

ROSCOMMON COUNTY DEVELOPMENT PLAN 2014-2020

HOUSING STRATEGY

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Comhairle Contae
Ros Comáin
Roscommon
County Council



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1.0 INTRODUCTION & POLICY CONTEXT

The Housing Strategy is included as part of the County Development Plan (CDP) and ensures that the proper planning and sustainable development of the local authority area provides for the housing of its existing and future population. It is intended to serve the needs of all who are concerned with housing issues, including individual members of the public, housing associations and other voluntary organisations working in the area, house builders, landowners, elected representatives, house designers and local authority staff.

Since the adoption of the Housing Strategy for County Roscommon in 2014 the Urban Regeneration and Housing Act (URHA) 2015 has been enacted. Its purpose is to facilitate increased activity in the housing construction sector and support the objectives of “Construction 2020 – A Strategy for a Renewed Construction Sector” as well as the “Social Housing Strategy 2020”.

The Act requires Local Authorities (LA) to review and revise their Housing Strategies by varying their Development Plans to ensure that they conform to the amended Section 94(2) of the Planning and Development Act (PDA) 2000 (as amended) and reflect national policy. The following requirements need to be part of the new Housing Strategies:

- Regard shall be had to the most recent social housing needs assessment [ref. Section 94 (2)(a)];
- The LA will need to consult with the approved housing bodies in its functional area [ref. Section 94 (2)(b)];
- Regard shall be had to the relevant housing policies of the Government and any Minister [ref. Section 94 (2)(c)];
- Provision will need to be made for social and affordable housing, with a change from 20% to 10% the provision for social and affordable housing of land for residential use or residential and a mix of other uses [ref. Section 94 (4)(c)];
- A range of housing for residents with different income levels will need to be provided [ref. Section 94(3b)];
- Affordability will be defined in terms of capacity of eligible persons to service a mortgage based on a defined level of income and loan to value ratio [ref. Section 93(1)]; and,
- It should be noted that the current focus of Part V agreements should, if possible be placed entirely on social and affordable housing output at this time [ref. Section 96].

2.0 HOUSING SUPPLY 2016-2020

This section evaluates the projected housing requirement for the County from 2016 to 2020 based on current trends and population targets derived from the Regional Planning Guidelines for the West Region (RPGs) 2010-2022 which is still in force, as provided in the 2014 Housing Strategy, as well as any relevant updates. This section also sets out projections for house price affordability based on the most up to date national and local information on house prices and incomes.

2.1 ASSUMPTIONS AND METHODOLOGY

The following calculations, projections and analysis are made based on a number of assumptions using the most up to date data, commentary and forecasts available at the time. This analysis sets out to determine housing need and housing affordability by analysing county-level estimates of population, household size, household income, and house prices.

Data has been collated from a number of sources including the Census of Population, the Central Statistics Office (CSO), the Department of the Housing, Planning, Community and Local Government (DHPCLG), ESRI and various reports on national economic indicators.

Note on Reliability of Data Sources and Projections:

Population targets set out in the RPGs form the basis of year-on-year population growth projections within this strategy. County level data has been used in the determination of social housing requirements to 2020. County level data has also been used in relation to incomes and house prices, though projections to 2020 have been made using the most up to date data available at national or regional level. It is necessary that this strategy uses current external and nationally derived projections in relation to house prices and incomes. The sources used are subject to change on a quarterly basis and are correct to end on Quarter 3, 2016.

2.2 DEMOGRAPHIC AND ECONOMIC CONTEXT

The 2008-2014 Housing Strategy was adopted during a period of sustained population and economic growth in the County which was accompanied by unprecedented growth in housing construction. This strong growth in housing development which prevailed since the late 1990's peaked in 2006 with 2,184 house completions in County Roscommon in that year.

A sudden and unprecedented downturn in economic activity in 2008, ultimately caused by a global financial and banking crisis, stemmed the availability of credit for development. This in conjunction with a saturation of the housing market and a longstanding trend of house price inflation up to 2008 sparked a severe correction in Ireland's property market and a sharp decline in the construction sector. This had a rapid and profound impact on the housing sector in Roscommon with house completions falling to less than half their 2006 values by 2008 (1,043 completions). The rapid decline continued thereafter falling to 145 completions in 2012. The assessment conducted for the 2014 Housing Strategy concluded that there had, to date, been no reliable indicators of a significant recovery in the housing sector in the County. Figures have only marginally increased to 195 completions in 2015.

In the period 2006 to 2011 social housing made up an average of 12% of total house completions in the county or 97 units per annum on average over the 6 year period. However, this decreased significantly with no social housing units being constructed in 2012 and, under the 2014 – 2020 Housing Strategy for County Roscommon, no social housing units have been constructed in 2015 or in the first 9 months of 2016. In 2013 only 5 units were built (accounting for 3% of the total) and in 2014, 20 were built (accounting for 12% of the total)¹.

2.3 POPULATION AND HOUSEHOLD TARGETS AND PROJECTIONS

County Roscommon forms part of the West Region which consists of the Counties of Galway, Mayo and Roscommon. Following on from the enactment of the Local Government Reform Act (LGRA) 2014, a number of changes were made to the regional structures in Ireland. The eight regional authorities were dissolved on the 1st June 2014 and their functions and staff were transferred to the Border, Midland and Western (BMW) Regional Assembly and to the Southern and Eastern (S&E) Regional Assembly. Three new Regional Assemblies came into being on 1st January 2015, namely the Northern & Western, the Midland & Eastern and the Southern Regional Assemblies. County Roscommon now falls within the Northern and Western Regional Assembly.

