



**Rialtas na hÉireann**  
Government of Ireland

# Review of Income Eligibility for Social Housing Support

November 2021

# TABLE OF CONTENTS

1.	BACKGROUND AND STRUCTURE .....	- 3 -
2.	RECOMMENDATIONS .....	- 4 -
3.	REGIONAL APPROACH TO DETERMINING INCOME ELIGIBILITY FOR SUPPORT .....	- 7 -
	<i>OVERVIEW</i> .....	- 7 -
	<i>ISSUES FOR CONSIDERATION</i> .....	- 11 -
	<i>POSSIBLE ALTERNATIVES</i> .....	- 14 -
	<i>RECOMMENDATIONS</i> .....	- 16 -
4.	SOCIAL HOUSING FOR DIFFERENT HOUSEHOLD TYPES .....	- 18 -
	<i>ONE ADULT HOUSEHOLDS</i> .....	- 18 -
	<i>HOUSEHOLDS WITH CHILDREN</i> .....	- 20 -
	<i>RECOMMENDATION</i> .....	- 25 -
5.	AFFORDABLE SCHEMES .....	- 27 -
	<i>COST RENTAL</i> .....	- 27 -
	<i>CASE STUDY: [REDACTED]</i> .....	- 27 -
	<i>AFFORDABLE PURCHASE SCHEMES</i> .....	- 28 -
	<i>RECOMMENDATIONS</i> .....	- 29 -
	APPENDICES .....	- 30 -
	<i>APPENDIX A: SOCIAL HOUSING SUPPORT HOUSEHOLD MEANS POLICY 2021</i> .....	- 30 -
	<i>APPENDIX B: GUIDELINES ON A REASONABLE STANDARD OF LIVING AND REASONABLE LIVING EXPENSES</i> .....	- 33 -
	<i>APPENDIX C: AVERAGE RENT BY NUMBER OF BEDROOMS</i> .....	- 34 -
	<i>APPENDIX D: CALCULATIONS BEHIND COST ESTIMATES IN SECTION 3</i> .....	- 35 -

# 1. Background and Structure

Social housing is a limited resource and the system for establishing income eligibility is an attempt to ration access to those least able to provide accommodation from their own resources. Households below the income thresholds are deemed eligible for support on income grounds, and their application for support is then assessed against the other criteria to determine their overall eligibility.<sup>1 2</sup>

The benchmark income eligibility threshold for social housing support is set with reference to a single-adult household with prescribed percentage increases applied for additional household members. Reflecting the wide variation in the costs associated with securing accommodation in the private rental sector across the country, the 2011 Social Housing Assessment Regulations<sup>3</sup> established three income eligibility threshold bands and assigned each local authority into the bands<sup>4</sup>. The current income thresholds reflect an increase of €5,000 applied in each of the three bands immediately prior to the system coming into operation.

Guided by the principle of reserving housing assistance for those unable to provide for accommodation from within their own resources, this review examines the appropriateness of various aspects of the income thresholds and makes initial recommendations.

The document is structured as follows:

- **Section 2:** This section compiles the recommendations made throughout the document. Many of these recommendations include the completion of additional, more detailed studies before any policy decisions are made.
- **Section 3:** The paper considers the continued relevance of a regional approach to income eligibility for social housing support. This approach is realised by placing all 31 local authorities into one of the three income bands set out in the 2011 Social Housing Assessment Regulations (as amended). The appropriateness of different thresholds applying across local authorities is determined with reference to the cost of sourcing suitable rented accommodation in the private sector.
- **Section 4:** The standard income eligibility thresholds for housing support are established with reference to the means of a single-adult household. Adjustments for additional household members are calculated on the basis of prescribed percentage increases. This section examines whether the single-adult thresholds reflect the current cost of obtaining suitable accommodation in the private sector, before considering the issues for multi-person thresholds.
- **Section 5:** This section considers the interaction of social housing support with eligibility for affordable housing options.

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<sup>1</sup> 2011 Social Housing Assessment Regulations (as amended), <http://www.irishstatutebook.ie/eli/2011/si/84/made/en/print>

<sup>2</sup> When reviewing an application for social housing support, a local authority may conclude that the level of assessable household income makes the primary applicant eligible for housing support, but other relevant factors preclude the household from qualifying for assistance. For example, a recent record of rent arrears to a local authority can result in a household otherwise eligible for support being turned down. Similarly, a household may satisfy the criteria pertaining to income, but a local authority may decide the household does not qualify for support on the grounds of residency, or due to the availability of alternative accommodation (see 2011 Social Housing Assessment Regulations (as amended), <http://www.irishstatutebook.ie/eli/2011/si/84/made/en/print>)

<sup>3</sup> 2011 Social Housing Assessment Regulations (as amended), <http://www.irishstatutebook.ie/eli/2011/si/84/made/en/print>

<sup>4</sup> The Household Means Policy defines assessable income for the purpose of deciding if a household is eligible for support. This document is provided in Appendix A.

## 2. Recommendations

The housing sector in Ireland is complex with the social, private, rental and purchase markets interacting in a number of ways across a range of dimensions. A policy amendment involving the changing any aspect of social housing policy could have strong knock-on implications for other parts of the housing sector as well as implications for households requiring assistance servicing their housing need. As such, most of the recommendations below caution the need for detailed research in advance of any policy changes. Of particular import would be to determine the possibility of unintended and undesirable consequences arising from policy amendments, and the identification of mitigation measures that could be put in place.

### **Movement of Five Tier 3 LAs to Tier 2**

#### **Recommendation 1:**

Figure 4 illustrates that the current three band structure is no longer internally logical given the movement in rents over time. As such, as an interim measure before a complete review is undertaken, it is recommended that Clare, Westmeath, Carlow, Galway County and Laois are moved into Band 2, with income eligibility thresholds increased accordingly.

#### **Implications**

Currently Clare, Westmeath, Carlow, Galway County and Laois are in Band 3. Band 3 allows for a base income of €25,000 with an increase of 5% for each additional adult household member, subject to a maximum allowance under this category of 10%, and an increase of 2.5% for each child, subject to no maximum. Band 2, however, has a base income of €30,000, with the same permitted uplifts. The immediate implication of these LAs joining Band 2 will thus be to expand the number of households eligible for social housing (in terms of household income), and thus an increase in the length of the social housing waiting lists. As there is no parallel increase in the provision of social houses in these LAs, there will be no increase in exchequer expenditure in terms of direct housing provision. However, once a household is deemed eligible for social housing, they are also eligible for the Housing Assistance Payment. As such, expenditure on HAP may increase in these LA as households seek accommodation in the private rental market.

The estimated consequences of moving these five LAs to Band 2 would be to:

- Increase the length of the social housing waiting lists in these LAs. It is estimated that between 567 and 944 additional household would join the lists across the five LAs annually. This will have the effect of increasing the waiting time on the list for some of those already on it. This negative effect needs to be considered.
- Increase demand for HAP in these five LAs by between 121 and 203 households annually.
- Increase HAP expenditure by an estimated €1.5 million to €2.5 million annually.

The actual figure is likely to be closer to the lower estimate because:

1. These estimates do not consider differential rents paid by the tenants
2. It will likely not be possible for all those seeking HAP accommodation to source it

The details underlying these estimates are provided in Appendix D.

### **Further Research**

The Irish housing sector is highly interdependent and interrelated and all research should be conducted in the context of the wider housing sector and be mindful of other reviews ongoing.

## Review of Current Band Structure

### Recommendation 2:

Table 4 shows that there are only seven local authorities in Ireland where a single adult earning at the relevant income threshold would be able to secure accommodation such that their rent absorbed less than 35% of their income; in 17 local authorities, they have to pay over 40% of their income, including over 60% of their income if they live in the four Dublin local authority areas. As such, it is recommended that detailed research is conducted into the feasibility of removing the current bands and introducing a system such that there is a closer relationship between **the cost of sourcing accommodation** and the **income eligibility thresholds**. This would work to assist the rationing of housing subsidies to those most in need and to alleviating financial pressure on those in higher priced LAs. Issues to be considered in this research would include:

- The functionality of such a system as a means of rationing access to the finite stock of social housing
- The administrative burden associated with transferring to such an approach, both in terms of establishing and communicating the new criteria, and ongoing requirements for updates
- Any implications for the exchequer and for demand for social housing

## Conduct Research into the Experience of Different Household Types on Waiting Lists

### Recommendation 3:

One-adult households remain the predominant household grouping in need of social housing support; this category now accounts for just over half of all households qualifying for social housing but without their housing needs met.<sup>5</sup>

It is recommended to conduct research into how long different cohorts of households who are approved for social housing remain without their housing needs met, and the reasons for this. This would help to identify the specific challenges experienced by different household types and may help to inform specific interventions.

Any future policy must ensure it does not discriminate against single adult households. Any changes to social housing income eligibility thresholds must note the particular challenges of single adults sourcing one bedroomed accommodation, and the disproportionate number of single adults on the social housing waiting list and in temporary and emergency accommodation. Any future policies should also be cognisant of those single adults with children or other dependents, and their possible requirement for larger accommodation units in order to have minor children visit. In particular, it may be determined that HAP limits for single adult households need to be increased to that of a couple in order to expand the universe of possible rental units available. Possible means of encouraging the construction of one bed units should also be considered.

### Recommendation 4:

The possibility of increasing the uplifts associated with additional household members and children should be examined. Issues to be considered should include

- An implication of raising the income threshold will be to increase the number of households eligible for social housing, with associated consequences for social housing demand.
- The choice of a specific equivalence scale depends on two factors. Firstly, on technical assumptions about economies of scale in consumption. Secondly, an equivalence scale rests on value judgements about the priority assigned to the needs of different individuals within a household. These judgements have a considerable impact on results. Possible equivalence scales and the associated implications of each should be examined.

## Review of Cost Rental

### Recommendation 5:

<sup>5</sup> The Housing Agency, 2021, Summary of Social Housing Assessments 2020 Key findings

As the various affordability schemes evolve, ongoing analysis should be conducted to identify the incomes of those availing of these schemes in order to determine if they were also eligible for social housing. An ongoing area of focus should be ensuring that the affordability and social housing schemes operate in such a way that those earning just above social housing income thresholds (or those who chose not to avail of social housing) have access to secure affordable accommodation if they cannot access accommodation on the private market.

