



National Traveller

**mabs**

Money Advice & Budgeting Service

# **A Small Scale Study into the cost of Mobile Homes/Trailers for the Purpose of Social Housing for Travellers**

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**National Traveller MABS undertook an introductory study into the cost of Mobile Homes/Trailers on sale in the Republic of Ireland during February 2018. This study was undertaken as part of our work in advocating for improvements in the area of caravan loans.**

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## Executive Summary

National Traveller MABS undertook this small scale study as part of our strategic work in the area of affordable accommodation for the Traveller Community; specifically in relation to collecting information to inform our work in the area of affordable finance for the purchase of mobile homes/trailers for long term living. The study which was completed in February 2018, sought to establish the cost of purchase and installation of mobile homes for the purpose of long term living for Travellers. It found that there are a range of both new and used mobile homes/trailers for sale of residential and non-residential standard. These mobiles/trailers ranged in price from under €10,000 to upwards of €100,000. The condition of these mobiles and suitability for long term living also varied with age and with price. Installation costs and disposal of old mobiles/ trailers also ranged from between €1,000 and €5000.

The study raises the issue of the suitability of small loans to purchase homes that were not originally designed to be of residential standard. The issue of standards is one that needs to be explored further as it has implications for the living conditions of Traveller families including those conditions that are related to fuel poverty. The study recommends that the Department of Housing, Planning and Local Government develops standards in relation to mobile homes/trailers being provided to Traveller families either through rental or loan schemes.

It also raises questions as to whether or not a loan scheme is the most appropriate vehicle for the provision of good quality accommodation to Travellers who are largely in need of social housing and recommends exploration of alternative rental schemes.

While rental might be more affordable and offer higher quality accommodation this does not negate the usefulness of a loan scheme for some families on higher incomes who would prefer to own rather than rent. In terms of the current '*Caravan Loan Scheme*' it finds that amounts on offer are not sufficient to purchase and install a mobile home of sufficient quality and should be increased. However, increasing the loan amount has implications in terms of affordability and over-indebtedness for families undertaking a loan. This would need to be considered by the Department of Housing Planning and Local Government when designing an updated '*Caravan Loan Scheme*'. The study recommends that any new scheme supporting Traveller families to purchase a mobile home for long term living should be affordable and supported through financial advice and mechanisms for deduction at source including the household budget scheme for people in receipt of social welfare.

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“Article 25 of the UDHR recognises the right to an **adequate standard** of living, stating that: ... The UDHR establishes that the realisation of the right to an **adequate standard** of living **requires** as a minimum the enjoyment of subsistence rights, that is **adequate** food and nutrition, clothing, **housing** and care when required”

## 1. Introduction

National Traveller MABS is concerned with the financial exclusion of Travellers and has worked to influence policy in the area of affordable accommodation for Travellers over the past 14 years. Our focus has been on mobile home/trailer accommodation as historically many people presented to our service seeking support to access credit to finance the purchase of this type of accommodation as a permanent home. 12% of Travellers live in mobile home accommodation (CS0, 2017, Profile 8). In most cases it is the responsibility of the family or individual to purchase a mobile home as this form of accommodation is not generally on offer for rental by local authorities.

National Traveller MABS have worked to influence the current government supported ‘National Scheme of Loans and Grants for the Purchase of Caravans for Travellers’. This scheme was recently reviewed by the Housing Agency on foot of our recommendation to the Department of Housing, Planning and Local Government.

We have also been directly involved in the operation of a number of other ‘Caravan Loan Guarantee Schemes’ that enabled Travellers to access credit to purchase or renovate mobile homes/trailers. An independent review of these schemes, found them to be very successful in that they were accessible to Travellers, were affordable and had a low default rate. (Stamp, S., 2015)

National Traveller MABS’ most recent strategic plan includes a strategy ‘to influence the National Caravan Loan Scheme for Travellers’. This work includes gathering information to inform policy in this area. An action in this strategy is to conduct a minor study on the cost of mobile homes/trailers. This current study is part of our work in this area.

