



Briefing Paper

Pre-legislative Scrutiny of the General Scheme of a Land Development Agency Bill 2019

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Abstract

This paper seeks to assist the Joint Committee on Communications, Climate Action and Environment in their scrutiny of the *General Scheme of a Land Development Agency Bill 2019*. It explores the legal and policy context to the proposed legislation. The paper also identifies key issues the Committee may wish to consider when formulating recommendations arising from its scrutiny of this General Scheme.

27 September 2019



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Summary

The [General Scheme of a Land Development Agency Bill](#) (the General Scheme) was supplied to the Joint Committee on 9 July 2019. The Department of Housing, Planning and Local Government states that the purpose of the Bill is to establish the Land Development Agency (LDA) on a primary legislative footing as a Designated Activity Company (DAC) under the *Companies Act 2014*. The LDA has been established [since 13 September 2018](#).

The overarching objective of the LDA is to implement specific land development strategies, in collaboration with the Approved Housing Bodies (AHBs), Local Authorities and other public bodies, to address these deficiencies with a core focus on housing delivery.

A centralised LDA is a new type of agency for Ireland. According to the Minister¹:

- The LDA acts as the 'public' developer for residential housing on public lands, rather than a private entity;
- As the developer, the LDA is responsible for preparing master plans for sites, obtaining planning permission, seeking procurement, buying sites before they are zoned for residential use;
- The LDA takes the uplift (realised value from 'servicing' / preparing the site) from this and puts it back into affordability in these homes, reducing their cost;
- In some cases, the LDA will sell serviced land under licence to provide for development of State land subject to delivery commitments;

A key objective of the LDA is to build 150,000 new homes by 2040. On establishment in September 2018, the LDA had access to an initial tranche of 8 publicly owned sites that have near term delivery potential for 3,000 new homes and an additional potential for 7,000 new homes.²

This Briefing Paper provides a brief overview of the policy backdrop to the General Scheme and provides a summary of the provisions. Arising from this examination, the paper identifies a series of thematic 'key issues' for the Committee's consideration.

General principles (summary)

The General Scheme comprises 7 Parts and 39 Heads. A summary of each Part is provided below³:

Part 1 (Heads 1-4) contains standard provisions normally included in legislation in relation to short title, collective citation, commencement, interpretation, the making of regulations and expenses.

Part 2 (Heads 5-12) covers provisions for the formation of the Land Development Agency as a Designated Activity Company under the *Companies Act 2014*. It sets out provisions in relation to such matters as the LDA's formation, constitution, objects, functions and Board. It also provides for the appointment of staff, including the Chief Executive.

¹ Reply to parliamentary question '[Land Development Agency](#)', 27 September 2018.

² Figures provided by the Minister for Housing, Planning and Local Government in his response to a Parliamentary Question '[Land Development Agency](#)', 20 February 2019.

³ A summary of Parts was provided to the Joint Committee in a briefing document from the Department of Housing, Planning and Local Government.

Part 3 (Heads 13-23) contains provisions regarding the dissolution of the current statutory body established by the Establishment Order, which is to be superseded by the body to be established under this Bill. It also contains associated provisions in relation to transfer of functions, staff, as well as requirements in respect of a final report and accounts in relation to the body to be wound up. These are standard provisions regarding the dissolution of one public body and the transfer of functions to another.

Part 4 (Heads 24-28) contains provisions concerning the funding of the LDA, including an amendment to the *National Treasury Management Act 2014* enabling the capitalisation of the LDA. The subscription of share capital by the Minister for Housing, Planning and Local Government and the Minister for Public Expenditure to the LDA is also included in this section. It is envisaged that the Minister for Public Expenditure and Reform will be the majority shareholder, through the capitalisation of the LDA of up to €1.25 billion from ISIF funding. The Minister for Housing, Planning and Local Government will be a minority shareholder; this is for governance reasons as the agency will be under the aegis of his Department.

Part 5 (Heads 29-31) concerns the financial reporting of the LDA and the preparation of its annual financial statements. Under the Act, the LDA will be required to submit annual financial statements to the Comptroller and Auditor General for audit. This Part also contains provisions in relation to the accountability of the LDA to the Committee of Public Accounts and reporting arrangements.

Part 6 (Heads 32-33) requires that the LDA will compile a National Public Lands Register of relevant public lands and also provides that public bodies must assist the LDA in relation to the compilation of the register.

Part 7 (Heads 34-39) contains a number of miscellaneous provisions in relation to such things as shadow and de-facto directors and a review of the achievement of the LDA's purposes.

Key issues

This section (continues overleaf) brings together the ‘key issues’ arising from the L&RS examination of the General Scheme and related commentary. At the outset it must be stressed that the identification of these issues is **not** intended to be prescriptive. They are intended only as reference point and an aid to the Joint Committee’s deliberations.

