

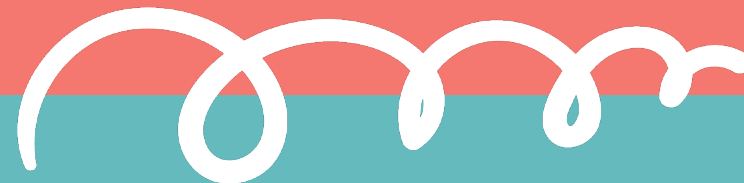


# DELIVERING ON HOUSING IN IRELAND – A EUROPEAN POLICY PERSPECTIVE

Housing Ireland Conference



March 2024





Irish Council  
for Social Housing



Co-operative  
**housing**  
Ireland



# DELIVERING ON HOUSING IN IRELAND

## - A European policy perspective

- Commissioned by the **Renew Europe** group in the European Parliament
  - Barry Andrews, MEP for the Dublin Constituency
- Completed in **May, 2023**
- Means some elements are already 'dated'
  - Census 2022
  - New Government funding schemes





# DELIVERING ON HOUSING IN IRELAND

## - A European policy perspective

1. Overview of the current housing situation in Ireland
2. Putting Ireland in a European context
3. The EU dimension to housing
4. Policy options

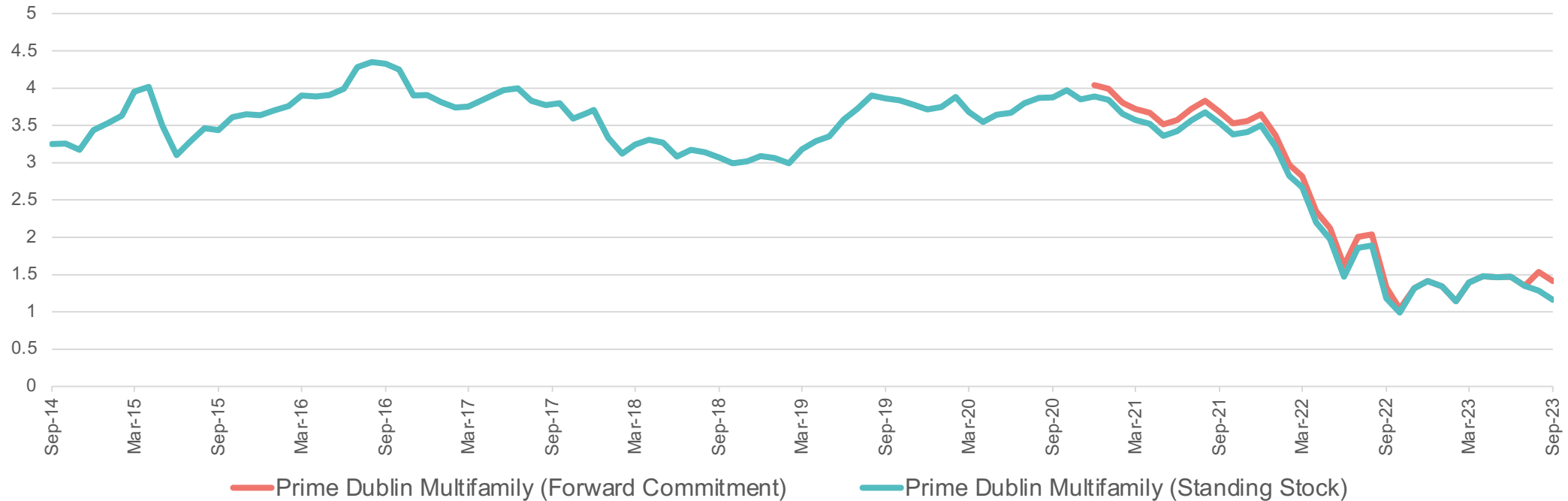


# 1. Overview of the current housing situation in Ireland

	2017	2018	2019	2020	2021	2022
- Local Authority	1014	2022	2271	2230	1998	2885
- Approved Housing Body	760	1388	2175	2101	2285	3140
- Part V	523	824	1325	733	913	1403
<b>Total Social (Narrow Definition)</b>	2297	4234	5771	5064	5196	7433
<b>Total Private</b>	11999	13638	15355	15510	15357	22389
<b>Total Completions</b>	14296	17872	21126	20574	20553	29822

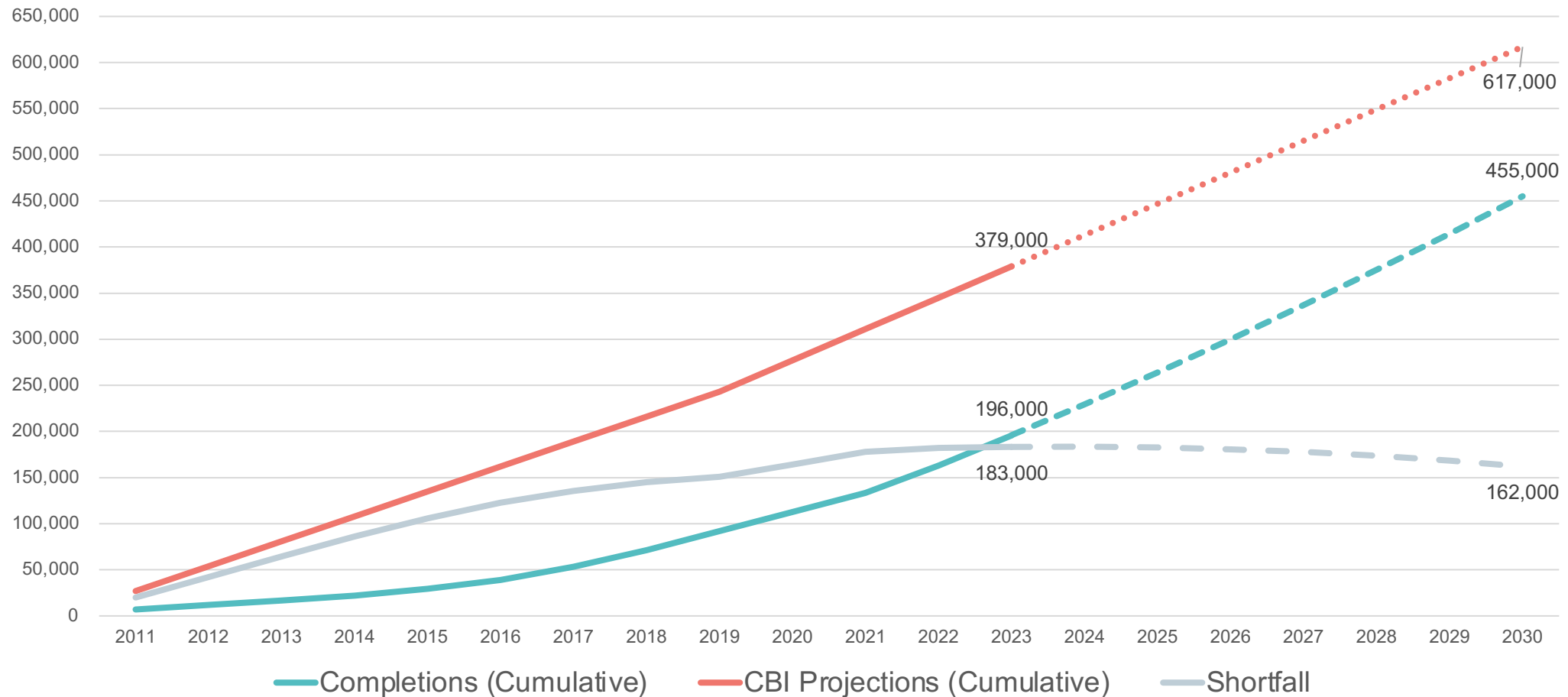
- 2017-2021 target of **25,000** new homes per annum
- **18,884** was the final result, or 76%
- Social housing (*even excl. turnkey acquisition*) was 17% above target
- Was too much expected from the private sector?

