Chapter 2

Housing policy in the eye of the storm: recent experiences in the Republic of Ireland

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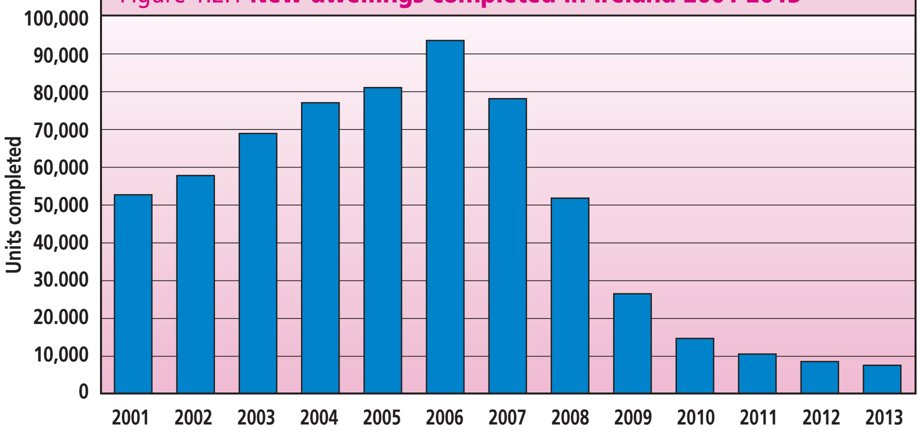
Apocalypse Now

It could be the script for a disaster movie. There is a large host of characters; many of whom you know will not make it through to the end of the film. There is an escalating series of threatening events that may at any moment tip over into calamity. The principal actors work hard to solve problems as they arise while at the same time pursuing a solution that they hope will restore some sort of balance to the world around them. It is a race against time to apply these measures and ensure the emergence of a sustainable 'post-apocalypse' world. It may sound too far-fetched even for a Hollywood script, but to the student of housing policy in Ireland it has a familiar ring.

At the turn of the century Ireland was in the midst of what is now rather nostalgically referred to as the Celtic Tiger era. Economic growth rivalled that of the most successful Asian economies, population numbers were rising sharply and increases in real take-home pay were fuelling a consumer boom. And boom it was. In the property market both house prices and supply were increasing rapidly and the few warning voices that such defiance of the laws of supply and demand could not continue indefinitely were ignored. Residential output rose year on year and peaked in 2006 at over 93,000 units, a level that was significantly above any realistic estimate of long-term demand (see Figure 1.2.1).

Figure 1.2.1 **New dwellings completed in Ireland 2001-2013**



Source: Department of the Environment, Community and Local Government, Dublin.
Notes: Completions for 2013 are estimated from Q1-3.

> Since 1991, roughly the start of the Celtic Tiger era, the number of residential dwellings has increased by 834,596 as compared to a population rise of 1,062,533. This resulted in a fall in the ratio of people to dwellings from 3.04 to 2.30 (based on Central Statistics Office data). Medium- to long-term demand for housing is generally assessed as of the order of 25,000 new units per annum, although this has to take into account the legacy of vacant residential properties in low demand areas and changes in population resulting from net migration.

From the point of view of housing policy the key issue was affordability. Homeownership was still seen as the preferred form of tenure for the vast majority of Irish citizens but with house prices at an all time high there was a growing affordability gap. In the fifteen years before the housing bubble burst, real house prices rose by around 350 per cent and by the start of 2007 the affordability index was off the chart, having reached a peak of 64 per cent higher than the long-term average house-price-to-income ratio. This was the highest ratio of any country covered by the Economist house-price index going back to 1975.[1]

Notwithstanding the high level of output from the construction sector, the government's main response was to use a range of schemes to assist first-time purchases get on the housing ladder and otherwise make homeownership more affordable. At the same time the capital market was happy to provide seemingly limitless amounts of credit to underpin the boom at historically low rates of interest. This had been the promise of euro membership and the housing market was now benefiting from significant inflows of cheap capital into Irish banks. Ireland Inc. seemed content to accept this largesse and use it to build more houses to sell to a growing population, fuelled by immigration, albeit at sharply rising house prices.

