

# Crisis Ruins and their Resolution? Ireland's Property Bubble Ten Years On

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## WHAT YOUR SANDWICH SAYS ABOUT YOU

In a well-known advert for Bank of Ireland, a young man sits at his desk while his co-workers are seen leaving for lunch. “Tom is on a journey,” we are told. “Every dull homemade ham *sanger* with just a tiny bit of mayo brings him closer to a deposit for his first house.” Tom is depicted as hardworking and frugal, putting in place the necessary sacrifices now to secure his future home, in contrast to his co-workers’ extravagance. Alone in the office, his sandwich bursts into song, the bread lip-syncing to Journey’s “Don’t Stop Believing.” The advert ends with Tom browsing through property websites.

This advert responds to a new post-crisis economic reality, the parameters of which are in one sense strangely familiar. Banks have returned to a business model of pushing mortgages and stoking property market inflation. In recent years, we have seen the Government reintroduce measures to incentivise private market supply, such as a grant for first-time buyers, and the use of Public Private Partnerships to redevelop social housing estates, while vested interests have lobbied for the loosening of planning restrictions. Within the context of the scale of Ireland’s still recent property bubble and banking collapse, the normative return of such

marketing is itself noteworthy. But if we look closer we can also see the subtle changes in these discourses.

In a cross-country periodisation of housing systems, Manuel Aalbers suggests that important structural changes can be seen in economies since the post-crisis era.<sup>1</sup> While the aspiration towards homeownership remains, he argues increasing proportions of national populations have been excluded from accessing mortgage credit. This is due, on the one hand, to more stringent regulations on mortgage lending, and on the other hand, to a decrease in secure permanent employment, particularly for younger generations. As such, while banks may be back to lending for mortgages, the pool of eligible households has significantly diminished. In the Irish context, this has taken place against the backdrop of rapidly rising rental prices and an ever-expanding crisis of homelessness. The solution, it seems, is to normalise hitherto unprecedented levels of thrift in the service of continuing what is now a mostly unattainable ideal of homeownership.

*“A talking homemade sandwich tells a man, I’m too bland... you deserve better..”*

The flimsiness of this is thrown into relief in another recent advert for Subway sandwiches, which could be read as responding to the Bank of Ireland advert. Using analogous visual representations, a talking homemade sandwich tells a man “I’m too bland... you deserve better,” while extolling other exciting lunch options. In a visible Eureka moment, the diner decides to put his future housing security in jeopardy to purchase a “Rotisserie-Style chicken” sandwich. This was Ireland in 2017, where owning a house could mean years of flavourless and nutrient-deficient sandwiches, and where the associated fall-off in consumer spending on lunches might cost you your minimum wage service-sector job resulting in your eviction into homelessness from an overpriced rental. It is, thus, in inane advertising about savings and sandwiches that we see crystallisation of the contradictions of Ireland ten years after the 2008 crash.

<sup>1</sup> Manuel B. Aalbers, “The Great Moderation, the Great Excess and the Global Housing Crisis,” *International Journal of Housing Policy* 15, no. 1 (2015): 43–60.

## MOURNING AND MELANCHOLY

Within the context of manufactured amnesia, it is worth remembering how much of a shock the crash of the Celtic Tiger was in 2008. During the Celtic Tiger era, Ireland experienced a period of unprecedented economic growth coupled with dramatic cultural and social transformations. Export-led growth during the 1990s, supported by the influx of foreign-direct-investment, segued seamlessly into a property bubble driven by debt-based homeownership during the 2000s.<sup>2</sup> These transformations in the economy and in housing were underpinned by population increase, the arrival of new migrant communities<sup>3</sup> and the articulation of new cultural identities that moved away from “tradition” towards more cosmopolitan conceptions of Irishness.<sup>4</sup> This story is well documented. But it bears repeating that Ireland’s transition through the Celtic Tiger was not only economic, but also deeply intertwined with social and cultural changes that saw the country emerge uneasily from the spectre of its post-colonial history.

*...ruins signal paths not taken, alternative trajectories that could have been, and unresolved histories that have been repressed.*

Writing during the latter part of the economic boom, David Lloyd discussed the role of commemoration during the Celtic Tiger by drawing on the distinction that Freud made between mourning and melancholia. Lloyd equates mourning with historicising the past in ways that seek a clear separation between “then” and “now,” whereas melancholia

thinks of history as an on-going story.<sup>5</sup> For Lloyd, official public culture during the Celtic Tiger period sought to draw a line under uncomfortable historic events like the Famine in order to mark Ireland’s emergence onto the world economic stage. Underlying this official remembering seemed to be a sense that if only we could “get-over” the dark past, we could finally embrace a bright future.<sup>6</sup>

In Lloyd’s analysis, the tendency towards mourning is only ever partial.<sup>7</sup> Lloyd uses the material and conceptual figure of ruins to suggest the ways in which unresolved histories and “recalcitrant” alternative trajectories are lurking just below the surface of clean narratives of progress. For Lloyd, ruins signal paths not taken, alternative trajectories that could have been, and unresolved histories that have been repressed.

