



STRONGER TOGETHER

CONGRESS

Irish Congress of Trade Unions

Congress Housing Briefing

1. Delivering on Public Housing and Affordable Homes

Increasing the supply of new homes will not solve the crisis. The key issue is the lack of affordable homes to buy or rent, coupled with a near collapse in public housing provision.

This has created a major 'affordability gap' in the home purchase and rental sectors.

Between 2012 and 2020, the median house price in Dublin virtually doubled from €200,000 to over €390,000.

This requires a household income of at least €100,000 pa to qualify for a mortgage, meaning such homes are **beyond 85%** of all households.¹

The median national price of a new build home has risen **44%** since 2016, to €355,000 (prices increased by an average of €20,000 over the last year).²

The lack of affordable accommodation and the absence of public housing has seen a **huge spike in the subsidies paid to private landlords** through Housing Assistance Payment (HAP) and similar supports.

Budget 2021 saw almost €1 billion allocated to rental subsidies and the cost of leasing from landlords - some 30% of the national housing spend.³

i) Fall in Public Housing Provision

Between 2008 and 2014, State funding for public housing fell by 88.4%, leading to a dramatic 91.5% cut in output.⁴

In 2008, the combined local authority build was **4,905 homes**. By 2014, it was just **104**.

Despite a housing need of some 20,000 in the Dublin region, the four Dublin authorities added just **2,352 public housing** units *net* to stock, between 2017-2109.⁵

ii) Low Cost Delivery

Figures from the Department of Housing (see chart) show that local authorities can effectively deliver **two affordable homes** for the **price of one** privately developed house, when utilising public land.⁶

These costs were confirmed by the Housing Minister in response to a recent Dáil question, as reported by the *Irish Times*. Some 50% of private developer costs arise from finance, land and margin/ profit.⁷

It is also cheaper for local authorities to build rather than finance the cost of a HAP tenancy.⁸

The State owns or controls sufficient land to build in excess of 100,000 homes.⁹

iii) Land Development Agency Issues

The concept of the Land Development Agency (LDA) originated with the National, Economic & Social Council (NESC).¹⁰

But the model proposed by NESC differs radically from the government version.

NESC stated that land was "the most critical resource available to the State" and must be retained in public ownership for public and affordable housing.

But the Land Development Agency bill (2021) contains **no guarantee that public land will stay in public ownership** and be used exclusively for that purpose.¹¹

It provides for the LDA to 'acquire and dispose' of lands and enter into commercial arrangements for development (Sect. 13). It commits to utilising **50% of given sites** (non local authority) for affordable and cost rental (Sect. 73). The 50% provision can be varied by the Minister for Housing.

That leaves a significant portion of LDA controlled land **vulnerable to a sell off or disposal**.

The bill provides no clarity on the proportions of public, cost rental and affordable homes to be delivered and **fails to guarantee or define affordable**. It merely states this will be below 'prevailing market price' or rent (Sect. 76).

This falls well short of any definition of 'affordable'.

DHPLG (2019)

	3-bedroom house		2-bedroom house	
	Construction	'All in' Cost	Construction	'All in' Cost
Cork City	€204,500	€264,900	€214,100	€280,400
Dublin	€272,600	€348,900	€287,100	€370,500
Dun Laoghaire	€215,600	€277,500	€226,800	€294,700
Fingal	€205,300	€266,100	€213,800	€281,800
South Dublin	€215,600	€277,500	€226,800	€294,700
Galway City	€189,000	€248,300	€196,900	€262,200
Limerick City	€203,800	€265,800	€211,000	€279,900
Waterford City	€184,700	€243,100	€187,600	€250,500