The approach taken in this briefing paper, in facilitating the pre-legislative scrutiny (PLS) by the Joint Committee, is not to examine comprehensively each Part with the General Scheme – rather, the most pertinent broad themes of the General Scheme are identified, as flagged by relevant parliamentary debate, media commentary and wider literature.

The identification of key issues is based on an analysis of stakeholder and media commentary and parliamentary questions.

Key issue 1: Provision of social /affordable housing and objects of the LDA

In May 2019, the Chief Executive of the Irish Council for Social Housing (ICHS) called on the LDA to provide more land for social housing⁴. One of the principle objects of the LDA (as detailed in Head 8 of this GS) is to “contribute to the economic and social development of the State” (as well as enhance economic competitiveness and obtain a financial return for the State). Its objects in this regard are similar to other State bodies, e.g. NAMA ([Section 2 \(viii\)](#) of the *National Asset Management Act 2009*). The SI ([No. 352/2018](#)) establishing the LDA (Section 5 (a) in particular) includes more specificity regarding the LDA services, which include:

- (a) development and regeneration of land and property, including structures, for the purposes of the delivery of housing and the achievement of **wider physical, social and economic development and regeneration**;

Head 8 (4) also states that the addition of “reasonable, necessary or proper” objects/powers in the Memorandum of Association is possible is the “due attainment of the principal objects of the LDA”. The LDA has stated that it aims to achieve higher levels of social and affordable housing than standard State lands policy. According to the LDA:

“All of the sites in the **initial portfolio**, being State lands, will require the delivery of **at least 40%** [10% social, 30% affordable] social and affordable homes in line with the Government’s policy in respect of State lands. In some cases, the level of social and affordable homes delivered from this portfolio **will be even higher than 40%**.”⁵

The following may merit consideration by the Committee:

- Whether a more specific requirement to the provision / development and/or regeneration of social / affordable housing should be specified in primary legislation;
- Whether a specific delivery ratio of social and affordable housing be included in the legislation (e.g. as a specific requirement under licencing, etc.)?

Key issue 2: Oversight and subsidiaries

Critical commentary on the LDA has focused on the purchasing of private land by the Agency from Local Authorities for strategic land assembly. One report⁶ highlights how Government policy and lack of central, coordinated oversight of Local Authority residential site development activity contributed to significant site price inflation and unsustainable indebtedness. This financial burden on some Local Authorities ultimately led to the creation of the [Land Aggregation Scheme](#)⁷ and debt forgiveness. The explanatory note to Head 7 of the General Scheme provides for establishment of subsidiary entities to “provide adequate oversight”

The following may merit consideration by the Committee:

- Whether the current (and proposed) oversight mechanism(s) of the LDA is/are sufficient to mitigate risks and avoid a reoccurrence of poor planning decisions and structural failings in the past?
- How many subsidiary entities does the LDA envisage it will need to be established to support its functions / objects following enactment of this Bill? How will this be structured?

Key issue 3: Experience to date

The LDA was established in September 2018 and has been working with the Housing Agency since that time. A report by AIB⁸ (January 2019) contends that “the impact of the LDA will only be felt over the longer term and will have a limited impact on the supply of new housing in the short term.” The following may merit consideration by the Committee:

- Whether stakeholders agree with this contention;
- What are the LDA’s short priorities? What is the LDA doing (or propose to do) to specifically expedite delivery of housing in the near term?

Key issue 4: Compulsory purchase order (CPO) powers

In February 2019, it was reported⁹ that the chairman of the LDA, Mr. John Moran, wanted to examine Ireland's CPO powers as it was "too easy for people to drag out a process" and that the Government should look at systems in other countries where the state has "a right of first refusal" to buy property in areas they want to redevelop.

In July 2019, it was further reported¹⁰ that the existing (and proposed) CPO powers of the LDA (a commercial State agency) may be in breach of EU competition rules, with specific concerns raised by Attorney General Seamus Woulfe. Head 9 of the General Scheme refers to the functions of the land in respect as acquisition of land and states, among other things:

- "(1) The LDA shall do **all things necessary** and reasonable to further its objects.
 (2) Without limiting its responsibilities under subhead (1), the LDA shall undertake the following functions on a commercial basis:
 (a) to identify relevant public lands and appraise their potential for development;
 (b) to **acquire lands** in public and private ownership;"*

The following may merit consideration by the Committee:

- Whether the compulsory purchase powers (which are not specified in the General Scheme but will be included in the Bill¹¹) are now sufficient for the LDA to achieve its functions and objects;
- Whether clarity is required as to how the LDA will pay other State agencies for the purchasing of land in light of the concern over EU competition rules;

Key issue 5: Urban sprawl and sustainable growth

Urban sprawl (particularly acute in the Greater Dublin Area) has been noted in the debate around the LDA. The chairman of the LDA stated in May 2019 that the LDA will recruit a senior urban specialist to undertake a review into sustainable growth.¹²

The following may merit consideration by the Committee:

- Whether a status update regarding the recruitment of this specialist, and as to the status of the review, is required / should be requested;

⁴ Breakingnews.ie (2019) '[Housing associations 'need Land Development Agency to help' provide social homes](#)', 15 May 2019.

