Cork City Council
Comhairle Cathrach Chorcai

Cork Economic Monitor

March 2002

Planning and Development Department Cork City Council

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1.0. National Trends

The ESRI's latest Quarterly Economic Commentary, December 2001 point out that the prospects for the economy remain uncertain. The US economy entered an economic depression last year with Japan already in a recession and the European economies slowing rapidly it was predicted that real growth in 2001 would only be around 2%. This is the lowest growth rate in a decade. Ireland as one of the economies more open to world trade, did remarkably well in the first half of the year 2001, but slowed down rapidly toward the end of the year and still managed to average a 5% growth rate. This positive performance of Ireland occurred while the threat of foot and mouth continued and as worldwide retrenchments occurred in the IT sector which forms an important component of the national economy. This is confirmed in the Central Bank Spring Bulletin where it is pointed out that Irelands economic deceleration was much sharper than most industrialised countries due to our dependency on the IT sector, foot and mouth threat and the impact of the terrorist attack of September 11th 2001(Spring bulletin, Central Bank, 2002)

The weakness of the euro exchange rate has helped Irish competitiveness and therefore growth. However after five years of decrease in the unemployment rate it began to increase at the end of 2001.

The performance of the Irish economy in the New Year is closely linked with the performance of the country's major trading partners. The Quarterly Economic Commentary indicated that a consensus exists among economists that a sharp recovery is expected in the international economies. They project a growth in Irelands real GDP in 2002 of 6.6% and 4.7% for real GNP. The annual rate of consumer price inflation for 2001 is likely to be 4.9%, which is still high, but having declined significantly. The Irish budget for 2002 will provide for a modest fiscal stimulus in the economy. It is, however, expected that the fall out of economic growth will result in a rise in unemployment to an average of 4.7%, while inflation will continue to decrease to around 3.7%.

The most important economic event, according to the Quarterly Economic Commentary (ESRI: December 2001), will be the emergence of the Euro currency as a tangible currency, although having no immediate effect on the Irish economy it will strengthen Ireland's position within the EU.

The current status and prospects of the Irish economy in 2002 has been published in the Central Bank's spring bulletin and concludes that after the good performance in the beginning of last year it continued to weaken due to increasingly difficult international conditions.

The good news is that there are now signs that the international environment may be improving and there has also been some improvement in producer confidence domestically, along with reasonably robust domestic demand. The down turn in the international economy appears to have reached a trough in late 2001 and has since been recovering, making it one of the shortest downturns in recent decades. The US are further along the route of recovery than the EU, and all the other major players are recovering or stabilising with the exception of Japan. The EU is expected to recover to show growth of 1.2-1.3 percentage. It is expected that EU inflation will decline from the February 2.4% level to below 2% for the year as a whole.

As far as the Irish economy is concerned while there are few indications of any significant output growth in the early part of the year, growth in the economy should pick up during 2002 if the external environment continues to improve. This is based on the assumption that the economy's competitiveness does not suffer due for example, to the combination of an appreciating exchange rate and excessive wage inflation. If the assumptions hold true the GNP growth could average 3 % for the year as a whole, while growth should continue in 2003 (ESRI:December, 2001).

<u>Sources:</u>

Central Bank of Ireland Quarterly Bulletin ***Spring 2002***

The Irish Times ***28 March 2002***

The Economic and Social Research Institute
Quarterly Economic Commentary ***December 2001***

2.0. Local Trends

2.1. Unemployment

Table 2.1. shows the number of persons on the Live Register for the Greater Cork Area (GCA) during the period 1993-2002. Currently no comparative figures are available for the first quarter of the current year, 2002. The months of January and February 2002 are indicated, as these figures were available.

Table 2.1. ***Live Register 1993-2002 Greater Cork Area.***

Month	Year	Persons on Live Register
December	1993	21,101
December	1994	21,357
December	1995	21,631
December	1996	21,294
March	1997	20,635
June	1997	19,540
September	1997	19,518
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**	**9584**
December	**2001**	**10743**
January	**2002**	**11296**
February	**2002**	**11890**

It is important to note that in the time period stretching from 1996, when the Live register was at its peak to 2001, there has been a 54% decrease in the number of persons on the Live Register.

The actual numbers on the GCA (Greater Cork Area) Live Register have shown a large increase during the month of February 2002. This is in-line with the general trend shown in the national figures, although the Cork figures show a larger scale of change.

Table 2.2. gives a more detailed breakdown of the overall figures for August 2001-2002 by age and sex, comparing them to the national average in percentage terms.

