Dublin City Community Coop

Submission to Department of Housing, Planning, Community & Local Government

Residential Rent Review Strategy

21st November 2016

Overall Context

As is widely acknowledged, since the 1990s, Ireland’s housing system has undergone significant transformation arising from increased demand and population growth.

Nowhere is this more evident than in Dublin’s inner city. The City has undergone a transformation from being a city core of local authority dominated flat blocks to that of the private rented apartment complexes driven by tax incentives.

Since the early 2000’s there has been a contraction of the Local Authority social housing sector and the expansion of the private rented sector, and a parallel and consequential increased reliance on this sector for social housing. The private rented sector is now over twice as big as the local authority and voluntary sector combined.

The private rented sector has gone from being the sector of the student and the transient to that of a much broader makeup – those shut out of mortgages and home ownership, those on the waiting list for a social home, the young worker both Irish and International and those who have lost their owner occupied home and are now renting. This multi-faceted mix can be seen every day in the inner city in a range of house types and varying greatly in quality.

The average rent in Dublin 1 and 8 as taken from Daft.ie stands at €900 for a bedsit (300 sq ft), €1,200 for a 1 bed unit (450 sq ft) and between €1,600 and €1,800 for a 2 bed unit (650 to 700 sq ft). This is up to 3 times the average rent in other parts of Ireland. The affordability gap for those wishing to live in the inner city is proving difficult to bridge unless you have an extremely well paid job or there are a number of people bearing the rental burden in the dwelling.

The traditional divide between state supplied social housing and the private rented sector is becoming blurred in the context of market-led solutions with the private and voluntary sectors becoming the main providers of rental accommodation in Ireland. This holds especially true in the inner city where a lack of social units are forcing the very low waged into expensive private rented
dwellings. In addition the range of private rented (hostels, hotels, B&Bs etc) emergency beds continues to grow. In Dublin 1 it stands at 950 bed spaces and in Dublin 8 at 666 bed spaces being provided across all suppliers for emergency use.

At the core of the Residential Rental Sector Strategy should be the need for the State to recognise the right to adequate housing and to implement appropriate legislation and policies in this regard.

The Draft UN International Convention on Housing Rights states that adequate housing is essential to freedom, dignity, equality and security.

The Right to Housing has been codified by a wide range of International legal instruments under the umbrella of the United Nations. These include the:

- **Universal Declaration of Human Rights**
- **International Convention on Economic, Social and Cultural Rights**
- **Other relevant UN Treaties**
- **Special Rapporteurs**

While the private rented sector has been playing an increasingly important role in Ireland, policy relating to the sector has not to date kept pace with the rapid growth in the size of the sector, its increasing role in social housing provision and the need to ensure that the basic needs and rights of tenants are addressed.

The private rented sector has assumed increasing importance with other housing tenures, especially owner-occupation. Its role in social housing will almost certainly continue to grow until the increased supply of housing to be provided under the Government’s Social Housing Strategy fully comes on stream. This Strategy faces a particularly difficult delivery situation in the inner city due to limited land banks and a massive pent up demand.

The four key areas identified by the Department for inclusion in the Strategy are all clearly important:

- **Security** (bringing greater certainty to tenants and landlords)
- **Supply** (maintaining existing levels of rental stock and promoting additional supply)
- **Standards** (improving the quality and management of rental accommodation); and
- **Services** (broadening and strengthening the role and powers of the Residential Tenancies Board (RTB))

The Residential Rental Sector Strategy must address the core issues relating to the private rented sector in the inner city that have emerged in recent years. There needs to be recognition that Dublin as a primate city is different to the rest of Ireland and indeed the inner city, because of its multi-functional uses is different to the rest of even Dublin. The inner city has more in common with London and other world cities in terms of the policy tools needed to address the housing issues it faces (multi-functional use of the city in terms of an international finance hub, national government hub, services, third level education & health hub, multi-cultural and multi-lingual population etc etc).

A key policy change and therefore a recommendation of Dublin City Community Coop would be the
disaggregation of policy away from the one size fits all and to have a tailored approached to different spatial areas within the State to manage the challenges facing them.

Below are some of the challenges, issues and recommendations put forward by Dublin City Community Coop as the rental sector pertains to the inner city:

- The general shortage of private rental accommodation in the inner city and related spiralling market-driven rents;

- **Recommendation 1:** *The enforcement of the derelict land tax to encourage development as instigated by Dublin City Council.*

- AirBnB taking 6,000 bed spaces into the short let market in Dublin (city and county)\(^1\) and out of the general rental market with no regulation and oversight;

- **Recommendation 2:** *Provide regulation of the AirBnB market. Examine other cities methods of managing the sharing economy and develop specific policies to avoid the removal of long term rental beds out of the market.*

- Little to no provision of new build social units in the inner city;

- **Recommendation 3:** *The State to begin and fund a new build social housing programme for both voluntary housing bodies and Dublin City Council. Ensure funding streams are easily accessible and that technical difficulties can be overcome quickly.*

- Special needs families have extreme difficulty finding anywhere to live;

- **Recommendation 4:** *Ensure that a proportion of all social units make provision for special needs.*

- Low and average income households are finding it increasingly difficult to access and maintain housing tenure in the rented sector which for many is the only option available;

- **Recommendation 5:** *Provide for an affordable rental model for those in low to average income households given the extreme housing costs in Dublin.*

- The loss of tenures due to rent increases and the cost of renting, coupled with an extreme scarcity of rental properties results in people either becoming homeless or having to ‘couchsurf’ – this leads, among other things, to a range of issues relating to social welfare payments, e.g., difficulties proving residential address;

- **Recommendation 6:** *Ensure that the Department for Social Protection has systems in place to assist those who are transient homeless to receive their benefits.*

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\(^1\) As per report from Daft.ie and AirB&B Annual Report 2015
• Poor quality housing in the rented sector and difficulty in implementing standards set out in legislation presents difficulties for many tenants who have to rent at the lower end of the scale, including Housing Assistance Payment (HAP) and Rent Supplement (RS) tenants. Tenants will not complain for fear of being made homeless;

• **Recommendation 7**: We support the Threshold Policy which has been making the case for a licensing or certification system under the aegis of an independent body and has suggested that the responsibility should be on the landlord to prove that their property meets the required standards prior to letting. Threshold notes that the Department of Housing, Planning, Community and Local Government, and the National Oversight and Audit Commission have been looking at options for driving improvement in standards and related enforcement. This process should be expedited.

• The ongoing availability of accommodation within Rent Supplement (RS) or Housing Assistance payment (HAP) rates is a significant issue and this, coupled with landlords being reluctant to lease properties under HAP scheme, is a matter of serious concern;

• **Recommendation 8**: Provide a tax credit for approved landlords for two years to encourage release of properties for RS or HAP. This scheme should be evaluated after 18 months to see if it provides value for money.

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