Material Amendments

Draft Mayo County Development Plan

Volume IV

Supporting Documents

MAYO.IE

Contents

- Revised Housing Strategy
- Economic Forecasting for the Housing Needs Demand Assessment

Note on changes:

Additions are <u>underlined</u>

Deletions have ~~strikethrough~~

Mayo Housing Strategy
2022 - 2028

June 2021

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1.0 Introduction

1.1 Overview

This Housing Strategy has been prepared by KPMG Future Analytics Consulting on the behalf of Mayo County Council to meet the statutory requirements set out under Section 94 of Planning and Development Act, 2000 (as amended). Under Part V of the Act, each planning authority must prepare a Housing Strategy which will cover the period of its Development Plan. In this instance, the Mayo County Development Plan spans 20221-20287. Each strategy must have regard to the proper planning and sustainable development of the area and must address the overall supply of housing within the administrative boundary of the Local Authority. The Housing Strategy also addresses relevant provisions contained within the Housing (Miscellaneous Provision) Act, 2009 and the Urban Regeneration and Housing Act 2015.

The purpose of the Housing Strategy is to ensure that the proper planning and sustainable development of the county provides for the housing of the existing and future population of the area in the manner set out in the Strategy. The Plan and the Housing Strategy will embrace the Vision set out in The Social Housing Strategy 2020 that "*every household in Ireland will have access to secure, good quality housing suited to their needs at an affordable price in a sustainable community*".

The key objectives of the Housing Strategy are:

- To identify the existing need and likely future demand for housing in the area of the County Mayo Development Plan.
- To ensure Mayo County Council provides for the development of sufficient housing to meet projected future demand over the lifetime of the County Development Plan.
- To ensure that sufficient zoned lands are provided to meet the needs of different households of all types and tenures.

The Housing Strategy is a critical component of the County Development Plan and plays a key role in translating national housing policies and housing supply responses to the local level. The Housing Strategy informs the policies and objectives of the Development Plan and provides details in relation to housing provision and its location and requirements for different house types, sizes and tenures and the requirements for residential zoned land. In order to ensure that the plan-making system is supported by a robust methodology to inform policies and funding initiatives around housing and associated land requirements, the NPF has introduced a new requirement for each Local Authority to develop a Housing Need Demand Assessment (HNDA) which must underpin and support the preparation of housing strategies and all related housing policy outputs.

The HNDA for County Mayo, as elaborated in Section 1.2 and 1.3, provides a robust evidence base to inform decision-making around the current and future housing supply and investment in housing related infrastructure and services, the location and requirements for different house types, sizes and tenures and the requirements for residential zoned land.

1.2 Housing Strategy / HNDA – Guiding Principles

An evidence-based and future-proofed methodological approach has been adopted to ensure that the County Mayo Housing Strategy meets the housing needs of the county and its residents while remaining consistent with local, regional and national guidelines. Chapter 3 of this Development Plan identifies and reviews the key legislative and policy instruments relevant to the delivery of County Mayo's Housing Strategy 2022~~1~~-2028~~7~~. The Strategy is underpinned by a HNDA which provides a robust baseline to inform and guide policies and objectives under the Mayo County Development Plan 2022~~1~~-2028~~7~~ (and specifically the period covering Q1 2022 to Q4 2027). In 2028 a new Development Plan will be adopted inclusive of a Housing strategy commencing from Q1 2028.

Declines in the construction sector and wider economic activity in the previous decade, coupled with Ireland's emerging economic recovery have led to ongoing challenges around fluctuations in the supply, demand and price of housing. It has also led to opportunities, with a greater mix of house types and tenures diversifying Ireland's housing market. Aside from the traditional home-ownership model, rental accommodation will play a greater role in the provision of housing nationally and indeed across Mayo. Moreover, increasing levels of activity in the construction sector will provide new homes to meet current and projected demand and contribute to County Mayo's social housing stock by way of Part V obligations. The HNDA incorporates a range of socio-economic and demographic data to analyse current levels of demand and supply within Mayo housing sector, and project for future need over the lifetime of the Development Plan and beyond to 2031. It incorporates demand across different tenures, including owner-occupied, the rental sector and social housing and provides estimates of future housing needs based on employment growth, income levels and affordability in the housing market.

1.3 Housing Need Demand Assessment (HNDA)

Under Section 94 (1) (a) of the Planning and Development Act 2000 (as amended), each planning authority "shall include in any development plan a strategy for the purpose of ensuring that proper planning and sustainable development of the area of the development plan provides for the housing of the existing and future population of the area in the manner set out in the strategy".

This must account for:

- the existing need and the likely **future need for housing**;

- the need to ensure that housing is available for persons who have **different levels of income**;

- the need to ensure that a **mixture of house types and sizes** is developed to reasonably match the requirements of the different categories of households, as may be determined by the planning authority, and including the special requirements of elderly persons and persons with disabilities, and;

- the need to **counteract undue segregation** in housing between persons of different social backgrounds.

In order to ensure that the plan-making system is supported by a robust methodology to inform policies and funding initiatives around housing and associated land requirements, the NPF has introduced a new requirement for each Local Authority to develop a Housing Need Demand Assessment (HNDA). The HNDA will support the preparation of housing strategies and all related housing policy outputs, e.g. city and county development plans, local area plans, traveller accommodation plans etc.

The NPF indicates that the purpose of the HNDA tool is to:

- Assist local authorities to develop long-term strategic views of housing need across all tenures.
- Provide a robust evidence base to support decisions about new housing supply, wider investment and housing related services that inform an overall national housing profile.

- Inform policies about the proportion of social and affordable housing required, including the need for different types and sizes of provision.
- Provide evidence to inform policies related to the provision of specialist housing and housing related services.

The NPF notes that HNDAs are designed to give broad, long run estimates of what future housing need might be, rather than precision estimates. The Framework must be logical, sequential and allow for updating, monitoring and evaluation.

In April 2021, the Department of Housing, Local Government and Heritage issued 'Guidance on the Preparation of a Housing Need and Demand Assessment', together with an associated Circular and notice of an Excel based HNDA Tool. The Circular states that "It is expected that HNDA will be integrated into the development plan review process where planning authorities give notice of review of a development plan in accordance with section 11(1) of the 2000 Act, after the date of this Circular".

This followed the Minister's letter to local authorities in December 2020 which enclosed statutory guidelines for planning authorities issued under section 28 of the 2000 Act on a Housing Supply Target Methodology for Development Planning (See Section 1.4). The section 28 planning guidelines facilitate decisions regarding new housing supply targets for the 6-year period of development plans that are being formulated currently, to be determined in advance of the full integration of new HNDA methodology into the Housing Strategy preparation process.

The HNDA undertaken as part of this Development Plan spans two key stages – current and future outlook; and assesses three core areas: Population, Housing and Economy. These are set out in figure 1.1 below. The sequential steps involved in the development and application of this HNDA model is then presented in Section 1.4

POPULATION	Population – Growth, Trends, Composition, Socio-Economic Profile; Geographical Distribution
HOUSING	Housing Supply and Demand – Location (Identification of Pressure Areas), Composition (1 Person, 2 Person, etc. Households), Tenure (Owner Occupier, Private Rented, Social), Type (Detached, Semi-Detached, Apartment), Density (Units Per Hectare), Size (1 Bedroom, 2 Bedroom, etc.), Vacancy/Occupancy, Specialist Provision (Disabled, Care Support – Dependent/Independent Living, Temporary - Homelessness, Travelling)
ECONOMY	Economic Standing and Economic Growth, Income Levels (Gross, Net), House Price Values, Sales and Levels, Rental Values and Levels, Financial Regulation (Central Bank Macro-Prudential Rules)

Figure 1.1: HNDA Assessment Areas. Source: KPMG Future Analytics Consulting

The methodological approach to the HNDA undertaken as part of the Mayo Housing Strategy 20221–20287 (with a quarterly breakdown between Q1 2022 and Q4 2027) is summarised in figure 1.2 below. The process will enhance how acute and unmet demand for housing is identified before it arises. It provides a robust assessment of regional and localised influences, such as population and migration, in quantifying needs and demands. The key evidence inputs which drive the model are:

1. **Demographic trends, affordability trends and wider economic trends**. The use of **economic forecasting or econometric** work underpins this section. Data requirements include **household composition/projections, housing supply targets, house prices, rents, number of first-time buyers (FTBs) and loan to value (LTV) mortgage rates, economic activity and employment rates,** etc.

2. Housing Stock Profile Pressures (and existing need) and management issues. This involves undertaking a detailed profile of local **housing stock and stock pressures**, including **local authority housing**, to identify the main pressures relating to supply and demand, ineffective stock and overall condition as well as priorities for future stock management. Information is required on **dwelling size, dwelling type, dwelling condition and stock pressures (occupancy/under occupancy stock turnover**, etc.).

3. Estimating Future Housing Need and Demand. This is broken down into**: owner occupation, private sector, below market rent and social rent**.
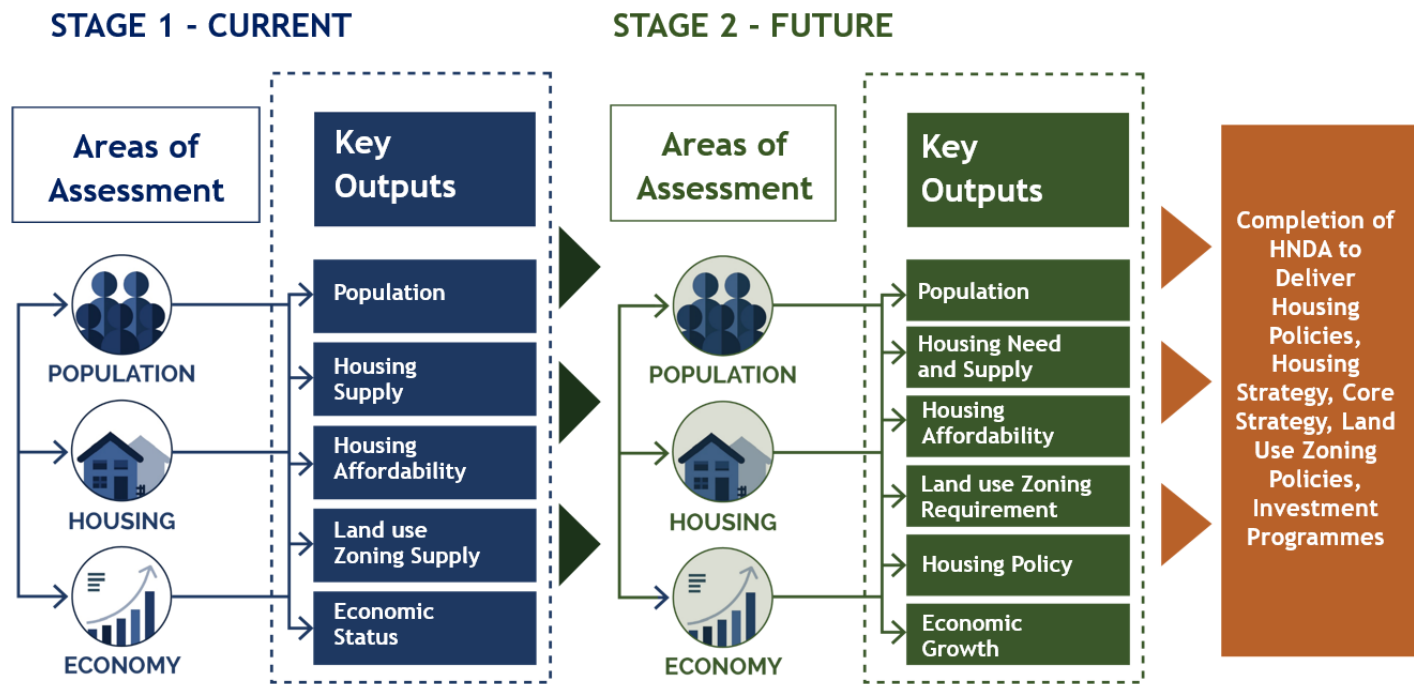
Figure 1.2: Schematic of HNDA Approach. Source: KPMG Future Analytics Consulting

1.4   Housing Supply Target Methodology

The NPF is based on demographic and econometric projections undertaken by the Economic and Social Research Institute (ESRI) in 2017. Following publication of the NPF in 2018, the NPF 'Roadmap' circular was issued to all planning authorities, setting out projected county population ranges for 2026 and 2031. As part of the development plan process, planning authorities must demonstrate the manner in which their core strategy and other elements of the plan are consistent with the established NPF Roadmap population projections for their local authority area.

In order to strengthen the relationship between national and regional population projections and their integration into the development planning process at local authority level, the Department commissioned the ESRI to further develop work previously undertaken for the NPF. The findings of the ESRI work were published as a research paper on Structural Housing Demand at County Level in December 2020. Following publication of this, the 'Housing Supply Target Methodology for Development Planning: Guidelines for Planning Authorities issued under Section 28 of the Planning and Development Act, 2000 (as amended)' was published.

This ESRI research applies the projection model to four different development scenarios:
— Baseline – projecting a 'business as usual' scenario which is based on current trends and medium-term projections for the Irish economy;
— NPF 50:50 City – consistent with the NPF strategy;
— High Migration – incorporating assumptions around high international migration flows into Ireland based on higher economic growth than the baseline; and
— Low Migration – incorporating assumptions around lower international migration flows into Ireland based on lower economic growth than the baseline.

The ESRI research model is intended to enable structural household demand levels for each local authority area to be set out under the four different scenarios for each year to 2040. The Section 28 Guidelines state that "The NPF 50:50 City scenario is broadly consistent with the National Planning Framework strategy and consequently, the 2018 NPF 'Roadmap' document". As such, the Section 28 Guidelines further indicate that this is the recommended housing demand scenario to be used by planning authorities in their planning functions in order to plan for the provision of housing to meet projected levels of demand in their administrative area, in accordance with the NPF strategy.

Thus, planning authorities must now demonstrate the manner in which their core strategy and other elements of the plan are consistent with the established NPF Roadmap population projections for their local authority area and accordingly, with the related NPF 50:50 City housing demand projection scenario identified by the ESRI. Deviation from this scenario, the Guidelines state, must be evidence-based and consistent with these guidelines.

The Guidelines set a methodology for the application of population and housing projections into Local Authority plan processes. The calculation of the housing supply targets for County Mayo is detailed in Section 3.

1.5 ~~1.4~~ Methodology

This Section sets out the sequential steps involved in the development and application of this HNDA model. There are a number of ~~three~~ components of the model, as shown in Figure 1.3, and which are broadly outlined hereafter.

| Population and Households | ➡ | Social (and Affordable) Needs | ➡ | Analysis and Implications |

| Population Projections | ➡ | Housing Supply Targets | ➡ | Housing and Rental Affordability | ➡ | Analysis and Implications |
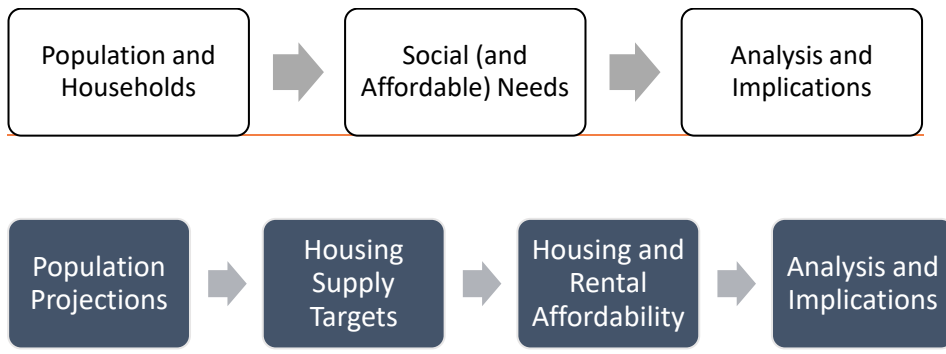
Figure 1.3: Overview of the HNDA Model

The first component of the model explores projected population scenarios for the county over the plan period. A number of population scenarios for County Mayo have been investigated to 2031. In accounting for the NPF population growth targets, an interpolation of the required level of change per annum was developed for County Mayo from baseline year 2016 to NPF target years 2026 and 2031 as described in detail in Section 3.2.1. ~~This stage of analysis also comprises an investigation into Average Household Size, as a key determinant of future housing need.~~

The second component in conjunction to population projections is the determination of Housing Supply Targets as required by the Section 28 Guidelines. This is established through the calculation of the Housing Supply Target for the plan period for County Mayo in accordance with the 'Housing Supply Target Methodology for Development Planning' DHLGH guidelines (December 2020), as described in Sections 1.5. This provides plan period targets and annualised figures for housing demand that have been analysed in the HNDA.

The third ~~second~~ component relates to an assessment of housing and rental affordability. This assessment supports the identification of social (and affordable) housing needs for Mayo County during the plan period. ~~There are 12 steps inherent in this, as illustrated in Table 1.2~~ Following this, analysis has been undertaken in relation to specific requirements of the housing demand as set out in the Section 28 Guidelines in relation to the existing market forces, composition, tenure, dwelling type as well as single rural dwellings and specialist provision (refer to Section 3.4).

Finally, an overview of how Mayo County Council meets housing requirements across the county is set out together with a summary of the key Strategy outputs. An overview of the process for the HNDA modelling is provided in Table 1.1.

Following this, analysis of progress towards key targets for social housing under Rebuilding Ireland has been set out in addition to specific examination of single rural dwellings within County Mayo (refer to Section 3.4.3).

The following overall structure of this Housing Strategy is summarised in Table 1.1.

