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## Avoiding the Mistakes of the Past

Tom Dunne

Technological University Dublin, [tom.dunne@tudublin.ie](mailto:tom.dunne@tudublin.ie)

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# Housing Ireland

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The Housing Policy Statement one year on  
Time for a major rethink of housing policy?  
Is education what it takes to make housing professional?  
Focus on the 'reform agenda'



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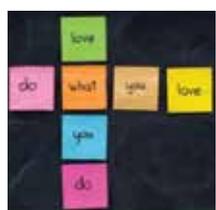
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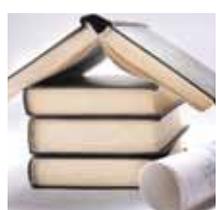
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Dr Jennie Donald Chartered Institute of Housing

### Editorial Panel

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David Silke	Housing Agency
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**Contact:** If you wish to make any comments on *Housing Ireland*, have ideas for future editions or wish to contribute an article, please contact Jennie Donald at [jennifer.donald@cih.org](mailto:jennifer.donald@cih.org) or 0044 289077 822

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# Editorial

Jennie Donald  
Editor



I've recently become aware of something called **crowdsourcing**. It is essentially a way of sourcing new ideas based upon a specific question or premise from the general public or a target group.

If someone asked the question – what one word or phrase would you use to define the current state of play in the Irish housing sector – I'm fairly sure that the list would include the word reform.

Reform of the housing sector is in part being driven by necessity and financial drivers but there is also a more fundamental need for reform. What Ireland needs is a balanced housing system which will involve a more coherent approach overall but also changing individual elements of that system.

Reform for all its positive connotations is sometimes seen as a negative process, a criticism of existing structures and processes. But it doesn't have to be. Even taking into account the economic rationale for reform of the housing system, there are real opportunities for the sector to positively embrace the reform agenda.

Professionalising housing is one of those opportunities. Making sure that housing is seen as an accessible and

desirable career choice; ensuring that people working in housing have the knowledge and skills to meet new challenges; and that the contribution that housing makes to our society is valued.

Of course it is not just at the structural level that reform needs to take place. There is an onus on policy-makers to get things right too. As our commentators on the Housing Policy Statement all make clear whilst welcoming the statement of intent, the long-term strategy, implementation plans and momentum for change are still outstanding.

In this and future editions of *Housing Ireland* we are going to be looking at different aspects of the reform agenda. Mergers and consolidation, regulation, new funding and delivery models, support and services for tenants, people in housing need and vulnerable groups – we plan to look at these and other issues to offer a view which, whilst certainly not the definitive one, will hopefully help add to the debate.



# The Irish housing review

The last three months have seen quite a bit of activity in the housing sector; Áine Daly provides an update on the latest policy developments and publications.

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## Mortgage Arrears

### i. Mortgage-to-rent Scheme

We mentioned the first mortgage-to-rent transaction in our last edition, but the scheme was officially launched by Minister Jan O’Sullivan in June. It is specifically targeted at low income families whose mortgage situation is unsustainable and where there is little or no prospect of a significant change in circumstances in the foreseeable future.

The ownership of the property is transferred to an approved housing body (AHB) which purchases the home at the current market rate. The transaction is financed through state funding and the AHB accesses private finance from the original mortgage lender to purchase the property. The householder comes to an arrangement with their mortgage provider over the residual debt – the difference between the current value and the higher price for which the property was bought.

The benefit of the scheme is that families can continue to live in their home with security of tenure and certainty over the payments they must meet. It is estimated that it will apply to around 100 households in its first year.

To qualify for the mortgage-to-rent scheme the household must be eligible for social housing support. The maximum value of the property involved is €220,000 in the Dublin region and €180,000 in other parts of the country.

### ii. Revised Guidelines on Local Authority Mortgage Arrears

*Revised Guidelines on Local Authority Mortgage Arrears* were published in June, replacing those which issued in 2010. Closely based on the most recent guidelines from the Central Bank to private sector lenders, they incorporate a number of significant changes including a standardised Mortgage Arrears Resolution Process (MARP) for roll out in all local authority areas. The introduction of these revised guidelines will standardise the approach across the whole sector, introduce a systematic structure to this area and provide borrowers with a transparent and accessible model for arrears resolution.



The guidelines offer a range of alternative payment agreements which can be accessed to ease the particular circumstances of each case and in cases of unsustainable mortgages, the facility of mortgage-to-rent.

Other aspects of the new guidelines include safeguards on Mortgage Insurance Protection for restructured loans and a defined appeals procedure for dissatisfied applicants of MARP.

## NAMA

### i. Residential Mortgages

NAMA launched its residential mortgage *80:20 Deferred Payment Initiative* on a pilot basis in May. The initiative is one of a range of measures planned by NAMA to help potential first time buyers access homeownership as well as existing owner-occupiers who are struggling to get mortgage financing. It is hoped that this initiative will encourage activity in the housing market. The pilot phase saw the *80:20 Deferred Payment Initiative* made available on more than 115 houses located in 12 developments in Dublin, Meath, and Cork. An estimated €6 million worth of property has been sold in the first two weeks since NAMA unveiled the pilot mortgage.

## ii. Social Housing

In December 2011 NAMA committed to providing up to 2,000 units for social housing by the end of 2012. The units being advanced through NAMA are to be provided through the Social Housing Leasing Initiative under the standard terms and conditions that apply. To date, over 2,000 units have been examined with a view to determining their suitability for social housing.

In response to a parliamentary question in June, Minister O'Sullivan provided the following update:

- 701 properties have been deemed unsuitable by housing authorities who have assessed their suitability with regard to location, local demand, the nature of the accommodation and sustainable community principles.
- 372 have been withdrawn, usually by the property owners, as circumstances have changed. In some cases the properties concerned have been let on the open market or sold and are no longer available as vacant units.
- At present, demand has been confirmed for nearly 1,200 available properties and these are currently being processed. It is important to note that while demand has been confirmed in respect of practically all residential developments proposed by NAMA, the requirement to provide for an appropriate mix of tenures and to avoid undue segregation in housing means that local authorities will only ever deem a certain proportion of units within individual developments suitable for social housing.
- Of these 1,200 properties, contracts are signed in respect of 58 units, 405 of these are at various stages of the approval process and 719 are being appraised.

It is expected that units will be tenanted in the second half of the year. NAMA continues to work with a view to identifying additional units suitable for inclusion in the programme

Nama has recently established a new company - *Nama Asset Residential Property Services Ltd* - to fast-track the acquisition of almost 2,500 vacant properties for social housing by the end of next year. The acquisition of properties by the new company will allow the debtor to reduce what it owes on its Nama loan. The company then leases the property directly to the local authority or AHB.

## Planning

### i. Planning Review Report

Minister O'Sullivan published the *Planning Review Report* in June and announced the planned appointment of an independent expert. The report sets out 12 actions that

will address current deficiencies in the planning system. The actions entail legislative change and consolidation, revised non-statutory guidelines and improved management systems in planning authorities. In addition to the 12 actions, the planning review also identified a number of broader themes where additional examination and analysis would be of merit. These include:

- Public communication of planning policy
- Handling and availability of pre-planning application records
- Communication between planning authorities and An Bord Pleanála.

In addition, the Minister announced the intended appointment of an independent planning consultant who will be required to assess all actions contained in the planning review report and propose any additional measures deemed appropriate. The Government is due to bring forward further proposals as part of its response to the Mahon Tribunal Report.

### ii. Public Consultation on Local Area Plans – Guidelines for Planning Authorities

June also saw the publication of the *Draft Local Area Plans – Guidelines for Planning Authorities for Public Consultation*. The six week consultation ends on 27th July and a final version of the guidelines will be prepared for publication under Section 28 of the Planning and Development Act 2000 later this year. The aim of the guidelines is to support planning authorities in preparing and implementing Local Area Plans. This will provide for the sustainable development of communities having regard to realistic assessments of need for future development, which are informed by wider county and city plans and regional planning guidelines. ▶

## POLICY ROUND-UP



- ▶ The new guidelines provide, for the first time, statutory guidance to planning authorities on how to deliver on their mandatory obligations to prepare Local Area Plans for all towns with population of over 5,000. They also cover the many forthcoming reviews of around 350 local area plans called for as a result of the planning reform process.

### Unfinished Housing Developments

The Department of the Environment, Community and Local Government published the *Final Report of the Advisory Group on Unfinished Housing Developments* in July.

The Department's 2011 National Housing Development Survey inspected 2,876 housing development sites of two or more properties and of these, 701 were recorded as effectively complete and 109 developments were recorded as having no substantial works commenced. Taking the developments above from the survey of 2,876 sites left a total of 2,066 unfinished housing developments.

The final report highlighted that by the end of April 2012:

- Local authorities requested the preparation of site resolution plans on a total of 770 developments;
- 136 developments have had site resolution plans completed with a further 75 unfinished housing developments being completed and taken over by the relevant local authority for future maintenance purposes meaning that 211 developments have now been effectively resolved; and
- 523 additional developments are currently being resolved through action by the developer and/or funder as in the case of a receiver appointed by a lending institution.

A number of priorities have been identified for the year ahead including: improving monitoring systems, ensuring that vacant homes in suitable locations are brought into beneficial use; improving the data on unfinished housing developments; and finalising clearer standard guidance on

matters such as development bonds and the phasing of developments.

### Report on Reform of the Housing Market Published

Tom Dunne and Lorcan Sirr of the Dublin Institute of Technology published the *Housing Markets Reform* report highlighting significant issues facing Ireland's housing market in May. The report sets out a series of principles and suggestions for achieving market reform which will be necessary to enact proposed changes in government policy.

The report highlights a number of issues currently facing the various sectors in the housing market, including the owner occupied, private rented and social housing sectors. Dunne and Sirr believe that the idea of what constitutes a successful property market needs to be addressed before moving to put in place the appropriate mechanisms for regulating and monitoring the market.

Launching the report Tom Dunne stated that: "The change of policy away from supporting home ownership will mean people will be directed towards the private rented sector. However, there is a lacuna in that market in terms of quantity of supply and quality and variety of rental stock. Also, the professionalism of the sector needs to be developed, as well as the legal and regulatory framework in which it operates."

His co-author Lorcan Sirr added that the whole area of rights and obligations must be put on a firm statutory basis and contended that reactive, knee-jerk changes in economic and planning policy deter investment. "Experience elsewhere has shown that regulation does not deter investment: regulation attracts investment in the housing sector. We should plan to remove political involvement in housing markets, other than at national policy level, and we should consolidate housing planning and procurement so as to achieve coordination and economies of scale."



For full report see: <http://www.dit.ie/news/archive2012/reportcallsforurgentreformoftheishhousingmarket/>

### Disability Housing Strategy - National Implementation Framework

*The National Implementation Framework*, which supports



the Government's *National Housing Strategy for People with a Disability 2011–2016*, was launched in July by the Minister for Housing & Planning, Jan O'Sullivan and Kathleen Lynch, the Minister for Disability, Equality, Mental Health & Older People.

