

Internal Review of Focus Housing Association engagement with Tenant-in-situ scheme

April 2024

Executive Summary

Since the ending of the moratorium on no-fault evictions in March 2023 and the roll-out of the Tenant-in-Situ scheme, Focus Ireland has endeavoured to engage with the new scheme as the organisation identified it as a key homeless prevention measure that we had the expertise to deliver.

This report gives an overview of Focus Ireland's experience with the TiS programme, involving engagement with 103 single units and 250 units in multiple blocks, over the last 12 months. By laying out the reasons why properties did not progress to sale, it highlights the complicated reality that the organisation has encountered that was not initially anticipated when the scheme was announced including the extent of vacant properties in multi-unit rental developments; the poor quality of maintenance in rental properties; the additional challenges presented by the various funding streams and the significant delays encountered by using of the same 4-stage process used for other acquisitions creating frustrations and worry amongst tenants and landlords. Many of these challenges are also encountered in our purchase of single unit, scattered site, untenanted units, and so could have been anticipated and avoided by a better designed scheme.

Focus Housing Association has completed purchase of 22 single homes to date which are now part of FHA's housing stock, with their tenants secured.. An additional 27 single properties and 6 multi-unit projects (comprising 169 homes, of which 95 are tenanted and 74 are vacant) are still being pursued.

This report sets out the experiences of the TiS scheme to date for the consideration of the Focus Housing Association Board. Despite Focus Ireland's commitment and active engagement with local authorities on the TiS scheme to try protect as many households as possible from potentially becoming homeless through eviction, the leading cause of family homelessness, the report identifies weaknesses with the initial design of the scheme. Furthermore, changes to funding so soon after the scheme was announced, whether intended or unintended, resulted in wasted time within AHBs which likely negatively impacted internal housing targets and plans, confusion at local authorities, landlords pulling out of sales, uncertainty for households at risk of homelessness, and damage to the goodwill of AHB Boards to respond to urgent requests from Government in future.

Introduction

When the Government decided to discontinue the moratorium on no-fault evictions in March 2023, the 'safety net' of remedial measures included a decision to mainstream the 'tenant in

situ purchase' approach. While Focus Ireland took the view that too little had been achieved during the eviction moratorium in addressing the fundamental problems in the private rental sector, and that the safety net measures did not meet the scale of the challenge, we also took the view that we should be active in support of the measures that were in place, including the mainstreamed tenant in situ scheme. This decision involved diverting resources and time from our existing build and procurement work in order to engage in this homeless prevention measure.

Joint Focus Ireland/Focus Housing Association CEO, Pat Dennigan, wrote to the Minister to that effect. Along with other AHBs who had expressed interest in the scheme, Focus Housing Association was invited to a briefing session in the Clayton Hotel on 29th March 2023 concerning the new scheme, as well as other homeless prevention measures that the Department of Housing was planning to put in place to coincide with the ending of the eviction ban.

Focus Housing Association then wrote to all local authorities (LAs) in our key areas of activity of our willingness to act as a partner where they needed to complete TiS purchases where the tenants were vulnerable. Tenants facing 'evict-to-sell' NoT who contacted A&I services were also informed of our engagement in the scheme and to inform their local authority about their situation.

It soon became clear that situations where tenants faced eviction from landlords who intended to sell fell into two categories: (i) once-off units with small scale landlords (ii) multi-unit developments where a single landlord or a number of landlords were planning to sell the whole development. This latter category also included a mix of units which were vacant and others with tenants who were not eligible for social housing, as well as those who were. This was not anticipated when the scheme was initially announced by Government and significantly complicated the purchase of multi-unit developments.

In mid-June 2023, we were informed, unofficially, by one Local Authority that there had been a change of policy and that the Capital Assistance Scheme (CAS) could no longer be used for TiS and that only SHiP would be used going forward. As SHiP is only available to local authorities, the consequence of this apparently technical change was that AHBs could no longer engage in the scheme despite being asked to do so by Government less than three months earlier. Following a lot of back and forth, the Department of Housing agreed that that TiS purchases which were already in the pipeline could be completed by AHBs using CAS, but no new TiS acquisitions by AHBs would be considered.

At this point, Focus Housing Association was working on 103 single units and 250 units in multiple blocks. While the funding policy allowed the single units in the pipeline to proceed, it created problems for the multi-unit developments as, due to management fees and other factors, CAS is not financially viable for multi-unit purchases. As a result, Focus Housing Association suspended action on the purchase of 7 multi-unit housing developments until a meeting between FHA and the Department of Housing could take place. After two meetings, representatives from the Department of Housing agreed that the multi-unit projects already in the pipeline could be, as a once off measure, progressed using CALF, while a review of CAS,

including its funding model in multi-unit developments with management fees, was completed. The expected completion date for this CAS review was January 2024.

