



Secretariat Covid-19 Working Paper Series

The Implications of Covid-19 for Housing in Ireland

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Noel Cahill

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Executive Summary

This paper explores the implications of coronavirus for housing policy and practice in Ireland. The major policy measures introduced since the Covid crisis are outlined along with other developments in the housing sector. Policy responses in other countries are briefly examined, showing how Ireland is faring comparatively. Positive lessons and shortfalls are identified with a final section considering the desired future direction of housing policy, having regard to the Covid crisis.

What has changed or been made possible? To protect tenants during the COVID crisis a blanket ban on both rent increases and evictions was introduced for a three-month period from 27 March 2020. Three-month payment breaks were introduced for people having difficulty paying their mortgage and this has been extended for a further three months. Deferred payments are repayable over the remaining mortgage period. Banks have also agreed to defer legal proceedings and repossessions against borrowers in default for up to three months. The Commission for Regulation of Utilities issued a ban on disconnections of domestic customers for non-payment to gas and electricity suppliers until 16 June 2020.

The ban on evictions is an important protection. Tenants who have built up arrears during the crisis are exposed to a risk of landlords taking action to secure termination of the tenancy when the ban on evictions expires so it is important that it be extended.

An immediate side effect of the COVID crisis has been a modest increase in new listings of rental accommodation in central Dublin and Galway to a lesser extent. The total number of new listings of rental property to rent on Daft.ie in Dublin in May 2020 was up 39 per cent compared to the same month last year. Outside Dublin there was a fall in new rental listings

Beyond this, however, the effect on supply will be negative arising from the effects of COVID 19 on construction sites and the possibility of speculative developments being put on hold and new projects being delayed as developers and financiers re-assess the changed market for housing. There is uncertainty regarding the extent of the impact on the housing market but rents and house prices are likely to fall. The fall in construction employment creates an opportunity for more direct investment in social and affordable housing (including cost rental) on public land and in renovation and energy retrofitting. For the development of cost rental accommodation, access to low cost finance is a critical factor to achieve below market rents. In regard to

climate policy, policy on building and retrofitting needs to take account of embodied energy in the materials used as well as the energy savings.

The Dublin Regional Homeless Executive used the improved availability of accommodation in the private market to secure additional accommodation to be used for homeless people and is seeking to secure long-term accommodation.

Private tenants with difficulty paying rent because of loss of job or reduced hours may apply for rent supplement. This is a means-tested payment and subject to maximum rent limits. In light of the large fall in employment, the Department of Employment Affairs and Social Protection has stated that it will use the full flexibility of the scheme to provide this payment in situations where rents are above the stated limits and the application form has been shortened. However, some tenants, assuming they are aware of rent supplement, may be put off by the stated rent limits. Some landlords refuse rent supplement. This is illegal although the tenant may not be aware of this. There is a need to promote awareness of rent supplement and the flexibility available. Some tenants availing of the Housing Assistance Payment (HAP) are facing difficulties as loss of income limits their ability to make top-up payments.

What has been happening in other countries? Ireland is undertaking many of the responses that have been brought in elsewhere. Spain has introduced a number of new supports for tenants: zero interest loans; large-scale landlords are required to offer suspension of rent with interest free repayment over three years or rent cuts of 50 per cent. The city of Lisbon has suspended payment of social housing rents until 30 June and then allows households 18 months to repay the deferred rent, interest free.

One response to the current crisis announced in Denmark is the frontloading of municipal investment of €340m in various initiatives including energy renovation.

What are the positive lessons and shortfalls? The COVID crisis demonstrates the capacity of government to take swift and decisive action in a crisis evident in the prompt introduction of legislation to ban evictions and rent increases and in the acquisition of additional accommodation for homeless households. There has been more intensive co-operation between official bodies and voluntary agencies in dealing with homelessness and a proactive approach to protecting homeless people from the corona virus.

Some homeless people have benefitted from improved conditions in the current crisis including an ending of emergency hostels operating on a night-time only basis. Where improved accommodation and conditions have been provided for homeless people in the crisis, this should not be reversed.

However, notwithstanding the huge efforts that are being made by many organisations to address homelessness in the current crisis, problems persist. Some charities still report difficulties in securing emergency accommodation; there is a limited availability of services for homeless people during the day. Basic services including showers or somewhere to wash clothes that rough sleepers previously used became inaccessible. Concerns have been raised about the quality of food provided in some hostels during the crisis.

It is likely that the COVID crisis will lead to an increase in mortgage arrears. It is important to ensure that those in mortgage difficulties can avail of State supports and legal rights that now exist. This applies, in particular, to new legal protection established under 2019 legislation that requires courts to consider the proportionality of granting a repossession order on principal private residences. Research by Kenna (2020)¹ identifies a need for training for judges and lawyers with regard to this legislation.

The Ombudsman has commented how the current crisis shows the unsuitability of accommodation for asylum seekers; in particular, how unsustainable it is to have three or more people not from the same family living in the same room for a significant amount of time. Another group for whom there is a need for accommodation at this time are those in, or seeking access to, shelters for protection from domestic abuse. It was announced on June 14 that victims of domestic violence can get immediate access to rent supplement for a three month period to ensure that they are not prevented from leaving their home because of financial concerns.

Efforts have been made to address the needs of Travellers during this period, who are particularly at risk to the COVID virus. There has been a varied response, however, by local authorities to address these needs. The Roma community, who often live in overcrowded accommodation, have been disproportionately affected by the COVID crisis. There is an urgent need to address the accommodation needs of some Roma families to reduce exposure to the virus.

¹ Kenna, P. (2020), *A Lost Decade: Study on Mortgage Possession Court Lists in Ireland*, NUI Galway: Centre for Housing Law, Rights and Policy.

