

LOUTH COUNTY DEVELOPMENT PLAN 2021-2027

APPENDIX 3

Louth Housing Strategy

Louth Housing Strategy 2021- 2027

Prepared by:

Future Analytics

Planning | Research | Economics

On behalf of:



Comhairle Contae **Lú**
Louth County Council



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1.0 Introduction

1.1 Overview

This Housing Strategy has been prepared by Future Analytics Consulting on the behalf of Louth County Council to meet the statutory requirements set out under Section 94 of Planning and Development Act, 2000 (as amended). Under Part V of the Act, each planning authority must prepare a Housing Strategy which will cover the period of its Development Plan. In this instance, the Louth County Development Plan spans 2021-2027. Each strategy must have regard to the proper planning and sustainable development of the area and must address the overall supply of housing within the administrative boundary of the Local Authority. The Housing Strategy also addresses relevant provisions contained within the Housing (Miscellaneous Provision) Act, 2009 and the Urban Regeneration and Housing Act 2015.

The purpose of the Housing Strategy is to ensure that the proper planning and sustainable development of the County provides for the housing of the existing and future population of the area in the manner set out in the Strategy. The Plan and the Housing Strategy will embrace the Vision set out in the national Social Housing Strategy 2020 that *“every household in Ireland will have access to secure, good quality housing suited to their needs at an affordable price in a sustainable community”*.

The key objectives of the Housing Strategy are:

- To identify the existing need and likely future demand for housing in the area of the County Louth Development Plan.
- To ensure Louth County Council provides for the development of sufficient housing to meet projected future demand over the lifetime of the County Development Plan.
- To ensure that sufficient zoned lands are provided to meet the needs of different households of all types and tenures.

The Housing Strategy is a critical component of the County Development Plan and plays a key role in translating national housing policies and housing supply responses to the local level. The Housing Strategy informs the policy objectives of the Development Plan and provides details in relation to housing provision and its location and requirements for different house types, sizes and tenures and the requirements for residential zoned land. Since the previous Housing Strategy was prepared there have been significant changes in planning legislation and policy. In particular, this Housing Strategy must be consistent with the National Planning Framework (NPF) and the Eastern and Midland Regional Spatial and Economic Strategy (RSES).

In line with this, 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 all related housing policy outputs. The HNDA for County Louth, as elaborated in Section 1.2 and 1.3, provides a robust evidence base to inform decision-making around the current and future housing supply and investment in housing related infrastructure and services, the location and requirements for different house types, sizes and tenures and the requirements for residential zoned land.

1.2 Housing Strategy / HNDA – Guiding Principles

An evidence-based and future-proofed methodological approach has been adopted to ensure that the County Louth Housing Strategy meets the housing needs of the county and its residents while remaining consistent with local, regional and national guidelines. The Strategy is underpinned by a HNDA which provides a robust baseline to inform and guide policy objectives under the Louth County Development Plan 2021-2027.

Declines in the construction sector and wider economic activity in the previous decade, coupled with Ireland’s emerging economic recovery have led to ongoing challenges around fluctuations in the supply, demand and price of housing. It has also led to opportunities, with a greater mix of house types and tenures diversifying Ireland’s housing market. Aside from the traditional home-ownership model, rental accommodation will play a greater role in the provision of housing nationally and indeed across Louth.

Moreover, increasing levels of activity in the construction sector will provide new homes to meet current and projected demand and contribute to County Louth's social housing stock by way of Part V obligations. The HNDA incorporates a range of socio-economic and demographic data to analyse current levels of demand and supply within the Louth housing sector, and project for future need over the lifetime of the Development Plan and beyond to 2031. It incorporates demand across different tenures, including owner-occupied, the rental sector and social housing and provides estimates of future housing needs based on employment growth, income levels and affordability in the housing market.

1.3 Housing Need Demand Assessment (HNDA)

Under Section 94 (1) (a) of the Planning and Development Act 2000 (as amended), each planning authority "shall include in any development plan a strategy for the purpose of ensuring that proper planning and sustainable development of the area of the development plan provides for the housing of the existing and future population of the area in the manner set out in the strategy".

This must account for:

- the existing need and the likely **future need for housing**;
- the need to ensure that housing is available for persons who have **different levels of income**;
- the need to ensure that a **mixture of house types and sizes** is developed to reasonably match the requirements of the different categories of households, as may be determined by the planning authority, and including the special requirements of elderly persons and persons with disabilities, and;
- the need to **counteract undue segregation** in housing between persons of different social backgrounds.

In order to ensure that the plan-making system is supported by a robust methodology to inform policies and funding initiatives around housing and associated land requirements, the NPF has introduced a new requirement for each Local Authority to develop a Housing Need Demand Assessment (HNDA). The HNDA will support the preparation of housing strategies and all related housing policy outputs, e.g. city and county development plans, local area plans, traveller accommodation plans etc.

The NPF indicates that the purpose of the HNDA tool is to:

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

The NPF notes that HNDAs are designed to give broad, long run estimates of what future housing need might be, rather than precision estimates. The Framework must be logical, sequential and allow for updating, monitoring and evaluation. The HNDA undertaken as part of this Development Plan spans two key stages – current and future outlook; and assesses three core areas: Population, Housing and Economy. These are set out in figure 1.1 below. The sequential steps involved in the development and application of this HNDA model is then presented in Section 1.4.

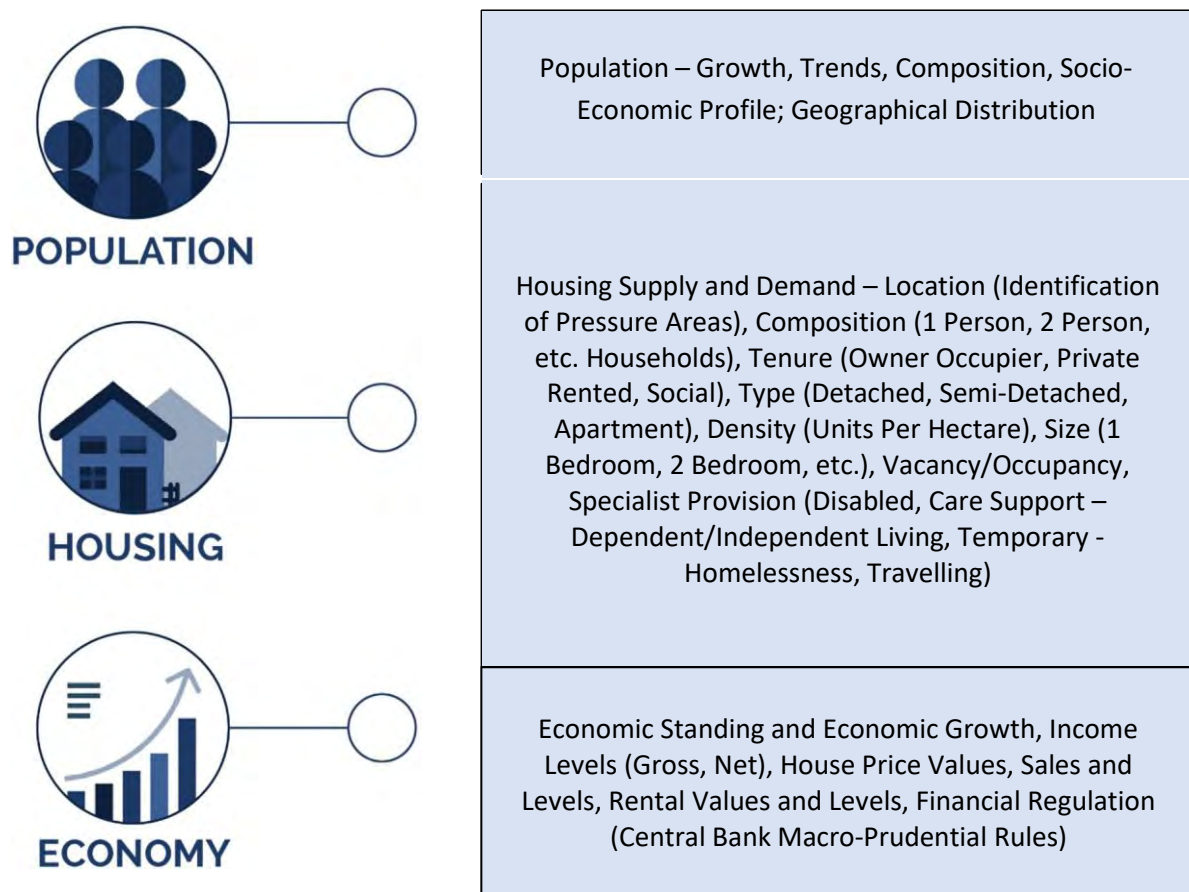


Figure 1.1: HNDA Assessment Areas. Source: Future Analytics Consulting

The methodological approach to the HNDA undertaken as part of the Louth Housing Strategy 2021-2027 is summarised in Figure 1.2 below. The process will enhance how acute and unmet demand for housing is identified before it arises. It provides a robust assessment of regional and localised influences, such as population and migration, in quantifying needs and demands. The key evidence inputs which drive the model are:

1. **Demographic trends, affordability trends and wider economic trends.** The use of **economic forecasting or econometric** work underpins this section. Data requirements include **household composition/projections, house prices, rents, number of first-time buyers (FTBs) and loan to value (LTV) mortgage rates, economic activity and employment rates**, etc.
2. Housing Stock Profile Pressures (and existing need) and management issues. This involves undertaking a detailed profile of local **housing stock and stock pressures**, including **local authority housing**, to identify the main pressures relating to supply and demand, ineffective stock and overall condition as well as priorities for future stock management. Information is required on **dwelling size, dwelling type, dwelling condition and stock pressures (occupancy/under occupancy stock turnover**, etc.).
3. Estimating Future Housing Need and Demand. This is broken down into: **owner occupation, private sector, below market rent and social rent**.

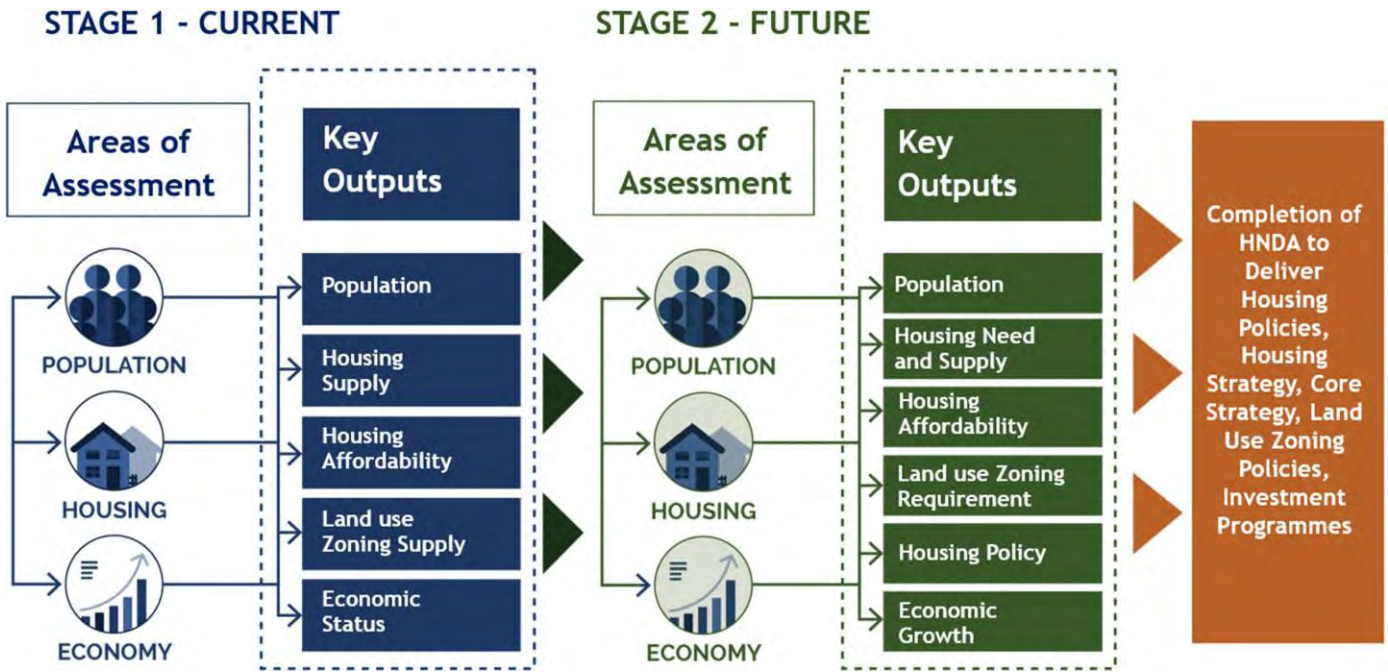


Figure 1.2: Schematic of HNDA Approach. Source: Future Analytics Consulting

1.4 Methodology

This section sets out the sequential steps involved in the development and application of this HNDA model. There are three components of the model, as shown in Figure 1.3, and which are broadly outlined hereafter.

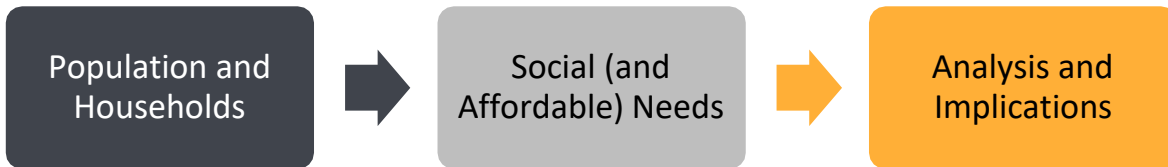


Figure 1.3: Overview of the HNDA Model

The first component of the model explores population scenarios for the County over the plan period. A number of population scenarios for County Louth have been investigated to 2031. In accounting for the NPF population growth targets, an interpolation of the required level of change per annum was developed for County Louth from baseline year 2016 to NPF target years 2026 and 2031 as described in detail in Section 4.2.1. This stage of analysis also comprises an investigation into average household size, as a key determinant of future housing need.

The second component relates to an assessment of housing affordability. This assessment supports the identification of social (and affordable) housing needs for County Louth during the plan period. There are 12 steps inherent in this, as illustrated in Table 1.2. Following this, analysis of progress towards key targets for social housing under Rebuilding Ireland has been set out in addition to specific examination of single rural dwellings within County Louth (refer to Section 4.4.3).

The following overall structure of this Housing Strategy is summarised in Table 1.1.

Table 1.1: Structure of the Louth Housing Strategy 2021-2027

Section 2	Strategic, Legislative and Policy Landscape
Section 3	Current Housing Context: Review and Analysis of Existing Supply and Needs
Section 4	Housing Needs in Louth: Projected Housing Need and Supply
Section 5	Meeting Housing Requirements in Louth
Section 6	Policy Objectives to Deliver Housing Strategy
Section 7	Conclusion

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Table 1.2: Approach to the HNDA for the Louth Housing Strategy 2021-2027

Step	Method
<p style="text-align: center;">Step 1 Determination of Annual Population Projections</p>	<p>Determination of annual population that is projected or an established projection target to be in the County over the County Development Plan period.</p> <p>The agreed population projection scenario / target can reflect a “low”, “medium” or “high” growth projection-based upon city, county, regional, national and global specific factors. Louth County Council have applied a high growth scenario that aligns with the NPF as described in detail in the Core Strategy.</p>
<p style="text-align: center;">Step 2 Determination of Average Household Size and Additional Households Required</p>	<p>Determination of the additional anticipated increase in households per annum over the Development Plan period based on the application of an average household size for the projected population.</p> <p>In order to consider the average household size, the County Council should advise as to whether the average household size should be adjusted over time and whether alignment with the NPF is necessary.</p>
<p style="text-align: center;">Step 3 Calculation of Estimated Distribution of Household Disposable Incomes</p>	<p>Calculation of estimated distribution of annual and weekly household disposable income per decile of the established (by the CSO) of the 10 deciles in the baseline year.</p> <p>The national annual disposable and gross incomes per decile are adjusted to city/county level based on application of an “inflater” or “deflator” rate. In the case of County Louth, a deflator was applied.</p>
<p style="text-align: center;">Step 4 Calculation of Average Annual Household Disposable Income Distribution</p>	<p>Calculation of estimated distribution of annual household disposable income per household decile throughout the Development Plan period.</p> <p>This calculation considers a forecast GDP growth rate to reflect anticipated change incomes over the Development Plan period. It should be noted that this approach is also taken in relation to average annual gross income for the purpose of understanding mortgage capacity and qualification. Further information is contained in Appendix 4.</p>
<p style="text-align: center;">Step 5 Calculation of Average Monthly Household Disposable Income Distribution</p>	<p>Calculation of estimated distribution of monthly household disposable incomes for each of the 10 household deciles throughout the Development Plan period.</p> <p>This is an exercise to ensure that incomes are scaled to provide the monthly (rather than annual) estimates of disposable income per household in each decile.</p>

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Step	Method
<p style="text-align: center;">Step 6 Determination of Distribution of Total Anticipated Households</p>	<p>This is the calculation of estimated distribution of household units for each of the 10 household deciles throughout the Development Plan period.</p> <p>The number and distribution of total households per decile throughout the Development Plan period reflects projected number of private households per year during the Development Plan period as well as the distribution of housing units in the State from the Household Budget Survey.</p>
<p style="text-align: center;">Step 7 Determination of Distribution of Additional Anticipated Households</p>	<p>Calculation of estimated distribution of additional anticipated household units for each of the 10 household deciles throughout the Development Plan period.</p> <p>Similar to the step above, this specifically reflects the number of additional anticipated households per decile per year throughout the Development Plan period.</p>
<p style="text-align: center;">Step 8 Calculation of Projected House Price Bands</p>	<p>Calculation of projected house price bands based on the percentage split of the established (by the DHPLG) 8 price bands.</p> <p>Historic transactional housing market data is considered to understand changes in average house price and future adjustments. This facilitates an estimation of each of the projected house price bands and proportional market split based on the split of the 8 price bands and a projected annual price increase or decrease.</p>
<p style="text-align: center;">Step 9 Calculation of Mortgage Capacity of Households</p>	<p>Determination as to whether households in each decile can qualify for a mortgage that enables them to purchase a house in the lowest price band under the current macro-prudential rules, as set out by the Central Bank of Ireland.</p> <p>This is based on understanding the threshold in the lowest price band per year during the Development Plan period and application of the “Annuity Formula”. The “Annuity Formula” is based on the determination of an “Affordability Threshold”, a “Loan to Value Ratio”, an “Annual Percentage Rate (APR) - Interest Rate”, the determination of a “Monthly Percentage Rate (MPR) - Interest Rate”, and the determination of a “Loan Term (Years/Months)”.</p> <p>If a household in any decile does not have sufficient income to meet the macro-prudential rules (i.e. 3.5 times their gross income is less than 90% of the value of purchase a house in the lowest projected price band), they do not qualify for a mortgage and progress to private rental (See Step 11). Those households that can qualify for a mortgage progress to the need’s assessment for ownership (See Step 10).</p>

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Step	Method
<p>Step 10 Calculation of Projected Needs for Ownership</p>	<p>Calculation of the approximate affordable house price for each of the ten deciles per year during the Development Plan period based on the application of the <i>'annuity formula'</i>. Once established, a calculation of the households surplus and/or deficit per price band is undertaken with respect to the number of households that can qualify for a mortgage:</p> <p>a) Based on the application of the <i>"Annuity Formula"</i> calculate the housing affordability (i.e. Approximate Affordable House Price) for each of the 10 household deciles.</p> <p>b) Based on the determination of additional households required, the projected house price bands and the housing affordability, calculate the number of households not meeting the <i>"Affordability Criteria"</i>.</p> <p>This facilitates a calculation of the surplus/deficit of household at the lowest price band with respect to the number of households that can qualify for a mortgage.</p>
<p>Step 11 Calculation of Projected Needs for Private Rental</p>	<p>Calculation of the households that will not meet the affordability criteria to privately rent a home during the Development Plan period with respect to the number of households that cannot qualify for a mortgage.</p> <p>Historic rental market data is analysed to enable an estimate of projected rental price by unit type during the plan period. Based on this and the household income, a calculation of the households not meeting the affordability criteria to privately rent a home has been undertaken with respect to the number of households that cannot qualify for a mortgage and those households that cannot afford to purchase a home.</p>
<p>Step 12 Summary of Projected Social Housing Need</p>	<p>Calculation of the households who can be classified as not meeting the affordability criteria during the Development Plan period so as to adequately inform the necessary provision units within the County.</p> <p>This is a summary of the anticipated housing need for the County Council as set out in the preceding steps and reflects assessments for both mortgage qualification and private rental affordability. Specifically, the number of additional households anticipated over the Development Plan period, the number of those households that do not qualify for a mortgage and number of those households that do not qualify for a mortgage and cannot afford private rental is provided based on the outcomes of the preceding steps.</p>

2.0 Strategic, Legislative and Policy Landscape

This section identifies and reviews the key legislative and policy instruments relevant to the delivery of Louth's Housing Strategy 2021-2027.

