

Sales of new and second-hand homes rise by 14 per cent

BY MARIAN FINNEGAN

The latest available data from the Property Price Register (PPR) reveals that just over 54,000 second-hand and new residential units transacted over the course of 2017. This represents a 14 per cent increase in activity compared with 2016 and equates to 2.7 per cent of the total national private housing market.

The end-of-year figures are the most accurate data available, due to the time lag in logging transactions to the PPR. When multi-family/portfolio sales are excluded, the figure falls to approximately 50,900, with a total value of €13.4 billion. The volume of sales has increased steadily over the past number of years, rising from approximately 18,000 transactions in 2011 to 50,900 in 2017.

In Dublin, total sales rose sharply during the 12-month period to stand at 16,650, 18 per cent higher than 2016 levels. An analysis of PPR data reveals that the median value of a property in Dublin stood at €327,750 in 2017, up 7 per cent on 2016.

Growth in the commuter counties around Dublin was particularly strong in 2017. Meath saw the volume of transactions rise by 46 per cent, while Kildare and Wicklow also recorded strong increases of 23 per cent and 21 per cent respectively.



Marian Finnegan, chief economist, Sherry Fitzgerald Group

Similarly, Cork witnessed an upturn in activity with approximately 5,450 properties transacting over the same interval, signifying a 9 per cent expansion in activity. Additionally, Limerick and Galway also witnessed a boost, growing by 10 per cent and 6 per cent respectively. The stock of available prop-

erties in the established housing market remains critically low in all urban areas. The latest bi-annual supply analysis undertaken by Sherry Fitzgerald Research, in January 2018, reveals that the stock of available second-hand properties advertised on the market fell by 4 per cent on an annual basis, representing just

1.1 per cent of the total private housing stock in Ireland. Nationally, the stock of available properties fell to 21,200 units in January 2018, compared to approximately 22,100 units recorded in January 2017. In Dublin, there were 3,100 properties advertised for sale in January 2018, representing an increase of 10 per cent

when compared to properties available in January 2017.

But all four Dublin local authorities continue to experience very tight supply, with all experiencing stock levels of less than 1 per cent, while Dublin's commuter counties of Meath, Kildare and Wicklow recorded a further depletion in supply.

Outside the Greater Dublin Area, Cork saw approximately 2,800 properties for sale in January 2018, down 5 per cent year on year. Limerick recorded a reduction of 10 per cent while Galway saw supply levels remain broadly unchanged over the 12-month period, to 1,300 properties.

Early 2018 has seen construction output in the residential sector continue to expand. The latest figures show there was a total of 3,158 completions, as measured by ESB connections, recorded nationally in the first two months of 2018, a year-on-year increase of 26 per cent.

In the 12 months to February 2018, a total of 19,922 completions were recorded. This represents a 30 per cent increase on the previous 12-month period.

Following a sustained ascent in residential property prices in Ireland in 2017, which saw prices increase by 8.4 per cent, the opening quarter of 2018 saw price inflation continue. During the opening three months of 2018, prices rose by 2.1 per cent. This compares to 1.9 per cent recorded in the

same period in 2017.

The average value in Dublin rose by 2.3 per cent in the first quarter. If one excluded Dublin from the figures, the rest of Ireland saw growth of 1.7 per cent in the quarter.

In the short term, it doesn't appear that there will be any abate in the strength of the current levels of price inflation without further government action. Stoked by an improving economy, a growing population and, in particular, a chronic lack of supply of housing, price growth is likely to remain sharp in the immediate future. Therefore, supplemental action from the government must be considered.

One such measure is the extension of the Help to Buy scheme which is due to expire at the end of 2019. Not only has the scheme been successful in increasing the cohort of first-time buyers in the market, but it has also helped encourage a greater volume of starter homes to be built.

Another measure that may prove to be imperative is the fast-track planning system, which granted approval to its first planning units in Q1. The granting of in excess of 3,000 student beds and 1,000 residential units in the quarter is welcome and the measure may prove to be a major stimulus to supply.

Marian Finnegan is chief economist at Sherry Fitzgerald Group

Denmark leads the way in city living

Irish architect Mick Forde Bradley believes urban living, Danish-style, could be the solution for Ireland's future

BY GRAHAM CLIFFORD

Denmark-based Irish architect Mick Forde Bradley will speak to Thursday's Property Industry Ireland Conference about how Ireland can use the influences of other European countries to plan and design for the future.