While overcrowding in housing generally is low in Ireland by international standards, there are risks posed by overcrowding for some households. The HSE has established a self-isolation facility in City West, Dublin that can be used by those unable to self-isolate at home.

The collapse in tourism demand for accommodation in areas of high demand will be temporary. Effective regulation is needed to ensure that accommodation that has become available arising from the collapse in tourism does not revert to short-term lets after the crisis.

What are the future possibilities? The crisis presents an opportunity to re-imagine core features of Irish housing policy.

First, urban spaces are being re-configured and in particular, the balance between cars, public transport and cyclists and walkers and urban services are being changed. Second, more work is happening remotely, which may influence the nature of the demand for housing, in terms of size and location; and present opportunities for regional urban centres. Third, the crisis is an opportunity to achieve a step-change in the output of social and affordable housing and renovation based on commitment to counter cyclical investment (evident in other countries) and falling viability of private housing. Fourth, active land management and reform of public procurement, conditionality in the disposal of public land (including leasing of land) underpinned by the Land Development Agency, will be needed to ensure that these opportunities can be realised. This includes application of effective compulsory purchase powers to vacant or derelict property in urban areas. Progress on these institutional fronts would represent a major step forward for Irish housing policy and practice. Fifth, the crisis has brought a new focus on regulation of safety standards and an opportunity to reconsider the arrangements in place for regulation of building standards.

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1.1 Introduction

This paper begins with an examination of how the housing sector has been affected by the COVID crisis and outlines the major policy measures introduced to address the concerns arising (section 1.2). A brief overview of policy responses in other OECD countries is presented in Section 1.3. Section 1.4 draws some positive lessons from the responses to date and identifies some shortcomings. The final section considers the future desired direction of housing policy having regard to the COVID crisis.

1.2 What has Changed as a Result of the Crisis?

Secure Occupancy

To protect tenants during the COVID crisis a blanket ban on both rent increases and evictions was introduced for a three-month period from 27 March 2020. These are important protections for tenants and the legislation allows for their extension after the initial three-month period. Tenants who have built up arrears during the crisis are exposed to a risk of landlords taking action to secure termination of the tenancy when the ban on evictions expires so it is important that it be extended.

The Commission for Regulation of Utilities issued a ban on disconnections of domestic customers for non-payment to gas and electricity suppliers until 16 June 2020.

Three-month payment breaks were introduced for people having difficulty paying their mortgage and this has been extended for a further three months. Deferred payments are repayable over the remaining mortgage period. Banks have also agreed to defer legal proceedings and repossessions against borrowers in default for up to three months. A three-month payment break has been provided for those paying local authority mortgages also. For these mortgages (unlike standard ones), no interest is accrued during the payment break.

It is likely that the COVID crisis will lead to an increase in arrears. Compared to the last economic crisis of a decade ago there are significantly more supports and legislation in place for those in mortgage difficulties. A report by Kenna (2020)² emphasises the need to ensure that those facing repossession of their home can avail of State mediation, personal insolvency and legislation on statutory proportionality that now exists. He highlights the new rights introduced by 2019

² Kenna, P. (2020), *A Lost Decade: Study on Mortgage Possession Court Lists in Ireland*, NUI Galway: Centre for Housing Law, Rights and Policy.

legislation (the Land and Conveyancing Law Reform (Amendment) Act 2019) that obliges courts to consider the proportionality of granting a possession order on the principal private residence of a mortgagor or his or her spouse or civil partner. He identifies an urgent need for training of judges and lawyers on this and other legislation. Kenna also draws attention to the relevance of EU consumer and human rights law for mortgage holders in court proceedings for repossessions. This arises from the fact that a substantial share of mortgage repossession cases in Ireland involve ECB directly supervised lenders. As an EU institution, the ECB must adhere to EU consumer and human rights law. ‘Major questions arise on how the EU consumer and human rights of those at risk of losing their homes are being protected in these proceedings’ (Kenna, 2020: 41). In addition he points out that under Irish human rights legislation, the Central Bank, AIB and Permanent TSB³ and all public sector bodies involved in home possession cases ‘must address their public sector duty to protect human rights, under Section 42 Irish Human Rights and Equality Commission (IHREC) Act 2014’ (Kenna, 2020: 21).

Impact on Supply

The COVID crisis led to a short-term increase in the supply of rental accommodation in central Dublin and to a lesser extent in Galway. Between 13 March and 16 April, there were around 400 more new rental listings in central Dublin, compared to the same period last year on the Daft.ie website. The increase in listings has been attributed to the sharp fall in demand for short-term tourism lettings. While this increase is modest relative to the total shortfall in the supply of accommodation, it has contributed to a real increase in supply of accommodation for people who are homeless (see below).

The total number of new listings of rental property to rent on Daft.ie in Dublin in May 2020 was up 39 per cent compared to the same month last year. Outside Dublin there was a fall in new rental listings while there was a net increase in listings nationally of 6 per cent.

Rents in April, as measured by Daft.ie, were 2.1 per cent lower relative to March and there was a bounce back of 0.6 per cent in May. While the underlying scarcity of rental remains, the changed economic situation is likely to mean rents continuing to fall in the months ahead. In the housing sales market, there has been an immediate sharp drop in the listings of properties for sale. Concerns about price reductions may lead banks to withdraw mortgage offers and offer smaller loans.

³ The majority of the shares in AIB and Permanent TSB are owned by the State.