Until such time as it is replaced by the new Regional Spatial and Economic Strategy (RSES), the Regional Planning Guidelines for the West Region (RPGs) 2010-2022 still provides the planning policy guidance for Counties Galway, Mayo and Roscommon. The Regional Planning Guidelines contain population targets produced by the then Department of Environment, Community and Local Government (DECLG) for the Gateways and Hubs for the purposes of the RPG's Review. These targets made reference to the National Spatial Strategy (NSS), the RPG review process as well as the changed economic circumstances and market conditions. These have then formed the basis for the West Region Population Targets for 2010, 2016 and

¹ CSO, House completions (number) by Local Authority, Housing Sector and Quarter, 2012 – 2016 and RCC figures, 2017

2022. Those relating to County Roscommon, Roscommon Census Town and the Remainder, are detailed below.

Table 2.1: Population targets for the Regional Planning Guidelines for the West Region 2010 – 2022

Years	Co. Roscommon	Roscommon Town	Remainder
2006	58,768	5,017	53,751
2010	61,500	5,500	56,000
2016	66,700	6,215	60,485
2022	73,400	6,836	66,564

(Source: RPGs for the West Region, 2010-2022)

The Regional Planning Guidelines project a population increase of 5,200 in the period 2010-2016 and 6,700 in the period 2016-2022 for County Roscommon. The Core Strategy of the County Development Plan 2014-2020 has extrapolated these figures for the 2014-2020 period and highlight that the figures amount to a **total population growth allocation of 6,200** for County Roscommon in the plan period. The preliminary results of Census 2016 show that the actual population change for County Roscommon between 2011 and 2016 was 371 persons (0.6%). The Planning Authority is required to be consistent with the national and regional population growth projections and therefore, even though the actual figures seem to be indicating a significantly lower growth, until such time an alternative growth scenarios are provided nationally and regionally we are bound by the figures already in place.

The average household size in the county in the 2011 census was 2.7 persons per household which follows the national trend of a progressive fall in household sizes. The preliminary results of Census 2016 show that the household size in the County is 2.6 persons per household. This trend still indicates that a greater proportion of smaller houses will be required in the future. Local auctioneers have concurred that in the private housing market there is a greater proportion of smaller households which are requiring housing particularly in the south of the County. The “Regional Planning Guidelines for the West Region 2010-2020” project an average household size of 2.5 for County Roscommon. This was predicted in the RCDP 2014 – 2020 to necessitate the provision of 2,480 new houses in the county between 2014 and 2020, or **413 houses per annum**. The core strategy of the RCDP 2014-2020 addresses the quantum of this allocation which will be directed to residential land (See Section 2 of the RCDP 2014-2020 for further details). Figure 2.1 (below) outlines the projected increases:

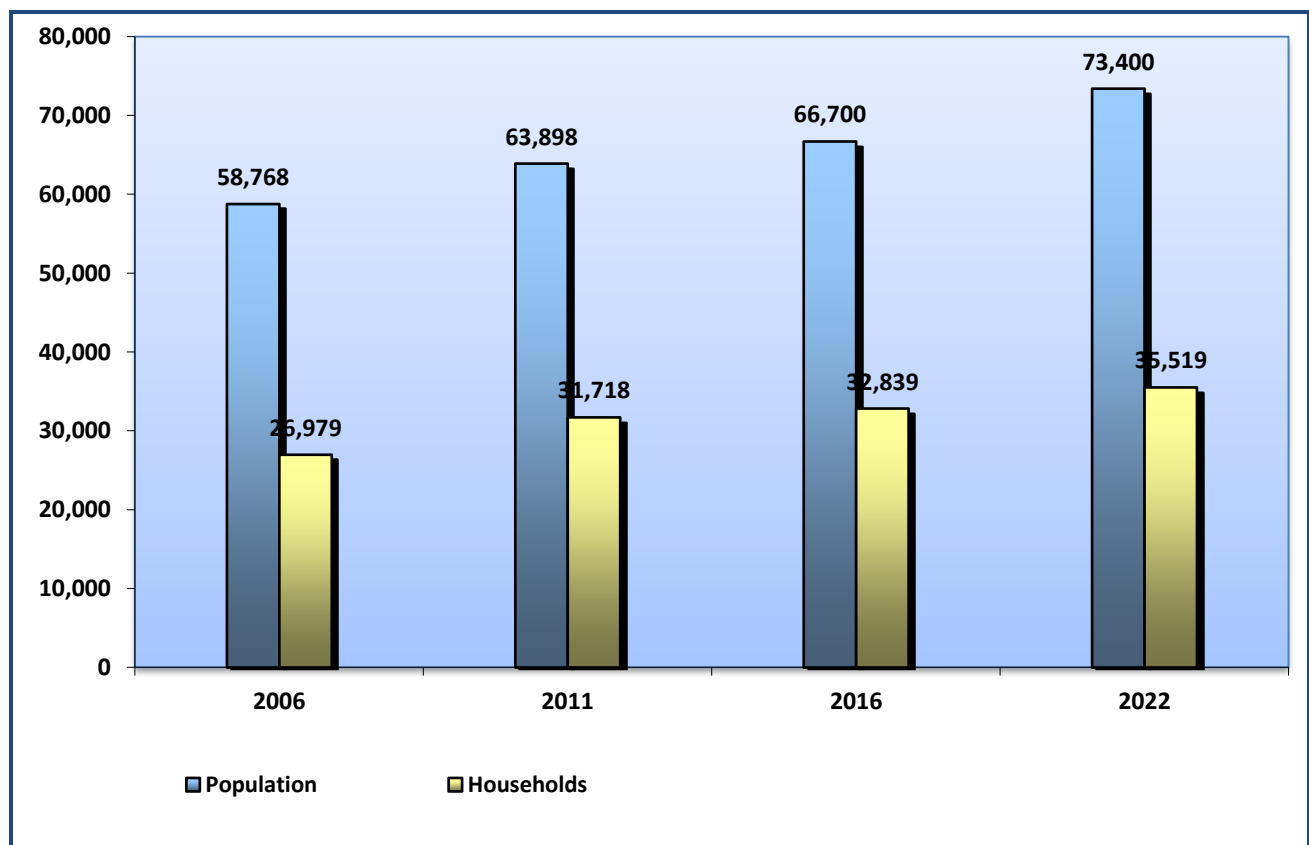


Figure 2.1: Population and Household Projections in County Roscommon 2014-2020

2.4 HOUSEHOLD INCOME DATA AND PROJECTIONS

Having established the population and household base, it is necessary to forecast the county-specific household disposable income. This will be done for the period 2008 to 2020. An essential element of the housing demand analysis is ensuring that the recommendations are based on an accurate assessment of household incomes. Material has been sourced from County Income and Regional GDP 2013 produced by the Central Statistics Office (February 2016).

