



**North Tipperary County Council**

**Thurles Town Council**

**Nenagh Town Council**

**Templemore Town Council**

## **County Housing Strategy 2009 - 2016**

**19<sup>th</sup> October 2009**

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# SECTION 1

## 1. INTRODUCTION AND EXECUTIVE SUMMARY

### 1.1. *Introduction*

Part V of the Planning and Development Act, 2000 required all Planning Authorities to prepare housing strategies and incorporate these into their development plans by August 2001. North Tipperary Local Authorities prepared such a strategy for the period 2001 to 2006.

This review follows a similar structure as the 2001-2006 Strategy though there are some significant amendments. However, due to changes in the availability of information, the way in which information can be accessed and the factors influencing development in the county the methodology has been simplified in certain respects. In addition, the Housing Authority has prepared a Housing Needs Analysis for 2008 which provides an up-to-date view of those on the housing list.

#### 1.1.1 *Requirements of the Planning and Development Act 2000*

The Planning and Development Act, 2000 specifies the requirements of the housing strategy. It specifies that the strategy shall:

- Estimate the present and likely future demand for housing in the area, and thus, ensure that sufficient zoned and serviced land is available within the authority's development plan to meet such existing and forecast needs.
- Provide that as a general policy, a specified percentage, of not 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.
- Ensure that a mixture of house types and sizes is provided to satisfy the requirements of various categories of households, including the special requirements of elderly persons and persons with disabilities.
- Counteract undue segregation in housing between persons of different social backgrounds. In achieving this aim the Planning Authority can 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.
- The Planning and Development Act, 2000 also requires that the community's needs for social and affordable housing be a material planning consideration

which must be taken into account when preparing development plan policies, preparing a housing strategy and deciding on planning applications or appeals.

- In accordance with the planning legislation the Planning Authority, or An Bord Pleanála on appeal, may require a developer, as a condition of a grant of permission, to reserve a percentage of housing land or housing units for social and affordable housing in accordance with the housing strategy element of the Development Plan.
- Two years after the adoption of a development plan incorporating the housing strategy, the Manager shall prepare a report for the elected members, which shall include a review of the progress achieved in implementing the housing strategy. Where the report indicates the need for the preparation of a new or revised strategy, the Manager may recommend that the housing strategy be adjusted to take account of such changed circumstances and the development plan can be amended accordingly. The Manager must also prepare such a report for 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, which significantly affects the housing strategy.

#### *1.1.2 Objectives of the Strategy*

The housing strategy for North Tipperary has the following objectives –

- To ensure that adequate land is available to meet the housing needs of the County
- To facilitate the reservation of adequate land for social and affordable housing
- To assist in the formulation of a social housing policy
- To ensure a distribution of housing that reflects the needs of the community and the demands of sustainability
- To ensure that the policies of the Government are reflected in the policies adopted.
- To assist the formulation of relevant planning policies with regard to the provision of housing

In order to address these issues the following analyses have been carried out –

- Housing Demand and Affordability Analysis

- Analysis of Social and Affordable Housing Needs
- Review of Housing Supply
- Review of availability of development land

In addition to these analyses, the following policy issues are addressed in order to arrive at a distribution of housing within the county and to assess the amount of land that will be required to meet the needs of the community.

- The spatial distribution and quantity of housing to be supplied within the county.
- The density, type and mix of housing in the county.

In carrying out this review, regard had also been had to the Regional Planning Guidelines for the Mid-West Regional Authority area, the County Development Plan for North Tipperary, the various development plans for the Town Council areas of the county and the population projections for the Mid West Region provided by the Department of the Environment, Heritage and Local Government.

### **1.2. Summary of Main Conclusions**

This review of the North Tipperary Housing Strategy addresses issues regarding the provision of housing in the County in the period between 2010 and 2016. The review concludes the following –

1. Housing provision has been strong in the county over the past number of years. However, in line with national and international trends this provision has dropped markedly in the immediate past. Given the volatile nature of the world economic situation at present it is difficult to predict the level of construction in the immediate future.
2. The population of the county will continue to grow at rates beyond those attributable to natural increase alone reflecting a net in-migration to the county. This prediction is made in line with the policies of the National Spatial Strategy and the current regional population predictions of the CSO, the Department of the Environment Heritage and Local Government and the Mid West Regional Authority.
3. The distribution of provision will continue to reflect the overall urban/rural balance of the county
4. The situation regarding the availability of zoned land has improved considerably as has the provision of services in the smaller centres. In most of the major settlements the availability of land should not be an inhibiting factor for the provision of housing

5. Despite the downturn in the housing market and the economy in general, very few houses are likely to come on the market at prices less than €160,000 and those that do will require considerable investment to bring them to an acceptable standard.
6. More than 20% of households will not be in a position to provide dwellings for themselves using the 35% of disposable income rule and using a medium range mortgage product
7. The Housing Authorities will use the full range of available supports for the provision of social and affordable housing.

## SECTION 2

### **2. ACKNOWLEDGMENTS**

This review was carried out by Tipperary Institute for North Tipperary County Council and the Town Councils of Thurles, Nenagh and Templemore. The Institute would like to acknowledge the assistance received from the Elected Members and staff of the Local Authorities.

## SECTION 3

### 3. ESTIMATING HOUSING DEMAND AND AFFORDABILITY.

The estimates of future housing demand and affordability are based on a combination of population projections, income and interest rate projections and estimates as to the future supply and cost of housing provision in the county.

Since the first draft of this strategy was the national and international social and economic environment has become extremely volatile and unpredictable. This unpredictability applies as much to the housing and job markets as to any other part of the economy. To the normal difficulties involved in predicting housing supply and demand have been added the difficulties in predicting interest rates, rates of unemployment, nature of mortgage products that will be on offer, excess house supply and so on. In comparison to the relatively stable environment in which the 2000 Planning and Development Act was passed, the current climate and the climate for a number of years makes prediction extremely tentative. This strategy should be read with that caveat in mind. It is also intended that the strategy will be reviewed at an early date to facilitate appropriate responses to a volatile environment if necessary.

#### **3.1. *Estimating Future Housing Needs***

The projection of future housing needs is based on assessing the future growth in population and trends in household sizes.

##### *3.1.1 Population Trends*

In estimating future population trends regard has been had to the 2006 Census and to the population projections issued by the Department of the Environment, Heritage and Local Government that have been reflected in population projections by the Mid-West Regional Authority that have been revised relative to those in the Regional Planning Guidelines and the Development Plan for North Tipperary.

The following Table indicates distribution of population in North Tipperary in 2006 and the changes in that distribution in the 1991-1996, 1996-2002 and 2002-2006 inter-censal periods.

These figures show an interesting trend. While the total population of the county grew between 1996 and 2002 by 2989 or 5.3% the percentage of the population in the settlements of the county increased from 43.6% to 44.7%. However, this pattern continued in the 2002–2006 with the figure rising to 47.14%.

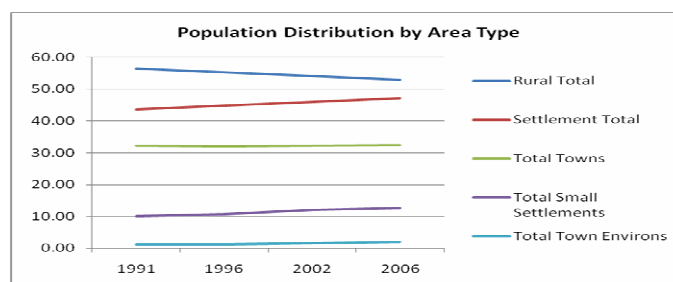
**TABLE 1 – Distribution of Population of North Tipperary**

Settlement	1991	%	1996	%	2002	%	2006	%
Thurles Town	6687	11.56	6603	11.38	6852	11.23	6831	10.35
Thurles Environs	268	0.46	336	0.58	573	0.94	851	1.29
Nenagh Town	5525	9.55	5645	9.73	6121	10.03	7415	11.23
Environs of Nenagh	300	0.52	268	0.46	333	0.55	336	0.51
Roscrea	4231	7.31	4170	7.19	4578	7.50	4910	7.44
Templemore Town	2188	3.78	2115	3.65	2159	3.54	2255	3.42
Environs of Templemore	137	0.24	129	0.22	111	0.18	129	0.20
Total Towns	18631	32.20	18533	31.94	19710	32.31	21411	32.43
Total Town Environs	705	1.22	733	1.26	1017	1.67	1316	1.99
Total Small Settlements	5852	10.12	6222	10.72	7354	12.05	8399	12.72
Settlement Total	25188	43.54	25933	44.70	28081	46.03	31126	47.14
Rural Total	32666	56.46	32088	55.30	32929	53.97	34897	52.86
North Tipperary Total	57854	100.00	58021	100.00	61010	100.00	66023	100.00

Source: North Tipperary County Development Plan and CSO

The 1991 - 2006 trends are indicated more clearly in the attached Figure 1 which shows that the percentage of the population in the rural areas of the county has been declining slightly, the percentage of the population in the smaller settlements has been increasing considerably and the percentage of the population in town areas has increased although this trend has become more complex in the 2002 – 2006 period with population growth occurring in both larger and smaller settlements.

**FIGURE 1 – Rural/Urban Distribution of Population**



The population of the major towns as a percentage of the total county population is shown in the following Table 2. This indicates the significant growth of Nenagh and of the Thurles environs, the relative stability of Roscrea and the slight decline of Templemore. Of course all towns have grown but Nenagh has grown at a more rapid rate than the others.

