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## **WHAT CAN WE LEARN FROM GHOST ESTATES?**

**REINVENTING IRELAND AFTER THE CRASH  
MAYNOOTH UNIVERSITY JUNE/JULY 2015**

# CARRIGGLASS MANOR, CO. LONGFORD



## GHOST ESTATES – SYMBOLIC OF WHAT?

Our ghost estates speak more articulately than we might care to acknowledge about our hubris, sense of infallibility and greed... our ghost estates offer us a lesson that we must learn if we are to hope that we can ever rebuild and sustain a decent society (Irish Examiner, 22 October 2010).



Are ghost estates an easy symbol to represent the crisis or can they actually tell us something about it?

# Two cuts through the ghost estate

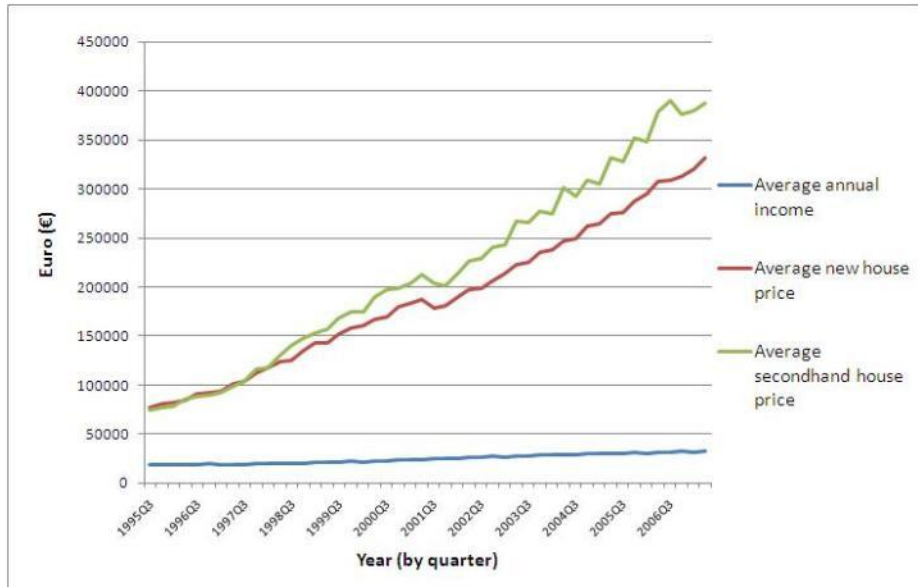
1. Look at how ghost estates can tell us about causes of the crisis.
  - I. Irish neoliberalism and the property bubble
  - II. Uneven development and Ireland's crisis
2. Look at how ghost estates can tell us about responses to the crisis.
  - I. Discourses and narratives of the crisis
  - II. Policy responses to the property crisis



# **GHOST ESTATE AND CAUSES OF THE CRISIS**

# NEOLIBERALISM, FINANCIALISATION AND THE CRISIS

“...perhaps the pivotal and unifying concept [of financialisation] is that of ‘things’ increasingly being valued on strictly financial grounds”  
(Christophers 2009, 98)



“The debt-saturated and increasingly deregulated global financialisation that began in the 1980s as a way to solve conflicts with labour by facilitating geographical mobility and dispersal produced its denouement in the fall of the international investment bank of Lehman Brothers on 15 September 2008” (Harvey, 2014, x).

## AN IRISH NEOLIBERALISM

But the specific ways that Ireland's neoliberalisation occurred also shaped the crisis:

- No left/right divide

- Centralised bureaucracy/Localist politics (Clientalist)

