

# THRESHOLD

*National Housing Organisation*

review

25

**25 YEARS** bridging the gap between housing and homelessness

Introduction	1
Contributors	2
Minister's Comment	3
Noel Ahern, T.D.	
Threshold's Roots in Compassion and Societal Peace	5
Fr. Donal O'Mahony, o.f.m. Cap.	
Private Renting: From the Forgotten Sector to a Thriving Market?	7
Lance O'Brien	
Private Renting – the New Form of Social Housing	9
Aideen Hayden	
Private Renting – The Neglected Housing Sector	11
Tony Fahey	
Housing Legislation and Housing Rights	13
Cormac O' Dulachain, SC	
The Right to Housing	15
Patrick Burke	
The Erosion of Housing Rights	18
Robin Hanan	
One Law for the Housing Rich, Another Law for the Housing Poor	20
Eithne Fitzgerald	
The Changing Face of Homelessness-Homeless Families a New Phenomenon	21
Sr. Stanislaus Kennedy	
Reviving and Revitalising Social Housing Provision	23
Lillian Buchanan	
A Review of the Threshold Access Housing Unit	25
Russell Chapman	
Perspectives on Development Land and Housing	27
Michael Punch	
Appendix A: Threshold Publications	29
Appendix B: Threshold Information Leaflets	29
Appendix C: Threshold Landmarks	30

## Introduction

Threshold owes its origins to a Flatdwellers' Chaplaincy which was established in 1974 under the direction of Fr. Donal O'Mahony, o.f.m. Cap. Owing to the scale and diversity of housing problems experienced by private renters at that time, it was realised that a need existed for a permanent and better resourced centre where both tenants and landlords could obtain expert information and advice on their housing problems. It was against this background that a group of interested and experienced people came together in 1978. The results of their work came to fruition in April 1978 when Threshold opened its doors to the public.

The founders of Threshold realised that the problems of private rented accommodation could not be resolved solely through the indefinite provision of advice and information. While advice, information and ongoing support can be of assistance in the short-term to those confronted with housing problems, Threshold founders were determined that such actions would be accompanied by work aimed at identifying the causes of the problems, seeking alternative solutions and creating a climate for reform. Over time the organisation broadened the scope of its activities in response to the problems encountered - from being exclusively focused on the private rented sector to dealing with other parts of the housing system also. This broader approach arose from the understanding that although the problems being dealt with originated in one sector of the housing system the means of resolving such problems were not necessarily limited to that sector.

Threshold is a unique organisation in terms of its philosophy and the strategy adopted for dealing with housing issues and it is this uniqueness which has enabled the organisation to make a significant contribution to improving the lives of large numbers of individuals and families over the past twenty-five years. In addition, through its research activities, campaigns and educational programmes, it has made fundamental contributions to the evolution of housing policy and legislation and to the knowledge base and understanding of the role and significance of housing in Ireland. In particular, its knowledge of the private rented sector is widely acknowledged and is actively sought out by legislators, the media and others interested in housing matters.

This collection of essays to mark the twenty-fifth anniversary of Threshold's foundation reflects the broad sweep of the work and concerns of the organisation. The essays range across the full spectrum of the organisation's mission, dealing with housing legislation, housing rights, homelessness, the land market, private rented and social housing.

As the organisation celebrates twenty-five years, it can look back with some satisfaction at what has been achieved during that period, but it must also look ahead and continually strive for justice for all in our housing system and the acceptance of the right to housing as a fundamental right in our country. This emphasis on the right to housing is a central theme running through the essays in this publication.

*Lance O'Brien*

November 2003



## Contributors

**Noel Ahern:** Appointed in June 2002 as Minister of State at the Department of Environment, Heritage and Local Government, with responsibility for Housing and Urban Renewal, and at the Department of Community, Rural and Gaeltacht Affairs, with responsibility for Drugs Strategy and Community Affairs. Member of the Cabinet Committee on Social Inclusion. He was first elected to the Dáil in 1992. Party spokesperson on the Environment with special responsibility for housing 1994-97. Chairperson Oireachtas All-Party Dail Committee on Social Community & Family Affairs 1997 - 2002. Member, Dublin City Council 1985 - 2002. Former Chairperson of Housing & Traffic Committees and Chairperson of the North West Area Committee 2001 - 2002. Former branch officer and member of National Executive of the Transport Salaried Staffs Association.

**Lillian Buchanan:** Joined Threshold as Research Officer in June 2001. Previously she worked in Belfast in consumer advocacy and in Ottawa, Canada in posts with the federal government.

**Patrick Burke:** Director of Threshold, comes from a youth outreach background and over 20 years ago he was instrumental in setting up Tallaght Homeless Advice Unit. He spent five years in South America undertaking development work in Chile, Argentina and Bolivia. Following that he worked in Blanchardstown as Manager of Blakestown and Mountview Youth Initiative. He was chair of the European Anti-Poverty Network (EAPN) Ireland and is the new Irish delegate to EAPN Europe. He is also a member of the Homeless Forum.

**Russell Chapman:** Manager of Threshold's Access Housing Unit since June 2002. Prior to that he was an advice worker with Threshold and subsequently he was co-ordinator of the Threshold Dublin Advice Office. Before moving to Ireland, he worked for the Citizen's Advice Bureau in Manchester.

**Tony Fahey:** Senior Research Officer in the Economic and Social Research Institute, Dublin. He is co-author of a study entitled *Housing, Poverty and Wealth in Ireland*, which is to be published shortly by the Combat Poverty Agency.

**Eithne Fitzgerald:** Worked as Threshold's Research Officer from 1988 to 1990 and was secretary of the National Campaign for the Homeless. She was Minister of State for Finance and introduced Ireland's Freedom of Information Act. She has been a lecturer in social policy in UCD and Trinity College and now works with the National Disability Authority.

**Robin Hanan:** Co-ordinator of the European Anti-Poverty Network (EAPN) Ireland, a membership network which helps anti-poverty groups in Ireland to understand and influence European Union policy. He was previously co-ordinator of Comhlámh, supporting membership-based development education and campaigning for global justice.

**Aideen Hayden:** Chairperson of Threshold and a practising solicitor. She is also a member of the Private Residential Tenancies Board. Her publications include a report on the £5,000 Surrender Grant. She previously worked in the European Parliament in the area of budgeting and social and economic issues.

**Sister Stanislaus Kennedy:** Social activist, founder and President of Focus Ireland and founder of the recently established Immigrant Council of Ireland. She joined the Sisters of Charity in 1958, and has been instrumental in developing and implementing social services programmes that have benefited thousands of needy people throughout Ireland and Europe.

**Lance O'Brien:** Is a founding member of Threshold and was first chairman of its Research Committee. He was co-author of *Private Rented-The Forgotten Sector* (1982) and the author of a number of other publications on housing issues. He is currently a member of the Board of Threshold.

**Cormac Ó Dúlacháin:** Senior Counsel with a special interest in both property law and human rights. He is a former Chairperson of Threshold. Prior to practicing as a barrister he worked with Threshold, Connemara West and as a teacher. He is a director of The Ireland Institute.

**Fr. Donal O'Mahony, o.f.m. Cap.:** A journalist before he became a Capuchin Franciscan priest. He was a former member of the International Executive Board of Pax Christi in Belgium. Founder of THRESHOLD. He spent many years as Secretary-General for Justice, Peace and Ecology in the General Curia in Rome. Lectured as a 'visiting scholar' in Berkeley, California. At present, he lives in Pretoria, South Africa and is the co-ordinator for Justice, Peace and Ecology in eleven countries in sub-Saharan Africa for his Order.

**Michael Punch:** Lecturer in the Departments of Geography and Sociology in Trinity College, Dublin and a research fellow in the Centre for Urban and Regional Studies. Research interests include aspects of local development and economic renewal, uneven cities, housing, planning and community change. He worked previously with Threshold on its housing policy research programme.

## Comment by Mr. Noel Ahern, T.D.

Minister for Housing and Urban Renewal

The overall objective of Irish housing policy is to "enable every household to have available an affordable dwelling of good quality, suited to its needs, in a good environment and, as far as possible, at the tenure of its choice".

Certainly over the past twenty-five years, the demands of a growing economy and demographic and societal changes have impacted on how we deliver on this objective. Particularly in the last decade, the surge in economic growth and demographic changes have led to an unprecedented demand for housing. The high birth rates of the 1970s have resulted in a growth in the key household formation group (25-34 age group), while marital breakdown and declining birth rates have changed the pattern of household formation. In the early 1970s, the average household size was 3.94 persons, whereas the recent 2002 census results show a decline to 2.94 persons per household. These factors combined with changes in migration patterns, increases in real disposable incomes and historically low interest rates underpin the recent strong demand for housing in Ireland.

The Government considers that supply is the key to addressing the pressures in the housing market. Our focus has therefore been on investing in infrastructure to bring more serviced land into use and to ensure its effective use through residential density guidelines. These policies are having effect. 2002 was the eighth consecutive year of record housing output, with 57,695 completions, more than double the 25,444 units completed in 1978 when Threshold was established. We are realising sustained high levels of housing output which have never before been experienced in this country. Much credit is due to the house-building industry, local authorities and the voluntary and co-operative housing bodies for consistently achieving remarkable levels of output.

General demographic factors and the consequent pressures on the affordability of housing have translated into a rising demand for social and affordable housing. Over the last twenty-five years, we have seen the response to these needs develop with the introduction of a range of better targeted schemes aimed at those on low incomes and those with special housing needs. Affordable housing options have expanded the choice for those on low incomes; the growth of the voluntary and co-operative sector has brought a new dimension to the provision of social rented accommodation; and specific programmes and plans have been put in place to assist Travellers and the Homeless. We have also learnt from experiences of the past. Consequently, we have a greater focus on infill and smaller housing estates and better social integration and estate management. Regeneration and remedial works programmes are bringing a better quality of life to the tenants of local authority estates. Considerable investment is being made in the appropriate planning and community involvement in regeneration as well as in the funding. Ballymun regeneration, which provides a good example of this approach, is one of the largest regeneration projects underway in Europe.

Overall, I expect the needs of close to 13,000 households to be met under social and affordable housing measures this year. The supply of affordable housing over the coming years will be boosted by the implementation of the provisions of Part V of the Planning and Development Act 2000, as amended, and the Affordable Housing Initiative included in Sustaining Progress.

In delivering on housing needs, both in the private market and in relation to social and affordable housing, we cannot lose sight of the important issues of ensuring the quality of both houses and the housing environment. The development of Housing Strategies by local authorities, as required by the Planning and Development Act 2000, as amended, provides a valuable framework for identifying the broad range of housing needs and planning the delivery of this housing in a sustainable manner.

Meeting increased housing demand in a balanced and efficient fashion requires not only increased private housing supply, but also provision for tenure choice. This Government recognises that the private rented sector has an important role in meeting housing needs and we are committed to continuing to develop and implement policies to help modernise and develop this sector.

A core element of the reforms recommended by the Commission on the Private Rented Residential Sector was the modernisation of the legislative framework. This is being implemented in the Residential Tenancies Bill 2003, which was published on 30 May 2003. The Bill brings overdue protection for tenants, particularly in the areas of rent setting and security of tenure. It gives landlords and tenants an effective means of resolving disputes that arise between them and addresses some longstanding deterrents to investing and residing in private rented accommodation.



