



# STUCK IN THE MIDDLE WITH YOU – TRENDS IN HOUSING AND EQUALITY

Dr Lorcan Sirr

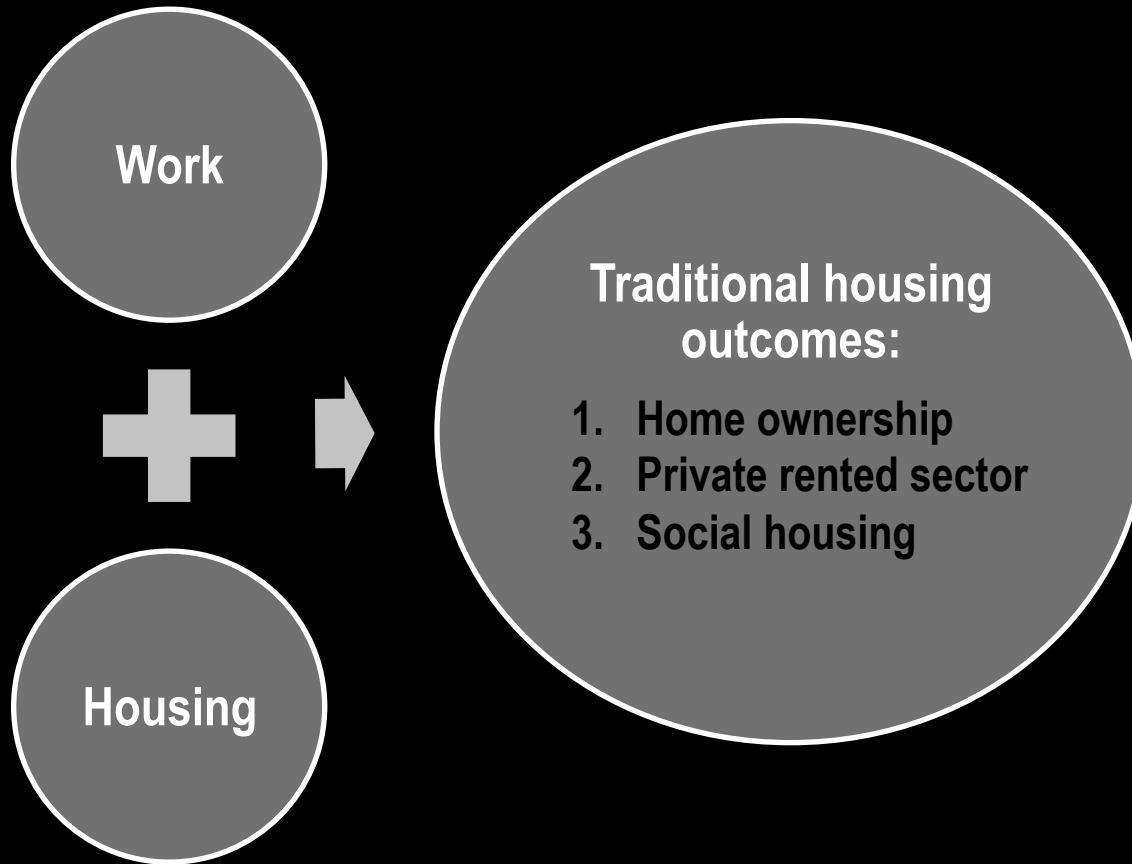
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**Traditional aspiration**

