



SOCIAL HOUSING, IRELAND

DESCRIPTION

Sector	Social infrastructure – social housing
Location	Ireland - Dublin, Louth, Wicklow, Kildare, County Cork, Clare, Galway, Waterford, Roscommon
Procuring Authority	NDFA - National Development Finance Agency (Irská národní finanční agentura pro rozvoj) acts on behalf of the Procuring Authority: the lead local authority and other local authorities.
Scope	<p>The social housing PPP programme, announced by the Irish government in 2014, involves construction of 1 500 housing units through 3 project bundles. The project consists of mix of apartments, houses and universal design homes. The scope of some sites also involves public area, playgrounds, roadworks and utility connections.</p> <p>Individual bundles are situated in various locations across Ireland:</p> <ul style="list-style-type: none"> • Bundle I: 534 units in total located at 6 sites (Dublin, Louth, Wicklow, Kildare); • Bundle II: 465 units in total located at 8 sites (Cork, Kildare, Clare, Galway, Waterford, Roscommon); • Bundle III: cca 441 units in total located at 6 sites (Dublin, Kildare, Sligo, Wicklow) – to be confirmed by the Authority.
Key aspects	<p>The Public sector is responsible for planning, provision of land and permits, an initial design, a tenancy policy (nomination of tenants and rent levels).</p> <p>The Concessionaire is responsible for the design and construction, financing, operations, maintenance & lifecycle and tenancy management over the 25-year period post construction. Tenancy management consists of helpdesk, rent collection and administration.</p> <p>BIM: The Concessionaire is required to produce Building Information Model (BIM) of the sites in accordance with the British standard (PAS1192) and handed it over to the Authority at the commencement of the operation.</p>

Preparation of the project followed these following aspects:

- Bundling sites together increased the overall project size and encouraged interest from international investors;
- Efficiencies allowed in minimising geographical spread of sites, but not a pre-requisite. The sites in Bundle II are spread country wide.
- The pipeline of 3 bundles of projects increased interest of strong international bidders coupled with local contractor partners.

PROJECT

Type

DBFMO (design-build-finance-operate-maintain)

Tender procedure

Dialogue

Current status

Bundle I: Financial Close reached in **March 2019**, now in the construction phase;

Bundle II: Financial Close reached in **November 2019**, now in the construction phase;

Bundle III: the Procurement phase due to be launched.

Contract

25-year operating period post construction, the construction phase lasts only 1,5-2 years

CAPEX

EUR 100 - 150 million each bundle

Permits, land, assets

- The sites were well prepared and delivered by local authorities, including granted planning permission and completed site investigations.
- The access to individual sites is very good and with local utility connections.
- The properties remain in the public sector ownership throughout the whole project and they will be returned to local authorities after 25 years in prime condition.

Environmental aspects

- Developments are designed with a long-term lifecycle in mind reflecting whole life value analysis allowing higher initial construction cost into higher quality.
- High emphasis is placed on build quality, environmental sustainability and high energy efficiency (close to passive house equivalent).

Construction Methods

Aggressive deadlines led to off-site construction.

Multiple Construction Methods Employed:

- Traditional block build
- Timber Frame Housing
- Insulated concrete formwork (ICF)
- Precast concrete panels (Apartment blocks)

Factors in Choice:

- Timber Frame Housing was manufactured off site, it:
 - shortened construction duration; and
 - achieved better quality with factory setting.
- ICF housing offers quick construction and excellent thermal and noise insulation properties.
- Apartment buildings constructed using pre-fabricated solid concrete panels

Tenancy management

Context of social housing provision in Ireland:

- Social Housing is provided by local municipalities directly and through Approved Housing Bodies (AHBs). AHBs are independent, not-for-profit housing organisations.

Application of tenancy management to PPP model:

- Bidding consortia include an AHB to undertake the tenancy management obligations of the Project Agreement.
- Management Co. acts as an agent on behalf of the Local Authorities in the management of Tenancy Agreements. Its obligations include rent collection from

tenants and local authority's duties as landlord under the tenancy agreement to enable tenants to have safe, secure and quiet dwellings.

- Management Co. will appoint a Community Development Officer who will assist tenants to develop a community organisation at each site.

FINANCE

Payment mechanism

Availability-based payments paid monthly to the Concessionaire by the State. The payments being subject to deductions in the event the services are not in accordance with the requirements of the output specification.

Rent collected from tenants by the Concessionaire (through Management Co.) will be passed back to the State and will not form part of the payment for the Project.

