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Dublin: property development and planning in an entrepreneurial city

Andrew MacLaran and Brendan Williams

6.1 Introduction

Modern urban planning in Ireland dates from 1963. This rather late start is largely attributable to the country's having gone through a period of virtually unrelieved economic stagnation during the preceding 150 years. Only with economic growth in the 1960s, the first Irish 'economic miracle', did planning become a necessity. Demand for new buildings of every type led to a restructuring of the urban environment, with land uses being upgraded in the existing city and rapid growth taking place at the periphery.

Geographical expansion facilitated the continuing onslaught on the city's insanitary and densely occupied slums. As inner-city population densities fell, a shift in the residential location of the workforce took place. The development of suburban industrial estates tapped into this suburbanizing labour force, with manufacturing and wholesaling operations relocating from congested inner-city environments to more readily accessible new premises. Planners encouraged this process, permitting a reorganization of inner-city functions. However, the relocation of industrial plants from the inner city and shrinking employment in the port hit the employment base of the predominantly blue-collar communities. Entry into the European Economic Community in 1973 brought intensified competition for Irish industry, while the 1980s brought economic stagnation. By the late 1980s, inner-city unemployment rates exceeded 35 per cent.

These changes created potentially profitable opportunities for developers to reconfigure inner-city land uses to more profitable functions. In particular, the rising demand for office space generated enormous pressure to upgrade land use. From the 1960s, prestigious parts of the eighteenth-century city became transformed from residential to office functions (see MacLaran, 1993). In what was developing as the city's office core, large eighteenth-century houses were either converted to office use or demolished to make way for larger, modern space-efficient buildings which would maximize the rent-generating capacity of their sites. In contrast, in less desirable secondary areas adjacent to the office core, slum clearance, industrial relocation and business closures created a landscape of building abandonment and dereliction resulting from a lack of user demand for space.

By the mid-1980s, the logic of the private market and the geography of development profitability (see Chapter 2) had become dramatically inscribed in the urban landscape.
While buildings in prestigious inner-city areas were under almost permanent threat from redevelopment, others in less salubrious localities were in danger of falling down through neglect. Then, during 1986, in an effort to boost employment in the ailing construction sector, the Irish government established a series of property-based urban regeneration programmes. As property development activity increased, the depression of the 1980s slowly gave way in the 1990s to unprecedented economic growth; the so-called ‘Celtic Tiger’. Growth was driven by high levels of capital investment by foreign companies and strong export performance in high-tech sectors such as electronics, computer software, chemicals and pharmaceuticals, combined with rapid employment growth in the services sector. Between 1993 and 1996, the Gross Domestic Product (GDP) increased by 31 per cent, continuing thereafter to grow at over 8 per cent annually until the end of the century. Whereas Irish GDP per capita had been only 62 per cent of that of the UK in 1987, it had surpassed it by 2000. Unemployment nationally dropped from 18 per cent to around 4 per cent and the long-run tide of emigration turned into a net influx of 18–20,000 persons annually.

Nowhere were the consequences of economic development in the second half of the twentieth century more sharply felt than in Dublin, its landscape becoming transformed in response to the increased demand for accommodation of all types. Between 1960 and 2000, over 262,000 new dwellings were constructed in the capital as its population rose from 718,000 to over a million residents. Over 3 million sq. m. (32 million sq. ft.) of industrial space, 2.1 million sq. m. (22 million sq. ft.) of offices and almost 500,000 sq. m. (5.4 million sq. ft.) of floor space in shopping centres were developed. Yet, during this period of rapid metropolitan growth and transformation, the urban planning system responded poorly to development forces. Indeed, in key regeneration areas, its role became marginalized during the 1980s as a result of urban revitalization initiatives devised by the national government. Moreover, it failed to act strategically to ensure that the planning of land-uses and the development of transportation infrastructure were coordinated, thereby storing up immense problems for the future which will be enormously costly to address.

This chapter reviews the deficiencies of traditional Irish urban planning approaches which prevailed for over 25 years; a system that long proved inadequate in controlling the destructive impact on the urban landscape of the private-sector property development forces. Simultaneously, it also failed to generate development in those areas where it was required. As its inadequacies became increasingly apparent, the national government increasingly demanded local authorities adopt a ‘can do’ entrepreneurial culture and sought to promote a more ‘proactive’ agenda in which urban planning was increasingly to become overtly facilitative of private-sector property development.

Marginalized by the creation of special-purpose development agencies set up to promote development, unconvinced of the merits of the new entrepreneurialism and reluctant to discard their traditional roles of watchdogs for the ‘public interest’, urban planners sought renewed relevance based on local-area planning. Simultaneously,
however, major planning problems of strategic metropolitan significance became increasingly apparent, to which the system has yet to respond in a satisfactory manner.

6.2 The planning context

The 1963 Planning Act, which established the modern planning system in Ireland, confirmed local authorities as the appropriate planning bodies. Planning in Dublin therefore falls within the remit of four local authorities. Dublin Corporation (renamed Dublin City Council in 2002) administers Dublin County Borough, comprising the central city, the inner suburbs and much of the northern urban fringe. Fingal County Council, South Dublin County Council and Dun Laoghaire-Rathdown County Council each comprises an element of outer suburbia together with adjacent rural districts. Until the early 1990s, some degree of co-operation between the metropolitan authorities had been ensured through the most senior urban manager acting as City and County Manager. Similarly, the most senior planner was Chief Planner for the city and surrounding county areas, though not Dun Laoghaire Borough. However, both these positions were terminated during local government reform in the early 1990s and administrative co-ordination now relies on a Regional Authority, whose impact has to date been very limited.

The basis of urban planning lies in the zoning of land for different categories of use, together with development controls. In addition, there is provision for the listing of buildings for protection against unapproved alteration or demolition.

