Irish
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Irish Institutional Property (IIP)

October 2023

Preface from IIP

Since its establishment in 2019, the IIP have commissioned a series of authoritative evidence-based reports on Ireland's housing market, which have been widely recognised as providing timely and insightful thought leadership on this critical topic.

The latest in the series focuses on the HNDA (Housing Needs and Demand Assessment) process that was introduced in Ireland in 2021, and includes the range of underpinning population and housing target figures that underpin the NPF, and the interlocking County and City Development Plans. It highlights how the recent Census returns must inform the reviews of the National Planning Framework (NPF) and HNDA 'Toolkit' that are currently underway. This report explains that without adjustments to how these policy documents operate there will be a significant undersupply of housing.

At a headline level the IIP estimates that the recently adopted development plans in the Dublin City region will lead to a deficit of between 55 and 70 thousand units between now and 2031 for new population growth, ignoring current pent up demand that has not been satisfied.

IIP has commissioned this report which reinforces the growing body of evidence **that the HNDA is one of a number of "barriers" to additional housing supply** in Ireland's towns and cities that is having a significant impact both on the quantum of housing available and its affordability – be that for rent or sale.

A common theme emanating from some public commentary on the housing market is that access to housing for the current generation of young people entering the housing market is more expensive than ever and that many of them cannot aspire to ever owning a home, as previous generations have.

The *Housing for All* strategy adopted by the Irish Government has several good policy initiatives that will help address supply and affordability challenges. The ramping up of the LDA (Land Development Agency) will also help, however there are other underlying trends and policies that are acting sometimes inadvertently to hamper these efforts. The HNDA as currently constructed is one of those.

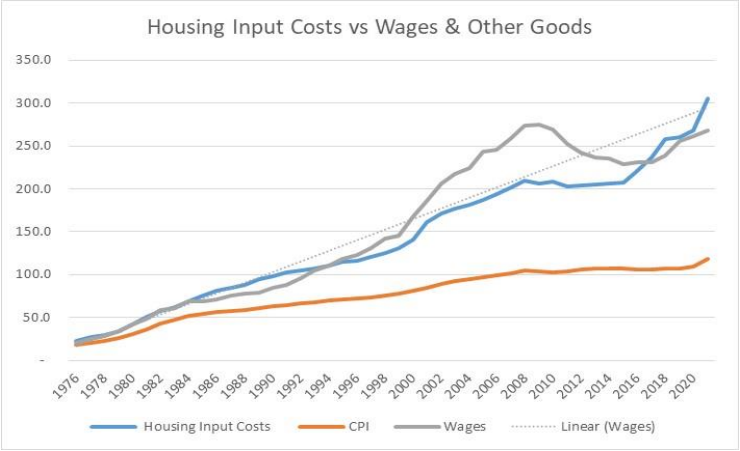
New-build housing is not affordable unless subsidized.

The cost of developing housing is Ireland has ballooned relative to most other goods and services over the last number of decades. Improvement in construction standards explains some of this, but construction wages have grown in real terms by around 300% since the 1970's. Adding to that affordability challenge, in previous decades there were significant subsidies to ownership such as mortgage interest tax relief and Section 23 tax incentives (effectively a 40% capital subsidy).

Despite much commentary on the topic**,** land cost is not the issue in Ireland as it hovers, over time, at around 8-12% of costs.

Apartment Size Also Drives Affordability.

It is important to highlight that other countries in Europe (and beyond) have prioritised affordability in apartment delivery cost over increasing sizes. Ireland has taken the opposite approach. This is mostly explained by the fact that many larger cities do not have the option to develop lower cost/ low density (suburban) housing, as easy as Ireland does and have had to focus on optimising apartment sizes to facilitate affordability.



Source: *CSO*

Preface cont.

The standard Irish apartment sizes are on average around 19% higher than the major EU comparator cities. Every 5% increase in floor area adds c. €40k to the cost of each unit. A cost which must be passed on to buyers and renters. If Irish codes were in line with EU averages, it would cost approximately €80k less to develop an apartment.

While it is unlikely that the current apartment code standards will change in Ireland, it is important when any comparison is made with other EU cities on relative affordability that this additional cost is factored into the debate and that many schemes will not be viable to fund commercially because of this cost.

Planning objections are having a huge cost on society and affordability.

The current generation of development plans being approved are in many cases based on totally unrealistic assumptions regarding the amount of land that is zoned or units that have planning permission that can or will eventually be developed out.

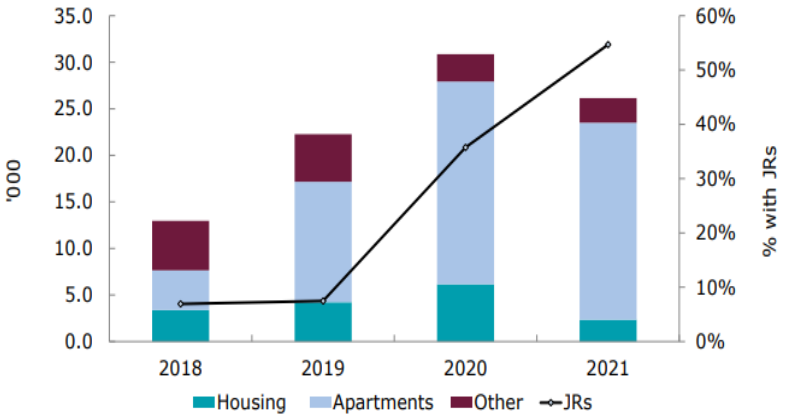
Historically, 1 in 3 or 1 in 4 units that get permission get built. There are many reasons for this, from changing finance and viability issues, servicing and access challenges and in recent years the significant increase in planning objections via the courts.

The problem has become systemic, and objectors seem to be oblivious to the implications. It is very unlikely that a legal solution will be found on this in the next number of years. This means that in the life of the current Development Plans supply is going to be significantly below any targets set out in those plans.

Capping Housing Supply in Towns and Cities via the HNDA is a flawed policy.

KPMG Future Analytics have in their report explained the assumptions that need to be adjusted in the HNDA process, but most or all it should not "cap" output in large towns and cities – these targets should be a minimum target. In 1977 we built 7.6 housing units per 100,000 population - when the population was 3.2m.

