

# DUBLIN CITY DEVELOPMENT PLAN 2011 - 2017

## BACKGROUND PAPER

### POPULATION AND HOUSING STRATEGY

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## 1. Introduction

Dublin City Council is currently preparing a new draft Dublin City Development Plan of which the Housing Strategy is an integral part. This Paper presents the key housing issues relevant to the Development Plan for consideration by the Economic Development, Planning and European Affairs Strategic Policy Committee and the Housing, Social and Community Affairs Strategic Policy Committee. It outlines:

1. Population and household forecasts
2. Key issues affecting the Housing Strategy, namely:
  1. Housing Standards
  2. Flexibility in relation to the operation of Part V
  3. High level of vacancies in the city
  4. Regeneration programmes
  5. Meeting the housing needs of older people.

## 2. Progress to date

The population of the city continues to grow, although at a lower rate than the region as whole (5.7% compared to 2.1% for Dublin City). The population of the city at 2006 was 506,000.

There has however been marked disparities in population growth – for example, the Inner city has grown by 50% since 1991. Even from 2002-2006, some areas such as South Dock have experienced growth of 36%, whereas there has been a decrease in population in Rathmines and Grange Gorman.

In 2007, it was estimated that Dublin had 460 ha of zoned land available for housing, but it is recognised that the city has a finite stock of zoned and serviced lands.

There has been circa 7000 house completions per year in Dublin, over the last 3 years, although there will be a reduced output this year, due to the economic downturn.

From 2004 to date the Council completed 958 affordable and 380 Part V Social housing units, accounting for 4.8% of total completions.

The City has been making significant progress in the construction of new residential neighbourhoods, over the past 3 years including the North Fringe (9,000 permitted), Pelletstown (2,800 built), Ballymun (2,000 built), the Docklands and Park West (1,200 Units).

In relation to the quality of residential development, 2 issues have arisen since the current plan was adopted:

- a) Management of residential developments and,
- b) The provision of sustainable apartment living.

In relation to a) a Policy Document, prepared by the City Council is now being implemented. With regard to b) the City Council adopted a Variation to the Development Plan in 2007 to achieve larger, better quality apartments to encourage families living.

### 3. Future Trends and Development

#### 3.1 Population and household forecasts

A critical determinant of the new Housing Strategy is the projection for population increases and new household formation. The population in the city was 506,000 in 2006 representing an increase of 2.1% since 2002. This is a lower growth rate than was evident in the Dublin Region as a whole (5.7%) and the State (8.2%), a characteristic evident in most built-up city areas in Ireland. However, there has been uneven growth across the city with some Electoral Divisions (EDs), mainly in the inner city, experiencing sharp increases in population while others declined (see Figure 1). The population of the inner city has increased by 50% since 1991. A key issue for the next Housing Strategy is whether it should include population *targets* as well as *projections* to address uneven population growth across the city.

A further issue is the population profile in the city centre and the suburbs. In the city centre (inside the canals) there has been a large increase in the 20 - 34 year age group in the last five years. The implications of this shift need to be discussed in terms of the Housing Strategy, in particular the City Council's response - should Dublin City Council encourage, discourage, or remain neutral i.e. should it encourage young people to live in the city centre, creating a vital, active, late-hours city centre with international appeal, attracting young workers to relocate in Dublin for a period of time, as they would any other major European city?

A recent trend evident in Dublin is that people are moving out to the suburbs and the Greater Dublin Area. A further question therefore for the City Council is whether it should encourage some of those in the 30 - 50-year age group to move into the city centre. This option has its own benefits in terms of energy conservation and sustainability. It would also bring other issues into sharp focus, such as the provision of superior quality private residential and amenity space, superior quality public open spaces, parks, schools and shopping.

