

Kilkenny County Development Plan

Kilkenny City & Environs Development Plan

2008 - 2014

Appendix A:

Kilkenny Population Study
& Housing Strategy



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Executive Summary

The principal findings to emerge from the analysis presented in this Housing Strategy are as follows:

- A total of 8,282 new households are expected to be formed in County Kilkenny during the 2008-2014 period. This figure includes a predicted additional 1,538 household formations in Kilkenny City and Environs.
- The existing Local Authority housing Waiting List is c.1200.
- Over the period of this strategy, 20% of land zoned for residential or for a mix of residential and other uses may be reserved (alternative arrangements may be enacted in lieu of this reserve) to meet the accumulated and prospective need for social and affordable housing within the County. As far as possible the local authorities will address this need while maintaining an emphasis on sustainable development.
- Kilkenny has been particularly affected by issues related to housing affordability over the previous Housing Strategy period. This is due to its relatively low per-capita disposable income level, its rising number of household formations and other demand side factors driving house price inflation. Kilkenny has the lowest per-capita disposable income level in the South-East Region; which has the lowest regional figure for the country as a whole.
- The availability of zoned land is not expected to act as a constraint over the course of the upcoming Development Plan.
- However, the above statement regarding the provision of adequate zoned land must be qualified by the absence of any definitive figure for fully serviced, residentially zoned land from this Strategy.
- The ultimate maximum allowable figure of 20% provision of social and affordable housing (or alternative agreements drawn up by developers and the Local Authorities) as calculated using the methodology laid out in the Department of Environment, Heritage and Local Government (DoEHLG) "Model Housing Strategy Guide" (2000), will remain in place regarding Local Authority interaction with the private house building sector.
- The Manager must prepare a report for the elected members two years after the adoption of a development plan, which shall include a review of the progress achieved in securing the objectives of the plan. This shall include progress made in implementing the housing strategy. Where the report indicates that new or revised housing needs have been identified, the Manager may recommend that the housing strategy be adjusted and that the Development Plan be varied accordingly. The Manager may also bring such a report to the members if he or she considers that there has been a change in the housing market or in the regulations made by the Minister for the Environment, Heritage and Local Government under the Act that significantly affects the housing strategy.

1. Population Study

1.1 Background

- 1.1.1 Colin Buchanan & Partners have been commissioned by Kilkenny Local Authorities to produce population projections for Kilkenny County and Kilkenny City and Environs.
- 1.1.2 The purpose of this report is to provide projections of population for the two administrative areas for the years 2008, 2014, and 2020.
- 1.1.3 The population projections have been undertaken as part of the Development Plan Review and will be used to estimate future housing demand within the Kilkenny Housing Strategy, also being undertaken by Colin Buchanan.
- 1.1.4 The structure of this document is set out as follows:
 - Recent Trends in Kilkenny's Population
 - Methodology of Population Projections
 - Results and Analysis
 - Conclusions

1.2 Kilkenny: Demographic Background

- 1.2.1 Preliminary Census 2006 results show an increase in Kilkenny's population of 7,219 between 2002 and 2006, representing a 9% increase, compared to the national average of 8.2%, which equates to a county total of 87,558 persons. Preliminary census figures moreover indicate that around 5,000 of this rise was due to net migration.
- 1.2.2 There are currently no figures available that provide an age breakdown for the 2006 Census of the population. The most accurate picture of the age structure of the Kilkenny's population is available from 2002 as shown in **Table 1.1**.

Table 1.1: Kilkenny Population by ten year age group

Age Group	2006 Males	2006 Females	2002 Males	2002 Females	Percent Change Males	Percent Change Females
0-9 years	6,457	6,151	5,902	5,626	9.4	9.3
10-19 years	6,462	6,136	6,757	6,472	-4.4	-5.2
20-29 years	6,378	5,915	5,677	5,187	12.3	14.0
30-39 years	6,766	6,573	5,845	5,864	15.8	12.1
40-49 years	6,351	6,167	5,776	5,599	10.0	10.1
50-59 years	5,252	4,951	4,695	4,416	11.9	12.1
60-69 years	3,544	3,405	3,000	2,952	18.1	15.3
70-79 years	2,120	2,432	2,061	2,329	2.9	4.4
80 years+	933	1,565	827	1,354	12.8	15.6
Total	44,263	43,295	40,540	39,799	9.2	8.8

- 1.2.3 An analysis of census data over the last ten years shows strong population growth in the 25 to 39 age groups. As pointed out in the previous Housing

Strategy, the County has seen a notable trend of young families moving to the area, during the late 1990s and onwards. Some of this has been driven by the County's increasing attractiveness as a commuter base to nearby centres such as Waterford, and to a lesser extent the Greater Dublin area. The increase is also partly attributable to an influx of young immigrants from EU Accession States.

- 1.2.4 Out migration was strongest in the 15-19 age group over the same period reflecting the established pattern of college and university age students to leave the County. Interestingly, this was not apparent in the 20-24 ages as has been evident in previous Census years. This is likely to be a result of wider migration factors such as the younger age profile of immigrants into the County.

Factors Driving Migration

- 1.2.5 Net migration into Ireland has been strong since the mid to late 1990s, averaging 22,500 per annum between 1997 and 2001. CSO 2004 analysis of the background of immigrants shows that a large part of this was largely driven by the return of many Irish nationals who had emigrated in previous decades.
- 1.2.6 Since 2002 this trend has intensified, helped to a large degree by the entrance of 10 new European Union accession states which joined the EU on 1 May 2004. Since 2002 total net migration into the State has averaged an annual 45,000. The CSO estimates that nearly half (43%) of all immigrants in the 12 months to April 2006 were nationals of Eastern and Baltic EU states such as Poland and Lithuania¹.
- 1.2.7 The performance of the economy, in achieving high and sustained job creation relative to much of Europe has acted as the most significant attractor of EU migrants.
- 1.2.8 More recently however, a reduced level of out-migration has been an additional factor adding to net migration.
- 1.2.9 According to the CSO more than half (54%) of immigrants were aged 25-44 while a further 28% were aged 15-24. Approximately 1 in 10 of the immigrants were children under the age of 15.

Kilkenny Trends

- 1.2.10 The geographic spread of population has not been confined to the Greater Dublin Area or other urban centres but is increasingly evident in smaller towns and rural areas. Census data shows that population growth in the County (excluding the City and its Environs) rose by 9.7% between 2002-2006, compared to a 7% growth for Kilkenny City and Environs alone.
- 1.2.11 Of the four main County towns both Callan (33.8%) and Thomastown (14.8%) witnessed population growth well in excess of the County average of 9% between 2002 and 2006. Castlecomer recorded a much smaller increase of 3.3%, while Graigueamanagh saw a decrease of 5.9%. Rural and Environs of Kilkenny City also recorded a slightly above average increase in population of 11.3%.

Table 1.2: Population of Four Main Towns in Kilkenny 2006

Callan	Castlecomer	Graigueamanagh	Thomastown
1,771	1,531	1,097	1,837

¹ Population and Migration Estimates Released, 12 September 2006

- 1.2.12 In addition, regional factors, such as the expansion of Waterford City has led to some overspill of population into Kilkenny and the growing attractiveness of commuting from the County to Waterford and other nearby towns.
- 1.2.13 Kilkenny has also enjoyed sustained economic growth in recent years. The County has developed and retained firms in growth sectors such as financial services and healthcare.

National Spatial Strategy

- 1.2.14 The National Spatial Strategy aims to achieve balanced development across Ireland rather than being concentrated in a particular region or conurbation. In order to achieve this, the Strategy has identified a number of 'gateways' – large urban centres of activity that will be prioritised for major investment projects; and 'hubs' - smaller centres that will support the development of the Gateways.
- 1.2.15 The NSS has designated Kilkenny as an economic 'hub' and Waterford as an economic 'gateway' location.
- 1.2.16 The function of a hub, as described in the NSS, is to:
“Provide important regional bases for foreign direct investment projects, indigenous industrial and service activity and the provision of essential local facilities and amenities in areas such as public services, education and healthcare.” (National Development Plan, 2007-2013; p75)
“The NSS further envisages Kilkenny City as providing a critical mass of population and skilled labour, achieving a population of 30,000+ by 2020.”
- 1.2.17 The priority given to regional economic development in the National Spatial Strategy means that job growth is likely to remain a source of strong inter-regional migration flows over the medium to long term.
- 1.2.18 In addition, the expansion of nearby towns and centres such as Waterford and the Greater Dublin Area will continue to enhance Kilkenny's central location as a residential preference for commuters. This will be particularly relevant if the M7/M9 motorway connections go ahead as planned.

Outputs

- 1.2.19 Projections of population are provided for Kilkenny County and Kilkenny City and Environs. The results show that under all three scenarios the population in the County is expected to increase substantially by 2020 when compared with the trend over the last half century.

2. Population Projections

2.1 Introduction

2.1.1 The population projections to 2020 consist of a high, low and central (preferred) scenario. This will enable us to understand what is likely to be the minimum number of affordable homes required during the next development plan and beyond, and also what is conceivable if current trends were applied for the whole period to 2020.

2.1.2 The three scenarios are based on the following rationale:

- High Scenario: This extrapolates current trends observed between 2002 to 2006 through to 2020 and assumes annual growth in population of 2.13%
- Central (preferred) Scenario: takes the Department of the Environment, Heritage and Local Government (DoEHLG) latest population projections for the South East
- Low Scenario: the CSO 2004/5 projections for population and labour force.

2.1.3 The central and low scenario projections for the years have been estimated using Colin Buchanan's cohort model. This model involves a set of census population tables disaggregated by single year cohort. Each table moves the cohorts along their life cycle, adding births and subtracting deaths according to fertility and mortality rates from the life table. The output from this process is to give us the future natural change in population.

2.1.4 In both cases the mortality rates have been drawn from the CSO calculations for the national population for 2001-2003, and have been assumed to be constant over the forecast period.

2.1.5 The birth rates are calculated on the basis of age-specific fertility rates. The assumed total fertility rate is the same as that used in the CSO F1 projection; rising to 2.0 to 2011 and remaining at that level over the forecast period.

2.2 Migration Estimates

2.2.1 The trends scenario does not include separate assumptions for net migration per annum. However, the figure of 2.13% per annum growth to 2020 ultimately envisages that strong net migration will be sustained throughout the forecast period. This is to allow for possibilities related to the impact of specific developments under the NDP, such as the M7/M9 motorway that will extend the reach of Greater Dublin into the County.

2.2.2 For the other two scenarios we have used estimates of net migration into Kilkenny County by single year, drawing on two sets of official sources as below:

- CSO Population and Labour Force projections 2006-26 (Nov 2004)
- DoEHLG, National and Regional Population Projections (Feb 2007)

2.2.3 Producing accurate estimates of net migration is the most challenging task when making population forecasts. In the context of county population projections this process is more complex as there is comparatively little data available regarding the number and characteristics of migrants at regional and county level.