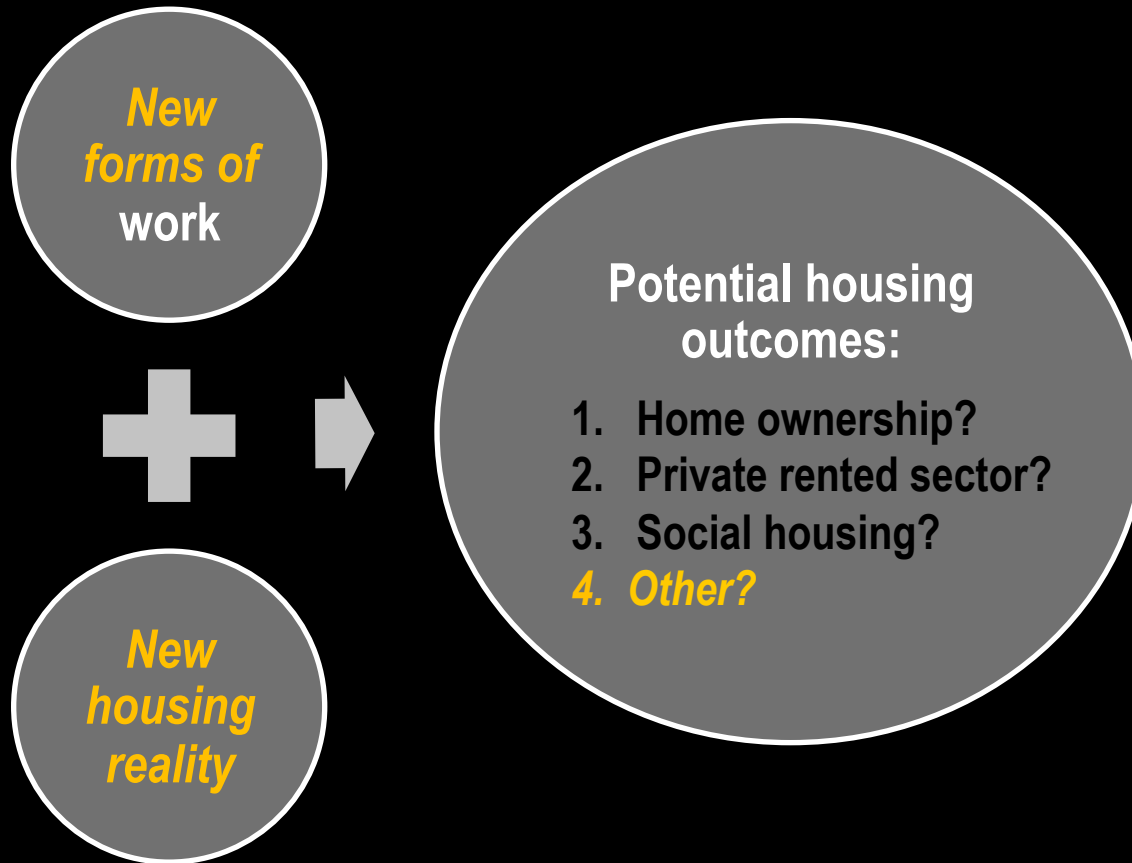


**Increasingly likely reality**





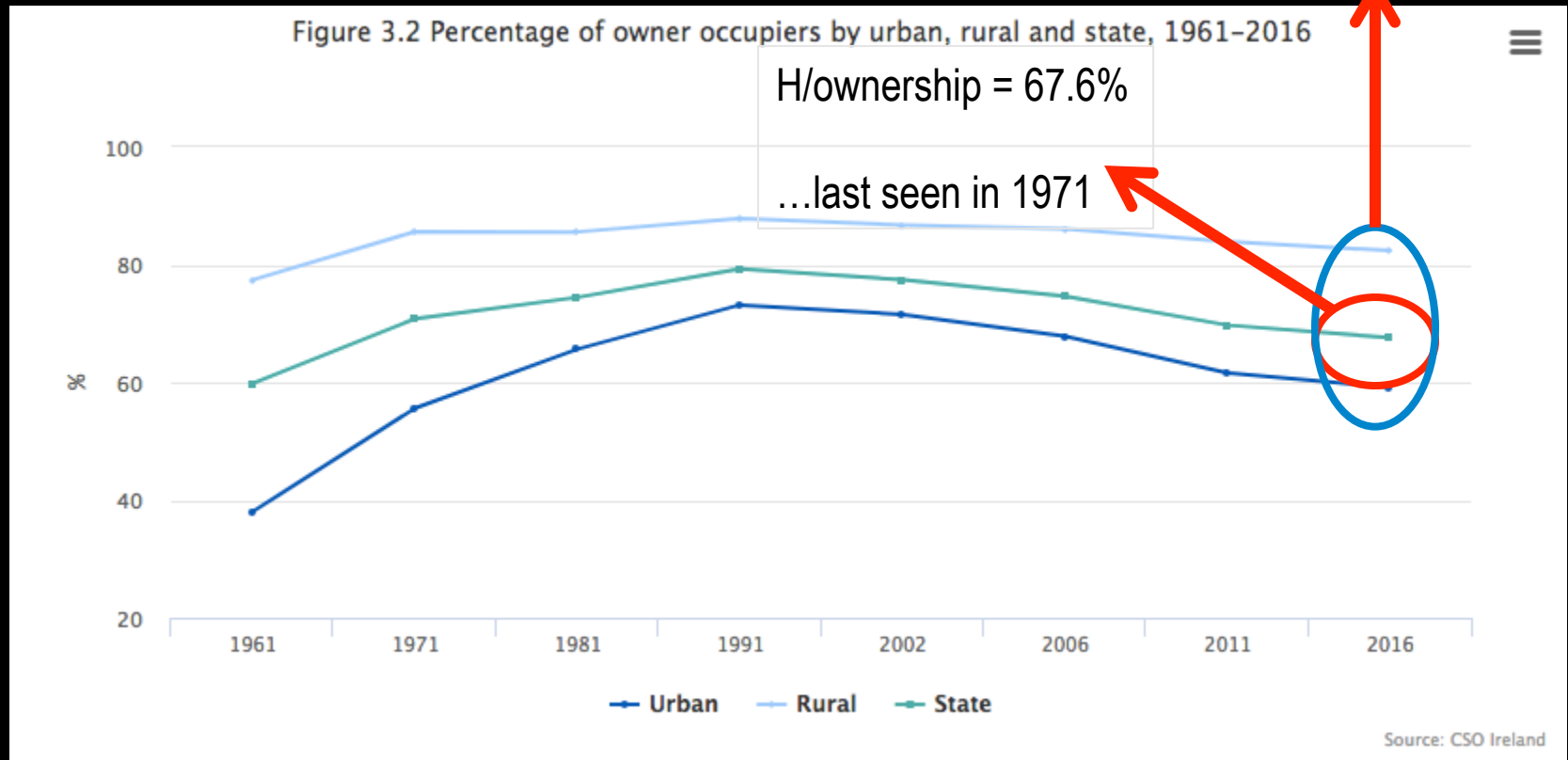
Traditional forms of work led to well-established housing outcomes.



