



**Comhairle Contae Fhine Gall**

Fingal County Council



*Housing Strategy 2011 to 2017*



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## Executive Summary

The Housing Strategy is prepared in accordance with Part V of the Planning and Development Act, 2000 and Part II of the Planning and Development (Amendment) Act, 2002. This Strategy is for the period 2011-2017, which is the lifetime of the Fingal Development Plan. The key purpose of the current strategy is to identify the overall need for housing in the county and ensure that Fingal County Council (FCC) facilitates the creation of an environment that will allow this need to be satisfied. The main points within this strategy are:

- The 2004-2016 RPGs are currently being reviewed with the process due to be completed by June 2010, providing new Guidelines for the period 2010-2022. The draft population and housing target figures take account of the economic downturn and the existing oversupply in the housing market. The target for Fingal for 2016 is 118,646 units, rising to 142,144 units by 2022. This equates to an annual target for housing production in Fingal from 2010 up to 2016 of approximately 2,400 units, and from 2016 to 2022 it is 3,916 units making a target to 2017 of almost 20,500 units with a requirement for a land supply for a further 3 years, i.e. 11,748 units
- Census 2006 indicated that Fingal had 89,909 residential units. It is estimated that this will have grown to over 102,000 units by the beginning of 2010. In June 2009, the County has approximately 1,300 hectares of land zoned for residential development in urban areas which has not yet been built out and occupied. In total, this land is estimated to provide for at least 47,805 additional housing units. It is unlikely that there will be a significant decrease in this capacity up to mid 2011, at the adoption of the Development Plan, but at a maximum of 1000 units per annum there would be remaining capacity for 45,805 units. This does not take account of local urban infill and 'one-off' houses or of the existing potential for housing in the rural villages. Taking the average of 3,018<sup>1</sup> units for the 9 year supply requirement for the Plan, this would allow for over 15 years of development. It is clear that the county has in excess of the land supply requirement to meet residential needs for the nine years following adoption of the Plan
- There is a strong demand for social housing and social housing support over the lifetime of the plan and this will be satisfied using a number of delivery mechanisms i.e.
  - Construction of new accommodation
  - Purchase of new/second-hand dwellings
  - Accommodation being returned to the Council for re-letting – Casual Vacancies
  - Provision of social housing in partnership with approved voluntary housing bodies
  - Provision of social houses under Part V of the Planning & Development Acts, 2000-2002
  - The Rental Accommodation Scheme (RAS)
  - Long-term leasing

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<sup>1</sup> Based on RPG targets which, for Fingal would average 2366 units over the period mid 2011 to 2016 inclusive and 3916 units for the years 2017 to 2020.

- There is a very limited demand at present for affordable homes and this is expected to continue over the early years of the Development Plan. As the downward price correction continues in the private housing market, the need for Fingal to actively participate in the affordable housing business is receding. To this end Fingal commenced in 2009 to reopen discussions with Developers, in respect of planning permission grants which were made having regard to Part V compliance submissions for the delivery of affordable units and where acquisition contracts for the said unit were not signed, to move towards other compliance options, principally the payment of a financial contribution by Developers in lieu of providing physical units.
  
- The Council will utilise the full range of options available to satisfy Part V requirements to provide social (and affordable) homes – each application will be considered on an individual basis and the actual mechanism used to satisfy the Part V requirement will be the one that best facilitates the development of strong, vibrant, mixed-tenure communities. The options available are:
  - The transfer of land
  - Build and transfer of houses
  - Transfer fully or partially serviced sites
  - Transfer of other land in the functional area
  - Build and transfer of houses in the functional area
  - Transfer of fully or partially serviced sites in the functional area
  - Transfer of a reduced number of units at no cost to Fingal
  - Transfer of a reduced number of units if some units are adapted for disabled persons
  - Payment of a financial contribution
  - Transfer of land and/or a combination of the others
  - A combination of two or more of the others.
  
- The Council has a requirement that between 7.5% and 15% of units in new residential developments be social/affordable units.
  
- The Local Authority and Voluntary sectors will deliver approximately 3,023 units over the Plan period– including 1,560 casual vacancies.
  
- The evolution and development of policy must take place against the backdrop of a tightening fiscal situation in which there will continue to be a strong emphasis on achieving value for money. To this end the use of the Rental Accommodation Scheme (RAS) and the long-term leasing scheme will provide a much greater part of social housing provision than in the past – with direct provision/build by the Local Authority contributing less. The operation of NAMA may offer further leasing opportunities to the Council
  
- While there is more than enough land zoned to meet the requirements for housing into the future not all of this land is serviced. Of the 1,300 hectares zoned for development, approximately 550ha was identified by the Council as serviced in 2009. The remaining lands are dependent on the delivery of key infrastructure, most notably waste water treatment, before they become available for residential development. The key constraints are in Swords (Swords WWTP), Donabate, Portrane, Lusk, Rush (Portrane WWTP), areas of Balbriggan and

Malahide (local drainage networks). Blanchardstown and the South Fringe are dependent on capacity in Ringsend WWTP which is currently awaiting a waste water discharge licence from the EPA

- There are a sufficient number of vacant, completed units (estimated 13,000 in 2009) to satisfy nearly five and a half years of production to meet the Regional Planning Guidelines target of approximately 2,400 units per annum. In addition, as of mid 2009, there are outstanding planning permissions for some 13,096 units.
- The statutory triennial Assessment of Housing Need was carried out in March 2008 and resulted in the net need being calculated at **4,267** applications for social housing.
- Approximately 79% of Fingal housing applicants are adequately housed in private rented accommodation. There are approximately 14,000 units registered with the Private Rented Tenancy Board. One needs to consider the implications of building new social units for people in adequate accommodation e.g. would we just be creating many “vacant” houses and should we consider other housing supports which will allow the families to remain where they are.
- The DoEHLG have indicated that “own-build” newly constructed units will only be approved if all other housing supports are not possible e.g. the use of RAS and long-term leasing will have a first-call on available funding and there will be a greater reliance on these social housing supports as a feature of future social housing provision.
- Voluntary Housing Organisations have been making an increasingly significant and valuable contribution to the provision of social housing to accommodate applicants from local authority housing lists. The Council will utilise to the fullest extent the capabilities and expertise of approved housing bodies in order to maximise social housing acquisition and quality social housing management..
- Because of the large uncertainty of the future direction of the housing market (provision, demand, prices etc.) over the coming years, it will be necessary to do a complete root-and-branch re-assessment of the strategy in 2 years time to determine its fitness for purpose and continued relevance based on what actually unfolds in the housing market over the next 2 years. This timeframe meets with the requirement under Section 15(2) of the Planning Acts 2000-2006, to make a report to the Elected Members not more than two years after the making of a Development Plan, outlining the progress achieved in securing the Objectives of the Plan. Under Section 95(3)(a) of the Act, the Manager is required to include in the report a review of the progress achieved in implementing the Housing Strategy.

## Introduction

The Housing Strategy is prepared in accordance with Part V of the Planning and Development Act, 2000 and Part II of the Planning and Development (Amendment) Act, 2002. This Strategy is for the period 2011-2017, which is the lifetime of the Development Plan.



The Acts specify that the housing strategy shall provide sufficient residential zoned land for the period of the Development Plan, ensure that housing is available for persons of different income levels with particular provision for those in need of social or affordable housing, ensure a mixture of house types and sizes to meet the requirements of different categories of households, including the needs of elderly and disabled persons and counteract undue segregation of people of different social backgrounds

The key purpose of the current strategy is to identify the overall need for housing in the county and ensure that FCC facilitates the creation of an environment that will allow this need to be satisfied in line with the overarching principle of delivering sustainable communities. The last review of the Housing Strategy in July 2007 coincided with the peak of the property bubble and the seismic changes in the economy and in particular the housing market since then mean the assumptions underpinning the previous strategy have fundamentally changed - the whole environment has changed and the strategy must evolve to ensure alignment between the strategy and the prevailing and anticipated environments e.g. the methods of providing social housing may shift away from direct build/procurement by the Council to more use of schemes such as the Rental Accommodation (RAS) and long-leasing schemes.

This Housing Strategy replaces the existing strategy which was prepared for the period 2005 to 2011.

## Policy Background

### ***Statutory Background***

The preparation of a Housing Strategy is a requirement under the Planning and Development Act, 2000 Part V and Part II of the Planning and Development (Amendment) Act 2002. The Act requires each Planning Authority to prepare a housing strategy which is to be integrated into their County Development Plan. In particular the Act specifies that the Housing Strategy shall:

- Ensure that adequate zoned and serviced lands for residential purposes are available in appropriate locations to meet the requirements of the Housing Strategy and the existing and future housing demand - including social and affordable housing.
- Ensure that housing is available to people of different income levels and determine the distribution of this housing.

- Ensure that a mixture of house types and sizes is developed to reasonably match the requirements of the different categories of households, including the special requirements of elderly persons and persons with disabilities.
- Counteract undue segregation in housing between people of different social backgrounds.
- Provide that a specific percentage (not exceeding 20%) of the land zoned in the Development Plan for residential use or a mixture of residential and other uses, shall be reserved for those in need of social or affordable housing in the area. Part V applies to all applications for residential development on sites in excess of 0.1ha or 4 units on residential/mixed use (where residential is part) zoned land.

## ***National and Regional Policy Context***

### **National Spatial Strategy**

The National Spatial Strategy (NSS) 2002-2020 sets out a planning framework for the future sustainable development of Ireland. It aims to achieve a better balance of social, economic and physical development and population growth across Ireland, supported by more effective planning. By planning for people to be able to live and work within the same area the spatial strategy aims to sustain a better quality of life for people, a strong, competitive economic position and an environment of the highest quality.

The NSS favours the physical consolidation of the metropolitan area as an essential requirement for a competitive Dublin. The NSS seeks to sustain Dublin's role as the engine of the economy while strengthening the drawing power of other areas, bringing people, employment and services closer together to create a better quality of life - less congestion, less long distance commuting, more regard to the quality of the environment and increased access to services like health, education and leisure.

It is a requirement of the National Spatial Strategy that Regional Planning Guidelines be put in place throughout the country. For Fingal, the Regional Planning Guidelines for the Greater Dublin Area apply.

### **Regional Planning Guidelines for the Greater Dublin Area 2004-2016**

The Regional Planning Guidelines (RPGs) work to implement the strategic planning framework set out in the NSS. As part of the planning framework, the Guidelines allocate housing and population targets for the individual counties within the GDA based on national and regional population targets set by the NSS. The targets are currently undergoing revision as part of the review of the RPGs with new Regional Guidelines due to be published in June 2010. The Draft Guidelines will be on public display in January 2010 and it is the draft targets to which this Draft Housing Strategy will refer, any changes to the targets set out in the Draft Guidelines will be incorporated into the Housing Strategy as Manager's amendments to the Draft Development Plan.

In January 2009 the DoE published regional population targets 2010 to 2022 which took account of the Government's policy of balanced regional development under the NSS and other policy documents. The target for 2016 for the Dublin Region is 1,361,200 and for 2022 is 1,464,200. Circular SP 4/09 directed that the document *Regional Planning Guidelines Review – Gateway and Hub Population Targets* be of relevance to the determination of strategic planning policies under the framework of the NSS. Minimum population targets are to be factored into estimates of future housing and development land requirement for the years 2016 and 2022 in the RPGs and these will set the context for county development plans and local area plans. Gateways are the prime focus for growth in the country. Under the targets, the Dublin Gateway is defined as the Dublin Metropolitan area (which, for Fingal, includes Blanchardstown, Swords, Donabate, Malahide, Portmarnock, Sutton, Baldoyle and the Southern Fringe area) and the target for 2016 is a population of 1,373,900 and for 2022 is 1,488,700. The target growth for the Metropolitan area in the 2016-2022 period is at least 1.1 (110%) times the rate of growth of the GDA as a whole. Fingal has no other Gateways or Hubs under the NSS. The housing distribution for the Metropolitan area for target year 2016 from a baseline year of 2006 is set out in the RPGs as shown in Table 1.

