Galway City Council

Galway City Housing Strategy and Housing Need & Demand Assessment 2023-2029

KPMG Future Analytics

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This report contains 83 pages

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1 Introduction

1.1 Overview

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

This Housing Strategy informs the policies and objectives of the Galway City Development Plan 2023-2029, playing a key role in translating national and regional housing policies to the local level. Since the City Development Plan 2017-2023 was prepared, there have been significant changes in strategic planning policy and in legislation, in particular with the adoption of the National Planning Framework (NPF) supported by the investment strategy of the National Development Plan (NDP) and the Regional Spatial and Economic Strategy (RSES) for the Northern and Western Regional Assembly area.

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. KPMG Future Analytics have undertaken a HNDA for Galway City to inform decision-making in relation to the current and future housing supply and investment in housing related infrastructure in accordance with the NPF and all other relevant statutory requirements.

1.2 Housing Need and Demand Assessment

The NPF states that the role of the HNDA is to correlate and accurately align future housing requirements. The NPF intends for the HNDA to become a keystone of the plan-making system which will "inform housing policies, housing strategies and associated land use zoning policies as well as assisting in determining where new policy areas or investment programmes are to be developed."[1]

Moreover, 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.

[1] National Planning Framework, National Policy Objective 17, p. 97.

— 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 NPF states that HNDAs are 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.

1.2.1 HNDA Guidance and Toolkit, April 2021

The Department of Housing, Local Government and Heritage (DHLGH) published 'Guidance on the Preparation of a Housing Need and Demand Assessment' and a HNDA Tool in April 2021. This is intended to be the first iteration of the DHLGH's HNDA Tool for use by local authorities in the preparation of housing strategies and development plans.

The HNDA Tool produces an estimate of total future housing need in a local authority over the period 2020-2040 and an estimate of this need broken down into four tenure types:

- **Owner-occupation**
- **Private rented**
- **Social rented**
- **Affordability constraint** (i.e. households that are above the eligibility threshold for social housing but cannot afford to buy or rent privately and may require a form of affordable housing such as affordable purchase or cost rental).

The HNDA Toolkit may be amended in a number of ways to reflect custom scenarios and updated assumptions. Several custom variations have been applied by KPMG Future Analytics and Galway City Council to account for up to date research on the Galway City housing market, as set out in Section 4.1.

1.3 Report structure

This report draws together a broad range of data and information on the current and forecast housing market and housing needs in Galway City. Section 2 provides an overview of the legislation and policy at national, regional and local level relevant to housing and planning in Galway City and to assessing housing need. Section 3 sets out the current demographic, economic and housing baseline in Galway City, providing a comprehensive view of the existing housing baseline. Section 4 sets out the assessment of forecast housing need over the plan period through the application of the HNDA Toolkit, including a comprehensive outline of the Toolkit methodology and outputs.

Section 5 summarises and synthesises the analysis outputs and considers ways of meeting need, while Section 6 sets out the policy objectives for delivery of this Housing Strategy to support the Galway City Development Plan.

2 Policy and legislative context

2.1 National legislation and policy

2.1.1 Planning and Development Act, 2000 (as amended)

Under Part II of the Planning and Development Act 2000 (as amended) Local Authorities are required to ensure that Development Plans are consistent with national plans, policies, and strategies. Development Plans therefore must demonstrate consistency with national and regional objectives, as now set out in the National Planning Framework and Regional Spatial and Economic Strategies.

Local Authorities are also required to prepare and incorporate a Housing Strategy into their Development Plan, the purpose of which is to ensure that there is sufficient zoned and serviced lands to meet the housing needs of the existing and future population of the development plan area. The Act states that:

> *"…each housing strategy should have regard to the proper planning and sustainable development of an area and should be concerned with the overall supply of housing within the planning authority."*

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 undue segregation in housing between persons of different social backgrounds.

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

Rebuilding Ireland is the national housing strategy for the period 2016 to 2021 and provides a multi-stranded approach to achieving key housing objectives, including to significantly increase the supply of social housing, to increase the housing build numbers by 2021, to serve all tenure needs, and to tackle homelessness. The plan sets out five pillars for which a series of actions are planned to address the challenges faced by Ireland's 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 over the strategy period. The Action Plan pledged 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. Under the Rebuilding Ireland plan, Galway City has a target of delivering 1,089 social homes and tenancies between 2018-2021.

2.1.3 Housing for All / Programme for Government: Our Shared Future (2020)

This Programme was published in 2020 and reflects the policy commitments made by the government for the next five years.

The Programme has a Mission entitled 'Housing for All'. Over the next five years this Mission states that the Government will -

- Put affordability at the heart of the housing system.
- Prioritise the increased supply of 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 that local authorities are central to delivering housing.
- Work with the private sector to ensure that 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.

It also includes commitments under climate action to deliver a "National Aggregated Model of Retrofitting" of over 500,000 homes by 2030 to a B2 energy rating and to commence a targeted programme to install heat pumps in homes as part of an overall plan to install 600,000 heat pumps by 2030.

2.1.4 Affordable Housing Act, 2021

The Affordable Housing Act introduces changes to the Irish housing system. It establishes a legislative basis for new forms of affordable housing for households who cannot afford private market housing but are above the 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 where rents are tied to delivery costs. The Act also amends 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).

2.1.5 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 allocate 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 by means of leasing or contract arrangements with private landlords.

2.1.6 Project Ireland 2040 – National Planning Framework (2018)

The National Planning Framework (NPF) is a high-level strategy that will guide both growth and the social, economic and cultural development of 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. The NPF contains several National Policy Objectives that support the delivery of residential development at a suitable location and scale to achieve an overall target of 550,000 additional households nationwide by 2040.

The achievement of National Policy Objectives at a local level will be underpinned by the development of a Housing Need Demand Assessment (HNDA) by each Local Authority. 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 lists a number of key evidence inputs that will inform and drive the HNDA model, based around:

- Demographic trends, affordability trends and wider economic trends.
- Housing Stock Profile Pressures, existing need and management issues.
- Estimating future housing need and demand.

The NPF targets 40% of future housing development to be within and close to the existing 'footprint' of built-up areas and further identifies that at least 50% of all new homes targeted for the five Cities (including Galway) and their suburbs should be delivered within their existing built-up footprints.[2]

2.1.7 Implementation Roadmap for the National Planning Framework (2018)

The Implementation Roadmap for the National Planning Framework (July 2018) highlights the national focus on achieving alignment between national, regional and local planning policy and practice. It provides transitional population projections for the period up to 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. It projects that Galway (County and City) will see a population increase of between 64,000 and 76,500 between 2016 and 2031, as set out below.

Table 2.1: Transitional population projections to 2031

	Projected Population			Increase from 2016	
	2016	2026	2031	2026	2031
Galway (County and City)	258,000	300,000-308,500	322,000-334,500	42,000-50,500	64,000-76,500

2.1.8 Project Ireland 2040 – National Development Plan 2018-2027

The National Development Plan sets out investment priorities to deliver on the goals of the National Planning Framework, with a total investment of approximately €116 billion. Following from the NPF, it recognises Galway City's key role as a growth centre and driver for investment and identifies several key infrastructure projects which can support and enhance Galway's role. These include BusConnects Galway, examination of upgrades to the Dublin-Galway rail line, development of the Dublin-Galway Greenway, the N6 Galway Ring Road and River Corrib bridge crossing, investment in facilities at University Hospital Galway, and support for Galway City Centre

[2] The NPF defines this as meaning within the existing built-up footprint of the five cities and their suburbs, as defined by the CSO's Census 2016 settlement boundaries. The CSO's settlement boundaries are based on United Nations criteria, i.e. having a minimum of 50 occupied dwellings, with a maximum distance between any dwelling and the building closest to it of 100 metres, and where there is evidence of an urban centre.

regeneration projects through the €2 billion Urban Regeneration and Development Fund.

A review of the NDP is underway prompted by a change in government and to take account of the new Programme for Government with priorities included for climate action, housing and other issues and acknowledgement of the context of the impact of the Covid-19 pandemic. This review is to ensure that the updated NDP it is adequately aligned with national investment and development priorities and is expected to be published in mid-2021.

2.1.9 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. This was followed up with the NPF ‘Roadmap’ which set out projected county population ranges for 2026 and 2031. (See 2.1.7). As part of the development plan review process, planning authorities are required to demonstrate that their core strategy and associated elements of the plan are consistent with the NPF Roadmap population projections for their local authority area.

For further refinement of NPF population projections the DHLGH commissioned the ESRI to carry out further work which was 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.

2.1.10 Housing Options for Our Aging Population (2020)

This policy statement was published by the Government of Ireland in 2018 and sets out national policy priorities for meeting the accommodation needs of Ireland's ageing population. It proposes supporting older people's housing needs both by adapting existing homes and places and by planning for the future provision of new homes to meet demand. It notes that Local Authority Development Plans must provide for sustainable housing to meet the needs of all citizens and envisages an important role for them as further policy on homes for the elderly is developed.

2.1.11 Sustainable Urban Housing: Design Standards for New Apartments (2018)

The 'Sustainable Urban Housing: Design Standards for New Apartments' guidelines state that County Development Plans must appropriately consider the need to both sustainably increase housing supply and to ensure that a greater proportion of housing development takes place within its existing built-up areas. They further state that the production of a Housing Needs Demand Assessment (HNDA) provides local authorities with an up to date and robust evidence base, thus allowing them to appropriately determine and plan for the specific housing/apartment needs (including household compositions) within their administrative area covering the period of their statutory development plan.

2.1.12 Quality Housing for Sustainable Communities: Best practice guidelines (2007)

The 'Quality Housing for Sustainable Communities' guidelines aim to assist in delivering homes, in sustainable communities that are socially inclusive. The guidelines support:

— Promoting high standards in the design and construction and in the provision of residential amenity and services in new housing schemes

— Encouraging best use of building land, compact development and optimal utilisation of services and infrastructure in the provision of new housing

— Encouraging locations consistent with promoting Sustainable Communities and town centre development

- Promoting higher standards of environmental performance in housing construction
- Seeking to ensure that residents of new housing schemes enjoy the benefits of first rate living conditions in a healthy, accessible and visually attractive environment

The guidelines set out best practice in site selection, scheme design and urban design for new housing developments. These are based in several essential requirements for new homes including that housing be socially, environmentally and architecturally appropriate; safe, secure and healthy; accessible and adaptable; affordable; durable; and resource efficient.

2.1.13 Sustainable Residential Developments in Urban Areas: Guidelines for Planning Authorities (2009)

The 'Sustainable Residential Developments in Urban Areas' guidelines set out best-practice criteria on planning for sustainable neighbourhoods under the four themes of provision of community facilities, efficient use of resources, amenity or quality of life issues and conservation of the built and natural environment. The guidelines set out planning and urban design principles for cities, towns and villages, including appropriate levels of density and community services for new homes. The guidelines support sustainable residential development, tackling climate change, promoting Universal Design in housing, and a plan-led approach with the aims of the guidelines reflected in local development plans.

2.1.14 The National Housing Strategy for People with a Disability 2011 – 2016 and the National Implementation Framework for the National Housing Strategy for People with a Disability 2011-2016

These documents are cross-departmental publications setting out the Government's broad framework for the delivery of housing for people with disabilities through mainstream housing options. They were developed as part of a coherent framework in conjunction with the Government's mental health policy: 'Time to Move on from Congregated Settings – A Strategy for Community Inclusion' (2011). The Strategy has nine strategic aims, including to promote equality of access for people with a disability to the full range of housing options available and to develop national protocols and frameworks for effective interagency cooperation to facilitate person-centred delivery of housing and support services.

The commitment to these strategies in the 2016 Programme for a Partnership Government provides a platform to consolidate and build on the significant work to date, and will ensure that momentum is sustained in future housing policy development. The Strategy has also been affirmed in the Action Plan for Housing and has been extended to 2020 to deliver on its aims to continue to guide and progress policy. At time of writing, a review is underway, and a new National Housing Strategy for Persons with Disabilities 2022-2027 is expected to be published in 2021.

2.1.15 National Homelessness Policy

National policy on tackling homelessness is set out in several strategies. The Government's original Homelessness Policy Statement published in February 2013 made a commitment to a housing-led approach to end long-term homelessness Measures were identified in the government's 'Implementation Plan on the State's Response to Homelessness' (May 2014) and in the Action Plan to Address Homelessness (December 2014). These Plans represented a whole-of-Government approach to dealing with homelessness and contain actions in relation to the associated issues of housing, welfare and healthcare. More recent measures are included in tandem with Rebuilding Ireland to secure a ring-fenced supply of accommodation for homeless households and to mobilise the necessary supports. It is expected that further measures and policies to tackle homelessness will be included in the forthcoming 'Housing for All' strategy.

2.1.16 Climate Action and the Climate Action Plan 2019

The Climate Action Plan 2019 looks to reduce climate emissions and make Ireland carbon efficient. In terms of the built environment, the plan recognises the importance needed to improve the energy efficiency of our buildings, including our homes, workplaces and schools, by meeting higher energy performance standards and by increasing retrofit activity. This will not only reduce Ireland's dependence on fossil fuels but will also improve our living standards by making our buildings more comfortable, healthier, safer, and less costly to heat.

The Programme for Government 2020 outlines further commitments to reduce Ireland's greenhouse gas emissions by 51% over this decade and to achieve climate neutrality by 2050. These targets will be set in law by the Climate Action and Low Carbon Development (Amendment) Act 2021 and the associated actions that enable the achievement of these targets as will be set out in an updated Climate Action Plan. This will include measures that improve energy efficiencies and promote the use of renewable energy in buildings (of which housing will constitute a significant amount) as well as continuing with the national retrofit programme.

2.2 Regional Policy

2.2.1 Northern and Western Regional Assembly Regional Spatial and Economic Strategy (RSES) 2020-2032

The Regional Spatial and Economic Strategy (RSES) for the Northern and Western region was adopted in January 2020 superseding the Regional Planning Guidelines for the West Region 2010-2022. The RSES is a high-level plan that seeks to support the implementation of the NPF by providing a strategic planning and economic framework for the region's sustainable growth and development. It echoes the NPF in emphasising the need for sustainable development patterns and seeks to focus growth within the region's key urban centres, including Galway City.

The RSES gives direction at a regional scale on how best to achieve the shared goals set out in the National Strategic Outcomes (NSOs) of the NPF. To this end, the Strategy sets out a number of Regional Policy Objectives (RPOs) which are aligned with international, EU and national policy and which in turn set the framework for city and county development plans. It also includes for a Metropolitan Area Strategic Plan (MASP) for Galway Metropolitan Area, which sets a co-ordinated framework for planning and investment in Galway City and its wider catchment area in Galway County.

In line with the RSES's overall emphasis on compact growth and sustainable development, RPO 3.2 includes the following target:

— *Deliver at least 50% of all new city homes targeted in the Galway MASP, within the existing built-up footprint of Galway City and suburbs.*

The RSES supports the population targets in the NPF Implementation Roadmap by setting growth targets for Galway City and for other major urban centres in the region, with a target increase in the population of Galway City and Suburbs[3] of 50-55% by 2040. The RSES also sets a transitional targeted increase in the population of the City and Suburbs of at least 23,000 by 2026 and a further 12,000 by 2031, entailing an increase from 79,900 in 2016 to 115,000 by 2031.

2.2.2 Galway Metropolitan Area Strategic Plan (2020)

Galway City is identified in the NPF as one of Ireland's five major cities and as such is the primary centre for growth in the Northern and Western Regional Assembly's RSES. The RSES includes a Metropolitan Area Strategic Plan (MASP) to set out the strategic direction the city will grow to achieve compact growth and inform local development plans. The MASP sets an overall vision for Galway that "it will be a leading European city renowned for its quality of life, its history, its culture and its people," building on its existing economic and social strengths and its strong regional and national influence.

The MASP sets a population target for the Galway Metropolitan Area[4] to grow by 7,500 to 2026 and by a further 14,500 to 2031. This additional population will be accommodated through promoting the development of sustainable high-quality neighbourhoods at sustainable densities. The MASP promotes the integration of housing with transportation infrastructure to foster sustainable transport patterns. It identifies a number of strategic locations with the capacity to deliver new housing. These include the consolidation of existing neighbourhoods in Knocknacarra, Rahoon, Castlegar and Roscam; regeneration areas at Ceannt Station Quarter, Inner Harbour and Headford Road; and development at Ardaun, Murrough, Baile Chláir, Bearna, Oranmore and Briarhill.

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[3] This is the CSO-defined built-up area of Galway City as of Census 2016; while this primarily is made up of Galway City Council's administrative area, it includes small portions of areas in Galway County Council's administrative area with a population of approximately 1,200.
[4] As distinct from the City and Suburbs; the Galway Metropolitan Area is defined by the NPF Implementation Roadmap and includes some further areas and towns in Galway County.

2.2.3 West Region Homelessness Action Plan (2020-2022)

Since 2013, Homeless Services are provided on a regional basis. Galway City is in the west region which consists of Galway City, Galway County, Mayo, and Roscommon. Each Local Authority, the HSE, and relevant voluntary bodies operating in the West Region take responsibility for delivery of actions in the plan. Since 2016, the West Region has experienced a 153% increase in the number of adults accessing homeless services through emergency accommodation. When examined on a county breakdown of homelessness within the region, County Galway (including Galway City and County Councils) has the greatest number of adults (311 adults in August 2019) in emergency accommodation, with Galway City Council having the greatest number of homeless accessing accommodation. The plan also indicates that there has been a significant increase in the number of families accessing homeless services through emergency accommodation.

The West Region Homelessness Action Plan 2020 – 2022 provides a framework for service delivery built around five core themes:

1 **Prevention**: Provide, consolidate and continue to develop early intervention practices for people at risk of homelessness.

2 **Support**: Support the needs of rough sleepers to reduce the number of people sleeping rough in the West Region.

3 **Protection**: Protect people experiencing homelessness through emergency accommodation provision and targeted support.

4 **Progression**: Identify and facilitate pathways to long-term housing solutions, providing the necessary support for homeless people.

5 **Governance**: Ensure appropriate governance and funding structures are in place for the delivery of homeless services.

The plan aims to put a strategic framework in place for the delivery of homeless services at a regional level. Local Action Plans for each county area in the West Region will subsequently be developed in line with the West Region Homelessness Action Plan 2020-2022. Each of these Local Action Plans will outline detailed specific actions relevant to addressing homelessness at county level.

2.3 Local Policy

2.3.1 Galway City Development Plan 2017-2023

The Galway City Development Plan is the principal statutory land-use and spatial planning framework for Galway City. The 2017-2023 Development Plan is based on a vision for Galway City to be "to be a successful, sustainable, competitive, regional centre that creates prosperity, supports a high quality of life and maintains its distinctive identity and supports a rich cultural experience." The overall strategic goals for the development plan include:

— Achieve a high quality of life for all citizens through the provision of a good quality, attractive, built environment, through the protection of the unique natural environment and through facilitation of key economic, cultural and social supports.

— Enable the city to fulfil its role as a regional centre and contribute to the economic recovery.

— Promote the reduction of greenhouse gas emissions, tackle climate change and reduce vulnerability to the harmful effects of climate change.

— Apply the principle of sustainability.

— Aspire to make Galway an equal and inclusive city.

— Protect the distinctive and diverse natural environment in the city and strengthen the green network and linkages.

— Encourage a sense of collective identity and a shared vision that will promote the unique form and character of the city.

The Development Plan sets policies for sustainable development across areas including housing, transport, the economy, the natural environment, retail, and community and culture. It also sets out land-use zoning objectives across the City to guide development to 2023.

2.3.2 Galway Transport Strategy 2016-2035

The Galway Transport Strategy aims to facilitate Galway's development through better transport choices and enabling a public realm that can be enjoyed by both residents and visitors. It recognises the need to align transport investment with the city's settlement strategy. The strategy notes Galway City's current transport challenges, including an over-reliance on private cars, peak hour congestion and journey time unreliability for all motorised transport, the funnelling of regional and cross-country road traffic through the city, lack of walking, cycling or public transport accessibility in some areas, and lack of alternatives to commuting by private car in some areas. To tackle these issues, the strategy is built around seven guiding principles including:

— To promote and encourage sustainable transport, particularly to make in convenient and attractive to walk, cycle or use public transport.

— To improve accessibility and permeability to, and within the city centre for pedestrians, cyclists and public transport users.

— To maximise the safety and security of pedestrians, cyclists and other transport users, particularly within the core city centre.

— To maintain and develop transport infrastructure and services to a high degree of quality and resilience.

To deliver improved transport for Galway and support the city's growth, the strategy proposes significant improvements to public transport. This includes upgrading the bus network through five new core cross-city routes to increase its catchment and increase service frequency and reliability, with a minimum 15-minute at peak time. The core of the strategy is built around a 'Cross-City Link,' which would provide a safe, coherent and attractive route through the city centre restricted to public transport, pedestrians, cyclists, and some local access. The strategy also supports a rationalised city centre access network for private vehicles to reduce congestion and the proposed N6 Galway City Ring Road to remove regional traffic from the city, as well as greatly expanded and improved cycling and pedestrian networks.

2.3.3 Galway City Local Economic and Community Plan 2015-2021

The Galway City Local Economic and Community Plan (LECP) is the guiding strategy for economic, social and community development in Galway City. The LECP is based around the vision that "Galway will be a successful City Region with a creative, inclusive and innovative ecosystem in place to ensure its sustainable development into the future." This is translated into five high-level goals for Galway City to be:

1. A world-class, creative city region,
2. An innovative city,
3. An equal and inclusive city,
4. A sustainable, resilient urban environment that is the regional capital of the West, and
5. A city that promotes the health and well-being of all its people.

