

THRESHOLD GRAVELY CONCERNED ABOUT IMPACT OF €60 MILLION CUTS IN RENT SUPPLEMENT

Threshold – the National Housing Organisations – has said that the €60million cut in the rent supplement budget is beyond the ten per cent cut that had been envisaged in this area of spending, and it is gravely concerned about the potential impact this will have on vulnerable people within the private rented sector.

According to Threshold's Chairperson, Aideen Hayden, "we know very little at this stage about how the Government intends to make this massive expenditure saving. At this stage, we can only be hopeful that they will take our advice and bring about a complete reform in the way in which rent supplement is paid.

"We believe that it is inappropriate for the Department of Social Protection to place all the burden of negotiating a lower rent on vulnerable tenants. Instead, we are proposing that rent supplement be paid directly by the State to the landlord. This direct payment system would reduce potential for abuses and create administrative efficiencies. Ultimately, it would help to protect vulnerable tenants, who are now more exposed because of the rent supplement reductions."

Threshold also expressed concern over the additional €2 contribution – outlined in the budget – which tenants will be expected to make towards their rent. Ms Hayden said: "All rent supplement tenants are dependant on social welfare. To this end, on top of an €8 cut for people in receipt of the stand social welfare payment, people in private rented accommodation will have to pay out a further €2 in rent contributions. Indeed, in the course of the past two years, the contribution which rent supplement tenants make towards their rent will have doubled from €13 to €26 once the budget measures become effective," said Ms Hayden.

"Critically, we are concerned that landlords will not reduce rent charges in line with the budgetary cuts announced today. Unless we are proven wrong, the number of evictions, homelessness and hardship for some of the most vulnerable in our community will accelerate in 2011."

Threshold welcomed the reduction in stamp duty and said that it would help bring some certainty to the property market. "There are some people – because of job losses, over indebtedness and reduced incomes – who need to engage with the property market. Today's stamp duty reduction might help to kick-start the market, making it possible for some of these people to sell-off their property," added Ms Hayden.