Changing precarities in the Irish housing system: supplier-generated changes in security of tenure for domiciled households

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Abstract: This article examines the changing landscape of precarity in the Irish housing system. The article explores, via desk based research, supplier generated changes to security of tenure for three household categories. The article concludes that to varying degrees across all tenures, supplier generated precarity is evident in respect of access, security and supply. This supplier generated precarity is the outcome of flawed policy assumptions and expectations on the part of the state, which has abandoned its commitment to direct social housing provision and market intervention.
Keywords: Housing precarity; security of tenure; Irish housing

Introduction

This article examines the changing landscape of precarity in the Irish housing system, focusing on supplier-generated changes in security of tenure for domiciled households. It builds on the authors' analyses of the Irish housing system and housing policy, by applying an analytical framework of risk and precarity. Based on reviews of policy and literature and on analysis of relevant housing statistics, the article explores supplier-generated impacts, and subsequent policy responses, to security of tenure/ occupation, for three household categories: owner occupiers in long-term mortgage arrears; low to middle income households in the private rented sector; and households in new forms of social housing. In relation to social housing suppliers, the article argues that the increasing reliance on private landlordism dilutes the security of tenure for households in this sector. Fundamental shifts are also occurring in private housing. Further precarity and risk faces owner occupiers in severe mortgage arrears due to the increasing securitization of mortgage loans. For low to middle income private rented tenants not in receipt of rent subsidy, their precarity is increased where their landlords' buy-to-let mortgages are in serious arrears, and where rents are being increased to capitalise on a chronic undersupply of new housing. A further twist is added by the fact that some of these indebted buy-to-let mortgages have been securitised and sold, sometimes to vulture funds with more interest in short-term capital appreciation than in professional landlordism or supplying long-term and secure rental accommodation. Some of these transformations in precarity can be traced to policy shifts dating back over two decades; however, they have been given added

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impetus since the impact of the 2008 Global Financial Crisis on Irish economy and society, and the policies of austerity which were imposed in its wake.

The first part of the discussion will first clarify the links between precarity and housing, and discuss the importance of housing in welfare terms. After an overview of the housing and tenure system in Ireland in the second part, the article goes on in the third part to discuss the changing supplier-generated risks faced by three categories of Irish households, and where relevant, the policy buffers to manage these risks. It concludes with a brief consideration of the broader lessons which may have applications in other policy contexts.

Precarity and housing

It has been claimed by Wacquant that 'rampant social insecurity' is a key feature of society today, and indeed there is an extensive social science literature on insecurity, risk, precarity, and casualisation, in labour markets in particular but also in social protection and other domains (Wacquant 2008). Much of this literature claims that precarity and risk has increased – and/ or has been shifted on to individuals and households and / or the state and away from business and capital and neoliberalism is widely seen as the key driver (Herrmann 2011). Hacker, for example, has identified a "great risk shift" where individuals are becoming increasingly responsible for managing the risks of everyday life (Hacker 2008). This literature suggests that these risks in a variety of key social domains were previously absorbed at a systemic level by labour market regulation, social security provision and housing policy which made provision for the housing needs of the general population and targeted particular welfare based housing at low income and other disadvantaged segments of the population (Garland 2016). Defenders of an opening to precarity, comprising inter alia restructuring of welfare state interventions, theorise it as a pragmatic, 'modernising' response - or embrace it as an explicitly ideological pro-market response - to globalisation, competitive pressures, and constraints on public spending. In this view, 'flexibility' in a variety of social domains is viewed as a key virtue/requirement of the worker/household in the modern global economy (Friedman 2005).

The contested meaning and impact of increased risk and precarity has prompted more fine grained analyses sensitive to mechanisms working to accelerate or buffer these economic, political and ideological forces and working at global, national and regional scales. (For an example, see Marr's (2015) study of exits from homelessness in Tokyo and Los Angeles.)

This article builds on previous analyses of precarity in the Irish housing system by the authors (Finnerty 2010; Finnerty & O'Connell, 2014a, 2014b; Finnerty, O'Connell, and O'Sullivan 2016). The metaphor of snakes and ladders was used to capture the changing housing landscape stratified according to degrees and trajectories of tenure security ('rungs' on a housing 'ladder') and characterised by different levels of precarity ('snakes') (Finnerty & O'Connell 2014a). The concepts of 'casualization', 'dilution' and 'social housing offer' were used in subsequent analyses to focus on the less favourable social housing supports available by contrast with the traditional local authority housing offer (Finnerty & O'Connell 2014b; Finnerty, O'Connell, and O'Sullivan 2016).

Housing and well-being

Housing is a fundamental human need, addressing the unavoidable necessity for shelter and the basic requirement for a home (Fox 2007; Kenna 2011). As well as physical security, housing also contributes to psychological well-being by fulfilling a sense of personal space, autonomy, and privacy. Security of occupancy, which contributes to subjective feelings of security regardless of tenure, is highly valued by households (Hulse and Milligan 2014). The concept of ontological security is also linked to home. Giddens refers to the confidence that most human beings have in the continuity of their self-identity and the constancy of their social and material environments (Giddens 1991, 92)

Basic to a feeling of ontological security is a sense of the reliability of persons and things. Dupuis and Thorns (1998) assert that the home encompasses a bundle of attributes and as constant space it is the setting for day to day routines, it is a haven from surveillance and acts as a space which enables control and is integral in identity formation.