CSO Population Projections

- 2.2.4 The Central Statistics Office (CSO) produces two scenario estimates of net migration at State level, based on migration flows over the period 1997-2004.
- 2.2.5 The most recent set of projections were issued in November 2004, which were upwardly revised as a result of strong net migration from 2002. In-flows from the new EU member states and a fall in the level of out-migration have been greater than originally predicted.
- 2.2.6 Total net migration has averaged approximately 45,000 per annum since 2002, which is significantly above the CSO's upwardly revised upper scenario of 30,000 per annum to 2011, then declining gradually.
- 2.2.7 The CSO projections have taken into account the following factors when estimating future migration. In summary these are:
- future expectations of growth in the economy and labour force;
 - the capacity of the infrastructure to cope with continuing high population growth;
 - reduced labour supply due to the decline in births in the 1980s and 1990s;
 - demographic "pull" factors arising from a more rapidly ageing population structure in other European countries; and
 - Sharply decreased pool of Irish migrants living abroad.
- 2.2.8 CSO projected average net migration flows are shown in **Table 2.1**:

Table 2.1: CSO Migration Projections for Ireland, Nov 2004

Scenario, Per Annum	2006-2011	2011-2016	2016-2021	2021-2026
CSO M1 (High)	30,000	30,000	20,000	20,000
CSO M2 (Low)	20,000	10,000	5,000	5,000

DoEHLG Projections

- 2.2.9 The DoEHLG forecasts were published in February 2007 to update the population projections in the National Spatial Strategy and Regional Planning Guidelines. The forecasts take into account much stronger migration flows since 2002 and therefore assume higher migration flows for the forecast period as follows:
- 2006-11 : 50,000 per annum
 - 2011-16 : 45,000 per annum
 - 2016-20: 37,500 per annum.
- 2.2.10 As the DoEHLG points out, although their estimates of migration are based on the last census period, their overall population projection is more aligned with trends over the last ten years. In addition the DoEHLG envisage that the South-East region's share of national population will remain stable to at least 2020 at 10.9%.
- 2.2.11 The key uncertainty amid these projections is the extent to which high net migration will continue, particularly with regard to the extent of future flows of Irish citizens living abroad and the inflows resulting from EU expansion.
- 2.2.12 It is possible that very high in-migration since 2004 represents a temporary spike from the entrance of new EU member states. It is therefore reasonable to assume that the number of migrants will fall back to a more stable level over the long term as all EU member states will allow free movement of people across their respective jurisdictions after 2011. This is in contrast to

the present situation where only the UK, Ireland and Sweden have allowed unrestricted entrance into their labour forces from the 2004 accession states.

- 2.2.13 Based on this analysis of migration flows, the CSO figures will be used as a lower scenario and the DoEHLG projections as a medium (preferred) scenario for future population. Both envisage that migration will tail off from current levels before 2020, while the high scenario implies that migration will remain constant at the 2002-2006 average.

Kilkenny: Recent Migration Flows

- 2.2.14 The preliminary Census results estimate net migration into Kilkenny of 4,822 persons between the period 2002 to 2006. As **Table 2.2** shows, this represents a marked reversal in trends over the last 10 to 15 years.

Table 2.2: Kilkenny County Intercensal Net Migration Flow

	1991	1996	2002	2006*
Net migration (total persons)	-2,240	-16	2,650	4,822

*preliminary estimate; source: Census 2006

- 2.2.15 As highlighted in Section 1, positive net migration into Kilkenny is due to both national and regional factors. Continued net migration at a national level is expected to lead to further net inflows into the County over the forecast period, with the CSO methodology assuming that the share of immigrants into the South-East region will remain at 6.9% of the national total.
- 2.2.16 The central population projection uses average net migration from 2002 to 2006 and is scaled down proportionately in line with the DoEHLG assumptions for each time frame to 2020.
- 2.2.17 For the lower scenario, we have similarly taken average net migration over the same period and scaled this down in line with the CSO M1 scenario to 2020.

Table 2.3: Projected Net Migration per annum, Kilkenny County

Scenario Projection	2006-2011	2011-2016	2016-2020
High (Trends)	1400+	1400+	1400+
Central (DELG 2007)	1333	1200	1000
Low (CSO M2, 2004)	331	165	83

- 2.2.18 The high and low population projections are intended to provide a realistic range of outcomes on which to estimate the scope of social and affordable housing requirements to 2014.

2.3 Results

- 2.3.1 **Tables 2.4, 2.5 and 2.6** show the projected population based on the 'high' and 'central' DoEHLG scenarios and the 'low' CSO derived scenario outlined above.

Table 2.4: Population High Scenario

High Scenario	2006	2008	2014	2020
Kilkenny County	87,558	91,328	103,639	117,609
City & Environs	22,179	23,180	26,568	30,243
Change County		4.3%	18.4%	34.3%
Change C&E		4.5%	19.8%	36.4%

Table 2.5: Population Central Scenario

Moderate Scenario	2006	2008	2014	2020
Kilkenny County	87,558	91,629	102,157	111,005
City & Environs	22,179	23,264	26,344	29,268
Change County		4.6%	16.7%	26.8%
Change C&E		4.9%	18.8%	32.0%

Table 2.6: Population Low Scenario

Low Scenario	2006	2008	2014	2020
Kilkenny County	87,558	90,708	98,745	104,962
City & Environs	22,179	22,974	25,406	27,837
Change County		3.6%	12.8%	19.9%
Change C&E		3.6%	14.5%	25.5%

- 2.3.2 The above results envisage an increase in the County population of a minimum 17,404 (19.9%) and maximum 30,051 (34.3%) by 2020. Similarly, City and Environs are expected to see an increase of between 5,658 (25.5%) and 8,064 (36.4%) over the same period.
- 2.3.3 Interestingly, population under the central projection shows a slightly larger increase than the high scenario to 2008. This is because the DoEHLG assumptions for migration imply that population grows slightly above the trend assumption to 2011, before moderating to below the 2002-2006 trend growth rate.
- 2.3.4 All three scenarios, as illustrated in **Figure 2.1** suggest that population will continue to climb in the County and City and Environs at a firm upward trend relative to intercensal population decline notable in previous decades.

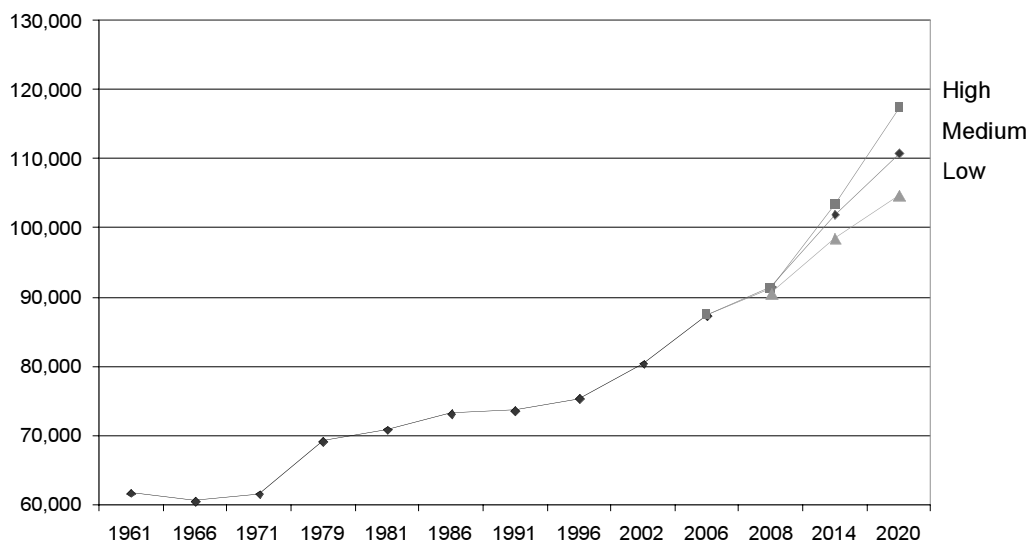


Figure 2.1: Projected Population Scenarios, Kilkenny County to 2020

Projected Age Structure of Kilkenny Population

2.3.5

Tables 2.7 and 2.8 show the breakdown of projected population in Kilkenny County in 2020 by five year age groups for the central and low projections with percentage change from 2006 Census results. This table has not been produced for the High (trends) scenario as this projection is based on a more simple approach of extrapolating recent trend growth to 2020.

Table 2.7: Projected Population by 5-year age group, Central Scenario, 2020

Age	Males	%Change	Females	%Change	Total	%Change
0-4	3,780	18%	3,774	21%	7,554	19%
5-9	3,630	12%	3,606	19%	7,236	15%
10-14	3,401	7%	3,395	11%	6,797	9%
15-19	3,546	8%	3,306	8%	6,852	8%
20-24	3,665	26%	3,719	38%	7,384	32%
25-29	4,894	41%	4,856	51%	9,750	46%
30-34	5,106	49%	4,906	48%	10,012	48%
35-39	4,438	33%	3,885	20%	8,324	26%
40-44	3,948	22%	3,626	13%	7,574	18%
45-49	3,635	17%	3,411	15%	7,046	16%
50-54	3,426	25%	3,393	28%	6,820	27%
55-59	3,279	30%	3,201	39%	6,480	35%
60-64	2,826	37%	2,809	44%	5,636	41%
65-69	2,469	66%	2,314	59%	4,783	63%
70-74	1,771	44%	1,884	43%	3,655	43%
75-79	1,074	21%	1,255	12%	2,329	16%
80-84	659	17%	915	8%	1,574	11%
85+	394	7%	807	12%	1,200	11%
TOTAL	55,942	26%	55,063	27%	111,005	27%

Table 2.8: Projected Population by 5-year age group, Low Scenario, 2020

Age	Males	%Change	Females	%Change	Total	%Change
0-4	3,746	17%	3,747	20%	7,493	18%
5-9	3,530	9%	3,519	17%	7,048	12%
10-14	3,268	3%	3,272	7%	6,540	5%
15-19	3,433	5%	3,196	4%	6,629	4%
20-24	3,468	19%	3,455	28%	6,924	24%
25-29	4,423	27%	4,350	35%	8,773	31%
30-34	4,490	31%	4,283	29%	8,773	30%
35-39	3,870	16%	3,415	5%	7,286	11%
40-44	3,598	11%	3,386	6%	6,984	8%
45-49	3,426	10%	3,279	10%	6,706	10%
50-54	3,294	20%	3,314	25%	6,608	23%
55-59	3,193	27%	3,146	37%	6,339	32%
60-64	2,761	34%	2,762	42%	5,523	38%
65-69	2,420	63%	2,275	56%	4,695	60%
70-74	1,736	41%	1,858	41%	3,595	41%
75-79	1,053	19%	1,240	11%	2,293	14%
80-84	650	15%	908	7%	1,558	10%
85+	391	6%	802	12%	1,192	10%
TOTAL	52,752	19%	52,209	21%	104,961	20%

2.3.6 The preferred population scenario suggests that while the overall demographic shape of the County's future population is similar to that projected by the CSO for the State; Kilkenny is expected to see above average increases in the 20 to 34 age categories. A substantial percentage increase in the 60 to 74 age range is also expected by 2020, in line with the national trend.

2.3.7 The above average increases projected for the 20-34 age categories largely reflects the impact of positive net migration and the comparatively younger demographic profile of immigrants compared to the County's existing inhabitants.

Labour Force Projections

2.3.8 Based on the population by age group data for the preferred scenario, it is possible to derive an indicative estimate of future growth in the size of the workforce defined as members of the population aged between 15 and 64. These are given in **Table 2.9** for County and City Environs for the years 2006, 2008, 2014 and 2020.

