



Cavan County Council

Cavan Housing Strategy 2022-2028

KPMG FA
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Cavan HNDA 2022-2028

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1 Introduction

1.1 Overview

This Housing Strategy has been prepared by KPMG Future Analytics on the behalf of Cavan 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 Cavan County Development Plan spans 2022-2028. 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 key objectives of the Housing Strategy are:

- To identify the existing need and likely future demand for housing in the area of the County Cavan Development Plan.
- To ensure Cavan 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 policies and 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. 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) which must underpin and support the preparation of housing strategies and all related housing policy outputs.

The HNDA for County Cavan, 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 Cavan Housing Strategy meets the housing needs of the county and its residents while remaining consistent with local, regional and national guidelines. Chapter 3 of this Development Plan identifies and reviews the key legislative and policy instruments relevant to the delivery of County Cavan's Housing Strategy 2022-2028. The Strategy is underpinned by a HNDA which provides a robust baseline to inform and guide policies and objectives under the Cavan County Development Plan 2022-2028.

Ireland's economic recovery over the past decade has led to ongoing challenges around fluctuations in the supply, demand and price of housing nationally. 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 Cavan.

The HNDA incorporates a range of socio-economic and demographic data to analyse current levels of demand and supply within Cavan's housing sector, and projects for future need over the lifetime of the Development Plan. 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 Methodology

This Section provides an overview of the key components involved in the development and application of the HNDA model. There are three components to the modelling that have been undertaken by KPMG Future Analytics on behalf of Cavan County Council as shown in Figure 1.1. This is further supported by the baseline analysis of the existing situation that is presented in Section 2.

Figure 1-1: Overview of the HNDA Modelling



The first component of the modelling explores projected population scenarios for County Cavan to the end of the plan period. The NPF sets out projected population targets to 2040 as well as in key intermediary years 2026 and 2031.

The second component in conjunction to population projections is the determination of Housing Supply Targets as required by the Section 28 Guidelines. This is established through the calculation of the Housing Supply Target for the plan period for County Cavan in accordance with the 'Housing Supply Target Methodology for Development Planning' DHLGH guidelines (December 2020), as described in Sections 1.5 and 3.1.3.

This provides plan period targets and annualised figures for housing demand that have been analysed in the HNDA.

The third component relates to an assessment of housing and rental affordability. This assessment supports the identification of social (and affordable) housing needs for the local authority during the plan period with the relevant information presented in Sections 3.2 and 3.3

Following this, analysis has been undertaken in relation to specific requirements of the housing demand as set out in the Section 28 Guidelines in relation to the existing market forces, composition, tenure, dwelling type as well as single rural dwellings and specialist provision. This information is presented in Section 3.4.

Section 4 provides an overview of how Cavan County Council meets housing requirements across the county whilst Section 5 provides a summary of the key Strategy outputs.

1.4 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 1.2 below. The sequential steps involved in the development and application of this HNDA model is then presented in Section 3.1.2.

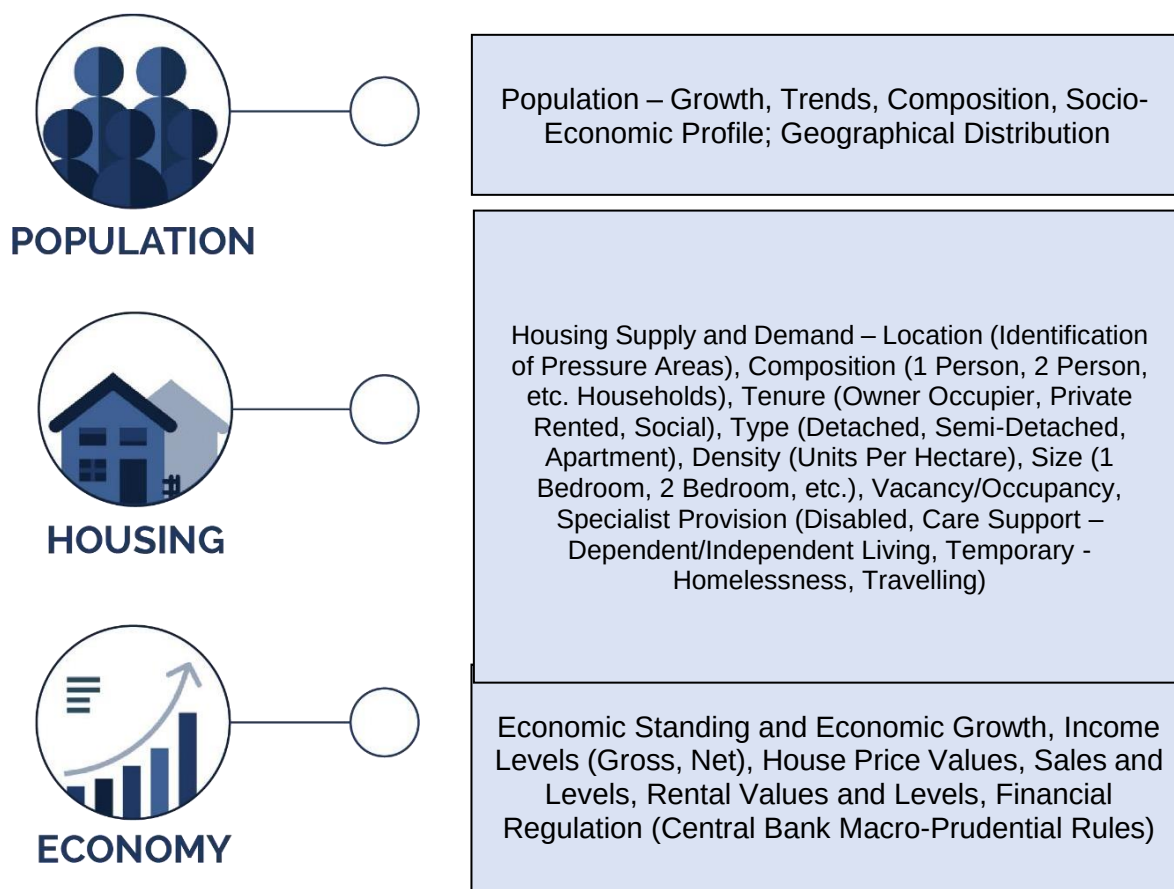


Figure 1-2: HNDA Assessment Areas. Source: KPMG Future Analytics

The methodological approach to the HNDA undertaken as part of the Cavan Housing Strategy 2022-2028 is summarised in figure 1.3 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.

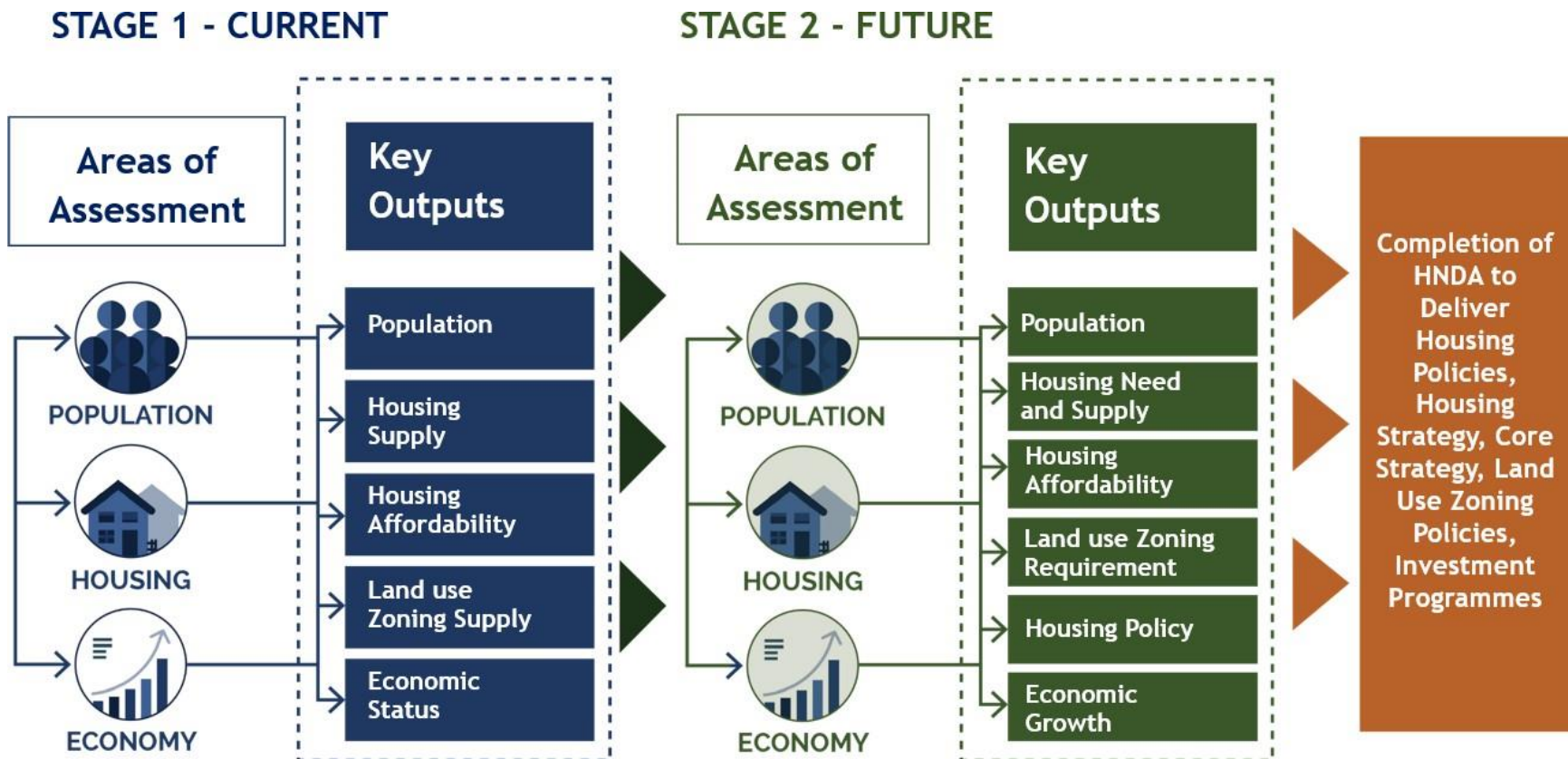


Figure 1.3: HNDA Methodological Approach

1.5 Housing Supply Target Methodology for Development Planning

As outline in Chapter 2, the NPF is based on demographic and econometric projections undertaken by the Economic and Social Research Institute (ESRI) in 2017. Following publication of the NPF in 2018, the NPF 'Roadmap' circular was issued to all planning authorities, setting out projected county population ranges for 2026 and 2031. As part of the development plan process, planning authorities must demonstrate the manner in which their core strategy and other elements of the plan are consistent with the established NPF Roadmap population projections for their local authority area.

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

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

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

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

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

The Guidelines set a methodology for the application of population and housing projections into Local Authority plan processes. The calculation of the housing supply targets for County Cavan is detailed in Section 3.1.3.

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

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

2.1 Population

Census 2016 results show that Ireland's population stood at 4,761,865 in April 2016, an increase of 173,613 (3.8%) since April 2011. County Cavan is located within the Northern and Western Regional Assembly (NWRA) area, a region with approximately 18% of Ireland's total population. As the RSES notes, this can be considered a relatively low proportion of the overall population considering the geographical size of the region. However, the past two decades (between 1996 and 2016) has seen the region grow by an additional 179, 960 persons. In particular, the period between 2002 to 2006 saw a growth rate of 7.8% in the region, while the following period between 2006 and 2011 saw a growth of 7.9%.

County Cavan saw a population increase of 4% (+2993 persons) between 2011 and 2016, as the population increased to 76,176 from 73,183. However, there are significant variances in population trends across the county. Population change across the various settlements is set out in Table 2.1.

Table 2-1: Population Growth 2011-2016

Settlement	2011	2016	2011-2016 Growth Rate %
Cavan Town	10,205	10,914	6.9%
Ballyjamesduff	2,568	2661	3.6%
Bailieborough	2,530	2683	6.0%
Kingscourt	2,326	2499	7.4%
Virginia	2,282	2648	16.0%
Cootehill	2,123	1853	-12%
Belturbet	1407	1369	-2.7%
Mullagh	1,137	1348	18.0%
Ballyconnell	1061	1105	4.1%
Ballinagh	766	936	22.1%
Killeshandra	364	388	6.5%
Arva	380	411	8.1%

Kilnaleck	384	393	2.3%
Shercock	384	588	53.1%
Ballyhaise	620	711	14.6%
Lough Gowna	161	149	-7.4%
Blacklion	229	194	-15%
Butlersbridge	282	276	-2%
Swanlibar	211	207	-1.8%
Rest of the County	43,763	44,843	2.5%
Total for County Cavan	73,183	76,176	4.0%

The NWRA region, as a whole, remains a rural region. Each county has a majority in rural areas, with Leitrim the highest on 89%. Sligo is the most urban county, with 39% of its population living in such areas, however, this is significantly lower than the state average of 62%. According to the CSO's parameters, a total of 23,258 people (30.5%) were living in urban settlements in Cavan in 2016. 52,918 (69.5%) 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 30% and 70% respectively. Thus, the urban/ rural split has remained relatively stable over this period, with a marginal increase in the urban population.

