Mainstreaming Mixed-Tenure in Northern Ireland

The way forward for developing homes?

Department for Communities

NIFHA
NORTHERN IRELAND
FEDERATION OF HOUSING ASSOCIATIONS

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**def. thinkpiece** – an article or paper based on opinion, ideas, analysis or discussion rather than bare facts and figures. The aim of a thinkpiece is to promote new thinking and generate debate; it does not represent a definitive policy position.

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**The purpose of a thinkpiece**

**An Introduction**

The Department for Communities (DfC) and the Northern Ireland Federation of Housing Associations (NIFHA) have collaboratively produced and published this thinkpiece. Our aim is to further the discussion and debate on the future role of mixed-tenure development in Northern Ireland, as part of the wider housing and regeneration agenda.

This thinkpiece has been informed by existing research evidence, a study visit to England (where mixed-tenure development is the norm) and discussions with a range of housing providers in Northern Ireland from both housing policy and delivery backgrounds.

The paper is not intended to be a definitive review or evaluation. Rather, it seeks to add to our collective knowledge and stimulate discussion on the practicalities involved in establishing and maintaining successful mixed-tenure communities.

We hope that the thinkpiece findings will inform discussion and debate with providers of social and affordable housing and the wider housing sector, including private developers, lenders, local government, planners, architects and construction industry representatives.
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Key learning points

01 Mixed-tenure development is a potential key enabler for many of the outcomes in the draft Programme for Government 2016-21.

02 Interest in and aspiration to progress purposeful mixed-tenure development is increasing in Northern Ireland.

03 Mixed-tenure offers the possibility of making housing development more viable and opening up new land opportunities.

04 Mixed-tenure development is not without its risks. That said, learning suggests these risks are not insurmountable.

05 Piloting in a local context is key to progressing the mixed-tenure development agenda in Northern Ireland.

06 There is not a ‘one size fits all’ model for mixed-tenure development. Context is critical, as is having the flexibility to adapt to changing circumstances.

07 Good housing design and sense of place are crucial to successful mixed-tenure development.

08 The creation of vibrant and sustainable communities involves more than good housing. Environments need to be designed to support economic growth and the general health and wellbeing of residents.

09 Partnership working is essential to progressing mixed-tenure development and all housing stakeholders (from policy-makers to those involved in housing delivery on the ground) have a role to play in helping make mixed-tenure an accepted and desirable housing option.

10 Local councils’ Local Development Planning will be key to progressing the mixed-tenure agenda in Northern Ireland. Work continues with councils to jointly develop policies to support mixed-tenure development as part of the LDP process.
Great Homes
Thriving Communities

**Mixed-tenure** is residential development which combines a range of tenure options, which can include owner-occupier housing, shared ownership housing and rental properties (social, intermediate and private). The focus of mixed-tenure development is fostering greater social, economic and community mix to support thriving and sustainable communities.
01 What is mixed-tenure?

The term mixed-tenure means different things to different people. A 2015 report by the National House Building Council (NHBC) Foundation and Homes and Communities Agency (HCA) looking at tenure integration recognised that the terms mixed tenure, tenure blindness and mixed communities are commonly used interchangeably.

It is fair to say that all of these terms have become synonymous with the notion of social and income mix. However, as illustrated by public or social housing developments where a number of former tenants have purchased their homes or where they are being let for private rent, it is evident that tenure mixing can take place without any significant impact on the social or income mix of the community.

Our understanding of genuinely mixed-tenure development is that it will aim to encourage and facilitate mix not only of different tenure types, but also in terms of broader demographic factors, including social, economic and community background.

To this end, we have developed the definition set out on page six to summarise our understanding of the form and focus of mixed-tenure development.

Frequently, mixed-tenure developments will include an element of mixed use, with facilities for health, education, community, retail or commercial space incorporated within the overall design plan. Mixed-use development recognises that, while housing is a cornerstone for building thriving and sustainable communities, it is unlikely to deliver such communities in isolation.

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02 Why is it important for Northern Ireland?

There are a number of prompts for this thinkpiece. The purpose of the Northern Ireland draft Programme for Government (PfG) 2016-21 is "Improving wellbeing for all by tackling disadvantage and driving economic growth". It introduces an outcomes-based approach intended to measure the improved wellbeing of our society as a result of Government’s initiatives and interventions, working with its delivery partners.

Housing is a key enabler for many of the outcomes in the draft PfG and there is also recognition that a broader approach to delivering housing across all tenures is necessary in order to fully realise the draft PfG ambitions.

However, while the building of new homes and increasing housing supply more generally will undoubtedly have a significant and lasting impact on improving individual wellbeing, mixed-tenure development has the potential to help deliver wider societal benefits, including tackling disadvantage and segregation.

The PfG will be delivered in an increasingly constrained public spending environment and will require us to look beyond public funding for the provision of homes for those most in need. Mixed-tenure development offers opportunities for cross-subsidy, new partnerships and new funding streams that could potentially support sustained social and affordable housing, as well as boosting private house building.

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The three key drivers underpinning mixed-tenure development are:

01
The growing acceptance that mixed-tenure supports the development of more successful and sustainable communities, including mixed identity communities;

02
The potential to increase housing supply across tenures through new partnerships and models that could enhance viability and value for money;

03
The growing trend for housing developers and housing associations to develop a more diverse range of housing options and models and willingness to work in partnership with other providers to deliver these.

“Mixed-tenure development has the potential to deliver wider social benefits, including tackling disadvantage and segregation.”
03 What’s happening now?

House Sales Scheme

The House Sales Scheme (HSS), Northern Ireland’s version of the Right to Buy scheme, was established in 1979 to facilitate the sale of social homes at a discount to sitting tenants. This scheme has undoubtedly had the greatest impact to date in supporting the creation of mixed-tenure housing in Northern Ireland.

That said, a major criticism of the HSS is that it has not delivered genuinely mixed communities because the people living in the homes, regardless of tenure, tend to have the same social and economic status and community backgrounds. Other criticisms levelled at the policy include that it has facilitated the sale of better homes in better areas meaning that social rented stock is now disproportionately situated in areas of deprivation. It has also led to reduced availability of social homes for those in housing need.

A further criticism of the HSS relates to the fact that, as some social homes sold under the scheme have ended up in the Private Rented Sector (PRS), there is the potential for a number of negative financial implications, most notably a potential increase in the Housing Benefit bill and the extra costs to tenants who have to make up a shortfall between Housing Benefit and their rent. It ought to be noted however, that there is conflicting evidence in relation to the extent that the HSS has supported the rise of the PRS.

Purposeful mixed-tenure

Purposeful mixed-tenure, whereby housing developments are designed from the outset to include different tenure options, is not the norm in Northern Ireland. But there is some evidence that there is now an aspiration to increase the provision of mixed-tenure communities, with this form of development being referenced by politicians, policy-makers and practitioners.

Moreover, several of the larger housing associations here are beginning to integrate shared ownership housing into predominantly social housing developments. These include developments at Visteon (Belfast), Mountview (Lisburn) and Fort Green (Bangor). Some of these larger-scale sites will also be mixed use, with commercial and retail space alongside community facilities.