Table 2.9: Projected Size of Kilkenny Labour Force to 2020*

Area	2006	2008	2014	2020
County	58,713	61,551	69,637	75,877
% change		4.8	13.1	9.0
CE	14,840	15,486	17,510	19,455
% change		4.4	13.1	11.1

**figures are based on projected growth in the 15-64 age groups and average labour participation rates, and are meant to be indicative*

3. Housing Strategy

3.1 Introduction

- 3.1.1 Part V of the Planning and Development Act 2000 (the Act) requires that housing strategies be drawn up by planning authorities and integrated into their development plans. The strategy is to have regard to the proper planning and sustainable development of an area and will be concerned with the overall supply of housing within the administrative area of the Local Authority.
- 3.1.2 The Act states that the needs for social and affordable housing shall be a material planning consideration which must be taken into account in formulating development plan policies, preparing the housing strategy and deciding on planning applications.
- 3.1.3 The Act places a statutory obligation on the Planning Authority to ensure that sufficient land is zoned for housing in its development plan to meet the projected housing requirement over the period of the plan and to ensure that shortage will not arise.
- 3.1.4 The housing strategy shall:
- A. Include an estimate of, and provision for, the existing need and the likely future need for housing in the area covered by the development plan. The Planning Authority shall ensure that sufficient and suitable land is zoned in its development plan for residential use (or for a mixture of residential and other uses), to meet the requirements of the housing strategy and to ensure that a scarcity of such land does not occur at any time during the period of the development plan.
 - B. Take into account the need to ensure that housing is available for persons who have different levels of income and in particular for those in need of social or affordable housing in the area. A housing strategy shall therefore provide that as a general policy a specified percentage, not being more than 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 social and/or affordable housing.
 - C. Ensure that a mixture of house types and sizes is developed to reasonably match the requirements of the different categories of households, as may be determined by the Planning Authority, including the special requirements of elderly persons and persons with disabilities.
 - D. Counteract undue segregation in housing between persons of different social backgrounds. The Planning Authority may indicate in respect of any residential area that there is no requirement for social/affordable housing in respect of that area, or that a lower percentage than that specified in the housing strategy may instead be required.
- 3.1.5 The development plan must be amended if necessary to incorporate the housing strategy and shall include objectives to secure the implementation of the strategy, including objectives requiring that a specified percentage of lands zoned for residential development be made available for social and affordable housing. A Planning Authority or An Bord Pleanála on appeal may include a condition on a grant of permission requiring the applicant to enter into an agreement regarding the provision of social housing.

Kilkenny Population Study & Housing Strategy

- 3.1.6 The Manager must prepare a report for the elected members two years after the adoption of a development plan, which shall include a review of the progress achieved in securing the objectives of the plan. This shall include progress made in implementing the housing strategy. Where the report indicates that new or revised housing needs have been identified, the Manager may recommend that the housing strategy be adjusted and that the development plan be varied accordingly. The Manager may also bring such a report to the members if he or she considers that there has been a change in the housing market or in the regulations made by the Minister for the Environment under the Act that significantly affects the housing strategy.
- 3.1.7 The current “Kilkenny County Development Plan” was adopted in 2002. The making of a new development plan is underway and a Development Plan will be published in 2007.
- 3.1.8 A housing strategy may be prepared jointly by two or more Planning Authorities. The housing strategy for Kilkenny City and County is being prepared jointly by Kilkenny County Council and Kilkenny Borough Council. In the preparation of the housing strategy, regard was had to the Model Housing Strategy and step-by-step guide issued by the Department of Environment and Local Government (DoEHLG) as part of the Housing Supply Guidelines (December 2000).
- 3.1.9 Kilkenny County Council and Kilkenny Borough Council sought submissions from a variety of stakeholders prior to the preparation of this strategy. A list of respondents may be found in **Appendix B**. The Local Authorities acknowledge with thanks the input of those bodies.

4. Policy Context

4.1 Introduction

- 4.1.1 The following sections present the relevant policy considerations originating from national, regional and local bodies that shape housing and settlement policy in County Kilkenny.

4.2 National Policy

- 4.2.1 In this section, we consider the implications for the housing strategy of the following national policy statements and documents:

- National Spatial Strategy 2002-2020
- NESC 112- Housing in Ireland: Performance and Policy 2004
- The National Development Plan 2007-2013
- Towards 2016 Ten-Year Framework Social Partnership Agreement 2006-2015
- Delivering Homes Sustaining Communities- DoEHLG, February 2007
- Residential Density Guidelines for Planning Authorities, DoEHLG, 1999

National Spatial Strategy 2002-2020

- 4.2.2 The “National Spatial Strategy 2002-2020” was published by the Department of the Environment, Heritage and Local Government in November 2002. The strategy is a 20-year planning framework for development of all parts of Ireland. It aims to achieve a better balance of social, economic and physical development across Ireland, supported by more effective planning.
- 4.2.3 Kilkenny City is a designated ‘Hub’, identified as a location capable of supporting the national and international role of the regional designated Gateway; Waterford, in turn energising smaller towns and rural areas within its sphere of influence. Kilkenny, together with Wexford town and Waterford are considered to form a nationally strategic ‘growth triangle’.
- 4.2.4 The implementation of the National Spatial Strategy requires that Regional Planning Guidelines be put in place across the Country. It is the policy of Kilkenny Local Authorities to promote the development strategy set out in the National Spatial Strategy.

NESC 112- Housing In Ireland: Performance And Policy 2004

- 4.2.5 Published by the National Economic and Social Council, the analysis in this report provides a unified rationale for a proposed housing policy that addresses the need for social and affordable housing and sustainable neighbourhoods.
- 4.2.6 This analysis of the current Irish housing situation led the Council to advance several core arguments that ground its recommendations. The policy recommendations contained in this report shaped subsequent central government Social Partnership – focused strategies in the housing sector. The three main findings contained within this document stated that;
- 4.2.7 The market alone – even when it reaches broad equilibrium – cannot be relied upon to eventually erode most of the current need for social and affordable housing supports nor to stem the emergence of new need
- 4.2.8 The level of social housing provision has fallen too low, and the increases in stock levels in recent years need to be continued for the foreseeable future.

- 4.2.9 In addition to the provision of social housing to those on very low incomes, there is a need for more graduated forms of support to meet the needs of those who are not in poverty but who face continuing housing affordability problems.

National Development Plan 2007-2013

- 4.2.10 The “National Development Plan 2007-2013 Transforming Ireland — A Better Quality of Life for All” sets out the roadmap to Ireland’s future.
- 4.2.11 The core NDP objective for the indicated time period is to integrate strategic development frameworks for regional development, for rural communities, for all-island co-operation, and for protection of the environment with common economic and social goals.
- 4.2.12 The bulk of housing output over the period of the NDP 2000-2006 was provided by the private sector and this will continue to be the case under this Plan. However, the overall policy approach recognises that the market alone will not address the housing needs of all sections of the population.
- 4.2.13 With regard to housing provision over the assigned plan period, € 21 billion is anticipated to be spent on delivering assistance through social, affordable and voluntary housing schemes to over 140,000 households, including 100,000 new social and affordable units with a portion of the funding delivering support under the rent supplement scheme to other households.

Towards 2016 Ten-Year Framework Social Partnership Agreement 2006-2015

- 4.2.14 With regard to housing, this agreed framework advocates housing policies and practice that allow for pathways to be developed to transform the Irish housing environment: to improve not only responsiveness of services but also quality of services.
- 4.2.15 In this context, the core objective of housing policy is to enable every household to have available an affordable dwelling of good quality, suited to its needs, in a good environment and, as far as possible, at the tenure of its choice.
- 4.2.16 The Government and the Social Partners endorse the important principles set out in the “Housing Policy Framework – Building Sustainable Communities” which provides a vision of the kind of high quality, integrated sustainable communities that are worth building. This also aims to take into account other factors in the areas of balanced regional and rural development, planning, physical and social infrastructure, environmental sustainability and the development of social capital. The parties agreed to work together toward the delivery of this vision over the course of this agreement.
- 4.2.17 This approach seeks to ensure that all housing is seen as being on an equal footing whether provided fully by the State or supported in some way. All parties have a role in developing this ethos, which makes no distinction between types of housing or tenure. A critical factor in determining housing interventions is the requirement for a clear perspective as to the scale and nature of need, including local variations.

Delivering Homes Sustaining Communities - DoEHLG, February 2007

- 4.2.18 This Department of Environment, Heritage and Local Government policy document promotes underpinning Housing Strategies with effective Housing Action Plans to ensure effective delivery of affordable housing and social housing supports.

- 4.2.19 Housing action plans are to be based on the overall analysis of need as established by the relevant housing strategy, subject to any necessary updating and should outline the proposed response in terms of new social and affordable housing, addressing regeneration and remedial works together with the proposed arrangements for management and maintenance of the housing stock. The action plan is to seek to strike the appropriate balance between the different housing programmes.
- 4.2.20 The Department of the Environment, Heritage and Local Government in 2004 asked each Local Authority to prepare a comprehensive social and affordable housing action plan covering the next five years, on which the future allocation of housing resources by the Department will be based. The plan is to address the following issues:
- Overview of the current social and affordable housing need.
 - Strategic objectives for the delivery of social and affordable housing measures over the period 2004 – 2008.
 - Policies in relation to management and maintenance of stock.
 - Policies on the allocation of housing.
 - Financial resources likely to be required to deliver the programme.
- 4.2.21 Apart from the direct involvement by local authorities in meeting housing needs, local authorities are increasingly involved in enabling these needs to be met through other mechanisms e.g. through engagement with the voluntary and cooperative sector, through the supply of social and affordable housing under Part V of the Planning and Development Act, 2000 – 2002, or through public private partnership arrangements. It is necessary to ensure that the entire Housing Action Plan response is operated in a strategic manner.
- 4.2.22 New guidance notes are to be developed by the DoEHLG based on the experience of first round plans and policy directions informed by this document.
- 4.2.23 Legislation is currently being drafted to place Housing Action plans on a statutory footing. These plans are to include a rolling three-year implementation plan.
- 4.2.24 The needs of 60,000 households nationwide are to be met over the period 2007-2009. Funding over the National Development Plan (NDP) period (2007-2013) will allow the needs of 140,000 households to be met. The mid-term review reflected in “Towards 2016” and the NDP will determine the outputs under the Housing Action Plans post - 2009.

Residential Density Guidelines for Planning Authorities 1999

- 4.2.25 National strategy as outlined in the Department of the Environment, Heritage and Local Government report, "Sustainable Development – A Strategy for Ireland" (1997) sets out Government policy of encouraging more sustainable urban development by the avoidance of excessive suburbanisation and the promotion of higher residential densities in appropriate locations in harmony with improved public transport systems.
- 4.2.26 In 1999, the Department, following a process of public consultation, issued “Planning Guidelines on Residential Density” to all Planning Authorities. The density guidelines point out that:
- A. Falling household sizes in Ireland, coupled with economic prosperity, will have significant implications for the scale and type of future housing stock. A more varied range of dwelling type and size than has been provided heretofore will be necessary; and

- B. The Government is concerned at the rise in house prices. Despite an increase in housing completions in Ireland in recent years, housing demand remains high relative to supply. The present difficulties experienced by first-time buyers can be addressed by the provision of more dwellings. The use of zoned and serviced residential land to its maximum will assist in achieving this objective. More compact, innovative house types may result in cheaper construction costs.
- C. Planning authorities are therefore required by the Department of the Environment, Heritage and Local Government, to promote increased residential density where appropriate to do so, including
 - In town and city centres
 - On 'brownfield' sites, especially close to existing or future public transport corridors
 - On inner suburban/infill sites, again where close to existing or planned public transport corridors
 - On appropriate outer suburban/'greenfield' sites

4.2.27 The Guidelines also emphasise high quality design and layout, good quality living environment including the availability of shopping, social amenities, childcare facilities, transport and leisure infrastructure.