Table 1.1: Structure of the Mayo Housing Strategy 2021-2027 Approach to the HNDA Modelling and Affordability Assessment

Section 2	Current Housing Context: Review and Analysis of Existing Supply and Needs
Section 3	Housing Needs in Mayo: Projected Housing Need and Supply
Section 4	Meeting Housing Requirements in Mayo
Section 5	Conclusion

Table 1.1: Approach to the HNDA Modelling and Affordability Assessment

Step	Method
Step 1 **Determination of Annual Population Projections**	Determination of annual population that is projected or an established projection target to be in the County over the County Development Plan period. The agreed population projection scenario / target can reflect a "low", "medium" or "high" growth projection based upon city, county, regional, national and global specific factors. Mayo County Council have applied a high growth scenario that aligns with the NPF as described in detail in the Core Strategy.
Step 2 **Determination of Average Household Size and Additional Households Required**	Determination of the additional anticipated increase in households per annum over the Development Plan period based on the application of an average household size for the projected population. In order to consider the average household size, the County Council should advise as to whether the average household size should be adjusted over time and whether alignment with the NPF is necessary.
Step 3 **Calculation of Estimated Distribution of Household Disposable Incomes**	Calculation of estimated distribution of annual and weekly household disposable income per decile of the established (by the CSO) of the 10 deciles in the baseline year. The national annual disposable and gross incomes per decile are adjusted to city/county level based on application of an *"inflator"* or *"deflator"* rate. In the case of County Mayo, a deflator was applied.
Step 4 **Calculation of Average Annual Household Disposable Income Distribution**	Calculation of estimated distribution of annual household disposable income per household decile throughout the Development Plan period. This calculation considers a forecast GDP growth rate to reflect anticipated change incomes over the Development Plan period. It should be noted that this approach is also taken in relation to average annual gross income for the purpose of understanding mortgage capacity and qualification. Further information is contained in Appendix 4.
Step 5 **Calculation of Average Monthly Household Disposable Income Distribution**	Calculation of estimated distribution of monthly household disposable incomes for each of the 10 household deciles throughout the Development Plan period.

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	This is an exercise to ensure that incomes are scaled to provide the monthly (rather than annual) estimates of disposable income per household in each decile.
Step 6 **Determination of Distribution of Total Anticipated Households**	This is the calculation of estimated distribution of household units for each of the 10 household deciles throughout the Development Plan period. The number and distribution of total households per decile throughout the Development Plan period reflects projected number of private households per year during the Development Plan period as well as the distribution of housing units in the State from the Household Budget Survey.
Step 7 **Determination of Distribution of Additional Anticipated Households**	Calculation of estimated distribution of additional anticipated household units for each of the 10 household deciles throughout the Development Plan period. Similar to the step above, this specifically reflects the number of additional anticipated households per decile per year throughout the Development Plan period.
Step 8 **Calculation of Projected House Price Bands**	Calculation of projected house price bands based on the percentage split of the established (by the DHPLG) 8 price bands. Historic transactional housing market data is considered to understand changes in average house price and future adjustments. This facilitates an estimation of each of the projected house price bands and proportional market split based on the split of the 8 price bands and a projected annual price increase or decrease.
Step 9 **Calculation of Mortgage Capacity of Households**	Determination as to whether households in each decile can qualify for a mortgage that enables them to purchase a house in the lowest price band under the current macro-prudential rules, as set out by the Central Bank of Ireland. This is based on understanding the threshold in the lowest price band per year during the Development Plan period and application of the *"Annuity Formula"*. The *"Annuity Formula"* is based on the determination of an *"Affordability Threshold"*, a *"Loan to Value Ratio"*, an *"Annual Percentage Rate (APR) - Interest Rate"*, the determination of a *"Monthly Percentage Rate (MPR) - Interest Rate"*, and the determination of a *"Loan Term (Years/Months)"*.

	If a household in any decile does not have sufficient income to meet the macro-prudential rules (i.e. 3.5 times their gross income is less than 90% of the value of purchase a house in the lowest projected price band), they do not qualify for a mortgage and progress to private rental (See Step 11). Those households that can qualify for a mortgage progress to the need's assessment for ownership (See Step 10).
Step 10 **Calculation of Projected Needs for Ownership**	Calculation of the approximate affordable house price for each of the ten deciles per year during the Development Plan period based on the application of the *'annuity formula'*. Once established, a calculation of the households surplus and/or deficit per price band is undertaken with respect to the number of households that can qualify for a mortgage: a) Based on the application of the *"Annuity Formula"* calculate the housing affordability (i.e. Approximate Affordable House Price) for each of the 10 household deciles. b) Based on the determination of additional households required, the projected house price bands and the housing affordability, calculate the number of households not meeting the *"Affordability Criteria"*. This facilitates a calculation of the surplus/deficit of household at the lowest price band with respect to the number of households that can qualify for a mortgage.
Step 11 **Calculation of Projected Needs for Private Rental**	Calculation of the households that will not meet the affordability criteria to privately rent a home during the Development Plan period with respect to the number of households that cannot qualify for a mortgage. Historic rental market data is analysed to enable an estimate of projected rental price by unit type during the plan period. Based on this and the household income, a calculation of the households not meeting the affordability criteria to privately rent a home has been undertaken with respect to the number of households that cannot qualify for a mortgage and those households that cannot afford to purchase a home.
Step 12 **Summary of Projected Social Housing Need**	Calculation of the households who can be classified as not meeting the affordability criteria during the Development Plan period so as to adequately inform the necessary provision units within the County.

	This is a summary of the anticipated housing need for the County Council as set out in the preceding steps and reflects assessments for both mortgage qualification and private rental affordability. Specifically, the number of additional households anticipated over the Development Plan period, the number of those households that do not qualify for a mortgage and number of those households that do not qualify for a mortgage and cannot afford private rental is provided based on the outcomes of the preceding steps.

Step 1 Determination of Annual Population Projections	Determination of annual population over the County Development Plan period.
Step 2 Determination of Pre-Plan Total Households	Determination of pre-plan total households based on latest CSO data and estimation of pre-plan housing completions.
Step 3 Determination of Additional Households	Determination of additional households over the plan period based on agreed Housing Supply Targets.
Step 4 Calculation of Estimated Distribution of Household Disposable Incomes	Calculation of estimated distribution of annual and weekly household disposable income per decile of the established (by the CSO) of the 10 deciles in the baseline year. The national annual disposable incomes per decile are adjusted to city/county level based on application of an *"inflator"* or *"deflator"* rate.
Step 5 Calculation of Average Annual Household Disposable Income Distribution	Calculation of estimated distribution of annual household disposable income per household decile throughout the Development Plan period. This calculation considers a forecast GDP growth rate to reflect anticipated change incomes over the Development Plan period. It should be noted, that this approach is also taken in relation to average annual gross income for the purpose of understanding mortgage capacity and qualification.
Step 6 Calculation of Average Monthly Household Disposable Income Distribution	Calculation of estimated distribution of monthly household disposable incomes for each of the 10 household deciles throughout the Development Plan period. This is an exercise to ensure that incomes are scaled to provide the monthly (rather than annual) estimates of disposable income per household in each decile.
Step 7 Determination of Distribution of Total Anticipated Households	This is the calculation of estimated distribution of household units for each of the 10 household deciles throughout the Development Plan period.

	The number and distribution of total households per decile throughout the Development Plan period reflects projected number of private households per year during the Development Plan period as well as the distribution of housing units in the State from the Household Budget Survey.
Step 8 Determination of Distribution of Additional Anticipated Households	Calculation of estimated distribution of additional anticipated household units for each of the 10 household deciles throughout the Development Plan period. Similarly to the step above, this specifically reflects the number of additional anticipated households per decile per year throughout the Development Plan period.
Step 9 Calculation of Projected House Price Bands	Calculation of projected house price bands based on the percentage split of the established (by the DHPLG) 8 price bands. Historic transactional housing market data is considered to understand changes in average house price and future adjustments. This facilitates an estimation of each of the projected house price bands and proportional market spilt based on the split of the 8 price bands and a projected annual price increase or decrease.
Step 10 Calculation of Mortgage Capacity of Households	Determination as to whether households in each decile can qualify for a mortgage that enables them to purchase a house in the lowest price band under the current macro-prudential rules, as set out by the Central Bank of Ireland. This is based on understanding the threshold in the lowest price band per year during the Development Plan period and application of the *"Annuity Formula"*. The *"Annuity Formula"* is based on the determination of an *"Affordability Threshold"*, a *"Loan to Value Ratio"*, an *"Annual Percentage Rate (APR) - Interest Rate"*, the determination of a *"Monthly Percentage Rate (MPR) - Interest Rate"*, and the determination of a *"Loan Term (Years/Months*)"*. If a household in any decile does not have sufficient income to meet the macro-prudential rules (i.e. 3.5 times their gross income is less than 90% of the value of purchase a house in the lowest projected price band), they do not qualify for a mortgage and progress to private rental (See Step 11). Those households that can qualify for a mortgage progress to the needs assessment for ownership (See Step 10).
Step 11 Calculation of Projected Needs for Ownership	Calculation of the approximate affordable house price for each of the ten deciles per year during the Development Plan period based on the application of the *'annuity formula'*. Once established, a calculation of the households surplus and/or deficit per price band is undertaken with respect to the number of households that can qualify for a mortgage:

	a) Based on the application of the *"Annuity Formula"* calculate the housing affordability (i.e. Approximate Affordable House Price) for each of the 10 household deciles. b) Based on the determination of additional households required, the projected house price bands and the housing affordability, calculate the number of households not meeting the *"Affordability Criteria"*. This facilitates a calculation of the surplus/deficit of household at the lowest price band with respect to the number of households that can qualify for a mortgage.
Step 12 Calculation of Projected Needs for Private Rental	Calculation of the households that will not meet the affordability criteria to privately rent a home during the Development Plan period with respect to the number of households that cannot qualify for a mortgage. Historic rental market data is analysed to enable an estimate of projected rental price by unit type during the plan period. Based on this and the household income, a calculation of the households not meeting the affordability criteria to privately rent a home has been undertaken with respect to the number of households that cannot qualify for a mortgage and those households that cannot afford to purchase a home.
Step 13 Summary of Projected Social Housing Need	Calculation of the households who can be classified as having an affordability problem during the Development Plan period so as to adequately inform the necessary provision units within the County. This is a summary of the anticipated housing need for the County Council as set out in the preceding steps and reflects assessments for both mortgage qualification and private rental affordability. Specifically, the number of additional households anticipated over the Development Plan period, the number of those households that do not qualify for a mortgage and number of those households that do not qualify for a mortgage and cannot afford private rental is provided based on the outcomes of the preceding steps.
Step 14 Historic Data Analysis and Approximate Projection of Tenure, Size Cohort, and Dwelling Type.	Calculation of historic intercensal change for private household tenure, cohort sizes and dwelling type to determine annualised change. This informs the basis of an annual rate of change for which additional anticipated households can be roughly forecasted for household tenure, cohort sizes and dwelling type.
Step 15 Analysis of Single Rural Dwellings	Analysis of CSO Granted Permissions data to determine distribution of rural one-off dwellings.

2.0 Current Context: Review and Analysis of Existing Supply and Needs

2.1 Population

Census 2016 results show that Ireland's population stood at 4,761,865 in April 2016, an increase of 173,613 (3.8%) since April 2011. There were 200 urban settlements across the country (those with populations of 1,500 or more), which together accommodated 63% of Ireland's population. County Mayo is located within the Northern and Western Regional Assembly (NWRA) area, a region with approximately 18% of Ireland's total population. As the RSES notes, this can be considered a relatively low proportion of the overall population considering the geographical size of the region. However, the past two decades (between 1996 and 2016) has seen the region grow by an additional 179, 960 persons. In particular, the period between 2002 to 2006 saw a growth rate of 7.8% in the region, while the following period between 2006 and 2011 saw a growth of 7.9%.

At County level there is quite a divergence in the distribution of the population across the region. County Galway, inclusive of both City and County administrative areas, is by far the largest with a total population of 258,058. The next largest is Donegal, which has a population of 159,192, followed by Mayo with a population of 130,507. Below this there are no other counties within the region that possess a population of above 100,000 people.

Within Mayo, the county's population has remained relatively stable since 2011, with only a marginal population decline of 0.1% (-131 persons) between 2011 and 2016, as the population decreased from 130,638 to 130,507. This follows a 5% county growth rate between 2006-2011. In 2016, the two largest settlements in Mayo, Castlebar and Ballina, had also recorded small rates of decline of -2% and -9% respectively since 2011. However, of the county's remaining urban centres (Westport, Claremorris, Ballinrobe and Ballyhaunis), all recorded growth rates of between 2% and 7%. Population change across the various settlements is set out in 2.1

Table 2.1: Population Growth in Mayo 2011-2016

	Pop 2016	Pop 2011	%change 11-16	Pop 2006	%change 06-11
County Mayo	130,507	130,638	-0.1%	123,839	5%
Castlebar (Agglomeration)	12,068	12,318	-2%	11,891	3%
Ballina (Agglomeration)	10,171	11,086	-9%	10,409	6%
Westport (Agglomeration)	6,198	6,063	2%	5,475	10%
Claremorris	3,687	3,412	7%	2,595	24%
Ballinrobe	2,786	2,704	3%	2,098	22%
Ballyhaunis	2,366	2,312	2%	1,708	26%
Swinford	1,394	1,435	-3%	1,502	-5%
Foxford	1,315	1,326	-1%	1,058	-
Kiltimagh	1,069	1,127	-5%	1,096	3%
Crossmolina	1,044	1,061	-2%	930	12%
Charlestown	1,033	914	12%	859	6%
Belmullet	1,019	1,089	-7%	1,074	1%

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Knock	972	811	17%	745	8%
Balla	769	671	13%	586	13%
Newport	626	616	2%	590	4%
Keel-Dooagh	541	582	-8%	561	4%
Killala	562	569	-1%	574	-1%
Louisburgh	434	422	3%	314	26%
Shrule	432	418	3%	425	-
Kilkelly	373	372	0%	389	-
Ballindine	349	350	0%	349	0%
Bangor Erris	306	293	4%	295	-1%
Turlough	299	272	9%	-	-
Mulranny	289	242	16%	-	-
Achill Sound	238	302	-27%	275	9%
Belcarra	228	222	3%	-	-
Ballycastle	219	234	-7%	215	8%
Bohola	203	170	16%	-	-
Bonniconlon W	188	185	2%	150	19%
Lahardane	178	156	12%	-	-
Ballyvary	159	160	-1%	147	-
Kilmaine	147	166	-13%	142	14%
Cong (Galway/Mayo)	145	178	-23%	150	16%
Irishtown	129	-	-	-	-
Doohoma	112	-	-	-	-

The NWRA region, as a whole, remains a rural region. Each county has a majority in rural areas, with Leitrim the highest on 89%. Sligo is the most urban county, with 39% of its population living in such areas, however, this is significantly lower than the state average of 62%. According to the CSO's parameters, a total of 37,276 people (28.6%) were living in urban settlements in Mayo in 2016. 93,231 (71.4%) were living in smaller towns and villages, as well as in the rural remainder of the county. Departing from a prevailing state-wide trend of urbanisation, the county saw a slight decrease in the share of population residing in urban areas since 2011 (when the urban population stood at 37,895).

As is the case across much of the state, the NWRA has an ageing population, with the average age standing at 37.9. This compares to a state average of 36.8. Within County Mayo, the average age in 2016 was 39.6. Figure 2.1 provides a proportional illustration of the various age cohorts in County Mayo that comprise the total population, categorising them by gender.

The total age dependency ratio for County Mayo in 2016 was 60.9%, as demonstrated in Table 2.2. Nationally, this figure stood at 52.7%.
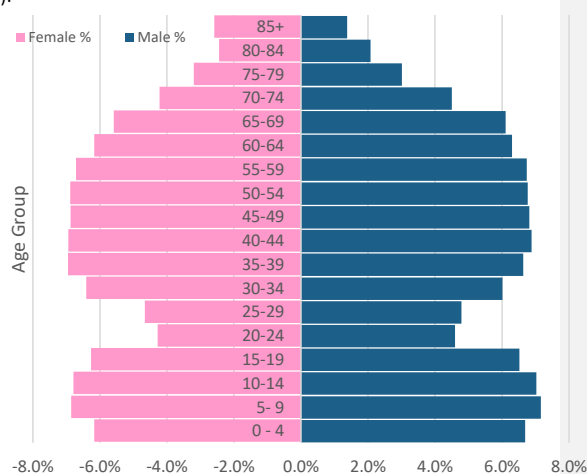
Figure 2.1: Population breakdown by age group (2016 (CSO)

Table 2.2: Age Dependency Ratios (2016)

	0-14 years	15-64 years	Over 65 years	Young Age Ratio (%)	Old Age Ratio (%)	Total Dependency Ratio (%)
County Mayo	26,554	81,044	22,909	32.7%	28.2%	60.9%

2.2 Existing Housing Stock and Supply

2.2.1 Housing Stock and Composition

In terms of housing stock, Census 2016 data indicates that there are 65,921 units in County Mayo, which represents a marginal increase of 129 units on 2011 levels (65,792 in 2011). The number of vacant units in 2016 stood at 10,597 (excluding holiday homes and those dwellings deemed to be temporarily absent). The 2011 Census data does not distinguish between categories of vacancy and indicates that there were 16,230 unoccupied dwellings in 2011. In contrast, the 2016 data illustrates the number of temporarily absent dwellings, unoccupied holiday homes and other vacant dwellings. For comparison purposes, the total number of vacant dwellings across these three categories in 2016 is 16,850. As such, there is an overall increase in the number of vacant dwellings (+ 620) between 2011-2016. Compositionally, there were 48,899 private households with an average household size of 2.61, which is lower than the national rate of 2.75.

Table 2.3: Existing Housing Stock (2016)

County	Housing stock	Holiday homes	Other vacant	Temporarily Absent	% Vacancy[1]
Mayo	65,921	4885	10,597	1368	16.1%

Household size cohort represents the number of people per households. More than half of households in Mayo in 2016 had just one or two persons living in that household as illustrated in Table 2.4, however this generally compares to the national figures on household size cohorts.

Table 2.4: Existing Household Size Cohorts (2016)

No. People per Household	Households	Persons	Households %	Persons %
1-person household	13,676	13,676	28.0%	10.7%
2-person household	14,433	28,866	29.5%	22.6%
3-person household	7,552	22,656	15.4%	17.7%
4-person household	6,906	27,624	14.1%	21.6%
5+ person household	6,332	34,945	12.9%	27.4%
Total	48,899	127,769	100%	100%

Compositionally, there were 48,899 households and an average household size of 2.61, which is marginally lower than the national rate of 2.75. 94.8% of households comprised of a house or bungalow while 4% resided in apartments in 2016. At a national level, 12% of all occupied households in Ireland were apartments.

2.2.2 Housing Tenure

Home ownership remains the dominant tenure in Mayo with 75% of households within this category in 2016. 28.2% of households pay a mortgage.14.7% of households were in the private rental market; an increase of 3%, or 203 households since 2011. 6.1% (2,996) of households in the county were social housing.

