

BUILDING ON SUCCESS



**South Dublin
Chamber**
Advancing business together

South Dublin Chamber is the Accredited Chamber for South Dublin County and is affiliated to Chambers Ireland.



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Foreward

Last year we published our report “Ensuring Inclusive Sustainable Recovery in the Greater Dublin Region” a response to the National Economic Plan making the case for greater investment in our County.

Our latest report “Building on Success” shares our views on how best we can continue to grow our local economy and what challenges we see ahead.

We are very fortunate that our County has been well managed despite the onslaughts of Brexit and Covid-19. Taking into account the challenges of the past two years this success places us in a position to continue to grow our economy providing employment, investment and increased local taxation. These benefits will help ensure all members of our community benefit.

The challenges that await us on our path to growth are energy supply and cost, public transport, our road network, land availability in the right places for economic and enterprise and housing.

We now have a positive future to build on our current success by addressing the challenges before us. All our work must also be seen through the lens of our commitment to the UN’s Strategic Development Goals.

I would like to thank Octavian Economics for producing this report for us.



Eamonn P. Egan
President

Key Outcomes:

Surging Demand provides great opportunities if we are prepared

General Outcomes

- This report, commissioned by South Dublin Chamber, is both a follow on from a 2020 report “*Ensuring inclusive recovery in the Greater Dublin Region*” and also a response to significant developments affecting the National and South Dublin County economy.
- Along with supply chains in many sectors of the Irish and international economy, constraints in labour supply, logistics and warehousing capacity and raw material supply are intensifying. It would be wise to take cognisance of these trends and take appropriate action when we are forward planning.
- In particular, it was known that Brexit and the pandemic related shift to online would lead to bottlenecks and increased demand for logistics. Brexit, in particular, has led to “onshoring” by manufacturers and distributors to hedge against serious supply chain disruptions.
- These trends are now happening at a rate faster than what was anticipated last year.
- Ireland’s rapidly digitising economy and the huge success of our export sector – are intensifying this pressure further. The shift to online purchasing is a more permanent feature of our economy.
- As a result of the factors cited above, demand for logistics and warehousing is likely to be significantly higher than at any time in the past.
- This report is aimed at alerting stakeholders at a key time of economic recovery to be prepared to capitalise on these new opportunities.

5 Specific Outcomes

1. Growth in the provision of enterprise and employment, for housing, rates of population and economic growth, should all move in tandem to ensure balanced recovery.
2. Public transport facilities – available on a “radial” pattern – must also be made available between, as well as along radial arteries, enabling movement along a broad arc from Lucan through to Tallaght.
3. Access to affordable sustainable energy must be addressed in line with Programme for Government commitments as a matter of urgency, given the escalating cost of energy.
4. Fragmentation during the previous boom-bust cycle was a cause of Ireland’s failure in relation to Greenhouse Gas emission targets. This lesson has clearly been learned and can be seen in South Dublin County Council’s planned Brownfield Housing Development along the N7. It must also be applied immediately to trends towards fragmentation in economic recovery.
5. At a time when it is an objective at a national and local level to redevelop older functionally obsolete warehouses in urban areas for residential and mixed use (‘Regen’) as part of an environmentally sustainable housing policy, it is important that – as is consistent with the “Just Transition” imperative of climate action - business’s do not close as a result (or leading to environmental gains being wiped out by longer commutes and higher carbon emissions as such businesses relocate in a fragmented manner away from the optimal sites).

A. INTRODUCTION:

A.1 THE PURPOSE OF THIS REPORT

The objective of this report is – in a positive and constructive manner – to share with local Government, South Dublin County Council, and other key stakeholders to the opportunities that can provide further employment and growth in our County.

The rationale for this report is the emergence , mostly since the publication of the draft plan of economic and population data, demonstrating a risk of rapid congestion and inflation that could threaten social and economic cohesion as a result of growing disparities in resources between smaller and larger businesses. This is partly the result of a fallout from Covid-19 and Brexit. Referenced in this report is the publication last June of a report by Comreg showing that the shift to online purchase is bedding down as a more permanent feature of the Irish economy. This shift will require significantly more storage and logistics facilities to be made available (See Appendix D).

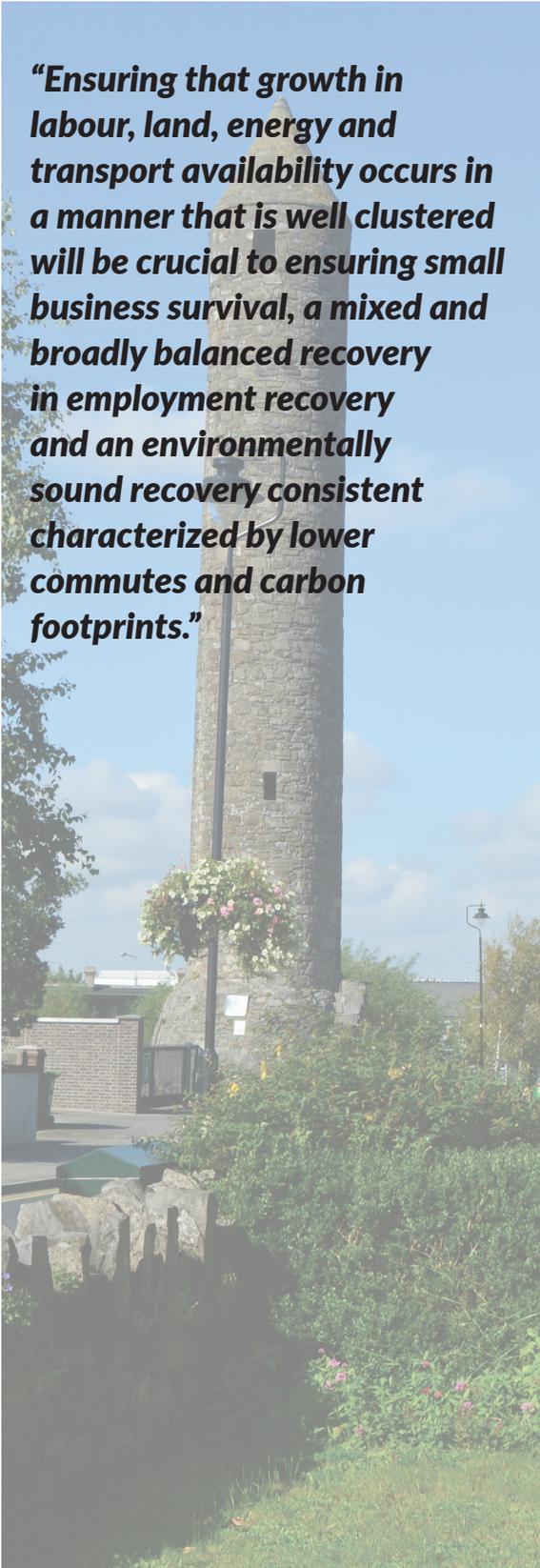
South Dublin County has the opportunity to lead the way in the current recovery by ensuring a socially balanced, environmentally sustainable recovery, in which all workers and businesses can participate. This means ensuring a sectorally mixed recovery in which people of all ages and skills can regain employment. That in turn means ensuring that SME businesses – those that employ over two thirds of Irish workers and pay two thirds of all tax revenue – have the ability to access premises, affordable energy and an affordable workforce. However, unless action is taken, bottlenecks in South Dublin County, particularly in the area of labour, planning and also in terms of access to affordable radial public transport services (which facilitate worker access to diverse employment) provide obstacles to recovery.