Total Metropolitan Population	Metropolitan Population to be Accommodated in Each Region	Metropolitan Population Allocated to Each Council	Housing Increase Proportion of Total Allocated to be Directed to the Metropolitan Area 2016.
GDA: Minimum of 1,373,900  Provided For: 1,424,877	Dublin: 1,287,914	Dublin City: 563,512	42,421 (100%)
		Dun Laoghaire Rathdown: 206,322	19,284 (94%)
		Fingal: 236,157	24,426 (85%)
		South Dublin: 281,923	27,610 (99%)
	Mid East: 136,963	Kildare: 67,012	8,718 (35%)
		Meath: 13,738	2,132 (11%)
		Wicklow: 56,213	8,090 (42%)

**Table 1: Housing Distribution in the Metropolitan Area**

The Draft RPGs housing allocation for Fingal in 2016 is 118,646 units, rising to 142,144 units in 2022 providing for a total provision of 32,653 units between 2006 and 2017. Given that an estimated 12,172 were built between the period of the Census in 2006 and 1<sup>st</sup> January 2010, the County has a housing stock at the beginning of 2010 of 102,081. Therefore, the remaining target up to 2016 is 16,565 units, with a further 3916 units targeted in 2017 giving a total of 20,481 for the Plan period. In terms of having sufficient land supply, a further three years is required providing capacity for an additional 11,748 units.

### **Sustainable Development – A Strategy for Ireland**

National strategy as outlined in the Department of the Environment Heritage and Local Government (DoEHLG) report, "Sustainable Development – A Strategy for

**Ireland"** (1997) sets out the Government policy of encouraging more sustainable urban development by the avoidance of excessive suburbanisation and the promotion of higher residential densities in appropriate locations in harmony with improved public transport systems.

### **Housing in Ireland: Policy and Performance**

This 2004 report, produced by NESC examined the issues surrounding the provision of social housing in Ireland and the broader issues around the quality of neighbourhoods and the need for improvement in this area. The report identified the characteristics of sustainable neighbourhoods, in particular, the need for a clear centre, the preference for houses to be within a five minute walking distance of essential facilities, a legible street pattern including narrow versatile streets, high amenity green spaces and the need for mixed use areas and activities.

### **Delivering Homes, Sustaining Communities 2007**

This Statement on Housing Policy builds on the Government's housing policy framework which sets out a vision for housing aimed at building sustainable communities. Sustainable communities are indicated as places where people want to live and work, now and in the future. They meet the diverse needs of existing and future residents, are sensitive to their environment, and contribute to a high quality of life. In addition to building sustainable communities, the policy statement seeks to achieve a range of actions which respond to housing need in a way that maximises choice and responsibility and effectively delivers accommodation programs.

Best Practice Guidelines for Delivering Homes, Sustaining Communities were introduced in 2007. These Guidelines, *Quality Housing for Sustainable Communities*, seek to assist in the implementation of the housing policy framework, the NSS and the National Development Plan 2007-2013. They provide design guidance for individual houses and housing schemes, identify the need for flexible, lifetime design and the need to make optimal use of infrastructure and avoid unsustainable urban sprawl.

### **Sustainable Residential Development in Urban Areas 2009**

These new Guidelines for Planning Authorities supersede the 1999 Residential Density Guidelines and deal with development in larger urban centres, towns and villages as well as individual homes and their surroundings. They continue to promote increased residential density where appropriate, especially where close to public transport nodes. The Guidelines emphasise the qualities which make for successful places and the need for high quality, sustainable design and layout and good quality living environment including the availability of adequate shopping, social, childcare, transport and leisure infrastructure. The Guidelines are accompanied by a best practice guide Urban Design Manual. Both documents set out twelve criteria for sustainable residential development which seek to ensure a good quality of life through provision of well designed homes in the right location

### **Smarter Travel- A Sustainable Transport Future – A New Transport Policy for Ireland 2009-2020,**

This Department of Transport document aims to deliver a sustainable transport system as an important dimension of sustainable development and the climate change agenda. It is designed to show how we can reverse current unsustainable transport and travel patterns and reduce the health and environmental impacts of current trends and improve

our quality of life. The Government reaffirms its vision for sustainability in transport and sets out five key goals:

1. to reduce overall travel demand,
2. to maximise the efficiency of the transport network,
3. to reduce reliance on fossil fuels,
4. to reduce transport emissions and
5. to improve accessibility to transport and improve our quality of life.

One of the key ways of achieving these goals is through integrated landuse and transport planning with higher densities around public transport nodes and the avoidance of urban sprawl, thereby building sufficient carrying capacities around public transport. Central to this is the need for planning authorities to adhere to the RPGs and focus housing in cities and towns with good public transport connections.

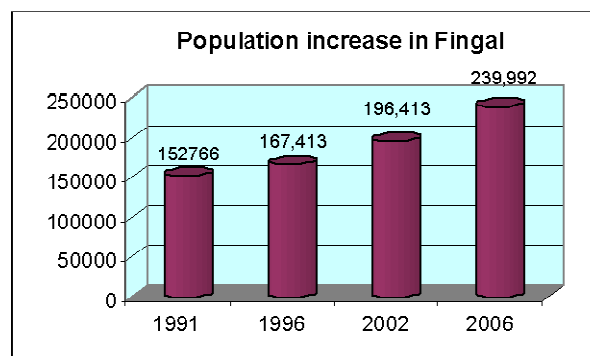
## Population & Household Trends

### *Population trends*

The factors which affect population change are made up of births, deaths, immigration and emigration. When the number of births exceeds the number of deaths there will be natural increase. Net migration is the difference between the number of immigrants and emigrants. Since the last housing strategy and Development Plan in 2005, population growth has been significantly affected by immigration.

Census 2006 indicates that the population of Fingal in April 2006 was 239,992 persons. This was an increase of 22.2% from the 2002 population of 196,413 persons. This rate of increase was the fastest of any county in Ireland and was almost three times the rate of national growth. This is a very high level of growth for a period of four years. This population increase now means that Fingal constitutes 5.7% of the national population while previously it was just over 5.0%.

In 2006 Fingal represented 20.8% of the population in the Dublin Region and 14.4% of the GDA's population. It is estimated that by 2010 Fingal's population will be approximately 250,000 persons.

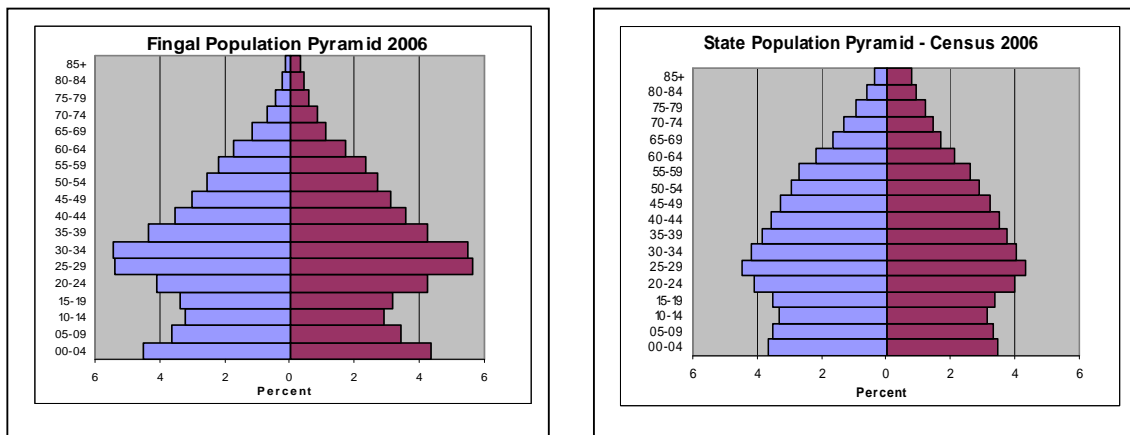


**Figure 1: Population increase in Fingal**

The population is concentrated in the areas of Blanchardstown (89,781)<sup>2</sup>, Swords (population for the town was 33,998 and for the wider area 43,288)<sup>3</sup> and Balbriggan (urban and rural EDs total 16,346). Other towns which support the rural hinterland such as Lusk, Rush and Skerries have also grown significantly. In the more rural areas, approximately 4% of the population of Fingal lives within rural EDs. Overall, the rural population grew by 1% in the intercensal period (excluding Balbriggan rural which grew by 114% due to expansion of Balbriggan). The rural villages have seen mixed population growth with Oldtown and Ballyboughal showing population increase but Garristown and the Naul declining.

### Demographic Profile

Fingal's demographic profile differs from the State average as is demonstrated by the population pyramids shown below - based on the 2006 Census. Fingal had a high percentage of children in the 0-4 age cohort, a high percentage of adults in the 25-39 age cohorts and a lower percentage of adults in the 60+ age cohort than the State average. This indicates a high proportion of young families in the county. From a total of 44,273 families in Fingal, 51.6% have all of their children under 15 years of age. This compares to 46% for the State, 46.9% for Leinster and 45.7% and 42.7% for South Dublin and Dublin City respectively.



**Figure 2: Population pyramids in Fingal and the State**

Overall, Fingal had the youngest population of any county in the State at the last Census in 2006, averaging 32.2 years of age. In contrast, Roscommon had the oldest population in the State, averaging 38.3 years.

<sup>2</sup> This total figure for Blanchardstown includes all of the Blanchardstown EDs, the two Castleknock EDs and The Ward ED

<sup>3</sup> This includes all of the Swords EDs plus Kinsaley ED

## Household Growth

Demand for housing is strongly influenced by income, demographics, the tax system, and credit conditions. Demographic trends, which are conducive to housing demand, include strong population growth, fall in household size, growth of population in the household formation cohort (25-34 first time buyers) and net immigration. These were all factors experienced by Ireland from the late 1990s accelerating up until 2007. These trends took place against a tradition of home ownership where 75% of all households live in owner-occupied housing. Other general influences on housing demand relevant to demographic developments include an increase in the number of double-income households and rising divorce rates. The number of baby boomers investing in the buy-to-let market was also an important factor in housing demand.

Census 2006 indicated that the total housing stock in Fingal was 89,909 permanent units with a vacancy rate of 8.8%. Previous Census did not give a figure for all permanent units and so the only comparator is the figure for occupied permanent private households. Table 2 indicates the increase in permanent private households over the years.

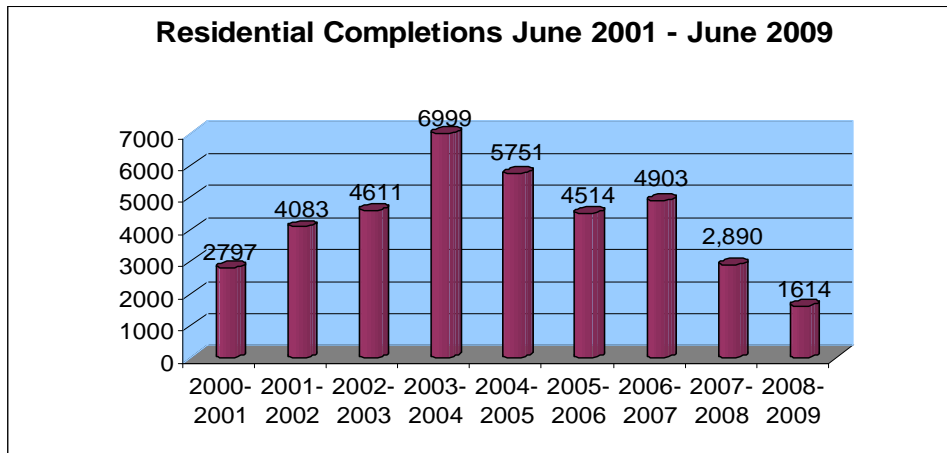
<i>Census Year</i>	<i>No. of permanent private households (occupied)</i>	<i>Percentage Increase in Housing units</i>	<i>Percentage Increase in Population</i>	<i>Vacancy Rate</i>
<b>1991</b>	40,332			
<b>1996</b>	47,271	17%	10% (167413)	
<b>2002</b>	60,460	28%	17% (196413)	4.9%
<b>2006</b>	80,085	32%	22% (239992)	8.8%

Source: CSO, Household Composition, Family Units and Fertility

**Table 2:** Number of Permanent Private Households in Fingal

The percentage increase in housing units has been consistently greater than the percentage increase in population allowing for the increased need for housing created by falling household size and the other factors discussed above. However, since 2007 housing supply has outstripped demand with the result that Fingal now has an increased number of vacant units, many of them in the newer areas of the county with an estimated 1800 units (based on 2009 house-counts) that consist of new builds that have never been occupied. It is estimated that the Greater Dublin Area now has an average vacancy rate of 9.9%, with higher levels in areas of new housing.

