Firstly, Peter McVerry Trust would like to thank the Chairperson and members of the committee for the opportunity to address you on the issue of rent supplement.

Peter McVerry Trust was founded over 30 years ago and currently provides services in relation to housing, adult homelessness, U18s residential care and drug treatment. The charity is also an approved housing body with over 100 residential units. In 2014 the charity supported 4,460 participants across its services, an increase of 24% on the previous year. The majority of those with whom Peter McVerry Trust engages are young single males with complex needs. The majority of those with whom we work are aged from 18-35 (57%).

The private rental market has traditionally been the destination for single people leaving homeless services as social housing has normally been constructed and targeted to the needs of multi-person, family households. The current most pressing challenge experienced by single homeless persons seeking accommodation is that of availability and affordability. Supply in the rental sector in Dublin currently stands at it lowest levels since 2007 and rents have been increasing year on year since 2010 with significant increases coming into the market since 2013. This situation is not only preventing homeless person from accessing the private rental market, it is also placing those already in private rented accommodation at increasing risk of homelessness as rising rents exceed existing rent supplement caps.

The ability of rent supplement, as it currently stands, to counter these challenges and support people to secure or maintain rental accommodation is very limited.

**Evidence for Change - Rent Supplement Initiative**

Peter McVerry Trust believes that the Rent Supplement Initiative provided clear evidence to show that amendments to the rent supplement system could deliver positive outcomes. The Rent Supplement Initiative first ran as a pilot from December 2012 to August 2013 and was a joint DRHE and DSP initiative involving 8 homeless service providers. The initiative was set up to create a centralised application system, to move rent supplement rates closer to market rates, to do more to meet the concerns of landlords, and to trial the payment of rents and deposits in advance and with rapid turnaround times.

After an initial pilot phase a decision was taken to extend the Initiative for 15 months operating from September 2013 to December 2014. During this period Peter McVerry Trust helped 22 households secure private rental accommodation via the Initiative on supplements above the existing caps. All of these households received a deposit and month’s rent in advance. The average monthly amount approved over and above the cap was €176. The average monthly rent for these 22 households stood at €684. Accordingly, the cost of housing one household for one year at these higher rates is €8,208. This is significantly lower than what it costs to accommodate a homeless person for one year in emergency accommodation and clearly demonstrates the cost effectiveness of schemes such as the Rent Supplement Initiative.

Based on figures compiled by the DRHE for the period Q3 2013 -Q4 2014 of the Rent Supplement Initiative 100 households were successfully housed in private rental accommodation. Of these 76 were supported by the Initiative by way of payments above the normal cap with the vast majority also receiving advance deposits and the first month’s rent upfront. These 76 progressions to private rented accommodation, even at the higher rent supplement levels, represent a significant saving to the state.

Peter McVerry Trust believes that the success of the Rent Supplement Initiative was largely dependant on the willingness to pay over and above the rent supplement caps. However, another important aspect was the provision of a deposit and one month’s rent in advance. These factors combined to place homeless households on something approaching an equal footing to others seeking accommodation in the private rental market.

The Rent Supplement Initiative was closed to new nominations at the end of December 2014 as the Housing Assistance Payment was rolled out. However, the learning and experience from the RSI has not fully transferred to the new scheme.

**Housing Assistance Payment**

While we understand that the Housing Assistance Payment is not the remit of this Committee, its consideration is crucial to understanding the context for the strengthening and reform of rent supplement.

The members will be aware that the Housing Assistance Payment or HAP scheme is being rolled out across a number of local authorities. HAP, while based on rent supplement rates, can provide a payment of 20% above current rent supplement caps up to a limit of €624 for a single person household. However, even with this exceptional payment, it is insufficient to allow many homeless households to secure private rented accommodation as evidenced by the average rent figures for the Rent Supplement Initiative outlined above.