The rest, as they say, is history. Following the financial crash, housing output and prices dropped dramatically. From its peak in 2006 the number of new units fell below 8,500 in 2012, a drop of over 90 per cent. A further fall to below 7,500 is expected for 2013.[2] From their high point in mid-2007, house prices dropped by 50 per cent before stabilising in 2012.

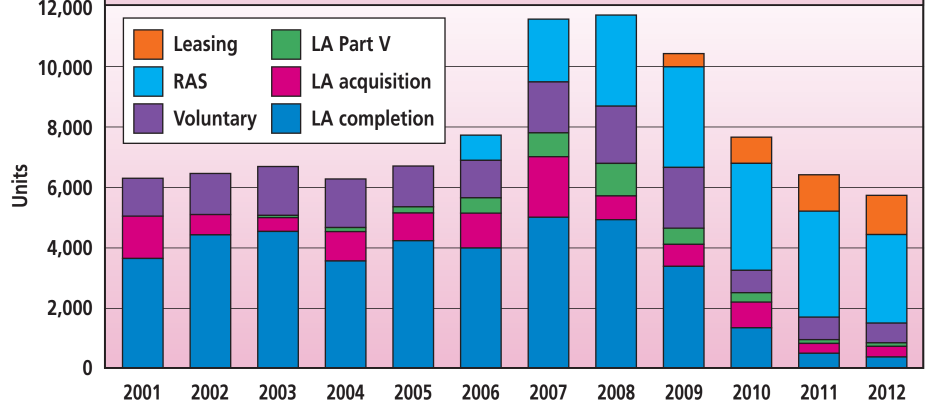
Social housing output was also badly hit as the recession took hold and public finances and investment programmes were slashed. An increase in the number of private rented units used for social housing purposes cushioned the blow somewhat, but the overall picture was still one of sharp retrenchment.

The main sources of supply were the construction and acquisition programmes of housing authorities, dwellings acquired through the planning process (Part V agreements), housing provided by the voluntary and co-operative sector and residential units obtained through the Rental Accommodation Scheme (RAS) and the Social Housing Leasing Initiative (SHLI). There were also relatively small numbers of units provided to meet special needs under separate programmes (see Figure 1.2.2).[3]

Apart from the rise and even sharper fall in the overall level of expenditure on social housing during the 2000s, there were three important developments in the way funds were allocated, illustrated in Figure 1.2.3. First, there was a shift from capital to revenue subsidies through the two schemes mentioned above, RAS and SHLI. Second, additional funding was directed towards the voluntary and co-operative sector[4] to enable them to expand. And, finally, a relative priority (over new supply) was given to the maintenance and improvement of the existing housing stock, including significant investment in urban regeneration. The sharp drop in available funding for investment after 2008 only served to reinforce the impact of these developments.

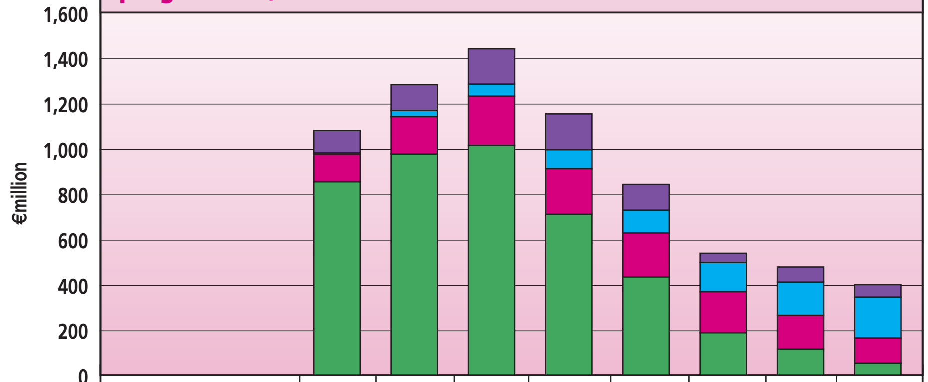
What of today? After more than five years trying to recover ground lost in the recession that followed the banking crash, house prices are again beginning to rise, although at the end of 2013 they were still around 45 per cent lower than at the start of 2008. The number of transactions is also increasing year on year but again is significantly below pre-crash levels.[5] Comparing house prices to disposable income and rental returns suggests that the market is just about in balance with, if anything, prices slightly below assumed equilibrium. But the legacy of mortgage arrears and houses in negative equity is only slowly unravelling. Arrears have stabilised but still affect close to 18 per cent of the 768,136 private residential accounts for principle dwellings with mortgages. Of these, over two-thirds were more than 90 days in arrears. There also remains serious concern about buy to let properties where over 27 per cent of nearly 150,000 mortgages are in arrears, another legacy of the easy availability of credit during the Celtic Tiger era.[6]

Figure 1.2.2 **Types of social housing output 2001-2012**



Source: Department of the Environment, Community and Local Government, Dublin.