"I think Ireland is at a crossroads. By 2040, there will be one million more people who call Ireland their home and about one in four of us will be over 65 years of age.

"This demands a radical re-think of how we design our cities, transport hubs, work environments and homes – simply put, a rethink of the quality of life we will expect from our country," Forde Bradley told *The Sunday Business Post* this week.

"Denmark has been at the forefront of creating 'liveable' cities and communities for decades, and the many parallels between the two countries make adoption of some of the strategies especially relevant," he said.

"We will ask what Danish knowledge and experience can be re-envisioned for an Irish populous embarking on a development plan towards 2040, and what new business models/building typologies and technologies will affect how we build and plan for this growth."

He is keen to underline how important it is that Irish planners act quickly. "Within 25 years, there will be 1.4 million people in the Republic of Ireland aged 65 and over, an increase of 120 per cent. Ireland's housing crisis is not just that we need more housing, we also need to look at how we want to live our lives from 60-100 years of age. We need to recognise there is a life after retirement and discuss a vision for an Ireland we all want to grow old in, which we all share responsibility for realising."

Buy-in from all stakeholders is essential. "In urban regeneration projects, Danish architects are particularly skilled in creating inspiring visions to harness the positive emotions of the local stakeholders. Local councils understand the need to properly detail local area plans together with the winning team, to ensure that the visions decided and discussed get realised. The Danes have a high level of trust, that what they were promised, will be what is delivered. And in general, they won't accept less."

"It means that private developers within the scheme also have to follow the rule of giving back to the city, or a 'people first approach'. Councils tend to be visionary themselves also, often becoming first movers for inspirational sustainable projects at the heart of schemes. It sets a tone, and a precedence. There is a great deal of



Mick Forde Bradley, partner, Zeso Architects

energy and focus used in creating real user involvement processes and workshops."

In addition, Forde Bradley said, major Northern European cities have shown how to grow cities as places to live and not simply retail hubs.

"Copenhagen has developed as a liveable icon, for precisely this reason. The council wished to attract and hold more families in the city centre – to begin with, simply for the increase in tax payable by this demograph. They focused on demanding that the average size of all apartments in all new schemes should be 95m². This meant that for a decade, Copenhagen built with a focus on large, family-friendly apart-

“Family apartment life in Copenhagen is preferable for many over suburban lifestyles

ments. "In parallel, the city invested the increased taxes in the amenities that make great liveable cities: playgrounds, outdoor areas and cafes, squares, pedestrian streets, cycle lanes, and public-orientated ground floors and buildings. Now, family apartment life in Copenhagen is genuinely on a par or preferable, for many, over suburban lifestyles. In fact, the new focus is on the provision of smaller apartments, and schemes which fully blend people of all ages and means – a city for all."

"We need to see our Irish cities and towns providing apartments, in varying sizes, from the single parent, to five-bedroom, family, city-centre apartment living. We need to densify our town centres, creating more attractive places to live, for families, but also for the elderly – a genuine alternative to urban sprawl."

Optimising data to aid planning processes

IBM's Dr Mary Keeling on why the quality of information is only as good as tools used to analyse it, writes Graham Clifford

Given the importance of accuracy and consistency when it comes to decisions regarding planning permission it's vital the very best tools are used to gather information.

Advances in a wide range of technologies find their way into the planning process and can help both planners and those adjudicating on applications to operate with knowledge and factual data.

"Using technology to help with planning decisions can also help in areas such as efficiency," said Dr Mary Keeling, business development executive with IBM.

She told *The Sunday Business Post*, "There is now a large number of technological tools which can play their part in the planning process. The likes of advanced GIS for mapping and so on. The challenge is to ensure that the different data gathered by each tool feeds into a common decision-making process. There can be massive amounts of data, but it all needs to be brought together in the one place. Technology in the form of analytics can then be applied to extract insights from the data to help planners to make the right planning decisions."

And where a planning decision can be backed up with relevant data and analytics the chances of appeal may, in theory, decline.

"Greater use of technology in the planning process can help to unclog the system, as the time it takes to reach a decision can be reduced and



Dr Mary Keeling, business development executive, IBM

you should end up with more consistency in terms of planning decisions," said Keeling.

Keeling works on large-scale complex transformation projects to help IBM's clients create sustainable business value. She was previously responsible for economic analysis underpinning IBM's strategy to help governments drive improvements in education, transport, water, buildings, public safety and other services critical for economic growth.