Table 2.2. ***Classification by age and sex of Live Register 2000 - 2001: Greater Cork Area***

	February 2001	February 2002	The State (Feb. 01)	The State (Feb. '02)	% change GCA	% change State
MALE						
under 25	831	1669	*13267*	*18854*	100.81%	42.11%
over 25	4846	6341	*67905*	*79361*	30.85%	16.87%
FEMALE						
under 25	623	949	*9972*	*12569*	52.32%	26.04%
over 25	2427	2931	*48371*	*51553*	20.76%	6.57%
TOTAL	**8727**	**11890**	*139515*	*162337*	**36.24%**	**16.35%**

During the month of February 2002 the number of persons on the Live Register increased in all regions of the State at a rate of 16.35%. The largest annual percentage rise was in the Mid-Eastern region (+30%) and the smallest in the South-eastern region (+8.8%).

The GCA experienced a large increase in the number of males in the under 25 category. This trend is in-line with the state, which also shows a substantial increase. Females in the under 25 category has shown a similar trend.

The number of males in the over 25 category for the GCA show similar trends with an increase of 30.85% compared to the national figures of 16.87%. The Females for the over 25 category have shown an increase of 20.76% compared to the national average of only 6.57% and therefore the increase for the GCA is far more than the state average but in pace with the dominant trend for the Greater Cork Area.

The increase in actual numbers on the Live Register over the last few months is a total reversal of the steady decline of the last five years in the Register. It is important to note that the **Live register is not designed to measure unemployment** as it includes part-time workers, seasonal and casual workers entitled to Unemployment Assistance or Benefit. It therefore can only be used to indicate the general trend as the Quarterly National Household Survey gives actual unemployment levels.

2.2. Housing Construction

2.2.1. Local Authority Housing

House Construction

Cork City Council completed 72 housing units during the year 2001, by January 2002 a further two units has been completed. A total of 9 units are to be completed during the month of March 2002.

A further 21 units are currently under construction and are due for completion in 2002, with an additional 12 units to be completed in January 2003.

The major housing schemes for 2002 includes Mount St. Joseph's – Phase I, Banduff and Glen Infill Regeneration and at a few more infill sites.

A compulsory purchase order confirmed by An Bord Pleanala has been served with regard to 80 housing units at Boreenmannagh Road.

Table 2.3 ***Local Authority House Construction Cork City***

Year	**1990**	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**	**2001**
Units	14	50	36	39	118	79	106	82	100	63	53	72

2.2.2. Private House Completions - Cork City and County

Some 5,437 private house completions were recorded in Cork City and County as a whole during the year 2000. This was a significant increase on the previous years figures which were 4,275 and 4,956 for 1999 and 1998 respectively. Preliminary statistics for the first two quarters of 2001 indicate that the level of house completions at 2,711 kept pace with the figures for 2000. A gradual increase can be seen for the third quarter in comparison with previous years. Conclusive figures for the 4th quarter 2001 and for the 1st quarter 2002 is currently unavailable.

It is likely that the effect of the slowdown in the economy on house building activity will not be apparent until the figures for the later part of 2001 and the beginning of 2002 are published. Economic reviews published at the end of March have indicated that house prices have begun to recover from the recession on par with the recovery of the world economic market and therefore also the Irish economy.

