

Housing

for **Need**

not **Greed**



tenants
first

*Current Irish Housing Policy, its Effect on Community,
and the Urgent Need for Change*

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Executive Summary

The Degeneration of Communities

Many of Dublin's inner-city communities in local authority flats complexes that for years have been neglected by state with high levels of poverty undertook significant work in recent years developing plans to regenerate their communities.

The community engaged in good faith and considerable energy with local authority officials, planners, architects and private developers – resulting in the production of innovative plans as to how the needs of communities could be addressed in the longer term. The plans did, in some cases (such as Ballymun), materialise – leading to unprecedented improvements for individuals and families. The development of Fatima Mansions in Dublin provides an important example of this – where the regeneration process has literally changed peoples lives and created positive hope for the future.

However, the 'regeneration' process based on the Public Private Partnership model collapsed in five areas in early 2008 (St. Michael's Estate, O Devaney Gardens, Dominick St, Croke Villas). These along with other areas where regeneration was in initial planning phases (Dolphin House, St Theresa's Gardens, Charlemont St, Limerick) face a very uncertain future or are being cut back as in the case of Ballymun. The living conditions in many estates is getting desperate. The fear and quality of life on the estates is far worse than any time in the past. The conditions in the estates in Limerick and Dublin are now far worse than they were when regeneration was first mentioned. The issues of maintenance are being neglected; areas are being de-tenanted, rundown and are now left in a mess. People are depressed



and fearful with the huge increase in anti-social behaviour, violence, drugs etc. A lot of services are closed, especially at night time when they are needed most.

These PPPs, which were imposed by government, entrusted the provision of public housing to private developer interests. Access to affordable housing and adequate community facilities was left to the whims of the market. Experience in the rise and fall of the PPP model has led *Tenants First* to launch a campaign for a fundamental review of the way in which housing and community needs are met.

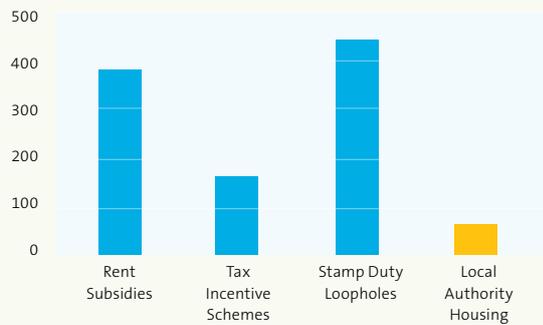
Just look at the result of housing provision based on economic gain for developers:

The current spend:

- Rent supplement to landlords: €391.5m annually. DCC is spending an almost equal amount on rent supplement as social housing
- Various housing, renewal, property tax incentives in terms of tax foregone: €639million
- Stamp duty loopholes: €450million annually



Comparison of Levels of Real State Investment in Housing-linked Initiatives – Annual Expenditure (€m)



The current result:

- 56,249 families and individuals were on waiting lists for housing across the country in 2008 (5,000 in the Dublin City Council area) = an increase of more than 33% since 2005.
- 5,000 people homeless nationwide
- 8,313 on the Affordable Housing Panel for Dublin City
- 60,000 individuals and families nationally depending on rent supplement allowance (a 43% increase since 1999). 20,498 (over one third) in Dublin City Council area in 2007 (62.8% of these were 'long-term dependents'). Much privately rented accommodation is both sub-standard and insecure
- Repossession orders for homes, 13,931 mortgage accounts in arrears (June 2008)
- 40,000 empty apartments in Dublin
- Dispersion, devastation and abandonment of traditionally-established communities through 're-location' or 'de-tenanting' as part of the urban regeneration process.
- Large residential developments bereft of basic facilities, amenities, services and strategies to sustain living communities.

It will be those people who have suffered most from current housing policies that face further devastation with the cuts to the social housing budget, community programmes and the abandonment of regeneration plans.

The future consequences of building unsustainable communities will cost even more – dealing with physical and mental health effects, addressing the inevitable family and community breakdown; tackling drug use; tackling crime and imprisoning law breakers. The approach we propose will save money.

Tenants First is seeking to unite all those who agree with these proposals into a campaign for their implementation. **Tenants First** are encouraging CDPs, FRCs, Drugs Task Forces, Youth Development and Partnership Organisations, Tenants and Residents Associations, Trade Unions, Voluntary Housing and Homeless Groups, to get involved, support us financially and to take action nationally and locally. We believe that if this sector organised and acted together these proposals could be realised.



Background to Tenants First

Tenants First is a network that brings together people who are working on and involved in public housing issues in their local communities. It is made up of representatives from local authority tenants associations and anti-poverty groups working locally with tenants. Membership is open to tenants representatives from across the city of Dublin and it is a non-party political forum based on principles of equality.

The organisation is working towards the full and active involvement of tenants in planning and ongoing development of the communities in which they live – not only as a basic right, but also in the firm conviction that viable and sustainable communities are possible only with active tenant participation.

