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A Roof Over Our Heads: Homeownership Challenges in Ireland

CA 2 – Capstone Report

Link GitHub: <https://github.com/CCT-Dublin/ca1-capstone-project-proposal-C2022188.git>

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**Assessment Cover Page**

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**Declaration**

By submitting this assessment, I confirm that I have read the CCT policy on academic misconduct and understand the implications of submitting work that is not my own or does not appropriately reference material taken from a third party or other source.

I declare it to be my own work and that all material from third parties has been appropriately referenced.

I further confirm that this work has not previously been submitted for assessment by myself or someone else in CCT College Dublin or any other higher education institution.

Contents

[Table of Figures ii](#_Toc180421461)

[Introduction 1](#_Toc180421462)

[Objectives 1](#_Toc180421463)

[Identify Key Barriers 1](#_Toc180421464)

[Analyse Government Programs 1](#_Toc180421465)

[Evaluate the Social Impact 1](#_Toc180421466)

[Suggestions 2](#_Toc180421467)

[Problem Definition 2](#_Toc180421468)

[Scope 2](#_Toc180421469)

[Inclusions 3](#_Toc180421470)

[Exclusions 3](#_Toc180421471)

[Planned Methods and Techniques 3](#_Toc180421472)

[Expected deliverables 3](#_Toc180421473)

[Data Source 4](#_Toc180421474)

[Ethical Considerations 4](#_Toc180421475)

[References 5](#_Toc180421476)

# 

# Figures

[Figure 1 - Timeline 4](#_Toc180421456)

# Tables

[Table 1 - Data Source 4](#_Toc180421477)

# Introduction

Ireland is currently experiencing a serious housing crisis due to an increase in demand against availability. Prices are growing for both buying and renting, making it more difficult for people to buy their own homes. It is extremely difficult for a rent-paying family to save enough money to buy a home. As noted in Hearne (2017), Ireland's housing crisis is directly linked to economic inequality, with government policies supporting the financialization of property, making homeownership increasingly out of reach for many.

This research, titled "A Roof Over Our Heads: Homeownership Challenges in Ireland," is a study that will identify the different obstacles that prevent people from owning their dream houses. Such issues get worse with the fact that the housing shortage is worsened by high demand, limited housing options, and low government investment in affordable housing. The housing crisis in Ireland is a social issue that not only involves or affects people or families, but also the community and the economy as a whole. As per Hearne (2020), 'Homelessness is one of the most egregious and damaging violations of the right to adequate housing,' he continued noting that also tenant protections are few, and housing is the gambling wheel for many deals.

The intention of this study is to find ways of solving the homeownership issue by investigating the problems that people face and understanding how effective the existing government programs are to improving housing availability. This project aims to encourage a better conversation about housing policies and support changes that make homeownership more accessible to everyone.

# Objectives

Identify Key Barriers: Identify and analyse the primary problems that individuals and families experience when seeking to buy a property in Ireland, such as financial restrictions, market conditions, and social considerations.

Analyse Government Programs: Analyse the efficacy of existing government efforts and policies aimed at making housing more accessible and affordable to potential homeowners.

Evaluate the Social Impact: Analyse the larger social and economic consequences of homeownership issues, such as affordability stress, which affects one-third of Irish households suffering with rent or mortgage payments. As highlighted by Hansen (2013), secure and decent housing is central to a family’s physical and mental health, educational opportunities for children, and employment options for parents, as well as neighbourhood stability and crime prevention.

Suggestions: Investigate and provide possible suggestions for improving government programs or proposing innovative ways to address Ireland's homeownership challenges.

The project hypothesizes that, despite existing government programs dedicated to improving housing access, significant barriers still exist that prevent many individuals and families in Ireland from becoming homeowners. Addressing these challenges would necessitate specific strategies that are relevant to current housing market conditions.

# Problem Definition

Buying a home in Ireland has become more difficult in recent years. Many people and families are struggling to find affordable accommodation as property prices rise. High property prices and rigorous lending restrictions from banks make it difficult for people to get mortgages, while a lack of reasonably priced options limits their possibilities. Vulnerable populations, such as low-income families and first-time purchasers, face even more challenges. Hearne highlights that 'the financialization of housing,' where housing is treated more as a commodity for investment than as a basic right, has led to rising housing prices and insecurity. This trend, combined with limited tenant protections, makes it increasingly difficult for individuals and families to secure affordable housing (Hearne, 2020)

However, the crisis is more than just a supply-side issue. Potts believes that "the real problem is demand... While it is widely acknowledged that individuals require housing, they can only live in what they can afford. Some debates regarding housing 'demand' can be misleading... it is helpful to recognise that housing is not that different from other fundamental requirements, such as food" (Potts, 2020). As per Gillespie noted: ‘similar to the situation in Accra, where market-based approaches have largely failed to address the needs of low-income groups, 'the private sector has mainly concentrated on the upper income levels, because that is where the market is and that is where they can get their money' (Gillespie, 2018). These perspectives highlight the importance of affordability, rather than availability, in Ireland's housing crisis.

