

# **Review and Update of Housing Needs in the GDA**

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## **1. Introduction**

The Planning and Sustainable Development Act 2000 required each regional authority to draw up Regional Planning Guidelines that would act as planning frameworks for the development of each region. The RPGs were developed within the context of the National Spatial Strategy (NSS) and the visions therein for Ireland in 2020. The RPGs for the Greater Dublin Area, which were published in 2004, provide a planning framework for the development of the region over the period 2004 to 2016 and will be reviewed in 2010.

Population forecasts formed an important part of these planning frameworks, particularly in terms of forecasting future housing demand. When the Regional Planning Guidelines were being developed, the Department of the Environment and Local Government issued guideline estimates of future population growth for each region. These estimates were produced by the Department in conjunction with the CSO and comprised three regional growth scenarios that were based on recent and current trends at regional level, and took account of the 'NSS effect'. When the Regional Planning Guidelines for the Greater Dublin Area were being developed, high and low population projections were made for the region. At the time, the RPG low projection figures were more consistent with the Department's guideline estimates of future population growth and so were adopted as the most likely scenario.

In terms of reviewing RPGs, the only statutory requirement is that this happens after six years. However, the Department of the Environment and Local Government encourages all Regional Authorities to prepare annual 'Review and Update' reports that can be taken into account when Planning Authorities are reviewing their own Development Plans.

In light of the publication of the preliminary results of Census 2006, the Department of the Environment and Local Government has published revised national and regional population projections, and has asked each Regional Authority to prepare a Review and Update report that takes account of these projections, and the implications that they may have for housing, enterprise, infrastructure, and other such aspects of the Regional Planning Guidelines. This report focuses on the implications that the revised population forecasts will have on housing requirements.

## **2. Departmental Review of the Regional Population Projections 2006-2020**

In developing the Regional Population Projections 2006-2020, the Department took a two-stage approach. In the first instance, national projections were made. These projections were then broken down to give regional projections that take account of the described future impacts of the NSS.

## 2.1 National Projections

One of the two main factors that affect population figures is the natural increase that occurs when birth-rates are higher than mortality-rates. In calculating the national projections, the Department applied the F2 pattern of natural increase as developed by the CSO. The F2 pattern of increase assumes that the fertility rate will decline between 2002 and 2011, and then remain stable for the period up to 2020 and beyond. It also assumes that the mortality rate will decrease for all persons over the whole period 2002 to 2020 and beyond.

The other key factor that affects population figures is migration. Ireland has seen significant increases in immigration over recent years, particularly in light of EU enlargement. Taking account of recent trends and occurrences, it is assumed that net immigration will remain high initially and then the increases will start to slow.

The combination of these natural increase and migration assumptions lead to the national population projections as they are set out in Table 1 below.

**Table 1: Departmental National Population Projections, 2006-2020**

Year	Population Forecasts*
2006*	4,234,925
2011	4,669,925
2016	5,069,925
2020	5,337,925

Source: Department of the Environment and Local Government

\*Note: 2006 data refer to the actual population as determined by Census 2006

## 2.2 Regional Projections

The results of Census 2006 facilitated an analysis by the Department of recent regional trends and the extent to which they have been in keeping with NSS objectives. Growth was found to have occurred in all regions over the last three inter-censal periods, although there were notable differences in the growth rates between regions. Although the Dublin and Mid East regions collectively accounted for 39.5 per cent of the overall increase in the population between 2002 and 2006, the rate of growth in the Dublin region has slowed significantly. Over the period, the population in the Mid-East region grew by 15.1 per cent, compared to population growth of just 5.6 per cent in the Dublin region.

Based on these and trends across other regions, the Department developed a number of assumptions to be taken into account when the national projection figures were distributed across the various regions:

- The population of the regions adjacent to the GDA (South East and Midlands) will grow but at relatively slower rates, which over time are more commensurate with higher levels of locally generated growth and less reliance on Dublin-orientated commuting;
- Within the GDA, a re-balancing of future population growth will take place such that the decline in the Dublin region’s relative share of GDA growth is slowed and the rapid relative population growth in the Mid-East region is moderated;
- Strongly focused measures within the NSS implementation framework will be implemented to support growth in the South-West and Mid-West, and slow the relative decline in their national share of population growth; and,
- Government support will continue for those regions which have been performing appropriately in NSS terms, namely the West and Border.<sup>1</sup>

With these assumptions, recent trends, and the NSS in mind, the National Projection figures were then broken down on a regional basis by the Department as presented in Table 2.