## Study Aims and Objectives

### Aim

*The aim of this study is 'to establish the cost of trailer/mobile homes to meet the housing needs of Traveller families'*

### Objectives

This study has the following objectives:

- To establish the typical cost of installing a trailer/mobile home to include:
  - Removal of any old trailer/mobile home in compliance with environmental regulations
  - purchase of the new/second hand trailer/mobile home
  - and preparation of a site for installation of new trailer/mobile home, connection to services (water, sewage, gas, electricity)
- During the course of this study to gather any pertinent information that might inform the development of a government supported caravan loan scheme
- To base all recommendations within a framework of financial inclusion

## Background

In undertaking this study we are aware of a number of issues. Travellers living in mobile home accommodation are finding it increasingly difficult to access loans for the purchase of trailer/mobile homes. This is because the number of local authorities offering this type of loan has decreased and currently stands at 11 out of 31 (Housing Agency, 2017). There is also an issue with the inadequacy of national caravan loan scheme in that amounts available do not have adequate purchasing power in terms of providing suitable accommodation.

12% of Travellers live in mobile homes/trailer accommodation (CSO, 2017). The ESRI report 'A Social Portrait of Travellers in Ireland', 2017 found that Travellers living in this form of accommodation are more likely to have issues with overcrowding as well as poor access to basic services including piped water, sewage and central heating. A 2018 report commissioned by Dublin 10&20 MABS, found that Travellers in the Dublin 10 area living in trailers/mobiles experience higher levels of fuel poverty than people living in standard built housing (Stamp, 2018). The loan amount offered by local authorities has implications for the standard of accommodation available to families, and subsequently may lead to a lower standard of accommodation which has implications for physical and mental health and fuel poverty.

## **Caravan Loan Schemes**

Local authorities under the 1998 Traveller Accommodation Act have responsibility for the provision of Traveller Accommodation. This act provides for caravan loans, and in 2000, a National Scheme of Loans and Grants for the Purchase of Caravans for Travellers was introduced. The scheme operated in each local authority area and provided for loans of €6,350 (although many increased this amount over time). Each local authority operated the scheme in a different way, but gradually the scheme has been suspended in many areas.

National Traveller MABS also supported a number of Caravan Loan Guarantee Schemes which included the Clann Credo Guarantee Loan Scheme, the Dublin City Council Guaranteed Loan scheme and the Wicklow County Council Guarantee Loan Scheme. These schemes were externally reviewed in 2014 and were found to be successful but are no longer in operation as the mechanism for loan repayments through the Household Budget scheme is no longer available (NTMABS, 2015). This happened as a result of a decision in the Department of Social Protection that means the Household Budget (which involves deduction at source from social welfare payments) no longer allows deductions for loans of this type.

In 2017, the Housing Agency, on behalf of the Department of Housing, Planning and Local Government, undertook a review of the National Scheme of Loans and Grants for the Purchase of Caravans for Travellers. The review recommends amongst other things, improving and expanding the current scheme, consideration of the introduction of a national procurement framework for registered suppliers of caravans and investigating the re-instatement of the Lough Payments mechanism so that alternative caravan loan schemes can be put in place.

## **Mobile Home/Trailer Living**

Travellers' nomadic way of life has meant that caravan living was the norm in the community. Since the 1963 Report of 'The Commission on Itinerancy' and subsequent trespass laws, caravan living has been in decline. A 2017, Behaviour and Attitudes report found that 13% of Travellers chose 'life in a permanent halting site' as their ideal place to live and the two most recent censuses (2011 and 2016) found that 12% of Travellers live in mobile home/trailer accommodation. A reason for the decline may be attributed to poor conditions on many sites and issues around anti-social behaviour rather than a desire to live in alternative kinds of accommodation.

People living on halting sites are provided with 'a bay' for rental from the local authority and in the majority of cases are responsible for the purchase of their own mobile home/trailer. Rental charges for this bay differs from one local authority to another as does the support in installing mobile homes/trailers on site. There is no national caravan rental scheme in operation currently, and the existing 'caravan loan scheme' operates at the discretion of each local authority. There is also an issue in that in some cases, due to lack of availability, and a shortage of other housing options there are several families occupying the same bay. This occurs when an adult family member cannot obtain a bay in their own right and has no other housing options. The family, who may be living in a group housing scheme, allows their relative to install a mobile/trailers in their bay. This then leads to overcrowding. While some of these families are not officially recognised as tenants with tenants' rights by the local authorities, people occupying these bays pay rent to the local authority. These unofficial tenants are not considered eligible to apply for a loan under the caravan loan scheme.

The 2017, A Social Portrait of Travellers (Watson et al) outlined the issues experienced by Travellers living in mobile homes/trailers. It found that problems with accommodation were more common for those living in mobile homes/trailers. This accommodation was more likely to lack central heating, piped water or sewage facilities, and people were more likely to experience overcrowding (84%) and lack of internet access (91%). The internet access is interesting in that many government services are moving towards online rather than face to face services, so this has wider implication in terms of access to services. It also found that living in a mobile home/trailer accommodation was more common for Travellers living on a low income, not at work, living in the Dublin region and younger adults and children under 24 years.

