

# Webinar

## ULI Ireland: Promoting Affordable Housing

Date: July 02, 2020

00:00:03 --> 00:00:07: How everyone and welcome. It's now 12:30,  
 00:00:07 --> 00:00:11: so we will begin. Hello and welcome to today's webinar  
 00:00:11 --> 00:00:16: by the Urban Land Institute on Promoting Housing  
 Affordability and  
 00:00:16 --> 00:00:21: recognizing the recent release of the ULI Report on Best  
 00:00:21 --> 00:00:25: Practices to deliver intermediate housing at scale.  
 00:00:25 --> 00:00:26: My name is Tom Faulkner.  
 00:00:26 --> 00:00:28: I'm a development director with Hines,  
 00:00:28 --> 00:00:31: Ireland and a member of the ULI Young Leaders Committee.  
 00:00:31 --> 00:00:34: I'll be moderating today's webinar.  
 00:00:34 --> 00:00:37: Firstly, I'd like to thank the ULI Island for arranging  
 00:00:37 --> 00:00:42: and hosting today's webinar and especially Andy Kessler  
 national coordinator  
 00:00:42 --> 00:00:45: for your Lie Island for organizing it.  
 00:00:45 --> 00:00:46: I'd also like to thank Tom,  
 00:00:46 --> 00:00:49: done the chair of LLR Qli Ireland and I'll be  
 00:00:49 --> 00:00:53: handing over to Tom for his closing remarks at the  
 00:00:53 --> 00:00:54: end of today's discussion.  
 00:00:54 --> 00:00:57: We will endeavour to stick to the hour and to  
 00:00:57 --> 00:00:58: wrap up by 1:30 PM,  
 00:00:58 --> 00:01:01: but we do have a few minutes provided to go  
 00:01:01 --> 00:01:03: a little bit over there.  
 00:01:03 --> 00:01:05: I have the honor of being joined today by a  
 00:01:05 --> 00:01:07: very distinguished panel,  
 00:01:07 --> 00:01:09: and I'll introduce them shortly,  
 00:01:09 --> 00:01:12: followed by some brief opening comments.  
 00:01:12 --> 00:01:15: The panel will engage in a discussion in response to  
 00:01:15 --> 00:01:18: those opening comments and field questions from you,  
 00:01:18 --> 00:01:21: the audience, and that is really the purpose of today.  
 00:01:21 --> 00:01:24: This is for you, the UI island members and hopefully

00:01:25 --> 00:01:28: providing an opportunity to really engage in this discussion.  
00:01:28 --> 00:01:32: We very much encourage your questions and please do submit  
00:01:32 --> 00:01:35: them via the Q&A function on the Zoom toolbar.  
00:01:35 --> 00:01:37: We will do our best to get through as many  
00:01:37 --> 00:01:39: questions as we can within the hour,  
00:01:39 --> 00:01:43: and this webinar is being recorded and will be made  
00:01:43 --> 00:01:44: available.  
00:01:44 --> 00:01:46: If you haven't seen the report,  
00:01:46 --> 00:01:49: we would strongly encourage you to have a look.  
00:01:49 --> 00:01:52: I notice that the UI island guys emailed that out  
00:01:52 --> 00:01:54: to all registered attendees this morning,  
00:01:54 --> 00:01:57: and if you didn't see that it is available via  
00:01:57 --> 00:02:01: the UI Knowledge Finder along with the European webcast  
for  
00:02:01 --> 00:02:01: its release,  
00:02:01 --> 00:02:06: and you can Alternatively email Ireland at uli.org for a  
00:02:06 --> 00:02:07: copy of the report.  
00:02:07 --> 00:02:10: I understand that there are on today we have many  
00:02:11 --> 00:02:17: registered attendees which include representatives from  
many stakeholders across Ireland  
00:02:17 --> 00:02:21: and organisations with responsibility for the provision of  
homes,  
00:02:21 --> 00:02:26: including public and private sectors and elected  
representatives.  
00:02:26 --> 00:02:29: Welcome everyone now to introduce the panel.  
00:02:29 --> 00:02:35: The panel today consists of distinguished experts who may.  
00:02:35 --> 00:02:38: Who may be familiar to you as leaders in European,  
00:02:38 --> 00:02:40: an Irish real estate, namely,  
00:02:40 --> 00:02:41: we have joining us today.  
00:02:41 --> 00:02:45: Have your younger the Managing director of Catela  
residential investment  
00:02:45 --> 00:02:49: management of Year was in the steering group responsible  
for  
00:02:49 --> 00:02:53: the promoting affordable housing Report and Javier joins us  
today  
00:02:53 --> 00:02:56: from Berlin I believe. Welcome here.  
00:02:56 --> 00:02:58: We have Doctor Mark Assilah back,  
00:02:58 --> 00:03:00: the chief economist for Patricia AG.  
00:03:00 --> 00:03:04: Marcus is another leading voice in European real estate and  
00:03:04 --> 00:03:08: also in the steering group for the promoting affordable  
housing  
00:03:08 --> 00:03:08: report.  
00:03:08 --> 00:03:12: Welcome markers. And we have Doctor Bill Nolan,

00:03:12 --> 00:03:15: former director of Focus Island founder of Hibernia REIT and  
00:03:16 --> 00:03:19: managing partner of Oracle Real Estate Strategies.  
00:03:19 --> 00:03:22: Bill is both passionate and expert in the topic for  
00:03:22 --> 00:03:25: discussion today with a PhD in social housing finance from  
00:03:26 --> 00:03:27: the University of Ulster.  
00:03:27 --> 00:03:31: Welcome Bill and welcome to the panel.  
00:03:31 --> 00:03:34: To begin some opening remarks and we had the benefit  
00:03:34 --> 00:03:37: of a really interesting brief discussion yesterday.  
00:03:37 --> 00:03:42: Identifying that there's so much excellent material and  
tangible recommendations  
00:03:42 --> 00:03:43: mapped out in this report.  
00:03:43 --> 00:03:45: It will be difficult to cover at all.  
00:03:45 --> 00:03:47: But when we connected briefly,  
00:03:47 --> 00:03:51: we identified some key themes to the application of this  
00:03:51 --> 00:03:53: report in an Irish context.  
00:03:53 --> 00:03:56: And virtually everything we see in the Ulr report is  
00:03:56 --> 00:03:59: based on cooperation between the private and public  
sectors.  
00:03:59 --> 00:04:04: As long term players in the delivery of intermediate housing.  
00:04:04 --> 00:04:08: This requires an environment of trust and mutual respect  
between  
00:04:08 --> 00:04:09: politicians,  
00:04:09 --> 00:04:15: administrators, developers, an financiers trust which is now  
not present  
00:04:15 --> 00:04:15: in Ireland.  
00:04:15 --> 00:04:18: The Irish system could be referred to as a basket  
00:04:18 --> 00:04:22: case and without serious institutional reform it runs the risk  
00:04:22 --> 00:04:24: of remaining that way,  
00:04:24 --> 00:04:28: thereby inhibiting our deliver. Our ability to deliver on the  
00:04:28 --> 00:04:31: excellent recommendations in the ULI report.  
00:04:31 --> 00:04:32: So with that in mind,  
00:04:32 --> 00:04:35: I might ask Marcus and Javier to assist initially in  
00:04:35 --> 00:04:39: framing the process that was undertaken to produce that  
report  
00:04:39 --> 00:04:42: to help us a little in defining what is intermediate  
00:04:42 --> 00:04:46: housing and whether you would agree with the observation  
that  
00:04:46 --> 00:04:47: intensive collaboration,  
00:04:47 --> 00:04:52: trust and mutual respect between public and private sectors  
is  
00:04:52 --> 00:04:53: indeed crucial.  
00:04:53 --> 00:04:58: Javier, would you like to start us off there?  
00:04:58 --> 00:05:00: Yes, thank you Tom. Happy to do so.  
00:05:00 --> 00:05:05: So we established the European Council for Residential and

actually

00:05:05 --> 00:05:08: it wouldn't take a long time to think about a

00:05:08 --> 00:05:12: theme that you know is interesting for all European countries.

00:05:12 --> 00:05:17: That theme was obviously portability in housing because for those

00:05:17 --> 00:05:19: who operate on a continental level,

00:05:19 --> 00:05:22: I think we all seem to concur that that this

00:05:23 --> 00:05:24: topic of affordability,

00:05:24 --> 00:05:28: which has social political financial dimensions.

00:05:28 --> 00:05:29: Is one that we see everywhere,

00:05:29 --> 00:05:31: so that was quite easy for us.

00:05:31 --> 00:05:34: And then we did a first step which is in

00:05:34 --> 00:05:37: an analysis where we also had academics and and people

00:05:37 --> 00:05:40: in the field kind of help us to define affordability

00:05:40 --> 00:05:41: and kind of measure it.

00:05:41 --> 00:05:44: That's a report that we didn't think of 1 1/2

00:05:44 --> 00:05:46: two years ago and the conclusion was that,

00:05:46 --> 00:05:49: well, affordability. It's not that easy to define.

00:05:49 --> 00:05:52: No, it's like love, you know we all kind of

00:05:52 --> 00:05:53: know what love is,

00:05:53 --> 00:05:55: but you know if we all define it and then

00:05:55 --> 00:05:58: probably you know the way that Marcus explains it's a

00:05:58 --> 00:06:00: little bit different.

00:06:00 --> 00:06:01: And how I would do it?

00:06:01 --> 00:06:03: But we mean the same thing.

00:06:03 --> 00:06:05: So we found out that affordability,

00:06:05 --> 00:06:08: actually, you know, we all know what it means,

00:06:08 --> 00:06:09: but if you define it,

00:06:09 --> 00:06:12: you can have a big academic debate so that we

00:06:12 --> 00:06:12: said,

00:06:12 --> 00:06:15: well, you know we can do two things.

00:06:15 --> 00:06:18: One is do the academic debate or Secondly know park

00:06:18 --> 00:06:20: that and try to look for solutions.

00:06:20 --> 00:06:23: And that seems to be much better idea.

00:06:23 --> 00:06:26: So this report that you are referring to is actually

00:06:26 --> 00:06:29: the second report on and there we wanted to kind

00:06:29 --> 00:06:30: of.

00:06:30 --> 00:06:33: See what kind of solutions could be found to increase

00:06:33 --> 00:06:38: the provision of affordable housing and what you basically see

00:06:38 --> 00:06:41: in the report is kind of a life cycle.

00:06:41 --> 00:06:44: Walk through all kinds of sectors or parts of the

00:06:44 --> 00:06:45: value chain.

00:06:45 --> 00:06:48: I think that's more correct way of seeing it.

00:06:48 --> 00:06:52: Where you see that actually there's no silver bullet,

00:06:52 --> 00:06:56: but there are sensible things to do in various part

00:06:56 --> 00:06:57: of this value chain.

00:06:57 --> 00:07:00: And you know if I added a little bit.

00:07:00 --> 00:07:03: Up and do some assumptions left and right.

00:07:03 --> 00:07:05: I think you're getting to 10:10,

00:07:05 --> 00:07:08: perhaps 15% more affordable housing,

00:07:08 --> 00:07:11: but that you know, revolutionizing.

00:07:11 --> 00:07:14: Either systems or open on new technology,

00:07:14 --> 00:07:18: so kind of not realistically looking what is possible.

00:07:18 --> 00:07:21: I think that range is possible and it seems to

00:07:21 --> 00:07:22: me that that's huge,

00:07:22 --> 00:07:24: so that's very positive news.

00:07:24 --> 00:07:28: Now your question on what is intermediate housing sort of

00:07:28 --> 00:07:30: falling in love question.

00:07:30 --> 00:07:33: I will still try to give you my definition of

00:07:33 --> 00:07:33: it.

00:07:33 --> 00:07:37: It's it's that part of the housing market where key

00:07:37 --> 00:07:40: workers should not spend should be able to live decently

00:07:40 --> 00:07:41: and not spend.

00:07:41 --> 00:07:46: More than 30% of their household income and housing costs.

00:07:46 --> 00:07:49: So there are people that.

00:07:49 --> 00:07:53: Sick and for longer times unemployed pensioners or students

00:07:53 --> 00:07:56: I think they've fallen in generally in a different category.

