

Social Housing and the Private Rented Sector in Ireland

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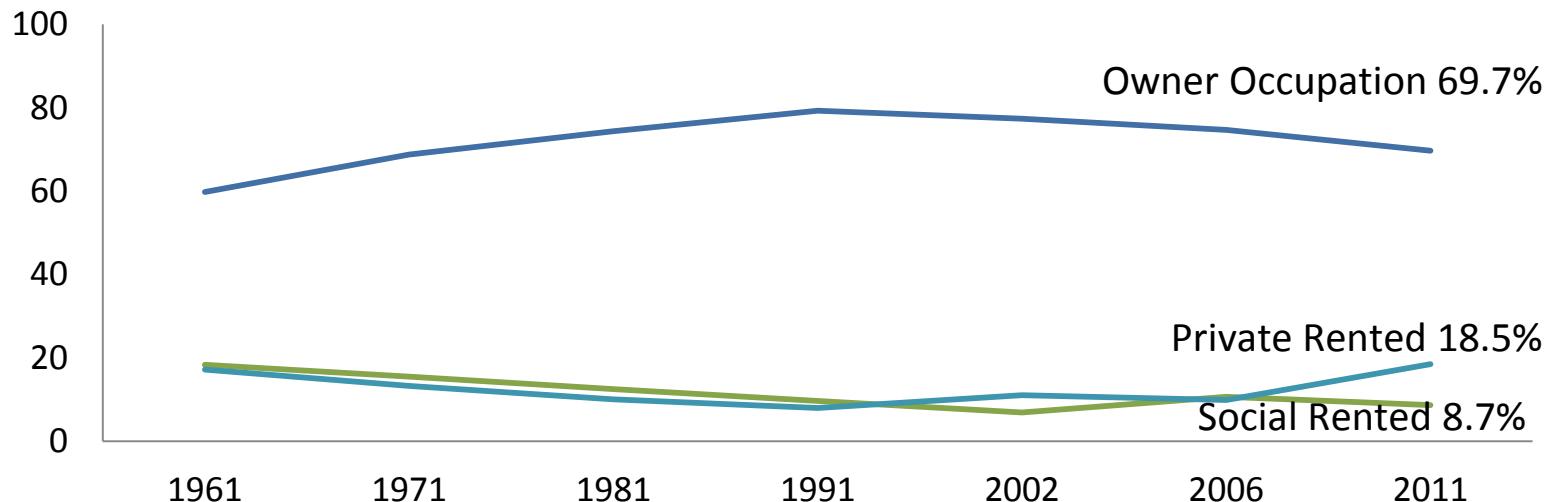
- National housing charity - Est. 1978
- We solve people's housing problems by providing housing advice and advocacy
- We campaign for a better housing system using a rights-based approach
- 30,000+ housing queries annually, primarily in the PRS

PRS in Ireland and UK

	Ireland	UK
Security of Tenure	4 year tenancy cycle	6 months AST
Rent	Market rent (but rent may only be reviewed every 24 months until 2019)	Market Rent
Dispute Resolution	Residential Tenancies Board	No Statutory Body
State Supports	Differential rent for social rented & rent supplement for private rented	Housing benefit both social and market rented
Size of Sector	20%	18%

Tenure in Republic of Ireland

Percentage Distribution of Housing Stock By Tenure, 1961 - 2011



Source: CSO, Census of Population (various years)

Evolution of Social Housing Provision

1950s Housing Construction

52,500 social housing

1980s/1990s

Two-thirds of all social housing units sold via tenant purchase

2000s

2006 – 5,208 out of 93,419 were social housing (6%)