**Recommendation 6:**

As a new delivery model, it is that recommended the cost rental scheme be regularly reviewed.

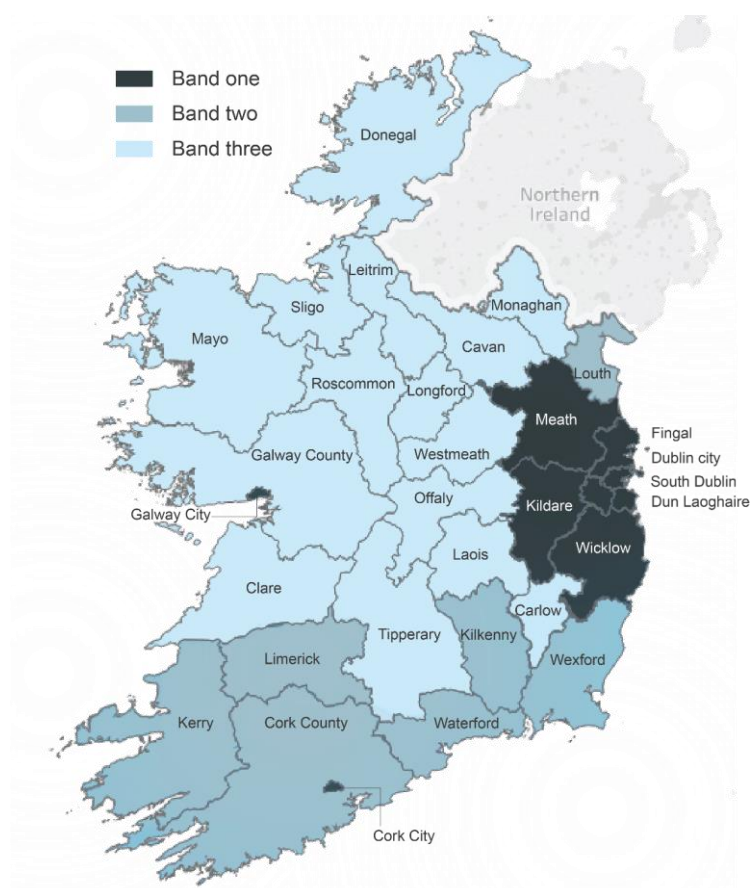
### 3. Regional approach to determining income eligibility for support

#### Overview

Assessments of income eligibility involve determining household composition, calculating assessable means, and applying the appropriate income threshold. The Household Means Policy<sup>6</sup> sets out how local authorities are to assess the resources of applicant households.<sup>7</sup> The income eligibility criteria are based on a calculation of net annual household income (see Appendix A for details on how different sources of income are treated).

The 2011 Social Housing Assessment regulations, as amended, grouped LAs together according to the estimated average cost of sourcing accommodation in the private rental sector. The nine authorities with the highest average rents were placed in a group with a baseline income eligibility threshold of €35,000 per annum (Band 1). A second bracket consisting of seven authorities with more moderate average rents were assigned a baseline income threshold €5,000 per year lower than the Band 1 cut-off point (Band 2). Finally, the 15 authorities with the lowest average prices were grouped into a third band. The baseline income eligibility threshold for this band was set at €25,000 per annum (Band 3). A local authority may set the income threshold lower than the maximum amount applied to the band to which they are assigned; however, to date, no local authority has exercised this option. It should be noted that beyond assignment to one of these grouping, there is no relationship between the cost of accommodation in a LA and the income threshold eligibility for social housing. See later in Section 3 for discussion.

**Figure 1:** Income eligibility bands for social housing support by local authority, 2021

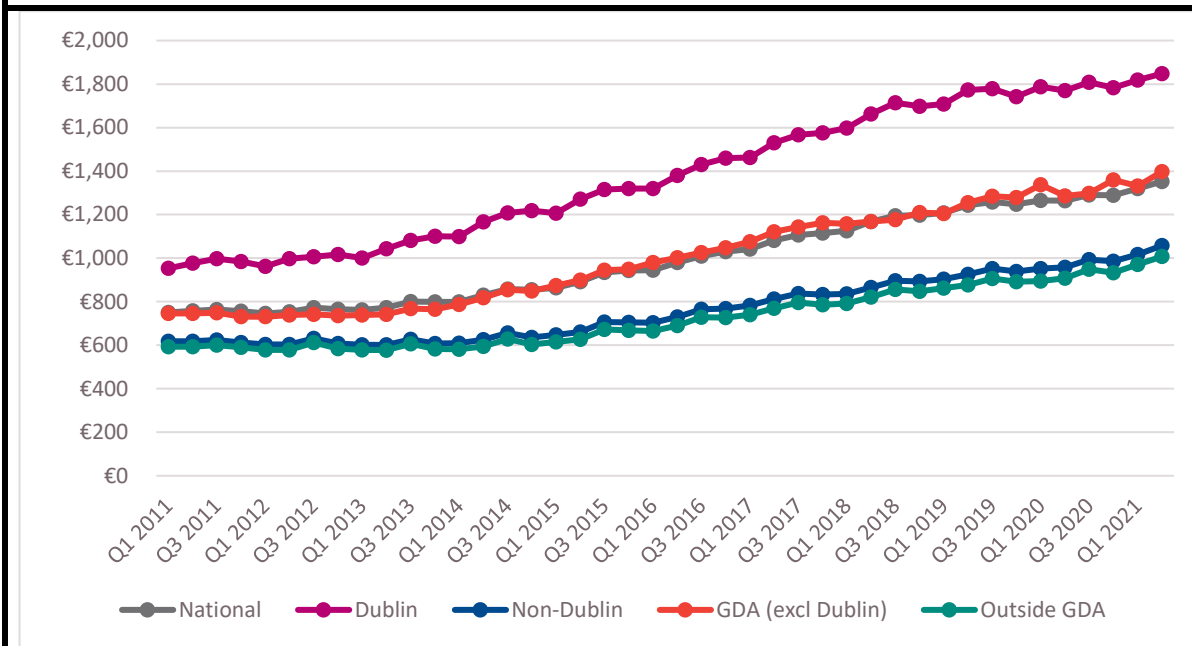


<sup>6</sup> <https://www.gov.ie/en/publication/fb1f2-social-housing-support-household-means-policy/>

<sup>7</sup> The requirement to adhere to the Household Means Policy in assessing applicants for social housing support is set out in Regulation 17 of the Social Housing Assessment Regulations, 2011

Private rents in all local authorities have risen considerably since the thresholds were set; Figures 2 and 3 show the change in rents at various locations between 2011 and 2021.

**Figure 2: Standardised average rent, national and regional Q1 2011 – Q2 2021**

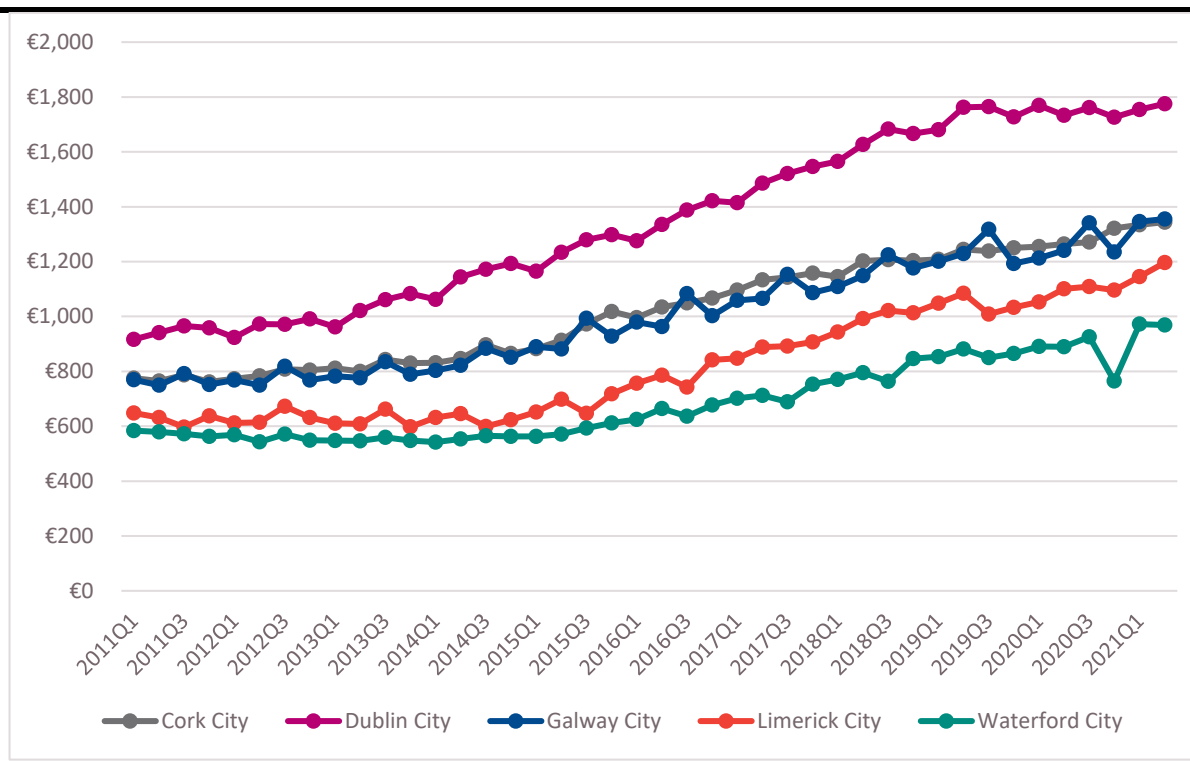


	National	Dublin	Non-Dublin	GDA (Exc Dublin)	Outside GDA
<b>% Increase in Standardised Average Rent between Q2 2011 and Q2 2021</b>	78.4%	89.1%	71.3%	87.4%	69.7%

Source: RTB Data Hub



**Figure 3: Standardised average rent in cities Q1 2011 – Q2 2021**



	Cork City	Dublin City	Galway City	Limerick City	Waterford City
<b>% Increase in Standardised Average Rent between Q2 2011 and Q2 2021</b>	75.7%	88.7%	80.9%	89.5%	67.2%

Source: RTB Data Hub

Households in the private rental sector continue to face very different levels of rent depending on where they live – Table 1 shows the Standardised Average Rent for each local authority in Q1 2021, as well as the year-on-year change. It is evident that income thresholds for support should take account of the variation in the cost of private accommodation across the State, but that the existing thresholds are no longer appropriate.