Government is also progressing mixed-tenure development on a signature project at the St Patrick’s Barracks site in Ballymena that will provide new homes across all tenures along with leisure facilities and commercial, retail, office, social enterprise and community space.
A major brownfield mixed use regeneration scheme providing new homes, community facilities, play and leisure facilities and commercial/commerce space.

Radius Housing’s flagship development at the former Visteon site seeks to address the significant social housing need within West Belfast, but with a mixed-tenure element through the inclusion of affordable homes for sale by way of shared ownership, as well as homes for outright sale.

Social housing, affordable homes and homes for outright sale will be ‘pepper-potted’ across the ‘village green’ development, with social housing comprising 80% of the total housing to be provided.

Nearly fifteen percent of the site will be retained as high quality public open space. The development design creates intimate groups of housing around individual ‘village greens’, with these homes overlooking the open space provision. In addition to the ‘village green’ concept, the scheme will include a park along the boundary to the adjacent residential areas.

The redevelopment includes a bespoke community hub to ensure services are delivered to the future residents and local community as well as circa 60,000 sq ft of employment space to ensure long-term sustainability and employment opportunities.
**Developer contributions**

One policy lever which is absent in Northern Ireland, but which is used across Great Britain and the Republic of Ireland to create mixed-tenure communities and increase housing supply, is Developer Contributions Schemes (DCS).

Under these schemes, housing developers are expected to contribute houses, land or commuted sums towards the provision of social and affordable homes. The contributions are levied on new developments through the planning process, thus assisting in the development of new neighbourhoods with multiple tenures.

While a Developer Contributions policy was developed and consulted on in Northern Ireland in 2015, this option was not pursued. Given the market conditions at that time and the nature of the proposed model, developers successfully advocated that the policy would not be sustainable and could threaten market recovery. This position was reinforced by independent research on the economic impacts of a DCS in Northern Ireland. However, as market conditions continue to improve and with a potentially revised model, there could be scope to revisit this option in the future.

**Community planning and local development planning**

The Strategic Planning Policy Statement (SPPS) sets the strategic direction for the councils to bring forward detailed operational policies within future local development plans. The SPPS states that ‘the aim should be to create well-linked, mixed-tenure neighbourhoods.’

In 2015, planning powers transferred to local government. Each council will deliver its own Local Development Plan (LDP), which takes account of its Community Plan, setting a clear vision of how the council area should develop over the longer term.

In doing so, councils must consider how they might deliver balanced communities through their LDPs which must take into account how they might provide good quality housing offering a variety of house types, sizes and tenures to meet different needs. It is worth noting that many local councils have already indicated support for a mixed-tenure approach as evidenced within their Preferred Options Papers produced as part of the LDP process.

This is indicative of wider interest across local government in the potential of mixed-tenure development as a local housing solution and a willingness to make this a requirement of the planning process. Work continues with councils to jointly develop policies to support mixed-tenure development as part of the LDP process.

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3 In England and Wales, these planning obligations are known as Section 106 agreements (based on that section of The 1990 Town and Country Planning Act), with the Scottish equivalent being a Section 75 agreement.


New funding streams

Government is providing significant investment in affordable housing through Financial Transactions Capital (FTC) loans, with nearly £140 million in loan funding already committed to affordable housing projects.

This funding enables the provision of shared ownership homes, the refurbishment and reuse of empty properties and the piloting of a new rent to own product which aims to provide a pathway to homeownership for those who are not yet financially ready to purchase a home.6

Another potential source of funding for mixed-tenure development has arisen as a result of the Fresh Start Agreement, which identified £500m for shared education and housing. The 2011 Census suggests that mixed-tenure areas are more likely to be shared and integrated communities which could lead to some of this funding being made available to facilitate tenure mix as a means of encouraging greater integration across different community backgrounds.

6 This includes £100m to support the Northern Ireland Co-Ownership scheme, £31.5m to pilot the Rent to Own and Affordable Home Loans Fund schemes, and just over £9m for Empty Homes funding.
04 Why promote mixed-tenure development?

The potential social and economic benefits of mixed tenure include:

01 Reducing ‘place and tenure-based’ stigma

02 Reduced levels of crime and anti-social behaviour

03 Improved sense of community and social cohesion

04 Better job prospects and improved school attainment

05 Improved physical and mental health of residents

“To create successful and sustainable communities, housing developers will need to work with others to create environments which promote and sustain economic opportunities and support the health and wellbeing of residents.”
Mixed-tenure development has been championed as a key policy lever in supporting the delivery of a range of social and economic benefits. Academic and other research, as well as anecdotal evidence, identifies a number of positive impacts from mixed-tenure development compared to mono-tenure development, particularly large-scale single tenure social housing development, including the five points illustrated on page 14.  

Clearly, mixed-tenure development is not a panacea for all social problems and cannot deliver positive outcomes without other complementary policy initiatives. Nevertheless, it provides a strong foundation for these to succeed. In order to create successful and sustainable communities, housing developers will need to work with others to create environments which promote and sustain economic opportunities (including ensuring good linkages with centres for employment and other service provision) and support the health and wellbeing of residents.

As noted previously, Northern Ireland may also derive a unique benefit from mixed-tenure development in supporting greater integration in terms of shared housing and shared space. Single tenure social housing schemes are also often single identity. Over 90% of social housing areas remain segregated into predominantly single identity communities, with this rising to 94% in Belfast. Creating more mixed-tenure communities could allow people greater choice and flexibility and encourage integration and inclusion.

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7 A number of research pieces were reviewed including:


05 Supporting the supply of new homes

In its recent report, available on the DfC website: https://www.communities-ni.gov.uk/publications/housing-market-symposium-report, the Housing Market Symposium concluded that there is a housing supply deficit in Northern Ireland. The undersupply identified has been particularly marked in private sector housing, with a significant decline in the number of new homes for market sale since the property crash of 2007/08.

Housing providers and delivery partners involved in the debate differ as to why this is the case and put forward a variety of potential reasons such as access to finance, the inherent risks of housing development, access to land etc. Mixed-tenure development could help address some of these to a degree.

The partnership approach that often accompanies mixed-tenure development (usually through planning conditions) can offer significant benefits for private developers, not least by ensuring guaranteed sales to housing associations for social and affordable homes, which supports development cashflow.

If private developers choose to also provide shared ownership and private rented homes, they can benefit from new income streams through rents and capital gains, leading to more secure and sustainable financing.

For housing associations, this partnership approach brings access to land in areas in which they may not traditionally have been able to purchase. Housing associations delivering mixed-tenure developments outright will use the surplus from private and shared ownership sales to cross-subsidise social and intermediate rental properties.

Another major challenge in increasing housing supply is the availability of suitable sites for development. Partnership approaches to large sites, whether through planning conditions, joint ventures or new procurement routes, could enable private house builders to take on larger-scale development and also open up access to land for housing associations.