The LECP notes the housing challenges facing Galway City including a rising social housing waiting list, and emphasises the importance of delivering good-quality homes to those who need them as central to community development.

2.3.4 Ardaun Local Area Plan 2018-2024

Ardaun, located to the east of the city, is a critical part of the settlement strategy for the city. For this reason, it has a specific Local Area Plan which sets out a framework to guide the proper planning and sustainable development of Ardaun to 2024. It supports the Galway City Development Plan by setting comprehensive local planning and land-use policies focussed on this area. It places particular emphasis on creating a people and business friendly urban village, a new sustainable residential neighbourhood, well connected with the greater city and environs, and encouraging private and public investment. As Ardaun is a newly developing, predominantly greenfield area, it is strategically important for the whole city in delivering new housing and services, with a role in strategically rebalancing settlement patterns in the city and facilitating increased co-location of living and working areas within the city. The LAP includes for detailed zoning and land-use policies aimed at creating a new community and business district within the city, incorporating sustainable densities underpinned by the accommodation of sustainable transport modes, supporting facilities and services.

2.3.5 Galway City Council Traveller Accommodation Programme 2019-2024

The Galway City Council Traveller Accommodation Programme (TAP) 2019-2024 is the statutory programme for Galway to meet the existing and projected accommodation needs of the Traveller Community in Galway City to 2024 as per the requirements of the Housing (Traveller Accommodation) Act 1998. The TAP reviews existing policies and existing Traveller accommodation in the city, reporting a total of 588 Traveller families in Galway City in November 2018. It assesses 265 existing Traveller families as being in need of housing in Galway City, including those assessed as in need for social housing and approved for a transfer. It also projects future need for the TAP period 2019-2024, estimating that there will be 23-25 new family formations per year in Galway City (some of whom may be able to access private rented accommodation). The TAP sets targets for accommodation delivery across different streams, with an overall target of 242 housing supports over the TAP period 2019-2024 (including 85 standard Council/Approved Housing Body social housing tenancies, 15 group housing scheme units, 25 culturally-specific traveller accommodation units, 5 long-term leasing scheme units, 105 Housing Assistance Payment/Rental Accommodation Scheme tenancies, and 7 permanent halting site allocations to existing sites).

2.3.6 Galway City Climate Change Adaptation Strategy 2019-2024

The Galway City Climate Change Adaptation Strategy sets out Galway City's strategy for preparing for the effects of climate change in the city and mitigating negative impacts. The aim of the strategy is to identify the risks and challenges presented by climate change and to take coordinated action. It notes the potentially severe risks and impacts of global climate change and assesses Galway City's vulnerability, particularly to sea level rise/coastal erosion and to more frequent extreme weather events including flooding, storms, and temperature extremes.

The Strategy is based on four main themes: Critical Infrastructure and Buildings (including housing), Natural and Cultural Capital, Water Resource & Flood Risk Management, and Community Services. Its overall goal is to build Galway City's climate resilience, setting out objectives and actions across the four themes through planning and implementing appropriate adaptation measures. In terms of housing, high temperature extremes could cause overheating in housing including the City Council's own social housing stock. Actions for housing include assessing the vulnerability of the Council's housing stock to climate events, adapting maintenance and repair standards to combat vulnerabilities, and upgrading social housing to better energy standards.

3 Current Galway City housing context

3.1 Population Overview

The population of Galway City grew by 4.2% (3,139 people) over the intercensal period 2011-2016, marginally higher than the national rate of growth for the same period (3.8%). The total population of the city reached 78,668 by 2016. Growth was unevenly distributed among the older age cohorts with those aged 65+ growing from 9.3% of the total population to 11.2% (25% relative change). In absolute terms all age cohorts have grown however the majority have been in the elderly cohort with further growth in the young cohort (0-14 years old). The working cohort (15-64 years old) has remained static.

The distribution of population change varied greatly within the city with strong growth in the east of the city in Ballybaan and Murroogh electoral divisions (EDs) and in the west of the city in Taylors Hill, Nuns Island and Dangan EDs. In contrast there is significant decline in the city centre in Eyre Square, St. Nicholas and Castlegar EDs and furthermore in the south west at Knocknacarragh ED.

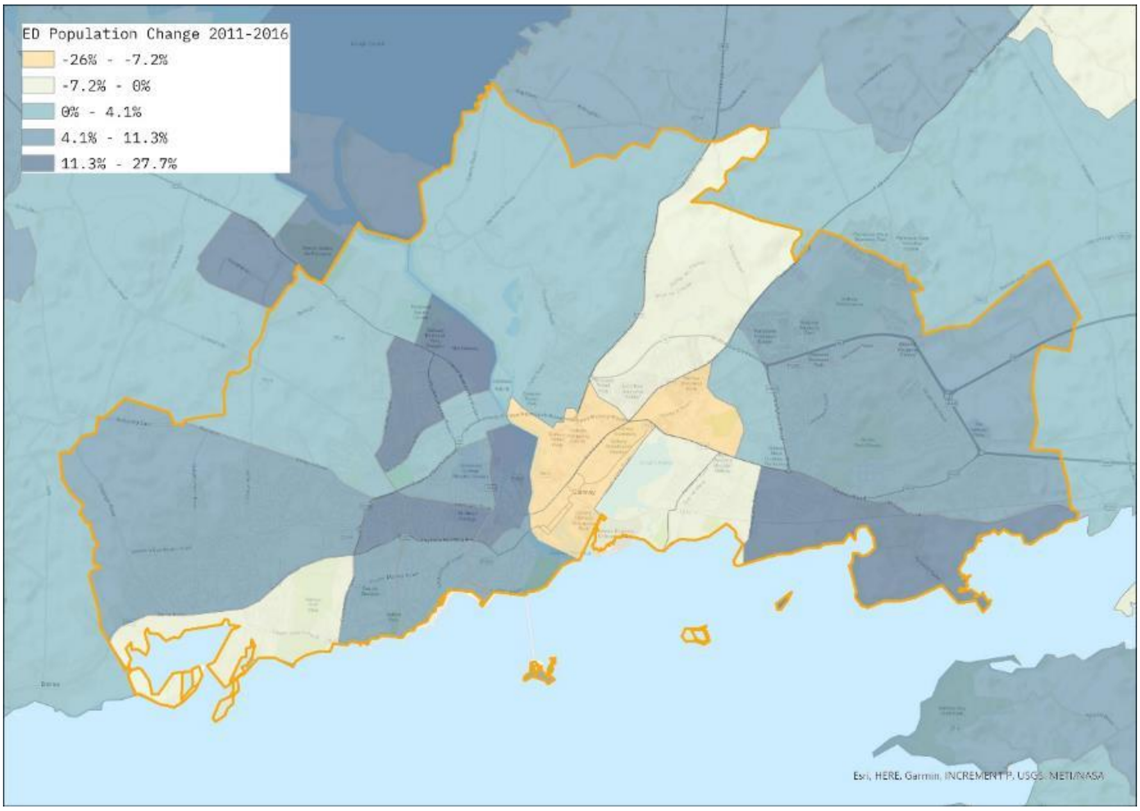


Figure 3-1 Galway City Population Change 2011-2016 (Electoral Divisions)

The working age cohort comprised those aged 15-64 years old. The working cohort is an important measure in determining age dependency in the catchment which is the proportion of the population in the young (0-14) and old (65+) cohorts as a proportion of those in the working cohort. The age dependency ratio is a key indicator of the economic activity of the local populace and has a strong relationship with household formation. The distribution of the working cohort within Galway City is illustrated in **Figure 3-3**.

The age dependency grew from to 25.9% in 2011 to 28.1% in 2016. The absolute and proportional age cohort values are set out in **Table 3.1** alongside the GCC population pyramid for 2016 in **Figure 3-2**.

Table 3.1 Primary Cohorts in Galway City, 2016

Age	2011 No.	2011	2016 No.	2016 %
0-14	12,493	16.5%	13,239	16.8%
15-64	55,977	74.1%	56,581	71.9%
65+	7,059	9.3%	8,848	11.2%

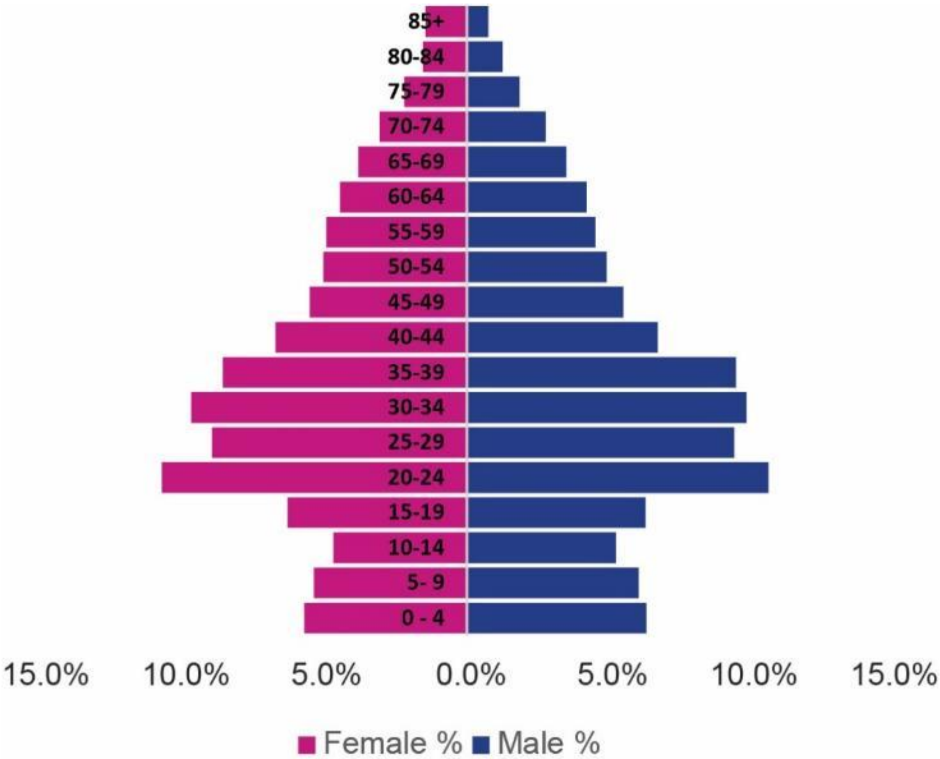


Figure 3-2 Galway City Population Pyramid, 2016

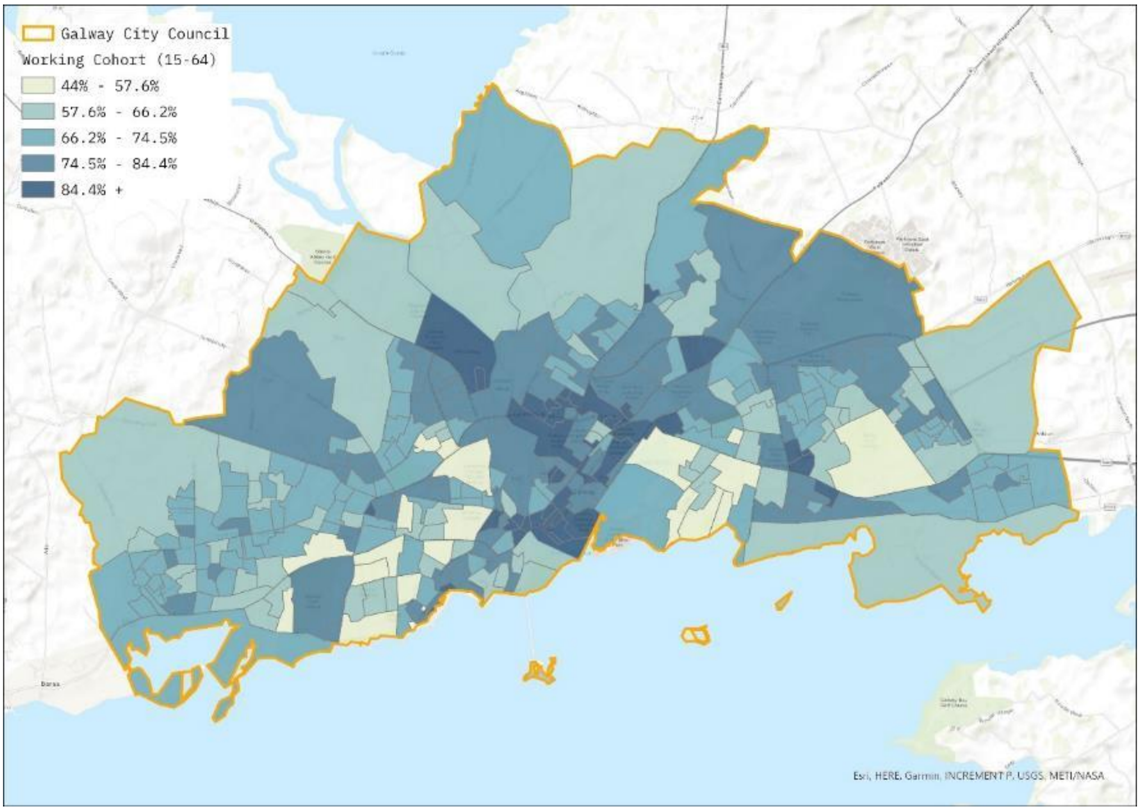


Figure 3-3 Working Age Cohort (15-64 years), 2016 (Small Areas)

3.1.1 Deprivation

The Pobal HP Deprivation Index[5] (2016) provides a measure of the relative affluence or deprivation across Ireland via a series of census indicators. The Index assigns a score to areas based on a national average of zero and ranging from approximately -40 (being the most disadvantaged) to +40 (being the most affluent). It is a recognised source for identifying spatial distribution of deprivation through metrics including age, population change, social class composition, educational attainment, employment, single parent households etc.

Contextually, Galway City has the highest (most affluent) relative index score in the Border, Midlands and Western Region at 4.9. Historically Galway city grew from a relative score of 2.7 in 2006 to 5.2 in 2011 prior to a minor decline by 2016. In the national context, Galway City has the third highest index score after Dun Laoghaire-Rathdown and Fingal County Councils at 10.0 and 5.3 respectively. Locally, areas which scored below average are concentrated in the city centre in pockets at Newcastle, St. Nicholas, Ballybaan and Mervue EDs.

[5] http://trutzhaase.eu/deprivation-index/the-2016-pobal-hp-deprivation-index-for-small-areas/

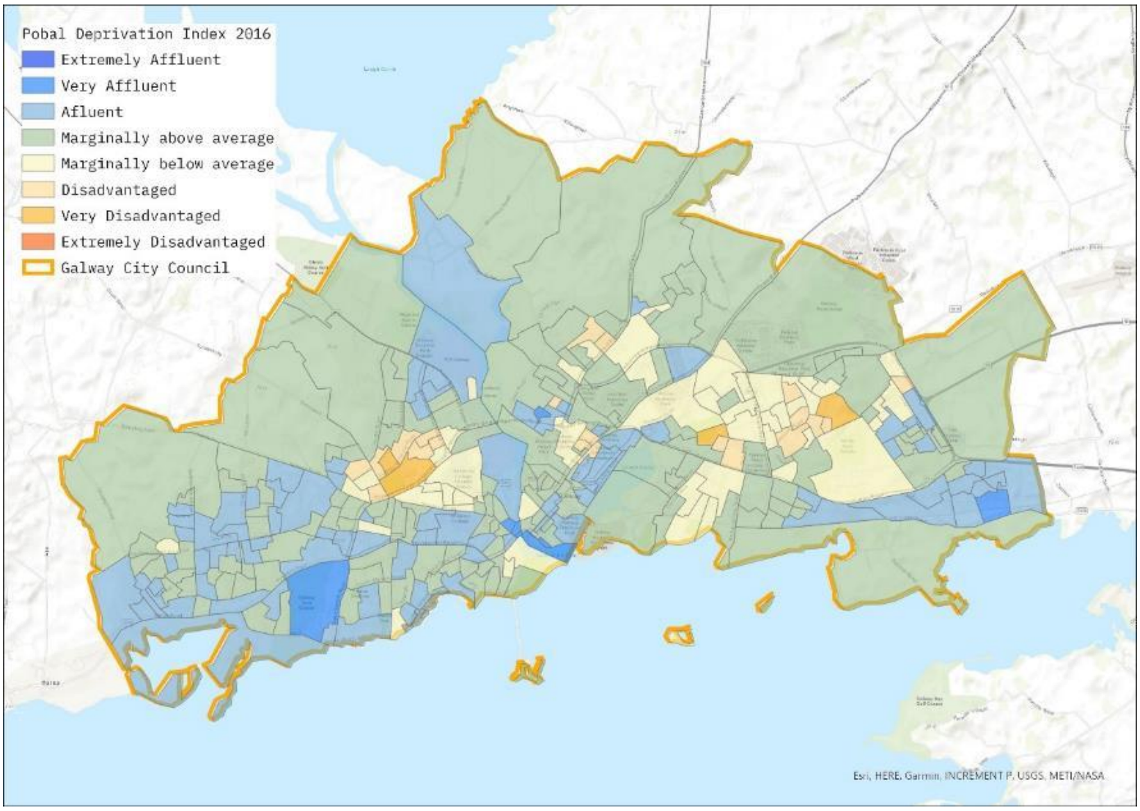


Figure 3-4 Pobal Deprivation Index, 2016 (Small Areas)

3.1.2 Employment

The employment rate in Galway City in 2016 reached 53.4% with a total of 34,951 persons at work. This marked a 10.8% increase in employed persons since 2011 (+3,394). Employment reflects many of the trends observed in the Pobal Index review with lower areas of employment in the city centre. There are concentrations of employed residents in the northeast at Castlegar and Ballybrit EDs, southeast at Roscam and Curragreen and to the west in Taylors Hill ED. The employment and unemployment rates have been mapped at small area level in **Figure 3-5** and **Figure 3-6**.

Unemployment declined significantly from 2011 (10.4% of total) to 6.9% following a decline of 2,059 unemployed persons marking a relative change of -28.5% reflecting strong employment growth. Unemployment is reflective of the inverse of the employment map.

The number of students has remained relatively constant throughout the intercensal period. There has been a marked increase in retirement with 25.6% growth to 8,012 persons (+1,635).

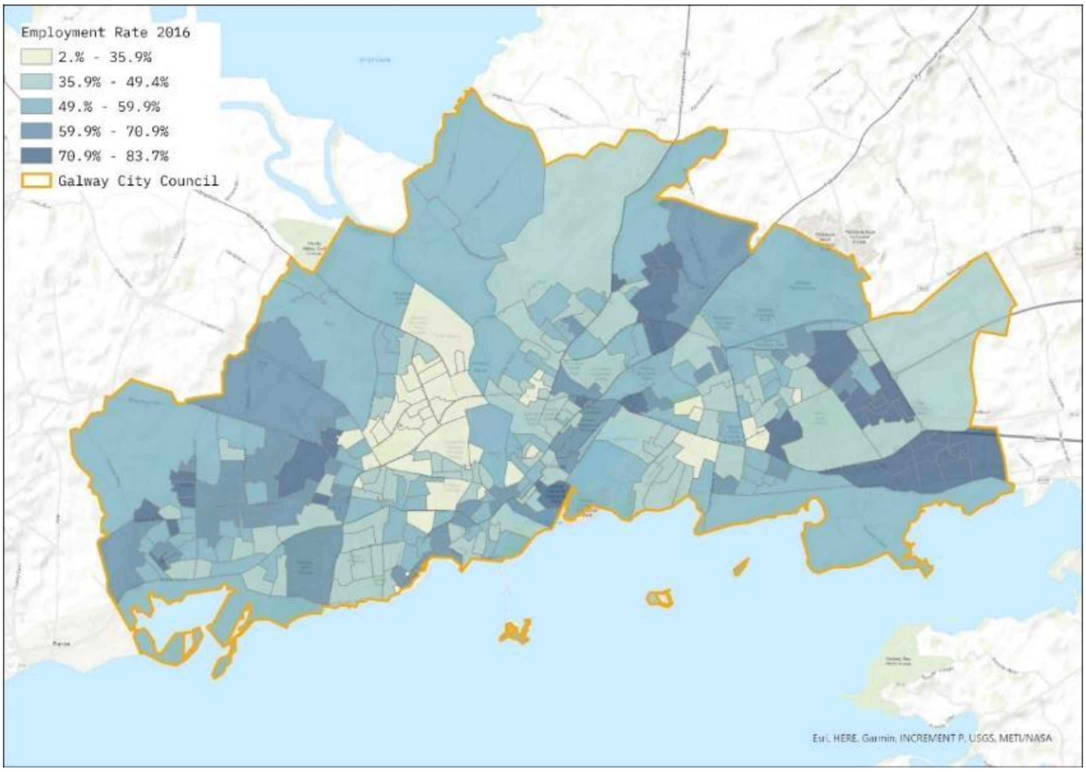


Figure 3-5 Galway City Employment, 2016 (Small Areas)

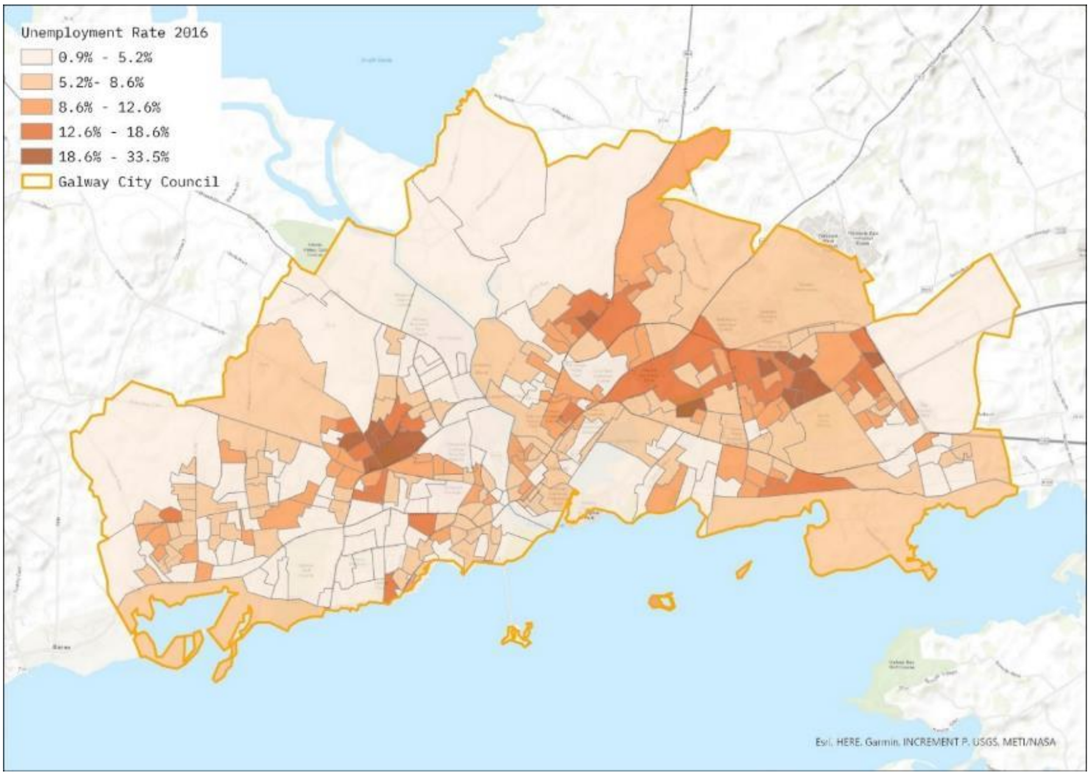


Figure 3-6 Galway City Unemployment, 2016 (Small Areas)

3.1.3 Workplace Zones

Workplace zones published by the CSO provide information relating to the daytime population of amalgamated small areas. This information includes population by the location specified where they work or study as well as those who do not work or study. This supports analysis of employment centres within Galway City by plotting resident workers as a factor of daytime population.