Lloyd’s analysis here was simultaneously timely and on the cusp of anachronism. From 2008, Ireland’s economic boom collapsed along with the global financial system, resulting in a dramatic and severe housing and financial crisis and recession.<sup>8</sup> House prices fell by 57.4 percent in Dublin and 48.7 percent in the rest of the country,<sup>9</sup> while unemployment soared from a low of 4 percent in 2004 to a peak of more than 15 percent by 2011.<sup>10</sup> In late 2010, the Fianna Fáil government agreed to an €85 billion IMF–EU–ECB bailout programme, and successive governments responded with a series of harsh austerity budgets in the ensuing years. Moreover, the proliferating crisis served to undermine the vision of progress encapsulated by the Celtic Tiger. Having considered itself in the centre, Ireland now once again became an economy on Europe’s periphery. The nation’s post-colonial heritage no longer seemed so culturally distant.

2 Richard Waldron, “The ‘Unrevealed Casualties’ of the Irish Mortgage Crisis: Analysing the Broader Impacts of Mortgage Market Financialisation,” *Geoforum* 69 (2016): 63–66.

3 Mary Gilmartin, “Immigration and Spatial Justice in Contemporary Ireland,” in *Spatial Justice and the Irish Crisis*, ed. Gerry Kearns, David Meredith, and John Morrissey (Dublin: Royal Irish Academy, 2014), 161–76.

4 Diane Negra, “Urban Space, Luxury Retailing and the New Irishness,” *Cultural Studies* 24, no. 6 (2010): 836–53.

5 Melancholic history concerns “multiple temporalities that course through colonial spaces.” David Lloyd, *Irish Times: Temporalities of Modernity* (Dublin: Field Day, 2008), 75.

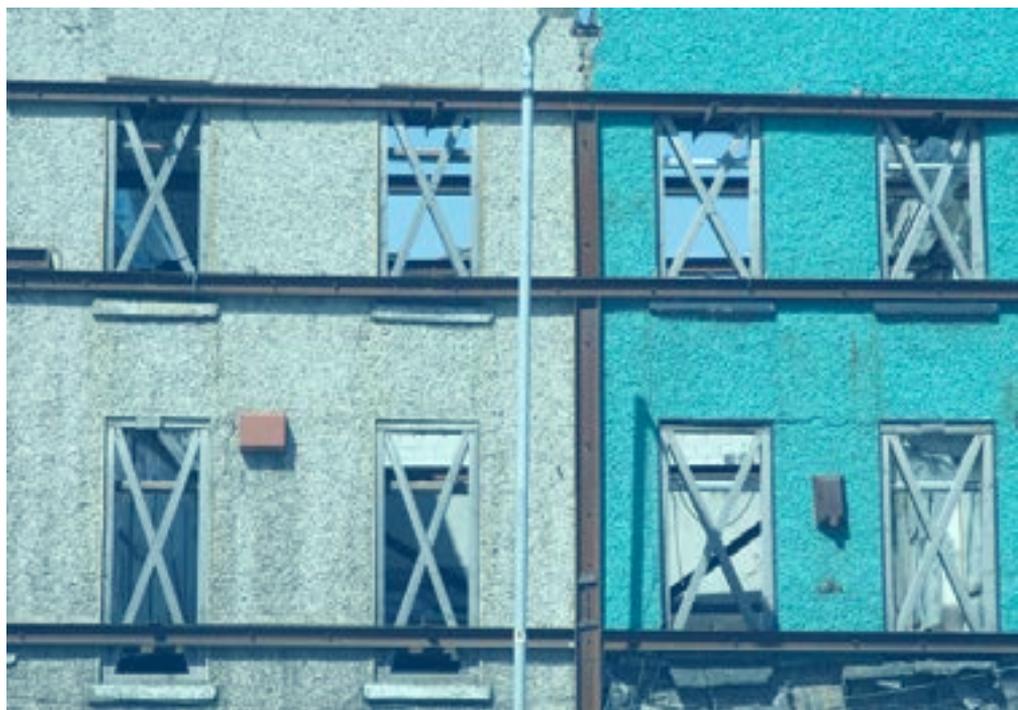
6 “For many, the commemoration was seen as a means precisely to overcome certain ‘melancholic’ fixations and seemingly obsessive repetitions in Irish culture, from alcoholism and domestic violence to political violence itself. Constantly underlying this urgent discourse was not only the analogy between individual trauma and recovery and a socio-historical curing, but a distinctly developmental narrative: if we could leave our dead and their sufferings behind and overcome our melancholy, we could shake off at last the burden of the past and enter modernity as fully formed subjects.” Lloyd, 31.

