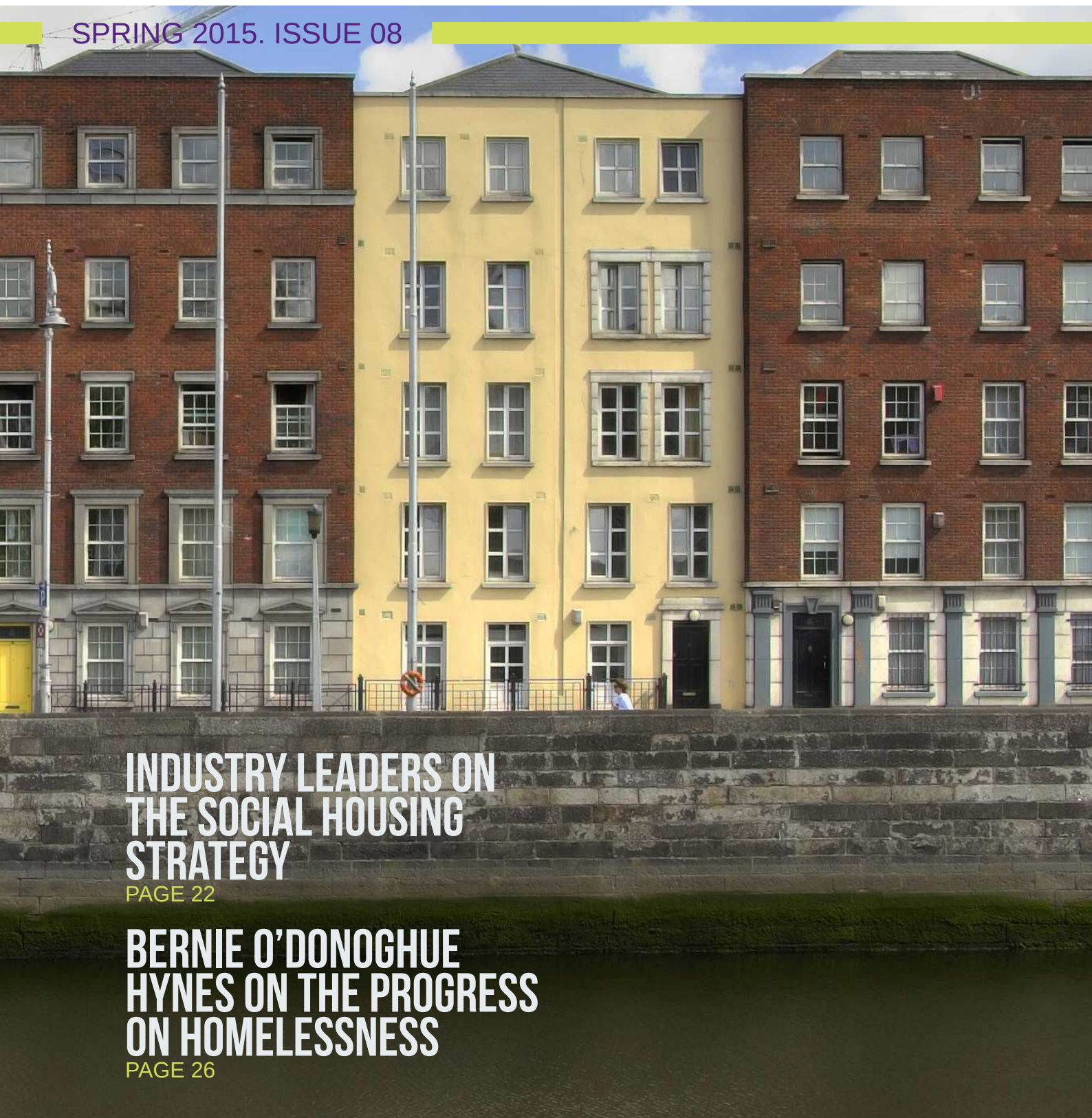




# HOUSING IRELAND

A journal for Irish Housing Professionals

SPRING 2015. ISSUE 08



**INDUSTRY LEADERS ON  
THE SOCIAL HOUSING  
STRATEGY**

PAGE 22

**BERNIE O'DONOGHUE  
HYNES ON THE PROGRESS  
ON HOMELESSNESS**

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With this strategy the Irish government is sending a clear message that housing is the biggest social issue in the country. By stepping into the driving seat on social housing provision the government is showing it is serious about tackling Ireland's housing problems.

Nicola McCrudden  
CIH Director ROI



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# SOCIAL HOUSING REVIVAL

JUSTIN CARTWRIGHT

If I'm honest I didn't expect such a high level of ambition in the social housing strategy. I've become used to governments across the UK and Ireland either stepping back from the housing market and asking why the private sector isn't building all the homes (it rarely does), or where governments do acknowledge their fundamental role in getting more housing on the ground, not enough homes are built to meet ever-growing housing need (in this publication we take a look at the much-covered housing shortage in Dublin).

So a lot has happened in housing since we last went to print. As well as the strategy, new Part V requirements for developers were announced – in new developments of 10 or more homes, up to 10 per cent will have to be homes for social rent. While this is actually a cut, handing over cash instead of building the homes will be abolished.

I think this is the right approach for Part V – limited but legitimate circumstances do exist where cash can be offered, but CIH members in Ireland tell me banking of cash contributions by councils in low demand areas, and the systematic avoidance of housing provision (which in some cases has been marketed as a positive aspect in the sale of a development) have all dogged the current system with uncertainly and contributed towards a low number of social homes being built.

Eddie Lewis wrote in our previous issue that “strategies often set out aspirational goals, commit to detailed targets and chart clear pathways to the desired future. Such documents rarely survive contact with the real world... What is needed is a strategy, not a plan and still less a wish list”. While the social housing strategy certainly does plenty of the former, there is a sufficient strategic framework such that one anticipates, with perseverance and developed capacity across all sectors, that we are potentially on the cusp of something remarkable.

Developed capacity will be pivotal in making the strategy work. While government is returned to a central role through a return to direct building by local authorities, approved housing bodies have a share of the load. So it remains vital that independent providers also continue to pursue innovative methods in their housing services. We address herein the areas of universal design and dementia, and tenant participation.

At our recent CIH Housing Awards, housing minister Paudie Coffey TD said we have to be ambitious if we want to deliver. I won't go into detail about aspects of the strategy as this edition's feature does that – from various viewpoints across the housing industry. Though if there is anything additional I'd like to see in the strategy, it would be an all-inclusive scope which also covers the private rented sector. We hear from the founder of

irishlandlord.com and a Green party councillor on changes they believe are needed for a sustainable rental sector into the future.

We analyse the progress on homelessness and the increasing cost of building. Our international piece details how Europe is at a crossroads regarding its housing future and discusses solutions to address our diverse needs. The article is written by Marc Calon, President of Housing Europe and Chair of Aedes, the Dutch Federation of Housing Associations.

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# EUROPE'S HOUSING FUTURE

MARC CALON



**Housing is as important as education or health when determining the quality of life of an individual, community, a country or a continent. The financial importance and the impact of housing on society and the environment cannot be overlooked.**

As a network of 42 housing federations across the 21 European countries, Housing Europe tracks the ways in which the sector has been developing in the various regions. Through exchange, research and collaboration, we build capacity among members to foresee and tackle emerging challenges, while monitoring EU policy and funding developments for threats and opportunities.

Based on evidence generated through research as well as the exchange of practical experience from around the EU, Housing Europe has identified three main pillars for action:

- a. Putting people first
- b. Making the big shift towards more balanced housing markets
- c. Creating a sustainable business model for more affordable homes

## Identifying the trends

Thanks to our Observatory, the research branch of Housing Europe, we are in a position to identify the trends across the continent, always bearing in mind of course that housing systems are diverse and context specific. According to the latest UNECE social housing study of 2014, the social and affordable housing sector faces two key challenges at the moment: increased need and reduced funds. We had already highlighted this trend in 2012 in our big Housing Europe Review, the only pan-European publication bringing together housing trends, statistics, policies, research and case studies.

Apart from this gridlock that is the cause for endless waiting lists in numerous European countries, energy efficiency is a priority since buildings account for 40 per cent of the EU's final energy demand. In many countries our sector has been driving the shift towards more sustainable energy models. However, when it comes to innovation levels regarding energy efficiency, it is clear that Europe is running at different speeds.

At the same time, following the financial crisis and the consequent deprivation of the welfare state, our sector is increasingly confronted with the responsibility to provide much more than just homes. Social innovation is now all but required from housing associations and integrated support becomes part of their mission.

<sup>1</sup> [http://www.powerhouseeurope.eu/home/power\\_house\\_nearly\\_zero\\_energy\\_challenge\\_partners/the\\_project/](http://www.powerhouseeurope.eu/home/power_house_nearly_zero_energy_challenge_partners/the_project/)



succeeded in finalising a two-fold voluntary agreement which allows housing stakeholders to make a commitment to implementing the corporate social responsibility (CSR) principles in housing delivery.

A code of conduct for housing providers and a European Declaration were signed by EU stakeholders in the sector. Affordable housing providers agree on clear principles for long-term investment in building construction and renovation, neighbourhoods, human resources, and fair relations with stakeholders (notably the tenants and residents).

Through the European Declaration, housing stakeholders call for the development of CSR in public, cooperative and social housing.

In addition, the first edition of the European Responsible Housing Awards showcased numerous best practices that have already proven to be effective in many countries around the EU, with entries from more than 70 organisations from 12 EU countries.