The closure of sites and re-opening with new restrictions will reduce housing output and add to costs. Complex disputes could arise from project delays and in regard to which party will bear the extra costs. Some speculative developments could be put on hold in view of the changed economic environment while it is likely that new projects will be delayed. The Central Bank has forecast that housing output in 2020 could be approximately one quarter lower than in 2019.⁴

The fall in the stock market value of property companies implies a market expectation of a fall in house and land prices. New commercial projects, especially hotels, are also likely to be delayed.

There are increased risks associated with large-scale deals between public bodies and private developers for the development of private, social and affordable housing in a single package. It is harder to determine the selling price of the private housing and this risk adversely affects the delivery of all the housing in these arrangements.

International students are a major source of demand for dedicated student accommodation, the supply of which has increased in recent years. Universities are expecting a major fall in the number of international students in the coming academic year implying a fall in demand for student accommodation from this source. A fall in demand is also to be expected for co-living accommodation in which people share communal kitchens and living space.

The fall in construction employment resulting from the above creates an opportunity for more direct investment in social and affordable housing on public land as well as in renovation and energy retrofitting.

Homelessness

The homeless population was initially very badly hit by the COVID crisis. The closure of businesses generally and of daytime services for homeless people in conjunction with the standard practise of closing emergency hostels during the day left many homeless people stranded during the day. Since then emergency hostels have changed to operate on a 24-hour basis and provide food on site. The Dublin Regional Homeless Executive has used the improved availability of accommodation in the

⁴ <https://www.centralbank.ie/docs/default-source/publications/quarterly-bulletins/qb-archive/2020/quarterly-bulletin---q2-2020.pdf?sfvrsn=8>, 10/06/20.

private market to secure additional accommodation for homeless people⁵ and significant space for self-isolation by homeless families has been secured in Galway and Cork.⁶

The securing of accommodation for homeless people is part of a planned response to the management of the homeless situation in Dublin during the COVID crisis. The main elements of the plan are as follows. First, there is a mobile testing service provided by a voluntary organisation Safetynet that undertakes rapid testing of homeless people with symptoms. Second, those who are tested are then transferred to an isolation unit, made possible by the extra accommodation, pending the results of the test. Third, those who test positive are transferred to another unit. Fourth, the most medically vulnerable among the homeless population have been identified and provided with accommodation so they can cocoon. Fifth, the additional accommodation has been used to reduce the numbers in shared accommodation.⁷

Arrangements for treatment, such as methadone programmes, have been put in place for homeless people placed in self-isolation and who are addicted to drugs⁸. However, the closure of some drug treatment services for new clients has badly hit those who were about to enter drug rehabilitation.⁹

Dublin City Council is also seeking to use the improved availability of accommodation arising from the fall in short-term lettings to secure properties with 25-year leases and to buy property for social housing.

⁵ Approximately 1,000 accommodation units have been secured comprising 400 hotel bedrooms, 165 apartments and 470 'single occupancy beds'. A single occupancy bed is a bed in a hostel reserved for one person and normally in a room shared with one other person.

⁶ <https://www.housing.gov.ie/housing/covid-19-coronavirus/further-update-homeless-services-light-new-restrictions>, 20.05.20.

⁷ Interview with Dr. Austin O'Carroll, HSE Clinical Lead for COVID 19 response in Dublin on Today with Sean O'Rourke, 24.04.20.

⁸ See previous footnote.

⁹ Irish Time Confronting Corona podcast, 'Homeless in a Pandemic', <https://www.irishtimes.com/news/health/confronting-coronavirus>, 19/05/20.

1.3 What are other countries doing well that might be useful for Ireland?

A paper by Kholodilin (2020)¹⁰ identified 25 countries that had introduced policy measures (or planned to do so) at either national or regional level to protect tenants and mortgage payers adversely affected by the corona virus. The most popular measure introduced or announced was a ban on evictions of tenants, one that has been introduced or announced in 19 countries. The next most popular measure introduced was suspension of mortgage payments and this applies in 15 countries. Nine countries have introduced or announced rent freezes or in a few cases reductions. All three of these policies have been introduced in Ireland. A fourth policy of new subsidies for tenants or landlords has been introduced or announced in four countries. Ireland is not included as one of these four. However, the flexibility that has been announced concerning rent supplement represents significant new support for tenants, so in a sense Ireland has introduced all four of these policies.

An overview of housing measures introduced in response to the COVID crisis across OECD countries is presented in Table 1. It can be seen that Ireland is undertaking many of the responses that have been brought in elsewhere.

In the case of Spain, new supports have been provided for tenants having difficulty paying their rent at this time, distinguishing small- and large-scale landlords. Tenants of small-scale landlords may seek a suspension of rent payments; if they are unable to reach agreement with their landlord, they can avail of interest-free loans to enable them to continue paying their rent with the loans repaid over six years. For tenants of large-scale landlords (more than 10 properties) who have financial difficulties in paying rent the following arrangements apply. If the tenant and landlord cannot reach agreement on postponement of the rent, the landlord is required to either: (i) cut the rent by 50 per cent for the duration of the crisis; or (ii) accept a suspension of rental payments for the crisis period (plus up to four more months) with this rent then repaid over the following three years, without interest.

Greece has introduced more widespread rent reductions with a 40 per cent reduction in rent for primary residence, for March and April, for employees of firms affected by the coronavirus crisis.

¹⁰ Kholodilin, K.A. (2020), 'Housing Policies Worldwide during Coronavirus Crisis: Challenges and Solutions', DIW Focus 2, DIW Berlin.