The Census 2016 results show that Ireland's population has been getting steadily older since the 1980s. In 2016, 37.2% of the Irish population were aged 45 and over, compared with 34.4% in 2011 and 27.6% in 1986. As is the case in the rest of Ireland, the NWRA has an ageing population, with the average age of the population standing at 37.9 in 2016. The average age of Cavan's inhabitants is 36.7 years old, lower than the national average age of 37.4. 13.7% of the county population were over 65 years old in 2016, in contrast to state figure of 13.4%. 23.1% of Cavan's population is aged under 14. In total, the number of children of pre-school age (0-4) is 5,725 (7.5%). 9,678 (12.7%) are of primary school going age (5-12) and a further 6,596 (8.6%) are of secondary school going age (13-18). An extended age profile of the county is presented in figure 5 below.

The total age dependency ratio for County Cavan in 2016 was 58.4%¹, as demonstrated in Table 2.2. Nationally, this figure stood at 52.7%.

¹ 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).

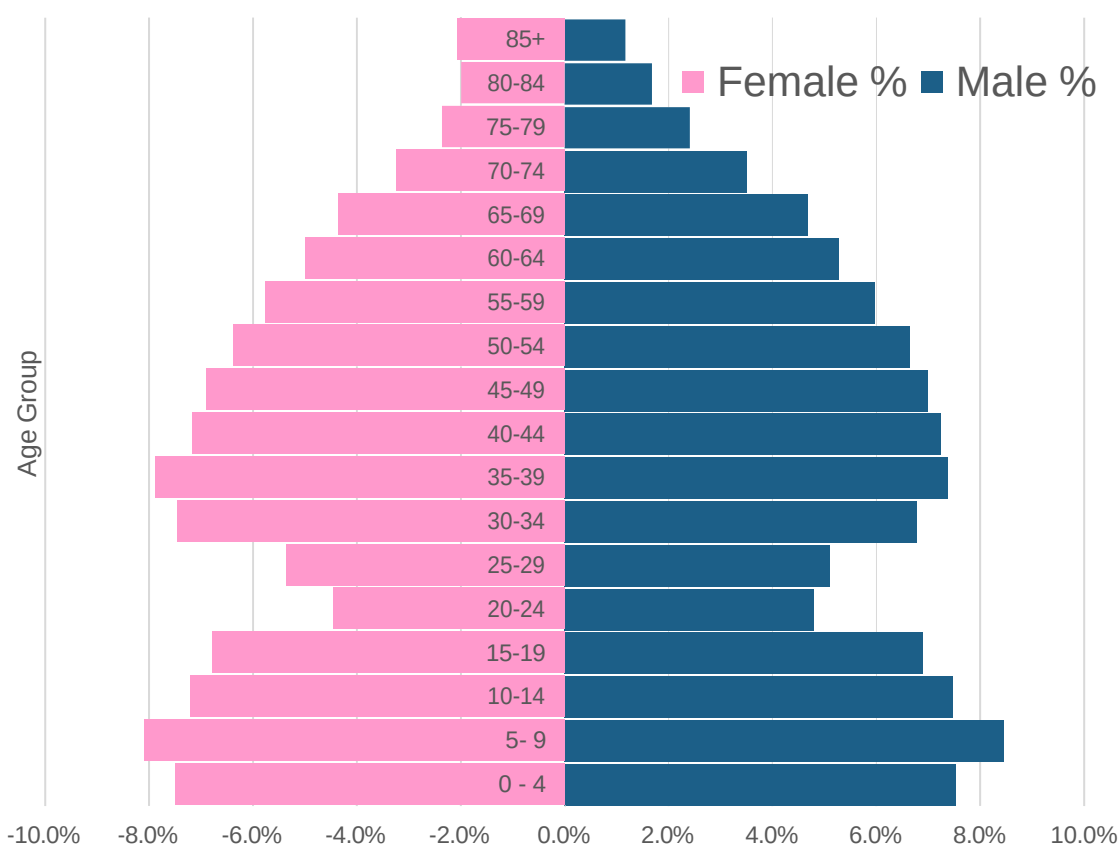


Table 2-2: Dependency Ratios

	0-14 years	15-64 years	Over 65 years	Young Age Ratio (%)	Old Age Ratio (%)	Total Dependency Ratio (%)
Cavan	17,622	48,090	10,464	36.6%	21.7%	58.4%

2.2 Existing Housing Stock and Supply

2.2.1 Housing Stock and Composition

Census 2016 results record a total housing stock of 33,585 units in County Cavan, which represents a marginal decrease of 126 units on 2011 levels. The number of vacant units in 2016 stood at 4,829 (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 7,867 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 6,660. As such, there is an overall decline in the number of vacant dwellings of 1,207 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 2.3.

Table 2-3: Occupancy Status

County	Housing stock	Unoccupied Holiday homes	Temporarily Absent	Vacancy	% Vacancy ²
County Cavan	33,585	1046	785	4829	14.3%

Household size cohort represents the number of people per households. More than half (51.7%) of households in Cavan in 2016 had just one or two persons living in that household as illustrated Table 2.4, however this generally compares to the national figures on household size cohorts.

Table 2-4: Household Size Cohort

No. People per Household	Households	Persons	Households %	Persons %
1-person household	6683	6683	24.8	8.9
2-person household	7227	14,454	26.9	19.2
3-person household	4327	12,981	16.1	17.2
4-person household	4358	17,432	16.2	23.2
5+ person household	4304	23,735	16.0	31.5
Total	26,899	75,285	100	100

Compositionally, there were 26,899 households and an average household size of 2.80, which is marginally higher than the national rate of 2.75. 94.2% of households comprised of a house or bungalow while 4.1% resided in apartments in 2016. At a national level, 12% of all occupied households in Ireland were apartments.

2.2.2 Housing Tenure

Home ownership remains the dominant tenure in Cavan with 71.5% of households within this category in 2016 (compared to a State average of 67.6%). 31.7% of households pay a mortgage. 15.6% of households were in the private rental market; an increase of 7% or 278 households since 2011. 8.6% (2302) of households in the county resided in social housing.

² 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.

Table 2-5: Tenure

	Households	Persons	Households %	Persons %
Social Housing	2302	5822	8.6%	7.7%
Rented (Privately)	4171	11625	15.6%	15.5%
Owner Occupied (All)	19164	55162	71.5%	73.4%

Household Occupancy type is a dataset compiled by the CSO that showcases the composition of an area's housing stock. It can be broadly separated into five distinct categories: Owner Occupied with no mortgage; owner occupied and paying a mortgage; private rental; rented from either a local authority or a voluntary body, which can be referred to as social housing; and occupied free of rent. The total number of households recorded in the NWRA region was 308,151. In Cavan, this stood at 26,806.

Table 2-6: Occupancy Type

County Cavan	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)	8507	10,657	4171	2169	133	511	658	26,806

Of this total, 71.5% of households are either "owner occupied with mortgage" or "owner occupied with no mortgage". This is by far the largest type within the NWRA region, with a comparable percentage total of 71.3% of all households. Compared to the State average of 67.6%, the region has more homeowners proportionately.

2.2.3 Housing Permissions

Section 3.4.4 describes in detail the number of granted planning applications in County Cavan between 2006 and 2019 by units. 41.7% of these relate to houses and apartments via development scheme applications while 58.3% relate to one-off dwellings. Over recent years (2016 - 2019), on average, 58.5% of granted applications were for one off dwellings, while approximately 41.5% were for houses and apartments via development scheme applications.

2.2.4 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 Cavan County Council as of March 2021 is as follows:

Social Housing Stock, Cavan	No. of Units
Directly owned	2107
RAS	410
HAP	441
AHB	88
Leasing (AHB owned or leased)	110
LA Direct Leased	15

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, 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.

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. Cavan is set out below:

- Cluid Housing
- Respond Housing
- Tuath Housing
- Oaklee Trust Housing
- North and East Housing Association
- iCare Housing
- Home for Life Limited Partnership
- Co-operative Housing Ireland
- Clanmil Housing Association Ireland

3 Housing Needs in Cavan

3.1 Introduction

3.1.1 Overview

This chapter sets out the relevant demographic, economic and social inputs along with estimates for the projected population, households and associated needs relating to housing during the plan period as set out in Section 1.3. Specifically, this chapter demonstrates how the Section 28 Guidelines along with the various demographic and market factors have been considered as part of the assessment of future housing needs and demands.

3.1.2 Approach

An overview of the process for the HNDA modelling and relevant sections within this chapter is provided in Table 3-1.

Table 3-1: Approach to the HNDA Modelling and Affordability Assessment

Step	Objective	Method	Relevant subsection
1	Determination of Annual Population Projections	Determination of annual population during the strategy period based on established projection targets (the latter in this instance).	Section 3.2.1
2	Determination of Housing Supply Targets and Household Demand	Determination of pre-plan total households based on latest CSO completions data and estimation of housing completions prior to plan period.	Sections 3.1.3 and 3.2.2
		Determination of plan period housing supply targets (HST) and annual housing targets based on Section 28 Guidelines	
4	Calculation of Estimated Distribution of Household Disposable Incomes	Calculation of estimated distribution of household disposable incomes for the established deciles (by the CSO) based on the weekly and annualised disposable incomes at national level and adjusted for the local authorities based on application of an “inflater” or “deflator” rate.	Section 3.2.4
5	Calculation of Average Annual Household Disposable Income Distribution	Calculation of estimated distribution of annual disposable household incomes per decile during the strategy period based on the preceding step and application of a forecast GDP growth rate.	
6	Calculation of Average Monthly Household Disposable Income Distribution	Calculation of estimated distribution of monthly disposable household incomes per decile during the strategy period based on the preceding step and application of a forecast GDP growth rate.	

Step	Objective	Method	Relevant subsection
7	Determination of Distribution of Total Anticipated Households	Calculation of the estimated distribution of household units for each decile throughout the strategy period as well as the distribution of housing units in the State from the Household Budget Survey (by the CSO).	Section 3.2.4
8	Determination of Distribution of Additional Anticipated Households	Calculation of the estimated distribution of additional anticipated households annually during the strategy period as well as the distribution of housing units in the State from the Household Budget Survey (by the CSO).	
9	Calculation of Projected House Price Bands	Calculation of projected house price bands based on the percentage split of the established (by the DHPLG) eight price bands and a projected annual price increase or decrease.	Section 3.2.6
10	Calculation of Mortgage Capacity of Households	Calculation of the approximate affordable house price per decile per year based on the application of the "Annuity Formula". This is based on the determination of an "Affordability Threshold", a "Loan to Value Ratio", an "Annual Percentage Rate (APR) - Interest Rate", a "Monthly Percentage Rate (MPR) - Interest Rate", and the determination of a "Loan Term (Years/Months)".	Section 3.3.1
11	Calculation of Projected Needs for Ownership	Based on the application of the "Annuity Formula", calculate the housing affordability for each of the 10 household deciles.	
12	Calculation of Projected Needs for Private Rental	Calculation of the households that will not meet the affordability criteria to privately rent a home during the plan period with respect to the number of households that cannot qualify for a mortgage.	Section 3.3.2
13	Calculation of Projected Social (and Affordable) Housing Need	Based on the determination of additional households required, the projected house price bands and the housing affordability, calculate the number of households not meeting the "Affordability Criteria". This informs the necessary provision of social (and affordable) housing units within both local authorities.	Section 3.3.3
14	Historic Data Analysis and Approximate Projection of Tenure, Size Cohort, and Dwelling Type.	Calculation of historic intercensal change for private household tenure, cohort sizes and dwelling type to determine annualised change. This informs the basis of an annual rate of change for which additional anticipated households can be roughly	Sections 3.4.1, 3.4.2 and 3.4.3

Step	Objective	Method	Relevant subsection
		forecasted for household tenure, cohort sizes and dwelling type.	
15	Analysis of Single Rural Dwellings	Analysis CSO Granted Permissions data to determine distribution of rural one-off dwellings.	Section 3.4.4
16	Analysis of Specialist Provision	Analysis of specialist provision County Cavan using current and historic waiting lists by 'basis of need' to highlight the change in trends within the categories of financial need, disability, homeless or other need.	Section 3.4.5

3.1.3 Section 28 Guidelines on Household Demand

As set out in Section 1.5, this chapter has considered the Section 28 Guidelines provided by the Department. Specifically, the household demand during the plan period has been considered during the implementation period of the plan. As such, where 2022 and 2028 are referred to herein this relates to the second half of 2022 and the first half of 2028 only (rather than the full calendar years and this has been indicated by an Asterisk (*) throughout this chapter).

