

# Delivering Social and Affordable Housing at Scale

*Housing Ireland Conference*



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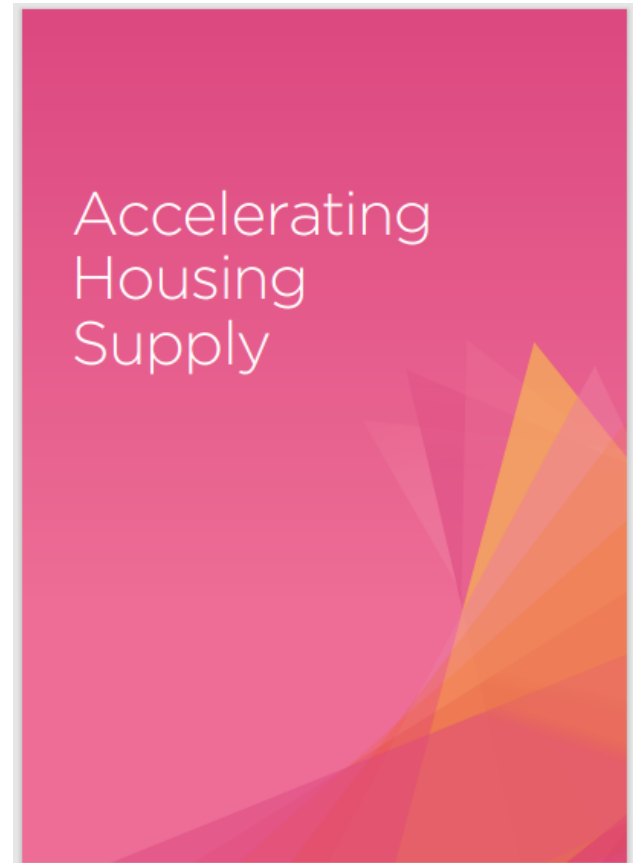


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# Housing delivery – Programme for Government 2025

Accelerating housing supply by:

- Overall housing output to average **50,000 new homes each year** to the end of 2030.
- An average of **12,000 new social homes** delivered per year.
- A new **Starter Home programme** across the public, private and AHB sector to deliver an average of 15,000 homes to the end of 2030.
- Building **more cost rental homes** through the LDA, local authorities and AHBs





To do this we need to...





# The building blocks for housing delivery

1. Reforms to the **planning system** (new P&D Act 2024)
2. Sufficient **development land**
3. **Physical infrastructure** – Irish Water, ESB Networks, transport links
4. **Industry capacity** particularly human infrastructure
5. **Social Infrastructure** – funding for sustainable communities
6. **Funding** for both social and affordable housing



