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FIANNA FÁIL'S HOUSING HYPOCRISY

IN GOVERNMENT AND OPPOSITION



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Talking out of both sides of your mouth

Fianna Fáil's housing record in government and opposition

Micheál Martin has been highly critical of Fine Gael's record on the housing and homeless crisis. He has criticised them for failing to provide enough social housing and for over relying on the private rented sector to meet housing need.

Fianna Fáil claim their record on the delivery of social housing during its time in government was better. Unfortunately the facts tell a very different story.

During their 14 years in power they delivered on average 5,523 social houses per year. Just like Fine Gael, their under delivery of social housing led to growing Local Authority housing waiting lists and growing dependency on subsidised private rental accommodation.

By 2011 the council housing list had reached a record high of 98,318 households. Subsidised private rental accommodation through Rent Supplement and the Rental Accommodation Scheme hit 113,618 households.

Fianna Fáil's best year in terms of social housing delivery was 2007 when they delivered 8,673 units between Local Authorities, Approved Housing Bodies and Part V units in private developments.

This was just 11% of the total housing delivery in that year despite the fact that Part V of the Planning and Development Act provided for 20% social housing to be delivered on private developments.

2006 was even worse. Despite the fact that that year saw the largest number of housing units built in the history of the state, at 93,419, just 6,361¹ real social housing units were delivered, a paltry 6.8% of all residential construction.

Despite having more resources at their disposal than at any other time in the history of the state Fianna Fáil failed to deliver a sufficient supply of real social housing.

During their 14 years in office the social housing waiting list increased by 258% while the level of rent subsidy dependence increased by 209%.

Having taken office in 1997 the annual cost of rent subsidies was €90m. By the end of their tenure this has increased to €620m.² An increase of 588% in the cost of housing social housing tenants in the private rented sector.

Not only was Fianna Fáil's record on social housing poor. By 2017 their affordable housing schemes left 42% of shared ownership mortgage holders in arrears of over 90 days.

Alongside this their lax regulation of banks mortgage lending and reckless VAT and stamp duty policies drove the credit bubble. Banks were encouraged to aggressively sell unsustainable mortgages to modest income families to buy over priced homes. As of December 2017 there were 48,433 private residential mortgages in arrears of over 90 days and the number of buy-to-let mortgages in arrears over 90 days was 18,257.³

The same light touch self-regulation of the banks was also applied to building standards. The number of people uncovering serious defects in the construction of their homes during the boom is rising every day. The residents of Priory Hall, Longboat Quay and Beacon South Quarter to name a few are faced with huge costs due to defective building.

1 Housing Statistics Bulletin 2008- Appendix one, page 41 <http://www.housing.gov.ie/sites/default/files/migrated-files/en/Publications/StatisticsandRegularPublications/HousingStatistics/FileDownload%2C20957%2Cen.pdf>

2 PQ response, 9th November 2017- <https://www.kildarestreet.com/wrans/?id=2017-11-09a.678>

3 <https://www.centralbank.ie/docs/default-source/statistics/data-and-analysis/credit-and-banking-statistics/mortgage-arrears/residential-mortgage-arrears-and-repossessions-statistics-december-2017.pdf?sfvrsn=4>

Furthermore, it is estimated that Pyrite is present in 20,000 Irish Homes and up to 5,000 homes in Donegal are crumbling due to the use of Mica defective blocks in the construction of their homes.

Micheál Martin was a Government Minister during all of Fianna Fáil's 14 years in Government. He sat round the cabinet table when the above housing policy and funding decisions were agreed.

He is also the leader of Fianna Fáil that has been actively supporting the current Fine Gael Government who have continued to preside over the very same failed housing policies that he advocated from 2007 to 2011.

For Micheál Martin to criticise Fine Gael's record on housing, given both his party's own record in Government and his support for the current administration, is sheer hypocrisy. Fianna Fáil are talking out of both sides of their mouth. It's time the public was reminded of this.

