



House Sales Scheme: Outcomes and Experiences 1979-2019



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Executive Summary

Background

The Housing Executive's House Sale Scheme was introduced in 1979. Since then, approximately 120,000 properties have been sold to tenants. Particularly during the first 25 years or so of the Scheme, house sales were an important source of capital receipts for the Housing Executive, enabling ongoing investment in capital improvements to the body's housing stock. The Scheme also provided an affordable route into home ownership for many households. More recently, however, the number of properties sold to tenants each year has diminished considerably, and there has been increasing debate, both in Northern Ireland and at UK-wide level, on the wisdom of continuing to sell properties from an already much-reduced social housing stock.

The research summarised in this report was undertaken to provide updated evidence on some of the impacts and outcomes of the Scheme over a period of almost four decades. As well as providing an overview of the wider context, recent policy developments and other research evidence on House Sales/Right to Buy schemes, this report summarises the findings of a survey conducted by Perceptive Insight Market Research Ltd for the Housing Executive among a sample of residents living in properties across Northern Ireland that had been sold to tenants during the life of the Housing Executive's House Sales Scheme up to November 2018.

This research coincided with, but was separate from, a wider review led by the Department for Communities concerning the future of the House Sales Schemes for both Housing Executive and housing association properties.

Overview of the Scheme, previous research findings and policy context

Trends in house sales

During the life of the House Sales Scheme to date, the number of Housing Executive dwellings sold was highest in 1981/82 (7,042 properties). Over the subsequent 25 years, the annual number of sales fluctuated, but averaged around 4,400. However, the reduction of the maximum discount cap from £34,000 to £24,000 in 2004, followed by a period of unprecedented house price inflation that was ended by the Global Financial Crisis, resulted in reduced demand from tenants and the pattern of sales changed markedly from 2006/07 onwards. In all but one year since 2008/09, the total number of Housing Executive dwellings sold to tenants through the House Sales Scheme has been fewer than 500.

Previous research on the Scheme in Northern Ireland

Over the life to date of the House Sales Scheme, the Housing Executive has carried out or commissioned a number of pieces of research relating to the Scheme.

McGreal *et al's* 2004 report on *The House Sales Scheme and the Housing Market* sought to give a strategic perspective on the effects of the scheme, providing evidence and insights on the outcomes of the first 24 years of its operation. Some of the main findings were:

- Between 1979 and 2003, sales as a proportion of total stock were generally higher in provincial towns and 'rural' districts, and lower in the main urban centres of Belfast and Derry/Londonderry;
- Three quarters of sitting tenant purchasers had been living in their home for more than 10 years, 40% for more than 20;
- Sitting tenant purchasers expressed high levels of satisfaction with the Scheme and their home and the great majority felt that the advantages of home ownership outweighed the disadvantages. The main perceived disadvantages related to increased responsibilities (e.g. repairs and financial burden).
- The research team distinguished between 'first wave' and 'second wave' effects of the Scheme. The former were deemed to be mainly positive and included the capital receipts generated for re-investment in housing and households' ability to own their home. Second wave effects, it was suggested, were more complex and ambiguous. They included the changing shape of neighbourhoods, and the resources available to those in housing need.
- Where housing need was concerned, the research team concluded that, at the time of the analysis in 2003, the effect of the Scheme on public sector property supply was less than might have been expected, mainly because only a fraction of the sold properties were likely to have become available for re-let had they still been in the social sector.
- Statistical analysis had shown at best only a weak connection between volume of sales and social housing need; in 2003, the districts with the highest levels of housing stress were those with the *lowest* rates of sales under the Scheme. The findings pointed towards socio-economic issues and lower purchasing ability in the areas where housing stress was highest and the report emphasised the importance of 'put back' in the housing need equation.
- Overall, the Scheme had increased home ownership and affordability for first time buyers and in many areas there were strong re-sale markets for ex-Housing Executive properties, which remained a relatively affordable option, despite having appreciated in value.

The report produced by McGreal *et al*/ also referred to residents' concerns that open market re-sales and the shift of some properties into the private rented sector had had a detrimental impact on community spirit in some areas. A review of the research evidence on Right to Buy in Britain (Kleinhans and van Ham, 2013) found similar evidence that while neighbourhoods remained relatively stable in the short term, stability reduces as properties are re-sold, and the resulting more dynamic social mix had regularly resulted in social tensions. A number of other points emerge from the wider research on Right to Buy in Britain:

- The level of **discount** available to prospective buyers has been a key factor in the outcomes of the scheme and with lower discounts the Right to Buy would have had much less impact (Murie, 2015).
- The Right to Buy has had an **uneven impact spatially and socially**, and its effects have varied hugely depending on the local and regional housing market context (Murie, 2015; Kleinhans and van Ham, 2013). There has been a tendency to dwell on singularly positive or negative neighbourhood effects, but the reality can be more complex and contradictory.
- The outcomes around home owner and landlord **maintenance of properties** purchased under the Right to Buy have been mixed. Maintenance can be particularly complex in 'multi-owner' settings such as flat/apartment blocks, where the 'original' owner has to engage with multiple individual owners, some of whom are unable or unwilling to contribute their share of the costs. In such property types, where the property is re-sold to a third party, they may have little or no understanding of the costs, burdens and legal obligations associated with it (Kleinhans and van Ham, 2013).
- There is some evidence that the uptake of Right to Buy by economically active households, in combination with needs-based letting, has contributed to the overall longer term 'residualisation' and stigmatisation of council housing, with concentrations of economically inactive and low income residents and social housing seen increasingly as a tenure of last resort.

Right to Buy, House Sales, Private Renting and Housing Benefit

Research in Great Britain suggests that a large proportion of properties sold under the Right to Buy schemes there are now in the private rented sector. Research published by the Welsh Assembly Government (2017) estimated that across eight Local Authorities for which figures were analysed, around 12.5% of properties sold via the Scheme since 1997 (2,001 dwellings) had transferred to the private rented sector and were in receipt of LHA at some stage over the five years from 2010/11 to 2014/15. Similarly, research in England (Cole *et al*, 2015) indicated that a considerable proportion of Right to Buy stock had been 'recycled' into the private rented sector, especially in recent years, resulting in higher Housing Benefit expenditure.

The research evidence on this subject in Northern Ireland has been relatively limited. McGreal *et al* (2004) noted that while their survey identified only small numbers of former Housing Executive properties that were in the private rented sector at the time of their research, these homes commanded significantly higher rents than comparable Housing Executive properties and were occupied by more affluent households.

In Northern Ireland, the average rent level in the private rented sector is higher than that within the social rented sector and, within the social rented sector, the average housing association rent tends to be higher than the average Housing Executive rent. Broadly speaking, it might therefore be expected that, for those in receipt of the maximum amount of Housing Benefit support to which they are entitled, the average amount of Housing Benefit paid out per recipient would be highest for tenants renting in the private sector.

Right to Buy in Scotland, Wales and England

Although there were some differences between the schemes that operated in England, Scotland, Wales and Northern Ireland and the *numbers* of properties sold, trends across the four UK constituent countries were broadly similar during the period 1996/97 to 2016/17. Particularly in England, Scotland and Wales, sales reached a peak in 2003/04 before falling steadily as house prices climbed during the period of housing market inflation that preceded the global financial crisis.

The Right to Buy Schemes that had operated in Scotland and Wales ended in 2016 and 2019 respectively, with both legislatures citing the need to protect social housing stock as the main rationale. At the time of writing, work was under way on a pilot voluntary Right to Buy scheme for registered housing associations in England, but there were no plans to end the compulsory Right to Buy scheme for Local Authority tenants.

ONS reclassification of housing associations in Northern Ireland

A key influence on policy developments and analysis in relation to the House Sales Schemes (operated by both the Housing Executive and housing associations) in Northern Ireland in recent years has been the decision by the Office for National Statistics in 2016 to reclassify housing associations from the private to the public sector due to the level of regulatory control exercised over them by the government.

While this was mainly a technical issue concerning expenditure accounting, it nevertheless had significant policy implications; in summary, the reclassification of housing associations meant that, if no action were taken, either the number of social houses being built each year would halve, or the Northern Ireland Executive would

have to allocate around twice as much funding to maintain the same level of new social dwelling provision annually.

A review of legislation conducted by the Department for Communities indicated that the compulsory nature of the House Sales Scheme for housing associations amounted to 'control which is significant enough to warrant classification to the public sector', and the Department therefore published a consultation document, which highlighted a number of issues regarding the reclassification, including the options around the House Sales Scheme.

In May 2020, the Minister for Communities announced that Executive agreement had been obtained to progress the Housing (Amendment) Bill (Northern Ireland) 2020 by Accelerated Passage, to facilitate the reversal of the ONS decision to reclassify housing associations into the public sector. The announcement noted that the amendments to the legislation would end the statutory and compulsory House Sales Schemes *for registered housing associations* after a transition period of two years, and the Minister commented that "*It is my intention to consult separately on methods of entry to affordable homeownership which will include consideration of the future of the Housing Executive House Sales Scheme*". The Bill was passed by the Northern Ireland Assembly on 30 June 2020 and received Royal Assent on 28 August 2020.

The House Sales Scheme in Context: Social Housing Supply and Need in Northern Ireland

Social housing supply

The 1974 House Condition Survey indicated that there were around 153,500 social rented dwellings in Northern Ireland (34% of the stock), practically all of which were owned by the Housing Executive. The Housing Executive continued to add to its stock over a thirty-year period after its creation, particularly during the 1970s and early 1980s, and built around 80,000 new homes in total between 1971 and 2001. However, a combination of a steady rate of demolitions and the popularity of the House Sales Scheme meant that by 1991 the Housing Executive's stock was only 4,700 units more than it had been 17 years earlier, and accounted for around 28% of the total housing stock in Northern Ireland.

From around 2001 the full responsibility for building new social housing transferred from the Housing Executive to housing associations, which since then have developed more than 26,000 new social homes ([Department for Communities, 2018](#)). Consequently, the Housing Executive has not been in a position to replace the properties it has sold with newly built social housing, resulting in the organisation having an ageing and gradually decreasing stock. The most recent House Condition

Survey data indicated that in 2016 there were around 85,300 Housing Executive dwellings, which accounted for just over one tenth (11%) of the housing stock. Therefore, although Northern Ireland's total housing stock increased by 71% between 1974 and 2016, from 455,500 to 780,000, the social stock *decreased* over this period, from 153,500 to 120,900.

The number of social housing (Housing Executive and housing association) allocations to applicants has varied over the last two decades or so, generally at a level of between 7,000 and 8,000 per annum. There were 7,696 allocations in 2018/19.

Social Housing Need

In Northern Ireland, the Housing Selection Scheme is the gateway into social housing owned and managed by the Housing Executive and housing associations. The Selection Scheme uses common access criteria to assess applicants' housing needs and those who receive 30 or more points in recognition of their housing need are deemed to be in 'housing stress'. The number and proportion of applicants in housing stress has risen steadily in recent years, from 13,042 (50% of applicants) in 2002/03 to 26,387 (70% of applicants) in 2018/19. The Housing Executive takes account of the degree of housing stress in carrying out annual social housing needs assessments for each local government district (LGD) in Northern Ireland. It was determined that a total of almost 14,400 additional social dwellings were required over the period 2017-2022 to meet the identified social housing needs.

The data on assessed social housing need can be set alongside information on Housing Executive house sales and overall social housing supply at LGD level; overall, the figures point towards different dynamics in different areas. By far the greatest number of dwellings sold under the House Sales Scheme (24,185) was in Belfast LGD; however, as a proportion of the total Housing Executive stock in the district, the level of sales was the lowest in Northern Ireland (48%). As a consequence of this and continued relatively high levels of new provision, Belfast had the greatest number of self-contained social dwellings per 1,000 households (295) in 2018, but it also continued to have the second highest level of need for new provision, with a requirement for 33 new social dwellings per 1,000 households over the period from 2017-2022.

A similar pattern of relatively high levels of need (49 units per 1,000 households between 2017 and 2022), in spite of a slightly lower-than-average rate of sales and relatively high levels of supply, was also apparent in Derry & Strabane. However, in other localities, the indicators were very different. Numerically, the second highest number of Housing Executive house sales between 1979 and 2018, equating to 65% of dwellings originally owned by the Housing Executive in the district, was in the Armagh City, Banbridge and Craigavon LGD. In 2018 the social housing stock in the

district was at the lower end of Northern Ireland provision (120 dwellings per 1,000 households), but the level of assessed social housing need for 2017-2022 was also one of the lowest in Northern Ireland (four dwellings per 1,000 households). A similar picture of a relatively high proportion of Housing Executive stock sold, but relatively low self-contained social housing supply and assessed need, was evident in Fermanagh & Omagh District.

The greatest proportion of sales relative to originally-owned stock was in the Newry, Mourne and Down District, where 70% of Housing Executive dwellings had been sold by 2018. However, with supply at 116 dwellings per 1,000 households, and assessed need of 30 dwellings per 1,000 households for 2017-2022, this was the area of Northern Ireland where it appeared that the loss of social housing supply over time had had the greatest direct impact on the level of housing need, perhaps due to relatively lower levels of new social housing provision over time than in areas such as Belfast and Derry.

Survey of residents living in dwellings that had been bought from the Housing Executive

As part of the research, the Housing Executive commissioned Perceptive Insight Market Research Ltd to carry out a survey of residents living in 100 sold Housing Executive dwellings in each of the body's 13 administrative Areas. A total of 1,313 respondents were interviewed across Northern Ireland in spring 2019. This survey found that approximately half (47%) of the properties sold to ex-tenants were still owned and lived in by the original purchasers, more than a quarter (27%) were owned and lived in by someone other than the original purchasers and more than a quarter of the properties (26%) were being rented (mainly in the private rented sector). The results show that:

Overall:

- The majority of respondents either agreed or strongly agreed that the scheme was a good policy (76%); that it encouraged home ownership (80%) and that it had enabled social tenants to become home owners who otherwise would have been excluded from home ownership (80%).
- The majority of respondents (90%) were satisfied/very satisfied with the condition of their property, but five per cent were dissatisfied/very dissatisfied.
- Two-fifths of the properties were occupied by all-adult households (42%), three-tenths (31%) were occupied by older households and a quarter (26%) were occupied by households with children.

Of those respondents who were owner-occupiers:

- More than three-fifths (64%) were the original purchasers who had bought the property from the Housing Executive, while the remaining two-fifths (36%) had bought the property from someone other than the Housing Executive.
- Three-fifths (61%) owned their home outright; the remainder (39%) had a mortgage or loan.
- More than three-quarters (77%) of respondents who did not own their home outright said that they found that it was either very or quite easy to pay the mortgage.
- The majority (81%) said that the dwelling they were living in was the first home they had purchased.

Of those owner occupiers who had bought their homes from the Housing Executive:

- More than two-fifths (44%) had been Housing Executive tenants for 20 years or more before they bought their homes.
- Two-thirds (67%) said that, overall, the cost of home ownership was at a level they expected; and
- The vast majority were either very satisfied or satisfied with the House Sales Scheme (97%) and agreed that, overall, home ownership had met their expectations (93%).

Of those respondents who rented their homes:

- The majority (84%) rented their home from a private landlord, nine per cent from a social landlord and seven per cent from a family member or friend.
- Similar proportions had come to rent the property through an estate agent or letting agency (41%) and by word of mouth (39%); the remaining 20% had responded to a landlord advertisement.
- More than half (52%) were in receipt of Housing Benefit or the housing costs element from Universal Credit; the majority (61%) said the benefit payment did not cover their rent in full.

Conclusions

Writing in 2004, McGreal *et al*/ concluded that the impact of the Housing Executive's House Sales Scheme depended on two issues: first, what was done with the capital receipts and, second, the policies developed to address housing need issues.

Capital Receipts

For many years, the flow of capital receipts from the House Sales Scheme acted as an enabler to support the Housing Executive's investment in improving its stock; in this sense, the House Sales Scheme was arguably of more benefit to the social housing sector in Northern Ireland than Right to Buy in GB, where the majority of capital receipts were returned to central government and the lack of funding available for investment in council housing ultimately resulted in a programme of stock transfer out of public sector ownership. In Northern Ireland, the policy of reinvestment in the stock had been a sound one and, setting aside other considerations about the outcomes of the House Sales Scheme, the fall in demand has vastly reduced this source of income at a time when the need for a substantial level of investment in the Housing Executive's ageing stock has been well documented.

Housing Need

While 'what is done with the capital receipts' has become largely a moot point, 'policies developed to address housing need issues' remain pertinent, especially in light of the Programme for Government target to reduce the level of housing stress in Northern Ireland. With house sales at a historically low level and a relatively consistent rate of new build output, the social sector stock has been gradually increasing, but remains lower numerically – and substantially lower proportionately – than in 1974.

Our analysis indicates that it is difficult to draw firm conclusions about direct relationships between house sales and either relative or absolute levels of housing need because of the variation in circumstances and outcomes at local level. In some areas, despite the sale of a large proportion of the stock originally owned by the Housing Executive and/or relatively low levels of social housing stock relative to the overall number of households, assessed housing need at the time of writing was relatively low. In others, although a greater proportion of the original Housing Executive stock still remains, and although there have been relatively high levels of new build provision in recent years, substantial levels of social housing need also exist. Similar observations were made by McGreal *et al* (2004), who noted at that time that the findings pointed towards socio-economic issues and lower purchasing ability within the areas where housing stress is highest, and emphasised the importance of 'put back' in the social housing need equation; these comments remain valid in 2020.

Renting and Housing Benefit

The survey findings indicate that just over a quarter of the dwellings sold by late 2018 were being rented in 2019. We have no evidence on whether the rented properties in the survey sample were purchased *for the purpose of letting*, or whether original or subsequent owner-occupiers moved on and retained the property for letting. Either way, the figures confirm that a great number of mixed-tenure estates have evolved across Northern Ireland over a period of decades and are being managed by the Housing Executive.

Figures published by the DfC indicate that in 2017/18 the average collectable rent for Housing Executive tenants was £66.59 per week. However, only around 10% of survey respondents indicated that the rent for their home was less than £80 per week, while nearly three-fifths (57%) stated that their weekly rent was more than £100. Just over half of those who were renting (53%; around 16,210 respondents) were receiving Housing Benefit or the housing costs element of Universal Credit, but 60% (around 9,770 respondents) had a shortfall between the support received and the full cost of the rent.

While it is difficult to draw firm conclusions on any additional cost to the public purse of support for housing costs paid to those living in former Housing Executive properties by comparison with the cost of this support for Housing Executive tenants, it is clear that the vast majority of tenants living in privately rented former Housing Executive properties are liable for greater rent costs than current Housing Executive tenants.

Overall, the findings of the survey suggest that former Housing Executive properties now in the private rented sector are catering for a cohort of working age households that are more likely than both the general population and Housing Executive tenants to contain at least one child. Around half of respondents who were renting were working, but their incomes, while higher than those of Housing Executive tenants, were lower than for the wider sample of survey respondents, including owners.

A substantial minority of those currently renting former Housing Executive properties were on the waiting list for social housing. However, the majority of respondents who were renting said they intended to *continue to rent* for the next five years. Irrespective of tenure, the figures point towards an ongoing need for affordable housing options for lower income households who may be unable to access either the social housing or owner occupied sector.

Households who had purchased their home from the Housing Executive

Around 57,050 sold Housing Executive properties were still occupied by the original purchaser in 2019. More than two fifths (44%) had been tenants for 20 years or

more before purchasing their home and almost nine tenths (89%) said they had paid £40,000 or less for their home after discount (72% had paid £20,000 or less).

At the time of the survey, almost three quarters (73%) owned their home outright and of those who had a mortgage, more than three quarters (78%) said they found it quite/very easy to make the payments. The majority (67%) had found the costs of home ownership to be in line with their expectations and almost a quarter (22%) said it was less expensive than they expected. Most (88%) had also found it easy to maintain their home to a reasonable level of repair and the vast majority (93%) said home ownership had met their expectations. Overall, 97% were satisfied or very satisfied with the scheme.

For this group, many of whom were in the 'older' age cohort at the time of the survey, the House Sales Scheme had provided an accessible and affordable route to home ownership in an area with which they had well-established connections. Not surprisingly, therefore, they were the most inclined to agree that it was a good policy that enabled home ownership among social tenants who would otherwise have been excluded from the owner occupied market.

Households who had purchased their home from someone other than the Housing Executive

At the time of the survey round 32,220 homes purchased from the Housing Executive under the House Sales Scheme were owned by households who had purchased them from a third party (someone other than the Housing Executive). The majority (around 76%) had been purchased since 2000, most (66%) by first time buyers. A greater proportion of this group than of original purchasers were therefore still paying off their mortgage, and the majority indicated that they found it easy to meet this cost.

While around half of original purchasers were in the 'older' household type at the time of the survey, the profile of households who had bought from a third party was more in line with that of renters; almost half were all-adult households and nearly two fifths were households with children. Reference persons in these households were much more likely to be in employment (69%) than renters or original purchasers. Reflecting this and the fact that they were less likely than original purchasers to have bought their home at a discounted rate, their income profile differed substantially from the other two groups, with around one quarter having an income of more than £30,000 per annum, compared with 9% of original purchasers and 5% of renters.

Those who had purchased from a third party generally agreed that the House Sales Scheme was a good policy that had enabled home ownership for social tenants who would otherwise have been excluded from owner occupation. Perhaps reflecting that these households were less likely to have benefited *directly* from the discount,

respondents who had purchased from someone other than the Housing Executive were slightly less likely than original purchasers to agree that the House Sales Scheme was a good policy (75% and more than 90% respectively).

The role of sold properties in the housing market

Taken together, the findings on the circumstances and experiences of the households living in sold Housing Executive properties point to, broadly speaking, three distinct groups, at different points in their life and housing journeys and in different circumstances:

- Original purchasers are most likely to be older households who have lived in the same dwelling for many years, now own it outright and are unlikely to choose to move, unless their circumstances change
- The second group of home owners are mainly working age, employed first time buyers who purchased their home on the open market as an affordable option
- Those renting are generally lower income households – albeit often working – often with children, and most expect to stay in the private rented sector – even in the same *dwelling* – for the next five years.

The points that emerge in considering the findings only serve to highlight, once again the complexity of issues associated with the House Sales Scheme. In summary:

- By 2019, the survey findings suggest that around 57,000 original purchasers remained living in the homes they had bought from the Housing Executive, while 60,800 sold Housing Executive dwellings had been transferred from the ownership of the original sitting tenant purchaser into the hands of another owner, or were being rented privately. A further 3,000 properties had returned to the social rented sector. Arguably, it is at the point when properties move out of the ownership of original purchasers that they are 'lost' to the social sector, since original purchasers are likely to have remained in the property as tenants if they had not bought their home, and it is only at the end of the tenancy (reflected in the end of the ownership period of the original purchaser household) that the property would have become available for re-let. As time goes on, more properties will move from being owned by original purchasers into one of the other two groups.
- Given the general picture emerging from the survey findings, it could be argued that, even having changed tenure, many of these dwellings will continue to meet the needs of specific groups for whom the reduced social sector in Northern Ireland does not have the capacity to provide and much of the owner occupied sector has generally been simply too expensive.

- On the other hand, had the social sector not diminished so drastically as a result of the House Sales Scheme and lack of investment in new social housing provision, it might have been better able to meet the needs of a greater number and wider range of households. There is no guarantee about the quality of housing and tenancy management in place for those living in ex-Housing Executive properties now owned and managed by a private landlord; the level of rent charged is generally higher than for social sector (particularly Housing Executive) dwellings, with associated implications for any housing support costs being paid; and these assets are lost to the social housing sector for good.

Looking ahead: The future of the Housing Executive House Sales Scheme

All other things being equal, the announcement in May 2020 by the Department for Communities about amendments to legislation to end the statutory House Sales Schemes for registered housing associations after a transition period of two years (leaving associations with the option of operating a non-statutory, voluntary sales scheme) addressed the most pressing issues associated with the reclassification of housing associations and thus helped enable consistent ongoing provision of new social housing. It also provided clarity on the position for housing associations and their tenants, although it remains to be seen whether there will be uniformity or divergence in any voluntary sales scheme provisions put in place by individual housing associations.

Noting her wish to support people into home ownership, as well as to retain the social housing stock where possible, the Minister for Communities also indicated her intention to consult separately on methods of entry to affordable homeownership, including consideration of the future of the Housing Executive House Sales Scheme. Moving forward, therefore, a number of issues look set to influence decision-making about the future of the Housing Executive's House Sales Scheme. They include:

- the need to ensure equality of opportunity for Housing Executive and housing association tenants in terms of the ability to purchase their home from their social landlord, given that the nature of the Housing Selection Scheme and allocations process in Northern Ireland means tenants have no control over who owns the social sector home allocated to them;
- the outcome of any future consultation by the Department for Communities on the future of the Scheme, and stakeholder views on the most appropriate policy direction given scarce public resources, Programme for Government targets and objectives, and housing need;
- wider policy developments in relation to the housing market and the range of options available to assist those wishing to move into home ownership; and
- decisions about eligibility for, and discount levels associated with the Housing Executive's House Sales Scheme, should a Scheme continue in a voluntary rather than statutory format; and

- consideration of any potential impact of the policy change to allow the Housing Executive to increase rents; in particular, whether there is potential for an increase in house sales as a result

1.0 Introduction

1.1 Background to the research

The House Sales Scheme allows Housing Executive tenants to buy the home they rent at a discounted price. Having been introduced in 1979 on a voluntary basis, the Housing Executive's Scheme became statutory in 1993.

To enable equality of opportunity for both Housing Executive and housing association tenants, a similar scheme was implemented for tenants living in properties owned by Registered Housing Associations (hereafter referred to as housing associations) in 2003. Up to November 2018 around 120,000 Housing Executive properties and 3,000 housing association properties had been sold under the respective schemes¹.

Particularly during the first 25 years or so of the Housing Executive's House Sales Scheme, house sales were an important source of capital receipts for the Housing Executive, and were an important enabler of both new build output and ongoing investment in capital improvements to the body's housing stock (see Section 2.2).

The Scheme also provided an affordable route into home ownership for many households. More recently, however, the number of properties sold to tenants each year has diminished considerably, and there has been increasing debate at UK-wide level on the wisdom of continuing to sell properties from an already much-reduced social housing stock.

Research has been carried out on behalf of the Housing Executive in the past about various aspects of the House Sales Scheme. McGreal *et al's* report on *The House Sales Scheme and the Housing Market* (2004) provided a strategic perspective on the effects of the Housing Executive's House Sales Scheme, and a series of short annual reports for the Housing Executive, also produced by McGreal *et al*, looked at how ex-Housing Executive properties performed when re-sold on the open market. In addition, in late 2006/early 2007, the Housing Executive commissioned a survey of people who had applied to purchase their home from the Housing Executive and subsequently decided not to proceed to completion.

In light of increasing debate across the UK about the longer term impacts of 'Right to Buy' on the availability of social housing stock – including discussions on the number of former social housing properties on which Housing Benefit was being paid in the private rented sector – it was considered appropriate to gather information that would provide updated evidence on the outcomes of the Housing Executive's House Sales Scheme in Northern Ireland to help inform thinking about future policy approaches. The research coincided with, but was separate from, a wider review led by the

¹ Department for Communities, 2018

Department for Communities concerning the future of the House Sales Schemes for both Housing Executive and housing association properties (see section 2.7 for more information on the context of the DfC review).

As well as providing an overview of the wider context, recent policy developments and other research evidence on House Sales/Right to Buy schemes, this report summarises the findings of a survey conducted by Perceptive Insight Market Research Ltd for the Housing Executive among a sample of residents living in properties across Northern Ireland that had been sold to tenants during the life of the Housing Executive's House Sales Scheme.

This report presents the information collated and analysed in four further sections:

Section 2.0 provides an overview of trends in Housing Executive house sales over time, summarises key findings of previous research on the Scheme and highlights some of the main findings and policy developments in relation to Right to Buy in Great Britain;

Section 3.0 describes the wider context of social housing supply and need in Northern Ireland;

Section 4.0 summarises the key findings of a survey undertaken for the Housing Executive in 2019 among just over 1,300 respondents living in homes that had been purchased from the Housing Executive between 1979 and 2018;

Section 5.0 draws some broad conclusions, based on the various strands of analysis in the preceding sections.

2.0 Overview of the House Sales Scheme, previous research findings and policy context

This section provides an overview of trends in Housing Executive house sales over time and summarises the key findings of previous research carried out in relation to the Housing Executive's House Sales Scheme, as well as highlighting some of the key findings and policy developments in relation to Right to Buy in Great Britain.

2.1 Overview of the House Sales Scheme

The Housing Executive has operated a House Sales Scheme since 1979, with the aim of allowing its eligible tenants to buy the homes they were renting at a discount price. It is broadly similar to the Right to Buy schemes that had been operating in Great Britain since 1980.

The scheme initially operated on a voluntary basis and was written into legislation in the Housing (Northern Ireland) Order 1983. In May 1993, it became a statutory scheme; open to all Housing Executive tenants irrespective of length of tenancy, with some exceptions.² More information on the Scheme timeline and the various amendments to eligibility criteria and discounts since 1993 are set out in **Appendix 1**.

By November 2018, the Housing Executive had sold 120,500 dwellings to its tenants; **Appendix 2** provides a breakdown of sales on an annual basis. These house sales have been an important source of capital for the Housing Executive and provided an affordable route to owner occupation for thousands of households, effectively creating mixed tenure estates right across Northern Ireland.

Figure 1 shows the number of Housing Executive dwellings sold annually under the House Sales Scheme since it was introduced. It also highlights the years when key changes were made, and when wider housing issues affected the uptake of the scheme – perhaps most obviously the decline in sales as house prices in Northern Ireland increased during a period of unprecedented inflation in the run-up to the 2007/08 Global Financial Crisis; coupled with a discount cap being imposed in 2002 which was reduced further in 2004³, after which the annual number of sales has continued to remain at relatively low levels.

