Research Repository UCD

Title	Planning and sustainability : metropolitan planning, housing and land policy
Authors(s)	Redmond, Declan, Williams, Brendan, Punch, Michael
Publication date	2005
Publication information	Redmond, Declan, Brendan Williams, and Michael Punch. "Planning and Sustainability : Metropolitan Planning, Housing and Land Policy." Institute of Public Administration, 2005.
Publisher	Institute of Public Administration
Item record/more information	http://hdl.handle.net/10197/1238

Downloaded 2023-04-07T10:52:29Z

The UCD community has made this article openly available. Please share how this access benefits you. Your story matters! (@ucd_oa)

© Some rights reserved. For more information

Planning and Sustainability: Metropolitan Planning, Housing and Land Policy

*Declan Redmond, Brendan Williams
and Michael Punch*

Introduction

There are now ample policy pronouncements subscribing to the principles of sustainable development. From national policy on sustainable development to all manner of spatial planning policies, there is a commitment to sustainable development principles and practice (Government of Ireland, 1997b). However, as is becoming more evident over time, the gap between policy aims and actual achievements and outcomes is widening. While it would be naïve to expect a simple correspondence between policy objectives and achievements, it does seem that in Ireland the disconnect between policy and reality is wider than in many other EU countries. For example, as Bannon discusses in Chapter 14, the National Spatial Strategy seeks to achieve balanced regional development and, in particular, to restrain the development of the Greater Dublin Region. However, the available evidence suggests strongly that the patterns of development being produced are not coherent with the strategy. Indeed, government policy on decentralisation would seem to put the strategy at further risk. While some analysts take refuge in the ill-defined concept of polycentric development, it could be argued that the National Spatial Strategy exists only as a policy with no concomitant support for policy implementation. Likewise, the development of metropolitan planning policy in Ireland may be subject to similar criticisms. The evidence for the development of the Greater Dublin Area suggests only limited adherence to regional planning guidelines, with the development patterns producing an unsustainable metropolitan area with all

manner of transport and housing problems (Williams and Shiels, 2000, 2002). On the economic and social front, there is a commitment to providing adequate and affordable housing for all. This clearly is not happening to its fullest extent, with problems of affordability and access evident for many social groups (National Economic and Social Council, 2004).

What all of this suggests is that, far from moving towards achieving sustainable development objectives, we may be pursuing a path which is leading to unsustainable urban and regional development. How should these patterns be examined? Analytically, we can examine policy at three levels. First, we can ask whether the policy aims themselves are well developed and coherent. Second, and crucially, we can ask whether there are policy instruments available to achieve the policy aims and assess whether they are adequate to the task. Third, we can examine empirically the actual implementation or non-implementation of policy aims and ascertain where the problems lie. In order to illustrate some of these issues this chapter focuses on two interlinked areas of critical concern with regard to sustainable development, first the relationship between metropolitan planning policy and spatial patterns of development and second, the relationship between the provision of affordable housing and land policy.

Unsustainability: Metropolitan Planning and Policy in Greater Dublin

In the past decade the pace, scale and location of development in the Greater Dublin Area (GDA) and beyond have created dispersed and complex patterns of land use with even more complex ramifications with respect to transportation and commuting (Williams and Shiels, 2000, 2002; MacLaran and Killen, 2002). For example, around the M50 motorway there has developed large-scale commercial, industrial and residential development, creating in effect an 'edge city' with its own issues and problems. As a consequence of the massive escalation of house prices and the attendant problem of access and affordability, a dispersed pattern of housing development has occurred not only in what is termed the hinterland of the GDA, but also well beyond into what have been termed the outer Leinster counties. Comparatively low levels of housing supply in the Dublin local authorities have resulted in residential development leapfrogging to towns and villages up to 90km around Dublin, resulting in what can only be described as unsustainable spatial development and commuting patterns (Williams *et al.*, 2002). The economic costs, still less the social and environmental costs, of this *de facto laissez faire* approach to development have not been calculated.

Apart from the obvious costs with respect to commuting, there are clear costs associated with providing new transport and social infrastructure in the many towns and villages where new residential estates have mushroomed over the past decade. Ironically, these costs are being incurred at the same time as there

has been significant population loss, and potential under-utilisation of services, in many of the mature areas of Dublin city. Research by Williams and Shiels (2002) on the Greater Dublin Area demonstrates the emergence of a *laissez faire* pattern of development, with little linkage to the regional planning policies or the transportation plans of the Dublin Transportation Office. In a related manner, with respect to the delivery of infrastructure, the experience of the past few years has been negative, with significant delays and cost overruns being common.

