

Chairperson's Statement

Supporting our customers

Frank Allen Chairperson

I am very pleased to present the Housing Finance Agency's Annual Report for 2023, which showcases the significant role that the HFA continues to play in supporting the government's *Housing for All* plan. The year under review was particularly busy for all housing providers in Ireland and was a year of continued growth for the HFA. Our loan book increased to €7.4 billion and profits reached €74 million.

The HFA's customers are the main providers of social and affordable housing in the State and they excelled in delivering new housing in 2023. This delivery required housing providers to overcome difficulties in supply chains and to partner with other entities in the public, private and voluntary sectors. We are pleased to have been able to provide long-term finance at competitive rates to support this delivery.

Notwithstanding the strong growth in delivery of social and affordable housing, there remains a severe shortage in most categories of housing in Ireland. The HFA is particularly conscious of the need to support AHBs that are committed to providing housing for people with specific needs, who may also require care and support. These housing providers face the same difficulties as larger general housing bodies in relation to such issues as construction inflation and planning, but have the additional challenge of securing long-term funding for care of residents.

The HFA recognises that it can play a role in strengthening capacity and building skills in specialist housing associations and we are now partnering with the Irish Council for Social Housing (ICSH), to provide guidance to organisations that may not have the resources or internal knowledge to move confidently through the HFA process. With this support in place, we hope that some of these AHBs will consider HFA financing to provide long-term, appropriate housing for the communities they serve.

The HFA Board makes it a priority to visit HFA-funded housing projects and in 2023 we toured two new-build construction schemes in Galway City, where 184 homes are being delivered by Respond. We also had the opportunity to visit the University of Galway's new student accommodation on the day that it welcomed students for the new academic year. Provision of high-quality campus accommodation allows third level institutions to offer places to more students but without putting undue pressure on the local rental market.

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The HFA hopes to work with the new Technological Universities as well as with the long-established universities to increase the supply of student accommodation in cities and towns around Ireland.

I want to thank all our housing partners, particularly the Department of Housing, Local Government & Heritage and the Department of Finance, for their continuing support over the course of 2023.

I also want to acknowledge the HFA staff for their commitment and dedication to providing excellent service to social and affordable housing providers, which is reflected in the exceptional results achieved in 2023.

Finally, I wish to express the Board's appreciation to three senior HFA executives who are retiring or have retired in recent months. Our Chief Executive and Board colleague,

Barry O'Leary, has shown vision and commitment to housing finance since he joined the Agency in 1988, and in particular during his term as Chief Executive. Seán Cremen, Head of Treasury, has upheld the highest standards in lending, while committing to a spirit of partnership with all our lenders. Tom Conroy retired as Company Secretary and Head of Finance, having ensured that governance and controls were fully implemented for an expanded mandate. We wish the very best for their future endeavours.

Timothy J. Allen

Frank Allen
Chairperson

28 March 2024

The HFA's Board and senior staff visited social housing schemes in Galway.



Taoiseach Simon Harris announced a €430 million deal between the HFA and the European Investment Bank to facilitate the delivery of affordable student accommodation. Pictured at the HFA offices with EIB President Werner Hoyer and HFA CEO Barry O'Leary.



Chief Executive Officer's Review

An impressive year of collective growth

Barry O'Leary Chief Executive Officer

This is my 12th and final review for an Annual Report as Chief Executive Officer of the HFA. 2023 was a positive year, for the HFA and for the sector, with clear evidence of a considerable pick-up in the momentum towards significant delivery of social and affordable housing.

Loan approvals in 2023 reached €1.6 billion, marking a 127% increase on the previous year, which was already very busy.

It was another challenging year – in part due to rising construction costs - but customers have shown a strong dedication to ramping up their delivery of housing and we take pride in our collaboration with them. We look forward to continuing to grow together.

While the financing for social and affordable housing plays a crucial role, it is our customers who ultimately deliver the bricks and mortar apartments and houses. Moreover, they provide essential support and guidance to residents so these properties can become comfortable, secure homes for life.

Our customers also play a significant role in building communities around the homes they deliver. I had the opportunity to see this first-hand when I visited Tuath's development, The Meadows, in Cork during the summer. Local staff ran a summer camp, funded by the HFA, for young people in the area and it was clear how much it had enriched the summer break for the young people who took part. This is just one of many activities and community events organised by AHBs all across Ireland during 2023 and the impact cannot be overstated.

I have been heartened to see the commitment from the sector to the delivery of cost rental housing, with our loan approvals last year suggesting that 2024 will be an even stronger year for cost rental. This is an important tenure of housing, providing a secure option for middle-income earners who are struggling to afford private sector rents.

We are also eager to help people to get a foot on the property ladder and our competitive-rate finance allows local authorities to provide long term, fixed rate mortgages to homeowners through the Local Authority Home Loan. Last year we provided €74 million to local authorities to support these loans, which are aimed at prospective homeowners who have been turned away from the traditional banks.

The HFA Board had the pleasure of visiting a number of HFA-funded housing sites delivered by Respond in Galway in September 2023, as well as an impressive new student accommodation complex at the University of Galway.

Increasing our financing of student housing is a key priority for the HFA. A particular highlight in the year was the visit of Dr Werner Hoyer, President of European Investment Bank (EIB) and Minister for Further and Higher Education Simon Harris to HFA offices to sign a

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€434million deal which will aid the delivery of more affordable student accommodation. Work is also underway to extend this financing option to Technological Universities.

Our strategy is geared towards facilitating the delivery of 19,000 new homes by the end of 2026. We are well on our way to reaching this target.

Our own team is also growing. We know that as our customers do more, they need more from us and we will continue to expand our team and enhance our services to ensure we can meet those demands. We are ready and willing to fulfil our side of the bargain, with well-priced funding to facilitate our customers' delivery of social and affordable housing.

I would like to thank our customers for their lively engagement and express my appreciation for the invaluable support we received from all stakeholders in 2023 and during my time as CEO. A special acknowledgement goes to Minister for Housing, Local Government and Heritage, Darragh O'Brien TD, whose energy and commitment to the sector is reflected in the advancements and successes in housing delivery in recent years.

My thanks too to our funders, namely the NTMA, the European Investment Bank and the Council of Europe Development Bank, whose collaboration allows us to make an excellent offering to customers.

Over the years I have had the honour to work with some wonderful people who served on the Board of the HFA. Each person contributed to the progress and success of the HFA and I thank them for their service and invaluable input.

I would like to express my gratitude to my Chairman, Mr Frank Allen, for his consistent support of me and the HFA. Under his stewardship, I am confident the agency will continue to thrive and deliver a superb service.

Finally, I would like to pay tribute to the dedicated staff of the Housing Finance Agency for their hard work, friendship and good humour over the years. It has been a privilege to lead the HFA through a period of recovery from the financial crisis, into a phase of sustained growth where we are financing record levels of loans for the supply of high quality social and affordable housing. Our steady accomplishments in recent years are thanks to those exceptional people and I am certain they will continue that success into the years ahead.

Go n-éirí an bóthar libh.

Barry O'Leary
Chief Executive Officer

28 March 2024