5
Urban Property Development

Andrew MacLaran and Sinéad Kelly

The urban landscape normally changes only very slowly. The enormous investment of labour power and construction materials that each building embodies is generally amortised slowly, buildings paying back that investment over a very long period of time. Thus, the physical environment appears to be relatively fixed. Nevertheless, it does undergo change: imperceptibly at times, more rapidly at others; more quickly in some districts than in others. The profusion of cranes punctuating Ireland's skyline over the past 15 years has been testimony to the rapidity with which the city has been changing in recent times. Indeed, many areas of the inner city have undergone a scale of transformation unseen since they were first developed during the city's eighteenth-century 'Golden Age'.

This chapter reviews the impact of the 'Celtic Tiger' economy of the 1990s and early 2000s on two major elements of the property development sector. First, it examines office development in Dublin and the changing geographical focus of activity. Second, it reviews the development of private sector apartments in the inner city which, in aggregate, have effected considerable transformation of the residential environment in the city centre.

PROPERTY DEVELOPMENT AND THE CREATION OF URBAN FUNCTIONAL SPACES

Buildings are developed in order to accommodate specific functions. Broadly, these relate to the underlying elements of the social system: production, distribution, exchange and the reproduction of the workforce. They include industrial and distribution space (manufacturing, warehousing and retailing), office buildings accommodating managerial functions in both the private and public sectors, together with residential areas that accommodate the workforce. To a considerable extent, these different functions tend to operate in different areas of the city and in different types of building. Thus, the city comprises a vast mosaic of different types of functional space.

It is sometimes said of property markets that, 'just as you don't buy an envelope unless you have a letter to post, so businesses don't buy or rent buildings unless they have a function to accommodate'. This is because the demand for buildings (functional spaces) is fundamentally a 'derived demand'; the demand for buildings ultimately being determined by how the economy

Copyright © 2006. Pluto Press. All rights reserved.

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.

is performing and how the population is changing: whether businesses are expanding or contracting, if overseas business are seeking a local presence or if entirely new firms are looking for accommodation in which to set up and whether there is an effective demand for the development of new or refurbished residential space. As new types of function appear and as others die out, or as functions alter their locational preferences and building requirements, these shifts in demand become reflected in changes in the built environment. The city expands geographically and adapts internally to the changing demands of those who require built space. Thus, although state policies may have a role to play, notably through planning and tax policy, urban change is largely driven by the dynamics of businesses and households, the outcomes being mediated through land and property markets.

It is precisely because the user demand for property is a derived demand dependent on the vicissitudes of the economy and changes in population growth rates and migration that property development is subject to major fluctuations in levels of output. These boom-slump cycles are particularly evident in the office, industrial and housing sectors (Beamish and MacLaran, 1985; MacLaran et al., 1987; MacLaran, 1993, 2000, 2003).

During the Irish economic boom of the late 1990s, of all Irish urban areas, it was the physical environment of Dublin which was most acutely to experience the impact of the restructuring forces of the property development sector as it responded to the increasing demands for new buildings and new locations. Although each of the major property sectors was touched by the boom, the trends in the office property sector and the construction of inner-city apartments most clearly reveal the shifts in development strategy whereby developers sought to meet rising demand.

BOOM AND BUST IN DUBLIN'S OFFICE MARKET

Until the 1990s, the inner city had adapted very slowly to the property requirements created by Ireland's 'first economic miracle' of sustained growth during the 1960s and early 1970s. It resulted in the conversion of eighteenth-century residential buildings to office functions (an 'upgrading' of land uses in property development terms) and in the development of scattered modern office blocks around Dublin 2. As economic boom gave way to slump in the wake of the oil crisis of the early 1970s, the development sector entered a period of much reduced activity.

Then, from the late 1970s, office development entered a second boom. While development activity remained focused on the office core, spilling over into Ballsbridge, a few tentative schemes were also completed in outer suburbs such as Blackrock and Dun Laoghaire. Others were developed as individual blocks in residential suburbs or became the first office buildings at locations which subsequently evolved into significant suburban office nodes, such as at Clonskeagh and Sandyford-Leopardstown. The boom culminated in 1982 when a crisis in the public finances and resultant public sector cutbacks projected the economy into a major recession. This impacted severely on the office

Copyright © 2006. Pluto Press. All rights reserved.

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.

development industry as the public sector had taken up some 60 per cent of all the post-1960 speculatively-developed office space (Malone, 1985). By mid-decade, with coincidental slumps in the office, industrial property and residential sectors, unemployment in the construction sector reached 50 per cent.

Then, during 1986, in an effort to boost employment in the ailing construction sector, the Irish government established a series of property-based urban regeneration programmes (see Chapter 2). Slowly, the stringent economic policies pursued in the mid-1980s created a basis for sustained and unprecedented high rates of economic expansion in the 1990s; the so-called 'Celtic Tiger'.

Nowhere were the consequences of economic development more sharply felt than in Dublin, its landscape becoming transformed in response to the massive increase in the demand for accommodation of all types. This new Celtic Tiger economy, together with central government tax incentives for property-based urban renewal in designated geographical areas of the city, propelled the property development sector into rising levels of activity (see MacLaran, 1993, 2003). The quiescence, which had characterised the development industry during much of the 1980s, rapidly gave way to a full-scale boom. The inner city in particular became subjected to enormous property development pressures, often creating whole new precincts and transforming historic townscapes almost beyond recognition, notably at the Custom House Docks, Temple Bar and along tracts of the quays bordering the River Liffey.

