Cork City Council
Comhairle Cathrach Chorcai

Cork Economic Monitor

April 2003

Planning and Development Department Cork City Council

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1.0 National Trends

The uncertainties in the prospects for the global economy that have dominated over the last two years continue to hold sway. Growth within the EU economies has decelerated significantly over the latter half of 2002 and the US economy continues to falter towards recovery after emerging from recession at the beginning of 2002. Modest economic growth is expected to continue in the short term but the prevailing global uncertainty will continue to weigh heavily on national economies in most regions. Growth forecast for all major economies have been scaled back in recent months due to a rise in geopolitical tensions.

This external economic environment has contributed to the substantial weakening of Irish growth since the early part of 2001. Growth in 2002 is estimated to have been 4.3% in real GDP terms and a more modest 2.2% in real GNP terms. This difference reflects the fact that some sectors of the economy continued to grow rapidly last year but the impact of this growth on domestic incomes was limited because these sectors are largely foreign- owned and not particularly labour intensive.

EU economies are likely to have little or no growth in the early part of 2003. The Irish growth rate is likely to again be above the EU average however. A 3.8 % growth in real GDP and 3% growth in real GNP is forecast by the ERSI's latest ***Quarterly Economic Commentary.***

The European Commission recently cut its forecasts for GDP economic growth in Ireland in 2003 from 4.2% to 3.2%. This still remains the second highest in the EU after Greece which has a forecasted 3.5% growth rate. These cuts have brought the Commission's predictions more in line with domestic forecasts.

The rate of price inflation is likewise expected to remain above the EU average. Although economic growth has eased back substantially there is little evidence of reduced inflation in the economy. The excess inflation over the EU average is largely due to both service sector and tax increases.

The headline rate of inflation in 2003 is forecast to average 4%, (***Central Bank of Ireland Quarterly Review, Spring 2003***) running at 3.5% at year-end compared to 4.75% in the first quarter of 2003. Some forecasts see inflation reaching 5.0% in 2003 while others (notably ***IBEC's Quarterly Review***) are more positive seeing inflation drop to 3.5% by the end of 2003 due to the slowdown in the economy, a very high exchange rate and the trends in international inflation.

The impact of the slowdown in growth in 2002 on the labour market was muted. Strong growth in public sector employment was combined with broadly unchanged private sector employment, giving an overall increase of 1.4%. Employment growth was still positive albeit driven by the expansion of public sector employment.

The unemployment rate, although still low by historical and international standards, increased modestly to about 4.4% for the end of 2002. The outlook for this year is poor with private sector employment likely to decline further and employment in the public sector expected to remain static. Overall employment figures may contract for the first time in twelve years. The rate of unemployment is likely to rise over 5.5% on average this year.

While Ireland recorded the fourth-lowest rate of unemployment in the eurozone area in February 2003, unemployment in Ireland is rising at a faster rate than in most EU member states. Unchanged since January 2002, the current rate sees 4.5% of the Irish labour force registered as unemployed while the eurozone's unemployed rate increased from 8.6% to 8.7% since January. The number of long-term unemployed increased by 3,400, which was the largest such increase since 1993. Nevertheless, the long-term unemployment rate of 1.3% is still extremely low by both historical and international standards.

A much-reduced demand for exports has flowed from the less favourable external economic environment since the early part of 2001. This, coupled with an appreciation of the Euro, has resulted in a substantial weakening in Ireland's export market from 19% growth on average in the three years to 2000 to 6.7% in 2001 to an estimated 4.25% last year. With rapid improvement in the external economic environment unlikely throughout 2003, the prospects for a strengthening in export growth are limited.

The UK remains Ireland's main trading partner, taking one quarter of Irish exports and accounting for over 35% of imports. The Euro's upward movement has raised concerns about further sterling weakness, with more serious implications for Irish exporters, although it would be good news for Irish importers.

The economic slowdown looks set to continue in the short-term. The downturn in the world economy and the appreciation of the Euro vis-à-vis both the dollar and sterling has reduced the demand for our exports leading to a subsequent decline in the demand for labour. The increase in unemployment however, has not been as large as might have been expected.

2.0 Local Trends

2.1 Unemployment

Table 2.1 shows the number of persons on the live register for Metropolitan Cork during the period 1993-2003. In the time period from September 1996 when the Live Register was at its peak in Metropolitan Cork (22,257 persons) to March 2003, there has been a 51% decrease in the number of persons on the Live Register. Although the numbers on the Live Register have been rising steadily since late 2001, figures for 2003 have remained stable.

Table 2.1. Live Register 1993-2003 Metropolitan Cork

Month	Year	Persons on Live Register
December	1993	21,101
December	1994	21,357
December	1995	21,631
December	1996	21,294
December	1997	18,526
March	1998	17,715
June	1998	16,776
September	1998	15,924
December	1998	14,729
March	1999	14,034
June	1999	14,138
September	1999	13,011
December	1999	11,317
March	2000	10,744
June	2000	10,270
September	2000	9,529
December	2000	9,193
March	2001	8,535
June	2001	9,547
September	2001	9,584
December	2001	10,743
March	2002	11,306
June	2002	11,499
September	2002	11,453
December	2002	11,072
January	2003	11,449
February	2003	11,496
March	2003	11,445

The number of people on the Live Register in Metropolitan Cork between March 2002 and March 2003 has increased by 139 (1%). This compares favourably to a 3.6% increase nationally over the same period.

