

Housing, Homelessness and the Covid 19 Crisis Response



Professor Michelle Norris
School of Social Policy, Social Work and Social Justice
University College Dublin.

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Which one of these was most important to you in deciding how to vote today?



Health

Housing &
Homelessness

Pension age

THE IRISH TIMES Ipsos MRBI Exit

32%

26%

8%

Housing was one of voters' main concerns in the general election.

What implications does the Covid 19 pandemic have for housing?

What implications does it have for politicians plans?

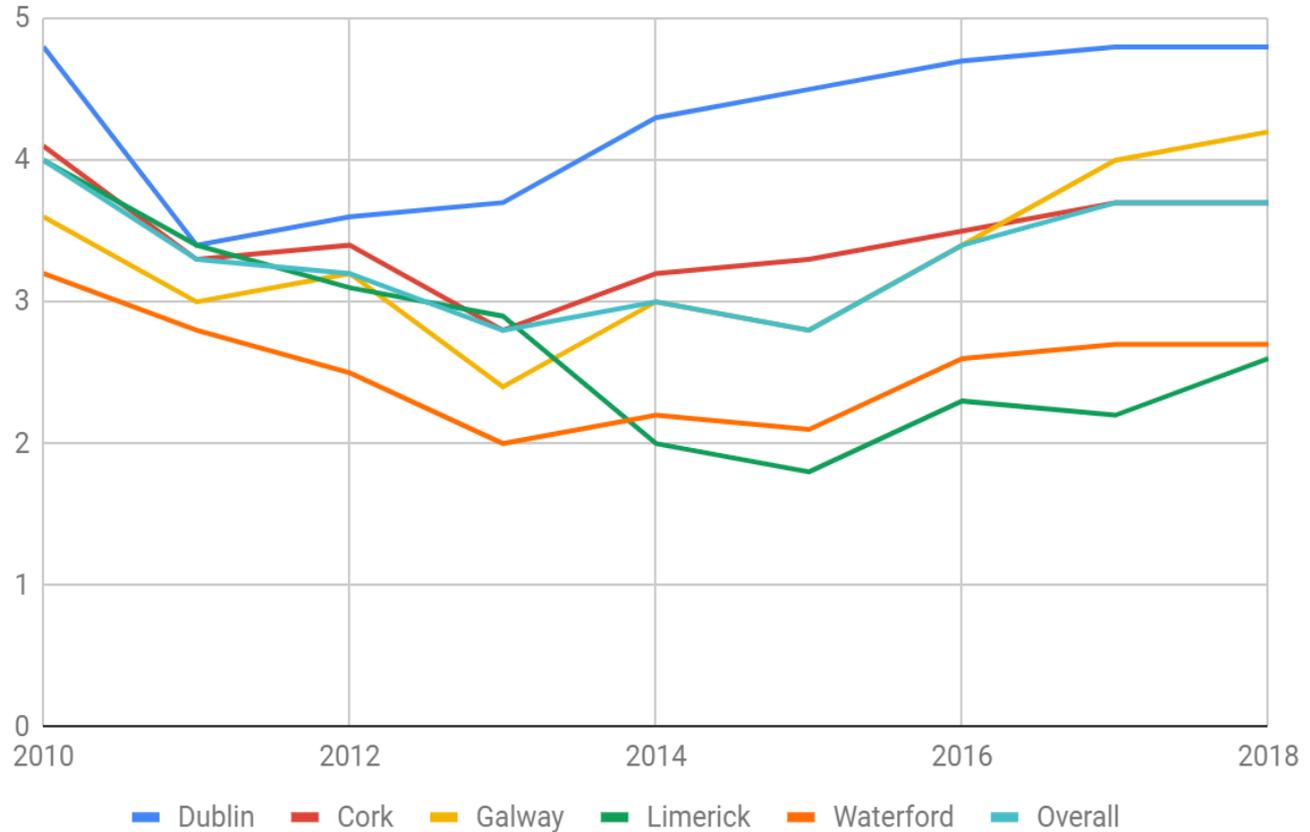
What part should housing policy play in our response to the pandemic?

Five policy proposals.

Covid 19 has not made existing housing challenges disappear:

- Lack of affordable housing for rent or purchase by middle income households.
- Lack of social housing supply.