The framework reflects the recommendations of the Government's mental health policy, *A Vision for Change* and the report of the Congregated Settings Working Group in relation to the phased movement, over the next seven years, of almost 5,000 people with intellectual, physical and mental health disabilities from institutions to community living.

An Implementation Monitoring Group is charged with overseeing progress, with annual reports to be submitted to the Cabinet Committee on Social Policy in conjunction with regular Committee updates. Initial funding of €1 million will be made available in 2013 to support the commencement of the transitioning programme.

## Residential Tenancies (Amendment) Bill 2012

The *Residential Tenancies (Amendment) (No. 2) Bill 2012* was published in July. The Bill focuses on the reform of the residential tenant-landlord regulatory environment. The Bill will see:

- Those tenancies in the voluntary and cooperative housing sector that most closely parallel with private rented tenancies being regulated under the Act;
- The agency responsible for regulation of the tenant-landlord relationship, the Private Residential Tenancies Board (PRTB), being re-named as the Residential Tenancies Board (RTB);
- Formal effect given to the merger of the Rent Tribunal with the Residential Tenancies Board;
- A reduction in the size of the Board, from 15 to 12 members; and
- Measures to increase the take-up of mediation as a key dispute resolution mechanism.

The Programme for Government commits to the creation of a deposit protection scheme to address the issue of illegal retention of tenants' deposits. The Private Residential Tenancies Board (PRTB) commissioned research on this in Autumn 2012 and will, at that point, consider how best to address the research findings in the context of this Bill. The Bill will now go before the Dáil and Seanad, commencing in autumn 2012.

## Dublin Docklands Development Authority

Dublin Docklands Development Authority (DDDA) is to be wound up. The decision was made following consideration of a special report on the DDDA prepared by the Comptroller and Auditor General (C&AG), together with the DDDA's Annual Report and Financial Statements for 2011. To safeguard the future of the area, the branding of the Dublin Docklands will continue along with the planning, managing and marketing of the area in order to maximise its development potential.

## The Local Government (Miscellaneous Provision) Act, 2012

The Local Government (Miscellaneous Provision) Act was signed by the President on Friday 8th June. It was established to facilitate the Department of the Environment, Community and Local Government's agency rationalisation programme, to underpin legislatively any new body established under the Local Government Services (Corporate Bodies) Act 1971 and to provide that one person may be the manager of Limerick City and County councils and North and South Tipperary County councils. It also establishes the Housing and Sustainable Communities Agency on a statutory footing.

## Changes to mortgage interest supplement under the Supplementary Allowance Scheme

The Department of Social Protection has announced changes to the Mortgage Interest Supplement. These changes will only affect applications received by the Department on or after 18th June 2012. From 18th June 2012, to become eligible for mortgage interest supplement (MIS) you must have agreed and complied with an alternative repayment arrangement with your mortgage lender for a cumulative period of 12 months before the application.

## Daft.ie/AIRO property value interactive map tool

The Daft.ie/AIRO map tool - put together by Ronan Lyons (Oxford University) and Justin Gleeson (AIRO/NIRSA, NUI Maynooth) - was launched in June. The system provides the first detailed localised view of the property market in Ireland based on 1.1 million daft.ie property records. The easy to use system maps over 1.1 million records from the daft.ie nationwide database and provides information on list prices for 1,117 areas in the country and rents for 312 areas. Combining this information also provides information on rental yields for all 4,509 Census districts (electoral divisions and enumerator areas) in the country.



To access the mapping tool log onto <http://www.daft.ie/research/>

# What's happening elsewhere?

As always there's been plenty going on across the UK, with the policy divergence in housing becoming increasingly evident.

England continues to be focused on galvanising new development in the private sector; regulation of the private rented sector has been a major issue in Scotland in recent months; the Housing Executive has dominated the headlines in Northern Ireland; and Wales is focused on its White Paper and new Housing Bill. Empty Homes is very much a shared priority with England, Scotland and Wales all looking at how to make better use of existing housing stock to meet the demand for new homes.



## England

● Bringing empty homes back into use has been a major priority for English Housing and Communities Ministers. The Department of Communities and Local Government has provided £70m to bring empty homes back into use for affordable housing; a £60m fund for councils to tackle clusters of empty homes and £25m for voluntary and community groups to target individual properties in their area.

● Proposals to link social rents with income were published for consultation in June and would see high-earning tenants (on salaries of £60,000-£100,000 for example) paying market rent if they wish to stay in their social home.

● Councils in England have been given new powers to deal with waiting lists and move people out of temporary accommodation which is often expensive.

● However, although local authorities will now be allowed to discharge their homelessness duty in the private rented sector, a new consultation has proposed certain safeguards to ensure that vulnerable families are not placed in unsuitable privately rented accommodation.

● Community Right to Build will allow communities to approve new developments in their area without having to go through the normal planning application process. A support hub, run by the charity Locality and funded by the Department for Communities and Local Government, to provide advice to communities who wish to use the Right to Build has also been launched.



**For more information go to:**  
<http://mycommunityrights.org.uk/>

● The social housing sector in England has been given the thumbs up by the regulator in terms of managing key financial risks according to the latest quarterly survey. Interestingly the survey revealed that bond finance has become increasingly important in the funding of social housing, with more finance coming from the bond market than traditional bank lending.



## Scotland

● Scotland's First Minister Alex Salmond announced in July that government's Empty Homes Loan Fund will be doubled to £4m. The additional £2m will be targeted at bringing empty homes in rural areas back into use. Scotland has around 23,000 long-term empty homes and the loans fund is part of a coordinated focus on empty homes by the Scottish Government in partnership with the housing sector.



For more information check out the **Scottish Empty Homes Partnership**: [http://scotland.shelter.org.uk/housing\\_issues/more\\_homes/empty\\_homes](http://scotland.shelter.org.uk/housing_issues/more_homes/empty_homes)

- The Scottish government is considering further restricting the right to buy for people living in social housing. The proposals include cutting the discounts available and including restrictions on their availability and have been widely welcomed by the housing sector in Scotland.
- July saw the launch of the tenancy deposit scheme in Scotland with three schemes established to manage more than £75m of deposits belonging to 273,000 homes in the private rented sector. The scheme will be free for landlords and letting agents who participate and it is hoped that it will create more safeguards for both landlords and tenants when it comes to returning deposits.
- The Scottish Government has also been consulting on a new strategy for the private rented sector. In addition to proposals to better regulate quality of housing stock and tenancy management in the private rented sector, the consultation document also has a focus on growth and investment. The Irish private rented sector is included in the consultation as a case study approach from which Scotland could learn.
- A new funding model that aims to deliver 600 new affordable homes over four years was launched this month. The model involves a partnership approach between Clyde Valley Housing Association, the property company Savills and local authorities and has been backed by £11m from the Scottish Government with the remainder of the funding to come through private equity and loan finance.



## Northern Ireland

- The Northern Ireland Housing Executive has dominated the headlines and the agenda in recent months. In June the Minister for Social Development Nelson McCausland announced that the Housing Executive would be placed under special accountability measures following a report

that identified concerns about the management of response maintenance contracts. This has led to renewed speculation about the fundamental review of the organisation and what the outcomes will be.

- A consultation on the new framework for urban regeneration and community development has been launched this month by Minister Nelson McCausland.
- Controversial plans were launched in May for Girdwood, a former military site in North Belfast. The issue of housing on the site has been contested by both sides of the community for a number of years but agreement has now been reached on the development of housing alongside a community hub and multi-use games pitch. The publication of the plan caused considerable media and public debate around the issue of shared housing.



## Wales

- The Welsh Government set a target of 12,500 new homes to be provided within the Assembly mandate – of this 7,500 are to be affordable homes and 5,000 empty homes that are brought back into use.
- Housing Minister Huw Lewis published a White Paper in May setting out the legislative and non-legislative programme for housing and regeneration. The subsequent Housing Bill is intended to be introduced in autumn 2013. The White Paper includes proposals on tackling homelessness, improving conditions in the private rented sector, delivering more homes and tenancy reform.
- The Wales Infrastructure Investment Plan for Jobs and Growth was published in May and includes a number of housing and regeneration commitments. These include developing new and innovative ways to access housing such as co-operative housing and mutual home ownership and supporting the development and implementation of a Welsh Housing Bond. The Welsh Government is also exploring options for a possible new national mortgage guarantee scheme to help people in Wales purchase a house by reducing the deposit required.



# The Housing Policy Statement

One year on from the publication of the Housing Policy Statement we've asked a number of respected housing professionals to share their thoughts on the impact that the statement has had and progress to date against some of its key commitments.

# A sound foundation that needs to be built on - *the Housing Ireland perspective*

It is important for us as housing professionals, the people who are delivering government policy and seeing its impacts on individuals, families and communities, to be able to constructively evaluate what our politicians and policy-makers are doing. Housing is about so much more than bricks and mortar – it is about people's lives, our economy, our health system, the skills and readiness of our workforce. The decisions taken by those who set the policy direction, therefore, have wide reaching consequences. Their remit is to get the right policies, programmes and initiatives – and of course the necessary funding – but as a sector we also have a responsibility to point out when and where things aren't working and what needs to be done to fix them.

The Chartered Institute of Housing (CIH) - in partnership with the National Federation of Housing Associations and Shelter - has published two editions of *The Housing Report* in the last year – a progress report on the Coalition Government's success in meeting its policy commitments. Essentially the report is the sector's evidence-based view on whether government's approach to housing is working.

Like England, housing in Ireland could be said to be in crisis – rebalancing the sector and creating new and innovative opportunities for growth are vital. Therefore government needed to provide a new vision and bold approaches to tackling the problems facing the housing sector and attempting to prevent them from reoccurring in the future.

The Housing Policy Statement published in June 2011 was the Irish Government's attempt to provide that new vision. It was in some ways a reaction to the sense that housing had caused or exacerbated the economic crisis. From now on housing was to be about hearth and home. And there was something very refreshing about the fact that the Housing Policy Statement appeared to have ripped up the pages that previously governed how the housing sector should work. It seemed that Ireland was starting with a blank page in some respects and taking radical action to begin redressing some of the problems in the current housing system.

One year on and it is starting to seem a little less radical. The Housing Policy Statement when it was launched was heralded as an important first step, but the next steps have been slow to follow. As a statement of intent, the Housing Policy statement served its purpose well, but at only four pages long it was understandably lacking in detail. Very few people would disagree that proceeding on the basis

of 'choice, fairness, equity across tenures and on delivering quality outcomes for the resources invested' is fairly sound. Or that the objective to 'enable all households' access to good quality housing appropriate to household circumstances and in their particular community of choice' was a good one. What is not clear from the statement is how those aspirations are going to be achieved over the medium to long term.

There is a gap between these high-level aims and objectives and the initiatives that have been rolled out over the past year: a gap that could and should be filled with a strategy. The Housing Policy Statement was a necessary step to take action quickly and decisively but it was not strategic or long-term and did not involve consultation with the housing sector. The development of a housing strategy, ideally in partnership with the housing sector, would allow for the necessary scoping of options and planning to put in place a coherent and sustainable policy agenda.

