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Final Report

prepared for

**Carlow County Council and
Carlow Town Council**

County Carlow Housing Strategy

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Executive Summary

This Housing Strategy has been prepared in accordance with Part V of the Planning and Development Act 2000 as amended and covers the functional area of Carlow Local Authorities (Carlow County Council and Carlow Town Council) for the period 2009-2014. In accordance with the requirements of this legislation, this Housing Strategy will form part of the Carlow County Development Plan and the Carlow Town Council Development Plan. Where the Strategy refers to the planning authorities or local authorities, this should be read as a reference to the two planning authorities in the County. The Strategy period is 2009-2014.

The key findings of the Housing Strategy are:

Housing Demand over the Strategy period

- 1) The population of Carlow County is expected to rise from 50,349 (2006) to 59,485 (2014), based on the assumption that Carlow increases its share of the South East regional population.
- 2) Average house prices are projected to increase by 17% over the strategy period (2009-2014) (or 3.2% on average per annum), based on a 5% decline in 2009, 0% in 2010 and a recovery to around 3 to 5% per annum from 2011. The Strategy figure excludes an estimated average decline of 10% in 2008. Household disposable incomes are projected to increase by 31% over the same period (or 5.6% on average per annum).
- 3) From an analysis of properties on the market in Carlow at the end of Q1 2008 (according to data from Daft.ie):
 - There were a total of 811 properties for sale across the county (48% in Carlow Town) at the end of March 2008 at an average selling price of €341,000. 50% of the properties for sale were in the expensive segments - detached houses and bungalows.
 - Based on the prices advertised on Daft.ie, we estimated that a single person wishing to purchase a terraced house, currently on the market at an average price of €223,000, would need to be earning a minimum gross income of €47,600, if that person is to meet his/her own housing needs. The corresponding minimum gross income figure for a married couple with both working is €36,100 (€43,600 if only one person is working). However, based on discussions with local estate agents, we understand that two-bedroom houses can be purchased in Carlow Town for around €175,000 to €200,000, which would be within the reach of a single person on average earnings.
- 4) Based on following the methodology in the Model Housing Strategy:
 - The total number of households is projected to increase from 17,195 households in 2006 to 22,016 by 2014.

- There are an estimated 805 households who are likely to **experience housing affordability problems** assuming they opt to purchase a property in Carlow over the period 2009 to 2014.
- All households formed may choose either owner occupation or the private rented sector, while those who qualify for social housing may have their housing needs met from the range of social housing options which the local authorities provide.

Land and Housing Supply

- 5) There are approximately **225 hectares¹ of undeveloped residentially zoned lands** within Carlow, implying there is enough zoned land to cater for almost six years of housing supply, based on the average housebuilding rate over the last six years.
- 6) Carlow County Council currently has **44.2 acres** (17.9 Ha) of zoned land available for the provision of housing across the County.
- 7) Over 9,000 units were granted **planning permission** over the last four years of which 80% were houses (7,316 units) and 20% were apartments (1,870). One-off houses (1,695) accounted for 18% of the permissions or 23% of the total houses granted permission.
- 8) Almost 6,000 **new dwellings** were built across the county since 2003. The peak year was 2006 when over 1,300 new dwellings were built compared with an average of just 400 per annum throughout the 1990s. **The public sector delivered 518 units or 9% of total completions over the period 2003 to 2007 compared with 7% across the State as a whole. Completions over the last six years were dominated by scheme houses, which accounted for over two-thirds of total completions since 2005,** individual houses accounted for almost one-quarter of total completions and apartments accounted for less than 10%. These statistics are typical of a rural based County without significant constraints on developable land.
- 9) There are currently 1,488 houses making up the County Council housing stock with 871 provided in Carlow Town Council and 617 units provided by Carlow County Council.
- 10) The projected supply of **social** housing units for the period 2009 to 2011 is 140.
- 11) The projected supply from the **voluntary** housing sector over the period 2009-2011 is 31 including a provision for special needs.
- 12) There are 20 **affordable** units due over the period 2009-2010 from Part V proposed agreements.
- 13) The average **projected increase in household numbers** across the County is approximately 611 households per annum over the Strategy period.

¹ This figure is based on the 2006 DEHLG Survey of Housing Zoned Land. Taking estimates from the various Local Area Plans, there are approximately 325 hectares of zoned residential land, but these relate to different years.

- 14) According to preliminary estimates from the March 2008 Assessment of Housing Need, there were **703 households who were eligible to have their housing needs met from the range of social housing options** which the Carlow local authorities provide. A more up to date figure has been provided for finalising the Housing Strategy which shows that the numbers seeking social housing had increased to 890 by December 2008.
- 15) Based on **a 2008 survey of the affordable housing lists, we understand that 91 applications were received**, almost 60% of whom are located in Carlow Town. However, based on their incomes and the price of a starter home in Carlow Town, we estimate that around 42 households would be eligible for a mortgage and therefore capable of meeting their accommodation needs in the private market, without State assistance. This figure is likely to be higher now although the rising unemployment situation could well leave the position unchanged
- 16) For the remaining 49 applicants, their eligibility for affordable housing will be determined by their ability to raise a mortgage based on their net income and the affordable house price, generally around 20% below the market price in Carlow. It is possible that a further half of these 49 households may not be eligible for an affordable mortgage, considering that 30% of the original 91 applicants were earning less than €25,000. This would **leave around 20 to 25 households, who would have to have their accommodation needs met by some other option, either in the private rented sector or by social housing.**
- 17) **The total requirement calculated in the Housing Strategy represents the number of new households which remain to be accommodated after the projected supply has been delivered.** These households may either be accommodated in the private rented or public sectors.
- 18) **The Strategy concludes, based on estimates of demand and supply, that the Carlow Local Authorities should reserve 20% of the land zoned in the Development Plan for residential use or for a mixture of residential and other uses, to facilitate the provision of social and affordable housing.**

Addendum to Executive Summary

DKM and RPS commenced work on the Carlow Housing Strategy in January 2008 and presented a draft document to Carlow County Council in August 2008. Following submission of the August 2008 Draft Strategy document the changed economic realities which unfolded over the period September 2008 to January 2009 necessitated two amendments to the August version.

The changed economic realities, which have weakened further over recent months, include the deterioration in the public finances and the onset of economic recession, which have significantly changed the position in respect of public capital budgets over the medium term. In addition conditions in the housing market have dramatically altered, with the result that average house prices have fallen by 11% over the past twelve months and transactions have dropped dramatically reflecting a lack of confidence amongst buyers, concern about job losses and increased unemployment, as well as difficulties securing mortgage funding.

As a result of the changed economic situation, two significant developments necessitated a revision to the Draft Housing Strategy:

- 1) The indicative capital budgets for social housing had been significantly reduced, resulting in a lower social and voluntary housing supply over the Strategy period; and
- 2) There had been a substantial increase in the combined housing lists for the County and the Town in the interim period since the May 2008 assessment.

Accordingly the Draft Housing Strategy was revised based on the above developments and concluded that the substantially lower capital budgets (and hence housing supply) and the higher numbers on the social housing list, resulted in a dramatic increase in the requirement for housing provision across the County. These amendments are included in this Final Housing Strategy which recommends that the Carlow Local Authorities should reserve the maximum of 20% of the land zoned in the Development Plan for residential use, or for a mixture of residential and other uses.

Housing Strategy Methodology

The analysis of housing demand in the Draft Housing Strategy follows closely the guidelines for preparing a Housing Strategy issued by the DEHLG². We have pointed out that the main difficulty with the methodology adopted for preparing housing strategies is that the multitude of mechanical steps involved in estimating demand (especially, supply and the

² Part V of the Planning and Development Act, 2000 Housing Supply - A Model Housing Strategy and Step-by-Step Guide, prepared by PA Consulting Group, Brady Shipman Martin and Fitzpatrick Associates for the Department of the Environment, Heritage and Local Government, 2000.

'need' for social and affordable housing, requires one to make a range of assumptions over the period 2009-2014 about population, households, incomes, house prices, etc.), a small number of which on their own could materially impact on the conclusions reached.

Thus the preparation of the Draft Housing Strategy required projections to be made for population, households, house prices and incomes, all of which were made early in 2008, before the substantial deterioration in the economy took place. However the lower incomes and lower house prices which have resulted from the recession should at least work in the opposite directions, giving rise to little change in the outcomes.

Given the extreme uncertainty in the economy and housing market over the past twelve months, it is nonetheless recommended that a detailed review of the Housing Strategy be carried out in 2010.

Section 1: Introduction and policy background

This Housing Strategy has been prepared in accordance with Part V of the Planning and Development Act 2000 as amended and covers the functional area of Carlow Local Authorities (Carlow County Council and Carlow Town Council) for the period 2009-2014. In accordance with the requirements of this legislation, this Housing Strategy will form part of the Carlow County Development Plan and the Carlow Town Council Development Plan. Where the Strategy refers to the planning authorities or local authorities, this should be read as a reference to the two planning authorities in the County.

1.1 Structure of the report

The preparation of a Housing Strategy is required to follow the guidelines for preparing a Housing Strategy issued by the Department of the Environment, Heritage and Local Government³ (DEHLG). Since these guidelines were prepared nine years ago, the conditions in the housing market have changed significantly. The year 2000 followed a period of rapid house price inflation in the late 1990s, high housing demand, rising supply levels, albeit supply failed to keep up with demand, and increased affordability problems for first-time buyers wishing to get on the housing ladder.

The current housing market in 2008 is characterised by falling house prices across the State, a significant contraction in housebuilding, a sharp slowdown in housing demand and mortgage lending and weak consumer confidence levels. Ironically, the projected housing supply nationally in 2008 is forecast to fall to around 43,000 from the peak of 88,000 in 2006, leaving the 2008 level almost in line with the corresponding housing supply level nationally at the turn of the decade.

Despite the changing circumstances in the housing market, this Housing Strategy follows the DEHLG guidelines as it is required to do so. Accordingly, it is structured around a number of key areas:

Section 2 contains an analysis of housing supply and infrastructure in the County. It identifies the extent of zoned land across the County and considers the implications of the housing need identified in the context of national sustainable development objectives. This section also includes a summary of the various Town and Village Local Area Plans (LAPs) across the County.

³ Part V of the Planning and Development Act, 2000 Housing Supply - A Model Housing Strategy and Step-by-Step Guide, prepared by PA Consulting Group, Brady Shipman Martin and Fitzpatrick Associates for the Department of the Environment, Heritage and Local Government, 2000.

Section 3 presents the analysis of future housing need in County Carlow over the period covered by the Strategy (2009-2014). It assembles the key variables required to identify future housing need, according to the model Housing Strategy, namely; population, households, incomes and house price data. It also includes a review of the housing market in Carlow and contains an assessment of housing affordability in the County.

Section 4 looks specifically at current social housing provision within the County and determines the requirement for social housing over the period of the Strategy 2009-2014.

Section 5 presents an analysis of affordable housing including the affordable housing lists for the County.

Section 6 summarises the requirements for housing provision over the period of the Strategy for those new households unable to meet their own accommodation needs.

The *Executive Summary* contains the key conclusions.

Appendix A contains the policy background and documents that impact on the direction and content of the Housing Strategy.

Appendix B contains information on Special Needs Accommodation, including the needs of people with disabilities, crisis accommodation, and the accommodation needs of the Travelling Community in Carlow.

1.2 Legislative Background

Part V of the Planning and Development Act, 2000 as amended requires that Planning Authorities must prepare Housing Strategies and integrate them into their Development Plans. In addition, the Act makes communities' needs for social and affordable housing a material planning consideration which must be taken into account when formulating development plan policies, preparing a Housing Strategy and deciding on planning applications or appeals.

Each Planning Authority is required to include in its Development Plan "*a Strategy for the purpose of ensuring that the proper planning and sustainable development of the area of the Development Plan provides for the housing of the existing and future population of the area, in the manner set out in the Strategy*". The Act specifies that the Housing Strategy shall:

- Include an estimate of, and provision for, the existing and likely future need for housing of the existing and future population of the area covered by the Development Plan. While the estimate of likely future needs should relate at least to the life of the Development Plan, it should also relate to broader and longer term strategies (e.g. Regional Planning Guidelines and the National Spatial Strategy).

- The Planning Authority shall ensure that sufficient and suitable land is zoned in its Development Plan for residential use (or for a mixture of residential and other uses), to meet the requirements of the Housing Strategy and to ensure that a scarcity of such land does not occur at any time during the period of the Development Plan.
- Take into account the need to ensure that housing is available for persons who have different levels of income and in particular for those in need of social or affordable housing in the area. A Housing Strategy shall therefore provide that as a general policy a specified percentage, not being 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 developed to reasonably match the requirements of the different categories of households, as may be determined by the Planning Authority.
- Counteract undue segregation in housing between persons of different social backgrounds. The Planning Authority may 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 2000-2006 provides that the Manager shall prepare a report two years after the adoption of the Development Plan and that this report will include a review of the progress achieved in implementing the Housing Strategy. If the report indicates that new or revised housing needs have been identified, the Manager may recommend that the Housing Strategy be adjusted and that the Development Plan be varied accordingly. The Manager may also bring such a report to 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 under the Act, which significantly affects the Housing Strategy.

This Housing Strategy is an update of the County Carlow Housing Strategy 2001-2006 and covers the period 2009-2015.

1.3 Policy Background

An examination of the prevailing national, regional and County policy documents that impact on the direction and content of the Carlow Housing Strategy is presented in Appendix A. These documents include the following:

National policy

The National Development Plan 2007-2013,
National Spatial Strategy 2002-2022,
Draft Sustainable Residential Development in Urban Areas 2008,
Making Ireland's Development Sustainable 2002.

National Housing Policy

Delivering Homes, Sustaining Communities 2007,
Residential Density Guidelines 1999.

Regional Planning

South East Regional Development Plan 2004.

Statutory Development Plans

Carlow County Development Plan 2003,
Carlow Town Development Plan 2003,
Carlow Town Environs Local Area Plan 2008,
Various Local Area Plans for the main Towns and villages in County Carlow.⁴

As the policy background has been dealt with elsewhere in the Carlow County Development Plan it is not intended to reiterate it again here. Appendix A contains a brief summary of the above documents to the extent that they impact on the Housing Strategy and residential development in the County.

In general the adopted Local Area Plans and Village Plans contain policies that are in accordance with the policies of the County Development Plan with regard to residential development. Again these Plans are reviewed in detail elsewhere in the Carlow County Development Plan. Appendix A contains a brief summary of the Local Area Plans for the main towns and villages in the County.

⁴ See Appendix A for a full list of Local Area Plans in County Carlow.

Section 2: Housing supply and infrastructure

2.1 Sustainable development principles

This section of the Housing Strategy deals with those factors which influence housing supply, and addresses the planning and management of the physical environment in Carlow. An important concern throughout this section is the emphasis on the application of principles of sustainable development within the County. In recent years, central government policy has been aimed at reducing the demand for travel and the promotion of higher residential densities. Such policies will tend to:

- reduce the need for the development of 'greenfield' sites;
- limit urban sprawl and ribbon development;
- ensure more economic use of existing infrastructure;
- enhance access to existing services and facilities;
- create more sustainable commuting patterns.

These principles of sustainable development have been set out in the following policy documents:

- *Sustainable Development: A Strategy for Ireland,*
- *Guidelines for Planning Authorities on Residential Density,* and
- *Strategic Planning Guidelines for the Southern Region.*

The drafting of this Housing Strategy, and the land-use planning system it represents, has attempted to support the objectives of sustainable development in a number of ways:

- promotion of higher residential densities especially in proximity to Town centres, public transport nodes and access points;
- encouragement of mixed use developments;
- promotion of the redevelopment of brownfield sites;
- protection and enhancement of the natural environment;
- location of new developments in an environmentally sustainable and sensitive manner.

2.2 Development Pressure

The decreasing household size and increases in development pressure require a more efficient and sustainable use of serviced land. This requires an increase in the density of residential developments throughout the County especially close to public transport routes and on serviced land.

Greenfield sites on the edge of settlements in the County have in the past been developed at net densities of around 12 dwellings per hectare. *The Residential Density Guidelines* state that the greatest efficiency in land usage on such sites will be achieved at net residential densities in the general range of 35 to 50 dwellings per hectare, and that such densities should be encouraged generally. The Guidelines also state that development at densities of less than 20 dwellings per hectare should generally be discouraged in the interests of land efficiency. On lands close to existing or proposed public transport routes, densities close to and in excess of 50 dwellings per hectare should be permitted, subject to appropriate qualitative safeguards.

2.2.1 Location of Development Pressure in County Carlow

The existing development pressure for residential development in County Carlow is being further stimulated by the rapid expansion of the economic base of the Greater Dublin Area (GDA), and the differential in house prices between Dublin and County Carlow. The planning authorities in Carlow have attempted to control the increase in one-off and GDA generated housing in rural areas through controlling policies in their respective development plans.

Nevertheless, the economic pressures emerging from the GDA and the improvement in the transportation network that enables commuting to the GDA from Carlow, continues to stimulate further housing demand in the County.

It is anticipated that most of the development pressure will occur in the larger urban settlements especially in the North-East, close to transportation links to Dublin. Pressure generally occurs in Carlow Town, Tullow and Bagenalstown.

2.2.2 Infrastructure

Transportation

The main transport corridor in Carlow is that created by the M9/N9 and the N80/N81. Carlow is also served by train, which connects Carlow to Dublin. These routes pass through or are close to the main centres of Carlow and Tullow and link Dublin and Carlow/ Kilkenny and Wexford/ Waterford. There is clear evidence that people working in the GDA choose to live in Carlow and commute on the improved road and rail system.

It can also be observed that development is spreading along these routes with significant growth and development pressure in all of the settlements served by the transport corridor.

Sanitary Services

The development of sanitary service facilities is fundamental to the creation of larger settlements as well as being essential for sustaining employment opportunities, such as tourism, and commercial and industrial activities. The provision of public drainage and water supply facilities in, and adjacent to, settlements and especially smaller settlements, allows the provision of higher density housing schemes. This relieves pressure for one-off housing in the open countryside and consolidates development patterns.