Fianna Fáil in government and social housing - Manifesto Commitments V Reality

With regards to social housing delivery, in its 1997 General Election Manifesto the party committed to:

*"Continuing our commitment to the construction and acquisition of housing units by local authorities, and will continue to put resources into upgrading and refurbishing."*⁴

The Fianna Fáil and Progressive Democrat Action Programme for the Millennium vaguely committed to:

*"The improvement and extension of Social Housing policy schemes generally, including rural resettlement as an option"*⁵

With these ambiguous commitments in mind according to the then Department of Environment's Housing Statistics Bulletin 2002, through the years 1998 to 2002, an average of 4,985 real social houses were built and acquired per year.⁶

In 2002 there were 48,413 households on the social housing waiting list. Yet in the same year there were only 6,434 real social homes delivered via local authorities and AHBs.

That same year there were 54, 213 rent supplement recipients living in the private rented sector.

In Fianna Fáil's General election manifesto in 2002 and the subsequent programme for government it pledges to:

*"Commit to the expansion of various social housing programmes so that we reach a target of meeting the housing needs of 15,000 households per annum."*⁷

The Programme for Government further commits to:

*"A further expansion of the various social housing programmes"*⁸

Between 2002 and 2007 the Fianna Fáil- Progressive Democrat government delivered on average 6,843 real social homes per year, while 65,482 households were subsidised via rent supplement in the private rented sector.

Following the financial crash, capital expenditure on social housing was reduced from €1.5bn in 2008 to €1.1 bn in 2009. It was slashed by 28% in 2010 and by 2011 the capital budget for social housing was €485m. 67% less than what was allocated in 2008.

The consequence was a dramatic decline in the output of social housing. In 2010 only 1,328 local authority homes were constructed. This decline continues through to 2011 with 486.

4 1997 General Election Manifesto- <http://michaelpidgeon.com/manifestos/docs/ff/Fianna%20Fail%20GE%201997.pdf>

5 https://www.taoiseach.gov.ie/eng/Publications/Publications_Archive/Publications_for_1998/actionmillennium1.pdf

6 <http://www.housing.gov.ie/sites/default/files/migratedfiles/en/Publications/StatisticsandRegularPublications/HousingStatistics/FileDownload%2C2126%2Cen.pdf>

7 <http://michaelpidgeon.com/manifestos/docs/ff/Fianna%20Fail%20GE%202002.pdf>

8 https://www.taoiseach.gov.ie/eng/Publications/Publications_Archive/Publications_for_2002/An_Agreed_Programme_for_Government_Between_Fianna_F%3A1il_and_The_Progressive_Democrats_June_2002_.html