6.2.1 Development plans

(Each local authority is charged with adopting a development plan). This comprises written statements and maps, setting out planning goals and covering such issues as the zoning of land-uses, traffic and infrastructural developments, areas of obsolescence and renewal and the preservation and enhancement of amenities. It was intended that development plans would be reviewed every five years. In practice, the process of review proved cumbersome and took far longer, though the power of elected councillors to vary aspects of the plan according to changing circumstances has mitigated the consequences of such delays.

In drawing up development plans, public participation is provided for, both directly and through elected councillors. The plan, devised by local authority planning departments, is commented upon by the elected members of the authority who may make variations prior to adopting it in draft form. The Draft Plan is then placed on public display, inviting comments and representations. Planners review the comments and appropriate amendments are made. The amendments are then exhibited for public display and comment. The councillors are responsible for adopting the Development Plan, while the government minister reviews the plans of adjacent authorities to ensure that they do not conflict on major matters (see MacLaran, 1993).

In recognition of the degree of dependency of planning goals on private-sector operations, it has been the practice of Dublin Corporation to survey businesses in the
city to encourage their input into the process of Development Plan formulation. Comments by businesses are also likely to be made at an earlier more influential stage, prior to their formulation (McGuirk, 1991). Effective participation by the public therefore tended to be less effective, coming at a later stage. Furthermore, participation was sometimes hampered by planners’ attitudes, regarding themselves as representing the ‘common good’ or ‘public interest’. One commented to McGuirk (1991, 266) that ‘we are employed to do the job for the public. [Participation] is like buying a dog and barking yourself!’

6.2.2 Development control

Developers apply to the local-authority planning department for permission to develop. Developments include new constructions and extensions above a certain size, changes to building or land-use functions (e.g. from residential to office). Planners ensure compliance with designated land-use zonings and control the scale of development by regulating plot density and building height. They also vet all aspects of the architectural design. These development controls can represent a significant obstacle and developers often decry the resultant delays.

Refusals can be appealed by the applicant to higher authority, originally the relevant government minister and, since 1977, to a planning appeals board, An Bord Pleanála (see MacLaran, 1993). A right of appeal also exists for third parties, irrespective of whether or not they possess a direct interest in the proposal. This allows broader environmental and social issues to be considered but has been a source of recurrent complaint by developers over the delays resulting from appeals sometimes regarded as pernicious. However, major limitations exist to effective public participation (see McGuirk, 1991). Inevitably, community groups have varying financial resources, expertise, knowledge and confidence, influencing the impact of their involvement. But all community groups tend to be financially disadvantaged compared to business and development interests. Moreover, as developers hold the initiative and often enter pre-application negotiations with the planners, the public only learn of proposals much later. While not binding on the planning department, such informal discussions enable developers to assess what the planners are likely to permit and where best to apply political pressure.

6.3 Limitations of traditional urban planning in Dublin

6.3.1 Constitutionality and constraint

Private property rights are enshrined in the Irish constitution. Although these rights are tempered by considerations of ‘social justice’ and ‘the exigencies of the common good’, when regulating private-sector development, urban planning has laboured under a fear that certain actions might face legal challenge. Such considerations underlay the failure of national politicians to act on the recommendations of the Commission of Enquiry into the costs of development land which reported in 1973. This favoured the taking into
public ownership of designated development land at the edge of the urban area at current (agricultural) use values plus a disturbance allowance.

6.3.2 Contextual isolation

A major shortcoming of Irish urban planning has been its almost complete separation from other national, regional, economic or physical planning processes. It has thus lacked strategic significance. Individual planning departments may even pursue policies which run counter to those of their neighbours and this has become particularly serious in the Dublin commuter belt.

These contextual shortcomings have only recently been addressed. Strategic Planning Guidelines for the development of the Greater Dublin Area (GDA), an area including the commuter zone lying in the surrounding rural counties, have been devised by private-sector planning consultants commissioned by the Dublin Regional Authority, the rather powerless body established to effect planning co-ordination in the GDA. The first Strategic Planning Guidelines were published in 1999, a review and update being published in 2000, as initial population and growth projections had already been exceeded. While generally welcomed as a contribution to resolving Dublin’s urban development problems, the absence of serious funding commitments or proposals for implementation reduce the guidelines’ credibility. Moreover, the fact the guidelines were brought forward after six of the affected local authorities had already adopted or were in the process of adopting their Statutory Development Plans also created issues for conflict.

The guidelines emphasized sustainable integrated urban development along existing or projected transportation corridors separated by green wedges where development would be reserved for local needs. However, some local authorities have already forwarded planning proposals contrary to the guidelines. Contentious proposals include the development of major business parks at the Dublin border in County Meath and near Bray, County Wicklow. In June 2001, the Planning Appeals Board rejected plans for a business park in Wicklow which had been endorsed by the local planning authority, signalling the board’s efforts to uphold the guidelines on the basis of ‘proper planning and sustainable development’ criteria (Irish Times, 14/06/2001).

The policy shift towards sustaining current economic development is also evident in the creation of a National Development Plan for the Period 2000–6. These proposals aim particularly to deal with the national requirement for infrastructural development, with particular emphasis on public transport in Dublin. With a funding requirement over €50 billion, this represents the initiation of an intense public capital investment programme aimed at improving the competitiveness and efficiency of the Dublin region.

A National Spatial Strategy is also currently being devised and debated and the announcements of key decisions on such policy is expected at the end of 2002. Analysis of the proposals indicates that decisions on several major areas with particular relevance to the Dublin Region are well advanced. The aspiration to distribute growth more widely
in Ireland has been reflected in reduced grant aid to businesses locating in Dublin. Attempts to redirect development will have investment consequences for planning and development of the Dublin region. However, redirecting urban growth to alternative areas possessing the capacity to absorb growth may prove difficult.