May have tempered these problems but just temporarily.

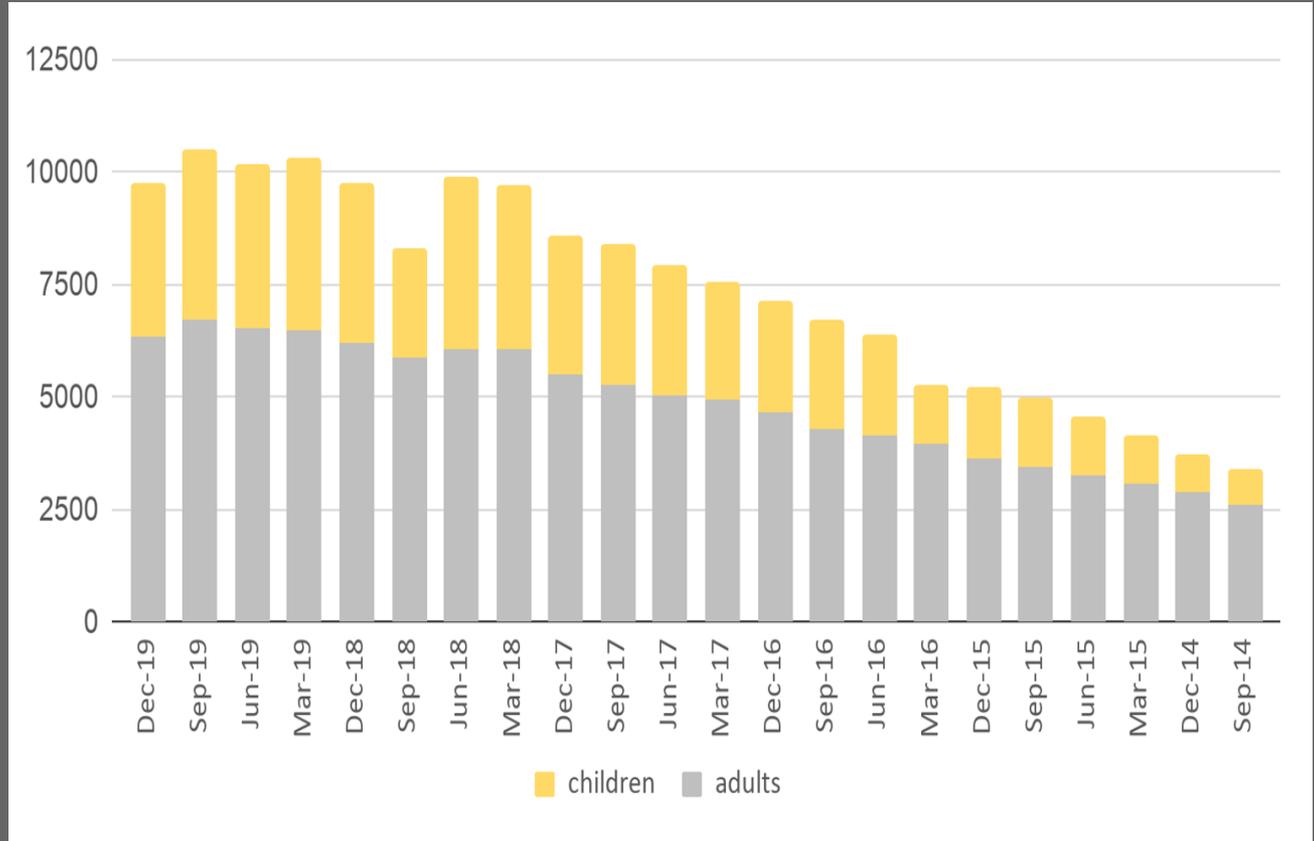


House Price to Earnings Ratios in Irish Cities, 2010-2018,

Covid 19 has created new and urgent housing problems:

- 70% of homeless adults are single.
- Most living in dormitories in homeless hostels.
- Homeless families with children in B & B or homeless hubs

Makes social distancing difficult.



Homeless Children and Adults in Ireland, Sept 2014 - Sept 2019.