### **Fuel Poverty and Mobile Home/Trailer Living**

The issue of fuel poverty is associated with living in mobile homes and trailers. A recent report undertaken by Dublin 10 & 20 MABS found that fuel poverty rates are higher for Travellers living in mobile homes/trailers and that Travellers living in mobile homes/trailers included in this study spent a higher proportion of their income on fuel, at 21%.

*‘there appear to be specific fuel poverty issues in terms of the Traveller cohort ... relate...to insulation, arrears, disconnection, affordability, self-disconnection, higher cost and income poverty risk’*

### **Residential Standard Mobile Homes/Trailers**

Travellers who live in mobile homes/caravans do so for long-term living. The issue of suitability of mobile homes/trailer homes for long-term living hinges on the type of mobile homes/trailers currently in use on halting sites. Irish standards for mobile homes are covered by the Industrial Research and Standards Act (Section 44) (Caravans and Mobile Homes) Order, 1974. It concerns the blocking of mobile home ventilators.

While other standards pertaining to fire safety may govern mobile homes, there are no manufacturing standards that would deem a mobile home or trailer as of ‘residential standard’ in terms of insulation and weather resistance.

However, in the UK Mobile homes /trailers are manufactured for different markets. Under British standards 2005 and 2015, mobile homes that are manufactured to cater for full time living are classified as ‘residential standard’ under BS3632.2005 and BS3636.2015 (BSI, 2016). This standard is applied to mobile homes that are manufactured for use as ‘permanent places of residence’. This standard aims to ensure that these homes:

- Are stable and structurally sound
- Are weather resistant
- Meet statutory requirements
- Have adequate ventilation, drainage, sanitation
- Have adequate means of escape
- Meet satisfactory thermal and sound insulation criteria

Mobile homes/trailers that are manufactured to cater for the holiday market are classified as 'non-residential standard'. Residential standard mobile homes are manufactured to a standard that is suitable to live in all year round. Residential standard and non-residential standard mobile homes manufactured in the UK are available for sale in Ireland. Residential standard mobile homes are at the more expensive end the market. We know from previous work that the majority of mobile homes purchased under the Caravan Loan Scheme are 'used' or 'second hand' non-residential standard homes. This is because the funding available is inadequate and not sufficient to purchase either new or used residential standard homes.

There are currently no detailed guidelines for local authorities around standards of mobile homes to be purchased under the 'caravan loan scheme'. Instead the loan amount allocated to the successful applicants, determines what kind of caravan/mobile home a family can buy.



## 2. Method

During this study National Traveller MABS sought to gather data on the cost of mobile homes/trailers for sale at a given time, and the costs associated with installation of a mobile home/trailer onto site including disposal costs of old mobile homes/trailers. We were also trying to establish any other relevant issues that need to be taken into consideration during this process.

We employed desk research, phone surveys and informal interviews to collect data for this study. We began by getting supplier lists from local authorities currently operating a caravan loan scheme. We used these lists as a starting point for developing a list of retailers to be included in the study. We also used information sourced from caravan retailers' websites. We were able to then use retailers' stock lists from websites, given to us during visits to some retailers and given to us over the phone by other retailers.

We had an initial list of 12 retailers. We contacted all of these retailers through either visits in person, by phone and by email to ask if they would take part in this study. Of the twelve contacted, we were able to get detailed information from seven retailers, all of which we included in the study. Of this twelve we visited four retailers in person (getting detailed information from two of those visited), we used website information from two others and phone interviews with a further two another responded by email and sent us their stock list. In total we got information from seven. A number of other retailers gave us approximate prices based on the age and condition of the mobile/trailer on offer. This information though not exact, was useful in that it was compatible with what we had learned through our analysis of the data that we had collected from the seven retailers. (This information is not included in the study). We only included actual mobiles/trailers on offer for which we had 3 or more of the following details:

- year of manufacture of the mobile/trailer
- dimensions of the mobile/trailer
- number of bedrooms included
- whether central heating and double glazing were installed
- Price of the mobile.

We interviewed a number of 'accommodation workers' in Traveller organisations to gain knowledge of the processes involved in purchasing and installation of trailers/mobile homes. We used their knowledge to get contacts of trades-people to get prices for installation costs.