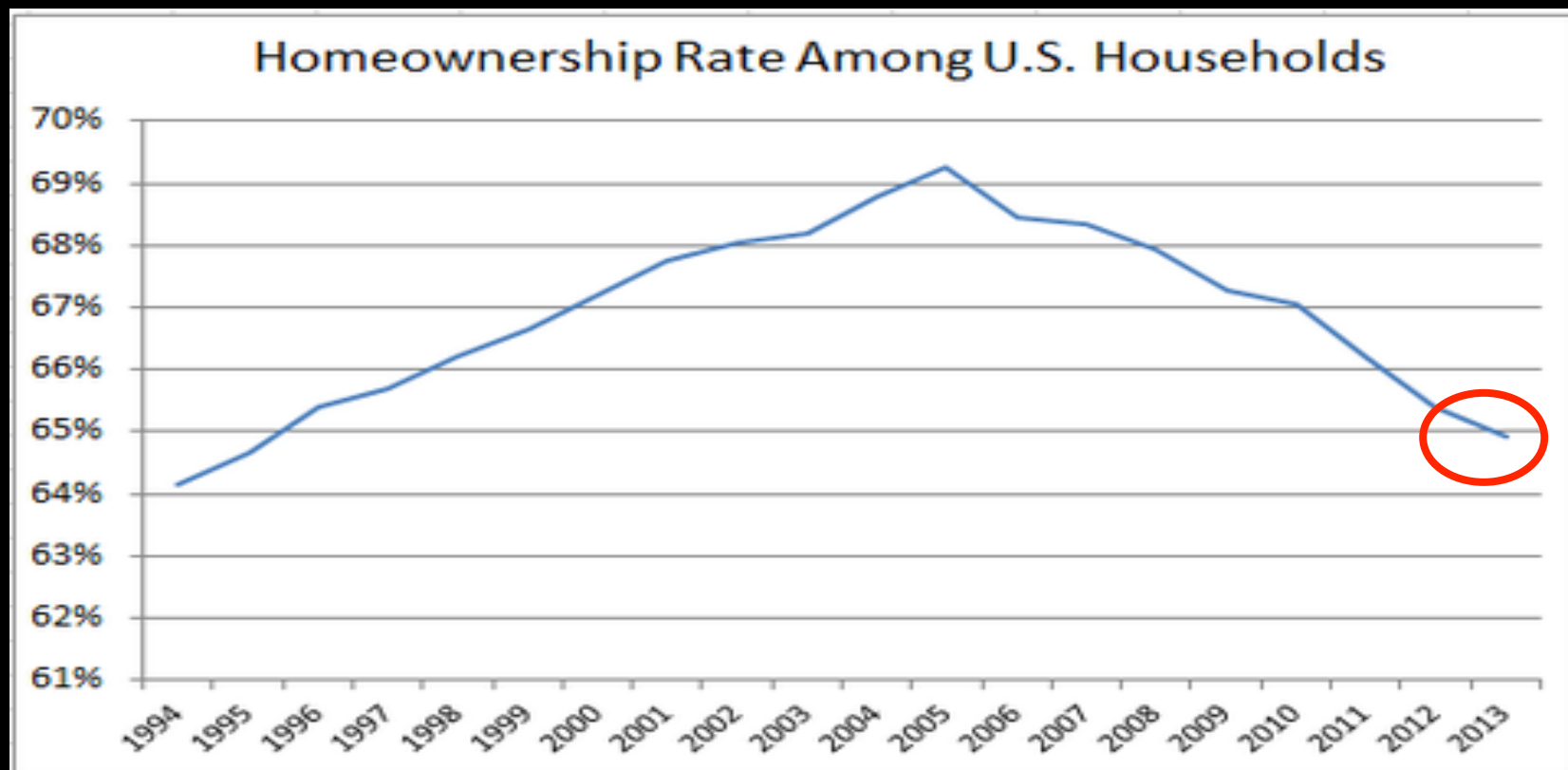
New forms of work are leading to housing outcomes for which we are not prepared.

## Trends I – housing: home-ownership

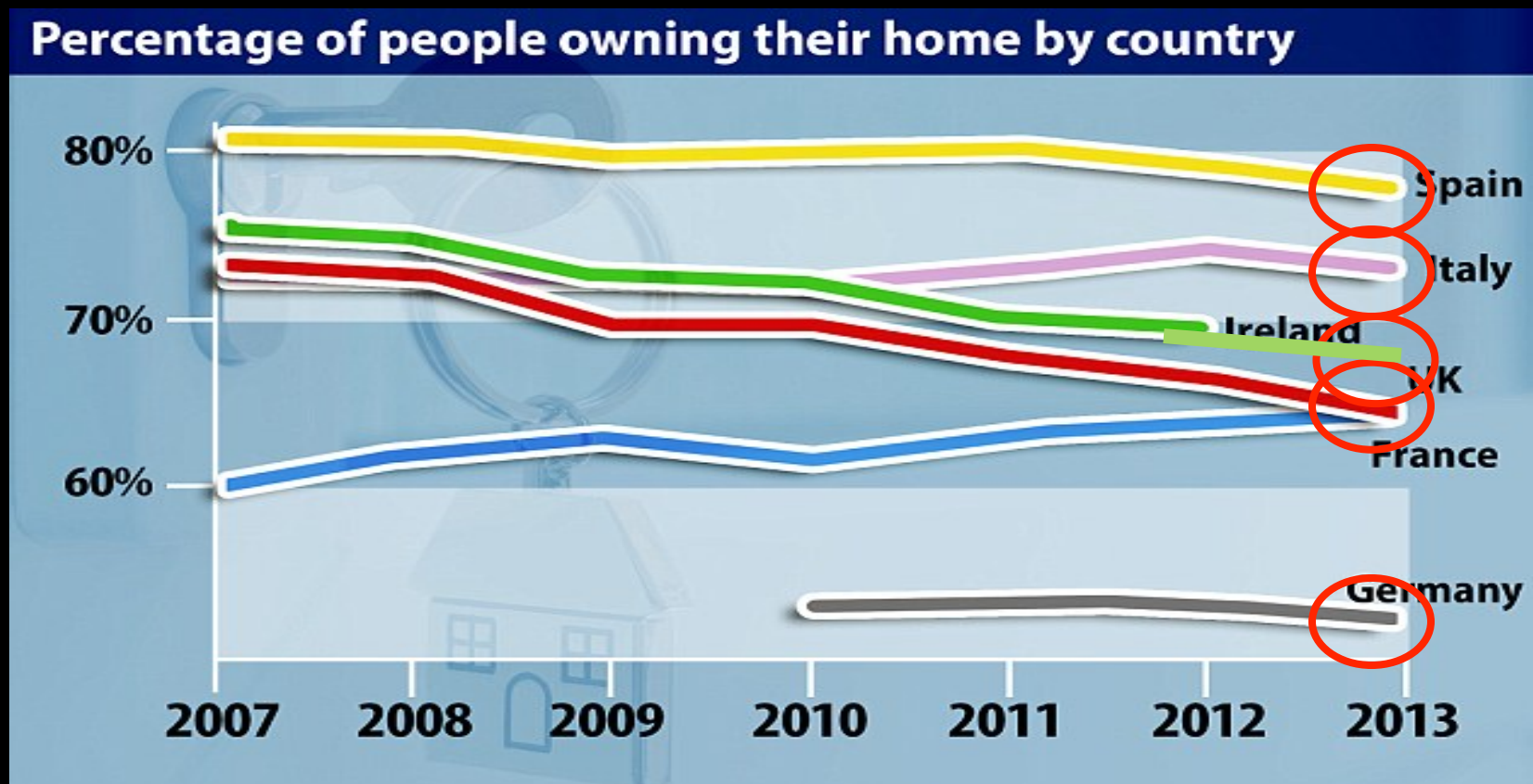
Sig. difference between urban and rural levels (& => access)