An important part of the reform process is being implemented in advance of enactment of the Bill, with the establishment, on a non-statutory basis, of the Private Residential Tenancies Board. A core principle in the reform legislation is to strike a fair balance between the rights and responsibilities of landlords and tenants. By doing this and addressing some current problematic issues, notably in the area of dispute resolution, a framework for a stable, effective and more professional private rented sector will be achieved. This, in turn, should promote confidence in the sector and encourage its further development and growth.

Over the next four years the Government will continue to support the delivery of an increased supply of housing. This will have consequences for our cities, towns and villages, which are growing at rates not experienced before, an issue that is well outlined in the National Spatial Strategy. It is essential that we make best use of our land resources in the construction of new housing schemes and ensure that this housing is delivered in an integrated fashion with necessary transport infrastructure and amenities. Therefore, we have to ensure that the new housing is delivered by all providers in a planned and sustainable fashion, taking into account both environmental and social considerations. Underpinning the delivery of housing in a sustainable manner will therefore continue to be a priority.

# Threshold's Roots in Compassion and Societal Peace

Donal O'Mahony, o.f.m. Cap.

## The Early Days

In the early days of any organisation there are usually shared 'passions' which help to unify its members. This applies whether the organisation is set up for political, religious, social or simply for reasons of profit. In the case of Threshold the passion that unified its first members, as I recall, was the shared vision of calling for shelter that is humanising for all Irish people. This shared vision, in turn, was buoyed up by the twin virtues of 'compassion' and 'societal peace'.

Compassion (= 'suffering' with the homeless or 'solidarity' with the homeless) and societal peace were seen to be important qualities by the Board of Threshold as it sought to create cities of hope rather than cities of survival in the newly emerging Ireland.

## Threshold Philosophy

So Threshold launched itself as a humble project to rouse the expectation in people that everybody had a right to proper human living conditions. One of the first challenges it had to face was how to go about changing the minds of many well-housed people, to move them from complicity to compassion; and how to go about changing the minds of many who were homeless or living in less than human conditions, to accept that real change for the better was possible and could be brought about by participatory action. In the pursuit of this philosophy, Threshold consciously espoused a spirit of non-violence.

At the time of the birth of Threshold (1978), violence was widespread in Ireland. Some of the violence was coupled to poor housing conditions. Homelessness and bad housing conditions had always been breeding grounds for crime, violence (including 'paramilitary' violence), armed robberies, vandalism, broken families, incest, delinquency etc. Threshold was determined that it would not add to the spiral of violence. Consequently, it embraced a policy and a conscious commitment to the spirit of non-violence, whilst struggling for the 'cause' of better housing for all.

## Strategy

To jump-start the Threshold project, a plan was agreed to open advisory centres in the principal cities of Ireland. In line with its policy of non-violence, it was decided that the centres would welcome both landlords and tenants; householders and homeless people; hostel dwellers and prospective house owners. This non-violent manner of working (to be verified in thought, vocabulary and action) was intended to produce justice for both parties, not victory for one side. The organisation was profoundly inspired at that time by Pax Christi (the International Justice and Peace organisation), as well as by the thinking of people like Ghandi and King, who said that it was not their goal to have Indians triumph over the British, or black over white, but to have justice and truth triumph over injustice.

Threshold from the beginning saw itself as a radically novel response to Irish housing problems. It successfully raised public awareness about the grim situations in which many Irish people were forced to live. It worked within the legal system (though it challenged it also when necessary), while it resorted to advocacy, arbitration, mediation, and conciliation in its efforts to uphold the rights of people to good basic accommodation. Many times Threshold personnel brought together tenants and landlords and facilitated them to arrive at an equitable solution to their differences.

Happily, a quarter of a century later, peace, compassion and a spirit of non-violence are qualities that still distinguish the challenging work of Threshold.

Threshold rebutted the temptation to restrict its function to bandaging and giving succour. Root causes had also to be tackled. So the need for on-going research was also built into the project from the beginning. Thomas Berry once wrote: "Good people are dangerous when they are operating out of assumptions about reality which do not in fact correspond to reality". This same can be applied to organisations.

An organisation might genuinely believe it is working for the betterment of people, but in fact it may be doing the opposite. Properly conducted research can have the positive effect of clarifying and modifying the vision of the organisation. Vision gives energy then for purposeful action. Research – including applied research – became an essential part of the project.



## Outcomes and Achievements

Of course, Threshold has now become a more sophisticated and professional organisation than that which existed in those early days. But good seed was sown. The ethic of Threshold still marvellously retains the qualities of compassion (solidarity), non-violence and respect and care for every person who seeks help.

Let us not forget as we recall the early years of Threshold's work how it gave support to thousands of young people who queued up nightly to secure rented accommodation in cities and how it frequently challenged through the courts peremptory illegal evictions, brutal sometimes, in their execution. Let us not forget also how Threshold responded to the phenomenon in Dublin of hundreds of family homes in Rathmines, North and South Circular Road and 'in-between streets' that were cheaply converted into 'private rented' rooms of very meagre standard. Sometimes, flats contained nothing more than a bed, minimal furniture and a single-bar electric fire, no hot water, draughty windows, poor cooking facilities and primitive shared toilets. Nor let the constructive responses made by Threshold to problems associated with decontrolling of rents and the absence of 'rent books' be forgotten.

## The Future

If I was asked to look today at how the vision of Threshold might be expanded in the next twenty-five years, what might I suggest? Perhaps it would be to ensure that the towns and cities of Ireland will become sustainable entities? This requires that we might bring about a number of social transformations. I am thinking especially of environmental degradation and the problems that emanate when rapid growth creates "negative externalities" that outweigh productivity. A city is not just a political unit, but also an ecological and economic unit. In other words, a balance has to be achieved between complexity and simplicity in all urban environmental developments.

## Conclusion

I will conclude with an extract from the editorial of the first official Threshold publication. I believe it still captures some of the spirit of what the organisation is about, twenty-five years later:

"Homelessness is a form of deprivation which arouses sympathy, but not very much remedial action. Two of the main reasons for this are: homelessness tends to be equated with rooflessness but is, in fact, a much wider concept; and very few of us have ever been homeless.

In the first case, the numbers appear to be small; therefore, the problem is believed to be small. In the second case, what is in fact a complex phenomenon is beyond our experience and comprehension.

By homelessness we mean all forms of deprivation which, through factors such as unsanitary, overcrowded or expensive accommodation, makes the living of a decent life impossible or at best very difficult.

Homelessness, the cause of much social unrest, generates many social problems. Moreover, homelessness is not a respecter of persons. It can strike the employed persons with sufficient money in his or her pocket as easily as the person with scant resources. It demoralises men, women and children, destroys their pride and takes away their dignity.

Yet this evil can be cured.

Advice, information, support and assistance on an individual basis can help people to help themselves. Research and analysis can provide data leading to solutions at the level of local and national institutions.

"These activities form the twin-aspects of Threshold's work, which is essentially a work of peace."

# Private Renting - From the Forgotten Sector to a Thriving Market?

Lance O'Brien

## Historical Decline of the Sector

Up to the 1940's, private renting was a mainstream housing sector providing for general housing needs. In the post-war period, however, the sector experienced steady decline, becoming by the early 1980s, little more than a residual sector and largely forgotten by official policy. In 1946, over one quarter (26.1%) of households rented from private landlords: in major urban areas, the figure was 71.6%. By 1991, only 8% of households were private renters. In absolute terms, the number of households in the sector declined from almost 173,000 in 1946 to 81,400 in 1991. A number of reasons explain this process of decline, but both the policy neglect of the sector and the policy encouragement of home ownership contributed significantly to the process of tenure restructuring.

## Threshold Research

In 1982, Threshold published a seminal study on private renting, the title of which reflected the residual nature of the sector at that time. *O'Brien, L and Dillon, B, Private Rented - The Forgotten Sector. Threshold, Dublin, 1982.* The study drew on data provided by the 3,000 cases that sought the assistance of Threshold during the first three years of its existence. The research characterised the sector as being beset by serious insecurity for tenants, manifested in such severe problems as discrimination in gaining access to dwellings, widespread illegal eviction, unrestricted demands for rent increases, harassment, failure to carry out essential repairs and poor living conditions.

In response to the problems identified, Threshold called for the establishment of a system for regulating rents, for ensuring more control over housing standards, for eliminating harassment and illegal evictions and subsidising tenants' housing costs. New administrative structures were also proposed, which would ensure greater efficiency in the allocation of dwellings and justice in resolving the conflicting interests of landlords and tenants.

The proposed reforms aimed "to provide a legislative framework which maintains a fair balance between the interests of tenants and landlords so that the existing stock of private rented dwellings is maintained and standards improved; that this stock is added to as required; that the sector can contribute effectively to housing needs and requirements and evolve into social forms of housing in the context of a housing policy which maintains the right to housing as its prime objective." [Page 130].

## The Right to Housing

A landmark recommendation made in the report was its unequivocal call for the recognition of the fundamental right to housing in the Irish constitution and the translation of this right into practical legislative effect. A key principle of Threshold is that housing is a basic human right. The need for shelter, is along with the need for survival, food and clothing, one of the elementary human needs. But housing is much more than shelter. It is a home, a centre for family life, a place where people can welcome friends. A home for every family unit is basic to our human need to give our children security and space to grow, to provide safety, security and privacy for the individual household, to engage in the basic social activity of offering hospitality to our friends.

## Recent Regeneration

Since the publication of the 1982 study, a number of developments have contributed to the renaissance of the sector, which have opened up its potential to cater for a variety of housing needs.

The main developments were as follows:

- Publication of an expanded statement of housing policy, which for the first time accorded recognition to the important role of the private rented sector.
- Introduction of reforms in the legislative framework governing landlord-tenant relations.
- Provision of financial incentives to make the sector more economically attractive to investors and tenants.
- Introduction of compulsory registration of landlords.



Figures from the 2002 Census show that there were 141,459 households in the sector in that year, compared with a figure of 81,400 recorded in the 1991 Census. Moreover, the evidence suggests a broadening of the traditional role of the sector. In addition to meeting the needs of students, house movers and long-term renters, it now also caters for:

- Low-income households who cannot otherwise obtain accommodation. In particular, the sector is used widely in a social housing role for households dependent on Social Welfare or government training schemes who are not priority categories for limited public housing. Around 60,000 depend on housing benefit under the Supplementary Welfare system at a cost of approximately €330 million to the Exchequer.
- Middle-income households saving for a deposit on a house. This "stepping stone" role is expanding in view of the growing affordability gap between average incomes and rapidly rising house prices.
- Households who see private renting as an attractive housing option in terms of flexibility for mobile workers, low entry and exit costs, no maintenance commitments and liquidity of savings.

Recent reforms have ensured some recognition for the important contribution private rented can make and have ameliorated some of the grievances that Threshold campaigned on over many years. However, much remains to be done if a modernised private rented sector is to be realised. The agenda for reform includes fundamental issues such as greater security of tenure, supply of accommodation, access and affordability and quality of accommodation. In addition, policy must clarify where private rented fits in an overall policy context that sees housing as a fundamental right.

### A New Model for Private Renting

If we get the balance between supply and demand in the overall housing market right, and implement other proposals, e.g. on land (which could free up more land for development) then the present house price spiral should stabilise. In a stable price environment with low interest rates, the case that people need to buy as the only tenable option begins to disappear. We could then develop a reasonable balance between a market where long-term rental is a viable possibility for those who choose it, and the market for house purchase for those who prefer that option. This is closer to the Continental model than the traditional Irish model. A thriving rental market facilitates flexibility, mobility and good use of the housing stock. Owner occupation tends to favour under-occupation. The key word here is choice. People should be free to choose accommodation in the tenure of choice rather than having purchasing as the only viable option, and renting as a dead-end where people end trapped in chronic insecurity.