Another area where Housing Europe is working to foster innovation and gain recognition for the sector is through the piloting of new cooperation systems between different sectors. This is to address social problems and highlight the essential role of housing providers in the delivery of integrated social services. Part of their role is to understand customers' needs and provide early support, which could take various forms, from employment and skills training to advice on welfare support and direct care provision.

Social housing providers need to be further trained and supported to work with other sectors in order to promote this successful approach to integration. A universal training pack<sup>4</sup> will soon be available – a result of a wide international collaboration between 14 housing associations, providers of social services, academic institutions and NGOs. This will guide interested organisations through this cross-sector cooperation by providing European Core Learning Outcomes

## Evidence-based solutions

### A power house to address the energy challenges

The Power House nearly-Zero Energy Challenge<sup>1</sup> is a dynamic platform that has been active over the last six years with the goal of improving the environmental impact of the sector across Europe and boosting the number of 'nearly zero energy' homes by sharing experience and expertise between social housing professionals. The platform builds confidence by assisting social housing organisations in the identification of avoidable mistakes and time wasted on reinventing the wheel. This enables providers to get on track to meet tightening standards, such as the nearly-Zero 2015, 2018 and 2020 obligations outlined in national legislation based on the European Directive on the energy performance of building.

Furthermore, local housing organisations are using online consumption monitoring software,

to make progress on refurbishment rates, renewable energy generation and reduction in energy consumption and CO<sub>2</sub> emissions more visible. Based on field experience, numerous study visits, close monitoring and extensive exchange with relevant stakeholders across Europe, 10 basic lessons<sup>2</sup> ranging from off-site retrofit techniques to funding matters and training schemes for residents were recently published.

### Responsible housing and social innovation

There is no shortage of unsustainable housing policies which have a negative impact on communities. However, in the responsible housing campaign, the focus is on the identification and promotion of socially, environmentally and economically sustainable housing practices and policies. The campaign developed under the European Responsible Housing Initiative<sup>3</sup> is led by Housing Europe, the International Union of Tenants, and DELPHIS (French network of housing providers, and project coordinator). It recently

<sup>2</sup> <http://www.theguardian.com/housing-network/2014/jun/03/10-lessons-europe-energy-efficiency>

<sup>3</sup> [www.responsiblehousing.eu/en](http://www.responsiblehousing.eu/en)



for Integration of Support and Housing (ELOSH). The pack follows the values of the concept of 'co-production' that creates a truly dynamic relationship between service providers and service users.

### Next steps

Core to Housing Europe's mission is also the identification of financing opportunities at EU level. In order to address the burning issue of lack of funding in many countries, we are lobbying to ensure that the affordable housing sector should benefit from the European Fund for Strategic Investments (EFSI), the so-called Juncker Plan announced in 2014 by the European Commission. Investment in our sector can generate multiple social benefits for citizens and this is something we have also made clear<sup>5</sup> in our contribution to the taskforce that has been created for this fund. But let's be honest, the only way for these investments to really work is if they are directed to responsible housing projects. Therefore, throughout this year Housing Europe will be running a responsible housing campaign in

cooperation with its 42 members in 22 countries to showcase that this is not a theory, but a realistic approach that already exists in many countries. We need to multiply this approach in order to produce greater added value to our sector.

Many, if not all, EU countries are at a crossroads regarding their housing markets and systems. More than ever before, today's complex social, environmental and economic transformations require housing providers and their stakeholders to work closely together. We must support and further develop concrete solutions that will guarantee a sustainable framework for the future of our sector, which represents a fundamental human right. Housing Europe has been working for more than 27 years on that cause, and is continuously expanding its network and partnerships in the challenge to promote responsible housing.



Marc Calon  
President of Housing  
Europe and Chair of Aedes,  
the Dutch Federation of  
Housing Associations

<sup>4</sup> The ELOSH project [www.elosh.eu](http://www.elosh.eu)

<sup>5</sup> <http://www.housingeurope.eu/resource-381/will-the-investment-flow-to-the-real-economy-meet-affordable-housing>

# TIME FOR RENTAL PLAN I

■ JOHN LEAHY

**Time for a new era of the private rented sector, says John Leahy, founder of irishlandlord.com and Dun Laoghaire-Rathdown councillor Ossian Smyth. Both authors lay out their visions for the future of the sector.**

## Time for rental plan

The rental market is once again high up the news agenda. The property market is in recovery mode and residential property prices are on the rise again. The number of people living in rented accommodation is at an all-time high. Rents have risen significantly in recent times following a number of years of decline in market rents. This 'boom-bust-boom' type of cycle in market rent levels is not in anyone's real interest.

Many would perceive that now is a great time to be a residential landlord in Ireland. It is understandable how tenants who are on the receiving end of rent increases may perceive that their landlords are very happy and reaping the rewards of a booming rental market. Perceptions can sometimes be wrong because until recently little was known about the profile of landlords in Ireland and their financial health.

## Who is the modern landlord?

So what do we know about landlords in Ireland today and what can be done to support them and drive professionalism in the sector? The private rented sector is extremely fragmented. We know from the DKM report on the future of the private rented sector produced recently for the Private Residential Tenancies Board (PRTB) that 65 per cent of landlords own just one property with 84 per cent owning two or less properties.

There are nearly 40,000 'buy to let' mortgages in arrears and this figure has remained static for some time now and does not appear to be declining. In addition to this we know from the DKM report that 80 per cent of small property investors have been landlords for less than ten years, meaning that many people bought during the peak years of the boom. Many are still drowning in negative equity despite recent increases in property values.



The DKM report also highlights that for 71 per cent of landlords the rental income does not cover the mortgage repayment. It is unsurprising then that the report also points out that nearly 30 per cent of landlords want to exit the market as soon as possible. Add to this the significant increases in taxation on the sector that have taken place since 2007





and a picture emerges of a cohort of landlords who are under significant financial pressure and who want to exit the market. This has potentially significant implications for supply.

### Protecting the existing stock

Much of the media coverage and political debate refers to the need to increase the supply of rental accommodation. While it is without doubt critically important to implement measures to drive supply, there appears to be little mention of the very real threat to a reduction in the existing stock. Every estate agent has stories of landlord clients who are looking to sell up as quickly as possible. One national estate agency chain reported in 2014 that approximately one third of its sales clients were landlords looking to exit the market.

Small landlords need to be given the support that will help to drive their knowledge and professionalism in what has become a complex market in terms of rules, regulations and tax policy. Small landlords need to be given some sense of hope that there is light at the end of the tunnel, some indication that it is worthwhile for them to stay in the market for the long-term.

A failure to recognise the depth of dis-satisfaction among landlords and to talk about increasing supply without understanding the risk to the existing stock would be a policy failure.

### The role of public policy

The rental sector and the landlord tenant relationship have long been an emotive topic and one that therefore lends itself to political sound bites. Surely though now the time has finally come to ditch the adversarial 'landlord vs tenant' rhetoric of the past and for all stakeholders to work together to develop a long-term and sustainable strategy that is driven by real and long term market need and not by political motives or the short-term benefit of any one interest group.

Outlined below are some changes that are required to provide for a sustainable rental sector into the future.

1. Replace the Residential Tenancies Act 2004 – The Act is overly complex and no longer meets the needs of either landlords or tenants. A new piece of legislation that reflects the current and future rental landscape is urgently required.
2. Adequately resource the Private Residential Tenancies Board (PRTB). The organisation simply does not have the resources required for the work expected of it. As a consequence neither landlords or tenants are happy with the speed with which disputes are brought to conclusion.
3. Implement a code of conduct on mortgage arrears for the 'buy-to-let' sector. There is a massive mortgage arrears issue

on investment properties and no framework for how they are handled currently exists.

4. Reform the tax code. The tax treatment of residential investment properties particularly in relation to the treatment of mortgage interest relief needs to be reviewed. It is currently out of line with other EU markets and other sectors of the market such as commercial property.
5. Educate and inform. There is still a low level of understanding of both rights and obligations among landlords and tenants. Education and awareness programmes need to be implemented on an ongoing basis.

Now is the time for the implementation of a long term sustainable strategy for the private rented sector, a plan that is not driven by political needs and motivations in the run up to an election but one that will serve the needs of both landlords and tenants for many years to come. A plan that protects existing stock and delivers new supply to meet evolving market needs.



John Leahy  
 Founder of [www.irishlandlord.com](http://www.irishlandlord.com)  
 and [www.renting.ie](http://www.renting.ie). He is also  
 the author of the book 'Renting in  
 Ireland: The Tenant Survival Guide'

# TIME FOR RENTAL PLAN II

■ OSSIAN SMYTH

**Social housing tenants were sometimes viewed by society as recipients of charity, whose only role was to be grateful that their rents were set below the market rate. Meanwhile, the local authority property owners were seen as authoritarian bureaucrats, facing an insatiable list of demands for housing maintenance and to resolve disputes between neighbours.**



In the mid 90s, central government in Ireland began to issue guidelines to encourage social tenants to play an active role in their estate management. Dun Laoghaire-Rathdown has run programmes since then that have resulted in the creation of twelve estate management forums. These forums allow tenants to communicate with the council to resolve disputes and carry out some of the maintenance functions themselves, allowing decision making power to devolve. The tenants gain a sense of ownership and pride in their estates, while the council hopes to save time and money by not controlling every decision made about the management of an estate.

The council funds these management forums and provides training for tenants who volunteer to join the committees. Each committee nominates one member to sit on a county-wide forum along with council officials. The most common topics discussed are maintenance issues (in houses and on the estates) and antisocial behaviour. About 5,000 of the 76,000 households in Dun Laoghaire-Rathdown are social housing tenants.

