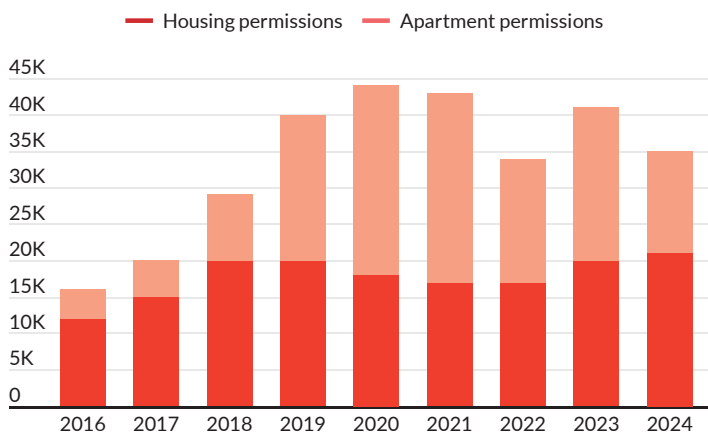




Planning permissions by housing type (2016 - 2024)



Source: Mitchell McDermott

Judicial reviews of An Bord Pleanála decisions

|                                  | 2023 | 2024 |
|----------------------------------|------|------|
| Housing (more than one dwelling) | 25   | 34   |
| Housing (single)                 | 5    | 10   |
| Infrastructure                   | 2    | 19   |
| Renewable                        | 5    | 18   |
| Commercial                       | 14   | 34   |
| RZLT                             | 21   | 10   |
| Mast                             | 10   | 15   |
| Derelict Sites                   | 1    | 4    |
| Waste                            | 3    |      |

# Planning logjams, legal travails and financial woes cripple Irish housing

Approvals for housing projects are declining and judicial reviews are rising as the state struggles to get a handle on the issue

**Killian Woods**  
Business Journalist of the Year

In the heart of Ballincollig in Co Cork there is a one-hectare site on the doorstep of the CastleWest shopping centre that tells a frustrating story about Ireland's housing crisis. Five years ago the O'Flynn Group applied for permission to An Bord Pleanála to build 123 apartments on the site through the strategic housing development (SHD) scheme, a system set up by the Fine Gael government in 2016 to fast-track planning permissions for homes.

The project was quickly given approval by An Bord Pleanála in September 2020. Planners noted that the project was acceptable because it would bring a "vacant site in the final phase of the overall town centre redevelopment, which is close to services and public transport, into residential use". No works have commenced on the site in the past five years, with the project's travails symptomatic of the broader logjam of housing projects in Ireland caused by legal challenges, planning

inadequacies and, for other projects, financing issues. Seven weeks after being approved, the scheme was judicially reviewed by a local residents' association, which alleged that an adequate Environmental Impact Assessment (EIA) screening process for local bat wildlife was not carried out. By the middle of 2021, the High Court had overturned the permission but by July of the following year, that ruling was, in turn, overturned by the Supreme Court. But even then the development couldn't proceed. The following year, the project got kicked to the Court of Justice of the European Union which just two weeks ago issued a judgment that sided with An Bord Pleanála. Finally, the path is clear for work to begin. The only issue, though, is that the planning permission gained five years ago expires in September, leaving the company an unviable window to develop the project.