## Trends I – housing: home-ownership



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## Trends II – housing: PRS

Total renting = 497,111 h'holds (up 4.7%)  
PRS = 353,933

increase of 9.47% from 2011  
increase of 44.6% from 2006

Issues? – under-reporting?;  
methodology?

Figure 3.1 Ireland's tenure status, 1991–2016



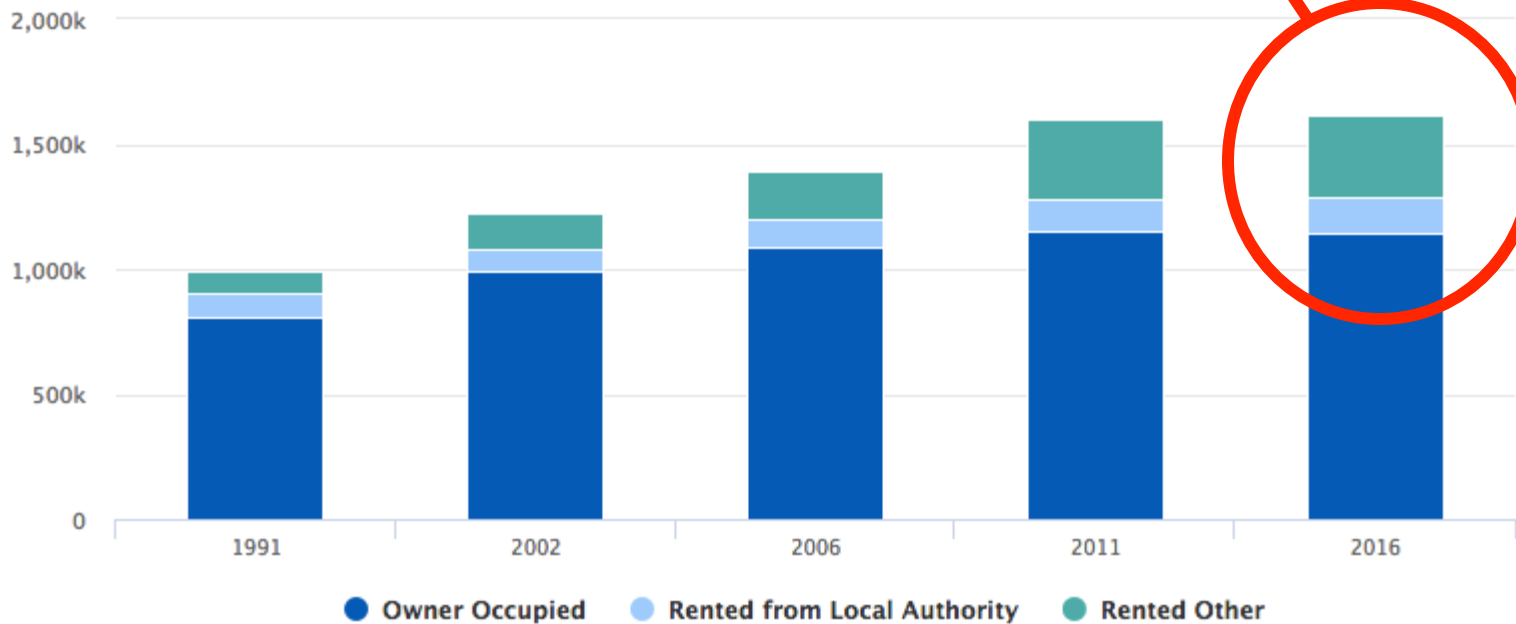
Source: CSO Ireland



## Trends II – housing: PRS

No. registered landlords **increased** from 172,000 Jan 2016 to 177,000 May 2017  
(-6,000/+11,000)  
14+% new houses bought by investors

