

Irish Planning Institute

VIABILITY AND FEASIBILITY IN PLANNING

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Current LDA position and progress



- LDA established in September 2018 by Statutory Instrument
- General Scheme of the Land Development Agency Bill published
- Pre-legislative scrutiny by joint Oireachtas Committee complete



- Independent Board of Directors
- LDA fully operational – growing staff of c. 35 by end 2020



- Initial portfolio of 9 sites – with pipeline to grow to 10,000 units
- Numerous planning applications being progressed through established frameworks
- Significant secondary pipeline under consideration
- First cost rental scheme lodged in partnership with DLR County Council

LDA Mandate



- The Government has allocated €1.25bn to permanently capitalise the LDA and to provide a counter cyclical balance to the property market



- Deliver affordable housing delivery incl. new tenure options: **Cost Rental & Affordable Sale**



- Compact urban growth delivering denser city cores through **urban and brownfield regeneration**
- Unlocking development through delivery of infrastructure
- Improving amenity and public realm
- Improving community through engagement, consultation and sustainable development ensuring associated services

“The LDA will act as a key new Government instrument and in line with its mandate, the Agency will act as a national centre of expertise working with and supporting local authorities, public bodies and other interests to harness public lands as catalysts to stimulate regeneration and wider investment and to achieve compact sustainable growth, with a particular emphasis on complex regeneration projects and the provision of affordable housing.”

Affordable housing models

Cost Rental

“mid-market & more affordable, key worker accommodation”

Addressable/ target Market:

- People who don't qualify for social / struggle to afford private market accommodation
- Key workers
- Mid 3 deciles of Irish homes (120,000 households / c. 350,000 people)

Achievable Rents

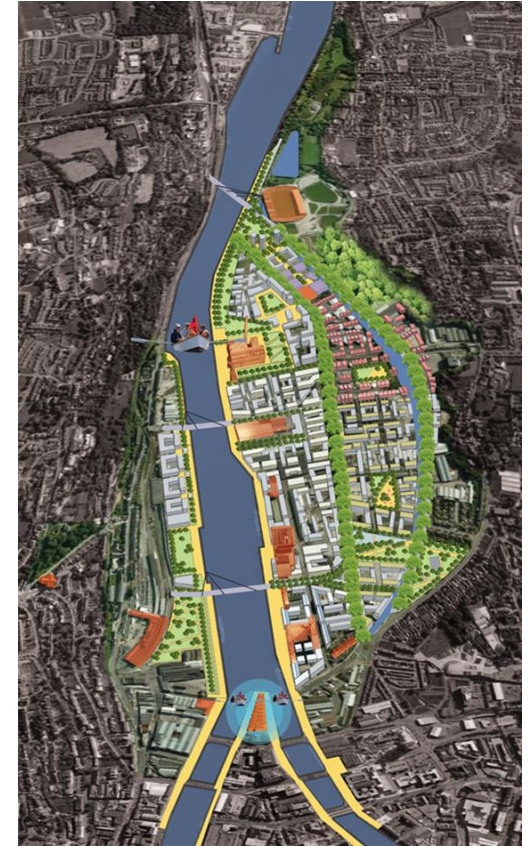
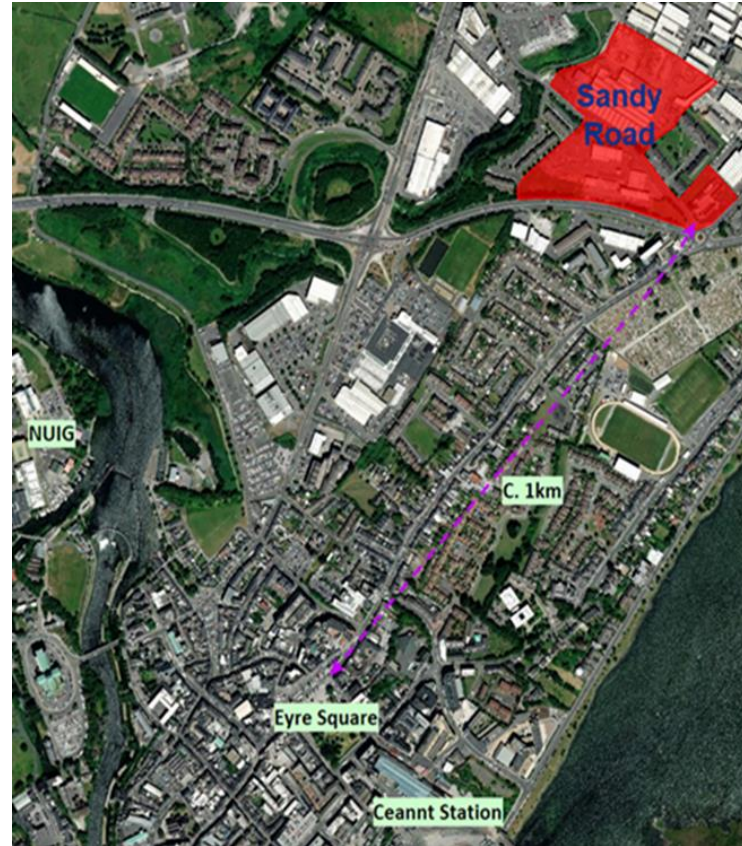
- A function of what they cost to build and operate
- Max of c. 1/3 of net disposable income of qualifying occupiers

