

## Will Planning Act's 'core strategy' work?



**Development land: the former Braun plant on 29 acres at the entrance to Carlow town was first offered for sale last September but has still not found a buyer. Jones Lang LaSalle is quoting a price of €8 million for the property which includes a single-storey building extending to 21,367sq m (230,000sq ft)**

**County and city development plans are being rolled out under new rules – and they need to be debated, says BILL NOWLAN**

The new 2010 Planning Act is beginning to bite. The “Core Strategy” concept, an inherent part of the integrated national-regional-local planning approach, is now being rolled out in all county and city development plans. It has huge merit in balancing the excesses and irresponsibility of the past decades. But the new act brings with it new challenges that must be debated and that the new Minister for Environment should monitor in overseeing the implementation of the legislation.

Dezoning of land will reduce value – which is having implications for banks and Nama as they consider the haircuts or reductions in value of assets and securities (e.g., existing planning permissions may not be renewed). Avoiding land supply being overly or locally constricted, such that it would create local monopolies

Matching plans to market realities in relation to the locational preferences of housing buyers.

The Core Strategy approach in the Planning and Development (Amendment) Act 2010 is a planners dream. In a Utopian society it would work like greased clockwork. It is based on zoning enough land for the plan period plus an allowance of “overzoning” of 50 per cent. The assumption is that sufficient land

will be zoned and serviced to meet present development needs and in the five years before it is actually built upon.

“Core Strategies” have a role to play in Ireland’s economic recovery because a more disciplined approach to planning, zoning and property development avoids wastage of infrastructure; new development goes precisely where the plans and infrastructure are best matched.

Nice and simple and logical – just like putting Lego blocks together. But there is also the possibility that it might be a bit like laying railway tracks five minutes before the train arrives, with associated risk of misjudgement by driver or track crew!

Core Strategy – when its rollout is completed in two years – will mean a reduction in the amount of zoned land for housing in Ireland from 44,000 hectares presently (equivalent to say around 880,000 new houses and a population increase of over 2 million people) to around 12,000 hectares as identified in Ireland’s recently adopted Regional Planning Guidelines. In other words, around 75 per cent of land will be taken out of the short-term development scenario!

The logic suggested for this is that all the land we need for urban expansion for the next five years is 12,000 hectares, sufficient for a likely level of population increase of around 500,000 people, as the CSO predicted a few years back. Notwithstanding that, actual levels of housing demand over the next few years suggest that we might only need around 4,500 hectares – but that’s a debate for another day, presumably when the next regional planning guidelines are being drafted.

Inherent in the Core Strategy concept are a couple of key challenges that must be tackled if the whole concept is not to fall flat on its face:

First, to make Core Strategies work, active engagement in land markets by local authorities or other agencies is not just needed but demanded. Historically, this is something of a taboo subject in the world of Irish local development planning.

Let me give you a real life example of the issues involved. Some years ago I was instructed to find a 10-acre site for a much needed new school in a large provincial town. There were two perfectly-situated sites close to the old and dilapidated school: one owned by the health board and the other by an eminent local politician. Both refused to sell their land to the school board, for their own reasons.

The health board refused because it “might” need the land for expansion sometime in the future; the other landowner refused because the land had huge long-term development potential and he did not wish to go against the school’s position.

Now, eight years later, neither site is developed; the school is earmarked for a compromise solution, a secondary site involving significant journeys for all students instead of a walk from their homes.

In my example, introduction of the Core Strategy approach could make this type of situation worse unless local authorities work proactively to identify and encourage the release of suitable sites – a point that is highlighted in the planning guidelines document on schools, issued in 2009.

Apart from land supply issue, what other challenges are associated with the Core Strategy concept?

The second challenge relates to land and house pricing. It may seem like a laughable situation today to be worrying about land pricing, but planning is about thinking for the future. Eventually the property market will recover (markets always recover); if the only land available for new housing is concentrated in the hands of one of a small number of landowners, then land prices will rise accordingly.

Would you sell an acre of land for €400,000, if you knew that by sitting on it that it would double in value because you held the only developable land in town? The knock-on effect on house prices of such induced scarcity is easy to comprehend.

The proposed level of “acceptable” over-zoning in Department of the Environment, Heritage and Local Government (DOEHLG) guidelines is one way to tackle this issue, but I don’t think it is enough. We should be looking at various methods used by other nations to tackle this challenge.

A third challenge is to make sure that plans and market realities match up. In other words, ensure that planners are listening to the market and are responding accordingly. For example: if you live in a three-bed semi in Swords and want to move upmarket to a new four or five-bed detached house in close proximity, then you may find it difficult to locate a newly-constructed house of that type.

So, we have a dilemma as a society. We have had serious abuse and mistakes in our planning and land development system. Our 2010 Planning Act was designed to remove the basis for that abuse and the Core Strategy approach is, theoretically, a logical way to do so. But in doing so, we must recognise new and likely substantial challenges for planning policy that must be overcome if the Core Strategy approach is to have any chance of working in the long term.

The solutions we should work for must include some mechanism to compel or incentivise the disposal of key sites at reasonable prices – sites which have been earmarked for development and provided with infrastructure by the taxpayers.

The solution may include a “use it or lose it” approach to planning permissions and associated local zonings. But each approach has its own crop of issues and problems. More on this anon, including the hairy question of linking simultaneous provision of operational infrastructure to zoning – something on which Ireland Inc could improve its historic performance and which has significantly influenced developer-led approaches of the past.

We should think all of this through while we have a bit of breathing space and put in place the other side of the Core Strategy proposition, i.e. effective land management strategies, before failing to do so discredits this sensible approach.

Sensible planning should involve a three-legged stool approach to management of land development: a Core Strategy-based planning programme; analysis of “carrying-capacity” – the relationship of infrastructure capacity to planning; and a land-use zoning programme that matches planning to carrying capacity.

As I mentioned above, there will be more on this in the near future.

**Bill Nowlan is a chartered surveyor and managing partner of WK Nowlan Associates**