Table 2.2: Estimated Disposable income per person (€)

Area	2011	2012	2013	2014
West Region	17,804	17,983	17,799	18,346
Galway	18,190	18,529	18,390	18,977
Mayo	17,575	17,590	17,365	17,876
Roscommon	16,759	16,647	16,372	16,839

Source: County Incomes and Regional GDP 2013 (Feb 2016)

Using the above trends as well as the most up to date and impartial data and projections available in relation to disposable income projections and inflation as set out in Table 2.2, estimates of disposable income have been projected forward to 2020 to provide a basis for housing affordability in line with the house price analysis set out in Section 2.5. There is limited information concerning disposable income projections and the Western Development Commission (WDC) in their insights blog (7 March 2016) indicate that the change in disposable income for Roscommon between 2012 and 2013 was -1.7% and between 2012 and 2014 was 1.2%. Incomes are 19% below 2008 levels and between 2011 and 2014 remained static in the county. For this reason modest 2 % change per annum is predicted for the county between 2014 and 2020.

Table 2.3: Estimates of Disposable Income per Person (€) in County Roscommon to 2020²

Year	Estimated Disposable Income	% Change
2008	20,817	-
2009	19,686	-5.4%
2010	18,049	-8.3%
2011	16,759	-7.1%
2012	16,647	-0.6%
2013	16,372	-1.7%
2014	16,839	2.8%
2015	17,182	2%
2016	17,533	2%
2017	17,890	2%
2018	18,256	2%
2019	18,628	2%
2020	19,008	2%

Source: CSO County Income and Regional GDP (2013); WDC Insights Blog (7 March 2016)

2.5 HOUSE PRICE DATA AND PROJECTIONS

The following tables (2.4 and 2.5) outline the change in house prices in Roscommon since 2007 and projected house prices over the course of the two previous Housing Strategies.

There is little consensus on future house price trends at the moment and attempting to predict future trends as a means of estimating affordability is fraught with difficulties. As evidenced in Table 2.4 below, house prices were in sharp decline for over half a decade which led to a significant trough of -62.5% in the second quarter of 2014 from their peak in 2007³. This trend then slowed up and in 2015 came a turning point, which has led to the overcorrection of 32.6% increase in house prices from the trough in 2014.

Table 2.4: House prices in County Roscommon by year

Year (publication date)	Avg. House Price (€)	% Year-on-Year Change	% from peak ('07) or trough ('14)
2007 (Q2)	237,095	-7.4%	-
2008 (Q2)	228,636	-3.7%	-
2009 (Q2)	189,808	-17.5%	-23.6%
2010 (Q2)	157,598	-17%	-36.5%
2011 (Q2)	142,130	-13%	-43.5%
2012 (Q2)	114,359	-19.5%	-54.6%
2013 (Q2)	99,443	-13.4%	-60.4%
2014 (Q2)	64,274	-5.2%	-62.5%
2015 (Q2)	107,030	12.2%	16.8%
2016 (Q2)	121,488	13.5%	32.6%

Source: The Daft.ie House Price Report – Analysis of recent trends in the Irish residential sales market, Quarter 2: 2012-2016

Forecasting house prices, on an annual basis, to 2020 is extremely challenging. This table illustrates how the prices had decreased substantially in Roscommon from the 2006 figures to 2014 and then began to rise. It was noted in the 2014 – 2020 housing strategy that there was a per annum decrease of 15% between 2008 and 2010, where an expected rise of 5% was predicted in the 2008 Housing Strategy. As house prices are now beginning to rise and considering recent regulatory changes for first time buyers it is fair to assume that the positive trend is likely to continue (even taking into account the high residential vacancy of 21.6%). The following reports which have provided commentary on house prices over the last number of years have informed the projected house price increases between 2016 and 2020, as detailed in this strategy.

² Figures in this table used in Table 2.8

³ Daft.ie - House price Review Quarter 2, 2014

- ✓ The Quarterly Economic Commentary from Autumn 2016 of the Economic and Social Research Institute (ESRI) has indicated that house price growth in 2016 appears to have stabilized throughout the country, with prices in Dublin growing by an average of just over 4% per annum between January 2012 and April 2016 and prices outside of Dublin growing an average of 10% per annum over the same period.

The report also indicates that there are “some tentative signs that housing supply may be beginning to pick up in 2016 albeit from a very low base” (p.31). The monthly supply of housing between January and June 2016 exceeded the average over the 2010 – 2015 yearly time period. For this reason, ESRI forecast that housing completions for 2016 will be 14,200 with 17,500 being constructed in 2017.

- ✓ The CBI in their “Review of residential mortgage lending requirements” (2016) indicate that “National residential property prices rose by 7.2 per cent in the year to August 2016, while Dublin house price inflation was lower at 4.5 per cent over the same period. Outside Dublin, house prices increased by 11.4 per cent since August 2015, although this does mask some regional variability. The weak levels of transactions and credit growth suggest that a shortage of supply is a key factor underlying this renewed pick up in house prices.”
- ✓ The Central Bank of Ireland (CBI) in their editorial letter series (2016) “Assessing the sustainability of Irish residential property prices: 1980Q1 – 2016Q2”, indicate that positive annual growth rates have been recorded since 2013, but, “Since 2015 the pace of growth has declined, coinciding with the introduction of the new macroprudential rules for new Irish mortgage lending (“regulations”) introduced by the Central Bank of Ireland. Survey evidence suggests that market experts reduced their expectations for further house price growth around the time of the introduction of these regulations. National house prices, however, continue to increase and the latest data for September 2016 show annual growth of 7 per cent per annum.” As these rules have since been relaxed there is a possibility that they may stimulate house price inflation.