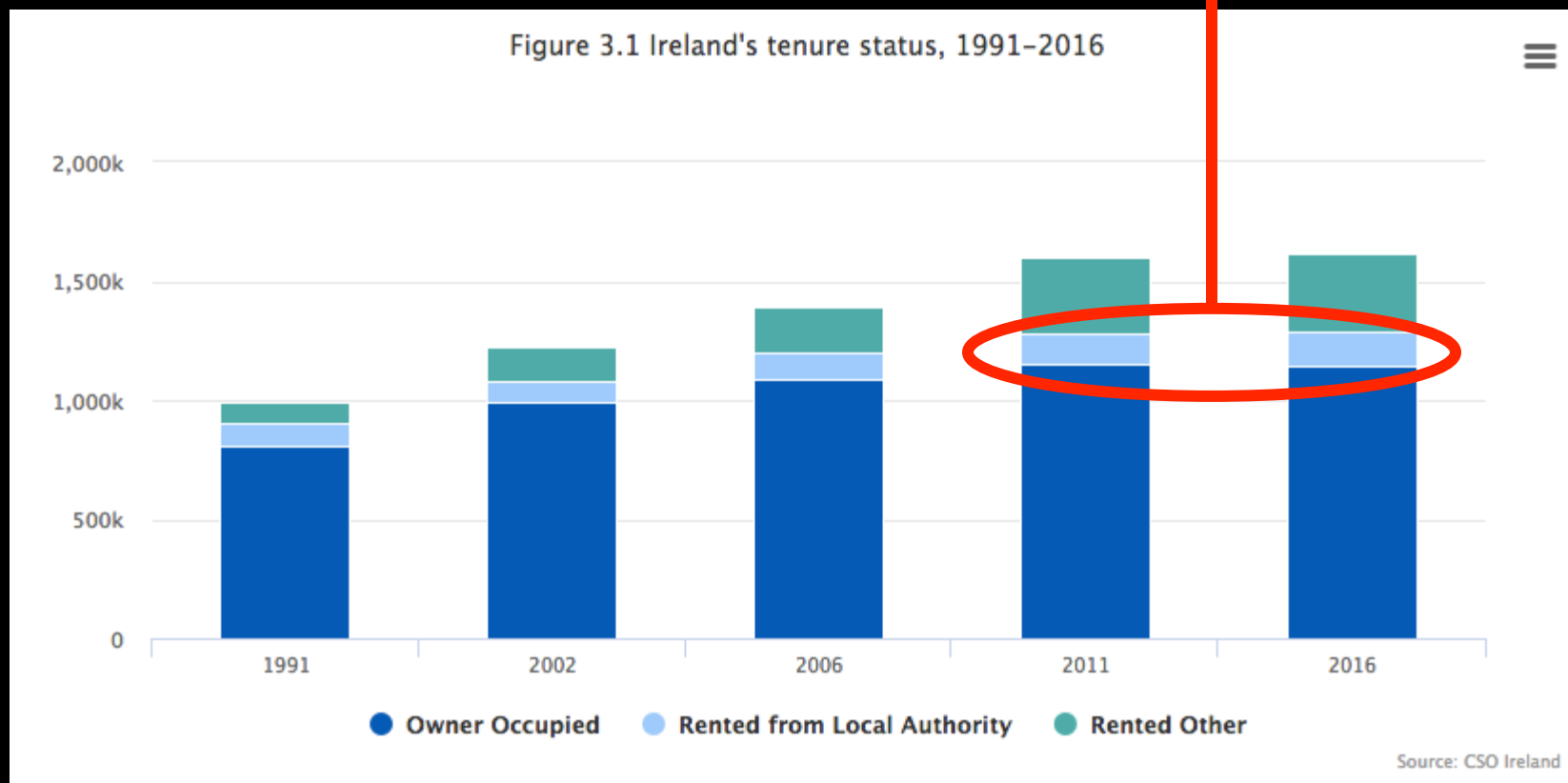
Figure 3.1 Ireland's tenure status, 1991–2016