Given the level of surplus supply in the market at the end of 2009, estimated at 136,000 units nationally, and the continued uncertainty in the economy and housing market, it is unlikely that there will be significant residential completions for the next few years. The Construction Industry Federation has indicated that any recovery in residential construction is unlikely to occur until 2011 and estimate that the number of completions in 2010 and 2011 will reduce to 10,000 each year.



Source: Planning Department Housecounts

**Figure 3: Residential Completions in Fingal 2001 to 2009**

### Household Size

The average occupancy rate i.e. persons per household or pph, has been decreasing and this trend is set to continue, Table 3 indicates this decrease.

	2002	2006	2010	2016	2022
<b>Dublin City</b>	2.74	2.50	2.39	2.26	2.02
<b>DLR</b>	2.99	2.77	2.61	2.42	2.17
<b>Fingal South Dublin</b>	3.23	2.95	2.81	2.58	2.32
<b>Dublin</b>	3.25	3.03	2.83	2.65	2.38
<b>Dublin Region</b>	<b>2.96</b>	<b>2.82</b>	<b>2.58</b>		

Source: 2002, 2006 Census, 2010 RPG April 2007 Update, 2016, 2022 Draft RPGs

**Table 3: Average occupancy Rates (persons per household)**

The decrease is influenced by a number of factors including the general increase in divorce/separation, people living longer, availability of credit for first time buyers and the growing trend among young adults to live alone and have children at a later age. The family life cycle has an impact on household size in certain locations at certain times, for instance, many of the more mature areas e.g. Malahide West, Portmarnock North have more 'empty nests' as the younger family members leave to set up their own homes. In other areas e.g. Lusk, there are a higher number of younger families with a corresponding increase in the persons per household. Culture can also play a role in family size and therefore, household size. The overall implication of decreasing household size is that more houses will be needed for the same number of people. It is important that residential developments cater for the different demographics through mixed tenure and mixed house type.

## Migration and Nationalities

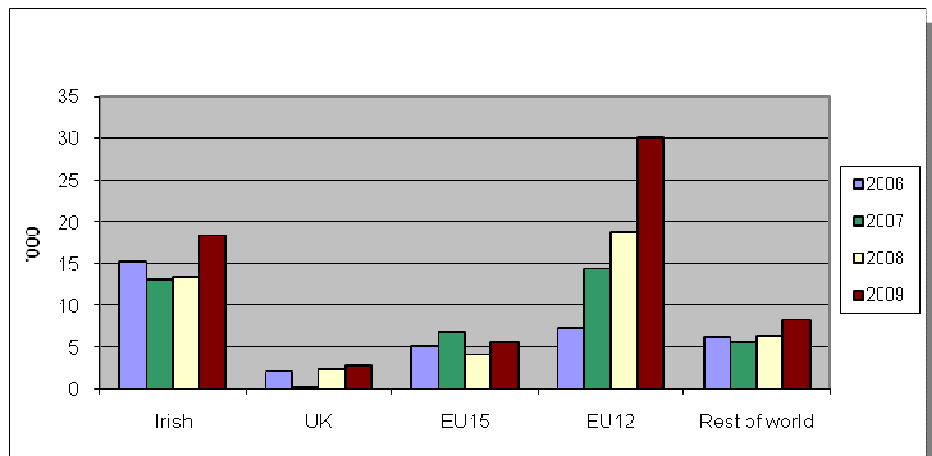
Recent publications from the CSO have provided clear links between nationality and migration flows. In the period since 2004, in particular, Ireland has seen high levels of immigration with the majority of this being made up of immigrants from the EU12 countries, followed by returning Irish immigrants, the rest of the world and the rest of the EU, see Table 4. In the period 1997-2007, net immigration accounted for more than a half of the population increase<sup>4</sup>. Since 2007, Table 4 shows that immigration has slowed dramatically and that the slowdown will increase in 2009.

	2004	2005	2006	2007	2008 <sup>1</sup>	2009 <sup>1</sup>
<b>Nationality</b>	<b>Persons in '000s</b>					
<b>Irish</b>	16.7	18.5	18.9	20.0	16.2	18.4
<b>UK</b>	7.4	8.9	9.9	5.9	7.0	4.4
<b>Rest of EU15</b>	13.3	9.3	12.7	10.4	8.6	8.6
<b>EU12<sup>5</sup></b>	-	34.1	49.9	52.7	33.7	13.5
<b>USA</b>	2.3	2.1	1.7	2.8	2.0	1.1
<b>Rest of World</b>	18.8	11.6	14.7	17.8	16.3	11.3
<b>Total</b>	<b>58.5</b>	<b>84.6</b>	<b>107.8</b>	<b>109.5</b>	<b>83.8</b>	<b>57.3</b>

Source: CSO Population and Migration Estimates April 2009<sup>1</sup> Preliminary

**Table 4: Estimated Immigration by Nationality 2004-2009**

Since 2006, the level of emigration has increased. Of the 65,100 people who emigrated in the year to April 2009, almost half were from the EU12 countries. The second most likely group to emigrate were Irish. There was also an increase of almost 30% in the emigration levels from people from the rest of the world between 2008 and 2009.



Source: CSO Population and Migration Estimates April 2009. 2007-2009 are preliminary figures.

**Figure 4: Estimated Emigration classified by Nationality, 2006-2009**

<sup>4</sup> [http://ec.europa.eu/economy\\_finance/publications/publication13187\\_en.pdf](http://ec.europa.eu/economy_finance/publications/publication13187_en.pdf)

<sup>5</sup> The EU12 is defined as the ten accession countries that joined the EU on 1 May 2004 i.e. Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and includes the two new accession states that joined the EU on 1 January 2007, i.e. Bulgaria and Romania.

Table 5 outlines the make-up of Fingal’s population by nationality. Fingal has an above average proportion of nationalities associated with high levels of immigration in the recent past, which has fed into the rapid growth of the county in the period 2002-2006. Many of these nationalities are now becoming increasingly associated with emigration at national level as the levels of unemployment rise in the country (see Figure 4).

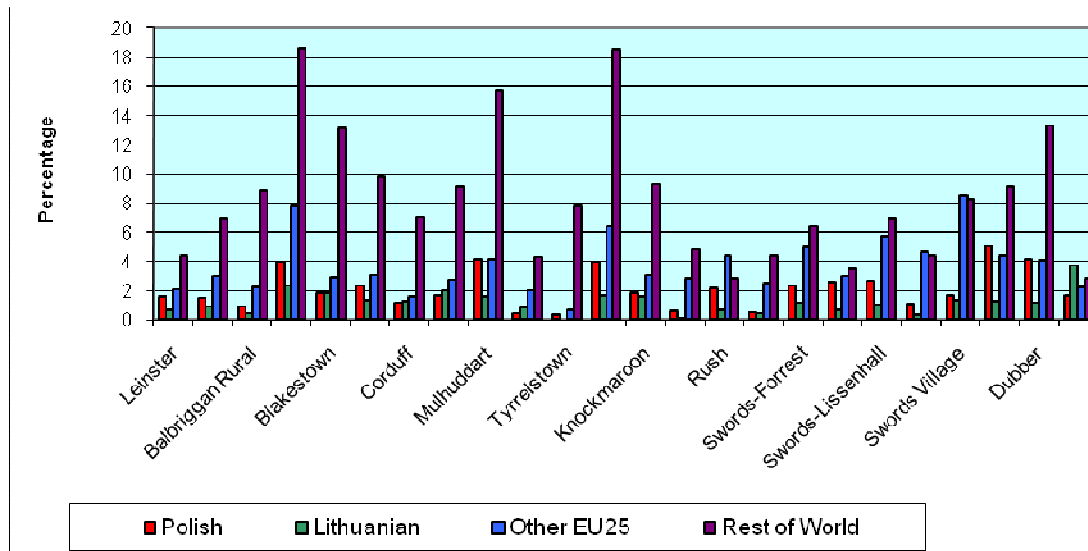
Area	Census Year	Percentage of total population						
		Irish	UK	Polish	Lithuanian	Other EU 25	Rest of World	Not Stated
<b>Fingal</b>	2002							
<b>Fingal</b>	2006	84.35	2.03	1.55	0.94	3.01	6.97	1.14
<b>Leinster</b>	2006	87.89	2.18	1.58	0.67	2.08	4.37	1.23

Source: CSO, Census 2002 and Census 2006 (SAPS)

**Table 5: Usually Resident Population by Nationality**

Where emigration is localised within certain areas of the county there will be the potential for higher rates of vacancies in the short term and, given the current economic climate, possibly also in the medium term. In worst cases, it could result in dereliction in certain areas, a difficulty in keeping local shops and support services open as the population declines and the potential for an increase in anti-social behaviour. The housing strategy will look to ways of avoiding this outcome by seeking to ensure that housing supply caters for demand in a sustainable manner.

Within Fingal, it is clear from the Census figures that there are areas that have higher concentrations of nationalities associated with recent immigration than the average for either Fingal as a whole or Leinster. Figure 5 indicates that Blanchardstown is one such area, as is the newer housing in Balbriggan rural. Swords also has a higher than average percentage, reflecting the large number of new house builds in the area. Rush, while having a relatively low number of non-Irish nationalities overall, has a relatively high percentage of EU25 nationalities, most likely reflecting the labour force employed for the horticultural sector. Large employers in certain EDs, such as at Turnapin and the Airport can significantly impact on the populations in those areas.



Source: CSO, Census 2006

**Figure 5: Breakdown of above average percentage of defined nationalities by ED**

### ***Housing Mix and Housing Types***

The Council will seek the provision of a wider range of dwelling types to cater for changing demography. Emphasis on potential for in-built adaptability in design of housing is also important in allowing for long life buildings, examples of how this might be achieved are set out in the DoEH&LG Urban Design Manual, May 2009

### ***Implications for the Housing Strategy***

This housing strategy is being drafted at a period of great uncertainty for the Irish economy and the housing market. The factors which influence housing demand, namely income, demographics, tax system, and credit conditions are all in a state of flux. For demographics the rate of population growth has been strongly linked to immigration during the boom and there is now evidence that net emigration is occurring. The trend for household size to fall may continue but it will likely be balanced between some people delaying buying a house due to economic circumstances and first time buyers seeing the lower house prices as an opportunity to buy. Household size will also vary between individual towns and local areas. Within Fingal, there is a large cohort within the household formation group (25-34 first time buyers) It is likely that a significant percentage of this group are in Fingal because they have already bought houses and coupled with net immigration the demand for new housing may be limited for the short term. Consideration also has to be given to the location of housing. In a market of choice, preference will most likely be given to locations in close proximity to public transport, to employment and to good public facilities. Whereas in the past house buyers have been forced to move further out into the suburbs and beyond to afford a house, opportunities will arise to buy houses for less money in areas of first choice.

## Housing Targets and Land Supply

### Housing Targets

It is estimated that by 2010 there will be approximately 102,000 units in the county, with a further 3,612 under construction and 13,000 with permission but not yet started. Within Fingal's main towns over 42% of the housing has been built since 1996 indicating the huge building program undergone in the county. However, Fingal now has an oversupply of housing with a vacancy rate of 8.8% in 2006 with recent indications that this figure has increased significantly. The Draft RPGs are suggesting that a vacancy rate of 6.5% is more in line with a normal market reflecting the need for some element of vacancy at any given time to cater for second homes, temporary vacancies etc.



As has been discussed above the delivery of new housing is expected to remain sluggish until 2011 at least. Figure 6 indicates clearly the continuing slow down in housing registrations up to Q3 2009.