Covid 19 housing policy response:

This emergency needs a strong housing policy response



It may bring some housing policy opportunities



But this response can't be just more of the same

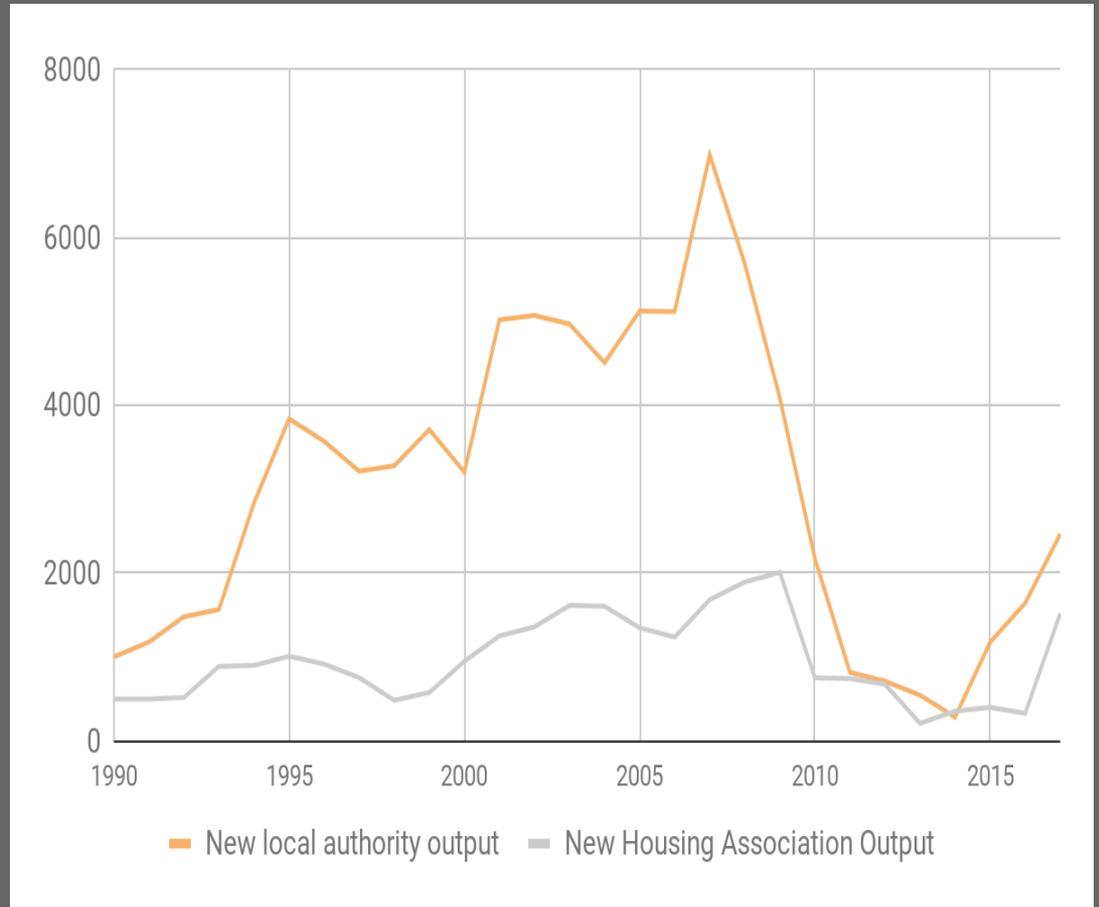


It must be more of something different:

- more strategic
- better targeted
- better managed
- more affordable

Housing policy response #1: counter cyclical capital investment.

- Construction one of the few economic stimuli which is viable in a pandemic.
- House building creates most jobs.
- Opportunity for the government and LDA to procure land and construction at lower prices.
- Break 40 year old pattern of pro-cyclical capital investment.



