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Ghost Estates

The term 'ghost estate' was first used by the economist David McWilliams in 2006 to describe empty or unfinished housing developments in Ireland. As the Celtic Tiger period ended and the crisis deepened, the term became part of the common lexicon of Ireland and a symbolic icon of the crash.

The National Institute for Regional and Spatial Analysis (NIRSA) calculated that there were 620 such estates in Ireland at the end of 2009, where a 'ghost estate' was defined as a development of 10 or more houses in which 50% of the properties are either vacant or under construction. A Department of the Environment and Local Government survey in May 2010 revealed that there were 2,846 'unfinished estates' in the country, a term employed to describe a housing estate of two or more housing units where development and services have not been completed and estates completed from 2007 onwards where 10% or more of units are vacant. The total number of units on these estates was 121,248, with planning permission for an additional 58,025. 78,195 units were occupied. 23,226 were complete and vacant, and 19,830 were under-construction. Only 429 estates had active construction at the time of the survey.

Ghost estates are universally referred to by the Irish State as 'unfinished estates'. Indeed, the word 'ghost' is a somewhat of a misnomer in that nearly every estate had people living on them. These residents had to endure a host of issues. The 2013 government survey reported that 47.9% of dwellings had incomplete roads, 18.7% incomplete footpaths, 21.9% incomplete lighting, 19.4% lacked potable water, 18.6% lacked fully operational storm water systems, and 19.4% lacked fully operational waste water systems. Households also found themselves dealing with anti-social behaviour and vandalism, an unsafe environment for children to play in, a diminished sense of place and community, and often poor access to services such as schools, crèches, medical centres, and public transport.

A number of factors explain the ghost estates phenomena, including a *laissez faire* and pro-growth planning system, over-lending by banks and a lack of due diligence on development loans, and generous tax incentives. These led to a situation in which housing supply was outstripping demand, despite a rapidly growing population. Between April 1991 and April 2006, the number of households in Ireland increased by 440,437 (43%). However, between January 1991 and December 2006, 762,631 housing units were built. This was despite the fact that the 2002 census had reported 177,254 vacant units (excluding holiday homes).

While house prices slowed quickly, then started to fall, housing construction took longer to tail off. 244,590 units were built between January 2006 and December 2009. The extent of the oversupply was clarified by the 2011 census, which reported that 230,056 units were vacant (excluding holiday homes). Allowing for a base vacancy rate of around 6% then oversupply was approximately 110,000 units. Given this over-construction, ghost estates were inevitable.

Addressing the ghost estates phenomena was slow and piecemeal. Severe cutbacks and austerity budgets meant a minimum-policy, minimum-cost approach. A policy of Site Resolution Plans (SRPs) was introduced in October 2011 with a budget of €5 million for tackling health and safety issues (e.g. knocking down unsafe structures, fencing off and tidying up areas). SRPs were to be created by a coalition of vested interests linked to individual estates (local authorities, developers, banks, residents) to deal with key issues. They were, however, voluntary, had no statutory basis, and had little finance beyond the government fund. Their effectiveness varied widely between local authorities and estates.

The last unfinished estates survey took place in 2017. It showed that the number had dropped to 276 estates. Of these, 97 (38%) developments are entirely vacant, consisting mainly of partially constructed units. 159 developments contained residents, but only 5% had some level of construction activity. While a shortage of housing now exists in the principal cities and commuting areas, unfinished estates are mostly located in more rural counties where household growth has been slow. As such, it will be a few more years until they are all completed and occupied.