Table 1: Emergency Housing Measures Introduced in the Wake of COVID 19

Type of Measure	Country
Protections for Tenants:	
Prohibit evictions due to missed payments	Australia*, Belgium, France, Ireland, Luxembourg, Netherlands, Spain, UK, US*
Deferment of rent payments	Germany, Spain*
Temporary reduction or suspension of rent payments for some households	Greece, Portugal*
Prohibit rent increases	Ireland, New Zealand, Spain*
Reforms to financial support for renters	Ireland (facilitated access); Luxembourg (facilitated access & increased level of benefit)
Protections For homeowners:	
Deferment of mortgage payments	Australia*, Belgium, Ireland, Portugal, Slovak Republic, Spain, UK
Prohibit foreclosures due to missed payments	US*
For all households:	
Deferment of utility payments and/or continued service even if payment missed	Belgium*, Germany, Ireland, Japan, Korea, Spain, US*
Reform to housing subsidy	France (postponement of planned reform)
For the homeless:	
Emergency support to provide shelter to the homeless	Canada, France, Ireland*, New Zealand, UK, US*

*Measures applies only to some jurisdictions/cases

Source: Plouin, M. (2020), presentation to Union of the Mediterranean Meeting, 'Emergency Housing Responses to Covid-19 in the Euro-Mediterranean Region', 29 April.

The city of Lisbon has suspended payment of social housing rents until 30 June and then allows households 18 months to repay the deferred rent, interest free. An arrangement such as this is worth considering in Ireland rather than simply allowing an unmanaged build-up of arrears for social housing tenants.

Previous experiences in some countries show how social housing output can play a counter cyclical role. For example, in Austria during the global financial crisis, social housing output increased by 10 per cent between 2006 and 2010, partly offsetting the effects of a 21 per cent fall in private housing output over the same period.¹¹ This

¹¹ Norris, M. and Byrne, M. (2017), 'Housing Market Volatility, Stability and Social Rented Housing: comparing Austria and Ireland during the global financial crisis', UCD Geary Institute for Public Policy Working Paper Series, WP 2017/05.

is helped by the fact that Austria has a substantial limited-profit housing sector whose expenditure does not count as government expenditure. In Denmark, the government has also used public housing investment as a counter cyclical tool.¹² One response to the current crisis announced in Denmark is the frontloading of municipal investment of €340m in various initiatives including energy renovation.

1.4 What are the positive lessons and shortcomings?

The COVID crisis demonstrates the capacity of government to take swift and decisive action in a crisis. This is evident in the prompt introduction of legislation to ban evictions and rent increases and in the acquisition of additional accommodation for homeless households. There has been more intensive co-operation between official bodies and voluntary agencies in dealing with homelessness and major effort is being made to protect the homeless population from COVID 19.

Private tenants with difficulty paying rent because of loss of job or reduced hours may apply for rent supplement. This is a means tested payment and subject to maximum rent limits. Support may however be given above the maximum rent limits. In light of the large fall in employment, the Department of Employment Affairs and Social Protection has stated that it will use the full flexibility of the scheme to provide the necessary support. However, some tenants, assuming they are aware of rent supplement, may be put off by the stated rent limits. Some landlords refuse rent supplement.¹³ This is illegal although the tenant may not be aware of this. There is a need to promote awareness of rent supplement and the potential flexibility available.

Some tenants availing of the Housing Assistance Payment (HAP) to rent in the private sector pay a 'top up' payment to the landlord that is in addition to the rental payment made by the local authority in the landlord. Some tenants who have lost their jobs due to the COVID crisis are now facing difficulties as they cannot meet these top-up payments. If this leads to a build-up of arrears this poses a risk of eviction when the current ban ends.

¹² Christensen, K.D. (2017), 'Commercial Mortgage Lending to Social (Public) Housing', Clúid Housing Seminar, 3 March.

¹³ An article in the *Dublin Inquirer* reports landlords refusing rent supplement and a tenant not applying for rent supplement because her rent was above the relevant limit. <https://dublininquirer.com/2020/04/22/tenants-seeking-rent-relief-are-getting-mixed-responses-from-their-landlords,20/05/20>.

There was a question as to whether the ban on evictions included those in ‘rent a room’ schemes. The Residential Tenancies Board (RTB) now states that, ‘The emergency legislation states that all proposed evictions are prohibited, including Rent-a-Room and Digs-style accommodation.’¹⁴ However, there are reports of tenants in rent-a-room situations being evicted.¹⁵ The position as stated by the RTB needs to be publicly promoted to protect tenants.

The guidance from the Department of Housing, Planning and Local Government concerning ‘rent a room’ or ‘digs’ situations states:

Landlords and tenants in such circumstances are asked to show forbearance and support for each other during the emergency period and, where possible, and having regard to the precautions necessary to tackle COVID-19, to avoid termination of accommodation arrangements.¹⁶

Difficulties in paying rent will disproportionately affect younger people. Around two thirds of those who live in the private rental sector are in households where the household reference person (head of household) is aged under 40 while younger people are also disproportionately employed in the retail and hospitality sectors where employment has been particularly affected by the crisis.

The near universal advice given so far during the COVID crisis is to ‘stay home’ and in this context, household overcrowding is of significance. There is a standardised definition of over-crowding based on the number of rooms in a dwelling and the composition of the household.¹⁷ Ireland is well placed in this respect: in 2017, 1.44 per cent of all households in Ireland experienced overcrowding and this was the third lowest across the OECD. If the rate of overcrowding were the same today, it would imply in excess of 25,000 overcrowded households, excluding homeless households

¹⁴ <https://onestopshop.rtb.ie/covid-19-emergency-legislation-for-rental-sector/>, 19/05/20.

¹⁵ <https://www.independent.ie/business/personal-finance/property-mortgages/coronavirus-crisis-rent-a-room-tenants-are-being-made-homeless-in-a-pandemic-39090017.html>, 20/05/20.