The Housing Executive retained the right, under certain circumstances, to buy back ex-social housing stock within 10 years from the date of purchase. Where the

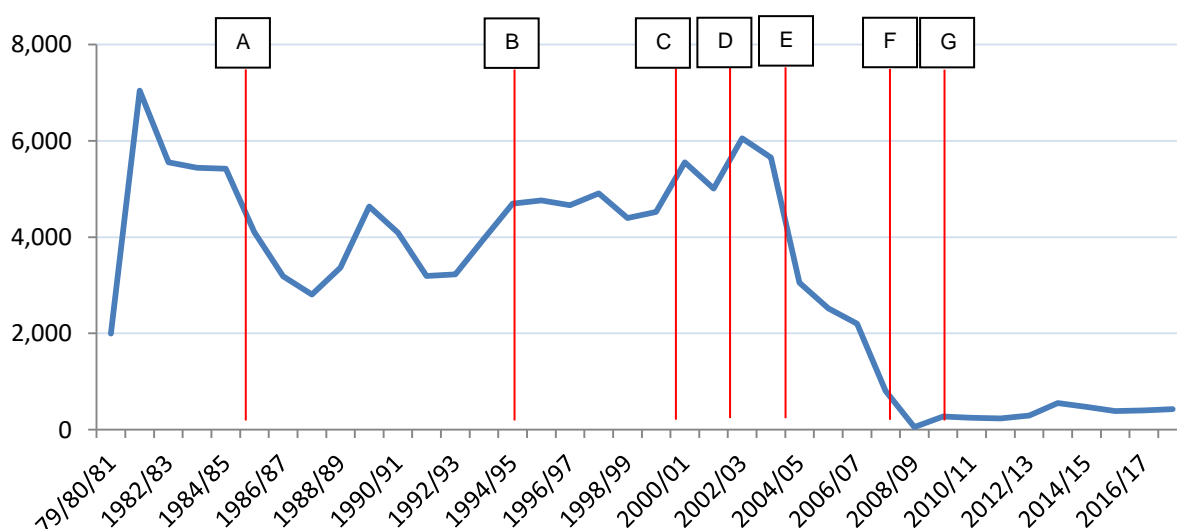
² Further information about the exceptions is detailed in Appendix 1

³ In 2002 a discount ceiling was imposed so that a tenant could get a maximum discount of £34,000. This was reduced to £24,000 in 2004.

Housing Executive or a registered housing association is not prepared to buy, the property can be sold on the open market. If the property is sold, all or a portion of the discount may be recoverable (Murphy, 2013).

At the time of this research, no details were available of the number of ex-Housing Executive properties that had been bought back by the Housing Executive, or whether any of the discounts have been recovered.

Figure 1: Number of Housing Executive properties sold under the House Sales Scheme, 1979-2017/18



Key to events in Figure 1:

- | | |
|---|--|
| A. 1983 The Housing (Northern Ireland) Order introduced | E. 2004 changes to the scheme |
| B. 1993 The scheme made compulsory | F. 2007/08 financial crisis |
| C. 1999 changes to the scheme (see Appendix 3) | G. 2009 changes to the scheme ⁴ |
| D. 2002 changes to the scheme (see Appendix 3) | |

From around 1998 the responsibility for building new social housing gradually began to transfer from the Housing Executive to housing associations, which since then have developed over 26,000 new social homes ([Department for Communities, 2018](#)). Consequently, since around 2001, the Housing Executive has not been in a position to replace the properties it sold with newly built ones, resulting in the organisation having an ageing and gradually decreasing stock.

⁴ The House Sales Scheme criteria and the changes that were made to it are detailed in Appendix 1

2.2 The House Sales Scheme and Capital Receipts

Particularly during the first 25 years or so of the Housing Executive's House Sales Scheme, house sales were a source of capital receipts for the Housing Executive, and were an important enabler of both the landlord's new build output and ongoing investment in capital improvements to the body's housing stock. Writing in 2001, Gray and Campbell provided an overview of data on public expenditure on housing in Northern Ireland between 1994/95 and 1999/00. The figures, which are reproduced in Table 1, show that house sales accounted for the bulk of capital receipts at that time, and suggest that capital receipts were an increasingly important element of funding for capital action on existing dwellings over the period.

Table 1: Public expenditure on housing in Northern Ireland, 1994/95 - 1999/00

Public Expenditure on housing	1994/ 95	1995/ 96	1996/ 97	1997/ 98	1998/ 99	1999/ 00
Northern Ireland Housing Executive						
Capital Account Expenditure						
New house building	35.5	48.5	42.5	35.7	15.9	7.8
Land and property	15.4	11.4	19.1	18.7	17.1	16.4
Action on existing dwellings and estates	79.2	73.2	63.7	63.6	57.8	61.8
Home loans	0.2	0.3	0.1	0.0	0.1	0.0
Accommodation and equipment	2.4	1.6	1.7	2.4	1.8	2.5
TOTAL	132.8	135.0	126.8	120.4	92.7	88.5
Capital Account Receipts						
House sales	52.5	53.4	57.2	67.3	67.1	77.0
Land sales	1.9	1.8	2.1	2.5	3.1	3.3
Home loan redemptions	1.2	1.1	1.0	0.9	0.8	0.3
TOTAL	55.6	56.3	60.2	70.7	71.0	81.0
Revenue Account Expenditure						
Loan charges	199.6	208.1	215.6	221.2	224.6	228.0
Housing and ground maintenance	99.1	101.8	105.5	108.4	114.4	113.6
Supervision and management	51.8	50.1	52.3	52.2	52.7	51.9
Renovation/enveloping/group repair	34.	44.4	48.5	46.3	42.0	40.0
Miscellaneous	8.7	9.7	9.4	11.6	13.7	13.7
TOTAL	393.2	414.2	431.2	439.7	447.4	447.2
Revenue Account Receipts						
Rents from dwellings and garages	231.0	242.6	241.6	242.9	246.0	248.8
Rents from commercial property	1.6	1.7	1.7	1.9	1.9	1.9
Miscellaneous	3.1	3.2	3.3	3.5	3.6	3.6
TOTAL	235.7	247.5	246.6	248.3	251.5	254
Voluntary housing movement						
DoE grants and loans	44.9	50.0	47.5	54.5	64.6	68.0
Receipts	16.3	14.5	14.0	13.0	12.2	11.9

Source: Northern Ireland Housing Statistics 1999/00 (Department of the Environment for Northern Ireland), quoted in Gray and Campbell, 2001.

Gray and Campbell's commentary, which appeared in Paris (ed) 2001, explained the funding arrangements that applied to the Housing Executive at the time:

The Housing Executive has a unique funding arrangement whereby its capital expenditure, used mainly to finance the improvement of its stock, is funded by borrowing with the consent of government and by capital receipts from the sale of land and property. Its revenue expenditure, which covers loan charges, maintenance, staffing and management and the provision to the private sector of renovation and replacement grants, is funded partly by rental income and partly by grant. Unlike local authorities in Britain which have only recently been allowed to retain their capital receipts to fund future programmes, this has always been the case with the Housing Executive. ... The Housing Executive's capital and revenue budget are each sub-divided into five blocks with a government limit on each block. The Executive must seek permission to move money from one block to another and movement between capital and revenue budgets is rarely allowed.' (Gray and Campbell, 2001, p95)

2.3 Previous research on the House Sales Scheme and related literature

The Housing Executive has both commissioned and undertaken a number of pieces of research relating to the House Sales Scheme. Overall, the findings of the research have highlighted the popularity of the Scheme among households who purchased their home.

The report on *The House Sales Scheme and the Housing Market* report (McGreal et al, 2004) provided a strategic perspective on the effects of the Housing Executive's House Sales Scheme. While it pre-dated the global financial crisis, it provided useful evidence and insights on the outcomes of the Scheme over its first 24 years of operation.

The research used a variety of methods including a detailed analysis of the 100,800 Housing Executive properties sold between 1979 and 2003⁵; and 373 interviews⁶ with residents living in homes that had been sold through the Scheme. The data were used to provide information on sales trends, and the impact of the Scheme on estates, waiting lists, housing markets, and potential future demand.

Some of the main findings were:

- Sales as a proportion of total stock were generally higher in provincial towns and 'rural' districts and lower in the main urban centres of Belfast and Derry/Londonderry;

⁵ Key trends were identified over the entire period as well as sub-divisions from 1979-1992 (first wave) and 1992- 2003 (second wave)

⁶ Included 321 interviews with sitting tenant purchasers , 31 with households who had bought the property on the open market and 21 with households renting from a private landlord

- The vast majority of properties sold were houses (86%), over three-quarters (76%) with three bedrooms;
- Between 1979 and 2003 there was a decline in the proportion of buyers aged between 45 and 64; and a corresponding increase in buyers in the 35-44 and over 65 age groups;
- Just over three fifths (62%) of sitting tenant purchasers were in some form of employment and almost half (47%) were in full time work, though their income overall was generally low. Open market purchasers tended to have higher incomes, and 90% were in some form of employment;
- Three-quarters of sitting tenant purchasers had been living in their home for more than 10 years, 40% for over 20 years;
- High levels of satisfaction were expressed by sitting tenant purchasers. Ninety-six per cent were satisfied with the Scheme, 97% with their present home and 95% felt that the advantages of owning their own home outweighed the disadvantages; and
- The main perceived disadvantages associated with home-ownership related to increased responsibilities such as repairs (46%) and the financial burden (17%)

Beyond the outcomes for the individual households, the research team concluded that the Scheme had had a broader impact on the local housing market. The “first wave” effects were mainly positive: capital receipts generated by sales were available for re-investment in housing activity; purchasers had moved into home ownership and there was insufficient evidence to suggest that households had over-extended themselves financially. However, “second wave” impacts were emerging, and these were more complex and ambiguous, altering the shape of neighbourhoods and the resources available to those in housing need. Where housing need was concerned, the team concluded that at the time of the research:

- The effect on public sector property supply was less than might have been expected;
- Even if sold properties were still in Housing Executive ownership, only a fraction were likely to have become available for re-let within the life of the Scheme;
- Evolving demographics and social patterns had led to changes in the overall waiting list structure, which was increasingly weighted towards single and elderly households;
- A statistical analysis had shown that there was at best only a weak connection between volume of sales and social housing need. Indeed, the evidence showed that the districts with the highest levels of housing stress were those with the lowest rates of sales under the Scheme, and the most recent analysis summarised in section 3.0 of this report suggests that this largely remains the case. The findings pointed towards socio-economic issues and lower purchasing ability within the areas where housing stress was highest, and the

research team emphasised the importance of 'put back' in the housing need equation.

Other outcomes identified by the research were that:

- There were some concerns among residents, particularly in relation to re-sales on the open market and privately rented properties, that the changing social and tenural composition had had a potential detrimental impact on community spirit in individual estates; and
- The Scheme had increased home ownership and affordability for first time buyers and in many areas there were strong re-sale markets for ex-Housing Executive properties, which remained a relatively affordable option despite having appreciated in value.

Similar points emerged from a meta-analysis of existing research on various neighbourhood outcomes of the wider UK Right to Buy policy carried out by Kleinhans and van Ham (2013), who noted that while neighbourhoods remained relatively stable in the short term (directly after a wave of Right to Buy sales to sitting tenants), over time stability reduces as properties are re-sold to new, generally low income owner-occupiers or move into the private rented sector. As time goes on, the more dynamic social mix has regularly resulted in social tensions.

McGreal *et al*'s report on the House Sales Scheme in Northern Ireland emphasised the complexity of the relationship between house sales and housing need, suggesting that there was no simple causality between the two, and underlined the importance of wider socio-economic issues in influencing the overall housing market. It suggested that the impact of the Scheme depended on two issues: first, what was done with the capital receipts and, second, the policies developed to address housing need issues. The report advocated consideration of an alternative scheme that could include:

- Opportunities for shared ownership, with arrangements allowing tenants to 'staircase' up and down; and
- The opportunity for tenants to buy into a form of 'partnership housing' in which they could hold an equity stake while continuing to benefit from maintenance and repair programmes.

The report concluded that, in addition to the positive impact made in many areas through the Scheme, and alongside other agendas relating to neighbourhood renewal, a wider choice of tenure options could contribute to positive interactions in the least attractive estates, facilitating a balance that may have been lacking in the past.

McGreal *et al* also looked at the available evidence on sales of public sector housing in GB to identify the 'winners' and 'losers' of the Right to Buy. They argued that the losers were the public sector tenants for whom the decline in the size and quality of

the residential social rented sector had reduced options and opportunities. The buoyance of the rates of re-let up to the time of their analysis had confounded the expectations of the impact of the Right to Buy, but there was clear evidence that the re-lets that were occurring were in different locations and properties, even if not on a smaller scale. McGreal et al concluded that the overwhelming majority of those who had exercised their Right to Buy fell into the 'winners' category, having benefited from discounts and the appreciation in property values.

Similar findings were outlined by Disney and Luo (2015), who considered the impact of UK Right to Buy policy on social welfare in the UK and concluded that by the mid-1990s the 'winners' were those tenants who had been able to purchase relatively desirable properties at subsidised prices and Central Government, which had benefited from the transfer of around three quarters of GB-generated capital receipts. On the other hand, the 'losers' were arguably those tenants who were unwilling or unable to buy their council house or apartment because they had low incomes and/or lived in a less desirable property.

Research in Britain has highlighted a number of other issues about the Right to Buy scheme and its impacts. Writing in 2015, Murie traced the relationship over time between varying levels of **discount** available and changes in uptake of the Scheme, concluding that:

Looking back over the history of RTB it is apparent that, rather than the symbolism associated with a legal Right, it was the manipulation of levels of discount that were key to the operation of the policy. The Right to Buy with lower discounts would have had much less impact.

Murie (2015) also noted that Right to Buy had had an **uneven impact** spatially and socially. A similar point was made by Kleinhans and van Ham (2013), who suggested that discourse on the Right to Buy has tended to identify singularly positive or negative effects on neighbourhoods 'without acknowledging the inherent complexity and sometimes contradictory nature of concepts such as stability and tenure mix', and while taking insufficient account of the fact that 'comparable sale levels in roughly comparable neighbourhoods have led to **hugely varying effects, depending on the local and regional housing market context**' [emphasis added] (Kleinhans and van Ham, p105).

In their analysis, Kleinhans and van Ham also drew attention to the mixed outcomes around homeowner and landlord **maintenance** of properties purchased under the Right to Buy. Some research had found a common perception that owners took better care of their homes than tenants, and that this encouraged other residents to do the same. However, other evidence suggested that tenant buyers with low incomes often struggled with greater-than-expected maintenance costs. In 'multi-owner' settings, such as flat/apartment blocks where a proportion of properties had been sold, the situation was further complicated by the need for the 'original' owner

to deal with the other individual owners to arrange maintenance; this included the obstacle of the possible inability and/or reluctance of these owners to contribute their share of any maintenance or improvement costs.

When such properties were resold, research indicated that the difficulties worsened: 'new owners of resold Right to Buy properties were often not aware of the impending costs, burdens and legal obligations associated with the previous council housing and did not take them adequately into consideration when buying the property' (Kleinhans and van Ham, p112).

Disney and Luo (2015) noted that by the mid-1990s an increasing risk had become apparent that public sector housing would become over time 'a **residual** of the lowest quality housing inhabited by the lowest income groups' (Disney and Luo, 2015, p 5). Murie (2015) concluded that Right to Buy had added to the residualisation in social renting, and Kleinhans and van Ham also cited evidence that 'the selective uptake of Right to Buy by economically active households had resulted in a council sector with growing concentrations of economically inactive and low-income residents, among them tenants with structural health problems or disabilities, single parents and elderly people'. In turn, the combination of a residualised council/social housing sector and needs-based letting had contributed to the stigmatisation of social housing, confirming its position as 'housing of last resort, only for those with no other options'. (Kleinhans and van Ham, p106)

However, commenting on the evidence from GB at the time, McGreal *et al* (2004) noted that research had consistently found it difficult to show a direct association between the Right to Buy and patterns of housing stress or housing need. This lack of evidence challenged the view that the sale of council houses directly impacts on the supply of housing available to those in severe housing need, and McGreal *et al* considered the research evidence in GB inconclusive concerning the extent to which the highest rates of sales have occurred in areas with the highest levels of housing need or the longest waiting lists.

McGreal *et al* (2004) also noted that caution is required when interpreting the results from the studies in Great Britain; they concluded that while the issues raised by the Right to Buy schemes in Great Britain are often equally relevant for Northern Ireland, it should not be assumed that the same patterns of change are replicated and that it would be wrong to assume that the House Sales Scheme in Northern Ireland has had exactly the same impacts as its equivalent in Great Britain. They highlighted the fact that the Scheme in Northern Ireland had operated against a very different political, economic and social background. Furthermore, the structure and buoyancy of the housing market and the local economy in NI had not followed the same path as in the rest of the UK.

2.4 Ex-Housing Executive properties re-sold on the open market.

Although the Housing Executive retained the right to buy back ex-social housing stock within ten years of the date of purchase, in practice, the majority of Housing Executive properties that are no longer owned by the original purchaser have been sold on the open market. Research carried out by the Housing Executive 13 years after the commencement of the Scheme found that by 1992 an estimated 10% of all the dwellings sold by the Executive had subsequently been re-sold on the open market, compared with only 3% in 1986.

In their report on *The House Sales Scheme and the Housing Market*, McGreal *et al* (2004) stated that there were strong re-sale markets for ex-Housing Executive properties, which remained a relatively affordable option despite having appreciated in value.

McGreal *et al* (2011) was the latest in a series of reports that looked at the resale performance of former Housing Executive properties on the open market. The 2011 analysis found that former Housing Executive properties consistently accounted for between 9% and 12% of the volume of sales in the existing or second-hand market. However, the research did not provide an estimate of the overall *number* of properties that had been re-sold.

2.5 Right to Buy/House Sales and Housing Benefit costs

Housing Benefit (HB) helps eligible claimants who are unemployed, on a low income or claiming other benefits to pay their rent⁷, whether they are renting from a private or social sector landlord. One of the aims of our research was to get a sense of the number of former Housing Executive properties that were being privately rented at the time of the survey, as well as the proportion receiving support for housing costs through Housing Benefit or Universal Credit.

Research in Great Britain suggests that a large proportion of properties sold under the Right to Buy schemes are now in the private rented sector. A Welsh Government report (2017) showed that around 139,000 social rented dwellings had been sold across Wales since the Right to Buy Scheme was introduced in October 1980. As a result, there had been a significant reduction in the availability of socially rented homes for those who cannot afford to buy a home, or to rent from a private landlord, and who are dependent on social housing or some other form of subsidised housing. However, between Quarter 1 2000 and 2014-15, the number of privately rented dwellings more than doubled, to account for 15% of all dwelling stock in Wales.

⁷ As part of the Welfare Reform programme being implemented by the UK Government, a number of benefits, including Housing Benefit, are gradually being replaced by Universal Credit (UC). It is planned that all claimants will have moved to UC by 2023. In the meantime, new claimants and existing HB claimants who report certain changes in their circumstances are having their claims processed as part of the Universal Credit claim system and, where applicable, receive the 'housing costs' element of Universal Credit. .

The report estimated that across eight Local Authorities for which figures were analysed, around 12.5% of properties sold via Right to Buy since 1997 (2,001 dwellings) had transferred to the private rented sector and were in receipt of LHA at some stage over the five years from 2010/11 to 2014/15. Extrapolated to the national (Wales) level, and using the same average cost per claim as applied to the estimate for the eight authorities, the estimated cost to the public purse in terms of *extra* Housing Benefit payments was £21.9 million over five years, giving an annual average over the period of £4.4 million.

Cole *et al* (2015) noted that 1.8 million properties in England were purchased under the Right to Buy Scheme between 1980/81 and 2013/14. In combination with the voluntary transfer of stock⁸, this meant that the number of dwellings owned by local authorities in England declined from 5.1 million in 1980 to 1.7 million in 2014. The total capital receipts from Right to Buy sales up to 2010/11 amounted to around £45 billion. Similar to Northern Ireland, sales were highest in the early years of Right to Buy in smaller, rural district councils and new towns. The rate of sales was lower in large, urban authorities, in particular in inner London, the north-west of England and more deprived urban areas.

The report also found that a considerable proportion of Right to Buy stock had been 'recycled' into the private rented sector, especially in recent years, resulting in higher Housing Benefit expenditure. One study calculated that the higher cost of accommodation in the private rented sector in a local authority led to an additional cost of £3.2 million per annum compared to the equivalent in social renting.

Between the years 1979-80 and 2014-15 a total of 494,580 council and housing association homes were sold under Right to Buy in Scotland (Scottish Government, 2016). [The Right to Buy Resales in Scotland report](#) (Pawson et al., 1998) found that more than one fifth (21.5%) of ex-social sector properties sold under the scheme between 1980 and 1997 were re-sold on the open market⁹. Around 4,000 former social sector homes were in the private rented sector, with most being rented from individuals who were former residents. Half of all tenants were in receipt of Housing Benefit, with only 11% of heads of household in full-time employment. The median monthly rent paid by tenants was £300, nearly three times the figure for remaining council-owned properties at the time of the research.

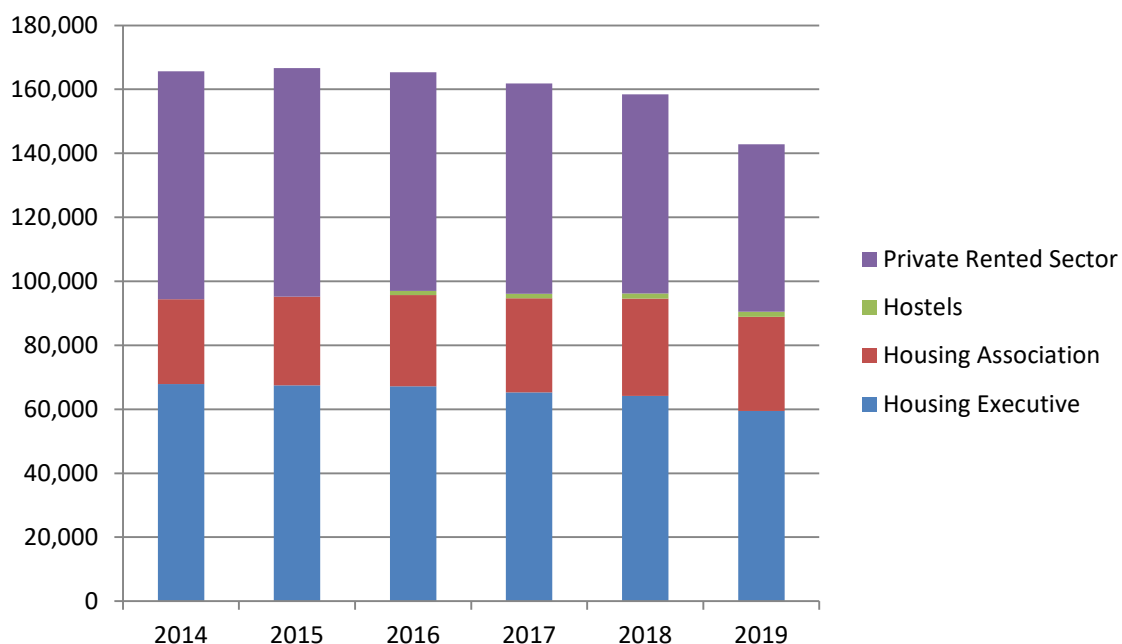
⁸ Between 1988/89 and 2017/18 just over 1.3 million former council homes in England were transferred to the ownership of private registered providers ([UK Housing Review 2019, Table 68a](#)). From the late 1990s until around 2012, stock transfer was seen as a key means to facilitate large-scale investment in previously under-maintained council housing, particularly in light of the UK government's targets for achievement of the Decent Homes Standard. In a [review of the impacts of stock transfer](#) published in 2009, Pawson *et al* commented that 'Alongside the impact of council house sales under the right to buy, [stock transfer] represents the most fundamental restructuring of social housing in the post-war period'

⁹ An estimated 69,000 properties were re-sold on the open market out of almost 330,000 properties that were sold under the Scheme up to that point.

The research evidence on this subject in Northern Ireland is relatively limited. McGreal *et al.* (2004) noted that while their survey identified only small numbers of former Housing Executive properties that were in the private rented sector at the time of their research, these homes commanded significantly higher rents than comparable Housing Executive properties and were occupied by more affluent households. However, the report did not attempt to estimate the overall number or proportion of former Housing Executive dwellings that were in the private rented sector at that time.

In 2017/18, Housing Benefit payments across the private and social rented sectors in Northern Ireland totalled £631.8 million. In recent years, claims made by Housing Executive tenants have generally accounted for around two fifths of all Housing Benefit claims in the region (64,206 of 158,389 live claims at March 2018; 41%). The proportion of claims accounted for by private rented sector tenants has decreased slightly since 2013/14, from 43%, to 37% (Figure 2), and there has been an overall downward trend in claims, which is at least in part due to structural changes in the wider benefits system and the transition to Universal Credit.

Figure 2: Number of live Housing Benefit claims in Northern Ireland at March by sector, 2014-2019



In Northern Ireland, as in other parts of the UK, there are differences in the average rent collectable between the different sectors. Average rent in the private rented sector is higher than the rent within the social rented sector and, within the social rented sector; the average housing association rent tends to be higher than the average Housing Executive rent.

In 2015/16¹⁰ the average collectable rent for Housing Executive tenants was £66.60 per week¹¹ (excluding rates and charges) compared with £101.71 per week (including rates and charges) for housing association tenants ([Department of Communities, 2019](#)). A freeze on Housing Executive rents from 2016/17 was announced in early 2016, initially for one year while the government conducted a review of rent policy (*Inside Housing*, 15 February 2016). In the event, the freeze continued for a further four years, before it was confirmed in February 2020 that the Minister for Communities had given the go-ahead for a 2.7% increase from 6 April 2020, which was due to bring the average weekly Housing Executive rent up by £1.79 to £68.27. The onset of the COVID-19 pandemic in March 2020 meant that a decision was taken on 6 April to put the increase on hold (Department for Communities, 2020a). However, at the time of writing it was expected that the rent increase would be implemented from 5 October 2020 (Department for Communities, 2020b).

In the second half of 2017 the average private rented sector rent in Northern Ireland was £598 per month (£138 per week) ([NIHE, 2018b](#)). Broadly speaking, it might therefore be expected that, for those in receipt of the maximum amount of Housing Benefit support to which they are entitled, the average amount of Housing Benefit paid out per recipient would be highest for tenants renting in the private sector, and higher for social housing tenants living in housing association properties than those in Housing Executive properties.

In practice, however, the amount of Housing Benefit/housing costs support for which claimants are eligible depends on a number of factors including any earned income, savings, and the composition of the claimant's household. In addition, a number of factors have impacted, and will continue to impact, the overall total amount of Housing Benefit (specifically) that is paid to claimants in Northern Ireland:

- the introduction of the Social Sector Size Criteria¹² from 20 February 2017;
- the rollout of universal credit (housing costs) which will eventually replace HB entirely; and
- A cap on the maximum amount paid to tenants who rent privately, known as the Local Housing Allowance (LHA), which depends on size criteria and the

¹⁰ At the time of writing, the most recent housing association data available was for 2015-16. The 2018-19 figure for Housing Executive tenants was £66.59

¹¹ Before application of Housing Benefit

¹² The introduction of the Social Sector Size (SSSC) criteria changed the way Housing Benefit is calculated for claimants living in the social rented sector. From February 2017 onwards, the calculation has taken account of the number of bedrooms in the home and the number of people living there. If a working age claimant is assessed as having more bedrooms than their household needs, the amount of Housing Benefit they receive is reduced accordingly. [Further details can be found here](#). It should be noted that a decision was taken to mitigate the impacts of the SSSC in Northern Ireland through the provision of Welfare Supplementary Payment (WSP), so although the level of Housing Benefit being paid may have decreased, most tenants remain no worse off.

Broad Rental Market Area.in which the dwelling is located.¹³ This cap often means that tenants are required to make up a shortfall between the rent due and the amount of Housing Benefit received.

Given the evidence that weekly rents in the private rented sector are generally higher than those for social dwellings – particularly those owned and managed by the Housing Executive – it is likely that ex-Housing Executive properties that are now in the private rented sector may have a higher HB/housing cost element cost to the public purse than if they had remained part of the Housing Executive stock, even at the LHA rate.

It is worth noting that a number of properties that had been sold under the House Sales Scheme have now made their way back into the social housing sector. This may be due to the use of buy-back arrangements relating to the conditions of the Scheme (see section 2.1; data on the number of instances where this applies were not available at the time of writing this report), or through mechanisms within the Social Housing Development Programme (SHDP) for new social housing.

The SHDP includes a category of 'Existing Satisfactory Purchases' (ESPs). Detailed information about ESPs is provided in the [Scheme Types](#) section of the Housing Association Guide published by the Department for Communities but, in summary, this category allows the purchase of existing dwellings from the property market that have been occupied as a residence for at least 12 months from completion and do not require full rehabilitation. In some cases, ESPs may take the form of buy-backs of stock formerly owned by a social landlord, but data on this sub-category is not routinely collated. Any former Housing Executive dwellings purchased under this category within the SHDP over the last 20-25 years would be owned and managed by registered housing associations.

2.6 Right to Buy trends and policy developments in Scotland, Wales and England

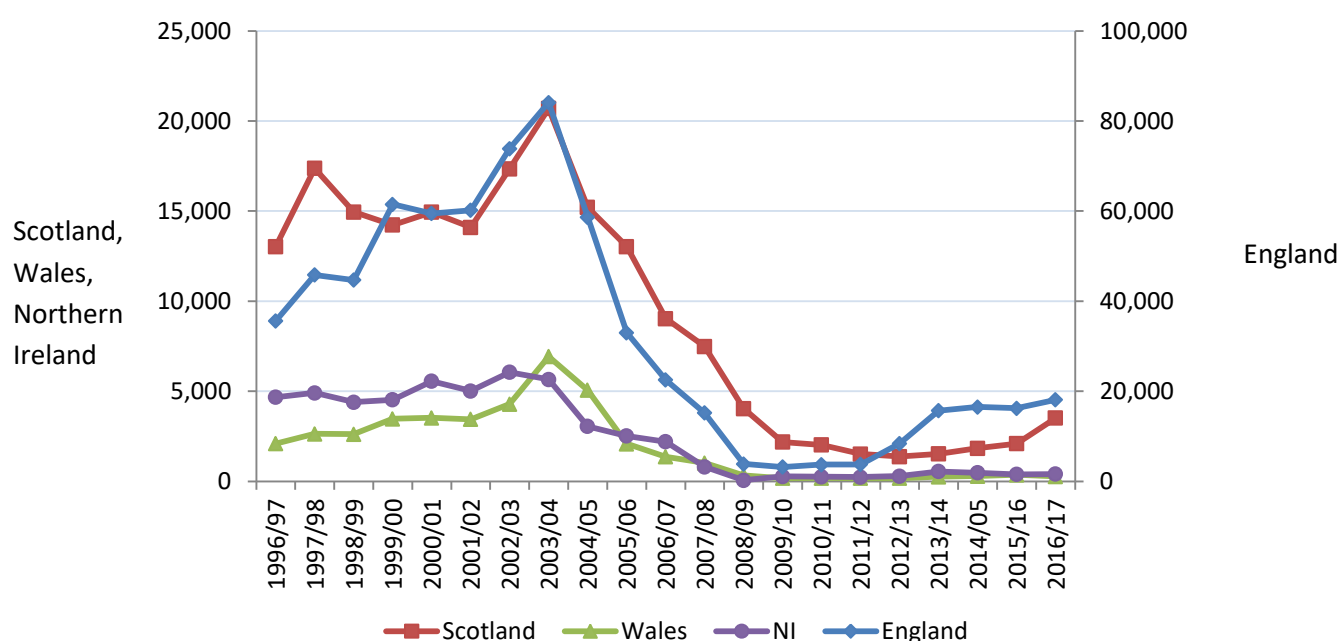
The statutory Right to Buy schemes were introduced in Great Britain in 1980. The schemes in England, Scotland and Wales were similar to, but not exactly the same as, the Northern Ireland House Sales Schemes.

