



Wicklow County Housing Strategy



WICKLOW COUNTY HOUSING STRATEGY 2010-2016

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1. Introduction

1.1 Statutory Background

This document sets out Wicklow's Housing Strategy for the period 2010 – 2016, which is the lifetime of the new Wicklow County Development Plan.

The preparation of a Housing Strategy is a requirement under the Planning and Development Acts 2000-2006. Section 94 of the Act requires that each Planning Authority shall include in any development plan it makes a strategy for the purpose of ensuring that the proper planning and sustainable development of the area of the development plan provides for the housing of the existing and future population of the area in the manner set out in the strategy. The Housing Strategy must include an analysis of demand and supply for the different sectors of the housing market, forecast future needs and shortfalls and propose objectives to balance demand with supply in a sustainable manner.

In accordance with Section 94(1)(e) of the Act, this housing strategy has been prepared as a joint strategy between Wicklow County Council, Bray Town Council, Wicklow Town Council and Arklow Town Council. Reference to the "planning authority" or "housing authority" throughout this document should be read as a reference to the four local authorities in the County.

The procedures for the preparation of a Housing Strategy are set down in the Act. In particular, the Act specifies that the Housing Strategy will:-

- Estimate the existing and likely future need for housing in the area, and ensure that sufficient zoned and serviced land is made available to meet such needs;
- Ensure that housing is available for persons who have different levels of income;
- Ensure that a mixture of house types and sizes is developed to reasonably match the requirements of the different categories of households, including the special requirements of elderly persons and persons with disabilities;
- Counteract undue segregation between persons of different social backgrounds;
- Provide that as a general policy a specific % (not exceeding 20%) of the land zoned in the Development Plan for residential use, or for a mixture of residential and other uses, shall be reserved for those in need of social or affordable housing in the area.

Thus the Housing Strategy encompasses both the role of the Authority as the provider of social and special housing and its broader land use planning responsibilities.

1.2 Context

In the drafting of this Housing Strategy, regard was had of the following national, regional and local documents:

- National Spatial Strategy 2002-2020 (NSS)
- National Development Plan 2007-2013
- Regional Planning Guidelines for the Greater Dublin Area 2004-2016
- The Planning Acts 2000-2006
- Part V of the Planning and Development Act 2000 – Guidelines for Planning Authorities (DoEHLG 2000)
- The previous Wicklow Housing Strategy 2004-2010
- Wicklow Local Area and Town Plans

1.3 Review of the previous Housing Strategy

The 2004-2010 Housing Strategy comprised four principal elements:

- To ensure that sufficient zoned and serviced land is available in designated development centres and other settlements within the County to accommodate the estimated housing requirements of such settlements during the currency of the Plan;
- To require that 20% of any land developed for residential use or for a mixture of residential and other uses be provided for social and affordable housing (this includes lands that come within the remit of Part V and unzoned lands);
- To implement Part V of the Planning and Development Acts 2000-2006 and in particular, 20% of any land developed for residential use or for a mixture of residential and other uses shall be made available for the provision of social / affordable housing;
- To provide directly for social and affordable housing solutions through its own house building programme, assistance to other agencies and individuals, acquisition of dwellings and other special programmes.

In these regards:

- Local Area Plans and Town Plans have been adopted for all significant settlements in the County¹, all of which have included sufficient zoned residential lands (with an additional 'headroom' of 30%-50%) to meet the needs of the existing and future population of that settlement (in accordance with the population targets and settlement strategy set out in the 2004 County Development Plan). The servicing of these residential lands has been prioritised by Wicklow Local Authorities in the services investment programmes;
- All new housing developments on unzoned lands that fall outside Part V requirements but fall within the existing policy requiring delivery of social / affordable units have been required to deliver 20% of the development for affordable housing;
- All new housing developments that fall within Part V requirements have been required to designate 20% of the development for social and affordable housing;
- The Local Authority house building and acquisition programme has continued to deliver new social and affordable units

During the 4-year period 2005-2008, a total of 983 units (718 Social Rented Units and 265 Affordable Units) have been delivered through construction and acquisition by Wicklow Local Authorities and Part V.

1.4 Approach

The approach to this task depends on a number of factors. Availability of relevant data is a major consideration in determining the precision and reliability of any analysis. Equally, the depth of the analysis depends on methods currently adopted for assessing "social" housing needs within the County. The structure of the analysis however is flexible and allows for the introduction of new or updated information that may become available during the course of implementation. Such flexibility will be required over the life of the development plan in order to take account of changing circumstances.

The approach adopted is summarised below:

- Project the number of expected household formations in the County for the period from 2010-2016. This involves an analysis of population growth and trends in household size. Together these factors are combined to generate a forecast of household numbers over the life of the development plan. This analysis culminates in the data presented in Table 2.2D;

¹ Other than Blessington

- Project the levels and distribution of household disposable incomes across these households over the period in question. This involves the application of available national income data to Wicklow and the characterisation of different income groupings across households within the County. This analysis culminates in the data presented in Table 3.2C;
- Assess housing affordability in the County over the period, based on the income projections made. This analysis is set out in Table 4.0A;
- Project the levels and distributions of house prices over the period (Section 5). A distribution of house price bands is then constructed which is matched up with the above-mentioned affordability bands. This analysis culminates in the data presented in Section 6 – Conclusions.

1.5 Methodology and data sources

In preparing the strategy, reference was made the following guidelines and data sets:-

- Department of the Environment, Heritage and Local Government guidelines – “Part V of the Planning and Development Act 2000 – Housing Supply – A Model Housing Strategy and step-by-step guide”, December 2000;
- CSO Census data;
- Department of the Environment, Heritage and Local Government and CSO regional population projections;
- Department of the Environment, Heritage and Local Government data on house completions;
- CSO income data;
- House price data from the Permanent/TSB’s Index of House Prices. This index is based on monthly mortgage sales in the Republic of Ireland which allows the company to compile comprehensive representative data on house prices and their movement. Permanent /TSB has a market share greater than one-fifth of residential lending. This Index has been developed in conjunction with the Economic and Social Research Institute (ESRI);
- Research commissioned by Wicklow County Council and carried out by Mary Doyle of HJByrne Valuers and Surveyors on house sales in County Wicklow in 2007.

Where data was available on a national basis only, enabling assumptions were necessarily made regarding how - if at all - the position in Wicklow departed from national trends. In all cases where standard national projections (either in population, incomes or prices) were used, care was taken to make whatever adjustment might render the data-set more appropriate to the particular circumstances of Wicklow. Notwithstanding this issue of the application of (adjusted) national data to the County specific context, a principal concern throughout the preparation of this strategy has been that all available data-sets should be identified and accessed, and that any inference or interpretation drawn from that data should be clearly stated, well reasoned, and well founded.

In relation to house price data in particular, the Planning Authority has constructed its own forecasts of house price trends. Due to the instability and fluctuations in the economy and the housing market at the time of drafting this strategy, it is not possible to source predictions upon which there is consensus. Therefore a number of different forecasts are made, but in order to make the analysis robust, the ‘best case’ scenario (in terms of housing affordability) is utilised for the analysis.

Furthermore, the most recent forecasts with regard to the growth of disposable income from the ESRI are now outdated (May 2008). There are no other verifiable or robust sources available and predictions have been made by the Planning Authority. . Again, a number of scenarios are postulated, and the ‘best case’ position is used for analysis.

2. Estimating housing demand

2.1 Population Trends

County Wicklow is located in the most rapidly growing region in Ireland today (Mid-East Region comprising the Counties of Kildare, Meath and Wicklow). However, the rate of population growth in the County has not kept pace with other counties in the region. Its population has increased from 114,676 in 2002 to 126,196 in 2006, an increase of just under 11,654 people (Table 2.1A). This equates to a growth rate of 10.04%. This rate of growth is significantly below the growth rate in the other counties in the region as shown in Table 2.1B.

Table 2.1A: Population 1991-2006

Year	Population	% change
1991	97,265	
1996	102,683	5.6%
2002	114,676	11.7%
2006	126,196	10.04%

Source: CSO Census of Population 1991, 1996, 2002, 2006

Table 2.1B: Growth rates in GDA 2002-2006

County	% change
Region	15.2%
Kildare	13.7%
Meath	21.5%
Wicklow	10%

Source: CSO Census of Population 2002, 2006

An analysis in the pattern of change in the age structure of the County since 1996 shows that there has been a decline of persons in the 0-24 age group in the County from 42% in 1996 to 36% in 2006. This is likely to have an impact on the rate of 'indigenous' household formation over the strategy. There is also a trend towards a greater proportion of the County's population in the older cohorts (55 years+).

