

COMHAIRLE CONTAE ÁTHA CLIATH THEAS **SOUTH DUBLIN COUNTY COUNCIL**



MEETING OF SOUTH DUBLIN COUNTY COUNCIL

Monday, May 11, 2020

HEADED ITEM NO. 14

Clonburris Housing Proposal

Context

In May 2020, An Bord Pleanála approved this Council's plan to deliver up to 11,000 new homes at the Clonburris Strategic Development Zone. The SDZ lands, comprising approximately 280 hectares, are located between the established communities of Lucan, Clondalkin and Liffey Valley and have been designated by the Government as a Major Urban Housing Development Site that could provide homes for over 21,000 people.

The approved Planning Scheme includes provision for three primary and three post-primary schools while approximately 72% of housing will be located within 500 metres of schools and about 98% of residents will be able to access a bus stop within 400 metres or train station within 800 metres, thereby significantly reducing dependence on the private car, helping to address climate change. The lands will ultimately be serviced by two train stations at Kishogue and Clondalkin/Fonthill, approximately a 15-minute train journey from Dublin City Centre while three Regional Roads, including the Outer Ring Road, connect the lands to the N4 and N7 National Routes.

The South Dublin County Development Plan 2016-2022 identifies Clonburris SDZ as a 'strategic growth node, offers significant potential for housing and commercial activity as a priority development area. It is clear that Clonburris will have a central role to play in addressing the demand for new housing in Dublin over the next decade while fulfilling its potential as a new sustainable community through the implementation of the approved Planning Scheme.

Potential

There is capacity to build more than 2,600 homes on Council owned land within the SDZ divided into six development phases/neighbourhoods. This proposal comprises plans for Phase 1 in the development area known as Kishogue South West (KSW). KSW is located on the south western side of the SDZ lands to the north of the Grand Canal and to the south of the Kildare Rail Line. The subject lands are irregular in shape and comprise 9.69 hectares (outlined in red in figure 1 below)