The Section 28 Guidelines explore the Housing Supply Target in order to establish a Household Demand during the plan period. This has been modified to reflect the plan period specifically as presented in Table 3-2 and Table 3-3 respectively.

Table 3-2: Projected Housing Demand in County Cavan for the plan period (Source: Department, Modified)

2022* – 2028*		Description	Total Households	Reasoning
Part 1	A	ESRI NPF 50:50 Scenario household demand 2017-2028 H1	4,597	NPF scenario projection for household demand from the baseline year 2017 to the end of the plan period (2018 H1)
	B	Actual housing supply 2017-2022H1	941	Housing supply from the baseline year to 2020 as well as forecasted supply to the start of the plan period (2022 H1)
	C	Homeless households and unmet demand	46	Number of overcrowded, concealed households and homelessness. Overcrowding is based on people living in the house compared to the number of rooms.
	D	Plan housing demand	3,702	Plan housing demand for the plan period 2022H1-2028H1 as determined by A-B+C.

Qualification for E		Cavan County Council qualifies for adjustment to converge with the baseline because the NPF 50:50 Scenario demand is lower than the Baseline and the plan period goes beyond the year of convergence.			
Part 2	E	Adjustment to facilitate NPF 50:50 and ESRI convergence by 2026 end			
	E1	ESRI household demand 2017-2026	Baseline demand	4,554	ESRI Baseline demand until NPF Convergence year
	E2	ESRI NPF 50:50 Scenario household demand 2027-2028 H1		630	NPF 50:50 Scenario demand from convergence year to plan period end
	E3	Mid-point of ESRI NPF 50:50 and ESRI Baseline 2017-2026		4,361	Mid-point of scenarios at convergence year 2026 as determined by $((A-E2) + E1)/2$
	E4	Adjusted total demand 2017-2028H1		3,996	Adjusted plan housing demand for the plan period 2022H1-2028H1 as determined by $(E2+E3-B)+C$.
Qualification for F		Cavan County Council does not qualify for an additional 25% on the basis that actual supply (B) is near or exceeds unadjusted demand (D) captured in Part 1.			

Item E4 in Table 3-2 and Item E in Table 3-4 (text in bold in both tables) sets out the housing demand that has been determined through baseline convergence in County Cavan and as such, the total housing demand over the plan period is determined to be 3,996 households or 666 households per annum.

Table 3-3: Summary of Housing Demand in County Cavan during the plan period (Source: Department, Modified)

Demand	Total Households	Annual Households
NPF 50:50 City Scenario plan period demand	3,702	617
Adjusted demand under Part 2 (E) – Baseline Convergence	3,996	666
Adjusted demand under Part 3 (F) – Baseline Convergence +25%	Cavan County Council does not qualify for an additional 25% on the basis that actual supply is near or exceeds unadjusted demand captured in Part 1.	

3.2 Key Inputs: HNDA and Affordability Assessment

3.2.1 Future Population

The future population has been determined from the targets as set out in the NPF Implementation Roadmap. The population over the plan period has been interpolated between the baseline (2016) target years (2026 and 2031).

The projected population for County Cavan throughout the plan period is outlined in Table 3-4 (with further details in relation to how this is applied across the tiers of settlement hierarchy outlined in Section 3.8.1 of the Core Strategy). The population of County Cavan is projected to increase by 4,730 people during the plan period to a total of 85,900 by 2028.

Table 3-4: Overview of projected population throughout the plan period

	2022	2023	2024	2025	2026	2027	2028
Projected Population	81,170	82,003	82,835	83,668	84,500	85,200	85,900
Growth (absolute)	832	832	832	832	832	832	832
Growth (relative)	1.04%	1.03%	1.02%	1.0%	0.99%	0.83%	0.82%

3.2.2 Future Households

The estimation of the projected number of households was undertaken with respect to the housing demand during the plan period as set out in the Section 28 Guidelines (i.e. Table 1 therein by the Department). Specifically, the total housing demand during the plan period was determined to be 3,996 households and this equates to 666 additional households per annum during the plan period (with 333 additional households specifically for 2022 and 2028 as they relate to half years only).

Table 3.5 illustrates the projected housing demand throughout the plan period along with the annual housing demand for County Cavan.

Table 3-5: Overview of Total and Annual Housing Demand throughout the Plan Period

	2022*	2023	2024	2025	2026	2027	2028*
Projected Households	28,173	28,839	29,505	30,171	30,837	31,503	31,836
Growth (absolute)	333	666	666	666	666	666	333
Growth (relative)	1.2%	2.3%	2.3%	2.2%	2.2%	2.1%	1.0%

3.2.3 Economic Outlook

The local and regional economy is a critical facet of the housing market needs and incomes which can impact on demand and supply. In order to understand the longer-term economic outlook, particularly in relation to how household incomes may change over time, forecasted growth rates in relation to Gross Domestic Product (GDP) have been considered. It should be noted that the bespoke analysis on economic outlook, income (Refer to Section 3.2.4) and consideration of the macroprudential rules (refer to Section 3.2.5) was undertaken in October – December 2020 and is based on the approach as described herein. As such, this is separate to the analysis undertaken by

the ESRI and Department that has supported the development of the Section 28 Guidelines³.

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

- Economic Research paper published by Davys in May 2020⁴; and
- Summer 2020 Economic Forecast published by the European Union in July 2020⁵;
- Q3 2020 Economic Outlook published by IBEC in October 2020⁶;
- Economic Quarterly published by the ESRI in October 2020⁷;
- Q4 2020 Quarterly Bulletin published by the Central Bank of Ireland in October 2020⁸;
- Budget 2021 published by the Government of Ireland in October 2020⁹; and
- IMF Outlook in October 2020¹⁰.

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 and the latest economic insight in that regard. The following GDP growth rates have therefore been applied herein for those reasons as set out in Appendix 4:

- **2020:** -3.7% GDP growth (i.e. contraction of the economy) which is the average of the economic forecasts that have been determined from the average of those forecasts from Davys, the ESRI, Central Bank, Department of Finance and European Union that reflect the ongoing COVID-19 pandemic.
- **2021:** 3.4% GDP growth which aligns with the latest Davys, Department of Finance and European Union forecasts (i.e. the only datasets for next year that reflects the ongoing COVID-19 pandemic).
- **2022:** 4.5% GDP growth which aligns with the Department of Finance forecast¹¹
- **2023:** 3.5% GDP growth which aligns with the Department of Finance forecast

³ The economic analysis undertaken by the ESRI and the Department was not made available during the preparation of this Housing Strategy.

⁴ <https://static.rasset.ie/documents/news/2020/05/new-econ-forecast-may-27th.pdf>

⁵ https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/summer-2020-economic-forecast-deeper-recession-wider-divergences_en

⁶ <https://www.ibec.ie/influencing-for-business/economy-and-tax/quarterly-economic-outlook-q3-2020>

⁷ https://www.esri.ie/system/files/publications/QEC2020AUT_0.pdf

⁸ https://www.centralbank.ie/publication/quarterly-bulletins/quarterly-bulletin-q4-2020?utm_medium=website&utm_source=CBI-homepage&utm_campaign=q4&utm_content=44110

⁹ <https://www.gov.ie/en/speech/063d4-budget-speech-by-the-minister-of-finance-paschal-donohoe/#macroeconomic-outlook>

¹⁰ <https://www.imf.org/en/Countries/IRL#countrydata>

¹¹ 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.

- **2024:** 2.8% GDP growth which aligns with the Department of Finance forecast¹².
- **2025 onwards:** 2.5% GDP growth which aligns with the Department of Finance forecast.

3.2.4 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 the ability of a household to purchase their own home (i.e. housing affordability). The weekly and annual disposable incomes at national level from the CSO's Household Budget Survey (from 2015-2016) have been adjusted to local authority level based on application of "inflator/deflator" rate. The same methodology was applied separately to the average annual disposable incomes of households to determine mortgage capacity given Central Bank Rules (refer to Section 3.2.5).

The Average Annual Disposable Income for County Cavan from the CSO's County Incomes and Regional GDP was €17,802, therefore a county deflator of 0.828 has been applied (on the basis of a national average annual disposable income of €21,495)¹³. The Average Annual Gross Income for County Cavan from the CSO's County Incomes and Regional GDP was €23,925, therefore a county deflator of 0.818 has been applied (on the basis of a national average annual disposable income of €29,239)¹⁴.

As noted above, disaggregation into ten income segments or 'deciles' has been undertaken to represent the proportion of households in County Cavan within each decile at the time of the survey. Table 3.6 indicates that in 2017 after taxes, about one third of the households in County Cavan (i.e. the first three deciles) have an average annual disposable income of up to €20,384 or the equivalent of €1,669 per month.

¹² 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.

¹³ The measure of price inflation/deflation in an area (i.e. County Cavan in this instance), relative to the national measure at that time

¹⁴ Section 93 of the Planning and Development Act 2000, defines 'affordability' as "a person who is in need of accommodation and whose income would not be adequate to meet the payments of a mortgage for the purchase of a house to meet his or her accommodation needs because the payments calculated over the course of a year would exceed 35% of that person's annual income net of income tax and pay related social insurance..."

Table 3-6: Calculation and distribution of weekly and annual household disposable incomes in County Cavan (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)	Cavan County Deflator	Cavan Average Annual Disposable Income (€) (2017)
1st Decile	188.91	197.40	4.5%	0.90%	199.17	9.83%	10,357.06	0.828	8,577.55
2nd Decile	300.98	324.40	7.8%	1.56%	329.45	10.57%	17,131.32	0.828	14,187.88
3rd Decile	431.28	465.86	8.0%	1.60%	473.33	10.47%	24,613.19	0.828	20,384.23
4th Decile	549.20	593.56	8.1%	1.62%	603.15	10.44%	31,363.73	0.828	25,974.92
5th Decile	669.46	725.85	8.4%	1.68%	738.08	10.25%	38,380.05	0.828	31,785.73
6th Decile	802.56	865.88	7.9%	1.58%	879.54	9.94%	45,736.24	0.828	37,878.00
7th Decile	972.03	1,026.46	5.6%	1.12%	1,037.96	9.62%	53,973.69	0.828	44,700.12
8th Decile	1,183.82	1,215.55	2.7%	0.54%	1,222.07	9.65%	63,547.44	0.828	52,628.94
9th Decile	1,472.66	1,473.25	0.0%	0.01%	1,473.37	9.61%	76,615.14	0.828	63,451.39
10th Decile	2,289.38	2,229.05	-2.6%	-0.53%	2,217.30	9.62%	115,299.70	0.828	95,489.31
Total			5.0%	1.0%		100.00%			

To inform the forward projection of affordability in County Cavan during the plan period, the baseline income has been inflated annually using forecasted growth rates in relation to Gross Domestic Product (GDP). The forecasted GDP rates have considered the household disposable incomes for 2016 from the CSO's Household Budget Survey along with historic and the latest forecasted GDP growth rates during the plan period (Refer to Section 3.2.3 for further detail).

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

Table 3-7: Average annual household disposable incomes per decile in County Cavan (Source: CSO, Modified)

Year	2022	2023	2024	2025	2026	2027	2028
% Growth	4.50%	3.50%	2.80%	2.60%	2.60%	2.60%	2.60%
1st Decile	€10,188	€10,545	€10,840	€11,122	€11,411	€11,708	€12,012
2nd Decile	€16,852	€17,442	€17,931	€18,397	€18,875	€19,366	€19,869
3rd Decile	€24,212	€25,060	€25,761	€26,431	€27,118	€27,824	€28,547
4th Decile	€30,853	€31,933	€32,827	€33,680	€34,556	€35,455	€36,376
5th Decile	€37,755	€39,076	€40,171	€41,215	€42,287	€43,386	€44,514
6th Decile	€44,991	€46,566	€47,870	€49,115	€50,392	€51,702	€53,046
7th Decile	€53,095	€54,953	€56,492	€57,961	€59,468	€61,014	€62,600
8th Decile	€62,513	€64,701	€66,512	€68,241	€70,016	€71,836	€73,704
9th Decile	€75,367	€78,005	€80,189	€82,274	€84,414	€86,608	€88,860
10th Decile	€105,634	€109,331	€112,392	€115,315	€118,313	€121,389	€124,545

Given the context provided and information as outlined above (i.e. Calculation of Average Annual Household Disposable Income Distribution), the incomes have been scaled to provide the monthly (rather than annual) estimates of disposable income per household in each decile during the plan period as described in Table 3.8.