Incredibly, given the intimacy of their relationship, land-use planning and transport planning have long been undertaken completely separately. However, new institutional arrangements have recently been proposed by the government to facilitate the better co-ordination of land use and transport planning (Department of the Environment and Local Government & the Department of Public Enterprise, 2001). Nevertheless, plans to invest €2.2 billion in the development of transport infrastructure are already well advanced, prior to putting such co-ordinating arrangements in place. Indeed, some elements (a light rail system in Dublin and a road tunnel to connect Dublin port and the orbital motorway) are already under construction.

Moreover, on a more general level, the problematic spiral of infrastructure-related spending on transport being followed by further commercial property development seems not yet to have been recognized in planning circles. Briefly, any improvement in radial transport systems which increases the accessibility of the city centre enhances the development value of central sites. This creates pressure for land-use intensification, with high-value (e.g. office) functions replacing lower-value (industrial and residential) functions. The new developments are then normally staffed by suburban commuters, contributing to renewed congestion and generating yet further demands for transport improvements. Yet additional transport-related improvements will further increase accessibility, bring about increased land development pressures and more land-use intensification and commuting. Indeed, most cities have failed to address this problem.

### 6.3.3 The permissory basis of the system

The twin elements of land-use zoning and development control embodied in the 1963 Act created an urban planning system that was essentially permissory. Planners could approve or refuse development applications. At times of development boom, planners tended to become overwhelmed with the number of applications lodged. However, at times of development inactivity when few applications were forthcoming, the power of planning was highly limited.

Although the Act had envisaged a more active involvement of local authorities in development activities, empowering them to secure land for development or develop it directly, local authorities were never provided with adequate finance to permit such activity. This ensured that these powers could never be seriously used other than for the development of roads, social housing and parks.

### 6.3.4 Political pressure

Planners have also frequently come under pressure from local authority councillors and members of the Dail (parliament), lobbying on behalf of constituents. Pressure may also
be exerted by central government through the Department of the Environment (see McGuirk, 1991, 243). With a simultaneous collapse of all major property sectors in Dublin after 1982, planners were entreated to grant planning permission for almost any development in order simply to create construction jobs. A circular in 1982 from the Department of the Environment advised planners that development should only be refused where there were serious objections on important planning grounds.

As elected councillors may revoke or modify a permission to develop land and require the city manager to grant planning permission resulting in a material contravention of a development plan, corrupt influence can be brought to bear over applications for land re-zoning. Such matters are currently being investigated by a tribunal of enquiry into corruption in the planning system involving payments made to senior local government officers and politicians for favourable planning decisions and land re-zoning. The tribunal has also exposed the extent to which the politicians have subverted the planning system for party or personal benefit (see McDonald, 2000).

6.3.5 Planning by prescriptive formulae

It has long been an unfortunate tendency for developers to build to the minimum quality criteria set down by planning. This is especially apparent in private-sector residential developments. Prescriptive formulae cover a wide range of elements from housing set-back lines to the quantity of open space, the width of roads and maximum permitted densities. Rather than creating intimate residential environments, estates were organized around road plans designed to hasten traffic flow (Figure 6.1). Mortgage lenders also favoured standard housing designs, easy to sell in the case of default. The outcome was a suburban environment characterized by an overpowering monotony, comprising predominantly of two-storey detached, semi-detached or terraced houses with gardens, built at 20 to 25 houses per hectare with a mandatory

**Figure 6.1** Residential development reflecting prescriptive planning codes, developers' profitability criteria and the conservative preference of mortgage lenders for 'standard' properties
provision of 10 per cent open space. The low densities proved extravagant in their consumption of land and costly for the provision of services such as refuse collection and public transport.

6.4 Developers and investors

Dublin’s property developers have comprised a very heterogeneous group. They include individuals and partnerships, private and publicly quoted companies, the development departments of financial institutions, particularly the life assurance companies, and public-sector bodies. Most developers have been Irish-based but they have been joined since the 1960s by several from overseas. These have been predominantly of UK origin, including MEPC and British Land both of which have been responsible for developing office and retailing schemes, and the former Lyon Group which developed industrial units. Some developers have tended to specialize in one particular sector, residential developers being most likely to specialize. However, even they have entered other sectors, several having developed office schemes recently.

Even for a single property sector, such as offices, the range of developers has been large. It includes developments undertaken by owner occupiers, ranging from small accountancy and legal firms to the corporate headquarters buildings of banks and insurance companies. There are also owners of sites who decide to redevelop them for a profit, but for whom property development is not a core element of normal business. In addition, development for owner occupation is frequently undertaken by the public sector, including the semi-state (nationalized) industries such as the Electricity Supply Board and Aer Lingus, by local authorities and the Office of Public Works which develops offices for state operations.

A second group of office developers includes those for whom property development is a continuous part of their operations. Commercial developers range from individual operators and private companies (e.g. Hardwicke, John Byrne Group, Clancourt, Duke House, Treasury Holdings, and Dunlewey Bros.), to companies quoted on the stock exchanges either in Ireland or abroad (e.g. Abbey, Green Property and Dunloe).

These commercial developers have been joined by the development operations of financial institutions, notably the insurance and life companies such as Irish Life, New Ireland and Hibernian Insurance. Even during the office boom of the 1960s, when few Irish institutions had become actively involved in speculative office development, UK-based institutions such as Royal Insurance, Guardian Royal Exchange, Scottish Legal, Standard Life, Friends Provident and Norwich Union began developing office schemes in Dublin. However, the closing years of the twentieth century saw a growing tendency for the institutions to withdraw from development, reverting to their more traditional role as purchasers of completed schemes.