Because of our history of rural landlordism and slum urban housing being a landlord has been seen as almost a dirty occupation. The association with bad practice in the sector may have kept out the kind of institutional investor which is such an important supplier of rented housing in other countries. In Ireland, institutions invest as professional landlords in commercial property, where the tenant is seen as an asset. There are well established procedures for rent reviews, there is a legal right to renew leases and there is provision for arbitration in the case of disputes.

To attract institutional investors, such as building societies, who can provide additional rented accommodation managed in a professional way, there is need for an investment environment which is stable, where the rules are known and will not be subject to arbitrary change, where there will be procedures which work in cases of default, where there is a reasonable rate of return, and this is seen as an ethical business. There is no reason why the private rented market should not develop in an analogous way to business tenancies, provided clear rules and a clear framework that is fair to both sides are put in place.

There should also be active encouragement of housing associations as non-profit landlords in the business of offering long-term rental housing.

Threshold envisages the private rental sector of the future as one that plays a role in providing general needs housing. Indeed, the sector offers a solution to making the housing system more responsive to need and demand. A healthy rental sector would not alone meet current housing demand, but provide households with a real choice between home ownership and rental. If the sector is to function in this way, then the reform process must continue and the sector placed on a more secure legislative footing and promoted as an attractive housing option for tenants and a good, long-term investment for landlords. In return, the providers of private rental housing should have their business treated in the same way as any other investment for tax purposes.

# Private Renting – the New Form of Social Housing

Aideen Hayden

## Irish Housing Trends

The most significant trend in later 20th century Irish housing has undoubtedly been the increasingly exclusive emphasis on home ownership. This has been coupled – until recent years – with a marked decline in social housing build, together with a significant decline in the private rented sector and a widespread sell-off of the existing social housing stock.

In the years 1970 to 2000, social housing build dropped to 6% from 20% of total build, while the private rented sector declined to an all-time low of 8%. Moreover, a total of over 200,000 local authority housing units were sold off under tenant purchase schemes; these schemes were seen as being in line with other policies of successive governments to encourage home ownership. On the face of it, tenant purchase would appear to represent a considerable transfer of wealth to the less well-off, as purchase prices are considerably discounted. It could also be claimed that it represents a measure of equity when other forms of assistance to home buyers over the period are considered, such as first-time house buyer's grants – which when first introduced were of significant monetary value – and mortgage interest relief.

The impact on those who were not in a position to gain must be taken into account when the policies designed to encourage home ownership are being evaluated. The relentless focus on promoting home ownership, may have benefited some but others were disadvantaged by these policies. Firstly, the least well-off living in the private rented sector have been further marginalised and secondly, social housing has become less available to those persons on the housing waiting lists. The latter has resulted in the emergence of prohibitive conditions for access to social housing and in major council areas, a points system which has required the applicant be in even greater poverty to obtain priority on the list.

## Changing Role of Private Renting

Although the private rented sector as a whole was in decline, it became increasingly important in the context of housing for those depending on social welfare or those on low incomes. In response to this reality, the social welfare rent supplement scheme – a form of housing benefit for people in receipt of social welfare payments – was introduced, giving recognition to the sector as another form of state housing provision.

The private rented sector, until the 1980s, was characterised generally by an ageing housing stock, often poorly maintained. This was particularly so for the type of accommodation typically available to those on low incomes. The 1980s saw some improvement, however, with the introduction of what became known as Section 23 and Section 27 schemes, allowing generous capital expenditure and income tax reliefs on accommodation to let.

It is questionable whether this provision was designed to improve the quality of rented accommodation, to promote urban renewal, or yet again to support a building industry in difficulty. Many of the quayside developments in the centre of Dublin resulted from these initiatives. Aside from a requirement to let for a period of ten years to qualify for the appropriate tax relief, no further requirements were imposed. In particular, no requirement was imposed to rent any proportion of these properties to tenants in receipt of SWA rent supplement, or on low incomes, again giving credence to the proposition that the supply of good quality housing to those on low incomes was not the object of these legislative provisions. The poorest accommodation in the sector, therefore, remained the preserve of rent supplement and low-income tenants.

Regulations on minimum standards for private rented accommodation, introduced under the Housing (Miscellaneous Provisions) Act 1992 brought little or no improvement, largely because the minimum standards were set at a low level, and due to lack of enforcement by the local authorities. In spite of the fact that minimum standards legislation has been in force for over ten years, 2002 saw 4000 housing units inspected – with over half falling below minimum standards, but tellingly, only 17 prosecutions. The view has sometimes been expressed in defence of this record that vigorous enforcement of the legislation would lead to a mass exodus from the sector by owners of houses in multiple occupancy (HMOs), thereby resulting in a loss of available accommodation at the lower end of the market. An appropriate analysis of profit and loss and capital appreciation values of such properties has yet to be advanced to support such a proposition.

Other changes to the landlord and tenant code, such as the introduction of rent books and obligatory registration of landlords, have met with a similar lack of success, with, for example, only 20% of landlords registering with the local authorities. While any change in the legislation affecting tenants was to be welcomed, in particular the introduction of the obligatory 28-day notice to quit. However, the fundamental fact remained that tenants in the sector were subjected to eviction with four weeks notice without cause – irrespective of the length of the tenancy – and arbitrary rent increases. In this regard, the development of landlord and tenant law bore no resemblance to changes in other comparable areas, such as employment legislation, consumer protection legislation or product liability legislation. These failures left tenants in a Dickensian-style legal environment.



While the worst excesses of a lack of protection are not felt so strongly when supply and demand are in equilibrium, the reality is that there is an imperfect market in the rented sector. Accommodation cannot be readily traded and no individual consumer will have perfect knowledge, therefore leading to market imperfections. However the lack of balance in the relationship is strikingly clear when the market itself swings wildly out of tandem with previous experience, as happened with all aspects of the Irish housing market during the rapid growth of the economy from 1994 onwards. Well documented elsewhere, the level of demand for housing in Ireland grew at an unprecedented rate necessary over the following six years. However, while supply expanded it did not do so at a rate necessary to keep pace with demand.

House prices escalated to a level where the affordability of home ownership became a major social issue, both in economic terms, putting pressure on wage claims and competitiveness, and politically, resulting in a series of *ad hoc* measures to control demand and increase supply. The position of those in the rented sector deteriorated accordingly with pressure on the sector resulting from population growth and increased household formation. Furthermore, those who would have traditionally looked to home ownership were now also entering and spending more time in the rented sector. While the sector itself grew dramatically - 8% to 12% of total housing stock over a six year period from the mid 90's - demand for rented accommodation saw rents rise by an average of over 8% per annum between 1997 and 2000; rents rose again by over 15% in 2001.

Pressure on accommodation saw those on rent supplement or low incomes gradually being squeezed into poorer quality accommodation, with evictions (linked to demands for increased rent) rising dramatically. Over this period government spend on rent supplement also rose dramatically to over €330m in 2003 from €70m in 1995, while the numbers in receipt of payment rose from 31,422 to almost 60,000. While government social housing build began its recovery from an all-time low in the early 1990s, successive years of neglect led - together with other factors - to an unprecedented number of households on housing waiting lists. At any given rate of build selected, such as that committed to under the National Development Plan, there is no immediate or even intermediate prospect of providing housing for those on rent supplement who are accommodated in the private rented sector. This further emphasises the role of the sector as a form of social housing, but without any guarantee of quality, fair rent or security of tenure.

A study carried out by Threshold and Comhairle *Rent Supplement - A Social Policy Report, December 2002*, demonstrated clearly that rent supplement tenants experienced widespread discrimination, with over 50% of landlords surveyed stating that they would not accept them - with particular difficulties being experienced by lone parents. In addition, accommodation offered was often unsuitable and of poor quality.

Further deterioration in the position of rent supplement tenants resulted from a government decision in 2002 to freeze the cap for rent supplement, on the understanding that such payments were contributing to rent inflation and a cap would lead to rent stabilisation. This view was not supported by Threshold's direct experience or indeed supported by a recent ESRI interim report on housing expenditures and social inequality. The rent cap did however lead to hardship being experienced by tenants, with evidence of collusion between landlord and tenant in declaring a lower rent, with the tenant secretly topping up rent from very limited means. Added to this, tenants experienced difficulties finding appropriate accommodation at all.

### Commission on the Private Rented Sector

The setting up of the Commission on the Private Rented Sector, did finally, help to bring to prominence the poor position of many in the private rented sector. The Commission, which reported in 2000, recommended widespread reform, particularly in the area of security of tenure and the setting up of the Private Residential Tenancies Board to resolve landlord and tenant disputes.

An element of rent certainty was also proposed in that rent could only be reviewed annually and only in relation to rents prevailing in the market. The Commission made no proposals in the area of affordability, a major weakness in light of an ongoing affordability crisis. Subsequent legislation in the form of the Residential Tenancies Bill 2003 mirrored closely the Commission's recommendations. The bill is due to be entered in early 2004.

The success, however, of any reforms introduced will depend on enforcement, and therefore on the resources which government is prepared to spend. In the past, the high cost of access to the courts system discriminated greatly against those on low incomes in landlord and tenant disputes.

While the proposed Private Residential Tenancies Board will offer mediation and adjudication, it is likely that many cases will go to a full Board hearing. Without appropriate assistance many elderly tenants, or those with language or learning difficulties, will find the new system inaccessible. In particular however the new legislation should assist those on low incomes facing a long-term future in the sector, and will enhance the viability of the sector as a form of social housing provision.

Perhaps the timing of the legislation reflects less a government concern with landlord and tenant reform and is more a recognition of the reality that private rented accommodation is now the most important form of social housing today. The question must be asked, however, if the current significant difference between the quality, standards, and security of tenure of mainstream local authority tenants and those of equivalent tenants in the private rented sector is justifiable or acceptable.

# Private Renting: the Neglected Housing Sector

Tony Fahey

## The Need for Private Rented Accommodation

One of the great-unsolved problems in the Irish housing system is the inadequacy of the private rented sector. Ireland has one of the smallest private rented sectors in the developed world. At the same time, we have an unusually large population of young adults – precisely the kind of people among whom the easy-in, easy-out accommodation provided by private renting is likely to be particularly in demand. Judging from the tone of much public commentary on this topic, it would seem that for many people, the long decline of private renting in Ireland during the twentieth century is a case of 'good riddance'. Private landlordism has a poor image and few are willing to leap to its defence. However, a decent-sized, affordable, diverse and vibrant private rented sector is vital to the smooth functioning of society. Without it, young people are impeded from leaving home, students find it hard to go off to college, workers are restrained from moving to where the jobs are, and many other social transitions (such as the departure of a spouse from the family home when marriage break-up occurs) are made more difficult.

When put in these terms, many Irish people might nod in agreement that we need more private rented accommodation. But they would be likely to balk at the corollary, which is that, relatively speaking, we may have too much owner occupied housing and may need to restrain the further growth of owner occupation in order to make room for the private rented sector to flourish. The recent policy record indicates that when the pressure comes on, government is more likely to move in the opposite direction.

Thus, in 1998, when the first Bacon Report pointed to the need to dampen down housing demand, government chose to do by restricting demand from the private rented rather than the owner occupied sector (that is, by abolishing the deductibility of mortgage interest from landlords' rental income for taxation purposes, a measure which remained in place until 2002). More recently, the major new housing initiative agreed in the latest national agreement, Sustaining Progress, commits the government to providing 10,000 additional affordable housing units. However, affordability in this context is linked to house purchase rather than to renting, even though the evidence indicates that problems of affordability are more severe among private tenants than among house purchasers.