Table 2.5: Housing Tenure (2016)

	Households	Persons	Households %	Persons %
Social Housing	2996	7161	6.1	5.6
Rented (Privately)	7151	18159	14.7	14.2
Owner Occupied (All)	36539	97864	75.0	76.8

Household Occupancy type is a dataset compiled by the CSO that showcases the composition of an area's

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[1] The percentage vacancy rate provided is based on 'Other Vacancy' category as a percentage of total housing stock and excludes vacant holiday homes and those temporarily absent.

housing stock. It can be broadly separated into five distinct categories: Owner Occupied with no mortgage; owner occupied and paying a mortgage; private rental; rented from either a local authority of a voluntary body, which can be referred to as social housing; and occupied free of rent. The total number of households recorded in the NWRA region was 308,151. In Mayo, this stood at 48,745.

Table 2.6: Household Occupancy in County Mayo (2016)

County Mayo	Owner occupied with mortgage	Owner occupied no mortgage	Rented from private landlord	Rented from Local Authority	Rented from voluntary body	Occupied free of rent	Not stated	Total
(No. households)	13,762	22,777	7151	2598	398	1019	1040	48745

Of this total, 36,539 households are either ''owner occupied with mortgage'' or ''owner occupied with no mortgage''. This is by far the largest type within the NWRA region, with a percentage total of 71.3% of all households. Compared to the State average of 67.6%, the region has more home owners proportionately.

2.2.3 Housing Permissions

Error! Reference source not found.~~Table 2.7~~ illustrates the number of granted planning applications in County Mayo between 2006 and 2019. 72.2% of these relate to houses and apartments via development scheme applications while 27.8% relate to single one-off dwellings in the open countryside. Over the past 3 years (2017-2019), on average, 33.9% of granted applications were for one off dwellings, while approximately 66% were for houses and apartments via development scheme applications.

Table 2.7: Granted Planning Applications in County Mayo (2006-2019)

Granted Planning Applications	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total	Average
Houses and Apartments #	1,799	1,652	1,466	371	32	95	5	7	11	12	8	186	297	287	6,228	
Single Rural Dwelling #	422	513	374	173	101	103	59	43	73	69	78	105	133	154	2,400	
Houses and Apartments %	81.0%	76.3%	79.7%	68.2%	24.1%	48.0%	7.8%	14.0%	13.1%	14.8%	9.3%	63.9%	69.1%	65.1%	72.2%	**45.31%**
Single Rural Dwelling %	19.0%	23.7%	20.3%	31.8%	75.9%	52.0%	92.2%	86.0%	86.9%	85.2%	90.7%	36.1%	30.9%	34.9%	27.8%	**54.69%**
Total #	2,221	2,165	1,840	544	133	198	64	50	84	81	86	291	430	441	8,628	

2.2.4 Social Housing Stock

In accordance with Section 9 of the Housing Act 1988, housing authorities are required to undertake an assessment of housing need in their administrative area. The social housing stock of Mayo County Council as of April 2020 is as follows:

- 2,205 directly owned,
- 2,306 on RAS, HAP or Leasing program
- AHBs own 884 units of accommodation.

There were 32 vacant social housing units in the county.

Approved Housing Bodies – AHB's

AHB's provide social housing and are formed for the purpose of relieving housing need and the provision and management of housing. They are established by a voluntary management board to benefit the community in which they are based, and are approved and funded by the Department of Housing, Planning and Local Government. Housing cooperatives can provide both social rented housing and housing to purchase. Housing cooperatives are self-help and jointly owned member/user housing associations or societies. Projects undertaken may be in response to the needs of the elderly, people with disabilities, homeless persons or families and single people on low incomes. Some housing associations may be formed to specialise in meeting a particular housing need, others develop with broader aims. The specific housing services offered will depend on the aims or concerns of the members, the needs of tenants as well as the financial and other resources available for both capital costs and ongoing management running costs.

In December 2019, DHPLG issued a Circular (Housing Circular 40/2019) directing all local authorities to commence the establishment of a ***Local Authority and Approved Housing Body Housing Delivery Forum*** to represent their local authority area. This Circular followed a series of consultations events with local authorities and AHBs as well as detailed engagement with the CCMA Housing and Building Committee and the Irish Council for Social Housing. The overall objective is for each local authority to establish a local AHB forum to involve the key AHBs that are active in its area. The key concerns to be considered by the AHB forum are as follows:

- Agree and implement a Protocol for local authority/AHB engagement on the Delivery of Housing
- Review delivery targets under Rebuilding Ireland to monitor delivery and identify opportunities
- Agree and implement a Protocol to co-ordinate the provision of the additional support services available from those AHBs that work with households experiencing acute issues (homelessness, disability etc)
- To monitor and improve operational issues including the allocation process, agreeing rents etc
- Bring to the attention of the Department/CCMA/national AHB Forum, strategic or national issues that require agreement or solutions at the Departmental/CCMA level

A list of AHB's active in Co. Mayo is set out below:

Table 2.8 Operational Approved Housing Bodies in County Mayo

List of Operational Approved Housing Bodies in the County
Swinford St Vincent de Paul
Achill Sheltered Housing
Carrowmore, Lacken
Fr. Peyton Voluntary Housing
Louisburgh Community Housing
Knock Shrine Association
Westport St Vincent de Paul
Charlestown Housing ~~Associaton~~Association
Carracastle Voluntary Housing
Clar IRD
Aghamore Voluntary Housing
Kiltimagh IRD
Emmanuel Cheshire Home
Brickens Housing Association
Mayo Mental Health
Castlebar St Vincent de Paul
Mulranny Day Care
Claremorris Voluntary Housing
Ballyhaunis Social Housing
Kilmovee Community Centre
St. Martin's Conference
St. Dominics Housing Association
Belcarra Community Co-op
O'Dwyer Cheshire Home
Ballycastle Voluntary Housing
Ballinrobe St Vincent de Paul
Newgrove Housing Association
Tooreen Housing Association
Irishtown Hsg Ass
Mayo Abbey
Foxford St Vincent de Paul
Irish wheelchair Association Belmullet (IWA)
Tuath Housing
Sophia
Cluid Housing
Respond
Co-operative Housing

3.0 Housing Needs in Mayo

3.1 Overview

This chapter sets out the demographic, economic and social inputs of relevance and estimates the projected population, households, and associated needs in relation to housing during the plan period. Specifically, this chapter demonstrates how the various demographic and market factors interact with the assessment of future housing needs and demands within County Mayo. This aligns with the methodology that has been described in Section 1.4 and the chapter has therefore been structured in the following way:

- Section 3.2 (Inputs) – Describes the relevant information that has supported the analysis that has been undertaken herein.
- Section 3.3 (Assessment of Needs) – Describes the assessment of projected needs for ownership and private rental (in Section 3.3.1 and 3.3.2 respectively). A summary of the calculation of the households who can be classified as having an affordability problem during the plan period so as to adequately inform the necessary provision units within County Mayo has been set out in Section 3.3.3
- Section 3.4 (HNDA Components) - Describes the specific analysis that has been undertaken in relation to the dynamic components of the housing market in County Mayo as set out under National Policy Objective 37 of the NPF.

The majority of the information presented herein relates to the plan period (i.e. 20221 – 20287). Where appropriate the information for additional years has been presented to understand progression from the baseline (i.e. 2016) or to clarify given the specific quarterly commencement and expiry period i.e. Q1 2022 to Q4 2027. Further details on the analysis undertaken is presented in Appendices 1 - 43.

3.2 Inputs

3.2.1 Population Projections

The future population of County Mayo was estimated to 2031 using population growth scenarios that aligned with NPF targets. In accounting for the NPF population growth targets, an interpolation of the required quantum of change per annum was developed for County Mayo from baseline year 2016 to NPF target years 2026 and 2031. This facilitated the production of projected annualised figures between Q1 2022 and Q4 2027 2021 2021 and 2027 2027 (i.e. the plan period). On this basis, the future population[2] in County Mayo has been projected through an interpolation of the targets as set out in the NPF to 2026 and 2031.

The projected population in County Mayo throughout the plan period is outlined below in Table 3.1: **Overview** Table 3.1 with further details in relation to the year on year increase is provided in Appendix 1. The population of County Mayo is projected to increase by 8,197 people during the plan period to a total of 145,700 by 2027.

Table 3.1: Overview of Projected Population throughout the plan period (as per 'High NPF' aligned scenario)

	2021	2022	2023	2024	2025	2026	2027
NPF High Aligned	137,504	138,903	140,302	141,701	143,101	144,500	145,700
Growth (absolute)	1,399	1,399	1,399	1,399	1,399	1,399	1,200
Growth (relative)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	0.8%

3.2.2 Estimated Households

As part of the development plan process, planning authorities must demonstrate the manner in which their plan is consistent with the NPF and established NPF Implementation Roadmap population projections for their local authority area. In December 2020, the DHLGH issued guidelines to assist planning authorities to incorporate these projections into the preparation of development plans and housing strategies in a consistent and coherent approach.

These Guidelines build on research undertaken by the Economic and Social Research Institute (ESRI) into regional demographics and structural housing demand at county level. The ESRI's research applies a projection model to four different development scenarios, including a Baseline ('business as usual') scenario and the 'NPF 50:50 City Scenario.' The Section 28 Guidelines state that "the NPF 50:50 City scenario is broadly consistent with the National Planning Framework strategy and consequently, the 2018 NPF 'Roadmap' document". As such, the Section 28 Guidelines indicate that this is the recommended housing demand scenario to be used by local authorities to plan for the provision of housing to meet projected levels of demand.

Thus, planning authorities must now demonstrate the manner in which their core strategy and other elements of the plan are consistent with the established NPF Roadmap population projections for their local authority area and accordingly, with the related NPF 50:50 City housing demand projection scenario identified by the ESRI.

The Guidelines set a methodology for the application of population and housing projections into Local Authority plan processes and the setting of Housing Supply Targets for the relevant plan period.

As set out below, Mayo County Council have finalised the following calculation of housing demand for the plan period. Mayo County Council will not pursue optional adjustments ('E' or 'F'), and therefore will pursue **a total**

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[2] After computation, rounding was applied to household and population figures for direct input into the HNDA Model.

housing supply target of ~~xxx~~3,252 for the Mayo County Development Plan over a plan period anticipated to cover ~~approximately xxxx~~Q1 2022 – Q4 2027 inclusive.

~~The estimation of the projected number of households was undertaken following determination of the projected population for the plan period as set out in Section 3.2.1. Census 2016 indicates that the 127,767 people living in 48,899 private households in County Mayo equated to an average household size of 2.62 which is below the State average of 2.75 persons per private household. However, the NPF states that the national average is expected to decline to around 2.5 by 2040, whilst acknowledging that urban households tend to be smaller than in the suburbs or rural parts of the country.~~

~~A graduated change in average household size has therefore been used (i.e. We assume alignment with the NPF by 2040 and thus the average household size is projected to be 2.56 by the end of the plan period). This estimation of households[3] per year was achieved through the application of interpolated decline in average household size between 2016 (baseline census year) and 2027 as set out in Table 3.2.~~

~~**Table 3.2 Overview of Estimated Average Household Size in Mayo throughout the plan period**~~

~~Average Household Size~~	~~2021~~	~~2022~~	~~2023~~	~~2024~~	~~2025~~	~~2026~~	~~2027~~
	~~2.59~~	~~2.59~~	~~2.58~~	~~2.58~~	~~2.57~~	~~2.57~~	~~2.56~~

Table 3.2

~~Analysis of historic trends has undertaken to determine the evidence-based graduated reduction in average household size to 2027. As shown in Table 3.3, the average household size is thus projected to be 2.56 at the end of the plan period and this has facilitated an estimation of the number of households within County Mayo. By applying the relevant household size to the projected population, it is possible to forecast an estimated number of households in County Mayo. As summarised in Table 3.3, the estimated number of households in County Mayo is expected to increase from 48,745 in 2016. This will increase by 4,433 houses during the plan period, equating to a total of 56,860 households in 2027, or the equivalent of an additional 633 units per annum on average during the plan period. Further information is provided in Appendix 1.~~

Table 3.3 identifies the additional households that are anticipated during the plan period. The Core Strategy includes all population and household figures between 2016 and the end of the plan period.

Table 3.~~3~~2: Calculation of Housing Supply Target for County Mayo Q1 2022 – Q4 2027~~2021–2027~~[4]~~Overview of Projected Households in County Mayo throughout the Plan Period (NPF, Modified)~~

~~Year~~	~~Total Population~~	~~Number of Households~~ [5]	~~Average Household Size~~	~~Additional Houses Anticipated Per Annum~~	~~Total Anticipated Houses – 2021-2027~~	~~Average Anticipated Houses Per Annum between 2021-2027~~

~~[3] Household numbers were derived via application of target average household sizes to the total interpolated population based on NPF Targets. Households were determined directly from total population per annum, not via use of the 2016 baseline for derivation by additional population per annum. After computation, rounding was applied to household and population figures for direct input into the HNDA Model.~~
[4] Housing Supply Target Methodology for Development Planning (DHLGH, December 2020)
~~[5] For 2016, this is private households however this is total households for 2021 – 2027 for those reasons set out above.~~

2016	130,507	48,745	2.62[6]	-	-	-
2017	131,906	50,530	2.61	1,785	-	
2018	133,306	51,160	2.61	630	-	-
2019	134,705	51,793	2.60	632	-	-
2020	136,104	52,427	2.60	635	-	-
2021	137,504	53,065	2.59	637	-	-
2022	138,903	53,704	2.59	640	-	-
2023	140,302	54,346	2.58	642	-	-
2024	141,701	54,990	2.58	644	-	-
2025	143,101	55,637	2.57	647	-	-
2026	144,500	56,286	2.57	649	-	-
2027	145,700	56,960	2.56	574	4,433	633

Mayo County Council		Total Households	Number of Relevant Years	Annual Average Households
A	ESRI NPF scenario projected new household demand 2017 to Q4 2027 inclusive	5,066	11	461
B	Actual new housing supply 2017 to end Q4 2021 (est.)	1,852	5	370
C	Homeless households (latest data), and unmet demand as at most recent Census[7]	38	N/A	N/A
D	Plan Housing Demand = Total (A-B+C) (Projected ESRI NPF demand - new completions) + Unmet demand	3,252	6	542

Table 3.3 sets out the additional number of households that are anticipated during the plan period (as per the Housing Supply Targets), alongside the resulting total number of households in the County.

Table 3.3: Overview of Anticipated Household Growth in Mayo County Council across the Plan Period

Mayo County Council	2021	2022	2023	2024	2025	2026	2027	Total
Total households	50,597[8]	51,139	51,681	52,223	52,765	53,307	53,849	-
Additional households per annum	-	542	542	542	542	542	542	3,252

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[6] The average household size applied to derive future household counts was linearly interpolated between actual 2016 census data (2.61) and NPF target household sizes for 2026 and 2031. It should also be noted that for the purpose of this estimation, the Average Household Size is being applied to total projected population instead of total persons in private households (in order to align with target population figures as per Section 3.2.1).

[7] Homeless households as of January 2021, plus unmet need as of Census 2016; source: DHLGH, February 2021.
[8] Estimated using the addition of completions data to Q4 2020 and an assumed replication of this in 2021

The number and distribution of total households per decile throughout the plan period has been estimated based on the distribution of housing units in the State from the Household Budget Survey[9] during the baseline year (i.e. 2016 so as to align with the Census inputs). ~~Table 3.4~~Table 3.4 identifies the distribution of total households across each of the ten deciles during the plan period.

~~Table 3.4~~Table 3.4 Distribution of total households per decile (No. Households) in County Mayo ~~(CSO, NPF, Modified)~~

~~Year~~Decile	2021	2022	2023	2024	2025	2026	2027
1st Decile	4,972~~5,214~~	5,025~~5,277~~	5,078~~5,340~~	5,131~~5,403~~	5,185~~5,467~~	5,238~~5,531~~	5,291~~5,587~~
2nd Decile	5,349~~5,610~~	5,406~~5,677~~	5,464~~5,745~~	5,521~~5,813~~	5,578~~5,882~~	5,635~~5,950~~	5,693~~6,011~~
3rd Decile	5,297~~5,556~~	5,354~~5,622~~	5,411~~5,690~~	5,467~~5,757~~	5,524~~5,825~~	5,581~~5,893~~	5,638~~5,953~~
4th Decile	5,282~~5,540~~	5,339~~5,607~~	5,396~~5,674~~	5,452~~5,741~~	5,509~~5,809~~	5,565~~5,876~~	5,622~~5,936~~
5th Decile	5,186~~5,439~~	5,242~~5,505~~	5,297~~5,570~~	5,353~~5,637~~	5,408~~5,703~~	5,464~~5,769~~	5,520~~5,828~~
6th Decile	5,031~~5,276~~	5,085~~5,340~~	5,139~~5,404~~	5,193~~5,468~~	5,246~~5,532~~	5,300~~5,597~~	5,354~~5,654~~
7th Decile	4,868~~5,105~~	4,920~~5,167~~	4,972~~5,229~~	5,025~~5,291~~	5,077~~5,353~~	5,129~~5,415~~	5,181~~5,471~~
8th Decile	4,883~~5,121~~	4,935~~5,183~~	4,987~~5,245~~	5,040~~5,307~~	5,092~~5,369~~	5,144~~5,432~~	5,197~~5,487~~
9th Decile	4,861~~5,098~~	4,913~~5,159~~	4,965~~5,221~~	5,017~~5,283~~	5,069~~5,345~~	5,121~~5,407~~	5,173~~5,462~~
10th Decile	4,868~~5,105~~	4,920~~5,167~~	4,972~~5,229~~	5,025~~5,291~~	5,077~~5,353~~	5,129~~5,415~~	5,181~~5,471~~
Total	**50,597~~53,065~~**	**51,139~~53,704~~**	**51,681~~54,346~~**	**52,223~~54,990~~**	**52,765~~55,637~~**	**53,307~~56,286~~**	**53,849~~56,860~~**

Similar to the preceding step, the number of additional anticipated households per decile per year has been estimated throughout the plan period. ~~Table 3.5~~Table 3.5 identifies the distribution of additional anticipated households across each of the ten deciles during the plan period.

