**CONSULTATION**

**INTERMEDIATE RENT: DEVELOPMENT OF POLICY AND MODEL**

**Overview**

Intermediate Rent is a private rental product, situated in terms of tenancy duration and rent cost between social and market private rentals. It is variously referred to as ‘affordable rent’, ‘Mid-Market rent’, and ‘cost rental’ in other neighbouring jurisdictions, and seeks to provide high quality, well managed, affordable homes for rent for tenants who cannot or do not wish to access home ownership and would be unlikely to attain sufficient points to have a realistic chance of accessing social housing in an area of choice. Models of this kind have been operational across the UK and Ireland for some time, but have yet to be provided in any formal way in the housing market here.

**Why your views matter**

Following a period of research, evidence gathering, and informal engagement, the Department has now developed an outline framework of proposals for the introduction of an Intermediate Rent model. The purpose of this consultation document is to set out these proposals and to seek your views on the proposed Intermediate Rent model framework. The Department intends to supplement this document with structured engagement with potential tenants and delivery partners to seek their specific views on the benefits or barriers for them with the proposed model.

<https://consultations.nidirect.gov.uk/dfc-psu/intermediate-rent-model-consultation>

The information you provide in completing this survey will be controlled and processed in line with Data Protection Legislation by the DfC and its Communications Unit.  To find out more about how we handle your personal information, DfC’s Privacy Notice can be viewed online at [www.communities-ni.gov.uk/dfc-privacy-notice](http://www.communities-ni.gov.uk/dfc-privacy-notice).

In order to facilitate the survey, Citizen Space, which is not operated by DfC, is used as a data processor.  Details of Citizen Space's privacy policy can be found online at [www.delib.net/legal/privacy\_policy](http://www.delib.net/legal/privacy_policy).

**Summary of Consultation Questions**

Your response to the matters contained in this consultation, including the following questions, will help inform the Department’s development of an Intermediate Rent product.

You do not need to answer all the questions provided. Please only respond to questions that you feel are relevant to you.

**Further Information**

In responding to this consultation please do not submit any sensitive personal data or information.  You are under no obligation to provide personal details in responding to this consultation.

We will only use your information for the purposes of analysis of feedback to this consultation, and to contact you at your request to follow up on matters raised.  Whether you are responding on behalf of an organisation or as an individual, please indicate if you consent for your identity to be made public, or otherwise.  If at a future time you wish to withdraw your consent to your identity being published please contact the Department using the email/postal address details provided in the consultation document.

Q1: Are you responding as an individual or on behalf of organisation?

As an individual

On behalf of an organisation

| **Please confirm whether you are replying as an individual or submitting an official response on behalf of an organisation and provide:** | |
| --- | --- |
| **Your name** |  |
| **Your position in organisation (if applicable)** |  |
| **The name of your organisation (if applicable)** |  |
| **Your email address** |  |
| **Do you consent for your identity to be made public?** | **Yes/No (select as appropriate)** |

Q2: If you are responding as an individual, in which capacity are you completing these questions? (please tick one)

From a tenant perspective

From a landlord / housing provider perspective

Other (please specify) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Q3: If you are responding on behalf of an organisation, which of the following best describes you? Please leave blank if you are answering as an individual.

Landlord / housing provider

Property/letting agent

Property developer

Local Government/Council

A housing sector representative body

Charity dealing with housing issues

Other (please specify) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Would an Intermediate Rent home be suitable for me?

**The Department proposes that it will work with interested parties to develop a programme to supply Intermediate Rent homes offering secure, affordable, good quality, well managed homes to lower income households, at below market rents, in areas of choice. Prospective tenants will apply for an Intermediate Rent home in a similar way to other private rentals.**

Q4: To what extent do you agree there is a need for the introduction of a new intermediate rental product as described?

Strongly Agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

We would be particularly interested in your views around the potential benefits or potential disadvantages of an Intermediate Rent model:

Q5: To what extent do you agree with the proposed application process outlined?

Strongly Agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please outline your reasons:

Q6: To what extent do you agree with the listed household descriptions which are likely to benefit most from Intermediate Rent homes?

