7.

HOUSING AND ACCOMMODATION

CORE POLICY OBJECTIVE: HOUSING & ACCOMMODATION

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

For too long housing was looked upon as a commodity rather than a home, with policy benefiting those who could afford to speculate on the 'property market' and leaving behind those in need of basic shelter. The right to adequate housing should be a basic human right recognised and respected by every State. Unfortunately, there is no legal entitlement to housing in Ireland. The Constitutional Convention called for the right to housing to be listed among those economic, social and cultural rights to be expressly stated in any revision of the Constitution of Ireland (Constitutional Convention, 2014:4). However, no constitutional or legislative change has been forthcoming. In its Summary of Social Housing Assessments 2013, the Housing Agency identified 89,872 households which were assessed as qualifying for social housing (Housing Agency, 2013). Of these 60% (54,045) were on the housing list for more than two years and 55% (49,179) were families. While the figure of 89,872 appears to represent a reduction on previous years, it should be noted that different methodology was used to carry out housing assessments, as discussed in greater detail in *Social Justice Ireland*'s Socio-Economic Review 2014.

Housing Supply and Adequacy

Housing Supply

According to Census 2011 (CSO, 2012(a)) there were 1,994,845 permanent dwelling units in the State in April of that year, of which 83 per cent were occupied on Census night. While this figure represents an increase on Census 2006, it shows a clear

reduction in the rate of housing stock growth with only 12.7 per cent in the intercensal period 2006-11, down from 21 per cent in the 2002-6 period. Recent statistics available from the Department of Environment, Community and Local Government put total housing stock to over two million dwellings for the year ending 2013 (Department of the Environment, Community and Local Government, 2014(a)). Table 7.1 shows house completions in the various sectors from 2001 to date. While the rate of private housing completions has seen a moderate increase in the first three quarters of 2014, local authority and voluntary/non-profit housing remains low.

Table 7.1: House Completions, 2001-14

Year	Local Authority Housing	Voluntary /Non Profit Housing	Private Housing	Total
2001	3,622	1,253	47,727	52,602
2002	4,403	1,360	51,932	57,695
2003	4,516	1,617	62,686	68,819
2004	3,539	1,607	71,808	76,954
2005	4,209	1,350	75,398	80,957
2006	3,968	1,240	88,211	93,419
2007	4,986	1,685	71,356	78,027
2008	4,905	1,896	44,923	51,721
2009	3,362	2,011	21,076	26,420
2010	1,328	741	12,533	14,602
2011	486	745	9,295	10,480
2012	363	653	7,472	8,488
2013	293	211	7,797	8,301
2014 up to Q3	56	178	7,555	7,789

Source: Department of Environment, Community and Local Government Housing Statistics (2015). Note: Local authority house completions do not include second-hand houses acquired by them. New units acquired under Part V, Planning & Development Acts 2000-2006 for local authority rental purposes are included. Voluntary and co-operative housing consists of housing provided under the capital loan & subsidy and capital assistance schemes.

A report carried out on behalf of the Housing Agency indicates that an average of 15,932 units per annum will be required across urban settlements in the period 2014-18 (Future Analytics, 2014), with an average of 7500 of these being required in Dublin. These projections were based on natural population growth and migration patterns and are not cumulative, presuming that expectations have been met for housing supply year on year and further project that 57 per cent of all properties in Dublin over the period 2014-18 will be occupied by one and two person households. An analysis by the ESRI (Duffy et al, 2014) found that the number of households in Ireland increased by 12.6 per cent in the intercensal period 2006-11 and, taking into account increased population age and migration factors, project annual household growth of between 19,000 and 33,300 (2014:16).

How then are these increased households to be accommodated? In 2006, 93,149 housing units were constructed in Ireland, with 19,470 of these in Dublin. Since then this number has fallen year on year, with only 8301 new units constructed in 2013, 1360 of which were in Dublin. While figures released up to October 2014 indicate a slight rise in construction activity (8796) (Department of the Environment, Community and Local Government, 2014(a)), construction remains far below demand.

The number of unfinished housing developments currently stands at 992, reduced from over 3000 in 2010. It is anticipated that a further 74 developments will be resolved with the use of the Special Resolution Funding Scheme (SRF), a €10 million fund established to complete sites which would not otherwise be completed through the usual way because of financial constraints. Of the 992 unfinished developments, 776 are part-occupied, with 681 of these having no active construction activity to complete them. These 681 developments are intended to be prioritised in the next phase of funding (Housing Agency, 2014(a)). A breakdown of the 992 developments indicate that 4,453 units are currently complete and vacant, with a further 12,027 still under construction (2014(a):2). Of the 86 developments approved for SRF funding, only 4 are in Dublin where demand for housing supply is highest (Fig.7.1), however it is acknowledged that Dublin developments are a more attractive option for financing than those in less lucrative areas.

Social and affordable housing stock is delivered through local authorities, Housing Associations and the private rented sector with the support of the Rent Supplement payment from the Department of Social Protection. In 2013, the last year for which data is available, the number of dwellings in local authority stock was just over 125,000 units (LGMA, 2014).

Fig. 7.1: Number of developments approved for SRF funding

Region	No. of developments initially approved	Total Funding initially approved	Funding Leveraged including 3rd Party & Bond amount available
Greater Dublin Area	4	€493,090.00	€1,738,329.00
Rest of Leinster	28	€3,165,301.95	€1,744,242.35
Munster	17	€1,833,457.01	€2,736,406.22
Connaught/Ulster	37	€4,378,631.62	€5,871,269.64

Source: Progress Report on Actions to Address Unfinished Housing Developments, Housing Agency, (2014:14)

Housing Adequacy

The Housing (Standards for Rented Houses) Regulations 2008 and 2009 enumerate minimum requirements for the adequacy of rented accommodation in areas such as sanitation, heating, structural repair, ventilation and light and heating supply. These Regulations were supplemented by a Guide to Minimum Standards in Rented Accommodation issued by the Department of Environment, Community and Local Government as an explanatory note to landlords of their obligations. These Regulations came into effect in 2009 for newly rented accommodation and 2013 for dwellings rented before the introduction of the Regulations to allow landlords time to comply. Local authorities are tasked with inspecting rented properties for compliance with the Regulations. In 21,223 inspections were carried out in respect of 17,613 dwellings (LGMA, 2014:46). Inspections are not consistently carried out across local authorities, with some taking a pro-active approach, devising strategic plans and implementing target inspection quotas, while others respond to RAS requests for inspections only (2014:92). Between May 2012 and April 2014, Dublin City Council carried out inspections of 4700 units under the Regulations, of which 93 per cent were found to be in breach and served with enforcement notices. 60 per cent of those in breach remedied the defect by the time follow up inspections were issued by Dublin City Council (DKM et al, 2014). In their Annual Report 2013, Threshold reported receiving 2098 queries relating to accommodation standards, including damp, lack of proper heating facilities and hot and cold water (Threshold, 2014:18) and proposed a 'NCT for housing', a certification system requiring the landlord to prove compliance with minimum standards under the regulations. The subsidiary report of the Independent Assessment Panel included in the Service Indicators in Local Authorities further recommended a more pro-active approach by local authorities to private rental inspections following the example of those local authorities which currently exercise best practice in this regard and the establishing of a common set of standards applicable to all local authorities in the carrying out of this statutory function (LGMA, 2014:92). Inadequate living standards have been linked with ill health, with cardiovascular and respiratory illnesses attributable to

poor thermal efficiency in households a particular concern in Ireland (WHO, 2011). With almost half a million rented properties in the State (CSO, 2012(a)) the rate of inspection, and inability of some local authorities to properly comply with a statutory obligation to inspect, is a grossly inadequate response.

Social Justice Ireland calls on the Government to put in place appropriate resources to equip local authorities to undertake sufficient numbers of inspections and enforcement actions to ensure that private rented accommodation is of an adequate and habitable standard.

Of the households currently on the housing list, 23 per cent (20,349) are living in unsuitable accommodation due to a particular household circumstance, 11 per cent (9587) have a reasonable requirement for separate accommodation, three per cent (2808) are living in an institution, emergency accommodation or hostel and three per cent (2896) are living in overcrowded accommodation (Housing Agency, 2013). The total overcrowding rate in Ireland in 2012 was reported as 3.4 per cent, which increases to 7.1 per cent when considering those below 60 per cent of the median income, compared to 2.8 per cent for those above this threshold (Eurostat, 2014). General household satisfaction rates were recorded in the SILC Housing Module 2007 (CSO, 2009). 17 per cent of respondents to the survey reported dissatisfaction with their accommodation, with the highest dissatisfaction rates among those in the lowest income quintile, those renting below the market rate and those in the Border, Midlands and West regions. In all cases where dissatisfaction, inadequate facilities or inadequate local utilities were reported, households had a below average annual income and had above average at risk of poverty and consistent poverty rates. One third of households reported inadequate facilities, the most prevalent being a shortage of space (reported by 18 per cent). Shortage of space was a particular issue for those renting at market rate (31 per cent) and those living in apartments (44 per cent). It is clear that those on low income experience a disproportionate amount of inadequate housing difficulties. In developing a response to the current housing crisis, the Government must take cognisance of the needs of households as a whole, building not only dwelling units but ensuring adequate social and infrastructural resources to maintain sustainable communities.

Construction 2020

In May 2014, the Government published its strategy for creating a sustainable construction sector, Construction 2020 (Government of Ireland, 2014). This document proposes to provide a measured approach to housing supply, while addressing legacy issues arising from the economic downturn, such as ghost estates, pyrite and non-compliant developments such as Prior Hall (2014:9). A Housing Supply Coordination Task Force will be established to monitor supply of market-ready dwellings in Dublin working closely with industry to address issues emerging.

Construction 2020 further proposes, from a supply perspective, that economic opportunities may arise with purpose built dwellings for students and older people. A commitment was also made to 'actively review' the social and affordable elements of Part V of the Planning and Development Act 2000 (2014:15).

Planning is a key part of development of supply, requiring a community approach which ensures not only a sufficient number of dwelling units, but also adequate infrastructure and amenities. Construction 2020 commits to the publication of a Planning Bill and Policy Statement implementing the recommendations of the Mahon Tribunal. The Final Report of the Mahon Tribunal contained 64 recommendations (Mahon Tribunal, 2012:2516) including control of conflicts of interest, increased transparency in the planning process, the facilitation of documentation of the Regional Authority considerations in making draft Planning Guidelines, providing for advance notice of material contravention of development plans, providing documentation on submissions / interventions made by elected representatives in the planning process, and a transfer of the Minister's enforcement powers to an independent Planning Regulator. It is intended that the current Regional Planning Guidelines will be replaced by Regional Spatial and Economic Strategies from 2016 to allow local authorities and key stakeholders to coordinate and progress key development opportunities (Government of Ireland, 2014:22). In consideration of some developers currently retaining planning permission on development lands for speculative purposes, Construction 2020 introduces the use of a 'use it or lose it' approach by local authorities requiring developers to provide a schedule of work on application for permission and face penalties, such as a reduction in the term of the permission, should that schedule not be adhered to. While this is a positive move going forward, it does nothing to address the current stock of development lands in this category.

Social Justice Ireland welcomes this approach to construction, to be based on comprehensive centralised datasets relating to all housing aspects, in developing a framework for housing supply, however this framework must be underpinned by adequate resources allocation within the various stakeholders providing the datasets to ensure that construction policy is made on the basis of accurate and up to date data.

