Introduction
The Government has announced its intention to establish a National Asset Management Agency (NAMA) as a response to the current crisis in the banking system. The purpose of NAMA is to transfer eligible land and development loans from banks to NAMA to restore the balance sheets of the banks concerned and ultimately improve the current health of the banking system.

It is the view of the Irish Council for Social Housing (ICSH)\(^1\) that this new Agency offers some potential benefits to the state which should be taken advantage of. Never before has the state embarked on such an initiative as this and while the focus is on restoring the banking system there are clearly aspects that can be exploited to the benefit of the Government and taxpayers.

The ICSH is calling on the Government to make a commitment to use the proposed National Asset Management Agency (NAMA) to undertake a **strategic acquisition programme** which will acquire sites/units for current social housing use and sites for the purpose of land-banking for future social housing development. This will enable the Government to ensure the delivery of social housing in sustainable developments at affordable site costs, unlike the last 10 years where the cost of land was reaching levels of up to 50% of overall development costs.

ICSH Proposal
The ICSH is seeking a commitment from the Government to give powers to the NAMA to undertake a **strategic acquisition programme** and a **land management strategy**. Both of these objectives meet Government policy for housing development as outlined in the Government’s Statement on Housing Policy ‘*Delivering Homes, Sustaining Communities*’\(^2\).

Strategic Acquisition Programme
In order to undertake a strategic acquisition programme the operation of NAMA would include the following:

---

\(^1\) The ICSH represents over 300 housing associations. Housing associations collectively manage 20,000 homes and serve the needs of over 500 local communities.

An assessment of the portfolio of land/developments transferred according to the following criteria:

- Potential commercial return, i.e. market value and likely sales.
- Social return – is site fit for purpose for social housing in terms of location; size and mix of unit types (if developed); quality of build; access to services; existing social mix; current and future demand for social housing in area.
- The relevant local authority should be required to carry out an assessment of the assets transferred in their area in terms of the above ‘social return’ criteria.
- If there are sites/developments deemed of particular value to the local authority in terms of meeting social housing demand and acquiring sites for future development by local authorities or housing associations then the local authority should be enabled to acquire such suitable sites for either development or land-banking.

There should be provision made in the legislation for social housing providers to have first call on suitable sites that are fit for purpose and at written-down value. It is therefore important that the NAMA operations would have a proper legal basis.

Suitable, assessed sites sufficient to provide 3,000 dwellings should be made available to housing associations as promised in *Towards 2016*.

**Land Management**

The ICSH also propose that the NAMA be utilised as part of a programme to introduce a *Land Management Strategy*. Such a strategy should provide proactive land management for the delivery of housing and identify a course of action for the disposal of property including sales and prevention of dereliction.

The NESC report on housing identified the need for a more sophisticated system of land management in Ireland. The introduction of NAMA provides an opportunity never before available to actively assemble land for housing purposes which will allow for planned development. The fundamental aim of ‘Delivering Homes, Sustaining Communities’ is to develop the Irish housing sector by delivering more and better quality housing responses and by doing this in a more strategic way focused on the building of sustainable communities.

The Statement also estimates that the number of homes in Ireland may rise from 1.8 million at present to over 2.5 million by 2020. While this will need to be re-examined in light of changed economic circumstances an increase of this scale poses significant challenges in terms of planning, delivery and neighbourhood/community development. It is essential to promote the supply of sufficient homes of the right type, in the right locations, integrated with other infrastructure requirements. In light of this the Statement commits to develop

---

legislation to ensure lands zoned and serviced for housing purposes are used in a timely fashion. The onset of NAMA provides the vehicle to achieve these aims.

The current housing needs assessment consists of over 56,000 households\(^4\) and this is likely to increase. Land will be required to meet this need over time. Any course of action NAMA will take should be aligned with the City and County Development Plans.

**Rationale**

The appropriate management of land for the common good has long been a public policy objective that has had little success in Ireland. To date the delivery of housing has been heavily reliant on the private sector and as such on market conditions. The delivery of housing is dependent also on the planning system but again the actual use of the planning code is dependent on the activities of numerous private developers and is based on fragmented activity, the outcome of which has too often been poorly located, ill conceived developments that have little in common with sustainable development principles.

In addition, over the history of the state market conditions have not only set the price of private housing but as a side-effect have also pushed up the cost to the state of delivering social housing through the elevated cost of acquiring land. There have been different attempts to deal with this, for example the Report of the Committee on the Price of Building Land (1973) (the 'Kenny Report') made proposals (never acted upon) that local authorities should be empowered to cap the amount of compensation for compulsorily acquired land in designated areas at a level equal to existing use value plus 25%. The All-Party Oireachtas Committee on the Constitution in 2004 published its report on the property rights aspects of the Constitution which considers whether the existing regime governing the individual right to private property in Ireland should be re-balanced to give greater recognition to the demands of the common good and the public interest. Also in 2004 the National Economic and Social Council (NESC) published its influential report Housing in Ireland: Performance and Policy\(^5\). The NESC Report advocates land-use strategies for enhanced social housing delivery and active land management to ensure delivery of housing. It also promotes public land management strategies. NAMA could also be used as a vehicle to reform the low-cost (subsidised) sites scheme which was previously successfully used by housing associations in delivering projects under the capital funding programmes but became limited in recent years.

There have been many more reports and submission in relation to this issue of land management and it would be remiss not to take advantage of an opportunity to act upon the proposals already agreed by Government and Social Partners as advantageous to the common good.

Although the introduction of Part V was an attempt to capture the ‘betterment’ value within


the residential planning process in designated areas, NAMA has the potential to have much a wider impact.

**Summary**
The opportunity to gain a social dividend from the current banking/development loans crisis exists through using NAMA to assemble land for social housing. The government can utilise NAMA to meet a number of other societal needs in addition to resuscitating the banking system, namely actively managing our land system to promote sustainable development. This will also ensure a rebalancing away from dependency on the private market to provide sites for development. When a return to economic growth materialises the State will have a sufficient land-bank at its disposal and be in a stronger position to oversee sustainable development and the timely, affordable delivery of social housing.

**Diagram 1**

Strategic Acquisition Programme

---

Irish Council for Social Housing
50 Merrion Square, Dublin 2
Tel: 1 6618334; Fax: 01 6610320; info@icsh.ie; www.icsh.ie