In 2021 we only built 4 per 100,000 when the population was 5.2m. Household size has also reduced somewhat in size from then. In 2021 Belgium built 7.74 and France built 6.95 units per 100,000.



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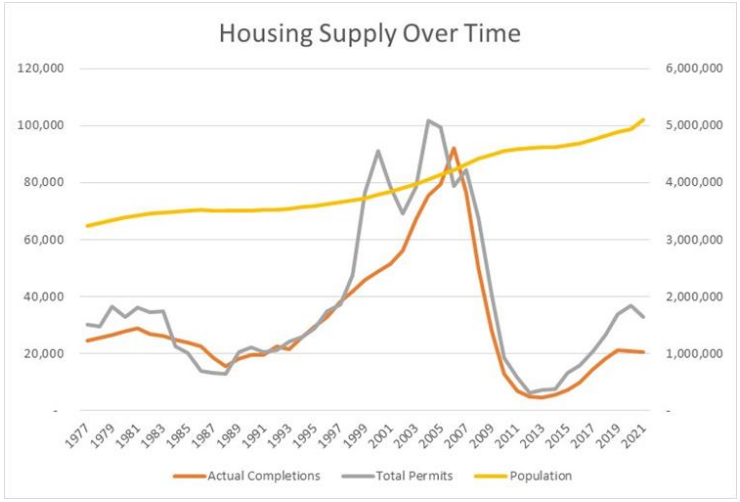


Source: *CSO*

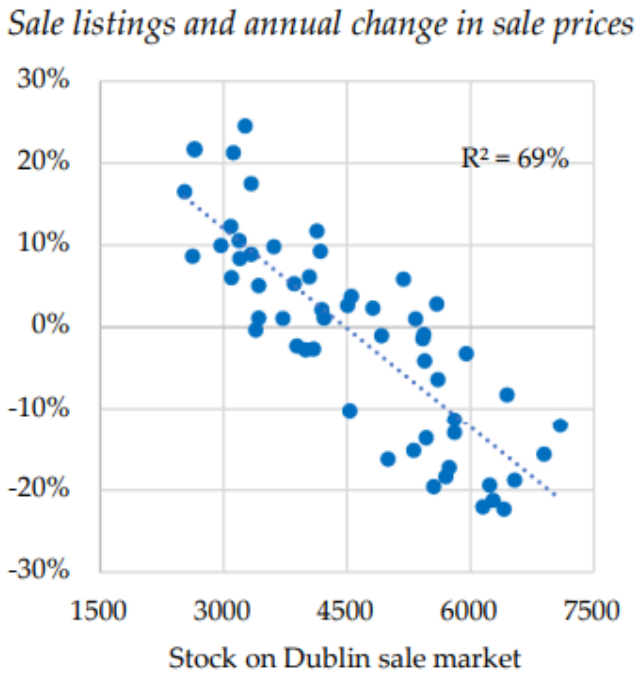
Irish Institutional Property

Preface cont.

Other than government subsidies the only strategy that can deliver affordability is massive additional supply.

Professor Ronan Lyons work on pricing and supply is authoritative and based on one of the largest data sets available that is updated daily, Daft.ie. In 2020 and 2021 the IIP commissioned a number of reports from Prof Lyons that highlighted the fact around this research topic and how prices in Ireland would react to supply.

The key insight is that as soon as we reach a certain threshold of number of units for sale or rent on a particular day, prices drop. In the case of Dublin, if there were 8,000 units in the market for rent, rents – on average – would drop 20%. Some brand new units would still be expensive, but many older units would drop well in excess of 20%. The existing city infrastructure can expand at marginal cost to absorb these units. The focus has to be on delivering units well in excess of the minimum target.



Source: *Lyons, Ronan & daft.ie*

Preface cont.

The IIP welcomes the current review of the NPF in light of the Census 2022 results. However, **unless the HNDA 'Toolkit' is amended to reflect realistic assumptions on how much zoned and permitted land actually gets developed targets set in an updated NPF will not be met**.

The review needs to consider how population has changed already, how it may change in the future and how household formation will be directly impacted. Existing pent-up demand needs to be more accurately understood, as well as a realistic view on obsolescence.

The HNDA process provides valuable guidance as a cap or target in rural areas but in an urban context the HNDA should not become a cap on development, as it has shown a historic inability to predict an adequate level of housing either when judged on its own more modest predictions or the reality of Ireland's housing market.

Refusing to do so will result in the continuation of a system which has failed to provide enough opportunities to develop new housing and consequently fails in addressing one of Ireland's most acute and pressing problems.

Irish Institutional Property

KPMG Future Analytics

Understanding Census 2022:

Assessing population change, supply and anticipated housing need dynamics into the future

October 2023

Introduction

Housing has and remains one of the most acute and salient challenges faced by Ireland in the 2020's. Population growth and an under-supply of housing in the right areas has created a market with a severe affordability crisis.

To respond to this crisis, both central and local government must implement robust plans to grant, commence, and deliver units to meet these emergent needs, while also addressing the historic undersupply of units.

Assessing the challenge facing Ireland's city regions in light of updated data against the adequacy of current targets as underpinned by dated assumptions, is paramount to determining **where the next step can best be made**.

To that end, IIP have commissioned KPMG Future Analytics to *independently review the results of Census 2022*. To consider:

- how population may have changed according to or against planned targets.
- how future needs may be informed by anticipated trended change, and also,
- how the interaction with pipeline supply may result in a surplus or deficit situation.

We do this by considering three case positions:

i) the ***IIP Base Case*** – where the growth trends between 2016 and 2022 Census hold fixed,

ii) the ***IIP Expanded Case*** – where the Census growth trends accelerate by 10%, and

iii) the ***NPF Planned Case*** – where the published NPF and HNDA informed *Development Plan Population Growth Targets* for each assessed local authority are considered.

To deliver a thorough but parsimonious analysis, we have:

- Examined both short- and medium-term trajectories for each local authority area (to 2028/9 and 2031).
- Considered the impact of a changing, but conservatively reducing, average household size, coupled with a broad treatment of obsolescence.
- Excluded the influence of pricing, which though important, isn't as fundamental to demographically-driven demand.
- Calculated whether a surplus or deficit results from comparing assessed needs to pipeline supply – e.g. full delivery vs. historic completion ratios.

