

# Rebuilding Ireland

**Solid foundations or hollow promises for housing?**

Report on an Engineers Ireland West Region  
public panel discussion on housing

November 2016

## **1. Introduction**

On Tuesday, 22<sup>nd</sup> November, Engineers Ireland West Region hosted a public panel discussion entitled ‘Rebuilding Ireland: Solid foundations or hollow promises for housing?’. The panel featured speakers from diverse areas of the housing sector: Brian Coyle (Coyle Kennedy Chartered Consulting Engineers), Martin O’Connor (COPE Galway) and Gerard O’Toole (Tuohy O’Toole & Society of Chartered Surveyors in Ireland). The event was chaired by Dr. Jamie Goggins (Chairperson, Engineers Ireland West Region) and organised by Dr. Richard Manton (National University of Ireland Galway). The discussion included contributions from engineers, other construction professionals, property managers, local politicians, members of civil society organisations and community activists.

The discussion took place in the context of the Government’s new housing strategy, *Rebuilding Ireland – an Action Plan for Housing and Homelessness*, the headline aims of which are to double housing construction to 25,000 per year, deliver 47,000 social housing units by the end of 2021 and tackle homelessness. The Government has committed €5.35 billion for the delivery of social housing. According to the strategy, rent will be moderated and security, quality and choice of tenure for rental sector will be promoted. The affordability gap for house purchasing will also be addressed, while ensuring housing’s contribution to sustainable economic growth. The plan also targets a speeding up of the planning process whereby, for example, large applications will now be made directly to An Bord Pleanála.

The remainder of this report sets out an overview of the key themes raised by the invited panel and contributors from the audience; it is not a comprehensive record of all contributions made. The contents of the report do not necessarily reflect the official opinion of Engineers Ireland West Region. Neither Engineers Ireland West Region nor any person acting on its behalf may be held responsible for the use which may be made of the information contained herein.

## **2. Key themes**

### **2.1 Housing crisis**

Homelessness and rough-sleeping – the most urgent and visible manifestations of the Irish housing crisis – represented the backdrop to this event and was a running theme through the discussion. In Ireland, 6,847 people are now homeless and it is expected that 2,500 children will be homeless this Christmas [1]. In Galway City, the image of four people sleeping rough outside a city hotel in recent weeks shocked the local population. Martin O’Connor, Assistant CEO of COPE Galway, opened the discussion by describing the experience of front-line homeless services. He said that the number of homeless families in

Galway has doubled in the last two years and there are now at least 20 rough-sleepers on the city's streets, for a variety of reasons:

***“For some, homelessness is due to personal circumstances, but for others it relates directly to the housing system”***

This situation, he said, is the inevitable consequence of a lack of housing supply and a lack of availability and affordability in the private rental market. Representatives from the Galway Housing Action Group and Galway Traveller Movement also spoke about housing's role in community, equality and social inclusion.

While the work of housing and homelessness charities and voluntary groups came in for widespread praise, some speakers were dismayed that these groups had to be relied upon. They called on the Government to do far more to alleviate the housing crisis and resolve the connected problems of housing availability and affordability. It was felt that the public should not have to face these problems in the midst of an economic recovery and John Moylan (SIP Energy) noted:

***“We survived the recession, but are in danger of not surviving the recovery”***

Gerard O'Toole, Tuohy O'Toole Estate Agents, Auctioneers and Valuation Surveyors, pointed out that the acute shortage of housing is essentially due to a lack of investment publicly and privately in recent years - this, he said, is “a collective failure of policy, planning and the market”.

## **2.2 Rebuilding Ireland**

It was in this context that the discussion turned to the recently-launched Rebuilding Ireland Action Plan [2]. The plan was broadly welcomed as comprehensive and detailed, although there were significant reservations surrounding delivery. These reservations could be summarised as comprising three areas: (i) adherence to delivery, (ii) speed of delivery, and (iii) mode of delivery.

Firstly, some attendees simply did not believe the Government to be sincere about the delivery of these plans. This was primarily based on lack of trust arising from a lack of delivery in the past, recent experiences of austerity, the (in)stability of the current Government and the politicisation of infrastructure delivery. Furthermore, external forces will have a significant impact on Government's ability to deliver the programme. According to Gerard O'Toole, the projected fall in GDP as a result of Brexit

***“will have a very significant impact on exchequer returns and the government's spending commitments. When one considers health, education and public sector pay rises, one has to begin to question the ability of the government to deliver on its promises under this plan.”***

Secondly, there were concerns regarding the speed of delivery, especially of social housing, in the context of the current crisis. For example, Martin O'Connor observed:

***“The Rebuilding Ireland plan is comprehensive, but it needs to stick to targets. We need the commitment of 47,000 social houses to be delivered sooner rather than later.”***

Speedy delivery is vital for the growing number of homeless people with complex issues, such as mental health, he added. However, speed of delivery (at least for new builds) raises complex questions of the planning system, of building standards and of financing; these issues are discussed in more detail below.

