

Rebuilding Ireland

Action Plan for Housing and Homelessness

Information Document

Public consultation

Review of Rebuilding Ireland: Action Plan for Housing and Homelessness

July 2017



A Message from the Minister

Rebuilding Ireland, the Government's Action Plan on Housing and Homelessness, was published just over a year ago on 19 July 2016 with the aim to increase and accelerate housing delivery across all tenures to help individuals and families meet their housing needs.

It's clear that increased State investment and targeted supply-side initiatives are having a positive impact on the number of new homes becoming available to rent or buy. Nevertheless, one year on, given the unprecedented mis-match in the short term between supply and demand, it's timely, as signalled by the Taoiseach, that we reflect on what additional measures may be required, building on the important work already completed or underway.

As part of this focused review, we need to assess the impacts of the new investments, policies and initiatives and consider where we need to focus and redouble our efforts to address the supply and affordability issues that persist. As part and parcel of this review, I would like to:

- a. identify additional measures, particularly, new/additional supply side measures for social, private and rented accommodation,
- b. identify further measures to tackle homelessness and to help individuals and families to remain living in their own homes;
- c. deliver a vacant homes strategy that is ambitious and realistic and includes measures that can act as a disincentive to vacancy in future,
- d. identify ways of reducing construction costs and improving the viability of apartment and house building,
- e. look at new measures to support and/or encourage the rental sector,
- f. consider options for elderly people wishing to downsize and to support less able people to live independently in the community, and
- g. identify ways of delivering sustainable mixed tenure solutions on sites of scale.

I am open to new ideas, big or small, on these or other issues that can increase housing supply at affordable prices.

While work has already started on the review, such a critical issue needs to be informed by the views and suggestions of the widest range of groups and individuals. I would therefore like to invite you to participate in this important process by making a written submission to my Department. This document provides some summary information and guidance on how you can do this.

Thank you for taking the time to consider the future of housing in Ireland. I look forward to hearing your views.

**Eoghan Murphy, T.D.,
Minister for Housing, Planning, Community & Local Government**

Background and Terms of Reference

About Rebuilding Ireland

Rebuilding Ireland – Action Plan for Housing and Homelessness was published on 19 July 2016 as the Government’s response to the biggest single challenge facing Ireland — the housing and homeless crisis.

Rebuilding Ireland, together with the Government’s Strategy for the Rental Sector (published on 13 December 2016), comprises 113 actions, across five key Pillar Areas, as follows:

1. Address Homelessness
2. Accelerate Social Housing
3. Build More Homes
4. Improve the Rental Sector
5. Utilise Existing Housing

The multi-stranded, action-oriented Rebuilding Ireland Action Plan aims to reverse the chronic under-supply of new homes that is making new home purchase and rents increasingly unaffordable and is driving additional households into homelessness. It is designed to address all tenure types - social, private and rental - and to tackle homelessness comprehensively, by setting ambitious targets to, inter alia:

- Double the annual level of new homes built to 25,000 by 2020;
- Deliver an additional 47,000 social housing units in the period to 2021;
- Make the best use of the existing housing stock; and
- Lay the foundations for a more vibrant and responsive private rented sector.

Regular progress reports on implementation are published in the form of a monthly housing activity report and a quarterly overall progress report. These reports are available on the dedicated website: www.rebuildingireland.ie.

Terms of Reference

The scope and objectives of this Review are as follows:

- (a) To review progress of the Rebuilding Ireland Action Plan to date across the five key Pillar Areas of the Plan, focusing in particular on its impact on the current and anticipated supply of additional housing across all tenures (i.e. social housing, private rental and private ownership);
- (b) To take particular account of the following issues of critical importance, some of which are currently subject to separate specific consideration:
 - (1) Construction Costs;
 - (2) Scope for additional measures to address the challenges in relation to homelessness and for increasing the quantum of social housing;

- (3) The need to address issues of affordability for people who don't qualify for social housing supports, but face increasing affordability difficulties meeting their housing requirements in the housing market;
 - (4) The need to facilitate sustainable apartment/build-to-rent developments in city centre locations;
 - (5) The approach to gathering data on new house building output and housing data generally;
 - (6) Consideration of further reforms to encourage a more vibrant and sustainable rental market;
 - (7) Options for elderly people downsizing and supporting less able people to live independently in the community;
 - (8) The need to deliver sustainable mixed tenure solutions on sites at scale; and
 - (9) Bringing vacant properties back into use for housing purposes, particularly in our cities and towns where demand is greatest.
- (c) To identify new measures, particularly new/additional supply side measures, that can now be adopted.