2.1 National Legislation and Policy

Planning and Development Act 2000

Under Part V of the Planning and Development Act 2000 (as amended) Local Authorities are required to ensure that Development Plans are consistent with high-level strategic policies and national population projections. As such Development Plans are to incorporate a Core Strategy that demonstrates consistency with relevant national and regional objectives as 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 the housing needs of the existing and future population of the development plan area are met. 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."

Housing Strategies must be consistent with high level strategic plans such as the National Planning Framework and Rebuilding Ireland: Action Plan for Housing and Homelessness. Planning Authorities are also required to demonstrate how the Housing Strategy aligns with the population projections contained in the Core Strategy and the Regional Spatial and Economic Strategy for the Region.

The Planning and Development (Housing) and Residential Tenancies Act 2016

The Planning and Development (Housing) and Residential Tenancies Act 2016 provides a legislative basis for measures introduced under the Rebuilding Ireland: Action Plan for Housing and Homelessness to expedite the construction of large-scale residential developments. These "strategic housing developments" avail of a fast-track application process, whereby applications for planning permission are submitted apply directly to An Bord Pleanála. This measure was introduced under the Rebuilding Ireland Action Plan for Housing and Homelessness in order to streamline the planning process and accelerate the delivery of new housing and student accommodation units.

Part 2(3) of the Act defines the following types of developments as qualifying as strategic housing developments:

- a) the development of 100 or more houses on land zoned for residential use or for a mixture of residential and other uses,
- b) the development of student accommodation units which, when combined, contain 200 or more bed spaces, on land the zoning of which facilitates the provision of student accommodation or a mixture of student accommodation and other uses thereon,
- c) development consisting of shared accommodation units that when combined contain 200 or more bed spaces on land the zoning of which facilitates the provision of shared accommodation or a mixture of shared accommodation and other uses,
- d) development that contain a mixture of houses, student accommodation or shared living units,
- e) the alteration of an existing planning permission granted under section 34 (other than under subsection (3A) where the proposed alteration relates to development specified in paragraph (a), (b), or (c).

Under this streamlined application process applicants engage with the relevant Local Authority and the Board in a Pre-Application Consultation to discuss a proposed development, determine its legitimacy and highlight any potential issues that may arise. Then upon submission of an application for planning permission, the Board is to provide a decision within sixteen weeks of application. To maintain this deadline there is no provision for the applicant to provide further information in support of their application once submitted, and no provision for an appeals process by which the applicant or any third party can dispute the Boards decision. As such decisions to grant or refuse permission for strategic housing developments can only be disputed by way of a Judicial Review.

Urban Regeneration and Housing Act 2015

The statutory context for the provision of social and affordable housing has changed under the Urban Regeneration and Housing Act 2015 which amended the Planning and Development Act 2000. The amendments include that there will be a requirement for up to 10% social housing in developments in excess of 9 units. The use of cash payments as an alternative to social housing units is no longer permitted, and provision is made for the transfer of residential units outside the lands which are subject to planning permission, but within the relevant Development Plan area. The full list of social housing delivery options now permitted are outlined below.

Part V delivery options (Post Act 2015)

- The transfer of ownership of lands, subject to the planning permission application to a local authority for the provision of social housing remains the default option. The land option must be acceptable to the local authority
- The transfer of ownership to the local authority, or persons nominated, of completed social housing units on the land, subject to planning permission
- The transfer of ownership to the local authority, or person nominated, of completed social housing units on other land, not subject to the planning permission. There is no longer a requirement for the developer to build housing units on other land to fulfil his/her Part V obligations. The developer might have a stock of suitable houses or he/she can simply acquire housing units for such purposes. This allows social housing units to be delivered in a more timely fashion in another location, in the event that the development that is the subject of the planning permission does not meet the social housing or mixed tenure needs of the local authority:
- The Part V obligation can now be fulfilled by developers through long term leasing of properties: and
- A combination of the Part V options above is also allowed.

The Urban Regeneration and Housing Act 2015 also introduced wider changes aimed to encourage activity in the construction sector. A vacant site levy was introduced, permitting Local Authorities the power to apply levies to property owners who do not take steps to develop vacant and under-utilised in areas identified for priority development under the local Development Plan. Developers were also permitted to avail of reduced development contributions for developments that had previously been granted permission but were yet to commence.

Project Ireland 2040 – National Planning Framework

The National Planning Framework (NPF) is a high-level strategy that will shape growth and development in Ireland up to 2040. The NPF draws upon lessons learned from the National Spatial Strategy 2002-2022 and provides a framework for the sustainable development of Ireland's existing settlements. As a framework document it sets in train a process by which more detailed planning documents must follow, including the relevant RSES and County Development Plan. The Strategy contains a range of National Policy Objectives (NPO's) providing a wider context for targeting future growth across the country, and which 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 County level will be underpinned by the development of a Housing Need Demand Assessment (HNDA) by each Local Authority. This requirement is enshrined in National Policy Objective 37 (NPF; p97), as follows:

National Policy Objective 37: A 'Housing Need Demand Assessment' (HNDA) is to be undertaken for each Local Authority Area in order to correlate and accurately align future housing requirements. The HNDA is:

- to be undertaken by Local Authorities with coordination assistance to be provided by the Regional Assemblies, and also at a Metropolitan scale, particularly where inter-county and inter-regional settlement interactions are to be planned for and managed;
- to primarily 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;
- and to be supported, through the establishment of a coordination and monitoring unit to assist Local Authorities and Regional Assemblies in the development of the HNDA (DHPLG, Regional Assemblies and the Local Authorities). This will involve developing and coordinating a centralised spatial database for Local Authority Housing data that supports the HNDA being undertaken by Local Authorities.

Implementation Roadmap for the National Planning Framework

The Implementation Roadmap for the National Planning Framework (July 2018) highlights the Governments focus on achieving alignment between national, regional and local planning policy and practice. It addresses issues around

the legal status of the NPF and provides transitional population projections for the period up to 2031. 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.

Given the above, 2026-2027 will allow the assessment of the first full round of Development Plans prepared in accordance with the NPF and the RSES. This assessment will coincide with several other key dates; 2026 is a Census Year, and 2027 will see the review of the ten-year National Development Plan. It is further noted that Development Plans approved in 2020/21 will commence reviews in 2025/2026 and so require demographic data for the six-year period beyond to 2031.

Therefore, it is stated that "The critical population projection periods are to 2026 and 2031, with a particular emphasis on the initial six-year period to 2026, for city and county development plans that are to be formulated during the 2019-20/21 period" (NPF Implementation Roadmap, p4). The Roadmap provides transitional population projections for these milestones at a regional and county scale, in order to inform Development Plans for the period 2026 and 2031. The transitional population projections for the Eastern and Midland Region are listed in Table 2.1 below.

Table 2.1: Transitional Regional and County Population Projections to 2031 for the Eastern and Midland Regional Assembly

Regions and Counties	2016	2026	2031
Mid-East			
Kildare	222,500	249,000-254,000	259,000-266,500
Meath	195,000	216,000-221,000	225,500-231,500
Wicklow	142,500	155,000-157,500	160,500-164,000
Louth	129,000	139,000-144,500	144,000-151,500
Subtotal	689,000	759,000-777,000	789,000-813,500
Midlands			
Westmeath	89,000	96,500-98,500	100,000-102,500
Laois	84,500	92,500-94,000	95,500-97,500
Offaly	78,000	85,000-86,500	88,000-90,000
Longford	41,000	44,500-45,500	46,000-47,000
Subtotal	292,500	318,500-324,500	329,500-337,000
Dublin			
Dublin	1,347,500	1,489,000-1,517,500	1,549,500-1,590,000
Total	2,329,000	2,566,500-2,619,000	2,668,000-2,740,500

Sustainable Urban Housing: Design Standards for New Apartments Guidelines for Planning Authorities

In March 2018 the Department of Housing, Planning and Local Government updated the guidelines relating to the Design Standards for New Apartments. These guidelines have been adopted in appreciation of the need to move towards higher density and more sustainable forms of living within Ireland's urban areas, to which apartment living is deemed essential. They also recognise the importance of the challenge in meeting the housing needs of a growing population in Ireland's key cities, thus following the direction of travel outlined in the National Planning Framework.

Rebuilding Ireland – Action Plan for Housing and Homelessness, 2016

The *Rebuilding Ireland: Action Plan for Housing and Homelessness* was published in July 2016. The Action Plan recognises issues around supply and affordability in Ireland's housing sector and provides a multi-stranded approach to achieve key housing objectives up to 2021. These include an increase in the supply of social housing, increasing housing build numbers to services different tenures, and tackling homelessness. Actions to meet these objectives are organised under five pillars:

Appendix 3 Louth Housing Strategy

- Pillar 1: Address Homelessness
- Pillar 2: Accelerate Social Housing
- Pillar 3: Build More Homes
- Pillar 4: Improve the Rental Sector
- Pillar 5: Utilise Existing Housing.

Actions under Pillar 1 of the Action Plan are aimed at enhancing supports for homeless people and families, and alleviating an unacceptable level of families in emergency accommodation. Key actions include a Rapid-Build Housing Programme to expediate social housing supply, with a target of 1,500 rapid-delivery units by 2018, and enhanced Housing Assistance Payment (HAP) supports. In January 2016 rent limits were increased under the national Rent Supplement and HAP schemes, to provide greater security for tenants and families that are at risk of becoming homeless if their rent increases.

Rebuilding Ireland (RI) also introduced the RI Home Loan. This is a government-backed mortgage for first-time buyers. Loans are offered at reduced interest rates and can be utilised to buy new and second-hand properties, or to build a home. Applicants can borrow up to 90% of the market value of the property they are building or buying. Properties funded under the scheme cannot be over 175 square metres. The maximum market value differs depending on where the relevant property is located. The maximum market value is:

- €320,000 in Cork, Dublin, Galway, Kildare, Louth, Meath and Wicklow
- €250,000 in the rest of the country

Pillar 2 of the Action Plan builds upon actions delivered under the Social Housing Strategy 2020. Published in 2014 the Social Housing Strategy set a commitment to deliver 35,000 new social housing units by 2020. The Action Plan increases this target to the delivery of 47,000 new social housing units over the period 2016-2021. It pledges enhanced support for existing initiatives for the delivery of social housing introduces the following new support schemes:

- **Local Authority Construction & Acquisition (also known as the Social Housing Investment Programme (SHIP))**

To provide funding to local authorities for the provision of social housing by means of construction and acquisition. It also covers expenditure under the Rapid Build Housing Programme, Part V acquisitions, Land Aggregation Scheme and the Special Resolution Fund for unfinished housing developments.

- **Capital Assistance Scheme (CAS)**

To provide essential funding to AHBs for the provision of accommodation for persons with specific categories of housing need such as Homeless and Older Persons, People with Disabilities, Returning Emigrants and Victims of Domestic Violence.

- **Vacant Housing Repair and Leasing Initiative**

This scheme enables local authorities, having identified appropriate vacant privately-owned properties in their functional areas, to provide upfront financial assistance to meet reasonable renovation works and to enter into long term lease arrangements with property owners. Renovation costs will be recouped from rent over an agreed period.

- **Part V Delivery**

The Action Plan sets out a commitment to ensure adequate resources are made available to both local authorities and Approved Housing Bodies, to allow them to purchase or lease newly built private dwellings to the fullest extent envisaged by Part V of the Planning and Development Act 2000. In addition, where appropriate, the leasing of additional privately developed dwellings beyond the extent envisaged by Part V is supported. Furthermore, the up-front purchase of the Part V social housing requirement will be facilitated, subject to the introduction of strict controls.

Significantly Pillar 3 of the Action Plan introduced measures for a stream-lined planning application process to allow applications for larger housing development schemes (comprising 100 units or more) to be made directly to An Bord Pleanála. These measures were given a legislative basis in the Planning and Development (Housing) and Residential Tenancies Act 2016 and now comprises the Strategic Housing Development Process. The process aims to speed up the planning decision making process, provide greater certainty to developers in terms of bringing schemes to market and ultimately to increase the supply of housing as efficiently as possible to address the current shortfall.

Pillar 4 of the Action Plan focuses on the rental sector and its growth in the overall tenure mix for Ireland's housing sector. A declining rate of home ownership, decreasing household size, a growing population influenced by high inward migration rates, and increasing rates of new household formation are all identified as factors pointing to the growth of the rental sector and the increased role it is likely to play into the future. The Action Plan notes that a strong rental sector supports a mobile labour market "*better able to adapt to new job opportunities and changing household circumstances*" and is suited to accommodating a range of households - including mobile professionals, students and indeed lower-income households.

Pillar 5 recognises that achieving optimum occupancy of both social and private housing stock is an effective way of meeting housing needs. It commits to the development of an overall national vacant housing re-use strategy, as well as introducing the following actions to ensure that our existing housing stock is utilised in an efficient manner to meet housing demand:

- **Better management of social housing stock**
A vacated social house should not remain vacant for an extended period. The refurbishment and re-letting of units between tenancies with minimal delay will be achieved through the adoption of a national re-letting performance standard across all local authorities, a preventative maintenance approach to housing stock management and funding mechanisms to incentivise the swift turnaround of units.
- **Choice-based letting**
Choice-based letting is a method used to allocate social housing in a manner that offers more choice and involvement for applicant households in selecting a new home. Local Authorities that have implemented such an approach have seen refusal rates drop, and so a choice-based allocation system will be introduced and implemented across all Local Authorities in a manner tailored to their specific circumstances.
- **Review of Tenant (Incremental) purchase**
The ongoing review of the Tenant (Incremental) Purchase Scheme in consultation with Local Authorities, to make the scheme more attractive for social housing tenants and help people who would otherwise struggle to buy a home to meet their home ownership ambitions.
- **Housing Agency Vacant Housing Purchase Initiative**
The Housing Agency will receive up to €70 million in capital funding to support the acquisition of suitable portfolios of vacant properties for social housing directly from financial institutions and investors.

National Vacant Housing Reuse Strategy 2018-2021

The National Vacant Housing Reuse Strategy was published in 2018 to support Pillar 5 of the Rebuilding Ireland: Action Plan for Housing and Homelessness. Drawing together policies and actions aimed at reducing vacancy in Ireland's housing stock it sets out the Strategic Objective of:

"ensuring that existing housing stock is used to the maximum degree possible – focusing on measures to use vacant stock to renew urban and rural areas."

To accomplish this overall Strategic Objective the Strategy sets out a range of actions that will be implemented at a national and local level, grouped under five key objectives.

- Objective 1 Establish robust, accurate, consistent and up-to-date data sets on vacancy.
- Objective 2 Bring forward measures to ensure, to the greatest degree possible, that vacant and underused privately owned properties are brought back to use
- Objective 3 Bring forward measures to minimise vacancy arising in Social Housing Stock.
- Objective 4 Continued engagement with and provision of support to key stakeholders to ensure suitable vacant properties held by banks, financial institutions and investors are acquired for social housing use.
- Objective 5 Foster and develop cross-sector relationships, collaborating in partnership to tackle vacant housing matters.

Social Housing Strategy 2020: Support, Supply and Reform

The Social Housing Strategy 2020: Support, Supply and Reform was adopted in November 2014 and sets out the framework for the delivery of new social housing and for social housing assessment, delivery and financing. The vision of the Strategy is that “every household in Ireland will have access to secure, good quality housing suited to their needs at affordable prices in a sustainable community.” Fulfilling this vision is a fundamental element of the ~~County~~Louth Housing Strategy.

The national Social Housing Strategy is based on three pillars:

Pillar 1: Provide for 35,000 new social housing units, over a six-year period, to meet the additional social housing supply requirements as determined by the Housing Agency¹;

Pillar 2: Support up to 75,000 households through an enhanced private rental sector; and

Pillar 3: Reform social housing supports to create a more flexible and responsive system.

Phase 1 sets a target of 18,000 additional housing units and 32,000 HAP/RAS units by the end of 2017. Phase 2 sets a target of 17,000 additional housing units and 43,000 HAP/RAS units by end 2020.

The Strategy states that significant exchequer funding will be allocated to ensure that the early phases of the Strategy will deliver on the targets. An enhanced role for the Approved Housing Bodies (AHBs) is also a key component to deliver the vision. The Strategy also states that a new tenant purchase scheme for existing local authority houses will be put in place. The development of an individual housing ‘passport’ that would facilitate tenant mobility between local authorities will be examined. Exchequer funding commitment of €5.7bn over the lifetime of the Strategy has been made by Government, and Louth County Council expects to spend in excess of €200 million from this fund in the delivery of its Social Housing Programme 2017 to 2019.

The National Housing Strategy for People with a Disability 2011-2016 (as extended)

The National Housing Strategy for People with a Disability 2011-2016 sets out a framework of initiatives to provide for the housing needs of vulnerable and disadvantaged households. The strategy has nine strategic aims:

- To promote and mainstream equality of access for people with a disability to the full range of housing options available suited to individual and household need.
- To develop national protocols and frameworks for effective interagency cooperation which will facilitate person-centred delivery of housing and relevant support services.
- To support people with a disability to live independently in their own homes and communities, where appropriate.
- To address the specific housing needs of people with an intellectual and/or physical disability, moving from congregated settings in line with good practice, including through the development of frameworks to facilitate housing in the community.
- To address the specific housing needs of people with a mental health disability, including through the development of frameworks to facilitate housing in the community, for people with low and medium support needs moving from mental health facilities, in line with good practice.
- To consider good practice in the design, coordination and delivery of housing and related supports.
- To facilitate people with a disability to access appropriate advice and information in respect of their housing needs.
- To improve the collection and use of data/information regarding the nature and extent of the housing needs of people with a disability.
- To provide a framework to support the delivery, monitoring and review of agreed actions.

Housing Options for Our Ageing Population

A joint policy statement 'Housing Options for our Ageing Population' was launched in February 2019. The purpose of the statement is to provide a policy framework to support our ageing population in a way that will increase the accommodation options available and give meaningful choice in how and where people choose to live as they age. It identifies a programme of 40 strategic actions to further progress housing options for older people under the themes of

¹ Increased to 47,000 units in *Rebuilding Ireland – Action Plan for Housing and Homelessness, 2016*

data gathering, collaborative working, delivering choice, support services, comfort and safety and maintaining momentum. The statement also sets out the general guiding principles that will underpin the development of housing options for older people as follows: ageing in place; supporting urban renewal; using assistive technology; staying socially connected; working together; and promoting sustainable lifetime housing.

2.2 Regional Policy

The Regional Spatial and Economic Strategy (RSES) 2019-2031

The Regional Spatial and Economic Strategy (RSES) for the Eastern and Midland region came into force in June 2019, superseding the Regional Planning Guidelines for the Border Region as applicable to Louth. 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 sustainable development patterns and seeks to focus growth within the footprint of existing urban areas and in key regional growth settlements.

The RSES seeks to determine at a regional scale 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 16 Regional Strategic Outcomes (RSOs), which are aligned with international, EU and national policy and which in turn set the framework for city and county development plans.

The RSES also sets out Regional Policy Objectives to support Local Authorities in completing Housing Need Demand Assessments as required under the NPF and to provide for a diverse range of housing types and tenures. The strategy seeks to *“Support local authorities, approved housing bodies and other sectoral agencies in the provision of a greater diversity of housing type and tenure, including social and affordable housing and exploring new models of low-cost rental and affordable homeownership”*.

In relation to Louth, the Settlement Strategy for the region designates both Drogheda and Dundalk as Regional Growth Centres. The key priorities of these regional growth centres are to promote their continued sustainable and compact growth as regional drivers of city scale, with both settlements attributed targeted populations of 50,000 by 2031. The designation of these settlements under the Settlement Strategy for the region and relevant Regional Policy Objectives has informed the Housing Strategy for County Louth.

