

Opening Statement by Mr. John Coleman, Interim CEO of the Land Development Agency (LDA), to the Joint Committee on Housing, Planning and Local Government, Wednesday, 17th October 2018

Chair, Members,

I thank you for the invitation to attend your Committee meeting today. I am looking forward to an ongoing positive and constructive engagement between the Committee and the LDA.

I will briefly outline the LDA's strategic objectives and how we plan to make a lasting positive change to how we use land in Ireland, both State-owned and privately held land, and to improve and stabilise housing supply over the long-term.

The LDA's Mandate and Strategic Objectives:

The LDA has a mandate to expedite the delivery, with a focus on housing, of land that could and should be developed or re-developed, whether State-owned or privately-owned.

We will do this in two ways:

- 1. Optimising how we use lands in the control of the State sector, with a focus on housing supply; and**
- 2. Opening up large-scale strategic land banks, including privately held land, to ensure faster and better co-ordinated delivery of land and homes in the future.**

These two objectives are interrelated: the State may have land interests that are large-scale and strategic in their own right, or that may form a part of larger strategic areas. However, it is important to state that we are not limiting our focus to where the State has land interests. We are also examining the potential to unlock delivery on wholly privately held areas which could be developed or re-developed, but where nothing is happening currently.

Both objectives will not be delivered unless the LDA focuses clearly on implementation. Although the LDA was only launched last month, we have already commenced significant work programmes to put in place the platform to achieve our goals.

First Objective:

To make progress towards our first objective – optimising the use of State lands - the LDA, supported by the Department of An Taoiseach and the Department of Housing, Planning and Local Government, has begun to identify development opportunities following meetings with a number of State and semi-State bodies. From the initial trawl, the LDA has secured access to an initial portfolio of **eight State-owned sites**, which will yield **approximately 3,000 homes**. Preparatory and feasibility work on these eight sites will start imminently.

These engagements are ongoing. We are seeking to supplement the initial portfolio with additional sites and are in active discussions with various State bodies to achieve this.

While State bodies must consider their own legitimate operations in identifying what land they have that can be used for housing, I have been encouraged by their constructive approach and their acceptance of the need for the public sector as a whole to help address Ireland's housing challenges.

It is important to note that where another State body or agency is already advancing delivery on sites, the LDA will not seek to add complexity by becoming involved, unless we can demonstrably add value.

Second Objective:

In relation to the second objective - opening up large-scale strategic landbanks - the Agency is focussed on identifying privately held lands that could be developed, or re-purposed for more suitable uses, including housing. It will look at areas of near-term potential, but also growth areas for the future, especially where transport infrastructure is planned.

It is my view that some areas, even where earmarked or zoned for development, take too long for housing to be delivered on them. To remedy this situation, a structured framework to drive delivery backed by legislative authority is needed. I will expand on this in a moment.

Combining these two strategic objectives, we can fundamentally change for the better how we approach land use in Ireland. Previously, intervention by the State was largely in the form of granting zoning and planning permission. With the creation of the LDA, we are taking a step further by playing a key role in driving the delivery of these permissions.

Initial Progress:

I would now like to turn to the progress the LDA has made so far and the concrete work we are doing in the short term to maximise the impact we can make over the long term.

Among the key work programmes we have started are:

- Creating a comprehensive database of State lands;
- Identifying 8 first-phase sites for 3,000 homes, as I mentioned earlier;
- Identifying ways to improve housing affordability;
- Making the LDA fit-for-purpose right from the start, with best-in-class governance, corporate structures and delivery platform; and
- Facilitating the necessary legislation to underpin the LDA's work.

Taking each of these in turn:

State lands database

For us collectively to understand what the delivery potential is from State lands, the Agency needs to fully scope what land is in the State's ownership, where it is located and what its development potential is. In this respect, we have commenced work on assembling data for a complete, accurate and functional State lands database.

All Government departments and State bodies are scheduled to provide information on lands within their control or ownership by the end of this month. The Agency will then collect this information, collate it and make it publicly available.

Alongside other data sources from within the State sector, the database will help us assess the delivery potential of the State's landbank. It may also highlight relocation opportunities for non-housing uses. For the first time, we will be able to take a single view of State lands and make plans in a holistic manner, rather than on a body-specific basis.