# Social & affordable housing delivery eco-system

**1. Direct delivery on State land**



**2. Part V/ Part 7 planning requirements**



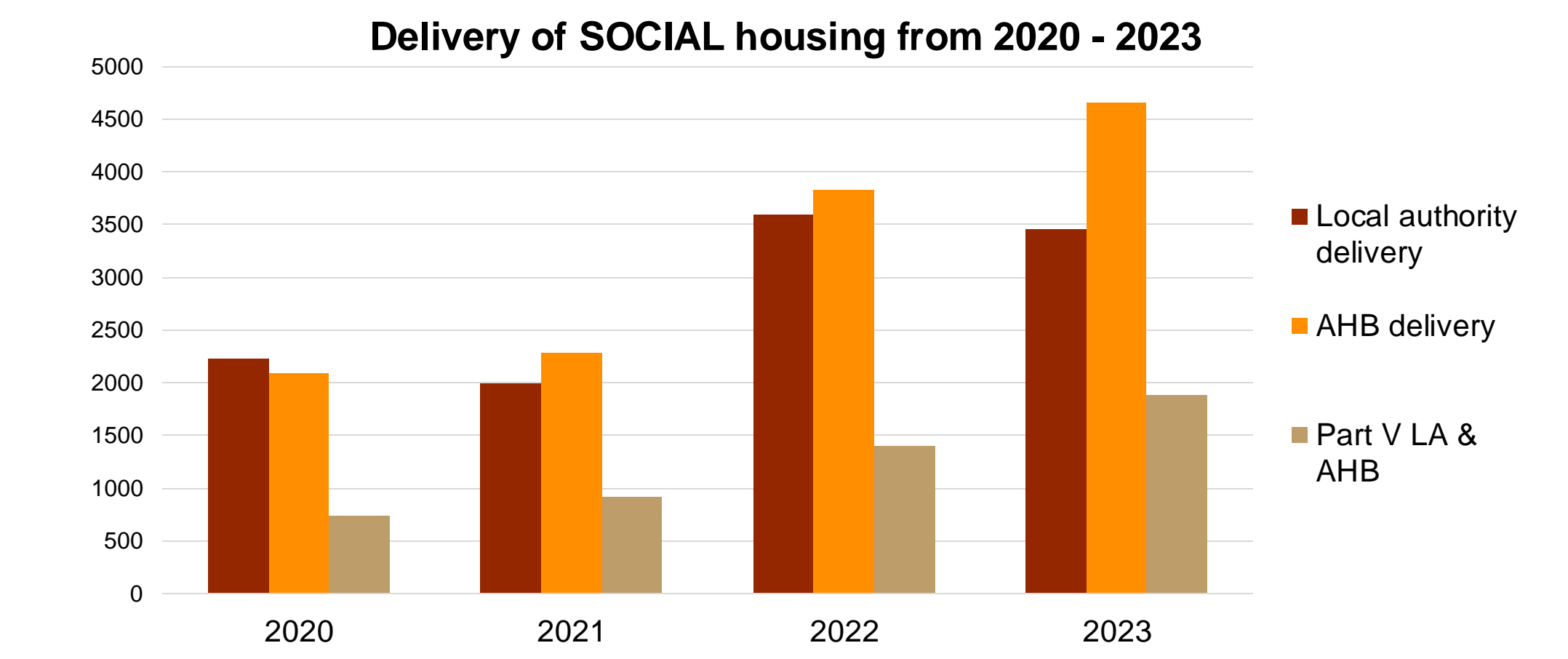
**3. Turn-keys from the private sector**



