An Roinn Tithíochta, Pleanála, Pobail agus Rialtais Áitiúil
Department of Housing, Planning, Community and Local Government

Rebuilding Ireland
Action Plan for Housing and Homelessness

Circular PL 8/2016
APH 2/2016

28 July 2016

To: All Chief Executives,

Identifying Planning Measures to Enhance Housing Supply

In the context of the publication on 19 July of "Rebuilding Ireland" - the Action Plan for Housing and Homelessness (which is available to view and download at www.rebuildingireland.ie) the Minister for Housing, Planning, Community and Local Government, Mr. Simon Coveney, T.D., is requesting all local authorities to immediately consider how mechanisms within the planning process might best be utilised, having regard to local circumstances, to bring forward appropriately located new housing supply at affordable prices to meet both current and pent-up demand.

This circular is part of a suite of communications that will issue in the coming weeks in relation to implementation of various elements and actions proposed under "Rebuilding Ireland". The Minister has separately written to all local authority members to appraise them of the urgency to deliver on the commitments across the five Pillars of the Action Plan and mobilise the local government system, which will be central in planning for, delivering and managing the response at regional and local level.

At the heart of the Action Plan is the Government's comprehensive response to the current housing supply shortage, which applies across all tenures and is one of the most urgent challenges we currently face. There is an immediate and pressing need for all suitable potential sources of supply to be activated as speedily as possible. This circular letter is intended to draw the attention of local authorities to certain key aspects of the Plan, dealing with supply of housing. The Circular also outlines available and existing mechanisms in the planning system that have the potential to expedite the supply of considerable numbers of units for sale, rent and social housing.

Prioritisation of Planning Applications for Housing Developments

Under the provisions of the Action Plan, the Government intends to introduce legislation in the Autumn to enable planning applications for housing schemes of 100 units or more to be

made directly to An Bord Pleanála, on foot of a mandatory pre-application consultation phase with the relevant local authority. There will be full consultation with local authority personnel in developing legislative proposals in this regard.

In the meantime, and given the gravity of the current housing challenges faced principally in urban parts of the country, with output needing to double in the next two or three years to ensure optimum supply, all planning applications for scheme housing or activity relating to potential applications such as pre-planning consultations, must be afforded the highest priority by planning authorities.

In particular:

(1) A maximum waiting time of two weeks should generally apply in respect of potential applicants seeking a pre-planning consultation in respect of any housing scheme application;
(2) Planning authorities should apply discretion in the level of detail requested of prospective applicants at these consultations - the request in some instances for a virtually complete set of planning application-ready drawings is considered to defeat the purpose of consultation: a broad outline and sketch design should be sufficient in most cases at this initial stage;
(3) Planning authorities must endeavour to assemble the relevant internal expertise for the consultation to be in a position to offer the broadest advice possible;
(4) Flexibility should be applied in offering general information type advice, in that *in addition* to the section 247 process, local authorities should also prioritise general queries on development plan objectives and standards relating to zoned housing land to avoid unnecessary section 247 pre-planning consultations;
(5) Requests for further information or clarification of information received should be kept to an absolute minimum - in particular, the Department has seen recent decided cases that were subject to matters raised under further information and/or clarification of further information that could have been addressed by condition; and
(6) The planning official's report must take the lead in blending and critically evaluating the various technical and other inputs in the overall context of the provisions of the development plan and relevant legislative and policy requirements and coming to a balanced recommendation in this regard.

The aim is to offer an effective and responsive planning service to prospective applicants, where the requirements of the planning authority are clearly articulated and followed through within the decision-making process.

Delivery of housing is a key element in ensuring that the development plan objectives and core strategy provisions are actually achieved. However, housing delivery is finely balanced

around cost, funding and viability of development factors at the present time and unnecessary delays in handling planning applications relating to scheme housing proposals can add to site acquisition and holding costs and/or funding costs to such an extent as to undermine the prospects of individual projects being commercially viable to proceed with.