**Table 1: Local authority standardised average rent (Q1 2021) and annual change (%)**

	<b>Standardised Average Rent Q1 2021</b>	<b>Y-on-Y Change (%)</b>
<b>Carlow</b>	€902.95	3.0%
<b>Cavan</b>	€738.06	4.8%
<b>Clare</b>	€851.44	11.0%
<b>Cork City</b>	€1331.94	6.2%
<b>Cork County</b>	€1002.27	5.7%
<b>Donegal</b>	€659.39	5.8%
<b>Dublin City</b>	€1755.72	-0.7%
<b>Dun Laoghaire - Rathdown</b>	€2052.72	0.8%
<b>Fingal</b>	€1778.40	6.9%
<b>Galway City</b>	€1342.98	10.7%
<b>Galway County</b>	€978.29	8.7%
<b>Kerry</b>	€867.64	7.8%
<b>Kildare</b>	€1396.26	2.2%
<b>Kilkenny</b>	€972.83	12.1%
<b>Laois</b>	€980.02	5.8%
<b>Leitrim</b>	€590.56	3.7%
<b>Limerick</b>	€1061.02	7.7%
<b>Longford</b>	€726.58	4.0%
<b>Louth</b>	€1143.39	8.4%
<b>Mayo</b>	€767.44	10.4%
<b>Meath</b>	€1277.54	0.2%
<b>Monaghan</b>	€690.88	3.4%
<b>Offaly</b>	€801.17	1.6%
<b>Roscommon</b>	€672.70	6.7%
<b>Sligo</b>	€801.81	5.5%
<b>South Dublin</b>	€1851.49	8.5%
<b>Tipperary</b>	€786.13	8.5%
<b>Waterford</b>	€951.43	8.8%
<b>Westmeath</b>	€896.99	5.4%
<b>Wexford</b>	€844.24	5.7%
<b>Wicklow</b>	€1352.30	-0.2%

Source: Data Request from RTB, July 2021

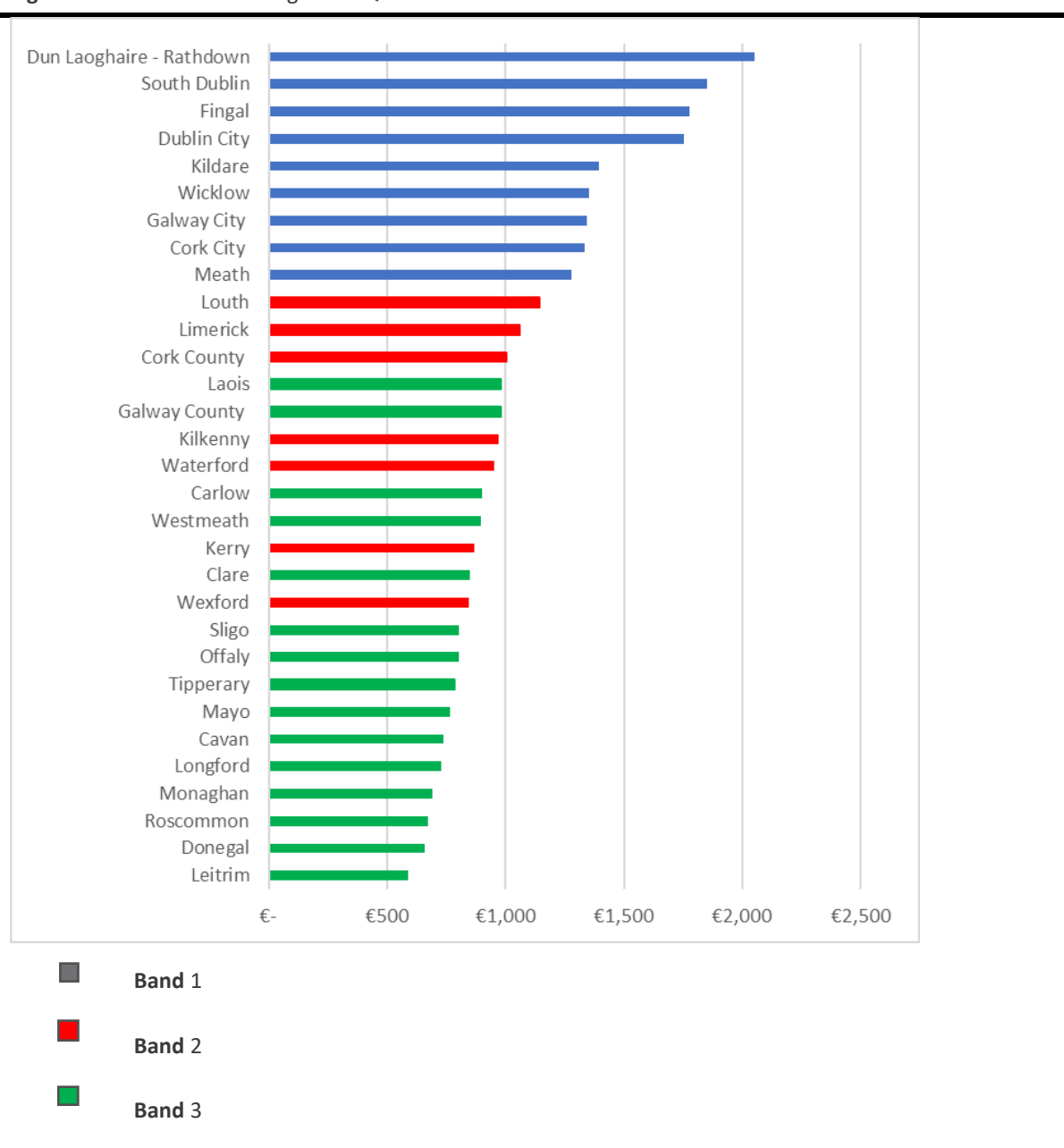
## Issues for Consideration

There are obvious weaknesses associated with the current band structure.

### Issue 1: The current bands are no longer internally logical given the movement in the rents over time

- The base income eligibility for the fifteen local authorities in Band 3 is €25,000 per annum. These local authorities were assigned the lowest base income threshold because, at the time of the 2011 regulations, they were the parts of country where it was, on average, least expensive to rent private accommodation. However, LAs this band have demonstrated considerable rental price growth, and significant variation in this growth. Figure 4 is at odds with the idea that local authorities with broadly similar levels of rent are grouped together.

**Figure 4:** Standardised average rent Q1 2021



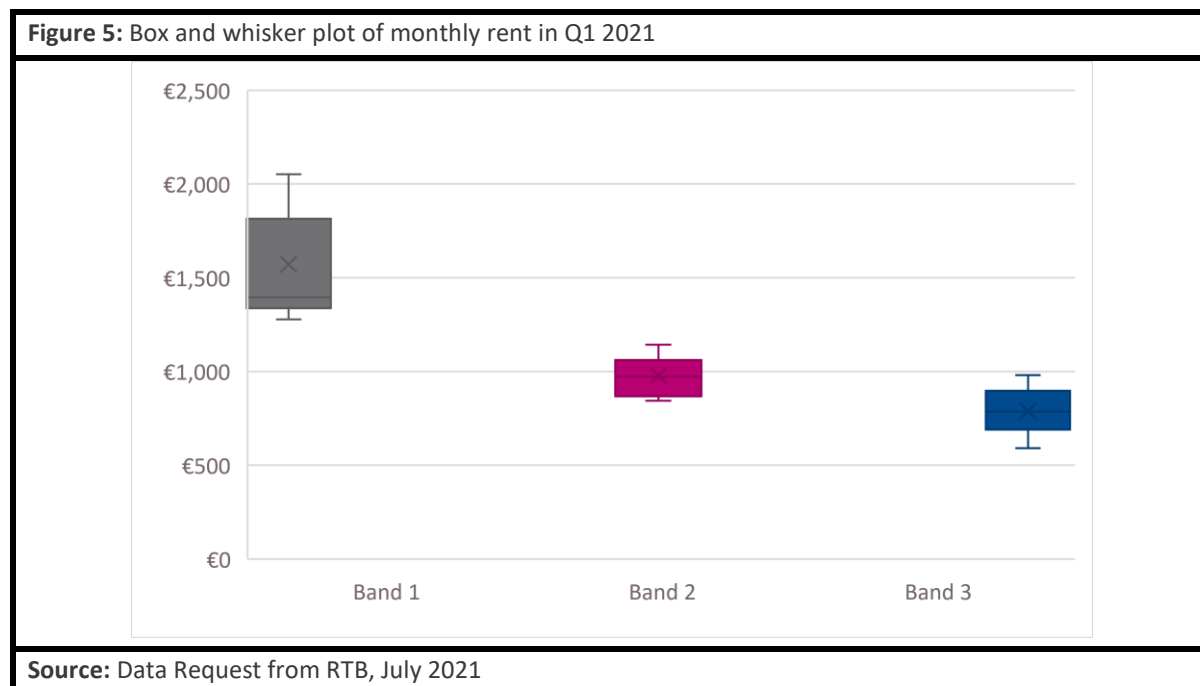
Source: Data Request from RTB, July 2021

## Issue 2: The spread of standardised average rents within each band is wide

- Table 2 sets out the summary statistics on each of the three bands as of Q1 2021. The range is greatest in the nine local authorities included in Band 1 (€755.18).
- The same data is shown in Figure 5. A box and whisker plot shows the minimum value, first quartile, median, third quartile and maximum value of a data set. Again, it can be seen that Band 1 is particularly wide. This graph also shows the overlap between LAs in Bands 2 and 3.

	Average	Median	Lowest and Highest	Range	% Difference between highest and lowest	Interquartile range
<b>Band 1</b>	€1,571.04	€1,396.26	€1,277.54 (Meath) to €2,052.72 (Dun Laoghaire Rathdown)	€755.18	60.7%	435.42
<b>Band 2</b>	€977.54	€972.83	€844.24 (Waterford) to €1,143.39 (Louth)	€299.15	35.4%	122.11
<b>Band 3</b>	€789.63	€786.13	€590.56 (Leitrim) to €980.02 (Laois)	€389.46	65.9%	165.49

**Source:** Data Request from RTB, July 2021



**Issue 3: There is no relationship between the income eligibility thresholds and the cost of accommodation.**

According to the Summary of Social Housing Assessments (SSHA) 2020<sup>8</sup>, 52% of all those on the social housing waiting lists are single adult households. The second most common group qualified for social housing support comprises one adult plus one or two children (21.5%), followed by a couple with two children who make up 8% of all households on the housing lists. These three household types accounted for over 81% of households on social housing waiting lists in 2020. The income thresholds associated with these three household types is set out in Table 3.

