

16 January 2023

Our Ref: FOI 232

Request

We received your request on 22 November 2023 for the following information and provided an initial response on 13 December 2023:

*What is the average cost today of providing a CoRA house for renting?
Does that average cost include land, roads and services, loan interest etc?
What is the average house size? - square feet or square metres.
Is that the ground floor area or the combined area of all floors?
Consequently the cost per square foot or per square metre for single storey
and multi storey houses?
What is the annual cost of maintenance?
What is the annual cost of provision for eventual replacement?
What is the projected lifespan of a house before replacement?
What are the annual management costs?*

*If Government and/or Local Authorities are unwilling or unable to fund the provision of
CoRA houses,
could they be provided by crowd-funding / public-investment to give an investment
return of say the average
Earnings:Price ratio on the Stock Market, 6.67%, with a guarantee that the houses
would never be sold?*

*Could those costs and investment return be covered by a reasonable rent relative to an
average salary?*

Your request has been handled under the Freedom of Information Act 2000 (FOIA).

Our response

- ***What is the average cost today of providing a CoRA house for renting?***
- ***Does that average cost include land, roads and services, loan interest etc?***

- ***What is the average house size? - square feet or square metres.***
- ***Is that the ground floor area or the combined area of all floors?***
- ***Consequently the cost per square foot or per square metre for single storey and multi storey houses?***

The Housing Executive notes your observations around the term 'social housing'. The Housing Executive works to the definition of affordable housing as which was subject to a consultation exercise by the Department for Communities in 2019 and which was subsequently revised in April 2021. The definition defines affordable housing as a) social rented housing; b) intermediate housing for sale; or c) intermediate housing for rent, that is provided outside the general market for those whose needs are not met by the market. For the purposes of this response, it is important to clarify the terminology so that it is clear what we are referring to in our response.

The Housing Executive is responsible for the management of the Social Housing Development Programme (SHDP) on behalf of the Department for Communities (DfC). Housing associations are responsible for the actual delivery of all New Build social rented housing in Northern Ireland via the SHDP. Housing associations deliver a wide range of House Types to address a variety of Housing Need requirements, as identified and confirmed by the Housing Executive. DfC currently consider a 3-person/2-bedroom 2-storey house to be the most representative/typical House Type delivered via the SHDP. The average Total Cost Indicator (TCI) Allowance for a New Build General Needs 3-person/2-bedroom 2-storey house in Northern Ireland for 2023/24 is £183,617.

TCI Allowances are 'all-in', forecast out-turn unit costs and include three main cost elements:

- Acquisition (or land) element;
- Works cost element;
- On-cost element (Professional Fees etc).

Further information regarding TCI Allowances is available at the following link [Total Cost Indicators \(TCI\) - Summary | Department for Communities \(communities-ni.gov.uk\)](https://communities-ni.gov.uk/total-cost-indicators-tci-summary).

The total dwelling area of a New Build General Needs 3-person/2-bedroom 2-storey house currently falls within the Area Band of 70/75m². Consequently, the average cost per square metre will vary, depending on the floor area of the property.

- ***What is the annual cost of maintenance?***

As outlined in the email sent to you on 22 December 2023, we require clarification as to whether the information is being requested for the current financial year. The request is on hold until clarification is received.

- ***What is the annual cost of provision for eventual replacement?***

As outlined in the email sent to you on 22 December 2023, we require clarification or more detail about what is being requested here. The Housing Executive does not set-a-side a provision each year to fund the future replacement of properties if this is the information you are seeking.

- ***What are the annual management costs?***

As outlined in the email sent to you on 22 December 2023, we require clarification as to whether the information is being requested for the current financial year. The request is on hold as clarification has not been received.

If Government and/or Local Authorities are unwilling or unable to fund the provision of CoRA houses,

could they be provided by crowd-funding / public-investment to give an investment return of say the average

Earnings:Price ratio on the Stock Market, 6.67%, with a guarantee that the houses would never be sold?

Could those costs and investment return be covered by a reasonable rent relative to an average salary?

Your proposal of an alternative funding model for social housing/CoRA housing, is not a request for recorded information held by the Housing Executive and so is not covered under the Freedom of Information Act. As the SHDP is funded by the Department for Communities rather than the Housing Executive, queries on possible alternative approaches might best be directed to the Department.

In your email of 3 January 2024, you made further information requests which are detailed below along with our response.

Are there enough public sector houses in existence or being built to meet the need? If not, why not?

New build social homes are funded through the Social Housing Development Programme. This budget comes from the Department for Communities and is managed by the Development Programme Group within the Housing Executive. The number of new social homes needed is assessed annually by the Housing Executive through the housing need assessment. The outcome of these annual assessments, along with other key information, is published in a document known as the 'Commissioning Prospectus' and is available on our website.

Please see below a link to the Housing Executive's Commissioning Prospectus. The Housing Executive produces the Commissioning Prospectus to provide housing

Northern Ireland to address unmet housing need. [Commissioning Prospectus \(nihe.gov.uk\)](https://nihe.gov.uk)

You'll see that the Prospectus includes information on factors influencing demand for and supply of social and affordable housing.

Would a substantial increase in the average wage/salary further inflate the open market price of houses and rents?

The Housing Executive does not hold recorded information meeting the description of your request.

This concludes our response.