Table 2.1C: Percentage of Persons in each Age Group, 2006

Year	0-14	15-24	25-39	40-54	55-64	65+
2006	22%	14%	24%	20%	10%	10%
2002	23%	15%	23%	20%	9%	10%
1996	25%	17%	22%	19%	8%	10%

Source: CSO Census of Population 1996, 2002, 2006

The breakdown of the household structure can be summarised as one person, two or more family units, non-family households, two or more non-related persons, couples with no children and couples with children, and lone parents with children.

In Wicklow the number of family units comprising couples (married / cohabitating) with children has remained constant at 41% - 42% between 2002 and 2006. Interestingly, while the proportion of households in the State with 3 or more persons has decreased between 2002 and 2006 (from 53% to 51%), the number of 3+ households in Wicklow has increase over the same period from 44% to 48%.

Table 2.1D: Percentage of Persons in each Age Group, Co. Wicklow 2006

Household composition	2002	2006
1 person household	18%	19%
Husband and wife	14%	15%
Cohabiting couple	4%	5%
Husband and wife with children (any age)	39%	35%
Cohabiting couple with children (any age)	3%	6%
Lone mother	9%	10%
Lone father	1.5%	2%
Other	11.5%	8%

Source: CSO Census of Population 2006

The demographic trends in the County have implications for the Housing Strategy. Clearly there is a requirement to ensure the provision of additional housing to meet the forecast demand and in Wicklow, given the high proportion in the 25-39 range and the high proportion of households with 3 or more persons, it would appear that the housing strategy will need to focus on the 1st time buyers, particularly those with young / expanding families. While household sizes overall will be falling over the strategy period, this is largely attributed to 'empty nesters' rather than falling fertility amongst those in the 25-39 age group. This will require a policy approach that favours the development of medium sized units (2-4 bedrooms).

2.2 Household Growth / Household Size

There has been a strong rate of household growth in County Wicklow between 1996 and 2006, with both intercensal periods showing an increase of around 17%.

Table 2.2 A: Number of households and household size, Co. Wicklow

Year	1996		2002		2006	
	Number of households	Average household size	Number of households	Average household size	Number of households	Average household size
	31,134	3.22	36,572	3.06	42,870	2.89
Increase			+6,298		+5,438	
% Increase			+17.2%		+17.5%	

Source: CSO Census of Population 1996, 2002, 2006

The Central Statistics Office published new projections for national population growth in April 2008 and regional population growth in December 2008. These publications outline a number of growth scenarios up to 2026, making different assumption about fertility, mortality and international migration. A total of eight different scenarios are identified in the national projections and four scenarios for the regional projections, with the total population projected in the mid-east region up to 2021 ranging from 629,000 to 746,000 (from 475,362 in 2006).

These **projections** were evaluated by the Spatial Policy Unit of the Department of the Environment, Heritage and Local Government, which published new regional **targets** in January 2009. It is important to note that the CSO projections do not take account of NSS policy, which aims to achieve more a more balanced growth across the Country through coordinated implementation of NSS principles. Therefore the regional population targets set out in the DoEHLG's document are based on a view of future development trends which are significantly influenced and driven by the NSS and thus differ in concept and practice from the CSO projections. Furthermore, the DoEHLG regional targets differ from the CSO projections in that they set out population breakdowns at 2010, 2016 and 2022. These dates are in line with the 6-yearly cycle for the review of the RPGs.

Table 2.2B: DoEHLG Regional Population Targets 2010, 2016 and 2022

	2008	2010	2016	2022 (low / high range)
Border	492,500	511,000	552,700	595,000 - 611,400
Dublin	1,217,800	1,256,900	1,361,200	1,464,200 - 1,504,500
Mid-east	514,500	540,000	594,600	639,700 - 657,200
Midland	266,800	275,600	297,300	317,100 - 325,800
Mid-west	371,900	383,800	427,200	462,300 - 475,000
South-east	487,800	507,900	542,200	580,500 - 596,500
South-west	644,600	667,500	737,100	795,000 - 816,900
West	426,100	442,200	484,700	521,400 - 535,700
State	4,422,000	4,584,900	4,997,000	5,375,200 - 5,523,000

Source: Department of the Environment, Heritage and Local Government, 2009

The distribution of this population target across the three mid-east region counties will be determined in the new RPGs for the GDA, that will not be published until 2010. However the draft RPGs will be on display during 2009 and will give a strong indication of how this population will be distributed, but these figures are not available for this draft Strategy.

This draft Strategy must therefore be framed in the absence of these final allocations. It is assumed however that the RPG strategy will endeavour to redress the population imbalance between Wicklow and the other counties in the mid-east region and attempt to increase Wicklow's share in the region's population. In this regard, population projections in this draft plan are based Wicklow's share in the region's population returning to 2002 levels by 2016 (27.8%) and increasing further to 28.8% by 2022.

As it is an overriding aim of the County Development Plan and Housing Strategy to be consistent with the RPGs, it is intended to update this strategy during the adoption process to incorporate the RPG figures when they are available.

Table 2.2C: Wicklow Population Targets 2016 and 2022

Year	2002	2006	2016	2022 (low / high range)
Mid - East	412,625	475,362	594,600	639,700 - 657,200
Wicklow	114,676	126,196	165,299	184,234 – 189,274
% share	27.8%	26.5%	27.8%	28.8%

Table 2.2D: Population projections & projected growth in households 2006-2016

Year	Population	Total population in private households ²	Average household size	Number of private households	% increase	Number of new households to be formed per annum	Number of additional housing units required ³
2006	126,196	123,670	2.89	42,870			
2007	128,693	126,119	2.86	44,098	2.9%	1,228	1,301
2008	131,192	128,568	2.83	45,430	3.0%	1,333	1,413
2009	133,691	131,017	2.79	46,960	3.4%	1,529	1,621
2010	136,190	133,466	2.76	48,357	3.0%	1,398	1,482
2011	138,691	135,917	2.73	49,787	3.0%	1,429	1,515
2012	144,013	141,132	2.69	52,466	5.4%	2,679	2,840
2013	149,334	146,348	2.66	55,018	4.9%	2,552	2,705
2014	154,656	151,563	2.63	57,628	4.7%	2,611	2,767
2015	159,977	156,778	2.59	60,532	5.0%	2,904	3,078
2016	165,299	161,993	2.56	63,279	4.5%	2,747	2,911

Note: Population projections 2010-2016 are from the draft Wicklow County Development Plan 2010-2016 (adopted September 2009)

3. Household Incomes

Income levels are a key determinant of affordability, as set out in Section 93(1) of the Act. Income distribution (i.e. the proportion of households in certain income groups), rather than average income is utilised as it allows more meaningful comparisons to house prices. The income distribution for Wicklow was developed as follows:

- The CSO Household Budget Survey for 2004/2005 (which is undertaken every 5 years) was used to find a national household income distribution;
- This distribution was then adjusted on the basis of assumptions made about the gap between Wicklow and national levels of household income;
- The derived income distribution was inflated / deflated by assumed rates of household income growth up to 2016. The 2005 data was inflated up to 2007 using CSO / ESRI data. Thereafter projections / predictions are required, which are made by Wicklow County Council Forward Planning Section.

² The Census reveals that c. 2% of the enumerated population on the date of the census is not resident in a private household in the County. This allows for visitors, hotel guest, those in hospitals, nursing homes etc on the census date.

³ The number of housing units required will be slightly above the number of new households formed due to the 'excess factor' which is a term describing the fact that demand for housing will exceed actual household formation due to some of the additional units being required to replace obsolete housing, some units being vacant at any one time due to market frictional factors or some units being second homes or pieds à terre.

