

**Meeting of the Joint Oireachtas Committee on Housing, Planning and Local Government  
27 September 2018**

**Opening Statement of Eoghan Murphy, TD, Minister for Housing, Planning and Local  
Government**

I thank the Chairman and members of the Committee for the opportunity to appear again before the Committee, this time to give you an update on the progress made in terms of the implementation of Rebuilding Ireland.

I am joined this afternoon by my colleague Damian English, Minister of State for Housing and Urban Development, John McCarthy, Secretary General, and Assistant Secretaries Mary Hurley and Dave Walsh.

Rebuilding Ireland is many things but, at its core, it is a delivery plan with the singular objective of delivering more for the citizens of this country. I have said many times that the housing challenges that Ireland faces cannot be solved overnight, but that is not to say that we are not dealing with the day to day priorities or ignoring the significant issues. We are endeavouring in everything that we do to provide ongoing support for our most vulnerable citizens in every way possible, while managing long-term programmes to create a sustainable pathway to a stable and consistent housing sector.

Nowhere is this more evident than in Homelessness. The first 6 months of this year have seen 2,332 adults exiting homelessness into an independent tenancy. 3,600 households to date have been assisted under Homeless HAP and over 200 Housing First tenancies have been established but more needs to be and will be done.

It is a complex issue, with many contributory factors, and supply is a key factor. Increasing supply of appropriate and secure accommodation is the main objective, but so too is ensuring that while we await that supply coming on-stream in a sufficient quantity, we have a robust system of response in place to meet the needs of citizens who, for whatever reason, find themselves presenting as Homeless at our local authority housing desks and in Parkgate Street.

This means continuing to provide shelter in the most appropriate accommodation available. We know that hotels are not ideal, and that is why I recently wrote to the Dublin local authorities requesting that they expand their Hub programmes so that the short-term emergency accommodation that we provide, is as suited to the needs of families and individuals as possible.

The key remains supply and the accelerated delivery of social housing. A need for linkage between the strategic and operational is an essential component of a successful plan and that is why Housing Summits have become a central part of how my Department engages with the critical partners for delivery. In July, we hosted a third Summit for local authority Chief Executives and held very meaningful discussions on both strategic and operational issues, bringing forward a number of key actions.

In recognition of the Approved Housing Body sector as a major stakeholder in not only social housing delivery but also in terms of tenancy management, and services to the homeless and other vulnerable members of our communities, I invited Chief Executives of a number of Tier 3 and Tier 2 Approved Housing Bodies to attend a dedicated AHB Summit on September 17th. The theme was collaboration - between AHBs and local authorities, as well as collaboration, with the market and the development sector.

Working together is achieving tangible outcomes. To end Quarter 2 2018, Rebuilding Ireland has delivered over 57,000 housing solutions across all delivery streams. By the end of this year, I expect that number to have grown to approximately 70,000 and we are on course to achieve that. We committed to supporting 137,000 households into appropriate accommodation under Build, Acquisition and Leasing programmes, as well as HAP and RAS, over the 6 year period, and by the end of Year 3 we will have achieved more than 50% of our target.

The need to continue to intensify and accelerate new build activity is to the fore of our strategic planning. The early years of Rebuilding Ireland focussed on harnessing existing capacity and more immediate solutions, while in parallel progressing local authority and AHB capacity to build more, and establishing solid project pipelines.

Those pipelines are now in place and growing, as evidenced in the Quarter 2 Construction Status Report which has just been published. Since the end of 2016, the number of schemes and homes in the programme has doubled. Activity on-site has also increased significantly, with 1,074 homes going on-site in Q2 this year alone, a 239% increase on the number of homes that went on site in the same quarter last year.

But there is no room for complacency. We have committed to exponential growth, and we are striving to achieve this.

As Minister, I have also been clear that we need to address issues of housing affordability, recognising the pressures that exist for low- to middle-income households, particularly in Dublin and certain other of our main urban centres.

Back in 2011 all affordable housing schemes were stood down given the prevailing economic position in the country. As you know, given the collapse in house prices there was an overhang of unsold affordable homes at that time. This time around it's important that we only target affordable housing interventions in areas that require them based on a consistent approach to economic assessment.

In terms of affordable purchase, I have commenced the relevant provisions of the Housing (Miscellaneous Provisions) Act 2009, the effect of which is to place the new scheme for affordable purchase on a statutory footing. From engagements with the local authorities in Dublin, the wider Greater Dublin Area, as well as Cork and Galway cities, their initial estimates suggest that they have lands with the potential to deliver some 4,000 new affordable homes.

My Department is continuing to work with the key local authorities and the Housing Agency to identify sites which would see the level of ambition increase to at least 10,000 new affordable homes from local authority owned land, and that the analysis is progressing well.