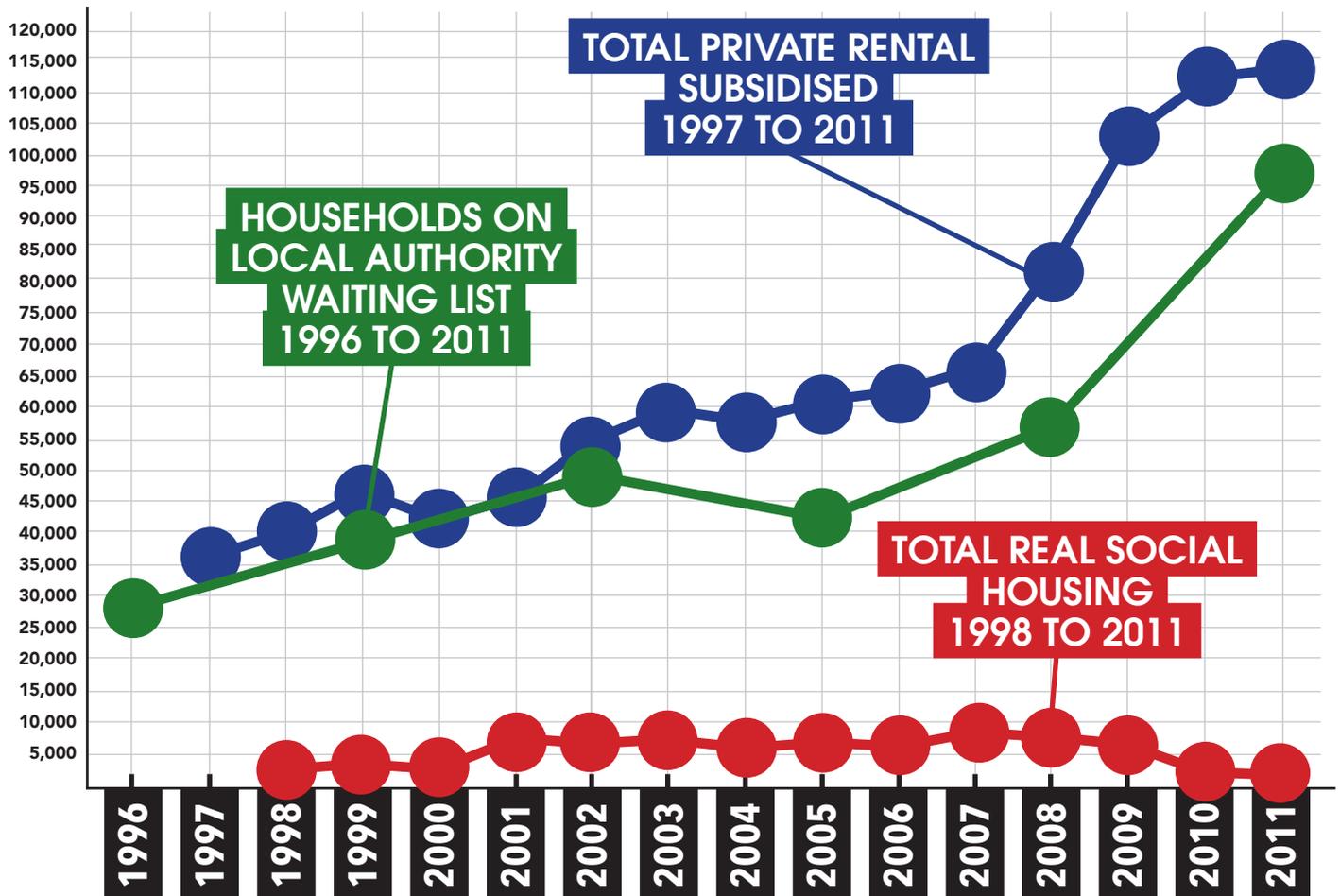
Overall Picture- Fianna Fáil in government 1997 to 2011

| Year | Social houses delivered (Local Authority built and acquired, including Part V) | Social houses delivered (AHB) | Total real social housing | Rent Supplement* | RAS | Total private rental subsidised | Households on local authority Waiting List |
|-----------------------|--|-------------------------------|---------------------------|---------------------|---------------|---------------------------------|--|
| 1996 | | | | | n/a | | 27,427 [†] |
| 1997 | | | | 36,800 ⁺ | n/a | 36,800 | |
| 1998 | 3,282 | 485 | 3,767 | 40,000 | n/a | 40,000 | |
| 1999 | 3,713 | 579 | 4,292 | 41,873 | n/a | 45,028 | 39,176 |
| 2000 | 3,207 | 951 | 4,158 | 42,683 | n/a | 42,683 | |
| 2001 | 5,022 | 1,253 | 6,275 | 45,028 | n/a | 45,028 | |
| 2002 | 5,074 | 1,360 | 6,434 | 54,213 | n/a | 54,213 | 48,413 |
| 2003 | 4,972 | 1,617 | 6,589 | 59,976 | n/a | 59,976 | |
| 2004 | 4,510 | 1,607 | 6,117 | 57,874 | n/a | 57,874 | |
| 2005 | 5,127 | 1,350 | 6,477 | 60,176 | 505 | 60,681 | 43,684 |
| 2006 | 5,121 | 1,240 | 6,361 | 59,861 | 2,838 | 62,699 | |
| 2007 | 6,988 | 1,685 | 8,673 | 59,726 | 5,756 | 65,482 | |
| 2008 | 5,692 | 1,896 | 7,588 | 74,038 | 8,329 | 82,367 | 56,249 |
| 2009 | 4,089 | 2,011 | 6,100 | 93,030 | 10,163 | 103,193 | |
| 2010 | 2,178 | 753 | 2,931 | 97,260 | 14,220 | 111,480 | |
| 2011 | 819 | 745 | 1,564 | 96,803 | 16,815 | 113,618 | 98,318 |
| Total Increase | 59,794 | 17,532 | 77,326 | 60,003 | 16,815 | 76,818 | 70,891 |