Deepening precarity in housing has multiple consequences at the level of households and society more broadly. According to Stahre, VanEenwyk, Siegel and Njai (2011) precarity in housing can lead to deepening stress and anxiety, undermine self- esteem and lead to the onset of wider mental health and wellbeing problems. It is not only adults who are affected, as unstable housing status can also impact more negatively on child welfare and development (Dockery, Ong, Colquhoun, Li, and Kendall 2013; Finlay 2017; Murphy and Hearne 2017). A poorly functioning housing system will have profoundly negative consequences for households and for the wider economy and society. It will generate the risk of insecure or unsuitable housing arrangements, or will result in homelessness in the most extreme cases. Policy changes which alter the volume, source and conditions attached to social housing can also negatively impact on access and security of households and lead to greater levels of precarity in a policy area widely associated as concerned with security and stability. Given the importance of secure housing, several international bodies such as the UN (1948) and the Council of Europe (2000) have proposed that the goal of housing policy should be to ensure the provision of a sufficient quantity of affordable, secure accommodation that is in a reasonable state of repair and is located where people need it. Morgan (1996, 446, our emphases; also Morgan 2009) suggests that ‘this accommodation should be *secure* so it enables households to have a degree of *control* over their lives. It should enable people to express their *sense of identity* and provide those dependant on them with a *stable home*.’

In terms of risk and precarity manifested in increased insecurity of tenure and of occupancy, our analysis identifies three categories of domiciled households impacted by supplier issues: those in long-term mortgage arrears in owner occupied housing, tenants in low to middle income sector employment in the private rented sector, and low income tenants in receipt of the current social housing offer. Households in the non-domiciled sector – i.e. those ‘roofless’ or ‘houseless’ (FEANTSA 2011) are not included in this analysis, nor are Travellers living on halting sites or asylum-seekers in ‘reception centres’, nor are situations of domestic violence.

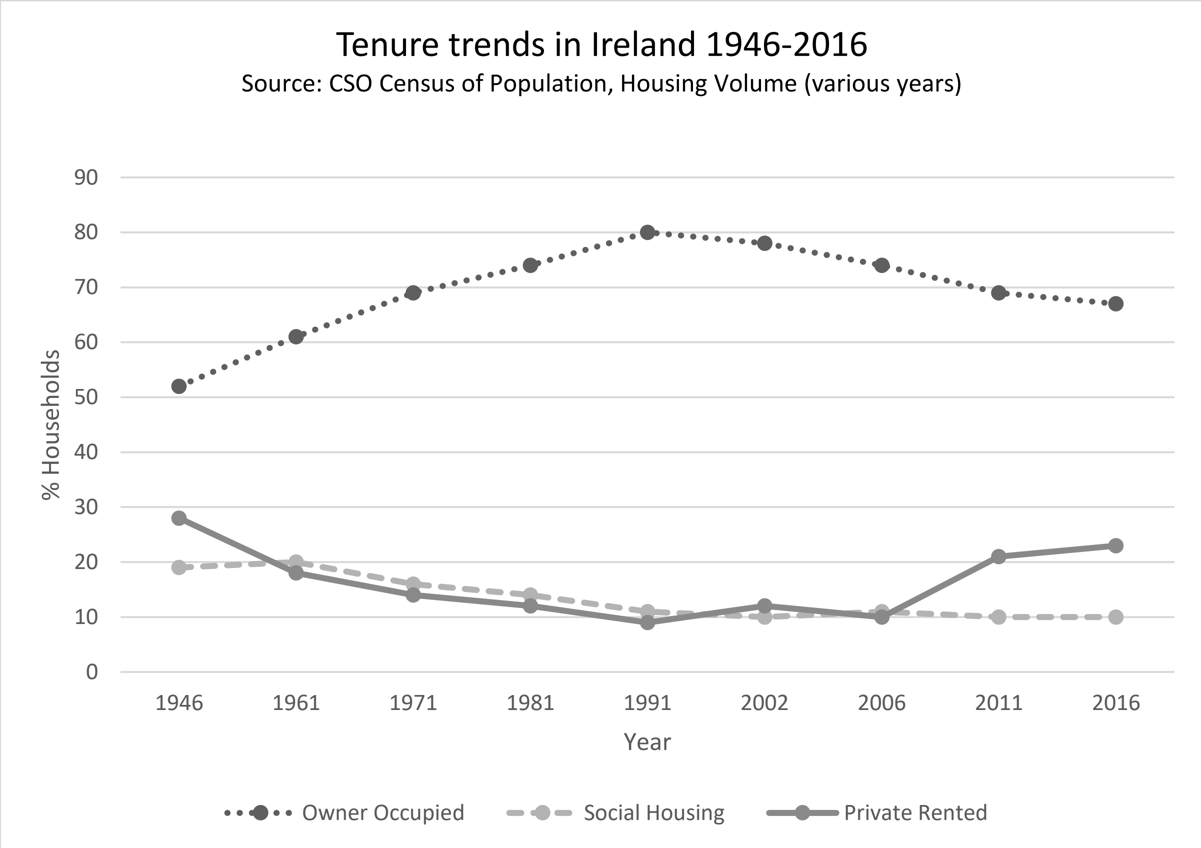
The following section examines the categories, trends and current distribution of Irish housing tenures, and goes on to discuss the changing supplier-generated risks faced by Irish households, and where relevant, the policy buffers to manage these risks.