The patterns of population change in all significant settlements is as follows –

**TABLE 2 – Inter-Censal Population Changes in Settlements**

<b>Centres</b>	<b>1996</b>	<b>2002</b>	<b>2006</b>	<b>%change 1996 -2006</b>
Thurles	6603	6852	6831	3.45
Nenagh	5645	6121	7415	31.36
Roscrea	4170	4578	4910	17.75
Templemore	2115	2159	2255	6.62
Newport	871	887	1286	47.65
Borrisokane	850	832	832	-2.12
Ballina	598	1185	1861	211.20
Borrisoleigh	564	598	626	10.99
Littleton	544	500	463	-14.89
Cloughjordan	447	431	394	-11.86
Portroe	411	401	454	10.46
Toomevara	362	321	286	-20.99
Twomileborris	325	474	550	69.23
Holycross	324	381	343	5.85
Templetuohy	293	325	322	9.90
Puckaun	256	269	239	-6.64
Silvermines	202	257	269	33.17
Newtown	-	-	191	-
Dromineer	-	-	118	-

It will be noted from this that while some settlements experienced very significant population growth in the 1996 – 2006 period, others experienced considerable decline. However, more recent developments in a number of those settlements suggest that such decline may not continue and that the trend will be reversed by the next census or the one thereafter.

### 3.1.2 Estimating Population Growth.

In the original Housing Strategy for North Tipperary a number of complex processes were used to estimate future population growth in the County. This was made more difficult because of the absence of the 2001 Census, which was postponed to 2002. The 2006 population Census has been used to provide some data for this review as has the most recent regional population statistics of the Department of the Environment, Heritage and Local Government.

The Regional Planning Guidelines are a new feature that provides population and household targets for North Tipperary and the rest of the Mid West Region and must be taken into account in this review, while the Department’s updated population projections have been provided in the context of those guidelines.

The current Development Plan forecasted the following increases in population during the period of the plan with the 2006 Census returns being inserted -

**TABLE 3 – Population Predictions in Current Development Plan**

Year	Population	%change
1996 Census	58021	3.8
2002 Census	61068	8.4
<i>2006 Census</i>	<i>66,023</i>	8.2
2009 Estimate	64765	9.8
2015 Estimate	68171	2.1

– Source: North Tipperary County Development Plan and CSO

It will be noted from this that the 2006 population exceeded the anticipated population for 2009 by over 1000. The annual growth rate was 1,230 per annum. It is difficult to say whether this rate of population growth will continue though with the economic downturn and together with other factors it is possible that it won’t.

The population growth targeted for North Tipperary in the Regional Planning Guidelines is 16,000 between 2002 and 2020 or an average of 888 per year. Assuming that the rate of growth rises as the period progresses, the growth rates between 2010 and 2016 would be reasonably in line with those suggested in the existing County Development Plan. However, the growth rates beyond that period would be expected to increase with the implementation of positive measures to support the growth of Regions outside Dublin in line with the National Spatial Strategy.

The most recent Regional Population Projections from the Department of the Environment Heritage and Local Government as allocated by the Mid West Regional Authority on the basis of the 2006 shares of county populations suggest the following

**TABLE 4 – Most Recent Population Targets**

	<b>2006 CSO</b>	<b>2010</b>	<b>2016</b>	<b>2022</b>
<b>North Tipperary</b>	66,023	70,967	78,383	88,273
<b>Limerick</b>	131,516	140,460	153,876	171,774
<b>Limerick City</b>	52,539	55,655	60,329	66,564
<b>Clare</b>	110,950	119,398	132,070	148,980
<b>Total</b>	361,028	383,800	427,200	475,591

Source: CSO; Mid West Regional Authority; Department Heritage, Environment and Local Government

These figures suggest a considerably faster rate of population growth than in either the Development Plan or the current Regional Planning Guidelines.

These projections were, however, based on the expectation of a continuing growth in the Irish economy and record high levels of immigration and low levels of out-migration. The more recent changes in the national and global economy and the severe decline in the Irish construction industry put these figures in some doubt.

### **3.2. Household Formation**

In the last County Development Plan household formation was projected to be as follows

**TABLE 5 – Household Formation Projections in Current Development Plan**

Year	Population	Rate of Natural Increase	Natural Increase	Average Household Size	Total Households	Additional Households
1996	58021	8.57	497	3.20	18132	
1997	58518	8.57	501	3.15	18577	446
1998	59019	8.57	506	3.10	19038	461
1999	59525	8.57	510	3.05	19516	478
2000	60035	8.57	514	3.00	20012	495
2001	60549	8.57	519	2.95	20525	513
2002	61010	8.57	523	2.90	21038	513
2003	61068	8.57	527	2.88	21204	328
2004	62060	8.57	532	2.86	21699	334
2005	62592	8.57	536	2.84	22039	340
2006	63128	8.57	541	2.82	22386	347
2007	63669	8.57	546	2.80	22739	353
2008	64215	8.57	550	2.78	23099	360
2009	64765	8.57	555	2.76	23466	367

– Source: North Tipperary County Development Plan

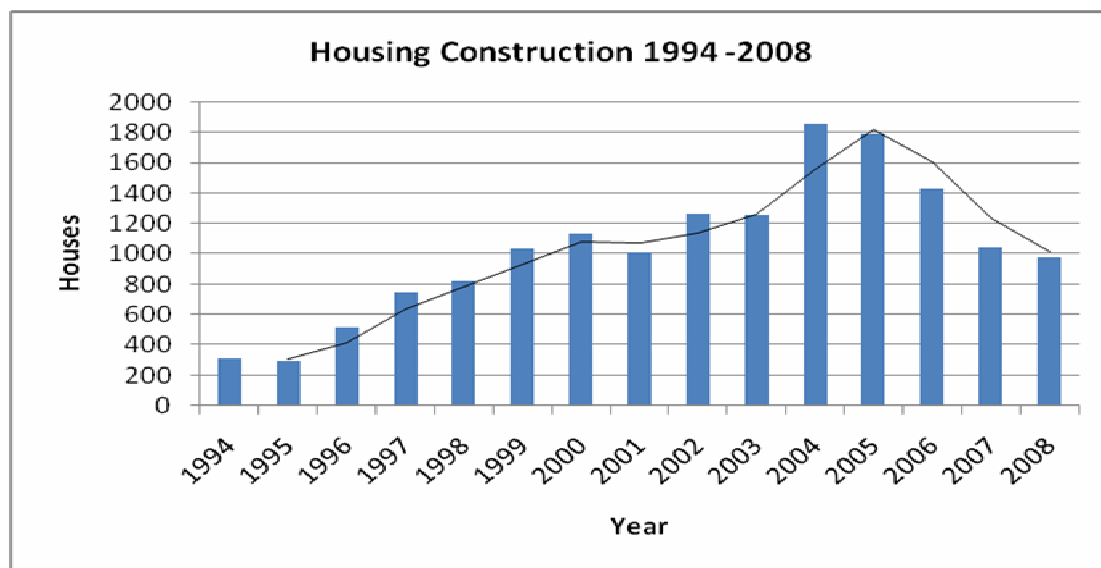
These household formation figures were, however, related to projected natural increases alone. The critical factor in the population growth in North Tipperary over the 2009 – 2016 period will be in-migration. This is a notoriously difficult factor to predict, related as it is to a range of factors that lie both within and without the state and covering a range of social and economic factors as well as Government policies. The 2006 Census suggests that immigration accounted for two-thirds of the population growth in the county between 2002 and 2006. This would reflect well with the locations of greatest population growth which are close to large population centres outside the county and to major transport networks.

Predicting the average number of housing units required between 2009 and 2016 is difficult to do. Using the Regional Population projections and assuming an average household size that remains at 2.8 suggests an average number of dwelling units per year of 450. If, however, the household size falls to 2.5 it will increase the demand to 500 per year. Assuming that a small amount of replacement dwellings will be required (say 10%), this would give a figure of 550 based on the Regional population projection and 2.5 occupancy.

### 3.3. House Construction

Between 2002 and 2006 housing construction in the county averaged over 1500 per year. This level of construction dropped to about 1000 in 2007 and is set to drop to a lower figure in 2008 although it is still likely to be about 900 dwellings. The pattern of construction is shown on the following chart.

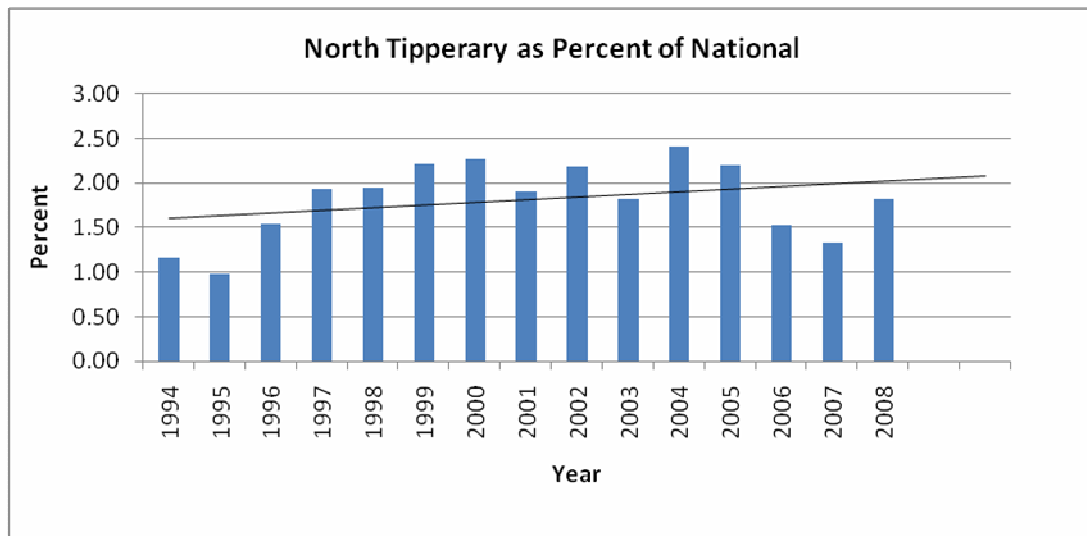
**FIGURE 2 – Housing Construction 1994 - 2008**



Source: Department of the Environment, Heritage and Local Government

The North Tipperary Share of national house construction for the same period is shown on the following chart.

**FIGURE 3 – North Tipperary House Construction as Percentage of National**



Source: Department of the Environment, Heritage and Local Government

These figures show that the percentage ranges from just over 1% to nearly 2.5%. This is a very wide discrepancy and must, again, relate to the extent of population movement into the county from adjoining areas.

