

# GOVERNMENT NEEDS TO BUILD ON SOCIAL HOUSING SPEND

*Despite government commitments to increase the delivery of social housing units, a rising number of tenants are now forced into the private rental sector, according to Colette Bennett, Economic and Social Analyst with Social Housing Ireland. She points to an urgent need to build up social housing sector rather than subsidising a dysfunctional private rented sector.*



The real number of people in poverty is 952,185 – almost one in five of the total population, according to Social Justice Ireland’s latest housing study ‘Housing Costs and Poverty 2022’.

While housing affordability continues to present a serious issue in Ireland, with prospective homeowners facing increases in house prices of 15.2 per cent in the year to March 2022; rents advertised on Daft.ie increasing by 11.7 per cent annually to Q1 2022; and the Residential Tenancies Board (RTB) Rent Index indicating an annual growth in new rents in new tenancies of 9 per cent to Q4 2021; the poverty risk of households in receipt of housing subsidies continues to be the highest of all occupancy types.

One in five tenants in the private rented sector are subsidised through the Housing Assistance Payment (HAP), and this does not include tenants in the Rental Accommodation Scheme or those on Rent Supplement. Yet despite huge Government spending on these subsidies, the need for additional rent payments, or ‘top ups’ are driving increases in poverty.

This latest study shows that renters are particularly hard hit – they are more than twice as likely to be at risk of poverty before housing costs are included than owner occupiers, and more than four times more likely after housing costs are included.

Far from supporting families out of poverty, the inadequacy of housing subsidies as a social housing solution are so inadequate as to be driving greater numbers into it. Social Justice Ireland has consistently argued for the prioritisation of social housing delivery. This would put over 60,000 homes back into the private rented market, which would undoubtedly have a positive impact on market rents.

## Main findings of the new report:

- The overall poverty rate increases from 11.6 per cent before housing costs are included to 19 per cent after housing costs are counted – an increase of almost 371,000 people.
  - Renters are the worst affected, with 41.6 per cent at risk of poverty after housing payments.
  - For households in receipt of rent subsidies, the poverty rate after rent payments is 59.1 per cent.
  - For households in Local Authority accommodation, the poverty rate after housing payments is 50.5 per cent.
  - Lone parents are the worst affected of all household types, with an increase in the poverty rate to 51 per cent after housing payments.
- People living with a long-standing health problem are also severely affected, with a poverty rate increasing from 39.1 per cent before housing costs to 53.8 per cent after.

There was a heavy reliance on Covid-19 income supports among renters in the reference period, which provided a buffer for renters during this period. However, these supports have now been withdrawn, renters continue to live in precarious situations, with greater poverty risk, and fewer resources to do anything about it.

‘Build to Rent’ is not the answer, as it provides lower standards for the same, or higher, costs and is increasingly used by Government to provide ‘social housing’. This must end. Government needs to do more to make homes affordable.



**The prioritisation of social housing delivery would put over 60,000 homes back into the private rented market, according to Colette Bennett, Economic and Social Analyst with Social Housing Ireland.**