2.3 Local Policy

Louth County Housing Strategy 2015-2021

The Louth County Housing Strategy 2015-2021 provided a comprehensive review of demographics and housing demand within County Louth to inform the Louth County Development Plan 2015-2021. It projected need for the planning provision of housing, as well as the demand for social and affordable housing within the County based on data from the 2011 census and regional population targets. This analysis identified a requirement for 4,001 households during the lifetime of the County Development Plan.

Given the difficult economic situation at the time, the Housing Strategy did not envision Louth County Council building a substantial number of social or affordable housing units during the Plan's lifetime. However, it was acknowledged that there would be a need for social housing irrespective of overall social housing output. In order to meet this need the Housing Strategy advocated for the implementation of Part V requirements of 12% in all new housing schemes.

County Louth Local Economic and Community Plan 2016-2022

The Louth Local Economic and Community Plan (LECP) 2016-2021 was completed to meet provisions under the Local Government Reform Act 2014. It is an action-focused plan whose purpose is to identify and implement actions to achieve sustainable economic growth and improved social outcomes within the County. A series of economic and community goals, objectives and actions to achieve these ambitions are set out throughout the plan.

Louth Age Friendly County Strategy Document

Louth County Council was the first local authority in Ireland to launch the Louth Age Friendly County Initiative in 2008. The Louth initiative was the original 'design & build' approach and informed the models and structures now followed today across the wider network of age friendly city/county programmes. The Age Friendly programme is part of an international effort to address environmental and social factors that contribute to active and healthy ageing. It helps cities and communities to become more supportive of older people by addressing their needs across eight key themes:

- The built environment
- Transport
- Housing
- Social participation
- Respect and social inclusion
- Civic participation and employment
- Communication
- Community support and health services

The housing section within the strategy identifies challenges raised by older people with regard to their accommodation needs, these included:

- Houses need to be adapted as people get older and frailer
- Many older people don't feel safe in their own homes and neighbourhoods
- Older people need more choice of types of housing.

Louth County Council Traveller Accommodation Programme 2019-2024

The Louth County Council Traveller Accommodation Programme (TAP) 2019-2024 fulfils requirements under the Housing (Traveller Accommodation) Act 1998. Having come into effect in 2000 the Act requires Local Authorities to prepare and adopt a Traveller Accommodation Programme for each succeeding five-year period. It aims to meet the accommodation needs of travellers in Louth within a five-year period up to 2024. The Programme recognises Traveller's ethnic identity and aims to provide accommodation that is suitable to their specific needs. As such, the Programme provides for standard housing options, as well as traveller-specific accommodation such as halting sites and temporary/emergency sites. As policy, different housing options will be provided in accordance with an assessment of need and are subject to feasibility.

3 Current Context: Review and Analysis of Existing Supply and Needs

3.0 Population

County Louth is located within the Eastern and Midland Regional Assembly (EMRA) area, the most populous region in Ireland with over 2.3 million people. Between 2006 and 2016, the region grew by 15%, an increase of over 300,000 people, exceeding the state average growth rate of 12% during the same period. County Louth is strategically located within the Dublin- Belfast cross-border network area, the largest economic agglomeration on the island of Ireland. A brief overview of the county's population shows that the county saw a population increase of 4.9% (+5,987 persons) between 2011 and 2016, as the population increased to 128,884 from 122,897. Between 2006-2011, the population in the county grew by 10.5%. Drogheda and Dundalk continued to experience steady growth between 2011-2016, with their populations increasing by 4.9% (Louth portion of the population; 6.2% across the settlement as a whole) and 3.1% respectively. Both settlements now exceed populations of 30,000 with their combined population representing a total of 62% of the county's population. Population change across the various tiers of the settlement hierarchy is set out in Table 3.1 (with a county summary presented in the infographic below).

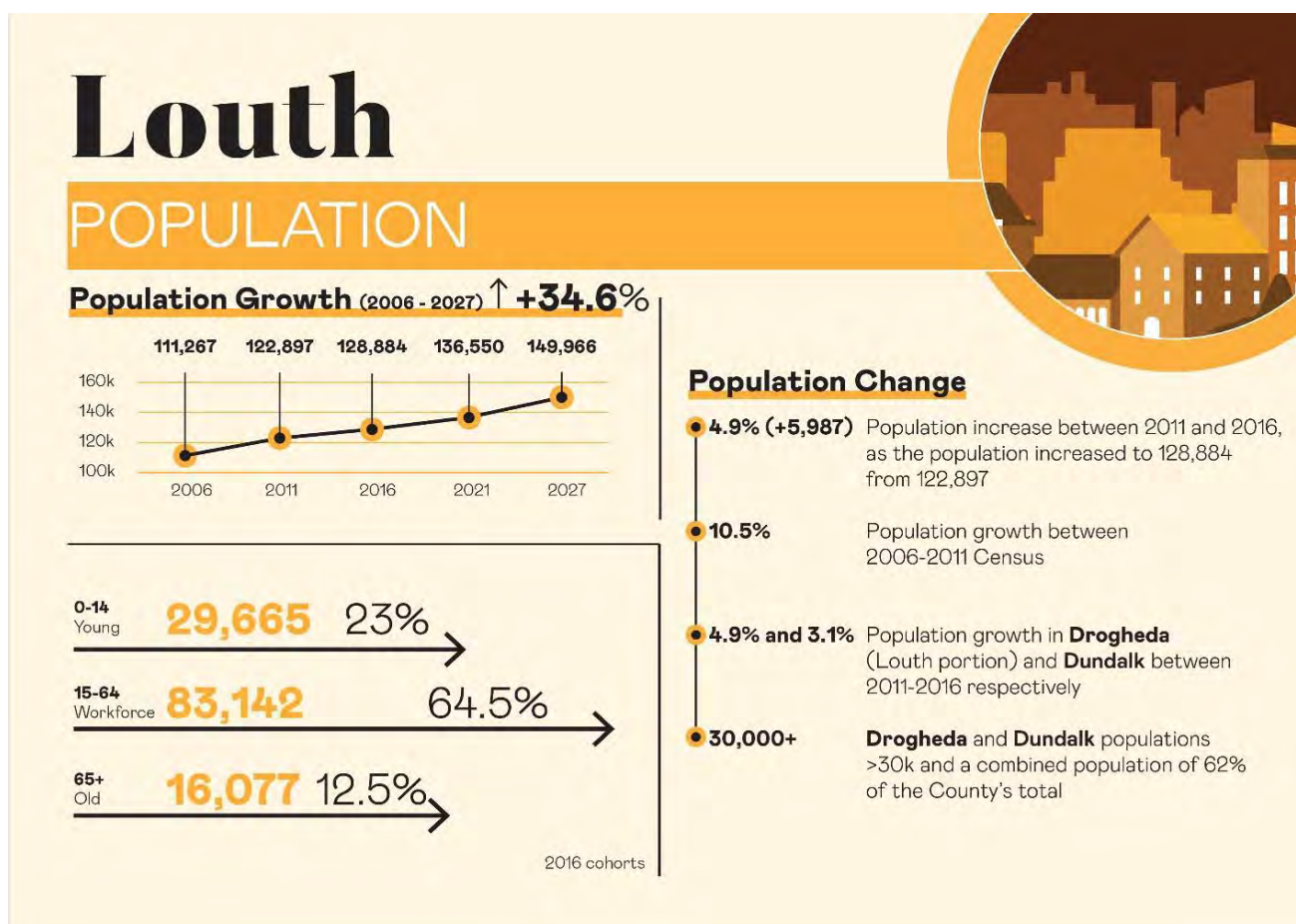


Table 3.1: Population Growth in Louth 2011-2016

	Population 2011	Population 2016	Growth Rate (2011-2016)	Growth Rate % (2011-2016)
Louth County	122,897	128,884	5,987	4.9%
Tier 1 Settlements				
Drogheda (Louth)²	32,595	34,199	1,604	4.9%
Dundalk	37,816	39,004	1,188	3.1%
Tier 2 Settlements				
Ardee	4,927	4,928	1	0.0%
Dunleer	1,786	1,822	36	2.0%
Tier 3 Settlements				
Carlingford	1,045	1,445	400	38.3%
Castlebellingham-Kilsaran	1,035	1,126	91	8.8%
Clogherhead	1,993	2,145	152	7.6%
Termonfeckin	1,443	1,579	136	9.4%
Tullyallen	1,358	1,547	189	13.9%
Tier 4 Settlements				
Annagassan	180	201	21	11.6%
Baltray	-	132	-	-
Collon	814	896	82	10.1%
Dromiskin	1,115	1,195	80	7.2%
Knockbridge	583	667	84	14.4%
Louth Village	715	735	20	2.8%
Omeath	503	603	100	19.9%
Tallanstown	673	674	1	0.1%
Tier 5 Settlements & Rural Areas	28,333	29,229	896	3.16%

In line with a prevailing state-wide trend of urbanisation, the County saw an increase in the share of population residing in urban areas. According to the CSO's parameters, a total of 85,224 people (66.1%) were living in urban settlements in Louth in 2016. 43,660 (33.9%) were living in smaller towns and villages, as well as in the rural remainder of the county. In 2011, census results showed a distribution between the urban and rural population as 69.2% and 30.8% respectively. Thus, Louth is becoming more urban in nature as a whole.

² The population of Drogheda includes a proportion of County Meath's population (specifically those residing in the southern environs of Drogheda). The population of the entire settlement was 40,956 in 2016. This represented an increase of 6.2% since 2011 (when the population was 38,578).

Appendix 3
Louth Housing Strategy

The age profile of the EMRA region in 2016 was relatively young with nearly half a million children or 1 in 5 people (22%) in the Region aged under 14 years of age. In Louth this figure is broadly similar, standing at 23%. In total, the number of children of pre-school age (0-4) in Louth is 9,473 (7.4%). 16,274 (12.6%) are of primary school going age (5-12) and a further 11,037 (8.6%) are of secondary school going age (13-18). The average age of the county's population in 2016 was 35.9. This compares to a state average of 36.8. Figure 3.1 provides a proportional illustration of the various age cohorts in Louth that comprise the total population, categorising them by gender.

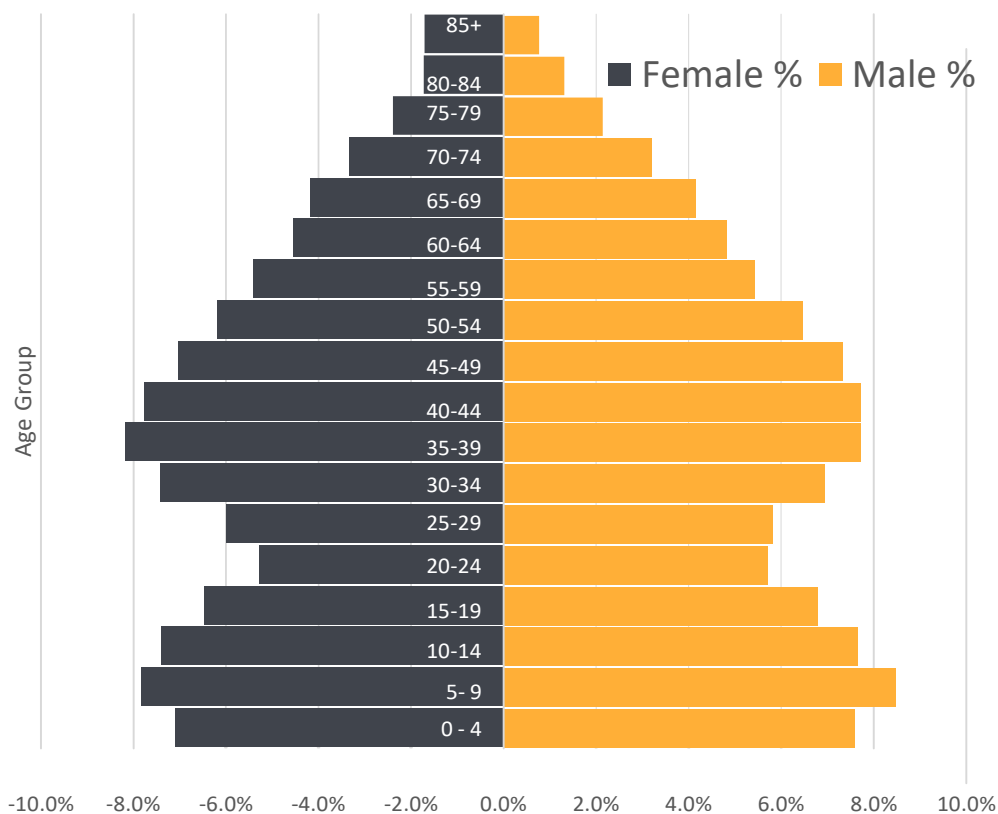


Figure 3.1: Age Dependency Ratios % (2016)

However, Census 2016 results show that Ireland's population has been getting steadily older since the 1980s. In 2016, 37.2% of the Irish population were aged 45 and over, compared with 34.4% in 2011 and 27.6% in 1986. 13.4% of the state's population were over 65 in 2016. As with the state, both the EMRA region and county of Louth are ageing. Indeed, 12.5% of the county's population were aged over 65 in 2016. As the RSES notes, by 2031 there will be a significant increase in the regional population aged over 65 and as such, there is a need to plan for adequate healthcare, accommodation and services to enable independent living for as long as possible, encourage active lifestyles and address isolation for older residents.

The total age dependency ratio for County Louth in 2016 was 54.9%³, as demonstrated in Table 3.2. Nationally, this figure stood at 52.7%.

Table 3.2: Age Dependency Ratios (2016)

	0-14 years	15-64 years	Over 65 years	Young Age Ratio (%)	Old Age Ratio (%)	Total Dependency Ratio (%)
County Louth	29,665	83,142	16,077	35.6%	19.3%	54.9%
MD						
MD Dundalk	12,573	35,970	7,263	34.9%	20.1%	55%
MD Ardee	6,869	18,591	3,566	36.9%	19.1%	56%
MD Drogheda	10,223	28,581	5,248	35.7%	18.3%	54%

3.1 Existing Housing Stock and Supply

3.1.1 Stock and Composition

Census 2016 results record a total housing stock of 51,399 units in County Louth, which represents a marginal increase of 213 units on 2011 levels. The number of vacant units in 2016 stood at 3,952 (excluding holiday homes and those dwellings deemed to be temporarily absent). The 2011 Census data does not distinguish between categories of vacancy and indicates that there were 7,126 unoccupied dwellings in 2011. In contrast, the 2016 data illustrates the number of temporarily absent dwellings, unoccupied holiday homes and other vacant dwellings. For comparison purposes, the total number of vacant dwellings across these three categories in 2016 is 5,871. As such, there is an overall decline in the number of vacant dwellings of 1,255 between 2011-2016. This indicates the existing vacant stock absorbing much of the growing need for housing in the county. A summary of the information on the existing housing stock is provided in Table 3.3.

Table 3.3: Existing Housing Stock (2016)

County	Housing stock	Holiday homes	Temporarily Absent	Vacancy	% Vacancy ⁴
County Louth	51,399	761	1,158	3,952	7.69%
MD					
MD Dundalk	23,218	517	498	2,134	9.19%
MD Ardee	11,072	158	261	740	6.68%
MD Drogheda	17,109	86	399	1,078	6.30%

³ Dependents are defined for statistical purposes as people outside the normal working age of 15-64. Dependency ratios are used to give a useful indication of the age structure of a population with young (0-14) and old (65+) shown as a percentage of the population of working age (15-64).

⁴ The percentage vacancy rate provided is based on 'Other Vacancy' category as a percentage of total housing stock and excludes vacant holiday homes and those temporarily absent.

Household size cohort represents the number of people per households. Almost half (49.8%) of households in Louth in 2016 had just one or two persons living in that household as illustrated Table 3.4, however this generally compares to the national figures on household size cohorts.

Table 3.4: Existing Household Size Cohorts (2016)

County Louth	Households	Persons	Households %	Persons %
1 person	10,260	10,260	22.6%	8.0%
2 persons	12,376	24,752	27.2%	19.4%
3 persons	8,040	24,120	17.7%	18.9%
4 persons	8,228	32,912	18.1%	25.8%
5+ persons	6,544	35,707	14.4%	28.0%
Total	45,448	127,751	100.0%	100.0%

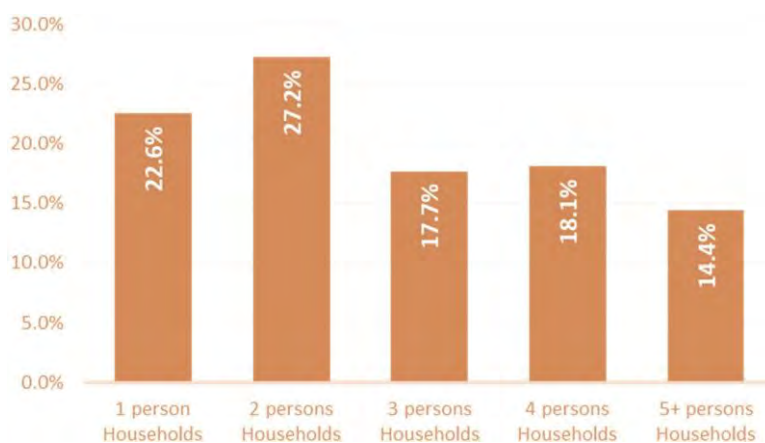


Figure 3.2: Existing Household Size Cohorts % (2016)

Compositionally, there were 45,448⁵ households and an average household size of 2.81, which is higher than the national rate of 2.75. 92% of households comprised of a traditional family houses or bungalows while 6.3% were those who lived in apartments in 2016. At a national level, 12% of all occupied households in Ireland were apartments. The NPF notes that while the overall proportion of households living in apartments is growing, we remain considerably behind European averages in terms of the numbers and proportion of households living in apartments, especially in our cities and larger towns. As such, the NPF states that apartments will need to become a more prevalent form of housing, particularly in Ireland's cities in order to more effectively address the challenge of meeting the housing needs of a growing population in our key urban areas.

⁵ CSO 2016 – Including Caravan/Mobile Home as a household

Appendix 3
Louth Housing Strategy

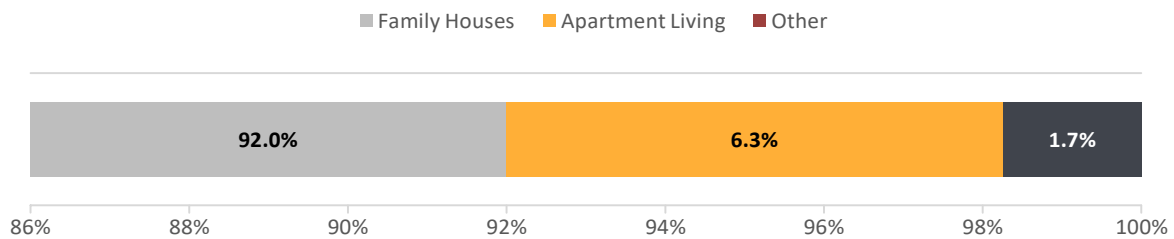


Figure 3.3: Existing Household Typology % (2016)

3.1.2 Housing Tenure

Home ownership remains the dominant tenure in Louth with 69.4% of households within this category in 2016. 36% of these owner-occupied households pay a mortgage. 15.2% of households were in the private rental market, while 10.6% (4,830) of rented properties comprise social housing remaining consistent with 2011 (10.1%) social housing levels. Table 3.5 provides a concise illustration of housing tenures across Louth County.

Table 3.5: Housing Tenure County Louth (2016)

County Louth	Households	Persons	Households %	Persons %
Social Housing	4,830	14,002	10.6%	11.0%
Rented (Privately)	6,909	18,814	15.2%	14.7%
Owner Occupied (All)	31,501	89,763	69.4%	70.4%

The proportional breakdown of housing tenures, privately owned, privately rented and publicly rented in the three Municipal Districts of Dundalk, Ardee and Drogheda is set out in Table 3.6. As can be seen home ownership in Ardee MD is higher than the County average at 78% while privately rented (6%) and social housing i.e. rented from the Local Authority and rented from voluntary bodies (6%) are well below the county average. Drogheda MD sees the lowest level of home ownership in the county (68%) while social housing provision (12%) and privately rented properties (17%) are at their highest.