4.2.28 These guidelines are due to be reviewed during the lifetime of the upcoming Development Plan period.

4.3 Regional Policy Context

South-East Regional Planning Guidelines 2004

- 4.3.1 The relevant observable predictions contained within the most recent Regional Guidelines suggest the following factors will influence population, housing and settlement strategies in the county to 2020;
- The major driver of regional population growth in the South-East is net inward migration. Most recent CSO data suggests that the population of the region will be in the order of 537,000 by 2021, rising from the census 2006 figure of 460,474 persons.
 - A challenge for planning authorities is to ensure that population increases occur in areas close to employment sources and where essential physical and social infrastructure such as transport and water services as well as schools, retail, community, healthcare and recreation/sporting facilities are available or planned
 - Kilkenny City is predicted to grow to a population of 30,000 by 2020 under NSS driven regional population growth indicators
 - This figure equates to one quarter of all purported growth attributable to Gateways and Hubs within the South-East region to 2020
 - The availability and affordability of housing in established centres needs to be carefully managed if critical mass and a strong, competitive network are to be achieved in the South-East.

4.4 Local Policy Context

- 4.4.1 Housing policy in County Kilkenny is currently founded on the following documents:
- 2002 County Development Plan & Local Area Plans
 - Kilkenny Local Authorities Action Plan for Social and Affordable Housing 2004-2008

2002 County Development Plan & Associated Local Area Plans

- 4.4.2 Below we summarise the key local housing policies from these documents:
- To operate an integrated and sustainable housing policy for the Borough and the Environs
 - To ensure that sufficient and suitable land is zoned in the development plan and serviced for residential development (whether solely for residential use, or a mixture of residential and other uses) to meet the requirements of the strategy and to ensure that a scarcity of such land does not occur at any time during the period of the strategy
 - To provide the necessary infrastructural investment to facilitate the overall level of housing output required to meet the current and anticipated levels of demand in a planned coherent fashion
 - To strive for the highest quality built environment in the development of new housing, through the promotion of a high standard of architectural design in the siting and design of new developments
 - To encourage economy and efficiency in the use of land and services
 - To encourage a variety of house types, sizes and tenure in individual schemes and to encourage variety, interest and social mix in private and social housing developments
 - To ensure that the County housing policy and objectives are linked with employment, environmental and infrastructural policies and objectives with the aim of improving the quality of life and the attractiveness of the County's towns, villages and open countryside
 - To meet social and affordable housing needs in the towns, villages and rural areas of the County in a balanced way avoiding over-concentration in any one particular area by:
 - Providing houses under its multi-annual housing programme
 - Assembling land banks
 - Co-operating with and assisting the Private and Voluntary Sectors
 - Implementing the Affordable Housing/Shared Ownership Schemes and other housing initiatives
 - Participating in estate management and involving residents associations through the Council's community liaison programme.
- 4.4.3 To ensure that a mixture of house types and sizes is developed to reasonably match the requirements of the different categories of households, as may be determined by the Local Authorities, including the special requirements of elderly persons and persons with disabilities by:
- The provision of suitable accommodation by the County Council and Borough Council and voluntary housing groups and by encouraging private sector development of smaller housing units, and specialist housing
 - To operate Part V of the Act in a way that encourages and facilitates a level supply of housing which will meet the demands of all sectors of the market
 - To ensure a degree of flexibility in the design of housing units to ensure that units are adaptable to change and can reflect changing requirements and demands of people.

Kilkenny Local Authorities Action Plan For Social And Affordable Housing 2004-2008

- 4.4.4 This Action plan sets out the Social and Affordable housing objectives of the local authorities for the period in question having reviewed:
- The current condition of housing stock
 - Housing waiting lists
 - The need for social and affordable housing

4.4.5 The identified methods through which Kilkenny Local Authorities will meet housing needs are:

- The development of social and affordable housing schemes on local authority owned land, while ensuring that an adequate land bank is available to facilitate the delivery of these schemes
- Availing of all options under Part V of the Planning and Development Acts 2000-2002 while having regard to the particular requirements and constraints of each location
- Liaising with developers to ensure housing units are provided under Part V in a manner that ensures best integration within developments
- Provision of private sites where appropriate
- Support of the voluntary sector through the Capital Assistance Scheme to meet the housing needs of the disabled and elderly, and the Capital Loan and Subsidy Scheme to provide family type accommodation
- Developing small schemes on infill and derelict sites in the towns and villages to meet both social and affordable need
- Ensuring that all schemes contain a mix of house sizes and types to progress the development of sustainable communities

4.4.6 A mid-term review of this Action Plan was produced in 2006 to ensure that the level of provision remained adequate to meet the needs of housing applicants.

5. Housing: Progress to Date

5.1 Housing Completions to 2006

- 5.1.1 **Table 5.1** compares the predicted household formation figures presented in the 2001 Housing Strategy to actual housing completion statistics for the county obtained from the DoEHLG database.

Table 5.1: Forecast Housing Demand and Actual Supply 2002-2006

Year	Predicted Demand (Units)	Actual Supply (Units)	Private Housing Supply	Other Housing Supply
2002	667	1,119	1,088	31
2003	667	1,183	1,102	81
2004	667	1,384	1,324	60
2005	667	1,374	1,262	112
2006	667	1,796	1,699	97
TOTAL	4,002	6,856	6,475	381

- 5.1.2 The outstripping of predicted demand by actual supply mirrors other housing strategies prepared during the same time period and the nationwide trend of accelerated housing output. The total figures for the period amount to a 71% surpassing of the 2001 Housing Strategy completion predictions.
- 5.1.3 This increase in housing activity is reflected in a much larger quantum of both predicted demand and predicted housing supply for this strategy compared to the previous strategy. This overall intensification of activity in the housing market reflects the population and economic growth of the country as a whole for the period in question.

5.2 Provision of Social and Affordable Housing

- 5.2.1 The 'Other Housing supply' column as detailed in **Table 5.1** is indicative of the new units provided by the voluntary and co-operative sector and Kilkenny's Multi-Annual Social Housing Programme. **Table 5.2** provides a year-by-year breakdown of the types of social housing provision provided by the local authority during the previous Housing Strategy period.

Table 5.2: New Units- Multi Annual Social Programme

Year	New Build	Rural Houses	Direct Purchase From Market
2002	19	3	5
2003	32	3	-
2004	50	5	4
2005	41	3	10
2006	60	-	10
Total	202	14	29

- 5.2.2 This amounts to a total provision for the period from this programme of 245 new homes for applicants on the local authority housing list from this specific initiative.
- 5.2.3 In addition to local authority housing provision, 91 new units of housing were completed by the voluntary housing sector under the Capital Assistance Scheme for the period 2002-2006. these new homes were specifically provided for the homeless, elderly and disabled members of the Kilkenny community.

- 5.2.4 Demand for affordable housing in the county has proven to be relatively slow over the period covered by the previous strategy. The main urban area of Kilkenny City however would have a higher level of demand compared to other districts in the County. This may in part be explained by the cost of housing supplied under the various affordable housing initiatives being comparable to open market prices for starter homes in certain areas. The predominantly rural nature of the county is also attributed with limiting demand for Local Authority led affordable housing initiatives.
- 5.2.5 **Table 5.3** sets out the variety and number of initiatives instigated by Kilkenny Local Authorities in this regard for the period 2002-2006

Table 5.3: Affordable Housing Initiatives 2002-2006

Year	Shared Ownership Loans	Affordable Houses Sold	Annuity Loans	Houses Sold Under Tenant Purchase Scheme
2002	63	21	22	38
2003	52	19	9	53
2004	6	4	6	53
2005	17	10	6	50
2006	11	10	5	36
Total	149	64	48	230

- 5.2.6 In total 491 households have been assisted on the path to home ownership by Kilkenny Local Authorities during the course of the previous strategy under the affordable housing programmes outlined above.
- 5.2.7 Figures available from the DoEHLG indicate a total Social and Affordable Housing provision made available (including re-lets and extension/improvement works in lieu of new housing) facilitating 937 households for the period 2002-2006. **Table 5.4** presents the total quantitative figures minus the number for houses let in 2006 from existing stock (see Row 7) as these figures are not available at present.

Table 5.4 Total Social and Affordable Housing Provision, Kilkenny Local Authorities 2002-2006

Row	Year	2002	2003	2004	2005	2006
1	Authorised Starts for Local Authority Housing (Number)	83	83	91	0	91
2	Actual Starts for Local Authority Housing (Number)	19	110	75	104	162
3	Local Authority New Build (Number)	26	40	51	62	62
4	Local Authority Acquisitions (Number)	16	9	40	23	61
5	Voluntary Housing New Build (Number)	5	41	9	50	8
6	Extensions and Improvements in Lieu of Local Authority Housing (Number)	14	9	3	3	3
7	Houses Let in year from Existing Local Authority Dwellings (Number)	56	45	46	45	...
8	Mortgage Allowance for Local Authority Tenants to buy Private Houses (Number)	7	5	9	6	7
9	Shared Ownership Affordable Housing Scheme Transactions Completed (Number)	63	52	6	17	11
10	Houses Provided under the 1999 Affordable Housing Scheme (Number)	28	19	4	0	6
11	Affordable Houses Acquired under Part V of Planning and Development Acts 2000-2006 (Number)	0	0	0	10	6
12	Households Assisted through Social Housing Measures (Number = Total Rows 3 to 7)	117	144	103	183	134*
13	Households Assisted through Affordable Housing Measures (Number = Total Rows 8 to 11)	98	76	19	33	30
14	Households Assisted through Social and Affordable Housing Measures (Number= Total Rows 12 + 13)	215	220	122	216	164

*2006 Figure for Row 7 category not available at the time of writing

5.2.8 Kilkenny Borough Council has exhausted its land bank over the last number of years. A number of parcels of land have been purchased by Kilkenny County Council. The total land available for housing for both Local Authorities at 1/4/2007 is 3.37 hectares.

6. Housing Demand

6.1 Introduction

- 6.1.1 Based on the three sets of population projections laid out in Section 2 we can estimate overall household formation in Kilkenny by dividing forecast population by average household size. In line with the national trend household size in the County has continued to decline and this is assumed to remain the case over the period covered by the Housing Strategy to 2014.
- 6.1.2 Household size in Kilkenny has declined on average by 0.04 persons per year since 1991 to an estimated 2.88 heads per household in 2006, compared to an average of 2.78 for the State.
- 6.1.3 **Table 6.1** summarises population and additional households for the County and City Environs by 2014 for each of the population scenarios. An average household size of 2.59 for City and Environs has been used to reflect typically lower household sizes in urban areas. It is assumed this figure continues to decline by the long term average of 0.043 per year to 2014 as per DoEHLG and CSO projections.
- 6.1.4 The total number of required new houses in the County by 2014 under the preferred central projection is 8,282 with a lower scenario of 7,102 and upper scenario of 8,908.