3.1 Estimated distribution of household disposal incomes

Table 3.1A: Estimated distribution of household disposal incomes in Wicklow 2005

Income range	Weekly disposable income (national) €	Average weekly disposable income (national) €	% of households in each decile	Average annual household disposable income (national) ⁴	Wicklow deflator (see Table 3.2B below)	Average annual household disposal household income Wicklow	No. of households in Wicklow, 2005 ⁵
1 st decile	<190.37	158.99	9.99	8,267.48	1.0	8,267.48	4,120
2 nd decile	<312.23	244.65	10.0	12,721.80	1.0	12,721.80	4,124
3 rd decile	<433.20	359.12	9.98	18,674.24	1.0	18,674.24	4,116
4 th decile	<598.88	488.30	9.98	25,391.60	1.0	25,391.60	4,116
5 th decile	<777.00	628.31	9.99	32,672.12	1.0	32,672.12	4,120
6 th decile	<981.00	779.53	9.99	40,535.56	1.0	40,535.56	4,120
7 th decile	<1227.43	950.84	10.0	49,442.68	1.0	49,442.68	4,124
8 th decile	<1524.67	1,167.54	9.99	60,712.08	1.0	60,712.08	4,120
9 th decile	<2019.06	1,420.76	10.0	73,879.52	1.0	73,879.52	4,124
10 th decile	>2019.06	2,232.01	9.99	116,064.52	1.0	116,064.52	4,120
Total			100				41,245

Source: CSO Household Budget Survey 2004-2005

Table 3.1B: National, Region and County – Estimate of Disposal Income (€) 2000-2005

Area	2000	2001	2002	2003	2004	2005
State	13,977	15,841	17,088	18,295	18,906	20,164
Region (mid-east)	14,058	16,077	17,459	18,570	19,221	20,422
Wicklow	13,512	15,568	17,373	18,658	19,147	20,187
Wicklow (% of state)	96.7%	98.3%	101.7%	102%	101.3%	100.1%
Wicklow Average 2000-2005						100.02%

Source: County Income and Regional GDP, CSO Feb 2008

3.2 Household income projections

The most recent projections for personal disposable income available from the ESRI were made in their medium-term review published in May 2008 (projections up to 2015). At that time, it was predicted that personal disposable income would continue to rise at the following rates:

Table 3.2A: ESRI Personal Income 2008-2015

Year	2008	2009	2010	2011	2012	2013	2014	2015
% annual increase	5.5%	5.1%	2.5%	6.3%	6.0%	6.6%	6.7%	6.7%

Source: ESRI Medium Term Review, May 2008

⁴ Weekly income * 52

⁵ Total County population in 2005 estimated as 123,315 (based on 2002 and 2006 census). On average, 2% of total population is not in private household = 120,849. Av household size in 2005 = 2.93 (based on 2002 and 2006 census). Total no. of private households in 2005 = 41,245

As the economic climate has worsened somewhat since May 2008, alternative scenarios for the growth / decline in disposable have been considered for this strategy. All scenarios consider a situation where disposable income decline in the short term, to reflect the impact on household incomes of jobs losses, wage cuts and additional taxes and levies, all of which have escalated since late 2008.

In this regard, the following three scenarios were considered

Scenario 1 Economic Recovery

In this scenario there will be a significant retraction in the economy in 2009, continuing to a lesser extent in 2010 and a return to strong growth in 2010, up to 2015.

Scenario 2 Prolonged Recession

In this scenario there will again be a significant retraction in the economy in 2009, continuing in 2010 and a return to moderate growth in 2011, up to 2015.

Scenario 3 Worst Case Scenario

In this scenario there will be a continued retraction in the economy throughout 2009, 2010 and 2011 and a slow return to growth in 2012

Table 3.2B: Scenarios for the % growth / retraction in household incomes 2008-2016

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Economic Recovery	-3.0	-8.0	-1.0	5.0	5.0	5.0	5.0	5.0	5.0
Prolonged Recession	-3.0	-8.0	-3.0	3.0	3.5	4.0	4.5	5.0	5.0
Worst Case Scenario	-3.0	-8.0	-5.0	0	1.0	2.0	3.0	4.0	5.0

As the principle function of this strategy is to determine if it will be necessary for the Local Authority to intervene in the housing market and require developers to dedicate lands / units for social and/or affordable housing, this strategy would be most defensible if a situation were considered where incomes recover but house prices stay low, as this would give the least justification for seeking the maximum 20% social and affordable housing.

Therefore the '**economic recovery**' scenario as set out above has been utilised in predicting incomes up to 2016.

Table 3.2C: Projected Household Income Distribution Wicklow 2005-2016 (€)

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
% change		+7.7	+9.9	-3.0	-8.0	-1.0	+5.0	+5.0	+5.0	+5.0	+5.0	+5.0
1st decile	8,267	8,904	9,785	9,491	8,732	8,645	9,077	9,531	10,007	10,508	11,033	11,585
2nd decile	12,722	13,702	15,058	14,606	13,438	13,303	13,969	14,667	15,400	16,170	16,979	17,828
3rd decile	18,674	20,112	22,103	21,440	19,725	19,527	20,504	21,529	22,605	23,736	24,923	26,169
4th decile	25,392	27,347	30,055	29,153	26,821	26,552	27,880	29,274	30,738	32,275	33,888	35,583
5th decile	32,672	35,188	38,671	37,511	34,510	34,165	35,873	37,667	39,550	41,528	43,604	45,785
6th decile	40,536	43,657	47,979	46,540	42,817	42,389	44,508	46,733	49,070	51,524	54,100	56,805
7th decile	49,443	53,250	58,522	56,766	52,225	51,703	54,288	57,002	59,852	62,845	65,987	69,287
8th decile	60,712	65,387	71,860	69,704	64,128	63,487	66,661	69,994	73,494	77,168	81,027	85,078
9th decile	73,880	79,569	87,446	84,823	78,037	77,257	81,119	85,175	89,434	93,906	98,601	103,531
10th decile	116,065	125,002	137,377	133,256	122,595	121,369	127,438	133,810	140,500	147,525	154,902	162,647

4. Affordability Analysis

Using the above forecast for disposable incomes and the 'annuity formula' set out in the Part V guidance, it is possible to project the value of a house that the various cohorts of the population will be able to afford (adhering to the requirement that they do not expend greater than 35% of disposable income on mortgage costs). The methodology involves taking the annual disposable income (across the 10 deciles) and applying a formula (see below) that makes assumptions about the Loan-To-Value ratio (90% in this instance), term of loan (25 years) and interest rate (5% in this instance). It is possible to arrive at the maximum value of a property that an individual at this income band can afford.

Table 4.0A: Maximum affordable house prices by disposable income band

Decile	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1st	45,765	49,289	54,168	52,543	48,340	47,857	50,249	52,762	55,400	58,170	61,078	64,132
2nd	70,427	75,850	83,359	80,859	74,390	73,646	77,328	81,195	85,254	89,517	93,993	98,693
3rd	103,377	111,337	122,359	118,688	109,193	108,101	113,506	119,182	125,141	131,398	137,968	144,866
4th	140,567	151,390	166,378	161,387	148,476	146,991	154,340	162,057	170,160	178,668	187,602	196,982
5th	180,868	194,794	214,079	207,657	191,044	189,134	198,590	208,520	218,946	229,893	241,388	253,457
6th	224,402	241,681	265,607	257,639	237,028	234,657	246,390	258,710	271,645	285,228	299,489	314,463
7th	273,710	294,785	323,969	314,250	289,110	286,219	300,530	315,556	331,334	347,901	365,296	383,561
8th	336,093	361,972	397,808	385,873	355,004	351,454	369,026	387,478	406,851	427,194	448,554	470,981
9th	408,989	440,482	484,089	469,567	432,001	427,681	449,065	471,519	495,095	519,849	545,842	573,134
10th	642,520	691,994	760,501	737,686	678,671	671,885	705,479	740,753	777,790	816,680	857,514	900,390

The annuity formula used:

$$PV = Pt \left[\frac{1 - (1+i)^{-n}}{i} \right]$$

where PV = total loan size (no greater than 90% of Market Value - Section 93(1))

Pt = monthly repayment amount

i = monthly interest rate

n = number of months over which the loan is to be paid

5. House Prices

Given the measure of affordability now established for Wicklow over the strategy period, the remaining element required to complete the assessment of social and affordable housing need in the County is to make some estimate of the prices at which new housing will be introduced over the life of the strategy.

The market for housing remained buoyant both nationally and in the 'commuter' counties of Wicklow, Meath and Kildare throughout 2004, 2005 and 2006. However, a severe adjustment in the market has taken place throughout 2007, 2008 and 2009, with the year-on-year index of prices showing a reduction in prices in the commuter belt of 6.6% between December 2006 and December 2007 and of 16.8% between December 2007 and December 2008 (Source: TSB / ESRI House Price Index).

There is no official data on house prices at County level post 2006, when the TSB/ESRI report changed format. However, it is possible to determine the relationship between Wicklow and Dublin prices and

Wicklow and 'Commuter Belt' prices pre 2006 and assuming this relationship stays reasonably constant, use it moving forward to 2016.

In this regard, house prices in Wicklow pre-2006 were around 15% higher than the average in the 'Commuter Belt' and 10% lower than the average in Dublin. Wicklow prices and changes in Wicklow prices appear to follow Dublin prices more closely than 'Commuter Belt' prices, possibly due to Wicklow's relative attractiveness as a place to live and the lower number of new houses available in Wicklow compared to Meath, Kildare and Louth.

The reduction in prices in Wicklow is estimated at 4.2% between 2006-2007 and 12.4% between 2007-2008 (while the average fall in the 'Commuter Belt' was 16.8% between 2007-2008). The average house price in Wicklow end 2008 is estimated to be around €326,115 down from the 2006 average of around €388,800.