Metropolitan Planning and the Greater Dublin Area

The long-term success of any kind of regional or metropolitan planning framework is predicated on development patterns complying with the parameters of the spatial plan. However, the evidence summarised above begs serious questions as to the efficacy of regional planning policy as implemented. If a regional planning framework is to have any hope of success, then uncoordinated and unregulated development patterns cannot be allowed to pertain and persist. Dealing with the spatial planning frameworks for the Dublin region, and in particular for development at the edge of the city and beyond, spatial planning policy is relatively well developed at the regional and national scale. Core principles in these spatial plans include adherence to a hierarchy of settlement and development patterns with an emphasis on the need for the integration of land use and transportation.

With respect to the planning of the edge city, the Strategic Planning Guidelines for the Greater Dublin Area (SPGGDA) call for a policy of urban consolidation in the metropolitan area (extent of the built-up area) of Dublin, with development to be focused as far as possible on public transport routes. Outside of the metropolitan area, in what is termed the hinterland, development is to be focused on a series of primary and secondary development centres (Brady Shipman Martin *et al*, 1999). The National Spatial Strategy (NSS) essentially reiterates the policies outlined in the SPGGDA and calls for the consolidation of the Greater Dublin Region (Department of the Environment and Local Government, 2002). The revised Regional Planning Guidelines for the region, published in late 2004, also restate these broad points (Dublin Regional Authority, 2004b).

As shown in Table 15.1, the NSS sets out a series of tests which should in future be used in determining the location of housing in urban areas. While these tests are inevitably general, the emphasis is very much on sustainability, integration and the maximisation of existing urban land and associated services. The core question is whether development decisions will in fact be based on these criteria.

Table 15.1: Housing Location Tests for Urban Areas

Tests	Evaluation Considerations
The Asset Test	Are there existing community resources, such as schools etc. with spare capacity?
The Carrying Capacity Test	Is the environmental setting capable of absorbing development in terms of drainage etc?
The Transport Test	Is there potential for reinforcing usage of public transport, walking, cycling etc?
The Economic Development Test	Is there potential to ensure integration between the location of housing and employment?
The Character Test	Will the proposal reinforce a sense of place and character?
The Community Test	Will the proposal reinforce the integrity and vitality of the local community and services that can be provided?
The Integration Test	Will the proposal aid an integrated approach to catering for the housing needs of all sections of society?

Source: Department of the Environment and Local Government, 2002:103.

Table 15.2: Urban Consolidation Priorities

1	Identify opportunities for re-use	Through the development plan process, identify under-utilised or underdeveloped lands within town and villages
2	Realise options for re-use	Realise identified opportunities using, for example, the Derelict Sites Act and acquisition of key sites
3	Identify extension options	Where sufficient development opportunities within the urban area are not available, consider appropriate extension options to the village or town
4	Realise extension options	Follow up on options for extensions to the built up area using the location tests

Source: Department of the Environment and Local Government, 2002: 104.

Table 15.2, again taken from the NSS, emphasises the need to develop and consolidate existing urban areas before deciding to develop greenfield sites. This sequential approach to development, if actually implemented, would have profound consequences for the planning and development of Dublin, as it would

in theory seek to locate most new development within the metropolitan area and within the primary and secondary development centres.

In practical terms, in order to achieve the consolidation of the GDA, one action that is specified in the NSS is the undertaking of 'a comprehensive and systematic audit of all vacant, derelict and underused land to establish its capacity to accommodate housing and other suitable uses. Such an audit should be focused in particular on areas in or close to public transport corridors and areas with under-utilised physical and social infrastructure' (Department of the Environment and Local Government, 2002: 42). While all local authorities have produced Housing Strategies as required under Part V of the Planning and Development Act, 2000, these strategies have only very general estimations of housing capacity. It seems that the NSS envisage something more akin to comprehensive urban capacity studies as produced in the UK. These capacity studies have yet to be undertaken and presumably are meant to be distinct from the general calculations of capacity in the Regional Planning Guidelines. Thus, while we can see that policy is fairly well developed, it is also obvious that spatial planning frameworks seem to be more often honoured in their breach than their compliance and development proposals continue to emerge which contravene the guidelines. In theory, local development plans and development control decisions are meant to 'have regard' to the strategic guidelines for Dublin. However, as Bannon makes clear in the previous chapter, as a result of a recent court case testing the guidelines, it seems that having regard to the guidelines can mean as little as being familiar with the front cover of the report, thus opening up the possibility, maybe even probability, that the guidelines can be breached with ease.