Methodology

Using the latest data from Census 2022, we examine and extrapolate population based on trends. We derive housing needs using conservative formation estimates, and compare these to anticipated existing supply (whether fully delivered as consented, or under-delivered, reflecting historic reality).

We profile how population has changed and is anticipated to change further across the four local authorities of Dublin, as well as the local authority areas of Cork City, Galway City, Limerick City, and Waterford City. These 5 city regions account for the majority of Ireland's population, the majority of its economic activity, and consequently are the areas where housing need is *most acute,* and will become more so without *sufficient* and *timely* supply.

Understanding Divergence

We have compared the results of the Census to the projections prepared by the ERSI, as used in the official HNDA Toolkit; specifically, the HNDA* 50:50 City Scenario, to ascertain the size of potential divergence from census, and what it suggests for the near term trajectory of change.

Derived Needs vs Anticipated Supply

Applying conservative population growth across each of the eight areas, combined with assumed changes in Average Household Size, we estimate future housing needs. By assessing the pipeline supply† we note whether a surplus or deficit manifests, both assuming full build-out and truer-to-form completion ratios.

Trajectories of Change

We examine how three population growth scenarios as well as assumed changes in Average Household Size and obsolescence are anticipated to interact. Firstly, by extrapolating 2016-2022 trends. Secondly, by conservatively increasing this by 10%. Finally with consideration of Local Authority Plan Targets.

Considered Assumptions

Reasoned assumptions are made, as described overleaf, to:

- Average Household Size
- Obsolescence
- Delivery of Pipeline
- Population Growth

Our outlook is conservative as we don't apply pent-up demand or household change within the existing population.

*A 50:50 city scenario simulates a population increase that roughly equally splits growth between the East and Midlands regions and urban areas/cities in the rest of the country and allows for a more even spread across the country.

† A combination of residential planning consents data has been reviewed – from Dublin Housing Taskforce Q1'2023, to custom analysis of BCMS records as of August 2023 for other areas: classifying nos. of units: granted by commenced, and yet to commence

Assumptions

The housing market is complex and multi-faceted. This analysis seeks to establish and pivot around what the primary influencers of demand show on foot of the latest Census data.

Therefore we have taken select assumptions in hand with the preparation of this exercise, to allow us to estimate the impact of growth on housing need and the adequacy of supply in the near future.

We have not sought to directly estimate other drivers for housing need including homelessness, pent up demand from before 2016, affordability or desirability – though all important. Each of these measures are dynamic, seasonal, and consequently fraught with uncertainty to model for over a multiyear horizon. They do impact on whether our assessment might be considered conservative as a result of not including them.

What factors are focussed on are set out to the right hand side -

Notably, we have examined what an assumed decadal reduction of -0.3 in Average Household Size (AHS) will have in each area. An historic analysis of the rate of change nationally over the past decade provides a solid rationale for this pacing of where the market *could be*, if it had operated in a more 'normal' fashion from 2016 to present.

Obsolescence has also been estimated at a 0.3% annual rate – which reflects a balance assumption.

Not least because of how pent-up demand has not been factored in, but also how we are not assessing a reducing AHS for the existing population – **our analysis will naturally be more conservative and underestimate the cohort of additional need being faced. The purpose is to show magnitude.**

Average Household Size and Obsolescence

We have based estimated need on AHS as measured from Census 2022 figures. We applied a reduction of 0.3 to compensate for where the market could be over ten years, if not for the well-documented supply constraints since 2016 – i.e. greater alignment with the EU average of 2.2. Given the trended reduction and pace of change in AHS in recent decades, this is a fairly benign, but influential input assumption. Obsolescence has been conservatively estimated at a rate of 0.3% per annum.

Delivery of Pipeline

We estimate the delivery potential for the existing pipeline in line with assumed full completion (often a consideration of a local authority), but also against observed historic commencement ratios – which tend to be lower, e.g. one in every two or three units consented are commenced. Effective delivery places an important part in reducing identified need, when compared to a realistic consented pipeline supply.

Population Growth

Population has been extrapolated following two safe-set assumptions from a Census 2022 baseline – the continuation of the recent intercensal trend in the *IIP Base Case*, and a conservative increase on that trend by just 10% under the *IIP Expanded Case*. We further compare against the adjusted local authority development plan growth targets (*NPF Planned Case*) for 2028/9 additionally, to contextualise how anticipated change in planning will compare to the actual trended trajectory in the demography.

Headlines – IIP Base Case 2031 (# of units per local authority)

	Dublin City Baile Átha Cliath	dlr Comhairle Contae County Council	Fingal County Council Comhairle Contae Fhine Gall	Comhairle Contae Átha Cliath Theas South Dublin County Council	Cork City Council Comhairle Cathrach Chorcaí	Comhairle Chontae na Gaillimhe Galway County Council	Comhairle Cathrach & Contae Luimnigh Limerick City & County Council	Comhairle Cathrach & Contae Phort Láirge Waterford City & County Council
IIP Base Case (2031)	32,364	8,774	23,449	13,573	9,069	5,053	12,656	10,289
Historic Commenced to Total Granted Delivery Ratio	1:4	1:3	1:2	1:3	1:3	1:2	1:2	1:3
Granted Pipeline Reduced by Ratio	5,075	3,979	3,776	4,397	3,383	1,167	1,013	815
Projected Shortfall In Housing Needed (Incl. Obsolescence)	-33,377 (Incl: 6,089)	-7,093 (Incl: 2,298)	-22,578 (Incl: 2,905)	-11,884 (Incl: 2,707)	-7,936 (Incl: 2,250)	-4,720 (Incl: 834)	-13,703 (Incl: 2,060)	-10,762 (Incl: 1,287)

The IIP Base Case looks at a continuation of recent 2016-2022 Census trends in population growth. Average household size assumptions are applied to future growth to 2031, including consideration for need arising between 2016-2022 also. Historic ratios for commencements have been applied to observed granted consents, resulting in a truer quantum of anticipated delivery. Where a shortfall is identified, this speaks to an insufficient number of homes to adequately cater to anticipated population and household formation needs. Assumed obsolescence has been added to total projected shortfall, reflecting a historic rate of obsolescence observed.