She spent three years on the Senior Leadership Team managing IBM's Smarter Cities business globally, and five years at the Institute for Business Value, writing IBM's thought leadership on Smarter Cities.

On Thursday, Keeling will speak at the Property Industry Ireland Congress, where she will explain how technologies, no matter the field in which they were initially

created, can help the planning process at all junctures.

"Oncologists are benefiting from using Artificial Intelligence which is able to analyse a huge amount of unconnected data to assist with correctly diagnosing patients and determining the optimum treatment pathway."

"With so many new regulations, so many new discoveries and medical papers being written around the world it would be impossible for the doctor in question to know everything. But this programme can take every related development across the world, evaluate them and provide up-to-date analysis based on the data gathered. It certainly doesn't provide a medical decision, but enables the doctor to act in complete knowledge, thereby reducing the chances of error in the decision they are about to take. That same thought process and technological approach can be adapted to the planning context. It's evidence-based and can lead to much greater consistency," said Keeling.

Indeed, tech aids which are now commonplace in industries such as financial planning and risk management have a role to play in the planning sphere too.

"If you're gathering and connecting data to be able to analyse it to make more informed decision-making, then the same premise should exist across all areas of economic activity. The more information you can extract insights from, the more likely you are to make the right decision," said Keeling.

The many pitfalls of making plans for Ireland

BY GRAHAM CLIFFORD

A little over a decade ago, a new phrase entered the national narrative in relation to planning permission here in Ireland.

The Development Management Guidelines for Planning Authorities, 2007, issued by the Department of the Environment, Heritage and Local Government, made it very clear that Planners in Public Authorities were to 'manage' rather than 'control' development.

"In essence, what it meant was that those making planning decisions had to be more proactive rather than reactive," said Tom Phillips, chairman of Property Industry Ireland and managing director of Tom Phillips & Associates. "This represented a significant change in mindset. It was an important moment, as it was a notable improvement and a cultural shift in line with other European countries."

The importance of the planning process, both in terms of those drawing up plans and those adjudicating on them, is paramount to the social and economic make-up of any country.

Over the decades, Ireland's planning policies have evolved to take into account an array of new factors and legislative changes. The kind of building or factory which was granted planning permission a couple of decades ago is, nowadays, often a non-starter.

But despite that evolution, there are still inconsistencies with regards to planning decisions. "Clearly, planning is never a black and white issue: it's always a shade of grey," Phillips said. "Because at the end of the day, even though there are objective criteria, it



Tom Phillips, chairman of Property Industry Ireland and managing director of Tom Phillips & Associates

is in essence subjective. Where one planner might see a problem, another doesn't.

"Even if you take An Bord Pleanála, we often see that there are disagreements between personnel when it comes to making decisions. A quorum of four is needed to agree on a decision, but it has happened that the chairperson has had to use the casting vote in the event of a tie between those who agreed and those who disagreed with a decision."

Phillips, who has worked as a chartered town planner and urban designer for almost 30 years, believes that Ireland is undergoing a transition of sorts in terms of how we look at planning issues.

"We have a young population that is used to travelling abroad and spending time in other countries," he said. "They've seen and admired other ways to plan and to use the public sphere. Also we have a more diverse community in Ireland today, so there are new and different ideas and approaches to how we plan and design our main towns and cities."

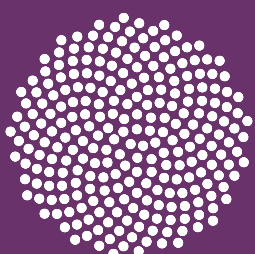
"Living habits are changing, too. More people are living in apartments where they can

be within walking or cycling distance to their jobs. More are looking at using public transport to go about their business. As a result, urban planning and design must change. It's very positive, in my view, and hopefully we are moving away from the idea of cities choked with car traffic to something much more conducive to city living."

An adjunct Assistant Professor who has lectured part time at the School of Architecture, Planning and Environmental Policy in UCD since 1993, Phillips is also an advocate of the use of "architectural visualisation" when it comes to planning.

"In our sister design company, Redline Studios, we use state-of-the-art technology to visualise exactly how a proposal will look when completed," he said. "Often, we'll get the architect's drawings, but it's only when we actually see the design on screen that we truly explain the proposal."

"By bringing the spaces and buildings to life, and providing high-quality 3D solutions to help illustrate projects, we hope this helps to communicate the sometimes complex information contained in a planning document."



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