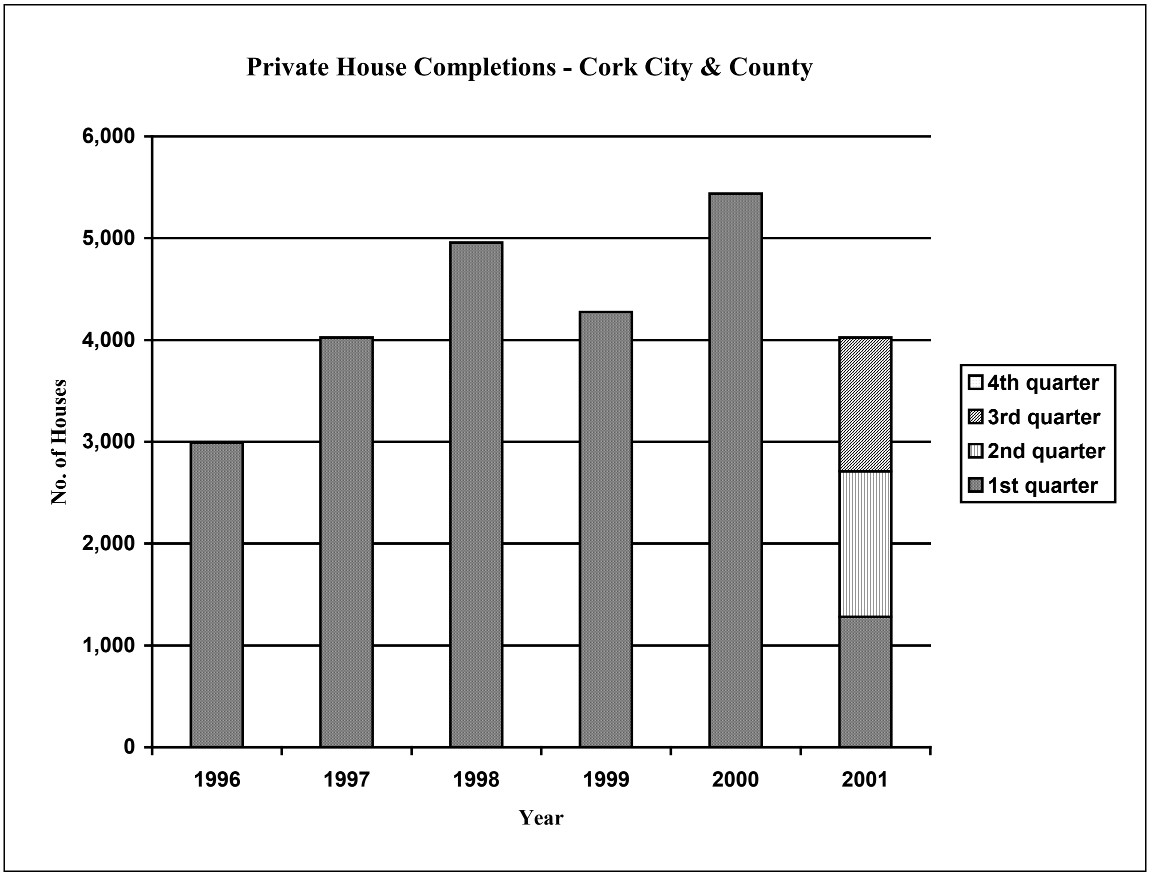

Figure 2.2. Private House Completions - Cork City and County

2.2.3. House Starts under the HomeBond Scheme

During the four quarters of 2001, some 3 265 house starts were registered for Cork City and County with HomeBond. This is a substantial decrease from the number of house starts recorded in the corresponding period of 2000, some 4 424 starts. House starts registrations for January 2002 are at 387 and for February stands at 387. No direct comparison is possible as figures for the first quarter of the year are not yet availible.

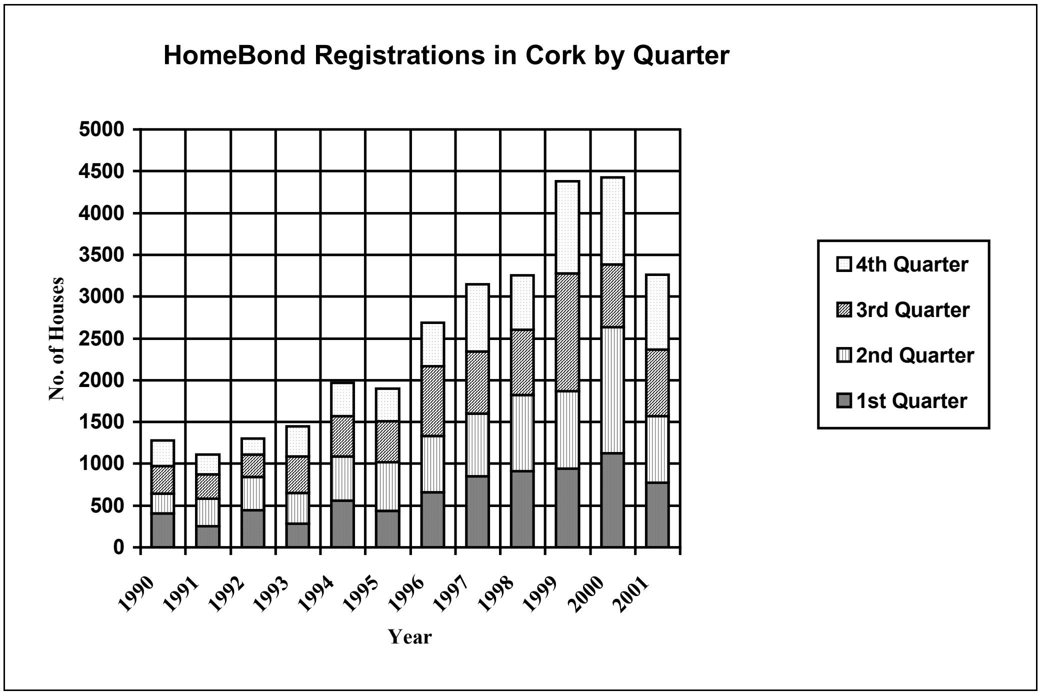

Figure 2.3. Registered House Starts in Cork City and County under the Home Bond Scheme

Comparing **Fig. 2.2. & 2.3.** it seems that while the annual house completion figure appears to rise for the first half of 2001, the number of registered house starts has fallen substantially when the figures for the first three quarters of 2001 are compared to the same period for the year 2000.

2.2.4. Planning Applications for Residential Units

The number of applications received for houses / apartments during 2001 stood at 1943. Of this number, some 897 of the units applied for were houses while 1046 were apartment units. During the New Year up to March 2002 applications totalling 47 houses and 103 apartment applications were received.