This infographic should be read with reference to the analysis and methodology, including relevant assumptions. Further information can be obtained from KPMG Future Analytics.

Headlines – IIP Expanded Case 2031 (# of units per local authority)

	Dublin City (Baile Átha Cliath)	dlr (Comhairle Contae County Council)	Fingal County Council (Comhairle Contae Fhine Gall)	South Dublin County Council (Comhairle Contae Átha Cliath Theas)	Cork City Council (Comhairle Cathrach Chorcaí)	Galway County Council (Comhairle Chontae na Gaillimhe)	Limerick City & County Council (Comhairle Cathrach & Contae Luimnigh)	Waterford City & County Council (Comhairle Cathrach & Contae Phort Láirge)
IIP Expanded Case (2031) (Base x1.1)	35,452	9,944	25,944	15,086	9,980	5,495	13,748	11,196
Historic Commenced to Total Granted Delivery Ratio	1:4	1:3	1:2	1:3	1:3	1:2	1:2	1:3
Granted Pipeline Reduced by Ratio	5,075	3,979	3,776	4,397	3,383	1,167	1,013	815
Projected Shortfall In Housing Needed (Incl. Obsolescence)	-36,466 (Incl: 6,089)	-8,263 (Incl: 2,298)	-25,073 (Incl: 2,905)	-13,396 (Incl: 2,707)	-8,847 (Incl: 2,250)	-5,162 (Incl: 834)	-14,795 (Incl: 2,060)	-11,668 (Incl: 1,287)

The IIP Expanded Case looks at a 1.1x continuation of recent 2016-2022 Census trends in population growth. Average household size assumptions are applied to future growth to 2031, including consideration for need arising between 2016-2022 also. Historic ratios for commencements have been applied to observed granted consents, resulting in a truer quantum of anticipated delivery. Where a shortfall is identified, this speaks to an insufficient number of homes to adequately cater to anticipated population and household formation needs. Assumed obsolescence has been added to total projected shortfall, reflecting a historic rate of obsolescence observed.

This infographic should be read with reference to the analysis and methodology, including relevant assumptions. Further information can be obtained from KPMG Future Analytics.

Headlines – NPF Planned Case 2031 (# of units per local authority)

	Dublin City	dlr	Fingal	South Dublin	Cork City	Galway	Limerick	Waterford
NPF Planned Case (2031)	31,550	7,272	7,288	9,751	30,006	14,008	21,882	9,002
Historic Commenced to Total Granted Delivery Ratio	1:4	1:3	1:2	1:3	1:3	1:2	1:2	1:3
Granted Pipeline Reduced by Ratio	5,075	3,979	3,776	4,397	3,383	1,167	1,013	815
Projected Shortfall In Housing Needed (Incl. Obsolescence)	-32,564 (Incl: 6,089)	-5,591 (Incl: 2,298)	-6,417 (Incl: 2,905)	-8,062 (Incl: 2,707)	-28,873 (Incl: 2,250)	-13,675 (Incl: 834)	-22,929 (Incl: 2,060)	-9,475 (Incl: 1,287)

The NPF Planned Case looks at alignment with Development Plan Targets used by the respective Local Authorities in 2031 (i.e. NPF targets). Average household size assumptions are applied to future growth to 2031, including consideration for need arising between 2016-2022 also. Historic ratios for commencements have been applied to observed granted consents, resulting in a truer quantum of anticipated delivery. Where a shortfall is identified, this speaks to an insufficient number of homes to adequately cater to anticipated population and household formation needs. Assumed obsolescence has been added to total projected shortfall, reflecting a historic rate of obsolescence observed.

This infographic should be read with reference to the analysis and methodology, including relevant assumptions. Further information can be obtained from KPMG Future Analytics.

Explanation of Subsequent Slides

Supply Shortfall Scenarios

Headline deficit numbers under each scenario/case in terms of housing needed for the local authority

NB. the figure includes assumed Obsolescence.

Graph of housing shortfall for the local authority area across years 2022, 2028, and 2031 based on assumed FULL completion of housing pipeline, and the more realistic and historically informed LOWER ESTIMATE on completion ratio.

This graph shows the difference between the resulting figures when accounting for FULL completion, as well as the difference between the scenarios themselves, trended census, census x 10% and against the planned case no. of people being targeted per local authority.

2022 Trends:

Descriptive Statistics Covering the Population Growth of the Area, the Average Household Size, and the number of Housing Units completed.

Discussion

Discussion of each area's demography and performance over the 2016 – 2022 period as well as what the findings suggest will emerge as supply deficits in housing in each scenario examined.

Assuming the:

IIP Expanded Case

Key findings from analysis across years 2022, 2028 and 2031 – covering the shortfall in housing provision NOT including obsolescence applied.

Working Assumptions

This figure shows the number of households that are anticipated to be either above or below requirements, based on an application of would-be change in average household sizing to 2022 (from 2016), when accounting for the actual growth in population and supply.

Average Household Size and assumed change to 2031, using historically informed 0.3 reduction over 10 years.

Detail on the number of homes falling into obsolescence, and out of the market by 2031 using a conservative 0.3% per annum assumption.

This infographic should be read with reference to the analysis and methodology, including relevant assumptions. Further information can be obtained from KPMG Future Analytics.

Dublin City Council (DCC)

Supply Shortfall Scenarios 2031

(incl. Obsolescence)

-33,377 IIP Base Case

-36,466 IIP Expanded Case

-32,564 Planned Case

2022 Trends:

+38,159 Population Increase (2016 – 2022)

2.48 Avg. Household Size (2022, no change '16)

13,399 Units Built (2017 – Q2 2022)

Assuming the:

IIP Expanded Case (base x 10%)

2022:	2028:	2031:
-2,978	-22,850	-35,452

Working Assumptions

-2,978 Est. Shortfall in Housing Provision vs Need (2016-2022)

Obsolescence by 2031 **6,089**

-0.3 **Avg. Household Size** fall by 2031 (to 2.18)

Obsolescence Rate: **0.3% per annum**

Discussion

Population growth within the Administrative Area of DCC has been pronounced with a 6.9% increase between 2016 and 2022. This has created additional need for 15,387 units which was partially met by 13,399 units delivered within the same time period a shortfall of -1,988. This was despite DCC having slower than expected population growth of on average -2.4% when compared with official projections from the ERSI, the 50:50 City Toolkit, and others. The delivery of the housing pipeline is constrained with 3 out of every 4 pipeline units yet to commence construction.