# 1. Overview of the current housing situation in Ireland

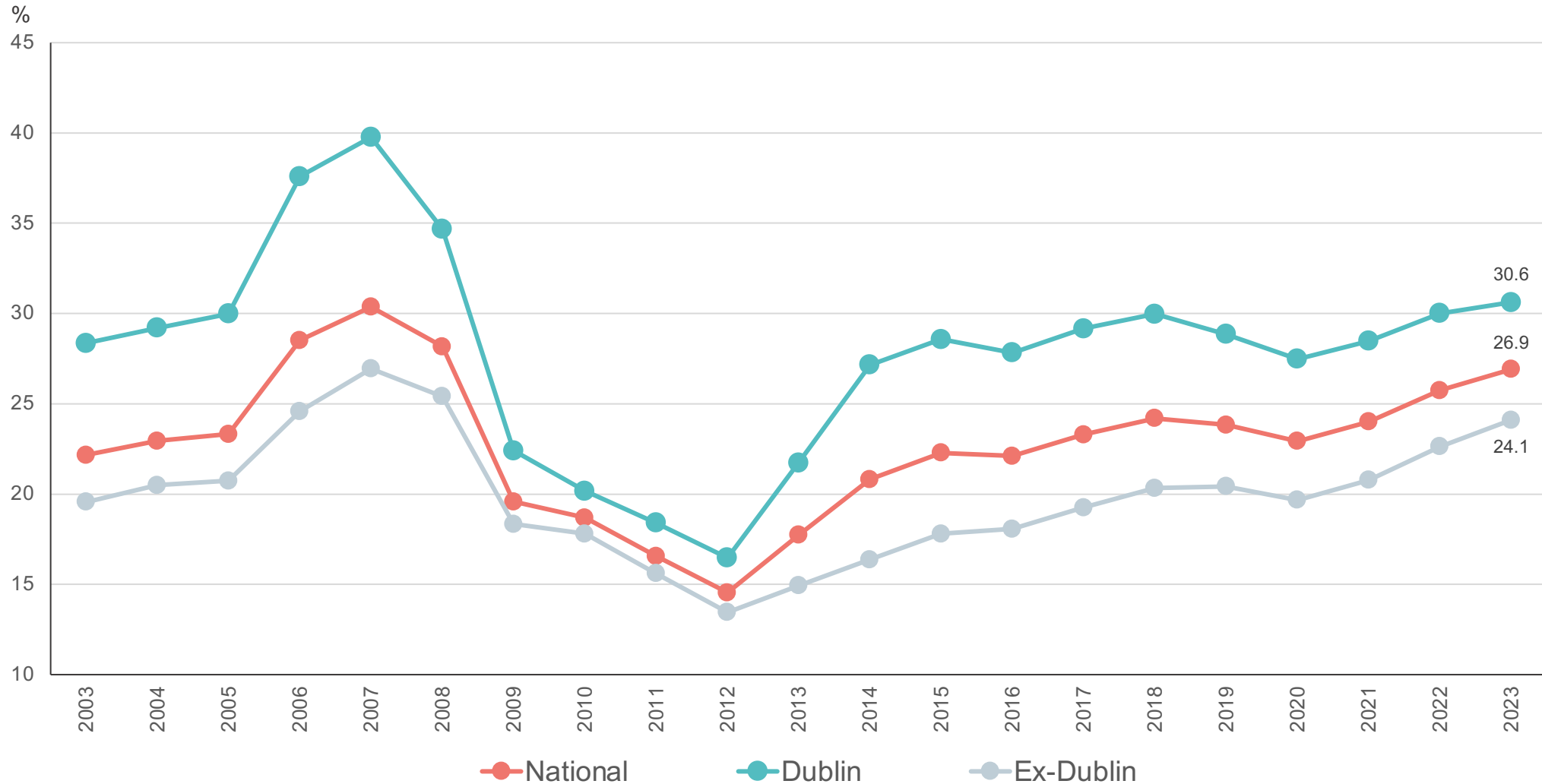


- “Forward-structured transactions are **largely unviable** at current yields”
  - “could be **the peak** of the current Dublin private rental apartment development cycle”
  - Large **AHBs** have become the new ‘customers’ for many developments
  - **Student accomodation** also becoming far more attractive
- CBRE 2024 Outlook