Although there were some differences between the schemes, Figure 3 shows that during the period 1996/97 to 2016/17 the trends across the four UK constituent countries were broadly similar. Particularly in England, Scotland and Wales, sales reached a peak in 2003/04, before falling steadily as house prices climbed in advance of the global financial crisis.

¹³ Northern Ireland is divided into eight broad rental market areas (BRMAs). The LHA in each area is based on the 30th percentile rent in the BRMA for the property type that is needed (e.g. a bedsit or 2 bedroom property)

The Right to Buy scheme that had operated in Scotland was abolished in 2016 and Wales subsequently followed suit, with its scheme ending on 26 January 2019. Transitional arrangements were put in place in both jurisdictions, (for two years in Scotland and one year in Wales). At the time of writing, work was under way on a pilot voluntary Right to Buy scheme for registered housing associations in England, but there were no plans to end the compulsory Right to Buy scheme for Local Authority tenants.

Figure 3: Social housing properties sold through Right to Buy/House Sales Schemes in the UK constituent countries, 1996/97-2016/17



Source: Stephens et al, 2018

2.7 ONS reclassification of housing associations in Northern Ireland

Housing associations have been responsible for building all new social sector homes in Northern Ireland since 1998. This policy decision was made because housing associations were classed as *independent social enterprises* sitting outside of government. In contrast, the Housing Executive, as a *Public Corporation*, was classed as sitting within government.¹⁴

This difference in status meant that the housing associations have been able to complement government funding to develop new social sector homes with private borrowing, an option that is unavailable to the Housing Executive due to how

¹⁴ From April 2014, the Housing Executive was reclassified by ONS, and went from being a single public corporation to a *quasi-public corporation* (Landlord Services) and a *non-departmental public body* or 'NDPB' (Regional Services)

borrowing is accounted for and allowed under government budgetary governance rules.

In September 2016, however, an [Office for National Statistics \(ONS\) review](#) deemed that housing associations in Northern Ireland should be reclassified from the private to the public sector due to the level of regulatory control the government had over them. While this was mainly a technical issue concerning expenditure accounting, it nevertheless had significant policy implications for a range of issues, including the sale of dwellings owned by social landlords: a review of legislation conducted by the Department for Communities indicated that the compulsory nature of the House Sales Scheme for housing associations amounted to 'control which is significant enough to warrant classification to the public sector'.¹⁵

If housing associations are classified as public sector bodies they would not be permitted to borrow, because this borrowing would add to the public sector debt. This had been the case for the Housing Executive, and was a key aspect of the rationale for the full transfer of responsibility for delivery of the social housing new build programme to housing associations in the late 1990s; associations' private sector status and ability to leverage private sector borrowing meant that a much greater level of output could be achieved than through the use of public funding alone.

Put simply, therefore, the reclassification of housing associations meant that, if no action was taken, either the number of social houses being built each year would halve, or the Northern Ireland Executive would have to allocate around twice as much funding to maintain the same level of new social dwelling provision annually.

The Northern Ireland Executive asked that proposals be brought forward to enable it to seek a reversal of the re-classification of housing associations and, as part of the broader response to the re-classification, the Department for Communities began to consider the future of both the Housing Executive and housing association schemes.

Although the collapse of the Northern Ireland Executive and suspension of the Northern Ireland Assembly in January 2017 meant that the potential changes to the legislation that would be required to reverse the decision had to be placed on hold, the Department for Communities continued to take forward the work within its remit on this matter and in 2018 launched [a consultation](#) which highlighted a number of issues regarding the reclassification. [The consultation](#) outlined a number of options available to the Northern Ireland Executive and the potential consequences of these options, which are detailed in Appendix 3.

In January 2020 the [New Decade, New Approach agreement](#) published by the British and Irish governments contained a commitment to introduce legislation to

¹⁵ [Department for Communities \(2018\) Classification of Registered Housing Associations in Northern Ireland: Consultation Two - The Future of the House Sales Schemes \(p12\)](#)

reclassify housing associations. Subsequently, in May 2020, the Minister for Communities announced that Executive agreement had been obtained to progress the Housing (Amendment) Bill (Northern Ireland) 2020 by Accelerated Passage, to facilitate the reversal of the ONS decision to reclassify housing associations into the public sector. The Bill was passed by the Northern Ireland Assembly on 30 June 2020 and received Royal Assent on 28 August 2020.

The Minister's May announcement noted that the amendments to the legislation would end the statutory and compulsory House Sales Schemes for registered housing associations after a transition period of two years, but that this would leave associations with the option of operating a non-statutory, voluntary sales scheme¹⁶. Commenting on the developments, Minister Hargey stated that:

*The ending of the House Sales Schemes for housing association properties is required if we are to obtain the reversal of the decision to reclassify housing associations. The Housing Executive scheme is not affected. It is my intention to consult separately on methods of entry to affordable homeownership which will include consideration of the future of the Housing Executive House Sales Scheme. I am keen to support people in to homeownership as well as retain the social housing stock wherever possible.*¹⁷

All other things being equal, this action to address the issues associated with the reclassification of housing associations will help enable consistent ongoing provision of new social housing, and provides clarity on the position for housing associations and their tenants.

Moving forward, a number of issues look set to influence decision-making about the future of the Housing Executive's House Sales Scheme. They include: wider policy developments in relation to the housing market and the range of options available in terms of home ownership the need to balance opportunities for Housing Executive tenants and to ensure a supply of social housing stock; and changes in demand for house purchase from tenants that may emerge as a result of marginal increases in Housing Executive rents; and the desirability of retaining an equitable approach for all social sector tenants,.

¹⁶ ['Minister Hargey to protect housing supply' \(Department for Communities, 7 May 2020\)](#)

¹⁷ *ibid*

3.0 The House Sales Scheme in Context: Social Housing Supply and Need in Northern Ireland

It has been noted that decisions were taken within the last number of years to end the Right to Buy schemes in both Scotland and Wales. These decisions reflected concerns about the impact of the policy on the availability of social housing stock for re-let and were framed in the context of protecting the social housing stock.¹⁸ This section describes the wider context of social housing supply and need in Northern Ireland.

3.1 Social housing supply in Northern Ireland

Over the lifetime of the House Sales Scheme, for a variety of reasons, the housing market and the overall tenure profile of the dwelling stock in Northern Ireland have evolved substantially. The first comprehensive [House Condition Survey](#) in the region was carried out by the Housing Executive in 1974, several years before the Scheme began. At that time there were around 153,500 social rented dwellings in Northern Ireland, almost all of which were owned by the Housing Executive. This accounted for around one third (34%) of the total housing stock, and more than twice as many dwellings as the private rented sector (72,200; 16%).

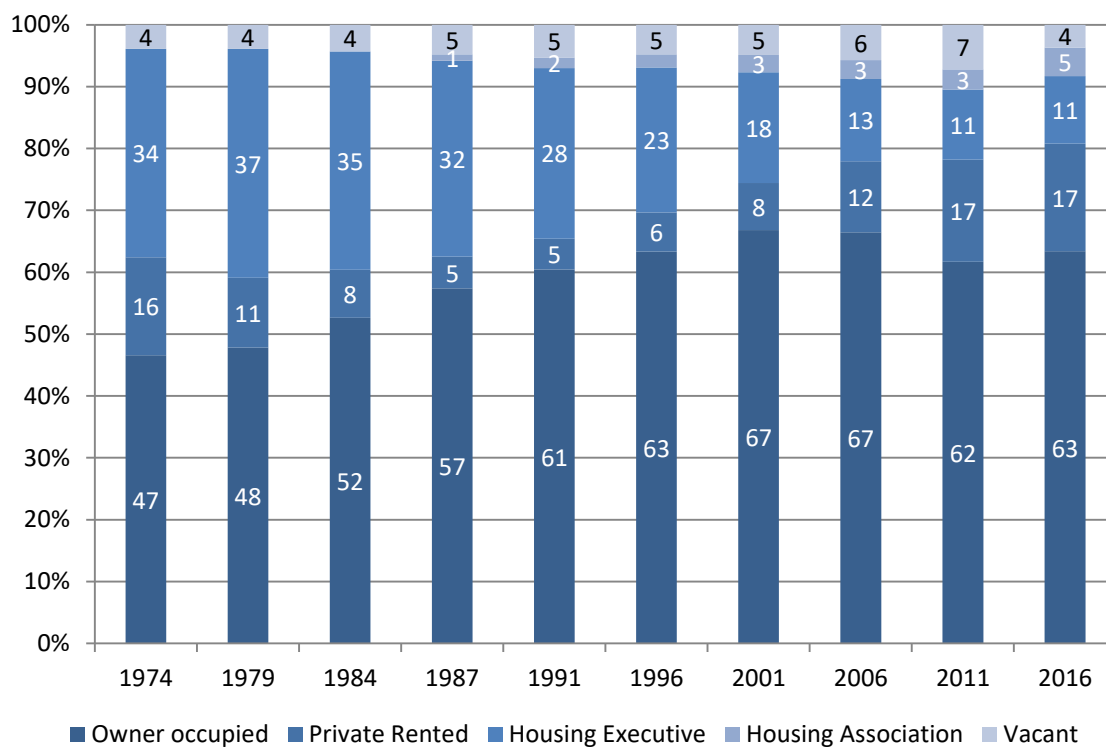
The Housing Executive continued to add to its stock over a thirty-year period after its creation, particularly during the 1970s and early 1980s, and built around 80,000 new homes in total between 1971 and 2001. However, a combination of a steady rate of demolitions and the popularity of the House Sales Scheme meant that by 1991 the Housing Executive's stock was only 4,700 units more than it had been 17 years earlier, and accounted for around 28% of the total housing stock in Northern Ireland.

Since then, the Housing Executive's stock has reduced steadily, although it remains the largest social landlord in Northern Ireland, and one of the largest providers of social housing in the UK. The main driver behind the decrease in the Housing Executive stock has been the House Sales Scheme, coupled with the fact that the body has not added any new dwellings to its stock for almost 20 years. Housing associations began to provide a relatively low number of new homes each year from 1979 onwards. However, since the mid-1990s, following the introduction of a mixed funding regime and a subsequent policy review that made them responsible for provision of all new social housing, the proportion of the housing stock owned and managed by housing associations has risen steadily.

¹⁸ Scottish Government (2016) 'Right to buy ends in Scotland'; WIREDGOV (9 January 2019) ['Right to Buy to end in Wales this month'](#)

These trends are illustrated in Figure 2, which also shows the growth, over a 25-year period to 2001, in the proportion of the housing stock in the owner occupied sector and the contraction of the private rented sector up to 1991. More recently, however, the proportion of stock in the private rented sector has gradually increased, and it appears that, with the contraction of the social rented sector, many households who might otherwise have sought a socially rented home are now being housed in the private rented sector. Section 2.4 considers this issue in more detail, particularly in relation to the segment of the private rented sector supported by Housing Benefit.

Figure 4: Northern Ireland's Housing Stock by Tenure; 1974 and 1991-2016 (%)



Source: Northern Ireland House Condition Survey

Overall, Table 2 shows that although there was a substantial increase in the total Northern Ireland housing stock over the period, the Housing Executive's stock *decreased* by 44% between 1974 and 2016. Despite the gradual rise in the level of provision by the housing association sector, the reduction in the Housing Executive's housing stock has impacted on the level of stock in the social housing sector as a whole, reducing the overall pool from which properties might become available for re-letting. This, in turn has implications for the overall capacity to house applicants

on the social sector waiting list, particularly the rising number of applicants in housing stress¹⁹.

Table 2: Northern Ireland's dwelling stock, 1974 and 2016

		Housing Executive	Housing Association	All Social rented	Private rented	Total Stock
1974	Number	153,500	-	153,500	72,200	455,500
	% of total stock	33.7%	-	33.7%	15.8%	100%
2016	Number	85,300	35,600	120,900	136,000	780,000
	% of total stock	10.9%	4.6%	15.5%	17.4%	100%
Change	Number	-68,200	35,600	-32,600	87,800	324,500
	%	-44%	n/a	-21%	121.6%	71%

Source: [House Condition Survey](#)

Similarly, [the Northern Ireland Housing Statistics \(2018-2019 report\)](#) highlighted a number of more recent trends in social housing sector supply and demand in Northern Ireland:

- between 2002/03 and 2018/19, the number of Housing Executive tenants decreased by nearly one-fifth (18%), from 102,834 to 84,253²⁰;
- in 2018/19, a total of 18,202 households presented as homeless to the Housing Executive. Nearly seven in ten (69%) were granted full duty applicant status, and of these the duty was discharged for around one fifth (21%; 2,668 applicants)²¹;
- while the annual number of Housing Executive and housing association allocations to applicants varied over the period between 2002/03 and 2018/19 (Figure 5), there was a 12% decrease in the number of social housing sector properties allocated to applicants who were not already social sector tenants between the two points in time, from 8,766 allocations in 2002/03 to 7,696 allocations in 2018/19²².

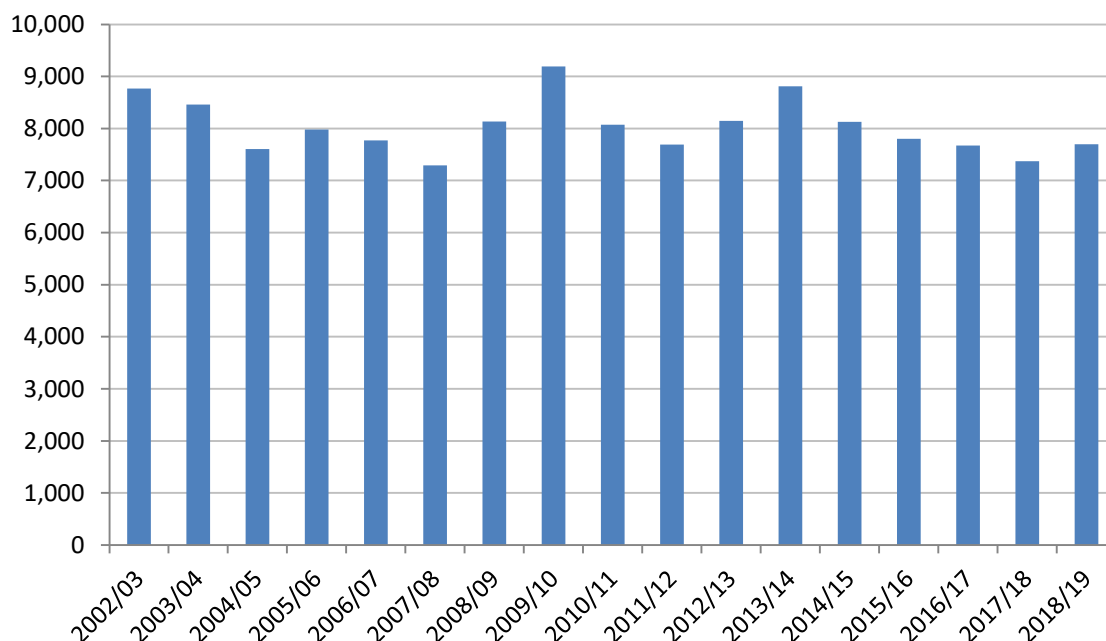
¹⁹ Applicants on the waiting list with 30 points or above are considered to be in housing stress, or housing need.

²⁰ For the week including 31 March (Table 3.4 of [Northern Ireland Housing Statistics 2018-19](#))

²¹ Where the Housing Executive concludes that a homeless applicant is eligible, homeless (or threatened with homelessness), in priority need and unintentionally homeless, it owes them the full housing duty in line with the provisions of the Housing (NI) Order 1988 (as amended). An applicant to whom this full housing duty is owed is operationally referred to as a 'Full Duty Applicant', or 'FDA'. Where an applicant is owed the full housing duty, the Executive shall secure that accommodation becomes available for their occupation. This duty can be discharged: (1) by re-housing the applicant in the social or private sector; (2) by making the applicant three reasonable offers of accommodation which are all refused by the applicant; or (3) if the applicant re-houses him/herself and no longer wishes to pursue their homeless application. (For figures, see Table 3.10 of [Northern Ireland Housing Statistics 2018-19](#))

²² This accounted for three-quarters (74%) of all allocations in 2018/19. The remaining allocations were transfers for tenants who were already social sector tenants.

Figure 5: Annual total Housing Executive and housing association allocations to applicants, 2002/03-2018/19



Source: Northern Ireland Housing Statistics 2018-19 (Department for Communities)

3.2 Social housing need

The Housing Executive has statutory responsibility for administration of the Housing Selection Scheme. The scheme is the gateway into social housing in Northern Ireland, whether owned and managed by the Housing Executive or any housing association. It provides a one-stop-shop for applicants and promotes equitable treatment by using common criteria to assess the housing needs of all applicants. The Housing Executive awards points to eligible applicants in recognition of their housing circumstances. If they are in receipt of 30 points or more they are deemed to be in housing stress.

The proportion of applicants on the waiting list who were in housing stress increased from half (50%) of all applicants in March 2003 to seven-tenths (70%) of all applicants by March 2019. The increased rate of housing stress was the result of a much greater growth in the number of applicants in housing stress over the period (from 13,042 to 26,378; a rise of 102%) than in the total number of applicants on the waiting list (from 26,248 to 36,198; a rise of 44%²³). In line with the growth in the rate of housing stress, the total number of applicants *not* in housing stress decreased from 13,206 to 11,472 ([Department of Communities, 2019](#)).

²³ The number of all applicants peaked at 41,356 in 2012/13, but it has since declined

In order to understand social housing need and prioritise areas for new build, the Housing Executive carries out an annual social housing needs assessment to determine the level of additional accommodation required at local level to meet the projected housing need for general needs applicants registered on the waiting list (taking into account those in Housing Stress). In 2018 it was determined that an additional 14,374 properties were required during the period 2017-2022 to meet the identified social housing needs (Table 3).

The Housing Executive produces four-year Housing Investment Plans (HIPs) for each of the local government districts (LGDs) in Northern Ireland, and updates these plans on an annual basis. Table 2 shows the Housing Executive's housing stock, the number of properties sold and the social housing need for the period 2017-2022, as summarised in the 2018 HIPs. Belfast was the LGD with the largest stock of social housing, the most stock sold and the greatest level of social housing need. However, it was also the council area with the lowest overall proportion of Housing Executive stock sold under the scheme (48%, compared with 59% for Northern Ireland as a whole). The local government districts in which the highest proportion of Housing Executive stock had been sold by 2018 were Newry, Mourne and Down (70%) and Mid Ulster (66%).

Table 3: Housing Executive stock, stock sold, % of stock sold and social housing need by local government district, 2018

	Housing Executive stock 2018	Total Housing Executive Stock sold	% of Housing Executive stock sold by 2018	Social housing need 2017- 2022
Antrim & Newtownabbey	6,479	10,417	62	912
Ards and North Down	6,310	7,983	56	706
Armagh City, Banbridge & Craigavon	7,580	14,225	65	327
Belfast (overall)	25,761	24,185	48	4,704
North Belfast	5,995	4,413	42	1,400
South & East Belfast	9,631	9,447	50	1,168
West Belfast	10,135	10,295	50	2,136
Causeway Coast and Glens	6,616	9,380	59	592
Derry City & Strabane	8,853	11,490	56	2,818
Fermanagh & Omagh	3,648	6,479	64	179
Lisburn & Castlereagh	5,376	7,804	59	800
Mid & East Antrim	5,783	9,966	63	800
Mid Ulster	3,925	7,552	66	577
Newry, Mourne and Down	5,304	12,219	70	1,959
Northern Ireland	85,635	121,700	59	14,374

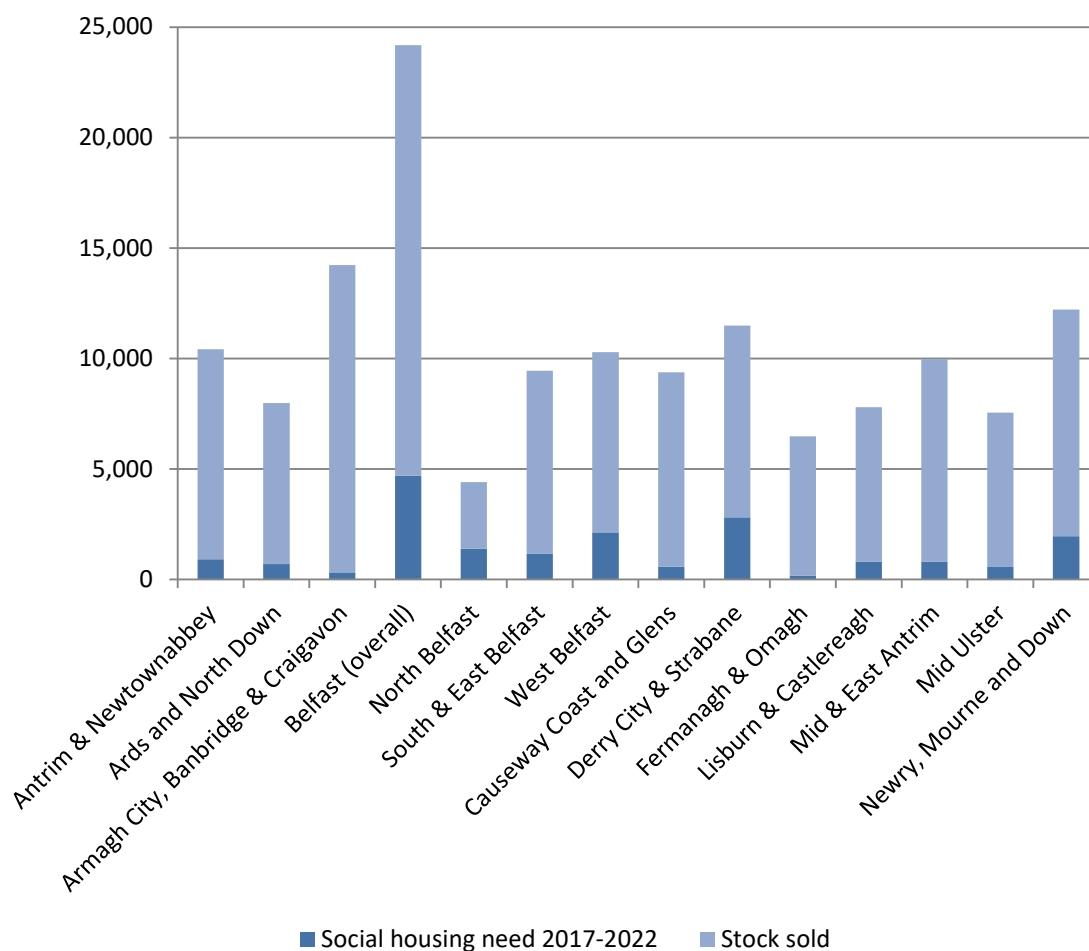
Source: Housing Investment Plan (HIP) Annual Updates, 2018 (NIHE, 2018a) and Research Unit calculations

Note: Belfast is sub-divided into three Housing Executive administrative Areas

Figure 6 provides a visual representation of the five-year social housing need projection within the context of the total number of Housing Executive dwellings sold, for each local government district. In numerical terms, the highest levels of social housing need are generally in line with the highest levels of Housing Executive sales, and also generally occur in areas with higher concentrations of population and/or deprivation.

In Armagh City, Banbridge and Craigavon district, however, while almost two thirds of the stock originally owned by the Housing Executive had been sold, the projected five-year housing need projection in 2018 was relatively low, and there was a similar picture in Fermanagh and Omagh. Relative to the remaining Housing Executive stock, the projected level of need to 2022 was greatest in Newry, Mourne and Down and Derry and Strabane, and lowest in Armagh City, Banbridge & Craigavon and Fermanagh & Omagh.

Figure 6: Total Housing Executive properties sold under the House Sales Scheme and five-year social housing need by Local Government District, 2018



As the stock owned and managed by the Housing Executive does not represent the totality of the social housing stock in Northern Ireland, Table 4 presents additional

information, which aims to provide a greater sense of the overall context of housing need in each district. The table includes information on approximate numbers of self-contained housing stock owned by housing associations in each district council area in 2018, and the number of households in each district (according to NISRA estimates) at that time. These figures sit within the context of the proportion of the originally-owned Housing Executive stock sold in each district. In very general terms, the figures indicate that:

- In five of the eleven local government districts in Northern Ireland, the proportion of the Housing Executive stock sold over the lifetime of the House Sales Scheme to 2018 was greater than the overall Northern Ireland average. In a further five districts, the proportion sold was in line with, or just below, the overall average. Only in Belfast was the *proportion* of stock sold substantially lower than the Northern Ireland average (48%, compared with 59%).
- Across Northern Ireland as a whole, the total “supply” of self-contained social housing in 2018 stood at around 170 dwellings per 1,000 households. In most LGDs, supply per 1,000 households was lower, with the lowest levels in Mid Ulster (105 dwellings per 1,000 households), Fermanagh and Omagh (106 dwellings/1,000 households) and Newry, Mourne and Down (116 dwellings). The highest levels of supply were in Belfast (295 dwellings per 1,000 households) and Derry & Strabane (248 dwellings per 1,000 households).
- The projected level of social housing need for the period 2017-2022 at Northern Ireland level equated to around 12% of the existing self-contained social housing stock in 2018. At local level, several council areas were broadly in line with this average, with levels of assessed need equating to 10 or 11% of the social housing stock in the area. Using this yardstick, the level of assessed need relative to the local social housing stock was much *lower* than average in Armagh City, Banbridge and Craigavon (3%), Fermanagh & Omagh (4%) and Causeway Coast & Glens (7%), and highest in Derry and Strabane (20% of existing self-contained stock) and Newry, Mourne and Down (26%).
- Similar patterns are evident when the assessed need for 2017-2022 is analysed per 1,000 households. Compared with an overall Northern Ireland requirement of 20 new social dwellings per 1,000 households over the period, the lowest levels of assessed need on this measure were in Armagh City, Banbridge & Craigavon (both of which had a five-year requirement of four dwellings per 1,000 households) and Causeway Coast & Glens and Ards & North Down (both 11 dwellings per 1,000 households). The highest levels of need were in Derry & Strabane (49 dwellings per 1,000 households), Belfast (33 per 1,000) and Newry, Mourne & Down (30 dwellings per 1,000 households).
- By comparison with the distribution of all originally-owned Housing Executive properties, the self-contained social housing stock in Northern Ireland in 2018 was more concentrated in Belfast (34%, compared with 24%). This accounts for the fact that, measured against all previously-owned Housing Executive stock, the assessed level of housing need for 2017-2022 would have been above average in Belfast, but that was not the case based on 2018 stock distribution.

Table 4: Social housing supply and need by Local Government District, 2018

Local Government District (LGD)	Total number of households in LGD (2018)*	Total NIHE Stock sold (2018)	% of Total NIHE stock sold (2018)	Original NIHE stock	% of original NIHE stock by LGD	Total NIHE stock (2018)	Self-contained (S/C) housing association stock (2018)**	Total S/C social stock (2018)	% of social stock by LGD, 2018	S/C social housing stock per 1,000 households (2018)	Assessed social housing need 2017-2022	Need 2017-22 as % of total self-contained social stock, 2018	Need 2017-22 as % of original total NIHE stock	Need 2017-2022 per 1,000 households
Antrim & Newtownabbey	55,700	10,417	62	16,896	8.1	6,479	1,710	8,189	6.6	147	912	11	5	16
Ards and North Down	66,400	7,983	56	14,293	6.9	6,310	2,980	9,290	7.5	140	706	8	5	11
Armagh, B'bridge & C'avon	80,700	14,225	65	21,805	10.5	7,580	2,120	9,700	7.8	120	327	3	1	4
Belfast (overall)	143,600	24,185	48	49,946	24.1	25,761	16,540	42,301	34.0	295	4,704	11	9	33
North Belfast	--	4,413	42	10,408	5.0	5,995	--	--	--	--	1,400	--	13	--
South & East Belfast	--	9,447	50	19,078	9.2	9,631	--	--	--	--	1,168	--	6	--
West Belfast	--	10,295	50	20,430	9.9	10,135	--	--	--	--	2,136	--	10	--
Causeway Coast & Glens	55,800	9,380	59	15,996	7.7	6,616	1,360	7,976	6.4	143	592	7	4	11
Derry City & Strabane	57,900	11,490	56	20,343	9.8	8,853	5,480	14,333	11.5	248	2,818	20	14	49
Fermanagh & Omagh	43,400	6,479	64	10,127	4.9	3,648	970	4,618	3.7	106	179	4	2	4
Lisburn & Castlereagh	56,400	7,804	59	13,180	6.4	5,376	2,390	7,766	6.2	138	800	10	6	14
Mid & East Antrim	56,000	9,966	63	15,749	7.6	5,783	1,620	7,403	5.9	132	800	11	5	14
Mid Ulster	51,100	7,552	66	11,477	5.5	3,925	1,430	5,355	4.3	105	577	11	5	11
Newry, Mourne and Down	65,600	12,219	70	17,523	8.5	5,304	2,280	7,584	6.1	116	1,959	26	11	30
Northern Ireland	732,600	121,700	59	207,335	100.0	85,635	38,880	124,515	100.0	170	14,374	12	7	20

* Source: NISRA (2018) [Northern Ireland Household Projections \(2016-based\)](#)

** Figures based on monitoring data submitted to Department for Communities for 2015/16, along with published data on subsequent social housing completions published by LPS/Department of Finance

	Below Northern Ireland average
	Northern Ireland average
	Above Northern Ireland average
--	Figures not available at geographical level

Overall, the figures point towards different dynamics in different areas. By far the greatest *number* of dwellings sold under the House Sales Scheme (24,185) was in Belfast LGD; however, as a proportion of the total Housing Executive stock in the district, the *proportion* was the lowest in Northern Ireland (48%). As a consequence of this and continued relatively high levels of new provision, Belfast had the greatest number of self-contained social dwellings per 1,000 households (295) in 2018, *but*, it also continued to have the second highest level of need for new provision, with a requirement for 33 new social dwellings per 1,000 households over the period from 2017-2022.