While public policy at one level may acknowledge the value of the private rented sector (as was reflected in the report of the Commission on the Private Rented Residential Sector in 2000), it has real difficulty in according it the same level of priority as owner occupation when difficult allocation choices have to be made.

## Inadequacies of the Private Rented Sector

It is important to recognise that the inadequacy of the private rented sector is present from the landlords' as well as the tenants' point of view. For tenants, there are too few dwellings, rent levels are too high, and tenure conditions are unfavourable. For landlords, however, there are equally discouraging problems, particularly in that rents are modest (thus explaining why large institutional investors do not invest their funds in rental housing in Ireland). The main attraction of investment in housing for landlords is the prospect of capital gains rather than of a worthwhile current return in the form of rent. Gross rents for residential accommodation in Dublin today are said to amount to less than 5 per cent of capital. When management and maintenance costs are taken into account, the net return is low and would be eroded entirely by inflation were it not that house values are inflating faster than general prices.

However, capital gain in housing – house price inflation that runs ahead of general inflation – has often proved illusory in the past and may do so again in the future. When house prices are adjusted to take account of general inflation, the price of housing was the same in 1990 as it had been in 1970. The story has been very different since the house price boom arrived in the mid-1990s, and enormous capital gains have been registered in recent years. But house prices must flatten off sometime soon, and perhaps turn into decline. When that happens, the present main incentive for investment in private rented housing – the expectation of further real increase in house prices – will be gone. It is then quite likely that the supply of private rented accommodation will come under new downward pressure, as landlords seek to get out of a sector that has lost whatever investment appeal it once had.

## The Paradox of Rents

How can this paradoxical situation have come about – one where rents are too high for tenants and too low for landlords, and where the private rented sector is beset with problems as a result? The question is by no means easy, but again we must point to owner occupation to find at least part of the answer. The problem is that owner occupation pulls the rug out from under the private rented sector, both from the landlords' and the tenants' side. For landlords, demand from potential owner occupiers sustains the value of their investment, but also gives them a ready way out when the time seems right to cash in their capital gain. The result is a steady outflow of dwellings from private renting into owner occupation, which is only barely compensated for by the inflow of new buy-to-let dwellings. Thus the overall growth of the private rented sector is impeded.



For tenants, the other side of this coin applies. In their case, rents seem high because mortgage payment costs for a similar dwellings would certainly be no higher, and could even be lower, than what they are currently paying in rent. At present, mortgages can be had for a nominal interest rate of around 3.5 per cent, which, when inflation is taken into account, equates to a real interest rate of around zero. Why should tenants pay a rent of, say, 5 per cent of the capital value of a dwelling, or even of 2 or 3 per cent, when they can 'rent' the money they need to buy the same dwelling, or one very like it, for nothing (that is, for zero real interest)? Comparisons of this kind between rents and mortgage costs underlie the comparisons house hunters make in real life as they choose between renting and buying. In effect, low interest rates not only increase the demand for owner occupation but also impose an indirect cap on the level of rents and thus on the profitability of the private rented sector. They thereby disincentivise landlords from providing more accommodation in the sector.

And so, the inadequacy of the private rented sector continues. Solutions for this inadequacy are difficult to devise but not impossible. The real problem is to raise awareness of the social and economic consequences of this inadequacy and so create the will and commitment to serve the private rented sector better in the future.

# Housing Legislation and Housing Rights

Cormac Ó Dúlacháin SC

Housing legislation has been generally concerned with regulating the administration of housing authorities and setting rules that govern the distribution of housing benefits and incentives. The driving force historically has been political pragmatism, focusing on the need to modernise housing stock and increase supply. The legislation has primarily been empowering, enabling things to happen if the resources were made available. However, housing legislation has not been confined to Housing Acts; many areas of legislation incidental to housing have had an impact on the rights and benefits people enjoy.

## Constitutional Rights

In 1937, the people adopted a constitution that enshrined the concept of the citizen having personal rights. A feature of the Constitution was the extent to which it acknowledged the importance of a home. Article 40.5 declared that the dwelling of every citizen was inviolable and should not be forcibly entered save in accordance with law. Article 41.1 recognised that by their life within the home, women gave to the State a support without which the common good cannot be achieved. Article 42.2 recognised the right of parents to provide for their children's education in their homes. The assumption underlying these Articles was that every citizen had a home.

## Housing Legislation

Since the foundation of the State, certain themes have dominated housing legislation. Housing Acts have sought to empower local authorities to build local authority houses. The 1966 Housing Act, which was itself an innovative piece of legislation in its time, was to be re-visited in 1988, resulting in a new departure in local authority housing and social housing generally. Social issues were to come to the fore. Housing Authorities were given special powers to deal with tenants who were engaged in anti-social behaviour. The developers of new housing were to be required to include a social housing quota in new developments.

In the area of home ownership, there was to be action on a number of different fronts. Housing grants were to go through various phases from grants for first-time purchasers to grants for double glazing [sparked off by the mid-70's oil crisis]. There was to be a radical reform of the housing finance market with the amendment of the Building Societies Acts and reforms flowing from membership of the European Union and the creation of a competitive financial market. The home ownership sector was to be expanded by an extensive sell-off of local authority houses to occupying tenants. Provision was made to enable homeowners to buy out their ground landlords and the future creation of ground landlords was prohibited. Various Finance Acts conferred taxation benefits on house purchasers by way of income tax relief on interest paid on home loans and exemptions from capital gains tax.

In relation to private rented accommodation, rent control was to continue to benefit certain tenancies while the existing short-term and the newly emerging rental markets were to be left unregulated. The declaration that the Rent Restrictions Acts were unconstitutional was to spark a crisis of its own, which led to special legislation governing the former rent controlled sector and the establishment of the Rent Tribunal. Only recently has there been a gradual willingness to engage with the sector, first through minimalist legislation obliging landlords to register properties and comply with minimum standards to more recent proposals conferring rights on short-term tenants. Similarly in recent times, we saw a system of tax relief in respect of rent paid by tenants.

## Social Legislation

Social legislation has also impacted on housing. In 1963, the Succession Act was enacted which gave the spouse of a deceased person the right to the family home. Spouses could not be rendered homeless by the provisions of a will. In 1976, the Family Home Protection Act was enacted, which afforded legal rights to a spouse who did not own the family home - the home could not be sold, disposed of or mortgaged without her consent. While not conferring equal legal ownership of homes on couples, it certainly created an equality of power in relation to dealings with the family home. In the realm of family law, we saw the introduction of barring orders to deal with cases of domestic violence, while legislation providing for judicial separation and divorce had to allow for special consideration of housing needs.

On the social welfare front, the introduction of a right to supplementary welfare allowance, coupled with a system of social welfare appeals, was to set the scene for the emergence of rent allowance as a significant source of housing finance for people on welfare.



## Fiscal and Other Regulations

House improvement and renovations was a continuing theme. The introduction of planning laws was to create a framework in which house design in terms of physical building standards could be insisted upon. Building regulations were introduced which again focused on the quality of housing. In environmental terms, we saw the introduction of a ban on the use of smokey fuels in urban areas. Special legislation was introduced to deal with the safety of high-rise apartment blocks and new fire legislation was to affect both the construction and management of properties in multiple occupation. In the case of rural housing, the provision made for group water schemes through local co-operative committees was to have a major impact on the quality of life of rural dwellers.

In recent years, the sudden expansion of urban areas and the focus on urban renewal led to the introduction of significant tax breaks and incentives. The effect of this was to lead to an increase in the supply and the quality of rental units. In later years these incentives have in part become more focused, as is the case with student accommodation. This form of tax-driven incentive invariably requires a detailed and complex legislative framework.

Throughout the decades, similar themes have been dominant: legislation enabling and easing the path to home ownership; the protection of the home once acquired; and the ring-fencing of the home as a special capital asset. In addition, the issue of quality has been dominant given the country's history of sub-standard accommodation in both urban and rural areas.

## Housing Rights

When one gathers together the legislation that affects in some way the dwellings of our citizens it constitutes a formidable body of law. The focus, in terms of individual rights, has been on protecting the interests of those who have acquired the status of home ownership. Whether this focus has been to the disadvantage of other sectors, or whether the lack of a legislative framework in other sectors has itself created an imbalance, is a matter for debate.

What does emerge from a brief overview of the scope and breadth of housing law is the view that housing rights by their nature are not rights that can easily be advocated for and won in courtroom battles unless they are rights that are conferred by legislation. The separation of powers between the Executive and the Courts means that in matters primarily fiscal the ability of the Court to intervene is limited.

The achievement of rights in the housing sphere belongs to the realm of politics. Advances depend on the actions of parliament and government. It is precisely for this reason that Threshold fulfils such an important role as a constant vigilant advocate for fairer and balanced housing policies. Threshold, armed with detailed research and a belief in a human rights perspective on housing, can act as an important counter-balance to the strong commercial lobbies who seek to influence housing policy from a stance of self-interest.

Housing Rights constitute a bundle of diverse rights across a spectrum of legislation rather than a single right: indeed the phrase "home rights" might be more appropriate. Threshold's role as an information and rights broker for individuals in a housing crisis is particularly important if the rights conferred by statute are to be accessed by the people they were intended to benefit and protect.

# The Right to Housing

Patrick Burke

Threshold's mission is "to secure a right to housing, particularly for households experiencing the problems of poverty and exclusion". We believe that social and economic rights are as fundamental as civil rights, and that the right to housing ought to be enshrined either in the constitution or in legislation that makes that right explicit and unequivocal. Nobody in Ireland today would question the right to education or a person's right to appropriate medical attention if he or she presented in the accident and emergency of the local hospital. These social rights are accepted, supported and protected. The right to secure, affordable, appropriate and sustainable housing should be given the same status.

In this brief article, I outline why Threshold has adopted the rights-based approach to combating housing disadvantage, and what this approach means for the work that we do.

## Why the Rights-based Approach?

It is becoming almost tiresome to be reminded yet again about the huge changes taking place in Ireland over recent decades. While change raised national incomes, it also created increasing differences in incomes, housing situations, prospects and social status of citizens. Current public policies adopt an approach that targets the residue of people who fare poorly in the market system. Minimalist interventions are made where market forces clearly fail to yield acceptable outcomes. This residualist approach gives inadequate support for those left out of the economic boom and does little to diminish the social polarisation taking place in Ireland. According to the recent United Nations Human Development report, Ireland ranks highest in Europe in the poverty stakes, while at the same time having the highest growth rates of the European Union.<sup>1</sup>

The strain on social cohesion can be eased if the social and economic rights of every member of society are respected, and at least basic entitlements are assured for all. A key part of socio-economic rights is the right to housing, for a 'home' implies more than bricks and mortar and is in our view a fundamental requirement to accessing other social and economic rights.

Few in Ireland would disagree with the view that everyone living here should be adequately housed. Moreover, the government's stated objective "is to enable households experiencing poverty and disadvantage to have available to them housing or accommodation, which is affordable, accessible, of good quality, suitable to their needs, culturally acceptable, located in a sustainable community and, as far as possible, in a secure tenure of their choice."<sup>2</sup> Yet there are obvious examples where this basic human entitlement is denied within Irish society. In spite of the advent of homeless action plans in local authorities, the numbers of people experiencing homelessness increased from 5,234 households in 1999 to 5,581 in 2002. In 2002, Threshold dealt with 742 cases about sub-standard accommodation in the private rented sector. The waiting list for a place in social housing has increased from 39,176 households to 48,413 in three years. People with physical disabilities and older people find the home adaptation and essential repair schemes fall far short of requirements.