	<b>Single Person</b>	<b>1 adult 1 child</b>	<b>1 adult 2 children</b>	<b>2 adults 2 children</b>
<b>Band 1</b>	€35,000	€35,875	€36,750	€38,500
<b>Band 2</b>	€30,000	€30,750	€31,500	€33,000
<b>Band 3</b>	€25,000	€25,625	€26,250	€27,500

Table 4 displays the standardised average rent for each local authority in Q1 2021, and the associated annual rent (i.e. the monthly rent multiplied by 12). It also shows the percentage of the income threshold for the three household types that would be absorbed by paying that rent. This will be the proportion of income absorbed by rent for those earning just above the income threshold and thus not eligible for support.

The relevant cell is highlighted in yellow if the percentage of income that would be paid in rent is between 35% and 40%, and in red if it is above 40%.<sup>9</sup>

These calculations show that there are only seven local authorities in Ireland where a single adult earning at the relevant income threshold would be able to find average accommodation where the rent absorbs less than 35% of their income; in 17 local authorities, they would have to pay over 40% of their income on average accommodation, including over 60% in the four Dublin local authority areas. Those earning just one euro above these incomes are not eligible for social housing support.

There are 11 local authorities where the average rents mean that none of the three household compositions could pay rent that absorbed less than 40% of their household income.

The calculations in this section suggest that many households, especially those living in Band 1 local authorities, with income just above the current thresholds for social housing support may be struggling to meet the cost of accommodation in the private market from their own resources. Currently, these households are ineligible for social housing on income grounds.

<sup>8</sup> The Housing Agency, 2021, Summary of Social Housing Assessments 2020 Key Findings  
<https://www.housingagency.ie/sites/default/files/2021-03/SSHA-2020.pdf>

<sup>9</sup> For the purposes of carrying out this exercise, it is assumed that each of the households with children includes two children. As such, the income thresholds for these households includes an uplift of 5% for children. In households of only one child, the uplift would only be 2.5%. Accordingly, the calculations for standardised average rent as a percentage of income threshold will be slightly biased downwards, with the percentage for one child households higher than displayed.

<b>Table 4: Standardised average rent as % income threshold for three different household compositions</b>						
	<b>Standardised Average Rent Q1 2021</b>	<b>Annual rent</b>	<b>Band</b>	<b>One Adult</b>	<b>One adult, 2 children</b>	<b>Couple, 2 children</b>
Leitrim	€590.56	€7,087	3	28%	27%	26%
Donegal	€659.39	€7,913	3	32%	30%	29%
Roscommon	€672.70	€8,072	3	32%	31%	29%
Monaghan	€690.88	€8,291	3	33%	32%	30%
Longford	€726.58	€8,719	3	35%	33%	32%
Cavan	€738.06	€8,857	3	35%	34%	32%
Mayo	€767.44	€9,209	3	37%	35%	33%
Tipperary	€786.13	€9,434	3	38%	36%	34%
Offaly	€801.17	€9,614	3	38%	37%	35%
Sligo	€801.81	€9,622	3	38%	37%	35%
Wexford	€844.24	€10,131	2	34%	32%	31%
Clare	€851.44	€10,217	3	41%	39%	37%
Kerry	€867.64	€10,412	2	35%	33%	32%
Westmeath	€896.99	€10,764	3	43%	41%	39%
Carlow	€902.95	€10,835	3	43%	41%	39%
Waterford	€951.43	€11,417	2	38%	36%	35%
Kilkenny	€972.83	€11,674	2	39%	37%	35%
Galway County	€978.29	€11,739	3	47%	45%	43%
Laois	€980.02	€11,760	3	47%	45%	43%
Cork County	€1,002.27	€12,027	2	40%	38%	36%
Limerick	€1,061.02	€12,732	2	42%	40%	39%
Louth	€1,143.39	€13,721	2	46%	44%	42%
Meath	€1,277.54	€15,330	1	44%	42%	40%
Cork City	€1,331.94	€15,983	1	46%	43%	42%
Galway City	€1,342.98	€16,116	1	46%	44%	42%
Wicklow	€1,352.30	€16,228	1	46%	44%	42%
Kildare	€1,396.26	€16,755	1	48%	46%	44%
Dublin City	€1,755.72	€21,069	1	60%	57%	55%
Fingal	€1,778.40	€21,341	1	61%	58%	55%
South Dublin	€1,851.49	€22,218	1	63%	60%	58%
Dun Laoghaire - Rathdown	€2,052.72	€24,633	1	70%	67%	64%

### Possible Alternatives

An alternative to the current band structure could involve setting income eligibility levels at the local authority level. As of 2021, the Residential Tenancies Board (RTB) produce a local authority level index, so data on rent levels at this level of disaggregation is available.

Benefits of having income eligibility determined at a LA level include:

- This would be a more precise tool for rationing stock at a local level as the variation in rental prices within a LA is likely to be significantly lower than across the current bands. Such a system would be better able to ration stock to those with particularly high accommodation needs by linking more closely their resources to the cost of accommodation. In addition, linking the cost of accommodation more closely to the eligibility criteria is also more equitable for tenants; currently, in the most extreme example, those seeking PRS accommodation in Dun-Laoghaire Rathdown were required (in Q1 2021) to pay an average rent of €2,052.72 compared to those living in Meath where the average rent was €1,277.54. However, both faced the same social housing income eligibility threshold of €35,000. In Dun Laoghaire Rathdown, paying the average rent would absorb 70% of annual income, compared to 44% in Meath (See Table 5 which is a subset of Table 4)

<b>Table 5: Standardised average rent as % income threshold for highest and lowest rent LA areas</b>		
	<b>% Income paid by single adult in lowest rent LA (assuming maximum allowable income)</b>	<b>% Income paid by single adult in highest rent LA (assuming maximum allowable income)</b>
<b>Band 1</b>	44% (Meath)	70% (Dun Laoghaire Rathdown)
<b>Band 2</b>	28% (Leitrim)	47% (Laois)
<b>Band 3</b>	34% (Wexford)	46% (Louth)

However, there would be challenges associated removing bands and setting income limits at the local authority level:

- This would require the determination of a calculation that would link rent levels to maximum eligible income levels. Such calculations could be based on, for example,
  - A **measure of residual income**, such that within a LA, an acceptable minimum standard of accommodation can be obtained and retained leaving sufficient income to meet essential non-housing expenditure. The Insolvency Service of Ireland (ISI) specify and publish ‘reasonable living expenses’ which are the expenses a household will necessarily incur in achieving a ‘reasonable standard of living.’<sup>10</sup> This tool could be a useful resource in identifying a measure of residual income after rent is paid. The ISI costs associated with the household types discussed above, one adult, one adult and two children and a couple with two children are set out in Appendix B. Consideration of other living expenses is important as those on low incomes may be unable to pay for a basic standard of living if their housing costs are too high.
  - The **percentage of disposable household income absorbed by total housing costs** - the Eurostat indicator of housing cost overburden rate is defined as the percentage of the population living in a household where the total housing costs (net of housing allowances) represents more than 40% of the total disposable household income. Other measures of affordability have used a metric of 30% or 35% of total disposable household income.
- A movement to a LA level income eligibility thresholds would involve significant amendments to the current eligibility system with associated implications in terms of administration, IT upgrades, staff training, communications with the public etc.

<sup>10</sup> Insolvency Service of Ireland, “Guidelines on a reasonable standard of living and reasonable living expenses”, August 2020.

- One of the primarily challenges associated with the current regime is the relative movement of LAs due to changing rent levels. Moving to a LA level income edibility threshold would not alleviate this issue. It will be necessary for the LA level thresholds to be updated on a regular basis to take account of changes in rental prices, especially if there is a direct link drawn between housing affordability and income eligibility. The calculation to undertake these updates would likely be straightforward as it would simply require publicly available data from the RTB. However, it would create an administrative overhead for LAs, and make the communication of income eligibility thresholds more challenging. Currently, the relative movement of LAs **within** the bands is not of particular importance. However, if the income eligibility criteria were based on a direct relationship between the income levels and current rent levels, the income eligibility criteria would have to adjust to respond to rising or falling rents.
- A larger number of bands increase the number of where income eligibility criteria changes at LA borders. These borders could mean that two sets of applicants living metres apart are subject to different income thresholds.

## Recommendations

### **Recommendation:**

It is recommended to conduct a more detailed piece of research into the feasibility and implications of amending the current income band system such that there is a closer relationship between the cost of accommodation and the income eligibility thresholds. This more direct relationship will work to assist the rationing of housing subsidies to those most in need. Issues to be considered in this research would include:

- The functionality of such a method as a means of rationing access to the finite stock of social housing
- The administrative burden associated with transferring to such an approach, both in terms of establishing and communicating the new criteria, and ongoing requirements for updates
- Any implications for the exchequer and for demand for social housing

### **Recommendation 1**

Noting that the current bands are no longer internally logical given the movement in the standardised average rent over time, it is recommended, as an interim measure before more detailed research is undertaken, that Clare, Westmeath, Carlow, Galway County and Laois are moved into Band 2, with income eligibility increasing accordingly.

### Implications

Currently Clare, Westmeath, Carlow, Galway County and Laois are in Band 3. Band 3 allows for a base income eligibility of €25,000 with an increase of 5% for each additional adult household member, subject to a maximum allowance under this category of 10%, and 2.5% for each child, subject to no maximum. Band 2, however, has a base income eligibility of €30,000. The immediate implication of these LAs joining Band 2 will thus be to expand the number of households eligible for social housing (in terms of their household income). As such, the immediate impact of this adjustment will be an increase in the number of households joining the waiting list.



Once a household is deemed eligible for social housing, they are also eligible for the Housing Assistance Payment. As such, expenditure on HAP may increase in these LAs.

The estimated consequences of moving these five LAs to Band 2 would be to:

- Increase the length of the social housing waiting lists in these LAs. It is estimated that between 567 and 944 additional household would join the lists across the five LAs annually. This will have the effect of increasing the waiting time on the list for some of those already on it. This negative effect needs to be considered.
- Increase demand for HAP in these five LAs by between 121 and 203 households annually.
- Increase HAP expenditure by an estimated €1.5 million to €2.5 million annually.