“Against this background, the strength of the rebound in prices since 2013Q2 – annual growth in real terms of over 16 per cent occurred in 2014, a level similar to that witnessed during the housing boom – was a cause of some concern. While the mortgage market regulations do not directly target house prices, their introduction coincided with a more moderate rise in the value of residential property throughout 2015 and into 2016. The most recent data suggest that real house prices are growing at almost 7 per cent annually and the level of house prices is now about 35 per cent below peak levels.”

- ✓ A report by ESRI in August 2014 entitled “Bubble, Bubble, Toil and Trouble? An assessment of the Current State of the Irish Housing Market” indicates the following “Our forecast model suggests that Irish house prices will grow in real terms by an annual average of 6.5 per cent from December 2013 to 2017” (p.4). The article provides a cross country perspective and presents a suite of models to determine “fundamental house price” which is then used to determine results. The forecast percentage increase in real Irish House Prices between 2014 and 2017 is as follows: 8 percent in 2014, 9 per cent in 2015, 4.9 per cent in 2016 and 3.9 per cent in 2017.
- ✓ Davy Stockbrokers in their September 2014 article “ Housing: The Past, The Present, The Future” indicate that the recovery is uneven, with house prices over the 12 months to September 2014 up an average of 13% across the country but that “this figure masks the reality that the majority of gains have been driven by the Dublin Market. Prices in the capital have risen over 23% in the past year, while the rest of the country is up just under 5%. Indeed, there is increasingly a growing gap between Dublin and the rest of the country”

Notwithstanding the foregoing, Table 2.5 below appears to indicate that there will be more significant growth in house prices than indicated by the analysis above particularly considering the figures between 2014 to 2015 and then 2016 and appears to indicate that this trend may continue however the following is provided by way of explanation.

Year on year change in County Roscommon of -5.2% to +12.2% and +13.5% in the period between 2014 and 2016 illustrate sharper than expected “over-correction” in the Housing Market resulting in ‘bottoming out’ at a lower level than predicted. The 2014 Housing Strategy based on Daft, Bloxham, and Davy Stockbrokers information predicted a more gradual ‘bottoming out’ and return to growth than actually occurred. However, both projected and actual scenarios arrived at almost identical 2016 house prices.

Therefore, as there are no accurate figures showing demand for housing and associated projections to 2020, taking into consideration the ESRI and CBI projections above, and coupled with the drive up of house prices due to the shortage of supply, it is fair to assume that the 7% increase in house prices annually as predicted by the CBI may be slightly exaggerated and that a level closer to the ESRI projections may be more appropriate to areas that are not experiencing these housing supply issues. For this reason, the stable 3.5% to 4% growth annually predicted as part of the 2014 – 2020 Housing Strategy is still deemed appropriate.

Table 2.5: Projected Average House Prices in Co. Roscommon (€)⁴

Year	Ave House Price(€)	% Change
2014	64,274	-5.2%
2015	107,030	12.2%
2016	121,488	13.5%
2017	126,550	3.5%
2018	131,823	3.5%
2019	137,316	4%
2020	143,037	4%

Source: The Daft.ie House Price Reports, Davy Stockbrokers, ESRI and Central Bank of Ireland market reports.

Local auctioneers have indicated that in the private housing market the house prices seem to be rising at a greater level and there is greater demand for those i.e. they foresee growth in excess of 10% for those properties under approximately €130,000, whereas they foresee 4% would be reasonable for those properties which are valued at over approximately €130,000.

2.6 HOUSE PRICE AFFORDABILITY

Based on the assumptions made and the projections of average disposable income and average house prices, the patterns of increase show a strong correlation between the sets of data. This means that very modest increases in average disposable income will be matched with similar levels of modest increases in average house prices over the relevant period. Based on this analysis the affordability factor remains relatively constant as against current levels and the analysis and results from the 2014 Housing Strategy remain the same. This means that there is an equivalent rate of change in average income levels compared with average house prices.

⁴ The figures in this table are also used in Table 2.10

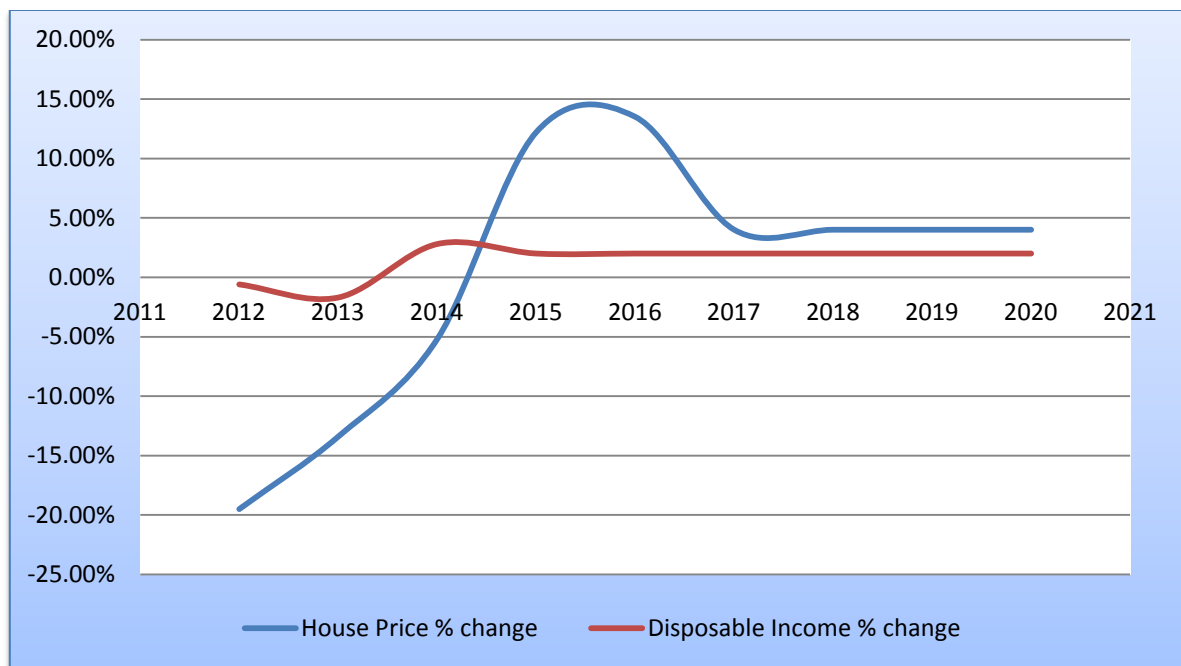


Figure 2.2: % Change House Prices and Disposable Income

2.7 AFFORDABILITY THRESHOLDS

The purpose of the analysis of population, household size, household income and house prices is to identify the demand and supply of housing over the lifetime of the Housing Strategy.

