



FIANNA FÁIL
THE REPUBLICAN PARTY

 **Housing for All | Q&A**





Key Messages

What's new in this plan?

- Longer time horizon, recognising the need to achieve a housing system that's sustainable in the long-term.
- Fully funded to historic levels: in excess of €20bn in funding through the Exchequer, the Land
- Development Agency (LDA) and the Housing Finance Agency over the next five years;
- Much greater State involvement in the market and commitment to public housing, putting affordability at its core.
- This a concerted whole of Government approach.

What is the duration of the Plan and how many homes does it aim to deliver?

- Housing for All is a plan to 2030: over 300,000 new homes will be built by 2030, including a projected 54,000 affordable homes for purchase or rent and over 90,000 social homes.
- Aim to reach and exceed the supply of 33,000 homes per year by 2024.

Historic levels of funding

Over the next five years, just over €20bn will be made available via:

- €12bn in direct Exchequer funding
- €3.5bn through the Land Development Agency
- €5bn through the Housing Finance Agency

An annual average of €4bn will be invested in housing. This is the first multi-annual, multi-billion euro housing plan.

And after 2025?

- Expenditure ceilings beyond 2025 will be captured in further reviews of the National Development Plan, however the trajectory of Housing delivery is understood. Additional ceilings will be agreed at a sectoral level on a rolling 5-year basis.



What about the rest of the funding need to deliver 33k homes per annum?

- Home Building Finance Ireland (HBFI) has received extensive interest from the residential development sector and has approved over €500m in funding since its launch in January 2019, supporting the potential delivery of over 2,400 new homes across a range of development sizes.
- External sources of finance will be needed to bridge the gap between the overall funding requirement to build an average of 33,000 homes each year, and that provided via direct Exchequer funding, State borrowing, HBFI and the domestic banking sector.
- Institutional Investors will facilitate in filling that gap, with incentives to build high-density, high-quality and well-located housing.
- Institutional investment in the residential sector will reduce reliance on bank funding for development; this is important in building broader capital markets for housing development.
- In addition to this, the increasing importance of environmental and social impact to investors means that housing is a well placed to attract long-term finance from investors with strong ESG standards.

33,000 homes per annum needed: (that equals 297,000 in the period 2022-2030) how was that figure arrived at?

- ESRI analysis of projected population growth including immigration levels etc combined with Housing Need Demand Analysis (HNDA) incorporating house price growth, rental income growth, wage inflation etc supported by the Scottish Centre for Housing Analysis
- Central Bank forecasts of similar order of magnitude
- Review of HNDA every two years to ensure up to date with latest trends
- Current projections show an overall output in excess of 300k by end 2030

This plan aims to reach/exceed that figure by 2024. Why will it take that long?

- COVID-19 has played a major role in that. We had a construction sector shutdown which lasted 13 weeks in 2021, similar in 2020. We also lost capacity in the sector. We need to increase the workforce by about 27,500 to get us to that 33,000 level.
- This plan will get us there, to over 300,000 new homes by 2030, meaning an annual average of at least 33,000 homes per year (including over 9,500 new-build social and 6,000 affordable homes per year).



An additional 27,500 construction workers needed: have we got the capacity to deliver these homes?

- We have a plan to get there: industry will be supported in returning existing workers to full employment:
 - Construction employment levels in Q1 2021 are almost 30k below Q1 2020 peak of 148k (CSO Labour Force Survey). Almost 12,000 former construction workers are still receiving PUP Payments. We need to get those workers back on site.
 - There will be proactive engagement to attract international labour, where supply is restricted locally. The Department of Enterprise will make any necessary changes in the employment permit system, in order to increase the number of skills construction workers.
- There will also be a ramp up in education and training opportunities for example through implementation of the Action Plan on Apprenticeship 2021-2025, which aims to increase apprenticeship registrations to 10,000 per annum.
 - 2054 construction related apprentice registrations occurred in H1 2021: if this rate is repeated in H2 it will equate to in excess of 4k apprentices per annum. Apprentice registrations peaked in 2006 with in excess of 8k registrations: it is possible to build up to that level again, and beyond, as needed to meet the average 33k annual output.



How to achieve reductions in the cost of construction

- This Government is committed to putting affordability at the heart of the housing system, as such reducing costs, with a whole of Government approach to residential construction to ensure that all aspects are addressed, is a key to Housing for All.
 - Examine each stage of construction to look for cost reductions – substructure, structure and Mech and Elec currently most costly elements;
 - Conduct international cost comparison with other EU countries that deliver to similar standards;
 - Important role for the Construction Technology Centre, currently in development to support productivity and development as well as research and innovation in the sector;
 - Facilitation of modern methods of construction through a holistic construction product assessment process;
 - Engage with international construction firms to encourage participation in the Irish market;
 - Demonstration Park to support and demonstrate modern methods of construction

What about overall increases in prices seen in the market?

- Pent up demand has built up through lockdown period with viewings only recommencing in May, exacerbated by the Construction sector operating at a reduced capacity during lockdowns and a reduction in levels of second hand stock available for purchase.
- The key response is increased supply across all four tenures – social, affordable, private rental and private ownership and that’s what this plan is about.
- There has been a surge in housing commencements and New Dwelling Completions. Commencements in April/May rose 250% when compared with the same period in 2019, while New Dwelling Completions for Q2 2021 were greater than in the same period in 2020 and 2019.
- House prices are likely to moderate in the longer term as the market reopens; normal activity resumes; and supply measures deliver.
- The range of actions being supported by the Government under Housing for All will continue to support ongoing increases in housing supply and deliver affordable housing options, and support an ongoing moderation in house price increases.