Private tenants in Ireland have lagged behind the social sector in tenant involvement.

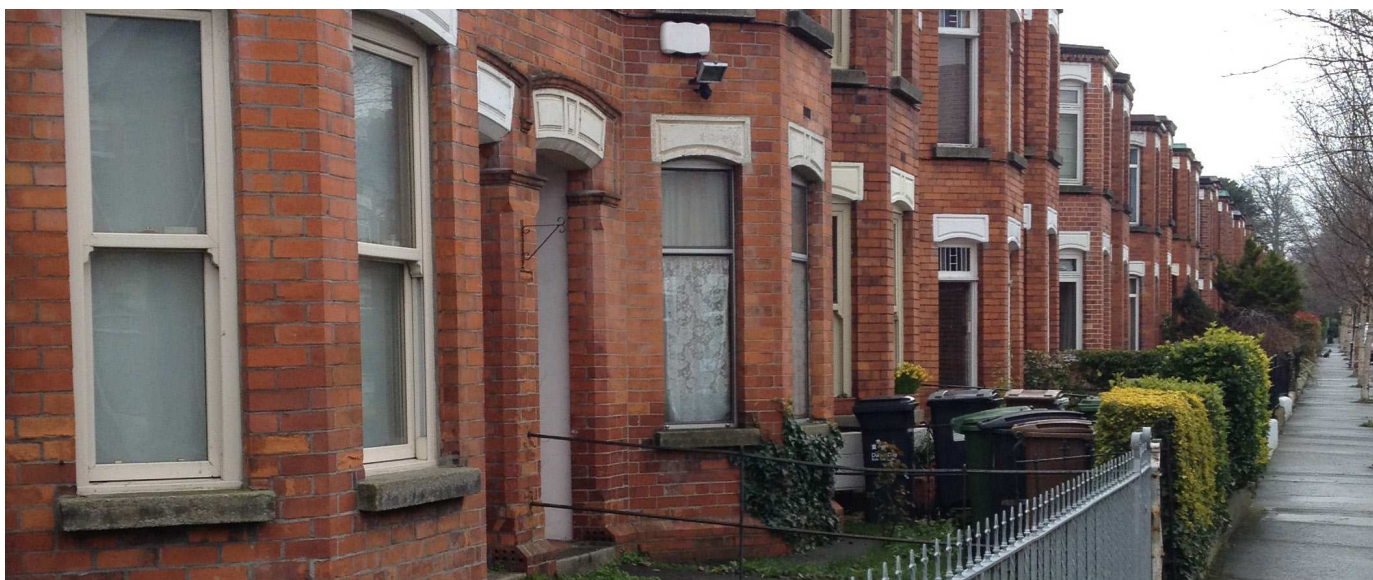
Irish landlords rarely enjoy long term co-operative relationships with their private residential tenants. Tenants are more usually treated – and behave – almost as if they are

guests in self-catering hostels. In this arrangement, the tenant has no duties beyond the payment of the rent. Likewise, the landlord is not required to intervene during the tenancy except when a major fault occurs. A typical lease has a one-year term. Afterwards the tenancy continues under an implied lease which may be terminated by either party given a few weeks' notice. Repairs and refurbishment are carried out only when the tenant leaves which is also the time that the rent is revised for the next tenancy.

This framework suited students, transient workers and young couples starting out. For anyone unhappy with the ever present threat of being forced to leave at the landlord's whim, the only alternative was to get a mortgage and buy a house. However, when easy housing credit dried up after the crash, the option to buy was removed.

Suddenly, the number of private tenants in Dun Laoghaire-Rathdown doubled from 2006 to 2011 (from 10 per cent of households to 20 per cent) and the trend was similar across the country. These were not traditional transient tenants. Middle aged people were choosing to rent rather than buy into a falling market where so many people were trapped by negative equity.

These new tenants wanted greater fixity of tenure. They had their own furniture and did not want furnished housing. They wanted a say in the



refurbishment of the properties they rented. The private rented sector is not set up to cope with these demands. The exit option of buying a house has become harder to attain, now that the Irish Central Bank has doubled the minimum deposit required for most buyers.

So there is a problem and a great unmet need. Constituents have contacted me to ask why we cannot have a more European housing model to allow longer leases that would suit both tenant and landlord. They point out that the Irish idea that you buy a family house when you are young and live in it until you die, means that there is a generation of older people living in oversized houses.

I have had calls from distressed people who have been told to leave to facilitate refurbishment or whose rent has been increased 50 per cent. I have been contacted by people worried that black mould is affecting the health of their children.

But the biggest complaint is that rents are too high. One Polish woman told me that her rent for a bedroom in a shared house was half her minimum wage salary, whereas in Geneva, her rent was a fifth of her salary and for that she could rent her own studio. Average monthly rent for a three bedroom house in south County Dublin in late 2014 was €1,931 (Daft rental report, Q4 2014).

So what can be done?

1. Longer leases would help give tenants with young children some peace of mind. A programme run by the Private Residential Tenancies Board could promote long leases to landlords. Under such a long lease the tenant would take on a set of periodic refurbishment obligations, depending on the term.
2. Income tax rent relief for tenants, even at a modest level, should be restored to flush out unregistered landlords. Such a relief should pay for itself.
3. Landlords should not be permitted to raise rents by more than 10 per cent in any year. Too often, negligent landlords have shown up with an unfeasibly large and sudden increase that the tenant cannot manage.
4. The Part IV tenancy offers no protection to tenants and should be repealed. Landlords should not be entitled to require their tenants to leave routinely when refurbishing or selling a house.
5. Local authorities with ageing populations should ensure that sufficient nursing home and retirement village accommodation is provided and that older people are encouraged to downsize from family homes before they become too old to move.

When housing issues are discussed in the media, there are several representative bodies for landlords yet there is no voice for tenants. So an article on housing will often come with a quote from the Irish Property Owners' Association but no opinion from tenants. A recent survey<sup>1</sup> found that 27 per cent of TDs are landlords. It is hard to imagine that this interest does not colour their views when legislating and may explain the ineffectiveness of tenancy protection in the Residential Tenancies Act, 2004.



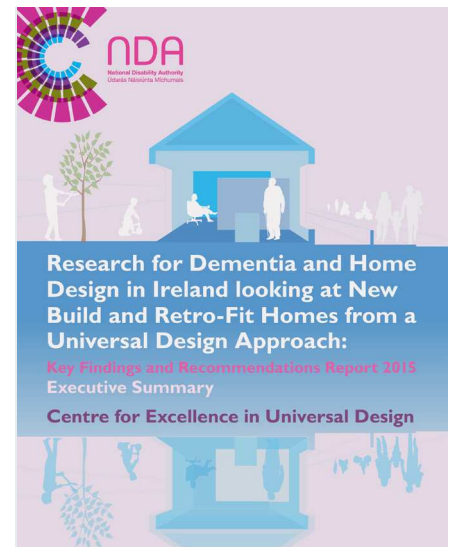
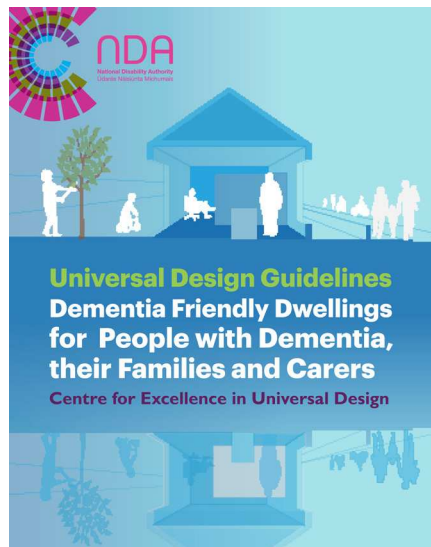
Ossian Smyth  
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Laoghaire on Dun Laoghaire  
Rathdown County Council

<sup>1</sup> *Irish Independent*, 17/2/2015, "Time to defuse the rental timebomb before it blows roof off property market"

# UNIVERSAL DESIGN AND DEMENTIA

TOM GREY

Universal design for dementia friendly dwellings: helping people with dementia to live at home for as long as possible.



A recent research and recommendations report and forthcoming universal design guidelines, to be published by the National Disability Authority's Centre for Excellence in Universal Design (CEUD) will provide guidance to built environment design professionals, housing providers, carers and home owners about designing and adapting dwellings to make them dementia friendly. This work, carried out by the Living with Dementia (LiD) programme at Trinity College and TrinityHaus on behalf of CEUD, will support people with dementia, their families and carers and help people with dementia to live in their communities and at home for as long as possible.

(The research report is available at <http://universaldesign.ie/Built-Environment/Housing/> and the guidelines will be published in early summer 2015.)

Research shows that older people would prefer to remain living at home as they age<sup>1-3</sup> and that ageing in place is central to their sense of independence and autonomy<sup>4</sup>. In Ireland this is the goal of the National Positive Ageing Strategy<sup>5</sup> which seeks to "enable people to age with confidence, security and dignity in their own homes and communities for as long as possible". It is also the major objective of the recently launched Irish National Dementia Strategy<sup>6</sup>.

For people with dementia however, ageing in place can prove challenging. Dementia is an umbrella term referring to a group of diseases, the most common of which are Alzheimer's disease and vascular dementia. Symptoms include difficulty with remembering things and with new learning; impaired reasoning, judgement and problem-solving; increasing dependence on the senses; and increased anxiety and stress. In addition to these difficulties, people with dementia often experience age related disabilities including mobility, vision, and hearing and communication difficulties<sup>7</sup>. The latter can impact on independent living and may put family members and carers under pressure; particularly in relation to the safety of a person with dementia who may be living alone or with an elderly partner.