The Planning and Development Act (Section 93(1)) sets out the parameters that need to be applied. These are as follows:

- Yearly loan repayment is less than or equal to 35% of annual income, net of income tax and pay related insurance; and
- The loan to value ratio should not exceed 90%.

2.8 ANALYSIS OF SOCIAL AND AFFORDABLE NEED

The model guidance for the completion of the Housing Strategy (Dec 2000) recommends the use of an annuity formula to determine the affordability thresholds set out above. In order to complete this formula in a manner which is specific to County Roscommon, the above house price and disposable income trends and projections were used. In the application of this formula the distribution of household disposable income in County Roscommon, which was used in the 2012 review of the previous Housing Strategy was used as a point in time from which to project the house price and disposable income projections for the period of the 2014-2020 County Development Plan.

Recent regionally based income deciles are not currently available from the CSO and those detailed in Table 2.6 below are drawn nationally⁵. These household income projections have then been deflated accordingly to achieve an estimate for County Roscommon.

⁵ CSO, Household Budget Survey, 2009 – 2010 (most recent release)

Table 2.6 Estimated Distribution of Household Disposable Income (Region & County)

Income Ranges (Deciles)	Average Weekly Disposable H'hld Income (€) ⁶	H'lds in each Category (%) ⁷	Ave. Disposable Household Income (€) ⁸	Co. Ros. Deflator ⁹	Average Disposable Household Income (Roscommon €)	Households in County Roscommon ¹⁰
-	-	1	2	3	4 (2X+3)	5 (Total * Col. 1 as %)
1st Decile	< 188.91	9.9%	9,823.32	91.1	8,949	2,349
2nd Decile	<300.98	9.9%	15,650.96	91.1	14,258	2,349
3rd Decile	<431.28	10.2%	22,426.56	91.1	20,431	2,420
4th Decile	<549.20	10.0%	28,558.40	91.1	26,017	2,372
5th Decile	<669.46	10.2%	34,811.92	91.1	31,714	2,420
6th Decile	<802.56	9.9%	41,733.12	91.1	38,019	2,349
7th Decile	<972.03	10.0%	50,545.56	91.1	46,047	2,372
8th Decile	<1183.82	10.0%	61,558.64	91.1	56,080	2,372
9th Decile	<1472.66	9.9%	76,578.32	91.1	69,763	2,349
10th Decile	>2289.38	10.2%	119,047.76	91.1	108,453	2,420
TOTAL		100 %				23,728

* Totals may not sum due to rounding errors

In order to then establish the average annual disposable income level for County Roscommon it was necessary to examine the difference between incomes at State, Region and County level. The abbreviated figures for County Roscommon were extracted from the County Incomes and Regional GDP 2013 report published in February 2016. This is illustrated in the table below, producing an income deflation factor of 91.1% for County Roscommon.

Table 2.7 County Roscommon% of National Average Individual Disposable Income (€)

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Roscommon (% of State)	95.8%	94.9%	92.1%	92.3%	93.2%	92.6%	88.5%	87.8%	87.5%	87.2%
County Average:	=91.1									

Source: CSO, County Incomes and Regional GDP 2013 (published 23 February 2016)(p.7 of 23)

The average household income, applied to the county and distributed over 10 income deciles was then projected forward to 2020 over each year of the housing strategy using the projected growth trends set out in Table 2.7 above. This yields a projection of household disposable income distributed over 10 income deciles for each year of the housing strategy, as set out in the table below:

⁶ Deciles drawn nationally from most up to date release of CSO, Household Budget Survey, 2009 – 2010. Survey results from 2015-2016 not yet published. These are national deciles as no regional ones are available. Table L: Average weekly disposable income by gross household income decile groups, 2004–2005 and 2009-2010. P 24.

⁷ Figures the same as those for the 2008 and 2014 Housing Strategies

⁸ Average weekly disposable household income X 52

⁹ County Roscommon deflator calculated as an average of the indices of total income of the years 2005 – 2014 (County Incomes and Regional GDP 2013 (full) (23 Feb 2016) Table 6: Indices of Total Income Per Person by Region and County, 2005 to 2014

¹⁰ Total population in the County (64,065) and total households of 23,728 (at 2.7 persons per households) from the 2011 CSO figures

Table 2.8 Household Income Distribution (€)

Av. Annual Disposable Income (€)	Disposable Income 2014-2020 (€ at current prices)											
Year	2009 ¹¹	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
% Growth ¹²	-	-8.3%	-7.1%	-0.6%	-1.7%	2.8%	2%	2%	2%	2%	2%	2%
1 st Decile	8,949	8,206	7,623	7,577	7,459	7,668	7,821	7,977	8,136	8,300	8,466	8,635
2 nd Decile	14,258	13,075	12,147	12,074	11,869	12,201	12,445	12,694	12,948	13,207	13,471	13,740
3 rd Decile	20,431	18,735	17,405	17,301	17,007	17,483	17,833	18,190	18,554	18,925	19,304	19,690
4 th Decile	26,017	23,858	22,164	22,031	21,656	22,262	22,707	23,161	23,624	24,097	24,579	25,071
5 th Decile	31,714	29,082	27,017	26,855	26,398	27,137	27,680	28,234	28,799	29,375	29,963	30,562
6 th Decile	38,019	34,863	32,388	32,194	31,647	32,533	33,184	33,848	34,525	35,216	35,920	36,638
7 th Decile	46,047	42,225	39,227	38,992	38,329	39,402	40,190	40,994	41,814	42,650	43,503	44,373
8 th Decile	56,080	51,425	50,774	50,469	49,611	51,000	52,020	53,060	54,121	55,203	56,307	57,433
9 th Decile	69,763	63,973	59,431	59,074	58,070	59,696	60,890	62,108	63,350	64,617	65,909	67,227
10 th Decile	108,453	99,451	92,390	91,836	90,275	92,803	94,659	96,552	98,483	100,453	102,462	104,511