Perspectives on Planning Policy and Implementation in Greater Dublin

Research by Williams, Shiels and Hughes (2002), which interviewed many of the stakeholders involved in planning and development in the region, suggest that there was a recognition across all interests interviewed that traditional approaches to blueprint planning on a 'predict, zone and provide' basis were outdated and that integrated approaches were the only possible future option. This point is made forcibly in the new report on housing by the National Economic and Social Council (2004). The absence of co-ordination between various local authorities in the Greater Dublin Area was evident in the interviews. The inconsistent objectives of the housing strategies of each local authority reflect the absence of a regional framework within which the strategies could operate. The inconsistent implementation of development policies may result in the spatial distortion of development favouring local authority areas with the greatest quantity of serviced development land and which apply relatively less rigorous social and affordable housing criteria.

Local authority interests pointed out that delays were inherent in the planning system, often resulting from the actions of developer applicants. Local authorities are often dealing with normal applications, applications for extension of time and enhanced planning permission, all on the same land. They also pointed out that major delays in servicing rezoned lands can occur if such lands were rezoned against the advice of the professional within the local authority, due to the extent of engineering and other infrastructure involved (MacCabe, 2003). In addition, the nature of consultative processes now expected with local communities and local interests was often deliberative, systematic and relatively lengthy. Development interests found the planning process complex and unworkable. The adversarial nature of the system promotes an often-negative 'cat and mouse' approach within a complex legal negotiating framework. Such interests pointed to the multiple layers of the system, involving development zones, planning guidelines and strategies.

When a system has developed a large degree of complexity, the availability of planning staff with whom development interests can engage is critical. Both planning policy and development interests concurred on the lack of suitable experienced planning staff and the difficulties this presented in terms of achieving decisions within the planning process. Of particular concern to all development interests are time delays inherent within the system, particularly where appeals to An Bord Pleanála result. A broad consensus accepting the new higher densities in residential development was clear across all interests interviewed. Developers and local authority interests pointed out that issues beyond the control of the planning system often complicate development land acquisition. Such issues include title, problems and complexities, fragmented land-holdings and tenures, problems with adjacent owners and interests, fiscal incentives and financial issues. Views regarding the role of government intervention often diverged. A consensus existed that a core problem for the planning and development system was the previous lack of investment in infrastructure and services; such agreement regarding recent specific fiscal charges did not exist.

Supply-side initiatives that could calm the Dublin housing market have, by comparison with demand-side interventions, been lacking in urgency with regard to implementation. Proposals for transportation and utility infrastructure have now been discussed over a twenty-year period. The examples of proposals of increasing capacity on the existing transportation corridors and major enlargement of the urban rail system, without specific guaranteed funding commitments and target completion dates, bring planning policies into question. While the aspiration has now been adopted of dealing with urban development issues in an integrated manner, linking transportation, land use and associated services, the reality of actual development taking place has been that a

fragmented approach has continued. By international standards, the Greater Dublin Area has a low level of population, an adequate land supply, a strong economy and adequate levels of public finance available. With good urban governance and management in place and a coordinated response, effective development solutions are possible. The political commitment to reforms and resource delivery has now become critical to the region's future development. However, if the proposal to create an integrated planning, land use and transportation body for the GDA is evidence of intentions, then the future looks bleak (Department of the Environment and Local Government, 2001). This proposal has effectively been abandoned by government, most probably in the face of opposition from local authorities and from other official organisations.

The significant amount of land in the existing urban area in various forms of public ownership represents the most obvious potential to solving the housing problem. Studies have shown that the planned release of a significant portion of such land onto the development market could play a significant role in first stabilising the Dublin market and then contributing to the supply response required. While this process has already commenced in Central Dublin, many of the same factors apply in areas of suburban Dublin, where a previous generation of low-density housing now has an ageing population profile, falling school numbers and infrastructure in place. Such districts are often in need of development in a general sense as they have been neglected and not well provided for in the past. In areas such as the North Fringe of Dublin City, the opportunities for improving peripheral disadvantaged areas through redevelopment are evidenced by projects such as the Ballymun Urban Regeneration Project. A reduced emphasis on outdated, single-use land zonings can allow development to occur in an integrated manner. The potential for increased population density with commercial redevelopment complementing a mix of housing types, while re-using disused or vandalised open space, is clear (Williams and Shiels, 2001).

If a serious response to the current housing shortage is intended, the densification and regeneration of the existing urban fabric provides a way forward, although it is likely to be subject to considerable opposition at local level. An approach based upon this option has the additional twin merits of utilising existing infrastructure and facilities and a capacity to be implemented over a shorter time period than continued expansion at green-field locations. An essential element to the success of such policies would be a new approach to urban planning and development based upon integrated policy objectives and an acceptance of the necessity for explicit community planning gain arrangements. This would involve additional resources or infrastructure necessitated by new development.

