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Ireland

The coalition's "Housing for all " strategy

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The Irish government launched its new "Housing For All" policy on 2 September. The programme is replacing the failed "Rebuilding Ireland" policy and is essentially more of the same with a larger injection of government funds.

Long on aspiration, short on detail, it preserves the centrality of the private housing sector and the guarantees to vulture funds. Cries of rage and disappointment from those excluded from the housing market and with much of their income absorbed by punitive rents were heard as the details of the plan emerged.

In reality no section of the coalition government can imagine a housing policy based on human need. The main purpose of the scheme is to present the appearance of progress and thus to save the bacon of the parties as the next election draws near.

The party suffering most is Fianna Fail, with a large section of its base moving towards Sinn Fein. Both main parties actually benefit from property speculation, but the Fine Gael base benefits most. This has led to sharp tensions. The plan was delayed for months and there was a last minute delay of over 30 minutes as it launched. The parties contradicted each other immediately, with Leo Varadkar (FG) lauding the continuation of a "property owning democracy" while FF Taoiseach Micheál Martin blathered about affordable and social housing. The third leg of the coalition, Eamon Ryan of the Greens, spoke but said nothing beyond; "me too".

The only ray of light for the three stooges was the weakness of the opposition. The press had no serious questions. Sinn Fein criticised details without presenting a clear alternative. Housing protests, largely organised by the Trade Union leadership, have been off the streets since 2019 and the revamping of the failed Rebuilding Ireland strategy.

The task now is to reorient the opposition around a demand for public housing based on need rather than the current model where housing is a financial asset traded in the market.

So what of the detail?

The plan promises an investment of €4 billion per year until 2030 to deliver 300,000 homes.

Thus will involve 90,000 social homes, 36,000 affordable purchase homes, 18,000 cost rental homes at least 25% below market value. The other 50% of the target is presumed to be provided by private developers.

A major plank of the scheme will be the role of the Land Development Agency. State land will be transferred to the agency and used for housing. Alongside this will go a relaxation of planning laws and a greater role for local authorities.

Developers are required to use 10% of zoned land for social and affordable homes. Thus will rise to 20% and will include cost-rental housing.

The state will subsidise home buying to make up the difference between the cost of a house and the maximum available mortgage.

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Private tenants are promised security of tenure subject to legal advice and offered better oversight of landlords.

A National Homelessness Action committee will be established at the end of 2021, with plans to eradicate Homelessness by 2030.

There will be new taxes, on rezoned land, and on sites that haven't been developed

The main criticism of the plan centres on the 50% provision to come from the private sector. The critics note that the government has no control of the sector and therefore have no control over the timetable they propose.

That's to miss the point. Clearly the government does have control of private investment. All they have to do is ensure a sizable and safe return on investment and the money will pour in. In fact that's what they have been doing, and that's why the various tax breaks and sweeteners for the financiers have pushed the price of housing through the roof.

Even today NAMA holds large amounts of public property purchased from the bondholders. There is no suggestion of repurposing this stock.

The dominance of transnational capital is so extreme that in essence there is no public sector housebuilding. Much activity revolves around Part V measures. The big idea is that the requirement on developers to leave aside 10% for social and affordable housing be increased to 20%. There are also proposals to reserve housing for individual purchase. None of this will apply until 2026, and yet again apartments are excluded, leaving the honeypot open for the vulture funds.

When affordable housing is referenced it frequently refers to smaller units in a larger development or to housing where the local authority pays part of the cost. Public housing is leased from private developers and the lease paid by the council. Developers are paid to build the house, get a mortgage payment for a fixed term, and then ownership is returned to the company.

There is no definition of affordable housing or proposals for reducing housing prices. The process appears to be pouring petrol into an already overheated system.

If there are no proposals to provide cheap mortgages, another route could stop the bubble. Cheap rents would eventually push down house prices.

There is one proposal that points in that direction, the proposal for a cost rental model with security of tenure. However at the moment is an aspiration and will apply to just 5% of current need and 2% of overall requirement for young people.