Table 2.2 Classification by age and sex of Live Register 2002-2003: Metropolitan Cork

	Met. Cork (Mar 02)	Met. Cork (Mar 03)	Met. Cork % Change	The State (Mar 02)	The State (Mar 03)	State % Change
MALE	**7,503**	**7,385**	**-1. 57%**	**97,183**	**100,459**	**3. 37%**
under 25	1,455	1,403	- 3. 57%	18,461	18,897	2. 36%
over 25	6,048	5,982	-1. 09%	78,722	81,562	3. 61%
FEMALE	**3,803**	**4,060**	**6. 76%**	**65,069**	**67,600**	**3. 89%**
under 25	863	887	2. 78%	12,315	13,351	8. 41%
over 25	2,940	3,173	7. 93%	52,754	54,249	2. 84%
TOTAL	**11,306**	**11,445**	**1. 23%**	**162,252**	**168,059**	**3. 58%**

Table 2.2 gives a detailed breakdown of the overall figures from March 2002-March 2003 by age and sex, comparing them to the national average in percentage terms. In the year leading to March 2003 the number of persons on the Live Register increased nationally by 3.58%.

The Southwest region recorded a 3.69% increase in the last year while Metropolitan Cork revealed a 2.78% increase in the numbers on the Live Register. Metropolitan Cork had an above national average increase in the number of females on the Live Register particularly in the over 25 age group. The number of males (both over and under 25) on the Live Register in Metropolitan Cork actually dropped, in contrast to the national increase.

2.2 Survey of Vacant Office / Retail Space - Cork City Centre.

Over the past number of years a survey of available vacant office space in selected areas of the city has been carried out as well as a survey of vacant ground floor retail space on St. Patrick's Street and Oliver Plunkett Street. The findings of this year's survey, together with those of previous surveys are given in Table 2.3 below.

Overall, the level of available office space has risen considerably compared to previous years particularly on the South Mall, which now sees 21,684sq. ft. of office floorspace to let. There are a number of properties in the 5,000sq. ft. range included in this total. In addition, there are currently a number of vacant office buildings on the South Mall with proposals for development. The survey also shows very little ground floor retail space available in either Patrick Street or Oliver Plunkett Street with a large percentage of currently vacant premises due for renovation or reoccupation shortly.

Table 2.3 Office and Retail Space - Selected Streets

Year	Vacant Office Space To Let (Sq. Ft.)				Vacant Retail Space Ground Floor (Sq. Ft.)	
	South Mall	Grand Parade	South Tce.	George's Quay	St. Patrick's Street	Oliver Plunkett Street
1988	45,600	-	-	15,200	-	-
1992	39,186	-	8,400	15,679	-	-
1994	55,460	14,070	15,125	-	-	-
1995	47,094	14,405	4,800	12,800	6,444	-
1996	45,407	13,999	2,545	0	18,632	-
1997	8,800	0	1,000	4,300	5,487	-
1998	23,023	680	800	4,500	2,285	3,876
1999	4,300	11,500	2,200	6,000	3,550	3,865
2000	5,800	0	4,000	3,000	1,197	2,700
2001	16,300	0	11,842	0	0	2,730
2002	8,784	0	7,500	0	8,200	1,866
2003	21,684	0	14,784	8,092	2,809	5,447

Commercial Property

There was a mixed performance in the commercial property sector during 2002. The retail sector continued to perform well while the office sector continued to struggle. While the retail sector is poised to show positive performance again in 2003, the global slowdown is having more of an impact on the office sector. This trend is likely to continue for the first half of the year.

Following on from the slowdown, which became evident in the Irish office market during 2001, external economic factors continued to influence the market during 2002 – a trend prevalent in office markets world-wide.

The Irish retail market is set to see continued growth in both property and retail sales. Consumer spending should remain high with strong demand for high quality comparison goods. Added to this is the anticipated growth of disposable income by 4% over the next two years further fuelling retail sales.

In Cork there is a scarcity of City Centre retail opportunities especially with regard to high quality units of 200-400sqm. Demand for City Centre units is high with the recent rise in rental levels expected to continue over the next few years.

2.3 Housing Construction

2.3.1 Local Authority Housing

Table 2.4 Local Authority Housing Construction in Cork City

Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Units	36	39	118	79	106	82	100	63	53	72	108

During 2002 a total of 108 units were completed (in addition to this figure 94 affordable houses were completed). There are a number of schemes currently in progress with 12 units completed to date in 2003.

In addition to these schemes there are a number of “turnkey” schemes currently under construction. Phase 1 of the Mount St. Joseph’s scheme is due for completion in May of 2003 with phase 2 to commence shortly after. Work has commenced on three other schemes: Glenfields, Ballyvolane (87 units), Willowbank Phase 2 (52 units) and Bakers Road (18 units).

There are 3 housing schemes due to commence: the largest of these is for 80 units on the Boreenmana Road. There are 10 schemes currently in the course of planning totalling 435 units. Work continues on Phase 1 of the Glen Regeneration Project with Phase 2 to commence shortly while the contract D scheme of the Knocknaheeny Masterplan is currently at design stage.

Under the Integrated Homeless Strategy 2000-2003 substantial progress has been made in the provision of accommodation and the development of support programs for homeless people. The development of preventative strategies for people vulnerable to becoming homeless is a crucial part of this initiative.