¹⁶ https://www.housing.gov.ie/sites/default/files/publications/files/guidance_document_support_for_landlords_and_tenants.pdf

¹⁷ Rooms for this definition comprise bedrooms, living rooms and dining rooms and for non-European households, also kitchens. A household is considered overcrowded if it does not have at its disposal a minimum number of rooms equal to: one room for the household; one room per adult couple in the household; one room for each single person aged 18 and over; one room per pair of single persons of the same sex between 12 and 17 years of age; one room for each single person between 12 and 17 years of age and not included in the previous category; one room per pair of children under 12 years of age.

and others in institutional accommodation.¹⁸ Overcrowding in Ireland was low across the income distribution with the poorest fifth of the population having an overcrowding rate of 2.88 per cent, again the third lowest in the OECD.

While the rate of overcrowding in Ireland is low by international standards, there are still some households experiencing severe overcrowding with exposure to extra risks from COVID 19. A report by Social Justice Ireland¹⁹ highlighted the situation of 14,700 households in over-crowded accommodation (homeless households, people in direct provision and domestic shelter, Travellers in shared accommodation, overcrowded households seeking social housing).

Notwithstanding the huge efforts that are being made by many organisations to address homelessness in the current crisis, as described above, problems persist. Despite the substantial increase in accommodation made available for homeless people in Dublin, some homeless people cannot obtain emergency accommodation. According to the chief executive of Inner City Helping Homelessness, some people continue to sleep rough because of fears about lack of social distancing in hostels.²⁰ The release of prisoners to reduce overcrowding in prisons has increased demand for homeless accommodation. The fact that daytime homeless services are closed, along with businesses such as cafes, particularly affects those who remain as rough sleepers. Basic services including showers and laundry facilities that rough sleepers previously used became inaccessible. One charity (Mendicity Institution) has managed to establish one temporary shower for rough sleepers in Dublin.²¹ Concerns have been raised about the adequacy of food provided in some hostels during the crisis.²²

¹⁸ The OECD data on homeless households comes from the EU Survey of Income and Living Conditions which is based on a sample of private households; i.e., excluding institutional households. There were 1,702,289 private households in Ireland in 2016 according to the Census. A rate of overcrowding of 1.44 per cent applies to this would give 24,512 households. Given growth in households since then the total would now be higher.

¹⁹ Social Justice Ireland (2020), 'Inadequate housing means c.14,700 households unable to social distance', <https://www.socialjustice.ie/content/policy-issues/inadequate-housing-means-c14700-households-unable-social-distance>, 19/05/20.

²⁰ <https://www.breakingnews.ie/ireland/charity-sees-highest-number-of-rough-sleepers-since-covid-19-began-998413.html>, 20/05/20.

²¹ Laoise Neylon (2020), 'People Who Are Sleeping Rough are Struggling to Find a Place to Shower', *Dublin Inquirer*, 22 April 2020, 20/05/20.

²² Kitty Holland (2020), 'Newly Homeless People Refused Emergency Accommodation', *The Irish Times*, 24 April, <https://www.irishtimes.com/news/social-affairs/newly-homeless-people-refused-emergency-accommodation-1.4236252>, 19/05/20.

Table 2: Housing Overcrowding Across the Income Distribution in OECD Countries, 2018

	bottom quintile	3rd quintile	top quintile	Total
Mexico	51.10	36.75	12.25	33.87
Poland	36.27	30.07	22.04	30.65
Latvia	33.69	40.86	26.58	34.21
Slovak Republic	30.76	24.48	28.09	26.43
Romania	29.03	27.31	34.24	29.08
Sweden	28.51	10.19	4.61	14.50
Bulgaria	25.76	29.91	30.94	27.95
Croatia	25.04	29.98	25.40	28.24
Greece	24.86	17.92	12.07	17.97
Italy	24.35	18.09	12.75	18.93
Austria	21.90	6.60	2.09	10.86
Denmark	20.86	5.47	2.46	8.78
Luxembourg	20.68	3.87	1.27	8.08
Norway	19.59	2.86	1.02	7.37
Finland	18.04	5.72	2.34	8.85
Czech Republic	16.17	13.93	8.28	12.24
Germany	14.79	3.82	1.64	6.15
France	13.87	4.55	1.40	6.38
Hungary	13.70	9.44	11.38	12.55
Lithuania	13.63	18.74	11.76	15.09
Slovenia	12.70	7.91	5.08	9.41
Iceland	12.26	4.49	2.11	5.64
Switzerland	11.07	3.62	2.03	5.35
Chile	11.04	10.85	4.13	9.25
Belgium	10.79	1.81	1.31	4.55
Netherlands	8.53	2.99	0.75	4.28
United States	7.91	3.68	1.59	4.24
United Kingdom	7.43	7.09	2.32	5.89
Estonia	7.35	7.46	8.83	8.01
Korea	7.18	8.82	3.85	7.75
Portugal	6.32	6.08	2.16	5.14
Spain	5.21	2.38	1.01	2.67
Japan	2.92	0.54	2.97	1.90
Cyprus	2.90	0.52	0.76	1.57
Ireland	2.88	0.84	0.34	1.44
Malta	1.59	1.27	1.68	1.32
Canada	1.13	0.62	0.19	0.65

Source: OECD Affordable Housing Database.

Many homeless people have benefitted from improved conditions in the current crisis. Emergency hostels stopped putting people out during the day and better accommodation has been provided for some through single occupancy beds, hotel rooms and apartments. Where improved accommodation and conditions have been provided for homeless people in the crisis, this should not be reversed; the focus should be on securing long-term accommodation for people rather than returning them to the pre-crisis standard of short-term accommodation.