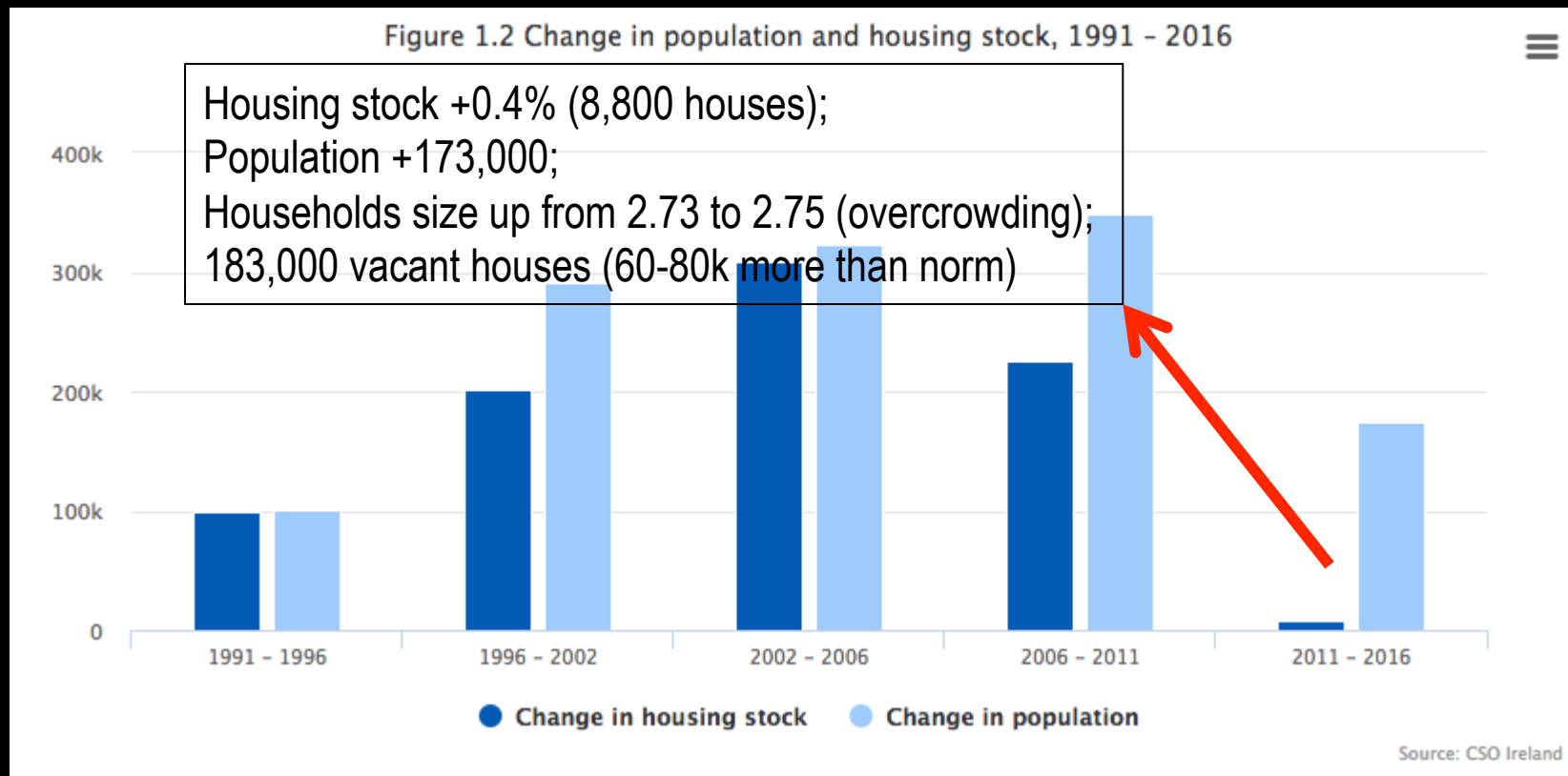
Source: CSO Ireland

## Trends III – housing: social housing

LA tenants +11% – 129,033 in 2011 to 143,178 in 2016



## Trends IV – housing: stock and households (number vacant too and what we built)



## Housing statistics – private housing

In 2016, we lost 900+ houses from our stock.  
2,975 new builds; 4,028 'completions'.  
Target is 25,000pa by 2021 (or 2019?).

Source	Description of Dwelling Completion 2016	no. units	Subtotal
<b>Existing homes added to stock</b>			
DHPCLG	1. Ghost Estate Completed and vacant, 50% sold by original developer in 2016 - no stamp duty (new BER 2016)	1927	-
DHPCLG	2. Ghost Estate Near Completed and vacant, sold in 2016- stamp duty (new BER 2016)	1548	-
DHPCLG	3. Ghost Estate Part built pre 2013- stamp duty (new BER 2016)	553	-
DHPCLG	<b>A. Sub Total Ghost Estate Complete and vacant (existing)</b>	-	<b>4028</b>
<b>New homes added to stock</b>			
BCMS	4. New-build 'Once Off' homes started post 2014- no stamp duty. (Assume 50% new BER 2016)	1228	-
BCMS	5. New-build Scheme units (started post 2014) stamp duty (new BER 2016)	848	-
BER	6. New build Scheme units started before 2014- stamp duty (new BER 2016)	871	-
BER	<b>B. Sub Total new builds competed in 2016 (New Build BER only)</b>	-	<b>+2975</b>
	<b>C. Total additional homes from all sources</b>	-	<b>6975</b>
CSO	<b>Average Obsolescence (Dereliction) 2011- 2015</b>	-	<b>-7891</b>
-	<b>D. Net Gain or Loss to overall housing stock</b>	-	<b>-916</b>

Table 4: Estimate total Additional Homes from all sources. (Source: BCMS/ BER/ DHPCLG/CSO)

### Notes:

Total stamp duty transactions (executed) in 2016 = 2 + 3 + 4 + 5 = **4177** (CSO total 4238)

Sub Total for 'new homes' incl ghost estate part-complete = 3 + 4 + 5 + 6 = **3,500** (BER figure 3,500)

Total new BER issued 2016 = 1 + 2 + 3 + 4 + 5 + (6 x 50%) = **6361** (official total new BER figure 6278)

C. Total additional Homes (all sources) = new builds + ghost estate units = A + B = **6,957**

D. Net loss/ gain = Total additional Homes less Dereliction = 6975 - 7891 = **-916** (net loss)

## Housing statistics – local authority housing 2016

<u>Delivery Channel</u>	<u>Homes</u>
Build	652
Voids	2,300
Acquisition	1,552
Leasing	788
RAS	1,100
HAP	12,000
<b>TOTAL</b>	<b>18,392</b>

