates that construction build costs account for c.47% of total apartment development costs. These have risen considerably over recent years through a combination of the increased cost of regulatory compliance and general increases in labour and materials costs. As a result, new-builds, especially apartments, are beyond the reach of many first-time buyers. Productivity in construction needs to improve to address this imbalance.

The Government will enhance the role of the Construction Sector Group and the Construction Technology Centre (currently being developed) to increase focus on residential construction for the period to 2024. The State will play a more central role in leading and funding these structures to ensure that levels of productivity and innovation actually materialise. The State will increase funding for residential construction-related innovation and productivity. It will work with industry to strengthen the residential construction supply chain and to introduce modern methods of construction. Enterprise development agencies, including inter alia Enterprise Ireland, will support these initiatives, which will be coordinated through the Department of the Taoiseach.

The Department of Environment, Climate and Communications (DECC) will introduce an End of Waste derogation to reduce construction waste and associated costs. The DHLGH will review the system of building control in Ireland and examine the case for an independent building regulator. It will also introduce a registration system for the construction sector. This will ensure that

operators have the required competence when performing works covered by building regulations.

Delivery of housing will be supported by an expansion in Local Authorities' capacity. New Local Authority Housing Delivery Action Plans will underpin housing delivery, as will further streamlining of social housing approval processes. Other key Agencies will also be assisted in expanding their capacity in order to support the objectives of **Housing for All**.

To improve the quality of existing Local Authority owned housing stock, Local Authorities will retrofit 36,500 Local Authority homes to a B2/cost optimal Building Energy Rating (BER) by 2030. A minimum BER for private rental property will be introduced, where feasible, from 2025.

The Programme for Government commits to establishing a Commission on Housing to examine issues such as tenure, standards, sustainability, and quality-of-life issues in the provision of housing. It will also have a role in relation to the commitment to hold a referendum on housing and advise Government on various policy issues as determined by its Terms of Reference, which will be decided on prior to its establishment later in 2021.

Conclusion

By implementing *Housing for All*, the Government believes it can embed environmental, economic and social sustainability in our housing system for future generations. Recovery from Covid-19 is underway and this will boost the economy in general and may have distinctive effects on housing, which is already showing signs of a strong rebound in the number of new dwelling completions.

The Government's Summer Economic Statement projects modified domestic demand to grow by 2.5% in 2021 and 7.5% in 2022, although these projections are contingent on how quickly people normalise their saving-spending patterns. It has been estimated that savings in excess of €12bn euros have been accumulated during the pandemic and some of this is likely to be channelled into home purchases or improvements. Furthermore, the Government has set overall capital ceilings for the period 2021-25, with gross voted capital investment increasing to €13.6bn, almost 5 per cent of GNI*, by 2025, with a significant portion of this being allocated to housing.

The Government recognises that there are a number of risks with increasing funding so significantly. The construction sector may not currently have the capacity to realise spending demands efficiently. The numbers employed in the construction sector fell by 7.2% in the year to Q42020 to stand at 136,400 and for the sector to reach the EU average of 6.8% of total employment would require an additional 20,000 workers. There are indications that materials for house building are becoming more costly and supplier lead times are getting longer. The CSO's price index for construction materials

showed an annual increase of 7.8% up to June 2021. In addition, there are capacity constraints with public sector bodies in terms of progressing projects as well as constraints associated with planning bodies and courts which may lengthen the duration and add to the costs of projects.

Taking account of these trends, there is an obvious danger that the effects of significantly increased Government funding for housing may be diminished by rising construction and house price inflation. However, the answer is not to cut back spending but to aggressively tackle constraints on the supply of homes as well as keeping overall levels of spending under careful review to ensure value for money.

This means that the *Housing for All* Plan not only addresses the components that make up the final cost of homes but also focuses on the various input costs and expands supply by all relevant means. This entails actions such as significantly increasing numbers employed in residential construction and raising productivity in the sector; streamlining procurement and planning procedures; reviving vacant and derelict homes.

The *Housing for All* Plan encompasses actions such as these and many more, through a series of Housing Policy Objectives and associated Actions set out throughout this document. Specific responsibility has been assigned for each action with timelines for implementation.

The Plan represents, not just a landmark step in terms of State funding of housing, but also the most ambitious attempt to ensure that the entire sector is reshaped to meet the needs of people.

Housing for All Projected Output Profile

Housing Need and Demand Assessment

The need for greater housing supply is well understood. Projections regarding the extent of housing need tend to differ based on the underlying assumptions used. In terms of methodologies for assessing housing need and demand, the Scottish Housing Need and Demand Assessment (HDNA) model is the recognised leader.

The DHLGH has collaborated with the Scottish Centre for Housing Market Analysis to produce an Irish version of the Scottish HNDA and its associated HNDA Tool. This was published in April 2021, together with a repository of housing-related data².

The HNDA Tool, which was developed as part of the HNDA Framework, can project the future need for housing by tenure type. These projections are based on incomes, house prices and rents, structural demand for housing, existing need and projections for how these indicators will evolve over the coming years.

Using the HNDA methodology, and incorporating the ESRI’s research on *Regional Demographics and Structural Housing Demand at a County Level*³, the DHLGH has produced an estimate of housing need to 2030. It underpins the target of an average of 33,000 homes per year in **Housing for All**. By using the HNDA Tool, that total can be broken down by tenure type as follows:

HNDA Projection 33,000 Annually to 2030 Breakdown by Tenure Type	
New private ownership homes	11,800
New private rental homes	6,500
New affordable homes	4,100
New Social Housing homes	10,300
Total	32,700

Figure 2:
HNDA Projection 33,000 Annually to 2030

Based on the above projections, the Government aims to reach and exceed supply of 33,000 homes per year by 2024, as outlined in the table below. It will do this by increasing supply across all tenure types to ensure that the needs of all sectors of society are met.

²<https://www.gov.ie/en/publication/ea99-housing-need-and-demand-assessment-hnda/>

³<https://www.esri.ie/publications/regional-demographics-and-structural-housing-demand-at-a-county-level>

Projected Housing Output

Housing output projections to 2030 are set out below. NDP funding to 2025 has been confirmed. The NDP will also detail the overall capital investment envelope for the 2021 to 2030 period, from which the additional ceilings will be agreed at a sectoral level on a rolling 5-year basis. Land Development Agency and Housing Finance Agency funding to 2026 are also incorporated into projections.

Projections will be heavily influenced by Covid-19 related uncertainties in the earlier

years of the Plan. These uncertainties will reduce over time as the impact of the pandemic on the housing backlog is fully established, and associated construction-related constraints diminish. However, ongoing uncertainties associated with raw material costs and availability, and the sector's capacity to recover, may also impact totals. The social and affordable targets will be agreed with individual Local Authorities by the end of 2021. The affordable figures include 8,000 homes for private homeownership, which have been enabled by the *First Home* Shared Equity Scheme.

Projected Housing Output (New Build) 2022 – 2030									
Tenure	2022	2023	2024	2025	2026	2027	2028	2029	2030
Social homes	9,000	9,100	9,300	10,000	10,200	10,200	10,200	10,200	10,200
Affordable & Cost Rental homes	4,100	5,500	6,400	6,400	6,100	6,300	6,400	6,300	6,300
Private Rental and Private Ownership homes	11,500	14,400	17,750	18,200	19,800	20,400	21,500	23,000	24,000
Total Homes	24,600	29,000	33,450	34,600	36,100	36,900	38,100	39,500	40,500

Figure 3:
Projected Housing Output (New Build) 2022 – 2030

Figure 4:
Housing for All
Overall Target

