



**CARLOW**  
COUNTY COUNCIL  
COMHAIRLE CHONTAE CHEATHARLACH

## **Carlow County Housing Strategy and HNDA 2022-2028**

Prepared by KPMG Future Analytics

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# 1 Introduction

## 1.1 Overview

This Housing Strategy has been prepared by KPMG Future Analytics on the behalf of Carlow County Council to meet the statutory requirements of the Planning and Development Act, 2000 (as amended). The purpose of this Housing Strategy is to outline the existing and future housing requirements County Carlow and to set out measures for the Council to plan for and address these needs.

The Housing Strategy informs the policies and objectives of the Carlow County Development Plan 2022-2028, playing a key role in translating national and regional housing policies to the local level. Since the previous Housing Strategy and Carlow County Development Plan was prepared there have been significant changes in planning legislation and policy, especially the introduction of the National Planning Framework (NPF) and the Regional Spatial and Economic Strategy (RSES) for the Southern Regional Assembly.

The NPF requires each local authority to develop a Housing Need Demand Assessment (HNDA) which must underpin and support the preparation of housing strategies and housing policy. At the time of writing the Department of Housing, Local Government and Heritage (DHLGH) is yet to formally publish guidance outlining the expected requirements of the HNDA. However, KPMG Future Analytics have developed a robust methodology to inform decision-making around the current and future housing supply and investment in housing related infrastructure and services in County Carlow in accordance with the NPF and all other relevant statutory requirements, including the DHLGH's "Housing Supply Target Methodology for Development Planning: Guidelines for Planning Authorities".

## 1.2 Housing Need Demand Assessment (HNDA)

An evidence-based and future-proofed methodological approach has been adopted to ensure that the Housing Strategy meets the housing needs of the county and its residents while remaining in keeping with local, regional and national guidelines. Specifically, the NPF indicates that the purpose of the HNDA tool is to:

- Assist local authorities to develop long-term strategic views of housing need across all tenures.
- Provide a robust evidence base to support decisions about new housing supply, wider investment and housing related services that inform an overall national housing profile.
- Inform policies about the proportion of social and affordable housing required, including the need for different types and sizes of provision.
- Provide evidence to inform policies related to the provision of specialist housing and housing related services.

The HNDA incorporates socio-economic and demographic data in relation to current demand and supply in County Carlow and projects future need over the lifetime of the Development Plan. The analysis undertaken reflects population growth, housing supply targets, incomes, mortgage capacity and rental affordability, social housing and housing

needs as well as tenure, type, and dwelling size using evidence-based assumptions relating to employment growth, income levels and affordability in the housing market.<sup>1</sup>

The NPF states that HNDAs are designed to give broad, long run estimates of potential future housing need, rather than precision estimates. Additionally, a logical, sequential framework will allow for updating, monitoring and evaluation. The HNDA assesses three core areas: Population, Housing and Economy to assess the current and future outlook for County Carlow as set out in Figure 1.1. The sequential steps are presented in further detail in Section 1.3.

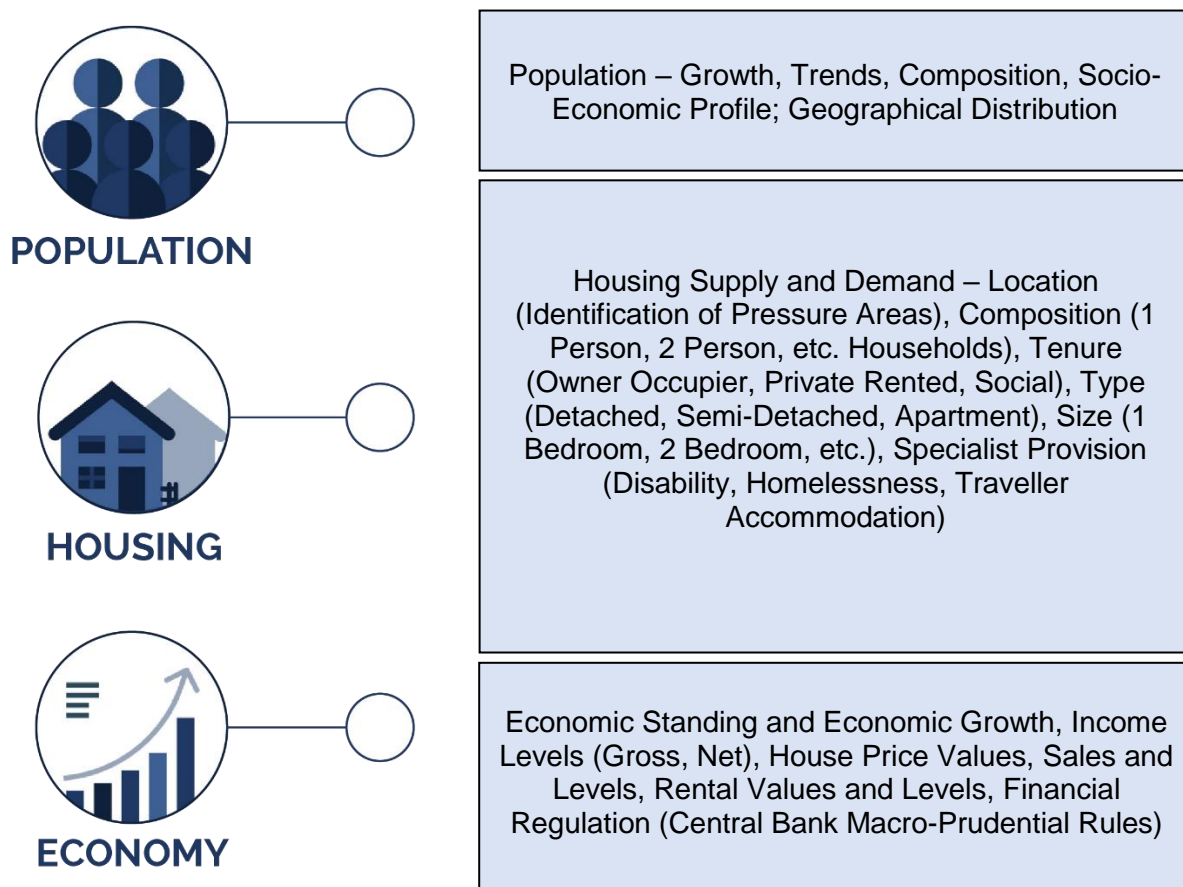


Figure 1.1: HNDA Assessment Areas (Source: KPMG Future Analytics)

The methodological approach provides a robust assessment of regional and localised influences on the housing sector, such as population, migration, household income and market forces such as demand and supply, in order to quantify needs. The key evidence inputs which drive this are:

- **Demographic, affordability and wider economic trends** - The use of economic forecasting or econometric work underpins this section. Data requirements include household composition, housing supply targets, house prices, rents, and loan to value (LTV) mortgage rates, economic activity and employment rates etc.

<sup>1</sup> While data used inevitably reflects a snapshot in time, best-practice statistical analysis and reasonable assumptions are applied and stated clearly throughout the strategy.

- **Housing Stock Profile Pressures (and existing need) and management issues** - This involves undertaking a detailed profile of local housing stock, including local authority housing, to identify the main issues relating to supply and demand, ineffective stock and overall condition as well as priorities for future stock management. Information is required on dwelling size, dwelling type, dwelling condition and stock pressures (occupancy/under occupancy stock turnover, etc.).
- **Estimating Future Housing Need and Demand** - This is broken down into: owner occupation, private sector market rent and social rent.

### 1.2.1 Housing Supply Target Methodology for Development Planning

As part of the development plan process, planning authorities must demonstrate the manner in which their plan is consistent with the NPF and established NPF Implementation Roadmap population projections for their local authority area. In December 2020, the DHLGH issued guidelines to assist planning authorities to incorporate these projections into the preparation of development plans and housing strategies in a consistent and coherent approach.

These Guidelines build on research undertaken by the Economic and Social Research Institute (ESRI) into regional demographics and structural housing demand at county level. The ESRI's research applies a projection model to four different development scenarios, including the 'NPF 50:50 City Scenario.'

The Section 28 Guidelines state that "the NPF 50:50 City scenario is broadly consistent with the National Planning Framework strategy and consequently, the 2018 NPF 'Roadmap' document". As such, the Section 28 Guidelines indicate that this is the recommended housing demand scenario to be used by local authorities to plan for the provision of housing to meet projected levels of demand.

Thus, planning authorities must now demonstrate the manner in which their core strategy and other elements of the plan are consistent with the established NPF Roadmap population projections for their local authority area and accordingly, with the related NPF 50:50 City housing demand projection scenario identified by the ESRI.

The Guidelines set a methodology for the application of population and housing projections into Local Authority plan processes and the setting of Housing Supply Targets for the relevant plan period.

As set out below and in the Core Strategy, Carlow County Council have agreed the following calculation of housing demand for the plan period (including an adjustment to align with the NPF to 2026) and shall pursue a **total housing supply target of 3,107** for the Carlow County Development Plan, over a plan period anticipated to cover Q3 2022 – Q2 2028 inclusive.

**Table 1.1: Calculation of Housing Supply Target for Carlow 2022-2028**

Carlow County Council		Annual Average Households)	Total Households
<b>A</b>	ESRI NPF Scenario projected new household demand <b>2017 to Q2 2028</b>	350	<b>4,025</b>
<b>B</b>	Actual Housing supply <b>2017 to Q2 2022</b>  <i>(Source: CSO to Q4 2020, pro-rata of 2020 data for remainder)</i>	155  (1006/6.5)	1,006
<b>C</b>	Homeless households and unmet need <sup>2</sup>	N/A	57
<b>D</b>	<b>Plan Housing Demand ((A-B) + C)</b> <i>For plan period Q3 2022 – Q2 2028 (6 years)</i>	<b>513</b>	<b>3,076</b>
<b>E</b>	<i>Potential Adjustment 1 to end 2026 portion of plan period</i>	<i>Mid-point between ESRI NPF and baseline scenarios to 2026 in lieu of A above</i>	<i>Adjusted Total Demand</i>
<b>E1</b>	ESRI Baseline Scenario projected new household demand 2017 to Q4 2026	390	3,897
<b>E2</b>	ESRI NPF Scenario projected new household demand 2028	380	190
<b>E3</b>	Midpoint between A-E2	387	3,866
<b>E4</b>	<b>Adjusted Total Plan Demand</b>  <i>(E2 + E3 - B + C)</i>	<b>518</b>	<b>3,107</b>

Source: Carlow County Council, incorporating DHLGH and CSO data (February 2021).

Therefore, KPMG Future Analytics have designed this Housing Strategy and HNDA to incorporate these Guidelines. The HNDA accounts for and applies these Housing Supply Targets in determining additional anticipated households and assessing housing need in Carlow over the plan period,<sup>3</sup> as described below.

## 1.3 Methodology

This Section provides an overview of the components involved in the development and application of the HNDA model that is required by the NPF. There are three components to the modelling that has been undertaken by KPMG Future Analytics on behalf of Carlow County Council as shown in Figure 1.2 and this has been supported by the baseline analysis of the existing county profile that is presented in Section 3 and 5.2.

<sup>2</sup> Homeless households as of January 2021, plus unmet need as of Census 2016; source: DHLGH, February 2021.

<sup>3</sup> As set out in Table 1.1, the Housing Supply Target methodology applies the plan period to the nearest quarter (Q3 2022 – Q2 2028 in this case); the HNDA therefore accounts for this for the plan start and end years.





**Figure 1.2: Overview of the HNDA Modelling**

The first component of the modelling explores projected population and household scenarios for County Carlow to the end of the plan period 2022-2028. The National Planning Framework (NPF) Implementation Roadmap sets out projected population targets to 2040 as well as in key intermediary years 2026 and 2031.

The second component alongside population projections is the determination of future households. This is established through the calculation of the Housing Supply Target for the plan period for County Carlow in accordance with the 'Housing Supply Target Methodology for Development Planning' DHLGH guidelines (December 2020), as described in Section 4.2. This provides plan period targets and annualised figures for analysis in the HNDA.

The third component relates to an assessment of housing and rental affordability. This assessment supports the identification of social (and affordable) housing needs for the local authority during the strategy period.

Following this, analysis has been undertaken in relation to specific requirements of the additional anticipated households in relation to the existing market forces, composition, tenure, dwelling type as well as single rural dwellings and specialist provision. This information is presented in Section 4.4.

Section 5 summarises the analysis outputs whilst Section 6 sets out the policy objectives for delivery of this Housing Strategy.

**Table 1.2: Approach to the Affordability Assessment**

Step	Objective	Method
1	Determination of Annual Population Projections	Determination of annual population during the strategy period based on established projection targets.
2	Determination of Pre-Plan Local Authority Total Households	Determination of pre-plan total households based on latest CSO data and estimation of pre-plan housing completions.
3	Determination of Additional Households	Determination of additional households over the plan period based on Housing Supply Targets.
4	Calculation of Estimated Distribution of Household Disposable Incomes	Calculation of estimated distribution of household disposable incomes for the established deciles (by the CSO) based on the weekly and annualised disposable incomes at national level and adjusted for the local authorities based on application of an "inflater" or "deflator" rate.
5	Calculation of Average Annual Household	Calculation of estimated distribution of annual disposable household incomes per decile during the strategy period based on the preceding step and application of a forecast GDP growth rate.



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Step	Objective	Method
	Disposable Income Distribution	
6	Calculation of Average Monthly Household Disposable Income Distribution	Calculation of estimated distribution of monthly disposable household incomes per decile during the strategy period based on the preceding step and application of a forecast GDP growth rate.
7	Determination of Distribution of Total Anticipated Households	Calculation of the estimated distribution of household units for each decile throughout the strategy period as well as the distribution of housing units in the State from the Household Budget Survey (by the CSO).
8	Determination of Distribution of Additional Anticipated Households	Calculation of the estimated distribution of additional anticipated households annually during the strategy period as well as the distribution of housing units in the State from the Household Budget Survey (by the CSO).
9	Calculation of Projected House Price Bands	Calculation of projected house price bands based on the percentage split of the established (by the DHPLG) eight price bands and a projected annual price increase or decrease.
10	Calculation of Mortgage Capacity of Households	Calculation of the approximate affordable house price per decile per year based on the application of the "Annuity Formula". This is based on the determination of an "Affordability Threshold", a "Loan to Value Ratio", an "Annual Percentage Rate (APR) - Interest Rate", a "Monthly Percentage Rate (MPR) - Interest Rate", and the determination of a "Loan Term (Years/Months)".
11	Calculation of Projected Needs for Ownership	Based on the application of the "Annuity Formula", calculate the housing affordability for each of the 10 household deciles.
12	Calculation of Projected Needs for Private Rental	Calculation of the households that will not meet the affordability criteria to privately rent a home during the plan period with respect to the number of households that cannot qualify for a mortgage.
13	Calculation of Projected Social (and Affordable) Housing Need	Based on the determination of additional households required, the projected house price bands and the housing affordability, calculate the number of households not meeting the "Affordability Criteria". This informs the necessary provision of social (and affordable) housing units within the local authority.
14	Historic Data Analysis and Approximate Projection of Tenure, Size Cohort, and Dwelling Type.	Calculation of historic intercensal change for private household tenure, cohort sizes and dwelling type to determine annualised change. This informs the basis of an annual rate of change for which additional anticipated households can be roughly forecasted for household tenure, cohort sizes and dwelling type.
15	Analysis of Single Rural Dwellings	Analysis CSO Granted Permissions data to determine distribution of rural one-off dwellings.
16	Analysis of Specialist Provision	Analysis of specialist provision County Carlow using current and historic waiting lists by 'basis of need' to highlight the change in trends within the categories of financial need, disability, homeless or other need.

## **2 Strategic, Legislative and Policy Landscape**

### **2.1 National Legislation and Policy**

#### **2.1.1 Planning and Development Act 2000 (as amended)**

Under Part V of this Act, local authorities are required to prepare and incorporate a Housing Strategy into their Development Plan, the purpose of which is to ensure that the housing needs of the existing and future population are met. Section 94 of the Act states that:

“Each planning authority shall include in any development plan it makes... a strategy for the purpose of ensuring that the proper planning and sustainable development of the area of the development plan provides for the housing of the existing and future population of the area in the manner set out in the strategy.”

The Act further specifies that Housing Strategies must consider:

- The existing and likely future need for social housing;
- The need to ensure that housing is available for people of different incomes;
- The need to ensure the availability of a mixture of house types and sizes to cater for the requirements of different categories of households, including the special requirements of older persons and persons with disabilities; and
- The need to counteract segregation in housing between persons of different social backgrounds.

Under the Act, one of the key purposes of a Housing Strategy is to provide that 20% of land granted permission for residential use, or for a mixture of residential and other uses, should be reserved for social and affordable housing provision.

#### **2.1.2 Rebuilding Ireland – Action Plan for Housing and Homelessness, 2016**

Rebuilding Ireland is a Government action plan for tackling the housing crisis and homelessness. It provides a multi-stranded approach to achieving key housing objectives, including to significantly increase the supply of social housing and all homes generally and to tackle homelessness. The plan sets out five pillars for which a series of actions are planned to address the challenges presented by Ireland’s disjointed housing sector:

- 1 Address homelessness
- 2 Accelerate social housing
- 3 Build more homes
- 4 Improve the rental sector, and
- 5 Utilise existing housing

Under the Action Plan, social housing supply targets increased to 47,000 units with delivery targets assigned to individual local authorities. The Action Plan provides for an enhanced role for existing initiatives for social housing delivery and also introduced a number of new

initiatives and schemes, including the Local Authority Construction & Acquisition (also known as the Social Housing Investment Programme (SHIP), the Capital Assistance Scheme (CAS), the Vacant Housing Repair and Leasing Initiative and further resources to increase Part V Delivery. A further legislative basis for measures introduced under Rebuilding Ireland was provided for by The Planning and Development (Housing) and Residential Tenancies Act 2016, including the definition of 'Strategic Housing Developments' eligible for a fast-track planning application process. Increased funding was provided for Rebuilding Ireland programmes in Budget 2021 to meet a revised target of 9,500 new social homes in 2021. The Government has set a target for County Carlow of 309 new social units delivered under new-build, acquisition and leasing streams over the period 2018-2021.

