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When I met with the Journal’s editorial panel in Dublin one sunny morning in January this year, it soon became clear it wasn’t a matter of what to write about, but what not to write about. Housing is in crisis, and the effects go wide and deep.

Negative equity remains a huge issue for many Irish homeowners who want to sell their homes, or renegotiate the terms of their mortgage. A decline in real earnings and unemployment influence mortgage arrears and evictions, causing much pain for households. The respite in house-building is creating a two-tier housing market between Dublin and the rest of the country. Increasing numbers of homeless and vulnerable households, or those in housing stress are waiting longer for social housing and support services, or are not being housed at all.

So it seemed fitting for my first edition as editor that we adopt a feature addressing the crisis, and also importantly that we seek the authors’ views on the way forward. We do this not just nationally but from abroad as well, with a look into the Spanish property bubble and lessons learned there.

We hear what the government is doing and the measures they use to inform their work. I’m delighted that Senator Aideen Hayden was able to write on the government’s work on regulating private rented sector standards in recent years.

Finally the issue talks to the ticking time bomb of housing support services for older people. In my previous calling I saw first hand how non-profit housing associations in Ireland are front and centre of promoting independent living in communities. Yet this takes place against a backdrop of public policy in the area that has much room for development.

I thank the editorial panel for their input and guidance on what I hope will be an informative issue for you.

Justin Cartwright
Bye bye bedsit
Aideen Hayden, chair of Threshold and Senator, tells us about the government’s work on regulating standards

The end of an era

Ireland said goodbye to the traditional ‘bedsit’ under new regulations for rented accommodation that came into full effect just over a year ago, on 1 February 2013. This form of accommodation was what remained of Ireland’s ‘Strumpet City’ past, an era when city slums largely consisted of Georgian and Victorian subdivided housing abandoned by their wealthier owners for the suburbs. Great strides have been made in recent times to improve the standards for rental accommodation in Ireland. New Minimum Standards Regulations were introduced in 2008 and 2009 that require landlords to provide tenants with accommodation that is in a proper state of repair, with fixed heating appliances, self-contained with its own toilet, bathroom/shower facilities and proper cooking and food storage facilities. These regulations mean that the shared kitchen or toilet on the landing that characterised the traditional bedsit is no longer allowed.

Background

The significant changes introduced in the Housing (Standards for Rented Houses) Regulations 2008 and 2009 were the culmination of a long campaign by Threshold and others to bring about the end of the bedsit. Threshold in its 2005 Annual Report said that the day when a two-ring camping stove complied with the requirement for adequate cooking facilities and one toilet on the landing shared between four bedsits must end and called for the abolition of the bedsit.

In September 2006, the then Department of the Environment, Heritage and Local Government (DEHLG) published its review of minimum standards. This followed the enactment of the Residential Tenancies Act 2004 (RTA) which introduced major reforms to the Private Rented Sector (PRS) including greater security of tenure for tenants, a purpose-built dispute resolution service under the Private Residential Tenancies Board (PRTB) and a requirement that landlords register tenancies with the PRTB.

The PRS had grown rapidly in the late 1990s and, in the absence of sufficient social housing, now played the main role in accommodating low income families in receipt of rent supplement. The high cost of homeownership also ensured that renters were remaining longer than previously and there was concern to ensure that the sector was ‘fit for purpose’ The modernisation of minimum standards, together with improved security of tenure, were seen as key components for developing a stronger more sustainable PRS, particularly for the most vulnerable tenants at the lower end of the market.

Regulatory Impact Assessment

Following the publication of the Statement on Action on Private Rented Accommodation Standards, stakeholder organisations were invited to present their views and Working Group on Standards was set up by the DEHLG which included the local authorities, Irish Property Owners Association, the Centre for Housing Research (CHR) and Threshold.

A public consultation conducted by the CHR received 25 submissions from a range of stakeholders. The CHR concluded that the proposed revised standards would impact most on Pre ’63 (so called because they preceded modern planning legislation) homes subdivided into ‘houses of flats’ at the lower end of the PRS. When the assessment was published in September 2008, there were 8,700 bedsits in the country housing around 14,500 people, and the CHR stated that over half (55 percent) of these were in Dublin City.

Having examined a number of options, the CHR concluded that the preferred option was to introduce the proposed new standards through legislation. The key features of the revised guidelines would require all rental accommodation to contain self-contained sanitary facilities; all habitable rooms to have a fixed heating appliance, adequate ventilation and natural lighting; new requirements for food preparation and storage and laundry facilities; adequate refuse storage and fire safety provisions.
In reaching its conclusion, the CHR conducted an analysis of the costs and benefits. The introduction of improved standards would be a significant cost to landlords providing bedsit accommodation, and would likely result in a reduction in overall supply at the lower end of the market. Furthermore there was concern that the costs of refurbishment would be passed on to tenants, impacting housing affordability. However the CHR concluded that improved standards would result in a more sustainable rental stock and improve the lives of tenants. At the time of the assessment rents had been falling for two successive quarters, and the CHR recognised that quality of accommodation was not the only factor determining rent levels. Average rents had decreased in 2008 and were expected to fall again in 2009. Moreover the supply of rental accommodation had more than doubled in 2007. It was considered that the overall downward pressure on rents would deter landlords from passing on the full cost of upgrading their properties to tenants.

The loss of the bedsit, traditionally the cheapest accommodation in the market, could potentially leave low income tenants without an alternative. This was most likely to impact non-Irish nationals who comprised almost two-thirds (65 percent) of the bedsit market according to the 2006 Census. However the availability of the Rental Accommodation Scheme (RAS) as an alternative for long-term rent supplement recipients (of 18 months or longer) would mitigate the impact for a sizeable share of tenants. The proposal to phase in the changes over a four-year period would allow landlords sufficient time to spread the costs while averting a sudden drop in the supply of bedsit accommodation.

A policy of increasing the inspection and enforcement activities of local authorities had been introduced in 2006, following the Department’s publication of Action on Private Rented Accommodation Standards. The CHR concluded that the additional cost of implementing the new standards would be minimal given that inspections were already funded by the tenancy registration fees paid by landlords to the PRTB. Other benefits might include a boost to employment in the construction sector from the upgrade work required.

Other factors influencing the decision to proceed with the proposed new standards included anecdotal evidence that the number of bedsits was in decline and that any loss of properties arising would be outweighed by the overall increase in supply arising from the property boom.

**Enforcement**

Local authorities are responsible for enforcing minimum standards in the private rented sector and this remains problematic, despite the introduction of more. Substandard accommodation and repairs accounted for 1,683 advice and advocacy queries to Threshold services in 2012. Most local authorities in Ireland do not have a comprehensive programme for inspecting properties in their area. Dublin City Council’s intensified inspection programme of flats within the canals in Dublin, which found that over 90 percent of those properties inspected were below minimum standards, shows what can be uncovered when enforcement is taken seriously.

Almost €27m has been provided for inspections since 2005. Despite the availability of resources, the enforcement of standards by local authorities remains ‘hit and miss.’ The latest figures for 2012 show that 16,055 properties were inspected with 7,348 (46 percent) failing to comply. Dublin City Council succeeds in inspecting approximately 1,500 of the 85,000 private rented properties in its area annually. By targeting the properties most likely to be non-compliant, its detection rate is 51 percent. On the other hand, three local authorities who recorded 1,200 inspections between them did not identify a single substandard property in 2012. Moreover a recent threshold survey of all local authorities revealed a considerable divergence in enforcement practices, with 13 local authorities saying that inspections were not a matter for them and 26 local authorities having no information or incorrect information on their website. These practices have continued from a previous era when standards were less onerous.