Another interesting and potentially beneficial aspect of mixed-tenure development is the location of new homes. For example, in Scotland new social housing delivered by public housing grant alone is much more likely to be located in deprived neighbourhoods than social housing secured through planning conditions.9

Land purchased primarily to deliver homes for outright sale will be in an area where people want to live, with access to good quality services and infrastructure. When social and affordable housing is included in these developments, it opens up new areas and facilities to people who previously may have been unable to access them.

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Bringing empty homes back into use to address housing need

Clanmil’s first phase of refurbishment of ex-Ministry of Defence homes at Mountview Drive, Lisburn delivered a total of 36 homes (17 affordable and 19 social). The affordable homes, a mix of detached and semi-detached properties, had an average asking price of £100k - £115k and were marketed through Clanmil’s shared ownership product, Own a Home.* It is planned that the second phase of development will deliver a total of 59 homes (29 affordable and 30 social).**

*The Fairshare product [the new shared ownership product developed under the Affordable Homes Loans Fund] was not used for this scheme as it had not been fully developed. Instead, Clanmil used its ‘Own a Home’ scheme model. Fairshare evolved out of the difficulties some housing associations encountered with lenders when they were all using their own shared ownership models.

**If purchasers cannot be secured for the homes allocated for affordable housing within a reasonable period of marketing, the properties will be used for social housing.
In shifting the focus to mixed-tenure development, there is a risk of reduced housing supply, particularly of social housing, at least in the short term. Housing associations are predominantly focused on the delivery of social housing, meeting ambitious annual targets.

If housing associations are to place a greater emphasis on delivering new homes of all tenures, as well as shaping place and communities, in the short term, fewer new social rented homes may be built. Private developers will likely want to test this new market and progress smaller developments to ensure that mixed-tenure schemes appeal to prospective purchasers.

In this context, it is worth emphasising the longer-term benefits of mixed-tenure, most notably, that it is geared towards building more sustainable communities where people want to live, work and socialise.

Housing associations were established for social and charitable purposes around the provision of housing for those most in need. There is some concern that diversifying the business model to include other forms of tenure provision could negatively impact on their core social purpose.

That said, as mature organisations with strong leadership and focus and with both the capacity and willingness to learn lessons from the successes and failures of counterparts in Great Britain, this is a risk that housing association boards should be able to successfully guard against. In doing so, housing associations will need to consider their risk appetite in relation to such matters. Also worth taking into account are the needs and requirements of housing associations’ private funders as they will have borrowed privately.

Private developers in Northern Ireland have tended to operate using a traditional development model and with a core product. Diversification of their market, model, income streams and product brings risk.

There is evidence in the local market, however, of private developers pioneering new approaches, such as the proposed build to rent project led by Lacuna Developments and Watkin Jones in Belfast City Centre.

Ensuring the market value of the homes they build is not affected by the inclusion of social and affordable housing is another concern for private developers. There is a perception that social housing could negatively impact the demand for, and sales price of, new homes. This was one factor which contributed to some of the resistance to the proposed Developer Contributions Policy in 2015.

For housing associations, there is a risk that generating increased revenue through cross-subsidy will negatively impact on the level of Government funding they receive and that, as a result, overall funding available for social and affordable housing may stay the same or even reduce.

That said, if cross-subsidy is successful, this will potentially release much needed funding for Government to direct towards other priority areas. It is considered therefore that it might be valuable to conduct research into the potential to utilise cross-subsidy arrangements in Northern Ireland.
07 What we’ve learned

“Yorkshire was chosen as the best location to visit to see mixed-tenure development ‘on the ground’ due to the similarities between the housing markets and the size and scope of housing associations in the North of England and Northern Ireland.”

As previously stated, this thinkpiece has been informed by extensive research using academic and policy studies, current housing policy and practice, a study trip to Yorkshire and discussion with a range of stakeholders. The study trip focused on mixed-tenure development by housing associations, often working in partnership with private house builders, and exploring how those models work.

The visit involved two housing associations, Yorkshire Housing and Wakefield and District Housing [WDH]. Discussions with colleagues within the associations and site visits provided a sound overview and practical understanding of mixed-tenure development.
WDH was created in 2005 following the stock transfer of just over 31,000 properties from Wakefield Council. As the name suggests, WDH operates within the Wakefield district.

In addition to management of its social housing dwellings, WDH is taking forward work on the development of a range of homeownership options, including outright sale and shared ownership.

This will continue the progression of development of properties for outright sale and shared ownership through an in-house construction team, HomeBuilder, and joint ventures – in line with agreed plans under reduced revenues. The organisation also plans to provide free internet access to tenants within the Wakefield district.

WDH is one of very few housing associations in the UK which is building new homes using its own workforce and aims to double its new build programme.

The team consists of skilled construction employees, including a number of apprentices. By building more affordable homes using its own workforce, WDH is able to meet the challenges of the housing market while reducing delivery costs compared to using an external constructor or developer.
Yorkshire Housing is the region’s biggest developing housing association, managing more than 18,000 affordable and social rent homes throughout Yorkshire. It is a £101m turnover, charitable business employing over 700 people.

Its main activity continues to be the building and provision of rented properties, providing social housing as well as housing at a market rent via its subsidiary (YH Residential Limited).

The association also provides housing for sale, mostly on a shared ownership basis, and delivers other Government contracts to support low cost homeownership initiatives through its subsidiary.

In March 2017, it committed to increasing the supply of affordable housing by providing 3,000 new homes by 2021 across a range of tenures including houses for rent and sale.

Laird Way, Penistone, consists of 36 new homes comprising two, three and four-bedroom houses. Twenty-seven of the homes are for outright sale, seven are shared ownership and two are for rent. The homes were handed over in March, 2018.
Yorkshire was chosen as the best location to visit to see mixed-tenure development ‘on the ground’ due to the similarities between the housing markets and the size and scope of housing associations in the North of England and Northern Ireland.

Yorkshire also offered a closer match to the economic and social characteristics of Northern Ireland than Southern England, particularly those areas around London. It is also the case that the mixed-tenure agenda seems more fully evolved in this location, and in England more generally, than in the other devolved administrations and the Republic of Ireland.

There are a number of key differences between Northern Ireland and England in terms of housing delivery and, more specifically, housing delivery in a mixed-tenure setting. A number of these differences have already been alluded to, but they are worth summarising here in the context of the lessons learned from our study visit and other research.

As previously mentioned, one of the major areas of divergence is that England has a well-established system of Developer Contributions in place (albeit that there have been some recent policy amendments to the negotiation of Section 106 agreements). Our desktop research highlighted that this system (referred to as Section 106 agreements) is not universally popular, with some developers and in particular smaller developers, complaining that it is difficult to work with. Some of this research also indicated that cuts in grant funding for social housing in England over the past 10 years, have significantly impacted on the capacity of housing associations to acquire houses via Section 106 agreements on private sector-led sites.10

That said, both Yorkshire Housing and Wakefield and District Housing reported that they still acquire a significant proportion of their social and affordable homes via Section 106 and that they worked well with private sector partners. Yorkshire Housing reported that approximately 70% of its new stock was developed through Section 106 agreements.