### **2.1.3 Affordable Housing Act 2021**

The Affordable Housing Act has introduced several important changes to Irish housing. It establishes a legislative basis for new forms of affordable housing for households who cannot afford private market housing but are above eligibility thresholds for social housing. These new tenures are affordable purchase dwellings (sold by local authorities and other bodies at below-market costs) and cost rental, a new form of below-market rent with rents tied to delivery costs and subject to a minimum discount compared to market rents. The Act also amends Part V of the Planning and Development Act 2000 to introduce a requirement for Local Authority housing strategies to assess the need for affordable housing including cost rental over the course of a statutory development plan. The Act amends 'Part V' housing requirements to include a requirement for up to 20% social and affordable housing in developments in excess of four units (intended by Government to comprise 10% social and 10% cost rental and/or affordable purchase where justified).

### **2.1.4 The Housing (Miscellaneous Provisions) Act 2009**

The Housing (Miscellaneous Provisions) Act 2009 makes amendments and extensions to provisions under the Housing Acts 1966 to 2004 to provide Local Authorities with a strategic framework for the delivery and management of housing services. This requires Local Authorities to adopt housing services plans to cover the delivery and management of housing services within the Local Authorities' areas, as well as homelessness action plans and anti-social behaviour strategies. It provides a legislative basis for objective methods to assess need and allocating social housing support which incorporate household size, household income and house and rental prices within a Local Authority's administrative area. The Act also extends the legislative basis for the provision of rented social housing through leasing or contract arrangements with private landlords.

### **2.1.5 Project Ireland 2040 – National Planning Framework (2018)**

The National Planning Framework (NPF) is the high-level strategy that will shape growth and development in Ireland to the year 2040. The NPF provides a framework for the sustainable development of Ireland's existing settlements, as an alternative to an uncoordinated "business as usual" approach to development. The NPF sets out National Policy Objectives that support the delivery of new homes in suitable places to achieve an overall target of 550,000 additional households nationwide by 2040.

The achievement of National Policy Objectives at a County level will be underpinned by the development of a Housing Need Demand Assessment (HNDA) by each local authority, to provide a robust evidence base for decisions about housing and planning. A HNDA is defined as “a database which allows local authorities to run a number of different scenarios to inform key decisions on housing need and supply.” They will provide long-term estimates of future housing needs to support the preparation of Housing Strategies and inform housing policy outputs.

The NPF supports providing new homes including new social housing in locations that can support sustainable development, with adequate services and easier access to work, childcare, education and healthcare. It emphasises compact growth in cities, towns and villages, with at least 40% of all new homes nationally to be delivered within existing urban footprints (including at least 50% of new housing within the five largest cities and 30% of all new housing elsewhere).

Within the South-East region of Ireland (which includes County Carlow) the NPF notes that the region has great opportunities to leverage growth including leveraging national and international connectivity and further balanced employment and housing development in key settlements and county towns. The NPF notes that growth needs to be based on infrastructure and quality of life rather than long-distance commuting to Dublin, as is apparent in parts of County Carlow.

The Government is currently undertaking a review of the NDP to ensure the levels and priorities of capital investment are correct, with an update to the NDP expected in 2021.

## 2.1.6 Implementation Roadmap for the National Planning Framework (2018)

The Implementation Roadmap for the National Planning Framework highlights the Government’s focus on achieving alignment between national, regional and local planning policy and practice. It addresses issues around the legal status of the NPF and provides transitional population projections for the period up to 2031 for all regions and counties. The Implementation Roadmap provides for population growth of 280,000-343,000 across the Southern Region between 2016 and 2031. It projects that County Carlow will have a population of 62,000-63,000 by 2026 and of 64,000-65,500 by 2031, as shown in Table 2.1 below – an increase of 12%-15% by 2031. It also sets out mechanisms to ensure that Development Plans will broadly align with the NPF and RSES’s to address the six-year period up to 2026/2027.

**Table 2.1 Projected population throughout the strategy period**

	Projected Population			Increase from 2016	
	2016	2026	2031	2026	2031
<b>County Carlow</b>	57,000	62,000-63,000	64,000-65,500	5,000-6,000	7,000-8,500
<b>South - East</b>	509,500	561,000-572,000	581,500-598,500	51,500-62,500	72,000-89,000
<b>Southern Region</b>	1,585,000	1,781,000-1,820,500	1,865,000-1,928,500	196,000-235,500	280,000-343,500

Source: Implementation Roadmap for the National Planning Framework, p.

### 2.1.7 Project Ireland 2040 – National Development Plan 2021-2030

The National Development Plan sets out investment priorities to deliver on the goals of the National Planning Framework, with a total investment of approximately €165 billion. It was revised and updated in 2021 to re-align with new national investment and development priorities and the Programme for Government. Infrastructure projects identified for County Carlow include Carlow Southern Relief Road (subject to appraisal) and supporting the establishment of a Technological University for the South-East to include IT Carlow.

In terms of housing, the National Development Plan (NDP) provides medium-term funding to deliver the national Housing for All strategy, with approximately €4 billion in State capital funding made available for housing annual from 2021 to 2025. This will support the delivery of the national targets in Housing for All of approximately 9,500 new-build social homes, 4,000 Affordable Purchase homes and 2,000 Cost Rental homes per year up to 2030. Local Authorities and Approved Housing Bodies will play a key role in delivering new homes, while the NDP also provides funding for the Land Development Agency to help deliver social and affordable housing on major public sites. The NDP also identifies critical infrastructure to support population and housing growth, with almost €6 billion of investment to be undertaken by Irish Water over 2021-25 (of which over €4.5 billion will be Exchequer funded), as well as other water infrastructure investment including 175 million in the Rural Water Programme. The NDP also supports the retrofitting of approximately 36,500 Local Authority-owned homes to promote energy efficiency and climate resilience.

### 2.1.8 Housing Supply Target Methodology for Development Planning (December 2020)

The NPF is based on demographic and econometric projections undertaken by the Economic and Social Research Institute (ESRI) in 2017. Following publication of the NPF in 2018, the NPF 'Roadmap' circular was issued to all planning authorities, setting out projected county population ranges for 2026 and 2031. As part of the development plan process, planning authorities must demonstrate the manner in which their core strategy and other elements of the plan are consistent with the established NPF Roadmap population projections for their local authority area.

In order to strengthen the relationship between national and regional population projections and their integration into the development planning process at local authority level, the Department commissioned the ESRI to further develop work previously undertaken for the NPF. The findings of the ESRI work were published as a research paper on Structural Housing Demand at County Level in December 2020. Following publication of this, the 'Housing Supply Target Methodology for Development Planning: Guidelines for Planning Authorities issued under Section 28 of the Planning and Development Act, 2000 (as amended)' was published.

This ESRI research applies the projection model to four different development scenarios:

- Baseline – projecting a 'business as usual' scenario which is based on current trends and medium-term projections for the Irish economy;
- NPF 50:50 City – consistent with the NPF strategy;
- High Migration – incorporating assumptions around high international migration flows into Ireland based on higher economic growth than the baseline; and

- Low Migration – incorporating assumptions around lower international migration flows into Ireland based on lower economic growth than the baseline.

The ESRI research model is intended to enable structural household demand levels for each local authority area to be set out under the four different scenarios for each year to 2040. The Section 28 Guidelines state that “The NPF 50:50 City scenario is broadly consistent with the National Planning Framework strategy and consequently, the 2018 NPF ‘Roadmap’ document”. As such, the Section 28 Guidelines further indicate that this is the recommended housing demand scenario to be used by planning authorities in their planning functions in order to plan for the provision of housing to meet projected levels of demand in their administrative area, in accordance with the NPF strategy.

Thus, planning authorities must now demonstrate the manner in which their core strategy and other elements of the plan are consistent with the NPF 50:50 City housing demand projection scenario identified by the ESRI. Deviation from this scenario, the Guidelines state, must be evidence-based and consistent with these guidelines.

The Guidelines set a methodology for the application of population and housing projections into Local Authority plan processes. The calculation of the housing supply targets for County Carlow is detailed in Section 1.2.1 above.

### **2.1.9 Housing for All (2021) / Programme for Government: Our Shared Future (2020)**

The ‘Programme for Government: Our Shared Future’ was published in June 2020 and sets out key goals the Government will pursue over its term. This Programme places emphasis on housing policy through the ‘Housing for All’ mission. ‘Housing for All’ is based on eight pillars setting a five-year vision for housing policy:

- Put affordability at the heart of the housing system.
- Prioritise the increased supply of public, social and affordable homes.
- Progress a State-backed affordable home purchase scheme to promote home ownership.
- Increase the social housing stock by more than 50,000, with an emphasis on new builds.
- Tackle homelessness.
- Ensure local authorities are central to delivering housing.
- Work with the private sector to ensure an appropriate mix and type of housing is provided nationally.
- Improve the supply and affordability of rental accommodation and the security of tenure for renters.

‘Housing for All: A New Housing Plan for Ireland’ was published in 2021. It represents the Government’s housing plan to 2030, replacing Rebuilding Ireland. It reiterates a national target of building an average of 33,000 new homes every year from 2021 to 2030, including approximately 10,000 social homes and 6,000 affordable homes for purchase or rent. It



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provides a comprehensive strategy and action plan across all tenures and elements of the Irish housing system, guided by four main 'pathways' to improving the housing system:

- Supporting home ownership and increasing affordability
- Eradicating homelessness, increasing social housing delivery and supporting social inclusion
- Increasing new housing supply
- Addressing vacancy and efficient use of existing stock

Local Authorities will play a key role (in partnership with Approved Housing Bodies) in delivering new social and affordable homes under Housing for All. Each Local Authority will produce a Housing Delivery Action Plan by December 2021 to translate national targets into clear local targets and actions, underpinned by an evidence-based assessment of local housing need.

## **2.2 Regional Policy**

### **2.2.1 Regional Spatial and Economic Strategy (RSES) for the Southern Region (2020)**

The Regional Spatial and Economic Strategy (RSES) provides a long-term strategic framework for the spatial, economic and social development of the Southern Region, including County Carlow. Among its main goals are promoting economic prosperity, accommodating growth and sustainable development in suitable places, protecting and enhancing the environment, combatting climate change, improving towns and cities, supporting rural development and identifying priorities for infrastructure development.

The RSES sets strategic aims for cities and towns across the Southern Region through a sustainable place framework and settlement typology. This framework defines Carlow Town as a Key Town, defined as a large population scale urban centre functioning as a self-sustaining regional driver. The key ambitions of the RSES for Carlow Town are to strengthen and support its role as a regional and inter-regional economic driver while promoting and facilitating economic integration between urban centres in the county including Tullow and Muine Bheag/Bagnelstown, other urban centres within the Southern Region and the Eastern and Midlands Region including the Dublin Metropolitan Area. The RSES supports investment in infrastructure including the Waterford to Dublin rail line and the Carlow Southern Relief road, and supports the preparation of a cross-boundary Joint Urban Plan for Carlow Town by Carlow County Council and Laois County Council.

## **2.3 Local Policy**

### **2.3.1 Carlow County Development Plan 2015-2021**

The Carlow County Development Plan 2015-2021 is the current statutory development plan for County Carlow, providing the main spatial planning and land use plan for the county. Its key vision includes the aim to "develop the County through the promotion of sustainable economic, social and cultural development, taking advantage of its strategic regional location



in the South-East region.” It recognises the strength and dominance of Carlow Town to its surrounding area and the links between the county and to the Dublin – Mid-East and Midland regions, with strengthened transport infrastructure through the M9 motorway and Dublin -- Waterford railway.

The key strategic goals of the Development Plan include promoting the highest quality living environment possible, sustaining rural communities, sustaining and strengthening the Carlow settlement structure, encouraging residential development on suitably zoned land with appropriate infrastructure, and facilitating and supporting access to housing to suit different household and tenure needs in a sustainable manner.

### **2.3.2 County Carlow 2021: Local Economic and Community Plan 2015-2021**

The Carlow Local Economic and Community Plan (LECP) sets out Carlow County Council’s vision for local community, economic and social development throughout the county. It sets seven principles to underly the social and economic development of the county:

1. A developmental ‘bottom up’ approach
2. Promotion of enterprise and employment development
3. Harnessing of existing community infrastructure
4. Best use of available resources
5. A clear focus on social inclusion
6. Voluntary activity and active participation by individuals
7. Achieving value for money

The LECP also sets strategic high-level goals for the county to 2021, including building thriving, resilient, sustainable and inclusive communities; strengthening and promoting a thriving and sustainable enterprise culture; ensuring access to education and skills; optimising the tourism product and message of Carlow; providing necessary infrastructure, and maximising external investment into Carlow.

### **2.3.3 Carlow Age Friendly Strategy: Strategic Plan 2017 – 2022**

The Carlow Age Friendly Strategy outlines Carlow County Council’s plan for implementing the Age Friendly County Initiative. This aims for Carlow to be a place where communities are designed to be age friendly and where older people live life to their greatest potential. The two core aims are:

- 1 County Carlow will be a great place to grow old in, enjoyed and appreciated by everyone.
- 2 Carlow will be a county that enables its people to age with security, dignity and the capacity to participate as citizens to their fullest potential.

Housing is a key part of building an age-friendly county. The Strategy finds some over-70s report difficulties maintaining their homes, with adaptation of existing homes and providing

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age-appropriate new homes identified as key issues. The Strategy also recommends inter-agency cooperation between the Council and the HSE and other organisations in providing housing services and grants for older people.

### **2.3.4 Carlow County Council Traveller Accommodation Programme 2019-2024**

The Carlow County Council Traveller Accommodation Programme (TAP) is designed to meet the accommodation needs of the Travelling Community of County Carlow. Under the provisions of the Housing Traveller Accommodation Act 1998, all Local Authorities are required to prepare, adopt and implement a Traveller Accommodation Programme (TAP) to meet the accommodation needs of the county's indigenous Traveller community. The TAP sets out an assessment of accommodation need, finding that 122 Traveller households needed housing in 2019. The TAP assessed a total need of 245 families over the period 2019-2024. The TAP states that 245 units of accommodation should be provided over the five-year programme to cater for the existing demand and projected demand.

## 3 Current housing context in County Carlow

### 3.1 Introduction

This section presents a concise overview of the existing context of housing in County Carlow. This includes the current demographic, housing, and socio-economic baseline across the county.

### 3.2 Existing demography and socio-economic profile

#### 3.2.1 Population

Census 2016 results show that Ireland's population stood at 4,761,865 in April 2016, an increase of 173,613 (3.8%) since April 2011. The population of County Carlow was 56,932 in 2016, an increase of 2,320 (4.2%) since 2011.

The Census 2016 results show that Ireland's population has been getting steadily older since the 1980s. In 2016, 37.2% of the Irish population were aged 45 and over, compared with 34.4% in 2011 and 27.6% in 1986. 13.4% of the State's population were over 65 in 2016.

**Table 3.1: Population and age, 2016**

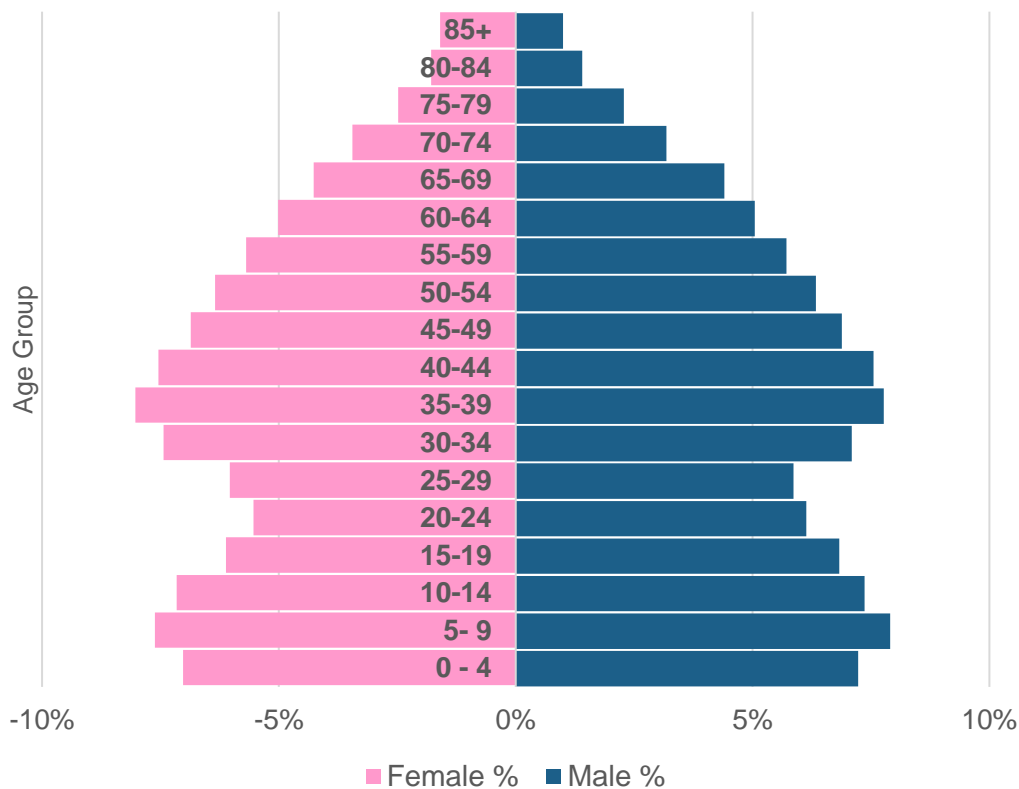
	0-14 years	15-64 years	Over 65 years	Young (%)	Old (%)	Total age dependency (%)
State	1,006,552	3,117,746	637,567	21.1%	13.4%	34.5%
County Carlow	12,611	36,964	7,357	22.2%	12.9%	35.1%

Source: Census 2016; figures may not sum due to rounding.