Irish housing suppliers: categories, trends and current distribution

Domiciled households in Ireland live in one of four housing tenures: not-for-profit public housing, not-for-profit private housing, for-profit rented housing, and owner-occupied housing. The four housing tenures have been the object of a range of direct and indirect interventions and supports by central and local government aimed at both housing production and consumption.

Figure 1 below depicts the distribution of Irish households by tenure in the period between 1946 and 2016. The chart illustrates the fluctuations in owner occupation and private renting, with the former peaking and with the latter reaching a historic low market share in the early 1990s. It also shows how market share of social housing (defined as accommodation directly built and managed by local authorities and not for profit social landlords as opposed to a social housing offer of subsidised accommodation in the private market) has never risen above twenty percent of the total the reasons for which will be returned to later in the discussion. Currently, most Irish households (68%) live in owner occupied housing, with 20% in the private rented sector and 12% in social housing (Central Statistics Office 2017).

Figure 1



Owner occupied housing

Owner occupied housing has been the dominant tenure in the Irish housing system since the foundation of the Irish state in the 1922 and at its peak in the early 1990s accounted for over 80% of the housing system. Its dominance over the other tenures was driven by its designation as the "widely preferred form of tenure" (NESC 1988, 4) by the majority of households and was underpinned by a favourable policy regime such as state supports for house purchase, measures to encourage the transfer of dwellings from rental tenures into owner occupation and fiscal supports which have induced households into the sector and encouraged them to stay there (O'Connell 2005). There was also a relatively benign approach to mortgage arrears and households in difficulty could avail of state subsidies to help them meet repayments. Over the past two decades there has been a scaling back of many of supports as the state has pursued tenure neutral policies and aspiring owner occupiers enter the market with far fewer supports than previous generations. Nonetheless there is still a deeply rooted aspiration to ownership amongst the population despite the impact of the economic crash which has given rise to phenomena such as negative equity, mortgage arrears and the threat of repossession over a small minority of households.

Social housing

Direct and indirect government interventions in housing systems in advanced capitalist societies typically aim at contributing to the housing welfare of the population (amongst other objectives, such as stimulating economic activity) (Doling 1997). However, some interventions are more overtly 'welfarist' than others as they target the housing needs of low income renting households. These households typically face insecurities and risks in the labour market such as low wages, temporary or part-time employment or other factors such as disability, long term illness or old age which place them at a disadvantage in paying for housing from their own means. Social housing, historically understood as rental housing which is provided outside of normal market processes on a subsidised basis by not-for-profit landlords (Fahey 1999), potentially modifies the negative effects of market precarities on the quality, security, and residential stability of the housing that such households consume. In recent years the emergence of a more complex mix of social housing supports have given rise to the term "social housing offer" to describe the range of interventions and supports to low income households in the form of directly provided accommodation and also financial measures to assist households pay for housing in the private rented sector on a long term basis.

Three categories of landlord - spanning three of the four housing tenures - are involved in the delivery of social housing / the social housing offer, namely local authorities, housing associations, and private landlords (Finnerty and O'Connell 2014b). According to the Irish government's *Social Housing Strategy 2020*, the relative housing contribution of these suppliers is set to undergo change under new policy, with a greater emphasis on provision from housing associations [see part iv below] and private landlords through a shift to creating, 'flexible and responsive social housing supports' (DoECLG 2014c, 51).

Since the early 2000s, social housing offers from private for-profit and not-for-profit provision have dominated, in a hybrid and complex provision mix when compared to the previous phases (O'Connell 2007). The displacement of direct provision from local authorities and housing associations by private market-based suppliers was clearly signalled in 2009, as Ireland was grappling with a severe economic and fiscal crisis, when the Housing Minister stated that:

We can no longer rely on the traditional acquisition and construction approach to meeting social housing needs. We must embrace every opportunity for delivering additional supply through market based mechanisms (Finneran 2009).