**4. Development agreements and forward funding**

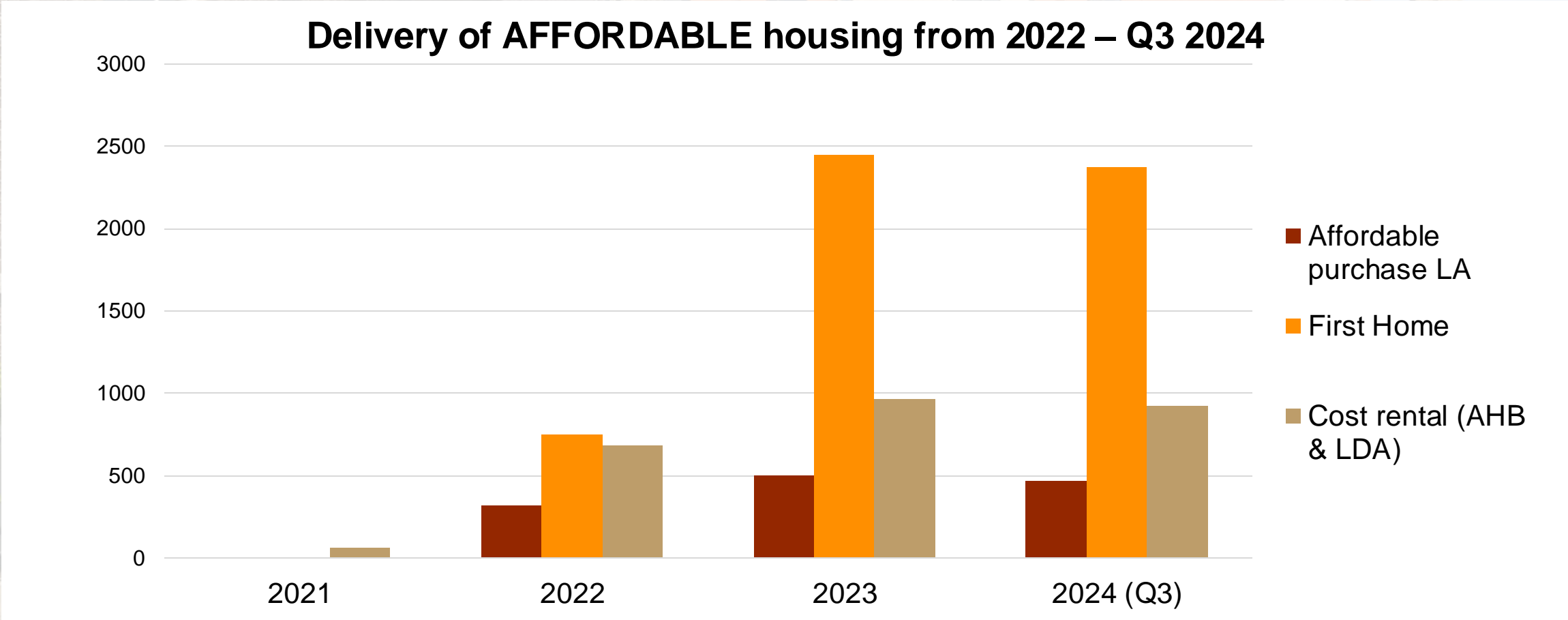


# Who's delivering social housing?





# Who's delivering affordable housing?



Figures exclude Vacant Housing Refurbishment Grant

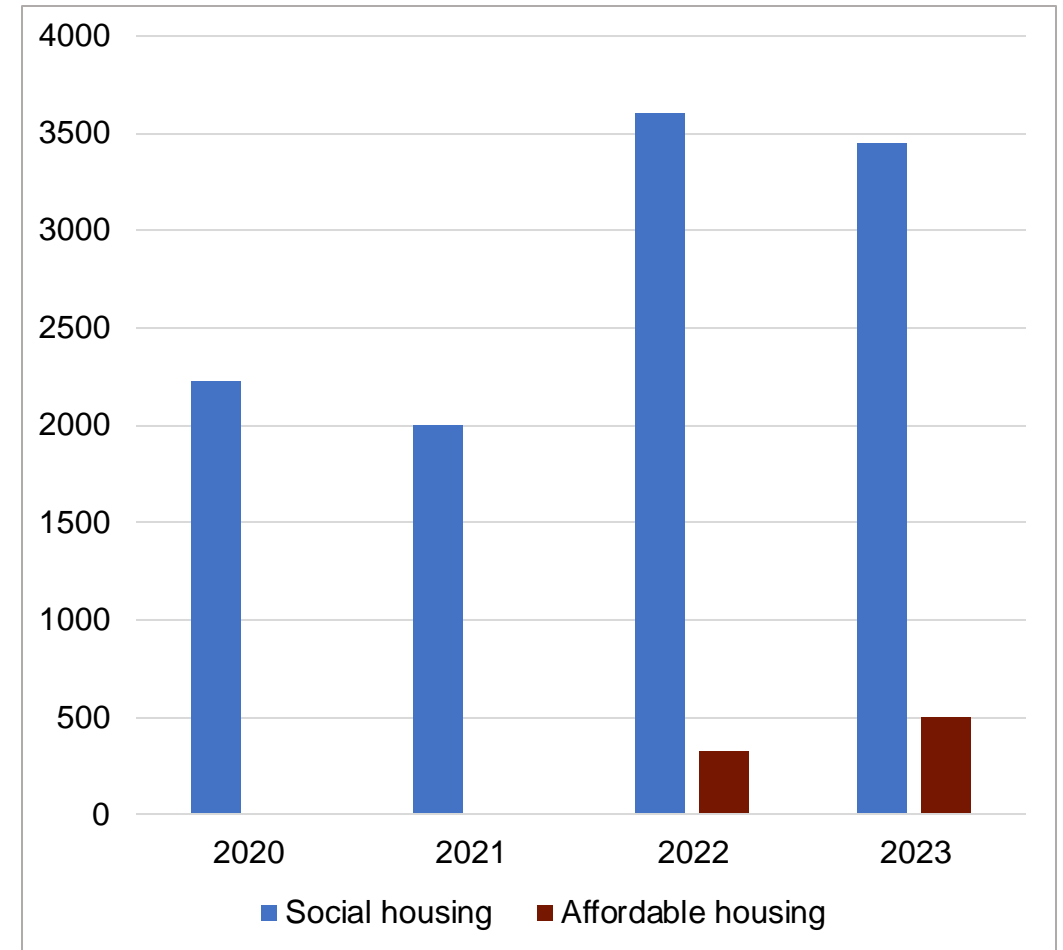
# Local authority delivery

In 2023 local authorities delivered 43% of the total **social housing** delivery.