Initial Portfolio



Local Authority Partnerships

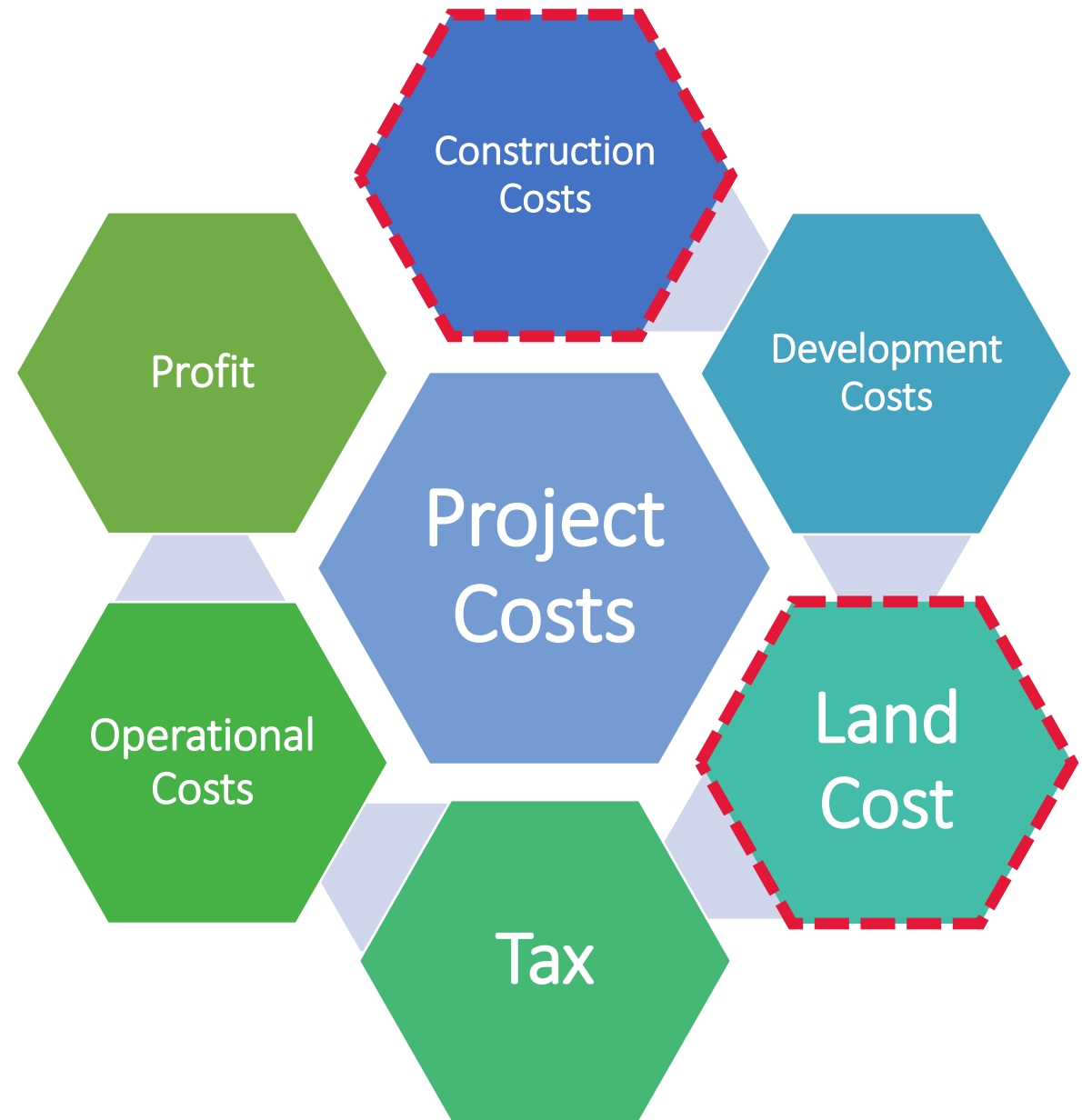
- Shanganagh, DLR
 - Planning lodged January 2020 for 597 units
- Cork Docklands
 - LDA working with CCC to bring forward the Docklands
- Sandy Road, Galway
 - Design review
- Colbert Station, LCC
 - Design review followed by development framework plan