Housing Tenure

Since the introduction of the Housing Act 1966, there was a significant shift towards home ownership in Ireland (Norris, 2013). Figures from Census 2011 (CSO, 2012(a)) indicate that while the majority of properties were owner occupied, the growth rate of owner occupancy is in decline at 5.3 per cent compared to the rapid growth in the rental sector (47 per cent) in the period 2006-11. The overall rate of home ownership decreased by five per cent to 69.7 per cent in that time. In its report on housing tenure,

NESC (2014(a)) attributed the changing tenure pattern to changes in Irish society and economy (2014(a):9), with the acceleration in rent growth rates between the 1990s and 2002 linked with a larger workforce, dual and increased incomes, greater access to credit and Government schemes which increased the supply of rental units facilitating greater choice for those who did not wish to buy. The rapid expansion and contraction in the housing market from 2006-11 mirrored that in the economy as a whole, and owner occupancy rates fell as rent plummeted and access to credit reduced along with job security and the introduction of the Private Residential Tenancies Act, 2004. Age was a relevant factor in this study, with those under 24 most likely to rent, those between 35 and 44 most likely to have a mortgage, and those over 55 most likely to own a home. In terms of current and future tenure patterns, it is interesting to note that the number of over-65s who own has been increasing since 1991, while the ownership of those between 35 and 44 is in decline. Rental rates for all age groups in increasing (2014(a):13, Fig.2.1). The rates of home ownership among those between the ages of 35 and 44 in unskilled / semi-skilled employment was 49 and 63.8 per cent respectively in 2011, down from a high of 65.5 and 77.1 per cent in 2002. This demographic is more likely to be renting privately or in social housing, which is significant in the context of an aging population and rising costs to the State. It should also have a bearing on any proposal under Construction 2020 to provide specific accommodation for older people as referred to earlier.

The increase in renters was also noted in an ESRI Working Paper earlier this year (Byrne et al, 2014) as attributable to an increase in household formations. In their analysis of 2012 occupancy patterns, they noted that while traditionally only the 20-24 age group had renting as the main occupancy, the last decade has seen a rise in rent across all age groups, with those 25-29 also having a rented majority (2014:6). While the ESRI study concerns age groups from 20 to 39, the tenure patterns identified are similar to those identified by NESC (2014(a)), with renters increasing, while owner occupation decreases (Fig.7.2).

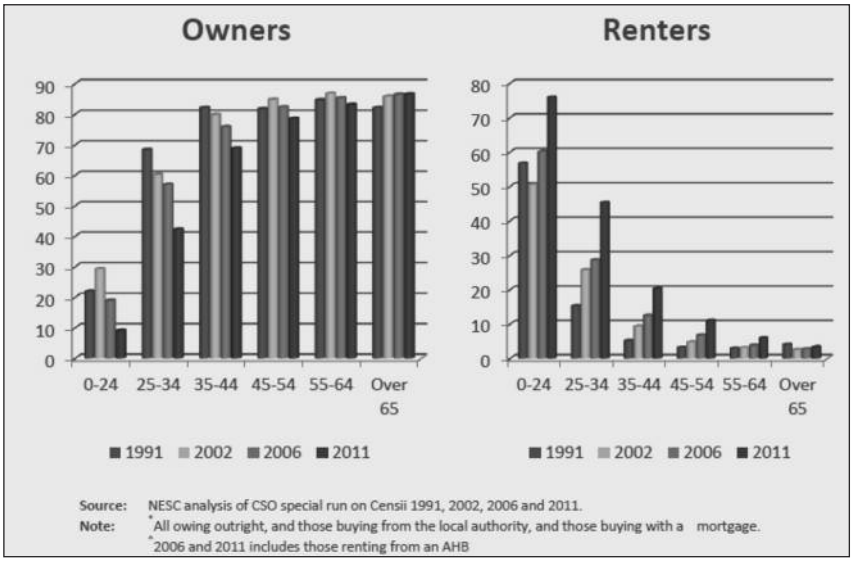
Rented Accommodation

Private Rented Accommodation

Whether by choice or circumstance, there has been a significant shift towards private property in recent years (NESC, 2014(a), Byrne et al, 2014). With increased demand and a shortage of supply, rent prices are rising, particularly in urban areas. The most recent report on rent prices from Daft.ie (Daft, 2014(a)) saw rents continuing to rise between August and October 2014, with an average increase of €150 nationwide, significantly affected by the market in Dublin which saw rents rise by €300 per month since 2012. In the period covered by the report, inflation rates in Dublin decreased slightly while rising in other areas. A comparison of rents with their peak in 2007 and trough in 2012 shows that Dublin rent is now less than 10 per cent below the highest amount and almost 30 per cent above the lowest

(2014(a):2). This pattern is not followed for other areas, with other cities less than 20 per cent below the highest amount and less than 15 per cent above the lowest. A lack of supply in Dublin is a factor in the higher rent costs, with the number of new listings falling from 47,000 in the first nine months of 2011 to 27,000 for the same period in 2014. With an anticipated rise in household formations (Duffy et al, 2014) and an increase in renters to the market, indicates that construction activity needs to focus on the provision of sustainable and affordable rented accommodation.

Fig. 7.2: Proportion of Household Heads (all Private Households) in Each Age Group that Own*, and Rent Privately^, 1991, 2002, 2006 and 2011



Source: *Homeownership and Rental,* NESC (2014(a):12)

In a report written for the Housing Agency on the future of the private rented sector (DKM et al, 2014), an interesting picture emerged of the current rental situation in Ireland. The majority (65 per cent) of landlords have only one property (2014:20), increasing to 92 per cent when considering only those who have been landlords for five years or less. Of the landlords surveyed, 34 per cent could be considered 'accidental landlords', having moved out of a property carrying too much negative equity to sell it (19 per cent), moved in with a partner and rented their property (eight per cent) or inherited a property (seven per cent). Of these 'accidental landlords', 55 per cent became landlords in the past five years with 82 per cent having only one property. 71 per cent of all landlords surveyed said that their rent does not cover their mortgage payments (with eight per cent of these reported to be in arrears of over 90 days), however only 16 per cent have increased their rent in the

past 12 months. While the majority of landlords (61 per cent) intend to continue as landlords in the future, but not increase their property portfolios, 29 per cent said they intended to sell their property as soon as they could, increasing to 31 per cent of 'accidental landlords'. On this basis, security of tenure and rent costs for some tenants, particularly those who are renting from accidental landlords with negative equity mortgages / rent not covering the mortgage instalment (not to mention service charges, property tax and income tax), is a major concern.

This concern is borne out in the responses by tenants contained in the report (2014:22). Almost half of tenants (44 per cent) were unhappy with their landlords, 55 per cent were unhappy with the security of their rental situation and 52 per cent were dissatisfied with the condition of their property. When asked specifically about security of tenure, only 17 per cent said they could see themselves renting long-term, with 33 per cent strongly disagreeing with this statement and 72 per cent said they would prefer to own their own home. The report found that rent stability may induce more tenants to consider long-term renting as an option, with 45 per cent agreeing that they would rent long term if there was a possibility of rent stability and 29 per cent agreeing that they would rent long-term if there was the possibility of a long term lease (the most common rental agreement in Ireland is for 7-12 month duration (2014:30)).

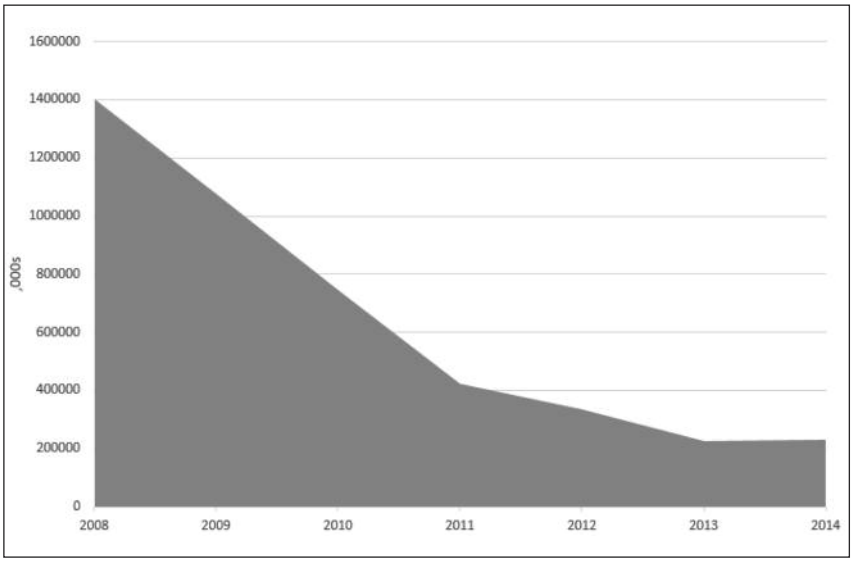
In general, there appears to be a number of immediate issues in the private rented sector: the supply of adequate, affordable accommodation, security of tenure and rent for tenants, the instability of accidental landlords and, with increasing numbers of renters in the market, regulation of the sector (Regulation will be discussed further in this Chapter). Neither Construction 2020 nor, as we will discuss, Social Housing Strategy 2020 go far enough to address these problems which will serve to undermine any progress made by the implementation of these policies.

Social Justice Ireland calls on Government to implement specific policies aimed at protecting the rights of tenants to a secure home while addressing the issue of accidental landlords.

Social Housing

Social housing is delivered either directly through local authorities and AHBs or through the private rented sector through Rent Allowance payments. In its review of the provision of social and affordable housing in Ireland, NESC found that Ireland lagged behind other European countries in its provision of social housing, with just eight per cent of its housing stock and one third of the rental sector consisting of social housing (NESC, 2014(b):7). Local authorities and the private rented sector currently provide the bulk of social housing, with AHBs accounting for only 11 per cent of social housing stock (2014(b):8, interpretation of Table 1).

Fig.3: Capital Expenditure Provision, Social and Affordable Housing (including Urban and Rural Regeneration Schemes), 2008-14*



Source: Extracted from Dáil Debates, Written Answers, Tuesday 17 June 2014, www.oireachtas.ie
*2014 includes €50 million provision included in Budget 2014

With the exception of private rented tenants in receipt of Rent Allowance, social housing rents tend to be below the private market rate. According to Census 2011, the average cost of renting from the local authority in 2011 was €59 per week (CSO, 2012(a)), although this figure was reported by the Department of Environment, Community and Local Government as €50.26 (Department of the Environment, Community and Local Government, 2014). Total rental income for 2011 (the last year for which data is available) (Department of the Environment, Community and Local Government, 2014) was just over €329 million, or approximately €2633 per unit. This is not enough for the management and maintenance of these units, particularly the older ones and those with a high tenant turnover, resulting in units being left vacant for extended periods of time. A concern about the availability of funding to meet repairs and maintenance was expressed in the most recent Service Indicators for Local Authorities (LGMA, 2014:85). Furthermore, local authority tenants tend to be the poorest and most marginalised and are unlikely to be in a position to absorb a rent increase. In fact, rent arrears at year end 2011 were in excess of €58.5 million, an increase of 9.7 per cent on the previous year. This problem is further compounded by the use of differential rents throughout the local authority areas which are not only based on the tenants ability to pay, but on where the

property is situated, meaning a family in Dublin could be paying a higher differential rent than a family in a rural location in similar circumstances for a similar property.

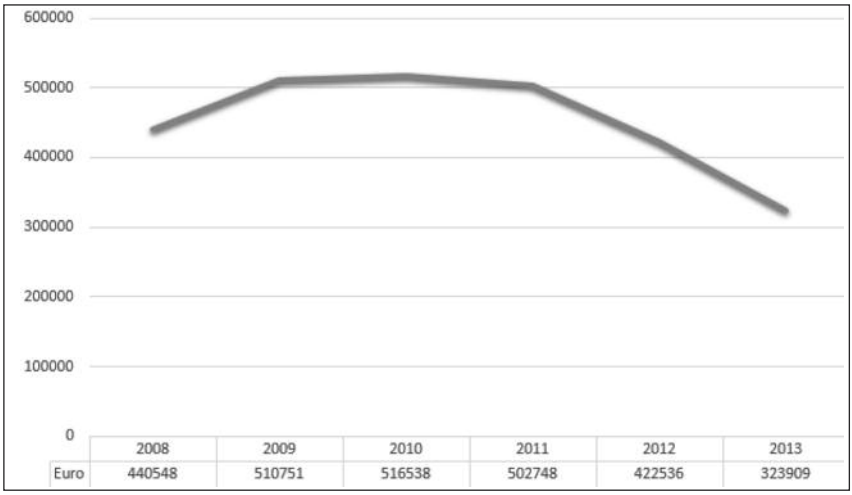
Any rent paid to local authorities becomes part of overall local authority funds and is not ring-fenced for the provision of social and affordable housing. Capital funding for new social housing projects has been in decline since 2008 (Fig.7.3) (Dáil Debates, 2014), and while there are proposals to increase the funding potential of AHBs to position them to increase their share of housing stock and to reform the means of supporting low income households to access accommodation through the private rented sector (Department of the Environment, Community and Local Government, 2014), progress has been slow and is far short of meeting demand.

