

**Home Truths:
Experiences of Buying and Renting in Northern Ireland**

**A Report produced by Advice NI on the findings of an
eConsultation exploring the impact that inability to access
appropriate housing has on people's lives and their
aspirations**

February 2007



INVESTOR IN PEOPLE



National
Training Awards
Northern Ireland
2006

Vision

Advice NI's vision is of a society of confident, informed and active citizens who can access their rights and entitlements

Values

Advice NI holds a set of core values which are central to both what we do and how we do it. These values guide us in our work as a membership organisation and as a staff team and influence how we engage with our wider range of stakeholders.

- i) We respect and promote the independence and diversity of our membership.
- ii) We address and represent the needs and interests of our members in a fair, flexible and equitable way.
- iii) We are accountable and transparent in all our work and actively seek ways to include our stakeholders.
- iv) We provide a quality, professional and relevant service to our members.
- v) We promote a community development approach in all our work.
- vi) We work in creative and collaborative ways in the interests of our members and those they serve.
- vii) We promote equality, social justice and well being.

Mission

Our mission is to develop an independent advice sector that provides the best possible advice to those who need it most.

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Foreword

Advice NI has been promoting the value of eConsultation for some time now via our website www.adviceni.net. The organisation has facilitated eConsultations on several issues including:

- ▶ Tax Credit Overpayments: The Road to Recovery
Highlighting views on the causes, consequences and possible solutions regarding tax credit overpayments;
- ▶ Bank Charges in Northern Ireland
Supporting the General Consumer Council to respond to a Competition Commission investigation by gathering people's experiences of personal current accounts in Northern Ireland;
- ▶ Future of Advice Services in Northern Ireland
Gathering the experiences and recommendations of both those who give advice and those members of the public who seek advice;

This 'Home Truths' eConsultation was part of a wider piece of research exploring the impact that inability to access appropriate housing has on people's lives and their aspirations.

Unsurprisingly there has been an unprecedented interest in the topic, with this eConsultation attracting the largest number of postings in comparison to any other eConsultation facilitated by Advice NI. I would like to thank everyone for taking the time to log on and contribute.

I would like to thank Patricia Donald, Kevin Higgins and Elkie Ritchie(Advice NI) for their contribution to ensuring the success of the eConsultation, in terms of setting up the site and the ongoing facilitation activity. I would like to thank all those organisations who encouraged service users to log on and who facilitated workshops with service users in order that their views could feed into the exercise.

Finally I would applaud the Affordability Review Team for their efforts to gain as broad an insight as possible into the housing affordability issue - including availing of the Advice NI eConsultation service to achieve this objective.



Bob Stronge
Director, Advice NI

Introduction

The Independent Affordability Review under the direction of Sir John Semple, was announced by the Social Development Minister David Hanson on 5 September 2006. The Review's remit was wide-ranging and allowed the examination of the mechanisms aimed at securing social housing for rent, growing a quality private rented sector and assisting people into homeownership.

Advice NI, in partnership with Belfast Interface Project, Housing Rights Service, Northern Ireland Anti Poverty Network, Organisation for the Unemployed (NI) and Rural Community Network, successfully secured the tender to carry out some qualitative research to complement and supplement the work of the Affordability Review Team. The research aimed to examine the equality and anti-poverty dimensions of the affordability problem from a personal perspective. It also aimed to reflect people's actual experiences and lend depth and credibility to the wider report by providing contextual information on how access to housing influences the ability to fully participate in economic, social and cultural activities.

The eConsultation, entitled 'Home Truths' commenced on Thursday 14th December (coinciding with the launch of the 'Review into Affordable Housing - Interim Report') at www.adviceni.net. The eConsultation concluded on Friday 26th January 2007. A total of 242 messages were posted a wide range of housing affordability issues and this report aims to provide a summative overview of the views expressed.

The eConsultation has now been archived, however all the postings can still be accessed and read via the website.