Unsustainable Development: Housing Provision and Land Policy

Affordability and Access to Housing

Developments in the housing system have been considerably uneven both geographically and socially, as expressed by, on the one hand, extraordinary 'booms' in the private housing market and concomitant gains to landowners and developers and, on the other hand, by problems of access to accommodation for less powerful social groups (Fahey, 2004; Fahey, Nolan and Maitre, 2004a; Hickey *et al*, 2002; Drudy and Punch, 2002). In recent years direct output of social housing has lagged significantly behind social need, and there has been in general considerable under-development of this sector compared to earlier periods of significant public investment. This is now acknowledged by the National Economic and Social Council (2004) who recommend a major investment in social and affordable housing. At the same time, rapid economic growth, resulting in large-scale increases in employment, alongside significant increases in population and household formation, have resulted in a boom in the private housing market. The past decade of housing market growth has occurred in a highly conducive economic environment, where interest rates have been historically low, financial institutions have ratcheted up their mortgage lending in response and the Fianna Fáil-Progressive Democrat government has pursued policies of low income taxation and control of inflation. The combination of underlying demand for housing and the favourable economic and financial context has driven a sustained boom in the private market.

As is discussed in more depth in several other Chapters of this volume (specifically chapters 1, 2, 3, 4 and 8), nationally, total housing supply has trebled since the early 1990s, but more than 90 per cent of all new housing has been produced for the private market, with social housing accounting for on average 6 per cent of all new building (Department of the Environment, Heritage and Local Government, various years). Moreover, this sustained increase in supply has not resulted in market equilibrium, but rather in one of the most extraordinary rises in house prices seen not only in Ireland but also in Europe (Bacon and Associates, 1998, 1999, 2000). Nationally, second-hand house prices increased by 213 per cent between 1996 and 2004, but prices in Dublin rose much faster – by over 250 per cent in this period, resulting in average house prices in Dublin being over 30 per cent more expensive than in other urban areas (Department of the Environment, Heritage and Local Government, various years). These astronomical increases have had a profound impact on not only the private housing market, but also on the housing system more generally. As Downey discusses in Chapter 3, with incomes increasing at a more moderate pace over this period, the rises in house prices have led to affordability problems for aspiring house purchasers, and in particular aspirant first-time buyers. Norris and O'Sullivan reveal in Chapters 8 and 12

respectively, that over the same period, social housing need and homelessness have also increased dramatically. Thus, while housing supply has increased and house prices have risen, so too have social housing waiting lists.

Despite the evident social access difficulties, the problem has been mainly expressed, politically at any rate, as a problem of access to home ownership. Consequently, the government has initiated a host of policies aimed in some form at ameliorating the problem of affordability. In broad terms, the central thrust of policy has been to assist in increasing supply, with the hope that prices would either stabilise or reduce as demand was met. However, in contrast to the theoretical postulates of neo-classical economics, rising supply has in fact been met with even sharper rises in prices. In addition to policies to increase supply, a number of specific schemes have been aimed at the first-time buyer. Three affordable housing schemes have been instigated since 1999, where central government subsidise the land cost element of house prices, this being in effect state-subsidised private housing. To date, these schemes have had only a limited impact.

However, the subsidisation of the land cost element points to one of the more dramatic and profound consequences of the boom. Some sources have estimated that land cost has increased from 20 per cent to almost 50 per cent of the average house price between 1995 and 2003 (Central Bank of Ireland, 2003). This exorbitant increase in land costs has clearly benefited landowners and developers but has had mainly deleterious effects on house purchasers and those in housing need, to the point where central government instituted a constitutional review of potential ways in which land costs might be controlled by the state.

Responding to Affordability Problems: Part V of the Planning and Development Act, 2000

However, one effort to influence land costs has already been attempted in recent planning legislation. In 2000 the government introduced what has turned out to be a controversial and complex piece of planning legislation, seeking to impose on private sector developers an obligation to subsidise social and affordable housing on sites they wish to develop (Department of the Environment and Local Government, 2000b). As Bannon discusses in Chapter 14, developers are now required, as a condition of planning permission, to transfer up to 20 per cent of their sites for use as social and/or affordable housing and, crucially, to transfer the site to the state at what is termed use value, which is a fraction of the market value. The rationale for this legislation is twofold. First, it was aimed at allowing local authorities to access development land cheaply, thereby enabling them to build social and/or affordable housing at below market cost. Local authorities and other social housing providers have had serious problems

accessing land in urban areas, especially in competition with private developers. While developers have the option to pay the local authority the financial equivalent of the land cost, many local authorities, especially in urban areas, are seeking to obtain completed and subsidised dwellings from developers. This is entirely understandable as in recent years direct output of social housing has lagged significantly behind social need, and there has been in general considerable under-development of this sector compared to earlier periods of significant public investment. The new planning legislation has another more social aim, in that by seeking to have social housing built alongside or integrated with private market housing, levels of what were termed 'undue segregation' would be diminished and social mix and social interaction would be encouraged.

