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National
Economic and
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An Chomhairle
Náisiúnta Eacnamíoch
agus Sóisialach

Housing
Requirements and
Population Change,
1981 — 1991

NATIONAL ECONOMIC AND SOCIAL COUNCIL

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Housing Requirements and Population Change, 1981 — 1991

by

John Blackwell

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COUNCIL PREFACE

The study on housing requirements, published through this report, is the first part of a study of the implications for the social services of the Council's recent report on population projections.¹ Further studies on the implications of the population projections for education, health and social welfare are in the course of completion.

The Council has already published, in 1976, a report on housing needs based on population projections available at that time.² The present report, prepared by Mr. John Blackwell, updates work in the previous report and provides further analysis of some topics.³ The results show requirements for the five year period 1981-86 as between 2 per cent below and 23 per cent above the number of dwellings completed in the five year period 1976-80 and the 1986-91 requirements as between 4 per cent and 32 per cent up on the 1976-80 figure. The actual numbers depend on the mix of assumptions chosen. For example it is assumed that accumulated requirements are to be worked off over ten years. The results are particularly sensitive to the assumptions made on household formation rates. The number of households will depend critically on developments in real personal incomes. The author assumes that there will be little or no change in real personal income per head, over the projection period. If real personal income were to decline, the projections would need to be revised downwards.

The Council believes that the report contains much valuable analysis for those interested in the formulation of public policy. The Council intends to give its views on this topic in a report looking at the overall implications for the social services of Ireland's changing demography.

¹Report No. 63, *Population and Labour Force Projections by County and Region, 1979-1991*.

²Report No. 14, *Population Projections 1971-86: The Implications for Social Planning-Dwelling Needs*.

³John Blackwell is at the Resource and Environmental Policy Centre, University College, Dublin, at the time of writing.

SUMMARY

The aim of this study is to estimate housing requirements over the period April 1981-April 1991. There are two principal sources of housing requirements. First, there are prospective requirements which will arise through:

- (i) an increase in the number of households;
- (ii) the replacement of dwellings which are lost due to their becoming unfit, being demolished or being converted to other uses;
- (iii) an addition to the vacancy reserve to cover the projected net increase in households.

Second, there are accumulated requirements which existed at April 1981, in the following categories:

- (i) unfit dwellings;
- (ii) overcrowded households;
- (iii) multi-family households where the sharing is involuntary;
- (iv) other categories such as those living in mobile homes and the homeless.

The projections are made on the basis of current housing standards, and on the basis of the existing set of housing policies.

A critical assumption which underlies the projections of the number of households is the assumed change in real personal incomes. Little or no increase in real personal income per head is assumed over the projection period. As a reflection of this, it is assumed that rates of household formation are either static or rise more slowly than in 1971-1979. This gives rise to a number of alternative projections of the number of households, depending on what is assumed about net migration and rates of household formation. The projected rate of obsolescence, as a proportion of the housing stock, is slightly lower than the rate for 1971-1979.

Among the many problems which arise in estimating requirements for overcrowding are the standard to be employed and the assumption on re-use of a dwelling. A standard of more than 1.5 persons per room is used. Two alternative assumptions are made about the proportion of dwellings which would be either freed for re-occupation or extended.

It is assumed that accumulated requirements are to be worked off over ten years. In the first five years of the decade, projected housing requirements vary from 158,000 to 126,000, depending on the mixture of assumptions which is used. In the second five years, the projections vary from 169,000 to 133,000. Thus, the projected requirements are higher in the second half of the decade and tend to be above the relatively high rate of housing completions which occurred in 1976-1980 inclusive. The projections of the number of households are relatively sensitive to the particular assumptions which are made on rates of household formation. The net increase in households is a little over 50 per cent of total requirements. There is projected a continual increase in single-person households and in elderly couple households.

The last Chapter highlights a number of policy issues which any exercise of this type raises. It is emphasised that "housing need" will not be met simply by setting—and achieving—a target for a building programme, but will require a mix of specific policies.

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CHAPTER 1

INTRODUCTION

The Study

1. This report sets out an estimate of housing requirements over the ten year period April 1981-April 1991 (so chosen because April 1981 coincides with a Census date). While it is intended mainly as a background paper, some resulting policy issues are pointed out in the final Chapter.

2. Following an elaboration of the term housing "need" and a summary of estimates of housing requirements which have been completed since 1969, the method of this study is outlined. Each of the components of housing requirements is then examined and an estimate of aggregate requirements is obtained. There follows a discussion of policy issues which result from the estimates. A number of Appendices contain detailed calculations and data, and a Glossary of terms is provided at the end of the report.

Housing Need and Housing Demand

3. Past studies of housing requirements have been based on an assessment of housing "need". This study is no exception (Glossary on requirements), but at the outset the value judgements which are inherent in housing need must be brought out, together with the difference between housing need and housing demand. An oft-quoted definition of housing need is as follows:

"Housing need" . . . is the extent to which the quantity and quality of existing accommodation falls short of that required to provide each household or person in the population, *irrespective of ability to pay or of particular personal preferences*, with accommodation of a specified minimum standard and above (1, p. 18, emphasis added).

4. As indicated by this definition, calculations of housing need are critically dependent on the "specified minimum standard". Otherwise housing need, is in principle, infinite. Minimum standards are set, not so much by households themselves, but by Government. The minimum

standards which are laid down involve a value judgement on the part of Government that households should not consume less than a certain minimum quantity of housing services, even if they had a sufficiency of income. However, the standards are likely to reflect the current expectations and mores of individuals and of families. They may go some way towards taking account of households' preferences, with regard to type of dwelling, facilities and location.

5. While there are many different dimensions to housing quality (neighbourhood, amenities, size, structure), the standards which are set by Government concentrate on structural fitness and on overcrowding. The minimum standards are enforced by setting legal minima which must be met, and by construction of public authority dwellings for rent. One of the reasons for public provision, rather than a simple transfer of cash income to households, is to ensure that the minimum amount of housing is consumed. Three general problems arise in assessing current provision of housing by comparison with minimum standards.

- (i) Whose standards are to be employed, those of Government or a different set? In this report, current Government standards are used, as interpreted from the *Housing Act, 1966* and from policy statements such as those in (2). However, this does not provide an unequivocal guide, and personal judgement is necessary. It is clear, for example, that current policy does not aim at the provision of an independent dwelling to each third level student who has inability to pay for a separate dwelling. And the statutory definition of overcrowding would lead to far greater housing provision and re-location than housing authorities have been prepared to undertake, although the position would vary from one housing authority to another.
- (ii) To what extent does direct housing provision by the State take account of households' preferences, with regard to location, type of dwelling, and facilities?
- (iii) Minimum standards are not immutable over time. They are subject to change as real incomes, prices and peoples' preferences and expectations change over time. In this study, *current* standards are employed, rather than an estimate of what standards would be, ten years from now.

The pitfalls of need calculations are to be avoided, which have been summed up:

"... if it is said that 'Society needs ...' it is not clear whether what is meant implies that the speaker himself needs it, whether Society

ought to have it in his opinion, whether a *majority* of members of Society want it, or all of them want it. Moreover, it is not clear whether it is 'needed' *regardless* of the social and humanitarian cost to Society" (3, p. 35).

6. "Need" is distinct from "demand". Demand is the amount which households are both willing and able to pay for housing services at some given price. Housing need calculations are based on the provision of a separate dwelling of minimum standard, to each household which, according to the value judgement, "should" have one—whether or not the household can afford to pay for these housing services. However, calculations of housing need must take account of the changes in the (effective) demand for housing. Changes in "need" consist of changes in (effective) demand for housing plus whatever additional provision of public housing is judged to be required to meet minimum standards for those who are unable to pay for housing. It must be noted, though, that housing demand is, in turn, influenced by Government policies: aids in the form of grants, interest subsidies and tax expenditures (modifications of the tax structure which lead to losses in revenue) result in the demand for housing being higher than it otherwise would be. (These policies will also affect the demand for owner-occupied dwellings relative to public sector dwellings but this topic is outside the scope of this study.) Hence, the role of the State in housing goes well beyond the direct provision of housing to bridge the gap between "need" and demand.

Broad Assumptions

7. As indicated in paragraph 5, the estimates of this report are made on the basis of current housing policies, including the current set of housing subsidies and policies on rehabilitation and improvement. The calculations assume the current broad definitions of housing unfitness and of overcrowding, although in the case of overcrowding a certain amount of judgement is used (Chapter 4). This implies no judgement on current policies; some set of policies must be taken and the existing set can serve as a benchmark. Deviations from this benchmark can be explored. For example, if it is felt that current standards are too high/low the requirements would have to be adjusted downwards/upwards. One of the value judgements which is usually made is the exclusion of second or holiday homes from estimates of housing need. This study excludes these homes from the estimates: in any event, their numbers are not known. Many of these homes are likely to be financed by means other than loans from the three principal lending agencies, building societies, local authorities, assurance companies, although the proportion of housing loans which go for second and holiday homes is not known.

Former Calculations of Housing Requirements

8. Table 1 shows the results of three sets of calculations of housing requirements which were compiled since 1969. Among the features of this Table are the persistence over time of unfitness and overcrowding—although these “accumulated” requirements have tended to decline. Another feature is the sharp rise over time in the net increase in the number of households. The NESC report of 1976 (4) estimated that accumulated requirements were in the range of 64-94 thousand, by comparison with a total housing stock of 726 thousand in 1971 (Table 2). It estimated that, over the fifteen years from 1971, prospective requirements—mainly from increased numbers of households—would be in the range of 250-278 thousand. In the period 1973-1981 inclusive, annual dwelling completions have averaged 26,100 (Appendix E, Table E.1). Given the lack of published information on unfitness and overcrowding for the period since 1971, it is not possible to say to what extent the previous assessments were borne out under these headings. With regard to the projections of increased number of households, the projections for the 1970s were lower than the actual increase which occurred—in part due to the scale of net in-migration in 1971-79, in part due to a sharp increase in rates of household formation in the 1970s. This is discussed further in paragraph 30 below.

The Method in Summary

9. The following is a summary of the method used. Based on recent population projections for the State (5), the number of households in 1981 is estimated and the numbers of households in 1986 and in 1991 are projected. This requires a projection of headship rates (the ratio of households heads to population in sex – age – marital status groups) in 1981, 1986 and 1991. Alternative assumptions are made on net migration trends and on changes in headship rates over 1979-1991.

10. Data from the Census of Population and from other published sources are the basis for the estimates of housing requirements due to unfitness, overcrowding and involuntary sharing, together with an estimate of houses likely to be improved with essential repair grants or otherwise. Estimates are made of housing requirements due to obsolescence over 1981-1991 and due to the need to maintain a vacancy rate.

TABLE 1
Estimates of Housing Requirements, 1969-1977

Type of Requirement	000		
	1969 White Paper for 1966-71 (Local Authority assessments in 1967) (a)	National Economic and Social Council Report No. 14 (ref 4)	Local Authority assessments for 1976-81 (assessments December 1976-May 1977)
<i>Accumulated</i>			
Replacement of unfit dwellings which are incapable of economic repair	35	34-54 (b)	21.3
Elimination of overcrowding	20	20-30 (c)	23.2
Elimination of involuntary sharing in multi-family dwellings		10	
Medical, compassionate and other grounds	4	(d)	4.5
<i>Total accumulated</i>	59	64-94	49.0
<i>Prospective</i>			
Increase in number of households	5 p.a.	(e) 160-173	13.1 p.a.
Loss of dwellings through obsolescence, demolition, conversions, etc.	6 p.a.	90-105	5.8 p.a.
Migration	1 p.a.	(f)	3.9 p.a.
Industrial development	—	(d)	2.3 p.a.
<i>Total prospective</i>	12 p.a.	250-278	25.1 p.a.
Less allowances for vacancies, prolongation of life of dwellings due to essential repairs scheme	3 p.a.	(d)	4.9 p.a.
<i>Net prospective</i>	9 p.a. (g)	250-278	20.2 p.a.

Notes:

- (a) Households are entered under the first appropriate sub-heading, and not more than once.
- (b) Includes allowance of 4,000 for households in mobile homes.
- (c) After allowing for possible overlap with elimination of involuntary sharing.
- (d) No allowance made.
- (e) No annual breakdown made.
- (f) No independent allowance made; its effects subsumed under obsolescence, etc.
- (g) Projection for mid-1970s of almost 11,500 a year, with increase due to obsolescence etc., and increased numbers of households.

Sources: *Housing in the Seventies*, 1969; P Duffy, “Housing needs: the prospects for the 1980s”, Regional Studies Conference, 6 March 1981; Parliamentary Question, 15 February 1978.

TABLE 2
Stock of Dwellings by Tenure, 1971, 1979
000

	Number of Dwellings (a)	
	1971	1979 (b)
Owner-occupied excluding purchase from local authority	428.4	530
Acquired from local authority	71.2	130
<i>Total owner-occupied</i>	499.6	660
Rented from local authority	112.7	102
Rented unfurnished, other than from local authority	65.0	30
Rented furnished	31.8	60
<i>Total rented in private sector</i>	96.8	90
Other	17.2	15
Total	726.4	867

Notes:

(a) Equal to the number of private households in permanent housing units.

(b) Estimates.

Sources: *Census of Population 1971*, Vol. VII; P Duffy, "The National Housing Programme", National Housing Conference 1981.

CHAPTER 2

HOUSEHOLD FORMATION

Introduction

11. The projection of household formation requires a number of underlying assumptions. The key underlying assumptions relate to the following areas.

Population

Proportion of males, and of females respectively who are (a) single, (b) married, (c) widowed, in 1981, 1986 and 1991 respectively.
Net migration 1981-1991.

Projected headship rates 1981, 1986 and 1991.

These elements are discussed, in turn. The population projections are discussed in more detail in (5). Appendix A outlines the assumptions on marital status, and discusses the implications of the term "married" in the Irish legal context.

Migration

12. The assumptions on net migration pose particularly severe problems, because of the relatively large net in-migration in 1971-1979, which had not been seen in any previous inter-censal period. In the preceding inter-censal period of 1966-71, net emigration had been 54,000. In 1971-79, net immigration was 109,000. Subsequently, in the two-year period 1979-81, net emigration was 5,000. An immediate difficulty here is that no ready explanation for the turn-around in net migration over 1971-1979 is available. However, the change was probably due to a combination of factors, among which are changes in relative incomes and in relative unemployment rates compared to the UK, and a movement across the Border which was, in part, not associated with specific economic changes.