In collaboration with the new Housing Delivery Office, currently being established within the Department, we will be establishing, in conjunction with local authorities, appropriate monitoring systems to compare and contrast rates of further information requests and decision-making periods, as well as general response times to requests for pre-application meetings relating to housing scheme type proposals.

The Part 8 Process

Section 179 of the Planning and Development Act 2001, as amended, and the associated Part 8 of the Planning and Development Regulations 2001 – 2015, set out the regulatory framework relating to proposed development, including housing, by local authorities within their own functional areas. The provisions of Part 8 apply to specified development types that are undertaken by, on behalf of, or in partnership with, local authorities.

The Part 8 process provides an open, transparent process for citizen participation in the planning process for local authority projects and must play a key role in accelerating the delivery of social housing. Specific requirements are set out in the legislation in relation to site notices, newspaper advertisements, making plans available for inspection or purchase, public consultation, sending notice to prescribed bodies etc.

Notwithstanding this, the Part 8 processes are currently being reviewed by the Department with a view to further streamlining, particularly as regards timescales for the final decision-making stages and the possibility of using the process in relation to certain classes of housing projects in conjunction with local authorities, such as student accommodation projects. Again, there will be consultation with local authority representatives in developing and advancing such proposals.

While, according to the scale of the individual projects involved and as appropriate, all local authorities use or have used the Part 8 process for the direct provision of social or affordable housing, not all local authorities apply the Part 8 process to the delivery of social housing by Approved Housing Bodies (AHBs).

Such delivery, which is implicitly undertaken by approved housing bodies (AHBs) on behalf of, or in partnership with, local authorities as housing authorities, (whether under the Capital Assistance Scheme (CAS), Social Housing Current Expenditure Programme (SHCEP) or Capital Acquisition Loan Facility (CALF)) is considered appropriate to the Part 8 process.

Accordingly, all local authorities are hereby urged to use Part 8 as the default process for the delivery of social housing by Approved Housing Bodies (AHBs) in their functional areas. Article 80(2)(c) of the Planning and Development Regulations is a mechanism that can be used in the case of a formal partnership between the local authority and an AHB in this regard.

Moreover, as part of the roll-out of "Rebuilding Ireland" and as mentioned above, the Department's new Housing Delivery Office, which will have a strong programme management focus on delivery by local authorities, AHBs and the wider residential construction industry, will be tasked with monitoring the application of Part 8 by local authorities for delivery by AHBs, with a view to ensuring maximum use and yield.

Land Availability

As the Action Plan for Housing and Homelessness was developed, a consistent message that came through from many local authorities and housing providers was that one of the best ways to ensure a good supply of reasonably priced housing is to ensure a good supply of ready-to-go development land that is available at a cost, that reflects the realistic value of what can be developed on those lands, taking account of all the usual input costs.

The Residential Land Availability Study determined the location and quantity of lands that may be regarded as being undeveloped and available for residential development purposes at 31 March 2014. The Department's www.myplan.ie web browser contains a detailed map of the Residential Land Availability Study.

The results of the survey indicated that there was 17,434 hectares of residential zoned lands nationally that could theoretically be used for the construction of over 414,000 dwellings. This indicates that sufficient zoned land is available nationally to deliver over 16 years of new housing supply based on an annual projected requirement of 25,000 units.

Despite the large reserve of zoned land across all planning authorities, not all of that land would appear to be readily available to the broad range of housing providers. Aside from infrastructural constraints and land ownership issues that can arise, it is often reported that landowners may not sell their lands to housing providers until prices match their expectations, regardless of what may be a realistic land price in terms of the overall price of housing that it is economically viable to provide on those lands.

"Rebuilding Ireland" proposes a number of measures on the land management side. The development plan or local area plan is a particularly important mechanism for land management, which the Planning Act requires must fit within the overall hierarchy of plans from the National Spatial Strategy, regional planning guidelines to city and county development plan core strategies.

