



Submission to inform the preparation of a Social Housing Strategy from the Simon Communities in Ireland

June 2014

Introduction

We are in the middle of a housing crisis with 89,872 households on the social housing waiting list. Rents are increasing by between 4 and 11% per annum in our major cities and the number of properties available has declined sharply since 2009. Furthermore, rent supplement levels are proving insufficient to meet the asking price for many rental properties. Homelessness and the risk of homelessness are on the increase. The €30 million housing stimulus package announced as part of Budget 2014 was welcome but inadequate in light of such high levels of need. This was to some degree acknowledged with the announcement of the Investment Stimulus Package in May 2014 of €50 million in capital funding. However, this will not stem the growing tide of housing demand. It is now clear that a significant policy shift is required to address our growing social housing requirements. The reliance on the private sector to provide social housing has demonstrably failed. A new approach is required involving significant investment in social housing provided by the local authorities and the approved housing bodies in greater numbers, allied to provision in private rented sector. The nature of the needs and the scale of the resources required make it a complex but not an impossible task. It needs vision, decisiveness, political will and the commitment on the part of the practitioners and providers to deliver quality social housing. It will require a coherent plan that begins with what can be provided immediately or as soon as possible and what can then be provided in the medium and longer term.

Context

After years of a construction boom, housing output since 2008 has been under 10,000 units per annum with very little made available for social housing. Central funding for social housing has been reduced from €1.7 billion in 2008 to €579 million in 2013. It was predicted funding would be further reduced to approx €536m for 2014 prior to the announcement of the €50 million stimulus mentioned above. The prolonged economic crisis along with the decline in the availability of affordable housing for vulnerable people and those on low incomes has coincided with rising demand for homeless services. The Simon Communities across Ireland have seen a significant rise in demand for their services in recent years. In 2012, there was an increase of 24% in the number of people using our services and this continues to rise.

The Private Rental Sector (PRS) still remains the only housing option for many. Access to Private Rented Accommodation is very restricted in the current market. The number of rental properties available has continued to decrease since 2011, while rents have increased. The most recent Daft.ie rental report for Q1 2014 reported rents nationally are now 8.9% higher than one

year previously. There were 5,800 properties available to rent nationwide as of May 1st 2014, which is the lowest level since Oct 2007. On securing private rented accommodation, tenants remain vulnerable to scheduled and unscheduled rent increases. The majority of people on social welfare are dependent on rent supplement to access and remain in housing. However, this is becoming more difficult for many with rents now above the rent supplement limits and a growing number of landlords unwilling to accept rent supplement payments. This is to be expected when the Government insists on keeping rent supplement at lower levels than market rents.

With the lack of available social housing, and barriers preventing people accessing housing in the private rental sector, it has become more and more difficult to secure accommodation and people who are homeless across the country are effectively trapped in expensive emergency homeless accommodation far longer than they should be.

In addition, the number of properties being repossessed by financial lenders continues to remain high. The most recent figures available from the Central Bank are for the final quarter of 2013. During this quarter, there were 168 properties taken into possession by lenders. By the end of December 2013, lenders were in possession of 1014 properties¹. The number of buy-to-let properties in banks' possession also remains high. In quarter 4 of 2013, 69 properties were taken into possession bringing the total number of buy-to-let properties in lenders' possession to 503. This high number of buy-to-let properties in banks' possession is a concern for private rental market as properties are vacant and banks are reluctant to rent them out, adding to growing pressure on supply of housing in this sector. Repossessions will increase the numbers on the social housing waiting list and risk of homelessness.

Further to this, the Government has committed to ending long-term homelessness and rough sleeping by 2016 using a housing-led approach. The Simon Communities are very supportive of this commitment and the work of the Homeless Oversight Group² and we firmly believe that with sufficient resources, political will and national direction this can be achieved. In fact, it must be achieved; people who are homeless must be prioritised. The prolonged economic crisis means more people are at risk of homelessness, more people are becoming homeless and more people are turning to the Simon Communities for support. For many, the social welfare safety net is the only thing standing between them and homelessness. We need to find more options and better, more sustainable ways to house people in the longer term.

