



## Belfast City Council

<b>Report to:</b>	Development Committee
<b>Subject:</b>	Consultation - Support Owner Occupiers in Redevelopment Areas
<b>Date:</b>	15 September 2010
<b>Reporting Officer:</b>	John McGrillen, Director of Development, ext 3470
<b>Contact Officer:</b>	Barbary Cook, Policy & Business Development Manager, ext 3620

### Relevant Background Information

The Council has been asked to respond to DSD's new policy to support owner occupiers living in areas undergoing major redevelopment. This policy addresses the problem that "whilst there are a range of interventions already available to allow social or private tenants displaced by regeneration activity to remain in their community post regeneration, there is no similar support available for owner occupiers displaced by this activity." "Whilst compensation is paid [to owner occupiers], it can often fall short of allowing those displaced owner occupiers from buying back into the new housing put back in their old community. These proposals provide opportunities for owner occupiers to remain in their community through the provision of two new options."

#### SUMMARY of the proposed options

##### Option 1: Social Housing House Sales Scheme (HSS) Early Buy Out

Owner occupiers already have the opportunity to be re-housed as social tenants in the community post regeneration. However they would need to rent the property for five years before becoming eligible to buy their home and become an owner occupier once again. This option simply removes the five year rule; effectively allowing owner occupiers to be re-housed in a social house within the area under redevelopment and to immediately avail of the House Sales Scheme under similar right to buy arrangements as already exist.

## Option 2: Shared Equity

Whilst compensation equating to the full market value of their property is paid to owner occupiers displaced for regeneration activity, it may fall short of the value for a new home put back in the redevelopment or regeneration area. Many owner occupiers have little or no means of making up the shortfall between the valuation of the old and new property. The introduction of Shared Equity gives owner occupiers the opportunity to purchase a new home in the community post regeneration, with any difference in the value of their old and new home held by the Housing Association putting back the new housing.

When availing of this option, the owner occupier must invest the full amount of the compensation from their original property into the new property. The equity share held by the Housing Association will not attract a rental charge provided the ownership of the property remains unchanged.

There are no specific questions for the consultation.

The full proposal is available at:

[http://www.dsdni.gov.uk/consultation\\_document\\_july\\_2010.doc](http://www.dsdni.gov.uk/consultation_document_july_2010.doc)

The consultation document has been passed to all Departments within Council as well as to Development Department Management Team and no issues or concerns have been raised about either of the proposals.

## **Key Issues**

As no concerns have been identified, it is suggested that the Council only sends an acknowledgement letter stating that we have no concerns with the proposals.

The suggested response is shown below:

### **Consultation: Support Owner Occupiers in Redevelopment Areas**

*Thank you for asking Belfast City Council to comment on your proposed changes. In this instance we have no specific concerns with either of the two options and hence no comment to make.*

## **Resource Implications**

There are no resource costs associated with this consultation response.

**Recommendations**

The Committee is asked to :

- Approve the suggested response; or
- To suggest additional comments or changes that they feel need to be made.

**Decision Tracking**

Further to approval the agreed response will be communicated to DSD.

Timeframe: November 2010

Reporting Officer: Barbary Cook