- Short-term strategy

- Deregulated finance

- Property developers indigenous elite

- Tax incentives; tax benefits

- Laissez-faire planning/over-zoning

- Pro-growth, market-led, state facilitated, zero-sum development

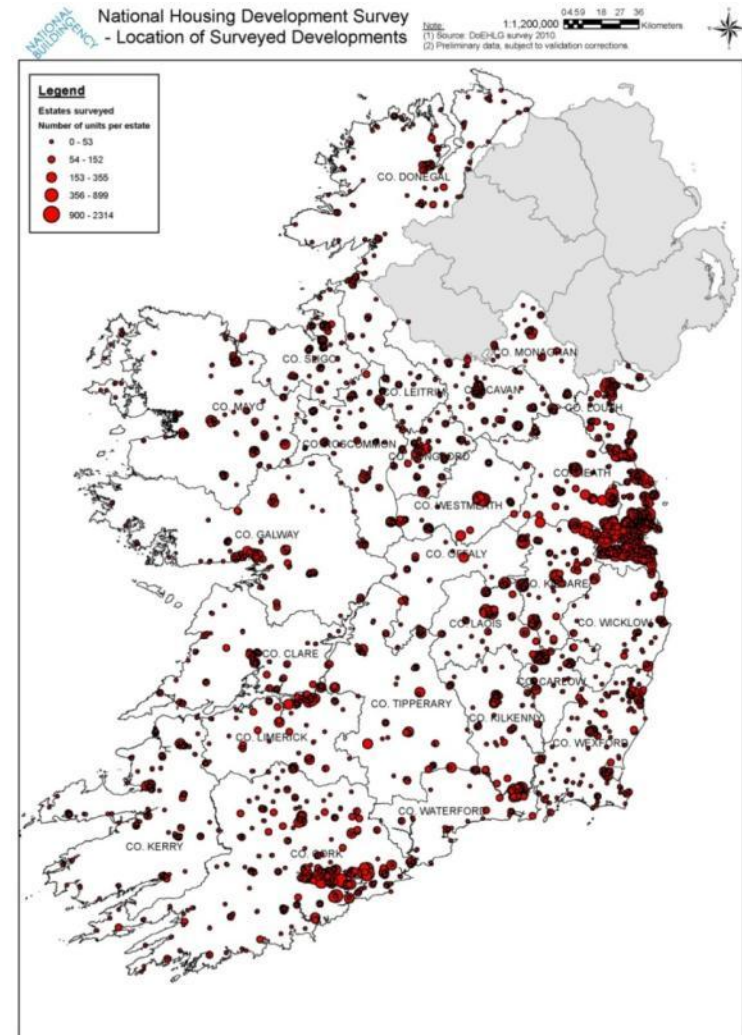
- Comonsense, partial, emergent ideology/strategy

The spatial expression of the crisis through ghost estates can illuminate this system.



# NEOLIBERALISM AND GHOST ESTATES

Ghost estates are a spatial expression of Ireland's political economy – the deregulation of finance, the promotion of pro-growth ethos, the composition of the local elite, the centralisation of decision making, the power vacuum at the local government level and associated clienetalism – that helps to explain both local conditions and Ireland's global vulnerability.





## UNEVEN DEVELOPMENT AND THE CRISIS

“...investment is substantially “switched” into the built environment in an attempt to circumvent overaccumulation’s most immediate and painful symptoms” (Christophers, 2011).



“...the foundations of the crisis are embedded in uneven geographical/regional development, which characterizes the socio-spatial structure of the European Union. Public debt is not the cause of the current crisis but one of its manifestations” (Hadjimichalis, 2011)

## FINANCIALIZATION = URBANIZATION?



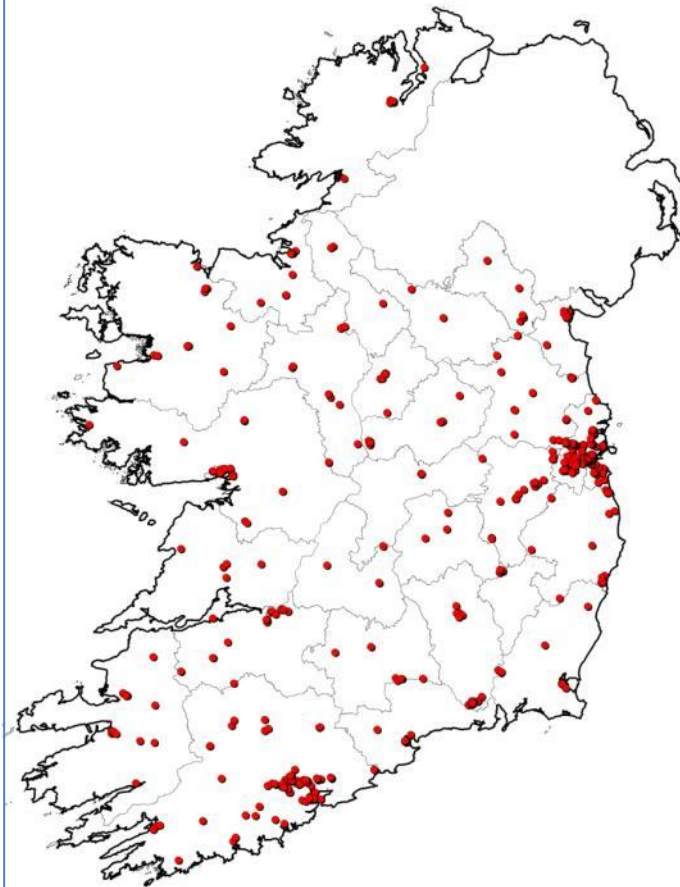
For 20 years, the Irish economy experienced extraordinary growth. Unfortunately, this growth came from two separate booms that merged imperceptibly into each other. First we had real growth in the 1990s, driven by rising competitiveness and exports. However, after 2000 competitiveness collapsed, and growth came to be driven by a lending bubble (Kelly, 2009).