Finally, in order to gain greater direct access to development profits, construction companies have also undertaken office development directly or have done so through setting up development subsidiaries.
As a target for international investment capital, the Irish property sector is small-scale and dominated by Dublin. However, even here, the stock of modern office property amounts to less than 2.1 million sq. m. (22.5 million sq. ft.). Most investment demand for Irish property has been local in origin and, until the late 1980s when controls over investing Irish funds overseas were terminated, was driven by a desire for portfolio diversification in a context where the share market was very limited. The major investors were the life offices (e.g., Irish Life, New Ireland, etc.), Irish pension funds, acting directly or through the Irish Pension Fund Property Unit Trust, and the investment banks. The property sector has nevertheless attracted overseas commercial developer-investors such as British Land and MEPC, while institutional developer-investors have included Royal Insurance, Friends Provident, and Norwich Union. The UK National Coal Board pension fund also acquired property in Dublin as did the National Mutual Life Association of Australasia.

6.5 Development activity

Each of the major property sectors has been characterized by phases of boom and slump in development activity and, with each phase, have come changes in the geography of development. This is most apparent in the offices sector. During times of development boom, activity has expanded into secondary areas adjacent to the core, while retrenchment into prime areas occurred during slumps. However, in the most recent office development boom of the late 1990s, considerable development has been reflected in the outer suburbs (MacLaran and O’Connell, 2001; MacLaran and Killen, 2002). To some extent, this shift reflected changing demand. One aspect has been associated with the creation of ‘call centres’ engaged in teleservices operations. These range from IT-related sales and after-sales backup for companies such as IBM, Dell and, formerly, Gateway, to hotel and car-hire reservation services of Best Western and Hertz. With European-wide operations and dependency on telecommunication systems, such offices have wide freedom of locational choice. Cheap suburban offices were therefore favoured when large amounts of floor space were required. In a city marred by worsening traffic congestion, this also offered the prospect of reduced commuting times for employees.

Urban planning restrictions also played a key role in office suburbanization. The increasingly restrictive pro-conservation planning ethos of the Corporation planners, combined with competition for city-centre sites from other functions, such as hotels and high-priced residential uses, reduced the number of sites available for office development in the core. Simultaneously, the more liberal planning regimes of the suburban local authorities, eager to gain the income from commercial rates (property taxes) after the abolition of domestic residential rates in the late 1970s, encouraged office developers to widen their operational fields (Bertz, 2002). This resulted in a significant change in the location of office development. Over 85 per cent of the office space developed between 1960 and the end of 1989 had been built in the prime office core (Dublin 2 and 4), with less than 10 per cent being located in the outer suburbs. However, from 1990 to 2000,
during the greatest ever office development boom in the city, only 27 per cent of new floor space was developed in the core, whereas 53 per cent was located in the outer suburbs. Unwittingly, Dublin had started to create an ‘Edge City’.

6.6 Urban planning and development
By the mid-1980s, the impact of property development on the central city had been considerable. However, it was becoming apparent that the urban planning system had serious limitations and sometimes even exacerbated the problems. For example, by zoning too large an area of the central city as suitable for commercial development, planners unwittingly encouraged long-term speculative site assembly for commercial redevelopment over wide areas fringing the core, bringing widespread dilapidation and often causing the displacement of blue-collar employment.

6.6.1 Development scale
Although most office developments in Dublin have been small-scale, fewer than 30 of its 760 modern office buildings being over 10,000 sq. m., the preference for larger schemes which can achieve development economies has nevertheless had an impact on the urban landscape. This is evident around St. Stephen’s Green where the eighteenth-century townscape has undergone radical transformation. To the north of the river Liffey, the Salvation Army building remains as solitary witness to the grain of historical development, now dwarfed by the Irish Life Centre, a mixed retail and office scheme (Figure 6.2). Built on a former builders’ merchant’s yard and benefiting from ease of site assembly, the very scale of the scheme has permitted it to turn its back on the local

Figure 6.2 Dwarfed by the scale of its Irish Life Centre neighbour, the Salvation Army building (bottom left) preserves the more intimate scale of the historic townscape
environment and draw the zone of prime office rentals over the river to encapsulate the development. Reflecting its intrusion into such a secondary location, it was equipped with a dry moat and retractable drawbridges, affirming its fortress-like character.

6.6.2 Site assembly and dereliction

The impact on Dublin's streetscapes of widespread redevelopment was compounded by the lengthy time required for site assembly in the city centre (see Chapter 2). Subsequently, the need to await an upturn in user demand might occasion yet further delay in building. Nowhere was this better exemplified than on Leeson Street (see Chapter 2, Figure 2.8) where eighteenth-century buildings remained derelict for a decade prior to redevelopment. Indeed, the assembly process at one site on St. Stephen's Green was so lengthy that it contributed to the demise of the developer, the scheme eventually being completed by another developer for retailing rather than as offices.

6.6.3 Plot density and displacement

Urban planning has been largely successful in controlling building height and density of development, thereby preserving Dublin as a low-rise city, built at an intimate 'human' scale. Displacement problems nevertheless arose. A low density of permitted commercial development, with plot ratios of only 2.5:1 was generally enforced. This created a wave of office property development pressure pushing outwards into areas adjacent to the office core. It was especially damaging for buildings located in the prestigious eighteenth-century areas to the south and east of the core where developers were for too long able to secure permission for redevelopment.

6.6.4 Building protection

Planners long proved unable to protect the valuable heritage of eighteenth-century buildings, streets and squares developed during Dublin's 'Golden Age' (see MacLaran,
Not until the 1990s were any interiors listed for protection. An Taisce (the National Trust) estimated that between 1980 and 1985, some 80 listed buildings were demolished or permission had been granted for their demolition, with another 50 suffering unauthorized alterations detrimental to their architectural character (An Taisce, 1985). While eighteenth-century buildings in the office core were in constant threat form redevelopment, in secondary areas the paucity of user demand led to widespread dereliction and the danger of buildings falling down (see MacLaran, 1993). Sometimes, in the absence of permission for demolition, owners might remove lead flashing and roofing slates to allow rain to penetrate, eventually rendering the building structurally unsound. Its compulsory demolition would then be required by the dangerous buildings inspectors, working for the same local authority whose planners were trying to preserve it.