A positive response to opportunities will help avert an environmental mistake made at national level over a decade ago - fragmentation of economic activity. Fragmented housing development led to sprawl, longer national commutes and rapidly rising car ownership and carbon footprints over a decade ago. The dispersion of logistics and other business activity facilities now threatens to repeat this mistake.

As the natural corridor from central Dublin to most of the rest of Ireland via the N4, N7 and N81 roads, South Dublin County is the natural home for logistical and warehousing facilities to serve a rapidly rising commercial traffic volume. Instead of fragmenting, these should be clustered close to existing transport and public transport facilities, planned housing development and complementary industries that offer economics of scale.

It is important that past mistakes are avoided – such as those made at national level in relation to housing and in anticipating and acting on growth trends. In a more positive manner, South Dublin County has the opportunity given its pivotal importance in logistics and potential for local energy to become a “best practice leader” in shaping a “Just Transition” local recovery. The development in Tallaght, our County Town, of a district heating system using excess heat from data centres to heat offices and our university is a good example of local institutions contributing to county gains on carbon reduction.

A.2 APPROACH OF THIS REPORT



“Ensuring that growth in labour, land, energy and transport availability occurs in a manner that is well clustered will be crucial to ensuring small business survival, a mixed and broadly balanced recovery in employment recovery and an environmentally sound recovery consistent characterized by lower commutes and carbon footprints.”

The remainder of Section A of this report outlines Ireland and South Dublin County’s economic and employment development since 2010 to date. This section shows how ensuring that growth in labour, land, energy, transport availability occurs in a manner that is well clustered, will be crucial to ensuring small business survival, a mixed and broadly balanced recovery in employment recovery and an environmentally sound recovery characterised by lower commutes and carbon footprints.

Section B begins by drawing on the key findings in last year’s report by South Dublin and Dun Laoghaire Rathdown Chambers¹, before examining key policy imperatives at national, regional and planning levels as stipulated in the Programme for Government, National Planning Framework and the Eastern and Midland Regional Spatial and Economic Strategy. The messages from this analysis – the imperative for ensuring consistency across all key policy goals of housing, employment, transport and energy – are clear.

Together with Section A, Section B suggests that significant attention is needed to ensure that growth – economic and demographic – of the last ten years, as well as the profound changes of the last two years and challenges of the next decade – warrant significant attention.

In that spirit, Section C moves to identify “Challenges to Recovery” – facing not just South Dublin County but other areas also – that need attention. These are:

- Housing
- Ensuring Enterprise and Employment growth
- Public Transport availability
- Achieving clustering rather than fragmentation
- Addressing the issue of affordable clean energy

In the final Section (D) we conclude that, if the issues identified in this report are not tackled, the more vulnerable and the less resource rich SME sector will miss growth opportunities.

This will have implications for social recovery and cohesion as workers with lower skills in sectors more affected by pandemic will find it harder to regain employment if South Dublin County’s economy loses additional SME employment.

¹ “An Economic Response to Covid-19”, April 2020 (chapter 1). Source: www.octavian.ie

A.3 ECONOMIC DEVELOPMENT (NATIONAL & LOCAL) 2011 TO 2020

Since the publication of our report last year, more evidence of staggering growth has materialised, evidence of which is presented below for a range of indicators over the period from 2011 to 2020.

Population growth

Between 2011 and April 2020 the state's population rose to 4,977,4002 , a rise of 8.8 per cent. However, growth in the population of Dublin County and city included rose by 156,100 to a total of 1,417,700, representing a much stronger increase of 12.4 per cent.

In the nine years between the April 2011 Census and most recent (April 2020) Central Statistics Office population estimate - and assuming similar trends in the growth of South Dublin County 's population (for which a data breakdown for April 2020 is not available) relative to trends in Dublin county as a whole (for which a data breakdown is available)- we calculate a county population of just under 290,000 by April 2020, or an increase of 24,495 (9.2 per cent) over the period (see footnote 8 on pages 13 below)

Figure 1 Population growth in Dublin and South County Dublin³ 2011-2020



It is important to set this rise against the context of relative population densities:

For Dublin City, April 2020 population estimates imply a density of approximately almost four times greater than that of South Dublin County, however (see Figure 2 below).

From these figures, two urgent conclusions stand out clearly:

- In the last ten years a population equivalent to the town of Bray has been added to South Dublin County. **Clearly with this population growth comes the need to ensure employment growth for this population as it grows and matures.**
- South Dublin County lower population density – combined with its proximity to the centre of Dublin and strategic location straddling the N4, N7 and N81 **has – as noted in our report last year – a clear relative advantage as a location for logistics, industrial and warehousing activity.**

Figure 2 Population densities in Dublin City and South Dublin County⁴ 2011-2020

South County Dublin: 1,301 approx. per square Km
Dublin City: 4,884 approx. per square Km

²This implies that the state's population has now surpassed the 5 million mark.

³We assume that South Dublin County 's population grew at a comparable rate to Dublin County as a whole.

⁴We assume that South Dublin County's population grew at a comparable rate to Dublin County as a whole.

Economic growth

An analysis of economic growth supports our reports conclusions. Before discussing them it is important to note that as a logistics hub not just for Dublin but – given its strategic location straddling key transport arteries the N4, N7 and N81 the entire economy – it is important to consider national rather than just regional economic trends. Like few other parts of Ireland, South Dublin County is a key commercial corridor whose capacity needs are directed by national and not just regional economic developments.

Between the second quarter of 2011 – the timing of the 2011 Census cited above – and the second quarter of 2021 the economy as measured by Gross Domestic Product (GDP) – in real (constant price) terms more than doubled in size.