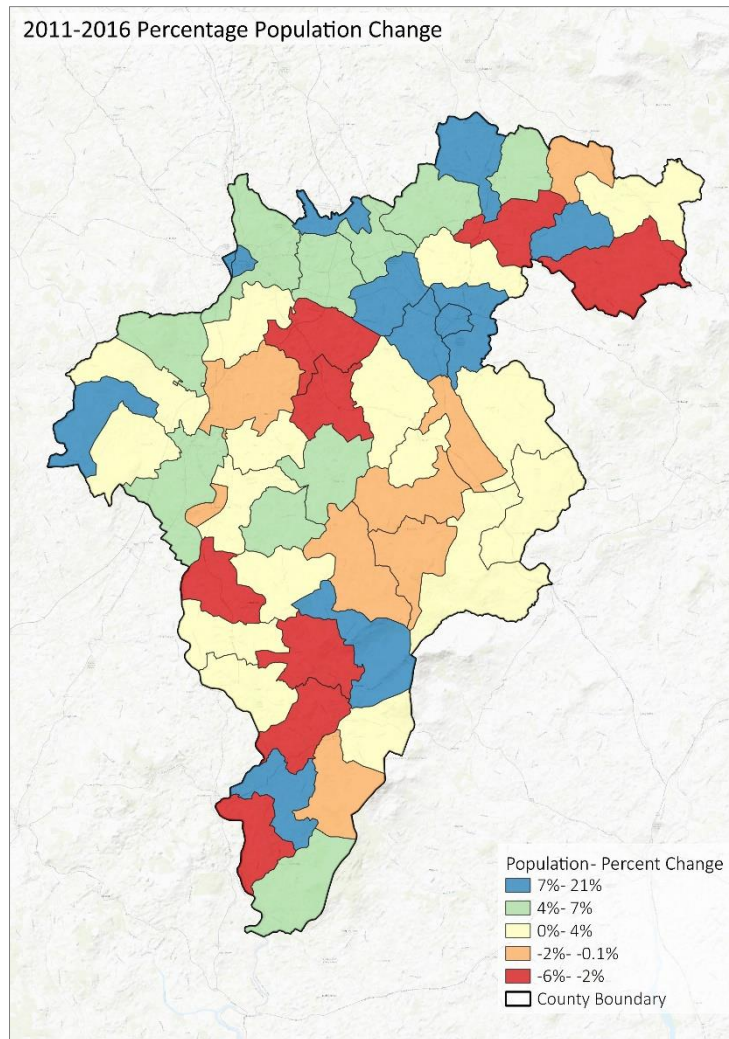
The age profile of County Carlow is slightly younger than the national average, with 22.2% of the population under the age of 15 as set out in Table 3.1. The proportion of over-65s (12.9%) and of working-age people aged 15-64 (64.9%) is roughly in line with the national average.

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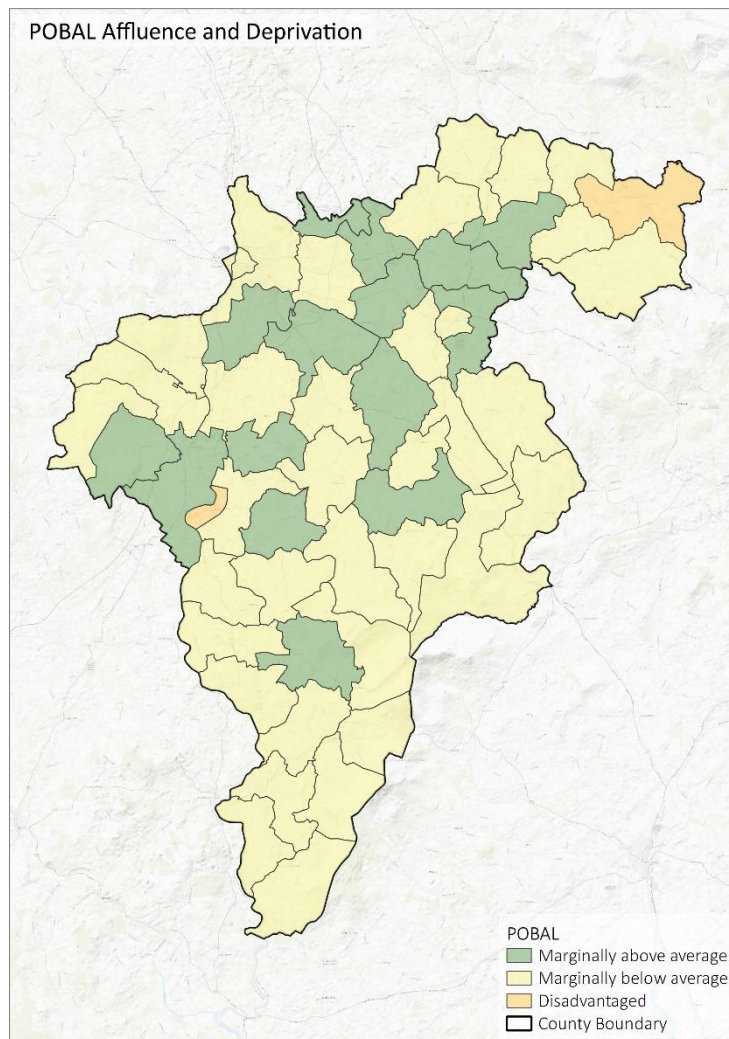
**Figure 3.1: Carlow County Age Profile, 2016**


Analysis of population change between 2011 and 2016 at electoral division (ED) level indicates that population growth has varied considerably within County Carlow. While the population of Carlow Town and some other areas of the north of the county in particular grew strongly over this period (by 9% in Carlow Urban ED, for example), the population of some more rural areas remained steady or declined over the same period as shown in Figure 3.2 below.

**Figure 3.2: Carlow County population change (electoral divisions), 2011-2016**

The 2016 Pobal HP Deprivation Index (Haase and Pratschke, 2016) provides a method of measuring the relative affluence or disadvantage of a particular geographical area using data compiled from various censuses. A score is given to the area based on a national average of zero and ranging from approximately -40 (being the most disadvantaged) to +40 (being the most affluent).

As shown in Figure 3.3 below, most electoral divisions in the county rank as either marginally above or below average on this index, with the exception of electoral divisions at Muine Bheag (Bagenalstown) and Hacketstown which are classified as 'disadvantaged'.

**Figure 3.3: Carlow County Pobal Deprivation (electoral divisions), 2016**

Students form an increasingly important part of the housing sector in County Carlow, particularly in Carlow Town. According to Census 2016, 5,077 people identified their principle economic status as students, comprising 11.5% of those aged 15 and over (this includes some secondary students). However, third-level student numbers have grown strongly in Carlow since 2016. The largest third level institution in Carlow is Institute of Technology Carlow, primarily based in Carlow Town (though with additional campuses in Counties Wicklow and Wexford). Total enrolment in IT Carlow has grown from 6,221 students in 2014/15 to 8,136 in 2018/19.<sup>4</sup> St Patrick's, Carlow College is also based in Carlow Town with approximately 500 students enrolled.

<sup>4</sup> Source: Higher Education Authority, <https://hea.ie/statistics/data-for-download-and-visualisations/enrolments/enrolments-detailed-5yeartrend-dashboard/>



## 3.2.2 Existing housing context

### 3.2.2.1 Stock, tenure and composition

According to Census 2016, the total housing stock of County Carlow is 23,274 dwellings. The Census recorded 2,162 dwellings as vacant, including 298 holiday homes, 528 temporarily absent, and 1,864 other vacant dwellings. By contrast, 3,202 dwellings in Carlow were classed as vacant in Census 2011, with the overall vacancy rate declining from 13.8% in 2011 to 9.3% in 2016.

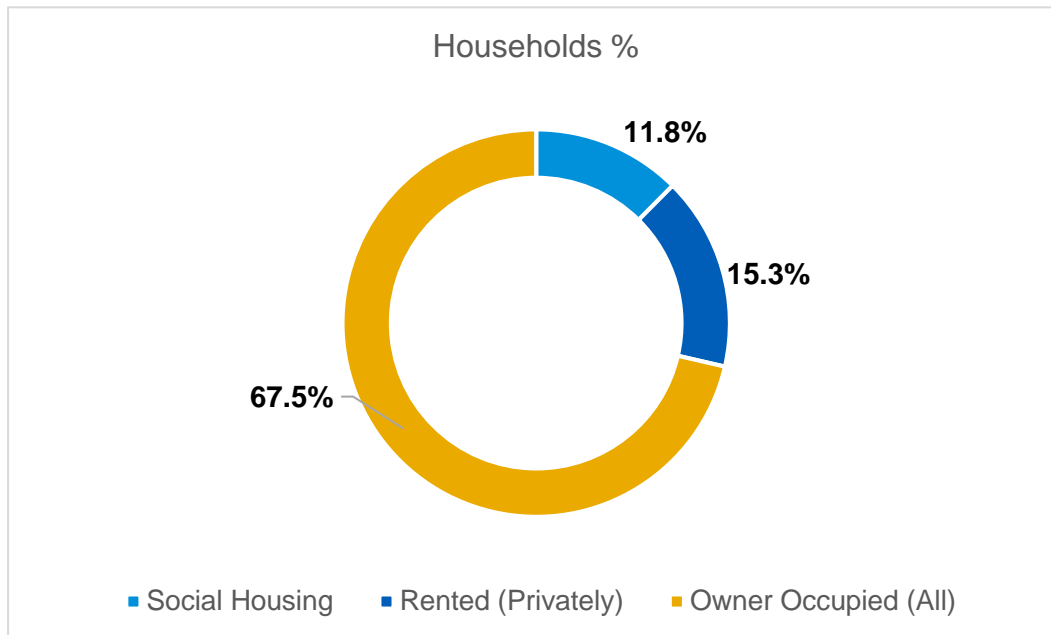
In terms of tenure, the owner-occupied sector remains dominant in County Carlow, comprising 67.5% of households (in line with the national average of 67.6%). The private rented sector comprises 15.3% of households in the county (compared to 18.2% nationally), while the social rented sector comprises 11.8% of households (compared to 9.4% nationally). However, the owner-occupation rate nationally has been in long-term decline in recent decades, falling from 69.7% in 2011 to 67.6% in 2016. This decline is mirrored in County Carlow, where the owner-occupation rate declined from 70.6% in 2011, a fall of 2.9 percentage points.

**Table 3.2: Tenure, 2016**

	No. of households	% of households
Owner occupied with mortgage	6,232	30.5%
Owner occupied no mortgage	7,591	37.1%
Rented from Private Landlord	3,130	15.3%
Rented from Local Authority	2,115	10.3%
Rented from Voluntary Body	294	1.4%
Occupied free of rent	368	1.8%
Not stated	735	3.6%
<b>Total</b>	<b>20,465</b>	<b>100.0%</b>



**Figure 3.4: County Carlow Tenure, 2016**



Household size cohort represents the number of people per households. Over half (51.1%) of households in County Carlow in 2016 comprised just one or two persons living in that household as illustrated Table 3.4; however, this is generally in line with national figures on household size cohorts.

**Table 3.3: Household composition in Carlow, 2016**

Household size	Households	Persons	Households %	Persons %
1 person	4,793	4,793	23.3%	8.5%
2 persons	5,708	11,416	27.8%	20.2%
3 persons	3,646	10,938	17.8%	19.3%
4 persons	3,667	14,668	17.9%	25.9%
5 persons	2,723	14,794	13.3%	26.1%
Total	20,537	56,609	100%	100%

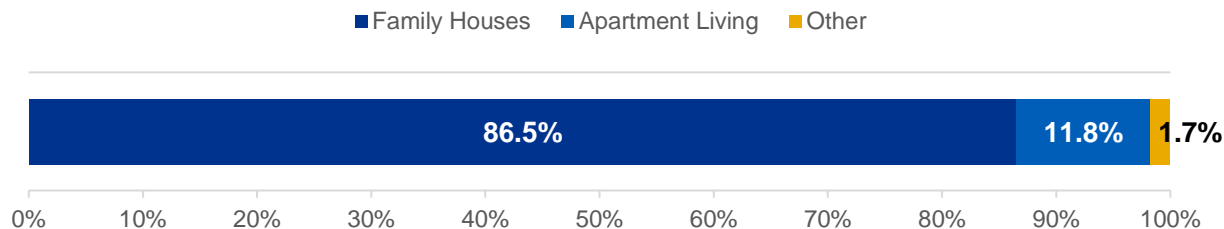
There were 20,537 private households and an average household size of 2.75 in 2016, which is the same as the national rate. 92% of households occupied a house or bungalow while 5.6% lived in apartments in 2016. At a national level, 12% of all occupied households in Ireland were apartments. The NPF notes that while the overall proportion of households living in apartments is growing, we remain considerably behind European averages in terms of the numbers and proportion of households living in apartments, especially in our cities and larger towns and this is particularly evident within County Carlow. Further, the NPF states that apartments will need to become a more prevalent form of housing, particularly in

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Ireland's cities in order to more effectively address the challenge of meeting the housing needs of a growing population in our key urban areas.

**Figure 3.5: Dwelling type in County Carlow, 2016**



### 3.2.2.2 Social housing stock

Carlow County Council owns and operates a major stock of social housing in the county, playing a major role in meeting the housing needs of Carlow. As of November 2020, Carlow County Council's housing stock comprises 2,155 properties. Latest survey information on vacancy indicates that 22 council-owned properties are vacant (less than 1%). The Council is also currently responsible for 59 social homes under leasing agreements with private property owners. A total of 204 former social homes have been purchased by former tenants from Carlow County Council under tenant purchase schemes since 2006.

## 4 Future Housing: Projected Housing Need and Supply

### 4.1 Introduction

This chapter sets out the demographic, economic and social inputs of relevance and estimates the projected population, households and associated needs in relation to housing during the plan period as set out in Section 1.3. Specifically, this chapter demonstrates how the various demographic and market factors have been considered as part of the assessment of future housing needs and demands.

As set out in Section 1.2.1, the plan period runs from the beginning of Q3 2022 to the end of Q2 2028. In the proceeding sections tables and charts illustrate figures for the years 2022-2028 but are reflective of the exact plan period unless stated that they represent the full year.

### 4.2 Key Inputs: Affordability Assessment and HNDA

#### 4.2.1 Future Population

The future population has been projected based on the targets as set out in the NPF to 2040. The projected population over the plan period<sup>5</sup> has been interpolated between the target years (2026 and 2031) as outlined in Table 4.1 with further data on the additional years and for year on year increase provided in Appendix 1.

The future population has been projected based on the targets as set out in the NPF to 2040. The projected population over the plan period<sup>6</sup> has been interpolated between the target years (2026 and 2031) as outlined in Table 4.1.

**Table 4.1: Overview of projected population throughout the plan period<sup>7</sup>**

Year	2022	2023	2024	2025	2026	2027	2028
<b>County Carlow</b>	60,573	61,180	61,786	62,393	63,000	63,500	64,000

#### 4.2.2 Future Households

As set out in Section 1.2.1, this chapter has aligned the household demand during the plan period with Housing Supply Targets to align with Section 28 Guidelines as provided by the DHLGH and considered the implementation period of the plan (Q3 2022 – Q2 2028). As such, where 2022 and 2028 are referred to herein this relates to the second half of 2022 and

<sup>5</sup> It should be noted that for the purpose of the modelling all of these figures have been rounded from the outset to remove any decimalisation of people and/or households

<sup>6</sup> It should be noted that for the purpose of the modelling all of these figures have been rounded from the outset to remove any decimalisation of people and/or households

<sup>7</sup> Illustrates full year figures

the first half of 2028 only. Table 4.2 outlines the plan period Housing Supply Target and annualised figures.

**Table 4.2: Plan period Housing Supply Target and annualised figure**

Year	Plan period Housing Supply Target	Annualised targets
<b>County Carlow</b>	3,107	518

To establish the total households during each of the plan years, the baseline number of houses first needs to be established. The baseline for this development plan is the end of Q2 2022, or half 1 (H1) 2022, with the plan anticipated to come into effect at the beginning of Q3 2022. The baseline was established by increasing the figure for private households in census 2016 by the annual completions reported by the CSO for 2017-2020 then estimating completions for 2021 and H1 2022. 2021 to H1 2022 are estimated pro-rata based on the assumption that 2020 completion volume remains constant through this time period (2021 - Q2 2022).

The H1 2022 baseline for total households in the county prior to the plan period is 21,543. For the duration of the plan period total households increases based on the annualised targets, set out in Table 4.2, with the exception of 2022 and 2028 which are based on half year figures that are set out in Table 4.4.

**Table 4.3: Overview of total projected households throughout the plan period<sup>8</sup>**

Year	2022 (H2)	2023	2024	2025	2026	2027	2028 (H1)
	21,801	22,319	22,837	23,355	23,873	24,391	24,650

Table 4.4 identifies the additional households (of the total as per above) that are anticipated per year during the plan period. The beginning and end of the plan period is representative of the half year figures as the precise plan period is Q3 2022 to end of Q2 2028.

**Table 4.4: Overview of additional anticipated households throughout the plan period**

Year	2022 <sup>9</sup>	2023	2024	2025	2026	2027	2028 <sup>10</sup>
<b>County Carlow</b>	259	518	518	518	518	518	259

<sup>8</sup> Please note that all inputs in relation to population and households during the plan period were rounded prior to the commencement of modelling so as to avoid any discrepancies in totals or decimalisation of persons/households.

<sup>9</sup> H2 2022

<sup>10</sup> H1 2028

### 4.2.3 Economic Outlook

The local and regional economy influences incomes and thus the housing market needs which can impact on demand and supply. In order to understand the longer-term economic outlook, particularly in relation to how household incomes may change over time, forecasted growth rates in relation to Gross Domestic Product (GDP) have been considered.