* <https://www.kildarestreet.com/wrans/?id=2017-11-09a.678&s=%22rent+supplement%22+Eoin+%C3%93+Broin#g679.q>

† Social and Affordable Housing and Accommodation: Building the Future Forum Report No. 18- NESc http://files.nesc.ie/nesf_archive/nesf_reports/NESF_18.pdf

+ The Uneven Geography of Housing Allowance Claims in Ireland: Administrative, Financial and Social Implications- Michelle Norris and Dermot Coates



Fianna Fáil in Opposition

Fianna Fáil's General Election Manifesto for 2011 mentions housing four times. Three of the mentions are in relation to the section on mortgage arrears.

The fourth mention makes a commitment to invest over €1 billion in housing and water services in 2011.

In April 2015 the party published Supporting Home Ownership – A National Housing Roadmap. This 16 page policy document is still being quoted as the party's flagship housing policy document.

It contains a commitment to launch a new €4.5bn home building programme across Ireland and to build 45,000 new social housing units.

It states:

*"Fianna Fáil has a proud record in launching the most ambitious housing programmes in the history of the state. "Home Together" marks the continuation of the tradition of tackling this core issue."*⁹

There are more vague commitments within on how the homes will be delivered with the party heavily leaning on the private sector to deliver some these homes via the use of public private partnerships.

"This will directly supply social housing via local authorities and will be financed through the Strategic Investment Fund, European Investment Bank, Public Private Partnerships, Special Purpose Vehicles and exchequer funding."

There is no mention in this policy document of delivering affordable housing.

In relation to subsidised housing in the private rented sector, the document states:

"Combining powers for rent supplement with the Local Authorities responsibility for housing, similar to the RAS scheme, will also reduce an unnecessary duplication of functions. Enhancing state provision of social housing will reduce the costly bill of this short-term provision."

In is worth recalling that during Fianna Fáil's last tenure in government, the number of people on rent supplement jumped by 163%.

In August 2015 another housing policy paper was produced:

Generation rent: A new deal for Renters and Landlords pays lip service to tenants' rights, the strengthening of security of tenure and the quality of accommodation.

The document pledges to

*"Fianna Fáil will introduce legislation that will enshrine a long term "family tenure" lease to reform Part 4 of the Residential Tenancies Bill 2004. Revamping Part 4 tenancies will help provide greater security to tenants such as families, stabilise the rental and housing market as well as allow landlords the assurance of long term financial planning. Specifically, this involves replacing the 4 year tenancy cycle with a move towards indefinite leases which will enhance security of tenure."*¹⁰

The party also dedicates a section to delivering affordable rental with rent certainty measures.

On Thursday the 16th of June 2016 Fianna Fáil voted against the Rent Certainty Bill 2016. Despite the fact the weekend before the vote Deputy Seán Fleming said on The Week in Politics that:

'What needs to happen straight way is those people who are in houses have to be allowed stay in the houses that they're in by linking the rent to the inflation because landlords will put rents up.'