13. In the light of this uncertainty, two alternative assumptions on migration are made, as follows.

Assumption 1 That net migration equals zero (for all age groups combined in 1981-1991, Table 3). The assumptions imply net out-migration of 18,000 for all persons aged 15 and over, in 1981-1986 and in 1986-1991; this is balanced by assumed net in-migration of 18,000 by those aged under 15. This does not mean that net migration is zero in each age group. Nor does it mean that, in an age group where net migration is zero, there is no mobility between Ireland and the rest of the world. It implies that "gross" movement outwards equals movement inwards. This can be regarded as a central assumption, and deviations from it can be explored, together with their effects on numbers of households.

Assumption 2 That net emigration is 5,000 per annum for total persons (Table 3).

The resulting population projections for 1986 and 1991, and comparison with age-specific population of 1979, are in Table E.2.

TABLE 3
Assumptions on Net Migration by Age, 1981-1986 and 1986-1991
(000)
(- signifies net emigration)

Age Group in Terminal Year	Assumption 1		Assumption 2	
	Male	Female	Male	Female
15-19	- 5.0	- 5.0	- 5.9	- 5.9
20-24	-15.0	-14.0	-15.9	-14.9
25-29	- 5.0	- 4.0	- 5.9	- 4.9
30-34	6.0	4.0	5.1	3.1
35-39	6.0	4.0	5.1	3.1
40-44	0.0	0.0	- 0.9	- 0.9
45-49	0.0	0.0	- 0.9	- 0.9
50-54	0.0	0.0	- 0.9	- 0.9
55-59	0.0	0.0	- 0.9	- 0.9
60-64	2.0	2.0	1.1	1.1
65+	2.0	4.0	1.1	3.1
15 and over	- 9.0	- 9.0	-18.9	-18.9

Household Formation 1971-1979

14. In 1971 there were 726,363 private households in permanent housing units; this number had increased to 867,026 by 1979. In addition, in 1979, 111,206 persons lived in non-private households such as institutions (with corresponding numbers for 1971 of 104,880). A further 27,271 persons (in 9,633 households) in 1979 lived in caravans or other temporary accommodation, by contrast with 14,765 persons (in 4,180 households) in 1971.

15. The impact of headship rate changes on household formation can be seen from the changes in the 1971-1979 period. Between April, 1971 and April, 1979, the housing stock increased by 141,000. Using the Census definitions, the number of private households is the same as the number of private dwellings. (There is a one to one correspondence between private household and private dwelling: see Glossary). If headship rates (by sex, age, marital status) had remained at their 1971 values (given in Table 4) the total number of private households in 1979 would have been 818,000 rather than the actual number of 867,000. Thus, 49,000 of the additional households can be attributed to a change in headship rates, rather than to changes in the size and structure of the population. This amounts to 35 per cent of the increase in households in that period.

16. The net change in the number of households is the net outcome of the following changes:

<i>Households formed through:</i>	<i>Households dissolved through:</i>
Marriage	Separation
Other formation of new households	Out-migration
In-migration	Death
	Other dissolution of elderly households
	Other dissolution of households

Thus, for example, marriage or sharing involves the "replacement" of two or more households by one. In the period April 1971-March 1979, 192,950 dwellings were completed: this can be compared with the net increase in households of 141,000. This shows that a high proportion of the dwelling completions in the 1970s were taken up by new households, rather than used to eliminate a backlog of accumulated requirements.

Elements of Housing Demand

17. The main forces which affect headship rates are changes in real income and in the stock of wealth, changes in relative prices, changes in the demand for housing as an asset and changes in preferences. All of these changes result in changes in headship rates within sex-age-marital status categories. The elements are discussed in turn.

18. First, income, and specifically real disposable personal income per head, is a critical variable. For instance, higher income makes it possible

for both young single people and for older people to set up independent households. (Apart from the need to meet the costs in an independent household, average cost per person increases. For a given quality of housing services, costs per person are greater when there are two housing units rather than one). A rise in income and an associated improvement in health would mean that a widow or widower could retain an independent household rather than share a dwelling with relatives. A recent paper says that:

“research undertaken . . . demonstrated quite clearly that far and away the largest single factor in determining the propensity of people in any one group to form a separate household in a structurally separate building, is income . . . the higher the incomes of any one group relative to the cost of the housing to which they aspire, the more likely they are to form smaller households” (6, page 4).

The importance of income in determining headship is also evident from cross-sectional work at county and borough level for 1971 (7), even though some of the impact of changes in income was cloaked because it worked through its effect on the number of marriages. The annual marriage rate per 1,000 unmarried population age 15-64 is related principally to real disposable personal income per head (8). Hence, changes in real income affect headship both directly, e.g., through affecting the number of single-person households, and indirectly through the marriage rate. If neither of the persons married was previously a head of household, there will be a net increase in the number of households.

19. There are other reasons why one can expect that income would play a dominant role. Much of the change in headship rates reflects the role of effective demand. The income elasticity of demand for housing is about unity—that is, every increase of one per cent in real income gives rise to an increase of about one per cent in the real demand for housing (9,10)—and there is evidence that this elasticity is higher, the higher is the degree of owner-occupation which has already been achieved (11). With regard to the latter point, the proportion of owner-occupied dwellings in Ireland is exceptionally high, by European standards. However, some of the effects of changes in real income will be reflected in changes in housing quality, rather than in household formation. Between 1970 and 1979, the average size of dwellings which were constructed increased by 16 per cent, although some of this reflected an increase in size of local authority dwellings. However, in the two-year period 1979-1981, there was a decline in the average size of dwellings which were constructed (12, 13). There are other indicators that the quality of housing improved between 1976 and 1981 (13).

20. Second, the stock of wealth could be expected to affect the demand for housing. However, empirical estimates of this effect are lacking.

21. Third, the more the price of housing increases relative to that of other commodities, the lower will be the predicted demand. However, the estimation of the role of prices is complicated by the difficulty of defining price, and by the role of expectations (14).

22. Fourth, housing is demanded as an asset, which will yield a flow of income (real or imputed) and will give rise to capital gains. The demand for housing as an asset is likely to increase if there is a greater expected rise in the price of dwellings.

23. Fifth, changes in preferences (or in “tastes”) play a role. Of their nature, changes in preferences are not measurable. There is a further difficulty: these changes may be the *outcome* of events such as increases in housing supply—this is taken up in paragraph 24 below. Changes in taste have influenced the decline of the lodger (including the student lodger) and the decline in numbers of resident domestic servants. These have combined with an evidently greater desire among people to split off from home to live independently or to share a dwelling with another person—the combined effects being increases in demand for housing. One of the elements which captures, to some degree, the changes in preferences is urbanisation. Headship rates are likely to be higher in urban areas, other things being equal. Experience in European countries is that urbanisation and industrialisation result in an increase in headship rates (15, page 16). The impact of urbanisation is also evident from work for Ireland (7). However, the difficulty in practice lies in separating out the respective effects of urbanisation and real income changes. It is likely that some of the seeming effects of urbanisation are actually real income effects: the dominance of incomes as an explanatory factor is suggested by recent work (6, page 4). And some of the effects of urbanisation are due to differences in preferences, which are considered below.

The Influence of Supply

24. The above paragraphs have emphasised the link between headship rate changes and housing demand. But headship rates can also be affected by the provision of housing:

“the experience of other European countries (than Britain) shows that headship rates can rise to levels never before anticipated when the distribution of income and procedures for allocating and subsidising housing change in favour of widows, students, single people

and others whose opportunity of finding a separate home were previously restricted" (16, page 246).

The effect of the provision of housing is confirmed by a study of "household fission" in various countries, that is the dissolution of households into smaller households, which typically takes the form of single persons setting up independent households—an important determinant of this was the availability and price of dwellings (17). Thus, headship rate changes may be related to changes in supply. The provision of more housing could lead to an increase in headship rates, with the effects working through the relative price of housing. A particular rate of house building could lead to a decline in the relative (but not necessarily the absolute) price of housing, which would in turn lead to an increase in demand. (This is not to confound the impact of supply and of demand: demand will depend on tastes, real income and wealth and relative prices, while the quantity of housing services which is actually consumed will reflect the interaction of demand and supply.)

Actual Determinants of, and Changes in Headship Rates, 1971-1979

25. In the light of these elements of housing demand, three elements of the 1970s should be highlighted. First, there was a marked rise in real disposable personal income, of 51.0 per cent between 1971 and 1979. This did not reflect the underlying trend in real output available for consumption, as real Gross National Product, allowing for changes in terms of trade, increased by 31.8 per cent in this period. The increase in real disposable personal income per capita in 1971-79 was 32.2 per cent or, on average, 3.6 per cent per annum. Furthermore, although there was little increase in the relative income of those who depend solely on State pensions, relative to other incomes, there was an increase in real terms of 35 per cent in the non-contributory old age pension between April 1971 and April 1980 (deflating by the Consumer Price Index) while the contributory pension increased by 35 per cent in real terms in the same period. This could have led to increased headship rates in the older age groups.

26. Second, with regard to the stock of wealth, changes in housing stock are likely to have been significant. About 50 per cent of more of the net marketable wealth of Irish households (gross wealth less debt outstanding, excluding occupational and State pension rights) is accounted for by dwellings net of mortgage debt. Given the average annual rise in house prices in the period 1969-1980, the average annual increase in the initial equity (value of property less mortgage debt) in a representative dwelling was likely to be some 30 per cent per annum in nominal terms (18). Since no other asset was likely to match this return,

from the point of view of the asset demand for housing the household will have an incentive to invest as much as possible of any increase in equity, in a dwelling. This is compounded by the fact that building societies use loan maxima which are multiples of the current incomes of the respective borrowers.

27. Third, a number of elements affected the relative price of dwellings. The real mortgage rate declined over much of the inter-censal period (14). The capital cost to owner-occupiers declines as the marginal tax rises, due to the tax allowance, and declines as the rate of inflation rises (19). A substantial increase in marginal tax rates occurred in the 1970s, rising from 26 per cent (for a one-earner family with two children at the average earnings level of production workers) in 1972 to 39 per cent in 1976 before falling to 35 per cent in 1978 (20,21). There was also an increase in the underlying rate of inflation in the inter-censal period. All of these elements would lead to an increase in demand for owner-occupied housing. Moreover, the asset demand was likely to have been boosted by changes in price expectations. Finally, the increase in housing supply in the 1970s may itself have led to increases in headship. One instance of this is the effect of purpose-built housing schemes for the elderly.

28. Table 4 compares the headship rates of 1971, by sex and marital status, with those of 1979. In the earlier period of 1961-71, all age-specific headship rates increased, with the exception of females aged 25-64. The main features of the 1971-79 trends are as follows.

- (i) There were marked increases in headship rates among single persons—especially among males aged 20-34, and most of all among females aged 20-39. In the case of single females in this age bracket, some of the headship rates almost doubled between 1971 and 1979.
- (ii) There was a decline in headship rates for single males aged 35-49.
- (iii) With the exception of slight declines for married males aged 50-64, headship rates of married males increased. There was a sharp increase in headship rates among married men aged 20-29.
- (iv) Headship rates of married females, which were very low in 1971, remained low but increased by relatively large amounts in many instances.
- (v) Headship rates of widowed persons increased in all cases.

TABLE 4
Headship Rates by Sex and Marital Status, 1971, 1979 (a)
%

Age Group	Male				Female				Married Persons (d)					
	Single		Married		Widowed		Single		Married		Widowed		Married	
	1971	1979	1971	1979	1971	1979	1971	1979	1971	1979	1971	1979	1971	1979
15-19	0.5	0.9	31.5	30.2	(b)	0.0	0.7	1.2	0.8	2.9	100.0(c)	16.0	6.6	8.8
20-24	3.5	5.9	60.9	70.4	33.3	85.0	6.2	10.3	0.7	2.9	34.4	68.9	21.3	27.3
25-29	8.4	12.4	76.8	83.1	39.5	53.9	9.3	17.0	0.9	3.7	56.2	66.9	33.7	39.3
30-34	15.1	16.9	85.8	88.4	62.2	66.1	10.4	19.8	1.3	3.9	69.7	77.9	40.6	44.7
35-39	24.1	21.9	89.7	91.0	69.3	71.9	13.1	21.2	1.6	4.0	77.1	85.3	43.1	46.8
40-44	34.5	30.2	91.9	92.8	79.5	85.1	18.1	23.2	2.3	4.1	83.7	89.3	44.5	47.7
45-49	42.4	39.3	93.9	93.7	82.9	85.9	22.2	27.6	3.0	4.2	87.8	90.7	46.4	48.4
50-54	48.9	48.2	95.2	94.4	86.3	88.6	27.0	31.8	3.7	4.5	87.7	90.7	49.6	48.6
55-59	53.8	54.0	95.9	95.0	86.9	89.2	30.8	34.9	4.3	4.7	85.6	88.7	52.9	50.8
60-64	54.5	57.0	95.8	95.2	85.8	86.3	34.6	37.6	4.9	5.0	80.4	84.4	56.7	54.0
65 and over	50.9	53.0	89.8	91.5	65.2	68.6	36.9	39.2	5.8	6.4	59.2	66.8	58.0	59.1

Notes:

- (a) Heads of household relate to private households; population relates to total population, including institutions. Heads aged 15-24 are allocated to age groups 15-19 and 20-24, respectively, according to the 1971 distribution of heads.
 - (b) No cases occur.
 - (c) Data are based on only two cases where households heads occur.
 - (d) Married male heads plus married female heads, as a proportion of married persons.
- Source: Central Statistics Office.

29. The increase in headship rates in 1971-79 must reflect the underlying elements of income, preferences, relative prices and asset demand. Between 1961 and 1971, headship rates among single people increased, but only slightly in the case of males. In 1971-79 there was a far sharper increase. Thus, households have dissolved into a number of smaller ones, typically taking the form of single persons living away from home. The motive force may not be simply increased real income, but also changes in preferences, with persons living separately from families, at both younger and older ages, especially in urban areas. The trends are reflected in the statistics on loans by the four main lending agencies. The proportion of loans which went to borrowers who were single (and not about to marry) was 17.5 per cent in 1978 and 21.7 per cent in 1980 (22). It is likely that a rather particular set of elements lay behind the increased headship rates for married women, that is the publicity and controversy which surrounded the question on head of household in the 1979 Census. As a result of this, for example, in a number of married couple households where the husband was returned as head of household in 1971, the wife would have been returned as household head in 1979. This would have led to a balancing reduction in headship rates of married men. In order to handle this, Table 4 also gives data on headship rates where married male and married female heads are aggregated. In every age group from 15 up to 49 there was a distinct rise in headship of married persons over 1971-79. This was especially marked in the case of age groups from 20 to 29. With regard to the decline in headship rates for single males aged 35-49, there is some suggestion that for males aged 40-59, single headship rates may be higher in rural areas than in other areas, reflecting the higher proportion of farm and other dwellings which are owned by single men (7). This would imply that increased urbanisation would, for a time, lower headship rates among single males in certain age groups.