**Table 2: Departmental Regional Population Projections, 2006-2020**

	2006*	2011	2016	2020
<b>Border</b>	467,327	513,674	559,078	590,359
<b>Dublin</b>	<b>1,186,159</b>	<b>1,287,504</b>	<b>1,390,558</b>	<b>1,464,366</b>
<b>Mid-East</b>	<b>475,026</b>	<b>537,033</b>	<b>575,598</b>	<b>601,920</b>
<b>Midlands</b>	251,380	284,690	314,208	333,088
<b>Mid-West</b>	360,651	391,764	426,692	451,758
<b>South-East</b>	460,474	506,142	549,635	579,862
<b>South-West</b>	620,525	679,738	741,940	784,343
<b>West</b>	413,383	454,380	497,217	527,228
<b>State</b>	<b>4,234,925</b>	<b>4,654,925</b>	<b>5,054,925</b>	<b>5,332,925</b>

Source: Department of the Environment and Local Government

\*Note: 2006 data refer to the actual population as determined by Census 2006

<sup>1</sup> National and Regional Population Projections, 2006-2020. Department of the Environment and Local Government, February 2007.

### 2.3 Population Projections for the GDA in a Comparative Context

As mentioned above, when the Regional Planning Guidelines for the Greater Dublin Area were being developed in 2003/2004, high and low population projections were made for the region. At the time, the RPG low projection figures were more consistent with the Department's guideline estimates of future population growth and so were adopted as the most likely scenario. The original RPG population forecasts are presented in Table 3 below, which compares them to the revised Departmental figures.

**Table 3: Original RPG Population Forecasts versus Revised Departmental Population Forecasts**

Region	Forecasts	2010	2016*
<b>Dublin Region</b>	RPG Forecasts ('04)	1,235,654	
	Departmental Forecasts ('07)	1,266,565	1,390,558
<b>Mid-East Region</b>	RPG Forecasts ('04)	460,927	
	Departmental Forecasts ('07)	524,016	575,598
<b>GDA</b>	RPG Forecasts ('04)	1,696,581	1,787,450
	Departmental Forecasts ('07)	1,790,581	1,966,156

\*Note: The forecast population for the GDA as a whole is not specified at regional level in the original Regional Planning Guidelines.

One of the main reasons for the divergence between the original RPG projections for the GDA and the revised DELG figures is immigration. The relevant volume of Census 2006 is not due for release until July 2007, but CSO estimates of immigration to Ireland for the year-end April 2006 amount to 86,900 people, compared to just 50,500 in 2003.<sup>2</sup> The greatest annual increase in immigration occurred after EU enlargement in 2004. Between 2004 and 2005, total immigration to Ireland is estimated to have increased by 39.7 per cent. The following year, it is estimated to have increased by a further 24.1 per cent.

The upwardly revised Departmental forecasts for the GDA suggest that the requirements for housing output in the Mid-East region will exceed that envisaged in the original RPGs, at least in the short-term.

<sup>2</sup> CSO, *Population and Migration Estimates*, April 2006

### 3. Determining Future Housing Demand

Future housing demand can be determined using forecasts of both population and household size. When the original RPGs were being developed, a simple trend analysis of occupancy rates over the previous three inter-censal periods indicated that the average household size was falling. In the Dublin Region it fell from 3.30 in 1990, to 3.07 in 1996, and 2.96 in 2002. Although occupancy rates in the Mid-East Region are higher than those in Dublin, they have also been falling, from 3.62 in 1990 to 3.40 in 1996, and 3.21 in 2002. These trends were used to forecast average occupancy rates into the future, assuming that they would eventually come more into line with the prevailing West European size of 2.4 persons.