Figure 1: Population growth across the City 2002-2006

ED	Absolute change	% change
Overall	10,430	2.1
Dublin City South	6,422	3.1
Dublin City North	4,008	1.4
South Dock	1,359	36.1
Arran Quay C	1,339	56.4
Pembroke west A	1,021	31.5
Ashtown A	898	13.2
Grange B	732	34.2
Rathmines East C	-296	-8.0
Rathmines West E	-296	-8.3
Rathmines East A	-300	-6.6
Grange C	-368	-10.0

#### 3.2 Household Forecasts

Figure 2 outlines the revised Regional Planning Guidelines (RPG) household allocations for Dublin City. The RPG guidelines project annualised new house formations of between 3,488 and 5,120 up to 2016 for Dublin city. As Figure 3 indicates, the rate of completions has surpassed the projected rate of household formation over the past 4 years. However, there are three key issues in relation to projections for new house formation:

1. Should the projections be adjusted to reflect the downturn trend in housing completions and commencements anticipated for 2008 and 2009? Are the figures for additional households for 2016 realistic in the light of the current number of households? The 2006 Census indicated that there are 190,000 households in Dublin city. Is this likely to increase at a rate of 5,120 per annum by 2016 (i.e. an additional 46,080 households between 2006 and 2016)?

2. Of the total number of households in Dublin city, 14% are currently vacant. If these were brought into occupancy what would the effect be on demand? This issue is discussed separately below.
3. Last year's Housing Land Availability study estimated that Dublin City had 460 ha of zoned land available over the next 6 years for residential development. The figures for this year are still being finalized but it is recognised that the City has a finite stock of zoned and serviced lands.

Figure 2: Revised RPG guidelines for Dublin<sup>1</sup>

	<b>2004 allocation</b>	<b>New household allocation to 2011</b>	<b>New household allocation to 2016</b>
Dublin City	39,926	43,277	75,419
Annualised rate	5,222	3,488	5,120

Figure 3: House completions related to RPG projections 2004 - 2007

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Total</b>
House completions	4,530	7,024	7,746	6,678	25,978
Annualised RPG targets	5,222	5,222	5,222	5,222	20,888
Actual v targets %	87%	135%	148%	128%	124%

Other key additional features of demographic trends relevant to the Housing Strategy are as follows:

1. Average household size in Dublin city is declining - 2.59 compared to State average of 2.81. This is also evident in the steady rise of one-person households. This demographic trend has potential implications for the size and type of new households.
2. One in four people in the city are in their 20s and one in five over 55.
3. Approximately 15% of Dublin city's residents are non-Irish nationals and they are more likely to be living in the rented sector.

<sup>1</sup> Issues and options paper on housing strategy and demography, Planning Section, Dublin City Council and Regional Planning Guidelines for the Greater Dublin Area 2004-2016, Update Report on regional Planning Guidelines, 17 April 2007.

## **4. Main Issues and Challenges**

### **4.1 Residential standards**

The current Development Plan emphasises that in Dublin everyone should have access to quality, secure, housing located in sustainable neighbourhoods. The accommodation will be of the highest standard in terms of layout, design and open space.

The Plan also stresses the importance of place-making, including a range of supporting community infrastructure.

As part of this process, in 2007, the City Council adopted a variation to the City Development Plan, for new apartment standards. Larger, better designed apartments are now required, with sufficient storage space, play, study and balcony areas, with flexibility to allow families to settle and grow within the city. Some issues arising from the New Apartment Standards include:

- Are they achieving the aim of attracting families to live in the inner city?
- Should the standards be extended to apply to all new housing e.g. infill/ mews housing
- Should the policy be amended to allow for more flexible unit provision, allowing occupiers to decide whether e.g. they prefer one large bedroom or 2 small bedrooms?

#### **Mixed Residential Schemes**

The Council has a policy of promoting mixed residential schemes, of high quality that cater for people at all stages of their lives. Moreover, the design should be such as to make buildings of different tenure indistinguishable. Social and Affordable Housing, for example, provides avenues for many people into quality accommodation, through a variety of mechanisms, including direct provision, partnerships with the Voluntary and Co-operative sector, and Part V of the Planning Act. The question arises as to the extent to which mixed tenure schemes are being achieved, and whether they need to be on the same site.