In preparing this submission we acknowledge many of the commitments contained in Government policy and strategy documents including, but not limited, to Housing Policy Statement (2011); the Homelessness Policy Statement (2013); the First Report of the Homeless Oversight Group (2013); the Construction 2020 Strategy (2014); and the Implementation Plan on the State's Response to Homelessness (2014). It is critical that all of these existing

¹ http://www.centralbank.ie/polstats/stats/mortgagearrears/Documents/2013q4_ie_mortgage_arrears_statistics.pdf

² When the Government's Homelessness Policy Statement was published the Minister established a high-level three-person oversight group for the purpose of reviewing the approach being advocated in the Statement, identifying obstacles and proposing solutions.

commitments are included in this Social Housing Strategy. In addition, given the tight timeline to prepare this submission, we would like the opportunity to compile a more considered response before the end of July as per the 'Invitation for Submissions' notification, dated 24/05/2014.

Social Housing Supply

It is clear there is a shortage of affordable housing units available and an over reliance on the Private Rented Sector (PRS). The growing problem is for those at the bottom end of the housing market, especially those on low income and the PRS as currently constituted, just cannot meet these growing needs. The recent Housing Agency report on future housing requirements suggested a total of just under 80,000 dwellings are required across 272 urban areas between now and 2018. That is an average of nearly 16,000 units per annum over the next five years³. The ESRI estimates that there will be an ongoing need of approximately 25,000 new dwellings per annum over the next fifteen years⁴. We need a Social Housing Strategy which will allow us to address immediate needs as a matter of urgency; provide a sustainable way of supplying long term social housing, particularly for people who are vulnerable; and tackle past failures in terms of housing policy and provision in Ireland. It must be clearly recognised that there is no cheap solution to addressing the problem of social housing. The solution will be as complex as the diversity of needs are. The financing of the programme will also be complex. Priorities must be established. Those most in need and the most vulnerable groups such as people who are homeless and those at risk of homelessness, those coming out of care, all must be prioritised.

Providing social housing to meet the level of need identified is an enormous task. However, it must also be cost effective and those Approved Housing Bodies providing the housing must be supported in this by central government through capital assistance and favourable fixed lending rates that reflect the not-for-profit nature of the social housing providers. This will support them to maximise their provision and the sustainability of this housing into the future. Social housing by definition should be quality housing that is provided where people want to live and provide security of tenure. It must be integrated into vibrant local communities that will foster a sense of belonging and a feeling of 'being at home'.

Any vision for the provision of social housing into the future must at its core be inclusive, meeting the range of needs and supports, a range of housing types, reflect the reality of changing life circumstances of tenants in terms of building life-long adaptable housing. Towards achieving this, we recommend that:

1. There must be upfront **investment in social housing provision**. This must be planned for and resourced over the lifetime of this Strategy. This must include:

³ <http://housing.ie/Housing/media/Media/Publications/Future-Housing-Supply-Requirements-Report.pdf>

⁴ <http://www.merrionstreet.ie/wp-content/uploads/2014/05/Construction-Strategy-14-May-20141.pdf>

- a. The construction of ‘general needs’ social housing by Government. We believe that Government should set a target to increase social housing to 20% of total stock as outlined in Part V of Planning and Development Act 2000⁵ and to achieve this should work to increase social housing output to 10,000 units per annum.
 - b. Acknowledging that it will take time for any ‘new builds’ to come on stream the Government must also look at acquiring housing units for social housing provision.
 - c. Homelessness is the most acute form of social housing need so must be prioritised. People who are homeless must be identified within this Strategy as a particular target group with social housing need which must be provided for.
 - d. In addition, within any social housing developments, general needs and special needs, there must be ring-fencing for people moving out of homelessness.
 - e. Whether building or acquiring housing provision must be made for one bed roomed units which are currently in very short supply.
 - f. Capital provision for high support housing must be provided for those who need it. There will always be a need for housing with onsite support for the small proportion of people who are homeless who have needs such that they are unable to live independently.
 - g. We welcome the fact that as a short term crisis response every property available to the state is being explored to meet growing homeless need for example dwellings reserved for regeneration and refurbishment which could be brought up to standard (Actions 8 & 9 of the *Implementation Plan on the State’s Response to Homelessness*). We must caution that this should only be used as a short term response and not as a long term solution.
2. **State owned lands and property:** The *Implementation Plan on the State’s Response to Homelessness*⁶ recommends taking an inventory of land and property owned by the State. Local Authority land banks could deliver units and the only cost to the State would be the actual cost of building which would act as a stimulus for the construction industry.
- a. The development of this inventory must be expedited and prioritised to build social housing.
 - b. There is a need to explore what brown and green field sites can be rezoned to meet social housing needs, particularly in areas of high demand.
3. **Vooids:** The ongoing work on voids provided for in Budget 2014 and the Investment Stimulus must be fast tracked. All lead Local Authorities are required to prepare a full inventory of voids in their regions (Action 6 *Implementation Plan on the State’s Response to Homelessness*).
- a. Some of this stock should be made available to Approved Housing Bodies and NGO’s by way of transfer or lease.