However, the impacts of this intensive scale of development activity were felt far more widely within the inner city than had been the case in previous development booms. They stretched well beyond the prime office zone and the retailing core, which had been the only inner-city districts that had received any significant private sector development during the twentieth century. In the case of the offices sector, major changes occurred in the location of development, both within the inner city and on a metropolitan-wide scale. Simultaneously, an unprecedented private sector residential development boom occurred throughout in the inner city. It is to these two sectors that the chapter now turns.

DUBLIN'S FOURTH OFFICE DEVELOPMENT BOOM

The office development boom which was generated by over a decade of economic growth after 1990 was the most intensive which the city had ever witnessed (see Figure 5.1). It had taken three decades to develop a modern office stock totalling 1,055,490 sq. m. of space by the end of 1990. Over the following 14 years, the stock more than doubled as an additional 1,345,920 sq. m. of floorspace was built.

It has already been noted that, at times of boom, development activity tends to expand into secondary areas adjacent to the core, while retrenchment into prime areas occurs during slumps. This pulsating pattern of activity typifies each of Dublin's office property booms. However, during the development boom of the 1990s considerable quantities of development became deflected away from the prime office core into the surrounding inner-city areas and towards the

Copyright © 2006. Pluto Press. All rights reserved.

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.

Copyright © 2006. Pluto Press. All rights reserved.

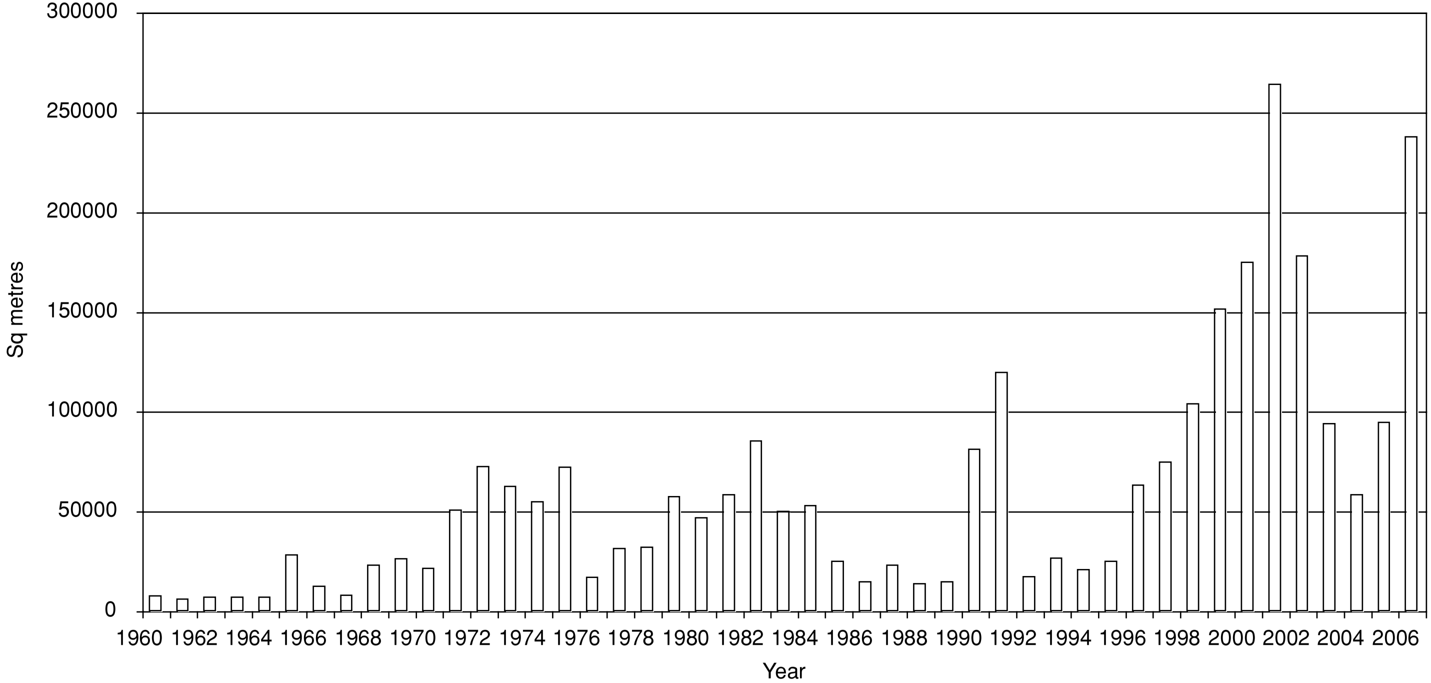

Figure 5.1 Completion of office space in Dublin, 1960–2006 (estimated)

Data sources: A. MacLaran and Hamilton Osborne King, various years

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.

outer suburbs (MacLaran and O'Connell, 2001, 2003; Killen and MacLaran, 2002; MacLaran and Killen 2002). This can clearly be seen from Figure 5.2, inner-city areas accounting for a much reduced proportion of development in more recent years.