Table 3-8: Average monthly household disposable incomes per decile in County Cavan (Source: CSO, Modified)

Year	2022	2023	2024	2025	2026	2027	2028
1st Decile	€849	€879	€903	€927	€951	€976	€1,001
2nd Decile	€1,404	€1,454	€1,494	€1,533	€1,573	€1,614	€1,656
3rd Decile	€2,018	€2,088	€2,147	€2,203	€2,260	€2,319	€2,379
4th Decile	€2,571	€2,661	€2,736	€2,807	€2,880	€2,955	€3,031
5th Decile	€3,146	€3,256	€3,348	€3,435	€3,524	€3,616	€3,710
6th Decile	€3,749	€3,881	€3,989	€4,093	€4,199	€4,308	€4,421
7th Decile	€4,425	€4,579	€4,708	€4,830	€4,956	€5,084	€5,217
8th Decile	€5,209	€5,392	€5,543	€5,687	€5,835	€5,986	€6,142
9th Decile	€6,281	€6,500	€6,682	€6,856	€7,034	€7,217	€7,405
10th Decile	€8,803	€9,111	€9,366	€9,610	€9,859	€10,116	€10,379

3.2.5 Central Bank Rules and Mortgage Capacity

The Central Bank have put measures in place that restrict the maximum quantum of funds that consumers can borrow to purchase a home. These measures have been set through the implementation of loan-to-value (LTV)¹⁵ and loan-to-income (LTI)¹⁶ limits. It has therefore been analysed whether households could qualify for a mortgage under these rules that would enable them to purchase a house in the lowest price band.

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

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

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. Mortgage capacity (i.e. maximum LTI based on gross household income) is illustrated per decile per year during the plan period in Table 3-9.

Table 3-9: Mortgage capacity of households per decile (€) in County Cavan based on Central Bank Rules where red highlights insufficient income to meet these rules (Source: CSO, Central Bank of Ireland, Modified)

Year	2022	2023	2024	2025	2026	2027	2028
1st Decile	€ 35,335	€ 36,572	€ 37,596	€ 38,573	€ 39,576	€ 40,605	€ 41,661
2nd Decile	€ 59,113	€ 61,182	€ 62,895	€ 64,530	€ 66,208	€ 67,929	€ 69,696
3rd Decile	€ 85,751	€ 88,753	€ 91,238	€ 93,610	€ 96,044	€ 98,541	€101,103
4th Decile	€112,213	€116,140	€119,392	€122,496	€125,681	€128,949	€132,301
5th Decile	€142,630	€147,622	€151,755	€155,701	€159,749	€163,903	€168,164
6th Decile	€176,342	€182,514	€187,625	€192,503	€197,508	€202,643	€207,912
7th Decile	€215,422	€222,962	€229,205	€235,164	€241,278	€247,552	€253,988
8th Decile	€262,693	€271,887	€279,500	€286,767	€294,223	€301,872	€309,721
9th Decile	€335,045	€346,771	€356,481	€365,749	€375,259	€385,016	€395,026
10th Decile	€549,005	€568,220	€584,130	€599,317	€614,900	€630,887	€647,290

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

¹⁶ The LTI limit restricts the amount of money you can borrow to a maximum of 3.5 times your gross income.

Table 3.9 illustrates that during the plan period 2022-2028, the first decile does not have sufficient gross household income to meet the requirements of the Central Bank rules, and from 2024 the second decile does not have sufficient gross household income to meet the requirements of the Central Bank rules.

This means that 3.5 times the gross annual household income is less than 90% of the value of purchase for the lowest projected price band in the given year. Therefore, they do not qualify for a mortgage and progress into the private rental bracket. Those households that can qualify for a mortgage progress to the needs assessment for home ownership.

3.2.6 Analysis of Historic Ownership Market

This section sets out background information on house price trends in the current market in County Cavan. As with the preceding sections, this is bespoke analysis for this Housing Strategy which is separate to the analysis undertaken by the ESRI and Department that has supported the development of the Section 28 Guidelines¹⁷. 2019 has been selected as the baseline year and property transactions as recorded on the Residential Property Price Register (RPPR) during that year have been considered representative to understand house prices and the distribution of housing units per price band. Table 3.10 sets out the eight housing price bands for County Cavan along with the volume of sales and distribution within each band for 2019.

Table 3-10: House Sales¹⁸ in County Cavan in 2019 (Source: Property Price Register)

Price Band (€)	Number of Transactions	Percent of Transactions
0 – 50,000	60	7.4%
50,001 – 75,000	85	10.5%
75,001 – 100,000	136	16.8%
100,001 – 150,000	199	24.6%
150,001 – 200,000	171	21.2%
200,001 – 250,000	83	10.3%
250,001 – 300,000	45	5.6%
300,000+	29	3.6%
Total Transactions	808	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 Cavan. Following review of information from the RPPR, Table 3.8 sets out the historic information on house price trends in the housing market in County Cavan from 2011 to 2020 (Note this relates to just the first half of 2020 and hence this does not reflect the full year for 2020).

¹⁷ The economic analysis undertaken by the ESRI and the Department was not made available during the preparation of this Housing Strategy.

¹⁸ It should be noted that this relates to House Sales that are inclusive of VAT

Table 3-11: Historic House Price Metrics in County Cavan (Source: Property Price Register)

Year	PPR
2011	2.6%
2012	-17.8%
2013	-20.9%
2014	-4.7%
2015	15.1%
2016	13.3%
2017	18.8%
2018	8.3%
2019	5.2%
2020 (H1)	-2.4%

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 2021 onwards (i.e. future baseline). Overall, the estimations of the dynamics of the future housing market are considered reflective of the anticipated economic conditions in County Cavan.

This information has supported the estimation of projected house price bands based on the percentage split off as outlined in Table 3.11. The following is reflective of the market changes to the end of the plan period including:

- 2020 sees a decline of 2.4%.
- 2021 sees a return to growth that reflects the average historic growth over the last three years (at 12.2%)
- Thereafter growth is gradually tapered towards a 2.0% annual growth rate by the end of the plan period.

Table 3-12: Actual (2015-2020) and Anticipated Change (2021-2028) in Average Prices in the Housing Market (Source: PPR, ESRI, Modified)

2015	2016	2017	2018	2019	2020 ¹⁹	2021
15.1%	13.3%	18.8%	8.3%	5.2%	-2.4%	12.2%
2022	2023	2024	2025	2026	2027	2028
10.0%	9.0%	8.0%	7.0%	6.0%	5.0%	3.0%

Based on the information in Table 3.12 the actual and projected house prices up to and including the plan period (2022-2028) are set out in Table 3.13.

¹⁹ Relates to data for half the year

Table 3-13: Calculation of projected house price bands, in Euro (€), 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	-	50,000	50,001	75,000	75,001	100,000	100,001	150,000	150,001	200,000	200,001	250,000	250,001	300,000	300,001
2020	-2.44%	48,779	48,780	73,169	73,170	97,558	97,559	146,338	146,339	195,117	195,118	243,896	243,897	292,675	292,676
2021	12.2%	54,713	54,714	82,070	82,071	109,426	109,427	164,139	164,140	218,852	218,854	273,566	273,567	328,279	328,280
2022	11.0%	60,732	60,733	91,097	91,099	121,463	121,464	182,195	182,196	242,926	242,927	303,658	303,659	364,389	364,390
2023	10.0%	66,805	66,806	100,207	100,208	133,609	133,611	200,414	200,415	267,219	267,220	334,024	334,025	400,828	400,830
2024	9.0%	72,817	72,819	109,226	109,227	145,634	145,636	218,451	218,453	291,268	291,270	364,086	364,087	436,903	436,904
2025	8.0%	78,642	78,644	117,964	117,965	157,285	157,287	235,927	235,929	314,570	314,572	393,212	393,214	471,855	471,857
2026	7.0%	84,147	84,149	126,221	126,223	168,295	168,297	252,442	252,444	336,590	336,592	420,737	420,739	504,885	504,886
2027	6.0%	89,196	89,198	133,794	133,796	178,393	178,394	267,589	267,591	356,785	356,787	445,982	445,983	535,178	535,180
2028	5.0%	93,656	93,658	140,484	140,486	187,312	187,314	280,968	280,970	374,625	374,626	468,281	468,283	561,937	561,939

3.2.7 Analysis of Historic Private Rental Market

In this section the background information on rental price and current rental demand by unit type, based on the current market, is set out. As with the preceding sections, this is bespoke analysis which is separate to the analysis undertaken by the ESRI and Department that has supported the development of the Section 28 Guidelines²⁰. In order to ensure the most up to date market context 2019 has been selected as the baseline year, and rental information recorded by the Residential Tenancies Board (RTB) during that year has been considered representative. Information on rental by unit type, as well as overall average rental price, has been extracted from the RTB data database for County Cavan for 2015 to the second quarter of 2020. This information can be seen in Table 3.14 along with the year-on-year (YOY) change in average rental cost in County Cavan.

Table 3-14: Private Rental Market Prices in County Cavan 2015- Q2 2020 (Source: RTB)

Year	One bed	Two bed	Three bed	Four plus bed	All bedrooms	YOY change (All)
2020	€ 491	€ 595	€ 650	€ 727	€ 634	3.9%
2019	€ 472	€ 570	€ 627	€ 697	€ 610	7.0%
2018	€ 446	€ 531	€ 588	€ 642	€ 570	5.3%
2017	€ 413	€ 495	€ 553	€ 618	€ 541	6.8%
2016	€ 378	€ 466	€ 512	€ 591	€ 507	9.2%
2015	€ 350	€ 431	€ 469	€ 536	€ 464	4.8%

It is noted that settlement level data is available from the RTB however it is not as complete and robust as the county level information (as there are often specific unit types missing for example). However, the comparable rental prices for the second quarter of 2020 and different historic rates of growth are provided in Table 3-15 for context albeit they have not been applied as the HNDA modelling has been undertaken for the entire county.

Table 3-15: Private Rental Market Prices in County Cavan (Settlement Level) 2015- Q2 2020 (Source: RTB)

Year	Cavan Town	Bailieborough	Ballyconnell	Ballyjamesduff	Belturbet	Coot hill	Kingscourt	Virginia
2020 H1 Rent	€661	€576	€567	€637	€565	€548	€679	€764
2018-19 Change	6.3%	4.5%	9.8%	4.1%	5.3%	5.0%	7.0%	12.0%
2017-18 Change	5.1%	-0.1%	9.5%	5.7%	4.9%	4.8%	-3.0%	6.3%
2016-17 Change	7.2%	6.4%	7.5%	9.2%	6.7%	6.5%	10.7%	4.1%
2015-16 Change	8.8%	11.2%	4.4%	5.0%	14.3%	7.4%	13.5%	11.4%

²⁰ The economic analysis undertaken by the ESRI and the Department was not made available during the preparation of this Housing Strategy.

In addition to the rental information in Table 3-14 data on rental demand in the current market was also available from the RTB. This information was analysed to understand the current demand, per unit type, within the private rental market. Table 3-16 sets out the demand for individual unit types in County Cavan. The distribution identified in Table 3-16 is considered reflective of the unit type demand for County Cavan and therefore has been held fixed, throughout the plan period, to understand the future demand per unit type in the private rental market.

Table 3-16: Current Demand by Unit Type in the Private Rental Market (Source: RTB)

No. Beds	Percent of Units
1 Bed	11.7%
2 Bed	29.5%
3 Bed	36.7%
4+ Bed	22.1%
Total	100.0%

Similar to the assessment and projections of property sale 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 five full years (i.e. 2015 – 2019) has been used as a baseline and in the absence of any rental market specific analysis.