While net house demand may be somewhat less as dwellings in under-populated areas go out of occupancy the discrepancy is too great to be accounted for by that factor alone. However, it is clear that house construction over the period was considerably greater than that required to accommodate population growth and may be explained by some holiday home development, some speculative housing development, increased rental demand, some catching up on historic under-supply and perhaps a somewhat smaller household size emerging.

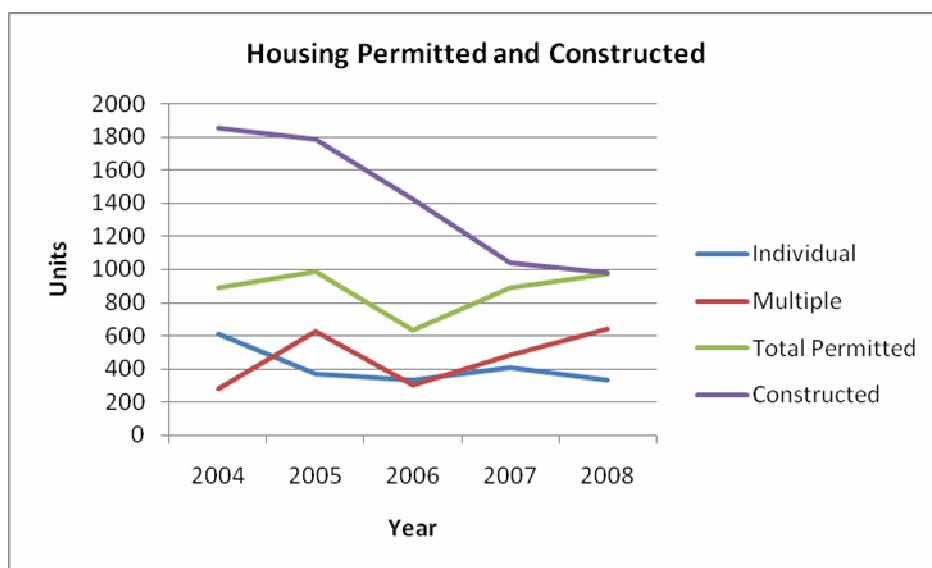
The level of vacancy in the county at the time of the taking of the 2006 Census is relevant in this context. At that point there were 3,000 vacant dwellings in the county (exclusive of holiday homes and those with absent residents) which amounted to about 11.7% of the total of permanent residences. While this is about the national average for this type of dwelling it is still quite a large number and indicates that there is an amount of over supply that must be accounted for before construction rates increase again. It will be noted that the rate of construction decreased in 2006 and 2007 so it is quite possible that some of this backlog is now being used up.

It has been suggested that a sustainable amount of housing nationally is about 40,000 units per annum. Using the North Tipperary percentages of national construction would suggest an annual requirement of between 600 and 1000 on the basis with a mid-range of 800.

Another way of considering this issue is in the context of the planning permissions that have been recently granted for housing in the county. This, as well as the rate of construction, is indicated on the following diagram.

This chart indicates that there has been a very significant decline in the number of houses constructed over the last number of years, while the number of houses permitted has varied considerably. However, prior to 1998 the number of houses being constructed in the county was less than 800 and it is quite likely that the industry will return to something closer to those figures during the period of the plan.

**FIGURE 4 – Housing Permitted and Constructed**



Taking all these various factors into account and as a medium range projection, therefore, it is suggested that the lower of the figures arising from the application of the County’s percentage of national construction and a slightly increased target based on the county’s percentage of the regional population be used, which gives rise to a maximum average annual housing need of 600 units. This would result in the return to construction levels of the period before national and local levels of construction escalated and a slight excess of supply over demand.

**3.4. Population Distribution**

It is difficult to estimate the likely distribution of population throughout the County, as it is dependent on so many factors, including some that lie outside the area of the county. However, past trends have indicated the following change between 1996 and 2006. For the purposes of this analysis the figures relating to the towns and environs were regarded as being the urban area.

**TABLE 6 – Urban/Rural Population Distribution by Electoral Area**

Area	%Urban Area	%Rural Area *
County	18.63	2.85
Thurles EA	3.46	50.36
Nenagh EA	48.93	2.64
Templemore EA	5.02	-16.2
Borrisokane EA	7.25	-4.18

– Source: North Tipperary County Development Plan

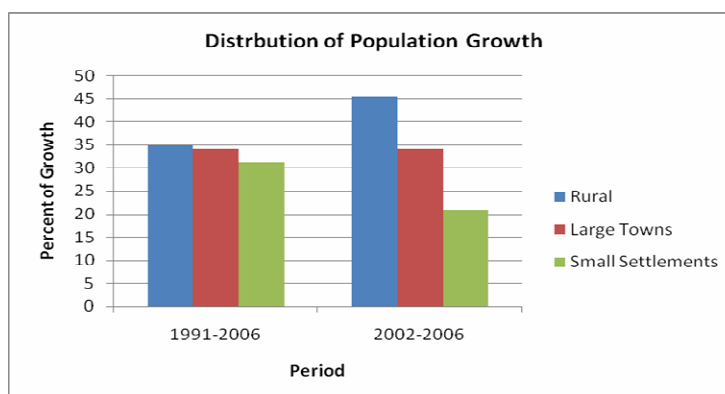
*\* In this context rural areas are defined as those areas of the county that lie outside settlements of 1500 and greater.*

**Note 1: Table 6 relates to the diversity of population change in the County between 2002 and 2006.**

The large increase in the urban population of the Nenagh EA is accounted for by the growth in Nenagh itself and the fact that the population of Ballina exceeded 1500 for the first time in 2006 and so is included in the urban element of the population. It is also noticeable that the population of the rural area of the Thurles EA has increased greatly probably due to the increase in the Thurles environs but also in adjacent villages such as Two Mile Borris and Holycross. On the other hand, the population of the rural area of the Templemore EA has suffered a population decline.

The distribution of population growth between the different types of area in the 1991 – 2006 and the 2002 – 2006 periods are shown on the following chart.

**FIGURE 5 – Urban Rural Population Growth in Inter-Censal Periods**



This indicates that in the overall 1991 – 2006 period there was a reasonably balanced pattern of growth but that the smaller settlements lost out to the development in rural areas in the 2002 – 2006 period.

## SECTION 4

### 4. ESTIMATING HOUSING AFFORDABILITY.

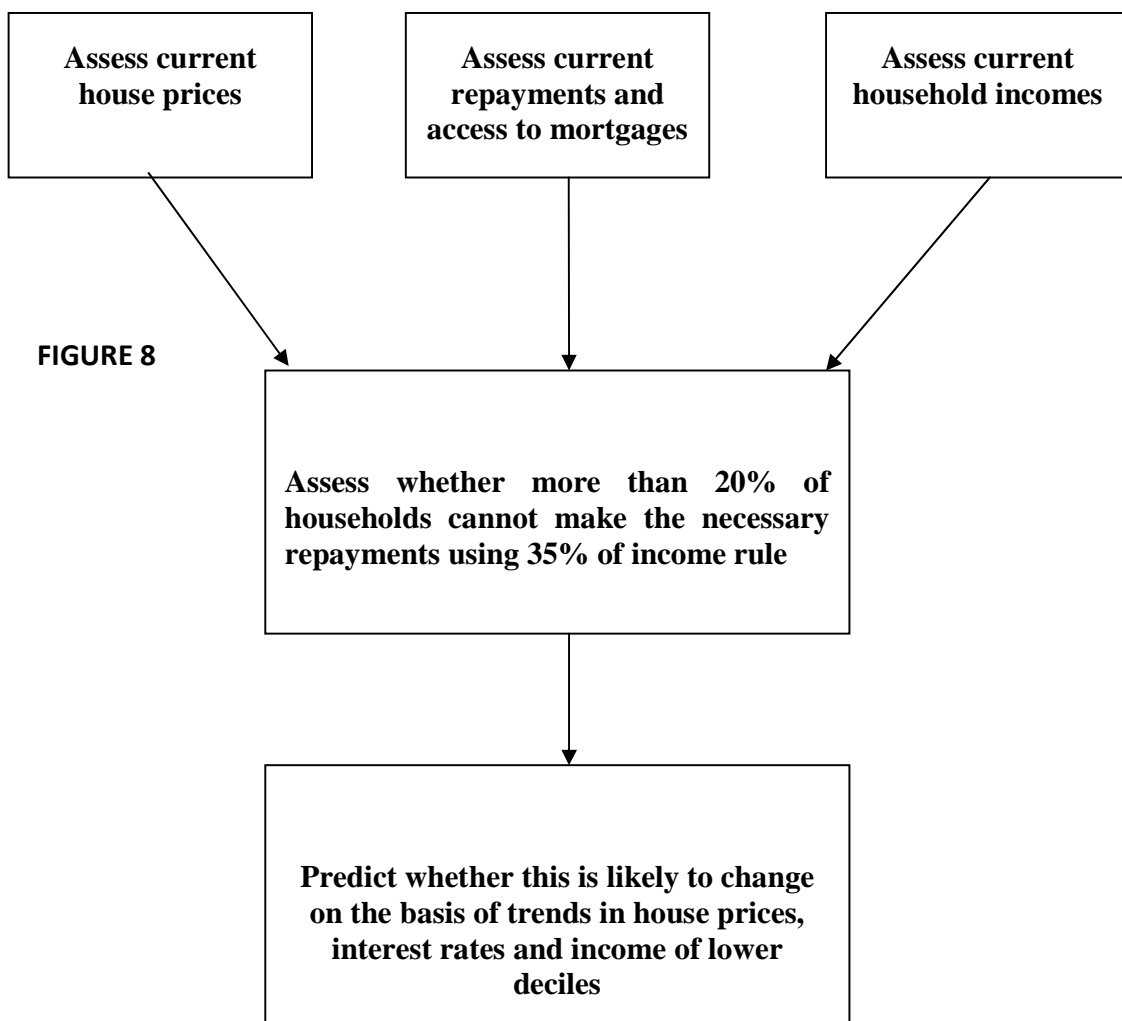
Section 93(1) of the Planning and Development Act, 2000, defines a person eligible for social housing as someone,

"Who is in need of accommodation and whose income would not be adequate to meet the payments on a mortgage for the purchase of a house to meet his or her accommodation needs because the payments calculated over the course of a year would exceed 35 per cent of that person's annual income net of income tax and pay related social insurance".