Information took two forms:

- **Mobile home/trailer costs** new and used stock available for sale
- **Installation costs and Disposal removal costs** – average costs of connection to utilities, gas, electricity, water mains and cost from reputable services companies for disposing of old unit

## ***Limitations***

During this study we visited four out of twelve retailers initially identified, and only two of those retailers' stock lists were used in the final analysis. This meant that we got to view the condition in two out of the seven stock lists used in the analysis and therefore had to take listings on the website as 'good condition' at face value. The notion of condition is subjective. We understood condition to mean impacted by everyday wear and tear and assumed older mobile homes/trailers were generally in poorer condition than newer models. However, it is conceivable that some models, used only as holiday homes with light wear and tear, though older, might be perceived as being in a reasonable condition. Another limitation of the survey is that it does not take into account family size, in terms of appropriateness of dimensions of homes on offer.



## 3. Findings

### Introduction

This study began in the last quarter of 2017 with desk research phone interviews and meetings with various staff members of Traveller organisations and workers in other agencies concerned with the provision of affordable suitable accommodation for Travellers. This initial work informed the collection of data on the purchase and installation of mobile homes/trailers which took place in February 2018. We also compiled information about site preparation and installation as well as removal of old mobile/trailer.

National Traveller MABS found a variety of used and new mobiles on offer ranging from under €10,000 to upwards of €100,000. For used mobiles the price was dependant on the age, size and very importantly the condition of the mobile. The prices for used mobiles ranged from under €10,000 up to €49,000. For new mobiles the price was dependant on the specification of the mobile. Again the size was important, but also too was the specification; whether it had a tiled roof, double glazing or gas central heating as well as a range of other features. A key factor was whether or not the mobile was manufactured to residential standard (suitable for living in all year round not just for holiday periods). New non-residential standard mobile homes could be purchased for upwards of €30,000. Residential standard mobile homes started at upwards of €60,000. It should be noted that the majority of stock on offer was for in excess of €10,000. Given that current loan amounts on offer by local authorities under the existing caravan loan scheme are between €6,350 and €10,000 this matter is of concern to National Traveller MABS.

We know from speaking with workers in both local authorities and in Traveller organisations that there are other additional costs associated with getting a mobile on site. Installation costs differ from site to site with different local authorities offering different supports in terms of assisting with site preparation. Connection of mobiles to gas and electricity supply must be carried out by certified Gas and Electric engineers and incurs additional costs.

If families are replacing an existing mobile then the old mobile must also be removed by a reputable company and disposed of in an environmentally friendly way. There are a number of waste companies offering this service and prices range from €500-€1,000

### Used Mobiles

There was a wide variety of mobile homes/trailers on offer. These ranged in price from below €10,000 up to €49,000 and very much depended on age, condition, number of bedrooms and dimensions. We have given a detailed breakdown below. There was a total of 76 used mobile homes/trailers on sale with the seven retailers included in study. 25% of stock in the study was available for sale for under €10,000 and 17% of stock was priced at between €10,001 and €15,000. It is this group of mobile homes/trailers that would generally be accessible under the current caravan loan scheme. This stock was generally in poorer condition. In the case of stock available for under €10,000, the age was only stated in the case of three out of 19 mobile homes/trailers on sale, and the age of those mobiles was between 12 and 15 years old. 79% of these mobiles had either no double glazing or central heating. Half of this stock comprised of two-bed and half was three-bed.



Of the stock priced at between €10,001 and €15,000, 30% had either no double glazing or central heating. The age was stated in the case of nine out of 13 cases and was between 12 and 15 years old (with the exception of one mobile manufactured in 2010). In this group 77% of mobile homes/trailers were two-bed. All retailers reported that the poor condition and standard of mobile homes at this end of the market was an issue for Travellers buying through the caravan loan scheme. Some indicated that Travellers who attend to buy mobiles are disappointed and frustrated that they are unable to purchase mobiles that are in better condition. However, Traveller accommodation workers participating in this study and primary health care staff in Traveller organisations who act as consultative groups for National Traveller MABS report poor value for money in relation to purchase through the caravan loan scheme. Many are of the opinion that there is better value to be had when buying privately from one's own resources. Another retailer said that, were the authorities to bulk buy even reconditioned mobiles/trailers from companies that operate park homes in the UK they would get really good value. These homes are of a reasonably high standard and are on sale from between £12,000-£15,000STG.

Below is the breakdown of the used mobile homes included in our study that were on sale during February 2018.

\*We have included specific details of 'used mobile homes' in the body of the report and specific details of 'new mobile homes' in the appendices. This is because the current amounts on offer from the '*Caravan Loan Scheme*' would not enable purchase of a new mobile home.