Project Viability & Feasibility

What makes an LDA scheme viable?

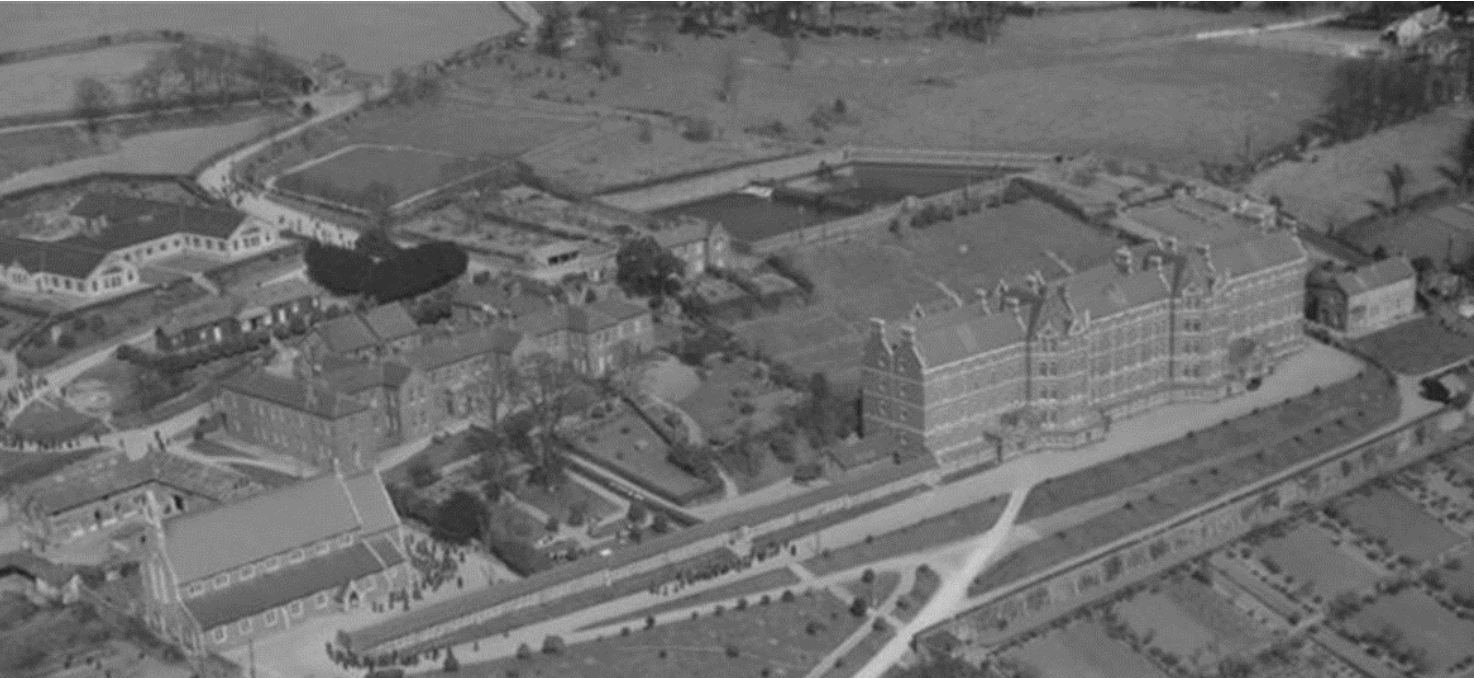
- Scalable
- Fundable
- Sustainable



Construction Costs Drivers

- Typology: Urban/ suburban
 - Apartments v's houses
 - Gross to Net
- Density
 - Suburban density challenge (50/ha)
- Site development works
 - Abnormals
 - External costs
- Cost Centre/ Profit Centre
 - Subvention within the scheme