Table 3.6 Household Tenure – Occupancy Type County Louth and Municipal Districts 2016

County Louth	Owner occupied with mortgage	Owner occupied no mortgage	Rented from private landlord	Rented from Local Authority	Rented from voluntary body	Occupied free of rent	Not stated	Total
(No. households)	16,356	15,145	6,909	4,248	582	611	1,512	45,363
% Households	36%	33%	15%	9%	1%	1%	3%	100%
MD Dundalk								
(No. households)	6,715	6,663	3,232	2,023	295	280	755	19,963
% Households	34%	33%	16%	10%	1%	1%	4%	100%
MD Ardee								
(No. households)	4,129	3,586	1,088	636	44	166	233	9,882
% Households	42%	36%	11%	6%	0%	2%	2%	100%
MD Drogheda								
(No. households)	5,512	4,896	2,589	1,589	243	165	524	15,518
% Households	36%	32%	17%	10%	2%	1%	3%	100%

3.2.4 Housing Permissions

Table 3.7 illustrates the number of granted planning applications in County Louth between 2006 and 2019. 87% of these relate to permissions granted for houses and apartments via development scheme applications, while 13% relate to 'single one-off dwellings in the open countryside'. Over the past 3 years (2017-2019), on average, 20% of granted applications were for one off dwellings, while approximately 80% were for houses and apartments via development scheme applications.

Table 3.7: Granted Planning Applications in County Louth between 2006 and 2019⁶

Granted Planning Applications (No. of Units)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Grand Total
Houses and Apartments	1,721	2,927	6,828	2,525	537	132	193	8	90	186	346	325	542	1,499	17,859
Single Rural Dwelling	502	441	404	239	163	107	115	85	68	83	103	149	143	149	2,751
Houses and Apartments % of Total	77%	87%	94%	91%	77%	55%	63%	9%	57%	69%	77%	69%	79%	91%	87%
Single Rural Dwelling % of Total	23%	13%	6%	9%	23%	45%	37%	91%	43%	31%	23%	31%	21%	9%	13%
Total	2,223	3,368	7,232	2,764	700	239	308	93	158	269	449	474	685	1,648	20,610
Total %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

⁶ CSO (2020) Tables BHQ02 and Table BHQ12 – Planning Permissions Granted for New Houses and Apartments by Type of Dwelling, Region and County, Quarter and Statistic.

4.2.1 Social Housing Stock

In accordance with Section 9 of the Housing Act 1988, housing authorities are required to undertake an assessment of housing need in their administrative area. The social housing stock of Louth as of February 2020 is as follows:

Table 3.8 Current Social Housing Stock (March 2020)

Housing Stock Managed by the Council	Dundalk	Drogheda	Ardee	Total Louth County
Council Owned	1,772	1,458	598	3,828
Community Housed	4	4	0	8
Long Term Leased	191	33	25	249
HAP	1638	1140	335	3,113
Council Stock Managed by Approved Housing Bodies	85	3	20	108
Approved Housing Body Units	-	-	-	713

Approved Housing Bodies – AHB’s

AHB’s provide social housing and are formed for the purpose of relieving housing need and the provision and management of 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. Housing cooperatives can provide both social rented housing and housing to purchase. Housing cooperatives are self-help and jointly owned member/user housing associations or societies. Projects undertaken may be in response to the needs of the elderly, people with disabilities, homeless persons or families and single people on low incomes. Some housing associations may be formed to specialise in meeting a particular housing need, others develop with broader aims. The specific housing services offered will depend on the aims or concerns of the members, the needs of tenants as well as the financial and other resources available for both capital costs and ongoing management running costs.

In December 2019, DHPLG issued a Circular (Housing Circular 40/2019) directing all local authorities to commence the establishment of a **Local Authority and Approved Housing Body Housing Delivery Forum** to represent their local authority area. This Circular followed a series of consultations events with local authorities and AHBs as well as detailed engagement with the CCMA Housing and Building Committee and the Irish Council for Social Housing. The overall objective is for each local authority to establish a local AHB forum to involve the key AHBs that are active in its area. The key concerns to be considered by the AHB forum are as follows:

- Agree and implement a Protocol for local authority/AHB engagement on the Delivery of Housing
- Review delivery targets under Rebuilding Ireland to monitor delivery and identify opportunities
- Agree and implement a Protocol to co-ordinate the provision of the additional support services available from those AHBs that work with households experiencing acute issues (homelessness, disability etc)
- To monitor and improve operational issues including the allocation process, agreeing rents etc
- Bring to the attention of the Department/CCMA/national AHB Forum, strategic or national issues that require agreement or solutions at the Departmental/CCMA level

A list of AHB's active in Co. Louth is set out below:

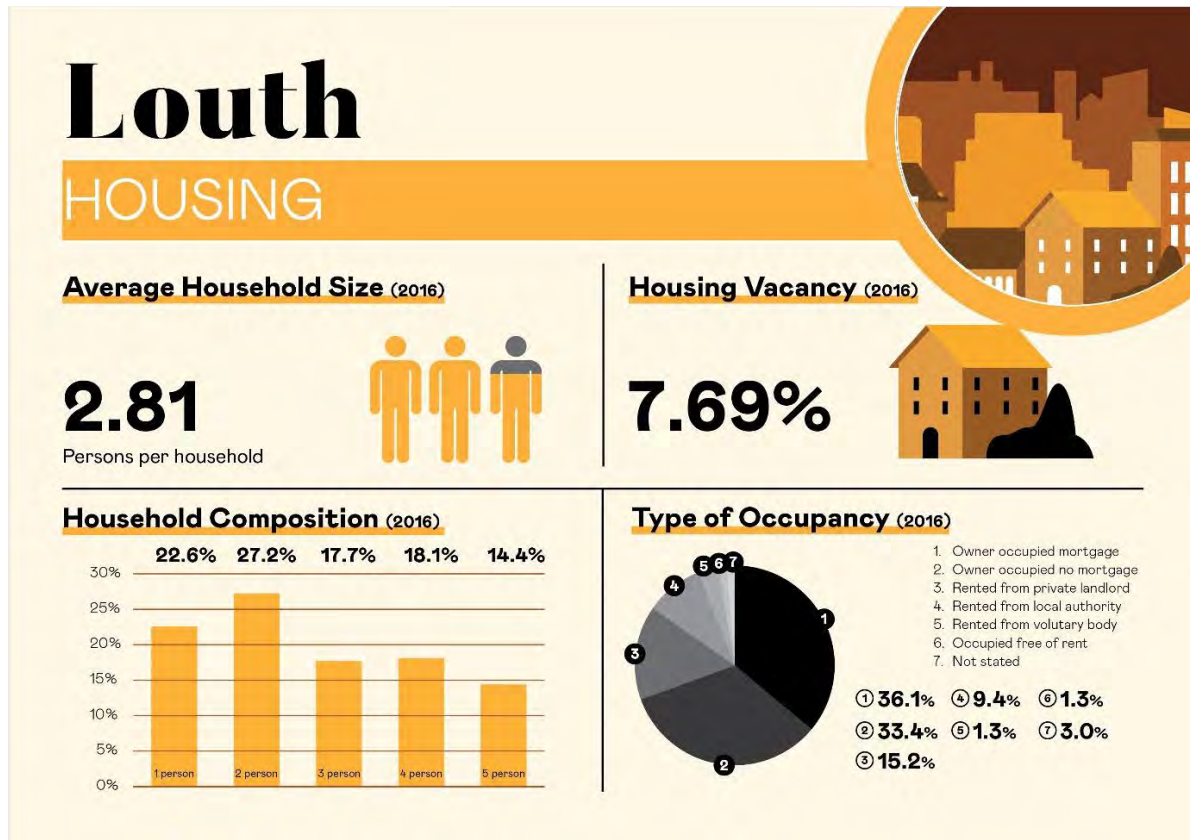
Table 3.9 Operational Approved Housing Bodies in County Louth

List of Operational Approved Housing Bodies in the County
Cluid Housing
Tuath Housing
Oaklee Housing
Drogheda Homeless Aid Association Limited
Drogheda Womens and Childrens Refuge Centre Limited
Dundalk Sheltered Housing
Dundalk Simon Community
Dundalk Voluntary Housing Association Limited
Disabled Persons of Louth
Grange & District Housing Association Limited
Kilkerley Housing Association Limited
Women's Aid (Dundalk) Ltd

Social Housing Vacancy

In May 2020, there were 62 vacant social housing units in Louth. The majority of the vacant units are in varying stages of being re-let, undergoing maintenance or are under offer for tenancy.

Summary Overview of Housing Context, 2016



4.0 Housing Needs in Louth

4.1 Overview

This section sets out the demographic, economic and social inputs of relevance and estimates the projected population, households and associated needs in relation to housing during the plan period. Specifically, this section demonstrates how the various demographic and market factors interact with the assessment of future housing needs and demands within County Louth. This aligns with the methodology that has been described in Section 1.4 and the section has therefore been structured in the following way:

- Section 4.2 (Inputs) – Describes the relevant information that has supported the analysis that has been undertaken herein.
- Section 4.3 (Assessment of Needs) – Describes the assessment of projected needs for ownership and private rental (in Section 4.3.2 and 4.3.3 respectively). A summary of the calculation of the households who can be classified as having an affordability problem during the plan period so as to adequately inform the necessary provision units within County Louth has been set out in Section 4.3.3.
- Section 4.4 (HNDA Components) - Describes the specific analysis that has been undertaken in relation to the dynamic components of the housing market in County Louth as set out under National Policy Objective 37 of the NPF.

The majority of the information presented herein relates to the plan period (i.e. 2021 – 2027). Where appropriate the information for additional years has been presented to understand progression from the baseline (i.e. 2016). Further details on the analysis undertaken is presented in Appendices 1 - 4.

4.2 Inputs

4.2.2 Population Projections

The future population of County Louth was estimated to 2031 using population growth scenarios set out in Section 2.5.3 of the Core Strategy. In accounting for the NPF population growth targets, an interpolation of the required level of change per annum was developed for County Louth from baseline year 2016 to NPF target years 2026 and 2031. This facilitated the production of projected annualised figures between 2021 and 2027 (i.e. the plan period). On this basis, the future population⁷ in County Louth has been projected through an interpolation of the targets as set out in the NPF to 2026 and 2031.

The projected population in County Louth throughout the plan period is outlined in Table 4.1 Overview with further details in relation to the year on year increase is provided in Appendix 1. The population of County Louth will increase by 13,416 people during the plan period to a total of 149,966 in 2027.

Table 4.1 Overview of Projected Population throughout the plan period (as per 'High NPF' aligned scenario)

	2021	2022	2023	2024	2025	2026	2027
NPF High Aligned	138,467	140,383	142,300	144,216	146,133	148,049	149,966
Growth (absolute)	1,917	1,916	1,917	1,916	1,917	1,916	1,917
Growth (relative)	1.4%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%

4.2.3 Estimated Households

The estimation of the projected number of households was undertaken following determination of the projected population for the plan period as set out in Section 4.2.1. Census 2016 indicates that the 45,363 private households in County Louth have an average household size of 2.81 which is marginally higher than the State average of 2.75 persons per private household. The effects of this are indicated in Table 4.2. However, the NPF states that the national average is expected to decline to around 2.5 by 2040, whilst acknowledging that urban households tend to be smaller than in the suburbs or rural parts of the country.

A graduated change in average household size has therefore been used (i.e. we assume alignment with the NPF by 2040 and thus the average household size is projected to be 2.60 by the end of the plan period). This estimation of households⁸ per year was achieved through the application of interpolated decline in average household size between 2016 (baseline census year) and 2027 as set out in Table 4.2.

Table 4.2 Overview of Estimated Average Household Size in Louth throughout the plan period

Average Household Size	2021	2022	2023	2024	2025	2026	2027
	2.71	2.69	2.67	2.65	2.63	2.61	2.60

Analysis of historic trends has undertaken to determine the evidence-based graduated reduction in average household size⁹ to 2027. As shown in Table 4.3, the average household size is thus projected to be 2.60 at the end of the plan period and this has facilitated an estimation of the number of households within County Louth.

By applying the relevant household size to the projected population, it is possible to forecast an estimated number of households in County Louth. As summarised in Table 4.3, the estimated number of households in County Louth is expected to increase from 45,448 in 2016. This will increase by 7,687 houses during the plan period, equating to a total of 57,679 households in 2027, or the equivalent of an additional 1,098 units per annum on average during the plan period. Further information is provided in Appendix 1.

⁷ After computation, rounding was applied to household and population figures for direct input into the HNSA Model.

⁸ Household numbers were derived via application of target average household sizes to the total interpolated population based on NPF Targets. Households were determined directly from total population per annum, not via use of the 2016 baseline for derivation by additional population per annum. After computation, rounding was applied to household and population figures for direct input into the HNSA Model.

⁹ The average household size applied to derive future household counts was linearly interpolated between actual 2016 census data (2.81) and NPF target household sizes for 2026 and 2031. It should also be noted that for the purpose of this estimation, the Average Household Size is being applied to total projected population instead of total persons in private households (in order to align with target population figures as per Section 4.2.1).

Table 4.3 Overview of Projected Households in County Louth throughout the Plan Period (NPF, Modified)

Year	Total Population	Number of Households ¹⁰	Average Household Size	Additional Houses Anticipated Per Annum	Total Anticipated Houses - 2021-2027	Average Anticipated Houses Per Annum between 2021-2027
2016	128,884	45,448	2.81	-	-	-
2017	130,801	46,870	2.79	1,422	-	-
2018	132,717	47,888	2.77	1,018	-	-
2019	134,634	48,945	2.75	1,057	-	-
2020	136,550	49,992	2.73	1,047	-	-
2021	138,467	51,081	2.71	1,089	-	-
2022	140,383	52,159	2.69	1,078	-	-
2023	142,300	53,282	2.67	1,123	-	-
2024	144,216	54,392	2.65	1,110	-	-
2025	146,133	55,549	2.63	1,157	-	-
2026	148,049	56,693	2.61	1,144	-	-
2027	149,966	57,679	2.60	986	7,687	1,098

The number and distribution of total households per decile throughout the plan period has been estimated based on the distribution of housing units in the State from the Household Budget Survey¹¹ during the baseline year (i.e. 2016 so as to align with the Census inputs). Table 4.4 identifies the distribution of total households across each of the ten deciles during the plan period.

Table 4.4 Distribution of total households per decile (No. Households) in County Louth (CSO, NPF, Modified)

Year	2021	2022	2023	2024	2025	2026	2027
1st Decile	5,019	5,125	5,235	5,345	5,458	5,571	5,668
2nd Decile	5,400	5,514	5,633	5,750	5,872	5,993	6,098
3rd Decile	5,348	5,461	5,578	5,694	5,816	5,935	6,039
4th Decile	5,333	5,445	5,563	5,679	5,799	5,919	6,022
5th Decile	5,236	5,346	5,461	5,575	5,694	5,811	5,912
6th Decile	5,079	5,186	5,298	5,408	5,523	5,637	5,735
7th Decile	4,915	5,018	5,126	5,233	5,345	5,455	5,549
8th Decile	4,930	5,034	5,142	5,249	5,361	5,471	5,566
9th Decile	4,907	5,011	5,119	5,225	5,336	5,446	5,541
10th Decile	4,915	5,018	5,126	5,233	5,345	5,455	5,549
Total	51,081	52,159	53,282	54,392	55,549	56,693	57,679

¹⁰ For 2016, this is private households however this is total households for 2021 – 2027 for those reasons set out above.

¹¹ CSO (2017) Household Budget Survey 2015-2016 - Table HS029: Households in sample by deciles and year.

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Similar to the preceding step, the number of additional anticipated households per decile per year has been estimated throughout the plan period. Table 4.5 identifies the distribution of additional anticipated households across each of the ten deciles during the plan period.

Table 4.5 Distribution of additional households per decile (No. Households) in County Louth (CSO, NPF, Modified)

Year	2021	2022	2023	2024	2025	2026	2027
1st Decile	107	106	110	109	114	112	97
2nd Decile	115	114	119	117	122	121	104
3rd Decile	114	113	118	116	121	120	103
4th Decile	114	113	117	116	121	119	103
5th Decile	112	110	115	114	119	117	101
6th Decile	108	107	112	110	115	114	98
7th Decile	105	104	108	107	111	110	95
8th Decile	105	104	108	107	112	110	95
9th Decile	105	104	108	107	111	110	95
10th Decile	105	104	108	107	111	110	95
Total	1,089	1,078	1,123	1,110	1,157	1,144	986

4.2.4 Economic Outlook

The local and regional economy is a critical part of the housing market needs and incomes which can impact on demand and supply. In order to understand the longer-term economic outlook for County Louth, particularly in relation to how household incomes may change over time, forecasted growth rates in relation to Gross Domestic Product (GDP) have been considered as described in detail in Appendix 4.

Further, it should be noted that this Strategy has been prepared during the COVID-19 pandemic which is ongoing at the time of writing and publication. As such, prioritisation in relation to future forecasted GDP growth has been given to those data sources that are reflective of this. The following GDP growth rates have therefore been applied herein for those reasons as set out in Appendix 4:

- **2020:** -9.4% GDP growth (i.e. contraction of the economy) which is the average of the economic forecasts that have been determined from the average of those forecasts from Davys, the ESRI, Central Bank, Department of Finance and European Union that reflect the ongoing COVID-19 pandemic.
- **2021:** 6.4% GDP growth which aligns with the latest Davys, Department of Finance and European Union forecasts (i.e. the only datasets for next year that reflects the ongoing COVID-19 pandemic).
- **2022:** 2.8% GDP growth which aligns with the Department of Finance forecast¹²
- **2023 - 2024:** 2.7% GDP growth which aligns with the Department of Finance forecast
- **2025 onwards:** 2.5% GDP growth which aligns with the Department of Finance forecast.

4.2.5 Income Analysis

Disposable income is the amount of income, after tax is deducted, that is available for spending and saving. It functions as an important measure of housing affordability¹³ in an area i.e. the ability of a household to purchase their own home. The weekly and annual disposable incomes at national level from the CSO's Household Budget Survey (from 2015-2016 – i.e. the baseline year that aligns with the Census) have been adjusted to county level based on application of "inflater/deflator" rate. The same methodology was applied separately to the average annual disposable incomes of households to determine mortgage capacity given Central Bank Rules (refer to 4.2.5).

The Average Annual Disposable Income for County Louth from the CSO's Household Budget Survey was €18,359 (7.8% below the regional average for the Mid-East Region), therefore a county deflator of 0.890 has been applied (on the basis of a national average annual disposable income of €20,638)¹⁴. The Average Annual Gross income for County Louth from the CSO's Households Budget Survey was €23,251, therefore a county deflator of 0.856 has been applied (on the basis of a national average annual disposable income of €27,165)¹².

As noted above, disaggregation into ten income segments or 'deciles' has been undertaken to represent the proportion of households in County Louth within each decile during the survey. Table 4.6 indicates that in 2017 after taxes, about one third of the households in County Louth (i.e. the first three deciles) have an average annual disposable income of up to €21,895 or the equivalent of €421 per week.

¹² This forecast was issued by the Department of Finance in advance of the COVID-19 pandemic; however, it is considered reflective of their anticipated return to pre-pandemic levels of output as set out in the April 2020 document from the Department of Finance.

¹³ Section 93 of the Planning and Development Act 2000, defines 'affordability' as "a person who is in need of accommodation and whose income would not be adequate to meet the payments of a mortgage for the purchase of a house to meet his or her accommodation needs because the payments calculated over the course of a year would exceed 35% of that person's annual income net of income tax and pay related social insurance..."

¹⁴ The measure of price inflation/deflation in an area (i.e. County Louth in this instance), relative to the national measure at that time.