30. The relative change in headship rates over time can be illustrated by reference to the National Economic and Social Council projections of 1976 (4). Age-specific headship rates were assumed to increase between 1971 and 1981 in accordance with the trend of the 1961-71 decade¹. If the 1979 population had been known with certainty, the projection would have been 838,000 households in 1979 which would have been 29,000 short of the actual number. This shows the "error" which was induced by too low a set of headship rates.

31. The change in the average size of household can be seen in Table 5. The notable feature is that average household size, which had been stable over the ten years between 1961 and 1971, declined significantly

¹This was a linear extrapolation, in percentage points terms.

TABLE 5

Population, Household Population and Average Household Size, 1961-1979

	(1) Total population 000	(2) Household population in permanent housing units 000	(3) Number of private households in permanent housing units 000	Average household size ((2)/(3))
1961	2,818.3	2,686.3	676.4	3.97
1966	2,884.0	2,754.5	687.3	4.01
1971	2,978.2	2,858.6	726.4	3.94
1979	3,368.2	3,229.7	867.0	3.73

Sources: *Census of Population* 1966, Vol. VI; 1971, Vol. VII, Vol. VI; Central Statistics Office.

between 1971 and 1979, from 3.94 persons to 3.73 persons. This is a remarkable decline, and reflects in part the impact of single people splitting away from the family household to set up independent households. Between 1961 and 1971, the household population increased by 6.4 per cent, and the number of households increased by 7.4 per cent. In the 1971-79 period, the household population increased by 13.0 per cent, and the number of households increased by 19.4 per cent.

Assumed Headship Rates, 1979-1991

32. The use of headship rate changes means that they capture all of the effects which are expected to work through demand. There are no estimates available of the relation between headship rates and each of the underlying determinants. As a result, a relatively simple exploration of alternative future trends has to be used. For two reasons, future annual increases in headship rates are expected to be lower than in the 1971-79 period. First, the rise in real disposable personal income of that period was exceptional and was reflected in a marked rise in the balance of payments deficit on current account and external borrowing which can hardly continue at the same rate. Second, there is a forecast of relatively stagnant output over the next few years. Moreover, whatever rise in real output occurs is likely to be needed to improve the external balance. (A recent projection is for markedly lower growth in the volume of GNP in the 1980s than in the 1970s, and a growth per annum of only 0.5 per cent in private consumption, compared with 2.75 per cent in the 1970s) (23).

33. Given these trends, it might be asked whether it is plausible to assume any increase in headship rates, even as an alternative. For two

reasons, some increase in headship rates is assumed, in one of two alternative assumptions. The first reason concerns social factors—reflected in changes in preferences and associated with increased urbanisation. Those elements which have contributed to “household fission”, which are to some extent independent of real income change, are likely to continue to be observed. In the second place, the period of the projection is a twelve year one, over which period some increase in real income, no matter how miniscule, is likely. However, as a reflection of the immediate prospects for real income, the alternative which embodies an increase in headship rates assumes a lower average annual increase in the future. It is possible that, following a period of intense household fission, headship rates could fall as single home owners marry each other off; but this is not taken into account as it is too speculative at this stage. If real incomes fall, it is likely that the quality of dwellings which are demanded will be affected, as much as the number of dwellings.

34. Two alternative sets of assumptions on headship rates are used. In both of these sets, the rates for married persons are used. Single male headship rates for those aged 35-49 are held steady at 1979 rates. In cases where there were a relatively small number of households and big fluctuation in headship rates (widowed males ages 20-29, widowed females aged 15-24), 1979 rates are held constant. The following are the alternative assumptions.

Assumption 1 Headship rates at 1979 values.

Assumption 2 Headship rates to change in line with 1971-1979 changes, although with lower annual average change: half of the annual average change over 1971-79, *except* in the following cases where 1979 values are held constant: single males aged 35-49, widowed males aged 15-29, widowed females aged 15-24. The resulting assumptions are in Table 6.

TABLE 6
Assumption 2 on Headship Rates by Sex and Marital Status, 1981-1991
 %

	Male				Female								
	Single		Widowed		Single		Widowed		Married Persons				
	1981	1986	1981	1986	1981	1986	1981	1986	1981	1986			
15-19	0.9	1.0	1.1	0.0	0.0	1.3	1.4	1.6	16.0	16.0	9.1	9.8	10.5
20-24	6.2	7.0	7.7	85.0	85.0	10.8	12.1	13.4	68.9	68.9	28.1	30.0	31.9
25-29	12.9	14.2	15.4	53.9	53.9	18.7	21.4	24.0	68.2	71.6	40.0	41.8	43.6
30-34	17.1	17.7	18.2	66.6	67.8	21.0	23.9	26.9	78.9	81.5	45.3	46.5	47.8
35-39	21.9	21.9	21.9	72.2	73.1	22.2	24.8	27.3	86.4	88.9	47.2	48.4	49.5
40-44	30.2	30.2	30.2	85.7	87.5	23.9	25.4	27.0	90.0	91.7	48.1	49.0	50.0
45-49	39.3	39.3	39.3	86.2	87.1	28.3	30.0	31.7	91.1	92.0	48.7	49.3	50.0
50-54	48.1	47.9	47.7	88.9	89.6	32.4	33.9	35.5	91.1	92.1	48.5	48.2	47.9
55-59	54.0	54.1	54.1	89.5	90.2	35.4	36.6	37.9	89.1	90.1	50.5	49.8	49.2
60-64	57.4	58.2	59.0	86.4	86.6	38.0	39.0	39.9	84.9	86.2	53.7	52.8	52.0
65 and over	53.3	53.9	54.6	69.0	70.0	39.5	40.3	41.0	67.8	70.1	59.2	59.5	59.9

CHAPTER 3

UNFITNESS AND OBSOLESCENCE

Unfitness

35. The first category of accumulated need is unfitness. Those dwellings which are unfit and which cannot be economically repaired should be counted under this heading. The estimates in this Chapter must rely on the 1971 Census as the most recent source of information, supplemented by fragmentary additional data, as the results of a 1980 survey of the housing stock are not available. One problem which arises is that some unfit dwellings which are currently capable of economic repair may well not be repaired in the future. For example, if those living in an unfit dwelling lack adequate income, they may be unable to repair the unfit dwelling. No allowance for this is made.

36. By comparison with the position of the mid 1970s (when calculations of housing requirements were last made), one would expect that the incidence of unfitness would have declined. Many dwellings have been improved with the aid of grants, including water supply grants. (However not all of these reconstruction grants would have been used for structural improvement.) Moreover, the sum of dwelling completions over 1971-1980 inclusive was equal to 28 per cent of the stock of 1979. Thus, the average age of dwellings must have sharply fallen, and in the absence of any other indications this must be used as an indication that the average quality of the dwelling stock has improved.

37. There was a general rise in housing quality in the 1970s. This has been partly indicated in paragraph 19. Further evidence on this is available. A survey by An Foras Forbartha of 25,000 dwelling units in May-July 1980 gives information on improvement in the housing stock. (While the results of the survey have not been published, there is a one-paragraph summary of results in 24, p. 47.) Up to 20 per cent of the housing stock is less than ten years old, by contrast with 7 per cent in 1971. Ninety-one per cent of dwellings have an internal water supply and a lavatory, compared with about 70 per cent in 1971. Four out of five houses have a fixed bath or shower, 81 per cent have hot water, and 91 per cent have a kitchen sink. However, survey results of 1978 depict

the absence of basic facilities in many of the dwellings of the elderly who live alone (25).

Obsolescence

38. A category of prospective need which is related to that of unfitness, is obsolescence. Obsolescence is a shorthand term which covers losses from the housing stock which can occur for any of the following reasons.

- (i) Unfit dwellings are demolished, and temporary dwellings are removed—these may or may not be replaced by new dwellings on the same site.
- (ii) Fit dwellings are demolished due to road widening, or "urban renewal".
- (iii) Dwellings are lost from the stock due to disasters, fires, floods.
- (iv) Two or more dwellings are converted into one dwelling.
- (v) A change of use, to non-residential purpose, occurs. (Against this must be offset a gain due to a conversion to residential use.)
- (vi) Dwellings become vacant, and remain so. Some of these dwellings may be structurally sound but may have standards of space and of amenity (including the environment) which are deemed inadequate. Some may be structurally sound but "locationally obsolete", i.e., they may be in a location which has seen a decline in population and out-migration, and in the absence of a change in the location of economic activity, serve no purpose in meeting housing demand or housing "need", both of which are location specific. In the latter cases, the dwellings are likely to become gradually unfit due to lack of maintenance. Some of these dwellings may be in run-down city areas.
- (vii) Dwellings become temporarily vacant. These should be included in the vacancy rate rather than in calculations of obsolescence. However, since censuses up to 1979 inclusive did not count vacant dwellings, dwellings which are temporarily vacant will be included in the census-based estimates of losses from the dwelling stock.

39. We lack estimates of the "true" underlying rate of obsolescence, which is the sum of cases (i) to (vi) inclusive, after an allowance for the "once-for-all" removal of accumulated unfit dwellings, and expressed as a proportion of the dwelling stock. Appendix B shows the link between

unfitness and obsolescence, and the dangers of double-counting. The Appendix shows that, as long as there is not a large "once-for-all" clearance of unfit dwellings, calculations of inter-censal losses from the dwelling stock (by comparing the net change in stock with the sum of completions), are a reasonable indication of underlying trends in obsolescence. However, the Appendix also shows that calculations of inter-censal losses from the dwelling stock will include some element of removal of former accumulated requirements.

40. In the inter-censal period April 1971-March 1979, total dwelling completions were 192,950. Thus, 52,300 dwellings were "lost" in this period, or 6,500 per year, on average.¹ This implies an average annual loss, as a percentage of the average housing stock of 0.82 per cent. If the age distribution of the dwelling stock were smooth, this would imply an average age of dwellings of 120 years. However, as noted above, the age distribution is skewed towards the young age groups. Another factor which results in a lower obsolescence rate than would otherwise occur, is the relatively low rate of internal migration in Ireland (26).

41. An impression of the distribution of obsolescence between urban and other areas is obtained from Table 7. This shows that measured obsolescence was relatively higher in rural areas. The four urban areas in Table 7 accounted for 18 per cent of obsolescence, while their share of the dwelling stock in 1979 had been 24 per cent.

TABLE 7
Obsolescence in Four County Boroughs, and in All Other Areas, 1971-1979

Cork	1,521
Dublin	6,491
Limerick	509
Waterford	1,056
All other areas	42,710
Total	52,287

Sources: *Census of Population 1971*, Volume VI; Central Statistics Office; *Quarterly Bulletin of Housing Statistics*.

¹It might be thought that an adjustment should be made for the fact that the data relate essentially to permanent housing units, and in 1971 there were more dwellings (726,363) than permanent housing units (705,180). However, the data on completions include an estimated 450 additional flats provided each year by conversion of houses into flats, and mobile and pre-fabricated houses provided by local authorities (122 of the latter in 1981). These contrasting effects roughly cancel one another out.

42. With regard to the future, some influences could lead to a higher rate of obsolescence. First, the rate of internal migration could increase, due partly to increased urbanisation and an increased proportion of employment in industry. Second, the large scale of slum clearance in Summerhill, Gardiner Street and Sean McDermott Street in Dublin will have an effect.

43. By contrast, there are other forces which could lead to a lower rate of obsolescence. First, some of the obsolescence of the 1970s is likely to be a "once-for-all" adjustment in agriculture to a sharp rise in agricultural incomes in the period up to 1978. This led to demolition or change of use of old residential buildings in farming areas. Second, the higher real incomes of the 1970s should have led to raised standards and the abandonment of outmoded dwellings. Hence, the assumption of little or no increase in real incomes implies a lower obsolescence rate, other things being equal. There are further unknown quantities which can lead to either higher or lower rates of obsolescence than in the past: the pressure of demand on the housing stock, together with a decline in average size of households, leads to conversions of single dwellings to multi-dwelling units and thus to a reduction in measured obsolescence. If real incomes fall, some dwellings will fall into disrepair due to inability of households to afford repair. Other influences are difficult to allow for: thus, the choice between replacement and renewal will depend, among other things, on the average age of dwellings, expected trend in costs and the rate of interest (27). Yet another influence on the rate of obsolescence is the rate of new construction. Other things equal, a high rate of new construction is likely to lead to a high rate of loss from the dwelling stock.

44. Some indication of the "real" underlying rate of obsolescence may be derived from data on lettings of new local authority houses to families which are living in unfit dwellings. In the period between April 1971 and the end of 1978, 13,500 such lettings occurred, or 1,700 per annum on average. It is not known what proportion of this would relate to unfitness which existed at the beginning of the period. On balance, allowing for the different influences and adjusting for the possible overlap with unfitness as an accumulated requirement, an obsolescence rate of 0.67 per cent per annum is projected forward.

CHAPTER 4

OVERCROWDING AND INVOLUNTARY SHARING

45. For the same reason which was given in paragraph 35, this chapter must rely almost wholly on 1971 Census data. The most problematic part of accumulated requirements is overcrowding, for the following reasons.