St Kevin's, Cork





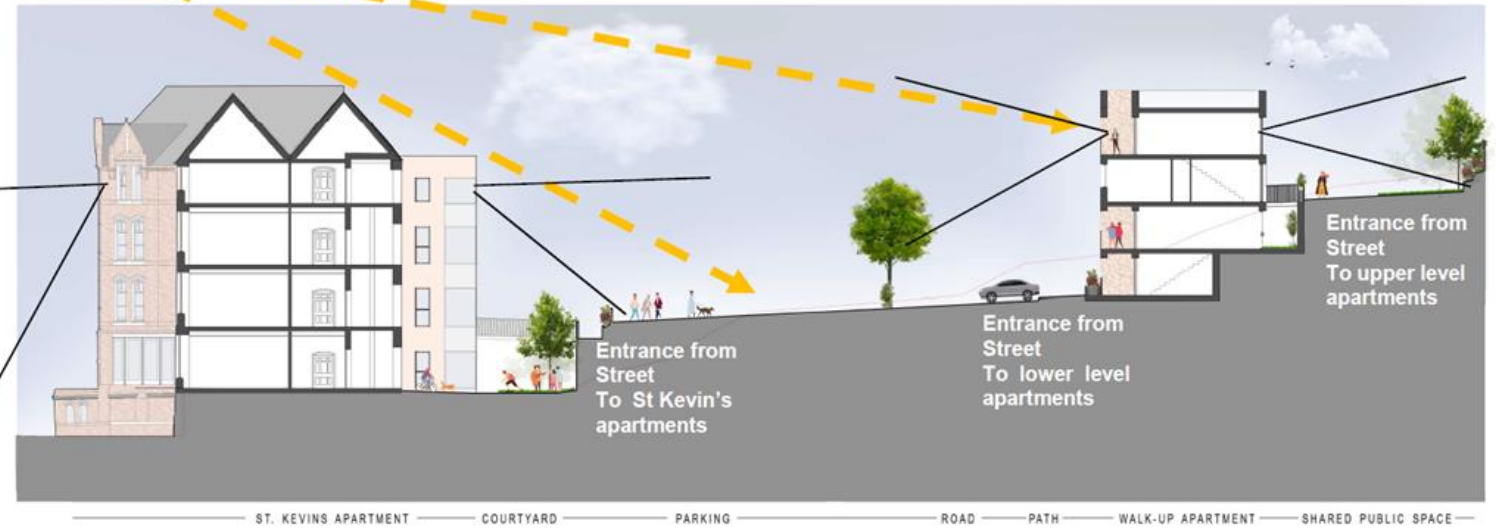
Key Site Sections

The walk up apartments to the rear of St. Kevin's Hospital are set back to allow sunlight into the central homezone court.