~~Table 3.5~~Table 3.5 Distribution of additional households per decile (No. Households) in County Mayo ~~(CSO, NPF, Modified)~~

~~Year~~Decile	2021	2022	2023	2024	2025	2026	2027
1st Decile	42~~63~~	53~~63~~	53~~63~~	53~~63~~	53~~64~~	53~~64~~	53~~56~~
2nd Decile	45~~67~~	57~~68~~	57~~68~~	57~~68~~	57~~68~~	57~~69~~	57~~61~~
3rd Decile	44~~67~~	57~~67~~	57~~67~~	57~~67~~	57~~68~~	57~~68~~	57~~60~~
4th Decile	44~~67~~	57~~67~~	57~~67~~	57~~67~~	57~~68~~	57~~68~~	57~~60~~
5th Decile	43~~65~~	56~~66~~	56~~66~~	56~~66~~	56~~66~~	56~~67~~	56~~59~~
6th Decile	42~~63~~	54~~64~~	54~~64~~	54~~64~~	54~~64~~	54~~65~~	54~~57~~
7th Decile	41~~61~~	52~~62~~	52~~62~~	52~~62~~	52~~62~~	52~~62~~	52~~55~~
8th Decile	41~~61~~	52~~62~~	52~~62~~	52~~62~~	52~~62~~	52~~63~~	52~~55~~
9th Decile	41~~61~~	52~~61~~	52~~62~~	52~~62~~	52~~62~~	52~~62~~	52~~55~~

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[9] CSO (2017) Household Budget Survey 2015-2016 - Table HS029: Households in sample by deciles and year.

10th Decile	41~~61~~	52~~62~~	52~~62~~	52~~62~~	52~~62~~	52~~62~~	52~~55~~
Total	4236~~37~~	5426~~40~~	5426~~42~~	5426~~44~~	5426~~47~~	5426~~49~~	5425~~74~~

3.2.3 Economic Outlook

The local and regional economy is a critical part of the housing market needs and incomes which can impact on demand and supply. In order to understand the longer-term economic outlook for County Mayo, particularly in relation to how household incomes may change over time forecasted growth rates in relation to Gross Domestic Product (GDP) have been considered as described in detail in Appendix 4 3

Further, it should be noted that this Strategy has been prepared during the COVID-19 pandemic which is ongoing at the time of writing and publication. As such, prioritisation in relation to future forecasted GDP growth has been given to those data sources that are reflective of this emerging consensus on economic outlook – as of July 2020. The following GDP growth rates have therefore been applied herein for those reasons as set out in Appendix 3 4:

- **2020:** -9.4% GDP growth (i.e. contraction of the economy) which is the average of the economic forecasts that have been determined from the average of those forecasts from Davys, the ESRI, Central Bank, Department of Finance and European Union that reflect the ongoing COVID-19 pandemic.
- **2021:** 6.4% GDP growth which aligns with the latest Davys, Department of Finance and European Union forecasts (i.e. the only datasets for next year that reflects the ongoing COVID-19 pandemic).
- **2022:** 2.8% GDP growth which aligns with the Department of Finance forecast[10]
- **2023 - 2024:** 2.7% GDP growth which aligns with the Department of Finance forecast[11].
- **2025 onwards:** 2.5% GDP growth which aligns with the Department of Finance forecast.

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[10] This forecast was issued by the Department of Finance in advance of the COVID-19 pandemic; however, it is considered reflective of their anticipated return to pre-pandemic levels of output as set out in the April 2020 document from the Department of Finance.

[11] The LTV limit requires one to have a minimum deposit before you can get a mortgage. First-time buyers are allowed up to 90% LTV, meaning they are required to provide a minimum deposit of 10% upfront for any property.

3.2.4 Income Analysis

Disposable income is the amount of income, after tax is deducted, that is available for spending and saving. It functions as an important measure of housing affordability in an area i.e. the ability of a household to purchase their own home. The weekly and annual disposable incomes at national level from the CSO's Household Budget Survey (from 2015-2016 – i.e. the baseline year that aligns with the Census) have been adjusted to county level based on application of "inflator/deflator" rate. The same methodology was applied separately to the average annual disposable incomes of households to determine mortgage capacity given Central Bank Rules (refer to Section 3.2.5).

The Average Annual Disposable Income for County Mayo from the CSO's Household Budget Survey was €17,650, therefore a county deflator of 0.855 has been applied (on the basis of a national average annual disposable income of €20,638)[12]. The Average Annual Gross income for County Mayo from the CSO's Households Budget Survey was €22,076, therefore a county deflator of 0.813 has been applied (on the basis of a national average annual disposable income of €27,165)[13].

As noted above, disaggregation into ten income segments or 'deciles' has been undertaken to represent the proportion of households in County Mayo within each decile during the survey. Table 3.6Table 3.6 indicates that in 2017 after taxes, about one third of the households in County Mayo (i.e. the first three deciles) have an average annual disposable income of up to €21,050 or the equivalent of €405 per week.

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[12] The measure of price inflation/deflation in an area (i.e. County Mayo in this instance), relative to the national measure at that time.

[13] Section 93 of the Planning and Development Act 2000, defines 'affordability' as "a person who is in need of accommodation and whose income would not be adequate to meet the payments of a mortgage for the purchase of a house to meet his or her accommodation needs because the payments calculated over the course of a year would exceed 35% of that person's annual income net of income tax and pay related social insurance..."

Table 3.Table 3.66 Calculation of Distribution of Weekly and Annual Household Disposable Incomes in County Mayo (Source: CSO, Modified)

Income Range	Average Weekly Disposable Income (State) (€) (2009-2010)	Average Weekly Disposable Income (State) (€) (2015-2016)	Percentage Change from 2009-2010 to 2015-2016	Assumed Annual Percentage Income Increase from 2010 to 2016	Adjusted Average Weekly Disposable Income (State) (€) (2017)	Percentage of Households in Each Category (State)	Average Annual Disposable Income (State) (€) (2017)	Mayo County Deflator	Mayo Average Annual Disposable Income (€) (2017)
1st Decile	188.91	197.40	4.5%	0.90%	199.17	9.83%	10,357.06	0.855	8,857.55
2nd Decile	300.98	324.40	7.8%	1.56%	329.45	10.57%	17,131.32	0.855	14,651.02
3rd Decile	431.28	465.86	8.0%	1.60%	473.33	10.47%	24,613.19	0.855	21,049.65
4th Decile	549.20	593.56	8.1%	1.62%	603.15	10.44%	31,363.73	0.855	26,822.84
5th Decile	669.46	725.85	8.4%	1.68%	738.08	10.25%	38,380.05	0.855	32,823.33
6th Decile	802.56	865.88	7.9%	1.58%	879.54	9.94%	45,736.24	0.855	39,114.48
7th Decile	972.03	1,026.46	5.6%	1.12%	1,037.96	9.62%	53,973.69	0.855	46,159.30
8th Decile	1,183.82	1,215.55	2.7%	0.54%	1,222.07	9.65%	63,547.44	0.855	54,346.95
9th Decile	1,472.66	1,473.25	0.0%	0.01%	1,473.37	9.61%	76,615.14	0.855	65,522.69
10th Decile	2,289.38	2,229.05	-2.6%	-0.53%	2,217.30	9.62%	115,299.70	0.855	98,606.44

To inform the forward projection of affordability in County Mayo during the plan period, the baseline income has been inflated annually using forecasted growth rates in relation to Gross Domestic Product (GDP). The forecasted GDP rates have considered the household disposable incomes for 2016 from the CSO's Household Budget Survey along with historic and the latest forecasted GDP growth rates during the plan period (from the Department of Finance , Central Bank , ESRI and European Union – Refer to Section 3.2.3 for further detail).

Based on ~~the current economic~~an emerging consensus of GDP impacts and outlook from State and sectoral bodies (~~and as described in detail in~~as of July 2020; see Appendix 3~~4,~~), the following rates were applied. The historic GDP growth of 8.2% and 5.5% was considered during 2018 and 2019 respectively whilst 9.4% decline is expected during 2020, followed by 6.4% growth in 2021 and 2.8% GDP growth has been conservatively applied thereafter. The key outputs of this (i.e. the forecasted annual average disposable household income) are shown in ~~Table 3.7~~Table 3.7. A notable difference in average annual disposable incomes across each of the 10 deciles is evident for each year during the plan period.

~~Table 3.~~Table 3.7~~7~~ Average Annual Household Disposable Incomes per decile in County Mayo (Source: CSO, Modified)

Year	2021	2022	2023	2024	2025	2026	2027
% Growth	**6.4%**	**2.8%**	**2.7%**	**2.7%**	**2.5%**	**2.5%**	**2.5%**
1st Decile	9,745	10,018	10,288	10,566	10,830	11,101	11,379
2nd Decile	16,119	16,570	17,018	17,477	17,914	18,362	18,821
3rd Decile	23,159	23,807	24,450	25,110	25,738	26,381	27,041
4th Decile	29,510	30,337	31,156	31,997	32,797	33,617	34,457
5th Decile	36,112	37,123	38,126	39,155	40,134	41,137	42,166
6th Decile	43,034	44,238	45,433	46,660	47,826	49,022	50,247
7th Decile	50,784	52,206	53,616	55,063	56,440	57,851	59,297
8th Decile	59,792	61,466	63,126	64,830	66,451	68,112	69,815
9th Decile	72,088	74,106	76,107	78,162	80,116	82,119	84,172
10th Decile	92,360	94,946	97,509	100,142	102,645	105,212	107,842

It should be noted that the COVID-19 pandemic is also likely to impact on the housing market in terms of house prices and market rental rates. Analysis of the historic information from the Property Price Register and the Rental Tenancies Board has been undertaken to understand local circumstances. This has been described in Section 3.2.5 and 3.2.6 respectively, however it should be noted that the macroeconomic impact of the COVID-19 pandemic has most likely not yet materialised in the local housing market.

Given the context provided and information as outlined above (i.e. Calculation of Average Annual Household Disposable Income Distribution), the incomes have been scaled to provide the monthly (rather than annual) estimates of disposable income per household in each decile as described in ~~Table 3.8~~Table 3.8.

~~Table 3.~~Table 3.8~~8~~ Average Monthly Household Disposable Incomes per decile in County Mayo (Source: CSO, Modified)

Year	2021	2022	2023	2024	2025	2026	2027
1st Decile	812	835	857	881	903	925	948
2nd Decile	1,343	1,381	1,418	1,456	1,493	1,530	1,568
3rd Decile	1,930	1,984	2,037	2,093	2,145	2,198	2,253
4th Decile	2,459	2,528	2,596	2,666	2,733	2,801	2,871
5th Decile	3,009	3,094	3,177	3,263	3,344	3,428	3,514
6th Decile	3,586	3,687	3,786	3,888	3,986	4,085	4,187
7th Decile	4,232	4,351	4,468	4,589	4,703	4,821	4,941
8th Decile	4,983	5,122	5,261	5,403	5,538	5,676	5,818
9th Decile	6,007	6,176	6,342	6,513	6,676	6,843	7,014

10th Decile	7,697	7,912	8,126	8,345	8,554	8,768	8,987

3.2.5 Central Bank Rules and Mortgage Capacity

The Central Bank have put measures in place that set limits on size of mortgages that consumers can borrow to purchase a home. These measures have been set through the use of loan-to-value (LTV)[14] and loan-to-income (LTI)[15] limits. An assumed preference for home ownership over rental has been applied as part of this modelling and assessment of needs. It has therefore been determined whether households could qualify for a mortgage that would enable them to purchase a house in the lowest price band under these rules. The key variables used to determine whether households in a decile can qualify for a mortgage are therefore:

- LTV ratio of 0.90
- a maximum LTI ratio of 3.5; and
- the upper value of the first house price band for that year (as set out in Section 3.2.6).

As such if a household does not have sufficient income to meet the Central Bank rules (i.e. 3.5 times their gross income is less than 90% of the value of purchase a house in the lowest projected price band for that year), they do not qualify for a mortgage that would enable them to purchase a home. ~~Table 3.9~~Table 3.9 describes the mortgage capacity of households on that basis and further detail is provided in Appendix 1~~2~~.

~~Table 3.~~Table 3.9**9 Mortgage Capacity of Households per decile (€) in County Mayo based on Central Bank Rules, red highlighting insufficient gross income to meet these rules (Source: CSO, Central Bank of Ireland, Modified)**

Year	2021	2022	2023	2024	2025	2026	2027
1st Decile	32,505	33,415	34,318	35,244	36,125	37,028	37,954
2nd Decile	54,378	55,901	57,410	58,960	60,434	61,945	63,494
3rd Decile	78,883	81,092	83,282	85,530	87,669	89,860	92,107
4th Decile	103,225	106,116	108,981	111,923	114,721	117,589	120,529
5th Decile	131,206	134,880	138,522	142,262	145,819	149,464	153,201
6th Decile	162,219	166,761	171,264	175,888	180,285	184,792	189,412
7th Decile	198,169	203,718	209,218	214,867	220,238	225,744	231,388
8th Decile	241,653	248,420	255,127	262,015	268,566	275,280	282,162
9th Decile	308,211	316,841	325,395	334,181	342,535	351,099	359,876
10th Decile	505,034	519,175	533,193	547,589	561,279	575,311	589,694

~~Table 3.9~~Table 3.9 indicates that during the plan period, the first decile does not have sufficient gross household income to meet the requirements of the Central Bank rules, see Table 3.10. Specifically, 3.5 times their gross income is less than 90% of the value of purchase a house in the lowest projected price band and hence they do not qualify for a mortgage and progress to private rental. Those households that can qualify for a mortgage progress to the needs assessment for ownership.

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[14] The LTV limit requires one to have a minimum deposit before you can get a mortgage. First-time buyers are allowed up to 90% LTV, meaning they are required to provide a minimum deposit of 10% upfront for any property.
[15] The LTI limit restricts the amount of money one can borrow to a maximum of 3.5 times one's gross income.

3.2.6 Analysis of Historic Ownership Market

This section sets out background information on house price trends in the current market within County Mayo. To ensure the most up to date market context, 2019 has been selected as the baseline year and property transactions as recorded on the Residential Property Price Register during that year have been considered representative to understand house prices and the distribution of housing units per price band.

Table 3.10Table 3.10 sets out the 1,269 transactions that occurred in County Mayo across the eight price bands during 2019. However, it should be noted that a relatively high number of transactions at very low price were evident. for example 49 of those transactions were residential properties that were sold for €25,000 or less.

Table 3.Table 3.1010 House Sales[16] in County Mayo in 2019 (Source: Property Price Register)

Price Band	Number of Transactions	Percent of Transactions
0 – 50,000	**175**	**13.8%**
50,001 – 100,000	**299**	**23.6%**
100,001 – 125,000	**138**	**10.9%**
125,001 – 150,000	**179**	**14.1%**
150,001 – 200,000	**237**	**18.7%**
200,001 – 250,000	**119**	**9.4%**
250,001 – 300,000	**65**	**5.1%**
350,000+	**57**	**4.5%**
Total Transactions	**1,269**	**100%**

It is important to consider how house prices may change over time, particularly fluctuations during the plan period. Specifically, the distribution of the price of units in the housing market during 2010 – 2019 have been reviewed for County Mayo. Following review of information from Daft[17] and the CSO[18] (HPA02, HPM02 and HPA06) which further contextualised the historic market in County Mayo. Table 3.11Table 3.11 sets out the historic information on the housing market in County Mayo.

Table 3.Table 3.1111 Historic House Price Metrics in County Mayo (Source: PPR, CSO, Daft.ie)

Year	RPPR	CSO HPA02	CSO HPM02	CSO HPA06	Daft
2011	-11.9%	-12.5%	-12.58%	-16.70%	-38.3%
2012	-22.9%	-17.3%	-17.61%	-15.50%	-23.4%
2013	1.9%	4.7%	2.66%	-8.20%	-7.5%
2014	-3.1%	1.9%	2.77%	2.50%	4.3%
2015	7.2%	14.6%	16.16%	4.10%	0.6%
2016	-1.1%	1.4%	0.42%	11.50%	14.0%
2017	16.4%	12.1%	11.81%	15.80%	0.4%
2018	1.9%	1.2%	1.98%	14.90%	10.4%
2019	5.1%	4.3%	3.89%	7.60%	-5.1%

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[16] It should be noted that this relates to House Sales that are inclusive of VAT

[17] https://www.daft.ie/report/ronan-lyons-2019q4-dafthouseprice

[18] https://www.cso.ie/en/statistics/prices/residentialpropertypriceindex/ - PPR Data hosted by CSO,
https://statbank.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=HPM02&PLanguage=0
https://statbank.cso.ie/px/pxeirestat/statire/SelectVarVal/Define.asp?Maintable=HPM06&PLanguage=0
https://statbank.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=HPA06&PLanguage=0

Given the context of the recent recession and subsequent periods of growth, the average house price change over the past five years has been used as a basis for future changes in average house price from 2023 onwards (i.e. future baseline). An average of the five-year historic data recorded by the PPR[19], CSO[20] (HPA02, HPM02 and HPA06) and Daft.ie reported statistics was applied as illustrated in Table 3.11Table 3.11. Overall, these future estimations of the dynamics of the housing market in County Mayo are considered reflective of anticipated economic conditions at the time of writing and housing supply generally improving and its associated positive influence on the housing market. It is assumed that a gradual shift towards the composition more commonly seen during 2006-2008 will arise (i.e. incremental year on year change from the lower price bands towards the higher price bands), as shown in Table 3.12.

Table 3.12 Projected distribution of houses by house price bands

Price Band	Annual % Change	2021	2022	2023	2024	2025	2026	2027
0 - 50000	-0.17%	13.4%	13.3%	13.1%	12.9%	12.8%	12.6%	12.4%
50001 - 100000	-0.29%	23.0%	22.7%	22.4%	22.1%	21.8%	21.5%	21.2%
100001 - 125000	0.09%	11.1%	11.1%	11.2%	11.3%	11.4%	11.5%	11.6%
125001 - 150000	0.12%	14.3%	14.5%	14.6%	14.7%	14.8%	14.9%	15.0%
150001 - 200000	0.16%	19.0%	19.1%	19.3%	19.5%	19.6%	19.8%	19.9%
200001 - 250000	0.03%	9.4%	9.5%	9.5%	9.5%	9.6%	9.6%	9.7%
250001 - 300000	0.03%	5.2%	5.2%	5.3%	5.3%	5.3%	5.4%	5.4%
350000+	0.03%	4.6%	4.6%	4.6%	4.7%	4.7%	4.7%	4.8%

It should be noted that the COVID-19 pandemic is also likely to impact on the housing market in terms of house prices and market rental rates as identified in Section 3.2.3. This macroeconomic outlook has therefore been considered in addition to the historic information that has been set out above. As such, an adjusted rate of reduction has been applied in addition to relevant data in relation to the impacts of the COVID-19 pandemic on the housing market.