There are clear clusters identified in the city centre and generally to the east of the city. These sites include Gateway Retail Park at Western Distributor Road, Nuns Island, St. Nicholas, Eyre Square and the Docks, Mervue Business Park and Ballybrit Business Park. The daytime population in Galway City in 2016 numbered 102,312 of which there are 49,316 total workers. The number of workers as a proportion of daytime population has been mapped in **Figure 3-7**.

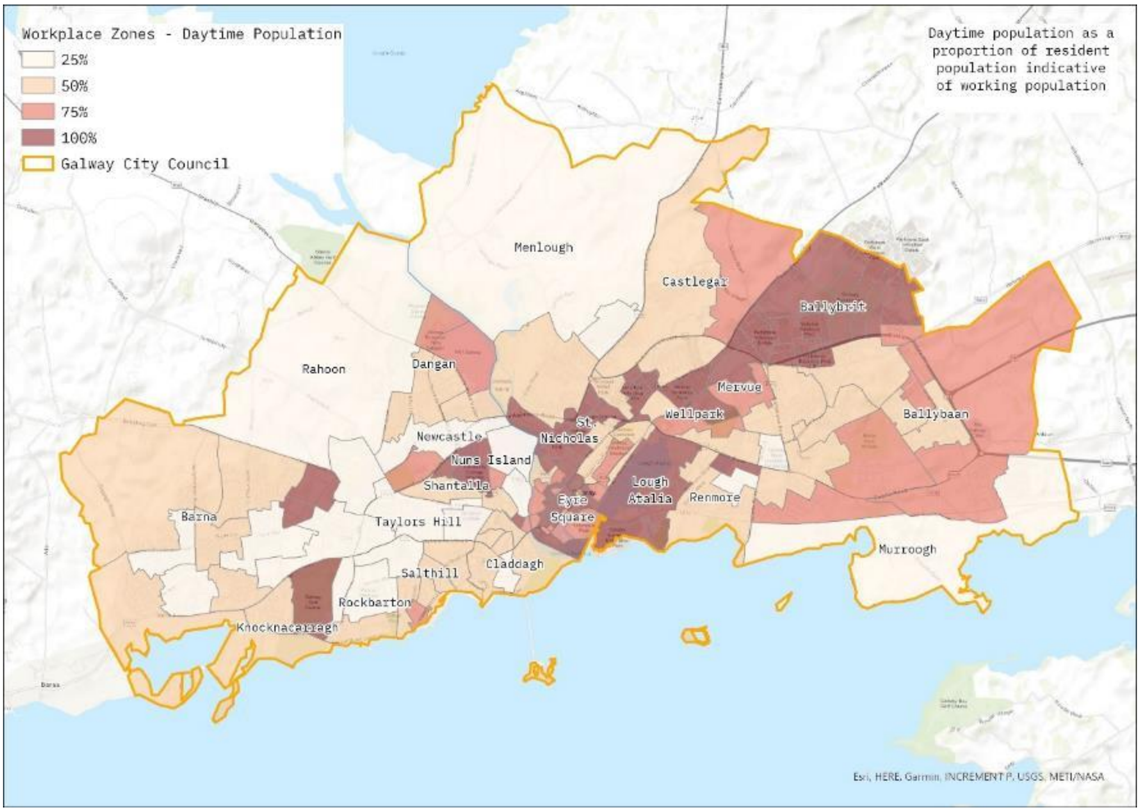


Figure 3-7 Workplace Zones in Galway City, 2016

3.1.4 Students

As of the 2016 Census there are 11,187 students resident in Galway City (down 0.5% or 55 persons since 2011). With the presence of NUIG and GMIT as the primary factor, students comprise 17.1% of the total population captured by the principle economic status section of the census, 5.7% higher than the state average proportion of 11.4%.

Students are as to be expected, concentrated in the city centre around NUIG and the western side of the city.

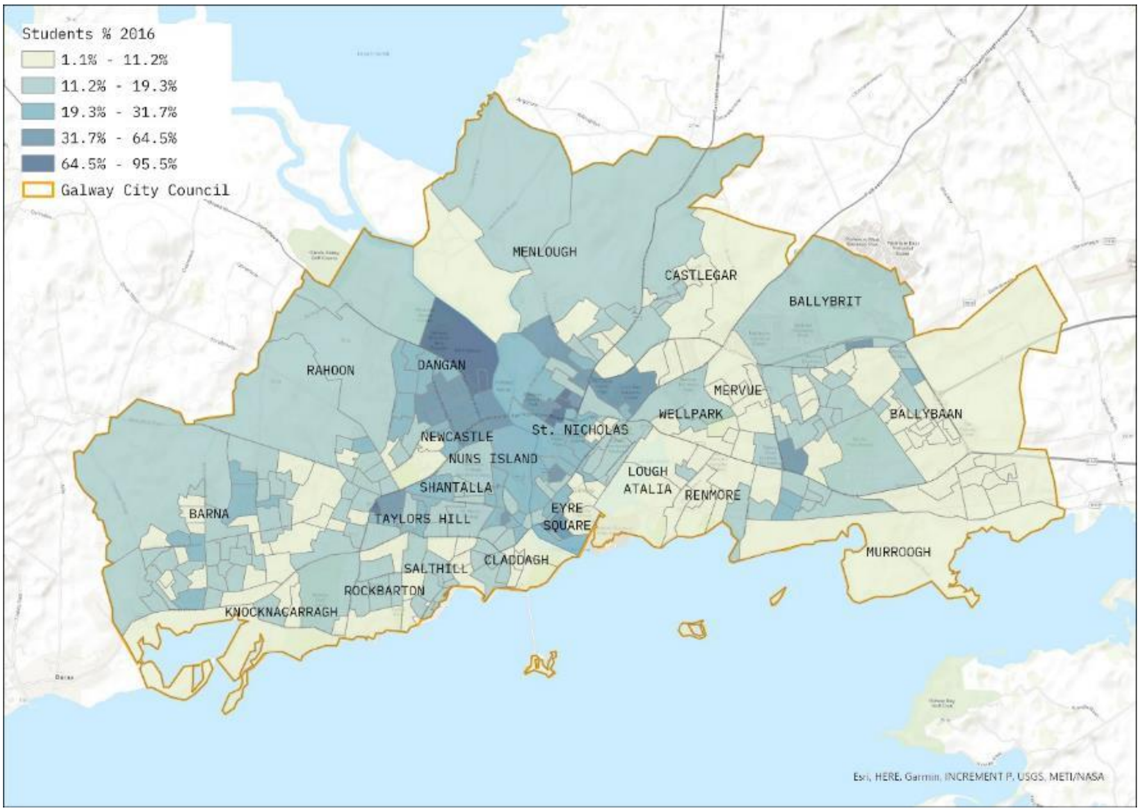


Figure 3-8 Proportion of Students per Small Area, 2016

3.1.5 Income

Income is one of the primary components of the affordability assessment in the HNDA and housing strategy. Household gross median income at electoral division (ED) level (CSO 2016) is the only spatially granular income dataset available and is considered broadly representative of local income distribution in Galway City.

Incomes are highest in the hinterland surrounding Galway City and are generally strong in the western suburbs with notable high incomes (€48,000+) in Salthill, Rockbarton and Knocknacarragh EDs. Incomes are lowest (<€33,000) in the city centre at Shantalla and Eyre Square.

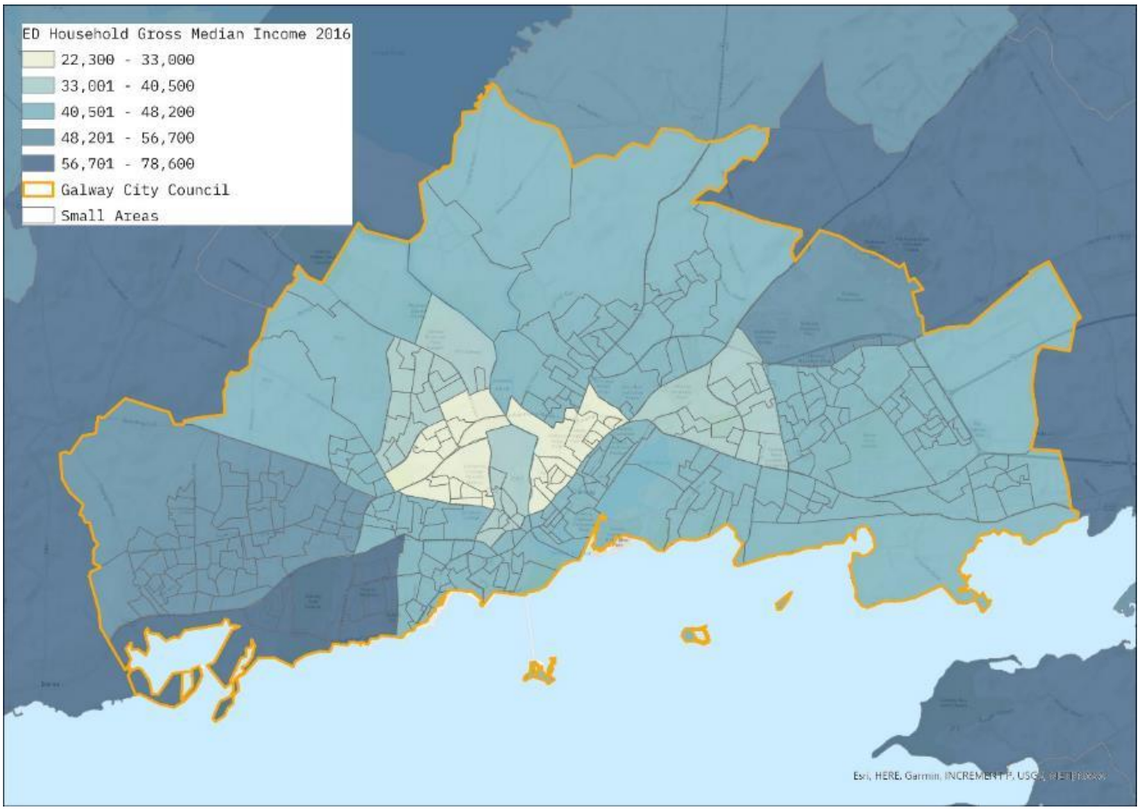


Figure 3-9 Household Gross Median Income, 2016 (Electoral Divisions)

3.2 Existing Households and Housing Profile

3.2.1 Housing Tenure and Type

There are 28,859 private households in Galway City marking a growth of 4.1% in households since 2011 (+1,133). With the growth of households at a higher rate in comparison to population indicating an increasing average household size. The average household size grew from 2.56 in 2011 to 2.58 in 2016. This is reflective of the national trend whereby the average national household size grew from 2.73 in 2011 to 2.75 in 2016.

The majority of households in Galway City are accommodated in houses or bungalows (75.5% in 2016) equating to 21,341 households and marking a growth of 1.3% over the intercensal period. A further 24.1% of households are flats or apartments. Household type in Galway City is notably different from the state average where a larger majority of households are accommodated in houses (87.6%) and flats or apartments (12%) make up half as much of total households as they do in Galway City.

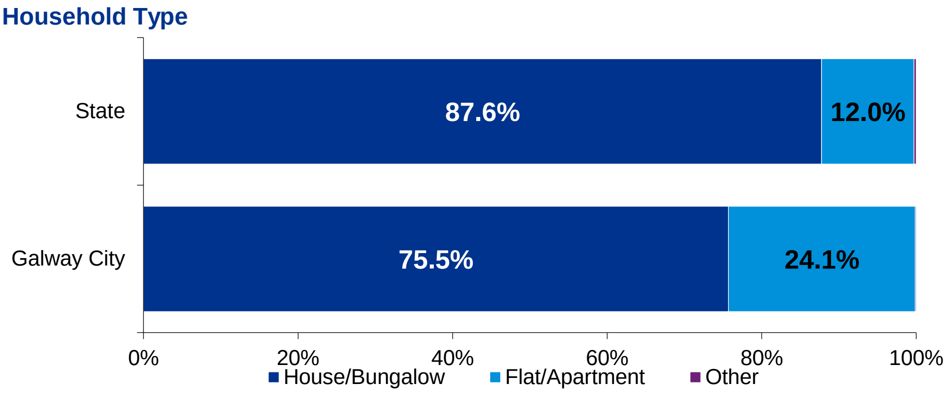


Figure 3-10 House Types in Galway City and the state, 2011-2016

Owner-occupied households are the dominant tenure type in Galway City with 47% of households being owner-occupied with or without a mortgage or loan. This contrasts significantly with the national average of 70% owner-occupancy. Social housing has seen a significant increase of 11.8% over the intercensal period with 3,350 households in social housing whether renting from the local authority or voluntary bodies. The private rental market has declined by 1.4% over the same period.

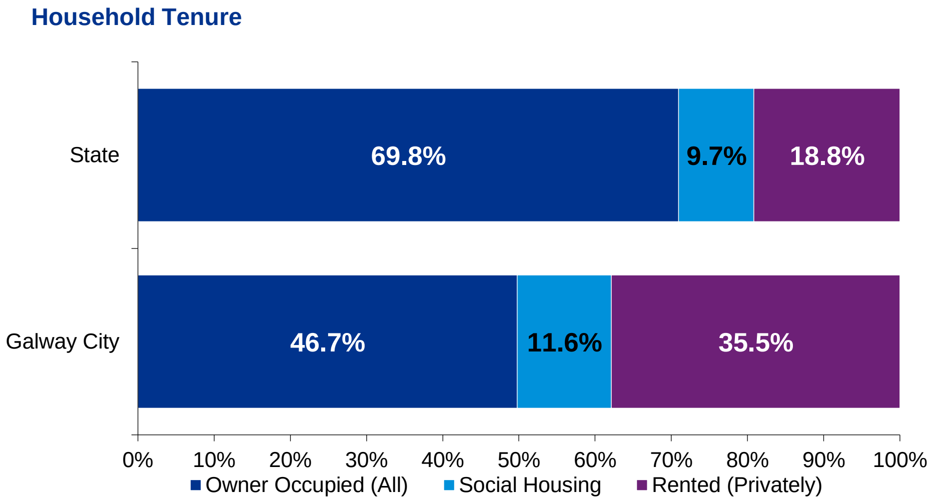


Figure 3-11 Household Tenure, 2016

Households in GCC are smaller by comparison to the national average as is to be expected in a city environment. The contrast by number of persons per household is evident in **Figure 3-12** where 75% of households have 3 persons or less, whereas 70% of households are of the same size nationally.

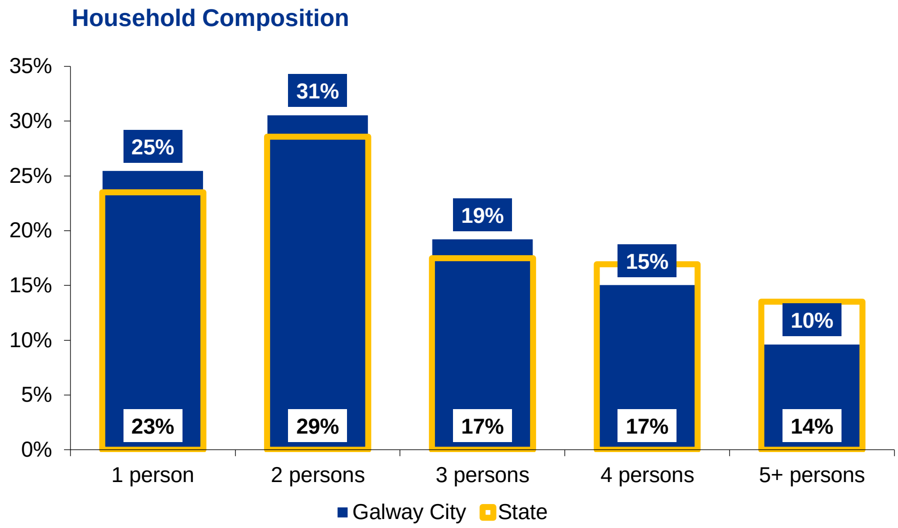


Figure 3-12 Household composition, 2016

Census data on residential vacancy (including those classed as holiday homes, and temporarily vacant) in Galway City is notably low at just 8.4% compared to 9.1% for the State overall. The proportion of vacant households has sharply declined over the intercensal period by roughly half. The 2011 Census does not provide a breakdown for the various forms of vacancy including temporarily absent, unoccupied holiday homes and vacant dwellings. Comparatively, 16.1% of dwellings were identified as vacant in 2011, where the sum of all vacancy types in 2016 is 13.4% marking a decline in vacancy in any case.

Table 3.2 Vacancy in Galway City, 2011-2016

Status	2011 #	2011 %	2016 #	2016 %
Occupied dwellings	**28,248**	**83.9%**	**29,313**	**86.6%**
Temporarily absent	**-**		**1,368**	**4.0%**
Unoccupied holiday homes	**-**		**325**	**1.0%**
Vacant dwellings	**5,407**	**16.1%**	**2,841**	**8.4%**
2016 Sum of Vacancy			***4,534***	***13.4%***
Total	**33,655**	**100%**	**33,847**	**100%**

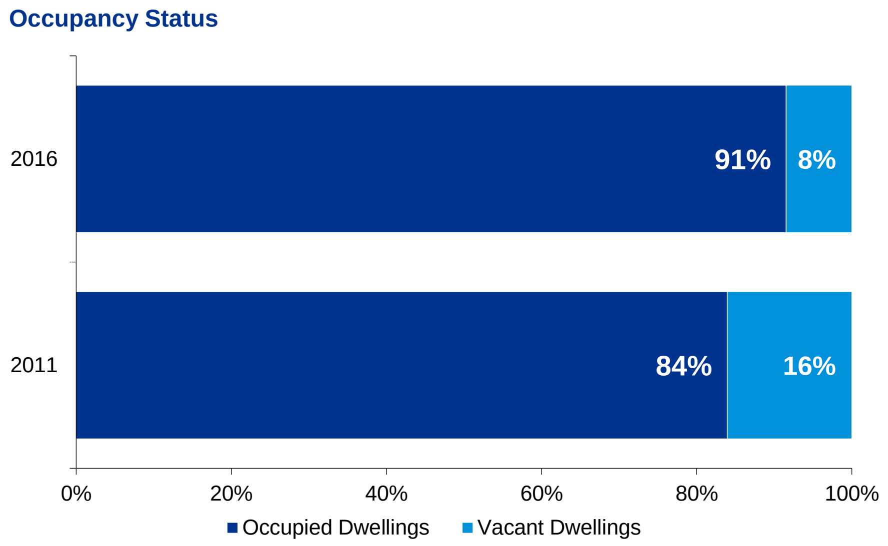


Figure 3-13 Residential Occupancy, 2016

3.3 Property Market Overview

3.3.1 Property Sales Market

Analysis of the residential Property Price Register (PPR) was conducted to identify trends and spatial variation of the property sales market in Galway City including volumes and transaction prices. The following data has been prepared and configured[6] to identify representative prices to support analysis of the housing market. Furthermore, prices and volumes enable trend analysis through time-series to inform likely future forecasts.