Figure 6.4 Mountjoy Square (1993). Lack of user-demand may lead to the suspension of building maintenance and to dereliction

Thus, from an origin bursting with high ideals and enthusiasm, by the 1980s the planning system had degenerated into a bureaucratic procedure, held in disregard by developers and community groups alike. Developers viewed it as a costly and unnecessary bureaucratic obstacle, while community groups found it difficult to penetrate and unresponsive to local needs (McGuirk, 1991). Moreover, in the mid-1980s, it was becoming increasingly recognized in government circles that Dublin Corporation, and the planning system in particular, lacked the ability to tackle the scale of Dublin’s problems; a landscape which presented a facade of inner-city dereliction and social problems associated with high unemployment.

6.7 Towards interventionist approaches in planning

Tentative attempts by planners to influence the geography of office development more actively had been attempted during the office boom of the 1970s. With the aim of
guiding development to the north side of the river Liffey where urban renewal was much needed, planners offered higher than normal plot ratios for developments. However, this had a very limited impact because of the conservative locational preferences of office establishments. In the 1970s, an attempt by the Corporation to become more actively engaged in development involved its entering a partnership with Irish Life Assurance for the development of the ILAC Shopping Centre. However, the experience left much to be desired. Irish Life found the naïve aspirations, lack of understanding of development economics, absence of any sense of urgency and the Corporation's cumbersome bureaucratic decision-making difficult to tolerate (MacLaran, 1993). If future joint ventures were to have any prospect of success, they clearly had to be based on a different footing.

Towards the end of the 1970s, growing recognition that the central city faced serious difficulties and policy deficiencies led to the establishment of a government inter-departmental committee and an Inner City Task Force. The problems were highlighted in an influential report (Bannon et al., 1981). The 1982 general election presented an inner-city Independent community candidate with the balance of power in the formation of the incoming government. Negotiations for his support centred around a complex inner-city development package, including initiatives ranging from inner-city housing projects and economic development, embodied in the Urban Development Areas Bill, 1982. While never enacted, it provided the key elements of subsequent renewal initiatives.

Lacking confidence in the ability of Dublin Corporation to respond to the depth of the inner-city problems, particularly the existence of over 600 cleared sites and derelict buildings totalling 65 ha. (160 acres), the national government responded in 1986 by devising a series of property-based regeneration initiatives. These provided financial inducements to developers, investors, owner occupiers and tenants of properties in defined renewal areas (MacLaran, 1993; Davis and Prendergast, 1995). The ‘Designated Area’ policies had a major impact on the geography of property development in Dublin over the following decade.

Simultaneously, the operational climate of the Corporation departments became transformed by a managerial ethos concerned increasingly with city boosterism, promoting and selling the city in order to attract international investment. The limited discussion and consultation which had taken place between central government ministries and local government departments gave emphasis to the marginal role which was envisaged for Corporation planners during a period of unprecedented urban development (McGuirk and MacLaran, 2001). Indeed, to circumvent traditional urban planning entirely, special purpose development agencies were established for key sites.

6.7.1 Designated areas

The Urban Renewal Act (1986) and the Finance Act (1986), provided for the establishment of ‘designated areas’ of Irish cities where tax incentives would be made available to promote the development, refurbishment and occupation of properties in
districts requiring renewal (see MacLaran, 1993; Williams and MacLaran, 1996). The aim was to stimulate employment in the construction industry, then experiencing an unemployment rate of over 45 per cent following the collapse in the office, industrial and residential sectors. The incentives included:

- Taxation allowances for investors in respect of expenditure of a capital nature for the construction or reconstruction of commercial buildings. Such costs could be set against income or corporation (company) tax.
- For tax purposes, occupiers of new or refurbished properties were granted an allowance amounting to twice the value of rent paid.
- Remission of commercial rates for a 10-year period on a sliding scale, relating to the erection, enlargement or improvement of commercial premises.
- Income-tax relief for owner occupiers' expenditure relating to newly constructed or refurbished private dwellings.
- For tax purposes, investors in rented residential properties within specified size limits could offset construction costs of such units against rental income.

Their impact was to increase substantially the potential redevelopment value of inner-city sites. Property owners who initially failed to benefit because their sites were located on the 'wrong' side of the incentives boundary, commenced a lengthy process of lobbying of the government minister, urging the geographical extension of the designated zones. Expansion duly occurred between 1988 and 1990, by which time the incentive areas covered a large proportion of the central city outside the main shopping streets and prime office area (see Figure 6.5). Among the original 'urban renewal' designations was a 48-ha. (120-acre) green-field site in the peripheral new town of Tallaght, included to facilitate the development of a new shopping centre to service the growing population.

6.7.2 Docklands

Provisions were also put in place to effect the redevelopment of the Custom House Docks (Figure 6.6), a redundant dock site close to the city's central business area which the government wished to see redeveloped (see Gahan, 1993). Here, the government decided to control its planning and redevelopment by establishing a special agency, the Custom House Docks Development Authority (CHDDA) was endowed with full planning powers and charged with overseeing and promoting redevelopment. An integrated development project was envisaged to include a wide range of business, residential and recreational functions. Companies could avail of 100 per cent capital allowances for business premises (5 per cent in the first year and 4 per cent thereafter), while residential landlords could offset the allowable cost of premises against their taxable income. Plans for an International Financial Services Centre (IFSC) were added, involving enhanced incentives for commercial development and a reduced corporation tax rate of 10 per cent for companies involved in internationally traded services.