- (i) The statutory definition of overcrowding (the details of which are in Appendix C) would yield many more overcrowded dwellings than would the "empirical rule" of 2 or more persons per room, used in the past in official estimates of housing need.
- (ii) Measures such as 2 or more persons per room are very sensitive to the precise cut-off point. For example, if *more than* 1.5 persons per room were used as the criterion, in 1971 there would have been 90,500 dwellings, rather than 54,400, classed as overcrowded, i.e., an "increase" of 66 per cent. In other countries, occupancies of more than one person per room, and of more than 1.5 persons per room, have been the cut-off points (Appendix C). There is one other indication of overcrowding in 1971. Suppose that a ratio of more than 1.5 persons per room is used, but that single-person and two-person households are omitted (on the grounds that they may not consider themselves to be overcrowded). Then the number of overcrowded households in 1971 would be 54,700.
- (iii) The "empirical rule" takes no account of the nature of the rooms or of the family. For example, four adults in a four-roomed dwelling are not counted as living in overcrowded conditions, yet this can imply two bedrooms for these four adults.
- (iv) The "empirical rule" takes no account of the fact that overcrowding is more intolerable in smaller-sized dwellings. Of the 54,400 overcrowded dwellings in 1971, 27,200 or 50 per cent consisted of three rooms or less. Again, there is a sensitivity to the measure adopted. If one allowed for size by defining overcrowding as 2 or more persons in one room, 3 to 5 persons in two rooms, 6 or more persons in four rooms or less, and 10 or

more persons in five rooms or less, the number of households judged to be overcrowded would "increase" by 38,000 in 1971.

- (v) The Census gives a static picture of overcrowding. However, a family living in the same dwelling over an extended period could be overcrowded mid-way through the family life cycle, with tolerable occupancies at early and late stages of the life cycle. The number of overcrowded dwellings which is estimated from a Census gives a "snapshot" picture. But in subsequent years households will enter the overcrowded category, while householders which are currently overcrowded may leave the overcrowded group—for example, due to young married couples setting up home independently of their in-laws. A survey of 1977 shows that there is pronounced variation in overcrowding over the life cycle—it rises over time, then falls (28, p, 121).
- (vi) Some unfit dwellings contain overcrowded households; there is a further overlap between multi-family households (where involuntary sharing occurs) and overcrowded households.

46. The difficult question is the identification of current standards of overcrowding, i.e., the point beyond which it becomes unacceptable, since the statutory definition is, in practice, not accepted by the authorities. The statutory definition does have the weakness of cloaking great differences in housing stress within the group of households which it designates as overcrowded. On the other hand, the criterion of 2 or more persons per room is an inappropriate one, for reasons given above and in Appendix C.

47. The lower the growth of real income, the greater is likely to be overcrowding. Overcrowding is also likely to be higher if relative prices of housing increase.

48. Even if a satisfactory definition of overcrowding could be employed, further problems would remain.

- (i) The overcrowding problem could be attacked in a number of ways other than by building new dwellings: dwellings of a greater variety of sizes could be built; existing dwellings could be extended; there could be a better match between dwelling size and household size, either through local authority letting and transfer policy, or through greater mobility by households at different stages in the family life cycle. In practice, however, these methods are unlikely to be used unless changes occurred

in administrative practice and in financial incentives. The observed mismatch between household size and dwelling size, with both overcrowding and under-occupation persisting, is a reflection of a number of different forces at work in the market. Moreover, some, though not all, of these methods could take some time in alleviating overcrowding.

- (ii) If overcrowded households are transferred to new and larger dwellings, the vacated dwellings should in theory be available for use by smaller households. This is assuming that the vacated dwellings are not unfit. But housing markets might not move so effectively that vacated dwellings are filled, and administrative measures in the non-market sector might not ensure that the dwellings are re-let. Moreover, while the vacated dwellings might be technically "fit", they could be deficient in space and in amenities and might lie vacant for a long period.
- (iii) In many cases, relief of overcrowding would require that the household move to another location, but this would not be desired by the households.

In the period 1975-1980 inclusive, lettings of new local authority houses to families living in overcrowded conditions or involuntarily with other households averaged 3,400 a year. Some of these, especially in rural areas, may have consisted of rehousing from mobile homes. Nevertheless, no information is available, even for local authority dwellings, on the extent to which the removal of overcrowding led to re-use of the released dwellings.

49. Unfortunately, the lack of availability of the result of the 1980 housing conditions survey means that no up-to-date information is available on overcrowding. There is one piece of evidence: a survey of 1977 shows that, on a criterion of 1.5 or more persons per room, 16 per cent of families with dependent children were living in overcrowded conditions, by contrast with a 1971 census figure of 24 per cent of households with children of any age (28, p. 120). Thus, the incidence of overcrowding is likely to have declined since 1971.

Shared Dwellings

50. While dwellings correspond with households, a dwelling can contain more than one family (Glossary). In the case of multi-family households, the "concealed households" which occur are either married couples with parents-in-law, or lone-parent families. Single persons who wish to set up separate accommodation are not counted in this Census-based measure. Some families live in a dwelling with other

families, involuntarily, either because of low incomes, the relative price of housing or a lack of suitable alternative housing in a particular area. Hence, as noted in the case of headship rates, an increase in housing supply can lead to increased household formation. There are a number of problems which arise when estimating requirements due to involuntary sharing. First, there is the value judgement which is implied about the nature of "need". Currently, local authority dwellings are not provided for non-family units, unless they are disabled persons or suffer from particular forms of ill-health. Hence, current practice counts a family unit which shares a dwelling involuntarily as part of housing "need" but does *not* count a single person who shares a dwelling involuntarily. Each of these cases involves a "concealed" or potential household which will become an actual household only if backed up by effective demand.

51. Second, there is overlap with overcrowded households. In 1971, there were 25,200 multi-family households (of which 24,700 were households with two families): and 19 per cent of these households were overcrowded. Furthermore, there is the possibility of overlap with provision for increased rates of household formation. In particular, in cases where the headship rates of young married couples increase under Assumption 2, this would at the same time imply some reduction in sharing. Past increases in headship rates will reflect, to some extent, the reduction of involuntary sharing.

CHAPTER 5

VACANCY RATE

52. An allowance is needed for a vacancy rate, in order to allow for the flexible working of the housing market, and to help households who must, or who wish to, move. These dwellings would be vacant for a relatively short period. A distinction can be made between the *total vacancy rate* and the *frictional vacancy rate*, where the latter concerns the number of dwellings which are empty as a result of the movement of households (including cases where population shifts occur due to changes in job opportunities), but are available on the housing market. In the total vacancy rate, but not in the frictional rate, would be vacant dwellings in areas of population decline which will never be re-occupied, vacant and unfit dwellings (whether or not they are about to be demolished), local authority dwellings which are difficult to re-let but which are to remain in the dwelling stock, and dwellings being converted or being repaired. In the frictional rate would be included the newly built dwellings which have not yet been occupied and those which are temporarily held off the market for sale or rent. In allowing for a vacancy rate, if "too low" a rate is used there are barriers to mobility while if "too high" a rate is used, resources are used inefficiently.

53. Data are not available on the number of vacant dwellings. Even if they were, they would not enable the number of "frictional" vacancies to be identified. It would not be desirable to use the total vacancy rate in the calculations, apart from possibilities of double-counting with the allowance for obsolescence. Nor are data available on vacancy rates in local authority dwellings. It is likely that vacancy rates in the local authority sector are lower than in the private sector: they will depend on the time taken for any maintenance work and for re-letting. In the private tenure, vacancy rates are subject to cyclical influences, for instance they are likely to increase when mortgage finance is tight. (If vacancy rates differed between local authority dwellings and others, and if it was expected that a change in the mix of completions would occur between private sector and public sector completions, this would need to be allowed for). In European countries excluding France, recent vacancy rates have been in the range of 1.5 per cent of the stock to 4.0 per cent,

with the most frequent value being 3 per cent; for estimated future rates, the most frequent value is 3.0 per cent-3.5 per cent (29). The (total) vacancy rate (excluding dwellings not previously occupied) in England and Wales was 3.2 per cent of stock in 1971 (30, p. 147). However, the number of fit dwellings with all the basic amenities that were vacant (excluding those which were not previously occupied) was about 1.9 per cent of the stock (30, p. 74). A frictional vacancy rate for Scotland has been estimated at no higher than 1 per cent-2 per cent (31, para. 4.23). A vacancy allowance for household movement of up to 5 per cent has been suggested, excluding an allowance for second homes (32, p. 93). The frictional vacancy allowance is estimated by the U.K. Department of the Environment to be 1 per cent - 2 per cent of the housing stock (33, p. 132). A similar range, of 1 per cent to 3 per cent, has been suggested by the United Nations (34, p. 9). However, some account should be taken of the fact that, in rural areas, where housing turnover is low, there is need for a lower vacancy reserve.

54. In these calculations, a frictional vacancy rate of 2 per cent of the housing stock is used. This rate is applied to the projected change in the housing stock between 1981 and 1991. If it were desired to increase the frictional vacancy rate, say from 2 per cent to 3 per cent, the calculations would be made in two stages the 1981 housing stock multiplied by 0.01 (to allow for the additional 1 percentage point), together with the *change* in the stock multiplied by 0.03. The effects of an increase in the frictional vacancy rate will be far greater than the effects of an increase in households for *any given* vacancy rate.

CHAPTER 6

ESTIMATES OF HOUSING REQUIREMENTS, 1981-1991

Assumptions and their Implications

55. In summary, the assumptions which underline the estimates are as follows.

- (i) The estimates are on the basis of current housing policies, including the current set of housing subsidies and policies on rehabilitation and improvement (paragraph 7). Current broad definitions of unfitness and overcrowding, and of the housing responsibility of the public authorities (e.g., in relation to those who share accommodation and who wish to set up independent households) are accepted for purposes of calculation.
- (ii) Little or no increase in real disposable personal income per head over the period 1981-1986 is assumed, and an increase which is below trend is assumed for 1986-1991.
- (iii) No reduction in the relative cost of housing is assumed.
- (iv) *Alternative assumptions* on net migration in 1981-1986 and in 1986-1991:
 - 1 Summing to zero over all age groups.
 - 2 Summing to net emigration of 5,000 per annum, on average, for total persons over all age groups.
- (v) *Alternative assumptions* on headship rates:
 - 1 1979 age-specific rates, classified by sex and by marital status, in both 1981 and 1986.
 - 2 Headship rates to change in line with 1971-79 trends, but with a lower average annual change, in all but eight of the sex-age-marital status groups (in all cases implying an increase in headship rates over 1979-81, over 1981-86 and over 1986-91), with 1979 rates applying to the remaining cells.
- (vi) That accumulated requirements at April 1981 are to be worked

off over ten years. Deviations around this assumption can be explored. If this period was felt to be too long/short, the requirements which result would be higher/lower.

- (vii) That half of the accumulated requirements are worked off over the five years 1981-1986.

56. Hence, the projections are subject to a margin of error which attaches to each of the underlying assumptions. While the assumptions "freeze" standards at the current level, this is not judged to be unrealistic, in the view of the assumption of relatively stagnant real incomes. There is a link between real incomes and accepted standards. As real incomes rise, minimum standards rise and their scope widens to include not just housing structure and space but amenities, privacy, and the environment. The other sense in which current policies are used as a benchmark is that the estimates are in the context of the current set of housing subsidies in the widest sense (grants, interest subsidies, tax expenditures). These influence the effective demand for housing and hence affect headship rates.

57. Reflecting the terms of reference, no account is taken of resource constraints, e.g., about whether the physical capacity in the construction industry will be there; nor is there an account taken of financial constraints, e.g., whether the net inflow into the building societies would be sufficient to fund the housing requirements in much of the private sector, and whether the state of Exchequer finances would permit the financing of a public housing programme which would relate to the requirements. If these constraints were binding there would have to be a choice between the various ways of meeting ultimate "needs", and choice between the meeting of rival "needs" in deciding how much of each should be met. This is related to a point made in Chapter 1: calculations of "need" tend to assume away questions of the costs of meeting certain "needs" (in terms of foregone opportunity to meet other "needs"). This issue is returned to, in Chapter 7.

58. The assumed time period, over which accumulated needs are to be worked off, involves an arbitrary assumption. *Within* the ten year period 1981-1991, the resulting number of requirements does not imply a constant rate of completions. An *annual* figure is dependent on the speed with which sharing of dwellings, overcrowding and unfitness are tackled. For instance, the elimination of homelessness, rehousing of those who live in mobile homes, and accumulated requirements due to medical conditions may be regarded as a priority, as may the reduction in overcrowding, especially in those cases where it is likely to be most intolerable—in large households and in those where there is more than

one family, with involuntary sharing. Furthermore, the time path of replacements partly depends on the age distribution of the dwelling stock, since older dwellings are more likely to be replaced at first. Furthermore, if all accumulated needs were worked off over a relatively short period through new construction, there could follow a painful period during which the desired capacity of the construction industry was adjusted downwards.

59. As a result of a series of court decisions on the constitutionality of laws which have controlled rents and which have restricted the rights of landlords to recover possession of property, new legislation has been needed. A Supreme Court decision of 29 June 1981 had the effect of removing, from an estimated 30,000 tenants, protection from rent increases and from eviction. The *Housing (Private Rented Dwellings) Act, 1982* will have rents of former rent-controlled dwellings set by the District Court in the absence of agreement between landlord and tenant. The rent set by the District Court would be much closer to market rent than the current rents of these dwellings. While rent allowances can be made to the tenants, the change will have a considerable impact on the individual tenants. If a large number of tenants had to give up tenancy and sought local authority housing, there would be an increase in the waiting list for local authority dwellings. If the housing market operated flexibly, there might also be effects on the market price of all dwellings in the private letting tenure, depending on the changes in supply and in demand. But the estimates of aggregate housing requirements should not be materially affected. It might be argued that there will be a lower rate of obsolescence among former rent-controlled dwellings, but this is hardly likely to be significant.

Projections of Household Formation

60. Table 8 shows the results of combining the population estimates for 1981 and population projections for 1986 and 1991 with the headship rate assumptions for 1981, 1986 and 1991, respectively. If the zero net migration assumption is combined with the case where headship rates increase, the projected additional number of households over 1981-1986 is 92,000. Depending on the assumptions made on population and on headship rates, the projected increase in households in this period varies from 92,000 to 63,000. If the zero net migration assumption is combined with the case where headship rates increase, the projected additional number of households over 1986-91 is 100,000. Depending on the assumptions made, the projected increase in households over 1986-91 varies from 100,000 to 67,000.

61. The sensitivity of the projections to the underlying assumptions

TABLE 8
Household Projections, 1979-1991
000

	Migration Assumptions 1		Migration Assumptions 2	
	Headship Assumptions 1	Headship Assumptions 2	Headship Assumptions 1	Headship Assumptions 2
1979 (actual)	867.0	867.0	867.0	867.0
1981	886.6	894.2	886.6	894.2
1986	957.3	986.4	949.3	978.2
Change 1981-1986	70.7	92.2	62.6	83.9
1991	1,032.2	1,086.1	1,015.7	1,068.9
Change 1986-1991	74.9	99.7	66.5	90.8

Note: Migration assumptions:

- 1 Net migration summing to zero overall age groups; for those aged 15 and over, net emigration of 18,000 by all persons in the five year period.
- 2 Net migration summing to 5,000 per annum, on average, over all age groups; for those aged 15 and over, net emigration of 37,800 by all persons in the five year period.

