

RESIDENTIAL PROPERTY SUMMIT 2017 special three-page report



From left: Alex Brett, director, Maplewood Group; Karl Deeter, compliance manager, Irish Mortgage Brokers; and Bill Nowlan, founder and chair, WK Property



From left: Michael Walsh, head of property and construction, ByrneWallace; John Moran, former secretary general, Department of Finance; and Eoghan Murphy, Minister for Housing, Planning, Community and Local Government



From left: Keith Lowe, chief ex of Finance; and Jack Horgan-

# Making plans to solve

With property, particularly the social and affordable housing sectors, buckling under pressure, experts in residential property had much to discuss at this year's *Sunday Business Post* summit



Tina-Marie O'Neill

**B**y virtue of its title alone - "How do we crack Ireland's housing crisis?" - this year's *Sunday Business Post* residential property summit was always going to be an ambitious ask of property's finest minds to solve what has become the crisis of our time.

It was telling that the Minister for Housing, Eoghan Murphy, opened his speech with this statement: "The key challenge facing Ireland right now is how to deliver a properly functioning housing system. But I'm not sure we've ever had a properly functioning housing system. I'm not sure if we know yet exactly what that might even look like."

Aware of the crisis in our social and affordable housing sectors in particular, the minister said: "My priorities are to rebuild the sector, to build more homes, not houses. I use that term deliberately: We have an under-supply of new builds over a number of years, so we are now faced with a shortage of homes in this country. We have a population that is growing faster than anywhere else in Europe, many of whom are returning emigrants and many of whom are cash rich. And we are approaching full employment and that adds a lot of pressure to an already pressured sector," he said.

"The most distressing result of all of this is the increasing numbers of homeless families that are presenting to our emergency accommodation services. These people need our help and they must be the government's first priority when we talk about our housing and our homeless crisis. Our homeless numbers continue to increase, but the rate of increase is slowing and the situation in Dublin, where the majority of homeless are, looks like it is stabilising. Today there are 200 fewer families in hotels and B&Bs than there were at a high point in March of this year. But it really doesn't say much when you have to take such numbers as positives."

**Property prices**

Another keynote speaker and event sponsor, Keith Lowe, DNG's chief executive, said: "Up until last week, I had



Michael Walsh, head of property and construction, ByrneWallace



John O'Connor, chief executive, Housing Agency, and Caren Gallagher, head of communications and research, RTB



Richard Barrett, founder, Bartra Capital

no plans to discuss property prices in any detail; but when I heard one of the country's most well-known economists on the radio the other day saying prices were going to rise 15 per cent this year and others saying they are spiralling out of control, I felt I needed to set the record straight. Property prices are up 11 per cent in Dublin and 10.4 per cent in the rest of Ireland in the 12 months to the end of September. However, the level of price inflation is moderating in Dublin and a new trend is emerging on the DNG Property Price Gauge. I predict that the 11.1 per cent annual rate of increase will be down to 7 or 8 per cent by the middle of 2018."

**Affordability**

Lowe also urged the government to take its lead from the British market in terms of affordability. He pointed to Britain's successful shared equity scheme loan, one of the principle ingredients of Britain's Help to Buy scheme.

Under the scheme, the government takes a stake in each purchase while receiving rent on the portion they retain. In Britain, the government stake is up to 40 per cent in London and 20 per cent in the rest of the England for homes priced up to £600,000. The first-time buyer puts up 5 per cent of the deposit, the government puts up 20 or 40 per cent and



Neil Dunne, senior associate, property, ByrneWallace law firm



Donall O'Shea, head of real estate lending, AIB

## Voices from the summit

"The key challenge facing Ireland today is how to deliver a properly functioning housing system. But I'm not sure we've ever had a properly functioning housing system. I'm not sure if we know yet exactly what that might even look like."

Eoghan Murphy, Minister for Housing, Planning and Local Government

Today there are 200 fewer families in hotels and B&Bs than there were at a high point in March of this year. But it really doesn't say much when you have to take such numbers as positives.

Eoghan Murphy, Minister for Housing, Planning and Local Government

"Is there a housing crisis? I'm not convinced there is, based on the current sales market. But we do have a rental and social

housing crisis. In terms of social housing, there is no silver bullet. Solutions include additional resources and sustained development."

Keith Lowe, chief executive of the Douglas Newman Good Group

"I'm not giving any land away for free. That makes me a one-trick pony. What do I do then?"

Danny McLoughlin, chief executive, South Dublin County Council, in response to a suggestion from a member of the audience that he provide land to the private property market to ease the housing crisis

"Increasing housing supply hasn't reduced house prices in 40 years."

Maoiliosa Reynolds, architect and

**property commentator**

"You can make a judgment about how developed, how sophisticated a society is by how it treats the less well off and lesser able. Social housing in Ireland has become a forgotten species."

Richard Barrett, founder Bartra Capital Property

"The government is completely unable to provide for social housing, even if it wanted to. The scale of the social housing needs is disguised. Official figures suggest it's 91,600 'units'. The real figure is closer to 750,000 - people plus. That will lead to huge fiscal problems, social discontent and is disincentivising. The 91,600 figure is statistical deception."

Richard Barrett

"The quicker we try to resolve the mortgage arrears issue by displacing people and

creating increased homelessness, the worse the outcome will be. Homelessness prevention is key. This is the bomb that will go off for the next government."

Maoiliosa Reynolds

"Dublin City Council did not build a single social house in the first six months of 2017. We are doing too little, too slowly; far too slowly."

Maoiliosa Reynolds

"Some 29 per cent of people are renting, with that figure higher in urban areas. In Dublin that figure is 36 per cent. The split of homeowners and renters in the 2006 census was 80:20. That has moved to 70:30 in 2016."

Neil Dunne, senior associate of property with ByrneWallace law firm.

"We [Ireland] are at the horse and cart stage of understanding how social welfare

works, compared to our European counterparts. It has to evolve as a partnership between a series of parties, including investors and the state."

Bill Nowlan, founder and chair, WK Nowlan Real Estate Advisors

"Home security does not have to mean ownership."

Bill Nowlan

"Can this country house its people? Can it move its people around in terms of infrastructure? The answer is 'no' on both fronts."

John-Mark McCafferty, chief executive, Threshold

"Ireland has been sold an American, fenced-off suburban ideal. The perception of the ideal home in Ireland needs to change. Individualism and vested interest have led to the sprawl

of suburban Dublin."

John Moran, former secretary general of the Department of Finance

"When we look at housing in Ireland, I see we need a completely different approach to what we've taken in the past. If we don't do it differently, we are going to build up mental and physical problems."

John Moran

"In the rental market, tenancy protection equals homelessness prevention."

John-Mark McCafferty, chief executive, Threshold

"In terms of planning, Dublin opted for a motorised city, which we are now trying to roll back from against a backdrop of an obese 100 kilometre commuter belt that resembles the sprawl of Los Angeles."

Frank McDonald, chair, Temple Bar Residents