Housing Executive

Insight BRIEFING

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Learning from the past and looking to the future

Introducing the previous edition of the *Insight Briefing*, we looked ahead to the approaching 50th anniversary of the creation of the Housing Executive. February 2021 marked five decades since the Housing Executive Act (NI) 1971 became law, and in May 2021 it will be 50 years since the first meeting of the Housing Executive Board. From the outset, the work of the organisation has been built on research and data and while the context and the people involved have changed over time, the Northern Ireland House Condition Survey has been a constant and continuing feature of our work, providing important insights to inform policy interventions.

In this edition, we summarise the findings of our recently-published private landlords survey. This is the latest output in almost two decades' worth of work carried out in response to the evidence provided by successive House Condition Surveys on the growing role and importance of the private rented sector in Northern Ireland, and we are grateful to the landlords who took part for sharing their views and experiences.

This Insight Briefing also provides an update on plans for the next House Condition Survey, which had been due to take place in 2021, along with an overview of modelled 2016-based analysis on the estimated cost to improve the Energy Efficiency Rating of Northern Ireland's dwelling stock. The rich data gathered over almost five decades help us remain mindful of where we have come from and, at a time of considerable uncertainty, research continues to help inform decision-making on policies to meet current challenges.

We hope to be able to engage with colleagues in housing and associated sectors at an online event later this year. In the meantime, however, we hope you will find the contents and signposts in this edition interesting and informative, and would welcome any comments or feedback to research@nihe.gov.uk
or heather.porter@nihe.gov.uk.

2019 Private Landlords Survey

Successive Northern Ireland House Condition Surveys, which have tracked changes in the region's housing tenure distribution over time, have shown that the privately rented stock increased from 38,000 (6.3% of all dwellings) in 1996 to 136,000 (17.4%) in 2016. Recognising the growing size and role of the private rental market, the Housing Executive has carried out and commissioned a number of projects on the sector, one of the most recent of which was an online landlord survey, undertaken in 2019. In this edition of our *Insight Briefing*, we focus on some of the key findings, which were published in autumn 2020.

About the survey: sampling, responses and objectives

Where research into the private rented sector is concerned, one of the key challenges has been its structure; with a multiplicity of individual, mainly small-scale landlords, constructing an appropriate sample frame has traditionally been difficult and it is only in recent years that policy and regulatory developments have enabled statutory engagement with substantial numbers of private landlords.

In preparation for the survey, the Housing Executive consulted with relevant stakeholders, and confirmed the legal gateway and lawful basis for data sharing in accordance with the General Data Protection Regulation (GDPR) and our statutory role in relation to housing research. This enabled the use of three key sources to collate a list of email addresses for landlords who owned rented properties in Northern Ireland and, as a result, an invitation to take part in the survey was sent by email to more than 51,000 private landlords, comprising:

- those registered with the Northern Ireland Landlord Registration Scheme;
- those landlords protecting tenants' deposits with TDS Northern Ireland; and
- private landlords on the Housing Executive's Housing Benefit system.

We are grateful to the 1,719 landlords with properties across Northern Ireland who took part in the survey, to the Department for Communities and TDS Northern Ireland for their support for the research, and to Cognisense, who administered the online survey on our behalf.

1,719 private landlords completed the survey

The main objectives of the research were to explore the views and experiences of landlords with properties in Northern Ireland on issues including:

- Their entry into the sector and their role as a landlord;
- Letting practices and future plans regarding issues such as:
    - Letting to tenants in receipt of Housing Benefit/Universal Credit (housing costs);
    - Upfront charges and return of deposits; and
    - Personal financial circumstances;
- Their awareness of, and attitudes to, welfare changes; and
- Where they seek advice/support.

Profile and reasons for becoming a private landlord

More than half (53%) of the landlords who responded to the survey were aged between 40 and 59, and a further third (34%) were aged 60-74. In line with this age structure, one quarter (25%) said they were retired from work, while around half in total were working full time (37%) or part time (12%) and almost one fifth (17%) were self-employed. Only two per cent indicated that they were a full-time landlord. Just under a quarter (29%) had been landlords for less than five years, a similar proportion (28%) for between five and 10 years, and 43% for 10 years or more. Around three fifths of respondents (59%) were male.

The landlords who took part in the survey indicated that they owned a total of 4,607 properties. In line with previous research and the evidence available from administrative sources such as the landlord registration database, more than half owned only one property and around three quarters, in total, owned one or two properties. However, one quarter of the landlords who participated in the survey owned three or more properties; therefore, within the sample, around two thirds of the properties (65%; 2,986) were owned by one quarter (24%) of the respondents. One tenth (10%) of the landlords had one or more properties that were vacant at the time; repairs/modernisation was the most commonly-cited reason for vacancy (41%).