This is continuing the trend of a predominance of apartment type building activity in the City. The total number of applications for houses / apartments would appear to be substantially down on the same period for the last few years, reflecting the overall slowdown in the market.

It is predicted that the number of applications for apartment units will continue to increase in the future. Demographics indicate that the number of single person households in Ireland is rising consistently, combined with a marked decrease in average family size. The effect of this trend will be to strengthen demand for smaller housing units, such as apartments.

The Cork City Residential Design Guidelines has been produced by Consultants Urban Initiatives for the City Council and the policy and standards identified in the guidelines will be incorporated into the new City Development Plan. These guidelines should facilitate the development of quality housing environments in Cork City, through the promotion of sustainable design, layout and social integration.

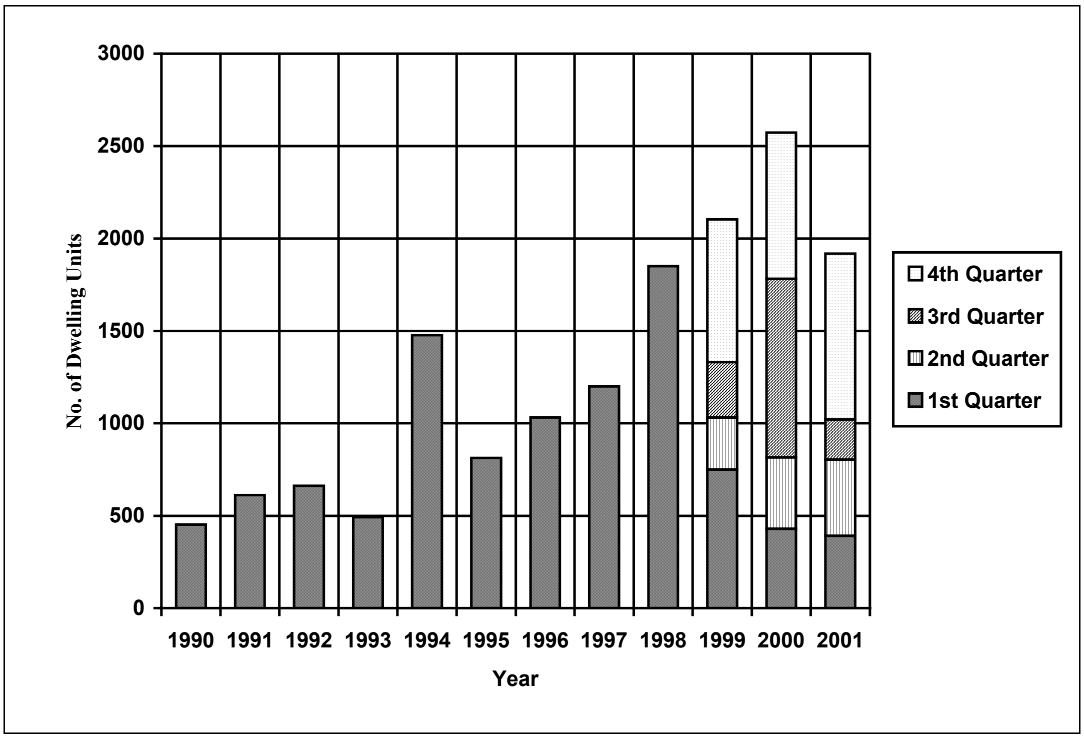

Figure 2.4. Planning Applications for housing in Cork City (No. of dwelling units)

2.2.5. House Prices

According to the Department of the Environment & Local Government most recently published statistics (Housing Statistics Bulletin September Quarterly 2001, Sept. '01) new house prices fell nationally by - 4.7% when compared to the June Quarter 2001. This fall in house prices is in stark contrast to the corresponding September Quarter 2000 results, which indicates an increase of +5.6%, and when compared to the June quarters increase of 12.2%. The indications of a slow down in the housing markets as predicted in October last year are therefore substantiated. It was further predicted that the market is changing to reflect more realistic house price expectations.

However based on the newly released economic market predictions of an early end to the worldwide economic depression a change in the housing market projection and unexpected change in the house market seems to be on the cards. This is substantiated by the newly released Permanent TSB Housing Price Index (February, 2002), which replaces the old Irish Permanent House Price Index, indicating a rise of 0.7% in national house prices during February 2002. This is the first increase in prices since August last year and compares very favourably with the 0.4 % increase experienced in February 2001.

The index further reveals that in the 12 months to February 2002, national house prices rose by 2.6%. This compares to a lower growth rate of 2.4% in the 12 months to January 2002. This seems to indicate that the steep decline in house prices in September 2001 can be seen as a temporary slump in the housing market and not a persistent trend.