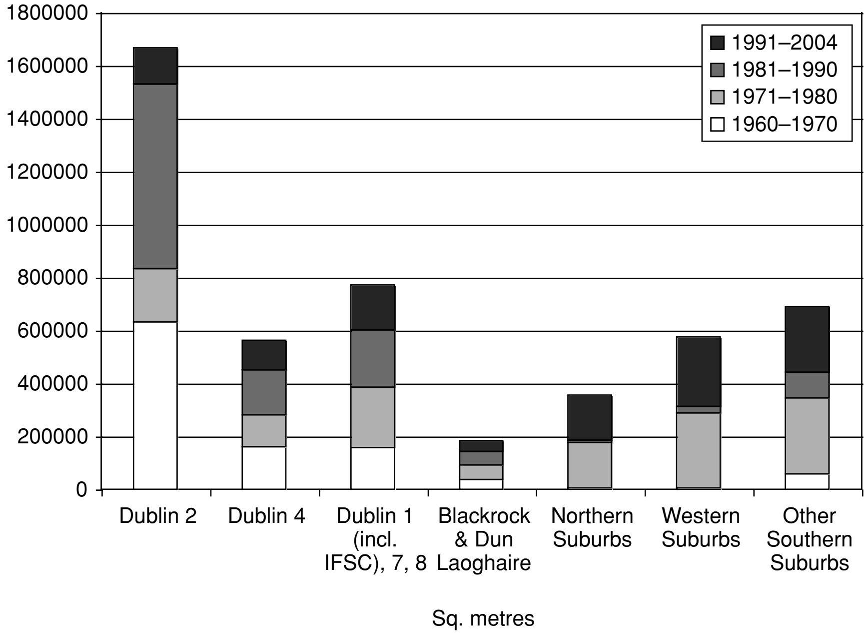

Figure 5.2 Location of office space completed in Dublin, 1960–2004

Sources: A. MacLaran and Hamilton Osborne King, various years

One important underlying reason for the widening geography of development activity during the fourth office boom was the availability in certain locations of tax incentives for property-based renewal (see MacLaran, 1993, 1996a; MacLaran and O'Connell, 2001; MacLaran and Williams, 1996, 2003). These significantly altered the calculations of potential profitability from development over a large area of the city (see Figure 5.3) and at some suburban sites. These Designated Areas included a broad zone lying to the north and west of Dublin's prime office core, in the postal districts of Dublin 1 (including the Custom House Docks), Dublin 7 and 8, in addition to a small Enterprise Area on the edge of docklands on the boundary of Dublin 2 and 4. They also included an inner-suburban site at Alfie Byrne Road in the docklands of Dublin 3, together with even more peripheral metropolitan locations in central Tallaght and an area to the north of the Nangor Road, adjacent to the M50 circumferential motorway (see Figure 5.3).

The initial response of developers to the availability of such incentives after 1986 was the development of significant amounts of office space in areas of

Copyright © 2006. Pluto Press. All rights reserved.

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.

Copyright © 2006. Pluto Press. All rights reserved.

