

CCMA Opening Statement to the Joint Committee on Housing, Local Government and Heritage on Tenant-In-Situ Acquisitions

21st March 2023

On behalf of the local government sector, we welcome the opportunity to attend the Joint Oireachtas Committee on Housing, Local Government and Heritage to discuss Tenant-in-Situ acquisitions.

Representing the local government sector is Ms AnnMarie Farrelly, Chief Executive of Fingal County Council, Mr Coilín O'Reilly, Assistant Chief Executive, Housing and Community, Dublin City Council, both of whom are members of the CCMA Housing, Building and Land Use Committee. Also in attendance is Ms Mary Hayes, Director of the Dublin Regional Homeless Executive.

Local authorities, as housing authorities, provide homes and supports to those with a housing need. We work in partnership with Approved Housing Bodies, the Charity sector and other stakeholders to assist tenants in difficulty. That happens on an ongoing basis and will continue in the coming months.

Tenant-in-Situ acquisitions are part of a suite of local authority responses available to provide housing as well as addressing and stopping new entries to homelessness.

Local authorities manage more than 140,000 social homes and added more than 7,600 additional homes to social housing stock in 2022. It is expected that the delivery of new homes will be greater in 2023. This will provide homes to a significant number of people with a housing need.

The Housing Assistance Payment (HAP) is another important support. On average, 166 HAP tenancies are being created each week.

Homeless HAP is an enhanced version of the scheme, which offers additional support to those who are homeless or at risk of homelessness. HAP Placefinders in Local Authorities assist to source properties for households experiencing or at risk of homelessness.

Initiatives such as targeting leasing and the amendment of the Capital Advance Leasing Facility used by Approved Housing Bodies to assist them in their efforts in delivering social homes are also welcomed by the CCMA.

Policy Context

Circular 02/2022 (February 2022): Under Housing for All, government policy shifted focus to delivery through build programmes and targets for acquisitions ceased. Limited acquisitions continued for priority categories: one-bedroom units for Housing First, larger properties to allow households exit homelessness and specific housing required for a disability or other priority need.

Circular 16/22 (April 2022) restored a limited delegated sanction to local authorities in relation to social housing acquisitions for priority categories and in line with cost guidelines.

Circular 08/23 (March 2023) maintained the delegated sanction in place for local authority social housing acquisitions. The Circular gives an allocation figure to each local authority and puts a particular emphasis on tenants who have received a Notice of Termination based on Intention to Sell.

Completions: Nationally, the Department of Housing, Local Government and Heritage supports acquisitions for social housing by local authorities under SHIP and by AHBs under CALF and CAS. The figures in this table report on the pipeline of acquisitions for 2023 and the numbers completed to date.

	Completed to Date 2023	2023 Pipeline	TBC Completion Pipeline	Total – Completed and Pipeline
SHIP (LA)	27	175	41	243
CAS (AHB)	13	158	73	244
CALF (AHB)	2	24	12	38
Total	42	357	126	525

Housing Delivery Co-ordination Office: March 15th 2023

While the above figures include tenant-in-situ acquisitions in 2023, Since circular 16/2022 in April 2022, the number of sale-agreed and sale-completed acquisitions across the sector, specifically with tenant in-situ, is set out below:

Since April 2022 (TIS only)	Sale Agreed/Completed	Number being progressed through the process
Total	367	634

Tenant-in-situ acquisitions

The acquisition of properties with tenants in situ was piloted by Dublin City Council in 2018, at the instigation of Mr. Brendan Kenny, former Deputy Chief Executive, Dublin City Council. The objective was to offer an alternative to homelessness to tenants in the private rented Sector who were supported by HAP/RAS or Rent Supplement and whose landlord intended to sell the property.

The benefits of acquiring a house with tenant in-situ include:

- Permanent housing of applicants who are qualified for social housing support;
- Homelessness prevention and associated psycho-social benefits;
- Improved tenure diversity.

The challenges include:

- Housing of qualified applicants ahead of other qualified households with longer time on the social housing waiting list and/or currently experiencing homelessness;
- Competition with first-time-buyers. among others;
- State expenditure on housing without any additional new-build housing being created.

Most local authorities will include consideration of the following as part of the decision to acquire/prioritise the acquisition of a property with a tenant in-situ:

- Valid Notice of Termination
- Household need, including bedroom requirement (as applied to other social housing tenants), whether the property meets any specific requirements of the household
- Estate management checks
- Compliant rent history



Cumann Lucht Bainistíochta Contae agus Cathrach
County and City Management Association

- Length of time qualified for social housing
- Length of time in the tenancy
- Condition survey of the property
- Costs of potential upgrade works
- Compliance with planning, fire and building regulations

A difficulty may present in the case of HAP, whereby the local authority of application is not the local authority of residence. Local authorities, in the spirit of collaboration and remaining public-focused, are working on a regional basis to consider arrangements that can be put in place for such cases.

Process

The property acquisition process can be broken into a number of steps.

1. Tenant contacts the local authority to advise of the Notice of Termination
2. The local authority inspects the property
3. The property is valued
4. The local authority enters into negotiations with the owner
5. The property goes 'sale agreed', which provides comfort for the tenant
6. The sale is completed.

Conclusion

Local authorities are acutely aware of the impact of homelessness, including the difficulty in exiting homelessness and the long-term impact of time spent in homelessness.

The increase of Notice of Termination for Reason of Landlord Sale has been noted for some time in homeless presentations. We are cognisant that the RTB recorded 2,845 Notices of Termination for Reason of Landlord Sale in Q3 2022 and that this presents an increased risk of homelessness for households in the coming months. The CCMA would note that only a proportion of these relate to social housing and HAP tenancies and local authorities cannot control the scale of the exits.

Local authorities, with the consistent support of the Department of Housing, Local Government and Heritage, are delivering additional emergency accommodation capacity, as well as encouraging exits from homelessness through social housing allocations and HAP tenancies. There are currently on average 166 HAP tenancies being created weekly and local



Cumann Lucht Bainistíochta Contae agus Cathrach
County and City Management Association

authorities continue to actively promote these delivery options for both landlords and tenants.

The additional housing supply that has come on stream in 2022, which will continue into 2023 and beyond will significantly help to provide homes to people with a housing need. Tenant in Situ acquisitions are just one part of a suite of local authority responses available to tackle housing need.

The local government sector welcomes the additional support from government to complete tenant-in-situ acquisitions for households in receipt of HAP and RAS supports and will work together to ensure the 1,500 additional acquisitions are achieved this year. The Sector is prioritising tenant-in-situ acquisitions for households as necessary and required in order to support government policy in addressing homelessness.