Making Submissions

All submissions should be returned by email to rebuildingireland@housing.gov.ie, using the template provided, by the deadline of **12 noon, Friday, 11th August**.

Submissions should state clearly and briefly what aspect of the housing system gives rise to a concern which is not being addressed and how, in your view, this concern may be resolved. There is no restriction on the number of issues which may be flagged.

Further information may be attached in support of your submission but key concerns and recommended solutions should be summarised on the template provided.

The work of the Department is subject to the Freedom of Information Act 2014 and any submission received may be released by the Department or by other parties on foot of a Freedom of Information request. Personal, confidential or commercially sensitive information should not be included in a submission and it will be presumed that all information contained in submissions is releasable under the Freedom of Information Acts. Submissions may be published by the Department unless a respondent specifically requests that their intended submission is not published.

Context and Information Relevant to the Review Process

General

Key Objectives

The overarching objective of *Rebuilding Ireland* is to increase overall housing supply to a more sustainable level of around 25,000 homes per year by 2020 – in effect, doubling output from 2015 levels. In terms of the most vulnerable in society and those in need of housing supports, it aims to deliver an additional 47,000 social housing units by 2021, within an overall budget of €5.35 billion.

In addition, Rebuilding Ireland also recognises the following core objectives:-

- addressing the unacceptable level of households and families in emergency accommodation,
- moderating rental and purchase price inflation,
- addressing the affordability gap for prospective purchasers,
- maturing the rental sector,
- enabling housing to make a steady, supportive and sustainable contribution to economy, and
- ensuring a housing delivery model, which meets current needs while contributing to sustainable urban and rural development.

Key Responses and Current Context

A budget of €5.35bn is now in place to fund the implementation of the Rebuilding Ireland Action Plan over its 6-year lifespan. Monthly Housing Activity Reports, drawing together the key statistical indicators of housing market activity, are published, while three detailed Quarterly Progress Reports on implementation of specific actions have also been published to date. All are available on the Rebuilding Ireland website.

During the first twelve months of implementation, there is strong evidence that house building activity is beginning to strengthen and accelerate. Monthly Housing Activity Reports show that planning permissions for 17,934 new homes were granted in the twelve-month period to end-March 2017 (up by 39% year-on-year). Commencement Notices for 15,579 new homes nationwide were submitted in the twelve-month period to end-May 2017 (up by 42% year-on-year). During the month of May, 2,053 new homes were included on commencement notices submitted to local authorities, the highest monthly return seen since March 2014, when the current data series began. The level of ESB connections to the National Grid reached 16,340 homes across the country (up by 19% year-on-year).

Specific Question for Public Consultation

- Q.1** Do the above objectives remain relevant and valid and are there other priorities we should also be focussing on over the medium term?

Pillar 1: Address Homelessness

Key Objective:

Provide early solutions to address the unacceptable level of families in emergency accommodation; deliver inter-agency supports for people who are currently homeless, with a particular emphasis on minimising the incidence of rough-sleeping; and enhance State supports to keep people in their own homes.

Key Responses & Current Context:

The following measures are now in place:

- Over 3,000 sustainable exits from homelessness during 2016 (up 31% on 2015).
- Homeless funding of €98m in place in 2017 to meet increased demand for homeless services and solutions.
- 206 additional beds in supported temporary accommodation now available in Dublin across 4 facilities.
- A Family Hub programme is in place, which will provide more secure and stable accommodation for homeless families.
- 810 tenancies were created for homeless households during 2016 under the Dublin Region Homeless Housing Assistance Payments (HAP) pilot; to date in 2017 (end June), over 800 Homeless HAP tenancies have been created.
- At end June 2017, over 500 rapid build homes were advancing through various stages of delivery, including construction on site, with work underway to advance a further 500 units later this year.
- Abhaile, the national Mortgage Arrears Resolution Service, and the associated scheme of Aid and Advice for borrowers in mortgage arrears are now well established.
- Revised Mortgage to Rent Scheme in place to provide quicker and more accessible support for households in mortgage distress.
- Enhanced targeted supports available in response to specific needs, such as
 - family and child welfare supports for those living in emergency accommodation;
 - people with mental health and addiction issues,
 - prisoners prior to release;
- Tenancy Protection Service available nationwide.