# 1. Overview of the current housing situation in Ireland

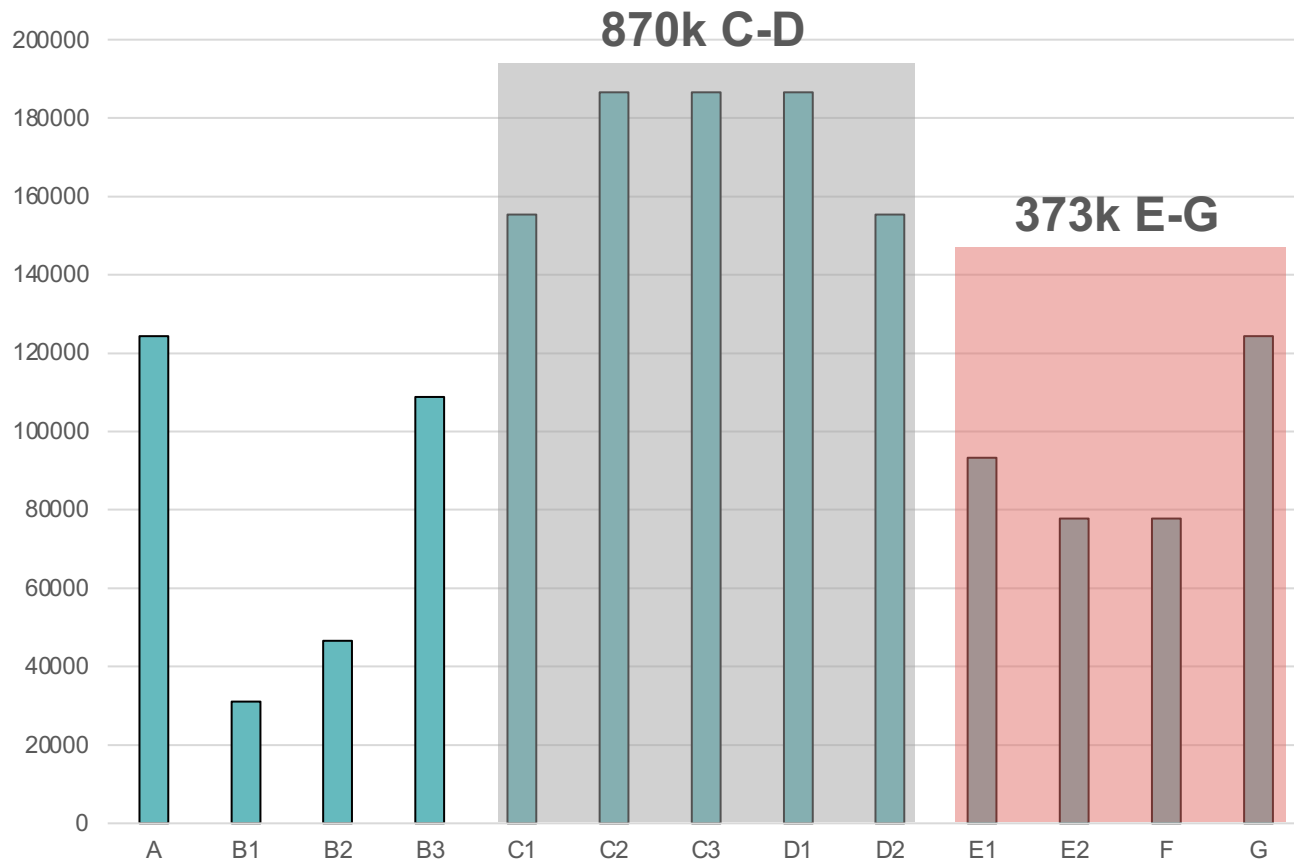


# 1. Overview of the current housing situation in Ireland





# 1. Overview of the current housing situation in Ireland



Household income	Deprivation Experienced	Year		
		2020	2021	2022
Below 60% of median	Without heating at some stage in the last year	20.8	17.1	26.6
	Unable to afford to keep the home adequately warm	7.9	8.7	14.4
Above 60% of median	Without heating at some stage in the last year	7.4	5.7	6.6
	Unable to afford to keep the home adequately warm	2.6	2.5	6.1
Total	Without heating at some stage in the last year	9.1	7.1	9.2
	Unable to afford to keep the home adequately warm	3.3	3.2	7.2

## 2. Putting Ireland in a European context

### KPIs

1. Young people still living at home / average age leaving the family home
2. Availability of social and affordable housing
3. Annual residential construction output
4. Rent or Mortgage as a Percentage of Disposable Income
5. Greenhouse gas emissions from households for heating and cooling (*per capita basis*)

Peer countries: **Austria, Denmark, Netherlands**

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Awaiting revisions based on Census results

Comparing apples and oranges

Peer countries: Austria, Denmark, Netherlands

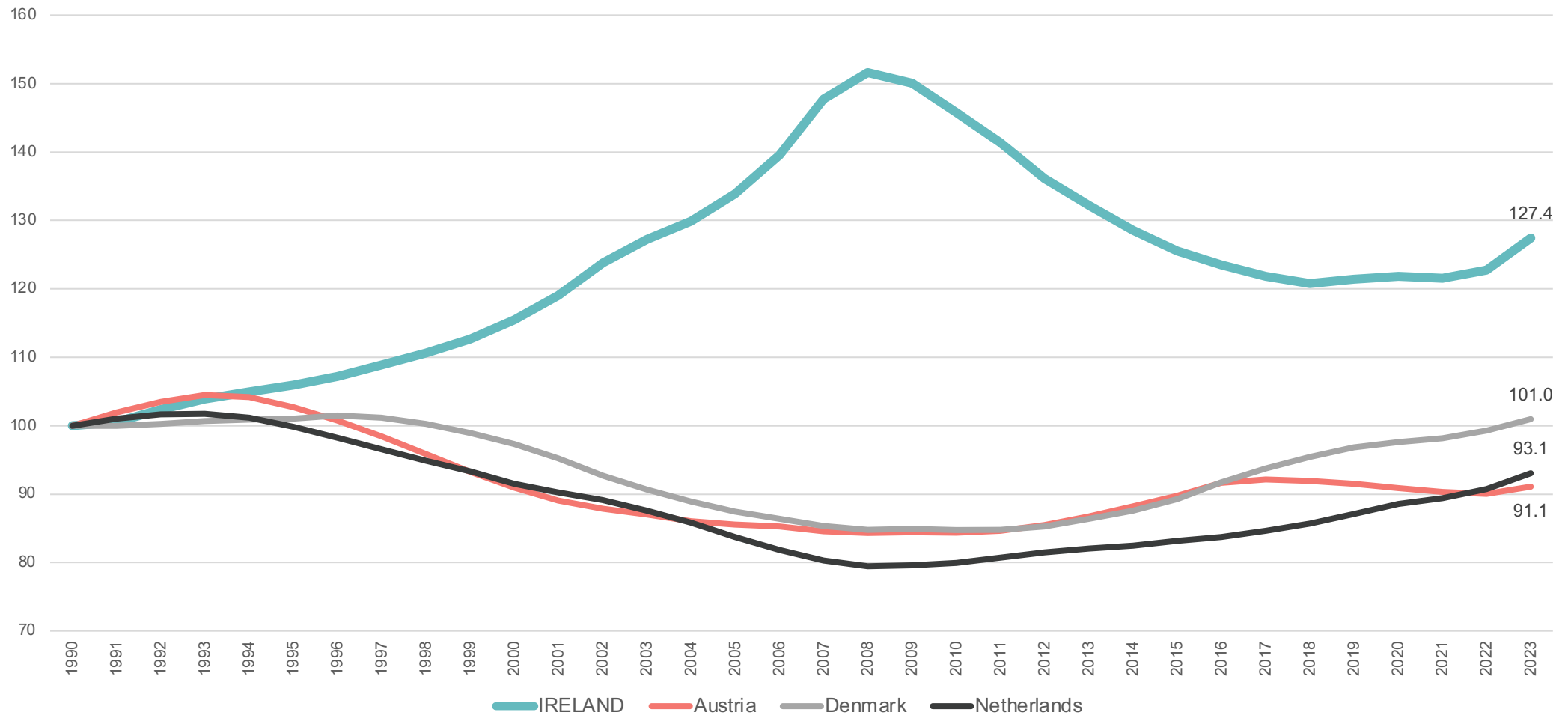
## 2. Putting Ireland in a European context

	2022		2021		2021		2022	
	<i>Incl. Vacant</i>		<i>Primary residence</i>		<i>w/ registered residents</i>		<i>Incl. Vacant</i>	
	Ireland	Dublin	Austria	Vienna	Denmark	Copenhagen	Netherlands	Amsterdam
<b>Social Housing Stock</b>	189,781	64,993	939,000	398,180	560,931	60,976	2,300,050	183,663
<b>- % of Total</b>	8.9	11.4	23.4	43.0	20.4	19.4	28.6	40.1