Social and Economic

There are two third-level Colleges in the County - Carlow Institute of Technology and St. Patrick's College. The County also has a number of secondary and primary schools. These are primarily concentrated in the main settlements of Carlow Town, Tullow, Bagenalstown etc. There are no main hospitals in the County. However, Carlow does have a District Hospital, a Psychiatric Hospital and a welfare home.

Carlow Town has a strong and traditional town centre retail function. More modern retail centres have been developed in recent years but the Town has still managed to retain a vital urban core. Other Town centres include Tullow, Bagenalstown, Hacketstown and Rathvilly, which operate mainly as local convenience goods and service centres.

2.3: Development Capacity

Capacity in Carlow to accommodate future housing growth is dependent on a range of factors. The most important are:

- the amount of residentially zoned land;
- the amount of other land suitable for development;
- constraints and limits in the provision of water supply and drainage;
- constraints and limits in the provision of other physical and social infrastructure;
- access, including public transport;
- topographical constraints; and
- areas of high amenity or nature conservation value.

These are considered below.

County Development Patterns

The County is dominated by Carlow Town and its environs and a number of other settlements including Bagenalstown, Tullow, Leighlinbridge and Rathvilly. Recent Census data (from the period 1996 to 2006) shows that the population of County Carlow is steadily urbanizing, with growth occurring largely on the fringes of the major settlements.

Characteristics of the Housing Market in County Carlow

2.3.1 Residential Planning Permissions in the County

Planning approvals data indicate that planning permission has been granted for the development of 9,186 housing units in County Carlow in the last five years, 2002-2007.

Table 2.1: Number of units granted planning permission by type in County Carlow								
	2002	2003	2004	2005	2006	2007	2002-'07	% share Of County Total
Carlow County Council								
Houses	506	1326	869	1,123	1,573	1,530	6,927	75%
<i>of which</i>								
- Multi-dev. houses	288	984	635	868	1,263	1,221	5,259	57%
- One-off houses	218	342	234	255	310	309	1,668	18%
Apartments	22	250	111	91	99	94	667	7%
Sub-total units	528	1,576	980	1,214	1,672	1,624	7,594	83%
Carlow Town Council								
Houses	121	8	10	111	15	124	389	4%
<i>of which</i>								
- Multi-dev. houses	115	2	6	107	12	120	362	4%
- One-off houses	6	6	4	4	3	4	27	0%
Apartments	399	168	118	414	20	84	1,203	13%
Sub-total units	520	176	128	525	35	208	1,592	17%
Total Carlow County								
Houses	627	1,334	879	1,234	1,588	1,654	7,316	80%
<i>of which</i>								
- Multi-dev. houses	403	986	641	975	1,275	1,341	5,621	61%
- One-off houses	224	348	238	259	313	313	1,695	18%
Apartments	421	418	229	505	119	178	1,870	20%
Total units	1,048	1,752	1,108	1,739	1,707	1,832	9,186	100%

Source: CSO

The vast majority of planning permissions are in Carlow County Council (83%) and of those, multi-development houses represented 70%. The Carlow Town Council area accounted for the largest share (64%) of the 1,870 apartments in the County.

Overall the figures suggest that multi-development units account for 61% of total planning permissions across the County while one-off houses and apartments make up the balance (approximately 20% each).

2.3.2 Housing Completions in County Carlow

Based on a review of the figures produced by the DEHLG for the year 2003- 2007 almost 6,000 new dwellings were built across the county since 2003. **The peak year was 2006 when over 1,300 new dwellings were built compared with an average of just 400 per**

annum throughout the 1990s. The public sector delivered 518 units or 9% of total completions over the period 2003 to 2007 compared with 7% across the State as a whole. The mix of housing units built across the County is set out in the next Table.

Table 2.2: House Completions by type in County Carlow							Average % shares	
	2003	2004	2005	2006	2007	2008*	2003-2004	2005-2008
Individual house			303	263	275	104		24%
Scheme houses			717	966	819	121		67%
Apartments			180	92	49	46		9%
Bungalows	126	160					14%	
Detached house	167	108					13%	
Semi-detached	393	639					50%	
Terraced	103	83					9%	
Apartments	108	162					13%	
Total (= 5,984)	897	1,152	1,200	1,321	1,143	271		
of which								
Public sector	115	54	78	16	255	N/A		

* based on 5 months only

Note: The DEHLG changed the way the presented the completions data in 2005.

House completions are based on the number of new units connected for electricity.

"Individual House" is where connection is provided to a separate detached house.

"Scheme House" is where connection is provided to two or more houses.

Source: DEHLG

Average annual completions in County Carlow over the last six years were dominated by scheme houses, which accounted for over two-thirds of total completions since 2005. Prior to 2005, semi-detached houses, probably in estates, accounted for one-half of all completions in 2003 and 2004.

These statistics are typical of a rural based County without significant constraints on developable land. There is a high proportion of scheme houses and a low proportion of apartment units, which is usually indicative of lower residential densities. Only around 9% of new dwellings since 2005 have been high density related apartments, which are typical of more urban areas.

Both the dwelling type and distribution of housing units in County Carlow are in line with the long term trends of an urbanising population, with necessary higher residential densities.

2.3.3 Existing Zoned Land

The County Development Plan and the Local Area Plans provide the amount of undeveloped residentially zoned land for each settlement to which each plan applies. The areas given in these plans are all residentially zoned lands. Plans are updated as required. Currently there are 17 areas in Carlow which are covered by land use zoning plans, of which 11 give a figure for undeveloped residential lands. These are

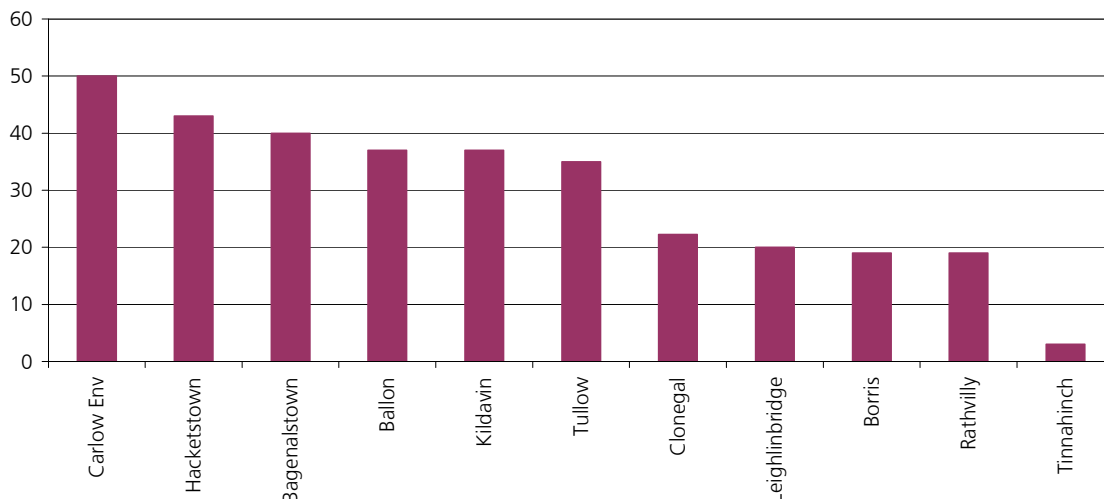
- County Carlow Development Plan 2003
- Carlow Town Council Development Plan
- Carlow Town Environs Local Area Plan 2008
- Bagenalstown / Royal Oak Local Area Plan
- Ballon Local Area Plan
- Borris Local Area Plan
- Clonegal Local Area Plan
- Hacketstown Local Area Plan
- Kildavin Local Area Plan
- Leighlinbridge Local Area Plan
- Rathvilly Local Area Plan
- Tinnahinch Local Area Plan
- Tullow Local Area Plan

Table 2.3 summarises the current position in relation to undeveloped residential zoned lands.

Table 2.3: Undeveloped Residential Zoned Lands	
Development Plan	Amount
Carlow Town Council Development Plan	
Carlow Town Environs Local Area Plan 2008	50 hectares
Ballinabranagh/ Raheendoran Local Area Plan	Not Stated
Bagenalstown Local Area Plan	40 hectares
Ballon Local Area Plan 2007	37 hectares
Borris Local Area Plan 2004	19 hectares
Clonegal Local Area Plan	55 acres (22.25 hectares)
Grange/ Killerig Local Area Plan	Not Stated
Hacketstown Local Area Plan 2007	43 hectares
Kildavin Local Area Plan	37 hectares
Leighlinbridge Local Area Plan 2004	20 hectares
Palatine Local Area Plan	Not stated
Rathoe Local Area Plan	Not Stated
Rathvilly Local Area Plan 2004	19 hectares
Tinnahinch Local Area Plan 2004	3 hectares
Tinryland Local Area Plan	Not stated
Tullow Local Area Plan 2004	35 hectares
Total	325.25 hectares

Source: Carlow Local Authorities

Figure 2.1: Residentially Zoned lands from various County Carlow LAPs (hectares)



Source: Carlow Local Authorities

To give a more robust overview of the amount of undeveloped residentially zoned land in Carlow we consulted the most recent survey of Housing Zoned Serviced Land Availability which was carried out by the DEHLG in June 2006. This showed that there was a total of 225 Ha of undeveloped residentially zoned land in County Carlow. It was also shown that this area could provide approximately 4,425 units (on the basis of 20 units per hectare, although this is not stated in the document).

We note that there is a difference between the figures collected from the Carlow County Plans (325 Ha) and the figures supplied by the DEHLG (225 Ha). This might be explained by the 80 ha of residentially zoned in Carlow Town Environs in 2008, which may not have been included in the survey of Housing Zoned Land Availability. **Applying the 20 units per hectare, as the DEHLG did in their survey, to the available land stated in the Carlow LAPs, we get a figure of 6,505 units. This is equivalent to almost six years housing supply, based on the average housebuilding rate over the last six years.**

Thus it seems reasonable to conclude that there is sufficient zoned land within Carlow identified at present to cater for the projected needs (See Section 6).

In practice, however, an amount greater than this is needed for the following reasons:

- To provide for an element of choice of location;
- To allow for the fact that not all of the zoned land may come on the market;
- To allow for the fact that some of the designated land may be developed for purposes other than housing in mixed use zonings.

To cater for this demand Carlow County Council will continue with its policy of identifying underutilised and brownfield sites in its area which are suitable for residential development.

Carlow County Council also recognises that there is an overall limit to the capacity of lands within its area and there is a need to ensure efficient use of this scarce resource. Consequently having regard to national and regional strategies, requiring the efficient use of residential land, and the need to integrate land use and transport facilities, Carlow County Council will seek to increase the capacity of the County by permitting higher density development in certain locations such as Carlow Town and Environs, and other development centres and sites close to transport routes.

2.4 Social & Affordable Housing Supply in County Carlow

Social housing in County Carlow is currently provided by both Housing Authorities (Carlow Town Council and the County Council) and also by a number of voluntary organisations, made up of Carlow-specific and national level agencies.

Currently Carlow County Council has a waiting list of 703 applicants for social housing, including 318 on the Carlow County Council list and 465 on the Carlow Town Council list⁵.

Social Housing Stock

There are currently 1,488 houses making up the County Council housing stock with 871 provided in Carlow Town Council and 617 units provided by Carlow County Council. These are predominantly 2 and 3 bedroom units.

Multi-Annual Building Programme

Carlow County Council planned new social housing production totals 369 for the period 2008-2010. These figures are based on projected delivery over these years and are constrained by the indicative budget indicated by the Department. Based on the current deterioration in Exchequer receipts, there is a risk that the budget of the Carlow Local Authorities could be lower over the period of the Housing Strategy than it might otherwise be, with clear implications for the level of social housing provision.

Affordable Housing

From an existing affordable housing perspective, there are 369 houses throughout the County, in which, the County Council own a shared equity stake. Of this figure 207 are in the Carlow Town Council area.

⁵ This summation of 318 and 465 is 783, of which 80 applicants are common to both areas, implying a total number of applicants of 703. For an analysis of the social housing lists see Section 4.

Social and Affordable Housing Provision

According to data from the DEHLG there were 643 social and affordable units provided in the County of Carlow over the period 2002 to 2006. The vast majority were social housing units (91%), with only 58 affordable units provided over the five years.

Table 2.4: Social and Affordable Housing provision in County Carlow							
	2002	2003	2004	2005	2006	2002-'06	% share Of Total
	<i>Number of units</i>						
Social housing	70	166	122	166	61	585	91%
Affordable housing	20	3	4	13	18	58	9%
Total	90	169	126	179	79	643	100%

Source DEHLG, 2007 not published on DEHLG website.

Current Land Banks of Carlow County Council

Carlow County Council currently has **44.2 acres (17.9 hectares)** of land available for the provision of housing as outlined below.

Current Land Bank of Carlow County Council:

Area	Acres	Hectares
Bagenalstown	11.0	4.45
Tullow, Shillelagh Rd	5.7	2.31
Carlow Town	5.5	2.23
Hacketstown	5.0	2.02
Tinryland	6.0	2.43
Myshall	3.0	1.21
Carlow Town Council	<u>8.0</u>	<u>3.24</u>
Total	44.2	17.89

Assuming a density of 20 units per hectare, this is equivalent to around 360 units.

2.4.1 Supply of Housing by Voluntary Organisations

Voluntary housing associations provide social housing units in conjunction with the local authorities, to meet the requirements of people who cannot provide for their own housing needs. Some of these associations cater to specific special needs groups, while others provide standard social housing units. There are a number of voluntary housing organisations that provide social housing in County Carlow in conjunction with the Council. These are

- Carlow Voluntary Housing Association (Tinteán)
- Respond!
- Clúid Housing Association (*formerly St Pancras*)
- Sue Ryder Foundation
- Cheshire Home Foundation
- Irish Wheelchair Association
- Hacketstown and District Housing Association
- Leighlinbridge Housing Association

The following tables, based on data provided by the Housing section of Carlow County Council, detail the voluntary housing units that have been provided in the County over the period 2004-2008, as well as the proposed number of voluntary units for the period 2008-2010, listed by location.

Table 2.5: Voluntary units provided in Carlow, 2004 to 31st May 2008		
	Units	Total
Social Housing		
Bagenalstown	40	
Carlow	22	
Graiguecullen	28	90
Special Needs (incl. units for the elderly)		
Bagenalstown	46	
Carlow	23	69
Total Social Units 2004 - 2008		159

Source: Carlow County Council

Over the period from 2004 to the 31st of May 2008, there were 159 voluntary housing units provided in County Carlow, comprising 90 social units and 69 special needs units. The projected supply from the voluntary sector over the period 2008-2010 is 135 units, including a provision for special needs. Beyond 2010, the voluntary housing supply is projected at 35 units per annum.

Section 3: Analysis of housing demand

3:1 The Model Housing Strategy - Step-by-Step guide

The analysis of housing demand in this section follows closely the guidelines for preparing a Housing Strategy issued by the DEHLG⁶. We are conscious of the fact that the housing market which prevailed at the time of the development of the framework for housing strategies (2000) was a very different market to that which exists today, eight years later. The conditions in the housing market have changed significantly compared with the turn of the decade, a period which followed rapid house price inflation in the late 1990s, and which was characterised by high housing demand, rising supply levels (albeit supply failed to keep up with demand), and increased affordability problems for first-time buyers wishing to get on the housing ladder.

Conversely, the current housing market is characterised by falling house prices across the State, a significant contraction in housebuilding, a sharp slowdown in housing demand and mortgage lending and weak consumer confidence levels.

The model Housing Strategy used County Louth as the model county for developing a template Housing Strategy which was used to assist local authorities in the preparation of their respective housing strategies. The key issues factored into the analysis for developing the housing strategy included an analysis of housing demand/‘need’, an analysis of housing supply and an analysis of how social and affordable housing could be managed in County Louth.

The main difficulty with the methodology adopted for preparing housing strategies is that the multitude of steps involved in estimating demand (especially), supply and the ‘need’ for social and affordable housing, requires one to make a range of assumptions (population, households, incomes, house prices, residential densities etc.), a small number of which on their own could materially impact on the conclusions reached.

It is also the case that all of the variables (including the scale and composition of housing supply, prices and household formation) interact with, and depend on, each other. The Step by Step guide essentially involves a mechanical extrapolation in a manner which performs ignores these interactions, and therefore runs the risk of misreading the actual situation with respect to affordability problems.

There are also the implicit assumptions about preferred tenure. All households formed are assumed to fall into the category of seeking owner-occupation. A portion unable to afford

⁶ Part V of the Planning and Development Act, 2000 Housing Supply - A Model Housing Strategy and Step-by-Step Guide, prepared by PA Consulting Group, Brady Shipman Martin and Fitzpatrick Associates for the Department of the Environment, Heritage and Local Government, 2000.

this route is calculated, and ascribed to the 'social plus affordable' category. But a significant portion of households formed will choose the private rented sector. Indeed this can be the preferred tenure for many, particularly in the first-time buyer (FTB) age groups. Again, the procedure runs the risk of over-estimating affordable requirements to the extent that it fails to acknowledge the role of private rented accommodation in meeting the needs of households.

However, the analysis of incomes, house prices and affordability used for preparing this Housing Strategy for Carlow follows the published DEHLG guidelines as it is required to do so. This section also contains a separate analysis of affordability based on information received from local estate agents and on the profile of properties on the market at the end of March 2008 (from Daft.ie.).

3.2 Review of population trends in County Carlow based on Census data 1996 – 2006

At the last Census of population, carried out in April 2006, over 50,000 people were recorded as being resident in County Carlow, equivalent to 1.24% of the total national population and 11% of the South-East region's population. The County has experienced a rapid population expansion over the past decade, in part due to its location on the periphery of the Greater Dublin Area, within commuting distance of large employment centres on the outskirts of Dublin City. The County's population has been swelled by supply and affordability constraints in the Dublin housing market over recent years, and a general behavioural shift towards greater commuting distances amongst the Irish population. Aside from these 'spillover' effects from the Greater Dublin Area, the County Carlow population has also been swelled by net immigration into Ireland from abroad and by expanding employment opportunities within County Carlow.

3.2.1 Growth of Carlow's population

In the six years from 1996 to 2002 Carlow's population increased by 10.6%, and by a further 9.4% in the four years to 2006; well in excess of the State average increases of 8% and 8.2% respectively.