9 <https://www.fiannafail.ie/download/mortgage-crisis/Supporting%20Home%20Ownership%20-%20National%20Housing%20Roadmap.pdf>

10 <https://www.fiannafail.ie/download/cost-of-living/Generation%20Rent%20-%20A%20New%20Deal%20for%20Tenants%20and%20Landlords.pdf>

Fianna Fáil in Confidence and supply - voting against their own commitments

The Fianna Fáil general election Manifesto for 2016 states that the party will secure home ownership and tackle homelessness. A number of commitments are made to this effect, including some of the measures outlined below.

Establish Family Tenure to strengthen security for families and long term tenants renting their homes

“Introduce legislation that will enshrine a long term “family tenure” lease to reform Part 4 of the Residential Tenancies Bill 2004. Specifically, this involves replacing the 4 year tenancy cycle with a move towards indefinite leases which will enhance security of tenure”.

Sinn Féin submitted an amendment to the Planning and Development (Housing) and Residential Tenancies Bill 2016 that would have extended the duration of a Part 4 tenancy from ten years to a period of indefinite duration. Fianna Fáil refused to support this.

It also contains a commitment to:

Strengthen tenant rights and implement rent certainty measures, including tightening the notice to quit criteria.

During the Dáil debate on the Planning and Development (Housing) and Residential Tenancies Bill 2016 in December of that year Fianna Fáil was presented with the opportunity to yet again support rent certainty and to provide greater protection to tenants. They refused to do so.

RENT PRESSURE ZONES Vs RENT CERTAINTY

Despite earlier protestations Fianna Fáil facilitated the government’s rent pressure zone legislation which punishes struggling renters with up to a 12.5% rent increase over three years and leaves many more tenants outside rent pressure zones at the mercy of the market.

Now more than a year later it is obvious that the rent pressure zone legislation is not working. The recently published Residential Tenancies Board (RTB) 4th quarterly report¹¹ issued since the rent pressure zones were introduced confirms what many predicted when the legislation was rushed through. It is not halting rent increases. It is creating a two tier rental market.

They have also voted against rent certainty for six times this Dáil term, despite rent certainty being a stated policy in the party’s General election manifesto in 2016.¹²

11 Table three- RTB Rent Index Quarter 4 2017 page 17

12 <https://www.fiannafail.ie/download/An-Ireland-for-all-Fianna-FaCC81il-Manifesto.pdf> page 121

