

# Housing challenges across the island of Ireland



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Ten years on from the international financial crash, we are still living with its consequences across the island of Ireland. One of our biggest challenges is how to ensure the supply of genuinely affordable housing. How is this being addressed?

## North

There is a mixed picture in the north. House prices are lower than ten years ago: the average house in Belfast costs £132,169, 28 per cent lower than 2008. Negative equity remains a widespread problem especially for mortgage-holders who need to move.

There are positive signs though: more first-time buyers entering the market, and more homes being built. But the problem of affordability remains, particularly for low-income households. Welfare reform is affecting people's ability to pay their rent, and with bedroom tax mitigation measures soon expiring, significant challenges lie ahead. During the recession, the Stormont executive continued its capital funding for new social housing provision, so people continued to be housed from the waiting list. But many more homes are needed to turn the curve on housing stress.

Northern Ireland has a thriving private rented market that eases the pressure, but as rents creep up and loss of private tenancy emerges as a main cause of homelessness, this will not be sustainable long term.

## South

The economy continues to perform strongly in the south. But the risk is that persistently high housing costs could erode competitiveness with higher wage demands.

The difference between 'haves' and 'have-nots' is stark - homelessness is unacceptably high as increasing numbers struggle to keep a roof over their heads.

With 85,799 households on waiting lists in 2017, building genuinely affordable homes is the number-one priority. Approved housing bodies (AHBs) have a key role to play in tackling the crisis.

The government's action plan for housing and homelessness, Rebuilding Ireland, gives AHBs a leading role in the delivery of 50,000 new social homes. Some 33,000 are intended to be new builds (including 20,000 from AHBs) and the rest will be acquisitions and leased properties. In 2017, AHBs provided 2,300 new homes, with delivery of 3,800 expected in 2018, rising to 9,000 homes proposed for 2021. This is a huge challenge: some of the larger AHBs will be able to deliver growth, but many will struggle to find the necessary capacity, resources and skills to increase at scale.

A whole-system approach is required to meet housing need - including sufficient social and affordable homes to rent and buy. And greater focus is needed to create the conditions for AHBs and councils to provide significantly more social housing.

## Challenges and opportunities

North and south, the voluntary housing sector is performing well, in difficult times, and there is appetite for growth. Housing organisations are operating in a complex funding and policy environment and have had to change. In the south for instance, reclassification of the largest AHBs as public sector calls into question how the new supply programme can be funded. A further challenge is gearing up to meet the expectations of regulation.

The main challenges are to understand and manage risk, and to develop the capacity to co-ordinate ambitious build programmes, to manage assets and to sustain tenancies and communities.

None of these problems are insurmountable, north or south. Nonetheless, government interventions, informed by robust evidence, with clear direction and strong leadership, are needed to support the sector to meet what is required. This will be challenging in the face of Brexit and the lack of a Northern Ireland Assembly. Political stability and certainty around finance, costs and delivery mechanisms are essential if we are to deliver positive housing outcomes.

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