Part V of the Planning Acts, 2000 provides that planning permissions granted to property developers for large scale developments (that is, over four properties or in excess of 0.2 hectares) would include special conditions for the transfer to the local authority of up to 20 per cent of the development lands for the provision of social and affordable housing at 'existing use value', that is, the value of the greenfield site without planning permission. The aim of the legislation was to increase the stock of social and affordable housing and ensure a societal mix within larger developments. An alternative to the transfer of lands, should the development be unsuitable for social housing, was the payment by the developer to the local authority of an amount equivalent to the value of the lands that would have been transferred. From 2002-11, 15,114 units were delivered through Part V, with only 38 per cent of this being allocated as social housing and local authorities received financial contributions of €122.4 million (NESC, 2014(b):11). With a decline in construction and reduced capital for social housing, it is not surprising that Part V would become of little value to the sector in recent years. One of the options put forward in the review of Part V (DKM et al, 2012) was to remove it from the legislation. While these options are still under consideration by stakeholders, Construction 2020 cites Part V as 'having the potential to again be significant contributor to social housing in the context of a recovering housing market' (Government of Ireland, 2014:15). NESC also questions the wisdom of reducing Part V obligations, citing it as one of the 'few mechanisms available...which might increase the stock of social housing owned by local authorities and/or housing associations' (NESC, 2014(b):13) and views a reduction of Part V as a conduit for reducing local authority housing supply.

While Part V currently provides for more integrated developments, an insufficient number of transfers coupled with policies aimed at converting ghost estates and currently unsuitable units into temporary social housing runs the risk of segregating the poor, creating a wider societal problem.

The private rented sector is currently providing a large proportion (79,788 units) of social housing (NESC, 2014(b):8). These households are supported through Rent Supplement payments and while the number of households renting has increased in recent years, Rent Supplement expenditure has been in decline since 2010 (Fig.7.4). The increase in rent and insecurity of tenure discussed previously is likely to have the most detrimental effect on this cohort of renters.

Fig.7.4: Rent Supplement, 2008-13



	2008	2009	2010	2011	2012	2013
Euro	440548	510751	516538	502748	422536	323909

Source: Extracted from Annual SWS Statistical Reports 2008-13, Department of Social Protection, www.welfare.ie

What is required is an adequate supply of social housing, with rents controlled through a central housing body with capacity to manage the maintenance of properties, resolve tenant disputes and secure finance for the ongoing provision of housing into the future.

Social Justice Ireland believes that NAMA could be such a housing body, having built a cache of experience in housing since its inception and having sufficient staff numbers to actively undertake the role required.

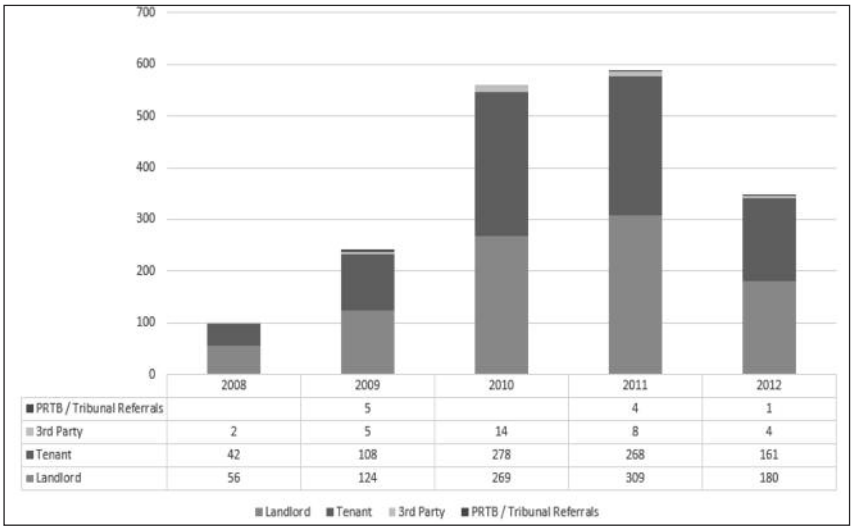
Regulation

In its Housing Policy Statement, 2011 (Department of the Environment, Community and Local Government, 2011), the Government acknowledged that 'A balanced housing sector requires a strong, vibrant and well regulated private rented sector'. In its report on behalf of the Housing Agency, DKM et al found that 42 per

cent of the landlords surveyed (DKM et al, 2014) felt that the sector was becoming too regulated in favour of the tenant (2014:21). This could be a reflection of the number of 'accidental landlords' with one property who are unwillingly engaged in this sector. Landlords were, overall, more knowledgeable about existing regulations, with 90 per cent stating that their only dealing with the PRTB was to register their tenancies. On the other hand, one third of tenants surveyed said they were not fully aware of their rights and only 64 per cent had heard of the PRTB.

The Residential Tenancies Act, 2004, which established the PRTB (Private Residential Tenancies Board), provided some security of tenure for tenants who had been in situ for 6 months or more by introducing statutory notice periods for the determination of a tenancy, providing an exhaustive list of grounds on which a tenancy could be terminated by the landlord, requiring compulsory registration of all tenancies, and providing a mechanism for disputes (Oireachtas, 2004). According to a NESC report (NESC, 2014(b)), 281,000 tenancies were registered in 2013 which, based on Census 2011 data, indicates a gap of approximately 12 per cent in the actual number of tenancies, although allowances must be made for tenancies which are exempt from registration, such as landlord occupied rent a room schemes. The number of new disputes referred to the PRTB jumped between 2008 and 2010 rose by 550 per cent, reaching a high of 589 in 2011 (Fig.7.5).

Fig.7.5: New Disputes referred to the PRTB, 2008-12



	2008	2009	2010	2011	2012
PRTB / Tribunal Referrals		5		4	1
3rd Party	2	5	14	8	4
Tenant	42	108	278	268	161
Landlord	56	124	269	309	180

Source: Extracted from PRTB Annual Reports 2008-12, www.prtb.ie

Likely reflecting the downturn in the economy, the majority of landlord dispute requests across all years concern rent arrears and overholding (that is, the tenant not leaving the property when served with a notice to quit), while tenant dispute requests involve deposit retention and unlawful termination.

An amendment to this Act, the Residential Tenancies (Amendment) (No.2) Bill, 2012 was passed by the Dáil on the 18th July 2013 but has not yet been signed into law (Oireachtas, 2013). This Bill seeks to include local authorities and AHBs within the ambit of the regulation and removing all references to 'private' tenancies, introduces a deposit protection mechanism, and transfers the functions of the Rent Tribunal to the Residential Tenancies Board (as it is proposed to be called). As previously discussed, there is much room for improvement in the implementation of the standards regulations in rented accommodation, having the regulation is not enough if there is not capacity to implement it effectively and insufficient knowledge among tenants of their enforceable rights.

Social Justice Ireland welcomes a strengthening of the regulation in favour of tenants and its expansion to include social tenants and calls on Government to ensure that adequate resources are allocated for its effective implementation.

Owned through Mortgage

Census 2011 recorded an owner occupier rate of 69.7 per cent. Of this, just over half had a loan or mortgage on the property (CSO, 2012(a):12).

During the Celtic Tiger era, testing the affordability of housing loans moved away from the traditional loan to value ratio (LTV), to a more complex series of ratios concentrated on income, mortgage, house price and loan data, which could be split into two over-arching categories: those that considered access to the housing market, and those that measured the affordability of housing debt (Duffy, 2004). In the Financial Stability Report, 2006, the Financial Regulator argued that the demand for housing was 'a function of the amount that could be borrowed based on current disposable income and the existing mortgage interest rate' (Financial Regulator, 2006) and proceeded, on application of a number of stress-testing models, to conclude that the banking system had 'adequate capacity to absorb first-round losses from a moderate fall in house prices because the banks report that a significant proportion of their loan books have relatively low LTV ratios'. A report by the ESRI (Duffy, 2012) questioned what happened to Loan to Value rates in Ireland, which increased dramatically between 2004 and 2009 and refers to a 2010 report in which the now Governor of the Central Bank revealed that LTV measures were thought to 'dampen the property boom' and denounced high LTV loans considered 'out of tune with the principles based approach and with international regulatory fashion of the time'.

Ever-increasing house prices, low interest rates and regulatory policy aimed at maintaining the boom meant an increase in those accessing credit, even to those who were traditionally excluded from financial services (Gloukoviezoff, 2006). The pressure was on income levels and interest rates to grow, or at least not decrease. In his analysis of the Financial Stability Report 2006, Power (2007) surmised that the risks were clearly apparent (2007:10). This burden was realised in 2008 in the wake of a global economic crisis. Disposable incomes decreased as unemployment increased along with interest rates on variable rate loans and the rate of lending to Irish households went into decline (Fig.7.6).

Fig.6: Lending to Irish Resident Households

Source: Financial Statistics Summary Chart Pack, Central Bank of Ireland, www.centralbank.ie (Central Bank (2014(a))

Notwithstanding restricted lending, property prices began to rise from 2011, with an average increase of 14 per cent nationally (highest in Dublin with almost 20 per cent) reported in Q.4 2014 (Daft, 2014(b)). In response to this, the Central Bank introduced prudential lending criteria for housing mortgages (Central Bank, 2015). The criteria aim to limit banking risk on house mortgages by restricting loans for more than 80 per cent LTV to 15 per cent or less of the total housing loan book and loans with a Loan to Income (LTI) ratio of 3.5 times to 20 per cent or less. With Buy-to-Let (BTL) mortgages experiencing particular difficulty, the consultation paper proposes more stringent LTV requirements, with loans for more than 70 per cent LTV to account for no more than 10 per cent of an institution's BTL loan book. Exemptions exist for homeowners in negative equity on their primary residence who wish to trade up without increasing the principal amount borrowed, borrowers in arrears who wish to enter an alternative payment arrangement and residual debt from discharging

negative equity mortgages on a switcher mortgage. The new standards will be considered on an individual property basis and include equity releases on existing mortgaged property. Mortgage insurance and high-level guarantees, while considered within the consultation document issued by the Central Bank in October 2014 as an additional security measure, were thought to 'weaken the effectiveness of the macroprudential measure as a tool to dampen the pro-cyclical credit-price dynamics'. These measures were supported by research undertaken by the Central Bank (Clancy and Merola, 2014) which found that they were helpful in 'smoothing economic fluctuations' (2014:42). However, in an address made to MABS National Conference in November 2014 (Honohan, 2014). Census 2011 recorded a decrease of 5 per cent in the overall home ownership rate between 2006 and 2011 due to the increase in the number of renters.), the Governor of the Central Bank appeared more in favour of the use of mortgage insurance instruments to circumvent the limits. It is notable that property prices declined slightly in the final quarter of 2014 (Daft, 2014(b)), possibly in response to this consultation paper.

Social Justice Ireland welcomes the introduction of macroprudential mortgage lending rules and an increase of regulation in the residential mortgage sector. However, a balance must be struck to ensure that while lender and borrower risk is managed, there is still movement in the housing sector, particularly for those currently living in accommodation that does not meet the needs of the household.