The PPR (hosted and published by CSO) does not provide discrete data for Galway City Council, only Galway City and County in total. Therefore KPMG-FA has undertaken an automated geocoding exercise[7] to enable spatial reduction. Recent PPR transactions from 2017-2021 Q1 have been mapped by average price per electoral division in **Figure 3-14**. This indicates a general trend of high to low average prices in a west-east axis in the city centre, Ballybaan and Barna.

[6] Outliers removed (values for property below €50,000 and above €2m. Spatially erroneous results removed.

[7] This process automates the process of converting address listings to coordinates to enable spatial analysis. Results vary in quality and are manually reduced thereafter. The resulting data points do not equate to the total listings in the CSO PPR tables.

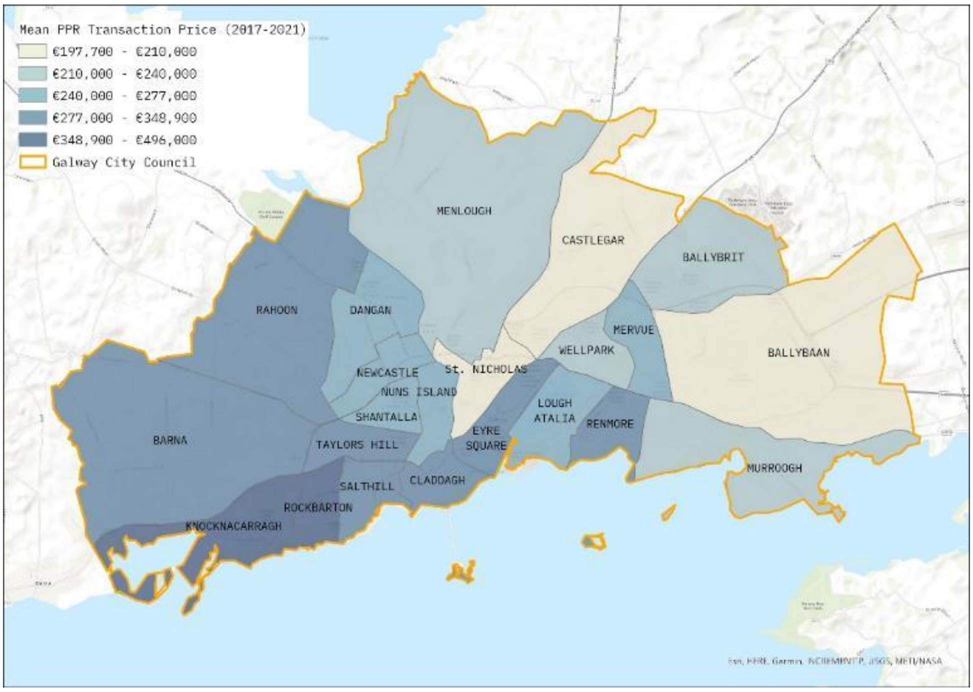


Figure 3-14 Average Price by Electoral Division (Based on PPR 2017-2021 Q1)

3.3.1.1 Transaction Volume

The quantum of residential property transactions in Galway City are identified in **Table 3.3** with approximately 7,500 transactions over the 8 year period with 94.2% of transactions being second-hand units. The distribution of new-builds has changed significantly over time with notable growth from 2017 onward. Over the same period the total volume has declined by roughly 20% per annum. As of 2021, 144 properties have been transacted in the City. Given the variability of new-builds it is likely that these are scheme units and highly dependent on individual scheme delivery.

Table 3.3 PPR Transaction Volume in Galway City

Year	New Build	Second Hand	Total	New Build	Second Hand
2012	18	399	**417**	4.3%	95.7%
2013	11	533	**544**	2.0%	98.0%
2014	41	885	**926**	4.4%	95.6%
2015	21	998	**1,019**	2.1%	97.9%
2016	46	787	**833**	5.5%	94.5%
2017	105	1,036	**1,141**	9.2%	90.8%
2018	62	842	**904**	6.9%	93.1%
2019	31	846	**877**	3.5%	96.5%
2020	88	602	**690**	12.8%	87.2%
2021	10	134	**144**	6.9%	93.1%
Total	**433**	**7,062**	**7,495**	5.8%	94.2%

3.3.1.2 Property Prices

The average price in Galway City as of Q1 2021 is €313,565 (average of all unit types and sizes). The average price for the same period is €431,689 for new-builds and €304,750 for second-hand units. Given the low volume of new-build transactions in 2021 (Q1) the higher average price observed in 2020 (€376,043) should be noted. Noting this low volume of new-builds, prices are on average over the last three years 24.4% higher than second hand (2019-2021) which is evident in **Figure 3-15**.

Contextually, the average asking price according to Daft.ie as of Q1 2021 is €325,534. Furthermore, the latest HNDA Toolkit release identifies that as of 2019 the mean price in Galway City was €293,923 with a lower quartile price of €200,000 and median price of €270,000. The lower quartile price marks the point at which a household’s ability to afford is assessed in the HNDA toolkit.

Table 3.4 Average Price by Property Description in Galway City 2012-2021 Q1

Year	New Build	Second Hand	Total
2012	€313,163	€181,885	€187,552
2013	€157,978	€189,505	€188,867
2014	€192,882	€190,692	€190,789
2015	€277,441	€183,725	€185,657
2016	€268,061	€233,312	€235,231
2017	€223,032	€239,848	€238,301
2018	€282,055	€280,847	€280,930
2019	€353,282	€277,333	€280,018
2020	€376,043	€292,124	€302,827
2021	€431,689	€304,750	€313,565

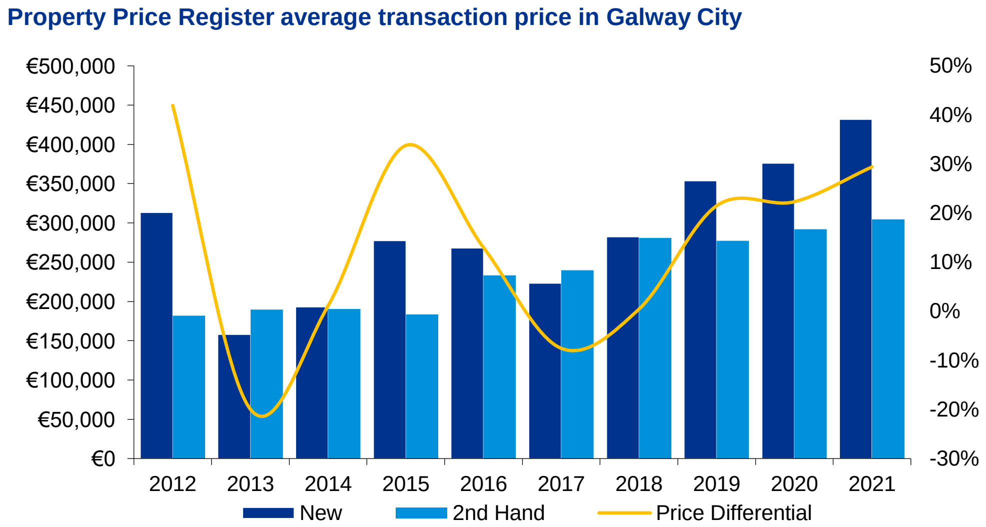


Figure 3-15 Property Price Register average transaction price in Galway City

3.4 Rental Market Overview

3.4.1 Price Variability

The rental market assessment has considered data from the Residential Tenancies Board (RTB) as published by the CSO for the period 2010-2020. The data available on rental prices is less granular and published to be representative of approximate addresses grouped together. The average monthly rent in Galway City per annum over the last 12 years is set out in **Table 3.5** indicating that the average rent as of 2020 is €1,219 per month following consistent growth above 4% over the least 6 years despite being a designated rent pressure zone. Rents are generally correlated with notable volatility in single bed units in contrast to the relatively stable average 4+ bed unit rents as illustrated in **Figure 3-16**.

Table 3.5 Average Monthly Rent (All Bedrooms, All Sizes), 2010-2020

Year	Price (€)	Annual Change
2010	801	-4.9%
2011	790	-1.3%
2012	797	0.8%
2013	806	1.1%
2014	838	4.0%
2015	890	6.2%
2016	964	8.4%
2017	1,027	6.6%
2018	1,099	7.0%
2019	1,167	6.2%
2020	1,219	4.5%

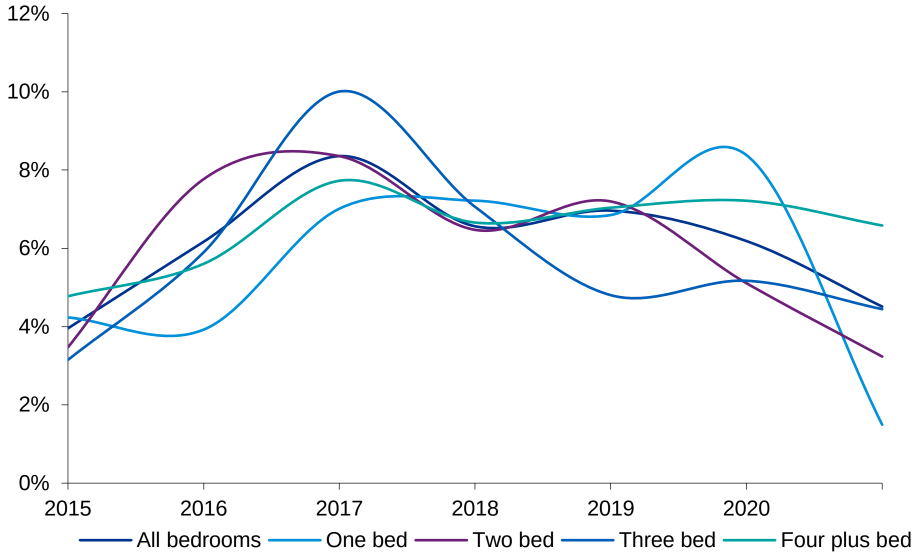


Figure 3-16 Average monthly rent change over time in Galway City

The average one-bed as of 2020 has a monthly rent of €846 and marks the lowest price point in the City. There is a significant jump from a single bed to a two-bed of 32% (+€273). Increments in rent by size lessen thereafter with the average monthly rent for a three-bed and four plus bed increasing by 8% (+€85) and a further 23% (+€275) respectively.

Table 3.6 Average Monthly Rent by Unit Size in Galway City 2010-2020

Unit Size	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
All bedrooms	801	790	797	806	838	890	964	1,027	1,099	1,167	1,219
One bed	589	583	566	579	604	628	672	720	769	834	846
Two bed	747	735	737	748	774	834	904	962	1,032	1,084	1,119
Three bed	813	797	806	813	839	889	978	1,047	1,097	1,154	1,205
Four plus bed	928	921	935	951	997	1,053	1,134	1,210	1,295	1,388	1,480

The average monthly rent for all unit types is set out by aggregated area within Galway City in **Table 3.7**. Prices vary by €254 euro across the city with the highest average rent in Barna (€1,326) Newcastle (€1,299) and Bohermore (€1,257). The lowest average rents have been identified in Ballybane (€1,073), Ballybrit (€1,076), Doughiska (€1,081) and Oranmore (€1,081).

Table 3.7 Average Monthly Rent in Galway City, 2010-2020

All bedrooms	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Galway City	801	790	797	806	838	890	964	1,027	1,099	1,167	1,219
Ballybane	684	652	760	682	702	765	805	833	899	991	1,073
Ballybrit	650	619	614	635	662	840	955	1,049	1,165	1,174	1,076
Barna	834	817	835	848	875	922	1,014	1,108	1,198	1,294	1,326
Bohermore	857	829	844	850	912	958	1,045	1,034	1,172	1,233	1,257
Doughiska	711	708	711	713	741	786	864	947	1,016	1,067	1,081
Knocknacarra	752	744	764	780	819	860	931	1,010	1,065	1,084	1,111
Newcastle	935	886	953	991	1,055	1,053	1,138	1,126	1,219	1,229	1,299
Oranmore	721	707	702	707	731	795	848	913	986	1,040	1,081
Rahoon	809	783	793	808	825	886	939	967	1,056	1,119	1,103
Renmore	739	719	710	732	773	817	870	989	1,079	1,132	1,149
Roscam	831	816	828	826	863	910	1,011	1,087	1,154	1,208	1,249
Salthill	812	794	807	821	840	900	989	1,027	1,085	1,186	1,189
Wellpark	814	821	817	847	847	862	992	1,011	1,054	1,114	1,214
Woodquay	910	912	861	892	953	1,026	993	1,112	1,345		

3.4.2 Rental Demand

The RTB hosts a database of all current tenancies by county. This raw data has been analysed for Galway County inclusive of Galway City to evaluate rental volume and demand by unit size (number of beds) within Galway. This information is broadly representative of demand for future households. An overview of the RTB demand by unit size in County Galway is set out in **Table 3.8** and further illustrated in **Figure 3-17**.

Table 3.8 RTB Rental Demand in Galway County Incl. City

Beds	#	%
1 Bed	1,943	10.4%
2 Bed	6,191	33.0%
3 Bed	5,760	30.7%
4+ Bed	4,852	25.9%
Total	18,746	100.0%

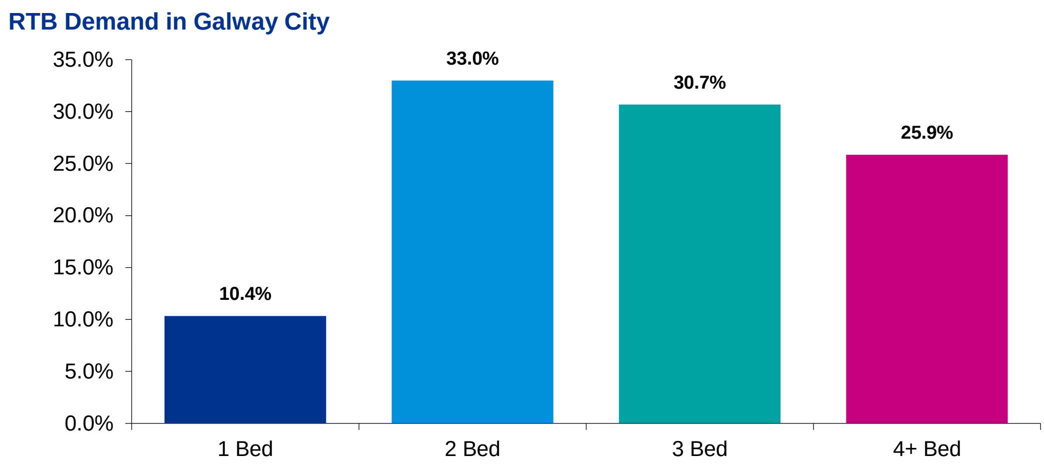


Figure 3-17 RTB Rental Demand in Galway County Incl. City

3.4.3 Short-term Lettings

The impact of short-term lettings has been mitigated by the updated Planning and Development Act (2019)[8] which secured the 90-day rule on short-term lettings requiring planning permission thereafter. Such legislation puts a considerable constraint on any large scale or commercial feasibility for operation of short-term lettings.

Regional stock for lettings in Connacht/Ulster has reached a record low as of 2021 Q1 according to the Daft.ie quarterly rental report. There are just 305 homes available to

[8] http://www.irishstatutebook.ie/eli/2019/si/235/made/en/pdf).

let following a continual decline in stock since 2015. This reflects similar trends in Munster and Leinster which have just over 450 and under 400 homes to let respectively. According to Daft.ie listings there are just 66 properties for rent in Galway City.

There are 1,030 lettings on Airbnb in Galway City as of March 28th 2021[9]. 47.2% of these are entire homes or apartments numbered at 486 units, marginally below the national average proportion of 56.6%. Comparatively Galway City has a significantly higher proportion of entire units compared to Cork City (33.1%) and slightly less than Dublin City Council (49.0%).

3.5 Housing Delivery and Completions

3.5.1 Completions in Galway City

Analysis of completions (CSO table NDQ06) enables understanding of market performance or delivery on an annual basis. These statistics, in conjunction with public sector completions, provide insight into the market drivers and where the majority of provision originates. Delivery in Galway City has been predominantly scheme units over the past 5 years since 2016, accounting for an annual average of 69% of total completions. The proportion of single houses has remained relatively constant at around 12% of completions per annum since 2016. Apartment completions hold the greatest level of variation with an approximate average of 20% per annum for the same period.

It should be noted that the primary source for completions data is the ESB Networks new domestic connections dataset[10]. This acknowledges inaccuracies which have been adjusted by the CSO to improve accuracy. Furthermore, this dataset does not include student accommodation schemes as these connect to the ESB network as commercial connections.

Total completions peaked in 2019 at 254 units and saw a minor decline to 206 units in 2020 despite COVID-19 restrictions. Despite continued restrictions throughout the majority of 2021 Q1 134 units were completed, greater than half of completions through 2020. Completions by type (single, scheme house or apartment) are set out below in **Table 3.9** and the proportion of each per annum is illustrated in **Figure 3-18**.

Table 3.9 CSO Completions in Galway City 2011-2021Q1 (NDQ06)

Completions	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
Single house	21	11	16	8	16	12	20	21	29	18	6
Scheme house	18	1	4	12	13	69	99	106	158	156	98
Apartment	13	10	30	27	22	32	30	12	67	32	30
Total	52	22	50	47	51	113	149	139	254	206	134

[9] Source: InsideAirbnb.com
[10] https://www.cso.ie/en/releasesandpublications/er/ndc/newdwellingcompletionsq12021/

Completions	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*
% Change	-	-58%	127%	-6%	9%	122%	32%	-7%	83%	-19%	-

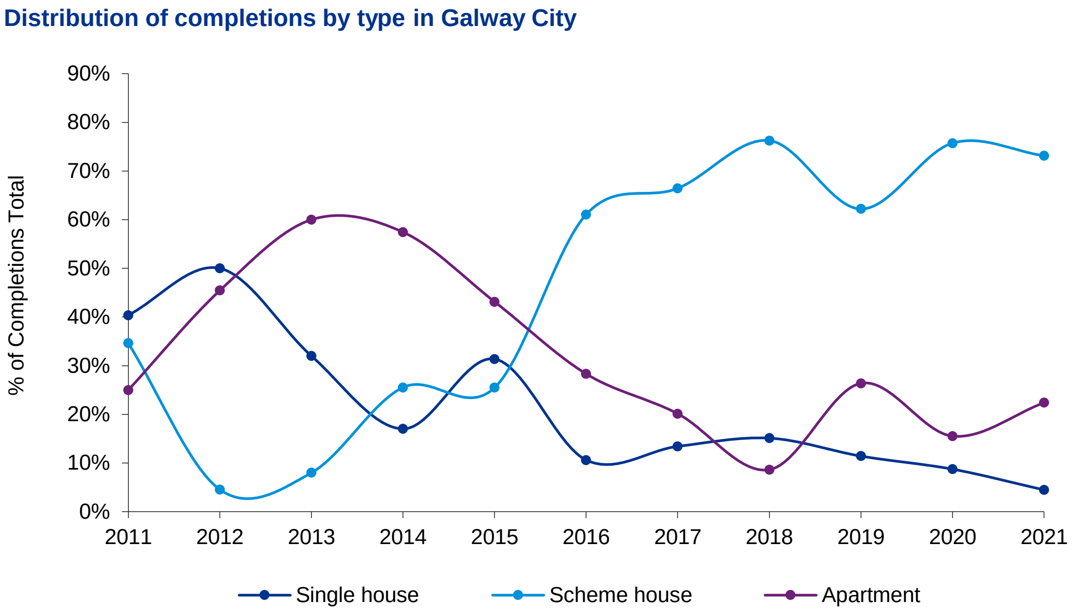


Figure 3-18 Distribution of completions by type in Galway City

3.5.2 Residential Planning Delivery

As of May 2021, there are approximately 1,616 units that have the benefit of planning consent Galway City with a significant number at application stage (schemes greater than 10 units). Of the granted permissions 33% have commenced and/or are near completion, comprising 28% of units (454) and the balance of 1,162 units remain not commenced. A summary breakdown of granted applications is set out in **Table 3.10**. Furthermore, the distribution of granted applications by number of units and commencement status are mapped in **Figure 3-19**.