Between 1996 and 2002, the number of births in County Carlow exceeded the number of deaths by 1,613. Thus there was a natural increase in the population, which accounted for 37% of the total population increase over the period, with net inward migration into County Carlow accounting for the balance of the increase (2,785 or 63% of the total).

In the latest inter-censal period (2002-2006), the number of births in Carlow again exceeded the number of deaths, resulting in a natural increase in population of 1,927. Natural increase accounted for a higher proportion of the total increase in population over this period, at

44.5% of the overall increase. Net inward migration, at +2,408, accounted for the balance (55.5%) of the total increase.

Carlow’s population grew at an average annual rate of 1.9% over the ten year period from 1996 to 2006 (compared with the national average of 1.6%). Growth in the Carlow population was strongest in the last four years of this period – accelerating to an annual rate of 2.3%.

The following table shows the contribution of natural increase and net migration to the annual average growth rate of the Carlow population over the two latest inter-censal periods. As can be seen from the table, the contribution of net inward migration exceeded that of natural increase over both periods.

Table 3.1: Annual Average % Growth, Carlow		
	1996-2002	2002-2006
Natural Increase	+0.6%	+1.0%
Estimated Net Migration	+1.1%	+1.3%
Total population	+1.7%	+2.3%

Source: CSO Census 1996, 2002, 2006

The next table details the components of population change in Carlow over the decade from 1996 to 2006. Both the rate of natural increase and the rate of net migration in Carlow were ahead of the State average over each of these periods.

Table 3.2: Components of Population change, Carlow 1996-2006

		Carlow	
Population	1996	41,616	
	2002	46,014	
	2006	50,349	
Natural Increase	1996-2002	1,613	
	2002-2006	1,927	
Net Migration	1996-2002	2,785	
	2002-2006	2,408	

	Annual Rates*	Carlow	State Average
2002-2006	Births	17.2	15.0
	Deaths	7.2	7.0
	Net Migration	12.5	11.7
1996-2002	Births	14.8	14.3
	Deaths	8.7	8.3
	Net Migration	10.6	6.8

*Note: rates represent average annual rates per 1,000 of average population

Source: CSO Census 1996, 2002, 2006

3.2.2 Location of that growth

The population of County Carlow is largely concentrated in the County's prime urban centre, Carlow Town, which accounted for over 40% of the total County population in 2006, according to Census data. The balance of the County's population is located in a number of smaller population centres, the largest being Tullow and Bagenalstown. There is also a sizeable rural population in the County.

The experience in Carlow over the past decade has reflected the predominant national trends – with population growth largely occurring on the periphery of (rather than within) the major urban settlements. One of the major drivers of this pattern of population growth has been the affordability difficulties faced by those attempting to enter the housing market in recent years. The end of the housing boom could see a reversal of these trends in the coming years.

Overall Carlow's population has been growing extremely rapidly over the past decade, as detailed above. However, within the County, the fastest rates of population growth have been recorded in the "environs" of Carlow Town and in some of the other population centres around the County.

Although the total population served by Carlow Town increased by almost 40% in the years from 1996 to 2006, the “urban” element of the Town’s population declined by over 4% over the same period, according to Census figures. The town of Bagenalstown to the south-west of Carlow Town, despite being the County’s third largest population centre, has also seen its “urban” population decline marginally over the last two inter-censal periods.

The “rural” element of the Carlow Town population and the three electoral districts classified as “environs” of Carlow Town for Census purposes, all experienced dramatic population growth in the decade from 1996 to 2006, while other smaller population centres in the County, such as Tullow, Leighlinbridge and Rathvilly have also seen rapid increases in Census numbers over this period.

The population of County Carlow looks set to continue to expand at a rapid rate. The South East Regional Planning Guidelines (2004) suggest “significant potential for growth” in the County, with Carlow Town potentially reaching a population of 28,000 people by the year 2020, according to this document.⁷

⁷ South East Regional Planning Guidelines, May 2004, Section 4.2, p65

Table 3.3: Population Changes in County Carlow 1996 – 2006

	1996	% growth 96-02	2002	% growth 02-06	2006	Total % growth 96-06
County Carlow Total	41,616	10.6	46,014	9.4	50,349	21.0
Carlow Town	14,979	23.4	18,487	12.1	20,724	38.4
(of which) – Urban	6,404	4.1	6,665	-8.0	6,129	-4.3
- Rural	5,317	23.2	6,553	14.4	7,494	40.9
- Environs*	3,258	61.7	5,269	34.8	7,101	118.0
Tullow (total)	2,364	2.2	2,417	26.1	3,048	28.9
Bagenalstown (total)	2,695	1.2	2,728	0.3	2,735	1.5
(of which) – urban	2553	-0.5	2540	-0.3	2532	-0.8
- rural	142	32.4	188	8.0	203	43.0
Rathvilly (total)	458	9.2	500	59.2	796	73.8
Leighlinbridge	508	27.2	646	4.3	674	32.7
Hacketstown	628	-2.2	614	-1.3	606	-3.5
Ballon (total)	258	10.1	284	109.9	596	131.0
Borris	584	-0.7	580	0.3	582	-0.3
Bunclody-Carrickduff*	243	3.3	251	27.1	319	31.3
Graiguenamanagh- Tinnahinch*	261	3.1	269	3.7	279	6.9
Tinriland, Kellistown	331	12.1	371	-34.5	243	-26.6
Kernanstown (total)	277	-11.9	244	-5.7	230	-17.0
Myshall	-	-	-	-	200	-
Kildavin	-	-	-	-	170	-
Clonegal*	164	-7.9	151	9.9	166	1.2

Source: CSO, Census 1996, 2002, 2006

*Populations quoted for these Towns are located in more than one County. In the case of Carlow Town, the environs figure includes the area of Graigue in Co. Laois, which is serviced by the Town.

Carlow Town is the County Town for County Carlow, and also the main population centre within the County. The Census breaks down the Town's population into an urban (6,129) and a rural (7,494) population, as detailed above. This gives a combined figure for the Town (13,623), which excludes the population in the environs of Carlow Town. The population in the environs of Carlow Town, but within the County boundary, was 4,581 in 2006 according to the Census. Furthermore, there is also a considerable population located across the County boundary in County Laois that is serviced by Carlow Town. This population was estimated by the Census at 2,520 in 2006 (Graigue rural). **Thus the total effective population for Carlow Town and its environs (including the portion across the boundary in County Laois) in 2006 was 20,724.**

Carlow Local Authorities have pointed out that this figure could still underestimate the population serviced by Carlow Town, due to the sizeable student population (estimated at 5,500 plus) the Town serves, which may not be fully reflected by the above figures, if students were absent on the night of the Census. However, we know that if students absent on Census night stated Carlow Town as their principal place of residence, they will be included in the population of Carlow Town.

3.3 Economic and Demographic growth in Carlow

Carlow has experienced dramatic demographic growth over the past decade, as detailed above in Section 3.2.1. This section attempts to provide some local context to the population projections that follow, outlining various factors that are likely to influence the economic and demographic development of Carlow over the medium term. Much of this section is based on various Local Area Plans (LAPs) from Carlow County Council.

According to the Carlow Town Environs Proposed LAP 2008, there are a number of regional factors that are outside the control of the County and Town Council and may have a direct or indirect impact on the future of Carlow Town⁸. These include, but are not limited to:

- Job losses
- Adjustments to the traditional economic base of the Town from manufacturing industry towards services, research and development.
- The changing demographics and spatial distribution of the country's population, with a consequent growth of County Town settlements as Dublin's commuter belt extends further out into an expanding hinterland.
- The continued significant growth rate in the State's economy.

The Carlow Town Environs Proposed Local Area Plan (LAP) 2008 sets out a potential long term population for the Town and its environs at 30,000 people (to 2014). (p. 5)

Carlow Town was not specifically designated as a "hub" under the National Spatial Strategy. However, the NSS acknowledges Carlow's position as a "County Town", while the Carlow Town Environs LAP suggests that in order to thrive and develop into the future, Carlow Town should aim to offer a range of services similar to those in the "hub" settlements.

⁸ P.3 of the Carlow Town Environs Proposed LAP 2008-2014.

3.3.1 Growth potential – local factors

Significant potential would appear to exist for the further growth of Carlow Town, its environs and the County as a whole. One of the biggest factors behind the rapid growth experienced within Carlow over the past decade has been its location. At 85km from Dublin City, and within easy reach of major employment centres on the fringes of Dublin (around the M50 belt in particular), Carlow has attracted a large number of commuters who live in the County and work in Dublin. For this very reason, Lisney identified Carlow as one of its “development hotspots” in April of 2007.⁹

The capacity for commuting from Carlow is likely to be enhanced over the coming years, with improvements to the national roads infrastructure reducing congestion, travel times and transport costs. The N9 Dublin-Waterford national primary route is currently being upgraded to high quality dual carriageway status, with the Carlow bypass section now completed and officially opened at the end of May 2008, while the Kilcullen to Carlow section is due to open by summer 2010. Bus and rail commuter services offer further connectivity between Carlow and the employment centres of Waterford and Dublin.

Carlow’s ability to continue to expand its population will depend not only on its capacity to attract increasing numbers of commuters to come and live in the County, but also on the job opportunities which can be created in the local economy.

Income levels in Carlow have generally been lower than elsewhere in the country. The latest available data from the CSO’s *County Income and Regional GDP* release (2005) suggests that average incomes in Carlow were 88% of the State average in 2005. In terms of an economic base, the County has, in the past, been relatively dependent on traditional manufacturing and agriculture as its main sources of employment, while the services sector remained somewhat underdeveloped.

However, Carlow’s local economic base is evolving over time. The closure of the Greencore sugar plant in Carlow, and the decision by Lapple to close its production facility, reflect the situation across the country, with manufacturing operations struggling to compete with low-cost locations abroad. The challenges faced by the Irish manufacturing sector, in terms of cost competitiveness in particular, have seen a new emphasis being placed on the so-called “knowledge economy”. The ESRI, in its Medium Term Review (released in May 2008), has emphasised the role of the services sector in driving future growth in the Irish economy. In this environment it is innovation that will be key to success, and that innovation will be driven by investment in Research & Development. Carlow would appear to be well placed to exploit these new opportunities.

⁹ Lisney Development Hotspots No.4 – Carlow, April 2007. Available from <http://www.lisney.com/publications/Carlow.doc>.

Carlow's R&D strengths include:

- The location of the National Biotechnology Centre.
- The presence of the Institute of Technology and the long established relationship with Carlow College (St Patrick's).
- The Teagasc National Headquarters at Oak Park, encompassing the National Agri Crops Research Centre.
- Open access Wi-Fi – in April 2007 Carlow became Ireland's first Town to be completely wireless broadband enabled.
- A student population of 5,500 plus.

Carlow's various business and technology parks have also provided further stimulus for investment into the County. These include:

- The IDA Business and Technology Park on the Dublin Road - €200 million investment by Merck Sharp & Dohme.
- Muinebheag Business Park - €3 million investment, with 15 new businesses created.
- Tullow Business Park - €2.5 million investment, with 8 new businesses created.
- Enterprise Ireland and County Enterprise Board – new Enterprise Centre, €1.1 million investment
- Incubation space for SME's at IT Carlow New Enterprise Centre and Carlow Gateway.

Recent job announcements for Carlow:

- Dept of Enterprise, Trade and Employment (decentralisation) – 100 jobs in phase 1, with further 250 jobs in phase 2 due 2010.
- Merck Sharp & Dohme – 170 jobs.
- Unum (strategic software service centre) – 200 new high level positions.

In summary, according to the Carlow Town Environs Proposed Local Area Plan (LAP) 2008:

"Considering the national spatial distribution of third level educational facilities, along with commercially viable research and development opportunities, it is clearly evident that Carlow

Town enjoys significant strategic advantages over other similarly sized settlements with respect to tertiary development opportunities.” p. 5.

The Local Authorities in Carlow remain upbeat about the prospects for future growth within the County. The same document as quoted above also refers to the role that is envisaged for Carlow within the South-East region:

“The potential now exists for the Town to act as a development centre and fulfil a strategic role linking the greater Dublin area to the South East Region.” p.5

3.3.2 Population data contained in LAPs from Carlow County Council

Various Local Area Plans (LAPs) provided by Carlow County Council – the Tullow, Hacketstown and Rathvilly Sewerage Schemes, and the Carlow Town Environs Proposed Local Area Plan (LAP) 2008 – contain estimates of *future potential populations* based on the maximum capacity of services in each area. It is important to note that these estimates **are not population projections per se**. They represent the maximum population that could be catered for by the services that are being implemented in each area. The *actual* population that is likely to be achieved in each area will depend largely on demographic trends and migratory movements, which in turn are influenced primarily by economic factors (job opportunities, cost of accommodation, transport etc.).

With this caveat in mind, we present the population estimates from various County Carlow LAPs.

Table 3.4: Population Estimates from Carlow County Council

	2006	2011	Average Annual Growth Rate
Rathvilly	1,088	1,417	
Tullow	3,265	9,332	
Hacketstown	822	1,199	
Carlow Town (& Environs)	20,724	26,000*	
Total (of these 4 Towns)	25,899	37,948	7.9%

Source: Carlow County Council

*This is an interpolation of an estimate for 2014, assuming growth is evenly spread over the period 2006 – 2014.

Note: The 2006 figures presented here are the base figures used in the documents quoted and may differ from Census figures.

The population figures outlined in the table above represent the total capacity for development which is being planned for in each of the four Towns and their environs. **This is not the same as making a projection for the actual population that is likely to be achieved in these areas.** Should all of this capacity be taken up, the population of these four Towns and their environs will grow at an annual rate of 7.9% over the next 5 years. At

four times the rate of growth seen in the previous decade within the County, we would consider this to be an unattainable rate of population expansion for the County as a whole.

A more realistic assumption might be that the rapid growth of the major Towns within Carlow could occur at the expense of the rural population. Thus while we would still see the overall County growing at rates more in line with the historical trend of population growth in Carlow, the distribution of that growth within the County might see an intensification of settlement around the main population centres. We would therefore consider that the figures quoted in the above table, while representing the upper limits of the development capacity of each Town, could be compatible with our own County level projections, based on a scenario of increased “urbanisation” within the County.

The DKM population projections for County Carlow, which are detailed in the following section, are based on a set of assumptions about future migration, fertility and mortality rates¹⁰. For a detailed discussion of the assumptions made in our population modelling exercise, see Sections 3.4.1 and 3.4.2.

Taking the upper bound population estimate from the DKM projections, gives an annual rate of population growth of 2.2%. Population growth of 2.2% per annum would generally be considered to be a rapid rate of expansion – continued annual growth of just 2% would result in a doubling of the population after only 36 years.

3.4 Population projections based on the DKM model

In constructing our population forecasts, it was decided to examine both a higher and a lower growth scenario, based on our expectations about the likely performance of the Irish economy over the medium term. This will allow us to present **a realistic range** for the likely future population of the South East region, while taking account of the uncertainty surrounding future migration flows in particular. We also examine the effects of varying the assumed fertility rate over time. The key assumptions made in producing our population forecasts are presented below.

3.4.1 The two growth scenarios

Our **higher growth scenario** assumes that the current economic slowdown represents a temporary deviation from potential rather than a prolonged downturn in the economy. The impact on net inward migration into the State is therefore assumed to be minimal, with strong net inward migration assumed to continue (at a rate of 45,000 per annum, slightly below the 48,000 per annum average recorded between 2002 and 2006) at least until 2011. The rate of net migration is then assumed to slow gradually, levelling off at a rate of 20,000 per annum beyond 2016.

¹⁰ The DKM population projections were derived in Q1 2008 using DKM’s Regional Population Model.

This higher growth scenario also assumes a slight increase in national fertility rates from their 2006 level of 1.9, to reach 2.0 by 2016. Increased prosperity can lead to higher fertility rates as people feel they can afford to have more children, and greater wealth tends to encourage more new family formations.

We refer to our higher growth scenario as **M1F1** reflecting higher assumptions for both migration and fertility.

The **lower growth scenario** which we examine, on the other hand, looks at the impact on the population of more modest rates of economic growth over the medium term. Under this scenario, we assume that the rate of net inward migration into the State will slow more quickly, to 30,000 net immigrants per annum between 2006 and 2011, slowing to a rate of just 10,000 per annum beyond 2016.

We also assume a slight decline in national fertility rates under this scenario, with the TFR falling from 1.9 in 2006 to 1.85 by 2016. We therefore refer to the lower growth scenario as **M2F2**.

3.4.2 Summary of key assumptions

1. Mortality:

CSO survivorship rates applied to each region's population.

2. Fertility:

F1: Fertility rates increase to 2.0 by 2016 and remain constant thereafter

F2: Fertility rates decrease to 1.85 by 2016, remaining constant thereafter

3. Migration:

Table 3.5: National Net Migration assumptions

	DKM M1	DKM M2	CSO M1	CSO M2	ESRI*
2006-2011	+45,000	+30,000	+60,000	+50,000	+10,000
2011-2016	+30,000	+20,000	+50,000	+35,000	+15,000
2016-2021	+20,000	+10,000	+40,000	+25,000	+15,000

Sources: DKM Q1 2008, CSO Population and Labour Force Projections 2011-2041, ESRI Medium Term Review 2008-2015

* ESRI numbers refer to net inward migration at the end of specific years: 2010, 2015 and 2020.

The table above shows the DKM assumptions about net migration flows over the next 15 years, in comparison with CSO and ESRI estimates. The DKM figures fall somewhere in between the CSO and ESRI numbers.

We would consider the CSO numbers to be somewhat on the high side, as they are based on the trends experienced in Ireland in the recent past, which have seen unprecedented levels of net inward migration nationally. However, the particular circumstances that gave rise to the recent period of high net inward migration were specific to that period and may not be repeated in the future. (For example, the accession of 10 new Member States to the EU in 2004, and Ireland's decision to allow free access for the citizens of those States to its labour market precipitated large scale movements of people from those countries to Ireland in search of work opportunities).