Table 3.17 sets out the annual changes in rental prices for County Cavan that have been used during the modelling process for the plan period, while the following information has been used in the lead up to the plan period:

- 3.9% increase in 2020
- 6.6% increase in 2021 (a return to the previous five-year average (2015-2019))

Table 3-17: Projected Rental Prices by Unit Type in County Cavan (Source: RTB, Modified)

Year	Annual Change	One bed	Two bed	Three bed	Four plus bed
2022	6.0%	€555	€673	€735	€822
2023	5.5%	€585	€710	€775	€867
2024	5.0%	€615	€745	€814	€910
2025	4.5%	€642	€779	€850	€951
2026	4.0%	€668	€810	€884	€989
2027	3.5%	€692	€838	€915	€1,024
2028	3.0%	€712	€863	€943	€1,055

3.3 Assessment of Needs

3.3.1 Ownership

Housing Affordability is associated with disposable income available to a household which has been determined at the county level as described in detail in Section 3.2.4. 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 cost of housing is unsustainable as housing costs consume a disproportionately high amount of household income. Based on this information, we have calculated the number of households not meeting the 'Affordability Criteria'.

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

Utilising the projected/modelled results for:

- annual household demand (Table 3-5)
- projected house price bands (Table 3.10)
- households that can qualify for a mortgage (Appendix 2)
- and the calculation of housing affordability (Table 3.14)

the annual housing surplus/deficit, per price band, was determined and has been set out for each year of the plan period in Table 3.18.

Table 3-18: Approximate Affordable House Price, in Euro (€), per decile in County Cavan for 2022-2028 (Source: CSO, Modified)

Year	2022	2023	2024	2025	2026	2027	2028
1st Decile	€76,680	€79,364	€81,586	€83,707	€85,884	€88,117	€90,408
2nd Decile	€126,834	€131,273	€134,949	€138,458	€142,058	€145,751	€149,541
3rd Decile	€182,227	€188,605	€193,886	€198,927	€204,099	€209,406	€214,851
4th Decile	€232,206	€240,333	€247,063	€253,486	€260,077	€266,839	€273,777
5th Decile	€284,152	€294,098	€302,332	€310,193	€318,258	€326,533	€335,023
6th Decile	€338,615	€350,467	€360,280	€369,647	€379,258	€389,118	€399,235
7th Decile	€399,602	€413,588	€425,169	€436,223	€447,565	€459,202	€471,141
8th Decile	€470,483	€486,950	€500,584	€513,599	€526,953	€540,654	€554,711
9th Decile	€567,231	€587,085	€603,523	€619,215	€635,314	€651,832	€668,780
10th Decile	€795,023	€822,849	€845,889	€867,882	€890,447	€913,598	€937,352

A surplus within a price band has been identified when 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, by contrast, is identified within a price band when there are fewer additional anticipated households 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.

Table 3-19: Determination of Mortgage Qualification for Households in County Cavan for the plan period (Source: CSO, Modified)

Year	Range	No. of Additional Anticipated Households That Qualify for a Mortgage	Running Total	Affordability Threshold	Household Price Band(s)	Upper Value of Price Band	No. of Households That Qualify for a Mortgage Able to Purchase at Upper Value	% of Housing Units Anticipated per Price Band	No. Housing Units Anticipated per Price Band	Housing Surplus (+) or Deficit (-) per Price Band
2022*	1st Decile	0	0	76,680	1st Band, 2nd Band	91,097	25	17.9%	54	29
	2nd Decile	35	35	126,834	3rd Band, 4th Band	182,195	45	41.5%	124	80
	3rd Decile	35	70	182,227	5th Band	242,926	49	21.2%	64	15
	4th Decile	35	105	232,206						
	5th Decile	34	139	284,152	6th Band	303,658	36	10.3%	31	-5
	6th Decile	33	172	338,615	7th Band	364,389	32	5.6%	17	-15
	7th Decile	32	204	399,602	8th Band	None	None	3.6%	11	-
	8th Decile	32	236	470,483						
	9th Decile	32	268	567,231						
	10th Decile	32	300	795,023						
		300						100.00%	300	103.37
2023	1st Decile	0	0	79,364	1st Band, 2nd Band	100,207	54	17.9%	108	54
	2nd Decile	70	70	131,273	3rd Band	133,609	46	16.8%	101	56
	3rd Decile	70	140	188,605	4th Band	200,414	76	24.6%	148	72
	4th Decile	70	210	240,333	5th Band	267,219	78	21.2%	127	49
	5th Decile	68	278	294,098	6th Band	334,024	75	10.3%	62	-14
	6th Decile	66	344	350,467	7th Band	400,828	68	5.6%	33	-34
	7th Decile	64	408	413,588	8th Band	None	None	3.6%	22	-
	8th Decile	64	473	486,950						

	9th Decile	64	536	587,085						
	10th Decile	64	601	822,849						
		601						100.00%	601	183
2024	1st Decile	0	0	81,586	1st Band, 2nd Band	109,226	0	17.9%	95	95
	2nd Decile	0	0	134,949	3rd Band	145,634	52	16.8%	89	37
	3rd Decile	70	70	193,886	4th Band	218,451	71	24.6%	131	60
	4th Decile	70	139	247,063	5th Band	291,268	77	21.2%	112	35
	5th Decile	68	208	302,332	6th Band	364,086	89	10.3%	54	-35
	6th Decile	66	274	360,280						
	7th Decile	64	338	425,169	7th Band	436,903	62	5.6%	30	-32
	8th Decile	64	402	500,584	8th Band	None	None	3.6%	19	-
	9th Decile	64	466	603,523						
	10th Decile	64	530	845,889						
		530						100.00%	530	160.18
2025	1st Decile	0	0	83,707	1st Band, 2nd Band	117,964	0	17.9%	95	95
	2nd Decile	0	0	138,458	3rd Band	157,285	55	16.8%	89	34
	3rd Decile	70	70	198,927	4th Band	235,927	74	24.6%	131	56
	4th Decile	70	139	253,486	5th Band	314,570	103	21.2%	112	9
	5th Decile	68	208	310,193						
	6th Decile	66	274	369,647	6th Band	393,212	72	10.3%	54	-17
	7th Decile	64	338	436,223	7th Band	471,855	65	5.6%	30	-35
	8th Decile	64	402	513,599	8th Band	None	None	3.6%	19	-
	9th Decile	64	466	619,215						
	10th Decile	64	530	867,882						
		530						100.00%	530	142
2026	1st Decile	0	0	85,884	1st Band, 2nd Band	126,221	0	17.9%	95	95
	2nd Decile	0	0	142,058	3rd Band	168,295	57	16.8%	89	32

	3rd Decile	70	70	204,099	4th Band	252,442	78	24.6%	131	53
	4th Decile	70	139	260,077	5th Band	336,590	108	21.2%	112	4
	5th Decile	68	208	318,258						
	6th Decile	66	274	379,258	6th Band	420,737	75	10.3%	54	-20
	7th Decile	64	338	447,565	7th Band	504,885	68	5.6%	30	-38
	8th Decile	64	402	526,953	8th Band	None	None	3.6%	19	-
	9th Decile	64	466	635,314						
	10th Decile	64	530	890,447						
		530						100.00%	530	125.87
2027	1st Decile	0	0	88,117	1st Band	89,196	0	7.4%	39	39
	2nd Decile	0	0	145,751	2nd Band, 3rd Band	178,393	59	27.4%	145	86
	3rd Decile	70	70	209,406	4th Band	267,589	111	24.6%	131	20
	4th Decile	70	139	266,839						
	5th Decile	68	208	326,533	5th Band	356,785	81	21.2%	112	31
	6th Decile	66	274	389,118	6th Band	445,982	77	10.3%	54	-23
	7th Decile	64	338	459,202	7th Band	535,178	70	5.6%	30	-40
	8th Decile	64	402	540,654	8th Band	None	None	3.6%	19	-
	9th Decile	64	466	651,832						
	10th Decile	64	530	913,598						
		530						100.00%	530	113
2028*	1st Decile	0	0	90,408	1st Band	93,656	0	7.4%	20	20
	2nd Decile	0	0	149,541	2nd Band, 3rd Band	187,312	30	27.4%	73	42
	3rd Decile	35	35	214,851	4th Band	280,968	57	24.6%	65	9
	4th Decile	35	70	273,777						
	5th Decile	34	104	335,023	5th Band	374,625	41	21.2%	56	15
	6th Decile	33	137	399,235	6th Band	468,281	39	10.3%	27	-12
	7th Decile	32	169	471,141	7th Band	561,937	28	5.6%	15	-13

	8th Decile	32	201	554,711						
	9th Decile	32	233	668,780	8th Band	None	None	3.6%	10	-
	10th Decile	32	265	937,352						
		265						100.00%	265	59.75

3.3.2 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 3.2.4.
- Projected market rents per unit type as set out in Section 3.2.7.
- Additionally, the demand for a particular unit type (as set out in Section 3.2.7) has been factored to estimate what type of unit the additional anticipated households are more likely to prefer to rent.

As such if a household does not have sufficient income to meet the private rental rates for a unit in a given year (i.e. 35% of their disposable income is less than average market rent), they cannot afford the rent by themselves. Any households that do not qualify for a mortgage and also cannot afford private rent will therefore require social housing support from Cavan County Council. A detailed breakdown of those that do not qualify for a mortgage and cannot afford private rental is provided in Table 3.20, with further information per decile per unit provided in Appendix 3. It is not expected that any of additional households who do not qualify for a mortgage will be able to afford private rental.

Table 3-20: 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	2022*	2023	2024	2025	2026	2027	2028*
Total	33	65	136	136	136	136	68

Table 3-21: Details of Anticipated Households Not Able to Afford Private Rental (based on RTB Demand allocation by Unit Type)²¹

Year	2022*	2023	2024	2025	2026	2027	2028*
1 Bed	4	8	16	16	16	16	8
2 Bed	10	19	40	40	40	40	20
3 Bed	12	24	50	50	50	50	25
4+ Bed	7	14	30	30	30	30	15
Total	33	65	136	136	136	136	68

It is recognised that many households renting and with relatively low incomes can also receive financial support, therefore the Housing Assistance Payment (HAP) has also been considered. HAP is a form of social housing support for people who have a long-term housing need and which is available to those who are eligible for social housing

²¹ Totals may not sum due to rounding

support that is administered by local authorities. Under HAP, a local authority can make a monthly payment to a landlord, subject to terms and conditions including rent limits, on a tenant's behalf.

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

Based on the decile income analysis, it has been identified that the first and second deciles could avail of social housing support for the entire plan period when assessed by the €25,000 income limit, with the third decile within the social housing provision for 2022. When assessed at the upper income limit of €30,000 (highlighted in blue), the third decile is also within the threshold for support from 2023-2028, as illustrated in Table 3.22.

Table 3-22: Deciles within income threshold for Social Housing Provision (SHP) 2022-2028

Social Housing Provision	2022	2023	2024	2025	2026	2027	2028
1st Decile	SHP	SHP	SHP	SHP	SHP	SHP	SHP
2nd Decile	SHP	SHP	SHP	SHP	SHP	SHP	SHP
3rd Decile	SHP	SHP	SHP	SHP	SHP	SHP	SHP
4th Decile	-	-	-	-	-	-	-
5th Decile	-	-	-	-	-	-	-
6th Decile	-	-	-	-	-	-	-
7th Decile	-	-	-	-	-	-	-
8th Decile	-	-	-	-	-	-	-
9th Decile	-	-	-	-	-	-	-
10th Decile	-	-	-	-	-	-	-

For the purpose of this analysis, family units have been allocated against particular unit types that are likely to serve their needs in order to understand whether they would be able to afford private rental for that unit if they received a HAP contribution. As such, the current HAP contributions have therefore been assumed as set out in Table 3.23.

Table 3-23: Assumptions in relation to HAP Contributions²²

	Unit Type	HAP Contribution
One adult	1-bedroom unit	€380
Couple (no children or dependents)	1-bedroom unit	€420
Couple or Adult with 1 child	2-bedroom unit	€450
Couple or Adult with 2 children	3-bedroom unit	€470
Couple or Adult with 3 or more children	4-bedroom unit	€490
Shared accommodation (single person or couple)	Not applicable or analysed as this is not considered to represent a demand for an	

²² <http://www.irishstatutebook.ie/eli/2017/si/56/made/en/print>

	individual household in the private rental market
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Our analysis of future market rents and HAP contributions, as set out in Table 3.23, has highlighted the following:

- All deciles can affordably rent 1-bedroom units throughout the plan period once in the receipt of a HAP contribution.
- The second and third deciles can affordably rent 2-bedroom units throughout the plan period once in the receipt of a HAP contribution, while the first decile can affordably rent for the period of 2022-2024, thereafter the combination of 35% of household disposable income plus the assumed HAP contribution would not meet the affordability threshold.
- For 3-bedroom units, those assessed based on the upper limit of income (i.e. €30,000) can affordably rent throughout the plan period if in receipt of the HAP contribution, along with those in the second and third deciles, while the first decile can affordably rent for the period of 2022-2023, thereafter the combination of 35% of household disposable income plus the assumed HAP contribution would not meet the affordability threshold.
- Households in the second and third deciles are projected to be able to meet rental costs for 4+ bedroom units during the plan period if in receipt of a HAP contribution. However, the first decile fail to meet the affordability threshold for the entirety of the plan period.