Landlords who responded owned a total of **4,607** properties

The survey included questions about respondents' main reason for becoming a landlord and how they had acquired their (first) rental property. The responses were grouped according to whether they indicated *intentional* or *accidental* reasons for becoming a landlord. Around two thirds (67%) of respondents had become landlords intentionally; in total, 61% referred to investment-related reasons, the most commonly-cited being a contribution to pension/retirement income (26% of all respondents) (Figure 1). Among those who had become landlords for 'accidental'/unintentional reasons (29% in total), the most common circumstance was having inherited or been given a property that the respondent did not need (or want) to live in (Figure 2).

Figure 1: Main reason for becoming a landlord - *intentional* (% of *all respondents*)

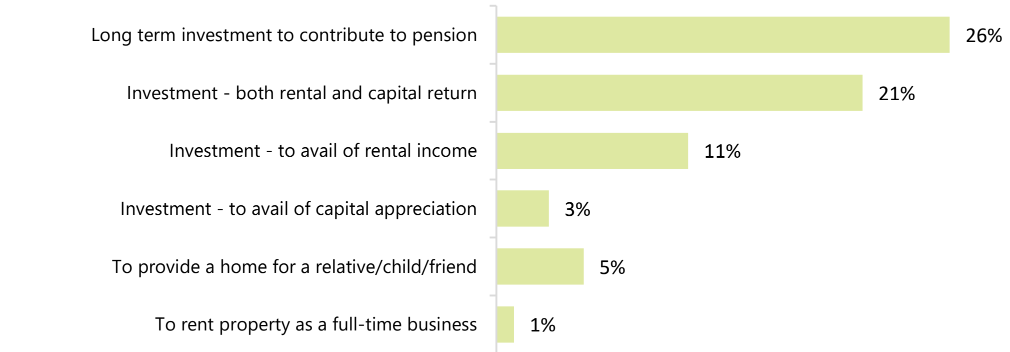
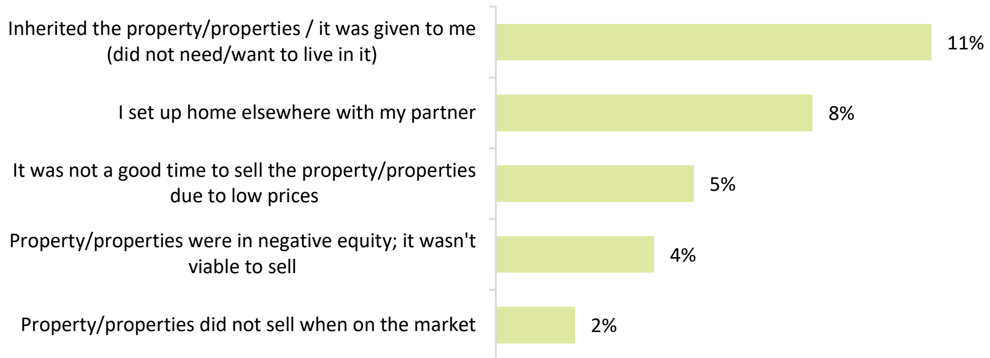


Figure 2: Main reason for becoming a landlord - *accidental* (% of *all respondents*)



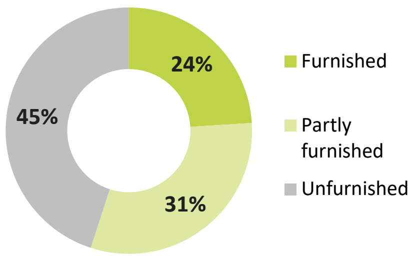
Asked how they had acquired the rental property (or the first of the rental *properties*) they owned at the time of the survey, similar proportions said they had used personal savings (26%) or a repayment mortgage (24%). Just under one in six (15%) had used a buy-to-let mortgage, while 13% referred to inheritance and one in ten had purchased using an interest-only mortgage.

Around three fifths of the landlords who took part in the survey (61%) managed their own properties, while just over one third used a letting agent (35%); accidental landlords and those who had been renting to tenants for less than five years were more likely to use a letting agent.

Letting practices

Respondents who took part in the survey were asked about their most recent letting. More than half (58%) had found the tenant for the property through a letting agent, while a further 17% had let the property through word of mouth and in one tenth of cases, the letting had been to a friend/family member. Almost half (45%) of properties had been let unfurnished, but around one quarter (24%) were furnished and three in ten partly furnished (Figure 3).