With regard to cost rental, I am determined for it to become a major part of our rental landscape in the future. It is clear that there is a gap between social housing and the rental market that needs to be filled, making a sustainable impact on housing affordability, national competitiveness, and the attractiveness of our main urban centres as places to live and work.

The Housing Agency, Dun Laoghaire Rathdown County Council and a number of Approved Housing Bodies (AHBs) have signed the agreements on our first cost rental pilot, at Enniskerry Road, and tenders issued last month. In parallel, Dublin City Council, my Department and the National Development Finance Agency undertook detailed modelling and financial appraisal on a major site, at St. Michael's Estate in Inchicore, which DCC will now develop as a major cost rental project.

In order to support local authorities to get their sites ready for affordable housing, I have decided to provide additional funding for enabling infrastructure via the Serviced Sites Fund. Given that housing-related infrastructure will now be able to avail of funding under the €2 billion Urban Regeneration and Development Fund, I am re-directing the €50m funding for Phase 2 of the Local Infrastructure Housing Activation Fund to the Serviced Sites Fund, increasing the scale of the fund from the previously announced €25m to €75m.

When local authority co-funding is included, an overall minimum investment of €100 million will be provided to those sites that require infrastructural investment in order for them to be brought into use for affordable housing. A total of €15 million Exchequer funding has been allocated for 2018, to which the local authority minimum contribution of €5 million will be added. This should enable the provision of infrastructure for around 500 affordable homes, based on a maximum level of €40,000 infrastructure investment per home.

One of the most significant actions taken since I last presented to this Committee was the formal launch of the Land Development Agency, the LDA. This will be a commercial state sponsored body, acting within a clear government policy framework, including that all public land disposals must deliver at least 40% of any housing potential on such lands in the form of social (10%) and affordable (30%) housing.

The LDA will establish a national centre of expertise for state bodies and local authorities, using experienced staff with expertise in project management finance, planning, development and procurement.

For the first time, Government will create a State body to deliver on the key principles of the Kenny Report of 1973 and NESC's latest research, targeting land management and housing delivery that is intended to underpin the delivery of 150,000 new homes over a 20 year period or around 25% of all housing needs envisaged by Project Ireland 2040.

In terms of furthering our ambition to maximise utilisation of vacant housing stock, my Department published the National Vacant Housing Reuse Strategy 2018-2021 in July. It builds on significant work already begun in 2016 and 2017 by various stakeholders, including the Housing Agency, local authorities and approved housing bodies, in order to meet our Pillar Five goals.

The Strategy sets out a number of concrete actions, including the adoption of Vacant Homes Action Plans by all local authorities and the appointment of Vacant Homes Officers, funded by my Department, to co-ordinate local actions addressing vacancy. It also provides a clearly signposted source of information for owners of vacant homes, including the funding options that are available, to assist in bringing vacant homes back into productive use.

In relation to the rental sector, as previously stated, Government approved the drafting of a new Bill to amend the Residential Tenancies Acts. The proposed changes will further empower the RTB by giving it the necessary powers and resources to protect both tenants and landlords in the residential rental sector, particularly with regard to enforcement.

These changes will further strengthen the effectiveness of the rent setting and rent review laws by empowering the RTB to investigate any contravention of the law around rent limits (4% per annum) in Rent Pressure Zones (RPZs) and to take enforcement action, if necessary, including the imposition of sanctions on landlords in breach and initiate an investigation without the need for a complaint to be made.

The progress of the RTA (Amendment) Bill will influence the framework as each proposal will require a lead in time for the RTB to put systems and resources in place for effective delivery. My Department is working closely with the RTB to identify capacity and what functions will need to be developed to implement the legislation.

The proposed new powers for the RTB are a crucial first step in expanding its overall role and function as part of a multi-annual change management programme to proactively enforce tenancy law and assume more the role of a regulator within the rental sector.

My Department is working with the Office of the Attorney General in drafting this legally complex Bill and I hope to bring it to Government shortly.

Following the pre-legislative scrutiny process, the Committee has issued a report highlighting a number of recommendations including the introduction of Tax incentives for small scale landlords. My Department is considering the report with a view to making any necessary amendments to the existing Bill or for consideration for inclusion in a separate Planning, Housing and Residential Tenancies (Miscellaneous Provisions) Bill which my Department is also working on.

With regard to Short-term lettings, I am currently considering the report of the Working Group and the recommendations from the Oireachtas Committee's report on this issue. I intend to shortly announce the initial measures and actions that can maintain or return to use properties for long-term rental purposes in our cities and urban areas. This approach recognises that the introduction of a new regulatory system will take some time to be designed and come into effect.

Finally, as the Committee will be aware, I have circulated a range of documents to it over the course of this week. I am more than happy to answer any questions in relation to those documents and indeed in relation to the continuing progress we are making under Rebuilding Ireland.