If legislation setting down minimum standards for rented accommodation is to have any meaning, enforcement is critical. For this reason Threshold has proposed a certification of fitness scheme for rented properties, which would put the burden on the landlord to prove compliance rather than on the local authority to prove non-compliance.

"Having examined a number of options, the CHR concluded that the preferred option was to introduce the proposed new standards through legislation."
The number of households in the private rented sector (PRS) steadily declined over the 20th century. People had developed a love affair with home-ownership. Then came the 2002 census which recorded an increase in PRS households for the first time. The chief factor behind this – supply and the cost of home-ownership – wasn’t going away, and yet Ireland was still light on PRS policy at this point in time.

Since then, there has been significant regulatory change. The establishment of the Private Residential Tenancies Board (PRTB) in 2004 was an early intervention compared with other British Isles governments, contemporaneous only with Scotland who introduced similar schemes in 2006.

The intervention was justified by further PRS growth to 2011 that seems likely to continue. Factors including historically low rates of house-building, rising house prices in Dublin, and tougher lending criteria for home loans conspire to reduce affordability for prospective home-owners in a culture where home-ownership is otherwise valued.

And to stress the sheer strength of these factors, the 2006 census revealed a mid-point lull in PRS growth – a slight decrease from 11.1 percent in 2001 to 10.3 percent of total units – before a remarkable increase to 18.8 percent in the five years to 2011. Even such a notable oversupply of credit over the period to 2006 could barely keep the owner-occupied tenure buoyant before its continued decline.

So if James Carville’s ‘The Economy, Stupid’ were used in a housing context it would most certainly feature housing supply above all else.

A national house-building programme seems a remote possibility so PRS growth will remain with us. Yet despite the legislative and regulatory action, further analysis of local authorities’ inspection statistics backs up the claim of variation in approach. Of the 4,172 inspections carried out by Donegal County Council from 2006 to date only two dwellings did not meet regulatory requirements, representing an enviable non-compliance rate of 0.05 percent. Conversely, in Dun Laoghaire-Rathdown more dwellings failed to meet regulatory requirements than were inspected for 2012. This may suggest that more proactive spot-checks are carried out in Donegal with leniency in cases of rectifiable minor infringements, while more inspections as a result of complaints are carried out in Dun Laoghaire-Rathdown, meaning properties have a higher probability of non-compliance and infringements are then double counted against multiple visits to the same property. Then there are councils that carry out few inspections at all – Louth inspected 61 dwellings in 2012, down from 415 the previous year.

Indeed, if we take a look at the total number of dwellings inspected over time an alarming trend is revealed.
Year | Percentage of PRS dwellings inspected (approx.)
--- | ---
2006 | 6%
2007 | 7%
2008 | 8%
2009 | 8%
2010 | 7%
2011 | 6%
2012 | 5%

I take the above from 2006 for two reasons. Firstly, we have the absolute number of PRS households from the census in that year so can better estimate the average yearly growth to 2011, and secondly before 2006 only the number of inspections was recorded requiring more estimation to discount multiple visits to the same dwelling. Although, the number of inspections almost doubled from 2005 to 2006 demonstrating a large relative increase in dwellings inspected. Indeed, the mid 2000’s did represent increased government activity and funding on inspections.

However, what the above figures represent is that the momentum gained over this period has been lost as a result of lack of funding and a stalled change in culture around inspections.

As an aside, the number of registered tenancies looks healthy, although it should be noted that there is evidence of expired tenancies on the register as referenced in PRTB’s 2008 annual report. PRTB’s most recent report states that 43,549 enforcement notices/solicitor warning letters were issued to unregistered landlords in 2012 representing 21 percent of landlords who are on the register, and the total number of new tenancy agreements registered in 2012 was 97,181 of a total 264,434, or 37 percent. These large figures are indicative of sectoral flux and the footloose nature of its tenants.

The key question is then how we can improve enforcement without making being a landlord less attractive. A 2011 independent evaluation of the impact and operation of landlord registration in Scotland recommended small random sample checks on landlords and properties by local authorities.

Professional landlords who see their registration fee as a stake in improving the overall quality of the sector will be much more supportive of the system than those who believe bad or even criminal landlords are ‘getting away with it’ through too little enforcement.

“ Momentum gained in inspections has been lost as a result of lack of funding and a stalled change in culture.”
What’s happening elsewhere?

Across the UK, policy-makers have been wrestling with the challenge of how to increase housing supply and regenerate communities.

England

Increasing the supply of new homes is a major challenge with an estimated 200,000 to 250,000 homes needed in England each year. The Labour Party has set up an independent commission to review the changes to housing and planning policies and practice required to build the 200,000 new homes a year which the Labour Party leader Ed Miliband has set as his aim for an incoming Labour Government. Chaired by Sir Michael Lyons, the commission includes CIH’s chief executive Grainia Long. CIH’s written submission includes proposals for unlocking land for housing development; investment in housing and associated infrastructure; increasing local authority borrowing caps to enable them to build 75,000 homes over five years; and ensuring that there is a focus on the standard of new homes as well as the numbers.

CIH submission: http://bit.ly/PPLmLi

Running alongside this is a review commissioned by the Department for Communities and Local Government focusing on the role of English local authorities in enabling new housing supply. It will consider how stock owning councils can use their new self-financing powers to support housing supply; how authorities can use their assets, capacity, skills and land to increase supply; the innovative finance mechanisms councils have used to help lever-in additional capital for housing development; and the ways local authorities can drive efficiency improvements in the management and development of social housing. The review began in January 2014 and will report by the end of the year.


The Anti-social Behaviour, Crime and Policing Bill is progressing through the Westminster Parliament. Scheduled for implementation in Autumn 2014, we expect the new Act to bring fundamental changes to the tools and powers available to social landlords dealing with anti-social behaviour (ASB). CIH has had a key role in shaping the contents of the Bill and also in negotiating amendments to ensure that landlords have access to appropriate and effective solutions to tackle ASB and protect the tenants affected from harm.

Latest: http://bit.ly/1iPu8cv
On top of the Scottish Government’s Autumn 2013 announcement of £20m for additional Discretionary Housing Payments (DHPs) for local authorities in both 2013/14 and 2014/15 – mainly to deal with the bedroom tax – a further £15m of help has been announced for 2014/15. This will bring the total funding for DHPs to almost £50m, which represents the entire estimated cost of the bedroom tax in Scotland. Of this total, around £13.5m is the Department for Work and Pensions’ (DWP) contribution. At the time of writing, the Scottish Government is still waiting to hear whether the UK Government will permit it to exceed the existing legal limit on topping up the DWP’s own DHP allocation. If the answer is no, then the Scottish Government will need to find an alternative way of making the money available to cover the bedroom tax, probably through some kind of ‘landlord debt write-off fund’.