The current situation for Focus Housing Association (March 2024)

Single Unit Purchases

We were approached by 6 LAs to purchase 103 homes over the last year. 54 of these homes did not progress. 22 homes have been delivered so far and are now part of FHA's housing stock. An additional 27 properties are still being pursued by the Development team at present. It is also worth noting the Dublin City Council initially identified 130 properties that they were interested in passing on to AHBs to acquire as part of the TiS scheme. None of these properties were ever passed onto the FHA team due to changes in the funding of TiS.

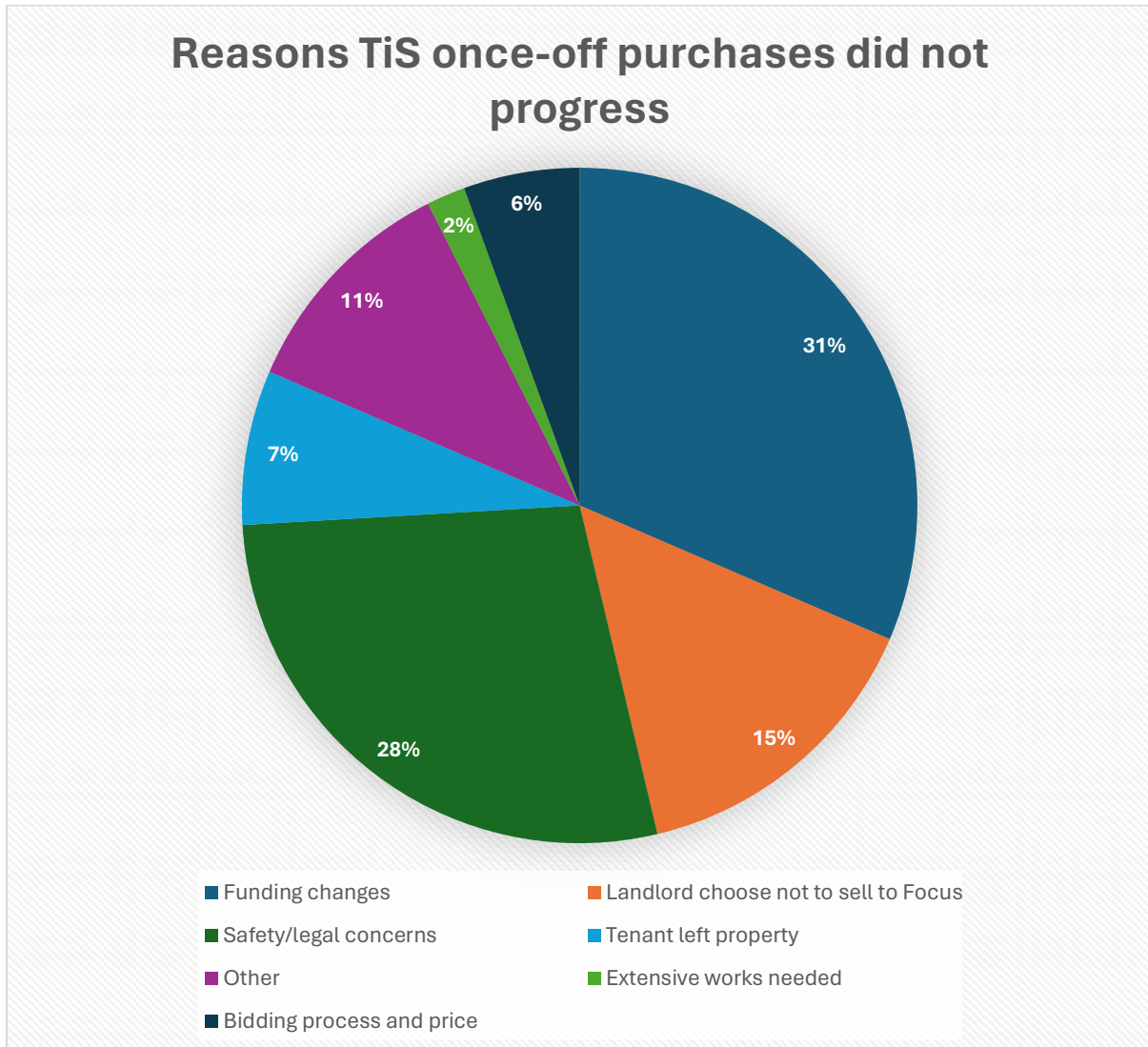
Table 1: Status of Single unit purchases