The absence of public funding for social housing and limited funds for affordable rent and shared ownership11 have also had another important impact on mixed-tenure development in England, prompting a number of housing associations to develop cross-subsidy models to support the delivery of social and affordable housing.

Under this model, housing associations purchase and ‘develop out’ sites themselves, using the profits achieved on their market sale properties to fund other tenure options i.e. social, affordable and private rent and shared ownership. Northern Ireland still provides significant grant funding (on a par with Scotland and Wales) for social housing and there is a continuing political imperative to provide necessary levels of social housing.

However, even taking these differences into account, the study trip, wider research and conversations amongst policy-makers and providers presented some potential and very significant transferable learning opportunities.

10 & 11 Savills, (2013), Additionality of Affordable Housing.
Key themes: A number of key themes emerged

01
Good design and sense of place are crucial. Essential components for success are good design and build quality with no or limited outward architectural distinction between tenures.

02
Context is critical, for example there will be differences in how mixed-tenure development is approached to regenerate existing areas and new build schemes.

03
Where possible, there should be an integrated management system for all tenures (owner-occupier, shared ownership, market, intermediate rent and social rent) as this underpins the development of a more coherent and cohesive long-term strategy for the development. The management of the development and any associated service charges for the different tenures of properties is crucial.

04
Involving residents in the planning, design and management of developments is essential to fostering a sense of ownership and belonging and eradicating the sense of ‘otherness’ in relation to occupants of different tenures.
05 Part of what makes a community sustainable is a well-integrated mix of decent housing of different types and tenures to support a wide range of households of different sizes, ages and incomes.

06 Allocation of homes is potentially an important factor in progressing mixed-tenure schemes, particularly larger schemes with a significant proportion of social homes.

07 Shared ownership has traditionally played a significant role in mixed-tenure development as it has often been viewed as the more desirable option by developers and prospective residents. Other newer products that could be considered for future mixed-tenure schemes include Mid-Rent and Rent to Own.

08 Good housing is only one element, albeit an important one, in the development of successful and sustainable communities. Housing developers need to work with others to create environments which promote and sustain economic opportunities (including ensuring good linkages with centres for employment) and support the health and wellbeing of residents.

12 Under shared ownership schemes, purchasers buy a share of their home with a mortgage. They then pay rent on the remaining share of the property, which is owned by the relevant housing association.
Lessons from Shared Ownership

Desktop research and study trip findings indicate that shared ownership can be a key anchor for mixed-tenure developments, most notably alongside affordable rent. Indeed it has been suggested that shared ownership and affordable rent\textsuperscript{13} offer the potential for ‘pepper-potted’ mixed-tenure development. While Northern Ireland does not have an affordable rental product, there is interest among housing associations in developing intermediate or mid-market rental options.

Shared ownership is not without its difficulties as a component within mixed-tenure developments. Wakefield and District Housing commented that it had found that shared ownership was problematic in low value areas. This may be due to the fact that buyers in these areas do not require shared ownership, given the low price points, or that one reason buyers value shared ownership is because it provides them with the means to stretch their budget to purchase in more popular areas. Yorkshire Housing reported that it completely withdrew from shared ownership following the property crash in 2007 and that it has only more recently re-entered the market for this product.

There are key differences between the English and Northern Irish experience and understanding of the shared ownership product. Northern Ireland ‘staircasing’ rates, the process by which shared owners progress to full homeownership, have historically been significantly higher than those witnessed in England and the other devolved administrations. Yorkshire Housing reported that less than 50\% of its customers ‘staircased’ out. This compares to Northern Ireland Co-Ownership rates of approximately 80\% of customers ‘staircasing’ within ten years of entry to the scheme.

Also, until relatively recently, neither Yorkshire Housing nor Wakefield and District Housing placed any emphasis on ‘staircasing’ and they did not make any assumptions on ‘staircasing’ rates in their forecasting or financial viability assessments for mixed-tenure developments. In contrast, the Northern Ireland Executive loan funding for the shared ownership schemes in operation here (both the Northern Ireland Co-Ownership scheme and the Affordable Home Loans Fund pilot) is predicated on ‘staircasing’ assumptions.

Shared ownership also tends to be a more ‘portable product’ in England and the other devolved administrations because, unlike in Northern Ireland, shared owners are permitted to sell their share in a property and immediately use the resulting equity to fund a share in a new home.

In other jurisdictions shared ownership functions more like a tenure in its own right, rather than acting as a mere ‘stepping stone’ to owner occupation. This distinction has important implications for how we understand shared ownership within a mixed-tenure setting. For instance, a key factor underpinning the successful mixing of shared ownership and affordable rent in other jurisdictions may be that the offer of shared ownership as a more permanent tenure choice means that shared owners share a lot of commonalities with their renter neighbours, such as income levels and aspirations.

In this context, it will be useful to keep a ‘watching brief’ on Yorkshire Housing, given that its re-launched shared ownership product has a stronger commercial aspect, including a focus on encouraging and supporting shared owners to ‘staircase’ as quickly as their circumstances will allow.

\textsuperscript{13} Affordable rent is a type of social housing provided by social housing landlords. The rent is called ‘affordable’, but is a higher rent than would normally be charged for social housing. The landlord can charge up to 80\% of what it would cost if the property was being rented privately.
“Seven main evidence gaps relating to mixed-tenure development in Northern Ireland were identified.”
08 Translating the lessons from Yorkshire to Northern Ireland

While the study visit to Yorkshire provided a very useful template for consideration, what works in one area cannot simply be replicated in another and it is essential to take into account the local context.

Using the research and subsequent analysis, and informed by feedback from a number of key stakeholders, seven main evidence gaps relating to mixed-tenure development in Northern Ireland were identified, namely:

01
The most effective spatial configuration of developments i.e. integrated or ‘pepper-potted’ housing, segregated or clustered housing and how this is impacted by the scale of developments in terms of numbers of homes and residents.

02
The optimum mix to encourage social cohesion, maintain property prices and help create stable communities.

03
How to reconcile the need for ‘tenure blindness’ against various other needs, for example the space standards required for social housing and turnkey finish that private sector purchasers may be used to, such as higher specification finishes and en-suite bathrooms.

04
How to overcome the fears of developers, lenders and potential homeowners about the impact that mixed-tenure development has on house prices and desirability and on the experience of living in a mixed community.

05
Whether the organisational structure of businesses needs to change to support mixed-tenure development, with increased outright sales activity for housing associations and more social/affordable housing activity for private developers.

06
Whether the policy and regulatory environment needs to change to facilitate more mixed-tenure development.

07
Whether there is market demand analysis to inform the affordable (for sale and rent) element of potential schemes.

These areas are all significant and require further examination. Many will require the views of policy-makers and practitioners across the housing spectrum and also engagement with prospective homebuyers to gauge the public readiness for mixed-tenure development. While we have sought to develop the thinking around these seven areas, it is with a view to ongoing discussion and debate.
01 Spatial configuration

There are essentially three different approaches to the positioning of different tenures within a mixed-tenure development.