TABLE TWO

RTB Rent Index Quarter 4 2017- Irish Counties

| | Index Q4 2017 | Standardised Average Rent Q4 2017 | Standardised Average Rent Q3 2017 | Q-o-Q Change (%) | Standardised Average Rent Q4 2016 | Y-on-Y Change (%) |
|-----------|---------------|-----------------------------------|-----------------------------------|------------------|-----------------------------------|-------------------|
| Carlow | 98 | 737 | 723 | 2.0 | 733 | 0.6 |
| Cavan | 96 | 559 | 567 | -1.5 | 539 | 3.8 |
| Clare | 98 | 654 | 663 | -1.4 | 613 | 6.7 |
| Cork | 103 | 977 | 1018 | -4.0 | 925 | 5.5 |
| Donegal | 95 | 541 | 554 | -2.4 | 505 | 7.0 |
| Dublin | 119 | 1511 | 1494 | 1.1 | 1436 | 5.2 |
| Galway | 101 | 967 | 1069 | -9.6 | 902 | 7.1 |
| Kerry | 109 | 693 | 688 | 0.8 | 658 | 5.4 |
| Kildare | 110 | 1124 | 1099 | 2.2 | 1060 | 6.0 |
| Kilkenny | 103 | 801 | 788 | 1.7 | 749 | 7.0 |
| Laois | 101 | 747 | 741 | 0.8 | 686 | 9.0 |
| Leitrim | 87 | 476 | 487 | -2.4 | 460 | 3.4 |
| Limerick | 122 | 876 | 858 | 2.1 | 827 | 6.0 |
| Longford | 94 | 545 | 535 | 1.9 | 506 | 7.9 |
| Louth | 118 | 937 | 881 | 6.4 | 845 | 11.0 |
| Mayo | 91 | 586 | 574 | 2.1 | 552 | 6.3 |
| Meath | 113 | 1038 | 972 | 6.8 | 938 | 10.6 |
| Monaghan | 93 | 598 | 621 | -3.6 | 585 | 2.2 |
| Offaly | 94 | 674 | 660 | 2.2 | 640 | 5.3 |
| Roscommon | 88 | 556 | 549 | 1.3 | 510 | 9.1 |
| Sligo | 110 | 789 | 673 | 17.1 | 611 | 29.1 |
| Tipperary | 93 | 623 | 620 | 0.4 | 589 | 5.8 |
| Waterford | 97 | 682 | 629 | 8.6 | 632 | 8.0 |
| Westmeath | 105 | 700 | 710 | -1.5 | 659 | 6.2 |
| Wexford | 94 | 676 | 682 | -0.8 | 622 | 8.7 |
| Wicklow | 104 | 1165 | 1137 | 2.4 | 1067 | 9.2 |

TYRRELSTOWN AMENDMENT

The Tyrrelstown amendment was introduced by Government in the 2016 Planning Bill in an attempt to restrict the practice of large numbers of residents in multi unit developments being served with notices to quit at the same time so a landlord can sell the entire building with vacant possession.

As it stands if a landlord wishes to sell ten or more units within a single development during a six month timeframe, the sale will be subject to the existing Part 4 tenants remaining *in their home*.

Sinn Féin and others sought to restrict this sale to one unit in attempt to stem the increasing instances of family homelessness due to the increasing use of vacant possession notices to quit.

However Fianna Fáil sided with the government. Despite in Seanad proposing a reduction to five Fianna Fáil changed their position and supported Minister Coveney's proposal to raise the threshold from 5 to 10.

However former Fianna Fáil Housing spokesperson Barry Cowen then stated to Offaly Express:

"Fianna Fáil introduced an amendment which sought to reduce this figure to 5 in light of the attempted mass eviction at Tyrrelstown. This amendment offered more secure occupancy to a larger

number of tenants, without infringing constitutional rights or having a detrimental impact on the rental market," he added.

"However Minister Coveney rejected our amendment at the last minute and re-raised the number of units to 10 in a single development. This decision removed tens of thousands of potential properties from the coverage of the provision."¹³

This is not true. Fianna Fáil supported Coveney's change increasing the property threshold from 5 to 10 in the Dáil on the grounds of legal advice from the Attorney General, reversing the Fianna Fáil position in the Seanad.¹⁴

FOCUS IRELAND AMENDMENT

The Focus Ireland amendment was another significant proposed change to the Residential Tenancies Act that Fianna Fáil refused to support.

Sinn Féin along with other TDs tabled this amendment to prevent buy to let landlords who benefitted from tax breaks from issuing vacant possession notices to quit. The issuing of vacant notices to quit are acknowledged to be the leading cause of family homelessness.

Fianna Fáil abstained ensuring the amendment was defeated.

This simple change to the law would have prevented many of the families who will tonight sleep in emergency accommodation from becoming homeless.

TAX BREAKS TO DEVELOPERS

In September 2017 old school Fianna Fáil re-emerged with proposals to give tax breaks to developers. The party's proposal aims to reduce the cost of construction for builders by reducing the VAT rate to 9% for three years which is estimated to cost the exchequer €240m.¹⁵

An estimated quarter of a billion euro in tax cuts is a waste of taxpayers' money. The only result of such a tax break would be more money going into the pockets of developers with no return for the homebuyer or the taxpayer.