The actual figure is likely to be closer to the lower estimate because:

1. These estimates do not consider differential rents paid by the tenants
2. It will likely not be possible for all those seeking HAP accommodation to source it

The details underlying these estimates are in Appendix D.

## 4. Social Housing for Different Household Types

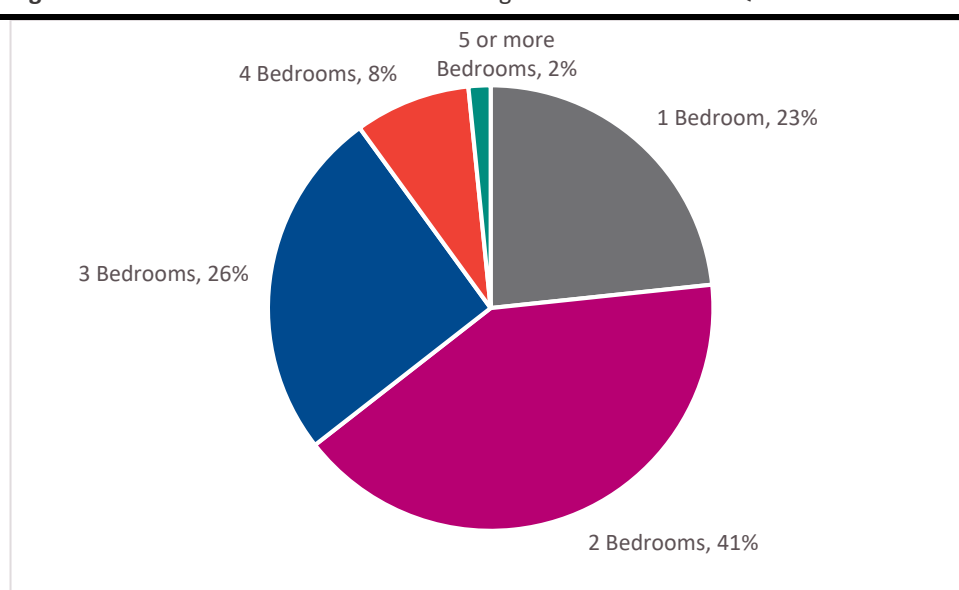
The Summary of Social Housing Assessments 2020<sup>11</sup> provides information on households who are qualified for social housing support but whose social housing need is not being met. It is a point-in-time assessment of the identified need for social housing support across the country. In total, 61,880 households were assessed as qualified for housing support as of 2 November 2020.

### One Adult Households

One-adult households remain the predominant household grouping in need of social housing support; this category now accounts for just over half of all households qualifying for social housing but without their housing needs met – an increase from 47.5% in 2019 to 52.0% in 2020.<sup>12</sup>

Single adult households appear to face particular challenges accessing accommodation. In particular, in 2020, only 28.7% of those seeking a mortgage were single applicants,<sup>13</sup> and in Q1 2021, only 23.3% of properties of the tenancies registered with RTB for Q2 2021 were one bedroomed (see Figure 6)<sup>14</sup>. Given that over half of those on social housing waiting lists are single adult households, this may mean that it is more difficult for a such households to find one bedroomed accommodation and that instead they may have to also consider larger, more expensive, properties. Simon Communities in Ireland (2021)<sup>15</sup> conducted a study into the availability of properties within discretionary Housing Assistance Payment (HAP) limits in 16 areas across Ireland, finding that of the 2,757 properties available during the period, just one property was within standard HAP limits for single people.

**Figure 6:** Number of bedrooms - tenancies registered with RTB for Q2 2021



**Source:** [Residential Tenancies Board Rent Index Q2 2021](#)

<sup>11</sup> The Housing Agency, 2021, Summary of Social Housing Assessments 2020 Key findings

<sup>12</sup> The Housing Agency, 2021, Summary of Social Housing Assessments 2020 Key findings

<sup>13</sup> Central Bank, [New Mortgage Lending Data 2020](#)

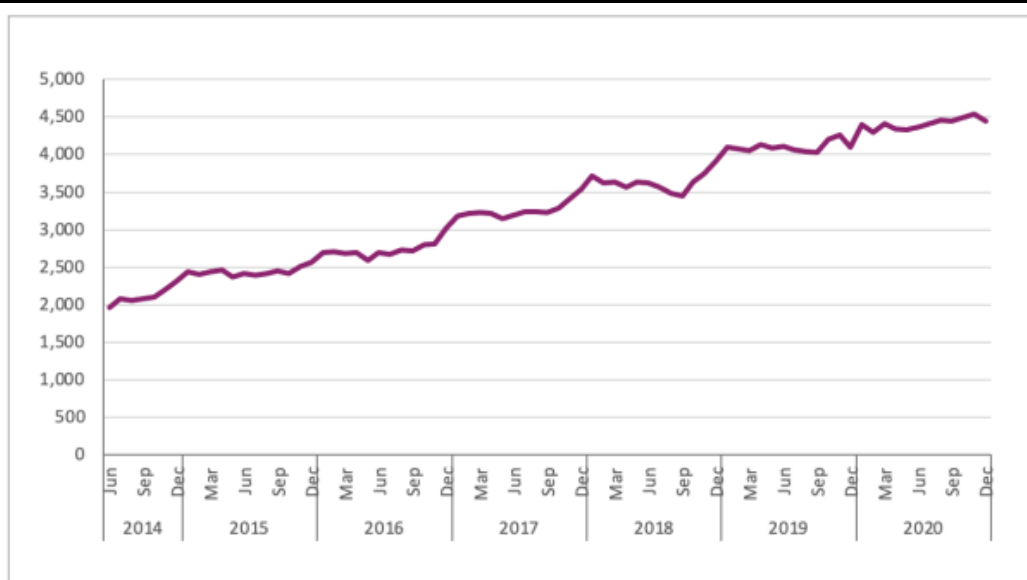
<sup>14</sup> [https://www.rtb.ie/images/uploads/general/Final\\_-\\_Rent\\_Index\\_Q2\\_2021\\_%285%29.pdf](https://www.rtb.ie/images/uploads/general/Final_-_Rent_Index_Q2_2021_%285%29.pdf)

<sup>15</sup> <https://www.midwestsimon.ie/wp-content/uploads/2021/09/Locked-Out-of-the-MarketReportMarch2021.pdf>

While the rent on one-bed units is cheaper than for larger units, the rent for a one-bedroom house in Dublin (€1,414 per month) costs €203 per month more than a house with four or more bedrooms outside Dublin (€1,211 per month). Similarly, the rent for a one-bedroom apartment in Dublin (€1,489 per month) costs €305 per month more than an apartment with three or more bedrooms outside the GDA (€1,184 per month).<sup>16</sup>

Single adults are also at particular risk of homelessness. As shown in Figure 7, as of December 2020 there were 4,447 adult-only households in Local Authority managed emergency accommodation in Ireland. This is an increase of 127% since June 2014, when there were 1,962 adult-only households in emergency accommodation. Given the decline in family homelessness in 2020, adult-only households now make up an increasingly sizeable percentage of all homeless adults. During 2018 – 2019, an average of 61% of homeless adults were in adult-only households. By the end of 2020, over three-quarters of households in emergency accommodation were adult only.<sup>17</sup>

**Figure 7:** Adult-only households in temporary and emergency accommodation, 2014—2020



Source: [Focus Ireland](#)

The government has recognised the challenges experienced by single people attempting to source accommodation in Ireland, with two examples noted below:

- The income ceiling for the Rebuilding Ireland Home Loan will be increased to €65,000 for single people seeking their first mortgage. The income cap for couples is €70,000 and there are no plans to increase this amount.
- Housing for All<sup>18</sup> notes that the availability of social housing is one of the key factors in addressing homelessness and the availability of one-bed homes for individuals that are homeless needs to be

<sup>16</sup> Final\_-\_Rent\_Index\_Q2\_2021\_(5).pdf (rtb.ie)

<sup>17</sup> Focus Ireland, Feb 2021, Focus on Homelessness Adult-Only Households [https://www.focusireland.ie/wp-content/uploads/2021/10/Focus\\_On\\_Homelessness-Single-0221.pdf](https://www.focusireland.ie/wp-content/uploads/2021/10/Focus_On_Homelessness-Single-0221.pdf)

<sup>18</sup> <https://www.gov.ie/en/publication/ef5ec-housing-for-all-a-new-housing-plan-for-ireland/#view-the-plan>

addressed. Local Authorities will set out delivery targets, including targets for one-bed homes, in their new Housing Delivery Action Plans.

## Households with Children

Economists and other social scientists have traditionally used equivalence scales to measure the differences in income needed to bring households of different composition to the same welfare level. These equivalence scales are widely used in research areas such as poverty and income inequality; the official EU and State measures of income inequality, as published annually by Eurostat and the Central Statistics Office, use calculations of equivalised household income.

As a form of equivalence, the income eligibility thresholds applicable to a single adult are adjusted upward for multi-member households. The Social Housing Assessment (Amendment) Regulations 2021 allow for an increase of 5% for each additional adult household member, subject to a maximum allowance under this category of 10%, and 2.5% for each child, subject to no maximum; the 2021 Amendment removed the cap on percentage increases in respect of children which had previously been in place. Table 6 provides examples of how the cut-off points applicable to single adults are adjusted upward to cater for larger households applying for support.

<b>Table 6: Net income thresholds for social housing support by band and examples of thresholds applying to different household compositions (€)</b>									
These income bands are expressed in terms of a maximum net income threshold for a single-person household, with an allowance of									
<ul style="list-style-type: none"> <li>• 5% for each additional adult household member, subject to a maximum allowance under this category of 10%</li> <li>• 2.5% for each child, subject to no maximum.</li> </ul>									
<b>Please note that there is no maximum allowance for additional children. The table below is for illustrative purposes and does not represent all scenarios.</b>									
	Single Person	2 adults, 0 children	1 adult 1 child	1 adult 2 children	2 adults 1 child	2 adults 2 children	2 adults 3 children	2 adults 4 children	3 adults 4 children
<b>Band 1</b>	€35,000	€36,750	€35,875	€36,750	€37,625	€38,500	€39,375	€40,250	€42,000
<b>Band 2</b>	€30,000	€31,500	€30,750	€31,500	€32,250	€33,000	€33,750	€34,500	€36,000
<b>Band 3</b>	€25,000	€26,250	€25,625	€26,250	€26,875	€27,500	€28,125	€28,750	€30,000

Different allowances for children in terms social housing income eligibility are used internationally, indicating that there is no agreed method. A summary of selected countries is provided below with detail provided in the report “Social Housing Income Eligibility Comparisons” which was provided by the Housing Agency to the Department of Housing, Local Government and Heritage in February 2021.