00:07:56 --> 00:07:57: If you don't have income,

00:07:57 --> 00:08:00: that's for us. Probably a little bit more social,

00:08:00 --> 00:08:03: so the price point would be a little bit below

00:08:03 --> 00:08:05: and then you have people that are fully active in

00:08:05 --> 00:08:08: the in the market with higher salary levels and they

00:08:08 --> 00:08:11: are kind of open markets or intermediate is a bit

00:08:11 --> 00:08:12: what it says.

00:08:12 --> 00:08:16: It's between the. I open market prices and under and

00:08:16 --> 00:08:19: the social housing prices.

00:08:19 --> 00:08:22: Fantastic thank you and I might look to Marcus for

00:08:22 --> 00:08:23: a little bit on your views.

00:08:23 --> 00:08:27: In terms of that collaboration factor and whether that crosses

00:08:27 --> 00:08:29: international boundaries.

00:08:29 --> 00:08:32: The need for such close collaboration.

00:08:32 --> 00:08:35: I think when what we learned over the the discussion

00:08:35 --> 00:08:38: when we produce the report and we when we started

00:08:38 --> 00:08:39: the study,  
00:08:39 --> 00:08:43: I think it's a general challenge for all European cities.  
00:08:43 --> 00:08:47: I think providing housing for these key workers is something  
00:08:47 --> 00:08:49: that is really challenging for all cities,  
00:08:49 --> 00:08:53: and it's also something that the cities need to have  
00:08:53 --> 00:08:54: a solution for.  
00:08:54 --> 00:08:56: Because we have a division of Labor.  
00:08:56 --> 00:08:58: We have different salary levels,  
00:08:58 --> 00:09:02: different qualifications levels and all these people have to.  
00:09:02 --> 00:09:04: Be able to live within a city,  
00:09:04 --> 00:09:06: otherwise the city will not function,  
00:09:06 --> 00:09:09: so it is a challenge for the city to provide  
00:09:09 --> 00:09:09: it.  
00:09:09 --> 00:09:11: But we also learned one thing that at the end  
00:09:11 --> 00:09:15: there are a lot of players within the housing market.  
00:09:15 --> 00:09:16: Whatever you define it in detail,  
00:09:16 --> 00:09:20: it's a little bit like everybody knows what the housing  
00:09:20 --> 00:09:20: market is,  
00:09:20 --> 00:09:23: but there is not a a very detailed definition about  
00:09:23 --> 00:09:24: it,  
00:09:24 --> 00:09:26: but all the players in the market,  
00:09:26 --> 00:09:28: from developers, investors, the government,  
00:09:28 --> 00:09:31: maybe also tenant unions and all the other places they  
00:09:31 --> 00:09:33: need to find commonly a solution.  
00:09:33 --> 00:09:35: Or maybe the biggest challenge?  
00:09:35 --> 00:09:40: The new Europe. European cities currently have because no  
00:09:40 --> 00:09:45: single actor will be big enough or or knowledgeable enough to  
00:09:45 --> 00:09:47: really be able to come up with a.  
00:09:47 --> 00:09:49: Pop that I wouldn't say optimal,  
00:09:49 --> 00:09:52: but a very good or the best solution for for  
00:09:52 --> 00:09:53: for each city,  
00:09:53 --> 00:09:55: because each city is different,  
00:09:55 --> 00:09:58: so each city they have to learn from each other  
00:09:58 --> 00:10:02: but also the different market participants have to learn from  
00:10:02 --> 00:10:03: each other.  
00:10:03 --> 00:10:04: How can we do things?  
00:10:04 --> 00:10:07: What type of framework do we need?  
00:10:07 --> 00:10:10: What type of collaboration do we need to really come  
00:10:10 --> 00:10:11: up with a solution?  
00:10:11 --> 00:10:15: Because otherwise we will possibly fail on their end and  
00:10:15 --> 00:10:18: we need to be sure that whatever we do.

00:10:18 --> 00:10:20: It's not a horizon of 1224 months,  
00:10:20 --> 00:10:23: it has to be a mid to long-term horizon,  
00:10:23 --> 00:10:29: creating stability and predictability for all the players.  
00:10:29 --> 00:10:30: That makes a lot of sense.  
00:10:30 --> 00:10:34: Thank you Marcus and I know you've identified before that  
00:10:34 --> 00:10:37: the prominence of Dublin in the European context as an  
00:10:37 --> 00:10:40: attractive city and there are mega trends pushing on that  
00:10:40 --> 00:10:43: that demand here, among other cities across Europe.  
00:10:43 --> 00:10:47: So value those comments in terms of applying that context.  
00:10:47 --> 00:10:50: Then Bill, I would be very interested in your views  
00:10:50 --> 00:10:54: on heavier than Max's introduction there and how that might  
00:10:54 --> 00:10:56: apply in an Irish context.  
00:10:56 --> 00:10:58: Tom, nice to be here,  
00:10:58 --> 00:11:01: Tom. You referred in your introduction to Ireland being a  
00:11:01 --> 00:11:04: basket case in terms of housing and I have to  
00:11:04 --> 00:11:06: I have to endorse that.  
00:11:06 --> 00:11:09: And the reason for that is that the housing system  
00:11:09 --> 00:11:12: that we have was effectively invented well over 100 years  
00:11:12 --> 00:11:15: ago to solve a rural housing problem.  
00:11:15 --> 00:11:17: And it did that very effectively.  
00:11:17 --> 00:11:21: It basically house but 50,000 farm laborers and people  
working  
00:11:21 --> 00:11:23: in the country that was at a time that nearly  
00:11:23 --> 00:11:24: 80%  
00:11:24 --> 00:11:27: of the Irish population lived in the country.  
00:11:27 --> 00:11:31: But the problem we have is that that system has  
00:11:31 --> 00:11:36: been has been imported into the urban urban situation  
affectively  
00:11:36 --> 00:11:40: with only sticking plaster changes and we have to go  
00:11:40 --> 00:11:45: back and and in invent or create a consensus housing  
00:11:45 --> 00:11:45: system.  
00:11:45 --> 00:11:50: We're going forward there. There is huge amount of friction  
00:11:50 --> 00:11:54: between the different players in Ireland.  
00:11:54 --> 00:11:57: Between them, social housing providers and.  
00:11:57 --> 00:11:59: And on the market, I mean,  
00:11:59 --> 00:12:02: there's a. There's a huge them and us.  
00:12:02 --> 00:12:06: Element in it in that the social housing providers regard  
00:12:06 --> 00:12:08: that as their territory in the market,  
00:12:08 --> 00:12:11: people are told don't don't come into it.  
00:12:11 --> 00:12:14: On the other hand, we have a situation where because  
00:12:14 --> 00:12:17: of the failure to provide social housing,  
00:12:17 --> 00:12:20: the the government have to reach into the market and  
00:12:20 --> 00:12:23: now rent about 1/3 of the PRS units in the

00:12:23 --> 00:12:24: in the market,  
00:12:24 --> 00:12:26: and then sublet those out at nominal,  
00:12:26 --> 00:12:29: effectively. Nominal rents to social tenants.  
00:12:29 --> 00:12:32: So there there is a there is a partnership there,  
00:12:32 --> 00:12:37: but it is not. A smooth partnership now.  
00:12:37 --> 00:12:40: I have been arguing for some time with others,  
00:12:40 --> 00:12:43: including Tom, done that we need to sit down,  
00:12:43 --> 00:12:46: sit the politicians down and to get them around a  
00:12:46 --> 00:12:48: table and kill some of the sacred cows.  
00:12:48 --> 00:12:51: A lot of the problems in the housing situation in  
00:12:51 --> 00:12:53: the housing market in Ireland,  
00:12:53 --> 00:12:57: the housing, the housing environment is that there are there  
00:12:57 --> 00:13:00: are commitments which are argued for by bullet,  
00:13:00 --> 00:13:03: particular political interests, for for example,  
00:13:03 --> 00:13:06: our rents in Ireland are for social housing are average  
00:13:06 --> 00:13:07: about 200.  
00:13:07 --> 00:13:11: Euros a month. Where is the same equivalent for a  
00:13:11 --> 00:13:13: social house in Europe?  
00:13:13 --> 00:13:15: Would probably be 807 hundred,  
00:13:15 --> 00:13:17: maybe 900 euros a month.  
00:13:17 --> 00:13:21: Now one of the problems is that they knock on.  
00:13:21 --> 00:13:24: Effect of that is that the cost that the rent  
00:13:24 --> 00:13:28: that is collected doesn't actually pay for the cost of  
00:13:28 --> 00:13:31: management and the knock on effect of that is that  
00:13:31 --> 00:13:35: the housing stock is actually rundown so but that's a  
00:13:35 --> 00:13:40: sacred cow and would require political consensus to actually.  
00:13:40 --> 00:13:42: To actually deal with it,  
00:13:42 --> 00:13:47: another sacred cow instead of tenant purchase we we built  
00:13:47 --> 00:13:52: over the years 400,000 houses for social tenants and we  
00:13:52 --> 00:13:56: have sold 3/4 of those into to the tenants.  
00:13:56 --> 00:13:58: Reality is when you look at us,  
00:13:58 --> 00:13:59: those houses that were sold,  
00:13:59 --> 00:14:03: they actually end up very often back in the housing  
00:14:03 --> 00:14:06: stuff because they were bought back on the rented back  
00:14:06 --> 00:14:07: to to the government.  
00:14:07 --> 00:14:11: So we have huge numbers of these kind of dysfunctionality's.  
00:14:11 --> 00:14:14: So my starting point is that we need to get  
00:14:14 --> 00:14:17: all the parties as you said administrators,  
00:14:17 --> 00:14:21: politicians, financials around the table.  
00:14:21 --> 00:14:24: We need to get a rent system that actually pays  
00:14:24 --> 00:14:25: for the accommodation,  
00:14:25 --> 00:14:29: directly or indirectly.



00:14:29 --> 00:14:31: Is that in itself? Would you want to make a  
00:14:31 --> 00:14:33: move on cost base rents in if you want me  
00:14:33 --> 00:14:34: to?  
00:14:34 --> 00:14:36: I think that's perfect. I think we might come back  
00:14:37 --> 00:14:40: to cost based rates because there is so important in  
00:14:40 --> 00:14:40: this discussion,  
00:14:40 --> 00:14:42: but I think I see first of all,  
00:14:42 --> 00:14:45: I'd just like to remind our audience to to get  
00:14:45 --> 00:14:47: involved and use the Q&A function there.  
00:14:47 --> 00:14:50: We have had our first question coming in from John  
00:14:50 --> 00:14:51: O'Connor.  
00:14:51 --> 00:14:54: Thank you John and the question for the panel is  
00:14:54 --> 00:14:57: what is the view of the panel members between affordable  
00:14:57 --> 00:14:59: housing for purchase and affordable housing?  
00:14:59 --> 00:15:02: For rent  
00:15:02 --> 00:15:04: maybe I just pick, pick that up.  
00:15:04 --> 00:15:08: I think the interesting point is if you look at  
00:15:08 --> 00:15:11: today's discussion that is taking place across Europe,  
00:15:11 --> 00:15:16: it's heavily focused. I would say on affordability to rent.  
00:15:16 --> 00:15:20: I think it is the provision of housing for key  
00:15:20 --> 00:15:21: workers to rent.  
00:15:21 --> 00:15:25: If you look at the affordability definition and the concept  
00:15:25 --> 00:15:28: at how it is and how it is thought of  
00:15:28 --> 00:15:30: and how it has to be developed,  
00:15:30 --> 00:15:34: it has the two 2 dimensions of affordability to rent  
00:15:34 --> 00:15:36: an affordability to own.  
00:15:36 --> 00:15:40: But I think from the political side currently it's only  
00:15:40 --> 00:15:44: the affordability to rent that is really taking into into  
00:15:44 --> 00:15:45: the focus.  
00:15:45 --> 00:15:49: But ultimately, if you really deal with a Ford ability  
00:15:49 --> 00:15:49: of housing,  
00:15:49 --> 00:15:52: it should have both dimensions,  
00:15:52 --> 00:15:55: because that's what the concept is about.  
00:15:55 --> 00:16:00: Nevertheless, I'm realistic enough to know that the challenge  
00:16:00 --> 00:16:02: for  
00:16:02 --> 00:16:06: the cities is to house people.  
00:16:06 --> 00:16:06: And therefore the for rent might be the more pressing  
00:16:06 --> 00:16:06: one.  
00:16:06 --> 00:16:10: Nevertheless, you should not forget the phone to own and  
00:16:10 --> 00:16:13: in the medium to long term as this is part  
00:16:13 --> 00:16:16: of the the overall housing spectrum and it gives households  
00:16:16 --> 00:16:20: the choice the opportunity to go for one or the

