



## State to offer private developers land in bid to ease housing crisis

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STATE-OWNED lands will be offered to developers to build new homes in an effort to boost output and tackle rising prices.

The private sector will be invited to submit proposals to develop hundreds of sites controlled by local authorities, the Office of Public Works and other State agencies, the *Irish Independent* has learned.

The deals could include the imposition of an upper price limit to deliver 'affordable' units, while also insisting on a high number of social homes.

The State may also take a stake in the development, or allow the developer to build homes and pay a pre-agreed price for the land after works are completed and units sold.

The move comes as a major housing conference organised by the Royal **Institute of the Architects** of Ireland and Department of Housing today discusses innovative measures needed to deliver additional units. It comes as figures show that housing output remains well below the levels needed to meet demand.

While 14,932 new homes were completed last year, an increase of 18pc, and work on another 13,234 units began - up 51pc - a minimum of 25,000 are needed following years of under-supply. Just last week the Housing Agency said that 81,000 units were required by 2020 to meet the needs of a growing population and cater for pent-up demand.

Official sources said the move was driven by a "crisis" in the housing sector. The proposal

is similar to one employed by Nama, which has entered into licensing agreements with a number of developers in Dublin and Kildare.

The land value is agreed at the start of the process, and the cost repaid at the end of the project when the units are sold.

"Local authorities could employ this model," one source said. "Local authority land could be merged with private holdings, or by land held by other public bodies. A lot of big sites will provide homes at affordable prices. The local authority sites are well mapped,

and we're gathering data on other lands in public ownership held by the HSE, OPW and others in the cities."

At least 10pc of new homes in developments must be set aside for social housing, but higher levels could be demanded under the scheme. In addition, an upper price limit for affordable units could be included.

Public bodies have been asked to submit details of lands in their ownership or control which may be suitable for housing in the main cities, and a national database and mapping tool will go live in the coming months, setting out the location of the landbanks. Other urban areas will be mapped later.

It is hoped that developers with access to finance, which could include those from outside the State, may express an interest. As many as 700 sites may be considered, including some transferred to the Housing Agency under the Land Aggregation Scheme. This is where city and county councils

bought land for housing, but which remained undeveloped after the Government halted building programmes.

Councils that struggled to repay the loans were allowed transfer the debt to the Exchequer, and the lands transferred to the Housing Agency.

Some local authorities are already progressing similar plans.

The initiative is being directed by the Department of Housing, which has already identified 23 so-called MUHDS (Major Urban Housing Development Sites) capable of delivering 30,000 new homes in the Greater Dublin Area, Cork, Limerick and Galway.