Measurable objectives, targets, action plans and evaluation – all basic tenets of good policy making – are missing from the Housing Policy Statement, primarily because it is a statement of intent rather than a fully-fledged policy or strategy. But what the housing sector needs, particularly after it has effectively fallen off a cliff, is the clarity, certainty and consistency that a good housing strategy will provide.

That is not to say that progress isn't being made. There have been positive developments as a result of the Housing Policy Statement. The *National Housing Strategy for People with a Disability 2011–2016* and its Implementation Plan have been published; NAMA is being pushed to provide homes or equity for use as social housing; support plans are being put in place for distressed homeowners. However, if this is to continue, with the housing sector clear about what it is to deliver and how, then government must move from a reactive response to proactive planning.

Whilst we couldn't quite replicate *The Housing Report* here at *Housing Ireland*, we have sought to provide some different views on the Housing Policy Statement one year on. Our sense is that it is time to move forward from a good starting point towards a long term strategy. Here's what some experts on Irish housing have to say. ►

# Is the Housing Policy Statement **radical enough?**

## **Dr Declan Redmond**

*Lecturer in the School of Geography, Planning and Environmental Policy at University College Dublin*



At first glance the housing policy statement is one of radical intent. Never again seems to be its key message. We let an unregulated property market lead us to the brink of economic and social destruction and we will repair the housing system so that the same mistakes are not repeated in the future. However, given the depth and scale of the crisis that the property crash has precipitated it is worth asking some hard questions. First, is the statement radical enough; are we changing the housing system in a fundamental manner so we reduce the risk of another systemic crisis and also offer a modern housing system which delivers sufficient high quality housing which is affordable. Second, has the policy been fleshed out in enough detail so that we can measure whether the policy intent of the statement is being delivered on?

With regard to the first question it must be put in the context of a housing policy that for many years was overwhelmingly oriented toward pushing homeownership at almost any cost and the disastrous denouement of that policy in the property crash. In that context, it must be said that the aim of the policy is radical as it seems to argue for a tenure neutral housing policy. Taken at face value, the ramifications of such a policy are potentially

profound. Such a policy will not emerge overnight but, if it came to pass in the medium to long term, it would be a fundamental change. Rather than privileging homeownership, for example, might we move towards a general needs and non-profit public rented sector?

The statement is a short declaration of purpose rather than a well-developed policy document so the obvious answer to the second question is that it is clearly not detailed enough. There is a virtue in a short and sharp statement of policy which, in the context of a crisis, signals a move, at least politically, away from past mistakes. However, in order to move from general intent to sustained policy change there is a need to develop a more fully worked out set of integrated housing policies.

In the past housing policy has been predicated on the idea that homeownership will deliver most housing policy aims and as a consequence policy on the private rented sector and social housing has developed in an ad hoc manner. Policy on homeownership has been a mixture of laissez faire on the planning and development side of the equation alongside subsidies and pushing ownership to its limits and beyond on the consumer side. In other words, while a tenure neutral policy is an admirable goal, the current policy statement is, in my view, easily unpicked. We need robust and well-founded policies which seek to create an integrated housing system. This is no easy task but given that the housing system, broadly understood as an interlocking system of tenure, planning, land, tax and finance, has led us to the current crisis, it is a necessary one.

# It is time for a conversation on a **shared vision** for housing

## **Dermot Sellars**

*Policy and Communications Officer with National Association of Building and Cooperative Organisations*



Reading the Housing Policy Statement again, nearly a year after its publication, it's easy to see how it reflects the troubled times in which it was launched and the concerns that dominated then. It opens with the emphatic assertion that over-stimulation of the housing market was "a key causal factor in the scale of the economic

downturn". It can be read now as an attempt to draw a line in the sand and say 'never again' to the policies that had led us to that point.

The Statement is clear that the downturn came from "encouraging people to choose their housing options based on investment and yield rather than on hearth and home". Not only speculative investment is to blame for the housing bubble, but rather the "disproportionate value placed on owner-occupation that has been so detrimental to Ireland's society and economy". If property investment is the cause of Ireland's ills, then, the solution is a vision for a housing sector "based on choice, fairness, equity across tenures". The economic crisis caused by

over-stimulation of the market is to be solved by removing artificial market supports such as Affordable Housing.

Now, one year on, when the economic crisis has become the new norm, we can ask ourselves whether an economic solution is, by itself, a sufficient remedy to the crisis in housing. Greater protection in the private rented sector, new forms of funding for voluntary and co-operative housing and a better-regulated sector are all to be welcomed. However, the question remains whether they add up to the fundamentally different vision for housing that will help us to avoid the mistakes of the past. For that different vision to emerge, we need to think of housing as something more than a commodity, more in terms of “hearth and home”. We need to think about developing a vision for the kind of homes, in the kind of communities that we want for the future. We need to have strong opinions on the kinds of services, infrastructure and employment opportunities that will lift places from being mere housing developments into being real communities.

The Housing Policy Statement can be welcomed for ending the housing hierarchy that had prioritised home-ownership for so long. At the same time, it provided

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**“It needs to be developed, through dialogue, into a shared vision for how housing can contribute to the re-building of Irish society.”**

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clarity on the government’s investment priorities and set out the ways in which new housing delivery would be supported. But the Statement needs to be viewed as just that, a Statement made at a particular point in time. It needs to be developed, through dialogue, into a shared vision for how housing can contribute to the re-building of Irish society. The co-operative housing movement is ready for that conversation.

## Some welcome progress but the pace of change has been **slower than expected**

**Donal McManus**  
Executive Director, Irish Council for Social Housing



One year on it is appropriate to evaluate progress with the implementation of the 2011 Housing Policy Statement. In general, it would appear that housing practitioners are much more aware of the commitments – more so than in the previous housing policy statement in 2007, ‘Delivering Homes – Sustaining Communities’. The reason being practitioners in local authorities and housing associations are more centrally involved with the Department and the Housing Agency in implementing new initiatives.

In contrast, social housing concerns over the past year have been eclipsed by the major economic issues facing

the country such as fiscal problems and unemployment. Social housing investment is rarely, if ever, included in the discussion on the need for a stimulus package compared to schools, water infrastructure and broadband.

Work is in progress on the transfer of rent supplement and mortgage-to-rent schemes have begun. There has been some further progress with housing associations working to raise loans from financial institutions. This includes the Housing Finance Agency where four housing associations are certified for approval. However, there has not been a deluge of loan finance in mixed funding schemes.

While there was a commitment in the Housing Policy Statement to the need for Government action in regulatory areas, such as banking, greater intervention is still required with financial institutions to ensure a continued supply of loan finance for housing associations. With the major shift in the social housing programme ►

▶ from capital to a revenue based system, reinforced by the reduction in social housing expenditure in the coming years, the leasing programme has been used as the central mechanism for new social housing delivery. Currently, leaving aside the use of unsold affordable homes, the leasing pipeline for approved housing bodies is in the region of 1,500 homes.

The reliance on a significant scale for the delivery of new social housing on leasing from private landlords and developers makes it much more difficult to plan for supply targets with real certainty. Additional efforts on build and acquire-to-lease by housing associations could ensure some greater control in the delivery of the social housing programme.

Work has also progressed on the national strategy on housing for people with disabilities. The work on the national homeless strategy has been reactivated; however, successful implementation of both of these will require housing supply options on a significant scale.

The Housing Policy statement indicated that a society will be judged on how it treats its most vulnerable. However, the large reduction in expenditure in CAS in the coming years will mean housing options for some vulnerable groups in need of supported housing will be limited. The past year has laid the foundations for some major structural reform in the social housing sector. The

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**“The past year has laid the foundations for some major structural reform in the social housing sector.”**

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transfer of rent supplement will see local authorities as procurement agencies and regulators of standards in the private rented sector. The enhanced role for housing associations will be a central element of a regulatory code which is to be launched.

Though the mechanisms for social housing delivery will always evolve it is essential that changes enable the sector and don't inadvertently choke off potential activity. While housing associations have been involved in a range of areas such as mortgage-to-rent and utilising NAMA directed properties, to name a few, the pace with many different stakeholders involved has been much slower than expected.



# A welcome first step towards a long term strategy

**Frank Harrington**  
Society of Chartered  
Surveyors Ireland



Ireland's housing policy in recent years has led to a situation where the net need for social housing is dramatically increasing while the supply of social housing has been declining from a peak in 2008. This trend suggests there is a current social housing crisis particularly in the context of the many homeowners in mortgage arrears and this highlights the immediate need to address this major policy area. In this context the Society of Chartered Surveyors Ireland (SCSI) very much welcomed the publication of the Housing Policy Statement. The document, while relatively short, signalled some welcome general changes in government policy. The standing down of all existing affordable housing programmes with the main focus of Government supports to be redirected to "those in the most acute need" was a necessary move in the context of the State's current fiscal difficulties.

The policy document also indicated an increased role for the voluntary sector. This was another welcome move and based on the evidence of the last 12 months it appears there are more opportunities for voluntary housing associations stemming from the policy document. The SCSI believes the voluntary sector has a major role to play in the future provision of housing in Ireland however the shift towards these mechanisms appears to be gradual, with the benefits likely to be more evident in the long term.

The review of Part V, highlighted in the document, is also welcomed by the SCSI. A recent (June 2012) publication by the RICS and the University of Cambridge highlights both the opportunities and challenges facing local authorities in the UK in relation to capturing planning gain. Part V also faces challenges and opportunities in the prevailing market conditions and the publication of the review is awaited with interest.

While the SCSI recognises the budgetary constraints the Government faces and acknowledges that traditional social housing schemes need to be cut back we remain of the view that there is both societal and economic benefits to re-examining some of the regeneration schemes which have encountered problems in recent years. There are many short, medium and long term social and economic

benefits to certain regeneration projects particularly when they are undertaken at low points in economic and construction cycles and the SCSI are of the view that the use of fiscal incentives and other alternatives should be reassessed in certain circumstances.

One of the noticeable omissions from the document is information on how the Government intend to utilise NAMA assets. These assets are likely to play a significant role in addressing housing need and indeed some assets have already been utilised within the last 12 months. Plans for how these assets will be utilised in the future would be welcome.

A further challenge for the Department is to improve the availability and consistency of the data in this sector. Data should be collected on a more regular and consistent basis and made available for research purposes.

The document provides some specifics and general indications of the Governments direction on this key policy area but no clear implementation strategy. While the policy document has its failings the SCSI hopes it represents a first step towards a short, medium and long term strategy to provide social housing to ensure that adequate housing is provided for all, particularly those with the most acute needs.

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**"One of the noticeable omissions from the document is information on how the Government intend to utilise NAMA assets."**

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**Avoiding the mistakes of the past:**  
time for a major rethink of housing policy?  
Will the current policy interventions be enough to address fundamental flaws in the housing system?



## Tom Dunne, Head of the School of Real Estate and Construction Economics at the Dublin Institute of Technology, explores the long-term drivers of dysfunction in Ireland's housing markets and what a more sustainable housing system would look like.

There is an opportunity now to have a fundamental rethink about housing policy.