Although currently no cure exists for dementia, much can be done to maximise quality of life through manipulating the environment and through appropriate activities and therapies. Well-designed housing that provides appropriate support, not only for people with dementia, but also for their families and carers, has the potential to help people live independently and safely in their own homes, and improve their quality of life.

In Ireland it is estimated that approximately 30,000 people with dementia live at home. Our ageing population means that these numbers are expected to double by 2017. It is therefore imperative that housing is designed from a universal design approach to be dementia friendly, to promote the wellbeing and independence of people with dementia, and take account of the needs of their families and carers.

To support this approach CEUD have commissioned research into universal design and dementia friendly design<sup>7</sup>, this is now being used to underpin the forthcoming universal design guidelines as referred to above. This work will also support their new 'universal design homes for Ireland' (UDHI) guidelines<sup>8</sup> to be launched concurrently with the 'dementia

friendly dwellings for people with dementia, their families and carers' design guidance.

The research resulted in active engagement with a range of stakeholders, including people with dementia, their families and carers. Interviews were conducted with built environment professionals such as architects, landscape architects, planners, and people from stakeholder organisations including the Alzheimer Society of Ireland the Carer's Association, government departments, local authorities, the HSE, health professionals and housing providers.

Based on this engagement a number of themes emerged which were critical to best practice in designing for people with dementia. These included awareness and knowledge of dementia; familiarity, planning ahead for the future and the heterogeneity of people with dementia and their families. Safety issues, the need to involve people living with dementia in the design process, sustainability and energy efficiency, funding for adaptations and the need for community care/support services were all important issues raised during the research.

The structure of the UDHI guidelines was followed in presenting the findings, this includes

- Home location and approach
- Entering and exiting the home
- Spaces for living
- Elements and systems (i.e. materials, technology etc.)

The UDHI guidelines are underpinned by four key design principles, i.e. universal design homes should be

- Integrated into the neighbourhood
- Easy to approach, enter and move about in
- Easy to understand, use and manage
- Flexible, safe, cost effective and adaptable over time

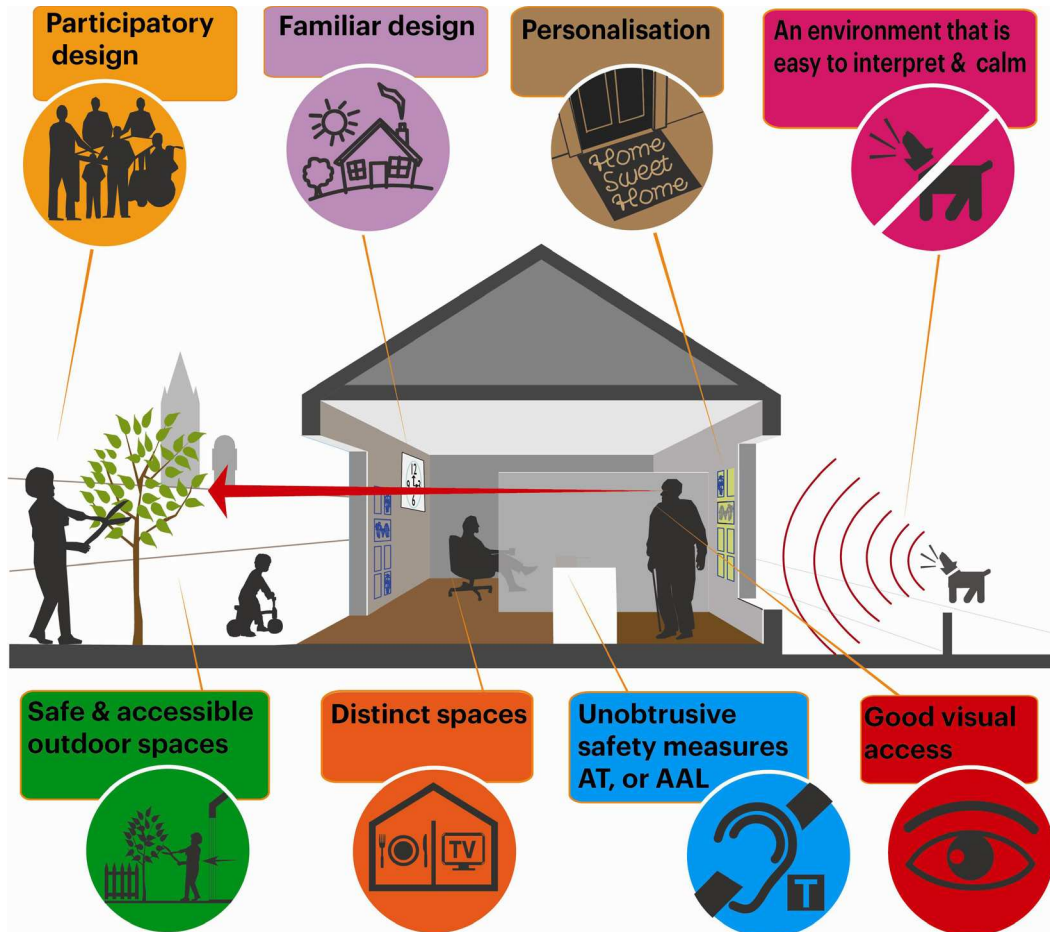
These principles were examined, along with the seven principles of universal design<sup>9</sup>, as part of the

research process to determine the overlap with dementia friendly design, and to identify any design issues which may need to be reinforced in line with dementia specific requirements.

A review of literature<sup>10, 11</sup> was undertaken to examine the alignment between universal design and dementia friendly design. Several dementia specific design issues emerged from the research that reinforced and supplemented the four UDHI principles as follows:

- Encourage a participatory design approach where people living with dementia, carers and other family members can take part in the design process
- Use familiar design with the use of recognisable features that are consistent with user's expectations
- Provide an environment that is easy to interpret and calm, paying particular attention to the reduction of acoustic and visual disturbances
- Provide distinct spaces for different activities to enable rooms and areas to be associated with their respective functions
- Provide good visual access to key areas of the dwelling, or to important objects to remind and prompt the occupant when required
- Support personalisation of the environment to enhance continuity of self
- Provide unobtrusive safety measures and ambulant assistive living devices to provide a safe and secure environment
- Provide safe and accessible outdoor spaces that are perceptible from the interior to encourage occupant use of these spaces.

The four UDHI principles and the above dementia specific design issues are used to inform the forthcoming Universal Design guidelines to ensure that these critical issues are considered at all design scales for both new-build and retro-fit dwellings.



This research was funded by the National Disability Authority's Centre for Excellence in Universal Design ([www.universaldesign.ie](http://www.universaldesign.ie) - Contact Dr Ger Craddock, chief officer CEUD or Neil Murphy MRAI senior built environment advisor CEUD). It was carried out by the Living with Dementia (LiD) programme ([www.livingwithdementia.tcd.ie](http://www.livingwithdementia.tcd.ie)) Trinity College and TrinityHaus ([www.trinityhaus.tcd.ie](http://www.trinityhaus.tcd.ie)). The authors of the main research report<sup>7</sup> are Dr Maria Pierce, Professor Suzanne Cahill, Tom Grey and Professor Mark Dyer.

Tom Grey studied architecture in Bolton Street DIT and was in private practice in Ireland and New Zealand for over 10 years before entering full time research.

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Northern Ireland



# CIH ANNUAL CONFERENCE

## NEW TOOLS FOR NEW CHALLENGES

WEDNESDAY 13 MAY • CRUMLIN ROAD GAOL, BELFAST

### ABOUT THE EVENT

We know that housing has a wide-ranging impact that extends beyond a physical roof over our heads. Housing plays a role in social inclusion and enables the development of sustainable communities. CIH's 2015 conference – new tools for new challenges – will gather industry experts to address current challenges facing providers and to offer methods to develop high quality services.

### BOOKING, EXHIBITION & SPONSORSHIP INFORMATION

- Book online: [bit.ly/CIHconfbelfast](http://bit.ly/CIHconfbelfast)
- Alternatively contact: [edel.hughes@cih.org](mailto:edel.hughes@cih.org)

### CONFERENCE SESSIONS INCLUDE

- Identifying the challenges
- More than bricks and mortar
- Masterclasses

### WHO SHOULD ATTEND

- Senior decision makers in government, local councils and housing associations
- Housing strategists and policy officers
- Planning, regeneration and economic development professionals and decision makers
- Community and voluntary organisations and advice agencies, and
- National housing organisations, academics and consultants

# WHAT'S HAPPENING?

## AROUND THE UK



### ENGLAND

**The Westminster general election** on 7 May 2015 is currently the main focus for CIH's policy and influencing work in England. Working with our members we have developed our vision for 'a housing system that works for everyone'. This has three main strands:

**Supply:** a sufficient supply of good quality homes, of a range of types to meet different household's needs, in the right places. This includes new build as well as best use of existing homes, for example, better standards of management and maintenance in the private rented sector which is now the second largest source of housing after owner occupation in England.

**Affordability and welfare:** this includes making sure that there is a good range of choice at different price points. As part of this, we are calling for shared ownership (where people who can't afford to buy outright buy a share of a home using a mortgage and pay rent on the remainder) to be established as the 'fourth tenure'. There are some barriers limiting the effectiveness of this option and a joint CIH/Orbit report published on 9 February explores how this can be addressed. We are also making the case for increasing the supply of homes at social rents in order to reduce the size of the benefits bill – our report, 'ticking the box for a welfare system that works' sets out our ideas on this.