⁵ According to LDA's opening statement provided by John Coleman (the then interim CEO) to the JCHPLG in October 2018 – available at https://data.oireachtas.ie/ie/oireachtas/committee/dail/32/joint_committee_on_housing_planning_and_local_governmen_t/submissions/2018/2018-10-17_opening-statement-john-coleman-land-development-agency_en.pdf

⁶ Irish Times (2019) '[Land Development Agency should stop spending and focus on State sites](#)', 5 February 2019.

⁷ Under the terms of that Scheme (2010-2013). lands accepted are transferred to the ownership of the Housing Agency. The LDA works with the Housing Agency to progress residential development on Scheme sites. See: Parliamentary Question (2019) '[Land Availability](#)', 20 September 2019. More detail on the Land Aggregation Scheme is available from the C&AG here <https://www.audit.gov.ie/en/Find-Report/Publications/2014/2013%20Annual%20Report,%20Chapter%20-%206%20-%20The-Land-Aggregation-Scheme.pdf>

⁸ AIB (2019) The Irish Housing Market – Progress, but Challenges Remain, January 2019 – available at <https://aib.ie/content/dam/aib/corporate/docs/real-estate-finance/aib-housing-market-report-jan-2019.pdf>

⁹ Irish Independent (2019) '[Property revolution: Government to begin paying older people to downsize](#)', 24 February 2019.

¹⁰ Irish Independent (2019) '[New land agency could lose powers over EU rules fear](#)', 28 July 2019.

¹¹ According to the Minister's reply to a parliamentary question on the topic – '[Land Development Agency](#)', 20 February 2019.

¹² Irish Examiner (2019) '[LDA chairman calls for support of plebiscites for directly elected mayors](#)', 22 May 2019.

Key issue 6: Land use and spatial strategy

It has been noted that one of the primary constraints on housing supply in Ireland is the lack of zoned land that has key services such as water and sewerage connections.¹³ The National Planning Framework 2040 acts as guide to planning and investment over the next 20 years.

The following may merit consideration by the Committee:

- Whether any progress has been made by the LDA (or other agencies e.g. HSE, CIÉ) to comprehensively identify public land banks;
- Whether the appropriate due diligence has been conducted in respect of the impact of a 'hard' Brexit on future investment;

Key issue 7: Price controls on development land and tackling landbanking

The purpose of the LDA is to put State land, as well as private land in the public interest for strategic reasons, into strategic use. Through active land management, the stated aim is to stabilise the supply and development of land for housing and wider development purposes, thus positively disrupting the traditionally upwards pressure on development land prices¹⁴. To tackle landbanking, the Government has also introduced a vacant site levy with over €350m worth of land subject to that levy.¹⁵

During detailed scrutiny of the Urban Regeneration and Housing (Amendment) Bill 2018 [PMB]¹⁶, it was noted¹⁷ that the rezoning of agricultural land by Local Authorities for residential purposes can “multiple [the price] a hundred-fold oversight even though the owners have carried out no productive activity whatsoever”. The 1973 *Report of the Committee on the Price of Building Land* ('Kenny Report') recommended that Local Authorities should be able to acquire undeveloped land in designated areas at existing use value (i.e. agricultural value) + 25% and to dispose of the land to developers at a price offered by the market – or use if for their own purposes – so that any profit from subsequent development accrues to the Local Authority. This recommendation was rejected by the *Report of the Joint Committee on Building Land*¹⁸ (1985) in favour of alternatives including development levies and taxation but was supported by the *9th Progress Report of the All-Party Oireachtas Committee on the Constitution*¹⁹ (2004). That same Committee also recommended the compulsory purchase of development land.

The following may merit consideration by the Committee:

- Whether the unimplemented recommendation of the Kenny Report (or a more modern equivalent, taking account of the constitutional concerns addressed in the 2004 All-Party report) to allow the State (or LDA) to 'capture' / recover the betterment of the site value, and ensure the profit accrues to the State and not privately, should be considered again in the context of this legislation;
- Whether stakeholders have a view as to whether the 'Kenny Report' recommendation would be a suitable alternative (or addition) to other measures such as the 7% Vacant Site Levy (which, indications suggest, is proving complex to administer²⁰);
- Whether the powers of the LDA relating to tackling landbanking / landhoarding are sufficient or require strengthening;
- Whether (or how) the introduction of a pure land tax (based on site value), as a means of promoting underutilised land in certain locations, would impact on the LDA;
- Whether the stakeholders support the idea of compulsory purchase of development land, as recommended by the 2004 All-Party Oireachtas Committee on the Constitution;

Key issue 8: Proposed functions of the LDA

Head 9 of the General Scheme refers to the functions of the LDA (see Table 1 of this Paper for a comparison between the functions outlined in the establishment order and proposed in the General Scheme). Certain functions are more specific than those functions detailed in the establishment order, as follows:

- (g) To raise capital through equity investment and borrowing;
- (i) To provide, and to facilitate the provision of, professional services and funding on a commercial basis to other relevant public bodies, including local authorities, for land development;
- (j) To pursue joint ventures and profit-sharing agreements with third parties on a commercial basis; and
- (k) To create investment vehicles to facilitate the development of land.