The CHDDA held an open competition among developers interested in participating in the redevelopment and, by mid-1987, it had devised a general planning scheme to
Figure 6.5 Designated Areas. Incentives for property-based renewal were spasmodically extended to cover much of the city centre.
Figure 6.6 The Custom House Docks, 1986 (© Peter Barrow, Dublin)

Figure 6.7 The International Financial Services Centre and associated developments at the Custom House Dock, 2002 (© Peter Barrow, Dublin)
attract interest. The winning submission, evaluated on the basis of its design, financial backing and ‘deliverability’, was lodged by a British and Irish consortium comprising British Land, Hardwicke and McInerney Properties, all of which had considerable development experience in the city. The scheme involved a total of more than 70,000 sq. m. (750,000 sq. ft.) of office space. It also provided for a 300-bedroom hotel, a 5,000-seat conference centre, 200 residential apartments, museums, retailing elements, restaurants and pubs, an entertainment centre, community and training space and underground parking. After signing the Master Project Agreement, the land was passed to the development consortium, trading as the Custom House Docks Development Company, on a 200-year leasehold as individual components of the development were undertaken.

The geographical remit of the CHDDA was extended from the original 11 ha. (27 acres) site to over 20 ha. (50 acres) and in 1997, on its being succeeded by the Dublin Docklands Development Authority (DDDA), this was increased to embrace 526 ha. (1,300 acres) of decaying docklands which had suffered from the physical and socio-economic decline typical of de-industrialized ports (Drudy, 1999). Although the DDDA did not obtain the same sweeping planning powers as in the Custom House Docks, it was empowered to develop special detailed planning schemes for areas thought to be in need of particular redevelopment assistance and these are largely exempted from local authority planning control.

6.7.3 Temple Bar

In 1991, the government made special provision for the renewal of Temple Bar. This riverside district comprising over 80 ha. (197 acres) at the heart of the city, whose development could be traced back to the seventeenth century and where there still existed buildings dating back to the 1720s, was situated immediately south of the river Liffey between the city’s two main retailing streets. It had suffered from blight and decay resulting from long-term plans to redevelop a large site as a bus station. Cheap premises on short leases and the proximity to the central area had created a ‘left-bank’ atmosphere of hotels, pubs, cheap cafés and restaurants, theatres, galleries, recording studios, second-hand goods and clothing stores. Nowhere else in the city was there to be found such a heterogeneity of functions. The government’s aim was to create a cultural, artistic and tourist quarter by protecting and enhancing the types of function which had already appeared (see MacLaran, 1993).

Legislation established two companies to oversee rehabilitation. Although the Corporation retained its formal planning control, this initiative paid little heed to the city planners’ existing detailed ‘action plan’ for the area and the role of the Corporation planners was effectively marginalized (Montgomery, 1995).

Tax incentives provided for the purchase price (net of land cost) of an appropriately refurbished residence to be allowable against the income tax of an owner-occupier. Unlike elsewhere in the designated areas where tax incentives were available for all property-related developments, incentives for businesses in Temple Bar were made
available only for buildings accommodating functions approved by [company name] Ltd, the company charged with creating the required functional mix. The second company, Temple Bar Properties Ltd, acted as a development company for the area. It took over the publicly-owned properties, primarily the portfolio of the transport authority which had been assembling sites for the proposed bus station, and immediately embarked on a programme of refurbishment and infill development.

6.7.4 Enterprise areas

In 1994, the government established two enterprise areas adjacent to the docklands, fiscal incentives being made available to promote industrial operations. However, it was the Industrial Development Authority (IDA), rather than the Corporation, which was charged with securing and approving appropriate companies, again limiting the role of local planners. The IDA adopted a broad interpretation of the functions deemed appropriate for support, with a wide range of activities being attracted, including software companies, tele-services and research, most of which were office-based.

6.8 Development impact of the initiatives

With such a variety of schemes, initiatives and development agencies operating concurrently, isolating the effectiveness of individual programmes is difficult. However, there is no doubt that the package of incentives had a major impact on the inner city by sparking a development boom in the office and residential sectors (MacLaran, 1993; Williams and MacLaran, 1996).

The timing of the introduction of the Designated Area incentives was fortuitous, occurring just as the offices sector was about to enter a development boom after six years of depressed economic conditions. Accelerating economic growth in 1988 created increasing demand for office space. The office vacancy rate fell to 5 per cent and rentals increased for the few available new buildings. Within a year, the vacancy rate had fallen to 3.6 per cent and rents, which had been static at Ir£107 per sq. m. (£10 per sq. ft.), surpassed Ir£161 per sq. m. (£15 per sq. ft.) for prime new floor space. This provided a sharp impetus to office development activity.

Development was further fuelled by a sudden influx of property investment funds, amounting to Ir£1.15m in 1989 alone, as investment managers sought to participate in the rising real returns available from the offices sector. As investors chased the limited supply of new properties, initial yields strengthened from 6.5 per cent to below 6 per cent during the year. Developers reacted swiftly to the changed circumstances in the accommodation and property investment markets and construction began at over half the sites where office planning permissions had not yet expired. The government also required the Corporation to release for private-sector development much of the land which it had assembled for its own purposes, such as for social housing. Access to sites with clear title to development enabled the property sector to respond quickly and development got underway immediately.
The completion of new office space leapt from its mid-decade annual norm of less than 25,000 sq. m. (270,000 sq. ft.) to over 80,000 sq. m. (860,000 sq. ft.) in 1990 (see Figure 2.27). A further 120,000 sq. m. (1.3 million sq. ft.) reached completion during the following year. Within two years, the stock of modern office space in Dublin had expanded by over 18 per cent. Over a quarter of this new development, amounting to 60,000 sq. m. (645,000 sq. ft.), was located in the Designated Areas, including the IFSC.

But by the early 1990s, completions had outstripped the scale of demand from prospective occupiers. City-wide office vacancy rates soared, reaching 11 per cent in late 1991, when 120,770 sq. m. (1.3 million sq. ft.) lay empty, 60 per cent of which was in new buildings. Not surprisingly, developers quickly withdrew from further speculative developments and, by 1992, output had fallen to just 16,900 sq. m. (182,000 sq. ft.). Moreover, apart from the special case of the IFSC, office-based businesses proved reluctant to move to non-traditional locations in the Designated Areas. As a result, in the Designated Areas outside the IFSC, over 40 per cent of the newly developed space lay vacant in mid-1992. Inner-city sites in such locations increasingly became considered for alternative functions, primarily residential development. Nevertheless, office development proceeded apace in the IFSC and the Enterprise Areas throughout the 1990s.