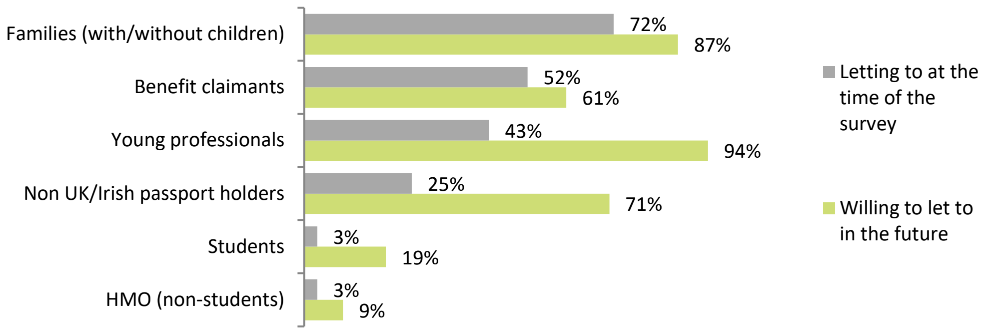
Figure 3: Proportion of properties let furnished, partly furnished and unfurnished (most recent letting)



Where the most recent letting was concerned, the majority of respondents (70%) had offered an initial term of 12 months. Roughly equal proportions had not specified a tenancy term (11%) or had offered an initial term of *six* months (12%), and only a small proportion (8%) had offered an initial term longer than one year. Just over three quarters of respondents (76%) said the tenant to whom they had most recently made a letting had paid a deposit (average £535), and a slightly lower proportion (66%) said the tenant had paid rent in advance (average £541).

The survey also explored the tenants to whom landlords were letting at the time, with reference to a number of specified types (Figure 4). It is worth noting that a household may fit into more than one group, and that letting patterns at the time of the survey are likely to have been at least partly a reflection of the socio-economic and demographic factors influencing the housing markets in which rental properties were located.   The majority of landlords who had tenants were letting to families, and around half to benefit claimants. More broadly, high proportions of respondents were *willing to let to* young professionals, families and non-UK/Irish passport holders. However, the proportion willing to let to benefit claimants was lower, at 61%.

Figure 4: Tenant types landlords were *letting to* and *willing to let to* (% of all respondents)



Housing Benefit, Universal Credit and Welfare Reform

With rising levels of housing stress and a relatively static social housing stock over the last two decades, the expanding private rented sector has increasingly met the needs of households who might traditionally have become Housing Executive or housing association tenants. Many such households receive help with housing costs. The Welfare Reform (NI) Order 2015 set in motion a programme to replace many of the benefits that had been in place for people of working age with new benefits and payment systems. The survey explored landlords' experiences of welfare reform and of letting to tenants receiving Housing Benefit or Universal Credit.

Where welfare reform was concerned, awareness of the various changes that had already been implemented varied. Although the majority (80%) were broadly aware of the introduction of Universal Credit, only 36% were aware that Local Housing Allowance rates had been frozen in 2016. Similarly, when asked about their awareness of specific features of Universal Credit, almost two thirds (62%) knew that tenants need a tenancy agreement to apply for the housing cost element, but there was less awareness of other aspects, and only 17% knew that an advance of up to 100% could be applied for by the tenant during the assessment waiting period.

Although most of the landlords who took part in the survey (56%) said that welfare reform had had no impact on them, nearly two fifths of respondents (639; 37%) said they had taken one or more actions as a direct result of welfare changes. Of those who had taken action:

- 51% had started carrying out reference/credit checks for new tenants
- 48% had visited the NI Direct website
- 26% had started asking new tenants for rent in advance
- 23% had contacted LANI and the same proportion had sourced information about welfare changes from sources other than NI Direct/the Landlord Advice Line/the advice sector/LANI.

When asked about their level of concern about how welfare changes might affect them as a landlord, the greatest proportion of respondents (37%) said they were *not at all concerned*. Just over one quarter (28%) were 'somewhat' or 'moderately' concerned and 29% 'slightly' concerned.

Two fifths (40%) of respondents confirmed that they were letting to tenants in receipt of Housing Benefit at the time of the survey; a similar proportion (37%) were not, and more than one fifth (23%) were unsure. The relatively recent roll-out of Universal Credit meant that a smaller proportion (16%) indicated they had tenants in receipt of the housing cost element, while 39% did not, and 45% were unsure. Of the 412 respondents who said a past or current tenant received the housing cost element of Universal Credit, 44% had experienced a tenant going into arrears because of delayed payments of the housing cost element, and 42% had experienced delayed payments of the housing cost element.