The following may merit consideration by the Committee:

- Whether these particular functions may represent a significant expansion of the powers of the LDA and whether the implications of these powers have been sufficiently subjected to public scrutiny;

Key issue 9: Local Authority engagement and cost-rental proposals

In April 2019, councillors on Dún Laoghaire-Rathdown County Council blocked the transfer of land to the LDA²¹ by a vote of 21-9, citing concerns over the LDA's cost-rental proposals. The LDA outlined plans for the country's first large-scale affordable (long-term) rental plan in March 2019. The Minister also confirmed in September 2019 that the Department for Housing, Planning and Local Government is engaging with the LDA, "which is examining the potential to deliver Cost Rental homes at scale from its land portfolio and the broader State land bank."²²

The following may merit consideration by the Committee:

- Whether the existing approach of the LDA, working with Local Authorities (and local representatives), is achieving the desired outcome, particularly as to whether the existence of the LDA may act as a disincentive (in the short term) on Local Authorities to develop key sites;

¹³ As detailed by DCU Economics Professor Edgar Morgenroth in the Irish Times (2018) '[Regional planning – can we get it right this time?](#)', 15 February 2018.

¹⁴ Merrion Street (2018) '[Government Launches €1.25bn Land Development Agency to build 150,000 New Homes](#)', 13 September 2018.

¹⁵ According to the Minister for Housing, Planning and Local Government in his response to a Parliamentary Question '[Land Development Agency](#)', 11 June 2019.

¹⁶ A briefing paper on this Bill is available from the L&RS – at http://opac.oireachtas.ie/AWData/Library3/Urban_Regeneration_and_Housing_Bill_124923.pdf

¹⁷ Submission to the Oireachtas Joint Committee on Housing, Planning and Local Government by P.J Drudy (TCD) on the Urban Regeneration and Housing (Amendment) Bill 2018 [PMB] available at https://data.oireachtas.ie/ie/oireachtas/committee/dail/32/joint_committee_on_housing_planning_and_local_governmen/submissions/2019/2019-03-28_opening-statement-p-j-drudy-fellow-emeritus-economics-trinity-centre-for-urban-and-regional-studies-trinity-college-dublin_en.pdf

¹⁸ Oireachtas (1985) Report of the Joint Committee on Building Land, available at <http://opac.oireachtas.ie/AWData/Library3/Library2/DL036089.pdf>

¹⁹ Oireachtas (2004) All-Party Oireachtas Committee on the Constitution – Ninth Progress Report 'Private Property' available at <http://opac.oireachtas.ie/Data/Library3/Library2/DL048614.pdf>

²⁰ See, for example, p.6 of the L&RS briefing paper on the Urban Regeneration and Housing (Amendment) Bill – available at http://opac.oireachtas.ie/AWData/Library3/Urban_Regeneration_and_Housing_Bill_124923.pdf

²¹ Irish Times (2019) '[Dún Laoghaire councillors block transfer to Land Development Agency](#)', 3 April 2019.

²² Reply to parliamentary question '[Social and Affordable Housing Eligibility](#)', 19 September 2019.

Establishment, objectives and functions of the LDA

Background

The [2016 Programme for a Partnership Government](#) agreed between Fine Gael and Fianna Fáil contained no direct reference to the establishment of a dedicated LDA but referred to the following:

“Steps will be taken to introduce more coordination between local authorities, housing agencies and voluntary housing associations, to ensure value for money for the taxpayer when purchasing housing or land.”

The establishment of the LDA (originally, the ‘National Regeneration and Development Agency’) is a key national policy objective (#66) under the Government’s [Project Ireland 2040: National Planning Framework](#) (published in February 2018). The objective is detailed as follows:

“National Policy Objective 66: A more effective strategic and centrally managed approach will be taken to realise the development potential of the overall portfolio of state owned and/or influenced lands in the five main cities other major urban areas and in rural towns and villages as a priority, particularly through the establishment of a National Regeneration and Development Agency.”

In terms of the rationale for the establishment of the LDA, the NPF states that:

“Effective land management, particularly in relation to publicly owned lands, will be a key piece of the implementation of [the NPF]. Government recognises that the State must take a stronger role in strategically managing and enhancing the development potential of its own lands, to deliver on wider public policy and to ensure that overall development needs are met. This includes, but is not exclusive to the provision of housing by the State and other housing providers, for people on a range of incomes. This means that we need to become more agile and more strategic in managing and developing publicly owned lands, so that development requirements can be met within a smaller physical footprint and provide an economic alternative to long-distance commuting.”