Due to these issues, while Peter McVerry Trust has accessed the HAP scheme for some clients, it has also continued to use the rent supplement system to secure private rental accommodation as this often proves to be a more flexible and effective method of securing private rental accommodation based on client need and closer to market rates. Accordingly, 9 of the 12 households progressed to private rented accommodation from Peter McVerry Trust homeless services since February 2015 secured rent amounts through the rent supplement scheme at levels in excess of the maximum HAP limits. In the remaining three cases, the rent required by the landlord was within HAP limits, but landlords were unwilling to engage in the scheme.

I would like to briefly mention two other issues relevant to the issue of rent supplement.

**Young People, Cost of Living & Rent Supplement**

The next issue that we would like to raise, and one that is very relevant to this committee, is the issue of young people’s social welfare rates. Approximately 20% of those supported by PMVT in 2014 were aged between 18-25. For these individuals the ability to secure and sustain private rental accommodation is particularly difficult. They represent the most vulnerable group in adult homelessness.

The young people in homeless services who are not in education are receiving the reduced rate of jobseekers allowance at €100 per week. Should they find private accommodation this €100 must cover; a rent supplement contribution of €32 per week, utility and services of approximately €40 per week leaving them with a balance of €28 for food/groceries, transport, and clothing. Sustaining private rented accommodation on this financial basis is not possible. If current welfare rates for homeless U25s remain unchanged these young people are at risk of becoming trapped in homeless accommodation for prolonged periods of time. This leaves them vulnerable to becoming institutionalised into homelessness and limits their opportunity to gain the required skills for independent living at a time in life when these are best and most readily acquired.

**Resources needed to secure private rental accommodation**

The final issue we would like to highlight is the challenge faced by homeless persons in attempting to secure private rental accommodation. Peter McVerry Trust’s experience in supporting participants to secure private rented accommodation is that in the normal course of events, they will need to view in the region of 10 properties before finding a landlord who will consider them for a possible tenancy, and that even then the processing time, the rate of supplement available and the availability of deposits and rent in advance can put a prospective landlord off. Even securing a viewing can be difficult as many landlords are reluctant to consider applications from those in receipt of rent allowance.

The process can be extremely frustrating for people in homeless services, and many motivated individuals have relapsed into drug use or have recurrences of mental health issues because of the length of time which it can take to find accommodation.

At the launch of the Rent Supplement Initiative, Peter McVerry Trust increased the resources it dedicates to its Accommodation Finders Team. This team is dedicated to helping and supporting homeless persons to find accommodation, manage relations with landlords and estate agents as well as helping them to complete all the necessary paperwork.

**Conclusion**

Peter McVerry Trust would urge that the significant disparity between market rates and rent supplement caps be addressed to meet the urgent and immediate housing need of those in homeless services. This could be done in such a way as to provide rent certainty for both landlords and tenants by linking private rent increases to the cost of living index while at the same time increasing rent caps to levels more appropriate to current market rates.

