FEASIBILITY AND VIABILITY IN PLANNING
WEBINAR AGENDA

- **Introduction** – Mary Mac Mahon, IPI
- **Planning policy, development contributions, vacant site levy** – Jerry Barnes, McCabe Durney Barnes
- **Feasibility, viability and affordability at project level** – Paul Mitchell, Mitchell McDermott
- **State led development and viability** – Phelim O’ Neill, Land Development Agency
Planning and development are inextricably linked in the Irish system – basis of planning legislation. Plans are expected to result in development. Development happens by way of projects. Projects become reality only if they are feasible and viable. Development plans and development management are very important factors in determining if a project proceeds, is changed or is abandoned. Planning permission can only be granted in the interest of sustainable development. Sustainable development – has to be environmentally, **economically** and socially sustainable.
NEED FOR ACTIVE LAND MANAGEMENT

During the recession between 2007 – 2012 – land with planning permission was not developed – no investment funding available, land values fell (2010 Planning and Development Act – limited the amount of land zoned but effect not perceptible at time)

Coming out of recession, developers wanted to build 3 bed semi-detached housing

Planning system said no – sustainable development needs to be compact and dense, zoned land values rose, but large scale housing development still did not happen – unlike office development

Government asked why not, developers explained apartments too expensive to build; government responded with two pronged approach - new apartment guidelines in 2015 – carrot approach – land values rose
Stick approach – the vacant site levy in the Urban Regeneration and Housing Act 2015 (to introduce a cost to sitting on development land while land values rose)

Has incentivised land owners to either develop or bring sites to market to be bought by those prepared to develop

LIHAF and Urban Regeneration Funding – unlocking development potential

Vacant site register in 2017 – vacant sites identified – many on state owned land
- Vacant site levy began being applied to sites from 2018 on

State has begun to examine its role as a landowner: the need to provide for stable housing supply to make effective use of state lands and set up the LDA
Feasibility – the state or degree of being easily or conveniently done, accomplished

Feasibility Study – takes into account all of a project’s factors to test the likelihood of a project’s successful outcome. Risk focussed

Viability – Is the project worth undertaking?

Private sector – does it provide sufficient financial returns in a reasonable timeframe?

Public sector – does it provide sufficient economic, environmental and social sustainability returns?

FEASIBILITY AND VIABILITY OF PROJECTS
The Feasibility study is prepared by a multidisciplinary team.

- Planners, architects, engineers, quantity surveyors, legal, financial and other specialists.

A feasibility study is an expensive study to carry out, so only proceeds to that level after a determination that the project is worth investigating.

An initial test looks at the planning factors, an estimation of unit numbers likely to be achieved, the cost of these units and the likely financial return.

Planning risk – unit numbers and length of time to bring project through to permission stage.

THE FEASIBILITY STUDY OF A DEVELOPMENT PROJECT
PLANNING FEASIBILITY STUDY

- Site description, location, availability of public transport, edge conditions
- Zoning, development plan / local plan policy and national policy
- Planning history
- Site specific issues - Conservation, archaeology, landscape designations, flooding, may identify where other expertise needed, e.g. ecologist, arborist
- Car parking
DEVELOPMENT CONTRIBUTIONS

EVALUATION OF ARCHITECTURAL CAPACITY STUDIES (ITERATIVE PROCESS)

EVALUATION OF ENGINEERING REPORTS (WATER SUPPLY, FOUL DRAINAGE, SURFACE WATER, TRAFFIC ISSUES, FLOODING, CONTAMINATION ISSUES)

EVALUATION OF OTHER SPECIALIST REPORTS

RECOMMENDATION
Quantity surveyor – how the development can be built and what costs associated with the build

Legal – title, leases, rights of ways

Conservation – historic value of the building, what needs to be kept, what could be removed

Arborist – what trees need to be retained, presence of Japanese knotweed

Finance – financial appraisal - funding availability, cost of funding, timeframe for delivery
PLANNING REASONS WHY INITIAL STUDIES DO NOT PROCEED

- Project doesn’t comply with the zoning
- The number of units needed to make the project viable is unlikely to get permission
- Policies in the plan may inhibit the level of units on the site for it to be worth developing
- Policies may make the feasibility of the projects too risky – implementation overly uncertain, particularly timing
OTHER PLANNING COSTS ASSOCIATED WITH DEVELOPMENT

- Development contributions (Section 48)
- Development contributions (Section 48 (2)(c))
- Development contributions (Section 49)
- Bonds
- Part V
- Vacant site levy
Purpose of land use planning in Ireland is to produce Sustainable Development

Economic considerations an integral part of Sustainable Development

Sustainable development happens through projects

Development plans, policies and development management decisions influence the economic outcomes of project

The State sector is going to move more deeply into development territory with a large programme of regeneration and housing delivery

An understanding of the economic impacts of planning policy and testing of policy will produce more sustainable outcomes