It is observed that average household size in the DCC area has remained static since 2016. Progress on fixing the historic under-provision of housing has been stalled by continued under provision of housing between 2016 and 2022. To achieve a modest reduction in Average Household Size of 0.15 over a half-decade, an additional 2,978 units would have had to be delivered in the intercensal period. This figure does not account for additional pent up demand, homelessness, or a desire of some to move to smaller household sizes.

The IIP Base Case (in purple), the IIP Expanded Case (in pink), and the current NPF-driven population target (in blue) are plotted. Under the IIP Base Case, we project a -33,377 shortfall, rising to -36,466 in the IIP Expanded Case, and -32,564 under current DCC planned targets (all including obsolescence). If the DCC area population continues to grow marginally above trend, then by 2031, there could be a further 11.9% increase in population requiring housing.

This infographic should be read with reference to the analysis and methodology, including relevant assumptions. Further information can be obtained from KPMG Future Analytics.

Dún Laoghaire – Rathdown (DLR)

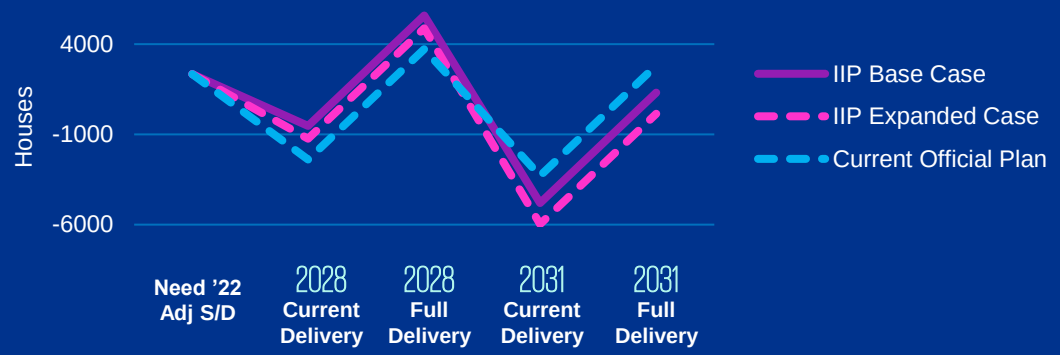
Supply Shortfall 2031 Scenarios

(incl. Obsolescence)

-7,093 IIP Base Case

-8,263 IIP Expanded Case

-5,591 Planned Case



2022 Trends:

+15,842 Population Increase (2016 – 2022)

2.71 Avg. Household Size (2022; was 2.72 in '16)

8,518 Units Built (2017 – Q2 2022)

Assuming the:

IIP Expanded Case (base x 10%)

2022:	2028:	2031:
+2,330	-5,220	-9,944

Working Assumptions

+2,330 Est. Surplus in Housing Provision vs Need (2016-2022)

Obsolescence by 2031 **2,298**

-0.3 **Avg. Household Size** fall by 2031 (to 2.41)

Obsolescence Rate: **0.3% per annum**

Discussion

Population growth within the Administrative Area of DLR has been pronounced with a 7.3% increase between 2016 and 2022. This has created additional need for 5,846 units which was met by 8,518 units delivered within the same time period, a surplus of 2,672. DLR had slower than expected population growth of on average -2.5% when compared with official projections from the ERSI, the 50:50 City Toolkit, and others. The delivery of the housing pipeline is constrained with 2 out of every 3 pipeline units yet to commence work however.

It is observed that average household size in the DLR has only marginally fallen, indicating that the surplus supply was rapidly taken up by pent-up demand, but perhaps not entirely addressing it. To achieve a modest reduction in Average Household Size of 0.3 over the coming decade, upwards of 12,274 new homes will be needed. This figure does not account for unmet pent up demand, homelessness, or a desire of some to move to smaller household sizes.

The IIP Base Case (in purple), the IIP Expanded Case (in pink), and the current NPF-driven population target (in blue) are plotted. Under the IIP Base Case, we project a -7,093 shortfall, rising to -8,263 in the IIP Expanded Case, and -5,591 under current planned targets (all including obsolescence). If the area population continues to grow marginally above trend, then by 2031, there could be a further 12.6% increase in population requiring housing.

This infographic should be read with reference to the analysis and methodology, including relevant assumptions. Further information can be obtained from KPMG Future Analytics.

Fingal (FCC)

Fingal County Council
Comhairle Contae Fhine Gall

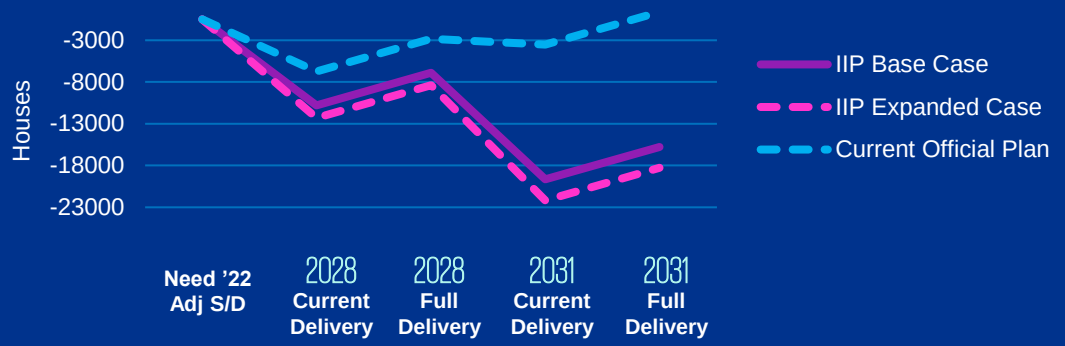
Supply Shortfall 2031 Scenarios

(incl. Obsolescence)

-22,578 IIP Base Case

-25,073 IIP Expanded Case

-6,417 Planned Case



2022 Trends:

+34,486 Population Increase (2016 – 2022)