The ESRI numbers may look rather low. However, they refer to net annual inward migration at the end of specific years: 2010, 2015 and 2020. Given that the first two years of the period 2006-2011 will almost certainly have seen net inward migration into Ireland in the region of 60,000 people per year, an annual rate of +10,000 for the remaining three years of the period would result in an annual average for the five years of +30,000. This corresponds precisely with our lower growth (M2F2) scenario, which is based on the assumption that economic growth will slow in Ireland over the next couple of years, before recovering in the medium term. This assumption is fairly close to the baseline scenario described in the ESRI's Medium Term Review.

Based on this analysis, we are confident that our migration assumptions represent a fair attempt at estimating the likely range of net inward migration into Ireland over the medium term.

3.4.3 Results

The results of our population modelling exercise are presented in Table 3.9.

Under the *higher growth* scenario, M1F1, the State population continues to grow quite rapidly, to 4.6 million by 2011, reaching 4.9 million by 2016. Within this total, the South East region maintains its population share, at 11%, throughout the period. The population of the South East region under this scenario will surpass half a million people by 2011, reaching almost 540,000 by 2016.

Under the *lower growth* scenario, M2F2, the State population will reach 4.5 million by 2011 and 4.8 million by 2016. The South-East region's population, under this scenario, is projected to be 463,000 by 2011, reaching 520,000 by 2016.

In order to estimate the future population of Carlow, we need to make some assumption about the proportion of the South-East's population represented by County Carlow. This proportion has been relatively stable over the last two inter-censal periods, despite the exceptional economic and demographic boom that has occurred in Ireland over that period.

Table 3.6: Carlow's share of the regional population 1996-2006

	1996	2002	2006
Carlow as % of SE region	10.6%	10.9%	10.9%

Source: Census 1996, 2002, 2006

Initially we make the assumption that this proportion remains constant over the projection period, resulting in a population for County Carlow of 54,600 by 2011, reaching 58,500 by 2016.

We would suggest that the most likely outcome is that Carlow will more or less retain its current share of the region's population. However, in order to provide an upper and lower bound to our population estimates, we have looked at scenarios involving either a modest decline or a modest increase in Carlow's share of the regional population, as summarised below.

Table 3.7: County Carlow's % of the Regional Population, 2006 and 2016 under various scenarios

Scenarios	2006	2016
1. Decreasing %	10.9%	10.5%
2. Constant %	10.9%	10.9%
3. Increasing %	10.9%	11.5%

Source: DKM

Carlow Town has not been designated as a regional Hub or Gateway for the purposes of the National Spatial Strategy (NSS). Therefore, one could envisage a situation whereby Carlow would lose share of the regional population as the likes of Waterford, Kilkenny and Wexford grow at above average rates (Scenario 1 above).

On the other hand, the NSS would not appear to have had a major impact on population trends as yet. If anything over the past decade the main urban centres have been losing population share. Given the proximity of Carlow to Dublin, and its location on the national route from Dublin to Kilkenny and Waterford, it could equally be argued that Carlow will continue to grow its population at above average rates (Scenario 3 above).

3.4.4 Carlow's population based on DKM forecasts

The possible range for the County Carlow population in 2016, based on our model, is summarised in the table below.

Table 3.8: Range of Population Projections for County Carlow, 2016

Scenario	M1F1	M2F2
1. Decreasing % of Region	56,400	54,600
2. Constant % of Region	58,500	56,700
3. Increasing % of Region	61,800	59,800

Source: DKM's Regional Population Model, Q1 2008.

What these numbers mean for growth of the County Carlow Population:

- Projected population range in 2016: between 54,600 and 61,800
- Growth of between 14,300 and 21,500 over 10 years
- That represents an increase of between 8.6% and 22.9%
- Equivalent to an annual growth rate of between 0.8% and 2.1%

This corresponds very well with the pattern of growth observed in Carlow in the preceding 10 years (i.e. from 1996 to 2006). In 2006, Census data showed a population of 50,300 in County Carlow, up from 41,616 in 1996. The County's population grew by just under 9,000 people between 1996 and 2006, equivalent to growth of 21% over the 10 years, or a growth rate of 1.9% per annum.

For the purposes of this strategy, we have decided to focus on the upper bound estimate of Carlow's future population from our model (i.e. the M1F1 higher growth scenario, with Carlow increasing its share of the regional population as described above). This decision is based on the conviction within Carlow County Council about the future growth potential of the County (see Section 3.3 above on potential demographic and economic growth) and on various data included in this report on the capacity for future population growth within the County. This also makes sense as it is prudent, in preparing a Housing Strategy, to plan for the highest level of projected population growth, allowing for some spare capacity in the event that the reality falls short of this projection.

Table 3.9: Summary of Population Projections from the DKM Model

	Census 2006	DKM Projections M1F1		DKM Projections M2F2	
		Population in '000s			
	2006	2011	2016	2011	2016
Border	468	508	543	499	525
Dublin	1187	1243	1328	1230	1301
Mid-East	475	543	599	529	572
Midland	252	281	307	275	294
Mid-West	361	387	411	383	402
South-East	461	501	537	493	520
South-West	621	670	713	660	694
West	414	453	487	443	469
State	4240	4587	4925	4512	4778
SE as % of State	11%	11%	11%	11%	11%
Carlow Constant % of SE	10.9%	10.9%	10.9%	10.9%	10.9%
Carlow Population	50.3	54.6	58.5	53.7	56.7
Carlow Increasing % of SE	10.9%	11.2%	11.5%	11.2%	11.5%
Carlow Population	50.3	56.1	61.8	55.2	59.8
Carlow Decreasing % of SE	10.9%	10.7%	10.5%	10.7%	10.5%
Carlow Population	50.3	53.6	56.4	52.8	54.6

Source: DKM, Q1 2008.

Note: Highlighted figures are those used in preparing the Strategy.

Table 3.10 shows the total population in County Carlow for each year of the Strategy period, based on DKM population projections (focussing solely on the M1F1 Increasing % Scenario, as discussed above). As the table demonstrates, the annual increment in population is constant over each 5 year period (i.e. from 2006-2011, and from 2011-2016). This is due to a simple assumption that we make in order to interpolate the population increase during each year of the period in question – we assume that the total growth projected over each 5 year period is evenly distributed across the 5 years.

Table 3.10: Carlow M1F1 Increasing %		
	Total Population	Annual Increment
2006	50,349	
2007	51,509	1,160
2008	52,669	1,160
2009	53,829	1,160
2010	54,989	1,160
2011	56,149	1,160
2012	57,261	1,112
2013	58,373	1,112
2014	59,485	1,112

Source: DKM's Regional Population Model, Q1 2008.

The next Table (3.11) shows how our population projections translate into projected household numbers, assuming a constant reduction in Average Household Size (AHS) over the Strategy period. We assume a 1% decline in AHS per annum over the period, based on the historical decline in AHS in this country. The final column of this table gives **projected additional household numbers for each year of the Strategy. These are the households that will need to be accommodated in County Carlow over the Strategy period.**

Table 3.11: Household Numbers and Population Forecasts

Year	Population (As above) '000s	Average Household Size (AHS)	Projected Households	Additional Households
% reduction in AHS per annum 1.0%				
2006	50.3	2.93	17,195	566*
2007	51.5	2.90	17,769	574
2008	52.7	2.87	18,353	584
2009	53.8	2.84	18,947	594
2010	55.0	2.81	19,551	604
2011	56.2	2.78	20,165	614
2012	57.3	2.76	20,772	607
2013	58.4	2.73	21,389	617
2014	59.5	2.70	22,016	628

Source: DKM

*Average annual additional households 2002-2006.

3.5 Household incomes

One of the central aims of conducting a Housing Strategy is to identify the likely future social and affordable housing needs within the County. The following data on income distribution and house prices within Carlow will provide the basis for our housing affordability analysis.

3.5.1 Income distribution

The CSO's **County Incomes and Regional GDP** release for 2005 (published in February 2008) gives an estimate of disposable income per capita for every County in Ireland. Comparing average disposable income in Carlow with the State average gives us an indication of income levels in County Carlow relative to the rest of the country. Table 3.12 shows average annual disposable income per person in Carlow, the South East region and the State for the most recent years available.

Table 3.12: Disposable income per person, €

	2000	2001	2002	2003	2004	2005
Carlow	12,605	14,078	15,109	16,076	16,888	17,733
South-East	12,591	14,146	15,521	16,651	17,286	18,541
State	13,977	15,841	17,088	18,295	18,906	20,164
South-East as % of State avg	90.1%	89.3%	90.8%	91.0%	91.4%	92.0%
Carlow as % of State avg	90.2%	88.9%	88.4%	87.9%	89.3%	87.9%

Source: CSO County Incomes and Regional GDP

In 2005, average disposable income per person in County Carlow was among the lowest for any County in the country at just 88% of the State average. The South-East region as a whole has gained ground in terms of income relative to the State average since the year 2000. Average incomes in Carlow have been at around 88% to 90% of the national average over that same period.

The next table (3.13) shows the steps involved in deriving an income distribution for County Carlow using published data.

Our starting point is the income bands published in the CSO's EU-SILC (*Survey of Income and Living Conditions*) publication. The most recent survey refers to the year 2006. This gives us an income distribution for gross weekly disposable income in the State in 2006. For the purposes of this exercise, we require data on disposable incomes. We therefore adjusted the gross weekly income distribution from the EU-SILC data, using an estimate for the % difference between gross and disposable income, calculated from data included in the same publication (the results of this adjustment are shown in Column 4 of the table).

Our next step is to convert the weekly income deciles into *annual* income deciles – we simply multiply by 52 (result is Column 5 in the table).

We now have an income distribution for annual disposable income for the State. However, we are interested in income levels for County Carlow. We therefore have to apply a multiplier to the State income distribution to reflect the difference between average incomes in the State and Carlow. The multiplier used is calculated using data from the CSO's *County Incomes and Regional GDP* release, as detailed above (in Table 3.12).

Finally we make an adjustment to the lower half of the income distribution. This adjustment is based on our concern that survey data (such as the EU-SILC data) will generally underestimate people's true income levels, as people tend to understate their incomes when asked. In order to adjust for this tendency, we examined data from the latest Household Budget Survey (HBS) from 2004-05.

Table 3.13: Estimated Distribution of Household Disposable Incomes in County Carlow

Income Range	State Gross Weekly Income (EU-SILC Survey, 2006)	No. of Households In each Category In Survey (adjusted)	% of Households in each Category	State weekly disposable income 2006	State Average Annual Disposable Income 2006	Carlow Deflator for 2005	Carlow Average Annual Disposable Income 2006	Adjusting For survey Understating Income At lower Incomes*	Number of Households 17,195 2006
<i>Column</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>	<i>9</i>
	€			€	€	87.9%	€		
1st Decile	<221.55	584	10%	<220.08	<11,444	87.9%	<10,064	<13,747*	1,720
2nd	<344.88	584	10%	<339.30	<17,644	87.9%	<15,516	<19,305*	1,720
3rd	<442.13	584	10%	<428.62	<22,288	87.9%	<19,601	<22,569*	1,720
4th	<590.61	584	10%	<553.56	<28,785	87.9%	<25,315	<29,035*	1,720
5th	<765.82	584	10%	<679.22	<35,320	87.9%	<31,061	<33,217*	1,720
6th	<1000.13	584	10%	<854.77	<44,448	87.9%	<39,089	<39,089	1,720
7th	<1251.18	584	10%	<1000.78	<52,041	87.9%	<45,767	<45,767	1,720
8th	<1581.60	584	10%	<1219.51	<63,415	87.9%	<55,769	<55,769	1,720
9th	<2130.89	584	10%	<1575.42	<81,922	87.9%	<72,045	<72,045	1,720
10th	>2130.89	584	10%	>1575.42	>81,922	87.9%	>72,045	>72,045	1,720
Total		5840							17,195

Source: CSO and DKM calculations

Note: Data on income distributions from the EU-SILC and HBS surveys use income deciles to show the distribution of income across the population. The income deciles are constructed in such a way that 10% of households fall into each category or decile. In this way we can interpret the EU-SILC data in *Column 1* above as indicating that the first decile or 10% of households surveyed, earn €221.55 per week or less. At the other end of the income spectrum, the 10th decile, or top 10% of households earn over €2,130.89 per week. Given that there were 17,195 households in Carlow in 2006, we have 1,720 households (10% of 17,195) in each income decile for County Carlow (*Column 9*).

*The lower half of the income distribution has been adjusted to reflect under-reporting of income levels in survey data, as discussed in the text.

This data clearly shows that people in the lower half of the national income distribution are spending significantly more than their declared income each year. While some people may be living beyond their means and building up debts, we do not think this is likely to be the case on average across well over half of the country's population. (The data shows up to 70% of the population spending more than their declared income in a given year).

We therefore conclude that the majority of people in the lower income bands are actually earning more than they declare when questioned for a survey. For the lower half of the income distribution, we take measured expenditure as a more accurate indicator of annual income. To reflect this in our income distribution table above, we inflate the incomes in the bottom 5 deciles by the appropriate factor for each decile (i.e. by the % difference between their incomes and expenditure, calculated from HBS data).

For the higher income deciles, this adjustment is not carried out as the % differences are much less significant. Also at the upper end of the income scale, even if people are understating their true incomes in the survey, they still spend less than this declared income. Therefore we would have no basis for inflating their income levels in the distribution table above.

For the purposes of the Housing Strategy, it is only the lower ends of the income spectrum that will be significant in calculating the affordable and social housing need for the County. Therefore, the fact that we are unable to adjust incomes at the higher levels is of little consequence to our exercise.

The next table shows the income distribution derived above, inflated over the period of the Housing Strategy using Annual % Growth in Disposable Income figures from the ESRI's Medium Term Review, May 2008. Note that the % growth in disposable income figures quoted here are **nominal growth rates**, as per the ESRI's MTR.

Included in the lower half of this table are the projected **additional** households per annum in each income decile. The total number of additional households projected for County Carlow for each year covered by the Housing Strategy is calculated in our population projections, detailed above in Section 3.4.

By definition, our income distribution for Carlow (derived above in Table 3.13) divides the population of households in the County into deciles (groups representing 10% of the total number of households) based on their income levels. We assume that the additional households over the duration of the Strategy will have the same income distribution as the existing population in Carlow. Therefore, as shown in the table below, we can distribute the additional households across our income distribution by attributing 10% of the additional households in a given year to each income decile.

Table 3.14: Household Income Distribution over the Strategy Period

Using Projections for Nominal Growth in Personal Disposable Income from ESRI MTR May 2008

% Growth in Disposable Income	2006	2007	2008	2009	2010	2011	2012	2013	2014
	9.32%	8.8%	5.5%	5.1%	2.5%	6.3%	6.0%	6.6%	6.7%
1st Decile	13,747	14,957	15,780	16,585	16,999	18,070	19,154	20,419	21,787
2nd	19,305	21,004	22,159	23,290	23,872	25,376	26,898	28,674	30,595
3rd	22,569	24,555	25,905	27,226	27,907	29,665	31,445	33,521	35,766
4th	29,035	31,590	33,328	35,028	35,903	38,165	40,455	43,125	46,014
5th	33,217	36,141	38,128	40,073	41,075	43,662	46,282	49,337	52,642
6th	39,089	42,529	44,868	47,157	48,336	51,381	54,464	58,058	61,948
7th	45,767	49,794	52,533	55,212	56,592	60,157	63,767	67,975	72,530
8th	55,769	60,677	64,014	67,279	68,961	73,305	77,704	82,832	88,382
9th	72,045	78,385	82,697	86,914	89,087	94,699	100,381	107,007	114,176
10th	72,045	78,385	82,697	86,914	89,087	94,699	100,381	107,007	114,176

Additional Households per Year in Carlow in each income decile, based on DKM Population Projections

	2007	2008	2009	2010	2011	2012	2013	2014
1st Decile	57	58	59	60	61	61	62	63
2nd	57	58	59	60	61	61	62	63
3rd	57	58	59	60	61	61	62	63
4th	57	58	59	60	61	61	62	63
5th	57	58	59	60	61	61	62	63
6th	57	58	59	60	61	61	62	63
7th	57	58	59	60	61	61	62	63
8th	57	58	59	60	61	61	62	63
9th	57	58	59	60	61	61	62	63
10th	57	58	59	60	61	61	62	63
Total Additional Households	574	584	594	604	614	607	617	628

Source: ESRI, DKM

Note: As per Table 3.13, this Table is based on income deciles, which imply 10% of additional households in each income decile each year.

3.6 House prices and distribution¹¹

Data on average house prices in Carlow is available from two sources: The DEHLG and the permanent tsb/ESRI house price index. The next table (3.15) summarises trends in average house prices for Carlow relative to the State as a whole for the past four years using both data sources.

In the period from 2004 to 2007 the average house price in Carlow increased marginally ahead of the increase for the State as a whole, using DEHLG data: new house prices in Carlow increased by 9.8% per annum, just above the corresponding increase of 8.9% across the State as a whole. As the ptsb/ESRI has not yet published average house prices by County for 2007 it is not possible to calculate the average annual growth over the same period. However, average house prices across the State increased by 7% per annum, according to ptsb/ESRI data.

Table 3.15: Average House Prices in Carlow relative to National Average House Prices 2004-2007

<i>Euro</i>	2004	2005	2006	2007	2004-2007
<u>DEHLG data for Carlow</u>					
					<i>average p/a</i>
New	207,057	247,123	254,343	274,788	
Second Hand	216,143	236,378	255,034	275,550	
<i>Annual % change</i>					
New		19.4%	2.9%	8.0%	9.8%
Second Hand		9.4%	7.9%	8.0%	8.3%
<u>DEHLG data for State</u>					
New	249,191	276,221	305,637	322,634	
Second Hand	294,667	330,399	371,447	377,850	
<i>Annual % change</i>					
New	11.0%	10.8%	10.6%	5.6%	8.9%
Second Hand	11.2%	12.1%	12.4%	1.7%	8.6%
<u>ptsb/ESRI data</u>					
Carlow average	218,291	237,685	253,908	N/A ⁽¹⁾	
State average	245,992	263,708	299,142	301,768	
<i>Annual % change</i>					
Carlow average	8.8%	8.9%	6.8%	N/A ⁽¹⁾	
State average	11.5%	7.2%	13.4%	0.9%	7.0%
<u>Average house price in Carlow as % of State</u>					
DEHLG					
New	83.1%	89.5%	83.2%	85.2%	
Second Hand	73.4%	71.5%	68.7%	72.9%	
ptsb/ESRI					
	88.7%	90.1%	84.9%		

Source: DEHGL, ptsb/ESRI

1) The ptsb/ESRI has not yet published average house prices by County for 2007.