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Table 4.6 Calculation of Distribution of Weekly and Annual Household Disposable Incomes in County Louth (Source: CSO, Modified)

Income Range	Average Weekly Disposable Income (State) (€) (2009-2010)	Average Weekly Disposable Income (State) (€) (2015-2016)	Percentage Change from 2009-2010 to 2015-2016	Assumed Annual Percentage Income Increase from 2010 to 2016	Adjusted Average Weekly Disposable Income (State) (€) (2017)	Percentage of Households in Each Category (State)	Average Annual Disposable Income (State) (€) (2017)	Louth County Deflator	Louth Average Annual Disposable Income (€) (2017)
1st Decile	188.91	197.40	4.5%	0.90%	199.17	9.83%	10,357.06	0.890	9,213.36
2nd Decile	300.98	324.40	7.8%	1.56%	329.45	10.57%	17,131.32	0.890	15,239.55
3rd Decile	431.28	465.86	8.0%	1.60%	473.33	10.47%	24,613.19	0.890	21,895.22
4th Decile	549.20	593.56	8.1%	1.62%	603.15	10.44%	31,363.73	0.890	27,900.31
5th Decile	669.46	725.85	8.4%	1.68%	738.08	10.25%	38,380.05	0.890	34,141.85
6th Decile	802.56	865.88	7.9%	1.58%	879.54	9.94%	45,736.24	0.890	40,685.71
7th Decile	972.03	1,026.46	5.6%	1.12%	1,037.96	9.62%	53,973.69	0.890	48,013.52
8th Decile	1,183.82	1,215.55	2.7%	0.54%	1,222.07	9.65%	63,547.44	0.890	56,530.06
9th Decile	1,472.66	1,473.25	0.0%	0.01%	1,473.37	9.61%	76,615.14	0.890	68,154.73
10th Decile	2,289.38	2,229.05	-2.6%	-0.53%	2,217.30	9.62%	115,299.70	0.890	102,567.46

To inform the forward projection of affordability in County Louth during the plan period, the baseline income has been inflated annually using forecasted growth rates in relation to Gross Domestic Product (GDP). The forecasted GDP rates have considered the household disposable incomes for 2016 from the CSO's Household Budget Survey along with historic and the latest forecasted GDP growth rates during the plan period (from the Department of Finance , Central Bank , ESRI and European Union – refer to 4.2.3).

Based on the current economic outlook and as described in detail in Appendix 4, GDP growth of 8.2% and 5.5% was considered during 2018 and 2019 respectively whilst 9.4% decline is expected during 2020, 6.4% growth in 2021 and 2.8% GDP growth has been conservatively applied thereafter. The key outputs of this (i.e. the forecasted annual average disposable household income) are shown in Table 4.7. A notable difference in average annual disposable incomes across each of the 10 deciles is evident for each year during the plan period.

Table 4.7 Average Annual Household Disposable Incomes per decile in County Louth (Source: CSO, Modified)

Year	2021	2022	2023	2024	2025	2026	2027
% Growth	6.4%	2.8%	2.7%	2.7%	2.5%	2.5%	2.5%
1st Decile	10,136	10,420	10,702	10,991	11,265	11,547	11,836
2nd Decile	16,766	17,236	17,701	18,179	18,634	19,100	19,577
3rd Decile	24,089	24,764	25,432	26,119	26,772	27,441	28,127
4th Decile	30,696	31,555	32,407	33,282	34,114	34,967	35,841
5th Decile	37,563	38,614	39,657	40,728	41,746	42,790	43,859
6th Decile	44,762	46,016	47,258	48,534	49,747	50,991	52,266
7th Decile	52,824	54,303	55,769	57,275	58,707	60,175	61,679
8th Decile	62,194	63,936	65,662	67,435	69,121	70,849	72,620
9th Decile	74,983	77,083	79,164	81,302	83,334	85,418	87,553
10th Decile	96,070	98,760	101,426	104,165	106,769	109,438	112,174

It should be noted that the COVID-19 pandemic is also likely to impact on the housing market in terms of house prices and market rental rates. Analysis of the historic information from the Property Price Register and the Rental Tenancies Board has been undertaken to understand local circumstances. This has been described in Section 4.2.5 and 4.2.6 respectively, however it should be noted that the macroeconomic impact of the COVID-19 pandemic has most likely not yet materialised in the local housing market.

Given the context provided and information as outlined above (i.e. Calculation of Average Annual Household Disposable Income Distribution), the incomes have been scaled to provide the monthly (rather than annual) estimates of disposable income per household in each decile as described in Table 4.8.

Table 4.8 Average Monthly Household Disposable Incomes per decile in County Louth (Source: CSO, Modified)

Year	2021	2022	2023	2024	2025	2026	2027
1st Decile	845	868	892	916	939	962	986
2nd Decile	1,397	1,436	1,475	1,515	1,553	1,592	1,631
3rd Decile	2,007	2,064	2,119	2,177	2,231	2,287	2,344
4th Decile	2,558	2,630	2,701	2,774	2,843	2,914	2,987
5th Decile	3,130	3,218	3,305	3,394	3,479	3,566	3,655
6th Decile	3,730	3,835	3,938	4,044	4,146	4,249	4,355
7th Decile	4,402	4,525	4,647	4,773	4,892	5,015	5,140
8th Decile	5,183	5,328	5,472	5,620	5,760	5,904	6,052
9th Decile	6,249	6,424	6,597	6,775	6,945	7,118	7,296
10th Decile	8,006	8,230	8,452	8,680	8,897	9,120	9,348

4.2.6 Central Bank Rules and Mortgage Capacity

The Central Bank have put measures in place that set limits on size of mortgages that consumers can borrow to purchase a home. These measures have been set through the use of loan-to-value (LTV)¹⁵ and loan-to-income (LTI)¹⁶ limits. An assumed preference for home ownership over rental has been applied as part of this modelling and assessment of needs. It has therefore been determined whether households could qualify for a mortgage that would enable them to purchase a house in the lowest price band under these rules. The key variables used to determine whether households in a decile can qualify for a mortgage are therefore:

- LTV ratio of 0.90
- a maximum LTI ratio of 3.5; and
- the upper value of the first house price band for that year (as set out in Section 4.2.5).

As such if a household does not have sufficient income to meet the Central Bank rules (i.e. 3.5 times their gross income is less than 90% of the value of purchase a house in the lowest projected price band for that year), they do not qualify for a mortgage that would enable them to purchase a home. Table 4.9 describes the mortgage capacity of households on that basis and further detail is provided in Appendix 2.

Table 4.9 Mortgage Capacity of Households per decile (euro) in County Louth based on Central Bank Rules (Source: CSO, Central Bank of Ireland, Modified)

Year	2021	2022	2023	2024	2025	2026	2027
1st Decile	34,235	35,194	36,144	37,120	38,048	38,999	39,974
2nd Decile	57,273	58,876	60,466	62,099	63,651	65,242	66,873
3rd Decile	83,082	85,408	87,714	90,083	92,335	94,643	97,009
4th Decile	108,720	111,764	114,781	117,880	120,827	123,848	126,944
5th Decile	138,190	142,059	145,895	149,834	153,580	157,419	161,355
6th Decile	170,853	175,637	180,379	185,249	189,881	194,628	199,493
7th Decile	208,716	214,560	220,354	226,303	231,961	237,760	243,704
8th Decile	254,515	261,642	268,706	275,961	282,860	289,932	297,180
9th Decile	324,615	333,704	342,715	351,968	360,767	369,786	379,031
10th Decile	531,915	546,809	561,572	576,735	591,153	605,932	621,080

Table 4.9 outlines that during the plan period, the first three deciles (throughout the entire plan period with the exception of the third decile in 2022) do not have sufficient gross household income to meet the requirements of the Central Bank rules. Specifically, 3.5 times their gross income is less than 90% of the value of purchase a house in the lowest projected price band and hence they do not qualify for a mortgage and progress to private rental. Those households that can qualify for a mortgage progress to the needs assessment for ownership.

¹⁵ The LTV limit requires one to have a minimum deposit before you can get a mortgage. First-time buyers are allowed up to 90% LTV, meaning they are required to provide a minimum deposit of 10% upfront for any property.

¹⁶ The LTI limit restricts the amount of money one can borrow to a maximum of 3.5 times one's gross income.

4.2.7 Analysis of Historic Ownership Market

This section sets out background information on house price trends in the current market within County Louth. To ensure the most up-to-date market context, 2019 has been selected as the baseline year and property transactions as recorded on the Residential Property Price Register during that year have been considered representative to understand house prices and the distribution of housing units per price band. Table 4.10 sets out the 1,642 transactions that occurred in County Louth across the eight price bands during 2019.

Table 4.10 House Sales¹⁷ in County Louth in 2019 (Source: Property Price Register)

Price Band	Number of Transactions	Percent of Transactions
0 – 100,000	112	6.8%
100,001 – 150,000	251	15.3%
150,001 – 200,000	384	23.4%
200,001 – 250,000	503	30.6%
250,001 – 300,000	214	13.0%
300,001 – 350,000	81	4.9%
350,001 – 400,000	38	2.3%
400,000+	59	3.6%
Total Transactions	1,642	100%

It is important to consider how house prices may change over time, particularly fluctuations during the plan period. Specifically, the distribution of the price of units in the housing market during 2010-2019 have been reviewed for County Louth. The distribution of price bands in 2019 has been held fixed during the plan period because the selection of the nominated price bands and associated distribution of houses within those price bands in 2019 was considered reflective of a functioning, typical housing market for the area following review of information from Daft¹⁸ and the CSO¹⁹ (HPA02, HPM02 and HPA06) which further contextualised the historic market in County Louth. Table 4.11 sets out the historic information on the housing market in County Louth.

Table 4.11 Historic House Price Metrics in County Louth (Source: PPR, CSO, Daft.ie)

Year	RPPR	CSO HPA02	CSO HPM02	CSO HPA06	Daft
2011	-16.9%	-20.0%	-8.34%	-17.50%	-54.5%
2012	-11.6%	-15.5%	-4.78%	-16.90%	-4.3%
2013	-7.7%	0.0%	2.57%	0.30%	-1.9%
2014	0.6%	19.8%	21.85%	14.00%	11.4%
2015	10.2%	9.6%	8.91%	18.40%	-3.6%
2016	16.7%	14.6%	21.02%	6.00%	12.1%
2017	38.9%	12.2%	5.15%	11.80%	11.5%
2018	-11.1%	11.3%	10.47%	10.80%	4.9%
2019	6.5%	3.3%	1.31%	1.10%	-2.2%

¹⁷ It should be noted that this relates to House Sales that are inclusive of VAT

¹⁸ <https://www.daft.ie/report/ronan-lyons-2019q4-dafthouseprice>

¹⁹ <https://www.cso.ie/en/statistics/prices/residentialpropertypriceindex/> - PPR Data hosted by CSO, <https://statbank.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=HPM02&PLanguage=0> <https://statbank.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=HPM06&PLanguage=0> <https://statbank.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=HPA06&PLanguage=0>

Given the context of the recent recession and subsequent periods of growth, the average house price change over the past five years has been used as a basis for future changes in average house price from 2023 onwards (i.e. future baseline). An average of the five-year historic data recorded by the PPR²⁰, CSO²¹ (HPA02, HPM02 and HPA06) and Daft.ie reported statistics was applied as illustrated in Table 4.11. Overall, these future estimations of the dynamics of the housing market in County Louth are considered reflective of anticipated economic conditions at the time of writing and housing supply generally improving and its associated positive influence on the housing market. It should be noted that the COVID-19 pandemic is also likely to impact on the housing market in terms of house prices and market rental rates as identified in Section 4.2.3. This macroeconomic outlook has therefore been considered in addition to the historic information that has been set out above. As such, an adjusted rate of reduction has been applied in addition to relevant data in relation to the impacts of the COVID-19 pandemic on the housing market.

Recent research²² estimates how the COVID-19 pandemic may impact on the housing market from 2020 and 2022. For the purpose of this analysis, the 'sluggish' recovery scenario set out by ESRI has been adopted and this indicates a -7%, -17%, and -12% dip below the baseline in 2020, 2021 and 2022 respectively. These impacts have been factored into the estimated change in average house price growth during those years and it is anticipated therefore that the average house prices within County Louth may change over time as described in Table 4.12. Further information in relation to the projected house price bands per year is provided in Appendix 3.

This information has supported the estimation of projected house price bands based on the percentage split of the 8 price bands as outlined in Table 4.10. The following is therefore considered to reflect market changes to the end of the plan period including:

- Annual short-term decline in the rate of growth in 2020 at 3%.
- Decline in 2021 with 7.0% decline change with a rebound to 2% decline in 2022.
- Return to growth that reflects the average historic growth over the last five years (at 10%) with gradual conservative reduction applied thereafter throughout the plan period.

Table 4.12 Actual and Anticipated Change in Average Prices in the Housing Market (Source: PPR, ESRI)

2015 (Actual)	2016 (Actual)	2017 (Actual)	2018 (Actual)	2019 (Actual)	2020	2021	2022	2023	2024	2025	2026	2027
10%	17%	39%	-11%	7%	3%	-7%	-2%	10%	8%	6%	6%	4%

Based on the above, the projected house prices during the plan period have been determined as set out in Table 4.13.

²⁰ <https://www.cso.ie/en/statistics/prices/residentialpropertypriceindex/> - PPR Data hosted by CSO,

²¹ <https://statbank.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=HPM02&PLanguage=0>
<https://statbank.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?Maintable=HPM06&PLanguage=0>
<https://statbank.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=HPA06&PLanguage=0>

²² <https://www.esri.ie/publications/property-prices-and-covid-19-related-administrative-closures-what-are-the-implications>

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Table 4.13 Calculation of projected house price bands during the plan period (Source: PPR baseline)

Year	Average Price Change	1st Band	2nd Band		3rd Band		4th Band		5th Band		6th Band		7th Band		8th Band
2019		100,000	100,001	150,000	150,001	200,000	200,001	250,000	250,001	300,000	300,001	350,000	350,001	400,000	400,001
2020	3.0%	102,989	102,990	154,483	154,484	205,977	205,978	257,472	257,473	308,966	308,967	360,461	360,462	411,955	411,956
2021	-7.0%	95,768	95,769	143,652	143,653	191,536	191,537	239,420	239,421	287,304	287,305	335,188	335,189	383,072	383,073
2022	-2.0%	93,842	93,843	140,763	140,764	187,683	187,684	234,604	234,605	281,525	281,526	328,446	328,447	375,367	375,368
2023	10.0%	103,215	103,216	154,823	154,824	206,431	206,432	258,038	258,039	309,646	309,647	361,254	361,255	412,861	412,862
2024	8.0%	111,473	111,474	167,209	167,210	222,945	222,946	278,681	278,683	334,418	334,419	390,154	390,155	445,890	445,891
2025	6.0%	118,161	118,162	177,241	177,243	236,322	236,323	295,402	295,403	354,483	354,484	413,563	413,564	472,644	472,645
2026	6.0%	125,251	125,252	187,876	187,877	250,501	250,502	313,126	313,128	375,752	375,753	438,377	438,378	501,002	501,004
2027	4.0%	130,261	130,262	195,391	195,392	260,521	260,522	325,651	325,653	390,782	390,783	455,912	455,913	521,042	521,044

4.2.8 Analysis of Historic Private Rental Market

This section sets out background information on rental price and demand by unit type in the current market. To ensure the most up to date market context, 2019 has been selected as the baseline year and rental information as recorded by the Residential Tenancies Board during that year have been considered representative. Information has been extracted for County Louth. An overview of the market rents during 2019 is provided in Table 4.14.

Table 4.14 Private Rental Market Prices in 2019 (Source: RTB)

Year	One bed	Two bed	Three bed	Four plus bed	All bedrooms	YOY change (All)
2019	786	951	1027	1049	1001	9.9%

It should be noted that historic demand by unit type was available for the period 2011 -2019 and analysed to understand specific demand in the private rental market over time. Table 4.15 sets out the varying demand for individual unit types during 2011 – 2019 which is considered reflective of the demand for a unit type within County Louth and thus has been held fixed to understand future demand per unit type in the private rental market.

Table 4.15 Projected Demand by Unit Type in the Private Rental Market (Source: RTB)

No. Beds	Percent of Units
1 Bed	10.5%
2 Bed	33.2%
3 Bed	44.1%
4+ Bed	12.2%
Total	100.0%

Similar to the house prices, historic information has been considered to forecast future changes in market rents by unit type going forward. Specifically, analysis of the change in average rental price for all bedroom units over the past four years (i.e. 2016 – 2019) has been used as a baseline and in the absence of any rental market specific analysis, the impact and recovery from the COVID pandemic as outlined by ESRI²³ has also been factored in the same manner as the house prices in the ownership analysis.

The following changes in rental prices are therefore used (Refer to Table 4.16 for with the projected rental prices by unit type):

- 3.4% growth in 2020.
- 6.6% decline in 2021.
- 1.6% decline in 2022.
- 10.4% growth onwards with a conservative tapering over the plan period.

Table 4.16 Projected Rental Prices by Unit Type in County Louth (Source: RTB, Modified)

Year	Annual Change	One bed	Two bed	Three bed	Four plus bed
2021	-6.6%	759	918	992	1,013
2022	-1.6%	747	904	976	997
2023	10.4%	824	998	1,077	1,100
2024	10.4%	910	1,101	1,189	1,215
2025	8.0%	983	1,189	1,284	1,312
2026	8.0%	1,062	1,284	1,387	1,417
2027	6.0%	1,125	1,361	1,470	1,502

²³ Under the assumption that the nature of COVID-19s impact on the housing market effects the rental market alike

4.3 Assessment of Needs

4.2.9 Ownership

Housing Affordability is associated with disposable income available to a household which has been determined at the county level as described in detail in Section 4.2.4. Specifically, Section 93 of the Planning and Development Act 2000, defines affordability by setting the parameters for an ‘eligible person’ as "a person who is in need of accommodation and whose income would not be adequate to meet the payments of a mortgage for the purchase of a house to meet his or her accommodation needs because the payments calculated over the course of a year would exceed 35% of that person's annual income net of income tax and pay related social insurance...".

It therefore is generally accepted that if housing costs exceed 35 per cent of a household’s disposable income, the housing is unaffordable as housing costs consume a disproportionately high amount of household income. Based on this information, we have calculated the number of households not meeting the “Affordability Criteria”.

The projections for household income during the plan period are applied to the DoECLG Model Housing Strategy annuity formula as set out in Table 4.17. This formula determines the maximum affordable house price for each of the ten income deciles based on a number of evidence-based variables that have been established through analysis of historic mortgage data from the Central Bank of Ireland. The key variables used in the annuity formula include an affordability threshold of a maximum of 35% expenditure of household income on mortgage costs, a loan to value ratio of 0.90, an annual interest rate (APR) of 3%, and a loan term of 29 years.

Table 4.17 Approximate Affordable House Price per decile in Louth County (Source: CSO, Modified)

Year	2021	2022	2023	2024	2025	2026	2027
1st Decile	76,289	78,425	80,543	82,718	84,786	86,905	89,078
2nd Decile	126,188	129,721	133,224	136,821	140,241	143,747	147,341
3rd Decile	181,299	186,375	191,407	196,575	201,490	206,527	211,690
4th Decile	231,023	237,492	243,904	250,489	256,751	263,170	269,750
5th Decile	282,705	290,620	298,467	306,526	314,189	322,044	330,095
6th Decile	336,890	346,323	355,673	365,277	374,409	383,769	393,363
7th Decile	397,566	408,698	419,733	431,066	441,842	452,888	464,211
8th Decile	468,086	481,192	494,184	507,527	520,216	533,221	546,551
9th Decile	564,342	580,143	595,807	611,894	627,191	642,871	658,943
10th Decile	723,040	743,285	763,354	783,964	803,563	823,652	844,244

Based on the determination of additional households required (Refer to Section 4.2.2), the projected house price bands (i.e. Table 4.13), the determination of households that can qualify for a mortgage (Refer to appendix 2, Table 2.2) and the calculation of housing affordability (Refer to Table 4.17), the housing surplus/deficit per price band has been determined as set out in Table 4.18.

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

Throughout the plan period, there is generally a housing surplus in the lower price bands and housing deficit in the higher price bands as identified in Table 4.18. A sufficient number of houses are anticipated overall as households in the upper price bands can purchase a house in a lower price band. Additionally, the first three deciles (throughout the entire plan period with the exception of the third decile in 2022) will not qualify for a mortgage (due to the current Central Bank rules), therefore there will be sufficient number of houses within County Louth to those households that qualify for a mortgage and have the ability to purchase a home at the upper value of the lowest house price band.