At the same time, the development plan must also ensure an effective supply of development sites, whether privately or publicly owned or a mix of same, so that housing providers can assist in enabling the plan to meet its targets, in appropriate locations, in a timely and affordable fashion and striking the right mix in terms of type and tenure.

The Department will be developing additional guidance on the land supply issue in the near term through an updated version of the statutory guidelines on development plans and will, in the interim, also be examining development plans and local area plans, referred to the Minister as statutory consultee, in terms of how they proactively identify key opportunity and ready-to-go sites. The work relating to the introduction of the Vacant Site Levy also goes hand in hand with the approach outlined above.

In addition, sites in key demand areas, that have been zoned for many years, are ready-to-go but are not being made available for development but which are counted as part of core strategy development potential calculations, should be examined critically to determine whether other similar well-located and ready-to-go but unzoned lands should be considered as alternative zoned lands, where the prospects for making available for development of such alternative lands are better.

In effect, under the measures above, the development plan should be actively used as a mechanism to first and foremost secure the most appropriate locations and forms of development, including housing, but where various options for locating future housing exist, to ensure that, in zoning land, the feasibility of such development occurring is taken into account. The development plan is, therefore, an important mechanism to signal to landowners that zoning of land for housing is a mechanism for the production of that housing and, where that mechanism is not producing housing, the planning process will seek out either (a) options to secure output off key sites or (b) appropriately located alternatives in the context of addressing pressing housing needs.

Local authorities are, therefore, reminded that, where these pressures exist, the development plan variation process provides a means of expediting amendments to zoning decisions to ensure that development plans flexibly take account of changing circumstances or issues unforeseen at the time of the original making of the development plan.

The Department's Planning Advisers are available for consultation in relation to broader land management roles for the development plan process outlined above and planning authorities are encouraged to engage in such consultations as deemed necessary to ensure that development plans accord with the plan hierarchy and statutory requirements, while activating local land markets as well.

Strategic Development Zones

Planning authorities will be aware that, under Part IX of the Planning and Development Act 2000, the Government may by Order, on foot of a proposal from the Minister, designate a site or sites as a Strategic Development Zone (SDZ) to facilitate development considered, in the Government's opinion, to be of economic or social importance to the State. A SDZ framework provides for integrated planning and development.

SDZs were introduced in the Planning and Development Act 2000 to ensure that sites considered strategic and nationally important in economic or social terms can be developed with a much greater degree of certainty, both in relation to securing planning permission and eventual development.

There are a number of examples of the successful use of the SDZ process for the development of designated areas in recent years, including both brown-field and green-field sites.

However, in order to maximise the potential of the SDZ process, the Minister has requested that local authorities in and around the major metropolitan areas of Dublin, Cork, Limerick, Galway and Waterford consider further potential use of SDZs in respect of, for example, key opportunity brown-field sites in urban areas of high demand to better facilitate the infrastructure and land holding co-ordination necessary to bringing forward new housing supply at scale, pace and that is affordable in direct response to market pressures.

In this context, the relevant local authorities are requested to assess possible sites in their functional areas that could potentially avail of the SDZ process and report back to the Department by 31 October.

Build to Rent

The emerging Build to Rent (BTR) sector offers significant new opportunities to increase the scale and pace of delivery of housing. BTR housing is purpose-built private sector accommodation for rent rather than sale, providing large-scale, professionally managed residential units and is particularly suited to urban development, city/town centre and brown-field regeneration sites. BTR can take a variety of forms, ranging from homes which are indistinguishable from those on the market for purchase, to schemes aimed at younger workers or professionals, which may have more similarities with student housing.