## SPREADING AN URBANIZED ECONOMY THROUGHOUT IRELAND

In 2006, construction and allied activities accounted for 13% of total employment (and 21% of all male workers) in Ireland, while the personal services economy (i.e. sales and retail) accounted for 26% of the share of total jobs. (O’Riain, 2014)

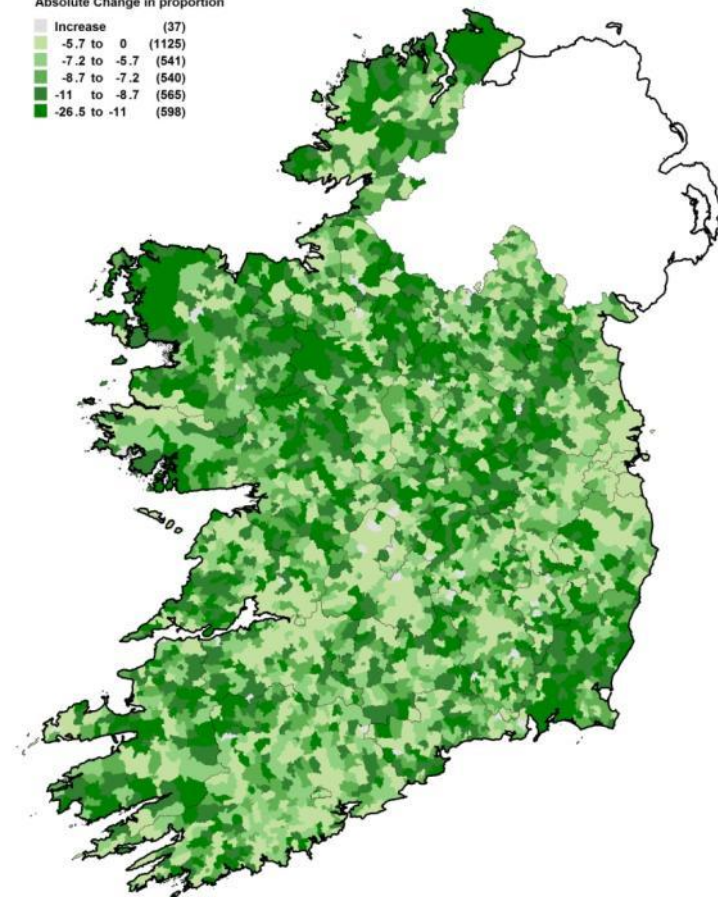
The failure of the property bubble is also a failure of the spatial economy – reflected in an uneven recovery.



Location of IDA supported companies

Change in Construction Rate 06-11  
Absolute Change in proportion

Increase	(37)
-5.7 to 0	(1125)
-7.2 to -5.7	(541)
-8.7 to -7.2	(540)
-11 to -8.7	(565)
-26.5 to -11	(598)



Change employment rate construction 2006-11



# **GHOST ESTATE AND RESPONSES TO THE CRISIS**

## GHOST ESTATES – A SYMBOL OF CRISIS

All over Ireland, 'ghost estates' are enveloping many of our towns. Driving back from the West, these spooky ghost estates emerged out of the mist announcing places like Termonbarry, Frenchpark and Edgeworthstown. Anywhere there is a tax-driven scheme, there are ghost estates. (David McWilliams, 2006)



Houses would be cannibalised, joined together and used in new ways: as creches; as long living rooms at first-floor level, between two houses over a chocolate factory; as an office in two stories of light construction over an existing edifice, reached by an external stairway over two apartments and a hairdressing salon; with gardens used for vegetables...(Irish Times, 2009)

## RUINS AND CATASTROPHE

'A fresh view for a new way of life'...The jaunty advertising slogan of this particular development company has an unintentionally ironic tone: the fact is, for a considerable number of people around the country, living alongside unfinished developments has indeed become a new way of life... (Boland, 2009)



It was like a scene from one of those Chernobyl documentaries. Empty houses rotting away, broken pavements, no street lighting, rubble everywhere...Except there were some people living there, young homeowners who were trapped paying premium mortgages to live... in houses they knew were worthless... (Irish Times, 15 May 2010).

# QUANTIFYING THE CRISIS

Just last week, Housing Minister Michael Finneran told the Cabinet that there were between 100,000 and 140,000 empty houses around the country. His underestimate exposes a lack of awareness, even at government level, of the extent of the madness that gripped developers and the institutions that financed them... (Irish Independent, 2010).