Tenants First was set up in 2003. This document was produced by Brian Dillon (Nexus) with the support of the Steering Group of Tenants First. The following organisations currently have representatives on the Steering Group:

- *Dolphin House Residents Association and Voluntary Groups*
- *Dublin Inner City Partnership*
- *Fatima Groups United*
- *Inner City Organisations Network*
- *Markets Area Community Resource Organisation*
- *O'Devaney Gardens Community Forum*
- *St. Michael's Estate Block's Committee and Regeneration Team.*
- *Ballymun Community Action Project.*



We want to empower tenants and community-based groups to engage in decision-making about issues affecting their homes and their communities through:

1. **The development of a knowledge base** – drawing on and sharing local community expertise and experience. For example, numerous workshops, meetings of community based representatives from across the country have been held where the issues affecting their communities, are discussed, analysed, shared and solutions offered.
2. **Building solidarity amongst tenants organisations** – to provide mutual support and strategic strength. For example, it has given support to the communities affected by the collapse of regeneration to organise protests and to respond in their campaigns.
3. **Influencing decision-making that affects the future of our communities at both local and national level** – actively promoting policies and practices that lead to integration, sustainability and equality; actively opposing policies and practices that lead to unacceptable living conditions, segregation, inequality and exclusion.

Why the Need for a New Direction on Housing?

The Degeneration of Dublin Communities

Much of the Tenants First organisational commitment has been invested in what has been generally known as the 'regeneration' process, as it has developed in communities across Dublin City. This process (based on the Public Private Partnership model) collapsed in five areas in early 2008 - confirming many of the fears and misgivings shared by the tenants and community-based organisations who had engaged with it over a number of years.

Tenants First – whose membership includes associations and organisations in all the areas affected – condemned the approach taken, and reliance on one particular model, by both government and Dublin City Council. The failure of the PPP model to deliver was seen to have “*contributed further disillusionment and uncertainty to the already poor living conditions endured by these communities throughout the regeneration process to date*”. The collapse was directly attributed to the absolutely unacceptable decision at government level to entrust the provision of public housing to private developer interests. Access to affordable housing and adequate community facilities had been left to the whims of the market – and to the needs of developers for particular profit margins.

Tenants in **St. Michael's Estate Inchicore, O'Devaney Gardens and Dominic Street** had been living in areas that had suffered government neglect for generations – lacking in acceptable living conditions, facilities and access

to basic services. Before the 'Celtic Tiger' era they were told that there were no resources to address these needs. When times were 'good', they were promised that their communities would benefit from the state and the private sector '*building a new future with them*'. Now they are being told that the plans they invested so much effort in are cancelled. There was, seemingly, not enough profit in it².

At the same time the level of commitment and effort of tenants in these communities to regenerating their communities cannot be overestimated. Each area has seen the prolonged engagement of community with local authority officials, planners, architects and private developers - resulting in the production of innovative and invaluable plans as to how the needs of communities can be addressed in the longer term. And plans did, in some cases, materialise – leading to unprecedented improvements for individuals and families. The development of **Fatima Mansions** in Dublin provides a unique example of this – where the regeneration process has literally changed peoples lives and created positive hope for the future.



² In his letter to council officials in May 2008 giving reasons for withdrawing from the Public Private Partnership, Builder Bernard McNamara cited the “adversely changed circumstances” of the housing market, and new guidelines forcing developers to build larger apartments.

¹ Press Release: 'Tenants First Demands Action on Regeneration Plans', 3rd June 2008



Who Should Profit from Public Housing?

Experience in the rise and fall of the PPP model in Dublin has convinced Tenants First – and its constituent organisations – of the need for a fundamental review of the way in which housing need should be met. The experience raised questions in particular about:

- *Current government policy, as enacted by local authorities, in relation to meeting the need for social and affordable housing; particularly the reliance on private sector involvement as an inherent part of the process.*
- *The impacts of this approach – not only for those individuals and families deprived of secure homes; but also for the prospects of ensuring balanced and integrated community development in the longer term.*
- *The need to harness and exploit all the positive lessons that have been learned by communities as part of regeneration processes – to ensure that future housing policy provides the basis for secure, balanced and sustainable communities.³*

This document has been produced with the intention of:

1. **Highlighting what Tenants First views to be a short-sighted approach to housing – motivated more by the personal gain ‘of developers’ than by the social need of ‘those in poverty’.**

2. **Demonstrating the negative effects of this for individuals and communities, as well as for Irish society in general – to the extent that current housing policy can be shown to be wasteful of public resources, and an effective transfer of these resources from the most to the least in need.**
3. **Make proposals on the need for a different approach – as the basis for mobilising public opinion and engaging with political parties to effect change.**

While the case is made throughout at national level, there is a particular focus on the Dublin City Council area in terms of housing need and responses.

The revised 2009 budget estimates for the Department of the Environment and Local Government include a €300 million cut in funds for social and affordable housing. Once more it is housing for the poor and low-waged and funding for local authorities that has taken the largest hit.

Funding for social housing construction and regeneration is being cut by 16 per cent or €250 million, affordable housing and other housing support schemes is being cut by €44 million or 33 per cent.

The Local Government Fund, which makes up a large proportion of funding for local authorities, is being cut by 24 per cent, or just under €132 million.