Source: CSO Household Budget Survey 2009 – 2010; CSO County Income and Regional GDP (2013); WDC Insights Blog (7 March 2016)

To calculate affordability the above table was used to determine the projected monthly household disposable income and an annuity formula was used to determine the affordable house price for 10 deciles of the population of the county. To determine the 35% affordability criteria the 4th decile income bracket was used. This is represented in the table below:

Table 2.9: Affordability limit of average monthly disposable income in the 4th Income Decile

Income Decile	2014	2015	2016	2017	2018	2019	2020
4 th Decile	123,204	125,661	128,185	130,775	133,366	136,022	138,746

With the 35% affordability threshold set out for households in County Roscommon the analysis moves to house price band inflation in the county. Section 2.5 above sets out projections for house price growth from 2014 to 2020 for the county and the analysis uses the percentage growth trend established in Section 2.5 and set out in Table 2.5 to project the house price bands established in the 2012 review of the Housing Strategy forward from 2014 to 2020.

¹¹ Figures drawn from Table 2.6 above

¹² Figures drawn from Table 2.3 above

Table 2.10 House Price Band Inflation in County Roscommon¹³

Year & Average Increase (%)		House Price Band (in €)									
		1	2	3	4	5	6	7	8	9	10
2014	-5.2%	<54,244	54,244	64,505	75,224	85,970	96,718	107,476	118,210	128,957	>139,703
			To 64,505	To 75,224	To 85,970	To 96,718	To 107,476	To 118,210	To 128,957	To 139,703	
2015	12.2%	<65,703	65,703	78,132	91,116	104,131	117,149	130,180	143,182	156,199	>169,215
			To 78,132	To 91,116	To 104,131	To 117,149	To 130,180	To 143,182	To 156,199	To 169,215	
2016	13.5%	<69,701	69,701	82,886	96,659	110,467	124,277	138,101	151,894	165,702	>179,512
			To 82,886	To 96,659	To 110,467	To 124,277	To 138,101	To 151,894	To 165,702	To 179,512	
2017	3.5%	<72,141	72,141	85,787	100,042	114,333	128,627	142,935	157,210	171,502	>185,795
			To 85,787	To 100,042	To 114,333	To 128,627	To 142,935	To 157,210	To 171,502	To 185,795	
2018	3.5%	<74,665	74,665	88,790	103,543	118,335	133,129	147,938	162,712	177,505	>192,298
			To 88,780	To 103,543	To 118,335	To 133,129	To 147,938	To 162,712	To 177,505	To 192,298	
2019	4%	<77,652	77,652	92,331	107,685	123,068	138,454	153,856	169,220	184,605	>199,990
			To 92,331	To 107,685	To 123,068	To 138,454	To 153,856	To 169,220	To 184,605	To 199,990	
2020	4%	<80,758	80,758	96,024	111,992	127,991	143,992	160,010	175,989	191,989	>207,990
			To 96,024	To 111,992	To 127,991	To 143,992	To 160,010	To 175,989	To 191,989	To 207,990	
% Units Per Each Price Band		6.6%	7.5%	8.3%	12.1%	14.6%	12.8%	12.8%	8.0%	4.6%	12.7%

The proportion of households in each decile is set out in Table 2.10 above. When the total population growth for the housing strategy period is broken down into the same 10 deciles of the population used for disposable income the number of households formed at each decile is established. This is represented in table 2.11 below:

Table 2.11 Total Additional Households per Annum

Year	2014	2015	2016	2017	2018	2019	2020
1 st Decile	41	41	41	41	41	41	41
2 nd Decile	41	41	41	41	41	41	41
3 rd Decile	42	42	42	42	42	42	42
4 th Decile	41	41	41	41	41	41	41
5 th Decile	42	42	42	42	42	42	42
6 th Decile	41	41	41	41	41	41	41
7 th Decile	41	41	41	41	41	41	41
8 th Decile	41	41	41	41	41	41	41
9 th Decile	41	41	41	41	41	41	41
10 th Decile	42	42	42	42	42	42	42
Total	413	413	413	413	413	413	413

¹³ This table relies on figures from Table 2.5

2.9 CONCLUSIONS AND ANALYSIS ON AN ANNUAL BASIS

From the analysis presented above, and on the basis of 35% measure of affordability, it is suggested that overall demand for social and affordable housing will exceed the anticipated supply. This can be represented on an individual year-by-year basis.

Year 2014:

165(41+41+42+41) households are likely to be able to afford the properties up to €123,204. Assuming a constant distribution across the price ranges, it can be calculated that 73 ($165/123,204 \times 54,244$) households will be able to afford up to the lowest price range of €54,244. However, from Table 2.11, only 41 housing units are expected to be formed at this price level. A shortfall of 32 units is therefore anticipated, representing 7.7% (32/413) of all new households formed in 2015.

Year 2015:

165(41+41+42+41) households are likely to be able to afford the properties up to €125,661. Assuming a constant distribution across the price ranges, it can be calculated that 86 ($165/125,661 \times 65,703$) households will be able to afford up to the lowest price range of €65,703. However, from Table 2.11, only 41 housing units are expected to be formed at this price level. A shortfall of 45 units is therefore anticipated, representing 11% (45/413) of all new households formed in 2015.