Similarly, in the Derry & Strabane LGD, a slightly lower than average proportion of all Housing Executive stock (56%; 11,490 dwellings) had been sold by 2018, but despite a relatively high level of supply (248 self-contained social dwellings per 1,000 households), the assessed need in this district for 2017-2022 was the highest in Northern Ireland, at 49 units per 1,000 households.

Numerically, the second highest number of Housing Executive house sales between 1979 and 2018 (14,225 dwellings, equating to 65% of those originally owned by the Housing Executive in the district) was in the Armagh City, Banbridge and Craigavon LGD. In 2018 the social housing stock in the district was at the lower end of Northern Ireland provision (120 dwellings per 1,000 households), but the level of assessed social housing need for 2017-2022 was also one of the lowest in Northern Ireland (four dwellings per 1,000 households). A very similar pattern in terms of a relatively high proportion of Housing Executive stock sold, but relatively low self-contained social housing supply and assessed need was evident in Fermanagh & Omagh District.

The greatest proportion of sales relative to originally-owned stock was in the Newry, Mourne and Down District, where 70% of Housing Executive stock (12,219 dwellings) had been sold by 2018. However, with supply at 116 dwellings per 1,000 households, and assessed need of 30 dwellings per 1,000 households for 2017-2022, this is the area of Northern Ireland where it appears that the loss of social housing supply over time has had the greatest direct impact on the level of housing need, perhaps due to relatively lower levels of new social housing provision over time than in areas such as Belfast and Derry.

Taken together, the figures indicate that while patterns are apparent, and the relative level of social housing need in most Districts across Northern Ireland is undoubtedly greater than it would have been had the Housing Executive's House Sales Scheme not been in place, it is difficult to draw firm conclusions about direct relationships between house sales and either relative or absolute levels of housing need because of the variation in circumstances and outcomes at local level.

4.0 Survey findings

This section briefly explains the aims and methodology of a sample survey undertaken among respondents living in homes that had been purchased from the Housing Executive between 1979 and 2018, before going on to summarise the key survey findings. The *Appendix tables* referred to this section are published in a separate excel document, and the table numbers referred to in the subheadings within this section relate to those in the excel document.

4.1 Survey objectives, methodology and reporting of findings

Survey Objectives

The survey, which was carried out during 2019, had three main objectives:

1. To determine the current tenure of properties sold under the scheme;
2. To ascertain the number of these properties that were being privately rented; and
3. To gain insights on the views and experiences of original tenants living in former Housing Executive dwellings, in particular their experience of maintaining the property and whether they had received sufficient guidance from the Housing Executive in relation to the financial responsibilities of home ownership.

Survey Methodology

The survey was based on a sample of the 120,891 Housing Executive properties sold from 1979 until 30 November 2018. This sample was collated using information from two separate datasets of sold properties, one based on the property records system used by the Housing Executive until 2011 (PRAWL), and the other on the system in place from 2011 on (HMS). Data extracted from these two systems were the only source available in electronic format – and with other necessary property characteristics attached – that could, in combination, provide an overall dataset suitable for use by the Research Unit in drawing the survey sample.

The datasets were scrutinised for errors, missing information and duplicates, and merged. Some challenges were encountered in validating and integrating the datasets; the structure and type of data captured by the two systems was different, and some information – such as year of sale – was missing for a substantial number of cases in the dataset for the earlier period. However, the overall merged dataset created was largely in line with the cumulative record of sales maintained by the

central team in the Housing Executive's Land & Regeneration Section, which indicated a total of 120,497 sales to tenants at November 2018.²⁴

This was due to properties being included in the dataset that were sold by the Housing Executive that were not part of the House Sales Scheme (e.g. vacant properties). There was no way to identify these properties; but it was decided to include them in the sample as they accounted for 0.34% of the overall sample.

The aim was to sample 100 dwellings for each of the Housing Executive's 13 administrative 'Areas'. Initially 300 addresses from each Housing Executive Area were randomly selected (3,900 in total). The addresses were split into three equal tranches; the main sample, the first reserve sample and the second reserve sample. In total 2,069 addresses were used by Perceptive Insight to obtain 1,313 interviews (63% response rate).

Twenty pilot interviews took place between 18 April and 24 April 2019. While these resulted in minor adjustments to the questionnaire, no major issues were encountered. The main stage interviews were completed between 13 May and 8 July 2019. The full questionnaire is included for information at Appendix 4.

The primary method used for this project was Computer Assisted Personal Interviewing (CAPI), with two further options made available to participants: Computer Assisted Telephone (CATI) and Web Interviewing (CAWI). Overall, 1,205 interviews (92%) were completed face-to-face, 89 (7%) were completed online and 19 (1%) were completed over the telephone.

Weighting and Grossing

Due to how the sample was selected, the stock profile of the properties occupied by respondents who completed the survey did not reflect the overall profile of all the properties that had been sold by the Housing Executive at the time of the survey. In order to allow for this, an adjustment was made, so that the survey data reflected the stock profile of all sold properties. This process is called *weighting and grossing* and it ensured that accurate and reliable data was produced.

Weighting and grossing is the process whereby the information gathered by means of a sample survey is translated into figures that reflect the real world, in this case the total number of properties sold under the House Sales Scheme. The process has a number of stages reflecting the separate stages of the sampling process and the survey process itself.

In the case of the House Sales Scheme Survey, a number of factors were taken into account when weighting, including property type, number of bedrooms, year sold and settlement type (Appendix 5 provides further details on this process).

²⁴ The Housing Executive's internal figures indicated that 120,497 properties were sold up to the end of the November 2018, a difference of 394. For this report the combined figure from the datasets was used due to the sample being drawn from them.

Reporting of survey data

The data reported in this section and in the separate appendix tables are based on the weighted and grossed figures produced for the Housing Executive as part of the survey contract. As in most cases where quantitative data are concerned, the findings are generally presented in percentages. However, where subsets are being discussed, or where an indication of the number of households/properties concerned may be useful to the reader – and throughout the Appendix tables published in the separate Excel document – numbers have also been included and were rounded to the nearest 10. Percentages in the tabular report are detailed to one decimal place. However, for ease of reporting, the percentages in the textual analysis are presented as whole numbers²⁵.

It should be borne in mind that the numbers reported are an estimate based on the data available. Because this is a sample survey, results are subject to sampling error. This means the actual proportion of households living in ex-Housing Executive properties sold under the scheme with a particular characteristic may differ from the proportion of the sample with that characteristic. Accordingly, although numbers and percentages in the report are rounded, they should not be regarded as having this degree of accuracy.

²⁵ Therefore, for the numbers reported, *5 or higher* was rounded up and *4 or lower* was rounded down. For the percentages, *.5 or higher* was rounded up and *.4 or below* was rounded down

4.2 Property Characteristics

4.2.1 Tenure (Appendix table 1)

The tenure of the properties was classified into three main categories:

Owned by the original purchaser

Properties that were still owned and occupied by the original purchaser

Owned by someone else

Properties that were owned and occupied by someone other than the original purchaser

Rented

Properties that were being rented at the time of the survey, including properties being rented from private landlords, social sector landlords, and family members/friends. Because this categorisation is based on who lived in the dwelling at the time of the survey, it is not possible to know whether the property was still owned by the original purchaser, or had been re-sold to someone else.

A total of 120,890 Housing Executive properties were sold under the House Sales Scheme between 1979 and November 2018. Figure 7 shows that at the time of the survey almost three-quarters (74%) of the properties sold under the scheme were still in the owner-occupied sector; 47% (around 57,050 homes) were owned by the original purchaser and 27% (33,130 dwellings) were owned by someone else. The remaining quarter (26%; 32,220 homes) were rented; 22% were privately rented²⁶ and three per cent were socially rented²⁷.

Figure 7: Sold properties by tenure, 2018 (%)

²⁶ Including those rented from landlords and from friends and family

²⁷ The vast majority of these were housing association properties; see final paragraphs of section 2.4

4.2.2 Housing Executive Administrative Regions and Areas (Appendix table 2)

The Housing Executive operates across 13 administrative 'Areas'. Belfast is divided into three Areas. The remaining 10 Areas are broadly similar to the Local Government Districts found outside Belfast, but they are not exactly co-terminus. The 13 'Areas' combine to form three 'Regions': Belfast Region, North Region and South Region (see Figure 8):

Belfast Region

North Belfast Area, South and East Belfast Area, West Belfast Area and Lisburn and Castlereagh Area

North Region

West Area, Mid and East Antrim Area, South Antrim Area and Causeway Area

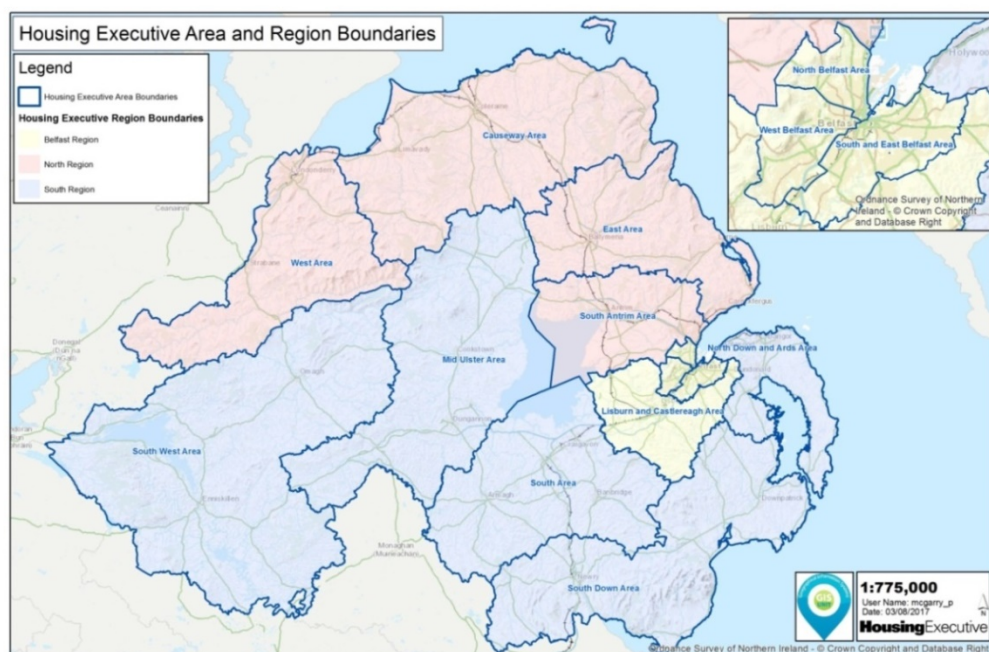
South Region

Mid-Ulster Area, South West Area, South Area, South Down Area, and Ards and North Down Area

The administrative structure of the Housing Executive has changed on a number of occasions over the life of the House Sales Scheme. For this survey, properties were assigned to the current structure, irrespective of when they were sold.

A minimum of 100 surveys was carried out per Housing Executive Area (1,313 in total). However, due to the small numbers in some sub-categories at the Area level, it was decided to report findings at the Regional level.

Figure 8: Map of Housing Executive administrative Regions and Areas



Overall a similar proportion of properties sold under the scheme were in the South Region (39%) and the North Region (34%), while a quarter were in the Belfast Region (27%).

Figure 9: Tenure of former Housing Executive dwellings by Housing Executive Region, 2018 (%)

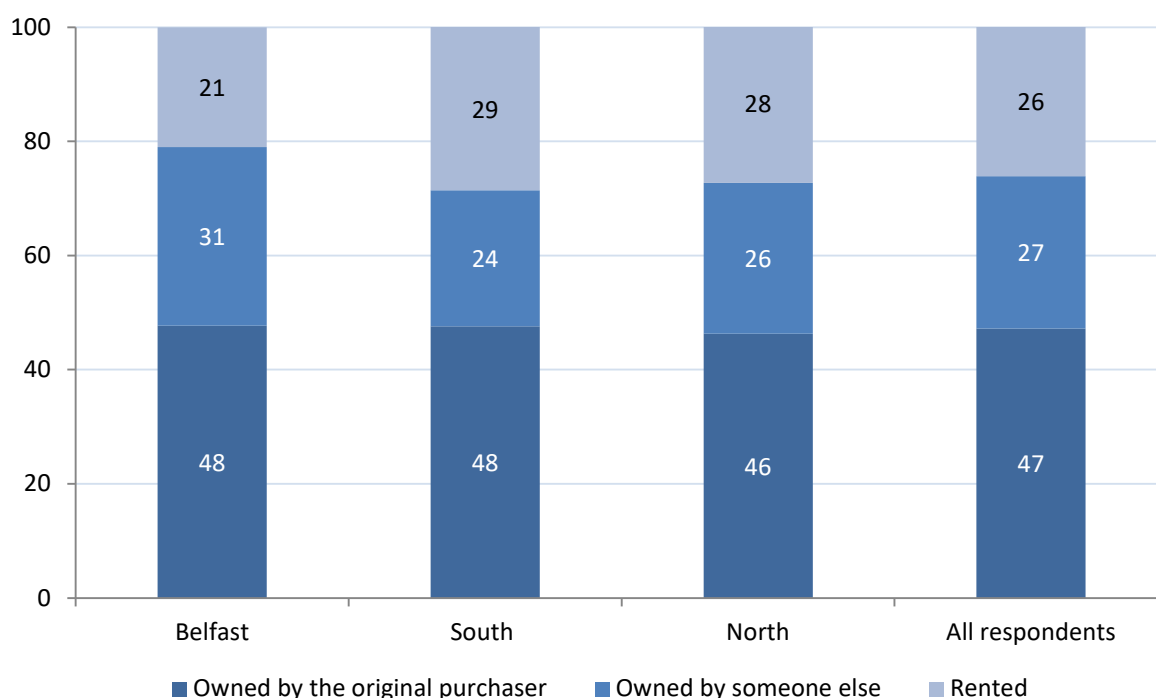


Figure 9 shows that the proportion of properties owned and occupied by the original purchaser was broadly similar in all three Regions (48% in both Belfast and South Regions, and 46% in the North Region).

However, there were differences across the Regions in the proportions of properties that were rented and owned and occupied by someone other than the original purchaser (referred to hereafter, for ease, as 'someone else'):

- In the North Region, the proportion of properties that were rented (27%) was similar to the proportion owned and occupied by someone else (26%);
- In the Belfast Region, a substantially higher proportion of properties (31%) were owned and occupied by someone else compared to those that were rented (21%); and
- In contrast, in the South Region, a higher proportion of properties were rented (29%) than owned and occupied by someone else (24%).

4.2.3 Urban/Rural (Appendix table 3)

The Northern Ireland Statistics and Research Agency (NISRA) has classified settlements into eight bands (A-H) based on their population and similarity to other settlements, with band A (Belfast City) being the largest and Band H (Open Countryside and small villages with population less than 1,000 people) the smallest²⁸:

Band A: Belfast City

Band B: Derry City

Band C: Large Town (population greater than 18,000 people)

Band D: Medium Town (population between 10,000 and 18,000 people)

Band E: Small Town (population between 5,000 and 9,999 people)

Band F: Intermediate Settlements (population between 2,500 and 4,999 people)

Band G: Village (population between 1,000 and 2,499 people)

Band H: Open Countryside and small villages with population less than 1,000 people

Within this classification, the categories were combined together to form two overarching categories: *Urban* and *Rural*.

Urban

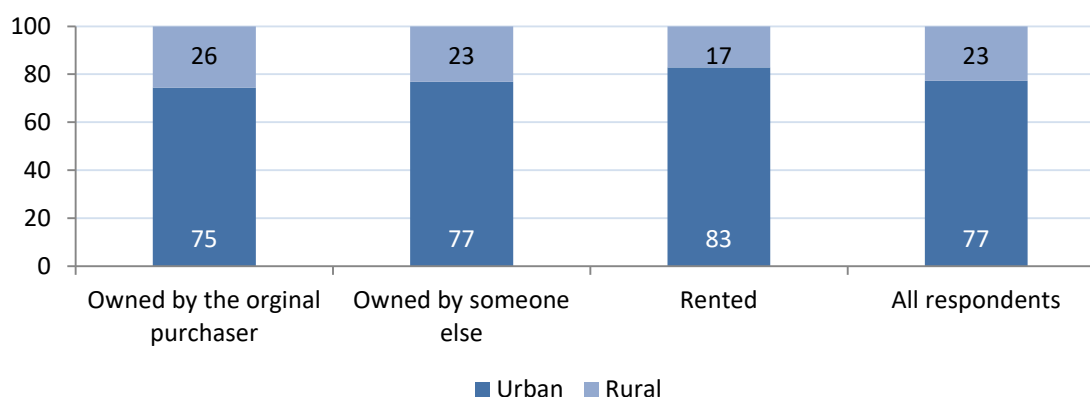
Bands A–E (settlements with a population greater than or equal to 5,000 people) were classed as *urban*.

Rural

Bands F–H (settlements with a population of fewer than 5,000 people) were classed as *rural*.

Overall, more than three-quarters (77%) of sold properties were located in *urban* settlements while less than one-quarter (23%) were located in *rural* settlements. Figure 10 shows that this general pattern was found across all three tenure types.

Figure 10: Urban/Rural classification of former Housing Executive dwellings by tenure, 2018 (%)



²⁸ For more information see [NISRA \(2015\) Review of the Statistical Classification and Delineation of Settlements](#)

4.2.4 Property type (Appendix table 4)

The property type was classified into four main categories:

Terraced house

A house forming part of a block where at least one house is attached to two or more other houses

Semi-detached house

A house that is attached to one other house

Flat/apartment/maisonette

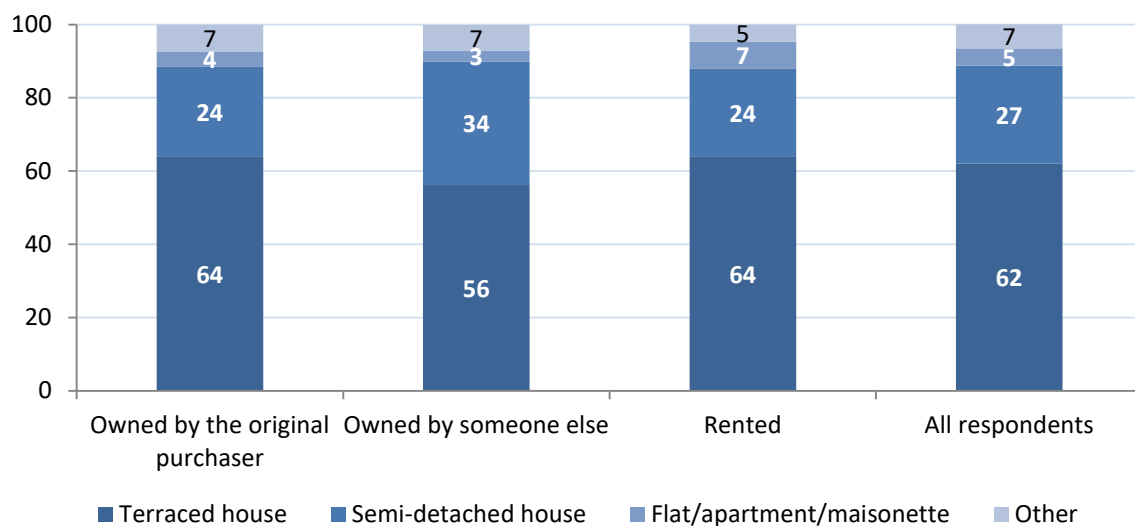
A self-contained housing unit that occupies only part of a building. Can be either purpose built as part of a block, or converted from a house or non-residential building

Other

All other property types including detached houses and bungalows

Figure 11 shows that most of the properties that were sold under the House Sales Scheme were terraced houses (62%) or semi-detached houses (27%).

Figure 11: Property type by tenure, 2018 (%)



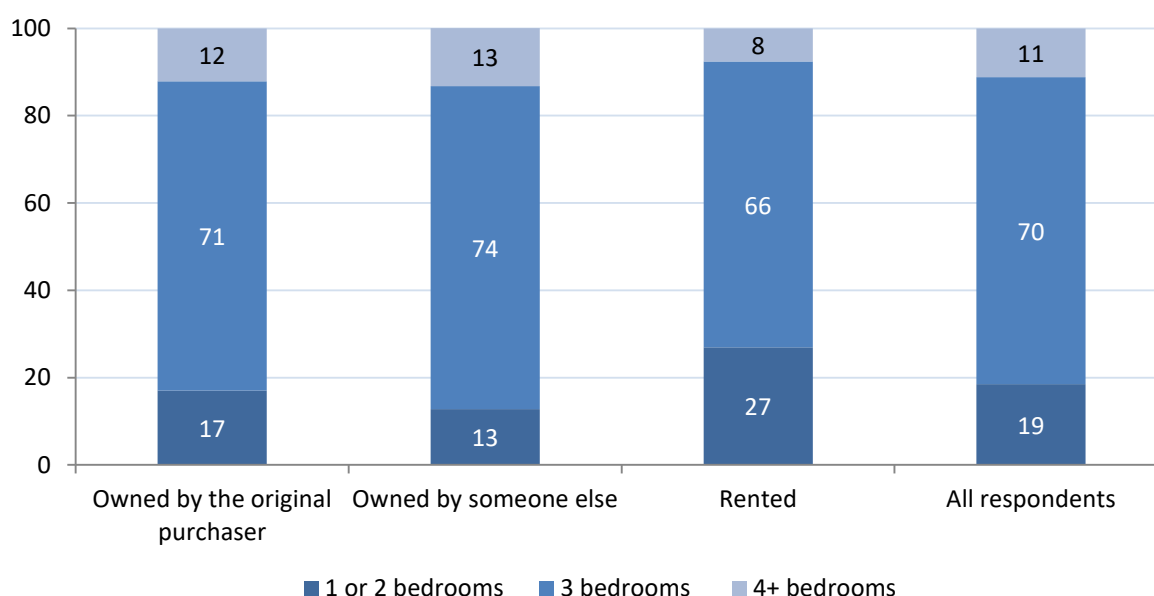
The majority of terraced houses (73%) and semi-detached houses (77%) sold under the scheme were owner-occupied (either by the original purchaser or someone else) at the time of the survey. In contrast, a higher than average proportion of sold flats (41% compared with 26% of all properties) were rented at the time of the survey.

4.2.5 Property Size (Number of bedrooms) (Appendix table 5)

Overall, more than seven-tenths of properties (70%) had three bedrooms, almost one-fifth (19%) had one or two bedrooms and around one-tenth (11%) had four or more bedrooms.

A higher proportion of rented properties had one or two bedrooms (27%) compared with properties that were owner-occupied (17% for those owned by the original purchaser and 13% for those owned by someone else) (Figure 12). As the previous section showed, properties that were *rented* at the time of the survey comprised a higher than average proportion of flats, apartments and maisonettes, which tend to have fewer bedrooms than other property types.

Figure 12: Property size (number of bedrooms) by tenure, 2018 (%)

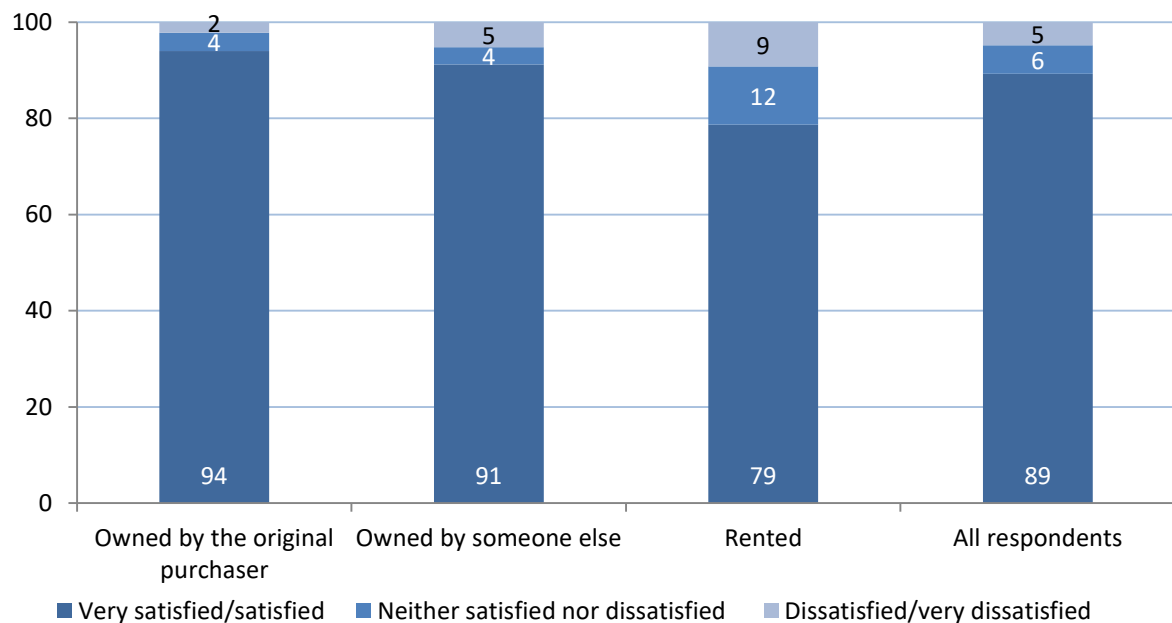


4.2.6 Condition of the property (Appendix table 6)

Respondents were asked how satisfied they were with the condition of their home. At the time of the survey, the vast majority of respondents (89%) were satisfied/very satisfied, while only 5% were dissatisfied/very dissatisfied (see Figure 13).

Owner-occupiers reported higher levels of satisfaction (94% among those still living in the property they had originally bought and 91% for those who had bought their home from someone else) than those who were renting (79%). In line with this lower rate of satisfaction, those living in rented properties reported the highest level of *dissatisfaction* (9%).

Figure 13: Satisfaction with property condition by tenure (%)



The main reason given by respondents who were dissatisfied/very dissatisfied with the condition of the property was that the property needed repair (42%).

4.2.7 Repairs and improvements made to the property within the last five years (Appendix tables 7-8)

Respondents were asked about any repairs and/or improvements that had been carried out on the property within the last five years.

The most common repairs and/or improvements are summarised in this section, with a more detailed breakdown included in Appendix table 8.

Overall, nearly half of properties (48%) had had at least one repair or improvement carried out within the last five years. The estimated total of 163,570 repairs and improvements suggests an average of around 2.8 repairs and improvements per property²⁹ in recent years.

Relatively speaking, properties that were owned by someone other than the original purchaser were the most likely to have had repairs and improvements carried out within the last five years. More than three-fifths (63%) of these properties had had one or more repairs and improvements (an estimated total of around 74,500, which averaged 3.7 repairs and improvements per property).

²⁹ Calculated by dividing the number of repairs and improvements made by the number of properties in which a repair or improvement had been made within the last five years.

In contrast, the information provided by respondents living in rented dwellings suggested that only three-tenths (30%) of these properties had had one or more repairs or improvements completed within the five years prior to the survey and the estimated total of around 19,500 repairs and improvements over the period points to a lower average, of around 2.0 per property.

Overall, the most common repair/improvement was providing or refitting a bathroom (21% of all dwellings; around 24,870 dwellings). However, for properties that were rented, installing/replacing central heating was the main repair/improvement carried out (9%; 2,820 dwellings).

Table 5: Most common repairs/improvements by Tenure

Owned by the original purchaser		Owned by someone else		Rented		Total	
Work type	%	Work type	%	Work type	%	Work type	%
Providing/refitting a bathroom	21	Providing/ refitting a bathroom	31	Installing/ replacing central heating	9	Providing/ refitting a bathroom	21
Providing/refitting a kitchen	18	Providing/ refitting a kitchen	28	Providing/ refitting a bathroom	9	Providing/ refitting a kitchen	18
Replacing windows	14	Installing/ replacing central heating	21	Providing or refitting a kitchen	8	Installing/ replacing central heating	14
Installing/replacing central heating	13	New floors	21	New floors	6	Replacing windows	13
Replacing doors	12	Replacing windows	19	Replacing doors	6	Replacing doors	12

% refers to the proportion of all dwellings within each tenure category

4.2.8 Houses in Multiple Occupation (Appendix tables 9 - 10)

A home is defined as a House in Multiple Occupation (HMO) if the following two criteria apply:

- At least three tenants live there, forming more than one household
- Residents share the toilet, bathroom or kitchen facilities with other tenants

At the time of the survey only a very small proportion of properties (2.7%; 3,300) were defined as HMOs by the respondents. Due to the small numbers no further analysis could be completed for this group.

4.3 Household Characteristics

4.3.1 Number of people living in the property/house (Appendix tables 11-14)

The people living in the home were classified into three main categories:

Children

Those aged up to 15 years

Working age adults

Those aged between 16 and 64 years

Older adults

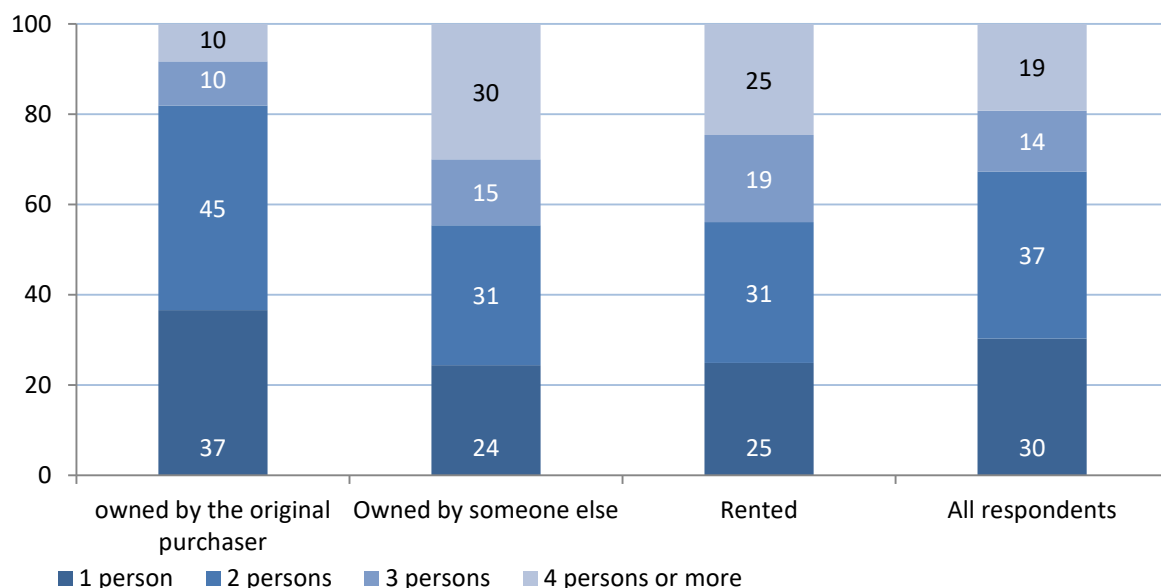
Those aged 65 years or older

Overall, three-tenths of all the sold Housing Executive properties were occupied by single person households (30%), while almost one-fifth were occupied by households consisting of four persons or more (19%). The most common household size was two people (37%; 44,500 households).