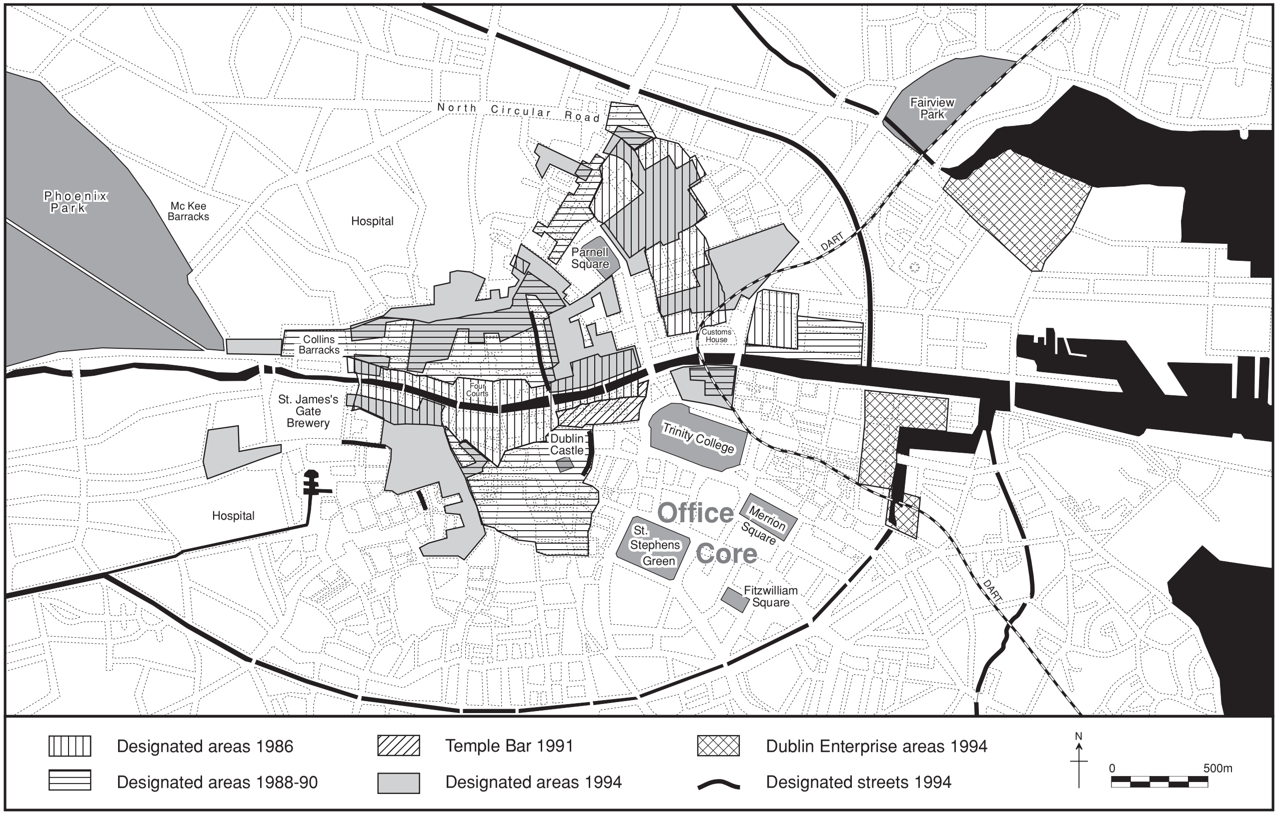

Figure 5.3 Inner-city tax-incentive areas for property-based renewal

Sources: Department of Environment, Heritage and Local Government, various years; Ordnance Survey Ireland

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.

the inner city which had been largely neglected by private sector investment throughout the twentieth century. In addition to the large-scale redevelopment of the Custom House Docks, office schemes were developed at a number of sites along the Liffey's quays, down Winetavern Street, at High Street and in the vicinity of Stephen Street and Golden Lane. In 1993, some developments started to reach completion in Tallaght. By the end of 1995, over 135,000 sq. m.[1] of office space had been developed in the incentive areas. Over 58,520 sq. m. was located at the Custom House Docks, 65,780 sq. m. was located in the other central-city incentive areas (the original Designated Areas together with the Dublin 2/4 Enterprise Area) and 10,760 sq. m. was in Tallaght.

However, during the early 1990s, it became increasingly apparent that significant 'over-development' had taken place in the inner-city designated areas outside the Custom House Docks. Office establishments proved reluctant to locate in such areas and, by mid-1992, this had become reflected in a vacancy rate of 42 per cent in those areas. Thereafter, the focus of development activity in such inner-city locations as Dublin 1, 7 and 8 switched from offices to apartment schemes, with only a further 4,646 sq. m. being completed by the end of 2000 (see Figure 5.4).

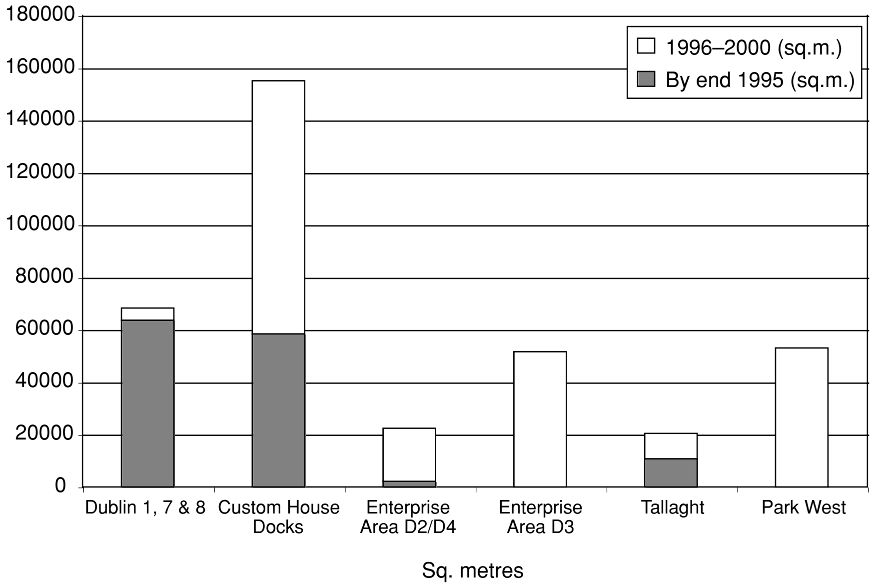

Figure 5.4 Office development in the tax-incentive areas

Sources: A. MacLaran and Hamilton Osborne King, various years

Elsewhere, in other incentive areas, office development continued apace. By the end of 2000, a further 96,506 sq. m. had been completed at the Custom House Docks, while in Tallaght, some 10,730 sq. m. was added. An additional 71,816 sq. m. was developed in the two Enterprise Areas, of which 20,160 sq. m.

Copyright © 2006. Pluto Press. All rights reserved.

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.

was in the Dublin 2/4 Enterprise Area and 51,656 sq. m. was located at East Point (Dublin 3). Furthermore, the availability of tax incentives at Nangor Road had encouraged the development of some 53,100 sq. m. of space at a suburban location which was very poorly served by public transport (see MacLaran and Killen, 2002), an additional 16,580 sq. m. being completed in 2001.

By the end of 2000, over 377,250 sq. m. of office space – the equivalent of 166 buildings the size of Liberty Hall – had been developed in locations for which tax incentives had been available for property development, excluding local-authority offices at Wood Quay (9,575 sq. m.) and in Tallaght (6,801 sq. m.) which had not availed of the tax incentives. However, the availability of tax incentives provides only a partial explanation for the change in the geography of office development and the massive increase in suburban office development during the late 1990s.