As GDP captures movements in multinational transfer pricing activity GNP⁵ (also in constant terms) it is used to capture the growth in the indigenous economy. Given the growing influence of multinational export activity on South Dublin County it is important to get an understanding of how both measures have grown over the period of comparison). The results are just as significant, with an increase of just over 80 per cent in the volume of economic indigenously owned economic activity.

Figure 3 Economic growth Nationally 2011 Q2 -2021 Q2



GDP (Real):	+ 105.7%
GNP (Real):	+80.3%

From these figures, two clear conclusions are evident:

- That growth in our multinational economy is clearly very strong and has doubled the volume of economic activity in under a decade and is very welcome and needed.
- However, as Section C below demonstrates, just as at national level, there is now a recent and recognised need to catch up with land provision for housing – so the fact that the issue of the availability of land for Enterprise and Employment now needs to be matched to very significant rates of population and economic growth. Otherwise, severe deficiencies arising from now rapidly materialising inflation and post pandemic and Brexit related logistics bottlenecks could become permanent.

While multinational demand is clearly stronger, the increase in the size of the domestic, indigenous economy has also been very significant.

As we recommend in section D below, Policy Conclusions, local Government should arguably quantify, audit and track the availability to zoned land and key economic amenities – including the availability of zoned land, sustainable energy, public transport and affordable housing – to ensure that the economic and demographic growth is accommodated without congestion.

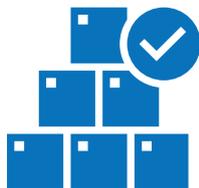
Merchandise Trade

The need for extra capacity in our economy is presented below. In volume terms – that is adjusting for price increases and focusing on the physical quantity of merchandise exports and imports leaving and entering Ireland – Figure 4 below shows that in the ten year period between June 2011 and June 2021 the volume of imports rose by a staggering 121.7% while export volumes rose by 76.7%.

⁵The periodicity is selected to align the period of the 2011 Census (April 2011) with the latest available National Accounts data from the Central Statistics Office. Gross National Product (GNP) rather than Gross National Income (modified) (GNI*) is reported as it is appropriate for the ten year term of comparison being presented (while somewhat lower, rises in GNI* over the period are broadly comparable).

While Fingal is more relevant for exports – given its proximity to Dublin port and location close to the M1 Dublin-Belfast corridor – South Dublin County is clearly the relevant hub for imports given that, once dispensed at Dublin Port, Ro-Ro⁶ imports destined for non-Dublin locations are based in Munster, the Midlands and Connaught containing a majority of the state’s population outside Dublin - most likely to travel via the N4, N7 or N81. Together with their proximity to central Dublin, location near the M50 is equidistance between North and South Dublin. Logistics hubs such as the Greenogue Business Park, Aerodrome and Baldonnell Business Parks constitute logical locations to service both distribution of imports within the Greater Dublin area as well as dispersal around the rest of the state.

Figure 4 Growth in Import and Export volumes June 2011 - June 2021⁷



Imports: +121.7%
Exports: + 76.7%

Inflation

While prompted initially by an end to lockdown, consumer price inflation has risen sharply and with increasing momentum and speed. From just 1.7 per cent last May – a period by which pre-pandemic price levels had already recovered to pre-pandemic levels – the rate of inflation has more than doubled. As well as rising energy costs, this trend increasingly reflects supply chain disruption related to the impact of COVID-19 and Brexit. Following Brexit the increase in demand for pre-storage in Ireland of a range of products (e.g. white goods once ordered directly from the UK) has also been an aggravating factor as importers and exporters seek added logistics capacity to circumvent Brexit related Red Tape and time delays.

Figure 5 Consumer Price inflation gathering pace



⁶Roll on Roll off.

⁷The periodicity is selected to align with the foregoing analysis of National Accounts data.

B. POLICY NEEDS AND POLICY DELIVERY

B.1 Key Policy Imperatives: National, Regional and Local

A Challenge for South Dublin County

This report rests on strong foundations as a report that is based not on any sectional interest, but which follows on logically from a report on the economic investment needs of South Dublin County.

Our previous report “*Ensuring inclusive, sustainable recovery in the Greater Dublin Region*” outlined a clear vision for post pandemic recovery for South Dublin County and the “Greater Dublin” economic region, comprising Dublin and Kildare County areas.

It called, specifically, for Government and local government to ensure that, as far as possible, a proportionate and fair share of investment in housing, public transport, village and tourism amenities along with strategic development of the area along the N7 corridor.

It set the objective of ensuring that recovery within the South Dublin County area was as socially inclusive as possible and availed of the area’s relatively low population density and hence its greater capacity compared to central Dublin to provide affordable housing and employment growth.

It also laid emphasis on South Dublin County’s core advantage as a hub for logistics, distribution, life sciences and office block developments.

Building on this foundation and taking into account the strengthening momentum of population growth, economic growth and price pressures which have become evident since the publication of the last report, this report aims to ensure it is sufficiently robust to meet the demands of the next 10 years.

As our current housing crisis illustrates at national level, policy strategy and implementation has been taken by surprise by the strength of population growth in the last decade, resulting in a mismatch between supply and demand and a resultant unaffordability of house purchase and rentals for a growing number of citizens.

Part of the problem is the mismatch between the understandable length of time taken to engage in policy documentation production and consultation:

The rapid change in the evolution of the Covid-19 pandemic and the faster than expected momentum of economic and demographic development in that period requires a “course correction” in policy of the kind now being seen with the Governments new “Housing for All” policy (indeed the “Housing for All” policy and its anticipated ramping up of housing investment at national level calls for analysis of how other regional and local policy strategies across Ireland can be consistently aligned with this higher level of ambition).

The fact that the pandemic related shift to online purchasing is bedding down as a more permanent feature of the Irish economy (Comreg, June 2021) – may also require evaluation and possible action.

The most relevant areas of national, regional and planning policy are laid out below.

Key policy imperatives

Review to Renew

In its “Review to Renew” consultation commenced last November, the Government wisely set out to engage in a “sense check” on what needed to be delivered more quickly to meet Ireland’s emerging challenges and to fulfill priorities in the Programme for Government (see below) in relation to housing, health, climate action and transport.

That review was not done to consider the merit of individual projects but rather to ensure alignment with the needs of citizens and the public interest in relation to infrastructure provision, prioritisation and planning. This report is produced in exactly the same spirit, to ensure the most up to date assessment of policy implementation possible.