Government has made some commitments to support those experiencing housing disadvantage but these are at best enabling; they do not require that the disadvantaged actually be supported. The Housing Act (1988) enables local authorities to look out for homeless persons but imposes no obligation to house them. The Housing (Miscellaneous Provisions) Act 1992 empowers Local Authorities to enforce minimum dwelling standards in the private rented sector but includes no sanctions to ensure effective implementation.

Existing commitments are also highly qualified. For example, the National Anti-Poverty Strategy review includes a target that sufficient and appropriate emergency accommodation should become available for rough sleepers by the end of 2004. But there is no target for eliminating resort to B&B accommodation for families beyond the very short-term or extended use of other inappropriate emergency accommodation for homeless people. Rent supplement has expanded as a means of housing assistance, although it is known that many of the dwellings let to recipients are sub-standard and some of the rent caps are too low for recipients to find a dwelling. There is ample evidence that some landlords discriminate against applicants who are on rent supplement, but equality legislation does not protect against discrimination on the basis of socio-economic status. The National Development Plan committed to a revival in social housing investment but as soon as fiscal deficits loomed, capital spending was pared back.

1. Irish output grew at 6.9% in 2002, whereas the euro area average was 0.8%. In 2003, the estimate is for 2.2% and 0.5%, respectively. ESRI *Quarterly Economic Commentary*, Autumn 2003, page 13.

2. Building an Inclusive Society: *Review of the National Anti Poverty Strategy under the Programme for Prosperity and Fairness* (February 2002) page 13. In addition, "Citizenship rights encompass not only the core civil and political rights and obligations but also social, economic and cultural rights and obligations that underpin equality of opportunity and policies on access to education, employment, health, housing and other social services." page 20.

The current process under which people claim assistance is distorted because of severe resource restrictions, negating any concept that applicants have the right to adequate accommodation. The announcement on 13 November by the Minister for Social and Family Affairs that health boards would be empowered to refuse rent supplement to those who had not already been renting for six months (unless they were homeless or in exceptional circumstances) was designed to cutback on programme expenditure. This marks a huge step away from the concept of an entitlement and increases the risk of homelessness - which community welfare officers and local authority housing officers will have to deal with. The consequences of limiting resources for people in need rarely comes back to the doorstep of those deciding about resources.

### What does a Right to Housing Mean?

Although for most people in Ireland housing is privately owned and serviced, issues of basic housing adequacy and affordability usually fall into the public service sector. NESC has written that progress in developing socio-economic rights is linked with standards in this sector. NESC sees the development of standards in relation to access to services to be the key challenge. Questions are identified, including at what level and by what procedure are the standards to be set, performance to be monitored and accountability to be secured. These questions are certainly relevant but Threshold would emphasise that standards must go far beyond issues such as welfare office opening hours to address housing condition, security, appropriateness and affordability. Also individuals and groups must be able to question whether standards have been met and if not, to demand that they be met.

Assessment of housing need, albeit imperfect, is a part of existing housing policy, and rights-oriented policies can be built on this base. For example, entitlements for homeless persons would emerge if there was an upper limit set on the time a family can spend in emergency accommodation as well as commitments for additional social housing supply appropriate for people living alone. This would entail new powers and resources so that local authorities could make appropriate placements.

There are many others besides the homeless who experience housing disadvantage whose rights need protection. One can conceive of a variety of ways in which these people could gain adequate housing besides being allocated a social housing unit. For example, affordability problems can be addressed by increasing household incomes and dwelling quality by enforcing minimum standards. There could be a statutory obligation on local authorities to address each case of housing disadvantage within a certain time period with an effective appeal process incorporated. The establishment of integrated social housing programmes would address the lesser rights and protection afforded to households on rent supplement living in the private rented sector compared with social housing tenants.

### How can a Right to Housing be Advanced?

It is not difficult to see why our housing policies are failing to deliver minimal social justice. Traditional parliamentary democracy functions well for some groups because of their influence in terms of voting power. While Threshold welcomes any initiative that makes housing affordable, it is noteworthy that the current government places significant emphasis on affordability schemes for house purchase over and above social rental housing provision. The beneficiaries of affordable purchase schemes are more likely to vote than those in social housing. The ever-growing efforts of the government to help first-time house buyers contrasts with the paring back of the NDP investment in social housing, the freeze of the rent caps and restrictions on eligibility for rent supplement payments.

Threshold, along with most other members of the Community and Voluntary Platform, did not approve the current partnership agreement, Sustaining Progress, because it gave so little recognition to the fact that basic social entitlements are not being respected under current policies. Threshold, and many other organisations representing people experiencing deprivation, are extending beyond the formal partnership circle and, in addition to lobbying government, are working to build up a movement for basic entitlements.

Following the publication of the papers from our conference on housing rights, *Housing Rights - A New Agenda, June 2002*, Threshold is undertaking research to flesh out the appropriate content of a right to housing, building on international commitments to which Ireland is a party.<sup>3</sup> We are co-operating with other like-minded organisations to fill the in- trays of TDs and other policy makers with evidence of the denial of rights that exists in Ireland. Although the environment to date has not been receptive to a rights agenda, attention to socio-economic rights is mounting with the establishment of the Human Rights Commission and NESC beginning to grapple with the issues. The EU constitution, which is at the final negotiation stage, should give further backing for rights.

Another plank in Threshold's rights campaign is the strengthening of the capacity of those in housing need to assert their rights. The importance of this is explained in the European Commission for Social Cohesion's report *Access to Social Rights in Europe*, which identifies the types of obstacles that prevent the realisation of social rights. Threshold advice offices undertake advocacy on behalf of private sector tenants experiencing problems with dwelling standards, and other people who are challenged by inequalities in the Irish housing system.

3. See, for example, the right to adequate housing contained in the International Covenant on Economic, Social and Cultural Rights and associated UN documents.

## Conclusion

Brian Nolan of ESRI and Rory O'Donnell of NESC, two pre-eminent Irish social policy experts, have pointed out that a rights-based approach is not simple, nor of itself a solution to the inequities that exist. At Threshold we agree that establishing and implementing housing rights requires integrated and sustained effort to build a consensus in favour of basic entitlements. We have adopted the approach because what we have now – with the residualist policies – does not work and cannot work.

The rights approach does not detract from democratically elected government's responsibility. The elected government will determine what constitutes adequate, appropriate, secure and affordable housing to which everyone has a right. The government will set out what standards are to be met, what entitlements to establish, who will be responsible for meeting them and what incentives and penalties back up the standards and entitlements. The difference from the situation today is that the determination of basic standards will be transparent and enforceable, because commitments to outcomes will be spelled out and responsibilities will be backed by effective monitoring and statutory obligations.



# The Erosion of Housing Rights

Robin Hanan

Visitors to Europe from 'poorer' parts of the world are often surprised at the number of people forced to live on the streets in insecure, poor quality or inappropriate accommodation. "What is the point of economic growth", I have been asked, "if it does not make people's lives better?"

In fact, there is only a tenuous link between either 'visible' or 'invisible' homelessness and overall national wealth. When I moved to Rome in the early 1980s as a language teacher I was so shocked at the level of visible homelessness in a country which was then far richer than Ireland that I set George Orwell's 'Down and Out in Paris and London' as a prescribed text for my advanced students just to have a chance to talk about it. Now, when my Italian friends come to Ireland, they are struck by the level of street homelessness in the 'Celtic Tiger'.

## European Social Model

The 'right to housing' has been recognised in most European countries at least since the Second World War, even if the actual delivery has varied from country to country and from time to time. It is seen as one of the cornerstones of the 'European Social Model', a much used but loosely defined term linking approaches to economic and social planning based on solidarity, rights and universal welfare provision in much of Europe. This right was won by hard struggle over many decades by housing co-operatives and activists and has had to be constantly defended in political debate ever since.

Over the last half-century or so, the debate on what constitutes 'adequate accommodation' has transformed the 'housing debate'. It is clear that a social public housing system which assumes that 'one-size fits all' is simply no longer appropriate, if it ever was. The housing needs of nomadic peoples, including Irish Travellers, of smaller and larger families, of individuals living alone, of extended families or of disabled people, to take just some examples, are very varied, even before we get down to more local and personal differences.

This does not, however, mean that the basic principles and the right to decent appropriate accommodation are wrong. Accommodation rights have always been hard to implement in practice. Now, like so many other social rights previously taken for granted, they are also under threat in principle. Social rights, and the sense of social solidarity underlying them, are seen as a barrier to competitiveness in an increasingly cutthroat global economy. The fact that this flies in the face of the evidence of the successful social market economies does not hamper the 'new realist' ideologues who have widespread support among the newspaper-owning fraternity in many EU countries.

## Personal and International

Like most forms of poverty and social exclusion, homelessness and poor accommodation, whilst rooted at the most personal and local community level, are also inextricably linked to forces operating at the global level. They are symptoms of the priorities and choices of societies which are ever more interlinked and inter-dependent. In Ireland and the rest of Europe, in particular, they are symptoms of a widening gap between what societies say they believe in and how decisions are actually made. Thus, we have a draft EU Constitution which will include a right to accommodation for the first time, but less willingness than ever to commit the resources to achieve it.

In Ireland, we have seen a range of important pilot approaches, such as housing co-ops, regeneration schemes and halting sites, and a lot of very useful studies and agreements. In practice, for most people basic accommodation rights are weaker than in most of our European partner countries.

## Land Speculation

The run-down in social housing stock is one of the most obvious symptoms. Other symptoms are sometimes less easy to see because we have become so used to them.

The ongoing failure to do anything about the huge costs imposed on society in general by speculation in building land (see Punch in this issue) is beyond comprehension in a society which has pretensions to fairness. The victims are hundreds of thousands of people living in communities without proper planning or services, people who are forced into homelessness or exploitative renting and the community as a whole.

More sinister attacks on absolutely basic rights, including housing rights, are also creeping in behind our backs. The non-implementation of promises of Traveller accommodation is now being compounded by the criminalisation of people with nowhere to park. In the case of asylum seekers, the 'direct provision' system is not only isolating and de-skilling people who would otherwise have an enormous potential to contribute to Irish society, but is also confining people in unsuitable and socially damaging surroundings.

## Solidarity

People who believe in social rights, of which the right to a decent and appropriate place to live is one of the most basic, need to link across Europe and globally. Much of the work of NGOs and activists will continue to be personal and local, but we need to be able to win the public debates as well.

We have a lot to learn from other EU countries, and to contribute to the complex debate on how to tailor our approaches to homelessness and poor housing. Some of the lessons are also, however, quite simple. The countries with the most successful approaches are the ones with the will to vindicate accommodation rights, listen to people most affected and put their money where their mouth is. The countries with this will are the countries where activists don't give up, but harness their energy and the general public goodwill to keep the issues at the top of the agenda.



# One Law for the Housing Rich, Another Law for the Housing Poor

Eithne Fitzgerald

The right to private property is protected by the Irish Constitution. However, there is no constitutional right to a home. The asymmetry of rights between housing haves and housing have-nots, between those who own land and property and those seeking a home of their own is echoed in the inequalities in political and economic power between the two groups.

I hate the term "a healthy property market". To me, a house is a home, the centre for life with family and friends, not primarily a financial investment or a speculative commodity. High house prices not only enhance capital gains, they also price those on low incomes out of a secure home.