Housing Affordability & Homelessness

A selection of comments on this issue are as follows:

“It is hard to move on from a hostel into private accommodation because of the deposit you have to put down, also there would be a stigma from landlords as you are moving from a hostel”

“It costs an average 800 pounds deposit to be able to move out of a hostel which hostel people don't have”

“I am staying in a hostel in Northern Ireland and I think some costs of housing is too expensive to live”

“I am on job seekers allowance at the moment. But if I were to get a part time job, I am assured that I will not have even enough to pay for my rent, let alone my food and any other necessities that I might need! It would be a struggle even if I had a full time job, 40 or 42 hours which I think is very sad, as I desperately want a job and cannot take one sometimes”

“I hope that someone can do something about it, and soon! I'm sure there are plenty of people like me, who just need a bit of luck and a bit of say”

“Single men who have declared themselves homeless and are living in a hostel are at the absolute bottom of the heap and receive very few points from the Executive the temptation then is to go for a private rental, which as we have established is not secure and if they have a few difficulties keeping things together, they will be homeless again very quickly”

“There is also a MASSIVE problem with overlap fees if someone is moving from a hostel to their new place if the Housing Benefit is being paid. The Executive get people to sign for flats/houses that are not ready to move into and the person then has FOUR weeks to move. Given that it takes at least six weeks to process a community care grant (a discretionary amount of money paid out to someone who has been homeless to help them set up home, buy furniture etc.) it forces people out into uninhabitable flats/bedsits. You cannot apply for the grant until you know that the person has a place to move into. This means that frequently people are forced to move out of hostels, hoping for things to get better but they actually get worse”

“The most distressing cases are those where, for one reason or another, families find themselves homeless. The shortage of Social Housing and emergency /hostel accommodation means that many are forced into short term private rented accommodation. Where do they find the deposit and first months rent? Those who manage the deposit often take on the tenancy in the hope that they will manage the rent shortfall in the short term and find themselves trapped in poverty with little hope of being rehoused by the Housing Executive”

The issue of homeless came to the fore during the eConsultation, particularly due to the participation of Simon Community NI which disseminated information, facilitated workshops and encouraged service users to log on and have their say.

The posts reflected a range of views.

In terms of the social housing sector (Northern Ireland Housing Executive and Housing Associations) there were issues highlighted around:

- ▶ the inability of single homeless people to access social housing due to limited points allocation; &
- ▶ the lack of social housing stock;

The financial barriers to finding and keeping private rented accommodation were seen as significant. These barriers included high rents, rent in advance and substantial deposits. Elsewhere in the eConsultation the issue of "No DHSS" was raised and this issue also limits the ability of someone who is homeless to find private rented accommodation as the pool of available property is restricted. Shortfalls between Housing Benefit and contractual rent is highlighted later in this report but is a particular problem for this social group, with research showing homeless people particularly disadvantaged due to financial exclusion; most likely to be unemployed and excluded from an earned income which would allow them to obtain and retain accommodation.

The issue of retaining accommodation was implicit in the posts. Homeless people may attempt to enter either social or private rented accommodation but factors such as the inability to properly furnish the accommodation means that the accommodation does not become a home and indeed things may actually become worse instead of better. Added to this, many homeless people have complex needs and may well require ongoing support to be able to live independently.

Issues Arising:

The points allocation system for allocation of social housing should be reviewed with a view to assisting homeless people access accommodation.

An assessment should be made of the quantity of social housing stock and its ability to meet demand - particularly demand from homeless people.

Efforts should be made to address the barriers to private rented accommodation. Homeless people are particularly vulnerable and very often do not have the financial where-with-all to meet the upfront costs associated with moving into private rented accommodation.

Efforts should be made to improve access to help and support for homeless people to retain accommodation - once secured. This should include access to advice and information on issues such as money & debt, social security benefits and housing rights.

It should be noted that a previous consultation 'Promoting the Social Inclusion of Homeless People: Addressing the Causes and Effects of Homelessness in Northern

Ireland' specifically addressed the homelessness issue. To date there has been no movement in terms of follow-up to this consultation. Government should follow-up on this consultation as a matter of urgency.