We compiled listings from 7 retailers and grouped into the following categories:

- For sale <€10,000
- For sale between €10,001 and €15,000
- For sale between €15,001 and €20,000
- For sale between €20,001 and €25,000
- For sale between €25,001 and €30,000
- For sale between €30,001 and €35,000
- For sale over €35,001

\*DG denotes double glazing, CH denotes central heating

## On sale for less than €10,000

Dimensions in feet	Year of Manufacture	Number of beds	Specification	Price €
35x10	Not Stated	3	No DG or CH	2,750
35x12	Not Stated	Not Stated	No DG and CH	3,750
32x11	Not Stated	3	No DG or CH	4,000
30x10	Not Stated	2	No DG or CH	4,250
35x12	Not Stated	3	No DG, Electric heating	4,750
32x12	Not Stated	3	No DG or CH	4,750
35x12	Not Stated	3	No DG or CH	5,500
35x12	Not Stated	2	DG and CH	6,000
35x12	Not Stated	2	No DG or CH	7,250
35x12	Not Stated	3	No DG or CH	7,500
35x12	Not Stated	3	No DG or CH	7,500
35x12	Not Stated	2	Not Stated	8,000
35x12	Not Stated	3	No DG or CH	8,000
35x12	Not Stated	2	Electric heating	8,500
35x12	Not Stated	2	Electric heating	8,750
Not Stated	2005	3	DG and CH	9,000
32x12	2003	2	DG and Electric Heating	9,500
36x12	Not Stated	2	DG and CH	10,000
35x12	2005	2	DG and CH	10,000

## On sale for €10,001 to €15,000

Dimensions in feet	Year of Manufacture	Number of beds	Specification	Price €
36X12	2005	2	DG and CH	10,500
35x12	2005	2	Not Stated	10,500
36x12	2004	2	DG and CH	10,750
35x12	Not Stated	2	No DG or CH	10,750
29x10	Not Stated	2	No DG or CH	11,500
34x12	Not Stated	2	No DG or CH	12,000
32x12	2003	2	DG Only	12,950
37x12	2004	2	DG and CH	13,000
37x12	2004	3	DG and CH	14,000
35x12	2006	2	DG and CH	14,000
37x12	Not Stated	2	DG and CH	14,750
37x12	2005	3	DG and CH	15,000
37x12	2010	3	DG and CH	15,000

## On sale for €15,001 to €20,000

Dimensions in feet	Year of Manufacture	Number of beds	Specification	Price €
35x12	2008	2	DG and CH	15,950
35x12	2009	3	DG and CH	16,950
38x12	2007	3	DG and CH	17,000
37x12	Not Stated	3	DG and CH	17,250
28x12	Not Stated	2	DG and CH	17,500
35x12	2007	3	DG and CH	18,000
28x12	Not Stated	2	DG and CH	18,500
37x12	Not Stated	3	DG and CH	19,000
37x12	Not Stated	3	DG and CH	19,500
36x10	2012	3	DG and CH	20,000
35x12	Not Stated	3	DG and CH	20,000

## On sale for €20,001 to €25,000

Dimensions in feet	Year of Manufacture	Number of beds	Specification	Price €
35x12	2011	3	DG and CH	20,250
35x12	Not Stated	2	DG and CH	21,000
35x12	2012	3	DG and CH	21,500
35x12	Not Stated	3	DG and CH	22,000
35x12	2012	2	DG and CH	22,500
35x12	2010	2	DG and CH	22,950
35x12	2007	2	DG and CH	23,000
35x12	2008	2	DG and CH	23,000
37x12	Not Stated	2	DG and CH	23,000
38x10	2016	2	DG and CH	23,500
35x12	Not Stated	3	DG and CH	23,500
38x12	Not Stated	3	DG and CH	23,750
37x12	Not Stated	2	DG and CH	24,000
36x12	Not Stated	3	DG and CH	24,000
35x12	Not Stated	2	DG and CH	24,000
35x12	Not Stated	3	DG and CH	24,500

## On sale for €25,001 to €30,000

Dimensions in feet	Year of Manufacture	Number of beds	Specification	Price €
38x12	Not Stated	2	DG and CH	25,500
38x13	Not Stated	2	DG and CH	27,000
39x12	2005	2	DG and CH	27,500
39x12	2006	2	DG and CH	28,000
36x12	Not Stated	3	DG and CH	28,500
38x12	Not Stated	3	DG and CH	28,750
36x12	Not Stated	3	DG and CH	29,250
37x12	Not Stated	3	DG and CH	29,500
39*12	Not Stated	2	DG and CH	29,500