Headship assumptions:

- 1 1979 age-specific rates, by sex and by marital status, assumed constant; rates are those for 1979 in Table 4.
- 2 Rates to change in line with 1971-79 trends in most age groups, but with a lower average annual change; rates are given in Table 6.

can be shown as follows. Holding net migration constant, assumption 2 on headship leads to 29,000 more households in 1986 than would occur with assumption 1. Holding headship rates constant, assumption 1 on net migration yields 8,000 more households in 1986 than does assumption 2 on net migration. Thus, the results are more sensitive to the assumptions on headship rates than to the assumptions on net migration.

62. The implications of the projections for average household size is shown in Table 9, using headship rate assumptions 2. Thus, average household size is projected to fall further, from 3.73 in 1979 to 3.55 in 1986, and to around 3.40 in 1991. Chart 1 shows the projections of household numbers and of household size.

Unfitness

63. The 1976 NESC estimate of the number of dwellings in 1971 which would need to be replaced due to unfitness was in the range of 30,000-

CHART 1
HOUSEHOLD PROJECTIONS, 1979 - 1991
Assumption 1 on migration

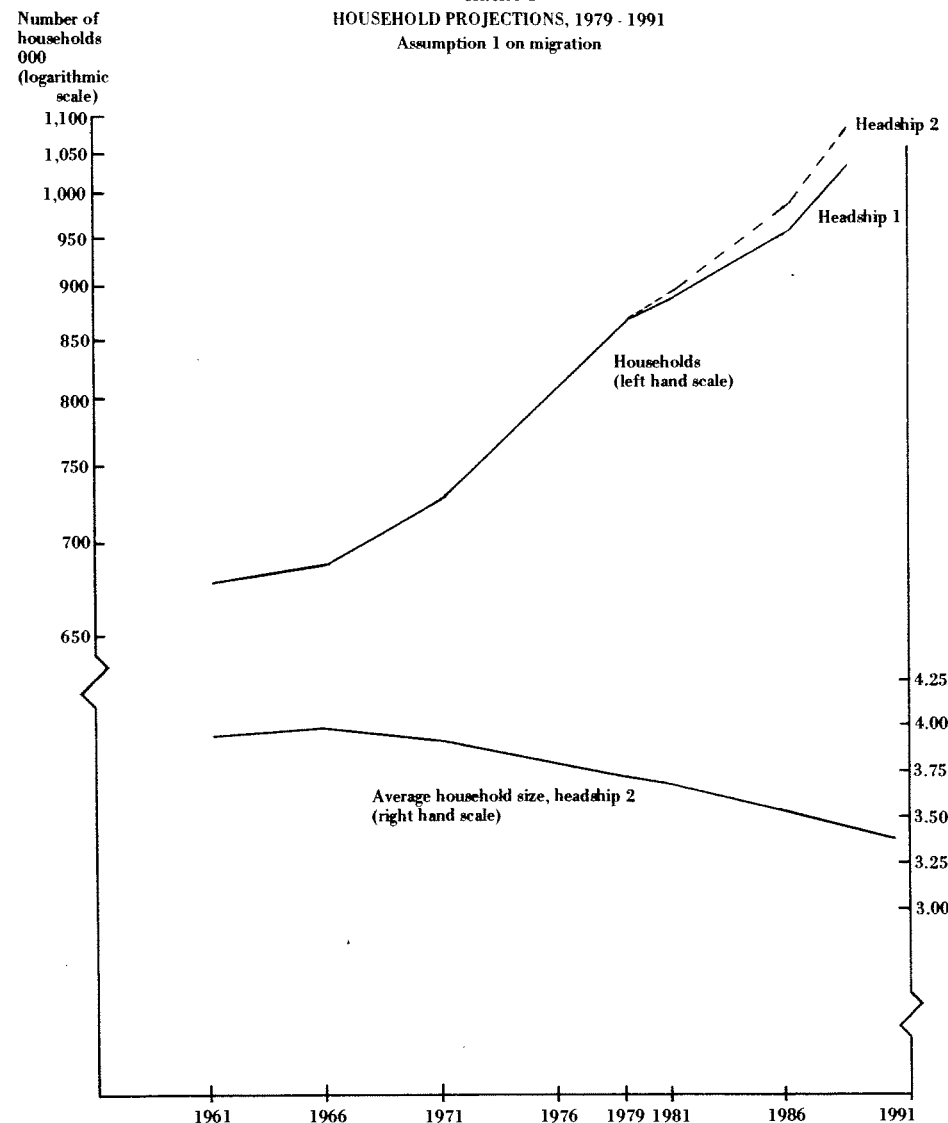


TABLE 9

Implications of Projections for Average Household Size, 1979-1991

	Assumption on net migration			
	1		2	
	Household population 000	Average household size	Household population 000	Average household size
1979 (actual)	3,229.7	3.73	3,229.7	3.73
1981	3,304.9	3.70	3,304.9	3.70
1986	3,502.2	3.55	3,475.9	3.55
1991	3,686.2	3.39	3,634.1	3.40

Notes: The actual 1981 population in aggregate is used. Throughout the same institutional population plus population in temporary accommodation as in 1979 is assumed, i.e., 138,500. Headship rate assumptions 2 are used.

Source: Table 8.

50,000, while the 1976 estimates by local authorities of needs due to unfit dwellings summed to 21,300. There is need to take account of the net result of the likely removal of unfit dwellings since 1976, and the countervailing effects of dwellings which were fit in 1976 and became unfit beyond economic repair by 1981.

64. It is estimated by the Department of the Environment that 53,000 dwellings had no piped water at the end of 1979. Allowing for water and sewerage installations in 1980, and losses from stock, there would be about 39,000 dwellings without piped water at the end of 1980. However, there is not necessarily a good correlation between this number and the number of unfit dwellings. Even if there were, some would be capable of economic repair. At 30 September, 1980, the number of applicants on local authority waiting lists who were in unfit dwellings (including those who were in unfit and overcrowded conditions) was an estimated 11,000. Taking account of the various influences, an estimate of 30,000 dwellings which are unfit beyond economic repair is used.

65. A deduction is made from the numbers unfit. This is the estimate of the number of dwellings which, although unfit and incapable of economic repair, are likely to be improved by means of essential repairs grants. This scheme, which applies to County Council houses occupied by at least one elderly person, intends to prolong the useful life of a house by some ten years, where the need for a replacement dwelling is

not anticipated. The aggregate estimate from the 1976 surveys was 4,900 dwellings over 5 years. However, there is some double counting here. The 1976 number included an allowance for "dwellings falling out of use (which) will not require to be replaced and . . . a saving in the need for new building as a result of existing occupiers leaving their houses" (35, p. 8). As indicated above, these are allowed for under obsolescence. Furthermore, an estimate from the Department of the Environment of the number of dwellings which are likely to be improved with essential repairs grants is around 200 per annum, given current policy on home improvement grants. Allowing for this, and allowing for double counting in the 1976 returns a number of 2,000 is used for the deduction. The net number of dwellings required is thus 30,000 less 2,000, or 28,000.

Obsolescence

66. Applying an obsolescence rate of 0.67 per cent to an average number of 931,000 households over the period 1981-1986,¹ an obsolescence of 6,200 per annum, on average, or 31,000 over the five year period 1981-1986 is obtained. Assuming an average number of 1,016,000 households over 1986-1991, an obsolescence of 6,800 per annum, on average, or 34,000 over the five year period 1986-1991 is obtained.

Overcrowding

67. The sum of the local authority assessments of needs due to overcrowding and involuntary sharing was 23,200 in 1976. The NESC estimate of that year for elimination of overcrowding was a range of 20,000-30,000 depending on the re-occupation of vacated dwellings and the limited possibility of building additional rooms on to existing dwellings, having allowed for alleviation of overcrowding which the elimination of involuntary sharing would effect. By comparison, at 30 September 1980, an estimated 15,000 of those on the waiting list for local authority dwellings were overcrowded according to the statutory definition, leaving aside those who were living in unfit and overcrowded conditions. This compares with 54,400 households who lived in overcrowded conditions using the same criterion of 2 or more persons per room in 1971.

68. In this study, the empirical rule which is used is *more* than 1.5 persons per room. This is chosen, rather than 2 or more persons per room, as a result of the deficiencies of the latter measure (Chapter 4 and Appendix C). There is also empirical evidence for the adoption of 1.5 persons per room as a working threshold for overcrowding: from a

¹The average of projected number of households under different assumptions on headship, with migration assumption 1 is used.

survey, the percentage of families who perceive their dwellings as too small increases sharply as the number of persons per room increases beyond 1.5 (28, p. 118). On this basis, the number of overcrowded dwellings in 1980 would be about 40,000. An allowance must be made for the proportion of overcrowded households in 1981 which were living in units which were unfit and incapable of economic repair. A net number of 26,000 overcrowded dwellings is estimated. The final assumption which is needed is the proportion of dwellings where they would either be freed for re-occupation, or where additional rooms could economically be built on to existing dwellings. In the case of terraced dwellings, it is physically impossible to make extensions; in other cases, costs and other construction factors may limit the scope for extensions. Two alternative assumptions are made. One is that half of the dwellings would be either freed for re-occupation or extended. *The other* is that three quarters of the dwellings would be either freed or extended. The net requirements would then be 13,000 and 6,500 dwellings, respectively.

Involuntary Sharing

69. The estimate of housing needs at 1971 to eliminate involuntary sharing made in the NESC report of 1976 was 10,000: however, some of these households may have been living in dwellings which were unfit and incapable of economic repair, and a further (about one fifth) were overcrowded. Moreover, there is need to allow for the fact that, in cases where dwellings are unfit, *both* families will require rehousing. A net requirement of 8,000 is used. There is the possibility of some overlap with the case where headship rates are assumed to increase, but this is ignored. These estimates of sharing take no account of persons other than family units sharing, who might prefer a separate dwelling, nor do they account for one-person households who would prefer to share.

Vacancy Rate

70. A vacancy rate of 2 per cent would imply that an additional 1,600 dwellings would be required in 1981-1986 based on 81,000 additional households, and an additional 1,700 dwellings would be required over 1986-1991 based on 87,000 additional households.

Other Elements

71. In 1976 the local authorities estimated the accumulated need for households "otherwise (i.e. other than for unfitness, overcrowding, involuntary sharing) in need of housing on compassionate, medical or other similar grounds". This relates to Section 44 of the *Housing Act, 1966* which states that contributions may be made by the Minister to certain annual loan charges of housing authorities *inter alia*, "for the accommodation of persons who are in need of housing on medical,

compassionate or other similar grounds if the circumstances of the persons would not permit them to be otherwise housed". A number of issues arise here. First, it is assumed that no double counting occurs; some of these households may be living in unfit dwellings, or may be overcrowded or sharing a dwelling involuntarily. Second, this is not just an accumulated need; presumably, households will enter this category during the five year period. Third, the possibility of re-use of vacated dwellings arises.

72. The local authority returns of 1976 aggregated to 4,500 dwellings needed (at 1976) for this category. At 30 September 1980, an estimated 2,700 of the applications on the waiting list for local authority housing were in the medical/compassionate category. On the assumption that regular lettings occur to households in this category, there would have persisted about the same number of households in this category. Bearing in mind possible double counting and possible re-use of dwellings, together with annual additions to the category, an estimate of 8,000 dwellings is used of which 3,000 is assumed to be the accumulated requirement.

73. There is a category of households in extreme need, which were not likely to be covered in the 1976 returns, as the housing authorities have not a statutory responsibility to provide housing for the homeless. The provision of accommodation for homeless persons has been the responsibility of the health authority. There are two to three thousand homeless people, including around six hundred squatting in local authority premises. (An estimate of about 2,000 single homeless in around 1980 has been made: 36.) In addition, there are those living in mobile homes. In 1971, 14,800 persons lived in mobile dwellings (*Census of Population 1971, Vol. VI*). In 1979, 27,300 persons were living in mobile homes. It is not known what proportion are traveller families, nor what proportion live in mobile homes in caravan parks. Housing requirements of 10,000 are assumed for those in mobile homes and the homeless at 1979.

74. There is no statutory definition of homelessness. It is worth noting that in England, where there is a statutory definition of homelessness, in 1979 there were 28,500 homeless households, related to 17 million households in total (37). A number of the homeless would previously have been sharing in multi-family households, and some would have been evicted.

Total Requirements

75. The calculations of requirements are brought together in Table 10 and in more detail in Appendix Table E.4. Given the first assumption on

overcrowding the housing requirements which are estimated for 1981-1986 vary from 158,000 to 129,000 dwellings. The variations depend on the mix of assumptions on migration and headship which is used. Given the second assumption on overcrowding, the estimates vary from 155,000 to 126,000 dwellings. Given the first assumption on overcrowding, the housing requirements which are estimated for 1986-1991 vary from 169,000 to 136,000 dwellings. Given the second assumption on overcrowding, the estimates vary from 166,000 to 133,000 dwellings. A little over half of the estimate of total housing requirements is made up from the projected net increase in household formation. The remainder comes from eliminating accumulated requirements (at 1981 levels) and meeting other prospective requirements.

TABLE 10
Summary of Projections of Dwelling Requirements, April 1981-April 1991
000

Assumptions	Prospective requirements (Household formation, obsolescence, allowance for vacancy, re-housing)		Accumulated requirements (Unfitness, overcrowding, involuntary sharing, re-housing, mobile homes, homeless)		Total requirements	
	1981-86	1986-91	1981-86	1986-91	1981-86	1986-91
<i>Assumption I on overcrowding</i>						
Migration 1, headship 1	106	113	31	31	137	144
Migration 1, headship 2	127	138	31	31	158	169
Migration 2, headship 1	98	105	31	31	129	136
Migration 2, headship 2	119	129	31	31	150	160
<i>Assumption II on overcrowding</i>						
Migration 1, headship 1	106	113	28	28	134	141
Migration 1, headship 2	127	138	28	28	155	166
Migration 2, headship 1	98	105	28	28	126	133
Migration 2, headship 2	119	129	28	28	147	157

Note:

Migration assumptions:

- 1 Net migration summing to zero over all age groups.
- 2 Net migration summing to 5,000 per annum, on average, over all age groups.