On the user-demand side, one factor in office suburbanisation was the creation of 'call centres' engaged in tele-services operations, ranging from IT-related sales and after-sales back-up for companies such as IBM and Dell, to hotel and car-hire reservation services. Such functions possessed wide freedom of locational choice and cheap suburban sites were often favoured because large amounts of floorspace were needed. Secondly, given central Dublin's growing congestion problems and difficulties experienced by employees in gaining access to the city centre, staff recruitment and retention issues became matters of growing importance to employers in the tightening labour market of the late 1990s. Suburban locations near residential areas and with good provision of parking were viewed increasingly favourably by employers (Bertz, 2002a).

The changing planning context was also significant. The increasingly pro-conservation planning ethos of Dublin Corporation/Dublin City Council planners had created greater levels of protection for historic buildings which might, under previous planning regimes, have undergone demolition and redevelopment. Such policies resulted in a declining availability of suitable redevelopment sites for large office schemes in and around the office core. Moreover, by the 1990s, there was increasing competition for inner-city sites from other functions such as hotels and highly priced residential schemes. Simultaneously, the more liberal planning regimes of cash-strapped suburban local authorities, eager to capture additional income from commercial rates after the abolition of residential rates in the late 1970s, encouraged office developers to widen their operational fields to suburbia (Bertz, 2002b). At Sandyford, this was effected through rezoning to facilitate office development.

Furthermore, long-term investors in property, anxious to jump onto the bandwagon of rapidly inflating property prices, found that there was a shortage of prime inner-city office buildings available for purchase. Increasingly, such funds were diverted elsewhere and effectively underpinned massive investment-led development in some locations, driving development far beyond what the user-market would require.

The result was a dramatic shift in the location of office development activity during the 1990s, as can be seen from Figure 5.2. More than three-quarters of

Copyright © 2006. Pluto Press. All rights reserved.

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.

the office space that had been developed in Dublin between 1960 and the end of 1990 had been built in the prime office core (Dublin 2 and its overflow into Dublin 4), with less than 10 per cent being located in the outer suburbs. However, from 1991 to 2004, less than a quarter of new floorspace was developed in the core and some 60 per cent was located in the outer suburbs.

Sandyford

Nowhere is the development of edge city better exemplified than in the prestigious southern suburb of Sandyford-Leopardstown, some 8 km. (5 miles) south of the city centre. The suburban local authority, Dun Laoghaire Rathdown County Council, had been keen to increase its income from business rates in order to improve its budgetary position. Its local authority planners have facilitated a process of land-use upgrading by rezoning an industrial estate from industry to office-based industry. Large-scale office development was able to benefit from the availability of large development sites and to capitalise on the presence of prestigious companies such as Microsoft, ICL, Oracle, Allied Irish Bank and Trintech. It was further encouraged by a position near to the projected route of the M50 circumferential motorway and from a planned connection to the city centre by a light-rail line. By 2004, the area had undergone a major transformation.

From an initial office stock amounting to just 5,967 sq. m. in 1990, an additional 16,440 sq. m. had been developed by the end of 1995. Thereafter, growth proceeded rapidly. By the end of 2004, Sandyford had developed into a substantial suburban office node with an office stock totalling over 161,600 sq. m., equating to 50 buildings the size of Liberty Hall (see Figure 5.5). Substantial floorspace had been taken by Eircell (the major Irish mobile phones operator), First Active bank, Bank of Ireland and Barclaycard, with significant additional space being taken up by Microsoft. This office node includes some of the largest stand-alone office blocks in Dublin, with Central Park (see Figure 5.6) planned to incorporate over 160,000 sq. m. of space on completion, thus doubling available office space.

The office developments which occurred at Sandyford had involved both greenfield sites and also the redevelopment of low-value industrial space. Typically, single-storey warehouses with a workforce of perhaps a dozen people might be replaced by multistorey office buildings accommodating dozens of employees. With a transportation infrastructure geared to its original numerically small employment base, severe traffic congestion has been the inevitable consequence as car-based commuters attempt to reach work.

However, by the early years of the twenty-first century it was clear that the supply of office space had considerably outpaced the scale of user demand. At the end of 2004, 32,960 sq. m. of office space lay vacant, amounting to 23.7 per cent of the available stock. Consequently, development activity was drastically curtailed and no further development was projected to reach completion during 2005.

Copyright © 2006. Pluto Press. All rights reserved.

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.

Figure 5.5 Liberty Hall, central Dublin (Completed 1965, 3,252 sq. m.)

Source: Authors

Figure 5.6 Central Park, Sandyford-Leopardstown

Source: Authors

Copyright © 2006. Pluto Press. All rights reserved.

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.

Park West

Park West Business Park on the Nangor Road was created in response to the availability from 1997 to 1999 of tax incentives at a time when the office market was booming. It is a good example of how tax inducements led to significant over-development. Arguably, from an infrastructural perspective, the location was ill suited to the creation of a significant office employment node as it lacked adequate public transport services (MacLaran and Killen, 2002). Designation resulted in an immediate response with 27,200 sq. m. reaching completion in 1999. A further 25,900 sq. m. was completed in 2000 and 16,580 sq. m. was developed during the following year. Within three years, almost 70,000 sq. m. had been developed at Park West Business Park, equivalent to 21 buildings the size of Liberty Hall, with a further 8,282 sq.m. having been constructed nearby on the Nangor Road at Kilcarbery Business Park and Westland Park.

However, it became increasingly apparent from rising vacancy levels that significant over-development was occurring, especially with the global economic down-turn subsequent to the attacks of 11 September 2001. Financial institutions withdrew from funding further development and no additional office space was completed after 2001. Yet, as late as January 2005, its vacancy rate remained at over 55 per cent.