Programme for Government

In its July 2020 Programme, the Government laid great emphasis on local recovery and on a recovery that is balanced, particularly in relation to our indigenous economy as the following quote makes clear:

“Our economy must recover in a way that is fair and balanced, leaves no one behind, and is futureproofed against shocks. Embedding resilience within our economy must become a way of life, recognizing our strength as a home for international business, and crucially how our own indigenous small land medium-sized enterprises can trade in a supportive environment”

As shown in the next subsection, bottlenecks may be emerging in several areas including public transport and labour supply, land and energy.

Covid-19 response and Brexit

The national challenges of Covid-19 and Brexit are not yet over. The challenge of developing South Dublin County’s economy is threefold and arises from pressures the magnitude of which may not have been appreciated to the full extent that they are now.

Firstly, embedding resilience to future pandemics will require future business and industrial premises to be larger and more spacious to enable social distancing if required in future.

Secondly, the Covid-19 pandemic has created supply chain disruption at a global level. This in turn requires a greater logistics capacity in order to facilitate storage for greater long-term planning.

Thirdly, Brexit has necessitated a shift in logistics for many industries – particularly “White Goods” – where, instead of customers ordering directly from the UK, goods now alternatively require wholesale bulk storage in Ireland for delivery to order. This, in turn requires greater logistics capacity.

In short – and in addition to the very significant rising demand for enterprise space as a result of the dramatic increase in economic activity and population over the last ten years, the challenges of Covid-19 have developed a magnitude and significance for logistics and supply chain disruption the magnitude of which was not fully anticipated at the time of the publication of our previous report. But now all stakeholders are advised to consider and take note of them.

Project Ireland 2040 National Planning Framework

The importance of “place-making” in the delivery of urban space is clear from priorities laid down in ‘Project 2020 National Planning Framework’ but is also crucially important in relation to land for other purposes.

Section 4.4 of the National Planning Framework document entitled ‘Planning for Urban Employment Growth,’ begins with the acknowledgement that:

“The pattern of urban growth targeted in the National Planning Framework is population and employment led, recognizing that firms and enterprise development are drawn to urban locations by market forces such as agglomeration, migration and specialization”

This point is crucial in three respects: Firstly enterprise is drawn by forces of **agglomeration**. This means that – providing planning and zoning decisions facilitate it – enterprise will be naturally drawn to areas where its activities are naturally supported by a supportive infrastructural ecosystem consisting of transport links, complementary industries that enhance the realization of economies of scope and scale and the existence or planned existence of a readymade suitable workforce within a relatively short commute and with access to public transport facilities.

Secondly, the location of enterprise and location of new housing must be mutually supportive (see also below) The anticipated creation of new housing along the N7 means enterprise land must be made available to support the anticipated rise in employment if the principles of a localized recovery – embedded in the Programme for Government – are to be honored.

Thirdly there is the issue of specialisation. As pointed out in last year’s report “*Ensuring inclusive sustainable recover in the Greater Dublin*”.

Eastern and Midlands Regional Spatial and Economic Strategy (RSES)

Development at local level must also be consistent with regional policy. In the Eastern and Midlands Regional Spatial and Economic Strategy (See Draft South Dublin County 2022 – 2028 Development Plan page 36) the “South West Corridor” – a consolidation of the suburbs of Clonburris, Kilcarbery and Adamstown linked to improved local public transport and new envisaged residential centers along the Naas Road – is a crucial artery for economic development.

Several points of the RSES deserve emphasis:

Firstly, its stipulation that the provision of increased employment densities to support envisaged population growth requires co-ordination between the local authorities, enterprise agencies and regional stakeholders.”

Secondly its ‘Guiding Principles’ for locating strategic employment areas, namely:

- **“Suitable locations** (depending on the extent to which an enterprise is people or space intensive or subject to environmental constraints)”
- **“Serviced sites** (based on whether an industry is dependent on a particular infrastructure such as energy, water, transport or communications)
- **Connectivity** (including access to international markets that requires proximity to an airport/port)
- **Skilled labour force** (proximity to third level education and lifelong learnings)
- **Local strengths** (a diverse sectoral mix, research, innovation and technology centres, start-up hubs and incubators, emerging clusters or cross industry value chains)

These principles call for the integrated development of industrial and enterprise locations that blend the availability of serviced space, with public transport and airport/port connectivity, access to current or envisaged growth in a skilled labour force and in a manner that plays to South Dublin County’s particular specialised economic advantage.

This approach maximises the County's contribution to the regional and national, as well as the local, economy building on the successes achieved to date.

South Dublin County 2022 – 2028 Development Plan

Finally some points from the draft development plan are worth noting.

Firstly, the draft Development Plan assumes a borough population of 304,726 by the year 2028 (See Draft South Dublin County 2022 – 2028 Development Plan page 54). Our foregoing analysis (Section A above), based on Central Statistics Office (CSO) data, suggests that South County Dublin's population has reached a level of just under 290,000 as of April 2020. The consistency of population targets with unfolding outcomes as published by the CSO needs to be monitored on a nationwide basis to ensure that – as well as being mutually aligned – national, regional and local planning for housing, economic and enterprise, amenity and other usage is as up to date as possible.

Secondly, ensuring consistency with the spirit of aforementioned Programme for Government and regional spatial and planning goals, the extent to which the policy of relocating business (page 64) to “release urban land, for more efficient purposes that would be of benefit to the regeneration and development of urban areas as a whole” – will create an additional “knock on” need for enterprise and employment land should be analysed and quantified:

Just as industry must make way for housing in areas where regeneration of previous industrial lands for residential use makes sense, so other forms of land that are suitable for redevelopment as enterprise and employment development must also accommodate a new home for the dislocated enterprises.

Policy must be consistently applied along the chain for dislocated zoning. Otherwise, this will lead to blockage, dysfunction and loss of jobs from South Dublin County. It will also disturb the balance and proportionality of land allocated to housing on one side and, on the other, land allocated to provide employment on the other.

Raising the amount of land for housing without increasing – (and possibly reducing) - the amount of land available for indigenous enterprise could at worst raise local unemployment and, at best, result in longer commutes and higher carbon emissions as a result of local workers having to travel further distances.

Finally increasing energy efficiency and unlocking renewable energy potential in the County were called for in our previous report. **Two strategies to achieve these are as follows. Firstly, an efficient clustering of economic activity and secondly, through district heating schemes, electric vehicle charging ports, energy generation from waste, wind, solar and small scale hydro sources, green infrastructure and greater insulation of homes and work places.**

¹² The permission of Jones Lang LaSalle (and authors Woody O'Neill and Hannah Dwyer) and CBRE (and David Agar and Marie Hunt) to replicate survey findings is acknowledged with thanks.