We all know that currently the sector is deeply troubled - from mortgage difficulties and a moribund market to a limited supply of social housing, and the dreadful problem of ghost estates, to name but a few. There are no easy solutions to these problems and there is a lack of financial resources to go about finding them in any case.

Given the depth of the crisis it is likely that the housing sector will be profoundly changed by it. Like all crises this one presents an opportunity to transform the sector or at the very least to re-examine policies to see if they are fit for the changed conditions that will prevail in future. It seems to me that we need to get away from boom and bust in housing markets where many have a vested interest in rapidly rising house prices and see the residential property market as a means of acquiring greater wealth rather than acquiring a home. Surely a housing sector with relatively stable prices and rents at sustainable and affordable levels relative to incomes would be better for society and economic well-being generally.

Against the background of evolving housing policy in the fifty years up to 2007, owner occupation grew but perhaps crowded out other sectors. The provision and management of social housing which was mainly through the local authorities was problematic and for most of the time the private rented sector was neglected and seen as providing temporary housing to those with transitory housing needs rather than a source of long term housing.

A legislative framework for the private rented sector was provided with the introduction of the Residential Tenancies Act 2004 (RTA 2004). This together with the availability of buy-to-let mortgages and the growth of Supplementary Welfare Allowance temporary income support meant that the private rented sector grew substantially.

It is probable that many, who in the past would have been provided with social housing, are now spending longer periods in the private rented sector and may in future be housed in this sector for all of their lives. Arguably this is an outcome arrived at by pragmatic responses to circumstances more than by policy design and given the provisions of the RTA 2004, long term security of tenure remains a real issue for those in this sector. This Act was designed for the regulation of a sector dominated by amateur or accidental landlords who normally let their property short term and were very concerned to preserve their right to vacant possession should they wish to sell into a market dominated by owner occupiers.

After the bust Ireland now finds itself with a stalled residential property market, a high but falling rate of owner-occupancy and a growing private rented sector vulnerable to mortgage default. Added to this is a declining supply of social housing where people who cannot afford to pay for their own accommodation might have found long term security of tenure at affordable and sustainable rents.

The function of the property market is to facilitate change and allocate housing resources to households. The market waxes and wanes with economic cycles and in normal economic conditions there is usually sufficient level of activity to allow people to make decisions about their housing needs. While it is inevitable that prices and rents will rise and fall with changing economic conditions, a well-functioning market should ensure the peaks and troughs are within reasonable limits.

A second important function is to channel scarce resources into creating new housing. A properly functioning market should ensure overinvestment does not occur, always recognising that in a cyclical market some surpluses will happen periodically but these should be within reasonable limits and not result in ghost estates. In short, a properly functioning market facilitates change, contributes positively to the economy and allows real ►

## POLICY FEATURE

► wealth to be created in the form of homes. It is clear now that since the early 2000s we have not had a properly functioning market.

Currently, perhaps inevitably, there is much speculation about when the market will bottom out and interest in assessing the percentage fall in capital values from peak to trough. Much of this is natural curiosity about a market in which people have a stake. It is likely, however, that a lot is driven by the anticipation that those currently standing off the market will move when the bottom is reached. Once that happens the expectation is that prices will rise again. Perhaps too there is hope that a growing market and rising prices will solve problems with negative equity and mortgage arrears. It may seem to many that once normal market activity resumes, and the so called housing ladder is re-established, all will come good again. In addition there is the aspiration that one legacy of the boom, state ownership of much development land and unfinished housing, will offer opportunities to deal with social housing problems.

What these hopes and expectations imply is that the structure of the sector, organised on the basis of rising house prices and a dominance of owner occupation, supported by a relatively smaller private rented sector and a diminished share of social housing, is appropriate and what is needed are minor changes designed to reignite the market.

Certainly a stagnant residential property market is a problem in itself which requires a policy response but it also presents an opportunity to reflect on the nature of housing policies of the past with a view to reassessing them and to consider whether they remain appropriate.

During the last decades of the 20th century, government housing policies promoted demand for owner occupied housing through tax breaks such as mortgage interest reliefs and direct grants to first time buyers. Other policies focused on increasing the supply of housing units, often with not enough thought about the location of supply, the standards of construction and insulation or the form of development. Houses were seen as a good in themselves, a driver of development and wealth creation and, importantly, a support for the construction industry. This view of housing is not without its adverse consequences. For example one effect was to prop up developer-led planning, incentivised by huge windfall profits for landowners and property developers which led to political corruption.

Plentiful mortgage finance was a result of financial deregulation in the 1980s, when securitisation of mortgage books became possible and, after the introduction of the Euro, low interest rates prevailed. This encouraged more and more people into the owner occupied sector and many to become buy-to-let landlords. Now we need to think if too many were brought into the owner occupied sector and whether those who became buy-to-let landlords had the wherewithal to fulfil that role. Before, in more normal times, many who could not get mortgages because of relatively lower incomes or unstable employment would have been provided with social housing. Also in more normal times becoming a landlord was more difficult and restricted to those who were not highly geared and had sufficient capital to withstand the inevitable costly management problems and rental voids.

It seems likely that the structure of the housing system will be changed irrevocably by the bust. When this transitional period ends the market may not reset to the status quo ante the Celtic tiger and the structure of housing in Ireland will be very different.



Future policy should recognise the reality that people on modest or low incomes, often sufficient only to meet day to day needs, will not be able to buy or pay for their own housing even if it is inexpensively priced. Where the market is functioning well and house prices are at construction costs or thereabouts, housing costs can still be a problem for those on lower incomes. This can be seen as a failure of the housing market with a need to be addressed by subsidising building, but it may be simply be function of low income.

An oversupply of housing in an area of low demand will not contribute to solving the housing problems of those on insufficient incomes whose only chance of finding work is in areas where the supply of housing is more restricted. People on low incomes should have the greatest possible freedom to move to where there is opportunity. What they might require to do this is income resources and not buildings and certainly not houses left over after the boom in places where employment may be difficult to find or access.

It is plain that the housing system in Ireland was both distorted by and contributed to the conditions that created the boom which ended in 2007. It is necessary to ask was the boom exacerbated by policies that over emphasised the so called housing ladder and owner occupation.

Provision of mispriced and easily available mortgage finance was a key factor behind the housing boom and facilitated increasing owner occupation but it is unlikely to be a feature of the future. Owner occupation may diminish and while in its present form the private rented sector can accommodate some households there is a need to identify alternative forms of finance to increase the supply of housing with security of tenure at stable and affordable rents.

What is needed now are approaches to housing that integrate all sectors coherently, limit the boom and bust cycle and lead to more stable rents and prices. It may be that the policies of the past will not be those required for a well functioning housing system in the future.

**Respond! College was established in January 2011 and formalises the long commitment by Respond! Housing Association to education and training. Respond! College offers a range of academic programmes on the National Framework of Qualifications and also provides professional training courses. These programmes are accredited by FETAC, HETAC and the Chartered Institute of Housing. Respond! College continues to work in partnership with University College Dublin and the National University of Ireland, Maynooth.**

**Some of the course currently on offer from Respond! College include the following:**

**(i) Certificate in Community Studies**

This (HETAC Level 6) Certificate in Community Studies is designed to explore concepts of community and community development within a social analysis framework. It will introduce earners to key technical and analytical skills that support and encourage participation within a community setting.

**(ii) Certificate in Housing Practice**

This Certificate in Housing Practice is accredited by the Chartered Institute of Housing (CIH UK) and is particularly relevant for those working in housing in a front line position, those wishing to attain an initial qualification in housing and tenants wishing to explore housing issues to enhance their personal involvement and understanding of housing issues.



**High Park Campus, Grace Park Road,  
Drumcondra, Dublin 9.  
Phone: 0818 357901  
Email: info@respondcollege.ie**



# A day in the job of...

**Mark McLoughlin**, Administrative Officer in Kildare County Council's Housing Department



The population of Kildare has expanded in recent years and this has put greater pressure on the resources of the county. Kildare County Council has a housing stock of almost 3,000 units and a social housing waiting list of over 6,500 persons. The Council has procured over 550 units under the Rental Accommodation Scheme and is working with local and national voluntary housing associations on the management and delivery of social housing.

**Q. How long have you worked in housing Mark?**

**A.** I started in housing with Kildare County Council in 2006 but worked previously in Athy and Naas Town Councils where I also had some involvement in housing.

**Q. Was it something you intended to do or fell into?**

**A.** I studied history at Trinity College Dublin and completed a postgraduate Diploma in Arts Administration in University College Dublin. My main interest focus was heritage management and I managed the Athy Heritage Centre for a few years before taking a year out to travel abroad. When I came back I applied to the County Council for a job and I haven't looked back since, so it wasn't really something I had planned.

**Q. Do you think of yourself as a housing professional/practitioner?**

**A.** The nature of work in a Local Authority means that you need to keep an eye on what is happening in other areas of Local Government because you could be transferred to other areas of responsibilities such



as Planning or Environment with completely different requirements. As the housing environment is becoming increasingly complex, it requires expertise to keep up to date with housing related developments and improvements that are being made in the way we operate. This can only really be gained by spending a few years in the sector. A lot of my work requires engagement with voluntary housing bodies, private landlords, auctioneers and other professional services, and they, like the public, expect a professional approach to the job so I guess we should be classed as housing professionals in that context.

**Q. What motivates you to go to work each day (other than paying the mortgage!)?**

**A.** Housing is not a mundane place to work. There is a requirement to resolve problems every day of the week and come up with imaginative ways to progress issues, so there is no comfort zone in a housing department and there is something to learn everyday of the week.

**Q. What does your average day look like?**

**A.** No two days in housing are the same so there is a fine balance to be had on progressing issues i.e. primarily delivering social housing units in my role and managing the day to day reality of issues such as homelessness, public representatives, issues on halting sites and general queries to address.

**Q. What are the most rewarding aspects of working in housing with Kildare County Council?**

**A.** Most housing related projects take a long time and a lot of planning and meetings to bring them to fruition so the most rewarding aspects are seeing the projects through to the end and seeing the people who are ultimately housed.

**Q. And what are the biggest challenges?**

**A.** The almost weekly circular from the Department of the Environment changing the goalposts..!

**Q. Has your role changed significantly over the past couple of years? If so what have been the main changes and their impacts?**

**A.** When I started in housing in 2006 I was dealing with issues such as social housing allocations, rents and maintenance. Most of the areas I have been involved with recently such as Social Leasing, the Rental Accommodation Scheme and the Land Aggregation Scheme did not exist then. A few years ago, the Council

would have had challenging times meeting developers to agree Part V requirements, whereas in recent years, many of the same developers have seen the potential opportunities that exist through social leasing and other housing delivery mechanisms. It is important, however, not to forget that the core housing function has remained the same in that we have tenants to manage and applicants to house.

**Q. Do you see yourself staying in housing in the future?**

**A.** We are in very interesting times and it would be nice to see some projects that I have worked on through to the end, but ultimately Kildare County Council decides where I go based on the organisation's requirements.

