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# Housing and Accommodation

CORI JUSTICE COMMISSION

## Policy Briefing

Ireland's housing policy is in some disarray as waiting lists get longer while a quarter of all new houses built in 2003 were second (i.e. holiday) homes. Currently there are 130,000 people in more than 48,000 households on waiting lists for social housing.

At the rate Government is addressing this problem it will take thirty years to eliminate the housing waiting list. The scale of this response is totally inadequate given the size of the problem currently being faced by so many of Ireland's most vulnerable people.

There are a range of problems that successive Governments have failed to tackle effectively. On the one hand we have land owners, developers and speculators making huge windfall profits from the rezoning of land.

At the same time the cost of buying a private house has risen dramatically. In 1980 less than 64% of net average industrial earnings was required for pay off a 20 year mortgage on an average dwelling in the Dublin area in the first year. By 2002 this had risen to almost 82%. This resulted in many more

people not being able to purchase their own house as previous generations had done. The need to produce 'affordable' housing for people in this new situation was recognised in the current national agreement *Sustaining Progress* where a commitment was made to produce 10,000 additional units specifically aimed at accommodating people in this situation.

One of the ten special initiatives agreed in *Sustaining Progress* is addressing the issue of *housing and accommodation*. Actions under this special initiative are being finalised.

The whole system of rent/mortgage supplement payments is in urgent need of reform. Originally designed as a temporary measure it now has 59,000 recipients receiving more than €30 million much of which is going to private landlords. In reality what we have is a system whereby people who are better off purchase a second house and rent it out to people in receipt of this supplement from Government. This means that the tax payer is, in effect, paying the mortgage for the second

house and thus enabling those who already own a house to purchase a major asset (i.e. a second house) at little or no expense to themselves. At the same time the Government is not providing the investment required to provide those depending on this supplement with their own social housing.

A cost-rental system is required to ensure that Government and the taxpayer get value for money. Such a system would help to ensure that every person in Ireland has appropriate accommodation.

There are a wide range of other issues concerning housing and accommodation that need to be addressed at a policy level. They include issues around homelessness, Travellers, people with disabilities to name just a few that are addressed in this *Policy Briefing*.

It remains a national shame that Ireland, in spite of its prosperity, refuses to provide the resources required to ensure that every person in the country has appropriate accommodation.

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*Policy Briefing* is a regular publication issued by the CORI Justice Office. It addresses a wide range of current policy issues from the perspective of those who are poor and/or socially excluded. Comments, observations and suggestions on this briefing are welcome.

# Ireland's Housing Crisis

During the last decade improved levels of economic growth combined with low interest rates resulted in high levels of housing inflation particularly in the Dublin area. This in turn resulted in a crisis in housing provision in both the public and the private sectors.

In the private sector this crisis is evident from the rapid increase in house prices and from the severe difficulties experienced by first-time buyers seeking affordable houses. In the public sector the demand (waiting lists) for social housing has increased substantially in the past five years at a time when house building in the public sec-

tor has been far lower than was required to meet the needs.

Ireland's level of home ownership reflects the high value Irish people put on owning their own homes. According to recent figures from Eurostat, owner-occupiers make up 82.3 per cent of the Irish population – this is considerably higher than the EU average of 63.4 per cent. This figure also reflects public policy which provides a variety of tax incentives to those who have the resources to invest in housing.

Since the 1970s it has been the policy of successive Irish governments to subsidise owner occupation heavily.

These policy developments, combined with policies of mortgage-interest tax relief and very favourable tenant purchase schemes have resulted in an extremely high level of home ownership.

In the same period far too little resource has been allocated to tackling social housing needs. Overall, government housing policy has resulted in a housing system that is not tenure neutral and which has led to the residualisation of the rental sector, both public and private. The down-the-line effect of this policy is the lack of adequate accommodation for larger and larger numbers of households.

## 130,000 people currently on housing waiting lists

The most recent assessment of local authority waiting lists occurred on the 28<sup>th</sup> of March 2002 and was reported in the September 2002 *Housing Statistics Bulletin* from the Department of Environment, Heritage and Local Government. It found that there was a total of 48,413 households on local-authority housing waiting lists (see table 1).

This figure represents a growth rate of 76.5 per cent since 1996, and indicates that in Ireland today about 130,000 people are in need of accommodation.

Concurrent with this growth in waiting lists has been minimal growth in the provision of local-authority social housing. Since 1996 the overall stock has increased by only 4,395 units or 4.47 per cent. In fact, there are substantially fewer local-authority houses

today than there were in 1988. It is little surprise, therefore, that local-authority waiting lists are increasing substantially.