**Table 4: Forecast Occupancy Rates by Local Authority Area (persons per household)**

	2002*	2010	2016
Dublin City	2.74	2.39	2.23
Dun Laoghaire/Rathdown	2.99	2.61	2.44
Fingal	3.23	2.81	2.63
South Dublin	3.25	2.83	2.65
<b>Dublin Region</b>	<b>2.96</b>	<b>2.58</b>	<b>2.41</b>
Kildare	3.25	2.83	2.65
Meath	3.22	2.80	2.62
Wicklow	3.14	2.73	2.56
<b>Mid-East</b>	<b>3.21</b>	<b>2.80</b>	<b>2.62</b>
<b>GDA</b>	<b>3.02</b>	<b>2.64</b>	<b>2.48</b>

Source: Goodbody Economic Consultants

\*Note: 2002 data refer to actual occupancy rates as determined by Census 2002

The revised NSS population forecasts are calculated on a regional basis only and as such are not broken down to Local Authority level. Thus, the derivation of future housing demand in this instance begins at regional level. The regional occupancy rates were applied to the revised regional population figures to determine future housing demand in each of the two regions. An 'excess factor' was also applied to allow for the fact that the number of new housing units produced is always higher than the number of new households formed. This is because:

- Some housing units are built to replace obsolete housing;
- A number of housing units are vacant at any one time due to market friction; and,

- Some housing units are used as a second home or *pied a terre*.

The excess factor applied is the same as that used in the original RPGs. The revised regional housing allocations for the periods 2003-2010 and 2011-2016 are presented in Table 5 below.<sup>3</sup>

**Table 5: Regional Housing Allocations**

		2003 – 2010		2011 – 2016	
		Total	Ave. Annual	Total	Ave. Annual
<b>Dublin</b>	RPG Allocations	127,979	15,997		
	Revised Allocations	138,721	17,340	103,029	17,171
<b>Mid-East</b>	RPG Allocations	44,358	5,545		
	Revised Allocations	65,945	8,243	37,310	6,218
<b>GDA</b>	RPG Allocations	172,337	21,542		
	Revised Allocations	204,666	25,583	140,339	23,390

Source: Goodbody Economic Consultants

As with the population forecasts, these revised housing allocations give the greatest scope for growth in housing output to the Mid-East region. However, it should be noted that these data do not take account of housing output that has already taken place between 2003 and 2006.

#### 4. Proposals for Housing Allocations

The proposed allocation of the forecast regional housing units works on the basis that the increases in regional housing units should be allocated across the Local Authorities in line with the allocations made under the original Regional Planning Guidelines. The proposed allocations are presented in Table 6.

<sup>3</sup> There are no up-to-date data on the number of private households or average occupancy available from Census 2006 as yet.

**Table 6: Local Authority Allocations**

	<b>2003 – 2010 Total</b>	<b>2011 – 2016 Total</b>	<b>2003-2016 Total</b>
Dublin City	43,277	32,142	75,419
Dun Laoghaire/Rathdown	20,012	14,863	34,875
Fingal	48,773	36,224	84,997
South Dublin	26,659	19,800	46,459
<b>Dublin Region</b>	<b>138,721</b>	<b>103,029</b>	<b>241,750</b>
Kildare	25,199	14,257	39,456
Meath	22,652	12,816	35,468
Wicklow	18,094	10,237	28,331
<b>Mid-East Region</b>	<b>65,945</b>	<b>37,310</b>	<b>103,255</b>
<b>GDA</b>	<b>204,666</b>	<b>140,339</b>	<b>345,005</b>

Source: Goodbody Economic Consultants

## 5. Summary

In light of the publication of the preliminary results of Census 2006, the Department of the Environment and Local Government has recently issued revised population projections. When compared to the regional population forecasts used in the original RPGs, the revised Departmental forecasts suggest that the requirements for housing output in the Mid-East region will exceed that envisaged in the RPGs, at least in the short-term.

Future occupancy rates for the Dublin and Mid-East regions, as forecast when the original RPGs were developed, were applied to the Departmental regional population projections to determine future housing demand.

The revised forecast for housing demand gives scope for growth in both regions, but more so in the Mid-East. However, it should be noted that the revised regional allocations are for the period 2003-2010 and as such do not take account of housing outputs between 2003 and 2006.

The revised regional housing units were then allocated across each Local Authority in line with the allocations under the original Regional Planning Guidelines. This proposal sees an increase in annual allocations for every Local Authority when compared to the original Regional Planning Guidelines' allocations.