A proposed measure on age and allocations in the Housing (Scotland) Bill has been the subject of significant contention. Requested by CIH Scotland, the Bill will lift the prohibition on taking age into account in allocations. The current ban means that it is unlawful, for example, for a social landlord to seek to rebalance in a situation where a particular block houses a disproportionately large number of younger single households with complex needs. The Bill reminds landlords of their general equality duty not to discriminate unfairly on the grounds of age but enables landlords to use age in specific lettings situations. Opponents, led by Shelter Scotland, say the Bill will lead to younger people being discriminated against.

The Scottish Housing Regulator has questioned housing association and local authority rent increases which commit to a formula of RPI plus one percent or similar amounts. Speaking at CIH Scotland’s annual conference in March, regulator Michael Cameron asked landlords to consider carefully if they were happy that tenants hit by welfare reform and other pressures could continue to afford rents which were rising by more than inflation.
Two key Bills continue through the legislative process at the National Assembly; the Housing Bill (Wales) which includes the introduction of a national PRS registration and licensing scheme as well as a statutory duty to prevent homelessness, and the Renting Homes (Wales) Bill that introduces tenancy reform to all rented properties. Other Bills with housing-related content include the Violence against Women and Domestic Abuse Bill, the Social Services Bill and the Planning (Wales) Bill which are at various stages of progress within the legislative programme.

Welsh Government has reaffirmed that its top priority is to increase the supply of much needed homes – by announcing that the Minister will be appointing a Housing Supply Adviser, increasing the delivery target to 10,000 new affordable homes during the current Welsh Government term and supporting a number of pilot projects to make best use of land and finance.

A Welsh Government initiative to help first time buyers and existing home owners purchase a new-build home up to a value of £300,000 with as little as a five percent deposit went live in January.

Welsh Government has published research commissioned to review the support provided by Welsh Government to tenant participation in the social housing sector.

The Silk Commissions’ first report recommended that the Welsh Government should establish a new Welsh Treasury function to manage new tax and borrowing powers for Wales.

The Silk Commissions’ second report was published in March and includes recommendations that the settlement should be enhanced and restructured to a reserved powers model, in which powers reserved to the UK Government are listed, with all others being devolved, and that the number of assembly members are increased.


Website: [http://helptobuywales.co.uk/](http://helptobuywales.co.uk/)

The Department for Social Development (DSD) has published research to inform a fundamental review of social housing allocations policy. The purpose of this review was to ensure that the current ways of accessing the social housing waiting list and allocating social housing make the most effective use of scarce public resources in identifying and meeting housing need.

The three reports, prepared by the Universities of Ulster and Cambridge, provide the researchers’ views on the future of social housing allocations. The key recommendations of the report include adopting a banded approach for prioritising applicants; establishing a choice based letting (CBL) system for allocation; and introducing a personalised housing options service on approach.

DSD also intends to introduce a Bill in the Assembly to tackle anti-social behaviour (ASB) in social housing. Its chief proposal is to introduce a new type of social housing tenancy (the short secure tenancy) based on demoted tenancies in England. Where a tenant has been convicted of or is subject to certain court orders relating to ASB, landlords can convert secure tenancies to short secure tenancies that last for at least six months and during which the courts must grant a possession order if the landlord seeks it. DSD first sought this measure in 2010 but some consultees were against it “on the grounds that they could offer a fast track to eviction without due process” and the department didn’t proceed on that occasion, but is now seeking to do so amidst continuing opposition from some housing organisations.

The Landlord Registration Scheme for private landlords has been launched in Northern Ireland. From 25 February 2014 all private landlords must register, but where there is an existing tenancy landlords may register within 12 months. Unlike the Republic of Ireland, landlords only pay one fee regardless of the number of properties they own (£70 online or £80 paper-based application) for a registration period of three years. The fee is used to pay for the running costs of the scheme which provides access to advice, guidance and links to useful information on the PRS. Landlords who have paid to register an HMO are exempt.
Where do you want to grow old?

Caren Gallagher, projects officer for the Irish Council for Social Housing (ICSH) – Making the case for extra care housing

If we are lucky enough to grow old, how will the transition from living independently through to high dependence or support be managed, and importantly, where? If the option to stay at home is no longer open to you, what choices do you have that enable you to continue to live as independently as possible in your community? There is a strong consensus from research and consultation that the majority of older people wish to remain in their own home for as long as possible.¹

The fact that Ireland, and indeed, many other European countries have an ageing population is well documented. In Ireland, according to the Central Statistics Office (CSO) projection, the population aged 65 and over will more than double from 11.6 percent in 2011 to 27.9 percent in 2046, an increase by approximately 25,000 year on year.

The challenges created by what have been described as a ‘time bomb’ for both government and communities are significant as current services and infrastructure designed to assist older people, in their current form, will no longer meet their needs.

As far back as 1988 with the National Council on Ageing and Older People (NCAOP) ‘Years Ahead’ report, followed by the O’Shea Report on Nursing Home Subventions (1993), the Mercer Report (2003) and Towards 2016 – Ten Year Framework Partnership Agreement, the policy of supporting community-based, sheltered housing and care options has been recommended. The report on supportive housing by the NCAOP in 2007 recommended that supply should be increased to a minimum provision of 25 supportive housing units per 1000 people aged 65 and over. More recently, one of key priorities for the HSE National Service Plan in 2014 is to develop a more integrated model of care with a strong emphasis on home care and other community support services. This is to enable older persons to live independently in their homes for as long as possible.

Despite a general acknowledgment and acceptance across government departments for many years that people should be enabled to remain in their homes and communities as they grow old, sadly this has not happened in practice. There has been no integrated policy developed for supported housing for older people which is why the commitment under the social partnership agreement ‘Towards 2016’ to establish a cross-department team on sheltered housing was essential to develop a new national policy framework. It is unclear what happened to this commitment as it appears to have been buried somewhere in the broader Positive Ageing Strategy. The result is a model of elder care employed in Ireland which has led to over dependence on residential nursing homes to meet the care needs of the elderly.

In 2013, for example, a total of €998m was spent on the Nursing Homes Support Scheme (also called Fair Deal) which is the largest proportion of the HSE budget. The remainder of the budget (28 percent) is spent on supports to assist people to remain at home through Home Care Packages (HCP), Home Help Scheme (HHS) and Day Care. According to McKeown et al (2014) ², these constitute 78 percent of recipients of services for older people.

In simple terms, nearly a quarter of all clients of the budget (22 percent) received nearly three quarters (72 percent) of the total HSE budget for Older People – and this is being spent on residential care.

² McKeown, K, Prachtschke, J & Haase, T (2014) Individual Needs, Collective Responses, the potential of social enterprise to provide supports and services for older people. Fourth Age Trust
Significantly, the process of strategic realignment of the model of care in the HSE 2014 Service Plan has been underpinned by moving €23m of current resources from the Nursing Home Support Scheme (NHSS). However, given the growing demand for the NHSS since its introduction in 2009, this will undoubtedly create pressure on system which is already stretched.

### Funding for housing adaptations

Demand for grant aids to enable people to continue living at home has increased significantly from 2,642 in 2008 to 10,002 in 2011 with expenditure falling from €79m in 2011 to €38m in 2014. Cutbacks and changes to eligibility criteria introduced in January 2014 to the housing aid grant for older people, the housing adaptation grant for people with a disability and the mobility aid grant have caused widespread concern raising the issue of how people who wish to remain in their home can access the supports to do so.

