Changes to Part V for local authorities

Part V of the Planning and Development Acts 2000 to 2020 has been amended by the Affordable Housing Act 2021.

Main Changes:

These changes to Part V primarily apply to land purchased on or after 1 August 2021. Any new planning permissions for housing development on that land will have a 20% Part V requirement.

A 10% Part V requirement will apply where land already has planning permission or was purchased between 1 September 2015 and 51 July 2021 and planning permission was granted before 10 July 2020.

Land where the changes to Part V requirement apply

<table>
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<tr>
<th>Date of land purchase</th>
<th>Date of grant of planning permission</th>
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<td>1 August 2021 onwards</td>
<td>1 September 2021 onwards</td>
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Outside of the transition arrangements, local authorities are now entitled to 20% of the land or the equivalent value gain under Part V.

Housing Strategies:

Housing strategies within local authority development plans must in future include an estimate of how much social, affordable purchase and cost rental housing is required in the area.

The housing strategy must specify a percentage (not more than 10%) of land to be reserved for the delivery of social, and, if applicable, affordable, and cost-rental housing under Part V.

Transition Arrangements:

Changes to Part V take effect from 3 September 2021.

Outside of the transition arrangements, local authorities are now entitled to 20% of the land or the equivalent value gain under Part V.

<table>
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At least half of the Part V requirement must be used for social housing. The remaining 10% can be used for affordable purchase or cost rental.

The ‘Market value’ of land for the purpose of Part V is now defined as the open market value on the date of the grant of planning permission.

An applicant for planning permission for developments of 4 houses or fewer can apply for an exemption certificate from Part V.

Where there is a housing strategy already in place, the local authority chief executive must estimate the affordable purchase and cost rental requirements for deemed inclusion in the strategy.

Other important changes:

There will be a Part V Requirements on any land granted planning permission for the development of housing (irrespective of zoning).

The legislation has been updated to bring clarity to the availability of arbitration at any stage in the Part V negotiations.

The ‘Market value’ of land for the purpose of Part V is now defined as the open market value on the date of the grant of planning permission.

An applicant for planning permission for developments of 4 houses or fewer can apply for an exemption certificate from Part V.

Information provided in this graphic is for illustrative purposes and broad guidance. For specific information please refer to the text of the Affordable Housing Act 2021 as published by the Oireachtas.