



# **CoHousing Here!**

**14<sup>th</sup> June 2019**



# 1. BACKGROUND

# Background and evolution



- Established September 2018
- *Raison d'être*: to bring a **holistic approach to the management of State land**, with a view to opening up development
  - Provide drive behind compact growth agenda
  - Ambition to expand impact beyond State land
- What is the State owned land inventory?
  - Agencies and Departments
  - Local Authorities
  - Commercial State Sponsored Bodies
- State land database
- Enhancing affordability a key goal
- Challenge status quo

# Strategic Pillars

## THREE STRATEGIC PILLARS

### 1. Land Market

- Countering the boom / bust Irish development land market
- Changing the competitive focus from land acquisition to housing delivery
- Reducing the cost of land as a raw material for housing production
- Helping land get ready for development (e.g. infrastructure)
- Leveraging the State land bank to bring private land into play

### 2. Changing Ireland's Housing Choices

- Targeting the increasing number of people who don't qualify for social housing but struggle to afford private housing
- Creating long-term, stable housing choices at prices that people can afford
- Taking the lead in facilitating large-scale affordable housing in Ireland
- Leverage best practice abroad

### 3. Champions of Innovation and Sustainable Development

- Driving fact-based ideas and innovation through research
- Supporting climate change action through planning policies, such as Transport Oriented Development
- Championing new and efficient construction methods
- Collaboration with other State bodies, e.g. Local Authorities



# Some more details....

	ACTIVITY	DETAILS
Operational	Accessing State Lands	Active on 9 sites currently – c. 10 more in discussions (5,000+ units)
	Development on State Land	Will be lodging planning applications in Q3 / Q4 this year. Construction to commence next year
	City Strategies / Urban Planning	Taking a very long-term view (e.g. beyond DP cycles) to develop the LDA's role and focus so we can take actions now. Commencing imminently.
	Affordable / Cost Rental delivery mechanism	Finding the appropriate institutional mechanism to provide affordable housing on State owned lands – i.e. the operation of completed properties.
	State Land Database	Consolidated, continually updated land database, collaborating with other relevant State bodies.
	Developing Urban Regeneration Implementer Role	How can the LDA impact on strategic areas in legacy usage.
Administrative	Staff / Platform	Currently recruiting team, expect 15 by year end.
	Legislation	Working with DHPLG to have general scheme published shortly
	Procurement frameworks	Establishing bespoke panels to provide for quicker procurement of services

# Strategy Mapped to Current Operational Activities

		THREE STRATEGIC PILLARS		
		1. Land Market	2. Changing Ireland's Housing Choices	3. Champions of Innovation and Sustainable Development
Operational Activity	Accessing State Lands			
	Development on State Land			
	City Strategies / Urban Planning			
	Affordable / Cost Rental delivery mechanisms			
	State Land Database			
	Developing Urban Regeneration Implementer Role			



