

Joint Committee on Housing, Planning and Local Government

Opening Statement by John Coleman, CEO of the Land Development Agency (LDA)

Wednesday 2nd October 2019

Chair, Deputies and Senators,

Thank you for inviting us to appear here today.

I am joined by my colleague Phelim O'Neill, Head of Land at the Land Development Agency, and we will do all we can to assist you with your Pre-Legislative Scrutiny of the General Scheme of the Land Development Agency Bill 2019.

I will use my opening statement to provide the members with an update on what the LDA has done in its start-up phase, which specifically is to:

- Provide you with a progress update for the sites in the LDA's initial portfolio;
- Update you on the significant progress in other areas that the LDA has made since inception one year ago; and
- Outline our plans for the remainder of 2019 and into 2020.

Our challenge over the past year has been to balance moving as quickly as possible to accelerate the delivery of new homes in the short-term, while building from scratch a new and significant Government agency with the appropriate governance, staff, structure and strategy to have a transformational and beneficial impact on land availability and housing supply in the long-term.

We are fortunate to now have in place a supportive and experienced board of directors and Chair, which have provided the LDA with oversight and direction since they were appointed in January of this year. The board has provided the growing executive and staff team with clarity of focus, which is (a) on opening up land for the development of new homes, and (b) providing affordable housing options for our citizens.

Home delivery in the short-term

Our short-term focus has been on the eight sites in our initial portfolio and identifying the best route to delivering homes and supporting development on these sites in an expeditious and sustainable way. With this in mind, we have already advanced preliminary feasibility work on all 8 sites that have the capacity to deliver approximately 3,000 new homes.

One challenge in relation to these sites was that there was little or no work done in relation to advancing the development process on them prior to the LDA becoming involved. Having now completed the initial feasibility work, professional teams have been appointed to advance planning applications for 3 of the sites, including Skerries, north county Dublin (around 250 homes), the former St Kevin's Hospital in Cork city (around 200 homes) and the former Devoy Barracks in Naas, county Kildare (around 200 homes).

In addition to the eight initial sites, the LDA is working in partnership with Dun Laoghaire Rathdown County Council to deliver approximately 600 social and affordable homes in Shanganagh, Shankill, south county Dublin. The design work is already well advanced and we are aiming to lodge

the planning application before the end of this year. Based on our current information we expect construction will start late 2020 subject to the approval of the planning authority and that of the elected members of DLR council.

In parallel with our work on the 4 sites that I have just mentioned, further design teams will be appointed in the coming months, leading to ongoing planning applications and a continual pipeline of construction starts.

While the formal legal transfer of sites is to take place upon the enactment of the LDA Bill, the LDA has had full access to the sites in order to allow it complete any necessary work to advance their development. This transitional period is supported by pre-transfer agreements being put in place with the land-owners, as per the Government's decision on the transfer of the lands, ensuring continued cooperation and smoothing the way for transfer upon enactment by performing as much necessary legal work as possible upfront.

We are also continually looking for new opportunities beyond the initial portfolio. In this respect, we are working well with local authorities and other State bodies in relation to accessing additional land. As you will appreciate, accessing land is never straight-forward, particularly where there are existing operations and uses on the land. However, I am confident that the LDA will gain access to significant additional State lands both in the coming months, and also over the long term. While it is difficult to identify those lands in this statement due to negotiation sensitivities, I would welcome the opportunity to update the Committee on a regular basis in relation to progress.

In terms of ongoing opportunities to open up State lands for development, the proposed legislative mandate to identify relevant public lands and advise Government on their management will be a key enabler for the LDA.

Provision of affordable homes

What is perhaps of even greater significance than our short-term delivery activity is the development of mechanisms to make accessing homes more affordable.

While we are interested in innovation in respect of all housing tenures, we are making no secret of our ambitions to develop scalable, affordable renting mechanisms. Supported by our emerging partnerships with local authorities, we are equally ambitious about not only meeting but often exceeding the 40% minimum social and affordable requirement on all sites – indeed, on the Shanganagh site, by way of just one example, our aim is to provide 100% social and affordable homes.