⁵ <http://www.housing.ie/housing-information/a-property-developer.aspx>

⁶ <http://www.environ.ie/en/PublicationsDocuments/FileDownload,38053,en.pdf>

- b. There should be ring-fencing of a portion of this stock for people moving out of homelessness in areas where the necessary supports are in place for people to help them maintain and remain in accommodation. The Homeless Oversight Group⁷ in their first report also recommended more use of Local Authority ‘voids’.

- 4. **NAMA:** The delivery of NAMA properties/units offer a real opportunity to address social housing demand once they are areas where the necessary supports are in place for people to help them maintain and remain in accommodation. However, since the establishment of NAMA the transfer process of units to social housing has been extremely slow. The Government projected that some of the estimated 4,500 units, announced in Budget 2014, which will be provided for social housing will come from NAMA transfers. As of 31st March, there were a total of 518 NAMA properties transferred to social housing with 166 units which have been contracted where completion work is on-going⁸.
 - a. There needs to be ongoing work with all parties to ensure that the transfer and selection process is speeded up.

 - b. As per the *Implementation Plan on the State’s Response to Homelessness* Local Authorities are taking a second look at some of the properties NAMA offered in 2013 to see if some might be deemed suitable for a private and social housing mix, with a focus on meeting homeless needs (Action 24). This is welcome once they are appropriate to need.

- 5. **‘Sub NAMA Properties’:** Work needs to be undertaken with commercial banks in relation to some of the properties they have on their books, the so called ‘sub NAMA properties’, which may be suitable for social housing provision working with Local Authorities and/or AHB’s.
 - a. Urgent work required with commercial lenders to ascertain what properties on their books may be suitable for social housing and at what level of return.
 - b. Exploration of developing a Special Purpose Vehicle similar to NAMA’s Asset Residential Property Services for said commercial banks.

- 6. **Approved Housing Bodies (AHB):** The Housing Policy Statement (2011) recognised that the not for profit housing sector has a significant role to play in social housing supply. In fact AHB’s can access funding which Local Authorities cannot; for example through the Housing Finance Agency (HFA), without this counting towards central Government debt, and commercial banks. To make this a reality AHB’s need to be supported to act quickly when opportunities arise:

⁷ Homeless Oversight Group First Report 2013

<http://www.environ.ie/en/Publications/DevelopmentandHousing/Housing/FileDownload,34865,en.pdf>

⁸ <https://www.housing.ie/NAMA.aspx>

- a. Mechanisms must be explored to improve access to finance for Approved Housing Bodies e.g. review and revision of the Capital Advanced Leasing Scheme (CALF) to make it more financially viable and to remove barriers to accessing finance through the Housing Finance Agency.
 - b. The Capital Assistance Scheme must be resourced especially for special needs groups including people who are homeless.
7. **Part V of the 2000 Planning Act:** Part V has made, and can continue to make a contribution to social housing provision providing a stream of support to help address social housing need. In the past it delivered on more affordable housing units as opposed to social housing units. In addition, some of the social housing units provided were not suitable to some of those more vulnerable people with additional needs (such as those with disabilities, those requiring single housing units and those with higher support requirements). Part V is under review and must be retained but does need some revision.
- a. Part V should focus on social housing provision with a minimum requirement imposed for each planning permission granted.
 - b. Percentage of units for Social Housing should be greater where the need and cost of living is greater.
 - c. The Housing Agency should have a formal interest directing Local Authorities in the allocation of Part V returns in line with their own Housing Strategies.
 - d. Local Authorities should be given additional powers to determine what specific housing stock would fulfil the developer's obligations under Part V. This could avoid social segregation.
 - e. The increased involvement of Approved Housing Bodies should be promoted in the delivery of Part V in addition to their early engagement in the planning process.
8. **Allocations and Transfers:** There needs to be a review and refinement of the allocations and transfer policies to create greater efficiencies and to ensure housing goes to those in greatest need.
- a. Allocations policies must prioritise those with the greatest levels of housing need.
 - b. All local authorities should ring-fence a portion of their stock for people moving out of homelessness.
 - c. Transfer policies must be set at realistic levels to ensure that the majority of allocations go to those on the actual social housing waiting list and not those already housed with the exceptions being prioritised need e.g. disability.
 - d. The length of time social housing remains void once a tenant has vacated must be addressed so housing units are available to new tenants as soon as possible. Faster turnaround times are possible.
9. **Tenant purchase of Local Authority houses:** While the Simon Communities are not opposed in principle to a tenant's right to buy their housing, there is a clear case to be made not to proceed with the expansion of the tenant purchase schemes at this time. Any such expansion will lead to a reduction in the social housing stock over time when

