

# CONSTRUCTION INDUSTRY FEDERATION

## KERRY BRANCH SOUTHERN REGION

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21<sup>st</sup> February 2022

**Re: Kerry County Development Plan 2022-2028**

***Construction Industry Federation Development Plan Submission for consideration under the review of Kerry County Development Plan.***

A Chara,

As Secretary of the Construction Industry Federation (CIF), Kerry Branch, I am delighted to make this submission to the Kerry Development Plan (CPD) Review on foot of the publication of the Kerry Draft County Development Plan 2022-2028.

The CIF is the representative body for the Irish Construction Industry. This submission is based on consultation with the Kerry Branch CIF Members and is reflective of their experience, collective knowledge and expertise at the forefront of construction in the County.

The CIF is a key stakeholder in the implementation of the National Planning Framework, The Southern Regional Assemblies Regional, Spatial & Economic Strategy and the future Kerry County Development Plan. CIF members are responsible for the delivery of houses, offices and the infrastructure required to meet the ambitious targets established for the Region and welcome the opportunity to be a part of the consultation process for the preparation of the new Kerry County Development Plan 2022-2028.

Yours sincerely,



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**Conor O'Connell**  
**DIRECTOR - SOUTHERN REGION**



## Introduction

The Kerry County Development Plan 2022-2028 will be part of the first batch of development plans made under Project Ireland 2040, the new planning regime brought into effect by the National Planning Framework (NPF) and National Development Plan. The local authority development plans (and local area plans) which will be rolled out over the next two years will form the local, detailed spatial level of the new system.

The NPF envisages the need for 550,000 additional homes in the Country by 2040. The NPF has a target population growth of between 19,000-23,000 people in Kerry by 2031 to reach a potential population of 170,500 people

The Draft Kerry & County Development 2022-2028 goes into considerable detail on how to accommodate this significant rise in population. Water and road infrastructure, grid capacity, a detailed housing needs demands assessment, sustainability have all been considered. However, we feel another key component needs to be examined in more detail, viability. It is critical to ensure that policy objectives in the County support the viability of future developments. Much of the projected growth in the County will be dependent on private sector investment and construction by the private sector. Developments will not be progressed if the construction industry cannot demonstrate financial viability to the investment sector. Viability of developments will be dependent on an adequate supply of affordable, developable land and the market demand for residential units.

## Brownfield sites

Developing residential units in town centres are typically more expensive because of the increased costs on building on brownfield sites. Objective KCDP 3-4 of the plan aims to deliver 30% of all new homes in the Key Towns of Tralee and Killarney within the existing built-up footprint of the settlements. Building within the existing built-up footprint shrinks the available land bank for housing in achievable areas in an attempt to redirect development to urban infill/brownfield sites which are inherently more difficult to deliver. Releasing the development potential of Brownfield sites is extremely challenging as many are in multiple ownership, often contaminated, require demolition works, involve complex construction management, can be poorly serviced and are often located in areas which require significant regeneration. A viability assessment of all key Brownfield and Infill sites should be considered.

## Housing Density

There is an established market resistance to higher density developments and particularly apartment developments in locations outside the core of our city centres. The impacts of the need for social distancing and collective memory of the lockdown will serve to strengthen this market resistance in the short to medium term. A policy approach which provides no flexibility on density levels, in a market where it is recognised that there is viability problems for higher density units is counterproductive to housing supply and will result in a lack of output, deepening the housing supply crisis. As a result the CIF welcomes the mention in the plan of *“lower residential density figure may have to be applied to some settlements and development sites, depending on their tier within the settlement hierarchy and location within a settlement.”*



While higher densities in some of the suburban areas of Kerry may be achievable, there is a need for far greater flexibility in other settlements and on lands outside the Town Centres. The development industry cannot source finance to build housing that does not fit with actual market needs or demands.

It is recognised that there is a national requirement for more economic use of land, particularly within the established urban footprint of settlements. However, the arbitrary application of minimum density requirements per development proposal together with required ratios for unit types and minimum design standards is leading to design uniformity which is unresponsive to market demand.