**Table 7: Consideration of children in social housing income threshold determination in other jurisdictions**

<p><b>England – 9 council areas analysed</b></p>	<p>Each Council has their own rules to determine who is eligible to apply for social housing, and their own prioritisation system based on points or bands.</p> <p>None of the nine councils analysed included specific allowances for additional household members beyond single person or couple, although the household income threshold in Barnet Council is the median income level for that household size in Barnet.</p>															
<p><b>Northern Ireland</b></p>	<p>The Housing Selection Scheme is a set of rules that decide whether an applicant is eligible for social housing. The scheme rules are approved by the Department for Communities. There are no Income Eligibility Thresholds for social housing in Northern Ireland</p>															
<p><b>Scotland</b></p>	<p>Landlords cannot take the income of the applicant or their family into account when allocating houses. This includes income from all sources including any benefits being received</p>															
<p><b>Wales</b></p>	<p>The administration of council housing varies by council. Of the three council areas analysed, there were no specific allowances made for children in the household.</p>															
<p><b>New South Wales, Australia</b></p>	<p>Income Eligibility Thresholds</p> <table border="1" data-bbox="336 965 1118 1489"> <thead> <tr> <th data-bbox="336 965 651 1155">Household members (regardless of relationship)</th> <th data-bbox="651 965 900 1155">Gross weekly income</th> <th data-bbox="900 965 1118 1155">Gross annual income (Euro)</th> </tr> </thead> <tbody> <tr> <td data-bbox="336 1155 651 1227">Single adult</td> <td data-bbox="651 1155 900 1227">\$650 (€411)</td> <td data-bbox="900 1155 1118 1227">€21,372</td> </tr> <tr> <td data-bbox="336 1227 651 1346">Each additional adult</td> <td data-bbox="651 1227 900 1346">Add \$245 (€155)</td> <td data-bbox="900 1227 1118 1346">€8,060</td> </tr> <tr> <td data-bbox="336 1346 651 1417">First child</td> <td data-bbox="651 1346 900 1417">Add \$320 (€202)</td> <td data-bbox="900 1346 1118 1417">€10,504</td> </tr> <tr> <td data-bbox="336 1417 651 1489">Each additional child</td> <td data-bbox="651 1417 900 1489">Add \$105 (€66)</td> <td data-bbox="900 1417 1118 1489">€3,432</td> </tr> </tbody> </table>	Household members (regardless of relationship)	Gross weekly income	Gross annual income (Euro)	Single adult	\$650 (€411)	€21,372	Each additional adult	Add \$245 (€155)	€8,060	First child	Add \$320 (€202)	€10,504	Each additional child	Add \$105 (€66)	€3,432
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Each additional child	Add \$105 (€66)	€3,432														

**USA**

Local Public Housing Agencies use income limits developed by the Department of Housing and Urban Development. Three thresholds are defined:

- **Low income:** income lower than 80% of the family area median income
- **Very low income:** income lower than 50% of family area median income
- **Extremely low income:** income less than 30% of the family area median income.

Eligible tenants must have an income lower than 80% of the family area median income, and at least 40% of new tenants in any year must be in the extremely low-income category.

Because income limits and eligibility requirements vary from area to area, an applicant may be eligible in one state, city, or county but not in another.

By statute, family size adjustments are required to provide higher income limits for larger families and lower income limits for smaller families. The factors, shown below, are applied to the low and very low-income limits. Note that a household of four is the base case with no distinction between additional adults and children

1	2	3	4	5	6	7	8
70%	80%	90%	Base	108%	116%	124%	132%

For each person over eight-persons, the four-person income limit should be multiplied by an additional eight percentage points. (For example, the nine-person limit equals 140% [132 + 8] of the relevant four-person income limit.)

These adjustments are not used for those on extremely low incomes. Instead, the poverty guidelines have fixed dollar amount adjustments between households. For families with more than eight persons, HUD has developed a tool that should be used to calculate the extremely low-income limit for that area.

**Table 8: Consideration of children in subsidised housing income threshold determination in other jurisdictions**

**British Columbia, Canada**

Housing Income Limits are based on the number of required bedrooms rather than the composition of the household. The size of unit required by a household is governed by the National Occupancy Standards:

1. There shall be no more than 2 or less than 1 person per bedroom.
2. Spouses and couples share a bedroom.
3. Parents do not share a bedroom with children.
4. Dependants aged 18 or more do not share a bedroom.
5. Dependants aged 5 or more of opposite sex do not share a bedroom.

These limits are intended to reflect the minimum income required to afford appropriate accommodation in the private market and vary by region  
 A total of four bedrooms is permitted in computing income limits; this corresponds to a maximum of eight household members.

**France**

To obtain housing, the total annual income of the people to be housed must not exceed a maximum amount. This maximum amount depends on the location of the accommodation and the number of residents.

There are higher allowances for households with members with disabilities.

<b>Gross Household Annual Income</b>			
	<b>Paris and Neighbouring Municipalities</b>	<b>Rest of the Île-de-France</b>	<b>The Provinces</b>
<b>One person</b>	€31,208	€31,208	€27,131
<b>Couple</b>	€46,640	€46,640	€36,231
<b>Young couple (sum of ages &lt;56)</b>	€61,140	€56,065	€43,571
<b>Single + child</b>	€61,140	€56,065	€43,571
<b>Couple + one other person</b>	€61,140	€56,065	€43,571
<b>Single person + two children</b>	€72,998	€67,157	€52,601
<b>Couple + two other people</b>	€72,998	€67,157	€52,601
<b>Single person + three children</b>	€86,852	€79,500	€61,879
<b>Couple + three other people</b>	€86,852	€79,500	€61,879
<b>Single person + four children</b>	€97,730	€89,462	€69,737
<b>Couple + four other people</b>	€97,730	€89,462	€69,737
<b>Every additional person</b>	+€10,890	+€9,968	+€7,778

<b>Germany</b>	<p>Income thresholds vary by federal state. Examples of net annual income limits are set out below.</p> <table border="1" data-bbox="336 315 1118 658"> <thead> <tr> <th colspan="4">Net Income</th> </tr> <tr> <th></th> <th>Düsseldorf</th> <th>Berlin</th> <th>Hamburg</th> </tr> </thead> <tbody> <tr> <td>Applicant</td> <td>€19,350</td> <td>€16,800</td> <td>€12,000</td> </tr> <tr> <td>Two-person household</td> <td>€23,310</td> <td>€25,200</td> <td>€18,000</td> </tr> <tr> <td>Each additional person</td> <td>€5,360</td> <td>€5,740</td> <td>€4,100</td> </tr> <tr> <td>Each child</td> <td>€700</td> <td>€700</td> <td>€1,000</td> </tr> </tbody> </table>	Net Income					Düsseldorf	Berlin	Hamburg	Applicant	€19,350	€16,800	€12,000	Two-person household	€23,310	€25,200	€18,000	Each additional person	€5,360	€5,740	€4,100	Each child	€700	€700	€1,000			
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<b>Montreal Canada</b>	<p>Gross annual income limits are as set out below</p> <table border="1" data-bbox="344 824 1118 1245"> <thead> <tr> <th>Gross annual income</th> <th>Canadian Dollar</th> <th>Euro</th> </tr> </thead> <tbody> <tr> <td>Individual</td> <td>\$31,000</td> <td>€19,914</td> </tr> <tr> <td>Couple</td> <td>\$31,000</td> <td>€19,914</td> </tr> <tr> <td>2 people (not living as a couple) or 3 people</td> <td>\$36,000</td> <td>€23,126</td> </tr> <tr> <td>4 or 5 people</td> <td>\$43,000</td> <td>€27,623</td> </tr> <tr> <td>6 or 7 people</td> <td>\$58,000</td> <td>€37,259</td> </tr> <tr> <td>8 or 9 people</td> <td>\$63,500</td> <td>€40,793</td> </tr> <tr> <td>10 or 11 people</td> <td>\$66,000</td> <td>€42,399</td> </tr> <tr> <td>12 people or more</td> <td>\$67,500</td> <td>€43,362</td> </tr> </tbody> </table>	Gross annual income	Canadian Dollar	Euro	Individual	\$31,000	€19,914	Couple	\$31,000	€19,914	2 people (not living as a couple) or 3 people	\$36,000	€23,126	4 or 5 people	\$43,000	€27,623	6 or 7 people	\$58,000	€37,259	8 or 9 people	\$63,500	€40,793	10 or 11 people	\$66,000	€42,399	12 people or more	\$67,500	€43,362
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<b>New Zealand</b>	To qualify for social housing a client must be earning under the income limit for their household type.			
		<b>Income limit (net)</b>	<b>Weekly income limit (net)</b>	<b>Annual income limit (net)</b>
		<b>(New Zealand Dollar)</b>	<b>(New Zealand Dollar)</b>	<b>(Euro)</b>
	<b>Single client without a partner, and no dependent children</b>	1.5 x the net weekly living alone rate of New Zealand Superannuation <sup>19</sup> (\$423.83 (€250) as of 1 April 2020)	\$635.75 (€375) net	€19,500
<b>Any other client</b>	1.5 x the net weekly married rate of New Zealand Superannuation (\$652.04 (€385) as of 1 April 2020)	\$978.06 (€577) net	€30,000	

## Recommendation

### Recommendation

Further research should be carried out in the implications of increasing the baseline income eligibility thresholds for support, including for example, impacts on the length of the social housing waiting lists, on HAP rents and on the demand for social housing.

It is recommended to carry out research into how long different cohorts of households who are approved for social housing remain without their housing needs met, and the reasons for this. This would help to identify the specific challenges experienced by different household types and may help to inform specific interventions. In particular, it may be determined that the HAP limits for single adult households need to be increased to that of a couple in order to expand the universe of possible rental units. Possible means of encouraging the construction of one bed units should also be considered.

