



**Housing Alliance**  
More Social and Affordable Homes

# More social and affordable homes

Increasing the delivery of social and affordable housing  
by Approved Housing Bodies in Ireland

April 2019



# An acute national problem

The current shortage of social and affordable housing in Ireland is one of the most acute problems facing our society. Many individuals and families are struggling to access quality social and affordable housing. There also are large numbers of people who are squeezed out of the social and affordable rental markets. The social housing needs of many are currently being provided, with significant State support, by private landlords. This short-term solution does not represent long-term value for the State and fails to guarantee housing stability and security for tenants beyond the discretion of landlords. For those who wish to buy a home, they are caught in a bind, paying high rents, unable to save for a deposit and witnessing record increases in house prices to unaffordable levels. We have some way to go to provide secure, affordable mixed-tenure homes for the people and families who need them.

## A new focus on social and affordable housing delivery

The members of the Housing Alliance<sup>1</sup> are keen to support the increased delivery of social and affordable homes in Ireland. We believe that we can make a real impact in meeting urgent demand for social and affordable homes. Housing Alliance members have a strong record in delivering new homes, implementing innovative approaches, and addressing particular housing needs – such as those required by older people, people with disabilities and people who have been homeless. Collectively, we are responsible for over 20,000 social homes nationwide. We exercise good governance and accountability. The AHBs of the Housing Alliance can deliver more homes, at scale, to help the State meet its social and affordable housing commitments, delivering homes for people who need them. However, a number of funding and regulatory obstacles are frustrating the increased delivery of social and affordable housing.

To overcome these obstacles and to provide more social and affordable homes, urgent Government action is required in three specific areas:

### Government Measure 1:

**Develop a time-lined action plan to explore all options to move AHBs ‘off-balance-sheet’ and provide practical support to do so.**

Tier 3 AHBs<sup>2</sup> need to be reclassified as off-Government’s Balance Sheet. In 2018, Eurostat and the Central Statistics Office (CSO) deemed 14 of the largest Tier 3 AHBs to be part of the General Government sector and, as a result, on the Government’s Balance Sheet. This may have significant negative consequences for the funding of AHBs in the medium to long-term, limiting the capacity of Housing Alliance members to source funds from Government or external sources. The Minister for Housing, Planning and Local Government, Eoghan Murphy TD, and the Minister of State with responsibility for Housing and Urban Development, Damian English TD, have both committed Government to securing the reclassification of these Tier 3 AHBs. In order to deliver on this commitment, a time-lined action plan is urgently required from Government, to ensure that the steps required to restore these AHBs to their former classification are taken. Failure to secure reclassification will restrict funding available to Tier 3 AHBs, and thus impact on the output of more social and affordable homes.

## Government Measure 2:

In order to fully utilise the potential offered by Tier 3 AHBs, new and sustainable affordable rental and cost rental schemes, beyond existing pilot models, need to be introduced.

The rollout of new schemes of this type would facilitate a significant increase in the availability of social and affordable homes and accelerate the development of new schemes by Tier 3 AHBs. We are available to contribute to this process.

## Government Measure 3:

Remove existing barriers to the timely delivery of homes by AHBs.

A number of barriers are currently obstructing and impeding output of new social and affordable homes by AHBs. These include cashflow; limited availability of skilled construction staff; and lack of availability of suitable sites to build much-needed homes, thus slowing progress toward the *Rebuilding Ireland: An Action Plan for Housing and Homelessness* targets.

In the past, construction ‘start-up’ costs – including architect fees, valuation fees, legal fees, etc. – were allocated along with Capital Advance Leasing Facility<sup>5</sup> (CALF), funding at a rate of 1.5% of the overall project costs. CALF is a facility which helps AHBs access finance. Reinstating this practice would be one option for overcoming cashflow issues. In addition, we call for initiatives to entice skilled and experienced staff into the sector and to support its reinvention and sustainability.

AHBs of the Housing Alliance can deliver more homes, at scale, to help the State meet its social and affordable housing commitments, delivering homes for individuals and families who urgently need them. Concerted action is required from Government to overcome the obstacles outlined here. This will allow Housing Alliance members to deliver homes and reach their social purpose objectives, making a real difference to the lives of individuals and families all around the country.

1. The six members of the Housing Alliance are Clúid Housing, Circle Voluntary Housing, Co-operative Housing Ireland, Oaklee Housing, Respond and Tuath Housing. To find out more about the Housing Alliance and its membership, visit [housingalliance.ie](http://housingalliance.ie).
2. TIER 3 AHBs are those with more than 300 homes or with development plans to increase stock size (to over 300 homes), and/or those are applying for, or are in receipt of, loans from the Housing Finance Agency, private finance or other sources (for stock levels over 300 homes).
3. CALF is a facility that assists AHBs with the financing of the construction or acquisition of units that will be provided for social housing use.



## About the Housing Alliance

The Housing Alliance is a collaboration of six of Ireland's largest Approved Housing Bodies: Clúid Housing, Circle Voluntary Housing, Co-operative Housing Ireland, Oaklee Housing, Respond and Tuath Housing. Approved Housing Bodies (AHBs) are organisations that have been formally approved by government to provide social housing. All six members of the Housing Alliance are classified as Tier 3 AHBs.

The Housing Alliance was formed to promote the delivery of social and affordable housing by larger AHBs, to address barriers and challenges to delivery, and to promote strong professional approaches to housing management. Members work collaboratively on a range of issues, while also retaining their independent status. Most Housing Alliance members are active members and participants in the Irish Council for Social Housing. All exercise good governance and accountability, filing annual audited Financial Statements with the Companies Registration Office, and are regulated by the Housing Regulator and Charities Regulator.

To deliver much-needed social housing, the Housing Alliance works in partnership with the Department of Housing, Planning and Local Government; local authorities; the Housing Agency; the Housing Finance Agency and a range of funding partners; and the private sector. Collectively, the Alliance is responsible for over 20,000 social homes nationwide, representing two-thirds of the total AHB housing stock in Ireland. Over the last two years, 2017 and 2018, Housing Alliance members delivered more than 3,500 homes across the country. We are currently working across at least 50 schemes with over 2,000 homes in the pipeline, and more to come in 2019, with the support of our partners.

## About Approved Housing Bodies

AHBs are not-for-profit organisations that have a social purpose to provide for people's housing needs by working in close co-operation with the Government, local authorities and relevant agencies. In particular, Housing Alliance members work in partnership with local authorities to support the provision of housing and, in many cases, additional supports. The Government has recognised that AHBs are central to the meeting of Ireland's social and affordable housing needs, with Rebuilding Ireland recognising that AHBs will deliver one-third of the 50,000 additional social homes needed by 2021.

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