- Peer countries have a ‘**build and retain**’ model
- Ireland has privatised the majority of publicly built housing (since the 1930s)
- Recent research from Austria shows “**market shaping**” role of the sector
  - *Lower rents for private tenants*
  - *Lower prices for homeowners*
  - *Lower social spending*
  - *Higher consumer spending*
- Ireland is not “small” by broader EU standards

## 2. Putting Ireland in a European context

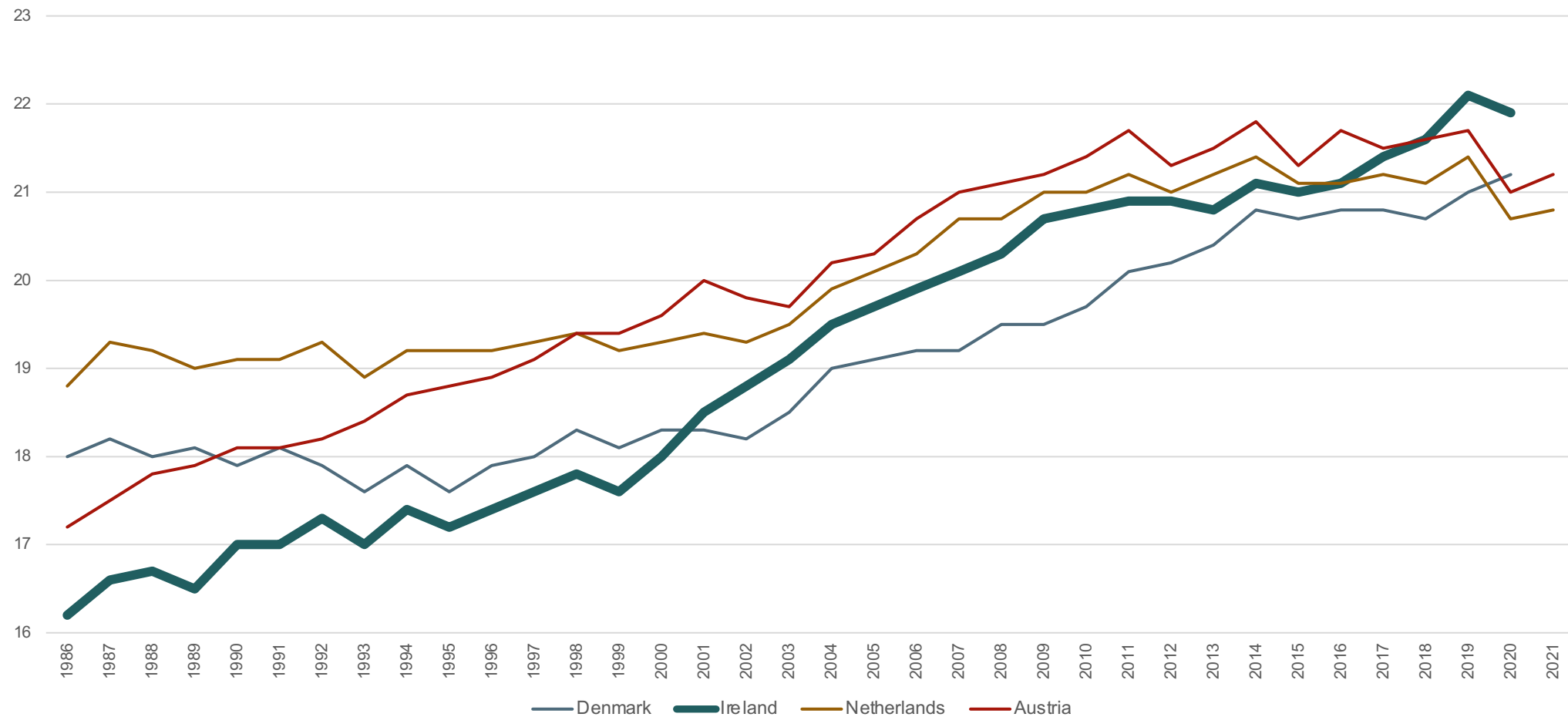
CHANGE IN THE POPULATION, 20-34 AGE COHORT





## 2. Putting Ireland in a European context

LIFE EXPECTANCY, FEMALES (AGED 65)



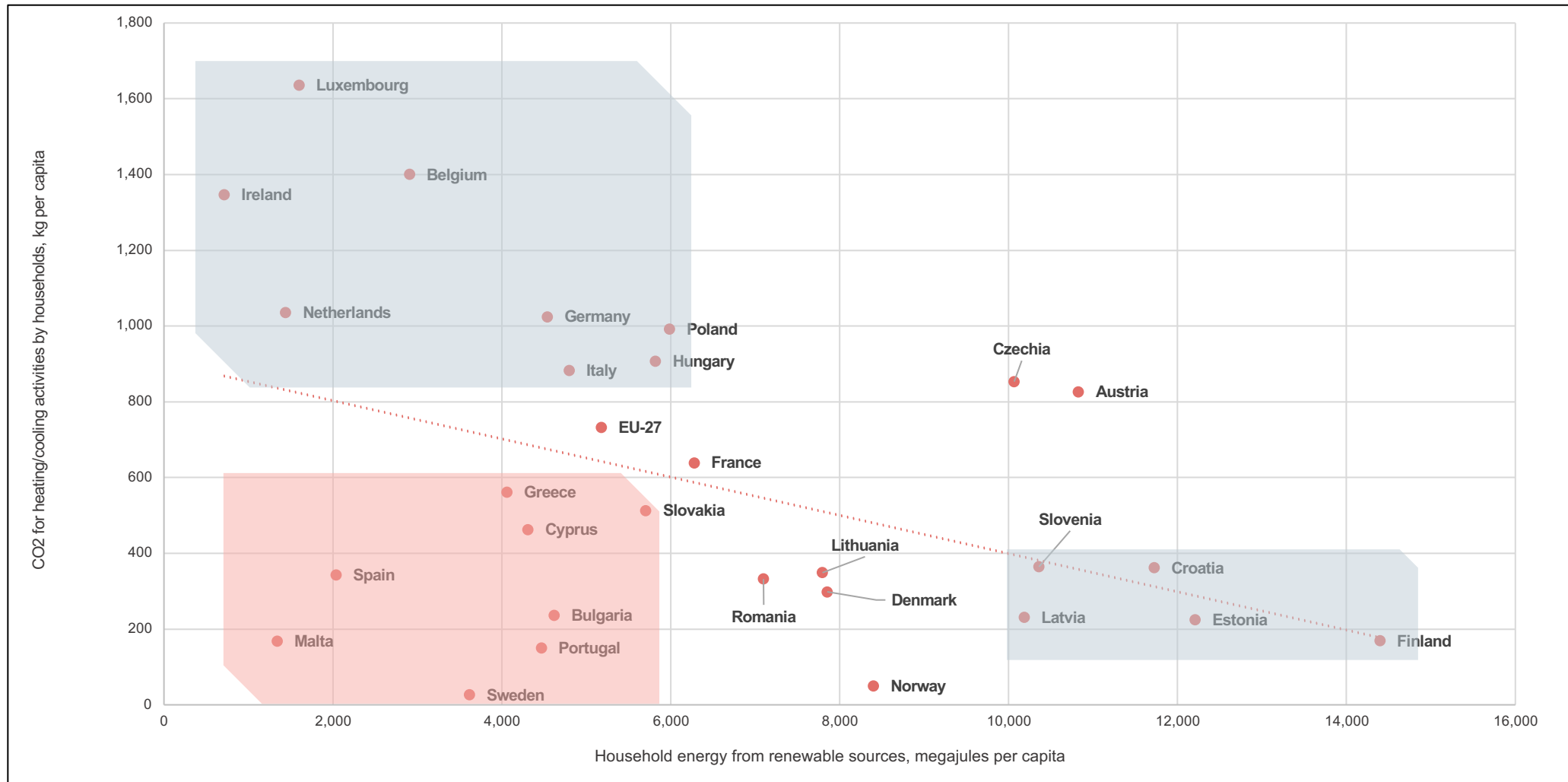
## 2. Putting Ireland in a European context