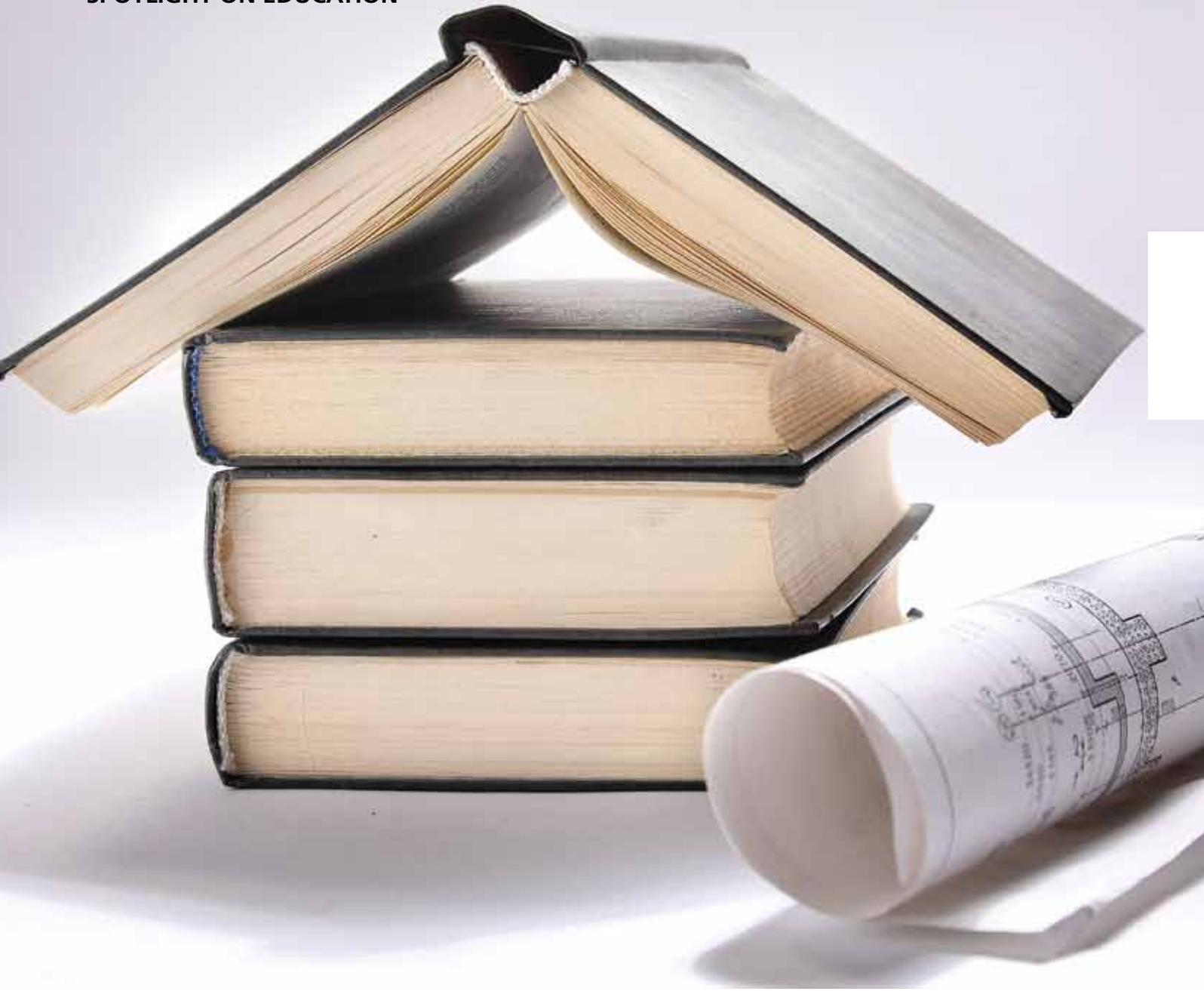
**Q. How does the wider policy context impact on your day-to-day work and what do you see as the main challenges facing the housing sector?**

**A.** The Housing Department is now dealing with families who traditionally would not have come near us for assistance, in particular those who find themselves in difficulties with mortgages. The development of the Housing Assistance Payment and transfer to local authorities will be the biggest fundamental change in the way we operate in the future and the larger role that the voluntary housing sector will have in the future.

**Q. What do you like to do to relax outside of housing?**

**A.** I have an interest in military and local history and enjoy genealogical research. I also like to get out on the bike when I can. I have a young family and they keep me very busy!





# Spotlight on education

What makes a 'housing professional'? Do you need to be qualified? Does that mean a degree? Do we even need 'housing professionals'?

We believe the answer to the last question is a definite yes, but are the others as clear cut?

# Housing is not an amateur sport

## Dr Lorcan Sirr

*Lecturer in housing studies, urban economics, and research methods in the School of Real Estate and Construction Economics at the Dublin Institute of Technology*



There is irony in the fact that despite house construction and prices plummeting, professionalism in housing is now more important than ever. In spite of the lack of construction and house sales, in the wake of the aftermath of the housing-driven collapse of the market, we need more of a focus on housing by housing professionals to help redress the imbalances and inequities in our housing system. ***We need to professionalise housing.***

But what does 'professionalisation' mean? It means developing people whose core skills are those of housing, who will normally have university level qualifications in the area, and who will preferably belong to a professional body who will require high standards of practice and ethical behaviour. It means having professional staff that will not be transferred at will to other departments but whose skills, expertise and experience will increase and be of greater value to their organisation over time.

It is no coincidence that many senior housing people in Ireland have come to housing here via significant periods of time spent in the UK and in Europe - in countries where housing is seen as a career in its own right which requires a particular set of skills and abilities.

From the low base at which Ireland is starting, professionalisation therefore also means education. This is not training: training is for people looking to gain a quick overview of housing issues or professionals looking to top up their knowledge and skills. Education starts from the core of university level knowledge acquisition, gaining skills recognised by housing professional bodies as relevant and essential to the role of a housing professional.

Even excluding political participation, the Irish housing market has seen a dramatic rise in the number of amateur players over the last 15 years or so. No sector has been exempt.

The private housing sector saw a huge influx of builders (or 'developers') whose main business was something other than housing. In some instances it was a related

trade like plumbing or carpentry, and in others it was office workers building speculative houses in their side gardens. All took a punt, and many failed.

The investment sector, encouraged by the various financial incentives offered by successive budgets, saw apartments and other properties snapped up for buy-to-let by people who had never been a landlord in their lives. A lot of these 'investments' are now like anchors around their necks restricting financial and employment mobility. Finally, the central and local authority public housing sector, once dominated by long-serving workers with experience and a sense of purpose, became subject to flexible staffing. Housing personnel were often moved to other sections, meaning frustration for other bodies continually having to deal with new staff members and then bring them up to speed with what was happening.

The civil service, in particular, likes the old-fashioned notion of having 'generalist' workers with 'transferable skills', forgetting the waste of resources that went into building up the expertise of its housing departments. Added to this is the misguided belief that housing is an administrative function rather than a skill in its own right.

In fact housing is a thoroughly complex and demanding skill depending on whether it's public or private sector. It involves law, social policy, construction, finance, management, property development and negotiation. It is not a skill to be regarded lightly, as many have done. Private housing sector amateurs flounder; public housing sector generalists frustrate and are frustrated. The current approach is just not working - housing policy, delivery and management requires professionals with proper housing skills.

And the way the Irish housing landscape, from policy to delivery, is changing the need for housing professionals will increase, and not decrease.

Although there is little private housing development occurring at the moment, when construction starts again - as it will - evidence has shown that it is best left to those with the experience and knowledge of the entire development cycle, not just those who know how to build houses.

Government housing policy is moving away from support of owner-occupation, meaning that there will be a greater 'equity of tenure' for potential purchasers/renters. The problem here - and every problem is also an opportunity - is that there is very little in the way of realistic choice for ►

## SPOTLIGHT ON EDUCATION

▶ those who wish to avail of this equity of tenure. Rental stock in Ireland is poor: frequently converted from another use, it is often poorly designed, inexpertly managed and has few facilities. Most landlords own fewer than three rental units, and many are landlords by accident. There is a great opportunity in housing investment in Ireland, in the design, delivery and management of long-term rental units which are fit for purpose. These types of units have been demonstrated to deliver good yields even under the trying circumstances of rent control which Ireland doesn't even have.

Full-time residential investment companies are common in Europe and the US, but not so here. It would require a certain degree of bravery on the part of these investors to build in Ireland, but there is undoubtedly a gap in the market for long-term renters who don't see the value in owner-occupation and are happy to rent, if only they can find suitable accommodation. In this manner, the job of landlord is automatically professionalised by these companies who are in the business for long-term rental income.

Housing as a (decreasing) function of local authorities is possibly the most in need of professionalisation. As local authorities pull away from the construction of housing, they will increasingly have to take on a more strategic role and engage with both the housing associations and the private sector for the delivery and management of their housing needs. Unless they have expertise through experienced and skilled people who can work knowledgeably with these other sectors, understanding the needs of the private sector, what the housing association wants to achieve, and how to fulfil the local authority's own housing policy, then public sector housing policy is doomed to the middle ground of satisfying nobody.

Given the turmoil housing markets have helped cause, it should be obvious that letting amateurs run markets that have such an important impact on everybody's lives is a dangerous continuation of a risky strategy. Ireland needs to face up to the fact that housing is not an amateur sport, but one of high stakes where only the best will survive.

# The value in completing a degree in Housing and Community Studies

**Terry Rooney**  
*Senior Executive Officer,  
Longford County Council*



I have been working in Local Government for the last sixteen years and during that period I have worked in four different Housing Authorities. In my current role in Longford County Council I am the Senior Executive Officer with delegated responsibility for Housing and also dealing with the large number of unfinished housing developments within the Town and County of Longford.

In 2003 the Bachelor of Social Studies in Housing and Community Studies honours degree was offered by University College Dublin in partnership with Respond! Housing Association. What I found attractive about the degree was that it was tailored to the needs of Irish housing practitioners and those working in community development. There was no other similar qualification available in Ireland. The degree allowed

for the development of specialist academic and professional training for housing practitioners and equipped participants with a holistic understanding of the multi-disciplinary nature of housing and community development. This all-inclusive understanding of housing is not always appreciated.

Also as part of the course participants travelled to Northern Ireland, Britain and Austria to study and evaluate best practice and experiences internationally. The value that I found in doing such a degree course was that it allowed me to formulate a fresh strategic view on how to meet the ongoing challenges within a radically changing environment that housing practitioners have to adapt to and work in.

# I am a professional “Houser”

**Dr Deborah Butler**  
*Head of Education at  
 Respond! College*



If you are working in housing and a friend asks what profession you are in, have you ever been at a loss for words? It is so much easier to say I am a Teacher, an Architect or an Accountant. People know what is involved. These are recognised professions and are clearly defined in terms of what is needed to obtain the profession (such as membership of particular accrediting bodies, qualifications and training structures).

The nature of the education and training that people working in housing need to gain capacity and professionalism is more complex and multifaceted. The role that academic qualifications may or may not play in terms of career progression, life chances and professional recognition is somewhat unclear.