Any future policy must ensure it does not discriminate against single adult households. Any changes to social housing income eligibility thresholds must note the particular challenges of single adults sourcing one bed roomed accommodation, and the disproportionate number of single adults on the social housing waiting list and in temporary

<sup>19</sup> New Zealand Superannuation (NZ Super) is the government pension paid to Kiwis over the age of 65. Any eligible New Zealander receives NZ Super regardless of how much they earn through paid work, savings, and investments, what other assets they own or what taxes they have paid.

and emergency accommodation. Any future policies should also be cognisant of those single adults with children or other dependents, and their possible requirement for larger accommodation units in order to have minor children visit.

### **Recommendation**

The possibility of increasing the uplifts associated with additional household members and children should be examined. Issues to be considered will include

- The implications of raising the income threshold will be to increase the number of households eligible for social housing, with associated consequences for social housing demand.
- The choice of a specific equivalence scale depends on two factors. Firstly, on technical assumptions about economies of scale in consumption. Secondly, an equivalence scale rests on value judgements about the priority assigned to the needs of different individuals within a household. These judgements have a considerable impact on results. Possible equivalence scales and the associated implications of each could be examined.

## 5. Affordable Schemes

### Cost Rental

Under Housing for All<sup>20</sup>, the Government has committed to 2,000 cost rental homes per year over the lifetime of the plan. Cost rental is a new form of public housing in Ireland and the policy intent is to assist those on moderate incomes for whom open market rents are unaffordable; cost rental will be targeted to achieve rents that are at least 25% below what they would be on the private market.

Cost Rents are set so as to cover the costs of providing, managing, and maintaining each home. In order to reduce these costs, thereby making the rent lower and more affordable for the tenant, upfront State capital subsidies are being deployed.

The development of Cost Rental in the medium term will be largely restricted to areas with high open market rents, acute affordability challenges, and consequently higher impact in the deployment of Government subsidies. This situation lends itself to the use of a single national income limit, set primarily with reference to these particular areas of focussed development. The fixed net household income limit is currently €53,000. Income limits are important in targeting these limited State resources at those who fall within the moderate-income cohort and are considered most in need of Government assistance.

Initially, it was anticipated that income floors would be set to correspond with the upper income limits for social housing eligibility in each LA (which vary by household size). However, it was felt that having a rigid cut-off point at the income floor for Cost Rental would arbitrarily remove the choice for households at the upper end of the income eligibility range for social housing, who might wish to avail of Cost Rental and who might reasonably expect their incomes to grow over time and thereby make a Cost Rent more affordable. This group could include households who perhaps would not choose to apply for social housing supports, but who would value the option of a Cost Rental tenancy. Similar to the private rented market it is a landlord who must be satisfied that any prospective tenant will be able to pay their rent.

### Case Study: [REDACTED]

There are three cost rental schemes in Ireland. [REDACTED]

- 2 bed house – €935 per calendar month
- 3 bed house – €1,100 per calendar month
- 4 bed house – €1,150 per calendar month

The following eligibility criteria applied to those applying for these properties:

- Net household income of below €53,000 per annum
- Not in receipt of any social housing supports
- Do not own a property
- Household size matches the size of the property advertised
- Can afford to pay the cost rent for the home

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<sup>20</sup> <https://www.gov.ie/en/publication/ef5ec-housing-for-all-a-new-housing-plan-for-ireland/#view-the-plan>



## Recommendations

**Recommendation:**

As the various affordability schemes evolve, ongoing analysis should be conducted to identify the incomes of those availing of these schemes in order to determine if they were also eligible for social housing. An ongoing area of focus should be ensuring that the affordability and social housing schemes operate in such a way that those earning just above social housing income thresholds (or those who chose not to avail of social housing) have access to secure affordable accommodation if they cannot access accommodation on the private market.

**Recommendation:**

As a new delivery model, it is that recommended the cost rental scheme be regularly reviewed.

## Appendices

### Appendix A: Social Housing Support Household Means Policy 2021<sup>21</sup>

#### 1. Background and Purpose of the Household Means

This policy sets out the manner in which local authorities will assess the means of applicant households for the purpose of determining the household's ability to provide accommodation from its own means and by extension its eligibility, or otherwise, for social housing support.

The requirement to adhere to the household means policy in assessing applicants for social housing support is set out in Regulation 17 of the Social Housing Assessment Regulations 2011, which provides that the income of a household shall be calculated for the purposes of those Regulations in accordance with written guidance issued by the Minister to local authorities (in the Regulations referred to as a "household means policy").

#### 2. Income assessed is net income

The income threshold is the basic measure of whether a household is eligible for social housing support. The determination of whether an applicant household meets the income criteria is based on a calculation of their preceding 12 months' net average income prior to the date of receipt of application. Net income means that income tax, Universal Social Charge, PRSI and Additional Superannuation Contribution (ASC) are deducted from the relevant assessable gross income. The income of all persons aged 18 years and over included in a social housing application shall be assessed for the purposes of determining whether an applicant household meets the income requirements.

#### 3. Income that is assessable in considering social housing applications

Subject to what follows in the paragraphs below, the following incomes are assessable for the purposes of assessing eligibility for social housing support;

- income from employment including overtime, bonuses, and commissions;
- overtime payments, commissions and bonuses will be assessable as follows:
  - overtime – generally restricted to a maximum of 10% of basic income, but regular overtime may be taken into account;
  - bonus – restricted to a maximum of 10% of basic income;
  - commission – restricted to a maximum of 30% of basic income, where applicable;
- income from self-employment;
- maintenance payments received, (subject to the criteria set out in the guidance notes which accompany this means policy);
- income from rental properties, dividends, capital investments and other similar sources of income;
- occupational and social welfare pensions, from whatever source, including from abroad, and
- with the exception of the specific payments listed in paragraph 4 below as being disregarded, all income from social insurance and social assistance payments, allowances, and benefits, including Working Family Payment, is assessable.

#### 4. Income that is not assessable

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<sup>21</sup> <https://www.gov.ie/en/publication/fb1f2-social-housing-support-household-means-policy/>

In assessing household income for the purposes of the household means policy, a local authority may decide to disregard income that is once-off, temporary or short-term in nature and which is outside the regular pattern of a person's annual income.

Income from the following sources shall, in all cases, be disregarded for the purposes of assessing income:

(a) Payments by the Department of Social Protection under the Social Welfare Acts in respect of—

- i. Child Benefit
- ii. Guardian's Payments (Contributory)
- iii. Guardian's Payments (Non-Contributory)
- iv. Carer's Allowance, full or half rate
- v. Carer's Benefit
- vi. Domiciliary Care Allowance
- vii. Constant Attendance Allowance
- viii. Prescribed Relatives Allowance
- ix. Electricity or Gas Allowance
- x. Fuel Allowance
- xi. Telephone Allowance
- xii. Increase for Living on a Specified Island
- xiii. Living Alone Allowance
- xiv. Dietary Supplement
- xv. Payments under Medical Care Scheme
- xvi. Back to Work Family Dividend
- xvii. Disablement Benefit/Pension

Once off payments or irregular payments, including e.g., Carer's Support Grant (formerly called Respite Care Grant), Training Support Grant, Back to School Clothing and Footwear Allowance, Exceptional Needs Payment, Urgent Needs Payment, Humanitarian Assistance Scheme, Funeral grant.

(b) Community employment schemes such as Community Employment Programme, Community Services Programme, Gateway, the Youth Employment Support Scheme, the Rural Social Scheme (RSS), Tús; the amount of income in excess of the Supplementary Welfare rate.

(c) Payments from the Department of Social Protection or the Department of Education / Department of Further and Higher Education, Research, Innovation and Science or any Government Department or state agency in respect of an education or training course: the amount of income in excess of the Supplementary Welfare rate.

(d) Payments by the Health Service Executive in respect of—

- i. Fostering Allowance
- ii. Blind Welfare Allowance
- iii. Mobility allowance

(e) Payments by the Department of Education, or under schemes funded by that Department, in respect of—

- i. Student grants schemes
- ii. Home Tuition Scheme

iii. Youthreach training allowance

(f) Payments received as a training allowance while undergoing a course of rehabilitation training by an organisation approved by the Minister for Health;

The following miscellaneous payments:

(g) Payments by charitable organisations, being bodies the activities of which are carried on otherwise than for profit (but excluding any local authority or other public authority) and one of the functions of which is to assist persons in need by making grants of money to them;

(h) Payments made by another EU Member State and / or the United Kingdom (Common Travel Area) that correspond to Child Benefit;

(i) Scholarships in respect of attending approved courses provided by approved institutions, within the meaning of sections 7 and 8 of the Student Support Act 2011 (No. 4 of 2011), respectively;

(j) Income earned by children.



## Appendix B: Guidelines on a reasonable standard of living and reasonable living expenses<sup>22</sup>

The Insolvency Service of Ireland (ISI) detail ‘reasonable living expenses’ which are the expenses a household will necessarily incur in achieving a reasonable standard of living. Reasonable living expenses are made up of set costs, housing, childcare, and special circumstances. Set costs include necessities such as food, clothing, transport, utilities, and social participation as well as other categories which have been identified by the ISI as necessary to maintain a reasonable standard of living. **Housing (mortgage or rent payments) and childcare costs vary across the country and are not included in set costs.**