The Ombudsman has observed that the crisis reveals the unsuitability of accommodation that is provided for asylum seekers:

In my view the crisis, and in particular the highly contagious nature of the virus, brings into sharp relief just how unsuitable and unsustainable it is to have three or more people in the same room as is the case in many Direct Provision centres, particularly those being used on an emergency basis.²³

He acknowledges the hard work of the international accommodation unit of the Department of Justice and Equality in seeking to keep people safe within the constraints of their current accommodation portfolio but it is the physical constraints of these centres that causes him most concern.

In 2018, there were 927 Traveller households in shared accommodation. This refers to sharing of all types of accommodation and sharing of accommodation by Travellers has been referred to as a euphemism for chronically overcrowded accommodation by a submission to the *Traveller Accommodation Expert Review*.²⁴ In the same year, there were 591 Traveller households on unauthorised sites.

The Department of Housing, Planning and Local Government issued a circular to local authorities in which it recognised that some members of the Traveller community might be particularly vulnerable at this time. It identified areas where extra measures may be needed including, for example, running water and additional accommodation. It recommended that the priority should be to seek to find solutions on existing sites and where this was not possible to provide temporary accommodation at another location. The circular indicated that some funding was available for essential measures.

²³ Ombudsman (2020), 'Ombudsman and Direct Provision: Update for 2019, A Commentary by the Ombudsman', Dublin: Office of the Ombudsman.

²⁴ Independent Expert Group on behalf of the Minister of the Department of Housing, Planning and Local Government (2019), *Traveller Accommodation Expert Review*, Dublin: Department of Housing, Planning and Local Government.

Traveller organisations have welcomed the government response. Martin Collins, Co-Director, Pavee Point Traveller & Roma Centre said that ‘Government willingness to respond to the particular needs of Travellers is encouraging at this time’.²⁵ However, the response by local authorities to the COVID circular has varied. According to Traveller advocates, many local authorities have ‘really stepped up and engaged’ with the circular referred to above but some have provided ‘inadequate or no resources to Travellers in unsafe conditions’.²⁶ In reference to the varying responses by local authorities, the communications of the Irish Traveller Movement said, ‘It was always going to be down to the implementation at a local level.’²⁷

The medical charity Safetynet has identified the Roma community as being at particular risk from COVID with many living in overcrowded situations. A high share of the Roma community have tested positive.²⁸ A report by the Dublin City Community Co-op (2020) identifies an urgent need to address the accommodation needs of some Roma families in crowded accommodation and to provide them with enough space to live safely and allow them to self-isolate if required.²⁹

Another effect of the COVID 19 crisis has been an increase in domestic violence. The Government has launched a publicity campaign (Staysafe) on this issue and provided additional funding of €160,000 to community and voluntary groups working with the victims of domestic violence. However, the accommodation available in domestic refuges is limited and involves sharing of kitchens and bathrooms. Safe Ireland, an advocacy group seeking to end domestic violence, made a submission seeking emergency rent supplement for a period of three months and/or the duration of the Covid-19 emergency for women and children in need of immediate relocation as a result of domestic violence. It was announced on June 14 that victims of domestic violence can get immediate access to rent supplement for a three month period to ensure that they are not prevented from leaving their home because of financial

²⁵ <https://www.paveepoint.ie/concerns-for-vulnerable-travellers-being-taken-on-board-by-government-in-plan-to-fight-covid-19/>, 13/05/20.

²⁶ As reported by Kitty Holland, *The Irish Times*, 3 April, 2020, <https://www.irishtimes.com/news/social-affairs/impact-of-covid-19-on-travelling-people-worst-that-ever-came-1.4219199>, 14/05/20.

²⁷ As reported by Lois Kapalla, *Dublin Inquirer*, 15 April 2020, <https://dublininquirer.com/2020/04/15/traveller-groups-question-council-s-refusal-to-put-in-spare-mobile-homes>, 13/05/20.

²⁸ <https://www.rte.ie/news/2020/0421/1132926-covid-19-affecting-people-living-in-extreme-poverty/>, 13/05/20.

²⁹ Dublin City Community Co-op (2020), *The Impact of COVID 19 on the Most Disadvantaged of Our Communities*.

concerns. The usual rent supplement means test will not apply for this three month period.³⁰

Outside of institutional settings, overcrowding may involve more than one generation of a family 'doubling up' in a modest sized house or large numbers of individuals sharing private rental accommodation. There have been outbreaks of the virus in meat plants; migrants living in shared accommodation may contribute to the spread of the virus in these cases.

Of the approximately 69,000 households seeking social housing at the end of 2019, there were 3649 households for whom overcrowding was the main reason. Some of these households are already living in social housing (their parents' home) and seeking their own housing.³¹ At the current time in particular, overcrowding has a huge impact on quality of life and makes it impossible to self-isolate at home.

Research for California found a clear link between essential workers living in overcrowded homes and deaths from COVID 19: the counties within California with the highest percentage of essential workers in overcrowded homes have had the highest death rate relative to population.³² Another study of a district in San Francisco found that essential workers and those in large households had a higher risk of becoming infected with COVID 19.³³

Special arrangements have been put in place in Ireland to provide temporary accommodation for health workers who are sharing accommodation with workers where this poses risks. There are self-isolation facilities in City West that can be used by anyone unable to self-isolate at home if referred by a doctor, hospital or contact tracing team. Construction work on completing social housing developments resumed ahead of other construction work as this was deemed necessary to alleviate homeless and overcrowding to help limit the spread of the virus.³⁴

³⁰ <https://www.gov.ie/en/press-release/44b3b-minister-doherty-eases-access-to-rent-supplement-for-victims-of-domestic-violence/>

³¹ <https://www.thejournal.ie/readme/opinion-overcrowding-in-social-housing-flats-is-so-severe-its-harming-peoples-health-4467716-Feb2019/>

³² Mejia, M.A. and Cha, P. (2018), 'Overcrowded Housing and COVID-19 Risk among Essential Workers', available at <https://www.ppic.org/blog/overcrowded-housing-and-covid-19-risk-among-essential-workers/>, 14/05/20.