The ongoing ramping up of the Social Housing Capital Programme across the range of schemes, expansion in the number of households supported through the HAP and Homeless HAP schemes, and the ongoing acquisition programme underway by the Housing Agency are all important in terms of increasing our capacity to address the needs of those households that are already homeless and prevent new households from becoming homeless.

Accommodating families in hotel arrangements is inappropriate for anything other than a short period of time. Progress is being made, with the number of families in hotels and B&B's in Dublin at the end of May down to 647 (down from 871 families at end March 2017), all of whom now have an identified pathway out of their hotel/B&B accommodation..

An extra €10 million has now been allocated towards the provision of six additional family hubs which will be able to accommodate at least 200 families. These facilities offer family living arrangements with a greater level of stability and on-site access to services.

Specific Question for Public Consultation

Q.2 What further action should now be considered in order to prevent homelessness, to find more permanent solutions for those in emergency accommodation and to help individuals and families to remain living in their own homes?

Pillar 2: Accelerate Social Housing

Key Objective:

Increase the level and speed of delivery of social housing and other State-supported housing.

Key Responses & Current Context:

The following key measures are now in place:

- 19,055 households had their social housing needs met in 2016:
 - 5,724 homes built, refurbished, leased or acquired;
 - 12,075 HAP tenancies;
 - 1,256 families accommodated under the Rental Accommodation Scheme.
- Capital and current funding of €1.3 billion in place to meet social housing needs of up to 21,000 households in 2017.
- Housing Assistance Payment now available in all 31 local authorities and funding of €153m in place for 2017.
- The €70m Housing Agency Acquisition Programme is in operation with contracts on 259 housing units having closed by 30 June 2017.
- Streamlined approval process in place to accelerate the delivery of social housing projects.
- Choice-based letting rolled out nationally to streamline and speed up the letting of social housing units.

The Social Housing Construction Programme continues to ramp up and the Department has recently begun publishing a Status Report on all Social Housing Projects in the Programme from 2016 onwards, which is updated quarterly. The latest update provides details of over 10,000 houses in over 600 Local Authority and Approved Housing Body projects, which are being supported by funding from the Department. Additional projects continue to be approved and added to the Programme, with 1,600 new housing units added during the first quarter of 2017 alone.

Specific Question for Public Consultation

Q.3 What further action should be taken to increase both the scale and speed of delivery of Social Housing? Are there new delivery models or mechanisms to accelerate output?

Pillar 3: Build More Homes

Key Objective:

Increase the output of private housing to meet demand at affordable prices.

Key Responses & Current Context:

The following measures are already in place:

- Trends in planning permissions, residential construction commencement notices and ESB connections all show substantial increases over 2015 and 2016, signalling a ramping up of activity.
- 23 Major Urban Housing Delivery Sites identified with capacity to deliver 30,000 new homes in the medium term in the Greater Dublin Area, Cork, Limerick and Galway, to be prioritised for progressing by the Housing Delivery Office and local authorities.
- €226m Local Infrastructure Housing Activation Fund in place to fund 34 projects across 15 local authorities to open up high impact residential sites for development.
- Rebuilding Ireland Housing Land Map published, containing details of over 1,700 hectares of land in ownership of local authorities and the Housing Agency, with the potential to deliver up to 42,500 new homes nationally, plus additional lands in residential zones owned by State bodies.
- Planning and Development (Housing) and Residential Tenancies Act 2016 enacted on 23 December 2016 which enable large-scale housing development proposals (100+ homes) to be submitted directly to An Bord Pleanála.

- Help to Buy Scheme enabling first-time buyers, who take up a mortgage to purchase or self-build a new home, to avail of a refund of income tax and DIRT paid over the previous four tax years up to a maximum amount of €20,000.

The issue of housing affordability will be central to the review. In this context, all local authorities have been requested to prepare Strategic Development and Management Plans for early development of social and affordable housing on lands in their ownership, as identified on the Rebuilding Ireland Housing Land Map. Furthermore, in addition to activating development of new homes from the substantial zoned and serviced land-banks, many with planning permissions already granted, and minimising the risk of land-hoarding, the Department has identified strategically located lands in wider State ownership that could be used to provide housing and is engaging with the relevant agencies to secure its release and early use. As part of this review, the Department, in consultation with local authorities, will be developing a national framework of principles or guidance on affordable housing.