Headship assumptions:

- 1 1979 age-specific rates, by sex and by marital status, assumed.
- 2 Rates to change in line with 1971-79 trends in most age groups, but with a lower average annual change.

Overcrowding assumptions:

- I That half of dwellings of formerly over-crowded households would be either freed for re-occupation or extended.
- II That three quarters of the dwellings would be either freed or extended.

Source: Table E.4.

76. It may be noted that there is not a fixed accumulated requirement at any date such as 1981, since new requirements, such as occurrences of involuntary sharing or of overcrowding, will occur during the 1981-1991 period. As indicated in paragraph 58, the pattern of dwelling completions, from one year to another, could vary and still be consonant with meeting requirements of Table 10. For this reason, an average annual rate of "required" completions is not given. However, the "high" and the "low" numbers from the Table can be compared with actual completions over the past two five-year periods, 1971-1975 inclusive, and 1976-1980 inclusive, in Table 11. The number of completions increased from 115,000 in 1971-1975 to 128,000 in 1976-1980. Completions in 1981, at 28,900 were above the average of 25,700 for 1976-1980. In the first five years of the projection period, requirements vary between 158,000 and 126,000 depending on the assumptions. In the second five years, the requirements vary from 169,000 to 133,000. Thus, in the latter five years, the requirements increase and tend to be above the rate of completion in 1976-1981.

TABLE 11
Comparison of Past Quinquennial Rates of House-building with Implied Rates from Table 10

1971-1975 incl.	114,760
1976-1980 incl.	128,321
April 1981-April 1986:	
Assumption I on overcrowding:	
'high'	158,000
'low'	129,000
Assumption II on overcrowding:	
'high'	155,000
'low'	126,000
April 1986-April 1991:	
Assumption I on overcrowding:	
'high'	169,000
'low'	136,000
Assumption II on overcrowding:	
'high'	166,000
'low'	133,000

Note: On the definition of housing completions, see footnote 1 to paragraph 40, and footnote to Table E.1.

Sources: *Quarterly Bulletin of Housing Statistics*; Table 10.

Sensitivity of Results to Underlying Assumptions

77. It might be argued that the dismal outlook for real income and the pressures on public finances will mean that housing standards (e.g., on unfitness or overcrowding), including those on rehabilitation and improvement, will have to fall, that the housing responsibilities of the public authorities will have to be restricted, and that financial support for housing by Government will have to decline, in the coming decade. If this happened, the housing requirements would, of course, be lower. However, it would not be appropriate to base a study like this on lower standards, in the absence of any Government decision on this matter. As a result, this study is based on current standards. One point on this should be noted: the standards on overcrowding which are, in practice, used by housing authorities are lower than the statutory standard. In any event, if it were assumed that Government financial support had to fall, the effects on the calculations in this report would depend on *where* the cuts would fall—for example, whether on capital for local authority dwellings, funds for local authority housing loans, local authority rent subsidies, subsidies to purchasers of local authority dwellings, owner-occupied explicit subsidies, tax concessions to owner-occupiers, or house improvement grants. Furthermore, a reduction in public expenditure on local authority housing might affect the composition of housing output between the public and the private sector, without affecting housing requirements. Finally, with reference to assumption (iii) on the relative cost of housing, this cost may increase. In the 1970s, the increase in the relative price of housing was due to a combination of elements, including an increase in real income, Government subsidies, relatively low or declining mortgage rate in real terms, and a sharp increase in the underlying rate of price inflation: such a combination is not assumed for the period of the projections.

78. Some indication of sensitivity has already been given by the two alternative assumptions on headship. Two further indications are given, as follows:

- (a) What if accumulated requirements at April 1981 were worked off over 15 years?
- (b) What if the rate of obsolescence were 0.57 per cent per annum rather than 0.67 per cent per annum?

In the case of (a), the requirements over 1981-1986 would be lower by 10,000. In the case of (b), the requirements over 1981-1986 would be lower by 5,000.

CHAPTER 7

HOUSING "NEED" AND HOUSING POLICY

Introduction

79. This chapter outlines the main policy issues which are related to the projections. It does not consider these policy issues in detail, as this is intended to be a background study. But it raises the related questions which need to be resolved in housing policy formation.

Extent of Housing Programme Required

80. The construction of dwellings is a means towards an end: namely, satisfactory housing conditions. That end requires a number of different means, in part since housing services (in the narrow sense) are provided in combination with a set of neighbourhood facilities and amenities. To some extent, different means of achieving the end can be substituted for one another. There is no *necessary* relation between a programme to build a certain number of dwellings and the alleviation of housing "need", for a number of reasons. First, certain types of "need" may require changes in administrative practices as much as new building. For example, in the case of overcrowding, changes in local authority letting criteria, or in the size distribution of local authority dwellings which are built, could be as important as changes in the size of the building programme. Second, dwellings need to be provided of the appropriate types and quality and of the desired tenure, in appropriate locations; and a choice made between building anew and improving existing dwellings. Third, the more the "need" consists of extreme deprivation such as homelessness, the more tenuous is the link between a building programme and the achievement of the ends of policy.

81. This raises the question of "filtering". According to this theory, the provision of new dwellings of good quality to high-income families leads to their vacating dwellings which become available to the next higher income group, and so on along a chain of vacancies until the housing conditions of the poorest families are improved and slum dwellings are demolished. However, this posits a smoothly working housing market, with good information among purchasers and sellers. The chain of vacancies may break before the poorest families benefit much, or it

could take a long period of time before they benefit. Moreover, if filtering is to benefit the lowest income families, the rate of new building must exceed the rate of household formation among higher income families plus the rate of demand for second homes. The limited effects of filtering are indicated by an estimate for the UK that every new dwelling constructed enabled 1.7 households to move (38, p. 72).

82. The higher the housing supply, the larger are the numbers which are calculated to be in "need" by various criteria. For instance, the provision of housing is likely to lead to increased headship rates and migration. In turn, the higher migration leads to higher calculated obsolescence. This means that, having set a target for housing output based on calculations of "need", the achievement of the target could lead to a change in the calculations of "need". "Need" is not a fixed number, to be eliminated by housing supply, rather it changes as housing supply itself changes. This means that, having set a target for housing output based on calculations of "need", the achievement of the target could lead to a change in the calculations of "need".

83. However, as indicated above, it is not simply the aggregate supply which matters. The price of housing services and access to housing also matter. The ease of access differs across different tenure groups, and the "qualifications" for entry also differ—whether income, or housing stress, for example. The effect of housing supply on the achievement of ends depend on its magnitude and its composition. The question arises of the appropriate policy response if an additional supply of dwellings is not taken up by those who are in "need" but by other households. Estimates of housing "need", no matter how "accurate" (after the event) are no more than indications of the scale of resources which are required for housing, under certain assumptions. Left out of account are questions of who obtains housing and how they obtain it; what households are inadequately housed and where can they be rehoused (if necessary) with minimal disruption to them; the desired allocation of housing to different household groups (whether categorised by income, socio-economic group or tenure). Also left out of account is the desired distribution of financial flows which affect the demands which are placed on real resources.

84. Ideally, housing requirements should be calculated at the local level. There are many variations across areas in the ease with which families—of similar characteristics—can get housed. Should resources be concentrated in particular locations? It is likely, for example, that "household fission" is greater in urban areas.

85. Moreover, to the extent that increases in housing supply lead to increases in headship rates, this can happen in different ways. For example, married couples who are currently sharing dwellings could set up independent household more quickly. Alternatively, young single persons could be enabled to set up independent household. Depending on the set of values which the policy-maker brings to bear, he or she might not be indifferent between these outcomes.

Persistence of the Housing Problem

86. If future annual construction "overshot" what was required, there could be a fall in the relative price of dwellings, and consequently an increase in household formation and less sharing of dwellings by families. To the extent that house prices were "sticky" in a downward direction, the result would be likely to be an increase in vacancies.

87. Despite a relatively high rate of housing completions relative to population in the 1970s (Table E.1), problems of unfit, overcrowding, involuntary sharing, and homelessness have persisted. The number of approved applicants, on the waiting lists for local authority housing, who are living in unfit dwellings remained relatively static over 1974-1980, while the numbers in overcrowded conditions increased from 7,000 in 1974 to 12,000 in 1980, and the numbers in unfit and overcrowded conditions increased from 2,000 to 2,900 between 1976 and 1980. (This is not to equate numbers on the local authorities' waiting lists with numbers in "need", for the following reasons. Since the waiting lists contain essentially family type households or potential households, there are persons in "need" who will not qualify for approval; others may be discouraged by the waiting list or may lack information, although information is lacking on the likely numbers in this category.) The number of households which live in unfit conditions and are rehoused by local authorities has remained steady at about 1,700 per annum in the period 1970-1979 inclusive, while the annual number of families living in overcrowded conditions or sharing with other families reached a peak of 4,400 in 1975 but averaged 3,300 in the four year period 1976-1979. Hence, taking a net figure of 28,000 dwellings which are unfit beyond economic repair, at the current rate it would take 16-17 years for the local authorities to deal with this—and this takes no account of the need for rehousing in the case of dwellings which will become unfit after 1981. The number of persons living in mobile homes is estimated to have almost doubled between 1971 and 1979. Little or no decrease has occurred in the number of homeless persons.

88. Housing conditions improved in the decade of the 1970s. Whether measured by average size of dwelling, average number of rooms per

dwelling, incidence of unfitnes, incidence of overcrowding and of involuntary sharing in a multi-family dwelling, and housing amenities and conditions, average housing conditions for most households have improved considerably. Given the volume of public and private expenditure (with total public expenditure, including tax expenditures, estimated at £360 million in 1980, 18), it would be extraordinary if conditions had not improved. Moreover, there has been a relatively high rate of new construction per annum, related to population (Table E.1). But the duality in housing conditions is worse than ever—the disparities in housing conditions between the bulk of the population and those in poor housing, were never so great. The basis for this conclusion is the following:

- (i) The *absolute* improvement in housing conditions, indicated above (Chapter 3);
- (ii) The stagnation, or even disimprovement in housing conditions which has occurred among those with the poorest quality dwellings or with none at all—as evidenced by the persistence of unfitnes, overcrowding, households living in mobile dwellings, homelessness, together with an evident decay in part of the private letting sector. Hence, in *relative* terms the housing conditions of these households have worsened. This leaves aside the impact of lack of security of tenure and of relatively high housing costs by comparison with income in much of the private letting sector (39).

89. Some of the overcrowding and involuntary sharing may be a reflection of the letting criteria of local authorities. In order to qualify for a letting, some families may be forced to demonstrate “need” by living in overcrowded or multi-family conditions.

Policy Issues—Introduction

90. In summary, some of the main policy issues which relate to housing “need” are outlined in the following paragraphs. The first issue is as follows. Given the financial costs of owner-occupation in the early years, could there be a sharp easing off in the growth of owner occupation, with consequent greater demands on the public housing authorities? The answer depends on trends in real income and in inflation, and on changes in the asset demand for housing.

Household Size, Dwelling Size and Overcrowding

91. The decline in average household size is likely to continue in the foreseeable future, due to a likely continual decline in fertility (5) and

due to “household fission”. One policy implication of this concerns the mis-match between household size and dwelling size (40, Chapter 6). The dwellings which are built are concentrated on a relatively narrow range of sizes, and in recent years there has been a shift towards dwellings of 6 to 8 rooms or more.

92. In the decade up to 1971, most of the net increase in dwellings occurred in the 5 to 7 room sizes. The proportions of dwellings constructed by size of rooms, has been as follows in recent years:

Number of rooms	1970	1978	1979	1980
	%	%	%	%
6	22.6	29.5	29.0	27.7
7	9.4	15.7	15.3	14.6
8+	1.9	3.7	5.3	4.7

Source: (12).

Section 23 of the *Finance Act*, 1981 introduced an incentive for those who purchase a flat or a house, whereby the owner can offset taxable rented income against the cost of the property (less site value); data are not yet available on the extent to which this stimulus to the construction of dwellings for letting has led to an increase in the number of flats. The mismatch between household size and dwelling size reflects, in part, the income cum asset demand for housing, including that of young single people, together with an asset demand for large dwellings by relatively small households with high incomes, together with the small household size in a standard size house which typically occurs at the end of the child-rearing cycle.

93. While this study concentrates on aggregate requirements, Appendix D attempts to estimate future trends in numbers of smaller households. The Appendix shows that the number of one-person households is projected to increase from 142,200 in 1979 to 153,000 in 1986. The number of households of man and wife where the head is aged 65 or over is projected to increase from 35,900 in 1979 to 41,300 in 1986. There is a further possibility, which is not considered in the Appendix: that stagnant real incomes would result, in part, in a greater demand for smaller sized dwellings, i.e., the obverse of the trend in the 1970s when dwelling size increased, partly in response to real income increases.

94. Compared with the number of one and two person households, there is a restricted supply of relatively small dwellings. However, it

cannot be assumed that one and two persons households will demand dwellings with a small number of rooms: this will depend on their preferences, on changes in prices of dwellings of different sizes and on changes in income. There may be some scope for the housing authorities to widen their letting eligibility to include "non-standard" households such as single persons, in the case of relatively small dwellings and high rise dwellings for example. There is likely to be scope for the provision of greater numbers of smaller dwellings (say with 4 rooms and 2 bedrooms) by local authorities for older persons (including married couple households) who would welcome such dwellings. This could free larger dwellings for letting to the larger families. A further problem relates to the provision of suitable housing for lone-parent families, where current local authority provision is hardly satisfactory.

95. Individual overcrowding could be reduced somewhat if there were a better match between household size and dwelling size. This could, in the absence of an "instantaneous" or "once-for-all" change, require that households move more often over time as their housing requirements alter. There would need to be greater incentives to mobility — or at least a reduction in the positive disadvantages which exist at present for those households who are prepared to move, due to the transaction costs involved in changing house. A good deal of overcrowding in the local authority tenure occurs in two-bedroom flats, occupied by families. Given current institutional arrangements and tastes, there is no likelihood of mobility between this group and the young single group of owner-occupiers.

96. Currently the local authorities are building more four-bedroomed houses to cater for the larger families and to provide for transfers for the tenants with relatively large families¹. On average, the family size of local authority tenants who seek transfers is greater than the family size of new tenants. Hence, overcrowding will not be solved simply by building larger local authority dwellings for letting to larger families.