³³ Fernandez, E. and Weiler, N. (2020), 'Initial Results of Mission District COVID-19 Testing Announced' <https://www.ucsf.edu/news/2020/05/417356/initial-results-mission-district-covid-19-testing-announced>, 14/05/20.

³⁴ <https://www.irishexaminer.com/breakingnews/ireland/green-light-for-building-work-on-selected-social-housing-building-sites-995049.html>

The collapse in tourism demand for accommodation in areas of high demand will be temporary. However, those seeking to use property for short-term lets (other than one's primary residence) require planning permission, which is generally not given in areas of high housing demand. Effective regulation is needed to ensure that accommodation that has become available arising from the collapse in tourism does not revert to short-term lets after the crisis.

1.5 Future Possibilities

The crisis presents an opportunity to re-imagine core features of Irish housing policy.

First, urban spaces are being re-configured and in particular the balance between cars, public transport and cyclists and walkers and urban services is being changed. Second, more work is happening remotely, which may influence the nature of the demand for housing, in terms of size and location; and present opportunities for regional urban centres. Third, the crisis is an opportunity to achieve a step-change in the output of social and affordable housing and renovation based on commitment to counter cyclical investment (evident in other countries) and falling viability of private housing. Fourth, active land management and reform of public procurement, conditionality in the disposal of public land (including leasing of land) underpinned by the Land Development Agency, will be needed to ensure that these opportunities can be realised. Progress on these institutional fronts would represent a major step forward for Irish housing policy and practice. Fifth, the crisis has brought a new focus on regulation of safety standards and an opportunity to reconsider the arrangements in place for regulation of building standards.

Prior to the COVID 19 crisis Ireland had a difficult housing situation including insufficient housing output, acute affordability pressures in the private rental sector and a high unmet need for social housing (almost 70,000 households).

The long-term vision for the location of Ireland's future housing development is set out in the National Planning Framework (NPF). This vision is one of 'compact growth'. It includes delivering a greater proportion of residential development within the existing built-up areas of our cities, towns and villages. Consistent with this, NESC (2019) set out the case for transport-orientated development (TOD). This is a form of urban development that is located close to and centred on public transport. Its characteristics include frequent, high quality public transport; mixed-use development and moderate to higher density housing. This vision remains appropriate to the post COVID period.

With cars temporarily off the roads, there is an opportunity to shift road space from cars. Many cities, including Dublin, have announced plans to reallocate space in this way to pedestrians and cyclists. Dublin's plans include the pedestrianisation of College Green. This will facilitate the easing of lockdowns when capacity on public transport is limited. In Paris, 650 kilometres of new cycle lanes have been created while pre-existing plans to make every street cycle-friendly by 2024 are being accelerated.³⁵ There is also the opportunity to reallocated road space to buses. In terms of housing, these changes provide a context that favours development that is not car dependent.

The likely negative effects of the crisis on housing supply were described in Section 1.2 . However, the changed circumstances also create opportunities. The fall in construction employment could facilitate an increase in investment in social and affordable housing. During the last recession, there was a huge cut in investment in construction of new social housing and this had enduring negative effects even when output was partially restored. The recently published *Stability Programme Update* of the Department of Finance indicates an intention to sustain the level of public capital investment generally and this is to be welcomed. With the viability of private housing investment under increased pressure, it would be desirable to increase the output of social and affordable housing including cost rental accommodation on public land. Affordable housing should seek to be permanently affordable (see NESCS, 2018).

This would have several benefits: increasing employment at a time of recession; providing much needed housing; reducing reliance on the use of Housing Assistance Payment (HAP) yielding long run savings; and helping to mitigate the boom-bust cycle when it comes to housing. The direct development of social housing is also more cost effective in the long term than long-term leasing arrangements in which the State pays market rents for periods of 25 years with no ownership of assets. Increased direct investment in social and affordable housing would also encourage investment in skills.

Opportunities should be provided on public land for a range of players with capabilities who may not have the capital to fund the upfront purchase of land including approved housing bodies, community land trusts and other voluntary groups.

³⁵ <https://www.forbes.com/sites/carltonreid/2020/04/22/paris-to-create-650-kilometers-of-pop-up-corona-cycleways-for-post-lockdown-travel/#10c84ee354d4>, 20/05/20.

For cost rental accommodation, a critical factor in the ability to achieve low rents is the cost and structure of finance. Low cost finance requires low interest rates and a long term (for example, 40 years). Further reductions could be achieved if some or all of the finance were to be on an interest only basis. Loans that are interest only would need to be directly provided by government or need a government guarantee.

It is vital that increased provision of social and affordable housing is well located having regard to public transport, services and amenities. New developments should seek to achieve a high standard of environmental sustainability supportive of moving to net zero carbon emissions. This includes being supportive of walking and cycling and development that has very limited or zero need for fossil fuels.

One obstacle to increasing output of social housing is the complex approval and procurement process. This needs to be reformed.

The fall in construction employment also provides an opportunity to increase investment in renovation of property and energy retrofitting. Renovation of property for social housing is promoted through the repair and leasing scheme. Regulatory reform is needed to facilitate renovation of 'over the shop' space for residential use. Exchequer support for retrofitting should be concentrated on social housing and low income households.