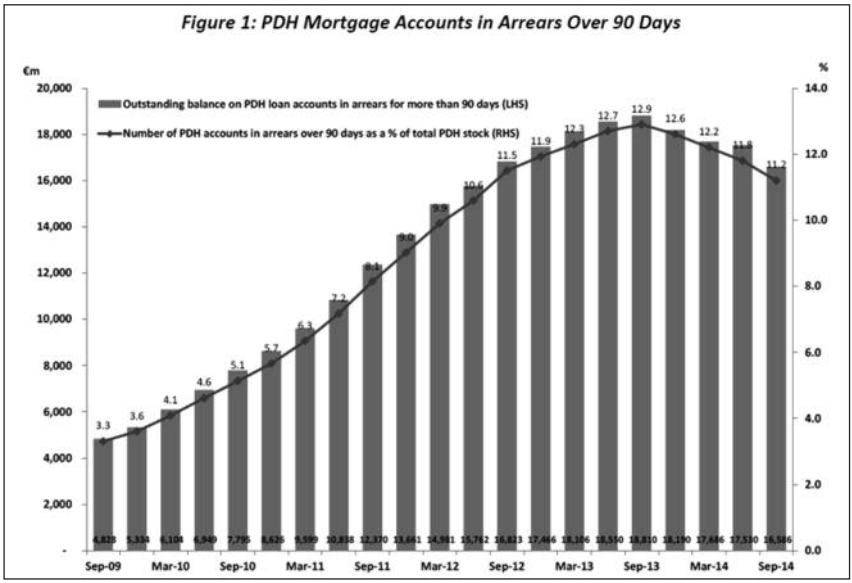
While access to credit and affordability remain issues for those wishing to enter the market, the comparison between current rents and mortgage instalment amounts for first time buyers contained in the Daft Rent Report (Daft, 2014(a):10), based on a standard variable rate of 4.3 per cent over 30 years with a LTV of 80 per cent shows that rents are higher than the cost of borrowing for one to three bedroom units, where such lending is available, the Daft.ie House Price Report (Daft, 2014(b)) sentiment survey reported that supply was the main concern for those active in the housing market. Less than 30,000 properties were placed on the market in Q.4 2014, the lowest number in almost 8 years. Again, it is apparent that sustainable supply across housing sectors is needed, requiring leadership, direction and regulation to stimulate the construction sector.

Mortgage Arrears

Mortgage arrears increased steadily since September 2009, standing at a record high of over 12.9 per cent in Q.3 2013 before gradually declining to 11.2 per cent in Q.3 2014 (Central Bank, 2014(c)) (Fig.7.7).

The main policy measures introduced by the Central Bank to deal with mortgage arrears were the Code of Conduct on Mortgage Arrears (CCMA) and the Mortgage Arrears Resolution Targets (MARTs).

Fig.7: Mortgage Arrears 2009-14



Source: Residential Mortgage Arrears and Repossession Statistics: Q.3 2014, Central Bank of Ireland, www.centralbank.ie

The first CCMA was introduced in February 2009 in respect of consumers with a principal private residence in the State. The CCMA aimed to provide lenders with a framework with which to address mortgage debt difficulties. The framework provided was relatively light in detail and commenced from the date the arrears were first incurred. In February 2010 an amendment was introduced which imposed on lenders a moratorium on legal action for 12 months from the date the arrears were first incurred. Following the recommendations of the Mortgage Arrears and Personal Debt Group (Mortgage Arrears and Personal Debt Group, 2010), a further CCMA was issued in December 2010, which took effect from 01 January 2011. This CCMA was far more prescriptive in its approach to lenders' treatment of a borrower's case, as it implemented the recommendations almost entirely. The protection afforded by the new CCMA meant that borrowers and their agents had a clear process for dealing with mortgage arrears, including pre-arrears cases (that is, where the borrower was not yet in arrears but had experienced a change in circumstances that would result in an arrears situation arising imminently), with an internal appeals mechanism to the lender's Appeals Board and externally to the Financial Services Ombudsman. The most recent CCMA was introduced, not in response to the needs of borrowers, but in response to Troika recommendations following the Ninth Review (IMF, 2013:19) which saw an increase in the communications provisions for lenders, a reduction in

the protection of tracker mortgages, a narrowing of the definition of 'not co-operating' and a reduction in the moratorium on legal action to eight months from the date the arrears first arose or two months from the date the borrower was deemed by the lender to be 'not co-operating'. This iteration further reduces the term of the moratorium on legal action to eight months from the date the arrears first arose or two months from the date the lender deems the borrower to be uncooperative; removes the right of appeal for non-compliance with the CCMA or the treatment of the borrower's case to the complaints procedures in the Consumer Protection Code 2012; removes the Appeals procedure from the MARP; and reduces the information requirements of the lender in initiating communication with the borrower. The experience of borrowers engaging with the CCMA was the subject of two recent reports (Bennett, 2013; Central Bank, 2013). The experiences reported varied significantly between the two, with MABS clients experiencing delays at each stage of the process and money advisers reporting confusion on the part of their clients in understanding the procedures, while the Central Bank research reported a majority of satisfied customers. The Central Bank will undertake a review of the CCMA in the second half of 2015 (Honohan, 2014(b)).

Mortgage Arrears Resolution Targets

In March 2013, the Central Bank published its MART for the six main mortgage lenders[50] in Ireland. This document set 'common public targets' aimed at resolving arrears cases which were 90 days or more overdue. The resolutions offered take the form of 'sustainable solutions' offered by lenders to distressed borrowers, and acknowledges that, in some cases, this may mean repossession of the principal dwelling house. In addition to the public targets, each institution also had specific quarterly targets to 'manage operational milestones at granular level', primarily monitoring early arrears cases as well as the operational effectiveness of the lender. The definition of a sustainable solution is with reference to the CCMA, which leaves to the lender's own Arrears Support Unit, the task of assessing a borrower's circumstances and making a proposal, and includes repossession of a family home. As the options provided by each lender differ in their composition, a mortgage which may be considered sustainable by one lender may be regarded as unsustainable to another. While the Central Bank reserves the right to impose sanctions on lenders for non-compliance with the MART, having tested only a sample of the solutions provided, the solutions themselves are at the individual discretion of the lender who then reports its compliance to the Central Bank.

[50] ACC Bank plc, Allied Irish Bank plc (including AIB Mortgage Bank, EBS Limited and EBS Mortgage Finance), The Governor and Company of the Bank of Ireland (including Bank of Ireland Mortgage Bank and ICS Building Society), KBC Bank Ireland plc, Permanent Tsb plc and Ulster Bank Ireland Limited

From the perspective of tacking over-indebtedness, the requirement that the MART be based on both 'actual and prospective borrower affordability' together with the guiding principles to be applied to each sustainable solution proposed are welcome departures from the strict case-by-case approach taken previously, which led to lenders creating different solutions for each borrower, with no consistency of approach across the sector. The Mortgage Arrears Resolution Measures further support this consistent approach by requiring that lenders have effective strategies in place to deal with pre-arrears, arrears and loan modifications / resolutions; a robust framework for the fair treatment of customers; and a sustainable framework for lenders and borrowers which tests the sustainability of resolution mechanisms. However, the definition of 'sustainable solution' allows lenders to apply a subjective approach in formulating proposals, particularly where such solution is the repossession of the family home which includes 'any situation where a Specified Credit Institution takes possession of the property' which, if based on the lender's subjective assessment that the mortgage is unsustainable allows the lender to meet the targets specified while affording no protection to the borrower.

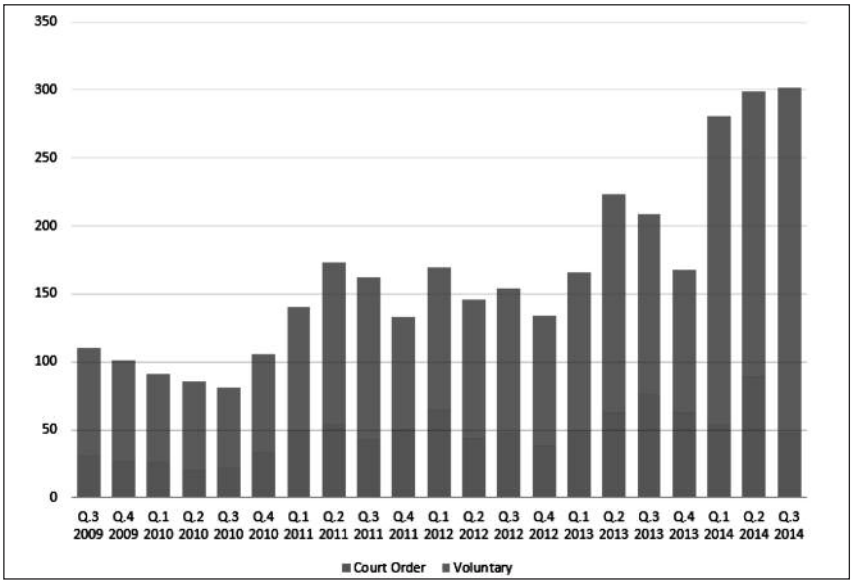
In his address to the Joint Oireachtas Committee on Finance, Public Expenditure and Reform, Governor Patrick Honohan outlined the main issues emerging from the Central Bank's review of the MART (Honohan, 2014(b)) which included lack of clear written communication with borrowers, over-use of short-term arrangements with borrowers in arrears, lack of evidence of affordability assessments being carried out on borrowers and breaches of the CCMA.

Repossessions

The number of properties taken into possession by lenders has increased by almost 500 per cent in the period Q.3 2010 to Q.4 2014, with the largest rise occurring following the introduction of the MARTs in 2013 (Fig.7.8). The rate of voluntary surrenders / abandonments to court ordered repossessions was highest in Q.4 2014 at 5:1.

This increase in repossessions has an obvious knock-on effect on social housing provision, with borrowers whose mortgages have been deemed 'unsustainable' by their lenders entitled, under the Social Housing Assessment (Amendment) (No.2) Regulations 2011, to be included on the social housing list. The most recent figures indicate that 154 households were placed on the housing list due to having an unsustainable mortgage (Housing Authority, 2013). With the rise in repossessions in 2014 it is likely that this number has increased.

Fig.7.8: Repossession Statistics, Voluntary and Court Ordered, 2009-14



Source: Extracted from Mortgage Arrears and Repossession Statistics, 2009-14, Central Bank, www.centralbank.ie

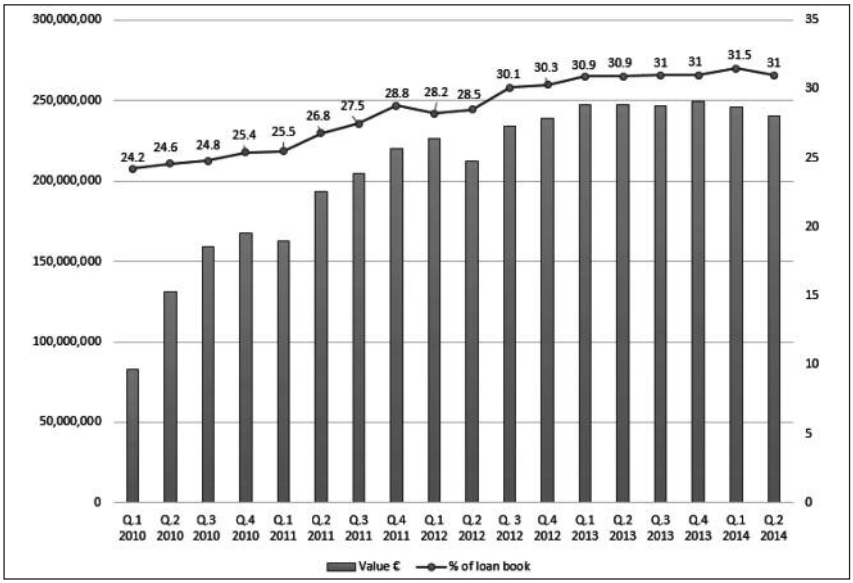
Local Authority Mortgages

It is hardly surprising that local authority mortgages are following a similar arrears trajectory to private mortgages, increasing steadily from 2010, with a minor decrease in the level of mortgage arrears over 90 days from Q.1 2014 (Fig.7.9) (Department of the Environment, Community and Local Government, 2014(b)).