The developments in the Designated Areas and Enterprise Areas were undertaken either by owner-occupiers and site owners benefiting from the provision of the incentives, or by commercial property developers who recognized at an early stage the potential of the transformed geography of profitability in the city. By late 2000, some 317,535 sq. m. (3.4 million sq. ft.) of new office space had been developed in the city’s incentive areas, comprising 12.5 per cent of the total completed since 1988. Over 54,390 sq. m. (585,000 sq. ft.) were located incentive areas in the outer suburbs. The IFSC accounted for a further 143,265 sq. m. (1.54 million sq. ft.), the Enterprise Areas another.

Figure 6.8 Christchurch Place. Small-scale office developments characterized the initial phase of property-led regeneration in the Designated Areas outside the Custom House Dock.
53,825 sq. m. (580,000 sq. ft.), with the remaining inner-city Designated Areas totalling 66,050 sq. m. (710,000 sq. ft.). The power of public subsidy had clearly demonstrated its capacity to influence the operations of the private development sector.

After the initial office development impact of the incentives, within the Designated Areas the focus switched to residential schemes, a change in emphasis which mimicked that which was simultaneously occurring in both Auckland and Sydney. In the 1980s, a limited amount of private-sector residential development had been attracted to inner Dublin locations as a result of incentives to promote the private renting of dwellings. These allowed landlords to set against taxable income the costs (net of the land element) of acquiring properties for rent. The immediate effect was to engender a surge of apartment construction in Dublin’s prestigious inner suburbs. By the late 1980s, a few tentative schemes were developed in inner-city locations. In 1991, the availability of these reliefs became restricted to the Designated Areas, where generous tax relief was also made available to owner occupiers. A residential development boom was generated in the inner city where little private-sector residential building had taken place at all during the twentieth century.

Figure 6.9 Arran Quay. Oversupply of offices encouraged the development of apartments in the 1990s

Proximity to the central area became a strong marketing feature and the schemes sold well, not only to landlords but to young middle-class owner occupiers. By early 1997, around 6,000 dwellings, mostly apartments, had been developed in the Designated Areas, with a further 2,700 units being developed on inner-city sites lacking these incentives (McGuirk and MacLaran, 2001). This residential development, geographically more widespread than the initial office developments which had resulted from the incentives, virtually eliminated the dereliction which had so marred central Dublin in the 1980s. It also halted decades of inner-city population decline.
6.8.1 Misgivings

Despite their impact, the renewal policies had their critics. Problems included the oversupply of space, the negative effects on surrounding areas located on the 'wrong' side of the incentives line and the problem of competition with existing businesses from those benefiting from subsidy. The sporadic geographical extension of the designated areas also limited the likelihood of the emergence of a local multiplier resulting from greater spatial concentration of incentives. Reliance on individual property owners to initiate schemes also minimized opportunities for co-ordinating development more widely.

Negative consequences also arose for inner-city communities. As the redevelopment potential of land escalated, pressure increased on low-grade businesses to capitalize on the value of their sites. Businesses which had provided blue-collar employment appropriate to local skills disappeared as their sites became redeveloped for offices or enclaves of high-cost housing well beyond the affordability of locals (MacLaran, Williams and Emerson, 1995). It even became difficult for community-based training and local employment schemes to find affordable premises. Moreover, insofar as the problems of the indigenous communities were being diluted by significant numbers of young middle-class professionals moving into the inner city, politicians were now able to point to falling unemployment rates and the rising social profile. Yet little had actually been done to alleviate conditions of those in poverty or experiencing long-term unemployment.

6.8.2 The impact on planning

The impacts of government-sponsored renewal together with the new entrepreneurial agenda within Dublin Corporation had a major impact on local-authority planning, effectively marginalizing it and engendering feelings of alienation among staff (McGuirk and MacLaran, 2001). The desire for renewed relevance necessitated a major reorientation of planning towards an entrepreneurial approach facilitative of property capital rather than some nebulous concept of defending the 'public interest' or 'common good'. Planning would clearly have to depart significantly from its historically bureaucratic functions of zoning and development control. Such reconfiguration would need to accommodate a more 'holistic' approach, a mechanism for leveraging cross-sectoral funding and other resources necessary for the implementation of planning strategies and to adopt an institutional and management structure which could accommodate a broader interpretation of its role. This suggested a role for urban planning concerned less with matters of land-use control and regulation and more with the development and implementation of broad and holistic development strategies. It would involve formulating strategies for small areas, then acting as a catalyst and 'enabling authority', flexibly facilitating and co-ordinating the strategies of public and private sectors alike to mobilize the synergies which might arise from such collaboration (McGuirk and MacLaran, 2001).

This local-area approach became embodied in the idea of Integrated Area Plans (IAPs), a holistic and integrative approach to urban planning which mirrored the planning
approach of the special purpose development agencies, such as the Dublin Docklands Development Authority. IAPs are localized planning mechanisms that aim to embrace the complexity of contemporary urban systems through developing a holistic approach towards the achievement of social, economic and environmental goals, while encouraging the necessary inter-sectoral co-ordination to achieve such aims. The Dublin City Development Plan (1999) aims to be a ‘more stream-lined strategic plan, capable of responding to the complex development needs of the city’ (Dublin Corporation, 1999, 9). IAPs comprise a core element, providing a locally flexible planning framework capable of coping with the complexity and variability underpinning urban development conditions. The approach emphasizes planning’s catalytic role and its integrative functions, marking a major repositioning.