# Scope

This study aims to give an in-depth investigation of the challenges connected with homeownership in Ireland, with a focus on both individual barriers and the effectiveness of government actions.

### Inclusions

**Barriers Analysis**:The research will also address how housing instability increases with rising rents, leading to a distressing homelessness situation for many people who are unable to save enough to purchase homes(Hearne, 2017).

**Government Programs**: An examination of public-sector mortgage programs currently in place, as well as the anticipated new rules, including an assessment of their effectiveness and potential areas for improvement. Gillespie (2018) highlights that 'collective self-help and financial inclusion can only be a viable solution... if combined with state subsidies to lower the prohibitive cost of land and construction'. This underscores the importance of government intervention in addressing affordability challenges in Ireland.

**Recommendations:** Provide specific policy recommendations for improving housing accessibility.

### Exclusions

**Bias:** Ensure that decisions are made without bias, using objective data and reputable sources. Personal or subjective opinions will not be considered in the analysis.

**Personal Information:** This project will not use any personal or sensitive information. To maintain privacy and adhere to ethical guidelines, it will rely on publicly available data (e.g., government or non-profit reports that provide information about safeguarding options and processes). Government reports will be extracted manually, along with anonymized datasets.

# Planned Methods and Techniques

**Literature Review**: Conduct a thorough review of existing research and reports related to housing challenges and government policies in Ireland.

**Data Collection:** To understand the present situation of homeownership, collect information from reliable sources such as government publications, housing statistics, and surveys.

**Interviews/Surveys:** To obtain qualitative insights, if possible, conduct interviews or surveys with stakeholders, such as prospective homeowners and housing experts.

**Case Studies:** Examine case studies of government initiatives to determine how they affect homeownership.

### Expected deliverables

By the end of the second semester, the project should provide:

* A comprehensive study summarising the analysis' conclusions, including hurdles to homeownership and a review of government interventions.
* Practical recommendations to improve housing accessibility and address the highlighted difficulties.

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Figure - Timeline

# Data Source

| **Data Source** | **Data Amount** | **Permission** |
| --- | --- | --- |
| Central Statistics Office (CSO) of Ireland. [online] Available at: <https://www.cso.ie> | Full | Open resources allowed by their terms and conditions |
| Daft.ie and MyHome.ie [online] Available at: <https://www.daft.ie>, <https://www.myhome.ie> | Full | Open resources allowed for public listings |
| Academic journals via Google Scholar. [online] Various articles on housing policies | Partial | Access through institutional subscription; cite appropriately |
| Survey responses from potential homeowners | Variable | Informed consent required for all participants |

Table - Data Source

# Ethical Considerations

This project will prioritise ethical principles throughout its execution. All survey and interview participants will provide informed permission, ensuring that they fully understand the study's goal and how their data will be used. To protect the privacy of participants, all personal data collected will be anonymized, so that individual respondents cannot be recognised.

# References

Gillespie, T. (2017). Collective Self-Help, Financial Inclusion, and the Commons: Searching for Solutions to Accra’s Housing Crisis. *Housing Policy Debate*, 28(1), pp.64–78. doi:https://doi.org/10.1080/10511482.2017.1324892.

Hansen, T. (2013). The Housing Crisis and the Working Poor: Problems and Solutions from the Community Level. *SSRN Electronic Journal*. doi:https://doi.org/10.2139/ssrn.2344505.

Hearne, R. (2017). *A home or a wealth generator? Inequality, financialisation and the Irish housing crisis Cherishing All Equally 2017 Economic Inequality in Ireland*. [online] Available at: https://mural.maynoothuniversity.ie/12052/1/RH\_Home%20or.pdf [Accessed 14 Oct. 2024].

Hearne, R. (2020). *Housing Shock - The Irish Housing Crisis and How to Solve It*. [online] Google Books. Available at: https://books.google.ie/books?hl=en&lr=&id=0AfpDwAAQBAJ&oi=fnd&pg=PP1&dq=info:7WxXMmIZinYJ:scholar.google.com&ots=wClvYQHBqv&sig=J47cGhbuv\_accuQu0neARbZk724&redir\_esc=y#v=onepage&q&f=false [Accessed 15 Oct. 2024].

Potts, D. (2020). *Broken Cities*. [online] Google Books. Available at: https://books.google.ie/books?hl=en&lr=&id=cDhOEAAAQBAJ&oi=fnd&pg=PP1&dq=housing+crisis&ots=pVl\_ytkO-v&sig=QF8JIHYrVdak6qI-4Hr0H39WRxU&redir\_esc=y#v=onepage&q&f=false [Accessed 17 Oct. 2024].