

Society of Chartered Surveyors Ireland statement to the Joint Committee on Housing, Planning and Local Government

Pre-Legislative Scrutiny of the General Scheme of the Land Development Agency Bill 2019.
16 October 2019

Introduction

The Society of Chartered Surveyors Ireland wishes to thank the Chair and the Committee members for the opportunity to attend today's session.

My name is Patrick King, Director of Policy and Corporate Services at the SCSi and I am joined by Chartered Valuation Surveyor, Áine Myler.

Our professional membership is involved in the full life cycle of the built environment – from the green/brownfield site development through to building design, inspection, occupation and management. Our membership of nearly 5,000 professionals are employed through private practice, in central and local government, in state agencies, in academic institutions, in business organisations and in non-governmental organisations.

Commentary

The Society has long supported the creation of a body with a remit to unlock the potential of State-owned lands to address Ireland's current and long-term housing and infrastructural needs. Utilisation of our State assets in a way that supports their effective and efficient use, and which foster a long-term strategic outcome for the benefits of society is an approach that warrants universal support across all institutions of the state. It is evident that Ireland faces significant challenges, one being our emission targets and it is a positive signal that we will have a single authority tasked with implementing and contributing to the strategic vision as set out in our local and regional development plans. The Society believes that the objectives outlined in Part 2 under Head 9 need to be better aligned with the strategic objectives for this body, similar to the general objectives of the Dublin Transport Authority legislation.

One of the core responsibilities and objectives of the LDA is to unlock key public assets, and indeed private assets to serve society. Housing and homelessness are one of the most significant issues that hopefully will be addressed with the help of the LDA. We feel that the land cost component has yet to be grasped in public policy in the overall housing delivery program and now that we are in a property price stabilisation environment, particularly in Dublin, the land cost component still represents 30% to 50% of the overall delivery cost of new housing. We feel that this is too high.

Short term

As the committee will be aware from the Society's "*The Real Costs of New Apartment Delivery Report*", the availability and affordability of serviced land is a significant contributor to the overall affordability of apartments in urban centres. There is high competition for well located, zoned and serviced land. Given the high demand for this type of asset, many developers will take a long-term approach in terms of capital appreciation and, therefore, may be prepared to pay high prices for land. The cost breakdown shows the site purchase cost per apartment unit, ranging from €33,000 for a site used for suburban low density to €125,000 for high density urban developments. This is a significant range and has a huge impact on viability and affordability.

Medium term

The relationship and collaboration between key partners and the LDA are essential to prevent mistakes in poor planning, short-term gains and costly errors regarding the provision of services. The National and Economic Council's 2018 report on this area stated that "Effective active land management involves public authorities working with a range of private and non-for-profit development and housing organisations." A key component of this relationship will be planning. The Society sees the usefulness of Strategic Development Zones to not

only provide planning clarity but also shared vision and speed of implementation for the LDA, Local Authorities and their private partners. It will be useful for the LDA to engage in these policies.

Longer term

The acquiring of private land in conjunction with these partners will be an important role for the LDA. The Society has contributed to a Law Reform Commission review of this aspect of land law and believes that action on those findings will be a prerequisite to the achievement of the objectives of the Land Development Agency and Project Ireland 2040.

The Society welcomes the inclusion under Object 2(h) of Head 9, which will allow the LDA to provide a more fundamental area of support to public bodies. There is a clear need to develop public sector expertise in the area of property and construction. Building this capacity within the public sector is much needed to ensure the public as clients have the best advice that they can when negotiating with private partners.

The Society has been encouraged by progress on its long-standing recommendation for mapping of all State-owned land. The LDA's work with the OSi and other departments and agencies has demonstrated the importance of removing silos and adopting a holistic approach to state-owned lands and their potential uses. Any strategic review requires a complete a survey of assets; from this point it is then possible to plan and measure the impact of their use to maximise the efficiency and productivity of State-owned land. Therefore, we welcome Object 3(a) under Head 9 to "establish and maintain a register of relevant public lands in order to implement the National Planning Framework". The Society suggests that in the interests of transparency, that this is maintained as a public register.

Conclusion

In conclusion, the Society welcomes the development of the Land Development Agency and believes its ambitious remit and robust approach to governance, equip it with the policies to attain its objectives. It is often said that we tend to overestimate the impact of change in the short-term but underestimate the effect in the long-term. The LDA's ability to deliver on a program of strategic public land negotiations will be based on balancing ambitious scope with clear objectives and good governance with supports to meet the needs of a maturing economy and increasing population.

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