In the decade to 2002, house prices have more than doubled in real terms. This has effected a silent redistribution of wealth in favour of homeowners and owners of development land, at the expense of those trying to enter the housing market. With over four-in-five households owning their own home, there are far more people with a vested interest in maintaining high prices than in ensuring affordability.

Worry about negative equity appears to be an overriding concern, even of policy specifically charged with addressing the issue of spiralling house prices. However, it is only a small minority with large mortgages relative to the value of their house, generally only very recent buyers, who are at any serious risk of negative equity. Nevertheless, the second Bacon Report (1999) cautioned against any attempt at reduction in house prices below their inflated levels (p.58). It warned negative equity could also spill into wider economic recession. In other words, while acknowledging house price inflation as a critical problem,<sup>1</sup> this recommendation implied that each new price level should form a plateau below which policy should not seek any reduction in price.

Today, there are more people on council house waiting lists than there are full-time farmers - but there is no comparison between the political clout of the landowning community and the people of no property.

Social housing for low-income families used to be part of the mainstream, accounting for over a quarter of new homes built in the 1970s. Today, only 6% of new homes are social housing, and the provision of housing is predominantly left to the market. Those who can't compete in that market are left high and dry. At the current pace of new lettings, it could take up to eight years to clear the existing housing lists, without allowing for any new applications. Two-thirds of those on the housing list have incomes of less than €10,000 a year and 85% have incomes below €15,000 - hardly incomes on which buying a house at today's market prices would be affordable.

The biggest growth in numbers on housing waiting lists has been in the category "unable to meet the costs of their existing accommodation". Numbers here grew by 8,000 between 1999 and 2002, and now account for almost half of all housing applicants. Presumably, most of these are living in the private rented sector. This marks a shift from accommodating low-income households in public rented in favour of private rented. There are up to 60,000 tenants receiving rent allowances under Supplementary Welfare, compared with 107,000 council rented homes. Half of the state's provision for low-income households now takes place in the private rented sector.

In the public rented sector, there is lifetime security of tenure and rents are low. There is as yet no security of tenure in the private rented sector. The rent subsidy comes at a high price, a stringent means test which penalises any additional earnings and traps tenants into poverty. In general, public tenants pay between 10% and 17% of any extra income in increased rents. In contrast, tenants on rent supplement face withdrawal of up to 100% of any earnings. The extra paid in rent when income rises operates like an additional punitive layer of tax on earnings.

While the tapered retention of rent allowance, which was introduced to ease this poverty trap, should help in principle, in practice tenants, particularly those with children, remain very much trapped into unemployment by the overall income limit for rent allowance of €317 a week. That figure has remained unchanged since the mid-1990s. This limit means that a lone parent with two children who is on Community Employment would not get any help towards private rent. There are 11,000 lone parents - one-in-seven lone parents getting social welfare - in private rented housing, prevented by these rent rules from escaping poverty through taking up meaningful work.

If I were to sell my comfortable suburban home, and take out a mortgage to buy a luxury mansion, I would qualify for tax relief on the new mortgage. There would be no questions asked about whether I had more bedrooms than I needed, no ceiling on what the new house would cost. In contrast, people on social welfare who are renting privately, are subject to the most stringent rules attached to their housing subsidies, not only on their earnings as we have seen, but also on the standard and cost of their housing.

There is indeed one law for the rich and one for the poor when it comes to housing subsidies, and private rented housing remains in terms of social justice the forgotten housing sector.

1. Affordability problems due to house price inflation were labelled by Bacon as "the single most serious problem in the Irish housing market at present" (Bacon 1999, p.58)

# The Changing Face of Homelessness – Homeless Families a New Phenomenon

Sr Stanislaus Kennedy

First of all I want to congratulate Threshold on its twenty-five years of consistently blazing the trail in promoting housing rights in Ireland. I also want to say that I am delighted to have been invited to contribute to this publication as a way of marking this special occasion. After twenty-five years, it would be great to be able to say 'your work is done', 'you are not needed any more', but unfortunately the need for Threshold is greater today than it has ever been.

## Changing Nature of Homelessness

In this essay I will focus on the extraordinary increase in family homelessness over the past twenty-five years. Around the time that Threshold was founded, homelessness was understood to be experienced mainly by single, middle-aged and elderly men and a few women. Homelessness was not believed to affect families at all, and it is true that homelessness among women with children was relatively low in those days. When I came to Dublin in 1983 and carried out a study on homeless women, I discovered that 550 women were homeless and that 37 of these women with 93 children were living in hostels<sup>1</sup>. That was a shocking finding at the time, even though no family was left homeless for more than six months in those days. But the situation since then has got much, much worse, with more and more people – men, women and children – becoming homeless every year, more and more people remaining homeless for longer and longer periods, and more and more people on housing lists, waiting for local authority housing.

By 1999, 540 families with 990 children were homeless in the Eastern Regional Health Board Area, and last year these figures had increased again to 640 families with 1140 children<sup>2</sup>. Over a quarter of all homeless people in the Eastern Regional Area are children, and small children are now the fastest-growing section of our homeless population. And that's only counting the children who are homeless with their families living in hostels and B&B's; these figures do not include children and young people who are out on their own; neither does it include the 'hidden homeless' – families doubling up with parents, relatives and friends.

## Reasons for Homelessness

There are all sorts of reasons for homelessness, but the most basic and obvious one is lack of housing provision. Where housing is insufficient, homelessness among the most vulnerable is the result. Housing policies in this country have always encouraged home ownership for the middle classes, but in the past this commitment to ownership was complemented by a policy of providing housing for those who could not hope to own their own homes. That is no longer the situation. Local authority housing for rent now comprises only 9% of the total housing stock, compared with 20% during the 1960s. Not only is there now less public housing, but the demand for it has risen. The result is that people on low incomes who should be entitled to public housing are simply not being housed. In 2002, there were almost 50,000 households on housing waiting lists in Ireland. Most of these were women and children on low incomes. Moreover, this figure underestimates the true housing need, because many people do not put themselves down on the waiting list at all, because they are ineligible, or think they are ineligible, or simply because they despair of ever being housed.

Not only has public housing provision declined, but the availability of private rented accommodation has also declined dramatically – down from 42% in 1946 to 8% in 2002. This decline, together with the rise in house values, has had the effect of pushing rents away up and out of the reach of people on low incomes. This means that we now have a population of people who cannot afford to rent or buy homes for themselves, but who are still not eligible for public housing – even if public housing were available.

## The New Homeless

What we have in Ireland today is a whole new population of homeless people, consisting largely of people who in the past would have been self-reliant, who were reared in their own homes, and who expected to have their own homes one day; but they find themselves now being pushed into homelessness by changes in the provision and availability of housing. These homeless families constitute a whole new institution that our society has created and is creating every day: an institution that makes healthy people ill, normal people depressed and those who may have been unwell a great deal worse. This institution, of our own invention, will, probably very soon, produce pathologies, addictions, violence and dependencies on a scale that will transcend by far whatever these families may have experienced in the past.

1. Kennedy, Stanislaus, *But Where Can I Go: Homeless Women in Dublin*, Arlen House, Dublin 1985.

2. Williams, S. & S. Gorby, *Counted In 2002: The Report on the Assessment of Homelessness in Dublin*, ESRI 2002



## Homelessness - The Solution

Homelessness is the concern of all of us. Need, not greed, must guide us in our decisions about housing and rents. The cosy practice of holding on to and developing property at the expense of the poor and the homeless cannot be acceptable in a just society. What we desperately need to do now, if we are not to have the shameful situation of families with small children who are homeless and facing long periods of homelessness, is to put a housing programme in place to ensure that everybody is given the basic human right to a home. To bring this down to hard facts and figures, we need 20,000 new houses for rent each year over the next five years, just to get back on track with the Government's own Anti-Poverty Strategy. In the meantime, what we need is good-quality emergency, transitional and short-term housing for people who are homeless, together with national information support and advice services, with particular attention being paid to the needs of young children.

## Conclusion

Homeless families have the same needs as you and I do. They also have the same hopes fears and aspirations. They want to give their children the best and to bring them up well and they want them to be contented, happy and cherished. They are families who have fallen on hard times and they need all the cushioning they can get against the worse aspects of their situation. But there is little cushioning for these families as they are pushed by circumstances into greater insecurity and instability.

These families are the same as you and me, but a gulf divides us – the gulf that exists between families who have a home, however modest, and those who don't; the gulf that divides those who have stability and control over their lives and those who see that control being torn away from them on a daily basis because they lack access to any form of affordable housing and end up homeless.

Nobody would claim to want that gulf to exist, and these families certainly don't want their children to be homeless and to have nothing to look forward to but more homelessness. We can change this situation if we make the collective decision to do it. That is our challenge as a society.

# Reviving and Revitalising Social Housing Provision

Lillian Buchanan

Every household is entitled to a place of their own, to a home which has secure tenure, is affordable and is located in an area offering appropriate facilities and services. For people on low income in Ireland, that means social housing.

## The Decline of Social Housing in Ireland

During the twenty-five years of Threshold's existence, the position of social housing tenants has diminished in terms of their numbers (relative to home owners and private renters) and in terms of their perceived social status. Social housing has lost its 'equalising' role, whereby the tenants were perceived as part of 'mainstream' society.

Traditionally, social housing tenants - a significant portion of society - while less well-off than average, could aspire to membership of the majority home-owning class through purchase of their unit at a discount. Today, social housing tenants and applicants for social housing are not generally perceived in the same positive light as in the past. This trend impacts not only people in need of social housing but also social cohesion more generally.

The policy of social housing as a targeted social safety net is failing. The number of households assessed in 2002 to be in need of social housing and waiting for allocation of a place increased by 24% in just two years, to 48,000.<sup>1</sup> Social housing evidently is not protecting the 'bottom end' from housing deprivation. Hence the increased numbers in B&B accommodation and the longer duration of emergency housing stays by families.

Social housing policy does not provide many tenants with the support required for them to participate as productive members of society. Even if a household is allocated a social housing unit, it may very well be in a neighbourhood with poor facilities and limited access to services. Although a council house can

## The Declining Role of Social Housing

The Housing Statistics Bulletin for 1978, the year of Threshold's inception, reported the completion of 6,073 local authority dwellings. That is 21% above the estimated local authority completions for 2003, even taking into account 500 Ballymun regeneration units. In 1978, local authority output was 24% of total housing output. Since then private housing has grown such that local authority building of subsidised rental accommodation constitutes less than 8% of the total. Even if the output by housing associations is taken into account, social housing's share of residential completions is only 10%.

The decline in social housing is even greater than these output statistics suggest due to continuing sell-offs of local authority housing. At the start of 1978, local authority lettings numbered 98,960. Almost 25 years later the stock had increased by 4%, to 102,789 units. During that time Ireland's population increased more than 14%.

still be purchased by the occupier at a large discount, fewer tenants than before are in a position to use this as a stepping stone to home ownership.<sup>2</sup> Changing social trends make the shortage or absence of accessible supports for tenants more serious. The hostility of many homeowners to the prospect of social housing being built in their area underlines the failure of housing policy.

The downsizing and downgrading of social housing has persisted despite a variety of counteractive measures, such as improved council estate management, regeneration projects, expansion of housing associations and increased investment under the National Development Plan. Some analysts blame Ireland's residualist policy approach - whereby government only steps in where the market fails to provide - for under-funding and ghettoising housing for the most vulnerable.