In March 2010, the Department of Environment published the first CCMA for Local Authorities which mirrored that of the Central Bank almost entirely. With the introduction of the Central Bank's revised CCMA in December 2010, the Department of Environment was keen to follow suit and provided for the development of a more comprehensive code in their Housing Policy Statement (Department of the Environment, Community and Local Government, 2011:4). In August 2012, the Department of Environment published their revised code in the form of a 'Guide for Local Authorities' which introduced a MARP-style system for all local authorities. While the nature of such guidance issued by the Department of Environment tends to allow for voluntary participation by local authorities, this Guide was accompanied by a circular which made its application compulsory. The

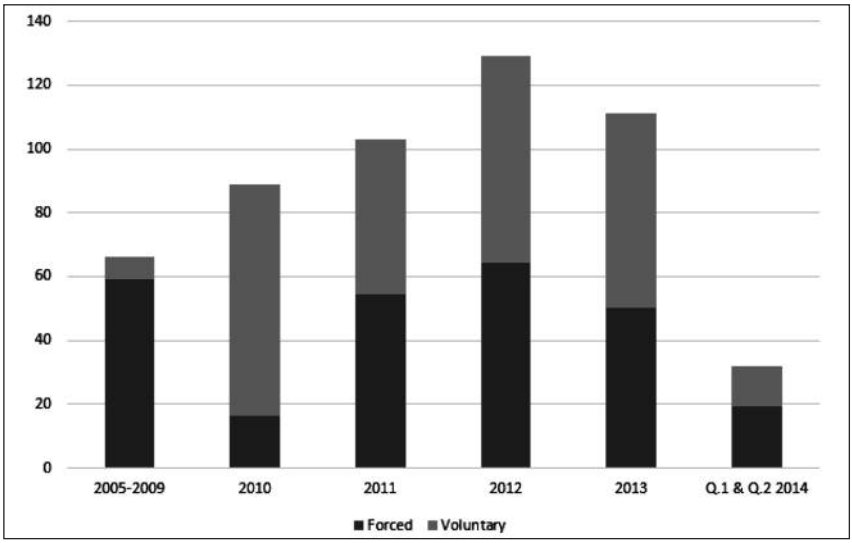
Guide, which became effective in October 2012, replaced the voluntary Code of Conduct within a compulsory framework and places obligations on local authorities to show a willingness to work with borrowers to address their arrears situation. The provisions of the Guide not only seek to protect the borrower, but also take account of individual circumstances, affording greater support to the most disadvantaged. Although the Guide does not appear to have had an effect on the amount of mortgages going into arrears of more than 90 days, which remains relatively stable since Q.3 2012, repossessions of local authority mortgaged properties appear to have peaked at 129 in 2012 before declining slightly in 2013 (Fig.7.10) (Department of the Environment, Community and Local Government, 2014(b)).

Fig.7.9: Local Authority Mortgage Arrears Over 90 Days



Source: Extracted from Housing Statistics, Housing Loans, Mortgage Data/Arrears in Local Authorities, www.environ.ie

Fig.7.10: Local Authority Repossessions, 2005 to Q.2 2014



Source: Extracted from Housing Statistics, Housing Loans, Local Authority Mortgage Repossession Data, www.environ.ie

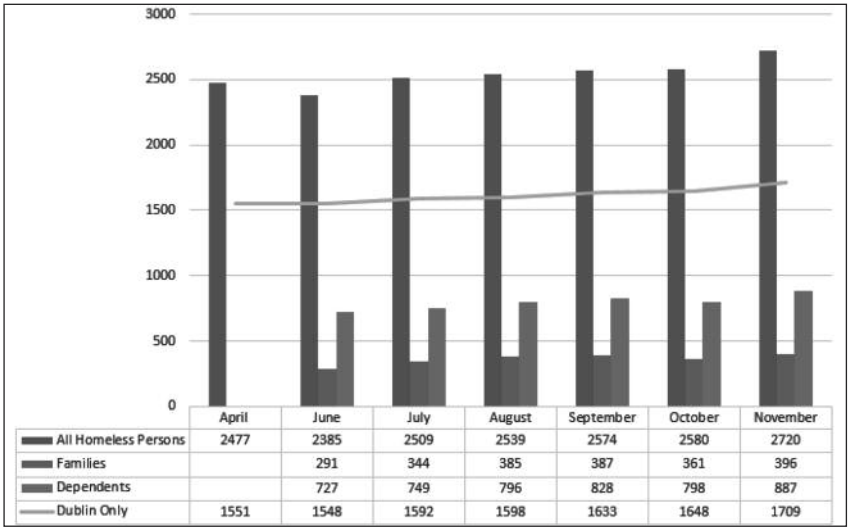
It is interesting to note the change in pattern of the type of repossession over time, with forced repossessions dominating the period 2005-9 giving way to voluntary possession in 2010 and a more even distribution between the two in the following 3.5 years. It is unclear what has caused this change, but what is clear is that these households need to be rehoused in an affordable and sustainable way.

Homelessness

The most recent figures indicate that 2499 households on the housing list are recorded as having a specific accommodation need due to homelessness (Housing Agency, 2013). A special report from Census 2011 counted 3808 persons as homeless on Census night (10 April 2011) (CSO, 2012(b)). As homelessness tends to be hidden, these numbers are not necessarily indicative of the actual number of homeless individuals and families in Ireland today. Since April 2014, lead housing authorities have been asked to report to the Department of Environment, Community and Local Government on the numbers of homeless persons in emergency accommodation in each region. This information provides the most comprehensive picture of homelessness in Ireland to date. Between April and November 2014, an average of 2500 persons accessed emergency homeless accommodation. In November that figure was 2720, of which 887 were dependents in 396 families

(Fig.7.11) (Department of the Environment, Community and Local Government, 2014(c)). Dublin has the highest reported instances of homeless persons accessing emergency accommodation for this period, accounting for more than 60 per cent of the overall amount each month.

Fig.7.11: Homeless accessing Emergency Accommodation, April to November 2014*^



	April	June	July	August	September	October	November
All Homeless Persons	2477	2385	2509	2539	2574	2580	2720
Families		291	344	385	387	361	396
Dependents		727	749	796	828	798	887
Dublin Only	1551	1548	1592	1598	1633	1648	1709

Source: Extracted from Breakdown of Homeless Persons in Emergency Accommodation tables, April to November 2014, Department of Environment, Community and Local Government, www.environ.ie
*Family breakdown not available for April
^No data available for May

The most prevalent accommodation type nationally is 'Supported Temporary Accommodation' (STA) - hostel accommodation with onsite supports from NGOs such as Focus Ireland, Simon Community Crosscare and others, followed by 'Private Emergency Accommodation' (PEA) - accommodation rented directly from landlords, B&Bs and hotels. When taking Dublin on its own the reverse is true, with slightly more people accessing PEAs than STAs. This could be explained with reference to the breakdown of families accessing services in the Dublin region included in the November tables (DEJLG, 2014(c)). An average of 163 families per month resided in commercial hotels during April to November 2014 (highest in November, with 192). The average number of new families presenting for access to homeless services in the Dublin region between January and November 2014 is 33

(with highs of 42 in January and October and 41 in July). A Briefing Note focussing on family homelessness issued by Focus Ireland to all TDs in mid-2014 (Focus Ireland, 2014) identifies a combination of structural / economic reasons and individual reasons for family homelessness, but places the burden of the underlying cause on the lack of suitable social housing supply. It found that the overwhelming majority (almost 100 per cent) of homeless families presenting to their service had no previous experience of homelessness and had a lack of awareness of prevention services available to them (2014:5). The 'Implementation Plan on the State's Response to Homelessness May 2014 to December 2016' (the Plan) (Department of the Environment, Community and Local Government, 2014(d)) proposes to engage with all stakeholders to secure accommodation for the housing of homeless families, to prioritise homeless families on the Rent Supplement Initiative, while also increasing the rent thresholds for these families, launch a public awareness campaign on preventative services and to establish an assessment centre to re-locate homeless families currently living in hotels and other private temporary accommodation. While the two Progress Reports on the Plan (Department of the Environment, Community and Local Government, 2014(e)) indicate that progress has been made on many of these actions, negotiations are continuing in an effort to secure a hotel for use as an assessment centre for families in unsuitable temporary accommodation.

Social Justice Ireland supports the call for increased resources for frontline homeless services, a focus on preventative measures and information for persons at risk of homelessness, and an increase in adequate social housing supply prioritised for those who are homeless or at risk of homelessness with appropriate supports to ensure a reasonable standard of living.

Of course, not all homeless persons access emergency accommodation. 'Rough sleepers' are the face of homelessness, being the visible presence on the streets of Ireland's cities. A 'Rough Sleeper Count' is conducted in Dublin twice each year, in Spring and Winter, and is based on staff and volunteers of homeless services finding persons who are sleeping rough on a given night. The Winter 2014 rough sleeper count was carried out in November 2014 and found 168 people sleeping rough, an increase of 32 per cent on the Spring 2014 count (127) and 20 per cent on the Winter 2013 count (139) (Dublin City Council, 2014). Of the 168 counted:

- 130 were male, 16 were female and 22 were unknown.
- 36 were aged between 18-30 years, 40 were aged between 31-40 years, 17 were aged 41-50 years, 10 were aged 51-60 years, three were aged 60+ and 62 were of unknown age.
- 81 had previously accessed homeless services, 10 were not known to homeless services and 77 were unknown.

On the night of the count, 1526 people accessed emergency accommodation. The Plan also outlined the actions to be taken in respect of rough sleepers, namely the provision of beds pending the establishment by Dublin City Council of its Housing First service, the delivery of at least 100 households to independent living with support, the identification and support of rough sleepers outside of the Dublin area, the engagement with the Department of Justice and Equality in respect of non-national rough sleepers who have residency issues (the Winter 2014 count recorded 39 persons not from Ireland and 70 of unknown nationality), and the engagement of stakeholders to repatriate or house non-national rough sleepers as appropriate. The Progress Report for Q.3 2014 (Department of the Environment, Community and Local Government, 2014(e)) indicated that half of these actions had been addressed, with the Housing First service established in October 2014 and supporting 35 tenancies, and an additional 80 beds being brought into use under the Cold Weather Initiative. The identification of rough sleepers outside of Dublin has not been addressed due to cost implications and differences in identification methods, and those actions proposed for non-national rough sleepers have come into difficulty with Data Protection issues.

Other actions contained in the Plan (Department of the Environment, Community and Local Government, 2014(d)) include the delivery of an estimated 2700 units at 900 per year by ensuring that vacant units are brought into viable stock, giving priority to homeless persons in the Allocation Schemes of each local authority, ensuring that other vacant units under Government ownership are brought into use, such as those owned by the OPW, and ensuring that other properties being secured by local authorities and AHBs are prioritised for homeless persons. In addition, actions were proposed to tackle issues of mental health, provide financial assistance and the development of a multi-annual funding mechanism. The Plan is ambitious in its remit and work is underway on many of the actions proposed, however of those designated as currently completed / underway / on time for delivery in the Progress Reports, many are still at the concept stages. *Social Justice Ireland* is concerned that those actions which are not on schedule are those mainly concerned with securing adequate accommodation and continuing resources to support homeless persons.

Specific Purpose Accommodation

Persons with Disability

Of the almost 90,000 households on the housing list, 3938 are reported as having a stated disability, with a further 2909 in need of housing due to 'unsuitable accommodation due to exceptional medical or compassionate grounds' (Housing Agency, 2013).