00:16:20 --> 00:16:20: other,  
00:16:20 --> 00:16:23: and choice is always something people like to have.  
00:16:26 --> 00:16:29: Great question. I'd love to hear Bill's view on that.  
00:16:29 --> 00:16:32: In terms of that Irish context in terms of build  
00:16:32 --> 00:16:35: for rent versus build for sale and you were about  
00:16:35 --> 00:16:38: to allude to the role of cost rental there as  
00:16:38 --> 00:16:40: well.  
00:16:40 --> 00:16:42: Anne.  
00:16:42 --> 00:16:46: The political environment in Ireland is very much trying to  
00:16:46 --> 00:16:50: trying to have owner occupation that has been a tradition  
00:16:50 --> 00:16:54: in the in in Ireland and basically the political structure  
00:16:54 --> 00:16:57: going back. Many decades is to try and support owner  
00:16:57 --> 00:17:02: occupation and I think our new government have actually  
00:17:02 --> 00:17:06: written  
00:17:06 --> 00:17:10: that into their program for government that they actually want  
00:17:10 --> 00:17:13: to get owner, owner occupation as promotions much as  
00:17:13 --> 00:17:17: possible.  
00:17:17 --> 00:17:18: On the other hand, the market is the market is  
00:17:18 --> 00:17:22: is is going the opposite direction the market is moving  
00:17:22 --> 00:17:26: towards a 30%  
00:17:26 --> 00:17:30: rental situation rather than an owner occupation and that  
00:17:30 --> 00:17:34: comes  
00:17:34 --> 00:17:36: down to the desire of of tenants to have flexibility.  
00:17:36 --> 00:17:39: The inability to. October to raise money and the and  
00:17:39 --> 00:17:42: the needs that the level of deposits that they have  
00:17:42 --> 00:17:45: to get to actually borrow.  
00:17:45 --> 00:17:49: So there there is, there is a dynamic going on  
00:17:49 --> 00:17:51: there.  
00:17:51 --> 00:17:55: I think that probably at the 30%  
00:17:55 --> 00:17:57: mix level is where we will stabilize.  
00:17:57 --> 00:18:00: I think there will be the war and I think  
00:18:00 --> 00:18:01: there will be.  
00:18:01 --> 00:18:03: Financial benefits for our encouragement for people to own  
00:18:03 --> 00:18:05: under  
00:18:05 --> 00:18:08: the present under the new administration.  
00:18:08 --> 00:18:08: But I think that the market will actually still be  
00:18:08 --> 00:18:11: there for rental.  
00:18:11 --> 00:18:14: And I think if we get if we get to  
00:18:14 --> 00:18:14: the level of cost rental,  
00:18:14 --> 00:18:14: I think that and you have security of tenure and  
00:18:14 --> 00:18:14: cost rental.  
00:18:14 --> 00:18:14: I think that will move more people into the rental  
00:18:14 --> 00:18:14: situation rather than owner occupation.

00:18:14 --> 00:18:16: One of the problems is we haven't had.  
00:18:16 --> 00:18:19: We haven't had security of tenure in this country and  
00:18:19 --> 00:18:22: it comes back to the Anglo Saxon approach to housing.  
00:18:22 --> 00:18:27: Rather than the European approach to housing which we  
might  
00:18:27 --> 00:18:28: touch on later,  
00:18:28 --> 00:18:32: but security of tenure predictability of rent,  
00:18:32 --> 00:18:36: they will all come with a cost benefit system and  
00:18:36 --> 00:18:39: the benefits of owner occupation.  
00:18:39 --> 00:18:46: May not be as as strong in that situation.  
00:18:46 --> 00:18:49: Thanks Bill, and I think there's a few questions that  
00:18:49 --> 00:18:52: came in before the web and R and I see  
00:18:52 --> 00:18:55: ones come in now from Brian Moran in relation to  
00:18:55 --> 00:18:58: the public sector actors and with such a big onus  
00:18:58 --> 00:19:01: on them in that program for government you mentioned at  
00:19:01 --> 00:19:05: the question is how do we educate the public sector  
00:19:05 --> 00:19:09: actors, but political actors and state employees on real costs  
00:19:09 --> 00:19:13: for delivery and to work with the private sector?  
00:19:13 --> 00:19:15: That collaboration is obviously key.  
00:19:17 --> 00:19:20: Have you, would you have you or yeah,  
00:19:20 --> 00:19:23: I think education sounds a bit better nihilistic,  
00:19:23 --> 00:19:27: but I I think what the question means is that  
00:19:27 --> 00:19:31: perhaps there's been a leakage of know how within the  
00:19:31 --> 00:19:32: public sector,  
00:19:32 --> 00:19:34: to perhaps fully analyze, measure,  
00:19:34 --> 00:19:39: and then manage the housing challenges that the country  
has,  
00:19:39 --> 00:19:42: and that then together with other stakeholders.  
00:19:42 --> 00:19:45: So this is a bit my my reading of of  
00:19:45 --> 00:19:46: the question.  
00:19:46 --> 00:19:50: And and you sense already at your answer is it's  
00:19:50 --> 00:19:51: not a quick fix,  
00:19:51 --> 00:19:55: if that's if that's the underlying problem that we want  
00:19:55 --> 00:19:56: to address,  
00:19:56 --> 00:19:58: because I think we need law,  
00:19:58 --> 00:20:03: we need perhaps to pay people in the public sector  
00:20:03 --> 00:20:05: a little bit more.  
00:20:05 --> 00:20:08: It's much more movement between public and private  
sectors,  
00:20:08 --> 00:20:11: and I also think that.  
00:20:11 --> 00:20:15: We need to think about institutions that parapublic where  
they  
00:20:15 --> 00:20:18: are not dependent of the political cycle,

00:20:18 --> 00:20:23: which is much shorter than the cycle of most institutional  
00:20:23 --> 00:20:24: investors.  
00:20:24 --> 00:20:26: By the way, so so that you can kind of  
00:20:26 --> 00:20:30: create also an institution that can really in cap can  
00:20:30 --> 00:20:33: learn and encapsulate knowledge.  
00:20:33 --> 00:20:36: That's not an easy fix that needs time,  
00:20:36 --> 00:20:39: and I'm not sure whether time is now really what  
00:20:39 --> 00:20:42: you want to go for necessarily,  
00:20:42 --> 00:20:45: because. A crisis and we are in the post Corona  
00:20:45 --> 00:20:46: time,  
00:20:46 --> 00:20:48: I mean.  
00:20:48 --> 00:20:51: Ability question will be much more important than it was  
00:20:51 --> 00:20:54: before because we will have much more at higher levels  
00:20:55 --> 00:20:57: of unemployment in the European countries.  
00:20:57 --> 00:21:01: So the question will come back again and historically if  
00:21:01 --> 00:21:04: you see also for kind of what you were referring  
00:21:04 --> 00:21:07: to them and have rain and the Rhine central for  
00:21:07 --> 00:21:10: European countries, not other side of the channel.  
00:21:10 --> 00:21:15: Their housing fundamentals were actually established mostly  
out of crisis  
00:21:15 --> 00:21:18: and mostly out of wars or other crisis now.  
00:21:18 --> 00:21:20: But also financial crisis France,  
00:21:20 --> 00:21:24: the Netherlands had a huge reform in 211 to 12  
00:21:24 --> 00:21:24: or 12.  
00:21:24 --> 00:21:29: Something like that, and that will form of the housing  
00:21:29 --> 00:21:31: market both.  
00:21:31 --> 00:21:35: Ownership and social housing and affordable housing  
challenges so I  
00:21:35 --> 00:21:35: can access 2.  
00:21:35 --> 00:21:38: Three legs are quite a clever reform was the only  
00:21:38 --> 00:21:40: reform since the Second World War.  
00:21:40 --> 00:21:43: So we had a consensus after the Second World War  
00:21:43 --> 00:21:47: and it actually was accepted by a different political parties.  
00:21:47 --> 00:21:49: Everything was challenged a little bit,  
00:21:49 --> 00:21:52: of course, and there was some minor modifications.  
00:21:52 --> 00:21:55: Every now and again, but the reset button,  
00:21:55 --> 00:21:59: kind of that was pushed following the financial crisis because  
00:21:59 --> 00:22:01: some unintended consequences have gone too big.  
00:22:01 --> 00:22:04: And a crisis is the moment where you can.  
00:22:04 --> 00:22:07: Also, you know if you have the matter of courage  
00:22:08 --> 00:22:09: and of personality.  
00:22:09 --> 00:22:12: Also next to know how courage is very important that

00:22:12 --> 00:22:15: you just take the bull by the horns.  
00:22:15 --> 00:22:18: Get some friends on the other side of your political  
00:22:18 --> 00:22:22: or personal convictions and say let's do this together right?  
00:22:22 --> 00:22:26: Because because that's that's what we want to do and  
00:22:26 --> 00:22:29: I guess so time is the timing is interesting for  
00:22:29 --> 00:22:30: Ireland.  
00:22:30 --> 00:22:32: Because yeah, perhaps Ireland has.  
00:22:32 --> 00:22:36: An opportunity to kind of engage in a little bit  
00:22:36 --> 00:22:40: of of of a similar ish kind of trajectory.  
00:22:40 --> 00:22:43: Really interesting, thank you. Have you ran with the new  
00:22:43 --> 00:22:46: government in place for what less than a week?  
00:22:46 --> 00:22:48: It couldn't be more critical time.  
00:22:48 --> 00:22:50: I think that points there about a long term vision  
00:22:50 --> 00:22:54: that managing that transition period and making sure we  
don't  
00:22:54 --> 00:22:57: turn the tap off is that incredibly important.  
00:22:57 --> 00:22:59: We have another really interesting question here,  
00:22:59 --> 00:23:02: which I'd like to go around the houses on,  
00:23:02 --> 00:23:05: given I believe the European context came up in in  
00:23:05 --> 00:23:08: the report released Webinar previously and that is a question  
00:23:08 --> 00:23:09: from Sean Golden,  
00:23:09 --> 00:23:12: which is that. What is the view of the panel  
00:23:12 --> 00:23:15: members on the use of balanced regional development to  
quell  
00:23:15 --> 00:23:19: the immense pressure on the market in Dublin and other  
00:23:19 --> 00:23:23: urban centres? For example using mechanisms to make it  
easier  
00:23:23 --> 00:23:26: for workers to work outside of Dublin or other areas  
00:23:26 --> 00:23:29: with drastic affordability issues.  
00:23:29 --> 00:23:32: I think it's it's. It's quite a an interesting one  
00:23:32 --> 00:23:36: because I think it's something that is discussed all across  
00:23:36 --> 00:23:36: Europe.  
00:23:36 --> 00:23:41: Nevertheless, because we have seen urbanization as the  
main driver  
00:23:41 --> 00:23:44: of the last decade or two decades or whatever that  
00:23:44 --> 00:23:46: created that challenge.  
00:23:46 --> 00:23:49: But why are people moving to the cities?  
00:23:49 --> 00:23:52: It simply be cause cities offer opportunities,  
00:23:52 --> 00:23:57: offers choice. Via jobs opportunities to get employment or  
whatever  
00:23:57 --> 00:24:01: and also it's about collaboration with colleagues,  
00:24:01 --> 00:24:03: friends and people and other immunities.  
00:24:03 --> 00:24:06: So I think the big challenge is how can you