#### **Residential Density**

Dublin has been achieving densities comparable to many European Cities in recent years, particularly in inner city, regeneration areas. The Government has recently published Guidelines on `Sustainable Residential Development in Urban Areas` (Draft), which gives welcome guidance on good urban design and the creation of sustainable neighbourhoods. Should the new Development Plan adopt these guidelines as policy?

#### **Student Accommodation**

The current Development Plan includes Guidelines for Student accommodation (Appendix 17) to ensure they are well located (on public transport corridors), of good quality, and with conditions attached to ensure they remain as student accommodation. However, with tax incentives coming to an end, it is considered important that purpose built, high quality professionally managed student housing schemes remain as an important part of our educational infrastructure. How can we promote such schemes?

#### **Qualitative and Quantitative Standards**

The current Development Plan sets out both qualitative standard (relating to design, layout, mix of new buildings and landscaping) and quantitative standard (including plot ratio, site coverage). Are these standards achieving attractive, safe quality residential neighbourhoods? Are the policies on permeability and gated communities successful? What standards can the new Plan introduce to maximise sustainability in residential schemes such as green roofs/ permeable driveways?

### **4.2 Flexibility in relation to Part V**

Dublin City Council reserves 20% of all new private residential development for social and affordable housing under Part V of the Planning and Development Act. The current Development Plan indicates that there is a need for social and affordable housing in all electoral wards with an equal amount reserved for each<sup>2</sup>. The City Council achieves its targets through negotiations on Part V agreements with developers. The 20% quota is applied to each development and results in rigidities in the conclusion of Part V agreements that are difficult to adhere to.

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<sup>2</sup> The two exceptions to this rule relate to Ballymun and the Third Level Student Accommodation scheme (section 50).

From 2004 to date the City Council completed 958 affordable and 380 Part V social housing units accounting for 4.8% of total completions. As Figure 4 illustrates, the initial output was low because of the lengthy lead times to negotiate Part V agreements and bringing housing input to the market.

Figure 4: Part V outputs for social and affordable housing relative to total completions and units sold

	2004	2005	2006	2007	2008	Total
	2	7	53	315	3 (Q2)	380
Part V affordable	30	138	280	467	43 (Q2)	958
	32	145	333	782	46 (Q2)	1338
Part V social	4530	7024	7746	6678	1,373 (Q1)	27,351
Part V as % of completions	0.7%	2%	4%	12%		4.8%
Units sold		177 (04/05)	351	87	119 (to August 2008)	615

There are a number of specific issues relevant to the implementation of Part V.

The City Council is fully dependent on private developers to achieve its Part V output for both social and affordable housing. This means that variations in their business cycle will fundamentally affect outputs under Part V. With the current economic climate the projected number of house completions will decline and ultimately therefore so will Part V completions.

Most of the accommodation provided under Part V by the City Council is apartments rather than houses - the % of apartments represents 95% of the total. However, the attractiveness of these apartments is location specific, they are attractive in city centre locations but not in the outer fringes.

The City Council has a waiting list of 6,271 applicants for affordable housing of which 80% are single people. For every unit it offers to applicants, it receives three rejections. The Council does not routinely capture information on reasons for rejections. However, it has conducted a survey of 100 applicants to research the reasons for rejection. The key five reasons for rejection were:

Finance: the average income range of people who purchased affordable homes was €35,000 to €37,000. The Part V and Affordable Housing Initiative have income limits of less than €40,000 and €55,000 respectively (€75,000 for joint applicants). However, in reality many applicants are rejected by mortgage companies due to their inability to repay the loan due to their low annual income.

Location of the unit: Dublin North Central and Dublin South East are the most popular locations for affordable housing. The rate of rejections for these locations is lower than for the city as a whole. In the outer city the rate of rejections is significantly higher than the inner city. This suggests that applicants have particular requirements in relation to location and are not prepared to accept affordable housing in any location.