The task of predicting future price trends as a means of estimating affordability is fraught with difficulties. While house prices have been in constant decline since 2006, any predictions about how far prices will fall and for how long are, by their nature, uncertain.

Therefore again a number of scenarios have been considered

Scenario 1 In this scenario, house prices are predicted to continue to fall until 2010 (fall of 12% in 2008 and 8% in 2009) with a trough in the 1st quarter of 2010. From 2010 a gradual return to house price growth is predicted, with modest gains of 2% pa until 2013 and slightly stronger growth thereafter.

Average house price Wicklow Scenario 1															
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
% Change		10	9	11	12	-4.2	-12.4	-8.1	1.9	1.7	2.4	2.9	4.0	5.0	5.0
	261,773	287,801	313,547	347,158	388,827	372,424	326,115	299,760	305,436	310,780	318,247	327,440	340,434	357,388	375,250

Scenario 2 In this scenario, house prices will continue to fall until 2012 (fall of 12% in 2008, 10% in 2009, 8% in 2010, 6% in 2011) where there will be a period of stagnation and return to growth only in 2014.

Average house price Wicklow Scenario 2															
Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
% change		10	9	11	12	-4.2	-12.4	-10	-8	-6	0	0	1	2	3
	261,773	287,801	313,547	347,158	388,827	372,424	326,115	293,504	270,024	253,823	253,823	253,823	256,361	261,488	269,333

This data does not however allow a meaningful assessment of affordability by comparison to the 'affordability' analysis set out in Part 4 of this report. In this regard, in accordance with the guidance set out in *Part V of the Planning and Development Act, 2000 – Housing Supply – A Model Strategy and Step by Step Guide (DoEHLG 2000)*, data has been collected on the number of houses that are available in price bands, that is, the number of houses that are available in the market within certain price ranges. The baseline data for this analysis is from 2007, the last year in which there was enough activity in the Wicklow housing market to get a meaningful breakdown on the range of houses coming to the market.

Table 5.0A: Proportion of houses in each price band in 2007

Price band (000's €)	100-200	200-300	300-400	400-500	500-600	600-700	700-800	800-900	900-1m	1m+
% of Wicklow units in each band	0.30%	9.4%	33%	30.6%	11.2%	7.0%	2.5%	1.0%	1.6%	3.5%

Source: Survey by HJByrne Auctioneers commissioned by Wicklow County Council

It is then necessary to inflate / deflate these bands according to predictions of house price change. It is assumed that the proportion of houses in each band remains constant

Tables 5.0B and C: House price band inflation**Table 5.0B: Scenario 1**

Year	Average price increase %	Price band									
2007		100-200	200-300	300-400	400-500	500-600	600-700	700-800	800-900	900-1m	1m+
2008	-12	88-176	176-264	264-352	352-440	440-528	528-616	616-704	704-792	792-880	880+
2009	-8	81-162	162-243	243-324	324-405	405-486	486-567	567-648	648-729	729-810	810+
2010	2	83-165	165-248	248-330	330-413	413-496	496-578	578-661	661-744	744-826	826+
2011	2	85-168	168-253	253-337	337-421	421-506	506-590	590-674	674-759	759-843	843+
2012	2	87-171	171-258	258-344	344-429	429-516	516-602	602-687	687-774	774-860	860+
2013	3	90-176	176-266	266-354	354-442	442-531	531-620	620-708	708-797	797-886	886+
2014	4	94-183	183-274	274-368	368-460	460-552	552-645	645-736	736-829	829-921	921+
2015	5	99-192	192-288	288-386	386-483	483-580	580-677	677-773	773-870	870-967	967+
2016	5	104-202	202-302	302-405	405-507	507-609	609-711	711-812	812-914	914-1,015	1,015+
% of Wicklow units in each band		0.30%	9.4%	33%	30.6%	11.2%	7.0%	2.5%	1.0%	1.6%	3.5%

Table 5.0C: Scenario 2

Year	Average price increase %	Price band									
2007		100-200	200-300	300-400	400-500	500-600	600-700	700-800	800-900	900-1m	1m+
2008	-12	88-176	176-264	264-352	352-440	440-528	528-616	616-704	704-792	792-880	880+
2009	-10	79-158	158-238	238-317	317-396	396-475	475-554	554-634	634-713	713-792	792+
2010	-8	73-145	145-219	219-292	292-364	364-437	437-510	510-583	583-656	656-729	729+
2011	-6	69-136	136-206	206-274	274-342	342-411	411-479	479-548	548-617	617-723	723+
2012	0	69-136	136-206	206-274	274-342	342-411	411-479	479-548	548-617	617-723	723+
2013	0	69-136	136-206	206-274	274-342	342-411	411-479	479-548	548-617	617-723	723+
2014	1	70-137	137-208	208-277	277-345	345-415	415-484	484-553	553-623	623-730	730+
2015	2	71-140	140-212	212-283	283-352	352-423	423-494	494-564	564-635	635-745	745+
2016	3	73-144	144-218	218-291	291-363	363-436	436-509	509-581	581-654	654-767	767+
% of Wicklow units in each band		0.30%	9.4%	33%	30.6%	11.2%	7.0%	2.5%	1.0%	1.6%	3.5%

6. Conclusions

Affordability for each year of the strategy is set out to follow. The purpose of this analysis is to determine what proportion of new private housing the Housing Strategy will require to be devoted to social and affordable housing. As the labour and housing markets are not operating efficiently at the present time, making predictions even for the short term is difficult, calculations are based on a scenario where house prices are weakest (Scenario 2 - Table 5.0C above) and incomes are strongest (Economic Recovery Scenario – Table 4.0A). In this situation, the justification for taking the maximum proportion of Social and Affordable houses allowed (20%) would be weakest. Using such a combination to base calculations on would not normally be justifiable, however, in the current uncertain markets it is considered to be the most robust methodology.

6.1 Affordability Index 2010

1,482 new housing units are required to be provided in 2010. Assuming the house prices continue to fall in accordance with Scenario 2 set out in Section 5 above, these will be provided at the following price ranges:

Price band	73-145	145-219	219-292	292-364	364-437	437-510	510-583	583-656	656-729	729+
No. of units provided	4	139	489	453	166	104	37	15	24	52

Assuming that incomes recover along the lines of the 'Economic Recovery' scenario as set out in Section 3.2 above, affordability will be as follows:

Income decile	No. of houses required each decile	Affordable in house price
1st decile	148	47,857
2nd decile	148	73,646
3rd decile	148	108,101
4th decile	148	146,991
5th decile	148	189,134
6th decile	148	234,657
7th decile	148	286,219
8th decile	148	351,454
9th decile	148	427,681
10th decile	148	671,885

There are 4 houses in the house price distribution table above under €145,000. A total of 444 households can afford to purchase up to €108,101, and a further 148 up to €146,991. Assuming a linear distribution, 584 households ($592/146,991 \times 145,000$) can afford houses up to €145,000. As only 4 houses are available at this price, there is a shortfall of 580 (584-4) houses that are affordable.

A further 156 (148+8) households can afford up to €189,134. A further 148 more can afford up to €234,657. The number who can afford a house in the second price band of up to €219,000 is 829 ($888/234,657 \times 219,000$). Subtracting the earlier figure of 584, gives 245 households that can afford to purchase up to €219,000, the price at which 139 houses can be provided. Thus a further **106** (245-139) households do not meet the affordability definition.

In total therefore some **686** (580+106) households are unlikely to be able to purchase houses, equal to **46.3%** (686/1480) of the predicted household formations of this year.

6.2 Affordability Index 2011

1,515 new housing units are required to be provided in 2011. Assuming the house prices continue to fall in accordance with Scenario 2 set out in Section 5 above, these will be provided at the following price ranges:

Price band	69-136	136-206	206-274	274-342	342-411	411-479	479-548	548-617	617-723	723+
No. of units provided	5	142	500	464	170	106	38	15	24	53

Assuming that incomes recover along the lines of the 'Economic Recovery' scenario as set out in Section 3.2 above, affordability will be as follows:

Income decile	No. of houses required in each decile	Affordable in house price
1st decile	151	50,249
2nd decile	151	77,328
3rd decile	151	113,506
4th decile	151	154,340
5th decile	151	198,590
6th decile	151	246,390
7th decile	151	300,530
8th decile	151	369,026
9th decile	151	449,065
10th decile	151	705,479

There are 5 houses in the house price distribution table above under €136,000. A total of 453 households can afford to purchase up to €113,506, and a further 151 up to €154,340. Assuming a linear distribution, 532 households ($604/154,340 \times 136,000$) can afford houses up to €136,000. As only 5 houses are available at this price, there is a shortfall of 527 (532-5) houses that are affordable.