3.3.3 Summary of Projected Needs during the Plan Period

This section summarises the overall housing requirements for County Cavan having regard to the analysis that has been undertaken (as described in detail in Sections 3.2 and 3.3). Between 2022 and 2028, a population increase of 4,730 people is projected for County Cavan. This indicates that the total population in County Cavan will be 85,900 people by 2028 as set out in Section 3.2.1.

The housing demand will be 3,996 during the plan period for County Cavan which is the equivalent of an average housing demand of 666 units per annum or 571 units per annum during the plan period specifically (ie. covering half of 2022 and half of 2028).

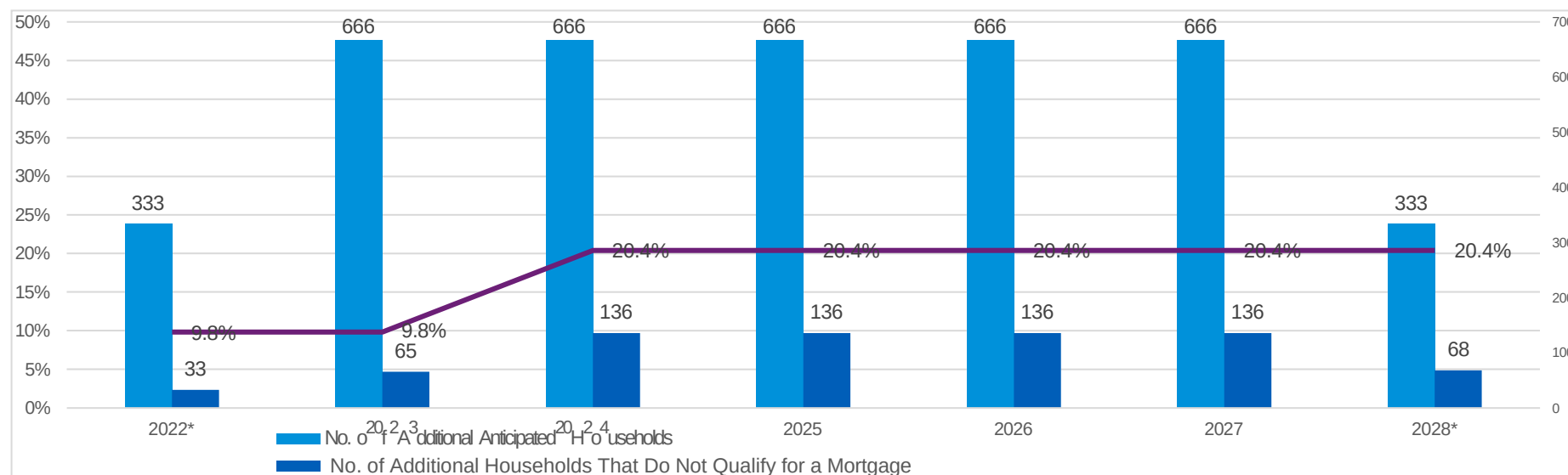
The anticipated social housing need for Cavan County Council, as set out in the preceding steps, reflects the assessments for mortgage qualification and the affordability for ownership and private rental. Throughout the plan period the estimated social (and affordable) housing requirement increases from 9.8%, in 2022, to 20.4%, by 2028, of the housing demand in County Cavan to an overall average of 17.8% (i.e. those that do not qualify for a mortgage and cannot afford private rental).

The identified social (and affordable) housing requirement for the plan period has been summarised in Table 3.24 and Figure 3.1.

Table 3-24: Summary of Anticipated Additional Households and Requirements for the plan period

	2022*	2023	2024	2025	2026	2027	2028*	Plan period
Housing Demand	333	666	666	666	666	666	333	3,996
Households (of the Housing Demand) That Do Not Qualify for a Mortgage	33	65	136	136	136	136	68	709
Households(of the Housing Demand) That Do Not Qualify for a Mortgage and Cannot Afford Private Rental	33	65	136	136	136	136	68	709
Housing Shortfall (%)	9.8%	9.8%	20.4%	20.4%	20.4%	20.4%	20.4%	17.8%

Figure 3.1: Summary of County Cavan Social (and Affordable) Housing Needs throughout the plan period



3.4 HNDA Components

3.4.1 Household Composition

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

An analysis of historic census information (i.e. during the 2002, 2006, 2011 and 2016 Census) in relation to the composition of households in County Cavan 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 0.06% annually
- 2 person households will increase by an average of 0.19% annually
- 3 person households will decrease by an average of 0.01% annually
- 4 person households will increase by an average of 0.05% annually
- 5+ person households will decrease by an average of 0.30% annually

Figure 3.2 and Table 3.25 indicates the estimated proportion and number of households by size during the plan period.

Figure 3.2: Forecasted Household Size Cohort in County Cavan during the plan period
(Source: CSO, projected)

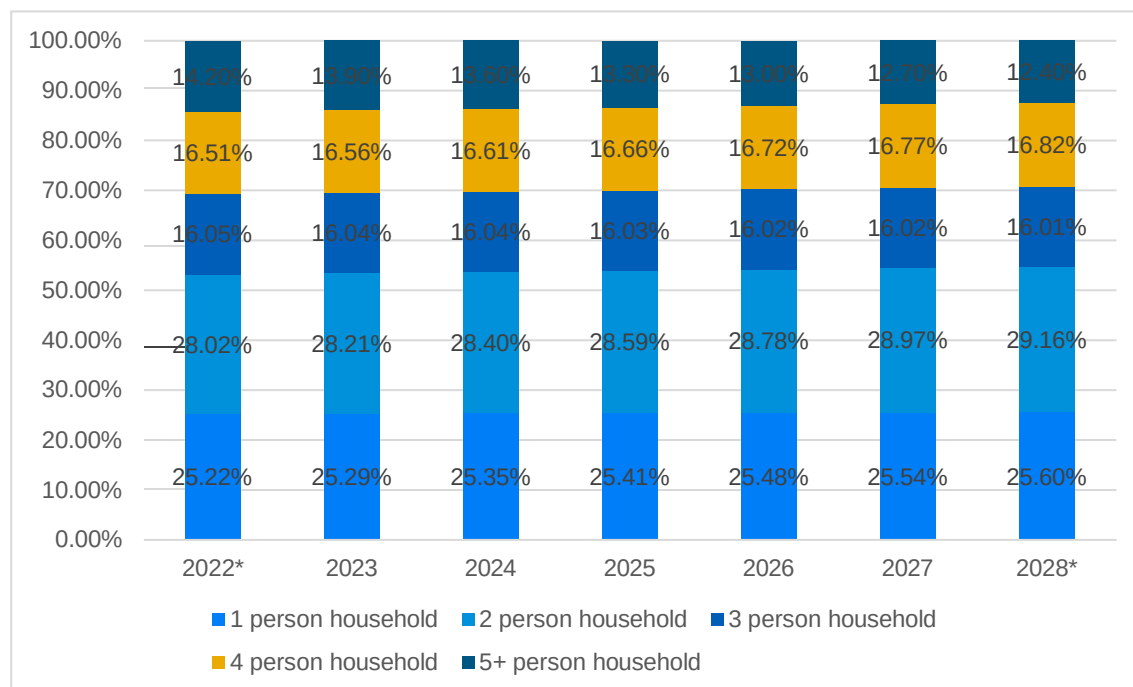


Table 3-25: Household Size Cohort Forecasts for Additional Anticipated Households in County Cavan during the plan period (Source: CSO, projected)

Total Additional Anticipated Households	2022*	2023	2024	2025	2026	2027	2028*
1 person household	84	168	169	169	170	170	85
2 person household	93	188	189	190	192	193	97
3 person household	53	107	107	107	107	107	53
4 person household	55	110	111	111	111	112	56
5+ person household	47	93	91	89	87	85	41
Total	333	666	666	666	666	666	333

3.4.2 Household Tenure

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

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

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

- Annual average decrease of 0.82% in owner occupied households
- Annual average increase of 0.58% in privately rented households
- Annual average increase of 0.24% in other rented households

The applied changes for the additional anticipated households are indicated in Figure 3.3 and Table 3.26.

Figure 3.3: Household Tenure Forecasts for Households in County Cavan during plan period (Source: CSO, projected)

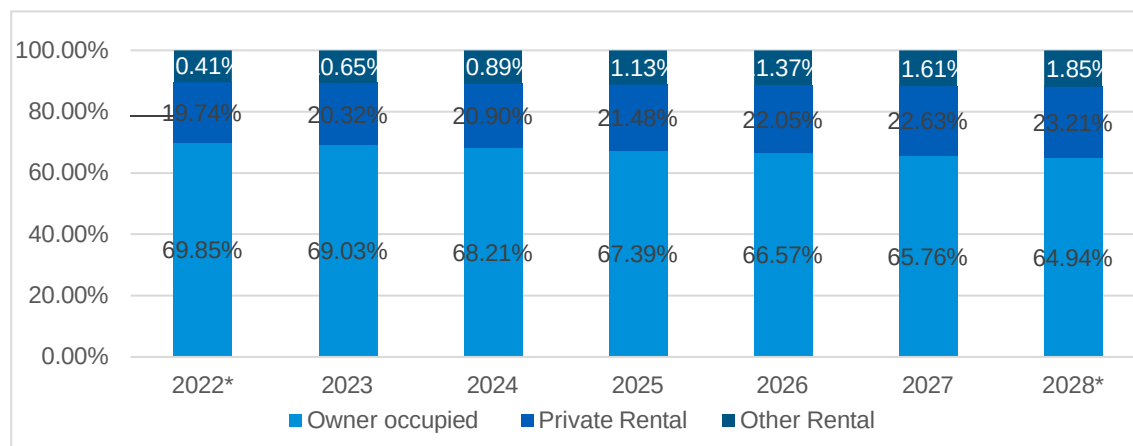


Table 3-26: Household Tenure Forecasts for Additional Anticipated Households in County Cavan during plan period (Source: CSO, projected)

No. of Additional Anticipated Households	2022*	2023	2024	2025	2026	2027	2028*
Owner occupied	233	460	454	449	443	438	216
Private Rental	66	135	139	143	147	151	77
Other Rental	35	71	73	74	76	77	39
Total	333	666	666	666	666	666	333

3.4.3 Dwelling Type

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

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

- Annual average increase of 0.01% in house type dwellings
- Annual average increase of 0.03% in apartment type dwellings
- Annual average decrease of 0.04% in caravan/bed-sit type dwellings

These changes are smaller in magnitude than those of other intercensal themes given that change in dwelling type is directly linked to development taking place in the county. With the long running housing shortage that is present across the country, and indeed in Cavan, this metric will continue to see slower change. The applied changes for the additional anticipated households are indicated in Figure 3.4 and Table 3-27.