### Funding for supported housing

In 2005, the Government announced that an allocation for funding to support the development of supported housing would be introduced. While the initial budget line for the funding was low, this was welcomed as a step forward. The funding line did increase slowly to €1.6m in 2008. Alongside this, the cross departmental team on sheltered housing was established to develop and oversee policy on sheltered housing for older people and to agree protocols for integrated management and delivery of housing and related care services.

These welcome steps forward did not go any further as the funding stream was absorbed to the point where a direct application could no longer be made to the HSE and the Cross Departmental Team has not been sustained.

### Non profit housing and older people – options and solutions

Along with implications for health care, pensions and long term care, housing is a critical factor for consideration in this debate. Housing can have a huge impact on the quality of life for older people and for those who care for them. The options for people who find they are no longer able to continue to live in their own home have been limited with few choices available along a housing with care continuum leading to premature entry into residential care.
Many older people will remain in mainstream housing all their lives with inputs needed such as repairs, home care services or assistive technologies, however there are a significant proportion of people in other housing arrangements. These include living with relatives, private rented sector, long stay care residents or those in social housing of which supported housing and homeless hostels are a subset. The last housing needs assessment, carried out in 2013, found that nearly 5,000 of the main applicants for social housing were aged 60 years and over. This is set to increase significantly when the next assessment takes place as over 9,000 people were aged between 50 and 60.

In 2012, ALONE, a charity and non-profit housing association supporting older people, found that the most frequent request from callers was in relation to housing issues ranging from older people living in sub-standard housing conditions, loneliness and isolation, older people at risk of homelessness in need of housing and mobility issues. They noted a huge demand for housing. Recent Dáil debates on social housing and homelessness also heard a number of TDs stating that the main issue raised at constituency offices relates to housing.

There is a gap between mainstream housing and nursing or other forms of long stay care which the non-profit housing sector has bridged for many years. The Irish Council for Social Housing (ICSH) believe that the non-profit housing sector currently plays an extensive and vital part in the provision of housing and supports for older people with a range of housing available in nearly every region in Ireland. An invaluable nationwide infrastructure of services for older people has been built up over the years offering choices for older people in housing, support and care and this is a resource which can be built upon.

It is estimated that over 7,000 social housing units for older people have been developed by the sector and research carried out by the ICSH provided information on 4,500 of those units.

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3 Housing Agency (2013) Summary of Social Housing Assessments 2013. Department of Environment, Community and Local Government
4 The Irish Council for Social Housing (ICSH) is the national representative federation for non-profit housing associations with over 270 members who provide housing for older people as well as low income households, people who are homeless and people with disabilities.
Information was obtained on 210 schemes provided by 176 non-profit housing associations and an online mapping service was produced which provides details of supported housing schemes across the country.

Whilst the model of supported housing can vary, the provision of accommodation with some level of support to older people is at the heart of the service. Accommodation can be clustered self contained homes, with low support through to housing with on-site supports, meals, staff, laundry and communal facilities.
Value for money
The value for money that supported housing offers to Government is particularly relevant given the current economic climate and the expenditure figures that were outlined earlier. The average cost of a bed in a public nursing home is approximately €57,000 per annum and the typical cost of a bed in a private nursing home is €52,000 per annum in Dublin and €42,000 outside Dublin. By comparison, the ICSH estimate that higher supported housing costs on average €10,000 per unit per annum.

Existing funding arrangements for supported housing are not streamlined and the lack of a dedicated revenue funding stream raises significant challenges. Innovative approaches to funding arrangements have led to bundling of individual home care packages within schemes, again representing a value for money approach.

A case example of this is Charleville Sheltered Housing Services in County Cork which provides 30 homes for older people along with support services including on-site meals, housework assistance, daily care support, transportation service and caretaker. Through combining the homecare packages, a nurse is available for evenings as well as a morning nurse at weekends and a night support worker.

Looking to the future
The HSE have stated that it sees a significant role for supported housing in the future due to the gap between living at home and long term care but that this model would need to be adapted to incorporate higher levels of care. This ‘extra care’ model is much needed and the demand will only increase given the predictions for our ageing population. Non-profit housing associations can, and do, offer specialist supported housing but the current ad hoc revenue funding mechanisms undermine the financial viability of this model and long term care funding structures are biased towards residential care. In addition, cuts to the Capital Funding Scheme (CAS) which is used to provide housing for older people have reduced the number of supported housing schemes being developed by non-profit housing associations. If the government is serious about promoting independent living, non profit housing associations are already at the heart of hundreds of communities doing just that. The establishment of a structure to coordinate the development and delivery of policy on supportive housing for older people, including ‘extra care’ housing, should be central to any new efforts to make this a more realistic mainstream housing option for older people. Investment to enhance this community care model further is essential along with the development of appropriate domiciliary care standards which was a commitment under the Programme for Government.

6 Presentation given to delegates at the 2013 ICSH National Conference by HSE National Services Director for Older People
7 Convery, J (2013) Here today, gone tomorrow: the development of housing with care for people with dementia in Ireland. TCD.
8 The Capital Assistance Scheme (CAS) has been reduced from €130m in 2008 to €35m in 2014.
Feature: Housing in crisis

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Mortgage arrears

Karl Deeter, compliance manager at Irish Mortgage Brokers – The reality of mortgage arrears

Mortgage arrears and the problems that go with them are a depressingly common headline and reality in Ireland of 2014. Actual arrears data can be misleading – a person can be in arrears, show up in the statistics and be in rude financial health.

How does that happen?
Imagine a person gets an expenditure shock, every study thus far focuses on income shocks even though the Building Society Association in the UK demonstrate that 38 percent of arrears are explained by expenditure shocks such as unexpected bills or medical expenses and have nothing to do with income changes. This person misses two months payments because of it and is now an arrear statistic.

They may have arranged to pay back a small portion of the arrears over the next year, but for that entire year they are ‘in arrears’ even though things are getting better and there is no long term issue regarding the loan.

That mortgage arrears affect over 140,000 accounts from upwards of 750,000 is worrying but beneath this there is improvement that won’t show up as a ‘cure’ for some time yet. This doesn’t explain away the rump of them though so the call sign is and shall remain ‘Houston, we have a problem’.

Another big issue is the government lead assault on incomes – repeated austerity budgets mean that people have far less to live on – so it isn’t any surprise that in 80 percent of households with arrears there is no unemployed adult, something Yvonne McCarthy of the Central Bank revealed in a recent study.

Huge distress, both financially and personally is common in mortgage arrears – as a debt mediator I have sat through countless meetings with people who spend most of it broken down in tears. Seeing this in women is difficult but there is something particular about seeing a grown man cry.

The toll taken on households who are the ultimate economic unit of any society has been simply too large and something has to give. Often that ‘something’ is debt repayments and often that debt repayment is the mortgage debt repayment.

The same Central Bank study showed that 57 percent of those in arrears had equity in their home, meaning they could sell and make a profit, but an anti-repossession preference has prevented this and former financial regulator Matthew Elderfield stood over the most delay causing catastrophic mortgage regulation perhaps anywhere in Europe which compounded the problem. Add in the Justice Dunne ruling and it’s a match made in hell.