LA	Number of Homes proposed by LA	Did not progress	Number delivered	Still working on
Clare	19	15	2	2
Kerry	5	5	0	0
Limerick	53	25	12	16
Cork City	3	1	0	2
Fingal	18	8	5	5
Sligo	5	0	3	2
Total	103	54	22	27

There are several reasons that 54 of the homes that were passed into FHA by Local Authorities did not progress. While 31% of properties did not progress due to funding changes to the TiS scheme (the single greatest reason), the frequency of TiS properties not progressing to purchase for other reasons is similar to experience of purchasing other single (pepper pot) units. Safety concerns around fire issues and pyrite, landlords choosing not to sell to FHA due to timeline concerns, negotiating price and necessary works are all concerns that also impact on our wider acquisition programme. Tenants leaving the property or being rehoused by the LA is a unique element of TiS purchases but only made up 6 out of 54 units that did not progress.

Table 2: Reasons for non-progression of single unit TiS

Reasons TiS once-off purchases did not progress	Total
Funding changes to TiS scheme	17
Landlord choose not to sell to Focus HA	8
Safety/legal concerns	15
Tenant left property	4
Other	6
Extensive works needed	1
Bidding process and price	3
Total	54



Multi-unit development purchases

Over the last year, FHA were approached by LAs in relation to 9 multi-unit developments. Within these developments, 146 units were tenanted and 104 were vacant. 3 out of the original 9 developments are no longer in the pipeline, while there are a remaining 6 that FHA are still progressing with. These 6 developments are made up of 169 homes, of which 95 are tenanted and 74 are vacant. The combination of homeless prevention through TiS along with the acquisition of a significant number of vacant social housing units is a particularly attractive dimension to these developments.

No multi-unit development has been purchased to date and there is no guarantee at this point that they will be. If we are successful in acquiring these developments, we hope to negotiate the allocation of the vacant units using our Meascán model in agreement with the LA.

Table 3: Status of Multi-unit TiS projects March 2024

LA	Development Name	No of Homes	of TiS	Vacant	Note
Limerick	Palmerstown House	48	30	18	No longer progressing- Owner grew frustrated with delays whilst we were convincing the Dept. to support via CALF, so he sold to a private entity.
Limerick	River Gardens	18	6	12	No longer progressing- The owner(s) went silent on us after initial approach.
Limerick	Aviary House	15	15	0	No longer progressing- The owner wasn't prepared to do the necessary upgrade work and decants, etc.
Limerick	Windmill House	24	19	5	Still progressing
Limerick	Bruach na Sionna	29	23	6	Still progressing
Limerick	Shannon Arms,	55	12	43	Still progressing
Cork	Glandore Marina	18	14	4	Still progressing
DCC	North Richmond St	24	24	0	Still progressing
DLR	St. Helens	19	3	16	Still progressing
Total pursued by FHA over last 12 months		250	146	104	
Total homes still in pipeline		169	95	74	

Discussion

Issues related to overall structure of intervention.

The Government's decision to significantly scale up of the TiS programme was an urgent response to the likely consequences of the decision not to extend the eviction moratorium in March 2023. It appears that in the initial stages, the Department of Housing sought widespread assistance to deliver the programme, organising information events for AHBs etc. Despite disagreeing with the Government decision to end the moratorium at that point, with little preparation in place, the Focus Housing Association Board agreed to actively assist in delivering the programme, diverting resources and time from our existing build and procurement work, in order to engage in this homeless prevention measure.

The sudden decision to alter the approach to TiS (from use of a variety of funding streams to SHiP alone) excluded AHBs from further participation. It is not clear whether this exclusion was the intended outcome of the policy shift. No policy objectives for this change were ever communicated and indeed the change was only communicated indirectly. There was a strong policy rationale for the involvement of Special Needs AHBs in the process including: the maintenance of scatter-site housing is part of the SNAHB model but not that of most LAs, tenants at risk of homelessness may have support needs that SNAHBs may be well placed to meet, SNAHBs are often more agile in the private market than LAs and, not insignificantly, the sharing of a sudden and significant workload. The decision to cut AHBs out of the process resulted in wasted time at AHBs and local authorities but it also damaged the good-will of AHB Boards who will be more reluctant to shift work plans to respond to urgent, but not thought-through, requests from Government in future.

While the success in sustaining 22 households out of homelessness, to date, is very welcome it needs to be set against the opportunity cost if the same staff had not been diverted from the original programme of acquisition of untenanted homes and construction projects.