Figure 1.2.3 **Main elements of social housing investment programmes, 2006-2013**



	2006	2007	2008	2009	2010	2011	2012	2013
Voluntary	99	114	156	158	114	40.5	67	55
RAS/Leasing	6	27	53	83	100	129	146	180
LA improvement	121	165	217	201	194	181	149	111
LA housing	854	976	1,014	711	435	189	117	55

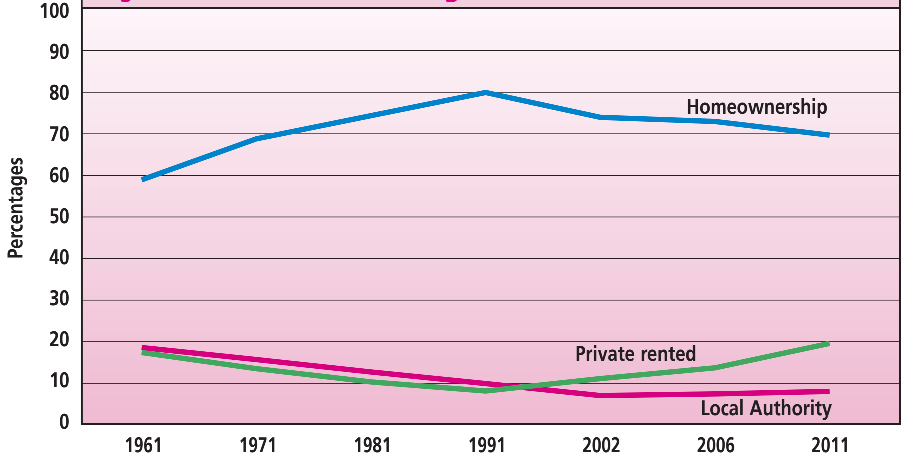
Source: Annual Revised Estimates, Department of Public Expenditure and Reform.
Note: Data for 2013 are estimated. End year figures are likely to show a reduced outturn on the estimates figures for RAS/SHLI (of around €159 million) and a higher capital spend to take account of additional monies provided during the year to stimulate construction.

The housing market in Ireland today is just about ready to move out of intensive care, but the longer-term prognosis remains unclear. As traditional patterns of boom and bust (there is now a severe shortage of housing units in Dublin) seek to re-establish themselves, policy-makers need to look for alternative strategies to avoid the mistakes of the past.

The housing market

For anyone coming to study the housing market in Ireland for the first time, especially if already familiar with the market in the UK, there is a strange mixture of the familiar and the inexplicable. At one level it can be seen in traditional dualist terms outlined twenty years ago by Jim Kemeny.[7] The rental market is sharply divided with limited movement of households between sectors and public and private estates mainly geographically and economically separated. There is a large proportion of privately owned dwellings. Government policy has for a long time encouraged homeownership and this, combined with deep-rooted cultural preferences, resulted in Ireland having one the highest levels of privately owned housing in the developed world.[8] But, unlike trends in many other countries, homeownership rates started to fall back from the early 1990s. This is predominantly an urban phenomenon and is likely influenced by the steady rise in the number of 'non-Irish' households and, more recently, by the example of households in negative equity. Notwithstanding the downward trend since 1991, the level of homeownership in Ireland remains high in comparative terms and consistently above UK levels (see Figure 1.2.4).[9]

Figure 1.2.4 **Trends in housing tenure 1961-2011**



Source: CSO Census Returns.

In the public sphere, social housing, mainly owned by 88 housing authorities (soon to be reduced in number to 31) is a distinct and separated segment of the market. It provides housing for over 130,000 households.[10] Heavily subsided rents, combined with attractive tenant-purchase terms, have meant that few households exit the sector except through the purchase option. Indeed by the end of the last century, of the estimated 330,000 local authority houses provided since Independence in 1922, about two-thirds had been sold to tenants.