Not repossessing also creates victims – the current tranche of buyers who bemoan there being ‘no stock’ are testament to this. The rented sector is already overstretched and taking people out of mortgaged properties only creates a housing version of the game ‘whack a mole’, but equally, protecting incumbents at the expense of people in the rented sector when the renters are expectant willing buyers is wrong.

The lasting effects of mortgage arrears will be that about a fifth of the workforce will have impaired credit, the housing shortage that will become more topical in the coming months will not be met buy supply fast enough to stop increasing prices which have a negative knock on effect in terms of productivity, investment and savings.

People with trackers are loath to move as moving ultimately means giving the product up, the homes in negative equity are structurally stuck and those who stay out of it are facing higher rents while the housing list is bursting at the seems with over 100,000 already ‘waiting’.
All of these facts are parts of the reason repossessions can and must increase. The stagnation stand-off has to be broken somehow and a combination of long-term sustainable solutions, debt write-downs, repossessions and insolvencies or bankruptcies will be part of it. The overriding social charge is to allow this to happen in the most humane manner possible but a person’s protective rights when getting repossessed are largely determined by the courts and are outside of those set out in the Mortgage Arrears Resolution Process (by its nature the previous rights are expired by the time repossession is granted).

Sadly there are more questions than answers in the area of mortgage arrears, more nuances than headlines suggest and data discoveries such as the high-level of working households with arrears which confounds conventional wisdom.

With the bank mortgage resolution targets set, perhaps it is time that we instead focus on finding ways to reduce poverty in the affected households and seek for that humane transition from indebted owner to renter, while pushing more housing of a higher quality so that the economic damage of rising prices and social misalignment (as people move to areas they would otherwise not live in) can be minimised.

“The toll taken on households who are the ultimate economic unit of any society has been simply too large and something has to give.”
Evictions

Evictions in Irish housing are analysed by NUI Galway’s Dr Padraic Kenna

In Ireland, we have a deeply historical sentiment on evictions. The iconic Irish Land League founder Michael Davitt wrote that an eviction was the expression of the power of profit and of property over the right of a family. In the 19th century evictions represented the exercise of raw power of the dominant class, often supported by militias and resulting in widespread homelessness and even death from exposure.1 Today, an eviction represents the collision of basic human or housing rights with property rights, whether these are held by a bank, a landlord or a property owner. Some would suggest that this represents the boundaries of enforceable housing rights. It comes as no surprise therefore there is great media and political interest in any evictions which take place, in the context of this historical legacy.

Figures on actual evictions are not easy to find – and there are, of course many eviction processes where the occupier voluntarily surrenders their accommodation. The most high profile area of evictions today arise from mortgage repossessions, usually on grounds of arrears and by sub-prime lenders. The numbers of properties repossessed by banks and other lending institutions are collated by the Central Bank. These show a rising level of evictions from 2010, although the figures are relatively low in relation to the numbers of arrears cases, or indeed, compared to Northern Ireland or England and Wales.

Table 1. Repossessions by mortgage lenders 2010-2013 (3rd Quarter) 2

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of properties taken into possession by court order</td>
<td>102</td>
<td>206</td>
<td>194</td>
<td>188</td>
</tr>
<tr>
<td>No. of properties taken into possession by voluntary surrender</td>
<td>261</td>
<td>402</td>
<td>410</td>
<td>410</td>
</tr>
</tbody>
</table>

In relation to rented housing there are significant numbers of evictions every year, in the private rented sector, and by local authorities and housing associations. The number of repossessions carried out by local authorities for all reasons were 44 in 2010, 70 in 2011, and 83 in 2012. The main reasons were rent arrears followed by anti-social behaviour. Local authority repossessions under the shared ownership, affordable ownership and low cost home ownership schemes by local authorities were 89 in 2010, 103 in 2011 and 137 in 2012.

In relation to evictions from private rented housing – a legal category where housing associations evictions are also included (until the new regime is established under the amended Residential Tenancies Act when it comes into force) statistics are not so accessible. The Courts Service Annual report for 2012 shows that there were some 1,794 applications for ejectment orders in the District Courts in 2012, and of course these would include the 83 local authority evictions and 73 evictions from low cost home ownership schemes. The PRTB dealt with 67 eviction cases in 2010, 97 in 2011 and 36 in 2012. However, there are no statistics available on the number of evictions carried out by housing associations or cooperatives.

While there is a clear system of due process in the law, in many cases occupiers are unrepresented in evictions procedures. Nevertheless, Articles six and eight of the European Convention on Human Rights and Fundamental Freedoms (ECHR) establishes a set of rights in relation to deprivation of home, encompassing fair procedures and an independent and impartial tribunal being able to examine the proportionality of the eviction.3

In order to comply with these Articles, where a person being evicted challenges the legality of the action, the State must ensure that there is a fair hearing before an independent and impartial tribunal, with legal assistance where the issues are complex, and where the reasons for eviction can be examined. Article eight requires the State to ensure that the framework for evictions contains sufficient procedural protection (as set out in Article six) so that the proportionality and ‘pressing social need’ of the eviction can be justified. This applies to any accommodation which a person regards as ‘home’ legally or illegally occupied.

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3. See McCann and Others v. the United Kingdom, 27 September 1995, Series A no. 324; Connors v. the United Kingdom, no. 66746/01, 27 May 2004; Yordanova and Others v. Bulgaria, no. 25446/06, 24 April 2012.
Tens of thousands of evictions since 2007, 3.5 million empty houses in 2011, an unemployment rate of 26 percent, a youth unemployment rate of 60 percent, a tax evasion ratio of 25 percent and two complete reforms of the mortgage market and the law of leases. After the perfect storm, Spain begins 2014 with artificial growth of a private rented sector otherwise with the smallest share in Western Europe – growth due to the lack of liquidity of Spanish lending institutions and the difficulties for businesses and people to access credit – as well as experiencing a consistent fall in the value of properties and a mortgage delinquency ratio of eight percent, which is increasing every year.

Even if the devastating worldwide impact of the United States mortgage crisis involving massive mortgage defaults was fundamentally due to international ‘mortgage securitisation’, the generalisation of homeownership through the over-indebtedness of families clearly unable to pay back their loans has been one of the main reasons why the 2007 crisis has hit harder in countries such as Ireland, Spain, Greece or Italy. Reckless lending and irresponsible borrowing combined to rock both the mortgage markets and the idea of the home as a human right.

Spain reacted to this scenario very late. The first relevant measures did not arrive until 2011, forced by two factors: firstly, imprecise data offered by the Government Body of the Judiciary announcing 400,000 mortgage enforcements and evictions since 2007. It was imprecise as they did not discriminate between first residences and other properties, even commercial premises: secondly, the first judicial decisions on bad banking practices that revealed an abuse of consumers in the mortgage lending business. At the same time, the so-called ‘Robin-Hood’ judicial decisions began – decisions not based on law but on each judges’ own personal idea of justice ‘in order to favour the poor (consumers at risk) against the rich (the banks). The environment that greeted those changes was massive demonstrations in the streets against the banks, the politicians and even against the ones that I personally consider the most responsible for the crisis, the ratings agencies.

The legal changes were twofold – one set of changes that dealt with the most urgent matters (evictions, bad banking practices) and those that were structural to prevent further housing bubbles (the regulation of intermediate tenures in Catalonia).