Article 19 of the UN Convention on the Rights of Persons with Disabilities directs

that signatory countries ensure that 'persons with disabilities have the opportunity to choose their place of residence and where and with whom they live on an equal basis with others and are not obliged to live in a particular arrangement'. As the needs of persons with disabilities are diverse and wide-ranging, there is no 'one size fits all' solution to the provision of adequate housing. Indeed, 'adequate housing' is that which takes account of the individual need, with supports and modifications made in accordance with the person's ability / disability. Housing for persons with disability is usually provided by way of adaptation grants issued by local authorities to modify existing dwellings. The Housing Adaptation Grant for People with a Disability is available on application to local authorities. The grant covers a maximum of 95 per cent of the cost of the work required, up to a maximum value of €30,000, and is subject to a means test. In January 2014, the eligibility criteria were amended to include the income of all persons in a household for the purpose of means-testing and proof of compliance with property tax, while the maximum income limit on the means test was reduced from €65,000 to €60,000 (that is, no grant is payable where the combined income of the entire household is more than €60,000). The Mobility Aids Grant Scheme is also available to cover works carried out to address mobility needs. This grant is usually provided to older people, but is capable of being accessed by people with a disability. The maximum grant is €6000 (to cover 100 per cent of the work) and is subject to a means test, the maximum household income not exceeding €30,000. The average waiting time for the receipt of grants varies between local authorities. According to the 2013 Service Indicators Report (LGMA, 2014), the range of averages was between 1 week in Dublin City Council and 69 weeks in Offaly County Council. There is similar disparity in the processing of the Mobility Aids Grant, ranging from 3 weeks in each of Kildare, Louth and Wexford County Councils and 47 weeks in Kilkenny County Council.

According to Census 2011 (CSO, 2012(c)) 17.9 per cent (106,270) of persons with a disability were living alone, accounting for over a quarter (27.3 per cent) of all persons living alone on Census night. 52.8 per cent of these were over 65 years old. A further 7.6 per cent (44,952) of all persons with a disability lived in communal establishments, with the majority (55 per cent) being older people in nursing homes. The labour force participation rate of persons with a disability was less than half that of the rest of the population (30 per cent and 61.9 per cent respectively). Even when those over 65 years old are removed from the equation, the labour force participation rates remain at least 20 percentage points lower than for the rest of the population. The latest SILC data (CSO, 2015) showed that households where the principal economic status of the head of the household was 'Not at work due to disability' earned the least of all economic groups, behind the unemployed, students and retired persons. The median income of this group for 2013 was €20,989, while this represents the highest per cent increase on 2012 figures, at 16.2 per cent, it is still less than half the median income of those at work. Persons with a disability also have the second highest deprivation rate at 53.1 per cent, less than two percentage points lower than the unemployed.

A reduction in the availability of grants for home modifications coupled with low income and a prevalence of poverty means that those with a disability are unlikely to be able to afford adequate accommodation to support independent or assisted living. The National Housing Strategy for People with a Disability 2011-2016 (Department of the Environment, Community and Local Government, 2011) and the National Implementation Framework that supports it contains an ambitious plan for development of adequate and supportive accommodation for persons with disabilities. The Government must ensure that funding is allocated for the successful implementation of this plan while maintaining a sufficient level of support for home modifications.

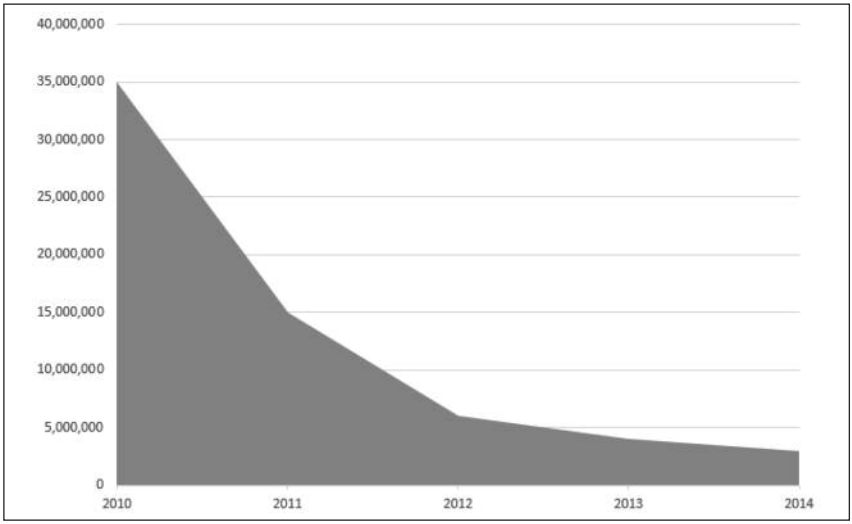
Travellers

According to Census 2011, the number of people identifying as being members of the Traveller community in Ireland was 29,573, an increase of 32 per cent on 2006 figures. Figures released from the Department of the Environment, Community and Local Government (2015) show that the most prevalent accommodation for Traveller families is by or with the assistance of local authorities, with a consistent annual figure of approximately 5500 in the three years from 2011-13. Private rented accommodation also features prominently with approximately 2700 families living housed through private accommodation, however there has been a slight decrease between 2012 (2829) and 2013 (2717). The remaining three accommodation types reported – On Unauthorised Sites, Own Resources (Estimates) and Sharing Housing – combined account for roughly half of each of the other two.

A report carried out on behalf of the National Traveller Accommodation Consultative Committee and the Housing Agency (KW Research and Associates, 2014) found that the use of unauthorised sites fell by 26 per cent from 2010-12, while shared accommodation rose by 34 per cent. As with other household types, there has been a rise in the use of private rented accommodation among Traveller households also, increasing by 15 per cent in this period (2014:7). The use of local authority halting sites also decreased by eight per cent in this period, the largest decrease within the subgroup of local authority accommodation. The research also found that almost one third of local authority Traveller specific accommodation was more than 25 years old, with all sites in need of some refurbishment and 20 per cent in need of complete redevelopment. Almost 20 per cent of all Traveller sites are voids, with the highest number of these being in the Basic Service Sites category (32 per cent). When asked why Traveller families were leaving Traveller specific accommodation, the most cited response (50 per cent) from local authorities was internal tension between Traveller families. There was also the view that some younger Travellers preferred the private rented sector and moved for that purpose, a view that was not shared by the Traveller representatives interviewed. When asked the same question, Travellers interviewed also cited feuding between families as a reason for the voids in Traveller specific accommodation, however they were also

able to provide insight into why this feuding may occur, with some citing a lack of training and supports due to the closure of Senior Traveller Training Centres in 2012 as making it difficult to transition to work and adult life. The report concludes with a series of recommendations, many of which seek greater intervention by local authorities to tackle identified issues. The experience of Travellers contained in this report further supports the findings of the All-Ireland Traveller Health study (2010), which linked substandard accommodation with a high rate of ill health amongst Traveller communities. However, while consecutive reports have called for greater Government intervention to provide a quality of life for Traveller communities, figures released in a parliamentary question of 10 June 2014 (Dáil Debates, 2014(b)) show that capital allocations to local authorities to fund Traveller specific accommodation has decreased by over 90 per cent in the years 2010-14 (Fig. 7.12).

Fig.7.12: Capital Allocations to Local Authorities for the provision of Traveller specific accommodation



Source: Parliamentary Question, 10th June 2014, http://www.nascireland.org/campaign-for-change/roma-in-ireland/pq-traveller-accommodation-5/

Social Justice Ireland calls on the Government to ensure that the culture and status of Traveller communities in Ireland, being extricably linked with adequate accommodation, is protected.

Social Housing Strategy 2020

On the 26th November 2014, the Department of Environment, Community and Local Government published its Social Housing Strategy, 2020 'Support, Supply and Reform' approved by the Government the previous day. The stated aim of the Strategy is to 'fully meet our obligations to those who need assistance to provide a home for themselves'. *Social Justice Ireland* welcomes this initiative and its ambition to address the social housing need, however it is immediately clear (2014:iv) that the number of accommodation units proposed (a maximum of 110,000) foresees the number of households currently on waiting lists rising by only 10 per cent in the next six years. Furthermore, these 110,000 units will only be delivered provided the other stakeholders meet the Government's challenge to 'respond in a positive and proactive way'.

A reliance on the private rental sector to form the second of the three housing Pillars provided for in the Strategy seems misplaced. The Strategy admits that there has been overreliance in recent years on the private rental sector (2014:1), however again places an expectation on that sector to provide 75,000 units with the assistance of a package of benefit schemes (reviewed in more detail later in this section). While it is correct to say that the overall tenure mix is changing, and the private rental sector provides a larger proportion of housing than may have historically been the case, this is not necessarily a product of choice. Restrictions on mortgage lending since 2008, reduced income capacity to finance deposits and mortgage payments and a lack of suitable, affordable accommodation on the market has driven many households to turn to private landlords. With rents increasing by €150 per month nationally (double this in Dublin) (Daft, 2014(a)), the security of this accommodation for those on low income is uncertain.

Social Justice Ireland welcomes the goal of the Strategy to provide affordable, sustainable and inclusive homes. However the reliance on a private rental market to provide the majority of the units, with little incentive to move away from market rent, makes it unlikely to succeed in doing so. Provision of social housing must be driven by Government action, with robust regulation and policy with clearly defined parameters to streamline social housing provision across the various stakeholders.

Progress to date has been slow, with retrenchment in expenditure on housing provision in successive Budgets since 2008. In 2014, the Government anticipated 6,000 households having their needs met, with a further 3000 being met through 'normal relettings' (Department of the Environment, Community and Local Government, 2014:10). Those tenants whose lettings will be renewed as a matter of course are not included in the housing list statistics of 89,872 households (as of May 2013), and accordingly, in 2014, less than seven per cent of households are expected to have been accommodated.

Pillar 1 – Provision of New Social Housing

The Strategy's first Pillar is presented as a commitment to the provision of 35,000 new social housing units by 2020 in an effort to kickstart supply. At a rate of approximately 6000 per annum, this provision is clearly inadequate to meet the needs of almost 90,000 households currently awaiting support, even when taken in conjunction with the other delivery mechanisms outlined in Pillar 2 of the Strategy and discussed in more detail later in this Chapter.

NAMA SPV as housing provider

NAMA reported identifying 5482 residential properties as being potentially suitable for social housing (NAMA, 2014), of which demand was confirmed for 2121 by local authorities, 2854 are no longer under consideration, being unsuitable or sold, and 507 are awaiting determination of demand. A special purpose vehicle (SPV), the National Asset Residential Property Services (NARPS) was established in April 2013 to acquire residential properties to where there is demand and to enter into long-term leases with AHBs or local authorities. According to the NAMA website 669 properties (12 per cent of those identified) were delivered to social housing through AHBS or local authorities. The Housing Agency reports a further 257 properties have been contracted from NAMA by local authorities or AHBs and 1702 are under negotiation or consideration (www.housing.ie/NAMA). The Strategy proposes to expand the remit of NARPS to fund Part V units though its residential delivery programme in Dublin (2014:32) with capital funding available for an estimated 450 units and potential for 2250 should NAMA's Dublin residential delivery reach its upper limit of 22,500 in the next 5 years. Given that less than half of the units identified by NAMA were unsuitable or sold and only 12 per cent have actually been delivered, this target appears optimistic.

PPP Model

The use of public private partnerships (PPP) to procure capital infrastructure projects in Ireland has been in place since 1999 using a standard 'design, build, finance and maintain' (DBFM) model. The Strategy proposes to use the DBFM model once again for the provision of social housing, investing €300 million for the development and maintenance of up to 1500 housing units over a 25 year period following which the units will be returned. In a paper delivered to the Nevin Economic Research Institute in 2013, Eoin Reeves, the Director of Privatisation & Public Private Partnership Research Group with the University of Limerick (Reeves, 2013) reviewed the use of DBFM PPPs for State infrastructure and found not only is there no evidence to suggest that it has delivered value for money for Irish taxpayers (2013:19), there are also significant governance issues inherent in the model such as high transaction costs, conflict of interest between the Ministerial role of 'guardian of the public purse' and 'advocate for PPP', the exclusion of alternative options, the management of PPP contracts without the necessary breathe of skills required and the long-term

nature of the contract which creates a potential conflict between managing an ongoing relationship while enforcing contractual obligations (2013:12). Accountability is also a concern where more accountability (although less liability through the use of exclusion of liability clauses) is held by private operators, removing the direct line between citizen and responsible public representative and creating an information gap. The paper concludes with a quote from Vining and Boardman (2008) which attempts to answer the question of what criteria should be used by society to judge the best way to provide infrastructure. In the context of critiquing the Strategy's commitment of €300 million of public money to a questionable procurement process, it is worth transcribing that quote in its entirety here for consideration:

From a normative perspective, one potential criterion is that governments should seek to minimize the sum of total social costs....this means that governments should minimize the sum of the production costs they incur (including payment to third parties), plus their transaction costs, plus (net) negative externalities, holding quality constant. As some of these costs, especially for major infrastructure projects, can occur over an extensive time period, government should seek to minimize the present value of these costs. This criterion emphasizes that in assessing the consequences of alternative ways to provide infrastructure, one should include all government transaction costs that derive from the project even if they do not appear in the project's budget. Also one should include all externalities and account for quality differences; these costs rarely show up in any budget (2008:150).