From a political viewpoint, the passing of this legislation throws up some interesting lessons in the politics of decision-making in housing and suggests a gulf in power and influence between different social groups. Given the history of market dominance in housing provision in Ireland, and the extraordinary spatial segregation of housing tenure in Ireland, this legislation represented a potentially radical intervention as it opened up the possibility of the creation of long-term imaginative solutions to integrated housing schemes. However, the legislation was subject to all manner of criticism and after persistent lobbying and pressure by property and development interests, the government amended it in December of 2002 (Tribal HCH, 2004). The change allowed developers to offer the local authority land elsewhere (off site) or the financial equivalent of the value of the land transfer, options not available in the original legislation. It seems likely that most developers will seek to exercise these options whenever possible, thereby reducing the potential of the legislation to produce integrated housing. Importantly, this provision survived a constitutional challenge on the grounds that it was in the interest of the common good, an important and encouraging judgement. However, the other lesson was that it was attacked through a very successfully lobby. It is clear from this experience that, in doing anything about land, there will be a considerable political battle, and there will be a lot of resistance to change. It may also be difficult to popularise the idea of the common good.

Nonetheless, the debate on the effectiveness of Part V is in its early stages and, as the work of Williams and Shiels (2002) shows, the complexities involved in the successful implementation of Part V provisions in particular are becoming evident. Applying Part V to every individual site can be difficult for both the local authority and the developer. Complying with legislation on a large green-field development site is easier to achieve than, for example, within a small development in an existing residential area. The engagement of developers and local authorities in individual negotiations on each single site

can be viewed as an innovative process to fulfil the needs of proper housing provision or as an additional, complex bureaucratic hurdle presenting further difficulties and delays. Essentially development interests believe that planners are not aware of the difficulty of the market process while some local authority interests find developers unwilling to consider the social and economic context of their individual developments. Critics of Part V deem it unworkable because of problems relating to clarity, consistency and equity in the submission and determination of planning applications. Others, in defence of the process, recognise deficiencies in the legislation and the need for improvement and flexibility but point to the need for any clear alternative to avoid under-provision of affordable housing and social segregation. The early operation of the scheme has witnessed different decision-making processes being employed by various local authorities with the potential for dispute and legal challenge evident within the negotiations process. Development interests in particular pointed to the following difficulties:

- Uncertainty in decision making, delays and disputes
- Greater involvement of An Bord Pleanála
- Confusion as to valuation of land and compensation procedures
- Difficulties of future management of social housing
- Administration and resource capabilities
- Adverse impact on the potential for sustainable in-fill development
- Specific site difficulties not being recognised

Despite opposition, there is an expectation by policy interests that developers will eventually absorb the measures and supply the required housing as they can do so very profitably, particularly in the light of the availability of increased densities. Various local authorities have differed in their approaches to achieving the required social and affordable housing component in a new residential development, with some authorities seeking an equal split between social and affordable, while others lean towards more affordable than social. Integration is also viewed differently by the various local authorities whether fully on site, between sites or, in one example, on a site divided by a road with the social and affordable housing effectively divided from the main development. Such differing views on integration, whether narrowly or more widely defined, are mirrored in other aspects of negotiations such as whether the percentage applied to floor-space or units within the development and a variety of agreement models are being negotiated at present. Such flexibility is viewed favourably by local authority interests, as it enables them to negotiate in regard to varying local housing needs across their areas. Such complex individual negotiations are difficult for many developers to deal with as they are often

willing to deal with known or measured risks, but not unclear policy requirements which are difficult to assess and make the development appraisal and financing process more complex and difficult.

Housing associations are exempt bodies from the legislation as their purpose is already to provide social and affordable housing. These bodies are often approached by developers to undertake the social component of some housing schemes or, alternatively, they also act as agents for some local authorities to develop and manage social housing schemes. The management focus of such associations makes them more acceptable to developers than to the local authority whose commitments are less specific. The widespread perception of the absence of long-term management of local authority estates has created the fear of problems of integration by the private market and this perception may only gradually change with improved social housing management systems and community development initiatives. For management purposes, the social and affordable housing units may often be located in one independent block as the difficulties of alternatives such as the full integration of social housing throughout the development are significant. Norris (2004) points to some of the complexities involved in the development and management of such mixed-tenure developments.