Recent research[21] estimates how the COVID-19 pandemic may impact on the housing market from 2020 and 2022. For the purpose of this analysis, the 'sluggish' recovery scenario set out by ESRI has been adopted and this indicates a -7%, -17%, and -12% dip below the baseline in 2020, 2021 and 2022 respectively. These impacts have been factored into the estimated change in average house price growth during those years and it is anticipated therefore that the average house prices within County Mayo may change over time as described in Table 3.Table 3.12. Further information in relation to the projected house price bands per year is provided in Appendix 13.

This information has supported the estimation of projected house price bands based on the percentage split of as outlined in Table 3.10Table 3.10. The following, and Table 3.13, are is reflective of the assumed market changes to the end of the plan period including:

- 2020 sees a minor decline of 0.1%.
- 2021 sees a 10.1% decline with a rebound to 5.1% decline in 2022.
- Return to growth that reflects the average historic growth over the last five years (at 6.9%) with gradual conservative reduction applied thereafter throughout the plan period.

Table 3.13 Actual (2015-2019) and Anticipated Change (2020-2027) in Average Prices in the Housing Market (Source: PPR, ESRI, Modified)

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
7.2%	-1.1%	16.4%	1.9%	5.1%	-0.1%	-10.1%	-5.1%	6.9%	6.0%	6.0%	5.0%	4.0%

[19] https://www.cso.ie/en/statistics/prices/residentialpropertypriceindex/ - PPR Data hosted by CSO,
[20] https://statbank.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=HPM02&PLanguage=0
https://statbank.cso.ie/px/pxeirestat/statire/SelectVarVal/Define.asp?Maintable=HPM06&PLanguage=0
https://statbank.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=HPA06&PLanguage=0
[21]https://www.esri.ie/publications/property-prices-and-covid-19-related-administrative-closures-what-are-the-implications

Based on the above, the projected house prices during the plan period have been determined as set out in Table 3.Table 3.14.

Table 3.14 Calculation of projected house price bands during the plan period (Source: PPR baseline)

Year	Average Price Change	1st Band	2nd Band		3rd Band		4th Band		5th Band		6th Band		7th Band		8th Band
2019	-	50,000	50,001	100,000	100,001	125,000	125,001	150,000	150,001	200,000	200,001	250,000	250,001	300,000	300,001
2020	-0.1%	49,932	49,933	99,864	99,865	124,830	124,831	149,796	149,797	199,728	199,729	249,660	249,661	299,592	299,593
2021	-10.1%	44,871	44,872	89,742	89,743	112,177	112,178	134,613	134,614	179,484	179,485	224,355	224,356	269,226	269,227
2022	-5.1%	42,566	42,567	85,133	85,134	106,416	106,417	127,699	127,700	170,266	170,267	212,832	212,833	255,399	255,399
2023	6.9%	45,488	45,489	90,976	90,977	113,721	113,721	136,465	136,466	181,953	181,954	227,441	227,442	272,929	272,930
2024	6.0%	48,218	48,218	96,435	96,436	120,544	120,545	144,653	144,654	192,870	192,871	241,088	241,089	289,305	289,306
2025	6.0%	51,111	51,112	102,221	102,222	127,776	127,777	153,332	153,333	204,442	204,443	255,553	255,554	306,663	306,664
2026	5.0%	53,666	53,667	107,332	107,333	134,165	134,166	160,998	160,999	214,664	214,665	268,331	268,332	321,997	321,998
2027	4.0%	55,813	55,814	111,625	111,627	139,532	139,533	167,438	167,439	223,251	223,252	279,064	279,065	334,876	334,878

3.2.7 Analysis of Historic Private Rental Market

This section sets out background information on rental price and demand by unit type in the current market. To ensure the most up to date market context, 2019 has been selected as the baseline year and rental information as recorded by the Residential Tenancies Board during that year have been considered representative. Information has been extracted for County Mayo. An overview of the market rents during 2019 is provided in Table 3.~~Table 3.1~~5 .

Table 3.15 Private Rental Market Prices in 2019 (Source: RTB)

Year	One bed	Two bed	Three bed	Four plus bed	All bedrooms	YOY change (All)
2019	498	619	640	706	640	7.9%
2018	466	577	590	660	593	6.5%
2017	424	539	557	623	557	4.7%
2016	404	503	535	597	532	3.1%

It should be noted that historic demand by unit type was available for the period 2011 -2019 and analysed to understand specific demand in the private rental market over time. ~~Table 3.1~~6 sets out the varying demand for individual unit types during 2011 – 2019 which is considered reflective of the demand for a unit type within County Mayo and thus has been held fixed to understand future demand per unit type in the private rental market.

~~Table 3.16~~Table 3.16 **Projected Demand by Unit Type in the Private Rental Market (Source: RTB)**

No. Beds	Percent of Units
1 Bed	11.1%
2 Bed	29.1%
3 Bed	37.0%
4+ Bed	22.7%
Total	100.0%

Similar to the house prices, historic information has been considered to forecast future changes in market rents by unit type going forward. Specifically, analysis of the change in average rental price for all bedroom units over the past four years (i.e. 2016 – 2019) has been used as a baseline and in the absence of any rental market specific analysis, the impact and recovery from the COVID pandemic as outlined by ESRI[22] has also been factored in the same manner as the house prices in the ownership analysis.

The following changes in rental prices are therefore used as set out in ~~Table 3.16~~Table 3.17:

- 1.5% decline in 2020.
- 11.5% decline in 2021.
- 6.5% decline in 2022.
- 5.6% growth onwards with a conservative tapering over the plan period.

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[22] Under the assumption that the nature of COVID-19s impact on the housing market effects the rental market alike

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Table 3.17 Projected Rental Prices by Unit Type in County Mayo (Source: RTB, Modified)

Year	Annual Change	One bed	Two bed	Three bed	Four plus bed
2021	-11.5%	686	830	896	915
2022	-6.5%	642	776	838	856
2023	5.6%	677	819	885	904
2024	5.0%	711	860	929	949
2025	5.0%	747	903	976	996
2026	4.0%	776	939	1,015	1,036
2027	4.0%	808	977	1,055	1,078

3.3 Assessment of Needs

3.3.1 Ownership

Housing Affordability is associated with disposable income available to a household which has been determined at the county level as described in detail in Section 3.2.4. Specifically, Section 93 of the Planning and Development Act 2000, defines affordability by setting the parameters for an 'eligible person' as:

"a person who is in need of accommodation and whose income would not be adequate to meet the payments of a mortgage for the purchase of a house to meet his or her accommodation needs because the payments calculated over the course of a year would exceed 35% of that person's annual income net of income tax and pay related social insurance...".

It therefore is generally accepted that if housing costs exceed 35 per cent of a household's disposable income, the housing is unaffordable as housing costs consume a disproportionately high amount of household income. Based on this information, we have calculated the number of households not meeting the 'Affordability Criteria'.

The projections for household income during the plan period are applied to the DoECLG Model Housing Strategy annuity formula as set out in Table 3.18Table 3.17. This formula determines the maximum affordable house price for each of the ten income deciles based on a number of evidence-based variables that have been established through analysis of historic mortgage data from the Central Bank of Ireland. The key variables used in the annuity formula include an affordability threshold of a maximum of 35% expenditure of household income on mortgage costs, a loan to value ratio of 0.90, an annual interest rate (APR) of 3%, and a loan term of 29 years.

Table 3.18 Approximate Affordable House Price per decile in Mayo County (Source: CSO, Modified)

Year	2021	2022	2023	2024	2025	2026	2027
1st Decile	73,343	75,397	77,433	79,523	81,511	83,549	85,638
2nd Decile	121,315	124,712	128,079	131,537	134,825	138,196	141,651
3rd Decile	174,297	179,178	184,016	188,984	193,709	198,551	203,515
4th Decile	222,101	228,320	234,485	240,816	246,836	253,007	259,332
5th Decile	271,787	279,397	286,941	294,688	302,055	309,607	317,347
6th Decile	323,880	332,948	341,938	351,170	359,949	368,948	378,172
7th Decile	382,213	392,915	403,523	414,419	424,779	435,399	446,283
8th Decile	450,009	462,609	475,100	487,927	500,125	512,629	525,444
9th Decile	542,547	557,739	572,798	588,263	602,970	618,044	633,495
10th Decile	695,117	714,580	733,874	753,689	772,531	791,844	811,640

Based on the determination of additional households required (Refer to Section 3.2.2), the projected house price bands (i.e. Table 3.Table 3.14), the determination of households that can qualify for a mortgage (Refer to appendix 12, Table 2.2) and the calculation of housing affordability (Refer to Table 3.18 Table 3.17), the housing surplus/deficit per price band has been determined as set out in Table 3.19.

A surplus within a price band has been identified where the number of housing units anticipated is greater than the number of households that qualify for a mortgage and have the ability to purchase a home at the upper value of that house price band. A deficit has been identified within a price band where there is fewer households anticipated compared to the number of households that qualify for a mortgage and have the ability to purchase a home at the upper value of that house price band.

Throughout the plan period, there is generally a housing surplus in the lower price bands and housing deficit in the higher price bands as identified in Table 3.19. A sufficient number of houses are anticipated overall as households in the upper price bands can purchase a house in a lower price band. Additionally, the first decile will not qualify for a mortgage (due to the current Central Bank rules), therefore there will be sufficient number of houses within County Mayo to those households that qualify for a mortgage and have the ability to purchase a home at the upper value of the lowest house price band.

Table 3.19Table 3.19 **Determination of Mortgage Qualification for Households in County Mayo for the plan period (Source: CSO, Modified)**

Year	Range	No. of Additional Anticipated Households That Qualify for a Mortgage	Running Total	Affordability Threshold	Household Price Band(s)	Upper Value of Price Band	No. of Households That Qualify for a Mortgage Able to Purchase at Upper Value	% of Housing Units Anticipated per Price Band	No. Housing Units Anticipated per Price Band	Housing Surplus (+) or Deficit (-) per Price Band
2021	1st Decile	00	00	73,343	1st Band, 2nd Band	89,742	3350	36.4%	139209	106159
	2nd Decile	4567	4567	121,315	3rd Band, 4th Band	134,613	3654	25.4%	97146	6192
	3rd Decile	4467	89134	174,297	5th Band	179,484	3959	19.0%	72109	3451
	4th Decile	4467	133201	222,101	6th Band	224,355	3857	9.4%	3654	-2-3
	5th Decile	4365	177266	271,787	7th Band, 8th Band	None	None	9.8%	3756	--
	6th Decile	4263	219329	323,880						
	7th Decile	4161	259391	382,213						
	8th Decile	4161	300452	450,009						
	9th Decile	4161	341513	542,547						
	10th Decile	4161	381575	695,117						
		381 of 423575						100.00%	381 of 423575	199299
2022	1st Decile	00	00	75,397	1st Band, 2nd Band	85,133	3946	36.0%	176207	137161
	2nd Decile	5768	5768	124,712	3rd Band, 4th Band	127,699	4250	25.6%	125148	8398
	3rd Decile	5767	114135	179,178	5th Band, 6th Band	212,832	7892	28.6%	140165	6273
	4th Decile	5767	171201	228,320	7th Band	255,399	4856	5.2%	2630	-22-26
	5th Decile	5666	226267	279,397	8th Band	None	None	4.6%	2226	--
	6th Decile	5464	280330	332,948						
	7th Decile	5262	332392	392,915						
	8th Decile	5262	385454	462,609						
	9th Decile	5261	437515	557,739						
	10th Decile	5262	489577	714,580						
		489 of 542577						100.00%	489 of 542577	260306

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Year	Decile				Band			%		
2023	1st Decile	00	00	77,433	1st Band, 2nd Band	90,976	4148	35.5%	173205	133157
	2nd Decile	5768	5768	128,079	3rd Band, 4th Band	136,465	4452	25.8%	126149	8297
	3rd Decile	5767	114135	184,016	5th Band, 6th Band	227,441	8196	28.8%	141167	6071
	4th Decile	5767	171202	234,485	7th Band	272,929	5059	5.3%	2630	-24-28
	5th Decile	5666	226268	286,941	8th Band	None	None	4.6%	2327	--
	6th Decile	5464	280332	341,938						
	7th Decile	5262	332393	403,523						
	8th Decile	5262	385455	475,100						
	9th Decile	5262	437517	572,798						
	10th Decile	5262	489579	733,874						
		489 of 542579						100.00%	489 of 542579	251297
2024	1st Decile	00	00	79,523	1st Band, 2nd Band	96,435	4250	35.0%	171203	129154
	2nd Decile	5768	5768	131,537	3rd Band, 4th Band	144,653	4554	26.0%	127151	8297
	3rd Decile	5767	114136	188,984	5th Band	192,870	4959	19.5%	95113	4654
	4th Decile	5767	171203	240,816	6th Band	241,088	4858	9.5%	4755	-2-2
	5th Decile	5666	226269	294,688	7th Band, 8th Band	None	None	10.0%	4958	--
	6th Decile	5464	280333	351,170						
	7th Decile	5262	332395	414,419						
	8th Decile	5262	385457	487,927						
	9th Decile	5262	437519	588,263						
	10th Decile	5262	489581	753,689						
		489 of 542581						100.00%	489 of 542581	255303

Year	Decile				Band					
2025	1st Decile	00	00	81,511	1st Band, 2nd Band	102,221	4352	34.6%	169201	125150
	2nd Decile	5768	5768	134,825	3rd Band, 4th Band	153,332	4756	26.2%	128153	8197
	3rd Decile	5768	114136	193,709	5th Band	204,442	5161	19.6%	96114	4553
	4th Decile	5768	171204	246,836	6th Band	255,553	5060	9.6%	4756	-3-4
	5th Decile	5666	226270	302,055	7th Band	306,663	4756	5.3%	2631	-21-25
	6th Decile	5464	280334	359,949	8th Band	None	None	4.7%	2327	--
	7th Decile	5262	332396	424,779						
	8th Decile	5262	385459	500,125						
	9th Decile	5262	437521	602,970						
	10th Decile	5262	489583	772,531						
		489 of 542583						**100.00%**	**489 of 542583**	**227271**
2026	1st Decile	00	00	83,549	1st Band, 2nd Band	107,332	4553	34.1%	167200	122146
	2nd Decile	5769	5769	138,196	3rd Band, 4th Band	160,998	4857	26.4%	129155	8197
	3rd Decile	5768	114137	198,551	5th Band	214,664	5263	19.8%	97116	4453
	4th Decile	5768	171204	253,007	6th Band	268,331	5161	9.6%	4756	-4-5
	5th Decile	5667	226271	309,607	7th Band	321,997	4858	5.4%	2631	-22-27
	6th Decile	5465	280335	368,948	8th Band	None	None	4.7%	2328	--
	7th Decile	5262	332398	435,399						
	8th Decile	5263	385461	512,629						
	9th Decile	5262	437523	618,044						
	10th Decile	5262	489585	791,844						
		489 of 542585						**100.00%**	**489 of 542585**	**221264**

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2027	1st Decile	0~~0~~	0~~0~~	85,638	1st Band, 2nd Band	111,625	45~~48~~	33.6%	164~~174~~	119~~126~~
	2nd Decile	57~~61~~	57~~61~~	141,651	3rd Band, 4th Band	167,438	49~~52~~	26.6%	130~~138~~	82~~86~~
	3rd Decile	57~~60~~	114~~121~~	203,515	5th Band	223,251	53~~56~~	19.9%	97~~103~~	44~~47~~
	4th Decile	57~~60~~	171~~181~~	259,332	6th Band	279,064	52~~55~~	9.7%	47~~50~~	-5~~-5~~
	5th Decile	56~~59~~	226~~239~~	317,347	7th Band	334,876	49~~52~~	5.4%	26~~28~~	-23~~-24~~
	6th Decile	54~~57~~	280~~297~~	378,172	8th Band	None	None	4.8%	23~~25~~	-~~-~~
	7th Decile	52~~55~~	332~~352~~	446,283						
	8th Decile	52~~55~~	385~~407~~	525,444						
	9th Decile	52~~55~~	437~~462~~	633,495						
	10th Decile	52~~55~~	489~~517~~	811,640						
		489 of 542~~517~~						**100.00%**	**489 of 542~~517~~**	**217~~230~~**

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3.3.2 Private Rental

Analysis of affordability in relation to private rental has been undertaken in order to ensure a comprehensive understanding of the housing market and to ensure alignment with the NPF. The key variables used to determine whether households in a decile can qualify for a private rental for a specific unit are:

- Disposable income per decile throughout the plan period as described in Section 3.2.4.
- Projected market rents per unit type as set out in Section 3.2.6.
- Additionally, the demand for a particular unit type (as set out in Section 3.2.6) has been factored to estimate what type of unit the additional anticipated households are more likely to prefer to rent.

As such if a household does not have sufficient income to meet the private rental rates for a unit in a given year (i.e. 35% of their disposable income is less than average market rent), they cannot afford the rent ~~by themselves~~sustainably. Given that those households who do not qualify for a mortgage also cannot afford private rent, these households require social housing supports. An overview of those that cannot afford private rental is provided in ~~Table 3.19~~Table 3.20, with further information per decile per unit provided in Appendix 2 ~~3~~.

Table 3.20 Number of additional anticipated households that do not qualify for a mortgage and cannot afford private rental (based on RTB Demand allocation by Unit Type) (Source: RTB, CSO, Modified)

~~Year~~Type	2021	2022	2023	2024	2025	2026	2027
1 Bed	5~~7~~	6~~7~~	6~~7~~	6~~7~~	6~~7~~	6~~7~~	6~~6~~
2 Bed	12~~18~~	16~~18~~	16~~18~~	16~~18~~	16~~19~~	16~~19~~	16~~16~~
3 Bed	15~~23~~	20~~23~~	20~~23~~	20~~23~~	20~~24~~	20~~24~~	20~~21~~
4+ Bed	9~~14~~	12~~14~~	12~~14~~	12~~14~~	12~~14~~	12~~14~~	12~~13~~
Total	42~~63~~	53~~63~~	53~~63~~	53~~63~~	53~~64~~	53~~64~~	53~~56~~

3.3.3 Summary of Projected Needs during the Plan Period

This section summarises the overall housing requirements for County Mayo having regard to the analysis that has been undertaken as described in detail in Section 4.2 and 4.3.

Between 2021 and 2027, a population increase of 8,197 people is projected for County Mayo. This indicates that the total population in County Mayo will be 145,700 people by 2027 as set out in Section 3.2.

The population targets for this plan period establishes a total housing target of ~~4,433~~3,252 additional anticipated households between Q1 2022 and Q4 2027~~during 2021 – 2027~~ for County Mayo. This is the equivalent of an average of ~~633~~542 units per annum across County Mayo during the plan period. This will result in a total of ~~56,860~~53,849 households in County Mayo by Q4 2027 as set out in Section 3.2.2.