3. For a detailed analysis of the lessons on regeneration see ‘Regeneration: Public Good or Private Profit’ by Dr. John Bissett and ‘Dream, Dare, Do’ by Fatima Groups United (www.fatimagroupsunited.com)

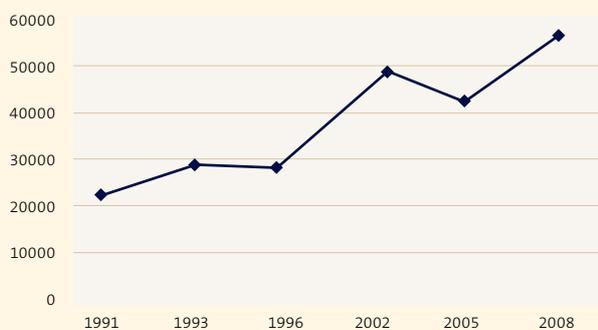
Estimating Housing Need



56,249 families and individuals were on waiting lists for housing across the country in 2008. Almost 5,000 of these were in the Dublin City Council area, with a further 8,700 in the other three Dublin local authorities (Dun Laoghaire Rathdown, Fingal and South County Dublin).

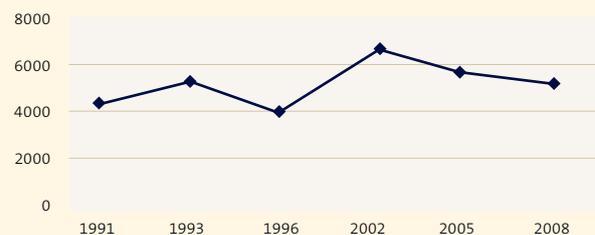
This represents a national increase of more than 33% over the three year period since 2005.

Numbers on Housing Waiting Lists Nationally (1991-2008):



A testimony to government commitment to the issue is that the numbers of those in need of housing across the country increased by more than 146% within the fourteen-year period that included the most significant economic growth in our history (bottom left).

Numbers on Dublin City Council Waiting Lists (1991-2008):



Despite the fall-off in numbers since 2002, **there is still a higher number of families in need of housing** in the Dublin City Council area than there were in 1996 (above).

2,399 people were officially classified as homeless in 2005, with 1,348 of these (over 56%) of these living in the Dublin City Council area. Focus Point estimate that this figure has now risen to approximately 5,000 people being homeless on any given night nationwide. Since the economic downturn



these figures have worsened considerably. As of 2009 there has been a national increase of people in need of social housing of more than 33% since 2005, with 1,000 new applications for rent subsidies from the State every month (Minister of State for Housing Michael Finneran, Irish Times April 28th, 2009). Furthermore, it is predicted that there will be 4,000 vacant affordable homes by the end of the year.

*Dublin City Council is to discount its total stock of affordable homes to get rid of a backlog of 300 unsold houses that are costing the council upwards of €300,000 a month in bridging loans and fees. The council is to offer further discounts of about 25 per cent on houses it had already discounted by up to 35 per cent of the original market price to compete with developers' discounts.*⁴

*Dublin City Council is considering slashing the prices of almost 200 millions worth of unsold affordable housing units in a bid to stop the financial drain from the vacant stock. Chairman of the Council's Housing Committee Eric Byrne said the authority was facing a financial crisis due to the combined cost of interest rate repayments, management fees for apartments and security costs associated with the vacant properties.*⁵

There are 8,313 applicants already on the Affordable Housing Panel for Dublin City, of whom 3,000 registered in 2007 alone. Given the market changes DCC are now spending 300,000 a month in bridging loans and fees on affordable houses that cannot be sold.

A further indication of housing need is the number of people in private rented accommodation who receive rent supplement allowance through the Department of Social and Family Affairs.

In 2007 there were almost 60,000 individuals and families nationally depending on rent supplement allowance (a 43% increase since 1999).

Numbers Nationally Receiving Rent Supplement Allowance (1999-2007):



Some of these (around 14,500) are on the local authority waiting lists, but the remaining 43,500 can also be classified as being in housing need since rent supplement cannot realistically represent a long-term housing solution for them.

20,498 (over one third) of those depending on rent supplement allowance were renting in the Dublin City Council area in 2007 – and 62.8% of these were 'long-term' dependents.

Added to this are difficulties faced by thousands of families in efforts to retain their homes as a result of changing economic circumstances. There has been a steady increase in the number of repossession orders for homes, with the annual figure doubling since 2000. A total of 465 repossession orders were granted in 2007 – up from 220. Figures gathered from 24 mortgage lenders by the Financial Regulator show that 13,931 mortgage accounts were three months in arrears by June 2008. This was up from 11,252 at the end of December 2006, a rise of 24pc over that period. The number of households in receipt of mortgage interest subsidies had increased by more than 100 per cent over the past 12 months due to the economic downturn⁶

As part of the recent Social Partnership talks ICTU has called on the government to introduced a two year moratorium on repossessions for those in mortgage arrears.

5. *Irish Times* 21st January 2009

5. *Irish Independent* January 17th 2009

6. *Irish Times* April 29th 2009

“Responding” to Housing Need



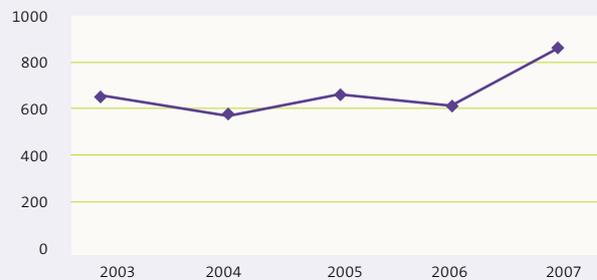
Public and Social Housing

Throughout this period of growing housing need, local authorities across the country have failed to significantly add to their housing stock. Between 1994 and 2004, for example, 34,606 houses were constructed and a further 8,647 were acquired by local authorities. But the net gain in housing stock over this period amounted to only 25,444. The deficit is accounted for by the sale of 17,809 local authority houses.