¹³ See <https://cityedge.ie/>

B.2 HOUSING GROWTH AND ECONOMIC DEVELOPMENT

A very positive aspect of the South County Dublin 2022 to 2028 draft Development Plan (objective CS3) is the commitment:

“To ensure that sufficient zoned land is available to satisfy the housing and population requirements of the County, as set out under the Ministerial Guidelines for Housing Supply and the Regional Spatial and Economic Strategy, over the lifetime of the Plan and to ensure that brownfield sites are prioritized for development over greenfield sites in line with the Regional Strategy”

In Table 9 (chapter 2) of the draft Plan, and subsequently in subsection 2.6.4, the deliverability of this commitment is analysed in quantitative terms with specific identification of greenfield and brownfield sites.

The environmental imperative of favoring brownfield over greenfield sites for residential development is a strong feature of policy thinking in recent years. The higher density of utility provision (electricity, water, gas, telecommunications) required for residential as against logistics development commends this strategy.

Noting also the targeted increase in housing of 17,817 units for a forecasted population rise 46,518 over the 2022 to 2028 period, there is now an opportunity to clarify the quantitative implications of these goals in relation to the goal contained on page 330 of the Plan, namely:

“EDE1 Objective 3: To ensure that there is a sufficient supply of zoned and serviced lands at suitable locations to accommodate a range of enterprise and employment development types and to promote compact growth by strengthening the integration between employment, housing and transportation”

By bringing the implementation of policy into alignment across all types of land, we can ensure a beneficial consistency of approach that enables the County to deal better with surprise developments and shocks – such as those witnessed in the last year.

In particular ensuring that land areas for enterprise and employment are zoned to ensure a climate sustainable and “Just Transition” in which jobs are made available in line with connectivity by public transport, walking or cycling routes with new planned housing development.

This is simply good and advisable public policy that consistently aligns national, regional and local implementation towards the same objective: Inclusive, sustainable and localised recovery.

¹⁴E-Commerce parcel delivery in Ireland, June 2021.

B.3 SUPPLY OF LAND ZONED FOR ENTERPRISE AND EMPLOYMENT USAGE IN SOUTH COUTY DUBLIN

It is clear from analysis of the 2010 - 2016 and 2016 - 2022 SDCC Development Plans, that despite a variation in the latter plan to zone approximately 195 hectares (482 acres) of lands which is in the ownership of South Dublin County Council, there has been no substantive increase in EE lands over a decade in which – as Section A makes clear – significant economic and demographic expansion took place.

As varied (see directly above) the 2016 South Dublin County Council Development Plan provided for 700 hectares (1,730 acres) of EE lands available for all types of development including multinational activity, office space and industrial activities such as warehousing.

Under the previous plan, undeveloped EE zoned lands were distributed in areas such as Grange Castle, Citywest/Baldonnell and Greenogue areas with additional small parcels in Clondalkin, Hermitage South and Tallaght. However, surveys done on the area strongly suggest that these Business Parks, with the exception of Grange Castle, have virtually reached full capacity. While the strong influx of industrial users take up to the area is a success story to be welcomed, we must ask where the future industrial users are going to locate outside of Grange Castle.

This is particularly important as SDCC has, in line with its housing strategy (see B.2 above), designated 425 hectares (1,050 acres) of current economic land for regeneration as mixed use (REGEN). This initiative looks likely to be extended under the “City Edge” initiative. There is no re-allocation of additional “EE” lands under the Draft Development Plan to relocate these users.

While welcome, this implies a significant displacement of industrial users. This is particularly of concern in that the lands earmarked for REGEN appear to be mostly occupied by industrial users, with warehouses being a strong component of this usage. Some of these warehouses are at obsolescence and so relocation is arguably timely.

However, in the light of the clear national, regional and local policy imperatives discussed above (see Subsection B.1) these users should not be fragmented but rather clustered ensuring:

- Proximity to complementary industrial user types
- Be located as closely as possible to the envisaged areas of population growth and key public transport arteries (See Draft South Dublin County 2022 – 2028 Development Plan page 55)
- Access to airport and port facilities (via the M50)
- Will remain close to the industrial and technology crescent N4-N7-N81 hub within South Dublin County where there is a natural comparative advantage.

South County Dublin’s location on the N4, N7 and N81 arteries gives it a natural advantage. This advantage may be lessened if there is an underestimation of need in the area of technology, industrial, life sciences and logistics uses. The publication of a report – since the publication of the draft Development Plan - by Comreg showing that the shift to online purchasing - necessitated by the pandemic – is bedding down as a permanent feature of our “post-pandemic environment. So the gap between expected and actual need for storage and logistics is likely to widen even further.

B.4 ENERGY

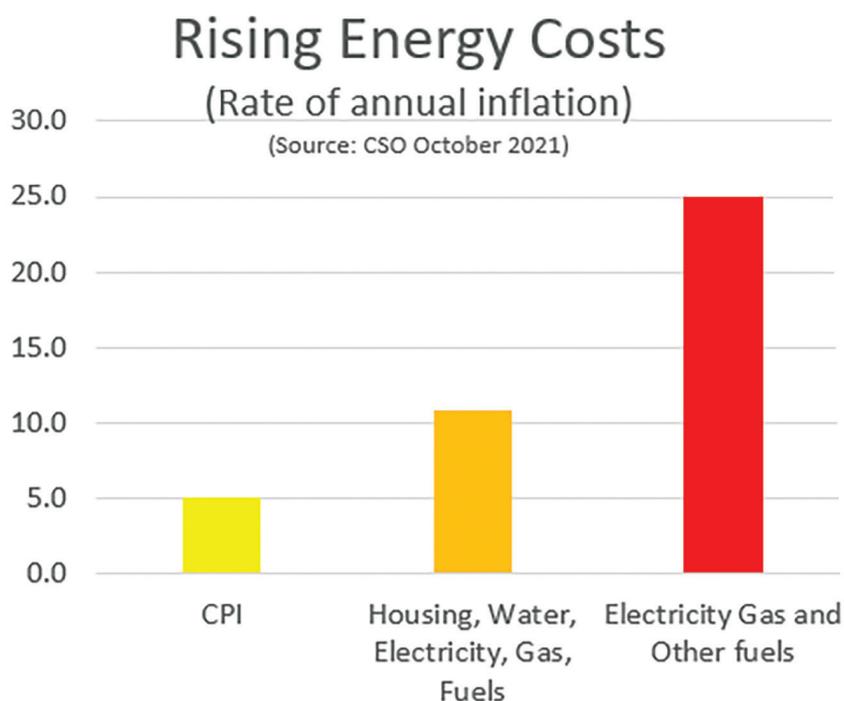
A key challenge facing economic recovery across the entire economy is energy provision and cost. Figure 6 below shows how, compared to Consumer Price Index (CPI) inflation – which as noted in Subsection A.3 is already rising rapidly – rates of price increases in the “Housing, Water, Electricity, Gas and Other Fuels” category are also escalating. Currently inflation in this category of the CPI is running at 10.8 per cent and appears to be on an upward trajectory. What is more worrying still is that the “Electricity Gas and Other Fuels” category is principally due to the impact of rising electricity prices, driving momentum: In October of this year, prices in this component rose by 25 per cent.