However, while planners sought renewed relevance through micro-area planning, the lack of co-ordination between planning authorities and the weaknesses of the urban planning system at the metropolitan scale were generating major difficulties.

6.9 Development in the 1990s: new problems and Edge City

While the inner-city became the focus for renewal under government-sponsored property development initiatives, burgeoning economic growth continued to create a huge demand for buildings, particularly in suburbia. Ireland’s GDP grew strongly through the 1990s, at an average annual rate of over 5 per cent, compared with a EU average of 1.5 per cent. With high birth rates lasting well into the 1980s, the youthful age structure contributed to rapid household formation and an escalating demand for dwellings. Adults who might previously have been content to live with parents into their late 20s now sought accommodation of their own, free from moral supervision. Full employment and rising incomes permitted them to fulfil such desires at an earlier age. Rising incomes also created a blossoming consumer market for every conceivable item of consumption, from mobile phones to personal computers, wide-screen televisions to BMWs. Car ownership rates rocketed, as did traffic congestion.

The division of the metropolitan area into four separate jurisdictions had created a fragmented administrative structure with little co-ordination. Deprived of income from domestic rates (property taxes), the suburban local authorities increasingly vied with one another to attract valuable office and retail developments, reminiscent of the ‘fiscal mercantilism’ found in US cities (see Johnston, 1979). Planners came under pressure to facilitate such income-generating development by introducing new land-use zoning categories, notably that for ‘office-based industry’, which was often applied to areas previously zoned for industrial functions (Bertz, 2002). Simultaneously, office suburbanization was further stimulated by the declining availability of inner-city sites and growing competition for them from the buoyant hotel and luxury residential sectors.

The late 1990s also saw a diversification in user demand for office space, related in particular to the influx of foreign companies in the high-technology, computer software and teleservices sector. Many had little need for central-city locations, requiring instead
large amounts of high-specification space, good telecommunications infrastructure, capacity for expansion and cheap rents, especially in the cost-conscious teleservices sector (Bertz, 2002). Such criteria were generally met only in suburbia. Prime office rents, unchanged at around Ir£160 per sq. m. (Ir£15 per sq. ft.) from 1990-5, reached Ir£400 per sq. m. (Ir£37 per sq. ft.) in 2001. In contrast, space at the periphery was available for as little as Ir£150 per sq. m. (Ir£14 per sq. ft.), while in some locations, tax incentives for occupiers increased their attractiveness and the likelihood of developers attracting long-term investor financing.

The newly-developed peripheral campus-style office parks also had space for expansion, provided for ease of access by car from the new circumferential M50 motorway and benefited from planning regulations which permitted ample parking. The M50 itself, originally planned as an outer by-pass, became the linear focus for the development of industrial estates, office parks and regional-scale shopping centres, dotted along its length like beads on a necklace. Though still incomplete in its southern section, the motorway is already subject to congestion and delays at its interchanges.

Moreover, rapid growth in car ownership levels, increasing amounts of inter-suburban commuting and worsening traffic congestion created a situation where commuter access to peripheral employment nodes, such as Citywest, is now often quicker from as far afield as Carlow (70 km.) than from inner-suburbs such as Harold’s Cross (10 km). The expansion of employment at the urban periphery has therefore resulted in a widening of Dublin’s commuting field to 90km. around the metropolis (Williams and Shiels, 2002). Amazingly, little of this appears to have been foreseen by planning authorities.

Nowhere is the development of Edge City better exemplified than in the prestigious southern suburb of Sandyford, some 8 km. (5 miles) south of the city centre. Capitalizing on the presence of prestigious companies such as ICL, Microsoft, Oracle, Trinet and Allied Irish Banks, an industrial estate located near the M50 motorway and soon to be connected to the city centre by a light rail line is being transformed. Benefiting from rezoning to office-based industry by a local authority keen to increase its income from business rates, substantial office development has occurred. From a stock of 5,967 sq. m. (64,200 sq. ft.) in 1990, Sandyford is developing into a suburban office node with a stock of over 143,250 sq. m. (1.54 million sq. ft.) at the end of 2001. Space has been taken up by Ericell/Vodaphone (the major Irish mobile phones operator), First Active Bank, Bank of Ireland and Barclaycard, with additional space being taken by Microsoft. Development has occurred at green-field sites and also involved redevelopment of low-value industrial space. Thus, single-storey warehouses with a workforce of a dozen people might be replaced by multi-storey office buildings accommodating several hundred employees. With a transportation infrastructure geared to a numerically small employment base, traffic congestion has been the inevitable consequence.

More generally, in view of the lack of co-ordination of land-use and transport planning, the authorization by planners of the proliferation of peripheral employment nodes is disquieting (MacLaran and Killen, 2002). Public transport systems function best when
connecting a multiplicity of origins (residences) and a single destination, normally the city centre. However, the evolving pattern of contemporary office suburbanization has created innumerable employment destinations. The outcome is a growing complexity of inter-suburban journey-to-work patterns, reminiscent of American cities, which cannot easily be accommodated by public transport. The high level of enforced dependency on the car is now causing serious traffic congestion in suburbia, inevitably encouraging demands for expensive suburban road improvements.

Only the economic downturn of 2001–2 and the over-provision of space in some peripheral office campus developments have provided some respite in development activity. In one such scheme, vacancy approached 70 per cent in June 2002, quoted rentals fell by over 40 per cent in the course of a year; development finance and long-term funding evaporated and construction was suspended.

This pause in development has permitted time for reflection about the changes which have transformed Dublin during the 1990s. A combination of interventions by the national government, a deepening entrepreneurial local administrative and planning ethos together with an environment of competition between local authorities for commercial property development provided the context for change. But above all, it was the activities of the private-sector property development forces which dominated urban development, and it is to the location and character of those developments that the appropriate transport infrastructure will now have to be adapted. Inevitably, the taxpayer will be obliged to foot the bill, which will be enormous.