



Addressing housing and homelessness in Ireland

ESPN Flash Report 2016/44

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Description

Against a context of housing shortages and rapidly rising house prices, rents and homelessness, a parliamentary committee has provided a broad-ranging blueprint for reform. These recommendations have the potential to address the complex set of issues involved.

Ireland is experiencing a social housing crisis. There are some 90,000 units on the housing waiting lists. The numbers at risk of becoming homeless have also risen sharply. On the basis of the statistics from May 2016 on the Dublin region alone, some 3,777 people accessed homeless accommodation in Quarter 1 2016, up from 2,997 in Quarter 1 last year (Dublin Region Homeless Executive 2016). Among these the number of homeless families is also rising rapidly – rising from 556 in July 2015 to 913 in May 2016 (ibid). This expansion is attributed by the Dublin Region Homeless Executive to a range of factors, including increasing demand for access to emergency accommodation arising from reduced access to housing options combined with an influx of families, which typically would not previously have engaged with homeless services and which are presenting following the loss of private rented accommodation. The situation is exacerbated by the high levels of mortgage arrears, with some 8% of all mortgages in arrears of over 90 days (Central Bank 2016).

In April 2016, the Irish parliament set up a special committee – the Committee on Housing and Homelessness – to review and make recommendations on the housing problems. Given the urgency of the matter, the Committee reported within two months (Houses of the Oireachtas 2016).

The Committee's analysis identified both the scale and complexity of the housing-related problems facing Ireland. It highlighted especially the following as problems in their own right but also as contributing to a cumulative situation of crisis: falling stock of social housing; increasing numbers of people living in rented accommodation and an increased reliance on the private-rented sector to meet demand for social housing; state payments that cannot keep pace with rising costs; significant sectors of the population and not just those on low income facing housing uncertainty due to being in arrears; rising homelessness; and complex needs in the sense of experiencing a number of deprivations on the part of many of those seeking help from the housing authorities.

The Committee made a number of priority recommendations which related to: a) social housing stock; b) institutional reform; c) sufficient resourcing of housing; d) help for the renter/home owner; e) specific actions on homelessness.

Outlook & Commentary

While action has been taken and in particular both a Social Housing Strategy and a set of homeless initiatives have been put in place over the last years, there is a general sense that the Irish government has not taken a sufficiently broad-ranging or intensive approach to

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address the complex set of issues involved (NESC 2014; Social Justice Ireland 2016). The recommendations in the latest report are therefore of key relevance. A five pronged strategy is suggested.

First, with regard to housing stock, the Committee suggests that the social housing stock needs to grow by at least 50,000 units within five years through acquisition, refurbishment and new build.

Secondly, with regard to sufficient resourcing, a multi-pronged approach is recommended. First, the National Asset Management Agency (NAMA) should be allowed to use its cash reserves to tackle the housing and homelessness crisis. In addition, the government is urged to seek flexibility from the European Commission on the application of the EU fiscal rules to the financing of social housing. The Government should establish an off-balance sheet funding mechanism to provide additional investment and commit the maximum possible direct Exchequer investment in the Capital Programme to the housing social sector. It is also urged to seek to mobilise all possible sources of funding – including from the Irish pension Funds and the Irish league of Credit Unions – for the supply of social and affordable housing.

Thirdly, with regard to institutional reform, a Housing Procurement Agency should be set up to assist the local authorities and approved housing bodies to deliver their social housing. Furthermore, NAMA should be allowed to be an agent for the provision of social housing.

Fourthly, with regard to help for the renter/tenant, the assistance with housing costs (Rent Supplement and Housing Assistance Payments) should be increased and a system of rent certainty introduced by tying rent reviews to an index such as the

Consumer Price Index. Furthermore, measures to improve security of tenure are also recommended, including stronger legal safeguards and a longer duration of guaranteed security. Measures to help distressed mortgage holders are also called for, including legislation for a moratorium on home repossessions and an increase of long-term solutions to mortgage distress.

Finally, with regard to homelessness, a return to the policy of allocating 50% of local authority housing allocations to those on the priority list for housing in Dublin and other areas where homelessness is acute is recommended and no homeless shelters should be closed until alternative accommodation is available elsewhere. Furthermore, the Committee recommends a significant expansion and prioritisation of the Housing First initiative against homelessness and increased resourcing for and improved coordination between the mental health services and homeless services.

While the report and its recommendations are welcome, there are fundamental issues that it does not tackle. One is rising house prices. Although there is sensitivity in Ireland to a housing bubble (given the experience of the recession years in which rapidly-rising house prices were associated with a crisis of private debt), the scale of the current increases point in the direction of a too vibrant market with prices up 7.4% in the year to March 2016 (Irish Times, April 26, 2016). There is, secondly, the issue of direct public-policy influence on supply. In Ireland, housing provision is private developer- or market-led (NESC 2014). If this is to be changed, other providers apart from the private sector and the state and other resources will have to be identified and activated in greater volume than currently.

Further reading

Central Bank of Ireland (2016) "Residential Mortgage Arrears and Repossession Statistics", *Statistical Release* March 2016.

Dublin Region Homeless Executive (2016) *Homeless Infographics*, <http://www.homelessdublin.ie/homeless-figures>

Houses of the Oireachtas (2016) *Report of the Committee on Housing and Homelessness*, Dublin: <https://static.rasset.ie/documents/news/report-of-the-committee-on-housing-and-homelessness.pdf>

National Economic and Social Council (2014) *Review of Irish Social and Affordable Housing Provision*, NESC Secretariat papers, paper no 10: http://files.nesc.ie/nesc_secretariat_papers/No_10_Review_of_Irish_Social_and_Affordable_Housing_Provision.pdf

Social Justice Ireland (2016) *Housing Supply Submission to the Oireachtas Committee on Housing and Homelessness*, Dublin.

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