3: Pathway to increasing new housing supply

The current context:

Ireland needs an average of 33,000 housing units to be built per year until 2030. Currently, approximately 20,000 housing units per year are being built. The current lack of supply is leading to significant housing demand.

The pathway to more homes also requires more people working in the construction sector. An estimated 40,000 workers are involved in delivering 20,000 housing units per annum. An additional 27,000 workers are estimated to be needed to build 33,000 housing units per annum.

To meet the number of housing units required to support a population increase of one million people by 2040, increased housing output is needed across all tenures – private (purchase and rental), affordable (purchase and rental) and social.

There are 70,000 to 80,000 non-activated planning permissions across the country, with 40,000 of these in the Dublin area. Some non-activation is due to viability issues, where the cost of building makes it uneconomical to build.

Key actions in Housing for All:

- 33,000 new housing units per year, on average, over the next ten years. Of these, over 10,000 will be social homes and 6,000 affordable homes (4,000 for purchase and 2,000 through Cost Rental).
- Over €4 billion per year in State investment in social and affordable homes.
- State lands will provide up to 15,000 housing units, and the State will fund Local Authorities for land acquisition.
- Introduce new planning arrangements for large scale residential developments involving 100 housing units or more, or student accommodation developments comprising 200 bed spaces or more to replace Strategic Housing Developments.
- Introduce Land Value Sharing to ensure sharing of the increase in land values resulting from zoning decisions. The proportion secured by the State will be channelled into local infrastructure to support development, including social and affordable housing, where it will create most value for the community.
- Establish Urban Development Zones (UDZs) in areas identified as having significant potential for housing development. UDZs will provide a coordinated, plan-led approach to the delivery of residential and urban development. The required supporting infrastructure costs should be known well in advance of developers submitting planning applications.
- Establish a new ‘Croí Cónaithe’ (Cities) Fund to speed up the activation of planning permissions that have yet to commence. The fund will apply mainly in city areas and will be aimed at developments over a certain height/density

threshold. The scheme will ensure that such developments can be built at lower cost, for sale to owner-occupiers.

- To reduce delays in the planning system, the judicial review process relating to the planning process will be reformed and a new Division of the High Court will be established to hear planning and environmental cases.
- A Planning Advisory Forum will be established, with wide stakeholder membership, to input to the evolving policy and legal agenda in the area of planning.
- Introduce a new tax to activate vacant lands for residential purposes, to replace the Vacant Site Levy.
- Encourage increased skills and capacity in the construction labour force so that it can deliver 33,000 housing units per year, including implementation of the 'Action Plan on Apprenticeships 2021 – 2025' and the 'Building Future Skills' report.
- Implement the actions in the *Building Innovation* Report to increase innovation and output in the construction sector.
- Ensure that the construction sector is supported to innovate in terms of construction methodology and technology through the establishment of the Construction Technology Centre by Enterprise Ireland with a priority focus on residential construction.
- Modify employment permit schemes as necessary to attract the required numbers of construction employees.
- Conduct trade fairs internationally to attract workers to Ireland, and waive costs associated with Covid-19 quarantine, where necessary.
- Leverage additional funding up to €750 million, as required, through Home Building Finance Ireland (HBFI).
- Lead communication and engagement with institutional investors, including tradeshow events, to communicate policies and encourage sustainable investment in residential accommodation.

The expected outcomes:

- An average of 33,000 homes, per year, will be built. Of these an annual average of 10,000 social homes and 6,000 affordable homes (4,000 for purchase and 2,000 for rent) will be provided.
- The construction workforce shortage will be addressed through actions such as implementation of 'The Action Plan on Apprenticeship 2021-25'. That plan contains a commitment to increase apprenticeship registrations to 10,000 per year, almost double the 2020 intake.
- Greater housing supply will be activated, including by the activation of existing planning permissions for certain build-to-sell apartment developments through the new Croí Cónaithe (Cities) fund and the new tax to activate vacant lands for residential purposes. Regeneration and development will be integrated into the planning process through the establishment of UDZs.

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