In a 2002 survey *Focus Ireland* identified that a number of local authorities, including those in Waterford, Westmeath, Monaghan and South Cork, all experienced a doubling in size of their housing lists between November 2000 and November 2001. From the perspective of vulnerable households it is becoming more difficult to get a local-authority house. Single people are also disadvantaged on housing lists because most current housing developments are for families. Time spent on the waiting list is getting longer as is the waiting list itself. Rents continue to rise in the private rented sector, even though house prices have stabi-

lised. Little progress has been made in advancing the Traveller Accommodation programme.

There has been some improvement in the local authority multi-annual programme in this past year. The voluntary housing programme has also been meeting targets and there has been some progress in tackling homelessness.

Overall, however, the situation is far from good. The figures outlined in table 1 below once again raise questions about progress and who has benefited from the Celtic Tiger. Notably the figures do not include a significant number of people who do not qualify for a place on a local-authority housing list but still cannot afford to buy or even rent accommodation at current market prices.

**Table 1: The Need for and Supply of Local Authority (LA) Social Housing, 1996-2002**

	Households on LA Waiting Lists	Stock of LA Housing Units	Waiting List as a % of Rental Stock
1996	27,427	98,394	28
1999	39,176	99,163	40
2002	48,413	102,789	47

Source: Department of Environment, Heritage and Local Government, Housing Statistics Bulletin (various issues).

# Who's on the waiting lists?

A closer examination of the 48,413 households on the waiting lists is presented in table 2 below. It shows that the largest category of households on the lists are those labelled as being not able to meet costs of existing accommodation. This group accounts for 44 per cent of the waiting list or 21,452 households. The *Housing Statistics Bulletin* (September, 2002: 59) further indicates that since 1999 this group has grown from a situation where it accounted for 34 per cent of the list.

This growth can be directly related to the excessive house price and rent increases over recent years. A comparison with 1999 also reveals that all but two of the categories experienced a growth in the number of households on the waiting lists. These are "existing accommodation unfit" and "elderly persons".

Analysis of the 2002 figures also reveals that 32 per cent (15,522) of all those households on the waiting lists consist of single-person households. Single-parent households, consisting of one adult and one child, make up a further 29 per cent (14,039) of the waiting list.

When assessed by income level the report shows that 85 per cent (41,447) of households on the waiting list have an annual income of less than €15,000 and that within these 32,528 households (67 per cent of the total) are households with an annual income of less than €10,000. Finally, some 5 per cent (2,700) of household on the waiting list are households who have obtained refugee status, have obtained work permits or have permission to remain in the state.

When the 48,413 households are classified by the length of time they have spent on the waiting list the figures reveal that 25 per cent of all households have been waiting for more than three years. A further 14 per cent are on the list for between 2-3 years while 22 per cent are waiting for between 1-2 years. The remaining 38 per cent have been waiting for less than a year (including those classified as first time) (September, 2002: 84-85).

**Table 2: Breakdown of the Local Authority Housing Waiting List, 2002.**

	No. of households	% of waiting list
Homeless	2468	5.10
Travellers	1583	3.27
Existing accom unfit	4065	8.40
Existing accom overcrowded	8513	17.58
Involuntary sharing	4421	9.13
Young Persons leaving institutional care	82	0.17
Medical/compassionate grounds	3400	7.02
Elderly persons	2006	4.14
Disabled/handicapped	423	0.87
Unable to meet costs of current accom	21452	44.31
<b>TOTAL</b>	<b>48413</b>	<b>100.00</b>

**Source:** Calculated from Department of the Environment, Heritage and Local Government, *Housing Statistics Bulletin, September 2002:59*

## 30 years to eliminate waiting lists

A report entitled *Housing Access for All?* was published in 2002 by four voluntary organisations, namely Focus Ireland, Simon Communities of Ireland, Society of St Vincent de Paul and Threshold.

The report examined thirty-three housing strategies and twenty homeless action plans with the intention of assessing the current and future housing and accommodation problems faced by disadvantaged social groups.

The report projected that as a result of uneven development, socially and spatially, there will be a significant increase in the levels of unaffordability recorded among Irish households. It predicts that 33 per cent of new households will not be able to afford to become home owners and that this figure will rise to 42 per cent in urban areas, compared to 32 per cent in rural areas.

Based on these projections the re-

port proceeds to set out the future picture of social housing demand over the next two years. It shows that in 2004, 53,321 households will be in need of social housing and that this figure will reduce slightly to 51,954 households before 2005.