Finally, the mode of delivery was challenged in the discussion, centring on the role of the private sector in the provision of social housing. During the recession, the number of households on the social housing waiting list in Galway City more than doubled to 4,700 – or one in six households [3]. To meet this demand, the plan includes very significant use of Housing Assistance Payments (HAP) to private landlords. Cllr. Colette Connolly (Independent) said that the plan is “fundamentally flawed” arguing that housing should be a democratic right, fundamental to health, and that there should not be such reliance on the private market.

The remainder of the discussion was diverse in nature and included, for example, rent prices and the lack of rent certainty, tenure, evictions, the role of Real Estate Investment Trusts, house prices and the Central Bank mortgage lending rules. Yet there was a strong emphasis and depth to the discussion on the importance of, and challenges facing, new builds. For this reason, the topic of new builds is explored in greater detail below.

### **2.3 Challenges facing new builds**

*Rebuilding Ireland* targets the construction of 25,000 new homes per year by 2021 and while there has been an 18% increase in housing completions, only 13,000 were built in the last year [4]. Galway is one the best performing ‘markets’ outside Dublin, yet just 15 of the houses sold last year were new builds.

Brian Coyle, Coyle Kennedy Consulting Engineers, discussed the responsibility of engineers in the delivery of quick, affordable and quality housing; however, this can be very challenging. He noted that:

***“Development on existing well located, serviced and zoned land will help to deliver housing quicker and residential zoning and/or developments should not occur on flood plains.”***

Coyle called on architects and engineers to be conscious of the ongoing maintenance cost of developments and said that good design should result in a development that is as maintenance free as possible. For example, for social and affordable housing, flat roofs should be avoided as they require ongoing maintenance and most membranes will have to be replaced after circa 15 years.

Coyle's introduction sparked a discussion on some of the specific challenges facing new builds which could be summarised as follows: (i) cost and financing, (ii) planning, and (iii) building standards. An overview of each of these areas is provided below.

### **2.3.1 Cost and financing**

The Society of Chartered Surveyors conducted a poll of its members on the reasons for low levels of house completions and found the major issues to be cost and the lack of development finance. However, construction costs (including estate roads and services) comprise less than half of overall cost, which a subsequent SCSi report [5] found to be €150k or 45% of overall cost (3-bed semi-detached house in the Greater Dublin Area). Non-construction costs include: land and acquisition (17%), VAT and levies (16%), margin (11%), finance (6%), sales and marketing (2%) and professional fees (2%).

Gerry Farrell, Chief Executive of the Irish Concrete Federation took issue with Minister Coveney's announcement that an independent audit of house building costs, including concrete prices, will be undertaken. He pointed to Irish Concrete Federation research which showed that:

***“The value of stone and concrete products contribute approximately 5% to building cost of a typical 3 bed semi-detached house in Dublin.”***

He added that Dublin concrete prices are substantially lower than London, regional UK, Paris, Berlin, Amsterdam, Madrid and Copenhagen.

In this context, access to development finance and the cost of taxation become all the more prescient. For example, Gerard O'Toole suggested the government reduce levels of VAT and levies on new builds. Brendan Mulligan, Chartered Engineer, suggested that, given the limited availability of capital from the banks currently, the Government investigate the feasibility of introducing housing bonds to enable sufficient funds to be raised to finance the increased level of construction proposed. This suggestion was well received by those in attendance.

### **2.3.2 Planning**

A very interesting discussion on the Irish planning system ensued. Firstly, speakers expressed frustration at current levels of bureaucracy involved in planning, identifying this as the primary reason for the lack of speedy delivery of housing projects. Brian Coyle called on the planning system to embrace a proactive approach in delivering a planning outcome, noting that:

***“A speedy planning outcome is important. Considering that there is normally pre-planning meetings with officials there should be little or no need for an encyclopaedia of further information on each development as it results in the delay and delivery of the development. This results in additional cost to the purchaser.***

John Moylan said that public calls for increased supply are being met with bureaucratic planning obstacles and that the industry is probably only running at 50% capacity, house-wise. The planning process could therefore be streamlined through proper resourcing and greater prioritisation.