CIH/ORBIT REPORT: <http://bit.ly/192v7Um>

TICKING THE BOX REPORT: <http://bit.ly/1vzvquJ>

**More than bricks and mortar:** where we make the case for housing's role in enabling health and support services to be delivered through the home – with significant savings to health and social care budgets – and its role in supporting stable, sustainable communities.

Along with eight housing industry partners, CIH is backing the **Homes for Britain campaign**. We are calling, with one voice, for all political parties to commit to ending the housing crisis in a generation and for the next government to produce a long term plan of action within a year of taking office. A rally of 2000 people took place in Westminster on 17 March. A coordinated, imaginative advertising campaign in key marginal seats and in Westminster itself will now take place in the run-up to the election.

HOMES FOR BRITAIN: [homesforbritain.org.uk](http://homesforbritain.org.uk)







## SCOTLAND

Following the publication of the Smith Commission report in November 2014, some 44 draft legislative clauses were published on 22 January. The extent to which these legislative clauses honour the 'vow' made by party leaders in the run up to the referendum in September has been hotly contested. There is particular disagreement over whether the welfare powers clauses will deliver the desired competency to Scotland to effectively eliminate the so-called 'bedroom tax', and whether the draft legislative clauses in their current guise will effectively maintain a Whitehall veto over key aspects of policy in Scotland. CIH Scotland's response to the Smith Commission proposals and initial comments on the draft clauses are available online.

REPORT: <http://bit.ly/15CkQMW>

CIH COMMENT: <http://bit.ly/15CHPYK>

CIH RESPONSE: <http://bit.ly/1yMZNy7>

Over 300 delegates from across Scotland's housing sector gathered at a conference in November 2014 to discuss key priorities for housing in Scotland. The Scottish government is currently developing a joint housing delivery plan based on these discussions, which is expected to be published in April 2015. Along with other key housing stakeholder organisations, CIH Scotland will be involved in the delivery of the joint housing delivery plan which is set to restate and redefine existing strategic objectives for housing in Scotland.

CIH BRIEFING: <http://bit.ly/1DyExST>

As Scotland's private rented sector (PRS) continues to grow, the Scottish government has committed to improving quality and security for tenants as well as supporting investment opportunities for landlords. A number of actions outlined in the Scottish government's PRS strategy have now been taken forward. Most recently, a Scottish government consultation explored the possibility of introducing a new tenancy regime for the PRS and possibilities for the introduction of rent regulation. The CIH Scotland response is available on our website.

STRATEGY: <http://bit.ly/1L5t3Zr>

CONSULTATION: <http://bit.ly/1vJJHwM>

CIH RESPONSE: <http://bit.ly/1zltC36>

Should housing associations be held liable to freedom of information provisions? It's an issue which has raised its head again with a petition being laid before Holyrood's public petitions committee recently. Meanwhile the Scottish information commissioner has joined the debate, laying a special report before the Scottish parliament which strongly recommends the Scottish Government considers, as a matter of urgency, whether registered social landlords should be made subject to FOI law.

PETITION: <http://bit.ly/1yNhnXg>

SPECIAL REPORT: <http://bit.ly/15lwfe4>

CIH RESPONSE: <http://bit.ly/1yx4vQ5>



## WALES

Following a cabinet reshuffle, Lesley Griffiths was appointed minister for communities and tackling poverty, a revised portfolio that includes housing and regeneration. Carl Sargeant retained planning in his new role as minister for natural resources.

CABINET MEMBERS: <http://bit.ly/1vzsOwV>

The Housing (Wales) Act 2014 became law on 17 September 2014. Including significant changes for the private rented sector and statutory homelessness services, consultations on statutory instruments and guidance documents, to support implementation of the Act, are now taking place.

The consultations supporting the above Act include:

- Homelessness: two consultations are currently open regarding implementation of the new statutory duty to provide a homelessness prevention service. <http://bit.ly/1LecOKJ>
- New national mandatory licensing of private rented sector landlords and agents ended in February, seeking views on the intention to appoint a single licensing authority for Wales, and for the authority to be Cardiff Council <http://bit.ly/1CBiNlg>

ACT: <http://bit.ly/1JmMLTc>

In January the minister approved the first application from Carmarthenshire County Council to suspend the right to buy and right to acquire under the Housing (Wales) Measure 2011.

WRITTEN STATEMENT: <http://bit.ly/17bF1ly>

The publication of a white paper with two proposals for change; to reduce the maximum discount on the sale price of a property and to introduce new primary legislation to end the right to buy and the right to acquire, for inclusion in the legislative programme of the next Welsh Assembly.

WHITE PAPER: <http://bit.ly/1DhZ27J>

CIH Cymru took part in recently published research. Aiming to explore and test potential changes to the structural and delivery mechanisms for independent living adaptations.

REVIEW: <http://bit.ly/1Lec7ku>

Ground-breaking tenancy reform legislation for the Welsh rented housing sector has been introduced by the minister, with the aim of introducing two types of tenancy for the rented sector to improve and simplify the different and complex arrangements with one main piece of legislation.

MORE: <http://bit.ly/1Bho0DF>

A white paper outlining Welsh Government's intent about the future of local government in Wales was published in January. Devolution, Democracy and Delivery White Paper - Reforming Local Government: Power to Local People includes proposals for reform in local democracy, community governance and councils, service performance, and local government finance.

CONSULTATION: <http://bit.ly/1DAdqVM>

## NORTHERN IRELAND

Local government reform that incorporates the reduction in the number of Northern Ireland's district councils from 26 to 11 has come to a head. Representatives to the new super-councils were elected in May 2014 and sat for a 'shadow year' until the new structures became fully operational on 1 April 2015. Part of the reforms saw the Department of the Environment's (DoE) major planning powers transfer to the super-councils. Councils also have a new power of community planning.

MORE: <http://bbc.in/1nignu8>

There are currently 20 separate planning policy statements in operation containing land-use policies and other planning matters. Their primary function is to outline the main considerations DoE takes into account when assessing proposals for development, to direct development plans and to inform planning appeals decisions. DoE is reviewing planning policy and consolidating the 20 separate publications into one document – the strategic planning policy statement for Northern Ireland (SPPS). The draft document was published for public consultation that ended in April 2014, and the final draft was completed in March 2015. DoE aims to publish the final form in the near future.

CIH RESPONSE: <http://bit.ly/1rJo7Qs>

DoE and the Department for Social Development (DSD) had two concurrent consultations open until 23 September 2014 that would facilitate developer contributions for affordable housing (equivalent to Part V of the Planning and Development Act 2000) through the SPPS and as part of DSD policy – committed as a key action under the current Programme for Government. As the only region across the UK and Ireland without a mechanism for affordable housing through planning obligations, and at a time when the market is improving but still depressed, the consultation has stimulated much discussion within Northern Ireland's housing industry. The current proposal would require contributions in developments of five units or over where a developer can make a profit of 15 per cent.

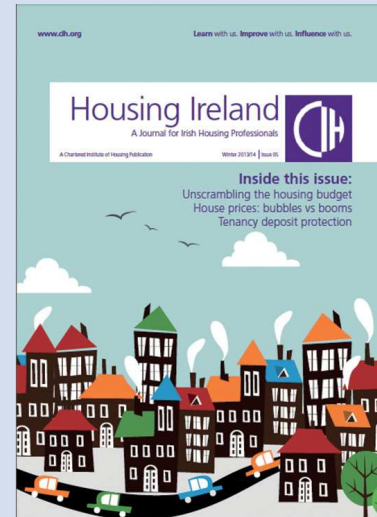
CIH BLOG: <http://bit.ly/1mH0bbP>

CIH COMMENT: <http://bit.ly/1uOjPIF>

DSD is launching a series of consultations as part of the social housing reform programme, including proposals for a new regulatory framework and a tenant participation strategy.

MORE: <http://bit.ly/1O27Z7E>





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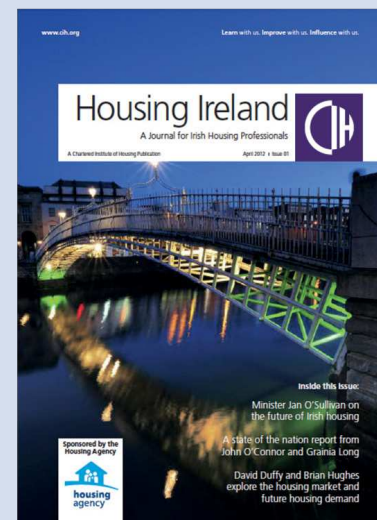
# MEMBER BENEFITS

As a member of CIH did you know that you get a whole range of benefits. These include access to local housing policy knowledge, up to date housing news, and discounts on training and events in Ireland.

Regardless of what organisation we are members of, at times we ask ourselves: is it good value for money, what benefits do I get, are they enough, are there added benefits the organisations can give me? That's why if you're a CIH member and you stay in Ireland, you do get more for your money! Over the years we've tried give members more benefits. Right now the additional benefits of being in Ireland include:

- **Housing Ireland – the triannual magazine**
- **One-off publications including good practice guides**
- **Member events**
- **You also get a discount to the CIH Annual Conference & Exhibition.**

Call us on +44 24 7685 1700 to join today. Membership starts from €105.84 per year.