As observed above, a twin strategy is desirable in relation to energy costs.

The first, demand focused, will avoid the kind of mistake made in Ireland during the Celtic Tiger boom-bust period in which a fragmented approach to housing development led to increased car usage and a higher carbon footprint.

The second, supply focused, is already embedded in the County’s draft development plan in several respects. The Plan acknowledges the potential to use local advantages (heating schemes linked to Data Centres) as well as wind, solar and possibly small scale hydro generation potential. It also commits to providing more electric vehicle charging infrastructure and, more generally, the provision of green infrastructure. The Council’s own commitment to reduce its Greenhouse Gas emissions by 40 per cent by 2030 is very welcome.

Figure 6 Rising Energy Costs



C. CHALLENGES FOR FURTHER ECONOMIC GROWTH

C.1 HOUSING SUPPLY

Following the escalation of the housing issue as a political priority, the Programme for Government, Review to Renew consultation and the draft development plans of local authorities around Ireland have identified and are vigilantly addressing the issue of housing supply under the “Housing for All” strategy.

While still a challenge to a fair recovery, the housing issue is now being addressed with full vigour and in a quantified manner. There is, therefore, little that this report can add at the present time to the assessment of this need which appears to be comprehensively addressed by the plan (See Draft South Dublin County 2022 – 2028 Development Plan page 54).

The key concerns of this report are to bring the level of attention and priority to the challenge of providing employment and economic opportunity for a growing population with attention and priority now finally being given to providing housing for that growing population.

C.2 SUSTAINABLE ENTERPRISE & EMPLOYMENT GROWTH

Given the strength of the Irish macroeconomy there will be increased demand for zoned land a lack of which will hinder recovery that:

- **Is socially sustainable:** Recovery must be fair and balanced in enabling growth in the many multinational industries and indigenous industries that are vital to avoid high rates of youth and long term unemployment.
- **Is based on maximising economic productivity and leveraging local advantages:**
- **Is environmentally sustainable:** By clustering specific business activity, correct policy can avoid a damaging fragmentation of land use.



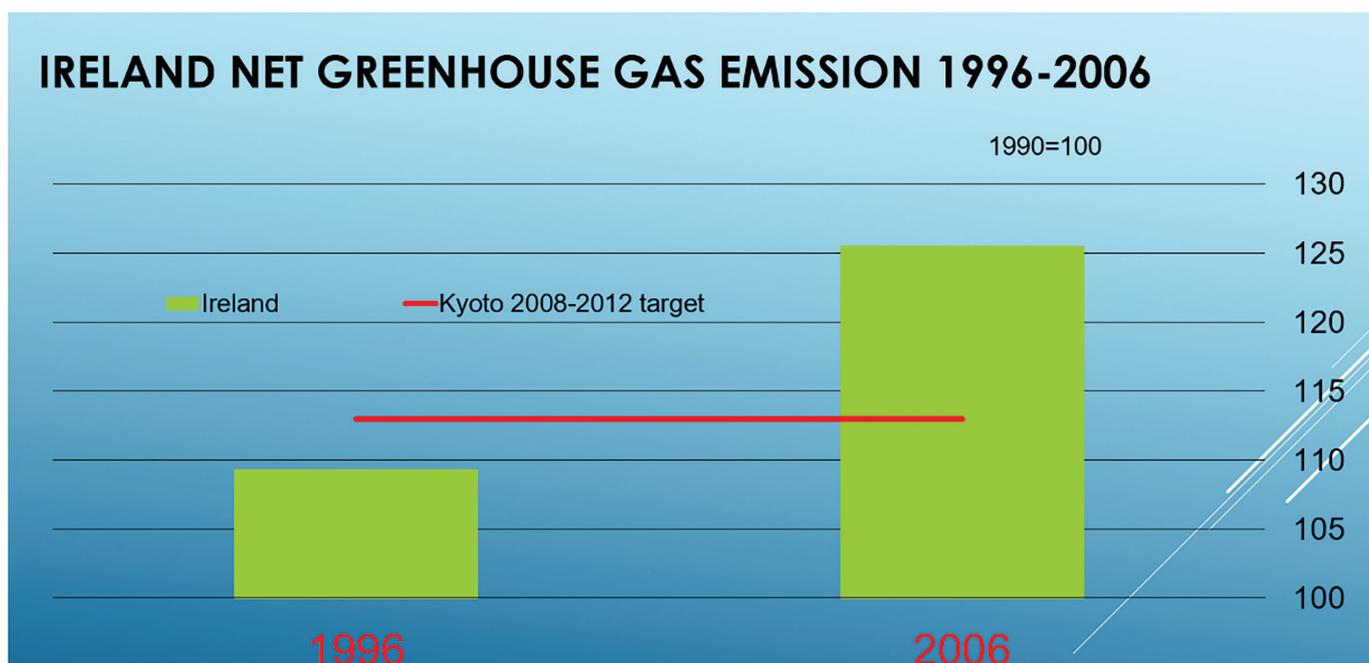
C.3 PUBLIC TRANSPORT

Clearly the experience of the Celtic Tiger demonstrates that providing ample housing and economic opportunity for a growing population needs to be supported by a good public transport system. During that period – albeit at rising house price levels – housing was provided. However, this was done in a manner that was not environmentally sustainable.

As Figure 7 below demonstrates, Ireland went from being compliant with to being in breach of the Kyoto protocol⁹ on carbon emissions. Ironically, from a position where Ireland was compliant with the protocol in the year before it was concluded (1997), subsequent economic and demographic growth – accompanied by a combination of sprawled development in housing and a lack of public transport – saw Ireland’s car ownership rise by 700,000 in a decade so that, by 2006, Ireland was clearly in breach of the protocol.

The Kyoto protocol has now been replaced by the 2015 Paris Agreement, committing to a target of carbon neutrality of 2050 – a goal to which the Programme for Government strongly commits.

Figure 7 The Impact of “Celtic Tiger” urban sprawl on Ireland's carbon footprint



Cycling

South Dublin County is becoming one of Ireland’s most cycle friendly counties. Cycling in the County is being supported by a set of 41 projects set to delivery over 210 km of new and improved cycle lanes.

