

Housing: a review of expenditure trends and social housing need

Patrick Malone

Key Point:

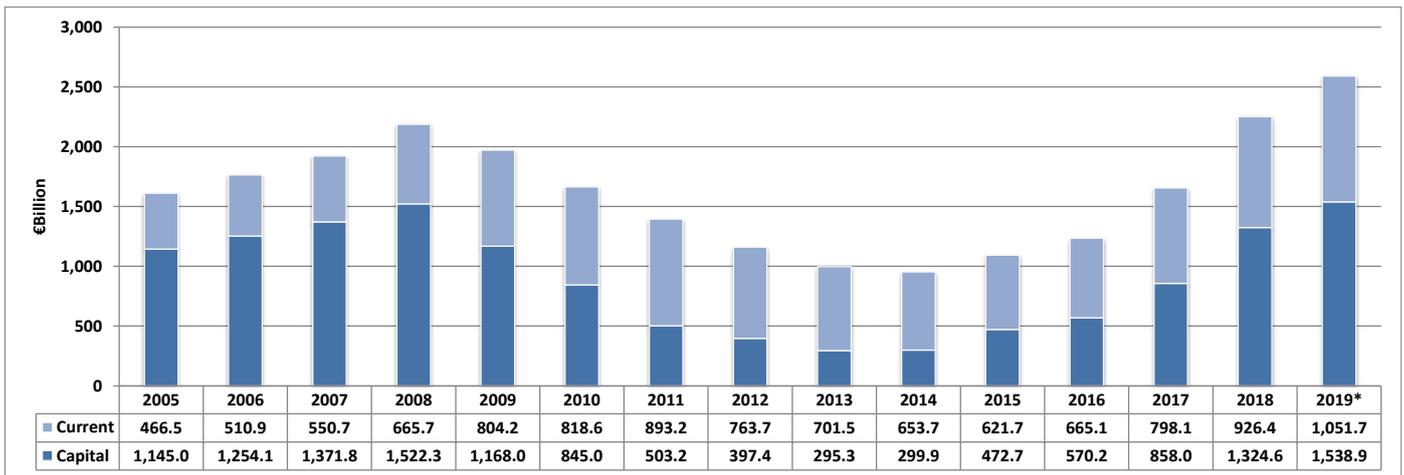
During the Great Recession and its aftermath, public expenditure on housing fell significantly from €2.2bn in 2008 to a low point of €950m in 2014, a decrease of €1.2bn or 60%. The largest reduction in public spending was in capital expenditure, with total spending decreasing by €1.2bn or 80% from €1.5bn in 2008 to €300m in 2014. Since then, public expenditure on housing has risen substantially to almost €2.6bn in 2019, representing an increase of €1.6bn on 2014. In terms of composition, capital expenditure increased to over €1.5bn (+€1.1bn) and current expenditure rose to over €1.0bn (+€400m). Concurrent data from the Housing Agency on social housing assessments and waiting lists suggest that this has led to an overall reduction in the number of households in need of social housing supports. In 2019, almost 69,700 households qualified for social housing support: this represents a decrease of 21,200 (-24%) from 89,900 on 2013 and 22,000 (-25%) on 2016. However, private renting households receiving the Housing Assistance Payment are not assessed as being in need of social housing and excluded from the waiting list. Since its introduction in 2014, the total number of HAP tenancies set-up has increased from 485 in 2014 to just over 17,000 in 2019. This in part accounts for much of the fall on the social housing waiting lists during these years.

Public Expenditure on Housing, 2005-2019

Total public expenditure on housing in 2019 amounted to almost €2.6 billion. Figure 1 shows trends in public expenditure on housing between 2005 and 2019. Between the years 2005 and 2008, total public expenditure increased from €1.6bn in 2005 to almost €2.2bn in 2008 (+€600m). During the Great Recession and its aftermath, public expenditure on housing decreased significantly: with the total spend falling from a peak of €2.2bn in 2008 to a low point of €950m in 2014: a decrease of €1.2bn or 60%. During this time, the biggest fall in public spending was in capital expenditure: with total spending decreasing by €1.2bn or 80% from €1.5bn in 2008 to €300m in 2014. By comparison, the fall in current spending was significantly less, with an overall decrease of €44m (-7%) from almost €666m in 2008 to €622m in 2015. This suggests that current expenditure was relied on significantly to deliver necessary housing support during these years.