Countrywide prices increased for the month of February by 0.9% for second time buyers while prices for first time buyers remained unchanged and therefore during this period only second time buyers have been influenced by price increases.

According to the General Manager of Marketing in Permanent TSB(21 March 2002) the introduction of favourable tax treatment of investment properties has resulted in some anecdotal evidence that it has lead to increases in house prices. "Today's figures are the first solid evidence that the activity is leading to an increase in prices. While the increase recorded is not exceptional in its own right, it does support the view that the downward pressure on house prices which characterised 2001 has halted – at least for the moment and further increases are likely in the months ahead."

Statistics issued by the Department of the Environment & Local Government (DoELG) reflect the average new house prices from 1998 to the third Quarter of 2001
(See Table 2.4.).

Table 2.4. **Average New House Prices [IR£]**
Source: Housing Statistic Bulletin September Quarter 2001, DoELG

Area	**1998**	**1999**	**2000**	**2001**	2001 Quarters			**%Change Base Year: 1998**
				AVE.(I-III)	I	II	III	
Cork	€112 133	€141 007	€166 557	€174704	€174509	€183059	€166543	56%
Dublin	€160699	€193526	€221724	€244694	€248386	€250268	€235428	52%

Galway	€118738	€138928	€163824	€171094	€170500	€172758	€170023	44%
State	€125302	€148521	€169191	€183217	€182990	€187784	€178876	46%

The average house prices for Cork during 2001 at €174 704 is 29% less expensive than Dublin and 4.6% under the State average. This is in comparison with the average house price for Dublin in January 2001, which stood at €234 689-00 and the equivalent house price for a house outside Dublin stood at €159 898-00.

A substantial drop in Cork's Average House Prices of €16 496 can be seen between the second and third quarter of 2001 coinciding with the slow down in the domestic and world market at the time. From Table 2.4 it is evident that the change in house prices for Cork over the period 1998-2001 has been 10% higher than for the state average.

It can be concluded that the Cork housing market shows stable and realistic trends which will strengthen Corks claim of being an attractive place to work and live.

2.3. Infrastructure

2.3.1. Roads

(a) ***Blackpool Bypass***
Work is complete on this scheme

(b) ***Grade Separation of the Kinsale Rd. Roundabout***
Consultants have been appointed to prepare a preliminary report and EIS for the design of a grade separation of the Kinsale Road Roundabout. Public consultation on this project was carried out in late 2000. The EIS was published in September.

(c) ***Grade Separation of Sarsfield Road Roundabout***
Consultants have been appointed to prepare a preliminary report and an EIS for the design of a grade separation of the Sarsfield Road Roundabout. Public consultation on this project will be held in early 2002.

(d) ***St. Patrick's Street Project***
The final design is complete. Work on the ground should commence in May 2002 and the project should take approximately eighteen months to complete.

2.3.2. 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.

- A strategic Operational Management Plan has been drawn up for the Water Section.
- The Water Distribution Network has been divided into 55 district meter areas, each of which can be monitored remotely by telemetry.
- Active leakage control being applied city wide.

(b) ***Lee Road Waterworks Improvement***

Funding was allocated under the National Development Plan 2000 – 2006 to modernise the Lee Road Waterworks. The Inception Report has been completed and the Procurement Route Study Report has been forwarded for DoELG's approval. Modernisation of the Lee Road Waterworks will be undertaken as a Public Private Partnership (P.P.P.) project.

(c) ***Tivoli Industrial Estate Firemain***

The DoELG has approved a Preliminary Report on the provision of a firemain to serve the Industrial Estate at Tivoli. This project forms part of the National Development Plan 2000 – 2006. Atkins McCarthy, Consulting Engineers, have been appointed to prepare Contract Documents, which will be completed in April 2002.

(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 and the Historic Centre Action Plan.
- Carl-Bro-Ryan Hauley & Co. Consulting Engineers are being appointed to carry out a detail study of the watermains of the rest of the city and will prepare a Preliminary Report which will prioritise the works of rehabilitation.

(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.

(ii) Construction of a storage reservoir at Rochestown.

2.3.3. Cork Main Drainage

(a) Work is in progress on the following projects

(i) Main trunk sewer and siphon under the River Lee - due for completion in 2002.
(iii) Atlantic Pond pumping station - due for completion in 2002.
(iv) Rising mains from the Atlantic Pond Pumping Station to the Header Chamber building at Mahon – completion 2002.
(v) Pressure pipes across Mahon and under Lough Mahon to the Treatment Plant site at Carrigrennan, Little Island – completion 2002.
(vi) City Centre Drainage Contract No. 2 – completion 2003.
(vii) Tivoli, Silversprings, Lower Glanmire Road interceptor sewers – completion 2002.
(viii) Little Island collector sewers - to commence in 2002, for completion in 2003.