Figure 14 shows that properties that were still owned and occupied by the original purchaser were more likely to be occupied by smaller households consisting of only one or two persons (80%) than properties that were rented (56%) or owned and occupied by someone other than the original purchaser (55%).

There were also differences in the age structure of households across the different tenure groups. Nearly two-thirds of properties owned by the original purchaser had one or more older adults living in them, while half of households living in rented properties had one or more children.

Figure 14: Household size by tenure (%)



4.3.2 Household type (Appendix table 15)

Household type was classified into three main categories:

Adult households

Households comprising one or more adults, all aged 16 years and over but under 65 years

Households with children

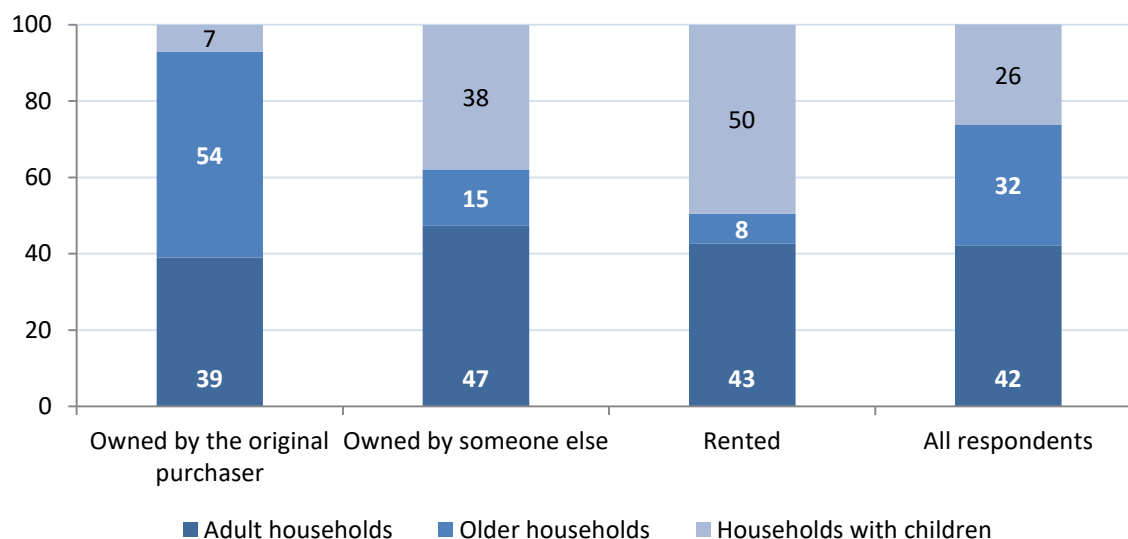
Households comprising one or more adults living with dependent children aged under 16 years

Older households

Households comprising one or more adults, one of whom was aged 65 years or over

Of the properties sold under the scheme, the survey indicated that, overall, more than two-fifths were occupied by adult households (42%), more than three-tenths (32%) were occupied by older households and more than a quarter (26%) were occupied by households with children.

Figure 15: Household type by tenure (%)



However, as Figure 15 illustrates, there were substantial differences in patterns of occupancy by household type according to tenure. For example, more than half (54%) of properties owned and occupied by the original purchaser were lived in by older households, while only 7% were lived in by households with children. In contrast, half (50%) of rented properties were lived in by households with children and more than two-fifths (43%) by adult households. Less than one-tenth (8%) were lived in by older households.

Where properties owned and occupied by someone other than the original purchaser were concerned, almost half were lived in by households consisting entirely of adults of working age (47%) and almost four fifths (38%) by households with children.

4.3.3 Annual gross household income (Appendix table 16)

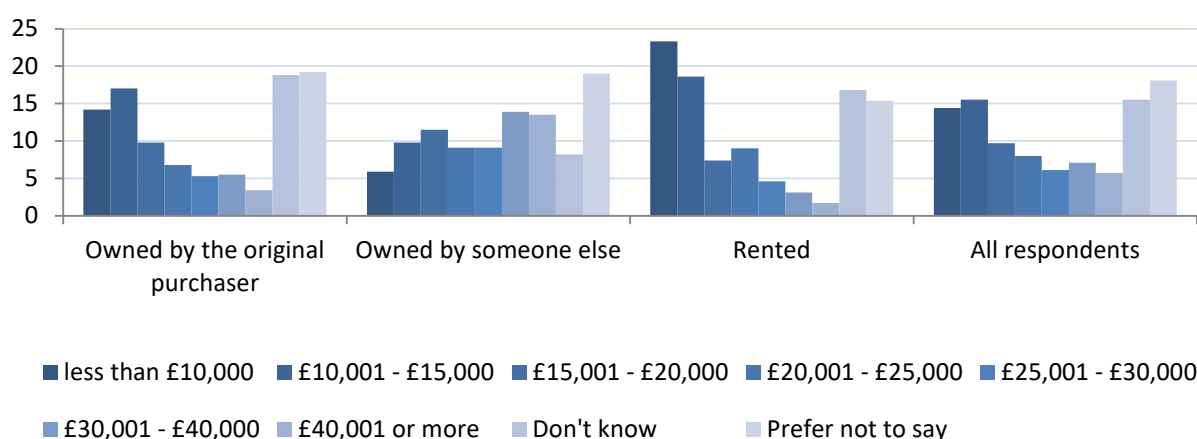
Respondents were asked about the approximate **GROSS ANNUAL** income for the household. This included income from all sources for the respondent, as well as for their partner/spouse (if applicable).

Gross income referred to the amount they received before income tax, National Insurance and other compulsory deductions. It also took into account any money they may have received from employment including bonuses, overtime, pensions and state pensions, benefits and interests from savings. Money they have may have received from other members of the household was excluded.

This section gives a brief overview of the household gross annual income.

Figure 16 shows that overall, one third (34%) of respondents either preferred not to state (18%) or did not know (16%) their gross annual income. Three-tenths (30%) had annual gross household income of £15,000 or less and one in eight (13%) had £30,000 or more.

Figure 16: Annual gross household income by income band and tenure (%)



However, there were differences in the income distributions of the three tenure types. A higher than average proportion of households living in rented accommodation (42%) had a household income of £15,000 or less, while a lower than average proportion of owner-occupiers who were not the original purchaser (16%) had a household income in this bracket (30% overall).

More than one-quarter (27%) of owner-occupiers who were not the original purchasers had a household income of £30,000 or more, compared with nine per cent of households in properties that were owned and occupied by the original purchaser and only five per cent of households in rented properties.

4.3.4 Employment status (Appendix tables 17-18)

Respondents were asked about their employment status and that of their partner/spouse. For clarity the responses were grouped together as outlined below.

Employed

Those in full-time employment, part-time employment and the self employed

Unemployed

Those who were not in employment, but who were actively seeking work

Economically inactive

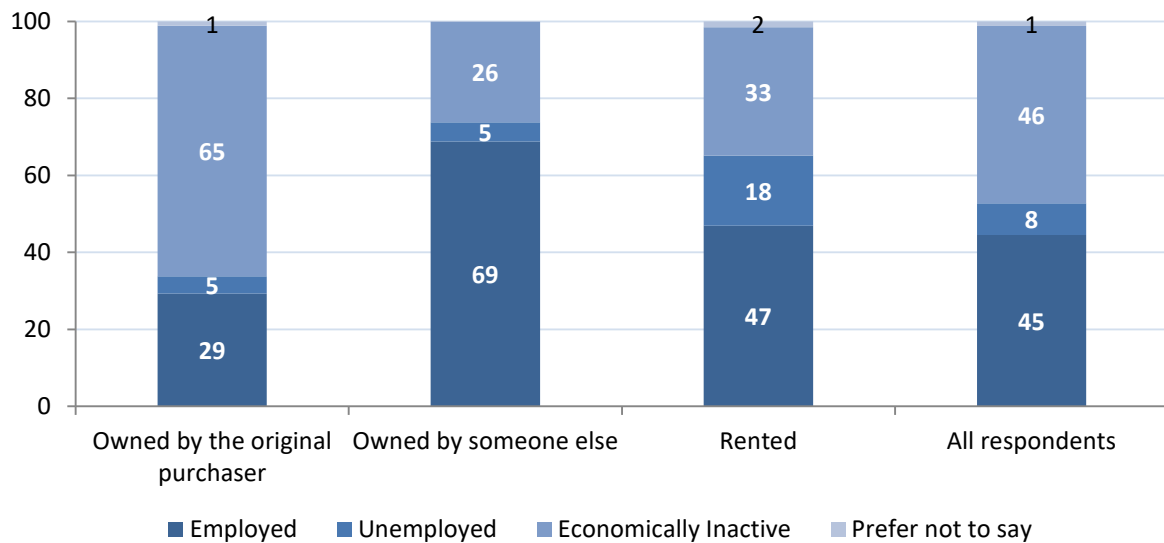
Those who were not in employment and not actively seeking work. This included the retired, students, the permanently sick/disabled and those looking after family/home.

Overall, at the time of the survey, similar proportions of respondents were economically inactive (46%) and employed (45%), while less than one-tenth were unemployed (8%) (Figure 17).

Economic inactivity was highest in those properties still owned by the original purchaser (65%), unemployment was highest in the rented sector (18%) and employment was highest in properties owned by someone other than the original purchaser (69%). A similar pattern was found amongst the respondents' partners/spouses.

The figures are consistent with the type and age structure of households living in each of the tenure categories, such as the greater concentration of older people, who are more likely to be economically inactive, in properties still owned by the original purchaser.

Figure 17: Employment status of respondents, by tenure (%)



4.3.5 Benefits in payment to Reference Person/Partner (Appendix tables 19-20)

Respondents were asked about any benefits they or their partner/spouse received. For clarity some of the benefits were grouped together as outlined below.

Disability benefits

Disability Living Allowance (DLA), Incapacity Benefit, Personal Independence Payment (PIP) and Severe Disability Allowance

Tax Credits

Working Tax Credit and Child Tax Credit

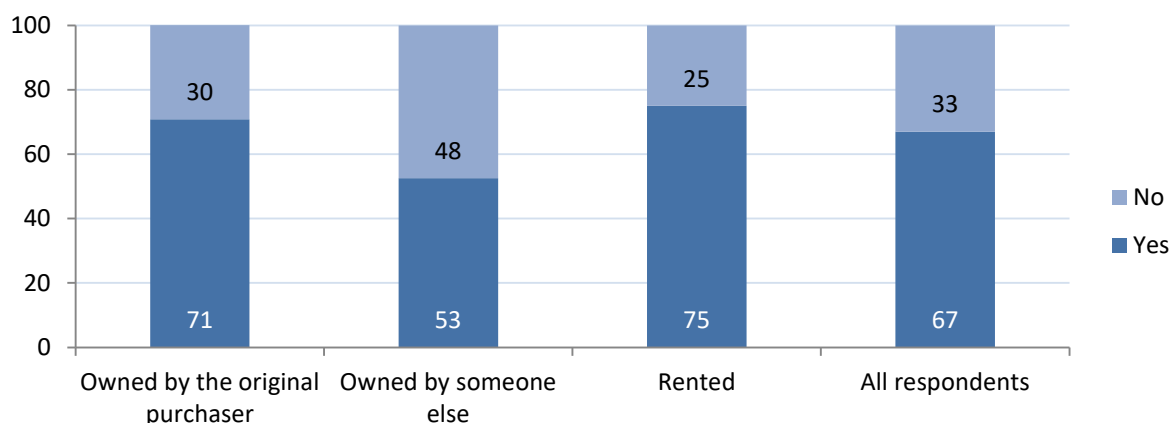
Employment Benefits

Income Support, Jobseeker's Allowance (JSA) and Employment & Support Allowance

As far as pensions were concerned, only State (retirement) Pension was included as a benefit; private and employer pensions were classed as other sources of income.

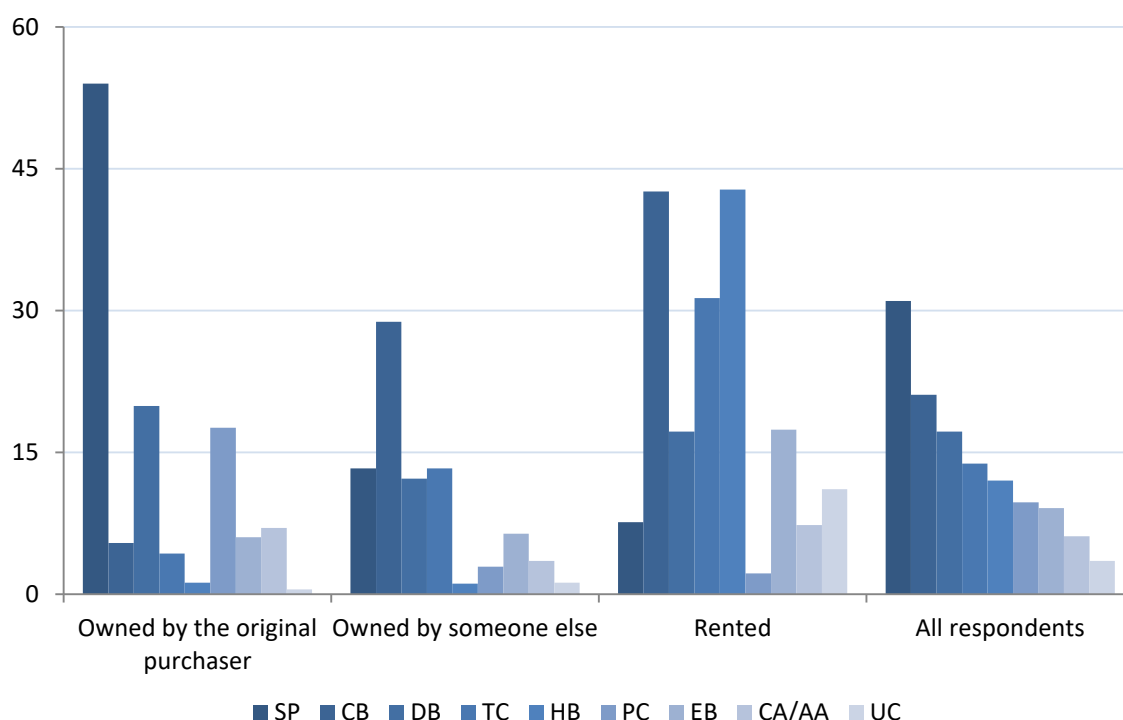
Figure 18 shows that overall, two-thirds (67%) of households surveyed were receiving at least one benefit. However, a higher proportion of households living in rented properties (75%) and households living in properties still owned and occupied by the original purchaser (71%) were in receipt of benefits compared to those living in properties owned by someone other than the original purchaser (53%).

Figure 18: Households in receipt of at least one benefit, by tenure (%)



Furthermore, Figure 19 shows that there were significant differences in the *type* of benefits claimed by households depending on the tenure in which they lived; these differences reflect the distinct demographic and economic characteristics of the different tenure groups.

Figure 19: Benefit types received by tenure (% of all households)



Key:

SP: State (retirement) Pension
 CB: Child Benefit
 DB: Disability Benefits
 TC: Tax Credits
 HB: Housing Benefit

PC: Pension Credit
 EB: Employment Benefit
 CA/AA: Carer's Allowance and Attendance Allowance
 UC: Universal Credit

A higher proportion of households living in properties still owned and occupied by the original purchaser received benefits associated with older adults, such as State (retirement) Pension (54%) and Pension Credit (18%).

In contrast, a higher percentage of households living in properties that were being rented claimed benefits associated with having children such as Child Benefit (43%) and Tax Credits (31%). Reflecting the lower income profile of households in rented properties compared to other tenure types (Figure 16), this group received a higher proportion of the means-tested benefits such as Housing Benefit (43%), Universal Credit (11%) and employment benefits (17%) that are paid to people who are either unemployed or in part-time employment.

4.3.6 Social Housing waiting list (Appendix tables 21-23)

The Housing Selection Scheme represents a single gateway into social housing in Northern Ireland, let on a permanent basis, whether owned and managed by the Housing Executive or any housing association. It provides a one-stop-shop for applicants and promotes equitable treatment by using common criteria to assess the housing needs of all applicants.

The Housing Executive administers the scheme, which awards points to eligible individuals in recognition of their housing circumstances. Applicants who receive 30 points or more are deemed to be in *housing stress*.

Due to the low sample size of respondents who were on the waiting list, the analysis that could be carried out in relation to this group was limited.

Overall, five per cent of respondents, representing around 6,110 households, indicated that they were on the waiting list for Housing Executive or housing association accommodation, the majority of whom (59%; around 3,570 households) had been on the waiting list for two years or more. The vast majority (86%) of the respondents who indicated they were on the waiting list lived in properties that were being rented.

Of those on the waiting list, more than seven-tenths (72%) were in housing stress. This is comparable to the overall structure of the waiting list, where two-thirds (67%) of applicants were in housing stress as of March 2018³⁰.

³⁰ The Housing Investment Plan Annual Update 2018 for the 11 Local Government Authorities showed that there were 36,198 total applications on the waiting list, with 24,148 in housing stress.

4.3.7 Ability to deal with an unexpected bill of £500 (Appendix table 24)

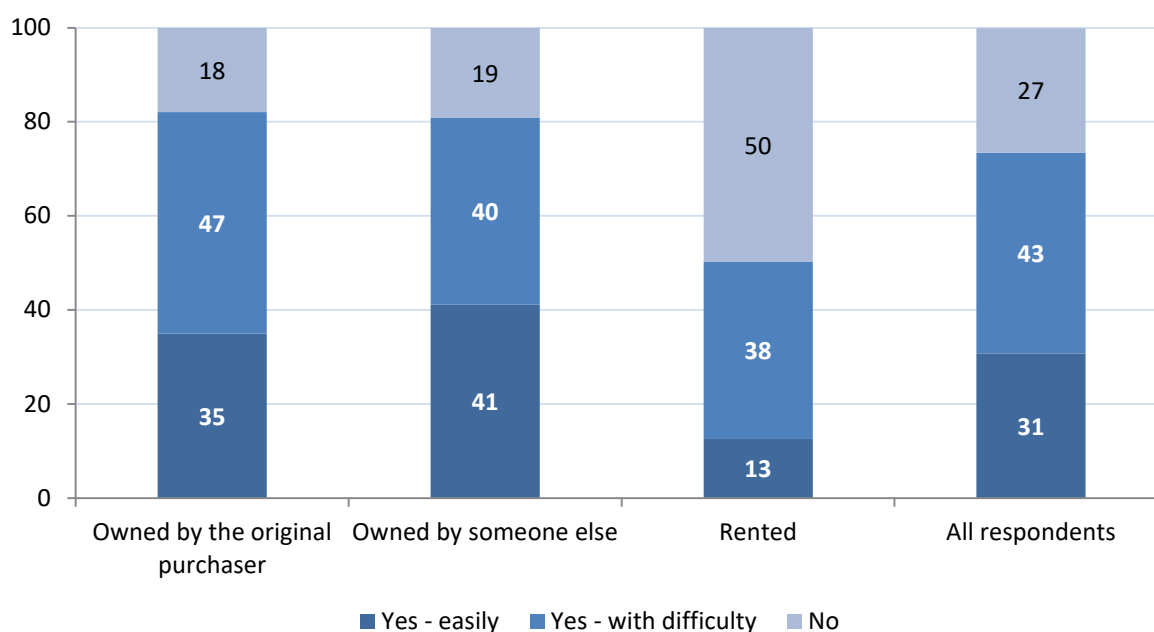
Respondents were asked whether they would be able to afford an unexpected bill of £500. Overall, almost one third of respondents (31%) said they could easily afford it, more than two-fifths (43%) said they would have difficulty paying it, and more than one-quarter (27%) indicated that they could not afford to pay it.

However, respondents' ability to deal with unexpected expenditure of this nature varied depending on their housing tenure. Figure 20 shows that half of respondents living in rented properties (50%) said they could not afford such a bill, and only 13% said they could easily afford it.

In contrast, of those respondents who bought the property from someone other than the Housing Executive, around one-fifth (19%) stated they could not afford to pay such a bill, but more than two-fifths (42%) said they could easily afford it.

Respondents living in rented properties comprised more than one-quarter of all respondents (26%), but accounted for nearly half of those who stated they could not afford to pay an unexpected bill of £500 (49%).

Figure 20: Respondents' reported ability to afford an unexpected bill of £500, by tenure (%)



4.4 The experiences of owner occupiers (Appendix table 25)

Respondents who owned and occupied the properties surveyed (owner-occupiers) were asked questions about their experiences of purchasing the property. This included respondents who had bought the property from the Housing Executive (*owned by the original purchaser*), and those who had bought the property from someone other than the Housing Executive (*owned by someone else*).

Some questions were asked to all owner occupiers irrespective of who they bought the property from, others to the original purchaser only and some only to those who had bought the property from someone else.

Overall, nearly three-quarters (74%) of the sold properties were owner-occupied at the time of the survey. More than three-fifths (64%) of the owner-occupied properties (around 57,050 dwellings) were still owned by the original purchaser and nearly two-fifths (36%; 32,220 dwellings) were owned by someone other than the original purchaser.

4.4.1 Date of purchase (Appendix table 26)

The House Sales Scheme has operated in Northern Ireland since 1979. The number of houses sold was initially high, but it declined over time³¹:

1979 – 1988/89:	38,910 dwellings were sold (32%)
1989/90 – 1998/99:	42,460 dwellings were sold (35%)
1999/00 – 2008/09:	35,440 dwellings were sold (29%)
2009/10 – 2018/19:	3,690 dwellings were sold (3%)

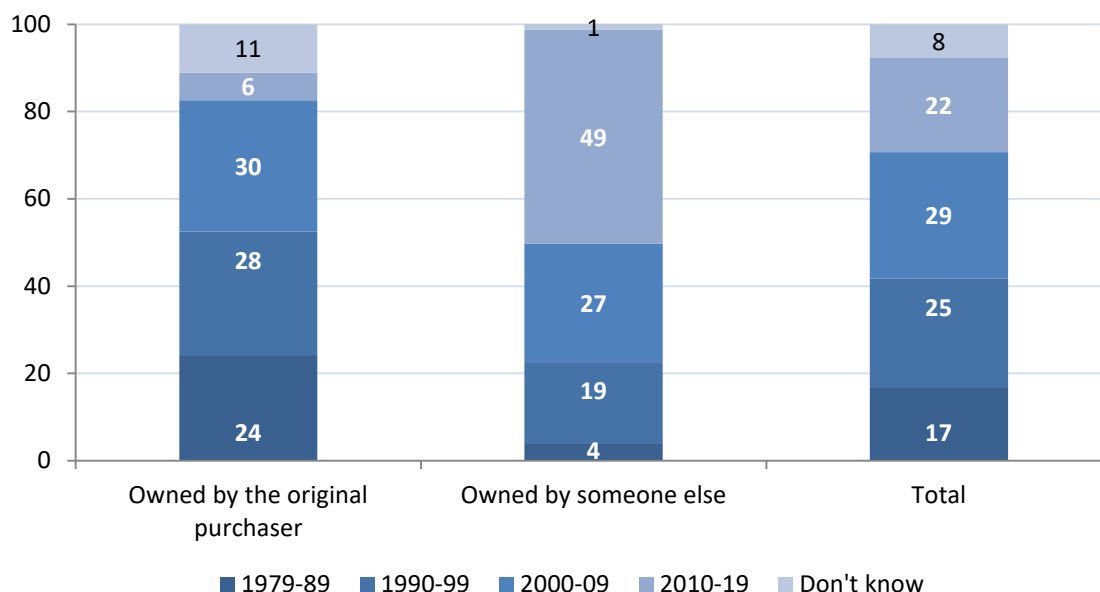
Overall, the survey findings indicate that the greatest number and proportion of the properties that were owner occupied at the time of the survey (25,870; 29%) had been bought by the current owner between 2000 and 2009. One quarter (25%) were purchased between 1990 and 1999, and just over one fifth (22%) between 2010 and 2019, while less than one-fifth (17%) were bought between 1979 and 1989,

The figures also show that *re-sales* have accounted for a growing proportion of all sales of (former) Housing Executive dwellings over time. While the vast majority of properties purchased between 1979 and 1989 (92%) had been bought directly from the Housing Executive, only 19% of the nearly 29,390 dwellings that had been purchased between 2010 and 2019 were bought directly from the Housing Executive, while the great majority (82%) were purchased from someone else.

³¹ Based on Housing Executive administrative data

Nearly one-tenth (8%) of respondents did not know the year in which they had bought their home.

Figure 21: Time period within which property was purchased (owner occupied properties; %)



In line with this trend, Figure 21 shows that more than half (53%) of properties owned and occupied by the original purchaser were bought between 1979 and 1999, while more than three-quarters (76%) of properties that were re-sold were bought after 2000. It should be noted that more than one-tenth (11%) of the original purchasers did not know the year they bought their house.

4.4.2 Ownership status (Appendix table 27)

Figure 22 shows that more than three-fifths of owner-occupied properties (61%, around 54,090 dwellings) were owned outright, while the remaining two-fifths (39%) were being purchased with a mortgage or loan³².

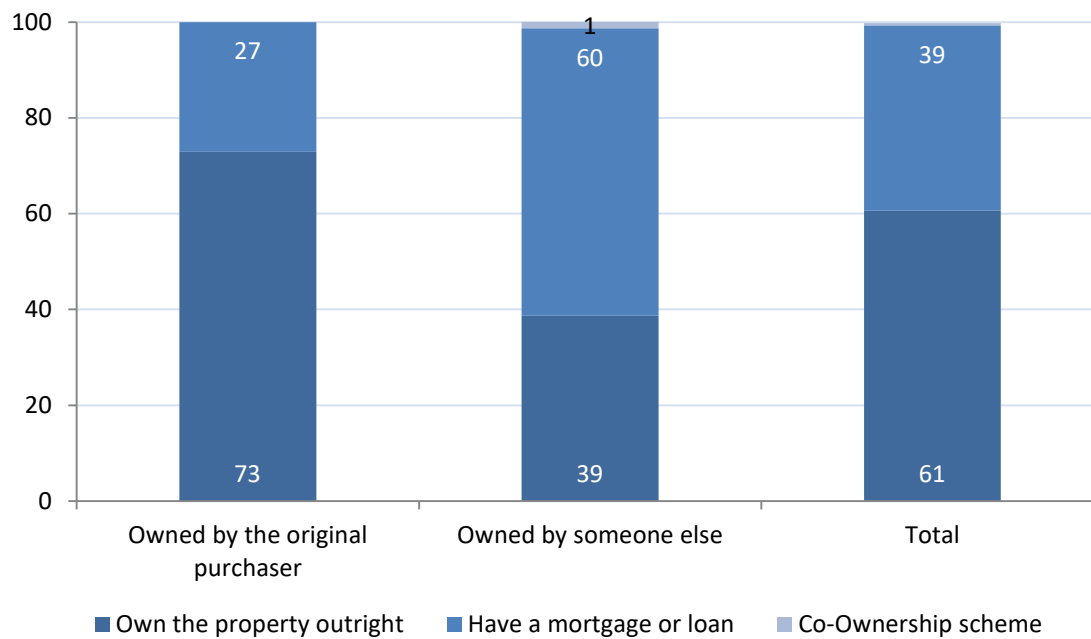
The level of outright ownership was considerably higher among original purchasers who had bought their home directly from the Housing Executive (73%; just over 41,620 dwellings) than among those who had purchased from someone else (39%).

³² A small number of properties were in shared-ownership as part of the Co-Ownership Scheme. Due to the low numbers they were not reported separately in this report

Conversely, owners who had bought from someone else were more than twice as likely to have an outstanding mortgage or loan (60%) than those who had purchased their home from the Housing Executive (27%).

The figures reflect the fact that respondents who were the original purchaser tended to have bought their property earlier than those who had bought it from someone else, and therefore would have had a longer period over which to have paid off any mortgage or loan that may have been in place.

Figure 22: Ownership status (%)

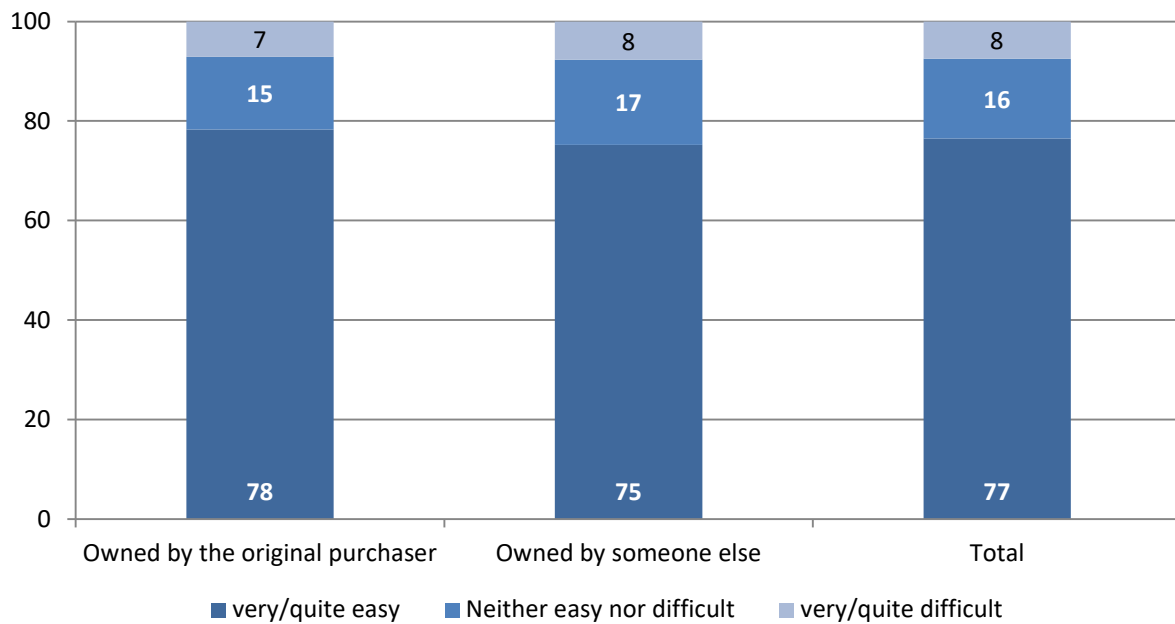


4.4.3 Ease of paying the mortgage (Appendix table 28)

The owner-occupiers who had a mortgage or loan outstanding on their property (around 35,190 in total) were asked how easy or difficult they found it to pay the mortgage.