This equates to a national gain of just over 2,000 housing units per year – at a time when close to 40,000 people remained on housing waiting lists.

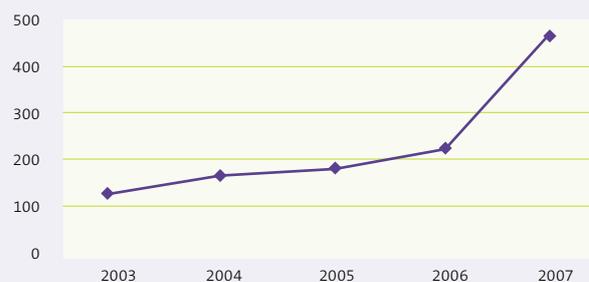
Dublin City Council performance appears better in comparison – at least on the surface. In the five years between 2003 and 2007, DCC had built or acquired a total of 3,487 housing units. Numbers of new completions had increased significantly during 2007 (top right). These figures, however, include those housing units completed as part of ongoing regeneration schemes (referred to in Section 1).

Numbers of Houses Built and Acquired by Dublin City Council (2003-2007):



The increase in house completions recorded for 2007 therefore hides the fact that old housing units were being lost through demolition (as well as new ones being completed through regeneration). The loss to social housing will be very significant if the proposed regeneration projects are carried through as they are currently comprised. Research undertaken by Hearne indicates that only 972 social housing units out of an original 2,033 units will be replaced in regenerated estates of Fatima Mansions, St. Michael’s Estate, O’Devaney Gardens, St. Theresa’s Gardens, Charlemont St, Chamber/Weaver Court, Dominick St, Croke Villas and Bridgefoot St⁷; and this does not include the sizeable number of flats demolished as part of the Ballymun regeneration in the same year. Significantly, however, Dublin City Council have sold off a total of 925 housing units over this same period. Over one third of these (370 houses) were sold in 2007 alone, with a further 203 applications pending.

Numbers of Houses Sold off by Dublin City Council (2003-2007):



7. These figures are taken from the completed PPP regeneration projects of Fatima Mansions and the proposed projects of St. Michael’s Estate, O’Devaney Gardens, St. Theresa’s Gardens, Charlemont St, Chamber/Weaver Court, Dominick St, Croke Villas and Bridgefoot St (Rory Hearne (2008) “Neoliberalism and the Irish Welfare State: Public Private Partnerships in the Delivery of Schools and Social-Housing Regeneration”, Unpublished PhD Thesis.



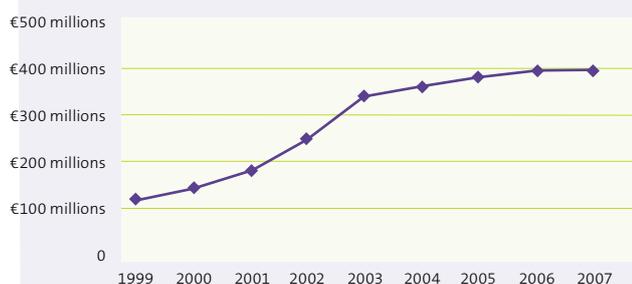
This amounts to a net gain in DCC housing stock of 2,562 over the five year period – or an average yearly gain of just over 500 houses, at a time when nearly **6,000 families remained on waiting lists**.

The Private Rented Sector

The Rental Accommodation Scheme (RAS) was implemented by Dublin City Council in July 2005 with the intention of providing those receiving rent supplement with improved and good quality housing stock effectively controlled by the local authority⁸. However, despite heavy promotion of the scheme, only 330 private landlords had signed up to the scheme in the city council area by early 2008. Approximately 1,000 households have been accommodated through the scheme to date; but a further 1,416 are waiting for a RAS allocation from Dublin City Council.

In the absence of an adequate state response, **it is clear that the private rented sector has become the main channel through which housing need is being met**. It is also clear that this is becoming a more and more expensive ‘solution’. Spending on rent supplements to private rented tenants has risen nationally by over 200% since 1999 – with now €391.5m being paid annually (see below).

Annual Expenditure on Rent Supplements to Private Rented Tenants (1999-2007):



8. Under the RAS local authorities enter into contractual arrangements whereby they assume responsibility for making full monthly payments to landlords for the duration of the contract. The landlord does not have to collect rent or fill vacancies and the council pays full rent even if the property is vacant.

With over one third of these households renting in the Dublin City Council area in 2007, it is likely that expenditure in Dublin City has now reached at least €130m per year. This means that private rented subsidies have now come close to matching DCC’s entire budgetary allocation for social housing (€150m estimate for 2008).

Furthermore, **this level of state investment is being made in a housing sector that has been shown to be both sub-standard and insecure**. Recent research undertaken by the Centre for Housing Research showed that sub-standard housing was much more common among rent-supplement properties compared to the rest of the private rented market. This established exceptionally high rates of non-compliance with legal minimum standards in areas run by Dublin City Council. **An incredible 96% of properties in the DCC area failed to comply with minimum standards** (as determined under the RAS).