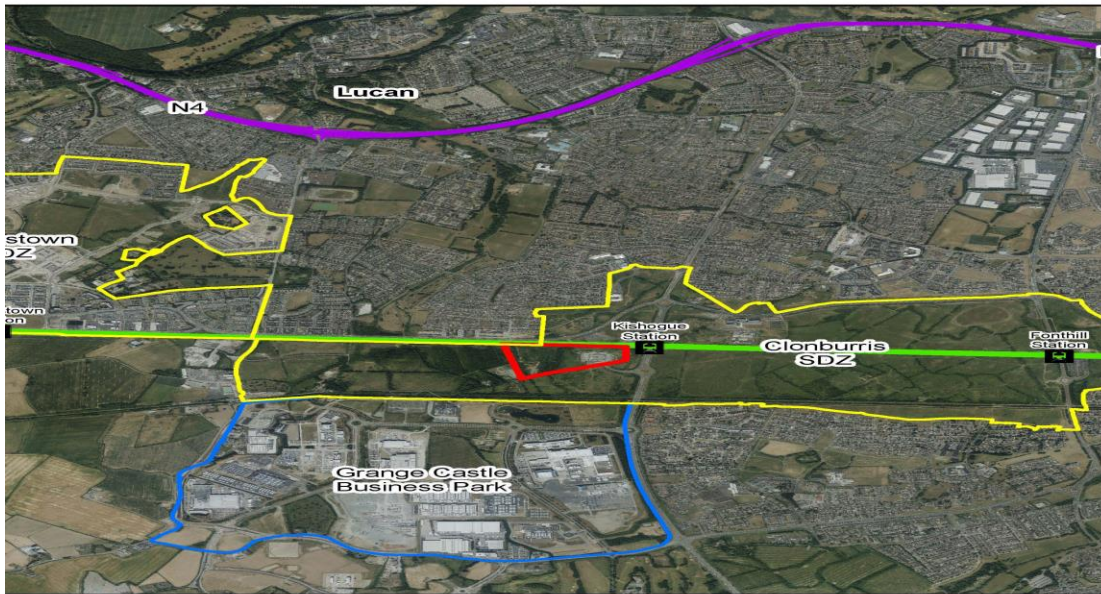


Fig. 1 Outline of Phase 1 Proposed Development Area (in red) with Clonburris SDZ

The Phase 1 lands are zoned to provide for new residential communities in the South Dublin County Development Plan 2016-2021 and have been identified through master-planning as having the potential to provide 274 new social and affordable homes in a mixed tenure development. This site has been signalled to the Department of Housing, Planning & Local Government (DPLG) and to the Elected Members of this Council as being one of the few large sites in the Council's ownership with the potential for delivery of significant numbers of homes to help to meet the housing need in the County. A preliminary master plan has been conducted assessing the urban context, topography and landscape, as well as linkages to transport and infrastructure to create a template for a sustainable and high-quality new neighbourhood to include a public park that will provide a high-quality local amenity area for the residents while also supporting green modes of movement for pedestrians and cyclists. This proposal will also unlock adjoining lands in the Council's ownership to allow for future development and is therefore the important first step towards the delivery of new housing in Clonburris as an expansion of the established Lucan and Clondalkin areas in the Greater Dublin Area. The successful implementation of this phase of development will create an attractive place for people to live at affordable prices and rents in a sustainable integrated community, linking to transport services, physical and social infrastructure and amenities, emphasising the vision and potential of the wider SDZ.

Typologies

Following the development of the masterplan for this location, our Housing and Architectural Services teams have developed a typology mix (figure 2 below) comprising apartments, duplexes and two- and three-story houses. This mix achieves the medium densities required for this sub-sector of KSW determined in the Planning Scheme for the SDZ as well taking account of the housing need/demand and demographics in the County and the site constraints relating to the existing accommodation on site. Architectural work on the home sizes within these typologies having due regard for housing needs is currently arriving at a home size mix of one, two, three and four-bedroom homes of approximately 15%, 28%, 49% and 8% respectively.

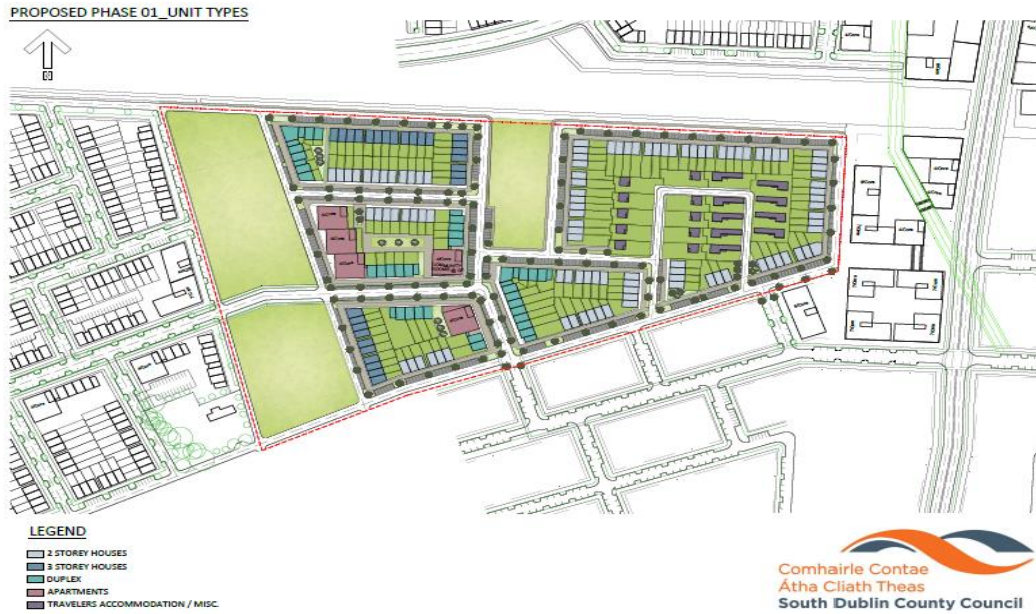


Fig. 2 Site plan showing proposed typologies

Tenure

Having regard for various factors including land ownership in the SDZ (78% private ownership) and existing housing need as well as the location, phasing and typologies for this first phase of SDZ development, the proposed tenure mix focuses on social and affordable housing and does not provide for any private housing. Site, location and construction cost challenges as well as the typologies delivered through master-planning also support possible tenure clusters rather than pepper-potting to facilitate cost management of potential affordable rental homes as shown in figure 3 below:

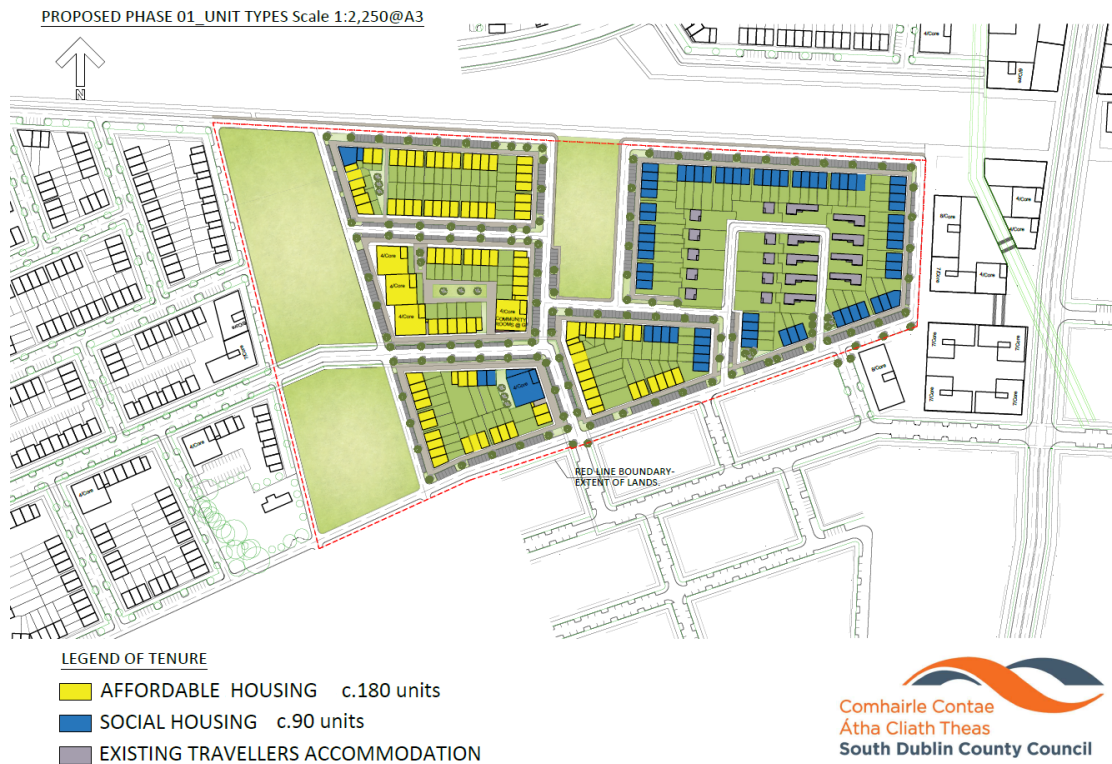


Fig. 2 Site plan showing proposed tenures

Affordable Housing:

It is a policy objective of the DHPLG and the Council to facilitate the delivery of affordable housing and in this regard, the site at Clonburris Phase 1. was the subject of a Council bid for support from DHPLG under the Serviced Sites Fund (SSF) for the delivery of affordable homes that subsequently received provisional approval. This fund provides up to €50k subsidy per affordable home to deliver homes at 10% or more under market price which means that the delivery of affordable housing on this site with the support of the SSF is central to the prompt delivery of housing here. While the original SSF application signalled 133 affordable homes at this location, the updated position, taking account of the potential demand for affordable purchase and rental homes there, an upward revision to an indicative 184 affordable homes has been submitted to DPLG. This maximises support for delivery of the infrastructure for the site as well as providing opportunity for prospective buyers and renters while giving commitment and stability to the proposed new community. This is underpinned by the Council's most recent update on expressions of interest received for affordable housing whereby approximately 81% of all submissions expressed interest in affordable housing in Clonburris. Of 2,586 expressions of interest received up to the start of April 2020, 2,106 households had indicated a preference for the area, of which 1,028 were first preferences with 666 second preferences and 412 third preferences.