there is clear evidence of a major shortage of social housing nationally, of which the housing waiting lists is testament. The provision of social housing and access to affordable rented accommodation is a prerequisite for moving people out of emergency accommodation and homelessness and thereby reducing the social housing waiting list. Therefore, selling off Local Authority housing currently runs counter to the stated objective of the Government's policy on ending long-term homelessness.

- a. There should be no expansion of the Tenant Purchase scheme until the current social housing list is addressed.

Support in Housing

Supporting people when they are in housing can prevent issues happening in the first place which can put tenancies at risk and/or the tenant at risk of homeless e.g. rent arrears or anti social behaviour. In these difficult financial times it is critical to support people to remain in their homes wherever possible. The Simon Communities in Ireland views the loss of access to housing as a severe sanction and as such we feel that the principle of natural justice must prevail for all parties where procedures are invoked that can ultimately lead to eviction or exclusion.

10. **Funding:** It is essential that there are specific resources allocated for prevention and early intervention services which are more cost effective in the longer term. Specifically
 - a. More funding is required to provide Information and Advice services to households struggling to pay bills and remain in their home.
 - b. Funding must be made available under Section 10 of the Housing Act 1988 to provide additional resources for Prevention and Early Intervention services.
 - c. Funding must be allocated to support work with vulnerable households once they have moved into social housing e.g. Support to Live Independently (SLI) and intensive case management services associated with Housing First Initiatives for people being rehoused with complex needs. This investment ensures better quality of life for the tenant but also increases the stability of the tenancy which represents a cost saving in the longer term.

11. **Prevention and Early Intervention:** Every effort should be made to support a tenant to maintain and remain in their housing. Prevention and Early Intervention is required for people at risk of eviction in particular
 - a. Due to anti-social behaviour. Local Authorities need to ensure that measures as set out in their 'Anti-Social Behaviour Strategies' are flexible to allow for cases to be treated on a case-by-case basis with a clear supported process.
 - b. For those in arrears, again, these cases should be treated on case-by-case basis and the tenant supported to develop a realistic payment/repayment plan.

12. **Anti social behaviour:** There is a concern that exclusion for anti-social behaviour may result in the tenant being denied access to social housing and/or Housing Assistance Payment into the future. This would work contrary to the stated objectives of the

Government's policy on homelessness and could condemn a person to perpetual homelessness. There are circumstances where eviction or exclusion from a property may be necessary to address anti-social behaviour but measures that block an individual's access to housing assistance into the future will be counterproductive, ineffective and counter to Government policy by effectively creating long term dependence on homeless services for people who have been engaged in anti-social behaviour. The focus here should be on prevention and early intervention aimed at avoiding exclusions and evictions.

- a. Where exclusions are unavoidable they must be done in a way that does not impact on the tenants' entitlement to social housing or Housing Assistance Payments. It makes no sense to leave people engaged in anti-social behaviour with no option other than residence in homeless services or sleeping rough when we are all working towards the shared goal of ending long term homelessness by 2016 as per the Government Commitment.

Funding Models

The Simon Communities recognise that new funding options/models need to be explored to ensure there will be a more sustainable social housing sector going forward.