Affordable Housing

The performance of Dublin City Council on providing affordable housing has also been extremely poor. Only 1,025 units have been sold to date with a further 691 units in various stages of conveyance. This is despite the fact that there are more than 8,000 applicants already on the waiting list for affordable housing – of whom 3,000 registered in 2007 alone. It is expected that numbers on this list will grow to at least 10,000 individuals and families by the end of 2008. It is against this background that DCC manager John Tierney announced the closure of the Affordable Housing Panel from April 2008 until the end of the year – with the intention that there would be a **“complete restructuring of the affordable housing process”**.



But there have been Winners

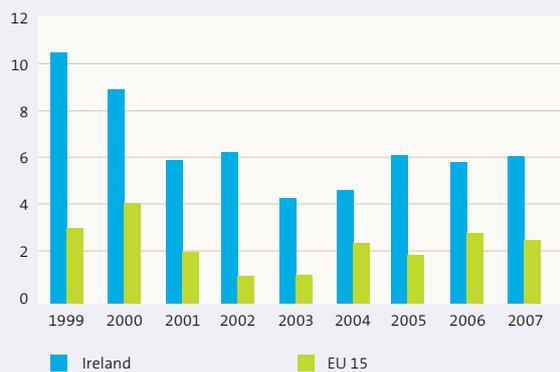
This marked failure to address housing need is all the more remarkable given the fact that it has happened during a period in which there has been:

- *Unprecedented economic growth and wealth creation;*
- *Equally unprecedented rates in residential construction.*

Economic Growth

Continued economic growth throughout this decade has established Ireland as one of the wealthiest countries in world. The pace of growth has outstripped all other EU Member States during this period (see below).

Annual Growth in GDP: Ireland Compared to 15 EU Member States (1999-2007):



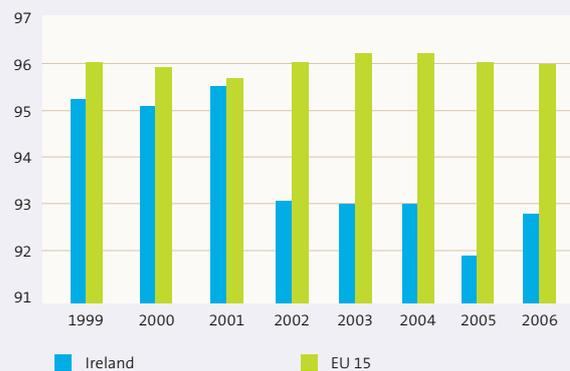
In 2002 growth in Irish GDP was almost six times the combined rate for the 15 member states. Despite this pattern of growth having been well established by then, 48,413 individuals and families remained on housing waiting lists (more than double the number who were waiting a decade earlier). 54,213 families and individuals relied on rent supplement for accommodation in the private rented sector.

By 2005 (with annual GDP growth still far outstripping the EU average), 43,648 individuals and families still waited for public housing, and the number of families and individuals depending on rent supplement for accommodation in the private rented sector had risen to 60,176.

This kind of shameful failure in relation to housing need is perhaps not surprising given the overall thrust of social policy during the same period of rapid growth – and especially policy aimed at supporting weaker and more vulnerable sections of the population. Eurostat provides an annual index for all EU Member States in relation to government expenditure on social protection and social benefits⁹.

The chart below shows that, at the same time as Ireland was outperforming the rest of Europe in terms of wealth creation, it was falling behind the rest of Europe in terms of social protection.

Annual Expenditure on Social Protection and Social Benefits: Ireland Compared to 15 EU Member States (1999-2006)



⁹ This refers to a range of transfers of benefits (in cash or in kind) to households and individuals 'to relieve them of the burden of a defined set of risks or needs'

What Crisis? We have Houses

The Irish state was heavily involved in protection and the bestowal of benefits during this period. However, the beneficiaries were not the more vulnerable and lower income households, but landowners and property developers. This has been effected through a range of tax incentives and allowances, including:

- The **Urban Renewal, Town Renewal and Rural Renewal Schemes**
- The **'Living Over the Shop' Scheme**
- **Capital Allowances for Hotels**
- **Capital Allowances for Holiday Cottages**
- **Capital Allowances for Private Hospitals**
- **Capital Allowances for Sports Injury Clinics**
- **Capital Allowances for Investment in Multi-Storey Car Parks**
- **Relief for the Refurbishment of certain Rented Residential Properties**



The first one of these major schemes was introduced in 1986 to promote urban renewal. The case to be made at this stage was on the basis of depressed economic growth, and the need for selective incentives to boost property investment.

But the policy of subsidising property development continued throughout the economic and property boom – ensuring added benefits to developers and landowners beyond the massive capital gains already being enjoyed.

It has been estimated that costs to the Exchequer for these initiatives, in terms of tax foregone, was in the region of €639million by the end of July 2006 - with almost 74% of these costs arising in respect of the Urban Renewal Scheme. Costs to the public have represented up to 43% of the building cost associated with developments undertaken as part of the schemes.

If this transfer of state resources to a small number of developers was not sufficient, further subsidy has effectively occurred through the capacity to exploit a 'loophole' in the system connected with the payment of stamp duty.