The end result is a housing market with a relatively small local authority rented sector,[11] a growing private rented market (but with few institutional investors and the bulk of the units owned by private landlords with small property portfolios) and a large homeowner sector. There is also, arising from the property boom, a sizeable number of vacant units, some that are holiday homes but many in estates in rural areas and town lands for which there is little obvious demand.[12]

Although the essential dualist nature of the housing market is hard to deny, in recent years government policy in a number of related areas has had the effect of lessening the divide between the public and privately owned. Part V of the Planning and Development Act 2000 sought to capture for the state some of the betterment value of land gained through planning approvals. A range of options were available to achieve this but public policy favoured the setting aside of a proportion of newly built units (up to 20 per cent) as affordable and social housing. Over the peak period from 2002 to 2011, 15,115 dwellings were provided in this manner, 38 per cent for social housing purposes.

At the same time other policies were used to promote mixed-tenure development. Urban regeneration schemes were undertaken in Dublin and Limerick where large estates and apartment complexes were exhibiting multiple social problems. The schemes included provision for a mix of public and private housing, although the targets for the latter were not always realised. Public-Private Partnerships were also tried as a means for encouraging private investment and mixed-tenure developments, an experiment that ultimately floundered when the property market collapse made the projects unviable.

Two other important initiatives and an amount of policy drift served to blur further the boundaries between public and private residential space. During the 2000s there was a shift in the allocation of capital funding towards the acquisition of new and existing dwellings and away from direct new build by local authorities. This served the dual purpose of taking some heat out of the housing market and providing social housing within predominantly privately owned areas.

A more significant development in 2004 was the introduction of the Rental Accommodation Scheme. RAS provided government funding to enable housing authorities to enter into arrangements (known as availability agreements) with private landlords to provide accommodation for social tenants. The number of households accommodated within the private rented sector under RAS currently stands at over 21,500.

RAS was designed to provide an outlet for households who had been assessed as in need of social housing and who were currently in private rented accommodation supported by rent supplement. Rent supplement forms the final part of the housing picture. Initially intended as a short-term income support for private tenants who through loss of employment were unable to afford their rent, policy drift over many years allowed it to become a major part of the state's financial assistance for housing (although it was not considered as housing support). At its high point in 2010 there were close to 100,000 households in receipt of rent supplement at a cost of over €500 million.

Behind all of these policies was the broad objective of promoting sustainable communities. The term was first used in 2005 but was not explained in any detail. An outline description was provided two years later in a major policy statement – *Delivering Homes Sustaining Communities*:[13]

> *'Sustainable communities are places where people want to live and work, now and in the future. They meet the diverse needs of existing and future residents, are sensitive to their environment, and contribute to a high quality of life. They are safe and inclusive, well planned, built and run, and offer equality of opportunity and good services for all.'*

Although never defined in a way that gave it much operational meaning, the promotion of sustainable communities nonetheless signalled an important shift in public policy, giving greater weight to the perceived value of mixed communities and moving away from reliance on large mono-tenure social housing estates.

The final act came in 2011 when, as part of a general review of housing policy following the property collapse, the new government broke with the traditional policy preference for owner occupation:[14]

> *'Our vision for the future of the housing sector in Ireland is based on choice, fairness, equity across tenures and on delivering quality outcomes for the resources invested. The overall strategic objective will be to enable all households* [to] *access good quality housing appropriate to household circumstances and in their particular community of choice.'*

It is a moot point whether the new policy stance was merely reflective of changing preferences and behaviour in the housing market. Already by 2011 the proportion of owner-occupied housing was in decline and that of the private rented sector rising. In future, the main focus of public policy and of the financial subsidies provided by the state would be to meet the accommodation requirements of those in most need.

The evolution of social housing policy

The traditional model of social housing is built around the provision of Exchequer funding to directly finance or heavily subsidise its construction or renovation. Housing authorities and approved housing bodies (AHBs) act as social landlords and are responsible for the management and maintenance of the stock. Tenancies are allocated following an assessment of need and are, in effect, for life. Rents are heavily subsided and related to ability to pay. Finally, tenant choice is primarily exercised by exiting a social housing tenancy through subsidised house purchase.