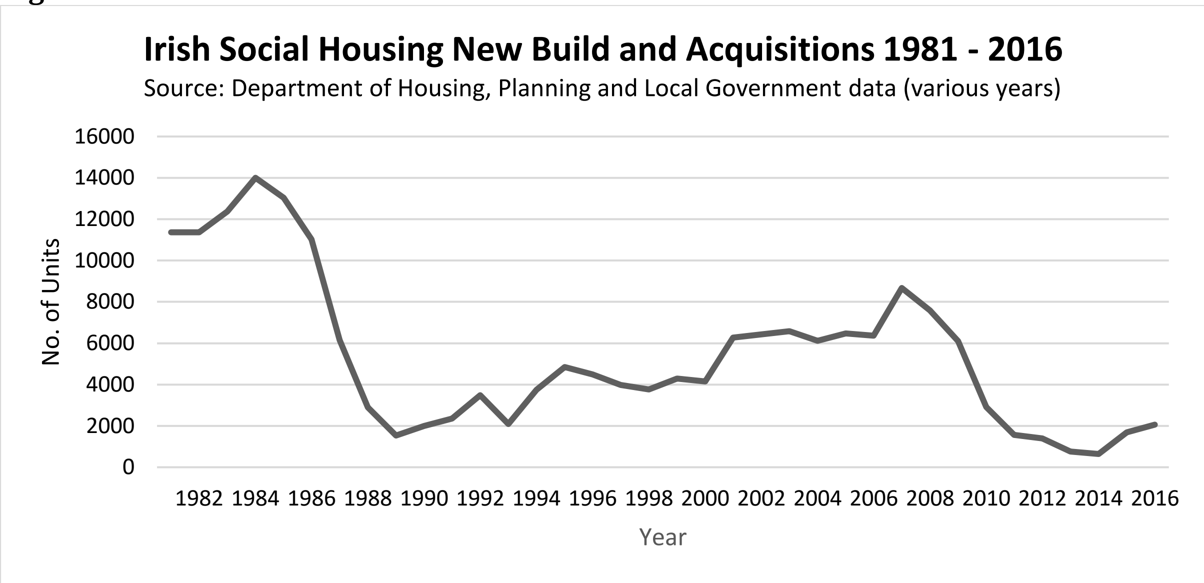
This policy shift was given added impetus in the government *Housing Policy Statement* published in June 2011 which envisaged that:

A restructuring of the social housing investment programme to allow for the delivery of new social housing through more flexible funding models will provide key sources of delivery in the period ahead. (Department of Environment, Community and Local Government 2011)

A further policy shift was signalled in the funding regime for social housing which impacted directly on the volume of direct provision by local authorities. Norris notes that the historical model of funding social housing in Ireland was based on long term loans to local authorities which were repaid incrementally from rents collected from tenants and local authority contributions raised from commercial and domestic rates. It meant that even in economically difficult times loans could be serviced and capital funding was never a barrier to new building. This regime prevailed until the 1980s when it was replaced by one based on capital grants from central government to local authorities to build social housing. As Norris observes, "this meant that central government had to meet the full cost of buying or building social housing upfront in a lump sum which was not easily affordable" (Norris 2016, 236). The impact can be seen in the severe fall in output evident from the late 1980s onwards (see Figure 2). As a result of this shift in the funding model, the state became increasingly reliant on utilising the private rented sector to accommodate low income households.

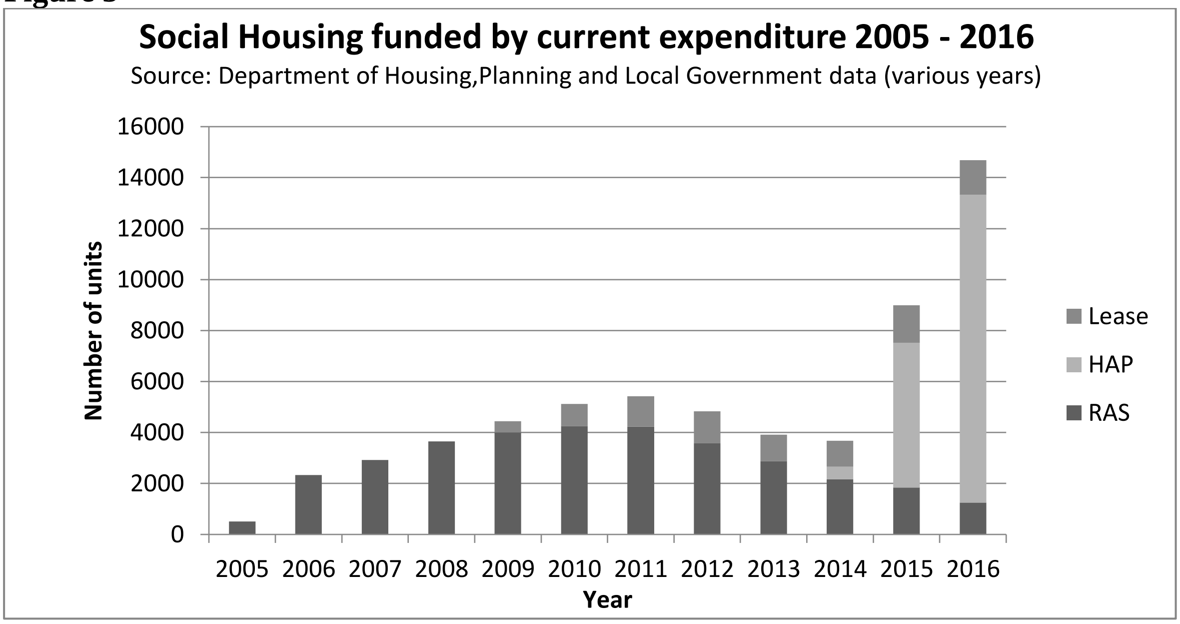
The cumulative impact of a changed funding model and the economic crisis of 2008 led to a drastic fall in capital funded direct provision of social housing by local authorities and housing associations depicted in Figure 2. A modest recovery in provision occurred in 2015, the bulk of which has occurred through local authority acquisitions in the property market rather than building new units.