Secondly, several points were made on the need for more sustainable planning and land use. In particular, higher density developments within urban areas, close to good public infrastructure are required. However, with density must come quality and contributors noted the poor public realm and lack of connectivity in many Celtic Tiger era projects. These issues are particularly relevant for Galway City where mixed-use developments have been mooted for the heart of the city, including the Galway Harbour and Ceannt Station lands and the Eyre Square East Quarter.

Planning should embrace a community approach, whereby homes and communities – and not just houses – are built. In this sense, planners should consider the suitability of housing and recognise changing demography and the specific needs of ageing populations, young families, students and the Traveller community. Such an approach could also include alternative housing models, such as ‘co-housing’, which are common in other European countries.

### **2.3.3 Building standards**

A strong emphasis was placed on the importance of building standards and Building Control Regulations, in particular. While the knee-jerk reaction could be to deliver large housing quantity with poor quality, this must be avoided if we wish to avoid the repeat of disasters such as Priory Hall and the many poorly-built homes during the Celtic Tiger years. Furthermore, the mounting environmental crisis shows the need to move beyond minimum standards and design and construct in accordance with recognised sustainability standards and promote sustainable behaviour.

Dr. Jamie Goggins, chairperson of Engineers Ireland West Region, highlighted the mandatory requirement for all new buildings constructed after 2020 (as well as those receiving significant renovation) to be nearly zero energy buildings. He said:

***“We need to be planning and building more energy-efficient, cost-effective, healthier and comfortable homes today rather than just meeting current minimum standards. The mandatory nearly zero energy building (or ‘NZEB’) standards will need to be met for all publically funded buildings from the start of 2019, at the latest, and for all privately funded projects 2 years later.”***

Finally, design standards relating to universal accessibility ensure that vulnerable people are not excluded from new buildings and communities.

## 2.4 Beyond Rebuilding Ireland

It was widely acknowledged that the *Rebuilding Ireland* timeframe is simply too short and that the housing crisis will not be solved in 4-5 years. Numerous speakers called for the delivery of critical infrastructure, such as housing, to move away from short-termism and electoral cycles. There appeared to be consensus that a 20 year strategic vision and implementation plan is required to address housing needs in this country.

Summarising the event, Dr. Jamie Goggins noted:

*“There are some ‘solid foundations’ to this plan; however, the audience here tonight is clearly concerned that these targets could become ‘hollow promises’ for housing.”*

## 3. Conclusion: Engineers and public discourse

The purpose of the ‘Rebuilding Ireland: Solid foundations or hollow promises for housing?’ panel was to enable a public discussion on one of the most important challenges facing our society. Participants’ considered contributions, harrowing experiences and significant expertise added greatly to the event and the authors would like to acknowledge the invited speakers and everyone who contributed to the discussion. This report, while necessarily limited to overview, is a testament to the value of public discussion and diversity of opinion. It is an indication of the potential for such events – which Engineers Ireland West Region intends to continue to organise into the future.

## 4. References

[1] Department of Housing, Planning, Community & Local Government (2016). Homelessness Report October 2016. Available at: [http://www.housing.gov.ie/sites/default/files/publications/files/homeless\\_report\\_-\\_october\\_2016.pdf](http://www.housing.gov.ie/sites/default/files/publications/files/homeless_report_-_october_2016.pdf) [Accessed 29<sup>th</sup> November 2016].

[2] Government of Ireland (2016). Rebuilding Ireland – Action Plan for Housing and Homelessness. Available at: [http://rebuildingireland.ie/Rebuilding%20Ireland\\_Action%20Plan.pdf](http://rebuildingireland.ie/Rebuilding%20Ireland_Action%20Plan.pdf) [Accessed 29<sup>th</sup> November 2016].

[3] Connacht Tribune (2016). Minister queries over delay in building social housing, 11<sup>th</sup> October 2016. Available at: <http://connachttribune.ie/minister-queried-over-delay-in-building-social-housing-059/>

[4] Department of Housing, Planning, Community & Local Government (2016). Construction activity – completions. Available at: <http://www.housing.gov.ie/housing/statistics/house-building-and-private-rented/construction-activity-completions> [Accessed 29<sup>th</sup> November 2016].

[5] Society of Chartered Surveyors Ireland (2016). The Real Cost of New House Delivery. Available at: [https://www.scsi.ie/documents/get\\_lob?id=885&field=file](https://www.scsi.ie/documents/get_lob?id=885&field=file) [Accessed 29<sup>th</sup> November 2016].