Social sector rent setting

The differential rent model used by local authorities to determine the rents charged to social tenants sets the rent by reference to the level of net household income. The weekly rent rises as household income goes up. The nature of the accommodation provided does not feature in the setting of the individual rent, nor does the market value of the property.

A national differential rents scheme existed from the early 1950s to 1986 when responsibility for setting individual schemes was devolved to housing authorities. Although all schemes follow the same basic principles, the quantum of the rents charged and their relationship to income varies and there are now about 70 separate rents schemes across the local government sector. One of the purposes of the Housing (Miscellaneous Provisions) Act 2009 was to set much tighter national parameters within which local schemes operate.

The 2011 Census showed up the sharp difference between local authority and private rent levels. Private rents (the headline figures were lowered by the inclusion of social housing from approved housing bodies) were returned at an average €167 per week as compared with €59 per week for local authority housing.[15]

In the early years of the state, housing policy was broadly focussed on increasing housing supply. Initially public policy was not so starkly divided between support for public and private housing. Although there were separate programmes based on state subsidies to increase the supply of mainly urban local authority rented accommodation (new build and reconstruction), and grants for private new build, the objective in both cases was to provide new and reconstructed housing for those on limited means, living in unfit or overcrowded conditions. Grants to the private sector were mainly directed towards rural smallholders and low-wage labourers. Public subsidy facilitated slum clearance in urban areas as well as the provision of rural cottages. The introduction in 1936 of tenant purchase (applied initially only to rural housing) also served to reinforce the over-riding objective of increasing the overall supply of housing. Income received from sales was re-cycled by housing authorities to help fund new build.

In the 1950s the various urban and rural housing programmes were gradually aligned but it was not until the Housing Act 1966 that the supply and management of social housing was fully integrated and received a proper legislative basis. It focussed on different aspects of housing management and provided a more centralised framework for the development of housing policy.

Legislative changes in the following decades built on the platform provided by the 1966 Act and included the updating of the process for assessing housing need, the prioritisation of special needs, efforts to address homelessness, widening the sources of delivery to provide channels of funding for AHBs and strengthening the powers of housing authorities to deal with anti-social behaviour. However, it was not until the turn of the century that there was a major reassessment of the overall direction of social housing policy.

Although social housing policy has a high degree of political saliency in Ireland, there is little ideological difference between the main parties. Policy is framed by a narrative that housing need will always be with us and that solutions are to be found in the commitment of additional resources to increase supply and maintain and improve the quality of the existing stock. The level of investment is mainly determined by the general state of the public finances. This tended to exacerbate cyclical factors and over the years social housing output has been subject to sharp rises and falls.

Housing reforms in the 2000s

Building on studies into the housing market and the welfare state published around the turn of the century,[16] a number of policy initiatives led to important institutional and regulatory changes in the housing market. Social partnership, which by this time was at the heart of policy-making, supported a more active role for the state in addressing housing issues and prioritised the provision of affordable housing for first-time purchasers of modest means.

The Affordable Homes Partnership was set up in 2005 to coordinate and promote the delivery of affordable housing initially in the Dublin region and later nationally. A number of schemes were used to make homeownership affordable including shared ownership (1991), direct capital subsidy for homes specifically built in schemes of affordable housing (1999), use of planning legislation to capture betterment value following planning permission (2000) and the Affordable Housing Initiative (2003). The last sought to tap into additional sources of public land and use private developers and design/build contracts to sell directly to house purchasers. In the decade to 2009 nearly 28,000 affordable houses were provided; the programme ended in 2011.

In 2004 the Private Rented Tenancy Board was set up to provide a national register of private tenancies and an adjudication process for resolving disputes between landlords and tenants. The legislation also provided greater security of tenure for tenants.[17]

Concerns about the rise in the number of homeless in Dublin also prompted changes in the approach to dealing with homelessness as well as the allocation of additional funding. A series of initiatives through the 2000s culminated in a commitment in the *Programme for Government 2011-2016* to end long-term homelessness and rough sleeping using a 'housing first' model.[18]