(b) Sewage Treatment Plant at Carrigrennan, Little Island.
Commenced 2001, work in progress, work is scheduled to be substantially completed by end of 2003. Following commissioning the Plant will be operational by mid 2004.

2.3.4. Amenity Projects

Community Employment and Job Initiative schemes
The Community Employment Scheme currently employs 40 people, while a further 30 amenity project workers are employed under the Job Initiative programme

Parks are being developed in the following areas:

(a) Murphy's Farm
Work commenced in mid-May 2001. The two western ponds have been excavated. The ponds are now redeveloped as a feature of the park rather than an eyesore and dumping ground. A park railing has been erected on the housing estate access to the playing fields. Work is now underway to provide walks around and through the wooded areas that have been established adjacent to the ponds without unduly disturbing existing habitats. Additional planting will also be carried out to reinforce existing trees and to enhance the open area created behind the park railing. The existing paths will also be upgraded and raised above flood level.

(b)The Glen
Construction began in February 2001 on a new entrance and car park to the Glen Amenity Park, at Ballyhooley New Road. The stone wall on the Ballyhooley New Road has been refurbished. The final finish on the grading of embankments is also outstanding together with landscaping. The paths within the park are being upgraded.

(c) Meelick Park, Ballyvolane

Perimeter railings have been erected on the southern side of the park. Overhead power lines were also re-laid underground. The existing concrete railings beside the main road have been removed and steel park railings erected. A concrete plinth is being poured in conjunction with the railing and an entrance is being provided to the park near the bus stop on the Ballyhooley New Road. A path network around the perimeter of the park will be laid out over the summer months.

(d)Tory Top Park , Ballyphehane

Railings have been erected around the perimeter of the park and also between the park and the community centre. Paths and steps have been upgraded and at present the area around the Bandstand is being paved and the bandstand itself refurbished. New playground equipment will be installed during the summer of 2002.

(e) Clashduv Park

The area between the two sections of children's playground has been tarmacadamed, and lighting has been installed for the playground. Some seating has been provided and further seats will be added shortly. Earlier in the year a large number of trees were planted and within the past month extensive bulb planting has also been carried out. Additional seating, tree planting and drainage works were carried out during winter/ spring of 2001/2002.

(f) Lady's Well, Richmond Hill

Phase 3: Following the archaeological discovery of the historic Lady's Well in September 2000, a paved and terraced surround to the well was constructed and the grotto is to be relocated within the area.

(g) The Lough and Douglas Park

New playground equipment was installed in both areas in summer 2001. Path improvement works were carried out in early 2002 in both localities.

(h) Grattan Hill

Toddler playground equipment was installed in the playground at Grattan Hill in September 2001 and will be certified for use within the next week. Some remedial resurfacing will also be completed.

(i) Car-Park at Castle Road, Blackrock

The construction of a car park to service the park and walkway at the Jack Lynch Tunnel was commenced in late September 2001. This accommodates 80 cars and has been completed and landscaping surrounding the car park will be carried out in mid April 2002. Along the Tunnel Walk seats have been installed.

(j) Shalom Park

Refurbishment of the park, including installation of new railings and playground equipment, will commence in early May 2002.

(k) Glen Heights Amenity Area
Enclosure of the designated amenity area will be carried out over the summer of 2002. Steel railings will be erected and landscaping of the space improved.

(m) Bank of the Lee Project:
Funding for a significant upgrade of the Mardyke Walk is likely to be available under the City Regeneration project over the next few years.

2.4. Employment and Land Use Survey 2001

An Employment and Land Use Survey was undertaken by Cork City Council and preliminary result are available. The survey, which covered the functional area of the City Council, is undertaken every five years in conjunction with the Census.

The purpose of the survey is to give additional information on employment and land use trends based on place of employment rather than place of residence so as to further assist the City Council in formulating Employment and Land Use Policies.

The preliminary results for the employment survey indicates that there are around 70,000 people employed (including full time and part time) within the city of which the full time employed males make up 38.8% and the full time employed females makes up 35%. The part time employment figures for male and female is 8.6% and 16% respectively.

Cork City Council carried out employment surveys in 1996 and 2001. Preliminary results are now available from the 2001 survey which give an indication of the way the city economy has changed since the current Plan was prepared.

Change in employment levels between 1996 and 2001 (preliminary figures)

City Sector	1996	2001	Change	% Change

City Centre	19207	28138	+8931	+46
South East	6235	8916	+2681	+43
South West	9671	14889	+5218	+54
South Centre	3605	4569	+964	+27
North West	4601	4391	-210	-5
North East	5169	8423	+3254	+63
Total	**48488**	**69326**	**+20838**	**+43**

*Includes City Council employees working in suburban locations

Reflecting the substantial growth in the national economy in the last five years, very significant growth in employment occurred in all but one city sector between 1996 and 2001, even allowing for some element of under reporting in 1996. The highest volume of growth occurred in the City Centre, followed by the South West and the North East, while there was a lack of growth in employment in the North West.