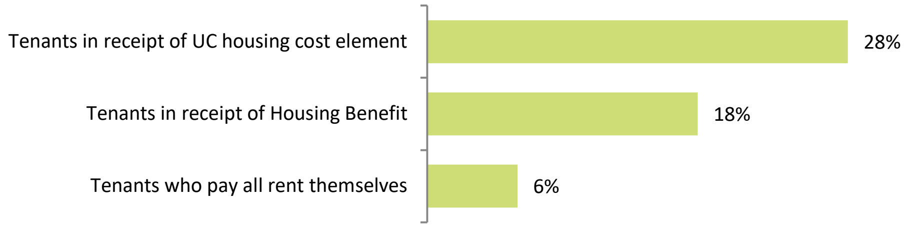
Looking ahead, more than half (56%) of all respondents said they would be willing to let/continue letting to tenants receiving Housing Benefit and a slightly lower proportion (48%) indicated willingness to let to tenants receiving the housing cost element of Universal Credit. For those *unwilling* to let to both groups, the main concern was that the amount of benefit received would not cover the full rental charge/that there was a greater risk of delayed or unpaid rent.

56% were willing to let to tenants receiving Housing Benefit and

48% were willing to let to tenants receiving Universal Credit

Landlords' concerns about delayed or unpaid rent appeared to be borne out by the responses to questions on rent arrears. The fairly recent introduction of Universal Credit meant that a relatively small proportion of landlords (14%) were able to confirm that they were letting to tenants in receipt of the housing cost element at the time of the survey, although many were not sure. However, the findings suggest that tenants in receipt of Universal Credit were more likely to be in arrears than those receiving Housing Benefit or those paying all of their own rent (Figure 5).

Figure 5: Proportion of landlords reporting tenants in rent arrears at the time of the survey, by source of rent payments



(Bases: 1,123 landlords with tenants who paid all their rent themselves; 674 who had tenants in receipt of HB; and 230 who had tenants in receipt of UC housing cost element)

Landlords' Financial Circumstances

While administrative data and the findings of the survey indicate that a substantial proportion of the privately rented dwellings in Northern Ireland are owned by landlords with three or more properties, they also show that the majority of landlords in the region continue to operate on a relatively small scale and own only one or two rental properties.

In this context, the circumstances and decisions of individual landlords might not seem likely to have a major influence on supply, but economic shocks, policy changes or other issues influencing the willingness and/or ability of substantial numbers of landlords to remain active in the rental market could have a more noticeable impact on the availability of properties for renting.

Respondents who took part in the survey were asked how their current rental properties were financed. To allow for the fact that those who owned two or more properties might have a combination of financing arrangements, the questionnaire allowed more than one answer to be given. The responses indicated that more than half of landlords who took part in the survey had at least one property that was owned outright. However, more than one tenth of landlords had at least one property financed through an interest-only mortgage (Table 1).

Table 1: How is/are your current rental property/properties financed?

	% of respondents
Outright ownership	57
Buy-to-let mortgage	19
Repayment mortgage	19
Interest-only mortgage	15
Other	2
Prefer not to answer	5

(Base: all respondents. Respondents were able to select more than one option.)

A second question helped shed further light on this issue: when asked if they depended on rental income to cover the mortgage payments for any of their rental properties, around one third of respondents (34%) said they owned their dwelling(s) outright. A slightly higher proportion (37%) indicated that they *were* reliant on rental income to cover the mortgage, while 25% were not.   Interestingly, respondents with three or more rental properties were most likely to depend on rental income to cover the mortgage repayments on one (or more) of their rental properties (46%), followed by those with two rental properties (40%) and lastly those with one rental property (33%).

In Northern Ireland, the 2007/08 global financial crisis came after a period of rapid house price inflation and the subsequent drop in house prices left a lasting legacy of negative equity that was still evident a decade later. A briefing published by UK Finance in May 2019 indicated that around six per cent of residential mortgages in Northern Ireland at that time had negative or less than five per cent equity, and this was around 10 times the proportion for the UK overall.[1]

It is notable, therefore, that 15% of all respondents who took part in the survey said they had a property (or properties) in negative equity. Perhaps not surprisingly, respondents who had been a landlord for five years or more were more likely to have a rental property (or properties) that were in negative equity compared to those who had been a landlord for less than five years (19% compared with 5% respectively).

15% of respondents said one (or more) of their rental properties was in negative equity

Future intentions

Respondents were asked a number of questions about recent changes to their rental portfolio, as well as their shorter and longer term plans. The vast majority (90%) had made no changes to their rental portfolio in the 12 months prior to the survey, and more than two thirds (68%) had no immediate plans for change. Looking ahead, similar proportions (around one in 20) planned to increase their portfolio (7%); reduce it (6%) or leave the rental market altogether (also 6%), while just over one in 10 had not made any concrete plans.