13. **Real Estate Investment Trusts:** There is a need to encourage more institutional investors (e.g. pension funds) to invest in the private rented sector by means of the Real Estate Investment Trusts provided for in Budget 2013. These have been in use for many years in North America and in many EU countries such as the Netherlands and Belgium. They were introduced in the England in 2007. Although these trusts are rare in social housing, one such trust in New York, the Community Development Trust, has been very successful. In 12 years, they have preserved or added 32,500 housing units to America's social and affordable housing stock⁹.
 - a. Encourage more institutional investors to invest in the private rented sector by means of the Real Estate Investment Trusts provided for in Budget 2013.
14. **Financial Institutions:** Banks and other financial institutions are starting to lend again to private borrowers, albeit more cautiously. There should be an opportunity for AHB's to borrow from financial institutions at lower rates than private loans to buy suitable NAMA properties or take over voids and bring them back into use. In the UK, financial institutions have made funds available to housing authorities for the past number of years and the Canadian Mortgage and Housing Corporation lends to the sector considerable amounts of finance to fund projects¹⁰.

⁹ <http://cdt.biz/whatwedo.htm>

¹⁰ Cluid Housing Financing the Irish Social Rented Housing Sector: Lessons from England & Canada April 2012

- a. Explore opportunities for AHB's to borrow from financial institutions at lower rates than private loans to buy suitable NAMA properties, sub NAMA properties or take over voids and bring them back into use.
15. **Housing Finance Agency:** The Housing Finance Agency is a good source of finance for housing authorities and AHB's. However, as mentioned above, it has been the experience of AHB's in the past number of years that there is difficulty in accessing finance from the agency. These barriers need to be removed if new financing options are to be explored.
- a. Make HFA finance more accessible for AHB's.
16. **Public/Private Partnerships:** Although there are mixed success stories in the use of PPP's for the building of social housing in the past in the case for Ireland, it has been proven very successful in Canada, where property taxes and development fees have been waived by councils in order to incentivise the projects¹¹.
- a. A review of PPP's in Ireland should be undertaken and see how they may be adapted to the housing sector and look at what was done in other jurisdictions to ensure their success.

Conclusion

The Simon Communities in Ireland welcome the preparation of a Social Housing Strategy. This strategy is urgently needed as we are now in the middle of a housing crisis with almost 90,000 households on the housing waiting list. The Private Rented Sector alone is no longer fit for purpose; to house the number of people on social housing waiting list. New avenues in the provision of social housing need to be explored and mechanisms of how this will be funded also need to be considered. Provision of social housing is required immediately but there needs a sustainable social housing policy going forwards. This must at its core be inclusive, meeting the range of needs and supports, a range of housing types, reflect the reality of changing life circumstances of tenants in terms of building life-long adaptable housing.

In our submission we have outlined recommendations on how more efficient and sustainable social housing can be provided. Bringing 'Voids' and NAMA property back into use is required for the immediate delivery of homes for people currently on the housing waiting list and moving out of homelessness. Building of social housing now needs to commence so there will be units in the medium to long term. There are many options available which we have outlined above such as the use of Approved Housing Bodies, better use of Part V of the Planning and Delivery Act 2000 to provide housing for some of those more vulnerable people with additional needs such as those with disabilities, those requiring single housing units and those with higher support requirements.

¹¹ Ibid

Simon Communities in Ireland

The Simon Communities throughout Ireland provide the best possible care, accommodation and support for people experiencing homelessness and those at risk. Together, with people who are homeless, we tackle the root causes, promote innovative responses and urge the government to fulfil their commitments. Simon delivers support and service to between 4,500 and 5,000 individuals and families throughout Ireland who experience – or are at risk of – homelessness. The Simon Communities of Ireland is an affiliation of local Communities in Cork, Dublin, Dundalk, Galway, the Midlands, the Mid West, the North West and the South East.

Services range from

- **Housing provision, tenancy sustainment & settlement services, housing advice & information services** helping people to make the move out of homelessness & working with households at risk;
- **Specialist health & treatment services** addressing some of the issues which may have contributed to homeless occurring or may be a consequence;
- **Emergency accommodation & support** providing people with a place of welcome, warmth & safety;
- **Soup runs & rough sleeper teams** who are often the first point of contact for people sleeping rough.

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