

May 2011

**Resolving Ireland's
Unfinished Housing
Developments**

Report of the Advisory
Group on Unfinished Housing
Developments

Executive Summary

1. Context

The issue of unfinished dwellings in new housing developments is a matter of national concern and, in some cases, has a serious impact on the residents in a number of housing developments. To establish a proper evidence base for action on unfinished housing developments, the Department of the Environment, Community and Local Government¹ (DECLG) carried out a detailed national housing development survey in Autumn 2010. An Advisory Group² was set up to examine and advise on the options for the resolution of the unfinished housing developments. The summary recommendations arising from the Advisory Group's review are set out below. The issues specific to unfinished apartment developments were not addressed by the Advisory Group.

2. Summary of Key Findings

Scale of the Problem — The Advisory Group's first task was to establish the scale of the problem. The national survey found that there were 23,250 complete and vacant dwellings and an additional 9,976 dwellings that are near complete. A total of 2,846 housing developments were inspected in the national survey and of these almost 33% or 932 developments were substantially complete and occupied, 150 developments are more than 90% complete and 109 developments had initiated site works but no construction work had commenced.

Developments that are substantially complete or that have not advanced significantly in their construction stages do not, in general, present major problems.

There were, however, a remaining 1,655 unfinished developments with more substantial works outstanding. Many of these developments can be addressed through the normal process of developers working with local authorities in completing their developments but in some cases over considerably longer timescales.

Of the 1,655 developments above, there is a further cohort of developments that have serious completion issues where residents are significantly affected. To be resolved, these developments may require some level of intervention by the State.

Table 2: Some details of the National Housing Development Survey

Assessment of Developments Inspected	Number (%) of Developments
Number of developments inspected	2,846 (100%)
Developments substantially complete	932 (33%)
Developments 90% complete	150 (5%)
Developments no construction commenced	109 (4%)
Developments with works outstanding	1,655 (58%)

1 Previously the Department of the Environment, Heritage and Local Government

2 Set up by the Ministers for Housing and Local Services; and Planning, Sustainable Transport and Horticulture

Categories of Development – Unfinished housing developments can be broadly categorised into the following:

Category 1: Developer is active and the housing development is being completed and appropriately managed.

Category 2: Receiver has been appointed and the development is being appropriately managed.

Category 3: Developer is in place but there is no on-site activity and there are significant planning, building control compliance and public safety issues to be addressed.

Category 4: Developer or site owner is effectively not contactable and no receiver has been appointed and similar problems to category 3 exist.

The focus and the recommendations of this report are primarily on category 3 and category 4 developments.

To date the unfinished developments have not been categorised, however, local authorities are currently carrying out assessments of unfinished developments in their areas which will identify the developments in each of the four categories.

3. Summary of Recommendations

1. **Co-operation** between stakeholders is imperative so that they work together to co-ordinate their efforts to resolve the unfinished developments.
2. **Public safety** is an immediate priority. Sites must be secured to minimise risk to current residents and members of the public.
3. **Residents** must be included in any dialogue and planning efforts aimed at managing and resolving problems in individual developments.
4. **Prioritisation** of all unfinished developments will need to be assessed by the local authority and ranked for priority attention.
5. **Site Resolution Plans** should be prepared by the developer/site owner to include an assessment, proposals for action and funding for each unfinished development.
6. **Teams** should be established within financial institutions, NAMA, the Construction Industry Federation (to represent developers), approved housing bodies and local authorities to facilitate cooperation, decision making and information sharing. There should be regional co-ordination between local authorities supported at national level by the Department.
7. **Data and Information** should be collected and updated regularly so decisions can be made on an evidence-base.
8. **Working Capital, Funding and Planning Security** options need to be explored. The status of those with primary responsibility for a development should be determined. Local authorities should explore all reasonable avenues

to compel those responsible to address the problems. Where those avenues have been exhausted the local authority may step in to develop and implement an initial site response for developments that have effectively become abandoned. The use of financial securities/bonds provided under planning permission may give some financial assistance to local authorities.

9. **Housing Demand, Market Confidence and New Approaches** will be essential to resolving problems associated with some unfinished developments. There should be immediate and prioritised action to deal with the most problematic developments involving good practice examples and community involvement, which will improve demand and market confidence. Where appropriate options such as community involvement, co-operatives and self-build should be considered.
10. **Regulation and legislation** reviews should be undertaken to provide appropriate powers with regard to unfinished developments. Ideally, one Act to unify responses to unfinished developments should be considered, but the timing of other actions must not be contingent on this.
11. **Compliance** with planning and building standards is essential. However, where units are partially built, standards may have changed significantly since construction was delayed. Consequently the question of which standards will apply to the completion of the works can arise. This question will have to be addressed in the light of the circumstances in individual cases.
12. **Monitoring implementation** and progress is essential to ensure that all undertakings given are followed through.

4. Next Steps

1. A National Co-ordination Committee should be established to oversee the implementation of action on unfinished developments and to monitor progress.
2. Formal protocols for liaison between the various stakeholders; developers, financial institutions; residents; local authorities; approved housing bodies and the DECLG, should be put in place to facilitate the sharing of information. This should be included in the proposed Code of Practice on unfinished developments.
3. Public safety and critical issues e.g. public lighting, drainage etc., that are having a serious impact on the residents of unfinished developments should be dealt with as a matter of urgency.
4. Local authorities should prioritise a number of developments to act as lead projects to demonstrate what can be done.
5. The relevant stakeholders should implement the *Guidance Manual on Managing and Resolving Unfinished Housing Developments*, which will be published with this report together with a Code of Practice (currently being finalised by the DECLG) which will set out ways of resolving unfinished developments.