GREATER DUBLIN AREA TRANSPORT STRATEGY 2022 – 2042

Whilst the strategy is still out for consultation it is worth noting that it is as expected largely in line with the Transport Strategy for the Greater Dublin Area 2016 – 2035. The moving out of many of the timelines involved is concerning and disappointing. Bus Connects is underway and is providing good connectivity, new transport hubs for Tallaght and Lucan will ensure a better public transport service.

⁹The Kyoto protocol was agreed in 1997 by industrialised nations and aimed to reduce Greenhouse Gas emissions.

Good transport is essential to ensure

- Improving connectivity to maximise the potential of our labour force.
- Identifying transport investment required to facilitate expansion of jobs and employment.
- Transport can act as a catalyst for Entrepreneurship and innovation.
- Optimising our transport network for the distribution of products and goods to markets.
- Reduce the effects of congestion on the economy and workers.

In providing transport solutions we must remain in line with our Climate Action Plan 2021.

A connected, reliable, efficient and affordable transport system can be a major driver of economic activity, jobs investment and prosperity.

C.4 FROM FRAGMENTATION TO CLUSTERING

Essential to achieving climate objectives, but also to strengthening South Dublin County's economic advantage is achieving an efficient clustering of added enterprise and employment activity around pre-existing core serviced sites and ensuring fragmentation is restricted.

Just as the damage of residential sprawl sent Ireland's climate action agenda back a decade in the past, so a failure to cluster our enterprise and employment activity could undermine the current and future governments' carbon neutrality commitments.

It could also frustrate the overlapping objectives of the Programme for Government, Eastern and Midlands Regional Economic and Spatial Strategy and National Planning Framework objectives of promoting localised sustainable recovery in which citizens have access to employment opportunities by means of walking, cycling or affordable public transport.

C.5 ENSURING LOCAL AFFORDABLE, SUSTAINABLE ENERGY

The Programme for Government promotes the development of targets and incentives for the community supply of sustainable and renewable energy.

The draft Development Plan contains welcome commitments to contribute to making Dublin a Climate-resilient region and Greenhouse Gas emissions in the area. Section 10(2)n of the Planning and Development Act 2000 as amended requires that Development Plans must aim to reduce energy demand, reduce greenhouse gas emissions and address the necessity of adaptation to climate change.

National Planning Framework objectives require that climate action is integrated into the planning system in support of national targets and that heat mapping supports developments which deliver energy efficiency and the recovery of energy that would otherwise be wasted.

The challenge of developing renewable energy – and (given escalating costs) keeping it as affordable as possible - affects the entire economy.

The challenge here is to ensure that rather than coming at the expense of a fair and balanced recovery and a socially sustainable mix of employment opportunities, this welcome success is aligned with those objectives by strengthening the attention given in the Development Plan to the need to provide local, sustainable and affordable energy sources.

The opportunity – already identified and being developed – is to expand District Heating (DH) Networks, with the Data Centre industry being identified as the source with “*the greatest heat capacity*” (page 380).

Recognising this positive potential of the industry to contribute to climate action should be balanced by ensuring that the welcome gains in efficiency achieved by DH is not offset by any fragmentation effect from indigenous economic entities who may be tempted to move further afield or to smaller, more fragmented locations within the area.

D. POLICY CONCLUSIONS

The main conclusion of this report is that in the light of developments transpiring since our last report – and recently gathering momentum – there is a need to continue to ensure alignment of national, regional and local policy more closely together and to align them collectively with intensifying economic and demographic pressures facing South Dublin County and other parts of the nation as a whole. These include:

- A very rapid level of economic growth as measured by both multinational and indigenous indicators
- Significant population growth in the decade to date and strong growth forecasted growth, possibly greater than expected, out to 2028
- Rapidly rising inflation to which both supply chain pressures and higher energy costs are contributing significantly

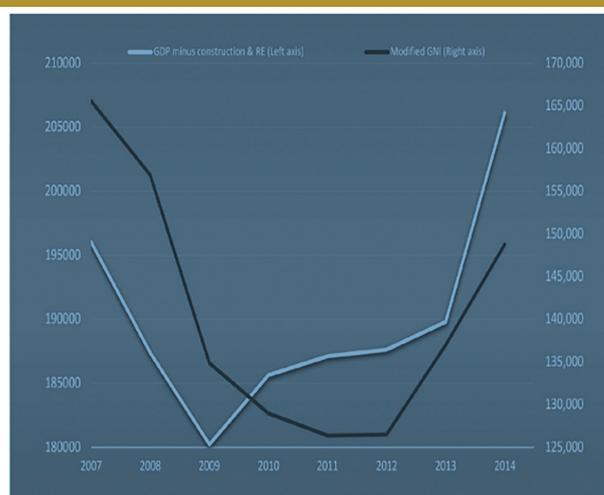
This alignment needs to address:

- Monitoring access to key resources such as labour, transport, land and energy in the economy to ensure that no economically, socially or environmentally unsustainable gaps are emerging and, if they are, take action to correct these as they arise
- An alignment of land supply for enterprise and employment and housing – particularly relevant given population and housing growth anticipated in South Dublin County along the N7.
- The need for more radial public transport, particularly to connect our major population centres Tallaght Clondalkin and Lucan and connect them to more centres of employment.
- The need to provide clean, affordable local energy sources in line with Programme for Government comments.

In last year's report "*Ensuring an inclusive sustainable recovery for the Greater Dublin region*" – is particularly susceptible to economic downturns and which has within its boundaries a significant population of young people who depend upon a mixed economy for their employment.

As shown in Figure 8 below, the Irish economy demonstrated during the recovery from the previous financial crisis a marked difference between the multinational economy and indigenous economies. This is evidenced by the much faster recovery of GDP (less construction which is a domestic sector badly affected by the last downturn) compared to Modified Gross National Income that measures the domestic economy's performance more accurately). The relatively sharp (if not perfectly symmetrical) "V" shape of the former indicates the fact that the multinational side of the economy recovered quickly from 2009 (within a year of recession beginning) on and continued recovering at an accelerating and eventually rapid pace over the ensuing five years. By contrast the measure of the economy that is more domestic in nature suffered a prolonged five year downturn.

Figure 8 The Gap between Ireland's multinational and indigenous economy¹⁰



Taken from Chapter 1 of "*An Economic Response to Covid-19*", Octavian Economics.

