

# EXECUTIVE SUMMARY

*Solidarity Housing* is a proposal from The Workers' Party to address the systemic failure of housing provision as a whole in Ireland - in terms of quality, affordability, security of tenure and inclusivity.

The crises in private rental and mortgage arrears have left more and more households without secure accommodation. This has created additional pressure on the social housing system. And yet only a tiny number of households are being housed each year. At current rates, it will take 95 years for sufficient local authority and voluntary housing to be delivered to clear the current national housing waiting list of 139,359 households.<sup>1</sup>

## What is Solidarity Housing?

*Solidarity Housing* proposes a radical widening of public provision of housing to almost all who want it, with the dual purpose of reducing costs to the state, whilst simultaneously providing secure housing which is affordable to all, relative to income. It opens the benefits of public housing – secure tenancy, stable community, and affordability – to the many new households experiencing housing difficulties.

If we want inclusive communities and high quality housing for all, **we must move housing into public control**. Housing needs to be taken out of the market context and viewed not as a commodity but rather as a social pre-requisite for a just society. It is inappropriate for such a basic need to be viewed as a 'commercial product,' traded for profit.

## How does Solidarity Housing work?

Within any given development, the state would rent 50% of homes to households who currently qualify for social housing and the rest to those who are not currently eligible for social housing. Rent for all households would be calculated as 15% of income up to €35,000, plus 30% of income above €35,000.<sup>2</sup>

HOUSEHOLD INCOME (BELOW)	SOLIDARITY HOUSING RENTS (PROPOSED)	SOCIAL HOUSING RENTS (CURRENT)
€9,857	€123	€123
€15,705	€196	€196
€22,504	€281	€281
€28,657	€358	€358
€34,932	€437	€437
€41,878	€629	
€50,721	€874	
€61,772	€1,181	
<b>AVERAGE MONTHLY RENT (PER UNIT)</b>	<b>€509</b>	<b>€279</b>

1 Based on CSO data that 465 homes were built by local authorities and voluntary housing bodies in 2015, and Department of Environment data that 1,000 units were acquired for use as social housing in 2015.

2 This is approximately the current cut-off point for access to social housing.



## What are the advantages of Solidarity Housing?

### 1. Solidarity Housing is more financially viable than other models

The *Solidarity Housing* model has the potential to significantly reduce the cost of housing provision not only to the public but also to the state. By offering near-universal access to public housing, at income-indexed rents, the state can accumulate surplus revenue for reinvestment in housing or in maintenance work. In addition, because governments can borrow money more cheaply than charities or businesses, the costs of borrowing money to build housing are considerably cheaper under a fully public model.

AVERAGE MONTHLY RENT / UNIT		State Revenue per unit, per month, by lending rate		
		State-issued bond <sup>3</sup>	Low-cost financing <sup>4</sup>	High-cost financing <sup>5</sup>
SOCIAL HOUSING	€279	-€154	-€562	-€902
SOLIDARITY HOUSING	€509	€143	-€265	-€605

### 2. Solidarity Housing delivers inclusive communities

Widening the income base with access to public housing helps remove the conditions that lead to economic and social segregation and marginalisation, and helps achieve socially integrated, confident communities that share their responsibilities cooperatively. Housing type and tenure does not distinguish between high- and low-income households, reducing stigma. All tenants, regardless of income, access the same benefits – affordability, democratically managed facilities and security of tenure.

### 3. Solidarity Housing provides security of tenure

Repeated crashes and bubbles have shown that neither mortgages nor private rental accommodation provide secure, lifelong homes. In contrast, the sliding scale of payments means *Solidarity Housing* provides security of tenure well beyond that of private rental or mortgage-based housing.

### 4. Solidarity Housing can be managed democratically

Inclusive, non-segregated communities are more difficult to marginalise. Because of this, *Solidarity Housing* offers a possibility of stronger community engagement in management of facilities and budgets.

3 Loan at 2% over 30 years

4 Loan at 3% over 30 years

5 Loan at 4% over 30 years