Figure 3.4: Dwelling Type Forecasts for County Cavan during plan period (Source: CSO, projected)²³

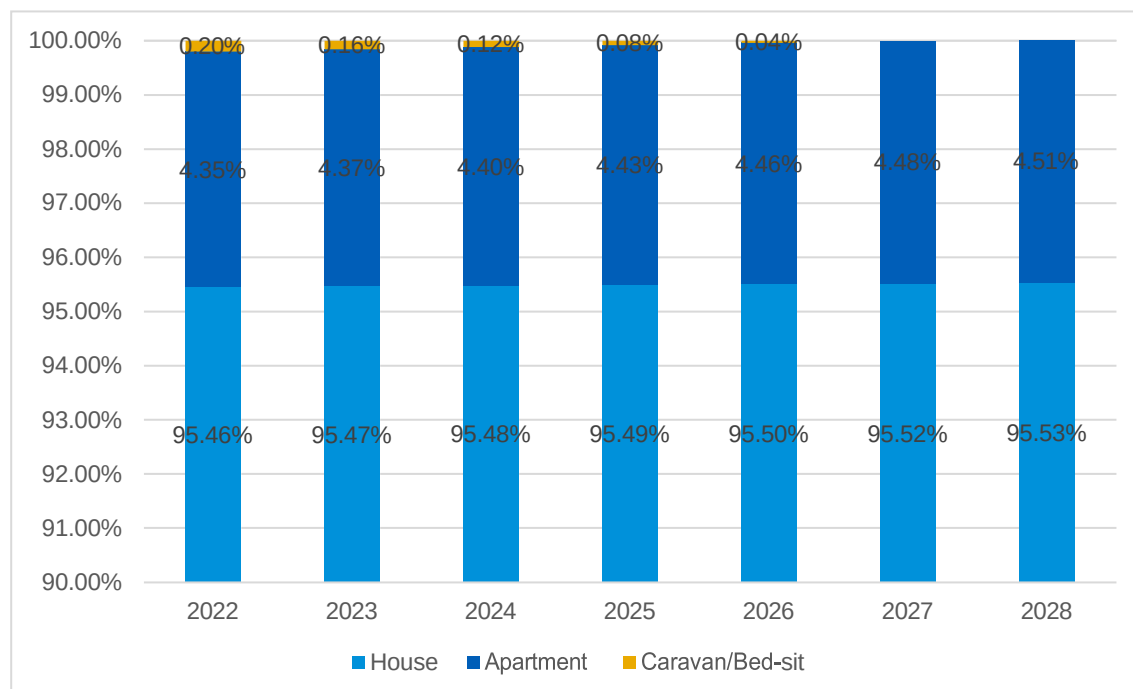


Table 3-27: Dwelling Type Forecasts for Additional Anticipated Households in County Cavan during plan period (Source: CSO, projected)

No. of Additional Anticipated Households	2022	2023	2024	2025	2026	2027	2028
House	318	636	636	636	636	636	318
Apartment	14	29	29	29	30	30	15
Caravan/Bed-sit	1	1	1	1	0	0	0
Total	333	666	666	666	666	666	333

²³ Chart begins display at 90% due to the difference in overall distribution

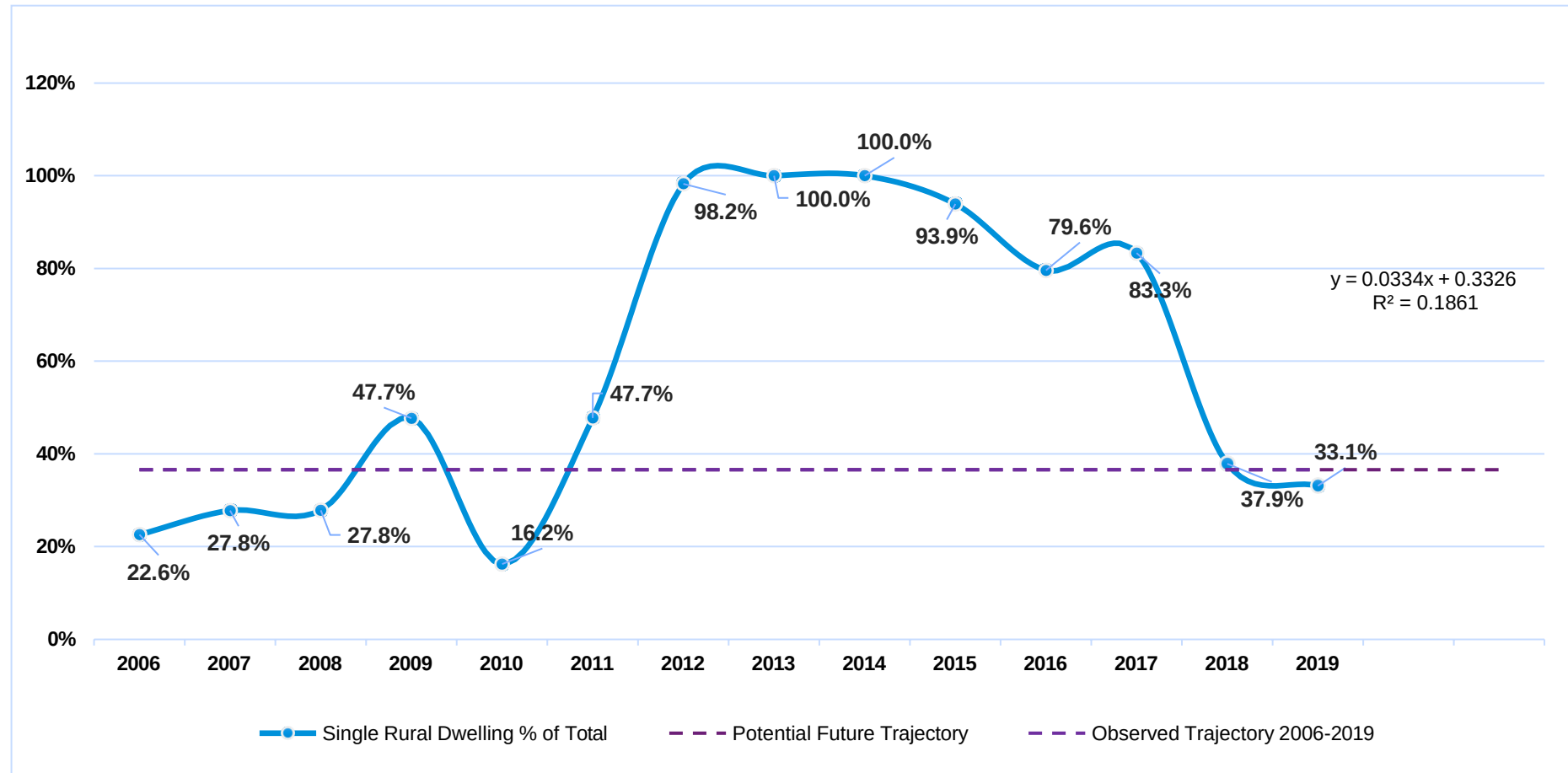
3.4.4 Single Rural Dwellings

Analysis of historic information on granted planning applications (by number of units), available from the CSO, has been undertaken for County Cavan for the period of 2006-2019. This helps understand the proportion of housing units that are single rural dwellings that have been approved during that period and provides an indication of the dynamics between the urban and rural housing market within the county.

As outlined in Table 3-28, approximately 30.9% of granted units during that period were for single rural dwellings. This equates to an average of 58.3% per year, owing to the large fluctuations were evident throughout the years as illustrated in Figure 3.5. It should be noted that whilst these are granted planning applications (by unit), this does not equate to a housing unit which has been built.

These fluctuations may be associated with the wider economic context, associated demands for particular dwelling type or locational preferences within the housing market as well as variables such as land availability, resource availability and/or macroeconomic constraints and associated influence on demand in any given year. Generally, it is recognised that a single rural dwelling is sized according to what the applicants can afford to build along with their actual requirements. However, this analysis has determined that the average floor size for single rural dwellings in County Cavan for this period is 273.04 m², with the year-on-year data illustrated in Table 3-29.

Figure 3.5: Analysis of Historic Granted Planning Applications (in Units) for Single Rural Dwellings in County Cavan (Source: CSO²⁴)



²⁴ CSO (2020) Tables BHQ02 and Table BHQ12 – Planning Permissions Granted for New Houses and Apartments by Type of Dwelling, Region and County, Quarter and Statistic. Available from: https://statbank.cso.ie/px/pxeirestat/Database/eirestat/Planning%20Permissions/Planning%20Permissions_statbank.asp?sp=Planning%20Permissions&Planguage=0&ProductID=DB_BH

Table 3-28: Analysis of Historic Granted Planning Applications (in Units) for Single Rural Dwellings in County Cavan (Source: CSO²⁴)

Granted Planning Applications	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total	Average
Houses and Apartments #	2,386	1,723	1,414	362	377	58	1	0	0	7	20	22	164	208	6,742	-
Single Rural Dwelling #	696	663	545	330	73	53	56	46	52	108	78	110	100	103	3,013	-
Houses and Apartments %	77.4%	72.2%	72.2%	52.3%	83.8%	52.3%	1.8%	0.0%	0.0%	6.1%	20.4%	16.7%	62.1%	66.9%	69.1%	41.7%
Single Rural Dwelling %	22.6%	27.8%	27.8%	47.7%	16.2%	47.7%	98.2%	100%	100%	93.9%	79.6%	83.3%	37.9%	33.1%	30.9%	58.3%
Total #	3,082	2,386	1,959	692	450	111	57	46	52	115	98	132	264	311	9,755	

Table 3-29: Analysis of Floor Size of Granted Planning Applications for Single Rural Dwellings in County Cavan (Source: CSO²⁴)

Granted Planning Applications	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Average
Average floor size (m²)	253.60	274.20	287.68	291.50	283.43	299.13	273.00	291.78	240.88	266.83	264.20	274.33	260.60	261.38	273.04

3.4.5 Specialist Provision

It is a key priority of the Council to ensure that groups with special housing needs, such as the elderly, people with disabilities, the homeless, those in need of emergency accommodation and Travellers are accommodated in a way suitable to their specific needs.

There are currently 1,071 households on the Cavan Social Housing List (December 2020). The net need relates to 531 households (when transfer data is excluded). With respect to unit type, there is a greater demand for 1 and 2 bed units across the county which account for 63% of the requirement. However, demand overall is concentrated in Cavan Town (35%).

Table 3-30: Proportion of Need by unit size (bedrooms), 2020

Type	1 bed	2 bed	3 bed	4 bed
Need	30%	33%	32%	6%

Of the gross need (1071), the following specialist needs can be ascertained:

Table 3-31: Specialist Need, 2020

Specialist Provision	Need (no. of households)
General	926
Homeless	6
Enduring physical, sensory, mental health or intellectual issue	134
Aged 65 or over	5

Cavan County Council have published its Traveller Accommodation Programme (TAP) for the period 2019-2024. The total long-term social housing need for 74 households has been identified for inclusion in the Programme and based on household profiles a target of 50 standard social units are required to be provided.

It should also be noted that the Cavan Disability Strategy will shortly be renewed. This will identify both short/medium term to long term need in each of the disability categories.

4 Meeting Housing Requirements in Cavan

4.1 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.

Between 2022 and 2028, this Strategy forecasts a population increase of 4,730 in County Cavan. This in turn indicates a total projected population of 85,900 in 2028 and a total estimated housing requirement for Cavan of 3,996 units over the plan period 2022-2028, the equivalent of 666 units per annum.

It has been determined that 709 of the 3,996 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 Cavan 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 17.8% of the total of additional anticipated households in County Cavan during 2022 - 2028.

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 Cavan.

4.2 Social Housing Supply and Demand

4.2.1 Existing Social Housing Needs

As per Section 3.4.5, there are currently 1,071 households on the Cavan Social Housing List (December 2020). The net need relates to 531 households (when transfer data is excluded). With respect to unit type, there is a greater demand for 1 and 2 bed units across the county which account for 63% of the requirement.

Social Housing support in Cavan is administered by the Housing Department of Cavan County Council in the following ways:

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:**
 - Cavan County Council Construction Projects.
 - Portfolio Acquisitions: Suitable portfolios of vacant properties can be acquired from financial institutions and investors.
 - Acquisitions: This is the purchase by Cavan County Council of a second-hand house on the open market.
 - Buy and Renew: Under this scheme Cavan 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: Cavan County Council buy a new house/houses from a developer, ready for a tenant to move into.

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 March 2021, AHB's in Cavan provide 88 properties.

3. **Part V' Housing Requirements**

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

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

Introducing a requirement that a Housing Strategy makes an estimate of need for affordable purchase and cost rental housing (including through an assessment of rental affordability); and

Raising/restoring Part V housing requirements to 20% of land granted residential planning permission, at least half of which (i.e. at least 10%) must be reserved for social housing and up to half of which may comprise affordable housing.

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

As this Housing Strategy and HNDA was originally drafted before the passing of the Affordable Housing Act 2021, an additional and supplemental analysis of need for these new affordable tenures in County Cavan has been undertaken and summarised in Annex A. This analysis demonstrates that there is an estimated need for affordable housing of approximately 2.9% over the plan period (with the need for affordable housing as a proportion of total housing need rising steadily over the

period, from 0% in 2022 to 7.1% in 2028. This demonstrates that the envisaged equal breakdown of Part V requirements of 10% social and 10% affordable housing would be appropriate for County Cavan over the plan period 2022-2028. However, this requirement is subject to several factors when applied to individual planning applications:

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

Therefore, the Cavan County Development Plan 2022-2028's requirement under Part V of the Planning and Development Act 2000 for lands granted permission for housing development will comprise 20% of lands in respect of which permission for the development of houses is granted, be reserved for social and affordable housing in accordance with the Planning and Development Act 2000 (as amended) and national guidance and regulations. The Council reserves the right to determine the appropriateness of 'Part V' affordable housing delivery for individual sites on a case-by-case basis.