In both years the authors predict that the annual increase in social housing need will be 9,238 and that each year the overall decrease in waiting lists will be a mere 1,367 (2002:11).

Based on these increases and on the slow level of progress being made by government at tackling the housing crisis the report concludes that at the current rate it will take thirty years to eliminate the housing waiting list. There has been no significant development since this report was published. Consequently, its conclusion remains valid today.

Clearly the scale of the need for social housing remains very large and the speed at which it is being addressed remains inadequate.



# The scale of Ireland's Homeless problem

It is possible to extract from the assessment of housing needs information about those most urgently in need of accommodation – the homeless. The most recent data, from March 2002, show that the level of homelessness has risen from 2,501 in 1996 to 5,234 in 1999 and to 5,581 in 2002. Since 1996 the number homeless has increased by 123 per cent. The 5,581 homeless persons comprise 4,176 adults and 1,405 children.

When assessed by household, the homeless figures equal 3,773 households of whom 2,853 are one-person households and 920 are homeless households of more than one person (couples or families). These figures include those who have nowhere to sleep at night, along with those sleeping in hostels and other Health Board accommodation. Geographically, the homeless are primarily concentrated in Dublin where 4,060 peo-

ple are homeless comprising of 2,920 adults and 1,140 children (Department of Environment, Heritage and Local Government, 2003).

Other estimates of the extent of homelessness put the numbers at a much higher level. Focus Ireland has suggested that in late 2001 the number of

**“... the average length of time spent in emergency B&B accommodation had increased from 20 days in 1993 to a current average of 18 months”**

**Focus Ireland**

homeless had risen to 6,000. They also noted that homeless people were now remaining homeless for longer than was the case previously. This they concluded is due to the lack of suitable emergency accommodation. Consequently homeless people are spending longer periods of time in unsuitable accommodation like B&Bs. In their annual report for 2002 Focus Ireland reported that the average length of

time spent in emergency B&B accommodation had increased from 20 days in 1993 to a current average of 18 months. Another organisation working with the homeless, Simon, indicated that homelessness in cities had doubled between 2001 and 2002 and that each night in Dublin 300 people are forced to sleep rough.

Recent media reports have highlighted the increase in the number of homeless young people sleeping rough on the streets. The Forum on Youth Homeless (2000) found that there was a lack of co-ordination among the numerous agencies attempting to deal with this problem. Financial and other resources are necessary to solve the problem of youth homelessness. However, the key recommendation was the establishment of a single independent statutory authority with responsibility for developing and delivering services in this area.

## Addressing Homelessness

CORI Justice Commission believes that the increasing level of homelessness is a shocking indictment of the failure of public policy and the lack of social concern for one of the most disadvantaged groups in Irish society. The number of homeless people is small relative to current economic resources and could be dealt with quickly if given the appropriate level of resources, political commitment and institutional structures. However to date, limited progress has been made. Indeed, the manner in which some of the resources allocated to address the homeless problems are being used raises serious questions. These include questions as to whether the resources allocated by government to addressing the homeless problem are being used in a short-term manner without the necessary attention being placed on addressing the longer-term accommodation and other needs of the homeless.

Gradually some progress has been made in this area. *Homelessness, An Integrated Strategy* was launched in 2000 and set out a comprehensive national approach to solving the problem by 2004. It is clear at this stage that that aim will not be achieved and that in fact the scale of the homeless crisis will be greater in 2004 than in 2000.

## The NDP mid-term review

According to the *National Development Plan Mid-Term Review* (2003) one of the major lessons to be learned from the past three years concerns housing. When the National Development Plan (NDP) 2000-2006 was drawn up it was planned that expenditure on housing would be the largest component under this heading. The expenditure target for 2000-2002 was exceeded. However, the actual number of dwellings built for that money was considerably below target. For example, the target under the local authorities was to build an additional 20,000 but the actual out-turn was only 13,306.

The review goes on to make recommendations on the remaining years of the NDP. It recognises that for social inclusion reasons social housing is an important priority. Therefore, it recommends that the projected expenditure on Local Authority housing (€1,882m) and on voluntary housing (€441m) should be maintained. Side by side with this recommendation on expenditure the review also argues that it is desirable that private sector demand is reduced. Otherwise the addition of a large public sector demand to the large private sector demand will lead to further inflation, a factor which will further delay the delivery of the committed levels of social housing.

## Second homes—a problem?

While addressing Ireland's housing problem, the recently published National Development Plan Mid-Term Review (2003) pointed out the growing problem of second homes. It pointed out that a quarter of all houses built in 2003 were second (holiday) houses and will have nobody living in them for nine months of the year.