Citywest

Located in Baldonnel at the western approaches to Dublin on the Naas Road, Citywest represents a more measured approach to office development in which user demand was more closely reflected in the scale of completions. The initial phase was marked by a rising intensity of activity marked by the completion of 4,877 sq. m. in 1997, rising to 5,852 sq. m. in 1998, 7,896 sq. m. in 1999, peaking at 17,114 sq. m. in 2000 and reducing to 14,581 sq. m. in 2001. Thereafter, development was curtailed as economic circumstances changed, user demand faltered and local vacancy topped 30 per cent, with 15,762 sq. m. lying unoccupied. However, much of this was taken up over the ensuing years and, by late 2004, as vacancy dropped below 5 per cent, with just 2,270 sq. m. lying vacant, development activity was renewed and 8,055 sq. m. of new space reached completion in 2005.

INNER-CITY PRIVATE SECTOR RESIDENTIAL DEVELOPMENT

The residential environment and social structure of Dublin's inner city have undergone major transformation since 1990. Tax allowances for residential landlords under Section 23 of the Finance Act 1981, renewed in the Act of 1988 under Section 27, had encouraged the construction of apartments and, in the later Act, small houses for rent. The provisions allowed the cost of acquiring properties, net of site value, or the costs of converting buildings into flats, to be deducted from landlords' rental income from all sources until the tax allowance was used up. This considerably reduced the real purchase price of such investment properties.

Copyright © 2006. Pluto Press. All rights reserved.

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.

The bulk of apartment developments during the 1980s had been located in prestigious inner-suburban areas. However, from the late 1980s, developers began to test the marketability of new locations. In 1989, a scheme of 36 townhouses in Ringsend sold out within three hours of release. Somewhat surprisingly given its location, a quarter of the units were sold for owner occupation. At the release of the second phase in 1991, 70 of the first 85 sold were bought by young owner occupiers (MacLaran, 1996b).

In the 1992 Finance Act, tax relief for investors in rented residential accommodation became linked to Urban Renewal Initiatives and only available in areas designated under the Urban Renewal Schemes. This occurred simultaneously with the appearance of a significant over-supply of office space, particularly in the Designated Areas (see above). Consequently, developers and site owners within the inner city became increasingly willing to embrace the emerging opportunities provided by the city-centre apartment sector. This received strong support from public agencies, including Dublin City Council whose efforts to encourage residential functions in the city centre involved the sale of development sites at significantly discounted prices.

A number of demand-related factors also contributed to the 'return to the city'. Rising rates of car ownership and car-based commuting had created increasing levels of traffic congestion in the city and proximity to the central area was a strong marketing feature. The new residential units proved attractive to a younger generation possessing ideas about urban living which differed significantly from those of their parents. The lure of a central-city lifestyle more akin to that of Amsterdam, London or Paris outstripped any attractions of suburban living, bereft of amenities relevant to the urban-oriented culture of the young. This emergent culture of new city living, borrowing from and imitating the lifestyles depicted in the international media, was adopted by the advertising industry and used in marketing the new inner-city residential developments. The financial incentives, together with growing employment and rising incomes associated with the economic upturn of the 1990s, created a growing demand for inner-city dwellings based upon the enhanced spending power of the young. The schemes therefore sold well, not only to landlords but to young middle-class owner occupiers.

Table 5.1 details the geography of this development. Between 1989 and March 1996, 7,730 new private sector residential units were built in 135 developments in inner Dublin (MacLaran et al., 1994; MacLaran et al., 1995; MacLaran, 1996b; MacLaran and Floyd, 1996). Between April 1996 and December 2003, a further 8,769 residential units were constructed in 198 developments in Dublin's Inner-40 Wards (see Figure 5.7). In December 2003, an additional 2,485 units were under construction in 48 separate developments and live planning permissions existed for 95 schemes covering a further 4,962 residential units. Planning applications for 37 developments covering 2,277 residential units had also been submitted to Dublin City Council and awaited determination. Thus, since April 1996, development at various stages of activity has involved 18,493 residential units (Kelly and MacLaran, 2004a, 2004b).

Copyright © 2006. Pluto Press. All rights reserved.

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.

Table 5.1 Location of Dublin residential units completed, 1989–2003

Arena	Built end March '96		Built April '96 –Nov. '03		On site Nov. '03		Live Nov. '03		Applics. Nov. '03	
	Units	%	Units	%	Units	%	Units	%	Units	%
Dublin 1 & 3	2,138	27.66	2,521	28.75	624	25.11	1,813	36.54	916	40.23
Dublin 2	981	12.69	2,014	22.97	29	1.17	1,324	26.68	255	11.20
Dublin 4	563	7.28	869	9.91	818	32.92	526	10.60	241	10.58
Dublin 7	1,735	22.45	1,355	15.45	661	26.60	206	4.15	189	8.30
Dublin 8	2,313	29.92	2,010	22.92	353	14.21	1,093	22.03	676	29.69
TOTAL	7,730	100.00	8,769	100.00	2,485	100.00	4,962	100.00	2,277	100.00

Sources: Centre for Urban & Regional Studies, TCD, database; Dublin City Council Planning files