The following documents have been reviewed as part of this work to understand GDP growth:

- Economic Research paper published by Davys in May 2020<sup>11</sup>; and
- Summer 2020 Economic Forecast published by the European Union in July 2020<sup>12</sup>;
- Q3 2020 Economic Outlook published by IBEC in October 2020<sup>13</sup>;
- Economic Quarterly published by the ESRI in October 2020<sup>14</sup>;
- Q4 2020 Quarterly Bulletin published by the Central Bank of Ireland in October 2020<sup>15</sup>;
- Budget 2021 published by the Government of Ireland in October 2020<sup>16</sup>; and
- IMF Outlook in October 2020<sup>17</sup>.

Further, this Strategy has been prepared during the COVID-19 pandemic which is ongoing at the time of writing and publication. Prioritisation has therefore been given to those data sources that are reflective of this and the latest economic insight in that regard. The following GDP growth rates have therefore been applied herein for those reasons as set out in Appendix 4:

- **2020:** -3.7% GDP growth (i.e. contraction of the economy) which is the average of the economic forecasts that have been determined from the average of those forecasts from Davys, the ESRI, Central Bank, Department of Finance and European Union that reflect the ongoing COVID-19 pandemic.
- **2021:** 3.4% GDP growth which aligns with the latest Davys, Department of Finance and European Union forecasts (i.e. the only datasets for next year that reflects the ongoing COVID-19 pandemic).

<sup>11</sup> <https://static.rasset.ie/documents/news/2020/05/new-econ-forecast-may-27th.pdf>

<sup>12</sup> [https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/summer-2020-economic-forecast-deeper-recession-wider-divergences\\_en](https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/summer-2020-economic-forecast-deeper-recession-wider-divergences_en)

<sup>13</sup> <https://www.ibec.ie/influencing-for-business/economy-and-tax/quarterly-economic-outlook-q3-2020>

<sup>14</sup> [https://www.esri.ie/system/files/publications/QEC2020AUT\\_0.pdf](https://www.esri.ie/system/files/publications/QEC2020AUT_0.pdf)

<sup>15</sup> [https://www.centralbank.ie/publication/quarterly-bulletins/quarterly-bulletin-q4-2020?utm\\_medium=website&utm\\_source=CBI-homepage&utm\\_campaign=qb4&utm\\_content=44110](https://www.centralbank.ie/publication/quarterly-bulletins/quarterly-bulletin-q4-2020?utm_medium=website&utm_source=CBI-homepage&utm_campaign=qb4&utm_content=44110)

<sup>16</sup> <https://www.gov.ie/en/speech/063d4-budget-speech-by-the-minister-of-finance-pascal-donohoe/#macroeconomic-outlook>

<sup>17</sup> <https://www.imf.org/en/Countries/IRL#countrydata>

- **2022:** 4.5% GDP growth which aligns with the Department of Finance forecast<sup>18</sup>
- **2023:** 3.5% GDP growth which aligns with the Department of Finance forecast
- **2024:** 2.8% GDP growth which aligns with the Department of Finance forecast<sup>19</sup>.
- **2025 onwards:** 2.5% GDP growth which aligns with the Department of Finance forecast.

It should be noted that the bespoke analysis on economic outlook, income (Refer to Section 4.2.4) and consideration of the macroprudential rules (refer to Section 4.2.5) is based on the approach as described herein which is separate to the analysis undertaken by the ESRI and Department that has supported the development of the Section 28 Guidelines<sup>20</sup>.

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<sup>18</sup> This forecast was issued by the Department of Finance in advance of the COVID-19 pandemic; however, it is considered reflective of their anticipated return to pre-pandemic levels of output as set out in the April 2020 document from the Department of Finance.

<sup>19</sup> The LTV limit requires one to have a minimum deposit before you can get a mortgage. First-time buyers are allowed up to 90% LTV, meaning they are required to provide a minimum deposit of 10% upfront for any property.

<sup>20</sup> The economic analysis undertaken was not available during the preparation of this document

#### 4.2.4 Income Analysis

Disposable income is the amount of income, after tax is deducted, that is available for spending and saving. For households, it functions as an important measure of their ability to purchase their own home (i.e. housing affordability). The weekly and annual disposable incomes at national level from the CSO's County Incomes and Regional GDP release (2017/provisional 2018) have been adjusted to local authority level based on application of "inflator/deflator" rate. The same methodology was applied separately to the average annual disposable incomes of households to determine mortgage capacity given Central Bank Rules (refer to Section 4.2.5).

The Average Annual Disposable Income for County Carlow from the CSO's County Incomes and Regional GDP release was €19,006, therefore a county deflator of 0.884 has been applied (on the basis of a national average annual disposable income of €21,495)<sup>21</sup>. The Average Annual Gross Income for County Carlow from the CSO's County Incomes was €24,984, therefore a county deflator of 0.854 has been applied (on the basis of a national average annual disposable income of €29,239). This is used to determine the assessment of housing affordability<sup>22</sup> in Section 4.3.

As noted above, disaggregation into ten income segments or 'deciles' has been undertaken to represent the proportion of households in County Carlow within each decile at the time of the survey. Table 4.5 indicates that in 2017 after taxes, about one third of the households in County Carlow (i.e. the first three deciles) have an average annual disposable income of up to €21,763 or the equivalent of €1,814 per month.

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<sup>21</sup> The measure of price inflation/deflation in an area (i.e. County Carlow in this instance), relative to the national measure at that time.

<sup>22</sup> Section 93 of the Planning and Development Act 2000, defines 'affordability' as "a person who is in need of accommodation and whose income would not be adequate to meet the payments of a mortgage for the purchase of a house to meet his or her accommodation needs because the payments calculated over the course of a year would exceed 35% of that person's annual income net of income tax and pay related social insurance..."



**Table 4.5: Calculation and distribution of weekly and annual household disposable incomes in County Carlow (Source: CSO, Modified)**

Income Range	Average Weekly Disposable Income (State) (€) (2009-2010)	Average Weekly Disposable Income (State) (€) (2015-2016)	Percentage Change from 2009-2010 to 2015-2016	Assumed Annual Percentage Income Increase from 2010 to 2016	Adjusted Average Weekly Disposable Income (State) (€) (2017)	Percentage of Households in Each Category (State)	Average Annual Disposable Income (State) (€) (2017)	Carlow County Deflator	Carlow Average Annual Disposable Income (€) (2017)	Number of Households in County Carlow (2016)
1st Decile	188.91	197.40	4.5%	0.90%	199.17	9.83%	10,357.06	0.884	9,157.79	2,244
2nd Decile	300.98	324.40	7.8%	1.56%	329.45	10.57%	17,131.32	0.884	15,147.64	2,414
3rd Decile	431.28	465.86	8.0%	1.60%	473.33	10.47%	24,613.19	0.884	21,763.16	2,391
4th Decile	549.20	593.56	8.1%	1.62%	603.15	10.44%	31,363.73	0.884	27,732.04	2,384
5th Decile	669.46	725.85	8.4%	1.68%	738.08	10.25%	38,380.05	0.884	33,935.93	2,341
6th Decile	802.56	865.88	7.9%	1.58%	879.54	9.94%	45,736.24	0.884	40,440.33	2,271
7th Decile	972.03	1,026.46	5.6%	1.12%	1,037.96	9.62%	53,973.69	0.884	47,723.94	2,197
8th Decile	1,183.82	1,215.55	2.7%	0.54%	1,222.07	9.65%	63,547.44	0.884	56,189.12	2,204
9th Decile	1,472.66	1,473.25	0.0%	0.01%	1,473.37	9.61%	76,615.14	0.884	67,743.68	2,194
10th Decile	2,289.38	2,229.05	-2.6%	-0.53%	2,217.30	9.62%	115,299.70	0.884	101,948.86	2,197
<b>Total</b>			5.0%	1.0%		100.00%				22,839

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To inform the forward projection of affordability in County Carlow during the plan period, the baseline income has been inflated annually using forecasted growth rates in relation to Gross Domestic Product (GDP). The forecasted GDP rates have considered the household disposable incomes for 2016 from the CSO's Household Budget Survey along with historic and the latest forecasted GDP growth rates during the plan period (Refer to Section 4.2.3 for further detail).

Based on the current economic outlook and as described in detail in Appendix 4, GDP growth of 8.2% and 5.5% was considered during 2018 and 2019 respectively whilst 3.7% decline is expected during 2020, 3.4% growth in 2021 and 4.5% GDP growth in 2022. The key outputs of this (i.e. the forecasted annual average disposable household income during the plan period) are shown in Table 4.6. A notable difference in average annual disposable incomes across each of the 10 deciles is evident for each year during the plan period (2022-2028).

**Table 4.6: Average annual household disposable incomes per decile in County Carlow (Source: CSO, Modified)**

Year	2022	2023	2024	2025	2026	2027	2028
% Growth	4.50%	3.50%	2.80%	2.60%	2.60%	2.60%	2.60%
1st Decile	€10,878	€11,258	€11,574	€11,874	€12,183	€12,500	€12,825
2nd Decile	€17,992	€18,622	€19,143	€19,641	€20,152	€20,676	€21,213
3rd Decile	€25,850	€26,755	€27,504	€28,219	€28,953	€29,706	€30,478
4th Decile	€32,940	€34,093	€35,048	€35,959	€36,894	€37,853	€38,837
5th Decile	€40,309	€41,720	€42,888	€44,003	€45,147	€46,321	€47,525
6th Decile	€48,035	€49,716	€51,108	€52,437	€53,800	€55,199	€56,634
7th Decile	€56,686	€58,670	€60,313	€61,881	€63,490	€65,141	€66,835
8th Decile	€66,741	€69,077	€71,011	€72,858	€74,752	€76,696	€78,690
9th Decile	€80,466	€83,282	€85,614	€87,840	€90,124	€92,467	€94,871
10th Decile	€121,095	€125,333	€128,842	€132,192	€135,629	€139,156	€142,774

Given the context provided and information as outlined above (i.e. Calculation of Average Annual Household Disposable Income Distribution), the incomes have been scaled to provide the monthly (rather than annual) estimates of disposable income per household in each decile during the plan period as described in Table 4.7.

**Table 4.7: Average monthly household disposable incomes per decile in County Carlow (Source: CSO, Modified)**

Year	2022	2023	2024	2025	2026	2027	2028
1st Decile	€ 906	€ 938	€ 964	€ 990	€ 1,015	€ 1,042	€ 1,069
2nd Decile	€ 1,499	€ 1,552	€ 1,595	€ 1,637	€ 1,679	€ 1,723	€ 1,768
3rd Decile	€ 2,154	€ 2,230	€ 2,292	€ 2,352	€ 2,413	€ 2,475	€ 2,540
4th Decile	€ 2,745	€ 2,841	€ 2,921	€ 2,997	€ 3,074	€ 3,154	€ 3,236
5th Decile	€ 3,359	€ 3,477	€ 3,574	€ 3,667	€ 3,762	€ 3,860	€ 3,960
6th Decile	€ 4,003	€ 4,143	€ 4,259	€ 4,370	€ 4,483	€ 4,600	€ 4,720
7th Decile	€ 4,724	€ 4,889	€ 5,026	€ 5,157	€ 5,291	€ 5,428	€ 5,570
8th Decile	€ 5,562	€ 5,756	€ 5,918	€ 6,071	€ 6,229	€ 6,391	€ 6,557
9th Decile	€ 6,705	€ 6,940	€ 7,135	€ 7,320	€ 7,510	€ 7,706	€ 7,906
10th Decile	€ 10,091	€ 10,444	€ 10,737	€ 11,016	€ 11,302	€ 11,596	€ 11,898

#### 4.2.5 Central Bank Rules and Mortgage Capacity

The Central Bank have put measures in place that restrict the maximum quantum of funds that consumers can borrow to purchase a home. These measures have been set through the implementation of loan-to-value (LTV)<sup>23</sup> and loan-to-income (LTI)<sup>24</sup> limits. It has therefore been analysed whether households could qualify for a mortgage under these rules that would enable them to purchase a house in the lowest price band.

The key variables used to determine whether households in a decile can qualify for a mortgage are therefore:

- LTV ratio of 0.90;
- a maximum LTI ratio of 3.5; and
- the upper value of the first house price band for that year.

<sup>23</sup> The LTV limit requires you to have a minimum deposit before you can get a mortgage. First-time buyers are allowed up to 90% LTV, meaning they're required to provide a minimum deposit of 10% upfront for any property.

<sup>24</sup> The LTI limit restricts the amount of money you can borrow to a maximum of 3.5 times your gross income.

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As such if a household does not have sufficient income to meet the Central Bank rules (i.e. 3.5 times their gross income is less than 90% of the value of purchase a house in the lowest projected price band for that year), they do not qualify for a mortgage that would enable them to purchase a home.

**Table 4.8: Mortgage capacity of households per decile (€) in County Carlow based on Central Bank Rules where red highlights insufficient income to meet these rules (Source: CSO, Central Bank of Ireland, Modified)**

Year	2022	2023	2024	2025	2026	2027	2028
1st Decile	€36,898	€38,190	€39,259	€40,280	€41,327	€42,402	€43,504
2nd Decile	€61,728	€63,889	€65,677	€67,385	€69,137	€70,935	€72,779
3rd Decile	€89,545	€92,679	€95,274	€97,751	€100,293	€102,901	€105,576
4th Decile	€117,177	€121,278	€124,674	€127,916	€131,241	€134,654	€138,155
5th Decile	€148,940	€154,153	€158,469	€162,589	€166,817	€171,154	€175,604
6th Decile	€184,144	€190,589	€195,925	€201,020	€206,246	€211,608	€217,110
7th Decile	€224,953	€232,826	€239,345	€245,568	€251,953	€258,504	€265,225
8th Decile	€274,315	€283,916	€291,865	€299,454	€307,239	€315,228	€323,424
9th Decile	€349,868	€362,113	€372,252	€381,931	€391,861	€402,049	€412,503
10th Decile	€573,293	€593,359	€609,973	€625,832	€642,104	€658,798	€675,927

Table 4.8 indicates that during the plan period, the first to third deciles do not have sufficient gross household income to meet the requirements of the Central Bank rules. Specifically, 3.5 times their gross income is less than 90% of the value of purchase a house in the lowest projected price band and hence they do not qualify for a mortgage and progress to private rental. Those households that can qualify for a mortgage progress to the needs assessment for ownership.

### 4.2.6 Ownership Analysis

This section sets out background information on house price trends in the current market in County Carlow. To ensure the most up to date market context, 2019 has been selected as the baseline year (as it is the most recent full year of data) and property transactions as recorded on the Residential Property Price Register during that year have been considered representative to understand house prices and the distribution of housing units per price band.

Table 4.9 sets out that 595 transactions occurred during 2019 in County Carlow across the eight price bands. However, it should be noted that outlier sales of below €20,000 and above €1 million were removed in order to have a representative distribution of sales throughout each of the price bands.

**Table 4.9: House Sales<sup>25</sup> in County Carlow in 2019 (Source: Property Price Register)**

Price Band (€)	Number of Transactions	Percent of Transactions
0 - 100,000	103	17.3%
100,001 - 150,000	129	21.7%
150,001 - 200,000	184	30.9%
200,001 - 250,000	105	17.6%
250,001 - 300,000	42	7.1%
300,001 - 350,000	14	2.4%
350,001 - 400,000	6	1.0%
400,000+	12	2.0%
<b>Total Transactions</b>	<b>595</b>	<b>100%</b>

It is important to consider how house prices may change over time, particularly fluctuations during the plan period. Specifically, the distribution of the price of units in the housing market during 2010 – 2019 have been reviewed for County Carlow. Following review of information from the Residential Property Price Register (RPPR) Table 4.10 sets out the historic information on house price trends in the housing market in County Carlow from 2011 to 2020 (the first half of 2020 is the most recent data and hence it should be noted that this does not reflect the full year for 2020).

**Table 4.10: Historic House Price Metrics in County Carlow (Source: Property Price Register)**

Year	RPPR
2011	-25.93%
2012	-16.15%
2013	2.79%
2014	-4.10%
2015	9.50%
2016	13.81%
2017	6.86%
2018	10.66%
2019	3.19%
2020	0.2%

<sup>25</sup> It should be noted that this relates to House Sales that are inclusive of VAT

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Given the context of the recent recession and subsequent periods of growth, the average house price change over the past three years has been used as a basis for future changes in average house price from 2021 onwards (i.e. future baseline). Overall, the estimations of the dynamics of the future housing market are considered reflective of the anticipated economic conditions in County Carlow.

This information has supported the estimation of projected house price bands based on the percentage split off as outlined in Table 4.10. Table 4.11 is reflective of the market changes to the end of the plan period including:

- 2020 sees a minor growth of 0.2%.
- 2021 sees a return to growth that reflects the average historic growth over the last three years (at 4.7%).
- Thereafter growth is gradually tapered towards 2.0% annual growth rate which was then held fixed to the end of the plan period.