The Political Economy of Land

The experience of Part V to date shows that the land issue is both a complex and controversial one. This led to the formation, by the Taoiseach, of an All-Party Committee to examine the need for constitutional change with respect to property rights. The remit of the committee covered the following issues: the right to private property; private property and the common good; compulsory purchase; the zoning of land; the price of development land; the right to shelter; infrastructural development; house prices and access to the countryside. The remit of the Committee was to ascertain whether there is a need to change the provisions in the Constitution which pertain to property rights. There are crucial issues at stake here with regard to social equity and housing provision, the implementation of spatial plans and the efficient and economic delivery of infrastructure. As part of the deliberations of the Committee, views were sought from property and development interests, groups concerned with the delivery of infrastructure and those concerned with issues of social justice and equality. Prior to analysing some of the key conclusions of the Committee we examine some of the core views of these differing interests.

Development and Property Perspectives

Not surprisingly, many of the groups representing development and property interests extol the contribution made by the private sector to the provision of

infrastructure and to the provision of housing over the past decade. They argue that the private sector has delivered and that there is no need for fundamental reform of the constitution or for further government intervention in the land market. The arguments of the property interests centre on the barriers imposed by the planning system with regard to supposedly inadequate zoning of residential lands, delays in servicing such zoned lands and delays in obtaining permissions. There is clearly some merit in the argument that the private sector has delivered with regard to the provision of private housing. However, this is a rather limited argument. There clearly still remain severe problems of affordability for aspiring house purchasers and severe problems of access to decent quality housing for those who cannot afford to purchase.

Moreover, as the National Economic and Social Council (2004) point out, between 1991 and 2002, 405,00 new dwellings were built but only 259,000 new households formed, implying that 146,000 dwellings did not lead to the creation of a new permanent household. Thus, the private market system has been good at producing dwellings but not necessarily for the right households, producing many second homes but few for those on lower incomes. Some of the property groups, such as the Irish Auctioneers and Valuers Institute, are prepared to admit that the costs of infrastructure provision by the state might be recouped by increased development levies or charges. However, along with groups such as the Irish Home Builders Association, they are very much against any implementation of proposals such as those contained in the Kenny report of 1973 (Kenny, 1973).

The main proposal in the report was that the state could purchase designated land at use value plus 25 per cent compensation to the landowner. The opposition to this, which is stated quite trenchantly, argues that the state should only purchase land at open market value whether for housing or for infrastructure projects. Undoubtedly there are complex issues at work here. However, to imply that the market in land is operating in some effective and efficient manner clearly contradicts the empirical evidence. The planning system may indeed have an impact here, but so also has the pattern of land ownership.

Infrastructure Delivery Perspectives

With regard to infrastructure delivery, the National Roads Authority and the Rail Procurement Agency, in their submission to the All-Party Committee, estimate that the cost of land acquisition in 2002 for national roads was €150 million and that such costs represent between 12 per cent and 50 per cent of individual road projects. The cost of lands for Luas between the city centre and Tallaght and Sandyford will be €100m approximately (Government of Ireland, 2004). Apart from what are seen as the excessive costs of land acquisition, many of the

planning and compulsory purchase procedures are seen as leading to inordinate delays in the delivery of projects. A number of organisations who either directly deliver infrastructure projects or are indirectly involved, such as the Dublin Transportation Office, the Rail Procurement Agency, Forfás and Enterprise Ireland, made submissions to the committee. In short, they argue that compensation should be at less than open market value, that the sections of the constitution on property rights be specifically strengthened by making reference to the need to deliver vital infrastructure as part of the common good and that the regulatory system be streamlined in radical ways. The Dublin Transportation Office, for example, argues that the judgment of the Supreme Court with respect to Part V of the Planning and Development Act, 2000, which concluded that Part V was allowable in the common good, be translated explicitly into the constitution. With regard to planning, they argue as follows:

The implementation of sustainable planning strategies seeks to enhance the socio-economic well being of the population at large. Such goals and objectives are of sufficient importance to warrant specific acknowledgement in the text of the Constitution in order to allay concerns that are regarded as pressing and substantial.

(Government of Ireland, 2004: A52)

More specifically, they argue that:

... in the preparation of development plans it is necessary to 'have regard' to the strategic planning guidelines. Recent case law has demonstrated that the term 'have regard' in this context sets an extremely low compliance threshold and effectively allows a development plan which pays scant attention to the overarching principles contained in the Strategic Planning Guidelines to be legitimately adopted.

(Government of Ireland, 2004: A53)

Many submissions from these groups call for one-stop shops for the assessment of major infrastructural projects, that assessment timeframes be mandatory and that judicial challenges be dealt with expeditiously. While there is much here that property groups would agree with, there is a fundamental conflict over the attitude to the acquisition of land, and philosophical and ideological disagreements centre on this controversial issue.