Voluntary Housing

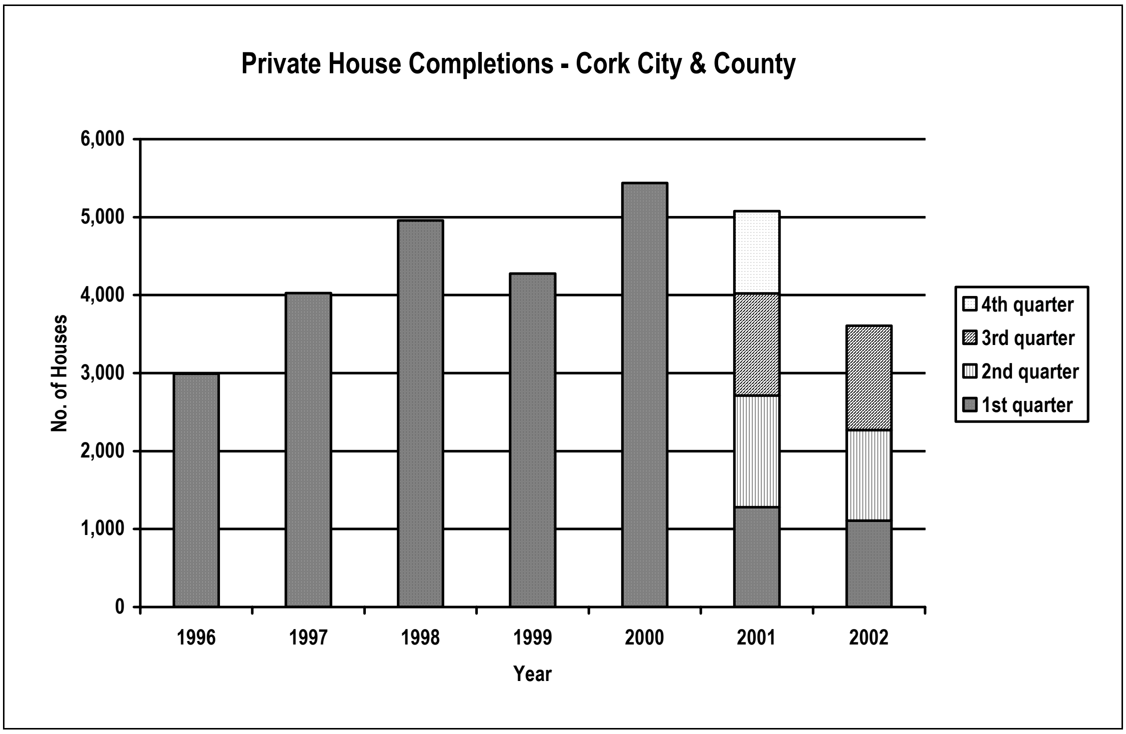
There are a number of schemes being funded under the Capital Assistance Scheme. The largest of these are the Respond! scheme in the Blackpool Flats (50 units) and the Sacred Heart Missionaries scheme on the Western Road (14 units).

In addition, the following schemes are being funded as Capital Loan and Subsidy Schemes: Cluid Housing Association, White Street (36 units) and Broad Lane, Blackpool (28 units) and Respond! Voluntary Housing Association, Blackpool flats (12 units).

2.3.2 Private House Completions in Cork City and County

Private house completions for Cork City and County dropped from 5,437 in 2000 to 5,075 for 2001. Figures for the first three-quarters for 2002 are also down on the equivalent figures for 2001. Figures for the final quarter of 2002 and the first quarter of 2003 were unavailable at the time of writing.