Table 3.10 Granted Planning Applications by commencement status, 2016-2021

Current Status	No. Applications	% Applications	No. Units	% Units
[Partly] Commenced	6	18%	293	18%
Fully Commenced [near completion]	5	15%	161	10%
Not Commenced	22	67%	1162	72%
Total	33	100%	1616	100%

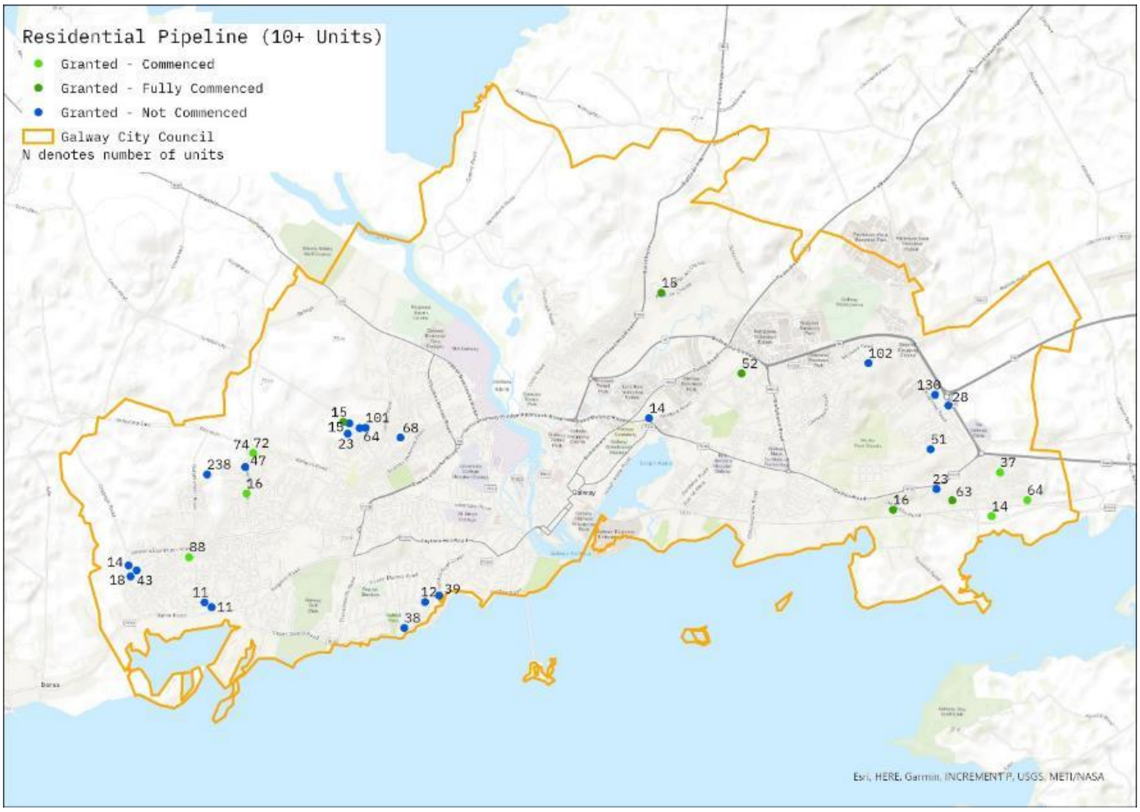


Figure 3-19 Granted planning applications by commencement status and number of units

3.5.3 Social Housing Delivery

The waiting list for Social Housing[11] can be analysed within the context of 'Number of Households Qualified for Social Housing Support by Local Authority (2013 - 2020)' data. This data (collated nationally by the Housing Agency on an annual basis)

[11] http://www.housingagency.ie/data-hub/households-qualified-social-housing-support

measures 'net need' for social housing and does not include those households who are already in receipt of social housing support (including those in Housing Assistance Payment (HAP) and Rental Accommodation Scheme (RAS) tenancies) and any household that has applied for a transfer from an existing form of social housing support. The analysis indicates that the social housing net need peaked in 2016 and has been declining over the past 4 years, in particular because of the increased number of households in HAP tenancies and the corresponding decline of those in receipt of Rent Supplement. This decrease is evident in GCC from 2017 onward averaging more than 20% in decline annually, with the exception of 2019.

Table 3.11 Social Housing Waiting List in Galway City (net need)*

Local Authority	2013	2016	2017	2018	2019	2020
Galway City Council	2,471	3,322	2,219	1,728	1,551	1,233
Galway City (Change %)		34.4%	-33.2%	-22.1%	-10.2%	-20.5%

* 'Net Need' figures do not include households in receipt of social housing support including HAP or RAS or households that have applied for a transfer from an existing form of social housing support.

Since 2016 the number of persons on the social housing waiting list has declined by 62.9% or 2,089 by 2020. In terms of social housing delivery, the vast majority of new social housing tenancies based on the 2016-2020 average have been delivered through Housing Assistance Payment (HAP) (74.2%) followed by Build-construction (13.4%), acquisition (6.3%), Rental Accommodation Scheme (RAS) (4.3%) and leasing (1.8%). As of 2020 the proportion of build-construction has increased to 25.6% with minor decline in HAP to 62.9%. As of 2020, over 2,500 social tenancies have been delivered through HAP since 2016. The breakdown of delivery by type is set out in **Table 3.11**.

Table 3.11 Social Housing Delivery in Galway City 2016-2020

Social Housing Delivery	2016	2017	2018	2019	2020	Cumulative Total	2020 %	Cum. Total %
Build-Construction	45	68	24	126	198	461	25.6 %	13.4 %
Build-Construction (LA)	0	0	14	29	99	142	12.8 %	4.1%
Build-Construction (AHB)	16	23	4	79	98	220	12.7 %	6.4%
Build-Part V		34	3	15	1	53	0.1%	1.5%
*Build-Voids***	29	11	3	3		46	0.0%	1.3%
Acquisition	31	50	28	57	49	215	6.3%	6.3%
Acquisition (LA)	2	7	17	45	38	109	4.9%	3.2%
Acquisition (AHB)	29	43	11	12	11	106	1.4%	3.1%
Leasing	52	4	2	2	2	62	0.3%	1.8%
Build/Acquisition/Leasing	128	122	54	185	249	738	32.2 %	21.5 %
HAP*	336	642	537	546	486	2,547	62.9 %	74.2 %
RAS	48	0	30	30	38	146	4.9%	4.3%
Total Delivery	512	764	621	761	773	3,431	100.0 %	100.0 %

*This is a cumulative figure and does not represent the number of actual live HAP tenancies at present. HAP tenancies can be terminated for a number of reasons on an ongoing basis; the current number of active HAP tenancies in Galway City is c.2,000.

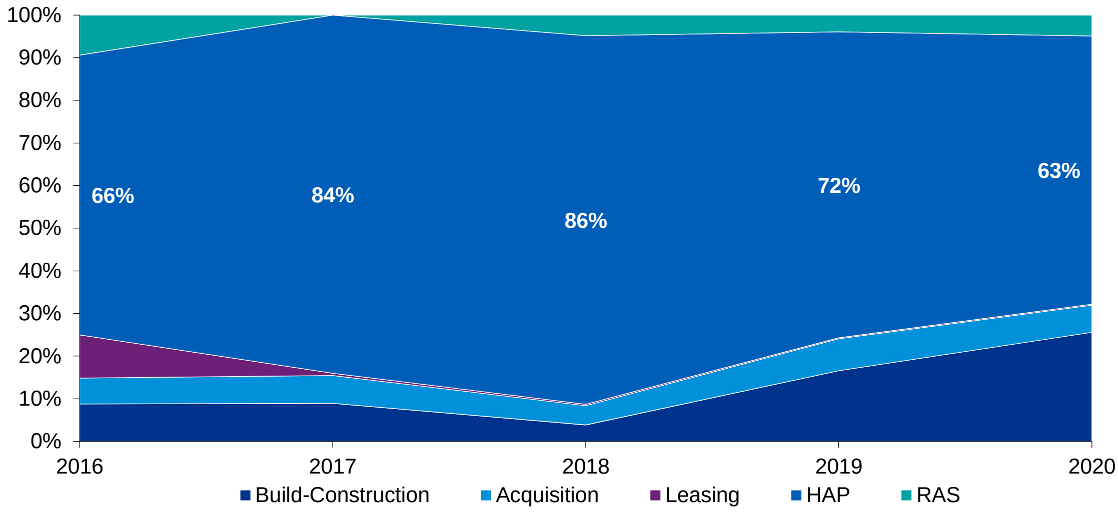


Figure 3-20 Galway City Social Housing Delivery Proportion by type

3.5.4 Social Housing Delivery

An assessment of social housing unit provision in the pipeline indicates 26 separate schemes have been granted since 2017 accounting for 886 total units. These 26 schemes are broken down into a series of phases. At present 54% (479) of units have not been completed. The majority (77%) of existing completed units were delivered in 2019 and 2020. An overview of the total count of phases within the schemes and their respective units by completion year has been set out in **Table 3.12**. The spatial distribution of the planning pipeline has been mapped by number of units in **Figure 3-21**.

Table 3.12 Social Housing Delivery in Galway City

Completions	Count	Units	% Units
Completed	**28**	**407**	**46%**
2016	1	16	*4%*
2017	6	55	*14%*
2018	3	21	*5%*
2019	11	117	*29%*
2020	7	198	*49%*
Not Completed	**18**	**479**	**54%**
Total	**46**	**886**	

Nearly half of all units (435) in the pipeline have been progressed by Approved Housing Bodies (AHBs) through the Capital Advance Leasing Facility (CALF) scheme, via purchase of newly-built ‘turnkey’ homes. A significant number of new homes have also been progressed by Galway City Council through the Social Housing Investment Programme (SHIP), with 248 and direct-build 103 'turnkey' homes constructed or underway through SHIP funding. A further 26 specialist homes have been progressed by AHBs for older people, homeless people, people with a disability, or victims of domestic violence through the Capital Assistance Scheme (CAS), while 74 homes have been completed through a public-private partnership at Knocknacarra.

Table 3.13 Social Housing Delivery by Funding Programme

Funding Programme	Count	Units	% Units
CALF Turnkey	27	435	49%
CAS Construction	4	26	3%
SHIP Construction	7	248	28%
SHIP Construction Turnkey	7	103	12%
Public Private Partnership	1	74	8%
Total	**46**	**886**	100%

Table 3.14 Social Housing Delivery by Unit Size

Size	Count	Units	% Units
Under 10 units	17	98	11%
10 units to 24 units	19	286	32%
25 units to 49 units	5	161	18%
50 units to 99 units	5	341	38%
Total	46	886	100%

Table 3.15 Social Housing Delivery by Social Housing Provider

Social Housing Provider	Count	Units	% Units*
Galway City Council	15	425	-
Cluid Housing	9	138	30%
Respond	7	186	40%
Cope Galway	1	9	2%
Carraig Dubh Housing Association	1	4	1%
Co - Operative Housing Ireland Society Limited	3	49	11%
Túath Housing Association	9	69	15%
Peter Triest Housing Association Ltd	1	6	1%
Total	46	886	-

**sum excluding unknown AHB*

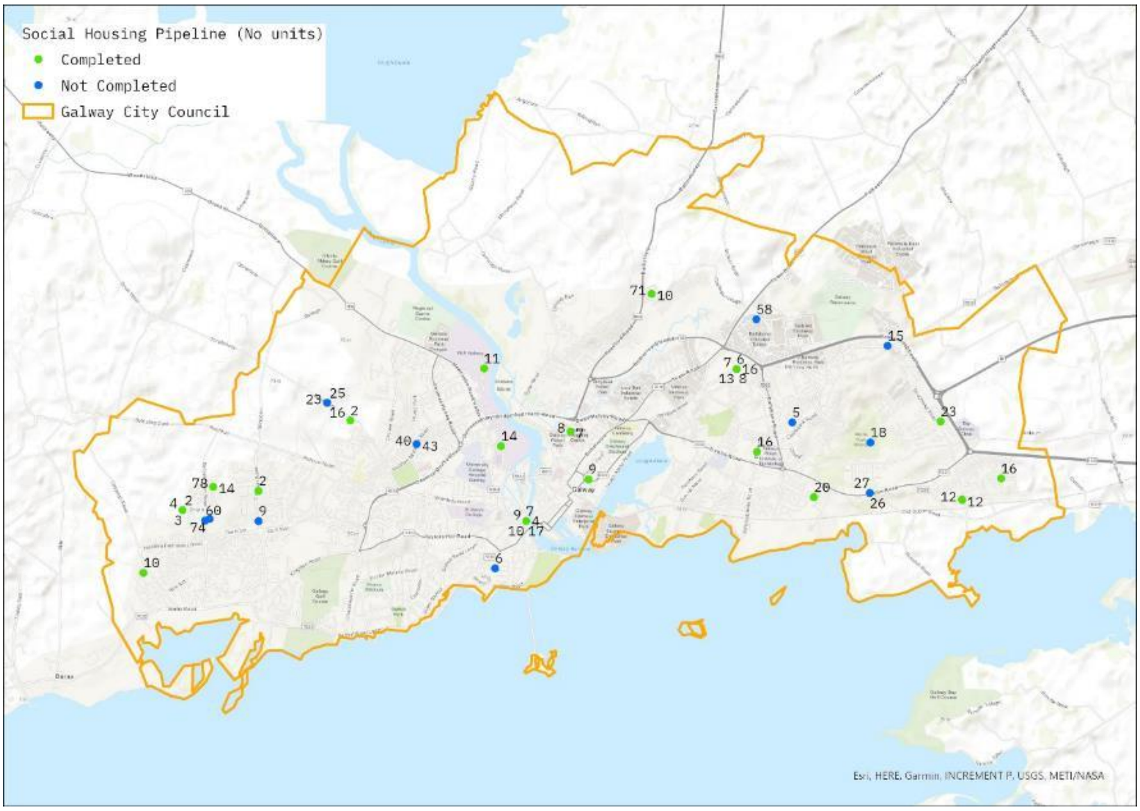


Figure 3-21 Social Housing Developments in Galway City Council (no. units)

3.6 Student Accommodation – Purpose built

NUIG and GMIT have a combined enrolment for the academic year 2018/19 of 25,231. As of the 2016 Census (noting the 2-3 year difference in data period) there are 11,087 students resident in Galway City. Therefore, Galway City itself accommodates approximately 44% of all enrolled students.

NUIG has 18,670 enrolments according to the Higher Education Authority enrolments dataset for 2018/2019. GMIT has 6,651 enrolments according to the Higher Education Authority enrolments dataset for 2018/2019.

The following NUIG student campus accommodation developments have been identified:

- Student residence village at Corrib Village and Goldcrest Village[12] accommodating 1,193 students. Both are co-located at NUIG.
- Corrib Village has 764 bed spaces accommodated in 3 and 4 bedroom apartments

[12] https://www.campusaccommodation.ie/students/

- Goldcrest Village has 429 bed spaces accommodated in 4, 5 and 6 bedroom apartments

- NUIG Strategy 2020-2025[13] identified new student accommodation for 429 students with additional 674 planned by 2022. This is to be achieved through the delivery of 125 apartments with 674 bed spaces at NUIG Northern Campus, Dangan, Upper Newcastle Road, Galway.

In totality, there are currently 5019 purpose built student bedspaces identified in the city.

There are also a number of extant consents of permission identified totalling 2036 student bed spaces associated with the following schemes:

- Planning permission granted in 2021 for 254 bedspaces on the Headford Road (Townparks), Galway.

- Strategic Housing Development granted in 2020 for 248 bedspaces at Coolagh Road, Terryland.

- Strategic Housing Development granted in 2020 at Cuirt na Coirbe, Dun na Coirbe Road/Headford Road, Terryland, consisting of 515 student bedspaces.

- Strategic Housing Development granted in 2019 for 674 bed spaces at NUIG campus.

- Permission granted in 2018 for 345 bedspaces at Queen Street, Galway City.

It should also be noted that while the purpose-built student accommodation sector is growing, many students still take up more traditional accommodation in the private rented sector. Given future growth in student numbers in Galway City, this cohort will continue to constitute a significant part of the demand for private rented accommodation in the city.

[13] http://www.nuigalway.ie/media/strategicplanning/NUI-Galway-Strategy-2020-2025---Shared-Vision,-Shaped-by-Values.pdf

4 Future housing: HNDA process and outputs

This section outlines how KPMG Future Analytics have applied the Department of Housing, Local Government and Heritage's (DHLGH's) HNDA Toolkit for Galway City to assess housing need over the plan period.

The Department of Housing, Local Government and Heritage (DHLGH) published 'Guidance on the Preparation of a Housing Need and Demand Assessment' and a HNDA Tool in April 2021. This is intended to be the first iteration of the DHLGH's HNDA Tool for use by local authorities in the preparation of housing strategies and development plans.

The HNDA Tool produces an estimate of total future housing need in a local authority over the period 2020-2040 and an estimate of this need broken down into four tenure types:

- **Owner-occupation**
- **Private rented**
- **Social rented**
- **Affordability constraint** (i.e. households that are above the eligibility threshold for social housing but cannot afford to buy or rent privately and may require a form of affordable housing such as affordable purchase or cost rental).

The HNDA Toolkit may be amended in several ways to reflect custom scenarios and updated assumptions. Section 4.1 sets out an overview of how the Toolkit models housing need and sets out all the custom changes that have been made to the model to represent Galway City more accurately. Section 4.2 presents the outputs of the HNDA model including the housing need by tenure for the period of the Galway City Development Plan 2023-2029. Section 5 then follows by providing a concise conclusion of the issues raised by the HNDA.

4.1 Methodology – HNDA Toolkit Structure

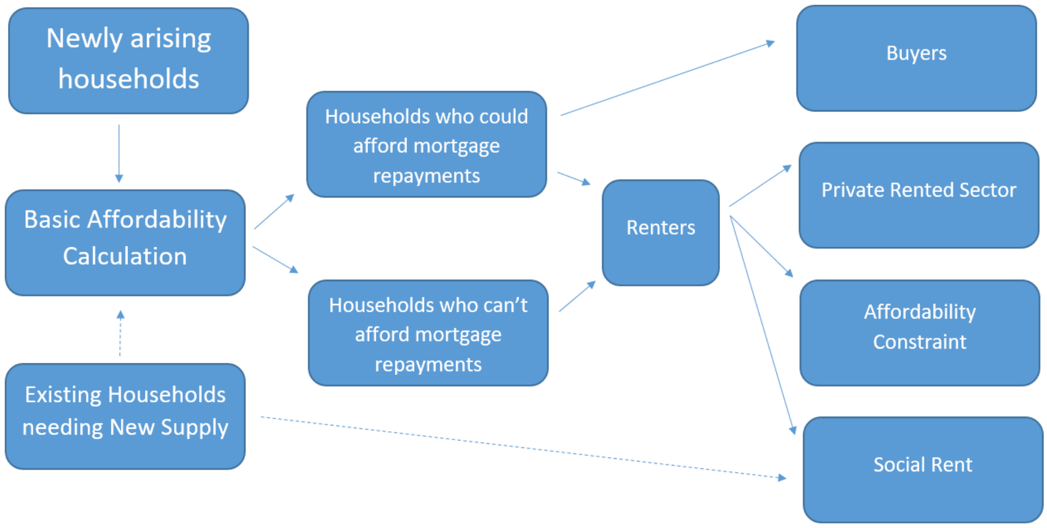
This section sets out the sequential steps involved in the development and application of the HNDA model undertaken for Galway City. This modelling has made use of the latest version available of the HNDA Toolkit and Guidance issued by the DHLGH.

4.1.1 Modelling overview

The HNDA Toolkit has been developed by the DHLGH for Local Authorities in collaboration with the Scottish Centre for Housing Market Analysis and is very closely based on the HNDA model used by Scottish local authorities. This Toolkit is an Excel-based system using macros to assess a range of datasets (some of which may be customised or varied) to produce the demographic housing demand by tenure type.

It combines a range of data from public datasets across key housing market drivers, including data specially tabulated for the Toolkit The most important of these drivers are demographic projections (published by the Economic and Social Research Institute (ESRI) in December 2020[14]), household incomes, property sales prices, rental prices, and estimates of existing unmet housing need (through data on overcrowding and homelessness), as well as a number of assumptions and forecasts about the Irish housing market.

Figure 4.1: Basic form of HNDA Toolkit



The HNDA Toolkit operates firstly by forecasting the number of newly formed households in a local authority area in each year of the projection period (2020-2040), based on the selected projection scenario It also forecasts future household incomes and distributions, house prices, and rental prices in the local authority area. Based on the combination of forecast incomes, prices, and key assumptions about the market, the Toolkit assesses whether forecasted new households can sustainably afford housing in the private market sector (owner-occupation or private rental) or require either social or affordable housing.

Affordability is defined by default as a household being required to pay either no more than 3.9 times the household income for owner-occupation (equivalent to the household taking out a mortgage which has a loan to value of 90% and a mortgage to income ratio of 3.5,) or no more than 35% of the household net income for private rental.

The Toolkit carries out an assessment for owner-occupation first (assessed against the 25th percentile property price identified for the local authority area) followed by an assessment for private rental (against median rental cost for a 2 bed unit) for those

[14] Bergin and García-Rodríguez, 'Regional demographics and structural housing demand at a county level ' (ESRI, December 2020). [Online: https://www.esri.ie/publications/regional-demographics-and-structural-housing-demand-at-a-county-level]. The HNDA Toolkit makes use of the full projection dataset at local authority level.

households who cannot afford to buy plus an assumed proportion of those who could afford to purchase but do not do so (see Section 2.1.5; this in part reflects those who do not have a deposit).

Households with less than the maximum household income eligibility for social housing (€35,000 a year in Galway City) are assigned to social housing. Households above this threshold who cannot afford to purchase or rent privately are assigned to the 'affordability constraint' category.

The HNDA Toolkit may be customised and used to assess scenarios in several areas, through setting data inputs and scenarios. The DHLGH instructions on using the HNDA Toolkit[15] sets out five broad stages in setting up the HNDA model and setting these key inputs, as shown in Figure 4.2 below:

Figure 4.2: HNDA Toolkit preparation stages

Stage 1: Future Need for Additional Housing Units - Demography Choices

Stage 2: Existing Need for Additional Housing Units

Stage 3: Affordability: Income Growth and Distribution

Stage 4: Affordability: House Prices

Stage 5: Affordability: Rental Prices

The following sections set out each of these stages in detail, and what assumptions and inputs KPMG Future Analytics have applied in the Galway City HNDA.