00:24:06 --> 00:24:08: make people move outside.  
00:24:08 --> 00:24:12: 'cause if you would have the job opportunity outside for  
00:24:12 --> 00:24:13: the employer,  
00:24:13 --> 00:24:14: who then moves out there,  
00:24:14 --> 00:24:17: he might have the advantage being the only one.  
00:24:17 --> 00:24:21: So he gets his employees for from the local community.  
00:24:21 --> 00:24:25: Nevertheless, the talent pool is much more limited so.  
00:24:25 --> 00:24:29: Did the economically speaking external economies of scale  
that you  
00:24:29 --> 00:24:32: have within the city like the good example,  
00:24:32 --> 00:24:35: is the financial Center of London that I mean the  
00:24:35 --> 00:24:37: high qualified intelligent people.  
00:24:37 --> 00:24:40: They they all want to will be attracted to London  
00:24:40 --> 00:24:45: despite what's currently happening because it simply offers a  
unique  
00:24:45 --> 00:24:49: environment to learn to collaborate in to exchange ideas.  
00:24:49 --> 00:24:52: And therefore I think the challenge getting people to the  
00:24:52 --> 00:24:54: regions is it sounds easy.  
00:24:54 --> 00:24:57: And maybe the crisis can be a catalyst for some  
00:24:57 --> 00:24:57: of.  
00:24:57 --> 00:25:01: Home working being a possible solution to or work and  
00:25:01 --> 00:25:06: facilitate Home Office as as a part time solution for  
00:25:06 --> 00:25:06: that.  
00:25:06 --> 00:25:11: But ultimately I think urbanization will not be reversed and  
00:25:11 --> 00:25:14: therefore the challenge will speak to cities.  
00:25:14 --> 00:25:16: It's maybe not not the answer.  
00:25:16 --> 00:25:20: A lot of people would like to say to have,  
00:25:20 --> 00:25:24: but the problem is how can you create incentives for  
00:25:24 --> 00:25:26: companies to move out too often?  
00:25:26 --> 00:25:28: Jobs in regional or more.  
00:25:28 --> 00:25:31: Or less attractive in currently less attractive areas,  
00:25:31 --> 00:25:36: becausw whoever moves first has the disadvantage that he  
might  
00:25:36 --> 00:25:37: fail and which got within.  
00:25:37 --> 00:25:39: How do you support this?  
00:25:39 --> 00:25:42: And I think that's it comes back to the knowledge  
00:25:42 --> 00:25:45: question which other cities at the end you can find  
00:25:46 --> 00:25:49: a solution via better public transport that people can easier  
00:25:49 --> 00:25:53: commute. Maybe it's not only car related,  
00:25:53 --> 00:25:55: it's it's train related or whatever,  
00:25:55 --> 00:25:57: so that can be a solution,  
00:25:57 --> 00:26:00: But the question also here is that is something very  
00:26:00 --> 00:26:01: long term,

00:26:01 --> 00:26:04: ten 1520 years it brings us back to where we  
00:26:04 --> 00:26:05: started.  
00:26:05 --> 00:26:07: Possibly we need a vision for the next two 1  
00:26:08 --> 00:26:10: two decades and not a vision for the next two  
00:26:11 --> 00:26:14: years and maybe 2 to add something to some years  
00:26:14 --> 00:26:16: words. Education has a lot to do,  
00:26:16 --> 00:26:20: possibly also with transparency, because I think there's a lot  
00:26:20 --> 00:26:23: of misconception about what costs and returns are.  
00:26:23 --> 00:26:26: In the public sector and what we really return in  
00:26:26 --> 00:26:29: the private sector is always mentioned.  
00:26:29 --> 00:26:32: You have to double digit returns when you when you  
00:26:32 --> 00:26:34: do the investments in real estate.  
00:26:34 --> 00:26:37: And I think if you do the classical multifamily housing,  
00:26:37 --> 00:26:40: I want to see where you get these double digit  
00:26:40 --> 00:26:43: returns with a institutional investment class.  
00:26:43 --> 00:26:46: I think transparency is also something that will help less  
00:26:46 --> 00:26:49: in addition to increased collaboration.  
00:26:51 --> 00:26:55: Fantastic. Thank you, bill. Do you have any views on  
00:26:55 --> 00:26:59: that in terms of the regional question?  
00:26:59 --> 00:27:01: I would actually agree with Marcus.  
00:27:01 --> 00:27:05: I think cities are just going to grow and I  
00:27:05 --> 00:27:08: think politicians don't particularly like it.  
00:27:08 --> 00:27:11: It doesn't suit their their voter base,  
00:27:11 --> 00:27:15: but the economies of scale going cities and the attraction  
00:27:15 --> 00:27:18: for young people to be in cities.  
00:27:18 --> 00:27:20: I mean I have got my children,  
00:27:20 --> 00:27:24: my children. I live. I live 30 miles outside Dublin  
00:27:24 --> 00:27:28: but all my children departed the nest more than 20  
00:27:28 --> 00:27:30: years ago and insist on living.  
00:27:30 --> 00:27:33: And in town why? Because their jobs are down the  
00:27:33 --> 00:27:33: road.  
00:27:33 --> 00:27:36: This Tennis Club is down the road.  
00:27:36 --> 00:27:37: The friends are down the road.  
00:27:37 --> 00:27:41: They go to the restaurants and they meet their friends  
00:27:41 --> 00:27:43: there and in many ways urban living is.  
00:27:43 --> 00:27:46: It is a social activity.  
00:27:46 --> 00:27:49: They they have an integrated life,  
00:27:49 --> 00:27:52: which is far more complicated than miners are.  
00:27:52 --> 00:27:56: My never was it's and they could not have that  
00:27:56 --> 00:28:02: kind of sophisticated relationship driven life in a rural location.  
00:28:02 --> 00:28:05: And you know the the Tennis Club is 10 minutes  
00:28:05 --> 00:28:06: away.

00:28:06 --> 00:28:09: The swimming pool is 15 minutes away and my I  
00:28:09 --> 00:28:13: don't see my grandchildren very often because they want to  
00:28:13 --> 00:28:16: be in town too because their friends are in town.  
00:28:16 --> 00:28:18: So I think we are in a in a trend  
00:28:18 --> 00:28:20: which is unlikely to change.  
00:28:20 --> 00:28:23: But you know I've seen so many things that I  
00:28:23 --> 00:28:25: thought might change my life.  
00:28:25 --> 00:28:29: I it's possible that that technology will actually move this  
00:28:29 --> 00:28:32: move this around in a different way,  
00:28:32 --> 00:28:34: but you know. I, my grandchildren,  
00:28:34 --> 00:28:36: will not will want to live in in towns and  
00:28:37 --> 00:28:38: we want to live in large towns.  
00:28:38 --> 00:28:41: They want to get to the country they want to  
00:28:41 --> 00:28:43: get to the country in the at the weekends.  
00:28:43 --> 00:28:46: Of course, I mean, I call it the Paris effect.  
00:28:46 --> 00:28:49: People want to be in the city during the week,  
00:28:49 --> 00:28:52: but they want to go to the Britney over their  
00:28:52 --> 00:28:54: country houses at the weekend or Holidays.  
00:28:54 --> 00:28:58: I think that's going to be the pattern.  
00:28:58 --> 00:29:02: Interesting, sounds like there's a real need for infrastructure  
investment  
00:29:02 --> 00:29:05: as well to open up more locations for this kind  
00:29:05 --> 00:29:06: of growth overtime,  
00:29:06 --> 00:29:09: and it sounds like that might fall into something we  
00:29:09 --> 00:29:12: spoke about earlier in terms of a robust long-term plan.  
00:29:12 --> 00:29:16: Some of the questions coming in talk a little bit  
00:29:16 --> 00:29:18: about the the cost of delivery.  
00:29:18 --> 00:29:21: And it's really interesting because we have a different  
narratives.  
00:29:21 --> 00:29:24: I think in the Irish context around what it actually  
00:29:24 --> 00:29:25: costs to deliver units.  
00:29:25 --> 00:29:28: I would be very interested in Bill to continue with  
00:29:28 --> 00:29:29: you there,  
00:29:29 --> 00:29:32: just in terms of the cost to deliver units.  
00:29:32 --> 00:29:35: We get some media suggesting that it's in the two  
00:29:35 --> 00:29:38: hundreds and yet we on the development side see a  
00:29:38 --> 00:29:42: very real number that's significantly greater than that.  
00:29:42 --> 00:29:44: Where do you see that?  
00:29:44 --> 00:29:47: I think it goes back to the to the to  
00:29:47 --> 00:29:52: the level of debate that is taking place both in  
00:29:52 --> 00:29:56: the media and in and very off technically is that.  
00:29:56 --> 00:30:01: That the. When I moved out of commercial property  
effectively



00:30:01 --> 00:30:02: into residential,  
00:30:02 --> 00:30:05: I had no idea of the complexity of the residential  
00:30:05 --> 00:30:08: sector as opposed to the commercial sector.  
00:30:08 --> 00:30:10: The commercial sector works with tenants,  
00:30:10 --> 00:30:12: works with landlords, work with builders.  
00:30:12 --> 00:30:14: When you get into the residential sector,  
00:30:14 --> 00:30:18: you've got a totally different environment because you're  
dealing with  
00:30:18 --> 00:30:21: a more complicated form of real estate.  
00:30:21 --> 00:30:23: But you're also dealing with the media.  
00:30:23 --> 00:30:27: You're dealing with politicians, etc etc so.  
00:30:27 --> 00:30:31: The debate that take that are taking place on provision  
00:30:31 --> 00:30:34: of housing are are what I would call pub level  
00:30:34 --> 00:30:38: rather than at A&A long way from academic or informed  
00:30:38 --> 00:30:42: level. Ann and I think that's one of the changes  
00:30:42 --> 00:30:45: we have to try and achieve as as as a  
00:30:45 --> 00:30:48: ULI can change is trying to get people get the  
00:30:48 --> 00:30:53: level of debate so that people understand that delivering a  
00:30:53 --> 00:30:57: house you can deliver US 3 bedroom semi D today  
00:30:57 --> 00:31:00: in suburban Dublin cost about 350 to 400,000.  
00:31:00 --> 00:31:03: And less than half that is the concrete.  
00:31:03 --> 00:31:06: The rest of it is infrastructure around certain services,  
00:31:06 --> 00:31:09: etc. And taxation. There's a big chunk of taxation and  
00:31:09 --> 00:31:13: I'd be interested in Xavier and Marcus's views on taxation.  
00:31:13 --> 00:31:14: We charge we charge 13%  
00:31:14 --> 00:31:17: on the cost of a of building a house here,  
00:31:17 --> 00:31:20: and that goes straight through into the bottom line and  
00:31:20 --> 00:31:22: enter into rental levels.  
00:31:22 --> 00:31:25: And I suspect that that doesn't apply another in other  
00:31:25 --> 00:31:26: countries,  
00:31:26 --> 00:31:29: but I'd be interested to hear what their comment is  
00:31:29 --> 00:31:30: if I may pose a question,  
00:31:30 --> 00:31:34: but the. Costs are higher here.  
00:31:34 --> 00:31:37: It then they are in other countries.  
00:31:37 --> 00:31:40: Why? An? Because? Because we are an island country and  
00:31:40 --> 00:31:43: a lot of our materials have to be brought from  
00:31:43 --> 00:31:44: abroad.  
00:31:44 --> 00:31:47: So where are you importing steel and glass and all  
00:31:47 --> 00:31:49: those materials from abroad?  
00:31:49 --> 00:31:52: And there's an add-on cost there.  
00:31:52 --> 00:31:56: And the second thing is the different differential between  
houses

00:31:56 --> 00:31:57: and apartments.

00:31:57 --> 00:32:03: We have been traditionally very efficient at building the semi detached house.

00:32:03 --> 00:32:04:

00:32:04 --> 00:32:08: Most of our builders builder developers were originally tradesmen,

00:32:08 --> 00:32:11: carpenters or block layers and so on,

00:32:11 --> 00:32:14: and they know exactly how to achieve economies of scale from building large numbers of semi detached houses.

00:32:14 --> 00:32:17:

00:32:17 --> 00:32:21: We have not had a tradition of building apartments and we do not have the economies of scale and the experience that that exists in countries like Germany in building

00:32:21 --> 00:32:23:

00:32:24 --> 00:32:28: apartments are cost of apartments are high because we don't build many of them are.

00:32:28 --> 00:32:31:

00:32:31 --> 00:32:33:

00:32:33 --> 00:32:36: Cost of housing is. Is relatively efficient,

00:32:36 --> 00:32:39: so coming back to my house or 350,000 that is

00:32:39 --> 00:32:43: 50,000 of that nearly \$50,000 made over taxation.

00:32:43 --> 00:32:46: So when you take that off your down to 300,000,

00:32:46 --> 00:32:50: I'd be interested to hear what a semi detached 3 bedroom house cost to build in in Germany or in Holland.

00:32:50 --> 00:32:54:

00:32:54 --> 00:32:54:

00:32:54 --> 00:32:58: Yeah, very interesting go thank you and I think it's interesting to look at the proportion of apartment living in Ireland versus mainland Europe as well.