Figure 2



In contrast, as Figure 3 illustrates, there has been a parallel growth in social housing offers based on current expenditure through the Rental Accommodation Scheme and the Long-Term Leasing Scheme. Both schemes draw heavily on the private rented sector as a source of accommodation and on the Supplementary Welfare Rent Allowance, a form of housing benefit, as a source of funding. A further scheme known as the Housing Assistance Payment was introduced as a long-term housing support for households previously reliant on the rent allowance. These trends indicate that there has been a clear shift in emphasis in the nature of social housing policy, away from offers based on capital funded direct build by local authority and approved housing bodies towards offers based on renting and leasing properties sourced from the private market.

Figure 3



Private renting

Until the 1990s, private renting acted as a stepping stone tenure to social housing for many low-income households and a permanent destination for a very small and shrinking minority who mainly occupied rent controlled dwellings (NESC 1988). By the start of the 1990s its share of the housing system overall had fallen to 7 per cent from approximately 18% in the early 1960s (Central Statistics Office 1997). Private renting began to grow during the following decades and by 2016 it accounted for a 20% share of the housing system (Central Statistics Office 2017). A combination of factors drove this growth including tax reliefs made available to investors under town and urban renewal schemes, house price inflation and rising rents which made residential property attractive to investors, and increased demand from private renters including a large share of households unable to access directly provided social housing from local authority or housing association landlords as a result of reductions in supply and aspiring home owners who could not access mortgages in the wake of the banking collapse.

Approved housing bodies / housing associations

The early 1990s witnessed the emergence of not for profit housing association landlords. The primary policy impetus for this was the publication of '*A Plan for Social Housing*' (DoE 1991) and a follow-up policy document '*Social Housing: The Way Ahead*' (DoE 1995). *A Plan for Social Housing* presented an analysis of the range of methods by which the needs of low-income households could be met by approved housing bodies in the voluntary and co-operative sector to complement the output of local authorities. A significant growth in visibility and activity in the sector ensued, with the number of registered approved housing bodies or housing associations growing from 75 in the early 1980s to 470 by 2001. By 2016, the regulator for approved housing bodies estimated the total stock of the sector to be approximately 27,000 units which represents approximately 20% of all social housing (Housing Agency Regulations Office 2016).

Households in precarity

In terms of supplier-generated risk and precarity manifested in increased insecurity of tenure and of occupancy, our analysis identifies three categories of domiciled households: i. households in long-term mortgage arrears in owner occupied housing; ii. tenants in low-to-middle income sector employment in the private rented sector; iii. low-income tenants in receipt of the current social housing offer.

Households in long-term mortgage arrears in owner-occupied housing

For the owner-occupier sector, the Irish housing crash had multiple consequences, the most serious and long-lasting of which was the incapacity of a proportion of households to maintain their mortgage repayments. The primary causes of mortgage arrears were falls in income due to unemployment and reduced working hours, cuts in wages, and increases in taxes. For many households which had entered the housing market at its peak, borrowings were sustainable only on the basis of dual incomes so when one or both earners experienced a reduction or loss in earnings vulnerability to mortgage default was heightened. The scale and extent of this form of housing distress is evident in the data on arrears in respect of principal dwelling houses (PDH) from the latter half of 2009 onwards. Data published by the Central Bank show that the total number of such arrears peaked at 143,851 in December 2012, before gradually reducing over the following number of years. By December 2016 the total number of mortgages in arrears had fallen to 77,500 however over forty percent (33,000) of these were classified as being in long term arrears i.e. two years or more in duration (Central Bank of Ireland 2017).

The question which arises from this trend is whether such arrears levels are generating what the authors have previously (Finnerty and O'Connell 2014a) referred to as 'snakes' in the housing system as they do in other countries, as measured by key indicators such as house repossessions and rising levels of homelessness. In other words, employing the metaphor of the children's board game, are vulnerable households sliding off the ladder of owner-occupation and down the snake of housing distress to repossession and homelessness? The evidence in Ireland to date regarding house repossessions suggests that the snake has not yet taken hold despite the upward overall trend since 2009. In the period from September 2009 to March 2017 a cumulative total of 7,650 dwellings were repossessed by lenders by way of court orders or voluntary surrenders (Central Bank of Ireland 2017). Whether this level of repossessions has contributed to homelessness there is as yet no documented evidence (as most family homelessness appears to be generated by evictions from the private rented sector, discussed below). If households whose homes have been repossessed are able to afford to access the private rented sector, the additional demand which this represents will put extra pressure on the sector, especially in urban areas where it is already struggling to cope with demand, and this could lead to even further increases in rents, and ultimately to increases in homelessness.