Investors

Bundle I: *Comhar Housing consortium* was selected as a preferred bidder. The consortium comprises of Macquarie Capital, John Sisk and Sons, Choice Housing Ireland Ltd. and Oaklee.

Bundle II: *Torc Housing Partnership* was selected as preferred bidder. The consortium includes Equitix Ltd / Kajima Partnerships Ltd, JJ Rhatigan / OHL, Derwent FM and Tuath Housing Association.

Financing

Bundle I: EUR 120 mil. loan was provided by EIB (50 %), Korea Development Bank (31 %) and Bank of Ireland, **Debt to Equity ratio was 90:10 with 26 years tenor.**

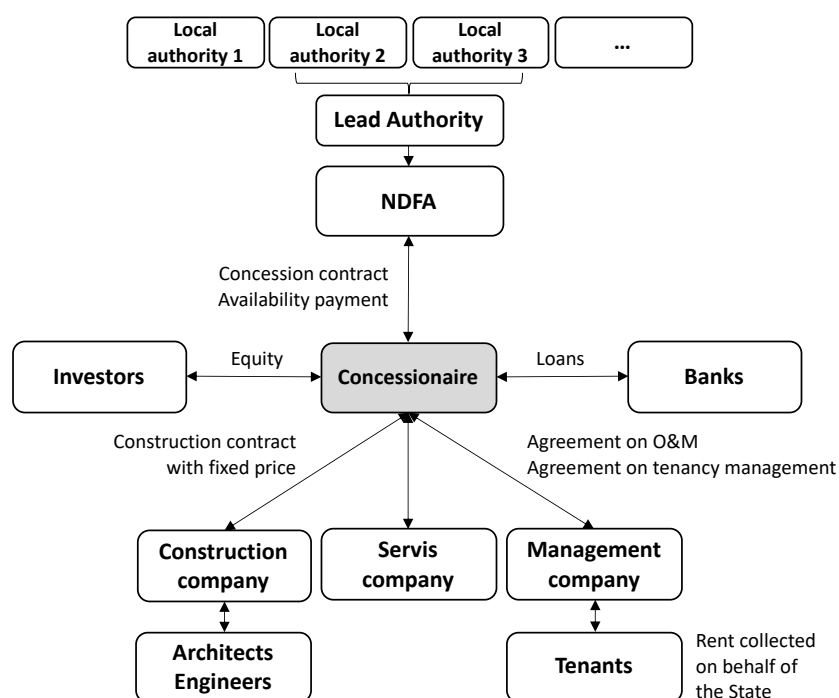
Bundle II: EUR 135.8 mil. loan was provided by Norddeutsche Landesbank Girozentrale (NORD/LB), **Debt to Equity ratio was 93:7 with 26 years tenor.**

The Minister for Housing, Planning, Community and Local Government may furnish a form of support in writing to the senior debt funders of the Concessionaire at financial close.

Balance sheet treatment

It is imperative that the project is statistically treated as "off" the General Balance Sheet of the Irish Government, as set out in the Manual on Government Deficit and Debt (Implementation of European System of Accounts (ESA) 2010) (**ESA 2010**).

SCHEME





MILESTONES

12/2015

05/2017

10/2017

09/2018

03/2019

07/2016

02/2018

06/2018

03/2019

11/2019

05/2018

03/2021

09/2021

Bundle I

Pre-launch

Tender launch – publication of Contract Notice (TED Reference: [2017/S 092-181299](#))

Shortlisted bidders (3 bidders out of 5 bids submitted)

Preferred bidder was selected

Contract award

Bundle II

Pre-launch

Tender Launch – publication of Contract Notice (TED Reference: [2018/S 041-088915](#))

Shortlisted bidders (4 bidders were shortlisted)

Preferred bidder was selected

Contract award

Bundle III

Pre-launch

Publication of a PIN on procurement (TED Reference: [2021/S 053-132210](#))

Expected tender launch

CONTACTS

Authority

NDFA - National Development Finance Agency

During the tender it acts on behalf of the Procuring Authority: the lead local authority and other local authorities. It also has the role of Project manager.

See NDFA webpage: www.ndfa.ie/project_sectors/housing

Advisors

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MORE INFORMATION

For more information, please, contract us for consultation:

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The project was presented and discussed during our panel discussion on **PPP and affordable housing** held in July 2021 as part of the series PPP in PRACTICE. The discussion and presentations can be found on our website: www.zelena-mesta.cz/akce/