PERCENTAGE OF PEOPLE 65+ LIVING IN UNDEROCCUPIED DWELLINGS

	2005	2009	2013	2017	2021
Denmark	50.0	55.8	59.1	62.1	58.9
Ireland	83.4	87.7	91.1	90.5	92.6
Netherlands	72.9	71.9	70.4	67.6	71.8
Austria	40.9	48.9	42.7	43.8	45.6

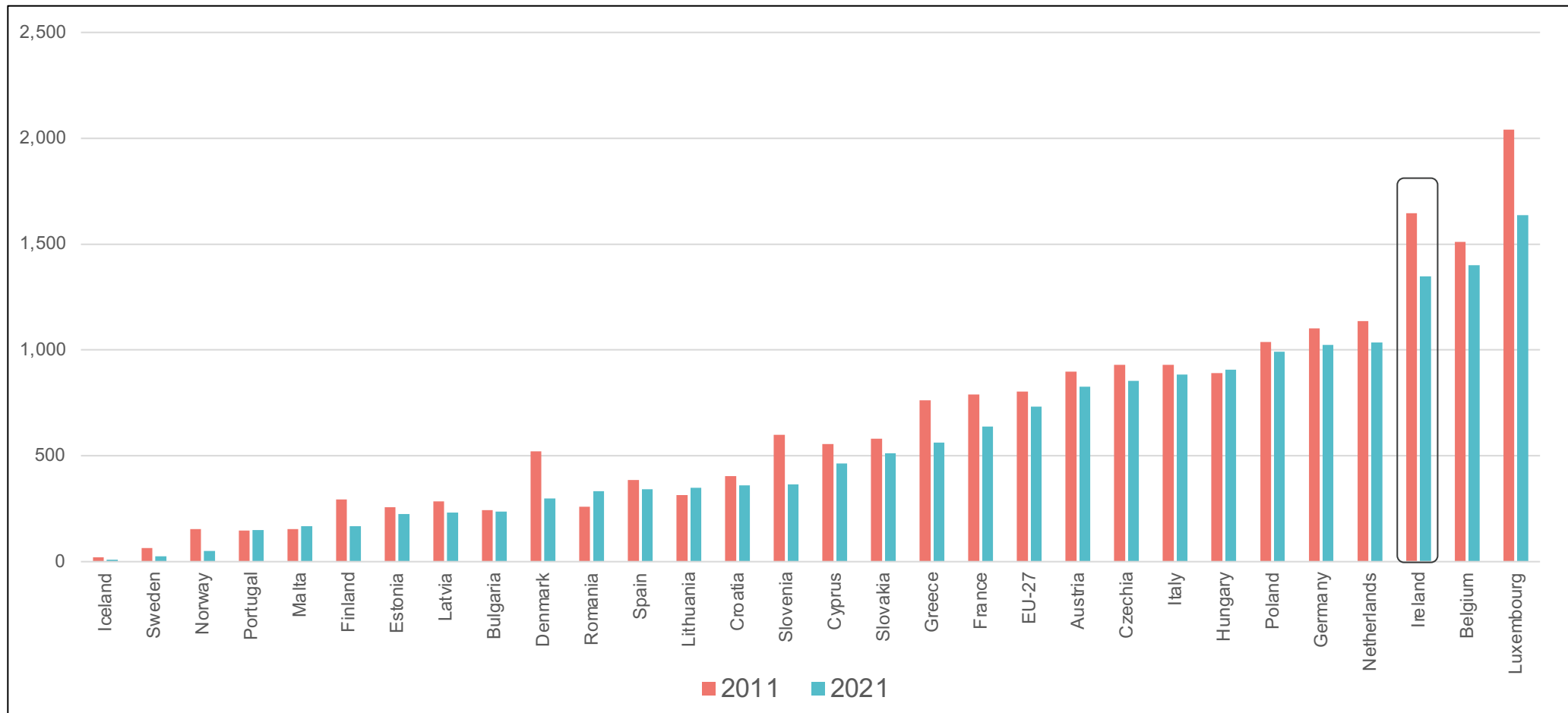
- Ireland needed to provide significantly more additional housing than its peers in recent decades
- Over-performance in boom years [2002-2008] -» sustained under-performance
- Inefficient use of existing stock
- Artificially elevated household sizes
  - Havine needs met, but not in a satisfactory or appropriate way
  - Masking the scale of the problem?

## 2. Putting Ireland in a European context



## 2. Putting Ireland in a European context

Greenhouse Gas Emissions for Heating & Cooling the Housing Stock  
(Kilograms per Capita)



### 3. The EU dimension

- Not a strict competence
- No Directorate Generale for Housing!
- Quality of homes important:
  - Targets on renovations; use of renewables
- Supports for those experiencing homelessness
- Collective engagement and supports
- Sharing of best practices
- Funding for research and innovation





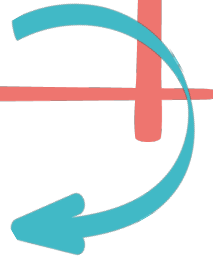
### 3. The EU dimension

Ireland has not been good at attracting EU structural and innovation funds (excl. EIB) for housing

- InvestEU
- ERDF
- ESF+
- Horizon Europe
- Just Transition Fund
- Social Climate Fund