A more detailed analysis has yet to be carried out on the types of business activities showing growth but preliminary indications are that by far the greatest increase was in professional services, which includes health and education workers and engineers etc. Personal services, retailing, business and finance, and public administration also showed large increases, while manufacturing, entertainment and transport also increased. Much of the increase was in existing businesses.

The increase of 43% in Cork City is substantially above the National increase in employment of approximately 25-30% between 1996-2000. This is a very substantial increase and reflects the economic boom that Ireland has experienced over the last 10 years.

The downturn in the national economy during 2001 would have had short-term effects on unemployment and these trends will be analysed in a detailed report that is to follow in due course. It should be noted that it is projected by economists that unemployment will continue to rise over the short term in Ireland, due to the fall out of the downturn of the economy in 2001, but recover is anticipated in the latter part of 2002. The projected growth rate is expected to average out at 4.7%. Cork would most likely follow the same trend during 2002.

3.0. Urban Renewal

3.1. 1999 Urban Renewal Scheme

The 1999 Urban Renewal Scheme applied 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.

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. The emphasis of this scheme is on the preservation of the character of the Blackpool/Shandon area. This implies that there is a requirement to retain, repair and replace the traditional features of buildings when carrying out refurbishment work.

The qualifying period for commercial/industrial tax incentives stretches from 1st July 1999 to 31st December 2002 while Residential tax incentives run from 1st March 1999 to 31st December 2002. Details of the incentives are set out in the 'Blackpool/Shandon Urban Renewal Scheme 1999 - 2002' brochure, which is available from the Planning Department.

Cork City Council has been working in partnership with landowners on a number of key sites to ensure their redevelopment. Discussions are ongoing in relation to redevelopment of the Sunbeam Complex and lands adjoining to the south. Planning permission has been granted to a housing association for the redevelopment of Blackpool flats and for a large commercial / residential development on the Watercourse Road Industrial Estate lands. More recently the Blackpool flats site adjoining the 'Glen Hall has been put up for sale by Cork City Council.

It is expected that the redevelopment of such key sites will have a positive multiplier effect and will further improve the image of the area. The image of Blackpool has already been improved to some extent with the development of the Blackpool Shopping Centre and the improved environmental conditions created by the Blackpool bypass. It is also proposed to improve the public realm between the Grotto on Dublin Hill and Murphy's Brewery through road resurfacing and the provision of new footpaths.

An extension to the life of the Urban Renewal Scheme has been announced in December 2001. The scheme will now run until 31 December 2004 on the proviso that projects must have 15% of expenditure incurred by 31 December 2002. In addition, the commercial elements of the scheme are covered by EU State Aid rules, the extension of the deadline for these relief's are still subject to EU commission approval. An announcement on this aspect of the scheme is due shortly.

In addition to the extension of the deadline, details of the new measure extending 'Section 23' residential investors relief to certain 'designated sites' were also announced. In short, construction expenditure incurred from 5 December 2001 for new-builder or refurbishment projects which has already been designated for residential (owner- occupier) will now qualify for the Section 23 residential investor relief.

The new measure will not apply in cases where incentives were applied under the Urban Renewal Scheme on an IAP area wide basis.

It envisaged that the measures will provide an additional boost to the housing supply particularly in the provision of rental accommodation as well as further stimulating the programme of city regeneration.

3.2. Cork Docklands Development Strategy 2001

A Docklands Development Strategy has been prepared by Consultants Urban Initiatives. This was recently on public display and elicited a great deal of response from the public and landowners. These representations are being assessed at present and the final report will be presented to the City Council shortly.

Uses proposed for the area include up to 557418.24 sq. m of new non residential uses including offices, university, retail, cultural and leisure, approximately 6000 new homes and a new public transport system. It is proposed to phase the development over a 20 – 25 year time frame.

3.3. Living over the Shop Scheme

During the year 2000, the Department of the Environment and Local Government requested proposals for a new "Living over the Shop" scheme. It is intended that the scheme will provide tax incentives for the refurbishment of vacant upper floors above business premises for residential use. Proposals were submitted to the Department of the Environment and Local Government in December 2000 and the scheme commenced in April 2001 and is to run until 2004.

Such developments give good returns on public and private investment, and ensure that the historic fabric of the city is retained through the streetscape and scale of the buildings. The scheme also contributes to a more vibrant, secure and enjoyable city environment. 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 that will benefit under this scheme include Washington Street, Oliver Plunkett Street, Barrack Street, North & South Main Street, Shandon Street, McCurtain Street, and Castle Street.

Details of the new scheme and streets included are available from the Planning Department who will provide advice and assistance to those interested in availing of the incentives.
The City Council will investigate the possibility of facilitating an initial demonstration project and a promotional campaign will also be undertaken in the near future. A promotional brochure will soon be available from Cork City Council, while applications for Certification under the Scheme are currently being processed by the Planning Department.