## On sale for €30,001 to €35,000

Dimensions in feet	Year of Manufacture	Number of beds	Specification	Price €
38x12	2013	3	DG and CH	31,000
40x12	2012	3	DG and CH	31,000
38x12	Not stated	2	DG and CH	31,500
Not Stated	2012	2	DG and CH	31,850
35x12	2014	2	DG and CH	32,000
38x12	2011	3	DG and CH	32,000

## On sale for over €35,001

Dimensions in feet	Year of Manufacture	Number of beds	Specification	Price €
Not Stated	2016	2	DG and CH	45,000
40x13	2015	2	DG and CH	49,000

**There was a total of 76 used mobile homes/trailers for sale across the 7 retailers included in the study**

Price €	Under €10,000	€10,001-€15,000	€15,001-€20,000	€20,001-€25,000	€25,001-€30,000	€30,001-€35,000	€35,001-€50,000
Number on sale	19	13	11	16	9	6	2
% of stock on offer	25%	17%	14%	21%	12%	7%	< 1 %

## Examples

### Example on sale for under € 10,000

- This **Pemberton Elite Mobile home**, manufactured in **2003** was for sale on 08/02/2018 for **€9,500**.
- Measuring **32 ft by 12 ft** it is one of the smaller mobiles on offer. It has **two bedrooms**, has double glazing and central heating.





### Examples on sale for €10,001-€15,000

- This Willerby Westmoreland manufactured in 2006 is a **2-bed** mobile measuring **35ft x 12ft** and was on sale for **€14,000**



### Examples on sale for €15,000

- This Delta Haulfryn manufactured in **2010** measures **37ft x 12ft** and is a **3-bed** mobile home. It was on sale on 8/02/2018 for **€15,000**





**Example 4 on sale for €15,001 to €20,000**

- This **Cosalt Fairway** mobile home manufactured in **2009** was on sale on 08/02/2018 for **€16,950**. It has **3 bedrooms** and measures **35Ft X 12ft**





## New Mobile Homes

There was an array of new mobile homes, trailers and chalets on sale in February. A key consideration in this respect was whether these were manufactured to residential standard. This is standard BS3623:2015 (British Standard of Manufacture, 2016) which is awarded to mobile homes/chalet homes that are deemed to be of a standard that would be suitable for permanent accommodation for 365 days per year. We found that there was a variety of non-residential standard homes available from between €30,000 and €60,000. Again the price depended on the specification in terms of size, number of bedrooms and added extras. The residential standard mobile homes/chalets began around €58,000 and went up to €100,000, (although there was one on sale for €160,000). Some retailers advised that where bulk buying of mobiles was in place then a substantial reduction in price would occur. One spoke of having submitted a recent tender to provide 10, 4-bed, 40 foot residential standard mobile homes for of €55,000 per home. This was because there is a discount applied from the manufacturer for orders over 10 units per order. Another retailer said he provided homes for housing charity in 2017 for €25,000 per home. (It was not specified if these homes were of residential standard.) Please see appendix for list of new homes on sale.

## Examples

### Example 1

- This Swift Loire **2-bed 28ft \*10ft** mobile home was on sale on 8/02/2018 for €31,000. Gas central heating is additional for €2000 bringing the final prices to **€33,000**. It also comes in **a 35ft\*12ft 3-bed** at a cost of €37,000 with an additional €2000 for central heating bringing it to **€39,000**



## **Example 2**

- **This Residential Standard Swift Biarritz 2-bed mobile 40ft by 13ft was on sale on 08/02/2018 for €58,000 plus €2,000 for central heating final price €60,000**



## **Connections, Installation and Removal Costs – Ancillary Costs**

We found that other costs needed to be included when installing a mobile or trailer home onto a site. This can include preparing the ground and connecting the gas and electricity to the newly purchased mobile.

We contacted a number of county councils regarding installation of mobiles on site. We found that costs vary depending on the existing condition of the site, whether a mobile has already been on site previously and whether an old mobile has to be disposed of. Some county councils offer supports with these services while others do not.