### Lengthy delays

Michael O'Flynn, chief executive of O'Flynn Group, said the "clock should stop" on a planning permission if it is judicially reviewed. "Our site in Ballincollig is a great example of how difficult the planning system and judicial reviews can be," he said. Darragh O'Brien, the former minister for housing, drafted new planning laws that he promised would speed up the planning system and address judicial reviews that block housing. These laws are expected to take years to come into effect. Frank Clarke, the former chief justice, has previously warned that even the new laws could lead to further "lengthy legal delays" as they are tested in referrals to European courts. Even though measures have been enacted to fast-track planning permissions, applications to build new homes are falling. New planning and development laws have been drafted to stymie the impact of legal challenges on infrastructure projects, but, as the *Business Post* revealed last week, judicial reviews rose 67 per cent in 2024. And last year, new home completions fell by 6.7 per cent to 30,330, which was close to 10,000 short of the 40,000 promised by the government during the general election in November. Brendan Slattery, partner at McCann FitzGerald, said the development industry should not expect to see any fall off in legal challenges any time soon. "We're already at March 27 and An Bord Pleanála has already faced 50 new judicial reviews this year. There is no let up", he said. "Back in 2012 and 2013, the board might be sued 15 times in a year. The increased volume of judgments clarifying the law means that it should be no surprise that there are such large numbers of challenges." In recent weeks, new data from the Central Statistics Office (CSO) showed the number of homes granted planning permission fell by 21 per cent to 32,401 in 2024. Gavin Lawlor, Irish Planning Institute president and director at Tom Phillips + Associates, said that trend was unlikely to reverse this year. "We're not seeing any significant change in the trends one way or the other.

### The numbers



67%

Increase in judicial reviews in 2024

6.7%

Fall in the number of new home completions to 30,300

10k

Shortfall from the 40,000 promised by the government during the general election campaign

places like Sligo, you'll see that as low as 30 per cent." The government has targeted to build 300,000 new homes by the end of 2030, which would mean planning permissions would need to drastically increase for the country to get anywhere close to that level.

### More cautious

Issues with the planning system and judicial reviews mean lenders are becoming even more cautious about financing developers to buy sites in the first place. A recent report by the Department of Finance on funding availability for residential development found that any developer "wishing to bring land through the planning process will be dependent on using their own equity, or obtaining scarce and expensive private equity finance". There are "only a small number of developers" who have equity to do so and this raises concerns that "developers are not increasing land banks and this may present a barrier to supply in future years", it added. Andy Tallon, managing director and head of real estate at Interpath in Ireland, said capital was finding it "very difficult to underwrite the planning permit process in Ireland, understand what time is required for an outcome, and foresee what the outcome might be. That's why we often see funds deploying capital in other markets". Those developers who do get a site through the planning system face the next hurdle of finding finance to start building. To build 50,000 homes a year, Ireland requires around €20 billion annually. About a quarter can come from the state, with the remainder from international private finance. Taoiseach Micheál Martin has vowed to pull many levers to tempt the required finance from abroad to invest in Ireland. The Department of Finance has found from stakeholder engagement that "there is reasonable access to finance for viable development". However, it added that international capital was wary of investment in Ireland's rental sector due to the cap on rental increases at 2 per cent. Tallon said the country was "an attractive investment proposition for institutional investors on a European basis". "Ireland has strong fundamentals in place thanks to a powerful economic story, positive inward migration and a remarkable growth in large corporates, which have all led to solid demand and occupancy. "Of course, there are certain constraints, such as rental caps, that can prove challenging to investors to underwrite new investment in the current interest rate environment." He said the changes to stamp duty and rental regulations, such as changes to the rent cap in 2021, were what investors didn't like to see. "We need to make sure that investors understand the rules of engagement, which comes from consistency. When the rules are always changing, it is difficult for investors to engage, not least when their investment thesis might fundamentally change at such short notice. The planning system may not be perfect, but once there is certainty and visibility in policy, they can figure out how to 'play the game.'"



## WE'RE HIRING! General Manager

If you are interested in this vacancy or want to view the full job description and apply, please visit [HRI.ie/corporate/work-with-hri/jobs](https://hri.ie/corporate/work-with-hri/jobs) or scan the QR code.



fairhouse

1848



RÁSAÍOCHT CAPALL ÉIREANN  
HORSE RACING IRELAND

HR Department, Horse Racing Ireland, Ballymany, The Curragh, Co. Kildare. **HRI is an equal opportunities employer.**



APPLY NOW



HRI has retained PartnerWise to manage this recruitment process.