### EU Fiscal Rules seen as an obstacle

- AHBs are on-book
- System is strongly Exchequer-linked

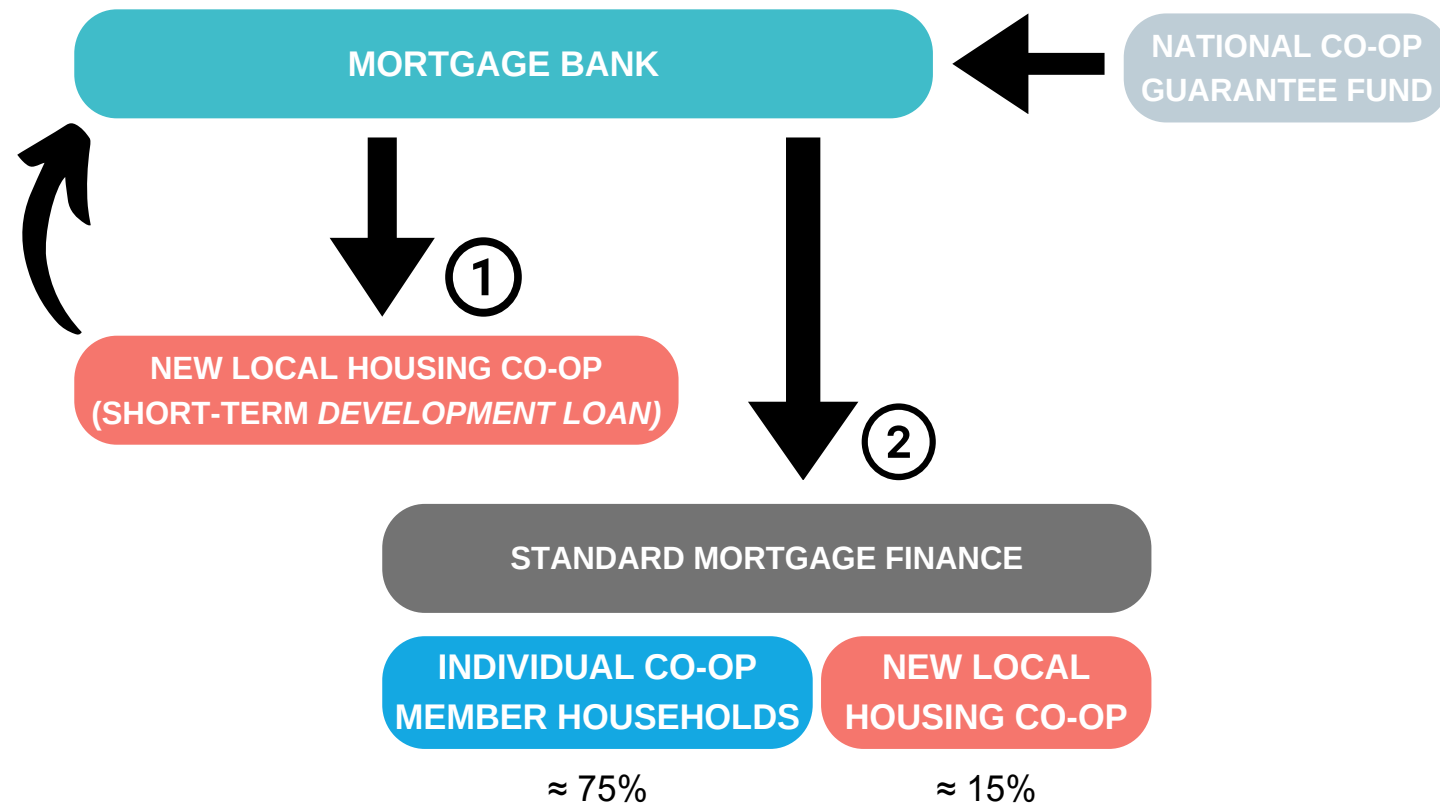


## 4. Policy options

	Identified problem	Potential policy option
1	<ul style="list-style-type: none"> <li>- The private sector has not been hitting the delivery targets set out in the national housing strategies</li> <li>- Yields on some BTR developments are less enticing than in the past, meaning private investment might be less plentiful than in recent years</li> </ul>	<ul style="list-style-type: none"> <li>- Swedish Housing Cooperative Model</li> <li>- Hitas system (Helsinki)</li> </ul>
2	<ul style="list-style-type: none"> <li>- There is a lack of diversity in funding to provide social and affordable housing</li> <li>- Local authorities, state agencies and partners, such as AHBs, are not being utilised to their full potential</li> </ul>	<ul style="list-style-type: none"> <li>- French Livret A system</li> <li>- MuniFin and Municipal Housing Companies (Finland)</li> <li>- Guarantee Fund for Social Housing (The Netherlands)</li> <li>- Wohnfonds Wien (Viennese Land Bank)</li> </ul>
3	Social housing financing in Ireland requires constant state supports	<ul style="list-style-type: none"> <li>- End the right-to-buy (Wales and Scotland)</li> <li>- Right-of-occupancy housing (Finland)</li> </ul>
4	There is a lack of agreement on the number of new homes that need to be built, and current estimates do not take into account existing cumulative unmet need for housing	<ul style="list-style-type: none"> <li>- English Housing Survey</li> </ul>
5	There is a need for better linking infrastructure and investment in other counties to take pressure off the Dublin housing market	<ul style="list-style-type: none"> <li>- Tax on the sale of undeveloped land made suitable for development (France)</li> <li>- Municipal Capital Gains (Spain)</li> </ul>
6	Need to take, as much as possible, an environmentally sustainable approach to supply – maximising the use of existing buildings	<ul style="list-style-type: none"> <li>- Masoveria system (Catalonia)</li> <li>- Public requisition of vacant properties (Brussels)</li> <li>- KredEx Loan Guarantees (Estonia)</li> </ul>
7	Lack of housing options specifically for younger households – the ‘stuck at home’ cohort	<ul style="list-style-type: none"> <li>- Youth Housing (Denmark)</li> </ul>
8	Many people in Ireland live in homes that may be too large to meet their basic needs	<ul style="list-style-type: none"> <li>- Senior Housing (Denmark)</li> <li>- Senior co-housing &amp; apartments for life (The Netherlands)</li> </ul>
9	Many low-income households live in energy poverty – unable to afford to heat homes either periodically or on a regular basis	<ul style="list-style-type: none"> <li>- Energiesprong model</li> <li>- Social Rental Agreement (The Netherlands)</li> </ul>

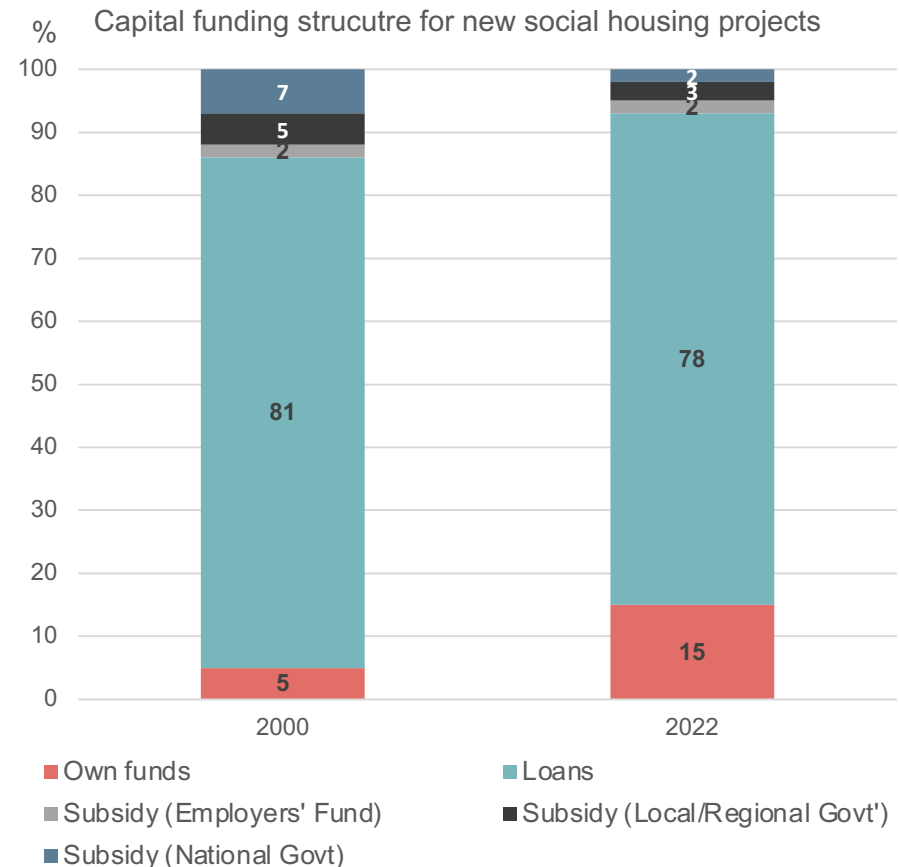
## 4. Policy options – Swedish co-operative housing