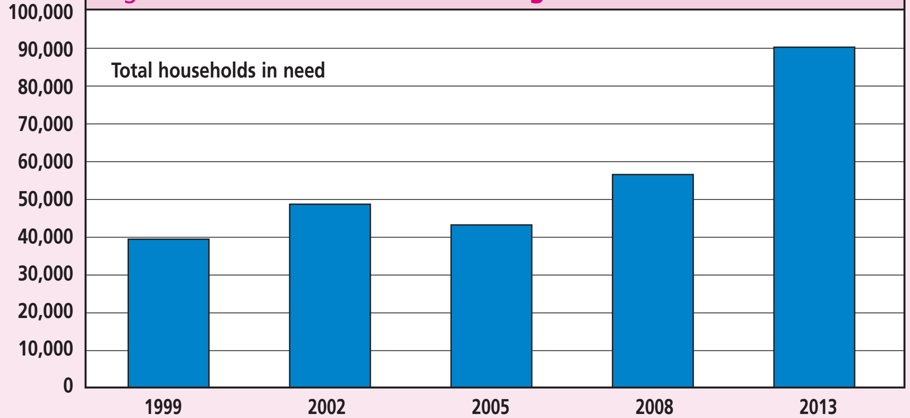
The final chapter in the story was the enactment of the Housing (Miscellaneous Provisions) Act 2009. Although it did not purport to be a consolidation of social housing legislation, it was nonetheless the most important overhaul of social housing law since the Housing Act 1966. The legislation deals with all aspects of the delivery and management of social housing from the initial assessment of need, the allocation of tenancies, the setting of rents and estate management to the final disposal of a dwelling through a new form of house purchase called the Incremental Purchase Scheme.[19] In terms of the supply of social housing, the

Assessments of housing need in Ireland

National surveys of housing need are carried out generally on a three-year cycle. Because of changes in the way in which housing need is assessed arising from the Housing (Miscellaneous Provisions) Act 2009, some care must be taken in interpreting figures. An assessment of need was carried out in 2011, immediately before the transition to the current needs model took effect. It was a limited exercise, a sort of 'assessment lite', that produced headline figures of nearly 100,000 households in need. However, these did not really represent an accurate picture of the trends, which are better captured in the chart.

A breakdown of the 2013 data shows that 72 per cent of households were reliant on social welfare for all of their household income, and just 11 per cent had income from employment only. In terms of age, half the applicants were between 25 and 40. Single adult households predominate, with the largest group made up of single persons (44 per cent), followed by single adults with a child or children (30 per cent). Three-quarters of households awaiting social housing are currently living in private rented accommodation. Two-thirds of these were in receipt of social welfare rent supplement. Finally, there has been a marked rise in the proportion of households headed by a non-Irish citizen (29 per cent), nearly double the percentage in 2005.

Figure 1.2.5 **Assessments of housing need 1999-2013**



Source: Summary of Social Housing Assessment, 2013 (Housing Agency)

The tri-annual Assessment of Housing Need shines a spotlight on the demand for social housing, and the trends over time are an important indicator for policy-makers (see http://housing.ie/News/Current-News/Minister-O-Sullivan-Publishes-the-Summary-of-Socia.aspx#).

legislation introduced new powers to lease accommodation from the private housing market. Finally, the legislation sought to redefine the relationship between housing authorities and central government. Whereas the Housing Act 1966 had allowed a wide range of different arrangements governing the powers of housing authorities and ministers, the 2009 Act sought to put in place a clear governance structure based around a three-tier model:

- Primary legislation and regulations would set out the parameters within which a range of schemes and strategies could be developed at local level.
- Each housing authority would have the power to develop its own schemes (e.g. its rents scheme) and implementation programmes and strategies (e.g. housing action plans and strategies to deal with special housing needs) within the parameters set out. Approval of a scheme or strategy would be the responsibility of local councillors.
- The minister is given power to issue general guidance which must be taken into account by housing authorities in their decision-making and specific directions that must be complied with.

Conclusion and future directions

The Irish are reputed to be good storytellers and nowhere is this more evident than in tales told about the rise and fall of the Celtic Tiger. Everyone has a different version of events. For some it was a function of Ireland's position as a highly globalised, small but open economy, unable to resist or properly use the flows of capital and labour that were entering in that period. The more self-critical point to a collective hubris that saw a suspension of analytical faculties and eagerness to believe that rising prices translated into sustainable economic growth. The more reflective highlight the institutional and regulatory failures that left the economy exposed to over-reach and market exuberance. The conspiracy theorists blame big business, international banking, and/or the European Union.