This was done through:

- Direct build (47% of delivery)
- Turn-key & Part V (53% of delivery)

Draft 2024 figures are likely to show an increased share of social housing output with a broadly similar split between direct build/turn-key and Part V.





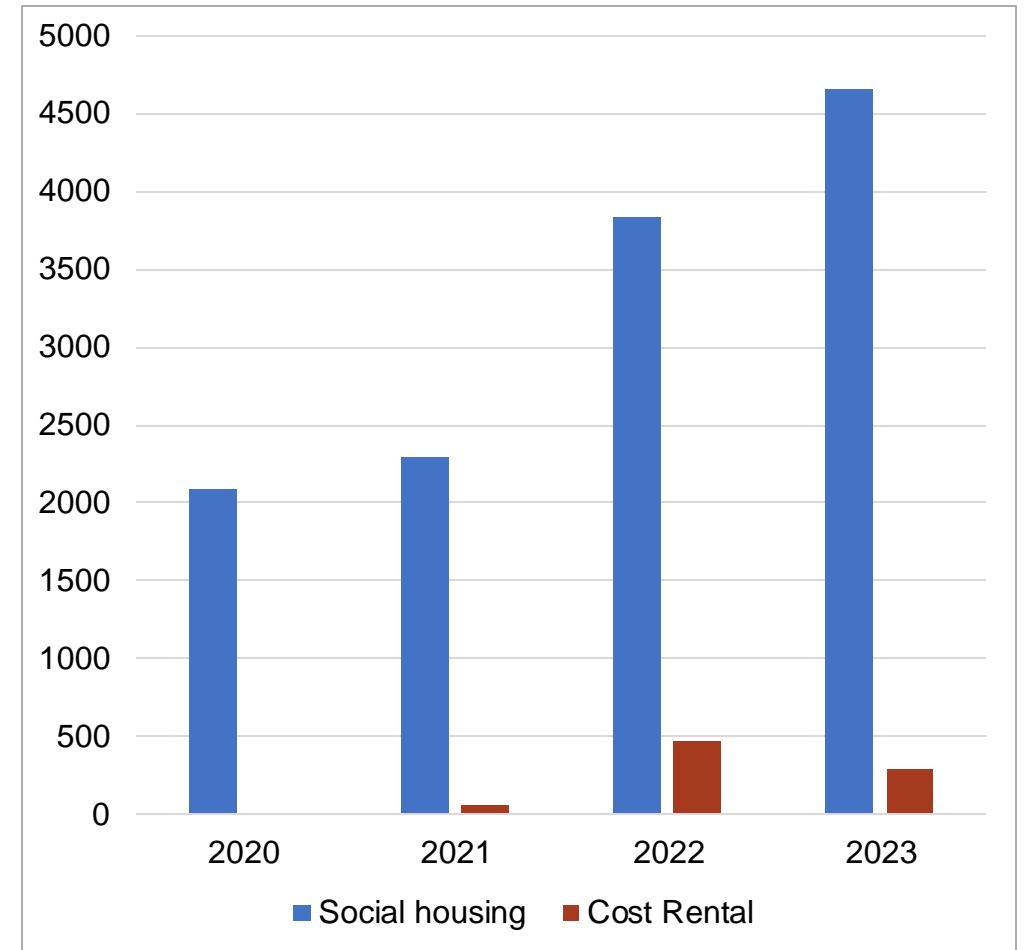
# AHB delivery

In 2023 AHBs delivered 57% of the total social housing delivery.