[15] DHLGH, 'Housing Need and Demand Assessment – HNDA Tool Instructions' (April 2021).

4.1.2 Stage 1: Future Need for Additional Housing Units – Demography

Data on forecast demography and forecast population and household growth to 2040 at Local Authority level has been provided by the ESRI and is built into the Toolkit. The model includes five different scenarios (based on different international migration scenarios and other assumptions):

1 **Convergence** scenario (default scenario): 50:50 city scenario adjusted for new housing supply since 2017, and to facilitate convergence to NPF strategy per the Section 28 Planning Guidelines 'Housing Supply Target Methodology for Development Planning' (although this scenario is not calculated in precisely the same way as set out in the Guidelines).

2 **50:50 city** scenario population increase roughly equally split between the East and Midlands regions and urban areas/cities in the rest of the country and allows for amore even spread across the country.

3 **Baseline** based on net international migration declining linearly from +33,700 in 2019 to +15,000 by 2024 and remaining constant thereafter.

4 **High migration**, based on net international migration of +30,000 in 2020 and remaining constant thereafter; and

5 **Low migration** based on net international migration dropping to +5,000 by 2022 and adjusting towards the baseline scenario over the following years.

In all situations, the default scenario (convergence with ESRI forecasts and standard rate of inflation) must be run. Local Authorities are required to comply with the Section 28 Guidelines 'Housing Supply Target Methodology for Development Planning' from December 2020 when drafting their statutory development plans; the DHLGH's HNDA Guidance states that the 'Convergence' is intended to be consistent with the methodology from the Section 28 Guidelines. **Accordingly, KPMG Future Analytics have applied the Convergence Scenario for undertaking the Galway City HNDA.**

However, although both the Convergence Scenario and the Housing Supply Target methodology have been produced by the DHLGH for use by Local Authorities, they are calculated in a slightly different way and can produce significantly different results over a single plan period for the reasons explained below.

4.1.2.1 Housing Supply Target methodology and the Convergence Scenario

As part of the development plan process, local authorities must demonstrate how their development plan is consistent with the NPF and the NPF Implementation Roadmap population projections for their area. In December 2020, the DHLGH issued the 'Housing Supply Target Methodology for Development Planning' Section 28 Guidelines to translate these more consistently into development plans. These Guidelines build on research undertaken by the ESRI into regional demographics and structural housing demand at county level, taking the ESRI's 50:50 City Scenario household projections as the recommended housing demand scenario to be used by local authorities.

The Guidelines set a methodology for the application of population and housing projections into local authority plan processes. This sets a means of calculating the total housing demand and **Housing Supply Target** for the exact 6-year period of the development plan, to the nearest quarter. The Guidelines indicate this as a requirement for development plan core strategies. This methodology is as follows:

- **Total** 50:50 City projected new households from 2017 to the *end* of the plan period (in this case 2017 to Q4 2028, a total of 6,890 for Galway City),

- **Minus** actual and estimated new housing supply between 2017 and the *start* of the plan period (2017 to Q4 2022, a total of 1,325 for Galway City),

- **Plus** existing 'unmet demand' (latest homeless households and an estimate of overcrowded households from the 2016 Census) (314 for Galway City).[16]

Using this method, KPMG Future Analytics have calculated a **total Housing Supply Target of 5,879 households for the Galway City Development Plan 2023-2029.**

However, the HNDA Toolkit's Convergence Scenario produces a significantly different estimate of housing demand for this period, as it is based on a longer-term approach to calculating housing demand rather than a strict 6-year period. The **Convergence Scenario** for each local authority is based on:

- **Total** ESRI 50:50 City scenario projected new household demand **2017 to 2031** (9,289 for Galway City),

- **Minus** actual new housing supply for **2017-19 only** (540 for Galway City).

This gives a total housing demand for Galway City of 8,749 between 2020 and 2031. The resulting proportional uplift to the 50:50 City Scenario is applied for the 50:50 City forecasts each year, resulting in 4,245 households for Galway City for the plan period. It does not include unmet demand (this is included separately in the Toolkit, spread by default over 10 years instead of 6), and it does not carry forward some of the shortfall between forecast demand and actual supply for 2020 onwards as with the Housing Supply Target.

As a result, the Convergence Scenario as used in the HNDA Toolkit gives a total new household demand (not including existing unmet need) of 4,245 households for the plan period – lower than the Housing Supply Target of 5,879. This is because DHLGH's HNDA Toolkit is intended to give **broad, long-run estimates of housing need from 2020 to 2040**, rather than condensing housing need, housing shortfalls and

[16] Two further adjustments may be made where justified for some local authorities to converge with the NPF projections to 2026; these were not applied for Galway City.

unmet demand into a tight six-year period as required by DHLGH's Housing Supply Target methodology.

Finally, it should be noted that this step defines the total number of new households that subsequently go through the affordability assessment and does not affect the metrics used in that assessment. As a result, **the tenure percentage breakdown of need would remain the same whatever total new household scenario or figure is used.**

4.1.3 Stage 2: Existing Need for Additional Housing Units

The Toolkit includes built-in data on existing unmet housing need. This is a combination of two datasets: an estimate of overcrowded households by Local Authority (based on a special tabulation of Census 2016 data) and data on homeless households (based on maximum numbers of households interacting with homeless services in the last week December 2019, comprising 314 households for Galway City).

Local Authorities may substitute their own estimate of unmet need with sufficient justification. The model can be modified to apportion existing need across all tenures or to assign all existing need to social rent. It can also be modified to set an assumption on how many years it will take to clear existing need (the default setting being 10 years).

KPMG Future Analytics have utilised the built-in figures for "Total Existing Need" and applied the default assumption of 10 years to clear existing need for this HNDA.

4.1.4 Stage 3: Affordability – Income Growth and Distribution

The HNDA Toolkit is prepopulated with CSO data on household incomes sourced from Census 2016, the Revenue Commissioners and Department of Social Protection data and forecasted to 2019 using county incomes from national accounts and the CSO Earnings and Labour Costs annual data. Several assumptions on future income growth and changes may be set at this stage in the Toolkit:

Income growth scenarios:

Three pre-set scenarios may be used to forecast how household income will grow over the projection period (to 2040). These are:

— **Modest real-terms growth** (household income growth of 3.5% per annum in nominal terms, 1.5 percentage points above the European Central Bank (ECB) inflation rate target of 2% per annum);

— **No real terms growth – Inflation target** (household income growth of 2% per annum in nominal terms to 2040, the same the ECB inflation target – this is the default setting);

- **Below real terms growth** (household income growth of 0.5% per annum in nominal terms 1.5 percentage points below the ECB inflation target and falling in real terms).

Custom income scenarios may also be developed and used, with appropriate justifications and evidence-bases.

KPMG Future Analytics have developed a custom income growth scenario for use in the Galway City HNDA, based on a review of recent available economic forecasts.

This has been developed to reflect historic trends more accurately, including the ongoing economic effects of the COVID-19 pandemic and post-pandemic recovery as well as the latest economic forecasts from a range of agencies. Additionally, the use of a custom scenario allows for variation in growth across the plan period.

This scenario has been derived from an economic review undertaken to forecast Gross Domestic Product (GDP) growth to 2025 and beyond. The sources reviewed include:

- 2021 Outlook paper published by Davy in January 2021[17];
- Q2 2021 Quarterly Bulletin published by the Central Bank of Ireland in April 2021[18];
- Q1 2021 Economic Outlook published by IBEC in Q1 of 2021[19];
- Quarterly Economic Commentary published by the ESRI in March 2021[20];
- Winter 2021 Economic Forecast published by the European Union in February 2021[21]; and
- IMF World Outlook in April 2020[22].

On the basis of this review, the following forecast income growth rates are applied in the Galway City HNDA:

- **2020:** 3.4% GDP/income growth which is consistently reflected across the following sources: Central Bank, Davy, IBEC, EU, CSO and ESRI.
- **2021:** 4.4% GDP/income growth which aligns with the latest forecasts.
- **2022:** 4.5% GDP/income growth which aligns with the latest forecasts.
- **2023:** 3.7% GDP/income growth.
- **2024:** 2.8% GDP/income growth.

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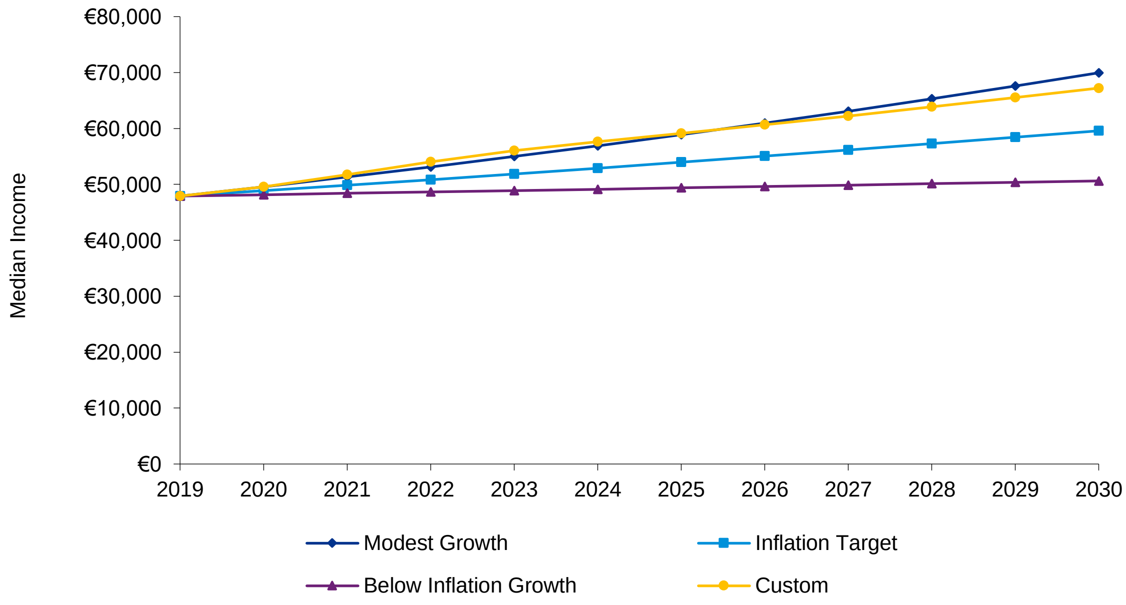
[17] https://www.davy.ie/market-and-insights/insights/marketwatch/2021/outlook-2021/looking-past-the-pandemic.html
[18] https://www.centralbank.ie/publication/quarterly-bulletins
[19] https://www.ibec.ie/influencing-for-business/economy-and-tax/quarterly-economic-outlook-q1-2021
[20] https://www.esri.ie/publications/quarterly-economic-commentary-spring-2021
[21] https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-performance-country/ireland/economic-forecast-ireland_en
[22] https://www.imf.org/en/Countries/IRL#countrydata

— **2025 onwards:** 2.6% GDP growth which aligns with the IMF outlook and represents conservative tapering for the remainder of the plan period.

This approach allows a flexible growth rate to be applied over the forecast period, to reflect an expected post-COVID recovery and a tapered return to a lower growth rate thereafter.

Figure 4.3: Median Income Forecasts in Galway City (Default and Custom Scenarios)



Changes in income distributions

Assumptions on how different household income distributions will grow for a given overall growth rate may also be set in the Toolkit. This defines how household income at the 10th and 90th percentiles grow relative to median household income (the 50th percentile). Three pre-set scenarios are built into the Toolkit:

— **Greater equality**: The income growth rate for the least affluent households (the 10th percentile of the income distribution) is one percentage point per annum above the growth rate in median household income, while the income growth rate for the most affluent households (90th percentile) is one percentage point below the median.

— **No change (core/default scenario)**: The incomes of the least affluent (10th percentile) and the most affluent (90th percentile) increase at the same rate as median household income.

— **Greater inequality**: The income growth rate for the least affluent (10th percentile) is one percentage point per annum below the median, while the income growth rate for the most affluent households (90th percentile) is one percentage point above the median.

Custom scenarios may also be developed and used, with appropriate justifications and evidence-bases.

KPMG Future Analytics have applied the default scenario with no change in income distributions for this HNDA.

Parts of the income distribution of interest

The Toolkit is set up to analyse affordability (incomes divided by house prices and rent prices) at the 25th percentile of income, house prices and rental prices; however, another point in the income distribution can be examined for a given year for illustrative purposes only. By default, this is set to the 75th percentile.

4.1.5 Stage 4: Affordability – House Prices

The Toolkit is pre-programmed with house price data sourced from the CSO's Property Price Register (PPR) index, and with five house price scenarios for how house prices are forecast to change over the projection period (2020-2040):

— **Strong growth**: Nominal house price growth is 6% per annum, every year to 2040.

— **Modest growth**: Nominal house price growth is 4% per annum, every year to 2040.

— **Weak growth (no real-terms growth)**: Nominal house price growth is 2% per annum, every year to 2040, in line with the ECB's inflation target.

— **Flat growth (real-terms decline)**: Average house prices are unchanged in nominal terms, and declining in real terms if inflation is in in line with the ECB's inflation target of 2%.

— **Economic and Social Research Institute Forecast (core/default)**: This scenario is based on the ESRI's model and assumes a 2.25% increase in prices.

Custom scenarios may also be developed and used, with appropriate justifications and evidence-bases.

KPMG Future Analytics have developed a custom house price scenario for use in the Galway City HNDA.

The custom scenario is based on an assessment of historic housing sales data from the Residential Property Price Register (RPPR) for Galway City during the period of 2012-2020, in order to identify trends and fluctuations within the Galway City housing market.

Analysis of the RPPR for the years 2012-2020 in Galway City has indicated that the average house price change over the past four years (2017-2020) has been 6.75%. This has been used as a basis for future changes in average house price from 2021 onwards (i.e. future baseline), as can be seen in **Table 4.1** and **Table 4.2** below.

Table 4.1: Historic Sales Growth - PPR

Galway City	Growth	Sales
2012	-2.07%	Actual
2013	0.70%	
2014	1.02%	
2015	-2.69%	
2016	26.70%	
2017	1.30%	
2018	17.89%	
2019	-0.32%	
2020	8.15%	

2017-2020 Average	6.75%

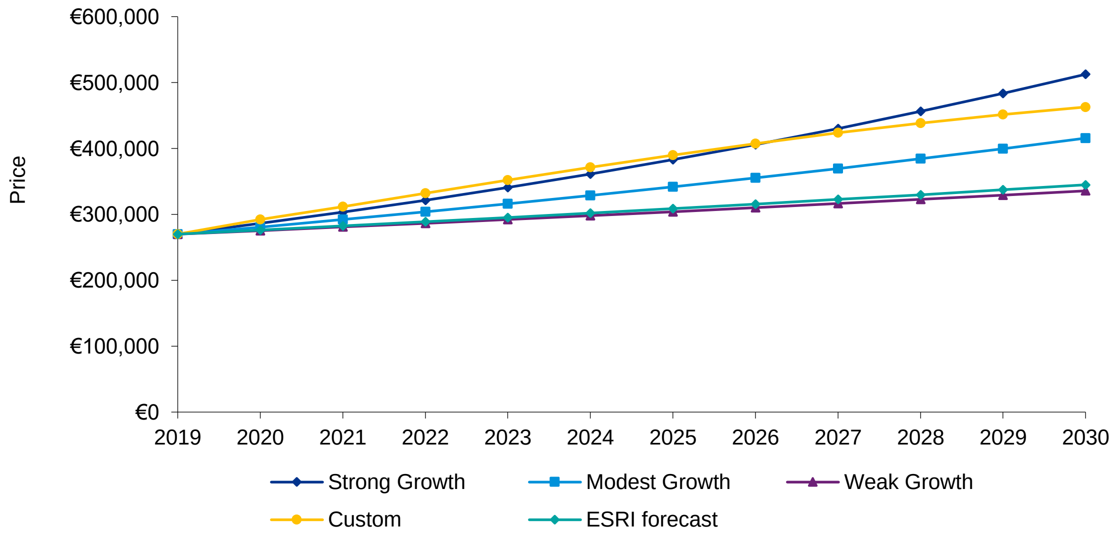
Table 4.2: Custom Sales Scenario

Galway City	Growth	Sales
2019	-0.32%	Actual
2020	8.15%	
2021	**6.75%**	Forecast
2022	6.50%	
2023	6.00%	
2024	5.50%	
2025	5.00%	
2026	4.50%	
2027	4.00%	
2028	3.50%	
2029	3.00%	
2030	2.50%	
2031	2.00%	

The custom scenario sees the growth rate reduce by 0.25% in the first year then 0.5% every subsequent year towards a sustained 2% growth by 2031. This scenario is an attempt to show variation over time, which is evident in the historic data, while also being more reflective of the Galway City market than the default scenarios. The reduction aims to align with the ESRI forecast scenario of 2.25% per year by the end of the modelling timeline.

Figure 4.4 below shows that the custom scenario sees sale prices grow at a greater rate than the ESRI and “Weak Growth” scenarios but below those of the “Modest” and “Strong” growth scenarios, which were shown to push modelled sales prices to very high levels by 2030.

Figure 4.4: Median Price Forecasts in Galway City (Default and Custom Scenarios)



Toolkit users can also set an affordability criterion to decide a cut-off point for who can afford to buy in the private market and who cannot (therefore needing to rent). The default setting in the Toolkit assumes that a household is suitable for home ownership provided that they could afford to purchase a house at the lower quartile (25th percentile) of the house price distribution.

The test for affordability is that the house price is no more than 3.9 times the household's income. This is equivalent to the household taking out a mortgage which has a loan to value of 90% and a mortgage to income ratio of 3.5, which are both based on the Central Bank's macro-prudential rules. The income ratio (3.9 by default) may be varied by users with sufficient justification and evidence base.

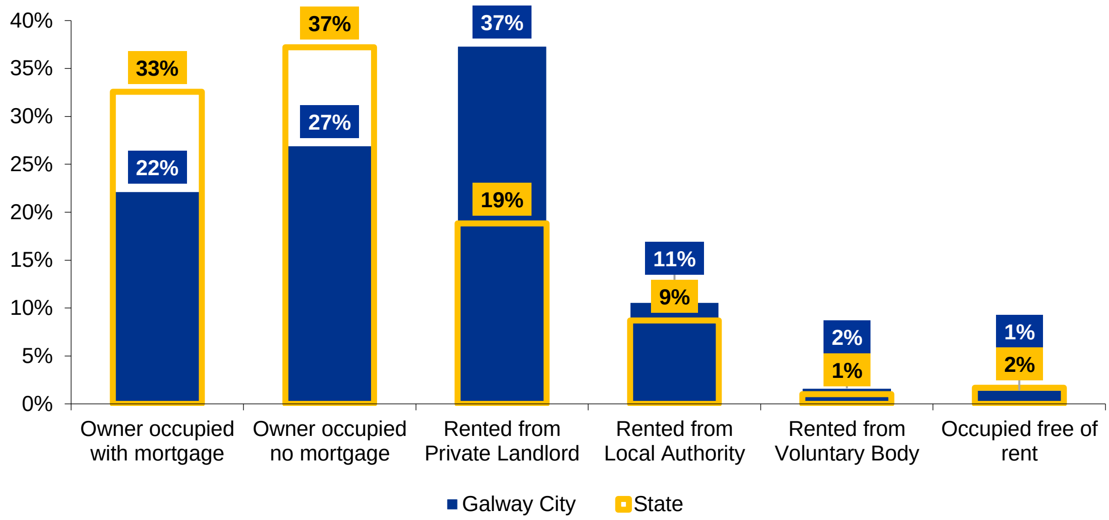
KPMG Future Analytics have applied the default affordability criteria for this HNDA.

Proportion of purchasers

Toolkit users may set the proportion of those who can afford to purchase in the market and will actually go on to do so. The default in the Tool is set at 70%. This assumes, of those who can afford mortgage repayments, only 70% also have the deposit to actually go on to buy. This in based on national level data from the Banking and Payments Federation Ireland (BPFI) on average numbers of first-time buyer mortgage drawdowns between 2011 and 2020.

An examination of the 2016 census for household tenure indicates that 68% of households in the State are owner-occupied (both with and without mortgages). In Galway City by comparison just 49% of households are owner-occupied. The breakdown of households by type of tenure are for the State and Galway City are set out in Figure 4.5.

Figure 4.5: Tenure Breakdown in Galway City and the State (Census 2016)



Based on the substantial difference between the default value, of 70%, and the proportion of homeowners from the latest Census in Galway City of 49%, there is a strong case for modifying this value within the Toolkit to be more representative of both the latest census profile of Galway City and the expected housing market dynamics in the City.

Therefore, **KPMG Future Analytics have applied a proportion of 55% in the HNDA Toolkit** to better align with data available for Galway City from the latest census. This 55% value reflects the 2016 tenure profile as well as an aspiration in national and local policy more broadly to support home ownership at sustainable levels.

4.1.6 Stage 5: Affordability – Rental Prices

In addition to assumptions on house prices, several assumptions on the rental market may be made for the projection period.

Affordability thresholds

The Toolkit uses thresholds to split the remainder of need into three rental sectors:

— The **1st threshold** determines those who can afford to rent in the private market sector. If a household can afford **median rent with less than or equal to 35% of their net income**, the Toolkit assumes they can afford to rent in the private market sector.