Housing Affordability & Social Housing

A selection of comments on this issue are as follows:

Right to Buy

“This scheme is designed to extend home ownership and give more security and choice to tenants”

“I think the social house sale scheme should end as it is depleting the social housing stock and ensuring that those in need cannot access social housing”

“I agree that there should be more social housing and it should be made more accessible to everyone ie single people as well as families etc. I don't however think that people who do want to exercise their 'right to buy' should be penalised. Why shouldn't people be given the opportunity to buy their home if they are in a position to do so”

“I think it's easy to talk about building more social rented but we can't turn back the clock on right to buy, the introduction of it for housing associations is a disgrace”

Waiting Lists

“It seems the ladder doesn't even have a bottom rung anymore”

“We qualified for a Housing Executive house, but the housing availability is so low we have to wait on a new build which could take 2 years at the least. This has affected our relationship as it can become strained living under such cramped conditions”

“Although single people can register with the Housing Executive for public housing, the level of points awarded to single people are not sufficient for them to get accommodated anyway soon”

Quantity

“I totally agree with you about the Housing Executive replacing the housing stock it has sold off otherwise they will never be able to meet demand”

“If the housing executive can't house you for whatever reason then why can't they help people get into private rented accommodation by providing rent deposit guarantee schemes”

“You are right about the lack of social housing. It has a huge knock on effect for the housing market as a whole. All it does is push up the demand for private rented, which

in turn invites more investors into the market. It's a bit of a vicious cycle”

“The problem for many in housing need is the lack of properties in the public sector and the already long lists of people waiting to be housed. Under investment in new builds and the Right-to-Buy mean that fewer properties are available”

The issue of social housing was the focus of considerable debate within the eConsultation. The postings opposite give a flavour of the key themes.

There was not unanimity on the issue of Right to Buy. Whilst some posters supported the right of tenants to be able to purchase, others felt that if this right was to continue then the issue of depleting housing stocks had to be addressed. At this point it might be useful to provide some more information on the Right to Buy scheme:

- ▶ Under Right to Buy the price of the property will be the market value less any discount;
- ▶ Housing Executive tenants wishing to purchase their homes must have a minimum of five year's tenancy, either with the Housing Executive or a qualifying landlord;
- ▶ There is a Discount Ceiling of £24,000 on all dwellings sold under the Statutory House Sales Scheme;
- ▶ A secure tenant of a house with five years completed tenancy shall be allowed discount of 20% with an increase of 2% for each additional completed years tenancy up to a maximum of 60%, subject to the Discount Ceiling of £24,000.
- ▶ All secure tenants who receive the discount from the Housing Executive must repay all of that discount if they resell their property within five years of the date of purchase.
- ▶ Should the owner wish to sell on, the property must be offered back to the Housing Executive if the sale occurs within 10 years of the initial purchase from the Housing Executive. The Housing Executive may or may not exercise their right to buy back the property.

A very powerful sentiment expressed within the eConsultation was around the feeling that the property ladder does not have a bottom rung any more due to the length of the social housing waiting list. According to some posts, for some people there appeared to be little hope of accessing social housing as their circumstances did not warrant sufficient points to enable them to be housed any time soon. Again at this point it may be useful to provide some information on the Housing Selection Scheme.

You may qualify for the award of points under four categories:

1. Intimidation: This category is intended to cater for applicants who are victims of sectarian, terrorist or racial attack. It is intended to facilitate immediate rehousing.
2. Insecurity of Tenure: This refers to situations where applicants are homeless or threatened with homelessness. The level of points applicable may vary depending on the duty owed under legislation.
3. Housing Conditions: Points awarded under this category reflect adverse housing circumstances both in terms of physical conditions and the degree of sharing/overcrowding being experienced.

4. Health/Social Well Being Assessment: A comprehensive range of health and social well-being circumstances are acknowledged under this category.

As a general rule, each dwelling will be offered to the applicant with the highest points.

Issues Arising

NIHE should review the impact of the Right to Buy scheme and consider alterations with a view to ensuring that it is at least impact-neutral in terms of the overall level of social housing stock - including a greater commitment to buying back former Housing Executive property.

Considering the length of the waiting list for social housing the quantity of social housing stock should be increased, in particular via vesting by the Housing Executive of suitable land and property.

Housing Affordability & Private Renting

A selection of comments on this issue are as follows:

Security of tenure

“We would like to have children but I really worry about starting a family in a rented place because our tenancy could be ended very quickly through no fault of our own”

“Private renting is often highlighted as an affordable housing option but there is no security of tenure and tenants are given very little in the way of rights”

Regulation

“Proper regulation of the private rented sector is long overdue and may well help cool the market down”

“Tenants can face problems getting their deposits returned which impacts on their ability to secure another property. Yet there is no effective regulation of this practice”

“A wasted opportunity was the Private Tenancies Order. While laudable in its aims of getting private rented properties into repair it missed an opportunity to radicalise the sector”