Source: Department of Housing

2016

Part V

Target: 4,700 by 2021

Last year: 35

Councils: 204

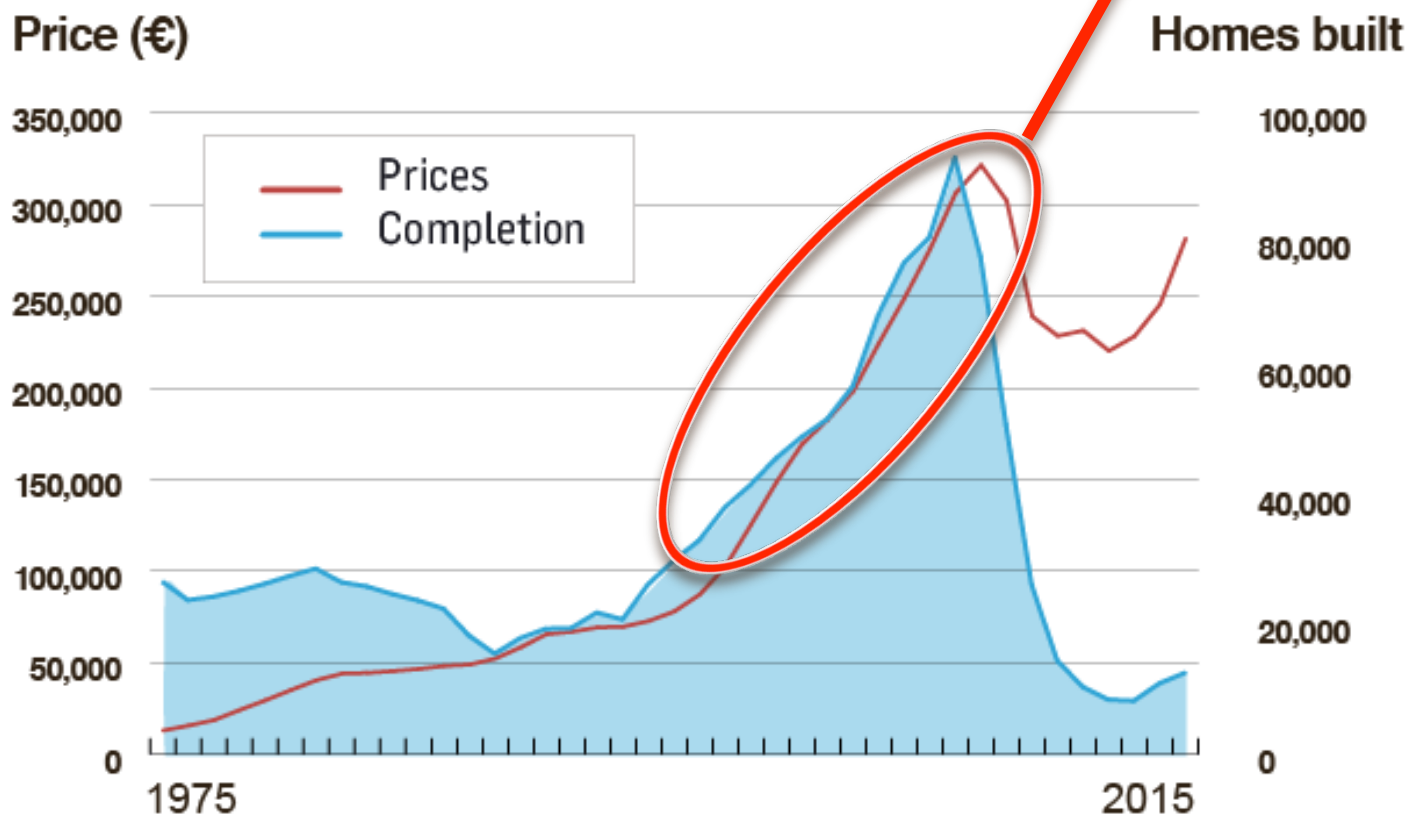
AHBs etc: 413

Overall target: 47,000 by  
2021, of which 21,000 builds

## Housing statistics – price and supply

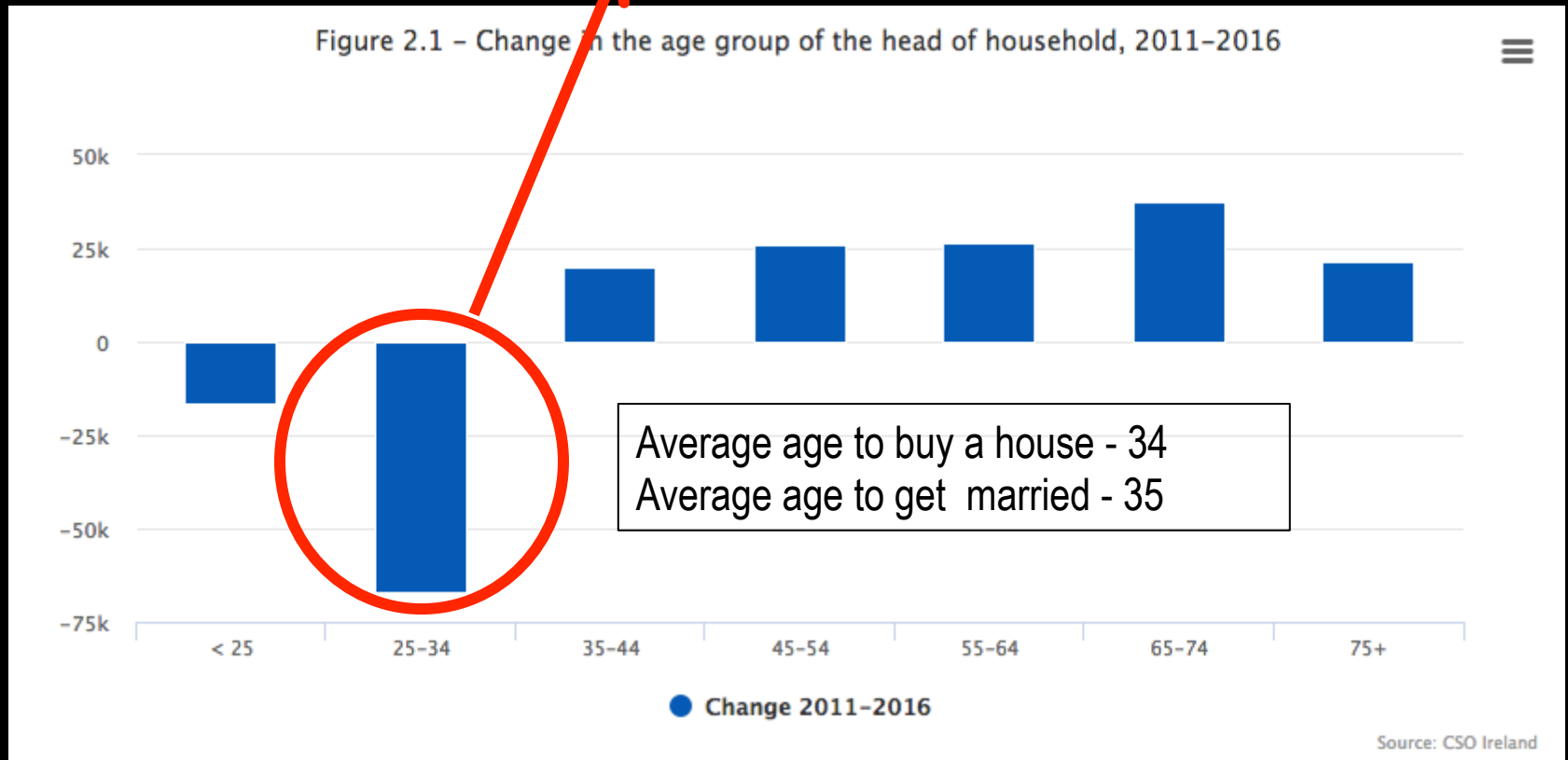
In Ireland and UK, price leads supply – prices rise and encourages building...