A survey by the Revenue Commissioners in 2006 found that 40 per cent of all land deals exploited this loophole – including within residential property schemes, pubs, hospitals, hotels and local authorities through public private partnerships. In the survey of just 100 developers, **the associated tax avoidance devices are acknowledged to have cost the State €251million during this year alone.** So the figure could be over €400million annually if all developments are taken into account:

“The Revenue have pointed to their deep concerns about it because they felt that in their 2006 study, just on that year alone, that the loss to the Exchequer could be as high as €400m to €500m.¹⁰”

6. Economist Eddie Hobbs commenting on TV3 'the Political Party, on the basis of a question asked under the Freedom of Information Act.



The cumulative result has been the successful transformation of housing provision into arguably the most lucrative activity throughout the 'boom' years. So much so **that any recognition of social need in housing remained in a very distant second place** to the need to protect economic gain for developers.

Apart from the very blatant inequities involved, and the abject **failure to meet real housing need**, this has led to more houses being built than were needed. With the underlying drive being provided by profit rather than by need, this outcome would seem inevitable.

Research being undertaken by the Jesuit Centre for Faith and Justice¹¹ highlights the fact that, **despite considerable levels of need and homelessness, there is no shortage of housing**. It shows a level of house completion in Ireland that is far in excess of household formation. The implication is that up to 249,348 new housing units, or 42 per cent of total completions between 1996 and 2006, were not acquired as primary residences and were surplus to need. In other words, a considerable

proportion of house building activity has nothing to do with meeting immediate housing needs or providing permanent homes; and that a significant amount of effective demand in the housing market comes from a desire for investment (without intending to let the property).

In Dublin City there were 52 per cent more house completions than household formations between 1996 and 2006 – consistent with the Census estimation that 12 per cent of the total housing stock in Dublin City lay vacant in 2006; and with the IAVA estimation of there being **over 40,000 empty apartments** in Dublin at the beginning of 2008.

In its recent report Deleveraging the Irish Economy, Goodbody Consultants note that the Irish economy has been left with 67,300 more vacant houses than the EU average.

11. Jesuit Centre for Faith and Justice (forthcoming) Realities in Irish Housing: A Policy Paper, Dublin: JCFJ

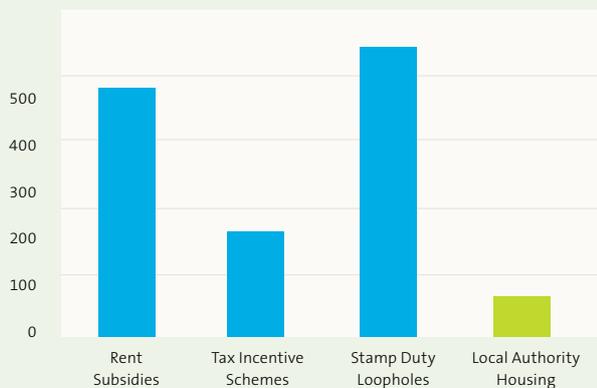


Social Welfare for the Rich?

As a society we have made no discernible impact on the significantly high need for public housing – despite the fact that we are emerging from the most sustained and significant period of economic growth in the state’s history. The value system underpinning policy in this context is easily summarised.

The chart below shows the priority accorded to the provision of local authority housing in comparison to subsidies from the taxpayer to developers via incentives and loopholes; and to landlords via rent supplements.

Comparison of Levels of Real State Investment in Housing-linked Initiatives – Annual Expenditure (€m)



An Irish Formula for Success in Meeting Housing Need

€391million spending on rent supplement

+ €169million tax incentives

+ €450 stamp duty loopholes

- €400million unspent in local authority accommodation

Equals:

56,000 people on housing waiting lists

+ 60,000 depending on rent supplements

+ 5000 homeless

+ 14,000 people in mortgage arrears

+ 49,348 empty houses plus dispersed, devastated and abandoned communities.

In the Irish Times on April 28th 2009 **Donal McManus**, executive director of the Irish Council for Social Housing, has said that he anticipates that the 56,000 households recorded as being in need of social housing in March 2008 had increased significantly since then because of rising unemployment. He has complained that a number of social housing projects in the pipeline had been stalled due to budgetary cutbacks – even though they could now be built cheaper.

Mr McManus has called on the Government to ensure that the proposed National Assets Management Agency (NAMA) should ring-





fence land for future social housing schemes, so that there would be a “social dividend” from resolving the financial and banking crisis.

However, the Government is continuing its policy using the rent allowance scheme of long-term leasing.

The revised 2009 budget estimates for the Department of the Environment and Local Government include a **€300 million cut in funds for social and affordable housing**. Once more it is housing for the poor and low-waged and funding for local authorities that has taken the largest hit.

Funding for social housing construction and regeneration is being cut by 16 per cent or €250 million, affordable housing and other housing support schemes is being cut by €44 million or 33 per cent.

The Local Government Fund, which makes up a large proportion of funding for local authorities, is being cut by 24 per cent, or just under €132 million. **This is unacceptable.**

Now Who is Going to Pay the Price?

Rising levels of housing need and homelessness are not the only effects of this fixation on the transfer of resources to the rich. The costs for communities have also been severe, especially in the extent to which:

- The same *obsessive drive for maximising profits* has directly contributed to large residential developments bereft of basic facilities, amenities and services.
- Incentives to develop mostly *vacant holiday homes* have torn the heart out of what were vibrant rural communities.
- Large sections of housing estates being *privately rented* on a supplemented basis to more vulnerable sections of the community – leading to the increasing potential for segregation, polarisation and social exclusion.