As noted earlier in this document estimating the future is an extremely difficult matter in current circumstances. Many of the statistics with which such estimates are made have been unable to keep up with the rapidly changing circumstances. Thus, for example, declining house prices and interest rates which make houses more affordable to more households are balanced by increasing unemployment and decreasing disposable income due to wage reductions and tax increases. In addition, the range of mortgage products available has been reduced and the 100% mortgage is effectively no longer available. It is almost impossible to predict accurately in these circumstances. However, it is reasonable to assume that in the medium term the combination of events will not increase the range of households able to afford their own dwelling within the Government's requirements. Therefore, the approach adopted uses the figures available immediately prior to the recent economic difficulties.

#### **4.1. *The model for testing affordability***

A key requirement of the housing strategy in North Tipperary is to identify the number of eligible persons that might be anticipated over the duration of the development plan. An assessment of the likely number of such eligible persons (or eligible households) requires that a comparison be made between projected house prices for the county and projected ranges of disposable incomes of different households. The model that has been used to assess the need for the provision of affordable housing in North Tipperary is as follows –



If more than 20% of the population cannot afford to purchase their own housing at present, it is predicted that this situation will not improve if house prices and interest rates and therefore repayments are likely to increase at a rate greater than the rate of increase in income of the lower income deciles.

Drawing upon the "35%" definition of housing affordability contained in the Act, a simple approach has been developed to assess affordability against five key variables that are central to the analysis. These are:

- household income;
- house price;
- mortgage interest rate; and
- loan to value ratio

- Access to mortgage finance

By combining the projected figures for disposable income distribution and house prices for the county as well as projecting future affordability using minimum house prices, and repayment estimates based upon a range of interest rates and mortgage periods and with a 95% LTV ratio it is possible to establish levels of affordability. This has become a much more complex matter, however, due to the range of mortgage products available and to the variability in the mortgage product market.

#### **4.2. *Estimating Household Income***

The method used in this review to assess Household Disposable Income, is similar to that used in the last Strategy. Disposable income in this context corresponds with the income definition set out at Section 93(1) of the Act.

The income distribution for North Tipperary was arrived at by combining the following factors.

- *EU SILC Survey*

While the Household Budget Survey was used in the last strategy the 2006 EU-SILC Survey has been used to find a national household income distribution in this strategy. It is important to identify the distribution of incomes across households, as the households at the bottom end of this distribution are those most likely to experience affordability issues. This survey divides households into 10 deciles or tenths based on average and threshold incomes. Using this distribution of income it is possible to identify the number of households that will be able to afford a mortgage in accordance with the rule that not more than 35% of disposable household income should be spent on mortgage repayments.

- *Deflation factors for North Tipperary*

The average incomes were adjusted on the basis of assumptions made about the gap between North Tipperary and national levels of household income. CSO data on county-level household incomes was used as the basis for adjustment. Between 2000 and 2005, household income in North Tipperary fluctuated between 91.5% and 96.3 % of the national average. A North Tipperary deflator of .95 has been adopted in this report which is slightly higher than the average over the period. However, the North Tipperary index was higher and rising towards the end of the period so a figure somewhat higher than the average is considered appropriate. This adjustment enabled the production of an income distribution table for North Tipperary on the basis that the distribution of incomes across the county (once adjusted by the average deflator for North Tipperary) mirrors the national trend.

Based on the 2006 national income distribution figures deflated for North Tipperary and increased by an assumed 5% annual inflation rate between 2006 and 2008, a distribution of disposable income divided into deciles was derived for North Tipperary in 2008.

**TABLE 7 – Income Deciles North Tipperary 2008**

Decile	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	5 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>
Week	<232.05	-361.22	-463.08	-618.59	-802.1	-1047.51	-1310.45	-1656.53	-2231.84	>2231.84
Month	<1005.55	-1565.29	-2006.68	-2680.56	-3475.77	-4539.21	-5678.62	-7178.3	-9671.31	>9671.30

Source: CSO

It is important to remember, however, that these figures were compiled during a period of low unemployment and with a lower tax regime than now applies. It is likely that the figures in the above table need to be amended to take account of these recent changes and possible changes in the Social Welfare system that have been signaled by the Government. While the impact on disposable income at the lower deciles may be somewhat less than that for the upper deciles, it is still likely that disposable income will be reduced across all deciles. This factor must be taken into account when considering the affordability issue.

#### **4.3. Estimating House Prices**

Any assessment of housing affordability must correlate estimated incomes with appropriate house price data. In these turbulent times for the property market it is almost impossible to predict house prices with any accuracy. There have been predictions over the last twelve months that range from a complete collapse in housing prices to a continuing but slower decline followed by a slow increase. In view of the fact that this strategy is addressing the period from 2010 to 2016 it is even more difficult to make projections. However, for the purposes of this strategy and following a review of the housing prices being sought locally, it is proposed that very few dwellings will be on the market for less than €160,000 in areas where people wish to live. Those that are on the market for less than this price are likely to require considerable investment to bring them to modern standards of electrical provision, sanitary provision and heating. For the purposes of this review, therefore, a minimum house price of €160,000 has been assumed although, as will be seen later, even at lower than that figure more than 20% of households would not be in a position to provide their own housing.

It should also be noted that these prices are emerging in a time of particular difficulty in the housing market. It is generally acknowledged that there is an excess of supply in the housing market and it is possible that houses will fall to particularly low prices as this over-supply is exhausted. However, in the more medium term housing prices are likely to start to climb again as supply falls below demand. Since this strategy is looking at a

medium term situation it would not be prudent to adopt what is likely to be a short-term housing market situation as the norm over the period.

#### **4.4. Estimating repayments**

The level of repayment that will be required of any household will be based on the value of the house, the loan to value ratio and the interest rate.

##### *House Value*

As noted above in the context of the house price review, it has been decided that a minimum house price of €160,000 should be adopted as it is unlikely that dwellings will come on the market under that price and those that do tend to require considerable work to be carried out on them to bring them to a modern standard. However, a series of repayments from €150,000 to €175,000 has been calculated for in order to address both lower and higher house prices.

##### *Loan to value ratio*

100 % loans are effectively no longer available so a 95% LTV ratio is now available for first-time buyers from some mortgage providers though not from all. While this will suggest that a somewhat lower level of repayment will be required, it does also present the difficulty for low-income families of gathering the necessary deposit and the other funding (legal and auctioneering fees for example) that will be required.

Using these figures a mortgage of €175,000 would equate to a house price of €184,000, €160,000 to €168,000 and €150,000 to €157,000.

##### *Repayment periods*

Repayment periods are increasing all the time although it may be that the longer loan periods are now being curtailed. This can have an effect on the loan repayments. For the purposes of this exercise the implications of a number of different housing repayment rates and periods have been considered below with a maximum of 35 years which is the limit for some lenders.

##### *Interest rates*

A number of mortgage providers were consulted to assess the repayments that would be required. There is now a wide variety of mortgage products available on the market, with different interest rates and terms and conditions applying to them all. A number of different combinations have been considered though some of the more unusual approaches (interest only loans for example) have been omitted.

In considering the interest rates that should be used regard must be had to the rates that are likely to apply in the medium term. Even if low short-term interest rates may be obtained at the moment, these may not be available in the medium-term. A number of approaches may be taken in this regard. If the short-term variable interest rates are considered then very low rates may be available. If a fixed rate over a ten-year period is used, however, a significantly higher rate would apply. The tables below consider both situations.

#### *Access to mortgages*

A relatively new issue has entered the consideration of the capacity of households to purchase their own dwelling. Financial institutions have become significantly more cautious about the nature and extent of their lending so, as well as considering the repayment rates that would be possible for a household, regard must now also be had to the size of the mortgage that would be available to those at the lower income levels. This access is related to the maximum income that an applicant has.

While there is considerable difference between mortgage providers single first time buyer would typically require an annual income of between €28,000 and €30,000 in order to get a mortgage of €150,000.

Following the most recent budget a gross income of €28,000 would give a net monthly income of about €1800 per month after tax and levies while an income of €30,000 would give a net income of about €1,950 per month. The upper monthly income limit of the second SILC decile is €1565.29 while that of the third decile is about €2006. It would appear, therefore, that, not alone will more than 20% of the population not be able to afford mortgage repayments, between 20% and 30% of the population will not even have access to the minimum mortgage of €150,000.

#### **4.5. Testing for affordability**

In assessing the likely movement in housing need this review focuses on the lower end of the housing market and income levels. It is unlikely that any significant amount of new housing will be developed at prices lower than €175,000 even in these recessionary times. While some older housing and a small number of apartments may become available within this category it will be very limited in amount and the older housing will generally require that remedial works be carried out. In addition, a review of available housing at present within North Tipperary suggests that the amount of property that will be available between €150,000 and €170,000 will be very limited since the majority of smaller-scale new housing provision is within a price range between €175,000 and €225,000.

Given the range of mortgage products that are available in the market, it was decided to carry out an assessment of a variety of mortgage amounts, mortgage terms and interest rates. The monthly repayments expected for such a range of products is set out below.