00:32:58 --> 00:33:01:

00:33:01 --> 00:33:04:

00:33:04 --> 00:33:07: In terms of that level of acceptance demonstrated there and we have a long way to go measured against our earlier discussion there around the houses we want to live in the cities we want to build and the need for that infrastructure.

00:33:07 --> 00:33:10:

00:33:10 --> 00:33:13:

00:33:13 --> 00:33:16:

00:33:16 --> 00:33:17:

00:33:17 --> 00:33:21: That long term vision to deliver those cities and more apartments coinciding with that culture around apartment building.

00:33:21 --> 00:33:25:

00:33:25 --> 00:33:28: I'm I guess one of the questions coming in further to that point.

00:33:28 --> 00:33:29:

00:33:29 --> 00:33:32: Actually, before I do, I would like to grab one of Wills quest bills questions in there,

00:33:32 --> 00:33:35:

00:33:35 --> 00:33:38: around around taxation and on the the cost stack for any individual unit.

00:33:38 --> 00:33:40:

00:33:40 --> 00:33:43: We see that as a very significant component as you outlined there that can be 13 1/2%

00:33:43 --> 00:33:45:

00:33:45 --> 00:33:49: on residential units and for us that's taking a big part of the pie.

00:33:49 --> 00:33:50:

00:33:50 --> 00:33:53: I'd like to pose a question to to Javier and

00:33:53 --> 00:33:57: Marcus around around that and whether taxation concessions on.

00:33:57 --> 00:34:02: Intermediate housing or housing generally is something you see elsewhere.

00:34:02 --> 00:34:03: If I can pick that one up,

00:34:03 --> 00:34:06: you know we see it definitely elsewhere,

00:34:06 --> 00:34:09: and I think that's an interesting point in the premise

00:34:09 --> 00:34:10: there that you know there's,

00:34:10 --> 00:34:12: for instance, if I look at iPhones,

00:34:12 --> 00:34:14: there's no lack in iPhones.

00:34:14 --> 00:34:15: Everyone can get an iPhone,

00:34:15 --> 00:34:17: and I don't eat any kind of tax subsidy to

00:34:18 --> 00:34:20: buy my iPhone in housing markets across Europe.

00:34:20 --> 00:34:23: the Irish situation specific, and perhaps a little bit more

00:34:23 --> 00:34:25: intense and elsewhere,

00:34:25 --> 00:34:27: but we have kind of broken housing markets,

00:34:27 --> 00:34:30: right? So the market that kind of works for iPhones

00:34:30 --> 00:34:32: kind of doesn't seem to work for.

00:34:32 --> 00:34:36: For housing, so it's that's an interesting kind of starting

00:34:36 --> 00:34:36: point,

00:34:36 --> 00:34:39: and if you take that as a starting point that

00:34:39 --> 00:34:43: you know the market doesn't seem to function,

00:34:43 --> 00:34:46: the market that is currently structured so you know what

00:34:46 --> 00:34:49: kind of extra work and the government taken.

00:34:49 --> 00:34:53: That's a bit question, then in terms of no taxation

00:34:53 --> 00:34:57: or other kinds of subsidies that the government can have

00:34:57 --> 00:34:59: to kind of nudge or push prices down,

00:34:59 --> 00:35:03: and behavior of people in the right direction.

00:35:03 --> 00:35:07: Then of course that's isn't isn't effective instrument.

00:35:07 --> 00:35:10: I think the French will have quite a lot of

00:35:10 --> 00:35:13: knowledge on both the social welfare state and taxation.

00:35:13 --> 00:35:17: They kind of have this logmar intermediary definition,

00:35:17 --> 00:35:21: which is almost literally kind of intermediate housing,

00:35:21 --> 00:35:23: right? It's the same concept,

00:35:23 --> 00:35:25: and it's basically for key workers,

00:35:25 --> 00:35:29: so it it's. It's actually what we're talking about.

00:35:29 --> 00:35:33: And they have this kind of subsidies that are both.

00:35:33 --> 00:35:38: Back to waste. Once you reduce their faith in everything

00:35:38 --> 00:35:39: from 20 to 10%.

00:35:39 --> 00:35:42: Considerable Ann and also you don't pay property.

00:35:42 --> 00:35:46: Local property taxes for period of 20 years if you.

00:35:46 --> 00:35:49: If you don't it should keep the the asset in

00:35:49 --> 00:35:53: affordable housing rental brackets or there is regulation around now

00:35:54 --> 00:35:58: and it has been quite effective in producing intermediate housing

00:35:58 --> 00:36:01: in the Netherlands. You have drop off transfer tax.

00:36:01 --> 00:36:05: It's not really Viti but it's brand protects that was

00:36:05 --> 00:36:06: dropped from 6%

00:36:06 --> 00:36:09: to 2% during the crisis and it's also.

00:36:09 --> 00:36:13: Was also dropped. A few converted officers into raising right?

00:36:13 --> 00:36:16: So that's also kind of instruments to work to work

00:36:16 --> 00:36:16: with,

00:36:16 --> 00:36:20: so it is an effective instrument to notch behavior.

00:36:20 --> 00:36:23: But I also think that the fundamental problem at all

00:36:23 --> 00:36:23: of that,

00:36:23 --> 00:36:27: it's scalability. We don't have states that have a lot

00:36:27 --> 00:36:27: of cash.

00:36:27 --> 00:36:29: We on the end of a debt cycle,

00:36:29 --> 00:36:33: don't wait. You look at the Bretton Woods styles of

00:36:33 --> 00:36:36: a system that levels that we had after World War

00:36:36 --> 00:36:39: were kind of restructured and now we have very high

00:36:39 --> 00:36:43: levels. So I'm not sure you know how sustainable that

00:36:43 --> 00:36:43: is.

00:36:43 --> 00:36:45: You would want to see.

00:36:45 --> 00:36:47: Also, you know what can we do in terms of

00:36:47 --> 00:36:51: affordable social with a market based principles,

00:36:51 --> 00:36:55: rather many impact impact investors that think that housing isn't

00:36:55 --> 00:36:58: it some sensible social investment.

00:36:58 --> 00:37:01: You can make a decent stable return and that doesn't

00:37:01 --> 00:37:03: need to be that high.

00:37:03 --> 00:37:07: And it is still competitive in this environment because

00:37:07 --> 00:37:09: interests

00:37:09 --> 00:37:11: are so low if compared to,

00:37:09 --> 00:37:11: for instance, state bonds so.

00:37:11 --> 00:37:14: It's it's I'm not going into another direction,

00:37:14 --> 00:37:17: I know, but I just want to chip it in

00:37:17 --> 00:37:19: that that this point of scalability.

00:37:19 --> 00:37:23: I think with all tax and subsidy questions is one

00:37:23 --> 00:37:26: that you really need to think about.

00:37:26 --> 00:37:29: OK, thanks earlier. I think there's a few questions coming

00:37:29 --> 00:37:33: in around the content of the report and how we

00:37:33 --> 00:37:36: can sort of quick snapshots as to takeaways and the

00:37:36 --> 00:37:40: recommendations of the report and in advance of our

audience.

**00:37:40 --> 00:37:43:** Sort of getting into the detail of that report.

**00:37:43 --> 00:37:45:** I think it would be interesting.

**00:37:45 --> 00:37:49:** There's a question there from Karina works that I might

**00:37:49 --> 00:37:51:** ask Bill to have a look at,

**00:37:51 --> 00:37:54:** and in the interim I just want to look to

**00:37:54 --> 00:37:56:** ask Marcus if if.

**00:37:56 --> 00:37:58:** We could talk about John O'Connor's question here.

**00:37:58 --> 00:38:01:** The key messages from the UI promoting housing affordability report

**00:38:01 --> 00:38:04:** based on our discussion yesterday and and the great discussion

**00:38:04 --> 00:38:05:** we're having today.

**00:38:05 --> 00:38:08:** Marcus, are there some key points that you would highlight

**00:38:08 --> 00:38:11:** there from your experience in in the steering group for

**00:38:11 --> 00:38:11:** the report?

**00:38:11 --> 00:38:14:** We haven't touched on?

**00:38:14 --> 00:38:17:** I think we've we've touched on already on quite a

**00:38:17 --> 00:38:19:** lot of what we have experienced,

**00:38:19 --> 00:38:22:** but I think one of the key learning of when

**00:38:22 --> 00:38:25:** we set up the report and also about the project

**00:38:25 --> 00:38:27:** because I think for for you rely Europe.

**00:38:27 --> 00:38:30:** That report is not the end of the project.

**00:38:30 --> 00:38:32:** We want to keep that ongoing.

**00:38:32 --> 00:38:35:** I think what we learned is there is no one

**00:38:35 --> 00:38:38:** size fits all solution that you can apply across all

**00:38:38 --> 00:38:42:** cities across all countries or called across all regions.

**00:38:42 --> 00:38:46:** It's simply. The idea of the report was show examples

**00:38:46 --> 00:38:49:** that worked and then take your local situation.

**00:38:49 --> 00:38:52:** Take your local market players,

**00:38:52 --> 00:38:57:** your political governmental, whatever players you have and try to

**00:38:57 --> 00:38:59:** figure out how can it be adapted.

**00:38:59 --> 00:39:02:** Not saying this worked in Barcelona,

**00:39:02 --> 00:39:04:** so that's why we do it in Dublin.

**00:39:04 --> 00:39:07:** It's it's a coastal city as well,

**00:39:07 --> 00:39:10:** so it worked in Barcelona and should work in Dublin

**00:39:10 --> 00:39:11:** as well.

**00:39:11 --> 00:39:15:** No, no think about cleverly think about in a group

**00:39:15 --> 00:39:16:** with a group of.

**00:39:16 --> 00:39:20:** Intelligent people operating in that sector and think how can

**00:39:20 --> 00:39:21:** it be adapted?

**00:39:21 --> 00:39:23:** What do we need to change?

00:39:23 --> 00:39:26: What can we take on and maybe look at other  
00:39:26 --> 00:39:27: examples?  
00:39:27 --> 00:39:31: How can we possibly integrate something that worked in that  
00:39:31 --> 00:39:33: that special context to that project?  
00:39:33 --> 00:39:37: So I think the biggest takeaway is also think about  
00:39:37 --> 00:39:37: it.  
00:39:37 --> 00:39:41: Take take a look and then discuss what can work.  
00:39:41 --> 00:39:45: The project of this affordability report is also to create  
00:39:45 --> 00:39:46: a library of.  
00:39:46 --> 00:39:51: Different projects across the European countries and across  
the cities  
00:39:51 --> 00:39:54: that should grow overtime so that everybody can take a  
00:39:54 --> 00:39:55: look at,  
00:39:55 --> 00:39:58: think about, and then how can it be adapted.  
00:39:58 --> 00:40:01: It's not to say the report tells you how to  
00:40:01 --> 00:40:02: do it.  
00:40:02 --> 00:40:05: The report should give you in ideas and ways how  
00:40:05 --> 00:40:07: you can tackle it,  
00:40:07 --> 00:40:11: and then discuss how you can implement it.  
00:40:11 --> 00:40:15: Fantastic collaboration and transparency. Two things that  
seem to be  
00:40:16 --> 00:40:19: coming up again and again and the calls for housing  
00:40:19 --> 00:40:22: Commission or Task Force seem incredibly relevant.  
00:40:22 --> 00:40:25: A question here from Pat Farrell that I'd like to  
00:40:25 --> 00:40:26: pose.  
00:40:26 --> 00:40:29: Or sorry I've I've skipped over the one day and  
00:40:29 --> 00:40:29: Bill will.  
00:40:29 --> 00:40:33: Carina Wilkes has asked. It has been reported that  
unaffordable  
00:40:33 --> 00:40:36: housing in England is due to four factors.  
00:40:36 --> 00:40:39: The shortage of land for development,  
00:40:39 --> 00:40:42: the lack of finance available for major infrastructure.  
00:40:42 --> 00:40:47: Low productivity growth in construction and insufficient  
market diversity or  
00:40:47 --> 00:40:50: a concentrated market does the panel think these apply in  
00:40:50 --> 00:40:51: Ireland?  
00:40:51 --> 00:40:53: Wonder if you have any thoughts?  
00:40:53 --> 00:40:55: OK, let's start on the on the I'm going to  
00:40:55 --> 00:40:57: ask you to repeat those questions,  
00:40:57 --> 00:40:59: but that start on the land one.  
00:40:59 --> 00:41:02: I think there is England is A is a country  
00:41:02 --> 00:41:04: with the population of 60,000,000 odd.  
00:41:04 --> 00:41:07: We have a population of just over 4 million.