97. The problem of overcrowding has no simple solutions, not least because it involves people's decisions about where they wish to live, which sometimes impels them to resist any re-location. Single family overcrowding in the local authority sector can be handled by transfers. But it may often be difficult, although desirable, to re-house an overcrowded household in its immediate area. Greater use could possibly

¹For example, Dublin Corporation, which generally builds houses with 5 rooms/3 bedrooms, builds 15-20 per cent of units of size 6 rooms/4 bedrooms. Dublin County Council builds 10 per cent of units as one-bedroom units and 10 per cent as 4-bedroom or large 3-bedroom units.

be made of extensions to local authority dwellings in cases where this is not physically impossible. Current letting policies of housing authorities are concentrated on young married couples, many of whom are sharing involuntarily with inlaws. Many of these married couples, even if allocated a dwelling, are likely to experience overcrowding in subsequent years. Aside from cases of multi-family households, current letting policies are not centrally directed at overcrowding.

98. Under other circumstances, the private letting market might be expected to cater for many of the additional small households — at least for a certain number of years. There is a need to make a choice between, say, three quite different approaches to this sector: to accept its cumulative decay (except for the upper priced end), to take it into public management, or to provide the conditions (including provision against abuse of market power by landlords) within which it can provide a genuine alternative at the margin. In the same way that there are interactions between the demand for owner-occupation and the demand for local authority letting, the future demand for local authority lettings will depend partly on the number of private lettings.

Elderly Person Households

99. One of the issues which links social policy (in the narrow sense) with housing policy will concern elderly owner-occupiers who are not poor in capital but who are relatively poor in income. This is likely to be an even more pressing issue in the future. In 1971, 62 per cent of one-person households were owner-occupied, while 42 per cent of one person household heads were aged 65 and over: it is likely that there was a good deal of overlap between these categories. What policies should be adopted if many of these households are unable to maintain their dwellings adequately? If some of these households wished to move to more easily managed dwellings, should they be helped to overcome the financial costs of purchase and sale? Another policy issue concerns the provision of housing for elderly persons who live alone, many of whom lack basic facilities (paragraph 37).

Public Expenditure

100. A particular illustration of the interactions between Government finance, demand and "need" is as follows. In principle, the Government has a choice between public expenditure (or revenue foregone) on subsidies, and direct investment in public housing. The greater the expenditure on subsidies, the more the consequent effects on the price of housing may result in an increase in the number of families on the waiting list for local authority dwellings. It is important to get the balance of expenditure right between subsidies and direct investment.

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Renewal

101. The question arises of the proportion of unfit dwellings which should be improved, rather than demolished and replaced. This is related to the issue of the appropriate policy towards improvement, including improvement grants.

Monitoring

102. The 1976 report on housing needs by the NESC said "it will be necessary to monitor the needs continually, and to test the outcome of the household projections, in future years" (4, p. 37). Data deficiencies have made the estimation of requirements under unfitness, overcrowding and involuntary sharing especially difficult. This has been referred to in Chapters 3 and 4: the unavailability of the results of the 1980 survey of the conditions of the dwelling stock means that, in work up to around 1984, there must be reliance mainly on the 1971 census results. This is patently unsatisfactory. There seems to be no reason why results of housing conditions surveys should not be disseminated promptly. Information on obsolescence could also be derived from purpose-built surveys. There is also need to check if some of the older housing stock may hit a critical point of unfitness over the coming decade.

103. It is clearer now that greater precision is needed in delineating those households which continue to live in unsatisfactory housing conditions. For instance, it is not known what proportion of the households living in unfit or overcrowded conditions in 1976 were still living in such conditions in 1980. This suggests that use should be made of "longitudinal" studies of housing conditions rather than relying on successive "snapshots" or cross sections. Such work would also provide firmer evidence on the extent to which disparities in housing conditions between the bulk of the populace and those in poorest quality housing have widened over time, despite the extent of public intervention in housing. There is also need to establish how many households are living in unsatisfactory conditions but do not apply to the housing authorities for rehousing. Moreover, there is need to identify the reasons why they had failed to seek help — for instance, whether this is due to lack of information, or due to a reluctance to run the risk of being rehoused to an unfamiliar area, a problem which was raised above in Chapter 4.

APPENDIX A

Marital Status

The Term "Married"

The Census of Population uses four mutually exclusive categories of marital status: single, married, widowed, other status. In 1979, there were 7,624 persons (2,379 males and 5,245 females) who declared themselves to be "other" status. These are included in most tables, including the household tables, in the classification "married", although they are in fact either separated, deserted or with annulled marriages. As a comparison, the total number of married males (including the above "others") was 619,924 and there were 626,744 married females.

The Projections

It is assumed that the proportion of females ever-married, in each age group, continues to rise in line with past trends. For each age group, the proportion ever-married is assumed to increase between 1979 and 1986, in line with the 1971-79 trend (using a linear extrapolation, in percentage point terms). The proportion of widowed females in each age group is assumed constant at 1971 rates.

However, for age groups 15-49, data on proportion married in other EEC countries are used as a check. In the case of ages 30-44 for 1986 and 1991, where the Irish rates would have exceeded the "EEC" rates, the assumed Irish rates are held at around the "EEC" rates. The projections are discussed further in (5). The resulting proportions, with comparative data for 1971 and 1979, are in Appendix E, Table E.2. The proportion of married males to married females has been steadily rising since 1966; it is assumed that the proportion continues to rise at the 1971-79 rate. This rate of increase is applied to the proportion of married males to married females in *each* age group. The proportion of males in each age group who are widowed is assumed to remain at its 1979 value.

APPENDIX B

Obsolescence

The Appendix aims to show the link between unfitness and obsolescence, and the dangers of double-counting. Consider the following different cases:

- (i) an unfit dwelling in 1981 which is capable of economic repair;
- (ii) an unfit dwelling in 1981 which is not capable of economic repair;
- (iii) a fit dwelling in 1981 which becomes unfit in 1982 and is demolished in 1983;
- (iv) a fit dwelling in 1981 which becomes unfit in 1982 and is counted, as unfit, in the stock in 1991.

A dwelling in case (i) will not be counted in accumulated requirements at, say, 1981 but if it is *not* repaired and is demolished, it will show up in a *subsequent* calculation of obsolescence. A dwelling in case (ii) will be counted in accumulated requirements of 1981, and if later demolished will show up in a *subsequent* calculation of obsolescence. A dwelling in case (iii) will show up in a *subsequent* calculation of obsolescence, while one in case (iv) will show up in a subsequent calculation of accumulated requirements. In the normal usage of the word, "obsolescence" occurs only in case (iii). Difficulties arise because calculations of inter-censal losses from the housing stock reflect, not only case (iii), but also cases (i) and (ii) where dwellings are demolished. If there were a large "once-for-all" clearance of unfit dwellings, subsequent calculations of "obsolescence" would show a sharp increase which was a result of the clearing off of accumulated requirements.

However, even in the absence of a "once-for-all" clearance of unfitness, calculations of inter-censal losses from the dwelling stock will include some element of removal of former accumulated requirements. A numerical example will illustrate this. Take a case where the number of households is constant at 100 and where 1 per cent of the stock of dwellings becomes unfit and is replaced each year; and assume that a count at the beginning of year 0 shows that 10 are unfit. Accumulated

requirements at the beginning of year 0 are 10, prospective requirements due to obsolescence are 10 over a ten year period. Suppose that the 10 unfit dwellings which were counted are demolished and replaced in the subsequent ten year period. At the beginning of year 10, calculations of losses from the housing stock show that 20 losses from the housing stock occurred between year 0 and year 10. But obsolescence between year 0 and year 10 has been only 10 units, the remaining 10 consisting in the clearing off of accumulated requirements.

APPENDIX C

Overcrowding

The Statutory Definition

The *Housing Act*, 1966 defines overcrowding as "when the number of persons ordinarily sleeping in the house and the number of rooms therein either—

- (a) are such that any two of those persons, being persons of ten years of age or more of opposite sexes and not being persons living together as husband and wife, must sleep in the same room, or
- (b) are such that the free air space in any room used as a sleeping apartment, for any person is less than four hundred cubic feet (the height of the room, if it exceeds eight feet, . . .)" (Section 63).

This definition is taken directly from the definition of overcrowding in the *Housing (Amendment) Act*, 1952 (Section 28) except for the substitution of "ten years of age or more" for twelve years old or more in sub-section (a). As amended, the sex separation standard is the same as that of a U.K. Act of 1957, considered below. The first part of the standard can apply only to one-room dwellings, since in dwellings of two or more rooms it will be possible to convert a room into a makeshift bedroom.

In official estimates of housing need, this definition has not been used; in the White Paper of 1969, the criterion was 2 or more persons per room (28). The numbers overcrowded, using the statutory standard, would be far greater than numbers overcrowded on the basis of 2 or more persons per room.

There are no internationally agreed standards on overcrowding. In the U.K., the statutory standard is an outmoded one, since the definition in the *Housing Act*, 1957 uses a standard which was laid down in the *Housing Act*, 1935. It has two parts, one based on the separation of sexes, the other being a standard of capacity. Under the first part, overcrowding occurs when any two persons aged ten or more of opposite sexes and "not being persons living together as husband and wife" must sleep in the same room. The second part of the standard deals

with persons per room and per square foot; the permitted number of persons per room is as follows:

Number of rooms (excl. kitchens, bathroom, w.c.s.)	Permitted number of persons	
		per room
1	2	2
2	3	1.5
3	5	1.7
4	7.5	1.9
5	10	2
6	12	2
7	14	2

Hence, this part of the standard is close to a criterion of 2 or more persons per room. Data from the 1963 Tenant Inquiry for the U.K. show that the statutory standard is roughly equivalent to 2 or more persons per room (33, p. 84). Even in 1965, the Milner Holland Committee on Housing in Greater London said that "we have found a widespread conviction that the standard in use today is outdated" (41, p. 84). Because of the low standard, few cases of overcrowding are officially reported in the U.K. (42).

Since the late 1950s, when crude standards of overcrowding have been used in U.K., one of the following has been used: *more than* 1 person per room, 1.5 or more persons per room, *more than* 1.5 persons per room (for an example of the first ratio, see 43, p. 217, for an example of the second ratio, see 11, p. 217, and for examples of the third ratio see 44, p. 347, and 45). The Milner Holland Committee used *more than* 1.5 persons per room as a measure of severe overcrowding. The Housing Policy Review for England and Wales of 1977 uses densities above 1.5 persons per room as the indication of overcrowding (30). However, the Milner Holland Report of 1965 said that:

"Although a standard of 1½ persons per room is much more appropriate to today's standards of living than the statutory overcrowding standard, it lags far behind what is regarded as acceptable even by average-income sections of the community. It could in many cases preclude one room being used wholly as a living room if the sex-separation requirements of even the statutory standard were to be met" (41, p. 82).

Moreover, Cullingworth has argued that:

"The standard implied in the house designs issued by the Ministry of Health to local authorities in 1949 is considerably higher

than . . . (2 persons and more per room, and more than 1.5 persons per room), namely one person per room. This is now widely regarded as representing adequate housing space conditions; overcrowding could therefore be defined as being 'more than one person per room' (44, p. 347).

A less crude measure of space which is available to households of different types was devised by the Social Survey and was used in the 1960 Housing Survey (46). This is the "bedroom standard". This is the standard number of bedrooms which are required by households of varying composition. The bedroom standard is a better measure of housing stress than crude ratios of persons per room. It takes account of difference in household composition. Furthermore, a misleadingly low ratio of persons per room occurs when living rooms are used as bedrooms in an overcrowded household. The bedroom standard is used in the General Household Surveys of 1971 and 1979.

The standard number of bedrooms is as follows (43, p.207):

- (a) One for each married couple;
- (b) One each for other men and women aged 21 or over;
- (c) One for each two persons of the same sex aged 10-20;
- (d) One for any person aged 10-20 and a child aged under 10 of the same sex;
- (e) One for any person aged 10-20 not paired as in (c) or (d);
- (f) One for any child remaining.

That is, a bedroom is required for each married couple, and for each person aged 21 or more; each two members of the household less than 21 share a bedroom with the premiss that those aged 10-21 should share with someone of the same sex.

The U.S. Bureau of the Census assumes that overcrowded conditions are represented by *more than 1 person per room* (47, p.44). A study of U.S. housing needs has used a different crude measure:

"An often-used criterion of an overcrowded household is one with more than one person per room. However, . . . survey data indicate that many households living with more than one person per room do not consider themselves overcrowded. An example might be a young couple living in an efficiency apartment (i.e., "bedsitter"). To avoid the problem of this definition, we have taken a more conservative one: in our analysis a household is overcrowded if it consists of at least three persons and has 1.5 persons or more per room. All rooms in a unit are counted except bathrooms, hallways, and those that are used predominantly for storage" (48, p. 44).

APPENDIX D

Smaller Households

This Appendix concentrates on the smaller sized households that are likely to need smaller-than-average dwellings, unless a steady amount of under-occupation were assumed. Table D.1 shows the change in the size distribution of households between 1961 and 1979, insofar as it affects the smaller sized households. Over this period, there was a steady and significant increase in the proportion of one-person households, from 12.6 per cent in 1961 to 16.4 per cent in 1979. Between 1971 and 1979, the number of one-person households increased by 38 per cent, by comparison with an increase of 19 per cent in the aggregate number of households.

Between 1971 and 1979, the proportion of two-person households decreased slightly and the number of two-person households increased by 18 per cent.

Table D.2 gives details of household composition, for the small households. Among single-person households, there was a particularly sharp rise between 1971 and 1979 in households headed by males in the age group under 25 and 25-44, and in households headed by females in the age groups under 25, and 25-44.

TABLE D.1

Number of Smaller Households and Proportion of Smaller Households, 1961-1979

Number of persons in household	Number of households in each year (percentage of total households in parentheses)		
	1961	1971	1979
1	85,388 (12.6)	102,787 (14.2)	142,193 (16.4)
2	137,287 (20.3)	149,467 (20.6)	176,664 (20.4)

Sources: *Census of Population 1971*, Volume VII; Central Statistics Office.

Two types of small household are of particular significance. First, there are single-person households. Second, there are households which consist of man and wife and where the head is aged 65 and over. These couples are likely to have completed their family size. Between 1971 and 1979, the number of households of man and wife, where the head is aged 65 or over, increased from 26,200 to 35,900, an increase of 37 per cent.