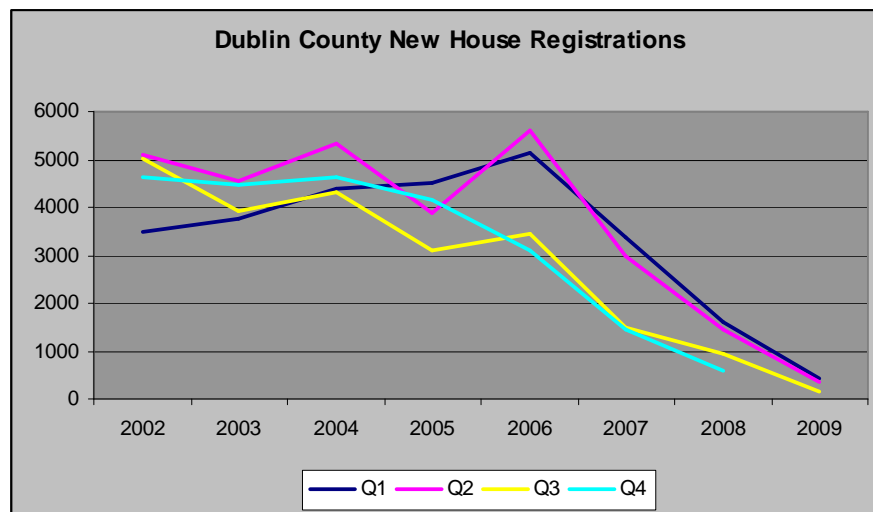


Figure 6: New House Registrations, Dublin County

The 2004-2016 RPGs are currently being reviewed with the review process due to be completed by June 2010, providing new Guidelines for the period 2010-2022. The draft population and housing target figures take account of the economic downturn and the existing over supply in the housing market. The target for Fingal for 2016 is 118,646 units, rising to 142,144 units by 2022. This requires the delivery of 28,737 units between 2006 and 2016. Given that Fingal has an estimated 102,081<sup>6</sup> units in January 2010, there is a remaining requirement for 16,565 for the years 2010-2016 inclusive. This equates to annual production of 2,366 units up to end 2016. For the years 2017-2022 inclusive, the RPGs have targeted an annual average production of 3,916 units. Therefore, the target for Fingal for the years 2010 to 2017 is 20,481 units.

<sup>6</sup> This estimate is based on the known households from Census 2006 and the completions since that time based on the DoE Housing Statistics. The last 3 months of 2009 have been estimated

In addition to allocating targets to each County, the RPGs in response to the DoEHLG direction concerning Regional Planning Guidelines Review Gateway and Hub Population Targets, October 2009, have allocated percentages of the overall population which should be located within the Dublin Metropolitan area. For Fingal, 85% of our target housing stock is to be located within the Metropolitan area

### **Land Supply**

The County has approximately 1,300 hectares of land zoned for residential development which has not yet been built out. In total, this land is estimated to provide for at least 47,805 additional housing units. Of these 47,805 units, 16,046 are granted permission already but not yet built and the remaining 31,759 units can be accommodated on existing zoned greenfield lands.

There is further potential for residential development through smaller urban infill sites, which although limited in size can be higher in density than suburban housing and. There is also potential for housing in rural villages, through the village zonings, and clusters and limited rural one off houses.

While there is more than enough land zoned to meet the requirements for housing into the future not all of this land is serviced. Of the 1,300 hectares zoned for development, approximately 550ha was identified by the Council as serviced in 2009. The remaining lands are dependent on the delivery of key infrastructure, most notably waste water treatment, before they become available for residential development. The key constraints are in Swords (Swords WWTP), Donabate, Portrane, Lusk, Rush (Portrane WWTP), areas of Balbriggan and Malahide (local drainage networks). Blanchardstown and the South Fringe are dependent on capacity in Ringsend WWTP which is currently awaiting a waste water discharge licence from the EPA.

The Development Plan Guidelines (DoEHLG, 2007) indicate that to ensure continuity of supply of zoned residential land, planning authorities should ensure that at the time of adoption of the Plan, enough land should be zoned to meet residential needs for the next nine years i.e 2011-2020. Given the target set through the RPGs for the National Spatial Strategy, Fingal has more than enough land zoned to meet these needs. This can be assessed as shown in Table 6

<i><b>Total RPG Housing Units Fingal Target 2020</b></i>	<i><b>Estimated Existing Built January 2010</b></i>	<i><b>Target units 2010-2020</b></i>	<i><b>Potential on Existing Zoned Land (June 2009)</b></i>
<b>134,310</b>	102,000	32,310	47,805

**Table 6: Potential of zoned land in Fingal**

There are a sufficient number of vacant, completed units (estimated 13,000 in 2009) to satisfy nearly five and a half years of production to meet the Regional Planning Guidelines target of approximately 2,400 units per annum. In addition, as of mid 2009, there are outstanding planning permissions for some 13,096 units.

## **Private Housing Market**

### **Introduction**

The new global economic reality has heralded significant slowing in immigration and the re-appearance of emigration. The potential for this to influence the population of Fingal has been assessed in previous sections. However, population flow must be closely monitored in order for Fingal to react appropriately. Having regard to the large Fingal immigrant population, the mobility of that population and the mobility of its young native population, Fingal's ability to retain and grow that population is very much dependent on its ability to maintain economic activity and remain competitive. Success or otherwise in economic endeavour will impact directly on population levels and in turn housing demand.

### **Outlook for Private Housing Market.**

The slowdown in the general economy has contributed in part to lower demand thereby reducing transaction numbers and property prices. It should also be noted that much of the demand generated was 'small investor' led and coupled with speculative house construction did not necessarily reflect accurately the link between the housing needs of the population and the number of units and types required at any given time to satisfy that need. The decline in demand and evidence of oversupply is underlined by the vacant house count set out in the 2006 Census results. Some 7,500 units of accommodation were vacant on Census night, 8.76% of units - which is equivalent to over two years production at an average rate of 3,500 units per annum. The vacancy rate is now estimated to be approximately 13% - approximately 4 years production.

House price have been in constant decline since late 2006 and are now down by 35% from their peak in 2007 (Daft.ie Q4 2009 Review). The Permanent TSB/ESRI Q3 2009 House Price Index states that House Prices were reduced by 19.1% and 11.5% in the twelve months to October 2009 in Dublin and outside Dublin respectively. For the first ten months of 2009 prices in Dublin and outside Dublin fell by 16.7% and 10.8% respectively. The average price for a house in Dublin and outside Dublin in October was €292,631 and €199,754 respectively. This downward price spiral has affected consumer confidence with some potential buyers postponing purchasing while they wait for the market to bottom out.

It is very difficult to get a uniformly "accepted" forecast on how the private housing market will perform in the short to medium term. However, it is clear that if the current downward house price spiral and global economic trends continue:

- Private House Construction will remain sluggish.
- Private House construction will not bounce back to sustainable levels until the over hang of vacant properties is absorbed and market confidence returns.
- Marginal potential borrowers will not get loans to purchase their own home.
- Marginal home owners will get into serious financial difficulties.
- Premature dilapidation of part of the Housing stock will ensue due to inability of some owners to finance preventative maintenance and/or Management Company fees.
- Rising reposessions will further depress the market and put increased demands on Social Housing supports.
- The affordability gap will be reduced for those in employment.

These outcomes will put pressure on Central Government to increase its assistance to those in trouble and re-evaluate its purchase affordability supports including its affordable housing scheme. They will not affect the overall demand dictated by population but they will dictate how that demand can be satisfied, having regard to the general health of the economy, the amount of financial support the Financial Institutions and the State can make available and how that financial support is applied.

The National financial and economic adjustments expected over the next 3 to 5 years will make it extremely challenging, at least in the short term, for the market to absorb its vacant stock and to resume house construction to sustainable levels. The laws of economic supply and demand are not entirely an appropriate tool to gauge housing demand. Just because an individual or a family cannot afford to purchase a home suitable for their needs does not mean that the need/demand does not exist. It just means that it has to be satisfied in another way. If NSS population forecasts are correct and private house construction is not sufficiently financially stimulated by traditional models to meet demand, then new forms of financial stimuli will need to be developed to support house construction. These new models may require a shift away from the Irish cultural desire for home ownership.

The key point here is that Fingal continues developing and maintaining a framework for an efficient private housing sector, what ever shape that might take over the course of this strategy.

### ***Private Rented Sector.***

The private rented sector provides some 14000 units of accommodation in Fingal. The sector currently provides accommodation for 3,392 (79%) of the Social Housing Applicants. With the increasing dependency on the RAS scheme to deliver social housing support its role is set to grow over the period covered by the strategy.

The sector is dominated by small investors attracted in recent years by the prospect of certain financial gain in the form of rental yield, equity growth and the ability to cash in quickly. However, in the current market, with rental income falling 22.9% in the twelve months to October 2009<sup>7</sup>, an oversupply of housing and house prices in decline, the stability of the sector and the ability of its individual members to continue to provide good well maintained properties for rent must be in question and monitored carefully. Participation in the RAS and Long Leasing schemes by owners with its guaranteed income stream will help maintain the stability of the sector.

The property overhang presents an opportunity for large corporate investors to enter the sector in a significant way. Having regard to the likely cost of entering the sector at this time, these investors could afford to take a long term view in relation to rental yield and equity growth. They would also have ability to provide professional management and maintenance services for the benefit of their tenants and the protection of their asset. Entry into the sector by this type of investor could help address the issue of long term “tenure security” for good tenants. This issue is often advanced as an unattractive feature of the Private Rented Sector and a disincentive to potential tenants.

---

<sup>7</sup> Daft.ie Q3 2009 Rental Report

<i>Year</i>	<i>Number of units</i>	<i>Annual % Increase</i>
2006	7,941	
2007	11,884	33.2%
2008	13,580	12.5%

**Table 7: Private Rented Housing Registrations in Fingal:**

Note: a preliminary analysis of the 2009 data by Fingal indicates that the number of Private Rented Registrations for that year is in the order of 14,000 units.

## Housing Affordability

### Introduction

The economic climate both International and National is unstable at this time. Ireland is in recession, the Government has taken corrective measures to restore the near collapsed banking system and bring public spending under tighter control. One of these measures, the National Asset Management Agency has started work. The effects that these measures will have over the course of this strategy on employment, population growth, household incomes, land prices and house prices are very difficult to predict with the data currently available to Fingal;

This Chapter sets out, subject to the limitations already discussed, to analyse the affordability of housing in Fingal over the period of the next Development Plan, 2011-2017. The methodology followed is that of the DOEHLG's "Louth Model". In summary, data is gathered on:-

- Household incomes – projected over a six year period
- House prices – again, projected over a six year period

Assumptions are made on what "affordability" means – in this case, the definition is taken from the Planning and Development Acts 2000 – 2006 which states that if the monthly cost of servicing a mortgage (for a given house price) is greater than 35% of the applicants after-tax income, then the applicant can be deemed eligible (as defined in Section 93(1)) for affordable housing.

A conclusion is reached on what proportion of new households formed in the County over the duration of the new Plan, will be unable to access housing on the open market, within the parameters of the above criteria

## Household Incomes

Income levels are a key determinant of affordability, as set out in Section 93(1) of the Act. Data on income distributions (i.e. the proportions of households in certain income groups) as opposed to averages is available. The income distribution for Fingal was developed as follows:

1. The CSO Household Budget Survey for 2004/2005 (which is undertaken every 5 years) was used to find a national household income distribution. The data is used to identify the distribution of incomes across households, as the households at the bottom end of this distribution are those most likely to experience affordability difficulties.
2. This distribution was then adjusted on the basis of assumptions made about the gap between Fingal and national levels of household income.
3. CSO data on county-level household incomes was used as the basis for adjustment. This adjustment enabled the production of an income distribution table for Dublin (there are no separate statistics for Fingal) on the basis that the distribution of incomes across the county (once adjusted by the average inflator) mirrors the national trend (see Table 8)
4. The derived income distribution was inflated by assumed rates of household income growth. These rates of growth were based upon the Disposable Income Inflator data available from the Economic and Social Research Institute.