‘Segregated’ where homes of different tenures are concentrated, or in close proximity but with a clear division, e.g. a main road.

‘Clustered’ or ‘Segmented’ where homes of the same tenure are grouped into blocks, terraces or cul-de-sacs within a development.

‘Integrated’ or ‘pepper-potted’ where homes of different tenures are located side-by-side and are dispersed throughout the development.14

These approaches are illustrated in the diagram below.15

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The literature on spatial configuration suggests there is no set ‘blueprint’ for an ideal mixed-tenure development. This was confirmed during the study visit, with both Yorkshire Housing and Wakefield and District Housing advising that they very much determine the configuration of developments on a ‘site by site’ basis.

The associations further advised that this determination was influenced by a whole host of factors, including local planning policy, the size, scale and topography of sites and economic viability. In the Northern Ireland context, it is interesting to note that Yorkshire Housing flagged up that local knowledge and experience can be a key influencer in site configuration with ‘pepper-potted’ or ‘integrated’ housing more likely to be developed in those areas where mixed tenure was more the ‘norm’.

Wakefield and District Housing’s experience, albeit in Section 106 developments where the local authority prescribed the tenure mix, also suggests that it may be easier to integrate some tenures than others, most notably the ‘pepper-potting’ of owner occupier and shared ownership or shared ownership and affordable rent. There are number of reasons for this, including the negative perceptions that can exist of the social rented sector. Some of this stigma surrounds fears of anti-social behaviour, but it also extends to the perception of social rented housing as segregated by identity in a way that is not necessarily true of other tenures.

Again, this is particularly relevant to Northern Ireland given that recent research into the potential to introduce a Developer Contributions Scheme highlighted that some people were fearful about mixed tenure, in particular the integration of social housing in developments, believing that it would negatively impact on house prices and quality of life.

Neither this, nor any of the other research we examined to inform this thinkpiece provided any empirical evidence to support these concerns about price differentials between mixed-tenure developments and mono-tenure schemes.

That said, the mixed-tenure approach is only beginning to gain traction in Northern Ireland, and it is not inconceivable that fear of the unknown or misconceptions about mixed tenure could have a ‘knock-on’ impact on house values, at least in the short term.

The delivery of successful mixed-tenure pilot schemes should help address this issue with key components for success being good design, location and build quality. It should also be highlighted in this context that Northern Ireland also has some specific issues that do not impact on mixed tenure considerations elsewhere, namely, the level of segregation and cultural expression often present in social housing areas that do not tend to manifest in the same way in exclusively private developments.

Research from the NHBC/HCA and Chartered Institute of Housing indicates that housing management issues can be a key influencer on configuration of tenures and, more specifically, where rental properties are situated in developments with many housing associations believing that clustering of houses can achieve efficiencies both in the construction of homes and ongoing management of estates.

This is because different tenure options are likely to have different build specifications, particularly in relation to internal finishes. It is also the case that the level and nature of ongoing services provided by the housing association will vary greatly according to tenure type.

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“There is no ‘one size fits all’ approach to the issue of tenure ratios, rather it is a determination that will be influenced by a variety of considerations on a site by site basis.”
02 Optimum tenure mix

Desktop research highlighted a number of suggested guidelines or theories to achieve optimal tenure ratio or mix. Some studies suggested that in order to achieve successful mixed-tenure no single tenure should comprise more than 50% of the overall development mix, while others suggested mixed-tenure ratios on individual sites should, as far as possible, aim to reflect tenure ratios at overall population level.

However, like the findings on spatial configuration, the study trip confirmed that there is not a ‘one size fits all’ approach to the issue of tenure ratios, rather it is a determination that will be influenced by a variety of considerations on a site by site basis. It is first and foremost an economic and commercial decision and in this context land value is a key driver and tenure mix becomes a pragmatic decision to be determined by demand, viability and return on investment.

Yorkshire Housing reported that while there was no set process or formula for reaching a decision on mixed-tenure ratios, it utilised a variety of approaches to gather intelligence on the local housing market and demand for different tenures, including demographics, data on household formation and information from local estate agents to inform its decision making process. It was noted that it is important to gather this data at a very local level, given the existence of ‘micro markets’ within geographical areas. Once this information has been collated, existing software packages are used to provide detailed analysis.

Moreover, overall ratios will be influenced by the type of development. Yorkshire Housing advised that when developing its own stock it tended to advocate a 50:50 split with social and affordable housing.

On a Section 106 site, ratios are different because the housing association properties may only constitute a small percentage of the site and private market housing will be the dominant tenure.

Housing associations also reported that they had varying influence over Section 106 agreements and the tenure types within a development, albeit they generally have greater influence if they are brought into the process at an early stage.

The importance of building constructive relationships with private developers and other delivery partners, such as local councils, was seen as key to getting the right tenure ratios.

One commonality across the different types of site development is the need for a flexible approach to defining tenure ratios. Both housing associations in Yorkshire reported that they did not set immovable tenure ratios at the outset, but rather kept a ‘watching brief’ on developments and adjusted tenure ratios according to need and changing housing market dynamics, for instance, in selling formerly rented properties. In this context, housing associations commented that such flexibility not only enabled them to react to market forces, but also helped them retain customers as they moved through their housing journey and contributed to the building of more sustainable and successful communities.
03 Tenure blindness

‘Tenure blindness’ appears to be widely accepted as a key component in the development of any successful mixed-tenure development and was certainly advocated by both Yorkshire Housing and Wakefield and District Housing.

In essence, tenure blindness means that there should be no architectural distinction (particularly in the external specifications and standard of finishes) between tenures and that any external design differences should be minimal.20

One of the key reasons for adopting a tenure blind approach within mixed-tenure developments is to help avoid any potential stigmatisation of social housing. Research has shown that visible differences in tenure can contribute to a sense of difference and division between residents which would of course be entirely counterintuitive to efforts to promote mixed-tenure communities in which neighbourly relationships can thrive.

There are of course challenges in providing tenure blind housing. Space standards are considered to be particularly important for social housing,21 and in the interests of efficiency, housing associations often use their own standard house types for their affordable housing provision. However private developers generally prefer to define their own standards, in line with building regulations, in order to provide a wider range of features for their target market such as garages and en-suite bathrooms.

In practice therefore, efforts are made to limit any design differences between tenures to internal rather than external specification where possible. Often homes of different tenures on the same development will comprise of the same outside appearance, but will have different internal specifications depending on tenure type for example, offering a wider choice in kitchens and bathrooms where the property is to be sold. In apartment blocks, tenure blindness may involve having mixed cores, mixed entrances and mixed amenity spaces. A simple product can often meet market demands and both associations visited had reduced specifications and unnecessary additions in their developments.

The tenure blind approach was evidenced in the developments visited during the study visit in which private market and affordable homes looked the same from outward appearance, but with a slightly different specification for the affordable homes.