This was done through:

- Direct build (12% of delivery)
- Turn-key, AHB construction (forward funding) & Part V (88% of delivery)

All AHB Cost Rental delivery to date has been through Turn-key and AHB construction (forward funding)



# LDA delivery

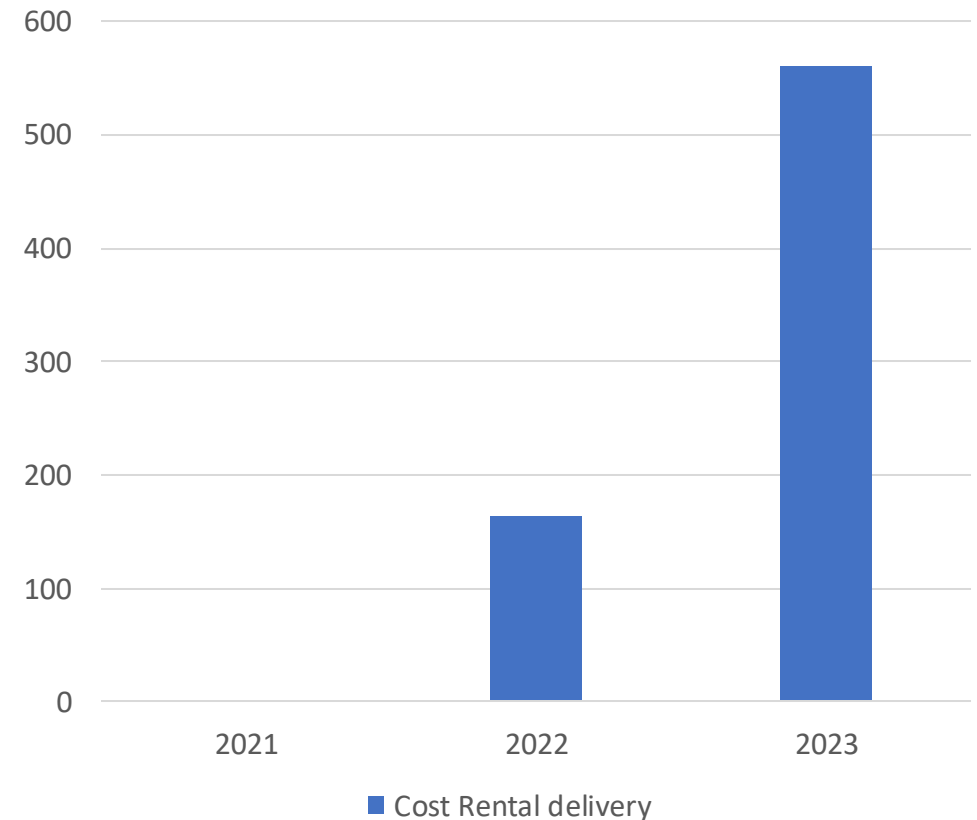
LDA delivery to-date has mainly been through Project Tosaigh 1 which have been turn-key acquisitions from developers for use as **Cost Rental homes**.

Tosaigh 1 also delivered **affordable purchase** housing for local authorities.

Tosaigh 2 will deliver Cost Rental housing using **forward funding arrangements** with private developers.