We consider this a real statement of intent and a concrete example of the impact we are looking to make in the short term. Our work in this area can help capitalise on, and provide scale to, the emerging affordable rental tenure being championed at Enniskerry Road, Co. Dublin. Our long-term ambition is that affordable rental homes become a viable and available option for citizens, as is the case in other European cities that we have studied, such as Vienna.

Making a long-term impact

Our short-term delivery objective is undoubtedly urgent, given the nature and scale of the housing supply pressures that currently exist. However, given the historically volatile nature of our housing

market, we cannot afford to lose sight of the equally important need for measures that will have an enduring, stabilizing impact over the long-term.

An over-riding motivation for the establishment of the LDA was to engender this long-term stability in the housing market, utilizing a wide range of tools including more effective usage of State-owned lands, targeted deployment of State capital, and other measures.

This is by its nature complex work, much of whose benefits will only become visible and tangible over time, but which is no less important for that.

A key component of our work in this space is the development of long-term strategies for the LDA's activities in our main city locations. This is a multi-year project that will allow us to focus our resources effectively within city locations, avoid haphazard decision making (such as where we might be interested in acquiring or opening up land at appropriate times in the economic cycle) and support our national objective of compact sustainable growth.

Other work supporting this long-term benefit includes the development of a State lands database. This will give the State, for the first time, a comprehensive repository of information on the lands within its control and will provide a valuable tool for managing the State's interests in a cohesive, co-ordinated manner. The first major deliverable from this project is expected in the coming months focusing on State lands in Galway. This will provide us with a prototype, which can be a pilot for developing the database on a nationwide basis.

Building a new organisation

Our other significant work has been designing and building the operating and institutional platform of the Land Development Agency, an entirely new organization, in a way that will create a valuable asset for the State. This requires putting in place a highly skilled and experienced staff base, procurement frameworks and other processes and procedures to allow it operate as efficiently as possible, and governance structures to ensure robust oversight and accountability.

With this aim, a Board has been assembled that comprises a wide range of relevant skills and experience, combining the best of both private sector and public sector knowledge. This Board, with John Moran as Chair, was formally constituted in January.

We have also made significant progress in hiring the right mix of skills to carry out the Agency's duties on a day-to-day basis. From a standing start we have now hired 11 direct employees, all of them experienced professionals with detailed knowledge of property, finance, human resources, operations and organizational development. We will likely double this resource base over the coming year.

We have put in place new governance structures and operational platforms that will serve the Agency's needs, leveraging best practice from other State bodies and the private sector. This will add momentum for the LDA to the deliver on its objectives, while also providing for effective oversight.

To complement our in-house staff we have assembled a series of frameworks for engaging with external providers of professional services, such as architects, project managers and other essential partners. This has allowed us to harness the external knowledge we need in an effective and cost-efficient way. Professional service costs are an inherent feature of property development, however as custodians of State resources we will constantly seek to manage these costs in a way that ensures value for money.

Conclusion

I will conclude by assuring the Committee of our commitment to meeting our ambitions and reiterating our intention to make a tangible, beneficial and lasting difference to the housing market.

While 2019 has been primarily about putting in place the building blocks necessary to achieve this, I am confident that 2020 will be the year in which the LDA will be seen to make a visible and tangible impact.

I am conscious that we cannot achieve our aims without the ongoing support of the Committee and our other stakeholders. I will take this opportunity to thank you for the support you have shown to us so far and look forward to continuing to work with you constructively to achieve our shared goal of accelerating the delivery of new homes, as well as the creation of liveable communities in a manner consistent with our compact growth objectives.

A major part of that work includes your scrutiny of the General Scheme of the Land Development Agency Bill, which is essential to give the LDA the tools it needs to deliver the success we collectively want it to achieve.

My colleague and I will be happy to take your questions.

Thank you.