The anticipated social housing need for Mayo County Council as set out in the preceding steps, reflects the assessments for mortgage qualification and the affordability for ownership and private rental. The social (and affordable) housing requirement within County Mayo throughout the plan period is equivalent to those that do not qualify for a mortgage and those that cannot afford private rental, which is equivalent to 9.8% of the total of additional households in County Mayo across the plan period. ~~during 2021 – 2027.~~

This is the identified social (and affordable) housing requirement for the plan period (320 households) which has been summarised in ~~Table 3.2~~1 and Figure 3.1. It should be noted that all of the households that do not qualify for a mortgage also can't afford private rental.

Table 3.21Table 3.21 Summary of Anticipated Additional Households and Requirements for the Plan Period

	2021	2022	2023	2024	2025	2026	2027	2021-2027Q1 2022 – Q4 2027
No. of Additional Anticipated Households	423637	542640	542642	542644	542647	542649	542574	3,2524,433
No. of Additional Households That Do Not Qualify for a Mortgage	4263	5363	5363	5363	5364	5364	5356	320436
No. of Additional Anticipated Households That Do Not Qualify for a Mortgage and Cannot Afford Private Rental	4263	5363	5363	5363	5364	5364	5356	320436
Housing Shortfall (%)	9.8%9.8%	9.8%9.8%	9.8%9.8%	9.8%9.8%	9.8%9.8%	9.8%9.8%	9.8%9.8%	9.8%

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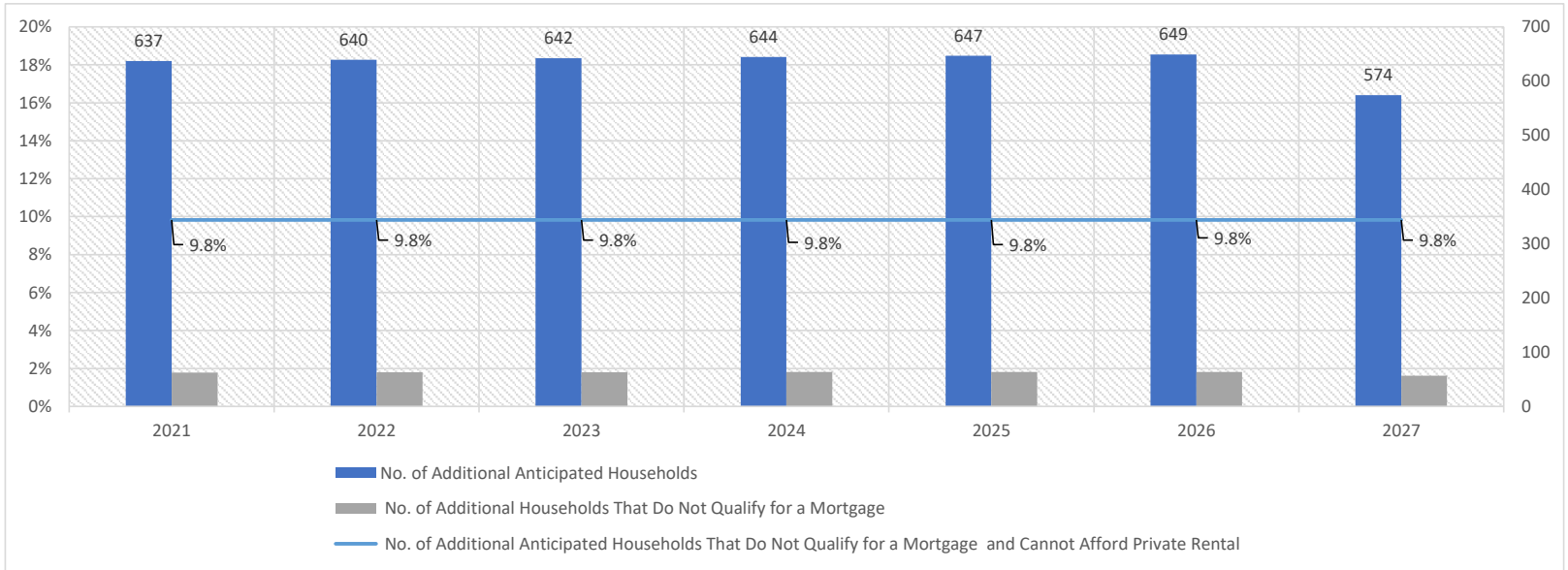Formatted: Font: Bold
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Figure 3.1 Summary of Mayo County Social (and Affordable) Housing Needs throughout the plan period

Legend:
- No. of Additional Anticipated Households
- No. of Additional Households That Do Not Qualify for a Mortgage
- No. of Additional Anticipated Households That Do Not Qualify for a Mortgage and Cannot Afford Private Rental
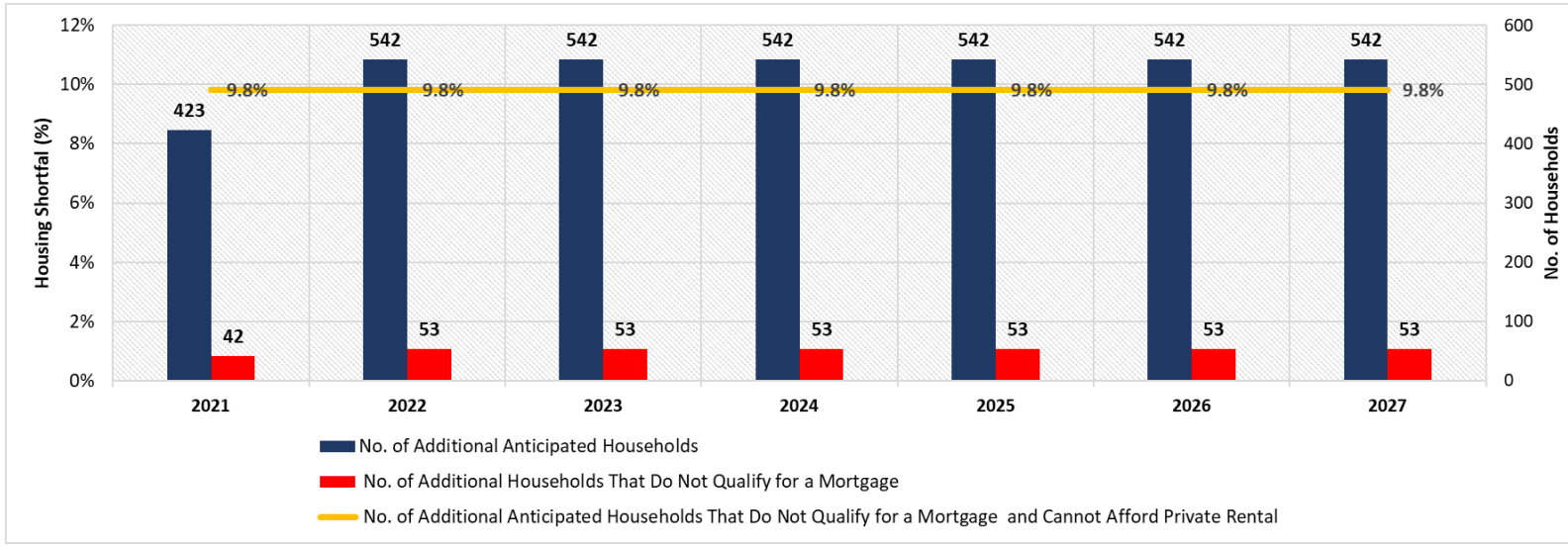
3.4 HNDA Components

3.4.1 Household Composition

As set out in Section 6.6 of the NPF, information on household composition and projections in relation to household size are informative evidence inputs that can assist with understanding stock profile pressures and can inform the dwelling types which may be best suited to consider. Analysis of the historic household sizes (i.e. household size cohort per household from the historic Censuses) has therefore been undertaken to help discern and forecast how the composition of households may change during the plan period.

Analysis of historic information (i.e. during the 2002, 2006, 2011 and 2016 Census) in relation to the composition of households in County Mayo has been undertaken to understand these dynamics and estimate how they may change over time and throughout the plan period. Specifically, the intercensal average has been used to determine a trended annual average change in household composition and this indicates the following changes can be anticipated during the plan period:

- 1 person households will increase by an average of 0.18% annually
- 2 person households will increase by an average of 0.25% annually
- 3 person households will decrease by an average of -0.02% annually
- 4 person households will decrease by an average of -0.07% annually
- 5+ person households will decrease by an average of -0.33% annually

Figure 3.2Figure 3.2 and

Table 3.22 indicates the estimated proportion and number of households by size during the plan period.

Figure 3.2 Forecasted Household Size Cohort in County Mayo during the plan period (Source: CSO, projected)

Table 3.22Table 3.22 **Household Size Cohort Forecasts for Additional Anticipated Households in County Mayo during the plan period (Source: CSO, projected)**

Total Additional Anticipated Households	2021	2022	2023	2024	2025	2026	2027
1-person household	122184	157186	158188	159189	160191	161193	162172
2-person household	130196	168198	169201	171203	172205	173208	175185
3-person household	6598	8398	8398	8398	8399	8299	8287
4-person household	5888	7488	7487	7387	7387	7387	7276

5+ person household	4872	5970	5868	5666	5465	5263	5053
Total	423637	542640	542642	542644	542647	542649	542574

3.4.2 Household Tenure

Tenure is another important consideration for the delivery of housing and Section 6.6 of the NPF identifies the need to estimate the demand for different tenure types. Analysis of the historic tenure split has therefore been undertaken to help discern and forecast how the household tenure may change during the plan period.

Analysis of historic information (i.e. during the 2002, 2006, 2011 and 2016 Census) in relation to the household tenure in County Mayo has been undertaken to understand these dynamics and estimate how they may change over time and throughout the plan period. Specifically, the intercensal average has been used to determine a trended annual average change in household tenure.

Historic data indicates the intercensal observed change between 2002-2016 and an annual average change applied forward for the plan period as a continuation of trends was applied. The following changes can be anticipated during the plan period:

- Annual average change of -0.48% in owner occupied households
- Annual average change of 0.38% in privately rented households
- Annual average change of 0.11% in other rented households

The applied changes for the additional anticipated households are indicated in

Table 3.Table 3.22 and Figure 3.3Figure 3.3

Figure 3.3 Household Tenure Forecasts for Households in County Mayo during plan period (Source: CSO, projected)

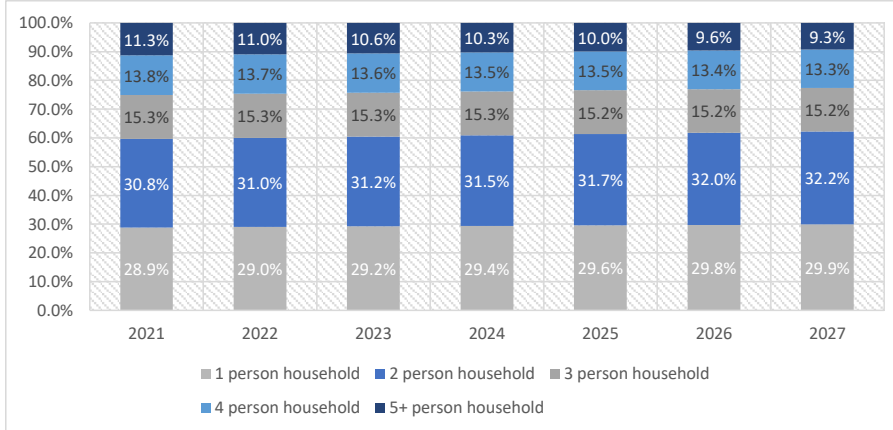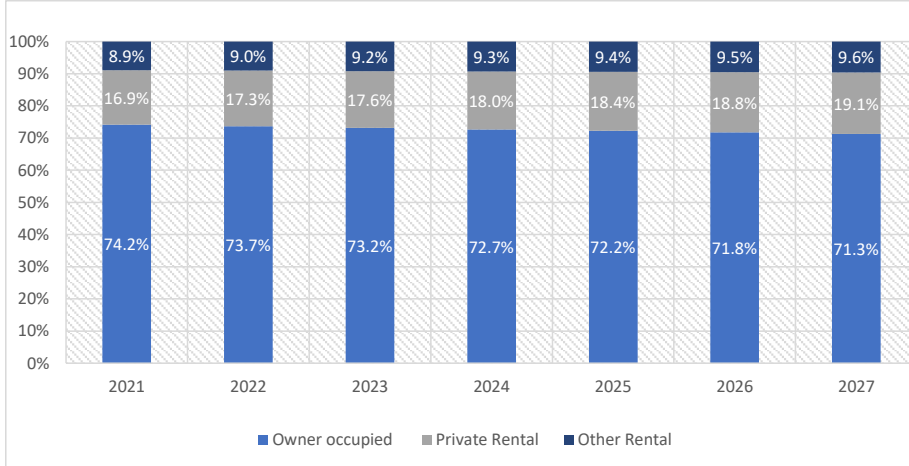
Table 3.23 Household Tenure Forecasts for Additional Anticipated Households in County Mayo during plan period (Source: CSO, projected)

No. of Additional Anticipated Households	2021	2022	2023	2024	2025	2026	2027
Owner occupied	314473	399471	397470	394469	392467	389466	386409
Private Rental	71108	94110	96113	98116	100119	102122	104110
Other Rental	3857	4958	5059	5060	5161	5161	5255
Total	423637	542640	542642	542644	542647	542649	542574

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3.4.3 Single Rural Dwellings

Analysis of historic information (i.e. during 2006 – 2019) on granted planning applications (by number of units) in County Mayo has been undertaken. This helps understand the proportion of housing units that are single rural dwellings that have been approved during that period and provides an indication of the dynamics between the urban and rural housing market within the county.

As outlined in Table 3.0.1Table 3.23, approximately 27.8% of granted units during that period were for single rural dwellings. This equates to an average of 54.7% per year, owing to the large fluctuations were evident throughout the years as illustrated in Figure 3.4Figure 3.4. Therefore, the trajectory for future applications should be moderated with this in mind. It should be noted that whilst these are granted planning applications (by unit), **this does not equate to a housing unit which has been built.**

These fluctuations may be associated with the wider economic context, associated demands for particular dwelling type or locational preferences within the housing market as well as variables such as land availability, resource availability and/or demands in any given year. Generally, it is recognised that a single rural dwelling is sized according to what the applicants can afford to build along with their actual requirements. Analysis has determined that the average floor size for single rural dwellings for this period is 268.47 m^2, as set out in Table 3.0.2Table 3.25.

Figure 3.4 Analysis of Historic Granted Planning Applications (in Units) for Single Rural Dwellings in County Mayo (Source: CSO[23], Modified)

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[23] CSO (2020) Tables BHQ02 and Table BHQ12 – Planning Permissions Granted for New Houses and Apartments by Type of Dwelling, Region and County, Quarter and Statistic. Available from: https://statbank.cso.ie/px/pxeirestat/Database/eirestat/Planning%20Permissions/Planning%20Permissions_statbank.asp?sp=Planning%20Permissions&Planguage=0&ProductID=DB_BH

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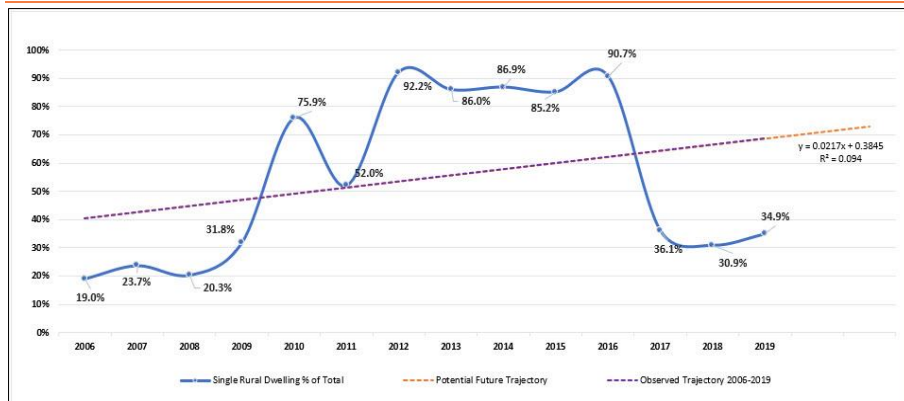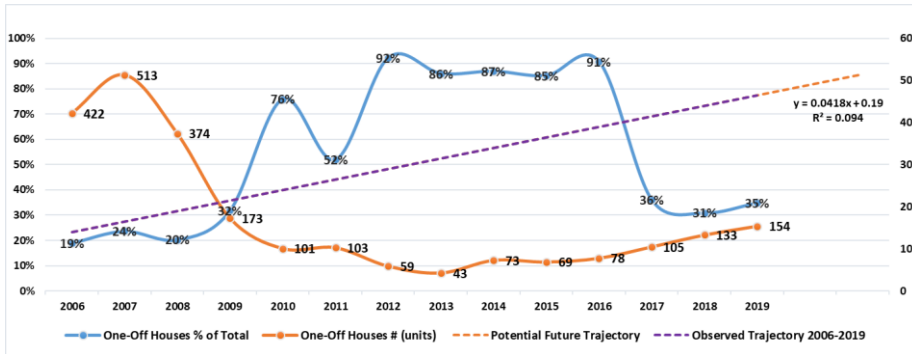
Table 3.0.11324 Analysis of Historic Granted Planning Applications (in Units) for Single Rural Dwellings in County Mayo (Source: CSO23[23])

Granted Planning Applications	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total	Average
Houses and Apartments #	1,799	1,652	1,466	371	32	95	5	7	11	12	8	186	297	287	6,228	
Single Rural Dwelling #	422	513	374	173	101	103	59	43	73	69	78	105	133	154	2,400	
Houses and Apartments %	81.0%	76.3%	79.7%	68.2%	24.1%	48.0%	7.8%	14.0%	13.1%	14.8%	9.3%	63.9%	69.1%	65.1%	72.2%	**45.31%**
Single Rural Dwelling %	19.0%	23.7%	20.3%	31.8%	75.9%	52.0%	92.2%	86.0%	86.9%	85.2%	90.7%	36.1%	30.9%	34.9%	27.8%	**54.69%**
Total #	2,221	2,165	1,840	544	133	198	64	50	84	81	86	291	430	441	8,628	

[23]

Table 3.0.21425 Analysis of Floor Size of Granted Planning Applications for Single Rural Dwellings in County Mayo (Source: CSO[2323])

Granted Planning Applications	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Average
Average floor size (m²)	246.05	256.83	264.10	272.00	262.48	268.08	268.90	273.60	294.88	265.55	274.68	268.10	273.60	269.70	**268.47**

3.5 Conclusion

Over the plan period, Between 2021 and 2027, this Strategy forecasts a population increase of 8,197 in County Mayo. This in turn indicates a total projected population of 145,700 by end of in 2027.