A further 223 (151+72) households can afford up to €198,590. A further 151 more can afford up to €246,390. The number who can afford a house in the second price band of up to €206,000 is 757 ($906/246,390 \times 206,000$). Subtracting the earlier figure of 532, gives 225 households that can afford to purchase up to €206,000, the price at which 142 houses can be provided. Thus a further 83 (225-142) households do not meet the affordability definition.

In total therefore some 610 (527+ 83) households are unlikely to be able to purchase houses, equal to 40.4% (610/1510) of the predicted household formations of this year.

6.3 Affordability Index 2012

2,840 new housing units are required to be provided in 2012. Assuming the house prices continue to fall in accordance with Scenario 2 set out in Section 5 above, these will be provided at the following price ranges:

Price band	69-136	136-206	206-274	274-342	342-411	411-479	479-548	548-617	617-723	723+
No. of units provided	9	267	937	869	318	199	71	28	45	99

Assuming that incomes recover along the lines of the 'Economic Recovery' scenario as set out in Section 3.2 above, affordability will be as follows:

Income decile	No. of houses required in each decile	Affordable in house price
1st decile	284	52,762
2nd decile	284	81,195
3rd decile	284	119,182
4th decile	284	162,057
5th decile	284	208,520
6th decile	284	258,710
7th decile	284	315,556
8th decile	284	387,478
9th decile	284	471,519
10th decile	284	740,753

There are 9 houses in the house price distribution table above under €136,000. A total of 852 households can afford to purchase up to €119,182, and a further 284 up to €162,057. Assuming a linear distribution, 953 households ($1,136/162,057 \times 136,000$) can afford houses up to €136,000. As only 9 houses are available at this price, there is a shortfall of 944 (953-9) houses that are affordable.

A further 467 (284+183) households can afford up to €208,520. The number who can afford a house in the second price band of up to €206,000 is 1,402 ($1,420/208,520 \times 206,000$). Subtracting the earlier figure of 953, gives 449 households that can afford to purchase up to €206,000, the price at which 267 houses can be provided. Thus a further 182 (449-267) households do not meet the affordability definition.

In total therefore some 1,126 (944+182) households are unlikely to be able to purchase houses, equal to 39.6% ($1,126/2,840$) of the predicted household formations of this year.

6.4 Affordability Index 2013

2,705 new housing units are required to be provided in 2013. Assuming the house prices continue to fall in accordance with Scenario 2 set out in Section 5 above, these will be provided at the following price ranges:

Price band	69-136	136-206	206-274	274-342	342-411	411-479	479-548	548-617	617-723	723+
No. of units provided	8	254	893	828	303	189	68	27	43	95

Assuming that incomes recover along the lines of the 'Economic Recovery' scenario as set out in Section 3.2 above, affordability will be as follows:

Income decile	No. of houses required in each decile	Affordable in house price
1st decile	270	55,400
2nd decile	270	85,254
3rd decile	270	125,141
4th decile	270	170,160
5th decile	270	218,946
6th decile	270	271,645
7th decile	270	331,334
8th decile	270	406,851
9th decile	270	495,095
10th decile	270	777,790

There are 8 houses in the house price distribution table above under €136,000. A total of 810 households can afford to purchase up to €125,141, and a further 270 up to €170,160. Assuming a linear distribution, 863 households ($1,080/170,160 \times 136,000$) can afford houses up to €136,000. As only 8 houses are available at this price, there is a shortfall of 855 (863-8) houses that are affordable.

A further 487 (270+217) households can afford up to €218,946. The number who can afford a house in the second price band of up to €206,000 is 1,270 ($1,350/218,946 \times 206,000$). Subtracting the earlier figure of 863, gives 407 households that can afford to purchase up to €206,000, the price at which 254 houses can be provided. Thus a further 153 (407-254) households do not meet the affordability definition.

In total therefore some 1,008 (855+153) households are unlikely to be able to purchase houses, equal to 37.3% ($1,008/2,700$) of the predicted household formations of this year.

6.5 Affordability Index 2014

2,767 new housing units are required to be provided in 2014. Assuming the house prices continue to fall in accordance with Scenario 2 set out in Section 5 above, these will be provided at the following price ranges:

Price band	70-137	137-208	208-277	277-345	345-415	415-484	484-553	553-623	623-730	730+
No. of units provided	8	260	913	847	310	194	69	28	44	97

Assuming that incomes recover along the lines of the 'Economic Recovery' scenario as set out in Section 3.2 above, affordability will be as follows:

Income decile	No. of houses required in each decile	Affordable in house price
1st decile	277	58,170
2nd decile	277	89,517
3rd decile	277	131,398
4th decile	277	178,668
5th decile	277	229,893
6th decile	277	285,228
7th decile	277	347,901
8th decile	277	427,194
9th decile	277	519,849
10th decile	277	816,680

There are 8 houses in the house price distribution table above under €137,000. A total of 831 households can afford to purchase up to €131,398, and a further 277 up to €178,668. Assuming a linear distribution, 850 households ($1,108/178,668 \times 137,000$) can afford houses up to €137,000. As only 8 houses are available at this price, there is a shortfall of 842 (850-8) houses that are affordable.

A further 535 (277+258) households can afford up to €229,893. The number who can afford a house in the second price band of up to €208,000 is 1,253 ($1,385/229,893 \times 208,000$). Subtracting the earlier figure of 850, gives 403 households that can afford to purchase up to €208,000, the price at which 260 houses can be provided. Thus a further 143 (403-260) households do not meet the affordability definition.

In total therefore some 985 (842+143) households are unlikely to be able to purchase houses, equal to 35.6% (985/2770) of the predicted household formations of this year.

6.6 Affordability Index 2015

3,078 new housing units are required to be provided in 2015. Assuming the house prices continue to fall in accordance with Scenario 2 set out in Section 5 above, these will be provided at the following price ranges:

Price band	71-140	140-212	212-283	283-352	352-423	423-494	494-564	564-635	635-745	745+
No. of units provided	9	289	1016	942	345	215	77	31	49	108

Assuming that incomes recover along the lines of the 'Economic Recovery' scenario as set out in Section 3.2 above, affordability will be as follows:

Income decile	No. of houses required in each decile	Affordable house price
1st decile	308	61,078
2nd decile	308	93,993
3rd decile	308	137,968
4th decile	308	187,602
5th decile	308	241,388
6th decile	308	299,489
7th decile	308	365,296
8th decile	308	448,554
9th decile	308	545,842
10th decile	308	857,514

There are 9 houses in the house price distribution table above under €140,000. A total of 924 households can afford to purchase up to €137,968, and a further 308 up to €187,602. Assuming a linear distribution, 919 households ($1,232/187,602 \times 140,000$) can afford houses up to €140,000. As only 9 houses are available at this price, there is a shortfall of 910 (919-9) houses that are affordable.

A further 621 (308+313) households can afford up to €241,388. The number who can afford a house in the second price band of up to €212,000 is 1,353 ($1,540/241,388 \times 212,000$). Subtracting the earlier figure of 919, gives 434 households that can afford to purchase up to €212,000, the price at which 289 houses can be provided. Thus a further 145 (434-289) households do not meet the affordability definition.

In total therefore some 1,055 (910+145) households are unlikely to be able to purchase houses, equal to 34.3% ($1,055/3,080$) of the predicted household formations of this year

6.7 Affordability Index 2016

2,911 new housing units are required to be provided in 2016. Assuming the house prices continue to fall in accordance with Scenario 2 set out in Section 5 above, these will be provided at the following price ranges:

Price band	73-144	144-218	218-291	291-363	363-436	436-509	509-581	581-654	654-767	767+
No. of units provided	9	274	961	891	326	204	73	29	47	102

Assuming that incomes recover along the lines of the 'Economic Recovery' scenario as set out in Section 3.2 above, affordability will be as follows:

Income decile	No. of houses required in each decile	Affordable house price
1st decile	291	64,132
2nd decile	291	98,693
3rd decile	291	144,866
4th decile	291	196,982
5th decile	291	253,457
6th decile	291	314,463
7th decile	291	383,561
8th decile	291	470,981
9th decile	291	573,134
10th decile	291	900,390

There are 9 houses in the house price distribution table above under €144,000. A total of 582 households can afford to purchase up to €98,693, and a further 291 up to €144,866. Assuming a linear distribution, 868 households ($873/144,866 \times 144,000$) can afford houses up to €144,000. As only 9 houses are available at this price, there is a shortfall of 859 (868-9) houses that are affordable.