Speculation

“If private landlords are restricted to demanding the same level of rents that are collected by the Housing Executive the market will soon prove to be less lucrative. Add to that a requirement to rent out empty properties or face compulsory auction and the speculators will move on to another section of the market place”

“I wonder whether how many of the new wave of investors know what they are getting into. Managing a rented house requires a fair amount of time and know-how - more than firing off bids to an estate agent”

“People may not be so driven to buy-to-let if they have more responsibilities and can't dispose of the property without much thought about the sitting tenants”

High Rents

“Landlords should be regulated and rent controls should be put in place (as in New York etc) to cap the rent that can be charged”

“Landlords profiteering at the expense of vulnerable people is not on”

“With the rise of interest rates landlords have increased the rent to cover the mortgage increase. I wonder how the private rented sector will be affected when higher rates and water charges come in”

Rent deposit guarantee schemes

“In principle rent guarantee schemes are a good idea and a much needed support for individuals with few resources seeking to secure accommodation”

“SmartMove is a Rent Bond Guarantee Scheme aimed at assisting homeless people and low income households access good quality private sector accommodation”

A wide variety of views were expressed around the private rented sector. Generally speaking there was a view that eConsultation participants wanted to see more security regarding private sector tenancies. There was a view that if private sector tenants could have increased security and improved rights then this might mean that people would not be so driven to own their home; and this in turn might mean that speculators would not be so driven to buy to let.

At this point it might be useful to highlight what rights private tenants currently have:

In addition to the rights and obligations contained within a tenancy agreement, there are several basic rights:

- ▶ the right to a rent book;
- ▶ the right to freedom from harassment and/or illegal eviction;
- ▶ the right to notice to quit (at least 28 days);
- ▶ the right to due process of the law. i.e. a landlord must obtain a court order to evict;

The tenancy agreement may contain information on issues such as the amount of rent and when it is to be paid; period of notice to be given by the landlord (at least 4 weeks); the length of the tenancy e.g. one year; what repairs the landlord is responsible for; what repairs the tenant is responsible for; the amount and purpose of any deposit; the landlord's right to enter the premises; any restrictions e.g. keeping pets, taking in lodgers.

The issue of rents attracted attention - with a widespread view expressed that landlords were setting rents at a rate to cover their mortgage outlay which was in some instances considered to be "extortionate". This in turn generated some resentment that the rent paid by private tenants and the Housing Benefit scheme was supporting the pension plans and investment portfolios of landlords. There was a concern expressed that private rents will see a hike with the introduction of new water and rates charges. An added concern would be the fact that if private rents continue to be linked to house prices this will quickly lead to a situation where private rented accommodation becomes unaffordable to most people.

The difficulties taking that first step into private rented accommodation attracted some comment. Participants expressed the view that considerable financial outlay was required in the form of deposits, rent in advance, reports of landlords/agents charging excessive fees for credit checks, stamp duty, drawing up a tenancy agreement, legal fees. And of course there is the issue of the shortfall between Benefits and contractual rent charged.

Issues Arising

Consideration be given to regulating property speculation as it impacts on the private rented sector. This regulation could include establishing a register of private sector landlords, requiring information on the rents charged and introducing legislation to

improve the rights of private rented sector tenants. Information could be used from private rented

Housing Benefit to support the establishment of the landlord register.

Develop two sets of guidance materials (1) aimed at tenants highlighting their rights and responsibilities; and (2) another aimed at landlords highlighting their rights and responsibilities.

Consider introducing rent capping and restricting rent increases in order to make private renting more affordable.

Consideration be given to ensuring access to rent deposit guarantee schemes for people across Northern Ireland with view to making entry to the private rented sector more affordable.

Housing Affordability & Home Ownership

A selection of comments on this issue are as follows:

Speculation

“Often it's not just about developers / professional investors. I know 'ordinary' people who have managed to buy a house who then use the equity - which builds up very quickly - to expand and buy second and third properties. This of course is making it difficult for the genuine first time buyer”

“My dad has decided to buy a few apartments and rent them out as a retirement fund. He now has 5 apartments in different towns”

“I'm all for people investing their money, but why not stick to the stock market instead of effectively depriving people of owning their own home”

“I think it is not so much a housing shortage as investors inside and outside Northern Ireland out bidding local first time buyers. I think those people with more than one home should be taxed on any profit made on that home just like people can be taxed on the interest on savings”

“The situation in GB is similar to NI, except that developers in GB have to contribute to Affordable Housing. It may come to that in NI eventually”

“Until the government makes it more expensive to own second homes to give people a chance to own one, greedy investors will continue to dominate the market”

Gazumping

“A woman who works on our floor has a sister trying to buy a house with her husband (FTB) - offer was accepted, then the seller comes back to them this week to say that someone has offered more - they think that it's an investor.