<i>Income Range</i>	<i>Weekly Disposable Income (€)</i>	<i>% of Households in each category</i>	<i>Average Annual Disposable Household Income € (National)</i>	<i>Fingal Inflator</i>	<i>2008 Average Annual Disposable Household Income (Fingal) €</i>	<i>No. of Households in Fingal</i>
<b>1<sup>st</sup> Decile</b>	157.70	7.9	8,200.40	1.12	9,184.44	7,101
<b>2<sup>nd</sup> Decile</b>	244.53	8.8	12,715.56	1.12	14,241.42	7,913
<b>3<sup>rd</sup> Decile</b>	359.06	9.9	18,671.12	1.12	20,911.65	8,902
<b>4<sup>th</sup> Decile</b>	488.56	9.9	25,405.12	1.12	28,453.73	8,902
<b>5<sup>th</sup> Decile</b>	626.69	10.3	32,587.88	1.12	36,498.42	9,260
<b>6<sup>th</sup> Decile</b>	781.12	10.6	40,618.24	1.12	45,492.42	9,530
<b>7<sup>th</sup> Decile</b>	950.20	11.0	49,410.40	1.12	55,339.64	9,890
<b>8<sup>th</sup> Decile</b>	1,162.83	10.6	60,467.16	1.12	67,723.21	9,530
<b>9<sup>th</sup> Decile</b>	1,419.89	10.7	73,834.28	1.12	82,694.39	9,620
<b>10<sup>th</sup> Decile</b>	2,233.03	10.3	116,117.56	1.12	130,051.66	9,260
<b>TOTAL</b>						<b>89,909</b>

Source: CSO Household Budget Survey for 2004/2005 (Dublin inflator 1.12)  
Census of Population 2006 - Number of Households.

**Table 8: Annual Disposable Incomes 2008**

5. This allowed us to develop a forecast for average annual household disposable income over the life-time of the Plan – base on the ESRI Medium Term Review 2008-2015 – Low Growth scenario (see Table 9)

	2009	2010	2011	2012	2013	2014	2015	2016	2017
%	-3.2 %	-2.7%	2.4%	2.4%	2.4%	2.4%	4.4%	4.4%	4.4
<b>Growth</b>									
<b>1<sup>st</sup></b>	8,890	8,650	8,857	9,069	9,287	9,510	9,928	10,365	10,821
<b>Decile</b>									
<b>2<sup>nd</sup></b>	13,785	13,412	13,733	14,062	14,400	14,745	15,394	16,071	16,778
<b>Decile</b>									
<b>3<sup>rd</sup></b>	20,241	19,694	20,166	20,649	21,145	21,653	22,605	23,600	24,638
<b>Decile</b>									
<b>4<sup>th</sup></b>	27,542	26,798	27,441	28,100	28,774	29,464	30,761	32,114	33,527
<b>Decile</b>									
<b>5<sup>th</sup></b>	35,330	34,376	35,201	36,045	36,910	37,796	39,459	41,196	43,008
<b>Decile</b>									
<b>6<sup>th</sup></b>	44,036	42,847	43,875	44,928	46,006	47,110	49,183	51,347	53,606
<b>Decile</b>									
<b>7<sup>th</sup></b>	53,568	52,121	53,371	54,651	55,963	57,306	59,828	62,460	65,208
<b>Decile</b>									
<b>8<sup>th</sup></b>	65,555	63,785	65,315	66,882	68,487	70,131	73,217	76,438	79,800
<b>Decile</b>									
<b>9<sup>th</sup></b>	80,047	77,885	79,754	81,668	83,628	85,635	89,403	93,336	97,442
<b>Decile</b>									
<b>10<sup>th</sup></b>	125,88	122,48	125,42	128,43	131,52	134,67	140,60	146,78	153,24
<b>Decile</b>	9	9	8	8	0	7	3	9	7

Source: CSO Household Budget Survey for 2004/2005  
ESRI: Recovery Scenarios for Ireland.

**Table 9: Average annual disposable income 2009 to 2017**

## House Prices

At this time there is limited agreement on future house price trends and attempting to predict future trends as a means of estimating affordability is fraught with difficulties. House prices have been in constant decline over a number of years and are now down by 35% from their peak in 2007 (Daft.ie Q4 Review 2009). House prices have been reduced by 16.7% and 10.8% in the twelve months to October 2009 in Dublin and outside Dublin respectively. Forecasting house prices, on an annual basis, to 2017 is very challenging.

There is no official data on house prices at County level. The Department of the Environment Heritage and Local Government collects data at a regional level, with information available on the Dublin area. For the purposes of the Housing Strategy, the Housing Department analysed 1,816 property prices - apartments and houses, from 1-bed to 4-bed in all the major towns, suburbs and rural areas of the County. The distribution of actual house prices is shown in Table 10

➤	101,00	201,00	301,00	401,00	501,00	601,00	701,00	801,00	901,000
	0	0 –	0 –	0 –	0 –	0	0	0	-
	-	300,00	400,00	500,00	600,00	-	-	-	1,000,00
	200,000	0	0	0	0	700,00	800,00	900,00	0
						0	0	0	
	<b>8%</b>	<b>38%</b>	<b>34%</b>	<b>11%</b>	<b>4%</b>	<b>2%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>

Source: Housing Department

**Table 10: Property Prices in Fingal Quarter 2 2009.**

There are a number of issues to note. There were a negligible number of units priced below €100,000 – so few in fact, to make it not worthwhile including. Also, there are a significant number (72%) of properties in the €200,000 to €400,000. Six properties cost in excess of €1 million.

### **Future House Prices**

The Housing Strategy methodology set out in the DOEHLG’s “Louth Model” requires that a forecast of future house price trends, over the lifetime of the Development Plan, be made. Previous Housing Strategies for Dublin Local Authorities have used the forecasts set out in the Bacon Report – which forecast up as far as the year 2006. In the current climate forecasting future house prices is very hard to do. However it may be possible to learn from studies into previous property “corrections”:

- In a US Federal Reserve Study of 44 house price booms and busts in Industrial Countries since 1970, the average bust lasted nearly five years. More precisely, house prices typically declined for almost five years after the peak.
- In a European Central Bank Working Paper Series (Booms and Busts in Housing Markets July 2009) a study of 25 house price busts in Industrial Countries indicated that house prices fell on average of 44 % from their peak price.
- Of the 25 busts about half occurred in the early to mid 1990’s. In the case of Japan, the longest sustained bust lasted until 2006 with house prices declining about 45% as compared to trend.
- The Dutch bust around 1980 and the Finnish one from the early 1990’s were the deepest with a fall by over 70% from peak to trough which was made worse by the Dutch and Finnish currencies having to be devalued.

It is accepted that there are many contrasting opinions as to the duration of the current decline in prices and the likely future direction of house prices. We have decided to use two scenarios:

- **Scenario A: A 5-year decline in prices with an overall drop of 41% from their peak value through the cycle**
- **Scenario B: A 6-year decline in prices with an overall drop of 51% from their peak value through the cycle**

The forecasted annual property price changes for each scenario is shown in Table 11

YEAR	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Scenario A	-14%	-13%	-8%	-10%	-5%	0%	0%	+3%	+4%	+5%	+5%
% Change											
Scenario B	-14%	-13%	-8%	-13%	-12%	-7%	2%	2%	3%	3%	3%
% Change											

**Table 11: Property Price-change forecast**

It is accepted that this is not an exact science (there are at least 40 economic determinants of house prices, OECD) but it gives a good input when assessing house affordability in the medium term.

### Affordability Analysis

Using the data on forecasts for disposable incomes over the next eight years (Table 9), it is possible to make assumptions about the value of a house that various cohorts of the population will be able to afford (adhering to the requirement that they do not expend greater than 35% of disposable income on mortgage costs). The methodology involves taking the annual disposable income (across the 10 deciles) and applying a formula (see Appendix 1) that makes assumptions about the Loan-To-Value ratio (90% in this instance), term of loan (25 years) and interest rate (5% in this instance). It is possible to arrive at the maximum value of a property that an individual at this income band can afford. (Table 12)

	2009	2010	2011	2012	2013	2014	2015	2016	2017
1 <sup>st</sup> Decile	49,228	47,898	49,045	50,219	51,426	52,661	52,661	57,396	59,921
2 <sup>nd</sup> Decile	76,334	74,268	76,046	77,868	79,740	81,650	85,244	88,993	92,908
3 <sup>rd</sup> Decile	112,084	109,055	111,669	114,343	117,090	119,930	125,175	130,685	136,432
4 <sup>th</sup> Decile	152,513	148,393	151,954	155,603	159,336	163,156	170,339	177,831	185,655
5 <sup>th</sup> Decile	195,639	190,357	194,925	199,599	204,389	209,295	218,504	228,122	238,156
6 <sup>th</sup> Decile	243,849	237,265	242,957	248,788	254,758	260,871	272,350	284,334	296,843
7 <sup>th</sup> Decile	296,632	288,620	295,541	302,629	309,895	317,331	331,297	345,872	361,089
8 <sup>th</sup> Decile	363,010	353,209	361,681	370,359	379,246	388,350	405,439	423,275	441,892
9 <sup>th</sup> Decile	443,260	431,288	441,637	424,236	463,090	474,203	495,069	516,848	539,585
10 <sup>th</sup> Decile	697,110	678,282	694,557	711,224	728,292	745,773	778,589	812,844	848,605

**Table 12: Maximum Affordable House Prices by Disposable Income Band**

It is possible to derive the percentage of new households, which are formed each year over the duration of the Plan, that fall into each decile of affordability and the real number of new households in each category.

	<i>% of new Households in each decile</i>	<i>New Households Per Annum 2009 – 2017</i>
<b>1<sup>st</sup> Decile</b>	7.9	190
<b>2<sup>nd</sup> Decile</b>	8.8	211
<b>3<sup>rd</sup> Decile</b>	9.9	237
<b>4<sup>th</sup> Decile</b>	9.9	237
<b>5<sup>th</sup> Decile</b>	10.3	246
<b>6<sup>th</sup> Decile</b>	10.6	253
<b>7<sup>th</sup> Decile</b>	11.0	263
<b>8<sup>th</sup> Decile</b>	10.6	253
<b>9<sup>th</sup> Decile</b>	10.7	256
<b>10<sup>th</sup> Decile</b>	10.3	246
<b>Total</b>		<b>2,392</b>

Source: Revised Target for Fingal – Regional Planning Guidelines.

**Table 13: Percentage and number of new households by affordability decile**

The next step is to project the maximum house price that each decile of new households formed per annum, can afford according to the Housing Strategy criteria. This figure increases each year in line with projected increases in disposable income.

### Projected House Prices 2009 to 2017

We now estimate house prices, each year, to 2017 – using the trends forecasted for scenarios A and B (see Table 11) and the price distribution shown in Table 10. This analysis gives the estimated house prices shown in Table 14 and Table 15

Year	% change	Sale Price	Sale Price	Sale Price	Sale Price	Sale Price	Sale Price	Sale Price	Sale Price	Sale Price	Sale Price
2009	-8%	200,000.00	300,000.00	400,000.00	500,000.00	600,000.00	700,000.00	800,000.00	900,000.00	1,000,000.00	1,100,000.00
2010	-10%	180,000.00	270,000.00	360,000.00	450,000.00	540,000.00	630,000.00	720,000.00	810,000.00	900,000.00	990,000.00
2011	-5%	171,000.00	256,500.00	342,000.00	427,500.00	513,000.00	598,500.00	684,000.00	769,500.00	855,000.00	940,500.00
2012	0%	171,000.00	256,500.00	342,000.00	427,500.00	513,000.00	598,500.00	684,000.00	769,500.00	855,000.00	940,500.00
2013	0%	171,000.00	256,500.00	342,000.00	427,500.00	513,000.00	598,500.00	684,000.00	769,500.00	855,000.00	940,500.00
2014	3%	176,130.00	264,195.00	352,260.00	440,325.00	528,390.00	616,455.00	704,520.00	792,585.00	880,650.00	968,715.00
2015	4%	183,175.20	274,762.80	366,350.40	457,938.00	549,525.60	641,113.20	732,700.80	824,288.40	915,876.00	1,007,463.60
2016	5%	192,333.96	288,500.94	384,667.92	480,834.90	577,001.88	673,168.86	769,335.84	865,502.82	961,669.80	1,057,836.78
2017	5%	201,950.66	302,925.99	403,901.32	504,876.65	605,851.97	706,827.30	807,802.63	908,777.96	1,009,753.29	1,110,728.62
<b>% Distribution</b>		<b>8%</b>	<b>38%</b>	<b>34%</b>	<b>10%</b>	<b>4%</b>	<b>2%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>