Five years later, total expenditure on public housing has risen substantially to almost €2.6bn in 2019, representing an increase of €1.6bn on 2014. In terms of the composition of expenditure, it is evident that there has been a significant change between these years (2014-19): with capital expenditure increasing to over €1.5bn (+€1.2bn) and current expenditure rising to just over €1.0bn (+€400m).

Figure 1: Trends in Public Housing Expenditure, 2005-19



Source: DPER Databank (2020); DHPLG (various years); DEASP (various years); PAC (2019). Note: Total Capital expenditure between 2015 and 2019 includes LPT allocated for housing programmes. Current expenditure includes Rent Supplement and Mortgage Interest Supplement spending through DEASP. *2019 LPT figures allocated for housing are estimates.

Figure 2 shows the composition of current and capital public housing expenditure by sector in 2019. Housing Assistance Payment (HAP) and Rent Supplement account for almost 50% while leasing (Social Housing Current Expenditure Programme (SHCEP)) and Rental Accommodation Scheme (RAS) account for almost 30% current expenditure. It is worth noting that a significant proportion of current SHCEP expenditure is used to repay loans acquired for the building or buying of AHB social housing unit: thereby using current expenditure to acquire a capital asset. The remainder of current expenditure is targeted at specific groups and services such as, Accommodation for Homeless (16%) and Capital Loans and Subsidy Scheme (CLSS), (e.g. loans for Approved Housing Bodies (AHB)) at 5%.

For capital expenditure, Local Authority (LA) Housing accounted for 66% of total capital spending, while schemes linked to AHB delivery (e.g. Capital Assistance Scheme (CAS) and Capital Advance Leasing Facility (CALF)) account for 16%. The remaining capital spending are for schemes and services related to LA Regeneration/Redial (5%), Private Housing Grants (4%), Energy Efficiency-Retrofitting (3%), Pyrite Resolutions Board (2%), Infrastructure fund (2%) and Mortgage for Rent (1%).

Figure 2: Public Current Expenditure on Housing, 2019

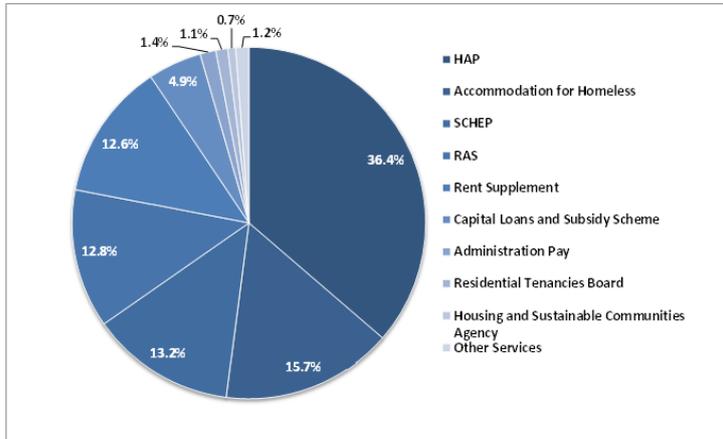
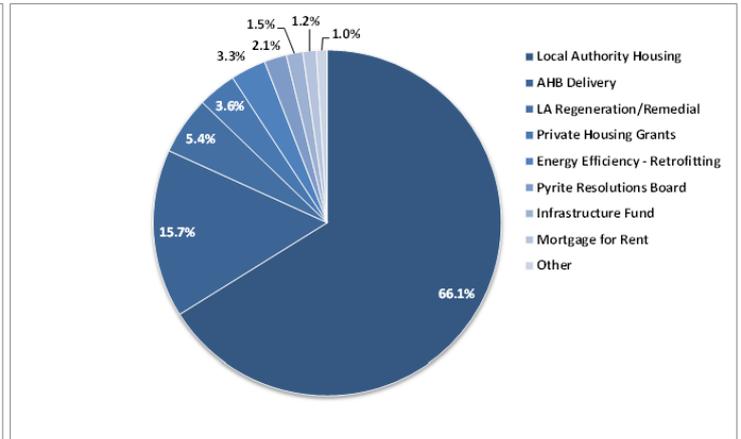


Figure 3: Public Capital Expenditure on Housing, 2019



Source: DPER Databank (2020); DEASP (2020)