Type of accommodation.

Change of personal circumstances.

Purchased a house/apartment in the open market.

Average house prices in Dublin have been declining with a decrease of 4.8% in 2008 compared to 2007 for new houses and 10.4% for second-hand houses. Over the past 3 years, the City Council has made affordable housing available at an average discount of 30 - 35% - rising to 40% in some cases. The decline in house prices in 2007 resulted in a reduced discount for affordable housing. During the same period, the cost to acquire Part V housing has increased by 7% due to increased construction and labour costs. This has meant that the Council has had to renegotiate with developers to take fewer units to offset the additional costs.

Market values for housing in the inner city have declined in line with the national average by 10%. However, there are areas in the outer city where the market value has reduced by more than the national average. In effect there are now areas in the city where there is no affordable housing demand as affordable prices are similar to market prices.

These represent significant changes in the economic climate under which Part V operates and they have fundamental implications for the City Council. At a minimum more flexibility in the operation of

Part V is required in particular the scope to vary its application across the city. In addition, the Council may need to consider the scope to make Part V houses available for social housing through long-term private rental agreements under the Rental Accommodation Scheme (RAS).

#### 4.3 Vacancies

According to Census 2006, there are 26,092 houses/apartments vacant in the city representing 14% of total housing stock. As Figure 5 illustrates, the biggest increase in the number of vacant properties occurred between 2002 and 2006.

Figure 5: Vacancies in Dublin City Council 1991 to 2006

	1991	1996	2002	2006
Vacant houses	9,670	10,759	12,002	26,092
Vacancy rate	5.7%	5.9%	6.2%	14%
National rate	9.3%	8.6%	10.1%	15.4%

The stock of vacancies is a considerable potential source of future housing supply. A key priority for Dublin City Council therefore is to consider how this stock can be made available for future housing.

In order to address this question, it is important to understand the profile of vacancies and potential reasons for vacancies. However, very little known other than the location (electoral divisions) of the vacancies. The location of vacant properties in the city has been mapped by ED through the GIS system. This mapping will be reviewed with the Planning Department to see whether it is possible to identify patterns and profile based on recent planning decisions and commencement notices. For example an initial review of vacancies by ED indicates that there are pockets located in the city centre i.e. Charlottes Quay and other locations where there has been extensive development. These locations may coincide with areas where the City Council wants to increase population. However, the priority is to understand the profile of vacancies and how they can be released.

#### 4.4 Housing Regeneration

A key issue and challenge for the City Council is to promote and create balanced and sustainable communities. In particular, the City Council recognises the need for the delivery of quality, modern, social, affordable and private housing with retail/commercial, community and leisure facilities. In addition, the City Council recognises the importance of social inclusion and the need to change the social mix in areas of the city with a large number of local authority dwellings, particularly flats, and develop them as popular areas in which to live and work. The Council has adopted a holistic and strategic approach to regeneration with the key aim being the social and physical regeneration of communities living in the areas.

The Council has identified the need to create sustainable communities and address the underlying causes of deprivation through a combination of social, educational and economic initiatives while rejuvenating the built environment in the following areas:

Fatima Mansions: Phase 1 of the project is complete and Phase 2 is set for completion in December 2009.

	Existing	New
Social	364	150
Affordable		70
Private		395
		615

Other areas identified in need of regeneration include:

