

Homelessness more than doubles as Irish housing crisis worsens

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According to housing charity Focus Ireland, there are currently almost 8,000 people homeless in the Republic of Ireland. The number of homeless families has increased by 232 percent since July 2014. Currently, 928 families rely on emergency accommodation.

These figures do not include mainly young people living in squats or forced to “sofa surf” with friends because of spiralling rents. At root, the problem is soaring private rents as every form of accommodation is squeezed to extract the largest possible revenue stream by the financial oligarchy.

This year rents have soared further. Latest statistics from the Irish Central Statistics Office (CSO) show that a couple or single person would have to be earning up to €10,000 a month to rent in the capital, Dublin, where the average rental of a three-bedroom house is €3,713. To buy a house in Dublin, a worker would need to earn nine times the average industrial wage. Irish banks now charge the highest mortgage rates of any country in the European Union. Dublin has the fifth-longest average commute time in Europe—nearly one hour—after Budapest, Amsterdam, Paris and London, because of soaring housing costs.

Workers with a mortgage, renting, residing in or waiting for very limited social housing have all suffered under a system which has seen vast fortunes made by land speculators and “cuckoo” fund housing investors. Known officially as Real Estate Investment Trusts (REITs), these property investment companies were introduced in Ireland in 2017 by the then Fine Gael/Labour government. REIT speculators have made hundreds of millions of profit on the backs of working people's housing needs over the past decade. Benefiting from generous tax breaks, they buy up chunks of, or in some cases entire, suburban housing estates and then let them out at exorbitant rents. REIT rules require that

over 80 percent of net rental profit must be distributed back to shareholders in the form of a dividend. REITs own around €3.7 billion worth of property in Ireland alone.

Irish Residential Properties Real Estate Investment Trust (IRPRE) is one such company and is now the country's largest residential landlord, owning more than 3,688 homes in Dublin and Cork. IRPRE increased profits on rent by 32 percent to €58.3 million over the past year. IRPRE concentrate on two- and three-bedroom apartments, the vast majority of which cost between €1,000 and €2,500 per month to rent.

More outrage was generated in May, after it was reported that one investment outfit, British-based Round Hill, pounced on a building development in Maynooth, Co Kildare, and bought up 115 newly built homes.

Round Hill describes itself as a “leading residential investor, developer and asset manager” and manages 110,000 “units” across Europe and the US. It “is currently one of the largest private landlords in multiple European countries”. The company moved into Ireland in 2018 armed with €1 billion to deploy in buying up property and the “build to rent” market. It has subsequently bought housing estates and blocks of flats across the island, part of a private rental boom in 2020 in which €1 billion worth of residential property was sold to big investors.

Round Hill is also a player in the lucrative student housing market and currently owns or is building student housing blocks in Cork and Dublin. Across Europe, Round Hill owns student accommodation in Ireland, UK, Germany, Portugal and the Netherlands. Currently student rooms in Cork are available for from a staggering €231.15 a week for 51 weeks.

Earlier this year, ensuring the flow of rental income

of the REITs, Micháel Martin's three-party coalition government, made up of Fianna Fáil, Fine Gael and the Green Party, dropped the limited protection from eviction introduced last year in the Residential Tenancies Act 2020 at the height of the pandemic. From April 23, according to housing charity Threshold, over 1,000 evictions delayed in 2020 can now proceed. Hundreds of evictions were pushed through during the pandemic anyway.

Fine Gael Finance Minister Paschal Donohoe responded by bringing forward to the Dáil cosmetic changes designed to placate public anger. These included a 10 percent stamp duty on bulk purchases of properties by housing speculators. But the tax did not cover apartments. The following week Martin's government introduced huge tax breaks to investment funds leasing homes to local authorities.

Both Fine Gael and Fianna Fáil are notoriously close to the speculators who control the building industry. As far back as 1997, the Fianna Fáil government dropped any requirement for local authorities to build social housing. The Planning and Development Act in 2000 brought in by the same government enabled developers to buy exemptions from any ongoing social house building.

The housing boom has also seen an epidemic of shoddy construction. In June this year, 45 bus loads of protesters travelled from counties Donegal and Mayo to protest the miserable state of their homes. Around 5,000 homes are crumbling due to the use of substandard building blocks that contain high levels of muscovite mica, a mineral which absorbs water, causing concrete to crack and crumble. The government has offered compensation to homeowners, but only if they pay €5,000 for a housing survey, which many cannot afford.

Some of the worst housing defects date from the “Celtic Tiger” era housing boom. A Construction Defects Alliance of 400 or so homeowners saddled with unsalable shoddy and dangerous apartments reckons that as many as 100,000 homes have been built with elementary fire-safety and construction faults, of which 21,000 have so far been identified.

Typical are recently publicised faults at the Park West apartments in Dublin, consisting of 257 flats built in 2003. Earlier this year residents were informed their flats, some costing over €400,000, had no fire-stopping

in common areas and inside apartments. Balconies are defective and the entire fire alarm system needs to be replaced. Total cost was estimated at around €5 million, which is likely to fall on the residents as builders are only liable for the first six years after construction is completed. Nationwide, the bill for faulty construction could run to over €1 billion.

The main political beneficiary of the housing crisis is Sinn Féin, the bourgeois nationalist opposition party, with opinion polls reporting that its support has grown since its dramatic election breakthrough last year. Sinn Féin support, 24.5 percent last year, is now recorded at 31 percent. The Irish Labour Party also won a recent by election in Dublin Bay South in the seat of former housing minister Eoghan Murphy. Neither Sinn Féin, the Labour Party or their pseudo-left satellite, People Before Profit, pose any threat to the interests of the ruling elite or offer any viable alternative to workers. The value of Sinn Féin's posturing on housing, as on all social questions, can be measured by the party's aspiration to join a coalition government with either Fine Gael or Fianna Fáil, who form the current coalition, along with the Green Party.



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