Issues related to funding and process delays

The TiS process uses the same 4-stage process used for other purchase. The time needed to complete this process presents particular problems in the case of TiS, where the landlord has decided to sell and is looking for the fastest route to do so. Each stage of the process needs time and consideration to properly assess the tenant at risk of homelessness or if the property is a viable and a cost-effective purchase. Some of the consequences of this delay could have been mitigated by better messaging for both tenants and landlords. The delays have also squandered a lot of goodwill of landlords who were trying to 'do the right thing' and engage in the process.

The process was taking up to 4 months, and is now averaging from 10+ months on, – which is problematic and resulting in Landlords pulling out. Third parties like FHA are not given the information to assist in keeping the landlord in the process. (See case study below).

This issue has directly or indirectly caused 8 single-unit properties out of 54 not to progress. While this issue is not unique to the TiS scheme and impacts FHA's pepper-pot strategy, it is particularly concerning because these cases involve a tenant being evicted where the TiS route is abandoned.

Palmerstown House in Co Limerick did not progress because the owners grew frustrated with delays whilst FHA were trying to convince the Dept. to support the purchase via CALF, so the owner sold to a private entity instead. This resulted in 30 households being evicted from this development.

In total, we have lost 56 homes because of delays with the purchase process, which we believed resulted in 38 known NOTs.

Issues related administrative and resources

The scheme has added more pressure to an already stretched service. The additional resources available to local authorities did not appear to be sufficient for the scale of work involved, particularly given the training and support needs of new staff. No additional resources were made available to AHBs during the period in which they were active in the schemes, meaning that support for TiS purchases deflected staff time from previous planned purchase or build projects.

Because each Local Authority adheres to different protocols the process doesn't seem to have full buy-in from all LA's, resulting in some negative perceptions around the scheme.

Tenant-in-Situ has only recently been added as a tab on PASS for statistic reporting since January 2024 – (previously people in receipt of tenant-in-situ were not recorded on PASS) which is also another indicator adequate resourcing was not in place from the start.

Issues related to the maintenance/refurbishment needs and costs

The TiS scheme outlines capital ceilings for acquisition costs, taken from the social housing acquisitions programme, to include necessary renovation/refurbishment to standard of 2019 Rental Regulations. While there are challenges in estimating all refurbishment costs in advance, the requirements of the Public Spending Code mean it is not appropriate to enter into 'blind' financial commitments, accordingly there needs to be a reasonable estimation of refurbishment costs when completing an acquisition, to have confidence that the combined costs (acquisition plus refurbishment) represents value for money in line with the capital ceilings for acquisition costs guidelines. The poor quality of maintenance in rental properties in this sector of the market does not appear to have been fully taken into consideration in the design of the scheme and the timelines indicated to tenants and landlords. Applying the same 'value for money' criteria for a property which is vacant and one where a tenant will be saved from homelessness does not appear to be consistent with the aims of TiS or the urgency articulated by Ministers in relation to it.

1 out of 54 of the TiS properties that did not progress to sale was because of the extensive refurbishment works needed, however 15 others fell through because of structural concerns around fire safety and pyrite. Aviary House in Co. Limerick did not progress because the owner was not prepared to do the necessary upgrade work and decants.

Ends

Emma Byrne, Policy Officer, Focus Ireland

Appendix

A recent Case Study from Advice and Information worker trying to support a tenant at risk of homelessness through the TiS scheme

“My case has been under tenant in situ for ten months and as the case was with estate management. Because we were waiting for Garda clearance for a long time, the landlord decided to go to the RTB [to progress the eviction] , and we got a hearing date. After getting the hearing date, staff from DCC was kindly able to get the Garda Clearance cleared and the landlord is now due to receive an [TiS] offer from the council. At the RTB hearing, the representative from the landlord was happy to hear [the purchase] had progressed to the next stage but had concerns that it had taken ten months and only now getting an offer. We have been advised that they still need to continue the RTB procedure in case the TIS falls through in the meantime, but the landlord is happy to still go ahead with the TIS scheme but can only keep hold of the property and not put it on the market for so long!”

“[We understand] that the landlord said that he had heard that the TIS scheme is taking a long time and that he wasn’t willing to go with the scheme due to this.”

“My concern is how long it appears to be taking and that the word is around that it takes so long. DCC staff told me the delays tend to be that each stage is a different department and in particular the garda clearance stage seems to be taking a long time at present. I recognise it is a new scheme, and so we are all learning as we go but I suppose it is a good indication of how long it can take in some cases.”