5 Key Outcomes

The key outcomes identified in this report are:

1. Fragmentation during the previous boom-bust cycle was a key cause of Ireland's failure in relation to Greenhouse Gas emission targets. This lesson has clearly been learned in relation to welcome planned brownfield housing development along the N7. It must also be applied to averting the trends towards fragmentation in economic activity.
2. Public transport facilities – available on a “radial “pattern – must also be made available between, as well as along radial arteries, enabling movement along a broad arc from Lucan through to Tallaght.
3. Growth in the provision of enterprise and employment land and land for housing and rates of population and economic growth should all move in tandem to ensure balanced recovery. This lock step alignment needs to be ensured to avoid bottlenecks.
4. Access to affordable sustainable energy must be addressed in line with Programme for Government commitments as a matter of urgency, given the escalating cost of energy.
5. We need to ensure there is no mismatch between population growth and enterprise and employment to ensure we do not lose jobs.

APPENDIX: REFERENCES

CBRE, *“Observations on supply and demand of industrial and logistics accommodation in South County Council Area”*, September 2021

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Comreg, *E-Commerce parcel delivery in Ireland*, June 2021

Eastern & Midland Regional Assembly, *Regional Spatial and Economic Strategy (RSES) 2019-2031*, 2019

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Jones Lang LaSalle (JLL), *“Review of Enterprise and Employment Zoned Lands in South County Council (SDCC) area,”* September 2021

NTA Greater Dublin Area Transport Strategy 2022-2042

Programme for Government – Our Shared Future 2020

Project Ireland 2040 National Planning Framework 2018

South Dublin County Council Development Plan 2022 – 2028, 2021

TABLE 1 CORE STRATEGY TABLE 2022-2028

Table 10: Core Strategy Table 2022 - 2028

Settlement Type	Neighbourhood Area / Settlement Name	2016 persons	2016 units & share (%)	Estimated Built 2016 to Q4 2020 and share (%)	Total Land (HA) 2021 - 2028	Total Housing (Units) 2021 - 2028 and share (%)	Total 2028 units and share (%)	Target 2028 persons and share (%)	Population Growth from 2016 persons No. (%)
Dublin City and Suburbs	Tallaght	71,350	24,080 (25%)	700 (12%)	42.54	2,000 (11%)	26,780 (22%)	76,525 (24%)	+5,175 (7%)
	Naas Road	1,384	396 (0.4%)	15 (0%)	20.02	1,010 (6%)	1,421 (1%)	3,349 (1%)	+1,965 (142%)
	Templeogue, Walkinstown, Rathfarnham, Firhouse	78,166	28,503 (30%)	1,750 (30%)	55.91	1,953 (11%)	32,206 (27%)	85,264 (26%)	+7,098 (9%)
	Clondalkin, Clonburris and Grange Castle	44,500	14,869 (16%)	200 (3%)	122.3	5,385 (30%)	20,454 (17%)	55,206 (17%)	+10,706 (24%)
	Lucan, Adamstown, Palmerstown	59,000	19,069 (20%)	1,625 (28%)	93.83	3,322 (19%)	24,039 (20%)	68,483 (21%)	+9,483 (16%)
	Citywest	8,238	2,503 (3%)	1,164 (20%)	78.52	2,833 (16%)	6,502 (5%)	15,900 (5%)	+7,662 (93%)
Sub-Total		262,638	89,420 (94%)	5,454 (93%)	413	16,503 (93%)	111,402 (93.7%)	304,726 (93%)	42,088 (+16%)
Self-Sustaining Town:									
Saggart		3,133	1,142 (1%)	85 (1%)	3.57	96 (0.5%)	1,323 (1%)	3,531 (1%)	+398 (13%)
Self-Sustaining Growth Town:									
Newcastle		3,093	1,109 (1%)	100 (2%)	32.66	638 (3.6%)	1,847 (2%)	5,039 (2%)	+1,946 (63%)
Self-Sustaining Growth Town:									
Rathcoole		4,351	1,599 (2%)	250 (4%)	24.43	580 (3%)	2,429 (2%)	6,409 (2%)	+2,058 (47%)
Sub-Total of Towns		10,577	3,850 (4%)	435 (7%)	60.65	1,314 (7%)	5,599 (5%)	14,979 (5%)	+4,402 (42%)
Urban Aggregate		273,215	93,270 (98%)	5,914	474	17,817 (100%)	117,001 (98.3%)	319,705 (98%)	+46,491 (17%)
Aggregate Rural Area		5,552	1,622 (2%)	0	0	0	1,622	5,579 (2%)	+27 (+0.5%)
South Dublin Totals		278,767	94,892	5,914	474	17,817	118,623	325,285	46,518 (+16.7%)

Percentages are rounded to the nearest whole number.

TABLE 2 EXCERPTS FROM SDCC DEVELOPMENT PLAN 2022 - 2028

From section 2.6.8 "Employment of Lands" (page 61 - 62)

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Baseline Analysis

In terms of available lands for development of employment, SDCC carried out an analysis of available lands which have potential to generate jobs. Based on this analysis, there is a total capacity to develop 624 hectares to facilitate further jobs made up of:

- 554Ha of 'enterprise and employment zoned lands':
- 55Ha of 'Local, Village, District and Town Centres':
- 7.6Ha of Employment generating lands within Strategic Development Zones:
- 5.8Ha designated 'Major Retail Centre': and
- 1.2Ha on 'Retail Warehousing'.

Based on an assessment of employment on existing land zoned, there is potential for 31,824 jobs assuming an average of 51 jobs per hectare. In addition to the above, there is 425Ha of Regeneration land forming part of the Tallaght Town Centre LAP and the Naas Road area, while currently providing a relatively low density of employees to land area, provide significant scope for the re-intensification to accommodate higher density employment through a mix of uses and providing a more compact and efficient urban form.

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Based on the need to provide additional jobs in the County and maintain existing jobs through the potential re-location of some business from the current brownfield regeneration lands at Tallaght and Naas Road, the available capacity of employment lands is considered sufficient to meet the needs for the Development Plan period.

CORE STRATEGY (CS) Policy 5: Lands for Employment
Ensure that sufficient serviced lands continue to be available in the right place for employment generation over the lifetime of the Development Plan.
CS5 Objective 1: To focus high intensity employment generating uses around high-capacity public transport nodes.
CS5 Objective 2: To ensure that, insofar as possible, space extensive enterprise is located on lands which are outside the M50 and which do not compromise labour intensive opportunity on zoned lands adjacent to public transport.
CS5 Objective 3: To support mixed use employment activities in our urban areas in accordance with the settlement and retail hierarchies.
CS5 Objective 4: To monitor and further develop the database of employment lands within the County.



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This report is in keeping with South
Dublin Chambers commitment to the
United Nations Strategic Development
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We would like to acknowledge the support of Greenogue Business
Park with the research costs of this report.