

# 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](mailto: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  
00:11:21 --> 00:11:23: working  
00:11:23 --> 00:11:24: in the country that was at a time that nearly  
00:11:24 --> 00:11:27: 80%  
00:11:27 --> 00:11:31: of the Irish population lived in the country.  
00:11:31 --> 00:11:36: But the problem we have is that that system has  
00:11:36 --> 00:11:40: been has been imported into the urban urban situation  
00:11:40 --> 00:11:45: affectively  
00:11:45 --> 00:11:45: with only sticking plaster changes and we have to go  
00:11:45 --> 00:11:50: back and and in invent or create a consensus housing  
00:11:50 --> 00:11:54: system.  
00:11:54 --> 00:11:57: We're going forward there. There is huge amount of friction  
00:11:57 --> 00:12:02: between the different players in Ireland.  
00:12:02 --> 00:12:06: Between them, social housing providers and.  
00:12:06 --> 00:12:08: And on the market, I mean,  
00:12:08 --> 00:12:11: there's a. There's a huge them and us.  
00:12:11 --> 00:12:14: Element in it in that the social housing providers regard  
00:12:14 --> 00:12:17: that as their territory in the market,  
00:12:17 --> 00:12:20: people are told don't don't come into it.  
00:12:20 --> 00:12:23: On the other hand, we have a situation where because  
00:12:23 --> 00:12:26: of the failure to provide social housing,  
00:12:26 --> 00:12:29: the the government have to reach into the market and  
00:12:29 --> 00:12:32: 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  
written  
00:17:02 --> 00:17:06: that into their program for government that they actually want  
00:17:06 --> 00:17:10: to get owner, owner occupation as promotions much as  
possible.  
00:17:10 --> 00:17:13: On the other hand, the market is the market is  
00:17:13 --> 00:17:17: is is going the opposite direction the market is moving  
00:17:17 --> 00:17:18: towards a 30%  
00:17:18 --> 00:17:22: rental situation rather than an owner occupation and that  
comes  
00:17:22 --> 00:17:26: down to the desire of of tenants to have flexibility.  
00:17:26 --> 00:17:30: The inability to. October to raise money and the and  
00:17:30 --> 00:17:34: the needs that the level of deposits that they have  
00:17:34 --> 00:17:36: to get to actually borrow.  
00:17:36 --> 00:17:39: So there there is, there is a dynamic going on  
00:17:39 --> 00:17:40: there.  
00:17:40 --> 00:17:42: I think that probably at the 30%  
00:17:42 --> 00:17:45: mix level is where we will stabilize.  
00:17:45 --> 00:17:49: I think there will be the war and I think  
00:17:50 --> 00:17:51: there will be.  
00:17:51 --> 00:17:55: Financial benefits for our encouragement for people to own  
under  
00:17:55 --> 00:17:57: the present under the new administration.  
00:17:57 --> 00:18:00: But I think that the market will actually still be  
00:18:00 --> 00:18:01: there for rental.  
00:18:01 --> 00:18:03: And I think if we get if we get to  
00:18:03 --> 00:18:05: the level of cost rental,  
00:18:05 --> 00:18:08: I think that and you have security of tenure and  
00:18:08 --> 00:18:08: cost rental.  
00:18:08 --> 00:18:11: I think that will move more people into the rental  
00:18:11 --> 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

00:32:14 --> 00:32:17: from building large numbers of semi detached houses.

00:32:17 --> 00:32:21: We have not had a tradition of building apartments and

00:32:21 --> 00:32:23: we do not have the economies of scale and the

00:32:24 --> 00:32:28: experience that that exists in countries like Germany in building

00:32:28 --> 00:32:31: apartments are cost of apartments are high because we don't

00:32:31 --> 00:32:33: build many of them are.

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

00:32:50 --> 00:32:54: bedroom house cost to build in in Germany or in

00:32:54 --> 00:32:54: Holland.

00:32:54 --> 00:32:58: Yeah, very interesting go thank you and I think it's

00:32:58 --> 00:33:01: interesting to look at the proportion of apartment living in

00:33:01 --> 00:33:04: Ireland versus mainland Europe as well.

00:33:04 --> 00:33:07: In terms of that level of acceptance demonstrated there and

00:33:07 --> 00:33:10: we have a long way to go measured against our

00:33:10 --> 00:33:13: earlier discussion there around the houses we want to live

00:33:13 --> 00:33:16: in the cities we want to build and the need

00:33:16 --> 00:33:17: for that infrastructure.

00:33:17 --> 00:33:21: That long term vision to deliver those cities and more

00:33:21 --> 00:33:25: apartments coinciding with that culture around apartment building.

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

00:33:28 --> 00:33:29: to that point.

00:33:29 --> 00:33:32: Actually, before I do, I would like to grab one

00:33:32 --> 00:33:35: of Wills quest bills questions in there,

00:33:35 --> 00:33:38: around around taxation and on the the cost stack for

00:33:38 --> 00:33:40: any individual unit.

00:33:40 --> 00:33:43: We see that as a very significant component as you

00:33:43 --> 00:33:45: outlined there that can be 13 1/2%

00:33:45 --> 00:33:49: on residential units and for us that's taking a big

00:33:49 --> 00:33:50: part of the pie.

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 --> 00:37:09: 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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