7 Historical action and reaction overlap so that there is never a clean break between eras; “modern forms and institutions always emerge in differential relation to their non-modern or recalcitrant counterparts.” Lloyd, 4.

8 Sean O’Riain, *The Rise and Fall of Ireland’s Celtic Tiger: Liberalism, Boom and Bust* (Cambridge: Cambridge University Press, 2014).

9 Central Statistics Office, “Residential Property Price Index” (CSO, 2015), <http://www.cso.ie/en/releasesandpublications/er/rppi/residentialpropertypriceindexdecember2015/>.

10 Rob Kitchin et al., “Placing Neoliberalism: The Rise and Fall of Ireland’s Celtic Tiger,” *Environment and Planning A* 44, no. 6 (2012): 1302–26.



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## THE UNCANNY RUINS OF GHOST ESTATES

One of the most visible manifestations of Ireland's crisis was a landscape of ruination and dereliction left scattered across the country. This most prominently included "ghost estates" – abandoned or unfinished speculative residential developments – but also vacant commercial developments and vacant land. In 2010, the Housing Agency documented 2,846 unfinished estates, present in every local authority, of which only 429 still had active construction happening on them.<sup>11</sup> This was combined with significant levels of housing oversupply: the 2011 census reported that 230,086 units were vacant (excluding holiday homes) out of a total housing stock of 1,994,845.<sup>12</sup>

It is little wonder then that the "ghost estate" became the key symbol of the crisis. Their "discovery" following the crash offers a perfect encapsulation of Lloyd's arguments about the recalcitrance of ruins in post-colonial

contexts. As a result of the global credit crunch, construction activity abruptly and cumulatively stopped. Housing estates under construction suddenly became "unfinished" and yet-to-be-occupied houses became "vacant." This shift in perception rendered that familiar figure of the Celtic Tiger – the housing estate – strange or, to draw on another Freudian concept, "uncanny." For Freud, "the uncanny derives from what was once familiar and then repressed."<sup>13</sup> It is the sensation of when something that was ordinary and familiar has suddenly become strange and unhomey. In political discourse, media debates and artistic representations, "ghost estates" became a mechanism to grapple with the collective cultural anxieties produced by the crash. These developments constituted a new type of ruin: "buildings that are being left to fall to pieces not because they themselves have lapsed into disuse, but because the speculative future that they as financial investments promised has lapsed into disuse."<sup>14</sup> They functioned both as ruins of the speculative property bubble and the material manifestation of the "ruined"

11 Housing Agency, "2010 National Housing Survey" (Housing Agency Ireland, 2010), <http://www.housing.ie/Our-Services/Unfinished-Housing-Developments/2010-National-Housing-Survey>.

12 Central Statistics Office, "Profile 4: A Roof Over Our Heads" (CSO, 2012), [http://www.cso.ie/en/media/csoie/census/documents/census2011profile4/Profile\\_4\\_The\\_Roof\\_over\\_our\\_Heads\\_Full\\_doc\\_sig\\_amended.pdf](http://www.cso.ie/en/media/csoie/census/documents/census2011profile4/Profile_4_The_Roof_over_our_Heads_Full_doc_sig_amended.pdf).

13 Sigmund Freud, *The Uncanny* (London: Penguin, 2003), 153.

14 Rob Kitchin, Cian O'Callaghan, and Justin Gleeson, "The New Ruins of Ireland? Unfinished Estates in the Post-Celtic Tiger Era," *International Journal of Urban and Regional Research* 38, no. 3 (2014): 1071.

future of the Celtic Tiger narrative.