Housing forms an important thread in all of these stories but there is no real consensus on the contribution that housing policy makes. A sober assessment of the endeavours of successive governments in the housing area over this period might well view them as primarily reactive. Without clear ideological differences between the main political parties on housing matters, it is tempting to view policy-making as being essentially pragmatic, populist and clientist, moved to action only when prompted by a media well attuned to public concerns about anything to do with housing.

For some, the lack of regulatory enforcement even in the few areas that might have tempered market excesses over the past decade, suggests a preference for a 'hands-off' approach by an establishment seduced by neo-liberal ideas which oppose market intervention. But public policy in Ireland has always retained a certain ambivalence about reliance on the market and, when forced to respond to issues of public concern, defaults to state intervention. So the key question is not whether the state intervenes in the housing market: it does, but rather has public policy coherence and a sense of direction?

The contraction of homeownership and the growth in the private rented sector are trends that date back to the early 1990s. This change in the composition of the housing market can be seen to reflect broad market-led trends, but reinforced by the removal of public subsidies for house purchase.[20] Given the high level of public debt this is a situation that is unlikely to change in the short run. The private rented market is also being slowly transformed as institutional investors come on board, tempted by the scale of property portfolios put together by the National Asset Management Agency and released onto the market.

But even if the housing market would appear to be moving in a particular direction with the limited assistance of public policy, there is still much to play for. At best the trends signal the emergence of an embryonic unitary rental market. It remains to policy makers to chart a strategy and direction for housing policy that sees Ireland permanently wean itself off heavily subsidising homeownership, while at the same time putting in place a secure regulatory framework to allow the rented sector to become a recipient of institutional investment. Such a strategy would also break with a traditional social housing model reliant on full capital subsidy for social landlords, with the development of a housing assistance model based on a life-cycle assessment of housing need.

At the same time, the extreme volatility of the housing market in Ireland, the legacy of problems from the property crash and a likely future where funding and resource constraints dominate the political agenda, all present massive challenges for policy makers. How is the government likely to cope with these challenges? Critical to success is the articulation of a strategy that better aligns national social and economic objectives with housing policy. Such a strategy will surely involve trying to break the cycle of house-price escalation and subsidies to house purchasers or builders while, at the same time, developing a fairer and more sustainable model of social housing. This strategy is yet to be written.

We have reached the last reel of the disaster movie. The world has been laid waste but most of the population has survived to emerge, somewhat chastened, into a new world. For what happens next you will have to await the sequel.

References

1 The *Economist* house-price index (www.economist.com/blogs/dailychart/2011/11/global-house-prices)compares house prices against average incomes in 23 OECD countries, rebased to 100 at the selected date. During the late 1990s and early 2000s the percentage of disposal income required to fund a typical 20-year mortgage rose steadily until it reached about 40 per cent of income.

2 The fall in construction activity since 2006 may be even greater than the figures suggest. Because of the way in which the annual figure for completions is calculated (i.e. connections to electricity supply) there is a lag between the end of the construction work and the recording of units as completed. The long tail from the high levels of activity in 2006 means that unsold units are included in later years' completions figures.

3 Under RAS (2004) the state entered into short- to medium-term availability agreements with private landlords. Tenants who had been 18 months in receipt of rent supplement were progressively transferred into RAS, either in existing accommodation or following transfer to new rented properties. Rent levels were negotiated with landlords based on about 90 per cent of market rent, paid directly to the landlord. The tenant's contribution was based on the level set for tenants of local authority housing. Under SHLI (2009) social landlords enter long-term (typically 20-year) agreements with private owners and take over responsibility for management and maintenance. Part V agreements refer to units acquired under the planning code to meet obligations under planning approvals to provide units (or equivalent value) for social or affordable housing (similar to section 106 agreements in England and Wales and section 75 in Scotland).

4 In Ireland capital and current funding is available for Approved Housing Bodies (AHBs), 'not-for-profit' housing associations that provide and manage general and special needs social housing.

5 House sales in 2013 (27,500) rose about ten per cent over the previous year (see www.ibf.ie/gns/publications/research/researchhousingmarketmonitor.aspx).