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Table 4.18 Determination of Mortgage Qualification for Households in County Louth for the plan period (Source: CSO, Modified)

Year	Range	No. of Additional Anticipated Households	Running Total	Affordability Threshold	Household Price Band(s)	Upper Value of Price Band	No. of Households That Qualify for a Mortgage	% of Housing Units Anticipated per Price Band	No. Housing Units Anticipated per Price Band	Housing Surplus (+) or Deficit (-) per Price Band
2021	1st Decile	0	0	76,289	1st Band	95,768	0	6.8%	51	51
	2nd Decile	0	0	126,188	2nd Band	143,652	0	15.3%	115	115
	3rd Decile	0	0	181,299	3rd Band	191,536	94	23.4%	176	82
	4th Decile	114	114	231,023	4th Band	239,420	97	30.6%	231	134
	5th Decile	112	225	282,705	5th Band	287,304	94	13.0%	98	4
	6th Decile	108	334	336,890	6th Band, 7th Band	383,072	138	7.2%	55	-83
	7th Decile	105	438	397,566	8th Band	None	None	3.6%	27	-
	8th Decile	105	543	468,086						
	9th Decile	105	648	564,342						
	10th Decile	105	753	723,040						
		753						100.00%	753	303
2022	1st Decile	0	0	78,425	1st Band	93,842	0	6.8%	59	
	2nd Decile	0	0	129,721	2nd Band	140,763	85	15.3%	131	46
	3rd Decile	113	113	186,375	3rd Band	187,683	93	23.4%	201	108
	4th Decile	113	225	237,492	4th Band, 5th Band	281,525	147	43.7%	375	227
	5th Decile	110	336	290,620	6th Band	328,446	95	4.9%	42	-52
	6th Decile	107	443	346,323	7th Band	375,367	82	2.3%	20	-62
	7th Decile	104	547	408,698	8th Band	None	None	3.6%	31	-
	8th Decile	104	651	481,192						
	9th Decile	104	754	580,143						
	10th Decile	104	858	743,285						
		858						100.00%	858	325.07

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Year	Range	No. of Additional Anticipated Households	Running Total	Affordability Threshold	Household Price Band(s)	Upper Value of Price Band	No. of Households That Qualify for a Mortgage	% of Housing Units Anticipated per Price Band	No. Housing Units Anticipated per Price Band	Housing Surplus (+) or Deficit (-) per Price Band
2023	1st Decile	0	0	80,543	1st Band	103,215	0	6.8%	53	53
	2nd Decile	0	0	133,224	2nd Band	154,823	0	15.3%	119	119
	3rd Decile	0	0	191,407	3rd Band	206,431	99	23.4%	182	82
	4th Decile	117	117	243,904	4th Band	258,038	102	30.6%	238	136
	5th Decile	115	232	298,467	5th Band	309,646	99	13.0%	101	3
	6th Decile	112	344	355,673	6th Band	361,254	90	4.9%	38	-51
	7th Decile	108	452	419,733	7th Band, 8th Band	None	None	5.9%	46	-
	8th Decile	108	560	494,184						
	9th Decile	108	668	595,807						
	10th Decile	108	776	763,354						
	776							100.00%	776	341
2024	1st Decile	0	0	82,718	1st Band	111,473	0	6.8%	52	52
	2nd Decile	0	0	136,821	2nd Band	167,209	0	15.3%	117	117
	3rd Decile	0	0	196,575	3rd Band	222,945	103	23.4%	179	76
	4th Decile	116	116	250,489	4th Band	278,681	106	30.6%	235	129
	5th Decile	114	230	306,526	5th Band	334,418	103	13.0%	100	-2
	6th Decile	110	340	365,277	6th Band	390,154	93	4.9%	38	-55
	7th Decile	107	447	431,066	7th Band	445,890	82	2.3%	18	-64
	8th Decile	107	554	507,527	8th Band	None	None	3.6%	28	-
	9th Decile	107	661	611,894						
	10th Decile	107	767	783,964						
	767							100.00%	767	253.13

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Year	Range	No. of Additional Anticipated Households	Running Total	Affordability Threshold	Household Price Band(s)	Upper Value of Price Band	No. of Households That Qualify for a Mortgage	% of Housing Units Anticipated per Price Band	No. Housing Units Anticipated per Price Band	Housing Surplus (+) or Deficit (-) per Price Band
2025	1st Decile	0	0	84,786	1st Band	118,161	0	6.8%	55	55
	2nd Decile	0	0	140,241	2nd Band	177,241	0	15.3%	122	122
	3rd Decile	0	0	201,490	3rd Band	236,322	111	23.4%	187	76
	4th Decile	121	121	256,751	4th Band	295,402	114	30.6%	245	131
	5th Decile	119	239	314,189	5th Band	354,483	110	13.0%	104	-6
	6th Decile	115	354	374,409	6th Band	413,563	100	4.9%	39	-61
	7th Decile	111	466	441,842	7th Band	472,644	89	2.3%	19	-70
	8th Decile	112	577	520,216	8th Band	None	None	3.6%	29	-
	9th Decile	111	689	627,191						
	10th Decile	111	800	803,563						
		800						100.00%	800	247
2026	1st Decile	0	0	86,905	1st Band	125,251	0	6.8%	54	54
	2nd Decile	0	0	143,747	2nd Band	187,876	0	15.3%	121	121
	3rd Decile	0	0	206,527	3rd Band	250,501	114	23.4%	185	71
	4th Decile	119	119	263,170	4th Band	313,126	116	30.6%	242	126
	5th Decile	117	237	322,044	5th Band	375,752	113	13.0%	103	-10
	6th Decile	114	350	383,769	6th Band	438,377	103	4.9%	39	-64
	7th Decile	110	461	452,888	7th Band	501,002	91	2.3%	18	-72
	8th Decile	110	571	533,221	8th Band	None	None	3.6%	28	-
	9th Decile	110	681	642,871						
	10th Decile	110	791	823,652						
			791						100.00%	791

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Year	Range	No. of Additional Anticipated Households	Running Total	Affordability Threshold	Household Price Band(s)	Upper Value of Price Band	No. of Households That Qualify for a Mortgage	% of Housing Units Anticipated per Price Band	No. Housing Units Anticipated per Price Band	Housing Surplus (+) or Deficit (-) per Price Band
2027	1st Decile	0	0	89,078	1st Band	130,261	0	6.8%	46	46
	2nd Decile	0	0	147,341	2nd Band	195,391	0	15.3%	104	104
	3rd Decile	0	0	211,690	3rd Band	260,521	99	23.4%	159	60
	4th Decile	103	103	269,750	4th Band	325,651	102	30.6%	209	107
	5th Decile	101	204	330,095	5th Band	390,782	99	13.0%	89	-10
	6th Decile	98	302	393,363	6th Band	455,912	90	4.9%	34	-56
	7th Decile	95	397	464,211	7th Band	521,042	79	2.3%	16	-64
	8th Decile	95	492	546,551	8th Band	None	None	3.6%	24	-
	9th Decile	95	587	658,943						
	10th Decile	95	682	844,244						
		682						100.00%	682	188

4.2.10 Private Rental

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

- Disposable income per decile throughout the plan period as described in Section 4.2.4;
- Projected market rents per unit type as set out in Section 4.2.6;
- Additionally, the demand for a particular unit type (as set out in Section 4.2.6) has been factored to estimate what type of unit the additional anticipated households are more likely to prefer to rent.

As such if a household does not have sufficient income to meet the private rental rates for a unit in a given year (i.e. 35% of their disposable income is less than average market rent), they cannot afford the rent by themselves. Given that those households who do not qualify for a mortgage also cannot afford private rent, these households require social housing supports. An overview of those that cannot afford private rental is provided in Table 4.19, with further information per decile per unit provided in Appendix 3.

Table 4.19 Number of additional anticipated households that do not qualify for a mortgage and cannot afford private rental (based on RTB Demand allocation by Unit Type) (Source: RTB, CSO, Modified)

Year	2021	2022	2023	2024	2025	2026	2027
1 Bed	35	23	36	36	37	37	32
2 Bed	112	73	115	114	119	117	101
3 Bed	148	97	153	151	158	156	134
4+ Bed	41	27	42	42	44	43	37
Total	336	220	347	343	357	353	304

4.2.11 Summary of Projected Needs during the Plan Period

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

Between 2021 and 2027, a population increase of 13,416 people is projected for County Louth. This indicates that the total population in County Louth will be 149,966 people by 2027 as set out in Section 4.2.1 and described in detail in the Core Strategy.

The population targets for this plan period establishes a total housing target of 7,687 additional anticipated households during 2021 – 2027 for County Louth. This is the equivalent of an average of 1,098 units per annum across County Louth during the plan period. This will result in a total of 57,679 households in County Louth by 2027 as set out in Section 4.2.2 and described in detail in the Core Strategy.

The anticipated social housing need for Louth County Council as set out in the preceding steps, reflects the assessments for mortgage qualification and the affordability for ownership and private rental. The social (and affordable) housing requirement within County Louth throughout the plan period is equivalent to those that do not qualify for a mortgage and those that cannot afford private rental, which is equivalent to 29.4% of the total of additional households in County Louth during 2021 - 2027.

This is the identified social (and affordable) housing requirement for the plan period which has been summarised in Table 4.20 and Figure 4.1. It should be noted that all of the households that do not qualify for a mortgage also can't afford private rental.

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Table 4.20 Summary of Anticipated Additional Households and Requirements for the Plan Period

	2021	2022	2023	2024	2025	2026	2027	2021-2027
No. of Additional Anticipated Households	1,089	1,078	1,123	1,110	1,157	1,144	986	7,687
No. of Additional Households That Do Not Qualify for a Mortgage	336	220	347	343	357	353	304	2,260
No. of Additional Anticipated Households That Do Not Qualify for a Mortgage and Cannot Afford Private Rental	336	220	347	343	357	353	304	2,260
Housing Shortfall (%)	30.9%	20.4%	30.9%	30.9%	30.9%	30.9%	30.9%	29.4%

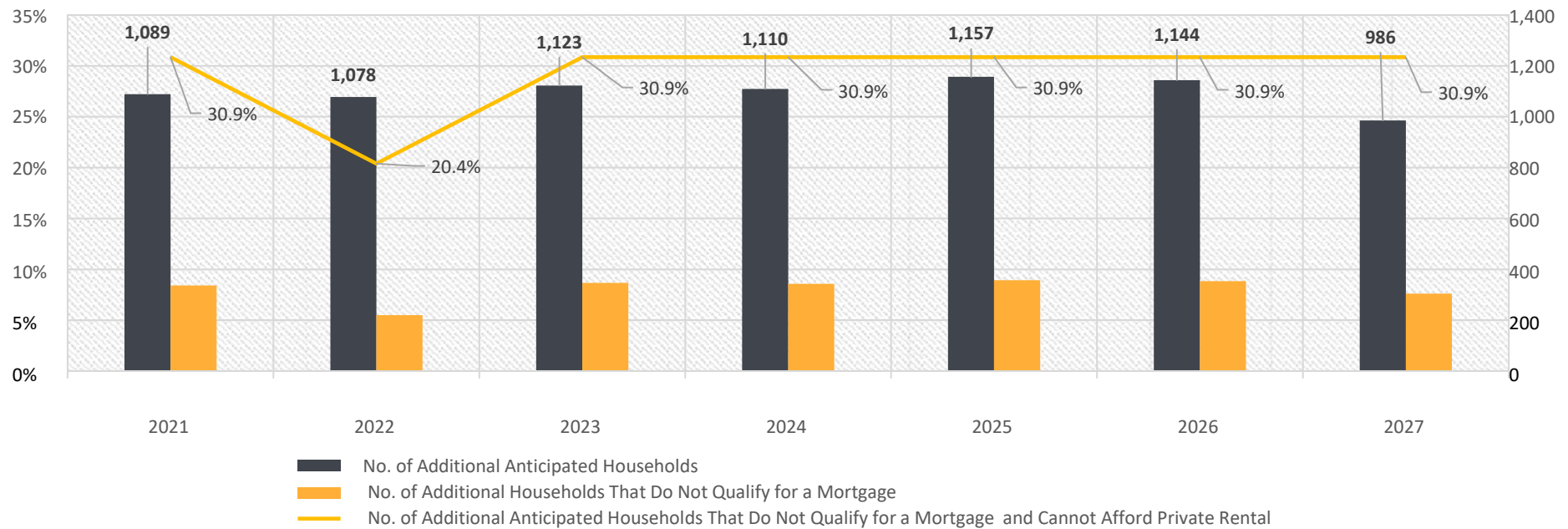


Figure 4.1 Summary of Louth County Social (and Affordable) Housing Needs throughout the plan period

4.4 HNDA Components

4.2.12 Household Composition

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

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

- 1 person households will increase by an average of 0.15% annually
- 2 person households will increase by an average of 0.11% annually
- 3 person households will decrease by an average of -0.04% annually
- 4 person households will increase by an average of 0.02% annually
- 5+ person households will decrease by an average of -0.23% annually

Figure 4.2 and Table 4.21 indicates the estimated proportion and number of households by size during the plan period.

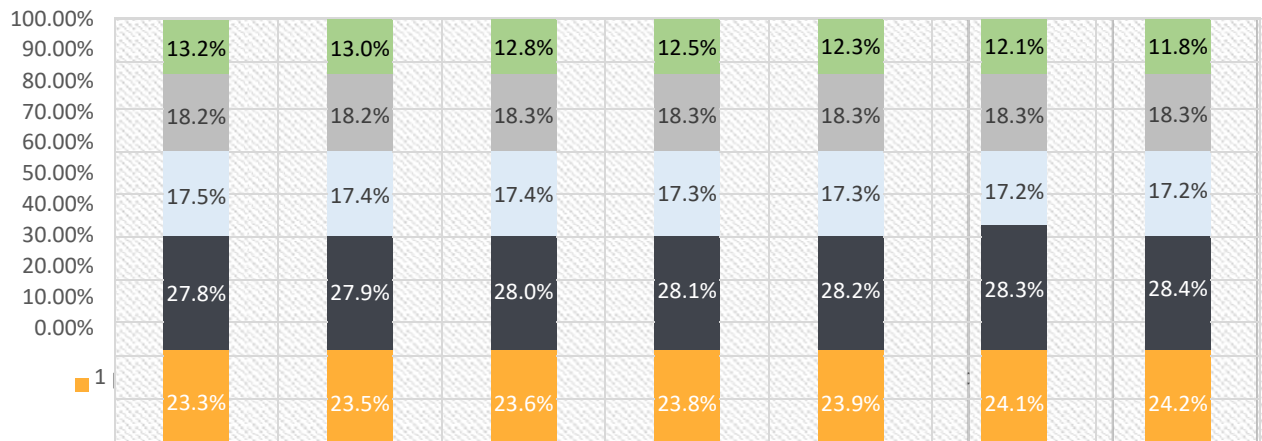


Figure 4.2 Forecasted Household Size Cohort in County Louth during the plan period (Source: CSO, projected)

Table 4.21 Household Size Cohort Forecasts for Additional Anticipated Households in County Louth during the plan period (Source: CSO, projected)

Total Additional Anticipated Households	2021	2022	2023	2024	2025	2026	2027
1-person household	254	253	265	264	277	275	239
2-person household	302	301	314	312	326	324	280
3-person household	190	188	195	192	200	197	170
4-person household	198	197	205	203	212	210	181
5+ person household	144	140	143	139	142	138	117
Total	1,089	1,078	1,123	1,110	1,157	1,144	986

4.2.13 Household Tenure

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

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

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

- Annual average change of -0.70% observed in owner occupied households
- Annual average change of 0.43% observed in privately rented households
- Annual average change of 0.27% observed in other rented households

The applied changes for the additional anticipated households are indicated in Table 4.22 and Figure 4.3

Table 4.22 Household Tenure Forecasts for Additional Anticipated Households in County Louth during plan period (Source: CSO, projected)

No. of Additional Anticipated Households	2021	2022	2023	2024	2025	2026	2027
Owner occupied	744	729	752	735	758	742	632
Private Rental	195	198	211	214	228	230	203
Other Rental	150	151	160	161	171	172	151
Total	1,089	1,078	1,123	1,110	1,157	1,144	986

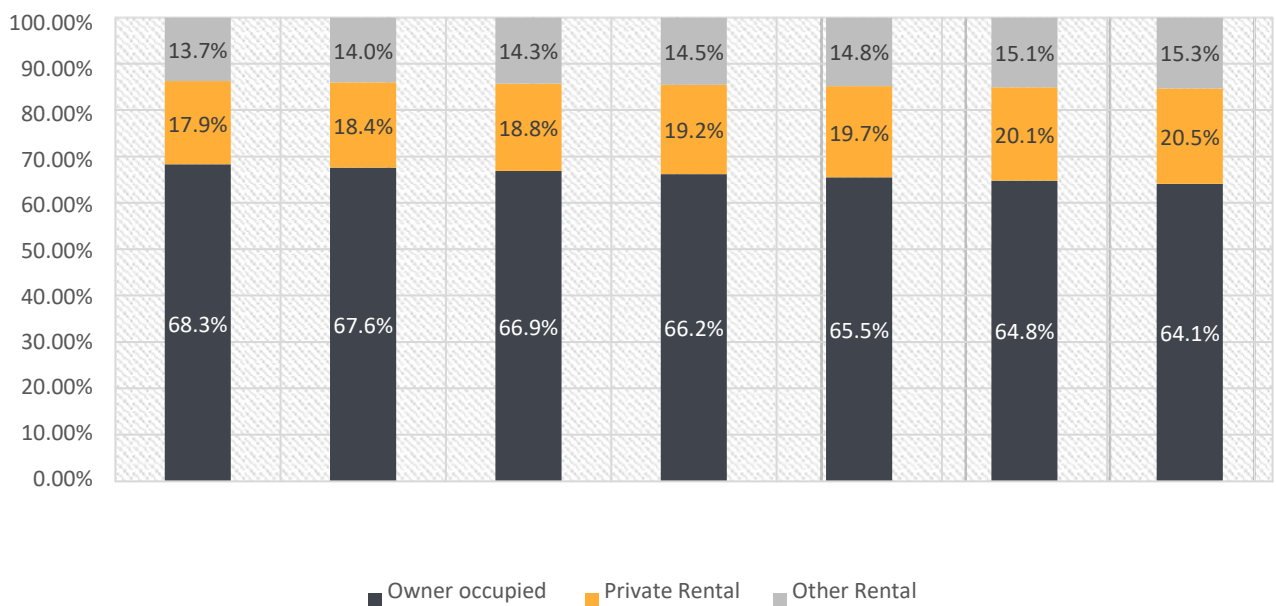


Figure 4.3 Household Tenure Forecasts for Households in County Louth during plan period (Source: CSO, projected)

4.2.14 Single Rural Dwellings

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

As outlined in Table 4.23, approximately 13.3% of granted units during that period were for single rural dwellings. This equates to an average of 28.9% per year, owing to the large fluctuations that were evident throughout the years as illustrated in Figure 4.4. It should be noted that whilst these are granted planning applications (by unit), **this does not equate to a housing unit which has been built.**

These fluctuations may be associated with the wider economic context, associated demands for particular dwelling type or locational preferences within the housing market as well as variables such as land availability, resource availability and/or demands in any given year. Generally, it is recognised that a single rural dwelling is sized according to what the applicants can afford to build along with their actual requirements. Analysis has determined that the average floor size for single rural dwellings was 247.09 m² during that period. This is set out in Table 4.24. .



Figure 4.4 Analysis of Historic Granted Planning Applications (in Units) for Single Rural Dwellings in County Louth (Source: CSO²⁴)

²⁴ CSO (2020) Table BHQ02 and Table BHQ12- Planning Permissions Granted for New Homes and Apartments by Type of Dwelling, Region and County, Quarter and Statistic.

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Table 4.23 Analysis of Historic Granted Planning Applications (in Units) for Single Rural Dwellings in County Louth (Source: CSO²³)

Granted Planning Applications	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total	Average
Houses and Apartments #	1,721	2,927	6,828	2,525	537	132	193	8	90	186	346	325	542	1,499	17,859	
Single Rural Dwelling #	502	441	404	239	163	107	115	85	68	83	103	149	143	149	2,751	
Houses and Apartments %	77.4%	86.9%	94.4%	91.4%	76.7%	55.2%	62.7%	8.6%	57.0%	69.1%	77.1%	68.6%	79.1%	91.0%	86.7%	71.08%
Single Rural Dwelling %	22.6%	13.1%	5.6%	8.6%	23.3%	44.8%	37.3%	91.4%	43.0%	30.9%	22.9%	31.4%	20.9%	9.0%	13.3%	28.92%
Total #	2,223	3,368	7,232	2,764	700	239	308	93	158	269	449	474	685	1,648	20,610	

Table 4.24 Analysis of Floor Size of Granted Planning Applications for Single Rural Dwellings in County Louth (Source: CSO)

Granted Planning Applications	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Average
Average floor size of SRD (m ²)	242.33	260.53	269.68	275.70	257.15	238.95	231.18	242.43	251.18	237.63	244.03	236.73	236.98	234.75	247.09

4.5 Conclusion

Between 2021 and 2027, this Strategy forecasts a population increase of 13,416 in County Louth. This in turn indicates a total projected population of 149,966 in 2027 and a total estimated housing requirement for Louth of 7,687 units over the plan period 2021-2027, the equivalent of 1,098 units per annum²⁵.