One council employee stated that they prepare the site, and connect all the services including sewage, gas and electricity. They also put concreted steps that are completed to building regulations. The total cost of all this work is in the region of €5,000. There is also an additional cost of €1,000 for removal and disposal of an old mobile

## 4. Discussion and Recommendations

The objective of this survey into the cost of mobile homes/trailers was to establish the total cost for Traveller families of purchasing and installing a mobile home on site ready for use by a family as a permanent residence. We found that there is an array of homes on offer with prices ranging from under €10,000 to over €100,000. Those mobiles on offer at the bottom end of the market are the ones that are available to purchase for current loan amounts on offer from existing Caravan Loan Schemes. Our recent enquiries found that that loan amount now ranges from €6,530 up to €10,000. The difficulty with this is that the condition and standard of the group of mobiles available for sale is not what might be considered to be suitable as a permanent residence.

### **Residential Standards**

The issue of whether or not mobile homes/trailers provide a standard of accommodation suitable for long term living is dependent on whether or not they were manufactured to residential standard in the first instance. Mobile homes that were not originally built to residential standard are more likely to deteriorate quickly when being used as a permanent residence and be fuel inefficient. In addition, the setup of mobile homes/trailers in terms of preparation of the site and connection to services has implications in terms of health and safety, accessibility and quality of accommodation. While in some instances this work is supported by local authorities (in the case of Clare county council the site is prepared, steps installed and services put in place) in other cases it is solely the responsibility of the family. In order to improve the quality of accommodation there needs to be a standardised approach in terms of residential standard mobile homes and the responsibility for the setup of mobile homes to be organised by the local authority.

### **Affordability**

It was apparent from the study that the existing loan amount on offer is not sufficient to purchase a good quality mobile home. Raising the loan amount to a higher amount for example between €15,000 and €40,000 which might purchase a mobile/trailer of a higher standard would again create difficulties in terms of:

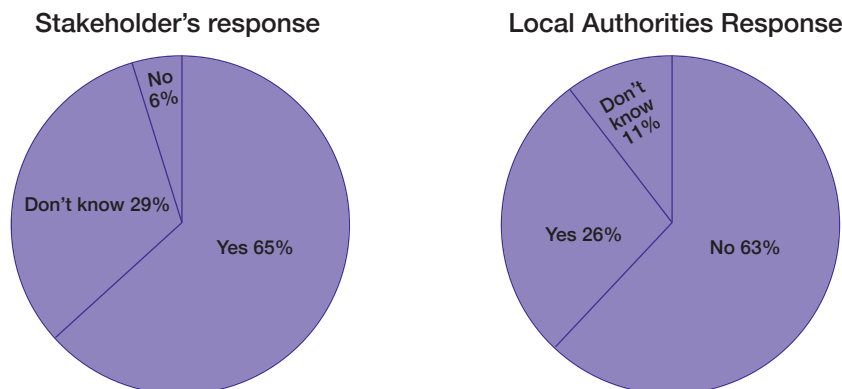
- ⇒ **Loan Affordability.** There is a high rate of unemployment amongst people living in mobile home/trailer accommodation. Asking this group to take on significant debt to purchase a mobile home would be problematic as it would be largely unaffordable.
- ⇒ **Reducing access to credit for other borrowing.** Increasing the loan amount would tie up a substantial amount of family income and would reduce access to credit for additional borrowing for other life events.
- ⇒ **The likelihood that the home being purchased would be usable during the loan period.** A higher loan amount would necessitate a longer loan duration in order to increase affordability. Notwithstanding that, any loan for the purchase of a mobile should be repaid over the lifetime of the mobile. This again is difficult to estimate as it is dependent on the existing condition of the mobile, family size living in the home, and whether or not the mobile was built to a residential standard in the first instance. It would not be prudent to expect people to take on a loan that would continue after the mobile home was no longer habitable. There needs to be an independent assessment of the mobile prior to purchase in terms of likely lifespan.

## Suitability of a Loan Scheme for the Purchase of Good Quality Accommodation

12% of Travellers live in mobile home/trailer accommodation. The majority of this group are families with younger children reliant on social welfare. There is an unemployment rate of 80.2% in the Traveller population (CSO 2017,). While, the caravan loan scheme provides access to credit for this group of families to purchase their own accommodation, it is questionable that the responsibility for provision of accommodation should be put onto the individual families. This group are in need of social housing. It is also apparent that the quality of accommodation available for purchase for amounts available under the existing scheme is substandard. Renting at an affordable rate would seem to make more sense than offering loans to purchase. According to the Housing Agency's most recent review of the National Scheme of Loans and Grants for the Purchase of Caravans by Travellers (commissioned by the Department of Housing, Planning, and Local Government), only three out of 31 councils operate a caravan rental scheme. Though anecdotally, other councils do provide mobile homes to rent in particular circumstances. The review also states that only six out of 31 councils are in favour of exploring the potential for a caravan rental scheme while 65% of Traveller organisations/representatives are in favour. This warrants further exploration as from a financial inclusion perspective renting in most cases would be more affordable than borrowing.