**Table 4.11: Actual (2015-2020) and Anticipated Change (2021-2028) in Average Prices in the Housing Market (Source: PPR, ESRI, Modified)**

2015	2016	2017	2018	2019	2020 <sup>26</sup>	2021
9.5%	13.8%	6.9%	10.7%	3.2%	0.2%	4.7
2022	2023	2024	2025	2026	2027	2028
4.5%	4.0%	3.5%	3.0%	2.5%	2.0%	2.0%

Based on the above, the projected house prices during the plan period have been determined as set out in Table 4.12

<sup>26</sup> Relates to data for half the year

**Table 4.12: Calculation of projected house price bands, in Euro (€), during the plan period (Source: PPR baseline)**

Year	Average Price Change	Price Bands													
		1st Band	2nd Band		3rd Band		4th Band		5th Band		6th Band		7th Band		8th Band
2019		100,000	100,001	150,000	150,001	200,000	200,001	250,000	250,001	300,000	300,001	350,000	350,001	400,000	400,001
2020	0.2%	100,244	100,245	150,366	150,367	200,488	200,489	250,610	250,611	300,732	300,733	350,854	350,855	400,975	400,976
2021	4.7%	104,955	104,956	157,433	157,434	209,911	209,912	262,388	262,389	314,866	314,867	367,344	367,345	419,821	419,822
2022	4.5%	109,678	109,679	164,517	164,519	219,357	219,358	274,196	274,197	329,035	329,036	383,874	383,875	438,713	438,714
2023	4.0%	114,065	114,067	171,098	171,099	228,131	228,132	285,164	285,165	342,196	342,197	399,229	399,230	456,262	456,263
2024	3.5%	118,058	118,059	177,087	177,088	236,115	236,117	295,144	295,146	354,173	354,174	413,202	413,203	472,231	472,232
2025	3.0%	121,599	121,601	182,399	182,400	243,199	243,200	303,999	304,000	364,798	364,800	425,598	425,599	486,398	486,399
2026	2.5%	124,639	124,641	186,959	186,960	249,279	249,280	311,599	311,600	373,918	373,920	436,238	436,239	498,558	498,559
2027	2.0%	127,132	127,134	190,698	190,700	254,264	254,266	317,831	317,832	381,397	381,398	444,963	444,964	508,529	508,530
2028	2.0%	129,675	129,676	194,512	194,514	259,350	259,351	324,187	324,188	389,025	389,026	453,862	453,863	518,700	518,701



## 4.2.7 Rental Analysis

This section sets out background information on rental price and demand by unit type in the current market. To ensure the most up to date market context, 2019 has been selected as the baseline year and rental information as recorded by the Residential Tenancies Board (RTB) during that year has been considered representative. Information has been extracted for County Carlow for 2015 to the second quarter of 2020. An overview of the data on market rents by unit type from the RTB is provided in Table 4.13.

**Table 4.13: Historic Private Rental Market Prices (Source: RTB)**

Year	One bed	Two bed	Three bed	Four plus bed	All bedrooms	YOY change (All)
2020	€ 618	€ 764	€ 824	€ 980	€ 815	2.3%
2019	€ 574	€ 739	€ 799	€ 982	€ 796	6.5%
2018	€ 542	€ 692	€ 752	€ 910	€ 748	5.9%
2017	€ 517	€ 650	€ 709	€ 866	€ 706	6.0%
2016	€ 493	€ 606	€ 668	€ 838	€ 666	3.7%
2015	€ 466	€ 566	€ 654	€ 793	€ 643	5.0%

It should be noted that demand by unit type was available from the RTB and analysed to understand specific demand in the private rental market. Table 4.14 sets out the demand for individual unit types which is considered reflective of the demand for a unit type within County Carlow and thus has been held fixed to understand future demand per unit type in the private rental market.

**Table 4.14: Projected Demand by Unit Type in the Private Rental Market (Source: RTB)**

No. Beds	Percent of Units
1 Bed	10.1%
2 Bed	25.7%
3 Bed	46.1%
4+ Bed	18.2%
Total	100.0%

Similar to the house prices, historic information has been considered to forecast future changes in market rents by unit type going forward. Specifically, analysis of the change in average rental price for all bedroom units over the past three years (i.e. 2018 – 2020) has been used as a baseline and in the absence of any rental market specific analysis.

The following changes in rental prices are therefore used:

— 2.3% increase in 2020.

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- 4.9% increase in 2021.
- 4.5% increase in 2022.
- 4.0% growth onwards with a conservative tapering over the plan period.

**Table 4.15: Projected Rental Prices by Unit Type in County Carlow (Source: RTB, Modified)**

Year	Annual Change	One bed	Two bed	Three bed	Four plus bed
2022	4.5%	€ 677	€ 838	€ 903	€ 1,074
2023	4.0%	€ 705	€ 871	€ 939	€ 1,117
2024	3.5%	€ 729	€ 902	€ 972	€ 1,156
2025	3.0%	€ 751	€ 929	€ 1,001	€ 1,191
2026	2.5%	€ 770	€ 952	€ 1,027	€ 1,221
2027	2.0%	€ 785	€ 971	€ 1,047	€ 1,245
2028	2.0%	€ 801	€ 990	€ 1,068	€ 1,270

## 4.3 Assessment of Needs

### 4.3.1 Ownership

Housing Affordability is associated with disposable income available to a household which has been determined at the county level as described in detail in Section 4.2.4. Specifically, Section 93 of the Planning and Development Act 2000, defines affordability by setting the parameters for an 'eligible person' as:

*"a person who is in need of accommodation and whose income would not be adequate to meet the payments of a mortgage for the purchase of a house to meet his or her accommodation needs because the payments calculated over the course of a year would exceed 35% of that person's annual income net of income tax and pay related social insurance..."*

It therefore is taken that if housing costs exceed 35 per cent of a household's disposable income, the cost of housing is unsustainable as housing costs consume a disproportionately high amount of household income. Based on this information, we have calculated the number of households not meeting the 'Affordability Criteria'.

The projections for household income during the plan period are applied to the DoECLG Model Housing Strategy annuity formula as set out in Table 4.17. This formula determines the maximum affordable house price for each of the ten income deciles based on a number of evidence-based variables that have been established through analysis of historic mortgage data from the Central Bank of Ireland. The key variables used in the annuity formula include an affordability threshold of a maximum of 35% expenditure of household disposable income on mortgage costs, a loan to value ratio of 0.90, an annual interest rate (APR) of 3%, and a loan term of 29 years. This formula is based on national guidance on the preparation of Housing Strategies and on the requirements of the Planning and Development Act 2000 (as amended). Its assessment of affordable house prices does not account for the Central Bank rules, which are applied in this HNDA separately.

Based on the determination of additional households required the projected house price bands (i.e. Table 4.11), the determination of households that can qualify for a mortgage (Refer to appendix 2, Table 2.2) and the calculation of housing affordability (Refer to Table 4.15), the housing surplus/deficit per price band has been determined as set out in Table 4.16.

**Table 4.16: Approximate Affordable House Price, in Euro (€), per decile in Carlow County, as determined by DoECLG Annuity Formula (Source: CSO, Modified)**

Year	2022	2023	2024	2025	2026	2027	2028
1st Decile	€81,867	€84,733	€87,105	€89,370	€91,693	€94,077	€96,523
2nd Decile	€135,414	€140,154	€144,078	€147,824	€151,667	€155,611	€159,657
3rd Decile	€194,554	€201,364	€207,002	€212,384	€217,906	€223,572	€229,385

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Year	2022	2023	2024	2025	2026	2027	2028
4th Decile	€247,914	€256,591	€263,776	€270,634	€277,670	€284,890	€292,297
5th Decile	€303,374	€313,993	€322,784	€331,177	€339,787	€348,622	€357,686
6th Decile	€361,521	€374,175	€384,651	€394,652	€404,913	€415,441	€426,243
7th Decile	€426,634	€441,566	€453,930	€465,732	€477,841	€490,265	€503,012
8th Decile	€502,309	€519,890	€534,447	€548,343	€562,600	€577,227	€592,235
9th Decile	€605,603	€626,799	€644,349	€661,102	€678,291	€695,927	€714,021
10th Decile	€911,384	€943,283	€969,695	€994,907	€1,020,774	€1,047,314	€1,074,545

A surplus within a price band has been identified where the number of housing units anticipated is greater than the number of households that qualify for a mortgage and have the ability to purchase a home at the upper value of that house price band. A deficit has been identified within a price band where there is fewer households anticipated compared to the number of households that qualify for a mortgage and have the ability to purchase a home at the upper value of that house price band.

Throughout the plan period, there is generally a housing surplus in the lower price bands and housing deficit in the higher price bands as identified in Table 4.16. A sufficient number of houses are anticipated overall as households in the upper price bands can purchase a house in a lower price band. Additionally, the first decile will not qualify for a mortgage (due to the current Central Bank rules), therefore there will be sufficient number of houses within County Carlow for those households that qualify for a mortgage and have the ability to purchase a home at the upper value of the lowest house price band.

**Table 4.17: Determination of Mortgage Qualification for Households in County Carlow for the plan period (Source: CSO, Modified)**

Year	Range	No. of Additional Anticipated Households That Qualify for a Mortgage	Running Total	Affordability Threshold	Household Price Band(s)	Upper Value of Price Band	No. of Households That Qualify for a Mortgage Able to Purchase at Upper Value	% of Housing Units Anticipated per Price Band	No. Housing Units Anticipated per Price Band	Housing Surplus (+) or Deficit (-) per Price Band
2022	1st Decile	0	0	81,867	1st Band	109,678	0	17.3%	31	31
	2nd Decile	0	0	135,414	2nd Band	164,517	0	21.7%	39	39
	3rd Decile	0	0	194,554	3rd Band	219,357	24	30.9%	55	31
	4th Decile	27	27	247,914	4th Band	274,196	25	17.6%	32	7
	5th Decile	27	54	303,374	5th Band	329,035	24	7.1%	13	-11
	6th Decile	26	79	361,521	6th Band	383,874	22	2.4%	4	-17
	7th Decile	25	104	426,634	7th Band	438,713	19	1.0%	2	-17
	8th Decile	25	129	502,309	8th Band	None	None	2.0%	4	-
	9th Decile	25	154	605,603						
	10th Decile	25	179	911,384						
		<b>179</b>						<b>100.00%</b>	<b>179</b>	
2023	1st Decile	0	0	84,733	1st Band	114,065	0	17.3%	62	62
	2nd Decile	0	0	140,154	2nd Band	171,098	0	21.7%	78	78
	3rd Decile	0	0	201,364	3rd Band	228,131	48	30.9%	111	63
	4th Decile	54	54	256,591	4th Band	285,164	49	17.6%	63	14
	5th Decile	53	107	313,993	5th Band	342,196	48	7.1%	25	-22
	6th Decile	51	159	374,175	6th Band	399,229	43	2.4%	8	-35
	7th Decile	50	208	441,566	7th Band	456,262	38	1.0%	4	-35
	8th Decile	50	258	519,890	8th Band	None	None	2.0%	7	-

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Year	Range	No. of Additional Anticipated Households That Qualify for a Mortgage	Running Total	Affordability Threshold	Household Price Band(s)	Upper Value of Price Band	No. of Households That Qualify for a Mortgage Able to Purchase at Upper Value	% of Housing Units Anticipated per Price Band	No. Housing Units Anticipated per Price Band	Housing Surplus (+) or Deficit (-) per Price Band
	9th Decile	50	308	626,799						
	10th Decile	50	358	943,283						
		<b>358</b>						<b>100.00%</b>	<b>358</b>	
<b>2024</b>	1st Decile	0	0	87,105	1st Band	118,058	0	17.3%	62	62
	2nd Decile	0	0	144,078	2nd Band	177,087	0	21.7%	78	78
	3rd Decile	0	0	207,002	3rd Band	236,115	48	30.9%	111	62
	4th Decile	54	54	263,776	4th Band	295,144	50	17.6%	63	14
	5th Decile	53	107	322,784	5th Band	354,173	48	7.1%	25	-23
	6th Decile	51	159	384,651	6th Band	413,202	44	2.4%	8	-35
	7th Decile	50	208	453,930	7th Band	472,231	39	1.0%	4	-35
	8th Decile	50	258	534,447	8th Band	None	None	2.0%	7	-
	9th Decile	50	308	644,349						
	10th Decile	50	358	969,695						
		<b>358</b>						<b>100.00%</b>	<b>358</b>	
<b>2025</b>	1st Decile	0	0	89,370	1st Band	121,599	0	17.3%	62	62
	2nd Decile	0	0	147,824	2nd Band	182,399	0	21.7%	78	78
	3rd Decile	0	0	212,384	3rd Band	243,199	49	30.9%	111	62
	4th Decile	54	54	270,634	4th Band	303,999	50	17.6%	63	13
	5th Decile	53	107	331,177	5th Band	364,798	48	7.1%	25	-23
	6th Decile	51	159	394,652	6th Band	425,598	44	2.4%	8	-35
	7th Decile	50	208	465,732	7th Band	486,398	39	1.0%	4	-35
	8th Decile	50	258	548,343	8th Band	None	None	2.0%	7	-

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Year	Range	No. of Additional Anticipated Households That Qualify for a Mortgage	Running Total	Affordability Threshold	Household Price Band(s)	Upper Value of Price Band	No. of Households That Qualify for a Mortgage Able to Purchase at Upper Value	% of Housing Units Anticipated per Price Band	No. Housing Units Anticipated per Price Band	Housing Surplus (+) or Deficit (-) per Price Band
	9th Decile	50	308	661,102						
	10th Decile	50	358	994,907						
		<b>358</b>						<b>100.00%</b>	<b>358</b>	
2026	1st Decile	0	0	91,693	1st Band	124,639	0	17.3%	62	62
	2nd Decile	0	0	151,667	2nd Band	186,959	0	21.7%	78	78
	3rd Decile	0	0	217,906	3rd Band	249,279	49	30.9%	111	62
	4th Decile	54	54	277,670	4th Band	311,599	50	17.6%	63	13
	5th Decile	53	107	339,787	5th Band	373,918	48	7.1%	25	-23
	6th Decile	51	159	404,913	6th Band	436,238	44	2.4%	8	-35
	7th Decile	50	208	477,841	7th Band	498,558	39	1.0%	4	-35
	8th Decile	50	258	562,600	8th Band	None	None	2.0%	7	-
	9th Decile	50	308	678,291						
	10th Decile	50	358	1,020,774						
		<b>358</b>						<b>100.00%</b>	<b>358</b>	
2027	1st Decile	0	0	94,077	1st Band	127,132	0	17.3%	62	62
	2nd Decile	0	0	155,611	2nd Band	190,698	0	21.7%	78	78
	3rd Decile	0	0	223,572	3rd Band	254,264	48	30.9%	111	62
	4th Decile	54	54	284,890	4th Band	317,831	49	17.6%	63	14
	5th Decile	53	107	348,622	5th Band	381,397	48	7.1%	25	-23
	6th Decile	51	159	415,441	6th Band	444,963	44	2.4%	8	-35
	7th Decile	50	208	490,265	7th Band	508,529	38	1.0%	4	-35
	8th Decile	50	258	577,227	8th Band	None	None	2.0%	7	-



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Year	Range	No. of Additional Anticipated Households That Qualify for a Mortgage	Running Total	Affordability Threshold	Household Price Band(s)	Upper Value of Price Band	No. of Households That Qualify for a Mortgage Able to Purchase at Upper Value	% of Housing Units Anticipated per Price Band	No. Housing Units Anticipated per Price Band	Housing Surplus (+) or Deficit (-) per Price Band
	9th Decile	50	308	695,927						
	10th Decile	50	358	1,047,314						
		<b>358</b>						<b>100.00%</b>	<b>358</b>	
2028	1st Decile	0	0	96,523	1st Band	129,675	0	17.3%	31	31
	2nd Decile	0	0	159,657	2nd Band	194,512	0	21.7%	39	39
	3rd Decile	0	0	229,385	3rd Band	259,350	24	30.9%	55	31
	4th Decile	27	27	292,297	4th Band	324,187	25	17.6%	32	7
	5th Decile	27	54	357,686	5th Band	389,025	24	7.1%	13	-11
	6th Decile	26	79	426,243	6th Band	453,862	22	2.4%	4	-17
	7th Decile	25	104	503,012	7th Band	518,700	19	1.0%	2	-17
	8th Decile	25	129	592,235	8th Band	None	None	2.0%	4	-
	9th Decile	25	154	714,021						
	10th Decile	25	179	1,074,545						
		<b>179</b>						<b>100.00%</b>	<b>179</b>	

### 4.3.2 Rental

Analysis of affordability in relation to private rental has been undertaken in order to ensure a comprehensive understanding of the housing market and to ensure alignment with the NPF. The key variables used to determine whether households in a decile can qualify for a private rental for a specific unit are:

- Disposable income per decile throughout the plan period as described in Section 4.2.4.
- Projected market rents per unit type as set out in Section 4.2.7.
- Additionally, the demand for a particular unit type (as set out in Section 4.2.7) has been factored to estimate what type of unit the additional anticipated households are more likely to prefer to rent.

As such if a household does not have sufficient income to meet the private rental rates for a unit in a given year (i.e. 35% of their disposable income is less than average market rent), they cannot afford the rent by themselves. Any households who do not qualify for a mortgage also cannot afford private rent will require social housing support from Carlow County Council. An overview of those that do not qualify for a mortgage and cannot afford private rental is provided in Table 4.18, with further information per decile per unit provided in Appendix 3.

**Table 4.18: Number of additional anticipated households that do not qualify for a mortgage and cannot afford private rental (based on RTB Demand allocation by Unit Type) (Source: RTB, CSO, Modified)**

	2022	2023	2024	2025	2026	2027	2028	Total
County Carlow	77	154	154	154	154	154	77	926

**Table 4.19: Overview of Anticipated Households Not Able to Afford Private Rental (based on RTB Demand allocation by Unit Type)<sup>27</sup>**

Year	2022	2023	2024	2025	2026	2027	2028
1 Bed	5	11	11	11	11	11	5
2 Bed	21	41	41	41	41	41	21
3 Bed	37	74	74	74	74	74	37
4+ Bed	15	29	29	29	29	29	15
<b>Total</b>	<b>77</b>	<b>154</b>	<b>154</b>	<b>154</b>	<b>154</b>	<b>154</b>	<b>77</b>

It is recognised that many households renting and with relatively low incomes can also receive financial support, therefore the Housing Assistance Payment (HAP) has also been considered. HAP is a form of social housing support for people who have a long-term housing need and which is available to those who are eligible for social housing support that is administered by local authorities. Under HAP, a local authority can make a monthly payment to a landlord, subject to terms and conditions including rent limits, on a tenant's behalf.

In order to be eligible for HAP a person needs to be on the social housing list, therefore then need to fall within the social housing provision income brackets. County Carlow is classified as Band 3, which means the income limits are €25,000 for an individual and up to €30,000 for a family of three adults and four children.