Strongly Agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please outline the reasons for your response:

How will Intermediate Rent levels be set and reviewed?

**The Department proposes that Intermediate Rents will initially be set at up to 80% of market rent for the same type and size of property within the same geographical area. Regular rent reviews will operate, and an agreed uprating formula will be used to determine rent increases.**

Q7: Based on evidence and research it is proposed that Intermediate Rents are initially set at up to 80% of local market rents for similar types and sizes of properties. Do you agree this proposal would be reasonable and attractive?

Yes No

Reasonable

Attractive

Please outline the reasons for your response:

Q8: Do you agree with the proposed uprating arrangements?

Yes

No

Q9: Do you consider an alternative uprating approach would work better to ensure Intermediate Rent offers affordability to tenants and viability to the programme operator?

Yes

No

Please outline the reasons for your response:

What will the Eligibility Criteria be for an Intermediate Rent tenancy?

**The Department proposes that targeting Intermediate Rent homes to lower income households is central to the programme.  There will therefore be an income eligibility criterion.**

Q10: To what extent do you agree with the proposed initial income bands for accessing an Intermediate Rent home?

Strongly Agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please outline the reasons for your response:

Q11: It is proposed that income can come from a variety of sources e.g. earned income, interest on savings, private pension income as well as housing related benefits. To what extent do you agree these and other types of income should be considered when accessing an Intermediate Rent home?

Strongly Agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please outline the reasons for your response and give examples of any other incomes sources which should be considered:

Q12: Do you think the level of savings held by prospective tenants should be considered as part of eligibility and / or an affordability assessment when applying for an Intermediate Rent home?

* Yes
* No

Please outline the reasons for your response:

***Within the eligibility criteria for an Intermediate Rent home, priority may be given to prospective tenants subject to certain circumstances. Examples of these circumstances include:***

* ***Currently live or work in the local area (for example within a 15 mile radius of the dwelling);***
* ***Have close family connections living within the same neighbourhood;***
* ***Lack security of tenure in their current home;***
* ***Are on the waiting list for social housing.***

Q13: Do you agree consideration should be given to additional eligibility criteria in such circumstances?

Yes

No

Please outline the reasons for your response:

Would tenants need to provide references, a deposit or a guarantor?

**The Department proposes that in line with other private tenancies, Intermediate Rent tenants will provide references and can build up a deposit.**

## Q14: For other private rentals it is common for landlords to ask for references and deposits. To what extent do you agree with the approach to references as outlined for Intermediate Rent tenancies?

Strongly Agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please outline the reasons for your response:

Q15: To what extent do you agree with the proposal that a tenancy deposit should be applicable to Intermediate Rent homes (instead of the need for a guarantor), which can be gathered over the initial period of the tenancy where the tenant requests that?

Strongly Agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please outline the reasons for your response:

How long would an Intermediate Rent Tenancy Last for?

**The Department proposes that Intermediate Rent tenancies would be offered for a duration of (up to) 5 years. Tenancies will be reviewed and may be renewed.  Where a tenant moves on, the programme operator will work with them as they transition to a new home.**

Q16: What advantages and challenges can you identify for Intermediate Rent tenancies of (eg up to) five years in duration with an opportunity to renew?

Advantages:

Challenges:

Q17. To what extent do agree with the Department’s proposal that Intermediate Rent tenancies should be subject to review with an opportunity to renew after the initial tenancy term?

Strongly Agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please outline the reasons for your response:

Q18: As an initial Intermediate Rent tenancy comes to an end, please rate your preferred option (1-3) around next steps from the following list:

* Reapplication and eligibility checks if tenant wishes to remain in property
* Tenancy renewed without need for eligibility checks on agreement of tenant and landlord
* Option to have a rolling tenancy
* No option to extend the tenancy, tenant to leave property at end of initial tenancy
* Other (Please specify below)

What Tenancy Support and Management Services will be available?

**The Department proposes that Intermediate Rent tenants will have available a network of support services, provided either directly through the programme operator or through other organisations, to help support them to maintain their tenancy.**

Q19: To what extent do you agree with the suggested approach of Intermediate Rent programme operators offering support services to tenants?

