

**Date:** 13 October 10  
**Consultation:** Policy to Support Owner Occupiers in Redevelopment Areas

## Introduction

The Northern Ireland Federation of Housing Associations (NIFHA) represents registered and non-registered housing associations in Northern Ireland. Collectively, our members provide around 34,000 good quality, affordable homes for renting or equity sharing. Further information is available at [www.nifha.org](http://www.nifha.org).

## Background

NIFHA's members are responsible for about twenty five percent of all social housing stock in Northern Ireland and we seek to encourage, on behalf of our members, the delivery of well-balanced communities in Northern Ireland. Our members make a positive contribution to communities through the construction of well planned developments which are sensitive to the local area. Our members within the Housing Association movement are committed to sustainability and diversity in development and through these building communities which aim to enrich not only their tenant's lives but also enhance the social wellbeing of our society.

## General Comments

NIFHA broadly supports the ethos that people, irrespective of their tenure, should have the option of living in the area they chose to and if that area is redeveloped through regeneration, they should have the option of returning to their original community location when the programme for regeneration has been completed. Our Federation recognises the difficulties many owner occupiers face when their homes are acquired to make way for housing as a part of regeneration schemes and hopes that public policy ensures that equitable arrangements are put in place that supports their housing choice.

## Specific Comments

### Option 1

#### **Social Housing House Sales Scheme (HSS) Early Buy Out**

It is assumed under this option that the owner occupier to be re-housed in social housing within the area under redevelopment will be subject to meeting the criteria as determined by the common selection scheme. Will the previous owner occupier be allocated social housing in accordance with priority need from the common waiting list as managed by the Northern Ireland Housing Executive?

Removal of the 5 year qualifying period to allow former owner occupiers to immediately purchase social housing may be perceived as inequitable to other social housing tenants. Whilst appreciating that there are reasons for this in terms of compensating those people who have had their homes acquired under vesting orders, NIFHA suggests that they have already been compensated as a result of being paid the current market value for their home and an additional 10% of the market value of the property as a Home-Loss Payment. The Federation would therefore contend that this is doubling the compensation especially if they are going to be allocated suitable social housing.

This option has the additional disadvantage of removal of the home from the social housing stock. One aspect of the New Housing Agenda was to increase the social housing stock and through this reduce the number of people on the social housing waiting list, the removal of social housing stock would lessen the impact of what the agenda set out to achieve.

## **Option 2 Shared Equity**

NIFHA recognises the intention of this proposed policy is to assist the former owner occupier to purchase a new home in the community where they formerly lived. However, there are equality implications in terms of public policy as it may be perceived that the former owner occupiers are at an advantage to other social housing tenants or other occupiers in other shared equity schemes. They may, in effect, pay less than the current market value of the dwelling by contributing up to the level of their compensation and may not contribute to the equity share for many years which means that the Housing Association will be at a loss for this share of the capital investment.

Whilst this option may not have major detrimental financial consequences if only a small number of previous owner occupiers take advantage of this proposal especially in a scheme with a large number of houses. The financial liability to the Housing Association will increase as the number of previous owner occupiers who apply to purchase their “put back”, house under this option increases and may be to such an extent as to cause the Housing Association severe longterm financial difficulties. This may have implications regarding the Housing Associations ability to fund future social housing schemes.

The consultation document makes recommendations regarding the implications of the shared equity owner making improvements to the part purchased home but it doesn't make any recommendations regarding the action to be taken in the case of depreciation of the property through lack of maintenance or repairs. The lack of maintenance or repairs to the property may have a detrimental impact on the value of the property and the balance to be repaid to the Housing Association.

This option also, for the reasons as discussed above, has the additional disadvantage of removal of the home/s from the social housing stock.

I hope you find these comments useful.

**Submitted on behalf of NIFHA by:**

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