Financial Vehicle

Budget 2015 announced the establishment of a special purpose finance vehicle for the social housing sector to allow Approved Housing Bodies greater access to long-term private capital funding. This funding will be incentive-linked to encourage AHBs to be more proactive in the provision of housing. It is acknowledged in the Strategy that AHBs alone will be unable to adequately meet the full extent of housing need, and so consideration is also to be given to allowing local authorities, either individually or collectively, to establish AHBs for the purpose of accessing this funding for the provision of housing. The plan for the future of this financial vehicle to act as a Social Housing Body is dependent on its ability to become financially self-sufficient, charging cost-based rents, which admittedly will require mixed tenure developments and supplementary payments from local authorities to address the shortfall between costs and differential rents. *Social Justice Ireland* has previously proposed the use the skills and resources of NAMA as a housing agency with the ability to access and distribute appropriate off-balance sheet funding and to take an active role in the direction and support of AHBs in the provision of social housing.

It would also seem prudent at this stage for the Government to review the inherently unfair differential rent system, which is not fully reflective of the tenant's income,

but also of locations with local authority tenants in Dublin and other urban areas paying more than those in rural communities (Department of the Environment, Community and Local Government, 2009:98) while living on the same basic income.

Existing Housing Stock
Each local authority will be required to provide plans for the refurbishment and ongoing maintenance of vacant units, in addition to existing maintenance plans, in order to access funding for vacant stock. This funding coincides with that provided for under the National Regeneration Plan requiring social housing to meet generally accepted standards under the Convention on Economic Social and Cultural Rights.

Investment by AHBs
Funding of social housing is discussed in greater detail in this Chapter, however as the repositioning of AHBs to take a more central role in the provision of social housing is a key tenet of the Strategy and funding will play a large part in achieving this goal, it is important to note some of the points mentioned. Where once fully State funded, in 2011 a new funding model was developed to enable AHBs to access private funds for social housing development in an effort to increase the lending capacity of AHBs, the borrowing of which do not add to Government debt. The uptake to date has been minimal as while it allows AHBs more independence in funding and supply of social housing, it carries greater risk, particularly where rents are insufficient to cover maintenance and funding costs, without a multi-annual commitment, which AHBs are understandably reticent to undertake. Some commentators (NESC, 2014(b)) have also cautioned against a transfer of properties from local authorities to AHBs as to do so removes the rental income from the local authority, which would be cause difficulty in smaller, particularly rural, local authorities reliant on rental income (2014(b):13).

The Strategy encourages the engagement of AHBs with non-State funding models while committing to introduce regulation to mitigate the risk. No detail is provided as to what form this regulation might take, however with 27,000 units provided in 30 years and a commitment to 5000 more over three years, it is clear that the sector requires a greater level of regulatory support and financial protection if it is to play a significant role in addressing the current housing crisis.

Pillar 2 – The Private Rented Sector

HAP Scheme
As referenced earlier in this Chapter, the majority of social housing units (75,000) promised by the Strategy are intended to be supplied by the private rented sector. However Pillar 2 of the Strategy does not commit to the provision of an additional

75,000 rental units, but rather a nominal transfer of 50,000 households in receipt of long term Rent Allowance from the Department of Social Protection to a new benefit, the Housing Assistance Payment (HAP) paid by the local authorities, or the Rental Accommodation Scheme (RAS) and a projected 25,000 more households with similar housing needs who will access HAP directly over time. The HAP Scheme is essentially a modified Rent Allowance, with benefit being retained should the recipient find employment and differential rent reflecting any increase in income that recipient might enjoy as a result of this employment and payment being made directly to the landlord by the local authorities. HAP recipients may apply to transfer from HAP to local authority or AHB housing which suggests that, while these households are in receipt of a long term housing benefit, they are not automatically placed on the housing list or reflected in the national statistics on housing need. There is also vague reference in the Strategy to HAP contributing to better oversight of the private rental sector, however there is no detail as to what this oversight might entail or how it might arise in a market-driven economy. *Social Justice Ireland* welcomes the retention of the HAP payment for recipients who gain employment as support to the working poor, however adequate resources and support will be required to ensure the efficacy of this new support.

The Rent Allowance scheme will be retained for those with a short term housing need, who will not be part of the housing list. As no assessment of housing need will be undertaken in respect of Rent Allowance recipients and the criteria for accessing HAP have not yet been defined, there is a real risk that households with a long term housing need will instead be placed on a short term benefit and not reflected in the overall picture of housing deficit. Rent Allowance itself requires a greater review as it is entirely dependent on the private sector, does not impose a minimum standard of living accommodation and is paid to the tenant rather than the landlord directly. In addition, there is evidence to suggest that approximately half of tenants in receipt of Rent Allowance are making supplementary payments above the statutory threshold, leaving tenants with little income for the provision of basic necessities or payment of other household expenses (Threshold, 2014).

The Government's commitment to the new HAP scheme appears to be wavering from the beginning, with reference made to the possibility of instead utilising HAP funding for off-balance sheet acquisition instead (2014:46). If the new schemes under the Strategy are not afforded proper focus they are doomed to failure from inception.

Cost Rental

Cost rental is a mechanism by which a housing provider, rather than private landlords, develop accommodation and charge rent on the basis of covering capital and maintenance costs only. While these costs would likely increase over time in line with inflation, it is proposed that such increases would still be less than a rise

in market rents. In its paper on cost-effective, sustainable housing models, NESC (2014(a)) reported that current social housing rents are set at a level below costs, creating a reliance on State capital expenditure. When this expenditure is cut, as has been the case in consecutive Budgets since 2008, the provision of social housing falls dramatically (2014:52).

From the tenant's perspective, cost rental will at least initially mean higher rents than are currently being paid to AHBs and local authorities. However, as previously referred, successive surveys carried out by Threshold (2014) indicate that approximately half of tenants in receipt of Rent Allowance are making 'top up' payments to private landlords (2014:12) and would welcome greater stability of rental costs. From the provider's perspective, in order to implement a cost rental sector there must be available capital to acquire and refurbish new and existing social housing units. The NESC report (2014(a):44) clearly states that a healthy level of supply is needed to make cost based rental effective. The level of supply proposed in Pillar 1 of the Strategy is insufficient to meet existing demand and in order to create conditions in which cost rental would be effective, this shortage must be addressed. The Strategy refers to an annual cost to the Exchequer of funding private rented accommodation of €500 million which could be used more effectively. This figure includes Rent Allowance which accounted for almost €393 million in 2013 (DOSP, 2013:87). As mentioned previously, the introduction of the HAP scheme will see 50,000 households (of the approximately 80,000 households in receipt of Rent Allowance) transferred from Rent Allowance with funding to be provided to the local authorities from central sources, accordingly it is likely that only a very small proportion of that €500 million may be available for other schemes.

In the absence of immediately available funding, it is unlikely that a single housing provider would be able to acquire sufficient housing stock to have the steadying impact on market rents required. In the event that the local authorities and AHBs could pool their portfolios under an umbrella agency, there are questions of competition in the market that may need to be addressed. This pooling of resources seems unlikely however as the Strategy foresees a variety of cost rental schemes across the social housing providers, making any collective impact on the private market questionable.

The Strategy commits to a pilot cost rental segment with Approved Housing Bodies (AHBs) and local authorities. The terms of reference of this pilot are yet to be agreed.

Buy-to-Lets

There is vague reference within the Strategy of dealing with Buy-to-Let (BTL) properties so as to reduce the demand for social housing. This is primarily an area of concern for the Central Bank and Department of Finance in structuring lending and credit control policy in relation to BTL mortgages so as to lend themselves more

favourably to reduced rents for tenants. The Executive Summary of the Strategy commits to ongoing collaboration with the Department of Finance and the Central Bank to consider the scope to 'devise effective means of managing the transition of encumbered Buy-to-Let Properties'. The impact of this transition needs thorough examination to ensure that the taxpayer will not be expected to bear the cost of any write-down of the lenders' bad debts. Reference within the Strategy to the Government's Mortgage to Rent scheme is unhelpful in this regard, which is a scheme for mortgage holders in unsustainable mortgages borrowed on foot of their family homes and not available in respect of investment properties.

Pillar 3 – Reform

Local Authority Reform

Social Justice Ireland welcomes the Strategy's commitment to reform of the social housing sector. With so many diverse agencies involved this is no easy task and the targets set out in the Strategy may be optimistic. For reform in this sector to be effective it must be streamlined and clear. It is therefore disappointing to note that the first reference to implementing a new framework for rent payments involves each local authority devising its own rents policy, albeit under an overarching regulatory structure to be determined by the Minister. Statutory Instruments are rarely directive in their language and allow for flexibility within wide parameters. The success of any reform of local authority social housing provision will depend on the scope of the regulation and the interpretation by local authorities of the parameters in which they operate.

The Strategy imposes a high volume of change on local authorities within a relatively short timeframe. The capacity of local authorities to take on these additional responsibilities, assimilate the requirements of each scheme and manage the influx of new service users with existing staff at diminished levels since the beginning of the downturn is highly questionable and risks exacerbating the issues experienced by those in need of social housing.

Tenant Purchase Scheme

A new Tenant Purchase Scheme was introduced by the Housing (Miscellaneous Provisions) Act 2014 enabling a social housing tenant to purchase their rental property for a reduced rent. The housing authority will create a charge over the property for the percentage difference between the market price and the sale price of the property to the tenant. This percentage will be reduced by two per cent per annum over five years unless the property is sold in the meantime and/or the shortfall is paid by the tenant to the housing authority in the meantime. Universal tenant purchase was introduced in 1966 with the Housing Act 1966 which extended the rural right to buy under the Labourers Act of 1936 to urban housing authority tenants. Following the introduction of this legislation, owner occupancy rose from

59.8 per cent in 1961 to a peak of 80 per cent in 1990 (NESC, 2014(a)). Normalising home ownership contributed to rapid market growth with Government policies focusing on expansion and facilitation of private ownership (Norris, 2013). Increased availability of credit and a relaxation of lending regulation culminated in the over-inflation of a highly leveraged market. Renewing the tenant purchase legislation to enable more low income households to become owner occupiers with private mortgages without robust regulation of the mortgage market puts these households at risk of losing, rather than increasing, their security of tenure.

Choice based Lettings and the Housing passport

Social Justice Ireland welcomes choice based lettings empowering tenants to choose the most appropriate accommodation for their household while maintaining priority allocation for those in most need. This system of allocation must be monitored to ensure that social housing allocations are being properly made, that abuses to the system are minimised and that those who cannot access the web-based system are catered for to ensure equality of opportunity. The provision of a housing passport may prove more problematic, however, as assessments for housing need vary between local authority functional areas hindering movement between these areas.

Regulation of AHBs

Increased regulation of AHBs is an important step in streamlining access to social housing and standards of housing provision, particularly if AHBs are to play the central role envisaged by the Strategy. The Department of the Environment, Community and Local Government published its Voluntary Regulation Code (VRC) in July 2013 which sought to implement a three-tiered approach to regulation of the AHB sector, taking size of housing portfolio and availability of development plans into consideration to determine the level of regulation required by each entity (Department of the Environment, Community and Local Government, 2013). At time of writing, less than one third (32.9 per cent) of all AHBs had signed up to the VRC (Housing Agency, 2014). It is of critical importance to the social housing sector that robust compulsory regulation and governance is implemented before AHBs undertake a more central role in social housing provision. With implementation scheduled for mid-2016, it is unclear how the increased funding capacity envisaged by Pillar 1 of the Strategy to be in place by mid-2015 can be properly monitored.