4. **Cavan 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 Traveller Accommodation Programme 2019-2024 and a forthcoming updated Disability Strategy for the County.
5. **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). This includes:**
 - 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. Cavan 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.

4.2.2 Delivery Methods and Targets

It is anticipated that Cavan County Council will continue to meet their identified social housing provision via a combination of these existing delivery schemes (as set out above) 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 Cavan 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.

Under Rebuilding Ireland, Cavan is targeted to deliver 335 social housing units within the 'building, acquisition and leasing' category specifically between 2018-2021. Progress on the delivery of social housing units is documented as part of quarterly updates by the Department of Housing, Planning and Local Government. Cavan County Council achieved 113% of the Rebuilding Ireland Target in 2019. In 2018 Cavan County Council also exceeded its targets, delivering 118% of its requirements.

As of Q3 2020, a further 205 units have been delivered through these mechanisms (between 2018-Q3 2020). Thus, over the course of Q42020-2021 approximately 130 additional units are to be delivered.

5 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 Cavan;
- The identification of social housing needs within County Cavan;
- 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 Cavan are accommodated in an appropriate manner.

Policies and objectives to deliver the Housing Strategy are set out in Chapter 3 of the Development Plan

Cavan County Council

Appendix A - Cavan Housing Strategy and HNDA 2022- 2028

Supplemental Assessment - Affordable Housing

A.1 Introduction and Purpose

This Annex has been prepared by KPMG Future Analytics to support key updates to the Cavan Housing Strategy and Cavan County Development Plan 2022-2028. The Cavan Housing Strategy and associated Housing Need and Demand Assessment (HNDA) ('the Housing Strategy') was prepared during the first half of 2021, prior to the passing of the Affordable Housing Act 2021. This new law defines two new forms of affordable housing (Affordable Dwelling Purchase and Cost Rental). It also amends the legislative underpinnings and requirements of the Local Authority Housing Strategies (under Part V of the Planning and Development Act 2000) in several ways, including:

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

The Cavan Housing Strategy and HNDA 2022-2028 therefore is now required to make an assessment of need for these affordable housing tenures (in addition to social housing), and must use this estimate to determine the breakdown of Part V housing requirements between social and affordable over the period of the development plan.

The purpose of this appendix is to provide this assessment, as an additional annex to the existing Housing Strategy. This approach meets the new statutory requirements of the Housing Strategy while minimising changes required for the draft Strategy. This assessment has been undertaken using the Department of Housing, Local Government and Heritage's (DHLGH) HNDA Tool and Guidance²⁵ (published April 2021), as this provides an additional functionality not available at the time the Housing Strategy was drafted. This assessment does not contradict the Housing Strategy and its HNDA but is instead a supplemental and focused analysis of affordable housing need which fulfils new statutory requirements. As a result, this appendix focuses solely on need for affordable housing.

A.2 Methodology

The HNDA Tool is an Excel-based model which assesses key housing market drivers to forecast demographic housing demand in a Local Authority over the period 2020-2040, broken down by tenure. The Tool may be set up and (where justified) customised through setting key inputs in several stages, as outlined below.

A.2.1 Demographic Forecasts

ESRI forecasts of population and household growth to 2040 at local authority level are built into the Toolkit. The model includes five scenarios (based on different international

²⁵ <https://www.gov.ie/en/publication/eea99-housing-need-and-demand-assessment-hnda/>

migration scenarios and other assumptions), four of which comprise ESRI forecasts from December 2020 (see Section 2.1.8 of the Housing Strategy). The fifth scenario is the ‘**Convergence**’ scenario, which comprises the ESRI 50:50 City scenario adjusted for new housing supply since 2017, to facilitate convergence to the National Planning Framework per the Section 28 Planning Guidelines ‘Housing Supply Target Methodology for Development Planning’. This has been applied in this instance.

However, it should be noted that the Convergence Scenario (and the HNDA Tool itself) runs on a different timescale to the Housing Supply Target for the Cavan County Development Plan (with the adjustment calculated over 2020-2031, as opposed to 2022-2028 for the Housing Supply Target). As a result, it does not match the Housing Supply Target for County Cavan, as it effectively spreads housing need over a longer period. For this reason, this appendix focuses on the *proportion* of affordable need calculated by the Tool for each year considered, rather the number of households, to avoid confusion between different measurements of housing demand.

A.2.2 Existing Housing Need

The Toolkit includes built-in data on existing unmet housing need. This is a combination of estimated overcrowded households and homeless households. This comprises 35 households for County Cavan. All other default settings relevant to this measure have been applied.

A.2.3 Income Growth Forecasts

The HNDA Toolkit is prepopulated with CSO data on household incomes sourced from Census 2016, the Revenue Commissioners and Department of Social Protection data, forecasted to 2019. Three pre-set scenarios may be used to forecast household income growth, which apply the same growth rate for every projected year, or custom scenarios may be developed and used where justified. KPMG Future Analytics have applied the custom income growth scenario set out in the Housing Strategy. This is to align this exercise with the Housing Strategy and its assumptions and evidence base and reflects historic market trends and up-to-date economic information, as set out in Section 3.2.3 and 3.2.4 of the Housing Strategy.

A.2.4 House Price Forecasts

The Tool is pre-programmed with house price data from the CSO’s Property Price Register (PPR) index, and with five default house price scenarios for how house prices are forecast to change. Custom scenarios may also be developed and used. KPMG Future Analytics have applied the custom income growth scenario set out in the Housing Strategy. This is to align this exercise with the Housing Strategy and its assumptions. This price growth scenario reflects the most up to date house price data at the time of drafting of the Housing Strategy, as set out in Section 3.2.5 and 3.2.6 of the Housing Strategy. Default Tool settings have been applied with respect to affordability criteria.

A.2.5 Rental Price Forecasts

Within the HNDA Tool, several assumptions on the rental market may be made. The Tool is pre-programmed with rental price data sourced from the Residential Tenancies Board (RTB), and five rental price scenarios. As with incomes and prices, KPMG Future Analytics have applied the custom scenarios used in the Housing Strategy, as set out in Section 3.2.7 of the Housing Strategy. Default Tool settings have been applied in terms of the proportion of those who buy and in terms of rental affordability thresholds.

A.2.6 Other modifications and changes

KPMG Future Analytics have made use of the most recently available version of the Toolkit, obtained in September 2021. Technical changes were made to the Toolkit to fix formula issues in the model to allow calculation of custom scenarios, as the unamended version would not otherwise read custom scenarios correctly. Changes were also made to ensure consistency in how the model applies custom projections for income, rents, and sales prices for each year, which were calculated on an inconsistent basis in the original model. Some minor issues in aligning years to the plan period correctly for output data summaries were also addressed.

A.3 Outputs – affordable housing need

Based on the application of additional anticipated households and the scenarios for existing need, incomes, affordability, house prices, and rental prices as described in the previous section, the HNDA Tool calculates housing need annually and how many forecast households can afford to purchase homes in the private market or rent privately. Of those who cannot, it calculates how many require social housing, and how many are 'affordability constrained' and require a form of affordable housing tenures (such as Cost Rental or affordable purchase). It is these households that are the focus of this appendix and of the determination of Part V requirements in the Housing Strategy.

Households are deemed eligible for social housing if their net household income is below a cut-off threshold (€25,000 for County Cavan). The Tool does not take account of higher maximum income thresholds for additional adults and children in a household,²⁶ as it is not currently designed to assess different household sizes. Those who cannot afford private housing but are deemed not eligible for social housing using this threshold are classed as "affordability constraint" (i.e. requiring affordable tenure types like Cost Rental/affordable purchase).

The following tables summarise this estimate of housing need across all tenures. Over the plan period of 2022-2028,²⁷ a total of 2.9% of households are classed as having an 'affordability constraint' and in need of affordable housing.

²⁶ Under the Social Housing Assessment (Amendment) Regulations 2021, a household applying for social housing may get a 5% increase to the maximum income threshold for each additional adult household member, subject to a maximum increase of 10%, and separately, a 2.5% increase for every child living in the household.

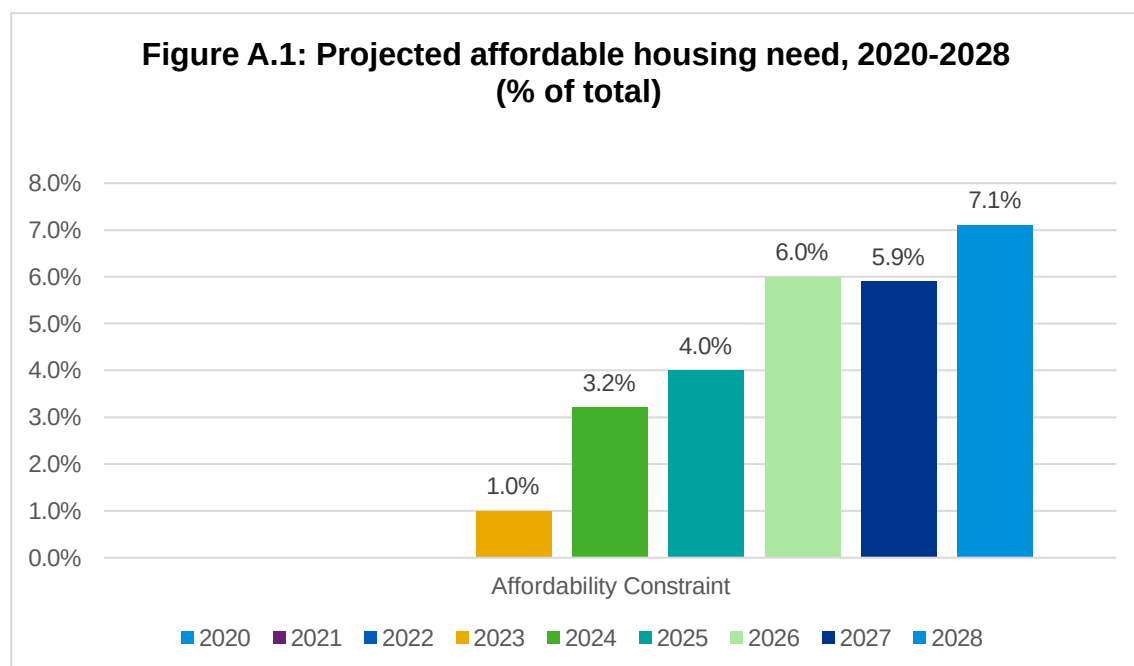
²⁷ As the HNDA Tool assesses full years, the period 2022-2028 in comprises seven years. The Cavan County Development Plan will be in force for six years comprising Q3 2022 – Q2 2028 inclusive. The full years have been considered in this appendix to ensure full impacts are captured.

Table A.1: Estimated affordable housing need, 2020-2028 (% of total)

Year	Affordability Constraint
2020	0%
2021	0%
2022	0%
2023	1%
2024	3.2%
2025	4%
2026	6%
2027	5.9%
2028	7.1%
2022-2028	2.9%

Figure A.1 below illustrates affordable housing need as a proportion of total housing demand (via the Convergence projections) over the period. This shows that the need for affordable housing as a proportion of total housing need rises steadily over period considered, rising from 0% in 2020 to 7.1% in 2028. This suggests a growing cohort above the eligibility threshold for social housing who cannot afford housing in the private market.

This assessment is based on current trends and national guidelines. Cavan County Council will update the assessment as trends and national guidelines require.



However, the proportion of buyers and private renters is projected as staying relatively steady over the period, suggesting that most of the increase in need for affordable housing may be considered a result of households in lower income deciles moving from social housing to affordable categories of need, as incomes grow generally and more households in lower incomes move above the €25,000 income cut-off point for social housing eligibility. This illustrates that the outputs of this exercise reflect the assumptions built into the HNDA Tool and broader national housing policy.

The Housing for All plan²⁸ from August 2021 states that the DHLGH will review and reform income limits for eligibility for social housing in local authorities, and in particular the efficiency of the current model of three income bands to categorise local authorities (with County Cavan in Band 3). If this review changes the income limit for social housing eligibility, it would in turn change the proportion of households eligible for either social or affordable housing in Cavan.

In addition, under the Social Housing Assessment (Amendment) Regulations 2021, the €25,000 net income limit only applies to a single-person household, with rises in this threshold available for additional adults and children. A broader consideration of social housing income limits and household sizes in the Tool would also change the proportion of households eligible for or affordable housing and could potentially reduce identified affordable housing need.

²⁸ Published Online, Aug. 2021: <https://www.gov.ie/en/publication/ef5ec-housing-for-all-a-new-housing-plan-for-ireland/>; Action 5.4, 'Review income eligibility for social housing.'