A further 296 (291+ 5) households can afford up to €196,982. A further 291 more can afford up to €253,457. The number who can afford a house in the second price band of up to €218,000 is 1251 ($1,455/253,457 \times 218,000$). Subtracting the earlier figure of 868, gives 384 households that can afford to purchase up to €218,000, the price at which 274 houses can be provided. Thus a further 110 (384-274) households do not meet the affordability definition.

In total therefore some 968 (859+110) households are unlikely to be able to purchase houses, equal to 33.3% ($968/2,910$) of the predicted household formations of this year.

Summary of Anticipated Social & Affordable Housing need

Year	2010	2011	2012	2013	2014	2015	2016
(1) Household formations	1,480	1,510	2,840	2,700	2,770	3,080	2,910
(2) No. not meeting affordability criteria per S93(1)	686	610	1,126	1,008	985	1,055	968
(2) as % of (1)	46.3	40.4	39.6	37.3	35.6	34.3	33.3

The policy conclusions drawn from the summary analysis above are that the Planning Authority will aim to reserve 20% of zoned land (as defined under Section 94(4)(c)) for the purposes of meeting the social and affordable housing need.

7. Housing supply

Section 2.2 of this Strategy has already set out the number of additional housing units required during the currency of this Housing Strategy and the County Development Plan 2010-2016 (17,298 units). It has also been shown that there will be significant affordability issues and that the Local Authority will be required to intervene in new developments to the maximum permitted extent of 20%. Intervention at this level is expected to yield 3,460 units.

The Housing Strategy and the County Development Plan 2010-2016, as well as the Local Authority Housing Programme must ensure that there is sufficient land zoned and serviced to deliver these houses and policies in place to ensure the delivery and social and affordable units.

7.1 Development capacity

Table 7.1A details the town development plans in effect in County Wicklow and sets out the amount of existing zoned land available in each. Furthermore, an estimate of development capacity and number of residential units in construction or granted but awaiting construction is provided. This information is sourced from the 2008 Housing Land Availability Study, which the Local Authorities prepare annually for submission to the DoEHLG. However, it has been updated to take into account the adoption of new plans for Carnew, Kilcoole, Newtownmountkennedy, Tinahely, Wicklow Environs and Rathnew, Enniskerry and Bray Environs.

Table 7.1A Zoned land in County Wicklow and development capacity

Settlement	Period of plan	Amount of undeveloped zoned land	Amount of Local Authority Undeveloped zoned land	Development capacity (units)	No. of units in construction or awaiting commencement
Bray Town Plan	2005-2011	23	0	1,094	227
Bray Environs	2009-2015	58	0	2,680	0
Wicklow Town Plan	2007-2013	28	8.5	679	262
Wicklow Environs (incl Marilton LAP)	2008-2014	280	0	7,700	1,400
Arklow Town Plan	2005-2011	79	15	2,300	180
Arklow Environs	2006-2012	65	0	1304	69
Greystones/Delgany	2006-2012	120	12.35	1333	242
Newtownmountkennedy	2008-2014	36	0	739	980
Ashford	2008-2014	50	0.4	1,010	183
Aughrim	2004-2010	24	0	459	36
Baltinglass	2008-2016	28	0.93	477	5
Carnew	2009-2016	16	2.4	313	261
Enniskerry	2009-2015	19	0	325	18
Kilcoole	2008-2014	25	4.5	532	251
Rathdrum	2006-2012	23	1.2	463	290
Dunlavin	2008-2016	34	1.95	687	3
Newcastle	2007-2016	28	0	340	50
Roundwood	2007-2016	13	0	250	36
Tinahely	2009-2016	20	1.35	404	64
Shillelagh	2004-2010	17	2.5	359	53
Total		986	51	23,488	4,610

Source: Draft Wicklow County Development Plan September 2009

This table shows that there is currently sufficient land zoned to meet Wicklow's housing needs up to 2016. Although there is clearly significant 'headroom' in that there is approximately 50% more land zoned than is required to meet the housing growth needs, some settlements will not have the necessary infrastructure to allow all zoned lands to be developed within the lifetime of the Housing Strategy and County Development Plan 2010-2016. It should also be noted that this table does not provide an estimate of the number of units that may be developed in smaller towns, villages and rural areas. The 2006 census revealed that only 67% of the County's population resided in the 17 settlements included in Table 7.1A.

7.2 Infrastructure

While there are restrictions in the County with regard to transport infrastructure (roads, rail, public transport etc), these do not in the main present a bottleneck to the release or development of zoned land. Similarly, deficiencies in social and economic infrastructure persist, but the County Development Plan, Town Development Plans and Local Area Plans control the role out of new residential development such that it is commensurate with development of this necessary social infrastructure. However, restrictions in sanitary services have and continue to present serious blockages to development. Table 7.2A below shows that amount of land in the principal County settlements up to 2014 that is serviceable by water supply and wastewater collection / treated systems, on the basis of investment planned over the period⁶.

⁶ Note that Blessington is not included in this table as there is no town plan in place for the settlement and therefore no zoned land.

Table 7.2A: Amount of undeveloped zoned land serviceable pre-2014

Settlement	Amount of undeveloped zoned land	Amount of undeveloped zoned land serviceable pre-2010	Development capacity 2008-2010 (units)	Amount of undeveloped zoned land serviceable pre-2014	Development capacity 2008-2014 (units)
Bray Town Plan	23	20	1,100	23	1,094
Bray Environs	58	0	0	58	2,680
Wicklow Town Plan	28	28	679	28	679
Wicklow Environs (incl Marlton LAP)	280	0	0	267	5,340
Arklow Town Plan	79	0	0	0	0
Arklow Environs	65	0	0	0	0
Greystones/Delgany	120	0	0	120	1,333
Newtownmountkennedy	36	0	0	36	739
Ashford	50	0	0	50	1,010
Aughrim	24	1	20	1	20
Baltinglass	28	4	80	4	80
Carnew	16	16	313	16	313
Enniskerry	19	19	325	19	325
Kilcoole	25	0	0	25	532
Rathdrum	23	0	0	23	463
Dunlavin	34	0	0	34	687
Newcastle	28	0	0	28	340
Roundwood	13	0	0	0	0
Tinahely	20	0	0	0	0
Shillelagh	17	0	0	0	0
Total	986	88	2,517	743	16,901

Between 2006 and 2010, the projected growth of the County will give rise to the formation of 5,820 households (see Table 2.2B above). There have been approximately 4,900 new homes completed between 2006-2008⁷. There is permission outstanding for 4,610 units and development capacity for 2,517 additional units (as per Table 7.2A above). Therefore while there are significant capacity constraints in sanitary infrastructure up to 2010, it is apparent that there is and will be no shortfall in potential development to meet the growing population.

In the medium term (up to 2014), there will be capacity for 21,511 new residential units (16,901 units on currently undeveloped zoned land plus the 4,610 units already permitted). However, only approximately 72% (15,644) of the 21,633 new households formed up to 2016 will be formed before 2014 and therefore it is clear that sanitary infrastructure will not impede the delivery of sufficient residential units to meet the projected growth in population.

It is however important to note the infrastructural difficulties being experienced in Arklow, which is designated a Large Growth Town II in the County Settlement hierarchy and the Regional Planning Guidelines for the Greater Dublin Area 2004-2016. It is considered unlikely that wastewater collection and disposal infrastructural deficits will be resolved before 2014.

Furthermore, both of the major settlements in the west of the County (Baltinglass and Blessington) are experiencing short to medium term restrictions on development, while only the settlement in Carnew in the south of the County has development capacity. There are clear implications therefore for the spatial distribution of new residential units in the County, with the housing needs of those desiring or willing to live in the north and east of the County being met, but significant restrictions elsewhere in the County. This however generally correlates to the growth strategy for the County as set out in the Regional Planning Guidelines for the Greater Dublin Area 2004-2016.

⁷ See section on house completions to follow

7.3 Housing Output

House completion data from the Department of the Environment, Heritage and Local Government (which is based on the number of new dwellings connected by ESB networks) shows that completions in Wicklow have been steadily falling since 2006 with the most extreme contraction occurring in 2008 where the number of completions fell by 28.5% compared to the previous year (Table 7.3A).

National house completions in 2008 had fallen to 51,724 from 78,027 in 2007 and 93,419 in 2006.

House completions are expected to continue to fall through 2009 and 2010. Some analysts are predicting a further fall of c. 25-30,000 for 2009 (fall of up to 60% on 2008 figure) and further falls in 2010, resulting in output of only 15,000 units nationally in 2010 (this equates to about 29% of the 2008 figure). Assuming that this pattern is replicated in Wicklow, house completions may be expected to fall to 550 in 2009 and 370 in 2010. The degree to which completions may recover in 2011 is unclear, but an optimistic prediction may be a gradual return to 2008 levels by 2012 and increases thereafter of 10% per annum to 2016 as pent up demand is fulfilled.