Year 2016:

165(41+41+42+41) households will have an upper affordability threshold price of some €128,185. With an even distribution this equates to 90 ($165/128,185 \times 69,701$) units that could afford up to €69,701. A total of 41 housing units will be provided up to this price, representing an estimated shortfall of 49. This represents 12% (49/413) of all households formed in the year 2016.

Year 2017:

165(41+41+42+41) households will have an upper affordability threshold price of €130,775. With an even distribution this equates to 91 ($165/130,775 \times 72,141$) units that in turn could afford up to €72,141. Taking account of the 41 housing units that will duly be provided up to this price threshold, this represents a shortfall of 50. This is equivalent to some 12% (50/413) of all households formed in the year 2017.

Year 2018:

165(41+41+42+41) households will have an upper affordability threshold price of €133,366. With an even distribution this equates to 92 ($165/133,366 \times 74,665$) units that will be able to afford up to €74,665. A total of 41 housing units will be provided up to this price, representing a shortfall of 51. This represents 12.3% (51/413) of all the households formed in the year 2018.

Year 2019:

165(41+41+42+41) households will have an upper affordability threshold price of €136,022. Applying an even distribution this equates to 94 ($165/136,022 \times 77,652$) housing units that could afford up to €77,652. There are expected to be 41 housing units provided up to this threshold price, representing a shortfall of 53. This is equivalent to some 12.8% (53/413) of all households formed in the 2019.

Year 2020:

165(41+41+42+41) households will have an upper affordability threshold price of €138,746. On the assumption that an even distribution applies, this equates to 96 ($165/138,746 \times 80,758$) housing units that could afford up to €80,758. There will be up to 41 housing units provided up to this price, representing a shortfall of 55. This is equivalent to 13.3% (55/413) of all households formed in the year 2020.

Table 2.12: Summary of Anticipated Social & Affordable Housing Need

Year	2014	2015	2016	2017	2018	2019	2020
Household Formations	413	413	413	413	413	413	413
No of Units Shortfall	32	45	49	50	51	53	55
%Shortfall	7.7%	11%	12%	12%	12.3%	12.8%	13.3%
Overall Average 2014-2020	=11.6%						

The assessment estimates that there will be a total of 165 (total of first four deciles) households in the lifetime of the strategy that will experience affordability issues. It also demonstrates that no more than 11.6% of all the households in County Roscommon will meet the eligibility criteria specified under the legislation¹⁴. The affordability assessment above, does not, however, take account of the problems concerning accessibility to credit, encountered by prospective home owners. This however cannot be considered an affordability issue for the purposes of this study. Section 31 of the Urban Regeneration and Housing Act 2015 has reduced from 20% to 10% the percentage of land which should be set aside for social and affordable housing and for this reason and considering the 11.6% of households experiencing affordability issues, there is a need for Roscommon County Council to ensure that a minimum of 10% of land zoned as residential use in the development plan is safeguarded for the provision of social and affordable housing development. Local auctioneers have indicated that the specified 10% of land is reasonable but that the units should not simply be set aside in one area but should be interspersed within the housing developments.

¹⁴ The figures actually range from 7.7% to 13.3%, with an average of circa 11.6%

3.0 SOCIAL HOUSING INVESTMENT PROGRAMME

It is confirmed above in the summary of housing affordability that it is anticipated that up to **11.6%** of new households formed in the period of the strategy (on an annual basis) will continue to experience difficulties in respect of affordability. It has also been noted in Section 4 of the report that there is adequate zoned residential land within the county of Roscommon to meet anticipated demand for housing.

3.1 ASSESSMENT OF HOUSING NEEDS

Under Section 9 of the Housing Act 1988, housing authorities are required to carry out periodic assessments, at intervals not exceeding three years, of the need for the provision of suitable accommodation for persons in need of re-housing. The most recent assessment carried out by Roscommon County Council in September 2016 showed a net need of 560 applicants on the waiting list with a further 44 applicants under consideration. The number is broadly in line with the trends from 2002 to 2011 respectively. Significant efforts were made to contact Applicants on the list prior to 21 September 2015, as was required in Circular 25/2016 to confirm their continued qualification for Social Housing Support. An Assessment of Housing Need will happen annually from now on.

3.2 SOCIAL AND AFFORDABLE HOUSING PROVISION

The Department of Housing, Planning, Community and Local Government (DHPCLG) has data published regularly on the provision of social and affordable housing across each County.

Table 3.1: Social & Affordable Housing Provision in Roscommon

Local Authority Housing Provision	Years				
	2012	2013	2014	2015	2016
Roscommon Build**	0	1	0	3	0
Roscommon Acq**	4	4	0	9	26
Roscommon CAS Acq**	75	13	0	0	1
Roscommon CLSS**	31	0	0	0	0
Voluntary RAS (Units added)	1	8	2	10	1
RAS Units (Units added)	89	60	66	59	23
HAP***	N/A	N/A	N/A	N/A	0
Return of Void Properties	N/A	N/A	34	36	80
TOTAL	200	86	102	117	131

**<http://www.housing.gov.ie/housing/social-housing/social-and-affordable/overall-social-housing-provision>

***HAP commenced Dec 2016

The level of housing provision is shown in Table 3.1 above. This states that a total of 636 units have been made available in the 5 year period from 2012 to 2016. This equates to an average social and affordable housing provision of up to 127 units per annum.

Roscommon County Council sold 14 affordable homes in 2007 when house prices were at their peak in the County and 5 affordable homes in 2008. No affordable homes were sold from 2009 to 2015. In this context, it is a reasonable assumption that there is little demand for affordable housing in the county, particularly since 2008 with the marked fall in house prices. A 2012 Governmental housing policy statement stood down on the provision of affordable housing and this has been reiterated in the new amendments to Part V of the Planning and Development Act 2000 (as amended) by the Urban Regeneration and Housing Act 2015. Affordable housing will therefore not be considered by the Council as an option to be exercised by a developer when negotiating a Part V agreement.