**TABLE 8 – Monthly Mortgage Repayments at Different Terms and Interest Rates**

Mortgage	Rate	Term in Years			
		20	25	30	35
	<b>2.50</b>	927.33	785.08	691.46	625.62
	<b>2.75</b>	948.79	807.29	714.42	649.31
	<b>3.00</b>	970.55	829.87	737.81	673.49
	<b>3.25</b>	992.59	852.80	761.61	698.14
	<b>3,50</b>	1014.93	876.09	785.83	723.26
	<b>3.75</b>	1057.55	899.73	810.45	748.83
<b>€175,000</b>	<b>4.00</b>	1060.47	923.71	835.48	774.86
	<b>4.25</b>	1083.66	948.04	860.89	801.31
	<b>4.50</b>	1103.21	968.58	882.38	828.20
	<b>4.75</b>	1126.47	993.05	908.00	855.50
	<b>5.00</b>	1149.97	1017.81	933.96	883.20
	<b>5.25</b>	1173.71	1042.86	960.24	911.30
	<b>5.50</b>	1197.68	1068.19	986.84	939.78
	<b>5.75</b>	1228.65	1100.94	1021.25	968.63
	<b>6.00</b>	1253.75	1127.53	1049.21	997.83
	<b>2.50</b>	847.84	717.79	632.19	571.99
	<b>2.75</b>	867.47	738.10	653.19	593.66
	<b>3.00</b>	887.36	758.74	674.57	615.76
	<b>3.25</b>	907.51	779.71	696.33	638.30
	<b>3,50</b>	927.94	801.00	718.47	661.27
	<b>3.75</b>	948.62	822.61	740.98	684.65

Mortgage	Rate	Term in Years			
		20	25	30	35
<b>€160,000</b>	<b>4.00</b>	969.57	844.54	764.86	708.44
	<b>4.25</b>	990.78	866.78	787.10	732.63
	<b>4.50</b>	1008.65	885.56	806.74	757.21
	<b>4.75</b>	1029.21	907.93	830.17	782.17
	<b>5.00</b>	1051.40	930.57	853.91	807.50
	<b>5.25</b>	1073.11	953.47	877.93	833.19
	<b>5.50</b>	1095.03	976.63	902.25	859.23
	<b>5.75</b>	1123.33	1006.57	933.72	885.60
	<b>6.00</b>	1146.29	1030.88	959.28	91230
	<b>2.50</b>	794.85	672.93	592.68	536.24
	<b>2.75</b>	813.25	691.97	612.36	556.55
	<b>3.00</b>	831.90	711.32	632.41	577.28
	<b>3.25</b>	850.79	730.97	652.81	598.41
	<b>3.50</b>	869.94	750.94	673.57	619.94
	<b>3.75</b>	889.33	771.20	694.67	641.86
<b>€150,000</b>	<b>4.00</b>	908.97	791.76	716.12	664.16
	<b>4.25</b>	928.85	812.61	737.91	686.84
	<b>4.50</b>	945.61	830.21	756.32	709.89
	<b>4.75</b>	965.54	851.18	778.29	733.29
	<b>5.00</b>	985.69	872.41	800.54	757.03
	<b>5.25</b>	1006.04	893.88	823.06	781.11
	<b>5.50</b>	1026.59	915.59	845.86	805.52
	<b>5.75</b>	1053.13	943.66	875.36	830.25
	<b>6.00</b>	1074.65	966.45	899.33	855.28

Account must also be taken of the monthly level of income that would be required if a household were to be able to afford these various levels of repayment and not expend more than 35% of disposable income on those repayments. These income levels are set out in the following table.

**TABLE 9 – Monthly Income Required for Mortgage Repayments to Meet 35% Rule**

Mortgage	Rate	Term in Years			
		20	25	30	35
	2.5	2649.51	2243.09	1975.60	1787.49
	2.75	2710.83	2306.54	2041.20	1855.17
	3	2773.00	2371.06	2108.03	1924.26
	3.25	2835.97	2436.57	2176.03	1994.69
	3.5	2899.80	2503.11	2245.23	2066.46
	3.75	3021.57	2570.66	2315.57	2139.51
<b>€175,000</b>	4	3029.91	2639.17	2387.09	2213.89
	4.25	3096.17	2708.69	2459.69	2289.46
	4.5	3152.03	2767.37	2521.09	2366.29
	4.75	3218.49	2837.29	2594.29	2444.29
	5.0	3285.63	2908.03	2668.46	2523.43
	5.25	3353.46	2979.60	2743.54	2603.71
	5.5	3421.94	3051.97	2819.54	2685.09
	5.75	3510.43	3145.54	2917.86	2767.51
	6.00	3582.14	3221.51	2997.74	2850.94
	2.5	2422.40	2050.83	1806.26	1634.26
	2.75	2478.49	2108.86	1866.26	1696.17
	3	2535.31	2167.83	1927.34	1759.31
	3.25	2592.89	2227.74	1989.51	1823.71
	3.5	2651.26	2288.57	2052.77	1889.34
	3.75	2710.34	2350.31	2117.09	1956.14
<b>€160,000</b>	4	2770.20	2412.97	2185.31	2024.11

Mortgage	Rate	Term in Years			
		20	25	30	35
	4.25	2830.80	2476.51	2248.86	2093.23
	4.5	2881.86	2530.17	2304.97	2163.46
	4.75	2940.60	2594.09	2371.91	2234.77
	5.0	3004.00	2658.77	2439.74	2307.14
	5.25	3066.03	2724.20	2508.37	2380.54
	5.5	3128.66	2790.37	2577.86	2454.94
	5.75	3209.51	2875.91	2667.77	2530.29
	6.00	3275.11	2945.37	2740.80	260657.14
	2.5	2271.00	1922.66	1693.37	1532.11
	2.75	2323.57	1977.06	1749.60	1590.14
	3	2376.86	2032.34	1806.89	1649.37
	3.25	2430.83	2088.49	1865.17	1709.74
	3.5	2485.54	2145.54	1924.49	1771.26
	3.75	2540.94	2203.43	1984.77	1833.89
<b>€150,000</b>	4	2597.06	2262.17	2046.06	1897.60
	4.25	2653.86	2321.74	2108.31	1962.40
	4.5	2701.74	2372.03	2160.91	2028.26
	4.75	2758.69	2431.94	2223.69	2095.11
	5.0	2816.26	2492.60	2287.26	2162.94
	5.25	2874.40	2553.94	2351.60	2231.74
	5.5	2933.11	2615.97	2416.74	2301.49
	5.75	3008.94	2696.17	2501.03	2372.14
	6.00	3070.43	2761.29	2569.51	2443.66

When these figures are compared with those in the household income distribution table set out above, it suggests that considerably more than 20% of households would be unable to afford to purchase a dwelling at current interest rates and house prices using the 35% rule. The upper threshold of monthly income for the second decile is €547.85. It can be seen from the above that at a 2.5% interest rate over a 35 year period and for a €150,000 mortgage this would just fall at the maximum of the 35% rule. However, most variable interest rates (other than some short-term introductory offer rates), are closer to 3%. At this level of interest rate the threshold for those in a position to purchase their own houses is at about the 27<sup>th</sup> percentile, significantly in excess of the 20% maximum that can be adopted by the Planning Authority.

It must also be remembered that interest rates are likely to rise and that it would be imprudent to use a short-term low-interest rate environment as the basis on which to decide the affordability issue.

**TABLE 10 – Monthly Income Deciles North Tipperary 2008**

1 <sup>st</sup> Decile	2 <sup>nd</sup> Decile	3 <sup>rd</sup> Decile	4 <sup>th</sup> Decile	5 <sup>th</sup> Decile	6 <sup>th</sup> Decile	7 <sup>th</sup> Decile	8 <sup>th</sup> Decile	9 <sup>th</sup> Decile	10 <sup>th</sup> Decile
<1005.55	-1565.29	-2006.68	-2680.56	-3475.77	-4539.21	-5678.62	-7178.3	-9671.31	>9671.30

The decile distribution of household incomes may not fully reflect the profile of those that are seeking housing. It is possible that more of those seeking housing may be in the higher rather than in the lower income deciles and that those in the lower deciles may already be in adequate housing.

The numbers of those on the Local Authority Housing Lists is another indicator of the scale of need. When regard is had to the assessment of social and affordable housing needs indicated in Section 4 it is clear that the numbers seeking assistance with housing provision is substantial.

While there is considerable variation from year to year, it appears that there are upwards of one thousand households in need of assistance with housing provision. Even if there were no additional applicants, which is most unlikely, this would account for about one third of anticipated housing provision over a five-year period assuming a provision of 600 houses per year.

If it is assumed that 600 houses will be constructed in North Tipperary each year over the period of the plan, and say 50% of those will be developed on zoned land, a 20% reservation for social and affordable housing would amount to 60 houses per year. This would be quite a small provision in respect of the numbers that are on the Local Authority Housing Lists and underlines the fact that at least 20% of households are unable to purchase their own dwellings.

In addition, regard may be had to the number of applicants for housing that are on the register for more than one year. In North Tipperary as a whole in 2005, 305 people were on the list of applicants for more than one year. If an annual housing provision of 600 is used as the maximum level of construction, then about 50 % of those houses would be required to assist those seeking accommodation.

Finally, the income levels of those on the Local Authority lists of those in need of housing must be taken into account. The following table indicates the income distribution of those that are on the County Council and Thurles Town Council's Housing Lists. It will be noted that 93% of the County Council households have an income of less than €25,000 while 78% have an income of less than €20,000. This breakdown is reflected in those of other Local Authorities in North Tipperary and beyond. These levels of income suggest that virtually no household on the housing list would be in a position to provide their own dwelling within the 35% rule.

**TABLE 11 – Distribution of Incomes of those on Housing Lists in North Tipperary**

	Up to 10000	10001 – 15000	15001- 20000	20001- 25000	25001- 30000	More than 30000	Total
County	20	222	56	55	18	10	381
Thurles	14	209	23	16	4	3	269
County %	5.2	58.3	14.7	14.4	4.7	2.6	100
Thurles %	5.2	77.7	8.6	5.9	1.5	1.1	100

Overall, therefore, when regard is had to existing social and affordable housing needs, the distribution of household incomes and the cost of mortgage repayments, it is clear that considerably more than 20% of households are not in a position to provide their own housing within the 35% rule.

Another way of considering this matter is to identify the price of dwelling that could be afforded at low levels of interest rates by those households that are at the 20% income percentile threshold. The following table indicates the monthly repayments for a €150,000 mortgage over a 35 year term.