¹¹ Note: % changes in house prices quoted in this section are all nominal price changes.

2014

Both data sources record a sharp deceleration in the rate of national house price inflation in 2007 while DEHLG data shows an acceleration in average house price inflation in Carlow to 8% last year.

Average new house prices in Carlow have generally been 10 to 17 percent lower than the national average in the period from 2004 to 2007, while second-hand prices have been as much as 27 to 30 per cent below the national average.

3.6.1 House Value Distribution of Transactions

Table 3.16 provides data on the value distribution of total house purchases in County Carlow. The price distributions across each band for each year are based on the shares in each band of the total house transactions recorded in the year in question, rather than a valuation of the entire housing stock of the County, which is not available.

The figures, based on mortgage drawdowns, show that the bulk of houses purchased in Carlow over the last three years have sold for under €300,000. Taking the average distribution over the past three years, 78% of total house transactions in Carlow were sold below €300,000, a further 9% were sold in the range €300,001 to €350,000, and a further 10% were sold in the range €350,001 to €500,000.

Table 3.16: Value Distribution of Housing Transactions in County Carlow*

		Up to €150,000	€150,001 to €200,000	€200,001 to €250,000	€250,001 to €300,000	€300,001 to €350,000	€350,001 to €400,000	€400,001 to €500,000	Over €500,000	Total Transactions
2005	No. of transactions	96	324	326	133	82	44	41	19	1,065
	% of Total	9.0%	30.4%	30.6%	12.5%	7.7%	4.1%	3.8%	1.8%	
2006	No. of transactions	53	262	434	181	106	58	45	35	1,174
	% of Total	4.5%	22.3%	37.0%	15.4%	9.0%	4.9%	3.8%	3.0%	
2007	No. of transactions	37	138	194	212	70	44	56	47	798
	% of Total	4.6%	17.3%	24.3%	26.6%	8.8%	5.5%	7.0%	5.9%	
'05-'07	Average	6%	23%	31%	18%	9%	5%	5%	4%	100%

Source: DEHLG

Note: Based on prices at the time of mortgage drawdowns as provided to the DEHLG. This is an unpublished series and only for use in the Carlow Housing Strategy.

3.6.2 The Carlow Housing Market in 2008

The circumstances in the housing market have changed substantially since the end of 2006. The market is currently characterised by one in which there is a high level of unsold stock, both of new and second-hand properties. As a result average house prices nationally were down by 11.5% in May this year on their peak in January 2007 (ptsb/ESRI data). Mortgage rates have been rising over recent months due to the credit squeeze. The credit squeeze and now the most recent ECB interest rate rise (3/7/08) are making it difficult for potential buyers to raise the necessary funds for house purchase. It is clear that confidence in the housing market is currently at a low level, with further house price reductions expected over the coming months. This is mirrored in the more general consumer sentiment measures for the economy, with the latest ESRI/IIB Consumer Sentiment Index at an all time low in June.

While there is no corresponding official data for average house prices in Carlow for 2008 to date we have sourced information from two sources: 1) local estate agents and 2) the property website, Daft.ie.

Following discussion with a number of local estate agents in Carlow, the general consensus mirrored developments in the national housing market. Back in March, house prices were reported to be falling across the County; the stock of properties for sale had increased in the previous twelve month period, with one agent suggesting that one-third of properties on the market were over-priced; auction activity had slowed while there were fewer buyers in the market. House prices in Carlow were estimated at around €250,000 and upwards.

Further consultation at the time of writing this Strategy (early July) suggested that average house prices have fallen across the County by up to 20%¹². As a result of the decline in house prices, starter homes are now available in Carlow Town at prices in the range €220,000 to €250,000. Thus houses have already become more affordable, raising the possibility that there should be little, if any, need for affordable housing in County Carlow. We explore this hypothesis in Section 5.

We were able to obtain more quantitative data on properties on the market from Daft.ie. This provided some interesting information on the Carlow market, average house prices, house types and location. While it is acknowledged that Daft.ie may not capture all properties for sale, the site is likely to capture a reasonably representative share of properties on the market at any point in time. Information obtained from Daft.ie at the end of Q1 2008 is summarised in Table 3.17.

¹² Based on local estate agents who believe that the average house price in Carlow Town has fallen from €299,000 to €239,000 which is a decline of 20%. Similar reductions are reported across the County.

Table 3.17: Profile of Properties on the Market in Carlow at end March 2008

House type	Number on Market	% Share by Type	Average price (€000s)	Number in Carlow Town	% in Carlow Town	Ave. no. of bed rooms	Ave. no. of bath rooms
Terraced	99	12%	223	68	69%	3.1	1.5
Semi-detached	268	33%	274	168	63%	3.2	1.7
Detached	309	38%	435	91	29%	4.1	1.8
Apartment	32	4%	227	19	59%	2.0	1.4
Duplex	3	0%	238	2	67%	3.0	1.7
Bungalow	100	12%	384	41	41%	3.7	1.7
TOTAL	811	100%	341	389	48%	3.5	1.7

Source: Daft.ie, Q1 2008.

Note: Average house prices have come down further since the end of March.

The main characteristics of the market in Carlow at the end of March, according to Daft.ie, were as follows:

- There were 811 properties advertised on Daft.ie, almost one-half of which were for sale in Carlow Town. This compares with 798 sales of new and second-hand properties across the whole County in 2007 according to DEHLG figures.
- The distribution by house type shows that 38% of properties for sale were detached houses (average price €435,000), one-third were semi-detached (€274,000) while terraced houses (€223,000) and bungalows (€384,000) accounted for 12% each¹³. There were very few apartments at only 4% of the total, which is consistent with the views from local estate agents.
- The average (asking) price for the 811 properties for sale was €341,000, reflecting the fact that 50% of the properties for sale were in the expensive segments – detached and bungalows.
- Apart from apartments, the average number of bedrooms was 3.5 per unit - 684 or 84% of the total for sale had three or four bedrooms.
- In terms of location, almost 50% of the properties for sale were located in Carlow Town, with Tullow and Grange accounting for around 12% each.

¹³ The prices quoted on Daft.ie are asking prices. Actual sale prices agreed are likely to be lower in the current market.

Table 3.18: Location of Properties for Sale in County Carlow, Q1 2008

Location	No. of Properties For sale	% share of Total	Location	No. of Properties For sale	% share of Total
Carlow Town	389	48%	Borris	16	2%
Tullow	95	12%	Rathvilly	16	2%
Grange	92	11%	Myshall	15	2%
Bagenalstown	41	5%	Leighlinbridge	12	1%
Graiguecullen	40	5%	Rathoe	11	1%
Ballon	20	2%	Others	64	8%
Total all areas		811	100%		

Source: Daft.ie, Q1 2008.

This information is particularly useful for estimating affordability in the market. We can now estimate the minimum disposable incomes that would be required to purchase these properties in the private market. This minimum level is determined at the point at which the proportion of net income required to fund net mortgage repayments is equivalent to 35%, the threshold for eligibility under the Local Authority Affordable Housing Scheme. Table 3.19 also calculates the corresponding gross incomes¹⁴.

¹⁴ Net (disposable) income is defined as gross income less income tax, PRSI and other levies. The 35% rule is based on assuming a 90% loan to value ratio, current interest rate of 5.4%, a 25 year mortgage and is calculated after mortgage interest relief.

Table 3.19: Minimum gross and net incomes required to purchases properties currently on the market in County Carlow*

Gross Income				
House type	Average price (€000s)	Married Couple (both working)	Married Couple (one working)	Single Person (working)
		euro	euro	euro
Terraced	223	36,100	43,600	47,600
Semi-detached	274	48,100	58,900	66,000
Detached	435	91,200	109,500	124,000
Apartment	227	38,100	44,500	49,000
Duplex	238	40,400	47,700	53,000
Bungalow	384	74,700	92,500	105,500
Average	341	64,000	79,400	90,000
Net Income				
House type	Average price (€000s)	Married Couple (both working)	Married Couple (one working)	Single Person (working)
		euro	euro	euro
Terraced	223	36,100	36,188	36,586
Semi-detached	274	44,404	44,428	46,277
Detached	435	71,052	71,141	76,922
Apartment	227	36,804	36,833	37,328
Duplex	238	38,552	38,529	39,437
Bungalow	384	62,307	62,154	67,136
Average	341	55,208	55,235	58,943

Source: Average house prices from Daft.ie. Income calculations by DKM.

* These income figures are derived using *DKM's Housing Affordability Model* which assumes a 90% loan to value ratio, current interest rate of 5.4% and a 25 year mortgage term. Income levels are derived based on mortgage repayments equal to 35% of net income, after taking mortgage interest relief into account.

Firstly, **the figures show the significantly higher income that would need to be earned by a single person compared with a married couple with both persons working.** A single person wishing to purchase a terraced house currently on the market at an average price of €223,000 would need to be earning a minimum gross income of €47,600, if that person is to meet his own housing needs. Any lower gross income figure would deem him/her eligible for a dwelling under either the Local Authority Affordable or Social Housing Schemes. The corresponding minimum gross income figure for a married couple with both working is €36,100 or €43,600 if only one person is working. Similarly

any income levels below these amounts, would deem the married couples eligible for affordable or social housing, based on these *average* prices¹⁵. The income levels required to purchase an apartment in County Carlow are broadly similar for each group¹⁶.

3.6.3 House Price Projections

It is necessary to make assumptions about the future direction of house prices in order to ascertain the number of households who may encounter affordability problems over the period of the Housing Strategy.

The DEHLG circular (HS4/00) (issued 13th December 2000) recommended that “planning authorities should construct their own forecasts of house price trends in the light of experience and local circumstances as potentially there will be significant variations in house price levels and trends between different areas of the country (and possibly within individual counties) and between different segments of the market.”

Housing markets are fundamentally cyclical in nature. House prices reflect the balance between housing demand and supply. Over the period of the last Housing Strategy 2001-2006, house price inflation accelerated as supply failed to keep up with the record demand levels. With housing demand and transactions now lower, reflecting the lack of buyer confidence, rising mortgage rates and falling house prices, housing supply has slowed sharply. The total number of dwellings registered (i.e. registrations¹⁷) in Carlow, for example, was down 77.5% in the first four months of 2008 compared with the same period in 2007. It is this inherent instability in the housing market between demand and supply over the short term which causes housing cycles.

The Irish housing market is currently undergoing a period of adjustment as housing demand and supply adjust to a new equilibrium level at a new (lower) price. The average level of housing demand in Carlow over the next three year period is likely to be lower than over the last three years. The recent ESRI MTR¹⁸ projects average housing demand across the State of 53,500 over the period 2007-2011 and 48,600 over the period 2012-2016 compared with 80,000 over the period 2003-2006. Thus each County may well record a lower level of housing demand over the next five years, reflecting the projection for the national trend.

Demand in Carlow in the recent past was driven by a mix of population increase, inward migration including an influx of commuters and the exceptional employment and income growth recorded over the boom period. With the economy entering a slower growth phase, these factors may not be as strong over the coming years, implying a lower level of housing demand in Carlow compared with the record levels in 2006-2008, for example.

¹⁵ We examine more closely the affordability of starter homes in Section 5 on Affordable Housing.

¹⁶ Section 6 contains further analysis of housing affordability.

¹⁷ A proxy for housing starts and a leading indicator of housing supply in the pipeline.

¹⁸ Medium Term Review, ESRI, May 2008.

Average house prices are forecast (by DKM) to fall by 10% in 2008 with a further decline of 5% projected in 2009. As the overhang of unsold housing stock is cleared, house price inflation recovers over the medium term to reach 3% per annum in 2011 and 5% per annum in 2013.

Table 3.20: House Price Projections for Carlow

Year	DKM	
	Projections	ESRI MTR(1)
2005	14%	
2006	5%	
2007	8%	
2008	-10%	
2009	-5%	
2010	0%	
2011	3%	
2012	3%	
2013	5%	
2014	5%	
Ann. Ave %.		
2005-2010	-0.5%	3.2%
2005-2014	1.5%	
2008-2014	1.8%	
2010-2025		3.0%

Source: 2005-2007 DEHLG. 2008-2014 are DKM projections used in the Housing Strategy Model.
(1) ESRI Medium Term Review, May 2008. Data for individual years is not available.

Although we began this section with a quote from DEHLG Circular HS 4/00 which suggests *“that there will be significant variations in house price levels and trends between different areas of the country”*, we assume that average house prices in Carlow follow the same pattern as projected (by DKM) for the State as a whole. While this statement regarding significant variations was true in the very buoyant market of the past decade, ***we believe, given the current state of the housing market across the State, that it is reasonable to assume that house prices in Carlow change at the same rate as for the State as a whole over the next five years.***

It is now possible to ascertain the projected house price levels for each year of the Strategy using the projections for the change in average house prices in Table 3.20 and assuming that the house price bands are represented by those set out in Table 3.21.

Tale 3.21: Projected House Price Bands for Properties coming to the Market over period 2008-2014

Lower Band (€)	up to	150,001	200,001	250,001	300,001	350,001	400,001	over
Upper Band (€)	150,000	200,000	250,000	300,000	350,000	400,000	500,000	500,000
Annual % change								
2005	14%	171378	228504	285630	342756	399882	457008	571260
2006	5%	180615	240820	301025	361230	421435	481640	602051
2007	8%	195112	260150	325187	390225	455262	520299	650374
2008	-10%	175601	234135	292668	351202	409736	468269	585337
2009	-5%	166821	222428	278035	333642	389249	444856	556070
2010	0%	166821	222428	278035	333642	389249	444856	556070
2011	3%	171826	229101	286376	343651	400926	458202	572752
2012	3%	176980	235974	294967	353961	412954	471948	589935
2013	5%	185829	247773	309716	371659	433602	495545	619431
2014	5%	195121	260161	325201	390242	455282	520322	650403
% (1)	6%	23%	31%	18%	9%	5%	5%	4%

(1) % of Carlow units within each price band

3.6.4 Projected Household Disposable Incomes

We previously set out our baseline assumptions for annual disposable incomes by income deciles for households in County Carlow. The disposable income deciles derived are inflated by assumed rates of growth in personal disposable income growth from the most recent ESRI Medium Term Review (May 2008).

Table 3.22: Household Disposable Income Distribution

	2007	2008	2009	2010	2011	2012	2013	2014
% growth *	8.8%	5.5%	5.1%	2.5%	6.3%	6.0%	6.6%	6.7%
1st Decile	14957	15780	16585	16999	18070	19154	20419	21787
2nd	21004	22159	23290	23872	25376	26898	28674	30595
3rd	24555	25905	27226	27907	29665	31445	33521	35766
4th	31590	33328	35028	35903	38165	40455	43125	46014
5th	36141	38128	40073	41075	43662	46282	49337	52642
6th	42529	44868	47157	48336	51381	54464	58058	61948
7th	49794	52533	55212	56592	60157	63767	67975	72530
8th	60677	64014	67279	68961	73305	77704	82832	88382
9th	78385	82697	86914	89087	94699	100381	107007	114176
10th	78385	82697	86914	89087	94699	100381	107007	114176

Source: ESRI and DKM

* The % growth figures represent the assumptions for growth in nominal household disposable incomes over the period of the Strategy. The projections are based on the ESRI MTR projections for personal disposable incomes.

Thus our projections for house prices and incomes over the period imply that average house prices in Carlow will increase by 17% over the Strategy period 2009 to 2014 or by 3.2% on average per annum, while household disposable incomes are projected to increase by 31% over the same period or by 5.6% on average per annum. The Table shows that over the last Strategy period 2001-2006, average (new) house prices increased by 67% while disposable incomes increased by 52%.

Table 3.23: House Price and Household Income Projections for Carlow

Year	House Price % change	Household disposable Income % change
2007	8%	8.8%
2008	-10%	5.5%
2009	-5%	5.1%
2010	0%	2.5%
2011	3%	6.3%
2012	3%	6.0%
2013	5%	6.6%
2014	5%	6.7%
Total % 2001-2006	+67%*	+52%
Total % 2009-2014	+17%	+31%
Annual Average 2009-2014	3.2%	5.6%

Source: 2005-2007 DEHLG. 2008-2014 are DKM projections used in the Housing Strategy Model. Disposable income % growth figures from ESRI Medium Term Review, May 2008.

*This figure, based on DEHLG data, refers to new house prices. Second-hand house prices increased by 80% over the same period.

This scenario will help housing affordability and allow incomes, which had fallen behind house prices in recent years, to catch up with house prices, thus allowing more potential house-buyers to transact in the market.

Bringing all of the information together in regard to our assumptions about house prices, the growth in households, and projected household incomes across income deciles, it is possible to establish the maximum house price which these additional new households are likely to be able to afford.

Table 3.24: Total Households per Year based on Income Distribution

	2007	2008	2009	2010	2011	2012	2013	2014
1st Decile	1,777	1,835	1,895	1,955	2,016	2,077	2,139	2,202
2nd	1,777	1,835	1,895	1,955	2,016	2,077	2,139	2,202
3rd	1,777	1,835	1,895	1,955	2,016	2,077	2,139	2,202
4th	1,777	1,835	1,895	1,955	2,016	2,077	2,139	2,202
5th	1,777	1,835	1,895	1,955	2,016	2,077	2,139	2,202
6th	1,777	1,835	1,895	1,955	2,016	2,077	2,139	2,202
7th	1,777	1,835	1,895	1,955	2,016	2,077	2,139	2,202
8th	1,777	1,835	1,895	1,955	2,016	2,077	2,139	2,202
9th	1,777	1,835	1,895	1,955	2,016	2,077	2,139	2,202
10th	1,777	1,835	1,895	1,955	2,016	2,077	2,139	2,202
Total	17,769	18,353	18,947	19,551	20,165	20,772	21,389	22,016

Table 3.25: Total Additional Households per Year

	2007	2008	2009	2010	2011	2012	2013	2014
1st Decile	57	58	59	60	61	61	62	63
2nd	57	58	59	60	61	61	62	63
3rd	57	58	59	60	61	61	62	63
4th	57	58	59	60	61	61	62	63
5th	57	58	59	60	61	61	62	63
6th	57	58	59	60	61	61	62	63
7th	57	58	59	60	61	61	62	63
8th	57	58	59	60	61	61	62	63
9th	57	58	59	60	61	61	62	63
10th	57	58	59	60	61	61	62	63
Total	574	584	594	604	614	607	617	628

Source: DKM **Note:** As described in detail above (in Section 3.5), the total number of households in Carlow in a given year (and the additional households per year) can be distributed according to our derived income distribution for County Carlow (see Table 3.13) – i.e. with 10% of households in each income decile.