In 2011 the minimum amount of household income per month unable to be seized by creditors was increased to an average of €1,200.

In relation to the former, in 2011 the minimum amount of household income per month unable to be seized by creditors was increased to an average of €1,200 (called the minimum unforeclosability threshold). In addition to this, banks were forced to take a mortgaged property if public auction was unsuccessful and, as a consequence, were also forced to reduce the amount due by the borrower by 60 percent – increasing in 2013 to 70 percent. All Spanish mortgages are recourse mortgages, except if otherwise agreed by the parties. In 2012, a code of good practice was accepted by the majority of banks – the measures of which were not deemed very burdensome – compelling them to accept forced
acquittance’s, delays or even the datio in solutum in cases of mortgages defaulted by people in need. Moreover, a pool of several thousand dwellings was created for social rented housing, instead of using the properties transferred to the newly created ‘bad bank’ (Sareb) for this purpose. Unsurprisingly, the bad bank is obliged by law to speculate with unsold properties belonging to partly nationalised banks (eg Bankia, CatalunyaCaixa) and to sell them for profit in 15 years in packages, mainly to international investment funds. Also in 2012 a moratorium of mortgage enforcements against people in need was introduced, which finishes later this year.

In relation to the latter, most relevant reforms came in 2013 with important changes to legislation and the mortgage market.

These included more protection for consumers in cases of mortgages on their first residence, and in the law of leases a decrease in the protection of tenants, seeking to encourage landlords to let their empty properties.

Also in 2013, for the first time since the 1940s the Spanish National Housing Plan (2013/16) focuses on promoting the renting of dwellings and their rehabilitation instead of homeownership. In 2014, Catalonia will probably pass new legislation introducing shared and temporary ownership to promote affordable and stable access to housing, thus avoiding over-indebtedness.

It is too soon to say to what extent these measures will palliate or solve the negative consequences of the crisis. However, this twofold approach of addressing urgent matters and more structural solutions seems to be correct – the minimum unforeclosability threshold, the code of good practice (reinforced in 2013) and the mortgage enforcement moratorium have contributed in slowing down evictions. Though it should be noted in 2013 those evicted for not paying rent were more than those evicted for not paying their mortgage. Meanwhile the measures with longer scope may contribute to avoiding new bad banking practices or even the over-indebtedness of families.

Right to housing

Dr Rory Hearne of NUI Maynooth describes achieving a right to housing in practice

There is an increasing political and policy focus on how states are meeting their human rights obligations. The Irish government, for example, is signatory to various international human rights treaties which outline its obligation to meet the rights of its citizens, including housing, community development, protection from social exclusion and local participation in decision-making processes. For example, the Universal Declaration of Human Rights Article 25 states that “Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing.” While the UN Committee on Economic, Social and Cultural Rights has defined this right as...
... adequate housing must provide the inhabitants with adequate space and protect them from cold, damp, heat, rain, wind or other threats to health, structural hazards and disease vector and provide safe drinking water, energy for cooking, heating and lighting, sanitation and washing facilities, means of food storage, refuse disposal, site drainage and emergency services.

Ireland is also a signatory to the European Social Charter which outlines the right to housing and protection from social exclusion. However, human-rights based approaches – especially those based on national and international law, have faced significant challenges in achieving the implementation of housing rights as local and national level governments fail to implement the necessary policy and funding changes. Furthermore, recent austerity policies have been criticised at a European and UN level as violating the social and economic rights of citizens.

In recent years local communities and social movements have campaigned for a human rights approach to housing, urban development and local democracy in what has been called the ‘right to the city’ movement. This can be seen in Brazil where the ‘right to the city’ was recognized as a collective right in 2001. In New York the Right to the City Alliance was formed in 2007 to protest against gentrification, while UN Habitat has placed the achievement of the right to the city as its central objective. In Ireland, the Dolphin House community, a local authority estate in Dublin’s inner city, used such a human rights approach to campaign for housing and regeneration rights. The Dolphin House case study provides interesting insights and lessons for community activists, policy makers and academics. Their human rights campaign, the Rialto Rights in Action group, was set up in 2009 to respond to the substandard housing conditions that tenants were living in as a result of the collapse in private-public partnerships (PPP) regeneration plans. The campaign was based on empowering and educating tenants in their international and national human rights, organising public human rights ‘hearings’, media work and lobbying politicians. Initially the City Council and government denied the extent of the problems and blamed tenants for causing sewage and mould conditions. The human rights framework applied by tenants and local community groups, however, shifted the issue by connecting the substandard housing conditions to the Irish state’s obligations under international human rights treaties. They used this human rights approach to pressure the Irish State (at all levels from local council, to TDs to Government Ministers (duty-bearers) to fulfil their obligations, arising from the various international human rights instruments, to the tenants (rights-holders). After two years of public pressure on the local council, politicians and the Ministers for Environment and Housing the state accepted its responsibility. In 2012 and 2013 Dublin City Council (through Department of Environment funding) refurbished to a new high standard forty apartments that were worst affected by damp and mould on the estate. The right to participation in the decision-making processes of regeneration and housing issues was also a key demand of the tenants and the council also agreed to this as the campaign progressed. New regeneration plans were thus developed in partnership with the community. Importantly these provide for maintaining and sustaining the community in situ rather than the dominant displacement strategy planned through PPPs. This case reveals the creative energy and solutions that can be developed from a community empowered through human rights. It also highlights the political power that a community can create to change their conditions by using a public human rights campaign. This has relevance for other social housing tenants, private rented tenants, those in mortgage crisis, the homeless, and travellers. It is a collective approach that relocates the concept of housing away from the dominant approach of being treated as a commodity and a speculative asset to become a right. That is, something that all citizens have an entitlement to and that the state has the obligation to provide to an adequate standard. Applying housing rights in this way offers the potential of a profound transformation in the way in which housing is currently delivered, commodified and experienced.
Despite numerous false dawns, Ireland’s economic recovery seems to be finally commencing. However, as the Nevin Economic Research Institute (NERI) and other economists reviewing the data have stressed, the recovery to date has been fragile and various risks remain. Among these is the slow pace of consumer spending – the largest component of economic activity in Ireland. Households are still cautious and absorbing the effects of tax increases, pay decreases, historic debt levels and ongoing declines in real earnings.

In this article, we focus on the role housing can and will play in the economic recovery. In it we make three key points: first, housing is an important part of the economy; second, housing should be an important part of the recovery; finally, we suggest that Ireland needs to enter a new era for housing and housing policy; one where the primary and dominant role for housing is seen as providing accommodation rather than easy and excessive capital gains.

Housing is an important part of the economy

Housing has been one of a number of issues that has sat at the core of Ireland’s recent economic collapse. The house price and building bubble is outlined in table 1. Between 1995 and the house price peak in 2007, three-quarters of a million units were built representing almost 40 percent of the housing stock. Construction peaked at 93,000 units in 2006 and prices a year later. Compared to average household gross incomes, house prices climbed from a ratio of just under 3.5 percent to 5.5 percent in the years from 1995-2006; a significant increase that carried obvious implications for affordability and personal debt. Recent house price declines have reduced the ratios with average incomes and earnings, representing some movement back towards affordability. However, between their peaks and 2013, house prices declined by an average of 27 percent and completions by 91 percent.