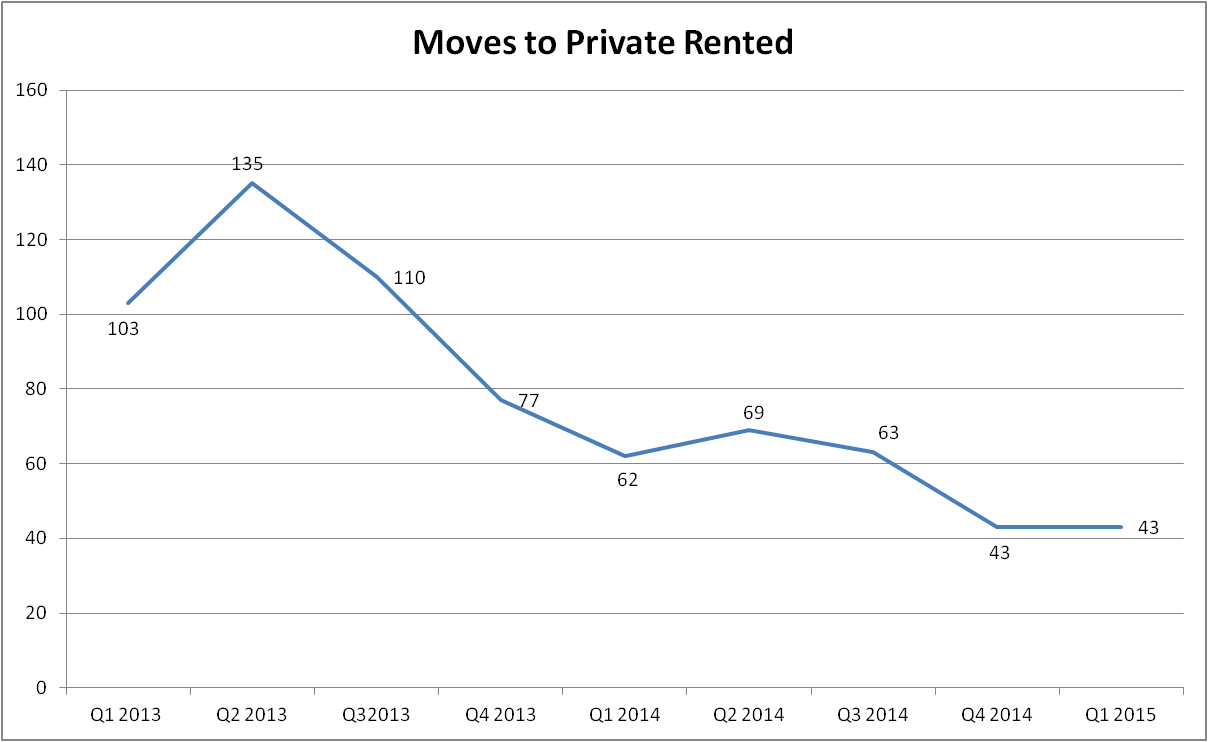
We have highlighted through the Rent Supplement Initiative that, on a per household basis, it is more cost effective to increase rent supplement rates than to continue paying for emergency accommodation. Similarly, it will also be more cost effective to increase young people’s social welfare rates which together with increased rent supplement rates would allow more young people to exit homelessness.

Peter McVerry Trust believes that increased costs to the Department of Social Protection resulting from the above measures, could be potentially offset by a reduction in the cost to the Department of the Environment associated with spending on emergency homeless accommodation.

**Supporting Information**

**From DRHE Performance Report, Q1, 2015:**

Total Moves out of Homeless Services into Private Rental Accommodation January 2013 - March 2015



A total of 705 households moved out of homelessness into Private Rental Accommodation for the 27 month period.

Quarterly Average 2013: 106.25 households per quarter

Quarterly Average 2014: 59.25 households per quarter

Quarterly Average 2015: 43 households in quarter 1

**From Peter McVerry Trust Internal Data:**

Households Moving from Homeless Services to Private Rental Accommodation with Rent Supplement February - May 2015

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **PRA Progression DSP RS/HAP** | **DSP Rent Supplement Cap** | **DSP Rent Supplement Achieved** | **HAP Inclusive of 20%** | **Hap Amount Achieved** | **Notes** |
| DSP RS | €950 | €1100 | €1130 | NIL | Landlord not willing to accept HAP |
| DSP RS | €820 | €1000 | €1130 | Nil | Landlord not willing to accept HAP |
| DSP RS | €520 | €600 | €624 | Nil | Landlord not willing to accept HAP |
| DSP RS | €520 | €800 | €624 | Nil | Achieved above  HAP max |
| DSP RS | €350 | €475 | €420 | Nil | Achieved above  HAP max |
| DSP RS | €520 | €850 | €624 | NIL | Achieved above  HAP max |
| DSP RS | €520 | €625 | €624 | Nil | Achieved above  HAP max |
| DSP RS | €520 | €650 | €624 | Nil | Achieved above  HAP max |
| DSP RS | €520 | €700 | €624 | Nil | Achieved above  HAP max |
| DSP RS | €520 | €800 | €624 | Nil | Achieved above  HAP max |
| DSP RS | €520 | €750 | €624 | Nil | Achieved above HAP max |
| DSP RS | €520 | €800 | €624 | Nil | Achieved above Hap Max |

**From Daft.ie Rental Report, Q1, 2015:**