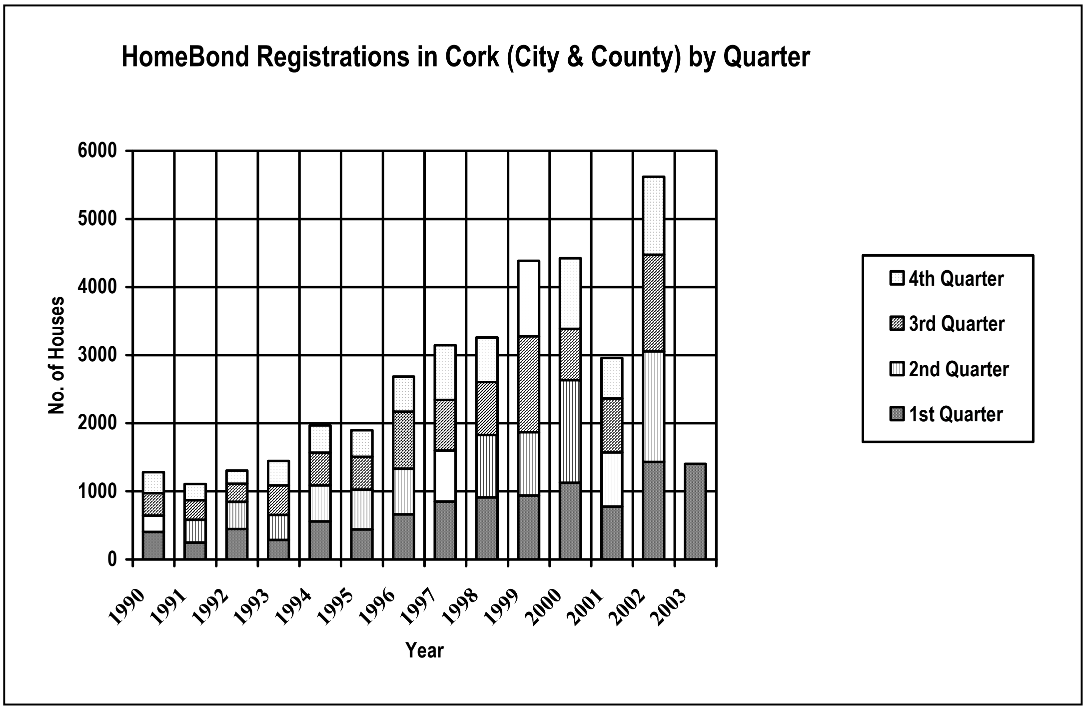
Figure 2.1 Private House Completions



2.3.3 House Starts under the Homebond Scheme

There was a 63% increase in HomeBond registrations in 2002 reaching a total of over 47,000 for the country as a whole. There were 5,618 registrations in Cork County as a whole, a 90% increase on 2001.This can largely be explained by the rush of housing starts towards the end of the year before permissions expired under the ***Planning and Development Act, 2000***. The number of house starts under the Homebond scheme for the first quarter of 2003 is generally in line with figures for the first quarter of 2002.

Figure 2.2 HomeBond House Starts

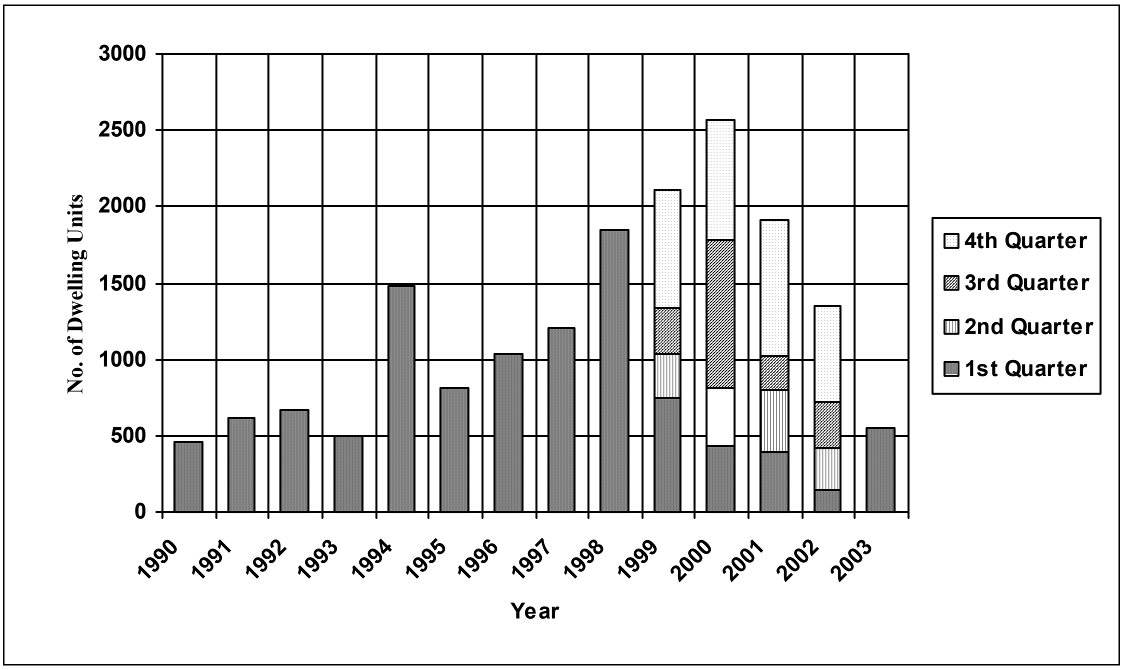


2.3.4 Planning Applications for Residential Units

Planning applications were made for 1,345 (871 apartments, 474 houses) residential units during 2002. Applications for 47% of these units came in the final quarter of the year. Overall, the total for 2002 is down on the previous year's total of 1,943. The number of residential units applied for the first quarter of 2003 however, is significantly higher than the total for the same quarter in 2002.

The shift towards high-density development over the past number of years is reflected in the number of applications for apartments rather than houses: of the 454 units applied for in 2003 so far, 403 are for apartments. This trend can be expected to continue. The ***Cork Residential Design Guidelines*** promote well designed high-density developments while the lack of available land for development will mean new residential development will tend to be of a higher density. The demand for apartment units is also on the rise due to an increase in the number of single person households in Ireland.

Figure 2.3 Planning Applications for Residential Units



2.3.5 House Prices

House prices are now rising at an annual rate of 15.4% according to the ***Permanent TSB / ERSI House Price Index*** – a rate that is generally accepted as being unsustainable. House prices, historically on average 3 times employee disposable income, have recently risen to around six times income according to Bank of Ireland research. The latest sharp increase in prices is largely due to the ready availability of mortgages and a belief that housing remains a good investment.

Housing supply has increased in recent years with some 57,000 completions last year and 60,000 forecast this year. With the annual demand estimated between 40,000 and 50,000 in the medium term, shortage of supply is likely not to be a future factor in house price increases. The two other major influences in the price of housing are demographics and affordability. Demographic trends forecast that the house buying population will continue to rise until 2011 with net migration also continuing to increase.

The latest edition of the Permanent TSB / ERSI Index reveals that house prices nationally grew by 0.9% during the month of February this year. This, along with the 0.8% rate recorded for January, again represents an easing of the growth rate. The average monthly growth rate over the six months to December 2002 was 1.2%. In Dublin house prices grew by 0.9% in February while outside of the capital prices grew by 0.3%.