The site location and particularly the clusters of primarily one and two bedroom apartments are also considered potentially suitable for the provision of affordable rental accommodation that could be attractive to the market on the basis that the site will be very well serviced with transport links and close to employment and amenities. However, the proposed development is at an early stage of the SDZ without full connectivity and amenities and equally the affordable rental tenure type is also at a relatively early stage with a national affordable rental scheme also awaited. While up to an approximate 50/50 split between affordable purchase and affordable rental tenures is possible, these considerations mean that the final proposed number of affordable rental homes within the overall 184 affordable homes in this development will have to be finalised at a later stage.

Social Housing:

The policy constraints in providing large scale social housing only have been outlined to the Elected members previously. It is not sustainable to provide 274 social homes in one location and in one development. It is also highly unlikely that such a proposal would not be approved for funding by DHPLG having regard for tenure variety and cost benefit analyses.

In delivering an overall capacity of 274 homes on this site while addressing the various constraints outlined in this report, it is considered that 90 social homes in this phase of development will provide for an integrated and inclusive community while meeting some existing social housing need in the local area.

As referenced earlier, it should be noted that there is capacity to deliver in the region of 2,600 homes on Council owned land within Clonburris SDZ which will include further substantial social housing numbers in future development phases. In addition, the development of lands in private ownership in the SDZ will ultimately provide more than 800 additional social homes through Part V requirements.

Accordingly, the tenure and typology mix proposed for the new development is as follows:

Proposed Tenure Mix	1-bed	2-bed	3-bed	4-bed	Total
Social	8	15	59	8	90
Affordable	32	62	75	15	184
Total	40	77	134	23	274

Affordable Sale Price:

Projected market values specifically in the KSW sub-sector of Clonburris SDZ for one, two and three bedroom homes in the proposed development area are currently estimated to be €180,000, €240,000 and €290,000 respectively.

In considering a ceiling price for the purposes of tender clarification and buyer certainty, the following factors have been considered:

- The value of the Council's land holding and utilising it to the greatest extent possible to achieve the affordable home price ceiling required.

- The application of a serviced sites fund subsidy for affordable homes (including weighting of the subsidy to support affordability for smaller, but more expensive to deliver, homes).
- The anticipated terms of a national affordable housing scheme.
- Projected construction costs and various other considerations affecting market demand and projected market prices.

Given the cost challenges and potential market fluctuations, at this point the commitment is to ensure the affordable homes will be at least 10% below market values, which at currently projected values means that the indicative maximum affordable purchase prices for one, two and three bedroom homes in this location are €162,000, €216,000 and €261,000 respectively.

Members should note that these projected & indicative prices are based on current market value projections which may fluctuate. The prices are also subject to serviced sites funding being delivered for this development and also a competitive tender process supporting both the current estimated land value and projected building costs.

Affordable Rents:

While noting that monthly market rents in the development area are estimated at a range between €1,100 for a one-bed apartment and €1,800 for three-bedroom home, given the early stage of this tenure type, current market uncertainty and the absence of a national affordable rental model, it is not proposed to establish maximum affordable rents for the development at this time. However, it is envisaged that a theoretical affordable rent would be in the region of 20-30% below market rents and a working model for the proposed development will be developed with contractor and AHB partners based on finance, construction, management and maintenance costs as well as SSF and land value subsidies to deliver affordable rents.