3.02 Avg. Household Size (2022; was 3.03 in '16)

11,527 Units Built (2017 – Q2 2022)

Assuming the:

IIP Expanded Case (base x 10%)

2022:	2028:	2031:
-489	-16,057	-25,944

Working Assumptions

-489 Est. Shortfall in Housing Provision vs Need (2016-2022)

Obsolescence by 2031 **2,905**

-0.3 **Avg. Household Size** fall by 2031 (to 2.72)

Obsolescence Rate: **0.3% per annum**

Discussion

Population growth within the Administrative Area of FCC has been significant with a 11.6% increase between 2016 and 2022. This has created additional need for 11,419 units which was only just met by 11,527 units delivered within the same time period, a surplus of 108. This is not to say that previous pent-up demand has been met. Also it should be noted FCC has generally out-paced the population growth set out by the ESRI 50:50 City Toolkit, and other HNDA scenarios (in some cases by nearly 6%). The delivery of the housing pipeline continues to be constrained however with 2 in 3 units awaiting commencement.

It is observed that average household size in the FCC area has only marginally fallen too. Progress on fixing the historic under-provision of housing has been stalled by continued under provision of housing between 2016 and 2022 compared to what is needed. To achieve a modest reduction in Average Household Size of 0.5 by 2031, up to 25,455 additional units will have to be delivered. This will be moderated slightly by some pipeline supply. This figure does not account for additional pent up demand, homelessness, or a desire of some to move to smaller household sizes however.

Under the IIP Base Case, we project a -22,578 shortfall, rising to -25,073 in the IIP Expanded Case, and -6,417 under current FCC planned targets – showing that the targets are not aligned with the likely trajectory of change in FCC. Growth may be as high as 20.9% by 2031, assuming a modest 10% atop existing trends.

KPMG Future Analytics

This infographic should be read with reference to the analysis and methodology, including relevant assumptions. Further information can be obtained from KPMG Future Analytics.

South Dublin (SDCC)

Comhairle Contae Átha Cliath Theas
South Dublin County Council

Supply Shortfall 2031 Scenarios

(incl. Obsolescence)

-11,884 IIP Base Case

-13,396 IIP Expanded Case

-8,062 Planned Case

Assuming the:

IIP Expanded Case (base x 10%)

2022:	2028:	2031:
+707	-9,042	-15,086

2022 Trends:

+22,308 Population Increase (2016 – 2022)

2.97 Avg. Household Size (2022; was 3.00 in '16)

8,618 Units Built (2017 – Q2 2022)

Working Assumptions

+707 Est. Shortfall in Housing Provision vs Need (2016-2022)

Obsolescence by 2031 **2,707**

-0.3 **Avg. Household Size** fall by 2031 (to 2.67)

Obsolescence Rate: **0.3% per annum**

Discussion

Population growth within the Administrative Area of SDCC has been on par with the State at 8% between 2016 and 2022. This has created additional need for 7,511 units which was met by 8,618 units delivered within the same time period, a surplus of 1,107. SDCC's population growth falls broadly in line with official projections from the ERSI HNDA scenarios such as the 50:50 City Toolkit, and others. The delivery of the housing pipeline was constrained however with 3 in 4 pipeline units awaiting commencement.

It is observed that average household size in the SDCC area has only marginally fallen, a consequence of limited supply. Progress on fixing the historic under-provision of housing has been stalled by continued under provision in delivery ratios. To achieve a modest reduction in Average Household Size of 0.3, an additional 15,793 houses will need to be delivered, though it will be moderated by some pipeline delivery. This figure does not account for additional pent up demand, homelessness, or a desire of some to move to smaller household sizes.

The IIP Base Case (in purple), the IIP Expanded Case (in pink), and the current NPF-driven population target (in blue) are plotted. Under the IIP Base Case, we project a -11,884 shortfall, rising to -13,396 in the IIP Expanded Case, and -8,062 under current SDCC planned targets. The SDCC area population may grow by 14% 2031, resulting in significant additional needs for housing – that will need to be planned for now.

KPMG Future Analytics

This infographic should be read with reference to the analysis and methodology, including relevant assumptions. Further information can be obtained from KPMG Future Analytics.

Cork City (CCC)

Cork City Council
Comhairle Cathrach Chorcaí

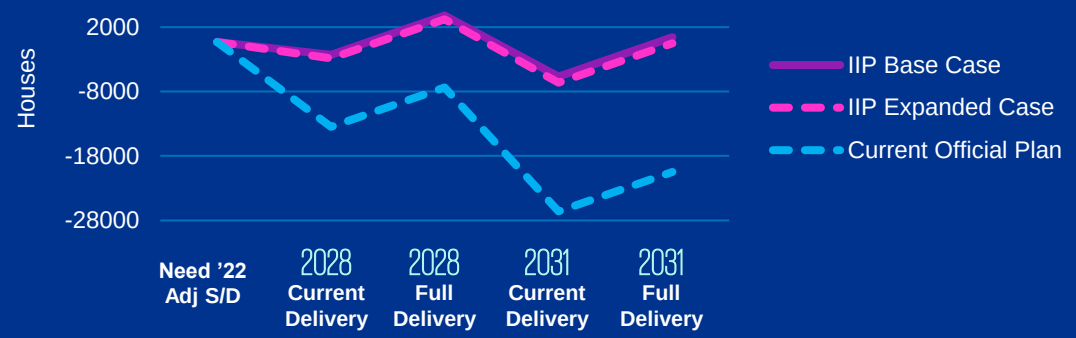
Supply Shortfall 2031 Scenarios

(incl. Obsolescence)

-7,936 IIP Base Case

-8,847 IIP Expanded Case

-28,873 Planned Case



2022 Trends:

+11,480 Population Increase (2016 – 2022)

2.45 Avg. Household Size (2022, no change '16)

4,024 Units Built (2017 – Q2 2022)

Assuming the:

IIP Expanded Case (base x 10%)

Demographically-driven units needed:

2022:	2028:	2031:
-310	-6,246	-9,980

Working Assumptions

-310 Est. Shortfall in Housing Provision vs Need (2016-2022)

Obsolescence by 2031 **-2,250**

-0.3 **Avg. Household Size** fall by 2031 (to 2.15)

Obsolescence Rate: **0.3% per annum**

Discussion

Population growth within Cork City has been pronounced with a 5.4% increase between 2016 and 2022. This has created additional need for 4,686 units which was marginally missed by 4,681 units delivered within the same time period, a shortfall of -5. CCC has had slower than expected population growth of on average 2.6% when compared with official projections from the ERSI, the 50:50 City Toolkit, and others. The delivery of the housing pipeline is currently delivering just 1 in every 3 consented units.