They're distraught, they have a child on the way and had set their hearts on this house, and spent a lot of money on fees”

“The buying process was a nightmare, I had heard of friends of friends who had been asked for more money by the vendor at the very last moment & of many vendors taking property off the market at the last moment only to sell it 3 months later at a higher price”

“A week before Christmas we got a call from our solicitor. She had received a fax, all it said was the seller no longer wished for the sale to proceed. We just feel so robbed - of a home and of almost a grand in various fees”

“In other jurisdictions sellers are not allowed to do this [gazumping] - so maybe consideration should be given to introducing similar protection for buyers in NI. This might also help to cool the house price increases if sellers can't just pull out and then up their asking price”

“I've heard similar stories from other people. Prices are rising by the day which means that deals are continually broken as vendors chase a higher price. A deal should be a deal, whether its on paper or by a shake of the hand and the law is at fault where it allows vendor or buyer to back out without penalty”

Associated Costs

“As the cost of the house goes up so do the additional costs involved such as Stamp Duty, Estate Agents fees, Solicitors fees, Lenders fees and possibly the surveyors fee. They should also keep in mind the new water and rates charges coming in next year. Also the interest rate may go up, which will cause additional headaches”

“In addition to high house prices, even if you manage to get a mortgage and find a house at the price you can afford, you have to pay extortionate fees to solicitors who don't seem to do very much and give you very poor information”

“If we are going to talk about affordability of housing we surely have to take the unregulated nature of estate agents”

First Time Buyers

“I myself am a first time buyer so am finding it very difficult to compete with investors in areas where demand is high”

“The boom in house prices is great news - for those on the property ladder - but what chance do first time buyers stand when wages are not increasing to compensate for this”

“I earn £25K a year yet cannot afford to buy - and I think that is a high wage for NI. I have no debts, not even a credit card - £13K in savings and I still can't buy”

“When a couple who are both working and on a decent salary can't afford a house, things are very bad”

“I started my first proper job 5 months ago in middle management within a global company and earn what many people consider to be comfortable earnings, earning just below 20K a year. I went to see a mortgage consultant today and he offered me 97K at a stretch. With this amount I could just about afford a one bedroom wheelie bin in a derelict council estate”

Rate of Price Increases

“The house prices here have been shooting up so fast that it is impossible to catch up in terms of savings. Also house prices here do not match the average salary that people are earning”

“A friend of ours has been trying to buy a flat. Every time she puts a bid in somewhere, the developer seems to take the apartment off the market. Then a while later it's back on the market at a new inflated price”

“Sellers are taking properties off and on the market until the price meets seller's expectations”

“Home owners are affected too. The majority of home owners, those moving up the ladder, are now having to plough more of their incomes into their next homes as increasing prices stretch the gaps between the rungs of the ladder”

“Priced Out has identified the following key factors which have helped drive house prices to the extreme's they have reached today; unusually low interest rates combined with rising mortgage credit availability; and disillusionment with other investment classes (savings, shares, pensions)”

Affordability

“Building Societies and Banks when lending on private houses and flats must only be allowed to lend 3 or 4 times earnings as declared on the previous P60”

“Latest figures from the University of Ulster quarterly house price index which states that the average house price in Northern Ireland is now £180,128, an increase of 32.1% from last year”

“For a £180,000 mortgage over 25 years at 5% interest, you're looking at £750 per month”

“The Government has allowed house prices to get out of control by: increasing the money supply and lowering interest rates; failing to force the banks to tighten lending; having restrictive planning laws that limit the number of new houses being built; reducing the amount of university accommodation being built, leaving students to the mercy of private sector landlords and generally bending over backwards to help the well-off while leaving ordinary people out in the cold”

“We are at the top of the largest house price boom ever recorded”

“**Priced Out** has identified three key areas policy makers must urgently address to restore housing affordability: increase the supply of newly built homes; restrict house

price inflationary pressures and rethink unhelpful government property market schemes”

“I absolutely think that there should be better regulation of the financial services industry. Irresponsible lending is causing a lot of these problems.