Based on the analysis of the decile income analysis, it has been identified that the first and second deciles could avail of social housing support for the entire plan period when assessed by the €25,000 income limit. When assessed at the upper income limit, the third decile is also within the threshold for support during 2022-2025, as illustrated in Table 4.20

**Table 4.20: Deciles within income threshold for Social Housing Provision (SHP) 2022-2028**

Social Housing Provision	2022	2023	2024	2025	2026	2027	2028
1st Decile	SHP	SHP	SHP	SHP	SHP	SHP	SHP
2nd Decile	SHP	SHP	SHP	SHP	SHP	SHP	SHP
3rd Decile	SHP	SHP	SHP	SHP	SHP	SHP	-
4th Decile	-	-	-	-	-	-	-
5th Decile	-	-	-	-	-	-	-
6th Decile	-	-	-	-	-	-	-
7th Decile	-	-	-	-	-	-	-
8th Decile	-	-	-	-	-	-	-
9th Decile	-	-	-	-	-	-	-

<sup>27</sup> Totals may not sum due to rounding

Social Housing Provision	2022	2023	2024	2025	2026	2027	2028
10th Decile	-	-	-	-	-	-	-

For the purpose of this analysis, family units have been allocated against particular unit types that are likely to serve their needs in order to understand whether they would be able to afford private rental for that unit if they received a HAP contribution. As such, the current HAP contributions have therefore been assumed as set out in Table 4.21.

**Table 4.21: Assumptions in relation to HAP Contributions<sup>28</sup>**

	Unit Type	HAP Contribution
<b>One adult</b>	1-bedroom unit	€440
<b>Couple (no children or dependents)</b>	1-bedroom unit	€510
<b>Couple or Adult with 1 child</b>	2-bedroom unit	€570
<b>Couple or Adult with 2 children</b>	3-bedroom unit	€600
<b>Couple or Adult with 3 or more children</b>	4-bedroom unit	€630
<b>Shared accommodation (single person or couple)</b>	Not applicable or analysed as this is not considered to represent a demand for an individual household in the private rental market	

HAP makes a contribution towards helping to meet the housing needs of recipient households. While HAP has been in place since 2016, caps on HAP contributions have not increased in line with rental inflation since then and can be below average market rents as a result.

### 4.3.3 Summary of Projected Needs during the Plan Period

This section summarises the overall housing requirements for County Carlow having regard to the analysis that has been undertaken as described in detail in Section 4.2 and 4.3.

Between 2022 and 2028, a population increase of 3,427 people is projected for County Carlow. This indicates that the total population in County Carlow will be 64,000 people by 2028 as set out in Section 4.2.1.

Based on the application of the Housing Supply Target methodology for County Carlow, there will be 3,107 additional anticipated households over the plan period Q3 2022 – Q2 2028 for

<sup>28</sup> <http://www.irishstatutebook.ie/eli/2017/si/56/made/en/print>

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County Carlow. This is the equivalent of an average of 518 additional households per annum across County Carlow during the plan period. This will result in a total of 24,650 households in County Carlow by the end of Q2 2028 as set out in Section 4.2.2.

The anticipated social housing need for Carlow County Council of **926 households** as set out in the preceding steps, reflects the assessments for mortgage qualification and the affordability for ownership and private rental. Throughout the plan period, 2022-2028, the social (and affordable)<sup>29</sup> housing requirement equates to 29.8% of the total additional households in County Carlow during this plan period (i.e. those that do not qualify for a mortgage and cannot afford private rental).

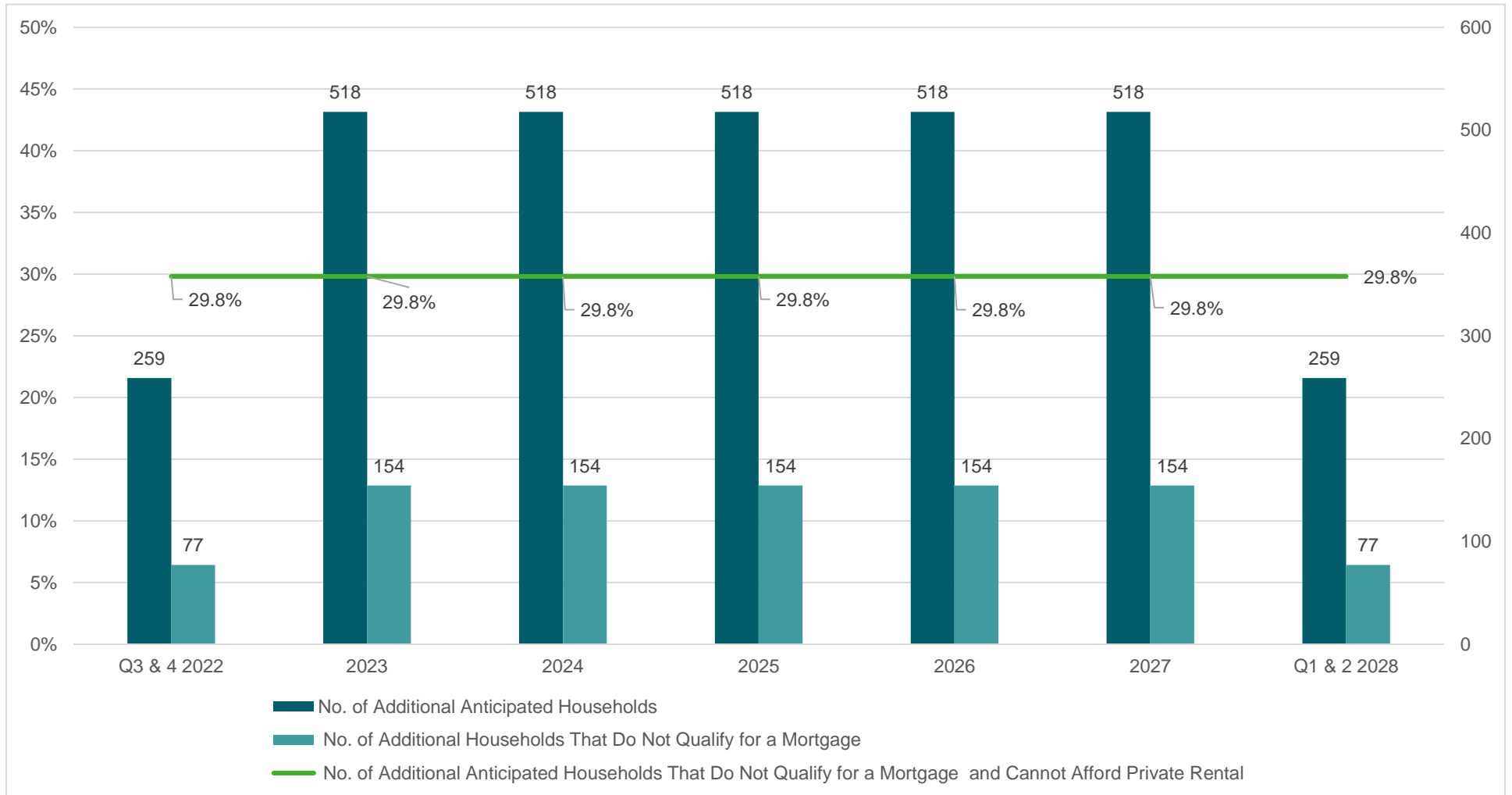
This is the identified social housing requirement for the plan period which has been summarised in Table 4.22 and Figure 4.1.

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<sup>29</sup> At time of writing, eligibility criteria and other key features of emerging affordable housing tenures such as Cost Rental had not yet been defined and accordingly these have not been modelled for separately. However, as the households forecast above 1<sup>st</sup> decile (generally) to not qualify for a mortgage and are not be able to afford private rent, they are expected to require a degree of affordable housing provision. Individual cases, reflecting the social housing income thresholds are a relevant factor.

**Table 4.22: Summary of Anticipated Additional Households and Requirements for the Plan Period**

	2022	2023	2024	2025	2026	2027	2028
<b>No. of Additional Anticipated Households</b>	259	518	518	518	518	518	259
<b>No. of Additional Households That Do Not Qualify for a Mortgage</b>	80	160	160	160	160	160	80
<b>No. of Additional Anticipated Households That Do Not Qualify for a Mortgage and Cannot Afford Private Rental</b>	77	154	154	154	154	154	77
<b>Housing Shortfall (%)</b>	29.8%	29.8%	29.8%	29.8%	29.8%	29.8%	29.8%

**Figure 4.1 Summary of Carlow County Social (and Affordable) Housing Needs throughout the plan period**



## 4.4 HNDA Components

### 4.4.1 Household Composition

As set out in Section 6.6 of the NPF, information on household composition and projections in relation to household size are informative evidence inputs that can assist with understanding stock profile pressures. Analysis of the historic household sizes (i.e. household size cohort per household from the historic Censuses) has therefore been undertaken to help discern and forecast how the composition of households may change during the plan period.

Analysis of historic information (i.e. during the 2002, 2006, 2011 and 2016 Census) in relation to the composition of households in County Carlow has been undertaken to understand these dynamics and estimate how they may change over time and throughout the plan period. Specifically, the intercensal average has been used to determine a trended annual average change in household composition and this indicates the following changes can be anticipated during the plan period:

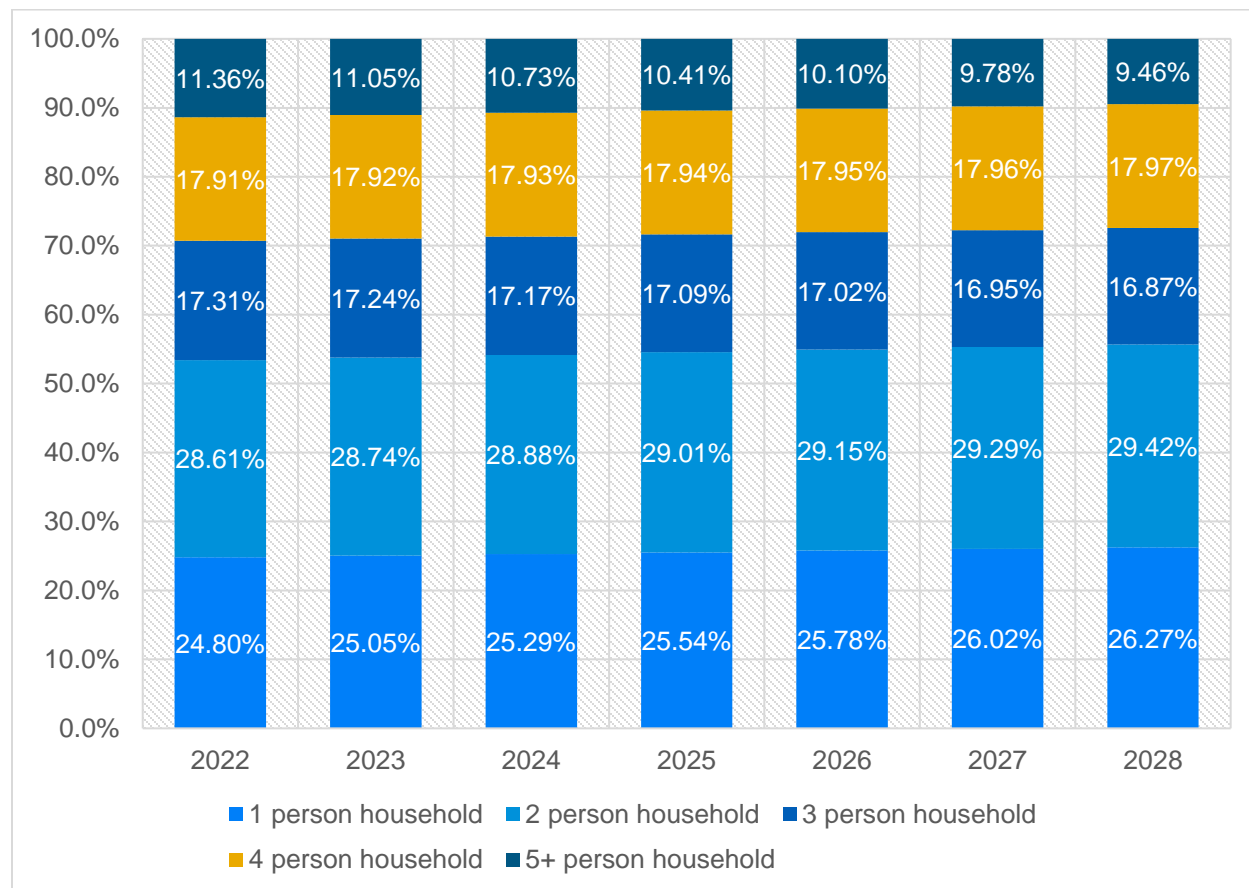
- 1 person households will increase by an average of 0.24% annually
- 2 person households will increase by an average of 0.14% annually
- 3 person households will decrease by an average of 0.07% annually
- 4 person households will decrease by an average of 0.01% annually
- 5+ person households will decrease by an average of 0.32% annually

Figure 4.2 and Table 4.23 indicates the estimated proportion and number of households by size during the plan period.

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**Figure 4.2 Forecasted Household Size Cohort in County Carlow during the plan period (Source: CSO, projected)**



**Table 4.23 Household Size Cohort Forecasts for Additional Anticipated Households in County Carlow during the plan period (Source: CSO, projected)**

Total Additional Anticipated Households	2022	2023	2024	2025	2026	2027	2028
1-person household	64	130	131	132	133	135	68
2-person household	74	149	150	150	151	152	76
3-person household	45	89	89	89	88	88	44
4-person household	46	93	93	93	93	93	47
5+ person household	29	57	56	54	52	51	25
<b>Total</b>	<b>259</b>	<b>518</b>	<b>518</b>	<b>518</b>	<b>518</b>	<b>518</b>	<b>259</b>

#### 4.4.2 Household Tenure

Tenure is another important consideration for the delivery of housing and Section 6.6 of the NPF identifies the need to estimate the demand for different tenure types. Analysis of the historic tenure split has therefore been undertaken to help discern and forecast how the household tenure may change during the plan period.

Analysis of historic information (i.e. during the 2002, 2006, 2011 and 2016 Census) in relation to the household tenure in County Carlow has been undertaken to understand these dynamics and estimate how they may change over time and throughout the plan period. Specifically, the intercensal average has been used to determine a trended annual average change in household tenure.

Historic data indicates the intercensal observed change between 2002-2016 and an annual average change applied forward for the plan period as a continuation of trends was applied. The following changes can be anticipated during the plan period:

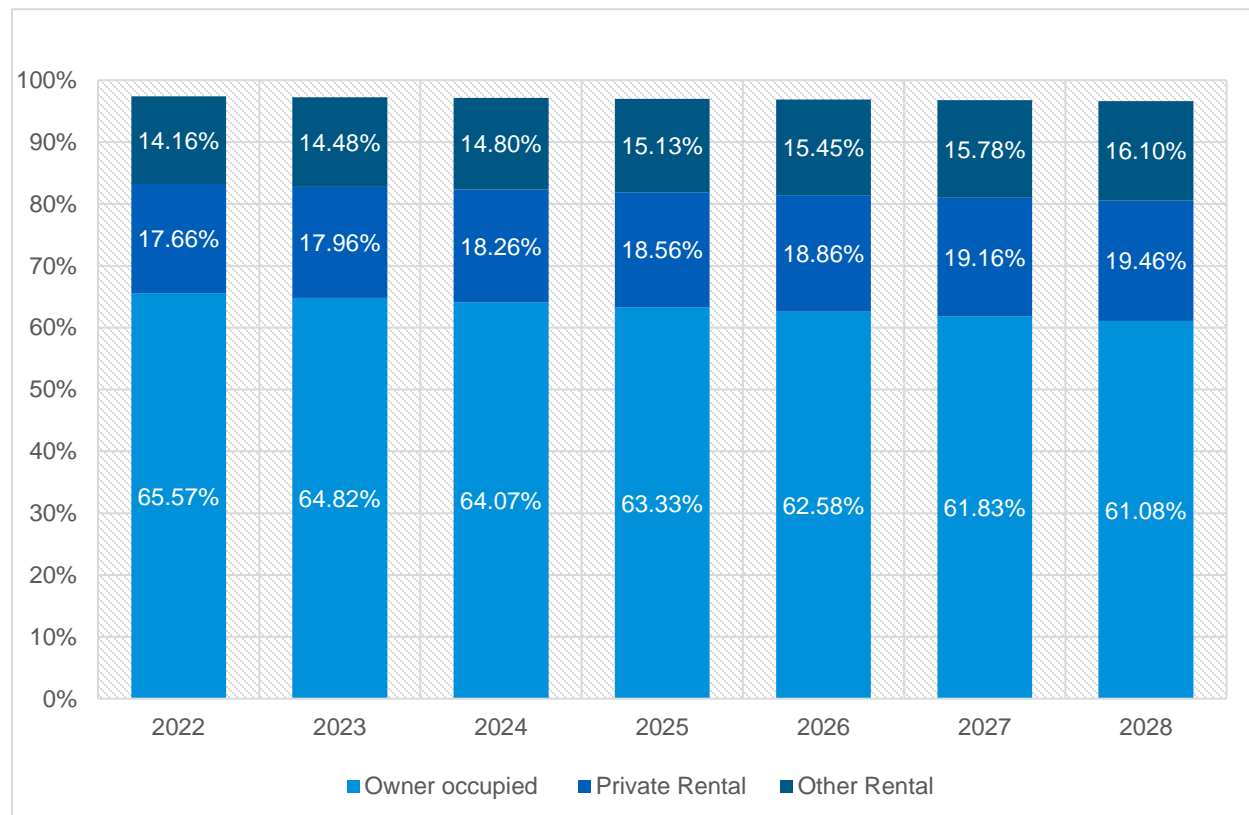
- Annual average decrease of 0.75% in owner occupied households
- Annual average increase of 0.30% in privately rented households
- Annual average increase of 0.32% in other rented households

The applied changes for the additional anticipated households are indicated in Figure 4.3 and Table 4.24.