Forecasts for the housing market now fall into two categories, those who predict collapse and those who argue that house prices will remain the same even edging upwards slowly.

Statistics issued from the Department of the Environment & Local Government reflect the average new house prices from 1999 to the third quarter of 2002.

Table 2.5 Average New House Prices

Area	1999	2000	2001	2002	2002 Quarters			%Change Base Year: 1999
				Average (I-III)	I	II	III	
Cork	€141,007	€166,557	€174,550	€182,561	€178,922	€185,397	€183,365	29%
Dublin	€193,526	€221,724	€243,095	€253,267	€240,402	€252,657	€266,742	31%
Galway	€138,928	€163,824	€171,161	€185,351	€180,430	€180,300	€195,325	33%
State	€148,521	€169,191	€182,863	€195,352	€189,931	€196,905	€199,220	32%

Source: Housing Statistic Bulletin September Quarter 2002, DoELG

House prices in Cork have risen by 29% since 1999. This compares to a national change of 32%, Dublin 31% and Galway 33%. The average price of a house in the Cork is lower than Dublin, Galway and the national average.

2.4 Infrastructure

2.4.1 Road Schemes

The major works in 2003 are expected to be the following:

(a) St. Patrick Street

Work has commenced on the Urban Landscape and Refurbishment Works to St. Patrick Street. This scheme, part of the City Regeneration Project, costs €10m. It commenced in mid-2002 and is due for completion in mid-2004.

(b) Kinsale Road Interchange

It is hoped to commence work on the Kinsale Road Interchange in 2003. A grant of €10m from the National Roads Authority (NRA) has been requested for this work.

(c) Blackpool Bypass

Work commenced in late 2002 on the rehabilitation of the Watercourse Road, which consists of an Urban landscaping and Traffic Management / Traffic Calming Scheme. The total estimated cost of this scheme is in the order of €4m and it is hoped it will be completed by the end of 2004.

(d) Sarsfield Road

Work commenced in late 2002 on the widening of Sarsfield Road, which is the main link road between the South Link and Wilton area. This will be a 2 x 2 Lane Dual Carriageway and is due for completion in 2003.

(e) Southern Ring Road

Advanced works have been done to the Southern Ring Road on the approach to the Kinsale Road Grade Separation. It is hoped to continue this work in 2003.

(f) Jack Lynch Tunnel and Approach Roads

The Jack Lynch Tunnel has an on going maintenance and improvement programme. It is hoped continue with this work in 2003.

(g) Cornmarket Street

Cork City Council is in the process of designing a new pedestrian bridge linking Popes Quay to Cornmarket Street. It is hoped to commence work on this important bridge shortly with a completion date of mid-2004. The scheme is quite a simple and distinctive design and was a result of an international competition.

(h) City Centre Streets

In general the City Centre streets in Cork require considerable investment over the next two years. Cork Main Drainage works will be completed in the city centre by late 2003 and it is hoped to undertake extensive reinstatement and paving work during 2004.

(i) Shandon Street

These works are also part of the City Regeneration Project. Phase 1, from the bottom of Shandon Street to its junction with Church Street commenced on site on 31st March 2003. A 35-week programme is envisaged for this phase, which gives a completion date at the end of November 2003. The contract price is €1.5million. Funding is sourced from Cork City Council, National Government and The EU.

2.4.2 Water Schemes

(a) Water Network project

This €2.95 million E.U. funded project is underway since September 1997. Computerised (GIS) and hydraulic models of Cork's water network are now in place.

(1) A strategic Operational Management Plan has been drawn up for the Water Section.

(2) The Water Distribution Network has been divided into 55 district meter areas, each of which can be monitored remotely by telemetry.

(3) Active leakage control being applied citywide.

(b) Lee Road Waterworks Improvement

Funding was allocated under the National Development Plan 2000 – 2006 to modernise the Lee Road Waterworks. The project is now at 'Contract Document' stage. Tender documents are being prepared for the pre-qualification of suitable contractors

(c) Tivoli Industrial Estate Firemain

The Department of the Environment and Local Government (DoELG) has approved a Preliminary Report on the provision of a firemain to serve the Industrial Estate at Tivoli. Contract Documents have been prepared and are now being examined prior to submission for DoELG approval.

(d) Renewal of Watermains & Services

As a result of the Network Management Project, the need for a €50.8 million programme of rehabilitation of the City's iron watermains has been identified. €13.34 million has been allocated under the National Development Plan (2000-2006).

The renewal of watermains and services in Cork City Centre is proceeding in conjunction with the Cork Main Drainage Contracts.

Carl-Bro-Ryan Hauley & Co. Consulting Engineers have carried out a detailed study of the watermains for the rest of the city. A Preliminary Report outlining the prioritisation of rehabilitation works was presented to the City Council in April 2003.

(e) Schemes submitted to the DoELG

The following schemes have been submitted to the DoELG for approval and funding:

(i) Provision of a stand-by generator to the Lee Road Waterworks. This scheme will be considered as part of the Lee Road Waterworks Improvement Contractor.

(ii) Construction of a storage reservoir at Rochestown.