6 Central Bank of Ireland, figures refer to end Q3, 2013.

7 Kemeny, J. (1994) *From public housing to the social market*. London: Routledge.

8 The Irish state has traditionally provided aid for owner occupation. Within a few years of Independence in 1922 it substantially increased public subsidy to enable families of modest means to build new houses. In the 1930s a Local Loans Fund was set up to, *inter alia*, support private mortgages. Direct financial support continued through a mixture of mortgage relief, first-time purchase grants and subsidised loans. Tax on the imputed rent of owner-occupied housing was abolished in 1969 and in 1977 rates on domestic dwellings also. From the turn of the century the financial subsidies for homeowners have gradually been removed and by 2013, not only had all support ended, but a property tax was introduced. For more details see Norris, M. & Winston, N. (2004) *Housing Policy Review 1990-2002*. Dublin: The Housing Unit.

9 The difference between England and Wales and Irish homeownership rates has been in the range of five percentage points for the past decade, stretching out to ten points in 1991. With the expansion of the private rented market in Ireland, especially in the aftermath of the financial collapse, the sectors in the two countries are now roughly equal in size.

10 An estimated additional 25,000 social units are rented from approved housing bodies but counted in the Census 2011 as private rented. If these were added to LA units the overall share of the market would rise to just 9.3 per cent. It should also be noted that within the private rented sector in 2011 over 96,000 households were receiving welfare assistance (rent supplement) and another 16,000 were assisted under RAS. Overall, about 16 per cent of households were receiving some form of rental assistance in 2011.

11 During the 1990s the social housing share of the total stock stood at less than seven per cent, about half of the average for Europe and much less than that of the UK. The proportion rose slightly during the 2000s as social housing construction and acquisition programmes picked up and continued through the recession as tenant purchase sales declined.

12 More on the unfinished 'ghost' estates in Ireland following the property market collapse is available in the National Surveys on Housing Developments for the Department of the Environment, Community and Local Government from 2010-2013 (available at www.housing.ie). See also Geoghegan, P. (2013) 'Ireland's Ghost Estates' in *Housing Ireland*, Spring 2013 (www.cih.org/resources/PDF/Republic%20of%20Ireland/Housing%20Ireland/Housing%20Ireland%20Issue%204.pdf).

13 Department of the Environment, Heritage and Local Government (2007) *Delivering Homes Sustaining Communities*. Dublin: DoE.

14 DoE (2011) *Housing Policy Statement*. Dublin: DoE.

15 Central Statistics Office (2012) *The Roof over our Heads – Housing in Ireland*. Census 2011 Profile 4. Dublin: CSO (see www.cso.ie/en/census/census2011reports/census2011profile4theroofoverourheads-housinginireland).

16 A series of reports on the housing market, published between 1998 and 2000 by Peter Bacon & Associates (the 'Bacon Reports'), were influential in shaping policy on affordability and the balance of supply and demand. Reports by the National Economic and Social Council provided the foundations for national social partnership agreements; of greatest relevance were: NESC (2004) *Housing in Ireland: Performance and Policy* and (2005) *The Developmental Welfare State*.

17 Under the Residential Tenancies Act 2004 tenants are given tenure in four-year cycles (subject to a six-month probationary period and specified exemptions for landlords wishing to dispose of property). Rent reviews were limited to one per annum and based on market rent. Legislation is currently going through the Oireachtas (Parliament) to extend the adjudication process to tenancies where the social landlord is an AHB.

18 O'Kennedy, E. (2012) *Ending Homelessness – A Housing Led Approach* (www.drugs.ie/resourcesfiles/reports/EndingHomelessness.pdf). The Programme for Government is available at www.taoiseach.gov.ie/eng/Work_Of_The_Department/Programme_for_Government

19 The Incremental Purchase Scheme (IPS) replaces the traditional tenant purchase schemes for local authority houses. Tenant purchase was based on a discount of up to 30 per cent of the market price depending on the number of years of tenancy. Purchasers also benefited from the grants for new house purchase and for any work done by them to improve the house. IPS was initially introduced for apartments (not covered by tenant purchase), and for new houses, but is due to be extended to existing local authority properties. It is designed to encourage the purchaser to remain a part of the community. This is done by providing the discount in the form of an annual transfer of equity over a15-25 year period. The discount is related to income and can be as high as 50 per cent of market price.

20 Norris, M. (2014) 'Path Dependency and Critical Junctures in Irish Rental Policy: From Dualist to Unitary Rental Markets?' in *Housing Studies* (29)2, pp.1-22.