3.7 Assessing Housing Affordability

The purpose of this exercise is to provide a basis for determining the number of households which would be eligible for assistance with providing their accommodation needs, under the various local authority housing programmes, including the Local Authority Affordable and Social Housing Schemes.

For the purposes of this exercise we require:

- 1) The level of new housing supply expected on the market over the Strategy period within each price band; and
- 2) The maximum house price which a household in each income decile could afford using up to 35% of their net income, the threshold for eligibility under Part V of the Local Government (Planning and Development) Act 2000.

In regard to 1) above we make the assumption that the level of housing supply over the lifetime of the Strategy is equal to the level of demand. Hence Table 3.26 represents the additional units supplied in Carlow each year. These units are distributed across the projected house price bands (Table 3.26) in accordance with the average distribution of sales across each band over the last three years (Table 3.21).

The key assumptions employed to ascertain 2) above, the house price which a household could afford if allocating up to 35% of their net income to their repayments, are as follows:

- Total mortgage loan to value ratio of 90%
- Mortgage interest rate of 5.4%
- Term of Loan 25 years
- Tax relief on mortgage interest is available, subject to a ceiling of €10,000 for a single first-time buyer and €20,000 for a married couple.

The derived maximum house price, based on allocating 35% of net income, is set out in Table 3.28.

Table 3.26: Estimated Housing Supply within each House Price Band*

Distribution of Supply across each price band	2008	2009	2010	2011	2012	2013	2014
6%	35	36	37	37	37	37	38
23%	136	139	141	143	142	144	146
31%	179	182	185	188	186	189	192
18%	106	108	110	112	110	112	114
9%	50	50	51	52	52	52	53
5%	28	29	29	30	30	30	31
5%	29	29	30	30	30	30	31
4%	21	21	21	22	22	22	22
100%	584	594	604	614	607	617	628

*Based on projected house price bands in Table 3.21 which is reproduced below for ease of reference.

Tale 3.27: Projected House Price Bands for Properties coming to the Market over period 2008-2014

Lower Band (€)	up to	150,001	200,001	250,001	300,001	350,001	400,001	over
Upper Band (€)	150,000	200,000	250,000	300,000	350,000	400,000	500,000	500,000
Annual % change								
2008	-10%	175601	234135	292668	351202	409736	468269	585337
2009	-5%	166821	222428	278035	333642	389249	444856	556070
2010	0%	166821	222428	278035	333642	389249	444856	556070
2011	3%	171826	229101	286376	343651	400926	458202	572752
2012	3%	176980	235974	294967	353961	412954	471948	589935
2013	5%	185829	247773	309716	371659	433602	495545	619431
2014	5%	195121	260161	325201	390242	455282	520322	650403
% (1)	6%	23%	31%	18%	9%	5%	5%	4%

(1) % of Carlow units within each price band.

Source: DEHLG, DKM

Table 3.28: Derived Maximum Affordable House Price for Households

	2008	2009	2010	2011	2012	2013	2014
	House Prices in €'s						
1st Decile	97500	102400	105000	111500	118190	126000	134500
2nd	136600	143800	147500	156500	165890	177000	189000
3rd	160000	168000	172000	183000	193980	206500	218500
4th	205500	214500	219000	231000	243000	257000	272500
5th	231000	241000	246500	260000	274000	290000	307500
6th	266500	278500	285000	301000	317000	336000	356000
7th	307000	321000	328000	347000	366000	388000	412000
8th	367000	385000	393000	416000	440000	467000	496000
9th	466000	488000	500000	529000	559000	594000	631000
10th	466000	488000	500000	529000	559000	594000	631000

Source: DKM

Example of how % social and affordable need is calculated, 2009:

The cheapest new house price in County Carlow in 2009 is expected to be €166,821 (Table 3.27). Only 6% of new houses (36 units) will be brought to the market **at this price or lower** (Table 3.26). We know from Table 3.28 above that in 2009, households with incomes in the bottom three income deciles will all be looking for houses at below €168,000 (as this is the maximum price they can afford). From Table 3.25 we know that there will be 59 **additional** households in each income decile in County Carlow in 2009. Roughly speaking, therefore, there will be 178 households (3*59) looking to buy houses in Carlow at or below €168,000 in 2009, but since we know from above that only 36 units are likely to be delivered to the market at or below this price level, there are likely to be 142 households who are unable to satisfy their housing needs in the private market.

Note: in reality we make an adjustment to the numbers looking for housing to reflect the differences between the house price bands of houses that will be available to buy on the open market (in this case the lowest price being €166,821) and the maximum affordable house prices for each income decile (in this case the closest one is €168,000). In this example there are slightly fewer households looking for housing at or below €166,821 than the 178 households in the bottom three income deciles – making our adjustment we find 177 households in the relevant category. There are therefore 141 households who cannot satisfy their housing need in the open market, out of a total of 594 additional households in Carlow in 2009. This exercise is repeated for each year to ascertain the numbers that cannot be accommodated at each price band. Working through each price and income band, it transpires that generally for higher income households, supply tends to be sufficient to accommodate demand.

The next Table summarises the position with regard to the number of households who would need to spend more than 35% of their net income to purchase a property over the next five years, according to the methodology for ascertaining affordability in the model Housing Strategy. Clearly those households will either be eligible for affordable or social housing or will choose to meet their accommodation needs in the rented sector.

If some of these households choose to rent property, the estimated proportions would be lower in each year, although supply (by the private sector) would need to be provided nonetheless.

Based on the methodology set out in the DEHLG’s guidelines for preparing a housing strategy, and including assumptions for the key variables - growth in population and household, disposable incomes and average house prices, mortgage rate and loan to value ratio - this analysis suggests that approximately 130 to 140 households per annum (805 in total 2009-2014) will be unable to meet their own housing needs over the period of the Housing Strategy.

Table 3.29: Summary of Households expected to experience affordability problems

	2008	2009	2010	2011	2012	2013	2014
1. Total Household Formations	584	594	604	614	607	617	628
2. Number of households with affordability problems	164	141	139	136	129	129	130
3. 2 as % of 1	28.1%	23.7%	23.0%	22.1%	21.3%	20.9%	20.7%

Source: DKM calculations

These 805 households can either have their accommodation needs met from the range of social options available, if they qualify, or they may be eligible for affordable housing or they may choose to opt for the private rented sector. We explore the options available for these households in Section 6 where we determine the overall housing requirements over the period of the Strategy.

The projected supply of social and affordable housing across the county over the strategy period will go some way towards meeting the needs of those households. Those that are not accommodated by the projected supply represent the additional number which remain to be accommodated by the Strategy or in the private rented sector (Table 6.2).

Section 4: Social housing provision

Section 9 of the Housing Act, 1988 requires local authorities to carry out periodic assessments of the needs for the provision of social housing for persons who require housing and are unable to provide it from their own resources. Assessments are made every three years. The latest data published by the DEHLG relates to the 2005 Needs Assessment which was carried out on 31st March 2005. However, we have obtained numbers for Carlow from Carlow local authorities on their 2008 Needs Assessment which are reported below¹⁹. This section begins with a review of some of the key social housing statistics in terms of completions, social housing provision and stock levels in Carlow over the past five years.

4.1 Social Housing Activity

The DEHLG publish very comprehensive data regarding housing for each local authority area. We have extracted data on social housing for Carlow for the five years 2003 to 2007, which is summarised in the next Table.

The main points from the Table are as follows:

- There were 255 social housing completions provided by the local authority and the voluntary and co-operative housing sector in 2007 of which 181 were completed by the local authority.
- The total social rented provision increased significantly in 2007 to 348 units. This represents the number of households accommodated under the range of social housing measures which include completions and acquisitions, the Capital Assistance and Capital Loan and Subsidy schemes, extensions and improvement works in lieu of rehousing.
- The total stock of social housing in Carlow was 1,488 units at the 31st December 2007, represented by 871 units in Carlow County Council and 617 units in Carlow Town Council. It consists predominantly of 2 and 3 bedroom units. We understand that 23 units were vacant leaving 1,465 occupied social housing units across the County.

¹⁹ The 2008 Needs Assessment has not yet been published by the DEHLG.

Table 4.1: Social Housing Statistics for Carlow

	2003	2004	2005	2006	2007
Local Authority housing completions	111	54	48	16	181
- Carlow County Council	15	54	32	14	128
- Carlow Town Council	96	-	16	2	53
<i>LA completions as % of total</i>	<i>12.4%</i>	<i>4.7%</i>	<i>4.0%</i>	<i>1.2%</i>	<i>15.8%</i>
Other completions:					
Voluntary and Co-operative sector	4	0	30	0	74
Total social housing completions	115	54	78	16	255
Acquisitions by Local Authority	6	16	40	13	49
Commenced and under construction		201	252	273	19
Total social rented provision (1)	166	122	166	61	348
Houses available for rent					
from existing stock	NA	40	36	21	21
- Carlow County Council	NA	26	25	15	15
- Carlow Town Council	NA	14	11	6	6
Sales of LA houses	34	18	31	39	18
Sales approved					41
Applications received					47
LA stock of rented dwellings (2)	1,151	1,207	1,251	1,292	1,488
- Carlow County Council	621	678	725	750	871
- Carlow Town Council	530	529	526	542	617

Source: Based on figures published by the DEHLG which may be slightly different to those received from Carlow County Council.

(1) Includes the total provision of social housing represented by the full range of social housing measures.

(2) 2007 stock figure from Carlow County Council.

Carlow County Council also supplied data directly on social housing completions for the four year period 2004-2007. The total number of social house completions in that period was 432 units of which 166 were completed in Carlow Town Council area. This is close to the DEHLG data above which suggests that there were 403 social housing completions over the same period or approximately 100 per annum over the four years. The total figure of 432 includes 40 acquisitions, mostly in the Carlow Town area, which is significantly lower than the 118 acquisitions reported by the DEHLG for the four years 2004-2007 inclusive.

4.2 2008 Assessment of Housing Need

In January 2008, local authorities were directed by the DEHLG to carry out an up to date assessment of housing need on 31st March 2008. This data is currently being collected by the DEHLG and official data has not yet been published on this latest assessment. However, we have obtained numbers for Carlow County from Carlow local authorities on their 2008 Needs Assessment.

It is important to note that applicants who qualify for inclusion in the assessment may have their housing needs met from the range of social housing options which local authorities provide. Being on the list does not automatically qualify applicants for eligibility for long-term rented social housing.

According to provisional figures from Carlow County Council there are a total of 944 households on the social housing list, based on the latest Assessment of Social Housing Need. This figure includes 483 households in the Rent Supplement Scheme (RSS)²⁰. Assuming half of the households on RSS would not accept social housing, the total number on the social housing list is reduced to 703, which is a more accurate reflection of those in need of social housing. This compares with a total of 658 households at the time of the 2005 Needs Assessment.

Table 4.2: Assessment of Social Housing Need in Carlow

	2002	2005	2008	2005-2008 % increase
Total (including 483 in RSS)			944	
Excluding RSS households not looking for social housing (est 50%)			<u>-241</u>	
Total in need of Social Housing	593	658	703	+6.8%
<i>of which</i>				
- Carlow County Council	333	278	318	
- Carlow Town Council	<u>260</u>	<u>380</u>	465	
- Adjusted for duplication in 2008 list			<u>(80)</u>	

Source: 2002 and 2005 from DEHLG Housing Needs Assessments for 2002 and 2005
2008 from Carlow's March 2008 Housing Needs Assessment (not yet collated by DEHLG).

Households in the Rent Supplement Scheme (RSS) are required to go on the social housing lists before they can be considered for the RSS. Thus it is necessary to exclude the RSS households who are not looking for social housing to gauge a more realistic assessment of

²⁰ These 483 households are made up of 353 households in the Carlow Town area (55% of the total of 641 on the Carlow town list) and 130 households in the Carlow County area (34% of the total of 383 in Carlow County).

the social housing need across the county. Carlow Local authorities have indicated that it would be reasonable to exclude 50% of RSS households on this basis.

Looking at the composition of the list by household type (based on the 944 applicants, which includes all RSS households), over one-half (53%) were classified as single households compared with 42% in the 2005 Needs Assessment. This was reasonably consistent with the 2005 national picture when 43% of households were classified as single persons. The increase to 53% accounts for an additional 222 single households in need of social housing three years later, many of whom may now be in receipt of rent supplement.

Table 4.3: Social Housing Applicants by Household Type, 2008

Household Type	No.	% Share
Single	497	53%
Married	144	15%
Separated	116	12%
Cohabiting	89	9%
Lone Parents	58	6%
Divorced	26	3%
Widowed	12	1%
Legally Separated	2	0%
Total	944	100%

Source: Estimates from the 2008 Housing Needs Assessment by Carlow County Council

Note: the 944 figure includes 483 households in receipt of rent supplement.

All applicants are assessed as being unable to provide their own accommodation from their own resources. They are then classified into a range of categories, such as for example homeless, travellers, living in unfit/overcrowded accommodation, elderly and disabled. Those who are not classified into the particular categories are included in a residual category of those unable to meet the cost of existing accommodation. Although the 2008 breakdown by category need is not yet available, the vast bulk of those on the social housing list in 2005 (67% or 433 households) were classified as being unable to meet the cost of existing accommodation. We would expect, given developments in the housing market since 2005, that this number has increased again in absolute terms in the 2008 Needs Assessment.

More up to date information obtained from Carlow County Council in January 2009 indicated that the numbers seeking social housing had increased from 944 (May 2008) to 1,187 (December 2008). Discounting these figures by 25%, to reflect those on RSS who can be deemed to have had their housing needs already met, left 890 on the social housing list as of December 2008 compared with 703 (May 2008), an increase of 187 or 27%. The estimated housing requirement for the period of the Housing Strategy has been derived in Table 6.2 using the end December 2008 position in regard to the social housing list.

4.3 Social Housing Proposals

The projected level of social housing supply was revised in January 2009 to reflect the significant changed position in respect of public capital budgets for the medium term. Due to the deteriorating public finances and the reductions in the multi-annual programme in the October 2008 Budget, the indicative budgets for social housing have been significantly reduced, resulting in a lower social and voluntary housing supply over the Strategy period.

According to Carlow County Council there were only 140 proposals for social housing completions over the three years 2009-2011, based on the indicative budget for Carlow indicated by the DEHLG in January 2009.

Based on the estimated proposals for the next three years, the level of social housing supply is projected at only 55 units per annum over the period 2012-2014.

4.4 Conclusions - Social Housing requirement

Taking the projections for new household formations in Carlow over the Strategy period of 611 per annum on average, the estimated average social housing supply of 51 units per annum accounts for 8% of new household formations (i.e. $51/611 = 8.3\%$)²¹. Taking the social housing backlog from the December 2008 Needs Assessment of around 148 units per annum on average over the six years 2009-2014, the projected supply will not be sufficient to clear the social housing backlog as at December 2008. There is also the future social housing need, which is determined in Section 6, to be addressed.

It is anticipated that approximately 60% of the total projected supply/requirement will be required in the Carlow Town Council area. It is acknowledged that applicants can have their needs met from the range of social housing options which the local authorities provide, some of which may not require the provision of a new dwelling.

²¹ See Table 6.2

Section 5: Analysis of affordable housing

5.1 Affordable Housing under Part V

Following the assessment of social housing need, a further key requirement of the Housing Strategy is to prepare an estimate of the requirement for affordable housing, based on the definition for affordable housing used in the Part V Social and Affordable Housing initiative in the Planning and Development Act 2000. While Section 3 contains our assessment using the methodology set out in the Model Housing Strategy we consider, in this Section, the extent of past and future provision of affordable housing in the County and we examine the profile of applicants on the affordable housing list in order to ascertain what, if any, is the demand for affordable housing.

The 'affordable housing' category is intended to cater for those who do not qualify for social housing but are typically not able to provide for their own housing needs. These households are typically people in employment, but whose financial resources are deemed inadequate to allow them to provide their own housing needs as a result of escalating house prices over the last decade. Thus the initiative tends to be targeted principally at the first-time buyer.

It has been the case that pronounced house price differentials have emerged across the country, with noticeably higher prices in Dublin and other urban areas. It is also the case that by June 2008 average house prices outside the Dublin area have fallen by almost 12% since the peak in January 2007²². While this represents the average, there is evidence of larger percentage declines in selected locations. Although recent house price figures for Carlow are not available, our analysis of the Carlow housing market (Section 3.6.2) suggests that house prices have fallen across the County by up to 20%²³. As a result houses have already become more affordable, raising the possibility that there now exists little, if any, need for affordable housing in County Carlow. We explore this hypothesis below.

As a result of the decline in house prices, starter homes are now available in Carlow Town at prices in the range €220,000 to €250,000. Our analysis of affordability in Carlow (Table 3.19) showed that an employed couple, both working, would require a joint income of at least €36,100 if that household were to meet its own housing needs. A married couple should have little difficulty in financing a 90% mortgage at these levels. The corresponding minimum gross incomes required for a married couple with one person working was €43,600 but increased to €47,600 for a single person. At the time of writing (July 2008), a 25-year

²² Based on the ERSI/ptsb house price index to June 2008.

²³ Based on local estate agents who believe that the average house price in Carlow Town has fallen from €299,000 to €239,000, which is a decline of 20%. Similar reductions are reported across the County.

mortgage for €200,000 costs about €1,054 per month in (net) repayments, well within the financial compass of a couple on average earnings, although possibly more difficult for a single income borrower on average or below average incomes.