It was noted that the use of standardised external fittings across each tenure type can help to deliver resultant economies of scale in terms of maintenance and repairs. Yorkshire Housing also reported that in its mixed-tenure developments, railings are now used less and door bells are not fitted as standard with the result that developments look less like social housing.


21 “(as social) tenants, once housed, are less able to move if they need more space and occupy their homes to the fullest extent- that is they are allocated their home on the basis of need, which inevitably means full occupancy of both bedrooms.” Levitt, D. [2010], The Housing Design Handbook: A Guide to Good Practice.
A key difference noted during the study trip was that Yorkshire and Wakefield and District had more flexibility in designing their specifications. Whilst incorporating good standards of design which are Building Control compliant, they work to different specifications and build to smaller space requirements than Northern Ireland’s social housing which is built to the ‘Lifetime Homes Standard’ required by the Housing Association Guide.22 23

Yorkshire Housing reported that it was building fewer ‘Lifetime Homes’ because of cost. Tight margins mean that small additions within specifications can make a real difference to how the finances ‘stack up’. Some stakeholders consulted noted that there remained some gaps in relation to ‘build cost’ data in Northern Ireland, and that it would helpful to consider how these gaps could be addressed.

Current construction costs for housing associations are higher in Northern Ireland than in England for a variety of reasons, with housing associations suggesting the ‘Lifetime Homes’ standards and procurement requirements were key factors. Some study trip participants suggested therefore that consideration could be given to: how we might reduce some of the ‘Lifetime Homes’ specifications in Northern Ireland, whilst continuing to adopt the key principles; and how to ‘square the circle’ of using the same developer and different specifications for social and private provision.

Some other stakeholders noted that they consider that it would be difficult to arbitrate what reduced specifications would be acceptable and to assess these, and furthermore contended that ‘Lifetime Homes’ was not onerous for developers with minimal cost differences between these and those of current Building Control standards.

Radius Housing’s recent experience of mixed-tenure development at Fort Green in Bangor also evidences the different considerations required for the sale of affordable/shared ownership housing in comparison to a purely social offering. Provision of a show house, utilising the services of an architect and estate agent to research and understand the different market and property specifications (delivering ‘turnkey’ accommodation), a different marketing approach and the appropriate price points all need to be taken into account.

This is in recognition of the need to deliver products that the market needs and wants, and of the fact that largely in market (and affordable) sales, a property is a lifestyle choice of an aspirational nature.

“In essence, tenure blindness means that there should be no architectural distinction (particularly in the external specifications and standard of finishes) between tenures and that any external design differences should be minimal.”

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22 In England a version of Lifetime Homes has been added to Building Regulations, but only as an optional standard which councils can apply where needed.

FORT GREEN, BANGOR

A bespoke mixed-tenure residential development in Bangor.

At Fort Green, Radius is providing 199 new homes split over two phases with the second phase delivering 97 new homes on a mixed-tenure basis (77 social and 20 private houses).

The affordable homes are being marketed at circa £135,000. They are being offered for sale through the Northern Ireland Co-Ownership Scheme.

Outwardly the private homes are indistinguishable from the social housing in the development, but inside they offer additional amenities such as: the provision of white goods as standard; a fitted utility room; an en-suite for the master bedroom; and a turnkey finish throughout.
04 Overcoming concerns of developers and potential homeowners

There is a real concern amongst private developers, based upon their customer engagement and knowledge of local markets, that the inclusion of social and affordable housing could devalue their market sale properties and discourage potential buyers. However, research has shown that it is the quality of design, layout and location that influence house prices and that there is little evidence that a spatially integrated mix of tenures has any impact on buying or selling homes.  

The NHBC Foundation and HCA Report ‘Tenure Integration in Housing Developments’ states that it is widely recognised that involving residents in the planning, design and management of neighbourhoods leads to better outcomes for residents and estate management teams. It is essential therefore that housing providers, developers, agencies and other delivery partners work together with local communities and residents on ‘place-shaping’; this partnership approach is key to implementing the necessary structural economic and social policies to successfully complement mixed-tenure programmes.

Anecdotal evidence indicates that shared ownership is viewed as a less high-risk product and there is some willingness to consider how to integrate affordable homeownership into broader market sale developments. Some stakeholders have raised concerns that social housing could prove a barrier to progressing a mixed-tenure approach in Northern Ireland.

Experience in England suggests, however, that this challenge is not exclusive to Northern Ireland. Housing associations have therefore needed to develop approaches to support greater tenure mix while allaying the concerns of private developers and homeowners, both new purchasers and neighbouring residents.

All new residents in a development are treated as customers in the same way, with no distinction between social housing tenants, shared owners, private renters and those purchasing homes outright. New social tenants will be consulted on their new property and involved in things like snagging lists, in the same way as new homebuyers.

Customer care is an important element of mixed-tenure developments, across all residents and tenures, and viewed as both a commercial priority and social imperative. A key factor is being open and transparent about the tenure mix from the outset of the development and making purchasers of outright and shared ownership homes, as well as social and private renters, aware of what they are buying in to.

Carefully balancing the tenure and customer mix has been suggested as a key issue by some associations in England who have carried out large, successful mixed-tenure developments. Local connections were consistently flagged up as important in ‘bedding in’ mixed-tenure developments, as was getting the right mix of ages and family status. This is a complex and sensitive area which requires further consideration and discussion with key stakeholders.

05 Organisational structure

The two housing associations visited in Yorkshire had given significant thought to how their governance and structures could best support the delivery of affordable housing and mixed-tenure housing. To deliver and manage mixed-tenure housing, housing providers (whether private or public) may need to consider: the use of subsidiary companies; governance arrangements for subsidiaries; relationships between subsidiary companies and the organisation’s board; where the responsibility sits for finance and risk; intercompany lending; tax implications; and potential conflicts of interest.

Special purpose vehicles or joint venture companies can be a useful option to manage risk and enable partnering between different parties such as private developers, housing associations and councils. Wakefield Council and Wakefield and District Housing formed a joint venture company, Bridge Homes, to boost housing supply and meet local growth targets by providing homes for sale and affordable rent. Both partners made an initial capital investment providing operating funds for the company and any profits are reinvested back into the joint venture company to bring forward new sites and support sites struggling with viability issues.

A clear message was the need to keep things as simple as possible and avoid creating a myriad of boards and committees. However, it was highlighted that affordable and market sale in particular do need to be viewed as separate aspects of the business; they are not the same as social housing and cannot be dealt with in the same way. Interestingly there is not always a generic approach within organisations, with many of the structural and financial considerations being site-specific.
06 Policy and regulatory environment

It was very evident from the visit to Yorkshire that planning policy and in particular planning processes, are directed at supporting mixed-tenure development. Effective zoning for housing, not simply social housing, and the use of key site requirements were emphasised as important elements in providing clarity and certainty for both private developers and housing associations. Section 106 agreements have without doubt provided a strong foundation for mixed-tenure development, although they have not been without their challenges and critics.

Developers have raised concerns about the economic viability of schemes with a Section 106 agreement and have often sought to renegotiate, while any renegotiations or waiving of agreements is seen as a concession to developers by those seeking to gain affordable housing on a site. Section 106 rules have been relaxed in recent years with an attendant fall in the number of affordable homes delivered via this route.