Among the 122 landlords who were planning to *increase* their portfolio, the main reasons were to invest for future capital return (55%) and to maximise rental income (39%). Of the 201 who planned to *reduce their portfolio* or *leave the rental market*, 44% cited tax, welfare, regulatory and bureaucratic burdens, while 32% referred to decreasing rental returns and the same proportion wished to release capital.

Asked about how long they intended to continue renting private properties, around one third (36%) said they were unsure and almost one fifth (19%) planned to *stop* letting properties within five years. This meant that, at the time of the survey, less than half (45%) had clear intentions to continue as private landlords for five years or more. Regardless of their original reasons for becoming a landlord, the most commonly-cited reasons for *continuing* to rent a property or properties were connected with current or expected future income (Table 2).

Table 2: What is/are your reason(s) for being a landlord *now*?

	% of respondents
It's a long term investment to contribute to my pension	48
To provide a regular income	34
Want to keep investments in the rental market for capital return	22
I have a long term tenant	21
Do not want to sell my property/properties due to the amount I would get for them if selling today	18

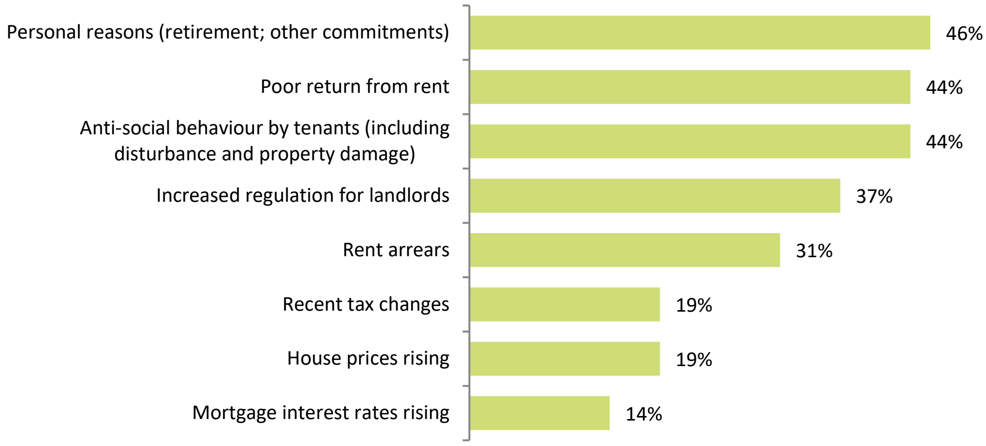
(Base: all respondents. Respondents could give more than one reason)

[1] Tatch, J. (17 May 2019) 'Northern Ireland's comeback: wonder horse or dead cat? UK Finance

Landlords who took part in the survey were asked about a number of factors that might prompt them to *leave* the market in the future (Figure 6). The responses indicated that they would be influenced primarily by their own personal circumstances. The other reasons most commonly selected by the landlords who took part in the survey were mainly connected to:

- *financial issues* (poor return from rent; tax changes; mortgage interest rates rising);
- *changes in the wider housing market* (in particular, house prices rising – presumably a particular consideration for those in negative equity); and/or
- *tenant and tenancy-related matters* (anti-social behaviour, increased regulation and rent arrears)

Figure 6: What, if anything, would make you want to leave the rental market as a landlord in the future?



(Base: all respondents. Respondents could give more than one answer)

Reflecting one of the recurring themes in policy debates about the role the private rented sector can play in meeting housing need, the survey gathered the views of all respondents on whether they would be willing to offer tenancies of more than 12 months in the future, and the majority (65%) indicated that they would.

65% would be willing to offer tenancies of more than 12 months in future

Those respondents who were not willing to, or not sure if they would, offer tenancies of more than 12 months in the future were asked about three specific factors that might encourage them to do so. Table 3 shows that assurances about removing 'problem' tenants and financial incentives were the factors most likely to encourage landlords to offer longer tenancies.

Table 3: Which, if any, of the following would encourage you to offer tenancies of more than 12 months in future?

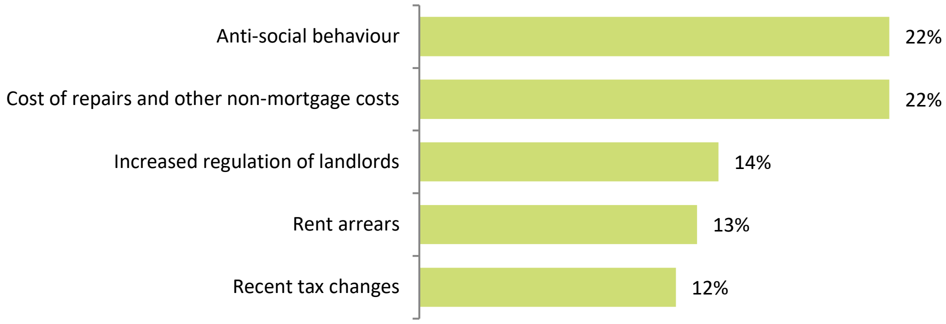
	% of respondents
If it becomes easier to remove problem tenants	61
Financial incentives (e.g. tax cuts)	51
Changes to mortgage restrictions	6
Other	3
Nothing would encourage me	22