00:41:07 --> 00:41:09: We don't have a scarcity of land.  
00:41:09 --> 00:41:10: We are you just fly over.  
00:41:10 --> 00:41:12: When you're flying across Dublin,  
00:41:12 --> 00:41:15: you just look down and you see an awful lot  
00:41:15 --> 00:41:16: of green.  
00:41:16 --> 00:41:20: Very close to relatively close to the city center.  
00:41:20 --> 00:41:23: Now what we do have is a shortage of public  
00:41:23 --> 00:41:26: transport and particularly rail public transport.  
00:41:28 --> 00:41:31: Dublin is roughly the same size as in in  
00:41:31 --> 00:41:33: in land area as Paris,  
00:41:33 --> 00:41:35: yet our population is is is is 18 the size  
00:41:36 --> 00:41:36: of Paris.  
00:41:36 --> 00:41:40: But if you look at the rail service in Paris  
00:41:40 --> 00:41:44: you will find that they have multiple rail going out  
00:41:44 --> 00:41:47: of going out to the land that is available.  
00:41:47 --> 00:41:50: My father was a town planner and he said,  
00:41:50 --> 00:41:53: you say that the development followed the pipes and you  
00:41:53 --> 00:41:56: know that's the reality and if you look at the  
00:41:56 --> 00:42:00: expansion of London during the end of the beginning of  
00:42:00 --> 00:42:03: the last century, basically it followed the railway station,  
00:42:03 --> 00:42:07: railway lines. The railway lines were built very often by  
00:42:07 --> 00:42:11: by developers are the tube lines and kind of development  
00:42:11 --> 00:42:12: followed them.  
00:42:12 --> 00:42:15: So we we have we got caught in that development  
00:42:15 --> 00:42:18: followed the road so we tend to have a relatively.  
00:42:18 --> 00:42:21: Low density and the whole the whole emphasis here now  
00:42:21 --> 00:42:24: is on policy is to try and get people get  
00:42:24 --> 00:42:27: get density up along transport corridors.  
00:42:27 --> 00:42:30: The one of the one of the difficulties about that  
00:42:30 --> 00:42:34: here is that you can build a semi detached house.  
00:42:34 --> 00:42:37: I said earlier for for 350,000 out in the suburbs.  
00:42:37 --> 00:42:41: But when you want to build an apartment closer to  
00:42:41 --> 00:42:44: the city center it's going to cost you 400 or  
00:42:44 --> 00:42:47: 450,000 for a 2 bedroom apartment.  
00:42:47 --> 00:42:49: But now and the problem is the market,  
00:42:49 --> 00:42:53: the market is not prepared to pay the price in  
00:42:53 --> 00:42:56: the extra price for for that for that apartment.  
00:42:56 --> 00:43:00: So basically we have a an anomaly here with the  
00:43:00 --> 00:43:02: policy of urbanization,  
00:43:02 --> 00:43:05: but we have a market situation which is driving sub  
00:43:05 --> 00:43:06: urbanization,  
00:43:06 --> 00:43:10: so that is an anomaly that needs to get needs

00:43:10 --> 00:43:13: to get sorted out at at policy level and at  
00:43:13 --> 00:43:15: implementation level problems.  
00:43:15 --> 00:43:20: A second question. The low productivity growth in  
construction and  
00:43:20 --> 00:43:24: insufficient market diversity or a concentrated market I,  
00:43:24 --> 00:43:28: I think our construction industry is remarkably robust.  
00:43:28 --> 00:43:32: Its ability to move from zero to producing 20,000 houses  
00:43:32 --> 00:43:35: in the space of three or four years is absolutely  
00:43:35 --> 00:43:36: remarkable.  
00:43:36 --> 00:43:38: So I think we have it.  
00:43:38 --> 00:43:41: We have a construction industry which is very good by  
00:43:41 --> 00:43:43: international levels,  
00:43:43 --> 00:43:45: I mean go back to the bad days of the  
00:43:45 --> 00:43:48: of the Celtic Tiger we were producing.  
00:43:48 --> 00:43:50: 90,000 houses at the top.  
00:43:50 --> 00:43:53: Now I know we had we had problems with standards  
00:43:53 --> 00:43:53: and so on,  
00:43:53 --> 00:43:57: but still we we poured 90,000 foundations a year and  
00:43:57 --> 00:43:58: built the houses.  
00:43:58 --> 00:44:02: You know, we didn't necessarily building with the right place,  
00:44:02 --> 00:44:05: which was what was a policy problem rather than a  
00:44:05 --> 00:44:06: construction problem.  
00:44:06 --> 00:44:10: So I think our construction industry is actually very very  
00:44:10 --> 00:44:13: good and it is got better and better.  
00:44:13 --> 00:44:17: And I think the standards that have been imposed on  
00:44:17 --> 00:44:18: it recently.  
00:44:18 --> 00:44:21: Have actually improved it. I mean there was a time  
00:44:21 --> 00:44:23: when you were buying a new house.  
00:44:23 --> 00:44:25: You have to worry about about whether the proof was  
00:44:25 --> 00:44:28: properly was was was going to stay there.  
00:44:28 --> 00:44:32: Nowadays there are so much certification and specification  
checking I  
00:44:32 --> 00:44:34: think you know you could almost buy a house off  
00:44:34 --> 00:44:37: off the peg and know that it's going to be  
00:44:37 --> 00:44:39: as good as a car that you would get from  
00:44:39 --> 00:44:40: from Jaguar,  
00:44:40 --> 00:44:42: Arneson, wherever it happens to be.  
00:44:42 --> 00:44:44: So I don't think we have any problem with housing  
00:44:45 --> 00:44:46: standards here provided,  
00:44:46 --> 00:44:50: provided our enforcement continues. What was the 3rd  
question?  
00:44:50 --> 00:44:53: You've covered them all. You've done well.  
00:44:53 --> 00:44:56: So much Bill now I think of fantastic answer there



00:44:56 --> 00:44:59: and I I think it's an interesting comparison to the  
00:44:59 --> 00:45:02: to the to the UK context in question that I'd  
00:45:02 --> 00:45:05: like to pose to to to have year is when  
00:45:05 --> 00:45:08: we look at a functioning affordable housing market like the  
00:45:08 --> 00:45:09: UK,  
00:45:09 --> 00:45:12: where there's sort of clear regulation and a lot of  
00:45:12 --> 00:45:15: investment appetite to participate in that market.  
00:45:15 --> 00:45:18: That's something that we are yet to see developed to  
00:45:18 --> 00:45:21: the same sort of scale in an Irish context.  
00:45:21 --> 00:45:24: What are the initial things of the first things?  
00:45:24 --> 00:45:26: That a housing Commission, for example,  
00:45:26 --> 00:45:30: needs to discuss in formulating the framework for a functional  
00:45:30 --> 00:45:34: affordable housing market to come into play in Ireland.  
00:45:34 --> 00:45:37: But funny that you would take the UK as an  
00:45:37 --> 00:45:40: example because we would not have chosen the UK as  
00:45:40 --> 00:45:41: an example,  
00:45:41 --> 00:45:44: it's a market worth which actually has a longstanding debate  
00:45:44 --> 00:45:47: since the 70s as well on there and how to  
00:45:47 --> 00:45:50: increase production of rental and affordable homes.  
00:45:50 --> 00:45:52: But that's part that I mean it's a it's a  
00:45:52 --> 00:45:53: different topic,  
00:45:53 --> 00:45:56: so I think with the key thing that we,  
00:45:56 --> 00:46:00: the key things were already a little bit sad so.  
00:46:00 --> 00:46:03: It's it's. It's a matter of courage and courage.  
00:46:03 --> 00:46:06: You need to kind of define a clear strategy.  
00:46:06 --> 00:46:10: So I think there is no lack such on knowledge  
00:46:10 --> 00:46:10: or data.  
00:46:10 --> 00:46:14: I think everyone knows more or less pretty well where  
00:46:14 --> 00:46:15: the problems are.  
00:46:15 --> 00:46:18: We need to find a consensus in Ireland.  
00:46:18 --> 00:46:21: So you need to kind of go with the people  
00:46:21 --> 00:46:24: that are on the opposite side of what you think  
00:46:24 --> 00:46:26: and kind of you know,  
00:46:26 --> 00:46:30: grab them lovingly in your arms and embrace them and  
00:46:30 --> 00:46:30: say no,  
00:46:30 --> 00:46:32: we're going into a room.  
00:46:32 --> 00:46:35: And we're not getting out until we have a common  
00:46:35 --> 00:46:38: strategy as to how we will agree on solving the  
00:46:38 --> 00:46:38: housing crisis.  
00:46:38 --> 00:46:41: That from my perspective and really boom.  
00:46:41 --> 00:46:44: Bust boom bust. So only market where we failed to  
00:46:44 --> 00:46:46: invest in Europe and in only Mark where we wanted

00:46:46 --> 00:46:49: to invest and we failed to to invest because the  
00:46:49 --> 00:46:52: boom bust was kind of too complicated for me to  
00:46:52 --> 00:46:52: follow.  
00:46:52 --> 00:46:54: So I think that also the Irish.  
00:46:54 --> 00:46:57: It makes the Irish housing market and probably also lose  
00:46:57 --> 00:47:00: a lot of capital and energy because you suffer.  
00:47:00 --> 00:47:03: Mostly I think of this short boom bust cycle.  
00:47:03 --> 00:47:06: So you need kind of a strategic plan that is  
00:47:07 --> 00:47:11: long term and kind of involves the key stakeholders and  
00:47:11 --> 00:47:15: in that sense you know they'll be careful with examples,  
00:47:15 --> 00:47:18: but you know the kind of way that the Germans  
00:47:18 --> 00:47:22: or the French or the Dutch in all different degrees,  
00:47:22 --> 00:47:26: but they kind of seem to be able the Austrians  
00:47:26 --> 00:47:29: to take a long term view on solving the housing  
00:47:29 --> 00:47:32: market with various stakeholders.  
00:47:32 --> 00:47:34: And it's not. Perfect either,  
00:47:34 --> 00:47:37: but I think that seems to be missing in Ireland.  
00:47:37 --> 00:47:40: This long-term approach of consensus,  
00:47:40 --> 00:47:43: and I think that's the key point.  
00:47:43 --> 00:47:46: Thanks, thanks for being there was one question that I  
00:47:46 --> 00:47:50: accidentally dismissed around standards and the cost of  
delivery in  
00:47:51 --> 00:47:51: Ireland,  
00:47:51 --> 00:47:55: suggesting that the quality of housing standards is very high  
00:47:55 --> 00:47:56: by global comparison,  
00:47:56 --> 00:47:58: which I would agree with.  
00:47:58 --> 00:48:00: The current standards are very are very high,  
00:48:00 --> 00:48:03: but it's interesting. I think it ties into alot of  
00:48:04 --> 00:48:07: the other points we've discussed today around the cost of  
00:48:07 --> 00:48:09: delivery and the standards for housing,  
00:48:09 --> 00:48:13: whether they should be reduced or or even improved as  
00:48:13 --> 00:48:13: as some.  
00:48:13 --> 00:48:17: Political suggestions are at the moment I would suggest from  
00:48:17 --> 00:48:20: our analysis that the standards are very robust and to  
00:48:20 --> 00:48:23: keep pace with NS AB which is flagged in the  
00:48:23 --> 00:48:27: question will need to keep those standards relatively high  
from  
00:48:27 --> 00:48:29: a constructability point,  
00:48:29 --> 00:48:32: but I think you know there are other things other  
00:48:32 --> 00:48:35: opportunities we we can look at we can continue to  
00:48:35 --> 00:48:38: build fantastic quality homes as Bill said with a very  
00:48:38 --> 00:48:44: functional construction sector, but standards are something  
that will need

00:48:44 --> 00:48:45: to be very.

00:48:45 --> 00:48:49: Very intensively looked at by a very informed Council,

00:48:49 --> 00:48:52: and I think the Housing Commission has a role to

00:48:52 --> 00:48:56: do to oversee the development of those standards without allowing

00:48:56 --> 00:48:59: any wins to influence massive shifts in those standards.