Table 6.1: Summary of Population and Additional Households to 2014

Population Scenario	Kilkenny County		Kilkenny City & Environs	
	Population 2014	New Households	Population 2014	New Households
High	103,639	8,908	26,602	1,652
Central	102,187	8,282	26,374	1,538
Low	98,745	7,102	25,435	1,207

6.2 Disposable Income Projections

- 6.2.1 The average disposable income for Kilkenny is derived from CSO regional incomes data. Between 2000 and 2004 average income in the County was approximately 87.7% of the State average as illustrated in **Table 6.2**. To derive an estimate of future income levels in the County the national disposable income projections will be factored down by this percentage for each segment of the income distribution.

Table 6.2: Comparison of Kilkenny and State Average Disposable Income 2000 to 2004

	2000	2001	2002	2003	2004
State	14,027	15,845	17,167	18,038	18,781
County Kilkenny	12,280	13,762	15,163	15,988	16,369
Kilkenny % state	87.6	86.9	88.3	88.6	87.2
Kilkenny 2000-04 average	87.7				

- 6.2.2 **Table 6.3** shows the distribution of average disposable income from the CSO Household Budget Survey 1999-2000. The percentage of households in each decile income bracket is assumed to be the same in Kilkenny County as at

state level. Weekly and annual income figures for each decile are calculated using a combination of sources from CSO Household Budget and Regional Income surveys. Without more reliable data on County-level distribution of household income, it is not possible to produce more specific estimates for Kilkenny.

Table 6.3: Estimated Distribution of Household Income; State and Kilkenny

Income Decile	Average Income, € Per Week (Upper Limit), 2000	Households in each Category %	Average National Annual Disposable Income (€)	County Kilkenny Deflator	Av. Annual Disposable Income, Kilkenny (€)
1	<126.49	9.0	5,561	87.7	4,876
2	205.70	10.1	8,581	87.7	7,524
3	293.26	9.8	12,136	87.7	10,641
4	386.50	9.4	16,649	87.7	14,598
5	530.60	9.4	21,097	87.7	18,498
6	658.70	10.5	26,976	87.7	23,653
7	782.20	10.5	31,023	87.7	27,201
8	973.10	9.8	36,085	87.7	31,639
9	1,302.56	10.3	46,871	87.7	41,096
10	>1,302.56	11.2	71,997	87.7	63,127

Source: CSO Household Budget Survey, Household Incomes- Regions and Counties, Own Calculations

6.2.3 The figures are then up-rated for the year's 2001 to 2014 using average disposable household income actual and forecast growth rates from the Economic and Social Research Institute (ESRI) as shown in **Table 6.4**.

6.2.4 As disposable income forecasts beyond 2012 are unavailable, income growth is assumed to remain stable at 8% per annum for 2013 and 2014. Similarly, the income distribution of households is assumed to remain unchanged over the period of the Development Plan.

Table 6.4: Projected Distribution of Households by Disposable Income 2007-2014

	2007	2008	2009	2010	2011	2012	2013	2014
growth%pa	11	6.5	5.6	8.2	8.1	8	8	8
1 st decile	8,670	9,232	9,749	10,549	11,401	12,316	13,303	14,370
2 nd decile	13,378	14,246	15,044	16,277	17,593	19,004	20,528	22,174
3 rd decile	18,920	20,148	21,276	23,021	24,882	26,877	29,032	31,360
4 th decile	25,956	27,640	29,188	31,581	34,135	36,872	39,828	43,022
5 th decile	32,890	35,024	36,986	40,019	43,254	46,722	50,469	54,516
6 th decile	42,056	44,784	47,292	51,170	55,307	59,742	64,533	69,707
7 th decile	48,365	51,503	54,387	58,847	63,605	68,705	74,214	80,165
8 th decile	56,257	59,907	63,262	68,449	73,983	79,915	86,324	93,246
9 th decile	73,072	77,813	82,171	88,909	96,097	103,803	112,126	121,117
10th decile	112,244	119,526	126,220	136,570	147,611	159,448	172,233	186,044

6.3 House Price Projections

6.3.1 The DoEHLG circular (HS 4/00) of 13th December 2000 recommended that "planning authorities should construct their own forecasts of price trends in

the light of experience and local circumstances as potentially there will be significant variations in house price levels and trends between different areas of the country (and possibly within individual counties) and between different segments of the market"

- 6.3.2 **Table 6.5** summarises average prices for all houses in Kilkenny and the annual change between 2001 and 2006.

Table 6.5: House Price Trends, County Kilkenny to 2006

Year	Average House Price, €	Annual % Change
2001	159,000	
2002	185,000	16.4
2003	210,187	13.6
2004	228,282	8.6
2005	260,992	14.3
2006	288,554	10.6

Source: Permanent TSB, DoEHLG.

Summary of Market Trends

- 6.3.3 In the five years following the completion of the last Housing Strategy in 2001, Kilkenny witnessed an average increase in house prices of approximately 81% to 2006. Over the same period average nominal disposable incomes in the County are estimated to have increased by approximately 57%². The outcome of these two developments means that housing affordability has been stretched significantly.
- 6.3.4 In addition to factors at the national level (e.g. stable economic growth, low real interest rates) that have driven rapid house price growth, local conditions that have also strongly influenced the housing market include the following:
- A large number of young families moving to the County
 - Growth of Waterford and other surrounding centres, making the County a popular residential location for commuters
 - Lower average house prices than similar parts of Ireland, leading to some 'catch-up' between County to State levels
- 6.3.5 The most recent commentary on the housing market in Kilkenny suggests that strong house price growth has continued into the first quarter of 2007, particularly for detached family homes.
- 6.3.6 We have based house projections for Kilkenny to 2014 on a number of sources, these are:
- Consultations with local Auctioneers and Valuers
 - Review of private sector house price forecasts (e.g. Banks, Estate Agents)
 - House price trends over the previous five years
- 6.3.7 The housing market in Ireland has become prone to considerable speculation of a "bubble" forming in house prices and one that is applicable to all types of residential property. While there have been numerous warnings of an impending correction in house prices for some time, no such predictions have been borne out, with much of the State continuing to enjoy healthy growth in prices.
- 6.3.8 Although there have been firmer signs of the market softening at a national level since the beginning of 2007, recent market commentary suggests

² based on a combination of CSO and ESRI figures

Kilkenny County has continued to experience strong growth in asking prices between the final quarter of 2006 and the first quarter of 2007³.

- 6.3.9 Against this background, rather than attempting to factor in a potential house price correction in our forecasts, we have adopted fairly conservative assumptions for annual house price growth of between 3% and 5% over the Development Plan period. These are outlined in **Table 6.6**.

Table 6.6: Forecast House Price Inflation, Kilkenny to 2014

Year	Annual Nominal House Price Growth
2007*	5%
2008	3%
2009	4%
2010	4%
2011	4%
2012	4%
2013	4%
2014	4%

Distribution Of Residential Property Values

- 6.3.10 Based on sales data from the DoEHLG for 2005-2006, a collation of recent sales information from estate agents sources and consultations, **Table 6.7** gives an estimate of the distribution of the housing stock value for existing houses in Kilkenny for the first quarter of 2007.

Table 6.7: Distribution of Existing Housing Stock Value, Kilkenny

House Price Band, (€) 2007	% Share
less than 160,000	4.4%
150,000-200,000	7.1%
200,000-250,000	16.8%
250,000-300,000	18.6%
300,000-350,000	20.4%
350,000-400,000	12.4%
400,000-450,000	6.2%
450,000-500,000	5.0%
500,000-550,000	5.3%
550,000+	3.9%
TOTAL	100%

- 6.3.11 Since the previous Housing Strategy in 2001 the majority of the housing stock has moved from a price of under € 135,000 to between € 200,000 and € 350,000. As a result, it has been necessary to not only inflate the price levels but also to widen the average house price bands. As **Table 6.7** also indicates a higher proportion of the housing stock is now distributed in the top bands, whereas previously these only accounted for 1-2% of all houses in Kilkenny.

³ Based on 'myhomebarometer' survey of house prices for Kilkenny showing a 22.4% increase in asking prices between Q4 2004 and Q1 2007.

6.3.12 In addition, in line with the Model Housing Strategy, the previous Housing Strategy and supported by sales and developer information, it is assumed that new housing attracts an average 8% premium above existing house prices. It is therefore necessary to inflate each band by this figure to calculate affordability for future housing built in the County.

Table 6.8: Assumed Price Distribution of New Build Housing, Kilkenny County 2007

Price Band (Decile)	% Of New Homes In Each Band
1 -Less Than 172,800	4.4%
2 -172,800 to 216,000	7.1%
3 - 216,001 to 270,000	16.8%
4 - 270,001 to 324,000	18.6%
5 - 324,001 to 378,000	20.4%
6 - 378,001 to 432,000	12.4%
7 - 432,001 to 486,000	6.2%
8 - 486,001 to 540,000	5.0%
9 - 540,001 to 594,000	5.3%
10 - 594,001 +	3.9%
TOTAL	100%

6.3.13 The next step is to up-rate the housing value distribution by projected house price inflation for each year from 2008 to 2014 to match with the timeline of the Development Plan and as displayed in **Table 6.10** overleaf. This calculation enables us to project how many new houses built for each year are likely to be distributed over the price ranges.

6.3.14 Based on figures to September 2006 we estimated the total number of housing completions (including private, public and voluntary sectors) in Kilkenny for 2007 at approximately 1,700. House building in Kilkenny for each year from 2008 to 2014 is assumed to be an average of that built annually for the past six years, giving a total of 1,262 units per annum.

6.3.15 Applying these figures to the projected distribution of the housing stock value **Table 6.9** estimates how many houses in each price band will be built for each year to 2014.

Table 6.9: Projected Housing Completions by Price Range, Kilkenny to 2014

Price Range	2007	2008	2009	2010	2011	2012	2013	2014
1	66	56	56	56	56	56	56	56
2	106	89	89	89	89	89	89	89
3	252	212	212	212	212	212	212	212
4	279	234	234	234	234	234	234	234
5	305	257	257	257	257	257	257	257
6	186	156	156	156	156	156	156	156
7	93	78	78	78	78	78	78	78
8	75	63	63	63	63	63	63	63
9	80	67	67	67	67	67	67	67
10	59	49	49	49	49	49	49	49
TOTAL	1,501	1,262	1,262	1,262	1,262	1,262	1,262	1,262

Table 6.10: Projected Value Distribution of the Housing Stock 2007 to 2014

		Price in Euros (€)									
*% Annual house price rise	value distribution	band 1	band 2	band 3	band 4	band 5	band 6	band 7	band 8	band 9	band 10
		4.4%	7.1%	16.8%	18.6%	20.4%	12.4%	6.2%	5.0%	5.3%	3.9%
2007		under 172,800	172,800 to 216,000	216,001 to 270,000	270,001 to 324,000	324,001 to 378,000	378,001 to 432,000	432,001 to 486,000	486,001 to 540,000	540,001 to 594,000	594,001+
2008	3%	under 177,984	177,984 to 222,480	222,481 to 278,100	278,101 to 333,720	333,721 to 389,340	389,341 to 444,960	444,961 to 500,580	500,581 to 556,200	556,201 to 611,820	611,821+
2009	4%	under 185,103	185,103 to 231,379	231,380 to 289,224	289,225 to 347,069	347,070 to 404,914	404,915 to 462,758	462,759 to 520,603	520,604 to 578,448	578,449 to 636,293	636,294+
2010	4%	under 192,507	192,508 to 240,634	240,635 to 300,793	300,794 to 360,952	360,953 to 421,110	421,111 to 481,269	481,270 to 541,427	541,428 to 601,586	601,587 to 661,745	661,746+
2011	4%	under 200,208	200,209 to 250,260	250,261 to 312,825	312,826 to 375,390	375,391 to 437,955	437,956 to 500,519	500,520 to 563,084	563,085 to 625,649	625,650 to 688,214	688,215+
2012	4%*	under 208,216	208,217 to 260,270	260,271 to 325,338	325,339 to 390,405	390,406 to 455,473	455,474 to 520,540	520,541 to 585,608	585,609 to 650,675	650,676 to 715,743	715,744+
2013	4%	under 216,544	216,544 to 270,680	270,681 to 338,351	338,352 to 406,021	406,022 to 473,691	473,692 to 541,362	541,363 to 609,032	609,033 to 676,702	676,703 to 744,373	744,374 +
2014	4%	under 225,206	225,206 to 281,508	281,509 to 351,886	351,887 to 422,262	422,263 to 492,639	492,640 to 563,016	563,017 to 633,393	633,394 to 703,770	703,771 to 774,148	774,149 +

6.4 Affordability Analysis

6.4.1 Drawing on the estimate of distribution of household disposable income, the estimated distribution of housing stock value and the projections for both of these over the Development Plan period, the next stage is to determine housing affordability for future households in each income band.