Policy levers and safety nets

If the conditions for a 'snake' are present in the Irish housing system why has it not materialised to date in the form of mass repossessions? The explanations for this relate to market conditions and public policy levers, each of which is now looked at in turn.

Market conditions since the housing crash have not been conducive to banks repossessing homes as house prices have recovered slowly. However, with recent rises in house prices, evident especially in urban areas, it can be expected that the attitude of lenders will change as it is realised that repossessions can make inroads into arrears and yield returns on outstanding housing debt.

The public policy levers have taken the form of a 'code of conduct' on mortgage arrears issued by the Central Bank of Ireland and the establishment of a personal insolvency service. Under the Central Bank Code of Conduct, mortgage lenders are legally bound to put in place a Mortgage Arrears Resolution Process (MARP) and establish an Arrears Support Unit. Compliance with the Code involves adhering to a moratorium on repossession proceedings against households which fall into arrears so long as they are deemed to be co-operating with the resolution process. As a result, the repossession figures which have been recorded are attributable almost exclusively to foreign lenders who were not party to the State bank bailout, sub-prime lenders who lent money at very high interest rates to borrowers deemed to be too risky by mainstream banks, and mainstream bailed-out banks where terms of existing agreements have not been adhered to by borrowers. Given the requirement under the Code of Conduct to put in place a MARP, financial institutions have to operate within a framework in their handling of cases and this has resulted in greater level of engagement when repayment difficulties arise or mortgages are identified as being vulnerable to going into arrears. Most evidently this appears in the form of loan accounts which have been subject to 'restructuring'. This includes a variety of arrangements including interest-only repayments, reduced instalments, loan term extensions, arrears capitalisation, payment moratoria and deferred interest arrangements. While these arrangements may offer the appearances of a solution it is questionable whether they will be long-term remedies in many cases, as they do not address the underlying problem of unsustainable debt. The other public policy lever is the personal insolvency service, which was established by the Government in 2012, and allows for the implementation of personal insolvency arrangements including secured debts such as mortgages. However, the personal insolvency provisions have been criticised as dealing with low numbers relative to the scale of the housing and general debt problem and because they give financial institutions a veto on any resolution arrangements. Amendments to the original legislation have been proposed to address this power imbalance.

A tidal wave of repossessions?

A question which arises is what will happen if and when the attitude of lenders changes in respect of mortgage arrears? The Central Bank of Ireland has revealed that “non-bank entities” now control 45,638 mortgages in Ireland and almost 15,000 of those are held by unregulated loan owners such as foreign vulture funds. Many financial institutions regulated by the Central Bank of Ireland have sold non-performing loans to overseas investors in an effort to improve their balance sheets. The Central Bank has found that around 38% of mortgage accounts held by unregulated loan owners are in arrears of over 720 days, compared to just 19% of accounts held by retail credit firms and in the final quarter to December 2016 455 dwellings were taken into possession which was the highest recorded since the onset of the financial crisis which suggests that the vulnerability of such households to proceedings for repossession is growing (Central Bank of Ireland 2017).

Households in low to middle income sector employment in the private rented sector

Shortcomings in relation to tenant security, the quality of accommodation, and rental uncertainty have been endemic in the Irish private rented sector. The Housing Act 1992 was a preliminary attempt to address the most egregious problems in the sector (Ryall 1999; Galligan 2005). This legislation introduced limited reforms in the areas of quality of accommodation, provision of rent books, and the requirement to register tenancies with a residential tenancies board and the establishment of minimum notice to quit periods. The private rented sector has been subject to more recent reforms aimed at introducing minimum standards and bolstering tenants’ legal rights. Over the past decade regulations for housing standards have been phased in to ensure that tenants have access to individual sanitary facilities, food preparation facilities and independently controlled heating to each bedsit unit (Government of Ireland 2017). Though the justification of minimum standards is self -evident, some property owners have argued that their impact has been to eliminate the “bedsit” segment of the private rental market which was predominantly accessed by low income households (e.g. single person households) without making provision for alternative supply at a time of severe competition for affordable accommodation especially in urban areas, however there has been no empirical validation of this assertion (Irish Property Owners Association 2016).

Following the *Commission on the Private Rented Sector* (2000), the *Residential Tenancies Act* of 2004 introduced significant legal improvements to the legal protections for private renters, particularly in relation to the ‘Part IV’ reforms in security of tenure. In essence, Part IV of the 2004 Act gives tenants who have observed the conditions of the lease during a six-month probationary period security of tenure for the remainder of a four-year period, subject to certain qualifications, such as where the landlord is selling the property or where major renovation is to be carried out. In these cases of sale or renovation, the legislation requires a notice to quit period which lengthens depending on how much of the four-year period has elapsed (Ryall 2012). Adjustments to Part IV have been introduced to extend the four year period to six years under the Planning and Development (Housing) and Residential Tenancies Act 2016. The 2016 legislation also introduced rent caps in designated Rent Pressure Zones where rents can be increased to a limit of four per cent annum and also introduced restrictions on terminating tenancies with 10 or more units in a development.