— The **2nd threshold** determines those who may be eligible for social housing. If household **income is less than the minimum cut-off for social housing** (up to €35,000 for Galway City), the Toolkit assumes they are suitable for social rent.

— The remainder is allocated to an **"affordability constraint"** category in cases of households not being eligible for social housing but facing affordability constraint (with regard to income and house prices). This is in effect those households requiring 'affordable' tenure types (such as Cost Rental or affordable purchase).

KPMG Future Analytics have applied the default settings for these affordability thresholds.

Rental price forecasts

The Toolkit is pre-programmed with rental price data sourced from the Residential Tenancies Board (RTB), and with five rental price scenarios for how rents are forecast to change over the projection period (2020-2040). These are the same scenarios as those for set out in Section 4.1.5 for house prices (including the default ESRI scenario of 2.25% per annum).

The rental component of the model also allows for modification of the outputs through the use of a custom rental growth scenario, with appropriate justifications. **KPMG Future Analytics have developed a rental price scenario for use in the Galway City HNDA**, based on analysis of the historic rental prices within the Local Authority area from 2010-2020.

Utilising the standardised average rent for "All Bedrooms" from the RTB/CSO[23], varying growth rates across the timeline were identified. Due to fluctuations in the market, as can been seen in **Table 4.3**, the period of 2017-2020 has been selected as being representative of the current rental market and an indicator for 2021 growth. The average growth over this period was 6.06%, and the custom scenario applies this value to 2021 as the baseline value. The subsequent years sees the growth rate reduced by 0.5% per annum until reaching 2% where it holds constant for the remainder of the forecast period.

Table 4.3: Historic Rental Growth - RTB

Galway City	Growth	Rental
2012	0.84%	Actual
2013	1.15%	
2014	3.96%	
2015	6.17%	
2016	8.36%	
2017	6.56%	

23 CSO, Online [https://data.cso.ie/], PXStat Table RIQ02

Galway City	Growth	Rental
2018	6.96%	
2019	6.19%	
2020	4.51%	

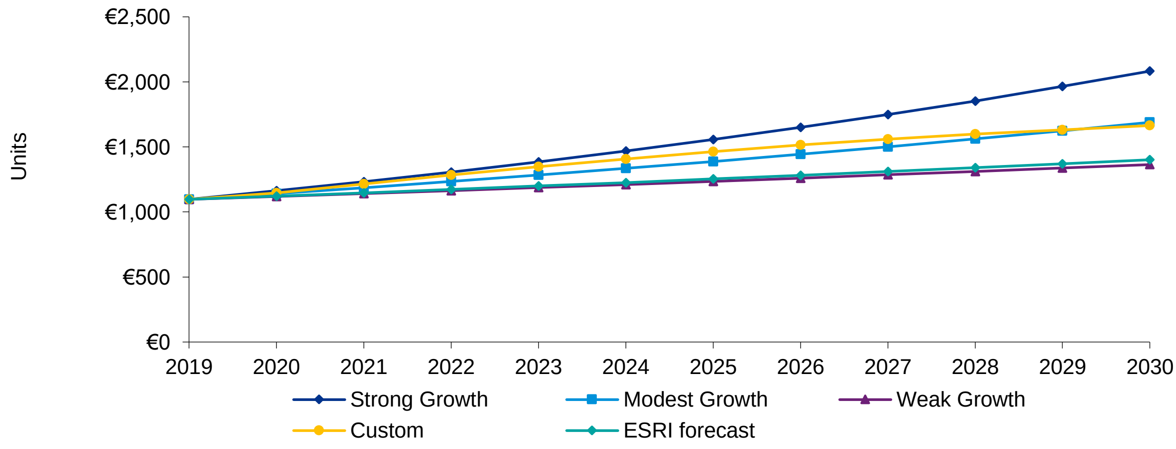
2017-2020 Average	**6.06%**

Table 4.4: Custom Rental Scenario

Galway City	Growth	Rental
2019	6.19%	Actual
2020	4.51%	
2021	**6.06%**	Forecast
2022	5.50%	
2023	5.00%	
2024	4.50%	
2025	4.00%	
2026	3.50%	
2027	3.00%	
2028	2.50%	
2029	2.00%	
2030	2.00%	

Figure 4.6 shows that by 2030 the custom scenario forecasts higher rental costs than those of the “Modest”, “Weak” and “ESRI” forecasts but below that of the “Strong Growth” scenario. Due to both the observed historic variance and high growth rates in the rental market as well as the presence of the RPZ the custom scenario is seen as more representative of the Galway City rental market.

Figure 4.6: Median Rental Forecast for Galway City (Default and Custom Scenarios)



4.1.7 Other modifications and changes

KPMG Future Analytics have made use of the most recently available version of the Toolkit, obtained in July 2021. Technical changes were made to the Toolkit to fix formula issues in the model to allow calculation of custom scenarios, as the unamended version would not otherwise read custom scenarios correctly. Some issues in aligning years to the plan period correctly were also addressed. The model 'start year' was set to 2020 (as per the default), as a later start year does not project the baseline (2019) income, sales and rental values for interim years.

4.2 HNDA Outputs

This section summarises the outputs of the HNDA modelling carried out for Galway City using the HNDA Toolkit (incorporating the custom variations set out above). The Toolkit outputs show potential need for housing across tenures (ownership, private rental, social rental, and 'affordability constrained').

Throughout this section, data has been given for the period of the Galway City Development Plan 2023-2029, with some data presented for future periods for context. As the new Galway City Development Plan is set to commence in early 2023 and run to the start of 2029, and in order to align with the Housing Supply Target methodology, the plan period has been rounded to the nearest quarters and covers the full six calendar years 2023-2028 inclusive.

4.2.1 Future population

While the HNDA Toolkit does not directly model population, it includes updated population and household projections produced by the ESRI as a key evidence base. Population projections under the four scenarios modelled by the ESRI are included for each local authority in supplementary material released by DHLGH. The four scenarios are:

— **Baseline**: net international migration nationally declines linearly from +33,700 in 2019 to +15,000 by 2024 and remains constant thereafter;

— **50:50 city**: 50% of population nationally growth between 2016 and 2040 in Eastern/Midlands region and additional population growth focused on major cities within each region;

— **High migration**: net international migration of nationally +30,000 in 2020 and remaining constant thereafter;

— **Low migration**: net internal migration nationally drops to +5,000 by 2022 and adjusts towards baseline scenario over following five years

Population projections for Galway City are presented in Table 4.5 below up to 2031 (a key milestone year in the National Planning Framework), with baseline population for 2016 included:

Table 4.5: Population Projections for Galway City, 2020-2031

Year	Baseline	50:50 City	High Migration	Low Migration
2016 (Actual)	**78,668**	**78,668**	**78,668**	**78,668**
2020	81,176	84,853	81,183	80,783
2021	81,750	86,385	81,812	80,993
2022	82,282	87,871	82,448	81,191
2023	82,719	89,242	83,042	81,405
2024	83,077	90,503	83,611	81,654
2025	83,337	91,632	84,141	81,853
2026	83,575	92,731	84,660	82,039
2027	83,833	93,841	85,209	82,257
2028	84,137	94,989	85,812	82,531
2029	84,480	96,167	86,462	82,855
2030	84,820	97,332	87,113	83,182
2031	85,162	98,486	87,768	83,514

Source: DHLGH HNDA Tool Data Source List.

4.2.2 Future households – structural household projections

The HNDA Tool incorporates household projections produced at county and local authority level by the ESRI in December 2020. There are five scenarios inbuilt into the tool which form a basis for the calculation of housing need across all tenures, based on ESRI population projections that utilise headship rates and other factors to calculate future households.

- **Convergence**
- **Baseline**
- **50:50 city**
- **High migration**
- **Low migration**

The additional, newly-formed households forecast under these scenarios form the structural housing demand for Galway City over the plan period and beyond and are shown in Table 4.6 below. **The figures presented in this table do not include the existing unmet need of 314, which is later incorporated into the final HNDA Toolkit output**.

Table 4.6: Forecast additional households per annum

Year	Convergence	Baseline	50:50 City	High Migration	Low Migration
2020	778	307	646	310	156
2021	753	297	625	318	160
2022	735	293	610	333	172
2023	744	312	618	372	238
2024	711	297	591	376	270
2025	670	275	557	374	267
2026	681	284	566	385	278
2027	679	283	564	385	278
2028	758	351	630	454	346
2029	759	353	631	457	348
2030	737	336	612	441	332
2031	742	341	617	447	338

4.2.3 Forecast household incomes

As set out in Section 4.1.5 previously, KPMG Future Analytics have applied a custom scenario for household income rises in the HNDA (based on a review of historic data and recent economic forecasts), with a forecast rise in incomes of 4.4% in 2021 and gradually falling to an annual increase of 2.6% by 2026. As a result, forecast incomes across the income spectrum are forecast to grow strongly over the HNDA period, with median incomes in Galway City growing from a baseline of €47,919 in 2019 to €63,857 in 2028.

Table 4.7: Forecast household incomes in Galway City, 2019-2028

Year	Median income	75th Percentile Income	25th Percentile Income
2019	€47,919	€77,790	€27,155
2020	€49,548	€80,435	€28,079
2021	€51,728	€83,974	€29,314
2022	€54,056	€87,753	€30,633
2023	€56,056	€90,999	€31,767
2024	€57,626	€93,547	€32,656
2025	€59,124	€95,980	€33,505
2026	€60,661	€98,475	€34,376
2027	€62,238	€101,035	€35,270
2028	€63,857	€103,662	€36,187

4.2.4 Forecast property prices

As set out in Section 4.1.5 previously, KPMG Future Analytics have applied a custom scenario for property sales prices in the HNDA, with a forecast price rise of 6.75% in 2021 gradually falling to an annual increase of 2.50% by 2030. Table 4.8 below shows how mean, median and 25th percentile (i.e. the price of the property at the 25th percentile point on the overall sales distribution) are forecast to change over the period 2020-2028, with the median property price in Galway City forecast to rise from €270,000 in 2020 to €423,631 in 2028.

Table 4.8: Projected sales prices in Galway City, 2020-2028

Year	Mean Price	Median Price	25th Percentile Price
2020	€293,923	€270,000	€200,000
2021	€317,865	€291,993	€216,291
2022	€339,321	€311,703	€230,891
2023	€361,377	€331,963	€245,899
2024	€383,059	€351,881	€260,653
2025	€404,127	€371,235	€274,989
2026	€424,334	€389,796	€288,738
2027	€443,429	€407,337	€301,731

Year	Mean Price	Median Price	25th Percentile Price
2028	€461,166	€423,631	€313,800

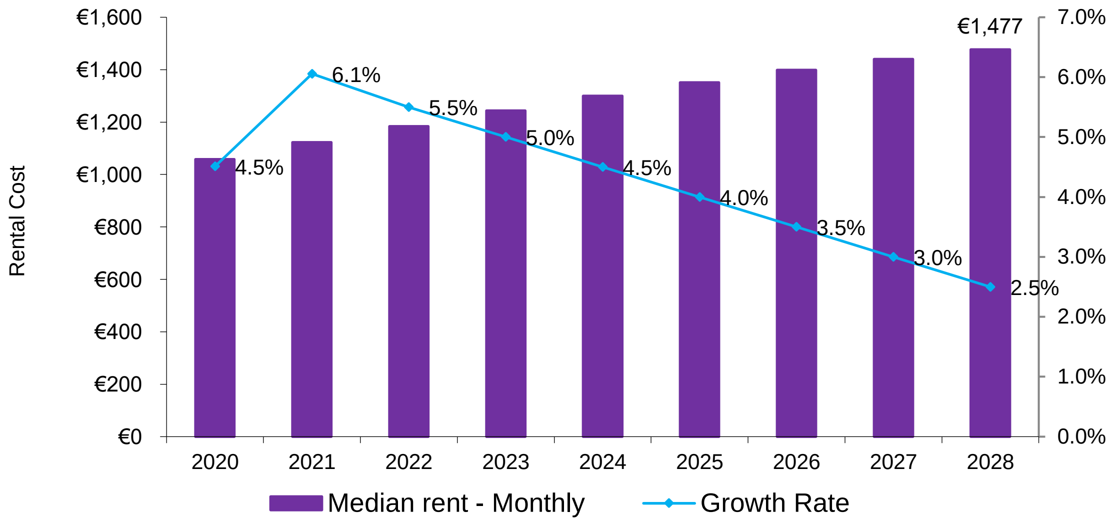
4.2.5 Rental forecasts

As set out in Section 4.1.6 previously, KPMG Future Analytics have applied a custom scenario for rents in the HNDA, with a forecast of median rent increases of 6.2% in 2021 (based on analysis of historic rent growth in recent years) and gradual slowing of growth towards 2.0% by 2030. Table 4.9 and Figure 4.7 below show the projected rise in median weekly rents over the period 2020-2028.

Table 4.9: Projected median rents in Galway City, 2020-2028

Year	Median rent - Weekly	Median rent - Monthly	% Growth Rate
2020	€265	€1,058	4.51%
2021	€281	€1,122	6.06%
2022	€296	€1,184	5.50%
2023	€311	€1,243	5.00%
2024	€325	€1,299	4.50%
2025	€338	€1,351	4.00%
2026	€350	€1,399	3.50%
2027	€360	€1,440	3.00%
2028	€369	€1,477	2.50%

Figure 4.7: Projected median Monthly rents, 2019-2028



4.2.6 Total forecast housing need

The total housing need figure over the plan period used in the HNDA is a combination of a household projection scenario (in this case the Convergence scenario) and an estimate of existing unmet housing need, as discussed in Section 4.1.3. This estimate of unmet need includes an estimate of overcrowded households from the 2016 Census (241 households in Galway City) combined with existing homeless households. As discussed in Section 4.1.3, the assumption included in the HNDA Toolkit is that this need will be cleared over a period of 10 years, and thus is equally distributed over the years 2023 (model start year) to 2032. As a result 186 households are classified as existing need falling within the plan period (4.2% of total housing need over the period).

Table 4.10 below shows the total housing need for Galway City over the plan period, combining structural housing demand forecasts (the Convergence scenario) and existing need:

Table 4.10: Total Annual Housing Need, 2023-2028

	2023	2024	2025	2026	2027	2028	Total
Total Housing Need	**776**	**743**	**702**	**713**	**711**	**790**	**4,433**
Convergence Projections	*744*	*711*	*670*	*681*	*679*	*758*	4,245
Existing need	*31*	*31*	*31*	*31*	*31*	*31*	186

Note: Totals may not sum due to rounding.

4.2.7 HNDA Outputs: Housing Need by Tenure

Based on the application of the additional anticipated households in the HNDA model and the scenarios for existing need, incomes, affordability criteria, house prices, and rental prices as described in Section 2, the HNDA Toolkit calculates total housing need for each year and how many forecast households can afford to purchase homes in the private market. Of those who cannot, it calculates how many can afford to rent privately, how many require social housing, and how many require a form of 'affordable housing' tenures (such as Cost Rental or affordable purchase).

The following tables summarise this estimate of housing need across all tenures. Over the six-year plan period of 2023-2028, there is an estimated need for 1,575 social homes in Galway City (35.5% of the total, of which 186 comprise existing unmet need), as well as 903 affordable homes (20.4% of the total); 906 households (20.4%) are estimated to be able to access private ownership in Galway City, while 1,047 households (23.6%) are estimated to be able to meet their needs in the private rental market.

Table 4.11 : Estimated housing need by tenure, 2023-2028 (households)

Tenure	2023	2024	2025	2026	2027	2028	Total
Social Rent	299	273	253	249	242	259	**1,575**
Affordability Constraint	119	135	140	157	163	189	**903**
Private Rented	189	178	164	165	164	187	**1,047**
Buyers	168	156	144	142	142	154	**906**
Total Housing Need	**776**	**743**	**702**	**713**	**711**	**790**	**4,433**

Note: Totals may not sum due to rounding.

Table 4.12: Estimated housing need by tenure, 2023-2028 (%)

Tenure	2023	2024	2025	2026	2027	2028	2023-2028
Social Rent	38.5%	36.8%	36.1%	34.9%	34.0%	32.8%	**35.5%**
Affordability Constraint	15.3%	18.2%	20.0%	22.0%	22.9%	23.9%	**20.4%**
Private Rented	24.4%	24.0%	23.4%	23.1%	23.0%	23.7%	**23.6%**
Buyers	21.7%	21.0%	20.5%	19.9%	20.0%	19.5%	**20.4%**

Figure 4.8 and Figure 4.9 below illustrate the estimate of housing needs by tenure over the plan period. This shows that the need for social housing remains high over the plan period but declines steadily from 38.5% in 2023 to 32.8% in 2028, reflecting the effect of housing incomes in lower income cohorts rising above the social housing upper income threshold. By contrast, the 'affordability constraint' estimate grows steadily over the same time from 15.3% in 2023 to 23.9% in 2028. This suggests a growing cohort above the eligibility threshold for social housing who cannot afford housing in the

private market. The estimated proportions of those who can afford to buy or to privately rent remain relatively stable over the plan period.

Figure 4.8: Projected housing need in Galway City by tenure, 2023-2028

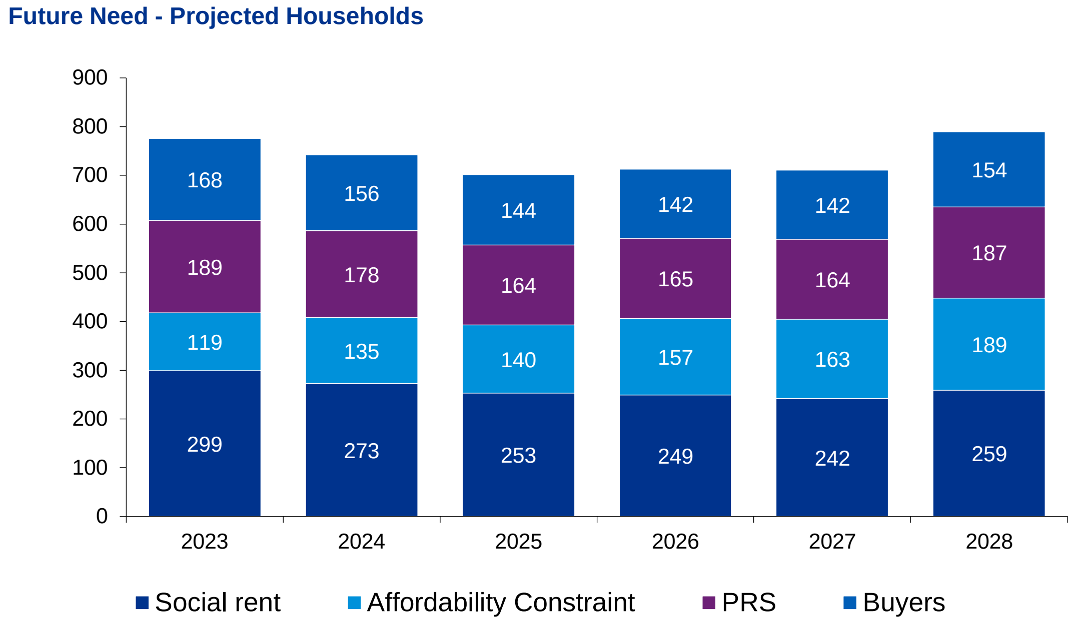
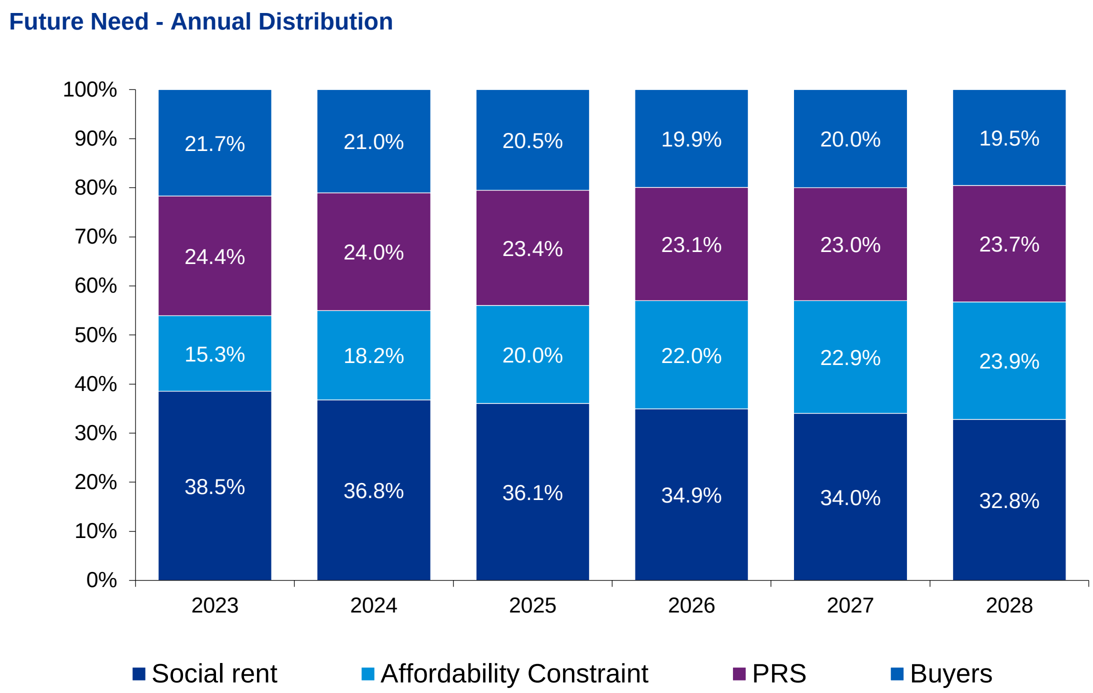


Figure 4.9: Projected housing need by tenure – annual distribution, 2023-2028



5 Meeting future housing requirements in Galway City

5.1 Introduction

This chapter draws together and integrates the analysis outlined in the previous sections on existing and future housing need in Galway City, and sets out potential means of meeting housing need with a particular emphasis on social and affordable housing (reflecting the requirements of Part V of the Planning and Development Act 2000, as amended).