**TABLE 12 - Monthly Repayments for €150,000 Mortgage at Different Interest Rates**

<b>Interest Rate</b>	<b>Monthly Repayment</b>
4.25	686.84
4.00	664.16
3.75	641.86
3.50	619.94
3.25	598.41
3.00	577.28
2.75	556.55
2.50	536.24
2.25	516.35
2.00	496.89

The 35% rule upper threshold of the second income decile is €547.85. This indicates that for the 20th percentile of households to be able to afford the lowest priced dwelling that is likely to be available, interest rates would have to fall and remain at about 2.5%. This is an unlikely scenario in that it would require the ECB rate to drop virtually to zero and, even if this happens for a period of time, it is unlikely to be maintained in the medium term. A review of current interest rates suggests that the lowest rates available at present are in the region of 2.75% to 3.0% for first-time buyers and usually based on variable rates. The current level of fixed interest rates is considerably higher at between 3.5% and 4.0% for any period beyond 1 or 2 years.

#### **4.6. Projecting Affordability**

In order to project the likely movement in affordability, it is useful to consider the likely relative movement of house prices, interest rates and income as well as income distribution.

##### *House Prices*

As noted above, there is a general expectation that house prices will continue to ease as supply catches up with demand. There is some disagreement amongst commentators on this matter. However, in the shorter term it is likely that house prices will fall. It is also likely, however, that house prices at the lower ends of the market will not fall significantly and that as supply is cut back significantly, the recent trend of reductions in house prices is unlikely to continue particularly in the low to medium price categories.

### *Interest Rates*

Interest rates have been at a historic low in the immediate past and are continuing to decrease at ECB level. Though these falling ECB rates are being passed on to those that are currently on variable tracker mortgages, they are not necessarily being passed on to new mortgagees. It is difficult to predict the precise movements in interest rates. However, given that most economic commentators expect an improvement in the world economy within the next one to two years it is unlikely that interest rates will remain at these low levels in the medium term given the concerns that will emerge regarding the threat of inflation. Even at the current very low interest rates it is clear that more than 20% of households cannot afford to provide their own dwellings and as interest rates rise again this situation will not improve.

### *Income*

Until the immediate past there had been expectations of steady if more modest growth in the Irish economy. This now seems unlikely in the short term and, indeed, currently the economy is in significant recession with negative growth of 9% now predicted for 2009. This is likely to have a significant impact on incomes in the medium term as unemployment rises and there is resistance to pay increases. The last EU SILC survey was conducted in a period of full employment and increases in unemployment are likely to impact on income patterns in a negative way.

Overall, therefore, if between 20% and 30% of households cannot afford to purchase their own dwellings at present, the key economic factors that would impact on the future of this situation from an income perspective are unlikely to change radically in a positive way. Indeed, as noted above, the estimates of disposable income in the SILC may well have to be revised downwards in the light of existing tax and unemployment circumstances.

### **4.7. Conclusion**

It is difficult to assess the affordability of housing at present in this extremely volatile economic environment. Difficult as such an evaluation is at present, it is even more difficult to predict what will happen over the next six-year period. Such prediction is rendered even more complex by the pace of change which makes it difficult for statistics to keep pace.

However, using current house prices, the most recently available mortgage rates and the most recently available income data, it is clear that more than 20% of households could not afford to purchase their own dwelling within the 35% rule. This situation is not likely to improve in the short term due to –

- Increasing rates of unemployment in a variety of sectors

- Increasing taxation rates on personal income
- A possible reduction in social welfare payments
- A likely increase in interest rates in the medium term as the world economy starts to recover

If anything, therefore, the percentage of households not in a position to provide their own dwelling is likely to be greater than 20% and increasing.

In the light of the above it is proposed that a figure of 20% be adopted by the Planning Authority as the level of provision of Social and Affordable Housing required for the purposes of the Part V of the 2000 Planning and Development Act as amended.

## SECTION 5

### 5. Social and Affordable Housing Needs

This chapter of the report will look at the nature, level and dispersion of housing needs in North Tipperary.

The context within which these matters fall to be considered is significantly different from the circumstances that existed when the last strategy was prepared. In 2004 all Housing Authorities were required to prepare a Social and Affordable Housing Action Plan and this plan addressed the majority of the issues that were addressed under the Social and Affordable Housing Needs part of the last strategy.

It is considered that it would not be appropriate to prepare a strategy that did not take into account the Social and Affordable Housing Strategy prepared by the Housing Authority, particularly since it involved considerable consultation with the same stakeholders that were consulted in the preparation of the previous Housing Strategy.

#### 5.1. Analysis of North Tipperary Social Housing Needs.

Under section 94(2) of the Planning and Development Act 2000, in drawing up its Housing Strategy a Planning Authority shall have regard to the most recent Housing Needs Assessment made under section 9 of the Housing act 1988.

The following is the housing needs assessment drawn up by the North Tipperary Local Authorities in 2008.

**TABLE 13 – Summary of Housing Needs Assessments North Tipperary**

	2002	2005	2008	% change 05-08 number
	639	653	937	+284

It will be noted that these figures suggest that there has been a considerable increase in those on the housing list since 2002 and, indeed, since 2005. This is despite the significant increase in housing provision that has taken place over recent years by the Council. For example, between 2004 and 2006 the County Council provided an average of 211 units per year of social and affordable housing. This compared with an average of about 147 per year over the previous 10 years.

Based on the information presented in Table 4.1, the total housing need in the County stood at 937 families in 2008.

It should be noted, however, that this may somewhat understate the need, since those within particular categories are less likely to report their need or to seek the assistance of the Housing Authority in meeting those needs.

There has been significant change within each category of need with almost all categories increasing between 2005 and 2008. There were also some changes within categories. The great majority of categories of need are the elderly, those with medical and compassionate grounds and those in financial need.

The following indicates the structure of need in 2008.

**TABLE 14 – Structure of Housing Need between Housing Authorities 2008**

Category	County	Thurles	Nenagh	Templemore	Total
Total	381	269	216	71	937
Percent of Total	40.7	28.7	23.1	7.6	100.0
Percent of County Population		11.64	11.74	3.42	

This suggests that the large urban areas have significant numbers on their housing lists relative to their percentage of the total county population.

## **5.2. Future Social Housing Needs**

Predicting future social housing needs is an exercise fraught with difficulties since there has been such a change in patterns of need between 2002 and 2008. Given the numbers that are involved, and given the uncertainty of the actual population of the county between 2010 and 2016, it is suggested that the average of the percentage distribution of demand between the various categories of need that applied in 2005 and 2008 be applied to predicted numbers of total households in the county during that period.

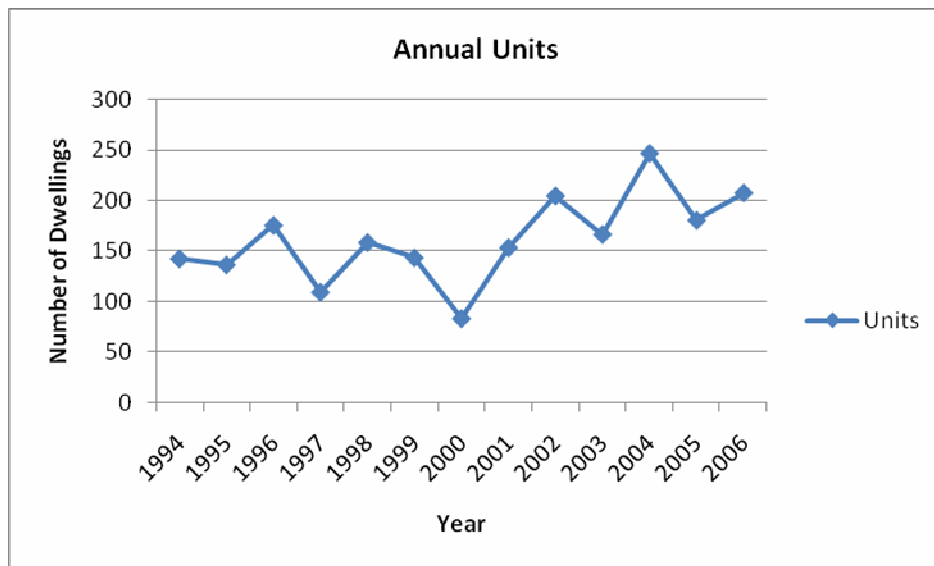
Assuming that 35% of the population will not be in a position to provide their own accommodation the total need would be 1260 with an average annual figure of 211 over the period 2010 and 2016.

This does not however take account of the changing pattern of the population or of the changing pattern of house prices. However, assuming that the Council's strategy is successful in addressing need on an ongoing basis, the residual need should not rise significantly above that indicated.

Also these figures may not adequately reflect the needs of certain categories as noted above.

The figures in Table 13 can be compared with the level of provision of social and affordable housing over the period 1995 – 2006 which is indicated in the following diagram.

**FIGURE 6 – Annual Social and Affordable Housing Provided in North Tipperary**



It will be noted that there is a considerable variation in provision from a maximum of 250 to a minimum of less than 100. The average annual rate of provision was around 160 which is considerably less than would be required if the housing list were to be significantly reduced.

### **5.3. Conclusion**

This strategy notes the major demand arising from the cost of housing and the lack of capacity of many to address this need for themselves. The Local Authority will address these needs through a variety of the mechanisms outlined above but while the relativity between the cost of housing and incomes remains as it is, the demand may well exceed supply.

It should also be noted that from time to time new and amended housing support schemes are introduced by the Government. Some of these schemes can have significant implications for the ways in which social and affordable housing needs are responded to. The Council will keep such developments under review and amend this strategy as such schemes are introduced.

## SECTION 6

### 6. Balancing Need and Provision

This section of the housing report outlines the issues that will need to be considered as part of the Housing Strategy for North Tipperary in addressing the balance between need and provision.