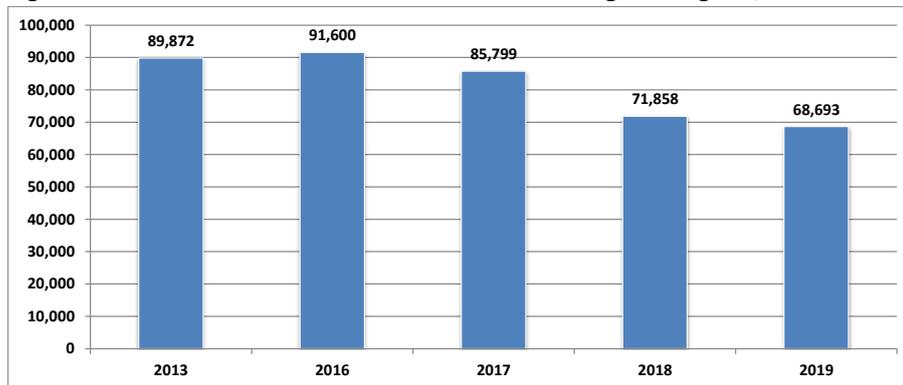
Social Housing Demand

Figure 4 shows the number of households on the social housing waiting list between the years 2013-19. In parallel with the increased levels of public expenditure on housing between 2014-19, concurrent data from the Housing Agency on social housing assessments and waiting lists suggest that this has led to an overall reduction in the number of households in need of social housing support during these years. In 2019, almost 68,700 households qualified for social housing support: with the total number of households on the waiting list decreasing by 21,200 (-24%) from 89,900 on 2013 and 23,000 (-25%) on 2016.

Dublin has by far the greatest identified need for social housing support in 2019, with almost 26,700 households on the waiting list. This county was followed by Cork (7,200), Kildare (3,390) and Galway (3,150). The counties with lowest need for social housing support were Leitrim (190), Roscommon (320), Longford (500) and Sligo (500) (See Appendix 1 for county breakdown of total social housing waiting list numbers).

However, it is important to note that prior to the introduction of the Housing Assistance Payment in 2014, all private renting households receiving government housing allowances were assessed as being in need of social housing and included on the waiting list. Since then, HAP recipients were no longer regarded as in need of social housing. The total number of HAP tenancies set-up has increased from 485 in 2014 to just over 17,000 in 2019 (DHPLG, 2020b). This in part accounts for much of the fall on the social housing waiting lists during these years.

Figure 4: Number of Households on the Social Housing Waiting List, 2013-19

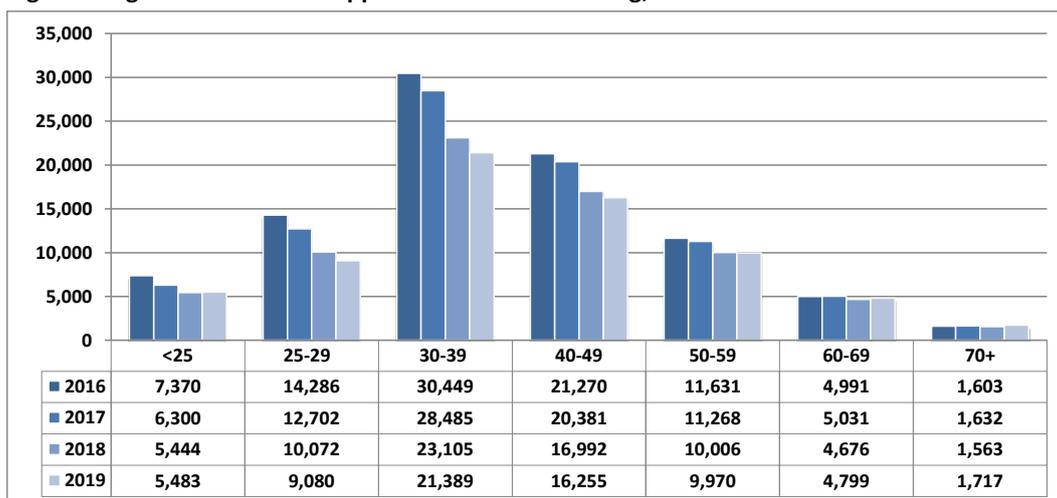


Source: HA (2020)