# DUBLIN HOMES NEEDED

■ CONOR O'DONOVAN

**The Society of Chartered Surveyors Ireland (SCSI), the professional representative body for the property, land and construction sectors, published a report which has found that there is capacity to supply approximately 100,000 units in Dublin over the next five years, but there is a shortfall in planning permissions to meet required demand.**

The pace of property price increases is concerning and is largely being caused by a shortage of property supply, and family homes in particular, in Dublin and other urban areas. There are simply not enough homes being built to cater for current and projected demand. The situation is being compounded by the fact that very few houses were built over the past five years – just 8,301 nationally in 2013.

According to the latest Central Statistics Office (CSO) Residential Property Price Index, property prices in Dublin increased on average by approximately 25 per cent over the past year.

A report published by the Society of Chartered Surveyors Ireland (SCSI), 'Housing Supply Capacity in Dublin's Urban Settlements 2014-18' has found that there is a minimum housing requirement of 35,433 units in Dublin between 2014 – 2018, which equates



to approximately 7,000 per year. It should be remembered that these figures are only based on minimum requirements.

The SCSI report, which is the first to map actual planning permissions and residential zoned land in Dublin, also found that there is a serious shortfall in the number of planning permissions required to meet the minimum number of required units over the next five years. There are only a total of granted (extant) planning permissions for 26,580 units, resulting in a shortfall of a minimum of 8,853 units. This means that even if all of the existing units for which planning permissions exist are built out over the next five years, there will still be a 25 per cent shortfall of planning permissions to meet minimum unit requirements in Dublin.

As the current housing supply requirements are unlikely to be met by the second-hand home market, the new homes market, which has been practically non-existent in recent years, will play an increasing role in the medium term in meeting the supply shortage in the capital.

The housing capacity report, produced by Future Analytics Consulting on behalf of the SCSI, also found that there is actually enough residential zoned land to potentially meet future requirements. There is 2,233 hectares of land zoned for residential development in the four main local



authority areas in Dublin. This zoned land can potentially deliver approximately 102,500 additional housing units and provide housing for approximately 269,000 additional people over the next five years.

It is imperative that action is taken to ensure that some of this residential zoned land in Dublin is developed in order to improve supply levels where the requirement exists to address the volatility in house price inflation.

### Private rented sector

The shortage of supply of houses for sale is also impacting the private rented sector. Recent figures published by Daft.ie suggest that rents are up by 17 per cent in Dublin year on year and the increases in rent, largely due to a lack of supply, are a threat to our competitiveness.

The SCSi recently published a 'new model for the private rented sector' strategy which advocated a policy framework for the private rented sector and identified a number of recommendations to support the four pillars of the model including increasing demand from institutional investors by extending the 12.5 per cent corporate tax rate for multi-unit rental companies, increasing supply of property in the private rented sector in particular by reducing construction costs such as VAT and development contributions and facilitating 'Build to Rent' schemes, raising standards and enforcing minimum standards

legislation and building sustainable sector with a lasting legacy.

### Social housing

The main focus of the measures introduced in budget 2015 was to address the critical shortage of social housing to support the 89,000 people estimated by the Housing Agency to be in need of social housing.

Minister for public expenditure and reform Brendan Howlin announced an overall capital investment of over €2.2 billion for social housing provision for the next three years as part of the government's social housing strategy.

This level of investment marks a significant commitment by government to deliver 10,000 social housing units over the next three years which are to be delivered in three main strands.

€1.5 billion is to be invested directly from the exchequer by 2017. Secondly, Public Private Partnerships (PPPs), using a new model, will be used to invest €300 million in social housing units by 2017 and thirdly, an off-balance sheet financial vehicle, open to public and private investors and bodies like the European Investment Bank, will provide at least €400 million from 2015 onwards to the approved housing bodies.

It is important to view this investment in the context of the challenging economic circumstances which resulted in a significant lack of capital

investment in social housing in recent years. As the SCSi highlighted in its 'public capital programme priorities to 2020' report, the provisions in the capital budget for housing, which peaked in 2008 (€2.21 billion) have fallen back sharply to 271m in 2014. It is now imperative that the new investment measures announced in the budget are fully implemented and allocated.

Given the serious housing supply challenge which still exists in the private housing sector, the recent construction strategy 2020 published by government which sets out 75 measures to improve supply by streamlining the planning process, reviewing Part V and development contribution schemes, financing infrastructure and removing other obstacles to development, must be immediately implemented to alleviate the pressure on property prices, first time buyers and the private rented sector.



Conor O'Donovan  
Director of Policy and  
Communications at the Society  
of Chartered Surveyors Ireland

# SOCIAL HOUSING STRATEGY

JIMMY HEALY



**Last November the government published a comprehensive new strategy for social housing, which will see €3.8 billion being spent on the delivery of new social housing over the next six years.**

This announcement represented a massive investment of funding in social housing, following years of decline in government capital spending. As Minister for the Environment, Community and Local Government, Alan Kelly TD outlined in the strategy document: “In recent years, our society has not been meeting its obligation to thousands of people who need assistance to provide a home for themselves. This situation did not happen by accident. It is partially the outcome of an undersupply of homes directly provided by the state for people who cannot afford to provide them for themselves and partially the result of reversals in exchequer funding.”

In fact the total exchequer funding allocated to the overall social housing budget had fallen from €1.7 billion in 2008 to €597 million in 2014.

Understandably this announcement has been warmly welcomed by the construction industry. Over the last 18 months, the sector in the Republic

has entered a period of recovery after several years of decline. That decline had been exacerbated by the severe cuts in exchequer capital spending over the course of the economic downturn. In total, capital spending had fallen by 61 per cent between 2008 and 2014, going from €8.63 billion to €3.34 billion. When you consider that public contracts had traditionally accounted for half of all construction activity in the Republic, this had a big impact on the industry at a time when private construction activity also ground to a halt.

The €3.8 billion funding for social housing will see approximately 22,500 new homes built or purchased. Another 11,000 will be leased and 2,300 dilapidated houses or flats will be refurbished and made useable for social accommodation. They will be delivered over two phases, with 18,000 to be made available by the end of 2017 and another 17,000 to be provided by the end of 2020. The money for the strategy will come from exchequer funds, off balance sheet mechanisms and some public private partnership programmes.

The increased funding for the construction activity on social housing had been flagged in the Irish government’s 2015 budget. At the time of that announcement, the director general of the Construction Industry Federation, Tom Parlon, outlined what this meant for the industry: “The funding that has been provided for



social housing is deeply significant. It will provide a huge amount of work for the industry and that will create thousands of jobs ...you cannot ignore that this step will have a massive impact on the construction industry.”

With so much new social housing to be delivered there has been widespread interest throughout the construction sector. Contractors, large and small, as well as house builders will be looking to secure some of the many different contracts when they go to tender. With official capital spending from the exchequer still at a low level, it is likely that the delivery of social housing will be one of the main areas of interest for public tenders over the next few years.

While the overall plan will provide a massive boost to the construction sector, there have been a few concerns expressed in the industry about some of the practical aspects.

One issue that has been highlighted is whether the private sector will be able to provide enough units to meet the government’s leasing target. Some are sceptical about whether the leasing payments will be pitched at a level that would be appropriate to make the provision of these units viable. If leasing prices for social housing were not set at a level which reflected the broader rental market rates, then property owners may be more likely to look for private tenants.

Another issue raised by the industry is where the new social homes will be built. There are significant land banks in public control and the industry would like to see the development of housing fast-tracked on these lands.

One area which was not detailed in

the strategy but which was covered in other measures announced by the Irish government, concerned the delivery of social housing by the private sector. Since 2000, all private sector builders operating in the Republic have been required to put aside one fifth of the homes they were building for social and affordable housing on any development of five homes or more. This measure was known in the industry as Part V. Alternatively the builder could provide one fifth of the land to the housing authorities or they could make a payment to the value of one fifth of the land to the relevant local authority. This funding was then to be ring-fenced for the delivery of social housing by the local council.

Private house building in the Republic has fallen to very low levels in recent years. In fact the last four years have seen the lowest levels of house building per year on record. In 2014 a total of 11,016 units were built. That’s less than half the 25,000 units the Central Bank and the Irish government are on record as saying the Republic needs on an annual basis.

One of the issues holding up house building activity is the cost of building. A major part of that relates to the taxes and levies imposed on private developments, including a social housing related levy. Part V was widely cited as being a cost the industry simply cannot afford.

The industry had been expecting the government to make changes to the Part V arrangements and these were announced last year. Under the government’s new approach builders will be required to provide 10 per cent of the homes for social housing in developments of 10 or more homes. The other option is to provide 10 per

cent of the sites. However the value payment system is due to be scrapped under the new regulations and the homes or land provided will have to be located within the same development.

These changes are of deep concern to house builders throughout the Republic. While the reduction in the required level of housing was welcomed, the fact that value payments can no longer be made is expected to lead to practical difficulties such as problematic negotiations with the various housing agencies over the assignment of units or sites, potentially holding up the completion of housing developments.

Another issue surrounds the future divestment of apartments. Many apartment complexes located in the main cities in the Republic come with high management fees, associated with the general maintenance and upkeep of the development. The question remains whether the various housing agencies will be prepared to meet those high payments on an annual basis.

So while the industry eagerly awaits the activity that will be generated through the Irish government’s social housing strategy, concerns remain about how the revised Part V provisions will affect private house building activity at a time when the market is only starting to recover.