00:48:59 --> 00:49:03: If we are also to achieve their sustainability goals that

00:49:03 --> 00:49:05: ends up prescribed for the EU,

00:49:05 --> 00:49:08: I might move on to this question from Pat Farrell

00:49:08 --> 00:49:09: an important question.

00:49:09 --> 00:49:12: For for targeted for Bill and that is your thoughts

00:49:12 --> 00:49:15: on how we close the affordability or viability gap.

00:49:15 --> 00:49:18: To assist more people to own their own homes.

00:49:23 --> 00:49:26: Who is that question for Tom?

00:49:26 --> 00:49:31: For me, sorry. I mean your answer is the answer

00:49:31 --> 00:49:33: is it's you know.

00:49:33 --> 00:49:36: We were caught it were caught in a in a

00:49:36 --> 00:49:37: three legged stool.

00:49:37 --> 00:49:42: Situation is affordability, cost, cost of delivery and finance.

00:49:42 --> 00:49:45: I mean, those three have to to have to make

00:49:45 --> 00:49:47: to make housing viable.

00:49:47 --> 00:49:49: All of those have to have to be have to

00:49:49 --> 00:49:53: stand together and the the the weaknesses,

00:49:53 --> 00:49:55: the affordability side of it.

00:49:55 --> 00:50:00: So basically who? How do you subsidize the difference between

00:50:00 --> 00:50:04: what it costs about somebody can afford?

00:50:04 --> 00:50:06: And I don't know the answer to that.

00:50:06 --> 00:50:09: I mean there you have a concrete block and a

00:50:09 --> 00:50:13: yard of gaana meter of concrete cost the same regardless

00:50:14 --> 00:50:16: of who's occupying the man.

00:50:16 --> 00:50:18: Water, water, water, salary level is.

00:50:18 --> 00:50:22: So I mean, various proposals have come forward.

00:50:22 --> 00:50:25: You've got the shared equity scheme in the UK where

00:50:25 --> 00:50:27: the government owned 20%

00:50:27 --> 00:50:31: and put up and could give you alone for that

00:50:32 --> 00:50:32: amount.

00:50:32 --> 00:50:35: Yes, that could work, but you know,

00:50:35 --> 00:50:38: is it just simply going to put up the price

00:50:38 --> 00:50:42: of houses by my increasing competition for the available stock?

00:50:42 --> 00:50:46: I don't know. That's the state owned equity part of

00:50:46 --> 00:50:48: your house is an issue.

00:50:48 --> 00:50:50: I have no expertise in at all and my my  
00:50:50 --> 00:50:54: expertise is in the rental side and on the investment  
00:50:54 --> 00:50:55: side.  
00:50:55 --> 00:50:57: So how you do a shared equity?  
00:50:57 --> 00:51:00: I don't know. So then in terms of the cost  
00:51:00 --> 00:51:01: rental piece,  
00:51:01 --> 00:51:04: it was something we were intending to come back to  
00:51:04 --> 00:51:05: Bill.  
00:51:05 --> 00:51:08: But your I guess suggestions there about how we could  
00:51:08 --> 00:51:12: implement an effective cost rental model I think would be  
00:51:13 --> 00:51:16: a really interesting place to dig in a little deeper.  
00:51:16 --> 00:51:19: OK, some of you may have seen the paper.  
00:51:19 --> 00:51:22: The article I wrote in the Sunday business post last  
00:51:22 --> 00:51:23: 10 days ago,  
00:51:23 --> 00:51:26: basically advocating a cost based rental model,  
00:51:26 --> 00:51:29: which was what was with the core of my of  
00:51:29 --> 00:51:30: my PhD thesis.  
00:51:30 --> 00:51:34: And it's very clear to me that the only way  
00:51:34 --> 00:51:38: to do that is through through financing and cheap financing.  
00:51:38 --> 00:51:41: I mean, we the example I put forward in that  
00:51:41 --> 00:51:46: was that you could have it with with government guarantee  
00:51:46 --> 00:51:49: to enable cheap financing that you would be able to  
00:51:49 --> 00:51:53: have a rental of about ???1000 a month or ???250  
00:51:53 --> 00:51:53: a week.  
00:51:53 --> 00:51:57: I think that's affordable in the Irish for the average  
00:51:57 --> 00:51:59: Irish tradesman,  
00:51:59 --> 00:52:04: Middle Lincoln professional. Anne. I present market rent for  
that  
00:52:04 --> 00:52:09: for that house in Dublin is probably 2000 a month  
00:52:09 --> 00:52:12: or more and probably moves up to 4050%  
00:52:12 --> 00:52:15: of the of income.  
00:52:15 --> 00:52:18: As mark aside early, you have to be in the  
00:52:19 --> 00:52:22: in the range where you're the rent paid by a  
00:52:22 --> 00:52:24: tenant is is is is 30%  
00:52:24 --> 00:52:27: or less of their income now at at ???1000 a  
00:52:27 --> 00:52:31: month that would fit the middle link of the average  
00:52:31 --> 00:52:33: middle income.  
00:52:35 --> 00:52:37: Tenant.  
00:52:37 --> 00:52:41: So my argument is that you can provide through an  
00:52:41 --> 00:52:43: appropriate vehicle,  
00:52:43 --> 00:52:48: probably through the housing associations are with impact  
investor or

00:52:48 --> 00:52:50: impact Investor Company.

00:52:50 --> 00:52:55: You can provide high volumes of affordable rental at about

00:52:55 --> 00:52:56: 1000 euros per month.

00:52:59 --> 00:53:02: Provided you will get the support from from the state

00:53:02 --> 00:53:04: and that state my proposal.

00:53:04 --> 00:53:08: My specific proposal was that that was actually done through

00:53:08 --> 00:53:12: the local authorities who would give known as a step

00:53:12 --> 00:53:15: in agreement so they would effectively in the event of

00:53:15 --> 00:53:18: the promoter of the housing going bust,

00:53:18 --> 00:53:21: that the government would step in and make good.

00:53:21 --> 00:53:24: The borrower with that structure in place.

00:53:24 --> 00:53:26: Then the.

00:53:26 --> 00:53:30: Possible to get money long term money on the market

00:53:30 --> 00:53:31: at 2,

00:53:31 --> 00:53:34: two and a half 3%.

00:53:34 --> 00:53:36: Nearby finance cost based housing.

00:53:36 --> 00:53:37: Now there was an echo.

00:53:37 --> 00:53:40: There needs to be an equity element in it and

00:53:40 --> 00:53:42: that can come either from.

00:53:42 --> 00:53:45: Housing associations are from impact investors.

00:53:45 --> 00:53:49: I have experience of working with impact investors and probably

00:53:49 --> 00:53:53: the biggest impact investor in Ireland is the state through

00:53:54 --> 00:53:55: it through its.

00:53:55 --> 00:53:59: Through its investment vehicle.

00:53:59 --> 00:54:04: And they are. They are interested in supporting this type

00:54:05 --> 00:54:08: of of cost based rental housing.

00:54:08 --> 00:54:10: So am I believe that it is doable,

00:54:10 --> 00:54:14: but up to now, the Department of Finance in Ireland

00:54:14 --> 00:54:18: have been absolutely resolute against any kind of guarantee system

00:54:18 --> 00:54:20: in respect of borrowing.

00:54:20 --> 00:54:24: Now all those kind of guarantees systems do exist in

00:54:24 --> 00:54:27: virtually every other European country.

00:54:27 --> 00:54:29: the Dutch have a system which is,

00:54:29 --> 00:54:32: which is not quite a guarantee the government end up

00:54:33 --> 00:54:35: as a long term as a long term long stop,

00:54:35 --> 00:54:39: but there's there are insurance.

00:54:39 --> 00:54:42: Provisions in the middle. So the guarantee is given by

00:54:42 --> 00:54:45: an insurance fund with a long stop from the government.

00:54:45 --> 00:54:48: But the the long and the short of it is

00:54:48 --> 00:54:51: that the finance year the provider of bond financing is

00:54:51 --> 00:54:53: sure that he's going to get his interest,

00:54:53 --> 00:54:57: and he's going to get his money back.

00:54:57 --> 00:55:00: And I don't think we are going to get cost

00:55:00 --> 00:55:05: based housing unless the government changes the Department finance in

00:55:05 --> 00:55:10: particular changes their approach to giving or arranging guarantees structures

00:55:10 --> 00:55:14: for for long term debt.

00:55:14 --> 00:55:16: That's sorry, bit long winded,

00:55:16 --> 00:55:18: but that's that's it. If you want to read the

00:55:18 --> 00:55:22: whole article and read the Sunday business Post 10 days ago,

00:55:22 --> 00:55:25: critically important bill and so important for right now.

00:55:25 --> 00:55:28: So thank you so much for that outline.

00:55:28 --> 00:55:31: It's interesting as as we've been working through today I've

00:55:31 --> 00:55:35: had the the nine recommendations of the report to the side here,

00:55:35 --> 00:55:38: and it feels like we've covered a lot of ground,

00:55:38 --> 00:55:41: so that's fantastic. I guess before I hand over to Tom,

00:55:41 --> 00:55:41: done from the ULI, the Cheruvu Island 2.

00:55:41 --> 00:55:44: To provide some closing remarks,

00:55:44 --> 00:55:46: I would love to go round the panel swiftly and

00:55:46 --> 00:55:48: just capture any final comments.

00:55:48 --> 00:55:50: Sort of an elevator wrap up from each of you

00:55:50 --> 00:55:53: as to anything you think we may not have covered

00:55:53 --> 00:55:56: or you think is critically important to the Irish context

00:55:56 --> 00:55:59: for applying the recommendations of the urali.

00:55:59 --> 00:56:02: Promoting affordable housing report today and I'd like to start

00:56:02 --> 00:56:07: with Marcus.

00:56:07 --> 00:56:08: If I mention it quite a several.

00:56:08 --> 00:56:11: I all the things of social distancing and code.

00:56:14 --> 00:56:18: Look big, look for a big round table and everybody

00:56:18 --> 00:56:21: on that.

00:56:21 --> 00:56:22: We exchange ideas and and discuss what your long term

00:56:22 --> 00:56:25: goals are.

00:56:25 --> 00:56:26: Because I think the long term goals is what you

00:56:26 --> 00:56:29: easily can agree on.

00:56:29 --> 00:56:30: And if you have this then work on achieving these

00:56:30 --> 00:56:33: goals and therefore I think you need a big round

00:56:33 --> 00:56:36: table in the current situation.

00:56:36 --> 00:56:38: Really pertinent, thank you. Have yeah,

00:56:40 --> 00:56:42: well you know I was.

00:56:42 --> 00:56:43:

00:56:43 --> 00:56:46: I was listening to Bill's last comments and I were  
00:56:47 --> 00:56:49: thinking it sounds a little bit.  
00:56:49 --> 00:56:52: Cynical, but but it didn't sound optimistic to me and  
00:56:52 --> 00:56:55: I know Bill very optimistic and solution and creative thinkers.  
00:56:55 --> 00:56:58: So you know if if if you have an idea  
00:56:58 --> 00:57:01: that discourse based rental discussions cannot kind of.  
00:57:01 --> 00:57:04: It's very important, cannot kind of get to the level  
00:57:04 --> 00:57:06: that it needs to get at then think about you  
00:57:07 --> 00:57:09: know what does the other side need and what do  
00:57:09 --> 00:57:11: you need to give the other side.  
00:57:11 --> 00:57:13: Kind of two. And in this case it seems to  
00:57:14 --> 00:57:16: be the finance Department to get them on the table.  
00:57:16 --> 00:57:19: And you know the housing market has kind of two  
00:57:20 --> 00:57:20: legs.  
00:57:20 --> 00:57:23: And those are interconnected and one is the rental lack  
00:57:23 --> 00:57:25: and has a social component in it.  
00:57:25 --> 00:57:29: The other one is the owner occupied by the Finance  
00:57:29 --> 00:57:29: Department.  
00:57:29 --> 00:57:32: Generally is more interested in the owner occupier,  
00:57:32 --> 00:57:36: part of the market, because that's where most of their  
00:57:36 --> 00:57:39: kind of income and incentives are generally to be found.  
00:57:39 --> 00:57:41: So if you thinking about that,  
00:57:41 --> 00:57:44: this is the moment to kind of push the reset  
00:57:44 --> 00:57:44: button.  
00:57:44 --> 00:57:48: Think about the coherence between the two sides of the  
00:57:48 --> 00:57:51: housing market and try to find a kind of a  
00:57:51 --> 00:57:51: package deal.  
00:57:51 --> 00:57:54: Compromise is that you know you have to be able  
00:57:54 --> 00:57:55: to compromise.  
00:57:55 --> 00:57:58: I think if you want to find a solution for  
00:57:58 --> 00:58:00: this kind of a complex and it seems to be  
00:58:00 --> 00:58:04: kind of pillar structure argumentation that you have an island  
00:58:04 --> 00:58:06: where you kind of cannot seem to be able to  
00:58:06 --> 00:58:09: kind of get out of the cocoon and you need  
00:58:09 --> 00:58:11: to be able to get out of the computers.  
00:58:11 --> 00:58:14: Think about those two legs and if you can exchange  
00:58:14 --> 00:58:17: very important parts for each of the protagonist and and  
00:58:17 --> 00:58:20: at least you know get together showing them that you  
00:58:20 --> 00:58:25: have the intention. Find a solution with that.  
00:58:25 --> 00:58:30: And bill. I think that my wish would be that  
00:58:30 --> 00:58:32: the level of the base.  
00:58:32 --> 00:58:36: It goes up from pub level to being an informed

00:58:37 --> 00:58:38: discussion.