Table 7.3A: House Completions County Wicklow 1994- 2008

Year	Completions
1994	781
1995	1,030
1996	1,168
1997	1,147
1998	1,335
1999	1,294
2000	1,484
2001	1,914
2002	2,002
2003	1,800
2004	2,076
2005	2,341
2006	1,967
2007	1,704
2008	1,219

Source: Department of the Environment, Heritage and Local Government Bulletin of Housing Statistics

Table 7.3B: Projected House Completions County Wicklow 2009 – 2016

Year	Completions
2009	550
2010	370
2011	600
2012	1,200
2013	1,320
2014	1,450
2015	1,600
2016	1,760

Source: Forward Planning Dept, Wicklow County Council

7.4 Conclusions

This analysis of housing supply draws out the following issues that require to be addressed through the objectives or actions of the Local Authority:-

1. The County Development Plan requires to set out targets with regard to population growth in the County, to allocate this growth to various settlements and to ensure that local area plans are crafted that ensure sufficient zoned land to meet the anticipated growth in the County.
2. The County Development Plan should set out long term targets for population and housing growth in order to provide a longer term timeframe for the planning and delivery of services, in particular water infrastructure.
3. A Settlement Strategy requires to be implemented in the County that will aim to achieve more balanced growth in the County. As set out in the NSS, a settlement hierarchy will incorporate a range of settlements from small to large and concerns service and economic function as well as population.

The current settlement strategy for Wicklow is under review as part of the review of the County Development Plan 2004-2010. This hierarchy is drawn chiefly from the strategy set out in the Regional Planning Guidelines for the Greater Dublin Area 2004-2016. However, having regard to the infrastructural deficiencies in some of the identified growth towns and the poor spatial distribution of growth centres, two additional growth centres are proposed, namely Baltinglass and Rathdrum, which are elevated to moderate growth towns, in the same category as Blessington and Newtownmountkennedy.

4. While the Settlement Strategy may aim to direct new housing growth into the designated growths settlement in the County, rural housing will continue to be developed. This will include any small housing developments in the smaller towns and villages in the County. There will also be a demand for social and affordable housing in such locations. The County Development Plan should therefore set out policies in relation to the delivery of social and / or affordable units as part of such developments.
5. While there is currently sufficient zoned land in the County to meet the housing needs that will arise over the lifetime of the Strategy, this land must be developed in a manner that is matched with the housing needs arising. A range of house types and sizes will need to be developed to meet the demands of the market, including first time buyers.
6. The Water Services Investment programme should mirror the County Settlement Strategy, thereby ensuring that there are a range of serviced settlement sizes and types in all regions of the County
7. The current slowdown in housing output is likely to leave a longer term deficit in housing supply, beyond the lifetime of this strategy. Between 2006 and 2016, in order to meet projected County population target of 165,299 persons, a total of 21,633 new housing units will be required. However, it is estimated that only 13,740 units will be constructed over the same period.

8. Social & Affordable Housing

8.1 Introduction

The analysis of housing affordability anticipates that between 33%-46% of new households formed in the period of the strategy (on an annual basis) will continue to experience difficulties in respect of affordability. It has also been noted in Section 7 of the report that there is adequate zoned residential land within the County to meet anticipated demand for housing.

The requirement for social and affordable housing stems from two main sources: existing households who cannot afford to meet their housing needs (*accumulated* need) and new households, formed over the lifetime of the Strategy, who will be unable to afford either owner occupied or market rented accommodation (*prospective* need). Accumulated need is made up from the Local Authority social and affordable housing register and those with special needs. The prospective need is a percentage of households from the total number of new households requiring affordable or social housing based on projected income profiles.

The supply to meet the demand is met by the Local Authority multi annual programme over the plan period, voluntary housing organisations projected completions, the Local Authority's affordable housing scheme and Part V and supply from the private sector to meet open market demand.

This section of the report examines the trends in terms of the existing demand for Social and Affordable Housing (as evidenced by the Local Authorities' waiting lists) and demand as projected over the period of the Strategy.

8.2 Social & Affordable Housing Demand

At the end of 2008, there were 3,569 live applications for housing on the Local Authorities' Housing Lists (*accumulated* need)⁸. This figure however overestimates the number of households in need of housing assistance as:

- this may include households that have addressed their housing needs themselves but have not informed that housing authority of this;
- this may include households that have applied for housing in both the County and Town Council areas, or other Local Authorities;
- this may include households for which a number of separate applications have been received.

It is considered that when these factors are taken on board, the demand reduces by c. 30% to approximately 2,500 households.

With regard to *prospective* need, it is difficult to make predictions about how the demand for social and affordable housing will change over the plan period, as this will be dependent on numerous factors including income growth / decline, house prices and housing supply.

The number of new applications for social housing has been steadily increasing, from 489 in 2005, 616 in 2006, 731 in 2007 and 1,049 in 2008. There have been 597 new applications in the first 5 months of 2009. This rapid rate of increase clearly reflects the gap in affordability experienced during the boom years, when house prices increased out of the reach of many in society.

It has to be assumed that this exceptional rate of increase will not continue indefinitely into the future and as stability returns to the housing market, applications will moderate. As set out above, given the estimate

⁸ County Area = 1,736
Bray Town Council = 966
Wicklow Town Council = 259
Arklow Town Council = 608

that 33%-46% of households will experience affordability difficulties, it is estimated that 6,438 households over the lifetime of this strategy (end 2010 to end 2016) or 1,075 per annum will experience affordability difficulties.

It is unlikely that all of those experiencing affordability difficulty will place themselves on the Council's housing list, but even assuming a modest rate of 50%, this will require the delivery of c. 500 social and/or affordable units per annum. The current local authority land bank is not sufficient to meet this demand (capacity of c. 1,500 units). This will require to be addressed through active land acquisition and housing construction by the local authority / voluntary sectors and delivery by private developers through Part V.

8.3 Social & Affordable Housing Supply

This section sets out the record of delivery of social and affordable housing since 2004 and the plans for the delivery of further social and affordable housing during the lifetime of this Housing Strategy and County Development Plan 2010-2016.

Table 8.3A: Social & affordable housing delivery In County Wicklow 2004-2008

Housing Type	2004	2005	2006	2007	2008
Social rented, voluntary and cooperative housing					
Completion and acquisitions (Part V acquisitions shown in brackets)	93 (2)	171 (13)	141 (5)	166 (35)	240 (18)
Voluntary and cooperative housing (Part V delivery shown in brackets)	0 (0)	30 (0)	15 (0)	11 (0)	17 (7)
RAS; extension / improvement works in lieu of re-housing; traveller new and refurbished units	9	8	29	46	*
Houses available to rent from existing stock	69	81	84	97	*
Total social rented accommodation provision	171	290	269	320	257
Affordable Housing					
1999 Construction Programme, AHI, AHP, shared ownership, mortgage allowance	56	24	36	45	60
Part V (only includes units acquired)	13	1	18	22	
Other affordable (excluding Part V)	*	*	0	24	35
Total affordable housing provision	69	25	54	91	95

Source: DoEHLG, Wicklow County Council Housing Dept

Up to June 2009, the following local authority schemes were completed or under construction:

Location	Social	Affordable
Avoca	8	
Carnew	25	
Roundwood	30	11
Ashford	16	
Farrankelly	54	
Sutton Villas, Bray Town	4	
Hillview, Wicklow Town	4	

Following completion of the schemes currently under construction, there are no other significant schemes due to commence, due to lack of sufficient funding. However, the Local Authorities still have significant

land banks available for development and will continue to prepare projects and site briefs (as funding allows) so that development can commence swiftly when funding becomes available.

Furthermore, smaller schemes, principally involving the redevelopment of under utilised sites or derelict land / properties will continue.

The Housing Authority will also continue to:

- pursue additional funding;
- cooperate with other housing bodies;
- investigate other options for the delivery of housing, including the long term leasing of unsold new properties⁹.

8.4 Housing needs of the elderly and people with a disability

Wicklow Local Authorities will continue to meet the needs of the elderly, and persons with a disability, within their respective Housing Construction Programmes. Where possible standard housing will be constructed as *Life Time Housing*. In addition to this it is envisaged that 5% of the housing programme will be dedicated to the elderly and disabled persons.