Jimmy Healy  
Head of Communications  
and Marketing, Construction  
Industry Federation

# OTHER INDUSTRY LEADERS SAY...

ICSH, THRESHOLD, NABCO, CIH



## Irish Council for Social Housing

The social housing strategy is the first comprehensive housing policy published since 1995 and with three pillars, two phases of delivery and 75 time-bound actions, it is very ambitious. This level of ambition and the fact that funding has been allocated to facilitate delivery on these actions is most welcome.

In particular, establishing the work stream for approved housing body delivery and operations along with a long-term development programme for the sector will facilitate a more sustainable approach to delivery. Measures such as local authority mapping of housing need will complement this approach and allow housing associations to meet the specific needs identified. The ICSH also welcomes the establishment of regional housing fora to support more collaborative approaches to the provision of social housing.

Now that all the governance structures have been set up, effective

co-ordination and communication will be critical to ensure they work effectively in practice as there are common issues to local authorities, housing associations and other stakeholders that cut across all four work streams.

Housing associations have demonstrated their ability to deliver positive outcomes efficiently, with good value and through best practice. The actions for the sector cannot be achieved in isolation, there are particular challenges in accessing land and it is only through meaningful partnerships and collaboration between all stakeholders that targets and actions will be met. Underpinning all of this is the fundamental aim to increase the supply of good quality accommodation to those who need it most, in inclusive and integrated communities.

**Caren Gallagher**  
*Director of Policy*

## Threshold

The social housing strategy represents a major departure in seeking to restore priority to social housing provision. Although there will be increased exchequer funding, much of the finance will be raised off balance sheet which is a significant change. As the Irish economy improves, we anticipate that private funding for the programme will be significantly strengthened.

75,000 units for social housing will be delivered in the private rented sector. Threshold has cautioned that it may prove difficult to meet the ambitious private rented sector target, unless the government also addresses systemic deficits in the regulation of the sector, and makes it a secure housing option for those who want to create a home.

Under a new scheme, the housing assistance payment, tenants will source their own homes and rents will be paid directly to landlords by the relevant local authority. Tenants will pay rent according to their incomes which we think will eliminate poverty traps in the existing system and facilitate a return to employment.

A total of 35,000 homes will be built or acquired by local authorities and voluntary housing bodies. Overall the strategy has a target of providing 110,000 social homes in the six years to 2020 which is timely. With waiting lists currently approaching 100,000, the highest figure in the history of the



state, a significant rise in the number of families experiencing homelessness, a shortage of affordable rental properties and significant mortgage arrears in the private market, the housing system is at breaking point.

### **Senator Aideen Hayden**

*Chairperson*

#### **NABCO**

The strategy sees the welcome return of local authorities to direct housing provision. In light of the scale of the housing crisis, it is vital that the full resources of all players in housing provision are brought to bear on pressing housing need. It is also encouraging to see that local authorities are being given the resources, including 200 extra staff, to deliver the targets in the strategy.

While new local authority provision is to be welcomed, a balanced approach to housing provision also needs to be pursued. In the context of a new tenant purchase scheme being launched, it is more vital than ever that approved housing bodies (AHBs) continue to grow their stock in order to provide decent, secure accommodation in perpetuity.

During the last five years, AHBs have played their part in responding to the crisis. Engaging with new funding models, AHBs have sought and received private finance to clear up the mess left by the collapse of the property market. From managing unsold affordable housing to completing and managing unfinished housing developments, AHBs have responded to housing need in a way that has also maintained their independence and their stability.

There is no doubt that the majority of AHBs view the social housing strategy as an exciting new opportunity to grow and to tackle the housing crisis. But well-governed AHBs will approach the prospect of growth with a sensible consideration of risk. Acquiring sites, designing schemes and carrying out development come with enormous costs and considerable risk in a

time when much of the sector has little recent direct experience of construction procurement.

In the co-operative sector, member-residents directly govern their own landlord associations. These boards naturally seek to grow the sector to respond to pressing housing need. And yet they will rightly ask what certainty of funding there is to deliver ambitious new schemes. Unfortunately, the simple answer is that there is none. New models for private finance vehicles, European Investment Bank investment and public private partnerships offer potentially exciting new forms of finance. But with no clarity around how large the total envelope of CALF, CAS and payment and availability funding will be, AHB boards will rightly be cautious about committing to large programmes of investment, backed by reserves and carried out in speculation.

The social housing strategy rightly calls for an AHB sector that has the capacity to develop responsibly and that is well-regulated to protect existing tenants from unnecessary risk. In the absence of clarity on how much funding will be available to support not only the management but the development of new homes, boards and the regulator would be well advised to adopt a cautious approach to building up staff and committing to new projects. The sooner that a firm commitment to resource provision is made for the coming five years, the quicker AHBs will be able to boost capacity and deliver.

### **Dermot Sellars**

*Policy and Communications Manager*

#### **Chartered Institute of Housing**

CIH welcomes the government's commitment to Part V and promoting mixed tenure developments with people on different incomes living side by side, which will help to create sustainable communities. Research has shown that this can reduce the stigma associated with social housing that influences public attitudes to its development.

The financing arrangements are notable for three reasons – the off-balance sheet approach is innovative; the critical mass of the package is committed from public funds, which seems to be a realistic approach that doesn't put too many eggs in the basket of private finance that doesn't end up materialising on the larger scale; and the context of the spend, which is eight times what it was in 2013 and represents by far the largest capital increase across all government departments. This welcome return to capital subsidy will get homes on the ground quickly and make them more affordable for families on lower incomes.

The strategy recognises housing as an economic driver. It's estimated that it will create 29,000 construction jobs and homes for 90,000 households. If successful, it will help stimulate economic growth while meeting pressing housing need. These are ambitious targets and we are pleased that the government has recognised the need to involve other partners in planning and delivery.

With this strategy the Irish government is sending a clear message that housing is the biggest social issue in the country. The six-year strategy restores the state to a central role in housing through a return to direct building by local authorities and approved housing bodies. By stepping into the driving seat on social housing provision the government is showing it is serious about tackling Ireland's housing problems.

### **Nicola McCrudden**

*Director ROI*

# PROGRESS ON HOMELESSNESS

BERNIE O'DONOGHUE HYNES

The government summit on homelessness, led by Ministers Alan Kelly T.D. and Paudie Coffey T.D., was convened in December 2014. A range of actions were agreed to respond to two distinct issues. An immediate concern related to the increased incidence of rough sleeping visible on Dublin streets. Actions were also agreed to address systemic issues relating to accommodation, supports and prevention, the three pillars driving the housing led approach to address homelessness in the state.

## Rough sleeping in Dublin

2014 saw increased pressure on emergency accommodation services in the Dublin region. The number of people moving on to tenancies began to decrease significantly towards the end of 2013 and into the first two quarters of 2014 (Figure 1). A consequence of this was that fewer beds were available for those seeking emergency accommodation on a nightly basis. The impact was especially evident among individuals who regularly engaged in rough sleeping while using emergency accommodation episodically. As outlined in Table 1, by the third quarter of 2014, just under two thirds of individuals rough sleeping accessed emergency accommodation, a reduction from 75 per cent in quarter one.

	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Percentage of individuals rough sleeping who also accessed emergency accommodation	75%	70%	63%	84%

Table 1: Individuals engaged in rough sleeping and accessing emergency accommodation

Table 2: Weekly summary of empty beds at 1am, Dec 18 2014 – Jan 7 2015		
Week 1: 18 December – 24 December 2014	Average per night	31
Week 2: 25 December – 31 December 2014	Average per night	36
Week 3: 1 January – 7 January 2015	Average per night	15

In order to cope with pressures from a continued flow of new presenters while the rate of exit slowed down, 2014 was notable for the ongoing introduction of emergency beds in the region. The number of individuals using services increased from 1,394 on the last day of quarter one to 1,491 six months later. However, it was not until the introduction of an additional 271 beds in December 2014 that the rate of access to emergency accommodation increased to 84 per cent for those engaged in rough sleeping. (Table 1)

The adult bed capacity in the region increased to a high of 1,700 on the last day of quarter four 2014. Immediately, this had the impact of increasing the number of beds that were available each night. The number of individuals placed into emergency accommodation had averaged 130 per night in quarters two and three but this jumped to an average of 241 each night over the Christmas and new year period.

In addition, Dublin's housing first service extended its street hours to 3am and transport was made available to bring people to accommodation, if

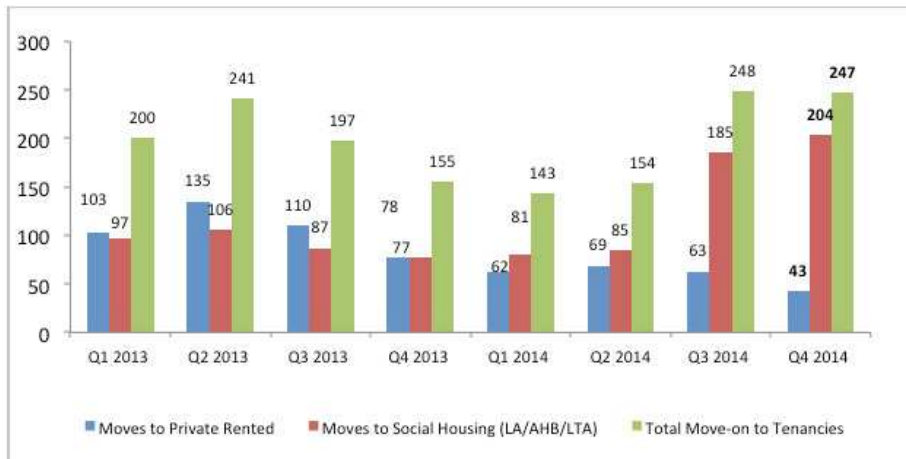
required. A night café was also opened by Merchants Quay Ireland to provide shelter for up to 50 individuals who were refusing offers of accommodation.

