



To: Chief Executives  
Directors of Planning  
Directors of Housing

Circular Letter Housing 14/2021

14 April 2021

**Re: Housing Need and Demand Assessment (HNDA)**

Dear Chief Executive,

I have been asked by Mr Darragh O'Brien, T.D., Minister for Housing, Local Government and Heritage to refer to Objective 37 of the National Planning Framework (NPF) which provides for a HNDA to be undertaken in each local authority area in order to ensure long-term strategic housing needs are met. The purpose of the HNDA 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;
- Provide evidence to inform policies related to the provision of specialist housing and housing related services.

The HNDA comprises a standardised methodology that can quantify the current and projected housing needs of a particular local authority area including in relation to requirements for different tenures. It is intended to be the central evidence base used to inform Housing Strategy preparation (under section 94 of the Planning and Development Act 2000), which will in turn inform the housing policies of the county or city development plan.

Accordingly, each local authority may now undertake a Housing Need and Demand Assessment for its administrative area using the specific HNDA



Guidance and Tool and other resources available on the HNDA page (see below) on the Department's website. 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. Planning authorities may also consider variation of a development plan where a completed HNDA significantly affects a Housing Strategy in accordance with section 95(3) of the Act.

### **Development of the HNDA Framework**

Development of the framework has had three main strands:-

- ESRI research around county level population projections;
- HNDA Tool developed in collaboration with the Scottish Centre for Housing Market Analysis and associated instructions;
- Development of Guidance on HNDA preparation.

The ESRI research report on *Regional Demographics and Structural Housing Demand at a County Level* was published in December 2020. The ESRI research model enables structural household demand levels for each local authority area to be set out under different scenarios for each year to 2040, thereby facilitating a consistent approach to projecting housing demand by planning authorities for their six-year city and county development plan cycles and their Housing Strategy and HNDA preparation processes. These scenario datasets have been inputted into the HNDA Tool as well as the ESRI's household projections for each local authority and data on income, rents and house prices from a number of sources.

### **Data Sources and HNDA Page on the Department's Website**

A HNDA page has now been added to the Department's website at the following link: <https://www.gov.ie/en/publication/ea99-housing-need-and-demand-assessment-hnda/>. This page contains the Guidance on the Preparation of a Housing Need and Demand Assessment (also enclosed with this Circular), which outlines the process for compiling a HNDA and what it should contain. The Excel based HNDA Tool and associated instructions can also be accessed from this page. The Tool runs on macros and may require special arrangements with your IT Department to download and install on your



system. The HNDA page is also a single repository of the various data items (and an associated Data Catalogue) that are incorporated into the HNDA Tool and contains other available data or links to data sources to assist in housing need and demand assessment.

### **Training for Local Authorities**

A programme of training in the use of the Tool and on the development of a HNDA framework under the NPF is in the process of being organised. There is a dedicated email address for queries or requests for help at:

[HNDA Support Queries@housing.gov.ie](mailto:HNDA Support Queries@housing.gov.ie). When your HNDA is completed, you are requested to forward a copy to this address.

### **Housing Supply Target Methodology for Development Planning**

The Minister's letter to local authorities of 18<sup>th</sup> December 2020 enclosed statutory guidelines for planning authorities issued under section 28 of the 2000 Act on a *Housing Supply Target Methodology for Development Planning*. It is intended that all future Housing Strategies will be informed by the Housing Need and Demand Assessment carried out by the local authority. However, it should be noted that the section 28 planning guidelines of 18<sup>th</sup> December 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.

Planning authorities are therefore advised to ensure that the relevant Housing Supply Target determined through applying the *Housing Supply Target Methodology for Development Planning* is used as the basis for the development plan process.

The Department intends to issue revised Housing Strategy Guidelines under section 28 to take account of housing need and demand assessment.



The Department recognises that the carrying out of a HNDA is a new process for local authority staff and will arrange assistance for queries regarding the use of the Tool and the application of the guidance via the [HNDA Support Queries@housing.gov.ie](mailto:HNDA Support Queries@housing.gov.ie) email address. Any queries in relation to this Circular should be addressed to [Paul.Morrissey@housing.gov.ie](mailto:Paul.Morrissey@housing.gov.ie).

Yours sincerely,

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Caroline Timmons  
Principal Officer  
Housing Systems, Market & Policy

cc: Senior Planners  
Office of the Planning Regulator  
Directors of Regional Assemblies