

NOVAS

Housing | Health | Recovery

NOVAS Pre-Budget Submission 2023

INTRODUCTION

We recognise that there will be significant pressures on the 2023 budget, with many sectors of society requiring additional support and funding. However, those who are homeless or at risk of homelessness as well as socially and economically marginalised households, must be prioritised. The latest homeless statistics released by the Department of Housing (July 2022) reveal unprecedented numbers of people accessing emergency and temporary homeless accommodation. In addition, there are many more people who are hidden homeless, people who are living in squats, in substandard and overcrowded accommodation, sofa-surfing and involuntary sharing, who are not recorded in any official data. Budget 2023 must protect the most vulnerable and stem the tide of people becoming homeless in this state.

The homeless and housing crisis is denying people secure and sustainable housing with detrimental impact to their physical and mental wellbeing. People who live in rented accommodation worry endlessly about rent hikes, insecure tenure and the rate at which landlords leave the market. For those living in emergency, temporary and commercial homeless accommodation, their chances of securing long-term tenancies are slim, particularly for single people who often spend years in homeless accommodation. This budget must do more to protect people who are living in the private rented market, particularly those who require rent supplements such as HAP. The budget must concurrently, incentivise landlords to stay in the market.

We call on the government to protect the most vulnerable by addressing immediate deficits in the HAP system. One-bedroom units of accommodation must be prioritised in general and social housing, to reflect demand. More targeted interventions are required to protect the most financially vulnerable groups of society against inflation and rising costs of basic food and fuel costs. It is incumbent on the government to protect the most marginalised cohorts of our society, in order to prevent further inequality.

HAP

Housing Assistance Payment (HAP) is a crucial resource that opens up an exit route for those experiencing homelessness. Approximately 75% of those who exited homelessness in 2021 did so through HAP payments. HAP payments must reflect the increase in market prices to maintain its efficiency until the supply chain of social and affordable housing increases through the *Housing for All* plan.

Despite rental prices increasing year-on-year, HAP rates have not increased since 2017. Below, we have shown the gap between HAP payments and the average rent in Ireland's major cities. With the gap between HAP payments and average rental prices continuing to increase, HAP is failing to help those trying to exit homelessness. Between 2016-2020, over 25% of HAP tenancies failed, according to Social Justice Ireland. To prevent the issue worsening, it is vital for HAP to be reviewed and changed to better align with the current rental market.

HAP Allowance & Average Rents					
Area	HAP Limit (1 or 2 adults, 1 child)	HAP +35%, (+50% in Dublin) (1 or 2 adults, 1 child)	Average Rent (Daft.ie Q2, 2022)	Different With HAP Limit	Difference with HAP Limit +35%
Dublin City	€1250	€1875	€2165	-€915	-€290
Cork City	€900	€1215	€1670	-€770	-€455
Limerick City	€650	€877.50	€1559	-€909	-€909
Galway City	€850	€1147.50	€1663	-€813	-€515.50
Waterford City	€550	€742.50	€1312	-€762	-€569.50

We propose that the elevated HAP (50%) available in Dublin should be extended to the rest of the country, as a means of reducing the number of households who enter homelessness. Additionally, standard HAP rates must be increased to better reflect the significant rent increases since 2017, with more than 12% increases from Q3 2021 to Q3 2022.

For single-adult households and households without children, HAP rates have fallen so far below average rental prices that HAP fails to appropriately support them. Thus, basic HAP rates for these groups must be reviewed. This issue is exacerbated by the lack of single bed units for adult only households. Until this is improved through *Housing For All*, these groups must be adequately supported through HAP payments.

Private Rental Market

More than 20,000 landlords have left the private rented market since 2016 (Department of Housing). Professional landlords are necessary to the rental market and must be enticed to stay. There are discrepancies between the tax burden of real estate investment trusts (REIT) and private landlords. Rental income for REITs are free of income tax and capital gains are tax free. However, private landlords are levied with taxes of up to 52%.



**Since 2016, 20,000
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market.**

(Department of Housing)

The disparity of treatment between investment trusts and private landlords must be tackled in the budget through tax deductions for small landlords, such as the property tax being deductible and more deductible expenses.

Single-Bed Units & Housing First

With the cost of rent on the rise, there has been an increasingly negative impact on single-adult households. The lack of appropriate housing for single adults makes it increasingly difficult to prevent homelessness and create pathways from homelessness for this cohort. Single units of accommodation must be prioritised in all new housing developments, as part of mixed tenure and one-bedroom units must be a priority in social housing construction and acquisition as single people comprise more than 50% of social housing waiting lists nationally. Housing development must reflect demand.



In 2021, 54.9% of households who qualified for social housing support were single adults.