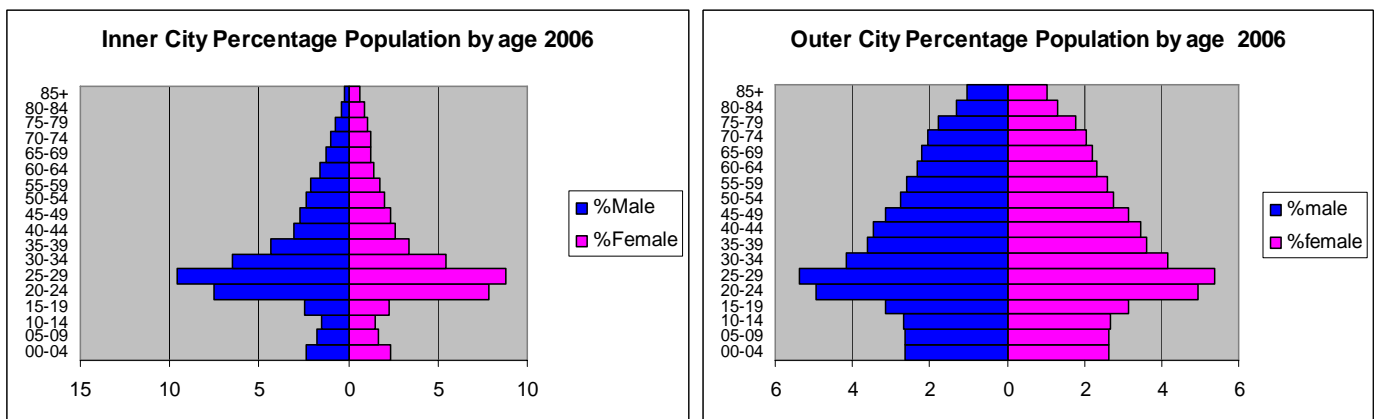
Regeneration	Status
O'Devaney Gardens	Under review

Regeneration	Status
Dominick Street	Under review
Croke Villas	Under negotiation with preferred bidder
Mountainview Court	Assessment of bids being finalised
Bridgefoot Street	At 2 <sup>nd</sup> stage of procurement process
Charlemont Street	Competitive dialogue process
St. Michael's Estate	Under review
St. Teresa's Gardens	At 2 <sup>nd</sup> stage of procurement process
Dolphin House	Feasibility study stage

It is vital that the City Council's Development Plan facilitates the proposed development of the above areas. A core issue that must be addressed is that the zoning of land must be consistent with and support the aims and objectives of a sustainable Regeneration. It should support the provision of a mix of housing and apartment type, size and tenure, together with a sustainable range of community services, employment and public transport.

#### 4.5 Needs of older persons

One in five people in the City Council area are over 55 years old and this proportion is set to increase. Analysis by the City Council suggests that there are more older people living in the outer city than in the inner city.



Source: Internal paper prepared by Dublin City Council, Housing, Housing Strategy and Demography - Issues and Options

The City Council is implementing a long-term strategy on accommodation for older people in the city "A Strategy for Accommodation for Elderly Persons in Dublin City" which essentially provides one bed-room accommodation for elderly people<sup>3</sup>. Given the ageing profile in the city, the following key challenges have been identified:

To continue to provide appropriate social housing for elderly people to meet their changing needs. As people get older, they require more adaptable housing to accommodate their needs. This has implications both in terms of design of new build and ongoing adaptation of housing.

To reflect the preferences and needs of active, aging people in terms of wider planning issues.

The key question is whether older active people have specific and distinct housing preferences that should be factored into the Housing Strategy e.g. number of people who may want to downsize, preferred locations, preferred type of neighbourhood (mixed or homogenous).

There has been little research done to date in Ireland on the housing preferences of older people. Research by the ESRI conducted for the National Council for Aging and Older Persons (NCAOP) suggests that 21% of older people may want to downsize. Research in Scotland indicates the following:

<sup>3</sup> It should be noted that the Council's definition of older people includes everybody over 55.

- The differences in housing priorities between older and younger people are subtle rather than stark. However, as people get older, well-designed kitchens and bathrooms, regular public transport, and accessible shopping assume a relatively higher importance
- The physical quality of housing is the most important factor explaining older people's satisfaction with their housing.
- Neighbours and the wider neighbourhood are very important sources of satisfaction. The age of neighbours is only a slight concern.
- Safety and security are a high priority for older people.
- People who rent are more likely to be dissatisfied with their accommodation.
- The assumption that older people are happier in smaller houses does not hold true. A large house was not a source of dissatisfaction in itself.