Social Equality Perspectives

What is termed the social equality perspective comprises views from a diverse range of groups such as the Irish Council for Social Housing, Threshold, Simon Communities of Ireland as well as Feasta (Foundation for the Economics of Sustainability). Many of the social housing groups in particular argue explicitly

for a rights-based approach to housing and for the insertion into the constitution of a right to decent and affordable housing for all citizens. The argument by social equality groups is that access to decent-quality, affordable housing should in its essence be a human right. However, in general terms such rights-based approaches are opposed by those on the right of the political spectrum who see the potential proliferation of appeals and campaigns for a right to all manner of service and commodity. Here there is a conflict between those who view housing as a human need and use value and those who emphasise the market nature and exchange value of housing as a commodity. Apart from these opposing views, however, a number of interesting submissions are made. The Irish Planning Institute, for instance, propose the separation of property ownership rights from property development rights, with the development of a potential market in development rights or development permits, as in some US states. This idea clearly has some merit and deserves detailed attention, although it is not elaborated on in the submission. Feasta has a relatively detailed proposal which suggests the introduction of an annual site tax as part of a broader reform of income taxation. A number of organisations argue for the introduction of the Kenny report proposals whereby the state could compulsorily purchase land at use value plus compensation of 25 per cent to the landowner. What all these positions agree on, however, is that there is a need to institute some radical measures to control the price of land. There are mixed views on whether the constitution needs to be amended in order to allow radical intervention.

Analysing Land Values

The report of the Constitutional review committee deals with many aspects of property. However, the analysis presented here focuses in particular on how the issue of land prices is conceptualised. The analysis takes the fairly standard view that the market price of housing is a function of the interaction of supply and demand. In that equation market prices are ultimately determined by the overall level of demand and, crucially, that inputs into the process such as land costs and construction costs are not key determinants of the market value of housing. In simple terms, the argument is that the market value of housing is at the level at which the market will bear, something of a tautology it must be added. The report argues that 'In the housing market builders are price takers and will sell their product at a price determined by the market and not by the value of land and the cost of construction' (Government of Ireland, 2004: 77). The full implications of this are then drawn out as follows:

When analysing problems in housing markets or in other property markets, urban economic theory points to two important principles. First, the price of landed property, including housing, is not determined by the cost of production. Second, the value of

development land is the result of high property prices, not the cause. These are important insights, which allow a better understanding of the problems of urban development ... It follows from the above that, far from pushing up the price of houses, the price of development land is pulled up by high house prices: the price of the land is a result, not a cause.

(Government of Ireland, 2004: 78-79)

One of the implications of this is that even in a situation where the land cost is minimal the developer will still sell the property at the price the market will bear. This clearly happens on a regular basis, for developers will be using land which has been bought many years previously or will use land which they bought at agricultural value only for it to be rezoned in time. Unlike other markets, the developer will not attempt to compete with other developers by taking advantage of the lower cost of their land, but will sell at current market prices. This is in keeping with the residual view of land prices outlined by the Committee and by Dunne (2003). However, while conforming to the concept, it shows that the housing market is unlike other markets and that the laws of competition do not seem to work as in other sectors.

Consequently, the report is heavily critical of what it terms the 'building-block' approach to house prices. It states that 'The popular perception is that the price of a house is determined by adding the cost of construction to the cost of the site. This is based on what may be called a building-block approach to price determination. It sees the price of houses being driven by the price of land and the costs associated with labour, materials and levies imposed by local authorities' (Government of Ireland, 2004: 79). However, we argue that this dismissal is incorrect. While there may be some degree of truth in the derived or residual approach, it is not the full story. If we take the building-block approach and alter the argument somewhat we get a different picture. Where there exists some form of control not only on the costs of land but also on the selling cost of housing then it is possible to produce houses much cheaper. The evidence already exists in the form of the affordable housing schemes. Here, the land cost is controlled as is the selling prices of the house, thus enabling local authorities to develop houses at an affordable price. The competition here is between different building contractors to deliver the houses to the local authority via a competitive tender. The remarkable thing about this model is that it clearly works but yet only operates at a small scale. If this model were to operate at a bigger scale then it would have major implications for the land market and for the housing market more generally.

The National Economic and Social Council (2004) also examine the issue of land and take a fairly similar conceptual position regarding the relationship between house prices and land prices. However, to their credit, and using some

of the work of Evans (2004a and 2004b), they argue that the supply of land for development is not a simple process but is complicated by the behaviour of landowners and by the planning and public investment system which allows land to be used for housing development. Their general argument for improvement in the supply of land revolves around developing a more comprehensive and sophisticated land management system and it is difficult to disagree on this point. More generally, the point that Dunne (2003) makes about the absence of detailed information and research on property markets can be amplified by pointing out that in all the discussion about land there are scarcely any data available on land transactions in Ireland and further, that there are hardly any available data on the economics of housing development. Thus, whatever conceptual position is taken, it is being argued in an information vacuum, one that needs to be urgently redressed.