Most professional fields clearly identify pedagogies and learning that they consider as the inherent requirements for that field. As the field of housing professionalism is less well-established, there is less clarity in defining and understanding its structures, values and ways of working. So it could be argued that the lack of a unique ‘stock of knowledge’ and definition of the concept “housing” has undermined the creation of a professional housing identity.

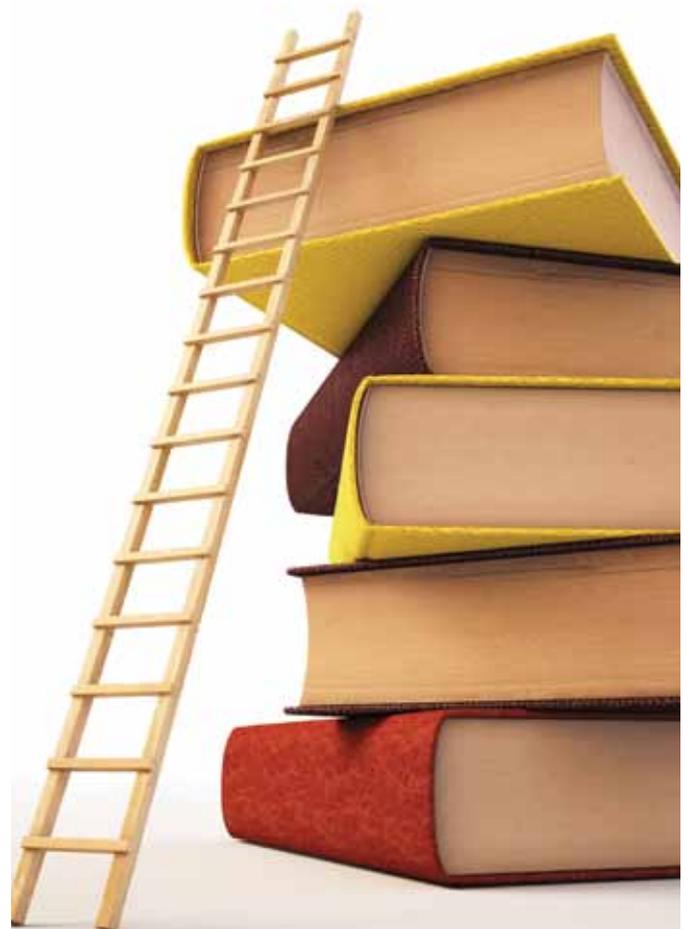
Notwithstanding this and given the importance of housing in people’s lives, how do those working in this area define and shape their role? Do they see themselves as a specific group of professionals? How do they think of themselves and the work they carry out? What role does the training and education that professionals in public sectors undergo play in their development as social housing practitioners? Are there external validating features such as recognition from government, qualifications or professional institutes which help and support the development of this profession?

Then there is the additional structural problem within local authorities of how individuals are promoted. People who wish to work and specialise in the area of housing, and who have attempted to further their own knowledge, skills and attributes by obtaining a qualification, are often not rewarded for doing so, as a grade system for

promotions is still operating within the local authority system.

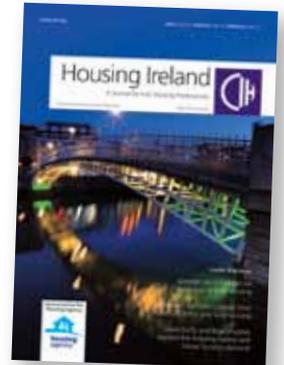
However, this may change. The next generation of housing workers are coming into housing with different expectations and criteria for evaluating their roles and values, depending on their differing formative experiences. Respond! College have recognised the importance of developing a career pathway in housing for individuals and for the past fifteen years have dedicated expertise and finance to the design and delivery of innovative housing qualifications at certificate, diploma and degree level.

What a future ‘housing professional’ in Ireland looks like may require further research, analysis and discussion. If qualifications are needed is also open to further inquiry. However, the development of a new understanding of qualifications, in which the personal is seen to be a potential resource for professionals, may make the adoption of a professional identity more comfortable for many people working in housing.



# Housing Ireland launched by Minister O'Sullivan

After much last minute editing, calls with designers and printers, excitement and trepidation, the first edition of *Housing Ireland: A Journal for Irish Housing Professionals* was published in April.



The level of support for the journal before so much as a page had been printed was incredible; from our sponsors the Housing Agency, our Editorial Panel and our contributors. So in recognition of that support and the confidence that so many people had in the journal's success we wanted to launch it with a bit of a splash.

Jan O'Sullivan, Minister of State with responsibility for Housing and Planning, had kindly agreed to be interviewed for the first edition of *Housing Ireland* and further endorsed the publication by formally launching it. Around 40 people from across the Irish housing sector attended the launch on the 2nd May in the National Library of Ireland in Dublin. Minister O'Sullivan addressed the invited guests as did Robin Lawler, the President of the Chartered Institute of Housing (CIH), Grainia Long, CIH's Chief Executive, and John Hannigan, the Chair of the Housing Profession Working Group with John O'Connor, Chief Executive of the Housing Agency, chairing the proceedings.



Editorial Panel: Áine Daly, Lisa Clifford, Jennie Donald, David Silke, Simon Brooke, Minister O'Sullivan, Kerry Anthony and Lorcan Sirr

Minister O'Sullivan remarked on the timeliness of the launch, with *Housing Ireland* tapping into the need for "open debate, clear communication and the dissemination of ideas in the housing forum". Robin Lawler echoed the Minister's view saying that: "we hope that *Housing Ireland* will provide a means of getting information and views out there to the widest possible audience. We hope it will encourage debate and discussion about some of the big policy challenges facing you as a sector, and that it will provide a platform to influence the future direction of housing."

Our thanks to everyone who came along on the day and for the many comments that we have received as people have had a chance to review the journal. We hope that after such an auspicious start we can continue to deliver a publication that meets the needs of Irish housing professionals.



Minister Jan O'Sullivan with Robin Lawler, Grainia Long and John O'Connor



## About Us



We work with and support Local Authorities, Approved Housing Bodies and the Department of the Environment, Community and Local Government in the delivery of housing and housing services.

**Our vision is to make a real difference to people's lives by promoting sustainable communities.**

We offer a broad base of shared and centralised services through our practical, technical and research expertise.

*Our Goals are to:*

### 1. Promote the delivery of housing and innovation

We provide professional and technical input into the development and implementation of regeneration programmes and advise on good practice in housing management. We provide advice to Local Authorities and Approved Housing Bodies on new ways of delivering housing such as leasing.

### 2. Provide expert policy advice and research on housing

We assist with the implementation of relevant legislation and we provide input to housing policy development. We undertake and support research to inform housing policy and practice.

### 3. Support excellent management and good practice in housing

We manage the online Housing Manual to provide accessible information on housing matters, liaise with the Housing Practitioners' Forum and consult local authorities on emerging issues. We provide a range of centralised and shared services for local authorities, such as:

- i. managing the housing land bank under the Land Aggregation Scheme.
- ii. providing a loan underwriting service for all Local Authorities' 'House Purchase Loans'.
- iii. supporting local authorities and the Department of the Environment, Community and Local Government to resolve unfinished housing estates.
- iv. assisting and advising on procurement.
- v. advising on the rollout of the Mortgage to Rent Scheme.

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**For more information about the Agency's work, please contact:**

Housing Agency · 2nd Floor · Cumberland House · Fenian Street · Dublin 2  
Tel 01 656 4100 · Email [info@housing.ie](mailto:info@housing.ie) · [www.housing.ie](http://www.housing.ie)

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*promoting sustainable communities*

# The reform agenda

The housing sector in Ireland has been hit hard by the collapse of the economy. Changes that might ideally have happened gradually and incrementally are now a matter of urgency as the sector tries to adapt at speed to a completely new operating environment.

If the housing sector is to be able to continue to meet housing demand and need and provide high-quality homes and support across a range of tenures, existing systems and structures will need to be reformed.

*Housing Ireland's* focus in this and future editions is on the options open to policy-makers and practitioners in reforming the housing sector so that it is 'fit for purpose' and able to deliver the best possible housing outcomes.

## When it comes to the social housing sector - does size really matter?

Scale has become one of the buzz words in the Irish housing sector, particularly in relation to social housing, although there are also issues of scale when it comes to potential institutional investment in the private rented sector. In terms of social housing, scale equates to two main things – borrowing capacity and efficiencies.

Local authorities still have a fundamental role to play in social housing, both as strategic enablers and landlords, but Approved Housing Bodies (AHBs) will be the primary deliverers of newbuild social housing in a climate where government funding has gone from close to 100% to very little. There are around 700 AHBs in Ireland, with 300 or so registered with the Irish Council for Social Housing. Larger organisations in the voluntary housing sector (around 30 or so AHBs) manage from 100 to 4000 homes, whilst smaller organisations may have as few as five homes under their management. Whilst not all AHBs are currently building new homes or will wish to do so in the future, those that want to develop will need to secure private finance going forward.

### Economies of scale

Accessing private finance requires a number of components to be in place, not least of which is an effective regulatory system, but one of the main factors flagged up by lenders to the social housing sector is scale. 95% of funding in the private finance arena is secured against bricks and mortar so in very simple terms the more properties you have the more you can borrow. But it is more than that. Accessing bond finance – with the bond markets currently the preferred and majority provider of funding to the UK social housing sector – takes a significant amount of planning and preparation. Capacity can therefore be an issue for smaller housing associations.

One of the possible solutions to the problem of scale is to consolidate the sector through mergers, group structures and other collaborative structures. Mergers have traditionally been viewed with a degree of suspicion by housing associations with some arguing that they ▶

## THE REFORM AGENDA

► will diminish the housing association movement as a whole, wipe out smaller associations and sever the links that housing associations have with the local community. However, the financial constraints on public expenditure and the 'do more with less' agenda mean that mergers are now being openly considered alongside other forms of collaboration and consolidation. It appears to have been accepted within the sector across the UK that some smaller housing associations will simply not be able to remain financially viable in the current economic environment.

Mergers have also been put firmly on the housing policy agenda in Ireland in the wake of the credit crunch and emerging recession. The Strategic Review of the Capital Funding Schemes for Voluntary and Co-operative Housing by Grant Thornton in 2009 suggested 'greater levels of cooperation between approved bodies in the sector' and also recommended that the 'Department should facilitate to the fullest extent possible, closer cooperation between approved housing bodies, up to and including proposed mergers amongst voluntary and co-operative bodies.' Greater cooperation between voluntary housing organisations should, according to the review, be fostered to share scarce skills, seek operating costs efficiencies, and provide for greater economy of effort.

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**“It is not enough to assume that scaling up will drive down costs and create more efficient and effective delivery outcomes.”**

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### Experience elsewhere

Mergers and scaling back on the number of housing associations in Northern Ireland (currently 30) has been very much at the top of successive housing ministers' agendas in recent years. The recession and cuts to public expenditure have focused government's attention on value for money and potential savings. A smaller housing association movement is perceived to be more streamlined and effective in providing new homes and also in delivering services to existing tenants. However, a year and a half later the fact remains, that there has been very little reduction in the size of the housing association movement in Northern Ireland. Whilst the arguments about economies of scale, a bigger asset base for borrowing and more efficient organisational structures and system are all valid the few mergers that have taken place have primarily been driven by poor performance. A bigger and better managed housing association has taken over a smaller, struggling one.

