

### Are developers being allowed to buy their way out of Part V by giving cash?

No.

- Firstly, the preferred option for satisfying Part V is the delivery of housing units and the fact is that completed units, land and sites account for the vast majority of Part V agreements.
- Secondly, the legal obligation under Part V can be satisfied by way of a cash contribution only if the local authority considers it appropriate, taking account of its housing needs. While the developer may propose, it is the local authority that decides.
- Thirdly, it is important to remember that payments received by local authorities through Part V agreements are ringfenced for other housing capital purposes.

### Why does it take so long to see Part V units on the ground?

Part V involves substantial and often complex negotiations between the developer and the planning authority for each individual housing development. With experience, local authorities and developers are becoming better equipped to deal with the challenges of implementing Part V. A new Resource Pack to assist all of those involved has been prepared jointly by the Department of the Environment, Heritage and Local Government and the Affordable Homes Partnership. The growing experience of operating Part V and its application to all relevant planning permissions now being granted is expected to result in over 8,000 social and affordable units being delivered under this mechanism in the next three years.

## Part V of the Planning and Development Acts 2000-2006

### Some Facts



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DEPARTMENT OF THE ENVIRONMENT, HERITAGE  
AND LOCAL GOVERNMENT

### What is Part V?

Part V of the Planning and Development Act 2000 is a mechanism, introduced by this Government, through which local authorities can obtain up to 20% of land zoned for housing development at “existing use” value, for the delivery of social and affordable housing (Affordable housing is housing that is made available for purchase at a discount to the market price). Housing can be made available at lower prices than if the land had to be acquired at full market value; it also supports the policy of achieving integrated housing developments, restated most recently in the Government’s **Housing Policy Framework - Building Sustainable Communities**.

### Are there options other than the transfer of 20% of the land that can be used to satisfy Part V?

Yes. Part V agreements can provide for the building and transfer of houses on or off-site, land or sites elsewhere, the payment of a financial contribution or a combination of these elements. The vast bulk of delivery under Part V agreements has been in the form of completed homes.

### With over 80,000 homes being built every year, does this mean that Part V should yield 16,000 social and affordable units (i.e. 20% of 80,000)?

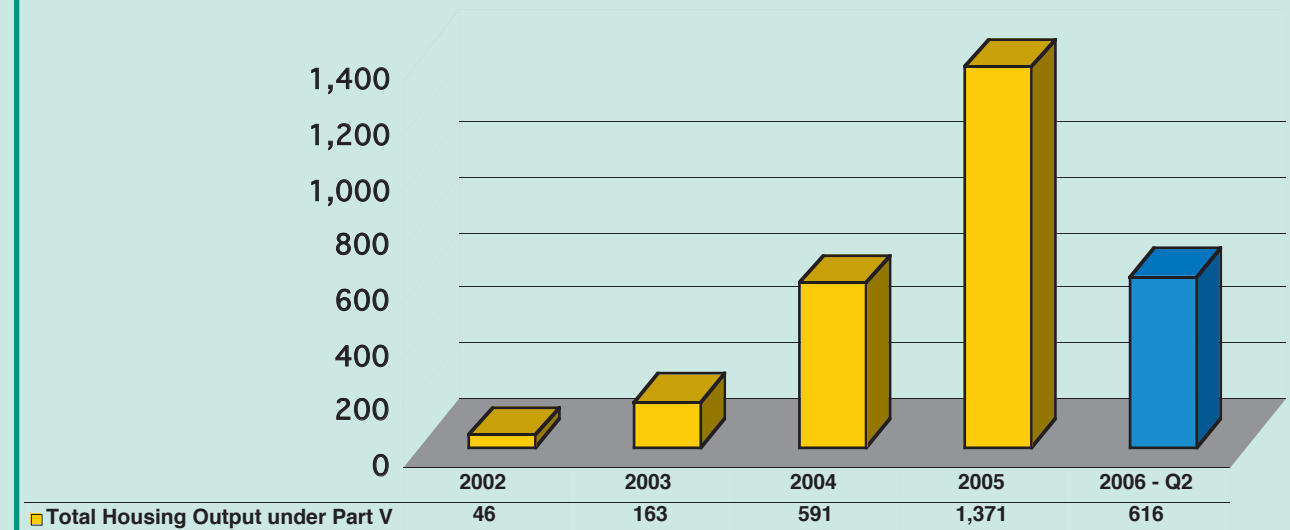
Part V applies to larger housing developments on zoned residential land. For example, single houses or developments of up to 4 units or on sites of 0.1 hectares or less or on unzoned land are not subject to Part V. Therefore, at current output levels, the maximum potential yield from Part V could be up to 3,000/4,000 units per annum.

### Why is the yield from Part V to date not reaching these levels?

The graphs below show the number of homes which Part V has yielded up to the end of June 2006. In addition to the total of 2,787 completed homes indicated on the second graph, land and sites capable of yielding a further 1,000 units have been acquired and some €38m in payments has also been received.

Part V has not yet reached its full potential because the bulk of house-building over the last few years has been taking place under permissions which pre-date Part V. Obligations under Part V apply only to planning permissions granted after local authority housing strategies were put in place (all in place by 2002). Output under Part V can be expected to rise as older permissions are built out, most of which have a 5 year life. The first graph shows the output increasing steadily from start in 2002. The second graph demonstrates the very significant numbers of units now in progress and in planning.

Total Housing Output under Part V (Social and Affordable Housing)



Part V (Social and Affordable Housing)