## **2. AFFORDABILITY**

# LDA's Role in Driving Affordability

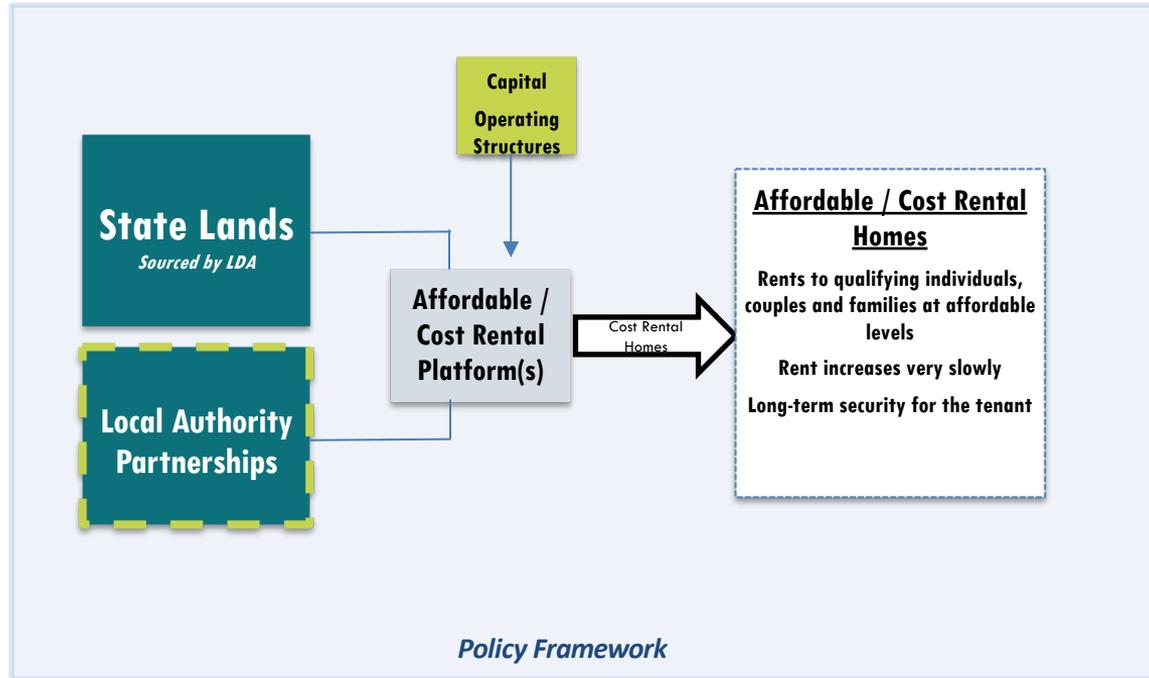
- Government requirement that *at least* 30% of land released by centrally controlled bodies to be utilised for affordable housing (additional to 10% social)
- Affordable component will be likely higher than this on portfolio basis
- Challenge for LDA:
  - What is affordable housing? Work underway
  - Who finances and operates homes? How do we make homes affordable?
  - How will model work?
- LDA has potential to play significant role – off balance sheet, access to State lands, access to capital - **Scalability**
- Catalyst effect – prime locations & disadvantaged areas
- Permanent affordability – can reduce whole market volatility
- Complementary to overall LDA strategy – Land access

# Emerging Affordable Rental Model

- Cost Rental - the provision of rental housing to tenants on the basis of the cost of providing it – but must be affordable and effectively targeted
- Deployed extensively and successfully in other jurisdictions
- How do we make rental homes more affordable?
  - Cheap / nominal cost land
  - Low cost / long-term debt
  - Other subvention – e.g. Serviced Site Fund
- Long-term security of occupancy for the tenants
- Important to retain affordability over the long-term

# Affordable Rental – How could it look?

Large-scale affordable sector



Potential: large-scale market comprising cost / affordable rental homes by matching State and local authority lands with appropriate financing and operating structure

# Community-led housing is also interesting to LDA

- Method of providing affordable housing through provision of land – perhaps on long-lease
- Could meet LDA affordability requirements
- Gives ownership potential to occupants – engenders sustainable communities, counters gentrification
- Protection through the cycles

## *Challenges:*

- Lenders willing to originate loans / loan security
- Scalability

# Community-led Housing – another way to drive affordability. How does it stack up? (relative scores – my views only!)

Factor	Cost Rental	CLTs
Permanent affordability		
Financially sustainable		
Scalability		
Resilient to market cycles		
Equitable allocation methodology		
Off Govt Balance Sheet		
Ownership opportunities		
Sustainable communities / whole of life		
Locational versatility		

## Challenges remain – but worth overcoming

- Platform / Governance
- Funding / Financing
- Land
- Allocation / administration
  - Locational premium?
  - Target cohort?
  - Earnings changes / assessment
  - Affordability based?
- Technical (e.g. Govt balance sheet)
- Sustainability



- Economic competitiveness
- Scalability
- More stabilised housing market
- Sustainable Communities
- Equality / fairness / security
- Regeneration catalyst



# SUMMARY

# Key messages

1. Supporting new ways of providing affordable housing is at the core of LDA mandate
2. Community led housing is possible method to deliver on this mandate
3. Challenges are present – as with anything worthwhile!
4. Open to working with parties to provide solutions