Many of the legacies of the housing collapse remain to be addressed and the lack of sufficient progress on these issues further elongates the impact of the crisis on the economy. In particular issues of long-term mortgage arrears, the repossession of unsustainable mortgage properties and the protection of tenants in rented investment properties that are foreclosed remain. Similarly, the lack of a robust conclusion on the ‘capital holes’ in the banks as a result of mortgage defaults, repossession and restructures remains a damper on the overall economic outlook. Addressing and resolving these issues, including assisting households that face restructure and repossession, remains a key part of re-establishing a stable outlook for the exchequer, the banking sector, business and households.

The severity of the collapse in commercial land and property prices, followed by the decline in residential prices and associated employment and economic activity has impacted hard on the economy. Aside from the legacy bank rescue costs, the completion data in table 1 point towards levels of activity that are well below normal. Similarly, uncertainty and high mortgage debts continue to suppress spending and
broader economic activity. The housing sector, an important part of a normal economy with sustained employment, investment and consumption, remains worryingly suppressed. However, the very expensive lessons of recent years must not be lost. Excessive house prices were not good news for the economy or society generally. Overall and for various reasons, a key sector of the economy was let get out of control and allowed to alter from its core role of accommodation provision to instead pursue capital gains.

### Table 1: Irish house completions, average prices and comparisons with income/earnings. 1995-2013

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of dwellings completed</th>
<th>Average house prices (€)</th>
<th>Relative to gross household income</th>
<th>Relative to disposable household income</th>
<th>Relative to gross average earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>30,575</td>
<td>77,994</td>
<td>3.43</td>
<td>4.18</td>
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<tr>
<td>1996</td>
<td>33,725</td>
<td>87,202</td>
<td>-</td>
<td>-</td>
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<tr>
<td>1997</td>
<td>38,842</td>
<td>102,222</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1998</td>
<td>42,349</td>
<td>125,302</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>1999</td>
<td>46,512</td>
<td>148,521</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2000</td>
<td>49,812</td>
<td>169,191</td>
<td>4.87</td>
<td>5.88</td>
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</tr>
<tr>
<td>2001</td>
<td>52,602</td>
<td>182,863</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2002</td>
<td>57,695</td>
<td>198,087</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2003</td>
<td>68,819</td>
<td>224,567</td>
<td>4.96</td>
<td>6.24</td>
<td>-</td>
</tr>
<tr>
<td>2004</td>
<td>76,954</td>
<td>249,191</td>
<td>5.05</td>
<td>6.45</td>
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<tr>
<td>2005</td>
<td>80,957</td>
<td>276,221</td>
<td>5.41</td>
<td>6.82</td>
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</tr>
<tr>
<td>2006</td>
<td>93,419</td>
<td>305,637</td>
<td>5.55</td>
<td>7.00</td>
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<tr>
<td>2007</td>
<td>78,027</td>
<td>322,634</td>
<td>5.39</td>
<td>6.72</td>
<td>-</td>
</tr>
<tr>
<td>2008</td>
<td>51,724</td>
<td>305,269</td>
<td>5.04</td>
<td>6.22</td>
<td>8.30</td>
</tr>
<tr>
<td>2009</td>
<td>26,420</td>
<td>242,033</td>
<td>4.28</td>
<td>5.27</td>
<td>6.57</td>
</tr>
<tr>
<td>2010</td>
<td>14,602</td>
<td>228,268</td>
<td>4.22</td>
<td>5.29</td>
<td>6.32</td>
</tr>
<tr>
<td>2011</td>
<td>10,480</td>
<td>230,303</td>
<td>4.35</td>
<td>5.51</td>
<td>6.41</td>
</tr>
<tr>
<td>2012</td>
<td>8,488</td>
<td>220,415</td>
<td>-</td>
<td>-</td>
<td>6.11</td>
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<tr>
<td>2013</td>
<td>8,301</td>
<td>234,301</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

This table updates an analysis from Drudy and Collins (2011). Household income data are averages from the CSO’s Household Budget Surveys and Survey on Income and Living Conditions. Disposable income is income after taxes and social transfers. Average earning data is only available from 2008 onwards.

### Housing is an important part of the recovery

A further legacy of the recent economic collapse is that policy makers are reluctant to engage in anything related to housing. However, just because previous policy initiatives were flawed and inappropriate does not mean that current and future initiatives are to be avoided.

The collapse in house completion figures (see table 1) has occurred despite recovering demand for housing and untapped potential for additional supply. On the demand side there are underlying market needs linked to the structure of the population, the slow recovery in employment and a gradual emergence of lending capacity. Furthermore, the demand for social housing remains extremely high with 89,872 households recorded as on waiting lists in May 2013; more than twice the level in 2005. On the supply side, a profile of the unemployed points towards large numbers of males with skills and experience in the skilled trades who are unemployed. Across Europe in 2012, 7.2 percent of those employed worked in the construction sector while the Irish figure was 4.7 percent, a number that implies that more than 50,000 workers are likely to regain employment in this sector as it recovers and returns to levels equivalent to European norms.
For housing to play the role it should in Ireland’s economic recovery, a number of policy initiatives are preferable. These are spread across various sectors of the economy and collectively assist in re-establishing economic stability and encouraging a revival in housing investment. Central is the emergence of a more stable economic environment, one where unemployment continues to fall, households feel more financially secure and real earnings (wages adjusted to take account of price rises) begin to increase once again. As the domestic economy stabilises and recovers, activity should pick up in the housing market and further buttress an economic recovery.

The emergence of a more normal banking environment, where individuals and businesses with good lending prospects can access finance, is also key. Since their rescue, banks have remained overly focused on building capital buffers and the protracted period of banking uncertainty, which seems likely to continue for at least another few months, has played a key part in keeping Ireland’s levels of investment at around ten percent of GDP – considerably below normal levels and hardly sufficient to replace existing capital stock. Greater availability of credit would fuel overdue domestic economy investment and recovery.

New tax incentives for property development are bound to be suggested as a method of further encouraging activity and recovery in the housing sector. In that regard we note the review of tax expenditures by the 2009 Commission on Taxation and its conclusion that previous schemes raised issues of effectiveness, deadweight and adverse equity and that it was reluctant to recommend them as appropriate policy instruments. However, as a return to normal conditions is awaited for the housing market, there does seem to be merit in government investing in a new social housing programme which would simultaneously address the aforementioned waiting lists and in the short-term boost activity, output and employment in the housing sector. Structured on a commercial basis, and perhaps drawing on some of the funds available from the new Ireland Strategic Investment Fund and other sources such as pension funds, a plan to build 25,000 additional units over two or three years seems feasible. Based on Department of Finance job multiplier estimates, such a scheme would create approximately 20,000 jobs in the sector. As that programme winds down, the broader housing sector should be in a better place to absorb these workers and maintain its return towards more normal levels of activity and employment.

A new era for housing policy

Given Ireland’s recent economic history, recovery must not mean a return to the ways of the past. As a society we cannot afford to repeat the housing boom experience. The scars of high housing debt and excessive commuting remain for many families while more generally the economy has been scarred by reduced activity, unemployment and a ballooning of the national debt which has climbed from 25 percent to 125 percent of GDP.