Progress on fixing the historic under-provision of housing is slow, given the under provision of housing between 2016 and 2022 to address latent demand. To achieve a modest reduction in Average Household Size of 0.3 by 2031, an additional 9,670 units will have to be delivered, this increases to 29,695 if the population target is considered. Neither figure accounts for additional pent up demand, homelessness, or a desire of some to move to smaller household sizes.

Looking ahead, the IIP Base Case (in purple), the IIP Expanded Case (in pink), and the current NPF-driven population target (in blue) are plotted. A shortfall of 7,936 units is observed under the IIP Base Case and –8,847 units under the IIP Expanded Case.

Planned targets are premised on population growth of approx 64,000 in excess of current Census 2022 census figures. This will generate at modest household size levels a need for -26,695 units as stated, but this is before obsolescence, ending in -28,873.

KPMG Future Analytics

This infographic should be read with reference to the analysis and methodology, including relevant assumptions. Further information can be obtained from KPMG Future Analytics.

Galway City (GCC)

Comhairle Chontae na Gaillimhe
Galway County Council

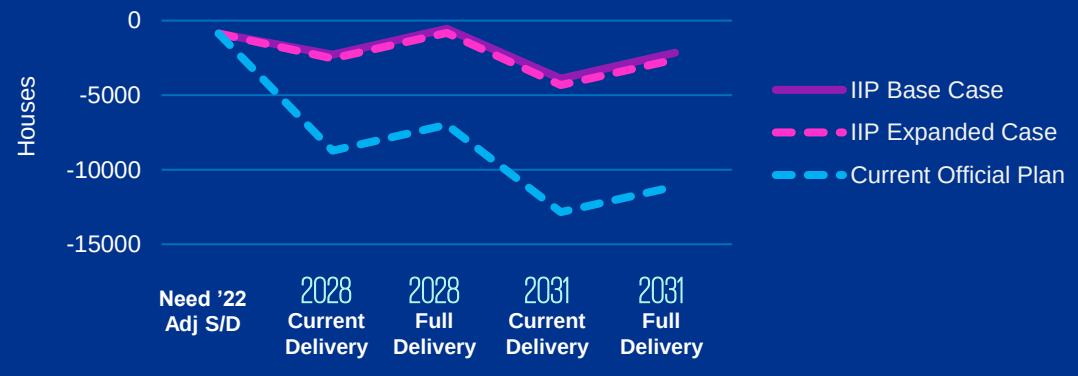
Supply Shortfall 2031 Scenarios

(incl. Obsolescence)

-4,720 IIP Base Case

-5,162 IIP Expanded Case

-13,675 Planned Case



2022 Trends:

+4,788 Population Increase (2016 – 2022)

2.62 Avg. Household Size (2022; was 2.58 in '16)

1,207 Units Built (2017 – Q2 2022)

Assuming the:

IIP Expanded Case (base x 10%)

2022:	2028:	2031:
-867	-3,707	-5,495

Working Assumptions

-867 Est. Shortfall in Housing Provision vs Need (2016-2022)

Obsolescence by 2031 **834**

-0.3 **Avg. Household Size** fall by 2031 (to 2.32)

Obsolescence Rate: **0.3% per annum**

Discussion

Population growth within Galway City has been steady with a 6.1% increase between 2016 and 2022. This has created additional need for 2,193 units which was not met by the 1,459 units delivered within the same time period, a shortfall of -734. GCC's population growth was above ESRI expectations when compared with official HNDA projections on the 50:50 City scenario, yet, it underperformed in other scenarios by nearly 3.8%. The delivery of the housing pipeline is relatively good, though only one in every second house is commences.

It is observed that average household size in the GCC area has risen marginally since 2016. Progress on fixing the historic under-provision of housing was not achieved between 2016 and 2022 however. To achieve a modest reduction in Average Household Size of 0.3 by 2031, up to 14,008 units will be needed if assuming the planned targets. This figure does not account for additional pent up demand, homelessness, or a desire of some to move to smaller household sizes.

The IIP Base Case (in purple), the IIP Expanded Case (in pink), and the current NPF-driven population target (in blue) are plotted. Under the IIP Base Case, we project a -4,720 shortfall in units relative to need, rising to -5,162 in the IIP Expanded Case. Against the planned targets, a deficit of -13,675 units is observed, with all figures accounting for obsolescence. If the GCC area population continues to grow by trended change (plus 10%), then a 12.7% increase in population is likely by 2031. However, this is dramatically different to the planned 36.1% increase being planned for, when comparing Census 2022 to city and suburbs in 2031.

KPMG Future Analytics

This infographic should be read with reference to the analysis and methodology, including relevant assumptions. Further information can be obtained from KPMG Future Analytics.

Limerick City & County (LCC)

Comhairle Cathrach & Contae Luimnigh
Limerick City & County Council

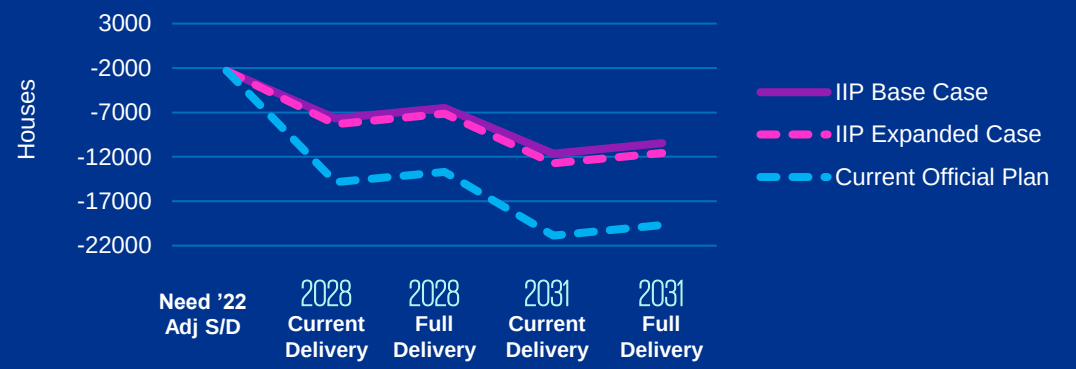
Supply Shortfall 2031 Scenarios

(incl. Obsolescence)