It is worth pointing out that the debate about house prices and land has adduced some rather curious positions from economists and market analysts. In general, competition, lower prices and efficiency are lauded when it comes to most industries and services. Government policy will, in many cases, seek to enhance competitiveness. However, when it comes to house prices and the housing market, it seems that astronomic increases in house prices are not necessarily all that bad. It seems that many market commentators seek to make the housing market an exceptional case where the rigours of competition should not apply. The consumer, in this case, is not king. There is a standard economic argument for intervention on the grounds of market failure. Many mainstream economists will agree that there is a problem with land even within the context of the market paradigm (Dunne, 2003). The trouble is that land is a peculiar commodity – every parcel of land is unique. Producers cannot, in response to the demand signals in the market, increase the output or generate more parcels of land, unlike the market for DVDs, where producers will compete and innovate in order to meet demand and capture a greater market share (often by reducing prices). In other words, the land ‘market’ is highly inefficient. Many of the features of a functioning market system – competition, free entry, the mechanisms of supply and demand, equilibrium – are arguably absent from the land market.

Moreover, because every site is unique, there is an immediate problem of monopoly. Under private ownership a monopoly element is introduced within the market situation. And that private ownership can give an individual an enormous amount of economic power in certain circumstances. For instance where the land is rezoned for development, reflecting the community’s willingness to accept the negativities of development, or where services are supplied publicly, there is an immediate private windfall gain for the owner, as its value escalates almost overnight. This possibility for windfall gain creates a hope value, and this creates, in turn, considerable speculative interest, in that

people will gamble that, at some future time, land will be rezoned or may be serviced and when this happens you have a situation where non-productive speculative activity is rewarded and sometimes spectacularly rewarded. Although the recent report by Goodbody Economic Consultants (2003) claims that there is little evidence of land hoarding and control of the land market in Dublin, the report suffers from the difficulty of obtaining decent evidence on patterns of land ownership and land transactions.

A further important consideration is whether changing development land policies can in turn help to facilitate other types of changes in the housing system such as, for instance, increased non-profit housing systems, which would be a means of increasing housing choice. In a way, many of the people arguing against interfering in the market are, ironically, arguing for monopoly and against free choice and competition. One way of increasing housing options and competition is by facilitating a broader non-profit sector that produces rental and other housing not just for the most marginalised but for the general needs of the population. This is a routing that might help to ameliorate the urban housing crisis, unsustainable commuting patterns, segregation and stigmatisation, as well as making the non-profit sector generally more viable (through the mechanisms of general-needs provision and rent pooling). Dealing with the blockages and limits of the land market as it is currently configured would be a vital first step to making these aims feasible.

Considerations and Conclusions

This brings us back to some of the points made in the introduction. The development of policy formulation in planning and housing has improved strongly over recent years and we are moving towards a plan-led system. There are now a raft of various plans, from national to local, available on many aspects of the planning and development process, and although they are not necessarily integrated to the best possible level, they are a substantial improvement on the situation that pertained a decade ago. However, it is also evident that these policies are unlikely to be delivered on, due to the paucity of available policy instruments. With regard to spatial planning, for example, it is abundantly clear that in the absence of a strong regulatory framework which insists on planning decisions cohering with policy, it will be easy to breach most spatial planning policies. Reliance on general exhortations and aspirations has proven to be of limited value in the face of massive development pressure and political influence. It is also evident that there is a general paucity of policy instruments other than the fairly weak regulatory ones. The NESG (2004) report points to an underdeveloped system of land and infrastructure management.

With regard to implementation, the politics of these debates are also important as ultimately the question is whether Government will agree with

some of the various diagnoses and then take remedial policy action. For example, although the All-Party Committee on property was instituted by the Taoiseach, there were dissenting views within government. In what might be termed a pre-emptive strike, Mr Tom Parlon, a Minister for State and member of the Progressive Democrats, made a startling intervention in the debate, claiming that proposals for interventions in private property and in the land market were emanating from political positions to the left of Stalin. Forfás and Enterprise Ireland may have been surprised to learn that their stance on compulsory purchase is a Stalinist one. Leaving aside this rather fanciful claim by the Minister, it is worth reminding ourselves that although the common good may be difficult to define with precision, the current system with regard to the provision of housing and infrastructure very often benefits the few rather than the many. Both the Constitutional review committee on property and the National Economic and Social Council make recommendations on land, with the former specifically endorsing the introduction of a Kenny-type betterment system for land acquisition. Whether these recommendations will come to anything over the coming years is difficult to tell. What we can say, however, from historical experience, is that without a robust planning framework that can be actually implemented, and without change in land policy, spatial planning aims and social aims on housing are going to be difficult to achieve.