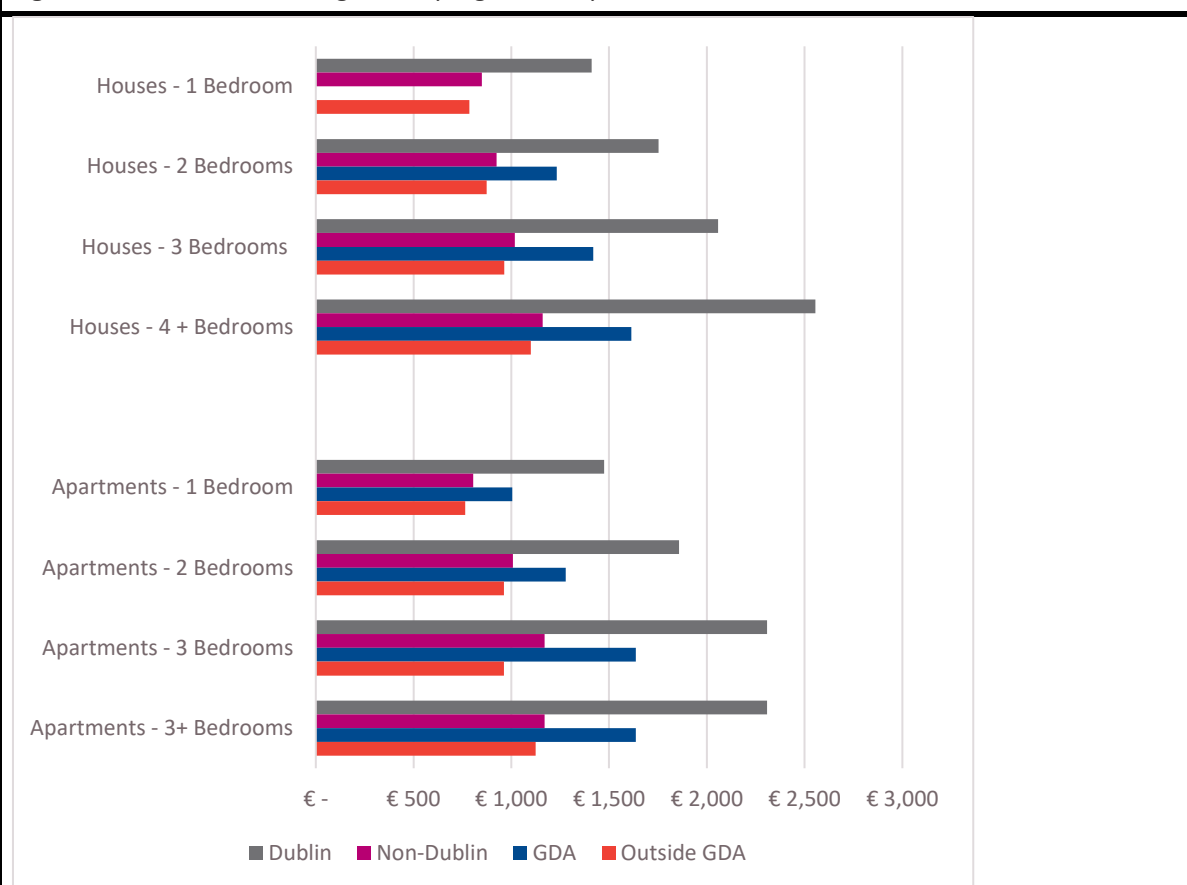
	No Car	Car
	<b>Adult Set Costs</b>	
<b>Single Adult, no children</b>	€938.14	€1050.48
<b>Couple, no children</b>	€1,509.59	€1,486.62
<b>Single adult, with children</b>	€944.71	€1,096.15
<b>Couple with children</b>	€1,373.63	€1,420.83
	<b>Children Set Costs</b>	
<b>Infant</b>	€232.26	€232.26
<b>Pre-school</b>	€68.52	€56.27
<b>Primary school</b>	€209.37	€197.12
<b>Secondary school</b>	€422.16	€409.91
Some additions are applied if the family has more than two children.		

	No car	Including car
<b>One Adult</b>	€938.14	€1050.48
<b>One adult, 2 children</b>	Between €1081.75 and €1789.03	Between €1,208.69 and €1,915.97
<b>Couple, 2 children</b>	Between €1510.67 and €2,217.95	Between €1,533.37 and €2,240.65

<sup>22</sup> Insolvency Service of Ireland, “Guidelines on a reasonable standard of living and reasonable living expenses”, August 2020.

## Appendix C: Average rent by number of bedrooms

**Figure 12:** Standardised average rent by region and by number of bedrooms in houses Q1 2021



	Dublin	Non-Dublin	GDA	Outside GDA
<b>Houses - 1 Bedroom</b>	1,411.58	€ 849.57	*	€785.68
<b>Houses - 2 Bedrooms</b>	1,753.10	€924.46	€1,232.33	€874.37
<b>Houses - 3 Bedrooms</b>	2,057.46	€ 1,017.90	€1,419.16	€964.37
<b>Houses - 4 + Bedrooms</b>	2,555.78	€ 1,159.52	1,614.32	€1,099.21
<b>Apartments - 1 Bedroom</b>	1,475.16	€ 804.59	1,004.93	€764.76
<b>Apartments - 2 Bedrooms</b>	1,857.49	€1,007.48	1,277.53	961.75
<b>Apartments - 3 Bedrooms</b>	2,307.60	€1,169.47	1,637.52	961.75
<b>Apartments - 3+ Bedrooms</b>	2,307.60	€1,169.47	1,637.52	1,123.54

Source: RTB, 2021, Residential Tenancies Board Rent Index Q1 2021

## Appendix D: Calculations behind Cost Estimates in Section 3

This section sets out the methodology used to estimate the cost to the exchequer of moving five LAs, Clare, Westmeath, Carlow, Galway County and Laois, from Band 3 to Band 2.

This process involved a number of steps:

### Step 1: Households on the LA Lists with Income Exceeding €20,001

Identify the number of households on the social housing waiting lists in each of the five LAs and determine the income distribution of those on the list.

	€0-€5000	€5,001 to €10,000	€10,001 to €15,000	€15,001 to €20,000	€20,001 to €25,000	Over €25,001	Total
<b>Carlow</b>	62	25	270	79	64	5	505
<b>Clare</b>	73	164	629	180	129	27	1,202
<b>Galway County</b>	59	125	933	201	181	57	1,556
<b>Laois</b>	44	56	321	102	110	32	665
<b>Westmeath</b>	53	61	579	155	124	26	998
<b>Total</b>					755		

**Source:** Housing Agency SSHA Data

In total, 755 households on the social housing waiting lists in these three LAs have reported income exceeding €20,000. As such, assuming that income is evenly distributed, the increased income band may result in a similar increase in the number on the waiting list. However, this is likely to be an upper band, because, as noted in Section 5 on Cost Rental, some households with a housing need may choose not to join the social housing waiting list even if they meet income eligibility. This is likely to happen more often amongst segments of the population with higher incomes as they are more likely to be in a position to fund their own accommodation needs. In addition, the assumption that income distribution is even is quite strong. As such, upper and lower estimates are created, at 75% and 125% of this point estimate. As such, it is estimated that between 567 and 944 new households will enter the social housing waiting lists in these five LAs. However, absent an expansion of social housing in these areas, the only cost to the exchequer will be those households entering into HAP tenancies.

	Lower Band	Point Estimate	Upper Band
<b>Total</b>	567	755	944
<b>Carlow</b>	52	69	87
<b>Clare</b>	117	156	195
<b>Galway County</b>	179	238	298
<b>Laois</b>	107	142	178
<b>Westmeath</b>	113	150	188

## Step 2: Households on the Social Housing Waiting List availing of HAP

In total, 1,333 new HAP tenancies were set up in these five LAs in 2020 (Table 15).

When a household receives HAP, they drop off the social housing waiting list. As such, this figure is calculated as follows:

$$\% \text{ HAP Tenancies} = \frac{\text{Number of HAP Tenancies}}{(\text{Number of HAP Tenancies} + \text{Number of Social Housing Waiting List})} * \frac{100}{1}$$

	New HAP Tenancies 2020	Number of Social Housing Waiting List	% HAP Tenancies
Carlow	505	175	26%
Clare	1,202	320	21%
Galway County	1,556	328	17%
Laois	665	255	28%
Westmeath	998	255	20%
<b>Total</b>	<b>4926</b>	<b>1,333</b>	<b>21%</b>

Source: [gov.ie](http://www.gov.ie) - Overall social housing provision ([www.gov.ie](http://www.gov.ie))

As such, it can be estimated that between 17% and 26% % of newly eligible households will seek HAP accommodation following the transfer to Band 2. There is significant variance in both HAP take up and social housing waiting list sizes (see for example, Table 16). As such, rather than use the LA level figures, the average figure across the five LAs in used in the hopes that it will be more representative (21%).

	Carlow	Clare	Galway County	Laois	Westmeath
<b>2016</b>	719	1,966	2,087	1,198	1,926
<b>2017</b>	651	1,952	1,950	1,342	1,679
<b>2018</b>	499	1,004	1,819	1,024	1,585
<b>2019</b>	519	1,065	1,595	806	1,222
<b>2020</b>	505	1,202	1,556	665	998

The estimated number of HAP applications is dependent on the assumptions that those newly eligible households have the same propensity of joining HAP as the rest of the households on the list, **and also that they are able to source secure HAP accommodation**. Table 17 is 21% of the figures from Table 14.

	Lower Band	Point Estimate	Upper Band
<b>Total</b>	121	161	202
Carlow	12	15	19
Clare	25	34	42
Galway County	39	51	64
Laois	23	31	38

Westmeath	25	32	40
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### Step 3: Cost of HAP Provision

Table 18 presents the estimated total expenditure on HAP per year. The average rent of rental property in Q2 2021 is taken from the RTB's Rent Index.

Table 18: Expenditure on HAP tenancies 2020				
	Average Cost of Rental Property Q2 2021/ month	Expected Total Expenditure on HAP/year		
		Lower Band	Point Estimate	Upper Band
Carlow	€985.73	€141,945	€177,431	€224,746
Clare	€894.06	€268,218	€364,776	€450,606
Galway County	€1,222.27 <sup>23</sup>	€572,022	€748,029	€938,703
Laois	€1,014.98	€280,134	€377,573	€462,831
Westmeath	€922.32	€276,696	€354,171	€442,714
<b>Total</b>		<b>€1,539,016</b>	<b>€2,021,981</b>	<b>€2,519,601</b>

### Step 4: Additional Cost of Social Housing

Without a parallel increase in the number of social housing units provided, the only increase in exchequer funding arising from moving Carlow, Clare, Galway County, Laois, and Westmeath from Band 3 to Band 2 will be associated with an increased number of HAP tenancies. Assuming all those who seek a HAP property can find one, the cost to the exchequer are estimated at between €1.5 million and €2.5 million. These are upper estimates for two reasons.

1. They do not consider differential rents paid by the tenants
2. It will likely not be possible for all those seeking HAP accommodation to source it. Table 19 shows the number of rental properties available on Daft.ie in these five LAs as of November 2021.

Table 19: Rental properties available on Daft.ie	
Carlow	11
Clare	22
Galway County	58
Laois	8
Westmeath	20
Source: Daft.ie	

<sup>23</sup> This figure is the standardised average rent of properties in all of Galway, not just Galway county