6.4.2 **Tables 6.11 to 6.13** show the estimated distribution of additional households in the County for each population scenario to 2014 by income bracket.

Table 6.11: Additional Households to 2014 under High Population Scenario

	2008	2009	2010	2011	2012	2013	2014
1 st decile	101	105	109	114	119	124	129
2 nd decile	113	118	123	128	133	139	145
3 rd decile	110	114	119	124	129	135	141
4 th decile	105	110	114	119	124	130	135
5 th decile	105	110	114	119	124	130	135
6 th decile	118	123	128	133	139	145	151
7 th decile	118	123	128	133	139	145	151
8 th decile	110	114	119	124	129	135	141
9 th decile	115	120	125	131	136	142	148
10 th decile	125	131	136	142	148	154	161
TOTAL*	1,120	1,167	1,216	1,267	1,321	1,378	1,438

**figures may not sum due to rounding*

Table 6.12: Additional Households to 2014 under Central Population Scenario

	2008	2009	2010	2011	2012	2013	2014
1 st decile	105	108	113	101	104	107	106
2 nd decile	118	121	127	114	117	121	119
3 rd decile	114	118	124	110	114	117	115
4 th decile	110	113	119	106	109	112	110
5 th decile	110	113	119	106	109	112	110
6 th decile	123	126	132	118	122	125	123
7 th decile	123	126	132	118	122	125	123
8 th decile	114	118	124	110	114	117	115
9 th decile	120	124	130	116	119	123	121
10 th decile	131	135	141	126	130	134	132
TOTAL*	1,168	1,201	1,261	1,126	1,159	1,194	1,174

**figures may not sum due to rounding*

Table 6.13: Additional Households to 2014 under Low Population Scenario

	2008	2009	2010	2011	2012	2013	2014
1 st decile	91	85	88	91	93	97	94
2 nd decile	103	95	98	102	105	109	105
3 rd decile	100	92	95	99	102	106	102
4 th decile	95	88	92	95	98	101	98
5 th decile	95	88	92	95	98	101	98
6 th decile	107	99	102	106	109	113	110
7 th decile	107	99	102	106	109	113	110
8 th decile	100	92	95	99	102	106	102
9 th decile	105	97	100	104	107	111	107
10 th decile	114	105	109	113	116	121	117
TOTAL*	1,016	940	974	1,012	1,038	1,079	1,043

*figures may not sum due to rounding

6.4.3 Using the data on projected household income to 2014 in **Table 6.4** we can work out the maximum affordable house price for households in each income bracket.

6.4.4 The annuity formula for calculating affordability is the standard one applied in the Model Housing Strategy document as follows:

$$90\% \text{ H Price} = 35\% * \text{Monthly Income} * [1 - (1 + \text{APR}/12)^{-25 \text{ years} * 12}] / [\text{APR}/12]$$

Figure 6.1: Annuity Formula

6.4.5 The key variables used in the annuity formula are income, interest rates, loan to value ratio and the lifetime of the mortgage loan. As guided by the Model Strategy we have assumed an average interest rate of 5.5%⁴ per annum, loan to value ratio of 90% and mortgage lifetime of 25 years. These variables are dictated by the provisions of the model housing strategy framed in 2000 and are due for revision by the DoEHLG during the Development Plan period.

6.4.6 The total affordable housing requirement for each year is determined by the total number of households whose maximum affordable house price falls below the upper limit for the lowest price house band. This is calculated for each population scenario and is displayed in **Tables 6.14 to 6.16**.

6.4.7 The actual shortfall in affordable housing provision for each year is the total demand for affordable housing from new household formations, net of the number of homes expected to be built in the lowest house price band. In **Tables 6.14 to 6.16** this is indicated in the column 'AH Requirement'.

⁴ We have adjusted the interest rate downwards to reflect the general decline in Euro area long term interest rates (which mortgage rates generally follow) since 2001. A snapshot of the change in long term interest rates, given as the benchmark ten year bond yield can be viewed at: http://sdw.ecb.int/quickview.do?SERIES_KEY=143.FM.M.U2.EUR.4F.BB.U2_10Y.YLD

Table 6.14: Affordable Housing Requirement and Likely Shortfall under High Population Scenario to 2014

	2008	2009	2010	2011	2012	2013	2014	TOTAL*
Total AH Requirement	539	537	556	559	563	567	571	3,893
expected build	56	56	56	56	56	56	56	391
AH shortfall	483	482	501	504	507	511	515	3,503

**figures may not sum due to rounding*

Table 6.15: Affordable Housing Requirement and Likely Shortfall under Central Preferred Population Scenario to 2014

	2008	2009	2010	2011	2012	2013	2014	TOTAL*
Total AH Requirement	562	553	577	497	494	491	467	3,640
expected build	56	56	56	56	56	56	56	391
AH shortfall	506	497	521	441	438	435	411	3,250

**figures may not sum due to rounding*

Table 6.16: Affordable Housing Requirement and Likely Shortfall under Low Population Scenario to 2014

	2008	2009	2010	2011	2012	2013	2014	TOTAL*
Total AH Requirement	488	433	446	447	442	444	415	3,115
expected build	56	56	56	56	56	56	56	391
AH shortfall	433	377	390	391	387	388	359	2,724

**figures may not sum due to rounding*

- 6.4.8 The central population scenario (and our preferred estimate) envisages an estimated affordable housing shortfall of 506 and 497 in the first two years of the housing strategy and then an average of 449 per annum for the remaining years to 2014. Over the whole period, a total affordable housing shortfall of 3,250 is envisaged.
- 6.4.9 The low and high population scenarios envisage a minimum shortfall of 2,724 affordable homes and maximum of 3,503 to 2014. The central and high scenarios are closely matched as population growth is expected to be similar over the medium term. Only after 2011 does a more marked divergence between the central and high household projections occur, as net migration falls under the DoEHLG population forecasts.
- 6.4.10 The estimated affordable housing requirement under our preferred scenario is significantly higher than projected under the previous Housing Strategy due to higher population growth, accelerating rate of household formation and a much reduced level of housing affordability since 2001.
- 6.4.11 Assuming the number of households are distributed equally across the income bands in the first two years, all households in the lower five income deciles are expected to require affordable housing assistance, with an

additional 19 households in 2007 and 5 households in 2008 eligible in the sixth income decile.

- 6.4.12 Beyond 2008 affordability improves as income is expected to rise faster relative to house price inflation. Consequently, all households in the lower four income deciles fall below the affordability threshold, with an additional 93 households in 2009, 94 households in 2010, 66 households in 2011, 50 households in the fifth income decile in 2012 and 34 and 17 households in the fifth decile in years 2013 and 2014 respectively.

7. Housing Supply

7.1 Introduction

7.1.1 This section of the housing strategy deals with those factors that influence housing supply and addresses the planning and management of the physical environment in County Kilkenny. An important consideration in the equation is the emphasis on the application of principles of sustainable development within the County.

7.1.2 In recent years, Central Government policies on sustainable development have been aimed at reducing the demand for travel and the promotion of higher residential densities. The underlying principles seek to:

- Reduce the need for the development of greenfield sites
- Limit urban sprawl and ribbon development
- Ensure more economic use of existing infrastructure
- Enhance access to existing services and facilities
- Create more sustainable commuting patterns

7.1.3 Decreasing household size and increases in development pressure in the County require a more efficient and sustainable use of serviced land. This requires an increase in the density of residential developments throughout the County especially close to public transport routes and on serviced land. The need for increased housing densities however, needs to be qualified by the application of vigorous settlement strategies and objectives that acknowledge the imperative of improved public transport linkages and sensitive, appropriate design guidance to govern any proposed development beyond crude quantitative criteria.

7.2 Influencing Factors

7.2.1 At present there are several statutory plans covering settlement in Kilkenny and City. They are:

- County Development Plan 2002
- Kilkenny City and Environs Plan 2002

Development/ Local Area Plans for:

- Ballyragget
- Callan
- Castlecomer
- Fiddown
- Freshford
- Gowran
- Goresbridge
- Graiguenamanagh
- Inistioge
- Kilkenny City centre
- Kilmacow Village Plan
- Kells
- Knocktopher
- Mooncoin
- Mullinavat
- Environs of New Ross
- Piltown
- Slieverue
- Stonyford
- Thomastown

- Waterford City Environs
- Urlingford

7.2.2 Part II, Section 9 of the Planning and Development Act 2000, requires Planning Authorities to make a development plan every six years. The housing strategy follows the development plan process and is required to be incorporated into the plan by members of both Local Authorities for the administrative areas they cover.

7.3 Zoned Lands

7.3.1 Part V of the Planning and Development Act 2000 only applies to zoned land. At present under the various County area-specific plans there are 22 settlements in the County that are covered by land-use zoning plans and therefore contain residential zonings. **Table 7.1** summarises the current position in relation to residential zoned lands, a total of 633.1 hectares

Table 7.1: Undeveloped Residential Zoned Lands as of April 2007

Location	Land Area	Low-Density Zoned Land
Ballyhale	6.5ha	10.9 ha
Ballyragget	16.2ha	
Callan	26.3ha	
Fiddown	1.2ha	
Freshford	17.8ha	4.0ha
Goresbridge	8.3ha	4.8ha
Gowran	9.3ha	
Graigenamanagh	13.7ha	
Inistioge	4.1ha	
Kells	10 ha	
Kilkenny	164.7 ha	24.2 ha
Kilmacow	37.2 ha	
Knocktopher	3.9 ha	
Mooncoin	5.6 ha	2.9 ha
Mullinavat	32.7 ha	6.6 ha
New Ross	24.7 ha	3.4 ha
Piltown	20.6 ha	
Slievruie	36 ha	
Stoneyford	9 ha	5.7 ha
Thomastown	50.4ha	
Urlingford	16.4ha	1.5ha
Waterford Environs	32.8ha	27.3ha
TOTAL	547.4ha	85.6ha

7.4 Development Capacity

7.4.1 Development capacity in County Kilkenny to accommodate future housing growth is dependent on a range of factors. The most important are:

- The amount of serviced and unserviced residential zoned land
- The amount of other land suitable for development
- Constraints and limits in the provision of water supply and drainage
- Constraints and limits in the provision of other physical and social infrastructure
- Access, including public transport

- Topographical constraints
- Areas of high amenity or nature conservation value

7.4.2 An estimate of the capacity of lands currently zoned for residential use in Kilkenny is presented in **Table 7.2**. Total housing capacity at each location is determined by the area in hectares multiplied by the established Model Housing Strategy average figure of 24.71 homes per hectare. Figures for housing capacity in Kilkenny and the environs of Waterford city are calculated at 34 homes per hectare to reflect the suburban nature of these locations relative to the rest of the county and considering the indicative figure laid out in the “Residential Density Guidelines for Planning Authorities” (1999). The lesser figure for Low-Density residentially zoned sites is the established County average of 12.35 homes per hectare.