#### 6.1. Spatial Distribution of Housing

The Current County Development Plan proposes that development in the county continues to assume the 60/40 rural/urban population split. If this approach were to be maintained, then of the 600 houses per annum that it is suggested will be required over the period of the plan, 240 would be constructed in the towns of Thurles, Nenagh, Roscrea and Templemore, while 360 would be divided between the smaller settlements and the countryside. It should be noted, however, that this may not reflect what has actually been happening since, as noted earlier in this strategy, the majority of the county's population growth has occurred in a small number of areas and it is quite possible that this patterns will be maintained.

Given that permission was granted for 2474 single rural houses in North Tipperary between 1997 and 2002, amounting to 412 per annum on average and assuming that not all houses would be constructed, this would appear to reasonably reflect current practice in the county though a small reduction in housing in the countryside may be indicated.

Overall, therefore, housing supply and distribution in the county may be summarised as follows –

**TABLE 15 – Distribution of Housing Supply in North Tipperary**

<b>Factor</b>	<b>Number of units Development Plan</b>	<b>Number of units Population Growth</b>	<b>Number of Units Share of Population 2006</b>
Total housing units	600	600	600
Aggregate urban	240	210	207
Aggregate rural	360	390	393

If housing supply were to be allocated in accordance with each settlement's share of the population in its settlement category in 2006, it would give rise to the following annual housing allocation in each of the settlements -

**TABLE 16 – Allocation of Housing Supply by Settlement Using Current Pattern**

	<b>Annual</b>	<b>Total 2010-2016</b>
Thurles	63	441
Nenagh	68	476
Roscrea	45	315
Templemore	21	147
Newport	12	84
Borrisokane	8	56
Ballina	17	119
Borrisoleigh	6	42
Littleton	5	35
Cloughjordan	4	28
Portroe	5	35
Toomevara	3	21
Twomileborris	5	35
Holycross	4	28
Templetuohy	3	21
Puckaun	3	21
Silvermines	3	21
Newtown	2	14
Abington	2	14

	Annual	Total 2010-2016
Dromineer	2	14
Total Towns	195	1365
Total Town Environs	12	84
Total Small Settlements	76	532
Rural Total	317	2219

If, however, an allowance is made for an increased proportion of settlement-based housing using the 2002-2006 trend as a guide, the following figures emerge.

**TABLE 17 – Allocation of Housing Supply by Settlement with Increase in Settlement Allocation**

	Annual	Total 2010-2016
Thurles	69	483
Nenagh	75	525
Roscrea	50	350
Templemore	23	161
Newport	13	91
Borrisokane	9	63
Ballina	19	133
Borrisoleigh	7	49
Littleton	5	35
Cloughjordan	4	28
Portroe	5	35
Toomevara	3	21

	Annual	Total 2010-2016
Twomileborris	6	42
Holycross	4	28
Templetuohy	4	28
Puckaun	3	21
Silvermines	3	21
Newtown	2	14
Dromineer	2	14
Total Towns	215	1505
Total Town Environs	13	91
Total Small Settlements	84	588
Rural Total	289	2023

### **6.3. Land Zoning for Residential Purposes**

As mentioned earlier one of the requirements of the act is to ensure that there is sufficient land available for development. In the previous section housing was allocated to various settlements, these settlements must therefore be zoned for the purpose of residential or mixed use. Many of the areas mentioned in section 6.1.2 have not previously had land zoned though virtually all towns and villages do now have land zoned for housing.

The following table indicates the number of hectares that would be required to accommodate anticipated housing needs assuming that the distribution of development would reflect the population distribution of 2006.

In assessing the land area requirements an average density of 24 units per gross hectare (10 units per acre) was used for the larger settlements with 16 units per gross hectare (6 units per acre) being used for the smaller settlements reflecting the lesser likelihood of development schemes being provided.

**TABLE 18 – Land Requirements to Meet Housing Supply**

	Yearly Allocation	Total Allocation 2010-2016	Land Requirements (ha)	Available Zoned Land (ha)
Thurles	69	483	21	136
Nenagh	75	525	22	294
Roscrea	50	350	15	232
Templemore	23	161	7	131
Newport	13	91	4	38
Borrisokane	9	63	3	26
Ballina	19	133	6	26
Borrisoleigh	7	49	3	24
Littleton	5	35	2	8
Cloughjordan	4	28	2	26
Portroe	5	35	2	34
Toomevara	3	21	1	9
Twomileborris	6	42	2	9
Holycross*	4	28	2	11
Templetuohy	4	28	2	11
Puckaun	3	21	2	27
Silvermines	3	21	2	4
Newtown	2	14	1	7
Dromineer	2	14	1	6

***\*The Holycross Local Area Plan 2005 was prepared jointly with South Tipperary County Council. The total area of land zoned in the village is 22ha.***

***Note 1: As Holycross straddles the administrative boundaries of both North Tipperary County Council and South Tipperary County Council, care will be taken to avoid social segregation in the village.***

This suggests that ample amounts of zoned land are available in the settlements for the period of the strategy.

As noted above, there are some distorting factors that must be taken into account with regard to specific settlements. Some of which can be expected to grow more quickly than others. However, even taking these factors into account there does seem to be ample land available in the areas where significant additional growth can be anticipated,

It may be considered that excess land is zoned in some cases. However, as well as the factors outlined above, there are many other factors that give rise to distortions in the supply of land to the building market and land in excess of the minimum is needed in order to ensure ease of supply and to reduce the pressure on land and therefore its price.

Given the demand for in-migration in certain parts of the county in particular, it is clear that a shortage of supply would lead to distortions in the market and significant price increases in the short-term. It is appropriate that the amount of land zoned for residential and/or mixed development, therefore be a factor of between 2.5 and 3 times that identified as the minimum necessary to accommodate the allocated housing, with a factor greater than that being considered for those settlements that are within the zone of influence of the Limerick area.

Overall, there are 1,225 ha of land in North Tipperary zoned for housing development. Even assuming a modest density of 20 dwellings per ha on average, such an amount of land would accommodate 24,500 dwellings or 40 year's supply even assuming that the total demand of 600 dwellings per annum in the medium term was developed on zoned land. As noted above, however, considerable numbers of dwellings will not be provided on such land so that the provision is likely to considerably exceed the 40 years' supply.

#### ***6.4. Provision of social and affordable housing for those in different need categories***

The Local Authority will address the housing needs of those that are not in a position to provide their own housing through a variety of mechanisms. The overall strategy of the Authority will, as far as possible, to assist those that can, with such assistance, provide their own accommodation; to use the private rental sector to assist those who may not require long-term accommodation; to provide rental accommodation for those that require longer term accommodation; and to work with voluntary organisations to provide accommodation for those in particular need categories.

These mechanisms that will be used by the Authority include –

#### *The Rental Accommodation Scheme*

This scheme was announced by the Government in July 2004 to transfer responsibility for housing SWA Rent Supplement recipients who are deemed to have a long term housing need to local authorities over a four year period. The RAS is a collaborative project between the Department (DEHLG), local authorities, the Department of Social and Family Affairs and the community welfare service. Administered by local authorities the scheme is intended to provide an additional source of good quality rented accommodation for eligible persons, through the Local Authority entering into long-term contracts with landlords for the provision of high quality rental property to appropriate categories of household in need of housing.

By the end of 2008 170 RAS Tenancies were in place in North Tipperary.

From the Development Plan perspective, this scheme highlights the need to facilitate the provision of appropriate rental accommodation within suitably located residential developments throughout the county.

#### *Affordable Housing*

As noted above at Part 3, many households are not in a position to obtain a mortgage for the purchase of a dwelling at full market rates. Some households, however, would be able to purchase a dwelling if the cost of a mortgage were lowered. Through the Affordable Housing Scheme the Housing Authority can facilitate some households to purchase dwellings at a price they can afford. However, unless the price of housing is reduced considerably it is not likely that many will be able to afford a mortgage even at the reduced house price.

The Council will seek to improve the uptake of the Affordable Housing scheme as it considers that it is one of most efficient, effective and socially desirable methods of facilitating home ownership. It will do this in a number of ways as follows –

1. By requiring that a range of dwelling types and sizes are provided in residential developments. The type and size of dwellings sought will have regard to the size and structure of the population in a particular area and to the needs for social and affordable housing
2. By relating the cost of affordable housing to the capacity of a household to pay an appropriate mortgage and by setting the dwelling cost at a price related to the household's ability to pay.

In considering this matter the Council will have regard to the following –

- a. The net disposable income of the household
- b. Whether or not members of the household have been and are in secure employment
- c. The savings history of the household and any savings they currently hold
- d. The household's accommodation needs in terms of dwelling size and, in particular, sleeping accommodation needs
- e. The size of the mortgage that can be obtained by the household on the basis of repayments that do not exceed 35% of the household's net disposable income
- f. The connection of the household with the community in which they wish to reside

In any event the Council will not reduce the cost of a house below that which would equate to a mortgage amount the repayment of which would be equal to 35% of the net household income. The Council will also generally not reduce the price of a dwelling by more than a certain percentage which it will set from time to time.

3. By continuing to promote and market the scheme through a variety of methods and in a variety of contexts

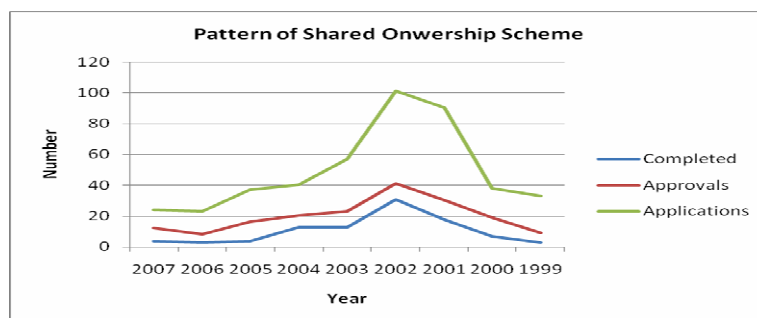
The Council will also take steps to ensure that this system is not abused. These steps may include –

1. The inclusion of covenants on the deeds of the dwelling requiring repayment of the price differential to the Council in the event of the disposal of the dwelling
2. Requiring purchasers to sign a declaration that they will remain as the owner/occupiers of the dwelling
3. By requiring annual sworn declarations by purchasers that they remain as owner occupiers

#### *Shared Ownership Scheme*

One aspect of social housing provision that has not been particularly successful is the shared ownership scheme. It is noticeable that as house prices rose quickly the extent of applications and completions of this scheme declined.