It has been determined that 2,260 of the 7,687 additional anticipated households will not qualify for a mortgage during the plan period. Additionally, these 2,260 households will not meet the affordability criteria for private rental. Households which are identified as not qualifying for a mortgage and not being able to meet the 'Affordability Criteria' over the plan period are therefore considered to require social (and affordable) housing. This equates to an average of 29.4% of the additional anticipated households or the identified social requirement throughout the plan period is 2,260 units.

Analysis of both average household size and the distribution of persons per household indicate a marked decline in household size over historic intercensal periods (2002-2006-2011-2016). Noting that the requirement of households (2,260 units) will be for decreasing household sizes through the duration of the plan period.

Furthermore, tenure statistics indicate a decrease in traditionally owner-occupied households (averaging a 3.5% decline over the previous three intercensal periods). As an effect of this there has been an increase in privately rented and 'other' rented (social) households which have grown by an average of 2.2% and 1.3% respectively over the same period. This shift from traditionally owner-occupied households to rented households has been observed throughout the country with particular significance in cities and counties with a high urban population²⁶.

²⁵ This demand-driven analysis has been undertaken as set out herein in order to quantify the minimum estimated number of households that will be required in County Louth to accommodate estimated population growth during the period of the Development Plan. It should be noted that in assessing the wider context of housing supply, vacancy i.e. the consideration of a market frictional vacancy rate, should be considered further by Louth County Council in order to estimate the overall housing supply and associated residential land use requirements.

²⁶ Outside of Cities and Dublin, Louth has the highest urban proportion of population as defined by the CSO aggregate Town Area population in 2011 at 64.4% urban and 35.6% rural.

Source: <https://statbank.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=CD101&PLanguage=0#>

5.0 Meeting Housing Requirements in Louth

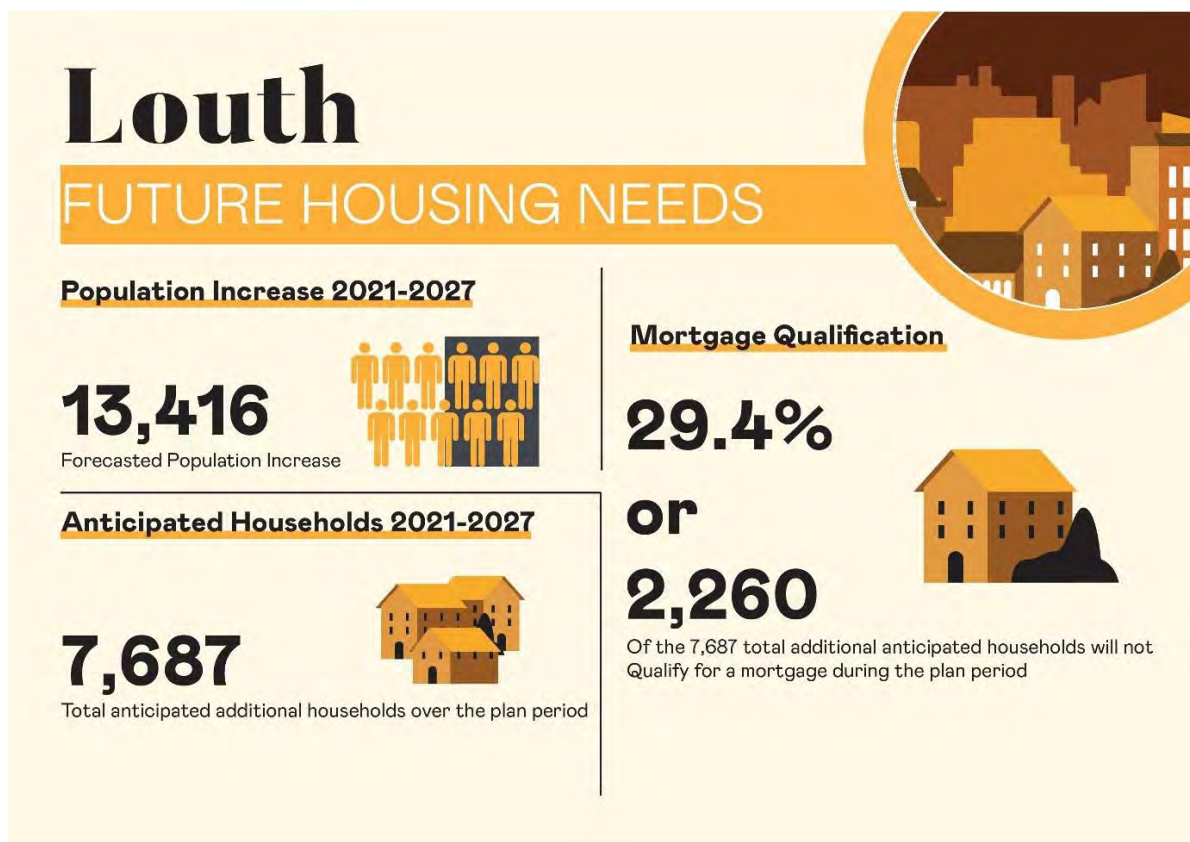
5.1 Overview

This section succinctly summarises the overall housing requirements for the county having regard to the supply and demand analysis outputs discussed in previous sections (and as illustrated graphically below). Between 2021 and 2027, this Strategy forecasts a population increase of 13,416 in County Louth. This in turn indicates a total population of 149,966 in 2027. The population projection for this Plan period (2021-2027), as set out in the Core Strategy, establishes a total housing allocation for Louth of 7,687 units over the plan period 2021-2027, the equivalent of 1098 units per annum.

It has been determined that 2,260 of the 7,687 additional anticipated households will not qualify for a mortgage during the plan period. It should be noted that all of the households that do not qualify for a mortgage also can't afford private rental. Thus, the social (and affordable) housing requirement within County Louth throughout the plan period is equivalent to those that do not qualify for a mortgage and those that cannot afford private rental. This equates to 29.4% of the total of additional anticipated households in County Louth during 2021 - 2027.

Section 93 of the Planning and Development Act 2000, defines 'affordability' as "a person who is in need of accommodation and whose income would not be adequate to meet the payments of a mortgage for the purchase of a house to meet his or her accommodation needs because the payments calculated over the course of a year would exceed 35% of that person's annual income net of income tax and pay related social insurance..." This has been applied within this analysis and informs the determination of the social requirement for the plan period. The following sections set out specific analysis around social housing supply and demand in County Louth.

Summary Overview of Future Housing Needs 2021-2027



5.2 Social Housing Supply and Demand

5.2.1 Existing Social Housing Needs

The Social Housing Support Need Analysis identifies the net social housing need (exclusive of applicants on a transfer list or those availing of HAP) of County Louth. As of December 2019, and as reported by the Housing Agency, 1,468 households were on the social housing waiting list in County Louth²⁷.

A further update was reported by Louth County Council in June 2020, as below. Excluding HAP, a total of 1,800 households were on the social housing waiting list.

Table 5.1: Social Housing Needs, 2020

	Ardee	Drogheda	Dundalk
HAP	335	1140	1638
Excluding HAP	348	828	624
Total	683	1968	2262
County Total on List (excluding HAP)	1,800		

5.2.2 Meeting Social Housing Demand

1. **A social rented tenancy in 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 property owner.** These can include:

- Louth County Council Construction Projects.
- Provision of Social Housing under Part V of the Planning and Development Acts 2000: While the provision of social housing via traditional Part V mechanism will continue to play a role in the delivery of social housing in Co. Louth, other delivery channels for social housing are likely to be more significant in terms of their potential to contribute to the social housing targets set out. The statutory context for the provision of social and affordable housing has changed under the Urban Regeneration and Housing Act 2015²⁸. The amendments include that there will be a requirement for up to 10% social housing in developments in excess of 9 units. The use of cash payments in lieu of social housing provision is no longer allowed. Provision is made for the transfer of completed units on other land not subject to the planning permission to be provided. Provision is also made for the Part V obligation to be fulfilled by developers through long term leasing of properties and rental accommodation availability agreements.
- Portfolio Acquisitions: Suitable portfolios of vacant properties can be acquired from financial institutions and investors.
- Acquisitions: This is the purchase by Louth County Council of a second-hand house on the open market.
- Buy and Renew: Under this scheme Louth County Council can buy sub-standard properties, which have been vacant for over a year, refurbish them and bring them back into use through the Council's housing stock. The purchase cost plus the cost of refurbishment can't exceed what a comparable property would attain on the private market. This initiative, which complements the Repair & Leasing Scheme, is designed to assist local authorities and AHBs (Approved Housing Bodies) to harness the accommodation potential that exists in certain vacant properties for social housing use.
- Turnkeys: Louth County Council buy a new house/houses from a developer, ready for a tenant to move into.
- Tenant Purchase Scheme: In January 2016, a new scheme for the purchase of existing local authority houses came into effect – The Tenant (Incremental) Purchase Scheme 2016.

²⁷ <https://www.housingagency.ie/sites/default/files/SHA-Summary-2019-DEC-2019-WEB.pdf>

²⁸ This Housing Strategy was prepared in 2020. As part of the Affordable Housing Act 2021 the Part V requirements under the Planning and Development Act 2000 (as amended) have been amended from that as set out in this Strategy. For specific information relating to the changes you should consult the text of the Affordable Housing Act 2021.

2. **A social rented tenancy in property owned and managed by an approved housing body (AHB).** AHB's provide social housing and are formed for the purpose of relieving housing need and the provision and management of 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, Planning and Local Government. Housing cooperatives can provide both social rented housing and housing to purchase. Housing cooperatives are self-help and jointly owned member/user housing associations or societies. Projects undertaken may be in response to the needs of the elderly, people with disabilities, homeless persons or families and single people on low incomes. Some housing associations may be formed to specialise in meeting a particular housing need, others develop with broader aims. The specific housing services offered will depend on the aims or concerns of the members, the needs of tenants as well as the financial and other resources available for both capital costs and ongoing management running costs. As of May 2020, AHB's in Louth provide 713 properties.
3. **Louth County Council also provides accommodation specifically for Travellers and for people with specific housing needs such as people with disabilities and the homeless.** Delivery programmes responding to specific needs include the following:
- Refugee Resettlement Programme: Under the Refugee Resettlement refugees are being allocated social housing in Louth. The families are part of approximately 4,000 people which the government has committed to receiving through the Irish Refugee Protection Programme. County Councils will continue to work with Central Government and relevant State Agencies in responding to its requirements to support refugees as they undergo their resettlement process in Co. Louth.
 - Traveller Accommodation Plan: Under the provisions of the Housing Traveller Accommodation Act 1998, Louth Local Authorities are required to prepare, adopt and implement a Traveller Accommodation Programme (TAP) to meet the accommodation needs of the county's indigenous Traveller community. The current Traveller Accommodation Programme sets out the strategy for provision of Traveller accommodation and support services over a five-year period from 2019-2024. The current traveller specific accommodation in Louth is as described in Table 5.2 below:

Table 5.2 Breakdown of Traveller Accommodation in Louth (2018 Local Authority Count)

	Social Housing			Private Rented			Owner Occupier	Shared Dwelling	Temporary Dwelling	Homeless Unit	Total
	SSH	GSH	HS	HAP	RS	N/A					
Ardee MD	5	2	0	0	0	0	4	1	8	0	20
Drogheda MD	34	5	0	2	1	0	4	6	0	2	54
Dundalk MD	170	12	14	45	4	2	81	18	4	4	354
Louth County Total	209	19	14	47	5	2	89	25	12	6	428

According to 2018 local authority annual count the majority (77%) of Traveller households in Louth avail of permanent accommodation i.e. standard social housing, Traveller Group Housing, Halting Site Accommodation or are owner occupiers. 13% of households avail of private rented accommodation and 6% share accommodation with family or friends. 4% of the households live in roadside caravans or homeless emergency accommodation / hubs. The current accommodation situation of Traveller households is illustrated above in Table 5.2.

An assessment of the accommodation need was carried out in 2018. This statutory assessment of need assessed all applicants seeking assistance with accommodation. The number of approved Traveller families seeking accommodation is 110 as set out in Table 5.3 below which shows the breakdown of their preferred accommodation type:

Table 5.3 Assessment of Traveller Accommodation Need (2018 Local Authority Count)

Accommodation Type	SSH	GSH	HS	GHS SSH	Total no. of Applications
Ardee MD	4	0	0	5	9
Drogheda MD	11	0	0	0	11
Dundalk MD	64	1	17	8	90
Louth County Total	79	1	17	13	110

For Louth County Council to meet traveller accommodation needs during the lifetime of this programme (2019-2024), 244 households are required over the five-year period. Whilst it has not been possible to establish the accommodation preference of all 244 households, it is envisaged based on the housing applicant's strong preference for standard social housing, that the majority would consider standard accommodation. It is worth noting that Louth County Council exceeded its targets in the 2014 – 2018 Traveller Accommodation Programme, achieving 146% of its accommodation target.

4. A tenancy where the local authority arranges short or long-term leases with private landlords for particular properties. (People in receipt of rent supplement for 18 months or longer are eligible to apply for this type of accommodation).

- The HAP Scheme: The Housing Assistance Payment (HAP) is a scheme under the Housing Miscellaneous Provisions Act 2014 for people who have a long-term housing need and who qualify for social housing support. It is administered by housing authorities and will eventually replace long-term rent supplement. The HAP scheme aims to allow all social housing supports to be accessed through the local authorities and to enable people to take up full-time employment and keep their housing support. Under the scheme the housing applicant finds appropriate private rented accommodation (within specific caps). The Local Authority then pays the landlord directly and the tenant pays a rent to the local authority based on the differential rent scheme.
- RAS (Rental Accommodation Scheme): The RAS is an initiative to cater for the accommodation needs of certain persons in receipt of rent supplement, normally for more than 18 months and who are assessed as having a long-term housing need. Louth County Council pays rent directly to the accommodation providers on behalf of the tenant (which is a maximum of 92% of the market rent). The County Council makes use of the private and voluntary sector and engage in a contractual arrangement to secure medium-long term rented accommodation.
- Repair and Lease: The Rebuilding Ireland Action Plan for Housing and Homelessness introduced a new scheme, the Vacant Housing Repair and Leasing Initiative. This scheme specifically targets the delivery of social housing and seeks to ensure that existing housing stock is used to the maximum degree possible. The basis of the scheme is that repair and improvement works to suitable vacant properties are funded to bring them up to the standard for rented accommodation and the cost of the works is then deducted from lease payments over an agreed lease term.

4.2.15 Delivery Methods and Targets

It is anticipated that Louth County Council will continue to meet their identified social housing provision via a combination of these existing delivery schemes (as set out in Section 5.5.2) and through the introduction or greater emphasis of other either existing or recently established schemes and mechanisms. This section assesses different Social Housing delivery channels available in County Louth and their progress to date in achieving the targets set out in the Rebuilding Ireland: Action Plan for Housing and Homelessness which was published in July 2016.

The Action Plan recognises issues around supply and affordability in Ireland’s housing sector and provides a multi-stranded approach to achieve key housing objectives up to 2021. The Action Plan sets a commitment to deliver 138,000 additional social housing units nationally over the period 2016-2021. This will include 83,760 HAP homes, 3,800 RAS homes and over 50,000 new homes, broken down as follows: Build: 33,617; Acquisition: 6,830; Leasing:10,036.

In Louth, the county target for 2019 is 1,124 additional units across all social housing delivery streams as indicated in Table 5.4 below.

Table 5.4: Louth Social Housing Targets under Rebuilding Ireland

Targets 2018-2021		Targets 2019					
Build, Acquisition and Leasing		Building, Acquisition, Leasing	Build	Acquisition	Leasing	HAP & RAS	All SH delivery streams
Louth	1,074	520	377	63	80	604	1,124

Progress on the delivery of social housing units is documented as part of quarterly updates by the Department of Housing, Local Government and Heritage. The most recently available progress update for 2019 is documented in Table 5.5 below. This shows that the total output in 2019 was 1296 units. This means that Louth County Council achieved 115.3% of the Rebuilding Ireland Target in 2019. In 2018 Louth County Council also exceeded its targets, delivering 1,229 units or 149% of its requirements.

In 2019, the target was to deliver 520 units by way of ‘building, acquisition and leasing’ as illustrated in Table 5.5. In 2019, 447 units were delivered via these means. In total between 2018-2021, 1,074 units were targeted to be delivered via these means. Through 2018-2019, Louth County Council have already delivered 707 units through these mechanisms. Thus, over the course of 2020-2021, approximately 367 additional units are to be delivered through ‘building, acquisition and leasing’ mechanisms in order to meet the Rebuilding Ireland targets.

As of June 2020, and as previously discussed in Section 5.1, 1,800 households (exclusive of applicants on a transfer list or those availing of HAP) are on the social housing waiting list in County Louth. Should the Rebuilding Ireland targets be met up to 2021, there is potential for the existing social requirement to be largely reduced. Between 2018 and 2019, the social housing waiting list in Louth reduced by 4.7%²⁹.

²⁹ <https://www.housingagency.ie/sites/default/files/SHA-Summary-2019-DEC-2019-WEB.pdf>

Table 5.5: Progress on Rebuilding Ireland Social Housing Targets 2019

Delivery Method	Actual 2019 Output	2019 Target
Build Total	377	377
Acquisitions Total	29	63
Leasing Total	41	80
HAP	849	550
Totals	1296	1070

1. LA New Build includes units delivered through Rapid, Traditional, Turnkey and Regeneration (detail available on the Construction Status Report ^[7])

2. AHB New Build includes CAS and CALF New Build (detail available on the Construction Status Report [7])

3. Part V New Build includes Part V's delivered under LA Build and AHB Build

4. New leasing units operational are defined as the number of new leasing units delivered under this scheme in the given period. This program was previously known as long term leasing until 2014.

5. RAS - New transfers is defined as the number of households which have moved from Rent Supplement to RAS in that specific year. It includes households who remained in their existing accommodation and those for whom the LA had to source new properties.

6. HAP - New Households Supported refers to the number of qualified households with an established housing need who are being accommodated under the HAP scheme for that year.

7. The most recently published Construction Status Report is available on www.rebuildingireland.ie

8. LA Voids includes 132 voids beyond the void target set under Rebuilding Ireland for Q3 2019.

6.0 Policy Objectives to Deliver Housing Strategy

This section has evolved from the analysis of the housing requirements that have emerged during the preparation of the strategy.

6.1 Housing Strategy Objectives

The Planning and Development Act 2000 (as amended) sets out clear requirements for the monitoring and review of local authority housing strategies. Section 95 subsection (1)(b) requires that a planning authority's development plan should include objectives to ensure that the housing strategy is implemented. The objectives of this Housing Strategy are as follows:

- To reserve sufficient lands to facilitate and implement the Housing Strategy and its policies, as informed by the HNDA undertaken as part of this Development Plan
- Facilitate the housing needs of the existing and future population of County Louth through the management of housing development in accordance with the Core Strategy, Housing Strategy and Settlement Strategy.
- To ensure that settlements grow in a manner that is self-sustaining with sufficient social and economic infrastructure, and to a scale which aligns with the Settlement Hierarchy prescribed in the Core Strategy.
- To increase the stock of social housing within the county in order to meet the social housing needs identified in this Housing Strategy as well as the long-term housing needs of existing households on the local authority housing waiting list.
- To secure the implementation of the Part V Housing Strategy, in particular, through the reservation of 10% of all land zoned solely for residential use, or for a mixture of residential or other uses, to be made available for the provision of social and affordable housing referred to in section 94(4)(c) of the Planning & Development Act 2000 as amended and shall be provided in accordance with an Agreement referred to in section 96 of the Planning & Development Act 2000 as amended and in accordance with Part V Ministerial Guidance or any future revised Guidance.
- To procure vacant homes to ensure their continued use for residential purposes and develop housing in infill / brownfield sites within town and village centres for social and affordable housing provision.
- To ensure that a suitable variety and mix of dwelling types and sizes is provided in developments to meet different needs, having regard to demographic and social changes.
- To apply higher densities to the higher order settlements of Drogheda and Dundalk to align with their roles as Regional Growth Centres, subject to good design and development management standards being met.
- To apply graded densities in towns and villages having regard to their role in the Settlement Hierarchy and that are commensurate to the existing built environment.
- To secure the implementation of the Council's Traveller Accommodation Programme 2019-2024 and to review this programme if required and/or deemed to be necessary, during the Plan period.
- To continue to reflect household size and composition, including the accommodation needs of single parent families, single homeless persons, persons with disabilities and the elderly, etc. in accommodation provisions.
- To support the development of quality residential schemes with a range of housing options having regard to the standards, principles and any specific planning policy requirements (SPPRs) set out in the Sustainable Residential Development in Urban Areas Guidelines for Planning Authorities (2009); Urban Development and Building Heights Guidelines for Planning Authorities' (2018) and the 'Sustainable Urban Housing: Design Standards for New Apartments, Guidelines for Planning Authorities' (2018).