2.4.3 Cork Main Drainage

(a) Work is in progress on the following projects

(1) The main trunk sewer and siphon under the River Lee is nearing completion.
(2) The Atlantic Pond Pumping Station is substantially completed.
(3) The rising mains from the Atlantic Pond Pumping Station to the Header Chamber building at Mahon is nearing completion.
(4) Pressure pipes across Mahon and under Lough Mahon to the Treatment Plant site at Carrigrennan, Little Island are nearing completion.
(5) City Centre Drainage Contract No.2 – completion 2003.
(6) Tivoli, Silversprings, Lower Glanmire Road interceptor sewers are completed with snagging in progress.
(7) Little Island collector sewers – completion 2003.

(b) Sewage Treatment Plant at Carrigrennan, Little Island

Work commenced in 2001 and is scheduled to be substantially completed by the end of 2003. Following commissioning, the Plant will be operational in early 2004.

(c) Kiln River Culvert, Blackpool

A contractor for this scheme will be appointed shortly and work will commence in mid 2003. It is due for completion by the end of 2003.

2.4.4 Amenity Projects

The Cork City Council Community Employment Scheme terminated in Dec. 2002, but a total of 65 people are employed under the Job Initiative programme, of which 30 are engaged on amenity projects.

Parks are being developed in the following areas:

(a) Murphy's Farm

This is an ongoing phased development. The most recent work carried out involved upgrading walks and reinforcing the riverbanks to protect against flooding.

(b) The Glen

Major work is ongoing in The Glen Park on the refurbishment and rebuilding of the pedestrian access and bridges between the ponds. The originals were liable to flooding and after nearly 20 years needed to be replaced. Similarly, the paths laid out at the same time within the park are being altered, realigned and/or widened to take account of changes that have occurred over the years.

(c) Meelick Park, Ballyvolane, Tory Top Park, Ballyphehane & Car-Park at Castle Road, Blackrock

Work is largely completed on these projects with some minor improvements to be concluded shortly.

(d) Shalom Park

Shalom Park has been completely refurbished. The park will be grassed within the next 3 weeks and installation of playground equipment, will commence in June 2003.

(e) Glen Heights Amenity Area

Park railings have been erected around the green area and will be completed in conjunction with construction of housing adjacent to the site. A path network will also be constructed and additional planting carried out.

(f) Banks of the Lee Project

Appointment of consultants to design and oversee construction of the Pedestrian Bridge at the Mardyke (North Channel) is underway.

(g) Shandon Cemeteries

Work commenced in early April on the clean up and refurbishment of the two Shandon Cemeteries. Dangerous trees have been felled, and the overgrowth is being cut back as a start. The Cemeteries are being cleared of all litter and dumped material. Once the groundwork has been carried out plans for improvements can be finalised and development work scheduled.

Future Planned works

(a) Red Abbey

Public consultation and Part 8 planning has been carried out for a refurbishment of the Amenity Area adjacent to the Red Abbey Tower. The Urban and Village Renewal Measure under the Southern and Eastern Operational Programme 2000-2006 included a sub-measure for City Regeneration. The Red Abbey Redevelopment has been submitted for funding under this sub measure and matching funding is available from Amenity planning contributions. Improvement of the space is intended to not only upgrade the amenity but also compliment The Red Abbey by setting it in a context that befits its status. Depending on funding work could commence in late summer 2003.

(b) Mahon Park

Public consultation has taken place for a new Park development off Loughmahon and Skehard road. A redesign is being undertaken at present taking public considerations on board and advertisement for a Part 8 will be placed shortly. It is expected that work on site will commence in July 2003. Funding is provided for this development under the Mahon Lands proposals.

(c) Glenamoy Lawn , Mayfield

Public consultation has taken place and a revised design layout for a new Park in Glenamoy, Mayfield is being drawn up at present. Funding has been provided in the current budgets for this work. Following public consultation and Part 8 it is expected that it may be possible to commence site work in autumn 2003.

3.0 Cork City Planning Framework

The City Council approved the ***Draft Cork City Development Plan*** for consultation in January 2003, completing a major stage in the preparation of the final Development Plan. The Draft Cork City Development Plan sets out the City Council's vision for Cork City over the next 6 years. It outlines policies and objectives in respect of the economic, infrastructural, social, cultural and sustainable development of the city.

The Draft Plan has been on public display since Monday 17th February. A number of public exhibitions took place throughout the city during the month of March. Submissions on the Draft Plan were accepted up to 28th April 2003, the end of the consultation period.

Once the City Council has considered the views of the public and others on the Draft Plan, it will decide whether any changes should be made to the Plan before it is adopted as the formal Development Plan for the city. If any significant changes are made to the Draft Plan there will be a further chance for public comment during an additional four-week public display period.

The recently published ***National Spatial Strategy 2002-2020*** (NSS) identifies Cork as a Gateway City to counteract the dominance of Dublin. The Strategy provides a spatial planning framework for the country and provides the city the opportunity to build on its substantial and established economic base to lever investment into the south-west region. ***Regional Planning Guidelines*** are to be prepared shortly for the south-west to facilitate the implementation of the NSS.

The Cork area is well positioned to commence implementation of the NSS through the strategic planning framework provided by the ***Cork Area Strategic Plan 2001-2020 (CASP)***. Both City and County Councils have adopted the Plan and it will provide a vision for the development of the Cork region over the next 20 years. It is generally acknowledged that in order to facilitate the future development of Metropolitan Cork a considerable amount of investment in infrastructure will be required.

Consultants appointed by Cork City and County Councils recently completed the ***Cork Strategic Retail Study***. It is to be adopted soon by both Councils assisting in guiding retail development in the Metropolitan Cork Region over the coming years. The Draft Cork City Development Plan, recently adopted, sets out a framework for retail development of the city to 2010.