Table 7.2: Estimated Housing Capacity– Undeveloped Residentially Zoned Lands, April 2007

Location	Capacity In Housing Units	Capacity- Low Density Site Units
Ballyhale	161	135
Ballyragget	400	
Callan	650	
Fiddown	30	
Freshford	440	49
Goresbridge	205	59
Gowran	230	
Graiguenamanagh	339	
Inistioge	101	
Kells	247	
Kilkenny*	5600	299
Kilmacow	919	
Knocktopher	96	
Mooncoin	138	36
Mullinavat	808	82
New Ross	610	42
Piltown	509	
Slievruie	890	
Stoneyford	222	70
Thomastown	1245	
Urlingford	405	19
Waterford Environs*	1115	337
TOTAL	15,360	1,128

*Proposed housing density averages of 34 units per ha

7.4.3 The estimated total housing capacity of all current Residentially Zoned lands is 16,488 units.

7.4.4 It is evident that existing zoned lands can accommodate the anticipated growth in household numbers in the period up to 2014 and well beyond. It is also assumed that additional residential development will be accommodated through infill development in existing residential areas on sites of less than 0.2 hectares as well as on land that is zoned for a mix of uses including residential.

7.4.5 **Table 7.2** clearly identifies that there is considerable capacity in the County to absorb future housing requirements. Even at lower residential densities, and taking account of the fact that land zoned for mixed use has not been included, existing zoned land retains sufficient capacity to cater for projected

housing needs. Based on current trends this is sufficient for this Housing Strategy and the next Housing Strategy post-2014. As such, it is in accordance with the Housing Supply Guidelines set by the DoEHLG.

- 7.4.6 These estimates for the capacity of zoned land do not however, allow for lands that may not be released for development in the period between 2008 and 2014, or which might not be made serviceable on schedule.
- 7.4.7 Based on the estimate of 8,282 additional household formations (see **Table 6.12** outlining the preferred Central Scenario) in the County for the period 2008-2014, and allowing for 25% of new houses to be constructed on unzoned land in the open countryside, a total of 6,212 new households will require housing on Residentially zoned land during the period 2008-2014.
- 7.4.8 The figure for 25% of housing being constructed on unzoned land is calculated from Planning Department estimates for 2006 (454 houses) as a proportion of total housing output for the county for that year as determined by DoEHLG statistics (1,796 units). This figure is used as 2006 is the first full year where statistics are available post the introduction of the DoEHLG Sustainable Rural Housing Guidelines. These guidelines will significantly influence future provision of housing in the open countryside and represent a departure from previous development control criteria applied by individual planning authorities.
- 7.4.9 Assuming these households will be housed proportionately on
- Suburban residentially zoned land (31.3% of all residentially zoned land/34 homes per hectare)
 - Standard residentially zoned land (55.2% of all residentially zoned land / 24.71 homes per hectare) and
 - Low-Density residential land (13.5% of total / 12.35 homes per hectare)
- 7.4.10 It can be extrapolated by dividing the proportional number of households by the respective average residential unit density per hectare figures that 249 hectares of residentially zoned land will be required over the course of this Housing Strategy and Development Plan period. This represents a predicted land consumption of 39% of the current residentially zoned land bank countywide.

7.5 Social and Affordable Housing Supply

- 7.5.1 Reflecting the overall aim of housing policy at national level the primary objective of housing policy in County Kilkenny is 'to enable every household to have available an affordable dwelling of good quality, suited to its needs, in a good environment and, as far as possible, at the tenure of its choice' (Towards 2016: Ten-Year Framework Social Partnership Agreement 2006-2015).
- 7.5.2 This objective is to be achieved by:
- Promoting home ownership and ensuring the provision of good quality residential developments in both the public and private sectors
 - Providing appropriate assistance for those in need especially vulnerable groups (travellers, elderly, disabled, ethnic minorities)
 - Expanding the Council's housing maintenance and upgrading programme and ensuring the provision of good quality housing stock
 - Developing an integrated response, with the relevant agencies and voluntary bodies, to tackle homelessness and to combat poverty
 - Encouraging and facilitating communities and tenants to manage, maintain and improve their housing environment.

7.6 Plans for the Provision of Social & Affordable Housing

- 7.6.1 The figures for the provision of Social and Affordable Housing over the lifetime of this strategy are an assumption of reasonable housing need to 2014 based on available targets and predictions to 2009, contained in the mid-term review of the “Kilkenny Local Authorities Action Plan for Social and Affordable Housing 2004-2008.” For the purposes of providing an indicative figure for the supply of Social and Affordable housing these figures are assumed to be an average of present indicative targets for the period 2007-2009 carried forward for the period 2010-2014.
- 7.6.2 Under the County Council’s mid-term review of the Housing Action Plan 2004-2008 there are plans for commencing the construction of 292 new local authority dwellings over the period 2007-2009. This includes 268 local authority starts around the County and 24 construction starts in the Borough.
- 7.6.3 A further 821 Households could have their housing needs met during the Housing Strategy period by the Rental Accommodation Scheme (RAS). RAS is being implemented on a phased basis over a four-year period, it commenced in July 2005. It is expected that initially many tenants will transfer to RAS with their existing accommodation and over time housing authorities will build up a stock of private accommodation to which they will have access and will thereafter be in a position to increase the range of housing options available to those in need of housing.
- 7.6.4 A mid-term review of the figures presented in **Table 7.3** may be undertaken under the auspices of the County Manager if the housing demand and supply variables used to compile this strategy alter during the period circa 2010. The Manager may recommend that the Housing Strategy be adjusted and that The Development Plan be varied accordingly.

Table 7.3: Programmed and Projected Social and Affordable Housing Provision 2008-2014

Housing Source	2008	2009	2010	2011	2012	2013	2014	Total
KCC Social Multi-annual Programme	96	77	90	90	90	90	90	623
Kilkenny Corp. Social Multi-annual Programme	19	4	11	11	11	11	11	78
Rental Accommodation Scheme	118	118	117	117	117	117	117	821
Capital Assistance Scheme	16	4	18	18	18	18	18	110
Capital Loan and Subsidy Scheme	0	10	13	13	13	13	13	75
Part V Housing Acquisitions	56	86	76	76	76	76	76	522
Units provided under other measures	20	20	20	20	20	20	20	140
KCC Affordable Housing Scheme	15	15	15	15	15	15	15	105
Total: Social and Affordable Housing	340	334	360	360	360	360	360	2474

8. Determination of Requirements

8.1 Demand or Need

- 8.1.1 The elements of housing need or demand are made up of accumulated need and prospective need. Accumulated need is made up from the local authority social 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.
- 8.1.2 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 supply from the private sector to meet open market demand.
- 8.1.3 The requirement for social and affordable housing stems from two main sources: existing households who cannot afford to meet their housing needs and new households who will be unable to afford either owner occupied or market rented accommodation.

8.2 Existing Social Housing Need

- 8.2.1 The main source of information on existing households who are currently in housing need is the local authority social housing register. Access to social housing is largely determined by registration on the local authority waiting list – particularly given that housing associations have to take 75% of applicants from the local authority waiting list. It is therefore a good proxy for actual demand.
- 8.2.2 The total number of applicants at April 1st 2007 is approximately 1,200. Of this figure approximately 800 would be in need of social housing. The remaining applicants are on the housing list solely to secure rent supplement and openly state they do not wish to be considered for housing.

8.3 Special Needs Housing

- 8.3.1 Available figures and targets from the "Housing Action Plan 2004-2008" indicate that 20 units of accommodation will be started in line with the existing Traveller Accommodation Programme to 2009. There will also be provision of 4 housing units for homeless persons requiring accommodation to 2009. Assuming a special needs housing provision for the period 2008-2014, working these figures through on average for the Housing Strategy period a total of 140 units will result from these measures to 2014.
- 8.3.2 An estimated figure of 110 special needs housing units will be available over the course of the Housing Strategy timeframe through the direct provision by Voluntary and Co-Operative housing bodies under the Capital Assistance Scheme. This figure is based upon an average of previous and forecasted provision from this sector contained in the Action Plan for Social and Affordable Housing 2004-2008. A further 75 units are forecasted to be provided by this sector under the Capital Loan and Subsidy Scheme for the period.

8.4 Prospective Need

- 8.4.1 The affordability analysis in Section 6 presents a measure of the affordability of new housing in County Kilkenny. **Table 6.15** indicates that 3,250 or 39.2% of new households formed (under the preferred Central Scenario) will

experience affordability difficulties over the period 2008-2014. This is the prospective need only and does not take into account the accumulated need as reflected by the Council's housing list.

8.5 Balancing need and demand

8.5.1 The percentage required from the private sector will be X% and made up as follows:

The number of New households requiring social & affordable housing

- + (plus) the **special needs** cases (the elderly and people with disabilities)
- - (minus) the surplus from the planned provision of social and affordable housing over the accumulated need as measured by the waiting list.
- / (divided by) (Total no. of households to be formed over the period, minus all houses constructed on unzoned land)

8.5.2 The total projected housing completions over the period 2008-2014 are as detailed in Table 6.9 is 8834. The total number of houses to be constructed on unzoned land is estimated at 25% of the total: i.e. 2209 leaving a projected home-build total on residentially zoned land of **6625 for 2008-2014**.

8.5.3 Therefore the calculation is as follows:

1. Number of new households requiring social or affordable housing (preferred Central Scenario figure) = **3,250**
2. Special Needs Housing = **110**
3. Estimated supply of social housing under multi annual programme= **701**
4. **Plus** Part V Acquisitions **Plus** KCC Affordable Housing Scheme = **627**

Total (2+3+4) 110+701+522+105= **1,438**

8.5.4 The surplus available to meet social housing need is 1438, minus 800 (the number of people on the waiting list reasonably to be expected to be housed during the strategy timeframe) = **638**

8.5.5 Therefore the required percentage X is

- Numerator : 3,250 - 638 = **2612**
- Denominator :8834-2209 = **6625**
- $X=2612/6625 = \mathbf{39.4\%}$

8.5.6 The requirement over the lifetime of the plan is therefore the maximum allowable 20%.

8.5.7 Notwithstanding a re-evaluation of predicted social and affordable housing from non-private sector sources it is evident that the final percentage of Social and Affordable provision from private sources will be the maximum allowable figure of 20%.

8.5.8 Whilst every effort has been made to ensure that the step by step analysis is as realistic as possible, the results of the analysis should be regarded as providing the broad pattern of supply and demand rather than precise results.

