



MONARD Strategic Development Zone

The case for a new public housing initiative



Introduction

Monard, north of Cork City, is a designated 'new town' which received planning permission from An Bord Pleanála in June 2016. It is proposed that up to 5,300 houses will be built in the new town near Blarney, County Cork, on a 391 hectare site.

Up to €50m of public money will be spent on infrastructure such as roads, utilities and a railway station in the town. This infrastructure is to open up the town for housing to be developed. **People Before Profit Cork** is campaigning for the housing in the town to be constructed publicly so that it is affordable, primarily because private housing developers cannot be relied upon to take charge of housing provision in towns such as this.

Monard has been designated as a Strategic Development Zone (SDZ) by the Irish government. This is an area the Irish state considers to be "of economic or social importance to the State". There is both a **social and economic need for public housing** to be constructed in Cork city and county, where the combined **housing waiting list now amounts to almost 13,000 applicants** (there are 5,438 approved applicants on the Cork City Council waiting list, and a further 7,500 on the Cork County Council waiting list).

The government itself admits in its 'Rebuilding Ireland' plan that the private sector is not capable of delivering housing "appropriately or at all". It is crucial that new mechanisms for delivering housing are explored.



Monard SDZ should be constructed as public housing

Cork City and County badly needs housing that is provided to benefit society as a whole and allows communities to thrive. Current average housing prices in towns around Cork like Ballincollig, Carrigaline and Glanmire are around €250,000 – meaning that many young adults on the average Irish salary are unable to afford to live or settle in Cork’s outer suburbs. In light of this, People Before Profit argues that all housing in Monard should be constructed by Cork County Council.

Private housing developers have caused too much damage to people’s lives to be trusted to build housing, and should not have involvement in large housing projects such as Monard SDZ.

Without the **public investment of €50m** in infrastructure, private developers would not be able to profit from the provision of housing at Monard. This public expenditure is as such effectively a **subsidy to private developers**. Rather than subsidising developers to build private housing, Cork County Council should build the housing themselves. If public bodies are going to construct the infrastructure required for the town, there is no reason that they should not build the housing too. If a private developer can borrow money to build houses, so too can a public body.

The cost of housing delivered by the private sector is significantly higher than when delivered by the public sector. This is largely because of the profit added to the building cost when the housing is offered to the market.

Why it cannot be left to private developers

Private housing developers have shown time and again that they do not have the interests of the public at heart. They are motivated by private profit, not public interest. We saw this following the property crash of 2008. They will construct houses only when prices are high, and do not offer houses to the market when it is not in their financial interest to do so. If housing in Monard is delivered by the private sector, the prices will (a) exclude a majority of the population and (b) burden with debt and uncertainty those who take out mortgages to live in overpriced housing.

Private developers have made vast sums of money from the Irish housing market. They helped to sink the Irish economy and have not had to pay for the damage done. It is time to campaign for housing to be delivered in a way which does not involve private developers and their motives.

A private developer-led project will not provide the requirements to ensure a sustainable and vibrant community. Cork County Council must take the lead in the planning and the delivery of the housing and infrastructure for Monard. The proposed new town represents **an opportunity to build a community that is**



sustained by a top-class infrastructure that meets its needs and is efficient as possible in its energy use and its footprint on the environment.

Even IBEC, who represent the Irish business sector, have called upon the government to invest in public housing, because of concerns that businesses may in the future no longer see Ireland as a country where their staff will be able to afford to live.

How Cork County Council should deliver housing

For almost ten years Irish citizens have been told that money is not available for social projects, in a reflection of the general political discourse in Europe. The **majority in Ireland have been hit by austerity** while the wealthiest have seen tax breaks. If Ireland is to have a chance at prosperity for all in the future, action needs to be taken now to invest in affordable housing which will provide a sustainable future for the majority of citizens. Housing could be **funded through collecting taxes owed to Ireland by the wealthiest and by the corporate world**, such as the 13bn which the European Commission has asked Apple to pay.

Cork County Council should obtain the land at Monard SDZ (or a large proportion of it) for a state house-building scheme through existing mechanisms such as Compulsory Purchase Order, and should establish its own agency for delivering these houses.

A non-for-profit housing agency should be established and run by Cork County Council. This agency would hire workers to build and manage the construction of new houses in developments such as Monard. Given the scale of housing that needs to be constructed, it would be necessary to hire permanent workers to meet the challenge of delivering new houses. A public housing agency could construct these houses and house tenants on a long-term basis at affordable rents.

By establishing a public agency which hires in permanent workers and tradesmen, **workers building houses could have more secure employment**. By building houses publicly, the private developer is removed from the equation which lowers significantly the cost of delivering houses.

The Irish Government has argued that state-funded house-building is limited by EU financial rules for on-balance sheet borrowing. However it can be achieved as borrowing money for the provision of housing is not limited by them. The EU rule states that any spending must be "sustainable" which house-building would be.

Minister for Housing Simon Coveney has put forward a number of proposals to address the housing crisis in the 'Rebuilding Ireland' plan. These proposals all depend on the private sector and will not provide a long-term solution. Cork County Council needs to look towards other options for housing provision.



This is nothing new. Previous Irish governments have undertaken large scale social and affordable housing projects. With proper planning, Cork County Council has the potential to develop Monard as an area with good employment opportunities and strong public services, where people can afford to live and settle.

A solution to the housing crisis

Ireland's housing crisis now means that owners and tenants are spending an increasing proportion of their wages on rent or debt – that is if they can afford to rent or buy houses in the first place. Lower costs of living in a home mean that people have more disposable income, and do not have to worry about losing their homes.

The housing market should not be managed by private property developers, who have no interest in people's social well-being. Housing provision should be led by a public body which is democratically accountable and operates in the interest of people's basic human rights – not private profit.

Monard SDZ in Cork provides an excellent opportunity to build a town where communities can thrive. Most of the infrastructure (like the railway station, roads, schools and utilities) will be constructed publicly – there is no reason that the houses in the town should not be constructed this way also.

The only way for Ireland to end the current housing crisis is simple – and it is the same mechanism that many countries have used to address housing crises throughout history – provision of public affordable housing which is based on people's right to housing, not based on private profit.

Join us in the campaign for affordable housing

People Before Profit in Cork will be launching campaigns to lobby Cork County Council to fund and construct social and affordable housing in Monard. Get involved, lobby your councillor and sign our petition. Find all this information, latest events, and latest campaign news at:

peoplebeforeprofitcork.com/housing



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