Certainly, most other western European countries perform much better in achieving social inclusion in housing provision. A comparative European study highlights the strong correlation between those state systems offering generous and widely available social services and benefits and adequate housing environments for households at the margin of poverty.<sup>3</sup> Of the social housing samples investigated in the study, the Irish system proved to be the worst in just about every respect.

1. The Department's strategic document *Social Housing - The Way Ahead* proposed in 1995 a resource target of 7,000 social housing starts per annum. Since 1995 starts and acquisitions by local authorities and housing associations have averaged 20% below this target level.

2. In 1994, 50% of local authority renters were below the 50% poverty line compared with 37% in 1987. *Profile of households accommodated by Dublin City Council* (2002), The Housing Unit, page 12.

3. D. Bertaux, T. Boje, S. McIntosh (Eds). *Between Integration and Exclusion: A Comparative Study in Local Dynamics of Precarity and Resistance to Exclusion in Urban Contexts: Final Report* (August 2002) Denmark: Roskilde University



### How Social Housing Conditions Rate

The 2002 national housing condition survey found that 31% of local authority households considered their accommodation to be too small, compared with 13% of all households. Also the tenants reported more repair and maintenance problems than other households and more of them reported problems in their neighbourhood, notably litter, vandalism/public drinking.

### Threshold's Role

Threshold is committed to housing policies that place all households in the social mainstream – hardly a radical position. Surely this is what the National Anti-Poverty Strategy is about. Certainly it is what Ireland's commitment to the UN Covenant on Economic, Social and Cultural Rights is about.

In response to the diverging housing situations across society, Threshold has

- highlighted the plight of people who ought to be in social housing, and the denial of their basic rights
- analysed the prospects for improved social housing and homeless policies through initiatives such as the local authority housing strategies and the homeless action plans
- lobbied for greater social housing investment in, for example, the review of the National Anti-Poverty Strategy
- campaigned for more effective estate management, particularly humane handling of anti social behaviour and debt problems
- critiqued ineffective substitutes to social housing provision, notably the flawed rent supplement scheme for private rental accommodation
- presented the impact of policies that undermined local authority estates, such as the €5,000 surrender grant available between 1984 and 1987.

Investing in social housing only when the government's coffers are full and promoting a limited requirement to include some social housing in private residential developments will never bring about social inclusion.<sup>4</sup> Despite the setbacks of recent experience and the more constrained fiscal environment at present, Threshold considers the revival of the social housing approach to be crucial.

### Social Housing Tenants in Urban Areas Compared with All Households

	1980	2000
number of households	15%	7%
disposable income	70%	56%
state transfers as percent of disposable income	29%	48%

CSO Household Budget Surveys, 1980 and 1999/2000

Policies have to respond much more constructively and energetically if the entitlement to adequate housing is to become a reality. There should be increased investment in social housing, with projects passing the seven tests that the National Spatial Strategy identified as critical to the location of sustainable housing in urban areas.<sup>5</sup> In particular, participation in mainstream society by twenty-first century households requires excellent, accessible public services such as affordable day care, health care and public transport, as well as effective and sensitive estate management. Targeting benefits with stringent means testing and meagre income allowances should also be reformed, as the narrow residualist approach does not promote social inclusion.

"If social housing is to play a role in combating social exclusion, one fundamental requirement is that it continue to occupy a central role in social policy and continue to be available in sufficient quantity to meet the needs of those who require it."

Tony Fahey (Ed) *Social Housing in Ireland: A Study of Success, Failure and Lessons Learned* (1999) Dublin: Oak Tree Press.

Threshold wants to see social housing – whether owned and managed by local authorities, housing associations or partnerships – revitalised as an integral and dynamic part of Ireland's housing system.

4. Part V of the Planning and Development Act, as amended, requires a maximum of 20% of eligible private developments to be for affordable housing including social housing  
5. Department of the Environment and Local Government (2002) page 103

# A Review of the Threshold Access Housing Unit

Russell Chapman

## Background

In 2000, the Government published "Homelessness-An Integrated Strategy", which detailed a plan to deal with homelessness, specifically looking at accommodation, health and welfare, education and preventative measures. The requirement was that homeless action plans were to be drawn up by local authorities on foot of this publication. In 2001, the action plan for the four Dublin local authorities, "Shaping the Future", was published. The new plan laid out a comprehensive framework for the elimination of homelessness in Dublin through the implementation of a range of policies and services.

One objective of the plan was to improve access to housing in the private rented sector for homeless people, and it was envisaged that an "Access Housing Unit" would be established specifically for this purpose. Threshold was given the task of setting up the Unit following a tendering process managed by the Homeless Agency. The Access Housing Unit is an innovative response to homelessness, and Threshold has been able to build on its private rented sector experience to provide a much-needed long-term housing option to people mostly marginalised by other housing types.

People who are homeless experience a number of difficulties in accessing private rented accommodation. First, there is a shortage of low priced private rented accommodation, especially for single people wishing to live alone. Second, the majority of people who experience homelessness are dependent on social welfare as their only source of income. While this entitles them to assistance with rent through the Supplementary Welfare Allowance Scheme, many landlords are reluctant to let to people claiming social welfare. For some landlords, this is due to a preference for people who are working, while for others it is due to bad experiences in the past with unsupported tenants. In addition, the procedures for getting rent supplement are such that delays can occur in accessing deposits and problems can arise due to the fact that rent supplements are paid in arrears.

## Operation of the Unit

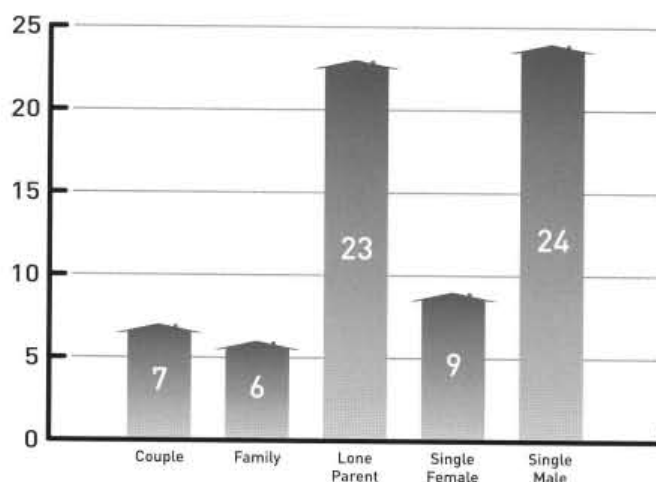
The Access Housing Unit works by obtaining referrals of suitable potential tenants from other homeless service providers (such as Focus Ireland, Dublin Simon Community, Merchants Quay etc.). These providers identify people with whom they have contact and who they feel would be able to sustain private rented accommodation, but are just not able to access it themselves or need some help in adjusting to independent living. A referral form is completed, sent to the Unit and then an interview is set up between the Unit, the referring agency and the potential tenant. This interview is to check that the private rented sector is the right option, to ensure that any issues that have caused housing failure in the past have been looked at and to make sure all the details on the referral form are correct. One key factor that we require is that a referrer makes sure that post-settlement support is arranged in advance of the referral. This means that arrangements are put in place to assist the newly accommodated person to settle in to his new home. At the initial stages this may be as simple as helping the person get furniture, arrange a grant for bedding, access local services and help with cooking, budgeting etc. Later on issues around literacy, education and work may well be explored. We feel that the provision of this service is of paramount importance in increasing the sustainability of a tenancy and not only encourage it, but feel that it should be a mandatory condition for referral. The only tenancies that have failed have been where tenants have not linked in with their post-settlement worker and problems have ultimately become insurmountable without this regular support.

## Statistics

The Unit helped create the first tenancy in January 2003, and since then has created a further 68 tenancies. Including children, this equates to well over one hundred people who have left emergency accommodation and now have a home. As the project has progressed, it has become more successful and more landlords have contacted us offering properties. The service was launched on June 17th and that week proved to be our most successful ever, with seven tenancies being created. The development of a comprehensive database has allowed us to analyse the work we do and provide useful data both for social policy issues and research.



This chart shows the number of tenancies that have been created by family type. Typically there are more single homeless people than lone parents and families and this is shown by the fact that 60% of our referrals are single people. We do most of our work looking for bedsit-type accommodation for single people and still find great difficulty in meeting the needs of single homeless people.



### Evaluation

Part of the process which would see the Unit mainstreamed involved the completion of an external evaluation. In August 2003, Simon Brooke, a housing and social policy consultant, produced an evaluation of the Unit subject to terms of reference set by the Homeless Agency. The evaluation stated:

"The Access Housing Unit has established itself as an effective and efficient means of assisting people to move out of emergency accommodation and into private rented housing. It is considered that the Access Housing Unit's pilot phase has been a success, and it is therefore recommended that the Access Housing Unit should receive continuing funding beyond the pilot phase."

Not only was mainstream funding recommended, but also that the Unit should employ an additional two project workers and provide its own post-settlement support service through the employment of four new staff. The thinking being that a more structured service could be developed whereby Threshold could provide all the relevant services rather than having to rely on other organisations.

### The Future

Looking to the future, the expansion of the work of the Access Housing Unit and the increase in staff are subject to budgetary constraints. In the present climate, we are not optimistic that the necessary resources will be forthcoming. However, budgets for services in 2004 are not finalised, and there remains a possibility that the Unit may be able to expand to meet an obvious need, if not in 2004, then maybe in 2005. The Unit forms part of a strategy to help break the cycle of homelessness and provides a realistic long-term housing option for some of the most marginalised people in our society. To that end, our work continues beyond the pilot stage towards mainstreaming.

# Perspectives on Development Land and Housing

Michael Punch

## Re-emergence of the Land Issue

Perhaps one of the more important and, in a sense, surprising trends to emerge in Threshold's 25th year is that the land question is once again very much on the agenda. The All-Party Oireachtas Committee on the Constitution has focused its attention on private property rights, raising questions about the common good, zoning of land, the price of development land, the right to shelter, etc. Submissions, public debates and media contributions all show the huge spectrum of opinions that continue to exist on this issue, reflecting the diversity of positions, ideologies and – importantly – conflicting interests at stake.

This debate is welcome, if long overdue, given that little action has been taken since the Justice Kenny report 30 years ago, and policies for development land have not changed greatly since Threshold's foundation. The one notable and potentially crucial exception is the planning gain mechanism contained in Part V of the Planning and Development Act, 2000 – notwithstanding the birth pains and battles for survival, which this piece of legislation has had to go through in its infancy. Although the original legislation has already been diluted under considerable political pressure, it is important to note that Part V survived a constitutional challenge in the courts. Apparently, intervening in or regulating private property rights in the interests of the common good and social justice is constitutional after all.

Nevertheless, there isn't much clarity or agreement yet on the problem of land and housing (what the problem is, what we should do about it). Some argue that there is something about the Irish ethnic (?) make-up that makes it unpalatable to "interfere" in land ownership or property rights. Basically, it took "us" so many years to get it back from (Protestant, British, Anglo-Irish...) landlords, that the people (all of them?) do not want any kind of public control or regulation of the existing pattern of private property and the considerable economic power that land ownership can confer. This position is sometimes used as an argument against policy changes that might "threaten" the ability of landowners to make huge profits from (socially created) development needs and (community sanctioned) rezoning decisions. Others posit an almost opposite argument: we struggled against exploitation, rack renting, exclusion, poor housing, greedy landlords, speculators and their ilk, etc. for generations, and now we're faced with the exact same set of problems, except the exploiting class generally speaks with an Irish accent these days. Time (again) for action!