(Base: 610 respondents who were unwilling to offer, or unsure about offering, tenancies of more than 12 months' duration. Respondents were able to select more than one option)

Concerns and advice

Finally, respondents were asked what caused them the **most** concern as a landlord. Figure 7 shows that two concerns predominated: anti-social behaviour and the cost of repairs and other non-mortgage expenses, both of which were selected by 22% of respondents. Other sources of concern were regulation, rent arrears and tax changes. Smaller proportions of respondents (4% each) referred to a rise in the mortgage interest rate and welfare changes as being their key concerns.

Figure 7: What causes you the most concern as a landlord?



Around two thirds of respondents (65%) said they knew where to go for information/advice in relation to their role as a landlord. When asked about a number of sources from which they might seek advice, these respondents indicated that they were more likely to consult their letting agent (45%), the Landlord Advice Line (43%) and NI Direct (41%).

Conclusions

While the nature of the survey means we cannot be sure that those who chose to take part were fully representative of the sector as a whole, the research findings nevertheless provide a valuable insight into the views and experiences of private landlords in Northern Ireland, reaffirming the heterogeneous nature of this body of individuals. Some of the key points emerging are that:

- While the majority of landlords continue to own only one or two rental properties, a fairly substantial proportion of the private rented stock as a whole appears to be in the hands of landlords who own three or more properties. This has a number of implications, in terms of issues such as engagement and regulation, but also regarding the possible wider outcomes of policy, economic, financial and housing market variables for the stability of the sector.
- The prospect of return on investment, in the form of capital appreciation and a retirement 'nest egg', was a key motivator for many of the respondents, while others had become private landlords for primarily circumstantial reasons. Some of the comments indicated a sense of purpose and satisfaction with the landlord role ('I have been very fortunate and my tenants are excellent'; 'I want to provide decent, reasonably priced accommodation for people. I enjoy that'; 'Being a landlord can be rewarding, knowing you provide a good, safe home for others'). However, the concerns highlighted by landlords and the issues that they cited as possible 'push' factors out of the sector pointed towards the complexity of tenant and tenancy management (anti-social behaviour, arrears) and the disincentives of perceived over-regulation, bureaucracy and tax changes that have made private renting a less attractive option for small-scale landlords.

It is important, of course, to bear in mind that the research was completed before the 2020 coronavirus outbreak was declared a pandemic. At the time of writing, government interventions continue to hold many of the impacts of the unprecedented global response in abeyance, but the local housing market, including the private rented sector, is unlikely to remain immune from the consequences of the pandemic response indefinitely.

At the time of the survey, less than half of respondents (45%) had clear intentions to continue as private landlords for five years or more. It remains to be seen how the events of 2020 and beyond will impact the circumstances and decision-making of the thousands of individuals comprising the collective that currently constitutes 'the private rented sector' in Northern Ireland.

The full report and appendix tables are available to download from the Private rented sector and rents page of the Research section on the Housing Executive website.

Other research on the private rented sector

Performance of the Private Rental Market in Northern Ireland

Our half-yearly reports, produced in partnership with PropertyNews.com and Ulster University, provide the most detailed insight available into the dynamics of the private rental market in Northern Ireland, including tracking rents by property type and size and at district council level. The analysis draws on combined data provided by PropertyNews.com and advertised rent data collected by the Housing Executive for the purposes of calculating the Local Housing Allowance for the administration of private sector Housing Benefit.

The most recently-published report covered the six month period from January - June 2020, and was based on the data for 6,168 rentals across Northern Ireland. This total was around 27% lower than during the first six months of 2019, a decline that was impacted by a change in how the data were collected, but that is also likely to reflect the initial period of lockdown in Northern Ireland, during which the housing market was effectively closed. Other key findings were that:

- Across Northern Ireland as a whole, in line with the finding from previous surveys, townhouse/terrace properties accounted for the largest proportion of lettings (39%), followed by apartments (34%). Lettings of semi-detached properties accounted for 17% of transactions, and detached dwellings for 11%. In Belfast City Council Area, terrace/townhouse properties (45%) and apartments (41%) together accounted for 86% of all lettings. While these were also the property types most commonly let in local government districts outside Belfast, in combination they accounted for a lower proportion of total lettings outside the city (62%). The figures, which were broadly in line with previous findings, confirm the different characteristics of the private rental market within and outside Belfast City Council area.
- In line with the findings on property type, the analysis also indicated that lettings of properties with fewer than three bedrooms accounted for a greater share of the market in Belfast (56%) than in other local government districts (41%). Homes with one bedroom accounted for nine per cent of all lettings across Northern Ireland; the proportion was slightly higher in Belfast (11%) and lower outside Belfast (8%).
- Across Northern Ireland, the average monthly rent for lettings during the period was £643. However, there was variation by property type, from £628 for both apartments and terrace/townhouses to £764 for detached properties.
- There was also evidence of variation in rental pricing between the various regional submarkets at district level. The average monthly rent in Belfast City Council Area during the first six months of 2020 was £730; outside Belfast, the average varied between £484 per month in Fermanagh & Omagh and £653 in Ards & North Down.

The average monthly rental price in Northern Ireland during January - June 2020 was £643

Northern Ireland House Condition Survey update

The Housing Executive has a statutory duty to regularly examine housing conditions and need across all tenures in Northern Ireland. Since 1974, the Northern Ireland House Condition Survey (HCS) has provided data on the housing stock and its residents on a five-yearly basis, with the format and content of the survey reviewed and updated to ensure that the most recent approaches, methodologies and key strategic issues are taken into account. As such, the survey provides key data that underpins the development of housing policy, informs housing strategies and plans, and guides the effective use of resources.

From 2016, in compliance with legislation, HCS findings have National Statistics status, which denotes that they have been assessed by the Office for Statistics Regulation (the regulatory arm of the UK Statistics Authority) as being fully compliant with the Code of Practice for Statistics.

The most recent Northern Ireland House Condition Survey was conducted in 2016 and, in line with the Housing Executive's statutory responsibility and the five-year intervals between previous surveys, the next survey was due to be carried out in 2021. While the Research Unit's House Condition Survey team continued to plan throughout 2020 to pave the way for the survey to be carried out in 2021, we were also mindful of the ongoing restrictions arising from the pandemic and carried out consultation with data users, stakeholders and other research bodies to help guide decision-making.

Based on the feedback from this consultation and taking account of the ongoing pandemic-related restrictions, the HCS Steering Group put forward a recommendation In January 2021 that the full survey originally planned for 2021 should be postponed until 2022, with a commitment that the Housing Executive would consult with users to establish requirements for key statistics to be modelled using data from the 2016 survey. This recommendation was approved in February, and the Research Unit has been consulting with users to establish the key modelled statistics required.

Further updates will be provided on the Housing Executive's website when available.
If you have any queries, you can contact the NIHCS team by e-mailing: nihcs@nihe.gov.uk

Latest 2016-based modelled House Condition Survey output

Cost of carbon savings in Northern Ireland's housing stock: Retrofitting energy efficiency measures to achieve Energy Efficiency Rating Bands C and B

The latest 2016-based modelled findings published by the Housing Executive were commissioned to inform the work carried out by the organisation in its role as the Home Energy Conservation Authority for Northern Ireland, an important strand of which involves investment in promotion of energy efficiency. This is in line with housing policy throughout the UK and further afield, which has focused on improving the energy efficiency of the housing stock in order to reduce fossil fuel emissions and help lower consumer energy bills.

The Standard Assessment Procedure (SAP) was used as the underlying methodology to model energy efficiency improvements and quantify savings for the purposes of the report. SAP uses an A to G banding system to rate the energy efficiency of a dwelling, where EER band A represents low energy costs (i.e. the most efficient band) and EER band G represents high energy costs (i.e. the least efficient band).

In the past, policy has been directed towards improving 'F' and 'G' rated dwellings. More recently, however, the UK Government has identified the need to improve the Energy Efficiency Rating (EER) band of dwellings in the stock to a **band C** and above, and the research, which was carried out for the Housing Executive by BRE, sought to estimate the cost of the necessary improvements in Northern Ireland, as well as the carbon and household energy cost savings that could be achieved as a result. The 2016 House Condition Survey had found that around 390,000 dwellings in the region were in EER bands D to G, the majority of which were in Band D.

The main findings of the report follow the Energy Performance Certificate (EPC) improvement methodology set out in Appendix T of SAP 2012 (v9.93); more information about SAP is available in the main report on the 2016 House Condition Survey 2016 (Appendix H). The process used for the analysis involved three key stages:

1. Dwellings identified as being in an EER band of D or below had improvements simulated until they were improved to EER band C.
2. The process was then repeated, with dwellings identified as being in EER band C or below having improvements simulated until they were improved to band B.
3. The cost of installing measures required to get to each band was then calculated, alongside the associated energy savings and reduction in SAP-based running costs.