Despite these legislative measures the available evidence indicates that insecurity of tenure is on the increase in this sector with the chief mechanisms being the capacity of landlords and financial institutions who acquire mortgages in arrears from banks to circumvent the tenant security measures to raise rents and terminate existing tenancies. However there is also concern that a significant rise in repossessions from buy to let landlords who have gone into arrears will lead to greater tenant insecurity. 14,518 properties which are in the buy-to-let sector are more than two years in arrears in mortgage repayments with arrears of more than €1.5 billion (Central Bank of Ireland 2017). Given the lack of supply of local authority housing, tenants who live in dwellings which are repossessed will likely have to turn to the private rented sector for new accommodation. However, increases in rents over the past number of years, particularly in the larger urban areas, have meant that low-income households, and especially those dependent on Rent Supplement, are unable to afford the rents being demanded.

Households in receipt of the current social housing offer: RAS, HAP, Lease

Direct and indirect government interventions in housing systems in advanced capitalist societies typically aim at contributing to the housing welfare of the population (amongst other objectives, such as stimulating economic activity) (Doling 1997). However some interventions are more overtly 'welfarist' than others as they target the housing needs of low income renting households. These households typically face insecurities and risks in the labour market such as low wages, temporary or part-time employment or other factors which place them at a disadvantage in paying for housing from their own means such as disability, long term illness or old age. Social housing or the more recently coined term "social housing offer", understood as rental housing which is provided outside of normal market processes on a subsidised basis (Fahey 1999), potentially modifies the negative effects of market precarities on the quality, security, and residential stability of such housing.

Three categories of landlord - spanning three of the four housing tenures - are involved in the delivery of Irish social housing namely local authorities, approved housing bodies (AHBs) also called housing associations, and private landlords whose tenants receive some form of rental subsidy (Finnerty and O'Connell 2014b). According to the Social Housing Strategy 2020, the relative housing contribution of the latter two suppliers is set to undergo change under new policy, with a greater emphasis on provision from housing associations discussed below and private landlords through a shift to creating, in an echo of Standings description of the precariat, 'flexible and responsive social housing supports' (DoECLG 2014, 51).

Until the early 1990s in Ireland social housing was almost exclusively anchored in the local authority sector and its overall market share had stabilised at around 10% after several decades of gradual decline. A local authority tenancy is the longest established form of social housing offer in Ireland, and these are legislated for under the 1966 Housing Act. Although a local authority could apply to the District Court to secure possession of a dwelling under Section 62 of the 1966 Act, occupancy was in practice viewed as being lifetime in duration, and there is currently no obligation on registered tenants to move dwellings if or when their household circumstances change (Kenna 2011). Local authority tenants are charged a differential rent calculated according to household income and it evident that there was a high degree of stability in rents charged as a percentage of total household expenditure. There was no probationary period for local authority tenant once a tenancy was established, and the tenancy succession by family members of the primary tenant was the norm. Tenants were also entitled to apply to purchase their dwellings on a generously discounted basis under successive right to buy schemes.

A qualification in relation to security of tenure was contained in a set of provisions of the 1997 Housing (Miscellaneous Provisions) Act allowing a local authority to issue an exclusion order to a named person on the grounds of anti-social behaviour (s3.2) or refuse or defer the making of a letting (s14). However in practice the 1997 measures have proved to be a convoluted and contested route to invoke to terminate tenancies in comparison to Section 62 of the Housing Act 1966 which is much more straightforward, and the 1997 legislation has been used only in extreme instances of criminality and anti-social behaviour. Research undertaken in the late 1990s showed that, apart from minority of failing estates, local authority housing was generally successful in offering secure settled accommodation to tenants (Fahey 1999).

Private renting is assuming a longer-term housing role for increasing numbers of low-income households and there are a number of aspects to this. Firstly, the rent supplement scheme has unintentionally become a permanent housing support as many low-income households rely on it on an on-going and long-term basis to meet their rent payments. A large proportion of rent supplement claims now extend beyond one year in duration which implies that the established trajectory towards permanent settled social housing is no longer occurring as it did when directly provided local authority housing was the main type of social housing offer.