Establishments of the Land Development Agency

The Land Development Agency (hereafter ‘the LDA’) was established on an interim basis by way of an establishment order ([S.I. No. 352/2018](#)) made under the [Local Government Services \(Corporate Bodies\) Act 1971](#), pending the enactment of primary legislation, when it will be established as a commercial State agency.²³ The *Land Development Agency Bill 2019* will be that primary legislation.

The objective of the LDA is to engage in strategic land assembly by consolidating **public land** and strategic **privately-owned lands** (e.g. lands which may be key to opening up the potential of public lands, or which may present long-term strategic land-assembly opportunities) to ensure land supply to the market on an enduring basis. This includes the potential use of compulsory purchase powers, where required.

²³ As summarised by the Minister for Housing, Planning and Local Government in his response to a Parliamentary Question ‘[Land Development Agency](#)’, 11 June 2019.

A centralised LDA is a new type of agency for Ireland. According to the Minister²⁴:

- The LDA acts as the ‘public’ developer for residential housing on public lands, rather than a private entity;
- As the developer, the LDA is responsible for preparing master plans for sites, obtaining planning permission, seeking procurement, buying sites before they are zoned for residential use;
- The LDA takes the uplift (realised value from ‘servicing’ / preparing the site) from this and puts it back into affordability in these homes, reducing their cost;
- In some cases, the LDA will sell land under licence;

The need for the LDA is predicated on three recognised deficiencies in Ireland’s historical land management processes:²⁵

1. **State / public lands** are not in optimal usage (i.e. are underutilised) as they lack a central coordination mechanism resulting in reduced housing stock delivery potential;
2. **The land market** in general is highly volatile with fluctuating prices driven by speculative influences around land acquisition, and is subject to delivery delays due to disparate land ownership, disputes over infrastructure cost allocation and a disconnect between land zoning decisions and actual delivery; and
3. **The ‘housing crisis’** has revealed a chronic shortage of housing supply, with the affordability and availability of land, prominent issues.

The LDA plans to build 150,000 new homes by 2040. On establishment in September 2018, the LDA had access to an initial tranche of 8 publicly owned sites that have near term delivery potential for 3,000 new homes and an additional potential for 7,000 new homes.²⁶ The sites concerned are:²⁷

- The Central Mental Hospital site, Dundrum (capable of delivering 1,500 housing units);
- Hampton, Balbriggan (800-1,000 housing units);
- Hacketstown, Skerries (200 housing units);
- Devoy Barracks, Naas (c200 housing units);
- The former Meath Hospital, Dublin City (100 housing units);
- St. Kevin's Hospital, Cork (200 housing units);
- Columb Barracks, Mullingar (200 housing units); and
- Dyke Road, Galway (250 housing units);

The ownership of 7 of the sites will not be formally transferred to the LDA until the Land Development Agency Bill is enacted, while the site in Galway (Dyke Road) is owned by Galway City Council and will be developed on a partnership basis.²⁸

²⁴ Reply to Parliamentary Question ‘[Land Development Agency](#)’, 27 September 2018.

²⁵ Coleman, John. 2018. Land Development Agency. Presentation to the Irish Council for Social Housing Finance and Development Conference. 25-26 October 2018. https://www.icsh.ie/sites/default/files/john_coleman.pdf

²⁶ Figures provided by the Minister for Housing, Planning and Local Government in his response to a Parliamentary Question ‘[Land Development Agency](#)’, 20 February 2019.

²⁷ Housing unit capability figures provided by the LDA www.lda.ie

²⁸ As detailed by the Minister for Housing, Planning and Local Government in his response to a Parliamentary Question ‘[Land Development Agency](#)’, 18 September 2019.

Functions

The following is a summary of the LDA functions as set out in the establishment order:

Table 1: The objects and functions of the LDA (establishment order compared to the General Scheme)
– [new functions highlighted in yellow]