8.6 Methods of Providing Affordable/Social Housing

- 8.6.1 The requirement under Part V of the Planning and Development Act, 2000 as amended for Social/Affordable housing in developments may be met by the following methods or by a combination thereof: -
- The direct provision of the required number of housing units, as determined in accordance with the Strategy, integrated as part of the overall development of a site.
 - The disposal of a portion of the site to the Council which will enable the Council to provide the appropriate number of units thereon in satisfaction of the requirements of the Strategy.
 - The provision of lands for social/affordable housing units to satisfy the overall requirements of the Strategy.
 - The purchase of suitably developed units for disposal at affordable prices.
 - Entering into public private partnership agreements with developers for the provision of affordable housing on Council and developer owned lands.
- 8.6.2 The developers may enter into joint agreements combining any of the above methods to satisfy the requirements of the strategy.
- 8.6.3 The Council will, in reaching agreements under Section 96 of the Planning and Development Act 2000 as amended, have due regard to the Housing Strategy and the Development Plan objectives including different specific objectives in respect of different areas and agreements entered into under the provisions of the Act.
- 8.6.4 Where binding arrangements have already been entered into in relation to particular sites for the provision of Social/Affordable housing prior to the adoption of this Strategy, these arrangements shall be acknowledged as being in full satisfaction of requirements for those sites under the Strategy.

Appendix A

Stakeholder Consultation

Introduction

This paper comprises of research and local commentary on the housing market and housing provisions in the County that specifically relates to the future of housing across Kilkenny.

Identified stakeholders were invited to contribute to the consultation process. This process was undertaken via postal and email questionnaire, telephone interviews and face-to-face interviews from March to May 2007.

Key stakeholders identified by the Housing Strategy steering group were contacted during the course of this consultation procedure. Unfortunately, a 100% response rate was not forthcoming. The input of certain sectors and interest groups that would have provided a broader picture of housing in Kilkenny County across all social groups is noticeable by their non-participation, which is regrettable.

The key issues raised by consultees are presented according to defined sectoral interests consisting of Real Estate professionals, Housing Associations and Representative Bodies.

Estate Agents/Auctioneers

Engagement with Real Estate interests across the county were conducted via postal and phone administered questionnaire and where possible face-to-face interviews were conducted.

15 respondents contributed to the process in this category.

With regard to short-term market conditions a slight majority of respondents felt that the market demonstrated distinct signs of reduced activity. This was tempered by the remainder of Agents feeling the housing market would maintain moderate growth and price increases over the 12 months from April 2007-2008.

Pessimism regarding the wellbeing of the Kilkenny County housing market was most notably expressed in fears over the ability of local physical infrastructure to keep pace with new housing growth seen in the previous three to four years. The most common observation related to both wastewater and potable water provision possibly leading to a considerable slowdown in new homes coming to the market across the county.

This observation was coupled with commentary on national trends affecting the state of the local market, Stamp Duty uncertainties and rising interest rates were seen as obstacles to maintaining market growth.

However, when a medium term (5/6 years) outlook on the local market was requested the overwhelming response was that Kilkenny house prices and overall housing output would reveal moderate, steady growth across the period of the Housing Strategy.

No survey respondents in this sector fully supported anecdotal assumptions that the local housing market is being driven by demand from commuters to the Greater Dublin Area. Whilst this was acknowledged as comprising a section of the market this was not felt to be as influential on house price inflation as it is in neighbouring counties. One Agent felt that this may be more of a concern in the northern part of the county but had not personally noted the phenomenon.

First time buyers were noted to be purchasing properties in the county towns in order to acquire an affordable dwelling, with two-income households the norm and most mortgage holders committing to terms well in excess of the standard 25 year loan period established

in the Model Housing Strategy that provides the template for all local authority Housing Strategies.

Specific enquiry into the apartment market in Kilkenny city revealed a number of agents noticing a significant reduction in the buy-to-let market. The actual and perceived quality of individual apartment developments dictated their value and tenure status. The main observation in this regard was that well designed apartment complexes in the city attracted owner-occupiers, while developments regarded as of a poorer build quality with poor quality communal space being increasingly occupied by renters. One particular agent who conducted a large proportion of his business in this market also noted that larger investor groups purchasing multiple properties had a growing influence in the city and smaller investors were retreating from the buy-to-let market.

Housing Associations

The consultation process elicited six responses from a variety of Housing Associations based in the county. The smaller, locally-based Housing Associations who chose to participate in the process expressed general satisfaction with the level of services provided by Kilkenny County Council and expressed no immediate plans to expand their services or to seek to provide additional accommodation units.

Cluid Housing Association expressed a desire to increase their presence and operations within the county and have identified the need for increased social housing provision in Ferrybank, Callan and Castlecomer. Cluid would welcome the opportunity to develop social rented housing anywhere in the county where there is a need. Cluid have been facilitated in the past by Kilkenny County Council in the provision of a site at Bolton Green, Callan and would welcome the opportunity to assist in developing a new build social housing programme in identified parts of the county in conjunction with the Local Authority.

Cluid also expressed the view that they are well placed to develop and manage units in Kilkenny should the opportunity arise under Part V agreements between the Local Authorities and private developers.

Representative Bodies

Construction Industry Federation: National and Local representatives

Both local and national affiliates of the CIF expressed dissatisfaction in dealings with the Local Authorities with regard to housing provision in Kilkenny. With regard to the operation of Part V housing agreements the following concerns were raised:

- Lack of or delay in pre-planning meetings
- Senior Local Authority personnel not present at pre-planning meetings
- Unacceptable delays in agreeing Part V conditions with the Planning Authorities
- No mechanism for developers to deal directly with the Voluntary and Co-operative housing sector when framing Part V planning agreements
- Lack of consistency in applying Part V conditions to new developments
- The application of the present defined percentage (18.7%) of contributions by developers towards social and affordable housing provision is too general and should be tailored to individual sites/geographic areas
- Some housing acquired from developers under Part V agreements remains unoccupied and units are being demanded in areas with no discernable social or affordable housing demand/need.

- Site specific 'demand identification' for social and affordable housing should be a robust process designed with the occupiers needs in mind and not the maintenance concerns of the Local Authorities

In addition the CIF commented that their members disputed the true quantum of serviced land in the county due to problems identified with water provision in the areas of wastewater treatment, potable water supply and water pressure.

In sum, the CIF regarded the management procedures and servicing provisions of the Local Authorities as a negative actor in the housing market and towards house building interests in the county.

Irish Wheelchair Association

The IWA currently manage 10 properties in Kilkenny.

The IWA are willing to partake in any project that will facilitate accommodation for people with physical disabilities under Part V of the Planning Act in Kilkenny County and would welcome ongoing consultation with the Local Authorities to develop pathways whereby people with disabilities could secure accessible accommodation to meet their future needs.

A partnership arrangement where the IWA, HSE and the Local Authorities would plan current and future housing needs with the cooperation of all stakeholders would ensure that resources were optimised, prioritised and allocated appropriately.

It is expected that the housing needs of people with physical and sensory disabilities will increase greatly over time as will the numbers requiring support from IWA and other organisations that provide assistance and support for people to live independently.

The Irish Wheelchair Association request that;

- Each Local Authority i) identify the particular housing/accommodation provision to be made for each applicant with a disability on their Housing List and ii) to state how and within what time frame this response will come about.
- Wheelchair accessible design standards to be developed and built into the general and the specific design of all social housing developments i.e. Local Authority, Voluntary Housing, Part V and Affordable Housing.
- Use templates to establish best practice accessibility standards with regard to the placement of wheelchair accessible housing within an estate, also room sizes and designs while still allowing for individual preference in room layout and positioning of fixtures and fittings.
- Increased CAS – Capital Assistance Scheme Funding – for dwellings built to wheelchair accessible standards.
- That 10% of all housing developments, including general needs housing and housing for specific target groups, be wheelchair accessible. A smaller percentage in rural and more isolated areas would be indicated unless otherwise advised.
- Establish early identification of potential tenants with accessibility requirements to facilitate their involvement, along with their advising a design expert in the design process.
- Partnerships need be established between housing providers, local disability groups and the Health Boards to promote early identification of housing and support needs and to forward plan for the provision of different accommodation options, e.g. independent living, accommodation with on-site supports, residential

accommodation, crisis accommodation, etc. Local Authorities should take the lead in this action.

- Application procedures for applying to Local Authorities for housing to be simplified and supported.
- The scheme of letting priorities, as used by Local Authorities to determine eligibility for social housing, to be reviewed to see if it truly responds to and records the housing needs of people with disabilities.
- Training for Housing Providers in disability awareness/equality/accessible design/housing provision/supports.
- The effectiveness of the Housing Needs Assessment in recording the needs of people with disabilities to be reviewed.

Elected Representatives: Kilkenny Borough and Kilkenny County Councils

A diverse response was recorded at two meetings held prior to the commencement of the strategy compilation to facilitate consultation on the Housing Strategy with the elected members of the Local Authorities.

An overriding theme emerged that settlement objectives and Development Management criteria should form a considerable input into shaping the Housing Strategy.

A desire was expressed at both meetings that the policy direction of the Development Plan should converge with the objectives laid out in the Housing Strategy

This was most keenly expressed in the desire that increased density housing provision (driven by national policies) should not dictate local policy or in any way erode the local character of Kilkenny's built environment.

Unanimous support was expressed for the linkage of housing density guidelines to the outline provision of an aspirational public transport network for the County.

Relating to open space in new developments, it was suggested that improved provision and more detailed submissions should form part of any application for multiple unit housing.

A third meeting with councillors was conducted after the preparation of a draft report in order to inform the elected representatives of the preliminary findings of the strategy.

Key issues to emerge from this engagement included;

- The relationship between the quantum of zoned land and the appropriate location of additional housing provision. Site specific debate emerged surrounding the perceived lack of zoned and serviced lands in some locales, coupled with the observation that land banking could preclude the timely release of necessary developable lands over the course of the Housing Strategy.
- It was identified that it is imperative of the elected members to monitor the operation and implementation of the Housing Strategy – most notably that if market variables shift during the period of the Development Plan then the elected members should request that a revision of the Housing Strategy be conducted by the County Manager.
- A desire was also expressed that the elected members should pursue policy positions that would enable affordable housing initiatives to operate more smoothly and possibly attract a greater number of applicants.

Kilkenny Population Study & Housing Strategy

- The operation and implementation of Part V agreements between the Local Authorities and developers also attracted extensive commentary. The elected representatives hoped that in future this process would operate in a more efficient manner and would result in an effective delivery of housing options for predicted new household formations.

Appendix B

Respondents to the stakeholder consultation process.

Estate Agents/Auctioneers

Boyd's, Kilkenny City
John Buggy Auctioneers, Kilkenny City
Callanan Auctioneers, Kilkenny City
Clodagh Daly Auctioneers, Kilkenny City
Fitzgerald Auctioneers, Kilkenny City
Gannon Auctioneers, Kilkenny City
Michael Grace Auctioneer, Callan
Seamus Healy Auctioneer, Kilkenny City
David Hughes Auctioneer and Valuer, Kilkenny City
Moloney Auctioneers, New Ross
PN O'Gorman, New Ross
O'Keefe Auctioneers, Kilkenny City
Property Partners, Kilkenny City
Sherry Fitzgerald, Kilkenny City
Warren McCreery, Kilkenny City

Housing Associations

Castlecomer Housing Association Ltd.
Cluid Housing Association
Rosedale Voluntary Housing Association
Slieverue Community Housing Association
Thomastown Voluntary Housing Ltd
Wingap Housing Association

Representative Bodies

Construction Industry federation: National and Local representatives
Irish Wheelchair Association
Elected representatives: Kilkenny Borough Council
Elected representatives: Kilkenny County Council