A new era for housing policy is required. It must be one where there are no more massive increase in house prices – these should more or less track inflation and give a return to their owners in terms of accommodation, or sustainable flows of income to landlords, rather than large capital gains. New policy tools, such as the residential property tax or reforms to the exemption of capital gains on principal private residences, should be used if needed. Overall, policy needs to recognise the dangers of a repeat of history and aim for a stable and unexciting property market which serves the sole function of providing accommodation.

References


About every three years the Department of the Environment, Communities and Local Government (DECLG) carries out an assessment of housing need. This essentially involves a count of all the households on local authority housing waiting lists (HWLs) – which comprise households who are eligible for social housing across the country. The laudable aim of this exercise is to collect information on the nature and extent of need for social housing. The number of households on housing waiting lists increased sharply between 2005 and 2011 before dropping in 2013 when the methodology was changed (see below).

A household will generally be eligible for social housing if its income is below a set amount. Because there are far more people eligible for social housing than the social housing available, it has to be rationed. In Ireland eligible households are normally allocated social housing (provided by either a local authority or a housing association) according to their housing need. People with high housing need will get housed ahead of people with lower housing need.

But what is housing need?
It’s a rather slippery concept that can probably best be described in these terms: ‘a household is in housing need if the household’s current housing situation is below agreed minimum standards.’ – Yes, a pretty vague definition, I agree. – That is because housing need is to a significant extent a subjective evaluation. – So, for example, whether or not a family is overcrowded is measured by reference to fairly arbitrary standards that are assumed to be broadly acceptable to most people. Furthermore, it is impossible to say objectively whether an overcrowded family has greater or less housing need than a family living in an apartment that is damp and has inadequate heating. So measuring housing need is a tricky business.
As well as overcrowding, other common categories of housing need include inadequate sanitary and washing facilities, lack of security of tenure, living in temporary accommodation, needing special housing because of a disability, etc. Despite the problems of subjectivity referred to above, many local authorities allocate points for different aspects of housing need. Each household is awarded a number of points which will be a measure of their housing need. The more points you have the quicker you'll be housed.

So, back to the assessment of housing need – how well does it measure the need for social housing? The answer is not very well at all. It has a number of serious flaws:

• There are an unknown number of people who may be eligible for social housing who are not registered on HWLs. This includes many homeless people, who by any standards have the greatest possible housing need.

• Believe it or not there are many people registered on HWLs who don’t want social housing and wouldn’t take it if it was offered to them! The reason for this bizarre state of affairs is that some applicants for rent supplement (a social welfare payment that helps them with private rented sector rent) have to register on the HWLs to be eligible for this benefit. Some rent supplement claimants may not want social housing because they think their housing need will be short-term; they’re expecting to move; or they prefer private rented because they think the quality is better, and there’s no stigma attached. No one knows how many people this applies to, but it’s probably several thousands and so may represent a significant chunk of the total.

• Between the 2011 and 2013 assessments the methodology changed significantly, which means that it is not possible to compare the 2013 assessment with previous assessments. Even where categories of housing need didn’t change, there are huge differences in numbers. For example, between 2011 and 2013 the number of households who were overcrowded apparently reduced by 37 percent; the number of households living in unfit properties dropped by 60 percent; and the number of households with medical or compassionate needs fell by a whopping 70 percent.

No, I don’t believe it either.

• The Assessment of Housing Need is a snapshot so it doesn’t tell us anything about the number or type of households who join the list or leave it. This is important because in order to understand what’s going on you really need to know about the flow of households into and out of HWLs.

• Finally, the assessment of housing need completely fails to distinguish between levels of need. It includes at one extreme, some of the homeless population, who can be described as experiencing the most severe housing need. At the other end of the spectrum it includes people who are living in high quality housing that is appropriate to their needs, but are having difficulty paying the rent. And between are a wide range of housing circumstances. All of these are lumped together, so the total number includes people with no home at all, as well as people with very low housing need.

These are serious problems which greatly undermine the assessment’s credibility. The recent change in methodology merely makes a bad situation worse, by both ensuring that recent assessments cannot be compared with one another, as well as failing to improve the quality of data (except in the case of disability).

So what’s the way forward?
Clearly a reasonably accurate assessment of the need for social housing is an extremely useful tool for policy making and evaluation. I think that some fairly modest changes could result in an assessment that would be more accurate, more useful, and provide a more credible measurement of housing need to policy makers, commentators, analysts and journalists alike.
So, I suggest the following:

- Categories of housing need should be reconfigured and each applicant who is eligible for social housing would be placed in one of three bands: urgent, high or low (see box for proposed categories overleaf)
  - As I said above, housing need is subjective, so others could come up with an alternative, equally valid classification.
  - My guess is that about five to ten percent of households would be categorised as having ‘urgent’ housing need; about 30-35 percent would have ‘high’ housing need; and about 60 percent would have ‘low’ housing need.

- Rent supplement claimants should be invited to register on the HWL if they wish, but not automatically assumed to want social housing.
  - This will aim to ensure that everyone who is registered on the HWL does actually want social housing.

- All homeless households in temporary accommodation and sleeping rough should be assumed a) to be eligible for social housing, and b) to want it.
  - This is a reasonable assumption and the information should be readily available from PASS (an online data collection system). It would address the persistent complaint that the current assessment underestimates the extent of homelessness. (It doesn’t, because it doesn’t try to measure it, but it’s a very esoteric point that quite rightly passes by most normal mortals).
  - The assessment of housing need should be carried out annually.
  - No-one would propose measuring unemployment levels on a triennial basis, so why is it ok for housing need?

- The published assessment should include the length of time households have been in housing need in each of the housing need categories as well as the number of households in each housing need category who have been rehoused or left the list for some other reason since the last assessment.
  - This will be a key measure, and will give an indication of flow, because it will show how many new households are joining the HWLs as well as how many are leaving it.

This isn’t a perfect system (for example it doesn’t completely address the problem of people in housing need who don’t register on the HWL), but I think it would be a very considerable improvement on the current assessment. Not only would it work better, but using a banding system should make it easier to communicate the fact that housing need is heterogeneous. Indeed Dublin City Council already uses a banding system for assessment the housing needs of people on its HWL.

Finally, the vast majority of commentators assume that if there are 89,000 households on HWLs it means that we need to build 89,000 new dwellings. But each year perhaps 3-4,000 households are housed from HWLs into casual vacancies (current data is not available); others can have their housing needs met through the Rental Accommodation Scheme and other measures; and there are about 3,500 local authority dwellings lying empty because they can’t afford to repair them. Publishing this information, as suggested above, would paint a more realistic picture of what the assessment of housing need actually measures.

Since the recent changes did little to improve the methodology, and at the same time they put an end to longitudinal comparisons, there is nothing to be lost, and everything to be gained by making these changes now.
Proposed categories of housing need

**URGENT**
- Homeless
- Other urgent need

**HIGH**
- Lacking own tenancy/tenancy under threat
- Concealed household
- Threatened with homelessness

**Unsuitable housing**
- Overcrowded
- Impaired mobility

**Substandard condition**
- Doesn’t meet PRS minimum standards

**Social needs**
- Exceptional medical or compassionate needs (???)
- Elderly with particular needs
- Physically disabled
- Other disabled

**LOW**
- **Unaffordable** (this category was supposed to be eliminated in but mysteriously reappeared – I think it should be retained.)
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