Reducing VAT on house purchases by 4.5% will do nothing to makes homes more affordable.

According to the CSO, average new homes in Dublin are now running at above €450,000, with used homes running at €389,000. A 4.5% VAT reduction will shave €20,250 and €17,505 of these properties respectively, doing nothing to make them more affordable.

There is also no way in which such a tax break could be enforced to ensure the purchaser would benefit. There is no way to tailor such a measure so that the reduction should only be applied to homes below a certain price as this is illegal under EU VAT law.¹⁶

The only result of such a tax break would be more money going into the pockets of developers with no return for the homebuyer or the taxpayer.

13 https://www.offalyexpress.ie/news/home/246942/cowen-says-public-should-not-be-fooled-by-coveney-s-crocodile-tears.html?utm_source=dlvr.it&utm_medium=twitter

14 <https://www.kildarestreet.com/debates/?id=2016-12-16a.588>

15 The Revenue Commissioners has said that a 9 per cent Vat rate for residential construction would cost €240 million- <https://www.businesspost.ie/politics/finna-fail-demands-tax-cuts-developers-solve-housing-crisis-396861?auth=login>

16 <https://www.kildarestreet.com/wrans/?id=2017-11-07a.396>

Conclusion

Our current housing and homeless crisis was created by Fianna Fáil. Fourteen years of bad housing policy from 1997 to 2011 laid the foundations for what we have today - chronic under supply of social housing, an over reliance on the private sector to meet social housing need, a poorly regulated private rental sector and a self-regulated private for purchase sector.

Fine Gael have repeated the mistakes of Fianna Fáil since taking office in 2011 but this has only been possible since 2016 with Fianna Fáil's active support. Micheál Martin did not prioritise housing in the confidence and supply negotiations and he has not sought any changes to Fine Gael's housing budgets.

Fianna Fáil's record in Government from 1997 to 2010 speaks for itself:

Just 5,523 social houses on average delivered per year

An extra 5,487 subsidised private rental tenancies per year

Council housing list up 258% - 98,318 households in 2014

Rent subsidy dependence up 209% - 113,618 households in 2014

Cost of rent subsidies up 588% - €620m in 2014

Their record in opposition is just as bad. Based on the facts Micheál Martin's claim that Fianna Fáil would fix the housing and homeless crisis is clearly absurd. This housing crisis is as much his as it is Phil Hogan's, Alan Kelly's, Simon Coveney's and Eoghan Murphy's.

Only a radical change in housing policy backed up by real investment in social and affordable housing coupled with stronger regulation of the private rental and purchase sectors can start to undo Fianna Fáil and Fine Gael's housing crisis.

FIANNA FÁIL TOP 10 HOUSING POLICY U-TURNS

| | |
|-----------|--|
| 1 | June 2016: Began a trend of refusing to vote in support of rent certainty proposals six times despite it being stated party policy. |
| 2 | September 2017: Proposals to give tax breaks to developers by reducing the VAT rate to 9%. |
| 3 | December 2016: Refused to support the Tyrellstown amendment which would have restricted the practice of large numbers of residents in single developments being served with notices to quit at the same time. |
| 4 | December 2016: Refused to support the Focus Ireland amendment which would have prevented buy to let landlords who benefitted from tax breaks issuing vacant possession notices to quit. |
| 5 | December 2016: Refused to support long term leases despite this being stated party policy. |
| 6 | November 2017: Refused to support a motion calling for better standards in the private rented sector despite this being stated party policy. |
| 7 | January 2018: Refused to support a motion calling for the delivery of affordable housing. |
| 8 | September 2017: Refused to support a Bill calling for the Right to Housing to be enshrined in the Constitution. |
| 9 | December 2016: Refused to vote against Fine Gael's limited rent pressure zone proposals. |
| 10 | October 2017: Refused to support a Dáil motion seeking to declare a housing emergency. |





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