| Category | Detail |
|--|---|
| General²⁹ / Objects | <ul style="list-style-type: none"> ▪ Coordinate appropriate State / public lands for regeneration and development, opening up sites which are not being used effectively for housing delivery; and ▪ Drive a long-term, strategic approach to land assembly, working with both public and private sector landowners to improve transparency, smooth out peaks and troughs of land supply, stabilising land values and delivering increased affordability. <ul style="list-style-type: none"> ▪ To perform the functions assigned to the LDA by this Bill; ▪ To develop land for housing or other related development purposes on relevant public lands and other lands in support of the implementation of the National Planning Framework on a commercial basis; ▪ To establish mechanisms and collaborative structures between public and private entities to develop relevant public lands and other lands; and ▪ To establish structures to facilitate delivery of housing on relevant public lands and other lands. |
| Specific functions (Section 5 of the Establishment Order) | <ul style="list-style-type: none"> ▪ Development and regeneration of land and property including structures, for the purposes of the delivery of housing and the achievement of wider physical, social and economic development and regeneration; ▪ Supporting the consolidation and replenishment of the publicly owned development land bank and expediting the most efficient use of such land; ▪ Establishing appropriate mechanisms and collaborative structures between public and private bodies to develop key strategic sites in public ownership; ▪ Creation of a database of public lands relevant to the functions of the agency. ▪ Master planning and development appraisal services; ▪ Securing development consents for relevant lands and development projects; ▪ Procurement of such technical administrative or implementation activities as may be necessary; ▪ Procurement of development construction and evaluation services to deliver housing and wider urban regeneration and development projects. <ul style="list-style-type: none"> ▪ to identify relevant public lands and appraise their potential for development; ▪ to acquire lands in public and private ownership; ▪ to dispose of lands where they are no longer required to enable the LDA to undertake its functions; ▪ to develop, or facilitate the development of, relevant public lands and other lands; ▪ to obtain development consents, permissions and other approvals for land and related development projects; ▪ to draw up, and to assist relevant public bodies and owners of other lands to draw up, master plans for development on relevant public lands and other lands ; ▪ to raise capital through equity investment and borrowings; ▪ to provide assistance to other relevant public bodies, including local authorities, to provide housing and related developments; ▪ to provide, and to facilitate the provision of, professional services and funding on a commercial basis to other relevant public bodies, including local authorities, for land development; ▪ to pursue joint ventures and profit-sharing agreements with third parties on a commercial basis; and ▪ to create investment vehicles to facilitate the development of land. <p>In support of the implementation of the National Planning Framework and the management of publicly owned lands, the LDA will undertake additional functions:</p> <ul style="list-style-type: none"> ▪ to establish and maintain a register of relevant public lands; ▪ to advise the Government, and the Minister as appropriate, on the management and use of relevant public lands; and ▪ the provision of publicly owned infrastructure for the development of relevant public lands. |

Source: L&RS analysis.

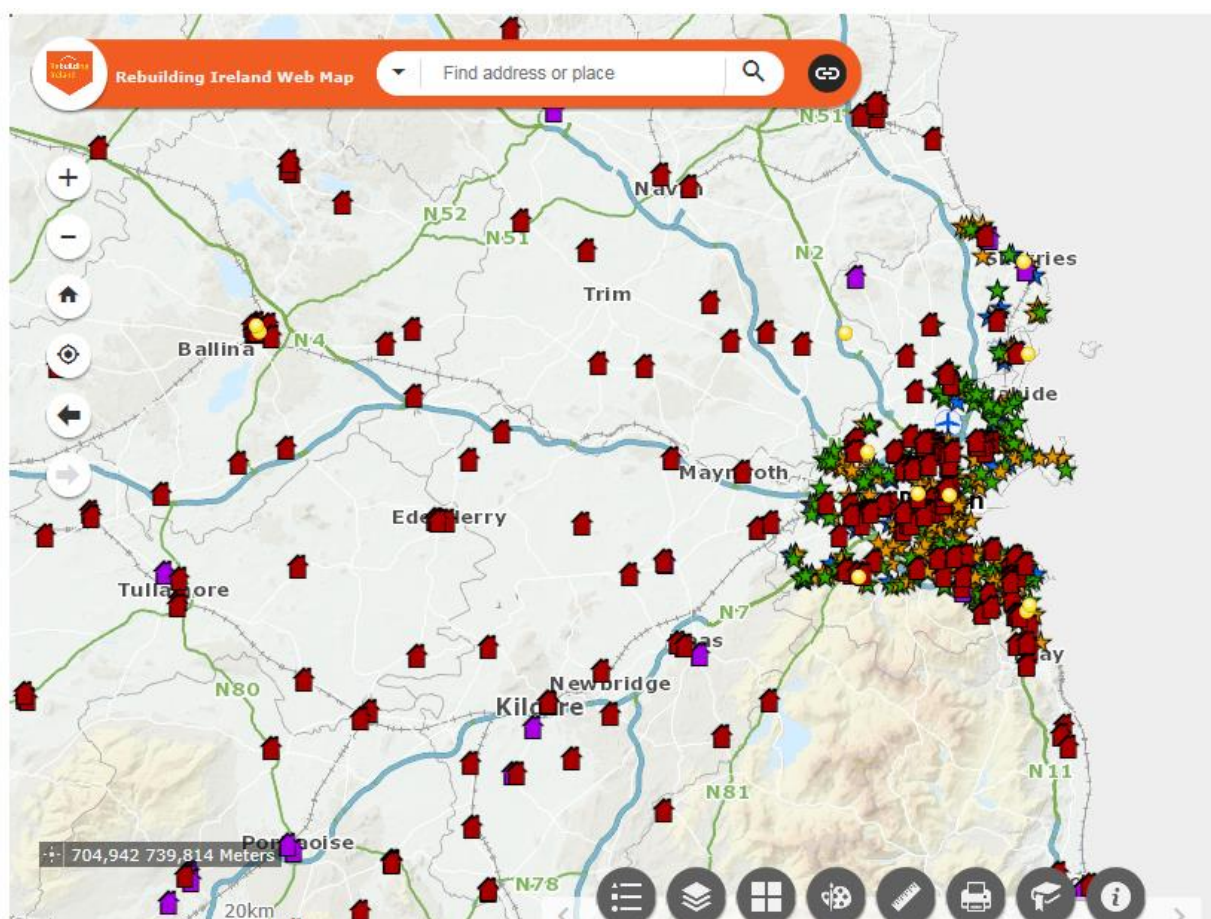
²⁹ Whelan, John. 2018. "Government Launches €1.25bn Land Development Agency to Build 150,000 New Homes." Department of Housing, Planning and Local Government. 13 September, 2018.