It was also apparent from the study visit that there is a flexible approach to the planning process and scope to renegotiate mix, tenure and other factors if required to make the site work and that this facilitates mixed-tenure development.

Decisions seem to made very quickly allowing housing associations to decide whether or not to progress with schemes.

Study trip participants generally viewed the transfer of planning powers to local government in Northern Ireland as a positive development and recognised there has been a concerted effort by councils to reduce the time applications remain in the system. However, resourcing within councils and statutory agencies was raised as an issue, given that their role is vital in relation to the development of mixed-tenure in Northern Ireland, particularly with regard to zoning and key site requirements.

Flexibility came up time and time again in discussions and when it comes to decisions around location of sites, tenure mix, design, procurement routes etc, associations in England appear to be able to take a pragmatic and measured approach relying more on their own governance, policies and processes than centralised guidance.

One could argue that the low levels of capital funding for new homes in England has been a factor in a less centralised approach and greater autonomy for housing associations when it comes to development decisions.

The Northern Ireland Executive continues to significantly grant fund new development and therefore might reasonably expect a greater degree of involvement in where and how new homes are planned, designed, procured and constructed. However, it would appear from experience in England that the more flexibility and site-specific judgement that can be applied to the mixed-tenure approach, the more likely it is to succeed.

It was clear from the study visit that mixed-tenure development does create greater complexity and risk within housing associations, with private developers also experiencing greater development complexity although perhaps with less risk due to guaranteed sales income.

This will have an impact on housing association regulation, with governance, financial viability and risk management all key areas of concern for the Department for Communities as regulator. As the mixed-tenure approach grows in Northern Ireland, it will be important to ensure that the regulator is supportive in principle of the additional complexity and risk exposure it will necessarily bring.
07 Market demand analysis

There is a significant evidence gap when it comes to demand for new homes in Northern Ireland and in particular, for affordable homes for sale or rent, private rented accommodation and potential new products such as intermediate rental.

The Northern Ireland Co-Ownership model relies on potential shared owners to find their prospective home themselves, whether a new-build or existing property, therefore there is limited risk in terms of development by the association.

Funding tends to be predicated upon previous demand and targets rather than analysis of market demand. Instinctively several housing associations have indicated that they feel an intermediate rental product would be supported in Northern Ireland, but this is based upon experience and a general awareness of the market rather than quantitative evidence.

Those housing associations in Northern Ireland interested in moving into the provision of affordable homes for rent and sale and outright sale are undertaking their own research and it may be that this is sufficient.

Private developers have their own strategies for assessing in which areas to develop. Given the Northern Ireland Housing Executive’s (NIHE) strategic housing role across all tenures, it may be that this type of comprehensive market demand analysis should be considered by the NIHE’s Place-Shapers, who currently determine social housing need and direct the provision of homes to meet that need.

This role could be broadened to encompass all housing need and demand, with a view to facilitating more mixed-tenure development. Given the clear information gap in relation to affordable housing options, this would be an important area of focus.

The NIHE already undertakes Housing Market Analysis (HMA) looking at the performance of local housing markets and assessing cross-tenure need. It is currently reviewing its Housing Market Analysis process, to inform a new programme of HMAs, due to start in 2018/19.
09 From learning to practice

Taking on board the research, observations and findings from our study trip and subsequent discussions, it is possible to conclude a number of interdependent principles that consistently underpin the delivery of successful mixed-tenure developments.

A flexible approach
Strong governance and structures
Commercial vision
Partnership working
An emphasis on building communities

It is also possible to identify a number of potential actions that may be likely to support purposeful mixed-tenure development in Northern Ireland, as follows:

01 We need to clearly define what we mean by affordable housing and the different products under that umbrella term.

02 We need to clearly articulate the anticipated benefits that mixed-tenure can deliver and the roles of different players and communicate these to all key stakeholders.

03 We need a new narrative on housing that values all tenures and their inter-connected relationship.

04 We need to comprehensively pilot the mixed-tenure approach and help embed mixed tenure as the norm or default position.

05 We need to understand, share and effectively manage risk across all partners.

06 We need greater flexibility and adaptability when planning and delivering new mixed-tenure developments.

07 We need to revisit governance and organisational structures.

08 We need to develop more of a 'can do' approach and focus on solutions rather than barriers.

Our learning would indicate that there is a range of roles and responsibilities going forward for policy-makers and providers in progressing the mixed-tenure agenda.
10 Roles and responsibilities going forward

What is Government’s role?

- Proactively encouraging, enabling and establishing an expectation of mixed-tenure development.
- Providing certainty, where possible, to its delivery partners in terms of funding and policy support for mixed-tenure development.
- Working with partners to identify and overcome policy barriers to mixed-tenure development.
- Considering wider policy levers to create more inclusive and diverse communities and prevent residualisation.
- Considering the specifications required for social housing and whether these are relevant and appropriate in the mixed-tenure context.
- Considering if there are ways that Government can support partnerships between housing associations and private developers to deliver mixed-tenure development through flexible and commercial approaches.

What is the role of housing associations?

- Considering diversification and new products in the context of meeting housing need and delivering social value.
- Considering new approaches to governance, structures and risk in the context of mixed-tenure development.
- Being open to developing new partnerships, products and procurement approaches to deliver new homes.
- Considering how to best understand and position themselves in relation to new markets and effectively promote new products across tenures, recognising the need for diverse approaches.

- Building capacity to succeed in a more commercial and market orientated environment, developing different skill sets and experience.
- Working with Government to pilot and articulate the benefits of the mixed-tenure approach.
- Adopting new marketing approaches to sales in mixed-tenure developments.
- Considering ways to support social housing delivery in an environment of reduced funding.
What is the strategic housing authority’s role?

- Expanding geographies and taking a strategic view on housing need that encompasses a suite of affordable housing options.
- Working with local government to ensure that Community and Local Development Plans reflect a mixed-tenure approach.
- Utilising the ‘place-shaping’ approach to encourage and facilitate piloting of purposeful mixed-tenure development.
- Providing an enabling environment for mixed-tenure development and the piloting of new approaches.

What is the role of private developers?

- Actively exploring opportunities to work in partnership to deliver mixed-tenure developments, including through joint ventures.
- Recognising the benefits of mixed-tenure development in reducing risk and providing more financial certainty.
- Working with others to develop sustainable housing delivery models.
- Being open to testing the mixed-tenure concept in the local housing market to establish its viability.
- Engaging with prospective homeowners to allay concerns about mixed-tenure development.

The role of other stakeholders

- Political leadership will be necessary in driving forward the mixed-tenure agenda: by delivering on policies that will create the environment for purposeful mixed-tenure communities; in promoting the benefits of mixed-tenure; and overcoming barriers to delivery of new homes across all tenures.
- Local government has a key role through Community and Local Development Plans and as an enabler for new partnerships that support delivery of local areas’ housing requirements.
- Lenders adopting a similar approach to mixed-tenure development in Northern Ireland as they do in other parts of the UK could help support the growth of mixed-tenure development.
SPOTLIGHT ON NI

REDWOODS, DUNMURRY
New tenants Donagh McKee and Geraldine McKendrick are welcomed to their new homes at the Monarch Building by Joji Min, Housing Officer and Clanmil Chief Executive, Clare McCarty.