Key findings from the EPC improvement methodology/Appendix T of SAP analysis were:

- The total cost to improve the approximately 390,000 eligible dwellings in Northern Ireland to at least band C was £2.4 billion, with a mean cost of £6,200 per dwelling.
- The overall impact of improving dwellings in Northern Ireland to Band C would be to provide mean energy cost savings of £500/year, mean CO_2 savings of 3.2 tonnes per year and a mean SAP rating increase of 14.
- The total cost to improve the approximately 586,000 eligible dwellings in Northern Ireland to at least an EER band B was £9.2 billion, with a mean cost of £15,600 per dwelling.
- The overall impact of improving dwellings in Northern Ireland to Band B would be to provide mean energy cost savings of £700/year, mean CO_2 savings of 3.7 tonnes per year and a mean SAP rating increase of 18.
- Generally, traditional improvement measures, which focus on installing fabric insulation and upgrading heating systems, were sufficient to improve dwellings to an EER band C. To reach the target band B threshold however, further measures were required in the majority of cases. Specifically, the installation of photovoltaic (PV) panels was essential in improving a significant proportion of the stock to a band B.

The total estimated cost to improve eligible dwellings to at least EER band B was £9.2 billion, with associated mean energy cost savings of £700 per year, mean CO_2 savings of 3.7 tonnes per year and a mean SAP rating increase of 18

However, in reality a package of measures that deviates from this methodology may be the most appropriate way of improving energy efficiency. Therefore, the analysis also considered additional scenarios to determine the cost of improving dwellings under alternative improvement pathways, using technologies likely to be employed in the short and medium term. Examples of short and medium term improvements included improvements to insulation, heating, glazing, heating controls and water cylinder thermostats and/or insulation.

Key findings from the scenario-based analysis using short- and medium-term improvements were that:

- Improving dwellings to a band C under the short-term scenario would cost a total of between £1.7 and £3.5 billion, with a mean installation cost of between £4,500 and £9,000. This compares with a total installation cost of between £1.9 and £5.2 billion for the medium-term scenario and a mean installation cost of between £4,900 and £13,400.
- For both the short- and medium-term scenarios, improving dwellings to Band C is estimated to achieve a mean energy cost saving of £540 and a mean CO_2 saving of 3.2 tonnes.
- Improving dwellings to band B under the short-term scenario would cost a total of between £6.2 and £10.7 billion, with a mean installation cost of between £8,300 and £14,400. This compares with a total installation cost of between £6.4 and £12.9 billion for the medium-term scenario and a mean installation cost of between £8,600 and £17,400.
- For both the short- and medium-term scenarios, improving the 79% of dwellings able to reach a band B is estimated to achieve a mean energy cost saving of £700, and a mean CO_2 saving of 3.8 tonnes.

The full report on the analysis and findings, including a detailed explanation of the methodology used, is available on the Housing Executive website

Housing Executive Research

As well as the reports summarised in this briefing, other recently-published research includes:

Analysis of Homeless Presenters and Acceptances

In 2017, the NI Audit Office (NIAO) published a report entitled *Homelessness in Northern Ireland*, which drew attention to the level of homeless presenters and the increasing levels of Full Duty Applicant Status acceptances. The document noted legislative differences between UK jurisdictions and it was suggested that a number of societal factors in NI may have resulted in an increase in presenters and acceptances, especially in relation to *Accommodation Not Reasonable*.

Recognising a need to gain an understanding of and respond to the issues raised in the report, the Housing Executive commissioned research which was undertaken by lead consultant Fiona Boyle with support from the Housing Executive via the Research Unit and the Homelessness Policy & Strategy Unit. In addition, specialist knowledge and expertise on homelessness policy and data for the rest of the United Kingdom was provided by Professor Nicholas Pleace, Centre for Housing Policy, The University of York.

Strategic Review of Temporary Accommodation

In January 2019, Campbell Tickell was commissioned to undertake a Strategic Review of the Housing Executive's temporary accommodation portfolio. The overall aim of the project was to provide the Housing Executive with an evidence base on which to assess whether its temporary accommodation is in the right locations, of the right type (and quality), and is cost effective and strategically relevant in the exercise of its homelessness duties. It was also expected that the research would assist the Housing Executive in considering the best and most cost-effective model for the delivery of temporary accommodation.

The report produced by Campbell Tickell provides an evidence base that will inform the Housing Executive's wider Strategic Review of Temporary Accommodation and resultant Strategic Action Plan.

If you have any comments or questions about this briefing or the Housing Executive's research programme, contact us on **028 9598 2562** or **research@nihe.gov.uk**