In a short article, all of the complexities and conflictual positions cannot be teased out, but I would like to raise some key points that need careful attention. These are general arguments, but costly experiences over the past 25 years (or more) emphasise the need to do something about them now.

## The Need for a Solution

First, from a social need perspective, 'doing something' about the problem of land availability and cost is urgent and beyond question. Social need has escalated enormously since 1978, and social housing provision has collapsed, notwithstanding some recovery under the NDP (see Buchanan in this issue). Regardless of the free market arguments about supply and demand (see below), it makes obvious sense to investigate ways to facilitate a value-for-money, efficient and more productive social or non-profit housing sector. At the moment, local authorities and voluntary providers find it impossible to compete in the "market" for development land, yet they have few other available sources. Finding a model to improve access to land at an affordable price would obviously help enormously to progress social housing programmes. The Justice Kenny model of acquiring land at agricultural value plus an element of compensation could be one such model. Alternatively, could local authorities be funded to purchase agricultural land, or options on agricultural land, anyway?

There is another argument for change in this area. Implementing a new land policy for non-profit provision would not just mean improving local authority or voluntary housing output for the most marginalized (though obviously cheaper development land would make it easier to achieve more units). It could also be a step towards developing a broader non-profit housing system (cost-rental, co-operative development, community housing associations, etc.), which could compete with for-profit providers in a diversified rental tenure. This could have broader positive effects in generating a stronger income base for further non-profit development, getting away from the extreme stigmatization of social rental, as is currently the case in the Irish housing system, and building more flexible housing systems within urban areas (thereby helping to curb the current unsustainable pattern whereby people commute over increasingly insane distances).



Second, there is no such thing as a free market in land. To say this does not place one to the 'left of Stalin', to borrow the recent phrase of one very ideologically minded politician. In fact, it is a basic tenet of orthodox economics that a number of core principles govern the operation of markets, such as a pricing system, perfect knowledge, free entry, the forces of supply and demand, consumer sovereignty and competition. Where these conditions are clearly not operative ("market failure"), a number of imperfections are usually blamed, such as monopoly power, lack of factor mobility, limited knowledge, etc. Most economists will accept that conditions of market failure do justify some kind of public intervention.

### The Land Market

In the case of land, there are inevitable market imperfections (it really is a most peculiar commodity). Unlike other commodities, such as televisions or DVDs or race horses, the land market is immediately complicated by the problem of monopoly. Every site is unique – supply cannot simply increase in response to demand signals. Moreover, where land has been acquired privately, especially for speculative purposes, we are faced with an effective monopoly, which can mean supply limitation and price inflation. The problems of rezoning and betterment further complicate the situation with land. The rezoning of a piece of land is a public intervention in the interests of orderly development, but it also reflects a social decision that society is willing to accept development in a given location, despite the implications in terms of environmental pressure, congestion, etc. However, the decision to allow residential development rather than agricultural use immediately confers a huge windfall gain on a private owner in return for absolutely no productive activity whatsoever. Similarly, the provision of public services, a pre-requisite for most developments, can confer a huge leap in value on a given site, which is also appropriated by the lucky landowner if the site in question is in private ownership. Who pays for the lottery cheque? The community at large, or society, more generally. Worse, the possibility of such windfalls creates a hope value, fuelling a speculative market in land. This means that a few people of considerable means and in a position to "sit" on a speculative investment for some time can purchase a commodity (agricultural land or options in agricultural land) in the expectation that at some point in the future its value will escalate at the stroke of a pen and/or with the public provision of services.

In other words, the problematic of the land market is one of the few areas where critics from both the left and right have considerable common ground. It just doesn't work in equity or efficiency terms. There is no free "market" in land in the classical sense – there are just too many market imperfections. This also suggests a need for intervention.

Third and finally, we need to learn from the lessons of the past or be doomed to repeat them. In the spirit of this collection, it might be worth remembering one major development with regard to land and housing policy that occurred over Threshold's first 25 years. Such a review provides a further argument (as well as the issues of social need and market imperfections) for action.

### Growth of Dublin

Although the plans for new-town development to the west of the city were first mooted in the Myles Wright report (1967) and adopted in the first Dublin County Development Plan of 1972, some of the major phases of rezoning and housing development occurred since the late 1970s. This engendered major residential expansion in west Dublin around the villages of Tallaght, Lucan, Clondalkin and Blanchardstown. These were housing-led developments that produced deeply problematic living environments. The issue of land was central to the failures. The whole urban intervention was a major moneymaker for a small number of well-placed landowners. The development land boom made some people enormously rich, but it was paid for on the backs of the working-class and lower-middle class residents that ended up isolated in the resulting urban environments that lacked basic services or amenities. Frank MacDonald captures the centrality of land policies to the contradictions inherent in the whole process:

Instead of following the British example of taking all the land required into public ownership and setting up a development commission to plan the 'new towns', what happened in Dublin was largely developer-led. Speculators would acquire options on parcels of land and persuade the county council to rezone it, netting enormous sums of money for themselves at the stroke of a planner's broad-brush or a vote by the elected members. Land values multiplied, generating a hothouse environment in which corruption flourished. With millions of pounds to be made, it is hardly surprising that some councillors accepted and even solicited bribes for their championship of particular rezonings (MacDonald, *The Construction of Dublin*, 2000, 202-4).

Perhaps it is the reality of that experience that offers one of the more urgent arguments to look again at the land question in a serious way and, this time, to actually do something about it. Or are we simply going to allow the same kind of mistakes to occur in areas where intense development may be required in the future (for example, in the gateway towns that the National Spatial Strategy identifies as essential to achieve balanced regional development)? It is to be hoped not. As the saying goes, history has a way of repeating itself – the first time it's a tragedy, the second time it's a farce!

## Appendix A

### Threshold Publications

#### Private Rented: The Forgotten Sector (1982)

##### Policy Consequences (1987)

A Study of the €5,000 Surrender Grant in the Dublin Area

##### Home Sweet Home (1989)

A study of rented housing in Cork after the ending of Rent Control

##### Resolving Landlord and Tenant Disputes: Are Rental Deposit Boards the Answer? (1993)

##### Claiming Rent Supplement: Theory and Practice in Cork City (1994)

##### Vetting the Letting (1995)

A report on the practices of accommodation agencies in Ireland

##### Behind Open Doors (1996)

Out of Court Options for Housing Debt Cases

##### As Safe As Houses? (1997)

A report on the nature, extent and experience of debt in the Irish Housing System

##### New Realities in Irish Housing - a Study on Housing Affordability and the Economy (1998)

##### Private Rented Housing - Issues & Options (1999)

Conference & Seminar Papers from Private Rented Housing - Ireland in Comparative European Perspective and Private Rented Housing - Critical Issues Facing the Sector

##### The Private Rented Sector in the 21st Century - Policy Choices (2000)

##### Estate Management and Anti-Social Behaviour in Dublin (2000)

A study of the impact of the Housing [Miscellaneous Provisions] Act 1997

##### Home Truths (last updated 2001)

Information on housing rights, social welfare entitlements and details of the SWA scheme.

##### Who Wants to be a Landlord? A Profile of Landlords in Dublin City (2001)

##### Housing Access For All? (2002)

Findings of joint research on the Local Housing Strategies and Homeless Action Plans

##### Housing Rights - A New Agenda? (2002)

Conference papers on the rights-based approach in policies and law in Ireland, England and the United States

##### Accommodation Disadvantage: A study to identify women's accommodation experiences, useful data sources and major research gaps (2002)

##### Rent Supplement: A social policy report (2002)

##### Direct Investment In The Private Rented Sector by Financial Institutions

Forthcoming report analysing the potential for new investment.

## Appendix B

### Threshold Information Leaflets

#### Renting for the First Time

#### Renting a Home from a Private Landlord

#### A Guide to Calculating Rent Allowances

#### A Guide to Mortgage Supplement

#### Renting a Home from the Corporation or Council

#### Dealing with Mortgage Arrears

Information leaflets available in French, Portuguese, Romanian, Russian and Spanish.

Information leaflet available in Braille



# Appendix C

## Threshold Landmarks

- 1978 Opened Advice Office in Church Street, Dublin.
- 1979 Threshold dealt with 1,154 cases.
- 1980 Opened Rathmines Advice Office.
- 1981 Rent Control deemed unconstitutional.
- 1982 Legislation introduced to protect controlled tenants. Threshold's first major report published:  
*Private Rented: The Forgotten Sector.*
- 1983 Opened Cork Advice Office.
- 1984 Introduction of £5,000 Surrender Grant.
- 1985 First Homeless Persons' Bill presented to Seanad.
- 1986 'Gilabbey Court' opened in Cork.
- 1987 Opened Galway Advice Office. Published report on consequences of £5,000 Surrender Grant.
- 1988 Housing Act defined homelessness, giving local authorities greater responsibility for housing homeless people.
- 1989 Threshold campaigned for mandatory rent books and minimum standards in the private rented sector.
- 1990 Amalgamation of Threshold's Dublin Advice Offices.
- 1991 Publication of Government's Plan for Social Housing containing proposals for reforms in the private rented sector.
- 1992 4 weeks' minimum notice introduced for private rented sector.
- 1993 Threshold distributed 25,000 rent books. Publication of *Resolving Rental Deposit Disputes: Are Deposit Boards the Answer?*
- 1994 Threshold's Housing Debt Project established. Cork Threshold published *Claiming Rent Supplement: Theory & Practice in Cork City.*
- 1995 Publication of *Vetting the Letting*, a report on accommodation agencies in Ireland. Threshold charity shop opened in Dun Laoghaire.
- 1996 Registration of private rented dwellings introduced. Publication of *Behind Open Doors: Out of Court Options for Housing Debt Cases.* Galway Advice Office moved into premises shared with the Citizen's Information Centre to offer 'one-stop-shop' service.
- 1997 Threshold helped 15,000 people. Publication of *As Safe As Houses, a report on Irish housing debt.*
- 1998 3 September - Threshold celebrates 20th Anniversary. Also Threshold seminar: The Private Rented Sector - Vision for the Future. Publication of *New Realities in Irish Housing - A Study on Housing Affordability and the Economy.*
- 1999 Threshold Conference: Private Rented Housing - Options for the Future. Threshold charity shop opened in Galway. Publication of *Home Truths.* Establishment of Threshold's Housing Research Unit with multi-year financial support from the Irish Bankers' Federation.
- 2000 Minister for Housing, Bobby Malloy TD, launched Threshold's website. Galway Advice Office for the first time dealt with more than 5,000 clients. Amongst the queries dealt with by the Cork Office were 625 concerned with rent deposits. Planning and Development Act 2000 requiring local housing strategies by mid 2001, and Part V requiring up to 20% affordable and social housing in eligible private developments.
- 2001 Surveyed landlords and published a profile of landlords in Dublin city - '*Who wants to be a Landlord?*' Development of Threshold's strategic plan focussing on rights, access and sustainability. Charity shop opened in Cork.
- 2002 Establishment of Access Housing Unit to help homeless referrals find homes in the private rented sector in Dublin. Major conference organised and proceedings published, *Housing Rights - A New Agenda?* Launch of joint research report *Housing Access for All?*, analysing local authority housing strategies and the homeless action plans and presenting wide-ranging recommendations for reform of the housing system.
- 2003 Campaign for strengthening and enactment of the government's Residential Tenancies Bill. Opening of Threshold premises at 21 Stoneybatter, Dublin 7, accommodating the Dublin Advice Office, Access Housing Unit and the head office staff. Charity shop opened in Tralee. Seminar on promoting direct investment by financial institutions in the private rented sector.



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