Projections of certain of these smaller households are made as follows. With regard to those who live in one person households, it is assumed that in the age group 20-64, they are single, and that in the age group 65 and over they are either single or widowed. For each of the age groups 15-24, 25-44 and 45-64, the proportion of household heads to numbers single is obtained, and is extrapolated to 1986, using the same extrapolation as in the headship rates in the text. For the age group 65 and over, households heads are related to the population which is either single or widowed, and proportions are extrapolated to 1986. The calculations are done for males, and for females, respectively. In the case of households of man and wife with the head aged 65 or over, the projections are based on the proportions of married persons aged 65 or over who are heads of these households; a similar extrapolation is made. The first set of assumptions on migration is used.

The number of one-person households is projected to increase from 142,200 in 1979 to 153,000 in 1986. The number of households of man and wife where the head is aged 65 or over is projected to increase from 35,900 in 1979 to 41,300 in 1986.

Type of Household	Number of persons	Female Head				
		Total	Under 25	25-44	45-64	65 and over
One Person	1	73,503 (50,620)	4,706 (2,062)	9,247 (4,877)	20,689 (17,334)	38,861 (26,347)
Man and Wife	2	2,366 (478)	413 (28)	913 (60)	589 (236)	451 (154)
One parent and child	2	26,707 (20,666)	263 (53)	1,550 (870)	8,765 (8,102)	16,129 (11,641)
Two persons but not including a family unit	2	21,960 (20,541)	2,974 (1,861)	2,932 (1,924)	6,043 (7,104)	10,011 (9,652)

Sources: *Census of Population 1971*, Volume VII;
Central Statistics Office.

TABLE D.2

Smaller Private Households in Permanent Housing Units, Classified by Number of Persons and by Sex and Age of Head of Household, 1971, 1979

(1979 data are given first, 1971 data are in parentheses)

Type of Household	Number of persons	Total Heads	Male Head				
			Total	Under 25	25-44	45-64	65 and over
One Person	1	142,193 (102,787)	68,690 (52,167)	4,186 (1,779)	15,926 (9,598)	27,316 (24,028)	21,262 (16,762)
Man and Wife	2	96,001 (72,479)	93,635 (72,001)	6,211 (3,800)	25,447 (16,080)	26,481 (26,121)	35,496 (26,000)
One parent and one child	2	33,578 (31,211)	6,871 (10,545)	29 (148)	379 (2,929)	1,912 (3,328)	4,551 (4,140)
Two persons but not including a family unit	2	47,085 (45,777)	25,125 (25,236)	1,950 (1,005)	4,509 (3,862)	10,548 (12,352)	8,118 (8,017)

APPENDIX E

TABLE E.1

Dwelling Completions by Tenure, 1971-1981

Year	Local authority for letting or purchase 000	Other dwellings 000	Total 000	Dwellings completed per 000 population
1971	4.8	10.6	15.4	5.2
1972	5.9	15.7	21.6	7.1
1973	6.1	18.6	24.7	8.0
1974	6.7	19.5	26.3	8.4
1975	8.8	18.1	26.9	8.5
1976	7.3	16.7	24.0	7.4
1977	6.3	18.2	24.5	7.5
1978	6.1	19.4	25.4	7.7
1979	6.2	20.3	26.5	7.9
1980	6.0	21.8	27.8	8.2
1981	5.7	23.3	28.9	8.4

Note: Data include an estimated 450 additional flats provided each year by the conversion of houses into flats. Data also include mobile and pre-fabricated houses provided by local authorities.

Source: Department of the Environment, *Quarterly Bulletin of Housing Statistics*.

TABLE E.2
Population Projections by Age and Sex, 1979-1991
000
Males

Age Group	1979	Projected			
		1986		1991	
		1	2	1	2
15-19	162.3	169.0	168.1	177.7	175.9
20-24	135.8	151.1	150.2	153.2	151.4
25-29	121.6	135.0	134.1	145.3	143.5
30-34	112.7	131.5	130.6	140.3	138.5
35-39	91.8	124.5	123.6	136.6	134.8
40-44	81.8	99.0	98.1	123.2	121.4
45-49	77.8	83.3	82.4	97.3	95.5
50-54	75.6	74.7	73.9	80.6	78.8
55-59	76.1	70.5	69.6	70.6	68.9
60-64	67.8	67.8	66.9	66.2	64.5
65 and over	163.0	165.8	164.9	168.5	166.2
15 and over	1,166.2	1,272.3	1,262.4	1,362.0	1,339.6

TABLE E.2 (continued)
Population Projections by Age and Sex, 1979-1991
000
Females

Age Group	1979	Projected			
		1986		1991	
		1	2	1	2
15-19	155.1	160.8	159.9	170.2	168.4
20-24	130.5	145.7	144.8	146.5	144.7
25-29	117.8	131.2	130.3	141.4	139.7
30-34	107.4	126.4	125.5	134.9	133.1
35-39	86.7	117.9	117.0	130.0	128.2
40-44	77.6	94.2	93.3	117.1	115.3
45-49	74.7	79.2	78.3	93.1	91.3
50-54	76.1	72.0	71.1	77.5	75.8
55-59	77.9	71.5	70.6	69.7	67.9
60-64	69.9	73.1	72.2	69.8	68.1
65 and over	198.4	210.7	209.8	221.2	218.8
15 and over	1,172.1	1,282.7	1,272.8	1,371.6	1,351.4

Note: These projections are based on the *Census of Population 1981* Vol. 1, rather than on the Preliminary volume, and adjust the net migration assumptions for those aged 65 and over to ensure the assumptions of zero net migration and net emigration of 5,000 per annum over all age groups, respectively. The combined effect has a negligible impact on the population projections of the report of 1982 (5).

TABLE E.3

Proportion of Females who are Married, by Age Group, 1971, 1979 and Assumptions, 1981, 1986, 1991

%

Age Group	1971	1979	1981	Assumed 1986	1991
15—19	2.1	2.7	2.8	3.2	3.6
20—24	31.0	33.6	34.2	35.9	37.5
25—29	68.6	71.9	72.6	74.7	76.7
30—34	80.0	84.9	86.1	89.0	89.0
35—39	81.5	86.8	88.0	89.0	89.0
40—44	79.2	84.7	85.9	88.0	88.0
45—49	76.1	79.6	80.4	82.4	84.3
50—54	70.1	73.5	74.2	75.8	77.5
55—59	62.6	65.5	66.0	67.4	68.7
60—64	52.0	54.9	55.5	57.1	58.7
65 and over	28.1	28.8	28.9	29.2	29.5

Source: Census of Population 1979, Vol. II.

TABLE E.4

Detailed Projections of Dwelling Requirements, April 1981-April 1991

000

In each case of accumulated requirements, the number required over 1981-1991 is in parentheses, and the other number gives the number of dwellings required over a five year period

1981-86:

Component	Assumption I on overcrowding			
	Combination of net migration (M) and headship (H) assumptions			
	M1 H1	M1 H2	M2 H1	M2 H2
Net increase in household formation, 1981-1986	71	92	63	84
Replacement of dwellings unfit in 1981, less dwellings likely to be improved with essential repairs grants	(28) 14	(28) 14	(28) 14	(28) 14
Obsolescence (in the widest sense) 1981-1986	31	31	31	31
Elimination of overcrowding which existed in 1981 (having allowed for overlap with unfitness)	(13) 6.5	(13) 6.5	(13) 6.5	(13) 6.5
Elimination of involuntary sharing of dwellings which existed in 1981 (having allowed for overlap with unfitness and overcrowding)	(8) 4	(8) 4	(8) 4	(8) 4
Allowance for vacancy rate	1.6	1.6	1.6	1.6
Rehousing on compassionate, medical or other grounds				
— (i) accumulated	(3) 1.5	(3) 1.5	(3) 1.5	(3) 1.5
—(ii) prospective	2.5	2.5	2.5	2.5
Households in mobile homes and the homeless in 1981	(10) 5	(10) 5	(10) 5	(10) 5
Total requirements over 1981-1986	137	158	129	150

TABLE E.4 (continued)

Component	Assumption II on overcrowding			
	Combination of net migration (M) and headship (H) assumptions			
	M1 H1	M1 H2	M2 H1	M2 H2
Net increase in household formation, 1981-1986	71	92	63	84
Replacement of dwellings unfit in 1981, less dwellings likely to be improved with essential repairs grants	(28)	(28)	(28)	(28)
Obsolescence (in the widest sense) 1981-1986	31	31	31	31
Elimination of overcrowding which existed in 1981 (having allowed for overlap with unfitness)	(6.5)	(6.5)	(6.5)	(6.5)
Elimination of involuntary sharing of dwellings which existed in 1981 (having allowed for overlap with unfitness and overcrowding)	(8)	(8)	(8)	(8)
Allowance for vacancy rate	1.6	1.6	1.6	1.6
Rehousing on compassionate, medical or other grounds				
— (i) accumulated	(3)	(3)	(3)	(3)
—(ii) prospective	1.5	1.5	1.5	1.5
Households in mobile homes and the homeless in 1981	(10)	(10)	(10)	(10)
	5	5	5	5
Total requirements over 1981-1986	134	155	126	147

TABLE E.4 (continued)
1986-91:

Component	Assumption I on overcrowding			
	Combination of net migration (M) and headship (H) assumptions			
	M1 H1	M1 H2	M2 H1	M2 H2
Net increase in household formation, 1986-1991	75	100	67	91
Replacement of dwellings unfit in 1981, less dwellings likely to be improved with essential repairs grants	(28)	(28)	(28)	(28)
Obsolescence (in the widest sense) 1986-1991	14	14	14	14
Elimination of overcrowding which existed in 1981 (having allowed for overlap with unfitness)	34	34	34	34
Elimination of involuntary sharing of dwellings which existed in 1981 (having allowed for overlap with unfitness and overcrowding)	(13)	(13)	(13)	(13)
Allowance for vacancy rate	6.5	6.5	6.5	6.5
Rehousing on compassionate, medical or other grounds				
— (i) accumulated	(8)	(8)	(8)	(8)
—(ii) prospective	4	4	4	4
Households in mobile homes and the homeless in 1981	1.7	1.7	1.7	1.7
	(3)	(3)	(3)	(3)
	1.5	1.5	1.5	1.5
	2.5	2.5	2.5	2.5
Households in mobile homes and the homeless in 1981	(10)	(10)	(10)	(10)
	5	5	5	5
Total requirements over 1986-1991	144	169	136	160

TABLE E.4 (continued)

Component	Assumption II on overcrowding			
	Combination of net migration (M) and headship (H) assumptions			
	M1 H1	M1 H2	M2 H1	M2 H2
Net increase in household formation, 1986-1991	75	100	67	91
Replacement of dwellings unfit in 1981, less dwellings likely to be improved with essential repairs grants	(28)	(28)	(28)	(28)
Obsolescence (in the widest sense) 1986-1991	34	34	34	34
Elimination of overcrowding which existed in 1981 (having allowed for overlap with unfitness)	3.3	3.3	3.3	3.3
Elimination of involuntary sharing of dwellings which existed in 1981 (having allowed for overlap with unfitness and overcrowding)	(8)	(8)	(8)	(8)
Allowance for vacancy rate	1.7	1.7	1.7	1.7
Rehousing on compassionate, medical or other grounds	(3)	(3)	(3)	(3)
— (i) accumulated	1.5	1.5	1.5	1.5
—(ii) prospective	2.5	2.5	2.5	2.5
Households in mobile homes and the homeless in 1981	(10)	(10)	(10)	(10)
	5	5	5	5
Total requirements over 1986-1991	141	166	133	157

GLOSSARY OF TERMS

Demand, housing: The amount of housing services for which households are willing and able to pay, at some given price.

Dwelling, private: "The room or set of rooms occupied by a private household in a permanent housing unit" (Census of Population).

Fission, household: The dissolution of households into smaller households, typically in the form of single persons setting up independent households.

Family: A family unit is defined as either man and wife, man and wife together with one or more single "children" of any age, or one parent together with one or more single children of any age. (Non-family units consist of one person only, or of two or more persons, whether related or not, which do not include a family unit.)

Headship rate: The ratio of household heads to population, usually calculated for those in a particular sex-age-marital status group.

Household, head of: This is based on a subjective entry on the Census form; no definition is given on the Census form. The 1979 Census says that "any adult member of a private household present on Census night, can be returned as the head according as the household members consider appropriate". This particular note was not contained in the 1971 Census form. The term "head of household" is used as a point of reference for the tabulation of family relations.

Household, private: "A group of persons living together (usually but not necessarily related), jointly occupying the whole or part of a private dwelling house, flat or temporary dwelling and sharing a common budget. A person who lives alone or a person who occupies only part of the living accommodation but does not normally share a common budget with the other occupants is also regarded as a separate household" (Census of Population).

Housing unit: "A conventional house, a structurally separate flat or a temporary dwelling, regardless of the number of private households it contains; when temporary dwellings are excluded the definition relates to a *permanent housing unit*" (Census of Population).

Migration, net: The difference between "gross" flows of out-migration and of in-migration. Net emigration occurs when gross out-migration exceeds gross in-migration.

Need, housing: An estimate of the difference between the current housing stock (in quantity and quality) and the housing stock which would be required

to provide housing of a certain minimum standard to all households, irrespective of preferences and of ability to pay.

Obsolescence: Net losses from the housing stock which occur, after allowing for conversions and change of use, whether due to demolition or for other reasons such as an occupied dwelling becoming vacant.

Overcrowding: The statutory definition is related to sex separation and free air space (Appendix C). An empirical rule tends to be used by housing authorities that overcrowding occurs in a household where there are two or more persons per room.

Requirements, housing: The number of dwellings which are required to fulfil some objective. In this study, is taken to be the number of dwellings which are counted under "housing need".

Room: The number of rooms in a dwelling exclude scullery, bathroom, toilet but include kitchen (Census of Population).

Sharing, involuntary: Occurs in a dwelling (i.e., household) where there is more than one family, and where the preferences of one of these families are to acquire separate housing.

Unfitness: Under the *Housing Act, 1966*, a house is "unfit for human habitation" by reference to criteria such as water supply, sanitary arrangements and drainage; air space and ventilation; natural and artificial lighting; resistance to transmission of sound. However, current standards are higher than the statutory standards which would be implied by a strict interpretation of the Act.

Vacancy rate, frictional: The number of dwellings which are empty, as a result of the movement of households, but which are available on the housing market.

Vacancy rate, total: The average number of dwellings which are vacant in a particular year, expressed as a proportion of the stock of dwellings.

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