If rents were fixed and a charter of tenant rights and security of tenure established this would be a major blow to the speculators. As it is, tenant rights are almost non-existent.

A Commission will consider the issue of a referendum on housing including the right to a home in the constitution. In fact Irish citizens have lots of rights in the constitution that are invisible in everyday life, but some reformers believe it would provide a legal framework to challenge the government.

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Behind the rhetoric lies the same failed model. Keep house prices and rents high in order to ensure inward investment of capital. This model is all the more attractive to Irish politicians given that they are themselves feeding from the housing bubble through Real estate investment trusts (REITs).

There are other pressures. The Irish Fiscal Advisory Council (IFAC) has warned the government that current borrowing levels are unsustainable. They have survived Covid on cheap money from the ECB. Any sudden rise in interest rates would cause trouble, so they will have to compensate for throwing money at speculators by sharp austerity aimed at the working class.

Luckily for the government, there is little opposition.

The statement from THE Irish Congress of Trade Unions read;

Congress notes the publication of the comprehensive new plan and will give it full and serious consideration, over the coming days. (Of course ICTU had a copy of the policy in advance, as did all the other stakeholders)

On initial reading, the plan does appear to contain positive commitments in respect of ending homelessness....

Sinn Fein were much harsher, but on closer examination there was little qualitative political difference with the government. They claimed that the government had "dithered", that the plan was insufficient in scope and that money was being double counted,

Sinn Féin spokesperson on Housing Eoin Ó Broin said;

It is clear that there will be little, if any, increase in direct capital investment by Government in social and affordable homes between now and 2025...

"There is nothing in this plan to tackle rising rents, however there is plenty for developers including the controversial shared equity loan scheme, which will inflate house prices further.

The TD also stressed the call for a constitutional amendment on the right to a home.

People before Profit correctly noted:

Housing for All is reinforcing the government's policy of allowing housing to be dominated by the market, with supply to be determined by the profit requirements of developers and builders.

People Before Profit would establish a public home building agency to give certainty in the delivery of large volumes of social and genuinely affordable homes...

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However there are a number of contradictions. They continue to use the meaningless phrase social and affordable housing when the chief call must be for public housing. The ICTU statement is an indication of on-going partnership with the government. Will they break with the bureaucracy? Their current strategy is for a left government led by Sinn Fein. Do they support the Sinn Fein housing policy? Especially given that the relationship of that party with vulture capital in the Northern administration is not significantly different from that of the coalition.

Fine Gael have an upfront Ideology that they are happy to explain, private developers have the capital to supply housing. They need a profit, as do the builders, so house prices are high. Luckily the law of supply and demand applies. As more houses are built the price will fall

This is absolute nonsense. In the era of late capitalism the supply and demand process applies, not to housing, but to finance. When house prices are high profits are high and capital flows in. If house prices fell then the inflow of capital would also fall. The nirvana of cheap affordable housing will never arrive. The financialisation of housing and the movement of capital to asset trading is happening across the world, but in Ireland we have a mass experiment where the vast majority of housing provision is through the trading of housing as an asset.

This ideology has a material base. The Irish economy is built around support for transnational capital. Not only do local capitalists support this strategy, they join in as landlords themselves and by investing in Retail Estate Investment Trusts.

So the policy Housing for All is not a way to solve the housing crisis or a mistaken policy put forward in good faith. It is a massive attack by Irish capitalism on Irish workers. Value is drained from workers by absorbing wages in paying for basic elements of everyday life.

Socialists need to unite to oppose this attack. The central demand must be for public housing supplied by the state.

This movement cannot be polite and parliamentary. We need to be willing to follow the model of the Apollo House movement and occupy properties held in reserve by speculators and public properties that should be available to the homeless.

The housing crisis is a metaphor for Irish society as a whole. Every aspect of public life is being auctioned off to the vulture capitalists. We need to build a mass party of the working class that will shift control of the Irish economy from the asset traders to the working class.

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Source [Socialist Democracy](#).

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