The planning process must be open and flexible to such development proposals, which are referred to in the December 2015 *Sustainable Urban Housing Guidelines* and have potential advantages over housing for sale. These include the rapid delivery of housing at scale, as letting rates are higher than sales rates, place-making for large development/regeneration sites, as BTR can kick-start larger sites and the establishment of a sense of place and design

quality as the developer has a longer-term interest in the development.

Planning authorities are, therefore, requested to proactively encourage and work with proposers of BTR projects to facilitate their emergence at appropriate locations. The Department is giving active consideration to issuing further guidance in relation to this important new sector of housing provision in the near term.

Student Accommodation

Housing for students is a specific and important segment of the overall housing sector with distinct characteristics and requirements. National research indicates that the demand for student accommodation currently exceeds supply and it is estimated that there is an unmet demand of c. 25,000 bed spaces nationally. This has a significant related impact on the private rental sector and an increase in the provision of student accommodation is a key priority in addressing the housing crisis.

Higher Education Institutes (HEIs) often occupy extensive campuses at urban locations which have significant potential for student housing development that can integrate with and complement the wider local community. Local authorities should assist in the development of student accommodation projects through their planning and development functions, including through the coordination of necessary infrastructural provision and appropriate pre-planning engagement. Local authorities should also consider collaborative development projects with HEIs in their area, particularly where suitable sites are available.

A flexible approach should be applied in respect of any planning conditions related to use/occupation of student accommodation. Such an approach would recognise the need to establish a steady rental income for such student accommodation throughout the year in order to ensure the deliverability of development projects from a funding point of view and recognise that student accommodation complexes can play an important role in providing affordable accommodation for tourists and visitors in major urban areas during peak summer demand periods.

Therefore, planning authorities should aim to avoid making permissions for student accommodation complexes subject to restrictions on alternative summer or holiday uses, while at the same time ensuring that student accommodation is:

(1) not used for residential accommodation of a permanent nature;
(2) safeguarded for use by students and other persons related to the HEI during the academic year; and
(3) capable of being used for legitimate occupation by other persons/groups during holidays periods, when not required for student accommodation purposes.

Appendix 1 provides an appropriate sample condition for student accommodation relating

to use.

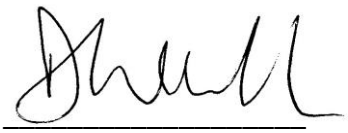
Vacant Homes

A key pillar of the Action Plan is effective management of existing housing stock and it commits to preparing a national vacant housing re-use strategy, reviewing planning legislation around conversion and re-use for residential use of vacant commercial property and measures to support the regeneration of cities, towns and villages.

The preliminary Census 2016 points towards just under 200,000 dwellings, excluding holiday homes and derelict houses, as being vacant with a marked variation in vacancy rates around the country. This level of vacant stock represents a potentially very significant resource to assist in meeting the key goals of the Action Plan.

In advance of the approaching work on the vacant homes re-use strategy, planning authorities are requested to initiate preparatory work such as surveys of, for example, the levels of, condition and potential availability of vacant housing stock in key urban areas and/or areas with very high demand for housing. Such work could be combined with the preparations underway with respect to the vacant site levy.

Finally, the Minister wishes to acknowledge the great efforts that have been, and are being, made by all planning authorities across the planning arena to assist in resolving the current housing challenges, and thanks you all for your continued commitments and actions to help realise the ambitions and objectives of the Action Plan for Housing and Homelessness.



David Walsh,
Assistant Secretary,
Planning, Land Management and Housing Market Policy Division.

APPENDIX 1 – Sample Student Accommodation Use Condition

The proposed development shall be used for:

(1) student accommodation or accommodation related to a Higher Education Institute only during the academic year; or

(2) student accommodation or accommodation related to a Higher Education Institute or tourist/visitor accommodation only during academic holiday periods.

The development shall not be used for the purposes of permanent residential accommodation, as a hotel, hostel, apart-hotel or similar use without a prior grant of permission.

REASON: In the interests of the proper planning and sustainable development of the area