Age Profile and Household Composition

Figure 5 shows the age categories of the main applicants for social housing support. In 2019, households where the main applicant is aged between 30-39 years accounted for the highest share of all households on the waiting list for social housing support at 31% (21,390 households). Since 2016, the number of applicants in need of housing support in this age group fell by over 9,000 (-30%): decreasing from 30,450 to 21,390 households in 2019. Similarly, those households with a main applicant aged between 25-29 years, saw decline of 5,200 (-36%) households in need of social housing support: falling from almost 14,300 in 2016 to just over 9,000 in 2019. The overall decline in the total number of households on the waiting list for social housing supports was less evident amongst the older population age groups. During this time, households with an applicant aged over 70 years increased by 7%.

Figure 5: Age Profile of Main Applicant for Social Housing, 2016-19

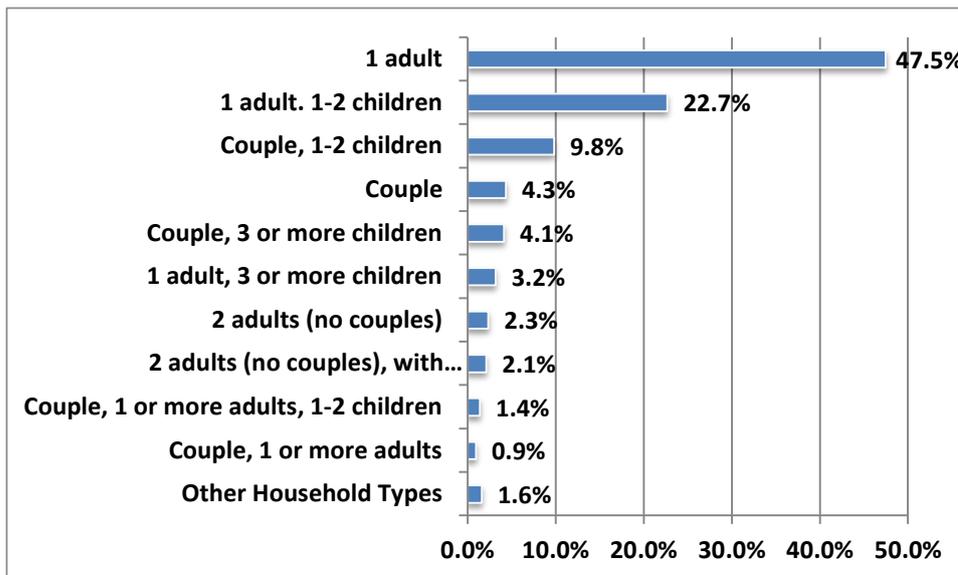


Source: HA (2016) (2017) (2018) (2019)

Figure 6 shows the household composition of applicants on the waiting list for social housing. In 2019, 1 adult households represented the largest grouping of household size

type, accounting for just under 50% of the overall total number on the waiting list for social housing. When combined smaller size households (1 adult; 1 adult, 1-2 children; Couple, 1-2 children; and a couple with no children) accounted for 84% of the overall total. By comparison, larger size households (Couple, 3 or more children; and 1 adult, 3 or more children) accounted for 8% of the total number of households on the waiting list.