“Ghost estates” stood in for the more abstract banking crisis by offering a means to narrate Ireland’s experience. They were a way to narrate the Irish version of the global financial crisis, through identifying the set of actors that contributed to the property bubble – bankers who over-lent, developers who over-built, households who over-borrowed and politicians and civil servants who under-regulated. More than just localising the global financial crisis, “ghost estates” took on a deeper cultural role in articulating the collapse of the Celtic Tiger developmental narrative. As Hell and Schönle suggest, “a ruin is a ruin precisely because it seems to have lost its function or meaning in the present,”<sup>15</sup> while Edensor notes that ruins have a “dis-ordering” effect on time and space.<sup>16</sup> “Ghost estates” provided material and symbolic sites to work through the collapse of personal and collective aspirations. The halted landscapes comprising the debris of abandoned projects gave expression to the severity of sudden collapse. But it was the lives of the residents themselves, represented as stunned spectators coming to terms with the aftermath of catastrophe from amidst the rubble that became the narrative vehicle to capture the sense of social and moral fragmentation underpinning the crash. The stark contrast between the lush advertisements on hoardings and the degraded physical conditions of estates became a metaphor for Ireland’s shattered vision of the future. These individual stories were employed to give voice to the impacts of the crash and to articulate widespread social anxieties, while the sheer volume of “ghost estates” became a proxy means of quantifying the extent of the crisis.

The void opened by “ghost estates” also dis-ordered the configuration of recent and distant pasts. “Ghost estates” dis-ordered the Celtic Tiger developmental narrative by questioning the economic and cultural priorities that drove it. But in rewriting the Celtic Tiger period in order to make sense of the crisis, the recalcitrant, unresolved, histories of Ireland’s colonisation and peripheralisation

also returned. Permeating the “ghost estates” narrative were melancholic indices of shame and frustration concerning Ireland’s perceived failure to live up to the promise of political and economic independence. At the core of the image of “ghost estates” as the ruins of the Celtic Tiger is the perception that the boom was always too good to be true, built on illusory foundations, and that the crash was inevitable because the economic miracle was but a mirage.

These dense cultural entanglements were expressed in post-crash art and literature. In Tana French’s 2012 novel *Broken Harbour*, for example, the “ghost estate” functions as a setting and a metaphor for a murder narrative that maps onto the rise and fall of the Celtic Tiger. The novel concerns a young family murdered in their house on an unfinished estate. The family themselves represent Celtic Tiger aspirations that curdled in the fallout of the crash. The “ghost estate” is used as a metaphor for all that is absent, both in life of the family and in our ability to register recognisable patterns and narrative structures in their demise. “Normally,” suggests one of the detectives:

I’d say let’s talk to the families, the neighbours, the victims’ friends, the people they work with, the lads down the pub where he drinks, the people who saw them last. But they were both out of work. There’s no pub for him to go to. Nobody calls round, not even their families, not when it means coming all this way.<sup>17</sup>

As well as signifying absence, the empty properties on the “ghost estate” provide a vacuum that is filled with the presence of all kinds of elements that should be “out of place” in a housing estate, but that now invade it.

Cigarette butts, cider cans, used condoms, broken earphones, ripped T-shirts, food packets, old shoes: every empty house had had something to offer, every empty house had been claimed or colonised by someone... The second the builders and developers and estate agents had moved out, other things had started moving in.<sup>18</sup>

Paradoxically, the strong role that “ghost estates” played in mediating understandings

15 Julia Hell and Andreas Schönle, “Introduction,” in *Ruins of Modernity*, ed. Julia Hell and Andreas Schönle (Durham, NC: Duke University Press, 2010), 6.

16 Tim Edensor, *Industrial Ruins: Space, Aesthetics and Materiality* (Oxford: Berg, 2005).

17 Tana French, *Broken Harbour* (Dublin: Hachette Books, 2012), 82.

18 French, 122.

of the crisis also allowed them to be used as a vehicle to contain it. Ultimately the way in which the crisis was understood was through a narrative of “excess,”<sup>19</sup> most succinctly encapsulated by the late Brian Lenihan’s infamous phrase “we all partied.” This narrative suggested that the development priorities and policies underpinning the Celtic Tiger were fundamentally sound, but had gone “too far.” In this regard, the final years of the bubble were isolated temporally and the “ghost estates” were isolated spatially as representing the point at which the boom became a bubble. The lesson from “ghost estates,” therefore, became one that did not emphasise the underlying structural factors of the crisis but rather the more particular narratives of “greed” and “excess.” If we could all just learn not to go “too far” again, nothing needed to change. The Celtic Tiger was dead, but we could carry on its path without changing direction. All that was left was to clean up the mess: to remove the scars on the landscape, to resolve the “ghost estates.”

Policy interventions in unfinished estates have been minimal and light-touch. These include the establishment of the Social Housing Leasing Initiative in 2009, Site Resolution Plans including a safety fund of €5 million in 2011, and a Special Resolution Fund (c €13 million) in 2014 to target problems on the very worst estates. The level of intervention pales in comparison to the billions pumped into the banks. The State’s response effectively demonstrates that the solution to “ghost estates” was left to the market.