Once the future structure of the Northern Ireland Housing Executive has been determined there may be a new appetite for mergers within the housing association movement. Rather than a top-down policy agenda imposed upon the sector, this would be a move motivated by the need to be competitive in an entirely new housing landscape. The Housing Executive's 90,000 homes could potentially be broken down into five parcels of around 18,000 homes, each to be managed by a social enterprise or housing association type organisation. It is unclear as yet whether or not these new organisations would immediately be in a position to build new homes as part of government's social housing development programme. However, they would almost certainly be able to access private finance and borrow against what would be a sizeable asset base. With the largest housing association in Northern Ireland managing around 6,000





<sup>1</sup> <http://www.guardian.co.uk/housing-network/2011/jul/15/mergers-and-restructure-can-drive-efficiency-and-big-society>  
<sup>2</sup> <http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/Does%20size%20matter.pdf>

homes the difference in scale and capacity could mean a very unequal playing field. Mergers could offer existing housing associations one means of positioning themselves in the new housing market.

Mergers have hit the headlines recently in England with partnerships between a number of housing associations taking place and new organisations emerging. The English housing strategy, *Laying the foundations* (November, 2011), explicitly linked mergers with value for money – a Coalition Government buzz word – saying that ‘an increased focus on value for money could result in more subcontracting of services, partnership working and mergers.’

The Scottish housing sector has had a sustained debate on mergers and partnership structures over a number of years. Some areas, notably Glasgow, have a number of small associations which see themselves as intrinsically linked to the communities in which they began – for these organisations mergers are simply not an option as they believe they would lose this sense of connection and place. That argument could be countered though with the experience of Knowsley Housing Trust in Merseyside which contends that merging and restructuring has actually allowed it to become more community focused.<sup>1</sup>

Scotland has seen a number of English housing associations develop an interest in expanding into the housing market and saw one of the first mergers of a Scottish housing association with an English based association when Endinvar joined with Places for People back in 2000. The association then merged again with the Scottish association Castle Rock to form Castle Rock Edinvar in 2005. The two Scottish partners’ identities are reflected in the name of the new organisation which sits within the Places for People group.

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## “Organisational transformation is the real key to greater efficiencies and savings”

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With a merger between two equal (in terms of size, stock and performance) partners the trend seems to be for a new organisation to be born with a new name

and shared identity. When a smaller association joins a bigger housing association the opposite is more often the case with the smaller association subsumed into the larger organisation. It can be much more complex than this however, with group structures and subsidiaries allowing a range of possibilities in how new organisations encompassing two or more housing associations can be formed.

Looking to England and Scotland you can see how group structures and formal alliances create new opportunities in terms of building on existing services and expanding into new areas. In some cases, as with for example Orbit Group in the Midlands, mergers and expansion have allowed the association to develop specialist services that they now make available to other housing associations across England.

### Drivers of change

There is a risk though that the current economic climate could be driving mergers for all the wrong reasons and that decisions are based on assumptions of what will drive efficiencies and provide value for money rather than sound evidence.

The Chartered Institute of Housing (CIH) recently published a report called *Does Size Matter? Or Does Culture Drive Value for Money?*<sup>2</sup> The findings, based on regression analysis, cost and performance data and in-depth interviews with three housing associations, were interesting. The report found that:

- There is little evidence that size, better quality services and lower costs are related;
- Scale in itself does not necessarily lead to efficiencies. Organisational growth, through for example a merger, can create significant opportunities for scale-related efficiencies, but they do not come as a direct result of the increased size of the organisations. Organisational transformation is the real key to greater efficiencies and savings;
- There is no particular type or size of housing association that is most effective in terms of costs or performance, and that clarity about purpose, values and outcomes is an important success factor;
- Value for money has to become a core part of the organisational culture for it to be properly understood and realised. It cannot be driven simply by a need for savings, financial improvement or meeting regulatory standards; and
- A strong localised focus was found to be one of the most important factors in producing the sort of benefits associated with mergers, even more so than scale. ►

## THE REFORM AGENDA



<sup>3</sup> [http://www.icsh.ie/eng/publications/icsh\\_publications/collaboration\\_toolkit](http://www.icsh.ie/eng/publications/icsh_publications/collaboration_toolkit)

- This is not to say that mergers or any other formal partnership structures are not effective or desirable. Rather it suggests that government, policy-makers, the regulator and housing associations need to think carefully about what it is that they want and how that can best be achieved. Any discussion about mergers between organisations or consolidation of the housing sector more broadly that is based on a financial rationale must adopt a more nuanced approach. It is not enough to assume that scaling up will drive down costs and create more efficient and effective delivery outcomes.

As a simple first step CIH's report suggests that housing associations contemplating a merger need to be satisfied that:

- the potential for benefits is there;
- they can make the organisational changes to realise them; and
- the opportunity costs involved are worth incurring.

### Other options

Of course there are other options for consolidation outside of mergers. Collaborative working – such as the example provided by the County Limerick Housing Services Company – group, federal or coalition structures, joint venture partnerships and consortia are all avenues to be explored depending on the driver for change.

More formal collaborative working generally between AHBs in Ireland has already been recognised as a positive step by the Irish Council for Social Housing. They have developed a collaboration toolkit to support organisations considering formal partnership working that looks at: the different models for collaboration; the processes involved; governance, legal and business requirements; the drivers and barriers; and perhaps most importantly the potential outcomes.<sup>3</sup>

Being clear about the rationale behind a focus on consolidation, rationalisation and mergers is hugely important. Northern Ireland has seen the introduction of procurement groups in the last few years but their purpose has become somewhat muddled by conflicting drivers. Were they established to create efficiencies in the procurement of goods and services, to streamline development with a concentration of expertise and resources or to act as a catalyst for reducing the number of housing associations operating in the sector?

CIH's 2010 report reflected the findings of an earlier piece of work on mergers – *Is Big Best – or does small and friendly deliver* (2005) – published pre-credit crunch and recession and the value for money focus on mergers. Both found that, in short, there is no evidence that size, better quality services and lower costs are linked and that for housing associations to be effective, it is more important that they are clear about their values and the outcomes they want, and have effective management to achieve them.

### What next?

There is clearly a discussion to be had about the role that mergers and other forms of consolidation can play in the Irish voluntary housing sector. The economic and policy environment necessitates a new way of working that will involve collaboration to realise economies of scale and access to private finance as well as generating efficiencies. But it cannot be a numbers game. Values, organisational cultures and properly managed change will be the key to success. And at the end of the day the focus must be on outcomes and the people to whom homes and services are being provided – existing and future tenants.



# Existing best practice

## The Co. Limerick Housing Services Company

**The Strategic Review of the Capital Funding Schemes for Voluntary and Co-operative Housing by Grant Thornton in 2009 recommended 'greater levels of cooperation between approved bodies in the sector' and recommended that the Department should 'facilitate to the fullest extent possible, closer cooperation between approved housing bodies, up to and including proposed mergers amongst voluntary and co-operative bodies.'**

A model of best practice for the sector was profiled in the Grant Thornton Review - The County Limerick Housing Services Company (CLHSCo). This was developed in response to the increased demands on the voluntary board members in the day to day management of their homes. It was led by the Irish Council for Social Housing (ICSH) through the ICSH Field Advice Service and Limerick County Council recognising the need to develop a support structure to help small scale housing associations and their voluntary board members.

Established in 2007, The County Limerick Housing Services Company (CLHSCo) was set up as a limited company by guarantee with charitable status. The company currently provides services to 14 housing associations who manage 207 units primarily for older people's accommodation. The company facilitates housing management support, support and assistance on health and safety, access to competitively priced legal, accounting and auditing



supports and a centralised housing maintenance service including the management of rent arrears and problem tenancies.

Nine of the 14 members of the company are represented on the Board of Directors. Income for the company is generated from member's monthly subscriptions for services and grant assistance from Limerick County Council and the Department.

The 2009 Grant Thornton Report acknowledged the role of the ICSH as the representative body and acknowledged its important role in extending this model across the country.



**For more information on visit:**  
[www.icsh.ie/eng/services/collaboration](http://www.icsh.ie/eng/services/collaboration) or  
 visit <http://www.clhsc.ie/>

## Collaboration Toolkit

**The Collaboration Toolkit was developed by the Irish Council for Social Housing (ICSH) and was launched in November 2010 by the then Minister for Housing. It is a framework to help promote greater collaboration in the voluntary housing sector across a range of areas.**

The Toolkit sets out the various options for collaborative working and the key stages in developing collaboration and partnership arrangements between organisations. One of the objectives of this Toolkit is to encourage approved housing bodies (AHBs) to secure efficiencies through shared working arrangements that will achieve additional benefits for tenants, service users and local communities.



Visit [http://www.icsh.ie/eng/publications/icsh\\_publications/collaboration\\_toolkit](http://www.icsh.ie/eng/publications/icsh_publications/collaboration_toolkit) to access a copy of the Toolkit.

KNOCK KNOCK...

# The fairytale of NAMA

A leading Irish housing professional tells us what they really think of the National Asset Management Agency's (NAMA) social housing dividend.

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It was just before Christmas 2011, the winter solstice was in and late in the evening of the longest night of the year news of a new hope for thousands of individuals and families on social housing waiting lists in Ireland was presented by government. A newly minted target of 2,000 housing units was going to be made available by NAMA in 2012 to people on social housing lists across the country through leasing agreements with local authorities and voluntary housing associations.

The announcement was the result of Ministerial requests to NAMA the previous September. It was spun as one of the largest housing allocations in the history of the state, as NAMA's social dividend in the housing area and as a welcome Christmas boost to those most vulnerable in society.

Six months on and this story is feeling more like a fairy tale where promises for the future are made, only to be broken or disregarded as fantasy as the truth is revealed. As we shall see, akin to the ephemeral phantom, the NAMA social housing dividend has been heard of as a kind of magic gift to unlock access to vacant homes for thousands in need of them. Thus far this spectral gift, occasionally glimpsed by a few in the know, is a rare if not invisible sight to most of the rest of us.

NAMA, we are led to believe, is currently engaged in an extensive analysis of the residential portfolio under the control of its debtors and receivers. Yet NAMA is notoriously lacking in transparency and there is little detail on the results of this analysis. Despite this we do know the following about the housing stock under its control, gleaned mostly from government responses to opposition questions in Dáil Éireann over the last few months.

Firstly, NAMA controls the loans underpinned by 14,000 residential dwellings, of which 10,000 are completed

and the remaining 4,000 are still under construction, are considered to be vacant and close to being made habitable and available for sale or rent in 2012.