Figure 6: Household Composition of Waiting List for Social Housing, 2019



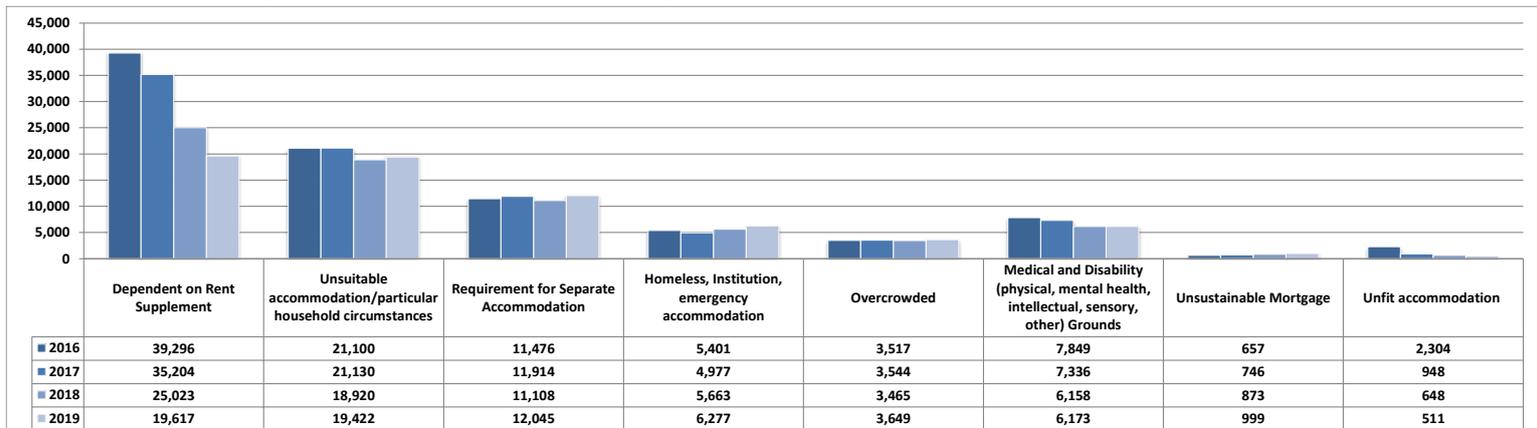
Source: HA (2019)

Social Housing Need and the Waiting List

Figure 7 shows the main categories of social housing needs. In 2019, households on rent supplement was the most common cited basis of need for social housing support at almost 19,620: representing 29% of the total households on the waiting list. Since 2016, the total number of such households has fallen by almost 20,000 or 50%. The decreased number of households citing the receipt of rent supplement as a basis of need for social housing support may in part be due to the continuous roll out of HAP since 2014. Between the years 2016 and 2019, the number of active HAP tenancies has increased by over 36,000 from almost 16,500 in 2016 to over 52,500 in 2019^a.

‘Unsustainable accommodation-particular household circumstances’ accounted for the second most frequently cited main need for social housing support at over 19,400 households (28% of all households). This category experienced a decrease of 1,680 (-8%) from 21,100 households in 2016. Among the other categories, households whose main need was listed as ‘homeless, institution, emergency accommodation or hostel’ has risen during this time: increasing by 880 households (+16%) from 5,400 in 2016 to 6,280 in 2019.

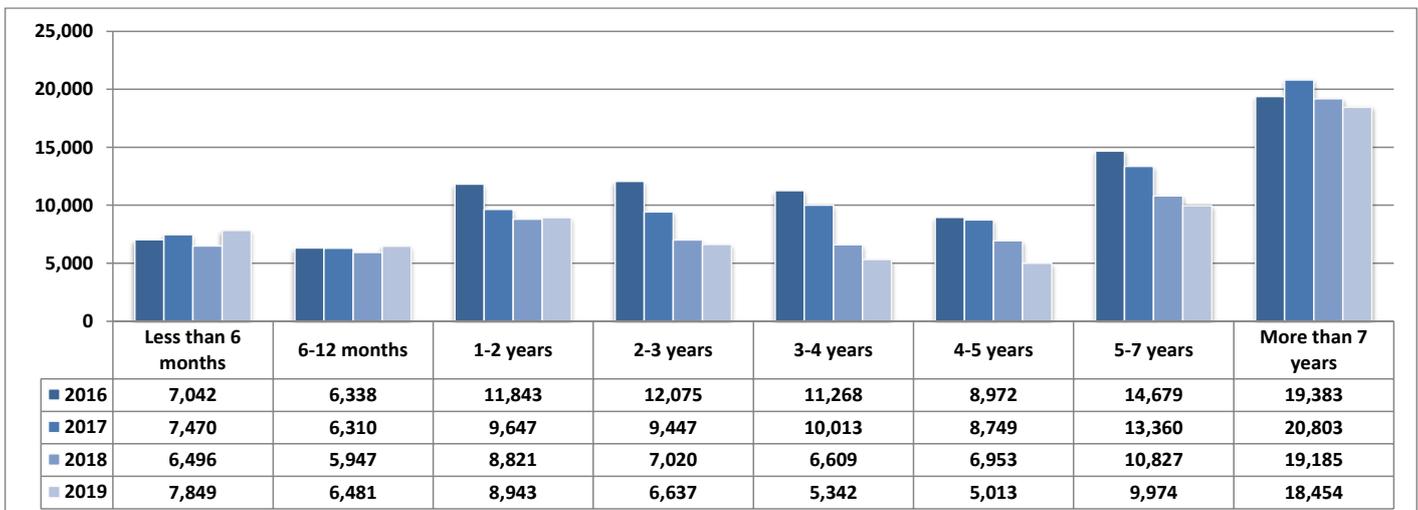
Figure 7: Main Need for Social Housing Support, 2016-19



Source: HA (2016) (2017) (2018) (2019)

Figure 8 shows the length of time qualified households for social housing supports are on the waiting list. In 2019, over a quarter (18,450 households) of the 68,690 households qualified for social housing support had been placed on the waiting list for more than seven years.