The NCAOP is currently developing a strategy for ageing and older people and is reviewing international literature on different aspects of ageing.

#### **4.6 Additional Issues**

The Paper has identified a number of additional issues that need to be addressed:

**Housing needs for people with special needs including application of Part M.** The City Council has already conducted an assessment of its residential services for people with disability and it is committed to implementing these recommendations.

**Implications of the recently published Homelessness Strategy for the City Council.** There is still an undue reliance on temporary and emergency accommodation to relieve homelessness which is inconsistent with the homeless strategy. This includes a commitment that people should not be in emergency or temporary accommodation for more than 6 months. A key issue for the Council is the lack of an implementation strategy and associated resourcing. There is potential scope to consider RAS as an option for accommodating homeless people. In addition, a sustainable approach to homeless provision needs to address issues such as day facilities for homeless people, minimum space standards, rehabilitation where possible, undesirable clustering, and a strategic review of facility location in the metropolitan area.

**Application of national housing policies i.e. Sustainable Communities,** on City Council policy.

**Implications of increased number of non-Irish nationals** on housing policy and practice and in particular the recently published *Developing an Intercultural Approach to Housing Policy and Practice in Ireland* for the City Council's policy and practice.

**Future management and maintenance of private apartments** including potential transfer to community and voluntary/co-operative sector.

To review how the Council currently interacts with **management companies**

Review current approach to crèche provision which requires a **crèche** in every housing development of over 70 units. It is evident that the current approach is not operating as intended with very poor take-up of crèche facilities. They are generally inappropriately located, in areas with low demand, and too small to be commercially viable under current planning. A more holistic and sustainable approach to crèche provision is required that addresses issues such as size, commercial viability, location, mix of child age provision, and management. Crèche provision should also be linked to the wider housing provision in the area rather than just the specific scheme.

The scope to bring into use units developed under the **Living over the Shop Scheme**. To date, there has been little take-up for the units developed under this scheme. It was projected that 1,200 units could be available through this scheme but the actual outturn was only 150 (DoEHLG figures). This still suggests that there may be capacity to bring up 1,000 units into use in the city with the consequent positive effect on the urban environment. Tax incentives for this scheme ceased in July 2008.

The need to review the provision of **traveller accommodation** and implications for the Housing Strategy.

## **5. Summary of the key issues to be addressed in the next Dublin City Development Plan**

1. How should Dublin City Council use its finite resource of serviced residentially zoned land to achieve sustainable compact living?
2. Is the scale of projected increase in households in Dublin City realistic given the recent downturn in housing completions?
3. How should the Housing Strategy respond to the changing demography of the city and in particular the growing concentration of young people living in the inner city with those in the older age groups opting to live in the suburbs?
4. If families are to be encouraged to live in the inner city, can the deficit of family living attractions be addressed to allow the inner city to compete with the suburbs?
5. How best and where should social and affordable housing be provided and should flexibility be introduced in relation to the operation of Part V?
6. How should the high level of vacancy in residential units in Dublin City be addressed?
7. How can the housing requirements of all sectors of society be accommodated to encourage diversity in the City?
8. How should the housing strategy address changes in household size and structure?
9. How should the housing preferences of older people be factored into the housing strategy?
10. How can the Development Plan support the delivery of housing regeneration projects?
11. What is the best way for Dublin City Council to accommodate homeless people?
12. Should the next Development Plan adopt a different approach to the assessment of density to allow more freedom in the use of residential accommodation in the City?
13. How should the housing strategy respond to the significant number of non-Irish nationals living in the city?
14. How can the future management and maintenance of apartments be adapted to make apartment living more attractive and feasible for all sectors?
15. How best can the support facilities such as crèches be delivered in new residential developments?
16. Why has the Living over the Shop Scheme not brought more upper floor residential units into use?
17. How should the strategy address the provision of traveller accommodation in the City?