However, it only took three weeks to fill all the additional bed capacity so that by 7 January 2015, all beds were being filled each night. (Table 2)

## Accommodation

While the overall rates of access to housing had fallen at the start of 2014, an acute decline in access to private rented accommodation was realised over the remainder of the year. Access rates fell from a high in quarter two 2013 of 135 individuals moving to private rented accommodation to a low of 43 individuals in the final quarter of 2014. The summit identified the development of the pilot housing assistance payment (HAP) for homeless households in the Dublin region as a key mechanism to facilitate increased access to the private rental sector. Regulations to enable its commencement were signed on 18 December 2014 and the pilot HAP for homeless households went live in the Dublin region in February 2015.

Figure 1: Individuals moving to tenancies each quarter



Initial intervention	Case in progress	Risk deferred	Tenancy protected	Entered homeless Services
17%	52%	4%	26%	0.6%

Table 3: Status of TPS cases in the Dublin region June – December 2014

The summit placed significant emphasis on how to continue to increase access to social housing. Actions included an increase in the housing allocation rates to those on the housing waiting list with homeless priority. A strategy for increasing Dublin’s local authority housing supply, by reintroducing vacant and void properties, was prioritised for continuation and extended nationally for 2015. This had already resulted in very significant increases in the number of individuals moving to social housing in the final two quarters of 2014, as detailed in Figure 1.

Overall, in 2014 there was a 51 per cent increase in the number of people moving to social housing (555 individuals compared with 367 the previous year) while moves to private rented property fell by 44 per cent (from 426 to 237).

**Support**

The summit emphasised the need for continued integrated work practices and a focus on key points of entry into homelessness, such as when leaving prison or hospital. Hospital discharge procedures have been finalised with HSE and hospital social workers.

**Prevention**

It was agreed that the Dublin tenancy protection service (TPS) operated

by Threshold for the Dublin Region Homeless Executive would receive additional resources to deal with the significant demand for services and that it would be extended to Cork. The service had been established in June 2014 and operates a freephone number for families at risk of losing their accommodation. Results for the first six months of operation revealed that almost 3,000 families had made contact of which 1,303 were identified as at risk of becoming homeless.

Only eight of these families (0.6 per cent) actually entered homelessness with 50 families (four per cent) referred to the Private Residential Tenancies Board who had their risk of homelessness deferred. An additional 344 families (26 per cent) had their tenancies successfully protected, thus avoiding homelessness. Of these, 277 families had been approved for an increase in the rental subvention rate under the Department of Social Protection’s protocol agreement.

**Conclusion**

Considerable progress has been made in addressing the immediate needs of individuals engaged in rough sleeping in the region. Increased emergency accommodation was provided in a very short space of time, staff hours were extended, transportation provided and a night café opened

that could respond to the needs of those refusing accommodation. However, the demand for emergency accommodation continues to grow while exits out of homelessness decline. Without adequate access to housing the reduction in emergency accommodation sought under the government’s housing-led policy cannot happen. The pilot HAP offers some scope to address issues and difficulties associated with the current rent supplement rent caps. However, without an adequate supply of suitable private rental properties, the HAP pilot will not be able to make the impact required to alleviate pressure on emergency accommodation services. Given the intense pressure on housing supply in general, the need to continue and increase investment in prevention is evident.

Overall, Dublin has been to the fore in the effective and efficient maximisation of resources to address the short to medium term issues that were the focus of the summit. Nonetheless further action will be needed to ensure an adequate capacity of emergency accommodation is maintained, the need to sleep rough is eliminated, and housing supply improved so that homelessness can be ended.



Bernie O'Donoghue Hynes, PhD  
Head of Research at the Dublin Region Homeless Executive

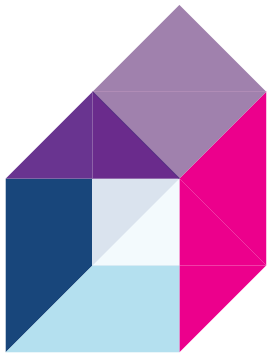


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# COST OF BUILDING



*Ruairí Hayden  
Lecturer in Construction Law  
and Construction Technology  
at the School of Surveying and  
Construction Management,  
Dublin Institute of Technology*

## RUAIRÍ HAYDEN

**In September last year NAMA chief executive Brendan McDonagh blamed the shortage of housing in Dublin on low prices and indicated that developers were not willing to enter the market due to the low return on housing at current prices – despite a 23 per cent increase in property values in the Dublin area.**

The Economic and Social Research Institute (ESRI) has estimated that 54,000 houses are required in Dublin over the next seven years. These figures clearly indicate the need for developers to start building again. In order for them to do this the developers need access to credit and it must also make financial sense for them to do so.

When examining the costs of delivering housing it is essential that all costs are considered and not just construction costs, which is often a misrepresentation of the true figure of building in Ireland. Other costs that need to be considered are design fees, selling agent and legal fees, taxes, contributions to the local authority, site development and the cost of finance.

Walsh Associates on behalf of the Irish Home Builders Association compiled a study of the costs of building a three-bedroom semi-detached house (1,189sq/ft). Their figures show a construction cost of €126.74 per sq/ft which includes external works, site development and drainage. However when all costs were included this figure increased to €190.04 per sq/ft. This means that almost a third of the costs of delivering a house to market are fees other than direct construction costs. These include contribution to

the local authority (Part V contribution), building finance and professional fees. This study was an update from 2012 and interestingly shows an increase in construction costs since then of 15 per cent. What does this increase relate to and is it justified?

Firstly the 2012 study does not seem to include changes to Part L of the Building Regulations 2011 which introduced lower U-values for all building elements, the use of renewable sources of energy and air tightness as a requirement under the new regulations.

The reduced U-values require more insulation in walls, roofs and floor, windows and doors of a higher specification and more complex detailing to prevent cold bridging and decrease air permeability – this has added a significant cost to new housing. Another increase in costs



under part L relates to the requirement of a renewable source of energy. The requirement for a three-bedroom semi-detached house could be met through the use of 5m<sup>2</sup> of evacuated tubular solar panel and tank. The extra cost for reduced U-values and a renewable source of energy could be more than €10,000.

Guidance is also given on thermal bridging and air permeability to avoid excessive heat losses. To prevent local condensation problems, care should be taken to ensure continuity of insulation to limit local thermal bridging. Compliance in these areas is very much dependent upon strong competent supervision on site by the assigned certifier as set out in the Building Control (Amendment) Regulations (BCAR) 2014.

The BCAR 2014 regulations were introduced on 1 March 2014 and have added to the cost of building through the requirement of extra supervision of the construction stage as well as an increased level of paperwork for the assigned certifier, the design certifier and the builder. The actual cost of these roles is not yet fully understood, as the regulations have been in place for less than a year.

The assigned certifier is a new role on a project and will have an active participation in the quality assurance of all new projects; the cost of this will have to be added to the overall cost of the project. It has come to my attention that the assigned certifiers are requesting that mechanical and electrical services within housing

require an ancillary certificate which will require an engineer to complete after installation of all services are finished. Paul McNally Architects estimates a charge for this service to be in the region of €4,000 to €5,000 plus VAT, for a 200m<sup>2</sup> project.

This is a cost that was not previously attached to a standard house. It has been argued that the specification on new houses does not have to be as high as it is on all houses and that it could be lowered to suit the value of the house being built. This does not take account of the high specification required under the regulations. It is true that finishes and material selection could lower overall costs but these seem to be important selling points for prospective buyers.

Sherry Fitzgerald New Homes completed a similar study to the Irish Home Builders Association on building costs and professionals fees for a three-bedroom semi-detached house (1292sq/ft), it indicated an overall cost of €195,019 (€4,000 Part V contribution) of which €124,783 related to construction costs. This again showed that construction costs were approximately two thirds of the overall costs. The Sherry Fitzgerald New Homes figures show that if a developer is to sell a three-bedroom semi-detached house for €250,000 the site costs should not exceed €25,000 in order for the developer to make 15 per cent profit. The Society of Chartered Surveyors Ireland home build tender cost index confirms these figures as it shows construction costs continuing to increase even in during the recession period.

With costs as they currently stand it is unlikely that developers will enter the market unless they are building on land that they are sitting on for a period of time. In order to meet the demand illustrated by the ESRI a number of things will have to happen.

Developers will have to become innovative in how they develop and will have to try to reduce construction and site development costs by sourcing more economical materials. Selling fees, legal fees and design fees will have to be scrutinised to ensure value for money – but it is difficult to see design fees being reduced at a time when designers are expected to do more and more. The other major element of cost that could be addressed is through government incentives – this could include reducing the contribution to the local authority, restructuring the Part V contribution or examining the way VAT is charged on new homes.

Perhaps the solution to this issue is a combination of all these but it would seem apparent that the current construction costs are reflective of the higher specification demanded by new building regulations. These regulations will provide owners with an assurance that their new home is built to a high standard and is energy- and more cost-efficient to run. If they are willing to pay for this security, it is yet to be fully acknowledged.



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A central illustration features a variety of colorful houses and buildings, including a large white house with a red roof, a grey house with a blue roof, and several smaller houses in red, blue, and green. The houses are arranged in a circular pattern around a central white circle. Light blue clouds are scattered around the houses. The entire illustration is set against a solid orange background.

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