However, we understand that two-bedroom houses can be purchased in Carlow Town for around €175,000 to €200,000. A single person on average earnings should be able to finance a 90% mortgage at these house price levels. At the time of writing (July 2008), a 25-year mortgage for €157,500 (90% of €175,000) costs €827 per month in (net) repayments. This is within the reach of a single person on average earnings, although it is acknowledged that current developments in the housing market are compounded by the unwillingness of mortgage lenders to advance funds to the same extent as they did during the upswing, given the current credit crunch difficulties, falling house prices and reduced buyer sentiment. Moreover, although some potential housebuyers across the country are currently postponing purchases in the hope of further price reductions over the coming months, housing affordability should improve further, if mortgage rates remain close to current levels.

5.2 Affordable Housing Provision

As with social housing, the provision of affordable housing under Part V is reported by the DEHLG for each local authority. The data for Carlow is set out below and shows the status of units delivered separately under the 1999 Affordable Housing Initiative as well as under Part V.

Table 5.1: Affordable Housing Provision					
	2003	2004	2005	2006	2007
Affordable housing provision	3	4	13	18	#
Affordable housing units (Part V)					
Acquired	0	0	2	4	6
In progress	0	3	4	2	20
Proposed	0	0	0	0	12
Affordable Housing (1999 Scheme)					
Provided	0	0	0	3	34
In progress	0	0	31	31	0
Proposed	0	0	8	15	16

Source: DEHLG

2007 figures by county not yet published by DEHLG.

Based on information received from Carlow County Council there were 60 affordable units provided up to the 31st May, of which 22 were delivered under Part V. The breakdown is set out in the next Table.

Table 5.2: Affordable Housing Provision by Carlow at 31st May 2008

	Built/ Under Construction Number
1999 Scheme	
Bagenalstown	19
Carrigduff	3
One-off Carlow	4
Gortnahowan, Tullow	12
Sub-Total	38
Part V Affordable	
Carlow	6
Tullow	10
Ballinabrannagh	9
Sub-Total Part V	25
Total	63

Source: Carlow County Council

In terms of the projected provision, we understand that there are proposals for a further 65 units subject to Part V Agreements alone over the period 2008-2010. This figure includes 10 affordable houses in both 2009 and 2010, with any further requirements to be met under the Part V % calculated in Section 6.

5.3 Affordable Housing Lists

The Carlow Local Authorities currently operate a scheme for determining the need and order of priority for applicants who qualify for affordable housing units under Part V.

Based on the most recent survey of the current affordable housing list, we understand that 91 applications were received. There were almost equal numbers of single persons (36) and couples with children (35) on the list; both groups combined accounted for 78% of the total applicants. The balance represented couples without children (13 or 14%) and single persons with children (7 or 8%).

Of the 91 applicants, almost 60% are located in Carlow Town.

Table 5.3: Location of Affordable Housing Applicants across the County

Area	Number of Applicants
Carlow Town	52
Ballinabrannagh	8
Bagenalstown	7
Tullow	6
Ballon, Leighlinbridge, Palatine, Borris	3 each
Clonegal, Hacketstown	2 each
Myshall, Rathvilly	1 each

Source: Carlow County Council

The income levels of the 91 applicants are set out below.

Table 5.4: Affordable Housing Applicants by Income Bands

Income level	Number of Applicants	% share
<€25,000	27	30%
>€25,000 to €35,000	32	35%
>€35,000 to €45,000	22	24%
>€45,000	10	11%
Total	91	100%

Source: Carlow County Council

Based on the 91 applicants, 65% of them are earning €35,000 or less, which is less than the average industrial wage²⁴. Indeed very few of them (probably less than 20 applicants) are earning the average industrial wage of €41,000.

Taking a starter home of €175,000 in Carlow Town, the minimum income level required to generate the 35% of net income required to fund net mortgage repayments on a 90% mortgage over 25 years would be €33,000 for a single person, well below the average industrial wage. Taking the upper price band of €200,000, the corresponding minimum income level would be €40,000.

However applicants for affordable housing under Part V are required to produce documentary evidence from a lending institution of preliminary loan approval. **The above income calculations suggest that approximately 42 applicants or almost one-half of the total would be approved for a mortgage in their own right for a starter home in Carlow Town.** Therefore these people could be deemed *not to be eligible for an affordable*

²⁴ The average industrial wage reported in the CSO's release on Earnings and Labour Costs was €41,000 in Q4, 2007 (Average weekly earnings of €20.80 * 37.9 hours (per week) * 52 weeks = €40,993).

house, as they are capable of meeting their accommodation needs in the open market, without State assistance.

The remaining 49 applicants do qualify for the affordable housing scheme, based on the fact that they would have to spend in excess of 35% of their net income to fund a mortgage to purchase a home in Carlow in the private market. However, the eligibility of these remaining applicants for affordable housing would have to be judged on their ability to fund a mortgage, based on their net income and the *affordable house price* that they would have to pay (the affordable housing scheme generally offers a discount of around 20% on the market price of a house in Carlow). Those applicants whose incomes would not be sufficient to obtain a mortgage that would cover the price of an affordable house should be deemed ineligible for the scheme and removed from the affordable housing list altogether.

The question then arises as to how the housing needs of those applicants who cannot raise a mortgage for an affordable house are to be accommodated?

The main options for the ineligible households are the following:

- Remain in their current accommodation
- Move into private rented accommodation (if they have not already done so)
- Apply for social housing

If these households choose the latter option and meet the required criteria, this will have implications for the numbers on the social housing lists, thus increasing the capital budget requirements of Carlow County Council. However, the housing market is a market for accommodation and the first two options above remain real possibilities for ineligible applicants. We know from the 2006 Census of Population that around 9% of the housing stock on average is rented across the County. DEHLG figures suggest that there were 2,209 private housing units registered in Carlow at the end of 2007.

We explore the options available for households in Section 6 where we determine the overall housing requirements over the period of the Strategy.

Section 6: The requirements for housing provision

This section set out the requirement for housing provision in Carlow over the period 2009-2014 based on the revisions which were made to the August 2008 Draft Housing Strategy. The original requirement included in the August 2008 Draft Housing Strategy has been revised to reflect the impact of the changed economic realities over the past nine months. These amendments are discussed in Section 6.2 below while Table 6.2 contains the updated requirement for the period 2009-2014.

6.1: Outline of existing policies

The overall objective of Irish housing policy is to “enable every household to have available an affordable dwelling of good quality, suited to its needs in a good environment and as far as possible at the tenure of its choice”²⁵.

The general thrust of housing policy is that those who can afford to house themselves from their own financial resources should provide for their housing needs, whether through home ownership or private rented accommodation (the private housing market), and that a range of targeted supports should be available to others having regard to the nature of their need (through the public housing system).

The policy is based on a multi-stranded approach, involving various interventions and supports in the public housing market. The various public sector housing measures are summarised in Table 6.1. The Carlow local authorities employ most, if not all, of these measures to assist those households who cannot meet their own housing needs.

Over the past decade policy has been focused on increasing the overall supply of housing and improving access to home ownership for those persons who have been unable, due to escalating house price inflation, to provide their own housing needs in the private market. Within this, there has also been a focus on the first-time buyer.

It is important to acknowledge that the housing market is basically a market for accommodation that can be subdivided into different sectors. The latest information on housing tenure in Carlow relates to the 2006 Census of Population and shows the following breakdown of the housing stock: 73% owner occupied; 9% private rented; 13% rented from local authority; 2% occupied free of rent; and 3% not stated. The private sector is largely responsible for the provision of new housing units in the owner occupied and private rented sectors.

²⁵ See Housing Policy statement on www.environ.ie

Table 6.1: The Range of Public Interventions and Supports in the Housing Market

<p>Measure 1: Local Authority Housing Construction and acquisition of local authority dwellings Supplementary Welfare Allowance Rent Supplement and Rental Accommodation Scheme Social Housing under 2000 and 2002 Planning Acts - Part V Schemes</p> <p>Measure 2: Voluntary Housing Voluntary housing bodies provide housing for rent through - Capital Assistance Scheme - Capital Loan and Subsidy Scheme Social Housing under 2000 and 2002 Planning Acts - Part V Schemes Communal Facilities in Voluntary Housing</p> <p>Measure 3: Improving Access - Affordable Housing Low cost sites to households approved for local authority or social housing Mortgage Allowance Scheme to ease transition from rent to mortgage. Tenant Purchase Scheme Local authority loans for households who cannot raise loans from financial institutions for purchases under the following schemes: - Shared Ownership - 1999 Affordable Housing Scheme - Affordable Housing under 2000 to 2004 Planning and Development Acts - Part V Schemes - Affordable Housing Initiative under Sustaining Progress</p> <p>Measure 4: Housing Stock Improvements Local Authority maintenance and management of housing stock. Regeneration Schemes A central heating installation programme for the 30% of the LA stock without CH (since 2004) Disabled Person's Grant Essential Repairs Grant for elderly people living in poor housing conditions.</p> <p>Measure 5: Accommodation for Groups with Special Needs Provision of traveller accommodation Accommodation services for homeless, elderly and those with special needs.</p>

6.2 Impact of developments since August 2008

The changed economic realities which have unfolded over the past nine months²⁶ combined with the deterioration in the public finances and the onset of economic recession have significantly changed the position with regard to public capital budgets for the medium term.

²⁶ Since the Draft Housing Strategy was prepared (August 2008)

As a result of the changed economic situation there have been two developments which have led to revisions to the August 2008 Draft Housing Strategy:

- 1) The indicative budgets for social housing have been significantly reduced, resulting in a lower social and voluntary housing supply over the Strategy period; and
- 2) There has been a substantial increase in the combined housing lists for the County and the Town in the interim period since the May 2008 assessment.

Accordingly the social and voluntary housing supply has been reduced to 366 units compared with 810 previously over the plan period 2009-2014.

In regard to the social housing needs assessment, the numbers seeking social housing have increased from 944 (May 2008) to 1,187 (December 2008). Discounting these figures by 25%, to reflect those on RSS who can be deemed to have had their housing needs met, leaves 890 currently on the social housing list compared with 703 (May 2008), an increase of 187 or 27%.

The impact of the above is that there has been a significant deterioration over the Strategy period 2009-2014 as a result of these adverse developments, compared with the original numbers produced in the August version of the Strategy (Section 6.4).

6.3: New Household Formation

Before setting out the future requirement for housing, the main points from the analysis carried out in the previous sections of the Housing Strategy are highlighted below:

- 1) Based on the supply of zoned land for residential development in the Carlow County Plans, there is enough zoned land to cater for almost six years of housing supply, based on the average housebuilding rate over the last six years.
- 2) Carlow County Council has 44.2 acres (17.9 Ha) of land available for the provision of housing across the County.
- 3) Over 9,000 units were granted **planning permission** over the last four years of which 80% were houses (7,316 units) and 20% were apartments (1,870). One-off houses (1,695) accounted for 18% of the permissions or 23% of the total houses granted permission.
- 4) Almost 6,000 **new dwellings** were built across the county since 2003. The peak year was 2006 when over 1,300 new dwellings were built compared with an average of just 400 throughout the 1990s. The public sector delivered 518 units or 9% of total completions over the period 2003 to 2007 compared with 7% across the State as a whole. Completions over the last six years were **dominated by scheme houses, which accounted for over two-thirds of total completions since 2005**, individual

houses accounted for almost one-quarter of total completions and apartments accounted for less than 10%.

- 5) Due to the lower capital provisions, the projected number of **social** housing units for the period 2009 to 2011 has been reduced to 140 from 300 previously, with 55 units per annum over the remainder of the Strategy period, compared with 100 assumed in the August Draft Housing Strategy.
- 6) The projected number of units from the **voluntary** housing sector over the period 2009-2011 is only 31 units, including a provision for special needs, compared with 105 in the August Draft Housing Strategy.
- 7) There are currently 20 **affordable** units due over the period 2009-2010 from Part V proposed agreements.
- 8) The average **projected increase in household numbers** across the County is approximately 611 households per annum over the Strategy period.
- 9) Based on following the methodology in the Model Housing Strategy, there are approximately 800 households who are likely to **experience housing affordability problems** assuming they opt to purchase a property in Carlow over the period 2009 to 2014.
- 10) Based on the data from Daft.ie²⁷ for the local housing market, a married couple (both working) would need a minimum income²⁸ of €36,100 to buy a terraced house in Carlow, based on an average terraced house price of €223,000. A single person would need a gross income of €47,600 to purchase the same property. However, based on discussions with local estate agents, we understand that two-bedroom houses can be purchased in Carlow Town for around €175,000 to €200,000, which would be within the reach of a single person on average earnings.
- 11) According to preliminary estimates from the 2008 Assessment of Housing Need, there were **703 households who are eligible to have their housing needs met from the range of social housing options** which the Carlow local authorities provide. However, this figure had increased to 890 households by the end of December 2008.
- 12) Based on **the 2008 survey of the affordable housing lists, we understand that 91 applications were received**, almost 60% of whom are located in Carlow Town. However, based on their incomes and the price of a starter home in Carlow Town, we estimate that around 42 households would be eligible for a mortgage and therefore capable of meeting their accommodation needs in the private market, without State

²⁷ This data was collected over the January-April 2008 period.

²⁸ The minimum income level is determined at the point at which the proportion of net income to fund net mortgage repayments is equivalent to 35%.

assistance. This figure is likely to be higher now although the rising unemployment situation could well leave the position unchanged.

- 13) For the remaining 49 applicants, their eligibility for affordable housing will be determined by their ability to raise a mortgage based on their net income and the affordable house price, generally around 20% below the market price in Carlow. It is possible that a further half of these 49 households may not be eligible for an affordable mortgage, considering that 30% of the original 91 applicants were earning less than €25,000. This would ***leave around 20 to 25 households, who would have to have their accommodation needs met by some other option, either in the private rented sector or by social housing.***

6.4: The requirements for housing provision

Armed with the above information, and taking into account the lower capital provisions announced in January 2009 and the increase in the social housing lists, we set out the projected requirement for housing provision over the lifetime of the Housing Strategy across the County (Table 6.2). We include the year 2008 as the base year but the Strategy period is six years: 2009-2014.

Table 6.2 sets out the projected increase in new households and the projected supply of new dwellings over the Strategy period, based on the lower capital allocations and the higher social housing list. Based on Table 3.29 (derived from the Model Housing Strategy methodology) the number of households expected to experience affordability problems is shown in Table 6.2. The vast bulk of new households will be able to meet their own needs in the private market.

It is necessary to include the backlog of housing required according to the social housing and affordable housing lists. Given the increase in the need between March 2008 and December 2008, the position at December 2008 was assumed to represent the backlog situation. Thus it is possible to estimate the total demand from existing (as of December 2008) and new households who cannot afford to provide their own accommodation needs over the Strategy period.

The revised allocations for the supply of social, voluntary and affordable housing units as projected over the Strategy period are also included in order to ascertain the net requirement for housing from those who cannot provide their own accommodation needs.

The total requirement is derived as the balance between demand and supply and represents the number of new households which remain to be accommodated after the projected supply has been delivered.

Table 6.2: Projected requirement for housing provision in areas served by Carlow Local Authorities (as of January 2009)

	2008	2009	2010	2011	2012	2013	2014	Strategy period 2009-2014
Newly formed households	584	594	604	614	607	617	628	3,664
Number of households with affordability problems (1)	139	141	139	136	129	129	130	805
Households capable of meeting their own housing needs (1)	445	453	465	478	478	488	497	2,859
Backlog of (2):								
- Social housing	100	148	148	148	148	148	148	890
- Affordable housing	<u>49</u>							
Total requirement	288	289	287	284	278	278	278	1,695
Housing Supply (3)								
Social Housing	50	56	46	38	55	55	55	305
Voluntary Housing	65	13	9	9	10	10	10	61
Affordable Housing (4)	<u>45</u>	<u>10</u>	<u>10</u>					<u>20</u>
Total Supply	160	79	65	47	65	65	65	386
Requirement (Demand less Supply)	128	210	222	237	213	213	95	1,309
Total requirement as % of new households (5)	22.0%	35.4%	36.8%	38.6%	35.0%	34.4%	34.0%	35.7%

Source: Projected Housing Supply from Carlow Local Authorities. Demand from DKM calculations.

Notes:

- 1) Based on applying the methodology in the Model Housing Strategy. The 2008 figure of 164 households (Table 3.29) for the estimated number of new households expected to experience affordability problems has been reduced by 25 (to 139), reflecting the fact that some of those will also appear on the social housing list in March 2008. The vast bulk of new households are in a position to meet their own accommodation needs either by purchasing a private dwelling or availing of the private rented market.
- 2) Backlog reflects the 890 persons on the social housing list which is equivalent to around 148 households per year over the six years 2009-2014; plus the estimated 49 applicants for affordable housing who may be in a position to raise a mortgage for an affordable house (Section 5), although it is likely that some of these households will not be able to raise a mortgage.
- 3) The projected supply is based on the projected housing provision by Carlow County Council for the period 2009-2014 for social and voluntary (based on the lower capital provisions) plus agreements entered into for affordable housing for the period 2008-2010 as of May 2008. The 2008 figure for social housing supply includes 20 acquisitions. Beyond 2011, the projected provision remains unchanged at 65 units per annum.

- 4) The 2008 figure includes a further 10 affordable units which were unoccupied at the 31st July 2008.
- 5) This requirement represents the number of new households which remain to be accommodated after the projected supply has been delivered. These households may either be accommodated in the private rented or public sectors.

The substantially lower capital budgets (and hence housing supply) now available to the Council and the higher numbers on the social housing list as of December 2008 have dramatically increased the requirement for housing provision across the County to an average of 36%.

Thus even allowing for unchanged assumptions from the draft Housing Strategy in respect of household numbers, it is recommended that the Carlow Local Authorities should reserve the maximum of 20% of the land zoned in the Development Plan for residential use, or for a mixture of residential and other uses, to facilitate the provision of social and affordable housing.

Thus the main implication of the above (taking into account the lower capital provisions for social housing and the increased social housing list) is that the Carlow Local Authorities should reserve 20% of the land zoned in the Development Plan for residential use or for a mix of residential and other uses, to facilitate the provision of social and affordable housing.