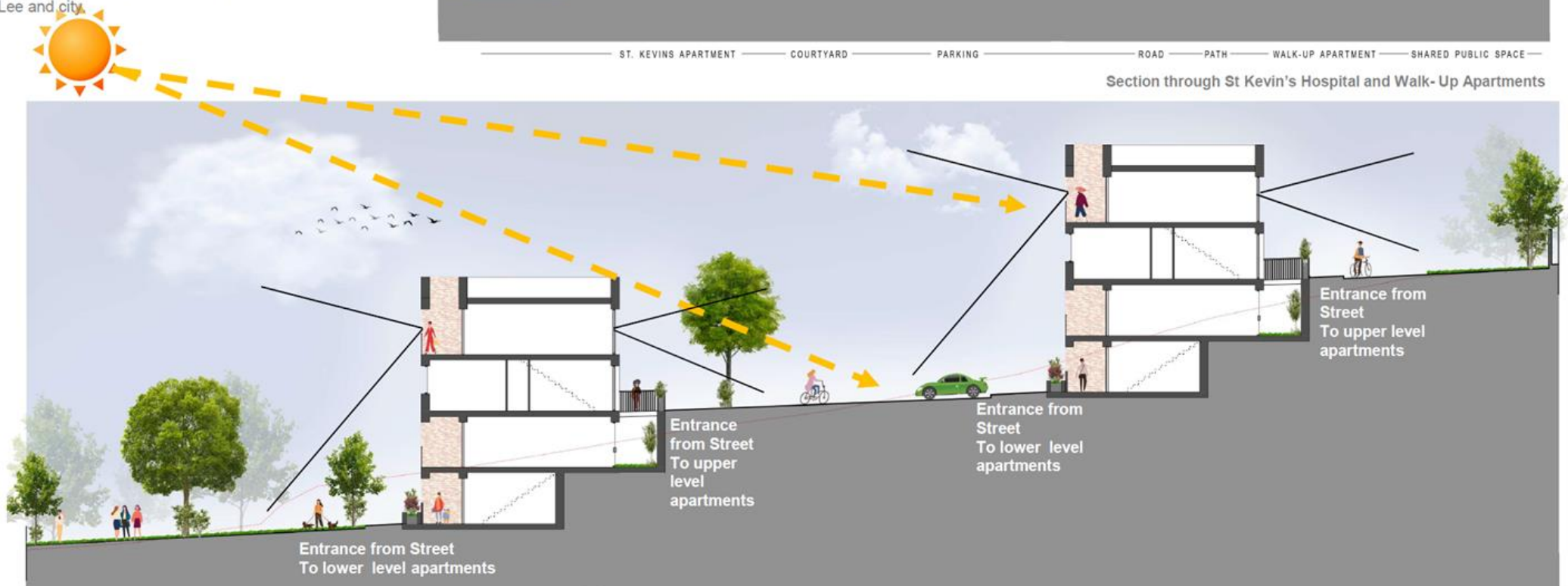
The walk-up apartments using the sloping topography to generate a split level section that enables access to the upper apartments from the northern side and access to the lower apartments from the southern side, and thereby the units provide active frontage to the front and rear of the apartment block.

The walk up apartments are dual aspect and provide passive overlooking of the streets on both sides.

The St Kevin's Apartments are accessed from the homezone/parking area from the north side at first floor level approaching the building via bridges to the new built section which pops out to allow east and west aspect into these apartments on this side. The southern elevation of the St Kevin's apartments is the retained façade with its historic southerly aspect and views over the river Lee and city.



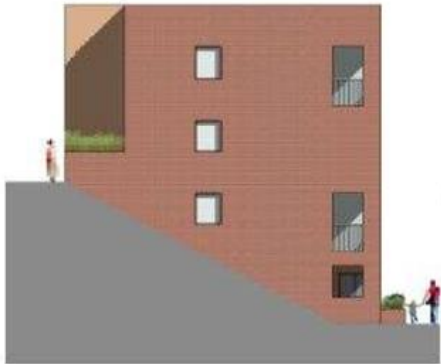
Section through St Kevin's Hospital and Walk-Up Apartments



Section through Walk-Up Apartments



East Elevation_scale 1:200



West Elevation_scale 1:200



Section AA_scale 1:200



Land Costs

Development v's Land Speculation

- Land values fluctuate greatly through peaks and troughs
 - Most volatile and speculative element on the viability model
- The greatest increase in value is achieved at the early stage when land is zoned, and this uplift in value goes to the landowner, without anything required towards infrastructure.

Public decisions on zoning a site often confers unduly large benefits on the landowners (NESC 2018).

- Current model rewards land speculation not development & construction
- Appropriate value created through zoning needs to be retained which will reduce volatility and improve affordability
- The retained value may be deployed to deliver:
 - Infrastructure/ affordable accommodation/ transport initiatives/ wider public amenity

Conclusion

- Viability is key to sustainable & scalable development
- Tackling the suburban density challenge will aid viability and should increase delivery
- Value capture to deliver public gain would be a 'game changer' – but must be delivered
- Steady supply to serviced, zoned lands will improve viability & stability of residential delivery

Thank-you for
your attention



Ghníomhaireacht Forbartha Talún
Land Development Agency