First delivery of affordable homes **on State lands** in 2024 in Shanganagh (DLRCC)

## Cost Rental delivery





# Role of Private Developers

- Housing built by private developers **makes up the vast majority of social and affordable housing output.**
- Various factors contribute to this:
  1. **AHBs have little or no development land**, so are very reliant on delivering with private developers
  2. LDA delivery to date has mainly been through **Project Tosaigh** which is focused on delivery through private developers. State land delivery is just starting
  3. Local authorities are obliged to deliver housing through **Part V and the new Part 7** with private developers
  4. Local authorities **often lack land in high demand areas**. Private developers can offer housing delivery which isn't possible otherwise.
  5. Delivery using private developers can **offer faster, more responsive housing delivery** than direct build projects

# Role of Private Investors/Property Owners

- Private investors/property owners have played a substantial role in social housing through several programmes such as **HAP, RAS and Social Leasing**.
- Regarding affordable housing, the Secure Tenancy Affordable Rental (**STAR**) **scheme** offers private investors/property owners the opportunity to become cost rental landlords. To date, all delivery under the STAR scheme has been with the LDA.
- The Programme for Government does include a commitment to **review the criteria for STAR** to “*ensure greater take up by the private development sector*”. If this review is successful, then private investment may be harnessed to deliver cost rental housing.



# Community-led housing delivery?

Not a feature of current housing delivery in Ireland

**Common in other countries** - 8% of national housing stock in Denmark is cooperative.

Referred to in the Affordable Housing Act.

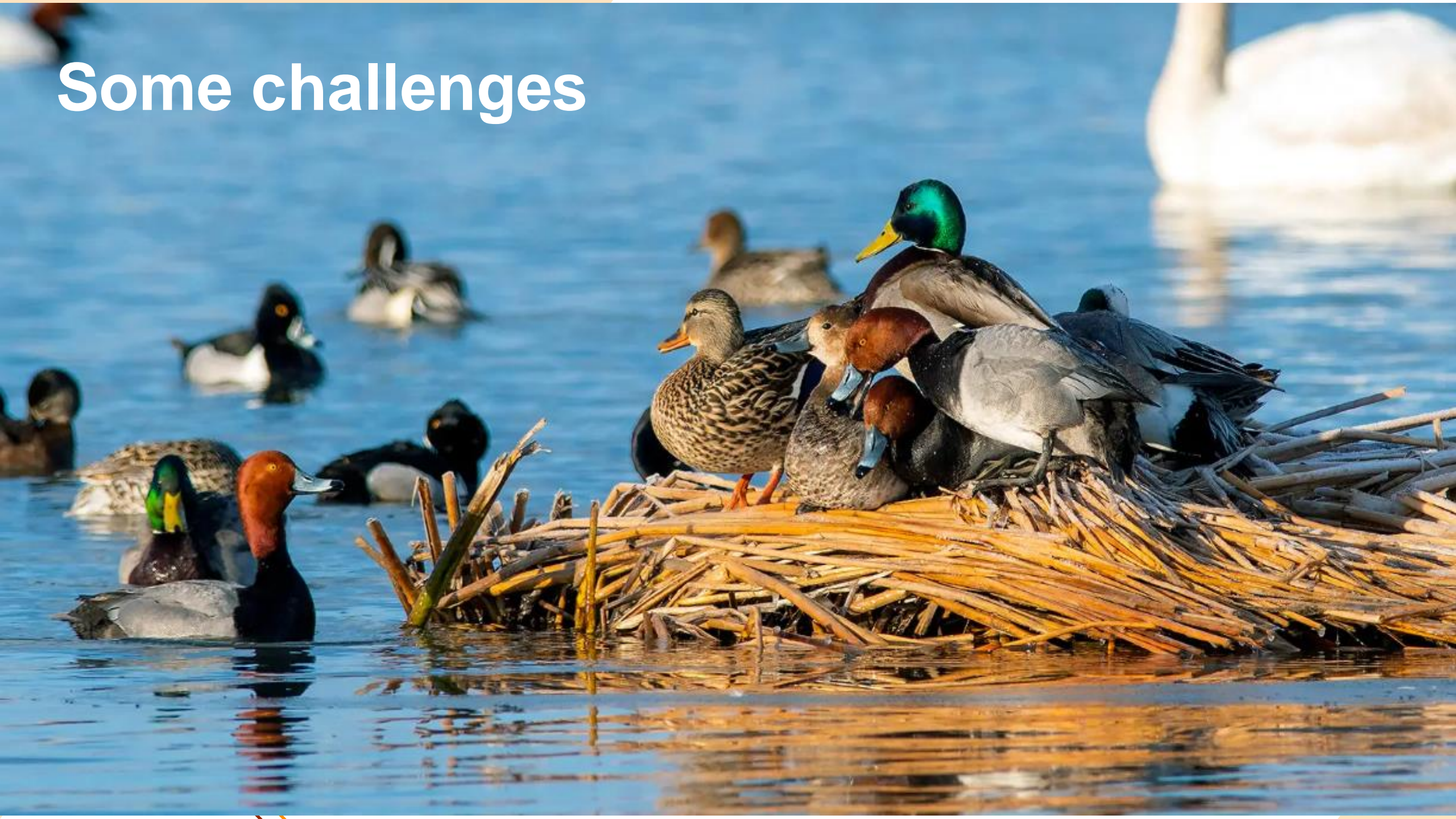
[Community-Led Housing Webinar Series | The Housing Agency](#) on 26<sup>th</sup> March 2025