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**Figure 4.3 Household Tenure Forecasts for Households in County Carlow during plan period (Source: CSO, projected)**



**Table 4.24: Household Tenure Forecasts for Additional Anticipated Households in County Carlow during plan period (Source: CSO, projected)**

No. of Additional Anticipated Households	2022	2023	2024	2025	2026	2027	2028
Owner occupied	170	336	332	328	324	320	158
Private Rental	46	93	95	96	98	99	50
Other Rental	37	75	77	78	80	82	42
<b>Total</b>	<b>252</b>	<b>504</b>	<b>503</b>	<b>502</b>	<b>502</b>	<b>501</b>	<b>250</b>

#### 4.4.3 Dwelling Type

Analysis of historic information (i.e. during the 2002, 2006, 2011 and 2016 Census) in relation to the dwelling type in County Carlow has been undertaken to understand the dynamics and estimate how they may change over time and throughout the plan period. Specifically, the intercensal average has been used to determine a trended annual average change in dwelling types.

Historic data indicates the intercensal observed change between 2002-2016 and an annual average change applied forward for the plan period as a continuation of trends was applied. The following changes can be anticipated during the plan period:

- Annual average increase of 0.01% in house type dwellings
- Annual average increase of 0.02% in apartment type dwellings
- Annual average decrease of 0.03% in caravan/bed-sit type dwellings

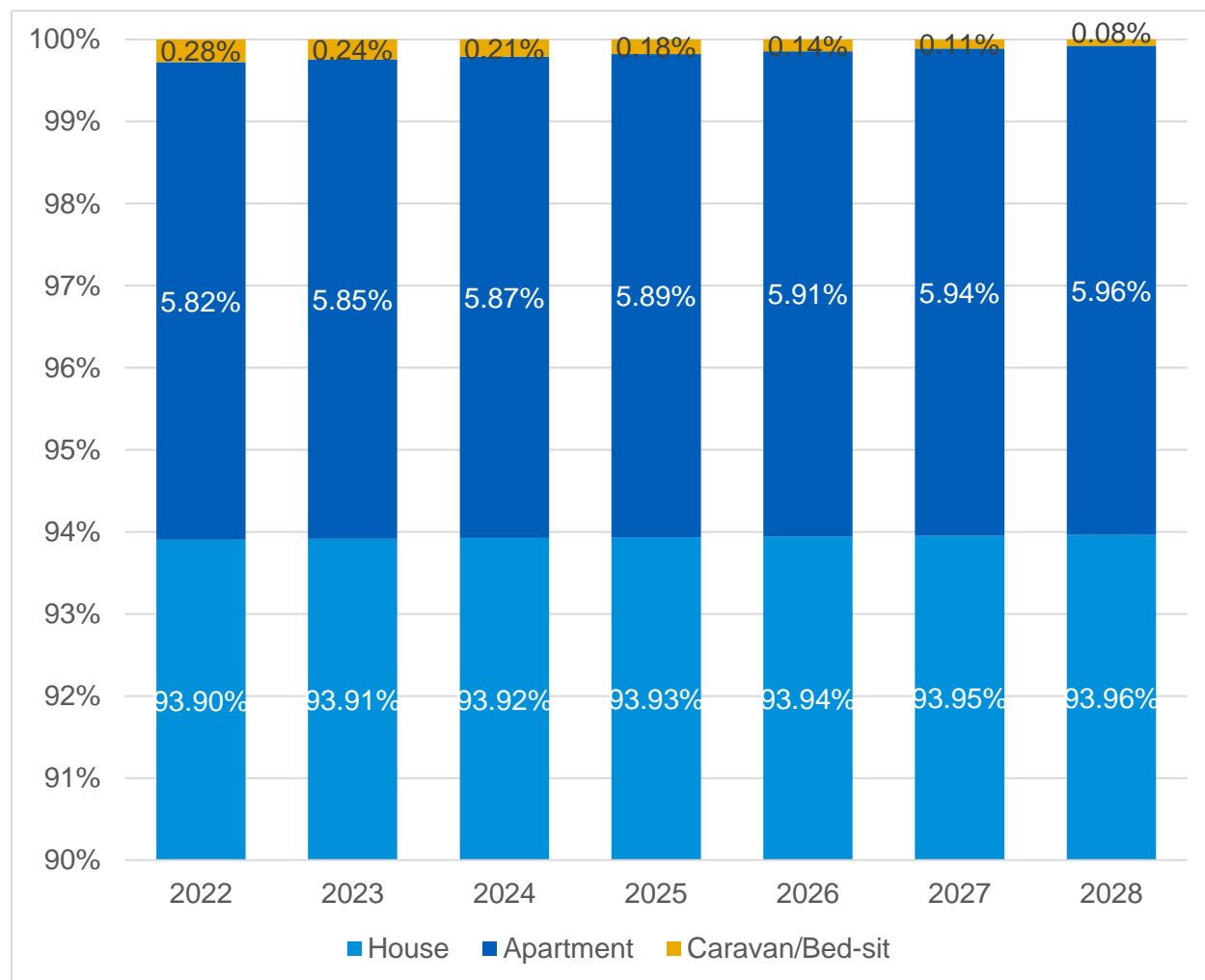
These changes are smaller in magnitude than those of other intercensal themes given that change in dwelling type is directly linked to development taking place in the county. With the long running housing shortage that is present across the country, and indeed in Carlow, this metric will continue to see slower change. The applied changes for the additional anticipated households are indicated in Figure 4.4 and Table 4.25.

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**Figure 4.4: Dwelling Type Forecasts for County Carlow during plan period**

(Source: CSO, projected)



**Table 4.25: Dwelling Type table (Source: CSO, projected)**

No. of Additional Anticipated Households	2022	2023	2024	2025	2026	2027	2028
<b>House</b>	243	486	486	486	486	487	243
<b>Apartment</b>	15	30	30	31	31	31	15
<b>Caravan/Bed-sit</b>	1	1	1	1	1	1	0
<b>Total</b>	<b>259</b>	<b>518</b>	<b>518</b>	<b>518</b>	<b>518</b>	<b>518</b>	<b>259</b>

#### 4.4.4 Single Rural Dwellings

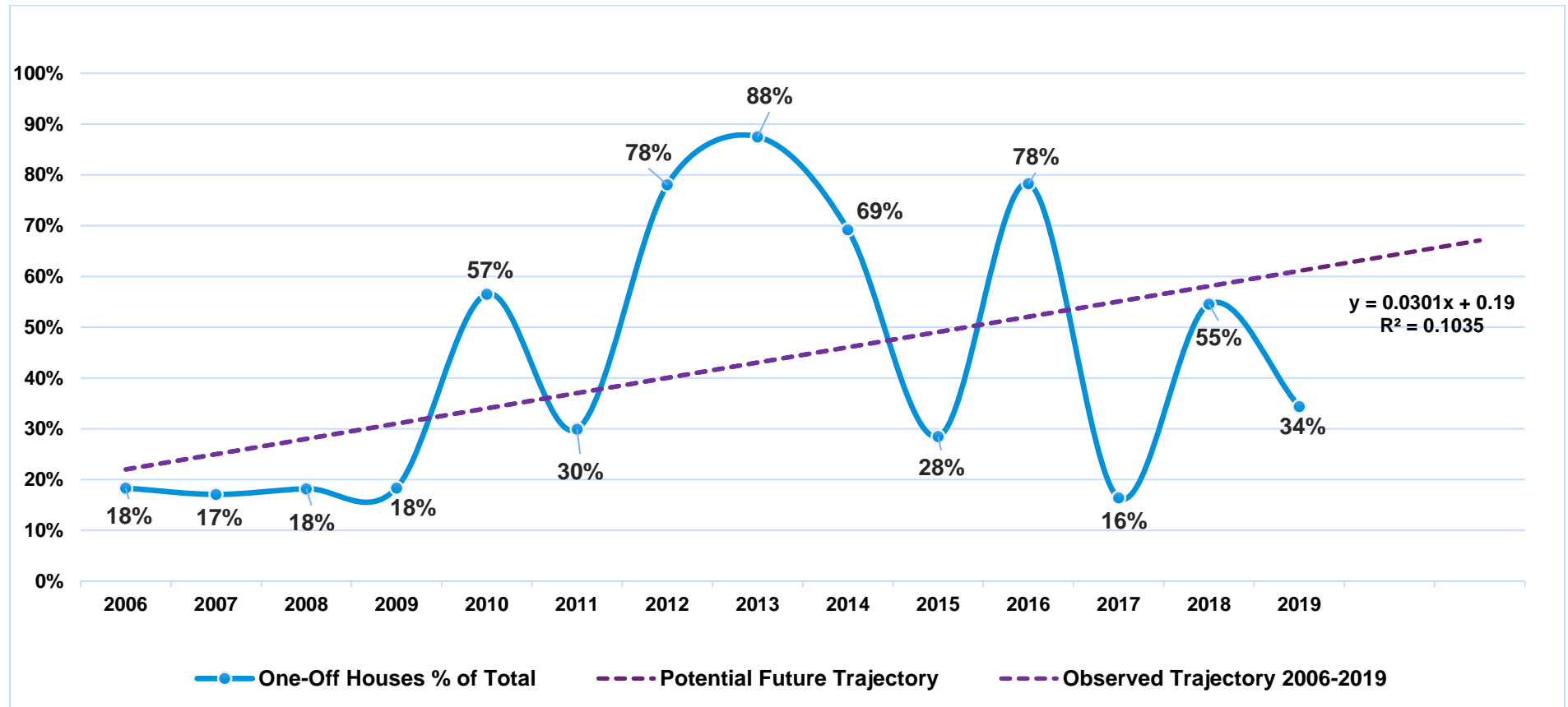
Analysis of historic information (i.e. during 2006 – 2019) on granted planning applications (by number of units) in County Carlow has been undertaken. This helps understand the proportion of housing units that are single rural dwellings that have been approved during that period and provides an indication of the dynamics between the urban and rural housing market within the county.

As outlined in Table 4.26, approximately 22.4% of granted units during that period were for single rural dwellings. This equates to an average of 43.2% per year, owing to the large fluctuations were evident throughout the years as illustrated in **Error! Reference source not found..** It should be noted that whilst these are granted planning applications (by unit), this does not equate to a housing unit which has been built.

These fluctuations may be associated with the wider economic context, associated demands for particular dwelling type or locational preferences within the housing market as well as variables such as land availability, resource availability and/or macroeconomic constraints and associated influence on demand in any given year. Generally, it is recognised that a single rural dwelling is sized according to what the applicants can afford to build along with their actual requirements. Analysis has determined that the average floor size for single rural dwellings in County Carlow for this period is 256.8 m<sup>2</sup>, with year-on-year data set out in Table 4.27.



**Figure 4.4.1 Analysis of Historic Granted Planning Applications (in Units) for Single Rural Dwellings in County Carlow**  
 (Source: CSO<sup>30</sup>)



<sup>30</sup> CSO (2020) Tables BHQ02 and Table BHQ12 – Planning Permissions Granted for New Houses and Apartments by Type of Dwelling, Region and County, Quarter and Statistic. Available from: [https://statbank.cso.ie/px/pxeirestat/Database/eirestat/Planning%20Permissions/Planning%20Permissions\\_statbank.asp?sp=Planning%20Permissions&Planguage=0&ProductID=D B BH](https://statbank.cso.ie/px/pxeirestat/Database/eirestat/Planning%20Permissions/Planning%20Permissions_statbank.asp?sp=Planning%20Permissions&Planguage=0&ProductID=D B BH)

**Table 4.26: Analysis of Historic Granted Planning Applications (in Units) for Single Rural Dwellings in County Carlow (Source: CSO)**

Granted Planning Applications	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total	Avg.
Houses and Apartments #	1,394	1,519	943	578	83	117	9	5	16	123	15	280	50	162	<b>5,294</b>	-
Single Rural Dwelling #	313	313	210	130	108	50	32	35	36	49	54	55	60	85	<b>1,530</b>	-
Houses and Apartments %	81.7%	82.9%	81.8%	81.6%	43.5%	70.1%	22.0%	12.5%	30.8%	71.5%	21.7%	83.6%	45.5%	65.6%	<b>77.6%</b>	56.8%
Single Rural Dwelling %	18.3%	17.1%	18.2%	18.4%	56.5%	29.9%	78.0%	87.5%	69.2%	28.5%	78.3%	16.4%	54.5%	34.4%	<b>22.4%</b>	43.2%
<b>Total #</b>	<b>1,707</b>	<b>1,832</b>	<b>1,153</b>	<b>708</b>	<b>191</b>	<b>167</b>	<b>41</b>	<b>40</b>	<b>52</b>	<b>172</b>	<b>69</b>	<b>335</b>	<b>110</b>	<b>247</b>	<b>6,824</b>	

**Table 4.27: Analysis of Floor Size of Granted Planning Applications for Single Rural Dwellings in County Carlow (Source: CSO)**

Granted Planning Applications	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Avg.
Average floor size (m <sup>2</sup> )	256.9	276.8	270.8	260.0	255.8	281.3	246.4	256.7	236.6	241.0	250.2	259.1	258.5	244.8	<b>256.8</b>

#### 4.4.5 Specialist Provision

Analysis of historic information (i.e. during 2016-2019) in relation to specialist requirements of households in need of social housing support has been undertaken (with further detail on the Social Housing Support Need Analysis provided in Section 5.1) For the purpose of estimating specialist requirements, this information gives an indication of the historic specialist housing requirements in County Carlow.

The year-on-year analysis that has been undertaken to examine the needs from a broad range of categories of people, including vulnerable groups such as homeless, disabled and those under financial pressure.

All information set out in this section relates to historic information from 2015-2019. Additionally, the following assumptions are noted in relation to categories of specialist requirements that have been assumed as part of this analysis:

- Disability rates relate to those that self-declare their needs as having a disability in a sensory, physical, mental health, intellectual or other capacity;
- Financial rates to those that self-declare their needs as concluding their mortgage was unsustainable, that they are currently dependent on rent supplement and/or financial reasons; and
- Other relates to those that classify their need for any reason other than what has been set out above.

For County Carlow the primary reasons for a person to be on the social housing list have remained: reliance on rental assistance and Unsuitable household circumstances. Generally, analysis of the existing waiting list indicates that there will be an increasing demand from those categorised under Disability and Other, whilst financial circumstances may reduce.

**Table 4.28: Proportional breakdown of Social Housing support need 2016-2019**

Type	2016	2017	2018	2019	% Change 2016-2019
Disability	10.9%	18.2%	17.1%	14.0%	3.1%
Financial	40.1%	25.9%	29.6%	34.4%	-5.7%
Homeless	1.5%	2.1%	3.0%	1.6%	0.1%
Other	47.4%	53.8%	50.3%	50.0%	2.6%

## **5 Meeting Housing Requirements in Carlow**

### **5.1 Introduction**

This chapter summarises the existing situation about how social housing support is administered by the Councils, with the latest existing data, delivery methods and targets set out. This is followed by a summary of the future requirements at the county level building on the requirements set out in Section 4.

This informs the development of policy objectives for this Housing Strategy that have been presented in Section 6 as it represents the existing situation in advance of the implementation of the policy objectives as well the overview of the projected future requirements in relation to housing in Carlow.

### **5.2 Existing Requirements**

#### **5.2.1 Social Housing Needs Assessment**

Carlow County Council regularly carries out assessments of social housing need within County Carlow in accordance with statutory requirements. The most recent social housing support need analysis (for December 2020) shows that 1,355 households were on the social housing waiting list in County Carlow, as set out in Table 5.1 below. Of these, 809 households were recorded as being in a Housing Assistance Payment (HAP) tenancy, resulting in a net (or unmet) need figure of 546 households in County Carlow.

In terms of unit type requirements, the greatest demand is for two-bedroom properties which account for 68% of the need. This is followed by three-bedroom units (26%). Need is highest in Carlow Town, with 893 households on the waiting list (including 316 households not in a HAP tenancy).

It must be noted that the assessed future housing need over the plan period of 926 units is in addition to the existing unmet need of 546 households as recorded on the social housing waiting list in December 2020.

Table 5.1 below indicates existing need at settlement and county level in Carlow including gross (i.e. including households already accommodated through HAP) and net need (in brackets, not including HAP households).

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**Table 5.1 County Carlow Social Housing Needs Assessment (December 2020), gross and (net) need**

Location	Total – gross and (net)	Unit Type			
		1 bed need	2 bed need	3 bed need	4 bed need
Ardattin	6 (3)	0	4 (2)	2 (1)	0
Ballinabranna	6 (3)	0	4 (3)	2	0
Ballon	14 (6)	0	10 (6)	4	0
Bilboa	1	0	0	1	0
Borris	29 (17)	0	23 (14)	5 (3)	0
Carlow Town	893 (316)	1	634 (249)	227 (58)	22 (4)
Carlow Town Environs	18 (4)	0	8 (3)	10 (1)	0
Carrigduff	3 (1)	0	0	3 (1)	0
Clonegal	7 (4)	0	6 (4)	1	0
Fenagh	8 (5)	0	4 (3)	4 (2)	0
Glynn	2 (2)	0	1 (1)	1 (1)	0
Graigecullen	88 (42)	0	64 (34)	21 (8)	3
Hacketstown	12 (3)	0	9 (2)	3 (1)	0
Kildavin	4 (1)	0	2 (1)	2	0
Leighlinbridge	24 (13)	0	21 (11)	3 (2)	0
Muinebheag	69 (41)	0	50 (30)	19 (11)	0
Myshall	7 (6)	0	5 (5)	1 (1)	1
Nurney	1 (1)	0	1 (1)	0	0
Old Leighlin	8 (1)	0	7 (1)	0	1
Palatine	7 (5)	0	4 (2)	2 (2)	1 (1)
Rathoe	4 (3)	0	1 (1)	3 (2)	0
Rathvilly	17 (10)	0	10 (7)	7 (3)	0
Tinnahinch	1 (1)	0	1 (1)	0	0
Tinryland	9 (7)	0	5 (4)	3 (2)	1 (1)
Tullow	117 (51)	0	78 (34)	33 (14)	5 (2)
<b>County Total</b>	<b>1355 (546)</b>	<b>1</b>	<b>952 (419)</b>	<b>357 (113)</b>	<b>34(8)</b>

## 5.2.2 Meeting social housing demand

### 5.2.2.1 Overview

Carlow County Council will continue to meet identified social housing provision requirements via a combination of existing delivery schemes:

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- A social rented tenancy in a property owned and managed by the local authority and a tenancy in a property the local authority is managing or has leased from a private owner.
- A social rented tenancy in property owned and managed by an approved housing body (AHB).
- Accommodation provided specifically for Travellers and for people with specific housing needs such as older persons, people with disabilities and the homeless etc.
- A tenancy where the local authority arranges short or long-term leases with private landlords for particular properties (i.e. people that are in receipt of rent supplement for 18 months or longer are eligible to apply for this type of accommodation).