3.4. Urban and Village Renewal Measure:

(Urban and Village Renewal Measure - City Regeneration)

Funding has been secured under the City Regeneration sub-measure of the Urban and Village Renewal Measure of the National Development Plan for an environmental upgrading scheme for Shandon Street which will be implemented during 2002. This is part of a programme which runs to 2006 and which should deliver over €8.5m to projects in Cork City centre.

It is also proposed to use funding under this measure to partially fund the St Patrick Street renewal project, while the upgrading of Oliver Plunkett Street will be funded at a later date from other sources. It is anticipated that funding will be available for a major upgrading of the Mardyke Walk later in the programme which runs until 2006.

3.6. RAPID Programme

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. The areas were identified using agreed objective criteria (the Trutz Haase Index of Relative Affluence and Deprivation supported by data relating to the location of a significant agglomeration of rented local authority housing and schools designated as disadvantaged by the Department of Education and Science).
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.

Overall Prospects

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. During this period, the increase in GNP averaged just over 8 % a year and this was associated with employment increases of about 5 % a year. This period of very strong growth can be looked upon in part as a transition phase during which employment in Ireland, as a proportion of the working age population, increased from quite a low level to virtual parity with many of the advanced economies.

The reversion of growth towards the end of last year to a more sustainable rate coincides with a number of mainly external factors that are impacting negatively on the Irish economy. The Irish economy performed robustly in the early part of last year but actively weakened as the year progressed. The large carry over effect from the year 2000 ensured that the GNP growth for the year 2001 remained at 5%. The slowdown in the Irish economy was mainly due to the external environment as seen in the world markets, combined with Irelands relatively high dependency on the information technology, tourism and the agricultural sector. These suffered particularly in the course of last year, reflecting the difficulties of the IT sector globally, the terrorist attacks of September 11 and the effect that the threat of foot and mouth had on the economy. This caused a much sharper deceleration in the domestic economy than that experienced by other industrialised countries.

Domestic demand weakened through the course of last year. The growth in private consumer spending, which had been very strong in 2000 eased noticeably in 2001. This could be seen in the decline in car sales towards the end of the year. The savings rate also appears to have recovered in 2001 after the decline seen in 2000, this is largely due to a weaker labour market. Consumer spending recovered in the last quarter of the year as it was stimulated by the Euro change over. Machinery and equipment manufacturing sector suffered from the global economic downturn while in contrast the construction sector managed to maintain a positive output growth assisted by public investment expenditure. While domestic demand did slowdown during the course of 2001 it did much to support activity and ease the impact of the weaker world market on overall output growth.

The prospects for this year are for domestic demand to continue to show steady growth. The growth in household income will be influenced negatively and as a result will be more modest than in the past. Furthermore the savings rate is not expected to rise by much and should remain fairly stable. A positive trend in inward investment is expected if the recovery of the international economy continues. Construction will continue to be supported by public infrastructure expenditure, but private non-residential demand may take time to strengthen. It can be concluded that domestic demand growth should continue to support growth this year, but the main source of substantial increase in the overall output is likely to be external factors.

Export volumes took a sharp downturn due to the depression that the international economic market went through, but it also seems to indicate weaker demand among Ireland's trading partners. Import growth also slowed in response to the easing of growth in both the domestic demand and export production.

There are signs that the International Market is beginning to improve although the signals seem to be a bit mixed at the moment. The US economy is showing signs of a substantial easing in their stance of policy, combined with the waning of the IT sector's difficulties and this combination could set the scene for recovery in output growth. At the same time the strengthening of the Euro is improving which is expected to lead to a recovery in output growth during the year. Assuming this takes place, Ireland's export growth should pick up through the year and therefore lift the overall growth rate of the economy.

Employment growth decelerated markedly during 2001, as the impact of weakening output growth was felt. The recovery in output growth projected for the latter part of this year will eventually feed through to the labour market, however this may take some time as unemployment may continue to rise in the short term. If the projected economic recovery maintains its momentum it is however likely that unemployment may peak in the latter part of this year and then start its route to recovery.

Cork City Council and Cork County Council in conjunction with consultants have prepared the Cork Area Strategic Plan 2000 - 2020. The plan has been adopted by both Councils 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 the Greater Cork Area a considerable amount of investment in infrastructure will be required.

Consultants have been appointed by Cork City Council and Cork County Council to prepare a Joint Retail Strategy for the Greater Cork Area. This will assist in guiding retail development in the Greater Cork Area over the coming years. The review of the current Cork City Development Plan has commenced and will set out a framework for development of the city to 2010, incorporating the proposals in the CASP- Cork Area Strategic Plan 2001-2020.

The designation of Cork City as City 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.