The maximum price [of a house] is dictated by what banks will lend”

“Any spare money buyers have always ends up in the pocket of the sellers. For example, if the stamp duty threshold were raised from £125K, house prices would immediately rise to absorb the extra few quid that can be squeezed out of buyers. (need to regulate the selling side, not just the buying side)”

“Just to say that we tried to take advantage of the housing boom by 'trading up'. The catch now is that we stretched ourselves to do this, and now we are worried about the future - repayments plus added charges of water and rates from next year - expenses that will hit us hard as we are now in a more expensive house - not on any more money”

“There is no doubt at all that property is seriously over-valued in Northern Ireland which begs the question - is it wise to invest in an over-priced asset”

“I agree that bills such as water and rates which will be based largely on the value of the house will be an added burden and this needs to be factored into the Affordability Review - first step get a house; second step try and hold on to the house”

“As the stock of houses is limited there are opportunities for some to exploit the market to their advantage and to make enormous sums of money in the process. The market cannot be allowed to operate to the advantage of the rich at the expense of those struggling to get on the property ladder”

The issue of housing affordability and home ownership perhaps attracted the majority of comment within the eConsultation.

Issues Arising

Government need to ensure that potential first time home owners can compete with property speculators. This could be achieved in a number of ways including
(First Time Buyers) increased supply of affordable housing and effective schemes to support entry into the market;
(Speculators) increased taxation on buying 2+ homes, addressing the empty property situation, greater regulation of private rented sector.

New housing developments should have units of social housing and affordable units available for home ownership;

The end-to-end process of buying a house needs to be reviewed and reformed with a view to making it easier, less stressful, cheaper and more transparent. In particular there should be protection put in place to protect both buyers and sellers between where an offer is accepted on a property and contracts are exchanged.

The issue of bank charges has attracted considerable attention lately - and similarly the fee charging structures surrounding the process of buying a house should be reviewed with a view to ensuring that the consumer is not being ripped off at any stage of the process.

It has been rightly pointed out that the gap between rungs on the housing ladder is widening and for many the entry level / bottom rung is out of reach. Instances of properties being bid substantially over the asking prices are common-place and thereby driven out of reach of first time buyers in particular. Government needs to address the issue of the current housing boom - "One thing, however is certain, the longer it takes for the bubble to burst, the more painful it will be."

There is a need for tighter regulation of mortgage lenders in order that the concept of responsible lending is adopted. This regulation of the 'buying power' side of the equation must be part of a wider range of measures aimed at cooling the house price boom - otherwise first time buyers in particular will never be able to afford to set foot on the housing ladder.

Taking the point that "any economics student will tell you that increasing supply will have downward pressure on prices" there must be a greater supply of affordable housing made available to first time buyers. Partly this could be achieved through 'new build' but other initiatives could be employed for example efforts should be made to minimise the extent of vacant properties across Northern Ireland.

Regarding the issue of retaining the property, many incumbent home owners have seen the value of their property escalate wildly - a situation which does not reflect any similar increase in their income. This may well have a considerable impact with the introduction of water and rates charges based on the value of the property. Government should ensure that adequate relief schemes are in place to protect vulnerable people who are 'asset rich, income poor.

Housing Affordability & Other Issues

Debt

“The number of households struggling to repay their mortgage debt has risen, according to figures released today by the Bank of England. The Bank's quarterly bulletin revealed that 7.7% of homeowners reported problems paying for their accommodation. The rise, on the back of recent figures showing an increase in repossessions, will prompt fears that households are overburdening themselves financially”

“I worry for young people starting out now and committing themselves to repayments which are far in excess of what they can afford and the sad reality is if interest rates go up which indications would suggest then many people will fall into arrears”

“With bankruptcies and repossessions on the up, record levels of personal debt - it's very scary. If the UK is in so much debt when interest rates are so low, that is a huge problem”

Housing Benefit Shortfall

“There is a real issue of housing affordability for people who are forced to rent from the private rented sector (because of the lack of social housing) and are in receipt of Housing Benefit. In many cases the Housing Benefit does not cover full rental costs”

“I am a single parent and live on low income, my Housing Benefit has a shortfall of fourteen pounds per week”