What is “Affordable” housing?

- Question is not simply ‘What is Affordable?’ but ‘What is affordable for whom and in what circumstance?’
- There are many different, even incompatible definitions in international and domestic policy debates.
- Can consider proportion of household net income (less income tax and social insurance) expended. However, it is a blunt measure.
- Definitions of acceptable limit to net income expenditure also vary:
 - Many say c. 1/3, some say as low as 30%
 - EU Commission defines housing cost ‘overburden’ as >40%
- No clear legal definition of housing affordability in Ireland, but a rule of thumb c. 35% of net income.
- The Affordable Purchase Schemes will allow the measurement of affordability on a household specific basis.

What is meant by middle income and moderate earners?

- Those on incomes above the social housing threshold and on an income where they face an affordability constraint in buying or renting a home.
- The average cost of a FTB new home in Dublin is €400,000. Excluding the deposit, the a couple would require a combined income of over €100,000 to secure this homes
- I consider such a couple earning €50,000 each to be on moderate income and that they would merit support in their efforts to live and work in Dublin and bring up their family.
- That’s why the affordable schemes are being developed to help households in this position.



What supports will be available to make homes more affordable to rent or buy?

- A number of schemes and supports have now been legislated for and will be funded:
 - Help to buy remains in place to assist taxpayers in assembling a deposit;
 - A “First Home” shared equity scheme will soon be available to those buying private developer supplied housing;
 - Local authorities will deliver, or facilitate the delivery of, homes for eligible purchasers under the affordable purchase scheme (supported by government subsidy from the Affordable Housing Fund);
 - A new form of tenure, cost rental homes, will soon be made available by local authorities, Approved Housing Bodies and the LDA (built on State land or supported by subsidy or Cost Rental Equity Loans); and
 - the Land Development Agency will deliver affordable housing units, built on State lands.
- The plan will also lead to overall increase in supply at more affordable levels through planning/land changes and improvements in construction methods over the longer term, and more immediately measures to ensure increased housing output from the existing level of permitted developments through Project Tosaigh and the Croí Cónaithe Fund.



Headline deliverables under Housing for All

For Low-Income Households

- Provide over 90,000 social homes by 2030, including an average annual new-build component of over 9,500 social housing homes to 2026, the highest number in the history of the State.
- End long-term leasing by Local Authorities and Approved Housing Bodies through phasing out new entrants and focus on new-build to provide social housing homes.
- Strengthened Mortgage to Rent Scheme, to ensure that it meets the needs of those in long-term mortgage arrears.
- Reformed Tenant Purchase Scheme.
- Revision and reform of income eligibility for social housing.

For People Experiencing Homelessness

- Work towards eradicating homelessness by 2030.
- Increased Housing First targets to 1,200 tenancies over five years for homeless people.
- Establish a new National Homeless Action Committee.
- Expand Street Outreach Teams for rough sleepers nationwide.
Individual Healthcare Plans.

For those Trading Up and Rightsizing

- Over 300,000 new homes by 2030.
- A new national policy on rightsizing to highlight the potential of rightsizing for households that no longer fully occupy their current privately owned accommodation and exploration of options to support and incentivise rightsizing on a voluntary basis.

For People Starting Again

- A Fresh Start principle for applications to State affordable housing and loan schemes.
- People who are divorced and have no interest in the family home or who have undergone insolvency proceedings will be eligible to apply to those schemes.

For Communities

- Radical new modern Kenny Report style powers to ensure sharing of the increase in land values from re-zoning decisions and greater community gain.
- Ending Strategic Housing Developments, returning planning decisions to Local Authorities and reforming the judicial review process.
- A new Tax to activate Vacant Land for residential purposes.
- Collection of data on vacancy levels with a view to introducing a new Vacant Property Tax to ensure empty properties are used.



- An amended Fair Deal Scheme to remove disincentives for sale and rental of vacant properties.

For Towns and Cities

- A new Croí Cónaithe (Cities) Fund to increase owner-occupier apartment development in city centres.
- Increased funding capacity for the Land Development Agency for strategic development of public lands for affordable and social housing in city and town centres.
- Targeted funding via the Urban Regeneration and Development Fund (URDF) and Rural Regeneration and Development Fund (RRDF) to support the Town Centre First approach, as part of the wider objectives for the regeneration of cities, towns and rural areas.
- Planning exemptions for ‘above shop’ conversions and guidance relating to protected structures.
- A nationwide, Local Authority led, Compulsory Purchase Order (CPO) Scheme to purchase vacant homes.

For Rural Communities

- New County Development Plan guidance to ensure appropriate zoning and density levels.
- A new Croí Cónaithe Fund to service sites and refurbish vacant properties in regional towns and villages
- A new Compulsory Purchase Order (CPO) Programme to tackle vacancy in towns and villages.
- New rural housing guidelines to give certainty for development of one-off homes.

For Construction Workers

- 27,500 new construction jobs to meet required annual output levels.
- Stability and certainty in the building sector through a long-term funding pipeline.
- New apprenticeship opportunities and a targeted campaign at school leavers to build up capacity in the sector.
- A new Construction Technology Centre to drive innovation and productivity in the sector.





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