The Redwoods development in Dunmurry is a mix of townhouses and three apartment blocks built for private sector occupation at the height of the property boom. By the time of the property crash, all the homes were purchased with the exception of two of the apartment blocks.

In 2013, Clanmil Housing Association completed on the purchase of the Semper building, providing 44 one and two bedroom apartments for applicants over 55 from the social housing waiting list. This was in the face of protest from local residents, who feared that their house prices would be negatively impacted by the inclusion of social properties in their development.

However, experience of Clanmil’s proactive tenancy management approach, including its comprehensive maintenance, lighting and planting schemes, achieved much in terms of assuaging the fears of homeowners.

So much so that, two years later, Clanmil was able to complete the purchase of the second apartment block (the Monarch Building), providing a further 46 one and two bedroom apartments, this time for people over the age of 50.
11 What next?

While Northern Ireland has its own development context and challenges across all tenures, it is possible to translate valuable lessons from the experience of mixed-tenure development from elsewhere.

Housing associations here are also now beginning to deliver mixed-tenure development, providing an opportunity to test our themes and principles and to start to fill some of the remaining evidence gaps ‘on the ground’.

There is also a willingness from the private sector to consider mixed-tenure development, particularly on a pilot basis.

There are currently a number of barriers to implementing mixed-tenure development at scale in Northern Ireland and those cannot and should not be denied.

However, there are also some very positive experiences and the potential to build upon existing good practice, both here and from across Great Britain and the Republic of Ireland.

Promoting a positive image of mixed-tenure development and its benefits goes hand-in-hand with the focus on ensuring that process does not become an obstacle to delivering outcomes.

Piloting and refining the approach on local schemes with local partners is one key way forward in progressing this agenda. There is a role for everyone in ensuring that mixed-tenure development is seen to be an accepted, and indeed a desirable housing option and one that can work well for developers, housing providers and residents alike.

Ultimately, the debate should be about people, what works for them and how we can improve on that, not about tenures.

This thinkpiece endeavours to start to draw out the roles that each partner could play; it is by no means a definitive assessment. Its primary aim is to promote and provoke further discussion and debate.

What is clear is that mixed-tenure development is an increasingly mainstream approach in other jurisdictions and that we have some way to go to 'close the gap'.

However, the challenges in doing so are not insurmountable if there is a collective will to change the way we approach new housing development. The Department would like to see all key housing stakeholders involved in this debate.

We hope that this paper will go some way towards highlighting existing approaches to mixed-tenure development and offer scope for further discussion on how to test and progress this delivery model in Northern Ireland.
12 Glossary

**Affordable Housing** – in the UK affordable housing is used as an umbrella term to describe various tenures including social housing, intermediate housing and affordable rent. In Northern Ireland affordable housing is more likely to be used to refer only to intermediate housing products i.e. shared ownership. The Department for Communities is taking forward work on an updated definition of affordable housing for Northern Ireland. The current definition is set out within the Strategic Planning Policy Statement (SPPS), which states that ‘affordable housing’ relates to social rented housing and intermediate housing.

**Affordable Rent** – is a type of social housing provided by social housing landlords. The rent is called ‘affordable’ but it is a higher rent than would normally be charged for social housing. The landlord can charge up to 80% of what it would cost if you were renting the property privately.

**Committed Sum** – (or payment in lieu) is an amount of money, paid by a developer to the Council, where the size or scale of a development triggers a requirement for affordable housing, but it is not possible to achieve appropriate affordable housing on-site.

**Developer Contributions Schemes** – Under these schemes, housing developers are expected to contribute houses, land or commuted sums towards the provision of social and affordable homes. In the UK, these schemes are commonly referred to as Section 106 agreements.

**Financial Transactions Capital Loans** – In 2012-13 the UK Government introduced an additional type of capital funding in order to boost investment – called Financial Transactions Capital (FTC). FTC can stimulate private sector investment in infrastructure projects that benefit the region, over and above the level of investment made by the Northern Ireland Executive from its normal Capital DEL (Departmental Expenditure Limit) budget. It is expected that FTC will form an increasing part of the Northern Ireland Executive’s capital budget going forward.

**Fresh Start** – The Stormont Agreement and Implementation Plan (also referred to as the ‘Fresh Start Agreement’) was published by the Northern Ireland Executive and the British and Irish Governments in November 2015. The Fresh Start Agreement set out a wide range of proposals for addressing some of the most challenging and intractable issues that impact upon communities, including commitments to tackle paramilitarism and organised crime.

**Housing Association** – A housing association is an independent, not-for-profit social business that provides both homes and support for people in housing need, as well as key community services.

**Intermediate Housing** – in Northern Ireland this is defined as shared ownership housing provided through a Registered Housing Association. There is, however, recognition that this definition may change over time to incorporate other forms of housing tenure below open market rates.
**Intermediate Rent** – is the practice of renting property at a subsidised rent from a Housing Association or Registered Social Landlord. The product was conceived to allow households without the money for a deposit to purchase a home the opportunity to obtain a home whilst still saving for a deposit.

**Lifetime Homes Standards** – are a series of sixteen design criteria intended to make homes more easily adaptable for lifetime use at minimal cost. The concept was initially developed in 1991 by the Joseph Rowntree Foundation and Habinteg Housing Association. In Northern Ireland, all social homes are currently built to Lifetime Homes Standards.

**Mixed-Tenure** – Mixed-tenure is residential development which combines a range of tenure options, which can include owner-occupier housing, shared ownership housing and rental properties (social, intermediate and private). The focus of mixed-tenure development is fostering greater social, economic and community mix to support thriving and sustainable communities.

**Owner-Occupier** – in this instance, owner-occupiers are those who purchase their homes outright or who use a traditional mortgage to purchase their homes.

**Private Rented Housing** – housing that is owned by a private individual, company or organisation, including some charities. Properties are rented at market rates.

**Shared Ownership** – Shared ownership schemes are a cross between buying and renting, aimed mainly at first-time buyers. Under these schemes, purchasers buy a share of their home with a mortgage. They then pay rent on the remaining share of the property, which is owned by the local housing association. The expectation is that over time shared owners will buy more shares in their home until they own the whole of the property. This process is often referred to as ‘staircasing’ to full ownership.

**Social Housing** – is housing provided at an affordable rent, and in Northern Ireland this housing is provided by a Registered Housing Association or the Northern Ireland Housing Executive. Housing associations are registered and regulated by the Department for Communities as a social housing provider. Social rented accommodation should be available to households in housing need and is offered in accordance with the Common Selection Scheme, administered by the Northern Ireland Housing Executive, which prioritises households who are living in unsuitable or insecure accommodation.
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