“At the moment the tenant not the landlord bears the brunt of the HB rent restriction policy. Vulnerable people suffering at the expense of profiteering landlords is not on”

“It is virtually impossible to make ends meet on an income of Income Support without the added pressure of making up a rent shortfall”

Lone Parents

“Such high rents are an additional barrier to returning to work. On returning to work many lone parents find that they are no longer entitled to any Housing Benefit or their entitlement is dramatically reduced. Many are only marginally better off in work than on benefits, for others a return to work is simply not an option. This is also undermining the government's Welfare to Work initiatives”

“I am also a single parent with two kids aged 5 and 3. I live in a private rented house, in receipt of housing benefit and I am also short about £15 each week on my rent. Why does my Housing Benefit not meet my rent when I live in a rural area (south armagh) where there is so little social housing”

“Many lone parents have to wait three or four years for housing in parts of Belfast - this is three to four years of child's life in temporary accommodation, overcrowded

accommodation, housing in a poor state of repair in the private sector or expensive private sector housing that stretches already tight budgets - all of this adds unnecessary stresses to families”

Migrant workers

“Whilst the experiences of many migrant workers arriving from Portugal have been positive this has not been the case for everyone. There have been experiences of both discrimination and disadvantage in a range of spheres. This includes issues of underpayment, unfair treatment and at times blatant exploitation in employment and private housing”

“Will the issue with regard to housing affordability have any bearing on effective labor supply in the province? Migrant workers provide such a valuable resource to the NI economy. If housing affordability continues the way it is will these guys still be attracted to come here”

“The only thing that would encourage private landlords now is the prospect of more immigration. Six adults in a three or four bedroom house would bring in so much more than a couple or single tenant”

Older People

“As a mother of two young adults I have a number of concerns. When my daughter was taking out her mortgage, the estate agent blithely informed her that it was standard now for parents to provide the deposit and she should talk to me about it. I wish!! Unfortunately I am too busy paying off my own”

“I think there may also be a trap at the other end of the age bracket where older people are in a property they cannot manage financially but find they cannot afford to move into something smaller and more manageable”

“I can look around the countryside where I live and see ten derelict houses where people with large families used to live so there is plenty of room”

Prisoners and their families

“Affordability affects prisoners as well as their families in a variety of ways. In the private rented sector the level of HB is restricted which usually results in a shortfall between contractual rent charged and HB awarded leading to rent arrears and debt”

“When one of a couple enters prison the level of HB can be reduced thus increasing the amount of shortfall to be met”

“A case we have come across concerns a parent who had to move home due to intimidation and who moved into private rented accommodation. When she applied for a crisis loan for rent-in-advance the Social Fund Office decided to base her award not on the amount demanded by her landlord but the amount of Housing Benefit she would get, thereby leaving her with a substantial deficit to make up”

Rural

“People, especially first time buyers and young families are finding themselves having to leave the rural areas due to ever increasing house prices. There even seems to be a decrease in the number of Housing Executive houses at present in the rural areas”

“PPS14 has amplified the issue of affordable rural housing with a massive increase in the cost of available limited rural sites and houses. This is also exacerbated by the limited social housing stock available in rural areas”

“I am sure the developers are rubbing their hands with joy at the governments plan to allow no development in the countryside as the sons and daughters of small farmers have to pay their inflated prices in towns”

“The concern is who can now afford to live in rural areas and what does it mean for the long term sustainability of rural areas”

Single People

“The Government's draft definition in Planning Policy Statement 3 states that affordable housing is "non-market housing provided to those whose needs are not met by the market" is an interesting concept as virtually all single people - either on benefits or on earned income - have access to neither social housing or home ownership as housing options. And increasingly private renting is not an option as rents rocket, and the gap between Housing Benefit and the rents charged increases”

“I can't get a Housing Executive flat because I'm not on benefits with children and therefore not a priority to house”

“Although single people can register with the Housing Executive for public housing, the level of points awarded to single people are not sufficient for them to get accommodated anyway soon”

Students

“Those who have other debts to pay along side their mortgage will find the going tough. That will include the kids who find themselves with £20,000 worth of student fees and loans to repay but who find that promises of better paid employment for graduates are entirely empty in this part of the world”

“Build more uni accomodation - this is crucial”

This section of the Report reflects the fact that the eConsultation attracted comments on a wide range of issues. Particular social groups were felt to be particularly affected by the affordability issue; and in addition debt and the Housing Benefit shortfall situation merit particular attention.