Strongly Agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please outline the reasons for your response:

Q20: What type of tenancy support services, if any, would you suggest are appropriate to be delivered to Intermediate Rent tenants?

*Examples may include how to access benefits advice services, advice around avoiding or managing arrears, advice on how to access healthcare or educational services.*

Please outline the reasons for your response:

Intermediate Rent Programme Operator

**The Department proposes that the Intermediate Rent programme should be delivered by a single programme operator, either a standalone charity established for this purpose or a housing association subsidiary, with housing experience, and dedicated to Intermediate Rent delivery.**

Q21: Do you agree with the proposal that a single entity should be appointed with responsibility to act as Intermediate Rent programme operator in delivering Intermediate Rent homes?

Yes

No

Please outline the reasons for your response:

Regulating an Intermediate Rent Programme Operator

**The Department proposes that specific regulatory arrangements, complementing the Private Rented Sector regulatory regime, should be applicable to the Intermediate Rent programme operator to provide appropriate governance, and to provide confidence to attract private finance.**

Q22: To what extent do you agree with the Department’s analysis of the regulatory arrangements for an Intermediate Rent programme operator?

Strongly Agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Q23: Are there any additional regulatory matters which the Department should seek to apply to delivery arrangements?

Please outline any additional regulatory matters which should be considered:

Delivering a Core Intermediate Rent Framework

**The Department proposes that a core framework model, informed by input from key statutory bodies, will provide an effective model for the delivery of much needed Intermediate Rent homes of good design and quality in areas of identified need.**

Q24: To what extent do you agree that the programme operator should be involved in developing the specification for Intermediate Rent Homes (this may include eg the location, rent setting, and the quality standard)?

Strongly Agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please outline the reasons for your response:

Designing, Delivering and Funding a Financially Viable Model

**The Department proposes that a model based around the established practice (a blended approach between the social development and shared ownership delivery models) should broadly apply to a new Intermediate Rent model.**

Q25: Do you agree with the use of primarily Financial Transactions Capital loan funding to support the delivery of a supply of Intermediate Rent homes?

Yes

No

Please give reasons for your response:

Q26: To what extent do you agree with the methodology outlined to calculate the costs to subsidise Intermediate Rent development?

Strongly Agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please outline the reasons for your response:

Delivering Intermediate Rent Homes – Construction, Development and Standards

**The Department proposes that Intermediate Rent homes should meet the minimum statutory construction and quality standards, with opportunity for additional requirements as necessary.**

Q27: It is the Department’s view that all Intermediate Rent Homes will be required to meet the statutory building standards and statutory housing fitness standard as a minimum. Do you think that additional design and construction standards should apply to Intermediate Rent homes?

Yes

No

Please outline your reasons why:

Q28: Do you have any other data, evidence or information to help shape the development and delivery of an Intermediate Rent model that have not been captured elsewhere in this document?

Q29: Do you agree with the proposed outcomes identified as a way to identify the success of the programme?

Yes

No

Q30: Do you wish to propose additional outcomes for consideration?

***The Department has prepared and published an equality screening in relation to the content of the matters contained in this paper, available at:***

[***https://www.communities-ni.gov.uk/dfc-equality***](https://www.communities-ni.gov.uk/dfc-equality)

Q31: There are nine equality categories defined under Section 75 of the Northern Ireland Act 1998. Do you think that introducing an Intermediate Rent programme in Northern Ireland would impact on people from the Section 75 groups differently? If yes, please provide details.

Yes

No

Q32: Do you hold any additional data or evidence which the Department should consider on the potential impacts in respect of rural needs and data protection impacts?

**Thank you for completing this consultation questionnaire.**

**Your response should be sent by email to** [**AffordableRentBranch@communites-ni.gov.uk**](mailto:AffordableRentBranch@communites-ni.gov.uk/consultations) **or by post to the address below by Friday 14th January 2022.**

Intermediate Rent Consultation

Affordable Rent Branch

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