The designation of Cork City as ***European Capital of Culture*** for the year 2005 will bring significant focus to the City Centre and the role of the city in providing a backdrop for the arts and culture and as a place to live. It is expected that many key infrastructural developments will be in place for the year 2005, including the Patrick Street Regeneration Project, the pedestrianisation of Oliver Plunkett Street and the regeneration of the Mardyke Walk, through the Banks of the Lee project.

4.0 Urban Renewal

4.1 City Regeneration Projects

Funding for this project was received under the Urban and Village Renewal Measure of the ***National Development Plan*** and is being delivered up to 2006. It is mainly focused on the implementation of Phase 3 of the ***Historic Action Plan*** in the areas outside the city centre's medieval core and the regeneration of St. Patrick's Street. There are a number of projects being funded under the City Regeneration Project. These are at various stages of completion, details of which are contained under the infratsructural section of the Monitor. The projects include:

(a) Shandon Cemeteries Refurbishment
(b) Banks of the Lee Project
(c) Red Abbey Refurbishment
(d) St Patrick's Street Renovation
(e) Shandon Street Renovation

4.2 Cork Docklands Development

A ***Docklands Development Strategy*** has been prepared for the Docks Area of the city comprising 166 ha (420 acres).

Uses proposed for the area include up to 6 million sqm. of new non-residential uses including Offices, Education, Retail, Cultural and Leisure, approximately 6,000 new homes and a new Public Transport System. It is proposed to phase the development over a 20-25 year time frame.

The proposals contained in the Docks Strategy have now been incorporated into the Draft City Development Plan, which will give them a statutory basis. The City Council is considering the preparation of a statutory Local Area Plan for Docklands Area in order to further refine the strategy to ensure a quality development.

The use of Strategic Development Zones is also being considered to aid the development process. Work has been ongoing to ensure that the area is adequately serviced to facilitate development in terms of Water, Sewerage, Drainage, Roads, Public Transport, Telecoms etc.

A Docklands team has been put in place to promote re-development and work with the various stakeholders i.e. landowners, developers, residents, public agencies etc. Early indications of some success are evident with planning permission for two 10,000sqm. office buildings and an 8-storey hotel. Proposals for the re-development of C.I.E. Lands at Kent Station and Horgan's Quay are expected shortly. This will include a new Railway Station, 1,200 approx. apartments and mixed-use commercial development. Preliminary discussions are ongoing with other landowners/developers.

Proposals for a commuter rail development on the Mallow to Midleton rail line have been included in the Government's ***'Strategic Rail Review'*** report as being viable, which together with the redevelopment of Parnell Place Bus Station and development of Green routes should give the city region a quality public transport system, with a hub in the city centre / Docklands

4.3 1999 Urban Renewal Scheme

The 1999 Urban Renewal Scheme applies to two areas of Cork City: Blackpool/Shandon and the City Docks. Both schemes are based on Integrated Area Plans (IAP's) prepared by Cork City Council. Only three areas in the city docks were identified for urban renewal incentives: Horgan's Quay, CIE bus

Station on Clontarf Street and another site on Eglinton Street. There are planning permissions granted for both the Bus Station site and the Eglinton Street site while discussions are on-going regarding the Horgan's Quay site.

Blackpool / Shandon IAP

The Blackpool / Shandon Urban Renewal Scheme 1999 – 2002 offers incentives for both residential and commercial development. Incentives are available to owner-occupiers throughout the Blackpool / Shandon IAP Area for the refurbishment of houses constructed prior to 1920.

In accordance with the details announced in the Budget 2002, the deadline for qualification for tax incentives under the Urban Renewal Scheme 1999 has been extended from 31st December 2002 to 31st December 2004. This extension applies to commercial, industrial and residential projects and applies where 15% of expenditure has been certified by the Local Authority to have been incurred on such projects by 30th June 2003.

In addition to the extension of the deadline, details of the new measures extending "Section 23" residential investors relief to certain designated areas were also announced. This applies to the following five areas – Thomas Davis Street (Sub Area 2), Watercourse Road (Sub Area 5), John Street /John Redmond Street (Sub Area 6), Coburg Street (Sub Area 7) and Popes Quay (Sub Area 8).

The following tables give a brief synopsis of the progress made to date under the Urban Renewal Scheme.

PROGRESS TO DATE – Blackpool / Shandon IAP

	April 2003
No. of Applications	**42**
No. of Preliminary Certificates	**13**
No. of Full Certificates	**16**
No. under request for further information	**13**
Total	**42**

STATUS OF DEVELOPMENT

	April '03 (No. of applications)	Est. Cost (€)
No. of Developments in Planning	**10**	**17,237,198**
No. of Developments with Work in Progress	**16**	**17,009,032**
No. of Developments Completed	**16**	**6,258,079**
Total	**42**	**40,504,309**

NO OF RESIDENTIAL UNITS

No. of Residential Units	Proposed	Completed	Total
Houses	**-**	**10**	**10**
Apartments	**173**	**31**	**204**
Total	**173**	**41**	**214**

SCALE OF DEVELOPMENT %

	Sqm.	%
Commercial	**10,310**	**41**
Residential	**14,554**	**59**
Total	**24,864**	**100**

4.4 RAPID

Under the National Development Plan there is a specific commitment to target investment expenditure in twenty-five of the most disadvantaged areas in the country. The ***Programme to Re-Vitalise Areas by Planning Investment and Development*** (the RAPID Programme) sets out the twenty five areas and how the programme is to be implemented over the next three years. Four of the designated areas are located within Cork City, they are (1) Mayfield / the Glen / Blackpool, (2) Knocknaheeney / Churchfield, (3) Fairhill / Farranree / Gurraneabraher (4) Togher / Mahon.