Based on the application of the Housing Supply Target methodology for County Mayo, there will be This in turn indicates a total projected population of 145,700 in 2027 and a total estimated housing requirement for Mayo of 4,4333,252 units additional anticipated households over the plan period (Q1 20212022 - Q420272027 inclusive), the equivalent of 633 542 units additional households per annum.

It has been determined that 463 320 of the 4,4333,252 additional anticipated households will not qualify for a mortgage during the plan period. Additionally, these 463 320 households will not meet the affordability criteria for private rental. Households which are identified as not qualifying for a mortgage and not being able to meet the 'Affordability Criteria' over the plan period are therefore considered to require social (and affordable) housing. This equates to an average of 9.8% of the additional anticipated households or the identified social requirement throughout the plan period is 463 320 units.

Analysis of both average household size and the distribution of persons per household indicate a marked decline in household size over historic intercensal periods which is likely to continue going forward. Noting that the requirementadditional anticipated number of households (2,2603,252 units) will be for decreasing household sizes through the duration of the plan period, we have set out a potential breakdown in future size requirements which can inform dwelling types.

Furthermore, tenure statistics indicate a shift from owner-occupied households (averaging a 2.4% decline over the previous three intercensal periods) towards privately rented and 'other' rented households (which have grown by an average of 1.9% and 0.5% respectively over the same period). This shift from traditionally owner-occupied households to rented households has been observed throughout the country with particular significance in cities and counties with a high urban population[24].

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[24] Outside of Cities and Dublin, Mayo has the highest urban proportion of population as defined by the CSO aggregate Town Area population in 2011 at 64.4% urban and 35.6% rural. Source:
https://statbank.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=CD101&PLanguage=0#

4.0 Meeting Housing Requirements in Mayo

4.1 Overview

This section succinctly summarises the overall housing requirements for the county having regard to the supply and demand analysis outputs discussed in previous sections.

Between 2021 and 2027, this This Strategy forecasts a population increase of 8,197 in County Mayo over the plan period. This in turn indicates a total projected population of 145,700 in 2027 and a total estimated housing requirement for Mayo of 4,433 units over the plan period 2021-2027, the equivalent of 633 units per annum.

Based on the application of the Housing Supply Target methodology for County Mayo, there will be xxx3,252 additional anticipated households over the plan period anticipated to cover approximately Q1Q41 20212 – Q34 2027 inclusive. This is the equivalent of an average of xxx542 additional households per annum.

It has been determined that 463 320 of the 4,4333,252 additional anticipated households will not qualify for a mortgage during the plan period. It should be noted that all of the households that do not qualify for a mortgage also can't afford private rental. Thus, the social (and affordable) housing requirement within County Mayo throughout the plan period is equivalent to those that do not qualify for a mortgage and those that cannot afford private rental. This equates to 9.8% of the total of additional anticipated households in County Mayo during 2021 - 2027.

Section 93 of the Planning and Development Act 2000, defines 'affordability' as "a person who is in need of accommodation and whose income would not be adequate to meet the payments of a mortgage for the purchase of a house to meet his or her accommodation needs because the payments calculated over the course of a year would exceed 35% of that person's annual income net of income tax and pay related social insurance..." This has been applied within this analysis and informs the determination of the social requirement for the plan period. The following sections set out specific analysis around social housing supply and demand in County Mayo.

4.2 Social Housing Supply and Demand

4.2.1 Existing Social Housing Needs

The Social Housing Support Need Analysis identifies the net social housing need (exclusive of applicants on a transfer list or those availing of HAP) of County Mayo. As of December 2019, and as reported by the Housing Agency, 1,205 households were on the social housing waiting list in County Mayo[25].

A further update was reported by Mayo County Council in April 2020, as below. Exclusive of applicants on a transfer list or those availing of HAP, a total of 1,311 households were on the social housing waiting list. 75% of applicants require 1 or 2 bed accommodation, and almost 38% of applicants related to the Castlebar area.

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[25] https://www.housingagency.ie/sites/default/files/SHA-Summary-2019-DEC-2019-WEB.pdf

Table 4.1: Social Housing Needs, April 2020

Area	Social Housing Waiting List
Castlebar	494
Claremorris	274
Ballina	313
West Mayo	230
Total Waiting List	1311

4.2.2 Meeting Social Housing Demand

Social Housing support in Mayo is administered by the Housing Department of Mayo County Council in the following ways:

1. **A social rented tenancy in property owned and managed by the local authority and a tenancy in a property the local authority is managing or has leased from a private property owner.** These can include:
   - Mayo County Council Construction Projects.
   - Provision of Social Housing under Part V of the Planning and Development Acts 2000: While the provision of social housing via traditional Part V mechanism will continue to play a role in the delivery of social housing in Co. Mayo, other delivery channels for social housing are likely to be more significant in terms of their potential to contribute to the social housing targets set out. The statutory context for the provision of social and affordable housing has changed under the Urban Regeneration and Housing Act 2015. The amendments include that there will be a requirement for up to 10% social housing in developments in excess of 9 units. The use of cash payments in lieu of social housing provision is no longer allowed. Provision is made for the transfer of completed units on other land not subject to the planning permission to be provided. Provision is also made for the Part V obligation to be fulfilled by developers through long term leasing of properties and rental accommodation availability agreements.
   - Portfolio Acquisitions: Suitable portfolios of vacant properties can be acquired from financial institutions and investors.
   - Acquisitions: This is the purchase by Mayo County Council of a second-hand house on the open market.
   - Buy and Renew: Under this scheme Mayo County Council can buy sub-standard properties, which have been vacant for over a year, refurbish them and bring them back into use through the Council's housing stock. The purchase cost plus the cost of refurbishment can't exceed what a comparable property would attain on the private market. This initiative, which complements the Repair & Leasing Scheme, is designed to assist local authorities and AHBs (Approved Housing Bodies) to harness the accommodation potential that exists in certain vacant properties for social housing use.
   - Turnkeys: Mayo County Council buy a new house/houses from a developer, ready for a tenant to move into.

2. **A social rented tenancy in property owned and managed by an approved housing body (AHB).** AHB's provide social housing and are formed for the purpose of relieving housing need and the provision and management of housing. They are established by a voluntary management board to benefit the community in which they are based and are approved and funded by the Department of Housing, Planning and Local Government. Housing cooperatives can provide both social rented housing and housing to purchase. Housing cooperatives are self-help and jointly owned member/user housing associations or societies. Projects undertaken may be in response to the needs of ~~the elderly~~older people, people with disabilities, homeless persons or families and single people on low incomes. Some housing associations may be formed to specialise in meeting a particular housing need, others develop with broader aims. The specific housing services offered will depend on the aims or concerns of the members, the needs of tenants as well as the

financial and other resources available for both capital costs and ongoing management running costs. As of April 2020, AHB's in Mayo provide 884 properties.

3. **Mayo County Council also provides accommodation specifically for Travellers and for people with specific housing needs such as people with disabilities and the homeless.** Delivery programmes responding to specific needs include the following:

- Refugee Resettlement Programme: Under the Refugee Resettlement refugees are being allocated social housing in Mayo. The families are part of approximately 4,000 people which the government has committed to receiving through the Irish Refugee Protection Programme. County Councils will continue to work with Central Government and relevant State Agencies Office in responding to its requirements to support refugees as they undergo their resettlement process in Co. Mayo.

- Traveller Accommodation Plan: Under the provisions of the Housing Traveller Accommodation Act 1998, Mayo Local Authorities are required to prepare, adopt and implement a Traveller Accommodation Programme (TAP) to meet the accommodation needs of the county's indigenous Traveller community. The current Traveller Accommodation Programme sets out the strategy for provision of Traveller accommodation and support services over a five-year period from 2019-2024.

Over the Period of the Programme 2014 - 2018 a total of 124 families been accommodated with the support of Mayo County Council. 47 families have been accommodated in Local Authority dwellings, 13 families have been accommodated through Mayo County Council's Rental Accommodation Scheme (RAS), and 10 families have been accommodated through voluntary bodies. A total now of 33 and a further 54 families have been accommodated through HAP and Private rented that were assisted by Mayo County Council Traveller Accommodation Liaison Officers.

The 2018 current traveller specific accommodation in Mayo is as described in Table 5.2 Table 4.2 below:

Table 4.2: Breakdown of Traveller Accommodation in County Mayo (2018 20)

Municipal Districts	L.A.	Local Authority Group Scheme + L.A. Halting Site	RAS / SOCIAL Leasing initiative	Private Rented / H.A.P.	Voluntary Groups	Privately Owned	Sharing	Unauthorised Encampments/ Private Yards	Totals Number of families on date of count
Ballina	42	2	14	29	29	29	7	9	161
Castlebar	26	8	5	35	3	4	5	6	92
Claremorris	47	7	1	44	0	14	9	18	140
West Mayo	8	0	1	1	0	0	1	1	12
Totals	**123**	**17**	**21**	**109**	**32**	**47**	**22**	**34**	**405**

The targets and projections of the Traveller Accommodation Plan 2019 - 2024 are based on the Assessment of Need carried out on 11 June 2018. The Programme states that at present, all Traveller Families who meet the criteria of the current Traveller Accommodation Programme have indicated their preference for accommodation in either Standard Housing or in specifically designed Group Housing. Only one family in County Mayo has indicated a preference for Halting Site Accommodation.

Accommodation is provided for Members of the Travelling Community throughout County Mayo through five principle methods;

- Privately owned and financed
- Local Authority developed accommodation
- Private Rented accommodation / HAP
- Rental Accommodation Scheme accommodation
- Accommodation developed by Voluntary Groups.

It is the intention of Mayo County Council to use all of these methods of accommodation to reach the projected targets for additional units of accommodation required in the period 2019 - 2024. Table ~~XX~~ 4.3 hereunder outlines the proportion of accommodation to be provided by each method.~~.~~

~~Table 4.3:~~

Table 4.3: Projected Target over Traveller Accommodation Programme 2019-2024

Year	New Build/ Acquistion	Casual Vacancies	Private Rented/H.A.P	RAS/Leasing	Vol. Groups & Other	Total
2019	2	4	5	1	1	13
2020	8	4	5	2	1	20
2021	8	4	5	2	1	20
2022	8	4	5	2	1	20
2023	3	4	5	2	1	15
2024	2	3	6	1	0	12
5 Year Programme	31	23	31	10	5	100

The basis for projected need is outlined in ~~table~~ Table 4.4 below:

Table 4.4: Basis of projected accommodation needs in County Mayo

Municipal Districts	Location				Projected Target Over
		Roadside	Private rented & Sharing	Projected Need (Coming of Age)	T.A.P 2019 - 24
Ballina	Ballina	9	7	13	29
Castlebar	Castlebar	6	5	19	30

Claremorris	Claremorris	3	1	1	5
	Ballinrobe	2	2	2	6
	Ballyhaunis	1	2	3	6
Swinford	Swinford	4	0	0	4
	Kilkelly	0	0	0	0
	Kiltimagh		1		1
	Charlestown	8	3	3	14
	Foxford	0	0	0	0
Westport/ Belmullet	Westport	1	1	3	5
TOTAL		**34**	**22**	**44**	**100**

4. **A tenancy where the local authority arranges short or long-term leases with private landlords for particular properties. (People in receipt of rent supplement for 18 months or longer are eligible to apply for this type of accommodation).**

- The HAP Scheme: The Housing Assistance Payment (HAP) is a scheme under the Housing Miscellaneous Provisions Act 2014 for people who have a long-term housing need and who quality for social housing support. It is administered by housing authorities and will eventually replace long-term rent supplement. The HAP scheme aims to allow all social housing supports to be accessed through the local authorities and to enable people to take up full-time employment and keep their housing support. Under the scheme the housing applicant finds appropriate private rented accommodation (within specific caps). The Local Authority then pays the landlord directly and the tenant pays a rent to the local authority based on the differential rent scheme.

- RAS (Rental Accommodation Scheme): The RAS is an initiative to cater for the accommodation needs of certain persons in receipt of rent supplement, normally for more than 18 months and who are assessed as having a long-term housing need. Mayo County Council pays rent directly to the accommodation providers on behalf of the tenant (which is a maximum of 92% of the market rent). The County Council makes use of the private and voluntary sector and engage in a contractual arrangement to secure medium-long term rented accommodation.

- Repair and Lease: The Rebuilding Ireland Action Plan for Housing and Homelessness introduced a new scheme, the Vacant Housing Repair and Leasing Initiative. This scheme specifically targets the delivery of social housing and seeks to ensure that existing housing stock is used to the maximum degree possible. The basis of the scheme is that repair and improvement works to suitable vacant properties are funded to bring them up to the standard for rented accommodation and the cost of the works is then deducted from lease payments over an agreed lease term.

4.2.3 Delivery Methods and Targets

It is anticipated that Mayo County Council will continue to meet their identified social housing provision via a combination of these existing delivery schemes (as set out in Section 5.5.2) and through the introduction or greater emphasis of other either existing or recently established schemes and mechanisms. This section assesses different Social Housing delivery channels available in County Mayo and their progress to date in achieving the targets set out in the Rebuilding Ireland: Action Plan for Housing and Homelessness which was published in July 2016.

The Action Plan recognises issues around supply and affordability in Ireland's housing sector and provides a multi-stranded approach to achieve key housing objectives up to 2021. The Action Plan sets a commitment to deliver 138,000 additional social housing units nationally over the period 2016-2021. This will include 83,760 HAP homes, 3,800 RAS homes and over 50,000 new homes, broken down as follows: Build: 33,617; Acquisition: 6,830; Leasing: 10,036.

In Mayo, the county target for 2019 is 498 additional units across all social housing delivery streams as indicated in Table 5.44.5 overleaf below.

Table 4.5: Progress on Rebuilding Ireland Social Housing Targets 2019[26]

Targets 2018-2021		Targets 2019					
Build, Acquisition and Leasing		Building, Acquisition, Leasing	Build	Acquisition	Leasing	HAP & RAS	All SH delivery streams
Mayo	526	136	93	8	35	362	498

Progress on the delivery of social housing units is documented as part of quarterly updates by the Department of Housing, Planning and Local Government. The most recently available progress update for 2019 is documented in Table 4.5 below. This shows that the total output in 2019 was 498 units. This means that Mayo County Council achieved 120% of the Rebuilding Ireland Target in 2019. In 2018 Mayo County Council also exceeded its targets, delivering 574 units or 119% of its requirements.

In 2019, the target was to deliver 136 units by way of 'building, acquisition and leasing' as illustrated in Table 4.5. In 2019, 194 units were delivered via these means. In total between 2018-2021, 526 units are targeted to be delivered via these means. Through 2018-2019, Mayo County Council have already delivered 305 units through these mechanisms .Thus, over the course of 2020-2021, approximately 221 additional units are to be delivered through 'building, acquisition and leasing' mechanisms in order to meet the Rebuilding Ireland targets.

As of April 2020, and as previously discussed in Section 4.2.15.1, 1,311 households (exclusive of applicants on a transfer list or those availing of HAP) are on the social housing waiting list in County Mayo. Should the Rebuilding Ireland targets be met up to 2021, there is potential for the existing social requirement to be largely reduced.

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[26] https://www.housing.gov.ie/housing/social-housing/social-and-affordble/overall-social-housing-provision

Table 4.~~5~~6: Progress on Rebuilding Ireland Social Housing Targets 2019[27]

Delivery Method	Actual 2019 Output	2019 Target
Build Total	108	93
Acquisitions Total	24	8
Leasing Total	62	35
HAP	349	362
RAS	54	
Totals	597	498

1. LA New Build includes units delivered through Rapid, Traditional, Turnkey and Regeneration

2. AHB New Build includes CAS and CALF New Build

3. Part V New Build includes Part V's delivered under LA Build and AHB Build

4. New leasing units operational are defined as the number of new leasing units delivered under this scheme in the given period. This program was previously known as long term leasing until 2014.

5. RAS - New transfers is defined as the number of households which have moved from Rent Supplement to RAS in that specific year. It includes households who remained in their existing accommodation and those for whom the LA had to source new properties.

6. HAP - New Households Supported refers to the number of qualified households with an established housing need who are being accommodated under the HAP scheme for that year. The first phase of the statutory pilot for the HAP scheme commenced in September 2014 and the data for 2014 refers to new households supported between September and December 2014.

7. The most recently published Construction Status Report is available on www.rebuildingireland.ie

8. DRHE Delivery Output includes Homeless HAP which is administered by Dublin City Council on behalf of the 4 Dublin LA's and came to a total of 2,583 for 2019. The breakdown of this figure is DCC - 1164, DLR - 210, Fingal - 449 & SDCC - 760. These figures are included in the HAP figures of each of the 4 Dublin LA's. The targets for these LA's was also revised to account for the DRHE delivery.

9. Rebuilding Ireland targets (which incorporated proportional demand in each authority), were set in 2018 and cover the period 2018-2021. The Cork City boundary extension took effect on May 31st 2019, therefore outputs against targets for Cork City and County for the period are proportionally affected ~~27~~24

5.0 Conclusion

The Housing Strategy has been prepared in accordance with the requirements of Part V of the Planning and Development Act 2000 (as amended) as a basis to address the following key issues:

- The identification of housing need within County Mayo;
- The identification of social housing needs within County Mayo;
- The identification of supply side requirements to satisfy identified needs;
- The consideration of specific policy responses to the above

The preparation of this strategy has included the assessment of all relevant and up-to-date publications and data

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[27] https://www.housing.gov.ie/housing/social-housing/social-and-affordble/overall-social-housing-provision

resources, which have been analysed in detail to provide a robust basis for future policy development and implementation. In addition to meeting the statutory requirement for its production, this strategy ensures that through proper planning and sustainable development the housing needs of existing and future populations in County Mayo are accommodated in an appropriate manner.

Policies and objectives to deliver the Housing Strategy are set out in Chapter 3 of the Development Plan.