### **5.2.2.2 Social rental tenancy from/via the local authority**

Carlow County Council owns and operates a significant stock of housing, with 2,155 homes under direct local authority ownership in Carlow. In addition, Carlow County Council are also responsible for delivering social tenancies in properties the Council manages or leases from a private property owner. As the housing policy landscape has changed in recent years, there is now a range of delivery mechanisms for social housing available to local authorities, including:

- Construction projects delivered directly by the Council.
- Acquisitions – purchases by the Council of second-hand homes on the open market.
- Portfolio acquisitions – the acquisition of suitable portfolios of vacant properties by the Council from financial institutions and investors.
- Turnkeys – the purchase by the Council of new homes from a developer.
- Provision of social housing under Part V of the Planning and Development Act 2000 (as amended) – following the Affordable Housing Act 2021, 'Part V' housing requires developers to set aside 20% of land on residential schemes greater than 4 units for social and affordable housing use for local authorities or other bodies on their behalf. This requirement can be delivered through the transfer of lands to the local authorities, the transfer of ownership of completed social housing units on the lands, the transfer of ownership of completed homes on other land not subject to the planning permission but within the same administrative area, or through the long-term leasing of properties. These requirements are set out in more detail in Section 5.2.2.6 below.
- Buy and Renew Scheme – under this scheme the Council can buy sub-standard properties which have been vacant for over a year, refurbish them and bring them back into use as social housing.

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- Repair and Leasing Scheme – this scheme enables the Council to pay owners of sub-standard and vacant properties to repair their properties, which they then lease or make available to the local authority for social housing. This scheme complements the Buy and Renew Scheme in helping local authorities to tackle dereliction, regenerate urban areas and harness the potential of vacant homes.

All of these schemes will continue to be used by the Council to deliver social housing to meet existing housing needs. While meeting housing need remains a considerable challenge, ambitious targets have been set through Rebuilding Ireland which Carlow County Council will work to deliver.

### **5.2.2.3 Social Rental Tenancy from an Approved Housing Body (AHB)**

Approved Housing Bodies (AHBs) have played an increasingly important role in meeting housing needs nationally and in Carlow in recent decades. AHBs are not-for-profit organisations with the purpose of relieving housing need and the provision and management of social housing. They are established by a voluntary management board to benefit the community in which they are based and are approved and funded by the Department of Housing, Local Government and Heritage.

AHBs can provide both social rented housing and/or housing to purchase. AHBs are self-help and jointly owned member/user housing associations or societies. Projects undertaken by an AHB may be in response to the needs of specific communities such as the elderly, people with disabilities, homeless persons or families and single people on low incomes. Some AHBs have also been formed to specialise in meeting a particular housing need whilst others have been developed with broader aims. The specific housing services offered will depend on the aims or concerns of the members, the needs of tenants as well as the financial and other resources available for both capital costs and ongoing management running costs. There are currently ten AHBs operating in County Carlow.

### **5.2.2.4 Specialist support provided by Carlow County Council**

Under the provisions of the Housing Traveller Accommodation Act 1998, all Local Authorities are required to prepare, adopt and implement a Traveller Accommodation Programme (TAP) to meet the accommodation needs of the county's indigenous Traveller community. The current TAP for County Carlow Council sets out the strategy for the provision of Traveller accommodation and support services during the period 2019-2024. An assessment of accommodation need was carried out to inform the TAP. This statutory assessment of need assessed all applicants seeking assistance with accommodation. This assessment of need found that 122 Traveller households were in need of housing in 2019 and assessed a total need of 245 families over the period 2019-2024. The TAP states that 245 units of accommodation should be provided over the five-year programme to cater for the existing demand and projected demand as set out in Table 5.2. The following housing options will be utilised to accommodate this need throughout the plan period for the TAP (i.e. 2019 – 2024):



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- Standard Local Authority Housing
- Voluntary Housing Bodies/AHBs
- Group Housing
- Long Term Leasing
- Rental Accommodation Scheme
- Housing Assistance Payment Scheme
- Rebuilding Ireland Home Loan.

**Table 5.2: Carlow Traveller Accommodation Programme Targets 2019-2024**

Type of accommodation	No. of families
Rural single instance/Special Need	50
Estate / Group housing /Voluntary	110
Other/ Private rented / RAS / Leased	80
Halting/ Transient Accommodation	4
<b>Total</b>	<b>244</b>

### 5.2.2.5 Local authority support through leases with private landlords

Local authorities can also meet housing needs through arranging short or long-term leases with private landlords for properties. Households can receive support by way of either the Housing Assistance Payment (HAP) or the Rental Accommodation Scheme (RAS).

HAP is a scheme introduced in 2014 for people who have a long-term housing need and who qualify for social housing support. It is administered by housing authorities and will eventually replace RAS. Under the HAP scheme, the applicant finds appropriate private rented accommodation (within specific caps) and the local authority then pays the landlord directly, with the tenant paying a rent to the local authority based on the differential rent scheme used for social housing.

The RAS caters for the accommodation needs of persons in receipt of rent supplement who are assessed as having a long-term housing need. Unlike for HAP, under RAS the tenancy is negotiated by the local authority. RAS and HAP have formed an increasingly important part of the social and affordable housing landscape in recent years and are expected to meet the housing needs of a significant number of households in County Carlow, including under targets set by the Rebuilding Ireland initiative.

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### 5.2.2.6 'Part V' Housing Requirements

Under Part V of the Planning and Development Act 2000 (as amended), developers of residential or mixed-use schemes greater than 4 units are required to transfer 20% of the site to the local authority (or an AHB acting on their behalf) for social and affordable housing use, at a price based on delivery costs and limited profit.

The Affordable Housing Act 2021 defined new forms of affordable housing, comprising affordable purchase dwellings and Cost Rental housing. It also amends the legislative underpinnings and requirements of Local Authority Housing Strategies (under Part V of the Planning and Development Act 2000) in several ways, including:

- Introducing a requirement that a Housing Strategy makes an estimate of need for affordable purchase and cost rental housing (including through an assessment of rental affordability); and
- Raising/restoring Part V housing requirements to 20% of land granted residential planning permission, at least half of which (i.e. at least 10%) must be reserved for social housing and up to half of which may comprise affordable housing.

This Housing Strategy and HNDA is required to make an assessment of need for these affordable housing tenures (in addition to social housing), and to determine the breakdown of Part V housing requirements between social and affordable over the period of the development plan.

As this Housing Strategy and HNDA was originally drafted before the passing of the Affordable Housing Act 2021, an additional and supplemental analysis of need for these new affordable tenures in County Carlow has been undertaken and summarised in Appendix A. The outputs of this assessment are summarised in Table 5.3 below.

**Table 5.3: Estimated affordable housing need, 2020-2028 (% of total)**

Year	Affordability Constraint
2020	3.9%
2021	4.8%
2022	6.8%
2023	7.9%
2024	10.7%
2025	11.7%
2026	11.8%
2027	12.9%
2028	12.7%
<b>2022-2028</b>	<b>10.7%</b>

This analysis demonstrates that there is an estimated need for affordable housing of approximately 10.7% over the plan period. This demonstrates that the envisaged equal

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breakdown of Part V requirements of 10% social and 10% affordable housing would be appropriate for County Carlow over the plan period 2022-2028. However, this requirement is subject to several factors when applied to individual planning applications:

- A lower Part V requirement of 10% (for use as social housing only) will apply to land purchased between 1<sup>st</sup> September 2015 and 31<sup>st</sup> July 2021 and granted permission for residential or mixed-use development between 3<sup>rd</sup> September 2021 and 31<sup>st</sup> July 2026. This is intended to prevent the new requirements impacting on development viability.
- The delivery of affordable purchase or Cost Rental dwellings on individual sites will be subject to national guidance and local factors. Carlow County Council will consider factors such as local demand, finance, viability, and operational factors in determining the suitability of Part V affordable housing delivery for individual planning applications. Alternative means of capturing Part V planning gain will be pursued where affordable housing is not appropriate, in line with national guidance.

Therefore, the Carlow County Development Plan 2022-2028's requirement under Part V of the Planning and Development Act 2000 for lands granted permission for housing development will comprise 10% social housing and 10% affordable housing, subject to national guidance and regulation and subject to Carlow County Council's determination of the appropriateness of affordable housing delivery on individual sites.

### **5.2.3 Delivery methods and targets**

Carlow County Council will continue to meet social housing needs via a combination of these existing delivery schemes as set out above and through the introduction or greater emphasis of other existing or recently established schemes and mechanisms. This section assesses progress to date in County Carlow in achieving recent targets for social housing delivery as set out in the Rebuilding Ireland: Action Plan for Housing and Homelessness.

Rebuilding Ireland is an initiative by the Government to tackle the housing crisis and to deliver new homes. Its five pillars include Pillar 2 'Accelerate Social Housing'. Rebuilding Ireland aims to increase social housing provision through a range of delivery mechanisms, including direct delivery of new homes by local authorities and Approved Housing Bodies, acquisition and leasing of new homes, and the use of the Housing Assistance Payment (HAP) Scheme and Rental Accommodation Scheme (RAS). Rebuilding Ireland sets out ambitious targets for each local authority

The most recent year for which delivery against local authority targets is available is 2019. County Carlow had a target of 432 social units across all housing outputs including a target of 180 direct social housing builds.

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**Table 5.4: Rebuilding Ireland targets, County Carlow**

Targets for 2018-2021 Build, Acquisition and Leasing	Targets for 2019				
	Build	Acquisition	Leasing	HAP and RAS	All social housing streams
	309	180	27	26	199
					432

Delivery rates for 2019 indicate that Carlow County Council delivered 432 units under all Rebuilding Ireland streams – 106% delivery against targets.

**Table 5.5: Social Housing Delivery under Rebuilding Ireland, 2019**

Delivery for 2019					
Build	Acquisition	Leasing	HAP and RAS	All streams	% of 2019 target met
132	72	8	247	432	106%

The represented an increase over the 395 units delivered in 2018, with direct builds increasing from 79 to 132, indicating that direct delivery of new social housing is ramping up in Carlow.

The most recent data on ongoing social housing delivery under Rebuilding Ireland was published in October 2020.<sup>31</sup> It indicates that as of Q2 2020 248 new social homes have been built in County Carlow across 29 housing schemes under Rebuilding Ireland since 2016. A further 262 planned units are in the pipeline at various stages of the approval process from capital appraisal to construction, including 215 recorded as on-site and under construction.

New targets for social housing new-build delivery have been set for County Carlow under Housing for All for the period 2022-2026, as set out below. Under Housing for All, there will be a greater emphasis on direct new-build delivery of social housing, with a gradual phasing-out of long-term leasing for social housing.

**Table 5.6: Carlow new-build social housing targets under Housing for All (2021)**

2022	2023	2024	2025	2026	Total
80	90	92	99	101	462

## 5.3 Conclusion: meeting future requirements

Section 4 set out the overall housing requirements for County Carlow over the strategy period based on the HNDA analysis undertaken for the County. The outputs of this analysis are summarised below. This forecasts that there will be a total social and

<sup>31</sup> Social Housing Construction Projects Status Report, Q2 2020, Department of Housing: <https://rebuildingireland.ie/news/minister-obrien-publishes-social-housing-construction-status-report-for-q2-2020/>

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affordable housing requirement of 926 additional new households over the plan period 2022-2028, amounting to 29.8% of new anticipated households over the period.

**Table 5.7: Summary of social and affordable<sup>32</sup> housing requirements 2022-2028**

	2022	2023	2024	2025	2026	2027	2028	Total <sup>33</sup>
<b>No. of Additional Anticipated Households</b>	259	518	518	518	518	518	259	<b>3,107</b>
<b>Social (and affordable) housing requirement</b>	77	154	154	154	154	154	77	<b>926</b>
<b>Housing Shortfall (%)</b>	29.8%	29.8%	29.8%	29.8%	29.8%	29.8%	29.8%	<b>29.8%</b>

Meeting this assessed forecast need (in addition to outstanding existing need) will be delivered by a combination of delivery methods as set out in this section. Carlow County Council will support the delivery of new social and affordable homes, both directly and through AHBs in the county. New social and affordable homes will be delivered through direct builds (using a range of funding mechanisms including direct State supports), through acquisition arrangements, and through leasing arrangements. Housing needs will also be met through the provision of HAP and RAS tenancies, enabling households in need to access accommodation in the private rental sector at a rent they can afford. Section 6 sets out policies that will support the delivery of social and affordable housing to meet assessed need in County Carlow over the strategy period, as well as supporting the broader delivery of sustainable planning and housing in County Carlow.

<sup>32</sup> 'Affordable' here refers to the quantum of households above the 1<sup>st</sup> Decile who have identified challenges in securing their own home subject to affordability issues, or constrained supply.

<sup>33</sup> Totals do not sum due to rounding

## 6 Policy objectives to deliver the housing strategy

This housing strategy has reviewed existing and future housing needs in County Carlow, setting out an evidence base for the local authority to plan for sustainable and affordable housing over the strategy period.

This section sets out policy objectives to support Carlow County Council to plan for and deliver new housing through the Carlow County Development Plan 2022-2028. These policy objectives are informed by the analysis of the housing context in Carlow as set out in this Strategy as well as by the policy principles established in Section 2. These principles include the goals of delivering sustainable development and compact growth, providing high-quality new homes in appropriate places to meet the diverse needs of the people of County Carlow, promoting strong, vibrant, and inclusive communities in County Carlow, and supporting the democratic role of Carlow County Council in planning for the county's future.

The following policy objectives have been drafted in accordance with these principles to guide and support sustainable housing delivery through effective spatial planning by Carlow County Council.

### 6.1 Policy objectives for the Carlow Housing Strategy 2022-2028

It is the objective of Carlow County Council:	
PO1	To provide new homes to meet expected future housing requirements in the County as identified in the HNDA. A total of 3,107 new homes shall be provided over the plan period to meet requirements a result of forecast population growth. New homes shall be provided in a planned and coordinated manner in accordance with the aims and policies of the Core Strategy, the RSES, and the National Planning Framework.
PO2	To ensure that housing is available to meet the needs of people of all needs and incomes in Carlow, through the delivery of an appropriate mix of housing sizes, types, and tenures in suitable locations.
PO3	To provide for existing unmet housing need as identified by the Carlow County Council social housing needs assessment through the provision of social and affordable housing using a range of delivery mechanisms.
PO4	To provide social and affordable housing to meet forecast future housing need over the plan period as identified in the HNDA. The Council will

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It is the objective of Carlow County Council:	
	endeavour to deliver a further 926 social housing units over the plan period 2022-2028 to meet forecasted need as resources allow. New units shall be delivered having regard to the aims and policies of the Core Strategy and the needs of local communities, including the need to deliver sustainable development, compact growth, social integration and an appropriate mix of housing types and tenures. Social and affordable housing shall be delivered through a range of mechanisms including provision directly by Carlow County Council, by Approved Housing Bodies, and through short- and long-term tenancies arranged by the Councils with private landlords.
PO5	To require that 20% of lands in respect of which permission for the development of houses is granted, be reserved for social and affordable housing in accordance with the Planning and Development Act 2000 (as amended) and national guidance and regulations. This requirement shall comprise 10% social housing and 10% affordable housing (including affordable purchase and/or Cost Rental), subject to local factors including the demand for and viability of affordable housing on individual sites. The Council reserves the right to determine the appropriateness of 'Part V' affordable housing delivery for individual sites on a case-by-case basis.
PO6	To support high-quality design in new housing and promote housing that is attractive, safe, and adapted to needs of existing and future households including future household sizes.
PO7	To provide housing appropriate to the needs of the elderly, persons with disabilities, lone parents, Travellers, and the homeless. The Council shall support and promote the use of Universal Design principles and Lifetime Homes in new housing developments to meet the needs of diverse groups and an aging population
PO8	To support attractive and vibrant places through the renovation and re-use of obsolete, vacant and derelict homes. This shall be pursued through methods including the application of the vacant site levy in accordance with the Urban Regeneration and Housing Act 2015 (and any subsequent replacement schemes) and the conversion of vacant properties into new social and affordable homes through schemes including the Repair and Leasing Scheme, the Buy and Renew Scheme, and long-term leasing. The Council shall also endeavour to bring about the timely re-use of vacant Council-owned housing stock.

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It is the objective of Carlow County Council:	
PO9	To plan for the provision of sustainable rural housing and the sustainable provision of single housing in the countryside through the Core Strategy, having regard for potential need for single housing in the Countryside as set out in the HNDA as well as existing and forthcoming national and regional policy and guidance and the viability of smaller towns and rural settlements.
PO10	To ensure that new housing delivery over the plan period shall support urban renewal and urban regeneration and shall strengthen the Carlow settlement hierarchy as identified in the Core Strategy. The Council through the Carlow County Development Plan 2022-2028 shall endeavour that new housing delivery over the plan period delivers compact and sustainable growth and urban regeneration, with at least 30% of all new homes over the plan period delivered within existing built-up footprints in accordance with NPF National Policy Objective 3c and the Southern RSES.
PO11	To support the provision of housing suited to the needs of the Travelling community and implement the Carlow County Council Traveller Accommodation Plan 2019-2024 and subsequent updates.
PO12	To support the on-going monitoring and review of the HNDA as appropriate in accordance with any forthcoming guidance on HNDA methodology issued by the Department of Housing, Local Government and Heritage.