The RAPID Programme is being co-ordinated by the Directorate of Community and Enterprise and a co-ordinator has been appointed for each area. Area Implementation Teams have been set up, which will represent statutory agencies and communities. The plans allow for improved investment in services through the ability of all partner agencies in the state sector to draw down additional resources via the appropriate government departments.

4.5 Living Over The Shop Scheme 2000-2004

This scheme aims at promoting the rehabilitation of buildings and increasing the supply of residential units within the city centre. The emphasis is on refurbishment rather than demolition. Tax incentives for the refurbishment of vacant upper floors above business premises for residential use are available in the streets outlined below. This scheme follows on from a previous "Living over the Shop" scheme which was quite successful in Cork. Under that scheme approximately 110 residential units were completed.

The streets designated under the Living Over The Shop Scheme were announced in April 2001 and are as follows: Cornmarket Street (Coal Quay), Castle Street, North Main Street, Washington Street (part of), Oliver Plunket Street, Barrack Street, Marlborough Street, Parnell Place, Douglas Street, George's Quay, Shandon Street, South Main Street (northern part of), Leitrim Street, MacCurtain Street, Bridge Street and Great William O'Brien Street (Blackpool Bridge End).

A brochure has been produced and is available from the Planning Directorate. Leaflets have been distributed to architects, auctioneers and other interested parties. A seminar on the LOTS Scheme was held in October 2002. This was well attended by architects, auctioneers and traders in the designated areas and other interested parties. Similar presentations on LOTS were given at the launch of the Shandon Action Plan and the Blackpool Information Evening. A short presentation was also given at the Better Building Awards Ceremony in November 2002.

There have been numerous enquiries to date with regard to the scheme and the following tables give an up to date picture on applications received:

PROGRESS TO DATE – Living Over The Shop

No. of Applications	**11**
No. of Preliminary Certificates	**2**
No. of Full Certificates	**4**
No. under request for further information	**5**
Total	**11**

STATUS OF DEVELOPMENT		Est. Cost (€)
No. of Developments in Planning	**2**	**825,000**
No. of Developments with Work in Progress	**4**	**2.097,748**
No. of Developments Completed	**4**	**1,054,711**
Total	**10**	**3,977,459**

NO OF RESIDENTIAL UNITS

No. of Residential Units	Proposed	Completed	Total
Apartments	**20**	**13**	**33**
Total	**20**	**13**	**33**

5.0 Overall Prospects

With Ireland's very high dependence on external trade and long-term capital flows, the external economic environment has contributed to the substantial weakening of growth since the early part of 2001. A report from the OECD confirms that the Irish economy is decelerating rapidly. With the international economy failing to recover as expected during 2002, underlying economic growth in Ireland remained weak.

The prospects for the economy in 2003 will largely be dependent upon the fortunes of the major international economies. There is little prospect of significant improvement in the economic situation in the short term. The appreciation of the Euro and continuing high growth in the domestic cost structure have combined to erode Irish competitiveness recently.

Results from recent ***IBEC-ESRI Monthly Industrial Surveys*** reveal negative employment expectations among manufacturing employers. Given that the Department of Finance is forecasting GNP to grow by a modest 2.25% in 2003, unfavourable economic conditions look set to continue in the short-term. It is hardly surprising therefore that employment expectations are particularly pessimistic among employers in traditional manufacturing sectors such as textiles, and clothing and footwear. The chemicals sector is the only manufacturing sector where employers are anticipating an increase in employment in the short-term. Overall given that public service recruitment has been capped, the potential for future employment growth seems limited.

The ERSI forecast that the unemployment rate will continue to rise to 5.3% in 2003 and 5.5% in 2004. The net increase in unemployment for 2002 of 11,500 was made up of 8,100 short-term unemployed and 3,400 long-term unemployed. The long-term unemployment rate of 1.3% is, however, still extremely low by both historical and international standards.

Although inflation in consumer prices has been close to 5% in the first quarter of 2003, the ERSI expects price increases to moderate substantially over the course of the year to average 4.3% and to fall to an average of 3.2% in 2004. This unwinding of inflationary pressures will reflect low price growth internationally, the continued appreciation of the Euro and more moderate wage growth both this year and next.

A deceleration in the growth of the Irish economy to a more sustainable rate was inevitable as the long period of very rapid growth since 1994 gave rise to increasing pressure on resources in the economy. In short, the Irish economy should continue to deliver slow but stable growth over the next two years. Ireland's GDP growth last year was still beating most other economies and we enjoyed a low 4.4% unemployment rate last year. The progress of the National Development Plan and the control of both Government spending and the inflation rate will be key factors in influencing the economy's performance over the next number of years.

Although susceptible to external economic pressures, the Cork Metropolitan Region is in a strong position in the medium term to benefit from the recently published National Spatial Strategy. Its development as a National Gateway City should see greater investment into the region and further opportunities to develop the region's already substantial economic base. With the CASP Strategy already in place and the city itself set to benefit considerably from its designation as European Capital of Culture in 2005, Metropolitan Cork has the opportunity to sustain the robust economic growth it has experienced over the past number of years.