

## **NAMA – The need to incorporate principles of good planning**

### **IPI Overview**

The State through NAMA will ultimately hold a very large proportion of all developable property in the State and therefore the NAMA bill must incorporate the principles of proper planning and sustainable development in dealing with this massive property and land bank portfolio.

Of the total Loans amounting to € 90 billion, € 60 billion relates either to undeveloped land or to partly developed land. The financial impact of taking on these loans may be very significant into the long term and even for future generations. Thus the Bill states that in entering an agreement for the development of land, NAMA's objective "shall be the orderly development of the land concerned to secure the best return possible". – see Section 148. It is extremely important that this core objective is expanded to include the "common good" and "proper planning and sustainable development" which are the cornerstones of good planning and the Planning Acts. The NAMA Bill is one of the most critical in the history of the State. It forces us to look to a vision of our society in future generations and it is essential that proper planning and sustainable development should inform this vision.

"To secure the best return possible on the development of land" will not, on its own, ensure the best outcome for our society. In fact, this objective when pursued by landowners and developers, has in many cases resulted in bad planning and unsustainable zoning and has contributed to the current financial problems for the State. The Irish Planning Institute made a submission in July 2003 to the All-Party Oireachtas Committee on the Constitution in regard to protecting the common good and essentially recommended implementing the proposals in the Kenny Report in the 1970's which stated that the increased value of land, resulting from it being zoned for development, go to the State to be used for community and social purposes rather than for the windfall benefit of developers and landowners. In this respect, the Institute strongly welcomes the decision of the government to introduce a windfall tax of 80% of the profits resulting from re-zoning decisions.

Notwithstanding the above, NAMA presents an opportunity to obtain land in the control of the State which from a planning perspective has the advantage of facilitating a "plan led" rather than a "developer led" approach. Indeed good planning can increase the value of land (by achieving a better use mix or by providing public infrastructure such as public transport) or can ensure the provision of social infrastructure (schools, community facilities, parks and social housing) in a timely and coherent fashion. The Bill in its present form provides NAMA with the single objective to maximise the return. The Institute is concerned that pressure be resisted to develop land solely on the basis of economic return to the exclusion of the common good and the proper planning and sustainable development of the area.

While it is recognised that the planning system will ultimately decide on projects, it is difficult to see how the Agency could achieve the above benefits of the planning led approach under its narrow objective. Therefore, to take a much more holistic approach of how our society is to be shaped into the future, the principles of proper planning and sustainable development must be incorporated in the Bill

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Land banks should be developed so that people can live, work and have access to recreation which enhances their quality of life, particularly in terms of improved and diverse living environments with easy access to work, school and shopping and good public transport links with the ability to walk and cycle. Social and recreational infrastructure should be provided in tandem with residential development, including schools, healthcare, community facilities, parks and playing fields. Social integration in housing, schools and amenities is critical. The Institute is of the view that amongst the assets that NAMA will inherit will be assets that are unsuitable for development and these should be disposed of. Some of these assets will be zoned land which should never been zoned and NAMA should face up to the challenge in the interests of best practice in urban development. On the other hand there will be assets that are available for development and appropriate development should be sought by the Agency through the planning system.

To ensure that this massive State owned property portfolio is properly managed and developed in accordance with good planning principles, it is critical that qualified and experienced planners have a central role in NAMA through its Board, Assessment Panels and Expert Advisors. In the determination of the economic value of each asset the Agency should have available an appraisal of the asset in terms of its planning status and potential. Such an appraisal must be undertaken by a qualified and experienced planner.

The NAMA Bill must ensure that proper planning and sustainable development is core to the future development of this massive land portfolio in order to protect and enhance the quality of life for future generations.

The Institute has set up a sub-committee which is also preparing a detailed submission in regard to all sections of the NAMA Bill.

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