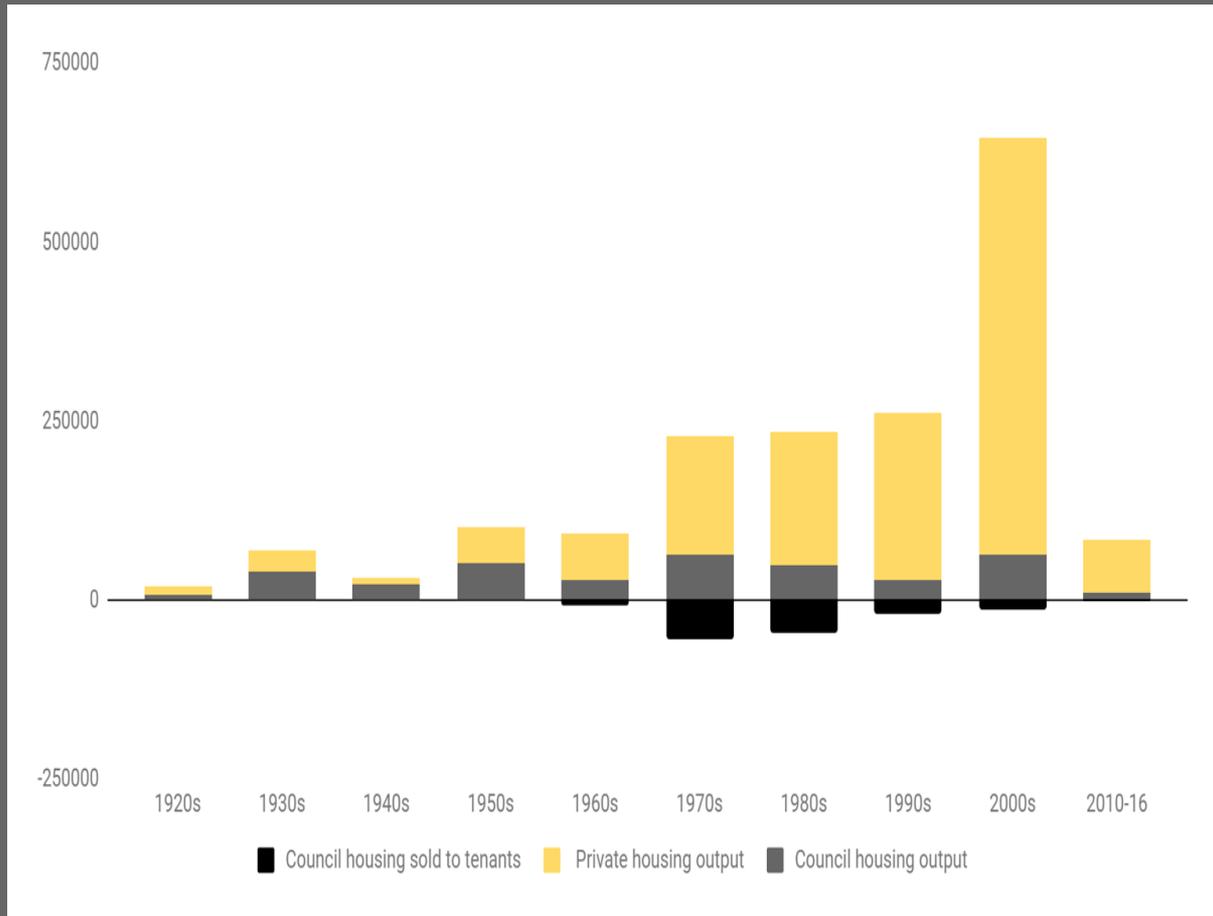
Social housing output in Ireland, 2000-2018

Housing policy response #2: reform arrangements for raising and managing housing finance.

- Opportunity to raise government debt at low interest rates.**
- But capacity is not unlimited and the debt has to be serviced.**
- Social housing in Ireland is almost 100% government funded and all on the government balance sheet.**
- Social housing in the rest of Western Europe is funded by commercial borrowing 'off balance sheet' and is self funding in the long run.**
- We should copy the best of these models and apply them here.**

Housing policy response #3: retain and recycle public subsidies.

- Local authority housing sold to tenants at 40-60% of market value.
- Successor / inherited tenancies - up to 30% of new lettings in some local authorities.
- Manifestos propose building 'affordable housing' for sale at very low prices which require significant public subsidies.
- LDA investment could also be recycled.



Local authority and private housing built and local authority housing sold to tenants, 1922-2016.