00:58:38 --> 00:58:42: How to achieve that is is challenging?

00:58:42 --> 00:58:46: They the if you I have found that if you

00:58:46 --> 00:58:50: start trying to explain how the housing system works.

00:58:50 --> 00:58:54: People have two interests. One is you're finishing up quickly

00:58:54 --> 00:58:57: and the 2nd is what's the price of what my

00:58:57 --> 00:59:00: house going to be worth in 10 years time that

00:59:00 --> 00:59:03: the that it is hugely complicated and you you have

00:59:03 --> 00:59:07: to lift the bonnet of the car to actually understand

00:59:07 --> 00:59:10: how the engine works and so few people,

00:59:10 --> 00:59:13: particularly politicians are prepared to do that.

00:59:13 --> 00:59:17: Very few politicians actually understand the procurement

00:59:17 --> 00:59:21: process,

00:59:21 --> 00:59:23: the finance process, the actual construction process.

00:59:23 --> 00:59:27: And if you understand housing,

00:59:27 --> 00:59:28: you have to, you have to understand the makeup and

00:59:28 --> 00:59:32: and the working.

00:59:32 --> 00:59:35: The motivation of the constituent parts.

00:59:35 --> 00:59:39: And you know you take management,

00:59:39 --> 00:59:41: the management of social housing and rental housing is is

00:59:41 --> 00:59:45: complicated and it is sophisticated.

00:59:45 --> 00:59:48: But again, the only person is really worried about the

00:59:48 --> 00:59:52: management is it is the guy who's got a leak.

00:59:52 --> 00:59:54: He's got his dishwasher leaking either his own one or

00:59:54 --> 00:59:56: the one on the roof above him.

00:59:56 --> 00:59:58: And that's what management is to him.

00:59:58 --> 01:00:03: But you know the management,

01:00:03 --> 01:00:08: the delivery, the design, they are all interconnecting parts.

01:00:08 --> 01:00:09: Which which are not really understood and people and don't

01:00:09 --> 01:00:12: get discussed.

01:00:12 --> 01:00:16: The pub in the in the pub discussion and we

01:00:16 --> 01:00:16: have so many pub discussions on television and it's

01:00:16 --> 01:00:19: wonderful

01:00:19 --> 01:00:22: there.

01:00:22 --> 01:00:26: Media love it because basically you get three people in

01:00:26 --> 01:00:30: and a lot of different views on design that have

01:00:30 --> 01:00:32: different views on financing and off you go for an

01:00:32 --> 01:00:33: hours entertainment with with with for the actual media

01:00:33 --> 01:00:37: sponsor.

01:00:37 --> 01:00:38: So get the level of debate up and I think

01:00:38 --> 01:00:39: that our housing,

01:00:39 --> 01:00:40: age, Housing, Housing Commission backed up by a housing

01:00:40 --> 01:00:41: research



01:00:37 --> 01:00:38: unit,  
01:00:38 --> 01:00:41: we don't have a housing research unit we did have.  
01:00:41 --> 01:00:43: About 30 years ago in the forest,  
01:00:43 --> 01:00:45: for better. But we really need an in depth housing  
01:00:45 --> 01:00:49: research unit which is respected by all the players and  
01:00:49 --> 01:00:52: which can which can pronounce authoritatively on issues as  
they  
01:00:52 --> 01:00:54: come up.  
01:00:54 --> 01:00:57: Interesting thanks bill. And with that I might hand over  
01:00:57 --> 01:01:00: to Tom Dunn and thank you from myself to all  
01:01:00 --> 01:01:01: of the panelists.  
01:01:01 --> 01:01:04: Super interesting Tom and thanks very much Marcus.  
01:01:04 --> 01:01:07: That was really interesting conversation discussion.  
01:01:07 --> 01:01:11: I thought the quality of the debate taking Bill's point  
01:01:11 --> 01:01:14: about the level of debate that point the bill made,  
01:01:14 --> 01:01:17: certainly would not apply to the conversation.  
01:01:17 --> 01:01:18: I think we've had here today.  
01:01:18 --> 01:01:21: I think it's been really in depth and it was  
01:01:21 --> 01:01:24: of course founded on that very good report that the  
01:01:25 --> 01:01:25: ULI.  
01:01:25 --> 01:01:27: Has produced and that is one of the strengths and  
01:01:28 --> 01:01:30: one of the great benefits that the UI provides in  
01:01:30 --> 01:01:31: a country like Ireland.  
01:01:31 --> 01:01:34: Whereas Bill says the level of debate needs to be  
01:01:34 --> 01:01:37: opted and the UI is making a serious contribution to  
01:01:37 --> 01:01:37: that,  
01:01:37 --> 01:01:40: I think through producing reports like this.  
01:01:40 --> 01:01:42: Can I just make a couple of observations?  
01:01:42 --> 01:01:45: First of all, I think Marcus made the point that  
01:01:45 --> 01:01:46: often.  
01:01:46 --> 01:01:49: Solutions to crisis come solutions to problems,  
01:01:49 --> 01:01:52: crisis. I was struck by the point you made that  
01:01:52 --> 01:01:56: you know the long term settle settled approach to housing  
01:01:56 --> 01:02:00: was only upset by the financial crisis and presumably will  
01:02:00 --> 01:02:01: be upset by this crisis too,  
01:02:01 --> 01:02:05: and that this crisis is an opportunity to do something  
01:02:05 --> 01:02:08: about on about the long term way we've been doing  
01:02:08 --> 01:02:09: things,  
01:02:09 --> 01:02:13: particularly in Ireland. And I think this crisis does provide  
01:02:13 --> 01:02:14: an opportunity,  
01:02:14 --> 01:02:16: and I think what Bill was saying.  
01:02:16 --> 01:02:19: Is right that we need some sort of long?

01:02:19 --> 01:02:24: Term well constructed discussion about housing in Ireland fitting all

01:02:24 --> 01:02:27: the great the actors together and making sure that they

01:02:27 --> 01:02:31: all interact and understand the way each other comes at

01:02:31 --> 01:02:34: the problem. I I just would make one observation on

01:02:34 --> 01:02:38: that which I don't think came up in this conversation,

01:02:38 --> 01:02:41: but I think it's kind of important and that is

01:02:41 --> 01:02:44: that there's an ideological issue in housing.

01:02:44 --> 01:02:47: If I look across the solutions that are put forward

01:02:47 --> 01:02:50: in Ireland you can see deep ideological.

01:02:50 --> 01:02:53: Foundations for a lot of these which come from views

01:02:53 --> 01:02:55: about how big a state we should have.

01:02:55 --> 01:02:58: For example, you know in in one world view if

01:02:58 --> 01:03:01: the state gets involved and captures a lot of the

01:03:01 --> 01:03:02: resource is well,

01:03:02 --> 01:03:04: then it will have a lot of resource is to

01:03:04 --> 01:03:08: provide housing for a greater proportion of the population than,

01:03:08 --> 01:03:10: for instance is done in Ireland.

01:03:10 --> 01:03:14: So the ideology about housing is something that maybe you

01:03:14 --> 01:03:14: will.

01:03:14 --> 01:03:17: I should start thinking about a little bit.

01:03:17 --> 01:03:18: So with those few remarks,

01:03:18 --> 01:03:20: can I just thank yourself?

01:03:20 --> 01:03:23: Comfort doing a great job of moderating a weapon are

01:03:23 --> 01:03:26: which is that skill to be watched in the future,

01:03:26 --> 01:03:29: because probably we're going to have more of these.

01:03:29 --> 01:03:32: If this is the way the world is going to

01:03:32 --> 01:03:32: go.

01:03:32 --> 01:03:35: And I think thank Marcus and Xavierre for coming in

01:03:35 --> 01:03:37: and giving us the benefit of that.

01:03:37 --> 01:03:40: I would make the observation that I think somebody in

01:03:40 --> 01:03:43: the course of their conversation made the point that asked

01:03:44 --> 01:03:45: about the situation.

01:03:45 --> 01:03:47: In the UK. One of the problems in Ireland we

01:03:47 --> 01:03:50: have been bedevilled with trying to solve problems.

01:03:50 --> 01:03:53: Has been that is the first port of call because

01:03:53 --> 01:03:54: we speak English,

01:03:54 --> 01:03:57: they speak English. If we've got a problem often the

01:03:57 --> 01:03:59: first thing we do is find out what has been

01:03:59 --> 01:04:02: done in the UK and that overly influences us.

01:04:02 --> 01:04:04: I think one of the benefits for island of the

01:04:04 --> 01:04:07: UK leaving the European Union is we might stop ourselves  
01:04:07 --> 01:04:10: doing that because I think a lot of the problems  
01:04:10 --> 01:04:12: that we have are not going to be solved by  
01:04:12 --> 01:04:14: looking to what has been done in the UK and  
01:04:14 --> 01:04:17: I think that's been the case for for about half  
01:04:17 --> 01:04:19: a century for more than half century for hundred.  
01:04:19 --> 01:04:21: Since you so can I thank Marcus.  
01:04:21 --> 01:04:24: Xavier for coming in and giving us the benefit of  
01:04:24 --> 01:04:25: their worldview.  
01:04:25 --> 01:04:27: I think this is probably important.  
01:04:27 --> 01:04:31: Can I thank Andy for organizing this and putting together?  
01:04:31 --> 01:04:33: And of course, the UI staff are doing all this.  
01:04:33 --> 01:04:36: These things don't come together that easily.  
01:04:36 --> 01:04:38: They take a bit of technology and take a bit  
01:04:38 --> 01:04:40: of effort to put together.  
01:04:40 --> 01:04:42: So can I just say thanks very much?  
01:04:42 --> 01:04:45: I actually don't know how you clap on webinars.  
01:04:45 --> 01:04:46: Tom, do you know?  
01:04:50 --> 01:04:52: Usually at the end of these sessions,  
01:04:52 --> 01:04:54: there's a big round of applause,  
01:04:54 --> 01:04:56: so I don't know if zoom has constructed at a  
01:04:56 --> 01:04:58: button that I should press,  
01:04:58 --> 01:05:01: or you should fast to simulate that round of applause,  
01:05:01 --> 01:05:03: but maybe we will do this waving her hands as  
01:05:04 --> 01:05:06: they do in the in the in the death circles  
01:05:06 --> 01:05:07: you know.  
01:05:07 --> 01:05:09: So thank you very much for coming along,  
01:05:09 --> 01:05:12: and may I also thank the audience and the people  
01:05:12 --> 01:05:14: who participated in this seminar,  
01:05:14 --> 01:05:16: because I think this is very important.  
01:05:16 --> 01:05:19: Still made the point. To have a discussion and to  
01:05:19 --> 01:05:21: raise the level of debate in Ireland so can I  
01:05:21 --> 01:05:24: ask each of you to go away with those words.  
01:05:24 --> 01:05:26: That Bill said that we've got to elevate the level  
01:05:26 --> 01:05:29: of conversation about housing in Ireland from the level of  
01:05:29 --> 01:05:30: the pub,  
01:05:30 --> 01:05:32: and we've done a good work on that today.  
01:05:32 --> 01:05:35: So thank you all very much.  
01:05:35 --> 01:05:37: Thank you, thank you there.  
01:05:40 --> 01:05:42: Now who presses what button?

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