**Table 14: Scenario A - House Price Trends 2009-2017**

Year	% change	Sale Price	Sale Price	Sale Price	Sale Price	Sale Price	Sale Price	Sale Price	Sale Price	Sale Price	Sale Price
2009	-8%	200,000.00	300,000.00	400,000.00	500,000.00	600,000.00	700,000.00	800,000.00	900,000.00	1,000,000.00	1,100,000.00
2010	-13%	174,000.00	261,000.00	348,000.00	435,000.00	522,000.00	609,000.00	696,000.00	783,000.00	870,000.00	957,000.00
2011	-12%	153,120.00	229,680.00	306,240.00	382,800.00	459,360.00	535,920.00	612,480.00	689,040.00	765,600.00	842,160.00
2012	-7%	142,401.60	213,602.40	284,803.20	356,004.00	427,204.80	498,405.60	569,606.40	640,807.20	712,008.00	783,208.80
2013	2%	145,249.63	217,874.45	290,499.26	363,124.08	435,748.90	508,373.71	580,998.53	653,623.34	726,248.16	798,872.98
2014	2%	148,154.62	222,231.94	296,309.25	370,386.56	444,463.87	518,541.19	592,618.50	666,695.81	740,773.12	814,850.44
2015	3%	152,599.26	228,898.90	305,198.53	381,498.16	457,797.79	534,097.42	610,397.05	686,696.69	762,996.32	839,295.95
2016	3%	157,177.24	235,765.86	314,354.48	392,943.10	471,531.72	550,120.34	628,708.97	707,297.59	785,886.21	864,474.83
2017	3%	161,892.56	242,838.84	323,785.12	404,731.40	485,677.68	566,623.95	647,570.23	728,516.51	809,462.79	890,409.07
<b>% Distribution</b>		<b>8%</b>	<b>38%</b>	<b>34%</b>	<b>10%</b>	<b>4%</b>	<b>2%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>	<b>1%</b>

**Table 15: Scenario B- House Price Trends 2009-2017**

Examining the above trends, the final step is to compare the maximum house price that each decile of income band can afford and cross-reference with the number of housing units to be delivered at that price band. This exercise is carried out for each year of the Plan period. This will indicate to what extent an affordability gap exists, for each given year. (See Appendix 2 for 2009 details – a similar exercise was carried out for each year to 2017)

Analysis for scenario A and B over the years 2009 to 2017 yields Table 16 and Table 17. These tables show, for each scenario, how many of the new households formed each year in Fingal will satisfy the social/affordability criteria i.e. cannot afford to buy an house on the open market.

	2009	2010	2010	2012	2013	2014	2015	2016	2017	Total
(1) Annual Household Formations	2,392	2,392	2,392	2,392	2,392	2,392	2,392	2,392	2,392	21,528
(2) Number households meeting social/affordability criteria	541	500	464	453	443	445	443	446	448	4183
(2) as a % of (1)	23%	21%	19%	19%	19%	19%	19%	19%	19%	19%

**Table 16: Scenario A – Number of new Households satisfying social/affordability criteria**

	2009	2010	2010	2012	2013	2014	2015	2016	2017	Total
(1) Annual Household Formations	2,392	2,392	2,392	2,392	2,392	2,392	2,392	2,392	2,392	21,528
(2) Number households meeting social/affordability criteria	541	469	404	263	268	267	275	260	256	2895
(2) as a % of (1)	23%	20%	17%	11%	11%	11%	11%	11%	11%	14%

**Table 17 Scenario B – Number of new Households satisfying social/affordability criteria**

As can be seen from the tables above, the affordability situation for prospective house purchasers improves over the period of the Plan. The average percentage of households experiencing an affordability problem is 19% and 14% for scenarios A and B respectively.

## Conclusion

If we examine the details for 2009 (Appendix 2) we see that those households (541) that cannot afford to buy a house on the open market can only afford to pay between €49,000 and €122,000 - and not exceed the 35% disposable income spending limit. Given that the least expensive price band in Fingal is €100,000 to €200,000 (Table 10) and that only 8% of properties lie within this price range (Table 10), it is unlikely that the majority of these households will be able to purchase an affordable home on the open market and their housing need will have to be met through the private rented or social and affordable housing provisions and supports. This situation is unlikely to change for this cohort over the course of this strategy.

## Social Housing

### Government Policy

The provision of decent housing for all has long been a central aim of public policy. The general strategy for realising this aim is that those who can afford to do so should provide housing for themselves, and those unable to do so from their own resources, should have access to social housing or to income support to secure and to retain private housing. The overall aim of housing policy is to “enable every household to have available an affordable dwelling of good quality, suited to its needs, in a good environment and as far as possible at the tenure of its choice”. This aim is pursued through five broad strategies:



- overseeing and maintaining a national housing programme appropriate to requirements,
- facilitating home ownership for the greatest number of households who desire and can afford it,
- developing and supporting a responsive social housing sector for those who cannot afford suitable accommodation from their own resources,
- developing and maintaining a framework for an efficient private rented sector.
- developing and maintaining appropriate measures to secure conservation and improvement of the housing stock, with particular emphasis on the needs of low-income households.

The evolution and development of policy must take place against the backdrop of a tightening fiscal situation in which there will continue to be a strong emphasis on achieving value for money. To this end the use of the Rental Accommodation Scheme (RAS) and the long-term leasing scheme will provide a much greater part of social housing provision than in the past – with direct provision/build by the Local Authority contributing less.

### **The Housing (Miscellaneous Provision) Act 2009**

The Housing Act, 1966, as amended, forms the legal basis for Fingal County Council to provide housing accommodation for those in need. The Housing (Miscellaneous Provision) Act 2009 was signed by the President on July 15<sup>th</sup> 2009. This Act provides the statutory basis for the RAS and long-term leasing schemes - the main provisions are:

- Part 1 sets out the general powers under the Act for the Minister to make regulations, to give general policy directions with which housing authorities must comply, and to issue guidelines which housing authorities must take into account, in the performance of their functions under the Housing Acts 1966 to 2009.
- Part 2 provides a statutory basis for the multi-annual housing action plans introduced on an administrative basis in 2004. It also sets out a new framework for providing, assessing and allocating social housing support, replacing and expanding on powers provided under section 56 of the Housing Act 1966 and sections 9 and 11 of the Housing Act 1988. Part 2 provides a more developed statutory framework for the provision of rented social housing by way of leasing or contract arrangements with private accommodation providers, including the Rental Accommodation Scheme. In terms of the management and control by housing authorities of social housing, there is a new statutory requirement for each housing authority to adopt an anti-social behaviour strategy for the prevention and reduction of anti-social behaviour in its housing stock. Finally, provision is made for a comprehensive statutory framework for the making and adoption of homelessness action plans, implementing a recommendation in *The Way Home: A Strategy to Address Adult Homelessness in Ireland*, published in August 2008.
- Part 3 of the Act provides for an incremental purchase scheme designed to promote home ownership for existing social housing tenants (including those in rental accommodation arrangements and in voluntary and cooperative housing) and households being allocated a new house provided by a local authority or approved body. The scheme involves transferring full title to the new house to the household, on payment to the housing authority or body concerned of a proportion of the purchase price. The housing authority or body places an equity charge on the property for the discounted portion of the purchase price, which declines over time until the charge is eliminated.
- Part 4 of the Act provides for a purchase scheme for apartment tenants in complexes wholly owned by housing authorities that have been designated by them for the purpose following a tenant plebiscite. Sales will be carried out under incremental purchase arrangements similar to those set out in part 3.
- Part 5 of the Act introduces new arrangements for the sale of affordable housing, replacing the time-limited clawback currently applied under the various schemes. The new approach involves the housing authority placing a charge on the dwelling equivalent to the proportionate discount granted to the purchaser off its market value. The purchaser may pay instalments off the charge during the charged period and must pay off the prevailing charge, at current market value, on resale of the property or expiry of the charged period, whichever occurs first. This Part also provides enabling powers for an open market component of the scheme to replace the shared ownership scheme, when market conditions are suitable.

- Part 6 applies clawbacks (along the lines of the existing time-limited clawbacks for affordable housing) on profits from the resale of dwellings built on low-cost sites provided for private housing and from resale of dwellings extended under the adaptation grants scheme for older people and people with a disability.
- Part 7 of the Act provides for a number of amendments to the Residential Tenancies Act 2004.

### **Assessment of Housing need**

Under Section 9 of the Housing Act, 1988, each Local Authority is required to carry out an Assessment of Housing Need every three years, to assess the need for the provision of adequate and suitable housing accommodation for persons who are:

- homeless
- travellers
- living in accommodation that is unfit for human habitation or is materially unsuitable for their adequate housing
- living in overcrowded accommodation
- sharing accommodation with another person or persons and who, in the opinion of the housing authority, have a reasonable requirement for separate accommodation.
- young person's leaving institutional care or without family accommodation.
- in need of accommodation for medical or compassionate reasons
- elderly
- disabled or handicapped or are, in the opinion of the housing authority, not reasonably able to meet the cost of accommodation which they are occupying or to obtain suitable alternative accommodation.

The statutory triennial Assessment of Housing Need was carried out in March 2008. The net social housing need in Fingal County Council at 31st March 2008 was **4267**. It should be noted that **3,392** applications (79.49% of net need) are applicants living in private rented accommodation, adequate to meet their needs, and are on the Councils list solely because of "rent affordability issues". In the current difficult economic climate with the ability of the State to support major capital expenditure on housing severely limited in the short to medium term and with some 79% of our housing applicants adequately housed in private rented accommodation. **It is a Strategic objective of Fingal to use the limited financial resources available to secure the tenancies of this cohort in their current accommodation and at the same time providing other housing support options for balance of applicants ( 21% ).**

The National triennial housing needs assessment will be changed to an annual assessment during the course of this strategy. This change will contribute significantly to assisting more accurate trend analysis and forecasting. The data obtained will also be of major assistance in reviewing and making timely adjustment, if necessary, to this strategy.

## **Social Housing Delivery.**

The principal options available to the Council for dealing with this demand are:

- Construction of new accommodation
- Purchase of new/second-hand dwellings
- Accommodation being returned to the Council for re-letting – Casual Vacancies
- Provision of social housing in partnership with approved voluntary housing bodies
- Provision of social houses under Part V of the Planning & Development Acts, 2000-2002
- RAS
- Long-term leasing

The following summaries the approximate delivery under each of these mechanisms:

### **Construction of new accommodation**

The DoEH&LG have indicated that “own-build” newly constructed units will only be approved if all other housing supports are not possible e.g. the use of RAS and long-term leasing will have a first-call on available funding and there will be a greater reliance on these social housing supports as a feature of future social housing provision. Nevertheless it is expected that the Council will construct 650 units.

### **Purchase of New or Second Hand dwellings**

The purchase of individual new or second hand units are subject to the same capital financial restrictions as above. There are limited possibilities, with DoEH&LG approval, to use some of the proceeds of sales under the Tenant Purchase Scheme (Internal Capital Receipts) for the purchase of new or second hand units. It should be noted that sales under the Tenant Purchased Scheme have slowed in line with the general house purchase market. It is expected that 184 units of accommodated will be acquired using this method of acquisition.

### **Provision of Social Housing in partnership with Voluntary Bodies and Housing Co-operatives**

Voluntary/Cooperative Sector new build output will be subject to the same capital financial restrictions placed on the Councils “own-build” potential. However, new capital financing models, based on equity release found from within the Voluntary sectors existing stock, currently being explored may provide for some new build or other acquisition possibilities in the future.

It is expected, using existing methods of acquisition and construction, that this sector will provide 629 units of accommodation.

In addition, this sector has the potential to play a vital role in the management and acquisition of leased properties and management of selected unsold affordable units temporarily utilised under the RAS scheme and leasing arrangements.

**It is a Strategic objective of Fingal to work in partnership with this sector, utilising to the fullest extent its capabilities in social housing management and acquisition.**

**Casual Vacancies.**

The Councils housing stock currently stands at 4,350 units. It is anticipated that average number of casual vacancies generated by this stock annually will be 120 units.

The Council currently has a RAS stock of 400 units this will increase annual at a rate of 300 units per year, in addition the Voluntary sector currently owns or manages some 700 social units. It is anticipated that the average number of casual vacancies generated by this stock will be 30 rising to 50 units per annum over the course of the strategy, yielding a total of 1,560 units.

**Provision of Social Housing under Part V of the Planning and Development Acts 2000-2002.**

The sharp down turn in private house construction, if prolonged, will also ensure that the potential Part V take for any purpose social or affordable, will be severely restricted in the short to medium term. In addition, the State’s ability to provide the necessary capital finance to purchase Part V units for Social Housing purposes and Fingals ability to purchase Part V affordable units over this time frame is also limited. It is expected that this method will yield approximately 217 units.