## Provision of dwellings by housing authorities

6. (1) A housing authority may make dwellings available for the purpose of sale to eligible applicants under affordable dwelling purchase arrangements and may, in accordance with the Housing Acts and regulations made under any of those Acts, acquire, build or cause to be built, or otherwise provide or facilitate the provision of, dwellings for that purpose.
- (2) A housing authority may, for the purposes of *subsection (1)*, enter into—
  - (a) arrangements with an approved housing body,
  - (b) arrangements with a community-led housing organisation, a housing co-operative or a community land trust,
  - (c) arrangements with the Land Development Agency, and
  - (d) public private partnership arrangements.



# Some challenges





# Systematic challenges for housing delivery

As well as the obvious challenges mentioned earlier (planning, development land, infrastructure etc.) there are also some **less obvious challenges** to delivering social and affordable housing at scale.

- **Institutional capacity** of AHBs, local authorities and the LDA. Growth in delivery output has not been evenly distributed across organisations (and won't be) which places significant pressure on key AHBs, local authorities and the LDA.
- **Matching funding streams to pipeline growth.** This has been a particular problem for AHBs but is a challenge to some extent for all delivery partners.

# Cost Rental Equity Loan (CREL): a funding system case study

- Announced in Budget 2021 **with €35 million made available to AHBs** to deliver homes at an initial cost rent at least 25% below the open market value.
- Provides long-term loans made available for AHBs to **cover up to 30% of the development** or acquisition costs of new cost rental homes