- *The break-up of traditionally-established communities through ‘re-location’ or ‘de-tenanting’ undertaken as a generally accepted part of the urban regeneration process. Destabilisation in these cases happens not only for those communities who are being ‘de-tenanted’, but also for those communities to which people are relocated – where, in many cases, tensions can arise over whose housing needs should be prioritised.*

In short, the state has been operating without any strategic intention to meet housing need – and certainly without any notion that the provision of housing should be addressed within the broader aspiration of building secure, vibrant and sustainable communities. The more recent period of economic growth has instead contributed significantly to both housing need and to community degeneration.

So who is now being asked to pay for this?

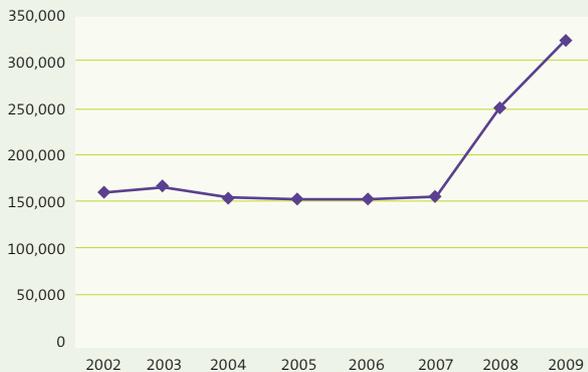
It should perhaps come as no surprise (given government obsession with protecting wealth and privilege) that it will be those people who are most in need, those who have suffered most from current housing policies, and those communities who now are facing up to the prospect of living with the most devastating effects. Clear indications of this have emerged through more recent government pronouncements, for example, on:

- *Cuts to the social housing budget*
- *Cuts to a range of programmes that are central to the development of sustainable communities in disadvantaged areas (which will have a negative impact on work being undertaken with more vulnerable sections of the community).*
- *The abandonment of plans to regenerate communities – the resulting vacuum creating little certainly about the future beyond increased exclusion.*

It is also clear that persistence with this perverse means of delivering social justice will inevitably lead to increased exclusion, isolation and deprivation for larger sections of our population. The most recent meteoric rise in the number of people unemployed bears testimony to this fact:



Live Register Numbers - March 2002 to March 2009



Unemployment in the State's worst poverty blackspots will rise above 50 per cent during the recession.¹²

The number of households in receipt of mortgage interest subsidies had increased by more than 100 per cent over the past 12 months due to the economic downturn.¹³

Donal McManus, executive director of the Irish Council for Social Housing, said he anticipated that the 56,000 households recorded as being in need of social housing in March 2008 had increased significantly since then because of rising unemployment. He complained that a number of social housing projects in the pipeline had been stalled due to budgetary cutbacks – even though they could now be built cheaper.

Mr McManus called on the Government to ensure that the proposed National Assets Management Agency (NAMA) should ring-fence land for future social housing schemes, so that there would be a “social dividend” from resolving the financial and banking crisis.

Mr Finneran made it clear that he would not be following the advice of those who said there

was never a better time to build social housing because construction costs had fallen significantly, or to buy up large numbers of unsold homes at discounted prices.

Although he saw merit in both arguments, the Minister of State said “the reality is that we simply do not have the resources to pursue the traditional approaches of buying or building the numbers of units of social housing required” to cater for those most in need. “Taking an average unit cost of €200,000, it would cost €4 billion to meet the needs of 20,000 households. That is nearly three times the overall level of resources available for all housing programmes this year.”

Instead, vacant houses would be leased on a long-term basis.

“While some reservations have been expressed about this approach in certain quarters, I want to be clear today that I firmly believe that from a policy perspective, it is the right way to go.”

Mr Finneran denied that the leasing approach, which he first announced last October, was “some sort of sinister plot to prop up developers”.

The conference also heard that vulnerable children in Limerick “are on a conveyor belt to criminality” unless there was intervention to deal with the root causes of the city’s social problems.

Former Dublin city manager John Fitzgerald, who chairs the two State regeneration agencies which had been given the mandate to transform Limerick’s most deprived areas, said this would also avoid “stupid, unnecessary expenditure into the future”.¹⁴

12. *Irish Times*, April 28th 2009

13. *Irish Times*, April 29th 2009

14. *Irish Times*, April 28th 2009

Put Tenants First Demand a Better Equation

Tenants First are now engaged in a nationally-based campaign for the development and implementation of a cohesive public housing strategy that works. We are specifically committed to:

Investing in Social Housing to Meet Social Needs

Meeting housing need should not be a difficult task – and will cost only a fraction of the resources already diverted to land-owners and developers.

It will also cost a small fraction of what will be required in state expenditure to address the social fallout of the current housing policy. The consequences of dependency on building houses for profit – without adequate facilities, amenities and services – are already becoming apparent in terms of breakdown of community, crime and concentration of social problems. This situation is certain to deteriorate, and the costs of dealing with the consequences (in relation to social work, family support, mental and physical health care, law enforcement, crime prevention, prisons etc) will far outweigh the costs of planning and building viable and sustainable communities.

At national level, we are calling for the establishment of a €3billion fund to be used for a ten-year programme regenerating existing and developing new communities.

Borrowing this sum in the form of a state mortgage is the equivalent of government payments being made to landlords via rent subsidies. Repayments are then possible through savings made in rent subsidy payments, plus rents generated from new local authority tenants.