3.3 LOCAL AUTHORITY HOUSING STOCK

Roscommon County Council's housing stock at 31st December 2015 was 1356. It will be an important component of the housing strategy that the utilisation of the existing available local authority housing stock is maximised during the six year lifetime of the forthcoming housing strategy. It will be crucial that any vacancies are kept to a minimum in both time and numerical terms. This will require a system of thorough and frequent monitoring of the housing stock, and adequate resources being made available to return vacant houses to stock.

In this regard, an intensive programme of void works was carried out during 2016 with the return of 80 properties to productive use. This is a key action to ensure that existing housing stock is used to the maximum degree possible.

The Housing Section is currently undertaking a significant acquisitions programme in the main towns. In 2016, fifty one (51) properties were at sale complete or sale agreed in the six major towns. This included acquisitions in estates that were described as 'Unfinished'. Acquisitions for social housing within these estates has been part of the solution to resolving their outstanding planning and technical issues. The completion of these is a specific measure in 'Rebuilding Ireland'.

The arrangements for future provision of local authority housing has traditionally been through means of receipt of housing capital allocations from the DHPCLG, and the future programme of any such housing provision should be taken into account in preparation of this strategy. In addition, there will be links with the private sector in terms of Public Private Partnerships and the Repair and Lease Scheme currently on trial in Carlow and Laois County Councils.

3.4 RENTAL ACCOMMODATION SCHEME AND LEASING

As at 31 December 2016 there were 349 RAS Private tenancies (excluding Voluntary Housing tenants in RAS). In addition, there were 82 voluntary housing tenants in RAS.

As at the end of December 2016 there are 10 leased units in the County as follows:

6 unsold Affordables –	Castlerea
1 Long Term Leased property –	Roscommon
3 Long Term Leased properties –	Boyle

Partnerships with Housing Associations (formerly Approved Housing Bodies) will be a key part of meeting the housing need into the future. Roscommon will enter into lease agreements for the provisions of accommodation under the Department's Social Housing Current Expenditure Programme.

The Housing Assistance Payment (HAP) is a form of social housing support for people who have a long-term housing need. HAP will eventually replace long-term Rent Supplement. It was introduced under the Housing (Miscellaneous Provisions) Act 2014 and a series of Statutory Instruments. Under the scheme, local authorities pay landlords directly. The rent being charged for the accommodation must be within the limits set down for the household type in that local authority's area. Tenants pay a weekly HAP rent contribution to the local authority, based on their income and ability to pay. It is in operation in Roscommon since December 2016. In time Rent Supplement recipients will transfer to Local Authorities and may be offered HAP in their current or other property.

3.5 VOLUNTARY HOUSING SECTOR

In County Roscommon, there has always been an important role played by the voluntary housing sector in partnership with the Local Authority. This input has historically been fairly limited, and provision made through a small number of key approved housing bodies across the County. The voluntary housing sector is

supported by the Council and the DHPCLG who fund the voluntary housing schemes. The role of this sector continues to be fully recognised by the County Council, and this relationship continues to be built upon to ensure that the accommodation needs of the County are catered for particularly in the area of special housing requirements. There were 178 housing units made available to rent up to 31st December 2016.

4.0 PART V POLICY IMPLEMENTATION

Under the Planning and Development Act (PDA) 2000, as now amended by the Urban Regeneration and Housing Act 2015, and in accordance with the Roscommon Housing Strategy, all developers of lands with a residential or general zoning must reserve a specified percentage of the lands, or equivalent, for the provision of social housing. The Urban Regeneration and Housing Act 2015 amended from 20% to 10% this percentage (see Section 31) which RCC will now apply.

The 2015 Act, which came into effect on the 1 September 2015, indicated that the **following delivery options are now available for fulfilment of Part V obligations under the Acts:**

- ✓ Transfer of ownership to the Local Authority (LA) of land which is the subject of a planning application.
- ✓ The building and transfer of ownership to the LA of completed social housing units on land, which is the subject of a planning application.
- ✓ Transfer to the ownership of the LA (or to other persons nominated by the Authority) of houses or any land within the functional area. This allows social housing units to be delivered in a more timely fashion in another location, in the event that the development which is the subject of the planning permission does not meet the social housing or mixed tenure needs of the LA.
- ✓ Part V obligation can now be fulfilled by developers through long term leasing of properties to the LA.
- ✓ A combination of Part V options above is also allowed.

The following Part V options have been removed which previously existed under the PDA 2000 (as amended):

- Transferring of fully or partially serviced sites on land, subject to the planning permission application
- Option of transferring land within the functional area other than the land which is the subject of the planning permission
- Option of transferring fully or partially serviced sites on land other than the land which is the subject of the planning permission
- Option of providing cash payment in lieu of social housing

Transitional arrangements have also been put in place, which indicate that where a commencement notice has not been lodged in respect of a particular development, the new Part V arrangements can, with the consent of the local authority and the developer, be retrospectively applied to existing planning permissions. The focus remains on maximising the potential for the delivery of social as opposed for affordable housing units. Section 33(1)(a) of the Act 2015 requires Part V agreement to be reached prior to lodgement of a commencement notice and the Planning and Development (Amendment) (No. 3) Regulations 2015 requires a detailed Part V proposal to be included as part of an application for planning permission for a housing development, in order for the application to be valid.

In addition, a certificate of exemption from the provisions of Part V (Section 97 of PDA 2000 as amended) now relates to 9 or fewer houses (and not 4 or fewer as was previously the case), which should be provided within the same urban area as the original planning permission. Any agreements arrived at to comply with Section 96 shall be cost neutral to the Council.

When completed, housing units are transferred to the local authority. The Council will seek to:

- Ensure that undue social segregation is minimised;
- Ensure complete and efficient development of building sites; and
- Facilitate the implementation of policy in regard to social housing.

The acquisition of units of accommodation under the provisions of Part V will further ensure social integration, as social housing will be provided alongside private developments. Developers can assist through engaging in pre-planning consultations with the Planning Authority early in the design stage to ensure that social segregation is minimised.