Statistics on available land for development

As stated by NESC in its [2018 report on urban development land](#), a substantial volume of development land came under the control of NAMA after the property crash in 2008. This land was not, however, owned by NAMA.³⁰ The lack of development on this land has been noted, however, as highlighted by [the European Commission Country Report for Ireland 2019](#):

“The low level of residential development on sites sold by the National Asset Management Agency (NAMA) is a concern. In March 2018, only 11% of the 55,000 units sold by NAMA in the last 7 years had been built up. The development of some of these sites may be inhibited by constraints related to commercial viability, infrastructure or suitable planning permission. In addition, land hoarding was also identified by NAMA as one potential cause meriting further analysis.”

The Department of Housing, Planning and Local Government has launched an interactive online Housing Land Map, showing over 2000 hectares of land suitable for housing. Data sets in the land map includes details of over 700 local authority and Housing Agency owned sites, as well as 30 sites owned by State or Semi-State Bodies. The map also includes the locations of some active sites.



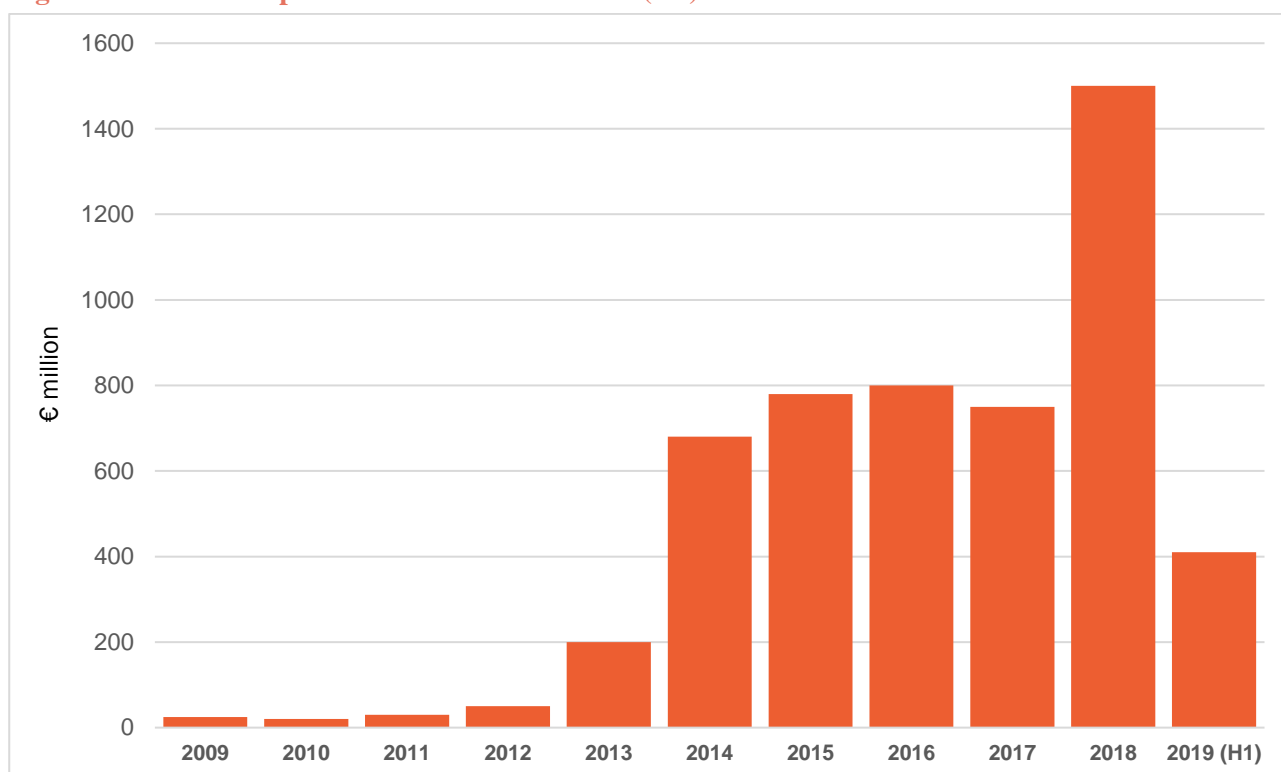
Source: [Rebuilding Ireland – Housing Land Map](#)