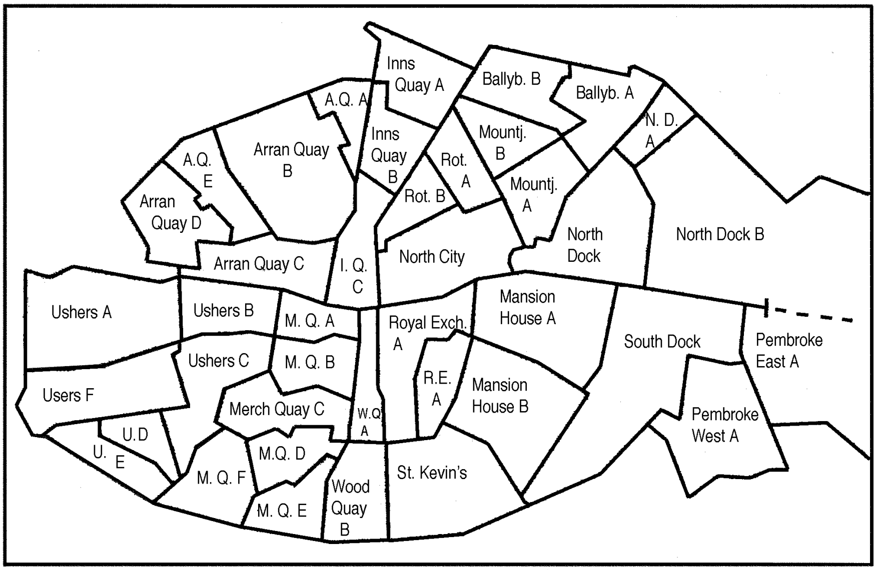

Figure 5.7 Dublin's inner-40 wards

Source: Ordnance Survey Ireland

Copyright © 2006. Pluto Press. All rights reserved.

Population

The impact on the inner city of this intensity of development during the 1990s has been considerable and has resulted in the termination of the long-run reduction in its number of residents. Indeed, Table 5.2 shows that while the population of the 40 inner-city wards rose by a total of 10,357 persons between 1991 and 1996, the population of the remainder of the County Borough actually fell by 6,892. Then, between 1996 and 2002, the population of the inner-40 wards increased even more strongly, by 17,664 persons or 18.7 per cent, while that of the remainder of the County Borough declined by 3,737 persons. Thus, between 1991 and 2002, the 40 inner-city wards increased their share of the County

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.

Borough's residents from 17.6 percent to 22.6 per cent (Kelly and MacLaran, 2004a, 2004b).

Table 5.2 Population of the inner-40 Dublin wards and the County Borough, 1991–2002

Arena	1991		1996		2002	
	Persons	%	Persons	%	Persons	%
Inner-40 wards	84,055	17.57	94,412	19.59	112,076	22.61
Other	394,334	82.43	387,442	80.41	383,705	77.39
Dublin Co. Borough	478,389	100.00	481,854	100.00	495,781	100.00

Source: CSO Population Census, various years

The population of six inner-city wards (North City, Royal Exchange A, Ushers A, Arran Quay C, Rotunda A and Merchants' Quay B) more than doubled between 1991 and 2002 and a further nine wards each experienced an increase of over 50 per cent. In absolute terms, twelve wards each recorded an increase of more than 1,000 residents and three (North City, Royal Exchange A and Rotunda A) each increased by over 2,000 persons.

Gentrification

Research in the 1990s strongly suggested that there was a considerable difference between the occupiers of the newly developed residential units and the indigenous inner-city population, which was typically elderly, poorly skilled and suffered from a high incidence of unemployment (MacLaran et al., 1994; MacLaran et al., 1995; MacLaran and Floyd, 1996). This trend towards the gentrification of the inner city continued throughout the decade and is confirmed by the census of population 2002. It is dramatically revealed by changes in the age structure of the population, its social class composition, its level of achieved education and rates of unemployment.

Table 5.3 shows that between 1991 and 2002 there was a notable reduction in numbers of both children and the most elderly age group, while a 90 per cent increase occurred in the number of adults aged between 25 and 44 years. Table 5.4 further reveals that the number of persons in the upper social classes 1–3 increased substantially between 1991 and 2002, while the numbers in the lower social classes 4–6 registered a drop. More detailed census data relating to the social class composition of those aged 25–44 years demonstrate a considerable increase in those from social classes 1 and 2. In 1991, these two social classes had totalled 5,075 persons, comprising 21 per cent of the age cohort. In 2002, they accounted for 39 per cent of the cohort and totalled 17,578 persons. Evidence for gentrification is further supported by census data relating to levels of achieved education. In 1991, only 17.9 per cent of the adult population had undertaken tertiary-level education, with 27.6 per cent having received only a primary level of education. In 2002, 34.4 per cent of adult residents had undertaken tertiary-level education and fewer than 20 per cent had received education at primary level only.

Copyright © 2006. Pluto Press. All rights reserved.

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.