- One in five live in co-op housing
- Help to **unlock mortgage finance** for new development from pillar banks
- Provide expertise and development services
- End product: **“cost purchase” housing**
- Active in promoting ageing in place & housing for marginalised groups

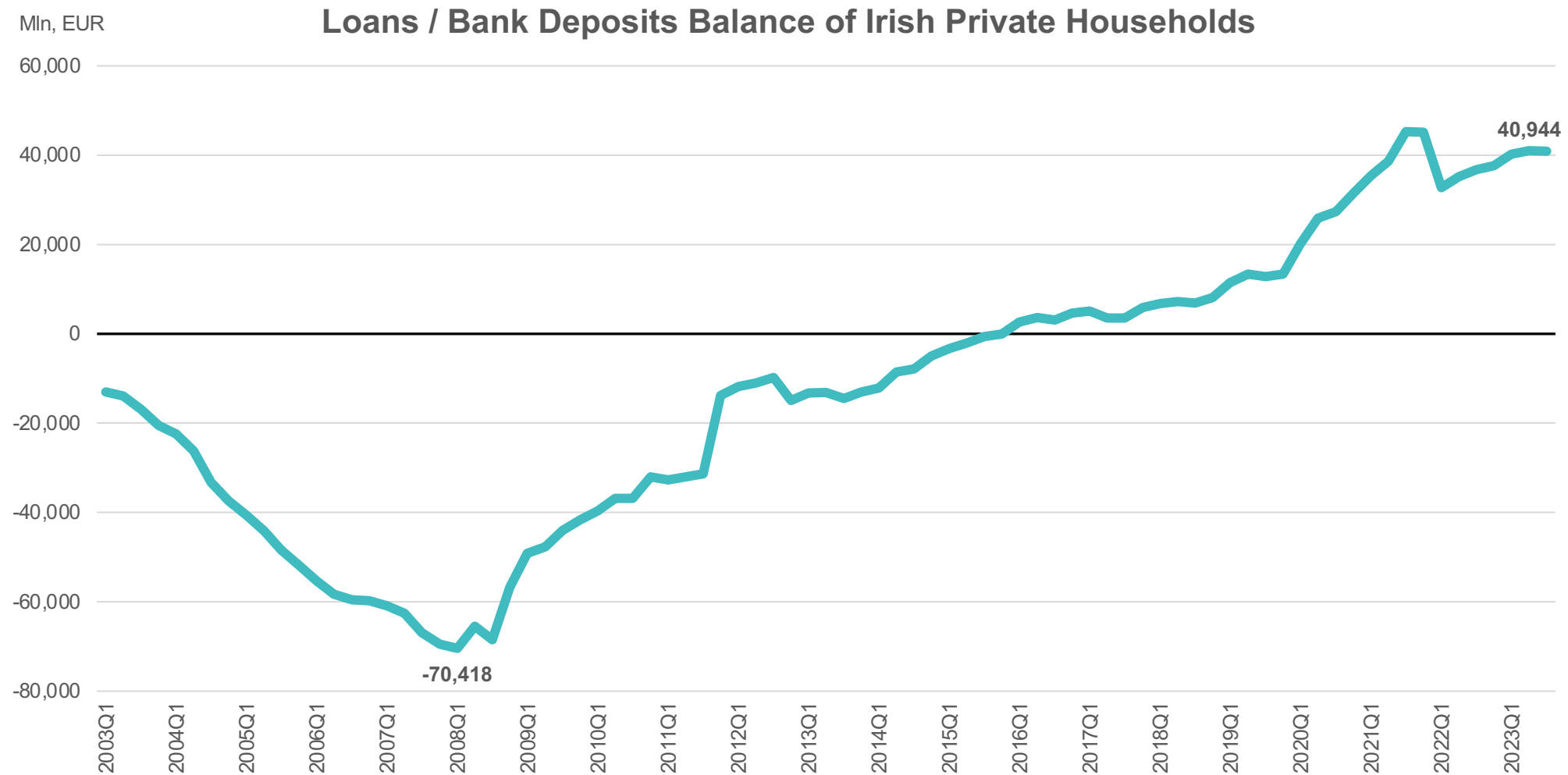


## 4. Policy options – French Livret A funding model

- **€547 billion** in funds at the end of 2023
- In 2021, provided **€19bn** in funding for new affordable housing
  - helped to provide **80,000 new housing units**
  - **plus 14,000 other homes** for targeted sections of the population (e.g., young workers, students, and those in need of emergency accommodation)
- Objective to support the development of **530,000 new social and affordable units** in the period 2020-2024
  - in addition to **funding 200,000 deep energy renovations** of existing social housing units
- We can think of it as being like a crowdfunding model for social housing and public infrastructure
  - Private finance = off-book



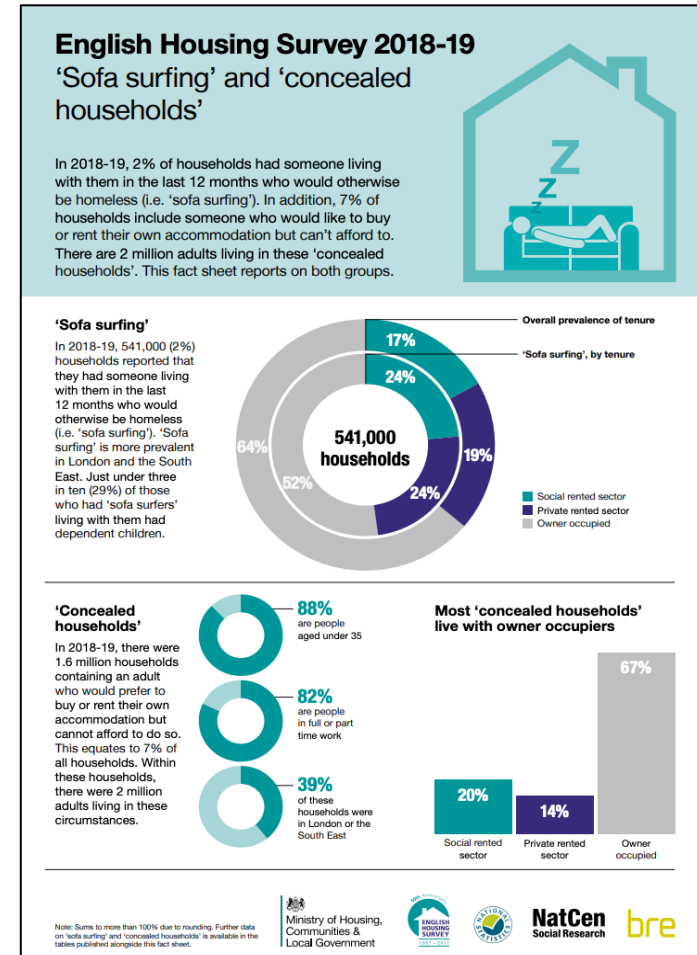
## 4. Policy options – French Livret A funding model