- Work with all relevant stakeholders to address the accommodation needs of homeless persons within the County.
- Co-operate and support the work of Voluntary Housing Associations and other providers of social housing in County Louth.
- To monitor and maintain a record of residential development permitted in settlements designated under the Settlement Hierarchy in accordance with forthcoming Departmental guidance around the establishment of a HNDA coordination and monitoring unit and related implementation of a centralised spatial database for Local Authority Housing.
- To support the ongoing monitoring and review of the HNDA in accordance with the forthcoming guidance on HNDA methodology to be issued by the Department of Housing, Local Government and Heritage.
- Review and revise this Housing Strategy as necessary should a variation to the Louth County Council Development Plan 2021-2027 be made or if Planning Legislation (notably 'Part V') is amended during the lifetime of plan.

7.0 Conclusion

The Housing Strategy has been prepared in accordance with the requirements of Part V of the Planning and Development Act 2000 (as amended) as a basis to address the following key issues:

- The identification of housing need within County Louth;
- The identification of social housing needs within County Louth;
- The identification of supply side requirements to satisfy identified needs;
- The consideration of specific policy responses to the above.

The preparation of this strategy has included the assessment of all relevant and up-to-date publications and data resources, which have been analysed in detail to provide a robust basis for future policy development and implementation. In addition to meeting the statutory requirement for its production, this strategy ensures that through proper planning and sustainable development the housing needs of existing and future populations in County Louth are accommodated in an appropriate manner.

Appendices for the Louth Housing Strategy 2021-2027

Prepared by Future Analytics Consulting on behalf of Louth County Council

Appendix 1 – Population and Households

Appendix 3
Louth Housing Strategy

Table 1.1 Forecasted Household Size in County Louth 2016-2027

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HH Size	2.81	2.79	2.77	2.75	2.73	2.71	2.69	2.67	2.65	2.63	2.61	2.6

Table 1.2 Total Population, households historic and projected in County Louth 2016-2031

Year	Total Population	Number of Households (Private)	Average Household	No. of Anticipated Houses Per Annum	Total Anticipated Houses - 2021-2027	Average Anticipated Houses Per Annum between 2021-2027
2006	111,267	-	-	-	-	-
2011	122,897	-	-	-	-	-
2016	128,884	45,448	2.81	-	-	-
2017	130,801	46,870	2.79	1,422	-	-
2018	132,717	47,888	2.77	1,018	-	-
2019	134,634	48,945	2.75	1,057	-	-
2020	136,550	49,992	2.73	1,047	-	-
2021	138,467	51,081	2.71	1,089	-	-
2022	140,383	52,159	2.69	1,078	-	-
2023	142,300	53,282	2.67	1,123	-	-
2024	144,216	54,392	2.65	1,110	-	-
2025	146,133	55,549	2.63	1,157	-	-
2026	148,049	56,693	2.61	1,144	-	-
2027	149,966	57,679	2.60	986	7,687	1,098
2028	150,350	57,827	2.60	148	-	-
2029	150,733	57,974	2.60	147	-	-
2030	151,117	58,122	2.60	148	-	-
2031	151,500	58,269	2.60	147	-	-

Table 1.3 Distribution of Additional Households per Decile in County Louth

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1st Decile	104	103	107	106	110	109	114	112	97	15	14	15	14
2nd Decile	112	111	115	114	119	117	122	121	104	16	16	16	16
3rd Decile	111	110	114	113	118	116	121	120	103	15	15	15	15
4th Decile	110	109	114	113	117	116	121	119	103	15	15	15	15
5th Decile	108	107	112	110	115	114	119	117	101	15	15	15	15
6th Decile	105	104	108	107	112	110	115	114	98	15	15	15	15
7th Decile	102	101	105	104	108	107	111	110	95	14	14	14	14
8th Decile	102	101	105	104	108	107	112	110	95	14	14	14	14
9th Decile	102	101	105	104	108	107	111	110	95	14	14	14	14
10th Decile	102	101	105	104	108	107	111	110	95	14	14	14	14
Total	1,057	1,047	1,089	1,078	1,123	1,110	1,157	1,144	986	148	147	148	147

Appendix 2 –
Mortgage Capacity and House Price Bands

Mortgage Capacity and House Price Bands

Table 2.1 Calculation of Mortgage Capacity based on Central Bank Rules (i.e. LTI = 3.5)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1st Decile	35,521	32,176	34,235	35,194	36,144	37,120	38,048	38,999	39,974	40,973	41,998	43,048	44,124
2nd Decile	59,424	53,828	57,273	58,876	60,466	62,099	63,651	65,242	66,873	68,545	70,259	72,015	73,816
3rd Decile	86,202	78,085	83,082	85,408	87,714	90,083	92,335	94,643	97,009	99,434	101,920	104,468	107,080
4th Decile	112,802	102,180	108,720	111,764	114,781	117,880	120,827	123,848	126,944	130,118	133,371	136,705	140,123
5th Decile	143,379	129,878	138,190	142,059	145,895	149,834	153,580	157,419	161,355	165,389	169,523	173,762	178,106
6th Decile	177,269	160,576	170,853	175,637	180,379	185,249	189,881	194,628	199,493	204,481	209,593	214,832	220,203
7th Decile	216,554	196,162	208,716	214,560	220,354	226,303	231,961	237,760	243,704	249,796	256,041	262,442	269,003
8th Decile	264,073	239,206	254,515	261,642	268,706	275,961	282,860	289,932	297,180	304,610	312,225	320,030	328,031
9th Decile	336,805	305,090	324,615	333,704	342,715	351,968	360,767	369,786	379,031	388,507	398,219	408,175	418,379
10th Decile	551,890	499,920	531,915	546,809	561,572	576,735	591,153	605,932	621,080	636,607	652,522	668,836	685,556

Table 2.2 Mortgage Capacity Assessment for Household Ability to Qualify for Home Purchase (90% of lowest property price - pass/fail)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1st Decile	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL
2nd Decile	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL
3rd Decile	FAIL	FAIL	FAIL	PASS	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL
4th Decile	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS
5th Decile	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS
6th Decile	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS
7th Decile	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS
8th Decile	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS
9th Decile	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS
10th Decile	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS

Appendix 2
Infrastructure Assessment Land Use Evaluation (IALUE)

Table 2.3 Projected House Price Bands per Annum 2019 (observed) to 2031 in County Louth

Year	Average Price Change	1st Band	2nd Band	3rd Band	4th Band	5th Band	6th Band	7th Band	8th Band						
2019		100,000	100,001	150,000	150,001	200,000	200,001	250,000	250,001	300,000	300,001	350,000	350,001	400,000	400,001
2020	3.0%	102,989	102,990	154,483	154,484	205,977	205,978	257,472	257,473	308,966	308,967	360,461	360,462	411,955	411,956
2021	-7.0%	95,768	95,769	143,652	143,653	191,536	191,537	239,420	239,421	287,304	287,305	335,188	335,189	383,072	383,073
2022	-2.0%	93,842	93,843	140,763	140,764	187,683	187,684	234,604	234,605	281,525	281,526	328,446	328,447	375,367	375,368
2023	10.0%	103,215	103,216	154,823	154,824	206,431	206,432	258,038	258,039	309,646	309,647	361,254	361,255	412,861	412,862
2024	8.0%	111,473	111,474	167,209	167,210	222,945	222,946	278,681	278,683	334,418	334,419	390,154	390,155	445,890	445,891
2025	6.0%	118,161	118,162	177,241	177,243	236,322	236,323	295,402	295,403	354,483	354,484	413,563	413,564	472,644	472,645
2026	6.0%	125,251	125,252	187,876	187,877	250,501	250,502	313,126	313,128	375,752	375,753	438,377	438,378	501,002	501,004
2027	4.0%	130,261	130,262	195,391	195,392	260,521	260,522	325,651	325,653	390,782	390,783	455,912	455,913	521,042	521,044
2028	4.0%	135,471	135,472	203,207	203,208	270,942	270,943	338,678	338,679	406,413	406,414	474,149	474,150	541,884	541,885
2029	4.0%	140,890	140,891	211,335	211,336	281,780	281,781	352,225	352,226	422,670	422,671	493,114	493,116	563,559	563,561
2030	4.0%	146,525	146,527	219,788	219,790	293,051	293,052	366,314	366,315	439,576	439,578	512,839	512,841	586,102	586,103
2031	4.0%	152,386	152,388	228,580	228,581	304,773	304,774	380,966	380,968	457,159	457,161	533,353	533,354	609,546	609,547

Appendix 3 –
Rental Prices and Rental Affordability

Table 3.1 Historic and Projected Rental Prices per Unit Type in County Louth 2018-2031

Year	Change	One bed	Two bed	Three bed	Four plus bed
2018	Historic	710	875	950	963
2019	Historic	786	951	1,027	1,049
2020	3.4%	813	983	1,062	1,085
2021	-6.6%	759	918	992	1,013
2022	-1.6%	747	904	976	997
2023	10.4%	824	998	1,077	1,100
2024	10.4%	910	1,101	1,189	1,215
2025	8.0%	983	1,189	1,284	1,312
2026	8.0%	1,062	1,284	1,387	1,417
2027	6.0%	1,125	1,361	1,470	1,502
2028	4.0%	1,170	1,416	1,529	1,562
2029	4.0%	1,217	1,473	1,590	1,624
2030	4.0%	1,266	1,531	1,654	1,689
2031	4.0%	1,316	1,593	1,720	1,757

Table 3.2 No. of Additional Anticipated Households That Do Not Qualify for a Mortgage and Cannot Afford Private Rental (4+ Bed)

Year	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1st Decile	13	13	13	13	13	14	14	12	2	2	2	2
2nd Decile	14	14	14	15	14	15	15	13	2	2	2	2
3rd Decile	13	14	-	14	14	15	15	13	2	2	2	2
4th Decile	-	-	-	-	-	-	-	-	-	-	-	-
5th Decile	-	-	-	-	-	-	-	-	-	-	-	-
6th Decile	-	-	-	-	-	-	-	-	-	-	-	-
7th Decile	-	-	-	-	-	-	-	-	-	-	-	-
8th Decile	-	-	-	-	-	-	-	-	-	-	-	-
9th Decile	-	-	-	-	-	-	-	-	-	-	-	-
10th Decile	-	-	-	-	-	-	-	-	-	-	-	-
Total	40	41	27	42	42	44	43	37	6	6	6	6

Table 3.3 No. of Additional Anticipated Households That Do Not Qualify for a Mortgage and Cannot Afford Private Rental (3 Bed)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1st Decile	46	45	47	47	49	48	50	50	43	6	6	6	6
2nd Decile	49	49	51	50	52	52	54	53	46	7	7	7	7
3rd Decile	49	48	50	-	52	51	53	53	46	7	7	7	7
4th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
5th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
6th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
7th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
8th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
9th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
10th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	144	143	148	97	153	151	158	156	134	20	20	20	20

Appendix 2
Infrastructure Assessment Land Use Evaluation (IALUE)

Table 3.4 No. of Additional Anticipated Households That Do Not Qualify for a Mortgage and Cannot Afford Private Rental (2 Bed)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1st Decile	34	34	36	35	37	36	38	37	32	5	5	5	5
2nd Decile	37	37	38	38	39	39	41	40	35	5	5	5	5
3rd Decile	37	36	38	-	39	39	40	40	34	5	5	5	5
4th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
5th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
6th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
7th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
8th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
9th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
10th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	108	107	112	73	115	114	119	117	101	15	15	15	15

Table 3.5 No. of Additional Anticipated Households That Do Not Qualify for a Mortgage and Cannot Afford Private Rental (1 Bed)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1st Decile	11	11	11	11	12	11	12	12	10	2	2	2	2
2nd Decile	12	12	12	12	12	12	13	13	11	2	2	2	2
3rd Decile	12	11	12	-	12	12	13	13	11	2	2	2	2
4th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
5th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
6th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
7th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
8th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
9th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
10th Decile	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	34	34	35	23	36	36	37	37	32	5	5	5	5

Appendix 4 – Economic Forecast

Economic Forecasting for the Housing Needs Demand Assessment

Louth County Council – May 2020



1. Introduction

Future Analytics Consulting (FAC) has been appointed to prepare a Housing Strategy and associated Housing Needs Demand Assessment (HNDA) on behalf of Louth County Council. It should be noted that in the absence of formal guidance on the HNDA from the Department of Housing, Planning and Local Government (DHP&LG) the HNDA approach, methodology and model that has been prepared by FAC is based on our technical expertise of the staff and ongoing consultation (through our clients) with the Office of the Planning Regulator (OPR). This note has been prepared to set out the latest information in relation to the economic forecast which is used as part of the HNDA model to determine the need for housing at the relevant spatial boundaries within the administrative area.

Specifically, the economic forecast relates to Gross Domestic Product (GDP) which is used as part of the HNDA. 2016 is the baseline year in the HNDA model, therefore, historic GDP growth (%) since then has been gathered to support this analysis whilst GDP growth from this year forward and throughout the plan period have been estimated. Specifically, GDP growth has been applied to understand annual change in estimated household income per decile - a critical aspect to the HNDA model that has been prepared by FAC.

It should be noted that the information provided herein is correct at the time of writing and it is recognised that the ongoing COVID-19 global pandemic is subject to change that may affect the national economy. As such, the GDP growth estimates for 2020 onwards that have been provided reflect the published data from those sources as outlined herein to reflect the macroeconomic situation as data is limited at this time. It is recommended that the full reports are reviewed in detail by the relevant personnel to understand the relevant assumptions and limitations of those forecasts that have been considered and used to support this HNDA.

2. Data Sources

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

- Economic Quarterly published by the Economic Social and Research Institute (ESRI) in December 2019¹;
- Winter 2019 Economic Forecast published by the European Union in February 2020²;
- Q1 2020 Bulletin published by the Central Bank of Ireland in February 2020³;
- Monthly Economic Bulletin for February published by the Department of Finance in March 2020⁴;
- Economic Quarterly published by the ESRI in March 2020⁵;
- Q2 2020 Bulletin from the Central Bank of Ireland published in April 2020⁶;
- Stability Programme Update published by the Department of Finance in April 2020⁷; and

¹ <https://www.esri.ie/publications/quarterly-economic-commentary-winter-2019>

² https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/winter-2020-economic-forecast-offsetting-forces-confirm-subdued-growth_en

³ <https://www.centralbank.ie/publication/quarterly-bulletins/quarterly-bulletin-q1-2020>

⁴ <https://www.gov.ie/en/publication/414a9b-monthly-economic-bulletin-february-2020/>

⁵ <https://www.esri.ie/publications/quarterly-economic-commentary-spring-2020>

⁶ <https://www.centralbank.ie/publication/quarterly-bulletins/quarterly-bulletin-q2-2020>

⁷ <https://www.gov.ie/en/publication/43a6dd-stability-programme-update-2020/>

- Spring 2020 Economic Forecast published by the European Union in May 2020⁸;
- Economic Research paper published by Davys in May 2020⁹; and
- Economic Quarterly published by the ESRI in May 2020¹⁰

It should be noted that the latter six data sources recognise the potential economic impacts of COVID-19 pandemic whilst the preceding documents were prepared in advance of the shutdown and implementation of quarantine measures associated with the COVID-19 pandemic. As such, all documents have been considered to reflect historic economic growth, whilst just the latter six are considered to provide an accurate estimate of future economic growth.

3. Economic Forecast

The information set out in Table 1 reflect the historic GDP growth. It should be noted that an average has also been calculated and provided to reflect the variability for 2019 as the final figures have not been confirmed. It is recommended that these rates of GDP growth are applied in the HNDA model.

Table 1: Historic GDP growth (2017 – 2019)

Source	2017	2018	2019
ESRI Economic Quarterly (Dec 2019)	8.1%	8.2%	5.8%
ESRI Economic Quarterly (March 2020)	8.1%	8.2%	5.5%
Central Bank Q1 2020 Bulletin	-	8.2%	6.1%
Central Bank Q2 2020 Bulletin	-	8.2%	5.5%
EU Winter 2019 Economic Forecast	8.1%	8.2%	5.7%
Department of Finance (Feb 2020)	-	-	6.3%
Department of Finance (April 2020)	-	-	5.5%
EU Spring 2020 Economic Forecast			5.5%
Average	8.1%	8.2%	5.8%

⁸ https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2020-economic-forecast_en

⁹ <https://static.rasset.ie/documents/news/2020/05/new-econ-forecast-may-27th.pdf>

¹⁰ <https://www.esri.ie/publications/quarterly-economic-commentary-summer-2020>

The information set out in Table 2 has gathered in relation to forecasted GDP growth (from 2020 onwards). Those forecasts that were prepared in advance of the COVID-19 pandemic are identified therein.

Table 2: Forecasted GDP growth (2020 – 2025)

Source	2020	2021	2022	2023	2024	2025
ESRI Economic Quarterly (Dec 2019) ¹¹	3.3%					
ESRI Economic Quarterly (March 2020)	-7.1%					
ESRI Economic Quarterly (May 2020)	-10.3%	7.1%				
Central Bank Q1 2020 Bulletin ¹¹	4.8%	4.20%				
Central Bank Q2 2020 Bulletin	-8.3%					
EU Winter 2019 Economic Forecast ¹¹	3.6%	3.20%				
Department of Finance (Feb 2020) ¹¹	3.9%	3.0%	2.8%	2.7%	2.7%	2.5%
Department of Finance (April 2020)	-10.5%	6.0%				
EU Spring 2020 Economic Forecast	-7.9%	6.1%				
Davys Paper (May 2020)	-10.3%	7.1%				

On this basis, the following forecast GDP growth rates have, with the supporting rationale, are currently being applied within the Housing Strategy and associated HNDA:

- **2020:** -9.4% GDP growth (i.e. contraction of the economy) which is the average of the economic forecasts that have been determined from the average of those forecasts from Davys, the ESRI, Central Bank, Department of Finance and European Union that reflect the ongoing COVID-19 pandemic.
- **2021:** 6.4% GDP growth which aligns with the latest Davys, Department of Finance and European Union forecasts (i.e. the only datasets for next year that reflects the ongoing COVID-19 pandemic).
- **2022:** 2.8% GDP growth which aligns with the Department of Finance forecast¹²
- **2023 - 2024:** 2.7% GDP growth which aligns with the Department of Finance forecast¹²
- **2025 onwards:** 2.5% GDP growth which aligns with the Department of Finance forecast¹².

¹¹ Forecast was prepared prior to COVID-19 global pandemic

¹² This forecast was issued by the Department of Finance in advance of the COVID-19 pandemic, however it is considered reflective of their anticipated return to pre-pandemic levels of output as set out in the April 2020 document from the Department of Finance.

4. House Purchase and Rental Prices

It should be noted that the COVID-19 pandemic is also likely to impact on the housing market in terms of house prices and market rental rates. Analysis of the historic information from the Property Price Register and the Rental Tenancies Board has been undertaken to understand local circumstances, however the macroeconomic impact of the COVID-19 pandemic has most likely not yet materialised in the local housing market.

The macroeconomic outlook will, therefore, be considered in addition to the historic information that has been set out in the HNDA. As such, the same adjusted rate of reduction to the macroeconomic outlook (i.e. -8.6% during 2019-2020) will be applied. This will apply to the rate of change for house purchase and rental prices during the plan period at the local level which will be documented as part of the HNDA model and Housing Strategy.

5. Conclusion

The national economy has been impacted by COVID-19 pandemic, however this is a fluid situation with new information related to the economic forecast constantly emerging. Given the status of the Housing Strategy and associated HNDA for Louth County Council we have set out our recommendations in relation to the macroeconomic situation in the context of the economic forecast to be considered in the HNDA model. This has been determined on the basis of best available evidence at the time of writing and subject to approval, these rates will be applied as part of the HNDA Model for the Housing Strategy that is currently being finalised.