

INTERMEDIATE RENT - DEVELOPMENT OF POLICY & MODEL

Response to Consultation

Key points

- HAs are supportive of an Intermediate Rent product (subject to the detail of modelling, funding, eligibility, administration, and operation) to help address the needs of those households which do not qualify for social housing, are not in a position to enter the home ownership market and which experience affordability issues within the private rented sector.
- The focus of the consultation is on the affordability, however the new product also has the potential to provide additional benefits, such as longer and more secure tenancies and better-quality homes and services. The design of the new product needs to ensure these benefits are also delivered.
- The scale of the issue (c.20,000 – 60,000 households from the CaCHE research) feels material enough to warrant the establishment of an Intermediate Rent product, we would welcome more discussion on testing tenant eligibility and affordability
- The % reduction to market rent will have a direct impact on viability, we would welcome demonstrable scenario testing. – particularly as it relates to geographical variation in rent levels.
- Greater clarity on the funding model generally is required in order to test viability against financial metrics, repayment terms etc. This will determine on whether this product would be viable to deliver.
- Clarity also on requirements to be met to qualify for the funding, both scheme specifics and as a borrower.
- DfC are proposing that the Intermediate Rent model is run and administered by a single entity. Multiple entities (i.e., the HA and the I.R Landlord) operating on the same site is likely to present difficulties in practical terms. Individual housing associations could deliver via their subsidiaries, scheme by scheme rather than involve a new single entity.
- We consider IR product will be most successful as part of mixed tenure schemes (rather than as standalone) to help blur the lines. This in our view is incompatible with the intermediate rent scheme being built and managed by a single entity, particularly where such mixed tenure developments are delivered through Section 76 agreements.
- Reinforce that this will be a small number of homes and must not be seen as replacement for social homes in SHDP or those provided through shared ownership

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ABOUT NIFHA

The Northern Ireland Federation of Housing Associations, formed in 1977, is the representative body for Northern Ireland's 20 registered housing associations.

Our members are all not-for-profit organisations. Together, supported by the Department for Communities and the Housing Executive, they provide just under 56,000 social and affordable homes.

Housing associations access private finance to effectively double the number of homes they could build with government housing association grant alone.

Housing associations also deliver high quality care and support to help people stay as independent as possible.

Working in partnership with other organisations, they also invest millions each year in community services and facilities.

Our sector employs more than 3,200 people and manages housing assets worth £4.5 bn.

NIFHA welcomes the opportunity to comment on the Intermediate Rent - Development of Policy & Model Consultation

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