### Price compared to homes built



## Heads of households.

Under 35s head of household down from 41.3% in 2011 to 37.2% in 2016.  
More people rent than own up to age 35; up from age 26 in 1991



## **The labour component – what I see.**

The housing market is a reflection of our labour market. Rise of a class of workers who earn too much for state subsidies, but will struggle to ever own their own home. These people are stuck in the middle. (€36-€60k pa)

Dated attitude to risk by banks in their lending practices.

Smaller household sizes and increased marital separation means less resources to buy (by 2020, c.60% households in Dublin will be one and two person).

If you don't own a home, you don't accumulate wealth – half national wealth tied up in property – c.€450,000,000,000 - how does asset-based welfare work when fewer people have assets?

As people get mortgages later in life, higher repayments = reduced affordability.

Downward mobility/limited social mobility will be more common.

Trends will continue. Should courses prepare graduates for freelance careers?



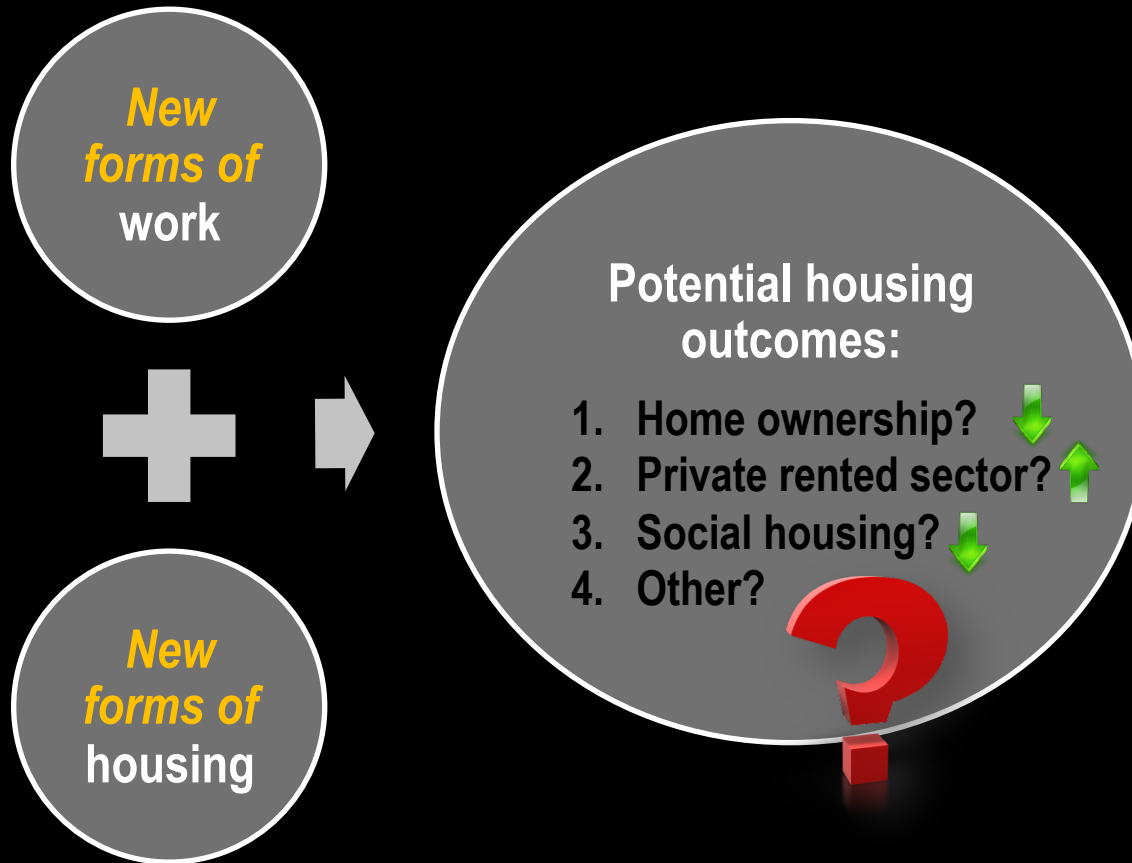
## Potential housing inequalities.

**ACCESS** – with continued reliance on private sector/market, and without state intervention in the construction of social and affordable housing, access to housing in PRS, ownership and local authority sectors will worsen. Waiting lists, discrimination, supply (2.5 times AirBnB entire units in Dublin City than units to rent), and light touch regulation will all limit access to housing. After access, comes:

**AFFORDABILITY** – LAs pushing up rents and house prices as are investors. No definition of what 'affordable' means – up to each local authority; limited consistency. No plan for affordable ownership; only cost rental. No supply and investor activity means house price rises – more people stay longer in PRS – rents rise – at same time as CGT 7 year exemption provides incentive NOT to build for landowners; and refusal to meaningfully tax vacant sites or empty properties. Spatial differences.

**SECURITY** – no constitutional right to housing; limited security of tenure – lease length irrelevant in face of s.34; HAP insecure; poor standards and limited ability to complain; no protection for licencees; rights imbalanced; no deposit protection scheme.

## Potential housing outcomes.



New forms of work are leading to housing outcomes for which we are not prepared.

## Responses.

There will be new ways of working, of housing delivery...but same responses persist:

**Policy responses** - weak and market-based – of limited effect in face of a powerful market / industry. Based on poor or no analysis. Ideologically driven.

**Policy formation** – ad hoc; responsive; dominance of lobby groups; limited rigour/analysis; poor RIAs where they exist. Predictable policies in a market-led housing system (reduce standards, create incentives, etc), with predictable outcomes (land-hoarding).

Refusal to acknowledge **scale** of the issue (eg housebuilding activity). Determination to continue failed policies.

**Politically**, so far housing has been “the dog that doesn’t bark”. But as Paul Mason has indicated, the networked individual is the future – weak links to institutions; rational; easily organised, and smart enough to detect nonsense when seen.

Voting patterns in the UK have shifted from being class-based to age-based, which is significant in housing.



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