Planning and Supply

In order to provide an adequate number of social housing units, more units need to be built. Part V of the Planning and Development Act, 2000 (Part V) provides that a developer must either transfer units to the local authority for social and affordable housing or 'where site attributes preclude an agreement on the transfer of land' (DELG, 2000) make a financial contribution to the local authority equal in value to the transfer value. In reality, developers' financial contributions became widespread and Part V delivered only 15,114 units between 2002 and 2011 which, when

excluding one off developments, accounted for only 2.6 per cent of all houses built in that period, of which only 38 per cent were social housing (Downey, 2014). When transfers and financial contributions are taken into account, approximately 19,245 units were delivered through Part V in the period 2002-11, a total of 4.8 per cent of all housing units delivered within that period.

A review of Part V undertaken on behalf of the Housing Agency in November 2012 (DKM et al, 2012) found that the tendency for local authorities to opt for financial contributions over land was a 'major concern' and 'an inhibitor of social integration' (2012:47). The report concluded that Part V was no longer fit for purpose with depressed land values reducing the benefit to local authorities, it then provided six alternative options proposed for consultation amongst stakeholders. The Strategy makes reference to a forthcoming Planning Bill, however insufficient detail is available at this time to comment on the likely impact of any amendments.

The Strategy appears ambitious in its objectives, citing the provision of 110,000 social housing supports and a radical reform of the sector, however in reality it commits to only 35,000 additional units over a five year period and the adoption of wide-ranging reform requiring multi-stakeholder buy-in which, within the timeframes allowed, seem overly optimistic.

Housing Finance

While Budget 2015 increased funding for social housing by €210 million to €800 million, this is still less than half the 2008 expenditure of €1.7 billion. The two main financing mechanisms for the provision of social housing were the Local Authority Construction and Acquisition Programme and the Capital Acquisition Scheme. Table 7.2 and 7.3 demonstrate how, in the period 2010-13, funding was cut by almost 80 per cent and over 50 per cent respectively to these two programmes.

Table 7.2: Local Authority Housing Construction and Acquisition Programme, 2010-13

Local Authority	2010 €	2011 €	2012 €	2013 €
Carlow County Council	4,220,000	1,069,097	1,900,711	1,046,542
Cavan County Council	3,694,879	1,116,877	1,360,702	1,947,374
Clare County Council	5,620,420	1,420,897	979,207	1,404,067
Cork County Council	42,822,737	6,585,702	8,389,441	3,808,461
Cork City Council	22,257,380	1,546,225	1,871,352	1,051,597
Donegal County Council	12,490,305	5,744,975	1,902,596	1,453,503
Dublin City Council	53,384,302	20,929,685	9,861,345	17,910,771
Dun Laoghaire/Rathdown County Council	19,716,708	4,611,178	12,673,635	3,253,979
Fingal County Council	6,434,304	8,355,797	4,808,767	6,110,592
Galway City Council	6,614,733	1,593,731	2,587,123	835,238
Galway County Council	6,972,073	4,035,823	1,939,128	2,853,496
Kerry County Council	9,700,950	2,396,769	1,304,258	1,356,402
Kildare County Council	15,795,789	2,901,449	4,114,913	3,801,389
Kilkenny County Council	10,104,029	4,566,591	6,090,448	1,888,413
Laois County Council	6,466,501	2,738,481	1,567,167	604,893
Leitrim County Council	1,429,056	116,308	304,954	902,126
Limerick City Council	11,873,208	3,586,290	1,216,646	1,400,028
Limerick County Council	7,003,199	1,616,243	869,055	752,635
Longford County Council	3,820,875	758,309	1,227,029	576,033
Louth County Council	13,279,097	5,375,852	10,203,632	1,942,919
Mayo County Council	5,423,522	1,101,258	804,563	295,791
Meath County Council	9,960,630	4,962,456	2,377,523	4,960,841
Monaghan County Council	4,539,127	3,256,000	1,731,686	1,159,804
Offaly County Council	13,171,128	2,478,979	1,708,186	797,832
Roscommon County Council	3,255,095	847,340	1,044,332	656,348
Sligo County Council	6,365,034	2,750,919	2,052,179	906,040
South Dublin County Council	18,069,760	6,292,681	6,461,093	10,295,596
Tipperary North County Council	8,938,683	2,176,078	956,844	618,979
Tipperary South County Council	5,541,249	725,829	780,778	598,592
Waterford City Council	5,507,854	1,394,419	3,303,585	904,103
Waterford County Council	3,832,007	564,485	3,683,959	669,850
Westmeath County Council	6,022,684	2,249,432	2,916,450	531,658
Wexford County Council	10,379,914	3,333,130	2,947,720	1,049,837
Wicklow County Council	11,624,095	4,800,000	8,741,271	3,442,935
Total	**376,331,327**	**117,999,285**	**114,682,278**	**81,788,664**

Source: Dáil Debates, Written Answers, 21 January 2015, www.oireachtas.ie

Table 7.3: Capital Assistance Scheme, 2010-13

Local Authority	2010 €	2011 €	2012 €	2013 €
Carlow County Council	812,609	658,320	1,488,727	2,168,748
Cavan County Council	1,284,593	14,378	664,288	348,563
Clare County Council	1,738,589	787,153	885,309	2,827,788
Cork County Council	3,689,618	1,245,460	871,091	1,628,254
Cork City Council	4,904,190	547,937	1,222,763	844,687
Donegal County Council	820,518	515,591	871,158	448,236
Dublin City Council	15,717,826	4,968,484	10,258,397	9,327,326
Dun Laoghaire/Rathdown County Council	4,988,449	385,573	1,512,349	457,141
Fingal County Council	5,815,961	2,132,123	4,969,304	1,625,163
Galway City Council	6,118,835	360,538	3,984,938	475,026
Galway County Council	1,044,027	27,067	764,980	229,188
Kerry County Council	3,876,327	2,789,529	242,052	63,308
Kildare County Council	5,921,801	1,956,675	1,891,864	842,708
Kilkenny County Council	2,623,400	681,185	984,044	1,028,692
Laois County Council	1,920,539	345,665	695,291	142,447
Leitrim County Council	1,335,000	10,000	22,115	10,000
Limerick City Council	58,691	2,286,271	3,772,811	1,827,945
Limerick County Council	1,811,184	550,183	1,431,786	887,751
Longford County Council	4,054,104	802,912	1,123,017	212,308
Louth County Council	5,159,568	0	728,437	760,433
Mayo County Council	1,948,301	281,063	1,054,003	2,499,474
Meath County Council	4,199,940	21,108	685,743	961,298
Monaghan County Council	415,175	86,636	1,125,300	1,191,568
Offaly County Council	812,508	178,248	1,139,322	539,520
Roscommon County Council	655,576	357,098	928,590	511,376
Sligo County Council	2,850,214	4,319,357	3,537,274	251,134
South Dublin County Council	11,822,349	3,096,552	4,367,485	1,229,114
Tipperary North County Council	2,177,126	234,817	1,280,339	193,490
Tipperary South County Council	3,774,142	1,089,300	485,615	338,374
Waterford City Council	2,691,671	4,578,871	2,005,274	885,346
Waterford County Council	2,028,058	176,359	1,448,472	409,222
Westmeath County Council				
Wexford County Council	1,161,563	254,723	269,551	229,384
Wicklow County Council	1,883,455	2,086,839	742,351	1,180,675
Total	**3,045,018**	**2,341,562**	**1,011,902**	**1,410,059**

Source: Dáil Debates, Written Answers, 21 January 2015, www.oireachtas.ie

It is clear that the Exchequer cannot provide the funding necessary to deal with the current demand and more sustainable solutions are required. Ireland cannot continue to borrow using traditional methods as an increase in borrowing to fund local authority social housing adds to the Government deficit, which is already too high.

In their report, *Social Housing at the Crossroads: Possibilities for Investment, Provision and Cost Rental* (2014(c)), NESC reviewed current social housing policy in Ireland and selected European countries and made a series of recommendations towards a 'more unified, cost-effective and sustainable model in Ireland'. In order to achieve this, NESC outlines three main goals for Irish housing in the coming years (2014(c):42):

1. Affordable house purchase in a stable market that prioritises housing for occupation rather than speculation;
2. Affordable and secure rental accommodation available to a significant share of the population;
3. Future supply and a growing stock of homes, in well-designed sustainable neighbourhoods, available to those on lower incomes.

In order to achieve the latter two goals, a fourth requirement was identified, that is, the need for new institutional arrangements for housing finance, planning and land management, development, construction and housing management. The report proceeds to identify an interdependent three-strand approach for achieving the ultimate goals, based on supply, finance and cost rental. There needs to be an adequate supply of housing for those on low incomes, financed by way of new off-balance sheet mechanisms relying on public policy interventions on development. That supply is required to stabilise the rental market and enable cost-based rental to work with the market, which in turn will require initial subsidies to allow housing bodies to service available loans.

In considering available finance structures, the report discusses (2014(c):48) using a portion of the An Post savings deposits, which would be available through the NTMA to the Housing Finance Agency which would then lend to housing bodies at a moderate fixed mark-up on the rate paid to savers with An Post. Other structures found worthy of further consideration were Real Estate Investment Trusts (REITs) as a vehicle for generating investment in social housing, investment by pension funds and retirement schemes, cooperative equity shares with householders who have the option to take an equity stake in the property, and impact investments in which investors seek to create both financial return and measurable positive social or environmental impact. (2014(c):50).

Social Justice Ireland has been in discussion with Key Capital Investments in relation to one such impact investment which would see the creation of a €35 million social housing fund, backed by Key Capital, partnered with a major Irish housing charity who would ultimately take ownership of the housing stock. If successful, this initiative could then be replicated for other projects, reducing the reliance on Government backed securities and injecting sufficient capital into social housing to help regulate the market rate.

Social Justice Ireland believes that mechanisms are available to increase the stock of social housing to address the current need and calls on Government to implement policy to support this increase in supply by way of off-balance sheet funding and initial subsidisation to support the framework required.

Policy Priorities on Housing and Accommodation in Ireland

- Resource local authorities to undertake sufficient numbers of inspections and enforcement actions to ensure that private rented accommodation is of an adequate and habitable standard.
- Ensure adequate resources are allocated within the various stakeholders involved in Construction 2020 providing the datasets to ensure that construction policy is made on the basis of accurate and up to date data.
- Implement specific policies aimed at protecting the rights of tenants to a secure home while addressing the issue of accidental landlords.
- Ensure that adequate resources are allocated for the effective implementation of tenancy regulation to protect the rights of tenants.
- Ensure that a balance is struck in the determination of mortgage regulation to ensure that while lender and borrower risk is managed, there is still movement in the housing sector, particularly for those currently living in accommodation that does not meet the needs of the household.
- Provide increased resources for homeless services, focusing on preventative measures and information for persons at risk of homelessness, and an increase in adequate social housing supply prioritised for those who are homeless or at risk of homelessness with appropriate supports to ensure a reasonable-standard of accommodation.
- Ensure that the culture and status of Traveller communities in Ireland, being inextricably linked with adequate accommodation, is protected.
- Explore the utilisation of the skills and resources of NAMA as a housing agency with the ability to access and distribute appropriate off-balance sheet funding and to take an active role in the direction and support of AHBs in the provision of social housing.

- Provide adequate resources and support for the implementation of the HAP payment.
- Monitor any implementation of a choice based lettings scheme to ensure that social housing allocations are being properly made, that abuses to the system are minimised and that those who cannot access the web-based system are catered for to ensure equality of opportunity.
- Explore off-balance sheet financing structures aimed at generating sufficient capital to adequately finance the social housing need.