In recognition that the original purpose of rent supplement as a short-term income support had effectively evolved into a long-term housing support, the Housing (Miscellaneous Provisions) Act 2014 provided for the replacement of rent supplement for long term recipients by a Housing Assistance Payment (HAP) and its administration will be transferred from the Department of Social Protection to local authority housing departments. Such payments will conform to the income related rent setting scheme in operation for local authority tenants. Under the banner of 'tenure neutrality' this aims to effectively integrate that payment with the local authority differential rent scheme. However, an unwelcome aspect of the official interpretation of tenure neutrality is its giving effect to the kind of casualisation analysed in Finnerty et al 2014b, as the HAP offer is deemed equivalent to the traditional local authority offer since households in receipt of the HAP are deemed to have their housing needs adequately met and will be removed from the local authority waiting list. A qualification to this is that while such households are not entitled to be on the social housing list they are entitled to transfer their waiting time on the social housing waiting list to the housing transfer list, an option taken up by over 95% of HAP recipients which indicates their preference for "traditional" social housing over options sourced in the private market.

Risk shift in the social housing offer

The question arises as to whether the changed social housing offer is a short term but reversible aberration arising from the austerity measures imposed in the aftermath of the financial crash from 2008 onwards or a structural departure from historic role of the state as a direct provider of homes to low income households? An analysis of long term policy trends and data suggests the latter, as direct provision by local authorities has been falling for over two decades in real and relative terms while the output levels of approved housing bodies have remained modest. Over the past decade the shift away from capital investment in social housing by local authorities and approved housing bodies has become pronounced as new supply is almost total reliant on turn key acquisitions by local authorities and approved housing bodies under the Capital Assistance Scheme.

This long term decline in direct provision of accommodation contrasts with the growth based on the private market as leasing and renting from private landlords now outweighs direct provision by social landlords as the main source of social housing offers (Figure 3). An effect of the risk shift in social housing has been the creation of a sliding scale of social housing offers which are defined not by household needs but by who supplies the accommodation, and by what financial mechanism it is paid for. At the top of this scale is social housing provided by a local authority which is qualitatively stronger than any of the others especially in respect of security and affordability and inheritance. This is followed by a tenancy with an approved housing body which equates with a local authority tenancy except for inheritance rights through these are destined to be diluted over time as tenancies in the AHB sector are realigned with tenancies in the private rented sector. Currently there is a clear distinction between offers made by non-market suppliers and offers sourced from suppliers in the private market. The latter do not equate to the former in terms of security, rent certainty or inheritance with the result that the overall social housing offer regime now varies according to when households presented with a housing need with established tenants of local authorities enjoying the most secure and least precarious tenancies and newly presenting applicants facing fare less attractive prospects in private renting.

Conclusion

This article set out to examine whether supplier generated precarity and insecurity has emerged over the past two decades in the respective tenures which comprise the Irish housing system. It concludes that to varying degrees across all tenures, supplier generated precarity is evident in respect of access, security and supply. This supplier generated precarity is the outcome of flawed policy assumptions and expectations on the part of the state which has abandoned its historic, albeit pragmatic, commitment to direct social housing provision and market intervention. In social housing the cumulative effect of the long term policy changes dating from the early 1990s and compounded by the economic crisis of 2008 has been the collapse of local authority provision, historically the most secure form of social housing. This collapse has been predicated on a conscious policy preference favouring not for profit and private market suppliers to meet social housing needs. Neither of these sources has proven up to the task set for them. Capital investment by approved housing bodies has not reached the levels anticipated by government policy and its performance illustrates clear capacity limits. Despite the role expected of it in social housing policy the private market has effectively rejected the complexities of a state subsidised hybrid social housing in preference for more profitable free market opportunities. Furthermore low income and medium income households in the private rented sector who do not qualify for state subsidies face an increasingly competitive housing environment where legislative reforms aimed at strengthening security are systematically undermined by landlords. Supplier generated precarity is also evident in the other tenures. In the owner occupied sector, households which fall into arrears with their mortgage repayments are more likely to face proceedings for repossession of their homes than they did in previous years. This is because social policy levers restraining lender behaviour were phased out and lightly regulated vulture funds have acquired the non performing loans of home owners and private landlords from financial institutions.

The most salient lesson the Irish case offers which may have wider application concerns matters of policy formation and implementation. Policy reformers must recognise that the environment in which major policy adjustment occurs is shaped by historical and contemporary factors that must be taken into account when changes are being devised and implemented. In the case of Irish housing policy, the long term shift away from direct provision of social housing by local authorities (i.e. the historical context) since the early 1990s was based on overly optimistic assumptions about the capacity of alternatives sources (approved housing bodies and private market suppliers) to deliver social housing. Approved housing bodies have clear capacity limits on how much they can or want to expand to meet social housing needs, while the private market has clearly signalled that it prefers to accommodate profitable minimally regulated tenancies from unsubsidised households. In relation to the owner occupier sector policy makers made unrealistic assumptions about the capacity of light touch regulation to ensure a well functioning system of credit for the Irish mortgage market where that market was exposed to global actors and the process of financialisation. Where policy makers make overly optimistic assumptions about reform the impact on housing welfare and the potential for negative impacts is substantial as evidenced above in relation to precarity and insecurity of tenure for the three categories of household discussed. Furthermore policy reformers must be cognisant of the potential for unforeseen events such as economic crisis and market and system failure, or they may well end up with a self inflicted perfect storm, as the Irish case demonstrates, caused by the abandonment of historically effective policies and the failure of their replacements.

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