This informs the development of policy objectives for this Housing Strategy which are presented in Section 6, integrating the existing situation in advance of the implementation of the policy objectives as well as the overview of the projected future requirements in Galway City over the plan period.

5.2 Existing social housing requirements

Galway City Council regularly carries out assessments of social housing need in Galway City in accordance with statutory requirements. The Council has provided data on the existing social housing waiting list as of May 2021, to provide an up-to-date and consistent picture of current social housing need in Galway City by basis of need and number of bedrooms required. Not counting those who indicated a preference to be housed in Galway County Council's administrative area, this indicates that 1,449 households[24] are recorded on the Council's housing waiting list as of this date and in need of a social tenancy. A further 2,115 are recorded by the Council's database as accommodated in a Housing Assistance Payment (HAP) or Rental Accommodation Scheme (RAS) tenancy, while 382 are classed as in local authority, voluntary or co-operative housing (predominately those seeking a transfer).

Table 5.1 below summarises existing social housing need across Galway City, while Table 5.2 groups those on the waiting list based on broad categories of need. This existing need **does not account for the future needs assessed in Section 4**, which would be in addition to any remaining need unmet at the beginning of the plan period.

Table 5.1: Galway City Council Social Housing Waiting List, May 2021

	RAS/HAP Accommodated	LA/AHB/Co-op Accommodated	Unmet Need	Total
Households	2,115	382	**1,449**	3,946

[24] This figure is based on a point in time, is taken from the Council's database, and is subject to change.

Table 5.2: Galway City Council Social Housing Waiting List by Classification of Need, May 2021

Classification of need	Households
Aged 65 Years or More	4.9%
Enduring Health Impairment	10.3%
Exceptional medical grounds	0.1%
General	75.2%
Homeless	7.2%
Traveller	2.3%

5.3 Future requirements – HNDA outputs

The HNDA for the Galway City Development Plan 2023-2029 forecasts that housing need in the Galway City administrative area will comprise 4,433 households over the plan period. This includes 1,575 social rented households (of which 188 comprises of unmet need), 906 households in the owner-occupied sector, 1,047 in the private rented sector, and 903 'affordability constrained' households who are ineligible for social housing but face affordability challenges in the private market.

Table 5.3: Estimated housing need for the by tenure, 2023-2028 (%)

Tenure	2023	2024	2025	2026	2027	2028	Total
Social Rent	299	273	253	249	242	259	**1,575**
Affordability Constraint	119	135	140	157	163	189	**903**
Private Rented	189	178	164	165	164	187	**1,047**
Buyers	168	156	144	142	142	154	**906**
Total Housing Need	776	743	702	713	711	790	**4,433**

This represents a relatively high need for social and affordable housing over the plan period. This is driven by several factors; it in part reflects high existing property prices and rents in Galway City, as measured by 2019 baseline data. Although household incomes in Galway City are relatively high by national standards, high housing costs result in relatively high numbers of households facing affordability challenges. As forecast rents in this HNDA are estimated to grow at a slightly faster pace than incomes, and as household incomes in lower deciles rise above the eligibility limits for social housing, the 'affordability constraint sector' is as a result, forecast to grow over the plan period.

The estimated social housing need of 1,575 also comprises 188 estimated existing households with unmet needs (those in overcrowded accommodation and homelessness), with the remainder comprising forecasted new households. It should be noted also that only a portion of the existing social housing needs assessment for Galway City Council is included in the model as unmet need (plus an estimate of overcrowding), with only those classed as homeless included. The HNDA Toolkit does not account for additional social housing need that may not be met by the commencement of the plan period.

It should be noted that according to the DHLGH, the HNDA Toolkit is intended to "give broad, long-run estimates of what future housing need might be, rather than precision estimates."[25] It offers 'policy-off' forecasts with its outputs subject to the inputs, scenarios, and assumptions built into the model and set out in this report. The HNDA as a result, identifies potential issues and pressures in the housing market. This will allow Galway City Council to formulate housing and planning policy to meet current and future housing need in Galway City.

5.4 Meeting the need for social and affordable housing

Galway City Council, working with other organisations including central Government and Approved Housing Bodies (AHBs), pursues a wide range of means of meeting housing need. The main existing social housing delivery schemes are:

— 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 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 leases with private landlords for properties.

Each of these options is set out in detail below.

5.4.1 Social rented tenancies through the Council and AHBs

Galway City Council owns and operates a significant stock of social housing, with 2,505 homes under direct local authority ownership or control in the City. In addition, the Council is also responsible for delivering social tenancies in properties the Council manages or leases from a private property owner.

AHBs have played an increasingly important role in meeting housing needs nationally and in Galway City in recent decades. AHBs are not-for-profit organisations with the

[25] DHLGH, 'Guidance on the Preparation of a Housing Need and Demand Assessment', p. 8.

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. There are currently 17 AHBs providing housing in Galway City as listed in Table 5.2, ranging from small-scale local charitable organisations to major national bodies such as Respond, Cluid, and Tuath, with many of these bodies having ambitious plans to deliver new social, affordable and cost rental housing in Galway.

Table 5.4: Approved Housing Bodies active in Galway City

Approved Housing Bodies in Galway City	
Ability West	Western Society For Autism
Autism West Limited	Respond
Carraig Dubh Housing Association	Túath Housing
COPE Galway	Clúid Housing Association
Galway Co-Operative Housing Development Society Ltd	Peter McVerry Trust
Galway Mental Health Association	Co-Operative Housing Ireland
JPC Housing Association Limited	Oaklee Housing
Peter Triest HA Ltd	Circle Housing
Simon Community (Galway)	

Source: Housing Agency, Approved Housing Bodies Register - March 2021.

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 and AHBs under build, acquisition, and leasing schemes:

5.4.1.1 Build

— Construction projects delivered directly by the Council through the Social Housing Investment Programme (SHIP) or through regeneration schemes

— SHIP Turnkeys – new-build homes purchased directly by the Council from a private 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 up to 20% of housing on residential schemes greater than 4 units for social and affordable housing use for local authorities (or nominated bodies such as AHBs). This requirement can be delivered through the transfer of lands to the local authorities or nominated bodies, the transfer of ownership of completed social and affordable 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.[26]

— Housing delivered by AHBs through the Capital Advance Leasing Facility (CALF), through direct construction, purchase of turnkey homes, or Part V homes.

— Housing delivered by AHBs for older people, homeless people, people with a disability, or victims of domestic violence through the Capital Assistance Scheme (CAS), through direct construction, purchase of turnkey homes, or Part V homes.

5.4.1.2 Acquisition

— SHIP Acquisitions – purchases by the Council of homes through SHIP funding. This may involve homes acquired on the open market or directly from financial institutions or investors (portfolio acquisitions).

— 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.

— Housing purchased by AHBs/Housing Agency through schemes such as CALF or CAS schemes.

5.4.1.3 Leasing

— Direct long-term leasing – homes leased directly from the private sector for a period of over 10 years.

— Enhanced Long-Term Leasing Scheme – this scheme allows Local Authorities to lease multiple new homes from institutional developers or investors for a period of 25 years.

— Repair and Leasing Scheme – this scheme enables the Council to pay property 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 compliments the Buy and Renew Scheme in helping local authorities to tackle dereliction, regenerate urban areas and harness the potential of vacant homes.

— Payment and Availability Agreement – under this scheme an AHB makes units available for social housing for an agreed term, while the Local Authority identifies tenants and a rent level and makes payments to the AHB on a regular basis.

[26] The Affordable Housing Act 2021 does not specify a breakdown between Part V social housing and affordable housing, although the Government has indicated a general expectation that this will comprise 10% social housing and 10% affordable housing (including affordable purchase and/or cost rental); Local Authorities may support and refine this objective through their Housing Strategies.

- Mortgage to Rent Scheme – this scheme assists homeowners having trouble in paying their mortgage in switching from owning their home to renting it as a social housing tenant of an AHB, with ownership of the home transferring to the AHB.

All of these mechanisms and schemes will continue to be used by the Council and AHBs to deliver social housing in line with Government priorities to meet existing housing needs. While meeting housing need remains a considerable challenge, ambitious targets have been set through Rebuilding Ireland and are expected to be set in the forthcoming 'Housing For All' strategy and Galway City Council will continue to increase social housing delivery in line with these strategies.

5.4.2 Meeting affordable housing need

The Galway City HNDA set out in Section 4 has assessed that there will be a significant need for affordable housing over the plan period. The HNDA categorises 20.4% of households as 'affordability constrained' and unable to sustainably afford private market housing but above the eligibility ceiling for social housing. The Affordable Housing Act 2021 places two forms of affordable housing tenures for this cohort on a legislative basis: affordable purchase and cost rental housing. These forms of affordable housing will play an increasingly important role in meeting housing need in Galway City.

5.4.2.1 Homes for affordable purchase

The Affordable Housing Act 2021 establishes and reinforces a role for local authorities to deliver affordable homes for purchase on local authority land. Local authorities will be empowered to provide these homes for purchase by middle-income earners at below open market prices. Local authorities can also provide these dwellings by entering into arrangements with AHBs, the Land Development Agency, public private partnership arrangements, or community-led housing organisation, housing co-operatives or community land trusts to deliver new homes for affordable purchase. These dwellings are intended to help households own a home at a discount to market prices (to be set by Ministerial regulations), with the local authority retaining an equity stake in the home equivalent to the difference between the purchase price paid and the open market value of the dwelling.

5.4.2.2 Cost rental homes

Cost rental housing is a new form of not-for-profit housing based on models in other European countries. In this model, the rent paid by tenants is based only on the amount necessary to cover the costs of the construction and maintenance of the dwelling. This will provide housing at a substantial discount to prevailing market rents, with these below-market rents remaining affordable and predictable in the long-term.

It is currently expected that the AHB sector will play the leading role in delivering and managing cost rental homes. Many of the major AHBs nationally have ambitious plans to deliver new cost rental homes, including in Galway City. Galway City Council will also play an important role in co-ordinating the delivery of cost rental housing in the city. This will include working with bodies including AHBs, the Land Development Agency, the Housing Agency, and DHLGH to enable the delivery of new cost rental developments in the city.

The Land Development Agency (LDA) will play an increasingly important role in delivering social and affordable homes on major publicly owned land in Galway City. The most advanced LDA project in Galway City at present is a major site Sandy Road, approximately 1 km from Eyre Square, currently at design stage. This site will involve the creation of a new neighbourhood and will be one of the largest urban regeneration projects to take place in the city. It is currently expected that affordable housing will form an important part of this and similar LDA projects, to accelerate the development of the affordable housing sector and demonstrate its role in meeting housing demand.

5.4.3 Specialist provision support

The Council provides accommodation specifically for certain groups such as the Traveller Community and for people with specific housing needs such as people with disabilities, age associated requirements and people that are homeless. Existing need for housing provision on the basis of specialist requirements as measured by the Council's social housing waiting list has been set out in Section 5.2 above.

In most cases, new social housing for persons with specific needs such as those associated with disability, age, persons who are homeless, and other needs will be delivered through local authority or AHB housing delivery schemes as outlined above. Galway City Council owns and manages housing catering to the needs of diverse groups of people and works to allocate housing that is suitable for individual needs. Some AHBs also specialise in provision of housing for specific types of need, such as disability/long-term illness, the elderly, and the homeless.

One of the nine key strategic aims of the 'National Housing Strategy for People with a Disability 2011 – 2016' is to "support people with a disability to live independently in their own homes and communities, where appropriate" (p. 7). This reflects the vital importance of independent living for many people with disabilities and an aspiration to promote accessibility and provide equitable design options. To help meet this aspiration, Galway City Council operates a **Housing Adaptation Grant for People with a Disability** to enable people with a physical, sensory, mental health or intellectual disability to make modifications and adaptation to their homes. Under this scheme, the Council will fund adaptations to homes to provide better access, such as the installation of ramps, grab rails, stair lifts, and accessible bathroom facilities, adaptations to facilitate wheelchair use, extensions, and other works. This is available to eligible households whether in owner-occupied, privately rented, or social rented housing.

The Council also operates a **Mobility Aids Grant**, through which the Council provides eligible households up to €6,000 to enable older people and/or people with a disability to improve access to their home through provision of grab rails, ramps, accessible shows, or stair lifts. Older People are also supported by the Council through the provision of the **Housing Aid for Older People Grant.** This assists people aged 66 years old or more and owning their own home to carry out essential repairs so that they can continue to live in their own home, such as structural repairs and the upgrading of electrical wiring or central heating.

Additional supports for persons with disabilities are also provided by the Health Service Executive (HSE) to enable people to live in their own home as independently as possible, including personal assistance services, home support, day services, respite services, and full- and part-time residential services provided by the HSE or other disability organisations.

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 indigenous Traveller community. The current TAP for Galway City covers the period 2019-2024 and sets out strategies for providing Traveller accommodation and support. It sets out existing Traveller accommodation provision across Galway City and assesses existing need. It assesses 265 existing Traveller families as being in need of housing in Galway City in 2019, including those assessed as in need of social housing and approved for a transfer. It also projects future need for the TAP period 2019-2024, estimating that there will be 23-25 new family formations per year in Galway City (some of whom may be able to access private rented accommodation). The TAP sets targets for accommodation delivery across different streams, with an overall target of 242 accommodation supports over the TAP period 2019-2024 (including 85 standard Council/Approved Housing Body social housing tenancies, 15 group housing scheme units, 25 culturally-specific traveller accommodation units, 5 long-term leasing scheme units, 105 Housing Assistance Payment/Rental Accommodation Scheme tenancies, and 7 permanent halting site units on existing sites).

5.4.4 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 Galway in 2016 for people who have a long-term housing need and who quality for social housing support. It is administered by local authorities and will eventually replace the RAS scheme. Under the HAP scheme, the applicant finds appropriate private rented accommodation (within specific caps) and the local authority then pays the market rent to a landlord directly, with the tenant paying a rent to the local authority based on the differential rent scheme used for social housing.

The RAS scheme 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 directly negotiated by the local authority.

RAS and HAP have formed an increasingly important part of the social housing landscape in recent years and are expected to meet the housing needs of a significant number of households in Galway City, including under targets set by the forthcoming national Housing for All strategy, anticipated to be published by August 2021. However, national policy is also increasingly focused on increasing the social housing stock and may place less emphasis on RAS and HAP as direct build housing delivery accelerates in the coming years.

5.5 Conclusion

Section 4 set out the overall housing requirements for Galway City over the strategy period based on the HNDA analysis. 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. Galway City Council will support the delivery of new social homes and affordable homes both directly and through AHBs and other agencies in the city. 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 where necessary through the provision of HAP and RAS tenancies. The following section sets out policies that will support the delivery of social and affordable housing to meet assessed need in Galway City over the strategy period, as well as supporting the broader delivery of sustainable planning and housing in Galway.

6 Policy objectives to deliver the Housing Strategy

6.1 Introduction

This Housing Strategy has reviewed existing and future housing needs in Galway City, setting out an evidence base for the Galway City Development Plan 2023-2029 to plan for sustainable and affordable housing over the strategy period.

This section sets out policy principles and objectives to support Galway City Council to plan for and deliver new housing through the Galway City Development Plan 2023-2029. These are informed by the analysis of the housing context in Galway City 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 Galway City, promoting strong, vibrant, and inclusive communities in Galway City, and supporting the democratic role of Galway City Council in planning for the city'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 Galway City Council.

6.2 Policy objectives for the Galway City Housing Strategy 2023-2029

	It is the objective of Galway City Council:
PO1	To provide new homes to meet expected future housing requirements in the City as identified in the HNDA and Housing Supply Targets. A Housing Supply Target of 5,879 homes will be pursued over the plan period to meet the requirements of forecasted housing demand. New homes shall be provided in a sustainable, planned and coordinated manner in accordance with the aims, policies and objectives of the Core Strategy, the RSES and Galway MASP, and the National Planning Framework.
PO2	To aim for housing choice to be available to meet all needs and incomes in Galway City, with an appropriate mix of housing sizes, types, and tenures at suitable locations.
PO3	To provide for existing unmet housing need as identified by the Galway City Council's Social Housing Needs Assessment through the provision of social housing using a range of delivery mechanisms including direct delivery by the Council, delivery through Approved Housing Bodies, and through short- and long-term leasing arrangements organised by the Council with private landlords, in line with Government priorities.

PO4	To provide social housing to meet forecasted housing need over the plan period as identified in the HNDA. The Council will endeavour to deliver a further 1,575 social housing units over the plan period 2023-2029 to meet forecasted need as resources allow and subject to updated national social housing targets. New social housing units shall be delivered having regard to the wider aims and policies of the Galway City Development Plan and in line with regional policy and government objectives and targets, including the need to deliver sustainable and compact growth and a diverse mix of housing types and tenures. Social housing shall be delivered through a range of mechanisms including provision directly by the Council, by Approved Housing Bodies, and through short- and long-term tenancies arranged by the Council with private landlords.
PO5	To require that 10% of lands zoned for residential use, or for a mixture of residential and other uses, and any land which is not zoned for residential use or a mix of residential and other uses but in respect of which permission for the development of houses is granted, be reserved for social housing in accordance with the Affordable Housing Act 2021 and Part V of the Planning and Development Act 2000 (as amended). A further 10% shall be reserved for affordable housing in accordance with the aforementioned Acts and any relevant Ministerial guidance and regulations. Any subsequent amendments to this legal requirement to deliver ‘Part V’ housing during the lifetime of this strategy will be complied with. Delivery of ‘Part V’ housing shall be in accordance with relevant legislation and national, regional, and local policy.
PO6	To support high-quality design in new housing and promote housing that is attractive, safe, and adapted to the needs of existing and future households including future household sizes. The Council shall also support innovative construction methods to deliver high quality, sustainable and flexible housing.
PO7	To provide housing appropriate to the needs of older persons, persons with disabilities, Travellers community, and emergency accommodation for those who are 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 endeavour that new housing delivery over the strategy period shall deliver sustainable development in Galway City and achieve targets for compact growth and regeneration under the NPF, RSES and Galway MASP, including the requirement that at least 50% of all new homes in Galway City and Suburbs be delivered within the existing built-up footprint.
PO9	To support attractive and vibrant urban neighbourhoods through the renovation and re-use of obsolete, vacant, and derelict homes. This shall

	be pursued through such methods as are available to the Council including the application of the vacant site levy in accordance with the Urban Regeneration and Housing Act 2015 and the conversion of vacant or derelict properties into new social and affordable homes through appropriate schemes including the Repair and Leasing Scheme, the Buy and Renew Scheme, long-term leasing and CPO where appropriate and necessary. The Council shall promote and encourage owners of vacant properties to avail of these schemes, directly or in co-operation with Approved Housing Bodies. The Council will also to endeavour to bring about the timely re-use of vacant Council-owned housing stock and achieve an average void count of less than 1.5% of stock.
PO10	To promote the design and delivery of environmentally sustainable and energy efficient housing, including through the refurbishment and upgrading of existing stock. The Council shall support housing design that contributes to climate resilience and climate mitigation, including innovative low-carbon construction methods and the reduction of embodied energy in newly built homes.
PO11	To support the provision of housing appropriate to the needs of the Traveller community and implement the Galway City Council Traveller Accommodation Programme 2019-2024 and subsequent updates.
PO12	To support the provision of purpose-built student accommodation at appropriate locations and of appropriate design (including adequate communal facilities and external communal space) as set out in the Development Plan, to meet demand for student housing in accordance with the National Student Accommodation Strategy (2017) and any subsequent updates. Applications for change of use from student housing to any other form of housing shall be resisted without adequate demonstration that an over-provision of student housing exists.
PO13	To continue to support means of preventing homelessness and providing pathways out of homelessness for households, working in co-operation with voluntary bodies and central government.
PO14	Planning applications for multiple housing units will be required to submit a Statement of Housing Mix detailing the proposed mix and demonstrating that it provides a sufficient minimum in house sizes and types to satisfy the demands of the evolving reduction in household sizes. The needs of special groups such as older persons and persons with disabilities will be required to be considered as part of this process.
PO15	Support the development of sustainable communities and ensure that all new housing developments – private, public and voluntary are carried out in accordance with the DECLG guidelines Sustainable Residential Developments in Urban Areas (2008) and Section 28 Ministerial guidelines – Sustainable Urban Housing: Design Standards for New Apartments Guidelines for Planning Authorities, (2018).

PO16	To support the on-going monitoring and review of the HNDA as appropriate in accordance with guidance on HNDA methodology issued by the Department of Housing, Local Government and Heritage.
PO17	Review the Housing Strategy two years following adoption as is required under legislation or at a sooner point should it be required in view of trends in the housing market or changes in national policy such as that which may come about following the preparation of revised national policy.