Figure 8: Length of time on the social housing waiting list, 2016-19



Source: HA (2016) (2017) (2018) (2019)

Between 2016 and 2019, there has been a decrease of 930 or 5% in the number of households waiting for this length of time: decreasing from 19,380 in 2016 to 18,450 households in 2019. The biggest proportional decrease in numbers was among households waiting between 3-4 years, which decreased by 53% (5,930 households), compared to households waiting between 2-3 years which fell by 45% (5,440 households) during these years.

References

Department of Public Expenditure and Reform (2020) *Department of Public Expenditure and Reform – Databank* [Online] Available at: <http://databank.per.gov.ie/>

Department of Employment Affairs and Social Protection (2020) *Annual Statistical Report, (Various Years)* [Online] Available at: <http://www.dsfa.ie/en/Pages/Annual-SWS-Statistical-Information-Report.aspx>

Department of Housing, Planning and Local Government (2020a) *Annual Report (various years)* [online] available at: <https://www.housing.gov.ie/publications>

Department of Housing, Planning and Local Government (2020b) *Local Authority Housing Scheme Statistics*, [Online] Available at: <https://www.housing.gov.ie/housing/social-housing/local-authority-housing-scheme-statistics>

Housing Agency (2019) *Summary of Social Housing Assessments, 2019* [Online] Available at: <https://www.housingagency.ie/publications/summary-social-housing-assessments-2019>

Housing Agency (2018) *Summary of Social Housing Assessments, 2018* [Online] Available at: https://www.housing.gov.ie/sites/default/files/publications/files/summary_of_social_housing_assessments_2018_-_key_findings.pdf

Housing Agency (2017) *Summary of Social Housing Assessments, 2017* [Online] Available at: <https://www.housingagency.ie/publications/summary-social-housing-assessments-2017>

Housing Agency (2016) *Summary of Social Housing Assessments, 2016* [Online] Available at: <https://www.housingagency.ie/publications/summary-social-housing-assessments-2016>

Malone, P. (2020) *Housing: Social Housing Outputs and Stock* [online] Available at: <http://publicpolicy.ie/papers/housing-social-housing-outputs-and-stock-2/>

Public Accounts Committee (2019) *Briefing Paper Department of Housing, Planning and Local Government, 28 February 2019* [Online] Available at: https://data.oireachtas.ie/ie/oireachtas/committee/dail/32/committee_of_public_accounts/submissions/2019/2019-02-28_maurice-coughlan-principal-officer-department-of-housing-planning-and-local-government-32r002010-pac_en.pdf

Appendix one: Social Housing Waiting List by county, 2019

County	Number of Households	% of Total Households
Dublin	29,698	43.2%
Cork	7,172	10.4%
Kildare	3,386	4.9%
Galway	3,146	4.6%
Kerry	2,767	4.0%
Wicklow	2,523	3.7%
Limerick	2,363	3.4%
Wexford	2,260	3.3%
Meath	1,715	2.5%
Louth	1,468	2.1%
Tipperary	1,266	1.8%
Westmeath	1,222	1.8%
Mayo	1,205	1.8%
Waterford	1,094	1.6%
Clare	1,065	1.6%
Donegal	926	1.3%
Kilkenny	818	1.2%
Laois	806	1.2%
Offaly	627	0.9%
Cavan	608	0.9%
Monaghan	530	0.8%
Carlow	519	0.8%
Sligo	501	0.7%
Longford	496	0.7%
Roscommon	323	0.5%
Leitrim	189	0.3%
Total	68,693	100.0%

Source: HA (2019)

^a Data on HAP tenancies obtained through correspondence with Department of Housing, Planning and Local Government. For more information on social housing supply and stock see Malone (2020).