APPENDIX A: Policy Background

This section establishes the National, Regional and County policy context in which this Strategy has been prepared and will be implemented by considering the following documents;

A.1 National Guidance

The National Development Plan 2007-2013

The National Development Plan 2007-2013 sets out the economic and social investment priorities needed to realise the vision of a better quality of life for all. The NDP sets out a strong framework for the promotion of regional development with a particular focus on investment in the National Spatial Strategy (NSS). Strong urban centres are directly related to regional growth and development, affecting employment, incomes and quality of life throughout the regions. The investment framework and strategy of this NDP will assist and enhance physical and spatial planning.

National Spatial Strategy 2002-2022

The *National Spatial Strategy 2002 (NSS)* is a twenty year planning framework designed to achieve a better balance of social, economic, physical development and population growth between regions. Its main focus is to balance regional growth, mainly to be achieved by strengthening, reinforcing and revitalising different areas of the country.

The National Spatial Strategy has determined that in the South-East Region critical mass will be enhanced through Waterford performing as a “gateway”, supported by Kilkenny and Wexford as “hubs”. Critical mass relates to size and concentration of population that enables a range of services and facilities to be supported. This in turn can attract and support higher levels of economic activity and improved quality of life.

Waterford, Kilkenny and Wexford and the County Towns of Carlow, Clonmel and Dungarvan will drive regional growth by providing a large and skilled population base, substantial capacity for additional residential and employment-related functions and an improving transport network. These centres will be complemented by development in surrounding and adjacent towns, which, combined with the gateway and hub approach, provide a strong platform for balanced regional development.

A characteristic of the spatial structure of the South-East is the extensive network of villages throughout the region that has developed with the support of a traditionally prosperous agricultural base. The traditional stability and prosperity of both the villages and their associated rural areas can be ensured through initiatives such as local infrastructure servicing programmes, the acquisition of key sites that unlock potential for backland development and complementary policies to encourage people to live in villages.

Draft Sustainable Residential Development in Urban Areas 2008

The aim of these draft guidelines is to set out the key planning principles which should be reflected in development plans and local area plans, and which should guide the preparation and assessment of planning applications for residential development in urban areas.

This document gives guidance on where new residential development would be appropriate and at what density.

In relation to towns it states:

In order to maximise inner town and city population growth, there should, in principle, be no upper limit on the number of dwellings that may be provided within any town or city centre site, subject to the following safeguards:

- compliance with the policies and standards of public and private open space adopted by development plans;
- avoidance of undue adverse impact on the amenities of existing or future adjoining neighbours;
- good internal space standards of development;
- conformity with any vision of the urban form of the town or city as expressed in development plans, particularly in relation to height or massing;
- recognition of the desirability of preserving protected buildings and their settings and of preserving or enhancing the character or appearance of an Architectural Conservation Area; and
- compliance with plot ratio and site coverage standards adopted in development plans.

'Brownfield' sites (within city or town centres):

'Brownfield' lands, which may be defined as "*any land which has been subjected to building, engineering or other operations, excluding temporary uses or urban green spaces*", generally comprise redundant industrial lands or docks but may also include former barracks, hospitals or even occasionally obsolete housing areas. Where such significant sites exist and, in particular, are close to existing or future public transport corridors, the opportunity for their re-development to higher densities, subject to the safeguards expressed above or in accordance with local area plans, should be promoted.

Public transport corridors:

The State has committed very substantial investment in public transport under the *Transport 21* capital programme. To maximise the return on this investment, it is important that land use planning underpins the efficiency of public transport services by sustainable settlement patterns – including higher densities – on lands within existing or planned transport corridors. Walking distances from public transport nodes (e.g. stations / halts / bus stops) should be used in defining such corridors. It is recommended that increased densities should be promoted within 400-500 metres of a bus or light rail stop, or within 1km of a rail station. The capacity of public transport (e.g. the number of train services during peak hours) should also be taken into consideration in considering appropriate densities. In general, minimum net

densities of 50 dwellings per hectare, subject to appropriate design and amenity standards, should be applied within public transport corridors, with the highest densities being located at rail stations / bus stops, and decreasing with distance away from such nodes. Minimum densities should be specified in local area plans, and maximum (rather than minimum) parking standards should reflect proximity to public transport facilities.

Inner suburban / infill:

The provision of additional dwellings within inner suburban areas of towns or cities, proximate to existing or due to be improved public transport corridors, has the potential for revitalising areas by utilising the capacity of existing social and physical infrastructure. Such development can be provided either by infill or by sub-division:

(i) Infill residential development

Potential sites may range from small gap infill, unused or derelict land and backland areas, up to larger residual sites or sites assembled from a multiplicity of ownerships. In residential areas whose character is established by their density or architectural form, a balance has to be struck between the reasonable protection of the amenities and privacy of adjoining dwellings, the protection of established character and the need to provide residential infill. The local area plan should set out the planning authority's views with regard to the range of densities acceptable within the area. The design approach should be based on a recognition of the need to protect the amenities of directly adjoining neighbours and the general character of the area and its amenities, i.e. views, architectural quality, civic design etc. Local authority intervention may be needed to facilitate this type of infill development, in particular with regard to the provision of access to backlands.

With regard to villages the **Draft Guidelines** state:

Because of the scale of smaller towns and villages, it is generally preferable that their development proceeds on the basis of a number of well integrated sites within and around the urban centre in question rather than focusing on one very large site. For this reason, it is recommended that for smaller towns and villages between 400 and 5,000 in population, planning authorities should only encourage individual residential proposals that would increase the housing stock of such urban areas by a maximum of 10-15% within the lifetime of the development plan or local area plan (unless the town or village has been designated as a growth centre in the development plan). For example, a town of 5,000 persons will typically have a housing stock of around 2,000 units. In such a case, these guidelines would recommend that the maximum size of an individual new housing scheme proposal should not exceed 300 dwellings. For villages of under 400 in population, general development of new housing schemes of more than about 10-12 units will usually be difficult or inappropriate due to an absence of a sufficiently developed urban structure to cater for the development and should therefore be discouraged.

Making Ireland's Development Sustainable

Making Ireland's Development Sustainable sets out policy priorities in relation to sustainable development and states that, from the point of view of strategic spatial planning, sustainable development will, among other things, mean:

- maximising access to and encouraging use of public transport, cycling and walking;
- developing sustainable urban and rural settlement patterns and communities to reduce distance from employment, services and leisure facilities and to make better use of existing and future investments in public services, including public transport;
- promoting cost-effective provision of public services like roads, drainage, waste management facilities, lighting, public amenities and schools;
- contributing to the evolution of socially integrated communities in both urban and rural areas;
- minimising the consumption of non-renewable resources like soils, groundwater and agricultural land;
- avoiding adverse impacts on environmental features such as landscapes, habitats and protected species, river catchments, the maritime environment and the cultural heritage;
- ensuring that construction design is of a high quality and appropriate to the scale and context of its surroundings.

Residential Density Guidelines 1999

The Residential Density Guidelines for Planning Authorities were issued by the Department of the Environment and Local Government in September 1999, and are formulated with the aim of achieving more sustainable development.

The Guidelines outline the governments desire to increase the density of residential development to ensure:

- More economic use of existing infrastructure and serviced land
- Reduced need for the development of Greenfield sites, urban sprawl and ribbon development
- Reduced need for investment in new infrastructure
- Better access to existing services and facilities and
- More sustainable commuting patterns

The Guidelines state that increased densities should be encouraged on serviced lands, or lands proposed to be serviced, and especially in the following locations:

- Town and City Centre sites
- Brownfield sites particularly where these are proximate to existing or future public transport corridors
- Inner suburban/ infill sites where these are proximate to existing or due to be improved transport corridors
- Outer suburban or Greenfield sites
- Institutional lands located in suburban locations, and
- Town/ Village sites where those settlements are located in existing or planned quality public transport corridors.

A.2 National Housing Policy

Delivering Homes, Sustaining Communities 2007

Delivering Homes, Sustaining Communities re-iterates the key issue for Government policy in the private housing area as ensuring sufficiency of supply to meet demand. This relates to planning of housing supply and the promotion of policies that seek to deliver quality housing in attractive neighbourhoods.

The strategy actively encourages the fulfilment of new households' aspirations to home ownership. It is important to offer choices in a more mobile and dynamic economy. The modernisation of the private rented sector is one component of developing tenure choice. This strategy also notes the important role of the State in providing choices for those who cannot meet their own needs in the housing market. It is a fundamental aspect of this strategy, that in planning for affordable and social housing, local authorities should seek to actively provide for integrated communities, delivering accommodation choices for a wide range of households. In this context, policies should encourage a sense of personal autonomy and responsibility that underpins good community participation.

Delivering Homes, Sustaining Communities provides for a planned and concerted increase in investment in existing social housing over the coming years.

A.3 Regional Planning

South East Regional Development Plan

County Carlow is located within the functional area of the South- East Regional Authority.

The South-East Region comprises the five counties of Carlow, Kilkenny, South Tipperary, Waterford and Wexford. The region has an area of 9,406 sq. kms, which is about 13.5% of the area of the state. The 2002 Census of Population recorded a population of 423,616 or about 10.8% of the national population.

The Regional Planning Guidelines, developed by the Regional Authority, represent a planning framework for the period 2004- 2020 designed to achieve a better spatial balance of social, economic and physical development throughout the region.

The Strategy sets out a number of strategic goals and objectives aimed at ensuring that the South-East will remain competitive in the national and international marketplace and that the fruits of its economic success will be shared more equally at regional level and throughout society.

Settlement Strategy

The South East Regional Development Plan sets out a settlement strategy for all settlement types throughout the region, including expanding urban areas, County Towns, District Towns, Smaller Towns and villages and Rural Residential Development. These are set out below.

In the case of expanding urban areas, it will be critical to:

- Provide for an adequate supply of land, in line with assessments of housing land needs, through the development plan system. Such provision will require strategic reservation of land through the development plan process, coupled with ensuring timely and sequential release of land, to avoid delays in the availability and servicing of land on the one hand and premature release of zoned land on the other.
- Ensure mixed-use and well-designed higher density development, particularly near town centres and public transport nodes like railway stations.
- Maximise the efficient use of land by consolidating existing settlements, focusing in particular on development capacity within central urban areas through re-use of under-utilised land and buildings as a priority, rather than extending green field development.

Carlow Town is defined as a County Town; in this regard the strategy states:

The County Towns have significant potential for growth and development and are critical to the achievement of critical mass and balanced development across the region. Carlow has significant potential for growth and a population of 28,000 persons or more by the year 2020 would not be unrealistic, given an assessment of recent trends and capacity for growth.

Both Bagenalstown and Tullow are defined as District Towns and the strategy outlines the following:

These centres have well developed services and community facilities and have the capacity to accommodate additional growth (subject to certain physical infrastructural investments).

Other towns in Carlow can be defined as smaller towns and villages for which the strategy outlines the following:

There is an extensive network of smaller towns and villages across the region that are key service/retail/residential centres. These towns and villages need to be developed in a way that respects their existing character while at the same time strengthening their role as local service centres.

A.4 Statutory Development Plans

Carlow County Development Plan 2003

The most recent Carlow County Development Plan was adopted in 2003. The housing policies outlined in the development plan are fairly broad. The policies are:

- To implement an annual house building programme to meet the needs of persons requiring housing;

- To fully exploit the plan for Social Housing as a means of meeting housing needs;
- To pay particular attention to the housing needs of the elderly and the disabled and to provide appropriate accommodation or financial assistance to meet their special requirements;
- To enter into joint venture agreements with private developers in order to facilitate for residential use sites in existing settlements;
- To encourage a variety of house types, in individual schemes so as to avoid a monotony of design;
- It is a policy of the planning authority, as required under Section 95 of the Planning and Development Act, 2000, that 20 per cent of land zoned for residential use, or for a mixture of residential and other uses, shall be reserved for the provision of social and affordable housing;
- Where developments solely provide for the accommodation of special needs groups, the elderly or students there may be no requirement for the provision of land for social and affordable housing;
- The generally applied ratio of social to affordable housing on each site to which the provisions of the Act apply shall be 1:1 i.e. 10% social and 10% affordable housing;

Carlow Town Development Plan 2003

A separate Town Plan was prepared for Carlow Town and was adopted in 2003. With regard to residential development the Carlow Town Plan sets out broadly similar objectives to those in the County Development Plan as follows:

- To implement an annual house building programme to meet the needs of persons requiring housing;
- To pay particular attention to the housing needs of the elderly and the disabled and to provide appropriate accommodation or financial assistance to meet their special requirements;
- To enter into joint venture agreements with private developers in order to facilitate new residential development;
- To encourage a variety of house types in individual schemes so as to avoid a monotony of design;
- It is a current policy of the planning authority that 20 per cent of land zoned for residential use, or for a mixture of residential and other uses, shall be reserved for the provision of social and affordable housing.
- Where developments solely provide for the accommodation of special needs groups, the elderly or students there may be no requirement for the provision of land for social and affordable housing;
- The generally applied ratio of social to affordable housing on each site to which the provisions of the legislation apply shall be 1:1 i.e. 10% social and 10% affordable housing.

Carlow Town Environs Local Area Plan 2008

The Carlow Town Environs Local Area Plan 2008 provides for a significant increase in residential zoned lands from the previous plan. The proposed plan seeks to provide for an additional residential zoning of approximately 280 hectares to the existing 50 hectares, giving

a total of 330 hectares of residential zoned lands in the Carlow Environs area. The plan has two residential zonings of low and normal. The low residential zoning provides for 12 dwellings per hectare, while the normal residential zoning provides for 20-35 dwellings per hectare.

Carlow County Council has also adopted Local Area and Village Plans within its functional area. In general these adopted Local Area Plans and Village Plans contain policies that are in accordance with the policies of the County Development Plan with regard to residential development. As the Plans are reviewed in more detail elsewhere in the Development Plan, they are just considered briefly below.

With regard to residential development the Plans contain two residential zonings: *Low* and *Normal*.

The *Low* residential zoning has a range of: 15-20 units per hectare.

The *Normal* residential zoning has a range of: 20-35 units per hectare.

The LAPs are considered briefly below.

Bagenalstown Local Area Plan (2004)

The Bagenalstown Local Area plan will endeavour to provide a framework, which will facilitate ongoing development of residential, commercial, industrial and recreational facilities. It is stated that Muinebheag will fulfil its role as a key settlement within County Carlow and the South East Region as a whole.

The plan contains approximately 40 Ha of undeveloped residentially zoned lands located to the north of the town, divided into two zoning objectives of Low and normal.

Ballon Local Area Plan (2007)

The Ballon Local Area Plan outlines actions that will most effectively facilitate achievement of the social, economic, cultural and environmental objectives arising from public consultation and the expressed views of the Elected Members of Carlow County Council. The Local Area Plan will promote the proper planning and sustainable development of Ballon for the period up to 2013 and will have regard to any Regional Planning Guidelines made for the South East Region.

The plan contains approximately 37 Ha of undeveloped residentially zoned lands, divided into two zoning objectives, of low and normal.

Borris Local Area Plan (2004)

The Borris Local Area Plan will promote the proper planning and sustainable development of Borris for the six-year period up to 2010 and will have regard to any Regional Planning Guidelines made for the South East Region.

The plan contains approximately 19 Ha of undeveloped residentially zoned lands, divided into two zoning objectives of low and normal.

Hacketstown Local Area Plan (2007)

The Hacketstown Local Area Plan will promote the proper planning and sustainable development of Hacketstown for the period up to 2013 and will have regard to any Regional Planning Guidelines made for the South East Region.

The plan contains approximately 43 Ha of undeveloped residentially zoned lands divided into two zoning objectives of low and normal.

Leighlinbridge Local Area Plan (2004)

The purpose of the Local Area Plan is to promote the proper planning and sustainable development of Leighlinbridge for the six-year period up to 2010 and will have regard to any Regional Planning Guidelines made for the South East Region.

The plan contains approximately 12 Ha of undeveloped residentially zoned lands divided into two zoning objectives of low and normal.

Rathvilly Local Area Plan (2004)

The purpose of this Local Area Plan is to promote the proper planning and sustainable development of Rathvilly for the six-year period up to 2010 and will have regard to any Regional Planning Guidelines made for the South East Region.

The plan contains approximately 19 Ha of undeveloped residential lands divided into two zoning objectives of low and normal.

Tinnahinch Local Area Plan (2004)

The purpose of this Local Area Plan is to promote the proper planning and sustainable development of Tinnahinch for the six-year period up to 2009 and will have regard to any Regional Planning Guidelines made for the South East Region.

The plan contains approximately 3 Ha of undeveloped residential lands divided into two zoning objectives of low and normal.

Tullow Local Area Plan (2004)

The purpose of this Local Area Plan is to promote the proper planning and sustainable development of Tullow for the six-year period up to 2009 and will have regard to any Regional Planning Guidelines made for the South East Region.

The plan contains approximately 35 Ha of undeveloped residential lands divided into two zoning objectives of low and normal.

APPENDIX B: Special Needs Accommodation

B.1 Accommodation for people with Disabilities

The assessment of Housing Need indicates that a small proportion of those seeking social housing would be suffering from disability and would require specially adapted housing to meet their needs. The Authority will undertake to carry out an assessment of the needs of people with disabilities in their area in consultation with the local voluntary sector and other disability groups.

This assessment will:

- Provide an accurate and informed picture of existing needs for the disabled.
- Foster a new working relationship with the voluntary housing agencies and other parties to promote information sharing.

B.2 Crisis Accommodation

The Authority notes the need to provide accommodation for homeless persons within the Carlow area. Carlow County Council will continue to work with the voluntary sector to ensure the provision of suitable emergency accommodation.

In this regard the Council will also try to ensure that crisis accommodation will not become providers of long term housing, which would not be in line with its objective.

B.3 Accommodation for the Travelling Community

The Accommodation needs for the Travelling Community will be dealt with via the Travelling Accommodation Programme, which is required to be updated as the current Programme runs out in 2008. The Authority will continue to meet its obligations with regard to the provision of adequate and suitable accommodation for the Travelling community through consultation with the Travelling community and the update the Travelling Accommodation Programme as necessary.