**Mixed news on economic front as recession rumbles on**

SCAR ON THE LANDSCAPE: Part of an unfinished estate lying derelict in Co Kildare

**600 'GHOST' ESTATES ACROSS COUNTRY**

**450 AIRPORT JOBS AT RISK**

**Extent of housing crash laid bare**

**By TOM VOGELAAR**

The shocking scale of Ireland's property crash was laid bare last night as boffins revealed there are more than 600 "ghost" estates scattered around the country.

The expert analysis shows no county has been left unscathed by huge numbers of vacant homes that will take years to sell.

Rural counties like Leitrim, with 21 ghost estates, Longford with 19, Roscommon with 25 and Sligo with 24, have the highest number of half-built and semi-vacant housing estates compared to their populations.

Their distance from major cities is expected to compound their oversupply problem for years to come.

Although Cork has 96 so-called ghost estates and Dublin has 58 – the highest totals by county – it is believed their large urban populations can absorb the housing surplus much more quickly.

The study was undertaken by the National Institute of Regional and Spatial Analysis (NIRSA), which last week revealed 300,000 houses lie empty around the State.

Prof Kitchen used GeoDirectory, the national address database, to identify all developments built since 2005 that remain semi-vacant or under construction.

His calculation, which he suspects is an underestimate because the database does not record every empty or unfinished house, shows there are 621 ghost estates.

NIRSA estimates around half of them will be taken over by NAMA, which will then have to decide whether to sell, lease, maintain, hold, develop or demolish them.

The worst hit-county is Leitrim, where 2,943 homes were built in the boom, despite just 188 homes being needed.

"People weren't building homes, they were building tax breaks," said Prof Kitchen.

**Party**

Professor Rob Kitchen, director of the NUI Maynooth-based body, said rural counties could be starved for a decade.

"They were all late to the party and now they're left standing when the music has stopped," he said.

"We could easily be talking seven to 10 years for these estates to be sold."

Sunday Times 17/11/10  
6 NEWS

**Residents stranded on ghost estates**

*Gorgeous living comes to Dublin*

There's a school on loan in one of the eight finished houses on the site, which were built two years ago.

After the developer, all but one of the houses were left at all. There is no one to live there now, and there are no plans to build more houses in the area.

Residents who bought homes in the area in 2007, but who are now stranded on ghost estates are probably the most frustrated of all. They have paid for their homes, but they have no homes to live in.

Their homes are now empty, and they are left with a large mortgage and no income. Some are even facing repossession.

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## AN ERA OF EXCESS

There has been massive over-zoning. This is now clear. We need to learn the lesson of the ghost estates which we now have as a result of us losing the run of ourselves during the Celtic Tiger years (Minister of State Ciarán Cuffe quoted in Irish Independent, 2010).



...the half-built units standing there reproachfully, like a reminder of our excess... There is now simply no market for these big, square houses. That's another odd thing about these estates: most of the houses are big, solid, detached homes. This was not housing for the masses, but mini-mansions for the tiger cubs (Irish Independent, 2010).



## POLICY RESPONSES TO UNFINISHED ESTATES

**Site Resolutions Plans:** Partnership approach to estate completion, whereby all stakeholders (developers, banks, local authorities, residents, estate management companies, Health and Safety Authority, etc) will meet to negotiate a plan of action on an estate by estate basis.

**Social Housing Leasing Initiative:** Scheme whereby properties are rented from the private sector, typically for 20 years, and used to accommodate households from local authority waiting lists. After the twenty year period, the house will revert to the landlord.



**2011:** Public Safety Fund (€5million)  
**2012-13:** Site Resolution Plans  
**2014:** Special Resolution Fund (c €13million)

# SITE RESOLUTION AND SAFETY



# RESIDENTS – A LIFE IN LIMBO



## RELYING ON THE MARKET WON'T FIX IT

Because the policy response to unfinished estates has been a) ad-hoc and b) focussed on market recovery the outcome in different areas (and different estates) has been variable.

While recently serious problems on many estates have been cleaned up, longer-term prospects are still dependent on the market.



Different places have different legacy issues.

E.g. In Dublin, developers have left half-finished structures for years awaiting market recovery. In Longford, there is apparently some take up of units, partly because it is cheaper to buy on of these than to new build a one-off house. **This heralds further crises later on.**

# We are where we are because of 'we are where we are'

- Ireland responded to a crisis of long-term structural nature with a set of policies that focussed on ameliorating (some) problems in the short-term but not addressing underlying causes.
- The 'we are where we are' mantra set up a response that was pragmatic and focussed but backed up by limited resources and no appetite for systemic change.
  - The issue of personal debt has not been addressed – price bubbles continue, mortgage arrears remains a key issue
  - The issue of uneven economic development has not been addressed and has been entrenched by the crisis and uneven recovery.
- The 'scars of the Celtic Tiger' are increasingly being erased, but their deeper roots continue to structure Ireland's reality



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