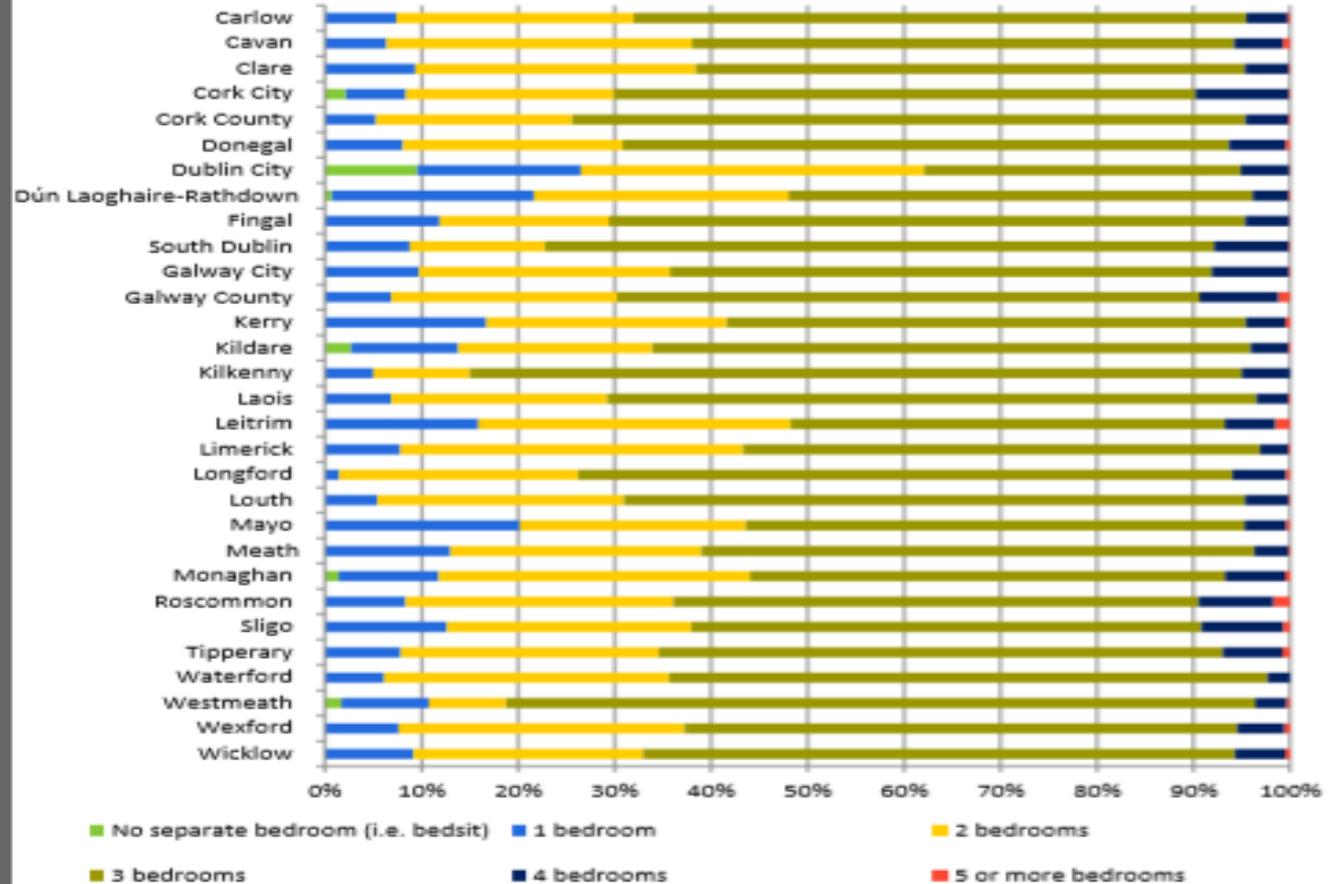


Housing policy response #4: intervene strategically in housing market:

- **Weak market supply of affordable housing for middle income groups.**
- **Rent control redistributes rent increases rather than permanently suppresses them.**
- **Cost rental tenure could address both problems**
- **Compete against market rents.**
- **Self funding if rents are set at cost.**

Housing policy response #5: A small houses strategy.

- More social housing won't necessarily solve homelessness.
- 61% of the local authority house have 3 or 4 bedrooms
- 58% of housing association (HFA funded) output in 2019 had 3, 4 or 5 bedrooms.



Local authority social housing units by number of bedrooms, 2015.

**Thanks for listening and keep
well.**

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