What is often overlooked when this is being discussed is that the infrastructure to support these houses is substantially subsidised by the tax-payer. Roads, water, sewage and electricity infrastructure are just part of this subsidy which goes, by definition, to

those who are already better off as they can afford these second homes in the first place. In addition, the authors of the review point out that the huge growth in demand for second houses is

### *A quarter of all houses built in 2003 were second (holiday) houses*

eating up resources and militating against balanced regional development. Consequently, they recommend that people purchasing second houses should have to pay the full infrastruc-

tural costs, much of which is currently borne by society through the Exchequer. CORI Justice Commission supports this recommendation.

There seems something perverse in the fact that the taxpayer is providing substantial subsidies to the owners of these unoccupied (mostly holiday) houses while so many people don't have basic adequate accommodation.

In the context of the housing problems outlined earlier the second house problems should be addressed so that priority can be given to supplying accommodation which people need and will be lived in all year round.

## The private-rented sector

The private rented sector is the "tenure of last resort for those unable to obtain local authority housing or not yet ready to enter owner-occupation" (McCashin, 2000: 43). Traditionally the private rental sector was the residual sector of the Irish housing system. It was characterised by poor-quality accommodation and non-secure tenure at the lower end of the housing market. Today, this sector is highly differentiated, with high-quality housing and relatively secure tenure at the upper end of the market, and low-quality housing and insecurity of tenure at the lower end.

Both ends of the market have experienced dramatic increases in rent over the last decade though recent increases are of a lower scale.

The Housing (Miscellaneous Provisions) (1992) Act provided for the registration of private rental properties. All landlords were required to register their rented properties with the local authority. The Act requires certain minimum standards that could be inspected at any time. Census 2002 recorded that there was 141,459 households in the private rented sector in Ireland. To date a limited number of these houses have been registered. The

Department of Environment, Heritage and Local Government reports that only 22,646 households and 15,389 landlords are registered. This equates to only 16 per cent of households.

The low compliance with the Act and the inertia to implement it suggest that households accommodated in this sector are not a priority for government. This is very worrying given that the health boards spend such a large proportion of their funding in this area. In many cases this means that taxpayers are often subsidising poor-quality, but expensive, accommodation to the benefit of unregistered landlords.

## Traveller accommodation

The report of the Task Force on the Travelling Community in 1995 contained 46 recommendations on accommodation. Those that were accepted were implemented through the Housing (Traveller Accommodation) Act 1998 or through administrative action. Five-year programmes were drawn up by local authorities under the Act.

A review of the Act is being undertaken at present by the Department of the Environment, Heritage and Local Government.

The key recommendation of the Task Force in this area was that 2,100 units of accommodation (standard housing, group housing and serviced halting sites) and 1,000 transient halting sites should be provided across the country by the year 2000.

This has to be situated within the context of the Traveller population. For the first time the Census of 2002 contained a question which showed that the number of Travellers in Ireland was close to 24,000.

In the three years 2000 to 2002 a total of 999 units of Traveller accommodation were either provided or refurbished. These included new provision of 55 permanent bays, 20 transient bays and 77 emergency/temporary bays. There were 171 new units in group housing schemes.

Given the persistence of the Traveller accommodation problem consideration should again be given to the establishment of a Traveller accommodation agency as recommended by the Task Force in its original report.

# Main Policy Recommendations on Accommodation

## CORE POLICY OBJECTIVE

**To ensure that adequate accommodation is available for all people and to develop an equitable system for allocating resources within the housing sector**

- Adopt an integrated analysis of the current housing and accommodation crisis and develop a housing and accommodation policy to address equitably the issues of supply and affordability of housing and accommodation for those in all housing and accommodation tenures.
- Set up a National Housing Authority.
- Develop and support policies focused on mixed housing, mixed communities, choice of tenure, and mix of different-sized housing units.
- Identify a range of social-housing policy objectives to meet the diverse accommodation needs of the Irish population.
- Recognise affordable housing as a separate category aimed at a particular income group.
- Investigate the potential of a cost-rental approach to the provision of social housing.
- Set up an independent national agency to oversee and implement a national policy on homelessness.
- Provide sufficient resources to eliminate homelessness by 2005.
- Continue to increase the budget allocation for local authority, co-op and voluntary/non-profit housing.
- Meet the commitment in the NDP to an annual output of 10,200 units of social housing.
- Ensure that 20 per cent of building land is allocated for social housing.
- Provide new resources for the security and management of local-authority housing.
- Actively implement and enforce the 1992 legislation on the private rented sector of housing.
- Set a target of reducing to a maximum of six months the time spent on housing waiting lists – to be achieved by 2007.
- Provide the resources required to ensure implementation of the Travellers' Accommodation programme.
- Give a special focus to tackling issues concerning accommodation for homeless people, refugees and asylum-seekers.
- Introduce a policy where people purchasing second houses (holiday homes) should pay the full infrastructural costs of these homes.
- Ensure that funds are made available to reduce the waiting lists for, and adequately fund, the disabled persons housing grant.