Land Value

This proposed development is on Council owned land which is an asset and must be accounted for. Given that the land cannot be used solely for social housing purposes for the reasons outlined above, it requires a mixed tenure development proposal to be fully utilised for prompt delivery of new homes. The land value is factored into the calculations of building costs that have been used to determine the indicative affordable prices outlined but the extent of this is obviously subject to the Elected Members discretion given the Members' ultimate power of disposal of the land.

In confirming the proposed affordable price ceilings above, most of the value of the land is assumed to be required to support affordable home delivery with some limited contingency provided for in the land value withheld. This is due to various considerations including density requirements, construction costs and projected market values for KSW sub-sector. Further reductions in the maximum affordable price would significantly impact on the viability of the proposal because the withheld land value will not support any further material price reduction although if this assessment of land value changes, prices may be further subsidised where possible and/or necessary.

Existing Accommodation on Site

The site proposes the development of lands surrounding and adjacent to existing Traveller accommodation at Kishogue Park. This site currently comprises ten group houses and 10 bays as well as a small community facility. While the indicative drawing of the proposed developments shows amendments to the existing site layout and configuration, the final version will be subject to a thorough consultative process with the residents of the existing site and their representatives. This has been communicated to Traveller support groups and elected representatives at a recent meeting of the Local Traveller Accommodation Consultative Committee.

Delivery

Having regard for the proposed tenure mix outlined above and the relative scale of the development, it is considered that a design and build procurement is likely to be the most expedient and efficient delivery option. This would involve appointing a contractor to:

- Finance, develop and sell affordable housing on the Council's behalf, on the understanding that the Council provide an agreed number of pre-approved prospective affordable housing applicants.
- Work with a Council appointed AHB partner on the finance, construction and management of affordable rental homes in the development.
- Construct social housing subject to approval and funding from DHPLG.

On that basis, it is now proposed to appoint a design team to progress the design of this phase of development including to prepare for a public consultation process under Part 8 of the Planning & Development Regulations.

The indicative timeframes for delivery under this model envisage public consultation in late 2020 followed by project commencement in mid-2021, infrastructure delivery by late 2021 followed by handover of the first homes in 2022 and project completion by 2023.

Key Points & Next Steps

The Elected Members should note the following:

- The proposal is predicated on the assumption that there will be sufficient market interest for a competitive procurement process to develop the proposal at the proposed tenure mix and affordable home prices.
- The outcome of the procurement process must support the fixed ceiling price for affordable homes having appropriate regard for the SSF and land value subsidies – if a competitive tender process cannot deliver affordable homes at or below the prices stated in this report, the proposal may require amendment.
- The delivery of affordable housing will require a national affordable housing scheme that will deliver sufficient interested and eligible purchasers/renters for the affordable homes - if the affordable homes are not sold/rented after an agreed number of prospective purchasers/renters have been offered them, then a fall-back position may be that those homes revert to an alternative tenure type, probably social homes;
- Foregoing land income to subsidise the delivery of social and affordable homes will lessen the Council's landbank and resources for the future purchase land for housing – but this is a trade-off for delivering housing now.
- The proposed delivery mechanism will require a disposal of land to the preferred tenderer and/or Approved Housing Body to facilitate the development and onward sale/rent of affordable homes. Any proposed land disposal will require the approval of the Elected Members under Section 183 of the Local Government Act, 2001 and will include conditions to ensure appropriate safeguards such as preceding disposal with a licence to build, and step in rights in the event of the contractor failing to complete the development.

Having regard for various matters outlined above, it is now intended to progress this project as follows:

- to appoint a design team to bring the outline masterplan through to Part 8 public consultation.
- the part 8 proposal will be based on the tenure mix, home-size breakdown and affordable sale price at least 10% below market values, with further information and clarification to be provided on affordable rental pricing in due course.
- To progress both a design and build procurement contract and a proposal for the disposal of land to facilitate the delivery of the homes.

This is subject to the Elected Members' understanding of the various commitments, assumptions, risks and understandings outlined in this report relating to the various aspects of the proposal.