**FIGURE 12 – Shared Ownership Scheme**



Under this scheme which is available to certain categories of those with housing need, the Local Authority and the applicant both take a share in the dwelling with the intention being that the Local Authority share will decrease over time.

#### *1999 Affordable Housing Scheme*

Under the 1999 affordable housing scheme, Local Authorities provide newly built houses at a discounted price on their own lands. This scheme will be used where appropriate for the provision of a certain amount of housing need.

#### *Provision of Affordable Sites*

This scheme will also be considered by the Housing Authorities in certain circumstances where it is clear that there are households who would be in a position to provide their own housing if they were in a position to obtain a building site at an affordable cost.

#### *Provision of Loans for House Purchase and Improvement*

These loans can be provided to certain categories of person who have been refused loans by banks and building societies. There are certain eligibility criteria for these loans and a maximum as to the size of loan that can be provided.

#### *Social Housing for Rent*

While particular categories of person in need of housing can be assisted by the provision of housing other than being provided with rented housing by the Local Authorities, there will be many who will need housing provided for rent by the Housing Authorities through its building and dwelling purchase schemes.

The implication of this for the Development Plan is that adequate land is available for provision by the Housing Authorities of dwellings for rental occupancy.

### *Improvement works in lieu of housing*

The Housing Authority can carry out work in lieu of the provision of housing if such work is needed to relieve overcrowding or to remedy structural or other defects. This approach can be particularly effective in helping to maintain households within their communities and to provide additional accommodation as a household expands.

The implication of this for the Development Plan is that provision would be made for the expansion of some smaller dwellings when they are being constructed so that works in lieu can be considered by the Housing Authority.

### *Special needs provision*

Though the numbers are small, special provision needs to be made for the elderly and disabled. Again adaptation and improvement grants are the preferred option in these cases as they facilitate households and individuals remaining within their communities. For older populations living in more isolated areas, relocation to a settlement may be the appropriate outcome. This can be particularly effective where developments are specifically designed with older people in mind. Community and voluntary-based housing schemes can play a particularly effective role in this. As the population of the country ages which will happen over the coming decades, the need for this type of accommodation is likely to increase.

The implications for the Development Plan is that where lands in settlements are being identified for development, some areas particularly well located with regard to their proximity to the services required by older people would be reserved for those purposes.

The travelling community has particular accommodation needs that need to be catered for also. The Traveller Accommodation Plan is the principal mechanism through which this is put into effect.

### *Partnership with Voluntary Housing Associations*

Voluntary and Community managed housing can provide a significant number of dwellings for a variety of different categories of household. Voluntary organisations can be particularly effective in providing accommodation for those with particular needs where additional services can be incorporated into the housing development. Community-based schemes that address the needs of older people can also be particularly effective within specific areas.

### *Equity Loan*

While this has not been introduced as of yet, the Government has signaled its intention of introducing a scheme through which the State will take an equity stake in affordable units sold. The purchaser will have the option of either buying out the remaining equity in steps or at the end of a fixed period. It is considered that this new arrangement will have a number of advantages. It will bring greater flexibility to the purchase of affordable housing, allowing buyer's initial outlay to be tailored to their particular circumstances. This should also have the benefit of facilitating the sale of completed affordable units. It will also make it easier for affordable purchasers to re-locate where their circumstances necessitate this. Implementation of the new arrangement will also introduce equity into the system and provide a basis for achieving greater consistency across the schemes and across different areas of the country.

### *Home Choice Loan*

For a period of time, the new Home Choice Loan will be available to first time buyers of new houses, subject to a maximum loan of €285,000, and a maximum loan to value ratio of 92%. The loan term will be up to 30 years. A minimum income of €40,000 will apply, and a standard variable interest rate, related to the prevailing rates available from commercial institutions will be applicable (the applicable rate will be determined by the Department of the Environment, Heritage and Local Government).

## **6.5. Particular Categories**

### *Those not in a financial position to provide their own housing*

As noted in previous sections this is substantially the biggest category of need for those not in a position to provide their own housing. All mechanisms will be used to provide for this category of household.

In particular, for younger single-person households, the RAS will be availed of. This is to allow such households and individuals to advance in their working lives and to enhance the possibility of their entering the private housing market.

For single-parent families and new households forming as a result of family dissolution, the RAS may also be appropriate but it is more likely that such families will be accommodated in social housing rented by the Housing Authority.

For families who are not in a position to purchase their own accommodation similar provision will be made, though the possibility of families availing of the affordable housing opportunities will also be investigated.

### *Traveller Community*

As noted above a range of mechanisms will be used to provide for the Traveller community including the mechanisms in the Traveller action plan. It is anticipated that the level of provision of 10 dwellings per year will be continued or increased slightly over the period of the Development Plan. The Development Plan should make provision for some group housing sites following consultation with the Housing Authority.

### *Older People*

As noted a range of solutions (dwelling improvement, voluntary and community housing schemes and specially designed Local Authority rental housing) will be used to satisfy this need although the RAS may also be suitable.

### *People with a disability*

The carrying out of improvement works and the provision of grants will be the principal mechanisms used to satisfy this need. If a greater need becomes apparent in a particular area voluntary housing organisations will be encouraged to provide appropriate accommodation. Otherwise, the small level of need can be dealt with on an ad hoc basis.

### *Homeless people*

The Homeless Strategy and Action Plan 2007 – 2009 for North Tipperary identifies a range of mechanisms for addressing the issue of homelessness from the provision of emergency accommodation to the provision of high-support accommodation in the community. The Housing Authorities will seek to develop all of these mechanisms to address the needs of homeless people throughout the county in ways that respect their independence and their locational preferences as far as possible.

### *Young people released from institutional care and other minor categories.*

Very few are expected to fall into these categories and can be addressed on an ad hoc basis.

## Section 7

### **7. Strategy Statement**

The following is the housing strategy statement for the Planning Authorities of North Tipperary in the light of the analysis outlined above and other considerations generally within the development plan.

#### **7.1. Overall Objective**

It is the overall objective of this strategy to facilitate where possible through Development Plan policies, the provision of adequate, flexible accommodation for the future population of North Tipperary having regard to the different needs of different sectors.

#### **7.2. Strategic Approach**

The strategic approach being adopted in the county's Development Plans is as follows –

1. To have regard to the provision of housing in the functional areas of other housing authorities when considering the need for the provision of housing in the functional area of any specific authority.
2. To facilitate the use of the full range of housing support mechanisms available to the Housing Authorities for those that need assistance in the provision of dwellings for themselves
3. To facilitate where possible, households availing of social and affordable housing to remain within their own communities of origin or initial settlement
4. To facilitate the provision of a mix of dwelling types to respond to the variety of housing needs throughout the county
5. To facilitate the provision of a range of tenure types to address the needs of different sectors of the community
6. To make specific provision for the accommodation needs of the travelling community
7. To make provision for affordable housing in all parts of the county

8. To have regard to the character of different settlements when considering the nature of the housing to be provided and, in particular, that being provided to accommodate those with particular housing needs and not to subordinate settlement character to the need for the provision of housing
9. To encourage developers to engage in prior consultation with the relevant Housing Authority when schemes of significant scale are being proposed
10. To have regard to the need both for social integration and the maintenance of safe, secure and harmonious living environments for all dwelling occupants when considering the appropriateness of particular dwelling proposals

### **7.3. Policies**

In order to facilitate the achievement of the overall objective of this strategy and the specific strategic goals the following policies will be adopted by the Planning Authorities that have adopted this strategy.

1. In order to facilitate the provision of a range of housing types, it will be a policy of the Planning Authorities to require that in larger schemes a mix of house types and sizes be provided. This requirement will be reviewed from time to time and the specific requirements will be related to the nature of household formation and change, demographic change and other considerations.
2. In order to facilitate the development of a range of tenure types and, in particular, to facilitate the Housing Authorities in entering into agreements under the Rental Accommodation Scheme, it will be a policy of Planning Authorities to require that apartments be included as part of the dwelling mix in larger residential developments where a mix of tenure types is proposed. The design and scale of apartment blocks shall be appropriate to the nature, scale and built form of the settlements in which they are being provided. In considering the scale of development to be provided Planning Authorities will consult with the relevant Housing Authorities regarding the need and availability of such housing types. In areas adjacent to the functional areas of other Planning Authorities, any particular Planning Authority will have regard to the availability and/or proposals for the provision of apartments for rent within the functional areas of those authorities.

3. In order to facilitate the provision of flexible accommodation that can grow with the needs of a household it will be the policy of Planning Authorities to require that developers will provide for the future extension of smaller individual dwellings and incorporate such flexibility in dwelling design.
4. In order that that the design of one and two-bedroom dwellings have regard to the impact on the quality of life of households or their capacity to accommodate overnight visitors, it will be the policy of the Planning Authorities to require that such needs be considered in dwelling design and that any applications for permission made under the Planning and Development Act demonstrate how such need can be accommodated
5. In order to facilitate the provision of affordable housing and housing for those that have particular housing needs, generally to require that 20 per cent, of the land zoned for residential use, or for a mixture of residential and other uses, be reserved for the provision of housing for those in the categories referred to in Part V of the Planning and Development Act 2000 or for the provision of affordable housing or both
6. In order to facilitate the orderly management of social housing while ensuring that the occupants are not unduly segregated from others, it will be the policy of the Planning Authorities to require that such housing be provided in small clusters within larger housing schemes but in a manner that does not unduly identify it as segregated or as not being part of the overall scheme. The design, layout and access to such dwelling clusters shall be used to ensure compliance with this policy objective.
7. In order to facilitate the provision of housing for older people at appropriate locations it will be a policy objective of the Planning Authorities to identify and reserve areas of land within settlements and close to facilities for that purpose.