Secondly, approximately 1 in 10 of NAMA's residential units (10%) is located on a so-called 'ghost estate' or is in effect unfinished on estates that are partly occupied. Notably, in late June 2012 NAMA announced its first demolition of a 12-apartment single block in Longford that was unsold and had fallen into disrepair (meanwhile 335 families are on the Longford housing waiting list). Thirdly, of the 10,000 completed units, NAMA's developers and receivers have sold 700 units since its inception (exactly 5% of the stock), while 9,200 units are currently rented in the private rental market generating a total monthly income in the order of €9m (€108m annualised).

Lastly, while the total number of NAMA's properties for sale is currently unknown, 115 homes were offered for sale with the 'negative equity mortgage' (or 80:20 deferred mortgage scheme as NAMA calls it) launched in early May 2012. Two weeks later, a press statement confirmed 16 units as having been sold, with reservations placed on another 16, due to generate €8.4 million (or nearly €300k per unit). It's not clear yet how many of these are financed with the NAMA negative equity mortgage or are in fact cash sales.

In reality, with a national vacancy rate of 14.7% (294,202 units) confirmed by Ireland's Census 2011, this means that NAMA does not have the dominance in Ireland's residential housing market that is often ascribed to it. It does in the Irish commercial property market.

Recall that NAMA bought €74bn worth of commercial development loans from five banks - AIB, Anglo, Bank of Ireland, EBS and INBS - and paid €32bn for these loans, comprising €30bn in so-called 'senior debt' and €2bn in so-called 'subordinated bonds'. NAMA has a life span of 10 years to 2020 and is expected to generate enough income from its activities between now and then to pay off this €32bn and also make a profit.

However, the May 2012 report of the Comptroller and Auditor General found that NAMA had overpaid for its loans and that it faced 'considerable challenges' in repaying the €32bn it borrowed to buy the loans. This is due to a weaker than expected economy, further declines in property values and risks to the collection of rental income from properties.

NAMA is facing an uphill challenge to deliver its required

return, and this does not bode well for the promised social housing dividend. Put simply, the commercial requirement on NAMA to sell or rent residential property remains the priority as the latest figures on the social housing dividend confirm.

On June 28th, the Dáil heard from the Minister for Housing and Planning that while over 2,000 NAMA housing units had been examined with a view to determining their suitability for social housing, 701 have been deemed unsuitable by housing authorities and 372 have been withdrawn by property owners whose circumstances were said to have changed, or as a result of the property being let on the open market or sold and being no longer available as vacant units.

While there may be a Goldilocks moment at work here – rejecting the 'good enough' and seeking the 'just right' and perfect choice, it is disconcerting and disappointing to note that housing authorities' assessments of the suitability of properties with regard to location, local demand, the nature of the accommodation and sustainable community principles has led to so many units being rejected as unsuitable.

Nonetheless, the Minister stated demand has been confirmed for 1,200 available units. Of these 1,200 units 719 are being appraised and 405 are at various stages of approval. Contracts are signed in respect of 58 units – but these are very likely to be the 58 apartments at Beacon South Quarter in Dublin that were sold to Clúid Housing Association last year in the summer of 2011. So, in short, the total social housing dividend so far in 2012 remains at nil units.

2012 isn't over yet and while Cinders may yet get to go to the ball, this writer won't be too surprised if by the end of this year the NAMA fairy tale ends with the glittering carriage turning into a pumpkin. There is a distinct possibility that the phantom social dividend will materialise into the spectre of households in need being relegated to the choice of living on an unfinished Irish ghost estate with no value other than commercial demolition. Truly, a nightmare before Christmas for those most vulnerable in society.

**Anonymous**



**BOOK REVIEW**



# Public Private Partnerships in Ireland by Dr Rory Hearne

Review by Paddy Gray, Professor of Housing at the University of Ulster.



This book is part of the Irish Society series that, according to its editor, Rob Kitchen, provides a critical, in-depth analysis that reveals the processes and forces shaping social, economic, cultural and political life, and their outcomes for communities and social groups. The main focus of the book is on Public Private Partnerships (PPPs) giving a detailed and investigative exposition on the rationale behind their introduction in Ireland.

Dr. Rory Hearne has written an erudite yet straightforward account of the impact of PPPs and he demonstrates that they have not consistently provided the stated benefits put forward by their promoters across a variety of sectors. Drawn from extensive research and detailed evidence he contends that PPPs are actually playing an important role in the implementation of privatisation and neoliberalism in key aspects of the Irish state. He argues, however, that PPPs have a deeper, broader and more specific impact than privatisation. They were identified by governments and private sector proponents as an important mechanism to continue the neoliberal privatisation of public service delivery and the welfare state more generally.

The book's core offering is a theoretical and empirical analysis of how PPPs are part of a wider ideological drive by government rather than meaningful and effective reform.

The empirical evidence that Hearne draws on is extensive and involved the investigation of a number of case-study PPP projects from various state sectors that had developed by 2005. Primary information sources included individual interviews with 155 key stakeholders at state policy level and at individual PPP-project level. These involved central government departmental officials, local authority officials, elected representatives, private sector PPP companies, consultants and advisors, trade unions representing public and private sector workers employed in PPPs, local authority tenants and community workers. Hearne's evidence also involved extensive participative research which was undertaken between 2005 and 2010

a period when the Irish economy suffered a major crash.

The book has a very useful introduction which highlights the fact that little research has been undertaken into the impacts of PPPs on the sections of Irish society that are affected by low incomes, poverty, low standards of education and health and other social issues as a result of the country's intense social and economic inequalities.

Hearne draws a stark contrast between two PPP projects. The new eleven storey, Criminal Courts of Justice Complex, opened in November 2009, standing majestically and imposing with twenty two court rooms. At a completion cost of €140 million it was €30 million over budget. He compares this with O'Devaney Gardens, an inner city Dublin flats complex, one of many local authority estates in Ireland where residents have suffered intense socio-economic inequalities. The PPP project for the regeneration of the flats complex collapsed in 2008 and residents have continued to suffer from a downward cycle of vandalism and despair. The flats are only a five minute walk from the Central Courts Complex and Hearne highlights the fact that residents were seething ▶

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**“This is a study with profoundly important policy implications, showing with painful clarity why the role of PPPs needs to be questioned.”**

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- with anger at the apparent injustice of their estate being allowed to fall into disrepair while this great court building that they walked past every day, grew taller and taller and completed ahead of schedule. He cites this as one of many examples where the different trajectories of development of these two PPP projects indicate much about the character, values and priorities in Ireland in the first decade of the twenty first century.

All seven chapters, however, are worthy of attention. Hearne begins with a description of the roles of public infrastructure and services in a society and an economy as well as providing a detailed introduction to the development of PPPs in Ireland and internationally. He sets this against a background of their emergence within the phase of neoliberalism from the 1970s to 1990s. In the second chapter he examines the international experience looking at in depth theories of neoliberalism and marketisation. He successfully demonstrates how the roll out of PPPs internationally has been strongly influenced by neoliberal ideology and its proponent's approach to the state and public services. Given that his research ended in 2010, it is interesting on reflection to note the increasing criticism that PPPs are attracting in countries such as the UK.

Chapter three focuses on how considerable effort was invested by the state in providing the institutional arrangements and political support necessary to rapidly expand the development of PPPs in Ireland. This was based on the belief that it would provide greater amounts of finance to address infrastructure deficit and provide higher-quality and more efficient public services and infrastructure. Chapters four and five provide a more in depth look at a Group Schools Pilot PPP Project and the regeneration of Dublin's inner city estates through PPPs. The author contests the fact that the five excellent schools were delivered at the agreed contract price citing that significant extra costs emerged in the operational phase as well as the extra costs associated with the PPP form of procurement and the costs of private finance being greater than that of Exchequer borrowed finance. He also questions to what extent the PPP process was being used by the local authority sector to reduce its role in the provision and management of social housing. He cites eleven lessons taken from his in depth analysis of completed, failed and planned regeneration projects of a number of Dublin's inner-city local authority flats complexes.

Chapter six assesses the outcomes of PPPs in Ireland looking at individual projects and in particular the effects on labour conditions. The book concludes with a look

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**“The book’s core offering is a theoretical and empirical analysis of how PPPs are part of a wider ideological drive by government rather than meaningful and effective reform.”**

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at the evolving nature and form of the Irish state in the twenty first century beginning with an overview of the number of theoretical approaches on the changing role of the state in an international context.

This is a study with profoundly important policy implications, showing with painful clarity why the role of PPPs needs to be questioned. Perhaps the answer lies in Hearne's call to those in power, be it state, private institutions or Irish society in general, to consider the legacy of recent years by questioning whether the highest priority was given to ensuring the survival of banks and financial institutions, while the health, housing and other social infrastructure, a key to providing a decent quality of life for all citizens, was relegated in importance and given no such support. As one Dublin resident stated: “What does it say about the government that it can ensure that hundreds of millions of euro were available to successfully build new courts that can send our children to prison, but it couldn't provide the funding for the regeneration of the estates where our children have no playground or hope?”



**Public Private Partnerships in Ireland: Failed Experiment or the Way Forward?**  
Dr Rory Hearne

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Publisher: Manchester University Press



# Upcoming events

Over the coming months look out for the following events:

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- **Irish Council for Social Housing: Social Housing Finance Innovation Forum**  
Thursday 4 & Friday 5 October, Radisson Hotel, Athlone, Co. Westmeath.  
Contact the ICSH at 01 661 8334 or [www.icsh.ie](http://www.icsh.ie)
  - **National Construction Conference 2012**  
Wednesday 24 October, Croke Park, Dublin. The focus of this year's conference is 'Property Market 2013-2020'.  
Contact Sarah Doolan at 01 293 3650 or [sarah@cmgevents.ie](mailto:sarah@cmgevents.ie)
  - **The Consultation Period for the Voluntary Regulatory Code for Approved Housing Bodies is currently underway**  
The consultation period will last for seven weeks and feedback should be provided to the Department of Environment Community and Local Government by September 21 2012.

# Member get member



Great housing professionals make communities great places to live and work

**Are you an existing CIH member and do you know someone who is passionate about housing and making communities a great place to live and work?**

Members are invited to nominate someone to join CIH and recognise their commitment to improving the lives of the communities in which they work.

If your nominees register before September 2012 and commit to the three pledges below then they will receive their first 3 months membership absolutely **FREE**.

#### **Nominees must commit to 3 pledges:**

- I am committed to continually developing my knowledge and skills and to keeping up-to-date with the latest developments in the sector
- I will continually work to improve the lives of residents and ensure the wellbeing of the communities with which I work
- I will support CIH to champion housing with decision makers and the media, influence the political agenda and fight for a better housing sector

## **Why should I nominate someone?**

As an existing member and a champion of CIH, **we need your help to promote our work to other housing professionals in your region.**

**Our members are at the heart of our organisation** and they help inform our policy thinking, our good practice resources and help us to understand the challenges of delivering effective and efficient housing services.

By nominating someone you'll be encouraging them to take the next step in their career as a great housing professional, by becoming part of their professional body. As a CIH member, you get access to all the tools and knowledge you need to excel whether you're starting your career, studying or are an accomplished housing professional already.

# Nominate today!

Simply visit [www.cih.org/membergetmembercampaign](http://www.cih.org/membergetmembercampaign)