-13,703 IIP Base Case

-14,795 IIP Expanded Case

-22,929 Planned Case



2022 Trends:

+10,545 Population Increase (2016 – 2022)

2.70 Avg. Household Size (2022; no change '16)

3,039 Units Built (2017 – Q2 2022)

Assuming the:

IIP Expanded Case (base x 10%)

2022:	2028:	2031:
-2,314	-9,340	-13,748

Working Assumptions

-2,314 Est. Shortfall in Housing Provision vs Need (2016-2022)

Obsolescence by 2031 **2,060**

-0.3 **Avg. Household Size** fall by 2031 (to 2.4)

Obsolescence Rate: **0.3% per annum**

Discussion

Population growth within Limerick City & County has been steady with a 5.4% increase between 2016 and 2022. This has created additional need for 5,421 units which was not met by the 3,426 units delivered within the same time period, a shortfall of -1,995. LCC has grown slower than expected by some ESRI HNDA scenarios, which show 3.4% higher growth under the 50:50 scenario. However it has outperformed against other scenarios. The delivery of the housing pipeline was relatively constrained with 1 out of every 2 pipeline units yet to commence construction.

It is observed that average household size in the LCC area has remained static since 2016. Progress on fixing the historic under-provision of housing has been stalled by the continued under provision of housing between 2016 and 2022. To achieve a modest reduction in Average Household Size of 0.3, an additional 13,748 units will be needed, increasing to 21, 882 if assuming targeted population growth under NPF. These figures do not account for additional pent up demand, homelessness, or a desire of some to move to smaller household sizes.

The IIP Base Case (in purple), the IIP Expanded Case (in pink), and the current NPF-driven population target (in blue) are plotted. Under the IIP Base Case, we project a -13,703 shortfall in units relative to need rising to -14,795 under the IIP Expanded case. A shortfall of -22,929 arises under the planned case, given the scale of population growth targeted. However, if LCC grows by even a modest increase on Census trends, it may see a population increase of 13.1% by 2031; lower than the 22.4% increase by comparison to planned.

KPMG Future Analytics

This infographic should be read with reference to the analysis and methodology, including relevant assumptions. Further information can be obtained from KPMG Future Analytics.

Waterford City & County (WCC)

Comhairle Cathrach & Contae Phort Láirge
Waterford City & County Council

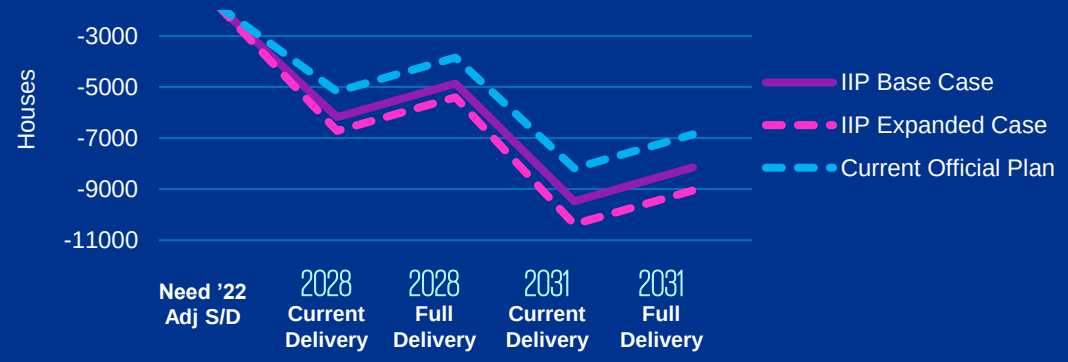
Supply Shortfall 2031 Scenarios

(incl. Obsolescence)

-10,762 IIP Base Case

-11,668 IIP Expanded Case

-9,475 Planned Case



2022 Trends:

+10,909 Population Increase (2016 – 2022)

2.62 Avg. Household Size (2022; was 2.63 in '16)

2,392 Units Built (2017 – Q2 2022)

Assuming the:

IIP Expanded Case (base x 10%)

2022:	2028:	2031:
-1,831	-7,540	-11,196

Working Assumptions

-1,831 Est. Shortfall in Housing Provision vs Need (2016-2022)

Obsolescence by 2031 **1,287**

-0.3 **Avg. Household Size** fall by 2031 (to 2.32)

Obsolescence Rate: **0.3% per annum**

Discussion

Population growth within Waterford City & County has been surprising with a 9.4% increase between 2016 and 2022. This has created additional need for 4,270 units which was poorly met by 2,698 units delivered within the same time period, a shortfall of -1,572. This was not expected when compared with official projections from the ERSI, the 50:50 City Toolkit, and other HNDA scenarios. The delivery of the housing pipeline was constrained with 1 out of every 3 pipeline units awaiting commencement.

It is observed that average household size in the WCC area has only marginally fallen, a consequence of limited supply. Progress on fixing the historic under-provision of housing has stalled. To achieve a modest reduction in Average Household Size of 0.3 by 2031, up to an additional 11,196 units will be needed. This figure does not account for additional pent up demand, homelessness, or a desire of some to move to smaller household sizes.

Looking ahead, the IIP Base Case (in purple), the IIP Expanded Case (in pink), and the current NPF-driven population target (in blue) are plotted. Under the IIP Base Case, we project a -10,762 shortfall in housing units relative to the need, rising to -11,668 units in the IIP Expanded Case. Interestingly, when compared to planned targets, a deficit of -9,475 units emerges (all figures assuming obsolescence respectively). If the WCC area population continues to grow by a modest increase on observed intercensal change, then by 2031, population may have increased by sum 17.1%, increasing the quantum of housing that is necessary to plan for now, particularly given its 1:3 delivery ratio.

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