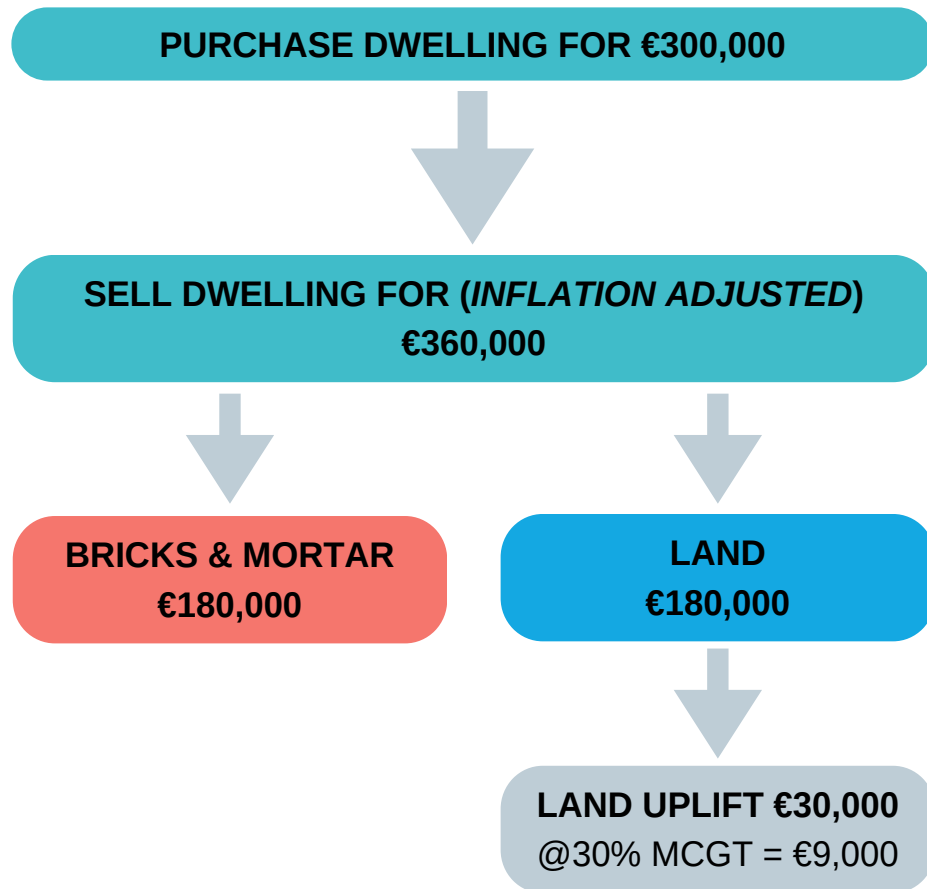
## 4. Policy options – English Housing Survey

- Ireland is above average in Europe in terms of availability and quality of housing related data
- **BUT**, more can be done
- Current data are **strongly focused on the 'household'**, overlooking the 'individual'
  - Young at home
  - Hidden households
  - Precarity
  - Future ambitions
- Better data can lead to better local housing strategies
  - Exactly what types of homes and for who?



## 4. Policy options – Spanish Municipal Capital Gains

- Irish local authorities do not get significant benefit from higher land or property prices in their area
  - LPT low & development levies are once off
- Municipalities are entitled to benefit from the **uplift in the value of land** in their areas
  - based on rezoning or investments in local infrastructure
- If land is rezoned and then planning permission is granted, the owner will pay a tax on the uplift even if they sell the land on before any development has taken place
  - Thus, it is seen as an **anti-speculative measure**
- Importantly, if homes are built on the land and then they are sold, the seller will be liable for the same tax as if no construction had taken place.
- Thus, the tax **does not penalise investment!**



## 4. Policy options – Energiesprong model

- Energiesprong (*'Energy Jump'*) is a **self-financing** modular housing retrofit model
  - first developed in the Netherlands
  - now used in a number of countries
- Based on **'plug-and-play'** modular elements
- Exterior wall renovations in as little as one or two days
  - Especially well suited to single-family homes
- Cost of financing (*usually loans*) for renovations is covered from **revenues generated from solar PV** installed on the roof
  - Loans provided by a state agency (SEAI?)
  - Or, partnerships with energy companies
  - EIB funding also possible



## 4. Policy options – Dutch Social Rental Agreement

- The vexed question of **who pays for renovations**; the landlord or the tenant
- 2018 agreement between Dutch social housing providers (c.30% of the market) and Govt.
- Towards **“cost neutral”** renovations
- Increase in rent cannot balance savings on energy bills
- **Example**: moving from G to A++ would save around €34 per month (*in 2018 prices*) for a typical (70sqm) dwelling
  - Thus, rent increase of up to €34 per month possible
- Cost neutral approach could be interesting for both social and private landlords in Ireland
  - One-third of primary dwellings in 2022
- Ireland obliged to reduce by 60% emissions from buildings by 2030 (vs 2015 levels); climate neutral by 2050

From / To	A++	A+	A	B	C	D	E	F
A+	€4							
A	€13	€9						
B	€15	€11	€2					
C	€22	€18	€9	€7				
D	€28	€24	€15	€13	€6			
E	€31	€27	€18	€16	€9	€3		
F	€32	€28	€19	€17	€10	€4	€1	
G	€34	€30	€21	€19	€12	€6	€3	€2

Notes: Based on a typical 70sqm social dwelling in the Netherlands



**IRELAND FACES MANY HOUSING CHALLENGES; THOUGH IT IS NOT ALONE IN THIS REGARD**



**THE COUNTRY CAN LOOK TO ITS NEIGHBOURS FOR INSPIRATION; THOUGH MEASURES MUST BE ADAPTED TO THE IRISH CONTEXT**



**BETTER KNOWLEDGE WILL BE A KEY PART OF THE BATTLE; BASED ON BETTER AND MORE TIMELY DATA AND ANALYSIS**



**ALWAYS LOOK TOWARDS THE LONG TERM; A HOME BUILT TODAY WILL LAST INDEFINITELY. ALL HOUSING POLICY SHOULD BE GEARED TOWARDS THAT REALITY**







~~~~~  
**THANK YOU**  
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