(Social Housing Assessments 2021)

Housing First is a proven model to end long-term homelessness for individuals with complex needs. While the increase in resources for Housing First in the *Housing For All* plan is welcomed, the current Housing First targets need to be re-evaluated. More ambitious targets must be set that reflect the ever-growing number of single people seeking temporary and emergency accommodation. For example in the Mid-West, an area with the highest levels of homelessness per capita, there are just 52 Housing First placements over four years, despite the high rates of single adult homelessness in the region.

Repair & Lease

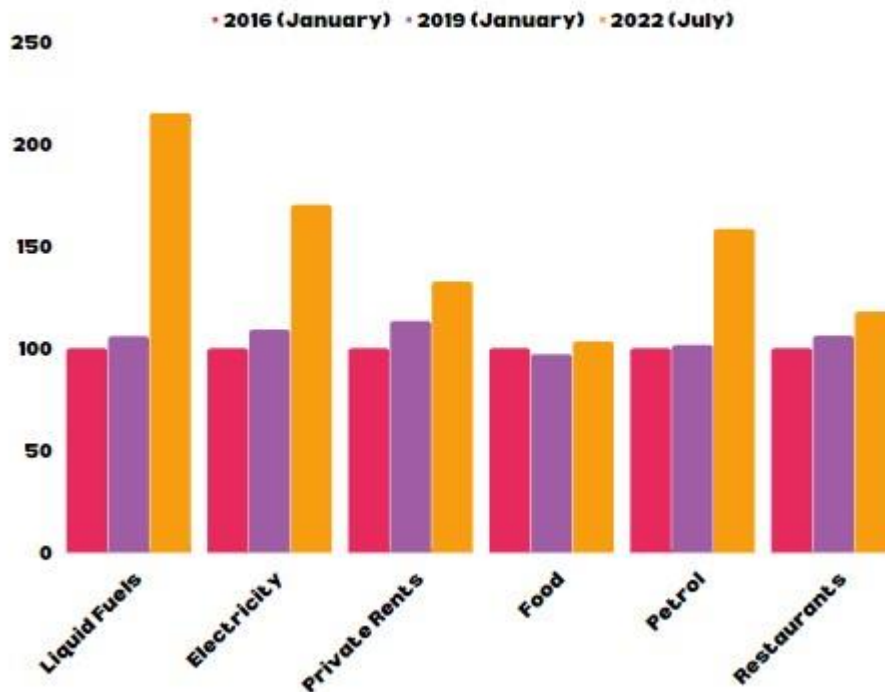
According to the 2022 Census more than 30% (48,387) of the dwellings vacant in 2022 were also vacant in 2016. And of these 48,387 dwellings, nearly half (23,483) were also vacant in Census 2011. These vacant dwellings allow the state an opportunity to bring thousands of homes onto the market without the cost and time associated with building new developments. Government schemes such as the Repair and Lease Scheme, Vacant Property Refurbishment Grant and the Croi Conaithe Fund Scheme should be increased to compensate for inflation, labour shortages, cost of raw materials and state of dereliction of many homes.

Under the Repair and Lease Scheme, people can claim up to €60,000 in loans to repair their property that will subsequently be let to for social housing purposes. Government must consider increasing the value of the loan beyond €60,000, considering rates of inflation and increases in costs of raw materials and labour, as a means of incentivising more property owners to engage in the scheme.

Simultaneously, penalties must be imposed on vacant and derelict properties to disincentivize property hoarding and vacancy.

Cost of Living

Price Increases Since 2016 (CSO)



Increasing Social welfare rates should be a priority for budget 2023 to attempt to close the widening gap between social welfare rates and current cost of living. By tackling the overarching issue of poverty we can prevent people falling into homelessness. In this, we suggest an increase to the social welfare rates, childcare supports and targeted relief for those facing energy poverty.

Budget 2023 must put in place a number of robust anti-poverty measures in order to tackle the current cost of living affecting those below the poverty line. Social welfare and minimum wage must be raised to a liveable income, such as the Minimum Essential Standard of living developed by the Vincentian Partnership.

Health, Wellbeing and Recovery Supports for Homeless People

It is widely recognised that people who are homeless have poorer mental and physical health than the general population. Those living in homeless accommodation often present with complex needs relating to dual diagnosis of addiction and mental health, combined with significant adult and childhood trauma, meaning that responses must be targeted, individualised and foster safety and engagement.

Services and support dedicated to people with dual and multi diagnoses must be increased to reflect demand. We recommend a ring-fenced health budget specifically for people experiencing homelessness to ensure services meet their needs.

Funding Homeless Services

The government must commit to adequate, sustainable multi-annual funding for the provision of homeless services. Funding must reflect ongoing inflation rates and the significant rise in the cost of basic commodities such as utility bills and food provision. Moreover, services must be sufficiently funded to appropriately enumerate staff, considering the enormous recruitment difficulties in the sector.

Services need to plan and in order to do this adequately, they need security in multi-annual budgets, which reflect the growing ancillary support roles required to run safe and efficient services, such as HR, finance, quality and compliance. Budgets must be agile to external factors such as inflation and must reflect the cost of full service delivery.