### Potential for a caravan rental scheme – Data from the Housing Agency Review of the Scheme of Grants and Loans for the Purchase of Caravans for Travellers (2017)

In answer to the question do you think there is potential for a caravan rental scheme?



*“Travellers are forced to purchase substandard caravans that will need to be repaired and replaced sooner rather than later. It is in this context that Travellers are paying for a caravan that is unfit for purpose”*

### Stakeholder submission (Housing Agency, 2018, p. 45)

However, there are some instances a loan scheme would meet the needs of families who have higher incomes and would prefer to purchase rather than buy, as is the case with other groups of social housing tenants who choose to buy their house rather than rent from the local authority.

## Recommendations

This study has raised issues concerning the current national caravan loan scheme. It has highlighted the issue of accommodation standards, the purchasing power of the existing caravan loan scheme and the suitability of a loan scheme in the provision of good quality accommodation for Traveller families on low income. We recommend the following:

- That the Department of Housing, Planning and Local Government look to develop guidelines as to what is considered to be of residential standard and that these guidelines take heed of manufacturers specification, accessibility, health and safety, and quality of life.
- That work is undertaken to explore the feasibility of a rental scheme capturing best practice from those local authorities that are currently operating such schemes. That work is undertaken to seek to address the concerns of local authorities who are not in favour of such schemes.
- That the loan amount for caravan loans be increased to between €15,000 and €40,000, that appropriate financial advice and support from MABS services, and infrastructure to support borrowers in ensuring that these loans are sustainable and repayable (such as deduction at source such as the Household Budget Scheme) be put in place.

National Traveller MABS undertook this study as part of its work in the area of affordable Traveller Accommodation particularly in relation to mobile homes/trailers for use as a permanent residence. This study was undertaken in the context of a review of existing provision of mobile home/trailer loans with a view to informing of policy in this area. The study found a range of mobile homes/trailers on offer that were 'used' and 'new' and ranging in price from under €10,000 to upwards of €100,000. The price of mobile/trailers for sale was related to the size, condition and specifications of the mobiles on offer. There were a smaller number of mobiles available at the bottom end of the market. This is the price range that the current loan scheme provides for. This study found the current '*Caravan Loan Scheme*' is not adequate to provide finance for the stock that might be deemed suitable for long term living. It recommends that the issue of standard of accommodation offered by mobiles/trailers be addressed and that the Department of Housing, Planning and Local Government develop guidelines for local authorities around ensuring any mobile home/trailer purchased through a loan scheme or for rental are of a residential standard. It also recommends exploration, development and implementation of a national rental scheme as part of a national Traveller accommodation policy along with changes to the existing loan scheme.



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# Appendices

## Appendix I

### Details of New Mobile Homes on Sale During February 2018

*All include central heating and double glazing*

#### Between €30,000-€40,000

Dimensions	No of bedrooms	Residential Spec	Price €
28 x 10	2	no	33,000
35 x 10	3	no	36,000
28 x 12	2	no	35,500
32 x 12	2	no	36,500
35 x 12	2	no	37,500
35 x 12	2	no	37,500
28 x 12	2	no	38,250
35 x 12	3	no	39,000

#### Between €40,000 and €45,000

Dimensions in feet	No of Bedrooms	Residential Spec	Price €
32 x 12	2	no	40,000
35 x 12	2	no	41,000
38 x 12	3	no	41,750
33 x 12	2	no	43,500

#### Between €45,000 and €50,000

Dimensions in feet	No of Bedrooms	Residential Spec	Price €
33 x 12	2	no	45,500
35 x 12	2	no	46,500
38 x 12	2	no	45,000
35 x 12	2	no	46,000
38 x 12	2	no	46,000
38 x 12	3	no	46,500
38 x 12	3	no	47,500

Upwards of €50,000

Dimensions in feet	No of Bedrooms	Residential Spec	Price €
38 x 12	3	no	49,000
38 x 12	2	yes	55,000
39 x 12	2	no	56,000
40 x 12	3	yes	57,000
40 x 12	3	no	58,000
40 x 13	2	yes	60,000
40 x 13	2	yes	67,000
48 x 12	3	yes	70,500
42 x 13	2	yes	81,000
42 x 20	2	yes	162,000