# What is CREL?

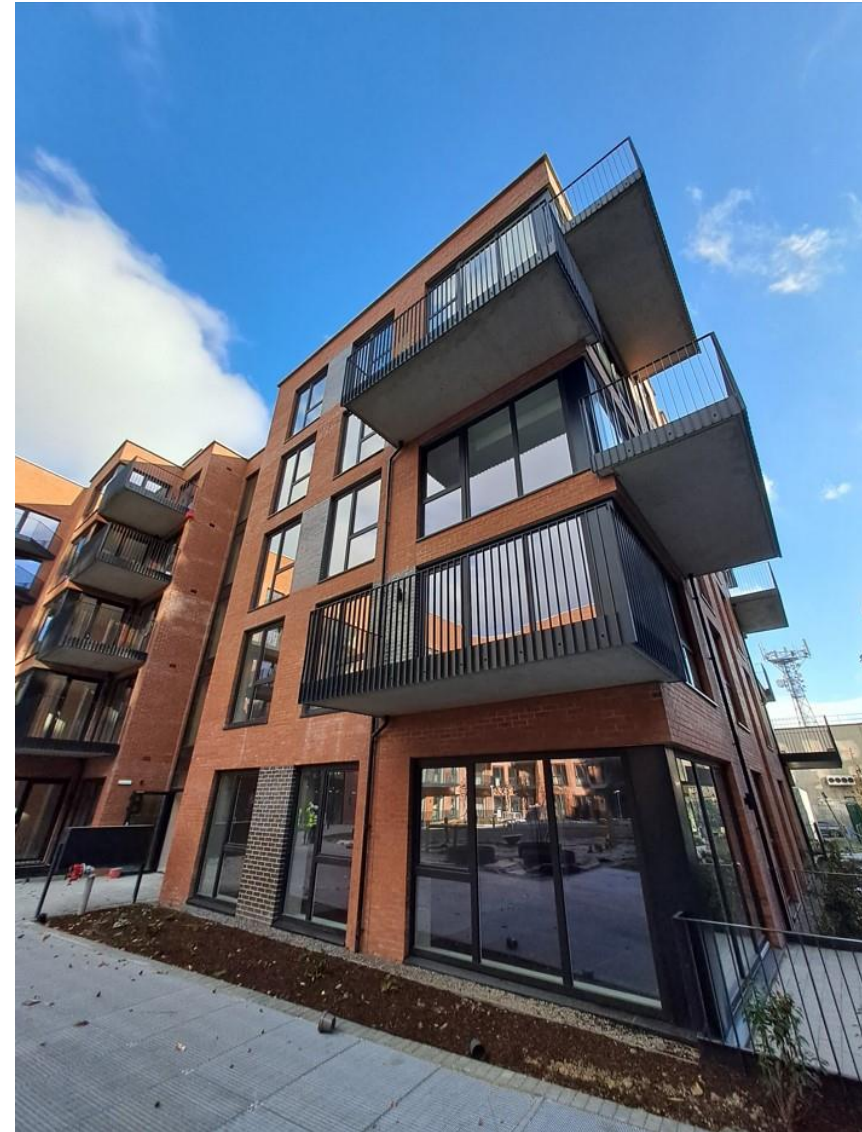
- CREL is a **40 year loan exclusively available to AHBs** for the delivery of cost rental housing (Section 40 of the Affordable Housing Act 2021)
- Interest is **1% simple interest** and is rolled up over the term
- Repayment is at the end of the term as a single bullet payment





# Initial CREL calls

- The initial CREL calls were funding limited and based on calls for proposals from AHBs.
- The initial calls were success in delivering **704 cost rental homes** and achieving the minimum 25% discount was relatively easy.
- The initial calls **struggled to deliver homes in Dublin** (DCC) locations however.





# Evolution of CREL

- Early CREL schemes benefited from:
  - Delivery costs average **< €400,000 per dwelling**
  - Commercial loan interest rates **< 2%**
  - Stable AHB **operational costs**
- As a response to inflationary pressures in late 2022, the maximum level of CREL moved from **30% to 45%**.
- CREL review in mid 2023 led to further changes:
  - **New equity funding** made available in addition to CREL
  - Total combined funding **can now be up to 55% of initial delivery cost** with up to 20% of this being equity funding

# CREL today

- Recent CREL schemes typically have:
  - Delivery costs average **> €400,000 per dwelling**
  - Commercial loan interest rates **> 3.5%**
  - AHB **operational costs have increased by approx. 20%**
- Total CREL/equity has gone **from approx. €110,000 per dwelling** (initial CREL calls) **to approx. €225,000 per dwelling** for recent CREL approvals (2024 onwards)
- Total delivery to date is just over **2,000 homes**
- The total number of homes approved for CREL funding **now stands at 5,201.**

# Success of CREL

- CREL has **transformed how AHBs, and local authorities, can deliver large mixed income, sustainable communities**
- CREL is allowing AHBs **to serve a section of our community that struggles to find affordable rental accommodation**
- CREL and AHBs provides **affordable, secure, long-term, high quality accommodation** to tenants



**Moving forwards...**





# Scaling up delivery

- **There has been real progress** in the delivery of social and affordable housing in the last 5/6 years
- This progress, while welcome, **has not matched demand**
- To deliver social and affordable housing at scale needs **a fully functioning housing delivery system** – social and affordable housing cannot be delivered in isolation
- There are significant challenges to be met, not least of which is funding
- The new national housing plan “*Housing for All 2.0*” **needs to clearly set out the level of funding and type of funding that is available to allow all delivery partners plan to at least the end of 2030.**



# Thank You



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