³⁰ NAMA's property portfolio (loans secured on property assets) initially comprised 60,000 units across a range of markets. Approximately, 56% of NAMA's property was in Ireland, 34% in the UK and 10% in the rest of the world. Of this, office/commercial units represented 17%, retail 19% and development land 23% but this composition varies across markets. See the L&RS Note on NAMA available at http://vhlms-a01/AWData/Library2/09122014_NAMA_Paper2_FINAL_170040.pdf

The Housing Agency states that its [strategic development and management plan](#) has identified 36 sites (under the Land Aggregation Scheme) that are *suitable for immediate development*, and 17 of these are currently being developed.³¹ The Housing Agency categorise a further 37 sites as *secondary sites*, which will take more time to develop and may not be viable for residential development.³²

A recent report by CBRE shows that the volume of land traded in 2018 was much higher than expected and the volume of transactions in the development land market was the highest in a decade.³³ However, it was still far lower than during the Celtic tiger boom years.

Figure 1: Irish development land sales 2009 – 2019(H1)



Source: [CEBR](#) (2019) and [CEBR](#) (2018)

Other Government initiatives in relation to land management

Vacant site levy

The *Urban Regeneration and Housing Act 2015* introduced the vacant site levy. Under the Act, planning authorities are required to establish and maintain a [Vacant Sites Register](#). When an authority is of the opinion that a site has been vacant for a minimum of 12 months it may enter the site on the register. Planning authorities must then establish a register of vacant sites in their areas and issue annual notices to owners of vacant sites. The levy will be applied by planning authorities from 1 January 2019. Section 64 of the [Planning and Development Amendment Act 2018](#) has increased the levy (from the original 3%) to 7% of market value from 2019.

³¹ Housing Agency (2018). [Development land](#).

³² These sites are listed in their report, which can be [accessed here](#).

³³ CBRE research Ireland. (2018). [Real Estate Market Ireland 2019](#).

The Department of Housing, Planning and Local Government does not maintain a central register of vacant sites. However, as of 29th November 2018, almost 300 individual sites were entered on the local registers across local authority areas. Of these over 140 were entered on the local vacant site registers on 1 January 2018 and would therefore be subject to the levy in 2019, unless development works were activated in the interim.³⁴

However, media reports at the beginning of 2019 indicated that less than a third of Local Authority (10 of 31) were in a position to impose the levy. An *RTE Investigates* report from December 2018 claimed that councils were having administrative difficulties implementing the legislation, and in many counties it wasn't clear which land could be considered suitable for development for residential and regeneration purposes. Establishing ownership of land was also described as a potentially difficult and time-consuming process.³⁵

There were also reports of local authorities imposing the levy on farmland. However, the new definition of "vacant or idle" contained in the *Planning and Development (Amendment) Act 2018* should remove this issue.

On 19 February 2019, the Minister for Housing, Planning and Local Government, Eoghan Murphy, T.D. stated that his Department would continue to monitor the implementation of the vacant site levy. To this end the Department requested progress reports from each local authority, which (as of February 2019) it had received and was reviewing. The Minister stated that:

"From an initial review of the progress reports, it is noted that planning authorities have indicated that over 40 sites have been removed from registers due to construction work commencing or development being completed on the site."

A more aggressive approach (i.e. a higher levy) was recently (September 2019) recommended by the ESRI to further tackle speculation.³⁶

Derelict sites register

Under the [Derelict Sites Act 1990](#), local authorities are empowered to: make compulsory purchases of land; carry out necessary works and charge the owners for the cost, or prosecute owners who do not comply with notices served.³⁷ Each local authority must keep a publicly accessible register of all derelict sites in its area.

Owners of urban land which has been entered on the register are liable to pay a derelict site levy within two months of receiving the notice. The levy is set at 3% of the market value of the land but the Minister for Housing, Planning, Community and Local Government may prescribe a higher percentage, so long as this is no more than 10% of the market value.

³⁴ Reply to Parliamentary Question ' [Vacant Sites Levy](#)', 28 November 2018.

³⁵ RTE (2019) [Why have so few local authorities imposed the vacant site levy?](#), 19 January 2019.

³⁶ Irish Independent (2019) [Hike levies on vacant land to hit hoarders, reduce house prices: ESRI](#), 26 September 2019.

³⁷ Citizens Information (2019). [Derelict sites](#).



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