Climate change policy calls for reducing and eventually eliminating carbon emissions from buildings. This means constructing new buildings with close to zero emissions and working towards elimination of emissions in existing buildings. Carbon emissions from buildings arise from the materials used in building and renovation as well as in use. The construction supply chain includes very carbon intensive industries, in particular cement, steel and aluminium. The deepest energy retrofit does not necessarily minimise all emissions taking account of embodied energy. One energy expert has estimated that for the Netherlands a full renovation of the entire housing stock would not be consistent with the carbon budget implied by the Paris Agreement. This points to a need for a combination of innovative measures to achieve net zero emissions from buildings including making better use of the building stock (see Rovers, 2020).³⁶ Where renovation replaces the need for new building there is a substantial saving in carbon emissions.

³⁶ Rovers, R. (2019), Presentation to ESB/Institute of International and European Affairs (IIEA) 'Live Electric' conference, 23 September, <https://www.youtube.com/user/IIEA1/search?query=live+electric>, 10/06/20.

Land prices could fall as a result of the recession. This does not, however, remove the need for active land management. A fall in land and house prices is a cyclical phenomenon. When house prices fall, developers who have bought land at higher prices will wait until house prices have risen sufficiently to restore profitability. An active land management approach can change this pattern by making land available for building in such periods. It seeks to ensure the serviced land is available in areas suited to development for those able and willing to build on it and to mobilise derelict land in urban centres. Effective compulsory purchase powers are required as part of this approach (NESC, 2018).

NESC has earlier advised against the sale of public land without conditions as to when and how the land would be developed (NESC, 2018). In the current circumstances, there is an increased risk of land sold in such a way not being developed in a timely manner.

There is a case for requiring affordable housing on private land. There is recent relevant experience of this from Vienna and London.

The long term leasing of public land could be used to permanently remove, or at least reduce, speculative pressure on land prices. With this approach, the land could be provided without an upfront charge while the public landowner would retain long-term ownership of the land. Others, in particular owner-occupiers, could own the dwellings on the land. There could be an annual rent charged for using the land. This would recover the land value over time while the public landowner would benefit from long-term appreciation in land values. This model is used by community land trusts.

The COVID crisis may lead to a permanent increase in working from home with consequential effects on housing demand (Javocrik, 2020).³⁷ This will increase the demand for more space at home and reinforce the desire to purchase houses rather than apartments, which may run counter to the vision of compact growth. On the other hand, there will be opportunities for urban centres outside Dublin that can offer more affordable space in an attractive environment. In such cases, broadband availability becomes even more salient.

The construction of safe buildings requires an effective system of building regulation. Ní Fhloinn (2016) undertook a comparison of the regulation of food safety and

³⁷ Javocrik, B. (2020), Presentation to Ireland's COVID19 Crisis Response: Perspectives from Social Science Conference, 17 April, <http://publicpolicy.ie/papers/irelands-covid19-crisis-response-perspectives-from-social-science-videos-and-slides-from-all-17-panels/>, 10.06.20.

building standards. She found that there was evidence of visible public enforcement of the rules in food safety that was not apparent in the regulation of building standards. Ní Fhloinn also found that there are no arrangements under the Irish building control system for the audit or supervision of any of the entities involved in the system. This is in stark contrast to the food safety system. An independent Building Regulation Advisory Board gave advice on the content of building regulation in the past. Such a body should be reinstated to ensure the effectiveness of ongoing changes in building standards.

1.6 Conclusion

There has been a substantial and rapid housing policy response to the challenges posed by the corona virus. This has included introduction of a three-month ban on evictions and rent increases, increased provision of homeless accommodation in Dublin and Galway and a proactive approach to protecting homeless people from the corona virus. Dedicated measures have been taken to address the needs of some Travellers. However, there are still some shortcomings in the housing policy response regarding the protection of vulnerable groups. Some who are homeless in Dublin still cannot access emergency accommodation and for those who are sleeping rough there are very limited services available. Basic services including showers that rough sleepers previously used became inaccessible. Not all local authorities have responded adequately to the needs of Travellers at this time. The Ombudsman has raised concern in regard to non-family members sharing accommodation in direct provision centres.

The ban on evictions during the crisis is an important protection. Tenants who have built up arrears during the crisis are exposed to a risk of landlords taking action to secure termination of the tenancy when the ban on evictions expires so it is important that it be extended. The increased flexibility in the availability of rent supplement has the potential to protect many tenancies of people who have lost employment. There is a need to promote awareness of this flexibility.

There is a risk of increased arrears by social housing tenants also during this crisis and this need to be managed. Arrangements such as those introduced in Lisbon are worth considering (see Section 3.1).

It is likely that the COVID crisis will lead to an increase in mortgage arrears. It is important to ensure that those in mortgage difficulties can avail of State supports and legal rights that now exist. Research by Kenna (2020) identifies a need for training for judges and lawyers with regard to new legislation that requires courts to

consider the proportionality of granting a repossession order on principal private residences.

The collapse in tourism led to a modest increase in availability of rental accommodation in central Dublin and Galway. Effective regulation is needed to ensure that accommodation that this does not revert to short-term lets after the crisis.

During the recovery phase, there will be opportunities as well as challenges. The fall in construction employment creates an opportunity for more direct investment in social and affordable housing on public land and in renovation and energy retrofitting. Opportunities should be provided on public land for a range of players with capabilities who may not have the capital to fund the upfront purchase of land including approved housing bodies, community land trusts and other voluntary groups.

As housing output recovers there is an opportunity to seek to place more emphasis on transport orientated development, urban renewal, effective implementation of high building standards, and developments that are consistent with the goal of net zero emissions. In achieving the goal of net zero emissions, the energy embodied in the construction and retrofitting of buildings needs to be considered along with the energy used.

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