Issues Arising

The issue of debt is relevant across all types of housing tenure: total UK personal debt exceeds £1.29 trillion; average household debt in UK is £8,791 excluding mortgages

and £53,326 including mortgages; the average owed by every UK adult is £27,445 including mortgages. The eConsultation highlighted that borrowers are stretching themselves to the limit; that lenders are upping the amounts they are prepared to lend which is placing many people on "the edge". Government must acknowledge the need for additional funding to be made available for frontline debt and money advice services in NI, particularly independent advice centres targeting deprived geographical areas and vulnerable social groups.

The shortfall between private rented sector Housing Benefit and contractual rent charges needs to be addressed as a matter of urgency. There should be a review or gap analysis between Housing Executive Rents and private sector rents across geographical areas in NI. Perhaps this would lead to a review of Housing Benefit rates particularly for the most vulnerable and consider whether landlords ought to be regulated so they cannot charge extortionate rents.

Government should be concerned that lone parents are being prevented from entering employment, particularly those who move in to the more expensive private rented sector because of difficulty accessing public sector housing. The burden of excessive housing costs - which is most acute within the private rented sector - needs to be addressed with a view to ensuring that this social group can have access to employment, a route out of poverty and still retain access to housing which is affordable.

With Northern Ireland increasingly becoming home to migrant workers from across Europe and beyond, Government should have strategies to ensure that there is sufficient affordable housing to meet demand.

Older people are increasingly being affected by the housing affordability issue - either living in over-sized homes which are difficult to maintain; or having to support their children through housing affordability issues. Government should have a strategy to address housing and accommodation issues specific to older people.

Housing in general and housing costs in particular can be an issue for prisoners and their families. The availability of affordable accommodation should be given priority as the cornerstone of reintegration and social inclusion across all Government Departments and resources would be set aside to allow ex-offenders to access it.

There is a need to work along side rural communities in addressing affordable housing need and use the Rural Housing Enabler model which exists in other parts of the United Kingdom (working with rural communities to assess housing need and potential sites for development).

Government should research the phenomenon of single people increasingly finding themselves marginalised and excluded from housing: whether that be social, private rented or ownership.

The issue of student accommodation should be reviewed - with a view to enabling universities to provide affordable accommodation throughout the duration courses.

Housing Affordability Useful Information

Independent Affordability Review

www.dsdni.gov.uk/hsdiv-housing-affordability.htm

"The Review's remit is wide-ranging and will allow examination of the mechanisms aimed at securing social housing for rent, growing a quality private rented sector and assisting people into homeownership."

www.adviceni.net

"Advice NI supports independent advice organisations to deliver quality free advice."

www.belfastinterfaceproject.org

"Belfast Interface Project is a membership organisation which aims to engage in the development of creative approaches towards the regeneration of Belfast's interface or 'peaceline' areas."

www.housingrights.org.uk

"Established in 1964, Housing Rights Service has been working for 40 years on behalf of people in Northern Ireland who are homeless or in housing need."

www.niapn.org

"Northern Ireland Anti-Poverty Network is a lead organisation working with and for those experiencing poverty in Northern Ireland."

www.ouni.ie

"The Organisation of the Unemployed: Northern Ireland (OUNI) is a federation of unemployed centres/groups, community organisations and trade unions/councils that are concerned with the detrimental effect that unemployment has on individuals, families and communities in Northern Ireland."

www.ruralcommunitynetwork.org

"The Rural Community Network (RCN) is a voluntary organisation established by local community organisations to articulate the voice of rural communities on issues relating to poverty, disadvantage and community development."

www.housepricecrash.co.uk

"HousePriceCrash.co.uk was born on 26th October 2003. The proud parents are a small group of individuals who were extremely interested in the house price crash subject but could not find a site or portal that was dedicated to this very important issue."

www.pricedout.org.uk

"Struggling to buy your first home? Next rung of the property ladder moved out of reach? Not prepared to over stretch your finances just for the sake of buying? You are not alone."

www.nihe.gov.uk

"The comprehensive regional housing authority for Northern Ireland."

www.habitatni.co.uk

Habitat for Humanity is a non-profit, non-denominational Christian housing charity aiming to assist low-income families into homeownership through a self-build programme.



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