Overall, more than three-quarters of respondents (77%, representing around 26,960 households) said that they found it either very or quite easy to pay the mortgage and only 7% said they found it either quite difficult or very difficult to make mortgage payments. Figure 23 shows that a similar pattern was found irrespective of whether the respondent had purchased the property from the Housing Executive or from someone else.

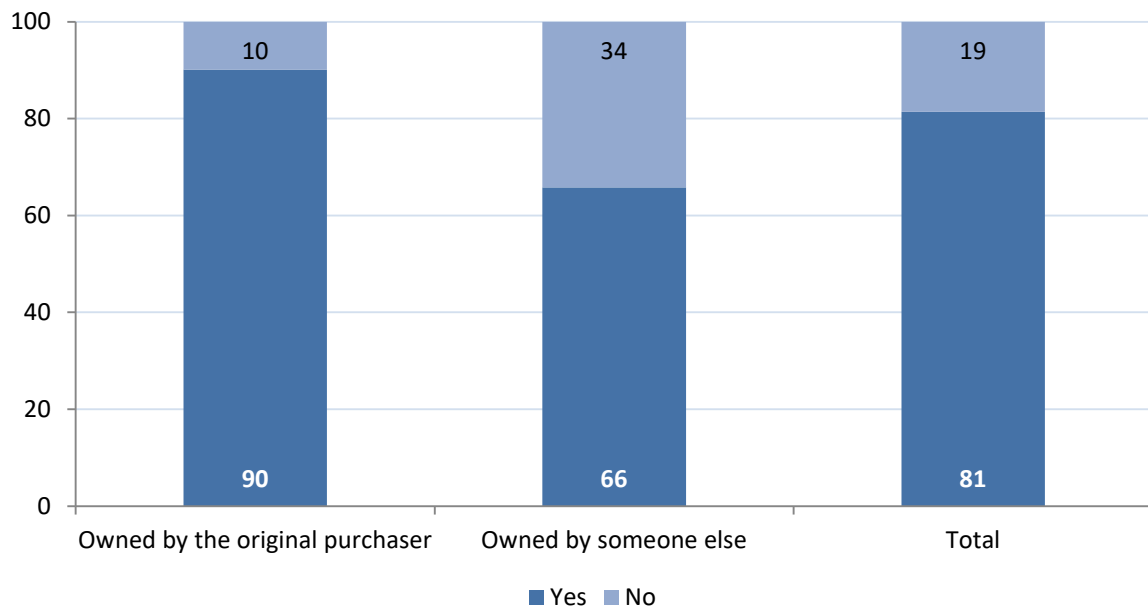
Figure 23: Ease of mortgage payment (%)



4.4.4 Is this dwelling your first home purchase? (Appendix table 29)

Overall, for most owner-occupiers (81%; around 72,620 households), the dwelling was their first home purchase. For the remainder (19%), their current home was not the first they had purchased.

Figure 24: Is this dwelling your first home purchase? (Owner occupiers, %)



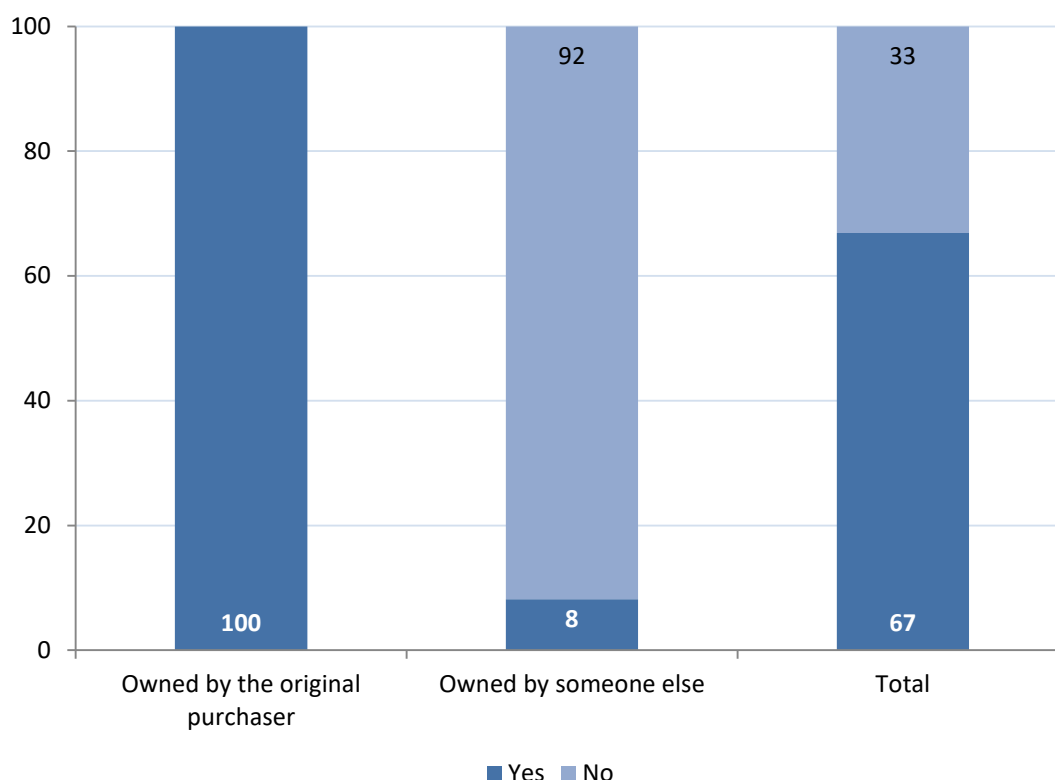
However, Figure 24 illustrates that respondents who had purchased their home from someone other than the Housing Executive were much more likely to have previously purchased another dwelling; around one third (34%) indicated that their current home was not their first home purchase, compared with only 9% of those who had purchased directly from the Housing Executive.

4.4.5 Did your family rent this dwelling before buying it? (Appendix table 30)

Overall, two thirds of respondents (67%, around 59,680) who were owner occupiers indicated that their family had rented the property before buying it. This largely reflects the broader pattern of ownership of the sold stock, with around two thirds of owner-occupier respondents having purchased directly from the Housing Executive.

In line with this, Figure 25 shows that all properties (100%) owned and occupied by the original purchaser had been rented by them or their family prior to purchase. By comparison, more than nine-tenths (92%) of the properties that had been re-sold and bought from someone other than the Housing Executive had not been rented by the current owner-occupier prior to purchase.

Figure 25: Did your family rent this dwelling before buying it? (Owner occupiers; %)



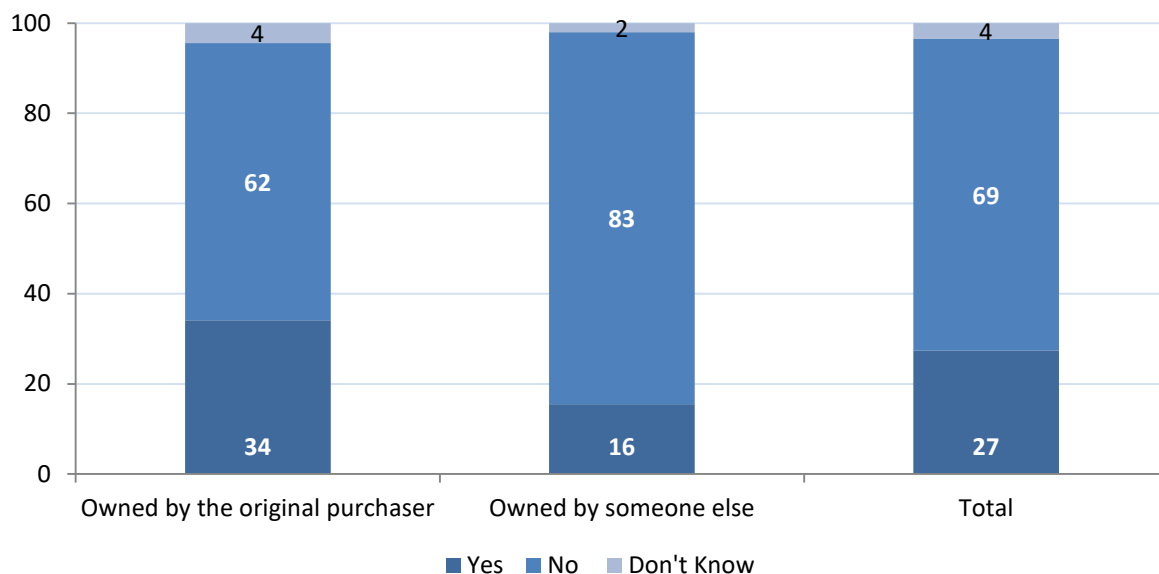
4.4.6 Do you (or your partner) receive Rate Rebate? (Appendix table 31)

Rates are a property tax paid based on the value of the home, which is used to pay for local and regional services. If the homeowner receives Housing Benefit or Universal Credit they may qualify for help paying their rates (referred to as *Rate Rebate or rate relief*). Homeowners can also receive help if they are of pension age or receive a disability benefit or a severe disability premium as part of their benefit.

Overall, less than three-tenths (27%) of owner-occupiers received help paying their rates. However, more than one third (34%) of those who lived in properties still owned and occupied by the original purchaser received a rates rebate/relief compared to one-sixth (15%) of those living in properties owned by someone else (Figure 22).

The figures correspond with the higher proportion of original purchasers in receipt of State (retirement) Pension, Pension Credit and disability benefits compared with those owners who had not purchased their home from the Housing Executive.

Figure 26: Do you (or your partner) receive Rate Rebate? (Owner occupiers; %)



4.4.7 Is your home freehold or leasehold? (Appendix table 32)

There are two types of ownership that may apply to properties purchased from the Housing Executive: freehold and leasehold.

Leasehold

This refers to owning a property (usually a flat) for a fixed period, *but not the land on which it stands*.

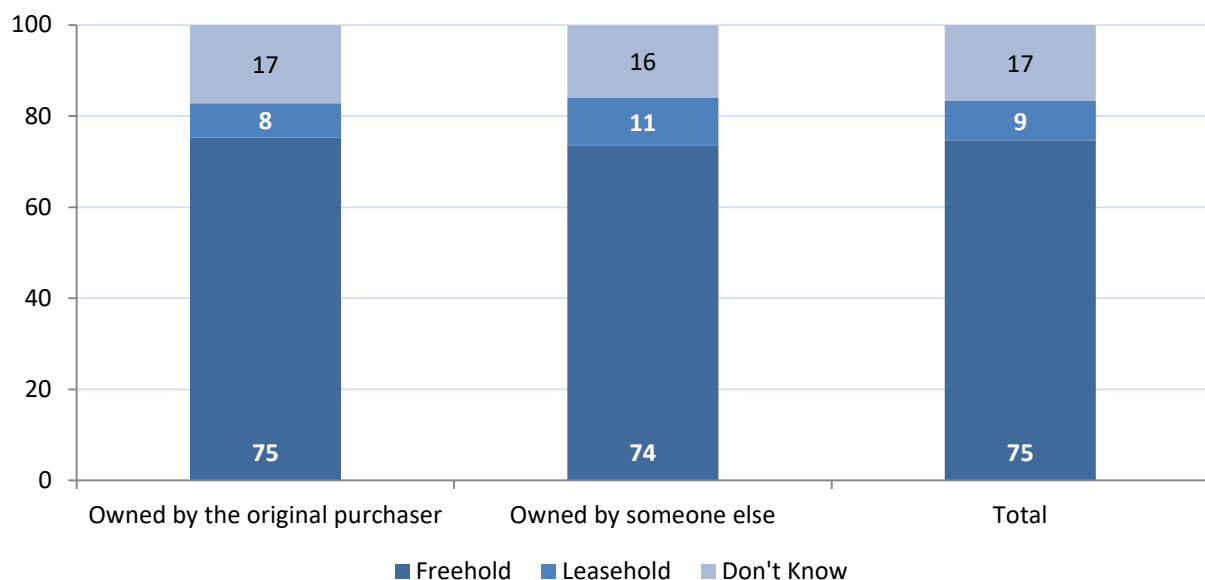
The main indication that a property was leasehold was if the owner received a bill to pay an annual ground rent and/or maintenance fee and service charge.

Freehold

This refers to the owner having outright ownership of the property *and* the land on which it stands.

Overall, three-quarters (75%) of the owner-occupiers who took part in the survey (living in 66,200 dwellings) indicated that their property was owned on a freehold basis, almost one-tenth (9%) said their property was leasehold and nearly one-fifth (17%) did not know. Figure 27 shows that the pattern was similar for properties still owned by the original purchasers and those owned by someone else.

Figure 27: Is your home freehold or leasehold? (Owner occupiers, %)



4.5 Experiences and views of respondents who had purchased their home from the Housing Executive

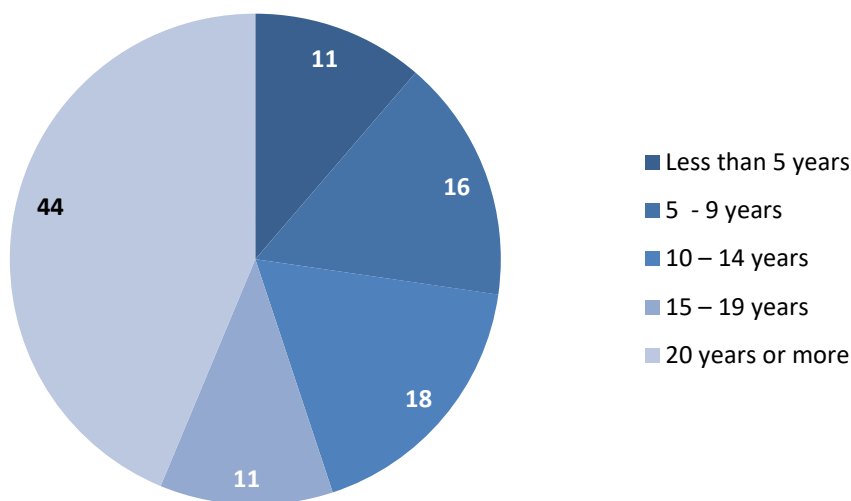
A number of questions were only asked of respondents who were owner-occupiers and had bought their property from the Housing Executive (*owned by original purchaser*).

4.5.1 How long were you a Housing Executive tenant before you bought your own home? (Appendix table 33)

Most of the owner-occupiers who had purchased their properties from the Housing Executive had been long-term tenants. More than two-fifths (44%; 24,960) had been Housing Executive tenants for 20 years or more, but more than one-tenth (11%) had been tenants for less than five years (Figure 28).

The amount of discount that was applied under the House Sales Scheme in part depended on the length of tenancy, meaning that longer-term tenants would have received a proportionally larger discount.

Figure 28: Length of tenancy prior to home purchase (%)



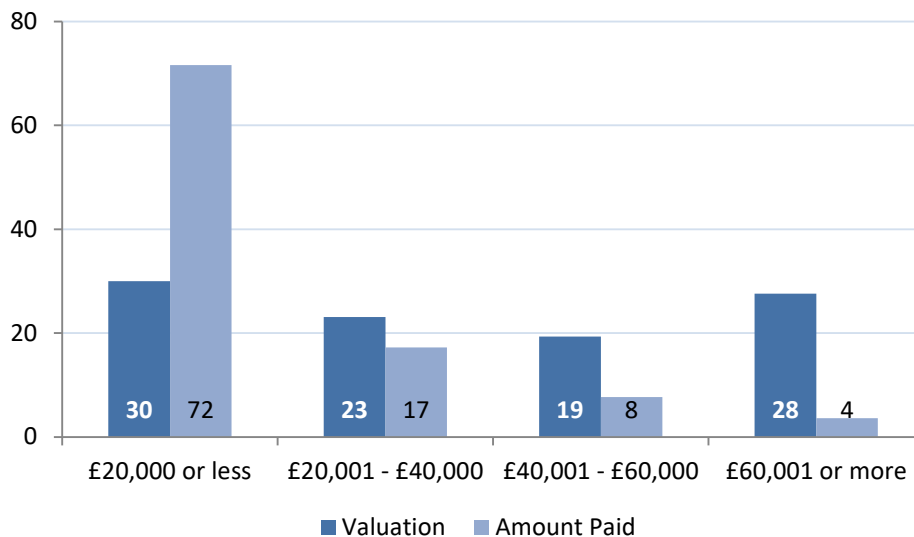
4.5.2 Home valuation and the amount paid at time of purchase (Appendix tables 34 and 35)

Only a minority (around one quarter) of the respondents who had purchased their home from the Housing Executive knew or were able to recall how much the dwelling was valued at, at the time of purchase. However, a much greater proportion of respondents (around three quarters) were able to give an indication of how much they had paid for their home.

For these reasons, the proportions illustrated in Figure 29 should be treated as indicative. However, they serve to illustrate something of the impact of discounts on the amounts paid by purchasers, by comparison with property values. For example, although only three-tenths of sold properties (30%) were valued at £20,000 or less at the time of purchase from the Housing Executive, almost three-quarters of properties (72%) were sold to the tenant for £20,000 or less.

Similarly, while nearly three-tenths of properties (28%) were valued at more than £60,000 at the time of purchase, only 4% of properties were bought for more than this amount.

Figure 29: Property valuation and amount paid at time of purchase from the Housing Executive (£; %)

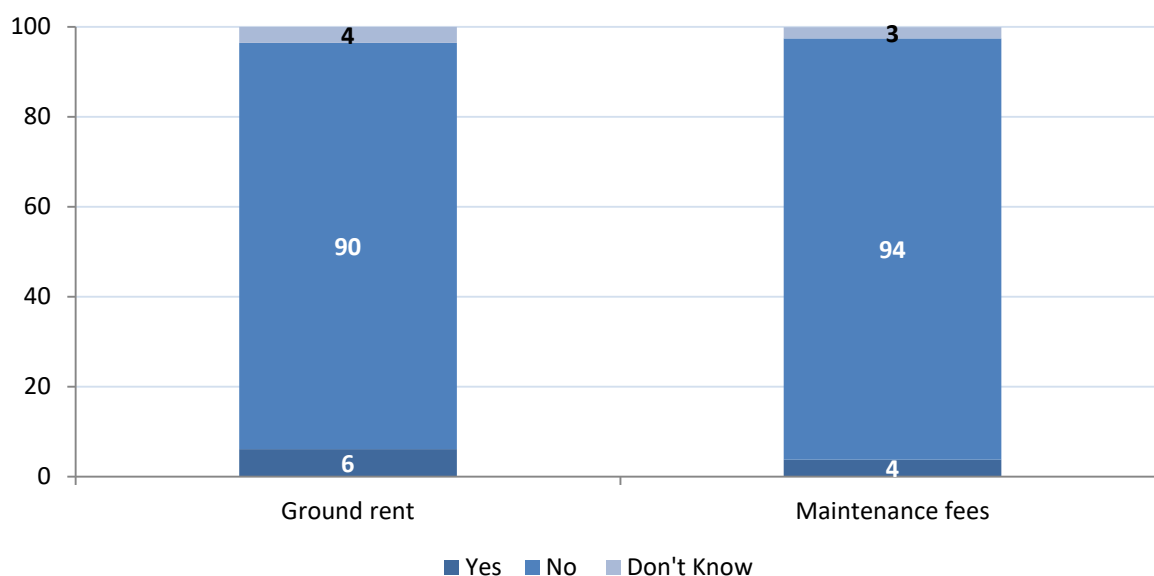


4.5.3 Are you billed for ground rent and maintenance fees? (Appendix table 36)

Figure 26 shows that small proportions of respondents who had bought their home directly from the Housing Executive said they were billed for ground rent (6%) or maintenance fees (e.g. service charges) (4%), but the vast majority (more than 90% in both cases) were not billed for either of these charges.

The figures were broadly in line with the percentage who stated that their properties were leaseholds (see Figure 27).

Figure 30: Are you billed for any of the additional costs sometimes associated with home ownership? (%)



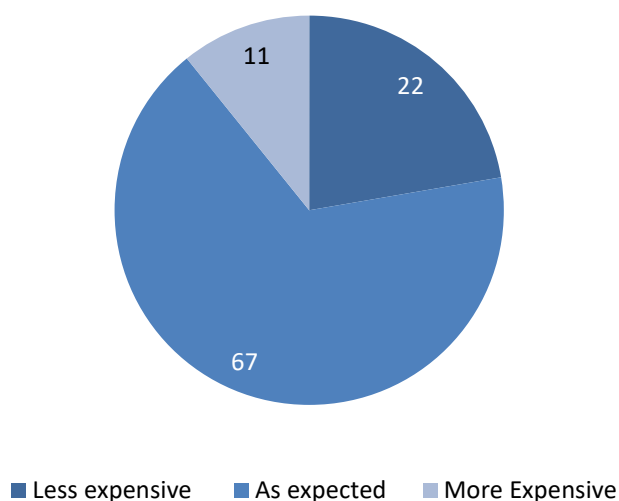
Where applicable, respondents were also asked if the Housing Executive had informed them that they would be billed for the additional costs at the time of purchase and whether the Housing Executive had given them enough information to prepare them for the additional cost of home ownership. However, the low number of responses to these questions meant that further analysis was not possible.

4.5.4 Overall cost of home ownership (Appendix table 37)

The respondents who had purchased their home from the Housing Executive were also asked whether they had found the costs of home ownership to be greater, less than, or in line with, their expectations. The majority (67%; around 38,180) said that overall the cost was at a level they expected, nearly one-quarter (22%; around

13,960) said the costs were *less expensive* than they expected and around one-tenth (11%) had found it to be *more expensive* than they expected.

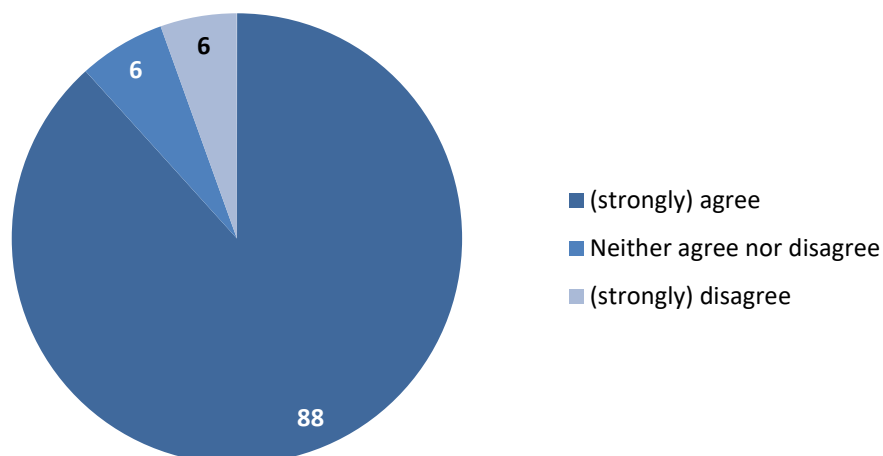
Figure 31: Overall, compared with your expectations, has the cost of home ownership been...? (%)



4.5.5 Ease of maintaining the home to a reasonable level of repair (Appendix table 38)

Almost nine-tenths (88%) of respondents who had purchased directly from the Housing Executive (50,360) either strongly agreed or agreed that they had found it easy to maintain their home to a reasonable level of repair while only 6% disagreed or strongly disagreed with the statement (Figure 32).

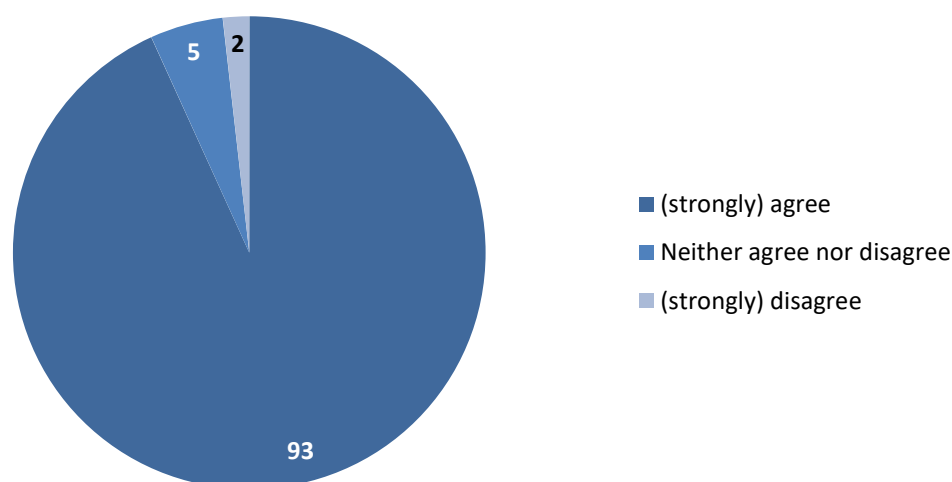
Figure 32: I have found it easy to maintain my home to a reasonable level of repair (%)



4.5.6 Extent to which home ownership had met expectations (Appendix table 39)

Of those who had bought their home directly from the Housing Executive, the vast majority (93%; around 53,150) either strongly agreed or agreed that, overall, home ownership had met their expectations. Only two per cent either disagreed or strongly disagreed with the statement.

Figure 33: Overall, home ownership has met my expectations (%)



4.5.7 Contact with the Housing Executive since buying the property (Appendix tables 40 - 41)

While the vast majority of respondents (87%; more than 49,600) had not contacted the Housing Executive since buying their home, just over one-tenth (13%) stated that they had.

Those who had contacted the Housing Executive had done so regarding a range of issues, but the main reason for contact, cited by more than two-fifths of respondents (45%; around 3,330), was regarding *property upgrade or maintenance scheme* (e.g. the Warm Homes scheme).

4.5.8 General satisfaction and future intentions (Appendix tables 42 - 44)

Almost all respondents who had purchased their home directly from the Housing Executive were either satisfied or very satisfied with the House Sales Scheme (97%).

Only two per cent had tried to sell their property in the past and the vast majority (96%) intended to continue living in their property for the next five years.

4.6 Experiences and views of respondents who had bought their home from someone other than Housing Executive (Appendix tables 45–47)

The survey findings indicate that at the time of the research around 32,220 former Housing Executive properties had been re-sold and were owned and occupied by someone other than the original purchaser.

The majority of respondents in this group (83%; 26,870) stated that they knew the property they had bought had previously belonged to the Housing Executive. Of those who knew, the vast majority (96%) said they did not have any concerns about buying a home that was formerly a Housing Executive property.

Only five per cent had tried to sell the property in the past.

4.7 Rented properties

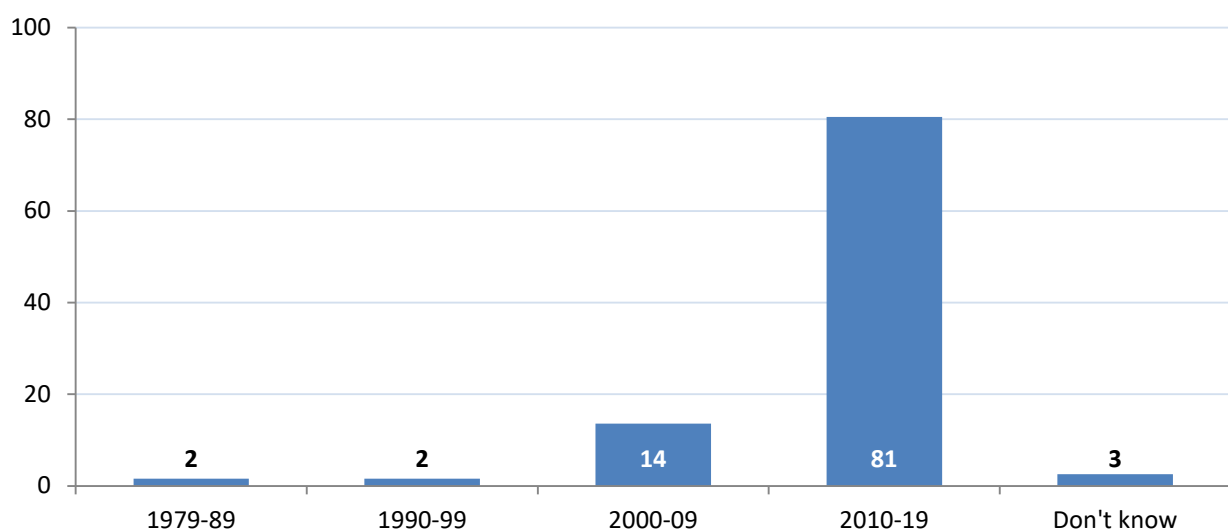
A number of questions were put only to respondents who *rented* the property in which they lived. The figures indicate that around 31,620 former Housing Executive properties were being rented at the time.

It should be noted that, where respondents were renting from a private landlord, no attempt was made to ascertain whether the landlord was the person who had originally purchased the dwelling from the Housing Executive, or a third party to whom the dwelling had been re-sold. Therefore, no conclusions can be drawn about the *ownership* of properties that were rented at the time of the survey.

4.7.1 When did you (or your family) first rent this dwelling? (Appendix table 48)

Respondents were asked when they had first rented the property they were living in at the time of the survey. The majority (81%; equivalent to around 26,100 households) had first rented their home within the most recent decade (2010 to 2019), and more than half (56%) had first rented the property they were living in between 2015 and 2019. However, around one sixth of those who were renting (17%) had first rented their home before 2010, suggesting that a significant minority of private renters have remained in their homes and localities for some time.