Appendix 1 – Population and Households

Table 1.1 Forecasted Household Size in County Mayo 2016-2027

Average Household Size	2021	2022	2023	2024	2025	2026	2027
	2.59	2.59	2.58	2.58	2.57	2.57	2.56

Table 1.2 Total Population, households historic and projected in County Mayo 2016-2031

Year	Total Population	Number of Households (Private)	Average Household	No. of Anticipated Houses Per Annum	Total Anticipated Houses - 2021-2027	Average Anticipated Houses Per Annum between 2021-2027
2016	130,507	48,745	2.62	-	-	-
2017	131,906	50,530	2.61	1,785	-	
2018	133,306	51,160	2.61	630	-	-
2019	134,705	51,793	2.60	632	-	-
2020	136,104	52,427	2.60	635	-	-
2021	137,504	53,065	2.59	637	-	-
2022	138,903	53,704	2.59	640	-	-
2023	140,302	54,346	2.58	642	-	-
2024	141,701	54,990	2.58	644	-	-
2025	143,101	55,637	2.57	647	-	-
2026	144,500	56,286	2.57	649	-	-
2027	145,700	56,860	2.56	574	4,433	633
2028	146,387	57,235	2.56	375	-	-
2029	147,074	57,612	2.55	377	-	-
2030	147,761	57,991	2.55	378	-	-
2031	150,500	59,177	2.54	1,186	-	-

Table 1.3 Distribution of Additional Households per Decile in County Mayo

-	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1st Decile	160	62	62	62	63	63	63	63	64	64	56	37	37	37	117
2nd Decile	172	67	67	67	67	68	68	68	68	69	61	40	40	40	125
3rd Decile	171	66	66	66	67	67	67	67	68	68	60	39	39	40	124
4th Decile	170	66	66	66	67	67	67	67	68	68	60	39	39	39	124
5th Decile	167	65	65	65	65	66	66	66	66	67	59	38	39	39	122
6th Decile	162	63	63	63	63	64	64	64	64	65	57	37	37	38	118
7th Decile	157	61	61	61	61	62	62	62	62	62	55	36	36	36	114
8th Decile	157	61	61	61	61	62	62	62	62	63	55	36	36	37	114
9th Decile	157	61	61	61	61	61	62	62	62	62	55	36	36	36	114
10th Decile	157	61	61	61	61	62	62	62	62	62	55	36	36	36	114
Total	1,631	630	632	635	637	640	642	644	647	649	574	375	377	378	1,186

Appendix 1~~2~~ –
Mortgage Capacity and House Price Bands

Mortgage Capacity and House Price Bands

Table 2.1 Calculation of Mortgage Capacity based on Central Bank Rules (i.e. LTI = 3.5)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1st Decile	33,726	30,550	32,505	33,415	34,318	35,244	36,125	37,028	37,954	38,903	39,875	40,872	41,894
2nd Decile	56,421	51,108	54,378	55,901	57,410	58,960	60,434	61,945	63,494	65,081	66,708	68,376	70,085
3rd Decile	81,846	74,139	78,883	81,092	83,282	85,530	87,669	89,860	92,107	94,409	96,770	99,189	101,669
4th Decile	107,102	97,016	103,225	106,116	108,981	111,923	114,721	117,589	120,529	123,542	126,631	129,797	133,042
5th Decile	136,134	123,314	131,206	134,880	138,522	142,262	145,819	149,464	153,201	157,031	160,957	164,980	169,105
6th Decile	168,311	152,461	162,219	166,761	171,264	175,888	180,285	184,792	189,412	194,147	199,001	203,976	209,075
7th Decile	205,611	186,249	198,169	203,718	209,218	214,867	220,238	225,744	231,388	237,173	243,102	249,180	255,409
8th Decile	250,728	227,118	241,653	248,420	255,127	262,015	268,566	275,280	282,162	289,216	296,446	303,858	311,454
9th Decile	319,785	289,672	308,211	316,841	325,395	334,181	342,535	351,099	359,876	368,873	378,095	387,547	397,236
10th Decile	524,000	474,656	505,034	519,175	533,193	547,589	561,279	575,311	589,694	604,436	619,547	635,036	650,912

Table 2.2 Mortgage Capacity Assessment for Household Ability to Qualify for Home Purchase (90% of lowest property price - pass/fail)

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
1st Decile	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL	FAIL
2nd Decile	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS
3rd Decile	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS
4th Decile	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS
5th Decile	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS
6th Decile	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS
7th Decile	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS
8th Decile	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS
9th Decile	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS
10th Decile	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS	PASS

Table 2.3 Projected House Price Bands per Annum 2019 (observed) to 2031 in County Mayo

Year	Average Price Change	1st Band	2nd Band		3rd Band		4th Band		5th Band		6th Band		7th Band		8th Band
2019		50,000	50,001	100,000	100,001	125,000	125,001	150,000	150,001	200,000	200,001	250,000	250,001	300,000	300,001
2020	-0.1%	49,932	49,933	99,864	99,865	124,830	124,831	149,796	149,797	199,728	199,729	249,660	249,661	299,592	299,593
2021	-10.1%	44,871	44,872	89,742	89,743	112,177	112,178	134,613	134,614	179,484	179,485	224,355	224,356	269,226	269,227
2022	-5.1%	42,566	42,567	85,133	85,134	106,416	106,417	127,699	127,700	170,266	170,267	212,832	212,833	255,399	255,399
2023	6.9%	45,488	45,489	90,976	90,977	113,721	113,721	136,465	136,466	181,953	181,954	227,441	227,442	272,929	272,930
2024	6.0%	48,218	48,218	96,435	96,436	120,544	120,545	144,653	144,654	192,870	192,871	241,088	241,089	289,305	289,306
2025	6.0%	51,111	51,112	102,221	102,222	127,776	127,777	153,332	153,333	204,442	204,443	255,553	255,554	306,663	306,664
2026	5.0%	53,666	53,667	107,332	107,333	134,165	134,166	160,998	160,999	214,664	214,665	268,331	268,332	321,997	321,998
2027	4.0%	55,813	55,814	111,625	111,627	139,532	139,533	167,438	167,439	223,251	223,252	279,064	279,065	334,876	334,878
2028	4.0%	58,045	58,046	116,091	116,092	145,113	145,114	174,136	174,137	232,181	232,182	290,226	290,227	348,272	348,273
2029	4.0%	60,367	60,368	120,734	120,735	150,918	150,919	181,101	181,102	241,468	241,469	301,835	301,837	362,202	362,204
2030	4.0%	62,782	62,783	125,564	125,565	156,954	156,956	188,345	188,347	251,127	251,128	313,909	313,910	376,691	376,692
2031	4.0%	65,293	65,294	130,586	130,587	163,233	163,234	195,879	195,880	261,172	261,173	326,465	326,466	391,758	391,759

Appendix 23 –
Rental Prices and Rental Affordability

Table 3.1 Historic and Projected Rental Prices per Unit Type in County Mayo 2018-2031

Year	Change	One bed	Two bed	Three bed	Four plus bed
2018	Historic	710	875	950	963
2019	Historic	786	951	1,027	1,049
2020	-1.5%	775	937	1,012	1,034
2021	-11.5%	686	830	896	915
2022	-6.5%	642	776	838	856
2023	5.5%	677	819	885	904
2024	5.0%	711	860	929	949
2025	5.0%	747	903	976	996
2026	4.0%	776	939	1,015	1,036
2027	4.0%	808	977	1,055	1,078
2028	2.5%	828	1,001	1,082	1,105
2029	2.5%	848	1,027	1,109	1,132
2030	2.5%	870	1,052	1,136	1,161
2031	2.5%	891	1,078	1,165	1,190

Table 3.2 No. of Additional Anticipated Households That Do Not Qualify for a Mortgage and Cannot Afford Private Rental (4+ Bed)

Year	2021	2022	2023	2024	2025	2026	2027
1st Decile	9~~14~~	12~~14~~	12~~14~~	12~~14~~	12~~14~~	12~~14~~	12~~13~~
2nd Decile	-	-	-	-	-	-	-
3rd Decile	-	-	-	-	-	-	-
4th Decile	-	-	-	-	-	-	-
5th Decile	-	-	-	-	-	-	-
6th Decile	-	-	-	-	-	-	-
7th Decile	-	-	-	-	-	-	-
8th Decile	-	-	-	-	-	-	-
9th Decile	-	-	-	-	-	-	-
10th Decile	-	-	-	-	-	-	-
Total	9~~14~~	12~~14~~	12~~14~~	12~~14~~	12~~14~~	12~~14~~	12~~13~~

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Table 3.3 No. of Additional Anticipated Households That Do Not Qualify for a Mortgage and Cannot Afford Private Rental (3 Bed)

Year	2021	2022	2023	2024	2025	2026	2027
1st Decile	1523	2023	2023	2023	2024	2024	2021
2nd Decile	-	-	-	-	-	-	-
3rd Decile	-	-	-	-	-	-	-
4th Decile	-	-	-	-	-	-	-
5th Decile	-	-	-	-	-	-	-
6th Decile	-	-	-	-	-	-	-
7th Decile	-	-	-	-	-	-	-
8th Decile	-	-	-	-	-	-	-
9th Decile	-	-	-	-	-	-	-
10th Decile	-	-	-	-	-	-	-
Total	1523	2023	2023	2023	2024	2024	2021

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Table 3.4 No. of Additional Anticipated Households That Do Not Qualify for a Mortgage and Cannot Afford Private Rental (2 Bed)

Year	2021	2022	2023	2024	2025	2026	2027
1st Decile	12~~18~~	16~~18~~	16~~18~~	16~~18~~	16~~19~~	16~~19~~	16~~16~~
2nd Decile	-	-	-	-	-	-	-
3rd Decile	-	-	-	-	-	-	-
4th Decile	-	-	-	-	-	-	-
5th Decile	-	-	-	-	-	-	-
6th Decile	-	-	-	-	-	-	-
7th Decile	-	-	-	-	-	-	-
8th Decile	-	-	-	-	-	-	-
9th Decile	-	-	-	-	-	-	-
10th Decile	-	-	-	-	-	-	-
Total	12~~18~~	16~~18~~	16~~18~~	16~~18~~	16~~19~~	16~~19~~	16~~16~~

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Table 3.5 No. of Additional Anticipated Households That Do Not Qualify for a Mortgage and Cannot Afford Private Rental (1 Bed)

Year	2021	2022	2023	2024	2025	2026	2027
1st Decile	57	67	67	67	67	67	66
2nd Decile	-	-	-	-	-	-	-
3rd Decile	-	-	-	-	-	-	-
4th Decile	-	-	-	-	-	-	-
5th Decile	-	-	-	-	-	-	-
6th Decile	-	-	-	-	-	-	-
7th Decile	-	-	-	-	-	-	-
8th Decile	-	-	-	-	-	-	-
9th Decile	-	-	-	-	-	-	-
10th Decile	-	-	-	-	-	-	-
Total	57	67	67	67	67	67	66

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Appendix 34 –
Economic Forecast

Economic Forecasting for the Housing Needs Demand Assessment

Mayo County Council – July 2020

1. Introduction

KPMG Future Analytics (KPMG-FA) has been appointed to prepare a Housing Strategy and associated Housing Needs Demand Assessment (HNDA) on behalf of Mayo County Council. It should be noted that in the absence of formal guidance on the HNDA from the Department of Housing, Planning and Local Government (DHP&LG) at the time of writing, that the HNDA approach, methodology and model that has been prepared by KPMG-FA is based on our team's technical expertise in the delivery of Housing Strategies and ongoing consultation (through our clients) with the Office of the Planning Regulator (OPR). This note has been prepared to set out the latest information in relation to the economic forecast, at the time of writing, which is used as part of the HNDA model to determine the need for housing at the relevant spatial boundaries within the administrative area.

Specifically, the economic forecast relates to Gross Domestic Product (GDP) which is used as part of the HNDA. 2016 is the baseline year in the HNDA model, therefore, historic GDP growth (%) since then has been gathered to support this analysis whilst GDP growth from this year forward and throughout the plan period have been estimated. Specifically, GDP growth has been applied to understand annual change in estimated household income per decile - a critical aspect to the HNDA model that has been prepared by KPMG-FA.

It should be noted that the information provided herein is correct at the time of writing and it is recognised that the ongoing global COVID-19 pandemic is subject to change that may affect the national economy. As such, the future GDP growth estimates have been provided reflect the published data from those sources as outlined herein to reflect the macroeconomic situation as data is limited at this time. It is recommended that the full reports are reviewed in detail by the relevant personnel to understand the relevant assumptions and limitations of those forecasts that have been considered and used to support this HNDA.

2. Data Sources

The following documents have been reviewed as part of this work to understand GDP growth:

- Winter 2019 Economic Forecast published by the European Union in February 2020[28];
- Q1 2020 Bulletin published by the Central Bank of Ireland in February 2020[29];
- Economic Quarterly published by the ESRI in March 2020[30];
- Q2 2020 Bulletin from the Central Bank of Ireland published in April 2020 [31];
- Stability Programme Update published by the Department of Finance in April 2020[32]; and
- Spring 2020 Economic Forecast published by the European Union in May 2020[33];
- Economic Research paper published by Davys in May 2020[34]; and

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[28] https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/winter-2020-economic-forecast-offsetting-forces-confirm-subdued-growth_en
[29] https://www.centralbank.ie/publication/quarterly-bulletins/quarterly-bulletin-q1-2020
[30] https://www.esri.ie/publications/quarterly-economic-commentary-spring-2020
[31] https://www.centralbank.ie/publication/quarterly-bulletins/quarterly-bulletin-q2-2020
[32] https://www.gov.ie/en/publication/43a6dd-stability-programme-update-2020/
[33] https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-forecasts/spring-2020-economic-forecast_en
[34] https://static.rasset.ie/documents/news/2020/05/new-econ-forecast-may-27th.pdf

- Economic Quarterly published by the ESRI in May 2020[35].

It should be noted that the latter six data sources recognise the potential economic impacts of COVID-19 pandemic whilst the former two were prepared in advance of the shutdown and implementation of quarantine measures. Specifically, the former two have been superseded by more recent publications however they have been retained as relevant for the purpose of historic economic growth and longer term future growth (in the case of the EU Winter Forecast[28][1] and Central Bank bulletin[29][2] respectively). As such, the latter six data sources alone are considered to provide an estimate of future economic growth during 2020 – 2021 as the economy recovers from the COVID-19 pandemic.

3. Economic Forecast

The information set out in Table 3Table 1 reflect the historic GDP growth. It should be noted that an average has also been calculated from the latest figures that are considered to be most accurate as they pertain to 2017 - 2019. It is recommended that these rates of GDP growth are applied in the HNDA model.

Table 31: Historic GDP growth (2017 – 2019)

Source	2017	2018	2019
EU Winter 2019 Economic Forecast[36]	8.1%	8.2%	5.7%
ESRI Economic Quarterly (March 2020)	8.1%	8.2%	5.5%
Central Bank Q2 2020 Bulletin	-	8.2%	5.5%
Department of Finance (April 2020)	-	-	5.5%
EU Spring 2020 Economic Forecast			5.5%
Average	**8.1%**	**8.2%**	**5.5%**

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[35] https://www.esri.ie/publications/quarterly-economic-commentary-summer-2020

[36] It should be noted that the 2019 figure in this publication is an outdated estimation that has been superseded by the Spring 2020 Forecast from the EU and hence this has been omitted from the calculations.

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The information set out in Table 4Table 2 has gathered in relation to forecasted GDP growth (from 2020 onwards). Those forecasts that were prepared in advance of the COVID-19 pandemic are identified therein.

Table 42: Forecasted GDP growth (2020 – 2025)

Source	2020	2021	2022	2023	2024	2025
ESRI Economic Quarterly (March 2020)	-7.1%					
ESRI Economic Quarterly (May 2020)	-10.3%	7.1%				
Central Bank Q2 2020 Bulletin	-8.3%					
Department of Finance (Feb 2020)[1010]	3.9%	3.0%	2.8%	2.7%	2.7%	2.5%
Department of Finance (April 2020)	-10.5%	6.0%				
EU Spring 2020 Economic Forecast	-7.9%	6.1%				
Davys Paper (May 2020)	-10.3%	7.1%				

On this basis, the following forecast GDP growth rates are therefore recommended to be applied within the Housing Strategy and associated HNDA:

- **2020:** -9.4% GDP growth (i.e. contraction of the economy) which is the average of the economic forecasts that have been determined from the average of those forecasts from Davys, the ESRI, Central Bank, Department of Finance and European Union that reflect the ongoing COVID-19 pandemic.
- **2021:** 6.4% GDP growth which aligns with the latest Davys, Department of Finance and European Union forecasts (i.e. the only datasets for next year that reflects the ongoing COVID-19 pandemic).
- **2022:** 2.8% GDP growth which aligns with the Department of Finance forecast[37]
- **2023 - 2024:** 2.7% GDP growth which aligns with the Department of Finance forecast[1010]
- **2025 onwards:** 2.5% GDP growth which aligns with the Department of Finance forecast[1010].

4. House Purchase and Rental Prices

It should be noted that the COVID-19 pandemic is also likely to impact on the housing market in terms of house prices and market rental rates. Analysis of the historic information from the Property Price Register and the Rental Tenancies Board has been undertaken to understand local circumstances, however the macroeconomic impact of the COVID-19 pandemic has most likely not yet materialised in the local housing market.

The macroeconomic outlook will, therefore, be considered in addition to the historic information that has been set out in the HNDA. As such, the same adjusted rate of reduction to the macroeconomic outlook will be applied

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[37] This forecast was issued by the Department of Finance in advance of the COVID-19 pandemic, however it is considered reflective of their anticipated return to pre-pandemic levels of output as set out in the April 2020 document from the Department of Finance.

in addition to relevant data in relation to the impacts of the COVID-19 pandemic on the housing market (such as the recent ESRI research for example[38]). The rate of change for house purchase and rental prices during the plan period at the local level which will be documented and agreed separately and it will be set out as part of the HNDA model and Housing Strategy.

5. Conclusion

The national economy has been impacted by COVID-19 pandemic, however this is a fluid situation with new information related to the economic forecast constantly emerging. Given the status of the Housing Strategy and associated HNDA for Mayo County Council we have set out our recommendations in relation to the macroeconomic situation in the context of the economic forecast to be considered in the HNDA model. This has been determined on the basis of best available evidence at the time of writing and subject to approval, these rates will be applied as part of the HNDA Model for the Housing Strategy that is currently being finalised.

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[38] https://www.esri.ie/publications/property-prices-and-covid-19-related-administrative-closures-what-are-the-implications