A working group on Construction Costs, chaired by the Department and including representatives from the Housing Agency, NAMA and industry stakeholders is currently undertaking a detailed analysis of housing delivery input costs with a view to identifying where economies can be achieved. The findings of the working group will inform policy decisions in relation to the development of both multi-storey apartment schemes in urban areas and traditional housing/duplex homes in suburban locations. In parallel, an independent report by the Housing Agency based on international comparison of delivery costs is also being prepared.

The Minister for Finance has commissioned Indecon Economic Consultants to undertake an independent impact assessment of the Help-to-Buy incentive. The outcome of this assessment, which is due to be finalised by end-Summer, will be considered in the context of Budget 2018 preparations.

Specific Question for Public Consultation

Q.4 What additional initiatives or policy tools can best activate housing lands and deliver new housing supply to buy or rent at more affordable levels?

Pillar 4: Improve the Rental Market

Key Objective:

Address the obstacles to greater private rented sector delivery, to improve the supply of units at affordable rents.

Key Responses and Current Context:

The following measures are now in place:

- Strategy for the Rental Sector published in December 2016, detailing:
 - Rent Pressure Zones, capping rent increases at 4% per annum for up to 3 years, now covering 57% of tenancies;
 - protections to ensure that the sale of ten or more units in a single development is conditional on tenants remaining in situ; and
 - working group on taxation of rental providers established.
- Revised Housing (Standards for Rented Houses) Regulations 2017 in place to enhance the quality of rental accommodation.
- Residential Tenancies Board given stronger role and powers in service of tenants and landlords.
- New Student Accommodation Strategy published and funding in place to support student accommodation services to work with Union of Students of Ireland, local authorities and stakeholders in identifying additional rental capacity for students.
- Budget 2017 measures to support the rental sector
 - Mortgage Interest Relief for landlords restored from 75% to 80% (100% relief to be phased over 5 years);
 - Living City Initiative extended to landlords;
 - Rent a Room tax credit ceiling increased from €12,000 to €14,000.

The latest RTB Rent Index for the first quarter of this year shows moderation in the rate of rent increases, with national rents virtually flat during the quarter. While this is a welcome early sign, it is too early to say whether this is as a direct result of the impact of the Government's rent stability measures and other developments in the rental market. We will continue to keep these trends under very close scrutiny.

The Working Group on the Tax Treatment of Landlords is currently underway and will report to the Tax Strategy Group and to Ministers over the Summer.

Specific Question for Public Consultation

- Q.5** How can we encourage increased supply of rental accommodation and foster a sustainable sector that meets the needs of all tenants across the different rental market segments?

Pillar 5: Utilise Existing Housing

Key Objective:

Ensure that existing housing stock is used to the maximum degree possible - focusing on measures to use vacant stock to renew urban and rural areas.

Key Responses & Current Context

The following measures are now in place:

- Repair and Leasing Scheme launched with funding of €140m over 5 years to allow LAs and AHBs to bring up to 3,500 vacant private houses into social housing use by 2021.
- Buy and Renew Scheme (€25m for 2017) to support LAs & AHBs to purchase and remediate private housing units for social housing use.
- €70m Housing Agency Acquisition Fund established and purchases of 259 units are already completed.
- Better management of social housing through rapid re-letting of vacant units (Voids) and introduction of Choice-Based Letting.

The latest survey of Unfinished Housing Developments (UHDs) (published in Q1 2017) confirms that a further 248 developments have been resolved during 2016, leaving some 420 remaining unfinished developments (down from over 3,000 in 2010). The survey has also identified vacant and near complete units with potential for social housing and local authorities are now actively pursuing these.

The Department is revising the planning regulations to classify the change of use of vacant commercial units in urban areas, including areas over ground-floor premises, into residential units, as exempted development which, subject to certain conditions, will not require planning permission.

The Housing Agency has carried out significant preparatory work in relation to a Vacant Housing Re-use Strategy which is now being considered by the Minister, in the context of this overall review of *Rebuilding Ireland*, with a view to bringing new ideas and an increased level of ambition to bear on tackling the existing high level of vacant property. In anticipation of publication of the Strategy, Local Authorities have been asked to prioritise the important work of gathering more accurate information on where vacant properties are and who owns them, so that as many vacant properties as possible can be brought back into use quickly, particularly in our cities and towns, where accommodation shortages are greatest.

Specific Question for Public Consultation

- Q.6** What further actions should be taken to identify, target and encourage the greater use of existing vacant properties for both social and private housing purposes?