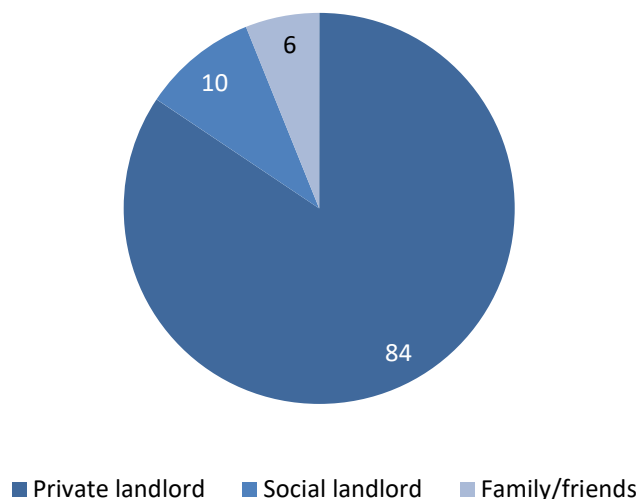
Figure 34: When did you (or your family) first rent this dwelling? (%)



4.7.2 Who do you rent your home from? (Appendix table 49)

The vast majority of respondents (84%) stated that they rented their home from a private landlord, 10% from a social landlord³³ and six per cent from a family member or friend³⁴.

Figure 35: Who do you rent your home from? (%)



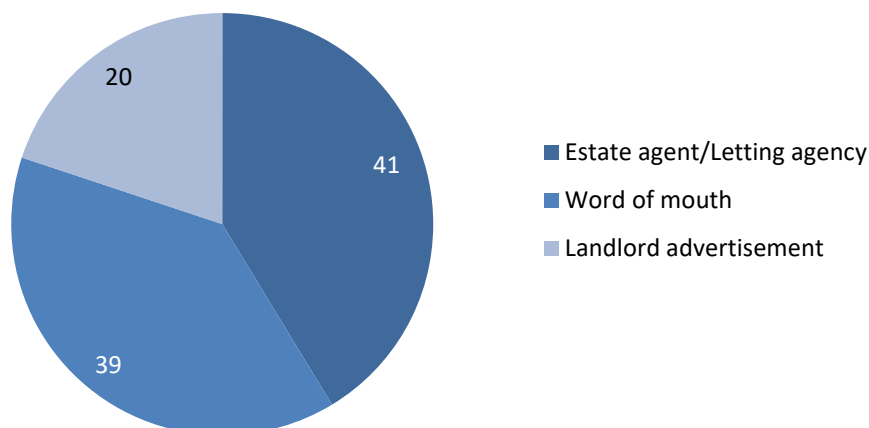
4.7.3 How did you first come to rent this home? (Appendix table 50)

Similar proportions of the respondents who were renting from a private landlord (estimated at around 26,670 households in total) had come to rent their homes through *an estate agent or letting agency* (41%) and *by word of mouth* (39%). Figure 36 shows that the remaining one-fifth of renters (20%) had responded to a *landlord advertisement*.

³³ The vast majority of these properties were rented from housing associations. The number rented from the Housing Executive was too small to report separately.

³⁴ Includes those who paid rent and those who lived in the property rent free

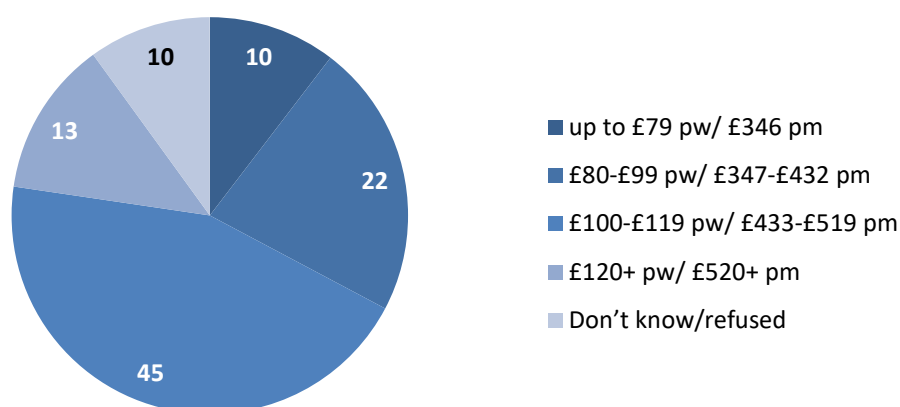
Figure 36: How did you first come to rent this home? (%)



4.7.4 Weekly/Monthly rent charged (Appendix table 51)

Among those who rented and who were liable for rent costs (i.e. not living rent-free, representing around 30,900 households in total), Figure 37 shows that the most common amount of rent due – in 45% of cases – was between £100 per week/£433 per month and £119 per week/£519 per month. In more than one-fifth (22%) of cases the rent charged for the property was between £80 per week/£347 per month and £99 per week/£432 per month.

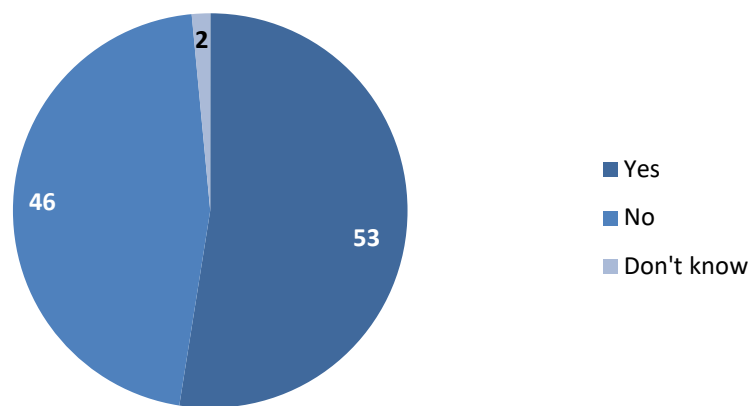
Figure 37: How much is the rent for your home? (£; %)



4.7.5 Housing Benefit/housing costs element of Universal Credit (Appendix tables 52-55)

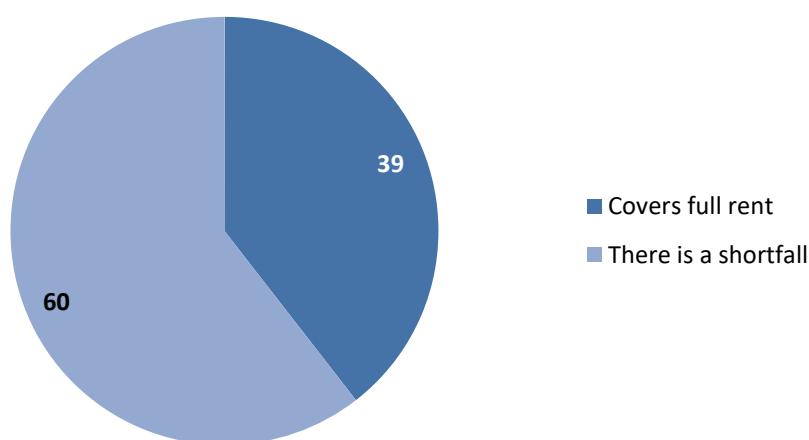
Just over half of respondents who lived in rented properties (53%; almost 16,210) were in receipt of Housing Benefit or the housing costs element of Universal Credit (Figure 38).

Figure 38: Do you receive Housing Benefit or the housing costs element of Universal Credit?



Nearly two-fifths (39%; 6,370) of the 16,210 renters who received Housing Benefit or the housing costs element of Universal Credit had their rent covered in full. However, the majority (60%; around 9,770 households) had a shortfall in their benefit payment by comparison with their overall rent costs (Figure 39).

Figure 39: Does the amount of Housing Benefit/housing costs element of UC that you receive cover the full cost of the rent, or is there a shortfall? (%)



Of those who had a shortfall between the HB/UC received and the full cost of renting their home, most paid the shortfall on a monthly basis (79%; around 7,750). Just over half (52%) of those who paid the shortfall monthly³⁵ said they paid less than £100 per month to cover the shortfall, while more than one third (37%) paid £100 per month or more and around one tenth (11%) of respondents either refused to state, or did not know, the amount of shortfall.

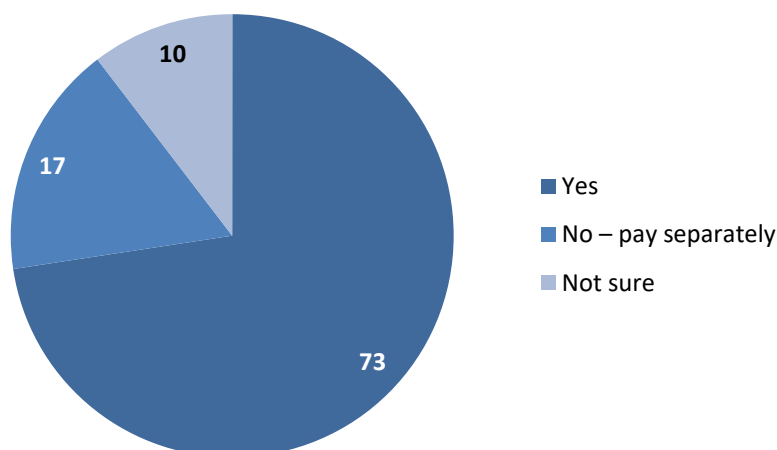
4.7.6 Rates costs (Appendix table 56)

Respondents who were paying all or a proportion of their rent (i.e. those who were *not* living rent-free or in receipt of Housing Benefit/housing costs element of Universal Credit at a level that covered the full cost of their rent) were asked about rates costs and the affordability of their rent costs.

Of these respondents (24,450 in total), nearly three-quarters (72%) paid their rates as part of their rent payment; less than one-fifth (17%) had to pay their rates separately from their rent.

³⁵ The number who paid weekly was too small to analyse further.

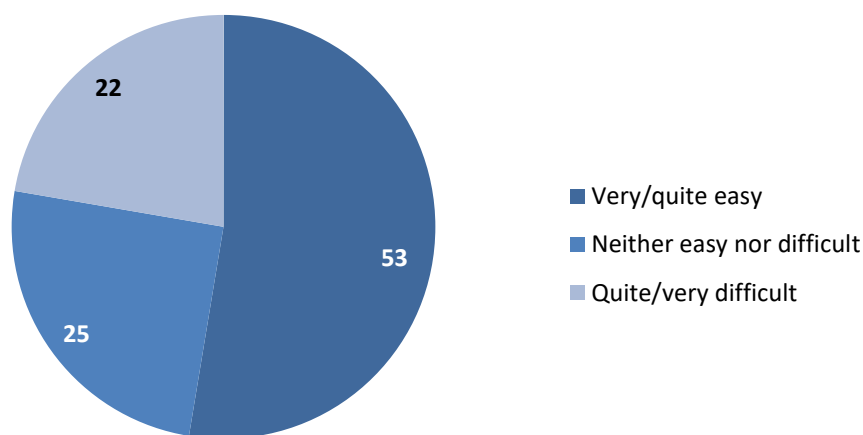
Figure 40: Do you pay rates as part of your rent? (%)



4.7.7 Affordability of rent (Appendix table 57)

Of the 24,450 respondents who were paying some or all of their rent, more than half (53%) felt that they could very or quite easily afford to pay the rent, while more than one-fifth (22%) found it quite or very difficult to afford the rent.

Figure 41: How easy or difficult do you find it to afford the rent? (%)

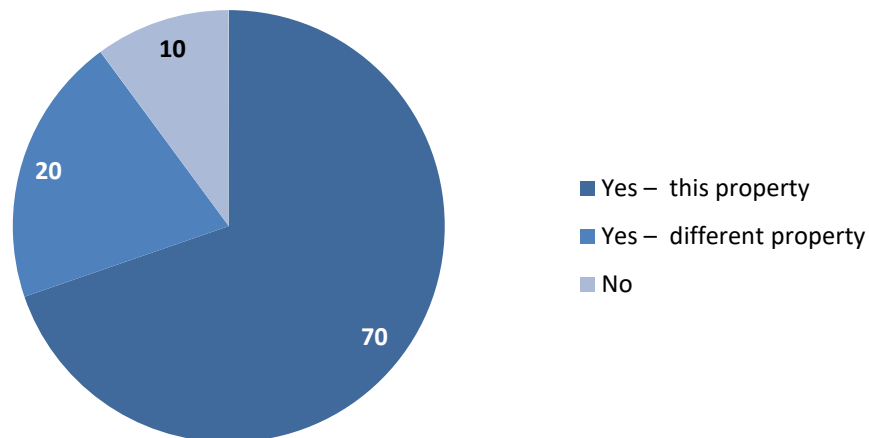


4.7.8 Do you intend to continue renting for the next five years? (Appendix tables 58 - 61)

Of the 31,620 respondents living in rented accommodation, seven-tenths (70%; around 22,050) stated they intended to continue renting the property they were living in at the time of the survey for the next five years. One-fifth (20%) intended to rent a

different property and one-tenth (10%) did not intend to continue renting over the next five years.

Figure 42: Do you intend to continue renting for the next five years? (%)



Respondents who did not intend to continue renting for the next five years were asked about their intentions, but the low sample did not allow further analysis of responses.

4.8 Views on policy aspects of the House Sales Scheme (Appendix tables 59 - 62)

Finally, all respondents were asked about broader issues relating to the House Sales Scheme, including their opinions on whether the Scheme had been a good policy, whether it had encouraged home ownership, the outcomes for tenants, and the outcomes in terms of social housing supply.

Overall, a large proportion of respondents either agreed or strongly agreed that the scheme was a good policy (76%), that it encouraged home ownership (80%) and that it had enabled social tenants to become home owners who otherwise would have been excluded from home ownership (80%).

Those respondents who had bought their home from the Housing Executive and still lived in the property responded more favourably to the three statements about the House Sales Scheme (over 90% in all three cases) than those who were living in a property they had purchased from someone else (around 75% in each case) and both groups of owner occupiers were more positive on these aspects of the scheme than those living in rented properties (between 50% and 57%). A much greater proportion of those living in rented homes (24%-26%) than original purchasers (1%-2%) and owner occupiers who had bought from someone else (11%-12%) said they did not know, or did not have enough information to make a judgement on, whether the Scheme had been a good policy, encouraged home ownership and enabled social tenants who could not otherwise have done so to become home owners.

More than two-fifths (41%) of respondents either strongly agreed or agreed with the statement that 'Overall, the House Sales Scheme has restricted access to social housing' compared with almost one-quarter (23%) who either disagreed or strongly disagreed with the statement. Almost one-fifth (18%) did not know or did not have enough information to make a judgement.

Nearly three-tenths of respondents who were original purchasers (29%) and around one quarter (25%) of owner occupiers who had bought from someone else either disagreed or strongly disagreed with the statement, compared with only 11% of respondents who were living in rented properties. Again, however, respondents who were renting were much more likely to say that they did not know, or did not have enough information to judge, whether the Scheme has restricted access to social housing (31% compared with 17% of owner occupiers who had purchased their home from someone other than the Housing Executive and 11% of those who had purchased from the Housing Executive).

5.0 Conclusions

Writing in 2004, McGreal *et al* concluded that the impact of the Housing Executive's House Sales Scheme depended on two issues: first, what was done with the capital receipts and, second, the policies developed to address housing need issues. This section draws some broad conclusions on these and other issues, based on our most recent analysis.

Capital Receipts

Much has changed in the decade and a half since the last major analysis of the trends and outcomes related to the Housing Executive's House Sales Scheme (McGreal *et al*, 2004) – most obviously, perhaps, the level of house sales, which fell sharply from 2007/08 and remains very low by long-term standards. For many years, the flow of capital receipts from the House Sales Scheme enabled the Housing Executive to invest in improving its stock; in this sense, the social housing sector in Northern Ireland benefitted more from the House Sales Scheme than other UK regions benefitted from the Right to Buy.

Elsewhere, the majority of capital receipts were returned to central government and the lack of resources available for the improvement of council housing ultimately resulted in a programme of large scale voluntary transfer of the stock out of the council sector in order to enable the investment needed. The policy of reinvestment in the stock in Northern Ireland had been a sound one and, setting aside other considerations about the outcomes of the House Sales Scheme, the fall in demand has vastly reduced this source of income at a time when the need for a substantial level of investment in the Housing Executive's ageing stock has been well documented.

Housing Need

While 'what is done with the capital receipts' has become largely a moot point, 'policies developed to address housing need issues' remain more pertinent than ever, especially in light of the Programme for Government target to reduce the level of housing stress in Northern Ireland. With house sales at a historically low level and a relatively consistent rate of new build output, the social sector stock has been gradually increasing, but remains lower numerically – and substantially lower proportionately – than in 1974.

Taken together, the figures indicate that while patterns are apparent, and the relative level of social housing need in Districts across Northern Ireland is probably greater

than it would have been had the Housing Executive's House Sales Scheme not been in place, it is difficult to draw firm conclusions about direct relationships between house sales and either relative or absolute levels of housing need because of the variation in circumstances and outcomes at local level. In some areas, despite the sale of a large proportion of the stock originally owned by the Housing Executive and/or relatively low levels of social housing stock relative to the overall number of households, assessed housing need at the time of writing was relatively low. In others, although a greater proportion of the original Housing Executive stock still remains, and although there have been relatively high levels of new build provision in recent years, there are substantial levels of social housing need. Again, as in 2004 (as summarised in section 2.3 of this report), the findings point towards socio-economic issues and lower purchasing ability within the areas where housing stress is highest, and emphasise the importance of 'put back' in the social housing need equation.

Renting and Housing Benefit

Four decades after the commencement of the Housing Executive's House Sales Scheme, and in line with trends in other parts of the UK, it is not surprising that the survey findings indicate around one quarter of the dwellings sold by late 2018 (around 31,620 properties) were being rented in 2019. Of these, our figures suggest that around 3,030 had returned to the social sector, the vast majority having passed into the ownership of housing associations through buy-back/existing satisfactory purchase arrangements. The remaining 28,590 were being rented privately, either from a private landlord or a friend/family member. McGreal *et al* (2004) had found that there were strong re-sale markets for former Housing Executive properties, which, despite appreciating in value, were an affordable option for first time buyers. We have no evidence on whether the privately rented properties in the survey sample were purchased *for the purpose of letting*, or whether original or subsequent owner-occupiers moved on and retained the property for letting. Either way, the figures confirm that a great number of mixed-tenure estates have evolved across Northern Ireland over a period of decades and are being managed, to a greater or lesser extent, by the Housing Executive.

Figures published by the Department for Communities indicate that in 2017/18 the average collectable rent for Housing Executive tenants was £66.59 per week. However, only around 10% of the respondents living in rented properties who took part in our survey and who were charged rent for their home (i.e. not living rent free) properties indicated that the rent for their home was less than £80 per week, while more than half stated that their weekly rent was more than £100. Just over half of those who were renting (52%; around 16,200 respondents) were receiving Housing Benefit/ the housing costs element of Universal Credit, but 60% (around 9,770

respondents) had a shortfall between the support received and the full cost of the rent.

While it is difficult to estimate any additional cost to the public purse of support for housing costs paid to those living in former Housing Executive properties by comparison with the cost of this support for Housing Executive tenants, it is clear that the vast majority of tenants living in former Housing Executive properties that were rented at the time of the survey were are liable for greater rent costs than current Housing Executive tenants,

Although just over half of respondents indicated that they found it easy/quite easy to afford their rent, more than one fifth said they found this quite/very difficult, and nearly half of those who were renting said they could not afford an unexpected bill of £500, compared with around one fifth of owner occupiers. In addition, our survey indicated that, compared with the overall profile of *all* respondents living in former Housing Executive properties, households living in rented properties were:

- More likely to have lower incomes (£15,000 or less) than all respondents living in former Housing Executive properties (42%, compared with 30% of all respondents);
- More likely to have a household reference person who was unemployed (18%, compared with eight per cent of all respondents); and
- More likely to include one or more children (51%, compared with 27% of all respondents).

Overall, the findings of the survey suggest that former Housing Executive properties now in the private rented sector are catering for a cohort of working age households (less than one tenth who were renting were 'older') that are more likely than both the general population and Housing Executive tenants³⁶ to contain a child or children aged 15 or under. Around half of respondents who were renting were working, but their incomes, while higher than those of Housing Executive tenants (one third of Housing Executive tenants had incomes below £10,401 in 2018, compared with 23% of the renting cohort who had incomes less than £10,000), were lower than for the wider sample of survey respondents, including owners.

The survey indicated that around 6,110 households living in former Housing Executive dwellings in 2019 were on the waiting list for social housing, of whom around nine tenths (almost 5,300) were renting their home at the time. The figures suggest that a substantial minority of those currently renting former Housing Executive properties would, for one reason or another, prefer to be renting from a social landlord. However, the majority of respondents who were renting said they intended to *continue to rent* the property they were living in for the next five years, Irrespective of tenure, the figures point towards an ongoing need for affordable

³⁶ The Housing Executive's [Continuous Tenant Omnibus Survey](#) indicated that 24% of households living in Housing Executive-owned properties in 2018 contained one or more child.

housing options for lower income households who may be unable to access either the social housing or owner occupied sector.

Households who had purchased their home from the Housing Executive

The survey indicated that around 57,050 sold Housing Executive properties were still occupied by the original purchaser in 2019. As has been found through previous research, there were generally high levels of satisfaction among this group. More than half had been tenants for at least 15 years before purchasing their home and almost nine tenths (89%) said they had paid £40,000 or less for their home after discount (72% had paid £20,000 or less).

At the time of the survey, almost three quarters (73%) owned their home outright and of those who had a mortgage, more than three quarters (78%) said they found it quite/very easy to make the payments. The majority (67%) had found the costs of home ownership to be in line with their expectations and more than a fifth (22%) said it was less expensive than they expected. Most (88%) had also found it easy to maintain their home to a reasonable level of repair and the vast majority (93%) said home ownership had met their expectations. Overall, 97% were satisfied or very satisfied with the scheme.

For this group, many of whom were in the 'older' age cohort at the time of the survey, the House Sales Scheme had provided an accessible and affordable route to home ownership in an area with which they had well-established connections. Not surprisingly, therefore, they were the most inclined to agree that it was a good policy that enabled home ownership among social tenants who would otherwise have been excluded from the owner occupied market.

Households who had purchased their home from someone other than the Housing Executive

At the time of the survey round 32,250 homes were owned by households who had purchased them from a third party (someone other than the Housing Executive). The majority (76%) had been purchased since 2000, most (66%) by first time buyers. A greater proportion of this group than of original purchasers were therefore still paying off their mortgage, while 40% of properties were owned outright. The majority indicated that they found it quite easy or very easy to pay their mortgage.

While around half of original purchasers were in the 'older' household type at the time of the survey, the profile of households who had bought from a third party was more in line with that of renters; almost half were all-adult households and nearly two fifths were households with children. Reference persons in these households were much more likely to be in employment (69%) than renters or original purchasers.

Reflecting this and the fact that they were less likely than original purchasers to have bought their home at a discounted rate, their income profile differed substantially from the other two groups, with around one quarter having an income of more than £30,000 per annum, compared with 9% of original purchasers and 5% of renters. In line with this higher income profile, they were the most likely to say that they could easily pay an unexpected bill of £500 (41%).

Those who had purchased from a third party generally agreed that the House Sales Scheme was a good policy that had enabled home ownership for social tenants who would otherwise have been excluded from owner occupation. Perhaps reflecting that they themselves were less likely to have benefited directly from the policy, the levels of agreement, at around 75%, were slightly lower than among original purchasers (more than 90%).

The role of sold properties in the housing market

Taken together, the findings on the circumstances and experiences of the households living in sold Housing Executive properties point to, broadly speaking, three distinct groups, at different points in their life and housing journeys and in different circumstances:

- Original purchasers are most likely to be older households who have lived in the same dwelling for many years, now own it outright and are unlikely to choose to move, unless their circumstances change
- The second group of home owners are mainly working age, employed first time buyers who purchased their home on the open market as an affordable option
- Those renting are generally lower income households – albeit often working – often with children, and most expect to stay in the private rented sector – even the same *dwelling* – for the next five years.

By 2019, the survey findings suggest that around 60,810 sold Housing Executive dwellings had either been transferred from the ownership of the original sitting tenant purchaser into the hands of another owner, or are being privately rented. Arguably, it is at this point that they are 'lost' to the social sector, since original purchasers are likely to have remained in the property as tenants if they had not bought their home, and it is only at the end of the tenancy (reflected in the end of the ownership period of the original purchaser household) that the property would have become available for re-let.

As time goes on, more properties are likely to move from being owned by original purchasers into one of the other two groups. Given the general picture emerging from the survey findings, it could be argued that, even having changed tenure, many of these dwellings will continue to meet the needs of specific groups for whom the

reduced social sector in Northern Ireland does not have the capacity to provide and much of the owner occupied sector has generally been simply too expensive.

On the other hand, had the social sector not diminished so drastically as a result of the House Sales Scheme, it might have been better able to meet the needs of a greater number and wider range of households. There is no guarantee about the quality of housing and tenancy management in place for those living in ex-Housing Executive properties now owned and managed by a private landlord and, despite the frameworks put in place by initiatives such as the Landlord Registration and Tenancy Deposit Schemes, standards in the private rented sector continue to vary considerably. In addition, the level of rent charged is generally higher than for social sector (particularly Housing Executive) dwellings, with associated implications for any housing support costs being paid, and these assets are lost to the social housing sector for good.

Looking ahead: The future of the Housing Executive House Sales Scheme

All other things being equal, the announcement in May 2020 by the Department for Communities about amendments to legislation to end the statutory and compulsory House Sales Schemes for registered housing associations after a transition period of two years (leave associations with the option of operating a non-statutory, voluntary sales scheme) will address the most pressing issues associated with the reclassification of housing associations, help enable consistent ongoing provision of new social housing, and provide clarity on the position for housing associations and their tenants.

Noting her wish to support people into home ownership, as well as to retain the social housing stock where possible, the Minister for Communities also indicated her intention to consult separately on methods of entry to affordable homeownership, including consideration of the future of the Housing Executive House Sales Scheme. Moving forward, therefore, a number of issues look set to influence decision-making about the future of the Housing Executive's House Sales Scheme. They include:

- the need to ensure equality of opportunity for Housing Executive and housing association tenants in terms of the ability to purchase their home from their social landlord, given that the nature of the Housing Selection Scheme and allocations process in Northern Ireland means tenants have no control over who owns the social sector home allocated to them;
- the outcome of any consultation led by the Department for Communities on the future of the Scheme, and stakeholder views on the most appropriate policy direction given scarce public resources, Programme for Government targets and objectives and housing need;
- wider policy developments in relation to the housing market and the range of options available to assist those wishing to move into home ownership;

- consideration of any potential impact of the policy change to allow the Housing Executive to increase rents: in particular, whether there is potential for an increase in house sales as a result; and
- decisions about eligibility for, and discount levels associated with the Housing Executive's House Sales Scheme, assuming that a Scheme may continue in a voluntary rather than statutory format.

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Appendix 1: Northern Ireland Housing Executive House Sales Scheme timeline and amendments

May 1993

The Statutory House Sales Scheme was introduced, with the following provisions applying:

Eligibility to purchase

Open to all secure tenants, irrespective of length of tenancy

Exclusions

- a. Sheltered dwellings
- b. Any single storey property or ground floor accommodation with no more than two bedrooms let to those over pensionable age at Tenancy Commencement Date.
The exclusion did not apply to those under 60.
- c. Squatters not eligible to purchase.

Purchase Price

- a. Current market value assessed by valuer appointed by Housing Executive, less a discount based on relevant tenancy (subject to Historic Cost)
- b. Redetermination by District Valuer

Discount

- a. Discount offered in relation to total number of years spent as secure tenants of public authorities
- b. Tenancy discount
 - i. House
 - 1. less than two years tenancy – 30%
 - 2. two years tenancy 32% + 1% for each additional completed year tenancy up to a maximum 60%, subject to Historic Cost
 - ii. Flat
 - 1. less than two years tenancy – 40%
 - 2. two years tenancy 44% + 2% for each additional completed year tenancy up to a maximum of 60%, subject to Historic Cost

Disposal

- a. Disposal within one year: 100% Discount repaid
- b. Disposal between one and two years: 66⅔% Discount repaid
- c. Disposal between two and three years: 33⅓% Discount repaid
- d. Disposal after three years: nil

Historic Cost

Eight-year rolling period covering cost of provision, improvement or acquisition

Joint Purchase

A maximum of four people were permitted to purchase jointly provided any one or more of them was a secure tenant of the dwelling. Any secure tenant(s) had to have at least a 25% individual share in the property.

1 October 1999:

The scheme was changed so that only family members could join in the purchase with the secure tenant(s). They did not need to be resident.

September 2002:

The Scheme was revised with the following 11 changes being introduced:

1. Tenancy Qualification: two years with a qualifying landlord required
2. Joint Purchase: Moving from a "family" to a "residency" qualification of 12 months
3. Exclusions: Amendments were made so that:
 - i. The over-60s, "age-based" exclusion" was replaced with a "property based" exclusion, which meant that no tenant, whether over or under 60, with a Tenancy Commencement Date on or after 1st September 2002 was permitted to purchase 1-2 bed single storey accommodation (other than a flat).
 - ii. The sale of ground floor flats was permitted..
4. Anti-social behaviour: Might preclude a sale
5. Development land: How to deal with development potential
6. Discount Ceiling: set at £34,000
7. Historic Cost
 - a. Stayed at eight years
 - b. Estimates of costs to be used, based on data held in the Housing Executive's 'MIS' administrative system
8. Time allowed for issue of Offer – Removal of reference to specific time period, which had been 10 weeks for a house and 12 weeks for a flat
9. Redetermination of market value:
 - a. To be carried out by the District Valuer or his nominee
 - b. Estimates of costs to be used, based on data held in the Housing Executive's 'MIS' administrative system
10. Succession and Discount Entitlement: to allow children other than the first child to claim discount back to their 16th birthday
11. Previous Discounts: to be treated as having been granted in equal portions to all of the then co-purchasers

October 2004

The Scheme was further revised with the introduction of the following amendments, which came into effect on 11 October, 2004:

Tenancy Qualification

The qualifying period for eligibility to purchase was extended from two years to five years.

Discount Calculation

Discount commenced at 20% after five years, rising by 2% per year to a maximum of 60%; this change applied to flats as well as houses.

Discount Ceiling

The maximum discount allowed reduced from £34,000 to £24,000

Historic Cost

The Historic Cost rule was extended from eight years to 10 years

Repayment of Discount

The repayment of discount period was extended from three years to five years. In the event of a resale within five years, it was stipulated that the full discount given must be repaid.