Table 5.3 Age structure of the inner-40 Dublin wards, 1991 and 2002

Age groups	**1991**		**2002**	
	Persons	%	Persons	%
0–14	15,185	18.07	14,296	12.76
15–24	16,158	19.22	23,935	21.36
25–44	23,621	28.1	45,107	40.26
45–64	15,541	18.49	17,485	15.6
65+	13,550	16.12	11,230	10.02
Total	84,055	100.00	112,053	100.00

Source: CSO, Census of Population, 1991 and 2002

Table 5.4 Social class structure of the inner-40 Dublin wards, 1991 and 2002

Social class	**1991**		**2002**	
	Persons	%	Persons	%
1	4,194	4.99	7,302	6.52
2	7,807	9.29	21,173	18.90
3	13,801	16.42	16,637	12.17
4	13,048	15.52	11,943	10.66
5	12,408	14.76	10,039	8.96
6	12,893	15.34	7,195	6.42
7	19,904	23.68	40,755	36.37
Total	84,055	100.00	112,044	100.00

Source: CSO, Census of Population, 1991 and 2002

Property Prices and Affordability

Recent research (Kelly and MacLaran, 2004a, 2004b) has highlighted the rising real price of inner-city dwellings and declining degree of their affordability. Although by the mid-1990s the newly developed apartment stock had attracted few indigenous inner-city residents (MacLaran et al., 1994; MacLaran et al., 1995; MacLaran, 1996), the asking prices at that time were remarkably affordable when expressed in terms of the income multipliers that these prices represented. For example, a one-bedroomed apartment could be purchased at The Maltings (Watling Street) or at Temple Court (Dominick Street) for less than twice the annual level of average industrial earnings.

Between 1995 and 2002, the consumer price index rose by 25 per cent, average earnings rose nationally by 43 per cent, well above the rate of inflation, while building costs increased by 52 per cent. However, new house prices rose nationally by 181 per cent. Yet in inner Dublin, price increases were far more dramatic and by November 2003, the income multipliers required to purchase a new apartment in the inner city were staggering. No developments had one-bedroomed units available at less than *nine* times the level of annual average industrial earnings. Three-bedroomed units cost at least *fourteen* times that figure (Kelly and MacLaran, 2004a, 2004b).

Copyright © 2006. Pluto Press. All rights reserved.

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.

Even for white-collar groups (e.g., the banking, insurance and building society sector), gaining entry to owner occupation in newly launched inner-city residential developments was highly problematic. Annual income multipliers of more than six were necessary to secure ownership of the cheapest one-bedroomed units, while three-bedroomed units demanded multipliers ranging from 11 to over 19 (Kelly and MacLaran, 2004a, 2004b).

Moreover, significant price inflation affected the earlier phase of apartments built between 1989 and 1995. Apartments completed during 1995 which returned second-hand to the market late in 2003 had recorded prices that commonly exceeded the 1995 launch price by 250 to 350 per cent. Typically, the price for a one-bedroomed apartment represented 6.7 to 9.9 times the figure for annual average industrial earnings. This outstripping of general price inflation and of earnings has resulted in a declining level of affordability of the stock of dwellings completed during the earlier phase of renewal. Indeed, such were the income multipliers required to purchase one of these dwellings second-hand in November 2003 that there is good reason to believe that a degree of second-generation gentrification is now taking place within that slightly older stock.

Within the stock of dwellings dating from the nineteenth and early twentieth centuries price inflation has also been evident. In November 2003, asking prices in the Liberties area of the south-west inner city ranged from €208,000 for a 42 sq. m. one-bedroomed cottage in Pimlico and €270,000 for a 51 sq. m. two-bedroomed cottage on Brabazon Square, to €380,000 for a two-bedroomed house on Greenville Avenue and €540,000 for a 69 sq. m. two-bedroomed house on Spencer Street. This is particularly problematic for the local community as this stock has traditionally provided a first step on the housing ladder for newly formed households of young, indigenous inner-city residents (also see Chapter 18).

CONSEQUENCES

As prices for inner-city redevelopment sites became propelled to ever higher levels as a consequence of the development booms in the office and residential sectors, unforeseen pressures were thrust onto inner-city communities. These exacerbated existing difficulties born of continuing high levels of unemployment and poverty. Within widening areas of the inner city, in docklands, the Liberties, Stoneybatter and the markets, industrial and other low-grade functions providing relevant employment to inner-city residents became displaced by offices, hotels or expensive new residential developments as developers competed vigorously for available redevelopment sites (similar processes have also been at play in Ireland's other cities) .

Simultaneously, as the inner city was undergoing its late-twentieth-century metamorphosis, development in suburbia proceeded apace. Within a period of 14 years, a major shift had taken place in the geography of the office stock and of office employment. Unwittingly, Dublin had embarked in earnest on the creation of an 'edge city', with all the problems that this would entail. Effectively, it had been transformed from a relatively compact city to a sprawling, multinodal

Copyright © 2006. Pluto Press. All rights reserved.

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.

metropolis in which clusters of industrial, retail and office employment were strung along the route of the M50 motorway, tied together in a Gordian knot of reliance on a complex patterns of car-based, inter-suburban commuting (see Killen and MacLaran, 2002). Moreover, for commuters living in towns such as Arklow, Carlow, Portlaoise, Mullingar, Navan and Dundalk, the new edge-city nodes were readily accessible, encouraging the development of an outer commuter belt which now extends some 90 km. from the city (Williams and Shiels, 2000). It is a pattern of development highly dependent on low-cost fossil fuels and one which is therefore unlikely to prove sustainable in the longer term.

Copyright © 2006. Pluto Press. All rights reserved.

Understanding Contemporary Ireland : A Geographic Analysis, edited by Brendan Bartley, and Rob Kitchin, Pluto Press, 2006. ProQuest Ebook Central, http://ebookcentral.proquest.com/lib/nuim/detail.action?docID=3386164.
Created from nuim on 2018-05-30 08:59:38.