### **Adequate supply of land for development**

The CIF welcome the plans ambitions to build 7,000 residential units over the lifetime of the plan. However, in order to facilitate this, care must be taken to ensure that adequate land is zoned and supported with the necessary infrastructure, not just to accommodate future demand but to facilitate demand which has yet to be realised as a legacy of the previous recession and the subsequent policies and economic circumstances which have prevented the realisation of housing to meet demand.

Given the emphasis of the NPF and RSES on compact development, of concentrating development within existing urban areas and of maximising the use of brownfield sites, we are concerned of the risk that the quantum of developable land are overestimated because insufficient research is carried out on measuring existing constraints.

Land costs can be a significant element of housing delivery costs and a limited supply of available land is directly reflected by increased costs and increased house prices which are “ultimately borne by the buyer”.

Developments will not be progressed if the construction industry cannot demonstrate financial viability to the investment sector. Viability of developments will be heavily dependent on an adequate supply of serviced, affordable, developable land in addition to the market demand for residential units. Demand specific to unit type is an important consideration in this regard as is clearly justified density specific zoning policies.

It is critical that a review mechanism is incorporated into the Development Plan. After 2 years a thorough review of the development should take place to examine if the target number of residential units needed are being built annually in the County and if not the reasons why. Our submission examines the viability of residential development and some of the constraints which could impact residential activity if not properly addressed in the County Development Plan.

### **Phased Zoning**

Ireland is currently experiencing a housing crisis with an estimated 36,000 units required annually to meet demand. Over the last five years housing completions have fallen well short of this figure.

A recent report published by the Irish Home Builders Association entitled ‘Putting affordability at the heart of the housing system’ (24th August 2020) states the following:



*“House building levels remain substantially below what is needed. 20,676 new homes were built in 2020 which is less than the 21,138 built in 2019. This is despite recent estimates from the Central Bank of Ireland and the ESRI stating that an average of c.35,000 new dwellings will be required per annum until 2030 to keep pace with the projected population growth. Estimates based on the range of population growth scenarios from the CSO suggest a requirement of between 460,000 and 760,000 new homes by 2040. Meanwhile private housing supply over the last 2 years was at levels last seen in the 1970s”.*

De-zoning land in this context is counterintuitive.

De – zoning, long term zoning, down zoning and land prioritisation measures including phased release of zoned lands or the application of the sequential test are often motivated by the need to guide development to more appropriate sites closer to the centre of settlements first and to prioritise centrally located sites over those located peripherally. Extreme care should be taken in adopting this approach in the context of catering for short to mid term housing needs. Preferentially promoting unviable brownfield sites while rendering the development of other site as contingent on unviable brownfield sites has the potential to result in a significant shortfall in housing provision.

### **Infrastructure**

The CIF recognise that infrastructure investments require co-ordination of priorities across several different Government Departments and agencies, particularly Transport Infrastructure Ireland; National Transport Authority; and Irish Water.

Kerry County Council know the infrastructure deficits of the County more than any other Stakeholder. We believe the Council should be empowered to deliver infrastructure requirements (Water, Roads etc) themselves thus opening up more suitable lands for development.

### **Sustainability**

Both Government and local authorities are responsible for the promotion of policies for sustainable development and related planning policies. Such policies need to be realistic and should ensure that the total cumulative cost of meeting the requirements set down by those policies does not undermine the deliverability of new housing. As established by the Irish Home Builders Association “Putting affordability at the heart of the housing system report”, the price gap between new and second-hand properties has been over 40% since 2018, reflecting in the main enhanced standards and a better quality product.

### **Summary**

Policy objectives to move to compact growth; higher densities and a focus on infill / brownfield sites are challenging and will have a considerable impact on the construction industry and housing market. In this submission, we have outlined the importance of providing flexibility in residential zoning objectives, and the necessity to account for the viability of developments within the planning policy framework. The other primary factor in delivering growth targets is the infrastructure capacity of towns and individual sites.



Thank you for the opportunity to comment on the CDP review process and for taking the time to consider this submission.

Yours sincerely,



**Conor O'Connell**  
**DIRECTOR - SOUTHERN REGION**