**RAS and Leasing.**

As stated earlier, RAS and leasing will be the principal means of satisfying housing demand over the Plan period. It is expected that these two schemes will deliver approximately 3,000 units of accommodation.

**Meeting Social Housing Demand**

Table 16: Scenario A – Number of new Households satisfying social/affordability criteria) shows the greatest number of new households formations that cannot afford to buy a home on the open market – 4,183 households. The data in this table is used to project the growth in social housing needs and supports required during the Plan period to 2017.

The estimated delivery schedule set out in Table 18 reflects the current realities by placing a heavy reliance on RAS, Leasing and Casual vacancies. The Local Authority and Voluntary sectors will deliver approximately 3,023 units over the Plan period– including 1,560 casual vacancies.

	<i>Demand April 1st</i>	<i>Annual Growth</i>	<i>LA &amp; Vol Provision</i>	<i>RAS &amp; Leasing</i>	<i>Developer Delivery</i>	<i>Total Delivery</i>
<b>2008</b>	4,267	865	412	181	52	645

<b>2009</b>	4,487	541	361	224	25	610
<b>2010</b>	4,418	500	353	388	0	741
<b>2011</b>	4,177	464	192	320	20	532
<b>2012</b>	4,109	453	230	320	20	570
<b>2013</b>	3,992	443	364	320	20	704
<b>2014</b>	3,731	445	331	320	20	671
<b>2015</b>	3,505	443	213	320	20	553
<b>2016</b>	3,395	446	267	320	20	607
<b>2017</b>	3,234	448	300	320	20	640
<b>2018</b>	<b>3,042</b>					

**Table 18: Delivery of Social Units**

In addition to the capital financing constraints already discussed, the Council's ability to carry out house construction on its own lands is severely affected by infrastructure deficits (water, surface water, foul sewerage, roads) which exist in the county and the Social Inclusion/Mix considerations for its lands south of Powerstown Road, Dublin 15 (the large number of Social & Affordable units that already exist in that area). The infrastructure blockages preventing the development of these lands are anticipated to be removed by 2013. For the purpose of this strategy it is anticipated that the capital financing required to advance these projects to construction will start to become available 2014.

Table 19 sets out potential Fingal and Voluntary sector build projects, the majority of which will remain blocked in the short term.

**It is a Strategic objective of Fingal to advance its potential projects from design through planning to tender document stage to ensure a minimum time delay to start of construction should these units be required and finance available.**

<i>Location</i>	<i>Number of Units</i>	<i>Reason</i>
Lusk (Hail)	<b>33</b>	<b>Sewerage</b>
Haystown, Rush	<b>70</b>	<b>Sewerage</b>
Hacketstown	<b>280</b>	<b>Roads</b>
Racecourse Common 2	<b>89</b>	<b>Sewerage</b>
Castlelands Balbriggan	<b>200</b>	<b>PPP/Infrastructure</b>
Tyrrelstown, Powerstown	<b>100</b>	<b>Over production of Social &amp; Affordable</b>

Forthlawn infill	2	In Planning Process
Ballymastone, Donabate	30	Sewerage/Roads/Infrastructure
Rolestown	45	Awaiting approval from DOEH&LG
Knocksedan	30	Sewerage
Rathbele Road	20	Sewerage
Naul	10	Awaiting approval from DOEH&LG
Castlelands phase 3	40	Roads
Cappagh phase I	95	Awaiting approval from DOEH&LG
Cappagh phase 11	100	In primal Stage
Cappagh Phase 111	100	
Tuckets Lane, Howth	8	Awaiting approval from DOEH&LG
Ballymastone Donabate Phases 2+	600	Sewerage
Fold Balbriggan	60	Road
Foxwood	3	Perfecting Title (reduced number 2 or 3)
St. Cronans Court	1	Finalising with Residents
Dromheath	12	Requires Zoning Change
Cowper Care	114	Tender process not Commenced/Finance
Daughters of Charity	78	Finance
<b>Total</b>	<b>2,120</b>	

**Table 19: Social/Affordable projects currently “blocked”**

### *The Housing Needs of Persons with Special Requirements*

The Assessment of Housing Need sets out the different categories of households seeking accommodation from the Council. The housing needs of the following categories require special attention.

#### **Travellers**

The Housing (Traveller Accommodation) Act 1998 requires housing authorities in consultation with travellers and with the general public to prepare and adopt a five year Traveller Accommodation Programme by resolution of the elected members of the Council to meet the existing and projected needs of travellers in the area.

Fingal County Council's Travellers Accommodation Programme 2009-2013 was adopted by the Council in January 2009 and sets out in detailed form, the policies, objectives and actual annual provision targets which are as outlined in Table 20.

The adoption of the Plan was preceded by a full statutory consultation process wherein submissions and meetings were held with all the interested parties - affording opportunities for discussion, clarification and consensus. All submissions received were noted in the preparation of the Plan.

Any reference to "traveller community" means the community of people who are commonly called travellers and who are identified (both by themselves and others) as people with a shared history, culture and tradition including, historically, a nomadic way of life on the island of Ireland.

#### **Annual Targets:**

<i>Accommodation Type</i>	<i>Number of units</i>				
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Standard Local Authority Housing</b>	18	18	18	18	21
<b>Traveller Group Housing</b>	10	14	14		18
<b>Halting Site Bays</b>		10			
<b>Transient Bays</b>					
<b>Halting Site Refurbishments</b>				2	
<b>Group Housing Refurbishments</b>					
<b>Total</b>	<b>28</b>	<b>42</b>	<b>32</b>	<b>20</b>	<b>39</b>

**Table 20: Traveller Accommodation – Annual Targets**

### **Standard Housing Provision**

The provision of standard housing is an ever growing housing preference of provision for travellers within Fingal. It is proposed to meet this demand from within the Council's existing housing stock, new provision and the Rental Accommodation Scheme.

### **Homeless Persons**

The Council is a participating member of the Homeless Agency Partnership. It Fully embraces the shared vision of the Partnership, **“By 2010, long –term homelessness and the need to sleep rough will be eliminated in Dublin. The risk of a person or family becoming homeless will be minimal due to the effective preventative policies and services. Where it does occur, homelessness will be short-term and all people who are homeless will be assisted into appropriate housing and the realisation of their potential and rights”.**

In pursuit of the Partnership Vision, Fingal is committed to the implementation of the Regional Homeless Strategy “Pathway to Home”. Which is entirely in keeping with the National Strategy, “The Way Home”. Full implementation will see

- Localisation of Homeless Services,
- The provision of long-term and sustainable solutions to homelessness.
- Elimination of rough sleeping and long-term homelessness.
- Prevention of episodic and repeated experiences of Homelessness.
- The development of an integrated model of service provision (also known as the Continuum of Care Model) that delivers a care and case management service to homeless users. .

**It is a strategic objective of Fingal to maintain the Dublin Regional partnership approach, with our sister Local Authorities, Statutory Agencies, Voluntary Bodies and NGO Groups in complying with the homeless provisions of Part 2 of the Housing(Miscellaneous Provisions) Act 2009 .**

**It is a strategic objective of Fingal to employ to the fullest extent the expertise and capacity of our partners in the Voluntary and NGO sectors in the provision of homeless services, to include but not exclusively:**

- housing unit acquisition and management
- the delivery of tenant support services.

### **Senior Citizens/Empty Nesters**

The Council's Housing Stock has at present 591 Senior Citizen dwellings. These dwellings are in the main single storey, one-bedroom units located at various locations throughout the County. The policy of the Council when developing housing schemes is to promote a good social mix and to counter social segregation in the proposed schemes by providing a suitable mix of senior citizen one bedroom dwellings, two bedroom

dwelling and the traditional family type three bedroom dwellings. In order to determine the required social 'mix' consideration is given to the housing needs position as revealed in the assessment of housing needs in force at time of planning a scheme. Senior Citizen dwellings are in the main situated in close proximity to shops, churches, public transport etc. The Council will continue with this policy for the period of the strategy.

The 2008 Assessment of Housing Need revealed that 77 elderly persons were in need of housing accommodation in the Fingal area. This represents some 1.8% of the total assessment.

In planning for the future needs of the increasing senior citizen population of the county, Fingal County Council has put in place a Financial Contribution Scheme, whereby persons of senior citizen age who own their own dwelling, too large for their needs, may request the Council to purchase their home on the condition they make a financial contribution to the Council from the proceeds of the sale in return for a lifelong tenancy of a senior citizen dwelling (referred to as "Empty Nesters"). This scheme is considered by the Council to be an important method of sourcing family type houses for letting while at the same time making a positive impact on reducing the significant number of under occupied dwellings in the County.

### **People with Disabilities**

The Council provides a small number of specially adapted units in new housing schemes for people with disabilities. In addition it also adapts existing houses to needs of tenants with disabilities subject to resources. The 2008 Assessment of Need included 34 applicants with disabilities, representing 0.8% of the total assessment. Fingal County Council provides for this need by specially adapting a small number of units in each new housing scheme and, where possible and where finance is available, adapting or extending existing social stock.

In addition the Council operates three grant schemes for the owners of private houses:

#### **1. *Housing Grants for People with a Disability (HGD)***

The types of works covered include:

- access ramps, stair lifts, downstairs toilet facilities, accessible showers, wheelchair access, extensions etc.

#### **2. *Mobility Aids Grants (MAGS)***

This is a fast track scheme to address mobility problems. It covers minor works e.g.

- level access showers, ramps, grab rails, stair lifts etc.

#### **3. *Housing Aid for Older People (HOPS)***

This grant is to assist older people (targeted at those aged 60+) in carrying out necessary repairs and improvements to their homes. The types of works included under this scheme are:

- structural repairs or improvements, replacement of windows/doors, rewiring, replacement/repair of central heating etc

Insufficient funding was provided to meet the level of demand for these three new schemes in 2008 and 2009 and having regard to the current economic climate this situation is expected to continue into 2010 and on to 2013. The expected economic recovery should have gained enough momentum by 2014 to release additional funding to these schemes to meet demand. To assist the effective allocation of available funds to those most in need, a scheme of priorities was adopted by the Council in October 2008.

### **Single Persons under 60 years of age**

The 2008 Assessment of Need included 1,076 single persons under the age of 60 years. This is the largest category of housing demand. It represents 37% of the net assessment and has grown from 512 (24%) since 2002

Having regard to the composition, nature of our existing stock and the new build constraints previously discussed, the needs of this group will be catered for in the main by the Private Rented System supported by the Supplementary Welfare Allowance in the short term and The RAS and Leasing Schemes in the longer term. Anecdotal evidence would suggest that many of these applicants apply for entry onto the social housing list for the sole purpose of becoming eligible for rent allowance and have no real interest in a council tenancy.

## **Affordable Housing Demand**

The Planning and Development Acts 2000 – 2002 provide that a housing strategy shall take into account the need to ensure that housing is available for persons who have different levels of income. It should also include an estimate of the amount of affordable housing required in the area of the development plan during the period of the development plan.

“Affordable housing” is defined as houses or land made available for eligible persons through the implementation of the housing strategy by means of conditions attached to planning permissions, i.e. providing not more than 20%, of the land zoned for residential use, or for a mixture of residential and other uses, shall be reserved for the provision of social and/or affordable housing.

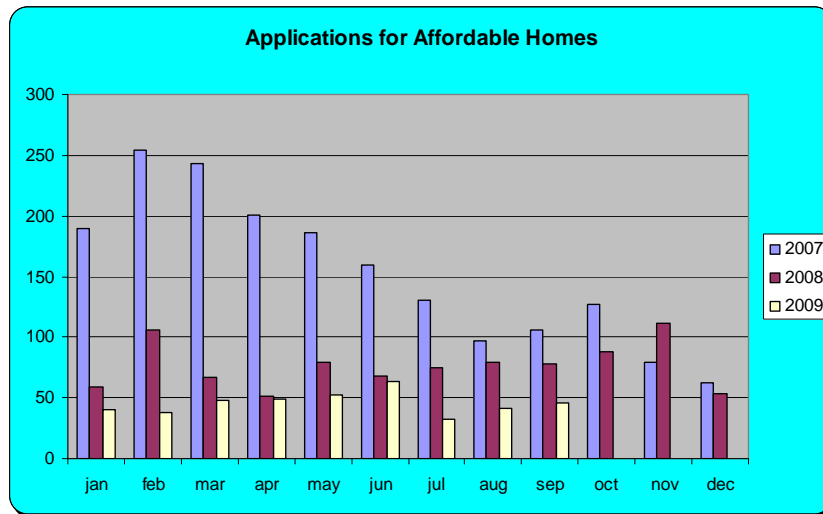
Fingal County Council operates three Affordable Housing Schemes, i.e. the 1999 Scheme, the Part V Scheme and the Affordable Housing Initiative (AHI). Houses have also been made available from the Affordable Housing Partnership (AHP).