## Housing and Disability

A feature of having a disability is additional housing costs. Primarily these costs are for adjustments to residences to ensure access and continued use. For some years local authorities have provided a disabled persons housing grant to assist in the cost of these changes. However, during 2002 the Irish Wheelchair Association reported that an estimated six thousand people with disabilities across the state were waiting for these grants.

Besides quality of life issues studies have shown that the cost of keeping people who are older or who have a disability in nursing care is almost eight times the cost of adapting and providing health care within their own homes. Properly funding this scheme is a necessity and CORI Justice Commission believes that the government should allocate more funding to reduce these unnecessarily long waiting lists.

Furthermore, as the population ages the demands on this scheme will increase. Therefore we believe that the government should judge the value of this scheme broadly.

## Property rights

During 2003 CORI Justice Commission made a submission to the All-Party Oireachtas Committee on the Constitution. Subsequently, an oral presentation of our submission was made. In making the submission CORI Justice Commission approached the issue from: (i) a social justice perspective drawn from Catholic Social Thought; (ii) a rights-based perspective believing that every person has a range of human rights that incorporates civil, political, economic, cultural and social rights; and (iii) with a special concern for the issue of social housing, the lack of which is now reaching crisis proportions in Ireland and has the potential to undermine much of the progress that has been made on a wide range of fronts.

We welcomed the committee's decision to review these issues and in particular we welcomed its focus on Article 43.2.1° of the Irish Constitution. CORI Justice Commission believes that, in spite of the central position given to social justice in this article, it has been continuously overlooked in practice. A full copy of our submission is available at [www.cori.ie/justice](http://www.cori.ie/justice).

# Local Authority housing and poverty

The results of the 1999-2000 *Household Budget Survey* revealed that when all the state's households are classified by tenure (ownership/rent status) those households who rented from local authorities had the lowest income. These households recorded an average disposable income of €306.85 per week. This income level is 44.4% below the national average of €511.60 (CSO, 2002: 93).

In November 2002, Dublin City Council published a very informative report profiling its tenants. The report entitled *Profile of Households Accommodated by Dublin City Council* provided an insight into the socio-demographic, income and spatial patterns of 24,073 households and 67,960 individuals during 2001. The survey's findings are quiet stark (2002, 41-54).

Using an updated 50% of median in-

come poverty line for 2001, the report found that 62.5% of all households accommodated by Dublin City Council were in poverty. This figure is enormous when compared to the corresponding figure of 25.8% for the overall population in 2000. When income levels were assessed by person, the report concluded that 60.7% of all those living in Dublin City Council accommodation were in poverty. This figure is over three times the equivalent percentage of 20.9% in the national population for 2000.

The poverty status of children living in City Council accommodation is particularly startling. Of the 25,050 children living in the households, 65.9% of them were living in households that were in poverty. This equates to approximately 16,500 children. Again when a comparison is made between this situation and the national picture

the extent of the poverty recorded becomes more visible. In 1998 26% of Ireland's children lived in households with income at less than 50% of the average. Therefore child poverty among the population housed by Dublin City Council runs at 2.5 times the national level.

Across the age groups the report found that poverty divided evenly between men and women - 59.8% for men and 61.4% for women. However, like the national picture outlined in table 8 above, the report noted that poverty rates increased with age. Of those tenants aged over 65 years more women than men were found to have incomes below half the average national income. These poverty rates were 70.3% and 65.5% respectively.

This simply confirms the impression that there is a very high level of poverty among local authority tenants.

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- **Policy Briefing on Work, Unemployment and Job Creation (February 2004)**
- **Ireland and the Future of Europe: Leading the Way Towards Inclusion? (October 2003)**
- **Budget Critique and Analysis 2004—(December 2003)**
- **Achieving Inclusion—Policies to Ensure Economic Development, Social Equity and Sustainability (March 2003)**

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- **Taxation—May 2004**
- **Poverty and Income Distribution—June 2004**
- **Budget Choices—October 2004**
- **Basic Income—November 2004**

The next edition of the Justice Commission's annual socio-economic review will be published in April 2004