In 2011, the State changed the official definition of an “unfinished estate” to include only those estates with outstanding construction work, as opposed to those with only vacant units. Following remedial works, which in different instances could include everything from demolition to simply erecting safety fences, estates were officially deemed to be “resolved.” Meanwhile the highly uneven return of the property market began to shift the narrative from one of housing vacancy to housing scarcity as demand caught up

with the oversupply of vacant units on “ghost estates” within the urban commuter zones. The list of “unfinished estates” shrank, and by 2017 Damien English, Minister for State for Housing and Urban Renewal, was able to make the claim that “the number of ‘unfinished’ developments has been reduced by over 85% from 2010 to today.”<sup>20</sup> In the words of the Minister, policy had responded to “one of the last and most visible reminders of our property development and debt fuelled economic crash of 2008... [and resolved] them in the interests of residents and local communities... .” The “ghost estate” and the crisis it symbolised had been resolved and, consequently, could be mourned.

*The truth is, these processes are a direct result of Government policies in response to the 2008 crisis.*

Or so the new developmental narrative of “economic recovery” would have us believe. Lurking beneath the official story, however, is a more complex, melancholic, picture of the post-crisis era.

## THE RUINATION LEFT BEHIND

From 2013, Ireland’s property market has substantially recovered in specific parts of the country. In some areas, the problems of unfinished developments, housing vacancy and faltering levels of economic growth remains. “Ghost estates” may have changed for the better, became more safe, seen more residents moved in, been transferred out of the problematic list in county council offices. But there are still many estates that are left unfinished and houses that remain empty. Conversely, in the major cities, and Dublin in particular, a new type of housing crisis has emerged. This crisis centres on the private rental sector and burgeoning homelessness, as households face eviction due to rent increases. Rents have increased at a rate of 13.5 percent on an annual basis nationally, and rents in Dublin have risen by 15 percent per year (a

19 Cian O’Callaghan, Mark Boyle, and Rob Kitchin, “Post-Politics, Crisis, and Ireland’s ‘Ghost Estates,’” *Political Geography* 42 (2014): 121–33.

20 Housing Agency, “Resolving Unfinished Housing Developments: 2016 Annual Progress Report on Actions to Address Unfinished Housing Developments” (Housing Agency Ireland, 2017), [http://www.housing.gov.ie/sites/default/files/publications/files/resolving\\_unfinished\\_housing\\_developments\\_-\\_2016\\_annual\\_progress\\_report.pdf](http://www.housing.gov.ie/sites/default/files/publications/files/resolving_unfinished_housing_developments_-_2016_annual_progress_report.pdf).

65 percent increase from their lowest point in 2010).<sup>21</sup> These hikes, combined with the lack of new housing construction, the non-availability of mortgage credit, and a 90 percent collapse in social housing funding, has led to frequent evictions and a new crisis of family homelessness. The March Government figures put the number of homeless families at 1,720, with 3,646 dependants.<sup>22</sup>

The truth is, these processes are a direct result of Government policies in response to the 2008 crisis. Policies focused on bailing out financial institutions rather than households and, through the actions of NAMA, on opening up Irish real estate to a whole new set of financial speculators. Moreover, despite much hand-wringing about hard lessons and the catharsis provided by the crash, the ten years following did little to challenge the debt-based homeownership model that had driven the country into ruination. Policy pronouncements proclaim that “the ‘ghost’ estates of the past are largely gone, if not forgotten.”<sup>23</sup> But it might be more accurate to say that they are largely forgotten, if not gone. Their cultural resonance has been overtaken, on the one hand by the return of speculative property development, tax incentives and the promotion of mortgage lending, and on the other hand by the emergence of a new crisis in housing and homelessness that, nevertheless, bears their structural and cultural imprint. As the official narrative of economic recovery is propagated by those in power, it is increasingly difficult to draw a veil of mourning over the crisis wreckage. We are still living amongst the ruins.

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21 Daft.ie, “The Daft.ie Rental Price Report 2016” (Daft.ie, 2016), <http://www.daft.ie/report/2016-q4-rental-daft-report.pdf>.

22 Department of Housing, “Homeless Report March 2018” (Department of Housing, Planning, and Local Government, 2018), [http://www.housing.gov.ie/sites/default/files/publications/files/homeless\\_report\\_-\\_march\\_2018.pdf](http://www.housing.gov.ie/sites/default/files/publications/files/homeless_report_-_march_2018.pdf).

23 Housing Agency, “Resolving Unfinished Housing Developments: 2016 Annual Progress Report on Actions to Address Unfinished Housing Developments.”