



**Construction Industry Federation (CIF)
Opening Statement on the PLS of the General
Scheme of the Planning and Development
(Amendment)(Large-Scale Residential
Development) Bill 2021**

Thank you, Chairman, Committee members.

The Irish Home Builders Association (IHBA) is a constituent association of the Construction Industry Federation (CIF). We represent hundreds of home builders of all sizes across Ireland and support Irish home builders to deliver quality affordable homes to home buyers.

A priority for the IHBA is to deliver much needed homes for those struggling to access the market and find suitable accommodation. The past number of years have been particularly difficult for aspiring home buyers who have struggled against the challenges of a lack of supply and affordability.

As members of the Committee will be aware much of this has been the result of well documented issues with a lack of investment in infrastructure which created viability issues, and ultimately placed an unfair onus on first time buyers and new home purchasers to fund upgrades to the benefit of the wider community.

Critically, our planning system has witnessed relatively little change in some twenty years and requires holistic reform. The lack of speed and certainty within planning led to the introduction of the Strategic Housing Development (SHD) process by government in 2017 to provide a fast-track mechanism for planning permissions for housing schemes with 100-plus homes.

Essentially, it was hoped that with mandatory timelines together with seeking permission directly from An Bord Pleanála it would lead to a greater number of applications for large scale developments and a timelier commencement of planning permissions.

Prior to the Covid-19 pandemic the construction industry was on an upward trajectory with substantial investment planned to result in a steady increase of annual housing numbers across all tenures. IHBA members continue to report strong demand not least due to the fact that we have seen the under provision of some 80,000 homes over the past five years alone.

However, despite pent-up demand, the industry is witnessing a concerning slowdown in planning permissions. The number of planning applications submitted during the first quarter of 2021 in terms of units is down twenty nine percent.

While some of this significant decline is likely a direct implication of the restrictions imposed over the first quarter of 2021 from the pandemic, it's also been caused by the uncertainty, the risk and the cost of planning which means many home builders have had to take the decision to hold back potential applications.

Granted schemes were also down some twenty six percent and commencement notices lodged down forty four percent. Well documented factors impacting the planning system, most notably the substantial rise in the number of Judicial Reviews taken against SHD's, has resulted in many schemes being substantially delayed or quashed entirely in the courts. The processing of applications has also been impacted by recent referrals to the European Court of Justice and has resulted in many of our own members being forced to indefinitely shelve large scale housing projects. It is estimated that somewhere in the region of 75,000 potential family homes could be at risk as a result of this.

The industry welcomed the review of the SHD process and the Government's recognition that further change is required and we are glad to see the draft Large Scale Residential Development Bill.

It must be noted that the current draft transition away from SHD and specified timelines do not currently align. The actual time taken by An Bord Pleanála to issue Opinions do not allow sufficient time for applicants to review its comments and lodge an application.

The proposed new scheme needs to address the impact of appeals which have hampered the SHD process. While no one would question the right of appeal and the need for a robust process for third parties it is universally acknowledged that we are in desperate need of housing and the number of delayed or quashed developments speak for themselves.

If the new scheme is to be effective the Local Authorities and An Bord Pleanala should be fully resourced to meet the mandatory timelines as set out within the Bill. Early interaction and mandatory response parameters from the prescribed bodies should be used to determine capacity and any technical issues at any early stage in the process.

Currently planning permission is no guarantee of viability. While it may not be the ultimate rationale for grant or refusal, a discussion on economics and viability of any development is required. It is for this reason we have a high level of delayed permissions commence on site. The issue of economic viability may be best addressed at the County Plan Preparation stage or potentially at pre-application stage.

We welcome the recent publication of the 'Housing for All' plan from Government and believe it goes a long way towards meeting the challenges we currently face in terms of supply and affordability. The numbers contained within the plan are ambitious, but we believe are fully achievable. Many of the actions within the plan will require additional capacity within the sector.

The Irish Home Builders Association is committed to delivering much needed quality and affordable homes across the country. Our members will be working hard to supply these much-needed homes however it is critical that issues such as planning and infrastructure, which are impeding delivery, are tackled.