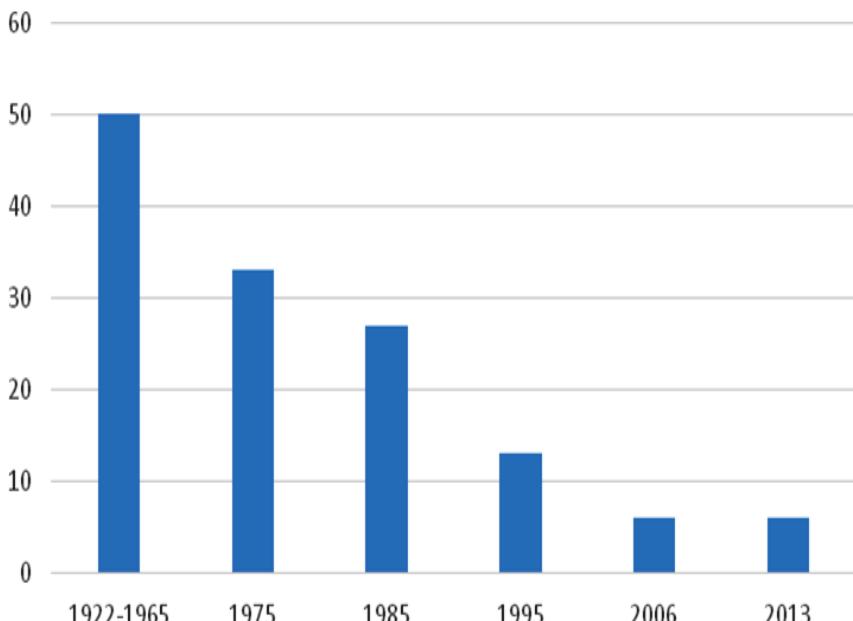
49,188 owner occupied

Increased reliance on private rented sector

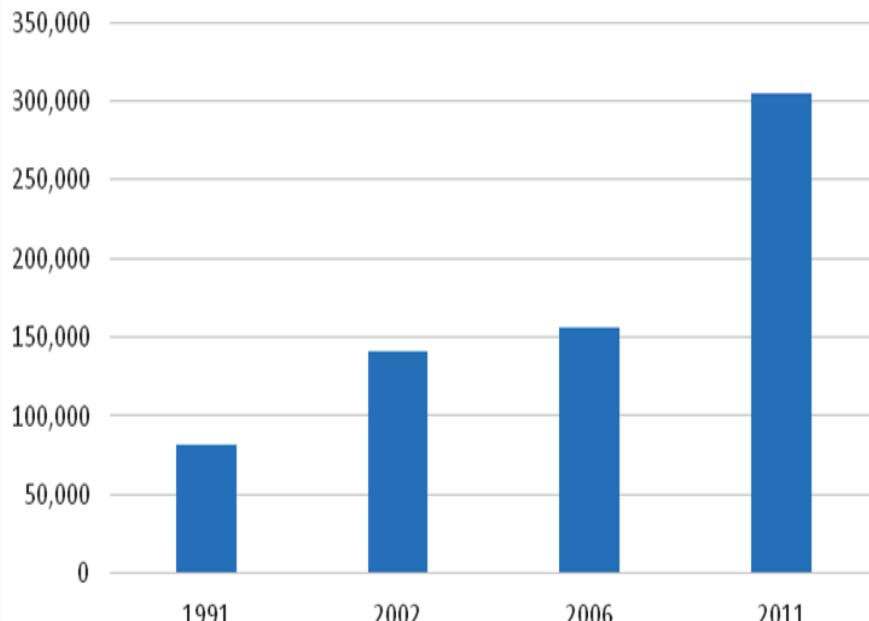
2015 – 476 out of 12,201 were social housing (4%)

Change in Tenure in Rented Sector

Social housing as % of all housing construction



No. of Households Living in Private Rented Sector



Reasons for change in Tenure

- Social Housing decline- tenant purchase, lack of capital and current investment, post-crash move to current spending
- Increase in PRS- affordability of house purchase and access to credit, reduced social housing, increased migration and student population

Social Housing and PRS

- 2004: Residential Tenancies Act
- 2004: Rental Accommodation Scheme (23,000 units)
- 2009: Housing (Miscellaneous Provisions) Act- from direct provision to enabling or providing 'social housing support.'
- 2014: Housing Assistance Payment (HAP)
- 2014: Social Housing Strategy 2020 (70% of new social housing units to be sourced in PRS)
- 2015: Residential Tenancies (Amendment) Act

Social Housing and PRS

- Rent supplement became *de facto* social housing assistance programme over time.
- New hybrid supports incrementally introduced in PRS since 2004.
- Reliance on current expenditure models of housing support and massive reduction in capital expenditure post-economic crash.

Comparison of Social Housing Supports

Type	Rent	Security	Finance	Tenancy	Source	Deposit	Current	2020
Social Housing	Differential rent	High	Capital	LA/AHB-tenant	LA/AHB	N/A	112,000	147,000
HAP	Differential rent + top-up	Low	Current	Landlord-tenant	Tenant	Yes	10,000	69,000
RAS	Differential rent	Low to Medium	Current	Local authority-landlord-tenant	LA	No	23,000	29,000
RS	RS payment & tenant contribution	Low	Current	Landlord-tenant	Tenant	Yes	56,000	Minimal level

Issues for consideration

- PRS does not have the same level of affordability, security and regulation as social rented sector.
- Social housing in PRS requires responsive and innovative housing/income support arrangements.
- Market failures in PRS can have serious implications for sector's ability to provide social housing- e.g. rising homelessness, BTL mortgage arrears

Issues for consideration

- Need to maintain balance between short-term financial considerations and long-term investment in social housing.
- Growing convergence of two sectors implies move towards common regulatory platform.
- A clear analysis is needed of both the potential and risks of using PRS for social housing - only happening now in Ireland.