Planning and managing the expenditure of this fund should be the responsibility of a newly formed *Social Housing and Community Regeneration Board* at national level – representative of local authority, central government, tenants and community interests – as well as those organisations with a central focus on the accommodation needs of excluded and minority groups (organisations representing the homeless, people with disability etc.) Within this framework, and in all other functions, local authorities should maintain (or revert to) its leading role in ensuring that good quality accommodation is available to households unable to compete in the market system. Any role for private sector investment should at all times be subservient to and supplementary to this key principle.

The fund and its operation needs to be underpinned by legislation – within which the roles and responsibilities of all local authorities are clear and enforceable. Existing resources planned and allocated by local authorities to housing can therefore also come under the direction of the new national board – ensuring adherence to the sustainability principles developed. The Board should be empowered to ensure that land for social housing or other public investments should be acquired at existing use value (rather than full development value) plus an element of compensation. It should also be empowered to design and implement measures to take over properties that remain vacant for a specified period of time

This approach will guarantee that a proportion of state resources being handed over to the banking sectors will be directed back to social purposes (arguably where it should be going in the first place). It will also guarantee considerable savings on state expenditure into the future on the crisis effects of community break-down. More importantly, it will mean:



- The elimination of, or significant reductions in, housing waiting lists for most local authorities.
- The end of insecure and dependent living conditions for thousands of families and individuals now in private rented accommodation.
- More integrated living conditions, with a positive movement away from segregation.
- The opportunity to meet the needs of homeless people and families in a holistic and integrated way.
- Increased employment in the construction sector at a time when it is badly needed.
- An unprecedented chance to build and regenerate communities in a way that addresses the totality of social and community needs – not just bricks and mortar!

Building and Regenerating Communities

*The involvement of tenants and community organisations in regeneration processes over the past decade has resulted in very valuable learning about what is needed to ensure that what results from these processes are **real communities** – not estates for fostering social exclusion!*

Many of these lessons, and pointers to good practice, are already documented¹⁵, and these should provide the basis for a building and regeneration programme that puts the needs of people first, integrating social, economic and cultural services and facilities that are accessible to all. This needs to take into account:

- *Employment and training needs;*
- *Income, employment and local enterprise;*
- *Well-being, health and leisure*
- *Community Development, Family Support and Youth Support*

¹⁵ www.fatimagroupsunitied.com; www.stmichaelsestate.ie; www.dicp.ie

- A quality family friendly living environment that supports sustainable development through housing, play facilities, civic and green spaces, leisure facilities, youth spaces and accessible public transport systems.

Achievement of this will require:

1. A legally-binding commitment to expend a certain proportion of all housing resources (associated with the fund as well as mainstream local authority housing commitments over the ten-year period) on community and social measures. This should be the equivalent of 20% of all expenditure.
2. An equally binding commitment to ongoing maintenance of housing and community facilities in existing areas, as well as in newly developed areas.
3. Legislation to ensure local involvement in planning and delivery of programmes to address social and community needs – including the facility to establish community trusts, and mechanisms to ensure the involvement of all mainstream service providers, in co-operation with local community interests, in a co-ordinated and integrated way.
4. Support for the active involvement of residents in planning and governing their own communities – ensuring participative democracy at national policy as well as local development levels.
5. A recognised role for the National Board in identifying and promoting good practice in relation to the development of sustainable communities – allowing for research and familiarisation of successful initiatives in Ireland and in other countries.



Make your Voice Heard

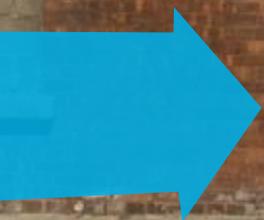
A central objective of housing policy as set out in the Department of the Environment, Heritage and Local Government's policy statement *Delivering Homes: Sustaining Communities* (2007) relates to what are called '*sustainable communities*'. These are meant to be '*places where people want to live, where there is choice, good quality accommodation, opportunities; places that have been well planned with accessible services and social infrastructures*'.

Not only has there been no effort to pursue this objective. All activity that passed for housing strategy has rather 'succeeded' in:

- *Adding people to housing lists;*
- *Creating a glut of houses that nobody needs;*
- *'Developing' vast estates without services and social infrastructure;*
- *Building the conditions for segregated and divided communities;*
- *Diverting state resources into subsidising substandard conditions in the private rented sector; and*
- *Ensuring the economic well-being of property developers, land owners and speculators.*

Insist now that your money, being invested in banks as a result of this sustained greed, is used to rectify the situation – not to repeat it. When those seeking election ask for your support, demand that they:

1. *Adopt a public approach to housing that puts peoples' needs, social inclusion and sustainable communities at the centre of policy and strategy.*
2. *Challenge the failed and discredited contention that this will cost money. The approach up to now has cost a fortune. The future consequences of building unsustainable communities will cost even more – dealing with physical and mental health effects, addressing the inevitable family and community breakdown; tackling drug use; tackling crime and imprisoning law breakers. The approach we propose will save money.*
3. *Support locally-based community and youth development groups – in recognition of their central importance in building real sustainability and in reducing the costs of inequality and social exclusion.*
4. *Actively back proposals for a Social Housing and Community Regeneration Board – embedding all these principals.*



... no more **social welfare** for the **rich**,
they have had **enough!**



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