Buy back option

The Buy-back option was extended from five years to 10 years and applied to all social landlords, not just the original social landlord.

Anti-social behaviour

It was stipulated that a secure tenant would be ineligible to buy if, due to anti-social behaviour, the Housing Executive was actively considering taking legal action for possession of the dwelling.

June 2009

An Equity Sharing option was introduced. This allowed a secure tenant with five years' qualifying tenancy to buy a minimum initial share in the equity of a dwelling of 25%.

Appendix 2: Houses sold under House Sales Scheme (NI) and Right to Buy (England, Scotland, and Wales)

Table B1: Number of Housing Executive properties sold to tenants under the House Sales Scheme

Year	Properties Sold	Year	Properties Sold
Up to 31/03/1981	1,994	1999/00	4,526
1981/82	7,042	2000/01	5,555
1982/83	5,554	2001/02	5,011
1983/84	5,440	2002/03	6,054
1984/85	5,422	2003/04	5,652
1985/86	4,103	2004/05	3,053
1986/87	3,184	2005/06	2,522
1987/88	2,807	2006/07	2,201
1988/89	3,368	2007/08	808
1989/90	4,638	2008/09	54
1990/91	4,092	2009/10	272
1991/92	3,191	2010/11	249
1992/93	3,228	2011/12	236
1993/94	3,972	2012/13	290
1994/95	4,693	2013/14	549
1995/96	4,765	2014/15	471
1996/97	4,665	2015/16	387
1997/98	4,907	2016/17	402
1998/99	4,395	Year to 30/11/2018	309
		Total Number sold	120,497

**Table B2: Number of social sector properties sold under the Right to Buy scheme in GB.
(Figures taken from Stephens et al. (2018))**

Year	England	Scotland	Wales	GB
1980 to 1985	526,480	72,639	44,504	643,623
1986 to 1990	538,422	134,374	39,874	712,670
1991 to 1995	218,204	103,766	14,641	336,611
1996/97	35,583	13,023	2,093	50,699
1997/98	45,829	17,369	2,632	65,830
1998/99	44,686	14,948	2,614	62,248
1999/00	61,496	14,227	3,466	79,189
2000/01	59,478	14,935	3,522	77,935
2001/02	60,192	14,095	3,446	77,733
2002/03	73,867	17,343	4,288	95,498
2003/04	84,102	20,698	6,924	111,724
2004/05	58,648	15,203	5,064	78,915
2005/06	33,010	13,033	2,084	48,127
2006/07	22,519	9,030	1,367	32,916
2007/08	15,193	7,488	1,017	23,698
2008/09	3,865	4,041	331	8,237
2009/10	3,179	2,178	175	5,532
2010/11	3,714	2,024	182	5,920
2011/12	3,744	1,518	171	5,433
2012/13	8,402	1,372	170	9,944
2013/14	15,682	1,526	253	17,461
2014/05	16,519	1,834	286	18,639
2015/16	16,223	2,093	359	18,675
2016/17	18,110	3,510	274	21,894
Total	1,967,146	502,268	139,737	2,609,150

Appendix 3: Department for Communities House Sales Schemes consultation

In July 2018 the Department for Communities launched a consultation about the future of the House Sales Schemes. This was due to an announcement by the Office for National Statistics that housing associations in Northern Ireland would be reclassified from the private to the public sector, and the Northern Ireland Executive's decision to seek a reversal of the decision.

The consultation highlighted a range of issues regarding the reclassification and outlined a number of options available to the Northern Ireland Executive, along with the potential consequences of these options.

The Department for Communities stated that while the ONS decision was principally a technical issue concerning the classification of bodies and their expenditure for national accounts and public expenditure purposes, the decision did have significant implications for the expenditure of housing associations, and particularly their spending on new homes programmes. Put simply, if the 2016 decision by the Office for National Statistics to classify housing associations as being in the public sector was not reversed, all the expenditure incurred by them (including their own borrowing) would count as public expenditure and thus be charged against the Northern Ireland Executive's Budget.

Therefore, for the rate of new social sector house building to be maintained, the cost to the Northern Ireland Executive's budget would effectively double. Alternatively, if no additional money was allocated to the building programme, the rate of new social sector home construction would fall by a half.

This would mean that, based on current budget allocations, the number of new social sector homes being developed would decrease from the current level of 2,000 per year to around 1,000 per year.

Such a reduction in the number of new social sector homes would have a significant adverse impact on waiting lists and the potential to undermine the work being done by the Department of Communities to address waiting times and find ways of making the allocations process for social housing more effective. It would also be counteractive to all efforts within the Programme for Government focussed on increasing housing supply and reducing housing stress.

As well as its potential effect on building new social sector housing, the reclassification would also affect the Northern Ireland Co-Ownership Housing Association (usually referred to simply as 'Co-Ownership'). Through its status to date as an independent body outside the public sector, it has been able to benefit from the availability of Financial Transactions Capital (FTC, which is only available to

private sector organisations); in recent years, £100 million of FTC has been made available Co-Ownership to help people into home ownership.

In addition, some £30 million of FTC has been made available to other housing associations to help stimulate the supply of housing generally; for example, through the Empty Homes Scheme, the Rent to Buy Scheme and the Affordable Home Loans Scheme. Such FTC-funded initiatives would not be possible if housing associations continued to remain in the public sector,

In overall terms, the DfC estimated that if the reclassification decision were not reversed it could cost the Northern Ireland Executive in the region of £140 million per annum if development programmes for social sector homes are to be sustained.

The link between these issues and the sale of dwellings owned by social landlords may not necessarily be immediately obvious and, indeed, house sales policy was not explicitly mentioned in the ONS determination. However, a review of legislation conducted by the Department for Communities indicated that the compulsory nature of the House Sales Scheme for housing associations amounted to 'control which is significant enough to warrant classification to the public sector'³⁷, and it is for this reason that the reclassification decision resulted in a review of the House Sales Schemes for both housing associations and the Housing Executive in Northern Ireland.

Options

The Department for Communities launched a consultation in 2018 regarding the future of the House Sales Schemes operated by the Housing Executive and housing associations. Its aim was to gauge how stakeholders and the public viewed the best way forward regarding the reclassification of the Housing Associations. It noted that without changes to the schemes, it was likely that the Office for National Statistics reclassification of housing associations as public sector organisations would remain in place. The options identified in the consultation and their respective advantages and disadvantages as outlined by the Department are summarised below.

Option 1: Do nothing

Under this option the House Sales Scheme would remain in force unchanged; with eligible tenants of housing associations and the Housing Executive continuing to have the option to purchase their home at a discount as per the arrangements of the scheme.

³⁷ [Department for Communities \(2018\) *Classification of Registered Housing Associations in Northern Ireland: Consultation Two - The Future of the House Sales Schemes* \(p12\)](#)

If this option was chosen by the Department, the Office for National Statistics would not reverse their decision to reclassify Northern Ireland's housing associations to the public sector. This would impact the Northern Ireland Executive's Budget and result in a significant reduction in the number of new social homes being built if there were not a significant increase in the amount of money allocated by the Northern Ireland Executive to the social sector house building programme. This, in turn, would have significant knock-on effects on social housing waiting list and levels of housing stress.

Option 2: End the House Sales Scheme *for housing association tenants only*

Under this option, only the legislation relating to the housing association House Sales Scheme would be repealed, ending the House Sales Scheme for housing associations tenants only and leaving in place the House Sales Scheme that operates for tenants of the Housing Executive. New legislation would include provision of transitional arrangements necessary to allow a period of time for tenants to be informed of the changes and to exercise their rights. Potentially this would involve allowing a time-limited extension of the House Sales Scheme to allow existing tenants to avail before the scheme was fully closed.

The Department noted that legislation which proposed to retain the House Sales Scheme for Housing Executive tenants while ending it for housing associations tenants might not be equitable; the profile of housing associations tenants means that such an option would disproportionately affect certain groups of people.

The Department's Equality Impact Assessment showed that a higher proportion of housing association tenants are Catholics (48.9%) compared with the Housing Executive's tenants (42.4%).

The housing associations also house a higher proportion of tenants aged 75 and over than the Housing Executive (21% and 12% respectively). This is mainly due to the housing associations providing sheltered accommodation for older people, although the majority would have no right to buy in any case, given that such accommodation is excluded from the House Sales scheme.

Further, this option would mean that having the opportunity to avail of a House Sales Scheme would become an unintended and arbitrary function of the common waiting list used by the Housing Executive to allocate social homes to those on the social housing waiting list. This allocation system makes the next social home available to the applicant on the waiting list with the greatest level of housing need irrespective of whether that 'next home available' is provided by a housing association or the Housing Executive.

Were Option Two to be implemented, anyone allocated a social home from the Housing Executive portfolio would gain the right to buy it, once eligible. However, anyone allocated a social home from the housing associations' stock portfolio would

not acquire this right. This option would therefore confer a benefit on an arbitrary basis.

Option 3: End the House Sales Schemes for all

Under this option the legislation for both the Housing Executive and the housing associations would be repealed, ending both schemes. New legislation would include provision of transitional arrangements necessary to allow a period of time for tenants to be informed of the changes and to exercise their rights. Potentially this would involve allowing a time-limited extension of the House Sales Schemes to allow existing tenants to avail before the schemes fully closed. It was considered that this option would avoid the potential for inequality and the arbitrary nature of Option Two.

Appendix 4: Survey form

Please record details before commencing the interview.

Reference number (record from contact sheet)

Area number (record from contact sheet)

Interviewer note: Confirm respondent is HRP or partner/spouse

Hello, my name is _____ from Perceptive Insight, an independent market research company. You should have received a letter over the past few weeks letting you know that your address has been randomly selected to take part in research on behalf of the Housing Executive.

Since 1979 tenants have been able to buy the properties that they were renting from the Housing Executive under the House Sales Scheme. Housing Executive records show that this property was previously owned by them, but has been sold under the scheme.

The purpose of this survey is to understand what has happened to the properties since they were sold. We want people who currently live in these properties to answer some questions. You do not have to be the person who bought the property originally from the Housing Executive.

The information gathered in this survey will help the Housing Executive shape their future policies and strategies regarding housing need in Northern Ireland.

This survey will take approximately 5 to 10 minutes to complete. Your views are very important. If you have any queries regarding this survey, please do not hesitate to contact Perceptive Insight's helpline on 0333 323 9696.

During this survey you will be asked questions about topics concerning your property and your circumstances, as well as information about you and your household.

All the information you provide and the identity of yourself and members of your household will remain confidential. All responses will be anonymised and grouped together for the reporting. This means it will not be possible to identify you, or your household, when we publish the findings.

Ask the respondent if they agree / disagree with the following statement:

- I have read and understood the information about the project, as provided above and in the advance letter.
- I have been given the opportunity to ask questions about the project and my participation.
- I voluntarily agree to participate in the project.
- I understand I can withdraw at any time and without giving reasons.
- The procedures regarding confidentiality have been clearly explained (anonymisation of data, no personal identifying details etc.) to me.
- I understand that the information I provide will be kept in accordance with the General Data Protection Regulation (GDPR).

The respondent confirms the above information and would like to continue

Section A: You & Your Home

A1. Which of the following best describes your home?

Semi-detached house	1
Detached house	2
Terraced house	3
Flat/apartment/maisonette	4
Bungalow	5
Other (please specify)	6

A2. Is your home a house of multiple occupation?

Yes	1
No	2
Not sure	3

A3. How many bedrooms are in your home?

Studio/bed sit	1
1 bedroom	2
2 bedrooms	3
3 bedrooms	4
4+ bedrooms	5

A4a. Overall, how satisfied or dissatisfied are you with the condition of this property?

Very satisfied	1
Satisfied	2
Neither satisfied or dissatisfied	3
Dissatisfied	4
Very dissatisfied	5

A4b. Why are you dissatisfied/ very dissatisfied are you with the condition of this property?

Q5a. Have any repairs or improvements been carried out to your home in the last five years by you or a landlord (if applicable)?

SHOWCARD

Q5b. Which of the following repairs and/or improvements been carried out by you or a landlord in the past five years? (Read out list and tick all that apply)

Re-roofing/roof structure work	Installing/replacing central heating	
Structural repairs to walls, chimneys, foundations	Rearranging internal space/ flat conversion	
Repointing/rendering	Roof insulation	
Replacing windows	Cavity wall insulation	
Replacing doors	Garage added	
Inserting/replacing damp proof course	Conservatory added	
Internal plastering	Extension (adding one or more room)	
Putting in new floors	Other (please specify)	
Electrical wiring	None of the above	
Providing or refitting kitchen	Not sure	
Providing or refitting bathroom		

A5b. Other, please specify _____

A6. Are you currently on the waiting list for Housing Executive/Housing Association accommodation?

Yes	1
No	2

A7. If yes, how many points to you have? _____ Points/don't know

A8. How long have you been on the waiting list?

Less than 6 months	1
At least 6 months, but less than 12 months	2
At least 12 months, but less than 18 months	3
At least 18 months, but less than 2 years	4
At least 2 years, but less than 3 years	5
3 or more years	6
Don't know	7

A9. Do you (or your family) own or rent the property?

Interviewer note: For the purposes of this survey renting includes living in a property owned by a family member/friend, regardless of whether you pay the rent or not.

Own	1	Go to Section B
Rent	2	Go to Section C

Section B: Owner Occupiers

Your Property

B1. Do you...?

Own the property outright	1	Go to Q11
Have a mortgage or loan	2	Go to Q8
Share with co-ownership scheme	3	Go to Q11

B2. Do you get help towards your mortgage with the Loan for Mortgage Interest Scheme (previously called the Mortgage Interest Scheme)?

Yes	1
No	2
Don't know	3

B3. Do you (or your partner) receive a rates rebate?

Yes	1
No	2
Don't know	3

B4. Is your home freehold or leasehold?

Interviewer note: The main indication that your property is leasehold is if you have to pay an annual ground rent and/or maintenance fees and service charges.

Freehold	1
Leasehold	2
Don't know	3

B5. Is this dwelling your first home purchase?

Yes	1
No	2

B6. Did you (or your family) rent this dwelling before buying it?

Yes	1
No	2

B7. What year did you buy the property? _____

B8. Did you buy the property from the Housing Executive or a previous private owner?

Flat/apartment/maisonette	1
Bungalow	2
Don't know	3
Other (please specify)	4

B9. How easy or difficult do you find it to pay the mortgage?

Very easy	1
Quite easy	2
Neither easy nor difficult	3
Quite difficult	4
Very difficult	5

If bought from the Northern Ireland Housing Executive (NIHE)

B10. How long were you a NIHE tenant before you bought your house?

Less than 5 years	1
5 – 9 years	2
10 – 14 years	3
15 – 19 years	4
20 or more years	5

B11. How much was your house valued at when you bought it from the Housing Executive?
Interviewer note: Ask respondent to provide their best estimate, don't know = 999, refused = 888

B12. How much did you pay for the house when you bought it from the Housing Executive?
Interviewer note: Ask respondent to provide their best estimate, don't know = 999, refused = 888

B13. Are you billed for any of the following additional costs that are sometimes associated with home ownership?

	Yes	No	Don't know
Ground rent	1	2	3
Maintenance fees	1	2	3

B14. Did the Housing Executive inform you that you would be responsible for these costs at the time of purchase?

	Yes	No	Don't know
Ground rent	1	2	3
Maintenance fees	1	2	3

SHOWCARD

B15. Overall, to what extent do you agree or disagree that the Housing Executive gave you enough information to prepare you for the overall additional costs of home ownership?

Strongly Agree	1
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Agree	2
Neither Agree or Disagree	3
Disagree	4
Strongly Disagree	5

B16. What additional information would you have liked to receive from the Housing Executive?

B17. Overall, the cost of home ownership has been ...

More expensive than I expected	1
As expected	2
Less expensive than I expected	3

B18. If you had an unexpected bill of £500, would you be able to afford it?

Yes - easily	1
Yes – with some difficulty	2
No	3

SHOWCARD

B19. To what extent do you agree or disagree with the following statements?

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
I have found it easy to maintain my home to a reasonable level of repair	1	2	3	4	5
Overall, homeownership has met my expectations	1	2	3	4	5

B20. Have you had any contact with the Housing Executive since you bought the property?

Yes	1
No	2

B21. What was it about?

Anti-social behaviour	1
Private grant	2
Property upgrade or maintenance scheme (e.g. Warm Homes Scheme)	3
Other (<i>please specify</i>)	4

B22. Do you intend to remain in this property for the next 5 years?

Yes	1
No	2

B23. What is your main reason for leaving this property?

Please circle one response only

Can't afford to remain here	1
Moving for work reasons	2
Moving for family/personal reasons	3
Moving because I don't like the area	4
Other (please specify)	5

B24. What do you intend to do with this property?

Please circle one response only

Sell the property	1
Rent it to a tenant	2
A family member will live here	3
Don't know	4
Other (please specify)	5

B25. If you move from this home do you intend to...?

Please circle one response only

Buy another property to live in	1
Rent privately	2
Rent from Housing Executive/a Housing Association	3
Don't know	4
Other (please specify)	5

B26. Have you tried to sell the property in the past?

Yes	1
No	2

B27. What is the main reason you did not sell the property?

The property did not sell	1
The process of moving was too difficult/stressful	2
Couldn't find a suitable property to move into	3
Would have been left in negative equity (house worth less than the outstanding mortgage)	4
Other (please specify)	5

B28. Overall, how satisfied or dissatisfied are you with the House Sales Scheme?

Very satisfied	1
Satisfied	2
Neither Satisfied or Dissatisfied	3
Dissatisfied	4
Very dissatisfied	5

B29. Why are you dissatisfied/ very dissatisfied with the House Sales Scheme?

If bought from a previous private owner

B30. Did you know that your home was formerly a Housing Executive property?

Yes	1
No	2

B31. Did you have any concerns about buying a home that was formerly a Housing Executive property?

Yes	1
No	2

B32. What were you concerned about?

B33. Have you tried to sell this property in the past?

Yes	1
No	2

B34. What is the main reason you did not sell the property?

The property did not sell	1
The process of moving was too difficult/stressful	2
Couldn't find a suitable property to move into	3
Would have been left in negative equity (house worth less than the outstanding mortgage)	4
Other (please specify)	5

B35. If you had an unexpected bill of £500 would you be able to afford it?

Yes - easily	1
Yes – with some difficulty	2
No	3

Section C: Tenants

C1. When did you (or your family) first rent this dwelling? _____

Interviewer note: For the purposes of this survey renting includes living in a property owned by a family member/friend, regardless of whether you pay the rent or not.

SHOWCARD

C2. Who do you rent your home from?

A private landlord	1
The Housing Executive	2
A Housing Association	3
Family member/friend (paying rent)	4
Family member/friend (living rent free)	5
Other (please specify)	6

C3. How did you first come to rent this home?

Through an estate agent/letting agency	1
Responding to a landlord advertisement	2
Word of mouth	3
Other (please specify)	4

SHOWCARD

C4. How much is the rent for your home?

Up to £59 per week/ up to £259 per month	£220-£239 per week/ £953-£1,039 per month
£60-£79 per week/ £260-£346 per month	£240-£259 per week/ £1,040-£1,126 per month
£80-£99 per week/ £347-£432 per month	£260-£279 per week/ £1,127-£1,212 per month
£100-£119 per week/ £433-£519 per month	£280-£299 per week/ £1,213-£1,299 per month
£120-£139 per week/ £520-£606 per month	£300-£319 per week/ £1,300-£1,386 per month
£140-£159 per week/ £607-£692 per month	£320-£359 per week/ £1,387-£1,559 per month
£160-£179 per week/ £693-£779 per month	£360+ per week/ £260-£1,560+ per month
£180-£199 per week/ £780-£866 per month	Don't know
£200-£219 per week/ £867-£952 per month	Refused

C5. Do you receive Housing Benefit or the housing costs element from Universal Credit?

Yes	1
No	2
Don't know	3

C6. Does it cover the full cost of the rent, or is there a shortfall?

Covers full rent	1
There is a shortfall	2
Don't know	3

C7a. Do you pay your rent weekly or monthly?

Weekly	1
Monthly	2

C7b. How much is the shortfall?

Interviewer note: don't know = 999, refused = 888

Per week: _____ Per month: _____

SHOWCARD

C8. How easy or difficult do you find it to afford the rent?

Very easy	1
Quite easy	2
Neither easy nor difficult	3
Quite difficult	4
Very difficult	5

C9. Do you pay rates as part of your rent?

Yes	1
No (I pay separately)	2
Don't know	3

Interviewer note: only ask this question to those with responsibility for some level of payment, albeit £1 per month or their full rent

C10. If you had an unexpected bill of £500 would you be able to afford it?

Yes - easily	1
Yes – with some difficulty	2
No	3

C11. Do you intend to continue renting for the next 5 years?

Yes – I intend to continue renting this property	1
Yes – I intend to rent a different property	2
No – I do not intend to continue renting	3

C12. What are your intentions?

Move to owner/occupier	1
Move from social to private renting	2
Move from private to social renting	3

Rent another property in the same sector (Private or Social)	4
Other (please specify)	5

Section D: House Sales Scheme

SHOWCARD

- D1. Since 1979 Housing Executive tenants have been able to buy the properties that they were renting under the House Sales Scheme. To what extent do you agree or disagree with the following statements regarding the House Sales Scheme?

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Overall, the House Sales Scheme has been a good policy	1	2	3	4	5
Overall, the House Sales Scheme has encouraged home ownership	1	2	3	4	5
Overall, the House Sales Scheme has enabled social tenants to become home owners who otherwise would have been excluded from home ownership	1	2	3	4	5
Overall, the House Sales Scheme has restricted access to social housing	1	2	3	4	5

Section E: Household Profile

- E1. How many families live at your home?

Interviewer note: For example, a mother with her child (family unit) living with her parents (family unit) would count as 2 families. A group of single adults living together should each be counted as a separate family unit.

1 family	1
2 families	2
3 families	3
4 families	4
5 families	5
6+ families	6
Don't know	7

- E2. In total how many people live in your property/house?

Interviewer note: Please fill in the number for each category. Don't know=999, refused =888.

Child(ren) (aged between 0 years and 15 years) _____

Adult(s) (aged between 16 years and 64 years) _____

Adult(s) (aged 65 years and over) _____

Total number of people in household _____ (Should equal the sum of the three rows above)

SHOWCARD

- E3. Which of the following best describes your household (excluding any other households that may share the property with you, if applicable)?

Lone adult, below 65 years of age	1
Two adults, below 65 years of age	2
Three or more adults with no dependent children under 16 years old	3
Lone parent, one adult living with one or more dependent children under 16 years old	4
Two adults living with one or more dependent children under 16 years old	5

Two adults, at least one of whom is aged 65 years or older	6
Lone adult aged 65 years or older	7
Other (please specify)	8

E4. Are you living with a spouse/partner?

Yes	1
No	2

SHOWCARD

E5. Do you receive any of the following benefits?

Housing Benefit		Carers Allowance	
Universal Credit		State (retirement) Pension	
Job Seekers Allowance (JSA)		Pension Credits	
Income Support		Child Benefit	
Employment & Support Allowance		Child Tax credits	
Incapacity Benefit		Working Tax Credits	
Severe Disability Allowance		Other (please specify)	
Disability Living Allowance (DLA)		Don't know	
Personal Independent Payment (PIP)		Refused	
Attendance Allowance		None of the above	

SHOWCARD

E6. Does your spouse/partner receive any of the following benefits?

Housing Benefit		Carers Allowance	
Universal Credit		State (retirement) Pension	
Job Seekers Allowance (JSA)		Pension Credits	
Income Support		Child Benefit	
Employment & Support Allowance		Child Tax credits	
Incapacity Benefit		Working Tax Credits	
Severe Disability Allowance		Other (please specify)	
Disability Living Allowance (DLA)		Don't know	
Personal Independent Payment (PIP)		Refused	
Attendance Allowance		None of the above	

SHOWCARD

E7. Could you tell me the approximate **GROSS ANNUAL** income from all sources for yourself (and your partner, if applicable)?

This will be the amount before deductions of income tax, National Insurance and other compulsory deductions. Please take into account any money you may have from employment including bonuses, overtime, pensions and state pensions, benefits and interest from savings. Exclude money you may receive from other members of the household.

Under £10,000	1
£10,001 - £15,000	2
£15,001 - £20,000	3
£20,001 - £25,000	4
£25,001 - £30,000	5
£30,001 - £40,000	6

£40,001 or more	7
Don't know	8
Prefer not to say	9

SHOWCARD

E8. What is your employment status?

Self employed	1
Employed full time	2
Employed part time	3
Not working – short term (<1 yr)	4
Not working – long term (>1 yr)	5
Retired from work – excludes looking after family/home	6
Student (further/higher education)	7
Permanently sick/disabled	8
Looking after family/home	9
Other (please specify)	10
Prefer not to say	11

SHOWCARD

E9. What is your spouse/partner's employment status?

Self employed	1
Employed full time	2
Employed part time	3
Not working – short term (<1 yr)	4
Not working – long term (>1 yr)	5
Retired from work – excludes looking after family/home	6
Student (further/higher education)	7
Permanently sick/disabled	8
Looking after family/home	9
Other (please specify)	10
Prefer not to say	11

Both Perceptive Insight and the Housing Executive conform with the principles of the General Data Protection Regulation (2018). The information you provide will not be disclosed to anyone outside the Housing Executive's Research Unit. The results of the research will be published and will be made available on the Internet. However, let me reassure you that the research data will be confidential and it will not be possible to identify you or any other member of your household from the published information.

Section 11: Recall

R1. Are you willing to be contacted in the future to verify some details as part of our quality assurance process?

Yes	1
Yes, in certain circumstances	2
No	3

R2. Code main conditions to any follow up contact:

Contact household beforehand	1
Only at a convenient time	2
Someone else (e.g. a carer) needs to be there	3
Other (please specify)	4

Thank respondent for their assistance and end interview.

As part of our quality control procedures a percentage of people are recontacted by our office to ensure that the interview was conducted as instructed and according to the Market Research Code of conduct. May I have your contact details for this purpose?

INTERVIEWER NOTE: RECORD NAME AND TELEPHONE NUMBER ON CONTACT SHEET

If so, please provide your name and telephone number

Name: _____

Telephone Number: _____

Appendix 5: Characteristics of completed surveys and all properties sold through the House Sales Scheme

As at November 2018, the Housing Executive's House Sales databases indicated that a total of 120,906 Housing Executive properties had been sold. There were 15 properties where the Housing Executive administrative area data was missing. These properties were excluded from this survey; reducing the sample to 120,891. For the purposes of the survey element of this research, a sample of 3,900 cases was selected, with the aim of completing 1,300 questionnaires (100 in each of the 13 Housing Executive administrative Areas), and 1,313 questionnaires were completed.

Table 1 below shows the breakdown of the completed questionnaires by Housing Executive Area. Some Areas were overrepresented in the survey, while others were underrepresented. For example, a property sold in the North Belfast Area had approximately a one in 44 chance of being included in the survey, whereas a property in the South Area had approximately a one in 138 chance of being included. This meant that a property in the North Belfast Area was approximately three times more likely to be included in the survey than a property in the South Area.

Table 1: Number of sold properties and completed surveys by administrative area

Housing Executive Areas	All NIHE Properties Sold		Completed surveys	
	Number	%	Number	% cases selected
Causeway Area	9,328	7.7	100	1.1
Mid and East Antrim Area	9,989	8.3	100	1.0
Lisburn and Castlereagh Area	7,859	6.5	100	1.3
Mid Ulster Area	7,622	6.3	100	1.3
North Belfast Area	4,423	3.7	100	2.3
North Down and Ards Area	7,996	6.6	101	1.3
South and East Belfast Area	9,579	7.9	100	1.0
South Antrim Area	10,489	8.7	103	1.0
South Area	13,778	11.4	100	0.7
South Down Area	12,230	10.1	102	0.8
South West Area	5,877	4.9	102	1.7
West Area	11,552	9.6	105	0.9
West Belfast Area	10,169	8.4	100	1.0
Missing (excluded from survey)	15	0.0		
Total	120,906	100.0	1,313	1.1

Therefore, the characteristics of the properties at which surveys were completed did not reflect those of *all* the properties that had been sold within each Area. In order to allow for this, an adjustment was made, so that the data from the completed survey reflect the characteristics of *all* sold properties at the time of the survey. This process is called *weighting and grossing*, and it ensured that accurate and reliable data were produced.

Weighting and grossing is the process whereby the information gathered by means of a sample survey is translated into figures that reflect the real world, in this case the total number of properties sold under the House Sales Scheme. The process has a number of stages reflecting the separate stages of the sampling process and the survey process itself.

In the case of the House Sales Scheme Survey, a number of factors were taken into account when weighting, including property type, number of bedrooms, year sold and settlement type.

Table 2 below compares the 1,311 completed surveys against the 120,906 properties that had been sold at the time of the survey. The completed surveys differed slightly in their characteristics by comparison with the full dataset.

Table 2: Key characteristics of full House Sales Scheme dataset and survey data

Characteristics	All NIHE properties sold		Completed Surveys	
	No	%	No	%
Property Type				
House	98,557	81.5	1,102	83.9
Bungalow	10,861	9.0	116	8.8
Flat/maisonette	6,566	5.4	61	4.6
Cottage	4,031	3.3	27	2.1
Other/N.S.	891	0.7	7	0.5
Number of bedrooms				
0/1	6,536	5.4	56	4.3
2	18,826	15.6	199	15.2
3	86,404	71.5	955	72.7
4+	9,140	7.5	103	7.8
Year sold				
Missing/1980s	54,233	44.9	554	42.2
1990s	29,569	24.5	350	26.7
2000s	33,440	27.7	364	27.7
2010s	3,664	3.0	45	3.4
Settlement Classification				
Band A – Belfast City	18,483	15.3	235	17.9
Band B – Derry City	6,438	5.3	70	5.3
Band C – Large town	41,594	34.4	469	35.7
Band D – Medium Town	12,003	9.9	159	12.1
Band E – Small Town	7,625	6.3	68	5.2
Band F – Intermedium Settlement	5,528	4.6	51	3.9
Band G – Village	8,426	7.0	81	6.2
Band H – Small village, Hamlet & Open Countryside	18,042	14.9	152	11.6
Missing	2,767	2.3	28	2.1
Urban/Rural				
Urban	86,143	71.2	1,001	76.2
Rural	31,996	26.5	284	21.6
Missing	2,767	2.3	28	2.1