Initial portfolio of eight sites for 3,000 homes

Turning to the eight sites I spoke about earlier – these are at various stages of readiness and complexity but they share the common feature of either not being currently used for the existing operations of the land-owner, or where they are being used, advanced plans are in place to relocate these operations.

From a transactional perspective, the LDA has a number of options to access these sites, including acquiring the sites or acting on behalf of the land-owning body to deliver the sites. The Agency has already prepared its procurement documents for professional services necessary on these initial sites, including surveying, architectural and feasibility work. As a result, we can expect real work to commence on these sites in the very short term.

That said, none of the sites currently have a usable planning permission in place. The lead times and work necessary to make a site construction-ready are well understood, but even allowing for this, we expect construction to start on the first site in 2019 and the first new homes to be delivered in 2020.

Contribution towards improving affordability

Moving to improving housing affordability - generally, the LDA intends to drive this by increasing the supply of land that is available for development, providing visibility and transparency in the land market.

This will help counter Ireland's boom-bust cycle in land prices, which in turn determine housing affordability. Land in some areas is priced very highly today, contributing towards the high rents we are experiencing, especially in the main urban areas.

The LDA will also contribute to housing affordability in a more direct way. All of the sites in the initial portfolio, being State lands, will require the delivery of at least 40% social and

affordable homes, in line with the Government's policy in respect of State lands. In some cases, the level of social and affordable homes delivered from this portfolio will be even higher than 40% - some of the land-owners with a housing delivery mandate, such as the Housing Agency, may require higher levels of affordable housing provision on their sites that the LDA will assume control of.

In relation to non-State lands, the Agency may seek opportunities for providing additional affordable homes as a negotiated *quid pro quo* for facilitating development in certain areas.

What is clear is that the LDA will be delivering a significant number of affordable homes. That is why we are working with various parties including the Department of Housing, Planning and Local Government in order to assist new housing tenures, such as cost-rental. The LDA can play a big role in the establishment of this form of housing provision as a permanent structural bridge of the gap between social housing and the private housing market.

Governance, Board and Delivery Platform

Turning to the LDA's governance and operations, I can tell the Committee that work is underway on the recruitment of a Board of Directors. This will enable the LDA to put in place a governance structure to ensure transparency and oversight. The governance structure will also give effect to the LDA's initial preparatory work, as it will enable it to enter into contracts, procure services and accept funding.

A draft business plan, in conjunction with other important administrative work has been prepared for the Board's consideration, as soon as it is in place. This is an essential step in getting the LDA's operational capacity up to speed.

Once constituted, the LDA Board will agree the LDA's recruitment needs. At this stage, we envisage building a team of 20-25 professionals within the next twelve months, with the experience and skills required to achieve the Agency's objectives.

Legislation

Finally, it is important to state that the LDA's functions and powers will derive from legislation enacted by the Oireachtas.

As I mentioned earlier, one of the LDA's strategic objectives is to assemble and open up large-scale areas for delivery, both State-owned and in private hands.

A legislative framework to target these areas and help induce delivery on them in a structured manner will be critical for the LDA.

We have gone some of the way towards this in the past by designating SDZs – Strategic Development Zones. However, as mentioned at the outset, there is now a need to extend beyond planning and into the initiation of delivery. While it is too early to say exactly what form this framework will take, because it will require significant legislative support, there is real substance behind it. Intensive work is underway between the LDA, the Attorney

General's Office, and various Government Departments, focussed on designing the necessary measures to make sure development happens in future in a timely and structured way. This part of the LDA's strategy is about removing blockages from the delivery system. In this respect, and more generally, coordination and collaboration with our Local Authority partners will be essential.

We are encouraged by the success of similar measures in other jurisdictions, such as Germany and the Netherlands.

Conclusion:

In conclusion, I hope this statement provides the Committee with an overview of the LDA's objectives and the steps it is already taking towards delivering those objectives, one month into its existence.

I would like to assure the Committee that my team and I are fully aware of the urgency attached to improving the supply of new housing and the importance of the LDA acting quickly, decisively and effectively in discharging any mandate given to it by the Oireachtas.

We have the shared aim of delivering more homes faster and ceasing our damaging propensity towards boom and bust cycles of housing delivery. That is why I look forward to working closely with the Committee and supporting the vital role it will play in progressing the legislation needed to make the LDA a success.

That concludes my opening remarks. I will do my best to answer any questions you may have.

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