Wicklow Local Authorities will continue to promote and encourage the provision of special type units via Part V and the capital assistance programme. All dwellings comply with Part M of the Building Regulations and the Council includes where possible and in accordance with demand/need and where the site allows, the inclusion of bungalows specifically designed for the elderly and disabled. It is envisaged that much of the elderly housing provision will come via Part V developments.

Wicklow County Council operates the Disabled Persons Grants Scheme on behalf of the four local authorities in County Wicklow. Applications show no sign of abating. If the demand for the grant exceeds the availability of financing from the Department of the Environment, Heritage and Local Government and the Councils own available finances the Council will have to consider putting place a scheme to prioritise the allocation of grants and the dedication of such scarce resources. The allocation of resources will be examined when preparing the annual budgets.

8.5 Homelessness

Wicklow Local Authorities recognises that homelessness is a serious issue which needs to be tackled in an urgent but proactive way. The Government's policy document 'Homelessness – An Integrated Strategy' sets out an inter-agency approach to tackling the problems of homelessness in a co-ordinated manner. The strategy recognises that a solution to homelessness is not just about the provision of housing or shelter but that there is a need for a comprehensive approach to enable homeless persons to re-integrate into society and to prevent others from becoming homeless.

The role and involvement of a wide range of agencies is therefore crucial to ensure that the full range of housing options and support services are available to homeless persons and that their route into homelessness is effectively cut off. Both the local authorities and the health board have a key central role in meeting the needs of the homeless and their involvement in this area should be on a joint basis and in partnership with the voluntary bodies. Wicklow Local Authorities are responsible for the provision accommodation for homeless persons as part of their overall housing responsibility while the Health Board is responsible for the health and welfare of the homeless person.

⁹ The statutory basis for the provision of social housing through leasing is provided in the Housing Act 1966 and is being updated in the Housing (Miscellaneous Provisions) Bill 2008.

8.6 Traveller accommodation

The Housing (Traveller Accommodation) Act (1998) imposed an obligation on relevant housing authorities in consultation with Travellers and the general public to prepare, adopt and implement a Traveller Accommodation Programme for the period 2000 - 2004. Wicklow County Council and Bray Town Council, being the relevant housing authorities, have now adopted their 3rd 4-year Traveller Accommodation Programme, with effect 2009 – 2013.

The purpose of the 1998 Act and this Programme is to put in place the necessary procedures, measures, resources and facilities that are required to accommodate Travellers. While the primary objective of this programme is to provide the necessary accommodation there are many issues such as education, training, equality etc that must be addressed in conjunction with the provision of accommodation. It will require changes in attitudes and acceptance of different lifestyles from all parties involved.

The provision of accommodation is ongoing and targets will not be achieved quickly or easily, however, it is essential that the process continue. In accordance with Section 6(1) of the Housing (Traveller Accommodation) Act, an assessment of need was carried out by the Council in September 2008. While it is noted that Traveller families may move from their location and further changes will take place during the lifetime of the programme, it has been determined that current need is in the order of 62 units (made up of group housing schemes, rural houses, halting sites and standard houses as may be deemed appropriate), with another 30 units being required during the lifetime of the programme (up to 2013).

9. Housing Strategy Objectives

9.1 Introduction

Despite increases in the delivery of social and affordable housing over recent years, the demand for such housing continues to grow. The analysis in the Strategy has demonstrated that a significant affordability problem exists in the County and that there is a strong rationale for the policy of reserving 20% of eligible residential developments for social and affordable housing. It is also clear, however, that the combination of the Councils' own construction programme (and other forms of provision) and Part V will only cater for a proportion of the population experiencing affordability problems in the County. The situation may be exacerbated by the recent national economic downturn and consequent pressures on Council finances in relation to direct provision of social and affordable housing.

The analysis also shows the regional disparity in housing supply and the bottlenecks that will be faced in delivering the required housing to meet the target County population.

The Council must continue to utilise all policy avenues open to it and any new schemes that become available to ensure the greatest delivery of social and affordable housing possible and to ensure a regionally equitable balance of housing delivery.

9.2 Objectives

- H1** To ensure the delivery of sufficient new homes to accommodate the growth of the County to 165,299 persons in 2016.
- H2** To ensure that houses are delivered in the locations required, to implement a balanced settlement strategy that provides for growth towns of varying sizes throughout the County.

- H3** To ensure sufficient zoned land is available in all growth settlements to meet projected housing demand.
- H4** To ensure that water services are or will be available during the currency of the plan, sufficient to meet the housing demand.
- H5** To ensure that investment in infrastructure is distributed in a balanced manner around the County, with priority given to designated growth towns.
- H6** To require that 20% of any unzoned land developed for residential use, or for a mixture of residential and other uses, shall be devoted to affordable housing.
- H7** To require that 20% of all zoned land developed for residential use, or for a mixture of residential and other uses, shall be devoted to social and affordable housing, in the following manner:
- 1/3 social housing;
 - 1/3 affordable;
 - 1/3 discretionary, to be advised by the Local Authority, having regard to the housing needs in that area.
- H8** To require all new social and / or affordable housing development (whether Local Authority / Voluntary or Part V schemes) to provide a minimum of 50% of the units at a size of 3 bedrooms or greater.
- H9** To require all applicants for permission that will include social and / or affordable housing to engage in meaningful pre-planning discussions with both the Housing and Planning Authorities, in order to establish at the outset the location, house size and house design requirements of both Authorities.
- H10** To require the highest standard of design in all new social / affordable development or development containing an element of social / affordable housing, in accordance with the development standards set out in the County Development Plan and the DoEHLG social housing guidelines.
- H11** To encourage proposals from developers to satisfy Part V obligations which are directed toward special need categories – namely, elderly accommodation, traveller accommodation, specialised accommodation for the homeless and specially adapted accommodation for persons with disabilities – where the proposal is related to an identified local need and is consistent with other policies of the Development Plan.

10. Implementation

Section 96 of the Planning Act sets out the manner in which this percentage (not greater than 20%) can be met. This includes for:

- The transfer of land
- Build and transfer of houses
- Transfer fully or partially serviced sites
- Transfer of other land in the functional area
- Build and transfer of houses in the functional area
- Transfer of fully or partially serviced sites in the functional area
- Payment of cash
- Transfer of land and/or a combination of the others
- Combination of two or more of the others.

When considering any of the above (except the transfer of land) the Planning Authority must consider:

- If the agreement will achieve the objectives of the Strategy
- If it is the best use of resources
- The need to counteract undue segregation
- If it is in accordance with the Development Plan
- The timeframe for providing the housing

In any of the above, the Planning Authority must consider the proper planning and sustainable development of the area, the Housing Strategy, the coherence of the development and the views of the applicant on the impact of the agreement. Part V applies to all applications for residential development on sites in excess of 0.1ha or 4 units on residential/mixed use (where residential is part) zoned land.

The Planning Authority will include conditions on the permission requiring that the developer enter into an agreement with the Planning Authority regarding their obligations under Part V, prior to commencement of development. The agreement must identify the land, sites or houses to be transferred on foot of this agreement (either on or off the site but within the functional area of the Authority). The transfer of land is the default requirement set out in the Act. The decision on the transfer of sites or houses in lieu of land or such other compliance as specified in the Planning and Development Acts is a matter for negotiation between the developer and the planning authority and is subject to agreement between the two parties.

The Planning Authority will operate Part V of the Act in a way that encourages and facilitates a level of supply, which will meet the demands of all sectors of the market. It would frustrate the objectives of the Housing Strategy if its implementation were to result in any undue slow down, interruption of housing supply, or disruption of the housing market.

Conditions attached to planning permissions for development to which the 20% social/affordable requirement applies will require developers to enter into an agreement with the Local Authority to the Local Authority transfer either:

- a) Twenty per cent of the land of the site, or
- b) Housing units where the total value of the planning gain of the unserviced site(s) of such units is equivalent in monetary value to the planning gain to the Council on the transfer of 20 per cent of the land of the site, or
- c) Fully or partially serviced housing sites where the total planning gain for the unserviced element of such sites are equivalent in monetary value to the planning gain on 20% of the land of the site, or
- d) A payment of such an amount, which is equivalent to the monetary value of the amount accruing to the Planning Authority, under the provisions of a, b or c above, (ie equal in monetary value to the planning gain to the Council on the transfer of 20% of the land of the site) or.
- e) The provision of (a), (b), (c) or (d) above at another area within Wicklow.

Planning gain means the difference between the open market value and the existing use value.

The ratio of social to affordable houses to be provided shall comply with the following objectives:

- 1/3 social rented;
- 1/3 affordable;
- 1/3 discretionary, assessed on a case-by-case basis, having regard to local housing needs.

This ratio may be changed in exceptional circumstances provided the local area Councillors are consulted at least 7 days in advance of the next Council meeting.