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We Need a Coherent Policy to Guide Housing in Ireland

Lorcan Sirr

Technological University Dublin, lorcan.sirr@tudublin.ie

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We need a coherent policy to guide housing in Ireland

Short statement offers little to the many stakeholders involved in the complex process of a housing strategy

Where is Ireland's housing policy? The Minister for Housing, Jan O'Sullivan's, suggestion that rent control could be used to increase affordability for those wanting or needing to rent raised some interesting issues.

Rent control hasn't been seen in Ireland since 1986, when it was abolished following a legal challenge. It is not the norm in most countries, particularly in the private rented sector, although it is not uncommon for countries to have some form of index to which rents are pegged, or a level above which they cannot rise.

Capping or controlling the rent paid by those who need it controlled is theoretically not a bad idea, especially given that the taxpayer funds a large proportion of these rents to private landlords. However, several economic reports over the years have indicated that the introduction of rent controls on the market merely serves to limit supply, which is not what is needed at the moment.

It is a lack of supply that is causing the current surge in rents. The Dublin rental

market is over 1,000 units a month short of what it requires to satisfy demand and stabilise rents. In a city where 30 per cent of people rent, this is a serious shortfall.

Add in those who have no choice but to rent and the problem escalates. Ireland needs more, and frequently better, rental accommodation.

The problem the Minister has inadvertently highlighted, however, isn't escalating rents or rent control, or indeed housing waiting lists. The problem is there is no coherent housing policy to guide the Irish housing markets, both public and private, for home owners or renters, for landlords, investors, planners or banks.

Ambiguous

The policy as it exists is the oddly titled *Housing Policy Statement*. It is unclear whether this mere four-page document is a statement about housing policy or an actual policy in itself. Only a cynic would suggest it was deliberately given such an ambiguous appellation.

It highlights past errors, and some broad principles of future direction (tenure neutrality, for example), which are worthy, balanced and perfectly fine as an after-dinner speech, or as some broad-brush ideas, but a housing policy it most definitely is not.

Essentially, the Government is dealing with rectifying and normalising the housing market – which is not necessarily ensuring escalating house prices – on a wing and a prayer, with ad-hoc responses to mostly predictable issues.

As the delivery of housing is a detailed process, a housing policy will also be a detailed document. A new housing policy for Ireland should involve not just the Minister for Housing, but also her boss, the Minister for the Environment, Community and Local Government.

In addition, several other Ministers should have a significant input including the Ministers for Finance, Jobs, Enterprise and Employment, and Social Protection. The Minister for Justice, Equality and Law Reform might also have

a contribution, particularly on the equality element of his brief and its relationship with housing issues.

Safety standards

A housing policy needs to cover not only the development of housing, but also issues around financing, design and safety standards, and of course where housing is to be built, on which point the Minister for Transport, Tourism and Sport should also have a useful suggestion or two around his transport remit.

Dublin is predicted by the Central Statistics Office to grow by 400,000 people by 2031 if traditional migration patterns return – where exactly will they be housed?

These are the basics, but there is much more to housing than this. A housing

policy should also cover issues like the delivery of social housing and the homeless problem. The Minister for Social Protection will be interested in this aspect.

It is unclear who exactly will be providing the social housing needs of 21st century Ireland – many local authorities no longer have the wherewithal in design, management or finance to deliver social housing, and housing associations also need more skills and funding.

Experience in the UK shows that private sector involvement is not always

the best, or cheapest, solution. This is an area for the Minister for the Environment, Community and Local Government.

Housing list

Then there is the issue of how the State should deal with the 20 per cent of mortgage holders in arrears. Given mass repossessions will force people into an already crowded private rental market or indeed on to the housing list, thus driving up rents even further, this is something the Government needs to consider.

Minister for Finance Michael Noonan can weigh in here.

The practice of renting itself should be addressed. Increased professionalisation of the market and the creation of proper long-term security of tenure are important here, as are financial methods to encourage the development of more and better quality rental properties, perhaps from pension funds. The Ministers for Finance and Justice could discuss this.

There are other overarching issues. Fewer than 9,000 mortgages were given out last year, so access to credit is worth addressing, as is the UN Convention on the Rights of Persons with Disabilities, and regulation of housing associations.

After two years in office, the housing market, and, more importantly, those who occupy it, supply it, and finance it, need more certainty about the direction housing is taking so they too can make strategic decisions about renting, buying, building, and where and how to do so.

There is plenty for the Ministers to discuss, but they need to get talking soon.

Dr Lorcan Sirr is a lecturer in housing at Dublin Institute of Technology

Lorcan Sirr

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■ A queue to see new apartments in Dublin in 2012. The city's rental market is over 1,000 units a month short of what it requires to satisfy demand and stabilise rents