### **Falling Demand**

The sale of affordable homes is not immune to the oversupply and poor buyer sentiment that typifies the general housing market and Fingal is experiencing some difficulty selling the houses we have (even at below market affordable prices). Also, the gap between the market sale price and the affordable price is narrowing all the time.

The demand for housing in the open market has collapsed since the peak of the market in 2007. This decline in demand was mirrored by a fall in demand for affordable

housing. From early in 2008 the number of applications for affordable homes began to decline and has continued to decline to date (See **Figure 7**) - a decline from 1,834 applications in 2007 to 410 for the nine months to September 2009.



**Figure 7: Applications for Affordable Homes**

### The Affordable Housing List

The Council maintains an affordable housing list that, on average, contains 750 applicants. The applicant profile shows that:

- 75% are single
- 50% are under 30 years of
- 48% live outside the County or have lived in Fingal for less than 5 years.

The first 100 applicants have each received on average 9 offers of an affordable house, the balance of the list have received on average 4 offers and currently an applicant will get an offer of a unit on acceptance onto the list. The Council has approximately 145 vacant affordable units for sale.

There are many reasons put forward for the poor take up in available units such as:

- Location
- Fear - the price gap between open-market housing and affordable housing is closing rapidly.
- The claw-back provision is a disincentive when open market house prices are falling.
- Unit Type – The typical 3-Bed house with front and back garden appears to be what potential buyers want - of the 145 properties for sale the vast majority are 2-bedroom apartments which are proving increasingly difficult to sell.
- Affordable housing is seen as social housing and less desirable.
- Parent Syndrome- Children forced to apply by parents and really do not want to buy.
- Supply has out stripped demand.

The sale of affordable houses has declined from 400 in 2007, 202 in 2008 and 249 to the end of November 2009.. The Council has undertaken a number of initiatives to attract buyers to its affordable homes e.g.

- Significant price cuts
- Advertising
- Organised viewing “*events*”
- Employing estate agents..

All persons on the affordable list have been encouraged to view/buy a range of units.

Whatever the reasons are for the decline in sales, it is clear that the Council cannot continue to acquire affordable housing for sale if there is no or little demand and the price gap with the open market is narrowing or non-existent. There is a significant cost to Fingal in acquiring and retaining affordable units which can not be subsequently sold. This situation is not sustainable, particularly in the difficult financial climate we are now in. As the downward price correction continues in the private housing market, the need for Fingal to actively participate in the affordable housing business recedes. To this end Fingal commenced in 2009 to reopen discussions with Developers, in respect of planning permission grants which were made having regard to Part V compliance submissions for the delivery of affordable units and where acquisitions contracts for the said unit were not signed, to move towards other compliance options, principally the payment of a financial contribution by Developers in lieu of providing physical units.



Fingal's ‘own build’ affordable programme forms part of its social housing build and accordingly will not proceed in the absence of state capital financing for the social element. .

**It is a long term Strategic objective of Fingal to sell all of its unsold affordable stock. However, in the meantime to populate this stock in such a way that provides social balance, supports sustainable community and minimises any potential financial loss.**

## **Distribution of Social/Affordable Housing**

The 2004-2016 RPGs are currently being reviewed with the review process due to be completed by June 2010, providing new Guidelines for the period 2010-2022. The draft population and housing target figures take account of the economic downturn and the existing over supply in the housing market. The target for Fingal for 2016 is 118,646 units, rising to 142,144 units by 2022. This requires the delivery of 28,737 units between 2006 and 2016. Given that Fingal has an estimated 102,081<sup>8</sup> units in January 2010, there is a remaining requirement for 16,565 for the years 2010-2016 inclusive. This equates to annual production of 2,366 units up to end 2016. For the years 2017-2022 inclusive, the RPGs have targeted an annual average production of 3,916 units. Therefore, the target for Fingal for the years 2010 to 2017 is 20,481 units.

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<sup>8</sup> This estimate is based on the known households from Census 2006 and the completions since that time based on the DoE Housing Statistics. The last 3 months of 2009 have been estimated

Table 16 shows the number of new households that satisfy the affordability criteria – 19% of new households. When combined with the need identified in the 2008 triennial assessment of housing need it gives an overall social/affordable need of 8,162 units.

Having regard to the earlier analysis on market prices, incomes and affordability, it is estimated that at least 8% of overall developer production will cater for the affordable market.

<i>New Household Requirement</i>	<i>20,500</i>
<b>Affordability requirement</b>	8,162
<b>Local Authority &amp; Voluntary production</b>	3,023
<b>Potential Developers Production</b>	25,162
<b>Developers Affordable production</b>	2,013
<b>Net social/Affordable requirement</b>	<b>3,126</b>

**Table 21: Net Sectoral Affordability Requirements**

This gives a County-wide requirement of 12.4% from developers to satisfy their social and affordable obligations. However in determining how this figure should be distributed throughout the county regard must be had to those areas where there is also a larger concentration of Social and Affordable housing or a greater potential for the development of such housing on lands in the ownership of the Local Authority and Voluntary Sector. Having regard to this, a distribution of between 7% and 15% Social/Affordable housing in private residential developments will achieve the overall figures required- see Table 22

<i>Area</i>	<i>Potential units</i>	<i>Potential Developer units</i>	<i>Part V Percentage</i>	<i>Part V Units</i>
<b>Balbriggan/Balrothery</b>	3,617	2,417	10%	242
<b>Sherries/Loughshinny</b>	1,239	1,029	15%	154
<b>Rush</b>	1,789	1,694	15%	254
<b>Lusk</b>	915	863	10%	86
<b>Donabate/Balease/Portrane</b>	5,275	5,093	10%	509
<b>Swords &amp; Drinan</b>	5,115	5,030	15%	755
<b>Malahide/Kinsealy</b>	923	883	15%	132
<b>Portmarnock</b>	619	619	15%	93
<b>Howth</b>	319	319	15%	48
<b>Baldoyle/Sutton</b>	530	530	15%	80
<b>Balgriffin/Belcamp/Baskin</b>	1,231	1,231	15%	185
<b>North West Blanchardstown</b>	1,584	44	7.5%	3
<b>South West Blanchardstown</b>	3,873	3,873	8%	310
<b>Blanchardstown</b>	800	800	10%	80
<b>Castleknock</b>	1,109	1,109	15%	166
<b>Kelystown</b>	1,500	1,500	10%	150
<b>Total</b>				<b>3,250</b>

**Table 22: Part V % requirement and units delivered**

This form of distribution is in accordance with the Planning & Development Acts 2000-2002 which allows planning authorities the flexibility, where they deem it appropriate in the context of the housing strategy, to seek the development of particular sites with a higher or lower proportion of social or affordable housing having regard to the housing needs of the area and the objective of promoting social inclusion. In compliance with Section 94(4) of the Planning and Development Act, 2000, this Housing Strategy provides as a general policy that 15% of the land zoned for residential use, or for a mixture of residential and other uses, be reserved for purposes of Section (4) (a) (i) and (ii).

## Methods of Providing Affordable/Social housing

The requirement under Part V of the Planning and Development Act, 2000 as amended for Social/Affordable housing in developments may be met by the following methods or by a combination thereof: -

- The transfer of land
- Build and transfer of houses
- Transfer fully or partially serviced sites
- Transfer of other land in the functional area
- Build and transfer of houses in the functional area
- Transfer of fully or partially serviced sites in the functional area
- Transfer of a reduced number of units at no cost to Fingal
- Transfer of a reduced number of units if some units are adapted for disabled persons
- Payment of a financial contribution
- Transfer of land and/or a combination of the others
- A combination of two or more of the others.

The Council will utilise the full range of options available to satisfy Part V requirements to provide social (and affordable) homes – each application will be considered on an individual basis and the actual mechanism used to satisfy the Part V requirement will be the one that best facilitates the development of strong, vibrant, mixed-tenure communities

## Strategy Review

Because of the high degree of uncertainty around the timing and extent of the recovery of the housing market some of the assumptions and findings in this report may need to be revisited in light of what actually happens in the coming years.



For this reason it is proposed to carry out a fundamental, root and branch, review of the Housing Strategy two years from the date of its adoption. An important requirement of the strategy is to identify the overall demand for housing, assess housing affordability and determine how the need is to be satisfied. As stated earlier, the assumptions underpinning this strategy may differ from what actually happens in the coming years and the strategy will need to be re-examined to ensure alignment between the strategy and the actual housing environment/market. This timeframe meets with the requirement

under Section 15(2) of the Planning Acts 2000-2006, to make a report to the Elected Members not more than two years after the making of a Development Plan, outlining the progress achieved in securing the Objectives of the Plan. Under Section 95(3)(a) of the Act, the Manager is required to include in the report a review of the progress achieved in implementing the Housing Strategy.

## Appendix 1:

Section 93(1) of the Planning and Development Act, 2000, defines an eligible person as a "person who is in need of accommodation and whose income would not be adequate to meet the payments on a mortgage for the purchase of a house to meet his or her accommodation needs because the payments calculated over the course of a year would exceed 35 per cent of that person's annual income net of income tax and pay related social insurance".

The nature of this definition requires planning authorities to relate the mortgage repayment on a house of a particular price to the after-tax income (as defined above) of an applicant. If the monthly cost of servicing a mortgage (for a given house price) is greater than 35% of the applicants after-tax income, then the applicant can be deemed eligible as defined in Section 93(1).

In practice, it is expected that planning authorities will apply this definition to houses in the lowest available price band in the county - it is in this sense that the term "for a given house price" is used above.

To assess eligibility under Section 93(1), the following annuity formula was used to compare monthly after-tax income with the monthly mortgage servicing costs associated with a particular house:

$$PV = Pt \frac{1 - (1+i)^{-n}}{i}$$

where,

PV = total loan size

(no greater than 90% of Market Value - Section 93(1))

Pt = monthly repayment amount

i = monthly interest rate

n = number of months over which the loan is to be paid

## Appendix 2:

### Affordability Index for 2009

Examining the above trends, the final step is to compare the maximum house price that each decile of income band can afford and cross-reference with the number of housing units to be delivered at that price band. This exercise is carried out for each year of the Plan period. This will indicate to what extent an affordability gap exists, for each given year.

<b>% of Households in each category</b>	<b>New Households Per Annum</b>	<b>Affordable House Price Decile</b>	<b>Actual House Price Bands</b>	<b>% of units in each Decile Price Range</b>	<b>Number of units in each Decile as a % of 2392</b>
7.9	190	49,228	100,000 ≥ 200,000	8	191
8.8	211	76,334	200,000 ≥ 300,000	38	909
9.9	237	112,084	300,000 ≥ 400,000	34	813
9.9	237	152,513	400,000 ≥ 500,000	11	263
10.3	246	195,639	500,000 ≥ 600,000	3	72
10.6	253	243,849	600,000 ≥ 700,000	2	48
11.0	263	293,300	700,000 ≥ 800,000	1	24
10.6	253	363,010	800,000 ≥ 900,000	1	24
10.7	256	443,260	900,000 ≥ 1,000,000	1	24
10.3	246	697,110	1,000,000 ≥ 1,100,000	1	24
<b>TOTAL</b>	<b>2,392</b>				<b>2,392</b>

**Note:** The house price survey (conducted Quarter 2 2009) indicated that a negligible number of units are available in the County for less than €100,000. The least expensive house price band is €100,000 to €200,000. The lower 2 deciles of household income are unable to afford to service a mortgage (at 35% of disposable income) to purchase a property in this range (plus a proportion of the 3rd decile). – This equates to 22% of all new households - a total of 541 households.

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